



WACO Board of Trustees Regular Meeting
July 13, 2016
The Radisson Hotel Seattle Airport
SeaTac, WA

Final Minutes

Wednesday, July 13, 2016 starting at 10:00 a.m.

Board Members Present:

Tim Davidson	President	Cowlitz	Coroner
Tammie Ownbey	Vice-President	Pend Oreille	Clerk
Ilene Thomson	2 nd Vice-President	Yakima	Treasurer
Dianne Dorey	Secretary/Treasurer	Lewis	Assessor
Carolyn Weikel	Immediate Past-President	Snohomish	Auditor
Keith Willnauer	Past-President	Whatcom	Assessor
Mike Lonergan	Assessors Trustee	Pierce	Assessor/Treasurer
Debbie Adelstein	Auditors Trustee	Whatcom	Auditor
Peggy Semprimoznik	Clerks Trustee	Lincoln	Clerk
Dan Blasdel	Coroners Trustee	Franklin	Coroner
Ron Strabbing	Treasurers Trustee	Grays Harbor	Treasurer
Barb Miner	Trustee at Large Position 1	King	Clerk
Dave Cook	Trustee at Large Position 3	Yakima	Assessor
Lisa Frazier	Trustee at Large Position 4	Mason	Treasurer
Jerry Pettit	Trustee at Large Position 5	Kittitas	Auditor

Staff Present:

Scott Blonien	Executive Director
Monty Cobb	Policy Director & General Counsel
Timothy Grisham	Director of Member Services – Communications
Michell Allert	Administrative and Member Services Support Coordinator
Mike Shaw	Contract Lobbyist

Board Members Absent:

Jonathan Meyer	Prosecutors Trustee	Lewis	Prosecuting Attorney
Alan Botzheim	Sheriffs Trustee	Pend Oreille	Sheriff
Kirke Sievers	Trustee at Large Position 2	Snohomish	Treasurer
Milene Henley	Trustee at Large Position 6	San Juan	Auditor

1) Call to Order

Tim Davidson, President called the meeting to order at 10:02 a.m.

2) Roll Call of Attending Members

President Davidson called for a roll call noting the absences of Kirke Sievers, Alan Botzheim, Jonathan Meyer, and Milene Henley.

3) Changes to Agenda

President Davidson called for any changes to the Agenda. Dianne Dorey, Secretary/Treasurer **MOVED** to adopt the proposed Agenda. Carolyn Weikel, Immediate Past-President **SECONDED** the motion. The **MOTION CARRIED** unanimously.

4) Approval of Minutes

Lisa Frazier, Trustee at Large Position 4 **MOVED** to adopt March 15, 2016 minutes as presented. Jerry Pettit, Trustee at Large Position 5 **SECONDED** the motion.

Immediate Past-President Weikel asked when is it appropriate to report back on action items presented in the previous meetings minutes?

Peggy Semprimoznik, Clerks Trustee asked for clarification on items discussed in old business.

Scott Blonien, Executive Director clarified that it was conference education and duration.

Trustee Semprimoznik noted that the sentence starting “Vice-President Ownbey” on the last paragraph of page six needs to have the word “she” placed between “that” and “2nd”.

Keith Willnauer, Past-President noted that he attended by teleconference.

Trustee at Large Frazier **AMENDED** the motion to include Past-President Willnauer’s change in status and to change the grammar of the old business sentence to add clarification. Trustee at Large Pettit **SECONDED** the amendment

The **MOTION CARRIED** unanimously.

President Davidson stated that action items should be listed under old business and discussed at that time.

5) Executive Directors Report

Executive Director Blonien explained TCTV station camera and usage. Thanked Timothy Grisham, Director of Member Services - Communications.

Executive Director Blonien discussed courthouse visits, affiliate trainings, and attending conferences. Executive Director Blonien discussed visiting Asotin, Garfield, Benton and Franklin counties and realizing the staffing shortages and funding in small counties in a visceral way. Executive Director Blonien stated he would work with the Board to get services to them without the need to be out of the office. Much of this will be online.

Executive Director Blonien stated that to date he has visited: Asotin, Columbia, Garfield, Benton, Franklin, Klickitat, Skamania, Walla Walla, Yakima, Kittitas, Island, and Spokane counties.

a. The 2017 Session Preparations and Assignments

Executive Director Blonien 2016 session was very successful had 5 bills passed in the 2016 session. Want 2017 to build on successes and relationships formed in 2016. Some duties in 2017 will be rearranged.

Executive Director Blonien applauded Monty Cobb, Policy Director & General Counsel and Mike Shaw, Contract Lobbyist; stating that as a team they combined subject matter expertise and access to move priority legislation forward.

Executive Director Blonien stated that 2017 is shaping up to have a large impact to counties due to judgments against state creating budget shortfalls. He continued, not only will WACO have priority bills, but also there will be much more defensive work as the state looks at funding to pay off judgments.

Executive Director Blonien stated that affiliate work has began on selecting their priority legislation requests. The request packets are due July 15 to Monty Cobb.

Monty Cobb clarified that the treasurers meet July 25 and 26 and it has been worked out with their legislative chair on submitting the request.

Executive Director Blonien stated that there is a fee increase bill and policy clean up bill being worked on by auditors. He stated that the coroners are working on legislation for training dollars, while the sheriffs are looking at regional drug taskforce funding. Executive Director Blonien stated that the clerks are working on a policy clean up bill as well, and perhaps a bail bonds bill. Executive Director Blonien stated that the assessors are looking at possible exemptions and policy clean up for potential legislation.

Executive Director Blonien stated that he is on a public disclosure committee formed by legislature and hopes that that legislation comes out of it next year. He stated that there was a House General Government & Information Technology public disclosure hearing July 12 that focused not on exemptions, and abuse, but a financial standpoint.

Immediate Past-President Weikel asked who are the stakeholders.

Executive Director Blonien stated that the committee has 93 members with a large net including open government groups, the press, counties, cities, and state agencies.

Immediate Past-President Weikel asked whether the members of the committee were elected officials or IT department members because she is concerned about software discussions without IT staff present.

Executive Director Blonien stated that he did not know specifically about IT staff.

Trustee at Large Pettit asked whether the committee is comprised of local elected officials or WSAC, WAPA, AWC, and WACO.

Executive Director Blonien clarified that it was the associations.

b. FSI and WACO's Role

Executive Director Blonien stated that WSAC pushed for the lift of the levy lid in 2015, did not in 2016, but will again in 2017 in hopes that if state lifts tax levy lids for *McCleary* and other judgments, that counties can ride the coattails. He stated that WSAC has taken the lead and hired a contractor who has advised them to market it as criminal protection. Executive Director Blonien stated that he is not comfortable with the strategy as it is not inclusive of all elected offices, and funding may be allocated in a siloed manner out of that approach. He continued, WACO staff discussed approaching it from a WACO prospective and not the WSAC perspective to tell a larger courthouse family story. This approach may be used it without conflicting with WSAC's efforts.

Barb Miner, Trustee at Large Position 1 asked if there strategy is criminal justice, is there a stronger chance of that funding only going to criminal justice.

Executive Director Blonien stated that he is concerned for the potential of only arguing criminal justice may lead the legislature to make lifting the levy contingent on allocated funds.

Ron Strabbing, Treasurers Trustee stated that this has been WSAC's modus in the past and that out of it counties received taxes with supplanting language making it only going to new criminal justice spending.

Mike Lonergan, Assessors Trustee stated that the mental health sales tax is another example of such language.

Monty Cobb stated that the wording is key. FSI is not a levy lid lift; the proposal deals with the limitation of growth in tax authority to 1% plus new construction. He continued to clarify that the WSAC proposal gets rid of the 1% and ties a combination of population and CPI. The counties local control piece is the same as it is now but the percentage would be possible at a higher rate; the current rate proposed is 1-5% tax growth. Monty

stated that WACO has in hearings and conversations given more depth and the county elected officials perspective on the counties side for the past three years.

Dave Cook, Trustee at Large Position 3 stated that the WSAC proposal is limited to 1% plus new construction, , which becomes almost 3% currently. He continued, a lot of people in the state voted against the increase. If WACO wants to continue to support it that is fine, but he would prefer to look at ways to spend less money.

Trustee at Large Pettit asked whether the calculation was based on population or population growth.

Monty Cobb clarified it was by population growth.

Past-President Willnauer added that 1% of new construction at the local level is handled by having a public hearing to approve the increase, and that is where the decision is made. At the state level it happens automatically. In the WSAC proposal, the state will simply take the highest amount without public comment like at the local level. He is concerned about the transparency of the issue on the state level. The backlash of such lack of transparency risks property tax reform. The entire 1% cap came from such backlash to begin with.

Trustee Lonergan stated that he has to agree with Trustee at Large Cook, as well as agree with Past-President Willnauer's background information. He stated that the assessors did not support this change as part of tier 1 of the FSI proposal. Continuing to state that we are in a climate where funds are at risk. Sound Transit is opening in three counties where there is an attempt to get a portion of property tax, tax revolt is real in many states, so caution is needed. Trustee Lonergan stated that in Pierce County the sheriffs are thinking of asking voters for a levy lift to approve improvements they are requesting.

Trustee at Large Pettit reminded the Board that there is also a \$30 car tax initiative circulating.

Secretary/Treasurer Dorey stated that in the times when we had a recession, new construction dropped off. Now that we are post-recession we see new construction increasing. This means that now that there is more construction there is added dollars for the FSI lid where there was not at one time for time.

- c. Affiliate Legislative Proposals**
- d. WACO Annual Conference**

Executive Director Blonien discussed the conference draft agenda. Spoke about Bruce Lawson stating that he will discuss how to put together fiscal packages to bring to your county commissioners.

i. Sponsors

Executive Director Blonien provided numbers on current sponsors. WCIF is currently signed up to sponsor.

ii. Vendors

Executive Director Blonien provided numbers on current vendors. There are currently 17 vendors signed up for the conference, with additional four vendors giving verbal confirmation, four additional are very close.

iii. Registration

Executive Director Blonien provided numbers on current registration: 30 Members (returning), two first time attendees, and three employee incentive registrations.

Executive Director Blonien shared a chart discussing registration numbers comparing 2015 and 2016. The chart illustrated that we are outpacing our 2015 registration.

Tammie Ownbey, Vice-President stated she was unaware that there was a LFO discussion.

Ilene Thomson, 2nd Vice-President stated that WAPA is helping with the discussion with multiple topics. There will be panel from each affiliate group. Specifics will be shared at a later date.

Vice-President Ownbey cautioned against cutting affiliate meeting time on Thursday to 2 hours stating that she can't imagine people staying Friday with this change. She continued to state that she does not like to have the affiliate time cut, nor business meeting moved off of Friday.

Trustee Lonergan asked what is "alternate pay strategies" on the draft conference agenda.

Executive Director Blonien stated that Bruce Lawson would talk about making business packages, including staffing, to bring to your commissioners for your office.

2nd Vice-President Thomson stated that he typically discusses classification pay for employees.

Executive Director Blonien clarified that after talking to him, he asked him to discuss how to put together a business argument for funding.

Trustee Lonergan stated that retitling that section is needed.

Immediate Past-President Weikel agreed a better title is needed, stating there is also three hours of affiliate time on Tuesday afternoon, and two hours on Thursday. Immediate Past-President Weikel stated as an auditor we have our own conferences, and I feel this is a WACO conference. Immediate Past-President Weikel explained that she struggles with

the idea of sacrificing WACO time for affiliate time; concluding that she would like to try this amount of time to see if this format works.

Trustee at Large Miner asked what is the newly elected officer event?

Executive Director Blonien clarified that it is what was formerly the banquet. Continuing to state that after surveying the membership, a virtual 50/50 split between choices was received on what to do with the banquet. He continued that WACO is trying to balance a formal banquet with a less formal reception; concluding, we haven't come up with a strong name for it.

Trustee at Large Miner stated that she thinks Friday will be difficult to get people to stay. Stating that she thinks "training" is WACO time. Concluding that it is a different way of thinking, but I don't know if the trade off is good.

Executive Director Blonien asked Trustee at Large Miner, what is your suggestion?

Trustee at Large Miner stated, I think more people will stay on Friday with a business meeting.

2nd Vice-President Thomson stated that the Education Committee fought for the affiliate meetings. Explaining that there originally was only one, but the committee added an additional second two-hour block. She stated, we also suggested the business meeting on Friday as well, but we were given a schedule to move around and had some sticky parts making it difficult.

Executive Director Blonien stated that he would if we can move the business meeting to Friday and Bruce to Thursday if he is available.

President Davidson expressed that he liked that idea. President Davidson thanked the committee, acknowledging the hard job they have. He expressed WACME really appreciates the opportunities given during the round tables. President Davidson agreed with Immediate Past-President Weikel on the affiliate meetings, stating that this is a new way to conduct the conference. He stated that he wanted to try something new and WACO staff will follow up with the membership to see what worked and did not following the conference.

Immediate Past-President Weikel said that it seems that there is a philosophical discussion on "what is the reason that people come to WACO" and "what is the reason that they stay until the last day". Is it affiliate meetings, or is it WACO sponsored events? She continued, some think affiliate meetings, and others feel that WACO events are more important based on their own internal meetings and trainings throughout the year – those people would like more time with WACO. Immediate Past-President Weikel concluded we have two concepts, where do we want to go.

Vice-President Ownbey expressed concern over hearing that the Education Committee and Executive Director Blonien may not be on the same page. She stated that whatever the decision is, it has to be made quickly so that affiliates can plan accordingly. Vice-President Ownbey provided information that the clerks meet only twice a year, and that their affiliate time is used as their board meeting and clerk specific training. If time is cut they would need to plan accordingly.

Executive Director Blonien stated that the Education Committee had representation from every affiliate.

2nd Vice-President Thomson stated that the Education Committee is not necessarily disagreeing with Executive Director Blonien. Clarifying that while they didn't make the final draft that they had wanted, in order to fill the time that we were given with the most training things had moved, but there were a lot of discussions on times. She stated that at this point she would hesitate to make changes and take this as a learning lesson and go forward. 2nd Vice-President Thomson expressed that she felt very good that the Education Committee tried to fill the time slots that was given to them.

Trustee at Large Miner stated that she agrees it is late to change everything, and wanted to clarify that I do not think that we do not need a lot of WACO training. She stated, I was advocating putting the business meeting on Friday, not affiliating times.

Trustee Lonergan said, at our last meeting, after a survey of our members, the goal is not to see how long people will stay, some cannot make the entire meeting due to staffing anyhow. The discussion was to compact things as much as possible to make the conference shorter.

Trustee at Large Frazier stated, I disagree you will not have people stay in the evening on Thursday because they will want to leave in the morning. I don't want to make changes, but one option would be if affiliates want training, put it at the end of the conference after WACO's time – it can be an affiliate day.

The Board went on break from 11:14 a.m. and reconvened at 11:24 a.m.

Executive Director Blonien stated that it was his impression that it is up to WACO staff to set the agenda for the conference. He stated that staff worked with the Education Committee, relied on plenary session and surveys to guide the planning, and put together the final agenda. Executive Director Blonien stated that one observation from last year was the business meeting did not have a big draw for Friday; he felt that maybe a better training on Friday would help with that. Regarding the Education Committee, Executive Director Blonien said, I took their advice, thought about it, and didn't agree. I know that change is a risk, but maintaining the status quo would not change or fix anything.

e. WACO Summer Training

Executive Director Blonien stated that there are currently two individuals registered for Tri-Cities, seven for Wenatchee, and 21 for Mt. Vernon. Executive Director Blonien

stated that WACO might have to look at whether regionalization is the way to go in future trainings, or if online training or other methods are better. He noted that in 2015 there were a number of cancellations.

i. Education Survey

Executive Director Blonien discussed the education survey. WACO staff and the Education Committee with the idea to send it to the membership after the conference worked the survey on. Executive Director Blonien solicited for suggestions.

Trustee at Large Miner stated that one email went out stating that WACO was forced not to provide lunch.

Executive Director Blonien clarified that lunches at the trainings were not in the budget. Rates went up for the educator, so we couldn't afford to pay for lunches. He clarified that lunches will be provided, at cost to the attendees.

f. Scholarships

Executive Director Blonien advised that scholarship winners are in the agenda packet.

6) Financial Report

Michell Allert, Administrative and Member Services Support Coordinator provided the Financial Report. Advised first quarter financials were sent out using QuickBooks. If you have questions open for questions.

a. MIP Update

Michell Allert provided the MIP update, time lines, and where the process is and was. Michell Allert explained that year-end work during the conversion stretched out the timeline from the original projection. Michell Allert stated that WAPA was in the original database prior to conversion, but during conversion were moved to a separate database.

Executive Director Blonien stated that WAPA was being run under the WACO tax id, this is now changed with them having their own tax id.

Michell Allert demonstrated expanded cost lines and allocations, explaining that in the past all travel for members was recorded individually in the general ledger; travel is now shown under a single line item and reports can be ran to show the expenses associated with staff and or board members. This provides more detail and better reporting.

Vice-President Ownbey asked whether WACO is running duplicate books during the conversion.

Michell Allert stated that during the conversion duplicating books are being run in both QuickBooks and MIP. She stated that there would be a three month overlap in the books for 2016.

Vice-President Ownbey asked how many months were in QuickBooks.

Michell Allert clarified that only the first quarter was in QuickBooks. Michell Allert said, the MIP task was bigger than anticipated, but by the end of the conversion, I think you will be satisfied. It is more secure, takes less time, and provides better reporting.

b. 2016 First Quarter Financials

Michell Allert stated that WACO is currently at 10,262.07 in the positive. Michell Allert provided a spreadsheet showing the profit and loss.

2nd Vice-President, Thomson stated that on the January month end, there maybe a formula issue on the “budget to actual” “total non dues revenue”.

Michell Allert said that she would make those corrections, and asked if other than that any other questions?

Trustee at Large Pettit thanked Michell Allert for putting the first quarter financials together during the MIP conversion, as it put her behind in other tasks.

Immediate Past-President Weikel stated that WAPA’s payment does not appear to be current, and asked whether it was marked an error in the report.

Michell Allert clarified that during the MIP conversion, she had to go back and do this out of the older QuickBooks system based on request, that she will fix the error for future reporting.

Monty Cobb stated that the number is correct for three months. The total budget is for the year.

Trustee at Large Pettit stated that in the organization he belongs to, they do not do a motion to approve or accept statements, the President then just sends to an Audit Committee.

Trustee Lonergan stated that he was lead to believe the Audit Committee was supposed to give a statement quarterly.

Trustee at Large Pettit explained that the Audit Committee gives a statement based on a review of the quarterlies, but it is at a lower level than the Board discusses.

c. Report of Independent Audit

Michell Allert asked for questions on the draft Audit Report.

Trustee Lonergan stated that the audit letter is to the Board, and the Board should be the ones engaging the auditors, and be available to attend the exit interview. He continued,

we need to exercise this role whether through the Secretary/Treasurer or another manner, but there needs to be that opportunity.

Michell Allert stated that this has not happened, as it is a new process. This is only the second outside audit. In other non-profits that she worked for this is how it would transpire at both the beginning and the end of the audit.

Trustee at Large Pettit stated that the outside audit stated, “we expressed an unqualified opinion” on the financials. This means there was nothing of concern in the audit.

Secretary/Treasurer Dorey stated that she and Val Barschaw both have a background in accounting. She noted the need for Audit Committee member and Executive Director training; continuing to note there is also a lack of policies. She stated that she would like to see this in place prior to Board elections.

7) Financial Report

a. Conference Marketing

Timothy Grisham, Director of Member Services – Communications stated that the 2016 Conference save the date has been on the top of every Courthouse Journal since November 2015, as well as each mailing sent by Mailchimp or Civicplus for a total of 27 mailings.

Additionally the live link of the conference registration site to date has been sent in the Courthouse Journal, a supplemental Mailchimp mailing, a supplemental CivicPlus Mailing, and two direct emails; each of these pieces of info sharing go to every member of WACO. Since marketing of the conference began WACO has received a total of 7 bounced emails, out of a possible 7263 (so we have a .09% bounce rate, this is remarkably low.)

In addition, to date there have been six dedicated CHJ articles about the conference, 3 from our keynote speaker, and 3 from WACO staff. Additionally it has been heavily discussed on social media.

b. Summer Training Marketing

Timothy Grisham stated that summer training marketing was often times in tandem with the conference. The summer training was discussed in three Courthouse Journals to date, and the same supplemental emails as the conference. Thus the bounce rate and any metrics are tied with the exception of social media as they went out in separate posts.

c. Courthouse Journal – Readership/Shift in Content

Timothy Grisham stated that Courthouse Journal “opens” have hovered between 33-38% for some time, “opens” are defined as actually opened on a server that provides such information (outlook, exchange, and pop servers). This is well above the government industry average of 23.6%. Additionally, it mirrors to a great extent the percentage of WACO members who attend the Annual Conference; so there may be a correlation between opens and engaged members.

Timothy Grisham explained that over the last year the CHJ has evolved greatly, and has become vastly more robust than it had been when it was initially re-launched. Now there are pieces on what WACO is working on, as well as pieces of interest to the membership at large.

d. WACO website – Online Videos

Timothy Grisham stated that since April 2015 WACO has produced 34 videos and have received over 733 complete plays (defined as over 90% viewed). Members and viewers have watched over 4 days, 18 hours, and 17 minutes of footage to date, with an average view of 9 minutes 21 seconds. This is a high level of engagement. The management and supervisory training academy videos remain the most popular posted, followed by WAPA’s public records training.

Trustee Lonergan asked if there is a wish list equipment of software.

Timothy Grisham stated that his process for building communications tools relies heavily on assessing the fiscal feasibility of such tools. This is why efforts have been made to secure reduced cost or free avenues for building infrastructure such as partnering with TCTV. He continued that WACO member feedback whether something works, doesn’t work, on tools or ideas they saw elsewhere they like is the greatest gift he can have, as it helps drive his planning process and is more valuable than gadgets.

Immediate Past-President Weikel stated that she is interested in the statistical data and hopes that members read it. She asked whether you can drill down on analytics to the user level and stated that perhaps she should tell her staff to watch the training videos, and challenged other members to do the same thing in their office.

Vice-President Ownbey asked if the Citrix videoconference has increased to allow simultaneous video streaming for 9 people?

Timothy Grisham stated that he will follow up with Citrix to determine if this has occurred as of yet, stating that there hasn’t been a need beyond six since the issue was first brought up.

Vice-President Ownbey stated that in December it would help to have 12 and that management of that is important and should be added to the September Board meeting discussion.

Timothy Grisham stated that with too many videos at once you have bandwidth issues. He suggested that with better camera use management will meet the needs of the webinar. Timothy Grisham suggested that if you are not speaking, you do not need your video camera to be “up”. It also is a good way to signal that you wish to speak, for moderation to only bring your camera “up” when speaking, or wish to speak.

President Davidson stated that he had 20 members on a federal call recently, all in one meeting, in different time zones, and states. He said, whoever is talking is on video, not all at once, they are the primary person. President Davidson added that people without cameras called in, and you can still hear their voice.

Vice-President Ownbey stated that between now and December it is not expensive to get a camera. Getting one in time and test with Timothy Grisham is very important.

Timothy Grisham stated that there is training available online as well.

Past-President Willnauer stated that Whatcom County has managed computing philosophy, and is working on camera. He continued to comment that the Budget Committee meetings worked really well. Past-President Willnauer asked, what is the record retention for the recording?

Timothy Grisham explained that it would be the same for any notes or minutes taken during the meeting. That it is not the format that dictates the retention, but the record itself. He continued to explain that some webinars are live feeds and not taped so there is no record to retain, it is a transitory product. He urged careful thought in deciding what is “live” and what is “recorded”.

8) Legislation and Member Support Report

Monty Cobb, Policy Director provided a report on current legislative and member support activities.

a. Amicus Efforts

i. Spokane and Tucson Cases

Monty Cobb stated that WACO signed on to Tucson case on district based voting; it is a Attorney General Office brief, which is waiting to have hearing. Monty Cobb stated hat the City of Spokane attempted to create its own senior exemption, WACO filed brief on behalf of the Spokane County Treasurer and Assessor, the case is in the Division 3 Court of Appeals. The brief touches on legal arguments and perspectives that support treasurers and assessors, it also weaves in realities on office workload dealing with exemptions.

b. Member Education

i. Case Law Updates

Monty Cobb stated that WAPA reviews court cases as they are issued. He continued to state that WACO started doing that on a selective level to members. For example, LFO cases sent to clerks. Monty Cobb emphasized that WACO does not give legal advice, and also explained prosecutor responsibility in regards to providing legal advice to county elected officials. Monty Cobb said that 8 to 10 such case notifications have been completed to date; they come in the form of emails titled “Case of Interest”.

ii. Requests for Assistance

Monty Cobb stated that he has been working on member and legislator requests for assistance. Examples included DNR fire coverage information and a project for King County identifying legislature cuts in years past.

iii. Monty Cobb stated that the treasurers should have got email about federal PILT payments in early July.

c. CRAB – Report of Activities

Monty Cobb stated that the CRAB Board wants to limit usage of diverted road funds . The change went into rulemaking. CRAB has requested a state Attorney Generals Office opinion.. As a result, WACO drafted a letter of opinion that road law enforcement does not end on the road but a spectrum of services under the constitution.

Executive Director Blonien stated that WACO staff is going to start to track rules that affect county offices. CRAB board is a case that impacted multiple offices.

The Board went on break from 12:22 p.m. and reconvened at 1:06 p.m.

Executive Director Blonien announced that Mike Shaw is joining the meeting. Mike Shaw is the contract lobbyist for 2015 and 2016. Executive Director Blonien asked Mike Shaw to speak on his and Monty Cobb’s working relationship – which Executive Director Blonien characterized as a great combination of access and knowledge.

Mike Shaw provided introduction of 2017 legislative session possibilities. He stated that the first year as a team with Monty Cobb WACO had two signed bills, this year four. He stated that 2017 would be challenging as the legislature looks for funds to fill a budget gap.

Mike Shaw discussed the 1% cap question on FSI, feeling that November election results will be a big determining factor of 2017 session votes. Mike Shaw noted that control of the House and Senate is not determined at this point.

Mike Shaw opened floor for questions.

Past-President Willnauer asked if there is an opportunity for a broader coalition of local jurisdictions to prepare for the 2017 session hurdles in regards to funding.

Mike Shaw stated that he attended a meeting that had representatives from unions, counties, fire districts, and the City of Seattle where a lot of talk of building a stronger coalition.

Trustee at Large Miner asked what is the biggest ticket item that can be eliminated from counties?

Mike Shaw stated that when King County went through the issues the data seemed confusing. So understanding this will be a big issue.

Secretary/Treasurer Dorey asked whether there is going to be a difference in the budget negotiations based on who will be Governor in 2017?

Mike Shaw stated that the reality of the funding because of court decisions means that he doesn't think it will make a big impact in negotiation process.

Executive Director Blonien asked if there is any sense of income tax as an option.

Mike Shaw stated that he heard that a capital gains tax would be put forth, with the caveat that he is sure you will hear everything. He concluded that recently, an income tax lost at a vote put out to the people.

Past-President Willnauer asked how can WACO leverage growing support in the legislature for local government.

Mike Shaw stated that at the end of session when members caucus there will be a list of must haves before ending the legislative session; and that is an opportunity to build a group to advocate for fixes to county property taxes and other issues before the gavel hits.

Dan Blasdel, Coroners Trustee asked what is appropriate for thank yous.

Mike Shaw stated that any thing over 25 dollars would have to be reported.

Trustee at Large Pettit stated that last year the legislature tried to eliminate county funds sent to the state for redistribution, so really everything is on the table.

9) Old Business

Immediate Past-President Weikel stated that she would like to follow up from the March meeting based on the minutes. Immediate Past-President Weikel said that the March minutes asked for survey to reflect on what works best for conference and training dates.

President Davidson stated that after the meeting he decided that the survey would go out after the conference to have a better understanding of current scheduling and how to move forward.

Immediate Past-President Weikel stated that the minutes asked for a status update on the 2015 Annual Report.

Executive Director Blonien stated that the annual report is currently being printed.

Timothy Grisham further clarified that the 2015 Annual Report is currently online by clicking "resources" on the WACO webpage, that the final version is being printed, and

that Executive Director Blonien had brought draft versions during his spring county visits.

Immediate Past-President Weikel stated that policy manual updates were mentioned in the March 2016 minutes and asked for an update.

President Davidson stated that the WACO policies and bylaws have been put into manual setting, forwarded to Executive Director Blonien and Monty Cobb. A meeting is being scheduled to finalize the manual. President Davidson continued to state that there are policies that need to be developed, and that he would work with WACO staff to finalize that work as well.

Immediate Past-President Weikel asked for an update on the Strategic Plan survey.

President Davidson stated that he had spoken to Debbie Adelstein, Auditors Trustee, and will be working with Executive Director Blonien and third party facilitator to develop survey later this fall.

Trustee Semprimoznik asked for clarification if this survey is separate for the conference survey?

President Davidson stated that one is for the conference; a second is for the Strategic Plan and forming a future vision for WACO.

Trustee Adelstein stated that there are items in the Strategic Plan that had action items that have not happened, are these items going to be completed.

President Davidson stated that some would be completed – and the survey is one.

President Davidson stated that Executive Director Blonien provided job descriptions and evaluation forms for the Committee to complete salary survey and benefit reviews.

10) New Business

a. 2017 Proposed Budget

President Davidson provided background in the budget making process. He stated that Executive Director Blonien first presented a zero balance budget with no increase and severe cuts. The budget committee then went line item by line item to look the need of cut or not. After doing this process the committee came to a decision to go with an increase to continue needed services.

Executive Director Blonien stated that WACO decided to create a reserve to secure long-term operations. So we are not just talking about the operating budget, but also the reserve. In 2015 it was discovered that there was un-allocated funds. The Board withdrew funds from unrestricted funds that were discovered and began creating a reserve. That pool is going to run out. The conversation then went to wanting to both continue to build a reserve fund and what WACO should do for operational capacity. The WACO priorities

drove the discussion on how to fund operations at what level. I think we need to continue to build on 2016 sessions in 2017 and beyond.

Past-President Willnauer said it is important to keep in mind that the unexpended funds came from a few years of high vacancy savings and a few years of operating under capacity. Now that we have a good idea of full, stable yearlong operation budgeting and expenditure looks like we can make recommendations.

Trustee Adelstein asked when was it reaffirmed that WACO wanted to continue the reserve fund.

Executive Director Blonien clarified in the December 2014 Board meeting it was reaffirmed by vote and increased goal amount to 12 months of operations.

Trustee Adelstein stated that might be a high goal to then ask for increases from counties.

Executive Director Blonien stated that he did research, WAPA as an example has 12-month reserve. Executive Director Blonien continued to state that in his research he found that you want to do it based on how your funding is received. In our case some counties pay annual, some quarterly, if any funding pull out happens, the fiscal impact will be devastating. He said, it is my understanding that we need to go forward during such a shortfall, but also work to rebuild relationships to restore funding. If we cut services then the pull out effect could snowball, to stave this off we need an operational safety net.

Immediate Past-President Weikel wanted to talk about budget in view of 2017 legislative session, to let the board know that the Budget Committee did discuss the realities WACO faces in 2017 and that the conversation is reflected in increased lobbying funds and funding to put resources in place to respond to all of the potential grabs that the legislature may do. Immediate Past-President Weikel expressed that the committee didn't want to cut costs prior to any defense. Immediate Past-President Weikel concluded that education is increased modestly as well, and that this is based on members' feedback at the plenary session.

Trustee at Large Pettit stated that he supports what the committee has done, and was asking just how they got there. He said, when I look at 2015 fiscals I see a 53k positive balance, when I see that we are able to contribute without dipping into the reserve. Without that we still have a large amount unrestricted to pull from. The things we need to do despite all this is important to the 2.5% increase is not out of line, as it meets a need to go forward.

Executive Director Blonien said that one of the big uncertainties in our budget is what revenue we can get in sponsors and vendors. Until we have a number of years under our belt to really know how much, it is from one year to another a tenuous number.

Trustee at Large Pettit agreed and supports the direction the committee went.

Trustee Adelstein stated that she keeps getting confused with reserve and excess fund.

Trustee at Large Pettit gave an explanation of net assets; explained unrestricted funds, meaning it can be used on operations based on board direction. He explained that there is a second amount that is restricted, the reserve fund that cannot be used for operations. You are looking at two different things, but there are limitations for use.

Trustee Adelstein said that the question I am getting from one of my counties is why is there a dues increase when there are funds in the bank.

Immediate Past-President Weikel stated that there is 251 thousand dollars in the reserve account. She explained that when Executive Director Blonien was hired there were under-expenditures of 250 thousand dollars. Because of the Board's decision on reserve funds it was decided to shift 50 thousand dollars for under-expenditures each year, and not out of the operating budget until the funds run out. Immediate Past-President Weikel stated that WACO still has the commitment of 50 thousand dollars a year, which now would be out of operating account, to add to reserves.

Trustee Lonergan but it adds up to almost 900 thousand dollars.

Immediate Past-President Weikel clarified that in the reserve is 251 thousand dollars and unrestricted funds there is 150 thousand dollars.

Trustee at Large Pettit said that regardless of the situation, look at your own county, look at your own general fund. In my county we contribute to our rainy day account. We have to have operating funds at a minimum of 3 to 6 months; otherwise you will have a problem paying bills.

Executive Director Blonien stated that to be clear we don't have anywhere near a million dollars in reserve.

Michell Allert clarified that Trustee Lonergan is talking total assets and not cash flow. The cash balance is just above 450k.

Executive Director Blonien said that for the purposes of the checking account Michell Allert initiated the ability to pay annually or quarterly, that will skew the cash on hand. So depending on when you look at the account it skews how you view cash on hand.

Trustee at Large Miner asked why do we use the word reimbursements.

Monty Cobb explained that many years ago the statute that allowed billing to counties, counties said they could not bill for work that has not been provided, out of this came the reimbursement concept; as a general colloquial dues had been used, but it is incorrect. When I started we wanted to emphasize reimbursements to side on correctness and issues with IRS filing status.

Executive Director Blonien discussed the 10% medical increase and employee contribution stating that benefits are in line with what other organizations in Olympia pay. This contribution mirrors WSAC and WAPA. He said, we talk about retention and it is important for WACO's longevity to remain competitive.

Immediate Past-President Weikel stated that the Budget Committee had long discussions about the issue. Recognizing that WACO is not government, nor private entity - but a hybrid that has to remain competitive with both private and public industry.

Immediate Past-President Weikel **MOVED** to accept budget as presented Trustee at Large Pettit **SECONDED** the motion. Discussion opened.

Trustee Adelstein asked how did we come up with 2.5% as opposed as a gradual increase.

President Davidson stated that the Budget Committee started higher and worked down from a higher rate that was discussed.

Trustee Lonergan asked did we increase the 2015 fund balance over 2014.

Michell Allert clarified after the final audit it appears yes.

Trustee at Large Pettit stated the profit went down, but the final cash went up.

Trustee Lonergan said that if we translate these numbers to a county we look fat and are asking for an increase. We ought to adjust our population calculation, and take money from our fund balance before asking for an increase.

Trustee Strabbing said that he thought the narrative that Immediate Past-President Weikel presented was a good explanation on why we need a 2.5% increase. He thinks it is a thoughtful request and should be voted to approve.

Secretary/Treasurer Dorey stated that the odds of 1/5 of taxpayers not paying taxes for a year is pretty small. However, the risk of 1/5 of funding being pulled from WACO is a greater. Secretary/Treasurer Dorey stated that you have to look at the risk versus actuality and that WACO is better off being conservative in regards to risk, concluding that the difference between a county and WACO are very different in this regard.

Trustee Lonergan said that in his experience the reserve is much higher than he would do in any non-profit.

President Davidson asked for any more discussion.

Monty Cobb recapped the initial discussion on what the reserve policy should be. He was acting Executive Director at the time and research dictated between 3 months to 2 years.

It was decided that 2 years was way too fat, 3 months too lean, and came up with one year. The Board directed Budget Committee to review what the reserve should be every few years.

Discussion closed. 10 members voted in **FAVOR**, Trustee at Large Cook, Trustee Adelstein, Trustee Lonergan, and Trustee Semprimoznik voted **OPPOSED**. The **MOTION CARRIED** 10-4.

The Board went on break from 2:28 p.m. and reconvened at 2:42 p.m.

President Davidson : appoint an ad-hoc committee to address issues of dues matrix, reserve amount, and annual contribution moving forward to bring answers at the next board meeting.

b. Audit Committee Report

President Davidson asked the Audit Committee members to discuss the report.

Trustee Lonergan stated that Val Barschaw is Chair of the Audit Committee and can be contacted by phone.

Trustee at Large Pettit stated that a full report to Board was provided by audit committee. He stated that one of the primary functions of the committee by bylaws is an annual review of financial situation and controls. The committee had spirited discussion on many things, but in particular what the role of the committee ought to be. Trustee at Large Pettit stated that there was significant discussion on fraud program. He stated that a checklist provided by Val Barschaw as not discussed with the Audit Committee. Trustee at large went on to say that the Audit Committee reviewed financial situation and affirm that the finances are as stated.

Secretary/Treasurer Dorey thanked everyone who served on the committee, as it was a daunting task without a roadmap. Secretary/Treasurer Dorey continued to state that the bylaws are contradictory and confusing. She stated that the bylaws indicate that no executive officer should be on the committee, but that Secretary/Treasurer should be the Chair. Secretary/Treasurer Dorey expressed that there is a need to clear up the bylaws regarding the Audit Committee. Secretary/Treasurer Dorey stated that Val Barschaw did a great job with little guidance and that this is a beginning of a process - but the Audit Committee needs a road map from the Board based on the expectation should be.

Trustee at Large Pettit stated that there are a few who members that have significant financial and audit experience and there are differences of opinion on what level of detail the Audit Committee should be looking at.

Past-President Willnauer stated that the bylaws simply state with an annual review of the financial condition, activities, and controls of the association. He asked do we want to start there and change those, or define under that charge what the specific action is.

Executive Director Blonien said that one area that got fuzzy was whether every member of the Board needs the financial reports. There was a conclusion that they would be referred to the Audit Committee and then be reported back to the Board quarterly.

Past-President Willnauer asked whether that would be under financial activities, or how it was spent. Is there a flaw at this level in the bylaws?

Trustee Lonergan clarified it does say any other duties as assigned by the President or Board. The make up of the Audit Committee is difficult because the Chair does not hear all the Board of Trustees discussions and it becomes hard to manage. There was significant disagreement for example the audit checklist, I certainly did not sign off on this. I wouldn't look at signature cards; that is why we have a Secretary/Treasurer. I am in favor of making a narrower look at the work of the Committee. Opening the audit, closing the audit, looking at the quarterlies, but the micro level, I think is too far. All this was compounded by the MIP conversion, which we placed demands on Michell Allert that stopped work on the conversion to do the Committees work. Trustee Lonergan stated that he wants to be transparent, and believes Val Barschaw would take the opposite approach and would want to question the small detail including policies and procedures.

Secretary/Treasurer Dorey stated that it has been challenging. Secretary/Treasurer Dorey said that Michell Allert has done a great job at one-person multitasking, during a conversion with the reality that not everything can be done on time. Secretary/Treasurer Dorey stated that information has been difficult to get at times due to the limitations during the conversion. Secretary/Treasurer Dorey re-emphasized the need to clarify bylaws and expand Bylaw 5.4 to define the jobs of the Secretary/Treasurer and Audit Committee. Secretary/Treasurer Dorey stated that she currently has access to the bank records and accounts but is lacking the ability to look at MIP – which will be available shortly. Secretary/Treasurer expressed that it needs to be clear for who ever runs for this position in October what the duties are that they sign off on. Concluding that she would make bylaw change proposals and policy change proposals based on her experience from other organizations.

Trustee Lonergan asked when would we see that.

Secretary/Treasurer Dorey answered that her hope is by September.

Vice-President Ownbey stated that there are very specific days. You have to have it out to the members by 30 days and only one annual shot for bylaw changes.

Vice-President Ownbey said, when I was Secretary/Treasurer I could look at bank statements, and the Audit Committee looked at quarterly reports – but they never got way down into the details. This system was to help the Board who didn't have the experience or time to all do it, also to have outside membership on the Audit Committee to be open and transparent as a board. They would look at the bigger report and bring back the info to the Board because they could do it quicker and more efficient. I believe the need is to be a more general view than what Val Barschaw wishes. We have Secretary/Treasurer

who can give a monthly view, Audit Committee with a quarterly look, the outside audit yearly review.

Immediate Past-President Weikel stated that she thought that Vice-President Ownbey gave a good description of how it should work. Immediate Past-President Weikel wanted to thank the committee and Michell Allert, continuing that she knows it wasn't clear, and wasn't easy. Immediate Past-President Weikel said that the term "financial condition" is not clarified. She said that it is clear that the Board wants the committee to view the financials, but it isn't clear at what level of detail. Immediate Past-President Weikel concluded that the Board needs to define at what level, but does not have to change the bylaws other than conflicts noted.

Monty Cobb stated that in September 2015 the Board adopted a protocol for bylaw changes. It is available on the website.

Immediate Past-President Weikel said that on Secretary/Treasurer Dorey could offer up language now to fix the bylaws, so that the Board can vote on it and follow up on it following the processes outlined in 2015.

Trustee Lonergan stated that Secretary/Treasurer Dorey already read the other portion. 8.6 (third sentence) executive officers other than Secretary/Treasurer cannot serve on the committee.

Trustee at Large Miner stated that Secretary/Treasurer should be chair of the Audit Committee and the decision was not based on this interpretation.

Secretary/Treasurer Dorey stated that the decision for the Secretary/Treasurer to not be the Chair of the Audit Committee based on the question on whether the Secretary/Treasurer should be on the committee or not, and not on the position itself.

Trustee Lonergan stated that it looks like the Audit Committee is out of compliance, five members are on the Committee and there are on the board, if one Board member left it would fix the issue. Trustee Lonergan volunteer to leave.

President Davidson stated that some of these questions need to be determined whether should be in policy or bylaw, part of what I am working toward with these kinds of question is a broader clean up. There is still time to do by the conference.

President Davidson asked if there was anything for good of the order.

Executive Director Blonien stated that the county reimbursement policy was not in writing. He asked Monty Cobb to put this together to help explain what a reimbursement is and put it into policy. Executive Director Blonien stated that he thinks for transparency it should be written down and available. It is a fair articulation on how it is completed. He thanked Monty Cobb for the work.

Immediate Past-President Weikel stated that this is current practice.

Monty Cobb clarified that it was adopted sometime in the 1990s; he recreated form available and obscure information, which is long standing.

Trustee Lonergan stated that if we are asking for an increase we should re-affirm it.

Trustee Lonergan **MOVED** to re-adopt to make available Trustee Adelstein **SECONED** the motion. Discussion opened.

Immediate Past-President Weikel asked Monty Cobb why Snohomish County's contribution was higher than Pierce County, even though Pierce County has a higher population.

Monty Cobb explained is population growth not just population.

Monty Cobb stated the policy doesn't talk about population growth as a factor, the factor is a percentage of population which accounts for growth.

Trustee Lonergan stated it isn't numbers but percentage of total numbers.

Discussion closed. The **MOTION CARRIED** unanimously.

President Davidson asked if there was anything else for the good of the order.

Executive Director Blonien asked members to register for the conference and trainings.

The meeting adjourned at 3:24 p.m.