

**ISLAND COUNTY COMMISSIONERS - MINUTES OF MEETING
SPECIAL SESSION - JULY 19, 2002**

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The Board of Island Commissioners met in Special Session Friday, July 19, 2002, at 2:00 p.m. to conduct a budget workshop to provide an opportunity for Elected Officials and Appointed Department Heads to comment on the three Current Expense budget reduction options by the County Commissioners presented at the July 15, 2002 budget workshop. Mike Shelton, Chairman, Wm. L. McDowell, Member, and William F. Thorn, Member, were present. Elaine Marlow, Budget Director, was in attendance, along with a number of Elected Officials and Appointed Department Heads were in attendance. *[hand-outs and memorandums/submittals have been placed on file]*

Hand Out: 2003 Budget Current Expense Worksheet Update 7/19/02

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Chairman Shelton referenced the July 15th hand-out prepared by the Budget Director from the three County Commissioner budget reduction options, which in terms of balancing the budget, was based on what was believed to be around an \$870,000 deficit. Subsequent to that time, it has been learned that rather than a 16% increase in medical insurance premiums, the true figure is 26% or another \$135,000. The total deficit is predicted to be \$958,308 as shown on page 3 of today's hand out. [26% insurance medical premiums = \$135,000; bottom line deficit figure shows the difference as \$90,000 which is due to having realized a little more revenue from franchise fees].

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Tim McDonald, Health Services Director, summarized from his Memorandum dated today discussing the Health Department's perspective on the Commissioner budget reduction options. In an earlier budget workshop he provided an 11% reduction in the Current Expense allocation to the Health Department, along with alternatives. Relating to the Board's July 15th budget options summary, Mr. McDonald referred to his memo fourth paragraph, and the attached spread sheet:

“If we add the above mentioned changes to each individual option, the net reduction of current expense support for public health is substantial. The attached spread reports that Option 1 reported on lines C and D on the options spread sheet results in a 45% reduction. Option 2, reported on columns F and G of the options spread sheet, would result in a 34% decrease. Option 3 is 28.6% for the high range and 26.6% for the low range.”

Any further cuts had to be made in light of cuts that will also be made in State grants for the next biennium; 51% of the Department's revenue is from grants and the precise level of cuts will not be known until the 2003-2005 biennium budget is adopted. MVET replacement funds will be received until the end of the current biennium rather than the end of this year, a loss of \$46,205.50 for 2003 and he was not aware any MVET replacement funding beyond June 2003. Mr. McDonald hoped that the rather than specifying which programs are cut, the Board would rely on the Health Department's evaluation based on community needs and public health principles.

Tom Baenen, Island County Assessor, on further review of the budget for his Office, and having gone through what is now the current estimates, offered an economy through a 3.65% budget reduction. In the end, he indicated this would mean 19 instead of 21 staff [one eliminated a year ago] and working with a M&O budget

basically \$20,000 less than two years' ago. The Assessor and management staff at this point feel there could be no further cuts and be able to function as required.

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Suzanne Sinclair, Island County Auditor, summarized from prepared written comments noting that any of the three budget cut alternatives presented by the Commissioners would affect the number of staff in the Auditor's Office. Reducing staff by 1-1/2 represents about 11- 13% of the proposed cuts in personnel County-wide, and includes a .5 fte as a seasonal temporary elections helper; 1-1/2 represents 13% of the staff paid by Current Expense. Since 1987 the number of employees in the office has been the same, with the exception of the Public Works Accountant position created in 1994. The result would be:

- Difficulty filling in for vacations and lunchtime;
- Maps scanned by DNR but no time to download the CDs or index;
- No time to check mylars, refile, or send any documents to archives;
- Return of documents 2 months' behind; staff time not available for indexing and verifying;
- No additions to information on the computer system to simplify searches/help for public;
- Election Board worker training will not be updated as to materials, handouts, or curriculum;
- Voter registration will not work on the street range/grid project;
- Elections will not be auditing for voters in the wrong precinct.

Don Meehan, Washington State University Cooperative Extension Agent, submitted written comments regarding WSU Cooperative Extension impacts from proposed budget cuts being suggested by the Board, summarized:

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Total cuts are \$50,000 or 28% of WSU Current Expense budget, and will result in loss of a full time office assistant position; ½ time faculty position; and cuts in grant funded programs to support Current Expense. Greatest impact will be on the 4H youth prevention program; following that, the Master Gardner program and weed control programs, with negative impact on the quality of the programs offered to the public, affecting 600-700 volunteers supported in carrying out community based programs. Ten specific obvious impacts were listed in the memorandum.

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Greg Banks, Prosecuting Attorney, had concern about the proposed cut outlined in the Commissioner options which would equal \$60,000 or one deputy prosecuting attorney. If the cut has to be made his office would function, but there would be some roll-back in services as he discussed in his budget presentation. He will continue to make every effort to keep public safety at the top of the agenda and keep the most dangerous people locked up.

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He suggested that the Commissioners:

1. Reconsider E911 sales tax issue and get it on the November ballot; even under the fire district proposal the County would save \$270,000;
2. Relook at potential to save \$200,000 from Miscellaneous Budget as donations from taxpayer dollars to senior organizations;
3. More consideration given to consolidation of county administrative functions to see what redundancy can be eliminated and what can be changed in terms of salary structure.
4. If cuts are inevitable, consider implementing now thereby spreading the cuts over 18 months rather

than 12 months.

- Delilah George, Superior Court Administrator, reviewed some of the policy changes that had been implemented already that resulted in saving the County money. Even with that, Superior Court budget is at 60% expenditure at the end of June, 2002. They are and continue to look into other budget saving ideas. Superior Court is appreciative of the Commissioners recommended budget cuts, Options #1 and #2 at \$2,000 reduction, and Option #3 recommended \$5,000 cut. If \$2,000 has to be cut from extra help so be it; the \$5,000 figure would take the remainder from jury fees; however, both of those are directly related to jury trials and jury days over which they have no control.

- District Court Judge, Peter Strow, did not favor the proposed cuts to District Court as outlined in the Commissioner budget reduction options, but indicated that if the \$40,000 were indeed to be cut, his preference would be that he make the decisions where to make those cuts.

- Chairman Shelton reviewed the budget problem again. The Board will continue on with the Budget Director to refine the figures; unfortunately today's figures seem to represent the best case scenario.

- Commissioner Thorn commented that the 4H program was probably one of the most important ones; a prevention program in theory at least and encouraged that program be retained. He hoped too that the E911 sales tax issue could proceed. Comments about a County administrative review were well taken and something he attempted to make several proposals on. He disagreed with comments regarding senior programs, pointing out that was his singular highest priority; it is a very vulnerable population and clearly in the category of health and safety priorities. His offered a suggestion to Superior Court to take a look at voice recognition software.

- Commissioner McDowell commented to note that next year \$900,000+ cuts will have already been made, and will have to start from scratch with perhaps further budget cuts and the possibility of even less revenue. As far as the suggestion that the Board specify the dollar amount to reduce and let the Elected Officials and Appointed Department Heads make the cuts, he thought a reasonable request as far as Elected Officials, though he would want to see what those cuts were first. In the case of Appointed Department Heads, while he agreed they are the closest to the situation, ultimately the Board makes the final decision, although would consider department head recommendations.

- Consensus and Follow-up:

- For appointed department heads, the Board will make the dollar amount reduction and program cut decisions. Appointed department heads work for the Commissioners and the Commissioners will review department recommendations, but ultimately make the decision.

- Budget Director will go back and recheck all figures to ensure accuracy; though there could be a few minor corrections or adjustments, no substantial changes are anticipated, and come back at the August 5th Board meeting with the dollar amount that has to be cut from the budget.

- The Board will continue to look to see what other areas where there could perhaps be some additional budget reductions.

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Year 2003 budget process began with the official budget call memorandum to Elected Officials and Appointed Department July 5, 2002, from the County Auditor. The Budget Director will follow shortly with revenue and expenditure worksheets for use in submitting budget revenue and expenditure figures. A memo will accompany the worksheets to explain the process and dates for submittal.

Meeting adjourned at 3:00 p.m.

**BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON**

Mike Shelton, Chairman

Wm. L. McDowell, Member

William F. Thorn, Member

ATTEST: _____
Elaine Marlow, Clerk of the Board