

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

The Board of Island County Commissioners (including Diking Improvement District #4) met in Regular Session on October 16, 2006 beginning at 9:30 a.m., in the Island County Courthouse Annex, Hearing Room, 1 N. E. 6th Street, Coupeville, Wa. Wm. L. McDowell, Chairman; William J. Byrd, Member, and Mike Shelton, Member, were present. The meeting began with the Pledge of Allegiance. By unanimous motion, the Board approved the minutes from Special Session held on October 3, 2006.

VOUCHERS, PAYROLL AND COMBINED EXCISE TAX RETURN APPROVED

By unanimous motion, the Board approved the payroll dated October 13, 2006, the Combined Excise Tax return for September 2006, and the following vouchers/warrants: #248080 - 248331...\$1,222,309.01.

HIRING REQUESTS & PERSONNEL ACTIONS

As presented by Larry Larson, Human Resources Director, the Board by unanimous motion, approved the following personnel action authorizations:

Dept.	PAA #	Description	Position #	Action	Eff. Date
Health	133/06	EHS II	2407.10	New Position	10/16/06
Planning	134/06	Asst. Planner/GIS	1707.02	Replacement	11/13/06
Health	135/06	WIC Clk/Cert. .73 FTE	2424.00	Increase Hours	10/16/06
Health	136/06	Dept. Asst .73 FTE CI	2423.03	Increase Hours	10/16/06

**APPOINTMENTS AND/OR RE-APPOINTMENTS TO
VARIOUS BOARDS AND COMMITTEES**

By unanimous motion, the Board made the following appointment and reappointment:

Historic Reserve Committee

James S. Moore, Coupeville, serving as District Resident Member, refilling the position held by Sue Roundy, for a term running until August 13, 2007

Conservation Futures Citizens Advisory Board (CAB)

Bruce Bryson, Coupeville, reappointed to a three year term running until September 30, 2009.

RESOLUTION #C-108-06 - CANCELLATION OF WARRANTS

As prepared and presented by the Island County Auditor's Office, the Board by unanimous motion approved Resolution #C-108-06 In The Matter of Cancellation of Warrants not presented within one year of the issue date as provided in RCW 39.56.040. [*Resolution #C-108-06 on file with the Clerk of the Board*]

**RESOLUTION #C-109-06 CHANGING NAME OF ISLAND COUNTY EMERGENCY
SERVICES DEPARTMENT TO ISLAND COUNTY DEPARTMENT OF
EMERGENCY MANAGEMENT (DEM)**

Resolution #C-109-06 Changing Name of Island County Emergency Services Department to Island County Department of Emergency Management (DEM) was approved by unanimous motion of the Board, so that the name Island County Emergency Services Department, and relevant other references,

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

in Chapter 9.24A ICC are changed to Island County Department of Emergency Management.
[Resolution #C-109-06 on file with the Clerk of the Board]

HEALTH CONTRACTS APPROVED

As provided under cover memorandum to the Board from Tim L. McDonald, Health Services Director, dated October 11, 2006, the Board by unanimous motion approved the following Health contracts:

Contract HS-12-06 (RM-HLTH-06-101) with Compass Health – Mental Health/Jail Transition Program, in the amount of \$2,000

Contract SJC06HC41 (RM-HLTH-06-112) with San Juan County Health & Community Services – Mental Health/Jail Transition Services, in the amount of \$40,000.

SPECIAL OCCASION LIQUOR LICENSE APPLICATION APPROVED

Application for Special Occasion Liquor License #091224 by Camano Island Yacht Club for an event to be held November 18, 2006 from 5:00 p.m. to 9:00 p.m. at the Camano Island Yacht Club located at 129 N. Sunset Drive, Camano Island, was approved by unanimous motion of the Board, having received favorable recommendations from the appropriate County departments.

**REQUEST FOR EXEMPTION FROM THE COMPETITIVE SOLICITATION
PROCUREMENT PROCEDURE FOR CONTRACT
#HD-24-06 WITH STEVEN KLEINBART**

The Board by unanimous motion approved the Health Department's Request for Exemption from the Competitive Solicitation Procurement Procedure Under ICC 2.29.030 (B) (12) for Contract #HD-24-06 with Steven Kleinbart, Balanced Action, for SQL Programming to continue the development of software that supports critical Environmental Health programs.

**ENGAGEMENT LETTER WITH MOSS ADAMS LLP TO PROVIDE CONSULTING
SERVICES FOR PHASE 1 & 2 OF FINANCIAL/HR SYSTEMS REPLACEMENT PROJECT**

Elaine Marlow, Budget Director, presented for the Board's approval and signature, Engagement Letter with Moss Adams LLP (RM-BUD-06-118) to provide consulting services for Phase 1 & 2 of Financial/HR systems replacement project, in the amount of \$39,250 plus expenses. The Financial System Replacement Steering Committee interviewed three consultants and determined Moss-Adams to be the best qualified consultant, having a significant background of work history, including local government and the State Auditor's Office. Phase I is a review of current procedures to help identify what is being done correctly in the accounting and HR processes and what might be improved. Phase II will be assistance in interviewing vendors and making on-site visits with the Committee to assist in contract negotiations.

By unanimous motion, the Board approved the Engagement Letter with Moss Adams LLP to provide consulting services for Phase 1 & 2 of Financial/HR systems replacement project, in the amount of \$39,250 plus expenses.

MONTHLY FINANCIAL REPORTS

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

Auditor's Report

Suzanne Sinclair, Island County Auditor, provided the written Auditor's financial report dated 10/16/06 for the period ending September 30, 2006. Nothing of note or concern was indicated. At this point in the year, percent to budget would be 75%. Allocations are standing at 75%; revenues running a bit ahead of last year and the five year average, but on track in Current Expense for this year, prior year and five year average. Running behind in revenues for special revenue funds, but expenditures are low as well.

Treasurer's Report

Linda Riffe, Treasurer, submitted the Treasurer's written financial report dated 10/11/06 for the same period, and had no specific comments of note or concerns. Very close on target 75%. Pleased to see that investment interest is at 1.47 million dollars for this year. Excise tax leasehold is a reimbursement received back from the State, now at 57%. Regarding the county assistance fund, the distribution in September was higher than usual because the lower populated counties had previously received the expected distribution as calculated by the Department of Revenue; this quarter's distribution was based solely on population. Island County has the second highest population of the eligible counties for county assistance fund; therefore, received a higher distribution this month.

[Reports on file with the Clerk of the Board]

PUBLIC INPUT AND COMMENTS

Charles Hammer, Coupeville, inquired whether the Board planned to do any type of oversight with regard to the Assessor's new notice of property values. His home is 27 years' old and the only improvements have been to keep the house painted, and the valuation went up \$91,347. He lives on a small lot and the land value alone jumped \$53,000.

In terms of the Assessor's responsibility to assess the value of property in Island County, Commissioner Shelton pointed out that the Board exercises no control; the Assessor is accountable to the voters who elect him, as are the Commissioners and other Elected Officials. The Commissioners' relationship with the Assessor is one as it is with every other separately elected official in the County: the Commissioners set those budgets. The Assessor is charged under state law to assess property at fair market value and property owners need to consider the assessed value the Assessor currently has on their property: if it were marketed, whether it is too high and could not receive from that property in a sale what it is assessed for. If so, there is a process through the Board of Equalization to make a case and attempt to have the assessed value reduced. He also cautioned to not assume that because of the tremendous increase in property value that the tax bill would go up a corresponding amount because in this State the County can only collect 1% more in property taxes next year than last year. There is the issue of the EMS levy passed by the voters which will have an impact on all taxes on Whidbey Island, but other than that, he did not expect property owners to see a tremendous jump in property taxes. Generally, County wide, everyone's assessed value went up which will necessitate that the levy rate will go down.

Chairman McDowell commented that last year's assessments for this year, the Assessor did not raise any land values, so the land values can be looked at as a two year increase; and if nothing else this was a year of "catch-up". As Commissioner Shelton mentioned there is a 1% cap on collection of taxes increase from one year to the next, except for the new voter-approved EMS levy which will be 50 cents per \$1,000 of assessed value.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

**RESOLUTION #C-110-06/R-39-06 - APPROVING SPECIFICATIONS & AUTHORIZING
CALL FOR BIDS FOR FURNISHING TRAFFIC CONTROL SIGNS**

As presented and recommended by Bill Oakes, Public Works Director, the Board by unanimous motion approved Resolution #C-110-06/R-39-06 In the Matter of Approving Specifications & Authorizing Call for Bids for Furnishing Traffic Control Signs. [*#C-110-06/R-39-06 on file with the Clerk of the Board*]

**RESOLUTION #C-111-06/R-40-06 APPROVING COUNTY ROAD QUITCLAIM
DEED TO WSDOT TO COMPLY WITH HIGHWAY PROJECT**

By unanimous motion, as recommended by Mr. Oakes, the Board approved Resolution #C-111-06/R-40-06 In the Matter of Approving County Road Quitclaim Deed to WSDOT to Comply with Highway Project (SR 20, Sidney St. vicinity to Swantown Road vicinity). [*#C-111-06/R-40-06 file with the Clerk of the Board*]

**CONTRACT/CONTRACT BOND - C. JOHNSON CONSTRUCTION, INC. -
SARATOGA ROAD CULVERT REPLACEMENT**

The Contract and Contract Bond [#PW-0620-107] between Island County and C. Johnson Construction, Inc. in the amount of \$399,961.00 for Saratoga Road Culvert Replacement project under CDP 06-03 as recommended by Mr. Oakes, was approved by unanimous motion of the Board.

**ADOPT-A-ROAD LITTER CONTROL AGREEMENT RENEWAL -
FREELAND CHAMBER OF COMMERCE**

Adopt-A-Road Litter Control Agreement Renewal between Island County and Freeland Chamber of Commerce for East Harbor Road from Main Street to One Mile Northeast was approved by unanimous motion of the Board.

BOND RELEASE – MICHAEL KING/MARGARET PLECKI - SHP 170/03 AND 171/03

As recommended by Mr. Oakes, the Board by unanimous motion approved Bond Release for Michael King/Margaret Plecki under Short Plat Applications SHP 170/03 & 171/03 based upon completion of installation of water service connection as required by Island County Health Department.

**LETTER OF INTENT – TOWN OF COUPEVILLE -
WELL SYSTEM WATER AGREEMENT**

Letter of Intent [#PW-0620-102] between Island County and the Town of Coupeville Regarding Well System Water Agreement, for Island County Parcel R13111-432-4450, was approved by unanimous motion of the Board.

**LOCAL AGENCY FEDERAL AID PROJECT PROSPECTUS – WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION - MAXWELTON TRAIL PROSPECTUS**

The Board by unanimous motion, ratified action taken at the October 11, 2006 Staff Session, and approved Local Agency Federal Aid Project Prospectus between Island County and Washington State Department of Transportation for the Maxwelton Trail Prospectus, in the amount of \$459,000.00 (Federal/\$367,000.00, County/\$92,000.00).

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

BUDGET WORKSHOP

Budget notebooks prepared by the Budget office are based on M&O and capital amounts at current levels. Budget narratives accompany each budget. Proposed budgets and supplemental requests are taken under advisement by the Board with no final decisions expected as a result of budget workshops. Any additional hand-outs provided during Budget Workshops have been placed on file with the Clerk of the Board and in the Office of the County Commissioners.

PROSECUTING ATTORNEY

Presentation by: Greg Banks

Budget Workbook page 158; budget narrative page 165

M&O has been taken care of from adjustments to certain line items but net total is the same.

Request - 2007

- Set up a commission to look at the salary structure and salaries for chief deputy positions and possibly other non-union professionals in the County. County needs to take a look at how it pays its professionals in order to attract and retain the best possible staff.
- Case management system purchased seven years' ago has served the County well, but for the most part, now obsolete. Lagging behind in the state of the art, but also what can be done with law enforcement. A lot of time is spent doing data entry because of limitations of the system. A new system would have the ability to download and import data directly from Spillman into the Case Management system, designed to interact with Spillman, and would eliminate the error of manual re-entry. This would allow the Prosecutor's Office to download the complete police reports, digitally recorded interviews, digital photographs, etc. as a package into the case management system, and allow the Prosecutor's Office the ability to handle the growing caseloads without adding people. The estimated cost is \$50,000 and \$60,000, plus an additional \$10,000 annual maintenance fee.

Proposed funding:

- Anti-profiteering funding of a pro-rata share of the case management system because it does manage a share of criminal profiteering crimes.
- Funding from two drug funds; will need authorization from the Sheriff [joint control over those funds] - best to wait at least until after election is certified before asking for that authorization.
- Earmark any surplus from the Prosecutor's 2006 budget and set it aside to pay part of the Purchase.

Remainder: about \$30,000 from Capital Equipment budget, along with dollars to fund the \$10,000/year annual maintenance fee [\$7,000 over what currently is paid]

DRUG SEIZURE/FEDERAL ASSET FORFEITURE/ANTI-PROFITEERING FUNDS

Jointly controlled by the Sheriff and Prosecutor. (See Prosecutor's budget presentation with regard to proposed use; waiting until after election certification before requesting authorization from the Sheriff).

SHERIFF [Budget workbook 185] **JAIL** [budget workbook 192]

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

Presentation by: Mike Hawley

Hand-outs: Power-point Budget Presentation [paper copy on file]

2007 ICSO Additional Budget Requests \$207,022

Criminal Division

-Fuel	\$ 50,000
-Dispatch Services	90,622
-Patrol Boat Overhaul	36,000

Fuel cost projected is just to maintain, even with gas prices down from what prices were, \$50,000 increase needed to keep on par. Dispatch services increase in the ICOM fee, but of note, the year prior had been able to use money available at I-COM to "buy down" dispatch costs, a one-time buy down. The patrol boat is dry-docked; engine needs a total overhaul.

Corrections

-Medical officer	\$ 1,200
-Food Services	8,000
-Food Services Eq.	21,200

Small increase for medical officer - routine type contractual increase. In the process of negotiating food services contract and projecting about \$8,000 a year increase based on prior year experience. The \$21,200 requested is for replacement of industrial level food service equipment.

Charts included in the presentation in support of the budget request, along with a look at the future and recommendations:

- ICSO Fuel Cost Per Gallon - June 2004 to June 2006 comparison showing cost increase over that period of time, and ICSO Monthly Fuel Use in Gallons June 2004 to June 2006.
- 911 call summary 1988-2005; ICOM. Dispatch costs in 1993 v. 2007
- Marine Safety/SAR [RCW 38.52.400]
- Charts: Monthly Count of Offenses Known to Police 1/1/99 - 10/11/06
- Corrections Request
- Jail Food Services - comparison 1993 - current - increase of only about 15% in 13 years
- Staffing 2006 Island County comparison with Benton, Chelan, Grant & Skagit counties
- County expected to grow 42% by 2025
- Trends 1999 - 2006 - Assaults, Burglaries, Thefts
- Sample Community Caretaking Activities 1994 v. 2004
- The Future
- Recommendations

Sheriff Hawley shared with the Commissioners what he thought could be expected in the future:

Increasing population

Urbanization

Demographic shift/aging population

Lack of inexpensive housing for employees/jobs for spouses

Attracting & retaining qualified staff

Aging staff

Increased complexity/demands

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

The Sheriff's recommendations were:

*Add a minimum of one criminal justice FTE/year
Increase wages & benefits
Need some form of sales tax equalization back to the County
Begin long term planning for new adult corrections facility to open 2022*

The Board recessed at 11:55 a.m., convening as the Board of Health at 1:15 p.m. The Board of County Commissioners reconvened at 3:00 p.m. to conduct further budget workshops.

SENIOR SERVICES OF ISLAND COUNTY

Presentation by: Jim Self, Executive Director

Hand-outs: Budget Package

Letter dated 8/21/06

SSIC Survey of Revised 2006 Expenditure of Island County Funding

SSIC Survey of Projected 2007 Expenditure of Island County Funding

Island County Senior Support Programs-2007

Request a total of \$124,172 from Island County for 2007, a 7.6% increase from 2006. The projected budget for SSIC includes \$165,000 for renovation/remodeling of the South Whidbey Senior Center, but Mr. Self stated that would only move forward if private grants funds are received.

The thrift store in Freeland is doing well and revenues from the first five years were planned to repay the mortgage down payment loan and replace reserves. The first goal of the Center renovation is to make the existing facility last for ten years and in ten years replace it with a new facility. However, approximately \$30,000 of the store revenue was necessary to cover service program expenses in 2005, and more will be required in 2006, with 2007 budget planning use of \$35,000 to balance the budget. Prices are going up, demands for services are going up; donations and fund-raising efforts resulted in lower revenue, a result of a variety of causes.

The population trend for seniors 60+ is going up at a fast rate and support services follow that same growth pattern, and SSIC is preparing a five year plan to meet those increased needs. SSIC took over the contract for the Oak Harbor Day Break program, struggling with that at the time and not yet at a break even point.

Budget Request: \$124,172

Adult Day Care	\$ 14,025
Inf Assistance/Case Management	7,628
Senior Nutrition including O.H. Congregate	46,645
SW Senior Center & Activities	47,131
Volunteer Chore	8,743

OAK HARBOR SENIOR SERVICES

Presentation by: Mike McIntyre,

Hand-out: Budget Narrative

Statistical Charts

Senior Population Growth 1986-2025 47%

Senior Population Growth 2000-2025 59.8%

Current Facility vs. New facility - Demographics 1986 (12,842) - 2025 (47,171)

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

Oak Harbor Senior Center 2007-2008 Support Calculations

Budget Request from Island County: \$73,860
\$63,784 general contribution

10,076 adult day care

As can be seen from the charts the percent of population 60+ is growing and the County senior agencies are all trying to deal with it, and doing it more and more together. The figures provided 1986-2025 are to help determine what type facility will be needed.

Gone over three years' data, trimmed and stream-lined and restructured based on that data, and being as brave as he can be with projected revenue. There are now 2-1/2 employees instead of 5. Partnerships with other groups such as SSIC will save money and increase productivity. A joint senior newspaper provides a wider and increased distribution Island wide and at slightly less cost to OHSS. Looking at needs in the immediate future such as repairing/replacing the floor, ventilation system, roof replacement and needed painting.

Discussed the history in terms of funding the Center, Adult Day Care and the relationship between the City and the County. A "County-City one-third" rule has not been adhered to going back to 2003, and would reflect \$148,000 versus \$73,860. OHSS would ask for 24% which seems appropriate (\$106,585 City and County) and assist in making ends meet for 2007. For 2008 the amount would go to \$108,669. The potential was discussed briefly of perhaps averaging the increase over two years.

CAMANO SENIOR SERVICES ASSOCIATION

Presentation by: Laurie Miller

Request that the County increase its contribution for the Camano Senior Center to \$50,000/year.

Provided a few basic pieces of information about the Camano Senior Center since the doors opened in 2001, built from funds raised to build the building. Ms. Miller took over in late 2004. Since that time membership has increased from 900 to 1700 members. The doors are open to anyone of any age because it is a community center. There is significant growth in participation by age 55 and older. The Center is full Monday through Friday, 8:00 to 4:00 p.m., now filled in the evenings as well. With increased membership and activities comes increased costs of doing business.

In 2002 the County provided \$3,000 more annually than at the current time yet there has been a 52% increase in membership. This year the program began expanding on the community side, i.e. youth programs. Unfortunately, with folks concerned about September 11, Katrina, tsunami and wanting to assist with contributions there, along with climbing gas prices, etc. contributions have been declining. In June the Center downsized its staff by 15%. Grants have been applied for but so far no positive feedback. For the last four years the Center has realized a monthly deficit averaging between \$3,000 and \$5,000. The Center finance committee continues to find other ways to decrease expenses and improve revenue. A fund-raising campaign resulted in \$18,000 to help pay down the mortgage, and \$2,000 general fund. Plan another fund raising "mailer" campaign before the end of the year. The thrift store generates for the Center about 58% of the revenue, now projected at 42%. Hope to build a pole building on the property in order to provide more handicap accessibility.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

ECONOMIC DEVELOPMENT

Presentation by: Sharon Hart
John LaFond

Hand-outs: 2007 Proposed Budget
2006 EDC Activity Summary
Report to Island County Elected Officials
Outreach Program 2004 - 2006
Marine Services Cluster
Desk copy of the Uniquely Whidbey Trade Fair brochure

Refer to Budget Workbook page 132
2006 \$32,500 plus \$10,000 outreach program
2007 EDC request: \$37,900 plus \$5,000 outreach program

Report contains some interesting figures tracking permit valuation data and jobs created.

Since July, EDC added a four-county marine services cluster grant for marine trades, and the hand-out compares the amount of employees and businesses with Island, Skagit, San Juan and Whatcom counties, and the amount of monies earned per month. There is concern about the potential move of the marine tech school out of Oak Harbor. The industry has grown so much; instructors committed to finding an appropriate waterfront location. SVC is number one to receive funding this year for marine tech type activities, and want to place that in the Anacortes area on the waterfront. Ms. Hart is on the hiring committee to choose the new Center of Excellence director. Part of the goal is to make the Center of Excellence happen with the marine tech program. She would love to have help in finding a site that suits the need.

Worksource finding new employees and trying to figure out better hours and longer hours for veteran representatives to service on Whidbey. Status report on hold until the first of the year.

On November 16 the Higher Education Committee Board [HECB] will either approve or not approve the findings of regional education assessment. Need to see a rural location [north of Everett] in the cost analysis for a new college.

Completed the 15th annual Trade Fair, with the largest amount of vendors. There were over 140 vendors and over 3,000 attendees; 24 businesses sponsored the show this year as opposed to 19 last year. The show is becoming the largest venue in the Northwest Region. SCORE chapter treated it as a major opportunity to meet the public.

Added 116 new clients; 50 actually saw the SCORE Counselor. About 65 employees were represented in businesses that actually opened. Sixty of the 180 jobs created year to date were Wal-Mart alone. Of \$8.5 million dollars worth of business improvements, \$885,000 was Wal-Mart's remodel, not just a remodel but for example, purchased seismic shelving, a huge investment in the area.

Mr. LaFond explained reorientation of the budget due to fluctuations over the last few years, structured this year to include all basic costs. One of the changes proposed for 2007 is to increase the amount charged for the trade fair and the revenue estimate reflects that change.

**BOARD OF ISLAND COUNTY COMMISSIONERS MINUTES OF MEETING
OCTOBER 16, 2006**

EXECUTIVE SESSION

At 4:15 p.m. the Board met in Executive Session as allowed under R.C.W. 42.30.110(1)(i) to discuss with legal counsel potential litigation, the session held in the Island County Courthouse Annex, Hearing Room, 1 N. E. 6th Street, Coupeville, Wa. Chairman McDowell estimated that the Executive Session would last approximately two hours and expected no announcement afterwards in open public session.

There being no further business to come before the Board at this time, the meeting adjourned at 6:10 p.m. upon completion of Executive Session. The Board will meet next on October 23, 2006, at 10:00 a.m. for a special session - budget workshop; regular session beginning at 11:00 a.m. with the Roundtable followed by regular agenda items at 1:30 p.m.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

Wm. L. McDowell, Chairman
William J. Byrd, Member
Mike Shelton, Member

ATTEST: Elaine Marlow
Clerk of the Board