WORK SESSION AGENDA
BOARD OF CLALLAM COUNTY COMMISSIONERS
223 East 4th Street Room 160
Port Angeles, Washington
Monday, November 8, 2021 – 8:00 a.m.

****ATTENTION****
In response to the current pandemic, to promote social distancing, and in compliance with Governor's Proclamation and the recommendation of the Clallam County Health Officer, the Board of Commissioners meetings will be virtual only. The Board of Commissioners strongly encourages public comments to be submitted in writing.

This meeting can be viewed on a live stream at this link: http://www.clallam.net/features/meetings.html

If you would like to participate in the meeting via Zoom audio only, call 253-215-8782 and use meeting ID: 875 561 7844 and passcode: 12345

If you would like to participate in the meeting via Zoom video conference, visit https://zoom.us/j/8755617844 and use meeting ID: 875 561 7844 and passcode: 12345

Public comment and questions can be directed to the Clerk of the Board at 360-417-2256 or agores@co.clallam.wa.us.

Administration – 9 a.m.

1. Calendar/Correspondence

2. Pre-application questionnaire with Administrative Office of the Courts for SB 5476 Therapeutic Court

   Pre-application questionnaire

Board of Commissioners

3. Discussion on Nuisance Ordinance

   Discussion

Budget

4. Notice of hearing to be held on Tuesday, November 30, 2021 at 10:30 a.m. regarding Resolutions on proposed levies for the General Purpose Property Tax, Road Fund Property Tax and Conservation Futures Property Tax (4a)*

   Notice of hearing

5. Notice of hearing to be held on Tuesday, December 7, 2021 at 10:30 a.m. and 5 p.m. regarding a Resolution adopting the 2022 Clallam County Budget (4b)*

   Notice of hearing

6. Contract with Washington State Department of Commerce for American Rescue Plan Act (ARPA) for Clallam County Marine Transport (2b)*

   Contract

7. Review the "How Did We Do" reports comparing each month's actual performance against the 2021 Annual Budget

   "How Did We Do" report

General Discussion/Items for Future Agendas

A. Department of Natural Resources Meeting (November 30 at 1 p.m.)

B. Continued Work Session – Topic TBD (December 13 at 1 p.m.)

C. Shoreline Master Program update (January 11, 2022)

EXECUTIVE SESSION

The Board may recess into Executive Session to consider employment or dismissal of personnel, to review the performance of a public employee, to consult with legal counsel, to consider the position to be taken in collective bargaining, to consider acquisition or sale of real estate, or other matters per RCW 42.30.110

- Other items may be added at the discretion of the Board and additional Work Sessions may be scheduled if more time is needed to allow for adequate discussion.
- Written testimony presented by members of the public during the Board meeting is considered a public document and must be submitted to the Clerk of the Board.
- Copies of public documents from Board meetings are available by contacting the Public Records Department.

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11/8/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: District Court I

WORK SESSION ☒ **Meeting Date: 11/8/21**

REGULAR AGENDA ☐ **Meeting Date:**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing ☐ Contract/Agreement/MOU - Contract #

☐ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☒ Other Grant Application Approval

Documents exempt from public disclosure attached: ☐

Executive summary:
Request for approval.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?) Approve request.

County Official signature & print name: David Neupert

Name of Employee/Stakeholder attending meeting: David Neupert / Lisa Gale

Relevant Departments: Clallam county District court I

Date submitted: 11/3/2021

Clallam County
Grant Application Information

DEPARTMENT: **District Court I**

DATE SUBMITTED TO W/S: **11/03/21**

GRANT NAME: **SB 5476 Therapeutic Court**

APPLICATION DEADLINE: **09/28/21**

ISSUING AGENCY: **Administrative Office of the Courts**

IS THIS A RENEWAL? **No**

LENGTH OF GRANT: **1 year**

RENEWAL POSSIBLE? **No**

TOTAL AWARD: **231,151.00**

ANNUAL AMOUNT: **$115,575.50 awarded Dec. 2021; $115,575.50 awarded July 2022.**

MATCH REQUIRED? **No**

MATCH AMOUNT: **0**

DESCRIPTION OF GRANT AND PURPOSE:
Grant was established by appropriation in SB 5476, section 23, effective .July 25, 2021. Grant will provide funding to establish a mental/behavioral health court program in District Court I. This court will provide accountability to accused persons with mental/behavioral health issues, and will engage those individuals with community-based therapeutic interventions.

EXPLAIN HOW THIS GRANT WILL BE USED FOR THE GOOD OF CLALLAM COUNTY CITIZENS: The grant will establish a new therapeutic court focused on mental/behavioral health treatment alternatives to incarceration.

DOES THE GRANT ACTIVITY FURTHER THE DEPARTMENT'S MISSION OR CORE FUNCTIONS? HAS IT BEEN A PART OF LONG TERM DEPARTMENT OR COUNTY GOALS?
Yes, to both questions. A core function of District Court is to hold offenders accountable. The Clallam County Law & Justice Council members voiced strong support for a new Mental Health Court. (*see,* meeting minutes available at:
http://websrv7.clallam.net/forms/uploads/SheriffLawMinutes20200226173927.pdf

DOES THE GRANT ACTIVITY INCREASE AN EXISTING SERVICE OR ADD A NEW SERVICE? TO WHAT DEGREE? IF THE GRANT WERE NOT AVAILABLE, WOULD THE SERVICE HAVE BEEN NECESSARY?
The grant increases and adds targeted assistance to the public. Mental Health and Substance Abuse treatment will continue to be necessary in the community.

WHAT MEASUREMENTS (PERFORMANCE MEASURES) WILL BE USED TO EVALUATE THE SUCCESS OF THE ACTIVITIES PROVIDED BY THE GRANT? WILL PERFORMANCE MEASURES BE DEVELOPED?
The grant requires quarterly reports to the Washington Administrative Office of the Courts. The court will identify evidence-based best practices based on NADCP Drug Court Guidelines and BJA Mental Health Court Guidelines A primary performance measure will be to determine the reduced recidivism rate among mental health court participants.

DOES THE GRANT ACTIVITY CREATE A NEW SERVICE OR LEVEL OF SERVICE WHICH IS EXPECTED

TO BE CONTINUED FROM LOCAL FUNDING AT THE END OF THE GRANT PERIOD?
Yes.

IF MATCHING FUNDS ARE REQUIRED, WHERE WILL THEY COME FROM? DOES THE DEPARTMENT HAVE EXISTING RESOURCES TO COVER MATCH REQUIREMENTS? FROM WHERE?
No matching funds are required.

WILL THE ACTIVITY IN THIS GRANT HAVE IMPACTS ON OTHER DEPARTMENTS? HAS THIS BEEN DISCUSSED? DO OTHER DEPARTMENTS HAVE SUFFICIENT RESOURCES TO DEAL WITH ADDITIONAL IMPACTS?
There is a potential impact on the Prosecuting Attorney's office for mental health court staffing. The elected prosecuting attorney has a long-standing commitment to the success of this therapeutic court.

WILL NEW POSITIONS BE ADDED? IF SO, HOW MANY AND WHAT TYPE ARE EXPECTED? ARE ALL WAGES AND BENEFITS PAID IN THE GRANT? WHAT WILL HAPPEN TO THE POSITIONS WHEN THE GRANT PERIOD ENDS?
Yes. It will require a Mental Health Court coordinator. That position has been advertised and may be filled soon. It is possible that administrative help will be needed in the future. All wages and benefits will be paid for the first year from the grant. Continued funding is anticipated from the dedicated 1/10th of one-percent tax under RCW 82.14.460 which requires that moneys collected under the statute " must be used solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services" .

DOES YOUR DEPARTMENT HAVE SUFFICIENT RESOURCES TO ADMINISTER THE GRANT? PROVIDE FOR TIMELY REIMBURSEMENT AND ACTIVITY REPORTS?
Yes

ARE THERE IMPACTS TO THE COUNTY IF THE GRANT IS NOT RECEIVED? WHAT ARE THEY?
Funding the program would be needed.

ARE INDIRECT COSTS ALLOWABLE ON THIS GRANT? IF SO, ARE THERE LIMITATIONS? WILL THEY BE CHARGED AND ALLOCATED AS INDIRECT?
The grant allows costs for: Personnel - $200,652.00; Staff equipment and training: $18, 562.00; Treatment services: $8,526.00; Other participant services: $3,411.00.

ARE THERE OTHER ACTIVITIES (GRANT OR OTHERWISE) THAT ARE BUDGETED FOR THIS YEAR THAT WILL NOT BE COMPLETED IF THIS GRANT IS APPROVED?
No

WHAT BUDGET CHANGES ARE NECESSARY? INCLUDE REVENUES AND EXPENDITURES.
District Court I budget for 2022 may be offset by funds received under the grant.

OTHER COMMENTS

David Neupert, presiding Judge

ELECTED OFFICIAL/DEPARTMENT HEAD SIGNATURE

Rich Sill, ADMINISTRATOR

APPROVAL

Submit in **duplicate** to the Board of Commissioners for Work Session discussion and approval by the Administrator prior to application for any grant. The approved form must be included with the grant contract when it is submitted to the Board for approval. Refer to Administrative Policies 120 and 562.

WASHINGTON
COURTS

ADMINISTRATIVE OFFICE OF THE COURTS
Dawn Marie Rubio, J.D.
State Court Administrator

SENT VIA EMAIL

October 29, 2021

ATTN:
David Neupert, Presiding Judge
Keith Wills, Administrator
Clallam County District Court I
223 E 4th St, Ste 10
Port Angeles, WA 98362-3015

Subject: Award Letter for SB 5476 Therapeutic Court Grant Program

We are pleased to inform you that the Administrative Office of the Courts (AOC) has reviewed your recent grant application, and has chosen to award you a grant in the amount of **$231,151.00**.

The amount awarded may differ from the amount you requested. AOC adjusted all funding requests to start in December 2021 and end at the conclusion of FY23 (July 2023). If you have any questions about how your award was recalculated, please reach out to Stephanie Oyler at Stephanie.Oyler@courts.wa.gov.

It is the intention of AOC that the grant be used to identify individuals before Clallam County District Court I with substance use disorders or other behavioral health needs and engage those individuals with community-based therapeutic interventions as described in your grant application. This award letter explains the responsibilities and expectations of grant recipients.

You will receive a Grant Agreement formalizing the terms of your award and a blank A-19 form in November. Grant recipients must sign the Grant Agreement and complete an A-19 form within ten days of receipt, and specify the contract manger, including their contact information. Once the Grant Agreement and accompanying A-19 form are signed and returned to AOC, the award monies will be dispersed.

Award Disbursement

Your award will be split into two disbursements. Recipients will receive the first half of their award ($115,575.50) in December 2021, and the second half of their award ($115,575.50) in July 2022.

Award monies will be divided into one of four cost categories. Cost categories will dictate how an award can be spent. The cost categories are as follows:

- Personnel Salaries & Benefits
- Staff Equipment & Training

- Treatment Services (therapeutic services specifically designed to address SUD and MH) & Compliance Monitoring
- Other Participant Services (other supportive services meant to ensure participant success- i.e. transportation services, including bus passes or car services providing transportation to court related activities and direct provision of meals, water and snacks, but ***excluding*** program incentives that would constitute a "gift."

The table below will show how your award must be distributed amongst the cost categories. A recipient is allowed to move award monies between categories if it less than 10% of the total award amount. If a recipient wishes to move more than 10% of the total award between cost categories, the recipient must have permission from AOC.

Personnel	*Staff Equipment & Training*	*Treatment Services*	*Other Participant Services*	*Total Award*
$200,652.00	$18,562.00	$8,526.00	$3,411.00	$231,151.00

Reporting Requirements

Award recipients will be required to report quarterly to AOC on the impact of the award on their court and the effectiveness of their therapeutic court program at the dates listed below:

First Report due April 30, 2022
Second Report due September 31, 2022
Third Report due February 28, 2023
Fourth Report due June 30, 2023

Reports should include the number of individuals engaged in your therapeutic court program for that quarter, a detailed list of the services provided to individuals involved in the program for that quarter, the cost of those services and a description of the challenges faced by your therapeutic court program.

Reports should be submitted to Stephanie.Oyler@courts.wa.gov.

If you have any questions regarding the terms expressed in this letter, please contact Brittany Gregory at Brittany.Gregory@courts.wa.gov.

Respectfully,

Christopher Stanley
Chief Financial and Management Officer

cc: Dawn Marie Rubio, State Court Administrator
Brittany Gregory, Associate Director of Judicial and Legislative Relations
Stephanie Oyler, Court Association Coordinator

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11/8/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☒ **Meeting Date: 11-08-21**

REGULAR AGENDA ☐ **Meeting Date:**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing	☐ Contract/Agreement/MOU - Contract #	
☐ Resolution	☐ Proclamation	☐ Budget Item
☐ Draft Ordinance	☐ Final Ordinance	☒ Other - Discussion

Documents exempt from public disclosure attached: ☐

Executive summary:

Discussion of Nuisance Ordinance:
Commissioner Peach will provide an update on the status of his research into/work on a Nuisance Ordinance.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
None.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Discussion and next steps.

County Official signature & print name: Loni Gores Loni Gores, Clerk

Name of Employee/Stakeholder attending meeting: Board of Commissioners

Relevant Departments: Board of Commissioners

Date submitted: 10/18/21

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11/8/21
4.9

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC/Finance

WORK SESSION ☒ **Meeting Date: 11/08/2021**

REGULAR AGENDA ☒ **Meeting Date: 11/09/2021**

Required Originals Approved and Attached? ☒
Will Be Provided On:

Item Summary:*

☒ Call for Hearing
☒ Resolution
☐ Draft Ordinance
☐ Contract/Agreement/MOU**
☐ Proclamation
☐ Final Ordinance
Contract #
☐ Budget Item
☐ Other:

Documents exempt from public disclosure attached: ☐

Executive Summary:

Notice of hearing for Resolutions regarding the General Purpose Property Tax, the Road Fund Property Tax and Conservation Futures levies to be held on Tuesday, November 30, 2021 at 10:30 AM.

Budgetary Impact:(Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget Action is required, has it been submitted and a copy attached?** ☐

No budgetary impact at this time.

Recommended Action:(Does the Board need to act? If so, what is the department's recommendation?)

Approve a notice of hearing to be published November 19 and 26, 2021.

County Official signature & print name: Debi Cook [signature]

Name of Employee attending meeting: Debi Cook, Mark Lane

Relevant Departments: BOCC, Finance

Date Submitted: 11/02/2021

PUBLIC HEARING

Resolutions on proposed Levies for the General Purpose Property Tax, the Road Fund Property Tax and Conservation Futures Property Tax

NOTICE: The Clallam County Board of Commissioners will conduct a public hearing on Tuesday, November 30, 2021 at 10:30 a.m., or as soon thereafter as possible in the Commissioners' Meeting Room of the Clallam County Courthouse, 223 East 4th Street, Room 160, Port Angeles, Washington. The public hearing is to consider the Resolutions listed above. All proposed Resolutions are available on the County website *www.clallam.net* or a free copy can be mailed to you upon request.

****ATTENTION****

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If you would like to participate in the meeting via Zoom video conference, visit https://zoom.us/j/8755617844 and use meeting ID: 875 561 7844 and passcode: 12345

Public comment and questions can be directed to mlane@co.clallam.wa.us and agores@co.clallam.wa.us.

In compliance with the Americans with Disabilities Act, reasonable accommodations are available upon request. The facility is considered "barrier free" and accessible to those with physical disabilities.

PROPONENT: Clallam County Board of Commissioners
223 East 4th Street, Suite 4
Port Angeles, WA 98362-3015
Telephone: 360.417.2233

FORMAL IDENTIFICATION: Resolutions on proposed Levies for the General Purpose Property Tax, the Road Fund Property Tax and Conservation Futures Property Tax

SUMMARY ON RESOLUTIONS ON PROPOSED LEVIES:

Notice is hereby given Clallam County will adopt by Resolution(s) of the Board:

1) Establishing the 2022 General Purpose Property Tax Levy for Clallam County
2) Establishing the 2022 Road Fund Property Tax Levy for Clallam County
3) Establishing the 2022 Conservation Futures Property Tax Levy for Clallam County

BOARD OF CLALLAM COUNTY COMMISSIONERS

Publish: November 19 and 26, 2021
Bill: Board of Commissioners

Mark Ozias, Chair

BUDGET RESOLUTION __________, 2021

ESTABLISHING THE 2022 GENERAL PURPOSE PROPERTY TAX LEVY FOR CLALLAM COUNTY

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. The Board of Clallam County Commissioners gave notice on November 9, 2021 that a Resolution establishing a general purpose property tax levy would be adopted by Resolution on November 30, 2021.

2. The Board of Clallam County Commissioners finds there is substantial need for the increase of 1 percent plus new construction, pursuant to RCW 84.55.0101.

3. A required public hearing will be held December 7, 2021 to consider the Clallam County current expense budget for the 2022 calendar year, pursuant to RCW 84.55.120.

4. The actual levy amount from the previous year is $11,547,924.47.

5. The population of Clallam County is more than 10,000.

NOW, THEREFORE, BE IT RESOLVED by the Clallam County Board of Commissioners, in consideration of the above findings of fact:

1. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2022 tax year.

2. The dollar amount of the increase over the actual levy amount from the previous year is $115,479.24 which is an increase of 1 percent from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

PASSED AND ADOPTED this thirtieth day of November 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

____
Mark Ozias, Chair

____
Randy Johnson

____
Bill Peach

ATTEST:

____
Loni Gores, CMC, Clerk of the Board

c: Assessor
Treasurer

LEVY LIMITATIONS WORKSHEET

TAXING DISTRICT CLALLAM COUNTY GENERAL FUND 2021 Levy for 2022 Taxes

Instructions for electronic version of form - Fill in highlighted cells all other self populate.

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

Year 2021 — $11,533,810.65 (Highest Lawful Levy Since 1985) × 101.000% (Limit Factor/Max Increase 101%) = $11,649,148.76

B. Current year's assessed value of new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

$155,204,358 (A.V.) × 1.083011982110 (Last Year's Levy Rate) ÷ $1,000 = $168,088.18

C. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).

$44,722,684 (Current Year's A.V.) - $42,796,827 (Previous Year's A.V.) = $ 1,925,857.00 (Remainder)

$1,925,857 (Remainder from Line C) × 1.083011982110 (Last Year's Levy Rate) ÷ $1,000 = $2,085.73

D. Regular property tax limit: .... A+B+C = $11,819,322.67

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

$11,819,322.67 (Total in Line D) ÷ $11,969,288,933 (Assessed Value Less Annexed AV) × $1,000 = 0.987470745853

F. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.

______ (Annexed Area's A.V.) × 0.987470745853 (Rate in Line E) ÷ $1,000 = 0

G. Regular property tax limit including annexation .... D+F = $11,819,322.67

H. **Statutory maximum calculation**

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library, or has a firefighters pension fund.

1.800000000000 (District base levy rate) - ______ (Fire or RFA Rate) - ______ (Library Rate) + ______ (Firefighter Pension Fund) = 1.800000000000 (Statutory Rate Limit)

$11,969,288,933 (A.V. of District) × 1.800000000000 (Statutory Rate Limit) ÷ $1,000 = $21,544,720.08 (Statutory Amount)

I. **Highest Lawful Levy For This Tax Year (Lesser of G and H)** .... = $11,819,322.67

J. **Tax Base For Regular Levy**

1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy) — $11,969,288,933

K. **Tax Base for Excess and Voted Bond Levies**

2. Less assessed value of the senior citizen exemption of less than $40,000 income or 65% of the median household income for the county based on lower of frozen or market value. ______
3. Plus Timber Assessed Value (TAV) .... ______
4. Tax base for excess and voted bond levies .... (1-2+3) $11,969,288,933

Excess Levy Rate Computation - Excess levy amount divided by the assessed value in Line K4 above.

______ (Levy Amount) ÷ $11,969,288,933 (A.V. from Line K4 above) × $1,000 = 0.000000000000

Bond Levy Rate Computation - Bond levy amount divided by the assessed value in Line K4 above.

______ (Levy Amount) ÷ $11,969,288,933 (A.V. from Line K4 above) × $1,000 = 0.000000000000

TAXING DISTRICT CLALLAM COUNTY GENERAL FUND 2021 Levy For 2022 Taxes

Population: ☐ Less than 10,000 ☑ 10,000 or more

Was a resolution/ordinance adopted authorizing an increase over the previous year's levy? ☑ Yes ☐ No

Was a second resolution/ordinance adopted authorizing an increase over the IPD? ☐ Yes ☐ No ☑ N/A

If so, what was the percentage increase? 1.000000000000% Calculated % Increase 0.999999959300%

A. Previous year's actual levy adjusted by the increases as stated in ordinance or resolution (RCW 84.55.120).

Year	Previous Year's Actual Levy				
2021	$11,547,924.47 (Previous Year's Actual Levy)	+	115,479.24 (Plus Resolution Increase Amount)	=	$11,663,403.71
2021	$11,547,924.47 (Previous Year's Actual Levy)	×	1.000000000000% (Resolution Percentage of Increase)	=	$11,663,403.71

B. Amount for new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities.(Line B, page 1) .... = $168,088.18

C. Amount for increase in value of state-assessed property (Line C, page 1) = $2,085.73

D. Amount for increase in annexation (Line F, page 1) .... = 0

E. Total levy amount authorized, including the annexation .... Lesser of A+(B+C+D) = $11,833,577.62

F. Total levy amount authorized by resolution (E) plus amount refunded or to be refunded (RCW 84.55.070).

$11,833,577.62 (Total from Line E) + $13,000.00 (Amount to be Refunded) = $11,846,577.62 (Amount allowable per)

G. Total amount certified by county legislative authority or taxing district as applicable. (RCW 84.52.020 and RCW 84.52.070) .... = $11,882,000.00

H. Levy limit from line G on page 1, plus amount refunded or to be refunded (RCW 84.55.070).

$11,819,322.67 (Line G, Page 1) + $13,000.00 (Amount to be Refunded) = $11,832,322.67 (Total)

I. Amount of taxes recovered due to a settlement of highly valued disputed property (RCW 84.52.018).

$11,832,322.67 (Lesser of F, G, or H) — (Amount Held in Abeyance) = $11,832,322.67 (Total)

J. Statutory limit from line H on page 1 (dollar amount, not the rate) .... = $21,544,720.08

K. Lesser of I and J $11,832,322.67

L. **Levy Corrections** Year of Error:

1. Minus amount over levied (if applicable) ....
2. Plus amount under levied (if applicable) ....

M. **Total:** K +/- L $11,832,322.67

N. **Regular Levy Rate Computation Without Levy Error Correction**

Use this rate in next year's levy calculations unless it's reduced due to levy error, other limitation, or there's a road levy shift.

$11,832,322.67 (Lesser of J and K) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.988556858827 (rate w/o error correction)

O. **Regular Levy Rate Computation:** Lesser of J and M divided by the assessed value in line J1 on page 1.

Use this rate for the current year's tax roll unless it is reduced due to another levy limitation such as the $5.90 limit.

$11,832,322.67 (Lesser of J and M) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.988556858827 (rate before aggregate check)

P. **Road Levy Shift Rate Computation - (Do not enter a shift amount in both shift fields.)**

Q. ______ Amount shifted **TO** this taxing district **OR** ______ Amount shifted **FROM** this taxing district

R. $11,832,322.67 (Post Shift Levy Amount) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.988556858827 (Post Shift Levy Rate)

BUDGET RESOLUTION __________, 2021

ESTABLISHING THE 2022 ROAD FUND PROPERTY TAX LEVY FOR CLALLAM COUNTY

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. The Board of Clallam County Commissioners gave notice on November 9, 2021 that a Resolution establishing a road fund property tax levy would be adopted by Resolution on November 30, 2021.

2. The Board of Clallam County Commissioners finds there is substantial need for the increase of 1 percent plus new construction, pursuant to RCW 84.55.0101.

3. A required public hearing will be held December 7, 2021 to consider the Clallam County current expense budget for the 2022 calendar year, pursuant to RCW 84.55.120.

4. The actual levy amount from the previous year is $7,768,340.46.

5. The population of Clallam County is more than 10,000.

NOW, THEREFORE, BE IT RESOLVED by the Clallam County Board of Commissioners, in consideration of the above findings of fact:

1. That an increase in the regular property tax levy for the Road Fund is hereby authorized for the levy to be collected in the 2022 tax year.

2. The dollar amount of the increase over the actual levy amount from the previous year is $77,683.40 which is an increase of 1 percent from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

PASSED AND ADOPTED this thirtieth day of November 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

____
Mark Ozias, Chair

____
Randy Johnson

____
Bill Peach

ATTEST:

____
Loni Gores, CMC, Clerk of the Board

c: Assessor
Treasurer

LEVY LIMITATIONS WORKSHEET

TAXING DISTRICT CLALLAM COUNTY ROAD FUND **2021** Levy for **2022** Taxes

Instructions for electronic version of form - Fill in highlighted cells all other self populate.

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

Year 2021	$7,758,686.10	×	101.000%	=	$7,836,272.96
	Highest Lawful Levy Since 1985		Limit Factor/Max Increase 101%		

B. Current year's assessed value of new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

$100,225,090	×	1.112743520991	÷	$1,000	=	$111,524.82
A.V.		Last Year's Levy Rate				

C. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).

$28,305,242	-	$27,086,356	=	$ 1,218,886.00		
Current Year's A.V.		Previous Year's A.V.		Remainder		
$1,218,886	×	1.112743520991	÷	$1,000	=	$1,356.31
Remainder from Line C		Last Year's Levy Rate				

D. Regular property tax limit: .... A+B+C = $7,949,154.09

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

$7,949,154.09	÷	$7,841,809,746	×	$1,000	=	1.013688720777
Total in Line D		Assessed Value Less Annexed AV				

F. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.

	×	1.013688720777	÷	$1,000	=	0
Annexed Area's A.V.		Rate in Line E				

G. Regular property tax limit including annexation .... D+F = $7,949,154.09

H. **Statutory maximum calculation**

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library, or has a firefighters pension fund.

2.250000000000	-		-		+		=	2.250000000000
District base levy rate		Fire or RFA Rate		Library Rate		Firefighter Pension Fund		Statutory Rate Limit

$7,841,809,746	×	2.250000000000	÷	$1,000	=	$17,644,071.93
A.V. of District		Statutory Rate Limit				Statutory Amount

I. **Highest Lawful Levy For This Tax Year (Lesser of G and H)** .... = $7,949,154.09

J. **Tax Base For Regular Levy**

1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy) $7,841,809,746

K. **Tax Base for Excess and Voted Bond Levies**

2. Less assessed value of the senior citizen exemption of less than $40,000 income or 65% of the median household income for the county based on lower of frozen or market value.
3. Plus Timber Assessed Value (TAV) ....
4. Tax base for excess and voted bond levies .... (1-2+3) $7,841,809,746

Excess Levy Rate Computation - Excess levy amount divided by the assessed value in Line K4 above.

	÷	$7,841,809,746	×	$1,000	=	0.000000000000
Levy Amount		A.V. from Line K4 above				

Bond Levy Rate Computation - Bond levy amount divided by the assessed value in Line K4 above.

	÷	$7,841,809,746	×	$1,000	=	0.000000000000
Levy Amount		A.V. from Line K4 above				

TAXING DISTRICT CLALLAM COUNTY ROAD FUND **2021 Levy For 2022 Taxes**

Population: ☐ Less than 10,000 ☑ 10,000 or more

Was a resolution/ordinance adopted authorizing an increase over the previous year's levy? ☑ Yes ☐ No

Was a second resolution/ordinance adopted authorizing an increase over the IPD? ☐ Yes ☐ No ☑ N/A

If so, what was the percentage increase? 1.000000000000% Calculated % Increase 0.999999940785%

A. Previous year's actual levy adjusted by the increases as stated in ordinance or resolution (RCW 84.55.120).

Year	2021	$7,768,340.46 (Previous Year's Actual Levy)	+	77,683.40 (Plus Resolution Increase Amount)	=	$7,846,023.86
Year	2021	$7,768,340.46 (Previous Year's Actual Levy)	×	1.000000000000% (Resolution Percentage of Increase)	=	$7,846,023.86

B. Amount for new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities.(Line B, page 1) .... = $111,524.82

C. Amount for increase in value of state-assessed property (Line C, page 1) = $1,356.31

D. Amount for increase in annexation (Line F, page 1) .... = 0

E. Total levy amount authorized, including the annexation .... Lesser of A+(B+C+D) = $7,958,904.99

F. Total levy amount authorized by resolution (E) plus amount refunded or to be refunded (RCW 84.55.070).

$7,958,904.99 (Total from Line E) + $7,500.00 (Amount to be Refunded) = $7,966,404.99 (Amount allowable per)

G. Total amount certified by county legislative authority or taxing district as applicable. (RCW 84.52.020 and RCW 84.52.070) .... = $8,007,000.00

H. Levy limit from line G on page 1, plus amount refunded or to be refunded (RCW 84.55.070).

$7,949,154.09 (Line G, Page 1) + $7,500.00 (Amount to be Refunded) = $7,956,654.09 (Total)

I. Amount of taxes recovered due to a settlement of highly valued disputed property (RCW 84.52.018).

$7,956,654.09 (Lesser of F, G, or H) — ______ (Amount Held in Abeyance) = $7,956,654.09 (Total)

J. Statutory limit from line H on page 1 (dollar amount, not the rate) .... = $17,644,071.93

K. Lesser of I and J $7,956,654.09

L. **Levy Corrections** Year of Error: ______

1. Minus amount over levied (if applicable) .... ______
2. Plus amount under levied (if applicable) .... ______

M. **Total:** K +/- L $7,956,654.09

N. **Regular Levy Rate Computation <u>Without</u> Levy Error Correction**
Use this rate in next year's levy calculations unless it's reduced due to levy error, other limitation, or there's a road levy shift.

$7,956,654.09 (Lesser of J and K) ÷ $7,841,809,746 (Amount on line J1 on page 1) × $1,000 = 1.014645132657 (rate w/o error correction)

O. **Regular Levy Rate Computation:** Lesser of J and M divided by the assessed value in line J1 on page 1.
Use this rate for the current year's tax roll unless it is reduced due to another levy limitation such as the $5.90 limit.

$7,956,654.09 (Lesser of J and M) ÷ $7,841,809,746 (Amount on line J1 on page 1) × $1,000 = 1.014645132657 (rate before aggregate check)

P. **Road Levy Shift Rate Computation - (Do not enter a shift amount in both shift fields.)**

Q. ______ Amount shifted **TO** this taxing district **OR** ______ Amount shifted **FROM** this taxing district

R. $7,956,654.09 (Post Shift Levy Amount) ÷ $7,841,809,746 (Amount on line J1 on page 1) × $1,000 = 1.014645132657 (Post Shift Levy Rate)

BUDGET RESOLUTION __________, 2021

ESTABLISHING THE 2021 CONSERVATION FUTURES PROPERTY TAX LEVY
FOR CLALLAM COUNTY

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. The Board of Clallam County Commissioners gave notice on November 9, 2021 that a Resolution establishing conservation futures fund property tax levy would be adopted by Resolution on November 30, 2021.

2. The Board of Clallam County Commissioners has determined the Conservation Futures Fund requires an increase in property tax over the previous year of 0% plus new construction, pursuant to RCW 84.55.0101.

3. A required public hearing will be held December 7, 2021 to consider the Clallam County current expense budget for the 2022 calendar year, pursuant to RCW 84.55.120.

4. The actual levy amount from the previous year is $273,167.95.

5. The population of Clallam County is more than 10,000.

NOW, THEREFORE, BE IT RESOLVED by the Clallam County Board of Commissioners, in consideration of the above findings of fact:

1. That an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2021 tax year.

2. The dollar amount of the increase over the actual levy amount from the previous year is $0 which is an increase of zero percent from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

PASSED AND ADOPTED this thirtieth day of November 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

____
Mark Ozias, Chair

ATTEST:

____
Randy Johnson

____
Loni Gores, CMC, Clerk of the Board

____
Bill Peach

c: Assessor
Treasurer

LEVY LIMITATIONS WORKSHEET

TAXING DISTRICT CLALLAM COUNTY CONSERV FUTURES 2021 Levy for 2022 Taxes

Instructions for electronic version of form - Fill in highlighted cells all other self populate.

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

Year					
2021	$623,245.74	×	100.000%	=	$623,245.74
	Highest Lawful Levy Since 1985		Limit Factor/Max Increase 101%		

B. Current year's assessed value of new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

$155,204,358	×	0.025618816935	÷	$1,000	=	$3,976.15
A.V.		Last Year's Levy Rate				

C. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).

$44,722,684	-	$42,796,827	=	$ 1,925,857.00		
Current Year's A.V.		Previous Year's A.V.		Remainder		
$1,925,857	×	0.025618816935	÷	$1,000	=	$49.34
Remainder from Line C		Last Year's Levy Rate				

D. Regular property tax limit: .... A+B+C = $627,271.23

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

$627,271.23	÷	$11,969,288,933	×	$1,000	=	0.052406724703
Total in Line D		Assessed Value Less Annexed AV				

F. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.

	×	0.052406724703	÷	$1,000	=	0
Annexed Area's A.V.		Rate in Line E				

G. Regular property tax limit including annexation .... D+F = $627,271.23

H. **Statutory maximum calculation**

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library, or has a firefighters pension fund.

0.062500000000	-		-		+		=	0.062500000000
District base levy rate		Fire or RFA Rate		Library Rate		Firefighter Pension Fund		Statutory Rate Limit

$11,969,288,933	×	0.062500000000	÷	$1,000	=	$748,080.56
A.V. of District		Statutory Rate Limit				Statutory Amount

I. **Highest Lawful Levy For This Tax Year (Lesser of G and H)** .... = $627,271.23

J. **Tax Base For Regular Levy**

1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy) $11,969,288,933

K. **Tax Base for Excess and Voted Bond Levies**

2. Less assessed value of the senior citizen exemption of less than $40,000 income or 65% of the median household income for the county based on lower of frozen or market value.
3. Plus Timber Assessed Value (TAV) ....
4. Tax base for excess and voted bond levies .... (1-2+3) $11,969,288,933

Excess Levy Rate Computation - Excess levy amount divided by the assessed value in Line K4 above.

	÷	$11,969,288,933	×	$1,000	=	0.000000000000
Levy Amount		A.V. from Line K4 above				

Bond Levy Rate Computation - Bond levy amount divided by the assessed value in Line K4 above.

	÷	$11,969,288,933	×	$1,000	=	0.000000000000
Levy Amount		A.V. from Line K4 above				

TAXING DISTRICT CLALLAM COUNTY CONSERV FUTURES 2021 Levy For 2022 Taxes

Population: ☐ Less than 10,000 ☑ 10,000 or more

Was a resolution/ordinance adopted authorizing an increase over the previous year's levy? ☑ Yes ☐ No

Was a second resolution/ordinance adopted authorizing an increase over the IPD? ☐ Yes ☐ No ☑ N/A

If so, what was the percentage increase? 0.000000000000% Calculated % Increase 0.000000000000%

A. Previous year's actual levy adjusted by the increases as stated in ordinance or resolution (RCW 84.55.120).

Year 2021 $273,167.95 (Previous Year's Actual Levy) + 0.00 (Plus Resolution Increase Amount) = $273,167.95

Year 2021 $273,167.95 (Previous Year's Actual Levy) × 0.000000000000% (Resolution Percentage of Increase) = $273,167.95

B. Amount for new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities.(Line B, page 1) = $3,976.15

C. Amount for increase in value of state-assessed property (Line C, page 1) = $49.34

D. Amount for increase in annexation (Line F, page 1) = 0

E. Total levy amount authorized, including the annexation .... Lesser of A+(B+C+D) = $277,193.44

F. Total levy amount authorized by resolution (E) plus amount refunded or to be refunded (RCW 84.55.070).

$277,193.44 (Total from Line E) + $213.55 (Amount to be Refunded) = $277,406.99 (Amount allowable per)

G. Total amount certified by county legislative authority or taxing district as applicable. (RCW 84.52.020 and RCW 84.52.070) = $277,450.00

H. Levy limit from line G on page 1, plus amount refunded or to be refunded (RCW 84.55.070).

$627,271.23 (Line G, Page 1) + $213.55 (Amount to be Refunded) = $627,484.78 (Total)

I. Amount of taxes recovered due to a settlement of highly valued disputed property (RCW 84.52.018).

$277,406.99 (Lesser of F, G, or H) — ____ (Amount Held in Abeyance) = $277,406.99 (Total)

J. Statutory limit from line H on page 1 (dollar amount, not the rate) = $748,080.56

K. Lesser of I and J $277,406.99

L. **Levy Corrections** Year of Error: ____

1. Minus amount over levied (if applicable) ....

2. Plus amount under levied (if applicable) ....

M. **Total:** K +/- L $277,406.99

N. **Regular Levy Rate Computation Without Levy Error Correction**
Use this rate in next year's levy calculations unless it's reduced due to levy error, other limitation, or there's a road levy shift.

$277,406.99 (Lesser of J and K) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.023176563917 (rate w/o error correction)

O. **Regular Levy Rate Computation:** Lesser of J and M divided by the assessed value in line J1 on page 1.
Use this rate for the current year's tax roll unless it is reduced due to another levy limitation such as the $5.90 limit.

$277,406.99 (Lesser of J and M) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.023176563917 (rate before aggregate check)

P. **Road Levy Shift Rate Computation - (Do not enter a shift amount in both shift fields.)**

Q. ____ Amount shifted **TO** this taxing district **OR** ____ Amount shifted **FROM** this taxing district

R. $277,406.99 (Post Shift Levy Amount) ÷ $11,969,288,933 (Amount on line J1 on page 1) × $1,000 = 0.023176563917 (Post Shift Levy Rate)

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11/8/21
4b

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC/Finance

WORK SESSION ☒ **Meeting Date: 11/08/2021**

REGULAR AGENDA ☒ **Meeting Date: 11/09/2021**

Required Originals Approved and Attached? ☒
Will Be Provided On:

Item Summary:*

☒ Call for Hearing
☐ Resolution
☐ Draft Ordinance
☐ Contract/Agreement/MOU**
☐ Proclamation
☐ Final Ordinance
Contract #
☐ Budget Item
☐ Other

Documents exempt from public disclosure attached: ☐

Executive Summary:

As required by the Clallam County Charter, attached is the Notice of Public Hearing for Adoption of the 2022 Clallam County Budget which will be published on Friday, November 19, 2021 and Friday, November 26, 2021 ahead of the public hearing scheduled on Tuesday, December 7, 2021 at 10:30 AM and 5:00 PM to adopt the 2022 Budget.

Budgetary Impact:(Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget Action is required, has it been submitted and a copy attached?** ☐

No budgetary impact until the final Adopted Budget is approved in December, 2021.

Recommended Action:(Does the Board need to act? If so, what is the department's recommendation?)

Approval of the call for public hearing to be held on Tuesday, December 7, 2021 at 10:30 AM and 5:00 PM.

County Official signature & print name: Debi Cook D Cook

Name of Employee attending meeting: Debi Cook

Relevant Departments: BOCC, Finance

Date Submitted: 10/25/2021

PUBLIC HEARING

Resolution adopting the 2022 Clallam County Budget

NOTICE: The Clallam County Board of Commissioners will conduct a public hearing on Tuesday, December 7, 2021 at 10:30 AM and 5:00 PM, or as soon thereafter as possible in the Commissioners' Meeting Room of the Clallam County Courthouse, 223 East 4th Street, Room 160, Port Angeles, Washington. The public hearing is to consider the Resolution listed above. All proposed Resolutions are available on the County website *www.clallam.net* or a free copy can be mailed to you upon request.

****ATTENTION****

In response to the current pandemic, to promote social distancing, and in compliance with Governor's Proclamation and the recommendation of the Clallam County Health Officer, the Board of Commissioners meetings will be virtual only. The Board of Commissioners strongly encourages public comments to be submitted in writing.

This meeting can be viewed on a live stream at this link: http://www.clallam.net/features/meetings.html

If you would like to participate in the meeting via Zoom audio only, call 253-215-8782 and use meeting ID: 875 561 7844 and passcode: 12345

If you would like to participate in the meeting via Zoom video conference, visit https://zoom.us/j/8755617844 and use meeting ID: 875 561 7844 and passcode: 12345

Public comment and questions can be directed to mlane@co.clallam.wa.us and agores@co.clallam.wa.us.

In compliance with the Americans with Disabilities Act, reasonable accommodations are available upon request. The facility is considered "barrier free" and accessible to those with physical disabilities.

PROPONENT: Clallam County Board of Commissioners
223 East 4th Street, Suite 4
Port Angeles, WA 98362-3015
Telephone: 360.417.2233

FORMAL IDENTIFICATION: Resolution adopting the 2022 Clallam County Budget

SUMMARY ON RESOLUTIONS ON 2022 Clallam County Budget:

Resolution adopting the 2022 Clallam County www.clallam.net/bocc/budget.html

BOARD OF CLALLAM COUNTY COMMISSIONERS

Publish: November 19 and 26, 2021
Bill: Board of Commissioners

____
Mark Ozias, Chair

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11/8/21
2b

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Finance

WORK SESSION ☒ **Meeting Date:** **11/08/2021**

REGULAR AGENDA ☒ **Meeting Date:** **11/09/2021**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing ☒ Contract/Agreement/MOU - Contract # 19961.21.009

☐ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☒ Other Monthly Review

Documents exempt from public disclosure attached: ☐

WA STATE COMMERCE INTERAGENCY AGREEMENT—ARPA GRANT FUNDING TO SUPPORT PRESERVATION OF PRIVATE MARINE TRANSPORTATION ACTIVITIES AND JOBS ASSOCIATED WITH SUCH ACTIVITIES THAT HAVE BEEN DIRECTLY IMPACTED BY THE CLOSURE OF THE UNITED STATE-CANADA BORDER DURING THE COVID-19 PANDEMIC

BACKGROUND

In the last legislative session, the WA State Legislature as part of the 2021/2022 biennium Commerce budget approved the appropriation of $5,000,000 of the Coronavirus State Fiscal Recovery Fund established under the American Rescue Plan Act for provision of economic support to the private marine transportation industry of Clallam County that was directly impacted by the closure of the United States—Canada border during the COVID-19 pandemic.

As provided under Item 125 of Commerce's 2021 Operating Budget ESSB 5092 (Page 72 & 73),

- (a) $5,000,000 of the coronavirus state fiscal recovery fund —federal appropriation is provided solely for the department to provide grant funds to Clallam county to support the preservation of private marine transportation activities and jobs associated with such activities that have been directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic;
- (b) To be eligible for a grant from the county under this subsection the business must: (i) Apply for or have applied for the grant from the county; (ii) Have expenses that are necessary to continue business operations and the expense is not a federal, state, or local tax, fee, license, or other government revenue; (iii) Provide documentation to demonstrate that the expense is not funded by any other government or private entity; (iv) Demonstrate

the business was actively engaged in business, and as a result of the border closures the business temporarily totally closed operations; (v) Have experienced at least a significant reduction in business income or activity related to United States-Canada border closures; (vi) Agree to operate in accordance with the requirements of applicable federal, state, and local public regulations including health and safety measures; (vii) Demonstrate significant economic contribution of their business to the state and local economy; and (viii) Be a majority United States owned entity operating a United States flag vessel registered and operated under the laws of the United States;

- (c) Grant funds may be used only for expenses incurred on or after March 1, 2020. Eligible expenses for grant funds include: (i) Upgrading physical workplaces to adhere to new safety or sanitation standards; (ii) Procuring required personal protective supplies for employees and business patrons and clients; (iii) Updating business plans; (iv) Employee costs, including payroll, training, and onboarding; (v) Rent, lease, mortgage, insurance, and utility payments; (vi) Securing inventory, supplies, and services for operations; and (vii) Maintenance and operations costs associated with vessel operations;

- (d) The county must submit a report to the department by June 30, 2022, outlining the use of funds, specific expenditures of the grantees, and revenue and expenses of the grantees including additional government or private funds or grants received.

Attached for BOCC review and approval is a draft of the Interagency Agreement between Clallam County and WA State Department of Commerce for provision of these Clallam County Marine Transport ARPA grant funds under which Clallam County will serve as a subrecipient. The amount of the Agreement is for total funding $4,950,000, which reflects Commerce's retention of $50,000 of the budget appropriation to cover their administrative costs under this grant. This agreement has been reviewed and approved as to form by the County's Prosecuting Attorney Civil Division.

Once this agreement is executed, the County will then enter into an ARPA Direct Assistance Grant Agreement with the eligible recipient meeting these eligibility criteria—Black Ball Ferry Line. A draft of this separate APPA agreement between the County and Black Ball will be forthcoming.

These funds will be separately accounted for within the County's American Rescue Plan Act special revenue fund.

In an effort to expedite the process for getting these funds released by Commerce to the County for provision then to Black Ball, County staff over the past few weeks have been reviewing all invoice and payroll documentation submitted by Black Ball for costs incurred since the onset of the COVID-19 pandemic to verify eligibility for reimbursement under this grant. Once the County completes its review, these eligible costs will then be submitted to Commerce for their review and approval, at which point funds will then be disbursed by Commerce to the County, which will then disburse such funds to Black Ball.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

Approval of this contract will support the creation of the attached Supplemental Appropriation, approving the receipt and disbursement of these ARPA grant funds to support private marine transport activities.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Given the urgent need for funding assistance, we request the Commissioner's feedback and approval to proceed in submitting this agreement for approval during the next BOCC meeting scheduled on Tuesday, November 9, 2021.

County Official signature & print name: ____________Mark Lane________

Name of Employee/Stakeholder attending meeting: ______Mark Lane _______

Relevant Departments: ____Finance, BOCC ________________________________

Date submitted:

November 1, 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 11/01/2021 **Budget Hearing/Meeting Date:** 11/30/2021

X **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	19961.291	**Budget Name**	NonDept – American Rescue Plan Act

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19961.291	NonDept – American Rescue Plan Act	33321.02.7000	ARPA DOC Private Marine Transportation	4,950,000
Total				4,950,000

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19961.291	NonDept – American Rescue Plan Act	51420.41.0581	Black Ball Transportation, Inc.	4,950,000
Total				4,950,000

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional ARPA funding in the amount of $4,950,000 to be used to support the preservation of private marine transportation activities and jobs that have been directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic.

County Official Approval: ______________

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

148

19961.21009

Washington State
Department of
Commerce

Interagency Agreement with

Clallam County

through

America Rescue Plan Act, State and Local Fiscal Recovery Funds

For

Clallam County Marine Transport

Start date: July 1, 2021

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TABLE OF CONTENTS

Special Terms and Conditions

General Terms and Conditions

FACE SHEET

Contract Number: 22-62420-001

Washington State Department of Commerce
Local Government Division
Community Assistance & Research Unit
ARPA State and Local Fiscal Recovery Funds Grant

1. Grantee	**2. Grantee Doing Business As (optional)**
Clallam County 223 E 4th St, Ste. 4 Port Angeles, WA 98362	same

3. Grantee Representative	**4. COMMERCE Representative**	
Mark Lane Chief Financial Officer 360-417-2383 mlane@co.clallam.wa.us	Connie Rivera CAR-ARPA Section Manager 360-704-9535 Connie.rivera@commerce.wa.gov	PO Box 42525 1011 Plum Street SE Olympia, WA 98504-2525

5. Contract Amount	**6. Funding Source**	**7. Start Date**	**8. End Date**
$4,950,000	Federal: ☒ State: ☐ Other: ☐ N/A: ☐	July 1, 2021	June 30, 2023

9. Federal Funds (as applicable)	**Federal Agency:**	**CFDA Number:**	**Indirect Rate (if applicable):**
$4,950,000	US Dept. Treasury	21.027	

10. Tax ID #	**11. SWV #**	**12. UBI #**	**13. DUNS #**
XXXXXX	SWV000200-16	254-004-559	075739235

14. Contract Purpose

Grant funds to Clallam county to support the preservation of private marine transportation activities and jobs associated with such activities that have been directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic.

15. Signing Statement

COMMERCE, defined as the Department of Commerce, and the Grantee, as defined above, acknowledge and accept the terms of this Grant and Attachments and have executed this Grant on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Grant are governed by this Grant and the following documents hereby incorporated by reference: Attachment "A" – Scope of Work – Budget.

FOR GRANTEE	**FOR COMMERCE**
Mark Ozias, Chairman, Board of Clallam County Commissioners	Mark Barkley, Assistant Director, Local Government Division
Date	Date
APPROVED AS TO FORM ONLY	**APPROVED AS TO FORM ONLY**
~~Elizabeth Stanley~~, Chief Civil Deputy Prosecuting Attorney Bea Boughton	Sandra Adix Assistant Attorney General
11/1/2021 Date	10/15/2021 Date

DECLARATIONS

CLIENT INFORMATION

GRANTEE Name:	**Clallam County**
Grant Number:	**22-62420-001**

PROJECT INFORMATION

Project Name:	**Clallam County Marine Transport**
Project City:	**Port Angeles**
Project State:	Washington
Project Zip Code:	**98362**

GRANT INFORMATION

Grant Amount:	**$ 4,950,000**
Appropriation Number:	**ESSB 5092, Section 129 (125)**
Re-appropriation Number (if applicable):	
Grant End Date:	June 30, 2023, if funds are not re-appropriated. Grant End Date may be extended **contingent on reappropriation**
Biennium:	2021-2023
Biennium Close Date:	June 30, 2023
Earliest Date for Reimbursement:	**March 3, 2021**
Time of Performance:	in accordance with Special Terms and Conditions No. 4

FUNDING INFORMATION

Federal Funding:	Sec. 602 Coronavirus State Fiscal Recovery Funds of Title VI of Social Security Act as added by American Rescue Plan Act of 2021 (ARPA or "Act"), Title IX, Subtitle M, Sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802 et seq.
Federal Awarding Agency:	US Department of Treasury
Amount of Federal Funds Obligated by this Action:	$ 4,950,000

ADDITIONAL SPECIAL TERMS AND CONDITIONS GOVERNING THIS AGREEMENT

Extension of Grant Upon Reappropriation.

Notwithstanding Special Terms and Conditions No. 4, the End Date of this Grant **may be extended upon written notice to Grantee from Commerce** for a period of time consistent with the effective date of any re-appropriation of funds, and/or with terms reflecting new Federal requirements for ARPA funds, if any. In Commerce's sole discretion, after review of any funding re-appropriation terms and applicable Federal law or guidance, a contract amendment in accordance with Special Terms and Conditions No. 4 may be required to extend the End Date.

SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS

1. **AUTHORITY**

   COMMERCE and Grantee enter into this Grant pursuant to the authority granted by the Interlocal Cooperation Act, Chapter 39.34 RCW. Funding for this Grant has been provided in the 2021-2023 biennial state Operating Budget, ESSB 5092, pursuant to Federal grants to Washington State under the American Rescue Plan Act of 2021 (ARPA or "Act"), sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802 et seq. The parties anticipate that funding under this Grant that is unexpended in the 2021-23 state biennium may be re-appropriated in future biennia, subject to Federal requirements.

2. **ACKNOWLEDGMENT OF FEDERAL FUNDS**

   Total amount of the federal award: $4,950,000
   Federal Awarding Agency: US Department of Treasury
   Research & Development (R&D): award will not be used for R&D

   The Grantee agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Grantee describing programs or projects funded in whole or in part with federal funds under this Grant, shall contain the following statements:

   "This project was supported by funds awarded by the US Department of the Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the US Department of the Treasury. Grant funds are administered by the America Rescue Plan Act, State and Local Fiscal Recovery Funds, Washington State Department of Commerce."

3. **GRANT MANAGEMENT**

   The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Grant.

   The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Grant.

   The Representative for the Grantee and their contact information are identified on the Face Sheet of this Grant.

4. **PERIOD OF PERFORMANCE**

   The initial period of performance for this award begins on the date hereof and ends on June 30, 2023. If unexpended funds under this Grant are re-appropriated, the period of performance will be extended to not later than October 30, 2026.

   As set forth in Treasury's implementing regulations, Grantee may use funds awarded under ARPA to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

   All requests for reimbursement of eligible costs incurred between March 3, 2021 and December 31, 2024 payable from ARPA funds must be submitted to COMMERCE by the **earlier of** October 30, 2026 or 30 days prior to the Contract End Date.

   Pursuant to Federal rules, a cost shall be considered to have been incurred if the Grantee has incurred an obligation with respect to such cost by December 31, 2024.

5. **COMPENSATION**

   COMMERCE shall pay an amount not to exceed the total contract amount listed on the contract Face Sheet for the performance of all things necessary for or incidental to the performance of work under this Grant as set forth in the Scope of Work.

6. EXPENSES

Grantee shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable. The maximum amount to be paid to the Grantee for authorized expenses shall not exceed the total contract amount listed on the contract Face Sheet.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Grantee shall receive compensation for travel expenses at current state travel reimbursement rates.

7. INDIRECT COSTS

Grantee shall provide their indirect cost rate that has been negotiated between their entity and the federal government. If no such rate exists a de Minimis indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

8. BILLING PROCEDURES AND PAYMENT

COMMERCE shall reimburse the GRANTEE for eligible Project expenditures, up to the maximum payable under this Grant. When requesting reimbursement for expenditures made, the GRANTEE shall submit to COMMERCE a signed and completed Invoice Voucher (Form A-19), that documents capitalized Project activity performed for the billing period. The GRANTEE can submit all Invoice Vouchers and any required documentation electronically through COMMERCE's Grants Management System (CMS), which is available through the Secure Access Washington (SAW) portal.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Grant Number listed on the contract Face Sheet. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of $50.00 or more in order to receive reimbursement.

Each request for payment must be accompanied by a Project Status Report, which describes, in narrative form, the progress made on the Project since the last invoice was submitted, as well as a report of Project status to date. COMMERCE will not release payment for any reimbursement request received unless and until the Project Status Report is received. After approving the Invoice Voucher and Project Status Report, COMMERCE shall promptly remit a warrant to the GRANTEE.

COMMERCE will pay GRANTEE upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE **not more often than monthly**.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Grantee.

COMMERCE may, in its sole discretion, terminate the Grant or withhold payments claimed by the Grantee for services rendered if the Grantee fails to satisfactorily comply with any term or condition of this Grant.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The grantee must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS

Duplication of Billed Costs

The Grantee shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Grantee, if the Grantee is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Grantee is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

9. SUBCONTRACTOR DATA COLLECTION

Grantee will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Agreement performed by subcontractors and the portion of funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

10. AUDIT

If the Grantee is a subrecipient and expends $750,000 or more in federal awards from any and/or all sources in any fiscal year, the Grantee shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Grantee shall:

A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.

B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Grantee is a subrecipient and expends less than $750,000 in federal awards from any and/or all sources in any fiscal year, the Grantee shall notify COMMERCE they did not meet the single audit requirement.

The Grantee shall send all single audit documentation to auditreview@commerce.wa.gov.

11. DEBARMENT

A. Grantee, defined as the primary participant and it principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:

i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

ii. Have not within a three-year period preceding this Grant, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;

iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and

iv. Have not within a three-year period preceding the signing of this Grant had one or more public transactions (Federal, State, or local) terminated for cause of default.

B. Where the Grantee is unable to certify to any of the statements in this Grant, the Grantee shall attach an explanation to this Grant.

C. The Grantee agrees by signing this Grant that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.

D. The Grantee further agrees by signing this Grant that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

i. The lower tier Grantee certifies, by signing this Grant that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

ii. Where the lower tier Grantee is unable to certify to any of the statements in this Grant, such contractor shall attach an explanation to this Grant.

E. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

12. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

13. COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS

A. Grantee agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Grantee also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Grantee shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

B. Federal regulations applicable to this award include, without limitation, the following:

i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.

ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

iv. OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

vi. Government wide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.

viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

ix. Generally applicable federal environmental laws and regulations.

C. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;

iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;

iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and

v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

14. FEDERAL EXCLUSION

These terms add to the terms in Section 11 Certification Regarding Debarment, Suspension or Ineligibility and Voluntary Exclusion — Primary and Lower Tier Covered Transactions in General Terms and Conditions. The Grantee also agrees to access the Federal Exclusion List at www.sam.gov and provide Federal Exclusion documentation to Commerce and to keep a copy on file with the Grantee's project records.

15. REGISTRATION WITH THE SYSTEM FOR AWARD MANAGEMENT (SAM)

By signing this Grant, the Grantee accepts the requirements stated in 48 CFR 52.204-7 to register with the System for Award Management at the SAM website (https://www.sam.gov). To register in SAM, a valid Data Universal Numbering System (DUNS) Number is required. The Grantee is responsible for the accuracy and completeness of the data within the SAM database and for any liability resulting from the Government's reliance on inaccurate or incomplete data. The Grantee must remain registered in the SAM database after the initial registration. The Grantee is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in SAM to ensure it is current, accurate and complete. The Grantee shall provide evidence documenting registration and renewal of SAM registration to Commerce.

In the event of the Grantee's noncompliance or refusal to comply with the requirement stated above, Commerce reserves the right to suspend payment until the Grantee cures this noncompliance.

16. ORDER OF PRECEDENCE

In the event of an inconsistency in this Grant, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work and Budget

GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS

1. **DEFINITIONS**

As used throughout this Grant, the following terms shall have the meaning set forth below:

A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.

B. "COMMERCE" shall mean the Department of Commerce.

C. "Grant" or "Agreement" means the entire written agreement between COMMERCE and the Grantee, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.

D. "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Grant, and shall include all employees and agents of the Grantee.

E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.

F. "State" shall mean the state of Washington.

G. "Subcontractor" shall mean one not in the employment of the Grantee, who is performing all or part of those services under this Grant under a separate contract with the Grantee. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. **ALL WRITINGS CONTAINED HEREIN**

This Grant contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Grant shall be deemed to exist or to bind any of the parties hereto.

3. **AMENDMENTS**

This Grant may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. **ASSIGNMENT**

Neither this Grant, work thereunder, nor any claim arising under this Grant, shall be transferred or assigned by the Grantee without prior written consent of COMMERCE.

5. **CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION**

A. "Confidential Information" as used in this section includes:

i. All material provided to the Grantee by COMMERCE that is designated as "confidential" by COMMERCE;

ii. All material produced by the Grantee that is designated as "confidential" by COMMERCE; and

iii. All personal information in the possession of the Grantee that may not be disclosed under state or federal law.

B. The Grantee shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Grantee shall use Confidential Information solely for the purposes of this Grant and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Grantee shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Grantee shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Grant whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Grantee shall make the changes within the time period specified by COMMERCE. Upon request, the Grantee shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Grantee against unauthorized disclosure.

C. Unauthorized Use or Disclosure. The Grantee shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Grant shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Grantee hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Grant, but that incorporate pre-existing materials not produced under the Grant, the Grantee hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Grantee warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Grantee shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Grant, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Grant. The Grantee shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Grantee with respect to any Materials delivered under this Grant. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Grantee.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Grant shall be construed and interpreted in accordance with the laws of the state of Washington, and any applicable federal laws, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. **LICENSING, ACCREDITATION AND REGISTRATION**

The Grantee shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Grant.

11. **RECAPTURE**

In the event that the Grantee fails to perform this Grant in accordance with state laws, federal laws, and/or the provisions of this Grant, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Grantee of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Grant.

12. **RECORDS MAINTENANCE**

The Grantee shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Grantee shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. **SAVINGS**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant and prior to normal completion, COMMERCE may suspend or terminate the Grant under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Grant may be amended to reflect the new funding limitations and conditions.

14. **SEVERABILITY**

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. **SUBCONTRACTING**

The Grantee may only subcontract work contemplated under this Grant if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Grantee shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Grantee to amend its subcontracting procedures as they relate to this Grant; (b) prohibit the Grantee from subcontracting with a particular person or entity; or (c) require the Grantee to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Grant. The Grantee is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Grant. The Grantee shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Grant. In no event shall the existence of a subcontract operate to release or reduce the liability of the Grantee to COMMERCE for any breach in the performance of the Grantee's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. **SURVIVAL**

The terms, conditions, and warranties contained in this Grant that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Grant shall so survive.

17. **TERMINATION FOR CAUSE**

In the event COMMERCE determines the Grantee has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Grantee in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Grantee shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Grantee from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Grantee or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Grantee: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

18. **TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Grant, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Grant, in whole or in part. If this Grant is so terminated, COMMERCE shall be liable only for payment required under the terms of this Grant for services rendered or goods delivered prior to the effective date of termination.

19. **TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Grantee to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Grantee the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Grantee and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Grantee such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Grantee shall:

A. Stop work under the contract on the date, and to the extent specified, in the notice;

B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;

C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Grantee under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;

E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;

F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and

G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Grantee and in which the Authorized Representative has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Grantee, for the cost of which the Grantee is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Grantee. Title to other property, the cost of which is reimbursable to the Grantee under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

A. Any property of COMMERCE furnished to the Grantee shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.

B. The Grantee shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Grantee or which results from the failure on the part of the Grantee to maintain and administer that property in accordance with sound management practices.

C. If any COMMERCE property is lost, destroyed or damaged, the Grantee shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.

D. The Grantee shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.

All reference to the Grantee under this clause shall also include Grantee's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Grant unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Scope of Work and Budget

$4,950,000 of the coronavirus state fiscal recovery fund —federal appropriation is provided solely to Clallam county to provide grant funds to support the preservation of private marine transportation activities and jobs associated with such activities that have been directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic.

(a) To be eligible for a grant from the county the business must:

(i) Apply for or have applied for the grant from the county;
(ii) Have expenses that are necessary to continue business operations and the expense is not a federal, state, or local tax, fee, license, or other government revenue;
(iii) Provide documentation to demonstrate that the expense is not funded by any other government or private entity;
(iv) Demonstrate the business was actively engaged in business, and as a result of the border closures the business temporarily totally closed operations;
(v) Have experienced at least a significant reduction in business income or activity related to United States-Canada border closures;
(vi) Agree to operate in accordance with the requirements of applicable federal, state, and local public regulations including health and safety measures;
(vii) Demonstrate significant economic contribution of their business to the state and local economy; and
(viii) Be a majority United States owned entity operating a United States flag vessel registered and operated under the laws of the United States.

(b) Grant funds may be used only for expenses incurred on or after March 1, 2020. Eligible expenses for grant funds include:

(i) Upgrading physical workplaces to adhere to new safety or sanitation standards;
(ii) Procuring required personal protective supplies for employees and business patrons and clients;
(iii) Updating business plans;
(iv) Employee costs, including payroll, training, and onboarding;
(v) Rent, lease, mortgage, insurance, and utility payments;
(vi) Securing inventory, supplies, and services for operations; and
(vii) Maintenance and operations costs associated with vessel operations.

(c) The county must submit a report to the Department of Commerce by June 30, 2022, outlining the use of funds, specific expenditures of the grantees, and revenue and expenses of the grantees including additional government or private funds or grants received.

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 11/01/2021 **Budget Hearing/Meeting Date:** 11/30/2021

X **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	19961.291	**Budget Name**	NonDept – American Rescue Plan Act

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19961.291	NonDept – American Rescue Plan Act	33321.02.7000	ARPA DOC Private Marine Transportation	4,950,000
Total				4,950,000

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19961.291	NonDept – American Rescue Plan Act	51420.41.0581	Black Ball Transportation, Inc.	4,950,000
Total				4,950,000

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional ARPA funding in the amount of $4,950,000 to be used to support the preservation of private marine transportation activities and jobs that have been directly impacted by the closure of the United States-Canada border during the COVID-19 pandemic.

County Official Approval: ______________________

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

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11/8/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Finance

WORK SESSION ☒ **Meeting Date:** **11/8/2021**

REGULAR AGENDA ☐ **Meeting Date:**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing ☐ Contract/Agreement/MOU - Contract #

☐ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☒ Other Monthly Review

Documents exempt from public disclosure attached: ☐

SEPTEMBER 2021 REVIEW OF FINANCIAL RESULTS AND REVISED PROJECTION FOR 2021—EXECUTIVE SUMMARY:

<u>September 2021 YTD General Fund Results</u>

The September YTD General Fund Financial Review compared to the same period in 2020 is attached along with comparison to the original budget for 2021 and a revised annual projection for 2021.

YTD September 2021 revenue totaled $31,254k as compared to $29,454k in 2020, representing an increase of $1,800k. Excluding YTD COVID related reimbursements from AOC CARES & FEMA of $640k, YTD revenues totaled $30,614k, an increase of $1,160k from prior year. YTD expenditures in September were $31,264k (which includes $812k of COVID-related costs) as compared to $34,413k in 2020 (which includes $2,473k of COVID-related costs) for a decrease of $3,149k. Excluding COVID-related revenues/expenditures, the General Fund generated an operating surplus of $162k, as compared to a deficit of ($2,486k) in September 2020, an improvement of $2,648k. Including COVID-related activity, the General Fund generated an operating deficit for YTD September 2021 of ($9k). The General Fund finished September with an ending Fund Balance reserve of $14,515k, or $4,231k higher than prior year.

Please refer to the attached schedule that provides further detail of the major factors that make up these changes and performance to budget.

Revenues overall (excluding COVID reimbursements) were at 76% of the 2021 budget for September YTD, ahead of last year's 68.7%. All revenue categories with the exception of Charges for Goods & Services, Timber Revenues and Transfers In were up year-over-year in September and were pacing at or above 2020 relative to the annual budget.

Expenditures (excluding COVID-related) were pacing at 69.3% of budget through the end of September, which is in line with last year's 69.5%. All expenditure categories were at or below last year as a % of the annual budget.

2021 PROJECTION—GENERAL FUND

REVENUES--Overall revenues are now projected to total $43,281k, an increase of $2,158k over the 2021 budget and a $921k decrease from my last forecast. This is reflective of several factors.

First, Tax revenue is now projected to outperform budget by $2,351k, and $345k higher than our last forecast. This is mainly due to the strong YTD sales tax growth experience thus far of 25.6%, and the resulting revision of growth estimates expected for the remainder of the year. Q4 sales tax projections have been raised from prior estimates of 5% growth to a revised average growth rate of 12.5%. Based on October retail sales tax results of 12.8% just made available at the time of this report, this appears to support this revised forecast while also validating our assertion that sales tax growth would begin leveling off in the fourth quarter of 2021 as year-over-year comparisons become more challenging. Based on these changes, our projected annual sales tax growth in 2021 is now projected to 24.4% over prior year, as compared to a -3.1% decrease budgeted.

Licenses & Permits are projected to outperform budget by 5.3% due to continued strong building permit trends where YTD September saw growth of 30%, as offset by slower growth in other areas. Intergovernmental revenues are expected to outperform budget by $759k, being driven by an unbudgeted one-time state appropriation received in September for law enforcement related costs totaling $299k, higher PILT and PUD Privilege Tax, and other increases. COVID-related Intergovernmental Revenues are projected to exceed budget by $481k due to the unbudgeted spillover of FEMA reimbursements of eligible COVID-related costs from 2020 to 2021, higher FEMA match dollars received, the addition of FEMA reimbursement revenue to reflect the current pacing of COVID-related expenses that are being incurred by the County's general fund that are projected to continue through the end of the year.

Goods & Services are now forecasted to miss budget by -4.3% based on DOC inmate jail bed revenues and other services revenue impacted by COVID September will not be fully realizable (expect a miss of between $350k-$400k to budget), $203k in lost fair-related revenues due to the fair's cancellation, as partly offset by projected budget outperformance in building plan review revenue.

Fines & Penalties are projected to exceed budget by 8.3% based on trend, as adjusted for further restrictions being placed on indigent traffic fines based on recent case law rulings. Miscellaneous revenue is expected to beat budget estimates by 6.8% due mainly to stronger than expected campground fee revenues.

Transfers In projections have been revised downward $1,570k from our prior forecast, and are now projected to be $1,270k lower than budget. This reduction is being driven largely by the timing delay of the commencement of the major construction phase of the Lower Dungeness Floodplain project which began in September. Because of this timing and the timing of this project's heavy construction costs continuing into 2022 based on cash flow projections prepared based on projections provided recently by the outside consultant overseeing this project, this fund is not expected to start receiving grant reimbursements for these larger construction-phase costs until the 1st quarter of 2022, which as a result will delay the reimbursement of these transfers made by the General Fund until May 2022. Based on delays in moving forward with the next planned phases of the Dungeness Off Channel Reservoir, we have also reduced the forecasted Transfers In from this project by $300k.

Timber revenues are projected to fall short of budget by $105k or -16.8% based on the last DNR projection received (unchanged from the last forecast).

EXPENDITURES-- General fund expenditures (including CARES/FEMA-funded COVID costs) are projected to total $42,206k, or $2,444k lower than budget and $492k lower than our last projection. Of this variance, approximately $1,896k is related to projected underspend in the area of payroll and benefits based on the multi-year trend where due to turnover, retirements, delays in filling open positions, and other dark-time, we have historically underspent our budgeted payroll costs by 3-4% annually, or between $1.2 and $1.4 million. Some additional payroll and benefits savings were captured from the partial hiring freeze that was in effect during much of the 1st quarter of 2021. Also reflected in the projections is approximate benefit savings of $250k related to DRS reduced pension contribution rates for the 2nd half of 2021, as mostly offset by increased payroll/benefit costs resulting from the new collective bargaining agreements that took effect in September 2021.

Based on trends, non-COVID Supplies and Services are projected to come in $184k and $538k below budget, respectively, mainly as a result of trend-based savings and expected underspend in services costs related to the multi-homicide cases where many of these cases were pled-out in late 2020/early 2021 after the 2021 budget was finalized.

Transfers Out-COVID was reduced by $225k from budget and $145k lower than our forecast due to the extension of the County's local health CARES grant into 2021 which provided funding for HHS COVID-related costs, including the operation of the isolation shelter through August 2021, and funding for 2 COVID dedicated relief staff, relieving the General Fund of that budgeted commitment of $595k, as offset by the addition of $370k relating to funding of the Serenity House bathroom expansion project which it now appears will not be reimbursed in 2021 due to Serenity House missing a grant application deadline. Non-COVID Transfers Out are projected to exceed budget by $75k and are $225k lower than our last forecast due to a reduction in the $300k of additional working capital funding needed for the next phase of the Dungeness Off Channel Reservoir which now appears delayed, as offset by the $75k of transfer funding provided to the Bullman Beach fund.

Finally, $302k of COVID-related costs were added to our 2021 projections based on the level of COVID-related costs currently being incurred YTD that are assumed to continue at least through the end of 2021.

NET DEFICIT OF REVENUES TO EXPENDITURES--Based on these revenue and expenditure assumptions, I am projecting a General Fund operating surplus (excluding CARES/COVID related revenues/costs) of $827k for 2021, which is $4,198k better than our 2021 budgeted deficit of ($3,371k) but $574k lower than our last forecast. When including a COVID-related surplus of $248k, our overall general fund surplus for 2021 is expected to total $1,075k, as compared to a budgeted deficit of ($3,527k) and $429k lower than our last forecast.

PROJECTED ENDING FUND BALANCE--$15,599k, or 37.6% of forecasted non-COVID expenditures, as compared to $10,997k budgeted based on final 2020 results.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

This is an informational presentation that by itself has no specific budgetary impact.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)

County Official signature & print name: ______________________Mark Lane________

Name of Employee/Stakeholder attending meeting: ______Mark Lane__________

Relevant Departments: _________Finance____

Date submitted:

October 29, 2021

Clallam County General Fund Results
September 2021

September 2021 YTD Revenue totaled $31,254k as compared to $29,454k in 2020, representing an increase of $1,800k. September 2021 YTD Revenues came in at 76% of our annual revenue budget, as compared to 68.7% in 2020. If one excludes CARES/FEMA reimbursements, revenue was at 75.4% of budget, and increased $1,160k from prior year. All categories with the exception of Charges for Goods & Services, Timber Revenues and Transfers In were up year-over-year in September, and all were at or above their pacings to the annual budget compared to last year, with the exception of Timber Revenues (down 34.9% to budget) mainly due to timing of DNR payments, Goods & Services (down -0.8% mainly due to timing of election services revenues rec'd last year and lower pacing interagency services revenues rec'd to date due to timing and lower jail utilization by DOC) and Transfers In from the Lower Dungeness project (down 16.6% as a % of budget). Taxes YTD continue to pace well ahead compared to last year, driven mainly by much stronger sales taxes which were up 25.6% compared to last year. Sales tax for the month of September up 25.6%. Misc Revenues in September continued to pace significantly ahead relative to budget vs last year (86% vs 64.1%) due mainly to a significant increase in camping fee reservations YTD relative last year, as offset by declining interest income. Licensing & Permits also were up for September YTD (at 86.3% of budget vs 67.8% in prior year), mainly as a result of stronger than expected building permit revenue which are up 30.7% to prior year. Fines & Penalties are also pacing ahead of budget compared to prior year by 15.6% due to COVID's impact last year. Thru YTD September, the General Fund had received FEMA reimbursement funds of certain of its 2020 COVID costs of $168k, the payment of which was expected to be received in 2020 and therefore was not budgeted in 2021. In addition, $472k of the budgeted $529k AOC CARES grant reimbursement of costs incurred relating mainly to the JAVS courtroom technology project have been received.

Expenditures for YTD September 2021 totaled $31,264k (including $812k of COVID related costs) as compared to $34,413k (including $2,473k of COVID costs) in 2020 for a decrease of $3,149k. Expenditures (excluding COVID) for September 2021 YTD came in at 69.3% of our annual budget, pacing just slightly below last year's of 69.5%. The year-over-year decrease in expenditures was partly due to a $478k decrease in Transfers due to a $867k drop in transfers to the County's capital projects funds vs last year as offset by higher transfers in 2021 relating to COVID-funding support to HHS for COVID staff and the support of the Serenity House shelter project, the Law Library, Dungeness Off Channel Reservoir, and Bullman Beach. Non-COVID Services category also decreased $1,504k due to a change from prior year in how indirect charges by the General Fund are accounted for ($1,359k of the decrease), lower travel costs, lower repairs & maintenance ($84k), lower professional services, and decreases in other areas. All expenditure categories were pacing at or below their pacings to budget in comparison with prior year.

For September 2021 YTD, the General Fund generated an operating surplus between revenue and expenditures (excluding COVID/CAREs) of $162k, a $2,648k improvement from last year's operating deficit. After including COVID-related net revenue to expenditure deficit YTD of ($172k), the General Fund generated an operating deficit of ($9k) for September 2021 YTD. The General Fund finished September 2021 with an ending fund balance reserve of $14,515k, or $4,231k higher than prior year.

Turning to the forecast, General Fund total revenues are projected to total $43,281k, an increase of $2,158k over the 2021 budget. The main contributors include higher projected Tax revenue of $2,351k due mainly to the much stronger than budgeted sales tax revenues incurred YTD and projected for the remainder of the year, and $481k in higher CARES/FEMA reimbursement revenue projected to be received relating primarily to the unbudgeted carryover of FEMA reimbursements for COVID expenditures incurred by the General Fund and projected reimbursements of 2021 COVID-related FEMA reimbursable expenditures based on current spending levels that are assumed to continue through the end of 2021. Licenses & Permits are projected to outperform budget by 5.3% due to strong building permit trends, Intergovernmental is projected to beat budget by 14.2% due to a $299k unbudgeted Law Enforcements one-time State appropriation rec'd in July 2021, and slightly higher PILT and PUD Privilege tax revenues, and Fines & Penalties are expected to exceed budget by 8.3%. Charges for Goods & Services are projected to miss budget by -4.3% based on our lower trending DOC inmate revenues impacted by COVID, and the loss of approx $203k of Fair-related revenues due to its cancellation, as partly offset by stronger growth from building plan reviews. Transfers In are projected to be $1,270k lower due to the late year timing of Lower Dungeness Floodplain project's heavy construction phase which began in late Q3 and will continue to ramp up through Q4 2021, but for which grant reimbursement for these higher costs is not expected to received until 2022 based on revised project cost and cash flow projections developed based on project work projections recently provided by the project's lead consultant. Timber revenues are expected to miss budget by -16.8% due to harvest delays by DNR. 2021 Expenditures are projected to total $42,206k, underspending to budget by $2,444k. Payroll and Benefits costs are expected to come in approx $1,896k below budget, mainly due to historic underspend to our personnel budgets due to unbudgeted darktime, savings from the extension of a partial hiring freeze during part of the first quarter of 2021, and benefit savings related to lower DRS pension rates for the 2nd half of 2021, as partially offset by increased payroll/benefit costs resulting from the new collective bargaining agreements taking effect in July 2021. COVID-related costs for 2021 are now projected to be $77k higher than budget due a $450k reduction in Transfers Out due to the extension of the WA Department of Health CARES grant to 2021 which will be available to fund the operation of the HHS isolation shelter that originally was budgeted to be funded by a $450k transfer from the General Fund, and a $145k reduction in funding for 2 HHS COVID support staff that were covered by an HHS COVID grant, as offset by the addition of $370k Transfer Out to HHS to fund the Serenity House bathroom addition project (for which reimbursement is not expected to be received in 2021), and the addition of approximately $219k of COVID related costs based on current YTD spending levels continuing to be incurred by the County during the pandemic that are projected to continue through the end of 2021 based on the recent pandemic impact of the Delta Variant. Supplies are projected to come in $184k below budget due to trending savings. Transfers Out are expected to exceed budget by $75k due to the County receivership of Bullman Beach. For 2021, the General Fund is now projected to generate an operating surplus of $1,075k, which is $4,602k better than budgeted, leaving an estimated ending fund balance of $15,599k or 37.6% of total non-COVID expenditures.

Clallam County General Fund Results
September 2021
September 2021 YTD--vs Annual Budget (rounded to thousands)

	2021 YTD Actual	2021 Budget	Budget Remaining	2021 % of Annual Budget Achieved YTD	2020 % of Annual Budget Achieved YTD
REVENUES:					
Taxes	15,888	20,884	4,996	76.1%	66.4%
Licenses & Permits	907	1,050	144	86.3%	67.8%
Intergovernmental Revenues	5,159	5,329	170	96.8%	88.3%
Charges for Goods & Services	5,371	7,845	2,475	68.5%	69.3%
Fines & Penalties	771	908	138	84.9%	69.3%
Misc Revenue (Interest Inc, Camping Fees, etc)	1,755	2,040	285	86.0%	64.1%
Nonrevenues (Sale/Use Tax, Lodging Tax--Parks & Facil)	77	72	-5	106.9%	58.8%
Other Financing Sources (Timber Sales, other)	418	625	207	66.8%	101.7%
Transfers In	270	1,840	1,570	14.7%	31.3%
Total Revenue--Excluding CARES/FEMA	**30,614**	**40,594**	**9,980**	**75.4%**	**68.7%**
Total Revenue--CARES/FEMA	**640**	**529**	**-111**	121.0%	--
Total Revenue	**31,254**	**41,123**	**9,869**	**76.0%**	**68.7%**

	2021 YTD Actual	2021 Budget	Budget Remaining	2021 % of Annual Budget Achieved YTD	2020 % of Annual Budget Achieved YTD
EXPENDITURES:					
Payroll	15,908	22,537	6,629	70.6%	70.6%
Payroll--COVID	10	0	-10	--	--
Benefits	6,517	9,544	3,026	68.3%	69.7%
Benefits--COVID	1	0	-1	--	--
Supplies	682	1,242	560	54.9%	56.2%
Supplies--COVID	49	0	-49	--	--
Services	4,417	6,523	2,106	67.7%	68.4%
Services--COVID	174	0	-174	--	--
Capital	56	95	39	58.9%	63.1%
Capital--COVID	63	90	27	69.8%	--
Transfer Out --COVID	515	595	80	86.6%	--
Transfers Out	1,634	2,783	1,149	58.7%	60.5%
Payment to Risk Pool	1,237	1,241	4	99.7%	100.0%
Total Expenditures--excluding COVID	**30,452**	**43,965**	**13,513**	**69.3%**	**69.5%**
Total Expenditures--COVID	**812**	**685**	**-127**	**118.5%**	--
Total Expenditures	**31,264**	**44,650**	**13,386**	**70.0%**	**74.9%**
Net Operating Surplus (Deficit)--Excluding COVID	**162**	**-3,371**			
Net Operating Surplus (Deficit)--COVID	**-172**	**-156**			
Net Operating Surplus (Deficit)	**-9**	**-3,527**			
Fund Balance	**14,515**	**10,997**	**3,517**		

Clallam County General Fund Results
September 2021
September 2021 YTD--vs Prior Year YTD (rounded to thousands)

	2021 YTD Actual	2020 YTD Actual	Variance--$
REVENUES:			
Taxes	15,888	13,750	2,138
Licenses & Permits	907	780	127
Intergovernmental Revenues	5,159	4,670	488
Charges for Goods & Services	5,371	6,716	-1,345
Fines & Penalties	771	671	99
Misc Revenue (Interest Inc, Camping Fees, etc)	1,755	1,652	103
Nonrevenues (Sale/Use Tax, Lodging Tax--Parks & Facil)	77	42	35
Other Financing Sources (Timber Sales, other)	418	612	-194
Transfers In	270	561	-291
Total Revenue--Excluding CARES/FEMA	**30,614**	**29,454**	**1,160**
Total Revenue--CARES/FEMA	**640**	**0**	**640**
Total Revenue	**31,254**	**29,454**	**1,800**
EXPENDITURES:			
Payroll	15,908	15,400	508
Payroll--COVID	10	204	-195
Benefits	6,517	6,331	186
Benefits--COVID	1	13	-12
Supplies	682	769	-87
Supplies--COVID	49	175	-126
Services	4,417	5,921	-1,504
Services--COVID	174	1,086	-912
Capital	56	177	-121
Capital--COVID	63	0	62
Transfer Out --COVID	515	995	-480
Transfers Out	1,634	2,111	-478
Payment to Risk Pool	1,237	1,229	8
Total Expenditures--excluding COVID	**30,452**	**31,940**	**-1,488**
Total Expenditures--COVID	**812**	**2,473**	**-1,662**
Total Expenditures	**31,264**	**34,413**	**-3,149**
Net Operating Surplus (Deficit)--Excluding COVID	**162**	**-2,486**	**2,648**
Net Operating Surplus (Deficit)--COVID	**-172**	**-2,473**	**2,302**
Net Operating Surplus (Deficit)	**-9**	**-4,959**	**4,950**
Fund Balance	**14,515**	**10,284**	**4,231**

Clallam County General Fund Results
September 2021

Major Revenue Differences between YTD 2021 and 2020 (rounded to thousands)

Juvenile Justice sales tax	252
Property tax	352
Sales taxes (other than Juvenile Justice)	1,463
Intergovernmental--PILT, Criminal Justice, Other Excise Taxes	415
Intergovernmental--Grants	73
Intergovernmental--CARES/FEMA	640
Miscellaneous--Investment & Delinquent tax interest	-234
Miscellaneous--Parks' Camping Revenues	328
Timber revenue	-172
Goods & Services--Interagency Services--Court Consolidation pymt timing, Roads & Other Policing Agreements timing/reduction, State Dpt Corrections (down $164k due to lower inmate capacity during COVID)	-148
Goods & Services--Indirects (due to reclassification of indirects from revenue to negative services expenditure to reflect proper accounting)	-1,359
Goods & Services--Building Plan Check Revenues	136
Fines and Penalties	99
Goods & Services Election Services Revenue--2020 Presidential Year, spill over 2019 November election reimbursement into 2020	-430
Licensing & Permits--Building Permits	149
Everything else (rounded to thousands)	237 **
Total Revenue Increase/(Decrease) over Prior Year	**1,800**

** The 'everything else' number of +$237k relates mainly to $88k in higher Auditor DOL, voter registration fees and legal document filing fees, $73k in higher timber excise tax, higher Treasurer excise admin fees (+$58k), higher HHS Environmental Health On Site program fees (+$135k), and increases in other areas, as offset by lower Transfers In relating the Lower Dungeness project ($291k).

Major Expense Differences between YTD 2021 and YTD 2020 (rounded to thousands)

Payroll/Benefits--prior year estimated impact of retirements and newly elected officials that led to conversion of payouts of accrued leave balances or partial conversion of leave balances to VEBA payments.	-15
Payroll--changes due to personnel, step/COLA increases, and other non-retirement factors	518
Benefits--due to changes in benefit costs following collective bargaining increases in July 2020/Jan 2021, as offset by personnel changes	190
Services (decrease mainly due to reclassification of indirect charges as a reduction of services expenditures rather than as revenue in 2020 ($1,293k), lower travel costs ($17k), lower repairs & maintenance ($84k), lower professional services, and other decreases in other areas.	-1,504
Risk Management Assessment for Insurance Pool	8
Transfers (mainly due to $867k lower PFF & IT capital transfers vs 2020 and $19k lower transfer to Lower Dungeness Floodplain Project, as partially offset by $270k increase in Dungeness Off Channel Reservoir, Bullman Beach transfer $75k, $20k transfer to Law Library, and $52k higher transfer to Flood Control)	-478
Decrease in COVID Related Costs Incurred by the General Fund (relating to CARES/FEMA)	-1,662
Net Other Expenditure Changes (lower capital outlays ($121k) and other decreases)	-207
Total Expenditure Increase/(Decrease) over Prior Year	**-3,149**

Clallam County General Fund Results
September 2021

September 2021 Full Year Projection vs Annual Budget (rounded to thousands)

	2021 Projected	2021 Budget	Over/(Under) Budget
REVENUES:			
Taxes	23,235	20,884	2,351
Licenses & Permits	1,106	1,050	56
Intergovernmental Revenues	6,088	5,329	759
Charges for Goods & Services	7,501	7,845	-344
Fines & Penalties	983	908	75
Misc Revenue (Interest Inc, Camping Fees, etc)	2,178	2,040	138
Nonrevenues (Sale/Use Tax, Lodging Tax--Parks & Facil)	90	72	18
Other Financing Sources (Timber Sales, other)	520	625	-105
Transfers In	570	1,840	-1,270
Intergovernmental--CARES/FEMA Reimbursements	1,010	529	481
Total Revenue--Excluding CARES/FEMA	**42,271**	**40,594**	**1,677**
Total Revenue--CARES/FEMA	**1,010**	**529**	**481**
Total Revenue	**43,281**	**41,123**	**2,158**
EXPENDITURES:			
Payroll	21,476	22,537	-1,061
Payroll--COVID	10	0	10
Benefits	8,698	9,544	-846
Benefits--COVID	1	0	1
Supplies	1,058	1,242	-184
Supplies--COVID	71	0	71
Services	5,985	6,523	-538
Services--COVID	220	0	220
Capital	132	95	37
Capital--COVID	90	90	0
Transfer Out --CARES	370	595	-225
Transfers Out	2,858	2,783	75
Payment to Risk Pool	1,237	1,241	-4
Total Expenditures--excluding COVID	**41,444**	**43,965**	**-2,521**
Total Expenditures--COVID	**762**	**685**	**77**
Total Expenditures	**42,206**	**44,650**	**-2,444**
Net Operating Surplus (Deficit)--Excluding COVID	**827**	**-3,371**	**4,198**
Net Operating Surplus (Deficit)--COVID	**248**	**-156**	**404**
Net Operating Surplus (Deficit)	**1,075**	**-3,527**	**4,602**
Fund Balance	**15,599**	**10,997**	**4,602**