January 25, 2019

1. The Ottawa County Board of Commissioners held a special combined meeting with the Ottawa County Excise Board at 3:00 P.M. on January 25, 2019, with the following members present: County Commission's Chairman Chad Masterson, Commissioners Russell Earls and Mike Furnas. District Attorney, Kenny Wright, was also in attendance.

Notice of the meeting was posted at the south door of the Ottawa County Courthouse at 2:44 P.M., January 23, 2019. Commissioners' Meeting Agendas and Minutes can also be found online at ottawa.okcounties.org.

2. Discussion and consideration by both the Board of County Commissioners and the Excise Board of County General Fund Balances. Masterson: Sheriff, how is your budget coming along? Sheriff: The 10% took effect the 20th of this month and we are probably looking at a couple of more that are going to be resigning in the very near future, maybe three, because of the cuts. Wright: Part of the idea with this particular item was that if either of the boards wanted to look at the overall financial health of the County as a whole, that is an important thing to take into consideration when the Boards are looking at the Sheriff's budget and the situation there, but as far as the County's financial situation and what we expected to be projecting through the remainder of the fiscal year. Gatewood: With your pending payroll for this month I am going to reference back to the Excise Boards original restriction of $96,000. That payroll came in excessively higher and I know it is pretty blunt, but, what did that restriction mean to you? Sheriff: A big chunk of that was vacation and comp time that we had to pay out for the folks we had to let go. Gatewood: No, this is from the restriction placed in November for up through the December payroll. The restriction was $96,000, your payroll came in at $138,000. That's $42,000 over that restriction. Sheriff: As I recall, we were partially in the middle of the month when the restriction came on the payroll. Gatewood: Yes, it was effective December 1st. Sheriff: And we implemented a cut on that as far as getting to the staff that we let go without getting into a lot of the technical due to the Executive Session. That's what we are looking at and the additional cuts we did make on the 10% across the board on the staff and then we had one or two more that had resigned or left. We are getting to a point where we are running the bare minimum on all shifts. We are running two deputies a shift and then the jail. I don't know where else to go when it comes the bare minimum and with additional deputies getting ready to resign, which more likely is going to happen, and then we will be looking at CLEET cost to replace those folks, because now we have to pay for CLEET. Masterson: So, we are looking to replace the ones that are going to resign? Sheriff: No, later on, if we do. Masterson: How many did we have resigned recently. Sheriff: We had one in the jail that just resigned and we terminated one this month as well. That was two this month, plus our 10% cost. Gatewood: So that's going to help going forward because you didn't replace any individual. Sheriff: We had to replace one because of the jail stats, because that's running two a shift when we need to be running three a shift. Masterson: So, we lost one and gained one. Sheriff: Yes, for the jail. Earls: Right now, you are running two per shift? Sheriff: Yes. Earls: Total. Sheriff: Total. Earls: One in the tower and one on the floor. Sheriff: Two on the floor, one in the tower. We have to maintain three on the floor but we have two on the floor. Earls: That's three a shift? Sheriff: Three a shift counting the dispatcher. But that doesn't count the floor. Standards and the jail standards say we have to have three on the floor. Due to our head count. Regardless how many inmates we have, that's what they figured it up as. Earls: So regardless of what you have, they base it on… Sheriff: Sheer capacity, yes. Gatewood: So, your next cuts would have to be field personnel. Sheriff: And we made cuts on that. We are running two a shift on that as well. Gatewood: On January 11, Mr. Masterson and I made a trip to your office. You made a cut and you told us in Executive Session

you were going to move people to temps to 24 hours per month at that same time. Sheriff: Starting the 20th. Gatewood: Starting that day we wanted the 10% cut. That was our intention and what we fully intended for you to do. Sheriff: The reports I sent over, it was on the 20th when I put that into effect. Gatewood: Well, undoubtedly, because we moved to this month payroll coming out to be paid. We have a restriction of $90,545. Payroll is coming in at $104,000, so we are in excess of $14,000. The concern is stated in the minutes posted, we have to be looking forward at the remaining dollars to run the County. Sheriff: I agree. Gatewood: Talking to Mr. Turner at the current level, those figures, we're going to wind up at, based on your current spending level, $145,937 to make payroll with, of the general County payroll of $350,000 come payroll for July. June there's only going to be $145,000 left, I think that's been called carry over in the past. There's nothing there. Sheriff: And that's what we are continuing to work on trying to see what we can cut when we are down to bare minimum. Gatewood: We have also talked about this excess equipment machinery. Who have you placed that with? How's that coming along? We thought that would bring in $20,000 to $30,000. Sheriff: Yes, we have an auction… Gatewood: Who's going to handle that, when is that going to be? Sheriff: When we get it in front of the Board and they approve that, we have to put it in the paper, and do the legal part of it. Gatewood: Well, from past performance, if we get it on there, when we get it on there, it's time to get it on there. That's just the way it is because we are at a point where it is crunch time. At this level, and at your current spending level, we can't do it. You are going to be out of money, come March/April. How are you going to pay these folks? Sheriff: That's exactly what we are trying to come up with. We are at the bare minimum as it is and we are trying to do what we can to continue. Gatewood: I have been doing my research and I have run into an item, we are sitting here looking at this month's budget, we thought it was going to be around $20,000, thought we had some cushion but it turns out it was $27,000 with this other employee that you let go added $4,000. Sheriff: He actually resigned. Gatewood: However, following through on that research I find there are federal regulations that require comp time, vacation time, are recorded and kept in those files and that 240 hours for office employees, 480 hours for non-office employees. We need to see those records to make sure we are paying out dollars that we are actually liable for. At this time, Chairman Leonard, Chairman Masterson, I would like to ask for a recess to take the Clerk to obtain those records. Motion made by Earls to recess until we can reconvene with the items needed, Second by Furnas. By vote: Masterson; aye, Earls, aye, Furnas, aye. Chairman Chad Masterson, County Clerk Robyn Mitchell, Excise member Larry Gatewood, Sheriff Floyd, Treasurer Kathy Bowling, and Assessor Becky Smith left the room for the Sheriff's office. Motion made by Earls to reconvene meeting, Second by Furnas. By vote: Masterson; aye, Earls, aye, Furnas, aye. Gatewood: I am pleased to report that all files have been retained, retrieved and going to be a process for the Clerk to put these together. It's an accumulation of missteps that may appear but we will have to make the best of it to help everybody out so that everybody is in compliance with this regulation. The thing that really stuck was if such an agreement or understanding is not in writing a record of existence must be kept. It is imperative. It's not just the Sheriff's department. It is every department. Counselor, is it proper to table the comp and vacation time on those people that are leaving to put them on hold until we can verify? Wright: Table might not be the right word. Payroll comes before the Commissioners to potentially approve Monday, correct? I wouldn't recommend paying the comp time until we can verify. Masterson: So how do we word this? Wright: I don't think we need to take any action today. That is an item we will address Monday when payroll actually comes in front of you. Masterson: But it will be awhile before all of the files will be are gone through, correct? Mitchell: We can concentrate on the people that have recently left. Wright: If we could get those people their appropriate checks on time, that would be fantastic. It might be difficult to do with this being Friday and our meeting is on Monday. Mitchell: I will look over them this weekend. Earls: I have a hypothetical question, Sheriff. If I'm a deputy and I worked my 40 hours and I had to work over, I needed to claim some comp time. How does that work? Sheriff: We have a monthly time sheet that we have them fill out. At the end of the month we have a program that we put all of the comp time into. Wright: Since they are a monthly work period, the weekly part doesn't matter so much, they could work 60 hours of week one, 60 hours of week two, no hours in week three and still be fine. Sheriff: It's up to 171 hours, I believe, max, on the 28-day payroll period. Masterson: Anything else on Item 2? Gatewood: Covered under Item 3, what additional cuts are going to have to be made. It's going to be tough if you come to compliance with the restriction that was placed.

3. Joint discussion and consideration by both the Board of County Commissioners and the Excise Board of possible funding mechanisms for the Ottawa County Sheriff's Office's December/January payroll and possible actions to include a transfer of funds by the Board of County Commissioners with or without conditions precedent and subsequent including required payback of any transferred funds, Ottawa County Sheriff's personnel actions, and restriction of funds; a temporary or permanent lifting or modification by the Excise Board of the Excise Board's November 30, 2018, restriction of the Ottawa County Sheriff's access to the Unencumbered Sheriff's General Fund Account/Sheriff Sales Tax Fund with or without conditions precedent and subsequent including required payback of any transferred funds, Ottawa County Sheriff's personnel actions, and restriction of funds. This item will include possible questions and answers between the Boards and the Ottawa County Sheriff.

Earls: We are at $152,000. Robyn: We are actually at $131,000. Mays: Yes, Sheriff's general. That included the comp time. It's $142,000 if you counted his cash funds that he paid out. Earls: Tell me total out of all of those accounts. Mays: $142,000. Masterson: And the restriction was… Mays: $90,000. Leonard: Sheriff, how are your cash funds coming in and your prisoners' funds and all that? Sheriff: They are not near what they were last year, but we pretty much use all of that in bills and etc. that we have coming in. Leonard: If I understood that right, you used $11,000 this month, is that right? Mays: Yes. Leonard: That came from cash funds? Mays: Yes. Wright: So, if lifting the restriction is left as it is and the restriction back as you voted on January 11 and the entire payroll is made, where does that put the Sheriff for the succeeding months? Mays: He has to have the payroll under $77,000 for general. Weece: Where does comp time come in? Is that included in the $77,000? Mays: If he plans on paying out comp time it has to be included in the $77,000 unless he pays it out of a cash fund, but if you are talking general, it has to be within that $77,000. Weece: It can be paid out of the other fund? Mays: Yes, if there is money there. Leonard: If it isn't already used. Masterson: I think some things that we would like to see happen and very quickly is, number one, the auction started, and see what kind of revenue you can make. Sheriff: That will be on the stuff we sent over for the agenda for the following Monday, not this coming Monday. Masterson: Right, it's too late for this Monday. But I would like to see it on the following Monday. Sheriff: That's what I have planned. Masterson: To see how we are going to handle that. What type of auction are you wanting to do? Will it be a live auction or an online auction? Sheriff: We talked about an online. I think that is going to be our best avenue. Masterson: OK. Who is going to do the IT work for that? Sheriff: We just submit it, basically, on there. Once we get all of the legal approved and you guys approve it, we submit it. It's like putting something on Ebay or something like that. It's about the same format. You put in a description and it goes from there. But it is on a government type-based website. Masterson: Where does the money get sent to? If somebody buys something in California… Sheriff: That's the part I don't know. I don't have that answer. Wright: We have it set up so that, probably, checks are made out to Ottawa County Sheriff. We have to identify general fund or where ever it winds up getting deposited. Masterson: But we will be able to keep a record of that? Wright: Right. Or they can make the checks out to the County, however you decide to do it. Sheriff: I don't even know if we are pre-registered at this point. But when we register all of the stuff will be questions. Gatewood: How are the title to the vehicles? Sheriff: It's just Ottawa County. Weece: Once you get that into effect and you have those items listed, how does that work? Sheriff: Once the Board of County Commissioners approve it, I believe we have to list it in the paper as a legal to show that we are surplusing that equipment. Once that expires then we can actually put that into effect. Wright: That's correct. The Sheriff will have some options with whichever online auction he uses they will have optional ways to sell your stuff, whether that's 30-day window, then the highest bidder at the end of that time gets it. Or you can actually set up a buy now price where you can move stuff a little bit quicker. You can have reserve, no reserve, just like any other auction. Masterson: Does it cost us anything? Wright: It cost a little bit, depending on the site. But it should be equivalent to what you would pay as a percentage if you had a live auction. Leonard: Most online auctions now, they've gone to 10% buyer and seller fees. Between 7% and 10%. Earls: Is there a possibility having material, equipment, whatever, that does not sell? If we have that, what is the backup plan at that point? The reason I'm asking is, if we are going to have to have an on ground open auction at one time, we want to start making plans for that as well. Sheriff: Sure. Earls: So that we don't get to the end of this 30 days and half the stuff didn't sell and we go, now what? Sheriff: I agree. Leonard: It probably depends on whether you put a reserve on it or not. Earls: It would, of course. Sheriff: I think it would be smart to put a minimum, whether it be $500 or $1000 on the reserve so it doesn't come in with some ridiculous bid or something. Earls: Well, then we need to have a second agenda item, if you want to, to have a public auction, and that we would run it through the Board, get it approved, and start getting that set up at the same time as well. Sheriff: That will work. Everything should be at the Court Clerks office by next Thursday for the upcoming meeting. Masterson: The only thing about that is, if you take some items, try to sell them online, half of them sell, half don't, then you want to have a live auction, you are just going to have a bunch of stuff and nobody is going to show up to buy it. Earls: Then what is your recommendation? Masterson: My recommendation is to have the auction on-site and don't do the online. You won't reach people in California or Florida but your people showing up will be your buyers. You will have some stuff left over but it will be bare minimum. Earls: It is my understanding that we don't have a whole bunch of really great stuff anyway, so people from California won't be bidding anyway. Weece: How is it advertised beyond the immediate area? Masterson: We use the newspaper, the Big Nickel. Leonard: A lot of auctioneers list online. Weece: Would we get as far as Kansas City or Springfield, Oklahoma City? Masterson: It probably could if it is online. If the auctioneer has a following. Sheriff: I think we could put together a flyer, social media. Do you want to do it as an A or a B as far as a plan on the surplus? Masterson: I've done B, on-site. I don't know much about online. I do know that you are going to have a hard time selling stuff that didn't get purchased online. Sheriff: True. Gatewood: You have how many vehicles in running condition? Sheriff: Some are, some aren't. Wright: If we make this payroll, the Sheriff's allotment goes down to $77,000 from the general fund for the remainder of the fiscal year. Can you make that? Sheriff: I don't see it. Leonard: With the 10% cut and the two or three that's gone, do you have any projection of what your monthly payroll will be? Sheriff: It's all what-ifs. I know the 10% is in effect and the other ones, they've expressed that they are going to be leaving because of the cuts, in which they are entitled to. Bowling: About the general fund balance, it's also a what-if. We now have $723,000 in the general fund, that's after we paid back the $750,000 that we borrowed, then we haven't taken the January payroll, that's going to cover January through June, plus with any income we might get. But December was our biggest ad valorem income month. Masterson: Will you have some more income in March? Bowling: We will, but I looked at what the portion to general fund is because we only get 10.24% of the actual tax, the schools get most of it. It's not as much as we would like, as much as we need. My figures didn't look that good for the rest of the year. Plus, the reserve you always talk about, we have not collected that yet. There is not $600,000 sitting in the bank. It's in the general fund and it's not collected yet. Earls: It's not collected yet. Bowling: I talked to Bill Turner about that yesterday and I told him everybody thinks there's $600,000 surplus in the bank. It's supposed to be in Capital Outlay in general fund. It's on paper that it's in there, it's not in the bank. I'm talking just cash. On paper, on the budget, on the appropriation ledger, that looks better than the actual bank account looks. It's a bleak picture. I'm speculating that we might have to do non-payable warrants at the end of the fiscal year. Keep in mind, we won't get a big lump of money until December 2019. So, we will go 6 months plus, maybe June. Wright: We can't do non-payable warrants at the end of the fiscal year. Bowling: I didn't think we could either because we have to pay back everything by June 30th. Wright: If you get to the point towards the fiscal year and the County has zero money, then you would basically have to broker with vendors and say we can't pay you for this, will you give us the service and sue us later and then after the lawsuit, we agree we owe the money, then it's put on the tax rolls and the people of Ottawa County would pay higher taxes because the County ran out of money. That's what I'm getting at here, if the Sheriff can't get to $77,000, we know where he's at, so today we are running with a payroll of $131,000… Leonard: How much does the 10% cut? Mays: Roughly $8,000. Wright: So, everything stays like it is for the rest of the year, his payroll doesn't go down or up significantly, what happens? So, if we are going to run out of money, we have to do something. Bowling: Were you including in the vendors that you talked about, would that also be payroll personnel or would that be vendors? Wright: It could be anybody. If there is no money, there is no money. Bowling: So, nobody would get paid and the County would owe everybody money. Wright: Right. Becky Smith: And we would have to sue the County to get it. Wright: Yes, and it have to go onto the tax rolls as an additional tax. So, you reduce all of these liabilities through judgments and the County owes x number of dollars. A judgement that can't be paid by the County goes onto the tax rolls. That is what we absolutely want to prevent from occurring. Bowling: We hope we get a sizable amount in collections but that is something that is unpredictable. I can tell you what we got last year and the year before but I can't tell you what we will get this year. Earls: One of the things I think of is, obviously, we should have done this a long time ago. Sheriff, my recommendation is you cut everybody, except for what you have to have to run the jail, and you visit with the tribes to see what kind of help you can get. You are seeing the options just like we are. It's a grim situation. And really, I don't even know if that's going to work. But we are going to have to do everything and we are going to have to do it now. That is my recommendation. I don't want to go where you just described. Gatewood: It is the Boards, sitting here, fiduciary reliability, to see that we don't. Sheriff: We have that ability, it just takes you doing it. Sheriff: Sure. Earls: You have to make it happen. Gatewood: I hate to go on reverse on your auction, with the vehicles that are running, can we re-capture funds by putting in use the ones that are capable of running, back on the road? Earls: For starters, they are junk, and secondly, we have already made payments on the new cars. It doesn't accomplish anything. Gatewood: I hate to dig up another expense but we've got a $10,000 deductible on a wrecked vehicle. Earls: We have two wrecked vehicles. It's around $9,000. And all that we are talking about, is in a world if nothing else blows up. Sheriff: Yes. Earls: And when does that happen? It doesn't happen, something else is going to blow up. It will be another four months before we can have a new budget. Can we make that happen? Sheriff: It's something I am going to have to get some legal advice on. I don't know. To take away the deputies, I don't see that working. Masterson: It's going to have to. You don't have a choice. Earls: Just ask questions. Statutorily, we are required to keep the jail open and the inmates taken care of. Beyond that, that's about it, isn't it? Wright: There has to be some form of County law enforcement. Even if that's just the Sheriff and the Undersheriff. There has to be something. It doesn't work very well because you have to restrict the Undersheriff on his time worked to keep him under comp time and the Sheriff has to sleep some time. What would be the minimum number of deputies, if you have two on a shift because they are working twelve-hour shifts, right? What is the minimum number you would have to have to have two on a shift for a whole month? Sheriff: We would have to have… you have 171 on a 28-day period. That's the maximum hours. Wright: So that is eight. If you and Dan are two of the eight, then six other deputies are the minimum you could have, assuming you all patrol the entire shift. Sheriff: That's our transports and all that. Wright: And you have ten now, not including yourself. Sheriff: I believe I am number eleven. Earls: What does your transports consist of time wise. Sheriff: A lot. It all depends where we are going. I believe I gave you the stats on what we did in the last 90 days. And that's not including taking inmates to the hospital, sitting with them, what ever the situation. Wright: And there are a lot that we don't go and get because of cost. Sheriff: Correct. Then we do all of the juvenile, then we have our EBO's that we do. If someone is put under emergency detention order arrest, we have to take them to the emergency room and sit through a process, once they are given a doctor's order, then we take them to Vinita, Pryor or Wagoner, whoever has an open bed. And if they are juveniles, that is even further. Earls: So, there are ten, not counting you. Wright: That's the way he is running it right now. Right now, he has two deputies on each shift, so that would be maintaining the status quo. Earls: That would take eight and right now you have ten, not counting the Sheriff. Sheriff: We have eleven, counting me. We have eight deputies and two detectives, the Undersheriff and myself. Earls: So, don't we have potentially two more to go? Based on that theory. Wright: Potentially. There are obvious reasons this is not a preferable thing to do but if you went to one deputy per shift, then you could cut it in half. But there is no way, conceivably, one deputy can cover 600 square miles. Earls: Two can't, four can't. Wright: But those are the decisions we have that are going to have to be made. If we are going to stick with ten deputies or eight deputies, we have to find money we can cut somewhere else. Earls: I don't know if there is anywhere else. It's personnel. The ones we are talking about are full-time, right? Sheriff: Right. Earls: What is the reserve and part-time? What does that look like? Sheriff: We reduced their hours to 24 hours. And they are hourly wage. Weece: When you have a day shift and you have two officers on that shift, and one of the them has to take someone somewhere… Sheriff: That is pretty much a guarantee. About every day. Weece: So the other one is covering it by himself. Sheriff: Correct. And that is where my Undersheriff or myself covers. Weece: Can the part-time people transport a person? Sheriff: The part-time, they have other jobs, and we re-work their schedules to off set some of our busy times, weekends. Masterson: But the tribes, they are cross-deputized? Sheriff: The ones that carry an SLEC. Gatewood: Have you opened up communication with them to see if they can handle transport, per chance? Or is that a liability? Wright: Liability is still worn by the County so when you have somebody outside of your direct line of supervision, that the Sheriff didn't train or hire, then we are trusting them to not mess something up and cause a problem. But when you are out of options, you are out of options. Gatewood: They are all CLEET certified, aren't they? Earls: They are not going to want to just transport prisoners. They would be more like to help patrol. Wright: There are only a number of tribal officers that are cross deputized. There are some pretty strict rules about what they have to do to be considered a police officer under Oklahoma law to enforce the laws of our state and not just their tribal federal laws. There is a limited pool of people out there. Sheriff: There is not a whole lot. Each tribe has some, some more than others, but it is on a limited basis. Earls: Do you have a plan to get this down to $77,000? Sheriff: Like I said, I am going to have to crunch it. Earls: To me it's simple. You are just going to have to let some people go and you know that. I'm sitting here and that is exactly what I would do. There are no other options. It's just a matter of you making a decision to do it. Sheriff: Sure. Leonard: Kathy, I'm looking at the spreadsheet that Bill Turner provided us. You made the comment that there is only $10,000 left to come in of ad valorem tax and Bill is showing $785,000 and 10% of that would be $78,000. Bowling: Is that just ad valorem tax? Leonard: That's $735,799 is ad valorem tax. Bowling: I know that's what Bill thinks. We discussed this yesterday and I looked at it from what we actually collected last year and it was nothing near that. Our total that we collected last year was 1.5 million that the County got. So that is where he is basing that, that we go so much x amount like nine hundred and some thousand in December, so that is where he is getting that other figure. He thinks we are going to collect that much more. I hope we do. Leonard: Why would we not get it? The Assessor has told us the ad valorem assessment has gone up. Bowling: If people don't pay, that's the only reason. We've billed them, we put it in the paper, we do everything we are supposed to do. Earls: Isn't that typical, every year? That's what we always do. We base our budget based on the prior year. That's all we can do. We are banking on history. Bowling: Right. Leonard: I just wanted to ask, because your numbers and Bill's numbers aren't matching up here. Bowling: I hope we get that much money, that's all I can say. Earls: How close did it come to the projection last year? Bowling: He did say we collected 96% of the taxes last year. Earls: Can you bank on that? Bowling: We are banking on it right now. Earls: That's all we can do. Weece: That's fairly solid. Earls: Well, I think that's typical. If you check history you will find that's close to typical, year after year. Leonard: I mean there is a reason there's this back years ad valorem taxes because every year there is a certain amount that doesn't get paid and then you collect the money over time. Earls: Once that 3 years comes up and they realize they are going to lose the property, then they start paying, and it's every year. Leonard: Then the penalties are more than the taxes. Bowling: Right. We discussed it on the phone with Bill yesterday with everyone listening and we are hoping that it does come in like that just for the ad valorem. We know we are going to get the sales tax each month, which is close to $150,000, anywhere from $90,000 to $150,000, other than that, there is not much that goes into the general fund on a regular basis. Weece: So each year, we get 96% of the taxes. Earls: And that is how we base our next budget is based on last year. We've seen years that go up and years that go down. Kathy could run the numbers on a ten-year spread to see what their average is, couldn't you Kathy? Bowling: I could since 2013 because that is when we are on the new system. Earls: The balls in your court, Sheriff. It's not a matter of we are going to get this thing bailed out at the auction. We know it is going to amount to $20,000, hopefully, and there is just no other place we can go. Mitchell: I just want to remind you that we are four days into the next payroll. Earls: Sheriff, did you say 10% has been implemented at the start of the payroll? Sheriff: The 20th. Earls: So each day that goes by that you don't take action on personnel, you can see where we end up. Sheriff: Sure. Masterson: So that needs to happen immediately. Earls: I would make it happen immediately, if it were my decision. Leonard: Where does that leave us for item #3 and what are you going to do for this month's payroll. Are we going to lift the restriction and pay it and hope for better things next year? Is there going to be some kind of County Commissioner putting more money in to make the payroll? Bowling: We don't have the money. Masterson: We were talking about the $77,000, that was with lifting the restriction. Leonard: If we lift the restriction and put it back on as soon as payroll is met, then he has $77,000 next month to make payroll. But we've already gone from $96,000 to $77,000 and we keep coming back every month and beating the same thing over and over and it's not changing. It's just getting worse and worse. Wright: January 11 the Excise Board voted to lift the restriction for this December/January pay period. So that is the $131,000 that we are talking about. Leonard: So the payroll is going to be paid. Wright: Unless you say different, right now. And then as a result of that, based on that January 11 vote, it was to put the restriction back on after payroll is paid and that is where he winds up at $77,000. Then comes January/February payroll, if it exceeds $77,000, we are going to be doing this all over again. Leonard: So as of today, we need no action from the Excise Board and we come back to the February 19th or 20th and then at that point, if it doesn't meet the $77,000 there will have to be action. Wright: Well, there wouldn't necessarily need to be action. Say we leave everything as it is, you've got the $77,000 limit, payroll comes in at $100,000, then you are faced with whether you want to lift the restriction, pay the extra, then shrink the $77,000 to whatever it will become in the future, which obviously you cannot continue down that path or you will wind up at zero and no jail being run. The other option is, say, the limit it $77,000 and it comes in at $100,000, what I'm going to direct the County Clerks office to do is require an election from the Sheriff as to who gets paid with the $77,000. Whoever he chooses not to pay, whether he pays everybody two-thirds, or pays these people 100% and these people zero. Whoever doesn't get paid in full, has a right of action against the County, I negotiate a settlement, hopefully, through a friendly suit, and depending on how it turns out with County general towards the end of the year, it will either be paid out of County general if there is surplus, or it goes onto the tax roll as a judgement, one or the other. But if it doesn't come in under the $77,000, those are the options. Weece: And the only option right now is the reduction of staff? Earls: To make any significance. Weece: The auction will help us. Masterson: A little bit. Bowling: History has proven that he doesn't do what is recommended. And it's for the betterment for the Board and the County that he has been recommended several things and it has never happened. And that is why you are continuing having meetings like this to, once again, to put the same issue out there. How many times are you willing to do it? Weece: As I understand it, he is reducing staff. Bowling: Has he proved it? Gatewood: It has been, yes, to a minimum. Some action has been taken on his part. I feel at this point, it's not an option, Counselor, to come back to over $77,000. My recommendation is we leave here today, Jeremy you are going to have to take those figures and crunch them. If we have to recess this meeting, I don't know if we can, come back with hard figures with a time line. We can't continue on. Earls: I agree with you Larry, but it isn't a matter of crunching numbers. Gatewood: Right, but I want that within that $77,000, is what I'm saying. Smith: But the Sheriff isn't saying that he's going to do that. Earls: My point is, he's got the option to do, he knows he needs to do it, that's what we are recommending, we can't make him do it, but that is what we are recommending. To me, we just go forward with sticking to the restriction. Tabitha Reeves: At what point does this become malfeasance of funds? Smith: We already know that in the perfect world we aren't even going to be able to make July payroll. Weece: I guess my question is, can someone tell us what reductions have been made? Because we talked about the reductions. Earls: So the question being, right now, if nothing changes, what is the payroll going to look like next month? Weece: And we do have to make more reductions. Earls: I don't know what payroll will look like next month. Does anybody know? Mitchell: No one knows. We restrict it to a certain amount and it goes way over. We know it's not going to be under. With the terminations we will have workman's compensation to pay. Smith: Are we going to hold all of the comp time until the time sheets are looked at before we pay out that large amount of comp time? Earls: Yes. Weece: Sheriff, is it unreasonable to have a report by Monday, even though it isn't on the agenda? Can you do that? Sheriff: As far as what kind of report? Weece: Something like I can eliminate these positions right now. Sheriff: If that's what I have to do, it's what I am going to have to do. Weece: That seems to me to be a reasonable thing. Gatewood: But where you are standing right now, until we have further reductions, your payroll is at $104,000. Leonard: And then you are going to take $8,000 off for the 10% pay cuts, so I got it down to $96,000. That's $19,000 a month. So, if you take $15,000 for the auction after expenses. Weece: If two people go off is that roughly $5,000 per person? Mays: It's about $4,000. Earls: Is the restriction on right now? Wright: Yes. The restriction was lifted for the purpose of making this December/January payroll and that automatically goes back in place, so the restriction is there. Gatewood: Let's have a timeline of Monday. Masterson: Satisfied with that? Earls: No, but there is nothing else to do. Wright: Until we get to the point of revenue failure. If Bowling is able to identify that she does not expect that based on the projected income to the County to be money to cover the entire expense of the year and a revenue failure is declared, then that could send your other huge main function, which is to come in and start cutting County expenses, to solve that problem. That is a lengthy process of you identifying what's needed, what's constitutional, what's statutory, there are a million considerations that you will have to review if we get there, which hopefully we don't. But at that point, you have the power when there is a revenue failure to actually identify for a particular office, whether that's the Sheriff or someone else, and say in this time, because of where we are, we have decided this particular employee is not necessary, and they are gone. Weece: At what point would that action be taken, where she would tell us that? Where in the year? Wright: At any point in the year. Like if today, Kathy was able to say with a substantial degree of certainty, we are going to wind up with negative 100 at the end of the year, instead of like on Bills spreadsheet gives us a plus 145 but that is going to be a negative 145, then we are at the revenue failure. Bowling: Both he and I will constantly be looking at it and I will give updates at the meetings. Also, I want to make the statement that every other office is under budget except the Sheriff's office. Earls: They can't do anything until somebody says there is going to be a failure. Wright: It's not that they can't do anything, they still have the powers under Section 3008 like they've exercised so far to limit spending restriction, but none of you six have the ability to force the Sheriff to fire a particular employee, unless we get the revenue failure. If we have a revenue failure then the Excise Board has that power. Earls: All I'm saying is you guys have already rolled it around in your head what needs to happen. It might be that recommendations be made to whoever you are rolling around or whatever department head you are rolling around, it's going to happen anyway. Gatewood: But you get into a revenue failure, it puts back onto the Excise Board where (62 O.S. 479) 'It shall be unlawful for the Board of County Commissioners, the County purchasing agent, the City council or the commissioners of any city, the trustees of any town, township board, school district board of education or any member or members of the aforesaid commissioners, or of any of the above-named boards, to willfully or knowingly make any contract for, incur, acknowledge, approve, allow or authorize any indebtedness against their respective municipality, county or school district.' Now, if that does happen, then at that point, (62 O.S. 310.3) 'Any county or municipal officer who in his capacity as an officer or as or through a purchasing officer shall incur or cause to be incurred any indebtedness, purchase order or obligation for any purpose or for any account in excess of the appropriation available therefor shall forfeit and be removed from office in the manner provided by law for willful maladministration.' Earls: So before you get there you want to do something. Gatewood: Yes. I don't want to go there and that's my point. That's why Monday, we come back under the County employees reports that we've gotten in to a point of securing that $77,000 threshold. Weece: I want to say one other thing, and I can't speak for the other five but I know we all feel the agony inside for these ones you are having to talk to.

4. Motion by Earls, second by Furnas, to adjourn. By vote: Furnas, aye; Masterson, aye: Earls, aye.

Chad Masterson, Chairman

Robyn Mitchell, Ottawa County Clerk
Miami News-Record