

Board of County Commissioner Notes

Tuesday, 4.12.16

Ray Campbell - RC (BOCC)
Sheilah Kennedy - SK (BOCC)
Jim DeTro - JD (BOCC)
Lanie Johns (LJ) County Clerk
Ben Rough (BR) Admin, Public Works
Leah McCormack, County Treasurer
Laurie Thomas - County Auditor
Frank Rogers - County Sheriff
Maurice Goodall (MG), Dept of Emergency Manag't
Charlene Groomes (CG)

Contents: State Auditor conf; cash flow problems until June; cash flow mtgs w/Sheriff Dept/Emerg. Manag't; Supp to Victim Witness denied; Supp App. to Oroville EMS approved; Weather concerns; more.

(Notetaker comments in italics. Verbatim notes whenever possible, otherwise summarized; numbers difficult to follow, there could be errors.)

3:00 - Note taker arrived. BOCC seems still in transit from Board of Health meeting

Scheduling Details

3:12 - Lanie - April 26th - (?) Supervisor wants to meet. Exec assist is requesting time. (They schedule for that afternoon, a Tuesday.) SK - Any response for meeting this afternoon? Lanie - yes. She names off several Department Heads. RC - Will Joe have the information from Mike? Lanie - did not invite Mike. Joe does not have the info from Mike. Mike was supposed to be out of the office tomorrow. Ray - I would like to see him. I still want to get that clear - (something about Perry is probably right, but I need to be sure. Apparently refers to Mike from Sheriff's Dept, who had ordered a communications system - see below. Lanie - Will try to get Mike here. 3:14 - Commissioners looking at computers, SK leaves

Lanie - Ray, Are you going to "preparedness" event on May 10th? You had been invited. RC - No, we have our meeting here on Tuesday. 3:15 JD - Go on to consent agreement? Lanie - Everything that needed to be done was JD - I thought there was something on liquor control board? Lanie - Marijuana. JD - yes, clarifies that all was done. Darla Schrekengast (?) - called. No judges here on Monday, 18th so that date will not work. Lanie - time on 19th in the afternoon... Nathan (Dreaguy?) We have time at 3:30.

State Auditor's Meeting postponed.

Ben Rough enters - Lanie - did you come for auditor's exit meeting? Ben - yes. Lanie - it was canceled until April 27th, sometime in the afternoon. We do not know the time. JD - We were in your neck of the woods. Public Health. Ben - How did it go? Lanie - April 27th in afternoon.

Discussion of Cash Flow Problem - Background

3:22 - Charlene Groomes enters, passes out budget/financial info to 5 other women who enter, sit at front table.

Present - Leah Mc Cormack, Laurie Thomas, others.

SK - How is everyone today? *Humor lacking.* Commissioners looking at paperwork packets stapled together. Looks like budgets. Lengthy silence.

Leah McCormack, who refers to a recent conference with a child. Is Ruth the president of your association? No. Ken Morrison. (To unknown staff.) Ruth is one who tells it like it is. I believe she is stepping down.

Chit-chat among women. Leah McCormack studios.

3:29 - Still chit-chat. BOCC continue to look thru budget.

Leah - I can start when you are ready. May I start, please? BOCC ignore, keep talking about some sort of registration, cancellation.

DeTro - It's 3:30

Cash Flow - Discussion

Leah (LM) - Background : Cary, Laurie and I came up this AM to talk to BOCC about shortfalls. End of March - appeared to be in the negative, Transferred 500,000 plus. When did prelim figures, as of last Friday and what was projected to come in, we were in negative 400,000 AFTER the transfer. It is actually going to be more like 158,000 in the negative. We all got the memo in January about the carry-over being short. Because short 250,000, that means - carry-over is cash on hand - It's what the dept doesn't use for the budget. Used to balance next year. 1.7 million was expected, actually 1.56 (?) Looking at: We are already in the hole by \$250. Did someone overspend in March? No. No one overspent. There are revenues that are shy. (Note: there is no mention of visit of State Auditor's office nor the report just presented to county.)

JD - Look at first page, you've got first line item. \$40,249 coming in and 45.....(impossible to follow without a copy.) RC - right in line with what it should be.

LM - Revenues and expenditures thru March - should (be?) about 27%. When looking at revenue over here (points) DSHS enforcement . We need to let you know why revenue is low.

Staff - Jan and Cary were looking at support budget. In April had to hold off because of indirect cost. (received?) check for \$10,00 and some. Received 7,000 already

SK - Do you bill on a monthly basis? Staff - Yes. The remittance will be coming in on last day of April.

Woman - LFO's - e-mail I sent. I didn't think we have received - Other woman - it usually comes in June \$39,078 is what we will get for 2016. A little more than I had in the budget.

JD - Anything else? Once you turn the page, you are well within your parameters. LM - There are 27 Depts within current expense budget. Maybe watching your expenditures, maybe later on in June - making sure you are actually getting the revenues you are expecting.

Staff - last year I held off on supplies because we knew we would be way over. ...Had a big order at beginning because...

SK - We are in serious trouble. This is why we are bringing everyone in. Only spend if you have to spend. If we cannot pull ourselves out, some decisions might be reducing work week, laying people off, and those difficult decisions. Our goal is how to get to June when other revenues come in.

Woman - Charlene Groomes. We still had that \$13,000(cannot follow.)

JD - Will you be catching up? LM - Always be aware that your revenue budget is strictly budget. When we brought to BOCC, we were talking cash. Budget is one thing. Cash is another. when I say we are running short, we are talking cash.

JD - On other hand, when .. pointing out that sometimes \$\$ is coming in. That's part of carry-overs.

SK - If we have to go into a hiring freeze...depending upon our meeting the rest of today and then on Monday ...

LM - Reason we are waiting until June - most of larger revenues are in by June. Gives better projection as to the 2nd part of the year. So really important for BOCC to bring all Depts to the table to make

them aware. We are a team, all need to be aware of what we do as a total. Make sure revenues come in on a timely manner. Staff - most of us never know. LM - yes, just a projection.

FEMA \$\$

RC - We have been depleted - government not coming through JD - unfunded mandates. have not received a dime from FEMA. LM - In 2015, we did by March of 2015, we did receive \$\$ from FEMA. So far this year, have received nothing. That could be part of the discussion. Important that we are all looking out for this.

Reserves & Carry-over

SK - Our reserves are depleted. LM - Not good. From this standpoint, the Depot (?) policy says county will attempt to have a 10% reserve. So if 20 million, looking at 2 million. So you don't have to borrow or dig it up. Now, it is 200,000.

JD - Now also as a result of the begging fund balance as a carryover has been - we have for years now been not on a zero based budget. We have depended upon the carry-over to be carried over for next year. We want to get to the point where you start at zero, that becomes your reserve acct. Ideal situation.

LM When people look at 12/31 and see that the bottom line is 1.456, they don't realize that the county for 30 years has used that carry-over budget and used it the next year. It is a rainy-day fund. (Laurie Thomas?) - The beginning of the year; the revenues do not come in til later. Historically short Jan - March or April. Lots of time have had to trans out of reserve fund, and have always paid it back into reserves. This year, if we didn't use the carry-over for 1st 3 months, I don't know how we can get to zero based budget. JD - Has been done of 30 years, accepted practice. In zero based budget, that becomes your reserve. Staff - do you know if you are going to get FEMA money? RC - we expect to, but never know. Not sure when. This time was different. JD - billed for 550,000, they sent 150,000. LM - But that is not current expense. That is about \$18,000. RC - Still the dollar figure should be in our pockets INSTEAD OF WDFW's.

Attendance of Depts at these meetings

SK - Once we start having these meetings, staff will have questions. Be sure the info is passed on. LM - Would encourage office meetings to keep a people informed. Stop rumor mill. Get the truth out there. LM Not meant as a scare tactic. We wanted you to know. Lanie - Reading response from a Dept head (seems to be Sheriff's Dept.) " Little good news for BOCC. They suggested 21st or 22nd." SK - We may have made our decisions by then. If they cannot make a good effort to send their chief or someone up to us, then..... Lanie - How would you like me to respond? LM - when we are 27 Depts within current expense. to be a part of that you need to come and listen, that is important. As a dept head, I would say make the point of making a point to be here. SK - Some of decisions now are cutting back hours, laying off staff, etc. I didn't think we gave them an option to attend.

LM - I have end of March figures if anyone wants to see them. Breaks into a number of discussions

Meeting with Sheriff's Dept.

3:54: Frank Rogers and 4 staff with badges come and sit at table. Most women leave.

LM - first question, how did we get you all here at the same time? Lanie - they made time. Appreciation.

LM to Sheriff & staff: Cary, Laurie, and she came to BOCC because at end of march, cash \$263,00 in hole without transfer.

lat Friday, 500,000 trans out of current expense resulted in going into the black. Coming up were payroll on 15th, etc. Even with that, projections were out this AM in the hole \$400,000. Actually about 158,000. Decided we needed a meeting about expenditures and I discovered no one was overspending. Started out in January with (?? Didn't catch figure...\$250?) in the negative.

Questions - why in negative with property taxes coming in, etc.?

LM: Three reasons:

- 1) Last year we got FEMA \$\$ at this point. . this year, none.
- 2) If you have grants, have you billed them? Some Depts have not billed yet.
- 3) Question for you, Mike (one of Sheriff's staff)

LM: All a little fuzzy. You had requested 280,000 for some console. For some reason I thought was going to be reimbursed...RC - the radio consoles...seemed like we thought you had recognized this was coming down the road, and there was revenue...Mike: No. We had hoped we would come up with a grant to offset the costs, but it did not materialize. That is why we made the unplanned request for that \$\$.

JD - \$240?? Mike - in the ball park. LM - I had written down that it was going to be reimbursed, but maybe not. Mike - we were hoping for grants but did not materialize. LM - Need to know - possibly put off expenditure until June. That would be ideal, If you have not billed for grants, do so, so that the \$\$ starts filtering through the system. Important that the 27 departments - people don't realize how intricate and difficult it is, sitting in this position, when people are asking for way more than they possibly need, and it is up to us to break this up. If you are 27% on your line items, that is not where you need to be today. Anything that has gone over on expenditure side needs to be worked out. At end of March, 25%. So that's why the meeting was called. Let all Depts know how important it is to really watch their budget. (*Frank - water cooler went on - can't hear.*) Jail averages 150 - 180 - We'll be 100% if over-time. (*notetaker did not understand.*) What are we going to do...Noah Stewart - I don't have 100,000 in a line item. (*Not clear to notetaker.*)

JD - Have you and success in hiring? Noah - one officer in surgery, one on light duty, one resigned. I have hired 3. When they get back, should be close to being signed off. Should alleviate the OT. Last year, OT was covered with salaries and benefits. I have back 150,000. You cannot count them until certified by state. State cutting back on (?) for running academia. Only 5 (trainings?) per year now. We have a 4 month FTO and.... LM - I didn't mention that the 500,000 we transferred out of current expense reserve to get where we are. Only 200,000 now in current reserve. You want 10% of budget in reserve. For 200,000,000, need 20 million we are not grabbing that just to make payroll. We need to watch this. I realize OT can be a problem. If you can curb it anywhere else... Noah - only thing I pay is food and (*did't catch the rest*)

SK - If we cannot curb the spending, our discussions will have to be around cutting staff, reducing hours, etc. Trying to be as honest as possible now. We do not have ANY RESERVES.

Frank - I took our budget and broke it down for the guys one year. If you take our budget out of how many millions - it is only wages and salaries. We are only running about 300,000 in (?materials?) (*not sure of exact statement*) We can't cut any further.

SK - If every Dept comes in and says that, the only thing we can do is to cut hours and staff.

Frank - You do the budget. You will see it doesn't add up to that much.

LM - Same with our Dept. If it is the way it seems, you are looking at doubling up on jobs.

Question (officer) - What is the difference in \$\$ between this year and last year? We have cut back already. Can't be just FEMA.

Laurie - It is not your budgeted amounts. When we developed budget, we had 1.7 million carry-over . It came out 250,00 in the hole. Cash. The cash did not come in. Financial embarrassment. Officer Joe - have you identified who overspent, or who didn't collect revenues? LM - in June. PILT pay't usually 2.2. PUD money is June. Maybe FEMA money. LM - a lot of expenditures went out and needs to come back in. RC PILT is fully funded this year.

Laurie T. - Hoping to hold on until June that it will get better. No guarantee. Asking Depts - Cary and (?) she was going to finance (conf?) next week, and we have canceled just because I cannot see our Dept spending \$500 to go to this important training. An expense we don't really need to make. If all Depts look at it as if we are all in it together...let's try to.

Joe - Discussion about Fund 120 - *(cannot follow.)* LM Only talking about the 27 Depts under current expense. It doesn't matter the name of the Dept. We will have to float or go down together.

LM - Jan, Feb march - Always low revenue month. Were discussing this AM - computer software, banking fees, etc....all want their \$\$ in January. If can put off until the May - June thing, that will be great. Laurie - Please share with staff to downplay rumors. We will do everything we can to keep the paychecks from bouncing.

JD - A lobbyist from marijuana talked with us this AM - talked of all the millions of \$\$ pouring in and Perry said we are not seeing it. Excise from marijuana tax was only about \$12,000 *(for county.)* Noah S. They say marijuana is outselling milk and

4: 20 - Sheriff Dept. leaves.

Misc. Fire weather, revenues, FEMA

Perry Huston - State FEMA guy coming to talk tomorrow if you have a spot. Dan (Higbee, Building) is not in today. Higbee -site analysis are coming along, so you may see a bump in revenue. had a spike in activity. There are homes with building permits. RC - Revenue should come up a little bit. LM - fingers crossed for no fires this year. JD - Not much hope. folks tend to think that moisture is a good thing in Spring . Turns into fuel. LM - Lots of fresh asparagus! Love it. JD - I like fried asparagus.

Laurie T. - When did we do the transfer from current expense...discussion. I was wondering.... *(seems to be resolved.)* LM - Crime victims \$\$ is not in here. SK - but they are expecting that revenues will come up. Laurie - 16,- 18,00 transfer (?) for crime victims.. transfer not made yet. SK - That is why hearing at 4:30. JD - points out another figure that makes it better. Laurie - it will not come back into current expense. Discussion with Leah. *Revenues for crime victims seems to be source of some confusion - as to whether/where it comes back.*

Discussion bet. Lanie and SK and staff - whether CTED Grants Supplemental from current expense out to prosecutor. Then transferred to 129. Staff - when SK said it comes back into current expense - that is not what we understood. *Some understanding seems to be reached as to this confusion.* Laurie - they said they would not be paying it back. We need to clarify with them.

SK - Is the next department going to come? 4:28.JD - We have 2 minutes. SK - Lanie will call.

Lanie on phone - supplemental for Victim Witness - in a couple of minutes. Addl revenue you were expecting...Transferred - Will additional \$\$ you are expecting be able to pay back Current Expense? For expense of employee in Victim Witness ..Lanie - it would be paying back prosecutors. They have already spent the \$\$. Laurie - I had heard they were not planning on paying it back. OK for April payroll. Ok, ok. How much? Ok. Ok. All right. Ok that sounds like (?), I'll let you now what they will decide re your request . Good info to know, to help them consider. Ok. That's it.

PUBLIC HEARING: Victim Witness /Prosecutor - Supplemental Appropriation

JD - Let's get on the clock please. Lanie goes on computer. 4:34: - Clock goes up for public hearing. Supplemental appropriation for Victim Witness program. No public comment. Disc: Lanie - After calling (? Sabrena?) , she still does not know the amt expected. Has billed both grants, and they are ok for April payroll. Sticky month will be May and June. Not sure they can get by without extra revenue. If you do not supply Supplemental, a Mid-May decision would be as late as.... RC - Under current circumstances, best to hold off. SK - have records show a couple of minutes late (4 min) because Lanie on phone clarifying phone conversation re the supplemental. SK - moves to deny the supplemental appropriation request for Victim Witness program and bring up for further discussion later. Date to be determined. 4:36 - Closed public hearing. Albert Lin leaves. Had showed up for hearing.

Consent Agenda

Res 30-2016. - Lanie - have not prepared the resolution, but amt is \$177,356. for ambulance services. JD - Put us back on the clock.

Supplemental Appropriation: Oroville EMS. (Public hearing)

4:40 JD - it is 4:40. Opened to public and staff. No comments. BOCC: SK - Moves to approve in amt of \$177,356 for ambulance and staff to approve the resolution.

JD - Further discussion? (None) Public hearing closed.

Misc - Expense Reserve

SK - other thing talked about this AM. Need to advertise to transfer the 279 for Expense Reserve.

Laurie - you could probably trans 7500 out of vehicle reserve Current expense \$\$ - in an emergency If it says the program will continue into the red....(*water cooler came on, could not hear.*) SK - at what point would we know we need to do that? Laurie - At least have the resolution ready. Does it need to be published? Lanie - doesn't think so. RC - get it all ready. Laurie - get it ready as a last resort in case we need to do so. If prepared and in the works - no scrambling at last minute.

Dept of Emergency Management: Maurice Goodall (enters for financial discussion.)

All (to MG) - You came up with some \$\$! Empty your pockets! chuckles. RC - We were wondering about the FEMA. He's going to be in town tomorrow. Will talk with Josh. I'll be back in afternoon to talk with in. Hopefully by end of week they will have not money, but signatures Then it has to be processed. Thinking by end of month, may be able to start seeing something. MG - All that Josh has, and I have about \$125,000 that into current expense. Autopsy, Sheriff, OT an equip (?) - EOC supplies - *reads off a lot of figures, couldn't follow* .. some into planning. LM Most of this \$\$ to be expected is in Current expense. All nod heads. Laurie - I have not paid out any \$\$ to folks that we owe. Will do in increments. I'll keep leapfrogging. This is the amount that will come back to us. Again, current expenses....I have another 40,000 I will submit on grant \$\$ that will come into 121.

LM - (Update for Maurice on the situation) We care about our fund..it's special, Reason we all gathered today is because Current Expense is experiencing a shortfall in cash. One reason is because we haven't yet received FEMA \$\$ like we did last year. Need to talk with Maurice. Sounds like you guys may not be here tomorrow. RC - I can get here tomorrow. MG. - He is meeting with Josh around 11:00. RC - Asks DeTo if he can be here tomorrow. JD - Will skip Econ Development. RC - I need to get up Twisp River to look at floods. Have been getting some calls. I promised to be up Frost Road. SK - If you can carry message - he needs to get this stuff done and back to us so we can approve it. ? - I told him today. RC - I won't plan on being here unless I hear from you.

Maurice - My office - just about only putting out salaries. Not a big \$\$ pusher. LM - If you can extend as far out as you can that would be great. SK - We are trying to make it until about June. LM - This was brought up at your budget meeting. Need to take a look at 78,000 (?) ... previous guy, Scott....was set at current expense 121 fund. 60% county, 40% cities. Need to know where to put emergency funding. Will all be looked at... I needed that year to see how it would go. MG to RC - You got invite to Twisp exercise. I see you can't go.... RC - Good exercise, wish I could get there.

LM - Most serious thing - to let Depts know that this is serious and they need to be onboard with the team to figure out what cuts we may have to make, so forth - it's an eye-opener if you don't deal with it - to see the whole picture RC - We recognize every year that there is a little bit tucked away here and there.... All agree.

Scheduling

Lanie - On Monday we start at 9:00 with meetings. DeTro - clarifies nothing before that. Lanie - Once I get response from all Depts, will let everyone know. **4:46** - Discussion about hearing, bad compressor. People start to pack up.

Minutes Approved.

SK - Moves to approve April 11th minutes as presented. No discussion. Passed.

SK - to Lanie - will you have time to get that resolution done for the transfer of \$\$? Another item - do we let the SWAC board know? AM? What Leah says.

JD - Discussion of our reserve. SK - was 279 end of last month. Lanie - looks like 281. But 225 is in ...not appropriated to any particular line. To use that, we would need to do a Supplemental from this fund to Current Expense. SK - so we have this amt. and Sean has the other amt? Lanie - that amount

would be deposited into the revenue side. Lanie - not sure of exact amt at this time. RC - has total amt changed? Lanie - if we had a medical issue that came up and is.... had to pay out - and 'experience' - then that could. SK - we have not very many on this. JD - we are out of refunding program anyway. So that's our \$\$\$. RC - ??? SK - We know we have the 304 for medical reserve.... can we...? Let's wait until Monday to talk about that. Lanie - it benefits everyone. Employees usually say that is our money. It's going to benefit everyone. JD - technically - the actual amt the employees would have , and can be (?) taxable is Lanie - Only the difference - not many people anyway. You are right.

Lanie - want to approve today's minutes/ RC - let's wait until Monday. Lanie - one more thing. This letter was a letter that Tanya had written to you , regarding....She was going to present today, was sick. Will go into Gary's file. Tanya, risk management supervisor did a spot inspection. Everything passed. Jill was impressed with the operation. Gary did very well She learned a lot from Gary. She came back and talked with me,....since it was such a good inspection, let's follow up by putting into his file, mostly so he knows, and so SWAC board knows. She has done an excellent letter. SK - wants the letter on record. Says it should go in Ben's file. Since we are doing critical things, good to recognize employee for good performance. ("Gary.")

All leave - about 5:00.