



MINUTES

BUDGET COMMITTEE

April 13, 2016 – 9:00 a.m.

Present: Judge Gary Thompson, Commissioner Michael Smith, Commissioner Tom McCoy, Budget Officer Debbie Hayden, Budget Committee Members Forest Peters-Makelim, Larry Hctor, Kyle Blagg, Administrative Assistant Lauren Hernandez

SUMMARY OF ACTIONS TAKEN

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

Vote: 5-0

Yes: Thompson, Smith, McCoy, Peters-Makelim, Blagg

No: 0

Abstain: Hctor

Motion carried.

Motion by Kyle Blagg, second by Larry Hctor, to appoint Forest Peters-Makelim as Budget Committee Secretary.

Vote: 5-0

Yes: Thompson, Smith, McCoy, Blagg, Hctor

No: 0

Abstain: Peters-Makelim

Motion carried.

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 SSF&R can approach the Budget Committee to request another \$250,000 the following year.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hctor, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Judge Thompson, second by Larry Hctor, to use \$50,000 from the Infrastructure Study Fund to put into downtown plans to be released only with the creation of a county-wide chamber of commerce.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Commissioner McCoy, second by Kyle Blagg, to take \$50,000 from the Infrastructure Study Fund to fund the new well in Kent.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Commissioner McCoy, second by Forest Peters-Makelim, to commit \$100,000 to the Cottonwood Experience Center.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Commissioner McCoy, second by Kyle Blagg, to allocate \$1 million to the Biggs Service District water project.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Commissioner Smith, second by Forest Peters-Makelim, to reduce the Beginning Fund Balance of the SIP Additional Fees Fund by \$100,000; to allocate \$1,300,000 to complete the fiber expansion to Grass Valley and Rufus; to remove the transfer of \$1,671,351 to the County Reserve Fund noting that these funds will be reallocated in future years and will include interest for the period of December, 2016, to the date these funds are finally restored; and to reduce the Operating Contingency to \$1,083,311.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Kyle Blagg, second by Commissioner McCoy, to allocated up to \$35,000 to fund a portion of the Cooperative Weed Management Area (CWMA) Deschutes River Project Coordinator and a 25% portion of a Weed Technician/Ground Maintenance position contingent upon Sherman County and Wasco County soil and water conservation districts contributing their portion of funding in the amount of at least \$10,000 each.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0
Abstain: 0
Motion carried.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to allocate \$250,000 to support the Sherman County museum and make it payable in \$50,000 increments per year over the next five years.

Vote: 6-0
Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim
No: 0
Abstain: 0
Motion carried.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to approve step increases for Assessor Ross Turney and County Commissioner Tom McCoy.

Vote: 6-0
Yes: Hocter, Blagg, Peters-Makelim
No: 0
Abstain: Thompson, Smith, McCoy
Motion carried.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to approve the budget as stated by the financial director in the amount of \$45,271,405.

Vote: 6-0
Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim
No: 0
Abstain: 0
Motion carried.

Motion by Kyle Blagg, second by Forest Peters-Makelim, to approve the 8.7141 tax rate for the 2016-2017 fiscal year.

Vote: 6-0
Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim
No: 0
Abstain: 0
Motion carried.

Election of Officers

Motion by Kyle Blagg, second by Forest Peters-Makelim, to appoint Larry Hocter as Budget Committee Chair.

Vote: 5-0
Yes: Thompson, Smith, McCoy, Peters-Makelim, Blagg
No: 0
Abstain: Hocter
Motion carried.

Motion by Kyle Blagg, second by Larry Hocter, to appoint Forest Peters-Makelim as Budget Committee Secretary.

Vote: 5-0

Yes: Thompson, Smith, McCoy, Blagg, Hocter

No: 0

Abstain: Peters-Makelim

Motion carried.

Budget Message

Debbie Hayden, Budget Officer, pointed out there are requests for salary increases and position additions the group will need to look at. Commissioner McCoy added a change in salary could possibly affect the salary distribution, and if a significant change is to be made, the whole salary structure will need to be readdressed.

Judge Thompson welcomed the committee members to the 2016 budget meeting and presented the budget message noting a number of discussion items proposed for this year's budget including:

- A 1.5% cost of living increase (COLA)
- Recommended merit increases by department heads
- Proposed allocation of SIP funds
- Reserve for new courthouse building
- Proposed full-time Weed Department position
- Restricted SIP dollars managed through Renewable Resources Fund:
 - Workforce Housing Funds
 - City Infrastructure Funds
- Allocation to School District from 515 Fund
- Allocation to Cities from 515 Fund
- Allocation to the Resident Incentive Program
- A request for Grass Valley Fire Department Facility
- Possibility of additional funds for the Sports Complex
- Fiber Project phase II & III
- Renewing funding for Sherman County Historical Museum
- Adjustments for elected officials to be considered by citizen members only

County General, Non-Departmental

There are not many changes in revenue. The beginning fund balance started with approximately \$3 million dollars. Taxes are up for County General Fund because the Road Department will be using fewer taxes this year to balance the budget, and the remaining portion goes to the county budget. Kyle Blagg, Budget Committee member, noted comparing Sherman County with other counties makes Sherman County fund amounts look skewed, but the Road Department is mixed with county funds. For a county of Sherman's size, it makes sense to have the flexibility to move those funds back and forth.

Payment from SIP Community Services Fees is higher due to the split with the Road Department, which is based on the division of property taxes.

The Professional Development line item has increased. The Fair Board has requested trainings and the county has agreed to pay for them. This line item was increased to cover those expenses. Some of this money will also be available for professional development or training for other county personnel. The original amount in this

line item was \$5,000, but due to heavy use, the total has been increased to \$10,000. Requests to use this fund must be approved through County Court.

Six Rivers Mediation was left as a line item. Six Rivers did not request any additional funds this year, but the money from last year was rolled over. Commissioner Smith noted Six Rivers Mediation is being used by the North Central Public Health District. Commissioner McCoy suggested creating an incentive for Six Rivers to work in Sherman County, as they have not been recently active in the county. The resource is valuable to have, though it was noted many organizations in Sherman County work well together to solve disputes without outside mediation being necessary. Possible disputes Six Rivers could mediate were discussed.

A budget from North Central Health District is not available at this time. Commissioner Smith reported Sherman County has been paying an appropriate portion towards public health and the number should remain the same.

Debbie mentioned the Early Education Fund balance is \$80,000, and there may be other entities requesting funding aside from the two daycares already being funded. Placement of the preschools and daycares was discussed. Debbie asked if fees would be cut if the preschools merged. Commissioner McCoy replied the preschools approached the Court about this issue and the Court assured them funds would remain the same.

The Indigent Fund has been increased due to activity on the fund.

The Annotations & Lawbooks line item is mostly used for maintenance fees for legal software, as most law books are online now.

Materials & Services was budgeted at \$514,000 during the 2015-2016 fiscal year. The actual amount shows as \$872,833.14. This is due to a grant that was passed through this fund that was then taken back out.

County General, Assessor

The Assessor's Office hired Drew Messenger to replace Brian Stradley, and Pat Tierney retired, leaving only two full-time employees in the department. Ross Turney, Assessor, added money into his budget to hire a temporary employee to update records, tax cards, jackets, map books, and more. Ross believes this can be done within a year on a part-time basis. Discussion was held about why this updating couldn't be done by the two current employees. The Assessor's Office has been doing an enormous amount of reassessment, and records and tasks are so backlogged from previous years the office cannot catch up without extra help. A short-term contracted employee is a conservative solution to this problem.

Sheriff's Office – Brad Lohrey, Sheriff

Brad Lohrey, Sheriff, explained changes in his budget from last year. Revenue has increased this year compared to past years. This is because money from the state passes through this fund to be allocated towards recidivism. Katie Paul, Victim's Advocate, is paid to offer services to people coming out of the legal system. She helps them locate services and overcome barriers to receiving services. The grant is for two years and moves through the Sheriff's Office budget but is just pass-through dollars.

Commissioner McCoy asked why Deputy Burgett's salary was lower than other salaries. Brad explained Deputy Burgett is paid out of two different budgets, including the marine program, which the state pays for. Brad stated next year he will be looking for another person to run the marine program so he can use his deputies elsewhere. Possible future advertising for this position was discussed.

It is possible the K9 program could come back if a deputy who wants to do it can be found.

Brad reported the Records Management expenses line item is down from last year. Last year, there was \$20,000 in the fund for e-ticketing management. The company offering to do the management wanted the money upfront and offered to design the program after funds were received. Brad requested the program be designed first and then the funds would be paid. He wants a system that has been shown to work before he spends money on it, and because of this, money for e-ticketing management will not be included in the budget this year. The e-ticketing program has been a huge savings to the county. Brad pays \$3,000 per year for a records management system. He budgeted \$10,000 for this year because he is moving to Lexipol. Lexipol is paperless and costs \$3,000-4,000 per year. The system sends updated policies to each deputy, administers a quiz about the policy to each deputy, and files those tests for record keeping. Deputies receive police training credit from the tests. It will not be mandatory for deputies to take the tests, but for liability and insurance, Brad feels it is a good option to protect employees and the county.

The Justice Reinvestment Grant line item is the grant for Katie to offer Victim's Services. Without this grant, Materials & Services would have remained similar to what it was last year, but this is where the money flows in and out. Some of this amount is paid to Tri-County Community Corrections for Shandie Johnson, Prevention Coordinator, to supervise community service opportunities.

Marine Patrol – Brad Lohrey, Sheriff

The Marine Patrol budget has changed because there is more money from the state this year. \$5,000 is allocated for a boat shed. The shed will not be lockable but will provide cover. Repairing boats after sun damage costs around \$5,000 per occurrence, and the shed will help prevent this. It will most likely be put in Rufus, is portable, will protect boats from the weather, and will have an anchor to keep it down in the wind. The county's portion for the marine program is around \$6,000. The Marine Program runs from Memorial Day to Labor Day and is 30 hours every weekend. A private entity is opening Philippi Park. Brad explained the Marine Program will monitor Philippi Park even though it is in Gilliam County, but if a major case happens, the responsibility falls on Gilliam County. Sherman County no longer receives marine funds from Gilliam County, though Sherman will assist and help Gilliam County if needed.

Sheriff Vehicles – Brad Lohrey, Sheriff

The Sheriff Vehicle Reserve has a balance of \$62,686.37. This amount is enough to purchase two vehicles, through Brad only intends to purchase one patrol car this year. He explained the extra money is left in the fund in case an emergency warrants the replacement of another vehicle. The vehicles cost around \$27,000 for the car and \$10,000 for equipment. In the case of an accident, insurance would cover a portion of the replacement cost and extra money in the fund would cover the rest of the cost.

Cottonwood Canyon Experience Center – Tim Wood, Seth Miller

Tim Wood, Oregon State Parks Foundation, and Seth Miller, Oregon State Parks Executive Director, presented a request to the Budget Committee. Oregon State Parks Foundation (OSPF) is raising funds for an experience center to be built in Cottonwood Canyon State Park. Tim stated his intention is to formally request a consideration for a donation for the construction of the project. The experience center totals \$800,000. In addition, Oregon Parks and Recreation Department is engaged in the construction of an additional \$800,000 of facilities including cabins, restrooms, and shower facilities that will complement the experience center. This totals a \$1.6 million investment in the park. Tim stated OSPF is asking for \$100,000 to be donated from the

county towards the project. Tim reported fundraising for the project is going well, and OSPF has been successful at getting grants and donations from businesses and individuals. A few grants are pending. OSPF has met with the counties in the region as well as the Bank of Eastern Oregon, which donated \$5,000 to the project and challenged its customers to donate another \$5,000. Local support for the project is encouraging.

Tim explained he retired as State Park Director and is now a board member of OSPF. Seth added OSPF is a 501(c)(3) and is not a governmental entity.

Tim reported OSPF has received good financial support from other partners including Gilliam County. He listed the other foundations OSPF has requested donations and grants from. Gilliam County committed \$50,000 to the project. The facility will be on the Sherman County side of the park and will act not only as a welcome facility but as an educational facility. It offers the chance to bring youth into the park to learn about geography, alternative energy, and more, and could set students on a trajectory for a number of careers in the sciences. Depending on the success of fundraising efforts, construction for the facility could possibly begin in late fall of 2017. Judge Thompson mentioned he has been working with Oregon legislation to get outdoor school funded in the 2017 budget year. The new facility could possibly host this outdoor school. OSPF will raise the money and then turn the facility over to Oregon Parks and Recreation to be the owner/manager/operator.

The Court tentatively supported a \$50,000 donation towards this project, recognizing the Budget Committee is the final authority. The \$100,000 donation is not reflected in the budget and Debbie stated it will come out of Operating Contingency.

County Clerk

The revenue fee for marriage licenses is \$50. \$25 of that goes to the state. The Election Fees line item is the amount the county receives from the cities. The GIS Fee line item is a Geographical Information System that updates maps when property is transferred.

Debbie explained Jenine McDermid, Clerk, is going to change software programs, switching to Helion, a recording and indexing program most clerks in Oregon use. The line item Helion Software Expense was added to include the software expense. Most fees associated with this software will be a one-time fee. This system will be set up so the assessor can access documents, but it will be a separate server. The one-time cost for the software totals \$19,000. There will be an annual maintenance fee of \$3,000.

Jenine would like to set up a reserve fund for ballot counting equipment. Currently, machines run around \$100,000. Jenine would like \$20,000 set aside this year. The money will be put in the Unappropriated Ending Fund Balance Election Equipment Reserve line item.

Computer Related Expenses

Debbie noted the only change in this fund is she took the Justice of the Peace Computer Maintenance out of Computer Related Expenses and put it in the Justice of the Peace fund.

County Court

Extra money was placed in the County Court budget to accommodate the transition for the new administrative assistant. The salary expenses amount is now back to what it should be. This amount also reflects medical insurance amounts.

Courthouse

The Courthouse Incidentals line item amount has increased because it is overdrawn every year. The Insurance line item increased as well, as insurance rates have increased. The Fax Fee line item has been discontinued as not enough revenue is received to warrant including it.

Forest Peters-Makelim, Budget Committee member, clarified when the Budget Committee is doing the adjustment of everyone's individual salary, the Justice of the Peace would like a bigger increase, which is why he submitted an individual letter. Debbie confirmed yes, and the Justice of the Peace would like a classification change.

Parks

Larry Hactor, Budget Committee Chair, observed the county has not received grant money from the state over the last few years. Debbie explained some funds passed through the Parks fund for a boat launch in another county.

Shandie Johnson, Prevention Coordinator, is working on coordinating Oregon Youth Conservation Corps (OYCC). The county will contribute more money to this fund. The grant from the state may turn out to be \$12,000 instead of \$10,000 and is listed under the Youth Work Crew line item. Judge Thompson pointed out the new minimum wage laws may affect OYCC. Brief discussion was held about possible structural issues at DeMoss Springs Memorial Park.

Planning

One difference in the Planning budget is there is no \$3,500 planning grant from the state, as the grant is awarded every other year. The grant is administered through the Contractual Services line item, which is why the amount was so much higher last year.

Solid Waste/Recycling

There were no changes made to the Solid Waste/Recycling budget. The Tri-County Hazardous Waste & Recycling Board is looking for a volunteer to fill the position of Sandy Macnab, OSU Extension. Commissioner Smith explained Sherman County residents can take waste to The Dalles to dispose of it, and one waste management event is held per year. Waste Management in Gilliam County contacted him and said they could provide the same services for the same dollar amount, and they offered to come to Sherman County to do up to three waste management collection events per year. While this is a good offer, it would end the current partnership the county has with Waste Connections. The one collection event currently offered to the county is well attended. The Budget Committee would like to talk to both waste collection entities to compare services in order to make sure the county is getting the best services for the money being spent.

The county pays \$7,200 to The Dalles Disposal to pay a portion for the recycling attendant. Tipping fees and recycling materials were briefly discussed.

Weed Control/Grounds Maintenance – Rod Asher, Weed District Director

Rod Asher, Weed District Director, explained employee salaries are the main changes to the Weed Control/Grounds Maintenance budget. The Weed Department has been building many programs using seasonal employees. This works well for weed control, as spraying happens primarily in the spring and summer, not in

the fall in winter. One challenge with building programs using seasonal employees is programs are built around the experience and knowledge of employees who end up leaving once they find other full-time work. When this happens, Rod has to quickly hire another person for the crew, train them, assist them in day to day coordination activities, and monitor their progress. This puts a huge hole in the program. Rod cannot make spraying commitments based on employees he cannot have as year-round employees.

The Weed Department is doing more contracting with farmers and locals using seasonal crews. This contract spraying program is expanding. If Rod loses his seasonal employees, the Weed Department will have more work than the crew can handle, and the time it would take to hire and train a new person would mean the department was overextended on commitments. Employees on the crew are apprentices and work under Rod's spraying license. Rod is required to be within two hours of them as well as to be in constant communication with them. His goal is to get employees returning year after year up to a higher licensure level that will free up some of his time. Michael Hendrickson passed the test for this licensure.

Rod's original intent was to make Michael full time, but contract spraying work could only cover 50% of his salary. Oregon Department of Fish and Wildlife has come up with a \$35,000 grant to be used towards a full-time employee specifically for working on the Cooperative Weed Management Area (CWMA) Deschutes River Project. The full cost of the employee will be between \$63,000 and \$81,000 depending on the insurance cost of the employee. Rod has approached the Sherman County Soil and Water Conservation District about contributing \$10,000 to help fund the position, and the request is pending. He plans to approach the Wasco County Soil and Water Conservation District with the same request, as both sides of the river are covered for weed spraying and control. The remaining balance of the position will be funded out of the County General Fund.

The Deschutes CWMA Crew is budgeted at \$50,000 and is funded through grants. Hiring will begin in the spring. If no grants are received, no crew members will be hired. If a full-time CWMA coordinator is hired, the coordinator could continue aspects of the program even if grants don't come through. They would also work on applying and receiving grants for the project.

The Rush Skeleton Weed Crew has grown into Michael's position, working on spraying in the summer as well as contract work spraying for all four cities in the county, private industries, wind farms, Mid Columbia Producers, and more. Michael's help allows the Weed Department to secure more spraying jobs. Return customers help to fund some of his position. Michael also helps Tom Macnab with ground maintenance when needed. The Weed Technician/Grounds Maintenance position currently filled by Michael will remain part time. The extra \$50,000 of funding needed to make him full time is unavailable. Rod stated there would be a benefit in having Michael full time even in winter months, as the Weed Department currently does emergency maintenance on equipment and vehicles in the field instead of preventative maintenance. Funding is not available from Wasco County for this position because the county is not looking to put funding into their Weed Control Program at this time. The Wasco County Soil and Water Conservation District has involvement with the Deschutes River CWMA, but Wasco County does not. A CWMA Coordinator will work on making contact with Wasco County land owners for spraying opportunities.

Rod stated no other entity is currently competing with the Weed Department for contract spraying opportunities. It is not his intention to take business away from private entities.

Making Michael a full-time employee is a goal of Rod's. If a full-time position is created for the CWMA, Michael will most likely apply for it. Oregon Department of Fish and Wildlife will be a part of the hiring committee and interview process. If the Wasco County Soil and Water Conservation District does not contribute to fund the CWMA position, the \$40,000 Oregon Department of Agriculture grant runs February through April,

and Rod will look at using other portions of the grant to fund the position. Rod explained he would cut a seasonal crew member to help fund the full-time position. The CWMA, when hired, will be hired with the full understanding that the position is a one-year job based on grant funding, and the job will continue to year-to-year based on renewal of Oregon Department of Fish and Wildlife grant funding. Oregon Department of Fish and Wildlife has the intention of eventually making the \$35,000 a permanent line item in its budget.

The Weed Department started as a one-person department and has now expanded to seven people. The Budget Committee acknowledged Rod's efforts to get grants and find other revenue sources. The Weed Department has brought huge value to the county. Rod reported Skeleton Weed is still present, but it gets better as it is monitored. As soon as programs stop, the infestation will return.

Rod requested an additional \$20,000 be added to the Weed District Sinking Fund, which would put the total at over \$40,000. With the addition of a CWMA Coordinator, another vehicle will be needed. He would like to replace the current truck but keep the 2005 Dodge Durango to have flexibility in the fleet. The 1985 Chevy pickup will likely be replaced. The Materials and Services line item in the Weed Control/Grounds Maintenance budget was increased to reflect the hiring of the CWMA Coordinator. The Weed Sinking fund is for vehicles or large equipment purchases only. Next year, Rod anticipates requesting to purchase another vehicle as well. Replacing older vehicles in the fleet is more cost effective than constantly maintaining and repairing them.

Rod reported he is working on a drone policy. He has not used the drone in the field yet. His intent is to use it for survey work, not for spraying work. The total cost of the drone was \$1,600, including the drone for \$1,200, a \$200 tablet to control the drone, a case to carry the equipment, and a spare battery.

General Road Department, Non-Departmental – Mark Coles, Road Master

Mark reported he is not asking for any extra funds. The Scott Canyon project is well on its way and is currently ahead of the time line. Changes and adjustments have been made, but much of the project is completed. Details of the project were discussed. Mark tries to monitor the project at least once a day. He mentioned much money was saved by closing sections of the road. A few issues with emergency services traffic flow and guard rails have been raised, but they will be handled. Mark reported on the progress of the paving. Due to machine error, there will be three seams in the asphalt in the northbound lane. Mark expressed appreciation for the extra funds the Road Department has received over the past few years that allowed them to complete projects and make big improvements.

Under the Local Revenues category, the City Road Funds line item has been reduced. Debbie explained when the county receives tax money, a percentage of it goes to each city. When that percentage comes in, Marnene Benson-Wood, Treasurer, puts part of that funding in this line item and then moves a percentage of it into the district road funds. Those funds are turned over at the end of the fiscal year. The money was being accounted for two times, so in this year's budget, the tax money was left out of City Road Funds so it is only counted once. At the end of June, Marnene pays out each portion to the districts.

Commissioner McCoy noticed the SIP Additional Fees budget shows the Road Improvement line item lowering from \$700,000 to \$200,000. Mark explained last fiscal year, the Road Department received \$500,000 from the county to complete the Scott Canyon project, and \$200,000 is the normal amount for this line item.

Larry asked if the Flood Control line item under Federal Revenue in the General Road Department budget was a one-time grant. Mark explained the funds for that line item come in sporadically. No money for this fund has come in during this fiscal year.

Mark reported the Road Department has two payments left to make on the grader purchased a few years ago. It will be paid off in October 2017. The county owns four graders, and this comes in handy during moisture and snow.

General Road – Mark Coles, Road Master

The Material and Services category shows a Blasting Quarry Site line item. Mark explained the Road Department asks for this fund every other year. Road improvement pays half of it, and the other half comes out of the County General Fund. Materials are running low due to the Scott Canyon project. The Road Department tries to provide materials to keep the cost of the project down.

The Land Purchase line item for 2015 actual expenses shows a balance of \$78,338.78, which is due to the Scott Canyon project. Mark does not have any big projects planned for after Scott Canyon yet, though he has received many suggestions for different roads to pave.

Larry clarified the number Rod submitted on his Weed District Employee budget request. The request lists Rod as receiving \$112,396 as Program Director. This is not his salary, but includes medical benefits as well. All of the ranges presented on the budget request include medical benefits. Weed control licensure was briefly discussed.

Justice Court – Ron McDermid, Justice of the Peace

Ron McDermid, Justice of the Peace, explained his purpose was to discuss a compensation related issue and to answer any questions about the budget. The budget has not changed much since last year. Revenues are solid, and an appropriate amount of activity enforcing speed laws provides that revenue. Ron reported due to the new speed limits, officers have narrowed the window between issuing warnings and issuing citations. The effect on crash and death statistics related to raising the speed limit was briefly discussed.

Ron stated he appreciates how Sherman County treats its employees. In 2003, the county brought in Local Government Personnel Institute (LGPI) to help the county structure how it compensated employees. LGPI set up the framework for the salary schedule. To do this, LGIP interviewed department heads, elected officials, and distributed questionnaires to gather data. Previous to LGPI's compensation study, Sherman County compensated all elected officials at a similar level. After the study, the decision was made to split levels. The County Clerk, Treasurer, Justice of the Peace, and Assessor were all compensated similarly before the study, but this changed after the study.

During the LGPI study, Ron's evaluator indicated to him that Wallowa County was being used as the sole comparable county even though Wallowa County didn't have a Justice Court at the time. One of Ron's peers, Judge Kathy Stinnett, Grant County Justice of the Peace, collected information about the nine Eastern Oregon counties with Justice Courts. Of these nine counties, seven of them place the County Clerk, Justice of the Peace, and Treasurer at the same compensation level. Five of the nine counties also place the Assessor at the same compensation level as previously listed positions. Seven of the nine counties do not have a split between compensation levels of the Justice of the Peace and other elected positions.

Ron compared Morrow, Gilliam, and Wheeler counties to Sherman County's salary schedule. In Gilliam County, the Justice of the Peace, Clerk, Treasurer, and Assessor receive 90%-91% of the County Judge's salary. Morrow pays around 86% of the County Judge's salary, and Wheeler County pays around 90%-91%. In Sherman County, the Assessor and Clerk receive 86% of the County Judge's salary, while the Justice of the Peace and Treasurer receive 75%. Ron stated his request is not about salaries compared to other counties but is

about having a salary for the position of Justice of the Peace that is equitable. Ron did speak to Marnene about his request, as the Justice of the Peace and Treasurer positions are typically bundled together.

Since being put in place, the salary schedule has not been changed. A few adjustments have been made. Since 2004, fourteen new positions have been created and five positions have been moved on the schedule. The Budget Committee acknowledged that since 2004, positions demands may have changed, and it may be time to reevaluate the schedule. Making one change in the schedule can create inequity elsewhere, so it is best to review the whole schedule. A salary study would cost around \$5,000. Debbie explained Sherman County used LGPI during the 2003 compensation study because the county was looking for where elected officials and salaried positions should be placed based on the State of Oregon. The county took the information collected and created the salary schedule. It was not looking for continued support from LGPI.

Debbie stated if LGPI did another compensation study, based on their criteria and process, the Justice of the Peace would still be placed below other elected officials on the schedule. Ron stated LGPI uses limited criteria in their data collection. Association of Oregon Counties offers a compensation survey the county could utilize. Commissioner Smith stated it is important to have an independent entity complete the study. Ron acknowledged when LGPI conducted the first study, they came in good faith. However, many departments were unhappy with their initial results. Several of those entities went back to LGPI and were then given a different outcome.

Commissioner McCoy stated he would like to have an entity give information about criteria to use to rank each level and position. Getting an independent entity to provide information about the job descriptions will be helpful when the county interprets the data. The Budget Committee acknowledged adjusting one position on the schedule could create inequity in other areas of the schedule. In the original LGPI survey, the Treasurer was placed lower than the Justice of the Peace position. The Treasurer was moved to be equal to the Justice of the Peace. All salaries need to be based on the job description and the position, not the employee filling the position. Debbie stated the county works hard to maintain the integrity of the criteria LGPI set up, and positions and salaries are not haphazardly moved around. Any changes met specific criteria and were compared to other counties before decisions were made.

One frustration some employees have expressed with the schedule is when they get to the top step, they cannot receive a raise. All positions are based on a salary range, and the top of the range is the limit. The Budget Committee likes the salary schedule method of compensation and appreciates that it is clearly laid out but recognized it may be time to reevaluate it. Employees receive step increases through evaluations and recommendations made to the Compensation Board. The Compensation Board also decides on raises for department heads. The Budget Committee decides on raises for elected officials.

The Budget Committee discussed hiring an outside entity to examine elected and salaried positions and would like to make a determination by the next budget session.

Financial Services

There were no changes noted in the Financial Services budget.

Juvenile

The amount being sent to Northern Oregon Regional Corrections (NORCOR) for juvenile detention is still to be decided. Commissioner McCoy explained Sherman County was only paying \$13,000 for juvenile detention, but now the county pays 5% of the total juvenile cost, which sent the amount going to NORCOR much higher. The amount sent to the adult side was lowered. If the juvenile side closes, the county will save the \$45,000 budgeted

to be sent to NORCOR to use juvenile detention. In this case, the county would use portions of that money to transport juvenile offenders elsewhere if needed. The line item will remain in the budget to provide for the transportation and detention of juvenile offenders.

County Vehicles

No money was put into the County Vehicles budget. The county is not looking to purchase a vehicle this year and currently has a 2009 Nissan Altima and a Ford Escape.

NORCOR

The Northern Oregon Regional Corrections (NORCOR) budget will be left as is until the NORCOR budget meeting. Commissioner McCoy estimated that including juvenile services, Sherman County will most likely be charged \$280,000. Between the NORCOR budget and the Juvenile Detention line item in the Juvenile budget, the county has about \$400,000 budgeted for NORCOR services. Commissioner McCoy estimates this is about \$100,000 too much, but numbers will be confirmed after the NORCOR budget. Any extra funds can be carried over or reallocated.

Burnet Building

There were no changes noted in the Burnet Building budget.

District Attorney

Debbie explained the increase in the Personnel Services line item is due to an insurance benefit package changing from employee only to employee and family.

Extension

The budget amount for Extension is based on what Sandy Macnab turned in and does not include Cindy Brown's proposal to move from a .8 employee to a full-time employee. Cindy has proposed taking over some of Sandy's responsibilities. Debbie stated this request needs to go to the State of Oregon and not the compensation board, as Cindy would like to acquire some of Sandy's job duties and Sandy is an employee of the state. The county is responsible for providing Extension office space and support staff, which is done. Paying the difference in the salary increase is not the responsibility of the county. The Budget Committee approved of the Extension budget as presented and agreed to readdress it depending the result of Cindy's request.

Wasco Annex

Only one renter is renting space in the annex. The Court gave the foodbank permission to use one of the rooms temporarily, Sherman County Community Outreach will be using one of the rooms to provide services, and the preschool also uses one of the rooms.

The Heating Fuel line item has decreased. Debbie explained the tank is being kept full so it does not take as much money to fill it when needed.

The ultimate goal is for the Wasco Annex to be self-sustaining. The Annex is used by many entities, and having it open as a community center is a great asset to Wasco. Lowering the operating cost of the building down to a reasonable amount is necessary for sustainability. Sherman County's only other community center is in Moro.

The Wasco Annex is being used as a library, preschool, and for Potlatch, but operation costs make this use not sustainable over the long term.

The Burnet Building costs \$16,000 annually to operate, and this type of range is the goal for the Wasco Annex. The commissioners explained the Court is looking at renovating the newer gym and has toured the annex and property with Joel Madsen, Mid-Columbia Housing Authority (MCHA), to see if MCHA is interested in the site for possible senior housing. Operating at the current level of cost is not sustainable. After SIP funds end, the alternative to renovating or finding another use for the facility/property is to shut the annex down. The Court explored the possibility of reroofing the building, but roofing prices continue to increase. An architect informed the Court the cost to demolish the building would be cheaper than the cost of reroofing it. Discussion was held about possibilities within the potential renovation, including moving the library to the music room, moving Potlatch into the renovated section, and dividing the gym with curtains. The Court is exploring how to keep the building active at the most efficient cost possible.

The operation cost of the Wasco Annex is approximately \$100,000 per year. A large portion of the operation cost is due to paying a janitorial employee. Commissioner McCoy would like to approach the City of Wasco about providing routine janitorial and maintenance service to the building if it is renovated. There is no solidified plan for the building yet. The Court has hired a project manager and architect to investigate viable options. Once an option the Court considers viable is presented, they will approach Wasco City Council and discuss the plan.

Sherman County Museum – Patti Fields, Carrie Kaseberg

Patti Fields, Sherman County Historical Museum Executive Director, gave an overview of the museum's mission and purpose. The museum's goal is to preserve the history of Sherman County, to protect history, to share history, and to encourage community involvement and ownership. The museum promotes local events, offers annual events, and holds fundraisers. School activity within the museum has increased. The Visitor's Center promotes Sherman County through the help of volunteers. The museum is certified bike friendly through Travel Oregon.

Discussion was held about the Historical Society functioning as a Chamber of Commerce. If the community is interested in this possibility, the Historical Society is willing to discuss this matter further. With upcoming downtown revitalization projects, the Historical Society's 501(c)(3) could aid with distributing funding. Crook County has offered to help set up a Chamber of Commerce or to offer resources if Sherman County needs help. The museum would not be required to stay open year round to host the Chamber of Commerce. Carrie Kaseberg, Sherman County Historical Society President, explained the board meets every month and having the lobby open would most likely be feasible. The board could look into setting up a part-time Chamber of Commerce staff person to make information about the county more accessible throughout the year. Creating space in the lobby to accommodate extra pamphlet and brochure materials will be necessary if the lobby is used.

The museum is requesting \$250,000 of funding over a five-year period, \$50,000 per year. This level of funding will allow the museum to continue to grow and will make it possible for the board to make a commitment to Patti for another five years. Having Patti as Executive Director is important for future growth, and the museum counts strongly on the \$50,000 per year for funding. Without the funding, the museum would have to cut the position of Executive Director and cut back on operations.

Brief discussion was held about museum projects, displays, volunteers, and hosting teams.

The Budget Committee discussed the time commitment for museum funding. SIP funding will last for seven more years, and the suggestion was made to extend \$50,000 per year to seven years instead of five. Commissioner Smith encouraged the museum to continue talks about forming a Chamber of Commerce.

SIP funding will last for seven more years. Future SIP projects could include Golden Hills and other local renewable energy projects. Brief discussion of renewable energy projects was held.

Transfer to Other Funds

There were no changes noted in the Transfer to Other Funds budget.

All Other Requirements

There were no changes noted in the All Other Requirements budget.

General Fund Ending Balances

The General Fund Ending Balance budget holds unappropriated ending dollars. There were no changes noted in the General Fund Ending Balance budget.

Ambulance

Debbie explained the ambulance is a self-sustaining budget that works off its own fees. The salary for on-call EMTs is \$150 per week plus \$12 per hour when going out on a call. Wages will not need to be raised this year due to the new minimum wage law but may need to be in the future.

Family Caregiver Support

Money still remains in this fund, but no one has applied for these dollars in several months. This fund aids employees with family requiring at-home care, acting as respite dollars. No more funding will be received for this, and the \$3,800 in the fund is the residual amount. A stipend of \$100 per use is paid when these funds are applied for and granted.

Courthouse Repairs and Improvements Reserve

This fund is a reserve fund. The amount is being raised to \$150,000 this year due to money coming in from the General Fund. Debbie clarified these funds are not a contingency fund for the courthouse addition, as a different budget has been set up for that.

Prevention

The Prevention program is a self-funding program. No county funds are dedicated to this, and it is funded from a prevention grant awarded through Mid-Columbia Center for Living each year. Shandie Johnson, Prevention Coordinator, works half-time through this program.

County School per Capita

This fund is for pass through dollars. The county receives the funds, which are passed immediately to the school. The fund amount increased from \$29,950 to \$49,950 to cover extra expenses if they occur and to avoid the need for a supplemental budget if this happens.

County Surveyor

The surveyor will be placing surveys online. There were no changes noted in the County Surveyor budget.

CAMI Fund

Commissioner Smith explained there have been statewide rule changes regarding Child Abuse Multidisciplinary Intervention (CAMI) funds. The statewide CAMI group has reinterpreted the way it views the funds and is requesting each county contribute their CAMI funds to a child intervention center. If Sherman County does this, it will lose money, which could affect the Victims Advocate program because the funds pay part of this position's salary. Commissioner Smith plans to lobby to keep the funds local. This funding change affects five counties due to small populations.

Community Development

Debbie explained most of the expenses in this budget are usage fees, not equipment upgrade fees. The Planner is paid out of this fund. Mid-Columbia Economic Development District is paid from this fund as well and has many line items in the budget including the Gorge Technology Alliance membership.

Court Security, Non-Departmental

This budget is not expected to change after the new facility is built. Revenue in this budget comes from fines, fees, and a percentage of traffic ticket fees. Some of the money in this fund will be spent to make security improvements to the existing courthouse and facility.

Emergency Services, Non-Departmental

There were no changes noted in the Non-Departmental Emergency Services budget.

DA Victim/Witness Assistance, Non-Departmental

Larry noted under Materials and Services, the Meals, Lodging, Registration line item fluctuates from \$0 in 2014 to \$834.53 in 2015 and then up to \$3,756 proposed for 2016. Debbie explained Katie Paul, Victims Advocate, works with grants at the federal level, which are on an October to September timeline. Money is carried over that must be put into the budget. Katie will receive a Victims of Crime Act grant for training and a new computer, which increased her budget this year.

Community Transit – Marnene Benson-Wood, Transit Coordinator/Treasurer

Marnene Benson-Wood, Treasurer/Transit Coordinator, asked if she was authorized to give raises to Community Transit employees. Debbie explained this request goes to the Compensation Board, not the Budget Committee. Marnene explained when she took over the position of Treasurer, it was combined with Community Transit. She asked about the possibility of being given a pay increase. She is not requesting her percent class be raised from .75% of class but noted her duties have increased since filling the position of Treasurer/Transit Coordinator. For example, various federal, state, and local agencies make direct deposits that are not

identifiable with a description, meaning Marnene must make contact with these entities to determine what fund and line item the amount issued is to be credited to. A new investment policy has been created that will be submitted for review to the Short Term Fund Board at the Oregon State Treasury and returned with recommended additions or changes. Commissioner Smith explained the Budget Committee would like to look at other counties to get comparable salaries. Commissioner McCoy added if the Budget Committee adjusts Marnene's salary, other employees may end up being inequitably compensated, so the entire schedule needs review.

There were no changes noted in the Treasurer or Community Transit budget. It was noted Marnene is exceptional at applying and receiving grants, and transit has a fleet of quality vehicles.

Wasco RD District #2/Moro RD District #3/Grass Valley District #4/Rufus RD District #5

Debbie explained tax money passed through the budget and went to Wasco, Moro, Grass Valley, and Rufus districts. Each of these budgets is being phased out.

County Fair

Commissioner Smith reported the Fair Board is doing very well. Beth McCurdy resigned as a fair board member and now acts as Fair Board secretary. Three trainings were given to the board last year, and the new board has requested two extra trainings to be conducted in the fall. The fair budget is much better this year. Property insurance is covered through the County General Fund. Total fund expenses have increased from \$125,875 to \$134,275 because the Fair Board has a \$10,000 beginning fund balance this year. The state lottery allocation fund is awarded on a biennium. The board had a budget committee last year as well as this year. A new lawnmower was budgeted for last year, but the old mower was repaired, so these funds were not used.

South Sherman Fire & Rescue – Glen Fluhr, SSFR Chief; Laura Prado, PARC Resources

Glen Fluhr, South Sherman Fire & Rescue (SSFR) Chief, explained SSFR is asking for more funding for the fire hall project. He explained SSFR has been encouraged to ask for \$500,000 from the county, as well as to meet with the Ford Foundation for funding opportunities. SSFR plans to start fundraising as well. The timeframe for the project is unknown. Discussion was held about the Grass Valley school building and how it might suit the needs of the project. Sheltering equipment is the main priority. Laura Prado, PARC Resources, explained the county donated a house to SSFR and volunteers fixed it up to use. The house takes the pressure off of having to complete the fire hall project all at once. The most important piece of the project, the bays, is the least expensive aspect of the project. If SSFR is granted \$500,000 in funding from the county, it is likely the Ford Foundation will contribute and help finish the project. Glen stated SSFR is the only fire district in the county without a fire station, as the current building is owned by the City of Grass Valley.

If SSFR acquires the Grass Valley school building, it will be easier to build new bays to house fire equipment than it would be to renovate the gym into bays. The existing school building could possibly be converted to office space or dorms. Discussion was held about potential entities that could use the existing building. Glen stated the SSFR Board is in favor of trying to utilize the existing school building because it will cost less and will provide opportunity for the building to be used. Regardless of whether SSFR constructs a new building or uses the existing school building, new bays will need to be constructed separately, which means the request amount remains the same. The cost remains the same no matter the site. The Court previously gave SSFR \$150,000. SSFR purchased 3 acres of land. Commissioner Smith suggested SSFR could possibly work with the school to trade the 3 acres of land for the Grass Valley school building.

Commissioner McCoy asked about the timeline for allocating funds. The need for funding is dependent on the Grass Valley school building, if this concept works out. Laura emphasized it is important for SSFR to know when the county plans to disperse any funds allocated to this project so the Ford Family Foundation Grant can be applied for. Once applications are approved, SSFR will have one year to spend any Ford Family funds.

Fair Board – Beth McCurdy, Bryce Coelsch, Tom Rolfe

The Fair Board budget is much improved, the beginning fund balance is what the Court asked for, and the budget never went more than \$10,000 over this year. The unappropriated ending fund balance is now \$20,000. Beth McCurdy, Fair Board Secretary, stated there were some concerns regarding the budget, but the Fair Board worked through them. Commissioner McCoy informed Beth the county proposed to continue to provide \$40,000 and to pay insurance fees. The state lottery allocation remains the same as it was last year, as it functions on a biennium, but it will be reassessed. Judge Thompson explained a percentage of the revenue made from the lottery was set aside for counties. This has now been changed, and the amount going to different counties is vastly different. Association of Oregon Counties is approaching Legislatures about making the amount coming to counties based on a percentage of lottery revenue, not a fixed rate. Beth will discuss this at the spring convention.

Bryce Coelsch, Fair Board Vice Chairperson, presented a draft drawing of the fair building the board would like to construct in the future. Placement of animals within this new arena was discussed, as well as partitions, use of the arena, and ways to promote multi-use of the building. Beth explained the budget did not change this year on building repairs, grounds, or maintenance. Because the board is looking towards pursuing the new building in the next few years, it did not feel putting money into existing facilities for long-term renovations was the best use of funds. The open bleachers are in the process of being repaired.

The estimated cost for the new arena is \$1.8-2 million, including prevailing wages, based on a quote Bryce secured. This includes fire suppression sprinkler systems, retractable doors, foldable bleachers, plumbing, bathrooms, an electrical system, a heating system, and more. The board acknowledged it cannot rely on the county to fund the entire balance of the project. There may be grants possible, but the board is not far enough into this process to know which grants it may be eligible apply for. The board is exploring funding options and possible timelines. Commissioner McCoy suggested the board come back with a plan and the Budget Committee can review it and consider funding. The possible timeline for the project was discussed. Once the project is started, construction must happen in one phase to assure the arena will be ready for fair.

Beth asked to be notified in the future about how much the Budget Committee would be willing to contribute and when funds would be available in order for the Fair Board to begin looking for grants. The Budget Committee cannot contribute funds for this project for the next few years but is willing to consider funding in the future.

Tri-County Corrections

There were no changes noted in the Tri-County Corrections budget.

Wellness Center

The \$5,000 grant the Wellness Center received from Eastern Oregon Coordinated Care Organization (EOCCO) will go into this year's budget. In 2015, the Wellness Center brought in \$4,000 from user fees and is pushing the capacity of the building. The EOCCO grant will be used to replace equipment. The center is not yet self-sustaining. The center pays rent to the health district. \$4,000 is allocated for equipment for the year.

Tri-County Veterans

Three counties contribute to fund this budget, and Sherman County administers the budget for counties involved.

Driver's Education

Fourteen kids participated in driver's education this year. Student fees are reducing because the state used to reimburse per student. In 2015, the state caught up and reimbursed previous years. The reimbursement fees return to normal this year.

Early Learning Services

The Kindergarten Partnership, School Readiness, and Stable/Attached Families grants are all new to the budget this year. This budget is part of Four River's Early Learning Hub funds. Sherman County is the fiscal agent for the hub, which covers five counties. The county receives funds and then distributes them.

Senior Center

Funds in the amount of \$120,000 are budgeted for the Senior Center, to come from the County General Fund. Debbie does not believe there will be a beginning fund balance this year. Personnel and food are the majority of expenses, though reimbursement and revenue for food is high.

Debt Service Fund

The Debt Service Fund budget is being phased out.

SIP Income Tax Distribution

This fund is an in-and-out fund for districts.

County Library Project

The County Library Project budget is being phased out.

Courthouse Facility

Debbie explained the courthouse facility project is in the schematic design phase. The County Court approved a budget of \$8.7 million. Plans for the building will soon be presented to Court. The county acquired property next to the courthouse that will be used as a laydown yard for construction materials and then for parking. The new building will be attached to the existing courthouse by a first-story link.

\$2.5 million of the project will fall into the next fiscal year. After this year's dispersal, there will be \$6 in the budget for the project. The Weed Department building is included as a part of the total project budget.

Renewable Resources

Funds placed in the School Renewable Energy Program are allocated to the school to fund a science teacher position. The County Renewable Energy Funding line item no longer receives funds, as it was paid in full.

Work Force Housing

Funds in this budget are from SIP dollars. The Court is exploring how to build rental housing with these dollars. A partnership between the county, the school, and Mid Columbia Producers was being explored but did not develop. It would be ideal if each entity could contribute \$200,000 towards a housing partnership project. Attracting new families to the county would make an economic difference.

Infrastructure Study

Funds in this budget are available to be spent. Some of the funds have been used to fund studies for Biggs. The county funded a water study for Kent, and this budget could fund that as well. It is possible funding for the Biggs Service District water project could come from this fund. Dollars from this fund came from SIP dollars. Possibilities for uses for this fund were brainstormed, including studies for the fairgrounds project and the South Sherman Fire & Rescue fire hall project. Parameters for this fund are not clear, but the dollars should be used for the benefit of the districts.

Kent would like to put in a new well. Biggs Service District needs a new water system. \$150,000 has been spent to plan for a new well for the water system. The project will cost approximately \$2.2 million.

Discussion was held about authorizing funds for the Biggs Service District water project out of the SIP Additional Fees budget. The Budget Committee discussed contributing \$1 million as a projected number, which is about 50% of the cost of the project. The Biggs Service District will seek a grant from the United States Department of Agriculture as well as a grant to help cover the rest of the cost. The Biggs Service District Administrator position was briefly discussed.

Resident Incentive Program Fund

The Budget Committee would like to continue the Resident Incentive Program next year. Around 700 citizens apply and receive funds. The county sends approximately 1,000 applications each year.

Resident Incentive Annuity Fund

5% of SIP fees are added to this budget to sustain the Resident Incentive Program.

Ambulance Sinking Fund

\$23,000 was transferred to this budget from the Ambulance Fund. This fund is now being phased out, and instead, the Ambulance Reserve Fund will be used.

Weed Sinking Fund

This fund was discussed during the appointment with Rod Asher, Weed District Director.

Community Transit Reserve

This fund serves as a reserve for Community Transit to purchase equipment and vehicles.

Ambulance Reserve Fund

This budget will absorb the Ambulance Sinking Fund.

Computer Reserve fund

This budget contains money for new software or equipment. The new courthouse facility may require new computers, which may be covered under soft costs. Debbie explained the goal is to reuse as much as possible to avoid unnecessary new purchases. New offices may require new furniture and supplies.

Parks Reserve Fund

Money is put aside in this budget to save for future projects.

Emergency Services Reserve

This budget is used primarily for vehicles.

PERS Payback Reserve Account

Debbie explained this year there is no increase because this is the second year of the biennium, but next year it is rumored to increase significantly.

Fair Building Reserve

The Fair Building Reserve budget is being phased out.

SIP Additional Fees

Cottonwood Canyon and allocating \$50,000 from the Infrastructure Fund for the Kent well will be discussed on day two of Budget Committee.

Commissioner Smith provided a fiber update. The project will span from Wasco to Erskine. The path is going to be adjusted so fiber can reach Gordon Ridge. This will cost an extra approximate \$80,000. The Budget Committee previously authorized \$1.4 million for the project. The \$1.4 million will go towards connecting the schools to fiber and getting fiber to Erskine. The State of Oregon has given Sherman County \$820,000 to help fund the fiber project. Commissioner Smith would like to use these funds to get fiber from Wasco to Rufus. The third phase of the fiber project will be getting fiber from Erskine to Grass Valley, which will cost approximately \$400,000. Getting fiber to Gordon Ridge and from Erskine to Grass Valley are additions to the \$1.4 million previously allocated. Funds from the state will not arrive until spring of 2017. Internet service at the school, access to fiber, and the fiber path were briefly discussed.

Pumped storage will be discussed on day two of Budget Committee.

Debbie informed the Budget Committee the amount for available project requests is \$2.3 million. Allocations for these dollars will be decided on day two of Budget Committee.

The Budget Committee adjourned at 4:11 p.m.

April 14, 2016 – 9:00 a.m.

Larry reminded the Budget Committee that the Historical Society funding commitment needed to be discussed. A motion can be worded so funding is provided if the budget allows.

To plan for projects, approximately \$2,361,960 is available to be spent.

The sports complex at the high school is another project to discuss. The Court authorized payment of the \$50,000 set aside during last year's Budget Committee. Various projects were brainstormed for discussion.

Getting fiber installed to Rufus will come out of the budget up front, but the cost will be reimbursed by the state in the spring of 2017. Discussion was discussed about pulling this money from the reserves and then paying back the amount into reserves once the grant is received. Fiber will be run to Gordon Ridge because once installed, the air path will no longer need to be used. The original quote Commissioner Smith received for this work was for under \$80,000, though he is still in communications to solidify the quote. Getting fiber to Grass Valley will fall under next year's budget, and should cost approximately \$440,000.

The following amounts for projects were listed: Cottonwood Canyon contribution, \$100,000; Biggs Service District water project, \$1 million; Kent water well, \$50,000; fiber to Rufus, \$820,000. Debbie recommended not making the transfer to County Reserve this year and to pay the money back in the future. A provision could be made to include interest on this money. Even though there is a contingency fund for the courthouse building project, Judge Thompson cautioned the new building could cost more than the \$8 million estimated due to change orders and raising prices. The fiber and courthouse projects are currently the two biggest projects on the list.

The Biggs Service District water project is to provide the district water and sewer. It is a \$2.2 million project. Some of the funds will be borrowed through a loan, which will be paid off by the fees the businesses pay. The county will contribute money to the project to buy it down enough so rates are reasonable, and grants will be sought to cover the remaining balance. Currently, the district contracts with CH2M Hill. Discussion was held about the possibility of hiring a full time employee to maintain the system. The current CH2M Hill contract is around \$68,000 for the maintenance of the sewer system.

Fiber expansion to Grass Valley will be approximately \$440,000. Although the Gordon Ridge fiber expansion is in the 2015-2016 budget year, if the money is spent, it will not be in the beginning fund balance for the 2016-2017 budget. The cost of the Gordon Ridge expansion has not yet been solidified, so the Budget Committee estimated \$86,000 until further notified. Debbie explained if the money is spent from the current budget, it will reduce the beginning fund of next year's budget. The transfer from SIP dollars to County Reserve is \$1.656 million. There is also \$585,000 marked for a Government Loan program established by the county. Moro, Rufus, and Grass Valley have all borrowed money from this fund. If the program is in place, money needs to be available. The loan to Moro is in its third year. The fund is revolving, so funds returned allow funds to be borrowed again. Brief discussion was held about the possibility of Kent borrowing money from this fund to fund the well.

Larry suggested allocating \$50,000 to the Historical Society and writing a letter stating the Budget Committee's intention to continue the funding in the future if the budget allows. This money is already allocated in the budget.

South Sherman Fire & Rescue (SSF&R) currently has \$110,000 in the budget. The possibility of funding their project \$500,000 above the \$110,000 was suggested. Discussion was held about the land SSF&R currently owns and the possibility of them selling the land to create revenue. It was suggested to allocate \$250,000 during the 2016-2017 budget year and \$250,000 the next year. The \$110,000 currently in the budget represents the money SSF&R has remaining from the original \$150,000 allocated to them in the past. Rufus, North Sherman, and Moro fire departments receive funds from wind projects. In the past, Grass Valley has been able to collect funds from the pipeline. If SSF&R is able to use the Grass Valley school building, an allocation of \$500,000 seems excessive. The Budget Committee discussed an allocation of \$500,000 total, including the \$150,000 previously given. Another suggestion was to allocate \$250,000 in addition to the \$150,000 already given, and if SSF&R can get the school building, further discussion can be held about the appropriate amount of the allocation.

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 SSF&R can approach the Budget Committee to request another \$250,000 the following year.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hctor, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Courthouse Facilities - Ron McDermid, Brad Lohrey, Debbie Hayden

A visual plan of the courthouse facility project will be presented to County Court during an upcoming work session. The project is in the schematic design phase. This information will be placed into a floor plan showing specific square footage, the building location, and more. A 25 foot gap will exist between the existing building and the new building, and both buildings will be connected on the floor level through a link. The new building is a two-story building and is larger in square footage than the existing courthouse. The architect has created a design for the exterior of the new building to respect and compliment the exterior of the existing building. Kirby Nagelhout Construction was chosen as Construction Manager/General Contractor (CM/GC). The CM/GC method allows for Value Engineering. The Citizen Reporter is being used to keep the public informed on progress of the project. June 2nd will serve as a tentative date for the next public open house, and the time will be shifted into the evening to accommodate citizens with traditional-hour jobs.

For the construction phase of the project, \$4.8 was estimated for the cost of the new building. \$1 million was dedicated to the existing building to retrofit and repurpose it. The Courthouse Facilities Advisory Committee has been challenged several times to refine the plans and has risen to the challenge. Included in the budget is also a new Weed Department building. The buildings allow flex space for growth in the future.

The goal of the new building is to last at least 100 years and to consolidate the campus as much as possible. Payments will begin in January of 2017. One more budget year is available to get the full \$8.7 million budget funds set aside. Ground breaking will begin in 2017. Sub-bid costs are fluctuating, and the budget is taking a conservative approach, including a large percentage contingency fund. Details of the Weed District building were discussed. \$150,000 is included in the building budget for furnishings and equipment. This is a placeholder, and as much existing furniture as possible will be reused. \$2 million is already in the budget for the courthouse project. \$2.5 million will be allocated next year to allow the budget amount set aside to reach the full \$8.7 million.

Brief discussion was held about a possible Golden Hills wind project in the future.

Commissioner Smith suggested using the SIP Reserve transfer to fund getting fiber to Rufus and paying this fund back when the funds from the State of Oregon arrive in spring of 2017. The fiber path was briefly discussed. Commissioner McCoy stated he would like the Budget Committee to authorize fiber to Grass Valley. If the cost to get to Rufus comes out of SIP Reserve, the rest of the project will fit this year.

After funding fiber to Grass Valley, \$400,000 remains in the budget to spend. Kyle suggested allocating more funds to the Historical Society. Commissioner McCoy suggested delaying the Wasco Annex project funding until next budget year, as the project has not been approved and the Court is not in a rush. No viable plan has been presented yet. Discussion was held about requiring a match from the city and building owner for downtown funds provided by the county. The funds will support cleaning up the appearances of cities in the county. Not all cities are interested in downtown improvements. Discussion has been held about the possibility of putting together a chamber of commerce to lead the effort. It would be a 501 (c) (3) able to distribute the funds, and it would have county-wide involvement to create a cohesive vision of the use of the funds. Judge Thompson asked if money set aside in the Infrastructure fund could be used to support downtown plans. Currently, there is \$195,000 in the Infrastructure fund. The committee discussed amounts to allocate to the improvements and specified the County Court will approve of how the funds are spent.

Motion by Judge Thompson, second by Larry Hocter, to use \$50,000 from the Infrastructure Study Fund to put into downtown plans to be released only with the creation of a county-wide chamber of commerce.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Commissioner McCoy, second by Kyle Blagg, to take \$50,000 from the Infrastructure Study Fund to fund the new well in Kent.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Fair Project

The Budget Committee is supportive of the fair project but recognized the Fair Board is not far enough along in the project to allocate funds. The Budget Committee will consider funding a portion of the project after a developed proposal is presented.

Cottonwood Canyon

Motion by Commissioner McCoy, second by Forest Peters-Makelim, to commit \$100,000 to the Cottonwood Experience Center.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0
Motion carried.

Biggs Service District Water Project

Motion by Commissioner McCoy, second by Kyle Blagg, to allocate \$1 million to the Biggs Service District water project.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Fiber

Commissioner Smith suggested estimating the cost of fiber to Grass Valley at \$450,000. The Gordon Ridge fiber quote is not yet solidified, so \$90,000 will be used as a placeholder. This \$90,000 will be spent this current fiscal year and will be repaid. Debbie explained this will reduce the Beginning Fund Balance down to \$9,900,000. The Grass Valley and Rufus fiber projects will happen during next year's budget, with Grass Valley totaling approximately \$450,000 and Rufus totaling approximately \$820,000. Debbie suggested allocating funds to the Rufus portion of the fiber project without specifying where exactly they will come from and reduce the transfer to County Reserves.

Motion by Commissioner Smith, second by Forest Peters-Makelim, to reduce the Beginning Fund Balance of the SIP Additional Fees Fund by \$100,000; to allocate \$1,300,000 to complete the fiber expansion to Grass Valley and Rufus; to remove the transfer of \$1,671,351 to the County Reserve Fund noting that these funds will be reallocated in future years and will include interest for the period of December, 2016, to the date these funds are finally restored; and to reduce the Operating Contingency to \$1,083,311.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Early childhood program funding has been set aside in the County General Fund in the amount of \$80,000.

Sports Complex

The sports complex project asked for \$50,000 from the Court. County Court authorized releasing these funds and funds have already come out of this year's budget.

Personnel Study

The committee discussed the need to conduct a comprehensive salary study for personnel. The money can come from Operating Contingency and the County General Fund. County Court will look at any new salary schedule developed, but the Budget Committee can also review it. No action will take place until next budget year.

Weed Department Position

The Weed Department is requesting funds for a full-time employee for the Cooperative Weed Management Area (CWMA) Deschutes River Project Coordinator as well as a part-time position to turn full-time in the future. The county is being asked to fund a portion of the CWMA salary, totaling between \$8,800-26,500. The county is also being asked to fund 25% of a Weed Technician/Ground Maintenance position. No equipment was requested from the Weed District Director, though there is a Weed Sinking Fund with enough funds to purchase another vehicle.

Motion by Kyle Blagg, second by Commissioner McCoy, to allocated up to \$35,000 to fund a portion of the Cooperative Weed Management Area (CWMA) Deschutes River Project Coordinator and a 25% portion of a Weed Technician/Ground Maintenance position contingent upon Sherman County and Wasco County soil and water conservation districts contributing their portion of funding in the amount of at least \$10,000 each.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hctor, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

The Assessor and Commissioner McCoy are the two elected officials eligible for a step increase.

The committee discussed adding to the commitment made to Sherman County Historical Museum. In the past, the commitment has been the county would allocate \$50,000 per year over a five-year period to the museum if the funds were available. Discussion was held about holding aside the entire amount of \$250,000 this budget instead of renewing the line item for \$50,000 each year.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to allocate \$250,000 to support the Sherman County museum and make it payable in \$50,000 increments per year over the next five years.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hctor, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Debbie asked if the Budget Committee wanted to remove the transfer from County Reserve and put that balance, which totals approximately \$1 million, into Operating Contingency. Splitting the \$1 million by leaving \$500,000 in County Reserve and moving \$500,000 to Operating Contingency was discussed. If the entire \$1 million is moved to Operating Contingency, Sherman County Court can authorize transferring some of the funds into the reserve if needed. The Budget Committee determines approved budget amounts and the County Court can change or adopt those amounts. It can be requested the Budget Committee is involved when more funds are requested than were approved.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to approve step increases for Assessor Ross Turney and County Commissioner Tom McCoy.

Vote: 6-0

Yes: Hctor, Blagg, Peters-Makelim

No: 0

Abstain: Thompson, Smith, McCoy

Motion carried.

Debbie presented an updated budget reflecting changes made in SIP Additional Fees and showing an Operating Contingency amount of \$1.83 million. The budget total is \$45,271,405.

Motion by Forest Peters-Makelim, second by Kyle Blagg, to approve the budget as stated by the financial director in the amount of \$45,271,405.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

Abstain: 0

Motion carried.

Motion by Kyle Blagg, second by Forest Peters-Makelim, to approve the 8.7141 tax rate for the 2016-2017 fiscal year.

Vote: 6-0

Yes: Thompson, Smith, McCoy, Hocter, Blagg, Peters-Makelim

No: 0

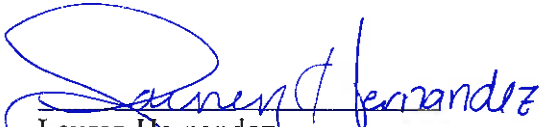
Abstain: 0

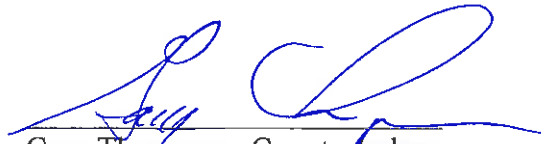
Motion carried.

Being no further matters at issue, the Budget Committee adjourned at 11:39 a.m.

ATTEST:


SHERMAN COUNTY COURT


Lauren Hernandez,
Administrative Assistant


Gary Thompson, County Judge


Michael Smith, Commissioner


Tom McCoy, Commissioner


Forest Peters-Makelim
Budget Committee Secretary