

Minutes for January 22, 2013

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073763 THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Tuesday, January 22, 2013** at **9:00 a.m.** Chairman Michael Largent, and Dean Kinzer, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended. Commissioner Swannack was unavailable.

9:00 a.m. - Call to Order/Board Business/Workshop.

Present: Gary Petrovich (8:30 a.m.) and David Ledbetter and Sally Ousley (9:00 a.m.).

073764 1. Items discussed included lobbyist conference call, CEDS update, Dick Watters resignation, Payne West (Western States) Insurance/Financial, Missoula County Risk Management consortium, 2014-15 revenue/expense projections, Aging & Long Term Care of Eastern WA, and Snake River Salmon Recovery Board. No action taken.

9:05 a.m. - Recess.

9:15 a.m. - Reconvene/Board Business Continued/Executive Session.

Present: Gary and Valerie Hunt and Kelli Campbell.

073765 2. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to go into executive session with the above individuals until 10:00 a.m. in accordance with RCW 42.30.140(4)(a) for matters related to negotiations.

10:00 a.m. - Return to Open Session/Recess.

10:30 a.m. - Reconvene/Board Business Continued/Pledge of Allegiance.

Present: Chris Nelson, Wanda Alderman, Sally Ousley and Holly Bowen.

073765A 3. **Motion** by Commissioner Kinzer to accept the consent agenda. Motion **seconded** by Commissioner Largent and **carried**.

073766 4. Claims/Payroll warrants numbered **301270-301384** for **\$663,276.83** and **301385-301430** for **\$71,840.22** approved.

073767 5. January 7, 2013 minutes approved.

073768-073774 6. Personnel change orders approved.

073775 7. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the 4th quarter 2012 PDC lobbyist report to be signed by the Chairman.

073776 8. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the 2013 Public Facilities (.09) allocation of \$100,000 through the Blue Ribbon Advisory Task Committee.

073777 9. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to appoint Art Swannack as Whitman County's representative on the Aging & Long Term Care of Eastern WA Board.

073778 10. The Board chose not to take any action on appointing a commissioner as an ex-officio member to serve on the Palouse River Counseling Board since oversight on this board is no longer needed.

073779 11. The issue of a commissioner representative on the Whitman County Safety Committee was before the Board. Chris Nelson, who did attend the last Safety Committee meeting (non-member) said the Committee members felt it would be a benefit to them to have a commissioner on the Committee. After further discussion, the Board chose to table this issue until Commissioner Swannack returns.

10:35 a.m. - Bill Tensfeld.

073780 12. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the revised 2013 Commissioners Committee assignments.

073781 13. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the 2013 Aging & Long Term Care of Eastern WA request for financial support in the amount of \$5,194.00.

073782 14. A request for \$150.00 for Upper Columbia RC&D financial support was considered and no action taken. The county has not participated with this organization for many years.

073783 15. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the 2013 revised county dues schedule.

073784 16. No action taken at this time for an appointment to the Developmental Services Advisory Board.

073785 17. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to reappoint Bill Paul to a 3-year term on the Solid Waste Services Advisory Board. Mr. Paul's term will expire 12/31/15.

073786 18. Notice of liquor licenses due to expire 04/30/13 was received from the Washington State Liquor Control Board.

073787 19. The 2012 annual LRF report was completed by Commissioner Largent and submitted to the Department of Revenue.

073788 20. Notice of a public hearing pertaining to the Palouse Business Center subdivision preliminary plat was received from the City of Pullman.

073789 21. A signature authorization form was signed by the Chairman for the FY2012-13 E911 county contract #E12-33.

22. Executed copies of the following documents received:

073790 WSU memorandum of agreement for 2013 (12/31/13)

073791 Secretary of State Statement of Work No. 2 (848W-1302-2) (12/31/13)

073792 Quit Claim Deed correction between Whitman County and Colfax

073793 Teamsters Local 690 Corrections Officers & Support Staff (12/31/14)

073794 Teamsters Local 690 Road Department (12/31/13)

073795 23. Commissioners' pending list reviewed.

10:30 a.m. - Recess.

10:50 a.m. - Mark Storey, Public Works Director.

Present: Phil Meyer, Chris Nelson, Bill Tensfeld, Wanda Alderman, Sally Ousley and Holly Bowen.

ACTION ITEMS

073796 24. The Chairman signed the 2013 County Road Administration Board levy cover sheet as previously authorized.

073797 25. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to publish the notice of call for bids for 2008 or newer pup trailers.

Solid Waste Division:

073798 26. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** that the resolution to establish Krause Manufacturing of Bellingham, WA as a sole source for conveyor maintenance at the Transfer Station be signed as presented.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON**

In the Matter of Establishing a)	RESOLUTION NO. <u>073798</u>
Sole Source Purchasing Contract,)	
Significant Maintenance to the)	
Material Handling Conveyor, Transfer)	Establishing Sole Source
Station, Whitman County, WA)	Station

BEFORE THE BOARD OF COUNTY COMMISSIONERS of Whitman County, Washington in the matter of significant maintenance required for the materials handling conveyor equipment at the County Transfer Station located at 252 Landfill Road, by the Public Works Department;

WHEREAS, it is recognized that the Public Works Department needs to perform much needed maintenance work on the materials handling conveyor, which was originally installed in the transfer building in approximately 1993, and

WHEREAS, the Public Works Department believes that without the needed maintenance, they will no longer be able to complete the necessary function of loading municipal solid waste for transport to a regional landfill, and

WHEREAS, Public Works reviewed the availability of different companies that might be able to perform the needed maintenance, and found that Krause Manufacturing, Inc is the only supplier they could identify in the region that can manufacture and install the parts that are compatible with the equipment originally installed in 1993, and

WHEREAS, Public Works management personnel wish to ensure that the equipment purchased and installed is compatible with the existing equipment, and can be installed in a cost effective fashion, and

WHEREAS, Public Works management and financial personnel have determined that the better interests of Whitman County would be served through the direct purchase of the materials and labor through Krause Manufacturing, Inc, and

WHEREAS, Public Works has reviewed the cost information supplied by Krause Manufacturing, Inc, and believe it to be reasonable and fair for the scope of work requested, therefore,

IT IS HEREBY RESOLVED that the Whitman County Board of County Commissioners authorizes the Public Works Department to enter into a sole-source supply agreement with Krause Manufacturing, Inc of Bellingham, Washington to provide the materials and labor necessary to perform the required maintenance of the material handling conveyor at the Transfer Station.

ADOPTED this 22nd day of January, 2013.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Michael Largent, Chairman

ATTEST:

Arthur D Swannack, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Dean Kinzer, Commissioner

11:00 a.m. - Alan Thomson.

Maintenance Division:

073799 27. Shawnee Rock was awarded the bid through the Small Works Roster process for 7500 tons of shot rock in the amount of \$4.25/ton.

Engineering Division:

073800 28. Follow-up letters to the countywide overlay bid was received from Public Works.

Administrative Division:

073801 29. An executed copy of an easement for the Department of Ecology for monitoring wells in Whitman County was received.

Planning Division:

D073801A 30. Alan Thomson discussed the urgent need for new member appointments on the Planning Commissioner (2-3 vacancies) or reducing the size of the Planning Commission. In addition, (1) new member is needed on the Board of Adjustment. This issue was tabled to February 19th.

11:20 a.m. - Recess.

11:30 a.m. - Board Business Continued/Monthly Financial Review.

Present: Bob Lothspeich, Bob Reynolds, Chris Nelson, David Ledbetter, Eunice Coker, Gary Petrovich, Janet Schmidt, Kelli Campbell, Mark Storey, Marlynn Markley, Tim Myers, Wanda Alderman, Sally Ousley and Holly Bowen.

073802 31. The monthly financial report provided by Mr. Petrovich and Mr. Ledbetter.

Revenue received for 2012 - \$12,947,080

Revenue budgeted for 2013 - \$13,285,834

BOCC-01/22/13

Expenditures thru 12/31/12 - \$ 12,338,747.01
Expenditures budgeted for 2012 - \$12,947,080.23

Cash balance thru 12/31/12 - \$2,621,268.06

073803 **32.** Mr. Ledbetter explained the proposed capital assets policy. Commissioner Kinzer **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the revised Capital Assets policy as presented.

RESOLUTION NO. 073803

BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

IN THE MATTER OF the action of the adoption for the Whitman County Policy-
Capital Asset Policy- Purchase and Tracking

WHEREAS, this policy has been amended for clarification purposes and,

WHEREAS, this action is necessary and in the best interest of Whitman County and its employees,

NOW, THEREFORE, IT IS HEREBY RESOLVED by this Board that the above is approved as the attached **Capital Asset Policy- Purchase and Tracking**

Dated this 22nd day of January 2013 and effective as of February 1, 2013.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Michael Largent, Chairman

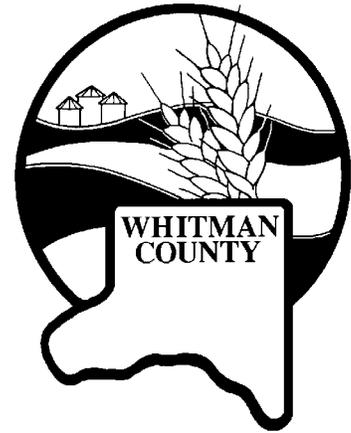
ATTEST:

Arthur D Swannack, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Dean Kinzer, Commissioner

WHITMAN COUNTY, WASHINGTON
OFFICE OF THE AUDITOR
David Ledbetter Jr., Finance Administrator



Introduction

Basis of Accounting

Whitman County reports financial activity using revenue and expenditure classifications, statements, and schedules prescribed by the Cash Basis Budgeting, Accounting, and Report System (BARS) manual. Cash Basis of accounting and reporting is an “other comprehensive basis of accounting” that is prescribed by the Washington State Auditor’s Office under the authority of Washington State law (RCW 43.09).

Under the cash basis of accounting method, revenues are recognized only when cash is received and expenditures are recognized when paid. The only exception to this is open period. Open period is governed by statute for counties (RCW 36.40.200) and results in claims incurred in the prior period to be applied to the prior period budget appropriation. Cash basis of accounting and reporting results in no assets other than cash and investments and no liabilities recorded in the financial statements. For example, purchases of fixed/capital assets are expensed during the year of acquisition without any capitalization of fixed assets or allocation of depreciation expense.

Purpose

Using a cash basis of accounting and reporting method does not mean, however, that fixed assets need not be identified and tracked. It is the responsibility of Whitman County to exercise internal control pertaining to fixed assets.

Reference

Specific requirements and general guidelines of the Washington State Auditor’s Office with respect to fixed asset tracking and reporting are contained in the Budgeting, Accounting, and Reporting System (BARS) manual for cities, counties, and special purpose districts. This policy is driven by those requirements and guidelines. In addition, the federal government has published in OMB Circular A-102 property management and reporting requirements which apply to all governments that receive federal assistance. This policy is not intended to supersede any federal, state, or local laws.

Definitions

Asset: All resources, tangible or intangible, owned by an entity.

Tangible Asset: A physical asset, an asset that can be touched or seen. Tangible assets, with the exception of land, are generally depreciable.

Intangible Asset: Non-physical asset. This includes but is not limited to software agreements, patents, easements, or copyrights.

Current Assets: Assets readily converted to cash with a useful life of less than one year. Current Assets are expensed, either as purchased (such as equipment), or as consumed (inventory).

Capital Assets: Tangible and Intangible assets with a useful life of more than one year and a specified valued threshold of \$5,000 or more per asset.

Fixed Assets: Tangible assets with a useful life of more than one year.

Whitman County assets primarily consist of “fixed” assets because they are tangible and have a useful life of more than one year. Intangible assets held by Whitman County mostly include easements and software license agreements. Because most of the assets are deemed “fixed assets,” capital asset accounting is often referred to as fixed asset accounting and the terminology is often interchangeable and will be used as so in this document.

Capitalization Thresholds

In accrual basis accounting and reporting, capitalization refers to the classification of a cost as a long-term investment to be expensed over a period of years rather than in the current period. As noted in the introduction, Whitman County, as a cash basis reporting entity, expenses fixed assets in the year purchased. For the purposes of tracking fixed assets, however, we use the term “capitalization” to refer to the classification of assets as fixed assets subject to tracking and to depreciate as appropriate under the policy and procedure outlined in this Capital Asset Policy.

Capitalization thresholds are the minimum values classified as fixed assets and are added to the asset management tracking. Capitalization thresholds vary by type of asset and are listed below.

<u>Asset Class</u>	<u>Threshold</u>
Land and additions to Land	\$0
Improvements to Land	\$5,000
Equipment	\$5,000
Buildings	\$5,000
Building Repairs/Improvements	\$5,000
Infrastructure	\$5,000
Small and Attractive Items	Varies by Department

Repair and Maintenance

Routine repair and maintenance costs will be expensed as they are incurred. This would include but is not limited to regular scheduled vehicle maintenance, painting of any type, and minor repairs to buildings.

Extraordinary repairs and improvements that meet or exceed the capitalization threshold will be capitalized if they increase the value, life, or future benefits from an existing fixed asset beyond its previously assigned value or life.

Budgeting for Capital Projects

The prioritization of capital projects and the selection of capital projects for inclusion in the county budget are determined by the Board of County Commissioners with recommendations from the fair and facilities director and other appointed staff. BARS specifically provides coding and classification for all capital project purchases. Whitman County supports the BARS classification fund structure and revenue and expense structure pertaining to Capital Projects.

Capital Asset Acquisition

Capital Assets/Fixed Assets can be acquired by purchase, construction, lease, or donation. The asset value is largely due to how the asset was acquired. Any new acquisition of a capital asset requires an asset acquisition form to be submitted to the Whitman County Auditor.

Purchase

The majority of capital assets acquired by Whitman County are acquired by purchase. For purchased items, the purchase price of the item will be the asset value. The asset value includes the price of the item itself but also all ancillary cost. Ancillary costs include but are not limited to sales/excise tax, cost of freight and delivery, initial installation cost(including the cost of in-house labor), site preparation costs, professional fees, title and recording fees, and accessories required to make the asset operable. If there is any interest paid on the item, the interest is not capitalized.

Construction

Constructed assets are valued in a similar manner as purchased assets. For constructed items, the asset value includes but is not limited to the cost of all material costs and the ancillary costs (see list above in "Purchased Assets").

Lease

Leased equipment should be capitalized if the lease agreement meets any one of the following criteria.

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to seventy-five percent or more of the estimated economic life of the leased asset.
- The present value of the minimum lease payments at the inception of the lease, excluding extraordinary costs, equals at least ninety percent of the fair market value of the leased asset.

Any lease that does not meet any of the above requirements will be expensed as an operating lease.

Leased assets may not be valued more than fair market value or more than the total price paid over the full term of the lease. Lease payments must be reduced by an imputed interest rate.

Donation

Donated assets will be recorded at the fair market value at the time of acquisition plus an ancillary costs (see "Purchased" for a list of ancillary costs). Fair market value may be determined by comparison sales, published pricing guides, qualified appraisers, or other appropriate means. Documentation must be approved by the Whitman County Auditor.

Capital/Fixed Asset Identification and Tracking

Forms

Acquisition Form: The Acquisition Form must be submitted at the time of purchase. This form will be used to notify the Whitman County Auditor and appropriate staff of an acquired capital asset. Supporting documentation is required to be submitted with the form. The Whitman County Auditor requires a copy of the original invoice for item, backing documentation for all ancillary costs (include an allocation for in-house hours), and supporting documentation from the financial system.

Disposal Form: The Disposal Form is to be used and submitted to the Whitman County Auditor's Office on the day that the asset is to be disposed. The form must be completed in full to notify the Auditor and appropriate staff the reason for disposal and current location. The Auditor's Office staff will update the financial system accordingly.

Transfer Form: The Transfer Form is designed to notify the Auditor's Office of a transfer of a capital asset. This form needs to be completed in full and submitted to the Whitman County Auditor on the day the transfer occurs. The department that is transferring the item is responsible for submitting the form to the Whitman County Auditor's Office. The Auditor's Office staff will update the financial system accordingly.

Update/Correction Form: The Update/Correction form is to be used to update or correct a capital asset that already exists in the county's inventory system. This does not include a transfer to/from another county department. Supporting documentation is required for the total price, including ancillary costs, to the Whitman County Auditor's Office. This includes all invoices related to the update of the asset and documentation from the county's financial system. The Auditor's Office staff will update the financial system accordingly.

Location Codes

The location codes included with this policy have been established. As new locations are added to county property, the location code list will be updated.

Depreciation

Depreciation, as noted in the introduction, can be recorded in a cash basis entity only for the purposes of internal control and calculating indirect costs. The following guidelines would be used in calculating depreciation:

- All fixed assets will be depreciated except for land and small and attractive assets.
- All depreciation will be calculated using the straight-line method.
- Useful life will be based on the current IRS depreciation system (ADS) or experienced-based information.
- Depreciation will begin when an asset is put into service. This is generally at the time of acquisition.
- Real property will be depreciated using a half-year convention and personal property will be depreciated using a half-month convention.

This policy was not created to supersede any federal, state, or local law. If this policy is in conflict with any state or federal law, the state or federal law shall prevail.

11:50 a.m. - Recess.

1:15 p.m. - Commissioners signed approved documents.

1:30 p.m. - Reconvene/Board Business Continued/BOCC Workshop.

Present: Tim Myers (1:30 p.m.), Bob Reynolds and Fran Martin (2:00 p.m.), and Eunice Coker (3:30 p.m.).

073804-073807 33. Items discussed included Sunshine Trailhead project, Scenic Byways Way-finding signage grant, Williams LLC gravel/overpass/housing development, Bob Boy property, Park Board membership, firearm rules at county parks, new trail at Kamiak Butte Park, 2012-13 Developmental Services budget, Developmental Services Advisory Board membership, Emergency Management/Communications space allocation, Public Health/Emergency Management reorganization and advertising positions, Whitcom/Emergency Management agreement for consoles and Elections BAR Code spraying machine. No action taken.

073808 34. Claims/Payroll warrants numbered **301467-301485** for **\$262,182.08** and **301494-301545** for **\$57,248.95** signed.

0737809-073811 35. Personnel change orders signed.

4:00 p.m. - Adjournment.

D073812A Commissioner Kinzer **moved** to adjourn the **January 22, 2013** meeting. Motion **seconded** by Commissioner Largent and **carried**. The Board will meet in regular session, in their Chambers', in the Whitman County Courthouse, Colfax, Washington, on **February 4, 2013**. The foregoing action made this **22nd** day of **January 2013**.

ss/ ART SWANNACK, COMMISSIONER
ss/ DEAN KINZER, COMMISSIONER

MARIBETH BECKER, CMC
Clerk of the Board

MICHAEL LARGENT, CHAIRMAN
Board of County Commissioners