

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

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

Tuesday, May 21, 2013
4:30 p.m.

Council

John Stilin, Chair (*Not in Attendance*)
Hank Margeson
Hank Myers
Tom Flynn (*Attending Council Member*)
Pat Vache (*Attending Council Member*)

Staff

Mike Bailey, Finance and IS Director
Malisa Files, Deputy Finance Director
Lori Brown, Human Resources Program Manager
Patrick Hirsch, Audio/Visual Operations Manager
Patrick Koenig, Safety Coordinator, Human Resources
Jeri Rowe-Curtis, Chief Policy Advisor
Elizabeth M. Smoot, CMC, Deputy City Clerk

Convened: 4:30 p.m.

Adjourned: 5:32 p.m.

MEETING SUMMARY

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

Monthly Financial Report

Ms. Malisa Files, Deputy Finance Director, presented the Monthly Financial Report; providing a review of revenues, expenditures, and status of funds. General discussion ensued regarding beginning balances.

Agenda Management Project Update

Mr. Mike Bailey, Finance and IS Director, provided an update on the Agenda Management Project: City Clerk Michelle M. McGehee is the project lead; project includes an advanced program to automate agenda production; a vendor has been selected from an RFP process; and the finalized contract will be before Council for consideration in the next couple of months. General discussion ensued regarding the budget and funding for the project.

Update on the Evaluation of the Self Insured Status of Workers' Compensation – Project Status and Timeline

Ms. Lori Brown, Human Resources Program Manager, and Mr. Patrick Koenig, Safety Coordinator, Human Resources, provided an update on the Project Status and Timeline of the Evaluation of the Self Insured Status of Workers' Compensation. The City has been self-insured

since 1998; and staff is currently looking into purchasing insurance from an outside source, possibly the State, as the pricing gap is becoming smaller. Staff will be putting forth an RFP in order to hire an actuary to perform the cost comparison, and insurance options. A contract in this regard will be forthcoming to the Council in July, and results of the study are expected to be provided to the Council in November 2013. Staff will provide and update to the Committee in July 2013.

General discussion ensued regarding premiums; worker's compensation rates; going with the State for insurance; and budget.

Comcast Cable Television Franchise Negotiations Briefing

Mr. Patrick Hirsch, Audio/Visual Operations Manager, and Ms. Jeri Rowe-Curtis, Chief Policy Advisor, briefed the Committee on the Comcast Cable Television Franchise Negotiations:

- negotiations began in July 2012; financial audit caused delay in the process; the current ten-year franchise expired December 31, 2012; the Council approved an open-ended extension on November 20, 2012; and financial audit found no errors or anomalies;
- River Oaks Communications was hired as a Consultant to assist with the process;
- the final draft of the proposed franchise agreement is currently under review by Comcast;
- few changes to the proposed agreement from 2002 agreement (PEG fees, seven-year term);
- competitive equity will apply (terms extended to Frontier/FIOS franchise);
- negotiation costs remain within original budget projections; and
- the first reading of this item will be at the June 4, 2013, regular meeting; with adoption scheduled for June 18, 2013.

General discussion ensued regarding PEG fees, competitive equity, and discounts for seniors and low income citizens.

Budgeting by Priorities Improvements

Ms. Files provided a review of Budgeting by Priorities (BP) recommended improvements/changes; including comments and next steps for the following items: performance measure accountability process; targeted training; offers; results teams; budget communications; implementation of new budget module; and ten-year BP plan.

General discussion ensued regarding use of the State Auditor's logic module; review of performance measures/outcomes for selected priorities; possible creation of a new budget module; and citizen involvement in BP process and results teams.

Petty Cash and Revolving Fund Ordinance Amendment

Ms. Files briefed the Committee on an upcoming amendment to the Petty Cash and Revolving Fund Ordinance; in order to approve an additional \$10,000 to the Petty Cash and Revolving Funds to support the City's special events (specifically related to the distribution of prize winnings for the Derby Days Criterion). Discussion ensued regarding alternatives. Staff stated the item would be before the Council for consideration on June 18, 2013.

Refinance of City Hall Lease

Mr. Bailey briefed the Committee on the options surrounding a refinance of the City Hall Lease:

- the recent municipal bond market has been very favorable to issuers and the potential for saving money by refinancing this obligation has become worth pursuing;
- two complex issues exist: (1) what type of debt to issue; and (2) when to initiate the transaction;
- current form of debt: “63-20” lease obligation;
- recommended refinancing structure: limited tax general obligation bond (LTGO);
- recommended timeline to initiate transaction: now;
- summary of refunding results – 2003 Lease Revenue Bonds;
- Limited Tax General Obligation Refunding Bonds, Series 2013, time and responsibility schedule; and
- proposed LTGO Refunding of RCP Lease Revenue Bonds, 2004.

General discussion ensued regarding current and future building management; timing; savings; arbitrage; use of space at City Hall (Staff led study); and next steps.

Performance Measurement Next Steps

Mr. Bailey indicated that performance measurement accountability process, pilot examples, will be brought before the Council for discussion in July (this item pairs with the discussion held with the Budgeting by Priorities Improvements item).

Reimbursement Resolution – Stormwater/Wastewater Debt

Mr. Bailey briefed the Committee in regards to a Reimbursement Resolution for Stormwater/Wastewater Debt, which will be up for approval of the full Council June 4, 2013. This resolution will authorize the City to reimburse certain capital improvement expenditures from the proceeds of the sale of bonds.