

BUDGET RETREAT
July 20, 2011 – 8:30 A.M.
Kittitas County Fairgrounds

Those Present:	Alan Crankovich	Karen Hamel	Mandy Robinson
	Obie O'Brien	Linda Navarre	Andrea Morse
	Paul Jewell	Tip Hudson	Duke Senter
	Maria Canfield	Megan Acree	Matt Anderson
	Lisa Lawrence	Brenda Larsen	Mandy Weed
	Patti Johnson	Diana Mackenzie	Robin Rapp
	Cindy Adams	Lisa Young	Judy Pless
	Bob Gubser	Joyce Julsrud	Jerry Pettit
	Gene Dana	Sara Keith	Sue Higginbotham
	Clayton Myers	Kathy Jurgens	James Rivard
	Steve Panattoni	Deanna Panattoni	Kelly Carlson
	William Holmes	Kirk Holmes	Paul Sander
	Todd Davis	Scott Sparks	Christine Luvera
	Marsha Weyand		

Commissioner Jewell opened and welcomed all County staff to the 2012 Budget Retreat. He introduced Maria Canfield, Public Health Administrator. He reviewed the Agenda and asked if there was anything staff wanted to see added for discussion.

Lisa Young, Human Resources Director stated that she had sent an e-mail with attachments for what she was going to discuss at the retreat. She presented a Market Survey for wage updates that showed the current non-union employees and their current pay-scales along with a column reflecting a comparable med scale and additionally three columns reflecting the proposed minimum, proposed medium and proposed max. She addressed that the comparable med. is reflecting the comparable's between the current scales and the proposed new scales that the County is adopting January 1, 2012. She reviewed how the Counties used for the comparison to our current scales are selected and the history of use of those same Counties for every wage comparison. She reviewed the changes that are being considered and, had been worked on for the evaluation process that's currently being re-worked.

Commissioner O'Brien indicated that he has been taking part in the group that was formed to re-work the evaluation process. He expressed his thoughts on Kittitas County and where it is financially vs. other counties. He stated that Kittitas County Elected Officials and Management Team have remained extremely engaged throughout the past few years and its evident that is a huge role in why our County is far better off than other counties. He stated that the Board is committed to seeing the County through this rough spot. He discussed the responsibility of supervisors throughout this change and also discussed the "new" rating system.

Commissioner Jewell reviewed the new language for the wage policy. He indicated that pay increases will take affect and the new process put into place effective January 1, 2012. He explained that their hope by implementing the increases at the first of the year will allow them a more consistent overview of the budget throughout the year. He reviewed the proposals for how increases will be formulated and noted that they would be coming back to the Management Team to get final thoughts.

Duke Senter, Information Services Director reviewed a few PowerPoint slides to break down the proposed Kittitas County Wage Administration Policy options. A roundtable discussion was held on the wage formula proposals.

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Commissioner Crankovich discussed insurance options being considered. He explained the history that Kittitas County has with the Washington Counties Insurance Fund (WCIF). He stated that the meeting where they set the upcoming year's rates is not until August however, they have some idea of what to expect. He stated that they were anticipating approximately a 7% increase from Group Health an 11-13% increase from Premera. He explained that a company by the name of LyfeBank approached the County and has since met twice. He gave a brief overview of what the proposal from LyfeBank consisted of and stated that it is similar to a VEBA and there is a medical debt card associated with the participant's benefits bank. Lisa Young explained that they are age base plans and explained the process of how the County has formulated past and current County contributions. She noted that the County is considering increasing this year's contribution or possibly freezing it for another year. She noted that insurance contributions are just one financial impact to the County being considered along with wage's etc.

Commissioner Jewell reviewed the impacts, benefits and how the General Fund is working to restore the Road Fund for the Tax Levy Shifts that happened over the past two years. He presented a spreadsheet to show the work that has been done by himself, the Assessor, and Public Works. He explained that it does not yet cover what has been shifted to the General Fund but it's a good start. He stated that most importantly everyone needs to be on the same page and understand that there will be no levy shift in 2012. He noted that for 2012 the budget to be worked with is approximately \$6,480,000.00.

- Lunch Break 11:30 – 1:00

Judy Pless, Budget and Finance Manager reviewed what Management Team should expect for this year's budget dates. She reviewed key dates that were important in relation to the budget process. She indicated that this year they would be going back to "family" groups and provided a list of the proposed groups. She indicated that the location is not yet set for the budget dates but to expect additional information in the near future. She stated that this year the County is not to use the normal practice of a "zero base budget" they are instead to go off of a "base line budget". She noted that any increases in department budgets will need to be justified in their budget. She briefly discussed what is expected in the departmental narratives for this year.

Patti Johnson, Solid Waste Director/Project Manager provided updates on the Jail Project, Armory and the Upper District Court (interior design) projects. Commissioner Crankovich reviewed why the County has been able to fund and take on these projects. They thanked staff for their patience and support. Commissioner Crankovich stated that all the projects are being funded on existing revenue, noting they did not raise taxes.

Kirk Holmes, Public Works Director/Interim CDS Director gave an update on local road closures due to the recent flooding in the valley.

Commissioner Jewell reviewed the Boards priorities:

1. Providing appropriate levels of service for essential public services.
2. Capital facilities improvements.
3. Employee compensation and professional development.
4. Investing in long-term planning improvements.
5. Investing in economic development.
6. Maintaining the County's technology infrastructure

He reviewed the policies for upcoming budget discussions and subsequent development of each County budget.

1. The BOCC is not planning to utilize our statutory 1% increase for property tax rates.
2. This year's budget process will utilize baseline budgeting methodology. The beginning 2011 departmental budget will be considered your baseline, or starting point, for 2012 less any open positions which are currently vacant and will remain unfilled. Requests for increases of any line items must be justified in the budget narrative to be considered.
3. Increases in FTE's will not be considered without new funding specifically designated to pay for a respective request.
4. Vacancy savings may not be spent elsewhere within a departmental budget without BOCC approval.
5. Existing fund balance will not be used to support operations.
6. No use of the County's existing "Rainy Day" Fund.

Kirk Holmes provided an update on the Capital Facilities Plan.

Roundtable Department reports and updates as well as their budget priorities was held.

Meeting was adjourned @ 2:45 p.m.


Deputy Clerk of the Board


Paul Jewell, Chairman