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WHATCOM COUNTY COUNCIL
Finance and Administrative Services Committee

October 23, 2007

Committee Chair Sam Crawford called the meeting to order at 11:07 a.m. in the Council Chambers, 311 Grand Avenue, Bellingham, Washington.

Present:

L. Ward Nelson
Dan McShane

Absent:

None

Also Present:

Barbara Brenner
Laurie Caskey-Schreiber

COMMITTEE DISCUSSION AND RECOMMENDATION TO COUNCIL

1. **ORDINANCE INCREASING THE PETTY CASH REVOLVING FUND FOR THE WHATCOM COUNTY FERRY BY \$800 FOR A TOTAL PETTY CASH FUND OF \$1,800 (AB2007-399)**

Crawford moved to recommend approval to the full Council.

Motion carried unanimously.

2. **ORDINANCE AMENDING THE 2007 WHATCOM COUNTY BUDGET, 11TH REQUEST, IN THE AMOUNT OF \$366,701 (AB2007-400)**

Dewey Desler, Deputy Administrator, gave a staff report and read the items in the request. The administration will work with the Sheriff and jail management to find ways to carefully review those costs in the future and more accurately predict the costs, so they don't have these kinds of increases. They are coming from the corrections fund. Also, the County received \$32,000 in State funding to increase capacity in District and Superior Court. It is only a revenue item at this point. It was not included during the 2007/2008 funding cycle. No additional expenditures are recognized.

Nelson moved to recommend approval to the full Council. He asked about the concern regarding acute medical conditions or injuries and offenders with serious mental illness being the primary cause of increased medical costs. He asked if the formulary has been recently reviewed.

Wendy Jones, Chief of Corrections, stated they are in the process of reviewing that formulary. The population has grown significantly this year from 260 to over 400. Many of those individuals are serial misdemeanants with underlying health issues. The cost of a couple of the psych medications have gone up about five percent in the past year. They will reevaluate that. They are dealing with people who are chronically ill. The County has no choice but to medicate them.

Nelson stated people who go into the jail system are no longer qualify for Medicaid. He asked if there is a triage process. Jones stated there is not. They are brought to jail because they have outstanding criminal chargers. There is a cadre of offenders for whom

1 triage is a possibility. However, this isn't about those people. This is about offenders who
2 must clearly be arrested. Another increase is the number of involuntary commitments out
3 of the jail, which is directly connected to the same population. She explained the process
4 for involuntary commitment.

5
6 Nelson stated some areas are doing officer training for mental health. He asked if
7 the County will have mental health officers who will be available for evaluation. Jones
8 stated that is more of an issue within the Bellingham city limits.

9
10 Nelson stated it's not a part of this issue, but they may want to consider it. The cost
11 of the medications is significant. Offenders are on and off the medications frequently. Get
12 the offenders into a system appropriate for their treatment rather than incarceration. Jones
13 stated she agrees. Some programs through the Health Department will begin within the
14 next six months. There is funding that will help find housing for this population, which can
15 be the biggest variable to keeping this population stable. Now, part of the issue is the
16 limitations of the current triage system. It isn't able to hold people on any kind of
17 involuntary hold. It has to be voluntary.

18
19 Nelson stated he would like to look at the formulary.

20
21 ***Motion carried unanimously.***

22
23 **3. ORDINANCE ESTABLISHING A LEOFF I HEALTHCARE FUND FOR POST**
24 **EMPLOYMENT HEALTH CARE AND LONG-TERM CARE COSTS IN THE AMOUNT**
25 **OF \$3,500,000 (AB2007-401)**

26
27 ***Crawford moved*** to recommend approval to the full Council.

28
29 Dewey Desler, Deputy Administrator, stated they are trying to establish a way to
30 cover long term liability for retiree health care expenses. This is a responsible thing to do
31 and meets requirements. When the County goes for a bond, it will receive medium- and
32 long-term benefits from having this fund.

33
34 Crawford asked if this fund amount will go to zero according to the payout schedule,
35 or if the return on the investment will cover the payout. Desler stated most of it will be
36 gone at the end of 30 years. They will allocate \$235,000 per year out of the general fund
37 to pay the underlying responsibilities, in perpetuity. They will expect to see larger expenses
38 with an aging population. Provide the \$235,000 per year as a regular appropriation.
39 Expenditures above that will be taken from this fund. If they don't spend \$235,000 in a
40 year, the excess will stay in the fund.

41
42 Crawford asked if this pays for the retiree only or a spouse also. Desler stated it
43 only pays for the retiree. There are no dependent costs. There are 27 retirees in the
44 system right now.

45
46 ***Motion carried unanimously.***

47
48 **4. REQUEST FROM COUNTY EXECUTIVE KREMEN AND MAYOR TIM DOUGLAS**
49 **FOR APPROVAL OF THE REVISED AND RESTATED INTERLOCAL AGREEMENT**
50 **BETWEEN THE CITY OF BELLINGHAM AND WHATCOM COUNTY TO CLARIFY**
51 **PARTICIPATION OF WHATCOM COUNTY'S SMALL CITIES IN THE PUBLIC**
52 **FACILITIES DISTRICT CREATED BY THE CITY OF BELLINGHAM AND**
53 **WHATCOM COUNTY (AB2007-407)**

1
2 Dewey Desler, Deputy Administrator, stated the Bellingham-Whatcom Public
3 Facilities District (PFD) was to be funded by a diversion of sales taxes allowed by law. Since
4 then, the State Department of Revenue diverted funds to the Whatcom Bellingham PFD
5 from the unincorporated area, City of Bellingham, and small cities. Those funds would have
6 normally gone to the State. The intent wasn't to include the smaller cities. This interlocal
7 corrects that error and asks the small cities to join the PFD. None of the cities will have
8 their tax resources diverted from local use to this purposes. It only diverts money from the
9 State general fund.

10
11 Therese Holm, PFD and City of Bellingham Finance Director, stated the PFD has been
12 receiving a sales tax rebate from the small cities. Revise the original interlocal agreement
13 between the City of Bellingham and County to expressly exclude the small cities. Five of
14 the small cities have signed the revised interlocal agreement. The Bellingham City Council
15 approved the agreement yesterday. Approval doesn't represent loss of revenue to the small
16 cities. It means revenue is diverted from the State to the PFD. All county residents benefit
17 from the regional PFD.

18
19 **Nelson moved** to recommend approval to the full Council. He asked if this changes
20 the amount going to the City or County. Holm stated it would not.

21
22 Nelson asked if the board would be made up differently. Holm stated the revised
23 agreement includes a representative of the small cities to serve on the board.

24
25 Caskey-Schreiber stated there must be small cities representation on the board. She
26 asked if the current makeup of the board is weighted to Bellingham or to the County. Holm
27 stated the County and City each appoint three members right now.

28
29 Patricia Decker, PFD Manager, stated a position coming open on the board is a
30 County representative. One of the County appointees will become a small cities appointee.
31 The Mayor and Executive confer about all the appointments.

32
33 Brenner asked why the City of Ferndale was reluctant to sign the agreement. Holm
34 stated the City of Ferndale wanted to know if it can opt out in the future, in the event that
35 the City wants to form its own PFD. However, the current PFD legislation has sunset. The
36 State would have to provide an exception for the City of Ferndale. Even if amended, the
37 statute requires a project of at least \$10 million and a 33 percent City match. It has to be a
38 regional center, and won't fund the projects that the City is interested in developing, such
39 as a library.

40
41 McShane asked how much money per year would come to the district, on behalf of
42 the City of Ferndale. Holm stated the PFD received five percent of \$1.2 million from the
43 City of Ferndale in 2006.

44
45 **Motion carried 2-0 with Nelson out of the room.**

46
47 **5. RESOLUTION DIRECTING ADMINISTRATIVE SERVICES TO EMPLOY A**
48 **CONTRACTOR TO BID EXCESS MEDICAL PLAN INSURANCE (AB2007-408)**

49
50 Karen Goens, Administrative Services Department, stated this makes formal a
51 process the administration has gone through the last few years. The self-insured program
52 pays claims directly, and then the County purchases excess insurance to handle any costs
53 over \$250,000. The process for getting the quotes for that extra protection is difficult to fit

1 into a normal public bidding process. The State law and County Code allows the Council,
2 when in the best interest of the county, to bypass or waive the bid requirements. The past
3 few years, they used their third party administrator and the benefits consultant, both of
4 whom the County got through a competitive bid process, to guide them in making
5 recommendations that is best for Whatcom County.
6

7 This is a very specialized market. All the information comes in right at the end of
8 the year when they get the full claims information. The last Council meeting is always early
9 in December. Therefore, the timing is always difficult. To get a bid, they need to share
10 Health Insurance Portability and Accountability Act (HIPAA) protected medical information.
11 The bidders want to know what has actually happened with large claims.
12

13 This is the best practice to do this. It still is a competitive process. It is just handled
14 on behalf of Whatcom County by the benefits consultant. She's talked to the County
15 attorneys about doing this kind of resolution for years. This is just the year she happened
16 to get organization and preparation for Council consideration.
17

18 **McShane moved** to recommend approval to the full Council.
19

20 **Motion carried unanimously.**
21

22
23 **COUNCIL "CONSENT AGENDA" ITEM**
24

25 **9. REQUEST APPROVAL FOR THE EXECUTIVE TO AWARD BID #07-94 TO SOLE**
26 **BIDDER CLYDE WEST, INC. FOR AN ARTICULATED MOTOR GRADER IN THE**
27 **AMOUNT OF \$249,406.05 (AB2007-416)**
28

29 **Crawford moved** to recommend approval to the full Council.
30

31 Brenner stated the County has one of these. According to local contractors, it's
32 better to contract out the use if they don't use the equipment 1,000 hours per year. Now,
33 the total amount of hours on it is just over 7,000 hours. The machinery is 20 years old. If
34 the option is to spend \$250,000 for a machine that is little-used, stick with the equipment
35 they have.
36

37 Crawford stated he received similar phone calls. In the private sector, a piece of
38 equipment in this price range must be used 1,000 hours per year for appropriate payback
39 for financing purposes and lifecycle analysis. Certain private contractors noted that 7,000
40 hours over 20 years is only about 350 hours per year. Renting is more cost-effective.
41

42 Eric Schlehuber, Public Works Department, stated there are five uses for this grader.
43 During a winter storm event, this grader is the County's last resort to get roads open and
44 plow three to four inches of ice on the road. They need the grader at 2 a.m., for example.
45 There are six County employees trained to drive it. It's very difficult to get an outside
46 rental company to open up and get the grader to the location within an hour of when they
47 need to be on the road.
48

49 Also, the rental graders don't come with a certain plow attachment or chains. They
50 typically only stock chains for County equipment. If they don't know what piece of
51 equipment they will get through a rental or the tire size, it causes a problem trying to get
52 chains for rental equipment.
53

1 The Maintenance and Operations (M&O) Division also uses the grader for shoulder
2 picking about 2,000 miles of shoulders, grading about 33 miles of gravel roads, and for river
3 projects to build and maintain access roads to the river projects.
4

5 Annually, the County goes out to bid for rental equipment with operator and without
6 operator. This last year, the bids for a grader only came in at \$63 to \$105 per hour. The
7 County rental rate is \$55 per hour. The cost is less because the County is not-for-profit and
8 doesn't have to deal with financing and interest costs.
9

10 Scott Cheldelin, Public Works Department, stated they do 2,000 miles of shoulder
11 work. That's ongoing. They only have two road graders. It is an essential piece of
12 equipment. They use it on a regular basis, even though the total hours are only about
13 8,000 hours.
14

15 Caskey-Schreiber asked if the existing grader has any service hours that can still be
16 used, so they can keep it in addition to the new one, and have even better snow removal
17 service. Schlehber stated that is an option. Staff doesn't propose that. They propose
18 getting a replacement. The John Deere would go to auction through the surplus process.
19 They typically get a good auction price because people know it's a well-maintained piece of
20 County equipment. That amount goes back into the equipment revolve and rental (ER&R)
21 fund.
22

23 Caskey-Schreiber asked if they can deliver more service in snow situations with
24 three graders. The staff does a great job now.
25

26 Brenner stated they do need something for an emergency. They already have the
27 1987 John Deere, which has closer to 7,000 hours. Go with the rental for shoulder grading,
28 which isn't an emergency, and keep the one they've got for an emergency. They are better
29 off splitting the difference. They will never get from an auction what it's really worth. Keep
30 using the grader instead of auctioning it. If they need to use another piece of equipment
31 for shoulder grading, then rent that equipment.
32

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

35 Crawford asked if this was in the budget.
36

37 Dewey Desler, Deputy administrator, stated it was an additional services request
38 (ASR).
39

40 Frank Abart, Public Works Department Director, stated he does not recommend
41 keeping the current grader in addition to buying a new one. He doesn't want to make the
42 fleet any bigger. Given the terrain, they need a heavy piece of equipment that can have a
43 B plow and take some abuse. Breaking ice and snow drifts causes fatigue over a number of
44 years. If they have a machine, they wouldn't rent one.
45

46 This is a mission critical piece of equipment. They need it to start, function, and run
47 when they need it to run. He's not opposed to getting rid of a 20-year old piece of
48 equipment that may have taken some abuse. He would liken this equipment to a fire truck.
49 It may have relatively few hours of use, but suffers from metal fatigue because it's always
50 kept ready.
51

52 Caskey-Schreiber stated she's comfortable with going forward because it was
53 approved in the budget.

1
2 Brenner stated they don't take a look at everything at budget time. There is no way
3 to convince her that private companies won't make the equipment available when
4 necessary. They have a profit motive. They work their machines as much as they can.
5 The piece of machinery they have now is adequate for what they need. At some point, they
6 have to draw the line. There is nothing wrong with the machine they have.
7

8 Nelson stated the City of Bellingham agreed to contract snow plows one year. When
9 a big snow storm hit, no plows were available. Others who contracted with these
10 companies through the year had first dibs on the contractors' services. The streets were
11 left undone. That's the biggest concern. The County roads were clear.
12

13 Brenner stated that's not what she's proposing. Keep the equipment they have and
14 reserve the use of it for the snow. Or, use it for all hours and then replace the equipment
15 when it's really ready for replacement, which isn't now.
16

17 ***Motion carried unanimously.***

- 18
19 **1. REQUEST BY THE WHATCOM COUNTY HOUSING ADVISORY BOARD FOR**
20 **APPROVAL OF RECOMMENDATIONS FOR FUNDING AND ENTERING INTO**
21 **CONTRACTS FROM 2060 REPAIR & RETENTION RFP #07-77 IN THE AMOUNT**
22 **OF \$115,000 (AB2007-389)**
23

24 ***Crawford moved*** to recommend approval to the full Council.
25

26 ***Motion carried unanimously.***

- 27
28 **2. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ACCEPT A DONATION OF**
29 **.35 ACRES OF LAND (PARCEL #4006350801050000) FOR PARK PURPOSES**
30 **FROM THE GLACIER SPRING PROPERTY OWNERS (AB2007-410)**
31

32 ***McShane moved*** to recommend approval to the full Council. He described the
33 location.
34

35 ***Motion carried unanimously.***

- 36
37 **3. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**
38 **AGREEMENT BETWEEN THE COUNTY AND THE STATE OF WASHINGTON**
39 **ADMINISTRATIVE OFFICE OF THE COURTS AND WHATCOM COUNTY TO**
40 **PROVIDE FUNDING FOR THE CREATION AND IMPLEMENTATION OF A**
41 **COURT-APPOINTED SPECIAL ADVOCATES PROGRAM IN JUVENILE COURT**
42 **ADMINISTRATION IN THE AMOUNT OF \$100,000 (AB2007-411)**
43

44 ***Nelson moved*** to recommend approval to the full Council.
45

46 Caskey-Schreiber asked if they are going to add staff to do this service rather than
47 contracting out.
48

49 Dewey Desler, Deputy Administrator, stated it doesn't. There is a significant
50 increase in the number of dependency cases the court must handle. Options for this service
51 includes contracted guardian ad litem advocates, paid County staff, or court appointed
52 special advocates (CASA) volunteers. Whatcom County is the only county in the state that
53 uses only the contract guardian ad litem option. That cost has risen dramatically over the

1 years. They spend close to \$415,000 per year. If the County institutes a volunteer
2 program like CASA, they will not add any more expenses.

3
4 The County received grants and ongoing funding for this. The administration will
5 bring forward a budget adjustment for this at its next meeting. There is one position for a
6 volunteer coordinator.

7
8 Caskey-Schreiber stated the Council voted to eliminate a volunteer-run advocacy
9 program in the past. She supports this program. Reducing dependence on a contracted
10 service by using a volunteer service to save money is a great goal. Desler stated a goal is
11 to stabilize County expenses. Criminal justice has costs that increase beyond the County's
12 control unless the County finds less expensive alternatives. That's what this is.

13
14 ***Motion carried unanimously.***

- 15
16 **4. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A LEASE**
17 **AGREEMENT WITH JOHN VON KRUSENSTIERN FOR WAREHOUSE SPACE TO**
18 **STORE COUNTY RECORDS IN THE AMOUNT OF \$20,864.88 (AB2007-412)**

19
20 ***Crawford moved*** to recommend approval to the full Council.

21
22 ***Motion carried unanimously.***

- 23
24 **5. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**
25 **INTERLOCAL AGREEMENT BETWEEN WHATCOM COUNTY AND THE CITY OF**
26 **BELLINGHAM FOR YEW STREET ROAD PHASE II IMPROVEMENTS (AB2007-**
27 **409)**

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

30
31 ***Motion carried unanimously.***

- 32
33 **6. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
34 **CONTRACT BETWEEN WHATCOM COUNTY AND QWEST CORPORATION FOR**
35 **THE COUNTY'S PABX EQUIPMENT IN THE AMOUNT OF \$45,288 PER YEAR**
36 **FOR FIVE YEARS (AB2007-413)**

37
38 ***Crawford moved*** to recommend approval to the full Council.

39
40 ***Motion carried unanimously.***

- 41
42 **7. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**
43 **INTERLOCAL AGREEMENT BETWEEN WHATCOM COUNTY AND THE LUMMI**
44 **NATION FOR THE HAXTON WAY PEDESTRIAN & BICYCLE SAFETY PROJECT**
45 **IN THE AMOUNT OF \$300,000 (AB2007-414)**

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

48
49 Frank Abart, Public Works Director, stated he withdraws this item from Council
50 consideration at this time.

51
52 ***Nelson withdrew his motion.***

1 (Clerk's Note: End of tape one, side A.)
2

- 3 **8. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
4 **CONTRACT BETWEEN WHATCOM COUNTY AND WHATCOM CENTER FOR**
5 **EARLY LEARNING FOR CHILD DEVELOPMENT SERVICES IN AN AMOUNT NOT**
6 **TO EXCEED \$112,000 (AB2007-415)**
7

8 **Nelson moved** to recommend approval to the full Council.
9

10 **Motion carried unanimously.**
11

- 12 **10. RESOLUTION AMENDING CRP #905016 FOR THE DRAYTON HARBOR ROAD**
13 **PROJECT AND AWARD OF CONTRACT TO RAM CONSTRUCTION GENERAL**
14 **CONTRACTORS AS LOW BIDDER IN THE AMOUNT OF \$1,243,810 (AB2007-**
15 **430)**
16

17 **McShane moved** to recommend approval to the full Council.
18

19 Nelson asked if this is on the six-year road program.
20

21 Frank Abart, Public Works Department, stated it is.
22

23 Crawford asked about the long-term intentions for this road.
24

25 Abart stated it is not clear. The direction is to get the road built first, and then enter
26 into discussions with the neighborhood and community.
27

28 Crawford asked if all options are still on the table. Abart stated they are.
29

30 **Motion carried unanimously.**
31
32

33 **OTHER BUSINESS**
34

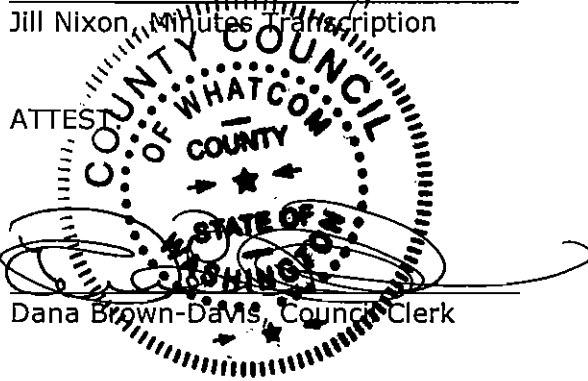
35 There was no other business.
36
37

38 **ADJOURN**
39


40 The meeting adjourned at 11:57 a.m.
41

42 
43
44 Jill Nixon, Minutes Transcription
45

46 ATTEST
47

48 
49
50 Dana Brown-Davis, Council Clerk
51
52
53

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON


Sam Crawford, Committee Chair