

**Board of Commissioners Meeting Minutes**  
**June 7, 2017**  
**Bartholomew Building Upper Conference Room**  
**Heppner, Oregon**

**Present**

Chair Melissa Lindsay  
Commissioner Don Russell  
Commissioner Jim Doherty  
Jerry Sorte, Administrative Officer

Kate Knop, Finance Director  
Karen Wolff, Human Resources Director  
Justin Nelson, County Counsel  
Roberta Lutcher, Executive Assistant

**Call to Order and Pledge of Allegiance:** 9:00 a.m.

**City and Citizen Comments:** No comments

**Open Agenda Requests:** None

**Consent Calendar**

Chair Lindsay requested to remove Accounts Payable for discussion.

*Commissioner Russell moved to approve the following items in the Consent Calendar:*

- 1. Mid-May 2017 One-Time Retirement Tax Payment dated May 22, 2017; Seth Moses Roofing Manual Check dated May 25, 2017*

*Commissioner Doherty seconded. Unanimous approval.*

**Accounts Payable**

Chair Lindsay questioned a \$923.62 payment to Bruce Inc. for work at the Sheriff's Office when the County has a contract for heating, ventilation and air conditioning (HVAC) work with another vendor. Finance Director Kate Knop said the Sheriff's Office was advised of the contract and this is a recurring problem for them, not just with this contract. The invoice to Bruce Inc. had to be paid since the work was performed, she explained. County Counsel Justin Nelson warned the Board of the consequences of a department going outside an established contract. Jerry Sorte, Administrative Officer, said the County needs to talk to individuals in each department to remind them that all maintenance requests are required to go through Public Works.

Chair Lindsay asked about \$350 paid for rent on a building in Boardman. Karen Wolff, Human Resources Director, explained it's for space in the Columbia Improvement District building used by the Sheriff's Office. Chair Lindsay asked if this space needed to be included in the conversations regarding north facility planning. Commissioner Russell said it could be considered in those discussions, but the Sheriff does want a presence in in Boardman and more importantly in Irrigon.

Chair Lindsay requested a Work Session to learn about all matters surrounding the operations, maintenance and vendors associated with the County Parks.

*Commissioner Russell moved to approve the Accounts Payable dated June 8, 2017 in the amount of \$117,125.87. Commissioner Doherty seconded. Unanimous approval.*

### **9:10 a.m. Public Hearing on the Approved Budget for Fiscal Year 2017-2018**

Chair Lindsay reopened the public hearing that was continued on May 17, 2017. She called for abstentions or conflicts of interest. Commissioner Russell: none; Commissioner Doherty: none; Chair Lindsay: none.

The Staff Report was requested and Ms. Knop said there was no new information since May 17<sup>th</sup>.

Chair Lindsay received no response when she called for proponents and opponents to speak.

The hearing was closed and Ms. Knop said the budget is anticipated to be adopted on June 28<sup>th</sup>. Commissioner Russell requested the Commissioners be informed in the event any changes are necessary.

### **Business Items**

#### First Reading – Adopting Ordinance No. ORD-2017-1: An Ordinance Amending the Morrow County Transportation System Plan Appendix B

Carla McLane, Planning Director, via telephone conference

Ms. McLane provided by first reading by title of Ordinance No. ORD-2017-1:

“An Ordinance Amending the Morrow County Transportation System Plan Appendix B Table 1 High Priority Recommended Roadway System Projects, Table 2 Medium Priority Recommended Roadway System Projects, and Table 3 Bridge Deficiencies.”

She said the second reading by title and adoption are planned for next week.

#### Personal Property Tax Write-Off Requests

*Commissioner Doherty moved to approve the Petition and Order In the Matter of Cancellation of Personal Property Taxes, Order No. OR-2017-5, for the accounts as outlined in Exhibit A. Commissioner Russell seconded. Unanimous approval.*

#### Tax Refund Request

*Commissioner Doherty moved to approve the tax refund due to overpayment to Patricia Hamilton, Irrigon, \$2,800.51. Commissioner Russell seconded. Unanimous approval.*

#### Assessment & Tax Update

Mike Gorman, Assessor/Tax Collector

Mr. Gorman informed the Board that as of this week, the County has just under \$610,000 left to collect in current year taxes. He then distributed copies of several reports:

- Tax Year 2016-2017 Annual Enterprise Zone Report to the Department of Revenue – Mr. Gorman said the report for three to five year agreements shows the assessed value exempted; estimate of taxes imposed; and employment numbers.
- Tax Account Delinquency List

Commissioner Doherty asked Mr. Sorte if he had heard anything since the May 17<sup>th</sup> meeting with representatives of Vadata (Amazon) regarding either a Strategic Investment Program or Enterprise Zone agreement. Mr. Sorte said he has not heard anything. Commissioner Russell said in the past, there would be long periods of no communication from them, and then when they did get back to us, they wanted something done right away.

Draft Amendments to the Morrow County Code – Public Works Permits Approval Process

Jerry Sorte, Administrative Officer

Burke O’Brien, Public Works Director

Mr. Sorte said the proposed amendments move the permit granting authority to the Public Works Director or his/her designee and include language for an appeal process. Chair Lindsay asked if the appeal language will be on the permit applications; Mr. O’Brien replied it would be added.

*Commissioner Doherty moved to direct staff to prepare an implementing ordinance to adopt the proposed amendments to the Morrow County Code listed in Attachment A, Chapter 8.08, Road Approaches to County Roads. Commissioner Russell seconded. Discussion: Chair Lindsay asked how quickly the amendments can be in place. Mr. Sorte said a single reading of the ordinance in full and then by title can occur at the same meeting. In addition, if the Board chooses to include an emergency clause, the amendments would be effective immediately upon passage at that meeting. Otherwise, said Mr. Sorte, it would take 90 days. The Board agreed by consensus to a single reading of the full ordinance and to the inclusion of an emergency clause. Unanimous approval.*

Order No. OR-2017-3: Authorizing the Treasurer to Invest Funds

Gayle Gutierrez, Treasurer

Ms. Gutierrez said this order is signed annually and authorizes the Treasurer to invest County funds. She said next year she plans to present this same Order and the adoption of the investment policy at the same time. It wasn’t possible to do both at the same time this year because the revised investment policy is still being reviewed by the State Treasury Office. The next quarterly meeting of that entity is July 11<sup>th</sup>, she added.

*Commissioner Russell moved to approve Order No. OR-2017-3 – In the Matter of Authorizing the County Treasurer to Invest Funds. Commissioner Doherty seconded. Unanimous approval.*

Financial Control Policies Update

Kate Knop, Finance Director

Gayle Gutierrez, Treasurer

Ms. Knop said she and Ms. Gutierrez have been working on different aspects of Financial Control policies. Ms. Gutierrez said she has written a cash handling policy and will meet again with Ms. Knop this afternoon. Ms. Knop said they continue to work on several policies, when time permits, but the plan is to have the cash handling policy in place by June 30<sup>th</sup>.

#### Treasurer's Monthly Report

Gayle Gutierrez

Ms. Gutierrez presented the Pooled Cash Report for March and April; reviewed the Local Government Invest Pool interest rates; and reviewed the March and April Outstanding Check amounts.

#### Response by Treasurer to May 10, 2017 Board of Commissioners Meeting Minutes

The following is Ms. Gutierrez's written statement in its entirety:

“Echo Winds, Willow Creek Energy, and Shepherds Flats additional monies

Morrow County received \$19,065.80 on August 26, 2015 from Department of Administrative Services. Since I did not have a breakdown of how much should go into each project, I deposited the whole amount into Fund 500, which is Echo Winds. This was for the 2013/2014 year.

Morrow County received \$28,539.50 on July 13, 2016 from Department of Administrative Services. Since I did not have a breakdown of how much should go to each project, I deposited the whole amount into Fund 500, which is Echo Winds. This was for the 2014/2015 year.

This program started in 2013 with the affected counties submitting with the 2009/2010 and 2010/2011 years.

On April 21, 2017 I finally received a breakdown from Art Fish, Business Oregon for these two amounts.

Art Fish from Business Oregon also sent me an estimated amount that we will receive next. The total is \$23,962. Echo Winds - \$6,284, Shepherds Flats - \$12,661, and Willow Creek - \$4,917.

On April 26, 2017 I came to the BOC meeting to get the required signature for the next report I had to file with the state for the 2015/2016 year. At that meeting I mentioned that I had just received the breakdown for those two years with the full commission and the Finance Director in attendance.

I related this problem I was having with the State of Oregon to the previous Finance Director before he left.

It is imperative that you understand that these are separate monies coming from a completely different source than the Community Service Fees we receive in November. The CSF monies are from the companies themselves and the additional fees are from the State of Oregon.

The minutes to the May 10, 2017 BOC meeting under Budget Transfer Resolution section stated that the resolution was for one current year and two prior year amounts. It was for only one prior year.

Commissioner Doherty asked if this transfer will be needed next year. I should receive the money from Business Oregon sometime after the new fiscal year starts. Commissioner Russell said the County has a process issue. As stated above I had talked with the former Finance Director and also I mentioned it at the April 26<sup>th</sup> BOC meeting.

Mr. Sorte stated that the challenge is that there is one elected department head and one appointed department head. I don't see this as a challenge if everyone is treated with respect and not make decisions behind each other's back.

Chair Lindsay mentioned that the County is at risk for losing its insurance. I was just wondering what insurance she was talking about and if there has been any correspondence to that affect."

Discussion:

When Ms. Gutierrez concluded her statement, she asked Chair Lindsay what insurance company she was referencing. Chair Lindsay replied she didn't have the details she just knows that insurance providers typically have issues if an entity has gaps in the way funds are handled and doesn't properly disclose its processes.

Commissioner Doherty said he recognized the challenge when these funds come to the County in a way that is difficult to track, but how do we rectify this in the future. Ms. Gutierrez suggested the Commissioners talk to Mr. Fish. She said she tried throughout the two years to get a breakdown, but each year there was a different person in charge of projects. She said she emailed Mr. Fish asking how they arrive at their calculations and he referred her to their website, which doesn't tell you anything. Mr. Gorman then commented that was a typical Art Fish response. He added the State often times sends checks with no notations or attached explanations as to what they're for. We have to call them up and give them the check number and anywhere from two to six months later they'll provide a response, he said. Ms. Gutierrez agreed, and added they also do electronic transfers into the State Pool and never even send any paperwork to notify of the transaction.

#### Treasurer's Letter of Protest

Ms. Gutierrez read the following letter to the Board:

"This letter is to formally question and protest the policy and the authorization letter that you voted on May 3, 2017 regarding the informational access of the banks for the BOC and the

Finance Director. I have yet to see a written copy of this policy. I would like to know which ORS allows the BOC to supersede the authority of another elected official.

When I was asked to come back to the BOC meeting on May 3<sup>rd</sup>, I had no idea what was coming. I felt as if I was blind-sided. Commissioner Russell is quoted in the Heppner Gazette-Times as saying, "We should not have to go to the treasurer and then get the answers from her." I really don't understand why you wouldn't go to the Treasurer? Who do you ask your questions on assessment and tax? The Assessor/Tax Collector. Who do you ask for information on planning issues? The Planner. Who do you ask questions concerning the Sheriff's Department? The Sheriff. So on and so forth. How is this office any different than any other? According to the May 3<sup>rd</sup> minutes of the BOC, Chair Lindsay stated there is only one person on these accounts. That is not factual as Bobbi Childers, Morrow County Clerk, is a signer on both the Bank of Eastern Oregon and Community Bank. I think the problem there in lies that it is not who the BOC wishes it to be.

I have polled the other county treasurers in the state and besides Polk County and the home rule counties, this does not happen.

I would appreciate it if you could tell me exactly what information you desire that you think I won't tell you or not be able to answer. The Finance Department already sees the bank statements, so I don't know what kind of activity you think I am doing that you need to check on.

I have worked for the county for 28 years. Collectively, the BOC and the Finance Director has 4 years of experience with a county government. I think it would be wise to step back and learn the processes of that said county government before stepping over boundaries that you shouldn't. There are reasons for having different elected officials doing different county business, checks and balances.

The county is not a business nor is it a bank. It is a municipality. We are elected to run the county to the best of our abilities by the people of this county. The citizens of Morrow County expect us to work together for the good of the county. We would not be elected again if the people didn't think we were doing our jobs.

I have been told not to take it personally, but I do. Feel you are trying to micro-manage the Treasurer's Office and that you have no respect for the office, myself, or the work I do and you are tarnishing my reputation. I am willing to work with the BOC only if we can treat each other with some kind of decorum."

Chair Lindsay said she finds it frustrating and difficult when the only time she can talk with her fellow Commissioners is in an open public meeting, and she asked her to come back to the meeting on May 3<sup>rd</sup> because there were additional questions she needed answered. Chair Lindsay also said she has respect for Ms. Gutierrez and her position, but she does not know how else to ask those questions when she wants all parties involved to hear the answers. Ms.

Gutierrez said it would have been nice if Chair Lindsay had come to her in advance to let her know what would be discussed. Commissioner Russell then said he continues to believe the Board should have the ability to contact banks when there are any questions.

#### Administrative Officer Report

Jerry Sorte, Administrative Officer

Mr. Sorte discussed some of the items in his report:

- Irrigon-Boardman Area Facility Planning – a walk-through of the vacant Blue Mountain Community Building in Boardman took place in order to begin formulating a list of options for the Board’s review. Interest was recently expressed in remodeling the building for use by the Public Health Department, he said. Mr. Sorte said he’s working on an RFQ (Request for Qualifications) for a project assistant and hopes to issue it in the near future. The next step would be to provide a timeline for making decisions and moving forward. He said input will be considered from the Board and the communities.
- Rodeo Committee organizational structure – a meeting was held at the Fairgrounds/Rodeo Grounds to learn what Rodeo Committee members are looking for in the way of capital improvements. The tour was followed by a meeting at the Bartholomew Building where the future relationship between the Rodeo Committee and the County was discussed; another update will be provided in the near future on the potential path moving forward, he said.

#### Electric Upgrade to Fairgrounds/Rodeo Grounds

Mr. Sorte discussed the need to update the electric infrastructure, especially for recreational vehicle (RV) hook-ups, as the current system is undersized and causing issues. This is an immediate need if there will be continued use of those facilities, he said, and the bid from the County’s electric contractor is around \$23,000.

*Commissioner Russell moved to approve a Purchase Pre-Authorization for electric infrastructure upgrades to the Fairgrounds/Rodeo Grounds once the Finance Director has been consulted to ensure there are funds in this fiscal year’s budget, approximately \$23,000. Commissioner Doherty seconded. Unanimous approval.*

Other topics in Mr. Sorte’s written report were: Circuit Court/Justice Court Office Planning; Fiscal Year 2017-2018 Budget; Lease with Domestic Violence Services; Emergency Management Planning; Financial Policies Update; Morrow County Code Update.

**Break:** 10:29 a.m.                      **Resumed:** 10:43 a.m.

#### **Comments Prior to Executive Session:**

Ms. Wolff said a decision outside Executive Session is not anticipated.

**10:44 a.m. Executive Session:** Pursuant to ORS 192.660(2)(d) – To conduct deliberations with persons designated by the governing body to carry on labor negotiations.

## **11:15 a.m. Closed Executive Session – No decisions**

### **Correspondence**

- 4-Happenings, Oregon State University Extension Service, Morrow County, June 2017 newsletter.

### **Commissioner Reports**

- Commissioner Russell discussed his upcoming meeting schedule. He also said Representative Greg Smith may have been successful in directing additional money for roads to the four major communities in Morrow County, potentially \$1,000,000 each. He said he is happy Rep. Smith is “leading the charge” for District 57.
- Commissioner Doherty explained he is currently vice-chair of the North East Area Commission on Transportation (NEACT) and recently chaired his first meeting in the chair’s absence. The group supports the proposed transportation package and the members were happy about the additional road funds, if the package goes through. Commissioner Doherty said he fielded numerous calls related to the Farm & Forest Use Model Code Update but most people were fairly secure in the knowledge their property wouldn’t change as a result of the County’s proposed changes.
- Chair Lindsay said she spoke with Mike Ladd, Water Resources Department, Region Manager, North Central Region, concerning the Confined Animal Feeding Operation (CAFO) permit for Lost Valley Farm. She said nearly everything to do with that CAFO is being appealed, and the dairy is currently hauling water from the Port of Morrow. Every piece of the water transfer is being disputed, she added. On the topic of the Rodeo Grounds, Chair Lindsay said she would like to make that area function well for the Rodeo Committee and the community at large, noting it could be good for economic development. Commissioner Doherty mentioned some organizations have wanted to use the Rodeo Grounds but couldn’t because of insurance issues. Chair Lindsay said she wanted to create an area that is user-friendly. People participate in what could be considered dangerous activities on other County-owned properties; there has to be a way to make it happen, she concluded.

**Adjourned:** 11:28 a.m.