

Union County Board of Commissioners
January 17, 2018

Present: Commissioner Steve McClure
Commissioner Jack Howard
Commissioner Donna Beverage

Commissioner Beverage opened the meeting at 9:00 a.m. and the pledge of allegiance was given with all three commissioners present.

Public Comments

Healthcare for All Public Comment

Bill Whitaker, 1108 G Avenue, La Grande, stated that signatures of more than 260 Union County residents had been collected in support of Healthcare for All. He requested that the Commissioners pass his proposed resolution that would refer the question to voters on the 2020 ballot. He stated that this was not a request to endorse public healthcare.

Healthcare for All Public Comment

David Still, 1503 Susie Lane, Cove, stated that he had worked in the public health sector in Union County since 1974 and noticed that over the years healthcare has become unaffordable and most policies have less coverage with higher costs. Medical costs contribute to the highest bankruptcy rate. He believes that citizens of Union County would benefit from having the opportunity to consider another alternative. He requested that the Commissioners support the proposed resolution.

Healthcare for All Public Comment

Mary Carl, 906 Third Street, La Grande, stated that she continues to work at Grande Ronde Hospital after 30 years because she needs health insurance. She would retire now if it were not for the expense of private health insurance. It is time for the country to operate healthcare as a public good. Public schools, police, and fire protection systems are public goods available to everyone, supported by taxes and not for profit. She asked that the Commissioners pass the proposed resolution and send it to Salem to be referred to the voters.

Healthcare for All Public Comment

Jane Howell, 482 Modelaire, La Grande, stated that she and her husband have been diligent workers their whole lives but healthcare costs are challenging. Her monthly healthcare premiums are more than she would receive in social security. Deductibles and co-insurance responsibilities are too high.

Healthcare for All Public Comment

Kathy Pfister Minogue stated that she was a retired healthcare worker and saw patients that had deductibles that were so high that they would not use insurance, seek healthcare or receive preventative care.

Commissioner Beverage asked if those speaking were covered under the Affordable Care Act and still having challenges. An unidentified speaker stated that was correct.

Healthcare for All Public Comment

Richard Minogue, 64338 Mt. Emily Drive, La Grande stated that he was a retired physician and feels that the healthcare system is broken. He believes that it is the purpose of government to give people security and freedom from fear, so that people know that their life is secure and that they don't have to face these types of life threatening dilemmas. That is the main purpose of government and it is more important than a lot of other things that unnecessarily fill the Commissioners' time.

Healthcare for All Public Comment

Anna Maria Dill, 707 Aquarius Way, La Grande, stated that the healthcare problem is in relation to the insurance industry in general, not as a result of the Affordable Care Act. There are younger hard working people that don't use their insurance plans because it is unaffordable; deductibles and co-pays are a high percentage of their income. Some people have health insurance and still claim bankruptcy. She asked the Commissioners to consider the proposed resolution.

Healthcare for All Public Comment

Mary Lou Henrich, 1503 Susie Lane, Cove, stated that she spent her life working in public health in the Portland area. The proposed resolution is a part of a state-wide strategy. It is not a request of the Commissioners to make a decision about healthcare, but an action to speak on behalf of the people they represent by referring it to the voters. Union County has been seen as leaders in public health and she hopes that they will continue to show leadership.

Commissioner McClure asked if the proposed resolution was to ask the Legislature to refer it to voters.

Mr. Whitaker stated that the Legislature had been working on Legislation that would provide publicly funded healthcare in Oregon and details of that are being worked out. The request is for the Commissioners to make a recommendation to the Legislature to place the proposal for universal publicly funded healthcare on the 2020 ballot. This is not a request for the Commissioners to endorse publicly funded healthcare. Commissioner McClure asked if there was a specific plan; Mr. Whitaker stated that there was not.

Commissioner Howard stated that he supports the general proposition for discussion, but was concerned that it may not be the right time to present it to the Legislature since the outcome of Measure 101 is still uncertain. One of the functions of County government is to assess health for its citizens and it is a serious obligation that Union County has taken on. He was not comfortable giving the Legislature the responsibility to address this in a special session that would include sufficient language allowing good choices to be made. He thinks it is moving towards affordable accessible healthcare, but this may not be the right time in the context of 101 pending and the progress made in the triple aim goals. The Legislature may not be best to assess priorities; poverty and housing are health issues and sacrificing those gains are a concern. There are some things in the proposed resolution he is not happy with.

Mr. Whitaker stated that the ACA permits states to develop its own program as long as it serves as many people and costs no more than ACA would provide. This proposition would allow Oregon to continue its leadership in doing that. One-third of the Legislature's members are on record in support of it; he anticipates that they will refer it to the ballot. He stated that Measure 101 is important, but the passage of this would not take away from it, but rather make it more important.

Commissioner Howard stated that he was not debating the merits of the proposition, but the current political climate is not conducive to this approach. It would be more compelling if there was a Legislative concept in place that would allow him to trust the State Legislature to have a fully packaged plan that would go to the people for a vote. He does not see that happening in this short session. He is concerned about this being a makeshift response to a pressing problem that will create more problems. This is not an attractive proposition in a short session. This could be used as another way to scare people by referencing ACA. He would consider reviewing it in February when more information may be available.

Mr. Whitaker stated that he would be happy to provide documentation that was introduced in the last Legislative session that addresses Commissioner Howard's concerns. The proposition is still a work in progress, but it lays the groundwork.

Commissioner McClure thought it would be best to take some time to review the proposal and take back up in a work session. He agreed that Measure 101 would need to be resolved first. He understands the challenges people are having with healthcare costs; one of his concerns is that the system is operating in the most inefficient way by over utilizing the emergency room where care is most expensive.

Commissioner Beverage stated that as a self-employed business owner she understands and is concerned about the challenges with healthcare costs. She would like the proposal to include clear guidelines on how a new system would be funded. She would consider supporting a proposal if it was not a specific endorsement.

Commissioner Howard asked Mr. Whitaker if the Association of Oregon Counties had been approached with the proposal; Mr. Whitaker did not have that information available.

Mr. Whitaker stated that there is enough money in the current system to cover everyone without an increase to anyone if excessive overhead was reduced.

Healthcare for All Public Comment

An unidentified speaker stated that the proposal would not be considered in the Legislative special session, but rather in the regular 2019 session. A lot of the details are being hashed out in monthly work sessions with a Legislative work group.

Healthcare for All Public Comment

Cheryl Simpson, 1108 G Avenue, La Grande, stated that she serves on the Healthcare for All Oregon Board. This resolution is a local way of looking at healthcare and many communities have already passed it. She shared an example of the current healthcare

system that resulted in one patient's loss of a limb after a surgeon questioned the patient's insurance while in surgery.

The work session scheduled to take place on February 14, 2018 at 9:00 a.m. will include discussion of Healthcare for All.

Building Department Update

Brian Don, Union County Building Official, provided an update for the Commissioners. The e-permits program is going well; he is signing off and emailing approval to contractors and owners. No major changes are anticipated in the next budget. There are a few big projects on the horizon that include warehouses, retail stores, and substantial school construction in North Powder.

Commissioner McClure asked about ordinance enforcement updates. Mr. Don was not aware of anything needed at this time in Cove but was continuing to work through the process regarding a property near Hot Lake. The property owner at that site asked him to leave when he issued a stop work order. Mr. Don stated that he is looking for guidance from the County to create a tool that would help resolve this situation, such as an ordinance. Shelley Burgess, Administrative Officer, stated that a proposed ordinance will be placed on a later agenda for the Commissioners' consideration.

Article 52 Review Process

Commissioner Beverage stated that this item would be rescheduled for a later agenda.

Commissioner Comments

Commissioner Beverage stated that she was working on a public Economic Development Summit to take place on February 15. The summit will include various agencies and the purpose will be to form goals.

Commissioner Howard made a motion to take the agenda out of order and hear the FY 2016-17 Audit Report next. Commissioner McClure seconded. Motion passed unanimously.

FY 2016-17 Audit Report

Chelsea Herron and Mike Poe of Lewis, Poe, Moeller, Gunderson & Roberts, LLC presented the audit report and thanked the County for its hard working staff. Ms. Herron stated that they conducted a sample audit, as allowed by Oregon law. They look to see that financial statements are materially stated and pull areas that are more susceptible to fraud, such as cash collections and travel reimbursements. She stated that they inquired with each of the Commissioners to address any concerns. The County had very good controls over cash disbursement and the segregation of duties was very good. The accounting staff does a great job of questioning concerns and the tone set at the County is strong. Commissioners are given financial information on a continual basis and can be assured that information received is very accurate and reliable.

The letter to governance is required communication that tells different estimates used in the preparation of financial statements. There were no disagreements with management. All proposed adjustments were posted. No major adjustments differed from past years.

The letter of management describes audit findings. Audits may contain different levels of findings that could include material weaknesses, significant deficiencies, and other matters. There were no material weaknesses or significant deficiencies in this audit. There were three items listed as other matters. Extra time was spent at Buffalo Peak Golf Course looking into cash receipt processes; it was noted that performing spot checks would be a good control. The BPGC petty cash account was not recorded with the County Treasurer, although it was already being reconciled by other County staff and the Administrative Officer was aware of it. It was an immaterial amount and is now being tracked through the Treasurer's office. Another finding was in regards to the Sheriff's commissary bank account; it has been noted the last few years and was determined this year that it was due to software issues. The last matter was in regards to changing reporting standards for a Federally funded grant. Payroll and personnel charges must now be recorded with actual hours for this grant; this finding was resolved before the end of the audit and was not a large amount.

Mrs. Burgess stated that the record keeping requirement for the Federal grant was a simple fix in that reporting specific hours were needed instead of a percentage of time and has now been fully implemented.

Commissioner McClure asked if the previous year's hours would need to be corrected for the grant. Mrs. Burgess stated that the County has time sheets showing the number of hours worked and would document those as needed.

Commissioner McClure asked who would provide oversight at Buffalo Peak Golf Course. Mrs. Burgess stated that County staff would spot check on a regular basis and log accordingly. The problem was not that staff was unaware, but that documentation was needed for regular site visits.

Commissioner McClure asked if everything was available for the Sheriff to reconcile the account that had software issues. Mrs. Burgess stated that the IT department was working with the Sheriff's office to resolve the issue; she added that it was a really small amount.

Ms. Herron stated that the County's net position increased \$784,065 over the prior year; governmental funds had an increase of \$396,607; and the proprietary fund also increased \$208,558. There were only a hand full of budget violations, with not one over \$10,000; considering the size of the budget, the County is doing a very good job of keeping up on the set budget and making the right appropriations. There were no major issues noted when testing major programs in the Federal compliance audit.

Ms. Herron encouraged the Commissioners to call at any time during the year with any questions that arise. She stated that County staff put in a lot of hard work preparing for the audit; they were very good to work with and very professional.

Consent Agenda

Commissioner Howard moved approval of the Consent Agenda, which included claims journals for December 28, 2017; January 2, 3, 10, and 11, 2018. Commissioner McClure seconded. Motion carried unanimously.

Administrative Matters

Court Order 2018-04, Appointment to the Northeast Oregon Economic Development District Board of Directors

Mrs. Burgess stated that this court order was presented at the last meeting with insufficient information. She stated that Bob Kavanaugh applied to serve and would replace Kristin Dollarhide's vacant position. This vacancy was published on the County website; no additional applications were received.

Commissioner McClure moved approval of Court Order 2018-01. Commissioner Beverage seconded. Roll Call on Court Order 2018-01: Commissioner Howard, no. Commissioner McClure, yes. Commissioner Beverage, yes. Motion carried.

Court Order 2018-05, Sale of Foreclosure Properties

Mrs. Burgess stated that Court Order 2018-15 would direct the Sheriff to sell one foreclosure property; the foreclosure process concluded in November. This property is a class 3 single family dwelling located at 1319 Z Avenue in La Grande. ORS requires a minimum bid to be set; the suggested minimum bid is 25% above the tax judgment, which follows the formula used in previous foreclosure auctions in 2017.

Commissioner Beverage stated that the minimum bid seemed low.

Commissioner McClure asked when the property would be auctioned. Mrs. Burgess stated that once the court order is approved, the Sheriff would set an auction date and publish notice for four consecutive weeks.

Commissioner Howard stated that minimum bid formula was set so that a policy was in place that would allow people to recapture their homes; it would also give the Commissioners flexibility to raise the amount closer to market rate.

Commissioner Beverage asked Commissioner McClure if he was comfortable with the minimum bid amount. Commissioner McClure stated that he was comfortable with the amount suggested.

Mrs. Burgess stated that the auction would be published, posted on the County website, and sent to the mailing list.

Commissioner Beverage asked if the formula for setting a minimum bid price was followed by other counties. Mrs. Burgess stated that there was no consistency in how counties set minimum bids.

Commissioner Howard recommended that the County consult with a real estate agent to set the minimum bid so that it does not hurt neighbors' property values. He thought it would be bad practice and policy to set the minimum bid so low.

Mrs. Burgess stated that it is up to the Commissioners to decide how to proceed. The RMV comes from Assessor's office, who has recently appraised the property. One caution is that if the property is not sold through auction and an interested party would like to purchase it at a later date, the County can only reduce the price by 10% below the minimum price.

Commissioner Beverage stated that she would like to place this topic on the next work session's agenda; she would like more information about how other counties set minimum bid prices. She thought that the County might consider 50% of RMV.

Commissioner McClure asked how close the last foreclosure sale prices were to the RMV. Mrs. Burgess stated that there were a few strips of land that sold at the minimum amount set and others sold above the minimum. The two most desirable properties sold well above minimum set price.

Commissioner Howard stated that when the Commissioners adopted the policy, it was an improvement over previous practices and it was understood that properties could be considered on a case-by-case basis. He liked the idea of discussing it further at a work session and would like some input from a real estate agent or the County Assessor.

Commissioner Howard would like to look into the possibility of using land banks with future foreclosure properties so that they can be used as assets to attract commercial investors or some types of construction. He was unsure if Union County would have enough land to do that, but given the lack of economic development it would be nice to say the County has a land bank.

Commissioner Beverage stated that she likes how Deschutes County has a separate account for foreclosure proceeds that is used to rehabilitate properties.

Next Meeting and Location

The next regular Commission meeting is scheduled to take place at the Joseph Annex Building on February 7, 2018 at 9:00 a.m.

Adjournment

Commissioner Beverage adjourned the meeting at 10:37 a.m.

Respectfully Submitted,

Lorcinda Johnston
Sr. Dept. Specialist II