

Board of Okanogan County Commissioners
Monday, November 15, 2021 PM

JD—Jim DeTro, BOCC, District 3—via phone
AH—Andy Hover, BOCC, vice-chair, District 1
CB—Chris Branch, BOCC, chair, District 2—absent
LJ—Lalena Johns-clerk to the Commissioners
MW—Mike Worden, Okanogan County Dispatch Center
DR—Dave Rodriguez, County Coroner
AC—Aaron Culp, Undersheriff
CH—Cari Hall, County Auditor
LM—Leah McCormack—County Treasurer
LG—Larry Gilman, County Assessor
DH—Building Department

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Summary of significant discussions:

Commissioners discuss plans with Mike Worden for upgrades to the morgue and equipment shelter. MW says it will cost approximately \$238,000 to get the architect to prepare the documents needed to ask for bids. AH needs to talk to the same architect on Nov. 23 about a giant project on a Forest Service building. After getting that estimate, the BOCC would have a pretty good idea how much they could afford to pay for the morgue and equipment shelter.

1:28:40—Discussion of Equipment shelter and Morgue design process.

JD has joined the meeting via phone

AH—We’ve got the Undersheriff, Mike and the Coroner, Leah, Cari and Lisa here.

MW—After the last session discussing the morgue and equipment shelter and the possibility of constructing something for those two purposes, I went back to Beaman, the architects, to learn their fee to do all the work of design, permitting, etc. to the point of “here are your documents needed to put out for bids”. Updated fee to \$238,000 in round numbers. It’s fees for the city of Okanogan, because the building would be in the city. It’s called a pre-design study and design. That adds about \$40,000 to total design cost, but we’d be ready to seek bids. Some variables—they didn’t include actual demolition costs. Assumed \$4-5/sq ft for demolition. Wild card is if there’s asbestos or other hazards on site. It will impact design and construction costs if we have to mitigate the hazards.

AH—That gets us to the point of having bid documents. What did they figure for costs?

MW—They’re sticking to \$1,400,000 to \$1,500,000, but a lot depends on cost of materials.

AH—So we’re at about 1.75. Does that all need to come out of current expense? Or other funds?

Board of Okanogan County Commissioners
Monday, November 15, 2021 PM

MW—Morgue portion could use ARPA (American Rescue Plan Act) funding. If we get command vehicle, then a portion of equipment shed could apply to ARPA, but I don't think we could finance it all with ARPA.

AH—How much do you think would apply? 50%?

MW—There's potential. Morgue may be about 30% of the project.

AH—As we go out for bonding, we have to apportion all the expenses. What's our ability to pay back the bond? The two public workshops are in the \$1,600,000 range. Let's use 70%, so $1.75 \times .7$ is 1.225 out of capital facilities. I'm just spit balling. I'm just throwing out ideas.

AH—(Much discussion of numbers) But we won't have better numbers until the architect gives us data about the phases.

LM—Time line?

MW—Don't know yet. #1—we get permission to proceed. Have to get a contract with Beaman.

AH—Can we start within three years?

MW—Hope to start in 2022, but I've never done this before

AH—We have to spend the bond money within 3 years. We need to spend the ARPA portion by 2026. I think it's better to bond the entire amount, bill the ARPA fund for its percentage and pay it.

LM—It's easier to do it that way and other ways would muddy the water.

AH—Let's talk about capital facilities fund. Much discussion of where the numbers should go in that budget.

1:44:35—AH—Where are we with the core percent Real Estate Excise Tax (REET) on this one?

LM—It's good because we're having a good year. Larry Gilman, the Assessor, knows this.

AH—This is all dependent on REET. At some point it'll probably level off, but if we use \$500,000...

LM—You can see where we kind of bounce that number around. I think we should look at it before we move forward. At some point it'll probably go below \$500,000.

AH—I was trying to see what's a safe spending capacity out of capital improvements. There will still be other things we need to do to other buildings.

AH—If we could live on the million dollars plus when the QEC bond comes out, we have \$400,000-\$500,000 spending capacity safely within this 30 year period. If it's 50,000 on the 1,000,000, so it's about an \$8,000,000 spending capacity.

MW—So total cost of repayment is approximately \$51,000 per \$1,000,000? Annually?

AH—Yes. So we're talking about \$100,000 annually for your \$1,750,000. So for the \$1,250,000 from capital facilities, you're only talking about \$70,000 per year.

LM—This will contain a lot of projects, so the finance committee will have to be careful how they break this down.

AH—If we go through with bonding, doing the math will be crucial, but I don't see \$70,000/year being a big issue with that bond.

LM—It's not, but you want to have a cushion. For your project, you want to have enough cushion to pay at least the last two years of the bond in case you hit a wall. That's what we call a protection reserve for the county.

AH—So I don't see it's a big issue to get this done. That being said, we need to do homework.

MW—So next step is to get a contract with the architect to start the process of design?

AH—No. Next step is for the BOCC to say we're going to spend the money to do that. You've gotten us to a place where we can say with some certainty that if we pull the trigger, we can get it done.

AH—We have on Nov. 23rd we have a meeting with Beaman. He'll do a walk-through with Dennis on the Forest Service facility. And then have a get-together here. Try to get budget numbers for phases for that facility. If it was just this and the two shops, I'd say let's move forward, but we need to see what the

Board of Okanogan County Commissioners
Monday, November 15, 2021 PM

Forest Service facility will cost to see how much money we want to be on the hook for in the next 30 years.

MW—Should I attend the discussion?

AH—I don't think there's any more discussion needed on your project. It's important to get the coroner spot and to have our stuff covered and the roof's not falling down. It's how do we work this in? What are our priorities?

MW—Bigger picture stuff?

AH—Yes. We can have that discussion with all three of us are around.

LM—So when the BOCC say yes or no, then you move forward with Beaman and it becomes part of the \$15,000,000? I'm a little confused.

AH—So we have two shops that need to get done at \$1,600,000. We've got this building that needs to get done at \$1,750,000. Then we have a giant project down there that we need to have Beaman break down into smaller pieces that we can afford to do. If he says it's \$15,000,000 for the first phase, then we have to decide how can we fund this. If he says we can do it for \$5,000,000, then the decision is to move forward and get the bonding done for it. I don't want to bond something until I know for sure that in 15-20 years from there's a plan to pay it back.

MW—Thank you.

JD leaves the meeting.

1:57:45—Discussion returns to the Communications budget.

2:49:50—Budget discussion of Assessor's budget.

3:11:20—Budget discussion of the Building Department's budget.