

Board of County Commissioner  
April 18, 2016

Individual Department Head Budget Meetings - Urgent

**Present:**

Jim Detro - JD (BOCC)  
Sheilan Kennedy - SK (BOCC)  
Ray Campbell - RC (BOCC)ha  
Lanie Johns - LJ (Clerk of Board)  
Leah McCormack - LM (County Treasurer)  
Laurie Thomas - LT (County Assessor)

**Discussion of Current Expense (CE) and Reserve Shortages**

CE is for cash flow, the current problem under discussion. Has to do with things like paying salaries, VISA, AP (Accounts Payable.) County Policy states that the BOCC will attempt to keep 10% of Current Expense on reserve for emergencies. This would currently be \$2 million.

**CONTENTS:** Summary of County's financial situation. and discussion with WSU Extension, Assessor's, Building, Public Works Departments. Therapeutic Court. Public Works Update.

*Note: The notetaker's comments are in italics. Notes are verbatim as possible, otherwise summarized.*

BOCC all present by 9:05

**9:06 - Extension Office - Ann Fagerlie (AF)**

Present: LM, LT, two staff and others

SK - How do we want to do this? We want to bring the budgets up and go over them with the department. Laurie - bring it up on wall? Wouldn't hurt. Leah - did not do for the departments last Friday. SK - all this does is expenditures. Doesn't address what we have right now. LT - address mid-year budget amendments. SK - what does that entail? LT - has to be advertised. Before that, look over what can be "scrubbed out." Not just by resolution. SK - so no requirements as to times needed for advertisement? LT - Correct. But have to notify unions. Lanie - They will get back with us. Sean. There is a time line of waiting. SK - Because of fires, can we get special consideration? Our contract says there is a time break. Premera? - 3-4 people on Premera.

**McCormack Summary of Situation**

LM - Let's fill Ann in. What drove this: When my Dept ran cash on hand in March, ended up 263,000 in negative. Can't go from one month to next in negative. There was 780,000 in Current Expense Reserve. I moved to move 500,000 - which we have done before, but never had to use. 236,000 to the positive after moving 500,000. 1st week of April, had AT, Payroll, and Visa. Again, with all of that were back in negative just shy of 160,000 when all washed out. Today - 237,528.83 to the positive. While that is good, not great at all because this week we have another AT run, next week another! Yes, property taxes coming in with big #s in next two weeks -

will be fairly good in positive. Last year, it was at 1.1 million. I don't see us making it there this time at all. Concern - going into May. Still processing property taxes. originally thought who is spending a lot of \$\$? When we budgeted last year, carryover projection was 1.7 million. But it came in at 1.456 million, so carryover of this amt was used to balance the 2016 Budget. But we thought it would be 1.7. Started us in hole by 250,000. This year, no FEMA money at all. FEMA reimbursement this year would only be \$125,000 anyway.

**Possibilities & Discussion:** There has been no excessive spending. Current expense up by about (?\$190 - 290,000?) What to do? If you have grants, bill them right away . If you can, delay larger expenditures until June, which is a large month . If things do not improve, inter-fund loan (short-term) is possible, also a mid-year budget amendment - each Dept budget its current expense and reduce amt to spend the rest of the year.

LM/Detro - these are just on table of possibilities. SK - Even if we do the short-term loan, still have to pay it back and get back to Reserve sooner or later. I don't know how we will not have to make decisions on reducing work or lay-offs.

LM - Importance of the reserve - it is for emergency - type breakdowns. Used to be the boiler and so forth in old days - huge expense that wasn't anticipated. When look at county policy , it says we will try to retain 10% reserve overall of current expense (2 million) - we are basically down to zero or negative.

SK - With payroll coming up, do not know how we will not be using the reserve. LM - will keep a close eye legally on where the property tax fluctuates in current expense level. I don't think honestly that April will be a problem. All the banks that pay into the millions \$\$ for prop tax will have \$\$ in by end of month. But May will be a problem.

JD - Did we get SRS pay in March? LM - Yes. Talking Federal Forest \$\$? DT ...confusion. LM - that \$\$ is county road and schools. Does not come into general fund. JD - I'm just saying, affects the overall. When it lapsed, forest \$\$ declined by 80%. All silent.

LM - SO. (Breaks silence.) That's where we are, so Depts are being called in to make you mostly aware of the problem. Whatever you can do to help - or coming back to table at mid-year to talk. SK - Or having idea how you can reduce your budget in re current expense.

Ann - We are without several people - regional specialist and other. We could, if need be - I can't say when they will be hired....LM - Are those Current Expense (CE) or WSU ?  
AF - explains what is paid by WSU. We did budget some funds for travel within the county - since they are not here, could cut back. Other than that, I'm not sure about the portion the city pays for WSU. Not sure how it works. Person hasn't been hired. Not sure how handled with MOA. You are paying a monthly fee to WSU, right? No one knows. AF - or is that not until the new agent comes in?? it is budgeted. LJ - usually the amt... no detailed on how processed. SK - do we transfer.....LJ - we don't do anything until after the time...AF doesn't know if lump sum or monthly pay. LJ - Probably monthly or bimonthly if payroll. LT - Can we look at Wa state fund vendors...shows a monthly - PH - Do they get their check from us or WSU? WSU. PH - makes some observations. The way we operate, ...we have a part-time gap. SK - So 32 hour work week? Yes - except I work from home on 5th day. Do not know how we would cut back hours.

Silence.

LT, LM - That's it in a nutshell. Wanted to let you know. SK - Please share with staff.

AF - Revenue - we do bring in from publications. A lot of orchardists are hiring new people, so they have to come in and take private applicators test. Better testing. So our publications for study manual are going up. LM - going into 130.(?) AF - was unpredicted. AF - any ideas on what else we can do? SK - not having fire disasters this year. LM - fund 130, WSU - is there \$\$ we are taking out of current expense that could come out of WSU? AF - I will check. Worse they can say is no. Especially for agents portion.

DT - if lots of gold in the corners, give us a call!!

9:27 New group - Scott Fuhrman and staff. Man and woman. (LM counting minutes -....2 minutes. ) *Being extra careful not to start ahead of time.* LM- (Tells joke while they wait)

### **9:30 - Assessor's Office: Scott Fuhrman (SF) & staff**

JD - Ok. Time to go.

#### **McCormack Summary of Situation**

LM - This was called because current expense is in a bind. Last march in hole 263,000 for Current Expense. I've never seen it like this since I've worked here. Made a decision then that in budget process I made arrangements t to transfer 500,000 if necessary. When I saw the negative, made decision to transfer 500,000. Even then, we only wound up 236,000 in positive. Then concerned because 1st and 2nd week of April VISAs, AP, and payroll - back into negative. Knew we had payroll along with AP and payroll next week. What drove this?/ Not over spending. There was a little higher on payroll and benefits, about 90,000 more than last year in March. Man: I thought no one got raises. LT - Sheriff and deputies wound up getting raises.

LM - last year in March, FEMA \$\$ projected about 125,000. And so what are we going to do? 2nd thing - main thing - is the carry-over. When we used the carry over to balance next year's budget, What we thought was 1.7 was actually only 1.456. We are starting year about 250,000 in the hole. We all believe this is a problem. Also, some of the grants haven't been billed out or \$ have not been received. Nothing received yet from grants.

**Possibilities & Discussion** - If you have an expenditure that is fairly large, can you pay in June, not now? If no better - an inter-fund loan from another dept is possible, but has to be paid off with interest. We could do a mid-year amendment to the budget like we did in 2007 or 2008. The reserve amt is now at 280,000. We should have 10 % of overall current expense - about 2 million. we are way down.

LM - asks JD to explain. JD - We are giving all kinds of suggestions. RC - reduction in staff? reduction in hours? Whatever is out there.

SF - last time we did this was in 2009. Could have been 2008. It only affected the assessor , clerk ,auditor. Didn't affect Sheriff. Highest budgets don't get cut, the rest of us have to get cut to make up for their increase in salaries. We are the ones that balance the budget. SK - We could go to 32 hour work week.

LM - Last time around, they left it up to each dept head as to how to do the furlough days SF - it was a 10% pay cut for all employees. LM - it was hard for a small dept to cut. If everyone went to a 32 hour workweek...instead, we had certain depts saying, "No, we have to do this and that. So then only certain depts...Woman - isn't that going to happen again? DT - it is speculative. SF - 32 hours is a 20% cut. LM - shut courthouse down all on same day? LT - Our dept still has to get payroll out and pay the bills. We have people already who cannot take vacations because they don't have time. Don't know how we can do it.

SF - Off Cty website, shows budget increase in budgets. I see 4-5 whose budgets for 15/16 went up 15%. LT - elections went up because of presidential year. Revenues should come in because states will be paying for Pres election/primary . Because of the 2 large elections, we will have increased expenses. Auditor's budget added a proficient in my office...public wks accounting - to my budget. LT - Can't just bill one department. For next year, has to be fair and equitable. Pretty straight-forward plan . LT - Can't implement this year, because we already implemented budget. SK - Pub Wks is not current expense, so may be able to bill them.

LM - Property tax based on this and last year not different. It's not the problem. SF - Seems like property tax about 5 Million? Half collected in 1st half. LM - usually about 38-39% received by April 30 . By December about 94-5%. SF - So not expecting a huge influx? LM - banks haven't paid yet. SK - Keeps reminding all about the reserves being depleted. LM - That's where we are.

SF - How about sales tax? Isn't it up in 1st quarter? LM - current expense from real estate... sales tax is down a little bit right now. (SK - it's a huge revenue source.) Staff - Down \$86,000 in sales tax. RC - points out some jobs are up. 2 month lag - might come into revenue. LM -Keep fingers crossed for April on that one. LM - Idea was to call current expense dept. I understand what Scott is saying... when crunch, it is the small depts that get the crunch. Others keep on spending. That goes along with what has happened in all years the 3 of us have been here. SF- could defer paying 50,000 (? or 500,000?) pay't due around June. Will keep that in mind. LM - I have same thought, but we will talk in June. That may be best time to pay it. SF - Whatever works. JD - Perry has a 2007 "Envoy" - a good-sized car. He said they could transfer over to SF office. Would you be interested? SF - yes, JD - We had wanted to get you a vehicle this year... the way things are, we've put breaks on any vehicle purchases. SF says he'll talk with Perry. RC/JD - Re excise tax in Cty ....The port shut down when apples should have been going out. We lost millions of dollars thru export, etc. Timber industry got locked up. Export market...had lots of timber down. So those are revenues that might...LM that is good point. RC - apple industry - a lot came thru this county - lost Chinese market for now and in the future. RC - Thank god for the unions!! (I'm being facetious.) *Notice continued anti-union talk.*

LM - Didn't want - it's a serious matter, but not all doom and gloom. We can turn it around. Proactive thing is to let the depts know now - not like we were bind-sided that one June. Better to get word out now, could be a possibility. Could think of ways to manage proactively. RC - last year's fires the cattle industry - lots of cattle had to be sold. Market shuffled down at the end. Not just now...longer term effect of the fires. Woman - will not know until May? FEMA \$\$ - SK - reminds that FEMA will not help us. LM - My biggest concern - at this point right now....we transferred 500,000 important thing is to get it back into CE reserve in case of emergency. Right now, I don't see that that \$\$ is going to be moved back now. How do we get it back...or even 1/2 of it back? SK - without drastic major changes....? LM - Will know more May 1. Last year at end of April, 1.1 million Now we come in at \$7-800,000.

SF - Revenue? LM - Cash. IT'S A CASH FLOW PROBLEM. LM - 1.2 /mo. for payroll is necessary. Salary and benefits. Staff woman - points out something will have to change. LM - Good to talk now. Take back to your staff. Stop rumor mill.

JD - Tomorrow, China will mint new currency backed by gold. Cannot spend American \$\$ on this. We could be talking about federal \$\$. LM - Will it come out in news? SF - Not in any of the major publications. DT They are keeping it pretty quiet..... conspiracy theory... Whole bunch of ...German is using ....flashes a card. Looks like a credit card with a section of gold. Backed up by gold. 1 gram. spent like \$\$. Represents gold. They scan a card whatever price of gold is today..... DT - Can get up to \$10,000. Jokes about gold standard. US is backed by nothing. Once US can't print \$\$ fast enough is when things will crash.

RC - Have you talked with Perry? Overview JD - Perry of GIS with tremendous amt of detail. DNR can cruise timber with it. SF will check in with Perry. Might help his program.

9:57 - All waiting, Looking at computers. etc.

### **Discussion, while waiting - Therapeutic Court**

LJ - Tanya working on criminal justice billing. LM - The Therapeutic Court - do they give any \$\$ to current expense? LT - We are allowed to take admin fee. Around 17,000. Has not come in this year. I think there are expenses coming out of CE that could come out of Therapeutic Court. Not all depts that have a section in 143 ....LM - can you put 143 budget on wall? Expenditure stats. LJ - not sure I can do that. LM - can't do it...sorry. LM - that's one that comes to mind... because as I looked at this, they are looking at 322,000. Who governs or administers Therapeutic Court? LJ - Judges. SK - looking at 109. Has 128.98 right now. Checks figures. March 128,630 (LM). SK - Do we have flex to take ceiling repairs out of that fund? ....Staff - we are pretty much just the agents of this fund. SK - why so much \$\$ if all they buy is soap, toilet paper?..... JD - could start picking up road kill... all laugh.

Projection comes up on wall. Expenditure Status Report. Therapeutic Court Fund. They are at 38.4% to OBHC. LJ - have we ever spent ...LM - we did get 2 (?)...SK - so do we bill them for admin fee? LJ - I don't bill for that. LT - I don't believe it comes from us. LT - Is supposed to come into CE. LJ - How does it come into CE? Do you bill? LM - not a transfer out. it is done by voucher. LJ - I don't do that. Because an OBHC ..LT - We need to look. LJ - Thru years, has always been a question of...I have talked to you before (to auditor's staff).....my understanding is it's a county admin fee. We were brainstorming on how to bill...OBHC's line is strictly actuals. No admin fees. LJ - sounds familiar. Staff - it's a county fee. LJ - we would need something. SK - either monthly or quarterly. Who would bill them? LT - need to check into this. LJ - allocation issue. LT - for example, in homeless/affordable housing fund. Cty needs to keep percent for admin. Built into the revenue side. And those fees come through the recording when people record docs...40\$ extra for recorded doc. County can keep 6%. when the 40\$ comes in, the 6 % goes into CE. LM - remittance comes to my office. LJ - could this work in a similar way? LT - If our agreement decides on % for Cty admin portion, could possibly change so it comes in with revenues. LM- We have to do something to be sure this is always on radar. SK - DT sits on "therapeutic." LJ - is this in the wrong place? LT - if we knew %age....LJ - this amt has not (?) H and ??? (Did not catch this.) So 17,000 does not come from Therapeutic Court? LM - Last year there was a double pay't because in 2014 we did not receive a pay't. Lt - We have a portion of one clerk's wages - comes out of that fund. LM - go back to clerk. When looking at this,

it's not a big %age. Paying a small portion of this for a clerk 2 position? LT - It's a portion of her salary. LM - could it be more? It's only 9,000 per year. DT - But is this just for what they do for Therapeutic court? LM - Is she only there for about 5%? That's not a big amt. Staff - other question - was this set up years and years ago? Therapeutic courts have grown tremendously over the years. DT - how about OBHC? They get 1/10. SK - how does clerk get reimbursed for 8999? How many diff Depts paid out of court? Dist, Juvie...public defenders... some that were mentioned. Does sheriff still have allocations out of this? - Yes. Law enforcement....Go to law enforcement. They are not spending it...very small...LJ - they used to have 10,000 for drug dog but reduced. The dogs were not being used. These funds are very restricted in their use.

LM - So - throwing this out: I think it's important that the judges and all CE Depts come in, and we need to talk with them .Superior Ct, Juvenile, District Ct - we need to talk with them. Being that judges and Dennis and others were out of town, were not available. LM - this is a question we could ask. Staff - Asks for Juvie session.

LM - Looking at bottom. Prof services, travel - nothing being spent. Just a little fuel. Staff - travel \$\$ sometimes used for annual trainings, pretty expensive. Over year ago, not sure what's being done now. LM - need to look at 2015. Were any of these funds spent in 2015? Go to law enforcement. All look at wall. How could they fund out without a carry-over? Revenues? Sorry. 4/2016 status report....What do they get on monthly basis? SK - would that be ending fund balance?

PH - questions whether set up for something. LJ - They were going to use part of Therapeutic Ct fund to make up difference of.....JD — the 620 (1/10 of 1% is not just ....*too hard to understand. About interrelationship of Therapeutic Ct. fund as relates to OBHC and other funds.*

LM - Go back to 2015 to cary-over. Back to Perry's question.

Staff (Carey)- in 2015 there was they thought not as much sales tax \$\$ and budgeted amt would overspend. Was supposed to spend down beginning fund balance. I don't see that happening... others point out there were other transactions. JD - more like 130,000. LM - we are increasing the carryover. L - Cary has better understanding than some of us..but it's a question that could be asked. Are there any expenses that should be in this fund instead of CE?

Cary - What I heard a lot during budget, T Court was adding a lot of time to prosecutors, so they should get a higher allocation. LM - If dealing with 1/10 of 1% of sales tax...and several depts do work in T Court, why spending in CE when it could be split more instead of building up all these revenues of carry-overs since this last became a fund?

SK - How do we do that? Budget already set by the time they talk to us. Is it with the committee? Yes. SK - So we can invite them to the mid-year conference? Would that be SC judge or judges? JD - Short, Culp, Sandy, Skip from OBHC, me, and Dennis. Is Karl Sloan on this? No. (*Controversy as to who is included.*) DT - Last year was an anomaly because of fires. i didn't get to that hearing. But ...you can look and see, Lanie, but I don't think Dennis is on committee unless invited by Culp. LJ - I know he had concerns about paying for counselors, making sure there was enough coming out for them. LJ - Sandy not a formal member. All seem to agree. LM - just a thought. If we are looking at funds, it's possibility. DT - too many cards stacked against

you - LM - I'm not afraid to ask. SK .....when counselors were funded at 37,000. Meet with them. SK - I can look.

### **10:30 - Building Department - Dan Higbee (DH)**

JD -Come up with a couple million. Dan: will have by noon tomorrow. (All laugh.)

#### **Leah McCormack Summary of Situation:**

LM - In March when my office ran the \$\$ (actual CASH) by end of March, it was 263,00 in hole . At that point, we had budgeted 500,000 to move if necessary (from Reserve) to cover cash flow, so we did that at end of March. When done, actual March figure 236,000 to the good. Then went into first wk of april with VISA, AP (Accounts Payable) and payroll. 160,00 in hole. That's with property taxes coming in. Came into BOCC. LM had never seen this since I worked there in March, with prop taxes coming. Spending was a little different, but not significant enough. Had to go in and see what was happening. Last March, we got FEMA \$\$, but that is only \$125,000. Will not be a huge impact.

Biggest impact - when doing budgets last year, estimated carry over of 1.7 million, but when we got actual #, was only 1.456 million. When end of year's budget, we are in hole of 250,000 based on that estimate. That drives part of it. The other concern is that revenues vs expenditures didn't cause problem, but with taxes coming in we should be moving fairly smooth. But I don't feel like with what is coming up - we still have AP this week, .....718,000 payroll at end of month. Over 1.2 million for whole month. My concern, with transferring the 500,000 with taxes going in, going into May especially is crunch time .780,000 was reserve. now took 500,000. so now we are at 280,000. Should be 2 million. Red flag. Came up to BOCC . We are all on the same team. We are trying to get by with as little spending as possible at this time. Grants are not an issue with you, but we are trying to get as much revenue in as possible

We also should be putting back to the 500,000 reserve so we are not digging for money or putting up a bond that has to be paid back. Idea was to call all CE departments to inform them, so we do not have all kinds of rumors. Honest approach to get everyone onboard as to what could come down the pike.

Try to delay large expenditures .... interfund loan is an idea. but that would need to be paid back with interest. Also, mid-year budget amendment to reduce everyone's budget is a possibility. Furloughs etc. are a possibility at end of June - around the July date.

Any comments? It's an...I just didn't feel like it was just our thing. All depts need to know. Fair to let all depts know. Not a scare tactic. Real view of what is going on right now. SK - We all supported telling the departments so they can understand first - hand where we are. There might be some real tough decisions, even if we do the loan and pay back with interest, we still need the reserve. Scary considering possibility of disasters. Asking everyone to figure out how they can make tiny or large cuts. This will give you 2 1/2 months before we have to decide. RC - If you have expenses, etc...LM - put off expenses. PILT comes in June 2.2 million. PUD \$\$ is over 400 LM - Still not enough, but...probably bigger concern is meeting payroll.

LM - Don't know if you have any suggestions on what your dept could do? DH - Slow in Spring re applications. At end of March on 62, then 26. This AM 4 houses. Knew we couldn't get same amt from fire re-builds. I was up Lost River last week and snow still on ground. I did project that we would be lower than last year. LM - thought your #'s would pick up. Dan - always that way. It was a slow start to the spring. Kind of surprised. LM - maybe on a weekly basis, take a look at your numbers and see how you are doing. We are at crunch time.

PH - for sake of discussion, not to muddy the waters. ... You have 3 things -

- 1) Cash Flow. In terms of ..... under banner of.... Therapeutic Court - going thru buses as to which funds should support programs opposed to going into CE.
- 2) Expenditures - submit that cutting all the different lines would be fine, you are going to have to account for last year. Carry over until you calculate carry-over for next year? Suggest which Depts had carry over. Take it off the top. First get down to base spending. Otherwise, just talking about next year's carry over. What you must ID is where the slack is - nibbling over carry-over doesn't do any good.

LT - Can go Dept by Dept to see where carry-over came from. But you need to identify WHY. For example, my dept. budgeted for salaries that didn't get spent because we didn't have the personnel until October, so salary \$ didn't get spent. Explains how this can be calculated. To see who really has the "padded" budget (all laugh)

PH - No budget should dedicate its last \$\$\$. Some not explainable. But until you suck slack out of budget, the cuts aren't getting to base spending...even if only on paper, so you know magnitude of necessary cuts. RC - At issue - quite possible some have done this, but there may be a pattern of which depts pad their budget. PH - to pull out \$\$ they aren't spending is painless. SK - we can start doing that, maybe. LT - Cary seems to have worked on this. Maybe a matter of going dept by dept to see what was spent, what was left. Cary - I mean no disrespect...point is well made about going back more than 1 year. If you go back 3-4 years, it's not just because we asked someone to...LM - didn't you go back 5 years on spreadsheet? Cary - I could have in a couple of hours. I did go back a couple of years. I think I went back to ...5 years.

MEETING ON WED. SK - tomorrow is pretty full. How about Wed? OK. Jim D. - checking calendar. 10:00 Weds? All say ok. Cary will have it.

#### **Side Discussion on Frost Road until 11:00**

10:56 (to Ben and Josh - can't start for 5 min.) 10:58 RC Frost road: lady on right was pretty upset. I understand problem. Josh - a lot involved. We have 30 ft of right of way, so not enough room to do what we would like. Water pretty clean now, but first wash - a lot of sediment. Putting in culvert won't last. Needs to be an open ditch. We can build road up quite a bit. Would I like road in front of little cabins, needs to stay below their property so if it does fail it's in the road and not their house. If agreeable, can (??) from their side so not so deep. Will put in the one ..the culvert there now is 18" we will use 24". Ditch still needs to be 2.5 feet dep. Can't make it much shallower than it is. I think we need more meetings. Had some talking with all neighbors. ... ready to go....

**11:00 - Public Works - Josh Thomson (JT) and Ben Rough (BR)**

### **Leah McCormack summary**

LM - Indirectly affects PW, maybe. First, CE is not you guys. You are 102 for salary, etc. We were in negative end of March by 263,000. Never seen in March since I lived here. We transferred 500,000 into CE to cover payroll and expenses going into April. Once into last Friday, it appeared did payroll, etc. Went back into hole 260,000 after 500,000 transfer. Today, with taxes, just shy of 238,000 to positive. We have AP (Accounts Payable) this week and next week, plus VISA and payroll. Unless windfall of property tax comes in this week, still a concern that CE will have cash flow problem. (*Goes into April funds.*)

Like you, we have not received FEMA \$\$... \$125,000. Our expenditures are up because of payroll and benefits, but not significant enough to cause this situation. What we are asking, encouraging CE depts who have grants to bill them out. PILT will be 2.2 million into CE. (*PILT is fully funded this year to county.*) One of the reasons you are here - if we still have an issue - possibly to have interfund loan, which would involve Pub Wks. Good for the lending dept, because for investments you are getting .20. From interfund loan, getting 3.5. Down side - if you still have \$\$, we (county) would owe (to Public Works) that, plus interest. And we need to put back 500,000 back into reserve.

### **Possibilities/Discussion**

Josh - When we invest now, the interest doesn't stay in fund. LM - only fund that doesn't get into is county roads. JT - so how does that work? Interest would not come out of 102. JT - so not as much flexibility here. LM - Lending fund has to pay paid back the interest. LM - Different talk from that to CE. How we arrived at CE reserve (we pay 27 depts.) We got the CE reserve by doing road levy shift. No increase in fund since 2012. Great because we didn't have to use it. But now, it's (reserve) down to 280,000. County policy - attempt to have at least 10% reserve of total CE budget. Reserve should be 2 million. County Roads, for end of March - Cash on hand 3.158 million. County road investments reserve 3.1 million. You are at 6.+ million at end of March. If BOCC plans an inter fund loan, they would be talking with you about this.

BR - We understand this. We do have the \$\$, and the \$\$ is there. We would do what we could. JT - Time frame" Interfund loan max is 3 years. LM - We discussed not going that far. We would determine how long it would be. You wouldn't be paid back monthly - could be quarterly, or semi-annually. BR - that's important to follow. Because I've seen with sewer line project...LM - will never let that happen if decision of BOCC is on me to prepare and bring for signature. BR - turn-around time? LM - 2-3 weeks. JT - Would you like us to reduce investments on??? (*Didn't understand.*) LM - No. If inter fund loan done, it will not be your county road fund. Probably more in Solid Waste range. JT - More long-term.

LM - You are at table today because you are part of county team. Because of that. Public \$\$ - is important to bring everyone to table, everyone who has public funds. Goal - to stop rumor mills. Approaching in most honest way we can. There is a WHY. Important to get this out to people who are trying to say they are trying to grab our money.

JT - Wild card is flood account. no revenue fund. we could run up 10-200,000 in no time at all. That is CE. LM - I realize. If something like this happened...wouldn't you get extra \$\$? JT - sometimes. (Corps of Engineers.) RC - talking about emergency - Frost road, etc. doesn't come into emergency? JT - flood control is for 3 levies that have nothing to do with county roads. Can't take roads funds for these. Not even close enough to city road to take funds. So the re-

sponse on those is during a flood, try to riprap to stop damage. Drop everything. It's not a repair. Corps will come in and do permanent repairs. RC - Frost Road - that will depend on Cty Road fund, right? Yes. RC - that's why I'm talking about this. We are still in for monte damage, etc. Important to have the \$\$ there. LM - What is average monthly payroll? JT - \$230 something. Just paychecks (1/2 month) so 480 + 40-45% (?) for benefits. Just under 250,00.

SK - If we were going to borrow, Solid was at - something like 9 million in it? LM - Recommend no more than 500,000. SK- So in 2013, the road levy shift...budget was already set before we came into office. 2014,15, 16 - have not taken from county road fund. Our direction with that was to get onto our road systems to show those improvements. We need to have that list...see how much of that 1.5 million has gotten to roads and what we have accomplished. With the committee, there will be a lot of pressure to take that for the 2017 discussions. Josh - short answer is preventive maintenance. We are expecting to spend 1.3 million more (*that or than*) comes in.

LM - As chair of finance committee, will be definitely looking at cty road fund to see if they can or can't do that. JT - can be done, but first thing that gets cuts is preventive maintenance. LM - But 6.3 million, every year you get crab \$\$ every month, tax \$\$ 4 months of year. Taking a look, will that impact chip fill greatly? JT - Very much. For example, we can do chip for 30-35,00 /year. Because we have not been keeping up with it. Comes a point where you can't chip seal, you have to replace. If not done in next few years, will have to turn back to gravel because we can't afford to replace. In 2009, funding reduced drastically. Attempt by previous people it was to build fund up. This year, next year we plan on doing 80-85 miles . Recommend - ending fund balance should be enough to cover construction. We would be back to 3 million. But then back to point where not spending ending fund balance, we can go back to 40 miles /year. Even after this year and next year, still have an issue in Pub Wks. Also we don't have enough \$\$ - trying to find out how to get enough \$\$ for preventive maintenance. LM - I will talk more to you about it. I don't know that 500,000 impacts.....would like to talk with you. JT - Next 2 years spending 1.3 million more than what comes in - would use more ..would not b able to spend any more for chip seal. LM - would only chip seal be impacted? JT - nowhere else to take it from. Can't reduce (now?) removal. Blading roads - can't cut. Not a lot of elective stuff going on. Trying to do the minimum.

LM - I'm done. Thank you. BR - any tentative schedule? SK - talking on Wed. LM - More in middle of next week.

RC - This is the last thing we want to do. LM - don't want to pay you interest. RC - would need long-term plan on how to pay it back. If not, we are going to do some cutting. SK - even if we take loan, it may not address our need. Hiring freeze, 32 hour work week, laying people off. Need to get back the reserve. Considering fire season, we need the \$\$.

BR - We have study session times. Josh can't be here tomorrow. What to do? Josh - going to Methow resource committee on Gold Ck road. RC - I called Jim. Other possibilities?

**Public Works Update (Because of schedule conflict tomorrow.)**

## Engineering - Josh

Josh - Rip-rap creates faster flow. Negative effect? Make application. Take a look at that. SK - Let's take a look at proposal and long-term effects. JT - If typical recovery group type, at least a 10-year fix. RC - doesn't give basis to rebuild. JT - Rip rap and then logs? (Is "they" the WDFW, or what?) JT - Was going to be there tomorrow AM. RC - Keep in back of head - Yes, it can be done.

JT - Frost road - talked with Albert, updated him. Some of residents unhappy. some complain that we diverted water into field. Not true. Then we did a ditch. i would like to have more neighborhood meetings. RC - that will be critical. JT - big neighborhood mtg on Monday. Unfortunaley, Mark Applebee was the only one not there. I did talk with him. RC - did you talk with his wife? JT - yes. RC - she did appreciate that. Didn't quite agree with solution because it's all on their backs. RC - I sort of agreed. Unless road corrected - JT - I don't know if ditch will stay there. If so, we will definitely.....RC - Talks about ditch on other side, but telephone line goes through there. JT - That was part of community discussion - when water on West side - made a lot more sense to put it on East side. By moving ditch over we got the road passable. RC - 4 ft. culvert would be preferable. JT - bigger culvert, more sediment. Any culverts behind ditch in field will plug solid. JT - Needs to be natural path. RC - actual flow path - up to Mitten (?)place. I know we discussed a year ago that when water was up above there...water is going to be kept along edge - old history - talked with guy who lived there. He said naturally, it DID come down the road. Cty went up and took a diversion. RC said they did not. Is that really true? JT - after Gebbers bought, agreement that they were ok with cty going up access road and channelizing. He was ok with water being in his field and not coming down cty road. RC - Just to let you know, Rader - the overrun went right down that road. With our (discussion?), there will be a ditch along that road. I want to make sure there was no county vehicle that went up there and went on the place and changed the diversion. I want to be sure . JT - not sure. There was a diversion that pushed stuff onto road, then another flush. we did not do that. RC - wants to be sure it was not going on. JT - could be the letter 8-10 years ago that approved doing that. RC - I want to see it. The road went around to go thru that property. Another thing to go back up thru the field. (*I did not follow well.*)

Texas Ck - where we had sluffing, were able to excavate into rock, etc. and smooth out. RC - asked about grader - good lick to get it back in. JT - we will probably need it for Frost road. RC - another question. Be prepared ahead of time - local contractors that might have graders - places with moisture coming through..rather than hauling water later, could we be talking with contractors .. might cost more in short term, but when you are hauling water after it's dried up... long term could be more expensive. Do pre-seasons talk with local contractors to see if possible?

JT - Elbow coulee - now open. Pond is pretty impressive. If it gets on road, nothing we can do. W.Fk. Salmon Ck - will be repaired this week. Squaw Ck - needs to dry out before permanent tixes. Cougar Ck - resident wanted maintenance where others did not. We will go head and do that. See how it goes. LaGrange road - last part with water issue, was chip sealed before base. Now done. Another at an intersection - old angle portion.

Should have 1st draft of 6-year TIP (Transport Improv't Plan?) up here next week. Due in June. B-3 and B-15 projects - determining ordinary high water mark - hard to do now, not ordinary. Water is high now.

RC - if no trees to suck it up...might be a good thing that we have runoff now. JT - Bridge will be longer , higher ....

JT: Seven Devils/ Conconully - started. Gravel crushing contract - didn't spend a week and a half. Did fast, really good rock. Crushing for another week, then to Green Acres bid.

FEMA - Gary I. on Thursday. Info submitting for one of the 2014 PW's. (*Not clear*) and 2015.) Going to suggest emergency work - Frost Road most important. Will request PW. I will go after that. Planning on sending 2 proposed equips. 8 years sander. Surplussing 2 10-yarders, 2 5-yarders. third truck - need to order a sander for that. Will send up request. 3- axle trailers. last is overdue for replacement. Replacement cycle 20 years, and it's 25 years old. Projected cost - \$25,000. 3 axle trailers \$33,000.

JD - Needing more sanders than...RC - not being serviced by sanders now? JT - been using trucks. Problem - trucks not build for sanders. We break springs, etc. with the weight. Other problems too. (*Ongoing discussion about sanders.*) RC - would like history on maintenance cost so we can understand why they are breaking down, for long-term need, etc. Justify, etc. Get to see new trucks. The contractors keep going and going with what they've got.

JT - Will send up for consent agenda. Planning contract for OCOG for project at end of June. contract for under 14,000 will be repaid by DOT contract. SK - what plan? JT - Updating old Regional Transport Plan, included all 3 counties. Needed updated new one through OCOG. Will clean up language, etc. all towns, tribe, county, airports, rail, etc. all into one plan and outline city priorities.

RC - How will \$\$ come in from OCOG? Right now an RTPO. Has to represent pop of 100,000. So we can't be stand -alone. There is 28,000 planning \$\$ available to fund the organization to fund Josh's time, other city towns to run OCOG. After June, we will not be able to fund with the RTPO money. More admin time taking funds, doing calls, etc. usually falls under RTPO. Now will fall on our shoulders. But actual construction will be covered. SK - So not legal to stand alone? JT - We are not under Growth management. Everyone is supposed to be under an RTPO, so they have said we could have a COG.

SK - Aren't we billing everyone that's a part of the COG? JT - not now. Twisp has been the secretary. All the minutes, invitations, a lot of work. Now OCTA will do it, funding with \$\$ from state. I have to do certain things.

Note : Lanie has been gone for a long time, so not taking notes.

SK - Not gifting public funds....(*this became too confusing to follow.*) RC - A few thoughts about helping towns out.

JT - Need to put together TAP and STP? Preventive maintenance contract for roads to make STP funds go further. 2018-2020 - a couple of projects for chip seal. Looking at DOT for chip seal is about double, but best fusing (funding?) not available. Rejoiced lately. Only way to use. We have 13 1/2 funds to match (?). Seems to be consensus from everyone what STP needs.

Discussion of a project where a new well had to be dug. Got it to 200 ft and pulled the whole thing apart. Attempt #3. We are not paying any more, because no well. Now using stainless steel - on them, not us. They are drilling now. (Not sure what well they are talking about.)

JT - That's all. I will be leaving for Nat'l Assoc of Cty Engineers thru Saturday. Back next week.  
SK - We need some kind of documentation of the 1.5 that went to roads as soon as you can do that.

### **Ben Rough: Update on other Public Works Issues**

*(Passes out a slimmed-down version of info Josh went over.)* Need permission to go ahead with solid waste request for pole saw. First attachment 591.85 to trim trees alongside land fill, part of mitigation requirements. Also, Dip Code agreements...more of a consolidated approach.

SK - Why separated Pub health and PW? BR - one system, two buildings. Thinks now a lot of cost savings. Probably a fairly decent contract. I agree they should be consolidated. I'm behind the ball this year. SK - is Public health covered by rent they are charged? Ben - Yes.

SK - On pole saw - have we asked local business if they can come in? BR - No. This is a one-time purchase, and we can use it for next 10 years. Contractor about \$300 bucks a pop over next 10 years. RC - So time for staff to do maintenance work and buy equip is cheaper than subcontracting? Ben - Yes.

SK - Are trees along the stream?...JT - Yes. EIS - under CUP. RC - I was part of committee that put all those concerns on there. A lot of concern was material blowing out. The trees are doing something. JT - Buying controllable litter expense. JD - kids who came thru on a tour - were from what church? Kids went through and on their own, came up to SWAC and Gary with a plan on being able to keep and salvage plastic blowing out of the dump. Kind of ingenious. They saw problem and ID'd it, came back with solution.

SK - So we have hundreds of trees. \$550 on pole saw. How long will it take our staff? JT - cutting dead branches is a fill-in thing. As time allows over time, staff will go out and cut a few branches as they have time. SK - We don't have a pole saw we can borrow? No. BR - I had Gary look into this. SK - So I see we just have one from Washington Tractor. Do we have any other... JD - they checked other shops, \$100 more. BR - Can I give Gary the green light to purchase? JD - Says yes. RC - I'd like to see the other competitor have it. Unless we go back and forth. BR - He checked 2 others. RC - But there is another one. What used to be Hamilton's - Wa Tractor....Ray thinks there is another.....BR - Thought they were just in repair. RC - wants them to check, not exclude another supplier. JD - Doesn't N. 40 do Husquvarna? SK - Now that Covey's sold out to the auto place, by the Feed Store - Jerry's - they are handling all the Stihl's equip. JD - says they checked with jerry's .

SK - Still wants to see a quote from tree trimmers in the county. JD - suggests Eli someone who has a chipper and truck. Says he's just going thru certification. Ben says it's Don Super's son. JD - will be certified soon.

BR - DIVCO service agreements? All nod. BR - discusses different amounts. Will take a closer look.

BR - Schedule Exec. Need exec. session about staffing to discuss personnel situations too sensitive to have in public. Can you do tomorrow? When? BR - 15 min won't be enough. Right now, I'm not prepared. Will be 11:00 tomorrow.

12:15 - Lanie still gone, from almost since Josh and Ben came. Ben and Josh leave.

**More Discussion of Frost Road.** Ray thinks the water will recede soon - snow is melted off. Discussion of how you can't ride a saddle horse or get stuck in mud in places around the county. Pot holes filled in with water now. People putting in sand bags along roads. RC - Need to grade roads now. By time we get out there, we'll still have to haul water or not get it done at all. SK - Just like herbicides. JD - Bob Lloyd, Tolefson good. Be careful of some contractors. RC - we have people throughout county (contractors) who could get started while weather is ready.

12:20 - DeTro leaves.

SK and RC - Briefly discussing minutes of a previous meeting. SK - Where Leah is talking, why do the minutes not have the figures? People need to know the figures, why we are going where we are going. We are having to tighten our belts where they are tightening their belts.

12:23 - SK Still reading minutes. Note taker leaves.