

BOARD OF MASON COUNTY COMMISSIONERS' BRIEFING MINUTES
Mason County Commission Chambers, 411 North 5th Street, Shelton, WA
Week of July 17, 2017

Monday, July 17, 2017

- 9:00 A.M. Executive Session – RCW 42.30.110 (1)(i) Potential Litigation
Commissioners Shutty, Drexler and Neatherlin met in Executive Session for potential litigation with Michael Dorcy and Tim Whitehead from 9:00 a.m. to 9:50a.m. Also in attendance until 9:30 a.m. was Karen Herr.
- 9:30 A.M. Executive Session – RCW 42.30.110 (1)(g) Qualifications for Public Employment
Commissioners Shutty, Drexler and Neatherlin met in Executive Session with Jerry Hauth from 9:50 a.m. to 10 a.m. to discuss qualifications for public employment.
- 9:45 A.M. Closed Session – RCW 42.30.140 (4) Labor Discussion
Commissioners Shutty, Drexler and Neatherlin met in Closed Session from 10:00 a.m. to 10:10 a.m. with Frank Pinter and Dawn Twiddy.
- 10:00 A.M. BREAK
- 10:15 A.M. Support Services – Frank Pinter
Commissioners Shutty, Drexler and Neatherlin were in attendance.
- The Commissioners counter offered the property offer for two lots on Lake Boulevard at \$39,000.
 - Reclassification requests – this will be postponed.
 - Jenifer reviewed the Financial Statements with Cash Forecast. The Commissioners requested information on the following: accrued leave; property tax collection; Public Defense and Prosecuting Attorney revenues. Projected year end cash is \$1.4M.
 - Jenifer presented a recap of 2017 budget reductions that have been submitted by departments. The total request was for \$2,043,979; submitted reductions to date is \$1,614,991. Cmmr. Drexler would like to know where departments are cutting and how many staff would be laid off. She asked departments to submit information on the impacts to departments.
 - Frank provided a variety of revenue options: single and multi-year levy lid lift (need voter approval); excess levy – O&M levy (need voter approval); road levy shift – would impact City's MPD and City's new construction; criminal justice levy – assessed on property tax (need voter approval every 6 years); 3/10 of 1% public safety sales tax (would need voter approval) . Discussion of road levy shift which would have to be done annually in the budget process and what the impact would be to the City of Shelton. Treasurer Frazier noted there are services provided by the County to the City of Shelton that are not paid for by the City.
Cmmr. Shutty stated this is a pivotal time; he is a big proponent of government living within its means, however we have seen the outrage meter reach new levels. This might be the appropriate time to ask voters what level of government they are willing to pay for. Any resolution for a ballot issue is due to the Auditor by August 1st and we have had this conversation several times this year. We are doing this because of necessity but it is in a reactionary way. If it goes to the voters, there is time for public conversation.
Cmmr. Neatherlin stated he looked back on the record and there were Sheriff staff increases made and it was said new revenues are needed. It's obvious where the money has gone and it's to the criminal justice system and he agreed it may be time to ask the voters if they want to maintain the criminal justice services. The cost of doing business exceeds the 1% increase allowed in property tax and does not come close to meeting the added expenditures. The cuts are never ending unless there are additional taxes. He would like to see a criminal justice tax since that's where the majority of funding will go.
Cmmr. Drexler agreed we hear from only a few citizens and there is a silent majority. Assumption is there is loaded beaurocracy and that money is thrown away. Budget

increases have been to increase the services but they are unaffordable. We need to have the voters tell us what level of service they are willing to pay for. Not in favor of going to the ballot this year, need to see what the level of service is and in favor of going for a permanent lid lift in 2018.

Cmmr. Neatherlin expressed concern with impact of drastic budget cuts if we don't go out for criminal justice property levy tax in 2017 (50 cents per \$1,000).

Why lid lift vs. sales tax.

Cmmr. Drexler commented that a lid lift is more dependable than sales tax. She referred to the impact of on-line shopping. There is not a lot of growth of brick and mortar businesses.

Commissioners requested staff bring forward resolutions to discuss for the criminal justice property tax levy (50 cents per \$1,000) as well as a permanent levy lid lift. Resources are needed so expenditures don't exceed revenues and additional resources to meet the Current Expense reserve. \$4M needed to not have budget reductions; and another \$4M to increase reserves to \$8M. Discussion of various levy options, including reducing the road levy by adopting a lower road budget.

- Question from Superior Court regarding 2017 budget reduction (transfer or revision). Jenifer discussed with SAO – will be a transfer between expenditures and ending fund balance and she has requested something in writing.

11:30 A.M.

Port of Allyn

Request to adopt Port of Allyn's Marina Rules in County Code

- Lary Coppola, Port of Allyn, requested the Commissioners adopt the Port of Allyn's Marina Rules into County Code which is a best practice for ports. They do not have the legal authority to enforce the rules without the County's adoption. Mr. Coppola has discussed with Chief Spurling and he stated Chief didn't have any problem but Mr. Coppola has nothing in writing. The Port assumed these Rules were adopted into County Code a year ago.

Cmmr. Drexler is hesitant to add a potential workload to the Sheriff's staff. She would like something in writing. She believes some of the Rules pertain to private property yet it would sit in County Code.

Cmmr. Neatherlin stated this allows the Port's security staff to issue tickets.

Cmmr. Jeffreys asked the Port to submit additional information in writing: what this would look like in County Code; what is the County's responsibility, who would be impacted, what is the problem statement and what problem is being solved. She requested an agenda summary form be completed by the Port of Allyn. She would like something in writing from those offices that could be impacted – prosecuting attorney, district court and sheriff.

A briefing will be scheduled in three weeks.

Commissioner Discussion – there was no discussion.

BREAK – NOON

2:00 P.M.

Public Works – Jerry Hauth/Melissa McFadden

Utilities & Waste Management

Commissioners Shutty, Drexler and Neatherlin were in attendance.

- Approval to appoint Jeff Bickford to the Solid Waste Advisory Council (SWAC).
- Request to purchase a chip spreader equipment, estimated cost is \$325,000. If purchased by September 2017, there would be cost savings of \$35,000 + tax and there is budget available. Approved to move forward.
- Discussion of retrofit site for the Belfair Stormwater a Management Plan. Staff recommends either Project I.D. 4 or 8, which will great runoff from Clifton Lane with bioretention located on William O Hunter Park. After discussion, staff will come back to a follow-up briefing.

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- Cmmr. Neatherlin brought up that several citizens have contact him regarding chip seal over asphalt. He then asked about chip sealing North Shore Road. Melissa responded that chip seal rejuvenates asphalt because you can't always see the damage. Chip seal can extend of the life of asphalt and is a cost savings. This is done on a schedule based on science. Status of crosswalk signage. Citizen request for sidewalk through Allyn – Cmmr. Neatherlin asked for information to take the request to PRTPO.

2:45 P.M.

Community Services/Family Health & Human Services
Commissioners Shutty, Drexler and Neatherlin were in attendance.

- Paula Graves proposed draft change to MCC Chapter 15 that would make the Hearing Examiner an option. The Board approved moving this forward.
- Cmmr. Jeffreys brought up the square foot limit for accessory dwelling units which is set at half the dwelling size or 1,000 square feet, which is ever smaller. Cmmr. Neatherlin questioned at which size it actually becomes two dwellings. Paula will research this issue.
- Lydia requested approval to renew the DSHS agreement for Division of Behavioral Health & Recovery. Approved to place on next week's agenda.
- Todd briefed on the Homes First contract and the current status of the Veteran shelter. The Board agreed to write a letter to Homes First, Cmmr. Shutty will work with Todd Parker on the letter.

3:00 P.M.

Veteran's Advisory Board – April Pooler/Tom Davis
Commissioners Shutty, Drexler and Neatherlin were in attendance.

- Tom Davis stated the VAB wants to be certain the Commissioners understand the impact of losing the contract with the Mental Health Professionals. This contract has ended and the Mental Health Professionals response to the RFP exceeded the proposed budget by \$12,000. This contract provided one-on-one counseling to Veterans and several Veterans spoke to the benefit of the contract.

3:20 p.m. Cmmr. Shutty left the briefing.

Cmmr. Neatherlin pointed out that the County did offer a contract but was not agreed upon by Mental Health Professionals; the Commissioners then asked staff to go out again for proposals for Veterans services.

The process followed to distribute the mental health tax, which funds this contract, was discussed. There is currently a request for proposals that would provide \$82,000 to provide intensive case management to Veterans.

It is a business decision of Mental Health Professionals to agree to provide the services within the available funding.

Commissioner Discussion – there was no discussion.

Tuesday, July 18, 2017

2:00 P.M.

Finance Committee Meeting

Lisa Frazier, Treasurer; Karen Herr, Auditor and Kevin Shutty, Commissioner were in attendance. Others present: Commissioner Drexler, Leo Kim, Frank Pinter and Jenifer Sliva.

- Lisa reviewed the current financial status. Current Expense cash balance at June 30 is \$5,604,302 which is \$912,227 less than June 30, 2016.
- Cash Handling Policy and Procedures continues to be a pending item.
- Draft resolution for Current Expense ending fund balance reserves. Lisa presented a draft resolution which includes a Contingency Fund, General Fund Operating Reserves and Cash Flow Reserve along with other fund reserves.
- Cmmr. Neatherlin joined the meeting at 2:15 p.m.
- How to budget for Current Expense reserves was discussed. It would internally be reported as a reserve on the Current Expense Ending Fund Balance.

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Auditor Herr/Cmmr. Shuttly recommended to Commissioners to amend the resolution setting the Current Expense ending fund balance policy to be at 12 to 15% of the prior year's budget and implement this over at five year period. Motion carried.

Frank Pinter stated this amounts to a \$6,000,000 ending fund balance.

- Northwest Municipal Advisors then joined the meeting, via telephone, and presented a refunding update for 2002 and 2008 bonds. Next steps would be to have the Commissioners approve moving forward with refinancing
Cmmr. Shuttly/Auditor Herr moved and seconded to forward to the Commissioners the recommendation to refinance the 2002 and 2008 LTGO bonds. Motion carried.
- Cmmr. Shuttly asked the Finance Committee for thoughts on revenue options. Auditor Herr leans toward a levy lid lift; Treasurer Frazier is a proponent of the 3/10 of 1% but doesn't think it will generate enough revenue so it may be a levy lid lift. Both expressed concern with impacts to other jurisdictions.

Frank Pinter stated a levy lid lift works like a levy shift but if approved by a vote of the people, it is no longer at the discretion of the City whether to allow it, it's automatic. It could impact the Shelton MPD. Frank presented information on various revenue options including how to impact the road levy which is dependent on the road budget.

Both Karen and Lisa voiced support of new revenue options that are decided upon by the Commissioners.

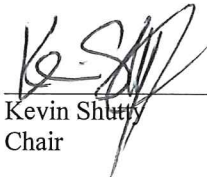
Auditor Herr/Cmmr. Shuttly moved and seconded to recommend the Commissioners enact revenue measures and pose to the public in the 2017 election to be collected in 2018. Motion carried.

Meeting adjourned at 3:05 p.m.

Respectfully submitted,

Diane Zoren, Administrative Services Manager

BOARD OF MASON COUNTY COMMISSIONERS


Kevin Shuttly
Chair


Terri Jeffreys
Commissioner


Randy Neatherlin
Commissioner