

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS
TUESDAY, DECEMBER 7, 2010**

The Skagit County Board of Commissioners met in regular session on Tuesday, December 7, 2010, with Commissioners Sharon D. Dillon, Ron Wesen, and Kenneth A. Dahlstedt present.

I. CALL TO ORDER:

Chair Dillon called the proceedings to order at 9:00 a.m.

II. PLEDGE OF ALLEGIANCE:

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

III. AGENDA

a) 9:00 a.m. - 10:00 a.m. Public Hearing to Consider the 2011 Skagit County Budget

Chair Dillon opened the Public Hearing at 9:02 a.m. with a reminder about the significance of December 7th, and a request to remember our people in the service, their families and friends. The purpose of this hearing is to take public testimony on the proposed Skagit County Budget for 2011. The decision for adoption of the 2011 Budget will take place next week.

Trisha Logue, Budget and Finance Director, commented on the budget process, which starts in July with a Budget Call by the Auditor. Departments submit their individual budgets to the Administrative Staff, and these are compiled for review. Departments meet with the Commissioners at the end of October. A Preliminary Budget was prepared in November, which was available for review on the web site, as well as at the Commissioners Office, on November 23rd. After today's Public Hearing to consider testimony, adoption of the 2011 Budget will be on December 14th.

Ms. Logue continued with her presentation of the overall General Fund budget. The modified 2010 Budget expenses had exceeded revenues by \$.75 million, however there were reserves available to cover that amount. The prediction in August was that we would actually be able to build the fund balance by \$.5 million. The 2011 Budget projection shows \$44.4 million in revenue, and \$45.6 million in expenses. There is a sufficient fund balance to remain above the 12% reserve requirement as set by the Board of Commissioners by resolution for 2011.

The General Fund is approximately one-third of the total County Budget. Other funds include Special Revenue Funds and Capital Funds. There is significant use of fund balance for 2010, but projections show overall building of the fund balance. There are sufficient fund balances for 2011.

During the 2011 budget process, the Commissioners realized that changes to departmental submissions were needed in order to balance the budget. Original estimates were over \$7 million out of balance. There were questions about the \$1 million Levy Shift. The Board of Commissioners has authority to set the levies for the General Fund, Road Fund, Emergency Services and Conservation Futures. For

2009 and 2010, the Board decided to shift a portion of the Road Levy to the General Levy. The 2011 budget shows that same \$1 million shift again. There was no increase in taxes.

Ms. Logue stated that approximately \$1 million will be saved by twelve non-service Closure Days for 2011. There is also a \$160,000 savings in the General Fund by continued use of Operations and Maintenance Funds that come in for specific purposes. This has been taken advantage of for the last two years. There are \$45,000 in reductions in funding to outside agencies. Over \$700,000 came from specific individual departmental reductions, including over \$500,000 in transfers from other funds, and \$250,000 used from fund balance in those other funds.

Again, the final budget adoption will be on December 14, 2010 at 9:00 a.m. The week following there will be a Public Hearing on the property tax levy, on December 21, 2010 at 9:00 a.m. Official adoption of the 2011 levies will be on December 28, 2010.

Chair Dillon opened the Public Hearing for testimony, requesting that individuals keep their remarks under five minutes. Commissioner Wesen called individuals to the podium to speak.

Mike Newman (17247 Blodgett Road, Mount Vernon) stated that he wanted to talk about the tax increase portion of the budget. Chair Dillon reminded him that there will be a future hearing for tax levies. Mr. Newman then commented about the election that just took place in November. Initiative 1053 made it difficult to raise state taxes. 67.4% of Skagit County voters supported that. Initiative 1098 proposed to add a state income tax. 66.76% of Skagit County voters said no. Initiative 1107 repealed tax increases imposed by the last legislature. 67.4% of Skagit County voters favored repeal. Mr. Newman asked, when considering the budget, are you representing the will of the people? Two-thirds of our voters rejected any attempt at tax increases in the last election. The Evergreen Freedom Foundation provides information about how much the average Washingtonian works to support government. In 2009, it was estimated at 62% in taxes, fees, impacts, and everything else. Reduce that to 50% and the economy would take off. Commissioner Dahlstedt asked if Mr. Newman could suggest where to reduce and make cuts. Mr. Newman wanted to protect public safety. Policemen, firemen, and EMT's should be the last to be cut. He suggested the Commissioners might have a car that could be cut from the motor pool. Commissioner Wesen responded that the Commissioners have a mileage allowance, and they provide their own insurance and fuel.

Randy Good, 25512 Minkler Road, Sedro-Woolley, spoke about Fund 402, the Drainage Utility Fund. There are over \$9 million in capital projects over the next few years, with only \$2.28 million in revenues coming in. Where are the funds for all the recently dissolved sub-flood control zones, and what funds were to be used for the \$85,000 replacement of Hansen Creek Bridge? Removal of the bridge was included in the management plan, but replacement of the foot bridge is beyond the Hansen Creek plan scope, and the cost was grossly underestimated. Replacement may have merit under the Northern State Recreational Plan. Because of uncertain economic conditions, the removal of accumulated large woody debris is all that's necessary to make the bridge functional, since it is in good condition. Mr. Good displayed a picture showing woody debris blocking the channel, from a conservation job that was done upstream. He also

displayed a map showing the original project. As a former member of the Hansen Creek Sub-Flood Control Zone, he had tried unsuccessfully to get Public Works to clean out a portion of Hansen Creek at a cost of \$15,000, and keep ten homes and 250 acres of farmland from facing flood damage. He is concerned about the County's priorities, when they are spending \$80,000 for a consultant feasibility study to consider moving the Roads Shop, the Cascade Trail budget shows a \$55,000 increase, and in addition, the Parks Department is requesting \$60,000 for flood damages. He noted that Parks was cutting brush on the corridor at the end of November, and wondered if they are trying to warrant a budget increase. Commissioner Dahlstedt asked if Mr. Good's taxes went up after dissolution of the Sub-Flood Control Zone? Mr. Good responded that they went up because they would be paying both the Drainage Utility and the Sub-Flood Control Zone. Commissioner Dahlstedt noted that with the elimination of the Sub-Flood Control Zone, the taxes would actually be less. Commissioner Wesen stated that there was a previous loan balance to be paid off. Mr. Good stated that he was not complaining about the tax bill; he is more worried about \$9 million in flood control projects in zones that were eliminated.

Nick Eros (no address given), stated that his comments were not related to the budget.

Paula Plumer, Attorney, office located at 417 West Gates, Mount Vernon, resident of Anacortes. Her comments relate to the Public Defender's Office contracts and conflict attorney contracts. She has been an attorney since 1997, takes cases for Skagit County Community Action Agency, and is concerned about the large budgeted cost for indigent defense, which constitutes the vast majority of their cases, going outside Skagit County. She feels that these contracts should be up for bid, and the most qualified investigators should be awarded these contracts. Her understanding is that Snohomish County Public Defenders have the current contract. Since the defendants are here, and they often don't have the means to get to appointments, or even make phone calls, the investigations should be done here. Access to justice requires access to the attorney, and the attorney needs to connect the client to other local services. Also, the state model contract has much more specific information that should be included, and the most qualified attorneys should be awarded the contract. Contracts should state that the attorneys have completed required training, and that they have access to qualified interpreters and sufficient staff. Administrative costs should be awarded, attorneys should report back on their progress, and there should be a grievance process. From her experience, sheriff service fees, jail service, and court fees are prohibitive for people who are totally without funds. Attorneys cannot front costs for clients. She requested that the Clerk's office staff be allowed to waive fees in extreme cases, which they cannot legally do now.

Carolyn Kelly, Skagit Conservation District, 2021 East College Way, Mount Vernon. She appreciates all the work that went into the budget, and that Skagit County bucked state trends by continuing to support natural resources and natural resource industries. They appreciate the fact that Skagit County recognizes the interaction between working lands and tax dollars, the great natural resources, and the people who protect our resources. Thank you for supporting the advisory boards.

James Lyon, 18216 Montborne Road, Mount Vernon (Big Lake). He understood this hearing was to be about the property tax increase, sorry he was mistaken. He lives in a 100 year old house, and the real estate broker's evaluation has dropped to the

county assessed value; he pays over \$200 a month in property taxes. He struggles to live within his budget, so please have the County do the same. The only thing he gets from County services include a volunteer fire department, and 911. He doesn't know of any other services the County provides. Property values around him are dropping, but taxes are increasing, and people can't afford to buy property, or they can't afford their monthly mortgage payment, which lowers property values around them, resulting in less money for the County budget. It's a never-ending cycle; please take this into consideration in budget deliberations.

Meredith Laws, Government Affairs Director for the North Puget Sound Association of Realtors. She reiterated Mike Newman's comments about the voter response in the last election. It is easy to increase government programs when the mechanism is there to increase property taxes. The Association vehemently opposes all property tax increases, no matter how small. They would encourage the Commissioners to responsibly cut their budget, and not put more burden on the taxpayers.

With no additional comments, Commissioner Wesen moved to close the Public Hearing, and Commissioner Dahlstedt seconded the motion. The vote passed unanimously.

Chair Dillon informed the gallery that the Commissioners would take into consideration all comments, and announced that they would bring the budget to a vote on Tuesday, December 14 at 9:00 a.m., one week from today.

Chair Dillon recessed the proceedings at 9:40 a.m.

- b) 11:00 a.m. - 11:15 a.m. Discussion and Possible Action, Planning & Development Services: Set Time and Date for review and possible action on the Hearing Examiner's Recommendation of Denial regarding Variance Request PL10-0298 by Victor Benson to allow modification of Variance V88-002.

Chair Dillon reconvened the proceedings at 11:00 a.m.

Grace Roeder, Planning and Development Services, requested that Tuesday, December 14, 2010, at 8:00 a.m. be set for a Closed Record Hearing for Victor Bensen, regarding Variance Request, PL10-0298. The Commissioners will review information presented to the Hearing Examiner; there will be no new testimony.

A motion was made by Commissioner Dahlstedt to set the date of December 14, 2010 at 8:00 a.m. as requested, for the Closed Record Hearing. Commissioner Wesen seconded the motion. The vote passed unanimously.

Chair Dillon recessed the proceedings at 11:02 a.m.

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

Chair Dillon reconvened the proceedings at 11:30 a.m.

Seeing no public comment forthcoming, Chair Dillon closed the public comment period at 11:31 a.m.

Commissioner Wesen noted that the Commissioners would be attending the dedication of the Guemes Ferry Terminal and 6th Street Reconstruction Project in Anacortes (Kiwanis Park) at 2:00 p.m. today. The Ferry Terminal project was funded by 2009 ARRA Recovery funds.

Commissioner Dahlstedt reminded everyone to remember families that are in distress, and to support United Way in their efforts to help. Commissioner Dillon also encouraged giving at the holiday season, and to remember those in military service overseas.

IV. ADJOURNMENT:

Chair Dillon adjourned the proceedings at 11:34 a.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