

**BOARD OF MASON COUNTY COMMISSIONERS' BRIEFING MINUTES**  
**Mason County Commission Chambers, 411 North 5th Street, Shelton, WA**  
**Week of June 27, 2016**

Monday, June 27, 2016

8:30 A.M.

Executive Session – RCW 42.30.110 (1) (g)

Commissioners Jeffreys, Neatherlin and Sheldon along with Tim Whitehead met in Executive Session for review of qualifications of applicants for Support Services Director from 8:35 a.m. to 9:00 a.m.

9:00 A.M.

Support Services – Frank Pinter

Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.

- Review of draft 2017 Budget Guidelines. Cmmr. Sheldon would like to establish the amount of anticipated revenue and stay within that number. He has concern with the 2% wage increase, COLA and the 1% property tax levy increase. The Commissioners requested the 1% property tax levy increase be removed. A briefing will be scheduled on Wednesday, June 29 for further review of the guidelines and to hear input from the other elected officials and staff. The Auditor will call for the 2017 budget on July 11 and the Budget Guidelines will also be distributed that day.
- TJ Cannon and Ross McDowell presented information on a new phone system (VOIP) & Laserfische. \$350,000 loan is available through the LOCAL Financing Program. Staff will schedule a demonstration of the Laserfische for all county departments and will check with the Sheriff's office to make sure the proposed new phone system will meet their needs. The loan application is due to the State Treasurer by July 11. The Finance Committee needs to review this application prior to the Commissioners' approval. Frank will talk to Lisa Frazier about scheduling a Finance Committee.
- Resolution for distribution of PUD tax approved to place on July 5 agenda.
- Ross provided information on the Homeland Security Grant that will be on the July 5 agenda.
- Microenterprise sub-recipient agreements for WSU and two for E4E will be placed on the July 5 agenda.
- 2017 Lodging Tax award recommendations from LTAC: Visitor Information Centers – Shelton Chamber of Commerce, \$60,000 and North Mason Chamber of Commerce, \$40,700 and for Tourism Promotion/Festivals & Small Events, \$228,000 with \$33,500 dedicated to marketing of festivals and small events. Diane will prepare contracts and send to Commissioners for review. The Commissioners cannot take action before July 19.

10:00 A.M.

Treasurer – Lisa Frazier

Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.

- Commissioners agreed to place the resolution increasing returned payment fees to \$40 on the July 5 agenda.

10:15 A.M.

BREAK

10:25 A.M.

Public Works – Jerry Hauth/Melissa McFadden

Utilities & Waste Management

Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.

- Staff asked what Commissioners are looking for in an ordinance allowing All Terrain Vehicle (ATV) on specific County Roads. Commissioners would like to follow state law and keep it as simple as possible. Staff has concern with ingress and egress liability for those users that don't use established ingress and egress outlets. There are those users that are primarily trail riders and need to cross a county road and those that would use the ATV regularly on county roads. A briefing will be scheduled on July 11 and a public hearing will be scheduled.
- Jerry Hauth presented a draft letter of support to WSDOT for the Hall Equities project. The letter will go on the June 28 agenda.
- City of Bremerton has visited the utilities and Jerry provided an update what needs to be done.

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- 11:15 A.M. Mason County Economic Development Council – Lynn Longan  
Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.
- Provided information on the industry round tables that were held March through June of this year in six key industries – Tourism; Value-Added Agriculture/Food & Beverage Processing; Aquaculture; Advanced Manufacturing; Forest Products; Healthcare and Information and Communication Technology. Approximately \$10,000 is available that Lynn is proposing to market the strategic plan. Cmmr. Jeffreys would rather implement something from the strategic plan. Cmmr. Neatherlin suggested to survey businesses. The next step is to develop industry strategies and identify partnerships and the draft will be available June 30, 2016.
  - Lynn has talked to Dick Settle about recommendations for the Economic Element in the Comp Plan update including businesses outside of UGA and update language such as “legal non-conforming use”.
  - Cmmr. Jeffreys requested a scope of work for the Commerce grant.
  - Discussion of how to track the number of businesses in the county.

Commissioner Discussion – there was no discussion.

BREAK – NOON

- 2:00 P.M. Closed Session – RCW 42.30.140 (4) Labor Discussion  
Commissioners Jeffreys, Neatherlin and Sheldon met in Closed Session from 2:10 p.m. to 2:32 p.m. with Frank Pinter and Dawn Twiddy for labor discussion.

- 2:30 P.M. Community Services/Public Health – Dave Windom  
Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.
- McLane Cove Shellfish Protection District draft implementation plan. In May 2015 WA State Department of Health downgraded 31 acres in the Pickering Passage Growing Area (McLane Cove) from Approved to Conditionally/Approved. A Shellfish Protection District program is required to be put in place after a growing area classification is downgraded. This will be grant funded. The Commissioners recommended changes and staff will bring back a revised implementation plan.
  - Professional services contract with Edward Mund for Public Health Emergency Response Plan (PHERP) Planner/Trainer was approved to place on agenda.
  - Discussion of permitting issue for someone who wants to make marijuana infused soaps.
  - Discussion of on-line permitting software and if LaserFische could be used.

- 3:00 P.M. Peninsula Community Health Services - Jennifer Kreidler-Moss  
Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.
- Request for letter of support for New Access Point Grant to expand health services to Belfair. The letter will be placed on the June 28 agenda.

Commissioner Discussion – no discussion.

Executive Session – RCW 42.30.110 (1) (g)  
Commissioners Jeffreys, Neatherlin and Sheldon along with Tim Whitehead and Dawn Twiddy met in Executive Session for review of qualifications of applicants for Support Services Director from 3:30 p.m. to 3:40 p.m.

Wednesday, June 29, 2016

- 9:30 A.M. 2017 Budget Guidelines  
Commissioners Jeffreys, Neatherlin and Sheldon were in attendance.
- Cmmr. Jeffreys introduced the topic of the 2017 budget guidelines.  
Cmmr. Sheldon thought last year the budget process was confusing and contentious. He pointed out that 7,169 jobs have been lost in Mason County, meaning one third of workforce



is not working in Mason County and he is concerned our economy is not doing well. He supports determining the revenue level and stay within that.

Cmmr. Neatherlin stated the Commissioners will need to look at the numbers because there are some shortfalls.

Frank Pinter presented revenue projections. For 2016 the revenue is projected at \$32.7M excluding ending fund balance for Current Expense. In that projection is \$1.8M levy shift as well as \$500K of DNR revenue. DNR revenue is on track in 2016; levy shift is on track, sales tax is flat, Swift and Certain and City of Shelton revenue for jail is dramatically less, \$500K - \$600K shy. He is projecting for 2017 that DNR revenues will be less than 2015 and 2016 – back to 2014 level or \$500K - \$700K less than 2016. Swift & Certain and City inmate revenues should come close to 2016, assuming jail is fully functional. Levy shift was proposed to be a one-year levy shift. Very draft 2017 revenue projection is slightly less than 2016, somewhere south of \$29M for 2017. The levy shift was intended to pay for one-time expenditures - \$3.2M – they will not reoccur in 2017. Jail shortfall is projected on the entire year. Estimate a 5% reduction in reoccurring Current Expense revenues.

Lisa Frazier does not like the budget form; it causes double entry for staff and does not allow the departments to give an accurate picture of their department. She suggested using data in MUNIS.

Karen Herr agreed that MUNIS is not used to its full capability and suggested entering into only MUNIS and proposed adjustments be done during the budget workshops.

Sheriff Salisbury agreed the past method is not an efficient way to build the budget.

Frank stated the suggested method of entering changes directly into MUNIS can be done.

Prosecutor Dorcy agreed with the suggestions made today.

Ms. Frazier addressed the two bottom line budgets. She expects some shortfalls in her salary budget. There has been a discussion of allow a certain amount of budget transfers and would like that decided so there is not a problem at year-end.

Cmmr. Jeffreys stated having two bottom lines does allow savings to be captured from unfilled positions and she would like to place that savings into a capital budget for one-time capital expenditures. She isn't opposed to allowing some type of transfer but wants to capture the savings.

Theresia Ehrich stated the Sheriff's Office used \$500K in unfilled position money for unanticipated expenditures last year.

Ms. Herr stated there has been discussion on how an internal budget transfer process would work and who would monitor.

Paige Hansen suggested building an expenditure line for "moved" money in each budget section so it could be tracked. This would be used only when it is needed.

Discussion of budget workshops and they will be scheduled on Mondays, Tuesdays and Wednesdays in hope that we can have proposed budget in plenty of time prior to budget adoption.

There was a consensus that information needs to have a quick turnaround to offices and departments.

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Cmmr. Jeffreys reminded departments to submit capital facility requests on form with the budget requests.

10:30 A.M.

Finance Committee

Treasurer Lisa Frazier, Auditor Karen Herr and Commissioner Terri Jeffreys were in attendance. Commissioners Neatherlin and Sheldon along with Frank Pinter were also in attendance.

- Lisa Frazier called a special Finance Committee to order. The topic was a proposal to enter into a 5 year loan with the State of Washington LOCAL (Local Option Capital Asset Lending) to purchase a new countywide VOIP Phone System and Laserfiche Avante Records Management System. The purchase amount was not to exceed \$350,000. Discussion ensued on the merits of entering into a loan agreement with the State of Washington with payments budgeted within fund 501 – Information Technology Fund. Karen suggested payments could be budgeted out of fund 119 – Reserve for Technology. Frank agreed that was a possibility and Lisa shared that using fund 119 would clearly identify how the funds were being used.  
*A motion was made by Comm. Jeffreys to approve a 5 year loan with the State of Washington to purchase a countywide phone system and Laserfiche Records Management system with payments budgeted out of fund 119 – Reserve for Technology. Herr seconded the motion. Motion carried 3 yea 0 nays.*

Meeting adjourned at 10:47.

Minutes submitted by Karen Herr, Secretary of Finance Committee

10:50 A.M.

Support Services – Frank Pinter

Commissioners Jeffreys and Neatherlin were in attendance. Commissioner Sheldon was absent.

- Review of the 2017 Budget Guidelines. Based on today's suggestions, Frank will revise the Guidelines and believes he can create an Excel PivotTable to help manage the budget. Eliminate the spreadsheet request that increases be defined.  
Cmmr. Neatherlin believes that considering unexpended budget authority, the revenues should come in at budget.  
Status quo 2016 + CBA increases and 2% ATB, benefits for non-representative increase. Faced with the potential of 5% reduction of Current Expense revenues, the Commissioners will not entertain any staffing increase in Current Expense departments.  
Jail outsourcing is an issue and will continue to be needed for at least female inmates. Discussion of how to allow flexibility of the two bottom line budgets. No request for goals and workload indicators will be requested.


Respectfully submitted,

Diane Zoren, Administrative Services Manager

BOARD OF MASON COUNTY COMMISSIONERS

  
Terri Jeffreys  
Chair

  
Tim Sheldon  
Commissioner

  
Randy Neatherlin  
Commissioner