Board members present: Chairman Alan Crankovich, Vice-Chairman Paul Jewell and Commissioner Mark McClain.

Others: Catherine Dunn, Deputy Clerk of the Board; Deanna Panattoni, Treasurer; Jerry Pettit, Auditor; Judy Pless, Budget and Finance Manager; Greg Zempel, Prosecutor and Brent Bottoms, Deputy Prosecutor.

At 1:30 p.m. Chairman Alan Crankovich opened the special meeting to consider the financial position of the County. Commissioner McClain asked the question about loaning to municipalities that had come up in a request of the Board. Treasurer Deanna Panattoni said that the loaning of money to junior taxing districts (such as school districts) is done because the warrants come back to the Treasurer. In the case of municipalities, it does not.

INVESTMENT

Treasurer Deanna Panattoni reported that the amount in the Local Government Investment Program (LGIP) is at a record low. She said in as of July 31, 2009 it is $7.8 million and the same time in 2008 it was $24 million.

Vice-Chairman Jewell asked what the root cause for this was. Ms. Panattoni replied that the general economy is the overall cause and the junior taxing districts are investing their own money. She said that also there is no timber tax money as there is no timber being sold. In checking with the WA ST Treasurer, she said they are recommending that funds stay in the LGIP and that smaller banks are too unstable at this time.

SALES TAXES

Judy Pless, Budget and Finance Manager, reported that Sales Tax was approximately $30,000 below last year at this time but above the amount budgeted.
Ms. Pless reported that the Criminal Justice Tax was $37,000 down at $1,374,110. She said that the Juvenile/Adult Facility tax was at a $402,002.83 balance. She noted that the contracted jail expenses exceeded the budgeted amount.

Ms. Pless said that the 3/10’s of 1% Sales Tax had a revenue amount of $533,000 and a balance of $201,643. The REET monies have a balance of $2,553,000. Commissioner McClain said that a request would be coming in for a proposed parking lot to be paid from this amount. Ms. Pless said that for 2009 there are funds obligated for the airport.

**REVENUE BUDGET**

Judy Pless said that the Revenue Budget is holding its own and the investment interest is still not showing much change but may come in under budget. The General Fund has 41.69% left to collect. She said in the Sheriff’s budget, the cities have not yet paid their second quarter jail costs and some grants have not yet been paid.

Ms. Pless noted that the Homelessness and Affordable housing fees are paid from recorded documents and as they are down in numbers, the monies are down also. Jerry Pettit remarked that the Legislature has increased the amount to be paid for them on the recorded documents has tripled but the amount collected is actually down. A discussion followed on the cost of recorded documents.

**EXPENSE BUDGET**

A discussion followed on expenses noting that the Board of Equalization, Prosecutor, Information Services, Superior Court, Human Resources and the Sheriff’s budgets were over budget compared to where they should be at this time of year. The Board of Equalization is not as bad as it appears as the Clerk’s salary is paid by the Commissioner’s office and it appears in the BOE Expense as well. The Sheriff’s building set up is the cause of the budget overage in that department. Ms. Pless said that her only concern is the unemployment compensation.

**INSURANCE**

Ms. Pless asked the Board if they wished to continue to purchase the Excess Insurance for additional liability. Commissioner McClain moved to purchase the Excess Insurance to cover the additional liability amounts. Vice-Chairman Jewell seconded the motion. Motion carried, 3-0.
She reported that the liability insurance cost $370,000 last year and $420,000 this year. She said the vehicle count is down but because of the rate increases the cost it up this year.

There was a discussion of using private insurance for vehicle, general and professional liability for the County.

Ms. Pless said that 9 buildings have been appraised this past summer and it appears the Courthouse is severely underinsured. She said there was a number of options to consider: increase the insurance to cover the appraised value; take all the values and leave them as is; increase for half the additional value this year and the second half next year to even out the premium. Ms. Pless will report back to the Board at the Monday Department Head Session on Monday, August 24, 2009, the amount of increase and the options available and the private insurance amounts.

The meeting was adjourned at 2:10 p.m.