

BOARD OF COUNTY COMMISSIONERS

LEWIS COUNTY, WASHINGTON

BOARD MEETING MINUTES

December 3, 2012

The Board of County Commissioners for Lewis County, Washington met in regular session on Monday, December 3, 2012 at 10:00 a.m. **Commissioners F. Lee Grose and Ron Averill** were in attendance. Commissioner Schulte was absent. **Chairman Grose** determined a quorum, called the meeting to order and proceeded with the flag salute. **Commissioner Averill** moved to approve the minutes from the 10:00 a.m. meeting held on Monday, November 26, 2012. Commissioner Averill noted that the minutes were not verbatim, but captures the essence of the meeting. **Commissioner Grose** seconded the motion.

Motion Carried 2-0

PUBLIC COMMENT

Chairman Grose asked for public comment and there was no comment.

CONSENT

Commissioner Averill moved to approve Consent Agenda items one through nine. **Commissioner Grose** seconded the motion. Karri Muir, Clerk of the Board, read the items into the record.

Resolution No. 12-364 Approval of warrants for payment.

Commissioner Averill went over the warrants to be approved and noted that the amount was \$299.47 for two special purpose warrants (Vader Water System).

Resolution No.12-365 Approving Coalview's use of WEDFA funding.

Commissioner Averill stated this approves the Lewis County Board of County Commissioners support for the State of Washington Economic Development Finance Authority's issuance of a non-recourse revenue bond not to exceed \$27 million dollars to finance an economic development facility at 913 Big Hanaford Road, Centralia, WA for use for Coalview Centralia LLC for the construction and installation of a coal slurry refuge recovery and processing facility. This project is within the boundaries of Lewis County and it is the policy of WEDFA to not issue revenue bonds except upon the approval of the county, city or town within whose planning jurisdiction a proposed development facility lays. WEDFA seeks Lewis County's support. This action creates no obligation on the State of WA or on Lewis County and no tax funds will be used to pay the principal or interest on the bonds. Neither the faith in credit nor any taxing power of the State of WA or of Lewis County shall be pledged to pay the principal or interest on the bonds. The bonding capacity for the issuance for the non-revenue bonds is by WEDFA and the proceeds are lent to the company pursuant to the company per a loan agreement. The

BOCC finds that the support of WEDFA's action is in the best interest of the citizens of Lewis County

Rodney Wendt, Executive Director of WEDFA, Seattle, WA, stated WEDFA is an entity which primarily engages in conduit bond financing where we issue bonds that don't create any recourse to them or to the State to the benefit of private companies. Most often these are called industrial development bonds, and they are a way of getting these companies lower interest rates. The reason we were interested in this project was because it was for economic development and it promoted jobs. We ask the local planning jurisdiction to express their support of the project so we are not coming in and doing economic development projects that is not wanted.

Commissioner Grose stated it is refreshing to have someone ask for permission to do something before a project is started.

Resolution No. 12-366 Commitment of revenue for special purposes for the Emergency Management Fund 101.

Suzette Smith, Auditor's Office stated she will be speaking on items two through seven. These are being done because of Government Accounting Standards Boards Statement No. 54. Statement No. 54 establishes accounting and reporting standards, including criteria for classifying fund balances types in governmental funds. Statement 54 defines Special Revenue funds as funds that account for specific revenue sources that are restricted or committed to expenditure for specific purposes. The State Auditor's Office is using 20% revenue that is committed for specific expenditures in order for a fund to be considered a special revenue fund. If the fund does not have 20% revenue that is committed for specific expenditures or, specific revenue streams, then that fund must be rolled into current expense or the general fund when the government wide financial statements are prepared at the end of the year. In order to get several of Lewis County's funds to meet the criteria of Statement No. 54 the Commissioners are asked to commit specific revenue streams. The funds currently before the Board are: Election Reserve Fund 158, Emergency Management Fund 101, Community Development Fund 121, Southwest Washington Fair Fund 108, and Senior Services Fund 199. This resolution asks that certain fees that are specific to the activities that the fund or the personal in the fund provide, be committed to the expenditures of those funds.

Commissioner Averill stated this resolution is retroactive to January 1, 2012.

Commissioner Grose asked where the revenues are that go into this fund.

Mrs. Smith stated these are basically fees that come into the County. This is the way that the BOCC is able to say we are going to commit those fees to be used for those funds.

Resolution No. 12-367 Commitment of revenue for special purposes for the Election Reserve Fund 158.

See above

Resolution No. 12-368 Commitment of revenue for special purposes for the Community Development Fund 121.

See above

Resolution No. 12-369 Commitment of revenue for special purposes for the Southwest Washington Fair Fund 106.

See above

Resolution No. 12-370 Commitment of revenue for special purposes for the Senior Services Fund 199.

See above

Resolution No. 12-371 Approving Tim Elsea as the FEMA Applicant Agent and Merrilee Kenyon as Alternate Applicant Agent/contact for declared natural disasters of 2006, 2007, 2009, 2011, and 2012 as well as for any possible declarations that may occur in 2013.

Tim Elsea, Public Works Director stated the Emergency Management Division of the State of Washington requires Lewis County to designate an Applicant Agent and Alternate Agent. Resolution 12-068 appointed Tim Elsea as the Applicant Agent and Merrilee Kenyon as the Alternate Agent/Contact. There is a need to designate an Applicant Agent/Contact for Lewis County in all open, federally declared disasters, and for any disasters that may occur in 2013.

Lewis County Engineer, Tim Elsea, will serve as the Applicant Agent, and Merrilee Kenyon, Public Works Office Manager, will serve as Alternate Agent/Contact, for the open, federally declared disasters of: November 2006 flood disaster (#1671); December 2007 flood disaster (#1734); the January 2009 severe winter storm/flood disaster (#1817); the January 2011 severe winter storm/flooding (#1963); and the January 2012 severe winter storm (#4056), and for any future declared disasters that may occur in 2013.

Resolution No. 12-372 Bid award for confiscated, forfeited and unclaimed firearms in the possession of the Lewis County Sheriff's Office.

This resolution approves the bid and award of a contract to the best responsive bidder, Joe Rosbach of Joe's Outdoor Sport Shop on the Lewis County Sheriff's Office call for sealed bids to trade approximately 57 confiscated, forfeited and unclaimed firearms. The awarded bid will provide 13 Glock side arms, ten extra magazines and 3,500 rounds of FMJ ammunition (Trade Value of \$6,332.00). There were three sealed bids received and all met the requirements/specifications of the

Motion carried 2-0

Hearing

Hearing: Establishment of a change in Chandler and Doty Dryad Road

Chairman Grose announced the hearing and asked for a Staff Report.

Larry Unzelman, Public Works In the matter of accepting the establishment of a change in Chandler Road and Doty Dryad Road. The flood of 2007 washed out the Chandler Bridge over the Chehalis River near Dryad, WA. To meet the current construction standards for a new bridge it was necessary to move the bridge south from its former location. A resolution passed by this Board on September 28, 2009, ordered the County Engineer to examine and if necessary survey Chandler and Doty Dryad Roads, acquire all necessary right of way and report findings. The report of the County Engineer together with the survey map was filed with the Board on October 24, 2012. The report states as follows the necessary right of way has been acquired by deed free and clear and recorded with the County Auditor. All was done within the adopted procedures as per Resolution 09-381, and under the County's imminent domain authority.

The roads have been reconstructed to present Lewis County Road Standards and the new bridge has been built.

Resolution 12-337 passed on the 5th day of November, 2012, fixed the 3rd day of December, 2012, as the time and place for the hearing on the report of the Engineer, and that the Board duly caused notice thereof to be published and posted as required by law, and the Board now finds the establishment of the roads to be in compliance with all legal requirements.

It is the recommendation of the County Engineer as stated in his report that the change in Chandler Road and Doty Dryad Road establishment be accepted by the County.

Commissioner Averill stated there has been considerable discussion regarding this issue. We are approving a realignment of a road that has already been realigned. The RCW requires the Board to do this. There has been discussion to approve the realignment prior to construction in the future.

Chairman Grose asked if there were any more questions. There were none. He closed the question and answer portion of the hearing and opened the formal hearing.

Larry Unzelman asked that their previous comments be adopted into the record.

Chairman Grose asked if there were any other statements for public testimony. There were none. He closed the hearing and asked for a motion to approve the Order of Establishment 2012-01.

Commissioner Averill moved to approve Establishment of a change in Chandler and Doty Dryad Road No. 2012-01. **Commissioner Grose** seconded the motion.

Motion Carried 2-0

Hearing: Adopting the 2013 Lewis County Budget

Chairman Grose announced the hearing and asked for a Staff Report. Dawna Truman, Becky Sisson and Lara Seiler were in attendance for the hearing to answer questions.

Ms. Truman stated she is here to discuss resolution No. 12-373 which is requesting adoption of the 2013 Final Budget. Copies of the resolution are available at the front of the room. RCW Chapter 36.40 provides requirements for the budget process for counties. This preliminary budget was submitted to the BOCC and the Auditor on September 4th, 2012. Budget meetings

were held in September and October which allowed each elected official and department director to discuss their individual budgets with the Commissioners. These meeting concluded on October 24th. A notice of this hearing was published on November 14th and 21st in the East County Journal and November 15th and 24th in the Chronicle. Copies of the Preliminary budget were placed at the Centralia College locations in Morton and Centralia as well as Timberline libraries in Salkum, Packwood and Chehalis on September 26th. This is the second of two hearings to take public comment and questions on next year's budget. There was an evening presentation of the proposed final budget on November 19th at 5:30 pm here in the courthouse.

The Final budget sets Current Expense revenue at \$31,550,018.00 and expenditures at \$34,167,906.00 This Final budget sets current expense expenditures \$366,583.00 less than the 2012 budget as of 10/31/2012 and next year's anticipated new revenue is expected to be \$1,168,632.00 lower. The total revenue is budgeted at \$94,623,434 and expenditures at \$102,977,883.00. Also attached to this resolution is the 2013 salary grid for non-union employees. During the collective bargaining process this 2013 salary grid may also be adopted for union employees. Budget appropriations for 2013 salaries and benefits are provided in direct correlation to current staffing levels and may not be transferred to operation budgets; and operation budgets may not be used for salary and benefit changes without express consent of the Board through resolution. Staff recommends adoption of the 2013 Final budget.

Commissioner Averill stated there are two issues that are important. When we talk about the Current Expense Budget it covers all of the operating budgets for the Elected Officials and most of our departments.

We still need to be frugal and cannot do things that make us go out and ask citizens to pay for later. He is concerned with the ending balance and has asked everyone that is part of the process to have patience until the economy gets better. The Elected Officials have not taken a pay raise since 2009. He extended his appreciation to the Budget Office who does a good job for the County.

Commissioner Grose stated in the past we have tried to base our budget on what we received the previous year. This budget shows less revenue than the 2012 revenues.

Ms. Truman stated one of the things that is not considered when you put the budget together is that we are only appropriating what we estimate will be the new revenue in the current year. We are not putting that number in the budget resolution; it is in our fund balance. In 2011 we received 1.5 million in excess one time revenue and this Board made the decisions to use that amount of money. We also have an 11 million dollar fund balance in the operating fund, it is appropriate to use part of that money. In our financial forecast we are showing a 7.7 million dollar fund balance at the end of 2013. That number doesn't consider the fact that there are unspent expenditures in the current year and possibly excess revenue. This is called a rollover. When you see the estimated fund balance in the financial forecast you will always see it between a million to a million and a half less than we estimate it will be.

Commissioner Grose stated he knew we had some timber tax revenue that came in 2011 that helped. If this forecast comes true we may be looking at some dramatic cuts in 2014

Commissioner Averill asked what we did to the salary grid because of the minimum wage increase

Ms. Truman went over the salary grid and what had to be done because of the minimum wage increase.

Chairman Grose asked if there were any more questions. There were none. He closed the question and answer portion of the hearing and opened the formal hearing.

Ms. Truman asked that their previous comments be adopted into the record. **Commissioner Averill** asked that his comments be adopted into the record also.

Chairman Grose asked if there were any other statements for public testimony. There were none. He closed the hearing and asked for a motion.

Commissioner Averill moved to approve resolution No. 12-373. **Commissioner Grose** seconded the motion. Karri Muir, Clerk of the Board, read the item into the record.

Motion Carried 2-0

Ms. Truman went over Resolution No. 12-374 she noted that this resolution creates three actions; it sets the budget amount for 2013, it increases the county general levy and the road levy by 1% over the previous year, and it allows a shift from the roads fund. The budget amount sets a limitation that will only allow the county to collect up to the amount set by this resolution. For this reason the budget amount is set higher than anticipated revenue in case new information is received after the adoption of this resolution. This resolution sets the County's regular levy budget at \$11,600,000.00 and the County Road levy budget at \$11,400,000.00.

This resolution also sets an increase of 1.0% for both the County General levy and County Road levy over the previous years certified levy collections. This is an increase of \$112,838.97.00 for the County General levy and an increase of \$110,425.81.00 for the County Roads levy. These dollar amounts are calculated using the previous years certified levy amount times 1.0%.

A shift of the County Road levy to the Current Expense Fund is allowed by RCW 84.52.043; the shift from the County Road levy does not reduce the levy capacity of any other taxing districts. The revenue shift from the County Road Fund to Current Expense will be \$17,000.00 and will be transferred to Social Services for use by the Lewis County Sheriff's Office DUI program. This resolution will also approve this property tax shift for 2013.

Commissioner Averill discussed the shift and it is money that goes to the Health and Social Services Department that is used by the DUI Task Force that is operated out of the Sheriff's Office. When we do a shift we have to show the funds do some good for the Road Fund.

Ms. Truman stated we are shifting money from the Roads Department under a diversion. A Diversion is agreed upon by the PW's Director and the Sheriff to cover the traffic division under the Sheriff's Office. A shift is allowed as long as you don't shift more than will affect other taxing districts. In 2010 and 2009 we did a million dollar shift. We are only shifting \$17,000.00 this year and that is for the DUI Program.

Commissioner Averill asked why we have a different levy for Roads and for Current Expense which is based upon the property value we have in the county.

Ms. Truman stated the assessed value is for the entire county including the cities and the assessed value for the road levy includes only the properties that are in the county and not in the city.

Commissioner Grose closed the question and answer portion of the hearing and opened formal hearing.

Ms. Truman asked that her comments be adopted into the record.

Commissioner Averill stated there has been a 1% raise in taxes every year since he was elected in 2006. One of the issues is that we know our expenditures are going to increase by about 3%. There is an excess of expenses because of salaries, step increases, etc. If we do not make the minimum 1% increase then the County will be in trouble in 2014 and beyond.

Commissioner Grose stated that there is a belief that the County gets all of the property taxes, yet the biggest portion of the taxes are from school levy's and school bonds. The conception that the County receives all the money is false. It is moved through the County to the other entities. The amount of money we collect with the 1% increase equates to about three employees.

Commissioner Grose closed the hearing and asked for a motion to approve Resolution No. 12-374.

Commissioner Averill moved to approve Resolution No. 12-374. **Commissioner Grose** seconded the motion. Karri Muir, Clerk of the Board read the item into the record.

Motion carried 2-0

Ms. Truman went over Resolution No.12-375 stating the Chehalis Centralia Airport Board is organized in accordance with Title 14, RCW, Section 14.08.20 Joint Operations and by the agreement between the City of Chehalis and Lewis County. The Chehalis-Centralia Airport Governing Board has proposed a budget for the Airport for 2013; and has developed the proposed budget as a part of its regular public meeting process. This proposed budget is consistent with the 2002 Airport Master Plan. The City of Chehalis adopted this budget on November 26th. The 2013 budget would appropriate: Revenue of \$1,477,903.00 and total expense \$1,710,146.00, of which \$445,000.00 are for capital costs

The Estimated fund balance at the end of 2013 is: \$1,728,531.00

Commissioner Averill stated the Airport is jointly owned but the County and the City of Chehalis.

Commissioner Grose closed the question portion and opened the formal hearing

Ms. Truman asked that her comments be adopted into the record.

Allyn Roe stated we looked mid-way through the year on capital expenditures. The Airport Board always put money in for a contingency fund. Then towards the last three months of the year, if it looked like the contingency fund was still there, they would spend it on capital improvement projects. He has been working to shift the Board to plan out projects during the year. We developed a seven year financial forecast and capital projects. The fund balance is higher than what it was in 2012.

Commissioner Grose closed the hearing and asked for a motion

Commissioner Averill moved to approve Resolution No. 12-375. **Commissioner Grose** seconded the motion. Karri Muir, Clerk of the Board, read the item into the record.

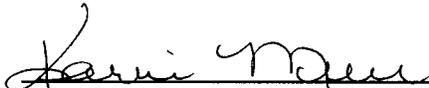
Motion carried 2-0

There being no further business, the Commissioners' public meeting adjourned at 11:00 am on December 3, 2012. The next public meeting will be held Monday, December 10, 2012, at 10:00 a.m.

Please note that minutes from the Board of County Commissioners' meetings are not verbatim. A recording of the meeting may be purchased at the Commissioners' office.



ATTEST:

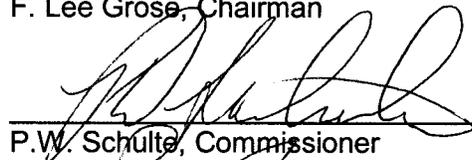


Karri Muir, CMC, Clerk of the Board
Lewis County Commissioners

BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON



F. Lee Grose, Chairman



P.W. Schulte, Commissioner



Ron Averill, Commissioner