

**SUMMARY OF THE MINUTES
SAN JUAN COUNTY (SJC), WASHINGTON
COUNTY COUNCIL
MARCH 27 AND 28, 2006**

Monday, March 27, 2006 - Council Conference Room

CALL TO ORDER

Council Chair Lichter called the special meeting to order at 10:00 a.m. Council Members Ranker and Myhr; County Administrator Pro-Tem David Goldsmith; and Interim Clerk of the Council, Carolyn Morrison, were present.

PUBLIC MEETINGS/WORK SESSIONS

10:00 a.m. – The Council met for a weekly Staff Meeting and Council Work Session regarding various County business. No action was taken

RECESS - At 11:35 a.m., Council Chair recessed the meeting until 10:00 a.m., Tuesday, March 28, 2006.

Tuesday, March 28, 2006 - Council Hearing Room

CALL TO ORDER

Council Chair Lichter called the meeting to order at 10:12 a.m., due to the late arrival of the Inter-Island Ferry. Council Members Ranker and Myhr; County Administrator Pro-Tem David Goldsmith; and Interim Clerk of the Council, Carolyn Morrison, were present. The flag salute was conducted.

CITIZEN ACCESS TIME

Stephen Robins – Regarding transparency in government and a request to have Council Discussion/Other Action and Consent Agendas available prior to Tuesday mornings. **Side** - Council Chair Lichter asked the Council Clerk to address this request. Ms. Morrison explained that these two agendas are not finalized until the Council has the opportunity to review and approve them, which is done at the Staff Meetings held on Monday mornings. If the Council would permit her to do so, she offered to post these two supplemental agendas on the Council's Web Site on Monday afternoons once they are approved. The Council agreed to the suggestion. Councilman Myhr asked to further explain that it is impossible to set these two agendas well in advance because of the many issues that continually arise in government. He stressed that the Council strives to provide transparency for its citizens at all times.

Helen King – Lodging Tax Advisory Committee (LTAC) Member regarding the distribution of Lodging Tax Funds and recommendations of the LTAC.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted Council Agenda and Discussion/Other Action Agenda were revised.

APPROVAL OF MINUTES

Moved by Ranker, seconded by Lichter, to approve the minutes of **March 21, 2006**. Motion carried with Councilman Myhr abstaining due to an excused absence.

CONSENT AGENDA

Moved by Myhr, seconded by Ranker, to approve the **Final Consent Agenda of March 28, 2006** as follows:

A. Resolutions/Ordinances:

1. **Resolution 19-2006** - Adopt the resolution declaring the intent of SJC to vacate and abandon portions of County Road Right of Way, in Government Lot No. 4 of Section No. 1, and Government Lot No. 1 of Section No. 2, Township 34 North, Range 2 West, W.M., as shown on Attachment "A"; and, directing the County Engineer to report upon said vacation and abandonment as described in RCW 36.87.040.

B. Budget Items:

1. Approve the recommendation of the Health and Community Services Director, as detailed in the Memorandum dated March 23, 2006, based upon the recommendation of the Affordable Housing Fund Commission (now the Housing Bank Commission) to provide a grant of \$10,000 to the San Juan Island Home Trust, pursuant to the discussion held with the Council on March 21, 2006, and the provisions of Resolution 58-2002.
2. Approve the recommendation of the Health and Community Services Director, as detailed in the Memorandum dated March 23, 2006, based upon the recommendation of the Affordable Housing Fund Commission (now the Housing Bank Commission) to provide a grant of \$40,000 to the Homes for Islanders, pursuant to the discussion held with the Council on March 21, 2006, and the provisions of Resolution 58-2002.
3. Approve the Cost of Living Adjustment (COLA) of three percent retroactive to the January 1, 2006, for unrepresented employees, consistent to that of Union employees, as detailed in the Human Resources Manager's Staff Report dated March 21, 2006, and as approved by the County Administrator Pro-Tem.

C. Correspondence:

1. Sign the letter to Gene Wilkinson accepting his resignation from the SJC Board of Equalization; and, sign the Certificate of Recognition for his service.
2. Sign the letter to Craig Wier accepting his resignation from the SJC Affordable Housing Fund Commission; and, sign the Certificate of Recognition for his service.
3. Sign the letter to the National Marine Sanctuaries Foundation in support of the Northwest Straits Foundation's grant application for derelict fishing gear removal in SJC from the Ernest F. Hollings Ocean Awareness Trust Fund.

Motion Carried.

ACTION AND DISCUSSION ITEMS

APPOINTMENTS/PERSONNEL MATTERS:

1. **Hearing Examiner Appointment** – (Refer to EXECUTIVE SESSIONS section for details of action taken.)

MISCELLANEOUS ITEMS:

1. **Proposed Revisions to the Ordinance and Resolution Regarding the SJC Lodging Tax Funds and the Lodging Tax Advisory Committee (LTAC)** – Also present: Si A. Stephens, SJC Auditor. Mr. Myhr explained that he has reviewed most of the existing documents related to this matter and found that the SJC County Code states there are to be five members on the LTAC and that currently there are to be seventeen. As the new Chair of the LTAC, he has read the minutes of the committee, along with input from former LTAC Chair, Mr. Stephens, and would like to make this committee more manageable. The existing ordinance calls for one-year terms and the resolution provides for staggered three-year terms. He suggested that those members who have been appointed to serve through 2007 should continue to serve, if the Council agrees. He noted that this is a preliminary discussion as the Council has not yet had time to review and discuss any potential changes and further stated that the LTAC will be convened for discussions. He added that the final decision on amendments will rest with the Council. For the benefit of the audience, he explained how the money had been distributed for both the original two-percent Lodging Tax and the second tourism promotion two-percent Lodging Tax. Additionally, he explained the history of the existing two-year contract with the San Juan Islands Visitors' Bureau which is capped at \$350,000 per year. Although it was anticipated that additional funds would have been available to award to another entity (which was related to the annual Request for Proposals published and submitted last year), it turned out that only a little over \$460 was available. Because the Council had chosen to award this extra funding to an entity that was different than the recommendation of the LTAC, Mr. Myhr noted that the decision of the former Board of County Commissioners was based upon the proposal submitted by the San Juan Island Chamber of Commerce. He also noted that the Westcott Bay Institute did not meet the requirements and had not been recommended by the LTAC. He read from the State Statute regarding distribution of the second two-percent funding and noted that these funds are less restricted than the current ordinance. Council Member Ranker, 2005 Chair of the LTAC, thanked Mr. Myhr agreeing to be the Chair of the committee and for the preliminary work he has done. He also stated that he was pleased to see the recommendation for a possible two-year term for LTAC members rather than the one-year term called out in the ordinance. It was also noted that the

Council has many critical priorities at this time; therefore additional work on these revisions will be scheduled as soon as practicable in the future.

2. Western Region Growth Management Hearings Board (GMHB) Compliance Time Extension Granted – Mr. Ranker announced that the Council had received word that the GMHB had extended the compliance due date another 60 days related to the issue of Accessory Dwelling Units in SJC.

3. Draft Resolution Regarding a Request for an Advisory Ballot for US Troops to be Sent Home from Iraq – Also present: Si A. Stephens, SJC Auditor. Council Member Lichter had provided copies of a draft resolution for review of the Council and stated that there were approximately 100 cities and councils that have passed a similar resolution to ask for immediate withdrawal of troops. He asked his fellow Council Members if this matter could be placed on an advisory ballot for a vote of the citizens of SJC adding that he did not wish the Council to decide on the issue, nor to be part of a three-person Council that makes such a request. He was unaware of any other jurisdiction in the State of WA that had adopted such a resolution and this would make SJC a leader in the State. He recommended the Primary Election Ballot would be his preference for this measure as it would not cost additional money. Mr. Ranker stated that if the Council was in agreement on this proposal, he wanted to be certain that there was no cost associated with it. Although he is personally against the war, he expressed his concerns regarding the amount of work before the Council and in the County adding that SJC is barely treading water, and if this should be a Council issue. A lengthy discussion ensued regarding whether or not this matter should be placed before the voters, the authority of the Council, and alternatives to an advisory ballot. Council Member Myhr stated that he too was personally a strong opponent of the war, he urged citizens to express their views to their legislators, and agreed with Mr. Ranker on how much of this issue falls under the control of the Council. He commended Mr. Lichter for bringing this matter forward. Additional discussions continued on the pros and cons of an advisory ballot. Mr. Ranker noted he had asked for copies of other resolutions but none had been forthcoming. Mr. Lichter offered to provide other examples by next week. Mr. Lichter then asked for comments from citizens present which were submitted both for and against the advisory ballot. Due to time constraints and lack of consensus, the matter will be brought back for further discussion.

4. County Administrator Search Update – Mr. Myhr related that the process is moving ahead and that he has spoken with Ed Rogen of Waldron & Company (the consulting executive search firm) who had shared that the application process is open until April 10. The Council will meet with a representative of Waldron on April 18 to review the qualifications of some of the top candidates for public employment. Interviews will be scheduled after this review. He reported that there have been over 60 applications received thus far; however, no names have yet been given to the Council. He emphasized the importance of finding the right person to serve SJC and that the Council is committed to doing their best on this and other work before them.

5. Additional Review of the Housing Bank Manual Amendments – Present: John Manning, Health and Community Services Director. Because Council Member Myhr was absent on March 21, he had requested that this item which had been slated for the Consent Agenda be pulled in order to offer his comments. He stated that he had found a reference to the Board of County Commissioners that should be the SJC Council and requested that it be changed prior to approval. In addition he noted that there was duplicative wording he felt should be changed. Mr. Manning explained that the Housing Bank would be reviewing the entire document and the entire program if the Real Estate Excise Tax measure slated for the May ballot was passed by the voters. After discussion, the following action was then taken: **Moved by Myhr, seconded by Ranker, to approve the revisions to the Affordable Housing Revolving Loan Fund Policies and Procedures as set forth in the revised document, Housing Exception, SJC Equity Loan Program for First Time Homebuyers, based upon the recommendation of the Health and Community Services Director, as detailed in the Memorandum dated March 23, 2006, pursuant to the discussion held with the Council on March 21, 2006, with the change noted today. Motion carried.**

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

11:00 a.m. (Commenced at 11:13 a.m.) - The Council sat as the Board of Health (BOH) for their regularly scheduled monthly meeting. Present: John Manning, Health and Community Services (H&CS) Director; JoAnne Campbell, Personal Health Services Manager; and Mark Tompkins, Environmental Health Manager. Agenda:

1. On-site Sewage Systems Updates – Mr. Tompkins verbally presented his written Staff Report dated March 23, 2006. Twelve Puget Sound counties, including SJC, are required to develop a written plan for On-site Sewage Systems Rules and Regulations by June 30, 2007. Of the five management models offered by the Environmental Protection Agency, he explained which options some other counties were using, and recommended Model 1 for SJC. This is the "Homeowner Awareness Model." **After discussion, the Board agreed that Model 1 would be best for a small County such as SJC.** Mr. Tompkins added that the next step will be to form a committee to help craft a plan as listed in his Staff Report. Mr. Ranker asked that Mr. Goldsmith

be involved in this effort and suggested that it would be prudent to discuss this with the Community Development and Planning Department as it may be applicable to the Critical Areas Ordinance updates. Mr. Tompkins noted that Vicki Heater, H&CS Environmental Technician-Water, is already speaking with them and it is understood that this is a clear part of the updates.

2. ABCD Program Update – Ms. Campbell presented a verbal report on the new dentistry program for young children under the Medicaid Program. Training of County participants has been completed including local dentists.

3. Report on the Influenza Surveillance System – Ms. Campbell reported that the Health Department is in contact with the schools on absentee rates. Normal absenteeism is three to four percent and the alarm rate is 10 percent. We had reports last week that the current absentee rate is over ten percent. This is related to a respiratory illness.

1:30 p.m. – County Administrator Pro-Tem Council Briefing. Also present: Si A. Stephens, SJC Auditor; Karen Vedder, Deputy Prosecuting Attorney; Dave Zeretzke, Administrative Services Director; and interested citizens.

1. Citizens Salary Commission Appointments – Mr. Goldsmith referred to his Memorandum dated March 28, 2006 and explained the process and requirements for the four names he must bring forward. Twenty-four candidates were sent questionnaires regarding their background and experience, along with a request to respond that they did not work for the County nor did an immediate relative. Fifteen responded to the questionnaire. In attempting to narrow the field, these candidates were then screened based on the criteria set forth in the RCW's, and included the exclusion of those persons who had made public statements as to what they thought about salaries. Mr. Goldsmith informed the audience that he then spoke individually to Council Members about this preliminary information. His primary candidate recommendations were the following names: organized labor expertise - Michael Soltman, San Juan Island School District Superintendent; business expertise category - James Lett of Lopez Island; personnel management expertise - Pamela Nichols of San Juan Island; and for legal profession expertise - Don Drodz of Orcas Island. Mr. Goldsmith also noted that the Auditor had provided the list of the appointments he made for each district. They are: Wilma Munsey, District 1; John Marx, District 2; Mimi Westphalen, District 3; Thomas Mitchell Jones, District 4; Lorinda Roland, District 5; and Sandy Wyllie-Echeverria, District 6. The Council stated that they had not had time to review the names or backgrounds of the individuals put forth as they had only received this information at 1:30 today. Although the Council noted that it was necessary to expedite these appointments, two members stated they were not pleased with the first recommendations and asked that alternates be provided. **It was agreed that Mr. Goldsmith would bring back alternatives and this matter would be brought back next week for further consideration.**

2. Potential Property Purchase – Mr. Goldsmith stated he had researched the information regarding the Carlson Building across the street from the Courthouse and determined that at this point purchasing this building would be in the best interest of the financial and space needs of the County, especially with the existing leases for various departments for off-site offices. These currently run in the neighborhood of \$60,000 per year. He explained how some of the existing leases within the Carlson Building could be dealt with and that the property is contiguous with the existing County property previously purchased for a potential new facility. He added that Mr. Carlson has had two offers without contingencies for the purchase of this building and recommended that the County consider a purchase at \$1.7 million dollars or less depending upon an appraisal. He noted that in 2001 the appraisal was \$1.2 million and an offer of \$1.4 million had been rejected. Mr. Carlson had stated to him and the Auditor that he would prefer that this building be purchased by the County if at all possible. He has offered an attractive payment scheduled that the County could afford. Mr. Stephens noted that the payment would be approximately \$100,000 per year from Current Expense (General Fund) and an initial \$100,000 from the Capital Fund. The County would assume an existing loan with Islander's Bank at a low interest rate and could consider bonding if necessary. He also explained that the existing \$60,000 in outside leases could be folded into this including the already approved Elections Department lease. Councilman Ranker stated that this purchase makes sense in the long term noting that the building could be torn down and made part of a larger plan in the future if required. Mr. Goldsmith added that making the building ADA accessible would not be as expensive as once thought. An ADA "lift" could be installed for about \$40,000; however, the condition of the building does need to be checked. Ms. Vedder noted that if the Council does go forward, Mr. Goldsmith could go forward with an offer with contingencies and/or a Purchase and Sale Agreement with contingencies; however, as with other real estate purchases, this would be finalized by the Council if the sale is consummated. The following action was taken: **Moved by Ranker, seconded by Myhr, to grant authority to the County Administrator Pro-Tem to go forward with a Purchase and Sale Agreement with the contingencies brought forth regarding the purchase of the real estate known as the Carlson Building located on Second Street in the Town of Friday Harbor across from the Courthouse; and to have this matter come back to the Council for final approval. Motion carried.**

3. Critical Areas Ordinance (CAO) Update Report – Mr. Goldsmith reported that Ron Henrickson, Community Development and Planning Director, has put out an RFP for consultants to work on the CAO updates and has received two responders so far. More are expected. He stated that at the present time there is about \$15,000 from CTED and \$15,000 in the budget. Mr. Ranker asked about another \$25,000 that was available from CTED and Mr. Goldsmith stated that it was being looked into. He stated that the deadline from completion of these updates is December 1 and it is doubtful that it can be completed on time. There are seven areas currently out of compliance. The Council discussed at length the issue of compliance, the possibility of incorporating this work into the newly approved initiative and the funding anticipated from the Puget Sound Action Team and through the efforts of Shared Strategy for Puget Sound. Mr. Goldsmith noted that these issues are being reviewed; however, at the present time there is enough funding to move forward. Additional discussions will be held in the future.

4. Hearing Examiner Candidates Review and Recommendations – Mr. Goldsmith referred to his Memorandum dated March 27, 2006 which itemized the process and listed the candidates. He noted that the committee approved by the Council had met and had provided two top candidates for consideration. He stated that the evaluation of the qualification of these candidates would be conducted in Executive Session and that any decision would be made in open session. The Council then announced the Executive Session would commence.

2:30 p.m. – (Commenced at 3:15 p.m. due to time constraints.) A meeting was held with representatives of the SJC Ferry Advisory Committee (FAC) to hear an update report regarding recommendations for the International Ferry Sailing Schedule. Present: FAC members Alex MacLeod (Chair); David Moody; Robert deGavre; and interested citizens. On March 7, 2006, Mr. MacLeod and Mr. deGavre had asked to return with additional information and their recommendations for substitution of the ferry Chelan in place of the Elwha for the summer international route. Since that time the FAC had met with many members of the community and spoken to staff of WA State Ferries (WSF) regarding this matter. They had researched the load data and determined that the prior summer the Elwha used for the International route was less than half full. The Chelan is outfitted for this route and would allow the larger vessel to serve the traffic to the San Juan Islands if the change was made. It was estimated that at least 72 additional spaces would be available west bound on a daily basis and east bound 96 additional spaces with the most benefit to San Juan and Lopez Islands. After discussion, the Council thanked the FAC for their work on this recommendation. Mr. MacLeod asked if the Council would write a letter of support to Mike Anderson, WSF Director, regarding this matter and offered to provide a draft document for consideration. It was agreed that the draft would be furnished to the FAC Liaison, Alan Lichter, who would prepare a draft letter for consideration of the Council the following week.

3:00 p.m. - A bid opening was held for three (3) ten-yard trucks for the Public Works Department. Bid specifications were published as required by law. Five bids were submitted. Each bid was signed, contained the required Addendum No. 1 and bid bond. Not all bids specified the make and model on the face sheet. A certification was attached to one bid that had been opened in error by an employee of another department. The certification stated that the contents of the envelope were not viewed and had been resealed. The Clerk of the Council attested to this certification. The following is a summary of the bids received taken from the information listed:

FIRM NAME & CITY	ITEM DESCRIPTION	Sales Tax	TOTAL PRICE
1. Motor Trucks, Inc., Mt. Vernon	(3) 2002 Model Dump Trucks 410 HP Diesel powered @ \$138,018.56 each	\$11,581.32	\$414,235.68
2. Valley Freightliner, Inc., Mt. Vernon	(3) 2002 Model Dump Trucks 410 HP Diesel powered @ \$139,372.00 each	\$34,285.51	\$452,401.51
3. Husky Truck Center, Seattle	(3) Volvo VHD w/North End Truck Dump Body Diesel powered @ \$141,000.00 each	\$32,571.00	\$455,571.00
4. Husky Truck Center, Seattle	(3) Volvo VHD w/Sturdy Dump Body Diesel powered @ \$145,000.00 each	\$33,495.00	\$468,495.00
5. Kenworth Northwest, Inc., Tulalip	(3) 2002 Model Dump Trucks 410 HP Diesel powered @ \$151,757.00 each	\$40,064.00	\$495,335.00

Moved by Ranker, seconded by Myhr, to forward the bids to the Director of the Public Works Department through the County Administrator for recommendation and analysis and to include additional information on mileage and emissions. Motion carried.

3:15 p.m. – (Commenced at 3:35 p.m.) A work session was held with Randall Gaylord on proposed procedures for appeals to the Council on Hearing Examiner decisions. Mr. Gaylord passed out a copy of a previously distributed list of Hearing Examiner decision for 2004 to illustrate the types of decisions by category. Additionally, he had prepared a list of various types of items that are currently heard by the Hearing Examiner to enable the Council to see what types of appeals they may wish to consider. The first category was open record original permits, the second was open record appeal decisions (of decisions of the Administrator), and the last was Building Code decisions. He suggested that the first category was appropriate for the Council to consider. The Council discussed at length all the information provided. After review of these categories, the Council reviewed the reverse side of the handout that detailed the grounds for choosing whether or not to hear appeals. There were five items listed and each was discussed. The matter of multiple appellants was discussed as the Charter did not provide language that would apply to this category. The Council and Mr. Gaylord reviewed the various issues and Mr. Goldsmith read from the Charter language. It was agreed that there would have to be rules of discretionary review written that would detail all the steps required. **After discussion, the Council agreed by consensus that the Building Code category would not have to come to the Council on appeals of those decisions, but preferred to have the citizens of the County bring appeals to them in the first two categories if they so chose.** The Charter language provides that an appellant may by-pass the Council and take an appeal directly to the Courts. Mr. Gaylord stated that he would have to prepare flow charts to show how each item would evolve in an appeal process for further review. **It was also agreed by the Council that the template that had been previously prepared by Councilman Ranker (dated February 20, 2006) would be used for a draft ordinance to allow the Council to hear appeals allowing for inclusion of categories A and B.** Mr. Gaylord noted that changes will have to be made to existing ordinances to address the Hearing Examiner General Provisions and a review of Building Codes and SEPA regulations. This matter will be brought back at a later date.

EXECUTIVE/CLOSED SESSIONS

2:14 p.m. – Council Chair Lichter announced that the BOCC would be holding an **executive session** estimated to last approximately 20 minutes, to evaluate the qualifications of candidates for public employment, pursuant to the provisions of RCW 42.30.110(1)(g). At 2:34 p.m., the Council Clerk announced the session would continue for 10 more minutes. At 2:44 p.m., the Council Clerk announced that another ten minutes was needed. The session ended at 2:54 p.m. for an actual session time of 40 minutes.

The Council came out of executive session and Council Member Myhr stated to the audience that the Council had discussed thoroughly the qualifications of the candidates. Council Member Ranker agreed and thanked Karen Vedder, Deputy Prosecuting Attorney, for the background information provided. The Council noted that it was a difficult decision to make. The following action was then taken: **Moved by Ranker, seconded by Myhr, to put forward the name of Bill Nielsen as the SJC Hearing Examiner and to request that the County Administrator enter into a contract with Mr. Nielsen for a one-year term. Motion carried.**

ADJOURNMENT – Chair Lichter adjourned the meeting at 4:20 p.m. A special meeting was scheduled for Monday, April 3, 2006, and the next regular meeting was scheduled for Tuesday, April 4, 2006.

These minutes were approved and signed on April 4, 2006. The original document is retained in the Councils' permanent proceedings file dated March 27 and 28, 2006. Attest: Carolyn K. Morrison, Clerk.