

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 WHATCOM COUNTY COUNCIL
2 **Finance and Administrative Services Committee**
3

4 September 14, 2004
5

6 Committee Chair Sam Crawford called the meeting to order at 11:00 a.m. in
7 the Council Chambers, 311 Grand Avenue, Bellingham, Washington.
8

9 Present:

10 Dan McShane

11 Sharon Roy
12

Absent:

None

13 Also Present:

14 Barbara Brenner

15 Seth Fleetwood
16
17

18 **SPECIAL PRESENTATION**

19
20 **1. PRESENTATION OF THE BELLINGHAM-WHATCOM PUBLIC FACILITIES**
21 **DISTRICT QUARTERLY REPORT (AB2004-120)**
22

23 Patricia Decker, Public Facilities District Manager, submitted info (*on file*).
24

25 Therese Holm, City of Bellingham Finance Director, stated the City, County,
26 and Public Facilities District interlocal agreement terms specifies that the City
27 provides this quarterly update to the County Council for the district. Revenues total
28 \$2.4 million as of June 30. A key revenue item is the sales tax rebate, which
29 finances the cultural district projects. The sales tax rebate is 57 percent of the
30 annual budget.
31

32 The City provided a short-term interfund loan for project financing. They
33 have borrowed \$5 million to date. The City will issue a general obligation bond in
34 the next few months to repay the City's interfund load and to provide capital for the
35 next project. That will be approximately \$9.5 million.
36

37 The district spent \$2.1 million through June 30. Most was for capital projects
38 and the interfund loan debt repayment, which will occur the same time they issue
39 bonds. The Public Facilities Board has authorized the staff to proceed with the bond
40 financing, to be completed by mid-November.
41

42 David Warren, Public Facilities District (PFD) Board Member, stated the
43 district has acquired property and made changes to the Mt. Baker Theater. They
44 opened the studio theater this last Friday. The district hired a design competition
45 advisor for the proposed art gallery in the children's museum.
46

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1 Crawford asked if the museum expansion was a PFD project. Warren stated
2 it is. It's a public/private partnership. It has nothing to do with the City's general
3 fund.
4

5 They are moving into the streetscape design, which is a triangle from the
6 city hall to the museum to the Mt. Baker theater. The board will also consider the
7 work done by the Waterfront Futures Group, and whether they can move further
8 toward the waterfront. The cultural area downtown will become very exciting.
9

10 Crawford asked if there will be bonds issued during the beginning of the
11 process for much of the capital expenditures, to get the capital expenses done the
12 first few years, and use future revenue to pay the bonds. Holm stated that when
13 they initially projected the revenues from the sales tax rebate, they conservatively
14 projected about \$15 million. They've had a couple of real strong years in the local
15 economy. The rebate has been exceptionally high. They have not adjusted their
16 projections, because 25 years is a long time. They are maintaining a conservative
17 projection of \$15 million to be used to finance a bond issue for these projects. In
18 the next year or so, they will know more about their ability to do fundraising.
19

20 Crawford asked about the Centennial Project. Holm stated that project
21 included a number of elements, some of which may be financed by the PFD.
22 Others, such as the library, would be a City project. It was important to include the
23 project in the overall vision because it is the same geographic area. The PFD has
24 defined certain elements that will be included. The phase one completion of the Mt.
25 Baker Theater was financed through PFD revenues and not City of Bellingham
26 general funds.
27

28 Crawford asked if they are making good progress toward the Centennial
29 Project's vision. Warren stated they are. They are taking one project at a time,
30 and working conservatively to meet their benchmarks. The streetscape design has
31 to be more than about trees and pavers. They have to develop places that will spur
32 economic activity and draw people to the area. They are optimistic that things are
33 going well.
34

35 McShane thanked the all-volunteer committee.
36

37 Decker stated they have been pleased with the board members so far. The
38 building at 216 Grand Avenue, which will be a new museum facility, will provide a
39 great connection between the existing museum and the theater. That will be the
40 start of the activity that will transform Flora Street. The new museum would be on
41 the corner of Flora and Grand Streets, and will connect museum and theater.
42

43 **COUNCIL "CONSENT AGENDA" ITEM**

- 44
- 45 **1. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO THE**
46 **WHATCOM CHIEF FERRY INSURANCE RENEWAL FOR POLICY YEAR**
47

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1 **9/30/04 THROUGH 9/30/05 IN THE AMOUNT OF \$35,305 (AB2004-**
2 **314)**

3
4 Dewey Desler, Deputy Administrator, stated he recommends the premium of
5 \$31,725, which doesn't include terrorism coverage.

6
7 Crawford asked if the County purchased terrorism insurance last year.
8 Desler stated they did not.

9
10 Crawford asked how much the premium has increased from last year. Desler
11 stated the amount is about \$300 more than last year.

12
13 **Roy moved** to recommend approval to the full Council, without the terrorist
14 coverage.

15
16 Desler stated the administration recommends insurance without the terrorist
17 coverage, in an amount of \$31,725.

18
19 Roy stated that is the amount she has moved for approval.

20
21 **Motion carried unanimously.**

22
23 **2. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
24 **CONTRACT AGREEMENT BETWEEN WHATCOM COUNTY AND HOME**
25 **PORT LEARNING CENTER TO PROVIDE ALTERNATIVE EDUCATION TO**
26 **YOUTH IN THE JUVENILE JUSTICE SYSTEM, IN THE AMOUNT OF**
27 **\$66,000 (AB2004-307)**

28
29 Crawford asked from where this is funded.

30
31 Dewey Desler, Deputy Administrator, stated the funds are from a State
32 program to provide services to youth in the community.

33
34 **McShane moved** to recommend approval to the full Council.

35
36 **Motion carried unanimously.**

37
38 **3. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
39 **"MULTI-JURISDICTIONAL NARCOTICS TASK FORCE PROGRAM**
40 **CONTRACT" BETWEEN WHATCOM COUNTY SHERIFF'S OFFICE AND**
41 **THE WASHINGTON STATE DEPARTMENT OF COMMUNITY, TRADE AND**
42 **ECONOMIC DEVELOPMENT FOR THE CONTINUING NARCOTICS**
43 **EFFORTS AND PROSECUTION ASSISTANCE OF THE NORTHWEST**
44 **REGIONAL DRUG TASK FORCE, IN THE AMOUNT OF \$118,056**
45 **(AB2004-308)**

46
47 **Roy moved** to recommend approval to the full Council.

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1
2 McShane stated the amount is for \$106,000 to support two detectives.

3
4 Dewey Desler, Deputy Administrator, stated the total budget for the program
5 is approximately \$900,000. Of that, there is a County match of approximately
6 \$806,000. The federal grant is for \$118,056.

7
8 McShane stated the grant provides enough money for the salaries. Desler
9 stated there are salaries of others that the County and City pay into.

10
11 McShane stated there is a cost of \$488,812 that goes to salaries. The
12 benefits are additional. They are two detectives and partly funded prosecutor. He
13 asked if this would create any new positions. Desler stated it does not. The staff
14 level is status quo. The administration would like to see the County's formal
15 obligation be reduced. It creates accounting complication they would like to avoid.
16 If they spend that much money in the future, they would report it, but it doesn't
17 become part of the formal contract. If there is a ten or 20 percent match, then
18 that match would be part of the contract, but not report the entire cost of the
19 program. When they report the entire cost, the County has to document a lot of
20 information to State and federal auditors that they would like to not have to do.
21 That doesn't mean the program would change. It's a change in how they report the
22 budget to the federal grantor. They will continue with the size of the commitment
23 to the program

24
25 Crawford asked if the \$805,000 can come from other funds, or if it has to be
26 general fund dollars. Desler stated the County has to show an expenditure. The
27 grant wants to see a local or State match to the federal grant. The match will most
28 likely be general fund money.

29
30 McShane stated he has an issue with the question of how successful the war
31 on drugs has been. This is very expensive. He is concerned that the County would
32 get locked into having to spend this money in a particular area, where that might
33 not be where the County wants to spend it. It takes away the County's flexibility if
34 the meth problem goes away or another bigger issue comes up. Over time, the
35 amount of money contributed by federal programs tends to drop.

36
37 Carey James, Undersheriff, stated the methamphetamine problem won't go
38 away. Snohomish County pushed their meth problem into Whatcom County.
39 Methamphetamine produced in Whatcom County affects the county as a whole, as
40 no other drug has done, because of the residue left over from the making of this
41 drug. The Sheriff's Office has been trying to get the word out about the effects.
42 The community can be affected by the people who make this stuff, who may dump
43 residue into the water table. This is like no other problem they've dealt with.

44
45 McShane stated he agrees that they should deal with this problem. This
46 program locks the County into dealing with this issue only. The amount of federal
47 money over the years has shrunk to \$118,000. As a national policy, this is

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1 becoming a problem. He recognizes that meth is a serious problem locally that
2 needs resources. However, this is a huge commitment to get only \$118,000.
3 James stated they may not have a choice. The problem is here. Some of the
4 problem is that in the past, they didn't have the foresight to see what would
5 happen. Now they have to deal with it. The drug problems won't go away. If they
6 want to maintain the quality of life in Whatcom County, they have to address the
7 problem. Now, they are addressing problems they should have addressed in the
8 past.

9
10 McShane stated nearly one million dollars is a tremendous commitment to
11 get just \$118,000. That grant money is going away, and they are locked into this
12 one program. He's committed to dealing with methamphetamine, but locking the
13 money takes away flexibility. James stated they are trying to help offset the
14 expenses.

15
16 Crawford asked if the Sheriff's Office will still spend \$800,000 on the drug
17 problem if it doesn't get the \$118,000. James stated it will.

18
19 Crawford stated cutting funds for drug enforcement isn't going to happen.
20 James stated they understand the shortcomings of the federal government to help
21 offset these expenses. The County has to be creative to find funds. Criminal
22 justice and law and justice don't have the ability to collect a lot of revenue. They
23 have to be creative to get money to help offset expenses.

24
25 Arthur Edge, Sergeant, stated he agrees with the shrinking federal support.
26 It comes down to how much the County wants to spend on drug enforcement. The
27 County is going to have to bear the burden at some point. A lot of this money is
28 now going to other groups for prevention and treatment.

29
30 Roy stated society has failed in its war against drugs. Focus on treatment
31 and intervention.

32
33 Crawford stated they do look at treatment and intervention.

34
35 Roy stated they don't focus on it equally.

36
37 McShane asked the level of the offense if someone cooks methamphetamine.
38 Edge stated the offense level is level one. They focus on the distribution of the
39 drugs. They don't have time to deal with the person on the street using the drug.
40 Distributors of other drugs such as cocaine rarely use their drug. Treatment for
41 those people is not an issue.

42
43 ***Motion carried unanimously.***

44
45 **4. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
46 **CONTRACT RENEWAL BETWEEN WHATCOM COUNTY AND MICHAEL**

1 **BOBBINK FOR HEARING EXAMINER SERVICES, EXTENDING THE**
2 **CONTRACT TO DECEMBER 31, 2004 (AB2004-309)**

3
4 Crawford asked if this is at the same rate.

5
6 Dewey Desler, Deputy Administrator, stated that is his understanding.

7
8 **McShane moved** to recommend approval to the full Council.

9
10 **Motion carried unanimously.**

11
12 **5. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**
13 **AGREEMENT FOR CONSULTING SERVICES FOR THE SELF-INSURED**
14 **MEDICAL PROGRAM BETWEEN WHATCOM COUNTY AND KIBBLE &**
15 **PRENTICE FOR THE PERIOD SEPTEMBER 15, 2004 THROUGH**
16 **DECEMBER 31, 2006, IN AN AMOUNT NOT TO EXCEED \$38,000 PER**
17 **YEAR (AB2004-310)**

18
19 Dewey Desler, Deputy Administrator, stated the County operates a self-
20 insured program. They need significant help in things like pricing, projection, and
21 other analysis about how this plan is operational. They may make adjustments to
22 the plan to manage costs. They need to use the help of a firm like this that has
23 helped other self-insured operations. The contractor will consult with the County as
24 necessary. At the end of each year, the administration will analyze and make
25 projections for each year. The County is responsible for the pricing and benefits of
26 the plan.

27
28 Crawford stated they are spending \$38,000. He asked if they will get a
29 payback in cost savings without the contractor recommending putting the cost
30 savings on the backs of the employees.

31
32 *(Clerk's Note: End of tape one, side A.)*

33
34 Karen Goens, Human Resources Manager, stated the County has set a ten
35 percent cap on the plan. They need to know the difference between the cost of the
36 co-pay plan and the cap plan. If their costs exceed ten percent, they need to know
37 how to structure a plan that will protect the employees' benefits while providing full
38 family coverage. They need expertise on specific questions. Most self-insurance
39 plans have a broker that charges a percentage of the premiums. However, the
40 administration wants money going into benefits, not administration.

41
42 Desler stated the County is a small self-insured provider. The administration
43 wants to retain the independence of being self-insured, which provides more
44 flexibility and a better service at less cost. The County needs this expertise to
45 maintain high quality benefits at the lowest possible cost, and still be financially
46 viable. The alternative is walking away from being self insured and joining a much
47 larger plan. They are trying not to do that.

1
2 Caskey-Schreiber asked about the bid process. Goens stated the
3 administration went through the bid process. She described the firm's experience.

4
5 **McShane moved** to recommend approval to the full Council.

6
7 **Motion carried unanimously.**

8
9 **6. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**
10 **INTERLOCAL AGREEMENT BETWEEN WHATCOM COUNTY, THE CITY**
11 **OF BELLINGHAM AND THE LAKE WHATCOM WATER AND SEWER**
12 **DISTRICT FOR MONTHLY MONITORING OF TRIBUTARIES IN THE**
13 **LAKE WHATCOM WATERSHED, IN THE AMOUNT OF \$27,994.50**
14 **(AB2004-311)**

15
16 Bruce Roll, Water Resources Division Manager, stated that to maximize
17 resources, they worked up an agreement to collect water quality data in the
18 tributaries around Lake Whatcom to understand where the pollutant loads are
19 coming from. All the entities will collect similar types of data. The data collection
20 will be done mostly by Western Washington.

21
22 Crawford asked if this is new data they will receive. Roll stated there is an
23 ongoing effort through the total maximum daily load (TMDL) study. This is a new
24 body of work with the City of Bellingham and the State Department of Ecology
25 (DOE).

26
27 Sue Blake, Senior Planner, stated it's an extension of the work they started
28 to help with the modeling work from DOE and through the water resource inventory
29 area (WRIA) 1 project. Monthly sampling was going to be reduced unless they did
30 something about it.

31
32 Crawford stated this is in the 2004 budget.

33
34 **Roy moved** to recommend approval to the full Council.

35
36 **Motion carried unanimously.**

37
38 **7. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
39 **COOPERATIVE AGREEMENT BETWEEN WHATCOM COUNTY AND**
40 **USDA/NATURAL RESOURCE CONSERVATION SERVICE FOR THE**
41 **RECEIPT OF FUNDS FROM THE FEDERAL BUDGET FOR THE PURCHASE**
42 **OF DEVELOPMENT RIGHTS PROGRAM (AB2004-312)**

43
44 Kraig Olason, Senior Planner, stated this is the paperwork for the farmland
45 purchase of development rights (PDR) program.

46
47 **Roy moved** to recommend approval to the full Council.

1
2 *Motion carried unanimously.*
3

4 **8. REQUEST APPROVAL TO DEVIATE FROM THE FLOOD CONTROL**
5 **MAINTENANCE PROGRAM ESTABLISHED COST-SHARE FORMULAS**
6 **(80/20 OR 85/15 IF SIGNIFICANT FISH HABITAT COMPONENT) AND**
7 **USE 100% FLOOD CONTROL ZONE DISTRICT FUNDS FOR REPAIRS TO**
8 **THE HOVANDER PARK LEVEE (AB2004-313)**
9

10 Paula Cooper, River and Flood Division Manager, stated there is damage on
11 the left bank of Nooksack, upstream of Slater Road. If the levee remains damaged,
12 it's likely Slater Road will be closed longer and more frequently.
13

14 Crawford asked if Slater Road be under water all the time if there were no
15 levee. Cooper stated staff didn't model that.
16

17 Crawford asked why staff recommends funding 100 percent. Cooper stated
18 the project is with the County Parks Department. The Parks Department will
19 provide labor to get rid of vegetation, which will total about 20 percent of the cost,
20 but they can't count it as part of a match.
21

22 *McShane moved* to recommend approval to the full Council. It's a small
23 amount. The Parks Department is going to do labor.
24

25 Crawford asked the amount of the flood funds. Cooper stated this project is
26 well within the budget.
27

28 *Motion carried unanimously.*
29
30

31 **9. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO APPROVE THE**
32 **AWARD OF BID #04-67 FOR A THREE-YEAR CONTRACT WITH**
33 **BAYSIDE SERVICES FOR STREET SWEEPING SERVICES, IN THE**
34 **AMOUNT OF \$569,152.08 (AB2004-315)**
35

36 Bruce Roll, Water Resources Division Manager, stated the Council previously
37 discussed street sweeping in sensitive watersheds. There was a bid proposal. He
38 described the contract. The street sweeping program is a combination of
39 operations and maintenance (O&M) by the County and work by private contractors.
40 They want to go with a private firm initially to understand the actual work that
41 would be involved.
42

43 McShane stated he thought the County just bought a street sweeper, and
44 the reverse argument was made, which was that the County would have a better
45 sense of what to contract for if it bought a sweeper. Roll stated they are doing
46 both. Just the County or a private contractor doesn't have the capacity to do what
47 they want to do.

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1
2 Roy asked why they received only one bid. Roll stated there is not much
3 support for this in the private sector.

4
5 Roy asked if this is a reasonable bid.

6
7 Brad Bennett, Finance Division Manager, stated the first bid the County
8 received was rejected by the Engineering Division because it was too high. This is
9 the second bid process they've gone through.

10
11 Roll stated it is expensive to use the equipment and maintain it.

12
13 Crawford asked the schedule. Roll stated they would have to determine
14 where and how often to go to certain areas. They want to do the entire watershed
15 at least once per year.

16
17 Crawford stated the letter said there was a path of oil left by the trucks along
18 the Lake Whatcom Boulevard while the County repaired the Austin Street bridge.
19 Roll stated he'd have to look into it.

20
21 Roy asked if the County would receive data on the work that should be done.
22 Roll stated the contractor will have to show how many pounds of debris they're
23 removing and during different times of the year and the frequency they can do the
24 work. Part of the contract will look at creating the appropriate program for the
25 County. In the absence of doing serious stormwater retrofitting, they have to look
26 at these types of alternative solutions for removing roadway pollutants.

27
28 ***McShane moved*** to recommend approval to the full Council.

29
30 ***Motion carried unanimously.***

31
32 Dewey Desler, Deputy Administrator, stated the Public Works Department
33 has a \$32 million budget. There will be large expenditures. The key is to develop
34 a new business plan to protect sensitive areas around Lake Whatcom. The
35 Department has decided to use both a contract and in-house resources to provide
36 street sweeping services. They're very interested in getting data about how to best
37 provide those services.

38
39
40 **OTHER BUSINESS**

41
42 Dewey Desler, Deputy Administrator, stated the 2005-2006 budget will be
43 delivered soon. The Committee should schedule meetings with the departments
44 and administration.

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1 **ADJOURN**

2

3

The meeting adjourned at 12:10 p.m.

4

5

6

7

Jill Nixon, Minutes Transcription

8

9

10 ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

11

12

13

14

15

16

Dana Brown-Davis, Council Clerk

Sam Crawford, Committee Chair