



Administration and Finance Committee Meeting Minutes

June 14, 2018

4:00 PM

SeaTac City Hall - Riverton Room 128

Members:	Present:	Absent:	Commence:	4:01 P.M.
			Adjourn:	5:34 P.M.
Erin Sitterley, Chair	X			
Peter Kwon	X			
Clyde Hill	X			

Other Council Members Present: Pam Fernald, Joel Wachtel, and Rick Forschler

Staff Coordinator: Gwen Pilo, Finance Director

1. Call to Order	<i>Committee Chair Erin Sitterley called the meeting to order at 4:01 PM</i>
2. Public Comment	<i>None</i>
3. Review of the Minutes	<p><u> X </u> Recommended for Approval</p> <p><i>A copy of the 05/24/2018 minutes was provided to the committee for review. Prior to the meeting, the minutes were revised to clarify an item the committee had questions on. The committee approved the revised minutes.</i></p>
4. Council/City Manager Travel Pre-Approval or Final Approval	<i>None</i>
5. Business License Update	<p><u> X </u> Informational Update</p> <p><i>Budget Analyst Alexis Briggs provided the committee with an update on the AWC task force working to develop a model business license ordinance following 2017 legislation. At the March 22nd A&F Meeting, the committee was presented with the draft model ordinance which included a uniform definition of engaging in business and a minimum licensing threshold of \$1,000 in gross receipts. This draft model was given to the National Federation of Independent Business (NFIB) and Association of Washington Business (AWB) for input. Responses from these organizations were somewhat negative, expressing their concern that</i></p>

	<p><i>the threshold was too low. After meeting with representatives of these organizations, the taskforce proposed raising the minimum threshold to \$2,000 with a clause requiring a review of the threshold in 4 years to determine if an adjustment is required. The business associations are now reviewing the new proposal and the taskforce is waiting to hear if they will support this draft. More updates will be given to the A&F committee once the model ordinance is finalized.</i></p>
<p>6. YMCA Lease & Services Agreement</p>	<p><u> X </u> Recommended for Approval</p> <p><i>Parks, Community Programs and Services Director Larry Ellis along with City Manager Joe Scorcio discussed with the committee two items in relation to the YMCA.</i></p> <ol style="list-style-type: none"> <i>1. Lease: YMCA’s lease agreement allows the City to raise rent more than 1%, but not more than 10%, if property values have increased, and no more than 5 times during the 50-year lease term. Historical rate information was provided detailing the YMCA’s monthly rent since 2009. While the monthly rent has increased only 9% over the last 9 years, property tax rates and the City’s assessed valuation has increased 18%. Mr. Scorcio asked the committee if they recommend a rate increase in September of this year and if so, what percentage increase is recommended. The committee reviewed the data provided and discussed in length. As the City is a landlord of this property and all other lease agreements are tied to CPI inflation, the committee recommended an increase of 10% to get it back in line with current property values. The committee wished to treat all their tenants equally and ensure they all pay fair market value. The committee’s recommended rent increase of 10% will be brought to the full council for approval.</i> <i>2. Services Agreement: The City of SeaTac entered into a services agreement with the YMCA in 2009 pre-paying for a variety of services to be provided by the YMCA each year over a 20-year period. Based on the services provided since 2009 and the current balance on this account, the YMCA has not been providing the expected level of services each year. Staff is looking for some direction on how this should be handled. The committee recommended a motion authorizing the City Manager to send a letter to the YMCA asking for immediate corrective action in the form of one of the following three options: <ol style="list-style-type: none"> <i>a. Immediate delivery on services promised; or</i> <i>b. Refunding the City for services not delivered to date; or</i> <i>c. A complete refund of services not delivered to date and those owed to the City in the future.</i> <i>The committee’s recommendation will be brought to a future City Council meeting to authorize the motion.</i></i>
<p>7. Employment</p>	<p><u> X </u> Recommended for Approval</p>

Standards Ordinance	<p><i>City Attorney Mary Mirante Bartolo provided the committee with a memorandum regarding the City's employment standards ordinance and its conflict with Initiative 1433 which took effect January 1, 2018. The memo describes in detail the conflict between City Code and State law with regard to cashing out unused sick leave. City staff asked the committee for some direction on how to handle inquiries the City is receiving on this subject. Three options were proposed for consideration:</i></p> <ol style="list-style-type: none"> <i>1. Amend the Employment Standards Ordinance to eliminate the conflict</i> <i>2. Seek an attorney's general opinion</i> <i>3. Take no action; wait and see how things go</i> <p><i>The committee recommended seeking an attorney general's opinion. Staff will come back to A&F with further information when it is received.</i></p>
8. First Quarter 2018 Financial Update	<p><u> X </u> Informational Update</p> <p><i>Finance & Systems Director Gwen Pilo presented the committee with several documents detailing actual revenues and expenditures through March 31, 2018. Overall the City is in a positive position ending the 1st quarter and there are no areas of concern at this time.</i></p>
9. Future Meeting Schedule	<p><i>The next A&F Meeting will be held on June 28, at 4:00PM in Riverton Room 128.</i></p>
10. Adjourn	<p><i>Committee Chair Erin Sitterley adjourned the meeting at 5:34 PM.</i></p>