

**Mount Vernon  
Finance Committee  
Parks & Enrichment Services Committee  
Minutes  
July 24, 2019**

Present: Councilmembers Beaton, Brocksmith, Carías, Hulst, Hudson, Moberg, Molenaar

Staff present: Mayor Boudreau, Doug Volesky, Kevin Rogerson, Bill King, Gary Owens, Interim Police Chief Cammock, Peter Donovan, Esco Bell, and Jana Robbins

- 1) Minutes from the June 26<sup>th</sup>, 2019 committee meeting were approved.
- 2) Fiber Optics Bucket Truck Discussion by IS Director Kim Kleppe & City Shop Manager Gary Owens
  - a) IS Director Kim Kleppe reviewed the necessity of acquiring a new bucket truck
    - i) The current truck requires a CDL making it exclusive to certain drivers
    - ii) The size of the boom crane requires support feet to be deployed, increasing the footprint of the vehicle making it more difficult to safely access tight confines.
    - iii) Fiber optics has a \$26,889 reserve build up to replace the Fiber van in the ERR Fund. Since the van was budgeted and purchased in the Fiber Optic Fund the ERR reserve can be used toward the purchase of the \$27,713 bucket truck.
  - b) City Shop Manager Owens confirmed the vehicle was in good working order and should provide 5-7 years of service.
    - i) Reiterated how good of a deal this is and how these types of deals are rare and you often have to act quick to get them.
  - c) Councilmember Hulst recommended adding a request to purchase the bucket truck to the Council Meeting Agenda on Wednesday July 24<sup>th</sup>, 2019.
- 3) Finance Department Update by Finance Director Doug Volesky
  - a) 2018 Audit Recommendations – Follow Up
    - i) Single (Federal) Audit – Management Letter
      - (1) Federal Procurement Requirements - Auditors recommended “the City ensure its own written procedure address all federal procurement requirements in compliance with Uniform Guidance and ensure adequate communication of these requirements to City staff”
        - (a) The City updated the Grant Policy and Procedures manual to include the most restrictive policy

ii) 2018 Accountability Audit – Exit Recommendations

(1) Travel and Employee Reimbursement Expenses – Auditors “recommend the City adequately communicate policy requirements to all staff, to ensure travel and employee reimbursement expenses are adequately supported, are reasonable, and documented in compliance with City policy.”

(a) The City plans to update the city policy to match the best practices as outlined by MRSC and OWSA’s “Best Practices for Travel Expenditures” and Best Practices for Credit Card Programs.”

(2) Permit Fee Calculation Review – Auditors “found no errors in our recalculations of the permits, we recommend as best practice that the Dev. Services Dept. implement an independent, secondary review of permit fees and manual adjustments to fees/permits to ensure they are correctly calculated supported, reasonable, and in compliance with fee policies adopted by City Council.”

(a) The City has already implemented the recommended review while the auditors were here.

(3) Financial Statement Preparation and Bank Reconciliation Review – Auditors “recommend the City document the review of bank reconciliations and ensure a thorough review of the financial statements to catch the immaterial errors noted above as well as, adjusting journal entries to ensure that all financial activity is accurately reported and documented.”

(a) The City financial statement review process is being finalized, bank reconciliations are signed off by financial management and adjusting journal entries has always had a 3-person review and approval process.

(4) Standard of Conduct Policy – Auditors “recommend the City incorporate disciplinary action requirements in its Standards of Conduct policy to ensure it meets all federal requirements.”

(a) The City’s Grant Policy and Procedures manual has been updated to include the disciplinary action requirement.

b) 2019 Mid-Year Review

i) Most of the expenses for the year to date are in line with what they should be

(1) Insurance is up but that’s because we usually cut a large single payment each year

(2) Municipal Court’s numbers are a bit low as we haven’t yet received their 2<sup>nd</sup> Quarter numbers

(3) Non-Departmental expenditures are higher than normal but we’re also operating with a vacancy savings of over 635k from the prior year so we’re still in a good position overall

(4) Parks and Street Fund’s Governmental Operating Expenditures will increase in the next few months due to the seasonal hires.

- c) Monthly Sales Tax, TBD Revenue, and Real Estate Excise Tax (REET) Review
  - i) Director Volesky presented a brief over view of all three accounts.
    - (1) Sales Tax and TBD Revenue continue to outpace budgeted expectations.
    - (2) REET Tax had some better numbers in June and July but still behind budgeted expectations.
  - d) Public Safety Sales Tax Review
    - i) City can currently collect three-tenths of one percent of the sales or use tax. These revenues can be used to support criminal justice purposes and/or fire protection purposes. In 2018, the city collected \$1,598,174 from the current Public Safety Sales Tax which is passed to the County to support the Skagit County Jail.
    - ii) City would like to look into requesting an additional three-tenths of one percent to facilitate city fire or criminal justice purposes.
- 4) Parks and Enrichment Services.
  - a) Projects
    - i) Little Mountain Project is currently underway
      - (1) They are currently clearing, leveling, and grading the parking area.
      - (2) They will be bringing a stump grinder to grind the cleared trees the wood chips will be used for other parts of the project. A noise notice has been posted.
    - ii) Bakerview Roadway & Sidewalk Project
      - (1) Bids opened July 22<sup>nd</sup>, 2019 and 2 bids have been received.
      - (2) Parks will request to award the contract to the lowest bidder at the August 14<sup>th</sup>, 2019 City Council Meeting.
    - iii) Kiwanis Park Vandalism
      - (1) The main slide on the jungle gym was vandalized using up the entire \$8k playground repair budget.
    - iv) Edgewater Parks WWI Plaques
      - (1) Plaques will be installed July 25<sup>th</sup>, 2019.
    - v) Hillcrest Rehab
      - (1) Repairing Asphalt and Landscaping damaged after Garden project
      - (2) Currently repairing the asphalt should be complete in 2 weeks

b) Recreation Update

- i) Director King gave an overview of the recent events and upcoming events happening in the Mount Vernon area.
  - (1) Children's Art Festival on July 20<sup>th</sup> at Hillcrest Park.
    - (a) Was very successful and had great community volunteer support along with representatives from the City's Fire, Police, and Public Works departments.
  - (2) Little Kickers Soccer
    - (a) Nearly 200 participants and over 24 teams.
  - (3) Skyhawks Sports Camp, Tennis Camp, and Summer Day Camp had great turnouts.
    - (a) Couldn't do it without our amazing group of seasonal workers and volunteers
  - (4) Pickle Ball play at Hillcrest
    - (a) Current group of pickle ball players working diligently to fundraise the \$42k needed to resurface 6 pickle ball courts.
  - (5) Upcoming Events
    - (a) Movies in the Park
      - (i) Incredibles 2 – Dusk on August 9<sup>th</sup>, 2019
      - (ii) Ralph Breaks the Internet – Dusk on August 23<sup>rd</sup>, 2019
    - (b) Children's Music Series at Skagit Riverwalk
      - (i) Brian Vogan & His Good Buddies – 12PM August 7<sup>th</sup>, 2019
      - (ii) The Harmontoa Pocket – 12PM August 21<sup>st</sup>, 2019
- ii) From January to June volunteer hours total 1,887 hours not including the Children's Art Festival Volunteers

c) Encampment Management Update

- i) Continue their proactive campaign to identify and clean up encampments.
- ii) Nolan achieving great success in preventing embedded encampments and has recorded over 1000 miles traveled on Park's new Gator
- iii) Continued to use and success using the GIS encampment program to identify and track encampment locations and clean up progress and details.

5) For the Good of the Order

- a) Councilmember Molenaar had a question regarding the destruction of City trees at Maddox Creek.
  - i) Mr. Phillips stated the investigation is ongoing and once it's complete we'll know more.
  - ii) Mr. Rogerson stated destroying City trees on public land is a criminal offense but the investigation must be complete before any further action can be taken.
- b) Mayor Boudreau let the Council members know of upcoming committee meeting schedule changes.
  - i) Confirmed there will be no meeting next Wednesday, July 31st, 2019.

The meeting adjourned at 6:46 p.m.

Submitted by:

Chase Kinney

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