

Union County Board of Commissioners
February 21, 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

No public comments were offered.

Elected Official, Department Head & Employee Comments

Early Diversion Grant

Jo Pedro-Frye, Union County Jail Diversion Specialist, 307 Meadow Court, La Grande, made a presentation about the Early Diversion Grant available through Substance Abuse and Mental Health Services Administration (SAMHSA). This would allow law enforcement to collaborate with Center for Human Development (CHD) to provide early intervention services. It would also integrate with the Jail Diversion Mobile Crisis grant to identify people in the community that could benefit from mental health services before they need crisis placement. This grant would provide \$330,000 annually for up to five years and requires a 25% match; CHD is exploring options that would cover the required match funding. The grant application deadline is March 5.

Commissioner McClure stated that he would support it if match funding was found, but he would encourage submitting the application regardless. He noted that Dwight Dill, Mental Health Director, had shared that the jail diversion program was helping people become more stable in the community and was a successful program.

Commissioner McClure moved approval of the Early Diversion Grant application.

Commissioner McClure stated that Union County would be the grant applicant and if awarded, funds would be passed through to CHD. Ms. Pedro-Frye stated that during her conversation with Sheriff Rasmussen he indicated that he supported it as well. She added that Union County will mimic a similar program operated in Marion County, who is willing to provide support to implement the program in Union County.

Commissioner McClure stated that administrative costs for Union County to manage the grant would need to be calculated and reflected in the budget. Ms. Pedro-Frye stated that those costs could be built into the grant.

Commissioner Howard seconded the motion with an amendment to reflect that it is consistent with the Stepping Up Initiative.

Commissioner Howard requested more financial details.

Shelley Burgess, Administrative Officer, stated that this grant is available through SAMHSA, a Federal agency. One caution is that this particular funding agency requires a great deal of reporting and statistics, and can be very labor intensive to administer. CHD plans to provide program management, but Union County will have the ultimate responsibility. As a Federal grant, it will be reviewed during every audit. This grant will provide up to \$330,000 each year for five years; up to eight grants will be awarded with projects beginning in September.

Mrs. Burgess stated that she was requesting permission from the Commissioners to submit the grant application.

Commissioner Beverage asked for more details about County responsibility in administering the grant. Mrs. Burgess stated that the County would accept and distribute funds, but statistics and reporting would be done by CHD.

Commissioner McClure stated that County oversight is expected for State and Federal grants. He added that following an audit two years ago, the County implemented regular site visits at Community Connection for the Federal transportation grants that are passed through the County.

Commissioner Beverage stated that she would also expect that the County provide some oversight, but would not want it to be too time consuming for staff.

Commissioner Howard asked how CHD would manage data collection and reporting. Ms. Pedro-Frye stated that they have worked with their Information Technology department to build data collection into the electronic health record so that it is available as soon as the program is implemented.

Commissioner Howard asked how potential clients would be screened. Ms. Pedro-Frye stated that they would receive referrals from the courts and the hospital; some outreach could also be done to identify those that are not currently receiving treatment. Commissioner Howard stated that the Local Community Advisory Council for the Eastern Oregon Coordinated Care Organization could be another helpful resource.

Missy Brown, Mobile Crisis Program Manager, stated that there is a gap in identifying potential clients because some receive treatment at the emergency room but are not in a mental health crisis. The Early Diversion Program would allow for a deputy and a clinician to spend time with an individual to determine whether there is a substance abuse issue, mental health issue, or both.

Commissioner Howard asked if there was anything in place for dual diagnoses prior to contact with law enforcement. Ms. Pedro-Frye stated that the Jail Diversion Program is supposed to do that, but currently a good process has not been implemented. Commissioner Howard was interested in a follow up conversation about the Sequential Intercept Model because it was requested two years ago but did not happen. Ms. Pedro-Frye stated that she definitely thought that could happen.

Roll call on approval to submit an application for the Early Diversion Grant: Commissioner Howard, yes. Commissioner McClure, yes. Commissioner Beverage, yes. Motion carried unanimously.

Refunding Real or Personal Property Tax, Court Order 2018-10 and Court Order 2018-11

Cody Vavra, Union County Assessor/Tax Collector, 1001 Fourth Street, Suite A, La Grande, presented information regarding potential refunds of real or personal property tax for two properties.

Mr. Vavra stated that refunds are tied to stipulated values on retail accounts; by County Ordinance they are brought to the Commissioners when a refund may be more than \$2,500. Both of the requested refunds were a result of appeals. Appeals allow for more information gathering since the office doesn't generally have enough manpower to complete an income study for all income-producing properties in the county. They rely on the market related cost approach, which is typical for all counties. Refunds are a result of those studies.

Court Order 2018-10, Refunding Real or Personal Property Tax

Mr. Vavra stated that the hotel property owned by BHG La Grande, LLC is nearing the end of typical economic life of a hotel; it has high vacancy rates and their income is far below typical numbers. The income analysis showed that the property was overvalued. Total tax paid was \$40,000 and the requested refund is \$3,713.

Court Order 2018-11, Refunding Real or Personal Property Tax

Mr. Vavra stated that this property has retail space with similar circumstances. It is 14 years old and has been vacant since it was built. There is an apartment on the upper floors, but the City of La Grande requires that the ground floor be used for retail space. Attempts to lease the space have not been successful. The space next to this property is leased at half of the typical rate. The initial income analysis reflected that the space was generating income, which is inaccurate. If circumstances change, the valuation will be reviewed again.

Commissioner McClure stated for clarification that the two appeals came through the Board of Property Tax Appeals (BOPTA) appeals process, but the Union County Assessor negotiated a settlement with the property owners to avoid going to the BOPTA board. Mr. Vavra stated that was correct and agreed that Ron Mack, Appraiser for the Union County Assessor's Office, was operating in the Assessor's capacity to make analyses and negotiations.

Commissioner McClure asked if the empty retail space had tenants at some point. Mr. Vavra stated that Unicel leased space next to this property, but this space has always been vacant.

Commissioner McClure asked what capitalization percentage was used to determine the value. Ron Mack stated that the retail space with rental history is currently running at 48 cents and they are using 60 cents per square foot. Mr. Mack stated that the vacant space was in a bad location, had high tenant improvement costs, and had not been rented; the value is basically half of the neighboring leased space per square foot.

Commissioner Howard stated that he looks at this as reverse condemnation based on a City rule requiring ground floor retail space, but it does not involve the County and it could not be held liable. Commissioner McClure concurred that it is a City situation, not County.

Commissioner McClure asked if the hotel was generating income.

Mr. Mack stated that the hotel submitted income and expenses for the last two years. The cap rate for typical hotels is about 7.5% and the property owners were asking for 9%. The County felt that was reasonable but both parties agreed upon 8.5%. It is an old hotel; the lifespan of hotels is 35 to 40 years without a major renovation. Mr. Vavra stated that there is a portion of the hotel that is now vacated and not rented; he does not expect that there will be any renovations at this hotel.

Shelley Burgess, Administrative Officer, stated approval of Court Order 2018-10 would authorize a refund of \$3,713.16 to BHG La Grande, LCC and Court Order 2018-11 would authorize a refund of \$4,150.90 to Telos Development Company, LLC.

Commissioner Howard moved approval of Court Order 2018-10 and Court Order 2018-11. Commissioner McClure seconded. Motion carried unanimously.

Consent Agenda

Commissioner McClure moved approval of the Consent Agenda, which included claims journals from January 31, February 8 and 15; Meeting minutes from December 13, 2017. Commissioner Howard seconded. Motion carried unanimously.

Administrative Matters

Court Order 2018-08, Appointment to the Northeast Area Commission on Transportation (NEACT)

Mrs. Burgess stated that approval of this court order would replace an alternate on the NEACT. Tom Carmen is no longer able to serve as an alternate to Doug Wright and Scott Hartell expressed an interest in serving.

Commissioner McClure moved approval of Court Order 2018-08. Commissioner Howard seconded. Motion carried unanimously.

Resolution 2018-01, Appropriating Unanticipated Funds

Mrs. Burgess stated that approval of this resolution would authorize funding from the Justice Reinvestment Grant Program, as the grant was not awarded prior to the FY2017-18 budget. \$95,670 would be appropriated into two funds: \$31,431 into the Community Corrections Fund (240) and \$64,239 into the General Fund (101) District Attorney Department (135). This would provide funding for the Restitution Program as presented by the District Attorney's office.

Commissioner McClure moved approval of Resolution 2018-01. Commissioner Howard seconded. Motion carried unanimously.

Resolution 2018-02, Appropriating Unanticipated Funds

Mrs. Burgess stated that unanticipated funds became available through the Oregon Watershed Enhancement Board through the Grande Ronde Model Watershed Foundation after adoption of the FY2017-18 budget. If this resolution is approved, \$24,000 would be deposited in the Watershed Fund (263) and authorized for expenditure within that fund.

Commissioner McClure moved approval of Resolution 2018-02. Commissioner Howard seconded. Motion carried unanimously.

Court Order 2018-09, Acceptance of Summary of Actions by the Board of Property Tax Appeals (BOPTA)

Mrs. Burgess stated that the Commissioners must be informed of actions by BOPTA. Approval of this court order would indicate acceptance of the summary of actions by BOPTA as submitted by Patricia Lee.

Commissioner McClure moved approval of Court Order 2018-09. Commissioner Howard seconded. Motion carried unanimously.

Court Order 2018-05, Foreclosure Property Sale

Mrs. Burgess stated that approval of this court order would allow the Union County Sheriff to conduct an auction and sale of foreclosed property located at 1319 Z Avenue in La Grande. Statutes require advertisement of the auction in the newspaper for four weeks; it will also be posted on the County website and sent to a list of parties that have requested to be informed of foreclosure auctions. Mrs. Burgess stated that the Commissioners' previous discussions about this property have been in regards to the value and minimum bid. Previous Real Market Value (RMV) was set by the Union County Assessor some time ago at \$91,000. The Assessor was asked to revisit the value; he determined that the current RMV is \$65,000. The tax judgment on this property is \$5,152.50; that is the minimum bid that could be set by the Commissioners. In the past, minimum bids have been set at 25% above the tax judgment. Discussion at previous meetings included whether or not the Commissioners wanted to continue using that formula or setting a minimum bid on a case by case basis. During the last foreclosure auction sale, properties sold for substantially more than the set minimum bids. If the property is not sold at auction, then the County can only sell it for 10% below the set minimum to any interested party after the auction ends. Mrs. Burgess was seeking guidance in setting the minimum bid for this property.

Commissioner Beverage stated that she appreciated information brought to the work session where this was discussed and felt that she would be comfortable setting the minimum bid at 25% above the tax judgment.

Commissioner Howard stated that he did not attend the work session and was curious about those discussions and any end results.

Commissioner McClure stated that he did not feel that the sale price would be limited by the minimum price set. His concern is that if the County starts with a minimum bid that is too high then it could be more difficult to sell the property. He would like to see foreclosure

properties back on the tax rolls as soon as possible. The County does not receive a windfall from foreclosure sales because the amount is distributed throughout the county. Bidders must have cash to purchase foreclosure properties and if someone ends up making money on it, then that is fine. He is comfortable setting the minimum bid at 25% above the tax judgment.

Commissioner Howard's concern was that a low minimum bid could put a drag on values of other properties in the neighborhood. He concurs with Commissioner McClure that speculators in a cash tight market are the ones that will drive the property value.

Commissioner McClure stated that having a run-down property in the middle of a neighborhood negatively affects neighborhood values; making improvements to that property would increase those values. It takes six years for a property to make it to the foreclosure sale status and a lot of them are not occupied during that time. He hopes that a buyer would make improvements to the property to increase neighborhood values. Commissioner Howard noted that the accuracy of Commissioner McClure's statement is seen in the property's drop in value of \$26,000.

Mrs. Burgess stated in response to concerns about foreclosure sale prices affecting neighborhood values, the County Assessor explained at the work session that auction prices are not considered when assessing property values and banks and realtors do not count them as comparable sales.

Commissioner McClure moved approval of Court Order 2018-05 and instructed staff to set the minimum bid price at \$6,441 for the auction sale of 1319 Z Avenue in La Grande. Commissioner Howard seconded. Motion carried unanimously.

Next Meeting and Location

The next regular Commission meeting is scheduled to take place at the Joseph Annex Building on March 21, 2018 at 9:00 a.m.

Adjournment

Commissioner Beverage adjourned the meeting at 9:42 a.m.

Respectfully Submitted,

Lorcinda Johnston
Sr. Dept. Specialist II