

**REDMOND CITY COUNCIL
PUBLIC ADMINISTRATION AND FINANCE COMMITTEE
MEETING SUMMARY**

Council Conference Room
15670 NE 85th Street, Redmond, Washington

Monday, September 17, 2012
5 p.m.

Council

John Stilin, Chair (*Arrived at 5:15 p.m.*)
Hank Margeson
Hank Myers

Staff

Mike Bailey, Finance and Information Services
Director
Malisa Files, Deputy Finance Director
Linda Hermanson, Information Services Manager
Elizabeth M. Adkisson, CMC, Deputy City Clerk

Convened: 5:05 p.m.

Adjourned: 6:05 p.m.

MEETING SUMMARY

Committee Member Hank Margeson called the meeting to order, reviewed attendance, and overviewed the agenda.

Monthly Financial Report

Mr. Mike Bailey, Finance and Information Services Director, provided the Monthly Financial Report to the Committee Members, highlighting the following information:

- there will be amendments to the Water/Sewer/Stormwater Utilities data, based on coding errors;
- review of Monthly All Funds Recap (August – 12):
 - General Government Major Maintenance Fund - new; budget amendment and funds transfer forthcoming;
 - Advanced Life Support Fund – funds owed from County;
 - Non-Voted Bonds Fund - funds transfer forthcoming; and
 - Park Capital Projects Fund – ahead on revenues and low on expenditures; budget amendment forthcoming.

Mr. Bailey responded to Council inquiries stating that the coding errors pertained to revenues being coded into the wrong funds; and that the budget amendments will most likely be coming forward for Council consideration on Tuesday, December 4, 2012.

Unclaimed Property/Cancellation of Checks

Mr. Bailey provided information on Unclaimed Property/Cancellation of Checks:

- this information pertains to money owed/checks issued to others by the City which have not been cashed; this information is required to be forwarded to the State after a certain amount of time for processing; and
- in the past, this item has gone to Council for approval, however, there are no requirements for this process; Staff suggests sharing the list with Council as an FYI item only.

General discussion ensued regarding the process of the City and State in locating the money owners, the types of unclaimed property, and distributing the listing via email for Council review.

IT Projects Report

Ms. Linda Hermanson, Information Services Manager, provided a report on IT Projects, highlighting the following:

- redesign of the City's Website Search Engine – Google mini search appliance launched in June; Staff continues efforts to improve naming conventions and metadata tags;
- NORCOM Technical Development Phase, Fire – June release of New World software didn't pass initial testing and August software release was delayed 2 1/2 weeks; Technology Committee developed list of 'Plan B' options for Governing Board; if latest release is insufficient, one of the Plan B recommendations will need to go into effect; and first steps of dispute resolution with New World have been initiated;
- enhanced permitting system – EnerGov go-live scheduled for October 1, 2012; training and final preparations in progress;
- integration of GIS with business applications - GIS interactive with new electronic Zoning Code (EZ Code), launched in September;
- Windows 7/Office 20120 Rollout – project will be finishing up with go live of EnerGov.

Mr. Bailey added that the Service Desk Manual has been distributed, providing additional self service capabilities to employees. General Discussion ensued regarding further updates to the webpage regarding look and feel; NORCOM 'Plan B' options and local entities' programs; GIS integration with State Assessor's information and disclaimers regarding updates to information; and interaction between EnerGov and EZ Code. Staff indicated the IT Strategic Plan will undergo an update in the coming year.

Risk Management Update/Insurance Renewal

Mr. Bailey provided information on Risk Management Update/Insurance Renewal:

- annual authorization of insurance renewal will be before the Council for consideration on Tuesday, September 18, 2012;
- in the past the contracts have been approved as ratified;
- this year's proposal: the coverage will remain the same, the premiums will increase (five percent for liability insurance, and 50 percent for property insurance);
- the increase in property insurance is due to earthquake and flood insurance no longer included for free; and
- the Mayor supports Staff's recommendation to continue with the current providers and coverage at the increased premiums.

General discussion ensued regarding FEMA coverage, other insurance provider options for property insurance coverage, and protection of assets in flood plains.

Financial Policy Review

Mr. Bailey provided a review of the Financial Policies, highlighting proposed amendments to the following sections of the policies:

- 3.g. – inclusion of “3 factor test” in assessing potential utility rate changes;
- 5.g. – include reference to and incorporation of new “Capital Investment Strategy”;
- 5.h. – criteria used to allocate capital investment resources revised to incorporate goals of Capital Investment Strategy;
- 5.k. – revision to the method for soliciting input on the use of Business Tax and Transportation Improvement (BTTI) resources to the Redmond Economic Development Alliance (REDA) or its successors;
- 7.g.3. – reference to placing a voted bond ballot measure before voters added; removed from Limited Tax section (7.h.2.);
- 7.h.2. – see 7.g.3.;
- 7.j. – added section authorizing the use of interfund loans in place of outside borrowing with appropriate conditions;
- 8.a. – eliminate reference to separate reserve for development review services;
- 8.d. – restated economic contingency reserve as permanent part of City’s financial policy strategy removing discretion as to its creation; including language re: when this reserve might be used and how it is to be repaid;
- 8.e. – eliminate separate reserve for building permit responsibilities;
- 8.f. – eliminate reserve requirement for portion of the utility budget represented by the Metro sewer charge pass-through; clarify that the utility operating reserves and stabilization fund can be combined;
- 8.i. – addition of requirement that each proposed budget shall include a review of the sufficiency of the Equipment Replacement Reserve;
- 10.a. – reference to the new GASB Statement 54 and how the City will continue to utilize “sub-funds” to account for separate accounts within the General Fund; and acknowledgement that the City’s Annual Financial Report will consolidate these sub-funds into a single General Fund for reporting purposes; and
- 11.e. – addition of disposition of fixed assets to the fixed asset accountability requirement.

General discussion ensued throughout the review regarding the successor to REDA; management of interfund loans; and the addition of an “s” to ‘budget’ in section 11.a.

Budget Study Session Schedule

Ms. Malisa Files, Deputy Finance Director, presented the proposed Budget Study Session Schedule to the Committee members, and solicited any comments/questions. General discussion ensued regarding the Presentation of 2013-14 Preliminary Budget and Six-Year Financial Forecast on October 9, 2012; how scalability will be presented in the budget document; and procedure of the Council in presenting questions based off study session topic review.