



**OCTOBER 26, 2007 AGENDA
 COUNTY FISCAL HEALTH AND GOVERNANCE ALTERNATIVES
 ADVISORY COMMITTEE**

Location: Department of Transportation Conference Center, Bullfrog Road Maintenance Campus, Exit 80 on I-90 (see next page for driving directions)

Time	Agenda Item/Material	Presenter	Proposed Actions
9 AM	1 Open Meeting List of Members – on Web site	Chair Rose Bowman	
9:05	2 Approval of October 12 Meeting Notes Draft Meeting Notes – agenda packet pg. 3	Chair	Approval of Meeting Notes
9:15	3 Committee Organizational Issues a Written comments from any absent members		
	4 Study Components for Committee Feedback		
9:20	a Draft Legislative Report	Anne Pflug, Legislative Project Manager	Presentation and Feedback from the Advisory Committee
NOON	LUNCH (during discussion)		
2 PM	5 Adjourn		

All documents are posted at <http://www.cted.wa.gov/site/1044/default.aspx>

DIRECTIONS TO MEETING SITE
Department of Transportation Conference Center, Bullfrog Road
Maintenance Campus

Traveling east on I-90 from Issaquah/North Bend: Go over Snoqualmie Pass on I-90, past Easton (Exit 70), continue east until you get to Exit 80 (Roslyn). Take the exit ramp and turn right at the stop sign on to Bullfrog Road. The DOT maintenance facility is on your immediate left. Turn into the entrance road. The Conference Center is in a converted house close to the entrance. The meeting is in the back building behind the “house”.

Traveling west on I-90 from Ellensburg/Cle Elum: Go past Cle Elum (Exit 85 and 84), continue west until you get to Exit 80 (Roslyn). Take the exit ramp and turn left at the stop sign on to Bullfrog Road and go over the top of the freeway. The DOT maintenance facility is on your immediate left after you go over the freeway bridge. Turn into the entrance road. The Conference Center is in a converted house close to the entrance. The meeting is in the back building behind the “house”.

County Financial Health and Governance Alternatives Study Advisory Committee

Agenda Topic: Approval of October 19, 2007 Meeting Notes	
Agenda Item: 2	Staff Contact: CTED Project Manager -- Anne Pflug annep@cted.wa.gov 509-925-2608
Study Question(s) Being Addressed: NA	Attachments: Meeting Notes

Requested Action:

Approval of Meeting Notes with any desired changes.

Background:

NA

Discussion:

NA

Recommendations:

Approval of meeting notes for October 19, 2007

County Financial Health and Governance Alternatives Study
Advisory Committee Meeting Notes
Department of Transportation Bullfrog Road Conference Facility
October 19, 2007

Committee members attending the meeting: Island County Auditor Suzanne Sinclair (Acting Chair), Cowlitz County Public Works Director Ken Stone, Clark County Commissioner Bill Barron, Ferry County Commissioner Mike Blankenship, Chelan County Commissioner Buell Hawkins, Skamania County Prosecuting Attorney Peter Banks, Walla Walla County Treasurer Gordon Heimbigner, Mason County Commissioner Timothy Sheldon, and Professor Terry Novak

Others attending: Debbie Wilke, Eric Johnson, Todd Mielke and Doug Lasher

Facilitator: Marsha Fraser

CTED Staff: Anne Pflug, and Darleen Muhly.

Welcome

Chair Rose Bowman was unable to attend. Auditor Suzanne Sinclair agreed to serve as chair for the meeting.

Approval of Minutes

Commissioner Buell Hawkins moved to approve the minutes. The motion was approved.

Committee Organizational Issues

The committee reviewed their decision-making guidelines. The committee will strive for consensus, but, if consensus cannot be reached, someone may call for a vote.

County Administrator Bill Barron passed out written comments from Greg Kimsey.

Feedback on Draft Fiscal Sections

Anne Pflug discussed the over 3,000 comments she is reviewing from the survey. The most common phrase in the comments was “unfunded mandate.” There seems to be two layers to the unfunded mandate comments: 1) state, don’t tell us what to do and 2) tell us what to do, but not why. The committee discussed this issue. It was noted that many unfunded mandate comments may actually reflect a difference regarding policy. How do you reconcile officials’ unfunded mandate concerns with the recommendation that you not talk about unfunded mandates?

Anne felt that the weakest part in the report was the piece regarding building relationships with the state.

The committee discussed this and other issues related to the section. Counties will always be agents of the state and need to enhance their relationship with all three branches, the executive and the judicial as well as the legislature. With this report, we ought to think about exactly what we want that relationship to be. Flexibility is an important piece; the solution in Ferry County is not the same as the solution in King. Is there a role that CTED and the Governor's Office could play to enhance the relationship with counties and the legislature? One problem is that legislator turnover.

One issue is the relationship between per capita income and employees' pay; per capita income is below government salary.

It is good that the supplanting issue is addressed. The state gives the counties money and then tells them to spend more. How do you do that in a downturn? Restricting and non-supplanting funds restrain counties to one-size fiscal solutions and limit their ability to solve their problems locally.

It was suggested that the report expand on the issue regarding annexation? Cities have even sued to prevent counties from creating stand alone urban growth areas that are not contiguous with cities. It was suggested that this could be done on page 18. (Editor's note: the page numbers are those from the October 19 agenda packet.) There is a view that county services decline when an area incorporates; some services do not decline.

It was suggested that elected department head be changed to elected official. An elected official is different from a department head because the elected official answers directly to the people instead of to the commissioners.

When discussing Pierce County's combined assessor/treasurer, it was suggested that language be included regarding the duties of treasurer that have been distributed to other departments.

It was suggested that the Charter Counties section on page 10 include an example from San Juan County.

It was suggested that the three-legged stool graphic be edited.

Under the Cite Leap section on page 15, it was suggested that "relatively limited proportion" be changed to "limited proportion."

In the paragraph regarding levy limits on page 16, it was suggested that the wording "rely more heavily upon sales taxes" be changed to "be more dependent upon sales taxes"

It was suggested that property tax exemption examples be added. Most deferrals and exemptions actually shift the tax burden. Anne will add the percent figure for property in Washington that is tax exempt.

Regarding the “Current Implementation of Local Sales Taxes” chart on pages 17-18, it was noted that Clark and Island counties had just passed mental health sales tax levies bringing that figure up to six. This should also be reflected in number 3 on page 19.

It was expressed that the strongest statement in the report is on the second bullet on page 20, “This conflict needs to be addressed by reducing county responsibilities or increasing revenue at the same time that assistance is provided to increase efficiencies and effectiveness.” It was suggested that this be bolded. It was also suggested that “reducing county responsibility” be changed to “reducing required county services”

There needs to be a strong message that some counties will not be able to recover with just an increase in taxing authority.

It was suggested that cost per day per person for state and cost per day per person for county be shown on page 25.

On page 23, Conclusion 10, the phrase “overobligate resources” implies that counties are spending money that they do not have. Recommend changing this wording to “spend down reserves.”

On Chart H, the cities versus counties costs are overall costs. Language may be needed indicating that this may true for large counties but not small counties.

Feedback on Draft Recommendations

The committee agreed to start with the longer version of the recommendations and asked that Anne inform them if there were any CTED concerns. The committee made suggested a number of revisions to the draft recommendations. Those revisions are included in the attached Discussion Draft Advisory Committee Recommendations (Based on discussion Oct 19, 2007) document.

Feedback on Study Components

The committee had no additional feedback beyond what was already discussed at previous meetings.

Next meeting

The next meeting will be held from 9 am to 2 pm at the Department of Transportation Bullfrog Road Conference Facility in Cle Elum. The committee will review the draft report at that meeting. Three committee members noted that they would not be able to attend.

Meeting adjourned at approximately 1:40pm.

County Financial Health and Governance Alternatives Study Advisory Committee

<u>Agenda Topic:</u> Draft Legislative Report	
Agenda Item: 4(a)	<u>Staff Contact:</u> CTED Project Manager -- Anne Pflug annep@cted.wa.gov 509-925-2608
<u>Study Question(s) Being Addressed:</u> All	<u>Reference Documents:</u> Appendices posted on web site

Requested Action:

The purpose of this agenda topic is to present the draft the Legislative Report and to get any desired feedback from the Advisory Committee.

Background:

Advisory Committee Recommendations, major themes and findings have been incorporated into the draft from prior Advisory Committee meetings and consensus. The Advisory Committee recommendations appear in full starting on page 68.

Discussion:

Recommendations:

Provide desired feedback with emphasis on findings and examples.

See separate Document attached to e-mail

