

Board of Commissioners Meeting
June 29, 2016

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

Chairman Howard opened the meeting at 8:30 a.m.; the pledge of allegiance was given with all three commissioners present.

Public Hearing: 4-H and Extension Service District Budget FY 2016-17

Staff Report

Shelley Burgess, Administrative Officer, presented the 4-H and Extension Service Budget FY 2016-17 for the commission's consideration; it was approved by the budget committee on June 21 and published in The Observer on June 24. There are no proposed changes to the budget as it was published.

Public Testimony

Commissioner Howard opened the hearing to public testimony; no public testimony was offered. The public hearing was closed.

Commissioner McClure moved approval of Resolution 2016-12, Adopting the Union County 4-H and Extension Service District Budget for FY 2016-17. Commissioner Davidson seconded. Motion carried unanimously.

Commissioner McClure stated that the 4-H and Extension Service District budget was well done; this is an important contribution to the community.

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

Consent Agenda

Commissioner McClure moved approval of the Consent Agenda, which included Claims Journals for June 15 and 16, June 15 Commission meeting minutes, and June 7 Solid Waste District Budget meeting minutes. Commissioner Davidson seconded. Motion carried unanimously.

Commissioner Howard recessed the meeting until 9:00 a.m.

Public Hearing: Solid Waste District Budget FY 2016-17

Staff Report

Mrs. Burgess presented the Solid Waste District Budget for FY 2016-17 for the commission's consideration; it was approved by the budget committee on June 7 and

was published in The Observer on June 15. There are no proposed changes to the budget as it was published.

Public Testimony

Commissioner Howard opened the hearing for public testimony; no testimony was offered. The public hearing was closed.

Commissioner McClure moved approval of Resolution 2016-11, Adopting the Union County Solid Waste District Budget FY 2016-17. Commissioner Davidson seconded. Motion carried unanimously.

Public Hearing: Union County Budget FY 2016-17

Staff Report

Mrs. Burgess presented the Union County budget for the commission's consideration; it was approved by the budget committee on June 8 and was published in The Observer on June 17. She suggested a few changes due to new information made available since the budget meetings:

- General Fund, Special Accounts
 - Addition of \$6,500 revenue for Predator Control local reimbursement. It was not entered in the presented budget.
 - Increase property insurance expenditure from \$47,000 to \$53,500. The Fair Board has been insuring buildings under a separate policy; this would save \$2,000.
- General Fund, Sheriff Department -
 - Remove \$20,000 revenue for Reserve Deputy reimbursement; it was already included in another revenue item so it is a duplicate.
 - Increase of \$85,000 revenue for the City of Union contract. At the time of the budget meetings, it did not appear that the City of Union would continue the contract. Union has since requested a 90 day extension and continued negotiations for a new contract; in order for the Union Deputy position to continue, changes need to be made.
 - Increase of \$53,326 for the Union Deputy position.
 - Increase of \$11,674 for personnel benefits for the Union Deputy position.
- Justice Court
 - Increase transfer to the Crime Victim Fund to \$8,000 to match the transfer established in the Crime Victim Fund; this change will be made by reducing the contingency by \$500.
- Watershed Fund
 - Increase grant revenue by \$5,000
 - Increase personnel services by \$5,000. Grand Ronde Model Watershed was awarded additional grant funding and is making some changes to personnel.

Mrs. Burgess stated that all of the changes are reflected in Resolution 2016-13.

Public Testimony

Commissioner Howard opened the hearing for public testimony.

Lois Barry, 60688 Morgan Lake Road, La Grande, asked if the proposed budget included an increase in funding for libraries. Mrs. Burgess stated that the libraries were funded at \$30,000 in previous years and would be funded at \$60,000 in FY 2016-17. Ms. Barry thought the airport's construction of a new facility to be leased to the U.S. Forest Service was a great idea and sounds like good business. She shared her concern about recent research showing that fire retardant and/or water from big planes has no statistical measurable effect on controlling forest fires. She suggested that the county's lease to the U.S. Forest Service cover the possibility of the U.S. Forest Service ceasing use of big planes for fire retardant so that the county is not left with a \$4 million building that could not be leased.

Commissioner McClure stated that the building is for the rappel crews, not for the fire retardant bombers. He stated that the county is currently negotiating a lease with the U.S. Forest Service and if the investment cannot be recaptured, then the building won't be built.

Commissioner Howard closed the public hearing.

Commissioner McClure moved approval of Resolution 2016-13, Adopting the Union County Budget FY 2016-17. Commissioner Davidson seconded. Motion carried unanimously.

Public Comments and Concerns

Buffalo Peak Golf Course (BPGC) Public Comment

Dick McDaniel, 63316 Gekeler, La Grande asked what Union County agreed to when they took over Buffalo Peak Golf Course and the county's resulting obligation. Commissioner Howard stated that the county agreed to invest in an economic development opportunity when it acquired BPGC and some operating facilities with the City of Union's waste water treatment system. The county is operating a golf course with some food and sale items.

Mr. McDaniel stated that the county agreed to take on a business that would be a benefit to Union County. Commissioner Howard stated that the longer time goes on, the less likely you are to say that is exactly what we got. Commissioner Howard added that there needs to be a measurement of the economic benefit to the county and City of Union; he is not certain that it has been achieved, but is also not certain that it has been missed either. He knows that BPGC has been a benefit to the county.

Mr. McDaniel asked how the benefit to the county can be shown. Commissioner Howard stated that he would share a traffic study with Mr. McDaniel that would show

some of BPGC's direct expenditures; as far as how well it has done its job is subject to some debate.

Mr. McDaniel stated that he still did not understand the county's obligation. He stated that it sounds like the county bought something that is a direct benefit to the Union County community that tax payers ought to be putting money towards. Commissioner Howard stated that Mr. McDaniel's statement was accurate. He added that it is a county-run enterprise that functions as a golf course as its core operation. Mr. McDaniel asked if the county agreed to provide money in the 2016-17 budget for BPGC; Commissioner Howard stated that was correct. Mr. McDaniel asked if the county could show tax payers BPGC's benefit to the county. Commissioner Howard stated that it would go back to measuring the benefits over the course of the years and asking why there was an urgency to purchase BPGC.

Mr. McDaniel asked what would happen if the county paid off the debt and got out of managing BPGC. Commissioner Howard stated that his personal hope is that BPGC would be there 20, 30, 40 years from now, its management would have nothing to do with classic government oversight and would be a profitable enterprise. If it's not a profitable enterprise, then it has to justify itself to the economic pattern in Union County, similar to a park. If the county operates it, it will not just be for profit business; it has to fit into different values that are important to the county government. His philosophy is that the best businesses are not run by even the best governments and they stand on their own. If BPGC is going to be a true golf course, then it has to get closer to profitability on its own without being subsidized by taxpayers. The county's obligation needs to have some measurements. He could not say what those measurements would be to say how successful the golf course is, because over the last fifteen years those measures have not been adequately employed. He can't say what the measurement was 12 years ago, he can only provide the measurements established last year. He stated that he would share that report with Mr. McDaniel after the meeting. The Board of Commissioners is committed to try to improve the bottom line operating BPGC, which is shown by their continuing obligation to support it. In his opinion, the impact of withdrawing that support would be detrimental to both the City of Union and Union County, which is clear because it already represents a substantial investment and risk and exposure.

Mr. McDaniel asked what problems would be created for the City of Union if the county no longer operated BPGC. Commissioner Howard stated that the contract compels both parties to discuss ownership every five years. The Board of Commissioners has not specifically talked about that clause in the contract, but the City of Union is becoming increasingly more involved in some of the decisions and operations of what happens near and around BPGC in terms of making it an economic development magnet for the city. He doesn't know how far those talks will go.

Mr. McDaniel asked if the clause in the contract had been discussed by both parties yet. Commissioner Howard stated that it had been discussed by Union's mayor and city

administrator, but not by the city council. Commissioner Howard stated that he would provide a copy of the contract to Mr. McDaniel after the meeting. Mr. McDaniel stated that he would be interested to see the contract and the benefit of the BPGC business.

Administrative Matters

Resolution 2016-10, Transferring Appropriated Funds

Mrs. Burgess stated that she was requesting to make adjustments in the current budget so that all expenditures come in under the appropriated level so that there are no budget violations during the audit. She read the resolution in its entirety.

Commissioner McClure moved approval of Resolution 2016-10. Commissioner Davidson seconded. Motion carried unanimously.

Court Order 2016-26, Appointment to the WURA Board of Directors

Mrs. Burgess stated that there was a need to appoint a board member and David Schmidt expressed an interest to serve. This position is jointly appointed by Union and Wallowa counties; Wallowa County submitted a court order making the same appointment. Commissioner Davidson stated that Mr. Schmidt is owner/operator of Integrated Biomass; he has an interest in the railroad being in place and operational and would be a good addition to the board.

Commissioner Davidson moved approval of Court Order 2016-26. Commissioner McClure seconded. Motion carried unanimously.

Union County Tourism Promotion Agreement

Mrs. Burgess stated that this agreement is between Union County, the City of La Grande, and the Union County Chamber of Commerce; it outlines the services that the Chamber of Commerce would provide and is a renewal of the previous agreement; this would be effective July 1, 2016 through June 30, 2019.

Commissioner Davidson moved approval of the Union County Tourism Promotion Agreement. Commissioner McClure seconded.

Commissioner McClure stated that addendum A from Section 2(a)(1) was dated July 30, 2010 and the person who wrote it is no longer at the Chamber. He suggested that the commission sign it, but also consider reviewing the foundation documents that created the agreement. He stated that it may not require a new proposal. He thinks the Tourism Advisory Committee needs to review the addendum and other documents. He is comfortable with a three-year agreement.

Commissioner Davidson stated that the advisory committee operates under that program of work and could review those documents. The Chamber Director makes the appropriations and acquisition of advertising based on the direction of the committee

that the commission appoints. He stated that the commission could schedule a work session and give the advisory committee some direction.

Commissioner Howard stated that the addendum was six years old and was a material item.

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

Next Meeting and Location

The next meeting will be on July 20 at 9:00 A.M.

Commissioner Howard commended Mrs. Burgess for a tremendous job on the budget and thanked her for her time and professionalism. He added that she is appreciated by the public as well.

Adjournment

The meeting was adjourned at 9:33 A.M.

Respectfully Submitted,

Lorcinda Johnston
Sr. Dept. Specialist II