

FINANCE COMMITTEE MEETING MINUTES

May 13, 2014

Councilmembers Present

Councilmember Lora Petso
Councilmember Kristiana Johnson
Council President Buckshnis
Councilmember Fraley-Monillas

Staff Present

Scott James, Finance Director
Sarah Mager, Accounting Supervisor
Jeff Taraday, City Attorney
Jeannie Dines, Recorder

Public Present

Mario Brown
Roger Hertrich
Ron Wambolt
Bruce Witenberg

Councilmember Petso called the meeting to order at 6:51 p.m. She suggested beginning with Item D and taking the remaining agenda items in reverse order. She suggested adding the contracts for the strategic plan and marketing consultants as agenda items. Councilmember Johnson was agreeable to adding the marketing consultant contract but preferred not to discuss the strategic plan consultant contract as the contract has already been approved.

D. Authorization to Contract with James G. Murphy to Sell Surplus City Vehicles and Sell a Parts Car to Pick-n-Pull

Mr. James commented this is standard procedure.

Action: Schedule on Consent Agenda.

C. Contract Renewal with Lighthouse Law Group PLLC

Mr. James distributed a comparison of City Attorney Expenditure History 2005 to 2014. A brief discussion followed regarding the expenditures that were included and excluded from the comparison.

Council President Buckshnis described the analysis done of the costs paid for legal services in comparable cities. She recommended renewing the contract with Lighthouse Law Group; their proposal is to continue the flat rate structure with an increase from the current \$384,000/year to \$492,000/year with a 4% per year increase in each of the next 4 years. She did not recommend an in-house attorney because it is, 1) more costly, 2) requires paying benefits, vacation and supplies, and 3) the Mayor has the ability to terminate at will. Mr. Taraday summarized for the amount of work Lighthouse provides, the proposal is below market.

Discussion followed regarding the term of the contract, reasons the previous contract did not include an annual increase, how the new flat rate was determined, staff concerns with delays in obtaining information from the City Attorney, determining if any service efficiencies are possible, Mr. Taraday's practice when a Councilmember contacts him, and opportunity for a performance evaluation. Committee members requested the following additional information:

- Expenditures and amount of Council meeting time previously spent when the Council sought a change in legal representation
- Reconcile amounts included in the City Attorney Expenditure History

Action: Schedule for full Council on May 27 with information requested. Discuss City Attorney performance in executive session at the end of the May 20 meeting.

B. Update on funds for Historic Preservation Calendar

Councilmember Petso explained the 2014 budget included funds for a historic preservation calendar. The expected grant was not received; the Historic Preservation Commission still plans to produce a calendar.

Action: Schedule on Consent Agenda.

A. 2014 March Budgetary Financial Report

Mr. James explained the only change to the report format is the additional of tables. Revenues and expenses are on target. General Fund revenue is up \$456,000 or 7.4% in 2014 compared to 2013 primarily due to increased sales tax and development related revenues. Mr. James questioned the practice in the 2014 budget of budgeting General Fund savings as other misc. revenues. Discussion followed regarding pros and cons of this practice.

Mr. James reported the auditors are onsite and were provided financial yesterday. He plans to prepare a budget calendar and inquired about scheduling a budget priorities workshop with the Council. Discussion followed regarding the process for preparing and reviewing the July budget amendment. Mr. James suggested the quarterly PFD report be scheduled for the July Finance Committee meeting.

Action: Schedule on Consent Agenda.

E. Marketing Consultant Contract

Councilmember Petso relayed Councilmember Bloom's concern that the scope had changed from what was originally included in the budget and her interest in the Council discussing whether to pull the budget authority for this item due to the change in scope. Councilmember Bloom would prepare an agenda memo with minutes from the original approval and the new RFQ.

Councilmember Fraley-Monillas arrived at 8:00 p.m. Mr. Taraday advised because this is an advertised meeting, a fourth Councilmember can attend a committee meeting.

Discussion followed regarding whether the Council could change funding authority for line items and contracting authority for this contract. Councilmembers in attendance also briefly discussed work being done by the Strategic Plan consultant.

Action: Councilmember Petso recommended scheduling for full Council discussion and potential action. Councilmember Johnson recommended Councilmember Bloom meet with Mayor Earling to discuss the matter.

F. Public Comments

Mario Brown, agree with Mr. James' suggestion not to include the surplus as revenue.

Roger Hertrich, Edmonds, asked how the public will be informed of the Strategic Plan consultant's work. He referred to Mayor Earling's comments about Lighthouse Law Group and asked about the committee's decision with regard to Mayor Earling's suggestion.

Councilmember Johnson inquired about Council discussion regarding a long term mechanism to fund road improvements. Council President Buckshnis advised it will be part of the vision planning agenda item at the May 27 meeting. She commented on revenue sources to fund road improvements.

Adjournment – The meeting adjourned at 8:24 p.m.