

AGENDA FOR A FINANCE COMMITTEE MEETING
FOR TUESDAY, JUNE 16, 2015, 7:30 PM
EXECUTIVE CONFERENCE ROOM,
SECOND FLOOR, MUNICIPAL BUILDING

(Councilmen Reed, Reynolds, Carpenter, and Read)

- I. CALL TO ORDER – Councilwoman Kim Coram, Chairman
- II. ROLL CALL
- III. MINUTES – meeting held June 9, 2015
- IV. NEW BUSINESS
 1. Resolution renewing an intergovernmental agreement between the City and WV Small Business Development Center for the purpose of retaining a small business coach.
 2. Discussion on the Home Rule Pilot Program implementation of the City's B & O tax reduction.
- V. ADJOURNMENT

AGENDA FOR A FINANCE COMMITTEE MEETING
FOR TUESDAY, JUNE 16, 2015, 7:30 PM
EXECUTIVE CONFERENCE ROOM,
SECOND FLOOR, MUNICIPAL BUILDING

(Councilmen Reed, Reynolds, Carpenter, and Read)

- I. CALL TO ORDER – Councilwoman Kim Coram, Chairman
- II. ROLL CALL
- III. MINUTES – meeting held June 9, 2015
- IV. NEW BUSINESS
 1. Resolution renewing an intergovernmental agreement between the City and WV Small Business Development Center for the purpose of retaining a small business coach.
 2. Discussion on the Home Rule Pilot Program implementation of the City's B & O tax reduction.
 3. Request for budget revisions.
- V. ADJOURNMENT

The Finance Committee of City Council met Tuesday, June 9, 2015 at 6:30 PM in the executive conference room on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by its Chairman, Councilwoman Kim Coram, who presided over the meeting. Members attending included Councilmen Jim Reed, Mike Reynolds, JR Carpenter and Kim Coram. Councilman Aaron Read was absent on military duty.

Others attending included Acting Mayor, Joe Santer, Pam Salvage, Rickie Yeager, Rob Tebay, Dan Huffman, Rick Lemley, Gary Moss, Chief Taylor, Chief Martin, Nancy Wilcox, John Rockhold, Roger Brown, Sharon Lynch.

MOTION – Mr. Reynolds moved, seconded by Mr. Reed, to approve the minutes from the meeting held June 3, 2015, and the motion was adopted by unanimous vote.

SALES TAX UPDATE – Pam Salvage told the committee that all the communication with City businesses is being done by the State of WV, by their rule. They will notify tax users and put something on their web page and on the tax returns for June 1, 2015.

Acting Mayor, Joe Santer, told the committee that the Home Rule Board had a question about whether our plan was proper because there was not an immediate adjustment on B & O, and in our plan, that was what we told them. We have estimated as best that we could, but we don't know when we will get the full quarter by the 3rd quarter of the fiscal year. Other cities did immediate implementation, he said. He said that we told the Board that these are real cuts and if we make them immediately, it may put us in dire circumstances.

The Board is asking for an opinion from the Attorney General on this matter.

Our plan will be to take the money we receive in B & O and escrow it in a special account in case the State tells us we were wrong, and we should be able to do that without severe cuts to the budget. Mr. Santer believes that our plan is proper.

Councilman Rockhold stated that the City of Wheeling under-estimated their revenues in their pilot program, and we learned a lot from going to the Home Rule meetings.

The Home Rule Board said we had a good plan when we made our proposal, Mr. Santer stated. We believe there may be one or two quarters before we see the income from the state on the 1% sales tax. If we put the B & O in escrow we could pay it back if necessary, he said. We do not know how long it will take to get the opinion from the Attorney General, and reminded them that an opinion is not the law.

Ms. Coram asked if we would give interest back if we take the tax and escrow it. Mr. Santer said he did not think we would pay interest, and Mr. Tebay said you could give credits on future bills, but we have not thought this through entirely.

Ms. Coram asked if we should postpone our plan, and Mr. Santer said he would not recommend it. The worst we would have to do is refund the B & O, and then we would have full collections of the 1%. She asked if we would have to readjust our budget, and Mr. Santer said we should just put the B & O that we receive in a separate fund, and maybe not all of that. He said he was comfortable with the plan in the beginning and when they approved it, and is surprised they had questions now.

Mr. Carpenter asked if we could put the b & O in a contingency fund, and Mr. Santer said it was just for manufacturing, utilities and retail – not all categories. Mr. Carpenter said we will leave a void in the budget, but it's not the entire \$10,000,000.00 we estimate.

Mr. Santer said this is just a message that we are responding to their questions from the Home Rule Board.

ABANDONED PROPERTY REGISTRATION – Mr. Yeager distributed a form that the City would be using for the property registration, which we will begin on July 17th. We will send out letters and use other methods later next week, he said. We had to create a data base and worked with the finance department. Our ordinance states that if there is no action on an abandoned property, we will assess fees, which are \$100.00 per building per month.

Mr. Yeager said that we will use an honor system, and if the buildings are in good shape with no code violations, they will not need to be registered.

AUDIT – Ms. Coram said this concerned our response from our last audit for 2013/2014 whereby we had one finding and three additional findings. One was concerning the parking department, and then the tracking of outstanding checks.

Ms. Salvage said that we have implemented a process for tracking the checks that were written and not cashed in 60 days. This is a three-step process, and then it goes to the State of WV. When she talked with the auditor, he said it appeared the finance committee had been given information.

When Ms. Coram asked if the City could come back with more information on the findings, Ms. Salvage said that at one time PKB had a parking advisory committee, and we will look forward to recommendations from them.

REVENUE AND EXPENDITURES REPORT – Ms. Coram said we were near the end of the fiscal year. Ms. Lynch asked if we found out if changes were being made daily in the Finance Department, and said she had asked for two things. Ms. Salvage said she had not looked into the changes yet. We have one more quarter to come in on B & O and the user fees. On the business license, there will be a transaction because the money that comes in before July 1st was posted June 14th. We anticipate revenues at 110% for licenses.

Councilman Brown asked about people being billed for rent for B & O purposes, and did not think they owed for rental property because it is an investment.

Ms. Salvage said they had had calls, and found several people were not paying on their rental property, but is authorized in the B & O tax code.

HEAD COUNT – Ms. Salvage presented the committee with a head count of City employees. When Ms. Coram asked if there were funds available that we did not spend, Ms. Salvage said there was not because when someone is off, someone else fills in for them. For a total of 336 employees including full and part time, it was changed to 334 because we decided not to fill two positions.

Ms. Coram asked if we could tell them how much funds we were not using, as they are trying to streamline their review of expenditures. Ms. Salvage said the numbers change constantly. If a position is not filled, the money is there.

Ms. Brown suggested we should not worry about temporary employees because there are no benefits for them, and asked just for the figures on permanent jobs not filled.

In the end, if the money is not used in a particular department, it will go to the carryover, Mayor Santer stated. Unless there is a need for it somewhere else, he suggested they leave it. Unless there is a permanent reduction, he felt we should not do anything with it. Ms. Coram said they were trying to keep up with what we need banked, and trying to keep track of the funds.

The committee decided that Ms. Salvage could give them a summary and not a detailed report, and Ms. Coram will work with her so they can streamline more on the reporting.

LETTER FROM AUDITOR GAINER – We have found several discrepancies in our City Charter that are not in line with the state code in some instances. Mr. Santer said we should ask the voters to amend the Charter, but in the meantime we have gone by State law. There are ordinances to adopt with public hearings and publications with timelines. He said we don't want to change it unless we have to, so we should do several at one time during a general election.

Mr. Santer said we knew there were sections with questions, but we follow State law. We had a charter review committee who came back with no recommendations a few years ago. We have some time before the general election in 2016 to prepare for necessary amendments.

For the City Council meeting this evening, Ms. Salvage is asking for an amendment in the police department to move \$10,000.00 from the 341-412 account to 103-309 account. The committee did not object to the suggestion.

The meeting adjourned at 7:20 PM.

Respectfully submitted,

Connie Shaffer, City Clerk

**RESOLUTION RENEWING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF
PARKERSBURG AND WEST VIRGINIA SMALL BUSINESS DEVELOPMENT CENTER FOR THE
PURPOSE OF RETAINING A SMALL BUSINESS COACH**

WHEREAS, the West Virginia Small Business Development Center has received funding from the U.S. Small Business Administration to support consulting, coaching and training services for small businesses in West Virginia, and

WHEREAS, the City of Parkersburg has collaborated with the WWSBDC to establish an office in the City of Parkersburg, and

WHEREAS, the City's small business coach has assisted many prospective business owners, and

WHEREAS, the City of Parkersburg desires to renew the attached Intergovernmental Business Coach Agreement with the WWSBDC, and

WHEREAS, the salary of the small business coach is \$55,000 and the City shall be reimbursed \$40,000 from the WWSBDC on a monthly basis, and

WHEREAS, the City of Parkersburg has allocated \$7,500 for travel related expenditures in the Fiscal Year 2015-2016 Budget,

THEREFORE BE IT RESOLVED, by the City Council of the City of Parkersburg that Acting Mayor Joseph T. Santer is hereby authorized to execute an Intergovernmental Business Coach Agreement with the WWSBDC that shall become effective July 1, 2015 and continue until June 30, 2016.

INTERGOVERNMENTAL BUSINESS COACH AGREEMENT

This Intergovernmental Business Coach Agreement ("Agreement") dated June 23, 2015, is between City of Parkersburg, #1 Government Square, Parkersburg, WV and the West Virginia Small Business Development Center of the West Virginia Development Office, located at State Capitol, Building 6, Room 652 Charleston, West Virginia, 25305 ("WWSBDC").

RECITALS

WHEREAS, WWSBDC received funding from the U. S. Small Business Administration Office of Small Business Development Centers, to support consulting, coaching and training services for small businesses in West Virginia ("SBA Funding"); and

WHEREAS, The Parties believe that business coaches help advance the Parties' mutual goal to provide valuable economic development assistance services to existing businesses and entrepreneurs in West Virginia; and

WHEREAS, The Parties desire to enter into an Agreement to utilize a portion of the SBA Funding to engage a business coach to provide consulting, coaching and training services to existing businesses and entrepreneurs in an area including, but not limited to Calhoun, Jackson, Pleasants, Ritchie, Wirt and Wood Counties of West Virginia ("Region"); and

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

TERM

This Agreement shall become effective on July 1st, 2015, and continue in effect until June 30, 2016, or until it is replaced or cancelled pursuant to Article V.

ARTICLE II

TERMS OF PAYMENT

- 1.1. WWSBDC shall reimburse the City of Parkersburg an amount not to exceed \$40,000 during the Term of this Agreement to support the services of a business coach in the Region.
- 1.2. City of Parkersburg shall submit invoices to WWSBDC on a monthly basis on or before the 10th day of each calendar month during the Term of this Agreement. Such invoices shall contain a detailed description of services provided and be accompanied by supporting documentation, where applicable.
- 1.3. WWSBDC shall submit reimbursement payments to the City of Parkersburg on or before the 30th day of each calendar month during the Term of this Agreement.

ARTICLE III

RESPONSIBILITIES OF CITY OF PARKERSBURG

- 2.1. City of Parkersburg shall collaborate with the business coach who will represent WWSBDC throughout the Region.
- 2.2. City of Parkersburg shall comply with the Deliverables and Outcome Measures set forth in Attachment I to this Agreement.
- 2.3. City of Parkersburg shall permit the business coach to represent WWSBDC throughout West Virginia. WWSBDC is a statewide entity and as such all business coaches are expected to serve the statewide network.
- 2.4. City of Parkersburg shall enter into a separate and independent contract with the business coach, subject to WWSBDC's right to approve an acceptable candidate. Any such separate and independent contract shall contain, at minimum, the following provisions:
 - a. That the City of Parkersburg shall pay the business coach at minimum, \$55,000 in compensation during the term of this Agreement.
 - b. That the City of Parkersburg shall reimburse the business coach up to \$7,500 during the term of this Agreement for travel-related expenses which are consistent with the travel reimbursement policies of WWSBDC travel-related expenses.
 - c. That the business coach is an independent contractor to the City of Parkersburg and not an employee.
 - d. That the business coach will be solely responsible and liable for payment of any federal and state income, payroll and self-employment taxes attributable to payment received for services provided and that the business coach will not be considered an employee for federal or state payroll tax purposes.
 - e. That the business coach will set his/her own hours and routine in consultation with the City of Parkersburg.
 - f. That the business coach will provide his/her own materials, tools, and equipment, and will expect no reimbursement for any out-of-pocket expenses incurred in the performance of services except as provided in section 2.4.b.
 - g. That the business coach will be paid a set fee for services as determined by the City of Parkersburg and WWSBDC.
 - h. That the business coach will follow WWSBDC and SBA guidelines, policies and procedures and seek to attain the goals of each organization in consultation with the City of Parkersburg and WWSBDC.

- i. That the business coach will comply with the Deliverables and Outcome Requirements set forth in Attachment I and Attachment II to this Agreement, such terms to be expressly incorporated into any independent contractor agreement.
 - j. That the business coach has met the requirements of a Business Development Specialist III ("BDS") as per the West Virginia Division of Personnel classification guidelines.
- 2.5 City of Parkersburg and WWSBDC shall share oversight responsibilities of the business coach's performance during the term of this Agreement. WWSBDC will regularly monitor the business coach's performance and provide the City of Parkersburg regular input on that performance as it relates to the services to be provided under this Agreement.
- 2.6 City of Parkersburg shall immediately contact WWSBDC if it desires to terminate its relationship with the business coach prior to the end of the Term of this Agreement. WWSBDC retains the right to approve any individual recommended to act as a business coach.
- 2.7 City of Parkersburg shall provide adequate office space and standard office-related equipment necessary for the business coach to perform his/her job duties if necessary and feasible.
- 2.8 City of Parkersburg shall return any equipment provided to the business coach by WWSBDC under Paragraph 3.2 immediately upon the expiration or cancellation of this Agreement, unless otherwise agreed by WWSBDC.
- 2.9 All physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials including, but not limited to, computerized or electronic information that refers, relates or otherwise pertains to the WWSBDC and any individual or entity that received services under this Agreement shall be returned to WWSBDC immediately upon the expiration or cancellation of this Agreement or termination of the Business Coach.
- 2.10 Any and all documentation, data, reports and any other writing or information prepared or assembled for the purposes of this Agreement are considered confidential and may only be shared during the term of this Agreement and with prior written approval of the WWSBDC.
- 2.11 This Agreement does not supersede or alter any current contracts between the Parties.

ARTICLE IV

RESPONSIBILITIES OF THE WWSBDC

- 3.1 WWSBDC shall provide the business coach with the necessary training, information, access and materials to perform the services identified within this Agreement.

- 3.2 The WWSBDC shall provide the City of Parkersburg with such additional equipment the business coach will require to perform his/her duties under this Agreement not available under Paragraph 2.7 of this Agreement, subject to WWSBDC's sole discretion that such equipment is necessary to carry out the purposes of this Agreement.
- 3.3 The WWSBDC shall provide the business coach with copies of comparable production reports, along with regular guidance and oversight related to their performance of services identified within this Agreement.
- 3.4 The WWSBDC will pay the City of Parkersburg for the services identified within this Agreement as set forth in Article II of this Agreement.

ARTICLE V

CONTINUATION AND CANCELLATION

- 4.1 Either Party may cancel this Agreement at any time on thirty (30) days written notice. Upon cancellation, all payment obligations by the WWSBDC under this Agreement shall be terminated, and the City of Parkersburg shall refund any unexpended monies paid by the WWSBDC under this Agreement.
- 4.2 The Mayor of Parkersburg (or appropriate representative) and the WWSBDC State Director will meet within 30 days prior to the end of the first six month period to review the work completed and continuation of the Agreement. Any agreement to extend this Agreement must be in writing and signed by all parties.

ARTICLE VI

MISCELLANEOUS

- 5.1 This Agreement, with Attachment I and II embraces all of the promises, agreements, conditions, and understandings between the parties hereto and there are no promises, conditions, covenants, or understandings between the parties hereto except such as are specifically herein in writing between WWSBDC and the City of Parkersburg.
- 5.2 This Agreement may be modified and changed only by an instrument in writing signed by the undersigned parties.
- 5.3 If any part of this Agreement is found to be null and void, or is otherwise stricken, the rest of this Agreement shall remain in force.
- 5.4 Nothing in this Agreement shall be construed to create an employment, agency, partnership, joint venture or other relationship among the WWSBDC and the City of Parkersburg.

- 5.5 No party hereto shall have any power to obligate or bind the other in any manner whatsoever.
- 5.6 The titles to the articles and paragraphs of the Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

We, the undersigned, enter into this Agreement acknowledging their acceptance and the execution of the Agreement by their signatures below:

J. Keith Burdette, Executive Director
West Virginia Development Office

Date

Joe Santer, Acting Mayor
City of Parkersburg

Date

ATTACHMENT I

DELIVERABLES AND OUTCOME MEASURES

The responsibilities of the **business coach** will be:

1. Providing general business coaching to entrepreneurs, start-up and existing business owners including but not limited to:
 - a. Strategic planning, business plan development, loan packaging, identifying and developing training programs for increasing entrepreneurial skills, developing and maintaining personal contacts within the banking industry and the entrepreneurial community.
 - b. Read, create, and interpret financial statements.
 - c. Compute and interpret financial ratios.
 - d. Preparation of written reports on financial, credit and marketing analysis.
 - e. Preparation and analysis of financial spreadsheets.
 - f. Travel to coach clients.
 - g. Conduct and participate in cross training with the WWSBDC.
 - h. Keep up to date with current entrepreneurial trends, market opportunities and skills training.
 - i. Possess an understanding of the entrepreneurial mind-set and the role entrepreneurial skills play in economic development.
2. Represent the West Virginia Small Business Development Center acting as an outside independent contractor in regard to the services supplied.
3. Record Keeping: Entering all data into the WWSBDC provided Client Management Software. (Data base training provided by WWSBDC)
4. The business coach is responsible for ensuring the deliverables are met as outlined in Attachment II of this Agreement.
5. Weekly reports will be accessed by the WWSBDC State Director through the WWSBDC data system.
6. Expectation is that the business coach will attend weekly WWSBDC conference call team meetings.
7. Additionally, the business coach will attend face to face WWSBDC staff meetings as scheduled.
8. While the Agreement is in effect, the business coach shall not:
 - a. Engage in or participate in activities that create a conflict of interest or the appearance of a conflict of interest.
 - b. Recommend the purchase of goods or services from sources in which business coach has a direct or indirect interest or which the business coach may represent.

- c. Accept fees, commissions or things of value from third parties as a result of recommending any services, equipment or supplies to a WWSBDC client.
- d. Accept fees, commissions or things of value from a WWSBDC client.
- e. Solicit the private engagement as a paid consultant to a WWSBDC client at any time during or within 12 months subsequent to consulting with that client for the WWSBDC.

The responsibilities of the City of Parkersburg will be:

1. City of Parkersburg will provide an office complete with computer equipment, phone and furniture if possible.
2. WWSBDC branding will be included on all signage and marketing.
3. The WWSBDC office will have full access to phone, Internet and computer.
4. A phone line/number will be designated for WWSBDC.
5. If available, administrative assistance of City of Parkersburg will field calls and schedule appointments when appropriate.
6. Business coaching to be determined as per Article II, Section 2.3.
7. Marketing of partnership between WWSBDC and City of Parkersburg will be conducted to establish/reinforce the WWSBDC/ City of Parkersburg office.
8. Outreach to lenders, chambers, surrounding economic development offices, community colleges and other resources and business partners in the area.

ATTACHMENT II

OUTCOMES

Outcomes Form to be negotiated with the business coach upon execution of the City of Parkersburg contract with the business coach. An Addendum reflecting Scorecard and Goals will be attached to this Agreement no later than 30 days after execution of the City of Parkersburg contract with the business coach. The scorecard goals reflected here match those on the FY2015 scorecard for the City of Parkersburg partnership business coach.

Business Coach Goals & Expectations for Agreement period are as follows:

July 1, 2015 – June 30, 2016

Planned Milestone Accomplishments per year (at the Minimum):

Number of individual clients/individual cases - 65

Number of coaching hours performed - 435

Capital Infusion - \$1,000,000

Number of jobs created/retained - 25