

TERM OF COMMISSION: November Session of the October Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center  
Commission Chambers

PRESENT WERE: Presiding Commissioner Keith Schnarre  
District I Commissioner Karen M. Miller  
District II Commissioner Skip Elkin  
Deputy County Clerk Shawna Victor

The meeting was called to order at

**Subject: Purchasing Department – Second Reading and Authorization to Dispose of Surplus Property**

Marlene Ridgway, Purchasing Department Buyer, was present on behalf of this item.

Marlene Ridgway stated the Information Technology Department has identified and listed items as surplus. The department is requesting approval for disposal through Kemper Auction. These are computer hardware items that are either non-functional or non-applicable for its use.

There was discussion about donating computers to other entities and the licensing agreements that go with the computers.

Commissioner Elkin moved to authorize the disposal of surplus property through Kemper Auction Services as listed on the November 7, 2003 memo from the Purchasing Department.

Commissioner Miller seconded the motion.

There was no discussion and no public comment.

The motion passed 3-0. **Order 520-2003**

**Subject: Public Works – First Reading of Change Order #1 for the Dee Woods Road Restoration Project**

David Mink, Public Works Director, and David Nichols, Design and Construction Manager, were present on behalf of this item.

David Mink stated this is a request for approval of a change order in the amount of \$25,030.60 for the Dee Woods Road Restoration project.

The original Dee Woods Road project contract was approved in the late summer 2001. Construction was delayed due to water line relocation. The project was carried through the winter 2001/2002 and required significant quantities of rock to keep the access open for the citizens that lived on the road.

The final grading was done at the completion of work in the spring 2002. Shortly following the completion, heavy rains eroded the final grade and the result was eroded ditches and no desired vegetation was established.

In 2003, the department continued to receive complaints about the erosion and poor vegetation.

There was a particular problem on the Stone property in addition to the erosion and lack of vegetation, a lot of the gravel that was brought in to maintain access over the winter was scattered about the Stone property. This particular area was a horse pasture, which made it undesirable to use as a horse pasture with the rocks.

The department continued to work with the original contractor to restore the Stone property and the original contractor did work in 2003.

The department developed specifications for the restoration project of all the right of way on Dee Woods Road to try to resolve reoccurring problems. The department took a conservative approach in developing the specifications and tried to do the least amount they thought would solve the problem. The department did include the Stone property as an alternate since the department was not sure if the original contractor would be able to solve the problem.

The contractor was doing good work on the project.

On October 8, 2003 in worksession the Stone property alternate was discussed and it was decided to authorize the work be done on the Stone property in addition to the original work.

The department became aware of a quantity overrun around October 21, 2003. He believes both the contractor and the department were interested in achieving a quality outcome and were getting quality work. He is not sure that either party realized that the established specifications parameter was being exceeded.

The department had a meeting with the contractor and Commissioner Miller on-site on October 27, 2003 to discuss the situation. They requested the contractor to provide cost estimates for what the contractor perceived as additional costs. The department received the paper work indicating an overrun, in addition to the alternate that was approved, of approximately \$27,000. The contractor did allow for a discount of almost one-third, around \$9,000. The total, including the alternate, is now approximately \$25,000. This

was discussed on October 28, 2003 in a worksession.

The department is very pleased with the ultimate outcome of the work. There is enough erosion protection and established vegetation that the department feels this has resolved the problems that had been experienced with this project.

Commissioner Schnarre asked how much the alternate was. Mr. Mink stated it was \$6,372.40.

Commissioner Miller stated when she met with the contractor and the department on-site because a problem had been identified; she spoke with the dozer operators. The project was to bring in black dirt and smooth out the hillsides so they could be mowed and seeded it with a quality mixture. In the original scope of the project was to only do the ditch line and nothing above. The property owners, above the ditch line that had been scrapped in the process of building this road, would have had a substandard section. When the dozer operator was out there, he thought he was supposed to fix the whole area that was disturbed in the beginning. This is how the problem came about because the operator had gone back and fixed everything that he disturbed in the beginning of building the road and this was not the scope of the project. This is the reason for the discount because both the contractor and the County had responsibility. She believes the department supervisor overseeing the project should have identified the work begin done was outside of the scope. Commissioner Miller stated both parties are to blame for the overage.

She noted the contractor's discount is almost \$10,000 on the overruns. The contractor had hired an outside contractor to bring in the dirt and these were costs out of his pocket. This is the resolution that has been agreed upon, and she recommends approval of the change order.

Commissioner Schnarre asked if the original contract included reseeding and if there was any guarantee on the success of the reseeding. Mr. Mink stated the original contractor did do the final grading and seeding. The specifications were probably a little on erosion blankets and other items that would have helped prevent this. The original contractor did, for the most part, what was required of him. He did work with the department on the Stone property and tried to rid the property of the extra rock, mostly by bringing in soil to cover the rocks. The original contractor did make that effort to fix the Stone property.

Commissioner Schnarre asked if at that time there were any specs on the seeding. Mr. Mink stated in retrospect, the department has made improvements to the specs that the department used for this restoration project and those have become the new standard. The seeding that was originally done was light. The specs used for this project basically designed for a rural setting where maybe it would not be quite as important to reestablish lawns. Dee Woods Road is fairly well developed and there are a lot of lawns. The department has now realized when there are established lawns there will be more effort put into the restoration.

Commissioner Elkin asked how much the original contract amount was. David Nichols asked for clarification of the amount for the restoration or the original project.

Commissioner Elkin stated the original project.

Mr. Nichols stated the original project was \$385,651.

Mr. Mink noted this amount was for the construction only. There were additional costs for utility relocation and right of way purchases that he assumes were done before 2001.

Mr. Nichols stated the original contract to JCI was \$401,614 and believes there was \$15,000 to \$16,000 in construction change orders during the project. At the end of the project, the department had deducted for the fencing.

Commissioner Schnarre asked if the Stone property was part of the contract with JCI. Mr. Mink stated the department began discussions with JCI to resolve the problems on the Stone property. Discussions began in late April or early May 2003 (?). The department thought if JCI was able to get out there quickly they would be able to establish vegetation in the spring. But it took JCI a while to get the dirt brought in and graded and they did not seed it until early July. JCI did do the work but the department was skeptical that the seeding would work. This is why the department included this as an alternate for the restoration project.

Commissioner Elkin asked what the total project cost is today. Mr. Nichols stated the design costs were approximately \$34,000; utility relocation was approximately \$62,000; right of way acquisition was approximately \$42,000. This made the total project cost approximately \$540,000 or \$134 per lineal foot. This cost is lower than the estimates for other road construction projects. The cost for a road project is usually between \$175 and \$225 per lineal foot. He believes this is within a typical cost for a reconstruction project.

Commissioner Elkin asked why the cost was so low. Mr. Nichols stated the design, utility relocation, and right of way costs occurred in prior years to the actual construction. He believes each cost was within the budget for this project. The original estimate for the project was set and when it came time for final development plan, the cost was around \$385,000. He is not sure what the budget was for this project. There was also a contingency the change orders fell within.

Mr. Mink stated he is not sure but believes this project was designed a few years before the actual construction.

Mr. Nichols stated there were some design questions during the design phase of this project.

Mr. Mink stated there have been policy changes since he has been with the department regarding the slope of a driveway in a reconstruction project.

Commissioner Schnarre asked if the design for this project was contracted out. Mr. Nichols stated that is correct, TH and H did the design work for this project.

Mr. Mink stated if the restoration project is added in with the original project, the lineal foot price is under \$155 per lineal foot.

Commissioner Schnarre stated he believes the biggest problem has been and believes they have worked to solve it, is the specs for the restoration projects, the seed mixture and top soil that will be used in the future.

Mr. Mink noted the proposed projects for 2004 have tighter restoration specifications. This will increase the initial cost but he hopes it will result in a better outcome.

There was discussion about policy changes for future projects to make sure project specifications will not be overrun.

There was no further discussion on this item.

Commissioner Schnarre stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available meeting with an appropriate order for approval.

**Subject: Second Reading and Approval of Recommendation from Road and Bridge Advisory Committee for Variance for Lot 50 Breezewood Estates**

Commissioner Miller moved to approve the following recommendation from the Road and Bridge Advisory Committee:

- To waive the requirement of building a sidewalk on both sides of a corner lot for Breezewood Subdivision, Lot 50 for building/owner Danny Sattler. A sidewalk will not be required on the west side of Lot 50.

Commissioner Elkin seconded the motion.

There was no discussion and no public comment.

The motion passed 3-0. **Order 521-2003**

Commissioner Miller commented on Proposition 2 projects as identified in a local paper. She reviews the information used during the Proposition 2 campaign, specific projects were not named in the literature or overhead presentations during Proposition 2.

**Subject: Adopt 2004 Boone County Holiday Schedule**

Commissioner Elkin moved to declare the Boone County Holiday Schedule for year 2004 will be in agreement with Public Holiday List from State Offices issued by the Office of the Governor, State of Missouri. Any holiday adopted by the Office of the Governor will automatically be adopted by Boone County.

Commissioner Miller seconded the motion.

There was no discussion and no public comment.

The motion passed 3-0. **Order 522-2003**

**Subject: Auditor's Office – Presentation of 2004 Proposed Budget**

June Pitchford, Boone County Auditor, was present on behalf of this item.

June Pitchford read the following memo:

This memo is intended to provide you with a general overview and background information pertaining to the Proposed 2004 Budget. Attached are copies of fund statements (for the County's most significant funds) as well as an updated copy of the Supplemental Requests.

*Overall General Budgetary Approach*

When I distributed budget packets this past summer, I included a memo outlining the key issues that I expected to address in the 2004 Budget. Several of these issues represented continuation of initiatives begun in prior years (i.e., final implementation of the salary plan, ensuring fund solvency for the county's self-insured health fund, incorporating increased operating costs associated with the new health department facility, etc.). Other statutory costs, such as election costs and jail costs, are mandatory and have been incorporated into the budget as well.

During the budget review process, other unexpected budget issues presented themselves and I communicated these to you at our September 30<sup>th</sup> meeting. The most significant items included unexpected reductions in state revenues, primarily at JJC and the assessment fund, an increase in the county's share of operating costs at Joint Communications (based on dispatch statistics), and unexpected significant jail-related costs. At our September 30<sup>th</sup> meeting, I also described the underlying revenue assumptions I was using for budget development; these have remained largely unchanged.

In the Proposed Budget, I have addressed all of the budget priorities and issues referred to above to the best of my ability, given the information available at this time. This is

consistent with the approach I have used in prior years.

What is different from previous years is that beyond these budget priorities, I am making very few recommendations to the Commission regarding the many other general fund supplemental requests that were submitted to me. My reason for doing so is as follows. The budget I am presenting to the Commission provides the resources required to address the issues referred to above and to ensure continued provision of basic governmental services. The appropriations needed to accomplish this will most likely result in a depletion of fund balance for FY 2004. This is not to say that additional spending should not be authorized; rather, it is simply that I believe the County Commission is the appropriate body to determine the extent to which County reserves should be further reduced and for what purposes such reductions should occur.

Elected Officials have had an opportunity to meet with you over the past few weeks to present and discuss their requests. Additionally, the Commission meets regularly with its Department Directors; as a result, the Commission is familiar with their requests as well. At this point in the process, you have a fairly good understanding of the various requests that have been submitted and the complex issues related to some of them. This will undoubtedly assist you as you consider any additional funding allocations you wish to make. It is important that you, other elected officials, department directors, and outside entities understand that my decision to not include specific request(s) in my proposed budget is not intended to convey any particular message of non-support, but rather is a reflection of the fiscal constraints facing the County.

*Significant Budget Priorities Addressed in the Proposed Budget*

Key items in the FY 2004 budget include the following:

- Final Implementation of the Pay Plan (approximate budgetary impact: \$250,000)
- Provision of a merit pool , including court (approximate budgetary impact: \$250,000)
- Market Survey to update the County's Pay Plan (approximate budgetary impact: \$17,000)
- Increased County Employee Health Insurance Premiums (approximate budgetary impact: \$170,000)
- Increased operating costs at the new Health Department, partial year only in 2004 (approximate budgetary impact: \$75,000)
- Election-related costs (approximate budgetary impact: \$650,000)
- AS400 upgrade and other ITAC-recommended computer equipment (approximate budgetary impact: \$150,000)
- Increase in the County's share of Joint Communication and Information Center operating costs (approximate budgetary impact: \$50,000)
- Increase in contract housing and medical costs for inmates (approximate budgetary impact: \$55,000) NOTE: Cost management work continues in these areas. These budgetary estimates are very "soft" and additional resources could be required if cost management efforts are not effective

- Required emergency appropriation- general fund (\$650,000) which equals 3% of expenditures
- Funding for off-site contractual record storage (Commissioner Miller's record storage project); routine vehicle and other equipment replacement; and completion of Prop L equipment purchases for the Sheriff.

*Status of Fund Balance(s)*

Except for the Prosecuting Attorney Bad Check Fund, all of the funds included in the budget are projected to be solvent at the end of 2004. The Prosecuting Attorney is responsible for the PA Bad Check Fund and you are aware of the request that has been made for certain expenditures to be transferred to the General Fund in order to ensure fund solvency. I believe this is a very significant and sensitive issue and requires careful and more thorough consideration before proceeding; therefore I have not incorporated it into this budget; as a result, the fund is shown with a deficit balance at this time.

The FY 2004 Road and Bridge budget is expected to meet the desired minimum fund balance of \$750,000, or 5% of expenditures, at the end of the year. For FY2004, a new account will be created for major maintenance projects.

The Law Enforcement Services Fund is projected to have approximately \$380,000 designated for future Prop L requirements (for instance, the law enforcement and judicial information system and future inmate housing) while maintaining a minimum undesignated/unreserved fund balance of \$250,000, or 10% of expenditures. There is no funding for future building expansions and the intent is to use revenues accumulated to meet future out of county housing needs.

The Assessment Fund is projected to have a fund balance of approximately \$600,000 at the end of 2004. The budget reflects a slight reduction in fund balance; however, whether or not this actually occurs depends on state funding and the level of actual spending.

The General Fund is projected to end FY 2004 with an undesignated/unreserved fund balance of \$ 4.1 million, or 18% of expenditures. The budget calls for using approximately \$2.1 million in reserves, which includes a \$650,000 statutory emergency appropriation. However, if actual spending for FY 2004 is consistent with prior years, I predict that the actual spend-down of reserves will be far less. Excluding the emergency appropriation, I estimate that the actual amount of reserves used by the proposed operating budget could vary between \$100,000 (assuming a 94% spending ratio) and \$1.1 million (assuming a 98% spending ratio). The average spending ratio for the past 4 years is 95%. If this spending ratio is applied to the FY 2004 proposed budget, it results in a spend-down of reserves of approximately \$300,000. It is unknown with the final implementation of the pay plan as to what is to be expected. A cautious approach was taken in developing the budget. This is a very difficult component of the budget to predict and it is very important that the Commission understand how fluctuations in the spending ratio will impact the actual amount of reserves that will be used in any given year.

As you are aware, the County operates many funds in addition to those discussed above. Detailed fund statements will be included in the budget document for each of these funds.

*Future Budget Priorities to Keep in Mind*

As the Commission considers whether or not to increase the overall spending in the General Fund, I recommend that you consider the following:

- Additional costs associated with *full-year* operation of the Health Department will need to be incorporated into the FY 2005 budget (the FY 2004 budget includes only a partial year impact)
- Routine computer equipment replacement appropriations will be needed in 2005 and beyond. The Information Technology Department is developing a proposed plan for scheduled equipment replacement for Information Technology Advisory Committee's review. Once approved, this plan is intended to provide general guidance for future annual funding allocations. It is unknown at this time whether the annual amount will compare similarly to recent funding allocations or will require an increased funding level.
- Although the FY 2004 budget does not *assume* any further reductions in state funding, such an occurrence is possible and it could significantly impact the County's operating revenues.
- The County Commission has been responsive to the repeated requests of elected officials and department directors to improve salaries and wages and the FY 2004 budget marks completion of a three-year implementation of the funding requirements needed for the County's Salary Plan. The FY 2004 budget also includes funding to obtain current market data and update the salary plan. I believe it is reasonable to expect increased appropriations will be required in FY 2005 in order to maintain the plan. NOTE: One of the results of the County's three-year effort to improve the competitiveness of salaries and maintain benefits is that we now spend a higher proportion of our annual budget on personnel costs. In the General Fund, approximately 58% of our expenditures, excluding emergency, are for personnel. (Ten years ago, this ratio was 50%. Of course, some of this growth has been due to additional FTEs as well as increasing wage levels.) In the General Fund 2004 Budget, all of the sales tax revenue and all of the property tax revenue plus an additional \$400,000 from other revenue sources is required just to cover payroll and benefits. Clearly, this has significant implications for the County.

Mrs. Pitchford noted there is a proposed 7% increase in the general fund for FY2004. The majority of this increase is attributable to election costs. All budgets combined reflect a proposed 3% increase.

Mrs. Pitchford reviewed the details for the general fund, assessment fund, road and bridge fund, and Proposition L fund.

There was discussion about election costs and how those are handled.

There are no new full-time positions proposed in FY2004 except those proposed with Proposition L funds.

Mrs. Pitchford reviewed the supplemental requests to the proposed FY2004 budget.

Commissioner Miller thanked Mrs. Pitchford and her staff for her work on the budget and keeping the components of the budget at manageable levels so services and employees do not have to be cut.

There was no further discussion on this item.

### **Commissioner Reports**

*Commissioner Schnarre*

#### *Notice of Voluntary Annexation*

Commissioner Schnarre stated the County has been notified of a voluntary annexation of 9.39 acres of land owned by the City of Columbia, located at the western terminus of Manhasset Drive, south of Smith Drive.

*Commissioner Miller*

No reports at this time.

*Commissioner Elkin*

No reports at this time.

The meeting was adjourned at 10:45 a.m.

Attest:

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Keith Schnarre  
Presiding Commissioner

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Wendy S. Noren  
Clerk of the County Commission

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Karen M. Miller  
District I Commissioner

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Skip Elkin  
District II Commissioner