

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

October 6, 2009

- 1 Call to Order – The Chairperson called the regular meeting to order at 9:04 a.m.
- 2 Pledge of Allegiance – Pat Swartos 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 United States Department of the Navy sent a copy of the Final Environmental Impact Statement for the Swimmer Interdiction Security System at Naval Base Kitsap-Bangor.
 - 4.1.2 The Economic Development Council of Mason County expressed their support of PUD #3's application for .09 funding and submitted comments regarding Shelton UGA rezoning.
 - 4.1.3 Bruce Loften responded to a letter of code violation he received from the Department of Community Development.
 - 4.1.4 Rhoda Pykonen and Mark Bardwill submitted comments regarding saving the St. Edward Church building.
 - 4.1.5 Michael and Patricia Crippen expressed concerns regarding the planning and application process for their building permit.
 - 4.1.6 The Shelton-Mason County Chamber of Commerce submitted comments regarding the proposed Shelton UGA Interlocal Agreement.
 - 4.2 Charlie Butros announced that Kiwi Fencing Company has been selected from the Small Works Roster for the Public Works Central Shop fence project. The cost is \$22,059.80.
- 5 Open Forum for Citizen Input –
 - 5.1 Karin Locke stated that she would like to change the Commissioners' minds about recycling bins. She would like the program to be voluntary or the bins to be picked up every other month. Another option would be for customers to call in when the bins need to be picked up. She lives alone on a steep hill and the bin cannot be left at the bottom of the hill.
- 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 – Briefing minutes for August 17 and August 31, 2009 and September 8, September 15 and September 22, 2009 regular meeting minutes.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve the Briefing minutes for August 17 and August 31, 2009 and September 8, September 15 and September 22, 2009 regular meeting minutes. Motion carried unanimously. RE-aye; S-aye; G-aye.
- 8 Approval of Consent Agenda:
 - 8.1 Approval of the annual contract, #E10-065, with the Washington State Military Department for E911 Wireline and Wireless services in the amount of \$152,539. This is for the period of July 1, 2009 through September 30, 2010.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 2

- 8.2 Approval of the interlocal agreement with Kitsap County to provide technical assistance for site visits to small and medium sized businesses in Mason County focusing on pollution prevention, best management practices and connecting businesses with available services. This is funded by the Environmental Protection Agency (EPA) through the Department of Ecology.
- 8.3 Approval of the groundwater monitoring contract with Parametrix to monitor the groundwater on and around the closed landfill as required by state law. This item is budgeted and expected to cost less than \$13,000 and will be paid out of the post-closure fund for the landfill.
- 8.4 Approval to cancel the lease with the Port of Shelton for the property known as the County Fairgrounds, located at 751 W Fairgrounds Road, effective November 6, 2009. The county has 90 days after the termination of the lease to remove all county machinery and equipment.
- 8.5 Approval to cancel the Mason County Fairgrounds Caretaker agreement with Robert & Nona Raincloud effective November 6, 2009. The County is canceling the Port of Shelton lease for the Fairgrounds property so a caretaker is no longer needed.
- 8.6 Approval to cancel the Mason County Historical Society Museum agreement effective November 6, 2009 for the lease of Building #2 at the Mason County Fairgrounds. The County is canceling the Port of Shelton lease for the Fairgrounds property so will no longer be able to lease this building to the Historical Society.
- 8.7 Approval for the Chair to sign a Letter of Support for the submission of a grant application to the Washington State Department of Archaeology and Historic Preservation (DAHP) for the Mason County Courthouse Restoration Project. The amount requested is \$1,000,000 with a \$500,000 match. The funding for this match is \$300,000 from the Real Estate Excise Tax 1 (REET 1) fund and a \$200,000 grant that has been received from Save America's Treasurers.
- 8.8 Approval of the Veterans Assistance Fund applications for: Glen M. Byrns - Food \$200.00 and Sammy B. Weaver - Utilities \$200.00 for a total of \$400.00 as recommended by the Veterans Assistance Fund Screening Committee.
- 8.9 Approval to reappoint Ken Wilson, Brian R. Cook, James Naismith, Mike Carnovale and Frank Kenny and appoint Terri Jeffreys to the Mason County Lodging Tax Advisory Committee (LTAC).
- 8.10 Approval of amendment 5 to existing WRIA 16 and 14b Phase IV Watershed Implementation Grant agreement between Mason County and Washington State Department of Ecology, to increase grant funds by \$56,000 to a total of \$306,000 for Ecology Grant No. G0800033.
- 8.11 Approval of the resolution establishing the new Competitive Bidding process to comply with new legislation, Engrossed Substitute House Bill 1847. This resolution increases the competitive bid limits for the purchase of materials, equipment, or supplies and replaces Mason County Code 3.48 in its entirety. **Resolution 86-09 (Exhibit A)**
- 8.12 Approval of the resolution establishing the new Small Works Roster Process to comply with new legislation. This resolution increases the limit allowed for use of the Small Works Roster and replaces Mason County Code 3.48.050 in its entirety. **Resolution 87-09 (Exhibit B)**
- 8.13 Approval to set a public hearing on Tuesday, November 3, 2009 at 9:30 a.m. to consider renaming all of Collins Place (County Road Number 77060) to RainTree Lane to reduce the multiple name confusion issue.
- 8.14 Approval of the professional services contract between the Mason County Public Health Department and Rosa Borja for interpreter services. The cost is \$12,000 and is budgeted.
- 8.15 Approval of the contract between Mason County and the Department of Ecology to provide \$250,500 in funding for water quality monitoring along the North Shore of Lower Hood Canal between Belfair and Dewatto. The matching requirement is \$62,500 over a 2 ½ year cycle and is in the 2010 budget.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 3

8.16 Approval of Warrants		
Claims Clearing Fund	Warrant #s 163232-163853	\$3,431,174.84
Salary Clearing Fund	Warrant #s 2872-2960	\$ 521,154.24
Direct Deposit Fund	Deposit #s 15818-16194	\$ 590,800.88

Annette McGee asked that items 8.4 and 8.6 be removed for further discussion.

Patty Case asked that item 8.5 be removed for further discussion.

Brenda Hirschi had questions regarding items 8.7 and 8.15.

Theresia Ehrich had questions regarding item 8.10.

Cmmr. Sheldon had questions regarding item 8.2

Item 8.2

Cmmr. Sheldon stated that this is asking the Department of Ecology and the EPA to visit small and medium size businesses regarding pollution prevention. He would like to know if the Economic Development Council will be notified and have an opportunity to visit these companies as well.

David Baker responded that this is a continuation of a program that began last year and it is a no cost option for the County to participate with Kitsap County in the implementation of the program. He doesn't know if the EDC has been contacted, but he would be glad to connect them with the program so they are in the loop.

Item 8.7

Ms. Hirschi asked how the decisions are made to provide Real Estate Excise Tax for a project.

Cmmr. Sheldon answered that it is the Commissioners' decision. The Finance Committee also reviews the obligations of the fund.

Ms. Hirschi asked if the projects are reviewed collectively or one by one.

Cmmr. Sheldon responded that projects are reviewed as they arise. The courthouse restoration project has been a long standing project, but the opportunity to match the funds with stimulus money has just come in recently.

Mike Rutter commented that this project is part of the Capital Improvement Plan. The amounts listed need to be corrected. The total amount for the grant is \$1,076,500 and it is a \$538,250 match. \$200,000 of the match comes out of the Save America's Treasurers award. \$338,250 comes out of REET 1 and money left over from the Commissioners' bonds for the purchase of the church property.

Jane Roush asked what the funds would actually cover at the courthouse.

Mr. Rutter responded that the courtrooms and storage area at the courthouse would be renovated. The accessibility would also be improved.

Pat Swartos asked if this would include the Clerk's office.

Mr. Rutter answered that it would.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 4

Item 8.10

Theresia Ehrich thanked the Commissioners for including the match dollars on the agenda. She would like to know the match amounts for the grant on item 8.10.

Tammi Wright answered the match is with in kind services. There is no cash match, it is matched with volunteer time.

Ms. Hirschi asked if this would be in the 2009 Public Health budget.

Ms. Wright answered it is in DCD's 2009 budget.

Item 8.15

Ms. Hirschi asked where and when this would be budgeted.

Debbie Riley answered that it will be in the Health Department's 2010 budget.

Cmmr. Sheldon asked what the source of the match funds would be.

Ms. Riley responded that it is a cash match from the Department of Health On-site Management Plan grant. It is \$100,000 over two years.

Cmmr. Ring Erickson/Gallagher moved and seconded to approve Consent items 8.1 through 8.3 and 8.7 through 8.16, with a correction to item 8.7 to change the amount requested to \$1,076, 500 with a match of \$538,250, of which \$338,250 will come from REET 1 and \$200,000 from Save America's Treasurers. Motion carried unanimously.
RE-aye; S-aye; G-aye.

Item 8.4

Cmmr. Sheldon stated this has been an ongoing discussion for many years. It is a 50 year lease and there are 3 years left on the lease. There is no intent from the Commission to renew the lease. With staff and maintenance in 2007, the County lost \$211,624 in operation of the fairgrounds. In 2008 the County lost \$299,215 from Current Expense. Last year a one time allocation of \$100,000 was allocated from lodging tax. He thinks the opportunities for private operation of the fairgrounds are lucrative. A private operator could do a very good job and the public would see an improvement of service. There was a special meeting with the Port last week to talk about the issues. He thanked the Port for working with the Commission and being a great landlord for 47 years.

Cmmr. Ring Erickson added that last year during the budget discussions it was very clear that the LTAC grant was for one year only. There have been a series of meetings with stakeholder groups. The policy decision that this Commission made through its budgeting actions last year were very clear. She appreciates the work the Port has done as well.

Cmmr. Gallagher commented that this has been an ongoing discussion. There have been candidates at the Port that wanted to support the fairgrounds and others that wanted the County out. With three years left on the lease the County would still be running at a deficit maintaining the fairgrounds. Yesterday at briefings the Sheriff said he needed help. This money needs to be utilized in other areas. The County just can't afford it anymore. Hopefully a private group can make this a more profitable place. On one hand the Board is terminating the lease three years early and on the other hand it is inevitable.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 5

Cmmr. Sheldon stated this is a tough business decision, but insurance is a big issue. It isn't sensible for the County sublease this out to someone else. The insurance company says that isn't going to work. It is better for a private entity to lease directly from the Port. Planning for events next year also needs to be addressed. If the Commission doesn't take any action now, the next fairgrounds operator will be put at a disadvantage in obtaining concessions and events for next year.

Cmmr. Ring Erickson noted that she would hate to see the fairgrounds locked and deteriorating without a fair. It is better to terminate the lease and let the Port go in to look at the business value of the property. The buildings wouldn't be in better condition after sitting for three years while the lease expires.

Annette McGee asked when the Commissioners made up their minds to cancel this lease. It wasn't in a public meeting. It says in 8.5 and 8.6 the County is canceling the lease. She realizes that there was a meeting with the Port and meetings with stakeholders, but the public hasn't had a chance to respond on this. It seems the Board made a decision to cancel this lease without public input. The Stakeholders gave up because they already knew what the Commissioners had in mind. She would like to know how much the insurance costs for the fairgrounds.

Cmmr. Sheldon responded that the insurance costs approximately \$100,000*. He doesn't know the exact number but there is a lot of risk in putting on events. There has also been loss of \$211,000 in 2007 and \$299,000 in 2008. **It was noted at the 10/20/09 Commission meeting that the insurance actually costs approximately \$14,500.*

Ms. McGee asked why something wasn't done about these losses before. She stated that losses of these amounts are a drop in the bucket when a service is being provided to the citizens. She thinks the public should be brought in and there should be a public hearing. Three more years would give the Port an opportunity to take care of the fair. Basically, if the Board kept the contract for three years with the Port it would cost a lot less. If the property were leased out it would only cost the County \$100 per year plus insurance. She is asking the Board to hold a public hearing. Canceling with the historical society is going to create a really big issue as well.

Patty Case stated she realizes this decision has already been made. She pointed out that there are thousands of dollars worth of equipment at the fairgrounds that has been donated for Oysterfest and other events. For example, the Skookum Rotary has spent about \$1,500 on electrical equipment and they would like to opportunity to get some of that back. There will be a great deal of confusion when all of this is removed.

Cmmr. Sheldon noted that there are many items that are of no use to the County that would stay at the fairgrounds.

Dawn Twiddy stated that staff has discussed this. For example, there are tents that go outside of the kitchens that are required for health and safety. That would be something the County would be leaving as fairgrounds equipment. Staff is doing an inventory of all of the equipment and will put out notice to all of the fairgrounds users. They plan to have a sign out for the items. They want to facilitate a smooth transition and to work with the Port.

Mike Rutter clarified that they do not want to take things away from the fairgrounds property and make it unable to move forward. They will do their best to keep everything up there for the future users of the fairgrounds. It is not the Commissioners' intention to take everything out. The County has maintained everything that has been donated to the fairgrounds.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 6

Ms. Hirschi stated she is disappointed that there has not been a public hearing on this. She is seeing a trend here. There was not public input on the hours being changed at the landfill. The public needs to be given the opportunity to speak. She hopes the Board isn't trending towards not holding public hearings.

Charlie Butros commented that the fairgrounds lease includes a 60 foot wide strip that connects the parking lot area with Highway 101. Part of what is being considered is transferring the responsibility of operating and maintaining that road from the County to the Port.

Cmmr. Ring Erickson asked what kind of impact this would have on the County's emergency sheltering since the fairgrounds was used for a shelter.

Ms. Butros responded that he doesn't have a good answer for that. An alternate area will need to be found or perhaps the Port would continue to let the County use the facility for emergencies.

Elaine Adam commented on public hearings. She stated that Seattle has a prison, a third runway and a stadium that were all voted down by the people. It doesn't make a difference even if the people have a say.

Port of Shelton Commissioner Rick Byrd clarified that the Port has been discussing this for a long time. It has been an ongoing discussion. One thing that has been discussed consistently at the Port is that the County has 56,000 taxing parcels and could not make this work. In order to keep the doors open the Port would have to convince approximately 7,000 people in their taxing district to carry the burden of what the County is unable to carry. If they are able to make this work it will take very good management.

John Hanson stated that the budget for the fairgrounds stopped in November. It was decided last year that money wouldn't be spent on the fairgrounds after November so this was done a while ago. He and his wife submitted a proposal to the Commission two months before the County Fair and they haven't received a single phone call from anyone to talk about it or see if it's viable. There are currently 2 big events, but there could be 6 big events to cover costs. They wanted to try to make the facility more viable by running more events. He asked, other than the insurance, is any reason why the County hasn't tried to work with a private party directly.

Cmmr. Sheldon responded that the County would have to go out for a request for proposals. The County's attorney has stated that it doesn't make sense to sublease the property when there is only three years left in the lease. The County would still have to provide insurance, staff and maintenance. It makes better sense for a private entity to lease directly from the owner of the property.

Mr. Hanson stated that the Board had the opportunity to help maintain the fair facility, which would help foster growth and wages. The proposal didn't include anyone working from the County. They would have had three years to prove the plan valid. Now they have to have \$75,000 up front. He thinks this could be a good revenue source.

Gary Schoyten stated he has spent a lot of time at the fairgrounds with Oysterfest. The citizens of the community are a big part of what Oysterfest is all about. They pride themselves on volunteerism. His concern is that he hasn't heard of a professional exit strategy from the County. He also hasn't heard that the Port is able to take it over. It won't take long for the facility to fall apart. There is a lot of historical knowledge from the people who work there now that cannot be replaced. It won't take long until there

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 7

is no Fair or Oysterfest in the community. He thinks the Board needs to give this more time so there is a well thought out transition to another entity.

Ms. McGee commented that the Board should now see why she is asking for a public hearing after hearing this testimony. There needs to be smooth transition. Elected officials don't know more than the public and this Board has lost sight of their responsibility to the public of Mason County. This is a small community so people are shy to speak out. The County provides services to the public by the use of the taxpayers' dollar. She pleads for a public hearing.

Patty Case commented on item 8.5. The caretakers find the broken water lines first thing in the morning. They find the critical things that need to be dealt with immediately. There needs to be an exit strategy and it should be an open and transparent process.

Cmmr. Sheldon noted this issue has been worked on for a long time. If the Board doesn't take action it will be a disservice to the public. The Board sits, waits and listens. There have been stakeholder meetings and this was mentioned last year. It was not in the 2010 budget to continue this lease. The Sheriff's officers and others are coming to the Board worrying about their jobs. The County spent over \$500,000 in two years at the fairgrounds and there could actually be a business model that works up there. A decision has to be made and he was elected to make a decision that makes sense for the greater good of the community. There needs to be a balance. There are mandated services and un-mandated services and during a time of deep recession the Board has to make decisions that prioritize mandated services. It is essential to make a motion and make a decision.

Cmmr. Gallagher commented that people will need to know by November 1st what is going on in order to arrange future events. If the Board were to schedule a public hearing it wouldn't happen until the first part of November and that would be too late.

Cmmr. Ring Erickson added that the wording in items 8.5 and 8.6 is unfortunate, but the Board doesn't write the agenda themselves. The action is to draft a letter to the Port and any transition would be in 60 to 120 days. While it might be better for an entrepreneur to have the County gift them insurance coverage that is not an option. The Board cannot cover a private entity with the Risk Pool's insurance. The construction of the fencing has been a bit premature because there wasn't a decision to terminate the lease until this process. There have been discussions on what terminating the lease would mean and that is why it is on the agenda.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve Consent item 8.4. Motion carried unanimously. RE-aye; S-aye; G-aye.

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

Cmmr. Gallagher/Ring Erickson moved and seconded to approve Consent item 8.6. Motion carried unanimously. RE-aye; S-aye; G-aye.

Cmmr. Ring Erickson thanked the Port and the Historical Society for their work on this.

Cmmr. Sheldon called a recess at 10:20 a.m. The meeting reconvened at 10:33 a.m.

9. 9:30 a.m. Public Hearings and Items Set for a Certain Time. –

- 9.1 Public hearing to take public comment on the proposal to change the hours that certain Mason County offices are open to the public to accommodate staff reductions.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 8

Lisa Frazier, Treasurer, stated the closure being discussed is from 12:30 p.m. to 2:00 p.m. each day. Each of these departments has lost staff and they now need time to cover the unpaid lunch hour. In her office there is one staff person in the front office and one in the back. They cannot see each other, which makes it very difficult. She hates asking to close to the public but they are at a point where there are some safety issues.

Dixie Smith, Assessor, stated that she has had to eliminate 3 positions due to budget cuts. Two of the cuts were from the front counter positions, leaving one person to handle the counter traffic. The 3 positions that were cut handled senior citizen applications, BOE appeals, personal property affidavits, building permits, destroyed property claims, mobile home problems and taking messages for the appraisers in the field. One person cannot take care of all of these responsibilities. Other clerical staff has to cover the front counter for lunch, breaks, vacations and illnesses. Staff now has their workload, plus helping cover the counter work, and they are falling further and further behind.

Fina Dahman, Chief Deputy Auditor, stated there are consequences to the budget and staffing reductions the Board has imposed on the Auditor's office. Unfortunately those consequences are not always in the best interest of the citizens. They have exhausted all methods of dealing with staffing shortages, and they are now out of options. Closing during the lunch hour is the last resort. They will resume normal operating hours when the Board restores adequate staffing levels in their office.

Cmmr. Gallagher asked why the closure would be for such a long period of time.

Ms. Frazier answered that if there are customers in the office at 12:30 p.m. they will need the opportunity to continue processes and get the customers out the door. It may mean that staff isn't leaving at exactly 12:30 p.m. or coming back at exactly 1:30 p.m.

Cmmr. Sheldon asked what would happen in order to stop serving customers. Will the outer door be closed?

Ms. Frazier responded they would serve all of the customers in the lobby and then close the outer doors.

Cmmr. Sheldon asked if the departments would work to together to make sure all of a customer's issues are taken care of before staff goes to lunch.

Ms. Frazier stated that they would work together.

Public Testimony

Brenda Hirschi stated she is the only one speaking and this is why this is an overkill of a public hearing, because it isn't a critical issue. There is no public hearing for the fairgrounds or the change of hours at the landfill. This is wrong.

Wendy Ervin asked if the departments have looked at having staggering shifts to cover the lunch hour.

Ms. Frazier answered that they currently stagger lunch for staff, but that still leaves one person by their self with cash on hand. There is still a risk and a safety issue.

Ms. Ervin asked if there is a person in the lobby that has a large issue will there be a way to speed them through.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 9

Ms. Frazier responded that she would need to talk to the Assessor and the Auditor, but they would take whatever actions are necessary to make sure there is a smooth transition.

Cmmr. Gallagher commented that other counties do something like this. Staff has been cut and staggering would only work if there were more people. He doesn't know if this will be a permanent situation or just a trial.

Cmmr. Ring Erickson noted that the Assessor and Treasurer's comments have been thoughtful and she would like to put the staffs' safety as a priority. She is surprised that the Auditor seems to think that the Board cuts staff for amusement. She finds that troubling because the fact is the County just doesn't have any money.

Cmmr. Sheldon stated he is adamantly opposed to this. He doesn't think the public will be well served. The State licensing department has closed 12 offices and their budget has been cut tremendously. They have done things better, faster and cheaper. They have noted that the busiest time is lunch time and the second busiest time is break time in the morning. The timing of this will cause a lot of problems with the public and the public isn't in the loop. He thinks this will spread to other departments and other elected officials will ask for reduced hours as well. Everyone has to suck it up. There are other options to be explored before the hours are cut to the public. He means no disrespect to any of the employees, but this is a critical time period to offer services. We are here to serve the public even if it is difficult to do. This is going to cause a lot of people to be very unhappy.

Cmmr. Gallagher/Ring Erickson moved and seconded to approve the resolution amending resolution 23-00, authorizing the Assessor, Auditor and Treasurer to close their offices during the required lunch period. Motion carried. RE-aye; G-aye; S-nay. Resolution 88-09 (Exhibit C)

10. Other Business (Department Heads and Elected Officials) –

10.1 Charlie Butros announced that Pickering Road would be closed today for culvert repair work. He also announced that Grapeview Loop Road was reopened last night.

10.2 Emmett Dobey reminded the Board that the Belfair Water Reclamation Facility ground breaking is on Monday, October 12, 2009.

10.3 Mike Rutter read a news release announcing the termination of the lease between Mason County and the Port of Shelton for the fairgrounds. He commented that he has been out at the fairgrounds for a long time and there is a tremendous amount of volunteers. There have been a lot of dedicated hours out there. He wanted to emphasize that the staff has been great.

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 11:04 a.m.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
October 6, 2009 - PAGE 10

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Tim Sheldon, Chair

ATTEST:

Lynda Ring Erickson, Commissioner

Shannon Goudy, Clerk of the Board

Ross Gallagher, Commissioner