

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

The Board of Island County Commissioners met in Regular Session on December 10, 2007 beginning at 9:30 a.m. in the Board of County Commissioners Hearing Room (Room # 102B), Annex Building, 1 N.E. 6th Street, Coupeville, Washington. Wm. L. McDowell, Chairman, John Dean, Member and Phillip Bakke, Member were present. The meeting began with the Pledge of Allegiance. By unanimous motion the Board approved the Regular Session minutes of November 19, 2007.

ELECTRONIC FUND TRANSFERS, VOUCHERS, AND PAYMENT OF BILLS

By unanimous motion the Board approved the Electronic Fund Transfers and the following vouchers/warrants:

Warrant #s 276444-276683.....	\$245,971.39
Electronic Fund Transfers	\$ 17,386.42

EMPLOYEE AWARD PRESENTATIONS

EMPLOYEE SERVICE AWARDS

<u>Department</u>	<u>Employee</u>	<u>No Years</u>
Public Works	Daryl Van Wey	5
Public Works	James Clark	10

EMPLOYEE OF THE MONTH AWARD

Working with vouchers often puts Lorene in the middle between what is required by the County and State and what the department wants to do with the voucher request. Despite being in the middle, Lorene is able to remain polite and respectful when dealing with others and working to complete the vouchers. She shows patience in explaining things to others. Lorene is always willing to share the knowledge that she has gained with co-workers. She shows a unique ability to see both sides of an issue when she is working with others. This helps everyone understand the questions involved and helps move things to a satisfactory resolution. Not being content with “just getting the job done” Lorene goes above and beyond using her customer service skills; always remembering that her customer is the co-worker that needs her assistance with the vouchering process.

HEARINGS HELD: BUDGET ADOPTION AND TAX LEVIES

At 9:55 a.m. the Chairman opened Public Hearings to consider the following Resolution and four Ordinances related to adopting the 2008 Island County Budget:

Resolution C-111-07 Adopting the Island County Budget and Diking District No. 4 Budget for Fiscal Year 2008

Ordinance C-112-07 Increasing the Taxing District’s Prior Year’s Levy Amount for Collection in Fiscal Year 2008 for the County Current Expense Levy

Ordinance C-113-07 Increasing the Taxing District’s Prior Year’s Levy Amount for Collection in Fiscal Year 2008 for the County Road Levy

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

Ordinance C-114-07 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2008 for the County Conservation Futures Levy

Ordinance C-110-07 Authorizing the Taxing District's Levy Amount for Collection in 2008 for the Island County Veterans Assistance Fund

Elaine Marlow, Budget Director, said that the Public Hearings on adopting the budget for 2008 plus the tax levies for the County Current Expense Fund, the County Road Fund, the County Conservation Futures Fund, and the Veteran's Assistance Fund were continued to today from December 3, 2007. The Board had one final workshop December 6, 2007 to make final changes to the budget. Following is Ms. Marlow's summary of what will be the 2008 adopted budget:

Total estimated budget for 2008 \$73.9 million
Overall Growth in Expenditures 7%
Overall Growth in Revenues 5%

Local sales taxes
8% increase \$600,000

- Estimate for sales taxes in 2008 \$7.9 million
- (Does not include newly adopted mental health/therapeutic court sales tax 1/10th of 1 percent. The new sales tax will become effective Jan 1.)

Property taxes 1% increase plus amount from new construction
Estimated overall increase in revenue due to new construction approx. 3% for the General Fund slightly more than \$200,000

Fees increases

Environmental health and building fees haven't been raised in 5-6 years (since 2002 & 2003)

Cost of providing services has increased and will be partially offset by expenditure reductions

Environmental Health – overall approx. 1%

Building fees approximately 9% which amounts to 1.5% annually over the past 6 years

Interest Revenue

\$2.1 million which is slightly less than 2007 forecast.

Lack of growth in investment rates

Real Estate Excise Taxes

- 2007 currently down 10% from 2006. It is anticipated that there will be zero growth in REET collections for next year.
- Dependant on real estate market activity since the source of this revenue is an excise tax on real estates sales
- REET revenue is used to fund capital drainage projects, parks improvements, building maintenance and debt service on the bonds (issued for construction of the Juvenile Detention Facility, Law & Justice Bldg., and remodel of the Administration and Annex Bldgs.)

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

Salaries & Benefits (All funds & programs)

- Total estimate for 2008 Salaries \$22 mil Employee benefits \$8.5 mil
- Overall increase in salaries & benefits from 2007 Adopted Budget \$1.6 mil 5.8%
- COLA depending on bargaining unit ranges from 2.5% to 2.6%.
- Labor agreements with 2 major bargaining (Sheriff Deputies and Corrections Officers) units are currently under negotiation.
- Basic medical insurance plan increased 7% \$260,000
- Retirement costs \$ 300,000 increase
- Retirement rates will increase from 6% in 2007 to slightly over 7% in 2008. Eligible employees are covered by WA State Retirement Systems plans. These rates are developed by the WA State Actuary and adopted by the WA State Legislature.

Supplemental requests

Total requests \$1.4 million

Funded \$572,000 with over half of the available funds going to Law & Justice

In other areas

- 10% increase in funding for non-profits which provide services to our senior community
- 10% increase in funding to WSU Extension
- \$50,000 increase to support Public Health Nursing at its current levels

New positions for 2008

Increase 6.05 FTEs

Majority in Law & Justice 5.70 FTEs

Approved supplemental budget requests included

- 1 additional Sheriff's deputy
- 1 additional Deputy Prosecuting Attorney
- 1 additional District Court deputy clerk
- Plus funding to bring to full-time to positions in District Court Probation, Superior Court Clerk's office, and Juvenile Court Services
- .5 FTEs in Elections and in Records Management

Maintenance & Operations (All funds & programs)

Overall increase 6% \$1,459,105

Major capital projects planned

- Camano Hill widening
- Design work on Camano Annex
- Jail improvements \$800,000
- Drainage projects \$650,000
- Parks projects \$346,000 majority of funds will be used to improve boat ramps and beach access (Libbey Beach, Cavalero Beach, Utsalady)
- Fairgrounds approx. \$130,000 over the next 2 years (RV dump station & restroom)

Comments on the Budget by Members of the Public

Richard Bryan, Coupeville, had the following questions of the Budget Director:

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

- Effective date of sales tax increase
- Total County budget in 2007
- Estimated head count for 2008
- Total FTEs today

Ms. Marlow responded:

- Sales tax increase takes effect January 1, 2008 but the County will not see any actual cash until March, 2008.
- 2007 adopted budget approximately \$69 million.
- Approved FTEs for 2008 approximately 450 with some positions remaining vacant.
- 440-445 with most new positions for law and justice, reductions elsewhere.

Concerning questions about the County road levy the Budget Director reported that the Board decided against taking the banked capacity portion in 2008, limiting the road levy to a maximum of 1% in next year's budget. Before Initiative 747 became effective, excess capacity was created in the County road levy. However, given the recent action taken by the State Legislature regarding banked capacity, the Board did not want to further confuse the public at this time. As Commissioner Dean pointed out, the Board felt there is no looming crisis at the moment that would warrant needing more than the 1%.

In response to various questions on the phases, components and timeframe to implement the IT plan(s) Ms. Marlow reported:

In last year's budget there was \$350,000 of capital expenditures to replace the existing accounting and HR systems. Separate from the \$350,000 was \$60,000 to fund Moss Adams helping the County through the selection process for the new system. \$60,000 was also allotted to Moss Adams to assess the current information technology processes County-wide. Currently working on the county-wide IT assessment, started in November, with Moss Adams on-site and interviewing departments and key personnel to find out where the County is presently. A set of recommendations once completed will be returned to the Board. For the accounting system the Steering Committee reviewed four different vendors and narrowed it down to two. They conducted site visits for one vendor with no final price as of yet for the system.

Ms. Marlow expects that the County will spend all the money it budgeted for Moss Adams for the system review, site visits, and help with contract negotiations. The \$350,000 allotted for the project is not yet spent and has been carried over into the 2008 budget. The County is in the process of developing a project budget that will extend probably two to two-and-a-half years and will include all costs of the project. The money will be placed into a "fund balance" and will be carried ahead into the year or years that the project is slated to go forward. IT spending in 2008 includes the carry-forward of replacement of the HR accounting system. Other than Moss Adams, there are no dollars slated for any new projects.

The Overview project (study) is estimated to be completed in the first quarter of 2008. It is expected that in the first quarter the County will see assessment of where the County's IT department is currently and some of the County-wide needs for computer systems.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

Moss Adams will, similar to what it did for the financial system, develop a report and make a presentation to the Board.

The finance system implementation will be a multi-year project. The County will be re-engineering some of the current processes and it takes time to develop those processes and train people on the new system. As Ms. Marlow indicated, the County would rather take its time and make good decisions than rush through the process and regret it later.

No other comments were made from members of the public relating to the Resolution or Ordinances.

Ms. Marlow confirmed for the Board that the Resolution and four Ordinances were revised with the changes discussed.

The Board by unanimous motion approved for adoption the following Resolution and four Ordinances related to adopting the 2008 Island County budget:

Resolution C-111-07 Adopting the Island County Budget and Diking District No. 4 Budget for Fiscal Year 2008. *[Resolution on file with the Clerk of the Board]*

Ordinance C-112-07 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2008 for the County Current Expense Levy. *[Ordinance on file with the Clerk of the Board]*

Ordinance C-113-07 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2008 for the County Road Levy. *[Ordinance on file with the Clerk of the Board]*

Ordinance C-114-07 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2008 for the County Conservation Futures Levy. *[Ordinance on file with the Clerk of the Board]*

Ordinance C-110-07 Authorizing the Taxing District's Levy Amount for Collection in 2008 for the Island County Veterans Assistance Fund. *[Ordinance on file with the Clerk of the Board]*

APPOINTMENTS AND REAPPOINTMENTS TO VARIOUS BOARDS/COMMITTEES

The Board, by unanimous motion, made the following appointments and reappointments:

Island County Housing Authority

Julia Hodson, Coupeville, reappointed at the recommendation of Steve Gulliford, Executive Director for the Island County Housing Authority, to the Island County Housing Authority. Her appointment will run to December 6, 2012.

Marine Resources Committee for Island County

Ian Jefferds is reappointed at the recommendation of Don Meehan and fellow members on the Marine Resources Committee to the Marine Resources Committee for Island County. His reappointment shall run for three years to December 31, 2010.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

Marine Resources Committee for Island County

Hi Bronson is reappointed at the recommendation of Don Meehan and fellow members on the Marine Resources Committee to the Marine Resources Committee for Island County. His reappointment shall run for three years to December 31, 2010.

Veterans Advisory Board (VAB)

Teri Anania is reappointed to the Veterans Advisory Board (VAB) to a full one-year term to expire December 31, 2008.

AWARD OF RURAL COUNTY ECONOMIC DEVELOPMENT SALES TAX FUNDS FOR 2007

By unanimous motion the Board approved the Award of Rural County Economic Development Sales Tax Funds for the 2007 cycle, as recommended by the Council of Governments, subject to conditions as follows:

City of Oak Harbor: Pioneer Way Street Reconfiguration in the amount of \$1 million subject to securing funding in the amount of approximately \$4.2 million for the road, a timeframe of five years and annual updates to the Council of Governments.

Economic Development Council in the amount of \$67,000. The Council of Governments will renew this allocation annually in an amount to be determined each year unless otherwise changed by law.

GENERAL SERVICES ADMINISTRATION

As recommended by Betty Kemp, General Services Administration Director, the Board by unanimous motion approved the following:

GSA Conservation Futures

Owner's Sale Agreement and Earnest Money Receipt for purchase of property on Dry Lake Road. Sellers: Walt & Mary Nicholas; Amount: \$25,000 (plus closing costs of \$1,168.97) (RM-GSA-07-0114)
The Board mentioned its appreciation to the Nicholas family for their generous donation of \$100,000 toward the purchase of the property.

GSA Risk Management

Revised standard indemnification and insurance language for Island County contracts

GSA Emergency Management

Amendment A to contract with Washington State Military Department for Emergency Management Performance Grant (EMPG); Contract No. E07-348; Amendment Amount: \$5,871.00; (RM-DEM-07-0113)

Purchase Order No. 8578 Day Wireless for purchase of remote mount mobile radios; Amount \$5,315.93 (RM-DEM-07-0111)

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

HEALTH DEPARTMENT

The Board by unanimous motion approved the following as recommended by Tim McDonald, Health Services Director, by memorandum dated December 5, 2007.

Contract with San Juan County Health and Community Services for Mental Health/Jail Transition Services. Contract provides mental health and transition services to eligible San Juan County residents while incarcerated in the Island County and Okanogan County jails. Contract Number SJC-Jail-07-09; Contract Amount: \$78,246 (*RM-HLTH-07-0124*)

Request for Exemption from the competitive solicitation procurement for consultation services by Mary Jane Lungren DDS for the Nursing/Oral Health program. Contract No. HD-39-07 (IC Code 2.29.030.B.12)

Contract with Toddler Learning Center for the Developmental Disabilities/Mental Health Special Project. Contract funds specialized services for children with severe behavioral issues, sensory integration challenges and children diagnosed as having autism spectrum disorders. Contract No. HS-16-07; Contract Amount: \$12,322 (*RM-HLTH-07-0188*)

SHERIFF

By unanimous motion the Board approved a bid to repair the ALMAR boat through Flowers Marine. Bid Amount: \$22,582.72

PUBLIC INPUT AND COMMENTS

Richard Bryan, Coupeville, asked about the total amount of contracts let and the total amount of contracts let without competitive solicitation in the last 12 months. Ms. Marlow explained that the County follows procedures set forth in Island County Code and RCWs for all contracts whether they are for goods, equipment, or services.

Discussion ensued and examples given when there is a need for a waiver of competitive solicitation.

Mr. Bryan said he is not disputing what is being done, he feels it should just be watched carefully. The Board concurred and said it is very aware of the importance of competitive solicitation.

In response to Mr. Bryan's concern that it is difficult at times to clearly understand the budget process, the Board said it plans to have available to the public in 2008, both in hard copy and on the web, the budget process in narrative form.

PUBLIC WORKS

By unanimous motion the Board approved the following as recommended by Bill Oakes, Public Works Director:

Solid Waste

Bid Award to Smalley Enterprises, Inc. to evacuate refrigerant from refrigerating appliances. Award to: \$5.00/appliance.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

Contract with Smalley Enterprises, Inc. to evacuate refrigerants from refrigerating appliances.
Contract Amount: \$5.00 an appliance. (RM-SW-0134)

**HEARING HELD: ORDINANCE C-107-07/R-43-07 IN THE MATTER OF RENAMING
VARIOUS COUNTY ROADS ON WHIDBEY ISLAND**

At 10:15 a.m. as advertised, a public hearing was held [continued from November 5, 2007] for the purpose of considering Ordinance C-107-07/R-43-07 In the Matter of Renaming Various County Roads on Whidbey Island, Sec. 13, Twp 31N., R 1E; Sec. 19, Twp 30N, R 1E, specifically the renaming of a portion of Kinkaid Drive in Coupeville.

Bill Oakes, Public Works Director, said that at the conclusion of the first public hearing the Board directed Public Works to join with the Planning Director, Jeff Tate for a meeting with owners along one of the roads located adjacent to Admiral's Cove, and also meet with representatives of Admiral's Cove, in an effort to agree on a road name other than the one originally proposed as Starboard Way. The parties agreed to rename the section of Kinkaid Drive to Small Lane.

There being no public comment either for or against the renaming of a portion of Kinkaid Drive, the Board by unanimous motion approved Ordinance C-107-07/R-43-07, Exhibit A, Item 1, by renaming a portion of Kinkaid Drive to Small Lane. Exhibit A, Item 2, was unanimously approved by the Board at its November 5, 2007 public hearing.

EXECUTIVE SESSIONS

Chairman McDowell announced that the Board would recess then meet again in two Executive Sessions as allowed under RCW 42.30.110 (1)(i) to discuss with legal counsel potential/pending litigation as follows:

11:00 a.m. to be held in the Director's office of the Island County Planning and Community Development Department, Annex Building, 1 N. E. 6th Street, Coupeville, WA. The Executive Session is expected to last one hour.

1:30 p.m. to be held in the office of the Commissioners, County Administration Building, Second Floor, Conference Room #218, 1 N. E. 7th Street, Coupeville, WA. The Executive Session is expected to last 30 minutes.

The Chairman did not anticipate an announcement following either Executive Session in open public session.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
DECEMBER 10, 2007 – REGULAR SESSION**

There being no further business to come before the Board at this time the meeting adjourned at 2:00 p.m. following Executive Session. The next regularly scheduled meeting will be held on December 17, 2007 at 9:30 a.m.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

Wm. L. McDowell, Chairman

John Dean, Member

Phillip Bakke, Member

ATTEST:

Elaine Marlow, Clerk of the Board