City of Port Orchard  
Council Finance Committee

A meeting of the Council Finance Committee was held at the Family Pancake House Restaurant February 21, 2014 at 7:30 a.m. The meeting was noticed by the City Clerk that four or more council members may be in attendance.

PRESENT: Chairman John Clauson, members Rob Putaansuu and Jerry Childs, Councilmember Bek Ashby, Community Development Director Nick Bond, Engineer Dorsey, Chief of Police Geoff Marti, and Treasurer Allan Martin. Mayor Matthes arrived at 7:45 a.m. and Susan Whitford, Kitsap Regional Library District at 8:05 a.m.

Sales Tax Revenue Report:

The most recent sales tax revenue distribution for 2014 is the January distribution at $294,328. The amount is 3.2% greater than projected. February distribution data is not yet available. Councilman Childs pointed out that 2013 collections were greater by $688,104 over 2012. Members discussed the annexation that took place in 2012, and better economic conditions in 2013. Committee members discussed the opportunity to address street repairs and the need to focus Council attention on the need.

Local Improvement Bond 1927 – 1930

Treasurer Martin reported that the City received a letter from Karen Brown of Paso Robles, California inquiring about a City of Port Orchard $100 Local Improvement Bond No. 360. She explained that the document had probably been in a trunk for 40 years. The Town of Port Orchard passed Ordinance No. 299 on July 16, 1919. The Ordinance created a local improvement district for the payment of improvements to Cline Street, Dwight Street and Austin Street, in Port Orchard.

The improvements were required to be done by contract to the lowest responsible bidder. The mode of payment to the contractor for the improvements was required to be paid by warrants drawn on the street improvement fund for the local improvement district. The City issued bonds to pay the warrants and levied assessments to pay the bonds.

The Council Finance Committee considered Ordinance No. 299 and the circumstance of the closed account, whether or not such assessment funds were escheated to the Washington State Department of Revenue Unclaimed Property Division, and if the bond and interest coupons were otherwise valid. The Committee chose to pay the Bond based upon the historic significance of the document and directed that the City Treasurer honor the presentment of the unredeemed City of Port Orchard Local Improvement Bond District No.1 Bond No. 360 maturing on August 22, 1930 at the face amount of $100. Presented Coupons as stated $7.
2013 Budget Outcomes

The City closed its 2013 financial books on January 20. It was reported that each individual department came in under budget. The City budget is by Fund which means that as long as the Fund total does not exceed the authority granted by Council, a department total may. This year that was not the case as each Department met its needs within its budget authority. Mr. Martin listed Department percentages under budget, and pointed out that some reductions came about because of changes during the year. But overall the budget recap reflected conservative management practices by staff. Finance was asked to track fuel cost over the year and the Committee learned that fuel cost exceeded budget by 20.5%. The 2013 budget included $67,750 for fuel when actual fuel expense totaled $81,655.

Community Service Worker Program

Chief Marti explained that the community service vehicle had broken down requiring the need to lease a replacement vehicle. The current vehicle was acquired used from Kitsap Transit and the City mechanic has concerns whether the repairs would warrant the cost. The Treasurer shared his and the public works director’s concern that the mechanics time is better spent on maintenance issues on the City’s expensive equipment rather than used older equipment. He also passed on the Municipal Court’s concern regarding making sure a community service van is available for those ordered to participate in the program.

The Chief had contacted several vendors on the state bid contract searching for a replacement vehicle to meet the core requirements of the community service program. A new van would be in the $25,000 range. The Committee discussed new versus used, how long it may take to locate a surplus vehicle from another agency, and the benefits of acquiring a new van with an accompanying warranty. Mayor Matthes preference is for a van that could be used for other City needs as well.

The Committee considered the immediate need to acquire a replacement vehicle and directed the Chief to proceed in its purchase. Treasurer Martin is to prepare a budget amendment that includes the purchase of a passenger van to be used by the community service program.

Interlocal Agreement with Kitsap Regional Library

Kitsap Regional Library District Director of Technology and Facilities Susan Whitford met with the Council to discuss the memorandum of agreement that the district and City have been working on updating. The current agreement expires in May. Councilman Childs asked if this agreement differs from other similar agreements that the regional library district has with building providers. Ms. Whitford explained that they all contain the same provisions as the draft memorandum being presented this morning. The new agreement provides protocols for the
district to contact the City for substantial building repair requests, a timeline for capital improvement requests, the ability to enter into landscape maintenance agreements with third parties, and new provisions regarding low maintenance zero-scape landscaping on City-owned library area property. The Committee recommended placing the Memorandum of Agreement on consent agenda for its passage prior to the current agreement expiration.

**Hearing Examiner contract renewal**

Community Development Director Nick Bond advised the Committee that the hearing examiner contract between the City and Ted Hunter of Sound Law Center was set to expire. Mr. Hunter has successfully performed the services and fulfilled the duties of the hearing examiner for the City and staff desires extending the contract through March 31 of 2019. Councilman Putaansuu inquired whether or not the hourly rate of the hearing examiner $175 was borne by the City or the individual or firm requiring the hearing. Mr. Bond explained that the amount was charged to the private individuals or company requesting the hearing. Members were in favor of recommending extending the contract to the full Council and directed that the contract be placed on consent agenda for approval. Mr. Bond will be on annual leave in Maui, Hawaii and unable to attend the meeting. Aloha.

The meeting was adjourned at 8:35 AM.

**Next Meeting:** March 27, 2014 at 7:30 am Family Pancake House