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RESOLUTION 160, 2016

GRANTING APPROVAL AUTHORITY FOR EMERGENCY WARRANTS AS ALLOWED BY REVISED CODE OF WASHINGTON (RCW) 42.24.180

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Pursuant to RCW 42.24.180, in order to expedite the payment of claims, the legislative body may authorize the issuance of warrants after the County Auditor has audited and signed the warrants but before the legislative body has acted to approve the claims.

2. The Clallam County Commissioners has considered the same and deems it advisable to establish a process whereby emergency warrants may be issued prior to the review of supporting documentation in accordance with RCW 42.24.180.

3. There may be circumstances when the Board of Commissioners does not meet prior to a day, in which they would need to review a claim and approve an emergency warrant.

4. The Clallam County Board of Commissioners will review the documentation supporting any claims paid and approve warrants issued in payment of said claims at the next regularly scheduled public meeting.

NOW, THEREFORE BE IT RESOLVED by the Board of Clallam County Commissioners, in consideration of the above findings of fact:

1. Authorizes the County Auditor to issue emergency warrants, early release warrants, ACH electronic payments and electronic wire payments, up to a maximum of $50,000 per payment, with the approval of the Clallam County Administrator, after the Auditor has audited the claims and prior to the Board acting to approve the claims in accordance with RCW 42.24.180.

2. The County Auditor is authorized to establish procedures to regulate and control this process in conformity with RCW and the intent of the Clallam County Board of Commissioners as indicated in this resolution.

PASSED AND ADOPTED this sixteenth day of August 2016

BOARD OF CLALLAM COUNTY COMMISSIONERS

Mike Chapman, Chair

Mark Ozias

Bill Peach

ATTEST:

Trish Holden

Trish Holden, CMC, Clerk of the Board

J:\public\Resolutions\2016\signature authority for emergency warrants.docx

THE HARTFORD

PUBLIC OFFICIAL POSITION SCHEDULE BOND NUMBER 52BSBGH2862
Attached to and Forming Part of Bond No. 52BSBGH2862

COPY

Employer: Clallam County, WA **Effective:** August 2, 2016

Position	Number in Position	Amount Per Person	Total Aggregate per Position
County Treasurer	1	$150,000.00	$150,000.00
County Clerk	1	$100,000.00	$100,000.00
County Assessor	1	$100,000.00	$100,000.00
County Sheriff	1	$50,000.00	$50,000.00
County Auditor	1	$50,000.00	$50,000.00
County Commissioner (1)	1	$20,000.00	$20,000.00
County Commissioner (2)	1	$20,000.00	$20,000.00
County Commissioner (3)	1	$20,000.00	$20,000.00
County Coroner	1	$5,000.00	$5,000.00
County Prosecuting Attorney	1	$5,000.00	$5,000.00
District Court Judge I	1	$20,000.00	$20,000.00
District Court Judge II	1	$20,000.00	$20,000.00
Superior Court Judge I	1	$20,000.00	$20,000.00
Superior Court Judge II	1	$20,000.00	$20,000.00
Community Dev. Dept. Director	1	$20,000.00	$20,000.00
County Engineer	1	$20,000.00	$20,000.00
District Court Commissioner	1	$20,000.00	$20,000.00
Superior Court Judge III	1	$20,000.00	$20,000.00
Superior Court Commissioner	1	$20,000.00	$20,000.00
Total Aggregate			**$700,000.00**

Hartford Fire Insurance Company

By: _____
Guida McClain, Attorney-in-Fact

August 2, 2016
Date

POWER OF ATTORNEY

Direct Inquiries/Claims to:
THE HARTFORD
Bond T-4
One Hartford Plaza
Hartford, Connecticut 06155
call: **888-266-3488** *or fax:* **860-757-5835)**

KNOW ALL PERSONS BY THESE PRESENTS THAT: Agency Code: 52-811535

- [X] **Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [X] **Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [X] **Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois
- [ ] **Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

COPY

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, ***up to the amount of*** Unlimited :

Guida McClain, Stuart O'Farrell, Darin M. Puryear, Martha Reeve, Luisa Thom of TACOMA, Washington

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on August 1, 2009, the Companies have caused these presents to be signed by its Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.

Wesley W. Cowling, Assistant Secretary

M. Ross Fisher, Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 12th day of July, 2012, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.

Kathleen T. Maynard
Notary Public
My Commission Expires July 31, 2016

CERTIFICATE

I, the undersigned, Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of August 2, 2016

Signed and sealed at the City of Hartford.

Gary W. Stumper, Vice President

RCW 36.16.050

Official bonds.

Every county official before he or she enters upon the duties of his or her office shall furnish a bond conditioned that he or she will faithfully perform the duties of his or her office and account for and pay over all money which may come into his or her hands by virtue of his or her office, and that he or she, or his or her executors or administrators, will deliver to his or her successor safe and undefaced all books, records, papers, seals, equipment, and furniture belonging to his or her office. Bonds of elective county officers shall be as follows:

(1) Assessor: Amount to be fixed and sureties to be approved by proper county legislative authority;

(2) Auditor: Amount to be fixed at not less than ten thousand dollars and sureties to be approved by the proper county legislative authority;

(3) Clerk: Amount to be fixed in a penal sum not less than double the amount of money liable to come into his or her hands and sureties to be approved by the judge or a majority of the judges presiding over the court of which he or she is clerk: PROVIDED, That the maximum bond fixed for the clerk shall not exceed in amount that required for the treasurer in the same county;

(4) Coroner: Amount to be fixed at not less than five thousand dollars with sureties to be approved by the proper county legislative authority;

(5) Members of the proper county legislative authority: Sureties to be approved by the county clerk and the amounts to be:

(a) In each county with a population of one hundred twenty-five thousand or more, twenty-five thousand dollars;

(b) In each county with a population of from seventy thousand to less than one hundred twenty-five thousand, twenty-two thousand five hundred dollars;

(c) In each county with a population of from forty thousand to less than seventy thousand, twenty thousand dollars;

(d) In each county with a population of from eighteen thousand to less than forty thousand, fifteen thousand dollars;

(e) In each county with a population of from twelve thousand to less than eighteen thousand, ten thousand dollars;

(f) In each county with a population of from eight thousand to less than twelve thousand, seven thousand five hundred dollars;

(g) In all other counties, five thousand dollars;

(6) Prosecuting attorney: In the amount of five thousand dollars with sureties to be approved by the proper county legislative authority;

(7) Sheriff: Amount to be fixed and bond approved by the proper county legislative authority at not less than five thousand nor more than fifty thousand dollars; surety to be a surety company authorized to do business in this state;

(8) Treasurer: Sureties to be approved by the proper county legislative authority and the amounts to be fixed by the proper county legislative authority at double the amount liable to come into the treasurer's hands during his or her term, the maximum amount of the bond, however, not to exceed:

(a) In each county with a population of two hundred ten thousand or more, two hundred fifty thousand dollars;

(b) In each county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand, two hundred thousand dollars;

(c) In each county with a population of from eighteen thousand to less than one hundred twenty-five thousand, one hundred fifty thousand dollars;

(d) In all other counties, one hundred thousand dollars.

The treasurer's bond shall be conditioned that all moneys received by him or her for the use of the county shall be paid as the proper county legislative authority shall from time to time direct, except where special provision is made by law for the payment of such moneys, by order of any court, or otherwise, and for the faithful discharge of his or her duties.

Bonds for other than elective officials, if deemed necessary by the proper county legislative authority, shall be in such amount and form as such legislative authority shall determine.

In the approval of official bonds, the chair may act for the county legislative authority if it is not in session.

[2010 1st sp.s. c 26 § 5; 1991 c 363 § 49; 1971 c 71 § 1; 1969 ex.s. c 176 § 91; 1963 c 4 § 36.16.050. Prior: **1955 c 157 § 7;** prior: (i) **1895 c 53 § 1;** RRS § 70. (ii) 1895 c 53 § 2, part; RRS § 71, part. (iii) 1921 c 132 § 1, part; 1893 c 75 § 7, part; RRS § 4046, part. (iv) Code 1881 § 2708, part; 1869 p 310 § 4, part; 1863 p 549 § 4, part; 1854 p 424 § 4, part; RRS § 4084, part. (v) 1943 c 249 § 1, part; Code 1881 § 2739, part; 1863 p 553 § 2, part; 1854 p 426 § 2, part; Rem. Supp. 1943 § 4107, part. (vi) 1886 p 61 § 4, part; 1883 p 73 § 9, part; Code 1881 § 2163, part; 1877 p 246 § 5, part; 1863 p 408 § 3, part; 1860 p 334 § 3, part; 1858 p 12 § 3, part; 1854 p 417 § 3, part; RRS 4129, part. (vii) 1897 c 71 § 44, part; 1893 p 124 § 46, part; Code 1881 § 2753, part; 1854 p 428 § 2, part; RRS § 4141, part. (viii) 1943 c 139 § 1, part; Code 1881 § 2766, part; 1863 p 557 § 1, part; 1854 p 434 § 1, part; Rem. Supp. 1943 § 4155, part. (ix) Code 1881 § 2775, part; 1863 p 559 § 1, part; 1854 p 436 § 1, part; RRS § 4176, part. (x) 1909 c 97 p 280 § 1, part; 1903 c 104 § 13, part; 1899 c 142 § 5, part; 1897 c 118 § 30, part; 1890 p 355 § 10, part; Code 1881 § 3170, part; RRS § 4767, part. (xi) 1890 p 35 § 5, part; RRS § 9934, part. (xii) 1925 ex.s. c 130 § 55, part; 1891 c 140 § 46, part; 1890 p 548 § 50, part; RRS § 11138, part.]

NOTES:

Purpose—Captions not law—1991 c 363: See notes following RCW **2.32.180**.

*Auditor as registrar of titles, bond for: RCW **65.12.055**.*

*Examiner of titles, bond: RCW **65.12.090**.*

Public officers, official bonds

*Code of 1881, county application: RCW **42.08.010** through **42.08.050**.*

*1890 act, county application: RCW **42.08.060** through **42.08.170**.*

RCW 36.40.180

Emergencies subject to hearing—Nondebatable emergencies.

Upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, epidemic, riot, or insurrection, or for the immediate preservation of order or of public health or for the restoration to a condition of usefulness of any public property the usefulness of which has been destroyed by accident, or for the relief of a stricken community overtaken by a calamity, or in settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of any public utility owned by the county, or to meet mandatory expenditures required by any law, the board of county commissioners may, upon the adoption by the unanimous vote of the commissioners present at any meeting the time and place of which all of such commissioners have had reasonable notice, of a resolution stating the facts constituting the emergency and entering the same upon their minutes, make the expenditures necessary to meet such emergency without further notice or hearing.

[**1963 c 4 § 36.40.180.** Prior: 1925 ex.s. c 143 § 2, part; 1923 c 164 § 6, part; RRS § 3997-6, part.]

RCW 42.24.180

***Taxing district—Issuance of warrants or checks before approval by legislative body—Conditions.**

In order to expedite the payment of claims, the legislative body of any *taxing district, as defined in RCW **43.09.260**, may authorize the issuance of warrants or checks in payment of claims after the provisions of this chapter have been met and after the officer designated by statute, or, in the absence of statute, an appropriate charter provision, ordinance, or resolution of the *taxing district, has signed the checks or warrants, but before the legislative body has acted to approve the claims. The legislative body may stipulate that certain kinds or amounts of claims shall not be paid before the board has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims. However, all of the following conditions shall be met before the payment:

(1) The auditing officer and the officer designated to sign the checks or warrants shall each be required to furnish an official bond for the faithful discharge of his or her duties in an amount determined by the legislative body but not less than fifty thousand dollars;

(2) The legislative body shall adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;

(3) The legislative body shall provide for its review of the documentation supporting claims paid and for its approval of all checks or warrants issued in payment of claims at its next regularly scheduled public meeting or, for cities and towns, at a regularly scheduled public meeting within one month of issuance; and

(4) The legislative body shall require that if, upon review, it disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants shall jointly cause the disapproved claims to be recognized as receivables of the *taxing district and to pursue collection diligently until the amounts disapproved are collected or until the legislative body is satisfied and approves the claims.

[1994 c 273 § 18; 1984 c 128 § 11.]

NOTES:

***Reviser's note:** "Taxing district" redesignated "local government" by **1995 c 301 § 15.**

Public Notice and Process Requirements for Changing County Budget

As of March, 2016

Relevant provisions:	**Debatable emergencies**	**Supplemental Appropriations**	**Revisions**	**Modifications**
State Statute	RCW 36.40.140	RCW 36.40.100	RCW 36.40.100	None
County Administrative Policy (CAP)	CAP 101, 505	CAP 101	CAP 101	CAP 101, 505
Request requirements:	**Debatable emergencies**	**Supplemental Appropriations**	**Revisions**	**Modifications**
Signed document to be submitted by initiating department	Yes	Yes	Yes	?
To be checked and initialed/signed by Budget Director	Yes	Yes	Yes	Yes
To be checked and initialed/signed by County Administrator	Yes	Yes	Yes	Yes
Subject to final approval by	BOCC	BOCC	BOCC	County Administrator
Copy or other notice to Treasurer	Yes	Yes	Yes	No
Public process requirements:	**Debatable emergencies**	**Supplemental Appropriations**	**Revisions**	**Modifications**
Submitted to BOCC Clerk	Yes	Yes	Yes	Yes
BOCC meeting 1:	Yes	Yes	Yes	No
Itemized in BOCC Agenda with Budget Change Form attached	Yes	Yes	Yes	No
BOCC to adopt itemized resolution	Yes, with call for hearing	Yes, with notice of date to be adopted	Yes	No
Itemized in BOCC minutes	Yes	Yes	Yes	No
Notice with itemized list published in Newspaper	Yes, with notice setting Public Hearing	Yes, with notice of date to be adopted	No	No

BOCC meeting 2:	Yes	Yes	No	No
Itemized in BOCC Agenda with Budget Change Form attached	Yes	Yes	No	No
BOCC to conduct Public Hearing	Yes	No	No	No
BOCC to adopt itemized resolution at public meeting with Budget Change Form attached	Yes	Yes	No	No
Itemized in BOCC minutes	Yes	Yes	No	No
Taxpayer right to petition Superior Court for review	Yes	No	No	No

The text	Under County policy	Under Chapter 36.40 RCW P
Debatable emergencies	CAP 101: "Debatable Emergency" means a public emergency other than a non-debatable emergency, which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget. Debatable emergencies require a public hearing before the Board of Commissioners prior to adoption by the Board. CAP 500: "To address unanticipated expenses, the County must hold public hearings. The County will change the budget only in the case of emergencies or if the County is to receive unanticipated state or federal funds. All additions to appropriations require public process.	RCW 36.40.140: When a public emergency, other than such as are specifically described in RCW 36.40.180, and which could not reasonably have been foreseen at the time of making the budget, requires the expenditure of money not provided for in the budget, the board of county commissioners by majority vote of the commissioners at any meeting the time and place of which all the commissioners have had reasonable notice, shall adopt and enter upon its minutes a resolution stating the facts constituting the emergency and the estimated amount of money required to meet it, and shall publish the same, together with a notice that a public hearing thereon will be held at the time and place designated therein, which shall not be less than one week after the date of publication, at which any taxpayer may appear and be heard for or against the expenditure of money for the alleged emergency. The resolution and notice shall be published once in the official county newspaper, or if there is none, in a legal newspaper in the county. Upon the conclusion of the hearing, if the board of county commissioners approves it, an order shall be made and entered upon its official minutes by a majority vote of all the members of the board setting forth the facts constituting the emergency, together with the amount of expenditure authorized, which order, so entered, shall be lawful authorization to expend said amount for such purpose unless a review is applied for within five days thereafter.

The text	Under County policy	Under Chapter 36.40 RCW P
Supplemental appropriations	CAP 101: Supplemental Appropriation" means increased revenue usually due to unanticipated federal or state grants. The increased revenue may or may not provide for increased expenditures. Supplemental appropriations require adoption by resolution of the Board of Commissioners after public notice of the meeting when they are to be considered.	RCW 36.40.100: Upon a resolution formally adopted by the board at a regular or special meeting and entered upon the minutes; provided further, that the board shall publish notice of the time and date of the meeting at which the supplemental appropriations resolution will be adopted, and the amount of the appropriation, once each week, for two consecutive weeks prior to the meeting in the official newspaper of the county.
Budget Revisions	CAP 101: "Budget Revision" as used in this policy means the reallocation of already budgeted monies from one restricted budget category to another or between departments within the same fund when the reallocation would authorize a new position or a new capital purchase. Budget revisions require adoption by resolution of the Board of Commissioners and cannot be done between funds.	RCW 36.40.100: Upon a resolution formally adopted by the board at a regular or special meeting and entered upon the minutes
Budget Modification	CAP 101: "Budget Modification" as used in this policy means the reallocation of already budgeted monies from one restricted budget category to another within the same budget or between budgets in the same fund and department; i.e. moving money from the Auditor's professional services line to a line in the Auditor's salary section. Budget modifications are approved by the County Administrator. A budget modification does not include reallocation between departments or funds, or when a new position would be created or a new capital expenditure authorized.	Chapter 36.40 RCW does not provide for "modifications"

County Charter

Subsection 2.30.20: Executive Power. The executive power of the county shall be vested in the Board of Commissioners except those powers assigned to other elected officials and other elected boards and commissions by law. The Commissioners shall exercise their executive power by executing and enforcing laws and ordinances; interpreting ordinances, resolutions and policies; employing and discharging personnel; appointing and removing members of boards and commissions; directing the preparation of the budget; conducting or serving on boards and commissions; signing or causing to be signed contracts, vouchers, deeds and other instruments. The Commissioners shall delegate duties, functions and responsibilities but will remain accountable for all executive actions.

Supreme Court of WA, En. Banc., Application of Puget Sound Pilots Ass'n, 63 Wn.2d 142, 385 P.2d 711 (Wash. 1963)

"Merely ministerial functions may be delegated to assistants whose employment is authorized, but there is no authority to delegate acts discretionary or quasi-judicial in nature."

Budget	Appropriate	BOCC	Section 9.10: General Budget Adoption Provisions. The budget shall be adopted in compliance with state law and this article following regularly scheduled public hearings. Section 9.70: Appropriations. The appropriation resolutions adopted by the Commissioners shall not exceed the estimated revenues of the county for the next fiscal year for each fund, provided the Commissioners may adopt an emergency appropriations resolution which may appropriate contingency funds, revenues received in excess of the revenues estimated in the budget, and/or funds from any other source available. Chapter 36.40 RCW: The estimates of expenditures itemized and classified as required in RCW 36.40.040 and as finally fixed and adopted in detail by the board of county commissioners shall constitute the appropriations for the county for the ensuing fiscal year; and every county official shall be limited in the making of expenditures or the incurring of liabilities to the amount of the detailed appropriation items or classes respectively....
Vet	Authorize claim	Responsible County Official or BOCC	Clallam County Code 3.12.010(8) (8) "Public work" means those projects contemplated by RCW Title 39. RCW 39.04.010(4) "Public work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality...
	Certify claim	Responsible County Official	RCW 42.24.080(1) All claims presented against any county, city, district or other municipal corporation or political subdivision by persons furnishing materials, rendering services or performing labor, or for any other contractual purpose, shall be audited, before payment, by an auditing officer elected or appointed pursuant to statute or, in the absence of statute, an appropriate charter provision, ordinance or resolution of the municipal corporation or political subdivision. Such claims shall be prepared for audit and payment on a form and in the manner prescribed by the state auditor. The form shall provide for the authentication and certification by such auditing officer that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the municipal corporation or political subdivision. No claim shall be paid without such authentication and certification. RCW 42.24.080(2) Certification as to claims of officers and employees of a county, city, district or other municipal corporation or political subdivision, for services rendered, shall be made by the person charged with preparing and submitting vouchers for payment of services. He or she shall certify that the claim is just, true and unpaid, and that certification shall be part of the voucher.
	Audit claim	Auditor	RCW 36.22.040: The county auditor shall audit all claims, demands, and accounts against the county which by law are chargeable to the county, except such cost or fee bills as are by law to be examined or approved by some other judicial tribunal or officer. Such claims as it is his or her duty to audit shall be presented to the board of county commissioners for their examination and allowance.
	Approve claims	BOCC	RCW 36.32.120: Allow all accounts legally chargeable against the county not otherwise provided for, and audit the accounts of all officers having the care, management,

			collection, or disbursement of any money belonging to the county or appropriated to its benefit;...
Disburse	Pay claim	Auditor	RCW 36.22.050: For claims allowed by the county commissioners, and also for cost bills and other lawful claims duly approved by the competent tribunal designated by law for their allowance, he or she shall draw a warrant on the county treasurer, made payable to the claimant or his or her order, bearing date from the time of and regularly numbered in the order of their issue.
	Reconcile warrants	Treasurer	Chapter 36.29 RCW: The Treasurer shall receive all money due the county and disburse it on warrants issued and attested by the county auditor and electronic funds transfer under RCW 39.58.750 as attested by the county auditor... The county treasurer shall keep all moneys belonging to the state, or to any county, in his or her own possession until disbursed according to law.

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Article published Sep 7, 2015

Clallam budget 'loophole' allowing transfer of millions without a vote debated by commissioners

By Rob Ollikainen
Peninsula Daily News

PORT ANGELES — Millions of dollars can be transferred from one area to another in the Clallam County budget without a vote of the commissioners.

Although the money can't be spent without a vote of commissioners, Commissioner Mike Chapman said there is a "loophole" in county budget policy that needs to be fixed.

Chapman on Monday said it was "inappropriate" for County Administrator Jim Jones to sign a $3 million budget modification, redesignating 2015 funds for the delayed Carlsborg sewer project to other projects within the Opportunity Fund, in May without a board vote or public discussion.

"That's just wrong for a lot of fundamental reasons," Chapman said in a work session.

"We'll find out from a court whether it's legal. Just because something's legal doesn't make it right."

Commissioners Jim McEntire and Bill Peach voted Aug. 25 — with Chapman opposed — to seek a declaratory judgment and order from a Superior Court judge to force County Treasurer Selinda Barkhuis to release warrants for $1.3 million in Opportunity Fund grants to the port and city of Port Angeles.

Barkhuis had rejected the warrants, saying the public process had been insufficient.

The remaining $1.7 million in Jones' budget modification was intended for "undesignated" projects that the board had discussed informally.

"Modifying the budget does not authorize the spending," Jones reminded the board.

"The spending comes to you to the smallest penny. If we write a check for one penny, it comes to you to approve before it goes out."

Commissioners voted unanimously May 12 to award a $1 million grant to the Port of Port Angeles to renovate a building for the future Composite Recycling Technology Center and a $285,952 grant to the city of Port Angeles for its waterfront improvement project.

They did not vote on the budget modification that moved the money from the Carlsborg

sewer project.

McEntire said the commissioners followed county policy and state law during the May vote.

"The main point here is we don't make policy on the fly," McEntire said in a Thursday interview.

"We've got to follow our policy in every case, and that's what we did."

In late June, commissioners voided the warrants and returned the grant applications back to the Opportunity Fund Advisory Board, which recommended both grants a second time.

In August, on a 2-1 vote in which Chapman was opposed, commissioners approved the grants. They have not issued the warrants.

Chapman said he "clearly understood" Barkhuis' concern when he realized that $3 million had been moved within the Opportunity Fund projects with a stroke of a pen on a single sheet of paper.

"I think that is a loophole that has to be changed," said Chapman, who still supports the port and city projects.

"Personally, I believe that one of you two guys had to plant $3 million in [Jones'] mind, or he just pulled it out of the air."

Jones said he had been directed by the board to make available all Opportunity Fund reserves for shovel-ready projects.

The board had received correspondence from the Sequim Aquatic Recreation Center and the city of Port Angeles requesting Opportunity Fund grants for facility improvements at the pool and lights at Civic Field, McEntire and Peach agreed.

At the time of making the budget modification, the Opportunity Fund reserve had a balance of $3 million, Jones said.

"It was my own judgment that it was the board's intention to get as much of that money working in the community as was possible," Jones said.

"We didn't talk about the other $1.7 million. . . . The rest of the change was just on my volition, knowing the will of the board, that other projects might come along as well."

The Opportunity Fund is a portion of state sales tax that supports infrastructure in rural areas.

Chapman in a Thursday interview said he encouraged reserve spending.

But unlike other board-approved expenditures from general fund reserves or lodging tax

revenue, there was no budget emergency hearing for the Opportunity Fund projects, he said.

"Clearly, the treasurer has legitimate concerns on behalf of the public, and I hold those concerns," Chapman said.

"I just think it's inappropriate for $3 million to be moved without the Board of Commissioners knowing it, and I think the public would not be pleased that $3 million was moved without the board approving that particular number."

Chapman on Aug. 25 said he would apologize publicly if Jones could find a record of the board voting on the $3 million budget modification and challenged McEntire to apologize Monday.

"I certainly apologize that my memory was faulty and that we didn't have an explicit discussion of the $3 million figure," McEntire said.

"But I do not apologize for the fact that in my mind, we had had a series of discussions from the very first of this year on through today regarding all of this spending."

Commissioners discussed Monday a proposed change to county policy that would require a formal approval of budget modifications that exceed $50,000.

According to Jones' research, there had been 270 budget modifications since 2010, none of which were presented to the board for formal approval.

The largest budget modification was $12.8 million to update an accounting code for a public works project.

Jones has approved 30 budget modifications since 2010 that exceeded $50,000, most of which were public works projects.

Chapman said public works projects are vetted for inclusion on the six-year Transportation Improvement Plan, or TIP.

"The reason the treasurer in the past released those dollars is because those were in the TIP," Chapman said. "They've gone through a public process.

"These projects came out of nowhere."

Before commissioners vote on the $50,000 threshold for budget modification, the proposal will be vetted by a budget advisory committee that includes Barkhuis and County Auditor Shoona Riggs.

"Let's let the finance committee do its work and make its recommendation," McEntire said Monday.

"In the meanwhile, we can take whatever steps that are appropriate so that we are fully — each one of us three — fully aware of all of the administrative changes to the budget."

McEntire suggested that Jones produce a list of all budget modifications for commissioners to review every week.

"I think that's a step that we can take that produces transparency," he said.

In a Friday email, Barkhuis said she would release the funds to the port and city if the board would hold the budget emergency hearing and secure contracts.

She said Commissioners McEntire and Peach "are well outside their lane by refusing to produce and sign these documents," Barkhuis wrote.

Chapman on Thursday said the board "should have listened to the treasurer" when Barkhuis warned that she would withhold the warrants absent contracts and a budget emergency hearing.

He also took responsibility for not following Jones' advice to budget the projects in 2016.

"It is true that I supported a quicker process," Chapman said.

"But it is true that there are checks and balances in government. One of those checks and balances is the treasurer in charge of the treasury.

"We would be getting those funds out this week if we had a budget emergency process."

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