

**Morrow County Budget Committee Meeting Minutes**  
**Monday, April 22, 2019**  
**Bartholomew Building Upper Conference Room**  
**Heppner, Oregon**

**Present**

Commissioner Jim Doherty  
Commissioner Melissa Lindsay  
Commissioner Don Russell  
Larry Mills, Budget Committee  
Linda LaRue, Budget Committee  
Jeff Wenholz, Budget Committee

Darrell J. Green, Administrator  
Kate Knop, Finance Director  
Mike Gorman, Assessor/Tax Collector  
Ronda Fox, Finance Management Assistant  
Roberta Lutchter, Executive Assistant

**Call to Order & Pledge of Allegiance:** 8:36 a.m.

Commissioner Jim Doherty, Chair of the Board of Commissioners, discussed how far the County has come since its inception, budget-wise, and said this Committee can do some wonderful things with the budget, even though some might view them as contentious. However, it's important to remember during this Holy Week to keep things in perspective, especially since a colleague just lost a family member.

**Election of Budget Committee Chair and Secretary**

*Ms. LaRue nominated Mr. Mills as Chair. Commissioner Russell seconded. Motion carried.*

*Commissioner Russell nominated Ms. LaRue as Secretary. Commissioner Lindsay seconded. Motion carried.*

**Minutes**

*Commissioner Lindsay moved to approve the minutes of the 2018 Budget Committee Meetings. Ms. LaRue seconded. Motion carried.*

**Budget Message and Explanation of Budget Documents**

Kate Knop, Finance Director

For the sake of time, Chair Mills suggested Ms. Knop highlight the main points from her written Budget Officer's Message, which she then proceeded to do.

**Presentation of Revenue**

Mike Gorman, Assessor/Tax Collector

Kate Knop, Finance Director

Mr. Gorman reviewed his PowerPoint presentation, "Morrow County Values and Taxes 2015-2019." In addition to the information indicated by the title, it also contained graphs on Real Market Value and Assessed Value, and the certified tax for the time period.

Ms. Knop reviewed her PowerPoint presentation, "2019-2020 Budget Committee Hearings." It contained information on the type of funds, Personnel Budgets, taxes, Strategic Investment Program funds, and the 2019-2020 Financial Summary.

## **Compensation and Benefits Update**

Karmen Carlson, Human Resources Director

Ms. Carlson provided an overview of the Compensation Board meeting and recommendations:

- Three percent Cost of Living Adjustment (COLA) for the following Elected Officials – Assessor, Clerk, Commissioners, Justice of the Peace, Sheriff and Treasurer.
- Increase District Attorney stipend by \$3,000 from \$8,000 per year to \$11,000 per year.

The recommendations were forwarded and reviewed by the Board of Commissioners, which in turn, forwarded them to the Budget Committee.

She also discussed the COLA options for union represented employees that were presented to the BOC (2%, 2.5% 3%). She said the Board forwarded a recommendation of 3% to the Budget Committee.

Changes to health insurance benefits were briefly reviewed by Ms. Carlson, as was the spreadsheet for Budget Requests, or Decision Packages by Ms. Knop.

## **Board of Commissioners**

Darrell Green, Administrator

Mr. Green said, for the most part, the budget remained the same. There is an item under Capital Outlay for a more formal podium in the Upper Conference Room, \$10,000, he said.

*Ms. LaRue moved tentative approval of the Board of Commissioners Budget. Commissioner Lindsay seconded. Motion carried.*

## **Building Reserve Fund**

Mr. Green said the change involved moving \$500,000 into this fund as a match in the hope the State will grant us \$1,000,000 for a Courthouse remodel project. The main purpose of the fund is to build up a reserve for a major remodel or an HVAC system, for example, so we have money to handle the scenarios when they occur.

*Commissioner Russell moved tentative approval of the Building Reserve Fund. Ms. LaRue seconded. Motion carried.*

## **Equity Fund**

Mr. Green said the fund is managed by GEODC (Greater Eastern Oregon Development Corporation) but there have been no new requests for loans from this fund.

*Mr. Wenholz moved tentative approval of the Equity Fund. Commissioner Russell seconded. Motion carried.*

## **Computer Department**

Mr. Green said he reviews this budget several times a year with Jordan Standley, IMESD's Server Specialist for Morrow County. Because prices continue to increase, he said he increased this budget.

*Ms. LaRue moved tentative approval of the Computer Department Fund. Mr. Wenzholz seconded. Motion carried.*

### **Computer Equipment Reserve**

Mr. Green said a server is scheduled to be replaced before June at about \$15,000 and another in 2021 at about the same cost. To make sure there's enough money for future replacements, he recommended \$20,000 in this budget.

*Ms. LaRue moved tentative approval of the Computer Equipment Reserve Fund. Mr. Wenzholz seconded. Motion carried.*

### **Programming Reserve**

Mr. Green explained the proposed budget worksheet amount of \$72,508 was not enough to cover anticipated software program needs in several departments. He said he added an additional \$30,000, so the actual number should be \$102,508.

Commissioner Lindsay requested this be revisited at the end of the Budget Committee Meetings.

Ms. Knop suggested a \$30,000 transfer from the General Fund, pulling it from the Unappropriated Ending Fund Balance to get to the \$102,508.

*Mr. Wenzholz moved tentative approval of the Programming Reserve Fund in the amount of \$102,508. Commissioner Lindsay seconded. Motion carried.*

### **Safety Committee**

Darrell Green, Administrator

Karmen Carlson, HR Director

Mr. Green explained the transfer of SAIF dividend funds to the Safety Committee.

Ms. Carlson outlined purchases by the Safety Committee for safety-related items County-wide.

*Commissioner Lindsay moved tentative approval of the Safety Committee Fund. Commissioner Russell seconded. Motion carried.*

**Break:** 9:43-9:54 a.m.

Ms. Knop asked if the Committee first wanted to consider the COLA since it's a blanket recommendation, prior to reviewing each department's personnel costs.

Ms. LaRue and Chair Mills said yes, since the Commissioners tentatively approved the 3%.

Commissioner Russell said the Commissioners were not unanimous in their recommendation of 3%. There was the thought we default to the 3% every year but at some point in time, expenses will outrun revenue. He suggested a lesser amount be considered because the cost of living increase probably hasn't been 3%. Commissioner Lindsay thanked him for his analysis. He continued, there is a Compensation Board consisting of qualified members who have been

selected for their knowledge of wages and benefits, however, he did not disagree with Commissioner Lindsay that it should be brought forward to the full Budget Committee.

Ms. LaRue said the Committee needs to be mindful of the actual cost of living index, but also what's typical among other entities because the County doesn't want to lose employees.

Chair Mills agreed the County needs to be competitive. He said he believed the Board of Commissioners should approve the cost of living because it's difficult for the Budget Committee to come in and start setting salaries at a two-day meeting held once a year. He said he wasn't sure that was the Budget Committee's role.

*Ms. LaRue moved tentative approval of the 3% increase that was discussed earlier. Mr. Wenholz seconded. Vote – Aye: Chair Mills, Ms. LaRue, Mr. Wenholz, Commissioner Doherty, Commissioner Russell. Nay: Commissioner Lindsay. Motion carried.*

Commissioner Lindsay said the conversation has often been the Compensation Board said to do this, but they don't see the budget, the full analysis. For example, they don't know about the union negotiations. The Compensation Board recommendation then comes to the Commissioners, who decide to take it to the Budget Committee who has the whole picture. Continuing, she said, "Now we just get to the Budget Committee and the answer is no, the Commissioners are the only ones who get it. I want to be clear from the three of you that your analysis is - that should come as a recommendation, not move it forward, but as a recommendation from the Commissioners of what they think and not really an analysis from you as the Budget Committee."

Ms. LaRue asked who does the analysis.

Commissioner Lindsay said that's my point.

Ms. LaRue said there needs to be a consistent analysis to other entities, perhaps, but also what is real to our area. Whether it's done by your HR Department and given to the Committee, otherwise I don't know how you come up with that figure other than it sounds good.

Commissioner Lindsay said, "Exactly, and the one analysis that was done, correct me if I'm wrong, is our personnel costs exceed our General Fund by 2023. At what point are we going to pay attention to that...it's important that you know that."

Ms. LaRue said this group needs to know the analysis has been done because she assumed it had been.

Commissioner Russell said in the information provided to the Compensation Board, the County has shied away from an analysis of three counties larger and three counties smaller and shifted to a comparison to counties similar in economies to Morrow County. The Compensation Board can ask the HR Director for any information they want and she will try to get it for them, he added.

## **Administration – Finance and Human Resources**

Kate Knop, Finance Director

Karmen Carlson, Human Resources Director

Ms. Knop said the first Budget Request or Decision Package not included in the budget was for furniture for the Lower Level Bartholomew Building remodel to reconfigure HR and Payroll.

Ms. Carlson explained the remodel project in more detail.

*Commissioner Lindsay moved tentative approval of the Administrative Services Budget adding \$8,000 to Office Furniture increasing the total to \$552,618. Commissioner Russell seconded. Motion carried.*

## **Assessor/Tax Collector**

Mike Gorman, Assessor/Tax Collector

Mr. Gorman reviewed the changes to his budget, noting the two most significant requests: 1.) A \$9,000 increase for Assessment & Tax Software Program Maintenance to keep pace with annual price increases and anticipated legislative changes, and 2.) A replacement vehicle - \$25,000. Discussion.

*Commissioner Russell moved tentative approval of the Assessment/Tax Collector Budget, including the vehicle. Commissioner Doherty seconded. Motion carried.*

## **Treasurer**

Gayle Gutierrez, Treasurer

Ms. Gutierrez outlined the minor changes to her budget.

*Commissioner Russell moved tentative approval of the Treasurer's Budget. Ms. LaRue seconded. Motion carried.*

## **County School Fund & Ione School Fund**

Gayle Gutierrez, Treasurer

*Chair Mills moved tentative approval of the 211 County School Fund. Commissioner Lindsay seconded. Motion carried.*

*Commissioner Lindsay moved tentative approval of the 212 Ione School Fund. Mr. Wenholz seconded. Motion carried.*

## **Clerk**

Gayle Gutierrez for Bobbi Childers, Clerk

*Commissioner Russell moved tentative approval of the Clerk's Budget. Ms. LaRue seconded. Motion carried.*

## **Board of Property Tax Appeals**

*Ms. LaRue moved tentative approval of the Board of Property Tax Appeals Fund. Mr. Wenholz seconded. Motion carried.*

### **Clerk's Record Fund**

*Ms. LaRue moved tentative approval of the Clerk's Record Fund. Commissioner Russell seconded. Motion carried.*

The Sheriff's Office was listed next on the agenda but since they had not arrived, Chair Mills suggested they take up a few smaller budget requests.

### **Museum**

*Mr. Wenholz moved tentative approval of the Museum Budget. Commissioner Lindsay seconded. Motion carried.*

### **Heppner Administration Building Fund**

Kate Knop, Finance Director

Ms. Knop stated this was the debt service fund for the Bartholomew Building loan. The \$394,000 payment is transferred from the General Fund, she added.

*Ms. LaRue moved tentative approval of the Heppner Administration Building Fund. Commissioner Lindsay seconded. Motion carried.*

### **Discussion on the Finley Buttes Trust Fund and Finley Buttes Closure Fund**

Discussion took place on the Finley Buttes Trust Fund investment by the Treasurer and what fund is the recipient of any earned interest. Ms. Knop said it was outside her scope of work but Ms. Gutierrez could be asked to return to the meeting. Ms. Knop said her office was reviewing the original Finley Buttes contract and amendments because they appear to indicate funds in excess of \$1,000,000 should be used to reduce fees, which was not taking place. She said she would forward the information to County Counsel and the BOC for clarification.

### **Forest Service Fund**

The restrictive parameters on the Title III funds were discussed. Commissioner Lindsay said there were different people at the Forest Service now, which may have opened the door for a partnership with the federal government to use these funds (\$62,656).

*Commissioner Lindsay moved tentative approval of the Forest Service Fund. Commissioner Russell seconded. Motion carried.*

### **Discussion on the Finley Buttes Trust Fund and Finley Buttes Closure Fund, continued**

Ms. Gutierrez returned to the meeting. She informed the Committee that whatever was earned in interest in the Finley Buttes Closure Fund has to be used for the future closing. Discussion ensued. Chair Mills concluded the discussion and said the contract needed to be reviewed.

### **Status update provided by Ms. Knop**

**Break while waiting for the Sheriff's Office Representatives:** 10:50-11:15 a.m.

## **Sheriff's Department Budget**

Sheriff Ken Matlack

Undersheriff John Bowles

Sheriff Matlack and Undersheriff Bowles both said they arrived with changes to their budget that was finalized last week with Ms. Knop, one example being an ATV grant.

Ms. Knop explained if grant revenue is received after the budget has been approved or adopted, a budget resolution is the mechanism to make changes. Due dates and deadlines during the budget process allow staff the necessary time to prepare for the Budget Committee meetings. Any changes now will require extra work by Finance Department staff, but with that said, she asked them to proceed with their presentation.

Undersheriff Bowles reviewed multiple changes.

*Commissioner Russell moved tentative approval of the Sheriff's Department Budget with the changes noted. Ms. Knop said the net equals a \$78,416 increase in expenditures. Mr. Wenholz seconded. Motion carried.*

## **911 Emergency Fund**

*Ms. LaRue moved tentative approval of the 911 Emergency Fund. Commissioner Russell seconded. Motion carried.*

## **Community Corrections**

It was noted that a Justice Reinvestment Grant funds one of the Parole Officer positions. Commissioner Lindsay asked how the County knows not to continue to fund something that should have been brought to us as a grant.

Ms. Knop said the County is made aware through grant quarterly reports. The transparency has to be brought by the department and it can get complicated when outside funding is used for an FTE (full-time equivalent).

Chair Mills said he shared Commissioner Lindsay's concern when grant funding for programs and positions disappears. Should the taxpayers fund it, he asked. It's something the taxpayers need to be aware of because it shouldn't happen and it has happened, he said.

*Commissioner Russell moved tentative approval of the Community Corrections Budget. Mr. Wenholz seconded. Motion carried.*

## **Emergency Management, miscellaneous**

Undersheriff Bowles talked about his understanding of the lease with the Port of Morrow for the building at the former Kinzua Mill site (Sheriff's Station 2). He said he was told the Sheriff's Office would not be charged anything and would move out if the Port needed the building. However, they received a bill for \$22,500 for four years of back rent. Ms. Knop said it hadn't been paid since 2015.

**Public Comment:** No comments

**Lunch Break**

### **District Attorney**

Justin Nelson, District Attorney/County Counsel

Mr. Nelson said through the efforts of the Finance Department, it was determined the grant funding from the State for the Victim/Witness Assistant position will be about \$92,000 and not \$45,000-50,000. He went on to discuss his \$28,000 request for a replacement vehicle. Brief discussion.

*Commissioner Russell moved tentative approval of the District Attorney Budget with the addition of \$28,000 for a vehicle, making total expenditures of \$449,716. Ms. LaRue seconded.*

*Discussion: Commissioner Lindsay said we talked about the 3% COLA and we do have an increase to the DA stipend, as well, which she wanted to make sure wasn't being overlooked. Chair Mills said he stated his opinion on the DA stipend but was clearly outnumbered unless she wanted to talk about it. Commissioner Lindsay said she wanted to be clear it's in the budget. Motion carried.*

### **Alcohol Enforcement Fund**

*Commissioner Russell moved tentative approval of the Alcohol Enforcement Fund. Ms. LaRue seconded. Motion carried.*

### **Victim/Witness Fund**

There was discussion of the \$20,000 carryover of unspent grant funds. Commissioner Lindsay asked if it might be used for domestic violence activities or for the Local Public Safety Coordinating Council (LPSCC). Ms. Knop said the funds are tied to the budget in the original grant application but perhaps ways to spend it could be looked into.

*Commissioner Russell moved tentative approval of the Victim/Witness Assistant Fund. Mr. Wenholtz seconded. Motion carried.*

### **CAMI (Child Abuse Multidisciplinary Intervention) Fund**

Mr. Nelson said the majority of these funds go to the Mt. Emily Safe Center and to pay for trainings, such as the Child Abuse Summit attended by members of the Multidisciplinary Team.

*Ms. LaRue moved tentative approval of the CAMI Grant Fund. Commissioner Doherty seconded. Motion carried.*

### **Law Library**

A discussion took place on using the funds to:

- Remove the law library housed in the courtroom on the second floor of the Courthouse
- Make those same books available electronically at libraries in the County
- Provide computers to access the Oregon eCourt Case Information System

Mr. Nelson said we have the money and it's time to do it.

*Commissioner Russell moved tentative approval of the Law Library Fund. Commissioner Lindsay seconded. Motion carried.*

### **DUII Impact Fund**

*Mr. Wenholz moved tentative approval of the DUII Impact Fund. Ms. LaRue seconded. Motion carried.*

### **Liquor Control Fund**

*Commissioner Russell moved tentative approval of the Liquor Control Fund. Mr. Wenholz seconded. Motion carried.*

### **Court Security Fund**

*Ms. LaRue moved tentative approval of the Court Security Fund. Commissioner Russell seconded. Motion carried.*

### **Justice Court**

Judge Ann Spicer

Judge Spicer reviewed the two changes of significance in the budget:

1. Increase "Court Appointed Attorney Fees" from \$25,000 to \$45,000
2. Increase the "Continuing Legal Education" line by \$9,000

Judge Spicer said she planned to retire at the end of the year and if her replacement was not an attorney, he or she would be required to attend the National Judicial College in Reno, Nevada in June. She explained her replacement, appointed by the Governor's Office, will fill the remainder of her term. This person may choose to run for the position in the general election. If a different person wins that election, he/she will also be required to attend the National Judicial College (if not an attorney), meaning the County should budget the \$9,000 expense for the next two years, she said.

*Commissioner Russell moved tentative approval of the Justice Court Budget. Commissioner Doherty seconded. Motion carried.*

### **Bails & Fines**

*Commissioner Lindsay moved tentative approval of the Bails & Fines Budget. Ms. LaRue seconded. Motion carried.*

### **Veterans Department**

Linda Skendzel, Veterans Services Officer

Ms. Skendzel discussed carryover funds from the Oregon Department of Veterans Affairs grant, and her ideas for expending them. Brief discussion as to the County and State processes regarding carryover funds.

*Commissioner Russell moved tentative approval of the Veterans Department Budget. Commissioner Lindsay seconded. Motion carried.*

### **Surveyor Department**

Stephen Haddock, County Surveyor

Mr. Haddock recommended his budget remain "status quo."

*Ms. LaRue moved tentative approval of the Surveyor Department Budget. Mr. Wenholz seconded. Motion carried.*

### **Surveyor Preservation Fund**

Chair Mills asked when this fund would start to be spent down.

Mr. Haddock explained the funds can only be spent for the purpose of remonumenting the public land survey corners, according to statute. He said it was being spent down by the same amount that comes into the fund, but the balance itself was not being touched. He went on to discuss the difficulty the survey industry is having in attracting people to become surveyors, which takes 12 years. Another factor for not spending the funds down, he said, was surveyors are paid about \$150-200 for each remonumentation they do, but they are telling him it's not enough compensation, especially when demand is so high for surveyors. Mr. Haddock also discussed a project planned for the summer in the Boardman area related to the Amazon projects and fiber optic lines being laid.

*Mr. Wenholz moved tentative approval of the Surveyor Preservation Fund. Commissioner Lindsay seconded. Motion carried.*

### **STF Fund**

Anita Pranger, Coordinator, The Loop – Morrow County Transportation

*Commissioner Doherty moved tentative approval of the STF Fund. Commissioner Lindsay seconded. Motion carried.*

### **STF Vehicle Reserve Fund**

*Commissioner Russell moved tentative approval of the STF Vehicle Reserve Fund. Ms. LaRue seconded. Motion carried.*

### **5310 Federal Transit Administration (FTA) Grant Fund**

Ms. Pranger said there were two grants in this fund and the dollar amounts were the same. She will start receiving STIF funds in May and start spending them on July 1. Ms. Pranger said half of her salary comes out of 5310, as well as vehicle maintenance and tires. She also discussed the five projects planned with these funds, and the increase in the Dispatcher's hours to full-time. She said the Port of Morrow fixed route will be up and running with the hope that employers there will contribute toward the salary for drivers for the first one to two years. The Loop/Morrow County Transportation will pay for the bus, fuel, maintenance and all other related items, she said.

*Commissioner Russell moved tentative approval of the 5310 Grant Fund. Mr. Wenholz seconded. Motion carried.*

### **Break**

## **Watermaster**

Greg Silbernagel, Watermaster, District 5, Oregon Water Resources Department, Pendleton  
Ken Thiemann, Watermaster, District 21, OWRD, Condon

Both representatives provided an update for the Committee of activities and current water levels in the area. A questions and answer session ensued.

*Commissioner Lindsay moved tentative approval of the Watermaster Budget. Commissioner Lindsay seconded. Motion carried.*

## **Planning Department**

Carla McLane, Planning Director

*Commissioner Russell moved tentative approval of the Planning Department Budget. Ms. LaRue seconded. Motion carried.*

## **Heritage Trail**

Ms. McLane offered the following corrections to the budget worksheet:

- Page two, second Revenue line – change the \$5,000 to \$0
- The first change would necessitate a corresponding reduction in Contracted Services

*Commissioner Lindsay moved tentative approval of the Heritage Trail Fund with the two changes noted. Commissioner Russell seconded. Motion carried.*

## **Building Permit Fund**

Ms. McLane summed up the differing opinions on how these funds can be spent, which has led to the balance accumulating to a significant amount (Unappropriated Ending Fund Balance \$549,111). Commissioner Russell requested a copy of those guidelines. Ms. McLane discussed the \$28,000 request for a second Planning Department vehicle and why it was needed. Discussion as to other ideas for spending the funds.

*Commissioner Lindsay moved tentative approval of the Building Permit fund. Mr. Wenzholz seconded. Motion carried.*

## **Water Planning**

Ms. McLane said the plan was to close this fund in the next year by allocating \$5,000 for NOWA dues in 2019/2020 and \$1,258 either to NOWA or Oregon State University for its work on the Lower Umatilla Basin Groundwater Management Area.

*Mr. Wenzholz moved tentative approval of the Water Planning Fund. Ms. LaRue seconded. Motion carried.*

## **Wildlife Service**

Patrick Smith, District Supervisor, USDA Wildlife Services, La Grande

Chris Lulay, Wildlife Specialist, USDA Wildlife Services, Morrow County

The request from Wildlife Services, for the second year in a row, was around \$74,000. The County has allocated about \$54,000 going back to at least the 2016-2017 fiscal year. After

discussion, Commissioner Doherty asked the Committee to strongly consider increasing the request by \$6,000 or \$10,000. Chair Mills suggested increasing it to \$60,000. Commissioner Doherty said the Committee should tentatively accept the \$54,000 amount and reconsider this budget near the end of the Budget Hearings.

*Commissioner Doherty moved tentative approval of the Wildlife Services Budget as-is, \$54,000, and reevaluate it as the Budget Hearings come to a close. Ms. LaRue seconded. Motion carried.*

### **Soil & Water Conservation District**

Kevin Payne, District Manager

Janet Greenup, Administrative Specialist

Mr. Payne discussed SWCD's goals and mission and thanked the Committee for its support. It was noted the request remained the same as the previous year - \$55,000.

*Commissioner Russell moved tentative approval of the SWCD Budget. Commissioner Lindsay seconded. Motion carried.*

### **Irrigon Boardman Emergency Assistance Center**

Shirley David, Volunteer Bookkeeper

Ms. David said the request did not increase and what the County has provided has been "wonderful" (\$18,000). She said the Center recently received two new refrigerators from the Oregon Food Bank, which allows an increased ability to store fresh produce. She said they were increasing their advertising in Boardman and were working with The Loop to bring people from Boardman to the Center in Irrigon on certain days.

*Commissioner Russell moved tentative approval of the Irrigon Boardman Emergency Assistance Center Budget. Mr. Wenholz seconded. Motion carried.*

### **Miscellaneous**

Commissioner Doherty said he found it concerning that the Sheriff's Office came in and did an end run on the process that everyone else has had to go through. We tentatively agreed to the changes they brought forward but, he said it bears mentioning he was a little uncomfortable doing that. Maybe we insist these things come to us later, he added. They also brought up an outstanding debt that Commissioner Doherty said he didn't see any way of getting around that. This needs to be taken care of and argue if we owed it later.

Commissioner Lindsay said she agreed, if there was a signed contract, a later conversation doesn't matter. She also said she didn't have a problem with revisiting the Sheriff's budget because it was convoluted. She then requested it be revisited tomorrow after the new budget sheets have been printed.

Chair Mills suggested a discussion with the Sheriff's Office take place at an upcoming BOC meeting because the same issue occurred last year.

Commissioner Lindsay asked if income goes into the budget, can the change into expenses be dealt with later.

Ms. Knop said, “Oregon Budget Law says you can receive all the money you want, they care about the appropriations side of things.”

Commissioner Lindsay stated this all could be pushed forward, correct?

Mr. Green and Ms. Knop both responded, yes.

Commissioner Lindsay requested both budget worksheets remain in the books so both options can be considered as they move into the final review phase near the end of the Budget Hearings.

**Recessed:** 3:40 p.m.

**Morrow County Budget Committee Meeting Minutes**  
**Tuesday, April 23, 2019**  
**Bartholomew Building Upper Conference Room**  
**Heppner, Oregon**

**Present**

Commissioner Jim Doherty  
Commissioner Melissa Lindsay  
Commissioner Don Russell  
Larry Mills, Budget Committee  
Linda LaRue, Budget Committee  
Jeff Wenholz, Budget Committee

Darrell J. Green, Administrator  
Kate Knop, Finance Director  
Mike Gorman, Assessor/Tax Collector  
Ronda Fox, Finance Management Assistant  
Roberta Lutcher, Executive Assistant

**Call to Order & Pledge of Allegiance:** 8:31 a.m.

**Budget Update**

Ms. Knop summarized the activities and changes from the previous day.

**Public Comment**

Katie Dawson

Ms. Dawson said she attended yesterday's meeting and was impressed by the lack of "greediness" by the presenters and could see that everyone had a conservative approach. She said she wanted to speak to Road Department representatives about adding maintenance on Wagon Wheel Loop outside Irrigon and to another area of importance to residents in Heppner. She said her hope was to add this to the five-year plan.

**Road Fund**

Matt Scrivner, Public Works Director

Eric Imes, Assistant Road Master

Extensive discussion transpired about the Road Fund as the Committee attempted to understand the three Decision Package requests:

1. Decision Package #1: \$750,000, Equipment
2. Decision Package #2: \$10,000, Building Repair
3. Decision Package #3: \$20,000, Equipment Consumables

Mr. Scrivner discussed the activity in the Road Department, calling it "one heck of a year" between the late season snow storms, Amazon coming in with all its associated fiber lines, and the Wheatridge Project. He brought up the idea of a project manager to oversee some of the activity, possibly on a contract basis. Commissioner Lindsay said it should be discussed near the end of the Budget Hearings.

*Mr. Wenholz moved tentative approval of the Road Fund. Commissioner Russell seconded. Motion carried.*

### **Equipment Reserve**

Mr. Scrivner proposed transfers to Equipment Reserve of \$730,000 from the Road Fund and \$175,000 From Shepherds Flat. Ms. Knop commented that would bring the total to almost \$1,300,000 in Equipment Reserve.

*Ms. LaRue moved tentative approval of the Equipment Reserve Fund. Commissioner Russell seconded. Motion carried.*

### **Finley Buttes Trust Fund**

Ms. Knop explained the request is to reduce the \$200,000 transfer to this fund to \$0 and leave the funds in the Finley Buttes Road Improvement Fund. Mr. Scrivner said there was no reason to put it in the budget if they don't anticipate working on Bombing Range Road.

*Commissioner Lindsay moved tentative approval of the Finley Buttes Trust Fund with the change discussed. Ms. LaRue seconded. Motion carried.*

### **Parks**

Matt Scrivner, Public Works Director

Greg Close, Parks General Manager

The Decision Packages were:

1. Decision Package #1: \$2,500, Personnel Services - Temporary Help
2. Decision Package #2: \$1,955, Material & Services – Other Services
3. Decision Package #3: \$4,500, Material & Services – Repair & Maintenance Buildings

Discussions took place on The Landing kitchen at the OHV Park and funding line items in preparation of it becoming operational in the summer of 2020, possibly. The Landing will not be operated during the summer of 2019, said Mr. Scrivner. He proposed \$15,000 for consumables inventory and \$27,000 for temporary help with \$42,000 of income to make it balance.

Commissioner Lindsay said the plans will come before the Board of Commissioners, to which Mr. Scrivner agreed. Ms. Knop pointed out one challenge in the request – it contained a personnel request that requires a job description vs. contracting it out to someone.

Commissioner Lindsay said she heard Ms. Knop's concern about the FTE request and asked if it should be put into Contract Services. Ms. Knop said if it is an FTE request, she would defer to Human Resources and have it brought to the BOC as an ask. If it's contracted, that's a different situation. Commissioner Lindsay asked, from an internal perspective, was it better for it to be a contracted service instead of an FTE. Ms. Knop said if it comes back next spring, the appropriations would be different. Mr. Scrivner said the position needs to be on the County side of things as temporary help. Commissioner Lindsay stated FTE requests are not done at this meeting so it needed to be listed as something else, adding she wouldn't want to add an FTE today. Mr. Mills said we all agree we're going to put \$42,000 in on the expense side, where it suits you.

*Commissioner Russell moved tentative approval of the Parks Budget with the change noted (see above). Ms. LaRue seconded. Discussion: Commissioner Lindsay said before the vote, she wanted clarification – are we putting an FTE in place because she would be opposed to that. If we're putting it under Contract Services with the ability to analyze it properly through an FTE*

*ask, I'm for that. Ms. Knop said we can do that. Commissioner Lindsay said putting it as Contract Services would be consistent with what they did for the DA. It was agreed to list as Contract Services. Motion carried.*

Mr. Scrivner discussed a correction he needed to make to Capital Outlay, OHV Park (238-300-5-40-4106), regarding a grant that wasn't received. He said the \$105,309 in that line needs to be moved up to 238-300-5-40-4103, Equipment Purchases.

Ms. Knop brought up the new point-of-sale system request of \$18,832 that was not included in the budget. She said it would be allocated between all three Parks and the Transfer Stations.

*Commissioner Russell amended the previous motion to include the point-of-sale system request. Ms. LaRue seconded. Commissioner Lindsay asked where this will be coming from. Mr. Scrivner said from the Beginning Fund Balance. Motion carried.*

### **Airport Fund**

Sandi Pointer, Public Works Management Assistant

Ms. Pointer discussed recent improvements and ongoing efforts to keep the Lexington Airport operational.

Ms. Knop explained in the past, the Airport required a transfer from Video Lottery to help support operations. She said the year-end financial statements have been identified by the auditors because the Airport fund overspends. Some of it was due to timing of revenues and expenditures, but she recommended \$30,000 from Video Lottery to keep the fund whole. This is a service provided by the County to the taxpayers but is out of compliance, she said. During the discussion, Commissioner Russell asked that the pricing for fuel at the Airport be adjusted on a more frequent basis; Mr. Mills agreed that should be the case. Commissioner Lindsay said the fees at the Airport need to be evaluated to make sure the County is in the right market for pricing.

*Mr. Wenzholz moved tentative approval of the Airport Fund Budget. Commissioner Russell seconded. Motion carried.*

### **Public Works – Administration**

Matt Scrivner, Public Works Director

Mr. Scrivner discussed the Boardman Public Works Facility. He said the design, floor plan and cross section have been completed and he would like to put it out for design-build. He asked that it be left in for the next year.

*Ms. LaRue moved tentative approval of the Public Works – Administration Budget. Commissioner Doherty seconded. Motion carried.*

Commissioner Lindsay asked that in the next year, Mr. Scrivner put together a detailed analysis of the duties of the Public Works Director and how his time was allocated. Ms. Knop requested the same for Parks.

## **Transfer Stations**

*Commissioner Russell moved tentative approval of the Transfer Station North Budget and Transfer Station South Budget, with the addition of the new point-of-sale system. Commissioner Lindsay seconded. Motion carried.*

## **General Maintenance**

Matt Scrivner, Public Works Director

Anthony Clement, General Maintenance Supervisor

Mr. Scrivner reviewed the Decision Package requests:

1. \$25,000 to replace the sander and plow on Mr. Clement's pickup
2. \$42,000 for a new roof on the Sheriff's Office building

Discussion.

*Commissioner Lindsay moved tentative approval of the General Maintenance Budget, including both requests. Commissioner Russell seconded. Motion carried.*

## **Weed Department & Weed Equipment Reserve**

Matt Scrivner, Public Works Director

Dave Pranger, Weed Coordinator/Inspector

Mr. Pranger asked that the \$5,000 for Equipment Replacement be maintained toward the purchase of a pickup, when necessary.

*Commissioner Russell moved tentative approval of the Weed Department Budget and the Weed Equipment Reserve Budget. Ms. LaRue seconded. Motion carried.*

## **Fair Fund**

Matt Scrivner, Public Works Director

Ann Jones, Fair Secretary

Discussion took place on whether to add a new line for gate sponsors since the Fair plans to not charge admission. It was decided to use the current Gate Receipts line instead of creating a new line.

*Ms. LaRue moved tentative approval of the Fair Fund Budget with the change noted (increase Gate Receipts – Fair, line 214-300-3-40-4741 by \$4,500 to bring it to \$5,000). Commissioner Doherty seconded. Motion carried.*

## **Barn Roof**

*Commissioner Lindsay moved tentative approval of the Fair Roof Reserve Budget.*

*Commissioner Lindsay seconded. Motion carried.*

## **Rodeo Fund and Bleacher/CIP Reserve Fund**

Judy Healy, Rodeo Committee

Ms. Healy explained the remaining Rodeo Funds will be transferred to the Bleacher Reserve/CIP Reserve fund for future capital improvements. She said the Rodeo Committee was asking for \$10,000 from Video Lottery but that will be the only line item to remain in the Rodeo Fund,

Contracted Services, to directly pay the Oregon Trail Pro Rodeo. No expenses or revenues will run through this account, as of this year, she said.

Ms. Knop said this has been in discussion for a few years.

Ms. Healy said the goal was for it to become a multi-use facility and the committee has been working on long-term and short-term capital improvements. This year's improvement will be a concrete floor for the dance floor, unless something unforeseen occurs, she said.

*Commissioner Lindsay moved tentative approval of the Rodeo Fund Budget and the Bleacher/CIP Reserve Fund Budget. Ms. LaRue seconded. Motion carried.*

**Break:** 10:35-10:54 a.m.

### **Health Department**

Sheree Smith, Public Health Department Director

Vickie Turrell, Office Manager

Ms. Smith reviewed the list of grants anticipated, as well as how staff assignments are tied to the various grants. She also reviewed revenue and expenditures.

Commissioner Doherty asked if she was "penciling in" funds for health care accreditation, or modernization, and an electronic health records system.

Ms. Smith said she planned to discuss this topic during an upcoming work session and added the Public Health Department was mandated to be accredited by 2023. In order to be accredited, she said an electronic health records system must be in place.

*Ms. LaRue moved tentative approval of the Health Department Fund Budget. Commissioner Doherty seconded. Motion carried.*

### **Juvenile Department**

Tom Meier, Juvenile Department Director

Discussion took place on increasing funds for detentions due to Measure 11 offenses. It was decided to increase the Measure 11 line by \$5,000.

*Ms. LaRue moved tentative approval of the Juvenile Department Fund Budget with the addition of \$5,000 in the Measure 11 line (101-112-5-20-3715) from \$20,000 to \$25,000. Commissioner Lindsay seconded. Motion carried.*

### **Willow Creek Wind Fees Fund**

Ms. Knop said the County was not distributing the Community Service Fee (CSF) per GAAP (Generally Accepted Accounting Principles), which meant an accounting correction was necessary. She said it was coming in and out of Revenue and needed to be distributed out of the expenditures.

*Commissioner Lindsay moved to approve the Willow Creek Wind Fees Fund Budget. Mr. Wenzholz seconded. Motion carried.*

### **Echo Winds Fees Fund**

Ms. Knop said the same accounting correction was also made in this fund.

*Commissioner Lindsay moved tentative approval of the Echo Winds Fees Fund Budget. Commissioner Doherty seconded. Motion carried.*

### **Shepherds Flat Fees Fund**

Ms. Knop said this fund also has a Community Service Fee. Brief discussion.

*Ms. LaRue moved tentative approval of the Shepherds Flat Fees Fund Budget. Mr. Wenzholz seconded. Motion carried.*

### **PGE - Carty Fund**

This fund also had the accounting correction for the Community Service Fee, said Ms. Knop.

Discussion took place on the \$50,000 annual payment to CREA (Community Renewable Energy Association). Commissioner Doherty explained County Counsel had advised the Commissioners those funds fall under the category of a “grant” and not a required payment.

Ms. Knop suggested moving the \$50,000 to Long-Term Goals to give flexibility to the Board of Commissioners.

*Commissioner Russell moved tentative approval of the PGE – Carty Fund Budget with the change noted (moving \$50,000 from CREA to Long-Term Goals). Mr. Wenzholz seconded. Motion carried.*

### **Public Comment – No comments**

The Budget Committee discussed options for the \$346,939 in Finley Buttes License Fee, Other Expenses. It was decided to discuss this again when the Committee revisits miscellaneous items toward the end of the meeting.

**Lunch:** 11:45 a.m.-1:03 p.m.

### **Cities – “Grants to Cities”**

The Committee reviewed the letters from the Cities of Boardman, Heppner, Ione and Irrigon, and the Town of Lexington which outlined how past Grant to Cities funds were used.

*Chair Mills moved to allocate \$400,000 for Grants to Cities. Commissioner Lindsay asked that this be reviewed later in the meeting when the Committee had a better understanding of the preliminary final numbers; the Committee agreed. Motion died for lack of a second.*

Ms. Knop relayed the following: Contingency balance: \$132,198; Unappropriated General Fund: \$3,666,000; Finley Buttes License Fee, Other Expenses: \$336,000-\$346,000.

*Chair Mills moved to transfer \$200,000 From the Finley Buttes fund to Grants to Cities and make Grants to Cities \$400,000. Ms. LaRue seconded. Discussion: Commissioner Doherty asked if there would be stipulations on how the funds can be spent. Chair Mills said that would be up to the Board of Commissioners. Commissioner Lindsay asked that the topic be added to a BOC agenda in the near future. Motion carried.*

### **Oregon State University Extension**

Julie Baker, Morrow County Extension – Administrative Program Specialist & County Leader  
Ms. Baker reviewed her report on 2018-2019 Staff Highlights. She then reviewed OSU/Morrow County’s budget request in detail.

Ms. Knop explained OSU’s request increased by \$13,680 as compared to the past two years. Ms. Baker said the biggest change was in personnel wages, not operational costs.

The Committee discussed the significant amount of the increase; the benefits of 4-H and Extension; and voiced concern that an increase of this size cannot be done every year.

Ms. Baker provided more detail about the increase in personnel costs. She said it was due to her position being reclassified, and that future requests will be for the regular, minimal increases in wages.

*Chair Mills moved tentative approval of the OSU Extension Budget request of \$190,745. Ms. LaRue seconded. Motion carried.*

### **Video Lottery**

Ms. Knop offered the following:

- Other Requirements totaling \$81,000 and an increase to Airport
- \$55,000 appropriated in Materials & Services with \$35,000 of that used to balance the Fund
- Reduce Professional Services by \$13,680 and move to the Extension Agent’
- Net impact is zero, leaving \$21,449 available

### **Transfer to Other Funds**

Ms. Knop said the current amount was \$494,000.

*Ms. LaRue moved tentative approval of the General Fund, Transfer to Other Funds Budget. Commissioner Doherty seconded. Motion carried.*

### **Non-Departmental Revenues & Expenditures**

Discussion took place on how the new building in Irrigon would be funded. The Committee decided the North End Building line item needed to be increased so funds were available for the preliminary work to get the project started.

*Mr. Wenholz moved tentative approval of the Non-Departmental Budget with the following change for the North End Building line (101-199-5-40-4401): Increase it by \$1,000,000 to bring the total to \$1,225,000. Ms. LaRue seconded. Motion carried.*

Discussion took place about funds for the USDA Wildlife Services, Wildlife Specialist (Chris Lulay); a transfer to the Road Department for asphalt; and Safe Routes to Schools (sidewalks, etc.). Commissioner Lindsay said the Commissioners have discussed several ideas for projects in the past and she asked if a deeper conversation could be held if it was called “Contingency?” Brief discussion.

*Commissioner Lindsay moved to take \$136,000 from Finley Buttes, 210, to Road Contingency. Ms. Knop said it will transfer to Road and then there will be an appropriation in Contingency. Ms. LaRue seconded. Motion carried.*

### **Neighborhood Center of South Morrow County**

Lisa Patton, Coordinator

Leann Rea, Neighborhood Center Board of Directors

The request from the Neighborhood Center was for the same amount authorized last year, \$18,000. Various discussions.

*Commissioner Russell moved tentative approval of the request from the Neighborhood Center of South Morrow County in the amount of \$18,000. Ms. LaRue seconded. Motion carried.*

### **Morrow County Tourism**

Commissioner Russell provided some history on when the County started giving funds to WCVEDG (Willow Creek Valley Economic Development Group) and Morrow County Tourism. He said prior to them receiving Enterprise Zone funding, they didn’t have enough to exist until the County granted them money to continue. Now that the economic development entities in the County receive 10% of the Enterprise Zone money, he said perhaps the funding from the County wasn’t as necessary. Commissioner Russell said he wasn’t proposing eliminating funding, but if money was needed for the two assistance centers in the County, maybe this was the place.

*Commissioner Russell moved tentative approval of the Morrow County Tourism request of \$10,000. Mr. Wenzholz seconded. Motion carried.*

### **Willow Creek Valley Economic Development Group**

Commissioner Russell reiterated his idea that WCVEDG probably didn’t need the money because of Enterprise Zone funding. Commissioner Doherty asked what the Boardman Community Development Association received from the Enterprise Zone. Commissioner Russell said the Enterprise Zone Board divided the funding between the three economic development entities in the County, based on population in zip code areas. After a brief discussion, Chair Mills suggested the request be approved this year but be discussed in more depth next year.

*Commissioner Russell moved tentative approval of the Willow Creek Valley Economic Development Group request of \$25,000. Commissioner Doherty seconded. Motion carried.*

### **Wildlife Services**

Committee members discussed several items: Wildlife Services has asked for increases in recent years, but the requests were not granted; livestock growers sustained “huge” losses this year due to predators; State and Federal entities have decreased funding to Wildlife Services, which was traditionally one-third from each of the three entities; and lastly, a preference to gather input in the coming year and consider an increase next year.

*Commissioner Russell moved to fund Wildlife Services at \$60,000. Mr. Wenholz seconded. Motion carried.*

Ms. Knop noted there was \$15,000 left in Video Lottery.

### **Project Management**

*Commissioner Lindsay moved to transfer \$15,000 to General Fund 199 Professional Services for Project Management. Commissioner Russell seconded. Motion carried.*

Miscellaneous discussions.

*Ms. LaRue moved that the Morrow County Budget Committee approve the Budget and Taxes for the 2019-2020 Fiscal Year at the rate of \$4.1347 per \$1,000 of Assessed Value for Operating Purposes. Commissioner Russell seconded. Motion carried.*

**Public Comment:** None

### **Presentation of Letter to Chair Mills**

Mr. Green presented an appreciation letter to Chair Mills for his time and effort over the years on the Budget Committee.

**Adjourned:** 2:45 p.m.