

Council Agenda Bill

AB Number

AB25-089

Agenda Bill Information

Title*

Resolution Amending the Financial Management Policy

Action*

Motion

Council Agenda Section

Committee Report

Council Meeting Date*

11/10/2025

Staff Member

Dena Burke

Department*

Legal

Committee

Finance and Administration

Committee Date

11/04/2025

Exhibits

Packet Attachments - if any

x2 Exhibit A Financial Management Policy Redline Version.pdf	282.86KB
x3 Financial Management Policy Clean Version.pdf	645.08KB
x1 Res 1729 Financial Mgmt Policy.docx	23.43KB

Summary

Introduction*

Brief summary.

The Financial Management Policy of the City of Snoqualmie is established by the City Council. The policy is designed to provide guidance to all stakeholders whether they be directly involved in financial processes, internal control oversight, or any financial transaction. The financial management policy is intended to serve as a blueprint to achieve fiscal stability required to accomplish goals and objectives in the city's Strategic Plan, Comprehensive Plan financial elements, and all master plans.

Proposed Motion

Move to approve Resolution 1729 Amending the Financial Management Policy

Background/Overview*

What was done (legislative history, previous actions, ability to hyperlink)

Under the current practice and Financial Management Policy, all lawsuits, claims, and severance or separation agreements require City Council approval. Occasionally, small claims \$30,000 or less, must be administered and settled, such as separation or severance agreements or other claims or lawsuits against the City. There can be an advantage to handling small claims or lawsuits efficiently and administratively.

Moreover, the current Financial Management Policy is vague or silent regarding petty cash, surplus of assets, and fund structure. Clarifying procedures for these items ensures smooth and proper financial administration.

Analysis*

The proposed revision to the Financial Management Policy would authorize the City Administrator (as the initial approval authority) and the Mayor (as the final approval authority) to resolve small claims—defined as those totaling \$30,000 or less—such as, lawsuits, separation agreements, and severance agreements, without requiring legislative approval. This amendment would also permit the Mayor to approve a separation or severance agreement up to \$30,000 with up to one year of Continuation of Health Coverage (COBRA). Lawsuits, claims, or separation or severance agreements above \$30,000 would require Council approval.

A streamlined approach enables the City to address minor legal matters promptly and strategically, offering potential advantages in negotiation and settlement processes.

Moreover, the proposed amended Financial Management Policy clarifies and outlines procedures for petty cash and harmonizes the surplusing of assets with RCW 35.94.040. In addition, the proposed amended policy updates purchasing thresholds for both the "Public Works Project Staff Labor" and "Public Works Contract" procurement categories to match the change to RCW 35.23.352 which took effect on June 30, 2024. Finally, the proposed amended policy consolidates the City's funds into one authorizing location, which will help the City's with its future code cleanup.

After this updated policy is adopted, the Snoqualmie Municipal Code must be updated to align with the Financial Management Policy. Staff are working on this code amendment and plan to bring it to a future Finance and Administration Committee and then proceed to bring it before the full City Council.

Budgetary Status*

This action has indirect budgetary implications.

Budget Summary

Approving the proposed revision to the Financial Management Policy, which allows, among other things, small claims totaling less than \$30,000 and COBRA continuation for up to one year without Council approval, could result in additional expenditures depending on management decisions. However, the increase, if any, is difficult to calculate and the impacted funds are not possible to determine.

The maximum paid out at 2025 insurance rates would be \$66,931, comprised of \$30,000 in severance and \$36,931 in COBRA payments. If the City intended to recoup this expenditure by delaying hiring of a position, the average vacancy across the City would be 4.8 months.

Other changes to the Financial Management Policy, such as the "Public Works Contract" procurement category purchasing threshold update or the surplus of assets, likewise could result in additional revenue or

expenditures depending on management decisions. However, increases, if any, are difficult to calculate and the impacted funds are not possible to determine.

Fiscal Impact

Amount of Expenditure	Amount Budgeted	Appropriation Requested
Fiscal Impact Screenshot		
Cost of COBRA		
Severance Agreement	\$ 30,000	
12 Months of COBRA	\$ 36,931	
Total	\$ 66,931	