



**MONROE CITY COUNCIL
Finance & Human Resources
Committee Meeting**

Tuesday, November 17, 2020, 5:30 p.m.
Zoom Online Meeting Platform

Committee
Councilmembers
Patsy Cudaback
Jason Gamble
Kirk Scarboro

AGENDA

I. Call to Order

The City Council Finance & Human Resources Committee meeting will be held virtually via Zoom Meeting. Due to the COVID-19 pandemic, and Proclamation 20-28 issued by Governor Jay Inslee, in-person attendance is not permitted at this time.

- Join Zoom meeting:
<https://us02web.zoom.us/j/89817485087?pwd=YURsMUVjOGRMVHN1ZlFWMEdzSXVIQT09>
- Dial in: (253) 215-8782
- Meeting ID: 898 1748 5087
- Password: 731430

II. Roll Call

III. Approval of Minutes

- A. [Meeting minutes of October 20, 2020](#)

IV. New Business

- A. [Boys and Girls Club funding options \(J. Roberts and B. Hasart\)](#)
- B. [Passport processing discussion \(B. Hasart\)](#)

V. Other Business

VI. Next Committee Meeting (January 19, 2021, 5:30 p.m.)

- A. No meeting in December 2020
- B. Chairperson selection
- C. Confirm meeting dates and time
- D. Review 2021 work plan

VII. Adjournment



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MINUTES

I. Call to Order & Roll Call

A regular meeting of the Monroe City Council Finance & Human Resource Committee was held on October 20, 2020, via Zoom. Due to the COVID-19 pandemic, and Proclamation 20-28 issued by Governor Jay Inslee, in-person attendance is not permitted at this time. The Meeting was called to order by Councilmember Gamble at 5:35 p.m.

Committee Present: Councilmembers Scarboro, Gamble, and Cudaback
Mayor Present: Yes
Staff Present: Pfister, Hasart, Knight, Christian, Huebner, Haley, and Ness

II. Approval of Minutes

A. Meeting minutes of September 15, 2020

Councilmember Scarboro moved to approve the minutes of September 15, 2020. The motion was seconded by Councilmember Cudaback. On vote, motion carried 3-0.

III. New Business

A. 2020-2023 Court Services Cost Projection (D. Knight, R. Huebner, and T. Christian)

Management Analyst Tyler Christian, and Management Analyst Rich Huebner, reviewed background information on the court services cost projection; and shared a PowerPoint presentation highlighting the following topics:

- Historical data
- Analysis breakdown data
- Monroe Municipal Court costs vs. Evergreen District Court costs

Mr. Christian and Mr. Huebner answered Committee questions; and discussion ensued related to the following topics:

- Net operating costs; forecasted revenue
- Capital costs
- Probation program
- Facility options costs in addition to operating costs
- Facility needs and alternatives; purchase vs. lease
- Capital expenses

Councilmember Cudaback requested a detailed breakdown of capital costs.



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IV. Other Business

Finance Director Becky Hasart provided an update on the City's local banking activities with Opus Bank, and reviewed a letter recently received by the Bank. Ms. Hasart suggested closing the account and moving the funds to the local Key Bank branch.

V. Next Committee Meeting (November 17, 2020, 5:30 p.m.)

- A. Old Business Close Out
- B. Boys & Girls Club Funding Options (tentative)

VI. Adjournment

There being no further business, Councilmember Scarboro moved to adjourn the meeting; the motion was seconded by Councilmember Cudaback. On vote, motion carried 3-0.

The meeting adjourned at 6:00 p.m.



MONROE CITY COUNCIL
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2020 Committee
 Councilmembers
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SUBJECT:	Options for Funding Construction of Early Childhood Education Assistance Program (ECEAP) Addition at Monroe Youth Activities Building
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
11/17/2020	Public Works & Finance	Jakeh Roberts & Becky Hasart	Jakeh Roberts & Becky Hasart	New Business #A

Discussion: 10/22/2019; 12/10/2019; 03/24/2020; 10/13/2020; 11/17/20

Attachments: 1. ECEAP Project Financial Summary

REQUESTED ACTION: Discussion; additional direction if necessary

POLICY CONSIDERATIONS

Does the City Council wish to provide additional funding for construction of the ECEAP addition at the Monroe Youth Activities Building utilizing one of the identified alternative sources detailed in the fiscal impact section of this agenda bill?

RCW 35A.11.010 States that “The legislative body of each code city shall have all powers possible for a city or town to have under the Constitution of this state... such powers may be exercised in regard to the acquisition, sale, ownership, improvement, maintenance, protection, restoration, regulation, use, leasing, disposition, vacation, abandonment or beautification of public ways, real property of all kinds, waterways, structures, or any other improvement or use of real or personal property...”.

HISTORY

In 2019 the Boys & Girls Club of Snohomish County partnered with the City of Monroe to request legislative appropriations to complete necessary repairs and improvements at the Monroe Youth Activities Building, the home of the Boys & Girls Club of Monroe since 1997.

In response to the request, Representative Eslick was able to work with the Legislature to garner an award of \$970,000 for the design and construction of the 2,100 square foot ECEAP classroom addition to the building.

Council approved an agreement in December, 2019 with the Washington State Department of Commerce to accept the financial support in the form of a reimbursement grant which funded the following work:

- Design and construction of a building addition for an Early Childhood Education and Assistance Program center to serve up to 40 children;
- Relocation of the existing teen space;
- Relocation of the existing community room; and
- Purchase of furnishings.

A request for proposals for architectural services was issued in January of 2020. Responsive firms were assessed based upon past experience, ability to meet project deadlines, and knowledge of the early childhood education and assistance program building design requirements. Four proposals were received. The most qualified firm was determined to be 2812 Architecture.

City Council approved the architectural and construction management agreement with 2812 Architecture in March, 2020. Plans and specifications were finalized in August, 2020 prior to bid advertisement.

The construction project was advertised for contractor bids in the Daily Journal of Commerce on August 11 and August 18, 2020. On August 26, 2020 sealed bids were accepted for construction of the building addition for the Early Childhood Education and Assistance Program center.

The Architects probable cost opinion including sales tax was \$822,750. The low bid was submitted by the James Company Inc. of Monroe, Washington at \$852,541.09.

An award of this portion of the project would have pushed the estimated cost of the total project above the available grant funding of \$970,000, by more than \$257,000.

BACKGROUND DESCRIPTION

In response to the estimated shortage of grant funding awarded by the Washington State Department of Commerce to complete the ECEAP addition project, the City Council rejected the responsive bids provided for construction on October 13, 2020.

Council further approved a motion directing City staff to request an additional appropriation from the Washington State Legislature in the 2021-2022 biennium to complete the project.

Council then requested supplementary information detailing options the City may have available to bridge the estimated funding gap using local funding sources be presented for their review at a meeting later in the year.

The estimated funding gap of more than \$257,000 is based upon the cost of the project at the time of the initial bid in August, 2020. The project, if funded locally, or through a legislative appropriation, would again be subject to the public bidding and award process, which may result in elevated, or reduced costs, depending on market conditions.

FISCAL IMPACTS

The table below details the potential fiscal impacts of accessing the various funding sources legally available to complete construction.

Information contained in this table is based on projections for the ending fund balance in 2020, and estimates for the 2021 budget period:

FUND NAME	RESOURCE TYPE	FUND BALANCE	IMPACT IF USED
N/A	Legislative Appropriation Request	Up to \$350,000	No impact to City funds and is consistent with the motion passed by City Council on 10/13/20.
General Fund	Banked Property Tax Reserve Capacity	\$282,000	Increases property tax levy rate to all properties within the City via Council action (vote of the people not required for use of banked capacity).
General Fund	Policy Reserve	\$2,621,803	Would not allow for unexpected expenses/decreases in cash flow throughout the year. Potentially restricts ability to operate and could result in delay of delivery of services, and acquisition of necessary operating supplies.
REET Fund	First Quarter REET	\$845,000	Reduces funds available for municipal campus justice center project.
Contingency Fund	Policy Reserve	\$1,170,038	Depletes City's rainy day fund as we navigate the financial uncertainties of COVID-19

One additional option of utilizing the general fund in the amount needed to complete the project is not listed in the table because programmatic cuts would need to be specifically identified prior to providing the details of the potential impacts.

ALTERNATIVES

1. Do not complete the project. If this option is selected the City would likely be required to re-pay the approximately \$155,000 expended on the project thus far.
2. Utilize one of the funding sources detailed above in the Fiscal Impacts Section to complete the project.
3. Request funding from the Legislature in a manner consistent with the motion approved by the City Council on October 13, 2020.

TIME CONSTRAINTS

Council directed City staff to request additional grant funding from the Washington State Legislature in the 2021-2022 biennium to complete the project on October 13, 2020.

The request for additional funding from the Washington State Legislature needs to be delivered to the Washington State Department of Commerce and Washington State Representative Carolyn Eslick's office prior to the end of the year.

If Council is interested in considering utilization of City of Monroe funds to fully, or partially fund construction, rather than requesting additional funding from the Washington State Legislature, action may need to be taken during the December 8, 2020 to redirect staff actions accordingly prior to the end of the calendar year.

Attachment 1

ECEAP Grant Award Financial Status Summary			
Description	Estimated or Actual Cost of Task -	Estimate of Cost or Actual Cost	Task Status - Complete/ Not Complete
Archeological Review	\$ 2,567.00	Actual	Complete
Architectural Design	\$ 132,000.00	Actual	90% Complete
Permits/Fees	\$ 11,856.19	Actual	Complete
Construction Management Services Agreement	\$ 32,700.00	Estimate	Not Complete
Construction	\$ 853,000.00	Estimate	Not Complete
Information Technology Infrastructure to serve ECEAP	\$ 60,000.00	Estimate	Not Complete
Class & Office Furnishings	\$ 50,000.00	Estimate	Not Complete
10% Construction Contingency	\$ 85,254.11	Estimate	Not Complete
Sub Total of Actual & Estimated Costs	\$ (1,227,377.30)		
Grant Award	\$ 970,000.00		
Total Estimated Under/(Over) Budget	\$ (257,377.30)		



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SUBJECT:	Passport Processing Discussion
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
11/17/2020	Finance	Becky Hasart	Becky Hasart	New Business #B

Discussion: 11/17/2020

Attachments: 1. Passports Issued 2016-2019

REQUESTED ACTION: None. Item is informational only.

POLICY CONSIDERATION

The City of Monroe is an official passport acceptance facility. A passport acceptance facility is a public sector office that is designated to accept and execute passport applications on behalf of the U.S. Department of State. Passport acceptance facilities verify the information of applicants and forwards applications, documentation, and payments to the Department of State for processing and issuing passports to qualified applicants.

The policy question for the City Council is whether the city should continue to operate as a passport acceptance facility.

DESCRIPTION/BACKGROUND

It is staff's recommendation that the City of Monroe discontinue offering passport services.

The City of Monroe currently provides passport processing services on behalf of the US State Department for individuals seeking their first passport. While we receive numerous inquiries for renewals, including requests to review renewal paperwork, we are precluded from processing and charging for renewals per the State Department.

The City processed 978 new passports in 2018 and 1,123 in 2019. Through February 2020, we were ahead of 2019's pace by 21.81%. Based on internal tracking, less than 5% of these passports were for Monroe residents.

Each passport application takes approximately 30 minutes of staff time to process completely (paperwork review and certification with the applicant, prep of application package for mailing, daily delivery of completed packages to post office). If we include an estimate for the time spent assisting customers with renewal questions, we estimate each passport at 40 minutes. We charge \$35 per new application, which is a non adjustable, set rate established by the State Department. Again, we are precluded from charging anything for renewals.

Due to COVID-19, we suspended passport processing in March 2020. Passport processing will remain suspended as City Hall continues to be closed to the public. The US State Department had also suspended passport processing due to the pandemic but has since reinstated processing. Customers can apply for new passports at the Monroe Post Office.



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An analysis was done to compare cost versus cost recovery for passports processed during 2019:

Passport processing cost		
	Time Estimate Per Passport	
	30 min	40 min.
Total cost:		
Personnel cost	\$ 28,435.15	\$ 37,913.53
Postage	\$ 1,123.00	\$ 1,123.00
Supplies	\$ 2,744.00	\$ 2,744.00
	\$ 32,302.15	\$ 41,780.53
less fees collected	\$ 39,180.00	\$ 39,180.00
net recovery	\$ 6,877.85	\$ (2,600.53)

If the City wishes to be in position to process passports once we are safely out of the pandemic, staff would need to be recertified prior to the end of this year.

Again, it is staff's recommendation that we discontinue offering passport services for the following reasons:

- Processing passports is disruptive to customer service operations. Again processing can take a minimum of 30 minutes per application. Some applications can take longer depending on how complete the applicant's paperwork is.
- Cost recovery is minimal at \$35 per application. Fees are not adjusted annually, if at all. Regardless of the time it may take to process a passport, we are limited on how much we can recover by the US State Department.
- Spacing is a challenge. To process passports, we are supposed to provide a private area in which we can review and certify paperwork with the applicant. We did begin to use the jury room off the lobby, but this is a challenge when applicants bring their children. And when we have multiple applicants waiting to process passports, we do not have adequate room for processing.
- With the uncertainty surrounding the COVID-19 pandemic, staff is uncomfortable with the face to face aspect of passport processing.
- The majority of customers are not from the City of Monroe. (We have seen our passport traffic increase after Lake Stevens discontinued processing passports.) The Monroe Post Office continues to process passports, thus there is a local option for those that live in Monroe.

Passport Acceptance Facility Monthly Production Report

Facility Name: CITY OF MONROE

Facility Number: 71309

Seattle Region

2015

Month # of Applications Accepted

January	
February	
March	
April	
May	
June	43
July	29
August	45
September	18
October	47
November	29
December	46
Totals	257

2017

Month # of Applications Accepted

January	71
February	110
March	80
April	99
May	76
June	84
July	63
August	82
September	47
October	82
November	46
December	71
Totals	911

2016

January	58
February	95
March	60
April	53
May	75
June	63
July	33
August	55
September	38
October	44
November	41
December	48
Totals	663

2018

January	81
February	116
March	142
April	109
May	70
June	79
July	74
August	94
September	63
October	46
November	45
December	59
Totals	978

2019

January	120
February	88
March	91
April	128
May	103
June	71
July	93
August	97
September	64
October	107
November	60
December	
Totals	1022

Month	# of Applications Accepted				
	2015	2016	2017	2018	2019
January		58	71	81	120
February		95	110	116	88
March		60	80	142	91
April		53	99	109	128
May		75	76	70	103
June	43	63	84	79	71
July	29	33	63	74	93
August	45	55	82	94	97
September	18	38	47	63	64
October	47	44	82	46	107
November	29	41	46	45	60
December	46	48	71	59	
Totals	257	663	911	978	1022
Revenue	12505	16990	22750	30745	39180