

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

June 16, 2009

1. Call to Order – The Chairperson called the regular meeting to order at 9:06 a.m.
2. Pledge of Allegiance – Jim Clark 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 The Squaxin Island Tribe sent their Annual Report for fiscal year 2008.
 - 4.1.2 The Community Economic Revitalization Board announced that the 2009 Legislature re-appointed funds to Mason County for the Belfair Sewer Improvements Project.
 - 4.1.3 Dianne and Thor Dawley expressed concerns regarding the Sheriff's and Prosecutor's offices.
 - 4.1.4 David Mann expressed concerns on behalf of the Pacific Northwest Salmon Center concerning its CTED Contract 06-96100-452.
 - 4.1.5 Mason County Fire District 5, The Port of Shelton, and the Shelton-Mason County Chamber of Commerce submitted comments regarding the proposed Interlocal Agreement between Mason County and the City of Shelton regarding Urban Growth Area Zoning and Development Standards.
 - 4.2 Proclamation – Amateur Radio Week. Arthur Hall presented the proclamation declaring June 22-29, 2009 as Amateur Radio Week in Mason County.
 - 4.3 Proclamation – Census Count. Betty Wing presented the proclamation declaring Mason County as a 2010 Census Partner.
 - 4.4 News Release – Pacific Mountain Workforce Development Council Vacancy. Betty Wing announced that Mason County is seeking applicants to fill a position on the Pacific Mountain Workforce Development Council.
 - 4.5 Announcement of the Small Works award to Everson Asphalt Paving, Inc. of Lacey in the amount of \$28,322 plus tax for the paving of the Craig Road Park n Ride. Charlie Butros announced the Small Works award.
5. Open Forum for Citizen Input –
 - 5.1 Ken VanBuskirk stated he has a sincere passion for protecting working farms and forests. He commended the Board on the Environmental Learning Center Ordinance they passed two years ago. The Growth Management Act protects agricultural land and the ordinance did a good job of ensuring that. The recent newspaper article regarding Commissioner Sheldon interfering with the Salmon Center is unfortunate. He cannot grasp how the Salmon Center's renovation of a house and barn into offices and a classroom will result in less impact than agricultural production. The members of the Belfair community are glad that Commissioner Sheldon is asking questions and he is glad the Commission is representing all constituents and not just special interest groups.
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 – May 26, 2009 Oakland Bay Clean Water District meeting; June 1 briefing meetings and the June 9, 2009 regular meeting minutes.

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Cmmr. Ring Erickson/Gallagher moved and seconded to approve the May 26, 2009 Oakland Bay Clean Water District meeting minutes; June 1, 2009 briefing meeting minutes and the June 9, 2009 regular meeting minutes. Motion carried unanimously. RE-aye; S-aye; G-aye.

8. Approval of Consent Agenda:
 - 8.1. Approval to appoint Ken Vanbuskirk to fill a vacant position on the Mason County Planning Advisory Commission. The term will expire July 2012.
 - 8.2. Approval of the 2009-2010 Comprehensive Economic Development Strategy (CEDs) Project list as recommended by the Mason County Economic Development Council.
Resolution No. 52-09 (Exhibit A)
 - 8.3. Approval of Veterans Assistance Fund applications for: Bobby Gullotto - Food \$100.00; Allan Reynolds - Housing \$594.95; Jerald Christianson - Utilities \$600.00; Klaus Mulvihill - Housing \$300.00; Darrell Daugherty - Housing \$600.00; Marlene Pewo - Utilities \$150.00; Emryss Roherynath - Housing \$200.00 for a total of \$2,544.95 as recommended by the Veterans' Assistance Screening Committee.
 - 8.4. Approval to schedule a public hearing on Tuesday, July 7, 2009 at 9:30 a.m. to consider adoption of revisions to Mason County Code, Title 17, Sections 17.23.030(8) and 17.23.110 as they pertain to the Festival Retail zoning district in the Belfair Urban Growth Area.
 - 8.5. Approval to authorize the County Engineer, Robert A. Thuring, to sign the annual agreement with Public Utility District 3 (PUD 3) for Public Works to park maintenance equipment at PUD 3's Dayton Facility.
 - 8.6. Approval to set a public hearing at 9:30 a.m. on Tuesday, July 14, 2009 to consider revising the Curbside Recycling Ordinance.
 - 8.7. Approval of Contract #0963-66541 between Washington State Department of Social & Health Services and Mason County for Alternative Response/Early Intervention services. This extends the \$40,000 contract to 6/30/2010 and is in the 2009 budget.
 - 8.8. Approval of the resolution setting a public hearing on Tuesday, July 14, 2009 at 9:30 a.m. to consider public comment on the petition for vacation of portion of East Bourgault Road in Mason County. **Resolution No. 53-09 (Exhibit B)**

Cmmr. Gallagher/Ring Erickson moved and seconded to approve Consent items 8.1 through 8.8. Motion carried unanimously. RE-aye; S-aye; G-aye.

9. 9:30 a.m. Public Hearings and Items Set for a Certain Time.
 - 9.1 Public hearing to consider budget revisions (reductions) to the 2009 Current Expense Fund Budget.

Ione Siegler, Budget and Finance Director, stated the Board has identified \$763,597 in necessary adjustments to the 2009 Budget to maintain a balanced budget. When the 2009 Budget was adopted, and subsequently amended, there were estimated revenues that have not been received and these revenue budget lines should be adjusted to show actual expected revenue. Some of this shortfall in revenue is a result of the Washington State Budget, which is not adopted until after the County Budget is adopted. \$220,000 from the Mental Health Fund 164-000-000 will be used to make up the shortfall. This is general government money. \$177,000 will come from the Department of Community Development, which is an enterprise department. \$151,293 will be from the ending fund balance in the Current Expense Fund. Due to budget adjustments and cuts previously approved by the Board of County Commissioners, there is an additional \$215,304 in available revenue for current use. Those previous adjustments and reductions in Commissioner Departments resulted in these savings over and above what was originally anticipated.

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Questions for Staff

Cmmr. Sheldon asked how many positions would be eliminated due to the proposed reductions in the Department of Community Development.

Barbara Adkins, Department of Community Development Co-Manager, stated there would be 4 positions eliminated in the Building Department and 1 in the Planning Department.

Cmmr. Sheldon asked what the permit activity has been.

Mark Core, Department of Community Development Co-Manager, answered that permit activity is down approximately 30%. There are more permits for additions rather than larger dollar permits. Commercial permits are at about the same number as last year.

Emmett Dobe, Utilities and Waste Management Director, added that the Utilities and Waste Department will be submitting a large building permit for the sewage treatment plant in Belfair in early July or early August, which could add about \$90,000 to the Building Fund.

Brenda Hirschi asked if AFSCME contract costs have been added to the budget.

Ms. Siegler stated the costs have not been added in, but she is monitoring the effects of the contracts. By adding them in later it will be more accurate. The contracts will cost approximately \$76,000, but there have been layoffs so she needs the most recent figures to be accurate.

Cmmr. Ring Erickson asked if the adjustments have to do with the positions the contract covers not the fact that the contract is under negotiation.

Ms. Siegler stated that is correct.

Cmmr. Sheldon noted that there are 29 special funds in the County Budget. Some don't have an adequate resolution giving clear direction as to where the funds should be used. Later on the Board will be looking for resolutions to make sure these funds are clearly defined. The Mental Health Fund collects 2.5 cents per thousand in property tax and within that 2.5 cents there are other funds like timber excise tax and leasehold taxes. These other taxes are dedicated to general government.

Ms. Siegler clarified that the general government money, the leasehold and timber taxes, are in addition to the 2.5 cents per thousand.

Cmmr. Sheldon stated that if the general government portion of this fund were transferred to the Current Expense Fund no one would be underserved or not served by the Mental Health Fund.

Ms. Siegler stated that is correct.

Cmmr. Sheldon stated it is his understanding that Mason County doesn't have a mental health component. We contract with Thurston County for those services.

Ms. Siegler answered that is correct and we have been contracting with Thurston County for those services since 1980.

Judge Toni Sheldon stated she may be able to answer some of the questions in respect to the Mental Health Fund. The Mental Health Fund is set up under R.C.W. 71.20.110. Under that statute it is required

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that the County levy an annual tax in a sum that is equal to the amount which would be raised by 2 .5 cents per thousand. Those funds are then dedicated for mental health services and developmental disabilities. The actual line item in the budget for proposed revenue is 164-000-00. The second line under the B.A.R.S. Code number of 311-010-00 is for Property Taxes. It was anticipated that \$182,757.00 would be coming into the County for mental health purposes. Those funds are by a contract with Thurston County to go to Thurston County to provide for community mental health. Mason County does not have its own community mental health group.

The balance of the funds in the account, not only those listed for the current year, but those that have been coming in from previous years that are not yet used, are from other sources such as timber taxes. The timber tax is coming into the fund under R.C.W. 79.64.110, in which certain State funds are to be paid to the County and are to be distributed and prorated to the various funds in the same manner as general taxes are paid and distributed. Where you have 2.5 cents per thousand going in from property taxes to this fund, the statute for timber tax requires that a similar amount does that as well.

She is concerned that these funds are not general government funds. The statute says that they are to be paid in the same manner that general taxes are paid and distributed during the year. It's not enough for the County to show we checked the box off, we took the money from the State, we put it in an account and let it sit there for a period of time and now we're going to call it general government funds. If the State says it should be put in that fund it should be used for mental health purposes.

There are areas of the county where people are not being fully served with mental health services, including the people she sees in the Superior Court. She is asking that the Commission take no official action on the request to direct funds from the Mental Health Fund to general government. There should be no action until there is a resolution drafted and further discussion on how these funds should be used. There are other funds that receive these same monies in the same manner. If the Board's going to look for general government funds why pick on mental health and not look at all of the funds that are similarly funded? The road department, for example, has \$600,000 budgeted through this process.

Ms. Hirshi noted that Commissioner Sheldon was quoted in the newspaper as saying "the County will close in the black". She asked if the Board intends to pay back its 2 million dollar loan or is that loan how the County will close in the black?

Commissioner Sheldon clarified that the County borrowed 2 million dollars from the Equipment Rental and Revolving Fund. The money will be paid back, but he's not sure if it will be this year.

Ms. Siegler stated it is a two-year loan. The cash was not added as revenue. The intention was to have the 2 million dollars sitting in the Current Expense Fund. Expenditures were not increased to spend it and it was not added to the revenue budget. The money was borrowed as cash flow.

Ms. Hirshi asked how the County is closing in the black when the AFSCME contract is not in the budget and there is an outstanding 2 million dollar loan.

Cmmr. Sheldon stated it his intention to close in the black. The County is in unprecedented economic times.

Theresia Ehrich asked what the budget ending fund balance will be with the \$157,000 change.

Ms Siegler stated the ending fund balance would be very close when all adjustments are made. The year started with 1.8 million and that is where it will be now. The goal has been to try to keep expenditures within the available revenues and we started with 1.8 million dollars cash on hand.

Ms. Ehrich asked if any interest would be paid on the 2 million dollar loan.

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Ms. Siegler answered that she does not have the loan agreement with her.

Public Testimony

Brenda Hirshi stated she put in a public disclosure request in December and again in May requesting the audit trail of the changes between the preliminary budget and the adopted budget. The Prosecutor's office has told her this is not available. The Board has directed the Budget Director repeatedly to include the AFSCME contract increase in the current budget. If the Board required the Budget Director to maintain an audit trail they would be able to see any changes that have been made. She is asking for an audit trail for the 2010 budget. It will give better transparency and more accuracy in the budget process.

Cmmr. Gallagher asked Monty Cobb, Chief Deputy Prosecutor, if he agreed with the Superior Court Judge on the definitions regarding the Mental Health Fund.

Mr. Cobb stated he would need more time to research. His initial research showed that the fund would be available for general government monies, but he didn't have the specific breakdown of the funds.

Cmmr. Sheldon noted at the budget workshop they identified 29 funds, 9 of which had no resolution. It would be appropriate to do some research and a resolution before action is taken.

Cmmr. Ring Erickson stated it is a broader question on State law rather than a local resolution for each fund. She recommends a discussion about State law and then also adoption of a policy regarding the future handling of these funds.

Cmmr. Sheldon stated it sounds like there is some consensus regarding not making the anticipated action today regarding the Mental Health Fund. What about the other reductions? There will also be some savings accrued because of the action taken on the Director of Central Operation's position today.

Cmmr. Gallagher stated the amount in question is \$220,000. Are we now looking at an amount of \$323,597?

Ms. Siegler answered that we are reducing the revenue and are dealing with that reduction. The original revenue reduction proposed was \$543,597. Without the positive revenue to offset the decrease in revenue it will be back to \$763,597.

Cmmr. Sheldon asked if that would count the DCD reduction.

Ms. Siegler answered no, we would still have the DCD reduction.

Ms. Siegler stated she would have to go back and calculate the effect on the whole fund. It is a revenue reduction and the DCD reduction is on the expenditure side.

Cmmr. Sheldon asked if the action were delayed on the Mental Health Fund, would the motion remain the same?

Ms. Siegler stated no, the reductions would be \$763,597. The action could be delayed.

Cmmr. Sheldon stated he would like to delay the Mental Health portion, but as responsible Commissioners they have to take action on the Community Development side because of the lack of revenue coming in.

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Cmmr. Ring Erickson asked if the correct motion would be to reduce the budget by \$763,597.

Ms. Siegler stated that is correct.

Cmmr. Gallagher noted he would like an accurate number before making a motion.

There was discussion between the Chief Deputy Prosecutor and Budget Director on the correct number.

Cmmr. Ring Erickson recommended tabling the hearing to a later time to gather an accurate number.

Cmmr. Sheldon asked Ms. Siegler to write out the motions so there is no confusion.

Cmmr. Ring Erickson/Gallagher moved and seconded to table the budget hearings under items 9.1 and 9.2 for one hour, to begin again at 11:05 a.m. Motion carried unanimously. RE-aye; S-aye; G-aye.

- 9.2 Public hearing to consider supplemental appropriations to the 2009 Budget for the REET 1 Fund in the amount of \$806,710, and the Current Expense Fund Budget in the amount of \$41,504. Approve budget reductions (revisions) to the 2009 Budget for the REET 2 Fund in the amount of (\$130,420) and the Mason County Rural (.09) Sales & Use Tax Fund in the amount of (\$999,630).
- 9.3 Public hearing to consider adopting the Interlocal Government Agreement (IGA) between Mason County and the City of Shelton regarding Shelton Urban Growth Area Zoning and Development Standards.

Kell McAboy, Planner, stated Mason County adopted a SubArea Plan for the Shelton Urban Growth Area as part of their annual Comprehensive Plan update on January 15, 2008 to provide guidance for future development within the Shelton Urban Growth Area (UGA). In June of 2008, with a grant received by the City of Shelton from the Washington Department of Community, Trade, and Economic Development, a private consultant began preparing zoning and development regulations consistent with the newly adopted Plan, and an Interlocal Government Agreement between the County and the City to implement the regulations. The draft Interlocal Government Agreement being considered at this time was developed as a policy document to outline each agency's role in the implementation of the development regulations as they apply to the Shelton UGA. The agreement provides guidance on the coordination of permitting, the requirements for infrastructure, and the appropriate jurisdictional authority of each agency.

This document was drafted by a consultant under the guidance of County and City staff. Staff members involved in this process represented Mason County Public Works, Utilities, Community Development, and Health; and City of Shelton Community and Economic Development, Public Works, and Utilities.

The City of Shelton held a public hearing on June 1, 2009 to consider approving this agreement. It was determined by the City Commissioners to continue this hearing for further consideration of public comment. The City's hearing on this document was continued to June 15, 2009. Staff is recommending that this hearing be continued to August 18, 2009 to allow stakeholders from the Urban Growth Area zoning process to participate.

Cmmr. Gallagher asked if the City of Shelton had consensus on the agreement.

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Steve Goins, City of Shelton Planning, stated the City's action was to continue their hearing to August 3, 2009. One of the outcomes they are seeking out of this is to have a discussion with the various stakeholders who have shown interest. A number of people made comments at the City's initial hearing. He would like to hear any suggestions the Board may have on a process for establishing a forum for stakeholder input. The City's intention is bring forward a signed agreement after their August hearing.

There were no questions for staff.

Public Testimony

Matt Matayoshi, Economic Development Council of Mason County, stated they concur with the staff recommendation to continue the hearing for a number of reasons. First, there needs to be more public outreach, such as a workshop or another opportunity. There are a number of issues within the proposed draft agreement, such as procedures for reviewing applications. The current proposal recommends that the review be done by both the County and the City, which could double the permit time and there are no additional permit fees to cover those costs. The connection of utilities is a little ambiguous as to when you would be required to connect to water or in what cases dry line sewer would be required. From an economic development perspective utilities are extremely important. Standards of development need to be discussed.

Larry Robertson stated he believes that in the current economic season it is not a good time to implement any quick regulation that would add costs or stop new businesses from coming into the county. At the core of the issues is the need to get City services into the Urban Growth Area. At the City of Shelton meeting last night there was an ordinance putting a moratorium on connections to the City sewer. They are running at 100 percent capacity and have been cited by D.O.E. with violations. The planned update to the wastewater treatment plant is not expected to be completed until mid 2012. With this information it is his feeling that anything done right away would just be adding undue expenses to the property owners in the Urban Growth Area affected by the agreement. The financial consequences haven't been put forward so that property owners would know what it is going to cost them. In these difficult economic times, with uncertainty in the City's services, an agreement would be a hindrance on further growth.

Christy Buck, Mason County Realtors, stated they have had extensive opportunity to look at the agreement and they have a lot of questions. There needs to be more of a discussion. The UGA Zoning Committee needs to reconvene to discuss this as well. They are concerned about the definitions of when a septic is failed and when there needs to be a connection to City services. They are concerned about the City's plan and how long it will take. They are concerned about timelines for warning people about connections. She would appreciate a continuation.

Dave Lewis, Miles Sand and Gravel, would like to offer his personnel to participate in the stakeholders meeting.

Cmmr. Ring Erickson/Gallagher moved and seconded to continue the hearing to consider an Interlocal Government Agreement between Mason County and the City of Shelton regarding Shelton Urban Growth Area Zoning and Development Standards to August 18, 2009 to allow more opportunity for public comment. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon called a recess at 10:24 a.m. The meeting reconvened at 10:38 a.m.

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- 9.4 Public hearing continued from May 5, 2009 to consider adoption of revisions to Title 8 (Environmental Policy), Sections 8.52.170 (Fish and Wildlife Habitat Conservation Areas) and 8.52.110 (Wetlands) regarding "Danger Trees".

Barbara Adkins, Department of Community Development Co-Manager, stated this is a continuation of a hearing that was held on May 5, 2009 to make revisions to Title 8 (Environmental Policy), Sections 8.52.170 (Fish and Wildlife Habitat Conservation Areas) and 8.52.110 (Wetlands) regarding "Danger Trees". The last hearing was continued to make revisions based on comments from the Washington State Department of Fish and Wildlife and the Prosecutor's office. The version being presented today incorporates those comments. Her staff report contains a three column table showing the current language, the original proposed language, and the language being proposed today. Ms. Adkins went over each of the columns in the table. The major change to the code is that it now incorporates a County process. The Prosecutor's office has no adverse comments to the updated revisions. Fish and Wildlife would like to see an environmental permit in place, but they are fine with this version.

Cmmr. Sheldon clarified this proposed ordinance only deals with danger trees in habitat conservation areas, not all properties.

Cmmr. Gallagher asked what happens if you bought a property and didn't know when the last time trees were felled on the property.

Ms. Adkins stated the records would just go from now forward and they could only work with what they know.

There were no questions for staff or public testimony.

Cmmr Ring Erickson stated this is something she has had a high interest in since the first Comprehensive Plan update. She thanked the staff for their work.

Cmmr. Ring Erickson/Gallagher moved and seconded to adopt revisions to Title 8 (Environmental Policy), Sections 8.52.170 (Fish and Wildlife Habitat Conservation Areas) and 8.52.110 (Wetlands) regarding "Danger Trees". Motion carried unanimously. RE-aye; S-aye; G-aye. Ordinance No. 54-09 (Exhibit C)

- 9.5 Public hearing to consider establishing a flat fee for stormwater review when the Planning Department, as required under Title 14 Section 14.46.031, performs the review.

Kell McAboy stated the Planning Department currently charges the planning hourly rate for review of stormwater site plans. Establishing a flat fee would eliminate the stormwater hourly fee in the 2009 Planning Fees. A flat fee amount should be established to recover the planning hourly rate based on an average for time spent reviewing the plans. Staff is recommending the Board establish a fee equivalent to the Geotechnical Assessment/Report review fee of \$255.00. This gives applicants an upfront cost instead of paying a fee they don't know in advance.

Cmmr. Sheldon asked if this was an item that was overlooked previously.

Ms. McAboy stated this is actually a new task for the Planning Department.

Cmmr. Ring Erickson clarified that this is basically an outgrowth from the requirement for stormwater plans for lot development.

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There were no questions for staff or public testimony.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve the \$255.00 flat fee for the required stormwater site plan review and eliminate the hourly rate. Motion carried unanimously. RE-aye; S-aye; G-aye. Ordinance No. 55-09 (Exhibit D)

- 9.6 Public hearing to consider repealing Title 7 Shoreline Management which has been replaced by Chapter IX of the Mason County Comprehensive Plan and Title 17.

Kell McAboy stated this is somewhat of a housekeeping item. In November 2005, Ordinance No. 108-05 was adopted, which separated the policies and use regulations of Title 7-Shoreline Management to place the policies into a new Chapter of the Mason County Comprehensive Plan and the use regulations into a new section of Title 17. This was part of a state mandate to integrate the Shoreline Management Act (SMA) and the Growth Management Act (GMA). The substantive language of Title 7 was not changed.

Title 7 has been replaced by Chapter IX of the Mason County Comprehensive Plan and Title 17, section 17.50. Repealing Title 7 was an overlooked task in 2005 when Ordinance 108-05 was adopted. It is outdated, no longer necessary and should be repealed now to avoid continued confusion for those using the Mason County Code

There were no questions for staff or public testimony.

Cmmr. Ring Erickson/Gallagher moved and seconded to adopt the ordinance repealing Title 7 Shoreline Management. Motion carried unanimously. RE-aye; S-aye; G-aye. Ordinance 56-09 (Exhibit E)

- 9.7 Public hearing to consider the Private Line Utility Occupancy Permit between Mason County and Gregory W. Richards for his septic system at 3630 E Mason Lake Drive.

Charlie Butros stated Mr. Richards needs a septic utility line to go under Mason Lake Drive East. The purpose of this hearing is to recommend providing Mr. Richards with a permit for that utility line.

Cmmr. Sheldon asked if this was acceptable standard practice.

Mr. Butros answered yes, one of the considerations with a line is whether or not to open trench the roadway, which can cause maintenance problems. Mr. Richards went under the road at an appropriate depth with his line, which will reduce the need for any ongoing maintenance.

There were no questions for staff or public testimony.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve the Private Line Utility Occupancy Permit between Mason County and Gregory W. Richards for his septic system at 3630 E Mason Lake Drive. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Sheldon called a recess at 10:54 a.m. The meeting reconvened at 11:11 a.m.

- 9.1 Continuation of the public hearing from 9:30 a.m. to consider budget revisions (reductions) to the 2009 Current Expense Fund Budget.

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Cmmr. Sheldon asked Monty Cobb, Chief Deputy Prosecutor, to give a brief explanation of the possible motions that could be made.

Mr. Cobb stated he researched the statutes Judge Sheldon cited. She is correct in that Title 71 addresses the 2.5 cents per thousand, which is the Mental Health Fund. That money is paid into the Mental Health Fund, which is a County creation, and all of that money is used to contract with Thurston County. The additional \$220,000, which Judge Sheldon indicated needed to be paid in a prorated fashion under the statute, comes into the County Fund already distributed in a prorated fashion. The State collects the tax and sends the County's portion to the County. When County receives that money it is then distributed among the various funds. The \$220,000 at issue in the Mental Health Fund is money that has come from the State and been distributed to the various funds pursuant to the statutes. If the County created fund did not exist for mental health, the money would have been distributed among one less fund. The fund exists as a bookkeeping creation. It is his opinion that the \$220,000 that exists over and above the 2.5 cents per thousand is general service money and can be used by the Commission for non-mental health purposes. The resolution that created the Mental Health Fund did not limit the use of money that is in the fund for mental health purposes. The \$220,000 has already been distributed in a prorated fashion as the judge suggested it needed to be.

The budget revisions on the revenue side were advertised as \$756,000, we have been discussing \$763,000. Given the public notice issue, the proper motion dealing with just the revenue side would be a motion to approve budget revisions on the revenue side in the amount of \$756,000.

A final motion to deal with the \$177,000 expenditure reduction in the Department of Community Development should be made separately for clarification.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve the budget revisions (reductions) to the 2009 Current Expense Fund revenue budget in the amount of \$756,000. Motion carried unanimously. RE-aye; S-aye; G-aye. Budget Order (Exhibit F)

Cmmr. Ring Erickson/Gallagher moved and seconded to approve the budget revisions (reductions) to the 2009 Department of Community Development expenditure budget, Current Expense Fund, in the amount of \$177,000. Motion carried unanimously. RE-aye; S-aye; G-aye. Budget Order (Exhibit F)

Cmmr. Gallagher asked if the \$220,000 from the Mental Health Fund were approved, would the ending fund balance be back to \$151,000.

Ms. Siegler stated the use of the \$220,000 would increase the ending fund balance.

Cmmr. Gallagher made a motion to approve the use of \$220,000 from the Mental Health Fund for general government purposes.

Cmmr. Ring Erickson stated she would not second the motion. She would like to have further discussion regarding the \$220,000 in the Mental Health Fund.

Cmmr. Sheldon stated he would not second the motion. He would also like further discussion.

Cmmr. Gallagher withdrew his motion.

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- 9.2 Continuation of the public hearing from 9:30 a.m. to consider supplemental appropriations to the 2009 Budget for the REET 1 Fund in the amount of \$806,710, and the Current Expense Fund Budget in the amount of \$41,504. Approve budget reductions (revisions) to the 2009 Budget for the REET 2 Fund in the amount of (\$130,420) and the Mason County Rural (.09) Sales & Use Tax Fund in the amount of (\$999,630).

Ione Siegler stated this is for the Real Estate Excise Tax (REET) 1 Fund in the amount \$806,710, which would be a supplemental appropriation. This increase is from unanticipated 2008 cash carryover because capital improvement projects for the exterior of the old Courthouse and the Sheriffs Office (3rd & Pine Property) were not completed during 2008. REET 1 revenue is expected to decrease by approximately \$360,000 during 2009.

The second supplemental appropriation would be for Indigent Defense Department in the Current Expense Fund in the amount of \$41,504. This additional revenue is from \$9,208 in unbudgeted cash carryover and \$32,296 in new revenue from WA State, and will be used for the cost of indigent defense services for District Court.

The budget reductions (revisions) are to bring the REET 2 and .09 Funds into line with the actual cash carryover and expected revenue. The Real Estate Excise Tax (REET) 2 Fund would be reduced by \$130,420. This reduction is the result of a downturn in REET 2 revenue and grant revenue that will not be received during 2009. Mason County Rural County (.09) Sales & Use Tax Fund would be down \$999,630. This reduction is the result of less sales & use tax and interest income anticipated during 2009. Also, the repayment of an \$800,000 loan to Utilities was not received during 2008 as it was extended a couple of years.

Cmmr. Sheldon asked if it is anticipated that the sales tax for this year could be about 15% less than collected in 2008.

Ms. Siegler clarified that the .09 Fund has not fallen quite as much as other sales tax, but it is down. It comes from a credit off of the State's portion of sales tax so it doesn't mirror the County's general sales tax.

There were no questions for staff or public testimony.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve the supplemental appropriations to the 2009 Budget for the REET 1 Fund in the amount of \$806,710, and the Current Expense Fund Budget in the amount of \$41,504. Approve budget reductions (revisions) to the 2009 Budget for the REET 2 Fund in the amount of (\$130,420) and the Mason County Rural (.09) Sales & Use Tax Fund in the amount of (\$999,630). Motion carried unanimously. RE-aye; S-aye; G-aye. Budget Order (Exhibit G)

10. Other Business (Department Heads and Elected Officials) –
- 10.1 Pat Swartos, Mason County Clerk, invited the Board to the Mason County Clerk's Association meeting next week. It will be held at the Little Creek Resort and Casino.
- 10.2 Sheriff Salisbury commended the Public Works department on their work at the Craig Road Park n Ride. He also announced that the Sheriff's office has been awarded \$77,445 from the Edward Burn Memorial Justice Assistance Grant. The grant will be used to purchase mobile data terminals for 12 patrol cars.
- 10.3 Cmmr. Gallagher made motion to eliminate the Central Operations Director position, effective immediately.

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Cmmr. Sheldon stated the Board has been struggling with budget issues for the past few months. This position falls under the Commissioner's office.

Cmmr. Ring Erickson stated this should be a broader conversation about leadership in the County and how to best use the dollars we have. She will not vote to eliminate the position. If it were to reduce the line item she may have voted for it, but there was no discussion.

Cmmr. Gallagher/Sheldon moved and seconded to eliminate the Central Operations Director position, effective immediately. Motion carried.
S-aye; G-aye; RE-nay

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 11:29 a.m.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Tim Sheldon, Chair

ATTEST:

Lynda Ring Erickson, Commissioner

Shannon Goudy, Clerk of the Board

Ross Gallagher, Commissioner