

Board of Commissioners Meeting
February 3, 2016

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

Chairman Howard opened the meeting at 9:00 a.m. with all three Commissioners present. The pledge of allegiance was given.

Public Comments & Concerns

Marilyn Herbst, 1610 First Street, La Grande. She is the current Chair of the La Grande Community Foundation Board; they distribute a small amount of funds annually to the libraries of Union County. Funds come from an Oregon Community Fund Endowment, as well as a few other small endowments. This year there will be an estimated total of \$4,600 to disburse between all five libraries; the funds are only for special programs or purchases. She stated that she is also a newly appointed member of the Cook Memorial Library Commission and is a past treasurer of the Cook Memorial Friends of the Library. She thinks the library is a very important part of the community. The library in La Grande serves the entire county; many patrons from outlying areas work and shop in La Grande and while in town they often use the library. The library offers many programs to adults, teens, and young children in Union County. The current library staff is outstanding; they are creative, enthusiastic, friendly, and helpful. The library in La Grande needs county support because it is used widely by participants other than just those in La Grande. She would appreciate the commission doing their best to find funding for the library in La Grande to continue their excellent programs.

Commissioner Davidson asked Ms. Herbst about her opinion on creating a county-wide library district, which would support all the libraries in the county. He stated that there was an effort to create it in the past, but it ceased in large part because the City of La Grande was not open to the idea. He wondered if the city and library commission would revive that effort. Ms. Herbst stated that as far as she knows, the city has decided to work towards it, but thinks it will be a difficult thing. She talked to Teri Washburn who said the city seemed to be dedicated in moving forward. Ms. Washburn told her that her largest concern was with Baker County's experience, it didn't get funded well enough in the beginning. She thinks it would take some effort to get voters to go along with it. She thinks they are in a better time now and there is a better chance of it happening with the new building, additional programs, and weekly newspaper column. She stated that with the La Grande School District's bond that raised property taxes, it may take a few years to soften the blow. She would absolutely be supportive of a library district. She knows that the city's request of funds from the county was intended specifically to fund the library, at least that was what was stated in the motion. Commissioner Davidson stated that the commission has not seen that motion from the city, or any specific requests in writing from the city. Commissioner Howard agreed and stated that he had not seen the motion either.

Noxious Weed Control Levy

Alan Guttridge, Union County Weed Advisory Board Chair, stated that they recommend to the commission to place a local option tax levy to fund a weed control program. The county has been without a dedicated noxious weed control program on private lands since 2008. Approximately two years ago, the commissioners asked the Weed Board to look at funding options to reestablish a noxious weed program. The Weed Board has engaged community members and other counties for ideas; the board has looked at various funding options. The consensus of the Weed Board is that a tax levy with funds dedicated to a weed control program is the only secure way to fund a successful program that meets the needs of Union County residents. Both Baker and Wallowa Counties have been successful with their tax levies dedicated to noxious weed control. The Union County Weed Board recommends that the commissioners place a local option tax levy on the May ballot in the amount of 12 cents per \$1,000 assessed value to be dedicated to the purpose of funding a noxious weed control program in Union County.

Commissioner McClure asked Mr. Guttridge how the amount compares to other counties. He stated that Wallowa County charges 19 cents per \$1,000 and Baker charges 7.5 cents per \$1,000; however Baker County also supports it through their general fund. Mr. Guttridge stated that the amount requested is enough to support a basic program with a Weed Control Supervisor, cost share assistance for land owners, and the ability to do some treatment. There are other funds available through grants and matching funds from the State Weed Control Board; they can use the funds to leverage more funding to increase the program. It has been very successful in the other two counties.

Mr. Guttridge stated that the full time Weed Supervisor would work for the commissioners. The program would need a vehicle only part-time and he hopes to work with public works to secure the vehicle. He is unsure where the program would be housed, but it would be independent of public works.

Commissioner Davidson stated that he appreciates the Weed Board's efforts in proposing the program to the commission; it takes some political courage but the program is clearly needed. The county's efforts have been to the best of their ability financially, but the county needs to find a way to bring in more resources to fully fund an effort that would support the program. The agriculture and seed industry is a significant portion of the local economy; this program is an important element in protecting that.

Commissioner McClure stated that he likes that the program is independent from the public works department, which is very important. He concurs with Commissioner Davidson because seed crops are very important in the county. Noxious weeds could cause farmers to lose their contracts if they are not controlled. The county has a lot of high quality farm products and the program makes a lot of sense to him. He doesn't think the tax levy amount is outrageous; he thinks the commission should put it out to voters to see what they say. Agriculture is a big part of this community and this is an

issue that the county has been struggling with for a long time. He appreciates the efforts of the Weed Control Board.

Commissioner Howard asked what the 12 cent valuation would amount to for the program. Mr. Guttridge stated that the Tax Assessor's best estimate was \$175,000. Commissioner Howard asked how much would be allotted for the supervisor's salary; Mr. Guttridge stated that the range is \$50,000 - \$60,000. Commissioner Howard stated that this is an investment to protect the county's crops that has been missing for eight years; it could also make it a more profitable industry.

Commissioner Howard stated that the county is not taking a position to support or oppose the levy.

Commissioner Howard asked if Mr. Guttridge was ready for a two-month educational campaign. Mr. Guttridge stated that they have been working on it. He stated that Union County has been a designated Weed Control District since 1933, and it has been re-designated several times over the years. Union County had a Weed Control Supervisor from 1953 to 2007; it was an active program and Union County was cleaner than neighboring counties.

Shelley Burgess, Administrative Officer, stated that a court order was prepared to place the levy on the ballot if the commissioners chose to refer it to the voters. The court order and ballot measure election form would then be signed and submitted to the County Clerk to be placed on the ballot. She added that the county would be the fiscal agent and funds would come to the county and be placed in a designated weed fund. The Union County Weed Advisory Board would remain active and continue to design the program and support the supervisor.

Commissioner Howard asked if the commission needed to do the publication. Mrs. Burgess stated she had talked to the County Clerk about that question; the commission will not do the publication, but if there is a challenge to the title, it would come back to the commission for a revision.

Commissioner McClure moved approval of Court Order 2016-07, In the Matter of Referral of a Five-year Local Option Levy to Fund Noxious Weed Control. Commissioner Davidson seconded. Motion carried unanimously.

Elected Official, Department Head & Employee Comments

Airport Hangar Lease

Doug Wright, Union County Public Works Director, stated that this was a standard airport hangar lease agreement between Union County and Brandon and Emily Hiller. The lease length was shortened to provide the opportunity to assess the market value of the lease at the end of the term.

Commissioner McClure stated that the county has to charge a minimum commercial rate as part of the grant assurances given to the FAA. He asked if the grant assurances are covered in restriction of use in the lease. Mr. Wright stated that the county may need to refer to the Master Plan Agreement when looking at the lease language in the future, which may need to be strengthened to be in compliance. If needed, the county would create a boiler plate agreement through the advisory committee, for review by legal counsel and the FAA.

Mrs. Burgess stated that the county was in compliance when the agreement was last reviewed. Mr. Wright said they would take a look at it again to be sure they are in compliance.

Commissioner Davidson moved approval of the Airport Hangar Lease with Brandon and Emily Hiller. Commissioner McClure seconded. Motion carried unanimously.

Unfinished Business

There was no unfinished business.

Constituent Inquiries

There were no constituent inquiries.

Consent Agenda

Commissioner McClure moved approval of Claims Journals for January 14, 20, and 21 and Commission Meeting Minutes for January 6. Commissioner Davidson seconded. Motion carried unanimously.

Administrative Matters

Court Order 2016-05, Cancellation of Uncollectable Tax Warrants

Mrs. Burgess stated that the cancellation of uncollectable tax warrants was due to revised personal property returns, showing that the value was below the taxable threshold. This Court Order would allow them to be cancelled and removed from the records. **Commissioner Davidson moved approval of Court Order 2016-05. Commissioner McClure seconded. Motion carried unanimously.**

Court Order 2016-06, Appointments to UCEDC

Mrs. Burgess stated that there were two UCEDC positions vacant due to the expiration of terms by Dale Case and Steve Anderson. Seth Hassinger and Brock Eckstein have applied for the positions; terms would begin immediately. Mr. Eckstein's term would expire December 31 2020. Seth Hassinger's term would expire January 31, 2019.

Commissioner Davidson stated that Mr. Hassinger would fill an important role that Mr. Case has filled for more than ten years. He is a third-generation farmer and resident of the Cove area. Mr. Eckstein's family has been in Elgin for several generations; he is a

business owner and is a very interested and motivated applicant. He whole-heartedly supports both appointments. **Commissioner Davidson moved to approve Court Order 2016-16. Commissioner McClure seconded.**

Commissioner Howard noted that Mr. Eckstein is the City Administrator of Elgin.

Roll Call: Commissioner Davidson, yes. Commissioner McClure, yes. Commissioner Howard, yes. Motion carried unanimously.

ODOT Special Transportation Grant Agreement #31161 – Rides to Wellness Program

Mrs. Burgess presented Grant Agreement #31161 for the Rides to Wellness Program for the commissioner's consideration. Frank Thomas, Community Connection, stated that this program began two years ago when the county chose to match grant funds and it has blown up since then. He was invited to present the program at the State and National level. He stated that it began with local leadership and vision that wasn't available anywhere else; he feels the commission doesn't get enough credit for that. He thanked the commission for the support that allowed the program to start. This grant is funded from cigarette taxes that are dedicated to services for the elderly and people with disabilities. When funds were depleted last year, ODOT's Region 5 Coordinator told him not to worry about bridge funding because they would take care of it. This specific grant was not sought out, it was offered because the program justified it. The program is now funded through 2017 and he hopes that funding will continue through 2018 and possibly indefinitely.

Commissioner Howard stated that he was glad that Mr. Thomas praised the commissioners who were a part of the program's start-up because they deserve a lot of credit for investing and trusting in the program. They also trusted and invested in Mr. Thomas. He added that Mr. Thomas, despite knowing funds for the program would end last November, was determined to keep the program going. Mr. Thomas stated that he works for an outstanding agency that allows this type of thing to happen.

Commissioner Davidson stated that Mr. Thomas is humble: he does an excellent job and deserves the lion's share of credit for the creation of the transit system Union County has.

Commissioner McClure concurred and stated that Mr. Thomas does an excellent job; he has worked with him for a lot of years and his efforts are appreciated by the whole community.

Commissioner McClure moved approval of ODOT Special Transportation Grant Agreement #31161 for \$60,000. Commissioner Davidson seconded. Motion carried unanimously.

Vanpool Program

Commissioner Davidson asked for details about a separate transportation project regarding a major local employer needing help with transportation for out-of-county employees. Mr. Thomas stated that there is an opportunity to offer van pools through Enterprise Ride Share, who would provide the vehicle, insurance, fuel, and maintenance costs then sell seats in the vehicle to employees. The end result is cheaper transportation costs for an employee who may be travelling from Baker City to La Grande at about \$7 per day. The agency doesn't have to front the operating costs and it is self-sustaining. Community Connection is planning to purchase a seat and he is working on a proposal asking other agencies and employers, including the commission, to purchase other seats to get it going. This program would benefit employers whose shifts do not conform well to public transit offerings. Public Transit would add a safety net for employees who may need to leave work earlier than expected so that no one would be left waiting for the next scheduled departure. This would help employers who are not interested in hiring from other counties due to previously unreliable transportation. He stated that there is a built-in constituency, they can save money, it builds a redundant system that is flexible to the needs of the employer and employees, and it is self-sustainable and cost effective. The start-up costs are relatively inexpensive compared to other projects in the past. As it develops, he will keep the commission updated and plans to have a basic proposal at the end of the day.

Commissioner McClure stated that they had considered this option in the past. Mr. Thomas stated that at that time, they originated their very first intercity lines, which are still working, but they were not specific for employers. It didn't work well for those who needed to get to work in industrial zones outside city limits.

Commissioner Howard stated that it benefits employers, and eliminates a reason to avoid coming to Union County, which is lack of transportation.

Resolution 2016-03, Appropriating Unanticipated Funds

Mrs. Burgess stated that this resolution is a follow up to Contract #31161 for the Rides to Wellness Program that was just approved by the commission. It accepts \$60,000 from the ODOT Rail and Public Transit Division for the program. The county would contract with Community Connection to provide the service; funds must go through a government entity. **Commissioner Davidson moved approval of Resolution 2016-03. Commissioner McClure seconded. Motion carried unanimously.**

Commissioner Howard recessed the meeting until 10:00 a.m.

FY 2014-15 Audit Report Presentation

Mike Poe and Chelsea Herron from Lewis, Poe, Moeller, Gunderson & Roberts, LLC, 1121 Adams Avenue, La Grande. Ms. Herron has been the manager of the county audit for three or four years and completes a lot of the field work. She stated that it is always nice working with county staff, as they were well prepared. She explained that

one of the letters submitted with the audit is required communication with the county called a letter to governance and has journal entries attached. The letter states that they propose no adjustments that weren't posted to the county's books, there was no disagreement with management, no difficulties encountered during the audit, and that management has signed a letter of representation. Her firm is providing a financial statement audit, meaning that they will provide reasonable, rather than absolute, assurance that the county's financial statements are free of material misstatement. Their process is different from a forensic audit, but they do look at higher-risk areas such as travel and reimbursements. An important component of internal controls is environment, which starts with the commissioners and the tone they set.

The second letter is the management letter, which shows any findings. This year there were no material weaknesses or significant deficiencies to report. There were two that they would refer to as 'other matters', meaning they were technical. The first was the subrecipient monitoring of Enhanced Mobility of Seniors and Individuals with Disabilities grant; it states that the county materially complied with the requirements, but they recommend better documentation of it. Mr. Poe stated that according to courts and state auditors, there is an understanding that if it's not in writing then it didn't happen. When compliance acts are done, there needs to be a memo indicating who the county talked to and what was reviewed, indicating that things are in compliance. Ms. Herron stated that by inquiry, they determined that it had happened but needed documentation. The second was in regards to the Rural Domestic Violence grant, which showed that one employee's benefits was overcharged to this grant for one quarter instead of proportionally to the department. It was an immaterial amount of money, but they suggest putting some controls in place so that it would be caught and checked against the grant document. Mr. Poe stated that federal standards for immateriality is set at \$10,000 and being less than that, it is not on the radar.

Ms. Herron stated that the auditor's report indicated that they had an unqualified clean opinion.

The enclosed Management Discussion and Analysis was prepared by Mrs. Burgess. She does a very good job of creating it; it is very thorough and includes what happened during the year.

The Oregon Report shows that there were no major findings. There were some budget violations, mostly due to audit adjustments that they made. 3 of 10 were related to some misclassifications of debt between funds. She stated that Mrs. Burgess would have caught them if they had not occurred when they made the adjustments.

Also included is the he Federal Compliance Schedule of Findings and Questioned Costs. There were none reported.

Financial Statement highlights show that the county's total net position has increased every year for at least the last three years; this year it increased by \$1.7 million. It

shows the allocation between the governmental activities and proprietary activities as 75%/25%.

The Fund financial statement shows the Government Fund balance increased by \$1.5 million, on top of \$1.6 million last year and \$577,000 the previous year. The Proprietary net position increased by \$347,000 this year, \$2 million last year and \$1.6 million the previous year.

Commissioner McClure asked if the proprietary increases were from FAA projects at the airport; Mr. Poe stated that it was the biggest contributor to the net position.

Commissioner Howard asked if there was a need to take action to accept the audit. Mrs. Burgess stated that the commission could if they wanted to but it was not necessary. **Commissioner McClure moved to accept the audit as presented. Commissioner Davidson seconded. Motion carried unanimously.**

Executive Session

Commissioner Howard recessed the meeting for an executive session held under ORS 192.660(2) (d) and (h).

Commissioner Howard called the meeting back to regular session and adjourned the meeting.

Respectfully Submitted,

Lorcinda Johnston
Sr. Dept. Specialist II