

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
SPECIAL SESSION – SEPTEMBER 22, 2004 – BUDGET WORKSHOP**

The Board met in Special Session on September 22, 2004 beginning at 1:30 p.m. for the purpose of conducting Budget Workshops on the preliminary 2005 budget. Proposed budget and supplemental requests are taken under advisement by the Board; no final decisions expected as a result of budget workshops.

The special session was held in the Board of County Commissioners Hearing Room (Room # 102B) Island County Courthouse Annex located at 1 NE 6th Street, Coupeville, WA. Commissioners William J. Byrd Chairman; Mike Shelton, Member, and Wm. L. McDowell, Member attended. Elaine Marlow, Budget Director, also attended the session. Press represented by Eric Berto, Whidbey News Times and Stephen Mercer, South Whidbey Record. Several members of the public and County staff attended.

**Public Works Fund/Road-Engineering/ Solid Waste, ER&R, Surface Water/
Paths & Trails/Storm & Surface Water/Diking Improvement District #4/ Courthouse
Expansion/Juvenile Detention Center/Construction & Acquisition**

Presentation by: Bill Oakes

Hand-outs: Preliminary Budget Proposal under Cover Memo dated 8/11/04
[copy placed on file with the Clerk of the Board]

Presentation: Power Point Presentation “Public Works Budget 2005” [44 pages]
[copy placed on file with the Clerk of the Board]

Vision remains unchanged: “Superior service that is responsive and cost effective “. Public Works budget summarized:

County Road:	\$21,374,311
ER&R	2,751,369
Paths & Trails	951,000
Public Works	325,879
Storm & Surface Water Utility	29,610
Diking District #4	2,000
Courthouse Expansion	50,000
Juvenile Detention Center	4,536,466
Construction & Acquisition	337,500
Total Budget:	\$35,659,293

Reviewed year 2004 road projects - accomplishments and project status to date. Annual Road Program proposed for 2005 is aggressive – 8.2 million programmed in design, right of way and construction. Roads operating includes planning for emergencies, maintenance and events: chip seal; aerial photography; vegetation management. *[hand-out includes copy of Annual Road Construction Program for 2005 and 2005 proposed equipment purchases]*. Page 82 of the hand-out shows, #141 Professional Services - proposed for \$15,000. The amount of \$8,747 was spent year to date primarily for legal advice from bond counsel related to Greenbank Farm. Budget Director will review that item *[might not be the correct location for this type expenditure]*.

Plans are to continue with no roadside spray policy. Equipment was purchased in late 2002 and 2003 was the first full year of mowing versus chemical control. Costs are being tracked for 2003, 2004 and 2005 and the department continues to look for efficiencies. There are engineering reasons why road shoulders must be maintained. Seeing cost increase probably due to just the basic manpower required to mow two to three passes a year versus chemical application once a year.

Surface Water 2004 focused on project delivery. Over-view of the completed 2004 projects. For 2005, projects programmed into a six-year capital improvement program, with 2005 projects including: Maxwellton Culverts; Joseph

Lane; Utsalady; Reipma; and Sunset drainage.

ER&R is an internal service fund and revenue comes from rental rates. The Department plans to come to the Board with a rate revision proposal. New equipment proposed is a new one-ton 4x4, cab chassis & utility box for the sign shop with remaining purchases replacements for the fleet.

Paths & Trails – Revenues and expenditures reviewed – includes planning, design and construction activities. Cedars/Maxwelton Trail – work by consultant will continue through 2005. The Non-motorized plan will be updated beginning Fall 2004 and continue into 2005. Rhododendron trail will be constructed in 2005. Right of way acquisition – major focus for Maxwelton trail in 2005.

Solid Waste – accomplishments 2004 reviewed. Planning & Operational notes and changes for 2005 reviewed, including Camano recycle; groundwater and gas monitoring and action plan; anticipated major capital expenditures. [hand-out includes capital facilities equipment purchases proposed for 2005]. Navy contributes \$10,000/yr.+ for base housing access/use of hazardous waste program – may increase in 2005 with completion of new base housing complex. Agreement must be re-negotiated for 2005. Oak Harbor is taking a look at taking on their collection – a meeting will be held in the coming weeks to discuss how much capacity could be absorbed at the Coupeville site. Commissioner McDowell noted something to be aware of is a question being looked relating to personal property tax impact associated with the Navy turning ownership of houses over to private individuals while the property still will belong to the Federal Government – the issue “what new is being created in regard to taxing authority” is something the County needs to be aware of that if it is providing services to that new entity.

Public Works administration in 2005 will be cooperatively working with the Planning Department on GMA updates [Transportation & Capital facilities elements and non-motorized plan]; work on capital project management. Completed annex remodel. Juvenile Detention Center hopefully go to bid October with construction start late November or early December 2004 and occupancy late 2005. Employee parking displacement during construction will be addressed – discussed at the next Roundtable [9-27-04].

Diking District #4 - annual maintenance proposed, using fund balance.

Treasurer

Presentation by: Linda Riffe

Hand-outs: Treasurer’s Expenditure and Revenue Budget Worksheets; Treasurer’s O&M Fund that handles foreclosures and the costs associated with those; payroll estimates; budget narrative and supplemental proposal [*copies on file with the Clerk of the Board*].

This is a hold the line budget as much as possible for office and operating expenses. Any increases are related to upgrade of the accounting program, which is still in process. Office and operating supplies continue to increase [paper, forms, etc.] and the more electronic capabilities the greater the opportunity is to reduce some of those costs. Salaries category has an increase, most having to do with re-filling an existing position, and seniority raises; but a reduction shown in the percentage of tax foreclosure deputy position as a result of shifting a larger percent over to Treasurer’s O&M fund.

A portion of her web site is now live, a segue into what she anticipates occurring the first of the year - a link to the bank that will allow people to pay taxes online. It is transparent as far as the budget cost-wise because for on-line credit card and debit card payments it is the bank that charges and collects a convenience fee.

Treasurer’s O&M Fund. A large portion of the expenditures incurred will be reimbursed during the year through the foreclosure process. The money normally not collected until after the foreclosure auction which this year is November 19th. Over the last two years the trend has been that a greater number of people redeem properties prior to actual foreclosure, thus a drop in the number of pieces of property that are auctioned. The Budget Director pointed out that looking at the difference between revenues and expenditures, each year the revenues exceed the expenditures by a signification portion. Even if the \$65,000 estimated revenue is not reached, she was confident that the fund will stay in the

positive.

Supplemental Request. Proposal for additional items to bring department up to date and help become more efficient, prioritized:

- Add to Xerox lease \$89.48 per month for scanner
- 5 Scanners for employee workstations \$250 +tax each
- Telephone headsets for 4 employees @ 195.95 + tax
- Replace HP laser printer \$2,004
- Professional dues/other fees \$500

Capital expenditures/Equipment & Software request is for the following

- Software to link banking services and ICT for electronic payments
- Telephone Equipment for the lobby for interactive on-line payment capability
- Programming to link ICT office with DOR for electronic REET processing
- Install security gate at front counter
- Build banking counters for security and service in unused lobby area.

2005 Summary of Current Expense Revenue and Expenditure Projections

Presentation by: Elaine Marlow

Summary of Current Expense: minus \$83,777 difference between revenue and expenditures.

Revenue projections. Worked with Treasurer's office on most of the revenue estimates. Property tax is based on 1% new money, new construction slightly less than 3%, and the fact that the County should not have to levy Veterans Assistance this year. Not firm yet is the sales tax number – difficulty is not having seen August collections data prior to pulling the figures together [# needs to be firmed up]; thought the number low for 2004 which means there should be some increase. Investment interest is \$600,000; at this point in time as far as the 2004 budget the amount is \$394,000 at the eighth month of this year.

Expenditures. Expenditures include any agreed to labor increases already settled such as 1845C and the Teamsters; 2% estimated COLA for non-represented employees; includes an amount for unsettled labor contracts as a placeholder. Medical insurance cost increases are reflected at 3%. Included expenditure increases for unavoidable costs such as utilities, fuel costs, etc.

Supplemental Request list. So far represents roughly over half a million dollars for Current Expense. The County continues to have to replace copiers, printers, etc. and there really is no line item for that.

Special Session adjourned 3:20 p.m.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

William J. Byrd, Chairman

Mike Shelton, Member

Wm. L. McDowell, Member

ATTEST: _____
Elaine Marlow, Clerk of the Board