

**MINUTES
OF THE
LA PAZ COUNTY BOARD OF SUPERVISORS
Thursday, August 11, 2016, 2:00 p.m.
Regular Meeting**

Chairman Irwin called the August 11, 2016, special meeting of the La Paz County Board of Supervisors to order at 2:05 p.m. Elected Officials and Department Heads present were: Chairman Irwin, Supervisor Wilson (telephonically), Supervisor Clapperton, County Administrator/Clerk of the Board Field, Facilities Maintenance Supervisor Harder, Finance Director Frantz, Parks Director Prefling, Finance Director Mancuso, Golf Professional Benton, Community Resource Manager MacFarland, Sheriff Drum, Assessor Schuler, Treasurer Castro; Deputy Clerk of the Board Green.

PUBLIC HEARING:

Fiscal Year 2016/2017 La Paz County Budget

County Administrator Field stated that Finance Director Mancuso will be presenting the La Paz County budget.

He added that Finance Director Mancuso has done a “very good job” of working on the budget, giving a “fresh look” to the process, coming from the “outside”; enthusiastic; with good ideas.

Finance Director Mancuso stated that he had only been with the County two weeks a year ago, during the budget process, and had learned a lot in that time. He stated that he appreciated the Department Heads working him these past weeks to understand the workings of each department.

He stated that he would not go through the budget line item by line item as was done at the adoption of the Tentative Budget, as it was not significantly different, except that it is approximately \$70,000 lower in expenditures and revenues throughout the budget.

He explained the department input, the gathering of information, rerunning line items on actual expenditures, and adjustments accordingly; coming up with a slight decrease in General Fund budget and expenditures at 6.86% (\$1.189 million) from last year’s budget, totaling \$16,150,812. He added that it came below the mandated expenditure limitation by \$310,000.

Finance Director Mancuso explained that anticipated revenues decreased for the County at 15.54%, with no raise in property taxes; and total assessed values declined at over 12%; and commercial real estate tax ratios declined from phased-in legislation from 25% to 18%; all resulting in less property taxes being collected.

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He further explained the Yakima debt bond refinancing, noting that it saved the County \$7.9 million in cash; and decreased the number of years of payout by approximately ten years.

He stated that most of the FY2016/2017 budget will be structured around the increased debt service, explaining that the contingency fund was increased by \$307,000 to accommodate other “outstanding” bonds in which the principal payments will come due this fiscal year, such as for the Salome Community Center, and the water rights refinancing.

Finance Director Mancuso stated that the preliminary costs for the new Detention Officers Retirement Plan that will be put in place at an approximate increase of expenses at 4%, which he felt was well worth the cost.

He stated that he found there was “a lot of non-reimbursed grant money” due the County, an approximate amount of \$867,000 outstanding from the Wenden Flood expenditures; some of which was recently collected; and there would be increased efforts made to collect more.

Supervisor Irwin explained that County workers had gone out to repair flood damage, which was out of the County’s “pockets” and were to be reimbursement later.

A brief discussion ensued noting that receiving payments from reimbursements such as for the Wenden flooding a couple of years later create notations from the audit company.

Finance Director Mancuso stated that one of the audits important findings was that the County did not have “proper grant tracking” on the reimbursements. The County is promised money; but money is being spent out of those special accounts, and not reimbursed, which creates an extreme cash flow problem with the particular funds. He stated that this matter will be first on his list to manage, noting that sometimes it takes merely the filling out of a form to receive it.

Supervisor Irwin stated that the County just received the “last money” from the state for the 2010 floods, noting how long it takes to receive reimbursements for flooding expenditures.

He stated that he wanted to encourage anyone with questions to come see him to dispel any “rumors going around”.

He stated that the key to the long term financial success of the County is managing its finances; with “short term sacrifices”. He stated that the County is paying all its bills; vendors are getting paid, personnel are being paid, and no money is owed other than the financing. He stated there will be a “tightening up” on frivolous spending.

He asked that the departments prioritize their spending, utilizing special revenues first. He added that excess funds in the budget are not to be spent until needed. He stated that “year-end” purchases are not good practice; and encouraged better planning during the year.

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Supervisor Clapperton thanked Finance Director Mancuso for his presentation of the budget. He noted that he had discussed at length with him regarding the excess expenditures on travel, tuition and training.

He expressed that it was important to get an adequate “return” from these expenditures; reminding County staff present that these expenditures take away from the potential of a COLA (Cost of Living Adjustment) for personnel. He asked staff to research ways to reduce these costs.

Finance Director Mancuso stated that the Finance Department also needed to be notified in advance of such expenditures before they are “contractually obligated” to pay for them.

Sheriff Drum encouraged the county to use the “boat house” as a training facility if needed.

Chairman Irwin opened the public hearing and asked if anyone wished to comment on the FY 2016/2017 La Paz County budget.

There being no comments, Chairman Irwin closed the public hearing.

Proposed Tax Levies

County Administrator Field stated that the proposed tax levies are distributed to the various taxing entities to verify accuracy; and a copy of the adopted levies are provided to the Property Tax Oversight Commission.

Chief Deputy Assessor Jones stated that she was still in the process of verifying the size of some parcels on the figure for “amount of tax dollars” collected.

Chairman Irwin opened the public hearing asked if anyone wished to comment on the proposed tax levies.

Pat Jones asked if there was anything the County could do when a rate from a special district gets so high there is no justification to it. He asked if the County looks over them for accuracy.

Chief Deputy Assessor Jones answered that some districts are subject to a “levy limit”, which is a formula that they must use to figure the maximum tax rate/tax dollar that can be implemented and collected. She stated that the Board can only approve what it is submitted if it is within those guidelines, and it is the Property Tax and Oversight Commission that regulates that.

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A brief discussion ensued on special districts and what happens when they exceed their statutory limits.

County Administrator Field stated that each district has their own governing Board and local control and the Board of Supervisors have only an administrative role in the process.

County Administrator Field discussed at length the funds shifted from the counties since 2009; listing those.

There being no further comment, Chairman Irwin closed the public hearing.

Discussion and possible action to Adopt Resolution No. 2016-15, adopting the Fiscal Year 2016/2017 La Paz County Budget

Chairman Irwin asked if there were any further comments regarding the FY 2016/2017 La Paz County Budget.

There were no further comments.

CHAIRMAN IRWIN MOVED to adopt Resolution No. 2016-15, adopting the Fiscal Year 2016/2017 La Paz County Budget. Motion seconded by Supervisor Clapperton, passed unanimously.

Chairman Irwin recessed the Board of Supervisors and convened the Jail District Board of Directors at 2:48 p.m.

PUBLIC HEARING:

Fiscal Year 2016/2017 La Paz County Jail District Budget

County Administrator Field presented the La Paz County Jail District Budget, stating that it had changed by a small amount relating to the Correctional Officers Retirement Plan that would become effective in October.

He gave a history of the Jail District, noting that a jail is a mandated services entity in the County for the purposes of housing prisoners, and effects the Courts and County attorneys. He stated that the majority of the cost is for personnel.

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He discussed the history of federal prisoners at the Jail, noting that deficits started in 2008; and although there are some federal prisoners, more are needed and a proposal is being prepared to present to the State requesting more of them. He added that until that might happen, the General Fund will have to be responsible for Jail costs.

He clarified that La Paz County has prisoners; however, it is the federal prisoners that bring revenues and support the Jail.

He added that it was discovered that the Jail could be reimbursed on costs for illegal aliens doing time in the jail.

Supervisor Clapperton asked if there were procedures in place that would protect the County taking in prisoners needing exorbitant medical costs.

County Administrator Field stated that a similar process would be adopted that are in private prisons in which only healthy prisoners are accepted, with low security requirements.

Chairman Irwin opened the public hearing and asked if anyone wished to comment on the FY 2016/017 Jail District budget.

Lieutenant Epps stated that the current federal contract in place at this time for federal prisoners provides 100% of the cost for medical.

Sheriff Drum stated that it has been difficult to obtain federal prisoners, which is a definite cost factor for the County.

He stated that the Sheriff Department does not “lose” money for the jail. He stated any shortfall of meeting the budget does not represent lots of money. He stated that the Sheriff’s Office was doing very well; and indicated the officers work efficiently. He stated emphatically that “we do not lose money in the jail, period”.

There being no further comments, Chairman Irwin closed the public hearing.

Discussion and possible action to Adopt Resolution No. JD2016-02, adopting the Fiscal Year 2016/2017 La Paz County Jail District Budget

Chairman Irwin asked if there were any further questions.

There were none.

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SUPERVISOR CLAPPERTON MOVED to adopt Resolution No. JD2016-02, adopting the Fiscal Year 2016/2017 La Paz County Jail District Budget. Motion seconded by Chairman Irwin, passed unanimously.

Chairman Irwin recessed the Jail District Board of Directors and reconvened the Board of Supervisors at 3:02 p.m.

Call to the Public

Supervisor Clapperton asked Finance Director Mancuso whether there would be emergency funds available if the cutback of the department budget overages were needed suddenly.

Finance Director Mancuso stated that any emergencies would be handled by contingency funds, which should be adequate for any large expenditures needed.

Chairman Irwin thanked the Department Heads for working with the Finance Director, whom she also praised with doing a good job.

Adjournment

Chairman Irwin adjourned the meeting at 3:05 p.m.

APPROVED:

/s/
Holly Irwin, Chairman

ATTEST:

/s/
Dan Field, Clerk of the Board