

**BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON
BOARD MEETING MINUTES
November 22, 2010**

The Board of County Commissioners for Lewis County, Washington met in regular session on Monday, November 22, 2010 at 10:00 a.m. **COMMISSIONERS P.W. SCHULTE and RON AVERILL** were in attendance, **COMMISSIONER F. LEE GROSE** was absent. **Chairman Schulte** determined a quorum, called the meeting to order and proceeded with the flag salute. **Commissioner Averill** moved to approve the minutes from the 10:00 a.m. meeting held on Monday, November 15, 2010. **Commissioner Schulte** seconded the motion.

Motion carried 2-0

CONSENT

Commissioner Averill made a motion to approve Consent Agenda items one through three. **Commissioner Schulte** seconded the motion. Candace Hallom read the items into the record.

1. Resolution No. 10-296 Approval of warrants and payroll for payment.

Commissioner Averill stated this resolution approves 216 warrants issued by the Auditor's Office for a total of \$1,531,332.98. Also, approves 268 warrants for draws on County Net Pay for a total of \$228,967.00.

2. Resolution No. 10-297 Approving a contract with Northwest High Intensity Drug Trafficking Area.

Tara Smith, Social Services, stated this contract is with the ESD 105 acting as the fiscal agent for the Northwest High Intensity Drug Trafficking Area (HIDTA) grant. Lewis County is one of fifteen Counties who are eligible, as a high intensity drug trafficking area, for this grant. This contract is in the amount of \$40,000.00 and is to be used for prevention funding. This specific contract expires December 31, 2010 and we are expecting a contract amendment that will continue the grant for the next year. The funding is to be used in partnership with law enforcement agencies in our County for the education and prevention of illicit drug use.

Commissioner Averill asked, how are we going to follow the money?

Tara Smith stated the funding is in Social Services budget; \$10,000.00 of which is budgeted for the current budget year and \$30,000.00 for the 2011 budget year. The funds will be used for parenting, prescription drug disposal, and mentoring.

Commissioner Averill stated there are four goals; increasing protective factors for vulnerable youth and adults; increasing community awareness of methamphetamine; increasing awareness of social and health consequences of using drugs; and developing and implementing a drug disposal program. We had a public service announcement go out last week regarding the drug disposal program. We will be accepting prescription drugs at four sites in the County; the Law and Justice Building in Chehalis, the Centralia Police Department, the Morton Police Department, and the Lewis County Sheriff's Office substation in Packwood. Each of the locations have specialty lock boxes, people who have medications no longer being used can turn them in at these locations so they can be properly disposed of.

3. Resolution 10-298 Acceptance of agreement for use of jail facilities with the City of Olympia, WA.

Kevin Hanson, Sheriff's Office, stated this is an agreement between the Lewis County Sheriff's Office and the City of Olympia Jail. An agreement of a flat rate charge for twenty bed days and it is estimate at annual revenue of \$365,000.00. The City of Olympia is buying the beds whether they use them or not so we are guaranteed the \$365,000.00.

Commissioner Averill stated the contract is a reduced flat rate of \$50.00 per day per bed. There are additional charges for bookings and reimbursements for necessary medical, psychiatric, and dental services.

Motion carried 2-0

HEARING

Hearing: Non-exclusive franchise to PUD No. 1 of Lewis County

Chairman Schulte announced the hearing and asked for a staff report.

Larry Unzelman, Public Works, stated this is in regards to a non-exclusive franchise to the Public Utility District No. 1 of Lewis County for the installation, operation and maintenance of telecommunication facilities on county road rights of way. Resolution No. 10-266, passed by the BOCC on October 25, 2010, set November 22, 2010 as the date for hearing on the matter. The District has a franchise in place which is due to expire. This non-exclusive franchise will authorize the continued use of road rights of way for five years for this purpose. This franchise is being granted pursuant to and in conformance with RCW 36.55 and Lewis County Code 12.25 through 12.50, for a non-exclusive Franchise to construct, operate and maintain water system facilities within county rights-of-way. The RCW requires that no hearing be held on a proposed franchise grant until 5 days after the last publication date, and 15 days after posting of the notice thereof in three public places. Publication must be twice in the official newspaper for publication in the County.

Publication occurred on October 27, 2010 and November 3, 2010 and the franchise was posted in three public places. The franchise with a five year term has been sent to the applicant for review and they have accepted the terms and have signed the franchise. If approved the district has 30 days to pay the publication cost and provide proof of insurance as specified in the franchise document.

Commissioner Averill noted this franchise is for the fiber optic lines the PUD runs throughout the County.

Chairman Schulte asked if there were any more questions. There were none. He closed the question and answer portion of the hearing and opened the formal hearing.

Larry Unzelman asked that his previous comments be adopted into the record.

Commissioner Averill stated we have a number of these types of franchises. In the past, we have had some of these agreements for an extensive period of time and one of the problems we have had is having someone with institutional knowledge that these things exist. It has been a decision of this Board to keep franchise agreements to five years. It was determined, if we put these at five year franchises, someone with institutional knowledge will be around.

Chairman Schulte asked if there are any other statements for public testimony. There were none. He closed the hearing and asked for a motion to approve Resolution No. 10-299.

Commissioner Averill made a motion to approve Resolution 10-299. **Commissioner Schulte** seconded the motion. Candace Hallom, read the item into the record.

Resolution No. 10-299 In the Matter of: Renewal of a Non-exclusive Franchise to Lewis County PUD No. 1 to Construct, Operate, and Maintain Telecommunications Facilities on County Rights-of Way; and Setting Forth Conditions Accompanying a Grant of a Non-exclusive Franchise; and Providing for County Administration and Regulation of said Franchise

Motion carried 2-0

Hearing: Budget Amendment for Vader Water System Improvements

Chairman Schulte announced the hearing and asked for a staff report.

Dawna Truman, Budget, stated this is the forth 2010 budget amendment for Lewis County. The notice for this public hearing was published in the East County Journal on November 10th and 17th. This budget amendment is to put an appropriation into

the Vader Water System Fund 623 which will be their operating fund in the amount of \$34,000.00 and put \$15,000.00 into the Vader Water System Improvements Fund 306. The total amendment notice was in the amount of \$42,500.00, we have increased that amount by \$6,500.00 in case of possible repairs to some of the buildings in Vader that are connected to the water system. The final amendment revenue will be \$49,000.00 and expenditure will be \$49,000.00.

Chairman Schulte asked if there were any more questions. There were none. He closed the question and answer portion of the hearing and opened the formal hearing.

Dawna Truman asked that her previous comments be adopted into the record.

Commissioner Averill stated we are in the process of closing the loop holes in terms of the receivership of the Vader Water System and moving forward with that project. We have received very good cooperation with the City of Vader and the Staff down there working through these issues. It has been a lot of work on the part of our Budget/Fiscal, Public Works, and Community Development Staff in bringing all of this about. This is proof that when a situation requires, we can work together to get things done.

Don Ames, Vader, stated he is here on the behalf of all of Vader residents to thank the Commissioners and the employees of the County for all they have done.

Chairman Schulte asked if there are any other statements for public testimony. There were none. He closed the hearing and asked for a motion to approve Resolution No. 10-300.

Commissioner Averill made a motion to approve Resolution No. 10-300. **Commissioner Schulte** seconded the motion. Candace Hallom, read the item into the record.

Resolution No. 10-300 Lewis County 2010 Budget, Appropriation of Budget for the Vader Water System Improvements Capital Fund and Vader Water System Operations Fund.

Motion carried 2-0

Commissioner Averill noted the first 2011 budget hearing is scheduled for this evening at 5:30 p.m. in the Commissioners Hearing Room. Commissioner Averill moved to recess the BOCC meeting until 5:30 p.m. Commissioner Schulte seconded.

Motion carried 2-0

Meeting recessed at 10:24 a.m. until 5:30 p.m.

Hearing: 2011 Budget

Chairman Schulte called the meeting out of recess at 5:30 pm. He announced the 2011 Budget Hearing and asked staff for a report.

Dawna Truman, Budget Director noted this is the first public hearing on the 2011 Budget. She presented the budget for the hearing:

The total budget is \$96 million and Current Expense is \$32.5 million

The actual amount we are asking for the Current Expense Operating fund for the County is \$32,567,114. Revenues balance with expenditures for the 2011 preliminary budget.

Chairman Schulte asked if the total budget is \$32 million dollars, and is down from \$116 million.

Mr. Truman stated it is down from \$107 million, but most is due to over budgeting in 2010 in the Roads Fund and some of the Enterprise Funds.

She noted we have one agency fund, which is a 600 Fund for the Chehalis/Centralia Airport. This is because both the County and the City of Chehalis own the airport. In the final budget, we will budget the operation fund for the Vader Water System. There will be two agency funds.

She gave a budget summary of all funds by type. The Special Revenue Funds have gone from \$35 million to \$38 million. We have \$35 million expected in new revenue and \$38 million in expenditures. The reason we can do this is because we are using reserves in each of the funds that are not balanced. Since they are specific to that use, it is common to use more in expenditures than you have in revenue. This is the first time for many years that we have had a balanced budget in Current Expense.

There are 31 departments in Current Expense, which serves as the main operating fund for the County There are 27 Special Revenue funds budgeted for 2011. There are five debt service funds, and three capital funds. We will be adding the Vader Water System Capital Improvement fund in the final budget. There are five Enterprise and six Internal Service funds. There is one agency and we will be adding the Vader Water operations fund in the Final budget

The estimated 2010 year end is less in expenditures and revenues, because we found out in the third quarter that we were losing sales tax, interest revenue, and Forest Timber Tax. We expected to use a little more in reserves than we anticipated in the beginning of the year. We tried to make a budget reduction in September of 2010, but we were not able to reduce by very much. In the next 2010 budget amendment, we are adding back over \$600,000.00.

Transfers out for 2011 are \$2,404,245 vs. \$3,647,827 for 2010. This is a \$1.2 reduction that affects the South West WA Fair, Community Development, the Health Department and Facilities.

Revenue for 2011 has been projected to remain flat with anticipated revenue in 2010.

There are drops in every source of revenue, but the four major sources: sales tax, timber tax, investment revenue, and forest board yield revenue are some of the largest drops. They are not expected to increase again in 2011. Over 57% of our revenue is from taxes. When taxes decrease, it puts a huge decrease in our revenue sources.

There have been many questions on why employees are affected when we have to make major reductions in the budget. We have \$21 to \$22 million dollars in salaries and benefits out of a \$32 million dollar budget. Benefits to employees are almost 18% of the budget. Salaries are 48.6%. The other expenditures have been cut and are as low as we can get them at this point. The combination of employee benefits and salaries is almost 70% of the budget.

Chairman Schulte asked if this was everything but the Road Department.

Ms. Truman stated no this is only Current Expense.

She noted that most of the planning expenses have to be covered by Current Expense, so there was a transfer into Community Development. The South County Airport has been increased by about \$40,000.00 for 2011 and we reduced Capital Facilities Technology, because the bulk of the finance system will be paid for in 2010 and the cost next year will go down.

In 2011, like 2010, we are asking the BOCC to shift \$1 million in property tax from the Road taxes into the General fund for operations. The total collections from citizens will remain the same.

The number of position in the County has been reduced by 39.43 FTE's or 7% of the general fund work force. The total number of positions that have been reduced from 2008-2011 is 107.3 FTE's or 17% of the general fund work force. This number may change after we see the final payroll in January.

An over of the 2011 Budget will be posted on the Lewis County website.

Chairman Schulte asked if there were any other questions. There was none. He closed the question and answer portion of the hearing and opened the formal hearing.

Ms. Truman asked that her previous comments be adopted into the record.

Chairman Schulte asked if anyone wanted to speak for or against the 2011 Budget. There was no one.

Commissioner Averill pointed out that the Board did not intend to make a decision on the 2011 Budget tonight. It was an opportunity for the public to learn about the budget and ask questions or comment on it. The final budget will be adopted on December 6, 2010.

There being no further business, the Commissioners' public meeting adjourned at 5:58 p.m. on November 22, 2010. The next public meeting will be held Monday, November 29, 2010, at 10:00 a.m.

Please note that minutes from the Board of County Commissioners' meetings are not verbatim. A recording of the meeting may be purchased at the Commissioners' office.

BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON

ATTEST:

P. W. Schulte, Chairman

Clerk of the Board
Lewis County Commissioners

Ron Averill, Commissioner

F. Lee Grose, Commissioner