

**SUMMARY OF THE MINUTES
SAN JUAN COUNTY (SJC), WASHINGTON
COUNTY COUNCIL
FEBRUARY 20 AND 23, 2007**

Tuesday, February 20, 2007 - Council Hearing Room

CALL TO ORDER

Council Chair Myhr called the meeting to order at 10:00 a.m. Council members Ranker, Peterson, Rosenfeld, Knapp, and Lichter; County Administrator, Pete Rose; Clerk to the Council, Carolyn Morrison; and interested members of the public were present. The flag salute was conducted.

CITIZEN ACCESS TIME

John Campbell, Homes for Islanders Board Member, to introduce their Executive Director, Roy Clauson, and to hand out a brochure for this non-profit affordable housing organization.

Ralph Hahn, San Juan County Economic Development Council (EDC) Chair, to update the Council on the EDC's plans to prepare a study of the economic impacts of ferries on the economy of SJC. He reported that the EDC met with a consultant, Jason Roberts, and had received a proposal. After review, the EDC decided that this data could be gathered by in-house staff. He handed out a revised "Scope of Work" and noted that the EDC may come back to the Town of Friday Harbor, the Visitor's Information Bureau, and the County to secure additional information for the analysis. He estimated that this would take a couple of months. This proposed project had first been presented to the Council in January. (Clerk's Note: Although the Council does not normally comment on items presented during Citizen Access Time, Councilman Ranker requested the privilege of responding. He stated that he is a Board Member on the EDC and that he hopes that this data comes back far sooner than a couple of months as it is needed before the end of this legislative session.)

ANNOUNCEMENTS/SCHEDULE CHANGES

1. The posted Council Agenda and Discussion/Other Action Agenda were revised.
2. The Council Members will attend an informal dinner with the County Administrator Monday evening, February 26, 2007. No County business will be discussed.

APPROVAL OF MINUTES

Moved by Ranker, seconded by Rosenfeld, to approve the minutes of **February 12 and 13, 2007**, as amended. Motion carried.

CONSENT AGENDA

Moved by Lichter, seconded by Rosenfeld, to approve the **Final Consent Agenda of February 20, 2007** as follows:

A. Appointments:

1. Approve the appointment of Richard Strathmann to the SJC Marine Resources Committee (MRC) to fill the unexpired term of Terrie Klinger, which will begin immediately and expire June 30, 2007, noting the recommendation submitted by Mary Knackstedt, Coordinator of the MRC, on behalf of the committee in her letter dated February 9, 2007.
2. Approve the appointment of Dorothy J. Vandaveer to the SJC Solid Waste Advisory Committee for a three-year term, which will begin immediately and expire January 31, 2010.

F. Correspondence:

1. Sign the letter to Richard Strathmann confirming his appointment to the SJC Marine Resources Committee.
2. Sign the letter to Dorothy J. Vandaveer confirming her appointment to the SJC Solid Waste Advisory Committee.

3. Sign the letter to Beverly Zapalac accepting her resignation from the Lopez Island Library Board of Trustees; and, sign the Certificate of Recognition for her service.

Motion carried.

ACTION AND DISCUSSION ITEMS

BUDGET ITEMS:

1. Emergency Appropriation Requests – (Refer to MISCELLANEOUS ITEMS, No. 2, for details.)

MISCELLANEOUS ITEMS:

1. FEMA Earthquake Training Classes July 23-27, 2007, Maryland – Present: Brendan Cowan, Department of Emergency Management (DEM) Director, and interested citizens. Councilman Lichter stated that he would like volunteers to attend this specialized training this year, or the following year, should the classes be full. This training will help with the readiness of SJC to deal with emergencies. Mr. Cowan stated there could be other dates scheduled if additional Council Members wish to attend, and that other department heads and elected officials could be included as well. He has been in contact with Skagit County on dates; however, coordination of alternative dates is difficult. He noted Mr. Rose had attended one of these classes and that everyone he has spoken with had said this was valuable training and the classes were well done. Council member Knapp said he liked the idea of doing this training locally. Council member Rosenfeld asked what expenses were involved, and Mr. Cowan explained that the federal government pays for everything except certain food items. It was agreed that all inquiries would be submitted to Councilman Lichter. Councilman Ranker stated he was interested in attending. Mr. Peterson and Mr. Rosenfeld stated that this year was not a good time for them.

2. Emergency Appropriations Requests – Present: Charlotte Dye, Chief Deputy Auditor; Bill Cumming, Sheriff; Brendan Cowan, Department of Emergency Management (DEM) Director; and interested citizens. Mr. Rose presented both a detailed staff report that explained each request, and a condensed version listed as Attachment A. He had identified the high-priority items and those that could wait until a later date for consideration. The Council discussed each item on the list and asked specific questions, which the appropriate staff answered. Chair Myhr asked for comments from the Sheriff, Ms. Dye, and Mr. Rose. It was agreed that the Council wanted additional information concerning the issue of the consultant work on the expansion of the Town of Friday Harbor's Urban Growth Area (UGA). Due to a grant funding issue, and potential audit finding if certain federal grant funds were used for salary expenditures for the DEM, the Council felt this item should move forward. After a lengthy discussion, the Council decided that all items on Attachment A should move forward to a public hearing and any items that are not approved at that time could come back at a future date. The following action was taken: **Moved by Ranker, seconded by Peterson, to send the required paperwork to the Auditor's office for scheduling a public hearing to consider emergency appropriations for the items identified in the staff report from the County Administrator in their entirety as discussed. Motion carried.**

3. Council Recommendation for Appointment for a Land Bank Commission Vacancy – Councilman Knapp reported that he and Councilman Lichter had completed their interviews with the two candidates for the current Orcas Island vacancy. He explained that there were two exceptional candidates. The recommendation to the Council was to appoint Mary Blackstone to fill this position. The Council agreed that this appointment was to be placed on the Consent Agenda the following week along with a letter of thanks to the second applicant.

4. Legislative and Other Updates – Councilman Ranker updated the Council on the current status of legislative matters. He stated he had asked for consideration of a 2.5 percent increase in ferry fares and not 4 percent. He noted there had been discussion on having local and community input regarding this matter. He is working with legislators on the Puget Sound Partnership Program and is now on the sub-committee. Emphasis is for local governments to have a seat at the table and that resources are required to do this. There is a slight snag on the streamlined sales tax bill. WA cities want to retain the tax on the point of purchase on Internet sales. Mr. Rose asked if the compromise that had previously been discussed was still in place as a mitigation measure for about a two-year period. Mr. Ranker was not certain, but thought that it was. At present the bill is still moving forward. A bill regarding changes in the uses of Lodging Tax Funds (aka Hotel/Motel funds) is being opposed. He reported that he had also met with Senator Jacobson, Chair of Water and Recreation Committee, regarding support of coastal communities and the need to define coastal economics and conservation. Councilman Myhr reported he will hold a meeting on February 28 at 6:00 p.m. on Lopez, and reminded the Council that there will be a joint work session with the Planning Commission on Friday, February 23, to hear a presentation of the Draft Economic Development Plan Element of the Comprehensive Plan. Mr. Rose stated that the Deer Harbor Hamlet Plan

meetings are moving into land use issues. He stated he was not certain that this work could be completed within the current moratorium time frame and asked Mr. Lichter to offer his input. Mr. Lichter stated that he has told the community to stay the course as much as possible. Mr. Ranker gave a legislative update regarding his meetings with State and federal officials regarding SJC legislative priorities. Later in the day Mr. Lichter informed the Council that there is a new resolution being circulated concerning the impeachment of Vice-President Cheney and President Bush. He had spoken to Senator Spanel about this and will update the Council when he has more information.

5. Upcoming Retreat/Work Session Discussion – Councilman Lichter stated he was anxious to hear from Mr. Rose on the status of the plans for the planned work session. Mr. Rose stated he had contacted the facilitator about a reduction in the price quoted (\$6,000) to see if there could be a reduced option. He stated that Ms. Hobbs had said she wanted to speak individually with each Council member first. She did say that the more free form the sessions, the less a facilitator was needed. The Council discussed the proposal. Mr. Ranker was in favor of spending the \$6,000 for full services for two days. Mr. Lichter stated that the original idea was for a free-form discussion of Council ideas and vision, and it has gradually become more and more structured. He stated that he felt the Council needed someone to guide our ideas through, but not on a tight schedule. He added he did not agree with Mr. Ranker that the Council needed someone at \$3,000 a day – it is outrageous. He said he had received an email from Ms. Hobbs and her outline was not what he envisioned. Mr. Rosenfeld stated that he agreed with Mr. Lichter. He added that his experience has not been good with facilitated meetings. Additionally, he had asked constituents from the right and left of the political spectrum about the proposed plans and both were outraged. He said he then asked these individuals what they felt was an acceptable figure and both replied about \$500. He explained to the Council that in the case of the Deer Harbor Hamlet Plan, he agreed someone was needed. But he felt the Council members got along well and he was looking forward to spending a couple of days on the issues. He did not feel that with the outline presented the Council could get there. Mr. Myhr stated he tended to agree with Mr. Lichter and Mr. Rosenfeld and wanted to start the session with a free form and lead into discussion, and there is a need for some facilitation. At that point there could be support at a different monetary level. Mr. Knapp stated that he did not have an opinion one way or the other on this meeting and that he has had good luck with facilitated meetings in the past. He added that he felt Mr. Rose has been good, but that \$6,000 was a lot of money. Mr. Peterson stated that he wanted Mr. Rose to be able to participate and therefore a facilitator was needed. However, he commented that he thought the work the Council did on prioritization was to be part of this work session and he was not sure that a facilitator would be on the same page with the Council. Mr. Rose commented that the outline was only an example of what could be done and was not meant to be set in concrete. During the discussion, Mr. Ranker noted that in the two years he has been in office there were two times meetings have been tried without a facilitator and nothing happened. He stressed that on a weekly basis there are discussions in session without things moving forward. He noted that both the Administrator and the Council Clerk are at 120 percent workloads and a facilitator would allow the Council to achieve a work product. Mr. Myhr added that the Council is a good working group but seldom has the chance to sit down and talk about a vision of where we are going; and, where we are going with the aspects of our Charter. He stated that the Council needed to think in terms of the “big picture.” He said a facilitator could assist but for less money than suggested. He suggested asking Mr. Rose to renegotiate for \$3,000 with specific direction from the Council. The Council continued to discuss the pros and cons of a facilitator and to what extent assistance was needed. At the end of the discussion, the Council agreed to direct Mr. Rose to renegotiate for reduced time and fees, and to have public comments midday during the work session so that the Council can have feedback. Mr. Lichter added one additional comment. He asked the Council to consider that the plans for this retreat/work session had changed 180 degrees from the original plans. Now items, such as the Growth Management Act, have been added. He wanted to be able to discuss each Council Member’s thoughts using Mr. Rosenfeld as an example. He wondered if “Howie” was a “no-growth guy,” or, “what about tourism”? He said he was feeling very claustrophobic about the plans. Mr. Myhr agreed, but he thought Ms. Hobbs might help. Mr. Rosenfeld said that if this session were held without a facilitator, then if it did not work the Council could try again with one. Mr. Myhr concluded with the comment that this discussion was a good example of the Council not going where it needed to go during this discussion. Mr. Rose stated he thought he heard clearly that the session will be more free form, and that the agenda will be narrowed quite a bit and having some facilitation at a reduced rate. He will report back to the Council concerning the issue.

6. Request to Consider Labor Day Week as a Non-Meeting Week – Mr. Lichter posed a request to include this week as a scheduled non-meeting week. This would mean that there would be two weeks of no meetings in a row. There was no objection to the request, and **the Council agreed by consensus that the last week in August and the first week in September would both be non-meeting weeks for the Council.**

8. Intermodal Plan Comments – Councilman Rosenfeld reminded the Council that he had volunteered to gather all comments from the Council members and get them to WA State Ferries. He requested the comments be submitted to him as soon as possible.

PUBLIC MEETINGS

11:00 a.m. – County Administrator Council Briefing. Also present: Jon Shannon, Public Works Director; John Van Lund, County Engineer; Mike Copas, ER&R Manager; Russ Harvey, Operations Manager; Karen Vedder, Deputy Prosecuting Attorney; and interested members of the public. Agenda:

1. Road Chip Sealing Continued Discussion – Mr. Shannon presented an Information Memorandum dated February 15, 2007, prepared by Mr. Van Lund and Ms. Rachel Dietzman, P.E., who was unable to attend this meeting. Mr. Shannon again apologized for what had occurred on the roads but added that since the last meeting a great deal of research has been completed. Ms. Dietzman is the head of this project and is still continuing to work on solutions and changes to the process. He explained that they are preparing a new “Best Practices Manual,” setting out new ways to do the work in the future, investigating other sealing methods, and have now become confident that they can fix the work that is left. The uncertainty at this time is the supply chain. He carefully detailed what they had learned since the last meeting and how they feel the road surfaces can be repaired. The appropriate Public Works staff members answered the questions of the Council Members. Included in the discussions was the current equipment on hand, what equipment may be rented/leased, the new specifications that will be used for rock; weather factors, the possible need for additional funding in the summer or fall, and other related factors. Mr. Myhr asked for comments from the audience, which were then submitted. The last issue discussed was the transportation required to deliver the materials for these road projects. It was noted that the issue of priority loading on WA State Ferries (WSF) falls under the WA Administrative Code (WAC’s). These special categories cannot be changed unless WSF requests this of the legislators. Sanitation trucks and medical emergencies qualify but not “County vehicles.” Mr. Ranker commented that the BOCC and Council wanted to include County vehicles in the priority category as well as agricultural products; however the SJC Ferry Advisory Committee did not agree with going forward with this change, even though WSF was agreeable to proposing it. After discussion, the Council thanked Mr. Shannon and his staff for the new information.

1:30 p.m. - A meeting was held to hear a briefing by the Public Works Director of an overview of the Equipment Rental and Revolving Fund (ER&R). Present: Jon Shannon, Public Works Director; John Van Lund, County Engineer; Mike Copas, ER&R Manager; Russ Harvey, Operations Manager; and interested citizens. Mr. Shannon gave a Power Point presentation and handed out printed copies for the Council and audience. ER&R money for the replacement of equipment that is retained in the fund until it is required. Equipment is located on each of the ferry-served islands, as well as some of the outer islands. Some equipment is over 30 years old and will not be replaced. Mr. Myhr asked about the 2005 reserve fund, which shows it is five million dollars in the hole. Mr. Shannon explained that this amount is what it would cost to replace the entire fleet and also takes into account the value of the fleet and the amount of cash in the bank. Mr. Ranker asked why the rental rates were not higher. Mr. Shannon explained that in an ideal world, a rate of \$60 an hour would allow for replacement of the fleet, and that the law states that rates are to be set according to the ability to replace equipment. However, that is not the current rate. Mr. Myhr asked if the County was out of compliance because the rates are lower. Mr. Shannon explained that Public Works has worked on this for many years and have survived with transfers from the Road Fund, adding that his staff is are working to raise the amount in the fund. The formula used was explained. Mr. Shannon added that a County cannot make money on equipment rentals. He explained that the 2005 figures being discussed are actually better today, and many other counties are far worse than SJC. Part of the problem is that SJC requires three sets of equipment to service each of the ferry-served islands. Currently, modular, multi-purpose vehicles are being looked at to solve some of the issues. Additionally, a fleet-reduction program is being reviewed as well as consideration of surplus outdated equipment. The Council thanked Mr. Shannon for the presentation and explanation of the ER&R fund.

3:00 p.m. - A meeting was held to hear a presentation on the SJC Fair Department. Present: Christine Miller, Fair Coordinator; Jen Allen, Fair staff member; Jon Shannon, Public Works Director; George Johnson, Central Services Manager; and interested citizens. Ms. Miller gave a Power Point presentation and handed printed out copies for the Council and audience. Ms. Miller reported that the Fair Grounds include a skateboard park. The Fair building is leased out during the winter by the Island Racket Club and now includes La Crosse. It works well as a gymnasium even though it was not designed as one. The acoustics are not good so concerts do not work well in the building. Currently other events are being considered; however, she is working with Dave Zeretzke, Insurance Risk Manager, regarding required insurance. Liability is a concern for all county fair facilities. During the November storms, it was discovered that there were problems with the underground water pipes. The Fair Grounds were split into three sections and one is left for repair work to be completed. There were 24,000 people at the 2006 fair. The work crew under the Sheriff’s Department has been very helpful because they have

performed work at the Fair Grounds without a cost to the County. Councilman Peterson asked about the County's relationship to the carnival rides. Ms. Miller explained that the firm of Paradise Amusements splits the rides with Island County. An accident occurred three years ago at Island County and it has taken a long time to get back to normal. Several issues were addressed at the state level. At this time it is not possible to get a new carnival provider. They are booked at other fairs throughout the state. Problems that occurred last year with carnival rides were discussed. Ms. Miller explained the problems that had arisen and what was done to attempt to solve broken-down rides. The Fair Board has made a decision to have the rides again this year for the "kids." She assured the Council that they will be in working order. The complexities of the issues were discussed. Ms. Miller explained that SJC has the highest resident per capita attendance for a County Fair in the state. She then explained what is needed for the grounds in the near future: (a) The Fair Grounds need a zoning redesignation; (b) a commercial kitchen is desired; (c) replacement of the horse barn is necessary (built in 1924 as a livestock barn); (d) installation of a PA system; (e) the Marie Boe building needs the interior work completed; (f) concrete floors are needed in all barns; and, (g) portable stalls are required. Mr. Lichter asked how many attended last year. Ms. Miller stated 24,000 gate entries and estimated that half of that was from the County. About one-third were multiple visitors. Ms. Miller informed the audience that the Fair Board will hold a retreat on March 5, 2007. The Council thanked Ms. Miller for her presentation.

RECESS - At 3:50 p.m., Council Chair Myhr recessed the meeting until 1:00 p.m., Friday, 23, 2007.

Friday, February 23, 2007 – Islanders Bank Community Meeting Room
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CALL TO ORDER

Council Chair Myhr called the special meeting to order at 1:07 p.m. Council members Peterson, Rosenfeld, Knapp, and Lichter; County Administrator, Pete Rose; Deputy Clerk to the Council, Amy Taylor; members of the SJC Planning Commission; and interested members of the public were present. Councilman Ranker was excused due to a prior commitment.

WORK SESSIONS

1:07 p.m. - A work session was held with the SJC Planning Commission (PC) regarding the draft Economic Development Element of the Comprehensive Plan. Present: Planning Commission Chair Karin Agosta, members Lovel Pratt, Mike Kaill, Brian Ehrmantraut, Bob Gamble, Barbara Thomas, and Larry Hendel; Clerk of the Planning Commission, Lynda Guernsey; Ron Henrickson, Community Development and Planning Department (CDPD) Director; and Consultant Jason Robertson of Barney and Worth, Inc.

Mr. Myhr welcomed the PC and members of the public and those in attendance introduced themselves and the agency they represented. Mr. Henrickson explained the origin of the plan, noting that it was the product of the cooperation between several local agencies. He then introduced Mr. Robertson, who prepared the report. Mr. Robertson narrated a Power Point presentation which summarized the key strategies in the document and explained some of the statistics and data contained therein, focusing largely on population, income, sources of income such as agriculture and tourism, and community profiles. Comments were then taken from the PC and Council members. Mr. Robertson was asked several questions regarding how he had selected the information contained in the report, the accuracy of his sources, and then suggestions were made for other possible data to be included. The PC and Council then discussed the main elements of the plan and presentation, largely touching on affordable housing, population and tourism. Mr. Myhr then opened comment to the public.

Mr. Henrickson thanked the Economic Development Council (EDC) for its assistance in creating the document and noted that under the grant used to finance the report, the County is not obligated to adopt the plan, only to bring it forth. He suggested the PC and Council develop a taskforce for continued work through an adoption process. Mr. Myhr thanked Mr. Robertson and then asked Chair Agosta for Planning Commission thoughts. She advised Mr. Myhr that any advice would be general in nature due to their overwhelming workload, and that her advice would be to have the Council appoint a taskforce. A brief discussion followed regarding who would be represented on the taskforce, and the possibility of the Economic Development Council taking the lead. Ralph Hahn, Chair of, and speaking on behalf of, the EDC, responded by saying that the EDC would continue to apply for grant funding so that continued study and discussion could take place. He will continue to coordinate with Mr. Rose and Mr. Henrickson on this issue and also offered to collect public comment. Mr. Hendrickson noted that the draft report will be posted to the County website. No action was taken.

ADJOURNMENT - Council Chair Myhr adjourned the meeting at 3:16 p.m. A special meeting was scheduled for Monday, February 26, 2007, and the next regular meeting was scheduled for Tuesday, February 27, 2007.

These minutes were approved and signed on February 26, 2007. The original document is retained in the Council's permanent proceedings file dated February 20 and 23, 2007. Attest: Carolyn K. Morrison, Clerk.