

**ISLAND COUNTY COMMISSIONER - MINUTES OF MEETING**  
**REGULAR SESSION - JUNE 17, 2002**

The Board of Island County Commissioners (including Diking Improvement District #4) met in Regular Session on June 17, 2002 at 9:30 a.m., in the Island County Courthouse Annex Hearing Room, Coupeville, Wa. Mike Shelton, Chairman; Wm. L. McDowell, Member; and William F. Thorn, Member, attended. By unanimous motion, the Board approved the minutes from the regular meeting of June 10, 2002.

**VOUCHERS AND PAYMENT OF BILLS**

The following vouchers/warrants were approved for payment by unanimous motion of the Board: Voucher (War.) #126095-126326 .....\$712,132.44.

**APPOINTMENTS TO WATER RESOURCE ADVISORY COMMITTEE (WRAC)**

Based on recommendation of Commissioner McDowell, the Board by unanimous motion appointed two members to the WRAC Representing District #2 to fill existing vacancies as follows:

- John K. Luechauer, Oak Harbor, refilling the unexpired term of Jim Trask to May 17, 2004
- Steve Frostad, Oak Harbor, refilling the unexpired term of Steve Hilborn, to May 17, 2005.

**ORDINANCE AMENDING DISTRICT COURT DISTRICTING PLAN, CHAPTER 1.12 ICC TO ADJUST ALLOCATIONS FOR THE OAK HARBOR MUNICIPAL COURT DEPARTMENT RESOURCE AND COST ALLOCATIONS**

Pulled from the calendar; to be scheduled at a future date, pending review of the provisions related to an every other year review and consider instead the review period to be three years.

**NURSING-ORAL HEALTH CONTRACT (AMENDMENT) HD-06-01(2)**

By unanimous motion, the Board approved Nursing-Oral Health- Mary Jane Lungren, DDS, Contract #HD-06-01(2) (Amendment Amount \$8,000) for new total of \$22,000, as approved by the Board of Health on 5/20/02.

**HEARING SCHEDULED: ORDINANCE #C-50-02 ESTABLISHING RURAL COUNTY SALES AND USE TAX TO FINANCE PUBLIC FACILITIES**

By unanimous motion, the Board scheduled a public hearing, to be held on July 8, 2002 at 10:35 a.m. to consider Ordinance #C-50-02 Establishing Rural County Sales and Use Tax to Finance Public Facilities.

**HEARINGS HELD: FRANCHISES**

At 10:20 a.m. as scheduled and advertised, a public hearing was held for the purpose of considering the following franchises:

- Franchise #33, Gordon Sparks, a new sewer collection system; Plats of Utsalady Point Tracts and Bakerview Terrace; Sec. 13/24, Twp. 32N, Rge. 2E
- Franchise #118R, renewal of existing water distribution system, Plat of Twin view Estates Community Club, Sec. 28/29, Twp. 30N, Rge. 2E
- Franchise#45(1)R, renewal of existing water distribution system, Plats of Goss Lake First Addition and Goss Lake Park, Divisions 1, 2, and 3; Sec. 31, Twp. 30N, Rge. 3E and Sec. 6, Twp. 29N, Rge. 3E.

Letters recommending the Board's approval were submitted by Bill Oakes, Public Works Director, from the County Engineer: May 28, 2002 regarding Franchise #118R; May 28, 2002 regarding Franchise #45(1)R, and May 24, 2002 regarding Franchise #33.

Chairman Shelton called for public comments for or against the three franchise applications. No one was present who indicated a desire to speak either for or against the franchises.

By unanimous motion, the Board approved Franchise #33, Gordon Sparks, a new sewer collection system; Plats of Utsalady Point Tracts and Bakerview Terrace; Franchise #118R, renewal of existing water distribution system, Plat of Twin view Estates Community Club; and Franchise #45(1)R, renewal of existing water distribution system, Plats of Goss Lake First Addition and Goss

Lake Park, Divisions 1, 2, and 3, as presented.

**BID AWARD – CAMANO ACP OVERLAYS 2002, CRP 02-05**

By unanimous motion, the Board awarded bid for Camano ACP Overlays 2002 under CRP 02-05 to the low bidder, Rinker Materials, Burlington, in the total amount of \$338,535.00.

**SUPPLEMENTAL AGREEMENT - CONSULTANT AGREEMENT  
#PW-992045; CNJA ARCHITECTS, CAMANO ROAD  
MAINTENANCE FACILITY**

Supplemental Agreement to Consultant Agreement #PW-992045 with CNJA Architects for the Camano Road Maintenance Facility, Work Order #10, revising the scope of work, was approved by unanimous motion of the Board for signature by the Chairman. The revised scope of work was necessary to complete the work through construction and construction close out, and increases the contract amount by \$16,981 for a new total of \$233,192.45. All work under the agreement is to be completed by December 30, 2002.

**RESOLUTION #C-51-02/R-125-02 AMENDING CRP 00-05 – OLD  
COUNTY ROAD, DESIGN & RIGHT-OF-WAY PLANS FOR  
ROAD IMPROVEMENTS**

Amendment to CRP 00-05 for Old County Road, design & right-of-way plans for road improvements was approved by unanimous motion of the Board, under Resolution #C-51-02/R-25-02 to cover preliminary design, right-of-way plans and design improvements of approximately 1,000 lineal feet of Old County Road, for a total appropriation of \$340,000.

**CONSULTANT AGREEMENT – PW-022024, FAKKEMA AND KINGMA,  
INC.; OLD COUNTY ROAD; CRP 00-05, WORK ORDER #359**

The Board by unanimous motion approved Consultant Agreement #PW-022024 with Fakkema and Kingma, Inc., for design of the road project and right of way plans for Old County Road under CRP 00-05, Work Order #359, in the amount of \$45,145.00.

**RESOLUTION #C-52-02/R-22-02 INITIATING COUNTY ROAD PROJECT- SHIPS HAVEN DRIVE CULVERT  
AND OUTFALL REPLACEMENT**

By unanimous motion, the Board approved Resolution #C-52-02/R-22-02 Initiating County Road Project #CRP 02-07, Work Order #152, Ships Haven Drive Culvert and Outfall Replacement, for a total appropriation of \$102,000.

**RESOLUTION #C-53-02/R-23-02 INITIATING #CRP 02-08, WORK  
ORDER #169 - ELGER PARK ROAD (CAMANO SHORES)  
OUTFALL REPLACEMENT**

The Board, by unanimous motion, approved Resolution #C-53-02/R-23-02 Initiating County Road Project CRP 02-08, Work Order #169, Elger Park Road (Camano Shores) Outfall Replacement for a total appropriation of \$66,500.

**RESOLUTION #C-54-02/R-24-02 INITIATING CRP 02-09, WORK ORDER 178; ROBINSON ROAD CULVERT  
REPAIR/REPLACEMENT**

The Board by unanimous motion approved Resolution #C-54-02/R-24-02 Initiating County Road Project CRP 02-09, Work Order #178, Robinson Road culvert repair and replacement, for a total appropriation of \$23,000.

**CONTRACT/CONTRACT BOND # PW0220-41 - JENKINS, INC. -  
2002 WHIDBEY ISLAND PAVEMENT REPAIRS**

Based on recommendation of Mr. Oakes, the Board by unanimous motion approved a Contract between Island County and Jenkins, Inc., along with Contract Bond, under # PW0220-41 in the amount of \$65,420, for the 2002 Whidbey Island pavement repairs, under Work Order #100.

**HEARING SCHEDULED: OPEN SPACE APPLICATION #442/01, MARY ZIMMERMAN & STEVEN AND  
JOANN RAYMOND**

The Board, by unanimous motion, scheduled a public hearing on July 8, 2002 at 10:30 a.m. to consider OPS 42/01 by Mary

Zimmerman & Steven and Joann Raymond to designate approximately 25.76 acres and 743 tideland feet of a total 32.66 acres and 743 tideland feet, as Open Space, on Parcels R32913-151-0640, R32913-110-1010, R32913-150-2140 and R32913-148-1650, located off Wilkinson Road, Clinton.

## **REVIEW MONTHLY FINANCIAL REPORTS FROM AUDITOR & TREASURER**

**Treasurer's Report.** Maxine Sauter, Island County Treasurer, summarized from her financial report for the period ending May 31, 2002, provided under memo dated 6/13/02. At this point Ms. Sauter predicted that interest income would exceed the conservative budget estimate by well over \$350,000. Although interest rates are not up she was able to obtain good rates dealing with three banks. Rates for 90 to 181 days are 1.95; then 2.15; and from 270 to 365 days 2.35. Property tax collections are pretty much on target [almost 100%], along with sales & use tax and franchise tax.

**Auditor's Report.** The Auditor's written financial report for the period ending May 31, 2002, was provided by Suzanne Sinclair. Chairman Shelton understood that if the Treasurer invests money now if it matures prior to 12/31/02 there is no need to accrue; however, if she invests today for a year it will mature next year and show on the report as investment interest, while the Auditor's report would show interest earned on that investment is credited this budget year, and interest from 1-1-03 until maturity credited on next budget year. The Auditor, along with Anne LaCour and Motoko Pleasant, responded to questions about the report, particularly with respect to lines 59 and 60, confirming this is interest for 2002 earned but not yet received by the end of May. The 12/31 report would add those two together and would show this as actual interest earned on investments for year 2002 if it were at 12/31.

[Both reports are on file]

## **BUDGET WORKSHOP**

Budget workshop began at 1:30 p.m. to review and discuss how the budget shortfall for 2003 could be addressed within the Miscellaneous Budget, with individual line items to be discussed with agency representatives. Subsequent to that, the Commissioners reviewed updated revenue projections, and general budget review and preliminary decisions. The Budget Director, and several Elected Officials, Appointed Department Heads, Agency Representatives attended. Copies of hand-outs placed on file.

### **Whidbey Island Conservation District**

**2002 Appropriation from Current Expense: \$ 10,000**

**Presentation by: Benye Weber**

**Hand-out: Annual Report – Whidbey Island Conservation District**

Chairman Shelton recalled last year's budget session conclusion that the District would put forth a special assessment [RCW 89.08.400] at which time the contribution from Island county Current Expense of \$10,000 would be replaced by that assessment. Ms. Weber confirmed that was her understanding as well; the Supervisors of the District plan to hold a meeting on the matter the end of the month. The matter will be brought to the Board of County Commissioners as provided under that statute. The report shows operations and sources of revenues.

### **NW Regional Council**

**2002 Appropriation from Current Expense: \$49,065**

**Presentation by: Victoria Doerper**

**Hand-out: letter dated 6/17/02 Input for 2003 Island County Budget**

Interlocal Agreement governs NWRC, a four county council of governments that Island County along with three other counties provide contributions every year, used primarily to serve vulnerable seniors and adults, law and justice issues including LEARN [Law Enforcement Administrative Radio Network] and Juvenile justice planning. Island County funding of \$49,065 is used for:

#### **\$32,405 2002 NW LEARN Funding from Island County**

To maintain, repair/replace equipment, and improve radio communication links within each county and among the four counties. Island County's funding covers a replacement fee of \$5,976 to cover costs of repeaters; a department equipment budget of \$10,000 to cover work on Island County Sheriff Department equipment, and a utilization fee of \$16,429 covering costs to maintain repeater sites benefiting Island county.

#### **\$16,660 2002 Agency Match Contribution from Island County**

Approximately 19.5% of the total local county funding provided to NWRC. Funding is critically important because it leverages significant additional funding through other sources and is the only funding not specifically earmarked for a particular program or services and primarily support services to vulnerable adults and seniors, as well as juvenile justice planning and coordination. County contributions needed to partially match federal fund sources such as Older Americans Act; augment funding for priority services such as tribal outreach and case management and to cover NWRC staff time spent researching grant opportunities and writing grant applications.

NWRC in 2002 was cut 10% in State Senior Citizens Services Act Funding and may see further cuts to this funding in 2003. Cuts are in addition to 2002 which required establishing strategic budget priorities: maintaining services to vulnerable clients, putting on hold some functions and activities and streamlining or consolidating where possible, resulting in eliminating two positions. LEARN board recommends 2003 contribution from Island County's at \$30,023, a decrease of about 7% which reflects projected decreased utilization costs. The match contribution from Island County is recommended to stay the same, at \$16,660, for a total contribution of \$46,683.

#### **Fire Permit Program**

**Presentation by: Betty Kemp**

**Hand-Out: Island County Burn Permit Program 2002 Expense/Revenue [updated]**

Program is supporting itself, and fire permit fees of such amount that the \$15,472 contribution [subsidy] from Current Expense may not be needed in 2003.

#### **Senior Services of Island County**

**2002 Appropriation from Current Expense: Sr Services \$66,840/Adult Day Care \$10,609**

**Presentation by: Mike McIntyre**

**Hand-Out: Fact Sheet – Senior Services of Island County-County Wide Programs**

Contract funding provides less than half the funds necessary to run contract programs. Review of some of the programs in Island County:

Nutrition [meals on wheels] 34,690 served 2001; estimate 36,815 for 2002

Other meals [meal sites/liquid] 61,745 served 2001; estimate 67,489 for 2002

Volunteer Chore [medical transportation ] 91,464 miles – 2001

Case Mgt/Info & Assistance: over \$1.2M to County residents authorized by Case Managers

Other senior services programs include: Senior Center, Senior Activities, Foot Clinics, Senior News, Adult Day Care, Senior Employment, Job Bank, CamBey low income apartments, and health insurance advisors. Self-sufficiency efforts resulted in \$152,000 in 2001, as well as having a value of recorded volunteer hours, at minimum wage for 2001, equal to \$183,445. Forecast for 2003, assuming 2002 demand levels do not increase; a 1.5% inflation rate; and all funding sources frozen at current levels, Senior Services of Island county will experience a \$27,659 funding shortage in 2003. An 11% reduction in Island County support would further increase the shortage to \$36,178. Reviewed senior thrift shop over the five years, having gone from \$70,000 gross to \$70,000 net, and efforts underway to build a larger store, modeled after Island Thrift in Oak Harbor.

#### **Oak Harbor Senior Center**

**2002 Appropriation from Current Expense: \$67,141/Oak Harbor Adult Day Care \$10,609**

**Presentation by: Bridgett DeMuth**

City of Oak Harbor is s going through the budget process, at this time still revising 2002, but do have a draft for 2003. In the past when faced with these types of budget problems the City worked hard to maintain its partnership with Island County. The partnership agreement provides that the City, Seniors and Island County share costs 1/3 each; Seniors are also responsible for raising 100% of capital. Looking at 2002 – 2004 the City's view is flat lining at 2001 funding levels. When looking at 11% cut on top of that from the County and how to rearrange the budget to address that 11% cut, they will probably not ask for an increase. They will try not to cut services but take up the cut through maintenance and operation, professional services, supplies, training and travel. She was very pleased with the Adult Day Care facility, with a maximum capacity of 25 people. With the 25 they can be pretty self-sufficient, and the other 25% funding needed would be raised along with grant writing to take care of folks who cannot pay for the services. There are currently 18 clients. This has been an amazing community effort between Island Thrift, contractors and builders, service organizations and many volunteers, resulting in about \$200,000 worth of donations.

#### **Camano Senior Center Association (CSSA)**

**2002 Appropriation from Current Expense: \$45,835**

**Presentation by: Marla Ries**

**Hand-out: 2003 Island County Budget considerations for Senior Program Support**

Mission Statement was included in the hand-out, along with a review of other programs and activities provided by CASA. CSSA contracts with Senior Services of Island County for nutrition, information and assistance, case management and volunteer chore program, and pays a fee for those services based on the previous year's actual cost less, anticipated grants and client donations. In 2002 CSSA will pay \$21,732, while the City of Oak Harbor will pay \$15,500 for the same services. Island County's 2002 contribution of \$45,835 will support 14.2% of CSSA's budget, while Oak Harbor Senior program, exclusive of the adult day care, is scheduled to receive \$67,141 or roughly 33% of their budget. According to census data, the population over age 65 in Washington State is 11.80%; in Island County that figure is 14.30%, broken out: Camano – 18.30%; Oak Harbor 9%. Due to changing demographics and client population, CSSA requests that Island County consider a change in funding formula, that rather than funding based on past practices, a new formula be devised based on current demographics and client services, applied as follows:

	<b>% over age 65</b>	<b>% of total</b>	<b># of meals</b>	<b>% of total</b>
Camano Island	18.30	67	4,884	62.50
Oak Harbor	9.00	33	2,925	37.50

An 11% cut, \$5,042, in County funding would have a dramatic impact on services, and as a result, would mean cuts in to the Senior Transportation program, require a charge rather than a donation for foot clinics, and other changes that would impact the level of services to Camano's most vulnerable citizens.

### **Economic Development Council**

**2002 Appropriation from Current Expense: \$32,500**

**Presentation by: Sharon Hart**

**Hand Out: Draft EDC Budget for 2003; Copy of the June, 2002 Newsletter**

The 2002 budget reviewed the overall reorganization; used all carry over funds, absorbed s 13% cut in overall programs; reduced staff time by 14 hours and the EDC Director took voluntary pay cut. Ms. Hart is now looking at a draft 2003 budget to be presented to the EDC budget committee in July which takes into account cutting the contract with San Juan County effective June 30<sup>th</sup> when San Juan County will start their own program [see information in the June 2002 Newsletter]. She has asked for increased state funding through OTED in the amount of \$9,000; recommendation to EDC will be made about a new membership campaign

Fortunate for Island County, the 2002 Legislature passed and the Governor signed Senate bill 5082 amending the definition of Rural County to include a county smaller than 250 square miles for the purpose of adopting a sales and use tax up to 0.08 percent to finance public facilities. The Commissioners have generally agreed that the County's \$32,500 to EDC come out of that money rather than Current Expense, hopeful to use that money not necessarily directly funding EDC but to put infrastructure in place out in the County that will make EDC's job easier.

### **Ebey's Landing National Historic Reserve**

**2002 Appropriation from Current Expense: \$10,000**

**Presentation by: Marshal Bronson; Rob Harbour**

**Reference: Interlocal Agreement for the Administration of Ebey's Landing National Historical Reserve**

Created pursuant to R.C.W. 39.34.030/Public Law 95-625. Interlocal Agreement signed by the Board of Island County Commissioners July 21, 1988. Joint Administration Trust Board composed of representatives from Island County, Town of Coupeville, Washington State Parks and National Park Service. The agreement, under Duties and Responsibilities of Contracting Parties, provides that the County will annually provide direct and in-kind financial support up to one-half of the operating costs of the Ebey's Landing National Historical Reserve subject to the limitation of amounts annually appropriated in the County's budget. Since 1988 the County has provided \$10,000 to the Reserve, along with other in-kind services.

Ebey's is a destination for tourists, protects the farmland, provides open space and a large part of the scenic corridor. Property acquisition on the part of the Reserve as gone from 26 acres to 400 acres ownership in fee. Developed a farming advisory board and contracting with American Farmland Trust to come in and assist in finding the best thing for agriculture as far as disposition of the Engle Farm. The Reserve is competing for special project funds. With the Engle Farm now, the Reserve is getting some Revenue off leases so it is basically self sufficient. The Reserve as some \$278,000 in special projects going on right now; all NPS funding which cannot be used as a match for operations. Original thought had been to ask for an additional \$5,000 from the County.

### **Revenue Projections and General Budget Review**

#### **Hand-outs:**

- **2003 Budget Current Expense Worksheet 6/13/02**
- **2003 Budget Expenditure Reduction Resulting from 10% Reduction in Working Hours**

Still 1/3 of cuts needed. Bank capacity would equal approximately 485,000. Reflects use of 2% figure for new construction instead of past years at 3%, based on Assessor's recommendation looking at permits for smaller amounts as opposed to larger houses. Budget Director will revisit that figure with the Assessor. Takes into account those departments who lost positions last year not be included this year.

The Commissioners talked about the fact that several different budget scenarios need to be built with a range of "what-if's"; need to pull together a concept and decide what is the most likely scenario. Need probably at least three more workshop sessions to put a concept together and feed that back to the departments. Things to consider include:

- Banked levy capacity
- 1/10% of 1% [should it pass; or if it fails]
- 11% reductions proposed

- Updated revenue projection
- Budget reduction judgments made, recognizing it cannot be a straight even cut across the County
- Determine cuts as soon as possible in order to give employees as much notice as possible of any layoffs/reduction in hours.

**Decision Reached/Follow-On Actions:**

- The Commissioners agreed to use banked levy capacity .
- Budget Director asked to prepare a list including every department [even if cuts are not proposed] and list specific budget reduction proposals for each, include column showing adopted 2002 budget and alternatives, if proposed.

**Additional Workshops Scheduled**

June 24 @ 10:00 a.m. [continue to 3:00 p.m.]

July 8 @ 1:30 p.m.

July 10 @ 11:00 a.m.; lunch break; and continue in the afternoon

There being no further business to come before the Board at this time, the meeting adjourned at 3:45 p.m. The Board will meet on June 24, 2002, at 10:00 in special session for the budget workshop; at 11:30 a.m. for Elected Officials Roundtable, followed by other agenda items at 1:30 p.m.

**BOARD OF COUNTY COMMISSIONERS  
ISLAND COUNTY, WASHINGTON**

\_\_\_\_\_  
Mike Shelton, Chairman

\_\_\_\_\_  
Wm. L. McDowell, Member

\_\_\_\_\_  
William F. Thorn, Member

**ATTEST:**

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Elaine Marlow, Clerk of the Board