

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
NOVEMBER 10, 2008 – REGULAR SESSION**

The Board of Island County Commissioners (including Diking Improvement District #4) met in Regular Session on November 10, 2008 beginning at 10:00 a.m. in the Board of County Commissioners Hearing Room (Room # 102B), Annex Building, 1 N.E. 6th Street, Coupeville, Washington. John Dean, Chairman, Phillip Bakke, Member, and William L. McDowell, Member were present. The meeting began with the Pledge of Allegiance.

EMPLOYEE AWARDS PRESENTATION

EMPLOYEE SERVICE AWARDS

<u>Department</u>	<u>Employee</u>	<u>No Years</u>
District Court	Glenda Ward	15
Health	Vincent Sherman	10
Health	Dori Johnson	15
Planning	Cynthia White	10
Public Works	Jack Taylor	30
Public Works	Mike Morton	20
Solid Waste	John Meyer	5
Superior Court	Karen Torbergson	20

EMPLOYEE OF THE MONTH – OCTOBER

PETE SEYBERT – PUBLIC WORKS

Pete was nominated by a peer for this award. “Pete always responds in a cheerfully and enthusiastic manner when asked to help others with a project they are completing or a personal emergency that they many have. He will be just as responsive in assisting someone needing support in an area with which he is not familiar. Recently a fellow employee had a family emergency and had to leave the job site. Pete dropped everything and relieved the employee so they could tend to their family. Pete is always very patient when talking to property owners and takes his time explaining things to them. Pete is a very dedicated county employee and adds to the high morale that exists within the Public Works Department.”

CONSENT AGENDA

By unanimous motion the Board approved the Consent Agenda as follows:

ELECTRONIC FUND TRANSFERS, VOUCHERS, PAYMENT OF BILLS

Vouchers (War) #s 299346-299564.....	\$341,011.24
Electronic Fund Transfers.....	\$ 2,554.23

MINUTES OF PREVIOUS MEETINGS

Regular Session..... October 27, 2008

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APPOINTMENTS/RE-APPOINTMENTS TO BOARDS AND COMMITTEES

Marine Resources Committee

Reappoint Dick Toft as a representative of the Navy on the Marine Resources Committee for a three year term to expire on December 31, 2011

Joint Administration Board (Tourism)

Appoint Sharon Hart to serve on the Joint Administration Board (Tourism) for Island County representing the Economic Development Council

2% HOTEL-MOTEL SALES TAX

Awarded - 2% Hotel-Motel Tax Tourism Promotion Project Awards for 2009

GSA – PROPERTY MANAGEMENT

Resolution C-113-08 Designation of Property Deeded to County by Department of Natural Resources as Wildlife Habitat and Waiver of Competitive Bidding for Lease (*Resolution on file with the Clerk of the Board*)

Lease with 3 Sisters Cattle Company, LLC for permitted use of 28 acres for agriculture crops and 10 acres for non-production use. Amount: \$5,100 (*RM-GSA-08-0190*)

HUMAN RESOURCES

Personnel Action Authorizations

<u>Department</u>	<u>PAA #</u>	<u>Description</u>	<u>Position #</u>	<u>Action</u>	<u>Eff. Date</u>
District Court	151/08	Supervisor Adult Probation	1100.00	Replacement Position	01/01/09
G.S.A.	154/08	Emergency Management Deputy Director	1305.00	Personnel Action Position Upgrade	11/10/08
Juvenile Court Services	155/08	Work Crew Supervisor, .60 fte	1402.08	Replacement Position	11/17/08
Human Services	156/08	Human Services Program Coordinator School Supervisor	2408.09	New Position	11/10/08
	157/08	Human Services Admin. Supervisor	2830.00	Personnel Action Position Upgrade	11/10/08

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LOW INCOME HOUSING

Habitat for Humanity homes built on these lots have been sold to qualifying, low income families:

Request for Reconveyance of Deed of Trust Lot 25, Block 11, Plat of Northgate Terrace (home sold to family at 28% of area median income)

Request for Reconveyance of Deed of Trust Lot 13 and N/2 Lot 12, Block 1, Teronda West 6 (home sold to family at 32% of area median income)

Request for Reconveyance of Deed of Trust Lot 13, Block 3, Teronda West 1 (home sold to family at 43% of area median income)

PLANNING & COMMUNITY DEVELOPMENT

Contract with Watkins Trucking and Excavating, Inc. for the Iverson Beach parking lot improvement project. Contract amount: \$15,869 (RM-PLAN-08-0217)

PUBLIC HEALTH

Amendment No. 1 to Contract with WA State Department of Social and Health Services – CSO Based Family Planning. Continues funding for a public health nurse to provide family planning services for DSHS clients. Contract No. 0663-97795; Contract Amount: \$282,826.64; Amendment Amount: \$79,901.64 (RM-HLTH-02-0028A)

Contract Collection Agreement with Whidbey Island Bank for On-Site Septic Repair Financial Assistance Loan (Cornell)

Contract Collection Agreement with Whidbey Island Bank for On-Site Septic Repair Financial Assistance Loan (Schmidt)

Contract Collection Agreement with Whidbey Island Bank for On-Site Septic Repair Financial Assistance Loan (Gilyard)

PUBLIC WORKS

County Roads

Resolution C-114-08/R-40-08 In the Matter of Adoption of the Annual Road Construction Program for the Year 2009 (Resolution on file with the Clerk of the Board)

Resolution C-115-08/R-48-08 In the Matter of Amending Island County's Six-Year Transportation Improvement Program for the Years 2008-2013 (Resolution on file with the Clerk of the Board)

LIQUOR LICENSES

Ratify Amended Application for Special Occasion Liquor License No. 093573 by the Trust Board of Ebey's Landing for a special occasion to be held on November 8, 2008 at the Crockett Barn,

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1056 Crockett Farm Rd., Coupeville, WA. This event was originally scheduled for the Smith Barn.

REGULAR AGENDA

Planning & Community Development

**ORDINANCE C-116-08 (PLG-014-08) IN THE MATTER OF ADOPTING
AMENDMENTS TO THE ISLAND COUNTY COMPREHENSIVE PLAN AND ZONING
CODE TO DESIGNATE CAMP CASEY CONFERENCE CENTER AS AN EXISTING
MASTER PLANNED RESORT**

Anthony Boscolo, Planning & Community Development, said the proposed ordinance before the Board is a result of Camp Casey's application to be designated an existing master planned resort.

The Master Planned Resort (MPR) designation was adopted as part of the Island County Code on August 21, 2006 according to Mr. Boscolo, putting into place the ability to designate MPRs in the County. Seattle Pacific University's application (Camp Casey) to be designated an Existing Master Planned Resort was submitted September 27, 2007 and included the Master Plan, Forest Management Plan, and a SEPA checklist. The application and documents were forwarded to the Planning Commission for consideration following staff review. The Planning Commission held two hearings, one on May 27 and the other on June 10, 2008.

Mr. Boscolo pointed out that staff issued a SEPA Mitigated Determination of Non-Significance (MDNS) on April 2, 2008 which was routed to the public and state agencies for comment. Based on the comments received, staff revised and re-issued the MDNS on April 23, 2008. The revised MDNS was appealed to the Hearing Examiner who held a hearing and issued a decision on September 2, 2008, upholding staff's revised MDNS. The Planning Commission held deliberations on September 9, 2008 and signed the Findings of Fact on October 28, 2008 recommending approval to the Board of Commissioners.

Of note about the Existing Master Planned Resort designation request and Camp Casey's plan for development, Mr. Boscolo indicated that no development will occur within the Heritage Forest region. He said structures placed in the forested areas are to be placed sensitively in order to try to minimize any impacts to the forest. Many of the guidelines for development have been brought on voluntarily by Seattle Pacific University.

Mr. Boscolo said that if the Board chooses to designate Camp Casey as an Existing Master Planned Resort then that designation will set in place the guidelines for future development of the site. The Board's approval does not endorse any of the development listed inside the Master Plan, future applications are still needed and the standard regulations remain in place as with any other development application. There is no outright permit approval with the designation as pointed out by Mr. Boscolo, the action would simply be to adopt a program or plan for future development. The Board can choose to adopt the ordinance as presented or instead hold its own public hearing.

Chairman Dean asked Mr. Boscolo to provide his consensus of some of the comments received during the Planning Commission hearings, were there any major concerns?

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Mr. Boscolo said there were minor concerns about transportation and traffic but those concerns were dealt with and alleviated as a result of Seattle Pacific University's outreach. There is some remaining concern about the Heritage Forest but according to the SEPA threshold determination and other review it seems to Mr. Boscolo that that concern will be alleviated as well.

Chairman Dean said he understands that the Heritage Forest is "hands-off" to which Mr. Boscolo agreed.

Commissioner McDowell remarked that Seattle Pacific University, having managed Camp Casey for approximately 52 years, has set a fine example and continues to improve. He appreciates the effort.

By unanimous motion the Board approved Ordinance C-116-08 (PLG-014-08) In the Matter of Adopting Amendments to the Island County Comprehensive Plan and Zoning Code to Designate Camp Casey Conference Center as an Existing Master Planned Resort. (*GMA No. 10004*)

**ORDINANCE C-117-08 (PLG-016-08) IN THE MATTER OF ADOPTING
AMENDMENTS TO THE COMPREHENSIVE PLAN AND CHAPTER 17.03 ICC, THE
ISLAND COUNTY ZONING CODE REGARDING PARCELS BISECTED BY A PUBLIC
ROAD RIGHT-OF-WAY**

Mr. Boscolo began by saying that for decades chapter 16.06 of the Island County Code and its predecessor, chapter 16.04A, exempted the process of subdividing parcels bisected by public road right-of-way from the subdivision ordinance. It was realized in 2007, following a staff analysis that looked at the number of parcels bisected in the exemption process, that 215 parcels were created. 124 of the 215 parcels remain undeveloped; 91 parcels are developed with single family residences. Mr. Boscolo said the proposed ordinance before the Board affects the 124 undeveloped parcels.

Ordinance C-117-08 (PLG-016-08) exempts landowners from the minimum lot size and density requirements of the Island County Code, assuming the requirements have been met to build the residence or use it to the underlining zoning designation. Beyond the 215 parcels, there are an additional 319 others that have yet to be bisected but are currently separated by a public road right-of-way. The ordinance would again allow those parcels to be subdivided and used to the underlining zoning designation, with an exemption from the minimum lot size and density requirements. The condition remains, however, that the same subdivision process be applied. According to Mr. Boscolo the ordinance goes backward in time, it does not go forward. In other words, the ordinance would not apply to any future roads that are bisected by public road right-of-way; the ordinance applies only to those that have occurred in the past. The Board can either choose to adopt the ordinance as proposed or instead hold its own public hearing.

Chairman Dean said he received an e-mail from WEAN in which it characterized the ordinance as an attempt to defy a previous Growth Management Hearings Board decision. In order to provide an answer to WEAN the Chairman asked Mr. Boscolo about compliance with the GMA. Because of his long history on the subject Commissioner Bakke instead provided the response.

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Commissioner Bakke said the ordinance resolves two problems. The first problem was created when the previous segregation ordinance was challenged. Parcels that have historically been segregated, have not had a home built on the property or changed ownership, technically would not be eligible for construction. One might purchase and pay property taxes on a piece of property that is assigned a parcel number only to find out 20 years later that it is no longer buildable. The proposed ordinance resolves that problem. For the other 6/10th of 1% of the parcels in Island County the ordinance sets forth a process for short platting and creates a method of review to ensure the creation of buildable parcels. The reason the previous ordinance, in Commissioner's Bakke's opinion, did not pass muster was because when one looked at the County's comprehensive plan policies there was no exception for segregations. A fact the Growth Board pointed out. The Commissioner believes the County has followed the guidance provided by the Prosecutor's office to arrive at the proposal which amends the comprehensive plan and zoning regulations.

Chairman Dean wondered if the County would be setting itself up for 319 lawsuits if the ordinance is not adopted.

Mr. Boscolo said the 319 parcels have yet to be subdivided and there are another 124 which do not have a residence on the property but are assigned parcel numbers. The 124 parcels are the most vulnerable.

Commissioner McDowell believes this issue to be one of equity. He said certainly the first 124 parcels were separated into two existing parcels. People bought and sold those parcels under the assumption the County was acting legally by granting those as parcel numbers, that being the equity issue. The issue of the other 319 parcels is more difficult in Commissioner McDowell's opinion because it means as those roads went through over the years, with the knowledge that they were available for the exemption, people accepted payments of road right-of-way rather than forcing the County to buy the entire parcel or at least buy one-half of the parcel. That, too, is an equity issue because individuals were told they were going to acquire two building lots. Today, if a road goes in and some portion of the road is non-usable, Commissioner McDowell is sure the County will be forced to make payment in the future. Nevertheless, it remains potentially an equity issue from the original construction of the roads. Commissioner McDowell believes with this ordinance versus the first one adopted the County legally is doing the right thing.

By unanimous motion the Board approved Ordinance C-117-08 (PLG-016-08) In the Matter of Amending the Comprehensive Plan and Chapter 17.03 ICC, the Island County Zoning Code Regarding Parcels Bisected by a Public Road Right-Of-Way. (*GMA No. 10005*)

PUBLIC HEARINGS SCHEDULED
ADOPTION OF ANNUAL BUDGET AND TAX LEVIES FOR 2009

Elaine Marlow, Budget Director, said that balancing the 2009 budget was a challenge. Similar to the Puget Sound area and the state of Washington, Island County is facing a slow down of the economy which results in the loss of about \$1 million in sales tax County wide. The lower interest rates will result in approximately \$400,000 of less interest. In the Auditor's office alone, the slow down in the real estate market will account for almost \$70,000 less in fees.

Ms. Marlow said when the budget process first began there was approximately a \$2 million deficit. She thanked the Board for providing guidance on how to resolve a good portion of the

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budget. Unfortunately 80% of the budget deals with employees and in order to reduce the County's expenditures, the budget proposes reducing the FTE count by nearly 31 FTEs. The bulk of those reductions are in two different areas: one in the financial and administrative area and the remainder in general government services, including Planning & Community Development and Health Department. In the Law and Justice area the budget proposes reducing personnel by 3 FTEs, those being two sheriff's deputies and a deputy prosecuting attorney.

The budget also proposes, at the Board's direction, use of fund balance to allow affected employees the time to find employment elsewhere. Ms. Marlow proposes using approximately \$210,000 of fund balance so that affected positions can be funded through February 28 (not a severance package).

Resolutions for the tax levies propose the statutory 1% increases. There is bank capacity available in the general fund amounting to about \$40,000 and available through the County road fund there is about \$370,000. Given the impact of the economy on the citizens of Island County, Ms. Marlow said the Board declined to use bank capacity. One tentative agreement at this point is to increase the road contribution for traffic safety by \$100,000 which has not increased since 2004. Currently the Sheriff's office is spending over \$700,000 for traffic safety. The new total would be about one-half million coming from roads.

Finally, Ms. Marlow said the budget does not yet provide for a COLA and there are some supplemental requests that still need to be reviewed by the Board.

Commissioner McDowell said it is very difficult to think of losing that number of employees all at once but this is a much more challenging time in terms of lack of revenue than ever before. By the same token the situation must be dealt with or it will worsen.

By unanimous motion the Board scheduled for public hearing on December 1, 2008 at 10:15 a.m. the following Ordinances and Resolution:

Resolution C-118-08 Adopting the Island County Budget and Diking District No. 4 Budget for Fiscal Year 2009 (*Resolution on file with the Clerk of the Board*)

Ordinance C-119-08 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2009 for the County Current Expense Levy (*Ordinance on file with the Clerk of the Board*)

Ordinance C-120-08 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2009 for the County Road Levy (*Ordinance on file with the Clerk of the Board*)

Ordinance C-121-08 Increasing the Taxing District's Prior Year's Levy Amount for Collection in Fiscal Year 2009 for the County Conservation Futures Levy (*Ordinance on file with the Clerk of the Board*)

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PUBLIC HEARINGS

Planning & Community Development

**HEARING HELD: CONSIDERATION OF AN OPEN SPACE TIMBER LAND
CURRENT USE PROGRAM APPLICATION – OPS 203/08**

Chairman Dean opened a public hearing at 10:48 a.m. to consider an Open Space Timber Land Current Use Program Application, OPS 203/08, by Applicants Jeffrey Larkin and Diane Chenetski.

Applicants Jeffrey Larkin and Diane Chenetski are requesting that two of their properties, R32906-466-4030 and R32906-463-5300 on South Whidbey Island, totaling 41.36 acres, be reclassified from the Designated Forest current use program to the Open Timber current use program in their entirety according to Brandon Sweeza, Planning and Community Development. Mr. Sweeza said that individuals can choose to phase over properties from the Designated Forest tax classification to Open Timber because Open Timber requires only five acres thereby making it easier to subdivide and manage properties when passing the land down to heirs. Staff is recommending approval.

To a question from Chairman Dean as to the difference between Designated Forest and Open Timber, Mr. Sweeza clarified the two by saying the Assessor's office manages Designated Timber in its entirety whereas Open Timber is reviewed by Planning and Community Development. Designated Forest requires 20 acres; Open Timber has a five acre capacity. The two programs, however, are identical and follow the same standards. It is just that the threshold sizes are different.

The Chairman opened the public hearing to comment and there being none, public comment was closed.

By unanimous motion the Board authorized approval of OPS 203/08 by Applicants Jeffrey Larkin and Diane Chenetski as presented and recommended.

**HEARING HELD: CONSIDERATION OF AN OPEN SPACE TIMBER LAND
CURRENT USE PROGRAM APPLICATION – OPS 508/07**

(10/6/08 - Scheduled for Public Hearing 10/27/08)

(10/20/08 – Rescheduled for Public Hearing 11/10/08)

At 10:52 a.m. Chairman Dean opened a public hearing to consider Open Space Timber Land Current Use Program Application OPS 508/07 submitted by Applicant Whidbey Island Farm, LLC.

Mr. Sweeza said that Applicant Whidbey Island Farm LLC is requesting that 13.20 acres of its 25.83 acre property on south Whidbey Island be classified into the Public Benefit Rating System current use program, Parcel No R22922-328-2540. Staff is recommending denial of this application. Mr. Sweeza provided the Board with a copy of the site plan in order to provide an idea visually of what the site looks like. *(Site Plan on file with the Clerk of the Board)*

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The applicants applied for a Marine Fish & Wildlife Habitat resource which was denied based on the fact that there is a house with a dock and an accessory structure within the current Marine Fish & Wildlife Habitat Conservation Area. The Public Benefit Rating System (PBRs) programs are designed to basically provide a tax shift and a reduction in the case of properties that are admitted into the program, to provide above and beyond protection to certain critical features or areas as well as provide a public benefit. The program does not have to provide public access but that is another instance of the two things that the program is designed to accomplish. With the Marine Fish & Wildlife buffer, unfortunately, structures are apparent which limit its capacity to benefit the conservation area.

The other resource applied for was the Geo Hazard Buffer. County maps reflect a geo hazard area, a slope of basically 40% or greater. This resource was also denied because both of the houses, the one on the beach and the one above on the bluff, are within a 200 foot space between the two and those areas must be conserved. One must go beyond and above the regulations in order to obtain resource benefits from the program.

Mr. Sweeza said that the Applicant also applied for the Super Bonus Category but Applicant had not met any of the significant resource requirements so it is not eligible for this resource. Applicants are proposing that a public access be afforded to the beach but there is no access point so consequently there is no public access to the beach from a parking area. Applicants have contended that state regulations on tidelands do not make them publicly-accessible lands. Irrespective of that the guidelines are clear in the PBRs program regarding public access; that such access be guaranteed from these access points. Essentially that is why staff denied the application.

Commissioner McDowell asked Mr. Sweeza if staff informed Applicant of the problem.

Mr. Sweeza said he worked with the Applicant and its agent, Larry Kwarsick, concerning the trail easement. Mr. Kwarsick affirmed that it would be difficult for the Applicant to obtain access from the adjacent property owners so therefore such access was not an option. Still, the regulations in the PBRs program require it.

Chairman Dean opened the public comment portion of the hearing.

Larry Kwarsick, doing business as Sound Planning Services, Post Office Box 581, Langley, WA, represents Whidbey Island Farm, LLC. He provided his memorandum dated November 9, 2008 to the Board. (*Hand-out on file with the Clerk of the Board*)

Mr. Kwarsick said the application of his client for entry into the PBRs program offered to the public an expanded Fish & Wildlife Habitat buffer along the water front. The standard Fish & Wildlife Habitat buffer is 75 feet; the Applicant is willing to more than double that amount.

The other two parts of the application dealt with the establishment of a buffer in the Geo Hazard area. In this particular case, Mr. Kwarsick acknowledged the steep slope as indicated by Mr. Sweeza. The final part of the application was the Super Bonus category and that dealt with public access to the tidelands which the Applicant is willing to provide for public entry along that waterfront. Unfortunately, in trying to work through that part of the application, and work with some adjoining property owners to the north which separate this quarter mile of beach front from the Robinson Road boat launch, there is one uncooperative property owner in terms of agreeing to

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public access through a section of tidelands owned by that property owner. The Applicant did not want to provide a public access through its property or its adjoining property for the public. Mr. Kwarsick concurred with Mr. Sweeza that his client did not fulfill the requirements for the Super Bonus category. He believes, however, that the application does qualify for the Fish & Wildlife Habitat buffer, consideration in that category, and also qualifies for the Geo Hazard category.

Mr. Kwarsick said that Mr. Sweeza's staff report discounts the Fish & Wildlife Habitat buffer for two reasons. There is the presence of some existing non-conforming structures along the water front, to which Mr. Kwarsick agreed, and because of the Geo Hazard buffer that extends both 100 feet from the top of the steep slope and 100 feet from the bottom these buffers overlap and there appears to be a regulatory control over the area so consequently no public benefit. Mr. Kwarsick disagrees with Mr. Sweeza on several counts.

Even though steep slopes or Geo Hazard areas are designated as critical areas their regulation is found in Island County Code dealing with clearing and grading and also surface water. There is a dimensional standard of 100 feet if dealing with an unstable slope which triggers some reports and responsibilities in review but it is not a buffer. Mr. Kwarsick said it is a point which triggers another process. In this particular case there is an acknowledged steep slope though not an unstable slope and so the 100 foot dimension does not apply.

Mr. Kwarsick's memorandum to the Board included a copy of the County's development information bulletin which discusses development on steep slopes. He said the bulletin discusses development on steep slopes because there is no prohibition against developing on steep slopes, there is just a process to follow. His issue with Mr. Sweeza's report is that there is not a 100-foot buffer at the top of the slope nor is there a 100-foot buffer at the bottom of the slope. Consequently there is no overlap with the Fish & Wildlife Habitat buffer and as a result both of the offers of the application, the expansion of the Fish & Wildlife Habitat buffer along the shoreline or the establishment of a buffer along the steep slope, have merit with public benefit. Except for existing development his client's property is undeveloped waterfront property with an adjoining fish & wildlife habitat area. At a minimum Mr. Kwarsick said, the application should go forward.

Mr. Kwarsick agrees with Mr. Sweeza that perhaps the area entered into the program should be adjusted somewhat based upon the presence of development along the waterfront, reducing the area of the property entering the program, but it should not negate it, it just should be adjusted accordingly. From Mr. Kwarsick's standpoint the application should move forward receiving 8 points because there is no steep slope buffer and no overlap, qualifying the application in both classifications. He agrees the area of the application should or can be adjusted to accommodate the presence of the legal non-conforming structures along the water front.

There being no further public comment the Chairman closed the public comment portion of the hearing.

Commissioner Bakke suggested that the public hearing be continued to November 17, 2008 to allow time for staff to work with Mr. Kwarsick and his client and allow the Board an opportunity to review the mentioned ordinances.

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Mr. Kwarsick reiterated that the fact there is not a steep slope or unstable slope buffer means that the application does have merit, it does have public benefit, and the parties should just work out the size of the property entering the program.

By unanimous motion the Board continued the public hearing on OPS 508/07 by Applicant Whidbey Island Farm, LLC to November 17, 2008 at 10:20 a.m.

The Board of County Commissioners recessed at 11:10 a.m., reconvening in Regular Session at 2:00 p.m. for continued budget workshop.

2009 BUDGET WORKSHOP

Budget Workshop began as scheduled at 2:00 p.m. Hand-outs are on file with the Clerk of the Board.

Staff Present

Elaine Marlow, Budget Director

Participating were Elected Officials and Department Heads

Chairman Dean began by saying, with the expected \$2 million hole in the County's budget, that he certainly understands the difficulty facing the assembly, that everyone must share the burden. The Chairman is hopeful that all can work together to arrive at some creative solutions. He asked for patience and cooperation.

Ms. Marlow, to summarize, said the County began with over a \$2 million hole in the general fund budget. The two main revenue resources dropping significantly from last year were local sales taxes and interest revenue. That, coupled with an 8% increase in medical plus the growth in staffing throughout the year, created the hole. Ms. Marlow worked with the Board to come up with a plan to reduce most of the largest on-going cost in the County, i.e., staff. While it is difficult to consider the loss of staff, Ms. Marlow is not hearing anything that says the economy will pick up in 2009 or 2010 so the Board must plan to have enough fund balance left to support the County through the next two or three years. The unfortunate result is to reduce staff.

The goals of the Board, according to Ms. Marlow, were to protect Law and Justice and the courts as much as possible so some departments were asked to reduce their budgets. Some departments are looking at as much as a 30% reduction. The Health and Planning Departments, both of which are supported by building permit fees, were also asked to reduce their staff.

A budget was developed that proposed using some fund balance. One-half of the fund balance will fund some on-going expenditures; the other half is to give the employees who are affected time to find other employment. The Board asked Ms. Marlow to devise a plan that would allow affected employees to be employed through the end of February, 2009.

Chairman Dean said that one of the big tasks ahead for County offices is to somehow tell the public what this means in terms of less staff and reduced services. The Chairman believes that the Commissioners' office can provide some necessary public education.

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Elected Officials and Department Heads at this point provided their suggestions, ideas, and remarks concerning the Board's proposal to reduce staff.

Ms. Riffe suggested 4-10s. Also, if it is the Board's intent to reduce her staff by one full-time position, she asked the Board to consider adding two days back to her foreclosure deputy position. Currently the foreclosure deputy works three days a week; adding back two days will increase her time to five days.

While some money would be saved on electricity by closing the doors for one day (Law and Justice, however, cannot close its doors), salaries and benefits remain the issue. The work week would remain at 40 hours with 4-10s.

Follow-up: Ms. Marlow will ask Dan Sherk for an estimate of how much the County could save if the Annex and Admin Buildings went to 4-10s.

Ms. Marlow confirmed her understanding with Ms. Riffe that she is willing to reduce her staff by one position but would like to add back a .4 FTE to the position of tax foreclosure deputy.

Mr. Banks remarked that the budget process started in July but he only recently learned that he would need to cut one of his deputy prosecutors. Speaking on behalf of the citizens he asked about the open public process that was used to get to this point.

Concerning staff cuts in his office, one attorney FTE or equivalent, he suggested two options. Let go of one misdemeanor deputy prosecutor, a position recently added to account for the growing caseload. Consequently Mr. Banks would need to decide how to handle certain types of cases, most likely affecting traffic prosecution, with a possible corresponding reduction in revenue through District Court. Alternatively, he could lay off his .75 FTE (\$44,000 legal assistant) and additionally come up with funds from other dedicated funds moving them into the general fund expenditures. Part of the funding would come from the Mental Health Sales Tax fund (deputy prosecutor and paralegal, the amount of time spent on drug court has doubled from one-half day a week to a full day a week, resulting in a .1 FTE for each of them, \$13,000 a year). The total result would be \$57,000. Additionally is the \$13,000 software maintenance fee for the case management system, budgeted from general fund dollars. Mr. Banks said that amount could be covered from the drug forfeiture/federal asset forfeiture/anti-profiteering funds for one year, with approval from the Sheriff. Amount would then be about \$70,000, the cost of an FTE attorney with benefits. Mr. Banks questioned money that is being spent on outside counsel.

Commissioner McDowell gave his proposal to Ms. Marlow after working on the budget over the weekend of November 1st.

Chairman Dean also brought his proposal to Ms. Marlow so the meetings occurred individually. The same process Commissioner McDowell went through the Chairman did the same. Thereafter Ms. Marlow arrived at a "hybrid" proposal taking into consideration that both Commissioners' numbers came close as priorities.

Ms. Marlow said that while she took a hard look at one-time items that could possibly be delayed, it still came down to staff. She said that she had individual conversations with Commissioners McDowell and Dean to determine what their priorities were. Law and Justice provides approximately one-third of all the FTEs in the County. From that one-third, the Board is only

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proposing a change of three FTEs. All the remainder reductions are being borne by the administrative and operational departments such as the Assessor, Auditor, Budget, HR, Treasurer, Central Services, Facilities, GSA, along with departments that provide general government services such as Parks and Planning. In order to keep Law and Justice as whole as possible there was consideration to reduce contributions to support health programs. Currently there are no reductions proposed in the courts.

Ms. Marlow said if staff cuts are made early enough then there will be sufficient money for 2010 and partially for 2011 using general fund balance to keep the same level of positions.

Commissioner McDowell remarked that outside counsel fees have been paid for through planning fees.

Mr. Larson asked about the number of people who will be laid off versus the number of positions lost through attrition.

Ms. Marlow said she believes from the indicated 30 positions, approximately 8 positions will be reduced through attrition.

Sheriff Brown asked about his submitted counter-proposal in which he suggested instead of cutting his staff that he not purchase new vehicles. He asked if the counter-proposal was considered. The Sheriff's office has most at stake in the loss of staff. For the safety of the County and its officers it is critical that the Sheriff maintain his current staff of 43 commissioned personnel (which includes the two positions to be filled).

Chairman Dean said the Board has yet to discuss the counter-proposal though he supports the concept, even though fiscally it is not wise to postpone the inevitable.

Commissioner McDowell asked the Sheriff if any savings could be achieved by an 8-hour shift for deputies. Undersheriff Mauck said the 8-hour shift does not afford double coverage. Currently working 10s, there are 6 hours in a day with double coverage that keeps the department often times from having to pay staff shift extensions which are guaranteed under the contract. In his opinion the money will be expended either in overtime or in manpower.

Ms. Marlow recommended to the Board, concerning the Sheriff's proposal, that when going through 2009 that as deputy positions become vacant the Board should evaluate the situation at hand. The answer as to whether the Sheriff can retain 43 commissioned personnel will not be known until the budget hearing.

Mr. Mattens said since no decisions have been made what other alternatives are there? He suggested possibly a reduction in hours for those who would consider such an option.

Mr. Larson commented that benefits must be considered as those remain even with a reduction in hours.

Ms. Marlow was asked by the Board to look at what would happen if the Board reduced everyone but Law and Justice, what would be the effect. A rough calculation indicated that departments would need to cut hours close to 25%. While there are employees who would be willing to cut their hours, the guess is that the vast majority cannot afford to do that. Such an action would also

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affect employees close to retirement and who rely upon the retirement benefit based on the five highest years; the last year's to be the highest.

Ms. Crider said with respect to the Auditor's office she is faced with losing two people. Consequently her department will not be able to meet the same needs the office provides today because the proposal is already on the table using one of the half-time FTEs, seasonal from elections, and backfilling recording and licensing to augment 2009. Elections in 2009 will be faced with hiring out to the public or will not be able to meet the requirements in the time frame allowed. She believes positions cut with I-695 were never filled back so accounting has remained with a skeleton crew. There still remains a half time position not filled. The level of service provided today cannot be accomplished if lose two FTEs.

Follow-up: Ms. Marlow will research the numbers and report back.

Concerning notification to employees, Mr. Larson has notified representatives of the various bargaining units of where the process is currently and the conversation. He believes officials should speak with their staff as soon as possible.

Ms. Caryl asked about the reduction in force process

Mr. Larson said the bargaining agreements, which are each different, will be followed thoroughly to make sure that everyone's rights under those agreements are fulfilled and honored. There is a process to go through once the positions are identified. If the position is non-represented, then the process will be to follow the Policies and Procedures Manual.

Ms. Marlow said when she and Chairman Dean spoke with Elected Officials and Department Heads the previous Friday she appreciated the positive attitude and professionalism.

The budget hearing is scheduled for December 1st.

There being no further business to come before the Board the meeting adjourned at 3:16 p.m. The Board will meet next in Regular Session on November 17, 2008 beginning at 10:00 a.m.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

John Dean, Chairman

[Phillip Bakke, Member: Excused]

Wm. L. McDowell, Member

ATTEST:

Elaine Marlow, Clerk of the Board