

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

DECEMBER 30, 2002

The regular meeting was called to order at 9:00 a.m. by Chairperson Wesley E. Johnson. Attendance: Cmmr. Dist. 1, Herb Baze; Cmmr. Dist. 2, Wesley E. Johnson; Cmmr. Dist. 3, Jayni Kamin.

1. Approval of Minutes – Approval of briefing meeting minutes dated August 26; September 9, 16, 23, 30; October 7, 21, 23, 28; December 2, 9 and 16 and the regular meeting minutes of December 17, 2002.
2. Board's Calendar
3. Correspondence and Organizational Business
6.1 Correspondence

4. Open Forum for Citizen Input

Floyd Petersen voiced concern about a piece of property he owned at Stetson Beach which was listed with realtors for five years. He noted the assessed value was \$136,000; however he sold it at \$75,000. There were issues of a 1,000 foot setback from the well.

5. Adoption of Agenda

Cmmr. Kamin/Baze moved and seconded to adopt the agenda as presented. Motion carried unanimously. B-aye; J-aye; K-aye.

6. Approval of Consent Agenda

The Board read aloud the following consent agenda items:

- 9.1 Approval and signature of Amendment No. 3 (final) to Loan Agreement No. L0000021 between the Department of Ecology and Mason County North Bay/Case Inlet Wastewater Construction Project.
- 9.2 Approval of Agreement between Nutt Construction and Mason County for the preparation and painting of the 6-inch stainless steel pipe insulation cover attached to the State Hwy. 3 bridge just south of the Town of Allyn. Bridge crosses Sherwood Creek. Estimated cost was approx. \$4,500.00.
- 9.3 Approval for signature of Mason County Development Regulations – Development Areas Map 1.
- 9.4 Bid award for Asphalt Concrete for 2003. Recommendation is to accept all bids received to provide Mason County with Asphalt Concrete Class B and Class G, MC250 (cold mix) and/or CSS1 (undiluted tack coat).
- 9.5 Bid award for Towing Services for 2003. Recommendation is to award to Jim's Automotive, Inc. of Shelton.
- 9.6 Approval of the "Notification of Final Cost" for County Road Construction completed in 2001 that was performed by day labor, per RCW 36.77.070.
- 9.7 Approval of CRP 1771 for guardrail placement and repair on miscellaneous county maintained roads.
- 9.8 Bid award for the shoreline enhancement project and access improvement at Walker Park. The recommendation is to award to Northwest Rock, Inc. of Aberdeen, WA in the amount of \$25,968.
- 9.9 Approval of the Purchase and Sale Agreement for the Harstine Island State Park property.
- 9.10 Bid award for Tire Services for 2003. Recommendation is to award to Dave's Tire Service of Tacoma.
- 9.11 Approval of new liquor license application for Sandy's Deli Mart & Gas; Applicants: Dae Wang, LLC; Sung & Lahn Chung; Privileges applied for: Grocery Store - Beer/Wine.
- 9.12 Approval of Veterans Assistance Application for Johnie W. Grandey, III for utilities in the amount of \$225.46.

Cmmr. Baze/Kamin moved and seconded to approve the consent agenda items 9.1 - 9.12. Motion carried unanimously. B-aye; J-aye; K-aye.

RECESS

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The Board recessed for ten minutes until the next scheduled agenda item.

10. Public Hearings

- 10.1 Public Hearing to consider an amendment to the 2002 Current Expense Fund Budget in the amount of \$170,813 for approved wage and benefit increases and emergency repairs and replacements of the heating & cooling system.

Ione Siegler, Budget & Finance Director, explained that the budget amendment is for approved wage and benefit increases which were the result of union negotiations during the year. The board waited until the end of the year to determine if the departments could absorb the increases within the existing budget. There were a number of repairs and replacement for the heating and cooling system which was not budgeted in the amount of \$14,596. There were some retirements and payout of accumulated leave.

The Board noted there is one buyout in the amount of \$29,271 that is a liability to the County that is not carried on the books. When they look at cash reserves at the end of the year it does not take into account the total amount of the liabilities on retirements and buyouts that occur at that time.

Cmmr. Kamin/Baze moved and seconded to approve the supplemental appropriation to the 2002 budget for the Current Expense Fund in the amount of \$170,813 as presented. Motion carried unanimously. B-aye J-aye; K-aye. Order signed (Exhibit A)

- 10.2 Public Hearing continued from December 3, 2002 to review the proposed amendments to the Mason County Comprehensive Plan and Development Regulations and the Mason County Resource Ordinance in response to the Western Washington Growth Management Hearings Board August 2002 Findings and Orders.

Allan Borden, Planner, explained that the Department of Community Development has prepared responses to the two Growth Management Hearings Board Orders from August 2002 to revise the Comprehensive Plan and Development Regulations and to address the issues from the Hearings Board concerning the goals of the Growth Management Act. Also proposed are changes to the Frequently Flooded Areas section and Fish & Wildlife Conservation Areas section of the Resource Ordinance. The Hearings Board Ordered the County to do additional supplemental environmental review on the designation of limited areas of more intensive development in rural lands and evaluate the revisions of the development regulations and resource ordinance. The County released final supplemental environmental impact statement on December 13, 2002 in response to the Order. The public review for the proposed changes has gone to the Planning Advisory Commission on three different occasions. They have focused on the limited areas of more intensive development. The Planning Advisory Commission has accepted testimony and has not been able to review it all and will meet again on January 6, 2003.

It is recommended the board continue the hearing for one month to January 28, 2003.

Frank Wokojanec noted he lives in the Kamilche area. He expressed concern about a noise problem when a truck company moved below him. The noise continues from 2 a.m. until around 4 a.m. He was told this is a cottage industry and there is nothing that can be done about the noise. When he filed a complaint with the county he was informed that the County wrote a letter to the ones responsible for the noise and was advised they can continue with their business and noise. The urban growth allows businesses to come in and then they turn into a junk yard because there are no restrictions.

Bob Fink, Planning Manager, commented he is familiar with the situation Mr. Wokojanec referred to. The County's enforcement officer has investigated the concerns. The problem the County had in dealing with the noise was the regulations are limited to what degree they can effect a business. One of the principal problems was when the trucks would be loaded. The issue is the conflict between a business use and a residential area. The current proposal of the County does not change the situation with regard to this particular issue. It does not address these conflicts. When the County adopted the zoning for the rural area in March 2002 there was an existing meat packing

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business which had been in place for a long time near the site Mr. Wokojanec referred to. That area was zoned for commercial use. The amendments that the County adopted reduced the restrictions on the operation of the property. The meat packing business was an existing non-conforming use and had been expanded recently by trans-shipping wood products (processed lumber) out of the area from the local plants. Most of the noise was coming from the change of use, which pre-dated the regulations, and some was a more recent expansion. The County requested the property owners to reduce the activity to the level it was that would be compliant with the regulations. The County couldn't put a stop to what was happening. The current regulations adopted in 2000 would further reduce the ability to regulate the activity. The lot was made a conforming use as a rural industrial activity. The current proposed changes do not address the situation. There is nothing that directly addresses the situation of this area. This is a good example of concerns, which are faced when looking for locations for businesses in the area. The County has a noise ordinance enforced by the Sheriff's Department. It is possible the trucks although relatively noisy on a quiet night do not violate the ordinance.

Cmmr. Baze/Kamin moved and seconded to continue the public testimony to allow additional time for public review on the proposed amendments to the Mason County Comprehensive Plan and Development Regulations on February 4, 2003 at 9:30 a.m. Motion carried unanimously. B -aye; J -aye; K -aye.

10.3 Public Hearing to consider a revision to the Convention Center/Fairgrounds Fee Schedule. Mike Byrne, Tourism & Recreation, presented the draft resolution to amend Resolution No. 115-99 which is the fee schedule for the Convention Center & Fair which includes the fairgrounds. It was explained the reason for the proposed resolution is to reduce the impact of the Current Expense money and to cover the increased cost of the operation and maintenance of the Convention Center & Fair. A comparison is given of the current resolution and the proposed changes as well as some comparative market data and costs for facilities. The intent is to produce revenue through fees from out of county groups and reduce the impact on those user groups that have historically put in volunteer labor and continue to volunteer. Some of the fees doubled, some fees went up just a little and some fees stayed the same.

The Board questioned what groups or individuals were involved with coming up with the new fee schedule.

Mr. Byrne responded those that helped in revising the resolution were from staff recommendations and discussions from the county administrator.

It was asked what comparison has been made with other fairgrounds in adjoining counties (Kitsap, Thurston, Grays Harbor) for the fair rates.

Mr. Byrne commented that what other counties charge for fairgrounds was taken into account.

Mason County's fair and convention center rates are lower than most like counties. One of the biggest impacts will be the large events which rent the entire fairgrounds. The fee went up to \$1,600 for the entire fair compared to \$650 previously. They would be renting all of the buildings and out of the 67 acres they are renting almost all but 15 acres.

The Board again asked if there is a comparison of other counties and their facilities. They

Mr. Byrne noted they called other counties in the state and tried to find comparisons of the actual buildings. It was a difficult market analysis because they were not comparing "like with like." For example, Grays Harbor had a building with similar square footage, but they offered a number of amenities that Mason County is not able to offer. Their square footage price was higher.

The user groups for 2002 were listed and the rental fees for 2003 were projected as if the present rates are adopted. The variation of change goes from no change to a significant change of over 100%. That is based on the estimate that the same facilities would be used for the upcoming year as was used in 2002.

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Mr. Byrne stated the assumption was made was the same user group will come back and use the same number of buildings in 2002.

Cmmr. Johnson noted that certain of the buildings the rental increase is not a constant rate. He assumed this is based on the amenities of the particular building.

Mr. Byrne responded, yes, it is based on amenities, for example the square footage and Building 17 has a kitchen, restrooms, and is a heated building. There is a pole building (metal building) with a concrete floor. The square footage cost of that would be less than another building.

Each booth around Building 17 the rent has been \$10 and the proposed change is \$40. Any group that is using an extensive number of those booths would anticipate a much higher percentage increase than another group that is using something else without such a high percentage increase.

There are some new larger events, which have come to the fairgrounds in the last couple of years. When that event started it was a specific event. The county found the events were quite successful after the second year. Vendors began to appear at the events. Any vendor that comes into the fairgrounds with an event needs to pay a vendor space or a percentage of their gross sales.

Looking at the fairgrounds as a whole. The estimated revenue for 2002 was \$157,000 and budgeted expenses of \$378,000, which means the difference of \$221,000. It is a subsidy by the citizens of the County for operating the fairground at the present rates. If that is equated to 50,000 people living in the county that is about \$4.00 per person.

Mr. Byrne noted that one of the underlying purposes in the amended resolution is to close the gap for Current Expense and the cost of operating the fairgrounds. This year the County was able to get by. Next year, it appears to be more difficult. They want to begin to close the gap and try and make the facility more self-sufficient to pay for itself. The proposal will produce about \$51,000 of additional revenue. The other factor considered is to further close the gap by additional promotion of the facility. They are faced with the dilemma of bringing in more business, more events, and having a facility that is slowly deteriorating.

The Board noted that the change in rental fees for the groups that use the facility in 2002 vs. proposed rates for 2003 amounts to about 40%. Individual groups would pay more and some would pay less.

The Board asked if there is a breakdown of salaries, benefits, supplies, other services and charges, and interfund services.

Mr. Byrne responded he could get that to the Board.

It was also asked what is being spent in maintenance and upkeep. They would like to see some input from the Fair Board regarding these fees.

Mr. Byrne explained they do take items to the Fair Board. The Fair Boards primary function is to plan for the three-day event in the summer. They don't normally have input on the overall planning and functioning of the convention center and fairgrounds. Almost all the business that occurs in terms of the grounds are brought to the attention of the Fair Board. They would be indirectly involved in long-range planning.

Fred Barthe, Saly Sashayers, explained they are being hit by 40%. They spent a little over \$2,000 last year at the fairgrounds. To continue their program in 2003 it will cost them \$6,000 with a 10% discount it is \$5,300. He stated he has no argument with the fair charges. The fair charges or booth rental charges may have to go up for the fair. However, let me give you some past history. A few months ago as the citizens of Mason County gathered to attend a Port Commissioners board meeting regarding the future of the fairgrounds. At that time, they were trying to keep

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the fairgrounds at the present location and renew the lease with the Port Commission. That was the main issue for a newly elected port commissioner. The Port Commissioners said there would not be a renewal. Several user groups asked the County Commissioners to help in keeping the fairgrounds in Mason County for the use of the community, county organizations and youth. The lease expires in 2013 for the fairgrounds. He felt it is premature to charge new prices for old facilities with a lease running out in 10 years. The maintenance has been understaffed during this time frame. Several of the user groups are raising funds to provide and erect a portable arena. He questioned if these user groups are being rewarded or penalized with a higher rate.

Shelton is 14 miles from anywhere. To draw people to the fairgrounds to sponsor events they must offer more than isolation. They need good service, clean and well-maintained facilities, and appropriate price to retain the current users and potential customers. He asked if the County can afford to make long or short-term capital improvements needed to support the increases at the present location. The citizens and community organizations have publicly voiced and demonstrated their opinions and desires to maintain a fairgrounds at the county. It should be affordable for community groups and organizations and preferably near its current location. A reasonable price increase may be understandable. They realize rates have been constant since 1999, but so have the facilities. The projected expenditures are up almost 100% since 1999. The increase asked for in 1999 was \$4,000 or 2.5% to meet projected expenditures. The proposed increase may bring up to current market prices, but when compared to other facilities, they have nothing to market but price. He recommended the Board not approve the current amendment.

The Board stated the County is still looking at a trade with regards to a new fairgrounds location. Within the next 13 years the County will have to move the fairgrounds. The FAA and Port of Shelton has been very clear with where they want the County and the County has been looking at other alternatives. One of the things they have to look at is if the County can afford to build a new fairgrounds.

It was noted the citizens are not complaining about subsidizing the fairgrounds, however, when there are revenues decreasing and expenditures increasing something has to give. The people of Mason County want less spending, but they want a fairgrounds. The County has to prioritize and balance the fairgrounds.

Those that are renting do not want an increase of 150%. Those that are users are not against spending a couple dollars to attend an event or a few dollars on the taxes.

Roy Frese, President of Northwest Chapter of American Truck Historical Society, stated he just recently reviewed the proposed amendments. He noted their chapter is one of 84 chapters within the American Truck Historical Society. They sell advertising in a truck show flyer, collect a few dollars from food vendors and get RV rental fee for part of the time they are at the fairgrounds. They try to keep their fees as low as possible to encourage more participation. The expenses are for show flyers and posters to advertise their show. The largest single expense is the fairgrounds rental. They attempt to break even financially. If the county raises the rental from \$650 to \$1,500 they are not sure what they will do. In reviewing the proposed rental schedule they might be able to cut down the \$1,500 some because they don't need to use all of the building. They are also supported by the money from food vendors and swap meet vendors. They try to get their advertising out by the middle of February. In order to do that they go to the press right away. In the flyer they identify what the vendor fee is and now they aren't sure what they will do.

The board asked how the rental costs at Mason County fairgrounds compare with other places where they put on an event.

Mr. Frese commented this is the second location they have been. They started out in Gig Harbor in a bare field. They had to bring in their sanikans. They enjoy Mason County Fairgrounds. They feel that they are treated well and everybody that comes enjoys the beauty of the grounds.

Patti Case, Skookum Rotary and West Coast Oyster Shucking Competition and Washington State Seafood Festival, stated that several of the Rotary members have recently reviewed the draft convention center and fairgrounds rental fees. If the revenue generated from the fee increases were to be put into improving this or future fairgrounds they

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would applaud a modest increase. The increases are exorbitant. They urged the Board to reconsider. A 130% increase in fairgrounds rental fees is outrageous considering the condition of the facilities to be rented. It was felt Mason County must consider competition if they are interested in attracting any events in Mason County facilities. The buildings at the fairgrounds are very modest. Many of the restrooms do not have locks. The upgrades have been made by user groups.

The \$1 per person gate fee for all events seems to be a tax on people who chose to come to an event in Mason County. A vendor charge of \$30 per day or \$80 per event would cut into OysterFest vendor profits considerably. All profits from this event go to benefit non-profit organizations, which provide important services in Mason County. Oyster Fest asked for a dedicated storage facility as they spend two evenings moving equipment they use only for their event.

By designating Building 9 as storage space made the Mason County Fairgrounds too small for OysterFest. It was anticipated that OysterFest's profits could be cut in half. She asked that the board not approve the resolution. Also, to establish a group that includes the users of the fairgrounds to aid in arriving at equitable rates for the facilities. She asked that revenue be put any additional revenues in maintenance of the fairgrounds and improvements rather than the general fund.

The Board noted that rental fees for 2002 was \$6,936 and for 2003 \$9,186 which is a 32% increase for Skookum Rotary.

Jack Springer, Mason County Master Gardners, explained they have a demonstration garden at the Fairgrounds and they spend a lot of money and a lot of volunteer time. They conduct two fundraisers. They are not a big money raising organization. One event is a plant sale. It is not clear where they would fit in the proposed schedule.

June Sims, 4-H or youth groups, concurred with some of what has already been stated. She does not want to see the youth groups squeezed out. They have rented the arena area for the rodeo. For three days they hauled in bleachers so they would have enough seating space. The rodeo is a function of the fair, but a lot of the rental fees will affect the youth groups. She asked that the Board review this further as there are some areas where it could be reduced so people can afford events and not be charged out of the events.

Dick Oltman, Convention Center Fairgrounds Advisory Board, noted it was put into effect in 1990. It consisted of users of the fairgrounds. He stated he would like to see the Advisory Board act as an adviser to this group.

Mr. Byrne concurred with Mr. Oltman that the Convention Center/Fairgrounds Advisory Board was formed and their was representation from the OysterFest, Salty Sashayers and Port of Shelton. At that time there were two advisory boards. The Fair Board that dealt with the fair and the Convention Center Advisory Board which dealt with long range planning and the facility. As soon as the Port of Shelton announced there would be no renewal of the lease the long range planning lost incentive in terms of what they would do and where they would go. A number of the members joined the fair board and any long range planning was brought before the fair board for review.

Richard Byrd, Gig Harbor Kennel Club, noted they started out in Gig Harbor and 3 -4 years ago they moved to the County Fairgrounds with their dog show and they like the facility. The group has a study that comes out from the American Kennel Club from New York. On a two-show weekend it brings into the local community from \$300,000 - \$400,000. They are not against having a raise in fee. They can cover some cost increases, but New York governs them and they are required to have a specific date every year. They are locked into the 38th weekend of the year for this event. One of the things they do with their money is support the 4-H, local Lions group. They have bought gravel and had it spread out at the fairgrounds. They bought electrical equipment. With their left over money they try and support equipment they use by making the purchase and giving it back to the fairgrounds. They would like to have more lawn area and will be trying to get local groups to support with more donations. They would like to make the 38th weekend of the year to be a large event.

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Dave Bowers, Puget Sound Enduro Riders, has been using the Mason County Fairgrounds for 21 years. They have appreciated working with the fairgrounds staff. They are family oriented off-road motorcycle club. They hold two events at the fairgrounds every year and rent the entire fairgrounds for \$1,300 and only use one building.

They are spending about \$2,700 at the fairgrounds for the two weekends. In setting up the reservation for 2003 it was their understanding the rate would not change. If the rates go through it will more than double the amount they have to pay. They prefer not to move. The event could be held out of a gravel pit or a field. They appreciate the rural location of the fairgrounds with the easy access in and out of the grounds for the bike riders that are competing. It is close to Shelton for the families that are not riding to shop and spend their days. A lot of money is spent on the two weekends when they have the event. It was asked that the rate increase be completed over several years and give the users an opportunity to find other locations.

The Board commented that people spoke loud and clear with respect to tax revenue. Initiative 695 provided the citizens paying substantial motor vehicle fees for licenses are now down to \$30 in most cases. Initiative 747 passed which limits the real estate property taxes to 1%. This is at a time when costs are going up more than 1%. Salaries for county employees are up 2% for the coming year. The revenue is declining and costs are going up. When they reduce tax revenue, something has to give some place. There was clear testimony that there are benefits to the citizens for the convention center and fairgrounds.

Mr. Byrne encouraged user groups to come and talk with the staff about the particular event. Within the language provided there is flexibility.

The Board concluded that the fairgrounds is a very important part of the county. They realize revenue is derived from the events from the fairgrounds. They don't receive it at the County level, but it does take care of the citizens. They are not trying to drive anyone out of business by making it unaffordable for anybody. Anyone that has input is encouraged to share it with the staff. Particularly input on how to increase revenue without being painful is appreciated.

Cmmr. Kamin/Baze moved and seconded to continue the public hearing to February 21, 2003 at 9:30 a.m., based on public testimony and give the Board some recommended changes. Motion carried unanimously. B-aye; J-aye K-aye.

11. Other Business (Department Heads and Elected Officials)

None

12. Administration

None

13. Adjournment

The meeting adjourned at 11:05 a.m. due to no further business.

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BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Wesley E. Johnson, Chairperson

ATTEST:

Herb Baze, Commissioner

Rebecca S. Rogers, Clerk of the Board

Jayni L. Kamin, Commissioner