

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS
TUESDAY, JANUARY 19, 2010**

I. CALL TO ORDER:

Chair Dillon called the proceedings to order at 10:05 a.m.

II. PLEDGE OF ALLEGIANCE:

Chair Dillon led the gallery to the salute to the flag.

III. AGENDA:

- a) *8:00 a.m. - 9:30 a.m. Briefing - County Commissioners/Administrator
- b) 10:00 a.m. - 11:30 a.m. Presentation - Recovery Act Bonding Capacity

Trisha Logue, Skagit County Budget and Finance Director, invited Cynthia Weed, Bond Attorney of K & L Gates LLP, and Susan Musselman, Financial Advisor of DashenMusselman, Inc., to present to the Board each funding source available to Skagit County through the American Recovery and Reinvestment Act which was passed by the federal government in 2009 and allocated bonding capacity funding to local governments. Three new funding options are now available to both the government sector and the private sector.

Susan Musselman, Financial Advisor, stated that interest rates are at historic lows which help today's market. Ms. Musselman informed the Commissioners that the current trend has been to borrow from taxable bonds, instead of the usual tax-exempt bonds, since some of the new bonds available provide a federal government subsidy payment of a percentage of interest payable on each interest payment date. Of the new bonds available, Recovery Zone Economic Development Bonds (RZEDB's) are limited. The Build America Bonds (BABs) are more readily available. Both Cynthia Weed and Susan Musselman believe that the Build America Bonds will be extended past 2009 - 2010.

Cynthia Weed, Bond Attorney, wanted to share this information with Skagit County and inform those present that some of these bonds do have time constraints. Ms. Weed stated that Skagit County needs to identify projects that can be financed with these allocated bonds so that the amount allocated to Skagit County is not lost. Ms. Weed described four bonds available to Skagit County, which include tax-exempt bonds. The Tax-Exempt Bond (Private Activity Recovery Zone Facility Bond) RZFB, is known as the Costco/Wal-Mart bond since it is generally used as a financing program for any commercial type project or business. The Build America Bonds (BAB) is issued on a taxable basis in which the federal government also issues a subsidy payment of 35% of interest payable on each interest payment date. The Recovery Zone Economic Development Bond (RZEDB) is described as a bond on steroids since it is a taxable bond which the federal government issues a subsidy payment of 40% of interest payable on each interest payment date. The Qualified Energy Conservation Bond (QECCB) is a taxable bond that does not generally bear interest. Instead, the buyer receives a tax credit and the rate is 70% of the interest rate on taxable bonds with a comparable maturity.

Ms. Weed stated that there were time limits for the issuance of the tax-exempt Bonds. More specifically, the Recovery Zone Facility Bonds and the Recovery Zone Economic Development Bonds have to be issued before January 1, 2011, since these Recovery Zone Bonds go through a different process. To qualify for one of these two bonds, the zone must be designated as an economically distressed recovery zone. Ms. Weed also said that it was important to note that these two types of bonds have a specific dollar amount which has been issued to Skagit County. Skagit County was allocated \$5,276,000 for Recovery Zone Economic Development Bonds, \$7,914,000 for Recovery Zone Facility Bonds. If Skagit County does not use the allocation amount, it will be lost. Furthermore, Skagit County can use the allocation for qualifying county projects, or for other projects that qualify within Skagit County.

The Department of Commerce has requested that Skagit County send a notice stating whether the county intends to waive, use, or reallocate the bonding amounts. Other entities will need to coordinate with the county regarding re-allocating amounts for their specific projects. The Recovery Zone Economic Development Bonds need to be issued this year for use and allocation. The County has first rights to the Recovery Zone Economic Development Bonds. Ms. Weed stated that the Recovery Zone Facility Bonds need to be issued to substantial businesses that have credit access and who are expanding or building. The rules for these new bonds are similar to the ordinary tax-exempt bonds. They cannot be used to pay off past projects old debt.

Members of the audience asked some clarification questions. Bonds can be lumped together for larger qualifying projects. Banks can buy these bonds. The Treasurer of another county purchased bonds in win-win situation. The deadlines were discussed. The normal rules in these situations should be followed. It will also be important to follow the federal rules. Ms. Weed is available to answer other questions which may come up.

The Commissioners thanked Ms. Weed and Ms. Musselman for the information. They requested to be informed of potential projects that other entities would like funded. Skagit County will also be looking at their own projects for funding opportunities.

Chair Dillon recessed the proceedings at 10:47 a.m.

- c) 11:30 a.m. - 11:45 a.m. Public Comment Period

Chair Dillon reconvened the proceedings at 11:33 a.m.

Seeing no one present for the public comment period, Commissioner Dahlstedt made a motion to close the public comment period, which was seconded by Commissioner Wesen. The motion passed unanimously.

Chair Dillon recessed the proceedings at 11:34 a.m.

- d) 1:30 p.m. - 2:00 p.m. Consent Agenda and Miscellaneous Items
- e) *2:30 p.m. - 5:30 p.m. Flood Control Zone District Advisory Committee Meeting

IV. CONSENT AGENDA (Items 1 through 22):

Chair Dillon reconvened the proceedings at 1:32 p.m.

A motion was made by Commissioner Wesen to approve the Consent Agenda items 1 through 22, Ratification Agenda Items 25 through 32, vouchers and warrants and miscellaneous for Tuesday, January 19, 2010. Items 23 and 24 were pulled for further discussion. Commissioner Dahlstedt seconded the motion.

a) COMMISSIONERS' OFFICE:

1. Record of the Proceedings for Monday, January 11, 2010. **(approved)**
2. Record of the Proceedings for Tuesday, January 12, 2010. **(approved)**
3. Resolution appointing Laurie Thomas to the Upper Skagit Library District Board of Trustees commencing on January 1, 2010, and expiring on December 31, 2013. **(Resolution No. R20100011)**

b) AUDITOR:

4. Amendment No. 2B to the Help America Vote Act (HAVA) Grant Agreement, Skagit County Contract No. C20050162, Grant Agreement No. G-2855. This Amendment awards an additional \$2,000 in HAVA funds, for a new total not to exceed \$16,000, and extends the end date of the contract to December 31, 2012. All other terms and conditions of the original Agreement shall remain in effect. **(Amendment No. A20100002)**

c) BUDGET & FINANCE:

5. Resolution modifying the name of Fund 118 to establish the Community Services Fund (formerly the Senior Services Fund). **(Resolution No. R20100012)**
6. Funding Agreement between Skagit County and Anacortes Community Shelter Project which was authorized by Resolution No. R20090321. The Agreement awards low-income housing funds for shelter operations. The Agreement is effective July 27, 2009, and shall continue through July 26, 2010. Compensation shall not exceed a total of \$10,000. **(Contract No. C20100006)**
7. Funding Agreement between Skagit County and Skagit Domestic Violence and Sexual Assault Services which was authorized by Resolution No. R20090321. The Agreement awards low-income housing funds for shelter operations. The Agreement is effective July 27, 2009, and shall continue through July 26, 2010. Compensation shall not exceed a total of \$11,132. **(Contract No. C20100007)**

d) FACILITY MANAGEMENT:

8. Resolution authorizing an application for a Community Development Block

Grant. The purpose of this resolution is to authorize the County Administrator to submit the application for a Community Development Block Grant to the State Department of Commerce to request up to \$1,000,000 for the acquisition and rehabilitation of a community facility, and certifies that, if funded it will comply with applicable provisions of Title 1 of the Housing and Community Development Act of 1974, as amended and other applicable state and federal laws. **(Resolution No. R20100013)**

e) HEALTH:

9. Interlocal User Agreement between Washington State Department of Licensing and Skagit County to provide staff with access to the Washington State Department of Licensing Internet Vehicle/Vessel Information Processing System (IVIPS). The Agreement shall commence upon the date of execution, and shall continue through September 30, 2011. Compensation includes a one time access fee of \$25 and a \$0.04 per internet inquiry. **(Contract No. C20100008)**

f) INFORMATION SERVICES:

10. Resolution requesting statement of qualifications for operation of Skagit 21 television station for the Skagit County Information Services Department. **(Resolution No. R20100014)**

g) PARKS, RECREATION & FAIR:

11. Resolution appointing Brenda Harter to the Fair Advisory Board. Ms. Harter's term will expire December 31, 2014. **(Resolution No. R20100015)**
12. Resolution appointing Chris Allen to the Parks and Recreation Advisory Board. Mr. Allen's term will expire December 31, 2014. **(Resolution No. R20100016)**
13. Resolution authorizing the revised user fee schedule for Skagit Valley Playfields and Dream Field. **(Resolution No. R20100017)**

h) PLANNING & DEVELOPMENT SERVICES:

14. Interlocal Cooperative Agreement between Skagit County and the Town of Hamilton transferring any open applications for land use development permits to the Town of Hamilton for any future application processing, inspections, and finalization, for 58.08 acres of land subject to the Town's annexation on January 24, 2009. The Agreement shall commence upon the date of execution, and shall continue through December 31, 2010. No compensation shall be exchanged between Skagit County and the Town of Hamilton to accomplish the responsibilities described in the Agreement. **(Contract No. C20100009)**
15. Resolution and Release of Protected Critical Area (PCA) Easement. The property is now within the city limits of Mount Vernon and they have

requested that Skagit County release the easement. **(Resolution No. R20100018)**

i) PROSECUTING ATTORNEY:

16. Amendment No. 1 to Personal Services Agreement No. C20090636 with Park Dietz & Associates. The Amendment increases the compensation amount by \$1,502 for a new contract total not to exceed \$26,502, which covers total costs incurred in the State v. Isaac Zamora case. All other terms and conditions of the original contract shall remain in effect. **(Amendment No. A20100003)**
17. Amendment No. 2 to Personal Services Agreement No. C20090186 with Orland D. Freeman. The Amendment increases the compensation amount by \$3,000 for a new contract total not to exceed \$8,000. All other terms and conditions of the original contract shall remain in effect. **(Amendment No. A20100004)**
18. Personal Services Agreement with Orland D. Freeman to provide process services for the Family Support and Civil Divisions of the Prosecuting Attorney's Office. The Agreement shall commence upon March 1, 2010, and shall continue through December 31, 2010. Compensation shall not exceed a total of \$5,000. **(Contract No. C20100010)**

j) PUBLIC WORKS:

19. Resolution for the abolishment of and distribution of assets of a sub-flood control zone known as Shangri-La Sub-Flood Control Zone. **(Resolution No. R20100019)**
20. Resolution amending Skagit County Resolution No. R20090370 appointing members to the Skagit County Marine Resources Committee. Michael Sato will fill the vacancy left by Keeley O'Connell as the representative for the People for Puget Sound interest Group. Paul Sund has resigned his membership and his position will remain vacant. Erik Newman will be the alternate for Rebecca Spurling, the representative for Tesoro Refinery. **(Resolution No. R20100020)**
21. Amendment No. 2 to an Interlocal Agreement between Skagit County and Upper Skagit Indian Tribe (Contract No. C20080179). This Amendment decreases the amount of the contract by \$250,000, for a new contract total not to exceed \$107,500, due to the award of the American Recovery and Reinvestment Act (ARRA) Grant providing Federal stimulus funding for this project. **(Amendment No. A20100005)**

k) SENIOR SERVICES:

22. Amendment No. 2 to Contract No. C20090063 with Northwest Regional Council/Area Agency on Aging. This Amendment provides nutritionally balanced congregate and home-delivered meals to seniors age 60 years of age and older in Skagit County and increases compensation by \$18,492, for a new contract total not to exceed \$278,758. All other terms and conditions of the

original contract shall remain in effect. **(Amendment No. A20100006)**

V. CONTRACT RATIFICATIONS (Items 23 through 32):

l) FACILITY MANAGEMENT:

23. Resolution authorizing the ratification of a Building Lease between Skagit County and Housing Authority of Skagit County. Skagit County Youth and Family Services has continued to occupy the leased premises and a signed building lease for the property was not received prior to the commencement of the lease on January 1, 2010. **(Resolution pulled for further discussion)**
24. Building Lease between Skagit County and the Housing Authority of Skagit County for premises located at 602 S 1st Street, Mount Vernon, Washington, to be used by Youth and Family Services. The Lease commenced on January 1, 2010, and shall continue through December 31, 2010. Compensation shall not exceed a total of \$800 per month. **(Lease pulled for further discussion)**

m) HEALTH:

25. Resolution authorizing the ratification of an Interlocal Cooperative Agreement between Cascades Job Corps Center and Skagit County by and through the Skagit County Public Health Department. The Agreement was not received with enough time to allow for all authorizing signatures before the start date of January 1, 2010. **(Resolution No. R20100021)**
26. Interlocal Cooperative Agreement between Cascades Job Corps Center and Skagit County by and through the Skagit County Public Health Department to provide the mechanism for the department to perform Environmental Health Inspections of food service operations, residential halls, vocational trade classrooms, and other facilities access by the students at Cascades Job Corps Center. The Agreement commenced on January 1, 2010, and shall continue through January 31, 2012. Compensation shall not exceed a total of \$1,800. **(Contract No. C20100011)**

n) PUBLIC WORKS:

27. Resolution authorizing the ratification of an Interlocal Cooperative Agreement between Skagit County and Western Washington University. It was necessary to begin work for Task No. 8 per the Grant prior to the full execution of the Agreement. **(Resolution No. R20100022)**
28. Interlocal Cooperative Agreement between Skagit County and Western Washington University to perform Task No. 8: investigation of Cannery Pond for possible restoration as a pocket estuary. This task is one of eleven tasks which are funded through the Washington Department of Ecology Grant Agreement #G1000022. The Agreement commenced on December 16, 2009, and shall continue through July 31, 2011. Compensation is fully funded by the Washington Department of Ecology Grant and shall not exceed a total of \$34,000. **(Contract No. C20100012)**

29. Resolution authorizing the ratification of an Interlocal Agreement between Skagit County and the U.S. Department of Commerce through the National Oceanic and Atmospheric Administration (NOAA). Negotiations between NOAA, Skagit County, and the Upper Skagit Indian Tribe delayed the award process and NOAA has offered Skagit County to receive funding for the Hansen Creek Alluvial Fan and Wetland Restoration project. The Agreement commenced on October 1, 2009, and shall continue through December 31, 2010, with a provision to cover costs dating back to May 1, 2009. **(Resolution No. R20100023)**
30. Interlocal Agreement between Skagit County and the U.S. Department of Commerce through the National Oceanic and Atmospheric Administration (NOAA) providing funding through a Financial Assistance Award Grant Agreement No. NA10NMF4630003 to provide funding for near completion of the Hansen Creek Alluvial Fan and Wetland Restoration Project. The Agreement commenced on October 1, 2009, and shall continue through December 31, 2010. **(Contract No. C20100013)**
31. Resolution authorizing the ratification of the Flood Damage Prevention Grant No. G1000163 between the State of Washington Department of Ecology and Skagit County. The start date of the agreement was effective September 1, 2009, but it was not possible to present the agreement to the Skagit County Board of Commissioners prior to this date. **(Resolution No. R20100024)**
32. Flood Damage Prevention Grant No. G1000163 between the State of Washington Department of Ecology and Skagit County for the Skagit General Investigation Study and the Comprehensive Flood Hazard Management Plan update for the Skagit River basin. The Agreement commenced on September 1, 2009, and shall continue through June 30, 2011. Compensation shall not exceed a total of \$200,000. **(Contract No. C20100014)**

VI. VOUCHERS AND WARRANTS:

- 1) Vouchers audited and certified by the auditing officer as required by R.C.W. 42.24.080, and those expense reimbursement claims certified as required by R.C.W. 42.24.090, have been recorded on a listing, which has been made available to the Board. As of this date, the Board by majority vote, did approve for payment those vouchers included in the above-mentioned list and further described as follows:
 - a) ACH Transfer Request Form and Certification to Trusteed Plans Service Corporation from Clearing Fund 696 in the total dollar amount of \$61,352.29 (Transmittal No. C-5-10); and
 - b) Warrants numbered 312025 through 312446 from Clearing Fund 696 in the total dollar amount of \$4,132,525.80 (Transmittal No. C-6-10).

VII. ADJOURNMENT:

Chair Dillon adjourned the proceedings at 1:34 p.m.

**BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Sharon D. Dillon, Chair

Ron Wesen, Commissioner

Kenneth A. Dahlstedt, Commissioner

ATTEST:

Linda Hammons, Clerk of the Board
Skagit County Board of Commissioners