Council Finance Committee

A meeting of the Council Finance Committee was held at the Family Pancake House Restaurant April 4, 2013 7:30 a.m.

PRESENT: Chair John Clauson, members Rob Putaansuu and Jerry Childs, Mayor Tim Matthes, Acting Planning and Development Director Tom Bonsell, Treasurer Allan Martin. Guest Gil Michael and Bek Ashby.

Finance Report:
March sales tax exceeded projection by $28,046.33 reflecting the conservative approach of incorporating Bethel area annexation sales tax revenue into the sales tax collections forecast. Committee members were pleased with the total monthly collection of $259,818 but concerned with upcoming federal sequestration and its impact on Naval Base Kitsap employment. Chairman Clauson commented on Snohomish Community Transit sales tax collection increases which that agency is experiencing.

Tremont Widening Finance Plan format:
The committee was presented a draft of a Tremont Widening Project Finance Plan put together by treasurer staff in conjunction with public works. The plan is meant to identify monthly expenditures over the life of the project in order to timely receive WSDOT grant reimbursements while establishing the ability of the city to meet and pay its share of the project. Councilman Childs asked what the plan included for Bethel. Mr. Martin explained that the finance plan was specific to Tremont but could be expanded into a cash flow tool for improvements or safety enhancements to Bethel. The Council discussed the likelihood of receiving funding for Tremont with Chairman Clauson noting that the funding came separate from the state legislature through WSDOT and the federal government.

Blackjack Creek expenditures:
Salaries and benefits, supplies, and service expenditures made on the Blackjack Wilderness Trail project were presented. The City received a letter from the Recreation and Conservation Office requesting repayment of $10,090.94. The letter dated March 13, 2013 terminated the grant Project Agreement and RCO’s funding obligation based upon insufficient progress and ground disturbing activities. The situation was discussed at the March 19 work study with no formal decision or direction given to staff at that time. Treasurer Martin asked for direction on whether or not to repay the $10,090.94 RCO #09-1167C grant as the April 30, 2013 deadline to pay the money or appeal the state’s decision is nearing. Chairman Clauson asked what had gone wrong on the project. Acting Director Bonsell reviewed the history of the project and spoke to the difficulties of gaining easements from individuals who did not support the trail in their backyard. The ground disturbance took place when city staff, along with community service workers, cleared away material and opened up area for a survey crew. Permission should have been sought and received from the state prior to moving the flora and fauna, apparently. Basically the City ran out of time before the grant expired. The Committee directed that a Resolution be prepared directing that the city pay back the grant disbursement.
**Request to site Electric Vehicle (EV) charging stations:**
Public Works was contacted by Kitsap County staff inquiring about placement of Electric Vehicle Charging stations on city right-of-way. RCW 79.13.100 Battery charging, battery exchange, and rapid charging stations allows for City right-of-way usage through a lease agreement with Kitsap County for a term not in excess of fifty years, for rent of not less than one dollar per year. Leasehold excise is charged beginning January 1, 2020. Building and Planning embarked on writing rules and regulations for EV charging stations but the project was not completed. Mr. Bonsell told the committee that Planning was revisiting RCW 79.13.100 to address EV sites.

**Kitsap Economic Development Association:**
Mayor Matthes asked whether or not there was support to amend the budget allowing additional funding for the Kitsap Economic Development Association. A general discussion on additional funding needs ensued with member Putaansuu speaking of the need to fund Bethel Street improvements and banking money in the street fund although he spoke in favor of the good work taking place at KEDA. Member Child spoke on the various vignettes to promote Port Orchard and use of the KEDA website. The committee suggested a larger discussion at work study to poll council member support.

**Building & Planning Activity report / Permit volume:**

**RCW 79.13.100 rapid charging stations:**
The committee heard a brief outline of the process to bring forward policies and procedures required by state law on the locations of charging station. Planning will arrange a work study session to brief council and seek input on what policies are appropriate for the city.

**Timberland conversion request:**
Mr. Bonsell reported that he had contact the County Assessor in an attempt to quantify the tax shift caused by change in use of land from commercial to timberland designation. The amount in question does not have a noticeable impact on adjacent property owners. Members asked whether this was in the dollar or penny range. Based upon the overall assessment value of the area impacted staff believes the amount would be in the penny to less than a penny range.

The meeting concluded at 8:46 am with the Chairman requesting dates and times for a May meeting.

Next Meeting:  May 10, 2013 7:30 am Family Pancake House

Cc:  Mayor  
     Council  
     Department Heads  
     City Attorney