

Board of Commissioners Meeting
April 20, 2016

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

Chairman Howard opened the meeting at 9:00 a.m. and the pledge of allegiance was given. All three commissioners were present.

Public Comments

Liberty Theatre Letter of Support Request

Kelly Ducote, Liberty Theatre Foundation, 1010 Adams Avenue, distributed packets of information about the Liberty Theatre projects to the commissioners and requested a letter of support for the Liberty Theatre. Over the past five years, they have been working on smaller projects and now need to shift their focus on a capital campaign to complete larger restoration projects. They are working with a consultant at Westview Associates to develop their capital campaign documents. She stated that Commissioner Davidson penned a letter of support in 2011; she is now requesting a new letter from all three commissioners. She extended an invitation to the commissioners to attend a luncheon and tour at the Liberty Theatre on April 28, 2016 at 12:30 p.m.

Commissioner McClure asked which funding sources were being considered. Ms. Ducote stated that they considering State Legislature allocation and private foundations. Commissioner McClure asked if money was available to them through the Urban Renewal District. Ms. Ducote stated that they had already received over \$150,000 from the URD and would not depend on that funding source at this point. They submitted an URD fund application for the building next to the theatre as they would like to see a bistro established in that location. The project was ranked low on the list at the last meeting and she does not expect to be awarded funding for that project.

Commissioner Davidson stated that the county had written several letters of support in the past and had awarded grant funds through the Transient Room Tax Discretionary Fund. He added that the Liberty Theatre is a great project and he thinks the commission should get on board with it. He is comfortable with submitting a letter. **There was a consensus to submit a letter of support.**

Commissioner Howard asked about the capital campaign's timeline. Ms. Ducote stated that they would continue the capital campaign through 2016, with a more public phase in 2017; they hope to secure most of the funding by the end of 2017. They would like construction to commence in 2018 with an opening date of late 2018 or early 2019. She added that they have a phased development plan if full funding is not secured.

Commissioner Howard asked if they were recruiting members for their board of directors. Ms. Ducote stated that they have eleven board members and are comfortable

with that number. They will be seating a steering committee in the next few months for anyone interested.

Constituent Inquiries

Oregon Women Veterans Coordinator

Commissioner Howard stated that the Commissioners will meet with the Oregon Women Veterans Coordinator on Friday, April 29, 2016 at 9:00 a.m. in the Joseph Annex Building and the public is encouraged to come.

Rappel Base

Commissioner McClure stated that the County is actively involved in negotiations with the U.S. Forest Service to house a Rappel Base at the airport. The County applied for a ConnectOregon VI grant for the project and will know where it ranks in May. Commissioner Davidson clarified that the County will know the final outcome of the grant application in August.

Elected Official, Department Head & Employee Comments

Public Works Rock Bids

Doug Wright, Public Works Director, PO Box 1103, 10513 N. McAllister Rd, La Grande, stated that he requested quotes for a number of items. He sought and received quotes for ¾ - 0 crushed base rock to determine costs based on the location of the projects:

1. Harney Rock & Paving: \$5.40/ton
2. RD Mac: \$9.50/ton
3. Hamptons / Roger's Asphalt: \$10.00/ton (\$9.70/ton using Public Work's loader)
4. Mt. Emily Rock: \$11.65/ton

Mileage was added to the quotes based on the location of the project. He recommended that all quotes be accepted based on location. **Commissioner Davidson moved to accept the quotes as presented. Commissioner McClure seconded. Motion carried unanimously.**

Mr. Wright stated that quotes were also sought and received for chip rock for chip sealing and emulsion projects. The prices of rock for the chip projects were considerably higher than projections and last year's prices. This year's prices varied between \$14.00/ton and \$24.00/ton, whereas last year's low price was \$8.50/ton. He recommended rejecting the rock bids for the chip and asphalt/emulsion projects.

Mr. Wright stated that the Palmer Junction Road project is out for bid, which will cost \$7 million to \$10 million with a county match of about \$700,000. No draws have been made from the infrastructure bank loan for that project. There is \$525,000 in the Public Works budget for fund exchange; he wants to save some of that money so that as much as possible will be used for the Palmer Junction Road project. Public Works will provide

some in-kind work on Palmer Junction Road, allowing him to save most of his fund exchange money for that project. Public Works would benefit more from setting all the chip sealing projects aside this year and reserving the money for the Palmer Junction Road project. He thinks it is a wise choice and makes sense for his budget; he hopes that it will alleviate the need to take money out of the loan.

Commissioner Davidson stated that Mr. Wright's recommendations make good sense; the chip rock quotes are expensive.

Commissioner McClure stated that the Palmer Junction Road project is about \$9 million and the County has to match 10.27%; completing it with in-kind work and without any further debt would be good. It is prudent to follow Mr. Wright's recommendations.

Commissioner Howard asked why there was a jump in price from last year. Mr. Wright stated that he would have to guess, but it could be that Royal Rock is no longer operating and providing good competition. Royal Rock was in an excellent location and produced quality rock.

Mr. Wright stated that through an agreement with ODOT, Public Works is hauling rock out of the Meacham pit. ODOT is building a new maintenance station and needed to move about 3,000 to 5,000 yards of gravel from that location. Since ODOT does not have gravel roads, it was agreed that the county's equipment would move it. It helps both parties, plus it's an easy haul for the county. When the mileage was calculated, the cost was no different than hauling rock out of Harney. A substantial amount of the rock has been used at Hot Lake and the rebuilding of Bond Lane before the sugar beet harvest begins. The County has benefitted substantially by working together on projects like that. He hopes that someone will pick up the Royal Rock pit and get it back on line.

Commissioner Davidson thinks that Royal Rock will come back on line. Commissioner Davidson stated that it would not go away forever; hopefully it will have an independent operator so there would be more competition. Taking a low cost alternative out of the market creates less competition and higher prices. Commissioner McClure noted that Royal Rock is in a mining zone and thinks it has a real potential for coming back on line.

Commissioner Davidson moved to reject the Chip Rock and Emulsion bids as recommended. Commissioner McClure seconded. Motion carried unanimously.

Consent Agenda

Commissioner Davidson moved approval of the Consent Agenda, which included Meeting Minutes from March 16 and April 6 and Claims Journals for March 30 and 31. Commissioner McClure seconded. Motion carried unanimously.

Administrative Matters

Court Order 2016-19, Appointment to the Union County Planning Commission

Shelley Burgess, Administrative Officer, stated that vacancies on the Planning Commission had been advertised and Earl M. "Mat" Barber applied to serve. He has been involved in community service and served on the City of La Grande Planning Commission for eight years. If approved, his term would begin immediately and expire on December 31, 2019. **Commissioner McClure moved to approve Court Order 2016-19. Commissioner Davidson seconded.**

Commissioner Howard asked how many vacancies were on the Planning Commission. Mrs. Burgess stated that there would be one remaining vacancy if Mr. Barber was appointed.

Roll call: Commissioner Davidson, yes. Commissioner McClure, yes. Commissioner Howard, yes.

Commissioner Howard noted that it is interesting finding people to serve on important committees and added that the press should make note of those vacancies.

2016 Wolf Compensation & Financial Assistance Grant Agreement

Mrs. Burgess stated that this grant agreement was between Union County and the U.S. Department of Agriculture. Union County established a Wolf Depredation Advisory Committee and developed a plan making Union County eligible to apply for funds each year as long as they are available. Union County applied for funds under Category 2, allowing the county to provide financial assistance for implementing methods that limit wolf-livestock interaction. Union County was awarded \$5,000; approval of this agreement would authorize acceptance of those funds. Any applications for funds would be reviewed by the county's Wolf Advisory Committee.

Commissioner McClure asked if the County is required to provide a 10% match. Mrs. Burgess stated that the county can apply for reimbursement for the expenses of operating the program, but Union County does not charge for that; instead the county uses the value as match. There is no financial obligation to the County.

Commissioner McClure asked if this grant was for prevention or if it includes predation. Commissioner Davidson stated that this grant includes nonlethal prevention money; it is awarded upfront so that the producers can ask for assistance when a new area of known wolf activity or interaction between livestock and wolves is determined. Confirmed kills and missing livestock or working dogs is paid in arrears; at that time the producers would submit an application to the committee for recommendation to be reimbursed. The State apportions the money from all the applications submitted from counties, but there is not always enough money to cover all of the claims. Commissioner McClure asked how many members were on the Wolf Depredation

Advisory Committee; Commissioner Davidson stated that there were seven members. Mrs. Burgess stated that the state defines the number of members needed on the committee; it has been full and active in Union County since it was established.

Commissioner Howard asked how many claims were submitted last year. Mrs. Burgess stated that there were no predation claims and one claim submitted for prevention. The County continues to apply for funding so that if producers want to take advantage of the opportunities then funding would be available.

Commissioner Davidson stated that a program to help producers clean up bone piles was run last year, but no one took advantage of it. The year prior, money was awarded to a producer to purchase working dogs and that has been successful.

Commissioner Davidson moved approval of the 2016 Wolf Compensation & Financial Assistance Grant Agreement. Commissioner McClure seconded. Motion carried unanimously.

Resolution 2016-07, Amending Buffalo Peak Golf Course (BPGC) Employee Fringe Benefit Policy

Mrs. Burgess stated that on March 16, 2016, the commission heard a request from Buffalo Peak Golf Course Superintendent, Burr Betts, to review Resolution 2005-11, authorizing a golf fringe benefit for employees at BPGC. At the time, the resolution authorized BPGC employees to have free use of the golf course when not being used by paying customers; it was determined that it fell under the IRS code 132 that allowed it to be a benefit that could be offered without any tax consequences. The resolution specifically exempted golf carts and required that employees' use of golf carts would be charged at the standard rate. Mr. Betts presented information requesting that the commission consider allowing employees' use of golf carts at no cost; he indicated that there were benefits to the course by allowing employees to play the course without charge. Based on the commission's discussion, it seemed to her that there was a consensus to consider Mr. Betts' request. At the time, it was unclear if employee use of golf carts would qualify as a nontaxable benefit. Mrs. Burgess stated that she researched the IRS code pertaining to fringe benefits under which the original benefit was granted ten years ago. It did not appear that employee golf cart use would fall under the IRS 'de minimis' category. It appeared that it would fall under the no additional cost service provision if the county continues with the same stipulation that the golf carts would only be available to employees at no cost when there is no paying customer wanting to use them. It would qualify under the 'excess capacity' category as a fringe benefit that could be provided without taxation. Resolution 2016-07 would amend Resolution 2005-11 and would authorize employees to utilize golf carts free of charge under the same conditions established for use of the golf course. It indicates that it is the county's belief that it is a no substantial additional cost service and falls under IRS code 132(b).

Commissioner Howard noted that Resolution 2016-07 incorporates some of the specific language from the IRS in reference to the no additional cost service and reflects excess capacity, indicating that is the county's intention to fulfill specific requirements of that code section. Mrs. Burgess stated that the Resolution was written that way purposefully; Resolution 2005-11 was developed with assistance from legal counsel and referenced IRS code and she wanted to make sure the amended resolution was consistent with those provisions.

Commissioner McClure stated that the commission had heard testimony from Mr. Betts that this is a common benefit for golf course employees. Mrs. Burgess stated that the IRS specifically uses an example of a municipal golf course in the IRS fringe benefit guidelines. It is not reaching to make the interpretation; she thinks the county is on solid ground. It is at the commission's discretion to offer free golf cart use as a fringe benefit to BPGC employees.

Commissioner McClure moved to approve Resolution 2016-07. Commissioner Davidson seconded.

Commissioner Davidson noted that Mr. Betts stated in a previous commission meeting that the benefit to the county and the course in particular is using employees as an extra set of eyes that can spot problems and maintenance needs; that should help address those specific needs that sometimes create complaints from BPGC customers. Hopefully the satisfaction level will increase and play will increase.

Commissioner McClure suggested that Mr. Betts may have wanted to make a statement in person. Burr Bets, 1101 Genie Lane, Cove, BPGC Superintendent, stated that he appreciated the commission's consideration of the proposed resolution. It will help achieve objectives in his original statement in being able to assess the quality of the course and team building.

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

Next Meeting and Location

The next meeting will be on May 4, 2016 at the Joseph Annex Building.

Adjournment

The meeting was adjourned at 9:37 a.m.

Respectfully Submitted,

Lorcinda Johnston
Sr. Dept. Specialist II