

Board of Commissioners Meeting
February 4, 2015

Present: Commissioner Steve McClure
Commissioner Mark D. Davidson
Commissioner Jack Howard

Chairman Davidson opened the meeting at 9:00 a.m. with all three Commissioners present.

Public Comments

Residential Treatment Facility

Steve Kirkeby, 2205 1st Street, La Grande, Chad Jolley, 1305 7th Street, La Grande and Gust Tsiastos, 6608 Booth Lane, La Grande came to give the Commissioners information about their residential treatment facility project. They stated that there is a need in Union County for a residential treatment facility. They have land and plan on doing the project in several phases. Phase one of the project would be to refinish a barn that is currently on the property to include putting in a septic system, living space, chapel space and industrial and living space. They presented the Commissioners with the budget for phase one of the project which totaled \$81,200. They explained that the treatment program that they would use is a one year program and has been used in other treatment facilities. In those treatment facilities it has had an 87% success rate. During the program the residents are required to participate in regularly scheduled biblical instruction, Christian character development and work study education. In phase two of the project they would like to build 4 cabins with infrastructure, add perimeter fencing, parking and an access road and purchase additional land. They explained that they are looking for support from the Commissioners in in-kind services such as grant administration or grant writers, help with employment or job training, with funding or letters of support for grants. They stated that this treatment facility would only be available for males at this time.

Teresa Brain, 1612 Oak Street, La Grande, read a statement that is attached to these minutes.

Eddie Garcia, 1904 Adams Avenue, La Grande, stated that it is important that people participate and volunteer on boards and committees. During the October 1st Board of Commissioners meeting the Animal Control Ordinance was discussed and although among the Commissions listed there is an animal services board yet to be impanelled and has never been impanelled. He urged the Commission to seek out people to volunteer that fit the descriptions on that advisory board in particular to address the issues of the animals in the community. In light of the article that appeared in the newspaper with the neglect of dozens of animals in the County it behooves this Commission to impanel that membership of residents to be able to communicate and give their viewpoints on how to best conserve and protect the animals that live within the community. Many animals provide therapy and companionship to the residents. In

South Florida 2 ½ years ago Miami Dade County found horses and cattle outside of Homestead Florida many neglected and dead. The carcasses contaminated the drinking supply shared by four residences as well as airborne pathogens. He doesn't believe that there is a written plan in the County on emergency services but that in itself is critical. The Miami Dade Health Department had to move those people out of that area to ensure that the pathogens were not providing any danger to that community. Homestead is similar to Elgin in that it is remote. The emergency services plan should have something incorporated with that in the plan. He asked if individuals can be quickly appointed to the animal advisory committee to help the community.

Margaret Mead, 57744 Foothill Road, La Grande, stated that it came to her attention that the agenda for the Board of Commissioners meeting goes to some people and entities the week preceding the meeting. Commissioner Davidson stated that it goes out when the agenda is approved. Margaret asked if at the time the agenda was sent to the different entities that it could be posted to the website. Shelley Burgess, Administrative Officer, explained that normally at the time the agenda is distributed to the IT department and is normally posted that same day. Unfortunately, there was an issue in the IT department so it was not posted until the Monday before the meeting. The normal process is that it is posted at the same time the agenda is released. There are sometimes emergencies within a very small department that prevent that from happening. Margaret stated that it helps to have an agenda as soon as possible in case they want to research something that is on the agenda for that Commission meeting. Commissioner Davidson stated that anyone that would like to be on the agenda distribution list can leave their email address to be added to the list.

Noxious Weed Update

Doug Wright, Public Works Director, came to the Commissioner to add Wild Carrot – Queen Anne's Lace to the Union County Noxious Weed list. He explained that during the last regular meeting of the Weed Board there was a review of the weed list to get it updated for the upcoming season. Wild Carrot is a weed that is found throughout the County and is detrimental to grass seed. **Commissioner McClure moved approval of update to the Union County Noxious Weed list. Commissioner Howard seconded. Motion carried unanimously.**

Budget Adjustment

Court Order 2015-12, In the Matter of Transferring Appropriated Funds, was presented for consideration. Rick Robinson, County Surveyor, explained that there is a contingency in his fund and he would like to transfer \$12,000 out of that contingency into the Materials & Services line item. He explained that they have identified a few projects to monument corners after scanning the County road records and finding a few places that if done would serve the public. These projects ultimately save the private land owner survey costs down the road. **Commissioner McClure moved approval of Court Order 2015-12 as presented. Commissioner Howard seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Consent Agenda

The January 8, 15 and 22 claims journals; and the January 8, 14 and 22 Public Works claims journals; and January 7 Board of Commissioners minutes were approved as presented on the consent agenda. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes.

Appointment to Grande Ronde Model Watershed Board of Directors

Court Order 2015-05, In the Matter of Appointment to the Grande Ronde Model Watershed Board of Directors, was presented for consideration. This Court Order would appoint Commissioner Jack Howard to the Grande Ronde Model Watershed Board of Directors. **Commissioner McClure moved approval of Court Order 2015-05 as presented. Commissioner Davidson seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Appointment to the Union County Hospital Facility Authority

Court Order 2015-06, In the Matter of Appointment to the Union County Hospital Facility Authority, was presented for consideration. This Court Order would appoint Brad Trisler and Commissioner Jack Howard to the Union County Hospital Facility Authority. **Commissioner McClure moved approval of Court Order 2015-06 as presented. Commissioner Davidson seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Appointment to the Northeast Oregon Housing Authority Board of Directors

Court Order 2015-04, In the Matter of Appointment to the Northeast Oregon Housing Authority Board of Directors, was presented for consideration. This Court Order would appoint Commissioner Jack Howard to the Northeast Oregon Housing Authority Board of Directors. **Commissioner McClure moved approval of Court Order 2015-04 as presented. Commissioner Davidson seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Appointment to the Northeast Oregon Economic Development District Board of Directors

Court Order 2015-07, In the Matter of Appointing Members to the Northeast Oregon Economic Development District Board of Directors, was presented for consideration. This Court Order would appoint Commissioner Mark Davidson and Commissioner Jack Howard to serve on the Northeast Oregon Economic Development District Board of Directors and Commissioner McClure to serve as an alternate member. **Commissioner McClure moved approval of Court Order 2015-07 as presented. Commissioner Davidson seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Appointment to the Union County Tourism Promotion Advisory Committee

Court Order 2015-08, In the Matter of Appointment to the Union County Tourism Promotion Advisory Committee, was presented for consideration. This Court Order would appoint Commissioner Jack Howard as the Commissioner representative on the Union County Tourism Promotion Advisory Committee. **Commissioner McClure moved approval of Court Order 2015-08 as presented. Commissioner Davidson seconded. Roll Call: Commissioner Howard – Present, Commissioner McClure – Yes, Commissioner Davidson – Yes. Motion carried.**

Appointment to the Health and Human Services Advisory Committee

Court Order 2015-09, In the Matter of Re-Appointment to the Union County Health & Human Services Advisory Committee, was presented for consideration. This Court Order would re-appoint Diana Elledge, Jill Boyd, Kathy Thew, Chris Panike, David Still and James Kemp to the Health & Human Services Advisory Committee. **Commissioner McClure moved approval of Court Order 2015-09 as presented. Commissioner Howard seconded. Motion carried unanimously.**

Appointment to the Mt. Emily Recreation Area Motorized Advisory Committee

Court Order 2015-10, In the Matter of Appointment to the Mt. Emily Recreation Area Motorized Advisory Committee, was presented for consideration. This Court Order would appoint Justin Rock representing Class 1 ATV, Richard Weller representing General Public and Joe Hessel representing Oregon Department of Forestry to the MERA Motorized Advisory Committee. **Commissioner McClure moved approval of Court Order 2015-10 as presented. Commissioner Howard seconded. Motion carried unanimously.**

Appointment to the Mt. Emily Recreation Area Non-Motorized Advisory Committee

Court Order 2015-11, In the Matter of Appointment to the Mt. Emily Recreation Area Non-Motorized Advisory Committee, was presented for consideration. This Court order would appoint Bart Barlow representing Bicyclists, Gene Erwin representing Grande Ronde Bowman Club, Bill Gamble representing U.S. Forest Service, Aric Johnson representing General Public and Joe Hessel representing Oregon Department of Forestry to the MERA Non-Motorized Advisory Committee. **Commissioner McClure moved approval of Court Order 2015-11 as presented. Commissioner Howard seconded. Motion carried unanimously.**

Blue Mountain Translator District Discussion

Beverly Beach and Tim Wallender, Blue Mountain Translator District, came to the Commissioners to give an overview of the District operations, assets and review opportunities. She explained that the Statutes governing Translator Districts make it difficult to collect from all that benefit from the services. She also provided an update on the efforts that the District is making to increase the collections in order to increase revenue. The costs to operate are exceeding the revenue generated at this point. They are proposing to run a fiber line to provide more services throughout the County and asked for the County to assist them with access to run fiber line from the pop located

near the Union County Airport. The Commissioners agreed to continue discussions about the issues that the Blue Mountain Translator District faces.

FY 2013-14 Audit Report Presentation

Mike Poe, Lewis,, Poe, Moeller, Gunderson and Roberts, came to the Commissioners to give the FY 2013-14 Audit Report. He explained that as part of the audit process he meets with the Commissioners one on one up front to discuss the audit plan. At the end of the audit he tells the Commissioners of any problems. He has had discussions with Commissioner McClure and Commissioner Davidson because they were the Commissioners in office when the audit took place. He explained that he sent a letter to the County as required. The letter is standard and there are no problems in it. He is required to communicate any adjustments proposed were posted to the financial statements received. He stated that there were no disagreements or problems with management and no disagreements with accounting policies.

Mike explained that a financial statement audit means that the auditors are charged with determining whether the financial statement is reasonably stated and not misleading to a user. They are not charged with an absolute opinion. The reason for that is cost. The auditing standards use a materiality concept. They use national auditing programs to establish the value. They also do a risk analysis and is part of the generally accepted auditing practices. They assess the systems of the County such as who is paying the bills and who is approving. They look at the revenue streams and disbursement streams. They try to determine where problems could occur. Based on those assessments they design their tests. They test harder in the areas of higher risk. A financial audit includes examining on a test basis the evidence to support the disclosures in the financial statements. When they look at the County systems they are charged with determining if the County has systems in place to catch or correct errors and/or fraud in a timely manner. They do random samples of disbursements of the receipts. They look to see if the procedures are operating the way they are reported to operate.

Commissioner Davidson asked if the disbursement reports are a part of the Commissioners responsibility to review and approve them. Mike explained that he views that as a strengthening factor of the disbursements. The Commissioners also receive monthly budget so they have a chance to see if budget line items are not as they should be which may indicate a problem. There are a lot of checks and balances within the system and some of the things that the Commissioners do are very important in that process.

Mike explained that they always identify risk in the County and there are certain transactions that have inherent risk in them such as credit cards, fuel, cell phone reimbursements, travel reimbursements, etc. They will specifically select transactions from within those categories to make sure those areas are looked at. They scan the entire disbursement list and look for large or unusual transactions. They try to confirm as much of the revenue as possible.

He explained that there are two ways to commit fraud. One of them is to take money up front before it gets into the accounting system which is the most difficult type of fraud to detect. Once the money is in the bank the only way to get money out is through the disbursement process which is very strong for the County. After the disbursements they look at which revenue sources would lend themselves to fraud. The biggest one is property taxes. There is a separate system within that department that does the billing and the assessments of the property taxes. It is within the same department but different people that are collecting and posting the revenue. They look at what has been billed and compare that to the collections and receivables. Anytime they are looking at that type of system is the adjustments and write offs that occur. That is another big thing. Property taxes cannot be written off the system without Commissioner approval. There is more risk on the revenue than the disbursement. That is an important factor in looking at the monthly revenue and expenditure reports. Commissioner Davidson asked Mike to give specific examples. Mike explained that there is money collected at the Clerk's office for fees that they collect, the Sheriff's office is collecting fingerprint fees and they hold money for prisoners, the golf course is collecting revenue, etc. Decentralized revenue streams have a heightened risk. Those are not main revenue streams of the County but they are areas everyone should have expectations or awareness of. All of these have some controls in them but they are not perfect. Mike explained that to have perfect controls in each one of those categories would far exceed the revenue that is being collected.

Mike explained that there was one finding in the audit on the Sheriff's Commissary bank account. They found that the bank reconciliation wasn't being tied to the check register in that reconciliation process. Not that it was ignored it was just not being done quite right. One of the staff from the auditing firm met with the Sheriff staff to fix the issue. It was not a big issue but they felt it needed to be fixed so they put it in writing.

The audit report was a clean unqualified opinion. The Audit firm wrote a letter to the State of Oregon which included required bullets that have to be provided to the State. In that letter there were three budget violations. Those violations were from the Fair Board, Justice Court and Buffalo Peak Golf Course all from the Materials and Services line item. Three is really good for the County historically speaking. Some of them are tough to manage like the Fair Board because the books are not done at the County office so it does not show until the audit is done.

Mike explained that when they find something that they feel is a problem or not quite right they classify it in three different categories. The worst level is a material weakness. The next level is a significant deficiency which is still pretty important and could have impact on the financial statements. The third one is other matters. The other matters is the auditors judgment on whether they are put in writing or communicated verbally. The management letter regarding the commissary account was under other matters. There was one significant deficiency. It did not cause any problems budget wise this year. During the audit of long-term debt it was noted that the County refinanced multiple long-

term debt notes in conjunction with the initial funding of the Courthouse debt during the fiscal year. The refinanced amounts were completed by a direct wire from the refunding agency to payoff the old debt. The County never received cash in the process, and did not record the refinance transaction on their books. Similar instances of the County's records not including like transactions have been discussed with management in the past. The lack of proper recording of long-term debt transactions increases the risk of a misstatement in the financial statements. The County had properly addressed the long-term debt refinancing through a supplementary budget process providing for the necessary appropriations. The information regarding the financial transaction was communicated internally but the need to post the transaction at the time of occurrence was overlooked. The transaction was identified for posting at the end of the fiscal year. In the future, internal communication will be improved with regard to any transactions in which the County does not actually receive cash but needs to record transactions. Such transactions will be recorded at the time of occurrence and not held until the end of the fiscal year. Commissioner Davidson stated that there isn't any intent to conceal it because it is done in a public process it is really just the reporting of the transaction where the deficiency is. Mike explained that is correct, these types of transactions are usually found in the Board of Commissioners minutes or in the financial statement so it is not that it is being hidden. They are just not being reported on the books correctly. He is required to assess whether the County system, without the auditors involvement, would catch and detect these errors and correct them in a timely manner. These transactions do not when compared to that standard. He feels that this issue needs some improvement and in most organizations there are things that need improvement.

Gray Wolf Delist Resolution

Resolution 2015-02, In the Matter of a Resolution Urging the Oregon Fish & Wildlife Commission to Take Steps to Delist Gray Wolves Under the Oregon Endangered Species Act, was presented for consideration. Commissioner Davidson explained that the Gray wolves are an endangered species and have been Federally delisted east of 97 in Oregon but continue to be on the State list. There is an annual audit of the number of breeding pairs in consideration of the plan that was adopted and that number of breeding pairs has met the standard for moving from phase 1 to phase 2 in the plan, which has precipitated the County's interest in this Resolution.

Shelley Burgess read Resolution 2015-02 and a comment letter received from the Cattleman's Association into the record.

Lee Insko, District 2 Vice-President of Cattleman's Association, stated that the Cattleman's Association strongly support the Resolution and urged the Commissioners to send it to all of the Legislators, all of the members of the executive department and the wildlife commission members along with the financial impact which he would be glad to provide to the County. The economic impact has four direct impact areas. The first is the loss of weaning weight as they come off the range. A cattle herd of 200-400 cows occupies somewhere around 20,000 acres of land. Trying to keep wolves away on 20,000 acres is not feasible. Most wolf attacks happen at night. The Oregon Cattleman

decided to raise 50 cents for every calf and cow sold in the state and put in a fund. One-fifth of that fund is allowed for research. They have had a research project in place. They have data from their research project that has shown to have good data. The number one loss is the lighter weight that the cows come off the range because they are constantly moving. The Idaho study showed that the cows come in with three times fewer calves than they have in history. If that many calves are lost in addition to the lost weight it has a large economic impact. The second direct impact is that the cows are skittish and don't breed back. The third direct impact is direct depredation which is very hard to find in cattle. The fourth direct impact is in management and vet supplies. Those are all direct costs that the cattlemen have. It takes more than 300 mother cows to make a middle class living right now. An expert came and talked to the Cattlemen about the treatment of cattle. They asked her about wolves and the effect on the cattle. She stated that if a wolf is use to predation on cows or sheep if it is not killed it will continue to be a predator on cows and sheep the rest of its life. He stated they appreciate the County's support in this and they hope that they would encourage other counties to pass a Resolution.

Mary McCracken, 63036 Buchanan Lane, La Grande, stated that she is an environmentalist and raises a few animals. She thinks that currently Northeast Oregon has met the qualifications for delisting. If wolves are in the act of predation they should be killed immediately. An animal that has killed will continue to kill. A lot of issues were made about the economic impact of having wolves in general. She feels that the County should continue to have breeding pairs here which means that the population is going up. Have to maintain a level population of wolves and continue to take out the ones that are causing trouble. If they are taken out they will not be able to teach their pups to do the same behavior. She thinks that what ranchers need to realize is that during the time that weight may be lost on cows their cattle are on public land. That is community property. The prices that are paid for grazing fees on that land are very low compared to grazing on private land. She thinks that those losses from having to move around are something that ranchers should just have to deal with. The difficulty for ranchers in this are making a living cannot be pinned just on wolves. It is hard due to the economics of the country to raise a healthy happy cow and sell it for a profit. It is not the wolves fault. She supports delisting and she thinks that delisting only means that they can be killed if they are caught in the act.

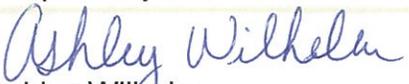
Teresa Brain, 1612 Oak Street, La Grande, stated that she supports the delisting of the wolf. It seems to her that the Oregon Wolf Plan has worked. Her appreciation goes out to the ranchers that have made it work. She has admiration for anyone that works with the land and the elements that they battle. They have done an honorable job to change the way they do business to make ranching work alongside the wolf population.

Commissioner McClure moved approval of Resolution 2015-02 as presented. Commissioner Howard Seconded. Motion carried unanimously.

Adjournment

The meeting was adjourned at 11:36 a.m.

Respectfully Submitted,


Ashley Wilhelm
Sr. Dept. Specialist II

February 4, 2015

Dear Commissioner Davis, Commissioner Howard, and Commissioner McClure,

In the last several months I have seen our small community torn apart and individuals traumatized by an issue that likely could have been avoided if government were more transparent and if citizens participated more actively in it.

The wounds inflicted by shelter/courthouse controversy are deep and they will take years to heal.

I have no interest in revisiting the issue at this time, but I do think it is imperative that we now commit to work together to change the way we govern ourselves so that we do not again so recklessly and senselessly squander so much precious energy, resources, money, trust, good will and public confidence in our democratic form of governance.

Education is a only a start, but it is an essential one. With that in mind I request that the Union County Commissioners act quickly to make the answers to the following questions available and readily accessible to Union County residents.

These questions pertain to the each of the committees or boards listed on the Union County Website. (I would note that a small portion of this info is already available on the site, and I commend the Commissioners for this promising beginning.)

1. What is the purpose of the committee or board?
2. Is the board active?
3. How many members are on the committee or board?
4. How/where are vacancies announced? How are new members recruited?

*Received from
Teresa Brain
2/4/15*

5. Who appoints members to the board and what criteria are used.
6. Where/How can the public access the names of members and contact information for the chairperson or spokesperson.
7. Are meetings open to the public? (If so, how/where are meeting times posted?)
8. Do these committees issue any written or verbal reports? If so, how/where are these reports made available to the public?
9. Are public resources allocated to the committee. If so, specify.

I understand that this request will take some time and human resource hours to complete. I am hoping it is would be completed before our next meeting in March. If I personally can be of any assistance, in completing this task, please don't hesitate to contact me.

Respectfully,



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