

Board of Okanogan County Commissioners

11/15/2016

JD - Jim DeTro

RC - Ray Campbell

SK - Sheilah Kennedy

LJ - Lalena Johns

PH - Perry Huston

AL - Albert Lin

JT - Josh Thomson

OCS - Other Court Staff

SH - Debbie Hilts - Human Resources

LM - Leah McCormick

Carrie - Treasurer staff

LT - Laurie Thompson

OS - Other Staff

JC - Judge Culp

Summary of Trial Court Improvement Fund

Notetaker was not present for the entire discussion. The main subject was the need for improvements in order to comply with the ADA act, and how to fund those.

Summary of Non-agenda items discussed:

- *Albert Lin briefly reports on various items, including ATV case, the risk pool, and the County's response to the recent Hirst decision.*
- *Riverside Fire Hall addition - requirements of the Open Public Meetings act are causing complications in planning the project. After discussion, the recommendation is to publish a schedule for regular meetings, and adjourn if there is nothing that needs to be addressed.*
- *Hirst Decision. The County is conferring with other counties on how the decision is being handled. There is particular interest in communicating with other non-GMA counties. A public hearing is being scheduled for December 19th.*

- *Jail improvements. Two assessments are needed: one to address structural issues, the other to identify actions and modifications needed to bring facilities into compliance with legal requirements. An RFQ is being developed to solicit architectural/engineering services for the structural assessment. County is hoping to get a checklist detailing the legal requirements prior to a pre-inspection for the governmental requirements.*
- *Personnel. The head of HR reports on a number of hires that are underway.*

Summary of Finance Committee Meeting

The main subject of discussion was that revenue has fallen behind expenditures and the county is facing low cash reserves. Analysis has shown good revenues but significantly higher spending in 2016 compared to 2015, and a spike in June. Current expenses are over budget for 2016. At this point the cause of the increased spending has not been identified. LM recommends monthly expenditure accounts of no more than \$1.5 million in November and December in order to achieve the targeted carryover into 2017. Projected carryover is \$1.35 million; 2017 budget is out of balance in the amount of \$516,025. Carrie suggests further analysis to identify cause of increased spending. Hiring freezes and layoffs were discussed. Additional budget meetings were scheduled for the 21st, 22nd, 28th, 29th & 30th.

Trial Court Improvement Fund - Superior and District Court

8:55 am Notetaker arrives. Trial Court Improvement Fund - Superior & District Court discussion underway. Eight Court staff present.

RC - Hearing two items. District and Superior courts...

SK - We are also hearing handicap ramp needed. We need a budget to look at.

LM - Have a suggestion...

OCS - Asked to submit a grant to have these things addressed. Commissioners denied it.

RC - Sounds like you had the opportunity.

JC - I asked whether anyone had an ADA manual. Have had jurors who couldn't get into the courtroom.

OCS - Courtroom is way out of compliance. You have to be able to operate the court.

JD - That would be the highest priority. There might be a grant for ADA improvements.

SK - So we are clear, the staff is not coming to us for approval for 2017?

JC - As I understand it.

(too much discussion to record. Status of a new position, number of hours, which budget it will come out of)

SK - Want to make sure it doesn't come out of (?) for 2017. How much cross-training, how much work they will do for District Court. Do we even need that 16 hours position? It goes on a wish list for the general fund.

OCS - At a minimum, we could have the Auditor move it into the (?) fund.

(Discussion of benefits, costs, '195' fund?)

Judge - District Court not in agreement with (?)

OCS - Grant money may still be available. Would like to set aside \$3,000 to assess court-rooms.

JD - OK. Out of time. Steve, could you make that call? If that is going to be a delay for this process, at least we will know it.

JC - Is there a timeline for budget meetings?

JD - Now we are starting to break out budgets for the departments.

JC - Would like to have judges back-to-back, so that we can include interpreter issue.

JD - Okay. *(Gives instructions to Lanie)*

9:17 *Trial Court Improvement Fund discussion ends, staff leaves. AL arrives.*

Non-agenda Miscellaneous Discussions

JD - FYI. Apple maggots in the upper Methow.

(Discussion of pest control, commercial orchards - Cider Works?)

Another staff person arrives, joins AL at the table.

AL - Worked with Sandie to get our reply on ATV case before the Supreme Court. Purely a response to other side's reply to our position. Clark County is currently part of (?) prison risk pool. Wrongful imprisonment case. Risk pool paid in \$1 million to settlement. Total settlement \$15 million. Working with Perry on Hirst decision.

JD - Riverside building an addition to fire hall. Chief called. They have significant problem with *(meeting the requirements of the)* Open Public Meetings act. Want to know if they can advertise a block of time.

PH - It would be easier if they delegate the decision-making to an individual. Come back in public meeting to essentially ratify.

AL - Think that could be a problem. UW.

PH - Designate a project manager.

AL - Are there people complaining?

JD - No complaints. They want to do everything correct.

SK - Can't they just designate regular meeting times? Then meet when they need to know.

LJ - If the paper of record hasn't sent a letter requesting notification, then they don't have to advertise. Just post notice at fire hall.

AL - Don't want to advise them not to advertise.

(Discussion of work-arounds. JD describes city council members meeting sequentially with city clerk. It is pointed out by PH & LJ that that would be illegal, also. Discussion comes back to designating regular times for addressing subject, then meeting when needed)

PH - They should meet, even when they have nothing to do. Don't want it to be sporadic. Can adjourn if they have nothing to do.

AL - Discussions with other counties about how they will deal with Hirst. Seems like it is county to county. It would be interesting to hear how other non-GMA counties are dealing with it.

Other staff - (inaudible)

JD - We are under an interim situation.

OS - Don't have much to report (inaudible)

SK - You have been meeting with Mr. Ring (?) Other question - the (?) inspection. Is there a way we can get that done?

OS - (inaudible)

SK - Even if they did come in now, wouldn't that give us a starting point?

OS - it would, but then I wouldn't want them to decide that we are out of compliance.

PH - 2 things. Structural. Need to get RFQ out. Other, governmental program. *(Pre-Inspection?)*

SK - Starting point - life expectancy of jail longer than juvie, or whatever.

RC - Good idea. Don't want to be in same position as Clark County, with a multi-million lawsuit.

SK - two things - step back, get checklist from them before we ask for pre-inspection. Other, structural. Find out if it is falling down.

OS - You *(Perry)* & I going over RFQ.

PH - Architect or engineer has to understand detention facility needs. Put the RFQ out. Make it clear that they will be going over the adult jail and juvie. Need to know what the program needs are. *(it is more than just structural)* In perfect world, one person would know all of it, but we will probably need two. They

OS - Out of state applicant. Would need to pay for travel.

Debbie - Quite a lot of hiring going on now (gives details. Seems like about a dozen). Received rate increase for our personnel (union) covered by Premera. (24-30%) High deductible (Club heritage) now covers prominent hospitals (Sacred Heart, etc) - our cap will not be enough to cover it. Expect that is the one they will check.

SK - Have we had a lot of applicants for the positions?

Debbie - *(gives details. Discusses personnel changes, retirements, hires etc.)*

SK - What position for district court?

P - Lost a clerk.

PH - (Discusses upcoming travel). Still wrestling through court decision. People seem to understand we are in a difficult position. Interim control subject to change. Public hearing December 19. Can extend interim control, develop new interim control. Putting everything we have together.

On a related note, Conservation District coming in on Wednesday to discuss VSP. Will be bringing in the information they have. Begin to build baseline record for applicants to use. CD will see if we have information they can use. Won't be here for meeting. Will fill you in on Monday.

9:50 PH & Debbie leaves. Treasurer & staff return.

Finance Committee Meeting

LM - hands out report

PH returns. Auditor arrives

Expenditure Status Report.

LM - Fluctuates day-to-day, based on when income comes in.

RC - Inaudible.

LM - It will probably go up in January. It will probably never hit \$1 million again. Very positive. Quite an accomplishment.

LM - Tonasket EMS sent check to close out revolving fund. \$39, 805.59. \$194.41 short.

PH (provides explanation. Discrepancy will be closed)

County Funds cash on hand

LM - Some people look at just one line. Need to include investments in that. There are some big numbers. County roads has \$500,000. Interest coming to county general fund(?). Asked Josh if he was planning on spending \$5.3 million in the next month. Most should be invested, or it is a loss.

Discussion of fund number 120 - TSC - 911 Communications. *Too fast to capture.*

LM - Questions? Eastlake utility construction has \$1.98.

PH - There have been no collections.

LM - Will come out of 117 (infrastructure).

LM - Not sure infrastructure money is guaranteed through life of the bond (2023). After that, money could be pulled.

PH - Senator (?) threatens that every year (*discussion too fast to follow*). Veranda Beach..

LM - Golf club, winery off the table.

PH - Not sure it is. One possibility is F&W CE. Don't want to buy development rights in sewer & water service areas. Need to review development possibilities.

JD - Need to decide what to do. (?) have their eyes on that money.

LM - Money we are getting right now, when Dale Chauve(?) was treasurer he bonded it for the courthouse. When they went to the 40-40-20 split, the courthouse didn't get very much.

JD - When legislature sweeps that fund. I have said that Okanogan County will lead the charge in not making payments.

LM - Revenue recap sheets. One of your questions - revenue in 2009 compared to now. We are quite a bit over. Let Carrie explain expenditure status.

Carrie - If we are ahead in revenue, why are we so low on cash? At bottom of sheet, grand total of expenditure. Follow pattern - spiked way higher in June. Look at trend. Significantly higher spending in 2016 than in 2015. Trend has potential to impact fund balance.

PH - What has changed?

Carrie - No one thing stands out. Jail not enough to account for it.

JD - PILT came in \$200,000 more.

Carrie - noticed on revenue side - looked for lag time in revenue (billing for grants). May not be billing regularly enough. Last year spiked later, but this year expenditures higher. Would like to see expenditure accounts no more than \$1.5 million in November and in December or we risk not having targeted carryover.

PH - Question is whether it is payroll and benefits. Different question than operating costs. Payroll & benefits are a whole dramatic discussion, compared to whether we are spending too much of televisions and gas. Are there any revenue lines we are waiting on?

LM - No.

PH - As Carrie indicates, grants are a good place to look. When you get busy, it is easy to let the billing slide.

LM - Overall revenue at 88%. General at 90%. That is good.

Carrie - What is throwing me off. Revenue is really good. Expenditures should have a balance left of 18%. Have to look at cash on hand.

SK - In order to stay within suggested expenditures for Nov-Dec. Should we send an email?

Auditor - Hiring freeze.

PH - Service will be reduced.

Auditor - Have had that conversation. May be close to \$1 million carryover. Didn't see a lot of places, other than a couple of cars, where things can be cut.

PH - Something is going on.

Carrie - grants are cost reimbursement. Not just spike - whole trend, \$200,000 a month. Like the idea of breaking out salaries.

PH - Salaries, static costs. If that is the upward spiral, then that is a policy-level discussion. If it is not that, what is going on with capital. If not, then expenditures. I am up some, for

postage and professional services. Probably \$7,000 over in Planning. Will transfer money to cover that.

Carrie - would like to prepare report breaking out salaries, operating, and capital equipment. By department, overall or both.

PH - Overall, you could identify where problem lies, then do by department.

LM - Now play Devil's Advocate. If there is any consideration for a layoff, then those people need 30 days, notice. We are coming up on that.

LJ - Where does that come from?

LM - HR

LJ - I was told it is 2 weeks.

PH - May be in union contract

(discussion of timelines for layoffs)

PH - Longer is better; common courtesy. Can do it under 2017 budget. Are you recommending layoffs, Leah?

LM - I did not say that. Just had to raise subject.

PH - Suspend hiring.

LM - If you can help with hiring freeze.

Auditor - Difficult decisions for 2017. We went over budget with fine-tooth comb.

LM - Bring in some of those tough departments that are not yet in balance, could help a little. We are now in middle of November, need to move on it.

Current Expense Departments

PH - Tried to keep PS (*Professional Services*) line in the black. Move money from personnel, bill some from public works. Still will elevate my bottom line.

Carrie - If I was managing a budget and I had some line items that were negative, I would try to balance those before requesting a supplemental. Is that correct?

SK - (recaps)

PH - In my budget...

Carrie - Some of them are doing that, coming to us to discuss it (Courts, Planning). I would reject them outright unless they give you a reason why. Some of them don't have enough money to transfer.

SK - Freeze hiring.

PH - We are one position down. Saving money.

LM - Some of them have been negative since March.

SK- Maybe best way is to have departments come in, go over budgets with each. Normal has been, commissioners just give money out of contingency.

LM - Agreed.

Auditor - There are concerns with this. For example, jail is down to 14%. They may not have enough to transfer. Contingency is down to \$290K(?).

Carrie - (Some) will not have enough to make payroll. Jail, so much over budget on line items, will have to project out whether they will be able to make payroll.

Auditor - *(goes over some details, too quickly to catch)*

PH - Whether expenditures are unavoidable or not, there is always an explanation. Always counsel against living up to your means. Control your expenditures. Jail - why are we paying overtime?

SK - Part of that - positions not filled. We approved these positions so we could get ahead of the overtime.

LM - But overtime continued.

PH - Overtime can become a habit. Part of management's responsibility to make sure that doesn't happen.

SK -

PH - Every manager should be able to explain to you their overtime. I don't have an overtime budget - I have comp. time.

LM - Me too. A couple of things. We need another meeting.

SK - Next Monday & Tuesday (schedule additional budget meeting). And 28th, 29th & 30th?

Auditor - on the 29th we certify the election, but that shouldn't take too long.

(lengthy discussion of scheduling)

JD - Coming back to Perry's point - there is a reason for that. We still haven't found out what that is.

Carrie - That is why I want to break out salaries. Help figure it out.

JD - Drag them in here. Show them their budget. Say, you have \$5,000 left in office supplies - that goes into general fund.

PH - Give them the opportunity to explain...

LM - Managers need to manage their budgets. This is the middle of November.

11:05 Budget meeting ends. LM, Carrie & Auditor leave. Josh Thomson comes to the table.

11:12 Update Public Works

JT - Maintenance and road conditions. Still grading in some places. Switching over to snow removal. Bridge construction. Last week we drove piles on one abutment. Needed to go deeper than expected to get bearing. Getting geotechnical experts out for other abutment so they can monitor how far we need to go. Adding a supplemental to do that (explains the

technical details of driving to bearing capacity). On B3 bridge removal - they will move over there as soon as they are done with the pile driving. Pit agreements - CRC (White Rock). Sand & gravel that we use on our roads, & pit run. Same prices that we have now. Section 7 paragraph C. AL questions whether we need that language. They are selling to us below cost. Don't want to be responsible for wear and tear to the road.

SK - What could the claims be?

JT - Wear and tear on their equipment from hauling on the road.

SK - Did Albert say when he would get back to you?

JT - I emailed him just a few minutes ago. *(Looks at his email)* He still says he doesn't like that paragraph. I'll get back to CRC.

JD - Could you talk to Albert, ask him if there is some way to change the language to make it acceptable?

JT - Yes. I will talk to Albert and get back to you. *Second agreement (discusses departures from standard agreement. Owners want gravel on their driveway).* Fairground survey project. Haven't heard anything for a while. Thought I'd follow up, see if that it still wanted.

RC - Erlandsen(?) were told that there is no hurry. We still want it.

JT - I can check on that. Pit agreement - anything else you want changed?

JD - No. Looks good.

JT - Okay. Pretty brief today.

LJ - *(Brings other document to JD's attention. Discussion)*

JT - Heard Parametrix wanted to provide report by the end of the year, but won't be final.

SK - Right. This goes through March 31st.

RC - Move to approve supplemental agreement No. 43 (contract extension)

(seconded, approved)

11:28 JT leaves. Commissioners begin reviewing documents (Consent Agenda?). Commissioners come and go from meeting room. Various side discussions occur.

11:52 Notetaker leaves.

