

1st Quarterly Budget Committee – October 31, 2018 9:00AM

Re: Agenda Item E1

Minutes of May 19, 2017 Budget Committee Meeting

by Tom Brand Committee Member

John Jezuit, Administrative Assistant

16. MS- I think we want to have a half a year probably, possibly three quarters. We haven't even began the search process. But you're going to need to pay for the search process.
17. LK-Actually, I've got something on that.
18. MB- Get me up to speed. This page was the Office (Commissioners)?
19. LK-We are talking BOC office. There are two funds. One is Commissioner's and the other one is BOC Office.
20. MB- MK's motion would apply to the Office or the Commissioners?
21. LK- Office.
22. MS-The manager is going to go to the Office.
- 23.
24. Unattributed call for discussion on MK's motion, possibly CG.
- 25.
26. MK-we voted the other day subject to review, coming back and dealing with it again. We voted the other day, 4 to 2, I believe, that we would put a line item in here to have \$80,000 of salary plus benefits for a county administrator, and my motion simply says let's stick by, let's reaffirm that so we can, Louise can do her work this weekend and other than that, leave the budget as it is.
27. CG- and that would be the budget that is page..?
28. MK-145- 146 . The budget for the Board of Commissioners' Office has the county administrator would work out of your office.
29. MB-and there is not now a line there? That would have to be added, is that correct?
30. LK-Our TV is off.
31. CB- Could we do the math on that real quick? It is pretty when you don't (know?) the benefit package.
32. MS- You gave us the number.
33. LK-it's (pertinent budget page view) showing back there but it's not showing here .
34. MK- while we're waiting, my memory of what we discussed before was our budget office took a salary and gave us a number for what that salary with benefits would be.
35. CB-So, we need to just clarify..(other voices-talking over each other) Thats where I am confused. I think that motion to place the commissioner's work as time part time and a 85%
36. pay cut, if we're just talking about me, okay, we're not talking anybody else in the county, thank God we're not talking about anybody else in the county, as far as employees go. But, was that the same motion or am I on, or is there two different motions?
37. MK-we're now dealing with the Board of Commissioners Office which we hadn't completed, and, rather than vote this as presented and then five minutes from now come back and decide whether we're going to change our vote. But we did have.., my memory is that, and we do have someone keeping records here, we took the votes necessary to cause the three elected County Commissioners to receive a \$10,000 stipend and to put a, it may have been a separate vote, but

we took a vote that would put a line item in this budget of \$80,000 with the benefits, and we agreed that was not written in stone, and we would come back and revisit it. I thought we are now at the time when we are revisiting these things so that over the weekend Louise can crunch the numbers that she needs to crunch.

38. CB- I think I understand. We are going to try and keep those two issues separate. It is convoluted because the money for the County manager is coming from my salary. Do I have that correct?
39. CG- Mine also.
40. MB- The way the budget was construed, if I may, was you are all
41. given a dollar amount that was equal, and, we are working with that, we are working from that dollar amount, in other words, the initial budget had all three of you at \$67,000 something, it was an equal amount. And, my guess is, Ms. Kallstrom would say we are adding to that \$80 thousand, or was it 85,000? CB>" for the county administrator", and we are subtracting from that number by diminishing the commissioners' salaries.
42. MS-But that was already done.
43. LK-I would like to make a comment on that. The budget may have all three commissioners at \$66 thousand, but in reality, if you look at what we are actually paying the three commissioners; two of the commissioners are taking a much less than that, only one commissioner, Boice, is taking the full salary. So, when he's saying he's the only one that took a cut, the other ones were never getting the full salaries that were budgeted. So, when you take every body down to ten thousand dollars, two of them are basically fine with that, that's basically what they want to get anyway, but you're also taking some one who was elected and wants do their full time job and you are reducing them to ten thousand dollars. I would like to see people discuss that. If you let him stay at his salary and reduce the other two, you have 121 thousand dollars available for a county manager and one at 80 thousand would cost a hundred and seventeen thousand dollars. If what was mentioned before, and Commissioner Boice took a 20 thousand dollar cut, and went down to \$46,000, that would still leave available for a county manager of a hundred and forty-five thousand, you could go up to offering a county manager a hundred thousand at a total cost of 143 thousand. That would not really affect one commissioner by that vote that you made today. I was a little upset about that because it forced on commissioner into a situation that the other commissioners want and yet one of them has just had his salary reduced so much that you haven't done that to anyone else in the county.
44. MB-Comments?
45. CH/JH?-I take that as a comment, strictly as a public comment. We had a discussion, we had a motion to A,B,C we went through and we did that. Anyone else that wants to comment are certainly welcome, I take that as we are talking about the budget committee.
46. MK-The reason I made the motion today is because we all agreed that at the end of the week we would come back and re-discuss it. My motion is to; I didn't make a motion that we, is to re-

examine that because there is nothing else in the budget to examine, so, the purpose of the motion as put on the floor today for discussion, whether or not we are going to stand by the earlier votes or whether we are going to change it. I view this as the public discussion, the committee's discussion on that. To me it's not comparing this year with last year, its comparing this year with the revenue, looking at this budget that has a given amount of revenue and how we're going to spend that revenue and we've spent almost 5 days now trying to find ways to move that revenue around or reduce expenses so that we don't need to take money from the road fund and so we have enough carry forward to take into the next year, so that next year we can come up with a budget that works, and to stop year by year budgeting, and let's worry about next year, and kicking the can down the road. I want to have a budget today, this year that works, that's balanced and doesn't take money out of the road fund and makes it possible to do the same thing next year.

47. CG- Let's just go back to campaign promises, and I don't know if this has anything to do with it, but during my campaign I promised that if the manager was hired I would take \$10,000, no benefits. I believe Mr. Boyce promised that if the County manager were hired he would take \$20,000 less, correct?
48. CB-Correct. You made that point.Thank you. Yes, that is correct.
49. CG-If we were to budget that way would you feel okay about that?
50. CB- I appreciate that question. I challenge you a little bit and then answer that. You also gave every indication that you would be full time, and I think that's what the voters were anxious, and I think that you were quite popular I think it was on that basis, so I want to highlight in the five months I've been here how great the workload is and maybe the County manager will remedy some of that problem. It isn't going to change my responsibility nor my commitment nor my obligation to the people that put me here and I did get 61% of the votes, that's not to boast, but that's (?) people and I represent everybody by the way and it's critically important to me .
51. MB- recognized CG.
52. CB- I wasn't done. I see the finger-pointing or whatever here so that makes me a little.
53. MH- You think I was pointing?
54. CB- No you weren't paying attention.
55. CH- I was I was paying attention to the screen also.
56. CB- Okay, thank you very much. I saw and I'm getting your question now (pointing toward CG) and I appreciate that again. I saw Chief Brazil speak the other day and that did have a little impact on me. It was the volunteer that these people do and I talked to you a little bit about that and it is quite a influence. I also had two or three friends, last night, call me, and we talked a little bit in the interest of wise counsel, they said 'you know you did say that you were going to stay true to your word whether you liked the idea of administrator or not you are going to have to figure out a way to work in the system', and Mr. King is worried about any one of the commissioners from any past, present or future boards being a CEO, I respect and appreciate

that, so I don't, I'll take the 20 thousand cut, but beyond that I'm going to prepare for battle because I think it's absolutely punitive or at least it gives the appearance and I'm trying to convince my wife that I may have to stay with my commitment at ten thousand a month, a year, and that wouldn't make anybody very confident. Thank you Mr. Chair

57. CG- I was just going to say, if the County manager is hired, then our duties will become lesser just because we're not going to be liaisons to various departments. We're not going to be making the decisions about all of the employees. Maybe eventually, but our main goal is going to be to set policies and maybe work with an outside agencies. That's how I see my role.
58. MS-You have heard my comments on this. That is exactly the crux of the matter. The motion included the. the money is one thing, frankly, I don't really care. It is not my money. /unintelligible/ It is not my money that I am receiving. I care about the part-time portion of this and I believe, like I said, that it counters the democratic process. If you have a manager and you are going to part-time that would infer, it would necessitate that executive authority would need to be handed over to the manager. Right now executive authority resides in the Board of Commissioners as does the policy-making, and that's not how we're set-up, so is an administrator, is the manager, ah, and in any case, if you are not here all the time, the executive authority is going to have to handled by that person. There is no, we don't have any scope of work before us of what that person is going to do.CG- In order to have that happen you would have to have an ordinance which is going to be on the agenda for the next meeting that would give the authority for a manager to be hired, and so that's in the works, it's not done yet, but that is definitely in the works.
59. MK-I'm looking at my notes and what we're talking about is, if I understand it, is a, what separates my motion from what Mr. Boyce would find acceptable is \$36,000 salary plus the benefits that go with it and, while my notes tell me that there would be a possibility on Monday, with my main motion of three at 10 to put some carry forward back for next year. My notes tell me we can still balance this budget with no road funds and I won't stand in the way of a commissioners office that's scheduled with that. To have the two commissioners who are willing to take 10,000, take ten thousand, and Mr. Boyce receive a salary of 36,000. That as long as we hired a, (background correction= "that would be forty-six"), 46, which is ten more, you know, is 36,000 more than the ten . If we move forward and hire an administrator, and if that doesn't take road fund money, and I think we can do that without road fund money, it's just going to make it more difficult next year to balance the budget. But I think we can do that.
60. MS- So now you set that system up, what do you do in two years when there is an election and there's five candidates for one position?
61. LK-one position, yes.
62. MS- continues; and two years after that there will be a certain number of candidates for two positions, and some of them won't be able to do this if they're, right now apparently we have three financially independent, or close to independent individuals. They can handle it. What are

you do when there's 40 year-old family person that would like to be a County Commissioner? He's excluded.

63. MK- if I may Sam, the school boards are populated with 40 year-old or younger business people and they meet in the evenings and they're on the boards part time, unpaid, totally unpaid volunteers. If, you know, I've not lived in that many places, but many of the places I've lived, the governing body meets in the evening just for that reason and most of our special districts have evening meetings so that we can have totally unpaid or stipend paid volunteers. I don't think doing this eliminates the 40-year-old business person or carpenter from being, getting elected and serving on this board.
64. MS- It doesn't, Carl; it's a perfectly workable system. That's how I do it. I'm on the Board of the Port commission. It works great, but that's not the point. The point is, that's not how we're structured and this isn't the place to change the structure. Just starving out the budget so that it forces it the way you like it, totally circumvents the democratic process. That's my rub. I see merit in what you're talking about. I see merit in, I think you can work it this way too, but that's not the point. And that's going to, you know, I'd certainly like to see unanimity on the budget. It would be great to have six to zero. But, 99 percent of this I like; a few things I would do different. There's one thing ah, that I just can't abide by. I can't vote for the Board of Commissioners having a manager because I can't vote the Commissioner Department being part time. So there, part and parcel. So, I'm stuck on that one.
65. LK- I think I'd just like to make the comment that just because two of the commissions are taking the \$10,000 dollars stipend does not mean they're being part-time because both of them are full time, and Commissioner Huxley has been full-time for the past two and a half years at that stipend. That doesn't mean that they are going to be part-time, it just means how much they are going to receive.
66. MS-Well, most (that's been ?) used is the term part-time.
67. MB- It's 'as if'.
68. LK- As if.
69. MS It's not.
70. MB- Excuse me. That was because I knew that I couldn't just say you guys are part-time. What I was trying to do was, kind of, put a scope on a starting point for a discussion on what other part-timers earned. It was on the earnings part, it's on, my point, when I made the motion, was to get where I think Carl is, and that is, eventually this county is going to have to be able to live with its resources, without any outside stuff, and in my mind this is just getting us closer to that. This financial discomfort is hitting all of the departments. Nobody should be immune to the effects of not having enough money to run and I think it's aggravating for a certain segment to see that there are some who seem to be immune and, I don't think, but other than that it's really for me, the numbers on the paper. I have to admit the side that is making me waver is the human side; the fact that we are affecting peoples' livelihood. Just an off point, the (the port?)

announced that they are going to laying off five percent of their work force. Cisco is doing eleven hundred. There are economic realities. I wish I was smarter, wish I had more power, wish I could do this in a way everybody would come out of it feeling that they had't been abused. If this isn't going to work, I'm not going to go down in flames over it, I just don't know any other way to get to the point where this county is , year to year, can expect , well, we're not in a crisis. We've got a county at a level that is being funded, and if we want to change it, we change the funding. We're still trying to adjust the spending mode. CB-Legally I'm absolutely convinced I could win at the regular salary in addition to what was recommended by the compensation board. That would be best for me personally, but this is a volunteer 20,000 that I'm willing to do because I think that's what's best for the County and I was challenged by you and Mr. Brazil and these two folks here, that are were saying, okay, I don't know if you are working full-time, but I know you are putting out an effort, that's for sure, so I'm not interested in battlling, I'm interested in unifying, in working, and overcoming, and, but I won't take a dime less than 46, but I'm glad to do that and I want to set that example and you've (pointing toward the Budget committee's community members table) challenged me too, so, in a good way.

71. CG-I would just say, we're expecting all of the departments to take cuts and to sacrifice and we need to be an example and I know personally I'm willing to sacrifice and it looks like everybody on this board is willing to sacrifice and I think the public would be more inclined to vote for some extra revenue if they saw that we were we're sacrificing.
72. CB- I agree with that.
73. MK- Well, I'd like to withdraw my prior motion. And the motion I would put on the floor is that we adjust the salary for the Board of Commissioners to 66 thousand dollars, the salaried account for the three commissioners and that we add to the Board of Commissioners Office 80,000 dollars position for a county administrator, which says that we're funding that way and we can work that way and obviously, at some point in time, that may not work and there will have to be a change but we have three people, I see three people sitting in front of me, who said they're willing to do this job and continue doing this job, you know, for 66 thousand dollars and the total (Louise Kallstrom points out that the \$66 thousand dollars is total dollars), I'm saying the total, I'm saying that the total salary account for the Board of Commissioners; the only salaries in the Board of Commissioners budget is the three commissioner's. I'm saying you can put it in the total, in the budget will be \$66,000. How you decide to divide that up is among the three of you.
74. LK- 66, 469
75. MK-66,469, thank you
76. MS- Well, and they're full-time positions now?
77. MK- We're not saying what they are. That's up to them.
78. MS- I like that thought better. I think that's too low. You'll have to keep readjusting that as , as you know. It's going to be that number every time? We have three young people, but any way, I took some numbers off of the Census Bureau yesterday and for Curry County the median family

income is 54,490 and that's according to the most recent American Community survey, and the median household income was different, and it's always lower, is 40,884. That's always lower. Sometimes a household is just one person, sometimes people move in and out and they're are not found.

79. CG- The first one is a median family? (back-and-forth conversations ensues between Scaffo, Gold and Huxley confirming the dollar amounts as presented, and, definitions of each classification of median income as referred to by Mr Saffo.)
80. MS- continues: I think numbers toward the median family income would send the signal that was talked about and I am in agreement with that. It's a sharp reduction. It's not ten thousand dollars obviously. It goes toward helping paying for an administrator, but it doesn't get you everything. It keeps the structure in place. It gives you a transition period to work an administrator in and try it on for size, basically a proof of concept; not burning the bridge. You have everything for a year or two, get the train wheels on. I think it's a better way to approach it. I don't know exactly what the right number is. It does represents a very sharp reduction.
81. LK-I'd just like to make it clear what he was saying, that one commissioner stays at the median household and the others take what they usually get?
82. MS- Well no. All that lines, I would keep them all the same and it's been proven that commissioners can.. (interrupted)
83. LK-They're not actually, although they're being budgeted at full salary only two of them are..Budget at what they are actually doing?
84. MS-Yeah, budget for, budget them all same and if they are in a position, and they are blessed enough to be in a position where they don't need the money and want to give it back, and it can carry forward, you really can't budget for it, really because you don't know what they are going to do.
85. LK- Okay, I'm still not clear of how I am budgeting for the Commissioners.
86. MS- I would budget them across the board. My recommendation would be 54,490 dollars for salary and then whatever that turns into. This is not a motion, it's a recommendation.
87. LK- Okay, let me figure what that is. Okay? So that's 54,490. See, that does not leave anything for , that would total 220 thousand and the budget right now is sitting at two hundred sixty, so that would leave forty thousand dollars for your eighty thousand dollar county manger.
88. MS- I knew it wasn't going to cover all of it.
89. CB- I was just looking at the people down the road. This is representative government and backing Mr. Scaffo's point. Boy, you just can't rule people out and at least you have to make a genuine effort to leave the door open. We don't know who might be out there; way more qualified than all three of us put together. I mean, we don't know. Reasonable compensation, I think.
90. MC-We're not changing the job description. We're changing the budget. The three of you will be here all next year and the year after, I believe. And if in the future, the voters change the

composition of this board, and the new Board members seek to have a different salary schedule, they can do that. But, I don't see why we, you know, we're putting ourselves in a position to take restricted funds out of the road fund in order to put a number out in the budget that you know isn't going to be spent. Now we've spent four and a half days looking at budgets where money is there because it has been there, but we recognize next year we are not going to spend it. Well we know from the commitment of the there of you that next year that we are not going to spend more than 66,469 dollars in salary for the Board of Commissioners. And I suggestt that's what we put in the budget and the year after, if circumstances change, we can do something. I just don't want to sit here and vote a budget that takes money out of the Road Fund, and I think if we put in this factitious number as if each of you is going to make 54,490 dollars, that's what we are doing. I don't want to do that.

91. CG- So, did you make a motion?

92. I had a motion I thought, that we..(interrupted)

93. CG- Did someone second that?

94. MB- I seconded that. We'll have to work through the legal whatever to..

95. CH- What was that motion again?

96. MK- That the salary account for the Board of Commissioners, in the aggregate be 66 thousand 469 dollars and that the personnel services account for the Board of Commissioners Office include a line item for 80 thousand dollars for an administrator.

97. LK-It would be 80 thousand plus benefits

98. MK-Plus benefits, I understood, plus benefits. But the line item, it would be 66 thousand 469 plus benefits.

99. LK-Yes.

100. CB- are we suddenly get along real good and then we are going to fight over that 66 at some point? Just throwing that out.

101. MB- I think that is a reasonable point. You are pointing to problems for the future, and I think that this going to boil down to how we work together for the good of the County. There are going to be winners and losers and we are going to try to restrict how extreme those are. I believe that all of you are in here for the right reason. I think it is worth trying. As Carl is saying, that this is a one year run at it, I'm going to vote for , actually, we've got to redo how all these motions and things are done. But, I'd like to support Carl's, what amounts to a, compromise. I think you get something (nodding toward Commissioner Boice) and I get something and perhaps these others-(gesturing toward MK&MS). Other comments and then we are going to need help on undoing on what we have done to this point. And then go back to Carl's (recent motion).

102. CG-I call for a vote. On Carl's motion.

103. MB- It is my understanding that we have a vote for the first and (interrupted)

104. CG- No, he rescinded his motion.

105. MK-Yeah, the motion is as I just stated it:66,469 and the 80.

106. MB-And that was, the first motion you made was different than that.
107. MK-It was for 30 thousand.
108. MB-That's not on the board? We are not going to have trouble with that later?
109. CG- Maybe you need to rescind your second too, for the first motion.
110. MB- Okay, is that? I am going to need help here. I willingly rescind or whatever word it is. I don't expect anything from that second to his motion.
111. MB- Well that's the other thing. We have got to deal with that original motion, that grenade that I threw out. That's got to be obliterated also.
112. LK-What motions are on the floor right now?
113. JH-Currently, my understanding of the motion on the floor was made by King and seconded by Brand. It was to fund the County Commissioners, I'll say at 10, 10, and 46 and something and put in 80 for a county administrator. And that's a motion, and you have had discussion and one wants to vote. If you want to do more discussion, you can do more discussion.
114. MB- Would there be any advantage to saying that his motion supersedes all previous motions to that topic? Is there going to be some chink in the armor, so to speak, if we don't respect that first motion?
115. JH-My understanding of all previous motion is that they were conditional upon omnibus approval of the budget at the end, so they were almost hoardatory in nature, regardless, I think the understanding was you all were going to ultimately adopt one budget and the motions just helped you get there. I don't think the motions could overturn an ultimately adopted budget. And maybe, when you ultimately adopt your budget, you just make that type of a motion that you are saying.
116. MB- Any further comments?
117. CG-Well, when we started this process we agreed it was fluid and we could go back and change, so that's what we are doing.
118. Are we ready to vote on Carl's motion to include a manager and re-funding to the Commissioner's Department? In words, not dollar amounts.
119. CH-I think, to go with that question or respond to that question, ultimately we are going to look at this again Monday or Tuesday when these numbers are input and we see what the results are because we don't know. We just changed this by 40, 36, ..
120. MK- That's understood.
121. JH-You are really directing staff to prepare this for you to consider.
122. CH-We need more numbers because we've increased it by 30 thousand, but not just 30, and that's multiplied times, I'm just curious, multiplied on and on and on.
123. MB-Are we ready to vote? Roll call vote.
124. CB-She just said she has the numbers?
125. CG- She'll have them.

126. LK-I do have them. I know that if you do the 66 the total effect on the Commissioner's budget is a hundred fifteen. If you do 80 the total effect on the BOC budget is a hundred and seventeen. And the difference between what's budgeted in the commissioner's and the 66 is available a 145 thousand minus the, the hundred and seventeen leaves 30 thousand dollars going to the other funds, or being redistributed in this other funds of which eleven thousand will affect the general fund at 40 percent estimate.
127. CG-But then we've got 40 percent going to the road fund.
128. LK-So, basically this vote will put 11 thousand dollars back into the general fund.
129. CH-And, what funds the 80?
130. CB-I'm ready for a vote.
131. LK-It will fund the manager at 80 and it will fund the BOC at 66,469 salary.
132. CH-Before we vote on this, earlier Commissioner Gold had mentioned that she had information, I don't see it now, a far as recruiting this manager position. So, are we going to pass something here and then all of a sudden bring back something else?
133. CG-Oh.
134. LK-This doesn't put anything in the general fund. It just funds those two. Where that extra money goes is a future topic.
135. CH-But we are talking about the Board of Commissioner Office, right?
136. LK-This changes it, it doesn't tell where the changed money goes.
137. CH-I understand, but I understood her to be talking about another line item possible.
138. CK-I would hope, that if, on Monday or Tuesday, we passed this budget, and on Wednesday the Board of Commissioners adopt an ordinance to establish the position, that you are not going to wait until July first to start looking for an administrator, you are going to start immediately, and so the cost of doing that comes out of this year's budget, not the budget we're working on for next year.
139. CG- I don't know. The wheels turn kind of slow here.
140. MB-Our next roll call vote will be to go to this next stage of how the commissioners and now a county manager are going to be funded for the coming year. The proposal from Carl is, I think there is no need to repeat that. Mr Jesuit, would you do a roll call vote?
141. An affirmative is-we accept Carl's idea of how thing will be.
142. Mr. Jesuit reads the proposed motion to the committee.
143. Boice-yes
144. Huxley-yes
145. Gold-yes
146. King-yes
147. Scaffo-no
148. Brand-yes
149. The motion carries 5 to 1.

150.