

Union County
Board of Commissioners Meeting
April 21, 2010

Present: Commissioner Mark D. Davidson
Commissioner Steve McClure
Commissioner R. Nellie Hibbert

Call To Order

Chairman Davidson called the meeting to order at 9:00 a.m. with all three Commission members present.

Public Comments

Forest Capital

Brian Kernohan, Director of Policy for Forest Capital Partners, 111 SW 5th Ave. Suite 3850 Portland, came to the Commissioners to talk about the future of timber harvest on the Mt. Emily Recreation Area. Forest Capital is interested in clarifying its forest management plans for MERA in light of recent developments effecting Union County's interest. Brian explained that Forest Capital Partners remains committed to working with the County. Forest Capital has tried to sell the timber volume on MERA three times previously. He explained that Forest Capital does intend on selling the timber volume to other parties since the County was not able to purchase the timber in the previous offers. They will sell the timber after harvest. They intend to begin harvest on the MERA Trails Unit in July of 2010. Should Union County wish to purchase the timber volume on the Trails Unit as stipulated in the Purchase and Sales Agreement Forest Capital will allow for that opportunity as long as it is prior to the scheduled harvest date. Brian asked that if an opportunity is presented to Forest Capital to purchase the remaining volume on the Trails Unit that timelines are considered in light of the harvest schedule. There are contractual obligations that Forest Capital needs to fulfill.

Commissioner Davidson thanked Brian for his comments and stated that the County appreciates Forest Capital's commitment to the community and the partnership with Mt. Emily and the Recreation Area.

Consent Agenda

The April 8, 13 and 15 claims journals; and the April 7 and 14 Public Works claims journals; and the February 3 and 17 Board of Commissioners minutes were approved as presented on the consent agenda.

STO Operating Agreements

Shelley Burgess, Administrative Officer, brought two Special Transportation Operating Agreements to the Commissioners for consideration. The first one is

with Community Connections of Northeast Oregon in the amount of \$47,799. This is a biannual agreement that runs July 1, 2009 through June 30, 2011. The second agreement is with the Center for Human Development in the amount of \$25,073. It also runs July 1, 2009 through June 30, 2011. The Commissioners have previously approved the agreements with the State of Oregon Public Transit Division that allocated these funds. These are the sub recipient agreements that are required with the agencies that the County will give the funding to. It requires those entities to adhere to the guidelines of the program and provide the appropriate reporting so the County can meet its reporting obligations. **Commissioner McClure moved approval of the Special Transportation Operating Agreements as presented. Commissioner Hibbert seconded. Motion carried unanimously.**

Title III Project Application

Shelley Burgess brought a Title III project request to the Commissioners for consideration. This request falls under the old Title III money that was received under PL106393. The reason why she accepted it and advertised it under the old funding rather than the new funding because it involves education which does not qualify under the most recent Title III funding requirements. The name of the project is Union County Forestry Tours. It is a two year request for 2010 and 2011. The funding requested is \$3,600 for each year. As required by the guidelines for Title III the application was advertised and 45 days was given for written comments. There were no written comments received regarding this application.

Commissioner Hibbert explained that last year was the first annual Timber Tour. There were a number of people involved with that Tour. The event was very successful and because the timber industry is such a large resource for the area they felt that education is an important component of the community.

Commissioner Davidson asked how many funds are available in the old Title III funding. Shelley stated that there is \$127,200 left in that fund.

Commissioner Hibbert moved approval of the Title III project application as presented. Commissioner McClure seconded. Motion carried unanimously.

Funding Acceptance Process Resolution

Resolution 2010-04, In the Matter of a Resolution Outlining the Process for Accepting Donations for Purchase of Trails Unit Timber, was presented for consideration. Shelley explained that this Resolution outlines the guidelines the County will have for collecting donations for the timber purchase from Forest Capital.

Commissioner Davidson asked Brian Kernohan what the deadline should be for the County to offer funds for the purchase of the timber volume. Brian stated that

Forest Capital felt that a month lead time would be appropriate for the contractors that would be involved in the harvest. Commissioner Davidson suggested the date for the deadline to collect donations be June 1st to give Forest Capital enough notice if enough funds are raised to purchase the timber.

Commissioner Hibbert stated that the Commissioners did meet with some foresters on March 31st and they gave the Commissioners their opinion on how the County could accomplish their goal of managing the Trails Unit for a sustainable healthy forest. It was clear that in order to do that there would have to be treatment entry. She asked the foresters what that meant. The foresters stated that there would have to be harvest on the Trails Unit ultimately to maintain a healthy forest. As a result of the meeting there is a better management document for the goals, objectives and criteria. It is her understanding that if the amount of money is raised to purchase the trees than the trees belong to Union County. If the money is raised and there is a harvest in that unit then the revenue from that harvest will not go to repay the donations.

Commissioner Davidson stated that is correct.

Commissioner Hibbert also stated that if there is not enough money to purchase the timber this is the last chance. She wants to make sure the deadline is firm.

Commissioner Davidson explained that is what Forest Capital is saying. They will harvest the timber on July 1st than the discussion is over. Commissioner Hibbert asked what would happen if donations were raised for a partial buyout of the timber.

Brian explained that the Purchase Sales Agreement specifically states that there is no partial buyout of the timber. The timber would have to be purchased as a whole unit. He stated that the original deadline was August 2009 and they have given three additional deadlines. There is no flexibility with the latest deadline.

Commissioner McClure moved approval of Resolution 2010-04 as presented. Commissioner Hibbert seconded. Motion carried unanimously.

Unanticipated Funds Court Order

Court Order 2010-21, In the Matter of Appropriating Unanticipated Funds, was presented for approval. This Court Order will allow Union County to accept the donations that a group of citizens want to make toward the purchase of the timber on the Mt. Emily Recreation Area Trails Unit. **Commissioner Hibbert moved approval of Court Order 2010-21 as presented. Commissioner McClure seconded. Motion carried unanimously.**

Worksource Oregon and Training Employment Consortium Update

Terri Simonis, Training Employment Consortium, and Debbie Gargalis, Worksource Oregon Employment Department, came to the Commissioners to update them on their programs. Debbie Gargalis discussed the services that are offered at Worksource Oregon. She shared statistics on unemployment within the County. Terri went into more detail about each of the services that are offered through Worksource Oregon and Training Employment Consortium. She explained that they prepare each of the clients for re-entering the workplace or help them reach their educational goals.

Audit Report

Mike Poe, Seydel, Lewis, Poe, Mueller and Gunderson LLC, came to the Commissioners to give a report on the audit for FY 2008-09. Mike explained that there were no adjustments that were proposed by the audit firm that weren't posted by the County. A financial statement audit is not an exact science. They don't look at every single transaction. They are assessing risk and designing their tests accordingly. The objective is to render an opinion on whether the financial statements are misleading. He explained that there are strict rules about what the auditor can do. Mike went over a few significant deficiencies. These deficiencies relate to the Federal programs. The files that are kept for the Federal programs are kept in good order. The break down is connecting the administration of the grant with the reporting of the general ledger. He believes that the County should take a proactive approach doing the reconciliations and making sure the administration files of the grants and the general ledger match up on a periodic basis. He would recommend quarterly.

Commissioner McClure asked if Mike thought the County is under staffed in the accounting department. Mike stated that it is possible but hard for him to assess.

Commissioner Hibbert asked where the problem begins with the Federal funds. Once the grants are approved should there be a spreadsheet along with it with the information. Mike explained that one key problem is that a lot of the reporting by the Departments is after the fact. There is no one that is proactively keeping a schedule of all the grants and what the status of those grants is throughout the year.

Shelley stated that she is concerned that Mike is giving the impression that the County is not efficiently managing the grants. She explained that there have been several steps taken to improve this with the department heads as well as assigning new staff to do a better job up front. Shelley asked if Donna Marshall, Treasurer/Accounting Manager, had any comments on Mike's statements.

Donna stated that there is a communication problem between the departments and the Accounting office. She explained that she is depending a lot on the State agencies to give her numbers of the revenue they have given the County. She

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then compares it with what she has received. Donna explained that there have been some new procedures in place that she believes will help for the next audit.

Commissioner McClure stated that this is not the first time the County has heard this issue in an audit. He stated that the County needs to come together with a process that helps Donna and Shelley manage these grants in a better way.

Mike explained that they are not finding that the County is using Federal money inappropriately so that is not the problem. When the Federal government looks at the audit and find problems with the reporting of the Federal grants they consider the audit deficient. He doesn't think it is a major problem that will cause the County grant revenues.

Executive Session

ORS 192.660(1)(d) Labor Negotiations

Adjournment

The meeting was adjourned at 10:18 a.m.

Respectfully Submitted,

Ashley Wilhelm
Department Specialist