



District No. 1 Commissioner: Phil Johnson
District No. 2 Commissioner: David W. Sullivan
District No. 3 Commissioner: John Austin

County Administrator: Philip Morley
Clerk of the Board: Lorna Delaney

MINUTES
December 6, 2010

Chairman David Sullivan called the meeting to order at the appointed time in the presence of Commissioner Phil Johnson and Commissioner John Austin.

PUBLIC COMMENT PERIOD: The following comments were made by citizens in attendance at the meeting and reflect their personal opinions: The economy is not going to recover; Retail sales in Jefferson County have been down two consecutive quarters and the last quarter was down 10% which may eat up the sales tax anticipated by the County from the passage of Proposition No.1; there won't be grants in the future and the revenue base in the County needs to grow; the County needs to be looking at what can be done to improve the economy and a suggestion was made that the County appoint a "business" committee to get ideas on how to generate more jobs; there are a lot of people in the County that are hurting financially; the diversion of Road Funds to help the General Fund isn't a good idea; the County Clerk is converting records to digital format which is a good idea; Commissioner Johnson can't justify his comments about the gaps in railings on the Chetzemoka ferry; and no "Out of State Travel" form was filed by the Chairman of the Board for his trip to Washington DC.

COMMISSIONERS BRIEFING SESSION: The Commissioners each provided updates on the following items:
Commissioner Austin reported on a meeting of the Higher Education Committee and noted that the County did a good job of clearing the roads during the recent snow storms. He added that without 2 ferries on the Port Townsend run there is a loss of carrying capacity.
Commissioner Johnson reported on the meeting he attended with Representatives Tharinger, and Van de Wege to discuss many County issues. He spent Thursday evening at the Homeless Shelter which was a rewarding experience.
Chairman Sullivan pointed out that all of the Board members will be at a special Transit meeting tomorrow and discussed other changes in his meeting schedule due to the holidays.

APPROVAL AND ADOPTION OF THE CONSENT AGENDA: Commissioner Austin moved to approve the Consent Agenda as presented. Commissioner Johnson seconded the motion which carried by a unanimous vote.

1. **RESOLUTION NO. 53-10** re: Application by Washington State Parks and Recreation Commission for a Nonexclusive Franchise to Construct, Maintain, and Operate a Sanitary Sewer Force Main Together with other Appurtenances Under, Upon, Along and Across County Road Right-of Way within Unincorporated Jefferson County



2. **MEMORANDUM OF UNDERSTANDING** re: Extend Collective Bargaining Agreement to December 31, 2011; Jefferson County Administrator; UFCW 21
3. **AGREEMENT, Change Order No. 16** re: Jeffcom 911 Radio System Improvements; An Additional Amount of \$377,790.00 for a Total of \$839,705.08; Jefferson County Jeffcom; Buchanan General Contracting Company
4. **AGREEMENT re: Jury Management Software**; In the Amount of \$1,969.00; Jefferson County Clerk; Jury System Incorporated
5. **AGREEMENT** re: Conversion of Microfilm to Digital Images; In the Amount of \$2,500.00; Jefferson County Clerk; BMI Imaging Solutions
6. **AGREEMENT, Supplement No. 3** re: Transportation Forecast Model and Analysis; Extending of Completion Date of December 31, 2011; Maximum Payable Amount of \$134,696.00; Jefferson County Public Works; Transpo Group, Inc.
7. **AGREEMENT, Amendment No. 1** re: Courthouse Roof Stabilization Project; In the Amount of \$300,000.00; Jefferson County Public Works; Washington State Department of Archaeology and Historic Preservation
8. **AGREEMENT** re: Develop and Update Farm Conservation Plans to Improve and Protect Water Quality; In the Amount of \$143,550.00; Jefferson County Public Health; Clallam Conservation District
9. **AGREEMENT G1100189** re: Hood Canal Watershed Clean Water Project; Revenue in the Amount of \$664,938.00 and Matching Funds in the Amount of \$166,235.00; Jefferson County Public Health; Washington State Department of Ecology
10. **AGREEMENT G1000406, Amendment No. 2** re: Coordinated Prevention Grant - Enforcement of Solid Waste Management Regulations; Additional Revenue in the Amount of \$19,559.00 for a Total Amount of \$94,699.00 and Matching Funds in the Amount of \$4,889.75; Jefferson County Public Health; Washington State Department of Ecology
11. **AGREEMENT** re: Professional Services Related to Oral Health; In the Amount of \$12,000.00; Jefferson County Public Health; Cynthia Newman
12. **AGREEMENT, Interlocal** re: Sale & Use of the Fire Hall Communication Tower; In the Amount of \$86,720.00; Jefferson County Administrator; East Jefferson Fire Rescue; City of Port Townsend
13. **Payment of Jefferson County Vouchers/Warrants** Dated November 17, 2010 Totaling \$8,566.22 and Dated November 22, 2010 Totaling \$1,134,893.12 and Dated November 24, 2010 Totaling \$2,961.00
14. **Payment of Jefferson County Payroll Warrants** Dated November 19, 2010 Totaling \$91,609.32 and A/P Warrants Done by Payroll Dated November 19, 2010 Totaling \$16,728.64

Approval of Minutes: Commissioner Johnson moved to approve the minutes of November 8 and 15, 2010 as presented. Commissioner Austin seconded the motion which carried by a unanimous vote.

HEARING re: 2011 Jefferson County Budget: County Administrator Philip Morley reviewed the proposed 2011 County budget with a power point presentation for the General Fund and all "other" funds. Copies of the budget message and the power point are available. The Commissioners can



request that staff make changes that they feel are necessary and no action is expected on adopting the budget today, but the Board may take action on the Road levy diversion and levy shift resolutions today.

He continued by noting that General Fund expenditures are \$15,636,049 with revenues of \$15,357,260. The difference between expenditures and revenues will come from the unencumbered fund balance. All other fund expenditures are \$37,116,189 with revenues of \$32,883,293. He then reviewed how the expenditures are split for the General Fund and the other Funds. He thanked the UFCW and Exempt staff for participating in a freeze for one year on their general wage and steps adjustments. The Teamsters Bargaining Units are still bargaining about the freeze on wage and step adjustments. If they do not agree, the departments involved will have to make further cuts from their budgets to come up with an equivalent savings.

Anne Sears, Budget Consultant, then reviewed the difference between the department requests submitted and the proposed 2011 budget. Philip Morley noted that the budget presented to the Board complies with the 2011 Budget Goals and Objective (Resolution No. 26-10) and the implementation of funds from Proposition No. 1 passing (Resolution No. 32-10). It also complies with Resolution No. 38-10 which sets how sales tax revenues shall be budgeted. Each fund has met the reserve amounts set by the Board. The County Administrator thanked all the Elected Officials and Department Directors for their help as well as other specific individuals who have provided help.

The Chair then opened the public hearing.

Craig Durgan, Port Hadlock, said that he is sorry that the County has to cut the budget on the expenditure side and he feels that the County needs to start looking at how to improve the revenue side of the budget. There were 4 items listed for work in the next 4 years, but the revenues need to be enhanced in the short term. He suggested things that can be done to enhance revenues in the short term like revamping development regulations and implementing a permit fee holiday to stimulate development. He also suggested that development should be allowed in the Tri Area until the sewer is in place. The sewer is long term and the development needs to happen now which would provide potential revenue by allowing people to build on their property with a septic system. He sees no reason not to allow people to move forward with development in the Tri Area on an interim basis with a septic system. He cautioned that the County shouldn't count on grant money because the State and the Federal government are also having budget problems. He is also concerned about balancing the General Fund budget by taking revenues from dedicated funds. The people of the County are not tourists who will come up and buy trinkets in Port Townsend.

Tom Thiersch, Jefferson County, stated that there is \$9 million dollars across all the budgets for professional services and there is no breakdown of how those professional services dollars will be spent. He thanked the County employees who elected to take a salary freeze and he would like a commitment from all the salaried staff, including the elected officials, to take a freeze for next year. Regarding the proposed increase in indebtedness, he asked how the County will pay for this 46% increase in indebtedness? REET taxes will not increase by that much.

Joy Baisch, Brinnon, asked how the broadband program will be implemented? Governor Gregoire has asked for a moratorium on regulations and how will the County comply with this request?



Mike Belenski, Jefferson County, asked about the revenue lost when County property, that was leased as a horse park, is logged and what revenue was lost by taking that out of the County?

Hearing no further comment for or against the proposed budget, the Chair closed the public testimony portion of the hearing.

Philip Morley, County Administrator, then answered some of the questions posed by the public during the public hearing.

Chairman Sullivan asked if the City's portion of the average taxpayer dollar effects people in the County? Philip Morley stated that it does not effect people in the County.

Jack Westerman asked that "professional services" be changed to "private services" because the staff of the County does professional work.

Commissioner Johnson asked if there is any ability to generate revenue from the rental of the Spruce Room at the WSU Extension facility? Philip Morley noted that this was discussed last year also and the Spruce Room was left for another year to see if increased rentals would help pay for the WSU space lease. He noted that the rentals have not been able to sustain the lease of that room and the County is trying to assure that all of the Extension programs can be sustained as well as the facilities. Philip Morley will follow up with Katherine Baril about the leased space that WSU Extension uses.

Commissioner Austin stated that he appreciates the work of all the staff on this proposed budget. Philip Morley noted that the award amounts recommended by the Lodging Tax Advisory Committee are included in the proposed budget. Chairman Sullivan added that there will be other costs to broadband end users before this program is totally implemented. He noted that the budget is a good plan which has and will take constant management over the next year. He appreciates the collaboration of all the Elected Officials and Department Heads which took hard work. Commissioner Johnson also thanked Karen Bednarski for her work over the years.

Diversion of Road Levy to Traffic Law Enforcement for the 2011 General Fund Budget; and Road Levy Shift to the General Fund for the 2011 Budget: Commissioner Austin moved to approve **RESOLUTION NO. 54-10** to approve the diversion of a portion of the Road Levy for traffic law enforcement for the 2011 General Fund budget. Commissioner Johnson seconded the motion which carried by a unanimous vote. Commissioner Austin then moved to approve **RESOLUTION NO. 55-10** authorizing a shift of \$219,550 from the Road Fund Levy to the General Fund for the 2011 budget. Commissioner Johnson seconded the motion which carried by a unanimous vote.

The meeting was recessed at the conclusion of the schedule business and reconvened at 1:30 p.m. with all three Commissioners present.



County Administrator Briefing Session: County Administrator Philip Morley reviewed the following items with the Board.

- Sv. Nikolai Monument
- Calender Coordination
- 2011 Budget Discussion
- Miscellaneous Items

Cancellation of Regular Commissioners Meeting: Commissioner Austin moved to authorize the cancellation of the December 27, 2010 Commissioners meeting. Commissioner Johnson seconded the motion which carried by a unanimous vote.

NOTICE OF ADJOURNMENT: Commissioner Austin moved and Commissioner Johnson seconded the motion to adjourn the meeting at 3:38 p.m. until the next regularly scheduled meeting or properly noticed special meeting. The Chair called for a vote on the motion. The motion carried by a unanimous vote.

MEETING ADJOURNED

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

SEAL:

David Sullivan, Chair

ATTEST:

Phil Johnson, Member

Lorna Delaney, CMC
Clerk of the Board

John Austin, Member