

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

September 1, 2009

1. Call to Order – The Chairperson called the regular meeting to order at 9:03 a.m.
2. Pledge of Allegiance – Jane Roush led the flag salute.
3. Roll Call – Present: Commissioner District 1 - Lynda Ring Erickson; Commissioner District 2 – Tim Sheldon; Commissioner District 3 – Ross Gallagher.
4. Correspondence and Organizational Business
 - 4.1 Correspondence
 - 4.1.1 Mark French expressed concerns regarding the condition of a property on Timber Lane in Tahuya.
 - 4.1.2 The Washington State Liquor Control Board sent notice of change of corporate officers for Alderbrook Golf & Yacht Club and notice of assumption for Hood Canal Grocery.
 - 4.1.3 Stephen Whitehouse expressed concerns regarding the proposed Interlocal Agreement with the City of Shelton regarding the Shelton UGA.
 - 4.1.4 Dorothy Olson expressed concerns regarding her new property assessment.
 - 4.1.5 Stan Graham submitted suggestions regarding County budget reductions.
 - 4.1.6 The Mason County Auditor is seeking the current legal geographic boundary for the Skokomish Flood Zone.
 - 4.1.7 Thurston County Public Health and Social Services submitted the 2010-2011 Request for Proposal for Thurston and Mason County's Developmental Disabilities Community Projects Grants.
 - 4.1.8 *Daimon Doyle, Jerry Newcomb and Gale Ashby expressed concerns regarding possible budget cuts to the Department of Community Development.*
 - 4.2 Mason County 2010 Departmental Budget Requests. Karen Herr, Mason County Auditor, presented the 2010 preliminary budget. Each elected official and department director has submitted their anticipated revenue and expenditures for next year. Each department was challenged with submitting a budget at the same level or below their June 2009 level and each department has complied with the request. This year's preliminary budget reflects a projected deficit of over 1 million dollars. This is a dramatic improvement over the 4.7 million deficit presented in 2009. Mason County is in a very difficult financial situation and 2010 will present similar challenges. She urged the Board to evaluate further departmental cuts on an equitable and individual basis. This budget will be posted on the Auditor's website.

Theresia Ehrich, Chief Accountant, thanked staff for their work on the preliminary budget. They will continue to receive and input any changes until the budget is adopted. The ending and beginning fund balance for 2010 is 2.5 million. There is an out of balance on the Fairgrounds because of a Lodging Tax award that will still need to be considered.

Cmmr. Sheldon asked what issues are still outstanding in completing the budget.

Ms. Ehrich stated medical rates, insurance rates, union contracts and Sheriff's arbitration are all still outstanding.
 - 4.3 News Release – Fire Protection District No. 6 Commissioner Vacancy. TJ Martin presented the news release announcing two Fire District No. 6 Commissioner vacancies due to two simultaneous resignations.

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Cmmr. Sheldon noted one position is up for election in November and the second position is ongoing for two years. He believes in order to be most effective, the Board should be appointing to the position that is not up for election. The news release should be changed to reflect this.

5. Open Forum for Citizen Input –

- 5.1 City of Shelton Mayor John Tarrant commented on the proposed Road Fund shift. While the proposal may not have an effect on county property owners it could have a potential impact of \$100,000 on the residents of Shelton. City businesses and residents have been suffering from a depressed economy while at the same time City property owners had hefty increases in the valuations of their properties and an increase in property taxes. In addition, the residents voted to be annexed into the Timberland Regional Library District, which shifted library payments to their property taxes. He empathizes with the County's financial situation but this potential shift of over \$100,000 without direct citizen input or benefit comes at a very difficult time. He suggests a reduction in taxes or credit for services. Regardless, he believes the citizens of Shelton should have a say in a potential tax shift.

Cmmr. Sheldon stated there was a workshop to discuss this issue last week. The Department of Revenue, County Road Administration Board and the Assessor were all present to give information. The Board is gathering information but no decision has been made. The impact on City residents was discussed and they would like to look into how that could be mitigated. His district does not include the City of Shelton so he recommends the other Commissioners sit down with Mayor Tarrant to discuss some possibilities to mitigate the impact on City residents.

Mayor Tarrant stated he understands what the County is up against and he appreciates an opportunity to mitigate this together.

- 5.2 Bill Abrams stated he is here in support of the Planning Department. He is asking that their staff not be cut. They are important to the health of the economy. Mason County was out of compliance with the State a few years ago and that may have reduced the ability to get grants. He hopes that is looked at as part of the equation. If there isn't a healthy building department grants may be put in jeopardy. He spoke with a county consultant yesterday and the consultant did not see how the County could maintain its ordinances and statutes with out a healthy planning department. Staff has told him that they are really struggling to keep their doors open. He requests that the building and planning departments be left as they are now.
- 5.3 Jim Carnahan stated he the infamous leader of a small band of rebels that has decided to look into the circumstances of an alleged phone call between Commissioner Ring Erickson and Commissioner Sheldon on June 9th regarding the termination of Ione Siegler because of her age. He is bringing this public because he is not being responded to privately. His group is exploring a possible recall and they have come to a roadblock that only the Commissioners can open up. A County employee went public with this information sometime after June 9th. The employee says they were directed by Commissioner Ring Erickson to go public with the information. Commissioner Ring Erickson has said she doesn't have anything to do with it, that it was an administrative conversation with an employee and that employee went public on their own. Their question is was there an investigation of this egregious act of a public employee going public with this information, which puts the citizens and taxpayers of Mason County at liability of any claims or lawsuits that might be brought against the County. They are requesting an investigation be done on who the employee is and if they went public with this information on their own. If the employee went public on their own they should be terminated. If the employee went public at the direction of a Commissioner he thinks the citizens have the right to know.

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5.4 Annette McGee stated she has listened to an excellent report from the Chief Financial Officer of Mason County. For months there have been problems balancing the 2009 budget and now we are on to 2010. On June 16th a motion was passed eliminating the Central Operations Director and on June 23rd a motion was passed eliminating the Budget and Finance Director, which was suppose to save a total of \$74,000. On August 11th there was a motion to transfer these savings to the Current Expense Fund. You cannot transfer money from Current Expense to Current Expense. What kind of motions are these? She can't understand what is going on. At the last meeting the Board passed a motion to request a statement of qualifications for budget and financial professional services. This says nothing in the eyes of the taxpayers. There is an RCW that shows the Auditor is the Chief Financial Officer. Why is the Board requesting qualifications when they already have a Chief Financial Officer and why didn't the Board say they were going to do this before?

Cmmr. Sheldon stated he would be happy to sit down and discuss this after the meeting.

Ms. McGee responded that there are a lot of other people that are interested in this too. This kind of administration in the county is not good for the taxpayers.

5.5 Brenda Hirschi commented that as a retired financial analyst, she knows how much work has gone into putting the 2010 preliminary budget together. She thanked Theresa Ehrich and her staff for their dedication and professionalism. The public doesn't see what they do but their work is vital for County government. She thanked the other employees that work on budgets also. This has been a tough year.

The second topic that she mentioned was the need for a published schedule for the upcoming budget hearings. On August 3rd she provided a proposed schedule and a schedule still has not been approved and published. It needs to be done soon so the staff and public have time to arrange their schedules to attend. She would like a schedule this week so thoughtful questions can be prepared.

Cmmr. Sheldon noted that the schedule will be prepared this week.

5.6 Ralph Wingert asked if there are any plans to fire more employees and asked if there are any Commissioners with less than a college degree. It seemed there was some sort of a sneaky negotiation where the Commissioners signed something they weren't aware of signing. He stated he was just a dumb logger, but throughout he years he never signed anything unless he was sure of what he was signing.

5.7 Teri Abrams stated she would like to talk about two subjects. The first is the short term problems with the budget. She is aware of some extremely valuable people employed in the planning and building departments that she would be sad to see the County lose. The time it would take to train new people would just add costs. As property owners, it is valuable to deal with people who are consistent over the long term. She hopes the budget can be balanced by delaying projects instead of losing workers.

She is also interested in what she is hearing about historical buildings. When people are traveling they love to see old buildings and history. This area has a valuable history with the logging industry and the Christmas tree industry. She is aware of a group that is trying to preserve the old church and she urges the Board to support this as much as they can. This will bring in more revenue and business to the county.

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- 5.8 Andrew Spear wanted to discuss proposed budget cuts to the building department. As a local builder he believes there needs to be a hard look before money is cut from the building department so inspections aren't jeopardized. Mark Core has done a great job of turning the department around and he doesn't want to see it all lost.
- 5.9 Bill Barker spoke in support of the department of Parks and Recreation. They are being cut severely. The County is still growing and parks become more and more important each year.

Cmmr. Sheldon reminded everyone that there would be ample time to address budget concerns at the public hearing later on.

- 6 Adoption of Agenda - **Cmmr. Gallagher/Ring Erickson moved and seconded to adopt the agenda as published. Motion carried unanimously. RE-aye; S-aye; G-aye.**
- 7 Approval of Minutes – August 3, 2009 briefing meeting minutes and August 25, 2009 regular meeting minutes.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve the August 3, 2009 briefing meeting minutes and August 25, 2009 regular meeting minutes. Motion carried unanimously. RE-aye; S-aye; G-aye.

- 8 Approval of Consent Agenda:
- 8.1 Approval of applicant certification for a Public Works Board Small Communities in Rural Counties Grant Program. Grant proposal is for improvements to MCRA Park. The estimated project cost is \$700,000 and the grant application is for approximately \$500,000. Any required money from Mason County will be paid from Real Estate Excise Tax Fund (REET2).
 - 8.2 Approval for the Chair to sign the Letter of Intent for the Rendsland Creek Trust Land transfer between the Washington State Department of Natural Resources and Mason County Parks and Trails Department. The Washington State Department of Natural Resources will pay the cost of the transfer.
 - 8.3 Approval of the Veterans Assistance Fund applications for Toby Howard – Utilities \$427.91 as recommended by the Veterans Assistance Fund Screening Committee.
 - 8.4 Approval of the resolution establishing a Current Expense Ending Fund balance in the range of 9% - 12% of the prior years budget as recommended by the Mason County Finance Committee. *(Tabled to 9/8/09)*
 - 8.5 Approval of the resolution to forgive the \$186,000 Interfund Loan from Reserve for Accrued Leave to Emergency Communications System (911) Sales & Use Tax Fund. **Resolution No. 75-09 (Exhibit A)**
 - 8.6 Approval to accept the recommendation of the Hearing Examiner and grant the vacation of the right-of-way as petitioned for a portion of Sharpe Street, Vacation File No. 368, subject to the conditions contained in the Findings, Conclusions and Recommendations of the Hearing Examiner. **Order of Vacation No. 368 (Exhibit B)**
 - 8.7 Approval of the ENVIROQUIP change order for \$422,325 plus tax for additional equipment and assignment of this contract to the General Contractor, who will be selected after the September 3, 2009 bid opening, for the Belfair Water Reclamation Facility. This will be paid from the Department of Ecology Centennial Grant.
 - 8.8 Approval of the personal services contract with Andrea Merritt in the amount of \$15,000 for the period of 9/1/09 to 12/31/09 to provide Public Health Emergency Preparedness Planning for Mason County Public Health Department and will be paid from grant funds.
 - 8.9 Approval for the Chair to sign all documents related to the sale and purchase of land for the development of the Belfair Wastewater Treatment Plant (WWTP). This is for 29.94 acres at

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the sale price of \$293,775 from Overton & Associates and proceeds for the purchase are from a Department of Ecology Centennial Grant.

- 8.10 Approval of the following budget transfers to establish accurate reserved fund balances and correct discrepancies for the Office of Public Defense (OPD) funding.
District Court - Allocate the amount of \$30,599.00 from 001-240-100 512.83.41.0010, Indigent Defense Contracts, to current expense. Allocate \$10,904.08 from 001-240-100 512.83.41.0010, Indigent Defense Contracts, to 001-240-110, OPD Indigent Defense / District Court; and
Superior Court - Allocate the amount of \$615.47 from current expense to 001-240-210 512.81-41-0010, Training, in Superior Court's OPD Indigent Defense Budget.
- 8.11 Approval of the resolution extending the road closure for the improvement and culvert installation project on Grapeview Loop Road (County Road Number 96140) at approximate milepost 2.55 to milepost 2.60. The reopening date is changed to 5:00 p.m. on Friday, October 2, 2009. **Resolution No. 76-09 (Exhibit C)**

Cmmr. Ring Erickson asked that item 8.4 be removed for further discussion.

Brenda Hirschi asked that items 8.5 be removed for further discussion.

Teri Abrams asked that item 8.9 be removed for further discussion.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve Consent items 8.1, 8.2, 8.3, 8.6, 8.7, 8.8, 8.10 and 8.11. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Ring Erickson commented on item 8.4. In briefing discussions there was a chart that showed the goals of achieving this over a period of time. That is not attached to the document being considered today. Given the current economic climate, this should begin in 2010 with the approval of the 2011 budget. She believes the item should be tabled for one week to look at potential amendments and to look at a schedule for acquiring the reserve over time.

Cmmr. Gallagher stated he is also in favor of tabling the item.

Cmmr. Sheldon stated he feels it is important to have a policy for this. The Mason County Finance Committee has had discussion on this. The Treasurer has prepared three drafts of the policy. He would be willing to table the item, but the Board needs to move forward on this.

Cmmr. Gallagher noted that there is a provision that the current situation can be taken into consideration, maybe that needs to be clarified.

Cmmr. Ring Erickson stated would like additional detail and a look at the exact implementation schedule.

Cmmr. Sheldon reiterated that this is a good compromise that the Finance Committee worked through. It doesn't hold the Commission to a particular level and it allows them to adjust the levels by further resolutions.

Cmmr. Ring Erickson/Gallagher moved and seconded to table Consent item 8.4 for one week to allow for additional discussion. Motion carried. RE-aye; G-aye; S-nay.

Brenda Hirschi asked about item 8.5. She would like to know how much is currently available in the account.

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Ms. Ehrich stated there is \$400,000 currently available in the account.

Ms. Hirschi asked if this is sufficient or will additional money be needed in 2010.

Cmmr. Sheldon clarified that the Board is trying to fill a hole with money that is in this fund. It is sufficient for the County's needs but it may need to be replenished in 2010 depending on the situation the County is facing.

Cmmr. Ring Erickson commented that it was her understanding that this was established years ago after a number of long term employees retired.

Ms. Ehrich clarified that this started in 2006. It was established as a reserve to pay vacation and sick pay. All of the money in the fund is from the general fund. Last year the \$186,000 loan that was paid out was for dispatch service.

Cmmr. Ring Erickson stated this was a limited number of employees that have now retired.

Mr. Ehrich noted there is money in the fund being reserved for those payments. All of the money in the fund is not money that was generated from taxes or fees. All of the money has been transferred from Current Expense.

Lisa Frazier stated there is no money in the 911 Sales and Use Tax Fund to repay this loan. Current Expense would have to transfer money to 911 to pay the obligation. That wasn't the original intent when the loan was taken out, but due to contracts with MACECOM there is no money to repay that loan. If it is not forgiven then Current Expense will have to be budgeted to pay a Current Expense reserve fund.

Cmmr. Ring Erickson clarified that this is the result of a transition that had to do with the approval of the 1/10th of 1% and the implementation of that revenue source fell differently than the budgeting schedule so there was a period of time that it was not covered by the new tax for dispatch. It could have been handled other ways but it was not.

Cmmr. Sheldon stated it is his understanding that this would complete the County's obligation to the 911 Fund, which is sustained now by the new tax the public passed. If this were not forgiven it would impact the general fund by cutting another \$186,000 in services to the public.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve Consent item 8.5. Motion carried unanimously. RE-aye; S-aye; G-aye.

Teri Abrams asked about item 8.9. Is says proceeds for the purchase are from a grant. Are all of the proceeds for the purchase from a grant or will there be an expense to the County?

Cmmr. Sheldon stated there will not be any funds from the Current Expense Fund that will go to this. There is nearly 31 million dollars in grant funds for this project, which is a tremendous accomplishment.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve Consent item 8.9. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon called a recess at 10:05 a.m. The meeting reconvened at 10:15 a.m.
9. 9:30 a.m. Public Hearings and Items Set for a Certain Time. –

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Public hearing to consider the Budget Revisions/Reductions to the 2009 budget for the Current Expense Fund due to an unanticipated downturn in Current Expense Fund revenues. The action may include a reallocation of existing funds. **Budget Order (Exhibit D)**

Cmmr. Sheldon recommended that all of these items be entertained individually.

TJ Martin, Human Resources Director, stated essentially this hearing is to make necessary budget reductions to Current Expense so the County can remain in the black through the end of year 2009. He has proposed several different options for possible reductions. He doesn't believe there is a total amount established for the reductions. Typically the amount is not to exceed \$700,000. The proposed reductions and transfers are outlined in a document that was posted online last week.

Cmmr. Sheldon noted there are also transfers being proposed.

Mr. Martin stated there are 5 possible cost reductions. The Mental Health Fund, the Department of Community Development, the Parks and Trails Department, a 3%-5% reduction of all Current Expense Departments' unencumbered balances and a possible 2 week County office closure. In addition to the possible reductions there is an unanticipated revenue transfer. The Health Department received abatement fund money that would be a \$70,000 transfer back to Current Expense. There are two proposed transfers out of Current Expense. A transfer to the Clerk's budget for publishing costs of juvenile dependency and termination hearings and a transfer to Human Resources for Sheriff's interest arbitration set for September 21st through 23rd.

Cmmr. Sheldon asked if the public had copies of Attachment A.

Mr. Martin stated he would make copies for the public.

Judge Sheldon stated that Attachment A was received on Friday and then it was withdrawn and taken off of the website. She doesn't believe the document was published.

Mr. Martin stated that the information was provided to Diane Zoren in Central Operations on Thursday of last week. At that point it was posted on the website and made available to the public.

Cmmr. Ring Erickson asked if Commissioner Sheldon made a motion that was not acted on. She agrees that all of these items should be acted on separately.

Cmmr. Sheldon stated he did not offer a motion. He cannot offer a motion as the Chair. He suggested that the question be divided in this hearing.

Cmmr. Sheldon asked whether or not the Attachment being discussed was on the website.

Monty Cobb, Deputy Prosecuting Attorney, stated the Attachment was posted on the website briefly and it was removed at his request because there were issues with it.

An audience member asked that Attachments B and C be provided as well.

Cmmr. Sheldon called a recess at 10:25 a.m. in order to make copies of the attachments for the public. The meeting reconvened at 10:35 a.m.

Cmmr. Sheldon noted that after talking with legal council, there appears to be issues with item 4 (2 week County office closure). He suggested that the item be tabled.

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Cmmr. Ring Erickson stated that the 3%-5% reduction needs more discussion and time for public distribution. She agrees the 2 week office closure should be tabled.

Mr. Martin apologized to the Board, Central Operations and the public. He understands there were some problems with the attachments and they were pulled from the website. He wants to make sure everyone has ample opportunity to review the documents. He should have followed up and ensured that everyone had an opportunity to review these proposals.

Cmmr. Ring Erickson/Gallagher moved and seconded to table the proposal of a 3%-5% reduction of unencumbered balances of all Current Expense departments and the proposal of a 2 week County office closure for one week. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon noted there would be opportunity to testify regarding the two items that were tabled both today and next week.

Questions for Staff

Brenda Hirschi asked why HR is overspending and needs additional money at this time, given that 75% of their budget is payroll.

Mr. Martin responded that the amount that has put his department over budget is the interest arbitration matter being heard this month. He has retained an outside service that deals specifically with interest arbitration matters. They have had repeated negotiations with the Deputy Sheriff's Guild and have been unable to reach an agreement so unfortunately they are forced to go to arbitration.

Cmmr. Sheldon asked if no money was budgeted for interest arbitration at the beginning of the year because it wasn't anticipated that the County would be in interest arbitration.

Mr. Martin answered that was correct. He had worked with Sheriff Salisbury and the Undersheriff in negotiations with the Deputy Sheriff's Guild and he believed they were close to an agreement. Unfortunately, due to the economic downturn, things changed for the worse and changed the interests for both parties. They have been trying to reach an agreement but they haven't found a compromise so they are now going to interest arbitration.

Cmmr. Ring Erickson stated she recalls being briefed on this several times.

Ms. Hirschi asked the amount needed for interest arbitration.

Mr. Martin responded that it will be about \$40,000. The \$20,000 under discussion will cover the remaining portion of going to the interest arbitration board.

Ms. Hirschi asked if the money has already been spent at this point.

Mr. Martin answered that the \$20,000 will cover the remaining portion of the \$40,000.

Ms. Hirschi stated that last year HR received \$20,720 to prevent them from over obligating in 2008. In 2009 they have taken no cuts. She would like to know if HR is a mandated department within the County. It appears they are not a mandated department. They are well beyond a strait line execution right now. If they are given \$20,000 to cover this contract, will we be bailing them out again in December?

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Cmmr. Sheldon responded that situations change throughout the year. Interest arbitration is not something the Board or anyone anticipates. The County has to be well represented and he thinks this is a prudent transfer. Human Relations deals with a wide variety of issues, especially during an economic downturn. Their department has had a lot of additional responsibilities due to layoffs and the different proposals that have been brought forward.

Ms. Abrams commented that along those lines the department is also not hiring and that would normally be part of their workload. That should compensate for the additional work due to layoffs.

Mr. Martin noted that the County is in the process of trying to reach a settlement with the Deputies however, the Sheriff and Undersheriff do not engage in the dollar and cents portion of the negotiations. They just lend their expertise in ensuring the operational efficiency of their department.

Ms. Hirschi asked if impact statements have been requested from the elected officials regarding the proposal of 3%-5% reductions.

Cmmr. Sheldon stated the Board has interacted with the elected officials but no standardized form has been requested.

Ms. Hirschi asked if has there been legal review of whether the Mental Health Fund money can be moved to Current Expense.

Cmmr. Sheldon answered that the Prosecutor has given his opinion.

Mr. Cobb stated he delivered that opinion orally in a Commission meeting. It is his opinion that the money that is currently in the Mental Health Fund is general fund money and can be transferred. The tax portion of the money, which is a specific encumbered tax, is the money the County contracts with Thurston County with. The money is transferred to Thurston County for those specific mental health services. The money that is currently in the Mental Health Fund, which is a fund that the County created, is money that is generated because of the tax, but not as the tax, and it is general fund money. He knows that Judge Sheldon disagrees with his interpretation, but lawyers disagree.

Mr. Carnahan asked if there is a precedent or manner in which the County can bill the State for administration or suspend administration of the Growth Management Act because it is an unfunded mandate.

Cmmr. Sheldon stated the County could bill anyone for anything and not receive payment. He doesn't believe a county couldn't unilaterally suspend itself from the Growth Management Act. Several Eastern Washington counties attempted that in the early part of 2000 and their State Road Funds were withheld.

Mr. Carnahan asked if property tax could be impounded from the State.

Cmmr. Sheldon answered that he didn't believe so.

An audience member asked if a 1% reduction across the board has been considered.

Cmmr. Sheldon responded that a proposal like that was just tabled.

Ms. Hirschi asked if the Department of Community Develop were cut, what would that mean to the public. She would like to know the same thing for Parks.

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Cmmr. Sheldon stated the departments have prepared that information and they will present it at the public testimony portion.

Cmmr. Ring Erickson suggested that testimony be taken on each item separately for clarity.

Cmmr. Ring Erickson/Gallagher moved and seconded to divide the question and entertain the remaining six items listed on Attachment A separately. Motion carried unanimously. RE-aye; S-aye; G-aye.

Mental Health Fund

Cmmr. Sheldon stated this is a proposed reduction of up to \$200,000. This has been on the list for a number of weeks. When you look at the Mental Health Fund there are needs in the jail. There have been ongoing issues with mental health of inmates. Perhaps some of these funds could be used for some ongoing expenses for programs or transportation of people to facilities. Perhaps the use of some of these funds would reduce the burden on Current Expense.

Cmmr. Ring Erickson noted that there is actually \$288,000 in the fund at this time. This would not be depleting the entire fund.

Judge Toni Sheldon stated she has addressed this topic before. She brought a couple of charts to give a visual example of what is going in to this fund. For 2008 \$126,000 went into this fund under RCW 71.20.110, which requires the County to levy 2.5 cents per thousand to serve mental health and developmental disability needs. There has never been a question about that portion of these funds. They come in and they very quickly go out to Thurston County under a 1980 agreement where Thurston County provides Mason County with community mental health services.

The additional funds that come in totaled over \$12,000 in 2008. Almost \$300 was paid into the fund because of a compensating tax. That is essentially a tax that a landowner has to pay to reclassify their land out of forestland. This portion comes into mental health because the mental health fund wasn't getting that additional tax revenue when the property was in forestland. There are also provisions under State law for forest excise tax, leasehold excise tax and funds that come to the County from DNR. These are required to be divided in the same way that tax money is divided according to levies. She has set out a distribution of these monies in her chart.

In July of 2009 the Treasurer received over \$44,000 for a DNR timber transfer. This money is required to be divided up according to a formula. Two school districts in the county got a portion, Hospital District 1 got a portion and the Port of Hoodspout got a portion. A large portion went back to the State. The Mason County Current Expense Fund received about \$7,000. So general government has already received funds for this distribution. She hasn't heard a request for the library, school districts or veterans to pay back their portion of the distribution. If the Board were to ask for those distributions back the room would be filled, but you are not going to see people who need mental health assistance in here. Perhaps a written opinion should be requested from the State Auditor or the Attorney General's Office as to whether funds that are required to be distributed in the same way that a tax levy is distributed can be then used for general government. She is also concerned that some decision has already been made on this subject because the 2010 Preliminary Budget already shows a reduction of over \$200,000 in what is intended to be the beginning balance of this fund.

Ms. Ehrich noted that the budget for Mental Health is done by Central Operations.

Cmmr. Ring Erickson stated that she has been struggling with this because she knows the initial Commissioners who looked at this wanted all of this money to go into these programs. She has been

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asking for suggestions for the money and she hasn't seen any yet. The Board is leaving \$88,000, which could offer additional programs in the jail or in Probation.

Cmmr. Sheldon stated he still has questions about this. There are services in the jail that could use additional revenue. Many people that come back to the jail have mental health problems.

Cmmr. Gallagher/Ring Erickson moved and seconded to reduce the Mental Health Fund in the amount of \$200,000. Motion carried. RE-aye; G-aye; S-nay.

Department of Community Development

Barbara Adkins, Department of Community Development, noted that all of her information was presented at the last hearing. She hasn't prepared anything new, but she can certainly answer questions.

Cmmr. Sheldon stated that over the last month the Commissioners have transferred \$207,000 into the Department of Community Development from the Abatement Fund. He understands that money can be used for ongoing expenses and to recoup some expenses from the past. There is a large infusion of cash that has come in.

Ms. Adkins stated they have the ability to transfer that money, but they have not transferred it yet.

Cmmr. Sheldon commented the Department is overspent by over \$400,000.

Ms. Hirschi asked what the impact would be if \$100,000 to \$200,000 were taken from Community Development.

Ms. Adkins answered that this would mean reductions in staff. They have attempted to make other reductions that wouldn't impact staff. They have reduced all of their numbers to try to save money but they couldn't come up with all of it. The additional cut would have to come out of staff. \$100,000 would mean 3-4 people and \$200,000 would be 7-8 people.

Will Stakelin, Master Builders Association, stated his company's concerns are specific. They are not clear on what additional cuts will mean to their industry. There is the potential for the permit center to have reduced hours of operation. The biggest concern is the potential for a reduction of the ability to get timely inspections. The initial permit process is the point where there is the least amount of money on the line. As the project continues to build and the financial commitment grows it relies heavily on timely inspections. If there is only one day of inspections per week and that day is missed and they have to wait a week people, will leave their job sites. If inspections are reduced there will be impacts such as revenue loss and job losses. It is a difficult decision but if cuts are made there needs to be some type of balance. If cuts are too deep the loss on the other end will be difficult to come out of. He applauds staff on making narrow ends meet. This industry operates on a small margin and any shift in the way they do business could be a project killer.

Bob Burbidge, Fire District 4, would like to speak regarding the Fire Marshal's position, which lies in the Community Development Department. He has a vision of a fire safe community. There are 14 Fire Districts, a County government, a City government and the Tribes that all need to come together. Fire has no boundaries and there have been losses of property and lives in each of the districts. There have been 3 different fire marshals in the last 8 years. In 2007 they lost 2 fire wardens and in 2008 the Fire Marshal was brought down to a part time position. The problem is there is no county-wide fire safety program. In the last three years over 50% of fires have had no working smoke alarms. DCD has a tough choice to make. Part of the problem was the Fire Marshal lost director status. The Fire Marshal could be reassigned to another department, but that just duplicates the issue or the Board could ask for a

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 12

tax. In a single day he managed to rally a \$5,000 donation for public fire education. What would it look like to come up with a different option?

Mark Core asked if this proposed reduction would be in addition to the possible percentage reduction that was tabled.

Cmmr. Sheldon answered that as it is presented, yes.

Cmmr. Gallagher commented that the building industry is relying on this department and they contribute to the economy. The urgency of inspections has been questioned by a lot of people. He would like to make a motion with the least impact.

Cmmr. Ring Erickson stated the builders and citizens are expected to obey the laws and they require inspections and permits to do that. The County has accepted money for permits and they are required to do the inspections. The full cost recovery model has not worked.

Cmmr. Sheldon stated that any reduction is appropriate, but Mason County has gone from the second fastest growing county in the state to declining growth. With a budget of 2.4 million dollars in 2009, he thinks a 1% reduction in the department is clearly not enough. He sympathizes with people about permits but this is not a mandated service. He will vote for this motion but he doesn't think it is adequate.

Cmmr. Gallagher/Ring Erickson moved and seconded to reduce the Department of Community Development in the amount of \$25,000. Motion carried unanimously. RE-aye; S-aye; G-aye.

Parks Department

John Keates, Parks Director, gave an overview of where the department has been this year. There are 21 parks including two sports complexes in Mason County. There are 350 acres of parkland. Their department includes 5 full time staff. They have already incurred 4 budget reductions and as funding and staffing has decreased the usage of parks has increased. They have lost one park maintenance employee, they reduced seasonal maintenance help from 3 to 1 and they lost a part time office helper. They deferred a portion of equipment rental payments, they eliminated training and education opportunities, they have mothballed Foothills Park, turned off irrigation at MCRA, and have not provided restrooms at several parks. They also haven't been buying supplies such as fertilizer. The skatepark was slated to be closed but was saved by the Squaxin Island Tribe. They have eliminated travel and the park maintenance department program has been greatly reduced. There has been less safety inspections, fewer mowings and less garbage pick up. They are trying to focus mainly on MRCA and Sandhill, but are falling behind. Parks have been closed at times due to lack of staff. Irrigation has been turned off and turf management is the lifeblood of an athletic complex. They do not apply fertilizer, pesticides or watering. Games have been cancelled because of lack of staff. Play area inspection have been reduced and signage hasn't been replaced or updated. All staff will be taking a 14 day lay off to compensate for the last reduction. He doesn't know how long they can sustain this type of maintenance level.

If they incur another reduction they will take 4-6 weeks off in addition to the 14 days. They have also looked at reducing staff to 2.5 people. There are a number of capital projects that are scheduled for the fall. If the people are there to do the projects they can reimburse REET because the projects are done in-house. Depending how many people are left they may not have storm damage mitigation. The other items that would be lost would be vehicle equipment maintenance, leaf removal that saves the turf from dying, little or no maintenance to restrooms and fence and backstop repairs. So much of what they do is risk management based on keeping facilities safe and open to the public. His fear is they will be paying

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 13

more to resuscitate facilities rather than keeping them operating at the appropriate level. Any one of these scenarios will back up maintenance. Coming next spring there is no way that they can guarantee the fields will be ready for little league.

Cmmr. Ring Erickson asked the total dollar amounts of the reductions that have taken place so far and what that percentage is.

Mr. Keates answered that his original budget request was \$773,877 and as of August 16th they are down to \$512,624, which is about a 38% reduction.

Cmmr. Sheldon stated the proposed \$40,000 cut would be a 7% decrease. He understands the difficulties, but he thinks a 7% decrease is doable. He asked if any parks have been closed.

Mr. Keates answered that Foothills Park has been closed. Others have been closed on and off.

Renate Parker stated she is a customer of County Parks and she is concerned about further cutting their budget. Her concern is regarding safety and cleanliness. She wants to make sure the parks are places she can bring her children and vandalism is kept under control. When a place is well kept people keep it up. When a place is not doing well people don't appreciate the area and cause further damage. She uses the parks to meet people and develop the skills of her children. It is easier to raise children who are connected to their community.

Bill Barker wanted to say a few good words about the Parks department. It is important to the county's well being, it's moral and spirit. The Parks department is on life support right now. It is a bare bones budget and it looks like we are heading towards eliminating the department. People have commented about veterans and mental health. He is a veteran and one reason he goes to the park is because it is soothing. He would like the Board to consider what is being used now and what will be used in the future. Sometimes there is not a State Park close by. Parks are not as superfluous some people think. He was in the Navy on a submarine and before they went out to sea they always made sure there was enough movies and music. That was because leadership knew how important morale was. These parks serve that function for the civic community. A lot of people who use these parks can't be here to testify because they are at work but when they are off of work they want a place to bring their families. He hopes to Board doesn't look at the Parks budget as fluff. The spirit of the county is supported by Parks. Their budget has already been cut about 34%. This would be almost 40%. He was a volunteer on the committee for Parks and Trails and found that this County is lucky to have John Keates. John was recruited because he can write grants and over the last three years he has brought 1.3 million to this county. That should be factored in when the Board thinks about cutting his department.

Richard Knight stated he represents the North Mason Little league. It is hard to see anyone here who hasn't used the Parks in some matter. To see parks disappear would be a travesty. The year they had to say out of Sandhill while it was redone was terrible. To see the fields decline due to budget cuts would be just as bad. They would have to find other fields to use because it would be unsafe. He would like to see improvements made instead. Little League is unique because they draw people in from other areas for games. They hosted a tournament last season and they brought in teams from all over. That is tourism money coming in. \$40,000 or 7% might not seem like a lot but the overall impact would be too much.

Cmmr. Sheldon stated that he appreciates the passionate testimony but he still thinks there needs to be further reductions in order to continue mandated services. He believes it is his responsibility to remind everyone that the Board needs to drive towards an ending fund balance that is sustainable to keep the

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 14

County off registered warrants. The County does have a very talented Parks Director, but he thinks there could be reductions without closing parks.

Cmmr. Gallagher/Ring Erickson moved and seconded to remove this item from the agenda and make no reductions to the Parks Department. Motion carried. RE-aye; G-aye; S-nay

Revenue Transfer from the Health Department Abatement Fund to Current Expense

Vicki Kirkpatrick, Public Health Director, stated that the County code provides for receipt of fines or liens that are paid in foreclosure for Environmental Health or solid waste enforcement. The code provides that those funds can go into an abatement account or into the general fund. Historically there was a decision made to put those funds into the Health Department so they carry the line item but they do not have the authority to spend those dollars. By residing in the Health Department's budget they get the benefit of cash flow. There has only been one time since she has been here that they have used the dollars to abate a property. They can transfer the \$70,000 from the Health Department to Current Expense. They receive \$20,000-\$40,000 a year in fines and The Current Expense fund can receive that for 2010 rather than the Health Department, since they do not have the authority to spend it anyway. It does eliminate the funds for abatement activities but the code does allow the funds to be used for general government purposes.

Cmmr. Gallagher asked if the \$70,000 were removed how much would be left in the fund.

Ms. Kirkpatrick answered that this would be transferring the entire fund including next year.

Cmmr. Gallagher asked if there were an abatement situation would the Board need to use Current Expense money.

Ms. Kirkpatrick stated yes, unless the Board decided to set up another reserve for abatement.

Cmmr. Gallagher asked what the cost of the last abatement was.

Ms. Kirkpatrick answered that it was under \$10,000.

An audience member asked what the reasoning was to set up the fund originally.

Ms. Kirkpatrick responded that the County code allows for the creation of the fund but it was created before her time so she doesn't know the rational. It has helped in terms of cash flow but there is no expenditure authority attached.

Cmmr. Sheldon noted this was done at Ms. Kirkpatrick's request when she was looking to scrub her budget and help with the Current Expense ending fund balance.

Cmmr. Gallagher/Ring Erickson moved and seconded to transfer \$70,000 from the Health Department's Abatement Fund to Current Expense. Motion carried with all in favor. RE-aye; S-aye; G-aye.

Transfer to Clerk's office

Cmmr. Sheldon stated this is for the publication costs of juvenile dependency and termination hearings. This is a State mandated publication. There may be a potential bill next year to have the State take on this obligation. This is an unfunded mandate.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 15

Pat Swatros, Mason County Clerk, stated this has been placed in her budget because it was thought that the Clerk's office should pay for this. There was a bill in 2009 and she was hoping that the State would take responsibility and they haven't yet. In looking at the statute Judge Sheldon found the County is responsible for the payment of this. It doesn't say specifically that the Clerk is responsible for the payment of this.

Cmmr. Sheldon noted the Clerk's budget would be augmented in the amount of \$10,000 to take care of these publications.

Ms. Swartos clarified the publications may not cost that amount because the size has been reduced considerably, but she has already spent over \$7,000.

Brenda Hirschi asked how the Clerk's office would end in the black.

Ms. Swartos stated since December of 2008 she has reduced her budget 12%. As of today another person has been reduced to part time and she may need to reduce her completely.

Ms. Hirschi noted that it appears that the Clerk's office will need \$37,000, not \$10,000.

Ms. Swartos responded that she has looked at her expenses and she believes the deficit to be \$7,000-\$8,000. She has a briefing scheduled with the Commissioners to discuss this.

Judge Sheldon testified regarding the publications. These are for dependency cases when Child Protective Services steps in and decides a family is not adequately taking care of a child. The child comes before the court and the parents must be given notice of the court hearing and involvement. The court may take jurisdiction over the child if the child is found to be abused or neglected by the parents. When a parent cannot be located to be served with the documents the statute requires the notice of the hearing be published in the newspaper. The Mason County Journal is the only official newspaper in Mason County. Other jurisdictions use less expensive newspapers but Mason County doesn't have that option and the costs are phenomenal. A publication of the notice in English and Spanish costs \$1,000. There was a bill introduced in the State Legislature last year to shift the cost to the State because the State is the entity that starts the dependency proceeding. That bill did not pass and it will be proposed again. In the meantime, the courts and clerks have been working with the Attorney General to find a interim solution.

The statute only requires the notice to be published and not the summons. There was a differential on what each county was publishing. They have come up with a smaller notice that will only be published in English. The long term solution would be to shift this cost to the State. It would also give the State more incentive to find the parents. If someone else is paying for the cost of publication they may not be using their very best effort to locate the parent personally, which is the desired result so the parent can fully participate. The court is supportive of this request for additional funds to be placed in the Clerk's budget. The cost through the end of the year will be significantly less than it has been to this point. She is concerned where this will be budgeted next year. It was suggested that this should go into the Commissioner's budget for next year because the County is to pay for publication and the Clerk is just required to arrange for the publication. Currently, it is not budgeted in either place for next year. She also noted that item 8.10 in the consent agenda added \$30,000 to the general fund.

Mr. Cobb commented that he worked in the Attorney General's office handling dependency cases and has worked with clerks in several counties. This cost is phenomenal. He is glad that Attorney General and the State have agreed to reduce the amount that needs to be published. The amount being requested for this transfer isn't unrealistic.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 16

Cmmr. Gallagher commented that last year there was a question about holding court. The State reminded the County that the Superior Court is an arm of the State of Washington. He finds it ironic that now the State is going against this. He thinks it is the States responsibility to pay this, but that law hasn't been passed yet.

Cmmr. Ring Erickson noted there is the County and there is the Clerk's office but the reality is most of the offices are run on County money. This is most appropriately budgeted with the Clerk because they are best able to anticipate the volume and the need of the publications. She supports the transfer and encourages working with the Clerk to find the best estimate of what this will cost next year.

Cmmr. Gallagher/Ring Erickson moved and seconded to transfer \$10,000 to the Clerk's budget for publishing costs. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon called a recess at 12:14 p.m. The meeting reconvened at 12:24 p.m.

Cmmr. Sheldon announced that briefings for Facilities and Grounds and Public Health have been rescheduled to tomorrow and there will also be a briefing at 2:00 p.m. tomorrow to discuss the two items that were tabled today.

Transfer to Human Resources

TJ Martin stated this \$20,000 is to pay for interest arbitration. It was hoped that a resolution would be reached but when an agreement can't be reached it goes to mandatory arbitration. This will essentially be a trail where the Guild will state what compensation and benefits they think they should receive and the County states what the compensation and benefits are appropriate from their standpoint. The Public Employment Relations Commission will make the determination on what they believe is fair and reasonable. The Guild has been without a contract for the last three years so it will be nice to get some resolution.

Brenda Hirschi stated she wanted to make sure \$20,000 being requested has not already been spent.

Mr. Martin answered that is correct.

Brenda Hirschi stated the reason she wanted to clarify is because she has looked at where HR stands at the end of August. 75% of their budget is payroll. Payroll is spent on a strait-line basis. \$55,000 is still needed to cover payroll for HR through December 31 but there is only \$50,000 left. This \$20,000 isn't enough for this department to make it through December. There will need to be another public hearing for a supplemental. The real question is how much is needed. Budget and Finance is in a similar situation. \$26,000 is left at the end of August and there is contract out for professional services and a MOU with Kitsap County. How will both of those be paid with \$26,000? Both of these departments are not funded to get through December 31st. She did an analysis on August. On a strait line basis the departments should be at about 66%. All of these departments that are at less than 66% could be brought to just 63% and you could come up with \$373,000 without hurting anybody. One elected official even said at a briefing that they had extra money. Instead of doing a strait cut why not go with a targeted hit.

Cmmr. Gallagher/Ring Erickson moved and seconded to transfer \$20,000 to the Human Resources budget for interest arbitration costs. Motion carried unanimously. RE-aye; S-aye; G-aye.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
September 1, 2009 - PAGE 17

10. Other Business (Department Heads and Elected Officials) –
Cmmr. Sheldon asked for an update on the health issues at the fishery on the Skokomish River. He heard there was an unauthorized RV park at the mouth of the river.

Barbara Adkins stated she can't speak regarding environmental health issues but Planning has started enforcement action against a property for code violations to the RV Park Ordinance. Any property with more than two RVs is considered an RV park. The property is not a permitted RV park and it is zoned agricultural, which cannot be used for an RV park. The property owners have been notified that they have until Sept 30th to remove the excess RVS.

Cmmr. Sheldon noted the property is Hunter Farms and the property owners are Carol and Bill Hunter. He asked what the notice requires.

Ms. Adkins stated they have until September 30th to remove all but two of the RVs. The numbers have been reduced since the enforcement action has been taken but there are definitely more than the allotted two.

Cmmr. Sheldon asked if the Hunters are charging for the use of their property.

Ms. Adkins answered that she doesn't have any paperwork that states that. Their website advertises that a fee can be paid to access the property to fish.

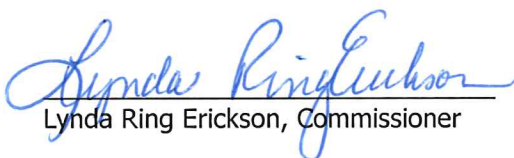
11. Board's Reports and Calendar - The Commissioners reported on meetings attended the past week and announced their upcoming weekly meetings.

12. Adjournment – The meeting adjourned at 12:44 p.m.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON



Tim Sheldon, Chair



Lynda Ring Erickson, Commissioner

ATTEST:



Shannon Goudy, Clerk of the Board



Ross Gallagher, Commissioner

RESOLUTION NO. 75-09
FORGIVENESS OF INTERFUND LOAN
RESOLUTION NO. 18-08 AND AMENDED RESOLUTION NO. 14-09
FROM RESERVE FOR ACCRUED LEAVE FUND TO EMERGENCY
COMMUNICATIONS SYSTEM (911) SALES & USE TAX FUND

WHEREAS, the Mason County Board of County Commissioners approved an interfund loan from Reserve for Accrued Leave Fund (a Current Expense funded Fund) #131-000-000 to the Emergency Communications System (911) Sales & Use Tax Fund #125-000-000 in the amount of \$186,000.00 and;

WHEREAS, it has been determined that there will not be funds available for repayment of the interfund loan from the Emergency Communications System (911) Sales and Use Tax Fund #125-000-000 to the Reserve for Accrued Leave Fund #131-000-000 due to an inter-local agreement between Mason County and MACECOM that directs the transfer of revenue received by the Emergency Communications System (911) Sales and Use Tax Fund directly to MACECOM.

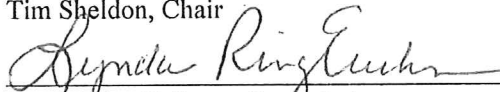
THEREFORE, be it resolved that the Board of Mason County Commissioners agree to forgive re-payment of the Interfund Loan from the Emergency Communications System (911) Sales and Use Tax Fund #125-000-000 to the Reserve for Accrued Leave Fund #131-000-000 in the amount of \$186,000.00 plus accrued interest.

APPROVED this 15th, day of September, 2009.

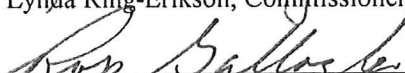
BOARD OF COUNTY COMMISSIONERS



Tim Sheldon, Chair

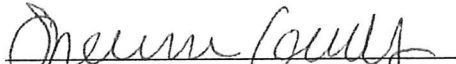


Lynda Ring-Erikson, Commissioner



Ross Gallagher, Commissioner

ATTEST:


Shannon Goudy, Clerk of the Board

APPROVED AS TO FORM:


Monty Cobb, Chief Civil Deputy, Prosecuting Attorney

C: Treasurer, Accounting, E-911-Communications Fund file, Reserve for Accrued Lease Fund file

EXHIBIT A

**RETURN TO MASON COUNTY PUBLIC WORKS
100 W. Public Works Dr.
Shelton, WA 98584**

**IN THE MATTER OF THE PETITION OF:

A PORTION OF SHARPE STREET**

**ORDER OF VACATION
VACATION FILE NO. 368
RCW 36.87**

WHEREAS, it is the intention of the Board of Mason County Commissioners to vacate the following described rights of way:

All that portion of right of way know as Sharpe Street in Section 33, Township 22 North, Range 3 West, W.M, Mason County, Washington, as described in Exhibit "A".

AND, WHEREAS, the date of hearing was set for July 28, 2009 at 1:00 p.m. and Notice of Hearing, Intent to Vacate, was published and posted according to law; and

WHEREAS, the hearing was held on July 28, 2009, and the Board of Mason County Commissioners considered the County Engineer's report, together with any evidence for or objection against said vacation; and

WHEREAS, the Hearing Examiner has rendered to the Board of Mason County Commissioners, his Findings, Conclusions and Recommendations and the members of the Board have given them due consideration.

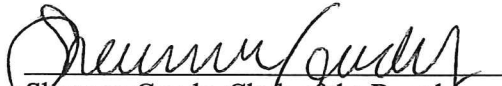
NOW, THEREFORE, IT IS ORDERED that the above-described right of way is hereby vacated and

IT IS FURTHER ORDERED that said vacation is subject to any existing private easements for ingress and egress or any other purpose and to retaining an easement in favor of Mason County for any utilities present in the vacated road right-of-way, in accordance with RCW 36.87.140.

EXHIBIT B

DATED this 1st day of SEPTEMBER, 2009.

ATTEST:


Shannon Goudy, Clerk of the Board

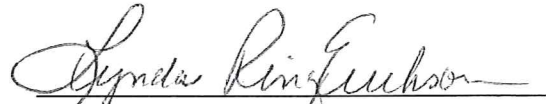
APPROVED AS TO FORM:


Deputy Prosecuting Attorney

Cc: File; Assessor; Auditor; Petitioner;
Public Works Dept.;
Vacation File No. 368

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Tim Sheldon, Chair


Lynda Ring Erickson, Commissioner


Ross Gallagher, Commissioner

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BEFORE THE HEARING EXAMINER FOR MASON COUNTY

Phil Olbrechts, Hearing Examiner

RE: John O'Connell

Request for a Road Vacation
File No. 369 (Sharpe Street)

**FINDINGS OF FACT, CONCLUSIONS
OF LAW AND RECOMMENDATION**

INTRODUCTION

The applicant has applied for a Road Vacation in order to clear title for an existing drainfield. The Examiner recommends approval of the application, subject to conditions.

ORAL TESTIMONY

No one except Cathe Bennett, Mason County staff, was present for the hearing. Ms. Bennett replaced Exhibit A (previously submitted to the Examiner) to the staff report with an expanded legal description for the street vacation that described the entire street instead of only a half-street. Ms. Bennett stated that the petitioner did not object to the replacement. Ms. Bennett also testified that the petitioner has paid the \$500 deposit required for street vacations.

EXHIBITS

See the list of attachments to the staff report, prepared by Rick Brush and dated July 28, 2009, for a list of all exhibits.

FINDINGS OF FACT

Procedural:

1. Applicant. The petitioner is John O'Connell, representing Shamrock Storage, LLC.
2. Hearing. The Hearing Examiner conducted a hearing on the application on July 28, 2009, at 1:00 p.m., in the Mason County Board of Commissioners Meeting Chambers.

Substantive:

1 3. Site/Proposal Description. The application was submitted by John
2 O'Connell for the vacation of an unopened portion of the right-of-way on Sharpe
3 Street in the Plane of Union City, Hood Canal Land & Improvement Company. The
4 legal description of the area is provided in Exhibit A to the staff report. The vacation
5 is requested to clear title for an existing drainfield. The right-of-way area to be
6 vacated is unpaved and has some timber and brush on it.

7 4. Notice. According to Staff, public notice has been provided by posting at
8 the site and publishing in the County's official newspaper.

9 5. County Need for Proposed Vacation Area. The road right-of-way is not
10 presently used by the general public and is not necessary or useful to the County road
11 system. The right-of-way area to be vacated is unpaved and has some timber and
12 brush on it. The public will benefit by the road vacation by a reduction in
13 maintenance and liability resulting from the loss of ownership.

14 6. County Ownership Interest. The staff report provides that the right-of-way
15 to be vacated is owned as an easement that was dedicated to the County in a plat. The
16 Examiner finds that the subject right-of-way is owned as an easement and not in fee.

17 CONCLUSIONS OF LAW

18 **Procedural:**

19 1. Authority of Hearing Examiner. MCC 12.20.030 provides the Examiner
20 with the authority to review road vacation applications and provide a recommendation
21 to the Mason County Board of County Commissioners.

22 **Substantive:**

23 2. Review Criteria and Application. The Petitioner seeks the vacation of a
24 County road. Chapter 12.20 MCC sets forth the requirements for vacation of roads.
25 Furthermore, MCC 12.20.010 provides that County roads may be vacated in
accordance with the provisions of Chapter 36.87 RCW. Applicable review standards
for vacation under Chapter 12.20 MCC, as well as those in Chapter 36.87 RCW, are
laid out below with Conclusions for a recommendation to the Board of County
Commissioners.

*MCC 12.20.010: County roads may be vacated in accordance with the provisions of
RCW 36.87, and Mason County may require as a condition precedent to the vacation
the receipt of just compensation from the person or persons benefiting from the
vacation.*

*RCW 36.87.060: If the county road is found useful as a part of the county road
system it shall not be vacated, but if it is not useful and the public will be benefited by*

1 *the vacation, the county legislative authority may vacate the road or any portion*
2 *thereof.*

3 3. The right-of-way proposed for vacation is not useful to the county road
4 system. The right-of-way is unimproved and not currently used by the general public.
5 The public will benefit from the proposed vacation by a reduction in maintenance and
6 liability resulting from the loss of right-of-way ownership.

7 **MCC 12.20.040:** *For the purpose of vacating county roads, all roads shall be*
8 *classified as follows:*

9 *(1) Class A. All roads for which the right-of-way is an easement.*

10 *(2) Class B. All roads for which the right-of-way is owned in fee simple and for*
11 *which the county paid full fair market value of the fee simple estate.*

12 4. As determined in the Findings of Fact, the County owns the road as an
13 easement. Consequently, the subject road qualifies as a Class A road under MCC
14 12.20.040.

15 **MCC 12.20.050:** *Any person or persons desiring to have any portion of any county*
16 *road vacated shall be required by the Mason County board of county commissioners*
17 *as a condition precedent to the vacation to compensate the county prior to the*
18 *vacation. The compensation shall include, but not be limited to, the appraised, fair*
19 *market value of the county's fee simple interest in the vacated road as of the effective*
20 *date of the vacation, and the costs of any and all appraisals deemed necessary by*
21 *board of county commissioners the hearing examiner or the board of county*
22 *commissioners, together with any and all administrative costs incurred by the county*
23 *in vacating the road. Said administrative costs shall include the costs of the hearing*
24 *examiner in holding the public hearing and reporting recommendations to the board*
25 *of county commissioners. Such compensation must be paid to Mason County within*
six months of the date the vacation was approved by the Mason County
commissioners or the vacation shall be null and void.

5. The administrative costs of the street vacation should be assessed against
the Petitioner as required by MCC 12.20.050. Since the County has no fee interest in
the road, MCC 12.20.050 (interpreted in light of MCC 12.20.060 below) does not
require the Petitioners to pay for the fair market value of the road.

MCC 12.20.060: *(a) The county shall require, as a condition precedent to the*
vacation of roads or portion thereof within the classifications set forth in Section
12.20.040, that persons benefiting from the vacation thereof compensate Mason
County as set forth in the following schedule:

(1) Class A roads. No compensation other than for the administrative costs of the
vacation action;

(2) Class B roads. One hundred percent of the appraised, fair market value.

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6. No compensation for the fair market value of the road is required because the road qualifies as a Class A road.

MCC 12.20.080: *Each petition for vacation of a road shall be accompanied by a bond or cash deposit of a minimum of five hundred dollars, which shall be used to defray examination, report, publication, investigation and other costs connected with the application. When deemed necessary by the county engineer, an additional deposit amount may be required to cover appraisal or other costs. Board of County Commissioners [sic] For any petition, whether granted or denied, for which the deposit exceeds the total costs, the excess deposit shall be refunded to the petitioner. For any petition, whether granted or denied, for which the costs exceeds the deposit, the excess shall be billed to the petitioner and be due and payable immediately.*

7. Staff testified that the Petitioner has paid the required \$500 security.

VI. RECOMMENDATION

The Hearing Examiner recommends that the Board of Commissioners approve the proposed street vacation, subject to the following condition:

1. Payment of all administrative costs incurred in this vacation.

DATED this 11 day of August, 2009.



Phil A. Olbrechts
Mason County Hearing Examiner

Mason County Department of Public Works

July 28, 2009

TO: Mason County Hearing Examiner

FROM: Rick Brush, Right of Way Manager, for Robert A. Thuring, County Engineer

RE: ENGINEER'S REPORT – ROAD VACATION FILE NO. 368 – Vacation of a portion of Sharpe Street.

Background:

John O'Connell, representing Shamrock Storage, LLC, has petitioned for vacation of a portion of unopened right of way on Sharpe Street in the Plan of Union City, Hood Canal Land & Improvement Company described in attached Exhibit A, per plat recorded in Volume 1, page 8, records of Mason County, Washington. As right of way dedicated in a plat, it is an easement. Vacation of this right of way will clear title for an existing drainfield.

In compliance with RCW 36.87.40, on June 29, 2009, Public Works staff examined the portion of road requested to be vacated. Our findings are the following:

1. The road right of way is not presently in use by the general public.
2. The right of way area, proposed to be vacated, is unpaved and has some timber and brush on it.
3. It is not deemed necessary to preserve it for the County road system for the future.
4. The public will benefit by this action, since it will add the vacated area to the tax rolls and relieve the county of maintenance or other liability.

Public Notice

Public notice has been provided as required by RCW 36.87.050, both by posting at the site and by publishing in the county official newspaper.

Recommendation

Public Works recommends the vacation of the subject portion of Sharpe Street, as petitioned, in accordance with RCW 36.87.170, subject to existing easements for ingress and egress or any other purposes, if any.

Hearing Examiner Options

1. Find that this vacation meets the standards established by state law and recommend the vacation be granted as petitioned and/or as recommended by the County Engineer.
2. Find that this vacation fails to meet the standards established by state law and recommend the vacation be denied.
3. Find that only part of the vacation as petitioned or recommended by the County Engineer complies with the law and develop recommendations to grant the compliant portion and deny the other.

Attachments:

- Petition
- Exhibit Map

EXHIBIT 'A'

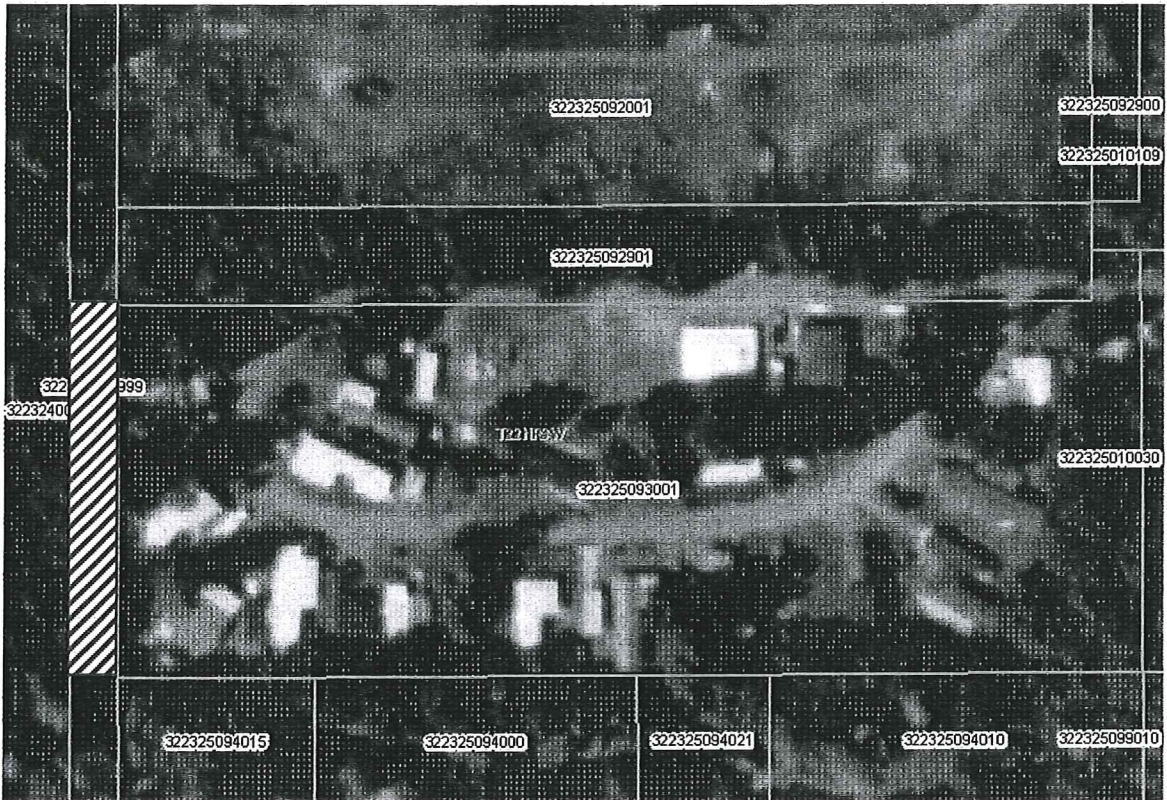
A portion of Sharpe Street as shown on the "Plat of Hood's Canal Land and Improvement Company's Plan of Union City", Mason County, Washington, as filed in Volume 1 of Plats at Pages 8 and 9, described as follows:

All that portion of Sharpe Street lying south of the centerline of Allyn Avenue and north of the south right-of-way line of Boyle Avenue, as said Sharpe Avenue is shown on Record of Survey filed September 7, 2007, in Book 33 of Surveys at Page 205, under auditor's file number 1905112.

ROAD VACATION # 368

PETITIONER SHAMROCK STORAGE, LLC
EXHIBIT MAP

 VACATION AREA



RESOLUTION NO. 76-09
AMENDING RESOLUTION 49-09
COUNTY ROAD CLOSURE EXTENSION
GRAPEVIEW LOOP ROAD
(COUNTY ROAD NO. 96140)

NOTICE IS HEREBY GIVEN that pursuant to RCW 47.48.010, The road closure on Grapeview Loop Road, at approximately milepost 2.55 to milepost 2.65, on County Road No. 96140, shall be extended, changing the reopening date/time to 5:00 p.m. Friday, October 2, 2009.

BE IT HEREBY RESOLVED that the Board of Mason County Commissioners has declared the above described road closure a public necessity while contractor completes the maintenance and culvert installation project.

THEREFORE, the County Engineer is hereby ordered and authorized to proceed as prescribed by law.

ADOPTED this 1st day of SEPTEMBER, 2009.


BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON



Tim Sheldon, Chair

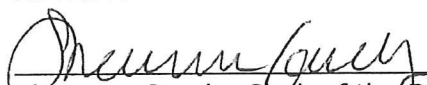


Lynda Ring Erickson, Commissioner



Ross Gallagher, Commissioner

ATTEST:



Shannon Goudy, Clerk of the Board

Cc: Commissioners
Engineer
JOURNAL: Publ. 1 t: _____ Bill Road Dept.)
POST: At least three (3) days prior to closure.

ORDER
2009 Budget

IN THE MATTER OF:
BUDGET REVISIONS/REDUCTIONS - NOTICE OF HEARING
RESOLUTION NO. 72-09
DATED AND PASSED: August 11, 2009
FOR BUDGET REVISIONS/REDUCTIONS: Current Expense Fund Ending Fund Balance - \$265,000

WHEREAS, a notice was published and a public hearing was held in accordance with RCW 36.40.100 and RCW 36.40.195 and with Resolution No.72-09 (see Attachment B which is incorporated as part of this order).

THE BOARD OF COUNTY COMMISSIONERS OF MASON COUNTY hereby approves the Budget Revisions/Reductions to the Current Expense Fund Ending Fund Balance in the amount of \$265,000, as detailed in Attachment A.

BE IT FURTHER RESOLVED that these Budget Revisions/Reductions will be expended and recorded in the 2009 budget as listed in Attachment A which is also incorporated as part of this order.

PASSED in open session this 1st day of September 2009.


BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

ATTEST:


Shannon Goudy, Clerk of the Board


Tim Sheldon, Chair

APPROVED AS TO FORM:


Monty Cobb, Chief Deputy Prosecuting Attorney


Lynda Ring Erickson, Commissioner


Ross Gallagher, Commissioner

C: All Depts.

Attachment A
 September 1, 2009 Budget Hearing

REDUCTIONS:

FUND # 164-000-000	Mental Health Fund transfer to Current Expense Ending Fund Balance	(\$200,000)
FUND # 001-125-000	Department of Community Development Reduction	(\$25,000)

ADDITIONAL UNANTICIPATED REVENUE TRANSFER IN TO CURRENT EXPENSE:

FUND # 150-300-000	Transfer from Health Department Abatement Fund to Current Expense	\$70,000
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ADDITIONAL BUDGET SUPPLEMENTS IN CURRENT EXPENSE:

FUND # 001-070-000	Supplement to Clerk's Budget for Publishing Costs for Juvenile Dependency & Termination hearings.	\$10,000
FUND # 001-057-000	Supplement to Human Resources for Interest Arbitration for Sheriff's Office	\$20,000

NET INCREASE TO CURRENT EXPENSE ENDING FUND BALANCE

	Increase to Current Expense Ending Fund Balance	\$265,000
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RESOLUTION NO. 72-09
2009 BUDGET

Attachment B

BUDGET REVISIONS/REDUCTIONS - NOTICE OF HEARING

WHEREAS, by reason of conditions which could not be reasonably foreseen at the time of making the budget for the year 2009, it is necessary to make provisions for budget revisions/reductions to the 2009 budget as required by RCW 36.40.100 for the following:

Budget revisions/reductions to the Current Expense Fund due to an unanticipated downturn in Current Expense Fund revenues. Action may include a reallocation of existing funds.

THEREFORE, BE IT RESOLVED BY THE Board of Mason County Commissioners:

That the 1st day of September, 2009 at the hour of 9:30 am in the Mason County Commissioners Chambers in Courthouse Building I, 411 North Fifth Street, Shelton, Washington, is hereby fixed as the time and place for a public hearing upon the matter of budget revisions/reductions to the 2009 Budget as follows:

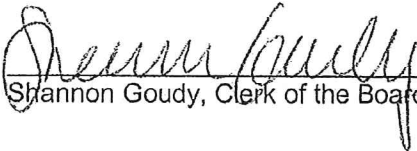
- Current Expense Fund reductions/revisions not to exceed a reduction of (\$700,000).

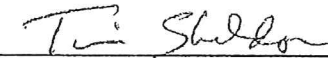
The Clerk of the Board is hereby authorized, empowered, and directed to cause notice of such hearing to be published as provided by law.

DATED this 11th day of August 2009.

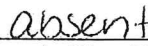
BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

ATTEST:


Shannon Goudy, Clerk of the Board


Tim Sheldon, Chair

APPROVED AS TO FORM:


Lynda Ring Erickson, Commissioner


GARY P. BURLESON, Prosecuting
Attorney


Ross Gallagher, Commissioner

C: Budget
Auditor
Treasurer

Publish 2x 8/20 & 8/27 – bill to Mason County Commissioners, 411 North 5th Street, Shelton

J:\RESOLUTIONS\2009\Resolution to set budget hearing for reductions Sept. 1.doc

EXHIBIT D