Introductions and Announcements (00:00:29)
Tim Holloran reminded everyone that the meeting was being recorded. After introductions were made, Tim answered Jill Boudreau’s question about meeting materials. He said that they would be placed on the Jail website. He asked the Council to respond to the doodle poll for the SCORE facility tour.

Agenda Review and Expected Outcomes (00:03:20)
Lisa Dally Wilson reviewed the agenda and explained to the Council what to expect as outcomes from the meeting. She reminded the Council that subsequent meetings were scheduled from 11:30 a.m. to 2:00 p.m. She reminded the Council to bring their lunch. She thanked the Finance Directors for attending the meeting.

Project Updates (00:07:04)
Some of the handouts that were emailed had formatting problems and Marc Estvold apologized. He said they had been fixed, printed, and provided for the meeting.

Marc informed the Council that an advertisement had been placed to hire an architect to evaluate the existing jail facility in order to estimate how many beds could be added, what phasing would look like for a remodel, and what costs might look like. He said that this would provide the Council with information they could use as they moved through the process. He said it would be helpful to know what the potential is of the existing facility when comparing it to other options. Marc said the report was scheduled to be complete by October 11th.
Marc discussed the update to the 2008 Voorhis report. He said that Voorhis would be in touch with each Councilmember to perform an interview and find out what kinds of specific questions or concerns members had. Marc said that the updated Voorhis report would be sent to the Council before September 13, 2012.

Marc also informed the Council that a representative from the Alf Christianson Seed Co. site had been in touch with the County and a meeting was going to be set up to discuss potential options for that site.

Commissioner Wesen suggested that the scope of work for the architect who would be evaluating the current jail facility should include what the best use of the building would be if the jail was moved to another site.

**Financing Options – Presentation by Susan Musselman (00:11:56)**

Susan Musselman said that financing options were being discussed in order to let the Council know what kind of funding and financing options would be available. She said that this project was moving forward on parallel tracks and it was important to start thinking about each city’s own needs, affordability, project size, and what the city’s role was. She understood the needs of the current facility would need to be addressed, and would be addressed one way or another. She informed the Council that she could not find any other situation which matched Skagit County’s situation and that the county was in a position to put together a unique partnership.

She informed the Council that other entities were able to build facilities with funds they already had, and then were at risk for what they built, and how to fill it, since many built for future needs. Due to the path many took, there is now a lot of bed space state wide for rent, partly because facilities were built for future needs and partly because cities and counties are reducing bed nights due to budget constraints and other policy and programming changes. Susan said that Skagit County should avoid this scenario: building a facility with the hopes of supplementing costs by renting beds. She understood that the scenario for Skagit County to solve their problem by renting extra beds was not a viable long-term strategy due to transportation, logistical reasons, and budget constraints.

Susan said that the SCORE Facility (South Correctional Entity) was designed, developed, and owned by a consortium of cities in South King County. She gave some background information on SCORE and said that cities created intergovernmental arrangements and that each city signed up for a certain number of bed nights to help fund SCORE. She understood that SCORE did not turn out exactly as they planned. She said that each city was an equity partner and each city signed on for a specific amount of debt and had a bond obligation based on the number of beds owned. They also shared costs of the facility.

Susan encouraged each city to think about, and eventually answer, what they saw as their role and interest in the project, and more specifically:

- Does the city view itself as an interested customer that would like to rent from county?
- Is the city involved only to keep informed?
- Does the city wish to become an equity partner?
- Does the city want a committed number of beds?
• Does the city want this project to meet their future needs?
• Does the city plan to continue partnering with the county or will they move inmates elsewhere in the future?
• Is the city looking to only preserve their current level of beds or does it want to expand their capacity?
• If more beds were available, would the city be able to accommodate them in your budget?
• Is the city’s current use based on availability or affordability?
• Does the city view itself as a customer or partner?

Susan encouraged the cities to discuss these questions with their police chief, budget director, and councilmember’s.

Susan wanted the Council to keep in mind that there would be capital costs and operating costs to consider as they moved forward with the project. Other considerations: does the county build or remodel to meet their own needs and some of the city needs and then the bed rate is charged accordingly? Are capital costs fit into bed rates? Does the county build or remodel for their own needs and for some level of committed space for the cities’ needs and then the cities know what they will be working with? Susan said that there were many options. She said it would be helpful to know everyone’s committed level, desires, role, and participation level so that the scope of the project could match everyone’s needs.

Susan discussed the types of funding options for new operating revenue and new capital support bonds. Operating revenue could be derived from regular property tax or sales and use tax. Capital revenue could be derived from regular property tax, excess property tax, or sales and use tax. Susan discussed how each option would be implemented and the pros and cons of each. She pointed out that excess property tax levy bonds could be used for capital purposes only and reminded the Council to keep operating costs in mind.

Susan briefed the Council on the funding options available for implementing a sales and use tax. She said options included possible implementation of voter approved taxes at 0.3% or 0.1%, as well as a county imposed tax at 0.1%. Among other differences, each scenario divided taxes differently between the cities and county and were set by statute.

Bill Turner asked what the facility might cost. Marc said that Voorhis estimated in 2008, that a 500 – 600 bed facility would cost between $85 and $90 million dollars.

Eron Berg, Bryan Harrison and Susan discussed revenue distributions based on population and that such a formula, which is imposed by statute, could bring up inequities and a question was asked: should rates be based more on the usage of the jail?

Susan pointed out that the nice thing about sales tax, opposed to a bond, was that it could be used for capital, or operating, or both, and that the tax could be implemented for 20 – 30 years instead of only 9 years for bonds. She said there were no magic answers and no other revenue options available to Skagit County for this project.
Tim Holloran asked about a tax that the City of Sedro-Woolley was proposing to implement and would it impact the options? Susan said, yes, that the percentages collected would be different. Eron Berg said that La Conner might be proposing a similar tax. It was clarified that Skagit County would collect 15% from each city if their new tax was imposed.

Bryan Harrison and Susan discussed past models and the fact that nothing being proposed had been done elsewhere so there were no models or approaches to evaluate. Susan answered that the most common approach was that a county would construct and finance a facility based on their own resources or what they expected to have, or used excess real estate excise tax, or a distressed economic fund (which is no longer available for building jail facilities).

The Council discussed the most recent jails built and determined that Skagit County would be the first to decide on a facility, besides SCORE, in the current financial climate.

Discussion followed regarding Burlington City’s sales tax revenues. Steve Sexton and Bryan Harrison shared concerns that revenue from shoppers would decrease if sales tax increased.

Jill Boudreau said it might be a good idea to implement both a property tax levy and a sales and use tax.

Discussion followed regarding what other counties had implemented the 0.3% sales tax. Susan shared that in most cases; the county either squeezed funding out of their regular budget, or identified and used unique capital funds.

Keith Wagoner and Will Reichardt discussed the operating budget. Will Reichardt assumed that costs would go up since twice as many inmates could be housed, but staffing costs would probably not increase as drastically since those costs could be reduced by the implementation of technology to make the facility more efficient.

Steve Sexton felt that utilizing sales tax would be inequitable. He pointed out that Burlington generates 30% of the sales tax and only utilizes 5% of the jail.

Eron Berg, Steve Sexton and Commissioner Wesen discussed the statue and shopping patterns in Skagit County. Eron Berg pointed out that Sedro-Woolley residents contribute greatly and help fund Burlington’s revenues. Eron said that Burlington created a regional shopping hub and that Sedro-Woolley’s proximity to Burlington hindered their ability to develop similarly and benefit from the sales tax that would be generated. Population distribution and sales tax was discussed. Steve Sexton said that he would prefer to find a way to fund the project without affecting sales tax.

Susan stated that the group needed to decide how to put all the pieces together in the most equitable way.

Discussion followed regarding the SCORE facility and if Skagit County could also create a PDA. Susan said that the PDA model might not work for Skagit County. She said the PDA facilitated the financing but the bulk of their partnership system was put together through Interlocal Agreements. Susan said that
the PDA could be used if the group decided to own the facility jointly instead of having it owned and controlled by one party.

**Further Q & A, Discussion (01:09:50)**

Bryan Harrison wondered if the most common model used to fund a facility was for the county to find existing resources within their own budget to finance the capital portion of the project and that operational expenses, and some payback of the capital expenses, were found through bed rates.

Susan said the model Bryan described was the most common model, but she pointed out that in those circumstances, the facility was built to serve the county, not the cities, which were left on their own.

Bryan asked if the Council could determine the county’s felony needs and demands then simulate a remodel from that data and divorce the municipalities’ needs from the equation. He said that city councils will ask what the scenario is for the county to move forward alone versus moving forward with the cities cooperatively.

Ron Wesen pointed out that traveling is easy. A person may live in one place and commit a crime in another place. Susan said that some sort of formula to put together could take into consideration where a person lives, where they spend their money, where they commit their crimes, and who catches them.

Steve Sexton said that his preference, in a perfect world, would be that Burlington would only pay for 5% of the jail since they only use 5% of the space. He thought this was how SCORE set up their Agreements.

Jill Boudreau wondered if other things were considered and factored into SCORE’s usage percentages, or if it was only based on crime.

Susan understood that SCORE would set up their system differently knowing what they do now. Susan asked the Council to determine if their incarceration rates were tied to their budgets or to their population. She wondered if a 600 bed facility was built, would there be money available to fill it up or would it be an investment in future capacity needs.

Bill Turner suggested that the most equitable way to split up the cost would probably be a combination of utilizing sales tax and property tax.

Susan ended by asking the cities to think about what they were looking for: an equity position? Were they willing to commit to a certain level for a certain sized facility? Would it be acceptable if the county only built for their own needs?

Jill Boudreau asked that Susan Musselman’s PowerPoint be posted on the website.

**Other Requested Information (01:21:33)**

Marc explained the updates made to the bed rate projections handout, page 3 of the agenda packet. Eron Berg and Marc discussed some of the calculations. Discussion was held regarding booking restrictions. Questions were asked about the design capacity of the current jail and usage. Charlie said that the cells were designed for 1 person and were now often double-bunked with a 3rd person on the
Charlie explained that some 3 person cells only held 1 person because of the nature of the inmate. Charlie said the jail population was constantly monitored and the hard cap for the number of inmates that can be held in jail depends on the current population mix. The jail was built for 83 inmates, there are 180 assignable beds. On a perfect day with the perfect mix, the jail could hold 209 inmates, which includes having one person bunk on the floor.

Discussion followed regarding electronic home monitoring (EHM). It was pointed out that the EHM inmates were not accounted for on the handouts provided regarding the average daily population since the cities do not pay for them. The average daily population of the jail, including EHM, is approximately 245. Will Reichardt said that EHM generates some money for the jail, but not enough to cover staffing costs to run the program.

Page 5 was discussed and Tom Molitor clarified the bed day cost for 2011. The amount of $79.47 should be changed to $70.11.

Lisa said that jail mission statements were asked for and she said that the Jail and its employees are part of the Sheriff’s Office and page 6 contained their mission statement.

Multiple county and city booking rates and information was provided on page 7, 8 and 9.

Booking declines was discussed. Charlie explained that the actual number of declines was not known since officers on street often know what kind of person they are arresting and whether or not they would be accepted by the jail.

Tim informed the Council that the Judges offered to supply warrant information.

Bill Turner said that he discussed with Anacortes Police Chief Bonnie Bowers how a new jail would help Anacortes. She informed him that public safety was important and that space was needed to place dangerous individuals.

Dangerous persons and dangerous events was discussed as well as how police officers, jail staff, and judges have to make decisions on who to keep and who to release. Charlie shared an example of asking his sergeants for a list of potential releases just in case the jail needed to make room for other inmates. He received a list with 15 people on it. Of those 15 people, Charlie only would have approved 7. Of those 7 people, the judges approved only 3.

**Next Steps (01:53:28)**

Lisa said that the judges would provide warrant information and some decline statistics would be added to the next agenda. Lisa informed the Council that the meeting was coming to an end. She said that Voorhis would have updated projections on bed rates, and discussions would be held on bed needs and budget constraints. She said that decisions needed to be made on financing options and narrowing the range of beds.

Bryan Harrison said that it would be helpful to have a complete list of jail alternatives and costs so that, as they decided on a hard number for beds, they would also know what kinds of jail alternatives could be provided and accommodated.
Marc informed the Council that Voorhis was also going to be identifying the number of inmates that could be boarded outside Skagit County.

Will Reichardt suggested that Police Chiefs be invited to the next meeting since bed needs will be discussed and booking information. He said they would be able to add valuable information to the discussion.

Ron Wesen, Jill Boudreau and Steve Sexton discussed whether or not the cities were planning on being owners or renters. Jill and Steve said they were not ready to make that decision without more information.

Lisa appreciated the questions posed by Susan Musselman during her presentation and she thought it would be a good idea to have those handy to think about and answer.

Eron Berg said there were many alternatives to choose from. He said that he had noticed the activity on this project increase and he wondered what the timeframe was for the county to make a final decision on whether to move forward with or without the cities?

Tim said that the county hoped for a decision in early spring and that this was the approach to reach that goal and that Eron was correct that the county was working hard on this project.

Bill Turner said that he understood that one option before the group could be that the county build a jail for their own needs and the cities also build a jail for their needs. The group discussed this and agreed that it could be an option to explore. The Council understood that the County will have to do something: either move forward alone or with the group.

Eron Berg believed that the Council preferred to work together and that they would do better if they did. He did not believe that Sedro-Woolley’s crime warranted building and running their own jail.

Lisa pointed out that during their first meeting on June 14, 2012, a handout was provided “Background, Roles and Goals” and she said that this explained that the Council’s goal was to work together and confirm, among other things, structure ownership and each city’s level of commitment, which would be integrated into written agreements formalizing each parties commitment to the project.

Tim informed the Council that they could meet individually with Marc or Susan at any time to discuss the project or their budget and ask questions.

The meeting ended at 1:40 p.m.

Next meeting: Thursday, September 13, 2012, Skagit County Commissioners Office, 1800 Continental Place, Mount Vernon.

*Notes finalized and approved September 13, 2012*