The Lake County Board of Commissioners met in Work Session on Thursday, February 27, 2014 at 9:00 a.m. The following members were present: Board Chair Dan Shoun and Vice-Chair Bradley J. Winters. Commissioner Ken Kestner was absent from these proceedings. Also present: Commissioners Administrative Assistant Denise Thorsted, Road Master Rick DuMileu, Treasurer Ann Crumrine, Road Department staff Nicki Cobian, Lake County Examiner Member of Press Ryan Bonham and KLCR Radio Member of the Press Mike Warren (recorded today’s session). Number of Public present: 1.

Additions: None
Deletions: None

The Work Session was called to order by Chairman Shoun and the Pledge of Allegiance was recited.

9:00 am – Continued Administration Fee Distribution and Budget Discussion

A brief summary on past discussions was provided by Commissioner Shoun. Discussion began with travel cost distributions for Commissioner travel. In the future, Commissioner Shoun anticipated for specific travel expenses to be paid from the appropriate departments. For example, if a Commissioner were to attend a meeting regarding a topic concerning the Planning Department, those travel expenses were to be paid from the Planning budget.

Current Admin Fee Allocations were as follows:
- Computers Based on number of computers in use
- Finance Based on payroll and accounts payable
- County Counsel Based on use
- Treasurer Based on revenue excluding beginning balances, transfers and Repayment of loans
- Commissioners Based on number of employees per department
- County Services Based on use

Conversation followed on Allocation examples presented. All present expressed appreciation for the opportunity to discuss and review the manner in which Admin Fees are allocated.
Historically, Admin Fees were determined for services that were to benefit multiple functions of County government. Consideration was given on the fairness and the public’s best interest for property taxes and General Fund revenue to simply pay for the cost of doing business or was it better for each function to pay their fair share. Federal guidelines were to be followed. Conversation followed on estimated time allocations provided by the Commissioner’s Assistant and the Business Office.

Break: 9:41 am
Resume: 9:31 am

Commissioner Winters asked for consideration to be given to using year-end budgets rather than budget projections. For instance, if actual year end amounts were used for allocations the total amount would be $595,000 rather than $698,691, lowering the overall dollar amount. Discussion occurred on decisions made in the past for exclusion of allocation such as grants.

In terms of Computer allocation, the Commissioner Assistant had provided an estimated account for time spent on this function (25%). This would mean that the allocation dollar amount would change in order to capture cost for those services but the same formula would be used. The Board agreed to acknowledge the cost for this service and to leave formula as is.

Confirmation was given that County Counsel Allocations changes had been approved during previous discussions: ninety percent allocated to Commissioners and ten percent allocated to those remaining departments.

For County Services Allocations (budgeting, audit, liability ins.), conversation occurred on audit costs and time associated. Discussion followed on actual use estimate and audit processes and costs. Mrs. Crumrine confirmed that the Treasurer time for audit is allocated in the Treasurer Allocation and not allocated Central Services. The largest portion of this budget was confirmed to be the Primary Liability Insurance cost. Discussion occurred.

All agreed that continued reviews concerning Admin Fees were needed. All were comfortable with Commissioner Allocation as it stood.

For the Business Services Allocation, Commissioner Shoun expressed concern with the proposal to charge per transaction (check/accounts payable). He also shared agreement that it would be best to use prior year actuals rather than projected FTEs. Mrs. Crumrine clarified that allocations would be paid based on more than one vendor being equal to one transaction. Example: one vendor with eighteen invoices would equal eighteen transactions. Commissioner Winters added that through this process it was important not to create more work for departments but to streamline these allocations. Conversation followed.

Commissioner Shoun repeated the need to have further review of Admin Fees following this year’s budget process. The Board agreed that it was also necessary for Department Heads to have “buy-in” on this matter and to determine percentages for their own departments during the upcoming year. Commissioner Shoun asked for consideration on changing the allocation on the FTE side of this budget based on actuals and on the A/P side (if possible) to account on a check basis (not transaction basis).

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Commissioner Shoun moved to approve the use of previous year actuals for admin fees for the upcoming budget year. Commissioner Winters second. Motion carried.

There being nothing further to come before the Lake County Board of Commissioners, this meeting adjourned at 10:54 a.m.

Respectfully Submitted,

Denise Thorsted
Administrative Assistant

Board Approval,

Dan Shoun
Chairman

Bradley J. Winters
Vice Chairman

Absent
Ken Kestner
Commissioner