

Minutes for September 7, 2010

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071093 THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Tuesday, September 7, 2010 at 9:00 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

9:00 a.m. - Call to Order/Pledge of Allegiance/Board Business.

Present: Josh Powers, Joe Smillie and Kelsey Samuels.

D071093A 1. Motion by Commissioner Largent to accept the consent agenda. Motion **seconded** by Commissioner O'Neill and **carried**.

071094 2. Claims/Payroll warrants numbered 243324-243346, 243358-234411 and 243414-243591 for **\$673,737.59** approved.

| FUND | FUND NAME | AMOUNT | AMOUNT | AMOUNT |
|------|--------------------------------|------------|------------|-----------|
| 001 | Current Expense | 27,254.28 | 35,815.19 | 75,382.60 |
| 101 | Self Insurance | | | 740.00 |
| 102 | Building & Development | 120.85 | 22.97 | 29.33 |
| 103 | Countywide Planning | 257.24 | | 143.73 |
| 104 | Developmental Services | 183.75 | | 403.57 |
| 110 | County Roads | 1,728.56 | 7,516.54 | 32,580.17 |
| 111 | CETC Building | | | 69.05 |
| 112 | Public Facilities Improvement | | | 21,823.02 |
| 117 | Boating Safety | | | 671.28 |
| 118 | Inmate Welfare | | | 494.46 |
| 123 | Paths/Trails-BCPT 123.310.001 | | | 41.13 |
| 125 | Donations-F/FM 125.300.000 | | 156.45 | |
| 127 | Drug Enforcement-Quad City | 268.69 | | 1,056.70 |
| 144 | Emerg. Communicat. 144.260.001 | 115.34 | | 1,838.00 |
| 300 | CIP Cap. Projects 300.010.005 | | 12,127.21 | |
| 400 | Solid Waste | 121,690.33 | 439.27 | 3,069.20 |
| 501 | Equipment Rental & Revolving | 4,796.32 | 4,427.51 | 47,696.96 |
| 660 | Whitcom-General 660.911.000 | | 77,329.86 | 2,029.17 |
| 660 | Whitcom-Grant 660.911.001 | | 3,118.05 | 7,377.00 |
| 690 | Clearing Fund 690.005.000 | | 180,923.81 | |

071095 3. August 30, 2010 minutes approved.

071096-071114 4. Personnel board orders approved.

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9:25 a.m. - Sarah Mason.

071115 5. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to sign the Correction Officers/Support Staff contract for 2010 upon receipt (12/31/10).

6. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to have the Chairman sign the following 2010-2011 school health service contracts (06/30/11).

071116 Colfax School District #300

071117 Colton School District #306

071118 Garfield School District #302

071119 7. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to sign a contract with James W. Potts for 2011-2012 lobbying services (12/31/12).

071120 8. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to reappoint Steve Ullrich, Doug Flansburg and Jack McBride to 6-year terms on the Parks Board. All terms will expire 06/30/16.

071121 9. The Chairman mentioned the Washington State Association of Counties (WSAC) is considering a reduction for dues in 2011. This issue will be taken up by the WSAC Board of Directors at their next meeting.

9:35 a.m. - Michele Beckmann.

071122 10. Upon review of all advertising estimates for the Administrative Services Director position, Commissioner Largent **moved** and Commissioner O'Neill **seconded** the motion to pare down the advertisement to a very short notice that refers to the county's webpage, authorizing a total of \$1,000, using all free advertising sources and to allow Human Resources to use their best judgment on the selection of advertising vendors. Motion **carried**.

071123 11. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to accept the essential functions for the Administrative Services Director position as presented.

D071123A 12. The Chairman provided an update on the status of those suggested for the Administrative Services Director interview team.

D071123B 13. As a courtesy, the Chairman will notify all department heads/elected officials on the status of the Administrative Director position.

071124 14. Commissioner Largent moved Commissioner O'Neill seconded the motion and it carried to re-establish the Administrative Services Department.

RESOLUTION NO. 071124
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

WHEREAS, Whitman County Commissioners resolution #069032 dated December 22, 2009 eliminated the Administrative Services Department and budget; and,

WHEREAS, it has since been determined by the Whitman County Commissioner there is a need to re-establish the Administrative Services Department.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Whitman County Administrative Services Department is re-established as of this date; and,

BE IT FURTHER RESOLVED that a budget for Fund #001.012.000 be prepared for consideration at Whitman County budget amendment #3 hearing to be held October 18, 2010.

Dated at Colfax, Washington this 7th day of September 2010 and effective as of this date.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

Patrick J. O'Neill, Commiss.

ATTEST:

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

071125 15. The commissioners reviewed the proposed 2010 budget amendment for the Administrative Services Department creating a 2-month budget. No action was required by the Board at this time.

071126 16. A revised draft organizational chart for the county was reviewed and changes suggested. The chart will be revised for further review by the Board.

071127 17. Information was received from Dale Miller of the Community Action Center (CAC) concerning changes to the Consolidated Homeless Housing program. The commissioners are awaiting further information from the

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Department of Commerce before any changes are made to Whitman County's program.

D071127A 18. The Chairman reported Anderson Peretti has completed 80% of their financial responsibilities within the Treasurer's office and will be submitting a proposal for the balance.

071129 19. Commissioner O'Neill reported that Martin Hall's bed numbers have been declining since 2005. If this continues, the facility may have to close. In the meantime, what this means to Whitman County is increased costs of \$18,250 in 2011 for 2.5 beds/per day. Commissioner O'Neill has spoken to the Superior Court Judge and Juvenile Director regarding this matter.

071128A 20. Notice of a hearing for a proposed City of Pullman zone change was received and reviewed.

071129 21. An executed copy of DSHS contract #0963-68075-03 for Chemical Dependency was received (06/30/11).

071130 22. An executed copy of Department of General Administration interagency agreement #2011-ERG-535 was received.

071131 23. An executed copy of Washington State Department of Transportation (WSDOT) Vanpool Investment Program (VIP) agreement #GCA 6602 was received pertaining to Whitman County Unincorporated Benefit Area.

071132 24. Commissioners' pending list reviewed.

10:20 a.m. - Recess.

11:00 a.m. - Mark Storey, Public Works Director.

Commissioner O'Neill was temporarily away from the meeting.

ACTION ITEMS

Engineering Division:

071133 1. Commissioner Largent **moved** Commissioner Partch **seconded** the motion and it **carried** that the interlocal agreement between Whitman County and the City of Tekoa for certified acceptance services be signed as presented.

D071133A 2. Mr. Storey stated paving has begun on the Wawawai-Pullman Road and will involve approximately 8 days of paving.

Solid Waste Division:

071134 3. Quotes requested by Public Works for two (2) 48 yard roll off containers was awarded through the small works roster process to Solid

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Waste Systems of Spokane for a total bid amount of \$16,460.00. Mr. Storey said the department is unsure if CPG funding will be available in 2011 and the reason they are purchasing the containers in 2010.

11:15 a.m. - Commissioner O'Neill rejoined the meeting.

Maintenance Division:

D071135B 4. According to the Director, striping of certain county roads will begin September 13th.

Planning Division:

D071135C 5. Two zone changes were heard last week by the Planning Commission who voted to forward both requests to the county commissioners; 1) Pacific NW Farmers Cooperative in Chambers and 2) Sunshine Road area outside of Pullman

11:25 a.m. - Recess.

D071135D THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Monday, September 13, 2010 at 9:10 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

9:10 a.m. - Meeting Reconvened/Board Business Continued.

Present: Debbie Pennick, Esther Wilson, Chris Nelson, Joe Smillie and Kelsey Samuels.

071136 25. As previously authorized, the agreement between Whitman County and Harry Johnson Plumbing & Excavation, Inc. for the Aune Bridge project was signed by the Board.

D071136A 26. Esther Wilson noted that the 2009 salvage value for Public Works ER&R was omitted from the 2009 financials. Chairman Partch authorized Anderson Peretti to add the salvage value and prepare a revised report for the state (this service is in addition to A&P agreement). The concern is how this will affect the September 30th single audit reporting deadline. Chairman Partch pointed out the salvage value information has been provided each year by Public Works but never used.

Debbie Pennick of the State Auditor's Office said salvage value was part of the 2008 capital assets audit findings requiring the need for policies/procedures. The original statements received from the county only corrected the sample pulled by the state in 2008 but it did not correct all similar assets affected. When the state tried to extrapolate the error as identified in their sample into what they thought the overall error would be in the whole population of similar type assets, it became

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apparent the amount was nearing the point of becoming material to the financial statements. That means a significant amount and could affect the opinion provided by the state on the county's financial statement.

The state did not identify all errors discovered in the 2008 audit to the Finance Department. Therefore the 2009 statements filed in May 2009 still have similar errors and need to be corrected. It wasn't until July 26, 2010 that the state received financial statements from the county that could be audited and is one aspect affecting the September 30th deadline.

Secondly, the county does not have what is considered a clean audit. There are still problems with cash and capital assets. There is a good likelihood the September 30th deadline, whether the corrections are made or not made could be in jeopardy because of the timelines when the state receives the financial statements for audit and the additional work the state had to perform based on the errors.

Ms. Pennick suggested if there is a good chance the deadline will be off by a couple weeks the county could consider the impact of having a "qualified" or "unqualified" opinion. If A&P takes the time to make the corrections and the numbers are good, the county would receive what is called a "clean opinion" which is important to a bond rater or anyone else who uses the financial statements outside the county.

If A&P does not make the corrections and the errors the accountant finds or the state estimates are material to the financial statements, the county would receive a qualified opinion. That means the county's financial statements are good except for the effects of the errors noted in capital assets.

In addition to meeting or not meeting the September 30th deadline, Ms. Pennick thought the county's decision to pursue a qualified/unqualified opinion is a very important aspect to consider. If the county does not meet the deadline, the major impact by the federal government is for two (2) subsequent years the county cannot be considered a low risk auditee. A low risk auditee means the auditors only look at 25% of the funding instead of 50%. Whitman County cannot be considered a low risk auditee because of prior audit findings. Based on the Recovery Act and transparency laws, the state has no indication from the federal government for the potential of obtaining future federal funding if the September 30th deadline is not met. However, Ms. Pennick was optimistic A&P would meet the deadline.

071137 **27.** A letter was received from Robert P. Sanders of Anderson Peretti & Company providing the status of their Phase One work on the county's financial statements project.

071138 Esther Wilson reviewed her prepared analysis of the county's current status with Anderson Peretti, noting not all charges have been

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invoiced and charges for some services are not known at this time. One of the tasks outlined in Phase 2 of the agreement with A&P involves policies/procedures. Ms. Wilson recommended not moving forward with that task due to the New World conversion and all policies/procedures will drastically change. She felt the money would be better spent by A&P assisting the county in determining credible cash balances for transitioning into New World and the commissioners all concurred. Commissioner Largent suggested the Chair, as temporary Finance Director direct the necessary action and Commissioner O'Neill agreed.

Chris Nelson mentioned as the county progresses further into New World and looking at all the different pieces and interactions she believed the new system will help predefine processes.

The Chairman noted, due to changed tasks requested of A&P a contract amendment may be necessary.

Debbie Pennick said there were two key policy/procedure issues in the 2008 audit findings related to cash reconciliation and asset capitalization and depreciation that would not be affected by New World. Therefore, unless those policies are in place, the county will not be able to eliminate the audit findings.

Commissioner Largent felt the county could develop those particular policies/procedures rather than A&P. Ms. Wilson added development of policies/procedures is also a responsibility of the new Administrative Services Director. Ms. Pennick pointed out A&P will have key information based on all the processes they have been working through to balance the cash and will know where the problem areas are for capital assets.

D071138A 28. Esther Wilson said the thought process is the county must move forward with New World and a credible cash balance. The best way to proceed is to use the December bank statement, reconcile it with the transit items and then use the reconciled balance for New World. In coordination with the State Auditor's Office and A&P, she felt the county could come up with a good plan to move forward with a 12/31/10 cut-off date.

D071138B 29. Chris Nelson talked about a school warrant issue that is causing havoc with the county's month end reporting. Without any advance notice, ESD #101 changed the number of characters used on their warrants from 6 to 8. However, not all school had converted to the 8 digits. Information Technology had to undergo some changes to the mainframe to accommodate ESD 101's change while at the same time accommodating the schools that have not yet made the change. This will require another application with New World in addition to tax distributions and investments not previously included in the New World package.

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10:05 a.m. - Recess.

1:30 p.m. - BOCC Executive Session.

Present: Kelli Campbell and Gary and Valerie Hunt.

071139 30. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to go into executive session with the above individuals until 3:30 p.m. in accordance with RCW 42.30.140(4)(a) for matters related to negotiations.

3:30 p.m. - Return to Open Session/Adjourn.

D071139A Commissioner O'Neill **moved** to adjourn the **September 7 and 13, 2010** 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 **September 20, 2010**. The foregoing action made this **13th** day of **September 2010**.

ss/ PATRICK J. O'NEILL, COMMISSIONER
ss/ MICHAEL LARGENT, COMMISSIONER

MARIBETH BECKER, CMC
Clerk of the Board

GREG PARTCH, CHAIRMAN
Board of County Commissioners