

BOARD OF MASON COUNTY COMMISSIONERS' BRIEFING MINUTES
Mason County Commission Chambers, 411 North 5th Street, Shelton, WA
Week of October 16, 2017

Monday, October 16, 2017

- 9:00 A.M. Planning Commission Interview
Commissioners Shutty, Drexler and Neatherlin interviewed Steve VanDenover for the Planning Advisory Commission.
- 9:15 A.M. Support Services – Frank Pinter
Commissioners Shutty, Drexler and Neatherlin were in attendance.
- FY17- Emergency Management Performance Grant (EMPG) contract was approved to move forward. There is a 50% match which comes from DEM salaries and supplies.
 - Status of Frequently Asked Question document for Proposition 1 has been sent to the PDC for review and there has been no response. This will be brought back at next week's briefing.
 - Frank provided copies of the CBA with Public Defense. This will be placed on the October 23 agenda.
 - The Veterans Advisory Board is requesting the lease for the North Mason Veterans Service Officer be terminated. There is a 30 day termination clause in the contract. Year-to-day applications for veterans' assistance from the Belfair office are only 14% of the requests and there has been a problem with receiving complete and timely applications from that office. This will be placed on next week's agenda.
 - There was a discussion of a Shellfish Initiative. Cmmr. Drexler stated that once a sustainable funding source has been identified for water quality, a shellfish plan with commitments needs to be developed so the County is proactive rather than reactive. Two options are a septic or stormwater fee. A water quality program is estimated to cost \$400,000 to \$500,000 annually. Cmmr. Shutty stated the Alliance for South Sound is enthusiastic to do something with shellfish and the HCCC has prioritized funding shellfish. He offered to work with the regional groups for coordination. The State Shellfish Initiative has been assigned to the Department of Agriculture. Cmmr. Neatherlin supports a county-wide Clean Water District that identifies regions with a small fee per parcel, such as \$5. What would be done with the funding has to be identified. He would like to have the ability to charge a catastrophic assessment such as a downgrade. There was discussion of a Shellfish Protection District/Clean Water District.
 - Cmmr. Drexler brought forward a proposal to surplus and rezone 33.34 acres of county-owned property on the corner of Highway 101 and Dayton Airport Road. This is owed by Public Works and staff is working on the surplus process. A Boundary Line Adjustment and rezone also needs to occur so the property can be developed. There was a discussion of what zone – either commercial or commercial industrial. Cmmr. Drexler wants to be certain it's a zone that support hotels and complementary commercial businesses. Cmmr. Neatherlin expressed concern with "spot zoning" but supports moving this forward. Cmmr. Shutty also supports moving this forward.
 - The Commissioners requested the appointment of Steve VanDenover to the Planning Advisory Committee be placed on the October 23 agenda for consideration.
- 10:00 A.M. The Commissioners took a 15 minute break.
- 10:15 A.M. Community Services – ~~Dave Windom~~ Lydia Bucheit
Commissioners Shutty, Drexler and Neatherlin were in attendance.
- Request to recruit and fill two vacant positions – Health Education Specialist and Public Health Nurse which are grant funded. Request was approved to move forward.
- 10:45 A.M. Public Works – Jerry Hauth

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Utilities & Waste Management

Commissioner s Shutty, Drexler and Neatherlin were in attendance.

- Request to call for bids for 2018 paint line contract was approved to move forward.
- Request to approve resolution that sets a public hearing with the Hearings Examiner to consider vacating a portion of E Mason Lake Drive West, Road Vacation No. 395. This will be placed on the agenda.
- Staff provided an update on the utility systems. For Beards Cove and Rustlewood, the big project anticipated in 2018 is the installation of service water meters. Discussion of the financial status of Rustlewood sewer system and the need to set rates to improve its financial solvency. Cmmr. Drexler noted that committing REET 2 funding to pay for debt service for the sewer systems does not solve the State Auditor Finding because it is not considered a reliable resource. Rates and connections fees were discussed. Cmmr. Neatherlin is working on Title 13 code changes for the Belfair connection fee.
- Surplus of Public Works property at the corner of Highway 101 and Dayton Airport Road. In order to address the question of should the property be surplus – does the County see the need in the future of locating additional county facilities on that property. It is anticipated this area will eventually be annexed into City of Shelton. Staff is requesting an updated appraisal and will check with legal on how to proceed. The Commissioners support moving forward with the surplus process.

11:30 A.M.

Sheriff's Office - Chief Hanson

Commissioner s Shutty, Drexler and Neatherlin were in attendance.

- Chief Hanson briefed on the interlocal agreement with Lewis County for jail bed space. The daily rate is increased 5% to \$63.39. Chief Hanson stated they have no intention to outsource, but want to have the agreement in case there are circumstances that they need to outsource. They do not have an outsource budget. Approved to move forward.

Commissioner Discussion – there was no discussion.

11:45 A.M.

Executive Session – RCW 42.30.110 (1)(g)

Cmmrs. Shutty, Drexler and Neatherlin reviewed the qualifications of an applicant in executive session from 11:45 a.m. to 12:05 p.m.

BREAK – NOON

2:00 P.M.

WSU Extension Office – Justin Smith

Commissioner s Shutty and Drexler were in attendance. Cmmr. Neatherlin joined the briefing at 2:15 p.m.

- Almost 60% of those graduating from the micro-enterprise business workshop training are requesting tech support from the Extension Office. This program receives funding from the Title II of the Secure Rural Schools & Community Self Determination Act.
- Water Resources has held two successful septic workshops in Shelton and Hoodspport.

2:30 P.M.

Mason County Housing Authority

Commissioner s Shutty, Drexler and Neatherlin were in attendance. Housing Authority members Gary Gordon, Marilyn Vogler and John Bolender were present along with Kathy Haigh.

- There is \$1,500 coming in from Cascade Management, mainly from the Kneeland Park account that can be used for administration. Cascade Management has a fund of approximately \$134,000 for repairs at Kneeland property. There will be \$2,500 coming in for Pine Garden first of the year. Currently this administration money is being held by the Mason County Treasurer in Treasurer's Trust. Kathy Haigh has been appointed as their Executive Director. Her goal is to get the board working. Cascade Management has been asked to look at selling the properties. There is \$25,000 outstanding due to Cascade Management.

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- Still seeking two members to sit on the Housing Authority Board and it's important that applicants understand the responsibility. A request was made for the county to staff the Housing Authority. Prior to 2010 Bremerton Housing Authority provided administrative support to the Mason County Housing Authority.
- Kathy requested the Board make the decision to accept the deposited monies; if the Board is not comfortable doing this, she asked the Commissioners to change the law allowing the County to assist the Housing Authority as a provider of low income housing. Kathy then asked for the Board's thoughts on selling the properties.
- John Bolender asked what is the Commissioners objective/vision of the Housing Authority. Do they see a relationship between affordable housing and economic development. Cmmr. Drexler shared that when she took office, it was made clear from the Housing Authority that it's not the County's business. It is a stand-alone agency. On paper, it appears to not be much different than a non-profit. She doesn't see the nexus between the County and appointing the Housing Authority members. Cmmr. Drexler asked Lisa Frazier about serving as the fiscal agent. Lisa Frazier stated the Housing Authority can contract for the service and there would be a cost.
- Cmmr. Neatherlin stated it is his opinion that there could be a relationship but it's a matter of where the money would come from. His opinion is to sell the property and work with other agencies to build new low-income housing.
- Discussion of the impact to low income housing if the properties are sold. Things to consider are outstanding debts, HUD and Rural Housing. The members acknowledged that small Housing Authorities are difficult to maintain.
- Cmmr. Drexler proposed funding an Executive Director from the recording fee revenue which would reduce available funding for other services. Marilyn spoke against this.
- Gary Gordon stated the current Housing Authority model is not self-sustaining and when he was first appointed to serve, he thought to make the Housing Authority sustainable, they needed to increase inventory.
- Discussion of the Housing Authority vs. other housing entities such as Crossroads, Turning Pointe, and community Lifeline. They serve different populations.
- John Bolender stated the Housing Authority can divest of properties or work on a strategy to provide affordable housing to the community. The lack of low income housing affects our community in many ways.
- Cmmr. Drexler does not support having the County own low income property. The affordable housing responsibility of the county is to manage the recording fee revenues that is about \$300,000 a year.
- Marilyn voiced support of divesting the property and create a joint City/County Housing Board.
- Cmmr. Shutty acknowledged they need a business structure and the County has offered to go through the grant process to fund staff and he asked if the Housing Authority members are willing to invest in this process.
- The Housing Authority will continue to work on this issue and come back in January. Kathy will continue to work with the legislature on possibly changing the law.

Commissioner Discussion – there was no discussion.

The briefing adjourned at 3:50 p.m.

Tuesday, October 17, 2017

11:00 A.M.

Finance Committee Meeting

Treasurer Lisa Frazier, Auditor Karen Herr and Chair Kevin Shutty were in attendance. Commissioners Drexler and Neatherlin were also in attendance. Treasurer Frazier called the meeting to order at 11 a.m.

- The Current Expense ending fund balance as of September 30, 2017 is \$3,146,301 which is \$1,018,896 less than same period in 2016.

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- Lisa reviewed the banking information.
- The Cash Handling Policy and Procedures is pending.
- The resolution amending the General Fund Reserve and establishing additional reserves was reviewed. Frank Pinter distributed draft copies of the county wide Financial Management Policy that is referenced in the resolution. Lisa suggested adding a signature for the Finance Committee to the resolution. Frank provided cash flow analysis which demonstrates that our expenditures are growing at a higher rate than our revenues. The General Fund Reserve options were reviewed. Frank's recommendation is to strive to budget the General Fund Operating Reserves at 15% of the prior year's actual expenditures. Also provided was a Reserve Forecast Model spreadsheet demonstrating how the Reserves could be met. Frank then provided a revised draft of the resolution amending the General Fund Reserve establishing the goals over a five years period beginning in 2019 for all reserves except the Contingency Reserve which shall be established over the successive next five years. Treasurer Frazier and Frank Pinter will work on making further amendments to the General Fund Reserve resolution and will bring back before the Board.
- Lisa and Karen met with Scott Bauer of Northwest Municipal Advisors to interview KeyBanc, Piper Jaffray and D. A. Davidson as potential Bond Underwriters. The recommendation is to select Piper Jaffray
Cmmr. Shutty/Auditor Herr moved and seconded to accept the Piper Jaffray proposal to serve as the underwriter for the sale of bonds. Motion carried.
Lisa stated they hope to sell the bonds the first part of December 2017. The plan is to have a resolution on the November 7 Commission meeting.
- Utilities is requesting approval of a USDA loan for the installation of water meters at Beards Cove.
Auditor Herr/Cmmr. Shutty moved and seconded to recommend to the Commissioners to accept the proposed loan from the USDA of \$163,500 plus the cost of obtaining bond quotes at 2.625 % for 20 years for the installation of water meters at Beards Cove. Motion carried.
- Post Issuance Compliance Policy
Lisa provided a draft Post Issuance Compliance Policy that would be adopted by the Commissioners. This policy is intended to guide the County in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the County.
Auditor Herr/Cmmr. Shutty moved to adopt the Post Issuance Compliance Policy as presented. Motion carried.

The Finance Committee adjourned at noon.

1:00 P.M.

2018 Budget Workshop – Assessor's Office

Commissioners Shutty, Drexler and Neatherlin were in attendance.

- Melody Peterson, Assessor, stated the budget they have submitted is not what they believe they need to run their office and meet state deadlines but have attempted to meet budget reductions. The concern is not having enough staff to meet deadlines such as new construction requirements. FTE's are budgeted at 13.7 in 2018 and were at 15 FTE in 2017. Cmmr. Neatherlin asked for history back to 2016 and asked what the changes were for. Amber stated a Technical Deputy position was added in 2016. The 2018 budget reduction is at 9.07% comprised of reduced expenditures of \$112,635 and additional revenue of \$8,815.

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Discussion of reduction of office hours – could be reduced hours every day or close one day a week and close during lunch.

Impacts of budget reductions would include no longer having staff to attend BOE hearings and lack of entering new construction info into the assessment system which alerts the appraisers of new construction.

Discussion of BOE hearing process, the Assessor's office is requesting additional hearings be scheduled each week to be more efficient. Melody will send suggestions after talking to the appraisers.

The proposed budget reduces two existing FTE's to .6 FTE and adds a .5 FTE.

1:45 P.M.

2018 Budget Workshop – Auditor's Office

Commissioners Shutt, Drexler and Neatherlin were in attendance.

- Karen Herr presented her 2018 budget. The Elections office was reviewed first. Consequences of budget reductions would be losing the election extra help staff. A minimum of two certified employees for elections is required. Election accountability is critical and Karen expressed concern with impacting the integrity of the election process with staff reductions.
- Recording services was then reviewed. If the budget is reduced, a staff person would be reduced and office hours would be reduced. This will impact customer service. The documents have to be recorded on demand but there is then a lot of processing to index and manage the records. Recording software is about \$45,000 for maintenance. They have talked to IT and they have offered to support the hardware. Cmmr. Neatherlin asked about the impact if the office was closed to the public one day a week. Auditor Herr said she has talked to title companies and it would impact services.
- Licensing could be reduced to 1.5FTE. She has two options to consider – Option 1 is to cancel her contract with DOL and cancel sub agent contracts. Option 2 is to attempt to spread 9 employees over 4 departments. If she has to spread employees, she will have to reduce hours which impacts revenue because the public will take their business elsewhere.
- Karen then reviewed Financial Services. Budget reductions will result in staff reductions and funding less CPA services increasing audit risks. Accounts payable runs will also be reduced and there will be no emergency account payable runs.
- Included in the proposed budget are additional revenue options including a fee for notary services and elections match backs.

2:30 P.M.

2018 Budget Workshop – Treasurer's Office

Commissioners Shutt, Drexler and Neatherlin were in attendance.

- Lisa Frazier reviewed her preliminary 2018 budget which meets the requested guidelines. This will result in staff reductions and she would have to reduce the office hours open to the public. Discussion of allowing electronic filings which do not reduce workload of staff. Lisa has increased revenue by \$343,000. Lisa asked for direction on staffing paid from Treasurer's M&O which means that staff person can no longer serve as back up to a cashier. She is also considering increasing another cashier to .2FTE from the M&O and .8 FTE from Current Expense which leaves one FTE as a cashier. The priority will be daily receipting and banking. There will be discussion with the unions about reducing staff hours. Lisa also requested better storage and improved security measures.

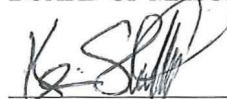
The budget workshop adjourned at 3:18 p.m.

Respectfully submitted,


Diane Zoren, Administrative Services Manager

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BOARD OF MASON COUNTY COMMISSIONERS



Kevin Shetty
Chair



Terri Drexler
Commissioner



Randy Neatherlin
Commissioner