



**MINUTES  
BUDGET COMMITTEE**

Present: Judge Gary Thompson, Commissioner Tom McCoy, Commissioner Joe Dabulskis; Forest Peters, Larry Hctor, Kyle Blagg – Budget Committee Members; Debbie Hayden, Budget Officer; Lauren Hernandez, County Court Administrative Assistant.

**SUMMARY OF ACTIONS TAKEN**

**Motion by Kyle Blagg, second by Forest Peters, to appoint Larry Hctor as Budget Committee Chair.**

**Vote: 5-0**

**Yes: Thompson, McCoy, Dabulskis, Blagg, Peters**

**No: 0**

**Abstain: Hctor**

**Motion carried.**

**Motion by Commissioner McCoy, second by Larry Hctor, to appoint Kyle Blagg as Budget Committee Secretary.**

**Vote: 5-0**

**Yes: Thompson, McCoy, Dabulskis, Peters, Hctor**

**No: 0**

**Abstain: Hctor**

**Motion carried.**

**Motion by Forest Peters, second by Kyle Blagg, to approve the proposed salary schedule as presented.**

**Vote: 3-0**

**Yes: Hctor, Blagg, Peters**

**No: 0**

**Abstain: 3**

**Motion carried.**

**Motion by Kyle Blagg, second by Forest Peters, to approve step increases for Commissioner McCoy and Commissioner Dabulskis**

**Vote: 3-0**

**Yes: Hctor, Blagg, Peters**

**No: 0**

**Abstain: 3**

**Motion carried.**

**Motion by Kyle Blagg, second by Forest Peters, to approve the county budget as stated by the financial director in the amount of \$52,455,167.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hoctor, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

**Motion by Kyle Blagg, second by Forest Peters, to approve the tax rate of \$8.7141 dollars per \$1,000 for the 2017-2018 fiscal year.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hoctor, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

**Motion by Forest Peters, second by Kyle Blagg, to adjourn the Budget Committee for the 2017-2018 fiscal year.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hoctor, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

**April 12, 2017 – 9:03 a.m.**

### **Election of Officers**

**Motion by Kyle Blagg, second by Forest Peters, to appoint Larry Hoctor as Budget Committee Chair.**

**Vote: 5-0**

**Yes: Thompson, McCoy, Dabulskis, Blagg, Peters**

**No: 0**

**Abstain: Hoctor**

**Motion carried.**

**Motion by Commissioner McCoy, second by Larry Hoctor, to appoint Kyle Blagg as Budget Committee Secretary.**

**Vote: 5-0**

**Yes: Thompson, McCoy, Dabulskis, Peters, Hoctor**

**No: 0**

**Abstain: Hoctor**

**Motion carried.**

### **Budget Message**

Judge Thompson welcomed committee members to the 2017 budget meeting and presented the budget message, noting a number of discussion items proposed for this year's budget including:

- A 2% cost of living increase (COLA)

- Recommended merit increases by department heads
- Proposed allocation of SIP funds
- Allocation for new courthouse building
- Allocation to school district from 515 Fund
- Allocation to cities from 515 Fund
- Allocation to the Resident Incentive Program
- Federal Land Access Program Grant match
- Fiber project phase III (Wasco to Rufus)
- Proposed Civics Education Program fund
- Adjustments for elected officials to be considered by citizen members only
- Proposed Sherman County website redesign

### **Fair – Beth McCurdy**

Beth McCurdy, Fair Board Secretary, explained the Show and Entertainment line item has increased. Wasco County has moved its fair to the same days as Sherman County's fair. Three local fairs will be held during the same time period. There will be a concert at Maryhill Winery on the Saturday of fair. The Fair Board would like to generate more interest around entertainment. Susie McEntire will be performing the National Anthem on Saturday night and will host Cowboy Church on Sunday. Beth emphasized Sherman County is a free fair and does not charge for parking or admission. She will continue to seek additional grants and fundraising to support the fair. Last year, Sherman, Klickitat, and Wasco County worked together to create larger cash prize incentives for winners of the demolition derby. This year, Wasco County is holding its derby the same Sunday as Sherman County. Sherman County will continue to partner with Klickitat County to potentially attract more drivers. The Fair Board will seek extra money to put into the driver finale pot to attract drivers. Freddie Prez will be returning for entertainment.

No Grand Marshal has been elected yet. The fair theme will be Wheat, Wind, and Waves. The rental house is occupied. The Temporary Help line item has decreased because board members are caretaking the fairgrounds, including mowing and doing repairs. Beth received permission from the Fair Board to work with Debbie Hayden, Finance Director, to create a road map for the fairgrounds covered arena project coming up in a few years. Debbie stated Heath Gardner, Wenaha Group, will help create the plan.

The fair received Sherman Development League for the purchase of horse panels to level out the horse area and make riding safer.

The Games Expense line item increased from \$5,690.32 to \$7,000. Beth explained this reflects the demolition derby expense. The demolition derby will have a pickup truck and a car category. The cost increase reflects adding money to the prize pot for both categories.

The fair budget is mostly the same. The beginning and ending fund balance has increased over the years. The Fair Board consists of seven members who work well together. Commissioner McCoy stated the Fair Board has done a wonderful job with finances and staying on budget.

The Meals, Lodging, and Registration line item was decreased because this year's convention was moved to October and many Fair Board members cannot attend. The convention provides the opportunity to preview entertainers, acts, and shows.

Commissioner Dabulskis asked why the Fuel line item went from \$4,001.67 in 2015 to \$2,500 in this year's projected budget. Beth explained fuel usage varies between board members, and in the past, different individuals wanted more fuel reimbursement than others. Also, this winter the 4-H pavilion was not used often, so the heat stayed turned down.

Lexi Grenvik will be fair queen. The Queens Contest line item is much lower than previous years. The Fair Board purchased some materials in the past so the queen would not incur many expenses. If a judge is needed, compensation will be taken from this line item. Queens send out fundraising letters asking for brand board donations, and they can send an unlimited number of letters.

### **General Road, Non-Departmental – Mark Coles**

Mark Coles, Road Master, reported there have been no changes on the revenue side. The county is still receiving, though not forecasting, the Special County Program. This year, the program funded approximately \$81,000. Judge Thompson stated that there may be additional revenue to the Road Department depending on the transportation bill being discussed in legislature. Mark added if the bill passes, the county will profit up to almost 200%, though this money would have to be new revenue and not the existing formula calculating how counties receive funds. A new gas or mileage tax formula would have to kick in.

The Road Department has had a personnel change. There are nine employees including Mark. The additional grader the county got to keep is helpful. Both old graders are acquiring more hours and in the next few years will need to be replaced. The efficiency of cutting washboards and finishing the roads with the right moisture content was better with an extra grader, and having an extra piece of equipment to move snow with this winter was beneficial. Mark stated if one extra employee using a truck plow was available to help with snow removal, intersections and mail boxes could be cleared more efficiently. This winter did not create excessive overtime for Road Department employees.

The Materials and Services category did not have changes. There was no quarry blasting for next year. Mark hopes to fit this in before the end of the 2016-2017 fiscal year. Gas and oil pricing is unknown, but this line item was bumped up just in case. Mark is trying to build the Road Improvement budget back up.

The Capital Outlay category shows one final grader payment left this October for \$17,000. The county owns the other three graders outright. Mark put in for a Road Reserve transfer for \$50,000 to start saving for a grader to purchase in 2-3 years. The 2002 grader has approximately 8,475 hours on it. The 2005 grader has approximately 7,965 hours. Graders should be replaced around 10,000 hours. Mark reported some county roads have softball to basketball sized rocks that get kicked back and forth. Mark can purchase a rock picker with a high enough lift to dump in a dump truck. A remote reservoir for a hydraulic system can be attached to the picker and run behind the small loader. This way, no tractor needs to be purchased to pull the rock picker. Mark will bring more information about purchasing a rock picker to the County Court when he has done more research.

### **Road Improvement, Non-Departmental/Road Improvement, Road Improvement – Mark Coles**

The proposed Starvation Lane project will use federal dollars. Since the creation of Cottonwood Canyon State Park, Starvation Lane is having issues with over-usage. The road is narrow, and two cars cannot pass side-by-side, causing vehicles to drive and trespass on CRP land. The county has secured \$1.3 million of federal funding to upgrade the top to make pull-outs on the grade so vehicles can safely pass. The ultimate goal is to make the road safer for those who use it. Sherman County plans to do the work for the in-kind reimbursement part of the project.

Any other usage of the Road Improvement category will be to cover the cost of the chip seal program. Mark is trying to protect these funds to build them up so chip sealing can continue after SIP funding ends. The last payment for the Scott Canyon project was made. A warrantee walk through is scheduled around July. No blasting costs for the upcoming year are included in this budget. Next year, funds will be added for blasting, but this year, there is too much water to blast successfully.

### **General Road Reserve Fund, Non-Departmental – Mark Coles**

This fund is used to purchase equipment. \$50,000 was added this year. Right now, the Road Department has enough equipment, but in a few years, another grader will need to be purchased. Mark thanked the Budget Committee for covering half of the purchase of the loader. The backhoe is running well, and the crusher is working.

### **County General, Sheriff – Brad Lohrey**

Brad Lohrey, Sheriff, explained the revenue side has dropped from last year. Last year, pass-through funds for the Justice Reinvestment (JRI) Grant from the State of Oregon went in and out of his budget. This money pays for .125 FTE for Katie Paul to work with JRI programs and is run through the Sheriff's budget. The grant cycle is up this year. The JRI programs are run through the Local Public Safety Coordinating Council, and some may be run through Northern Oregon Regional Corrections (NORCOR). The NORCOR program offers a 30-day class to people who are incarcerated and dramatically reduces recidivism. The Fuel line item has been decreased by \$9,000. A Concealed Handgun Licensing Fees line item was added. The sheriff's office has to pay money to the State of Oregon, and this will be accounted for separately. The county charges \$50 for non-local permits. Deputy James Burgett teaches concealed carrying classes to locals, and the fee for this class covers their licensing fee. The Computer Expense line item increased. With the new courthouse facilities being built, Brad anticipates needing to purchase a few more computers. Last year, Lexipol software was purchased. A maintenance fee will be charged each year. This will pay for updates to the policies, policy tests, and storage of the results. Citycounty Insurance backs this software. Brad will be hiring two new deputies this year. Deputies are required to live in the county, and Brad stated housing is an issue. Two Computer Expense lines are present. The one with no funds in it will disappear in the future.

### **County General, Sheriff – Marine Patrol – Brad Lohrey**

Deputy Dan DeHaven will be retiring. He will be running the marine boat, which prevents the sheriff's office from losing a deputy in the summer time. Last year, the county paid \$6,200 to fund the marine boat, which is pass-through funding from the State of Oregon. This year, the county will pay \$243 towards the marine budget. With Philippi Park opening, having a marine deputy will be a good resource. Gilliam County is responsible for monitoring law enforcement in the park, but Sherman County assists when needed. The marine budget has gone down. Brad anticipates purchasing one vehicle. No vehicles were wrecked this winter, but all have some type of damage. Brief discussion as held about drug trafficking problems.

### **County General, Non-Departmental**

The Amusement Tax line item is lottery play funds. The Taylor Grazing line item is pass-through funding for the Soil and Water Conservation District. The Mental Health Alcohol and Drug (MHAD) line item is pass-through funding that goes to Mid-Columbia Center for Living. The Six Rivers Mediation line item has \$30,000 as a placeholder, though Debbie specified the county will not spend that amount. In 2016, only \$3,960 was spent. A state program exists for funding mediation, so the county will not directly pay Six Rivers. The Mid-Columbia Council of Governments (MCCOG) line item increased because MCCOG is charging an extra 50¢

per person in the county to put into Oregon Project Independence. This program helps seniors stay in their homes and has been greatly cut by the state. The CAC Expense line item is for Community Action Council. Funds for this come from Greater Oregon Behavioral Health Inc., though Debbie is unsure if funds for this are coming in. The amount in the line item is the carryover from what has already been paid to the county. These funds go towards different CAC projects to improve health in Sherman County. The Civic Education Program line item is new. Sherman County Court would like to establish the program to support students to participate in activities that create interest in civics and government. The Court is in the process of putting together the process and rules of the program. The program will be used to match funds raised by students to participate in such events. The Court would like to keep this program available even after SIP funding ends. The Annotations and Lawbooks line item goes towards purchasing the law library the county is required to keep according to the Oregon Revised Statutes. Many of these books are online, but hard copies are still available to have on hand.

### **County General, Assessor**

The Office Help line item is new. The assessor has brought in a part-time employee to help with records and other tasks. The Deputy Appraiser line item was not included in the budget this year. The county contracts through Wasco County for Geographic Information Systems (GIS) services.

Debbie explained the Computer Related Expense Fund in the General Fund was set up to provide for the network computer that runs the main software programs for assessment, taxation, and more. Recently, every department has been using this fund to purchase computer equipment, which made it hard to track how much was being spent on assessment and taxation. A Computer Expense line item was added to each department so computer-related expenses can be taken directly out of that line item and be associated with the total cost of running the department. The Computer Related Expense Fund in the General Fund will still be used to maintain the network and pay for cost of support. Hardware and software related to individual departments will be taken from those departments' Computer Expense line item

### **County General, County Clerk**

This fund has not changed much. There have been issues with the ballot counting machine. A technician looked at the machine and worked out the bug in the processing mechanism. It is unsure how long the machine will be able to be used. A reserve fund was started last year, and \$20,000 was put into it. This year, another \$20,000 will be added. Debbie would like to increase this by another \$10,000 so the reserve holds \$50,000 if another machine needs to be purchased. The machine allows the county to produce timely voting results to the State of Oregon. Discussion was held about humans vs the ballot machine. The Helion Software Expense line item increased because the new recording software was purchased and the county pays a monthly maintenance fee.

### **County General, Computer Related Expenses**

A Website Development and Support line item has been added for 20,000. The County Court website is outdated and is not user friendly. The Court will advertise a Request for Proposal for website redesign services and see what kind of pricing quotes are received.

### **County General, County Court**

The Commissioner – Position 1 and Commissioner – Position 2 line items are separated because it is easier to track. The Cell Phone Allowance line item is empty because no commissioner has requested to use it this year. The Extra Help line item was added to fill in while Lauren Hernandez, Administrative Assistant, is on maternity leave.

### County General, Courthouse

The Maintenance Engineer line item decreased from 2016 to 2017 because Lee Langston retired and Dan Aldrich is on a different step of the salary schedule. Money was added to the Photocopy Machine line item, as the current machine is nine-years old and Bohn's Printing sent an email saying the machine is obsolete. The Extra Help line item will cover the cost of hiring someone to maintain the courthouse if Dan takes leave or goes on vacation.

### County General, Justice Court

The Justice of the Peace line item was raised, as the income for this position was raised.

### County General, Weed Control/Grounds Maintenance – Rod Asher

Rod Asher, Weed District Director, reported the Oregon Department of Fish and Wildlife (ODFW) grant for \$35,000 was originally included with the Bureau of Land Management line item, but this year it has been separated so it is easier to describe where funds are coming from. The Corps of Engineers Contract line item has been added again and typically is around \$7,000. This is for work around Giles French Park, LaPage Park, and the dam. Rod would like the skeletonweed on government land across the bottom five to ten miles of the John Day to be addressed. Last year, a Cooperative Weed Management Area (CWMA) Coordinator line item was added. It was funded by ODFW, Sherman and Wasco County Soil and Water Conservation (SWCD) Districts, and Sherman County. The CWMA seasonal crew is funded through an Oregon Department of Agriculture grant.

The Weed Tech/Grounds Maintenance line item funded a seasonal employee until last year. This position was made full time in the fall. This frees up more time for Tom Macnab, Ground Maintenance, to dedicate to county properties. Weed Department positions with full time benefits include Rod, the CWMA coordinator, and the Weed Tech/Grounds Maintenance position.

Rod reported additional revenue has come in for the Sherman County SWCD Grass Valley Canyon Project. The SWCD applied for a grant and used the Weed District as a contractor. The grant was received and will fund a two-person survey crew to cover the Grass Valley Canyon during the summer and fall months and in spring, for a total of six months or 26 weeks. The crew will be employees of Sherman County and will work under Rod's supervision but will work with SWCD staff. The hope is to continue to apply for grants to make this project annual with Sherman County's participation and collaboration.

The Travel Expenses and Training line items are the same. The Fuel and Oil line item decreased. The Vehicle and Equipment Maintenance line item has increased, as many Weed Department vehicles are outdated. The Supplies line item increased due to the new facility being built. Rod is anticipating purchasing shelving and other equipment needed to set up the inside of the building. The Grounds Maintenance line item funds supplies for grounds maintenance. Rod purchased new computers last year and does not anticipate an expense here, but money is in the Computer Expense line just in case. The Insurance line item is in line with what the Weed Department saw in the past year. The utility line item amounts are just estimates at this point, as the new facility has not yet been completed. The Weed Control Chemicals line item funds herbicides and spraying products. The Deschutes Weed Management Area Grant line item is dedicated to supplies for this project, including gloves, batteries, and backpack sprayers. Brief discussion was held about use of the Weed Department's drone.

## **Weed Sinking Fund, Non-Departmental – Rod Asher**

Rod is looking to replace an older vehicle in his fleet. With government pricing, Rod can purchase a vehicle with a bed on it for around \$33,000. The ending balance of \$9,800 is for grounds maintenance in case a new mower needs to be purchased.

## **County General, Parks**

The RV Corral Maintenance line item increased to \$20,000. Debbie explained most of this will be spent this year due to roof issues and electrical issues in the old laundry room. A new lawn mower was purchased this year and has been paid for already.

## **County General, Planning**

The Planning Grant line item receives grant funds every-other year. Debbie reported that Georgia Macnab, Planner, does not believe the county will receive these funds this year.

## **County General, Solid Waste/Recycling**

The Hazardous Waste Disposal line item increased by \$5,000. Last year, the county contributed \$7,000 for hazardous waste disposal. So many people participated in the program that the cost of disposal was approximately \$10,000. Tri-County Hazardous Waste asked Sherman County to contribute \$5,000 more, bringing the total contributed to approximately \$12,000.

## **County General, Treasurer**

The Actual total for 2016 was \$110.00-. This is due to a bank fee. Instead of paying the fee out of materials and services, it was taken from revenue, which was an error. A Bank Fee line item has been added to prevent this from happening again.

## **County General, Financial Services**

The Computer Expense line item is the only change in this fund.

## **County General, Juvenile**

The State Juvenile Crime Prevention Grant is lower this year, as it is paying for a counselor at the high school. The Juvenile Detention line item is the money the county pays to Northern Oregon Regional Corrections to pay for the juvenile side.

## **County General, County Vehicle**

No big changes have been made to this fund.

## **County General, NORCOR**

The Northern Oregon Regional Corrections (NORCOR) fund has gone down because NORCOR changed the funding formula, dramatically reducing Sherman County's contribution. The formula used to be based on bed use and is now a 50/40/5/5 formula. The county used to pay \$300,000 and now pays approximately \$150,000.



### **County General, Burnet Building**

There have been no changes to this fund. Judge Thompson notified the Budget Committee that money will need to be spent on the outside of the building because it needs to be re-stained or resealed. The Repairs and Supplies line item has \$6,000. Last year, only \$2,800 was spent. It is possible funds for the repairs can be taken from contingency.

### **County General, District Attorney**

There have been no changes to this fund.

### **County General, Extension**

Cindy Brown, Extension, is now a state employee. The county pays the state a portion of her income covering the work she does for the county. The Co-Op County Extension line item doubled to cover this, but the Personnel Services line item decreased.

### **County General, Wasco Annex**

Nothing was budgeted for this because the building ownership is in the process of being transferred to the City of Wasco. The Sherman County Court has discussed paying the City of Wasco \$50,000 for the next six years until the end of SIP payments if Wasco agrees to take ownership of the building. If no maintenance staff is hired, it may be possible the cost to run the building could stay under \$50,000. The Court communicated that the county would keep the building open until the end of SIP payments but would not invest money into the building if Wasco was not interested in taking it over. The Court proposed the offer of \$50,000 per year until the end of SIP payments plus \$250,000 for building repair (roofing, painting) if the city agreed to take ownership. This is cheaper than it would cost the county to run the building for \$100,000 per year until the end of SIP payments. If the City of Wasco decides not to take ownership of the building, the county will operate the building as it is until the end of SIP payments.

### **County General, Transfer to Other Funds**

There have been no changes to this fund.

### **County General, Gen Fund Ending Balance**

There have been no changes to this fund.

### **Community Transit, Non-Departmental**

The transit program continues to grow and thrive. Currently, eight drivers are employed, and more are needed. There are nine Community Transit vehicles. Many of the rides offered are for Medicaid and are financed by the Coordinated Care Organization through Mid-Columbia Council of Governments. Grants also help to fund this program.

### **Ambulance, Non-Departmental**

There have been no changes to this fund. The ambulance is self-funded. The Ambulance Sinking Fund no longer exists. These funds were rolled into the Ambulance fund.

### **Family Caregiver Support, Non-Departmental**

Money in this fund is carryover. These funds come from Mid-Columbia Council of Governments. The \$3,800 is left over to spend.

### **Courthouse Repair and Improvement Reserve, Non-Departmental**

\$100,000 is budgeted to be added this year.

### **Prevention Program, Non-Departmental**

Taylor Olsen was hired as prevention coordinator. The Med, Life, AD&D line item decreased because Taylor is not taking insurance.

### **County School Per Capita, Non-Departmental**

There have been no changes to this fund.

### **County Surveyor, Non-Departmental**

There have been many surveys and partitions filed. The surveyor checks and signs off on them. Surveys are filed through the county clerk.

### **CAMI, Non-Departmental**

The MDT Coordinator line item has decreased, as the way the dollars are being spent has changed. The county will spend less on the multidisciplinary team coordinator and more on programs.

### **Community Development, Non-Departmental**

The Website Development and Support line item is empty, as funds for this were moved to the computer fund.

### **Court Security, Non-Departmental**

There will be security costs associated with the new courthouse facility. Approximately \$50,000 of Court Security budget funds have been earmarked to help pay for this.

### **Emergency Services, Non-Departmental**

Shawn Payne, Emergency Services Director, is paid out of this fund.

### **DA-Victim/Witness Assistance, Non-Departmental**

Katie Paul's hours paid out of this fund will increase where they decreased in the CAMI fund. Katie is .625 FTE from this fund. With the .125 FTE she is paid from the sheriff, her position is .8 FTE.

### **Wasco RD Dist #2, Moro RD Dist #3, Grass Valley RD #4, Rufus RD #5, Non-Departmental**

Part of the money the Road Department receives is set aside for the cities for road work. This is budgeted in the General Fund into the prior year taxes and current year taxes, but when it comes in, it comes in to each city's budget fund separately. Then the money is transferred to General Road money and paid out of that fund.

### **Tri-County Corrections, Non-Departmental**

John Folliard will be retiring at the end of June. One idea is to have Tina Potter become full time and fill his position while moving the administrative assistant to .75 FTE. Another idea is to make Tina full-time director, hire another probation officer, and leave the administrative assistant at two days a week. The Tri-County Corrections committee has not yet made a decision on this.

### **Wellness Center, Non-Departmental**

Membership fees are down. Membership fees tend to fluctuate, increasing in January. Offering three-month memberships versus one-year memberships leads to fluctuation. It costs the county \$6,000 per year to run the Wellness Center.

### **Tri-County Veterans, Non-Departmental**

More money from the State of Oregon could be coming into this fund, but this will not be known until June. Sherman County shares veterans services with Gilliam and Wheeler County.

### **Drivers Education**

Paula King will be retiring from coordinating the driver education program. A request for letters of interest for a driver education coordinator was sent out. The program may need to purchase a new vehicle in the near future, as the current one is eight-years old.

### **Early Learning Services, Non-Departmental**

These funds took over for the Commission on Children and Families. The budget is for the region Four Rivers Early Learning Hub covers. The Hub is hoping to release some the funds before the end of this fiscal year. The Hub covers Sherman, Gilliam, Hood River, Wasco, and Wheeler counties. The Contractual Services line item increases from \$115,000 to \$126,000, and the Kindergarten Partnership line item decreases from \$106,000 to \$71,000. Debbie explained the county has been receiving funds for two years but has not been expending them. The hope is to spend some of the funds this year as programs are identified, so it is expected that line item amounts will drop.

### **Senior Center, Non-Departmental**

There have been no changes to this fund.

### **SIP Income Tax Distribution, Non-Departmental**

This fund is for money that comes in and is distributed out. SIP funding is earned through the wind towers and is a percentage of state tax that employees working on the wind farms pay. SIP payments will decrease. Discretionary wind tower money will drastically decrease in six years.

### **Courthouse Facility, Non-Departmental**

Debbie proposed to transfer \$3 million to this fund, which will make the full \$9 million needed for the project. The project is on budget, though it has just begun. The budget was raised from the original amount, but right now, all bids are in and the budget is set. It is possible there could be change orders, but the contingency amount is large. The project carries a construction contingency and an overall contingency.

### **Renewable Resources, Non-Departmental**

The School Renewable Energy Program line item funds a science teacher at the high school.

### **Workforce Housing, Non-Departmental**

The Rental Incentive Program will be funded through this fund. The county will pay \$5,000 per new rental unit. No incentive money will be given for renovations of existing buildings or rentals.

### **Infrastructure Study, Non-Departmental**

Some money in this fund has been earmarked for main street projects in the cities.

### **Courthouse Project Update – Ron McDermid**

Ron McDermid, Justice of the Peace, updated the Budget Committee on the courthouse facilities project. The floor plan is 15,200 square feet over two floors with a 25 foot link at the ground level. The new facility will host judicial and law enforcement entities. For the type of specialized needs required for these departments, it is easier to build them from scratch instead of rebuild an existing space to fit these needs. It is easier to turn the existing courthouse into the administrative side of Sherman County.

The bottom floor of the existing courthouse will hold financial services, the county clerk, a work room/mail room which will be used at key times for the election process, the treasurer/transit coordinator, and a shared office space for conferencing. The holding cells will be removed. A pre-link space leading into the link will hold a miniature museum or other display space. The bottom floor of the new addition will hold Justice Court, a hearings room, a break room, public restrooms, a conference room to be shared with the public, and the sheriff's department. The hearings room is flexible and can be used for other purposes if needed.

Justice Court, Circuit Court, and the sheriff's office reception areas will be protected using plexiglass. Each office has the capability to buzz people in. Video surveillance will still be used on both floors of the current building. The back of the building will be secure, though employees will have access to it. The wall at the end of the sheriff's office is approximately 20ft away from the sidewalk. This will be used as an egress for the sheriff during an emergency or when transporting prisoners to trials. The public will have access to the building through the front.

The upstairs of the existing courthouse will have a hallway leading to the back of the building instead of through the middle of the court room. This will give access to the restrooms. Upstairs will host the assessor, planning, the County Court, and a conference room. The office of the County Court will contain a desk area for the administrative assistant, computer work stations for commissioners, and an office for the county judge. An executive session chambers for the Court will be at the back of the courtroom, but this can also be used as a work area. The planner will have an office available in the same space as the assessor, but the County Court can decide if this will be used. The upstairs of the new addition will hold Circuit Court, a waiting and lobby area for the court room, a two-sided elevator, a public stairway, the district attorney's office, the juvenile director, victim's services/witness advocate, the prevention coordinator, skylights, a defendant/attorney meeting room, the law library, and the jury deliberation room.

The projected official completion date for the new addition is March 1, 2018. Projected completion of the renovation of the existing courthouse is July 1, 2018. The project team waited until this spring to go out for bid, as not many bids would have been received over the winter. The Road Department turned the vacant lot adjacent to the courthouse into a parking lot. It has also worked on site prep for the Weed Department and removed the old Weed Department buildings. Site prep for the courthouse facilities has begun, and as many trees as possible have been saved. In March, the soil was removed to the depth of bedrock and the excavated area was filled in with compacted rock. Utilities were relocated, and an electrical transformer vault was placed in the ground. Installation of forms for the foundation and major footings was completed. In April, concrete will be poured. Forms will be built for the shear walls. Under-slab utilities will be installed. In May, the steel superstructure of the building will begin, and pan decking for the second floor and roof will begin. In June, concrete will be poured for the second floor deck. Installation of metal stud framing and installation of the stairways will begin. From July to September, the building interior will continue to be developed, the roof and windows will be installed, and brick cladding of the building exterior will be completed.

After the new addition is ready for occupants, those upstairs in the existing courthouse will move in and renovations will begin upstairs. Those downstairs will then move upstairs so the downstairs can be renovated. County Court may need to meet in the new building during renovation. A dedication ceremony may take place in June or July of 2018. Ron presented an example of a five-week construction schedule being used by the construction project manager. The cupola is being designed and replicated in Texas. It will look like the original cupola. The bell will not be replicated.

#### **Resident Incentive Program Fund, Non-Departmental**

There have been no changes to this fund.

#### **Community Transit Reserve, Non-Departmental**

This fund holds match dollars for grants to purchase Community Transit vehicles.

#### **Computer Reserve Fund, Non-Departmental**

This fund will cover software and hardware. There are two more years on the contract with Progress. After this, the county will likely choose another program for taxation software. Many counties write their own programs for this. Debbie will begin looking for other software and will put out a Request for Proposal.

### **Parks Reserve Fund, Non-Departmental**

There have been no changes to this fund.

### **Emergency Services Reserve, Non-departmental**

Shawn Payne, Emergency Services Director, puts \$5,000 into this budget each year for the purchase of new vehicles.

### **PERS Payback Reserve Fund, Non-Departmental**

Money in this fund is to use in the case of emergency. This most likely will not be used until SIP funding goes away. The county's PERS liability changes and fluctuates each year.

### **SIP Additional Fees, Non-Departmental**

Larry asked if Cottonwood Canyon State Park learning center was still moving forward. Judge Thompson explained that it was, and the funds have not been spent yet because the project has not reached its funding goal. This could happen this year or next year.

The Wasco Annex line item shows \$250,000 to reflect a payment to the City of Wasco if Wasco takes over ownership. The full amount is budgeted and can be paid at one time. The Budget Committee prefers the money be paid on a reimbursement basis as work on the building is completed and that it not be given as one lump payment.

The Beginning Fund Balance of \$10.8 million is reflected if the county makes the \$1.6 million payment to reserves that was not budgeted for the current fiscal year. If the payment is made, the Beginning Fund Balance will be \$10.8 million. This leaves a \$1.1 million operating contingency for next fiscal year. The payment was not made during this current fiscal year but still can be made before July to have the \$10.8 million Beginning Fund Balance.

South Sherman Fire and Rescue (SSFR) did not schedule an appointment with the Budget Committee. The result of the economic survey may not be completed yet. Last year, the Budget Committee allocated \$250,000 for the project and told SSFR the county may give up to \$500,000, but SSFR could not draw on the additional \$250,000 until the Budget Committee authorized it. \$550,000 has been budgeted, covering the carryover that has not yet been spent. The thought behind allocating \$500,000 was to allow SSFR to have matching funds for grants. The Budget Committee would like to see some progress on the project and discussed keeping the \$250,000 allocated last year available for SSFR until at least 2018. The Budget Committee authorized \$250,000 last year with the condition that another \$250,000 would be released if SSFR came back and presented a well-developed plan for the project. This has not been done. The remaining \$250,000 should only be authorized after the 2018 Budget Committee meeting and should be contingent upon progress of the project. The motion from last year reads, "Motion by Commissioner McCoy, second by Forest Peters-Makelim, to give the remainder of the \$150,000 originally given to South Sherman Fire & Rescue for planning plus \$250,000 in the 2016-2017 budget year with the understanding SSFR can approach the Budget Committee to request another \$250,000 the following year." The Budget Committee will keep the additional \$250,000 available but ask SSFR to present to the Budget Committee to explain the progress that has been made before this money is released. The County Court will send a letter outlining this and stating that after one year, the funds allocated for this project will expire if no presentation or progress is made.

The \$1.6 million payment to the County Reserve will be made this year from Contingency. Contingency is currently \$12.7 million. Debbie does not anticipate spending anything on projects from this fund for the rest of this fiscal year. This would make the Beginning Fund Balance \$10.8 million.

The ODOT Payment line item has \$170,000 budgeted as match funds for the Federal Lands Access Program Grant for the Starvation Lane road improvement project. Some of this may be in-kind work, and the Road Department could be reimbursed from this line item.

Last year, \$1 million was budgeted for the Biggs Service District. Actual cost was only \$512,100. \$512,000 was budgeted for the next fiscal year. Commissioner McCoy explained the project will be funded through a \$500,000 United States Department of Agriculture (USDA) grant, a \$1 million USDA loan, and a \$500,000 contribution from the county.

The fiber project is not quite done. Fiber will be installed from Wasco to Rufus. This will be funded by the state. No expense or revenue was budgeted for this. The route of the fiber was briefly discussed. Fiber needs to connect to Rufus for the possible 911 center project.

Judge Thompson stated pumped storage is being funded, and Oregon representatives are in support of the project.

Larry asked if the \$1.6 million payment to the school is still needed now that the new school facility is built. The school is paying off the construction loan with that money, and it is critical the payment is made. The loan should be paid off by 2019. In 2016, \$50,000 was donated to the Sherman County Athletic Foundation to support the building of the new baseball field.

### **County Reserve, Non-Departmental**

No discussion was held about this fund.

Kyle asked which line item funds the preschools. Funds for this come from the Early Education Fund line item in the County General fund. This line item still holds \$80,000. The Court sends notices, and applications for the funding go through the County Court.

Debbie reported the salary study helped put how positions are classified in relation to one another into perspective. Sherman County is not like many other counties, and the positions differ from other counties. The study helped to show the county is not completely off base when it comes to pay.

The Budget Committee adjourned at 3:39 p.m.

### **April 13, 2017 – 9:06 a.m.**

Debbie clarified that out of the original \$400,000 authorized for SSFR (the \$150,000 for planning and the additional \$250,000), approximately \$40,000 has been spent. This leaves \$360,000 left of what has been authorized. Commissioner Dabulskis reported he attended a SSFR meeting the day before and the floor plan was reviewed. SSFR is waiting on grant funding. Kyle clarified that the Budget Committee is not authorizing any new money to SSFR. The remaining \$360,000 is money that was authorized in the past but is still spendable in the next fiscal year. Debbie explained SSFR is still in the planning phase and is working with the \$150,000 authorized for planning. The \$250,000 authorized last year has not been used. A letter will be sent

stating if no progress is made in the next year, the Budget Committee will take another look at whether to authorize another \$250,000.

Debbie stated she will make the payment to the County Reserve this fiscal year. This is already reflected in the Beginning Fund Balance.

Wildlife Services submitted a letter requesting funds. The County Court did not allocate the funds because the State budget is undecided. The wildlife budget is being cut by \$12,000. Wildlife services asked the county for \$72,025.10. This amount is in the budget. Debbie explained that last year, wildlife services asked for \$72,025.10, but the county budgeted \$81,500. This leaves \$3,200 short of what this year's request is. This fund covers wildlife services provided by Dean Dark. The state is cutting wildlife funding, which is why Wildlife Services has requested more from the county. The Budget Committee does not want to express it will pick up the funding shortfall before the State budget is decided. It was suggested to plan on the funds coming out of contingency and only allocating them if needed. If the additional \$12,000 is needed, the county can move it out of the Operating Contingency fund and into the wildlife fund.

### **Compensation Study**

The study by Local Government Personnel Institute (LGPI) cost \$9,700 to conduct. The Budget Committee was provided a proposed salary schedule based on the salary study to become effective in July. The counties listed in comparison to Sherman County were Grant, Harney, Lake, Wallowa, Gilliam, and Wheeler. Debbie asked LGPI if Wasco and Jefferson County could be used, as they neighbor Sherman County and employ many of the same positions, but LGPI replied those counties were too large and would skew the data. Looking at the placement of job positions in relation to one another would have been helpful, but LGPI did not feel this was relevant. The salary comparison between other counties that was conducted by Association of Oregon Counties shows the relationship of Sherman County salaries in comparison to other counties. The County Court Administrative Assistant position was lowered a step to be equal to other administrative positions.

Sherman County Court, acting as the Compensation Board, approved the adjusted salary schedule. Debbie asked the non-elected members of the Budget Committee to look at how the elected officials are placed on the salary schedule. She clarified the sheriff asked that his position be compensated for certificates, just like the deputy positions are. The County Court supported this request. Deputies can earn certificates for advanced and intermediate training. The sheriff can earn executive and management certifications beyond the deputy certificates.

The treasurer's position was changed. The current person in the position works as the treasurer for .6 FTE and as transit director for .4 FTE. Debbie explained for the elected position (treasurer) to move up the salary schedule as high as it is, the community transit position was made into its own separate position and was placed lower on the salary schedule with other director positions. It is possible to pay one employee two different wage rates for separate job titles. The Justice of the Peace position was also moved up the schedule. The last compensation study was done ten years ago.



The sheriff outreach coordinator is paid for through the Justice Reinvestment Grant. This position coordinates services for inmates released from prison. This position is temporary until the grant funds are used up.

**Motion by Forest Peters, second by Kyle Blagg, to approve the proposed salary schedule as presented.**

**Vote: 3-0**

**Yes: Hocter, Blagg, Peters**

**No: 0**

**Abstain: 3**

**Motion carried.**

Debbie stated one thing to take away from the salary survey is that when an employee asks to be reclassified, they should be asked to rewrite their job description so it can be sent to LGPI to review and determine if the description changes the job position's classification. Members of LGPI pay an annual membership fee, and this is a service offered.

Commissioner McCoy clarified the citizen members of the Budget Committee act as the Elected Officials Compensation Board. Elected officials are not part of the process of deciding elected officials' salary.

The Cost of Living Adjustment was approved by County Court. Commissioner McCoy and Commissioner Dabulskis are eligible for step increases.

**Motion by Kyle Blagg, second by Forest Peters, to approve step increases for Commissioner McCoy and Commissioner Dabulskis**

**Vote: 3-0**

**Yes: Hocter, Blagg, Peters**

**No: 0**

**Abstain: 3**

**Motion carried.**

Commissioner McCoy explained that Sherman County has two compensation boards. County Court acts as Compensation Board to consider step increases for county employees. The citizen members of the Budget Committee act as the Compensation Board to consider step increases for elected officials.

Debbie explained the changes in the proposed budget include an increase to the reserve fund in the clerk's fund by \$10,000 and reducing the Operating Contingency by \$10,000. The Weed Control/Grounds Maintenance fund added a grant for \$41,600 and took this amount out of Personnel Services and Materials and Services. The SIP Additional Fees fund reflects reducing the SSFR building payment by \$190,000.

The tax rate remains at \$8.7141 dollars per \$1,000. The final total budget is \$52,455,167. This includes special funds.

**Motion by Kyle Blagg, second by Forest Peters, to approve the county budget as stated by the financial director in the amount of \$52,455,167.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hocter, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

**Motion by Kyle Blagg, second by Forest Peters, to approve the tax rate of \$8.7141 dollars per \$1,000 for the 2017-2018 fiscal year.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hctor, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

Brief discussion was held about Sherman County's tax rate in comparison to other counties.

Commissioner McCoy presented a Planning for Special Projects list. The spreadsheet generates projections of future projects through the end of SIP payments. Commissioner McCoy took the money the county would generate (revenue minus ongoing expenditures), which is the surplus money the county will generate until the end of SIP payments in six years. He then added back the money the county had available to spend in the previous budget year (\$10,181,865). This gave the total of money the county has available to spend beyond the operating cost (\$50,121,141). He subtracted the totals scheduled to be added to the reserves (\$12 million to County Reserve, \$3 million to Resident Incentive Annuity, and \$1 million to Operating Reserves). This creates a total of \$16 million. Subtract this amount from the total money the county has to spend, and the county ends up with approximately \$33 million that can be invested (\$50 million - \$16 million). Subtract the money the county will pay towards the courthouse facility project, and \$28 million will be available to invest. The spreadsheet goes through each year to look at scenarios of what the \$28 million might be spent on. At the end of SIP, Commissioner McCoy assumed the county would want to have \$15 million available in discretionary reserves above the county reserve. Various possible projects were discussed, including Giles French Park, the fairgrounds arena, the 911 center, and the digital switch.

**Motion by Forest Peters, second by Kyle Blagg, to adjourn the Budget Committee for the 2017-2018 fiscal year.**

**Vote: 6-0**

**Yes: Thompson, Dabulskis, McCoy, Hctor, Blagg, Peters-Makelim**

**No: 0**

**Abstain: 0**

**Motion carried.**

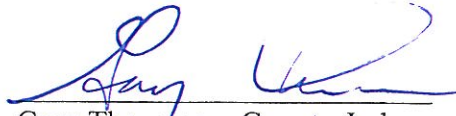
Being no further matters at issue, the Budget Committee adjourned at 10:17 a.m.

ATTEST:

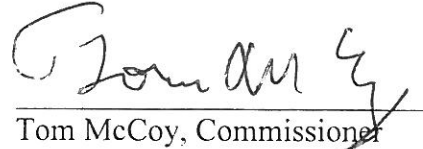


Carmen Frost,  
Temporary Administrative Assistant

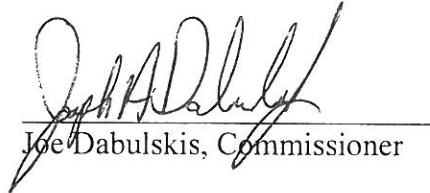
SHERMAN COUNTY COURT



Gary Thompson, County Judge



Tom McCoy, Commissioner



Joe Dabulskis, Commissioner



Kyle Blagg  
Budget Committee Secretary