

**BUDGET RETREAT**  
**July 22, 2014 – 8:30 A.M.**  
**Kittitas County Fairgrounds-Armory**

Those Present:

Gary Berndt	Mandy Buchholz	Angela Bugni
Obie O'Brien	Jim Goeben	Mike Stafford
Paul Jewell	Julie Kjorsvik	Dale Larson
Lisa Murray	Greg Zempel	Jerry Pettit
Brenda Larsen	Pat Gigstead	Kim Dawson
Patti Johnson	Diana Mackenzie	Robin Rapp
Cindy Adams	Judy Pless	Lisa Lawrence
Candie Leader	Jan Ollivier	Dora Van Epps
Gene Dana	Sarah Keith	Sue Higginbotham
Clayton Myers	Kathy Jurgens	Stephanie Mifflin
Steve Panattoni	Deanna Panattoni	Andrew Drain
William Holmes	Kirk Holmes	David Schumacher-Presenter
Todd Davis	Christine Luvera	Doc Hansen
Robin Read	Kaitlyn Reddick	Don Meseck-Presenter
Bob Richey-Citizen	Lisa Young	Lindsey Ozbolt-Presenter
Steve Verhey-Citizen		

Chairman Jewell opened and welcomed all County staff to the 2015 Budget Retreat. He reviewed the Agenda and noted that the BoCC Staff had previously e-mailed a letter of key policies for County departments to use when drafting their budget proposals. He outlined the Boards priorities and asked that departments prepare their budgets to address the following priorities:

- Investing in customer-focused service enhancements, including value-added improvements, streamlining, and innovative processes that improve the overall customer experience.
- Maintaining appropriate service levels.
- Investing in long-term processing and planning improvements which reduces costs and create efficiencies.
- Capital facilities improvements.
- Investing in economic development opportunities.
- Employee compensation and professional development.

Chairman Jewell introduced Don Meseck, Regional Labor Economist. Mr. Meseck presented a Power Point Presentation that reviewed Unemployment rates and labor force trends in Kittitas County through 2013, Quarterly Census of Employment and Wage (QCEW) summaries for Kittitas County in 2013, Nonfarm employment trends through 2013 and nonfarm employment trends from May 2013 – May 2014, followed by roundtable Q & A.

Chairman Jewell reviewed the Board's "project" for a Legislative Agenda. He explained that the Board would like to create a County Legislative Agenda that the Board could hand out when meeting with the County's Legislators. He briefly reviewed County departments that the Board has been actively engaged in with different projects.

Chairman Jewell reviewed the following 2015 budget policies including:

- This year's budget process will utilize baseline budgeting methodology. Your beginning 2014 departmental budget will be considered your baseline for normal operating expenses. Capital expenditure line items and salaries and benefits are to be figured and justified individually based on current conditions.

**APPROVED**  
8-19-14

- Increases in FTE's should include a funding source specifically designated to pay all costs associated with such a request. The BOCC reserves the right to approve or deny new FTE requests regardless of designated funding.
- Vacancy savings may not be spent elsewhere within a department budget without the approval of the BOCC.
- "Rainy Day" funds are not to be used. We will budget to increase our current "Rainy Day" fund balance.

Chairman Jewell introduced David Schumacher, Director of Washington's Office of Financial Management. Mr. Schumacher reviewed a Power Point Presentation that covered the amount of time it took to recover the jobs lost during the great recession, projected real per capita revenue growth, looking ahead at the budget for 2015 – 2017, potential sizable shortfall in the budget for 2015 – 2017, preliminary 2015 – 2017 operating budget outlook, perspective on structural problems Washington State faces, meeting basic education obligation and revenue collections historically compared to overall economy, followed by roundtable Q & A.

Judy Pless, Budget and Finance Manager reviewed handouts regarding Kittitas County's net assets by component (last 10 years), changes in net assets (last 10 years), general Government tax revenues by source (last 10 years), assessed and estimated actual value of taxable property (last 10 years), property tax rates per \$1000 of assessed value (last 10 years – unaudited), principal taxpayers (last 9 years to present), property taxes levies and collections (last ten years), limitation of indebtedness (last 10 years), demographic and economic statistics (last 10 years) and principal employers (last 10 years). She indicated that this year they would be using "family" groups again and that the location and dates are not yet set for the budget meetings, but to expect additional information in the near future.

Commissioner O'Brien provided an updated on the PDP status. Chairman Jewell questioned Staff on how they felt about the 2% pay increase distribution amongst Staff and the flexibility to allocate different amounts to employees who may be more deserving than the allocated 2%, noting that other employees get less than the 2% if the Supervisor makes that decision. Departments who are smaller in Staff numbers expressed their dislike for the process. He discussed with Staff 2015 wages and the County doing a wage survey. Lisa Young, HR Director/Co-Interim Event Center Director gave an update on the potential impacts of the affordable care act implementation. Chairman Jewell reviewed the incoming Coroner's office and budget forecasting unknowns.

- Lunch Break 12:12 p.m. – 1:00 p.m.

Jan Ollivier, Transportation Manager presented a Power Point Presentation on the Kittitas County Capital Facilities Plan (CFP) and provided a handout showing the projects from 2013 and projected projects until 2018. She explained the process for the next update and how projects are identified / selected. She explained why the CFP is needed and the County's history, the required parts of a CFP, the types of projects that are included and the projects from 1996 - 2013. She encouraged Staff to get familiar with the process and informed them that there is an on-line process they could work through. She explained that she and the Auditor's office are able to help fill in the blanks or answer any questions.

Lindsey Ozbolt, Staff Planner II provided an update of the current status of the LEAN "KAIZEN" event project.

A roundtable discussion with departments was held and departments gave brief reports and updates, as well as their 2015 budget priorities and any Legislative changes.

Meeting was adjourned at 3:21 p.m.

  
Deputy Clerk of the Board

  
Paul Jewell, Chairman