

Morrow County Budget Committee Meeting
Wednesday, April 26, 2017
Bartholomew Building Upper Conference Room
Heppner, Oregon

Present

Commissioner Melissa Lindsay
Commissioner Don Russell
Commissioner Jim Doherty
Larry Mills, Budget Committee
Linda LaRue, Budget Committee
Jill Parker, Budget Committee

Jerry Sorte, Administrative Officer
Kate Knop, Finance Director
Karen Wolff, Human Resources Director
Ronda Fox, Finance Management Assistant
Roberta Lutchter, Executive Assistant

Call to Order/Resumed and Pledge of Allegiance: 9:08 a.m.

Budget Update

Kate Knop, Finance Director

Ms. Knop reviewed the changes made to the Budget based on yesterday's presentations by Departments and other entities:

- The Budget presentation by the Sheriff's Office did not have numbers in agreement with those of the Finance Department, so the Sheriff and Undersheriff are making revisions and will present again on Thursday.
- Assessor/Tax Collector Mike Gorman had a correction concerning a grant no longer received.
- Parks General Manager Greg Close expressed concern that some of his budget numbers may not have been accurate. After meeting with him, Ms. Knop determined his numbers were good and only a minor change was made to Personnel, which she will share tomorrow.
- Corrections were made to some department's Cost of Living Adjustment (COLA) calculations.
- An error was found in the District Attorney Budget which indicated the DA Stipend was \$6,000 instead of \$8,000. A motion will be necessary to remedy that. The Committee members and Commissioners agreed the intent was to approve the \$8,000 stipend.

Ms. LaRue moved tentative approval of the DA Stipend at \$8,000. Commissioner Russell seconded. Unanimous approval.

Willow Creek Valley Economic Development Group & Morrow County Tourism

Sheryll Bates, Executive Director, Heppner Chamber of Commerce

Ms. Bates said she just learned the Video Lottery Fund was approved yesterday and she thanked the Committee and Commissioners for the \$25,000 to WCVEDG and the \$10,000 to Morrow County Tourism. She explained WCVEDG continues to work on solutions to housing needs in south Morrow County. WCVEDG is currently exploring ways to facilitate the construction of a

duplex or triplex, and a process to offer monetary assistance to landlords with rentals in need of repair. Regarding the Morrow County Tourism funds, Ms. Bates said they are split equally between the economic development entities in Heppner, Ione, Irrigon and Boardman.

Oregon State University/Morrow County Extension Service

Mary Corp, OSU Regional Administrator

Julie Baker, Morrow County Co-County Leader, Administrative Program Specialist

Ms. Corp reviewed the activity of the OSU positions partially funded by Morrow County. Some of those positions have split assignments between Morrow and Umatilla Counties, she noted.

Discussion took place on the nearly \$12,000 increase in this year's Budget request. Ms. Corp said some of it is attributed to the estimated cost to upgrade the interior lighting at the Extension Office in Heppner, which is of very poor quality.

Ms. LaRue moved tentative approval of the OSU Extension Budget of \$177,065. Chair Mills seconded. Unanimous approval.

Planning Department

Carla McLane, Planning Department Director

Ms. LaRue moved tentative approval of the Planning Department General Fund Budget. Ms. Parker seconded. Unanimous approval.

Heritage Trail Fund

Ms. Parker moved tentative approval of the Heritage Trail Fund. Ms. Parker seconded. Unanimous approval.

Building Permit Fund

After discussion of the amount accumulating in this fund, it was decided to create a new Line Item in the Building Permit Fund called "Contract Services" in the amount of \$30,000. It would be used to assist the communities in the County with Planning-related needs, such as comprehensive plans or land-use matters. A consulting firm or previous Planning Department staff member might be contracted for these services, explained Ms. McLane.

Ms. Parker moved to create an additional Line Item for Contract Services in the Building Permit Fund in the amount of \$30,000; and give tentative approval to the Building Permit Fund. Ms. LaRue seconded. Unanimous approval.

Water Fund

Commissioner Russell moved tentative approval of the Water Fund. Commissioner Lindsay seconded. Unanimous approval.

Veterans Services Office

Linda Skendzel, Veterans Services Officer

Ms. Skendzel's budget included three items that will be considered at the end of the Budget process – two additional help requests (\$2,000 and \$10,000) and \$2,000 for Auto Repair & Maintenance.

Ms. Parker moved tentative approval of the Veterans Budget, General Fund, noting they will review the request for extra help and for Auto Repair & Maintenance at the end of the Budget process. Commissioner Lindsay seconded. Unanimous approval.

Fair

Ann Jones, Fair Secretary

Cody High, Fair Board Member

There were two Decision Packages for consideration:

1. \$19,000 for a St. Patrick's Weekend Bull Riding Event
2. \$7,500 for a Small Animal Barn

After discussing both requests, several issues arose: 1.) Mr. High said the Bull Riding Event is unlikely to show a profit until the third or fourth year. Chair Mills said while the event might be a good idea, he wasn't sure the County was the proper organization to backfill the funding, and 2.) Regarding the Small Animal Barn, discussion pointed to the fact that some things are in transition concerning facilities and maintenance with both the Fair and Rodeo, and it might be better to wait to see if General Maintenance can repair the current structure or pursue other options.

Ms. Knop said \$15,500 could be put in the Unappropriated Ending Fund Balance (Contingency) while the Fair continued to vet the Bull Riding Event and the County finalized facilities and maintenance responsibilities.

Ms. LaRue moved tentative approval of the Fair Fund with the change to take the Ending Fund Balance to \$15,500 and put it in a Contingency Fund. Ms. Parker seconded. Unanimous approval.

Fair Roof Reserve

Ms. LaRue moved tentative approval of the Fair Roof Reserve Fund. Ms. Parker seconded. Unanimous approval.

Fair Improvement Fund

Ms. LaRue moved tentative approval of the Fair Improvement Fund. Ms. Parker seconded. Unanimous approval.

U.S.D.A. Animal & Plant Health Inspection Service - Wildlife Services

Patrick Smith, District Supervisor, Wildlife Services, La Grande

Chris Lulay, Wildlife Specialist, Wildlife Services, Morrow County

Mr. Smith discussed the estimated budgets for his agency from both the Federal and State governments. After Chair Mills' inquiry, it was noted this year's request from the County is similar to last year's.

Ms. LaRue moved tentative approval of the Wildlife Services Budget of \$54,000. Commissioner Russell seconded. Unanimous approval.

Surveyor's Department, General Fund

Steve Haddock, Surveyor

Mr. Haddock said this budget remains basically the same as the previous year. He discussed maps the County received from a surveyor in the area who went out of business, and other maps that have been located and added to the record.

Ms. Parker moved tentative approval of the Surveyor's Department, General Fund Budget. Ms. LaRue seconded. Unanimous approval.

Surveyor Preservation Fund

Mr. Haddock said he hopes to continue a project regarding preservation of survey monuments that began in the Heppner area and will now move to the Boardman area. He explained corner markers often times are removed during road construction and not replaced. He said he wants everything on one map so anyone who works in the area can see the discrepancies and why. He said some locations have multiple corners with no reference to the other surveyor's work and he doesn't want this to continue.

Ms. LaRue moved tentative approval of the Surveyor Preservation Fund. Ms. Parker seconded. Unanimous approval.

Special Transportation Fund (The Loop – Morrow County Transportation)

Anita Pranger, Coordinator, The Loop

Sheryll Bates, The Loop Advisory Board Member

In discussing the reasons for increased amounts to some Line Items, Ms. Pranger said she had to tap into reserve funds over the last year due to significant growth in ridership numbers, and she received notice from both State and Federal grant sources that funding will be reduced (State grant reduced by \$13,000/year for the next two years; Federal grant reduced by \$730/year for the next two years). In order for the office to be staffed every week day, Ms. Pranger requested an increase in part-time help from four weeks per year to eight weeks per year, which will be funded by the Federal 5310 Grant. She said she worked with Ms. Knop to develop the \$30,000 request from the County in order to ensure the program does not run in the negative, and that figure does include the request to increase part-time help.

Ms. Bates said as The Loop has grown, so have expenses associated with it. This is a good thing, she said, because it means The Loop is offering the right service for Morrow County

residents. The Loop Advisory Committee members are pleased with the growth and do not want to see this program penalized because of that growth, said Ms. Bates.

Ms. Parker said everything she's heard about The Loop indicates it's a fabulous program.

Ms. Parker moved tentative approval of the Special Transportation Fund – Non-Departmental; and the Special Transportation Fund – Special Transportation, with the acknowledgement the staffing request will be reviewed at the end of the Budget Hearings. Ms. LaRue seconded. Unanimous approval.

Special Transportation Fund (STF) Vehicle Reserve Fund

Ms. Pranger discussed new vehicles recently, or soon to be added to the STF fleet:

- A bus with a ramp is on-order and expected in the fall. This bus will work well for transporting senior citizens and will be based in Heppner.
- Boardman has a new bus with a lift. A van that is ADA accessible is also expected to arrive in the next few weeks.
- Heppner will soon receive an ADA accessible van.

She said the STF Vehicle Reserve Fund will maintain a balance of \$50,000-60,000 for maintenance of vehicles.

Ms. Parker moved tentative approval of the STF Vehicle Reserve Fund. Ms. LaRue seconded. Unanimous approval.

Federal Transit Administration (FTA) Grant Fund

Ms. Pranger said this fund, also referred to as the 5310 Grant, covers such things as 50% of her salary; 100% of the salary for the part-time position; tires and maintenance; and the Purchase Service Agreement with Kayak Public Transit to come into Irrigon.

Ms. LaRue moved tentative approval of the FTA Grant Fund. Ms. Parker seconded. Unanimous approval.

Watermaster Fund

Mike Ladd, North Central Region Manager, Oregon Water Resources Department

Greg Silbernagel, Watermaster District 5, Oregon Water Resources Department

Ken Thiemann, Watermaster District 21, Oregon Water Resources Department

Mr. Ladd explained this year's request is about \$2,300 higher than last year's. This is due in part to Umatilla County asking Morrow County to pay for Watermaster work done on Upper and Little Butter Creek in Morrow County, which Umatilla County covered in the past. Discussion.

Chair Lindsay moved tentative approval of the Watermaster Budget of \$12,217. Ms. Parker seconded. Unanimous approval.

Lunch Break: 12:01 p.m. **Resumed:** 1:15 p.m.

Finley Buttes License Fee Fund

Jerry Sorte, Administrative Officer

Mr. Sorte said one of the activities supported by this fund is the disposal costs of items taken in at the County's Transfer Stations that are free of charge to residents.

Ms. Parker moved tentative approval of the Finley Buttes License Fee Fund. Ms. LaRue seconded. Unanimous approval.

Public Health Department

Sheree Smith, Public Health Department Director

Ms. Smith discussed programs and associated budget lines within the Public Health Department. She also reviewed staffing levels and said an experienced Registered Nurse recently hired at 0.60 FTE who then, with Board approval, moved to 0.80 FTE is willing to work full-time and the need is definitely there.

Ms. Parker moved to approve the Health Department General Fund Budget with the addition of the 0.20 FTE request to make the above mentioned Registered Nurse position full-time. Ms. LaRue seconded. Chair Mills added the 0.20 FTE request entails an increase of \$34,000. Commissioner Lindsay said approving the FTE request is not consistent with all other previous FTE requests, thus far, and she would like additional discussion. Ms. Parker amended her motion to state she moved tentative approval of the Health Department General Fund Budget with the understanding the FTE request will be taken up at the end of the Budget Hearings with all other FTE requests. Ms. LaRue seconded. Unanimous approval.

Irrigon-Boardman Emergency Assistance Center, Inc. Neighborhood Center of South Morrow County

It was noted the requests remain the same as last year's.

Ms. LaRue moved tentative approval of the Irrigon-Boardman Emergency Assistance Center, Inc. request and the Neighborhood Center of South Morrow County request. Ms. Parker seconded. Unanimous approval.

Morrow County Museum

Chair Mills provided a brief history of the museums and discussed current and future projects at both the Rural Living Museum and the Agricultural Equipment Museum and their funding sources.

Ms. Parker moved tentative approval of the Museum Budget. Ms. LaRue seconded. Unanimous approval.

Policy Discussion - Morrow County's unwillingness to backfill funding that is no longer available from State, Federal or grant sources

Commissioner Doherty said in light of the State's unreasonable revenue and expenditure situation, the Board and staff are in the process of crafting a policy stating the Morrow County General Fund will not backfill or replace reduced or eliminated State, Federal or grant program funding. Discussion ensued. Ms. Parker expressed her surprise that more of these requests haven't been brought forward at these Budget Hearings, however, she said she it may be a different situation next year. Commissioner Russell said Morrow County would not be the first County to make such a policy. We are borrowing another County's good idea, he said.

Strategic Investment Program Funds

Kate Knop, Finance Director

Ms. Knop outlined the funds:

- Willow Creek Wind Fees Fund remains relatively flat at \$40,000
- Echo Winds Fees Fund is budgeted at \$110,100. Ms. Knop said she is proposing a pass-through to the General Fund of \$135,100.
- Shepherds Flat Fees Fund estimated increase of about \$63,000. Ms. Knop said the following is proposed: \$213,000 to Long Term Goals; \$200,000 to Grants to Cities (formula yet to be determined); \$1,000,000 Transfer to Road; \$175,000 Transfer to Road Equipment; \$21,500 to Community Renewable Energy Association (CREA) payment; \$6,000 to Miscellaneous Professional Services; \$50,154 Other Expenses
- PGE Carty Fees Fund – \$1,575,000 estimated to receive. Ms. Knop said the following is proposed: \$300,000 as a place-holder for north County capital project; \$50,000 CREA payment (based on project megawatts); \$325,411 to Long Term Goals; \$900,000 Transfer to Roads

Ms. Parker moved tentative approval of the SIP Funds (Willow Creek Wind Fees Fund; Echo Winds Fees Fund; Shepherds Flat Fees Fund; PGE Carty Fees Fund) with the understanding discussion will continue later in the Budget Hearing Process as to the distribution formula for the \$200,000 Grants to Cities; and that the \$325,411 proposed to Long Term Goals could be a potential funding source for programs. Commissioner Lindsay seconded. Unanimous approval.

Break: 2:16 p.m. **Resumed:** 2:40 p.m.

Rodeo Fund

Judy Healy, Rodeo Board Member

Ms. Healy outlined the requested increases:

- Transfer from Video Lottery – increase by \$2,330 to bring the total to \$10,000. This would be to cover additional expenses.
- Entertainment/Clown Expense increase from about \$1,900 to \$5,500
- Increase Admin. Expenses from \$850 to \$6,000 to pay attorney and certified public account fees. The Rodeo Committee is in the process of becoming a 501(c)(3) stand-alone organization that will no longer be a County committee. Ms. Healy said after that process takes place, the new Rodeo entity would enter into an agreement to lease County property for its events.

After discussion, it was agreed the Rodeo Fund's Contingency amount of \$27,585 will be used for the \$3,600 increase for the Entertainment/Clown Expense, and the \$5,150 increase to the Admin. Expenses. Ms. Healy agreed and said \$12,000 of the \$27,585 Contingency is currently set aside for improvements.

Commissioner Lindsay moved to approve the use of the Rodeo Fund's Contingency amount to fund \$3,600 for Entertainment/Clown Expense, and \$5,150 for Admin. Expenses. Ms. Parker seconded. Mr. Sorte asked about the \$2,330 Transfer from Video Lottery. Commissioner Doherty said this funding separation makes him more comfortable. Ms. Healy said the request is not for additional funds but for additional funds within the Rodeo Fund. She said she included that dollar amount in that figure because it increased the lines but it doesn't get in until approved, except for the \$2,300. Commissioner Lindsay said we're on the same page. Ms. LaRue seconded. Unanimous approval.

Bleacher Reserve Fund

Ms. Healy said the Rodeo Committee received a bid from a contractor to cover the bleachers a section at a time, but nothing will happen this year.

Ms. Parker moved tentative approval of the Bleacher Reserve Fund. Commissioner Russell seconded. Unanimous approval.

Video Lottery Transfer

Commissioner Lindsay moved to transfer \$2,330 out of Video Lottery to the Rodeo Fund as requested. Ms. LaRue seconded. Unanimous approval.

Safety Committee Fund

Bob Gates, Safety Committee Chair

Karen Wolff, HR Director

Mr. Gates said head lamps and ice traction cleats were recently purchased for employees in the Sheriff's Office, General Maintenance and Road Department. Puncture resistant gloves were also purchased for Sheriff's Office employees to protect them from punctures while performing searches.

Ms. Wolff said when the County's workers' compensation insurance carrier, SAIF Corporation, pays a dividend, a portion is dedicated to the Safety Committee to use for safety-related items like those mentioned by Mr. Gates. She said the Committee is requesting an increase from \$5,000 to \$7,000.

Ms. LaRue moved tentative approval of the Safety Committee Fund. Ms. Parker seconded. Unanimous approval.

Programming Reserve Fund

Mr. Sorte said there are several reserve funds to support information service needs and he recommended the same transfer from the General Fund as last year. This will bring the balance to \$65,000 and allow the County to be better prepared for significant program requirements regarding telephone, computers or other department-specific requests.

Ms. LaRue moved tentative approval of the Programming Reserve Budget. Ms. Parker seconded. Unanimous approval.

Computer Equipment Reserve Fund

Mr. Sorte said this fund is for such things as servers. He said he'd like to build \$15,000 each year into this fund to be available for significant computer upgrades when required.

Ms. Parker moved tentative approval of the Computer Equipment Reserve Fund. Ms. LaRue seconded. Unanimous approval.

Computer Department

Mr. Sorte said a goal for this fund in the near future is that it will become an internal service fund with departments paying a certain percentage.

Ms. LaRue moved tentative approval of the Computer Department Fund. Ms. Parker seconded. Unanimous approval.

Equity Fund

Ms. Knop explained Greater Eastern Oregon Development Corporation receives a fee to administer Morrow County's Equity Fund and the current balance left to loan is \$40,000-45,000.

Ms. Parker moved tentative approval of the Morrow County Equity Fund. Ms. LaRue seconded. Unanimous approval.

Board of Commissioners

Mr. Sorte said one change in this budget is to Contracted Services in Materials and Services in the amount of \$10,000. The idea is to purchase NEOGOV online recruitment software to improve efficiencies in Human Resources without bringing on additional staff. He said NEOGOV is used by many other cities and counties across the State of Oregon, as well as nationwide.

Ms. Wolff discussed the advantages of NEOGOV and responded to questions about current HR processes. Discussion.

Commissioner Russell brought up the topic of Compensation for Commissioners. He proposed reducing the amount to where it stood the previous year (roughly \$39,000), plus a three percent COLA. Brief discussion.

Commissioner Doherty moved tentative approval of the Board of Commissioners Budget with the changes noted. Ms. LaRue seconded. Unanimous approval.

Public Comment

Cyde Estes, Heppner

Ms. Estes said the Budget Committee Members and Commissioners were doing a good job. She said she appreciated what the Commissioners just did, given what she's heard in the community. Allowing another year of experience so the Commissioners know the actual time commitment involved will go a long way in getting the public's approval, she said.

Commissioner Russell suggested he and his fellow Commissioners keep track of time spent doing Morrow County business for a few months.

Recessed until 9:00 a.m. April 27th: 3:45 p.m.