

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS
Tuesday, December 12, 2000**

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| 7:30 a.m. – 8:00 a.m. | Commissioners' Staff Meeting. |
| 8:00 a.m. – 8:30 a.m. | Executive Session – Personnel, Litigation and Land Acquisition. |
| 8:30 a.m. – 9:00 a.m. | Work Session – Operations Division Manager/District Maintenance Supervisors. |
| *T 9:00 a.m. – 10:00 a.m. | <u>Public Works Department – Chal Martin, Director.</u> <ol style="list-style-type: none">1) Presentation - Certificate of Commendation upon Retirement to Randy R. Ruschmann, Maintenance Technician III, for Service from September 25, 1974 to December 29, 2000.2) Signature – Amended Resolution of Intention re: Formation of Lake Management District No. 3 for Lake Erie and Lake Campbell.3) Signature – Resolution Calling for Public Hearing re: Proposed Formation of Skagit County Lake Management District No. 3 for Lake Erie and Lake Campbell.4) Miscellaneous. |
| 10:00 a.m. – 11:00 a.m. | Executive Session – Personnel, Litigation and Land Acquisition. |
| *T 1:30 p.m. – 2:30 p.m. | Public Hearing - To Consider Testimony regarding a Resolution authorizing Skagit County to increase property tax revenues, in excess of increases in the value of state assessed property, new construction and improvements to property for the 2001 budget year. The Board of County Commissioners contemplates increasing the general levy and road levy by 2% above the 2000 levies, plus capturing new construction assessed in 2000 for both levies. |

The Skagit County Board of Commissioners met in regular session on Tuesday, December 12, 2000, with Commissioners Harvey Wolden, Robert Hart and Ted W. Anderson present.

PUBLIC WORKS DEPARTMENT – Chal Martin, Director.

1. Presentation – Certificate of Commendation upon Retirement to Randy R. Ruschmann, Maintenance Technician III, for Service from September 25, 1974 to December 29, 2000.

Cliff Butler, Manager of Road Operations, stated that Mr. Ruschmann is a 26-year employee with Skagit County, retiring at the end of December. He reviewed the various job functions that Mr. Ruschmann had performed during his years of service with Skagit County.

Charlie Tewalt, District Three Road Supervisor, reviewed Mr. Ruschmann's skill as a dump truck driver, low boy, excavator, grader and other equipment operator

The Board presented Mr. Ruschmann with a Certificate of Commendation upon Retirement, and thanked Mr. Ruschmann for his service to the County.

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2. Signature – Amended Resolution of Intention re: Formation of Lake Management District No. 3 for Lake Erie and Lake Campbell.

Ric Boge, Surface Water Management, explained that subsequent to public hearing on the 28th, new information came forward regarding the ability to assess publicly-owned properties newly included in the boundaries of the proposed Lake Management District #3. The proposed amended resolution of intention includes all of the public owned properties, including the boat launch. The new resolution of intention would allow time to give proper notification to state agencies. Mr. Boge stated that the new public hearing would be scheduled for January 16, 2000, at 9:00 a.m.

Commissioner Hart moved to approve the amended Resolution of Intention as explained by Mr. Boge. Commissioner Anderson seconded the motion, which passed with unanimous approval. **(Resolution No. 18108)**

3. Signature – Resolution Calling for Public Hearing re: Proposed Formation of Skagit County Lake Management District No. 3 for Lake Erie and Lake Campbell.

Mr. Boge presented a Resolution calling for Public Hearing regarding the proposed formation of Skagit County Lake Management District No. 3 for Lakes Erie and Campbell. Commissioner Anderson seconded the motion. Upon call for the question, the motion passed unanimously. **(Resolution No. 18109)**

4. Miscellaneous.

Chal Martin, Director, presented a Resolution and Interlocal Agreement with the Skagit 911 Consolidated Communications Center for the Board's consideration. He stated that this agreement sets the parameters for use of the Leonard Ridge repeater site during flood-fighting operations. He stated that there is a small cost for the electronic hardware involved. Commissioner Hart moved to approve the Resolution and Interlocal Agreement as explained by Mr. Martin. Commissioner Anderson seconded the motion, which passed unanimously. **(Resolution No. 18110, Contract No. 05140)**

MISCELLANEOUS.

1. On behalf of the Health Department, Staff presented a Memorandum of Agreement with the Skagit Preschool and Resource Center (SPARC) wherein the County agrees to conduct public awareness and Child Find activities, in accordance with the Skagit County Early Intervention Plan. The Agreement is effective October 1, 2000 through December 31, 2000, and the County will be compensated \$2,500. Commissioner Anderson moved to approve the Agreement as presented, and Commissioner Hart seconded the motion. The motion passed with a unanimous vote. **(Contract No. 05141)**
2. Staff presented a Personal Services Agreement with Elite Productions to provide various video productions for the Best PLACE Program for the period November 15, 2000 through May 31, 2001. Compensation will not exceed \$10,000. Commissioner Hart moved to approve the Agreement as presented. Commissioner Anderson seconded the motion, which passed unanimously. **(Contract No. 05142)**
3. On behalf of Superior Court, Staff presented Amendment No. 1 to an Agreement with Skagit Recovery Center to provide drug court services. The amendment extends the agreement end date from September 30, 2000 to December 31, 2001, and increases the not-to-exceed amount from \$312,009 to \$500,000. Commissioner Hart moved to approve the Agreement as presented, and Commissioner Hart seconded the motion. The motion passed with a unanimous vote. **(Contract No. 04639)**

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4. Chris Stamey, Budget/Finance Department, presented Amendment No. 3 to Loan Agreement No. L9700054 with the State of Washington Department of Ecology. He reported that the loan amount is decreased from \$435,000 to \$346,479 based upon the final eligible costs for the project. Commissioner Hart moved to approve Amendment No. 3 as explained by Mr. Stamey. Commissioner Anderson seconded the motion, which was unanimously approved. **(Contract No. 03530)**
5. Staff presented a Resolution transferring surplus County computer equipment to the Anacortes Housing Authority. Commissioner Hart moved to approve the Resolution, and Commissioner Anderson seconded the motion. The motion passed with a unanimous vote. **(Resolution No. 18111)**
6. Staff presented a Resolution transferring surplus County computer equipment to the Town of Concrete. Commissioner Anderson moved to approve the Resolution, and Commissioner Hart seconded the motion. The motion passed with a unanimous vote. **(Resolution No. 18112)**

PUBLIC HEARING – TO CONSIDER TESTIMONY REGARDING A RESOLUTION AUTHORIZING SKAGIT COUNTY TO INCREASE PROPERTY TAX REVENUES, IN EXCESS OF INCREASES IN THE VALUE OF STATE ASSESSED PROPERTY, NEW CONSTRUCTION AND IMPROVEMENTS TO PROPERTY FOR THE 2001 BUDGET YEAR. THE BOARD OF COUNTY COMMISSIONERS CONTEMPLATES INCREASING THE GENERAL LEVY AND ROAD LEVY BY 2% ABOVE THE 2000 LEVIES, PLUS CAPTURING NEW CONSTRUCTION ASSESSED IN 2000 FOR BOTH LEVIES.

Alicia Huschka, Budget Director, explained that property taxes are complicated, and consist of three elements including assessed valuation, the levy rate (which is how much an individual pays per \$1,000 of assessed valuation), and the levy amount. She stated that previously passed Referendum 47 requires that public hearings be held when such levy amounts are set and exceed the level of inflation and jurisdictions must demonstrate substantial justification for such increases. She reported that for 2001, a 2% increase on the general levy will generate \$250,000 which will be dedicated to the partial cost of three new road deputies. The Road Levy would generate \$160,000 and would be dedicated to offset partial costs on the proposed geodetic framework project. She explained the particular impacts of each of the levies as regards to new construction.

Ms. Huschka reviewed a chart showing the history of the general levy and road levy amounts over the past 8 years. She reported that in the past, prior to this Board, always a maximum of 106% had been taken. This current Board has chosen not to do that. She indicated that the proposal is to take a 2% increase over the 2000 budget. In 2000, the Board took no increase, but captured new construction for the general fund levy, but not for the road fund levy.

She explained the significance of the Implicit Price Deflator (IPD), which is similar to the Consumer Price Index (CPI). She stated that this year the IPD is 2.16%, which is higher than the 2% proposed by the Board for the 2001 levy. Ms. Huschka reviewed the specifics of the estimates for assessed value based on information received from the County Assessor.

Ms. Huschka reviewed the percentages that the various cities in the County are taking for 2001, based on information received from the Assessor's Office. She stated that Anacortes and Burlington are taking no increase; Concrete is taking 6%; Hamilton is taking no increase; LaConner is taking a 15% increase; Lyman is taking a 6% increase; Mount Vernon is taking a 2% increase; and Sedro Woolley is taking an 18% increase. Those taking higher percentages are using "banked" percentages saved from previous years.

She reviewed property tax increases for each County within the State, ranging from 12% increases to 0%.

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Ms. Huschka reviewed a slide showing a pie graph of property taxes collected in Skagit County. The slide showed that approximately 25% of an individual's taxes go to the State, which is not required to hold a public hearing. School voted levies for maintenance and operation constitute approximately 19% of the total property tax collected, and require a 60% approval vote of the people. Skagit County's general levy accounts for 14.6% of the property tax bill, and cities average around 9.3%. The County road portion of the pie is at 8.2%, and if an individual lives within a City, they do not pay this amount. Conversely, those living in the cities do not pay the County road tax. The other pieces that are set by various elected Boards include dike and drainage districts, fire districts, port districts, hospital districts, County drainage utility, conservation utility, cemetery districts, and library districts.

Upon query from Chairman Wolden, Ms. Huschka indicated that the Emergency Medical Services levy is contained in the general levy per information she was given by the Assessor's Office.

Chairman Wolden opened up the public hearing for testimony at this time.

Ken Slater, 14016 Avon-Allen Road, stated that he was set to talk against everything, including the 2% increase, but as it was so well explained, he yielded the floor and would not object.

Don Bockelman, 30623 South Skagit Highway, asked why the Board held a public hearing last year when it was not required when they set the increase at zero. The Board responded that they like to have public hearings on issues such as property tax levies to keep the public informed. Mr. Bockelman commented that assessed valuations have increased phenomenally above the rate of inflation, and that statewide initiatives have passed because people are tired of ever-increased tax valuations. He asked that no further tax increases be imposed for 2001.

Commissioner Anderson spoke to the topic of citizen's initiatives, and the impacts of the \$2.2 million in cuts there from, with no cuts in services to the people of Skagit County.

Chairman Wolden commented that small taxing districts have made a practice of taking the full 6%.

Commissioner Anderson reviewed that the County's portion of the property tax total is 22% of the whole picture, and that other portions continue to rise, while the Board has held to a zero increase last year and a 2% increase for next year.

Chairman Wolden praised Ms. Huschka's informative presentation.

There being no further public testimony forthcoming, Commissioner Hart moved to close the public hearing. Commissioner Anderson seconded the motion, which passed unanimously. The public hearing was closed.

Ms. Huschka presented the Board with five resolutions to effectuate the proposed property tax levies as discussed.

Commissioner Hart moved to approve a Resolution authorizing a property tax increase for 2001 for the Skagit County Levy, with the total 2001 general property tax levy, including new construction set at approximately \$13,200,000. Commissioner Anderson seconded the motion, which passed unanimously.

(Resolution No. 18113)

Commissioner Hart moved to approve a Resolution authorizing property tax increase for 2001 Skagit County Road Levy, setting the total 2001 County road property tax levy amount at approximately \$8,393,000. Commissioner Anderson seconded the motion, which passed unanimously.

(Resolution No. 18114)

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Commissioner Hart moved to approve a Resolution authorizing property tax increase for 2001 for the Emergency Medical Services Levy, setting the total 2001 Emergency Medical Services property tax levy in the approximate amount of \$1,967,000. Commissioner Anderson seconded the motion, which passed unanimously. **(Resolution No. 18115)**

Ms. Huschka then presented two resolutions that would allow the County to bank levy amounts not being used for use in the future, depending if I-722 stands and is found constitutional. Commissioners Hart and Wolden questioned the need to pass such resolutions if there is no intent to utilize the banked amounts. Ms. Huschka reassured the Board that such resolutions could be signed and never used, as they have never been used in the past. She reiterated that approving the Resolutions retains the banked amounts should they be needed at some future date, but does not require that they ever be utilized.

Upon query from Commissioner Anderson, Ms. Huschka verified that the banked capacity from the past would still be retained, but no banked capacity would be reserved for 2001.

After a brief discussion, Chairman Wolden moved not to bank the capacity for 2001, and not to sign the last two resolutions presented by Ms. Huschka. Commissioner Anderson seconded the motion, which passed with a unanimous vote.

ADJOURNMENT.

Chairman Wolden made a motion to adjourn the proceedings. Commissioner Hart seconded the motion and it passed unanimously.

**BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Harvey Wolden, Chairman

Robert Hart, Commissioner

Ted W. Anderson, Commissioner

ATTEST:

Patti J. Chambers, Clerk of the Board
Skagit County Board of Commissioners