

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

September 8, 2009

1. Call to Order – The Chairperson called the regular meeting to order at 9:02 a.m.
2. Pledge of Allegiance – Dixie Smith led the flag salute.
3. Roll Call – Present: Commissioner District 1 - Lynda Ring Erickson; Commissioner District 2 – Tim Sheldon; Commissioner District 3 – Ross Gallagher.
4. Correspondence and Organizational Business
 - 4.1 Correspondence
 - 4.1.1 Fire District No. 6 is seeking appointment of a qualified person to fill one of two vacated positions on their Board of Commissioners.
 - 4.1.2 Merlyn Flakus and Dave Johnston are seeking appointment to the vacant Fire District No. 6 Commissioner position.
 - 4.1.3 The Washington State Liquor Control Board sent notice of a new liquor license application for 2 Margaritas in Allyn and notice of a special occasion liquor license application for the Mason General Hosiptal Foundation.
 - 4.1.4 Karlene Zimmerman and Carol Fox expressed concerns regarding Mason County Garabage's recycling program.
 - 4.1.5 The Mason County Historical Society wrote in support of the Committee to Save St. Edward's Catholic Church.
 - 4.1.6 St. Edward's Catholic Church reiterated that the Archdiocese of Seattle and the St. Edward's Parish are unwavering in carrying out the contract they entered into with the County.
 - 4.1.7 The Washington State Department of Community, Trade and Economic Development summarized the results of their review of the Community Development Block Grant used to fund a portion of the Turning Point Domestic Violence Shelter.
 - 4.2 News Release – Burn Barrel Exchange. David Baker presented the news release announcing a program to exchange burn barrels for compost bins.
5. Open Forum for Citizen Input –
 - 5.1 Mary Jean Hrbacek stated she has been employed by the Sheriff's office for over two years and she has helped contribute to their finance world. She has made some observations over the last two years that she would like to share. The Commissioners have the power of the purse strings and they oversee some departments directly. She believes this is a conflict of interest. The elected officials seem to receive the money that is left over without a regard to priorities. She is frustrated that the Mason County Sheriff's Office has been required to use grant money to build a fence on County property. She believes that if the County Commissioners had looked at all of the infrastructure required as a whole, grant money for justice programs would not have to be spent on an impound lot. She is concerned that any additional costs for the impound lot will not be covered by the grant funding and the lot is required by the State.

She stated she has also been told that maybe she should just stay in the Sheriff's office and leave levy shifts to the road department. She does her research as a pass time and she does this on her own time. She has worked with the Auditor, Assessor, Department of Revenue and the County Road Administration Board to be sure that the data she collected was correct. She presented the information to the Board of County Commissioners at the end of last month. She thinks the project should be looked into in order to help the County as a whole. Her interest is solely in the operations of County government and what is best for the taxpayers.

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The other subject she would like to address is the issue of silent bullying. For the past year and a half she feels she has been cut out of certain meetings and discussions and it hasn't been in the best interest of the County. She has a finance background, she has been a certified public accountant for 35 years and she knows what she is talking about when it comes to finance. However, she has been told her presence isn't required in finance meetings. She thinks this is wrong and she thinks any County employee who has something to contribute based on their background should feel free to have an exchange of ideas. None of the finance managers have been brought together and asked what to do to provide cost efficiencies. She read an excerpt from the New York Times regarding workplace bullying. She encouraged the Commissioners to work with the other elected officials to foster team building.

- 5.2 Rhoda Pikenen spoke regarding the St. Edwards building. She appreciates that the Board voted to have a briefing about the matter. It is now an emergency situation because the deconstruction permits are happening. She hopes the briefing can be done before that happens. Her group's proposal offers \$135,000 for the footprint of the building. She understands the County has a contract with the Church to pay \$350,000 and the bottom line is the money. She wishes she could have raised the money to make the Church whole. The old building would be on the national historic site but the timeframe to get on the national historic registry is in October and that will be too late. Her group wants to make the building in to an art center and a theater. They have support for what they are doing. They have been blamed for delaying the process, but it is the State Environmental Protection Agency's mitigation process. They hoped to raise the whole \$300,000 but they have raised \$135,000. If the County paid the \$300,000 they could pay almost half back. She has talked to people who lived in Shelton for years and they stay awake at night thinking of the sadness of this.

Cmmr. Sheldon responded that he appreciates Ms. Pikenen's passion on the issue but this is the fulfillment of a contract. He doesn't think it is fair to put words in the Church's mouth. He has met with the Archdiocese and the Board received an email from the Parish last week saying they want to carry through with the contract. He believes a large majority of the Parish is in favor of the existing contract and Ms. Pikenen's group is the minority viewpoint.

6. Adoption of Agenda - **Cmmr. Gallagher/Ring Erickson moved and seconded to adopt the agenda as published. Motion carried unanimously. RE-aye; S-aye; G-aye.**
7. Approval of Minutes – regular meeting minutes for August 18, 2009.

Cmmr. Gallagher noted a correction to page 2 on item 5.3. The word their is misspelled.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve the regular meeting minutes for August 18, 2009 with noted corrections. Motion carried unanimously. RE-aye; S-aye; G-aye.

8. Approval of Consent Agenda:
- 8.1 Approval of the resolution establishing a Current Expense Ending Fund balance in the range of 9% - 12% of the prior years budget as recommended by the Mason County Finance Committee. **Resolution No. 77-09 (Exhibit A)**
- 8.2 Approval for the Chair to sign all documents related to the acceptance, execution and reporting requirements of the Department of Justice award 2009-DJ-BX-0949 for a \$18,785 grant to be used to fence the Sheriff impound lot.

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- 8.3 Approval to revise Table 1 of the approved Mason County Department of Community Development building permit fee schedule for those total valuations of \$1,000,000 and up, \$5,608.75 for the first \$1,000,000 plus \$3.65 for each additional \$1,000 or fraction thereof. This is to correct a typographical error when the fees were adjusted on January 1, 2009.
- 8.4 Approval of the resolution for a loan from the Equipment Rental Revolving & Revolving Fund to Mason County Utilities – Solid Waste Operations in the amount of \$300,000 to be repaid in equal installments over three years. This is due to a reduction in revenue. *Tabled to 9/15/09*
- 8.5 Approve the following staffing reductions and reduced hours of operations at the Mason County transfer station sites effective 10/1/09 due to reduced revenues.
- a. Close the Shelton transfer station 2 days per week, (open 5 days) resulting in the lay off of 2 Full Time Employee (FTE). Days of operation will be Tuesday through Saturday.
 - b. Close the Belfair transfer station 2 days per week (open 5 days), resulting in the lay off of 1 half time employee. Days of operation will be Tuesday through Saturday.
 - c. Close the Union and Hoodspert transfer stations 1 day per week each (open 2 days), lay off 1 half time employee. Days of operation will be Friday and Saturday in Hoodspert, Sunday and Monday in Union.

This will result in an annual reduced expense of \$152,000.

Resolution 78-09 (Exhibit B)

- 8.6 Approval of the \$1,184.82 expenditure from the Trial Court Improvement Fund (#135-000-000) to Efficiency, Inc. for a one-year maintenance agreement for the FTR Reporter 2.2 software and equipment, used by Superior and District Courts as a backup recording system.
- 8.7 Approval of the grant agreement between Mason County and the Mason County Shelter in the amount of \$17,833 for a .8 FTE (full time employee) rental assistant specialist. This is part of the County's ten-year plan to reduce homelessness and will be paid from the Community Support Services (#117) Fund.
- 8.8 Approval of the personal services contract with Debra Baxter to provide the service of Smile Survey Dental Screener for Mason County Public Health. Funding is from the WA State Department of Health Consolidated Contract and there is no cost to the county.
- 8.9 Approval for the Equipment Rental & Revolving Fund Manager to purchase snow chains for the plow trucks and graders from the Washington State contract. The cost is not to exceed \$20,000.00 plus tax.
- 8.10 Approval to declare surplus the old shop emergency generator, a 1994 Onan 50kw Diesel Generator, S/N I520485216 and authorize the Equipment Rental & Revolving Fund Manager to sell it to Mason Transit. The price is \$4,000.00, condition "as is".
- 8.11 Approval for the Chair to execute the U.S. Census Bureau Registration Form designating Matt Stull as the official liaison for Mason County in the US Census Bureau's 2010 Local Update of Census Addresses (LUCA) program.
- 8.12 Approval to reappoint Debra Jacobs to the Mason County Planning Advisory Commission for a four-year term ending July 2013.
- 8.13 Approval of the license agreement with Safeway, Inc. for use of office space for the Mason County Sheriff's Office in the Belfair Safeway store. There is no fee for this agreement.
- 8.14 Approval of the Veterans Assistance Fund applications for: Kimberly Mougous - Utilities \$252.28 as recommended by the Veterans Assistance Fund Screening Committee.
- 8.15 Approval of Warrants
- | | | |
|----------------------|--------------------------|----------------|
| Claims Clearing Fund | Warrant #s 162197-162704 | \$2,665,765.50 |
| Direct Deposit Fund | Deposit #s 15058-15433 | \$ 576,413.01 |

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Cmmr. Gallagher asked that item 8.5 be removed for further discussion.

Cmmr. Ring Erickson noted typos in the agenda for items 8.2, 8.6 and 8.7. She stated the typos should be corrected prior to approval.

An audience member asked that item 8.4 be removed for further discussion.

Cmmr. Ring Erickson asked that item 8.1 be removed for further discussion.

Cmmr. Sheldon asked that item 8.12 be removed for further discussion.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve Consent items 8.2, 8.3, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.13, 8.14 and 8.15. Motion carried unanimously.
RE-aye; S-aye; G-aye.

Item 8.1

Cmmr. Ring Erickson stated she has the same concerns that she expressed last week. She thinks this is a good policy but there needs to be a three year timeframe to implement it. To establish this immediately could cause some additional cut backs in services. She would like to offer a slight modification to the resolution so the last sentence will read "Beginning in 2010, the Commission shall accomplish this goal over a three year period."

Cmmr. Sheldon commented that he thinks the resolution is fine as it is. By revising the last sentence it says the Board will work on this for three years. He believes the time is now to set these goals. The citizens are doing with less and it is important for the County to make big changes too. There needs to be an ending fund balance of 9%-12% to weather issues that may come up. He would prefer the Current Expense ending fund balance be described in the resolution as is. The Finance Committee did look at this and the Treasurer provided several drafts for the Board.

Cmmr. Ring Erickson stated she doesn't know where the County will end up at the end of the year. It may be in a position where there is a full reserve and the transition is not needed, however all of the offices have already been cut back to the bone and she doesn't want to see this 9%-12% come out of law enforcement or other essential services.

Brenda Hirschi asked how long the 2 million dollar loan from ER&R could be kept on hold. It is due next year and she would like to know if the Board intends to extend that.

Cmmr. Sheldon stated he would prefer to repay the loan, but the loan can be renegotiated.

Lisa Frazier, Treasurer, commented that interfund loans generally do not last more than three years. They are for temporary financing issues. It is prudent to put something in place as soon as possible that will keep the County in a place where it can pay its debts. Part of the Mason County debt policy states that interfund loan are used as a temporary form of debt. This was a 1 year loan and the Board does have the option to extend it if necessary. It needs to be used in the sense that it is for emergency purposes only, not to replace income for an ending fund balance.

Cmmr. Sheldon asked if an ending fund balance is similar to a rainy day reserve.

Ms. Frazier answered that it basically is because the County lives on its reserves throughout the year. There is a cycle where tax dollars come in April and October. Other revenues come in on a regular basis,

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but the biggest revenue source is the tax base. When taxes aren't coming in the reserves need to carry the County until the next tax period.

Cmmr. Sheldon stated that if the ending fund balance is not large enough and expenditures are over revenues the Treasurer would need to go to registered warrants. That means borrowing money from a financial institution with interest.

Ms. Frazier noted the interest rates from a financial institution would exceed what the County is currently paying to ER&R.

Cmmr. Gallagher commented that when he was on the Shelton School Board they passed a resolution to reserve 5% but they never did achieve that. This 9% would be 2.1 million dollars and 12% is 2.8 million. The previous budget director stated you just can't do this overnight. It may take a few years. The cuts can't be made right at the moment. He has confidence that the economy will progress.

Cmmr. Sheldon disagreed. He believes the citizens want this policy and want to see the government live with in its means. This amendment waters down a policy that is already pretty loose. The comparison to the school board isn't applicable because schools receive fixed amounts from property taxes and State funding. The County relies on sales tax, which is highly volatile and it is not as easy to budget.

Cmmr. Gallagher stated what people don't realize is that the State Legislature is responsible for setting the sales tax allocations for school.

Cmmr. Ring Erickson/Gallagher moved and second to approve Consent item 8.1 and to add the sentence "Beginning in 2010 this goal will be accomplished over a three year period." to the end of the resolution. Motion carried. RE-aye; G-aye; S-nay.

Item 8.4

Emmett Dobey, Utilities and Waste Management Director, stated at the end of 2008 they found themselves in the precarious position of not being able to meet all of their 2008 obligations so they carried over two long-haul contract bills that totaled approximately \$300,000. They thought with a rate increase they would be able to make that up in 2009, however due to the reduction in the economy they have seen a 12% reduction in solid waste, which results in a 12% reduction in revenue. In addition, the mandatory curbside recycling program will further reduce the amount of trash brought to the landfill and will further reduce their revenue. To make sure they can meet their obligations in 2009 they need a short term loan to cover the deficit. That loan will reduce the ER&R budget by about 15% and leave them with about 2 million dollars. To repay this loan he is suggesting a reduction in operation hours at the landfill and the layoff of a number of employees. This would go into effect on October 1, 2009 and will result in a layoff of a total of 3.5 full time employees.

Cmmr. Sheldon asked if \$300,000 removes 15% of the ER&R Fund, what would the remaining amount be.

Dave Loser responded that the fund has about 3 million in cash reserves. The total reserves are at 5 million, the 3 million is minus the 2 million dollar loan. These are rough number, but he doesn't see \$300,000 causing much grief.

Ms. Frazier commented that under Mason County's debt policy all incurred debt needs to go through the Finance Committee. The Finance Committee has not seen this proposal for an interfund loan. She doesn't know what the interest rates are and she has concerns regarding the repayment of the loan.

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Cmmr. Sheldon noted the Finance Committee meets today at 11:00 a.m.

Ms. Hirschi asked if there would be a \$300,000 loan plus the reduction of hours at the landfill. Does the department expect to be a total of \$400,000 short?

Mr. Dobey answered that the department is \$300,000 short and the reduction of staff will be used to repay the loan.

Ms. Hirschi asked how long the department would have these reduced hours.

Mr. Dobey answered that until there is enough solid waste to cover the costs. He doesn't really expect that to happen given the economic conditions and the recycling program, which will further reduce the amount of waste coming to the transfer station. They are providing a service that they want to go away so they should be living on a smaller budget each year.

Ms. Hirschi asked why this is a three year loan.

Mr. Dobey answered that there will not be sufficient revenue in 2010 to repay the loan.

Cmmr. Sheldon stated since this hasn't been through the Finance Committee maybe it should be continued or laid on the table. He knows what Mr. Dobey is trying to achieve and if this is delayed too long the savings will be lost. There isn't as much residential and commercial construction, which brings a lot of material to the landfill.

Mr. Dobey stated that he believes this reduction in revenue will continue through the end of the year and through the next year.

Cmmr. Ring Erickson/Gallagher moved and seconded to table item 8.4 for one week. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon noted that the item should be postponed instead of tabled. Table is not a verb and according to Robert's Rules of Order it should be laid on the table or postponed.

Item 8.5

Cmmr. Ring Erickson noted this item would allow the department to start saving money now.

Cmmr. Gallagher stated the inconvenience of these hours has been brought to his attention. He asked if there is any way to be open later hours, such as 10:00 a.m. to 6:00 p.m. instead of 8:00 a.m. to 4:00 p.m.

David Baker stated he would be glad to look at any hours that would better serve the public. The reason they have kept the 8:00 a.m. to 4:00 p.m. schedule is because of their primary contracts with Mason County Garbage and Recycling and the City of Shelton. They need to accommodate the substantial loads that come through the facility.

Mr. Dobey noted that in the winter months it starts to get dark around 4:00 p.m. and it is very difficult to operate in the dark.

Cmmr. Ring Erickson asked if the schedule is determined by the larger users such as the commercial haulers.

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Mr. Baker stated it is some what determined by the larger users as well as the fact that there is no supplemental lighting at any of the facilities so they cannot operate when it gets dark.

Cmmr. Ring Erickson noted that the resolution only addresses the number of hours of operation not the times.

Cmmr. Sheldon stated he doesn't want to dictate the hours of operation and micro-manage the operation. He feels it is appropriate for the department to set the hours.

Ms. Hirschi stated she has heard the reason for the drop in revenues is the lack of construction materials coming to the landfill. She asked if that is the only reason or were there bills in 2008 that weren't paid.

Mr. Dobey stated in 2008 they were short two bills, which they paid in 2009. That created a situation where the 2009 budget was operating on a \$300,000 deficit. They have made up \$25,000. They will borrow money to pay the deficit and then reduce staff to pay back the loan in 2010. If waste continues to drop they will have to look at this again.

Cmmr. Sheldon noted weather is also a big part of this. When there are long stretches of dry weather the volumes at the landfill weigh less than when there is wet weather.

Ms. Hirschi commented that the users of the landfill would be at a disadvantage with this proposal.

Mr. Dobey stated that is correct, but if the department continues at the same amount of operation it will continue to be in red.

Cmmr. Sheldon notted that some of the large expenses are the long haul expenses. One of the options being looked at is hauling from Belfair to the Kitsap site.

Mr. Dobey stated there are fixed expenses that they have no control over. When revenue is reduced there needs to be some changes in operation. They have started negotiations with the waste contractors so they may be able to reduce costs of the long haul but there are no guarantees. Reduced operations are the only way to guarantee they will stay in the black.

Ms. Hirschi asked if unemployment costs have been considered in this reduction.

Mr. Dobey stated he understands that is a cost that will be associated with this.

Cmmr. Ring Erickson noted the solid waste utility runs under the State utility laws so they cannot operate at either a profit or a loss. She does not want to violate the State law.

Mr. Dobey stated that is correct and that is what they are trying to respond to.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve item 8.5. Motion carried unanimously. RE-aye; S-aye; G-aye.

Item 8.12

Cmmr. Sheldon stated he would like to change the language to read "approval to appoint Debra Jacobs to the Mason County Planning Advisory Commission for a four year term ending July 2013, providing that she does not participate in discussions or vote on Pacific Northwest Salmon Center issues." She and her

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husband Fred Barrett, the president of the Pacific Northwest Salmon Center, have made a loan to that organization in the amount of \$50,000. He thinks it is unusual for someone on a Board to loan money to an organization that is coming before the Planning Commission for consideration. He has some concerns.

Cmmr. Gallagher stated everyone on the Planning Commission comes from a specific area and the Board cannot single out one person. These people have enough knowledge to recuse themselves from any issue that they are personally involved in.

Jane Roush stated it seems there are sufficient people in the County who could serve on this Commission without a conflict of interest. There are other people who could be better qualified that wouldn't have a conflict of interest.

Cmmr. Sheldon stated he feels there are people on the Commission that have interests but it is highly unusual for someone to loan money to an organization. It has the potential to influence their vote.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve item 8.12. Motion carried. RE-aye; G-aye; S-nay.

9. 9:30 a.m. Public Hearings and Items Set for a Certain Time. –
 - 9.1 Public hearing continued from September 1, 2009 to consider the Budget Revisions/Reductions to the 2009 budget for the Current Expense Fund.

TJ Martin, Human Resources Director, stated last week a budget reduction was brought forward for the Commissioners to review. A vote was taken to reduce the Mental Health Fund and the Department of Community Development. Parks was not reduced. A 3-5% reduction of all Current Expense unencumbered balances was tabled to this week along with a potential 2 week County office closure. A transfer from the Health Department's Abatement Fund was approved and allocations to the Clerk's office and Human Resources were approved. The two matters being brought forward today are the 3-5% reduction and the 2 week County office closure. The public and the Commissioners have now had a chance to review the attachments describing these two items.

Questions for Staff

Cmmr. Sheldon stated it sounds like the two items up for discussion would not be considered by the Board. He would suggest that these proposals be deferred and not removed from further discussion. It would be better if the proposals are left as remaining options. He asked how a department head or elected official would figure the fiscal impact of any potential union settlements into their 2009 budget.

Mr. Martin stated those specific needs would have to be determined per department. It is a lot more problematic for 24/7 services due to overtime pay. For those offices that are not a 24/7 operation the costs could be more readily absorbed. He would have to look at it on a case by case basis. There has been discussion regarding closing around Thanksgiving or Christmas or days where there is less traffic at the County. He wants to keep costs low while maintaining the high standards of the departments.

Cmmr. Sheldon commented that the settlement Mr. Martin mentioned was signed by two Commissioners. Commissioner Ring Erickson signed it at home and Commissioner Gallagher does not recall signing it. If government is a service industry how are the taxpayers being served by giving employees days off with pay and how can elected officials and department heads make any accommodations for that while putting together the last quarter of their 2009 budget?

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Mr. Martin answered that any time there are negotiations there is a back and forth in regards to what the union is seeking and what the County can provide. A cost of living increase was originally proposed across the board. Days off wouldn't be his first option, but the costs associated with some overtime is better from an economic standpoint than a 2%-3% COLA. He is trying to save money any way he can and a COLA would be a huge financial burden compared to possible days off. He is discussing a package that will work with the unions and the County while showing the employees that their services are appreciated.

Cmmr. Sheldon stated it appears to him that this contract has already been signed.

Mr. Martin clarified that the one page document that was signed was merely an attempt to resolve the unfair labor practice that the Teamsters union brought forward. The attempt wasn't to reach a settlement, it was just to show that the County is working in good faith to resolve the unfair labor practice. The agreements are separate and those agreements would come before the Board in a public hearing. The document was just to show that the County was working in good faith. He is still working to craft an agreement that both sides would agree to.

Cmmr. Sheldon stated the department heads and elected officials are expected to submit a spending plan to the Board by October 1st to demonstrate how they will not spend in excess of their 2009 budget. He asked how they would be able to factor in health benefits if they are still being discussed.

Mr. Martin responded that there would be an impact and he would have to work with the department heads and elected officials individually.

Cmmr. Sheldon stated he believes that two Commissioners may have bound the County to significant financial liability without comprehensive fiscal analysis, without the opportunity for meaningful discussion among the Commission as a whole and without opportunity for public comment.

Cmmr. Ring Erickson suggested that the Board get back to the current business at hand.

Mr. Martin clarified that the one page document being discussed was solely to show that the County was continuing to work in good faith and only deals with the unfair labor practices. The actual collective bargaining agreements are entirely separate and will come before the Commissioners and to be voted on in a public hearing. The one page document in no way adopts those contracts.

Ms. Hirschi stated she doesn't understand where this public hearing is going. She would like clarification on what is being discussed.

Cmmr. Sheldon responded that it appears there is not support for the two proposals that were continued from the last hearing. It appears that there is support to ask all of the department directors and elected officials whose expenditures exceed 66% of their 2009 budgets as of August 31, 2009 to submit a spending plan to the Commissioners by October 1, 2009 demonstrating that they will not spend in excess of their existing 2009 budget. The background is RCW 36.40.130, which says expenditures made in excess of the detailed budget appropriations shall not be a liability of the County, but the official making or incurring such expenditures. The elected officials must stay within their budget or they are responsible. The Board is asking that they lay out a plan on how they will reduce their expenditures to meet their obligations. His questions of Mr. Martin were because there is a settlement document that may have set some precedent related to costs of employees' days off with pay. Elected officials will need to know what those numbers are in order to give a detailed spending plan.

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Ms. Hirschi stated she has looked at revenues and she is trying to understand why revenues are being increased in certain areas. The revenue side appears to be increased in departments that are under the Commissioners and she would like the logic behind that.

Cmmr. Sheldon stated one example is that Commissioners voted to take \$200,000 from the Abatement Fund and move it in to the Department of Community Development. That would be a one time infusion of cash.

Ms. Hirschi noted that \$32,000 was given to Human Resources and \$25,000 was given to Budget and Finance.

Karen Herr, Auditor, stated that happened in May and she doesn't know the answer to how that happened. She assumes that it was from indirect costs.

Mr. Martin stated he believes the supplemental appropriation may be from the risk pool charges for services.

Public Testimony

Pat Swatros commented that it was just brought to her attention that ER&R services are paid in a one time shot and that puts her over 66%. Her unemployment allocation will also put her over. She would indicate that in her spending plan.

Mr. Martin recommended that separate motions be made for each of the proposals being discussed.

Cmmr. Ring Erickson/Gallagher moved and seconded to divide the question on the four recommended actions. Motion carried unanimously. RE-aye; S-aye; G-aye.

Brenda Hirschi stated she is concerned about equity. She has put a lot of hours in to trying to understand this budget and she doesn't see the equity. The Commissioners eliminated the Budget and Finance position for cost savings but they added \$25,000 to the department in May. Now there is a contract out for budget and finance support and a memorandum of understand with Kitsap County for risk management. All of this doesn't add up. The Auditor, Assessor and Treasurer now want to close their offices for lunch and there will be a public hearing for that. Some elected officials appear to have an anemic budget, yet the departments in the Commissioners purview are being protected. This proposed across the board cut is problematic. In all fairness the elected officials should be asked what the impact would be. She has been suggesting for two months that the elected officials and department heads spending be looked at. On a strait line average the departments should be at 66%. There are exceptions, but as a rule people should be at 66% at the end of August. If those who are below to the strait line average are brought up to 63% you could find \$373,000. One elected official even acknowledged that he had an extra \$60,000 that could be taken. Rather than devastating certain programs, why not look within. She emphasized that as a citizen this issue of fairness is such an important element. If citizens don't think it's fair they wonder if it's political. She asked the Board to look at this from that lens.

Vicki Kirkpatrick, Director of Public Health, stated the Health Department receives Current Expense funds and she would like to share what has happened with the her budget since January of 2008. In 2008 they received \$799,000 of Current Expense money. Fee revenues began declining in the first quarter of 2008 so in July they cut positions to bring revenues in line. In preparation for the 2009 budget they cut staff again, so in 2009 they had \$563,000 from Current Expense. In 2010 they are reducing additional staff due to State reductions. Their 2010 request is for \$442,000. They have decreased their dependence on the Current Expense fund by significant amounts. From January 2008 to January of 2010

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they have lost more than 27% of their staff. She is bringing this up because her department is one that reports to the Commission and she believes they have taken significant reductions. She doesn't think they have been protected. She has taken a \$350,000 reduction from 2008 to 2010, which is just under a 50% reduction.

Constance Ibsen responded to Ms. Kirkpatrick's statements. She commented that this brings up the issue of grants administration and employees that are funded on grants who stay with the County after the grants end. The deductions in the Health Department were employees working on grant money and those grants' final reports were written. She urges the Board to get someone dedicated to overseeing the County's grants. When people are hired to do specific grant project they should understand it is not permanent employment.

Cmmr. Sheldon suggested that the first two motions be deferred, not removed from discussion. No option should be taken off the table.

Cmmr. Ring Erickson commented that she understands Commissioner Sheldon's suggestion, but if things are left without action it creates confusion. If something needs to be brought back later on it can be done.

Cmmr. Ring Erickson/Gallagher moved and seconded to remove from further discussion the proposal of a 3%-5% reduction of unencumbered budget balances for all Current Expense departments. Motion carried. RE-aye; G-aye; S-nay.

Cmmr. Gallagher/Ring Erickson moved and seconded to remove from further discussion the proposal of a 2-week Mason County office closure for select Current Expense departments. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Ring Erickson/Gallagher moved and seconded to instruct all Department Directors and Elected Officials, whose actual expenditures exceed 66% of their respective 2009 existing budgets as of August 31, 2009, shall submit a spending plan to the Commissioners by October 1, 2009 demonstrating that they will not spend in excess of their existing 2009 budget. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Gallagher commented that there are six departments that are over 66% and they add up to \$175,077. The rest of the departments add up to over 1 million dollars so if that \$175,000 is subtracted there is still some money left. There may be some hope yet.

Cmmr. Sheldon responded that it depends on how you add up the figures and what happens in the next quarter. He doesn't believe sales tax and timber revenues will come in as expected. Building construction will also drop off in the winter.

Cmmr. Sheldon noted that the Board did not need to make a motion on the fourth item if they did not want to act on it.

Cmmr. Ring Erickson commented that the departments have done a good job so far of telling the Board if they have any unanticipated expenditure concerns.

10. Other Business (Department Heads and Elected Officials) –

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10.1 TJ Martin stated in 2004 he was diagnosed with cancer and after he started working at Mason County he had the opportunity to get back in shape with the yearly Health Challenge. Last weekend he was able to finish the Cascade Crest Marathon and was invited to the Western States Marathon. While it might seem like the Health Challenge is a small program it has been very helpful to him and he would like to see it go forward.

11. Board's Reports and Calendar - The Commissioners reported on meetings attended the past week and announced their upcoming weekly meetings.

12. Adjournment – The meeting adjourned at 11:09 a.m.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Tim Sheldon, Chair

ATTEST:

Lynda Ring Erickson, Commissioner

Shannon Goudy, Clerk of the Board

Ross Gallagher, Commissioner