



Court Agenda

December 16, 2015

1.0 Appointment Schedule:

- 1.1 9:00 a.m. Austen Martin – Proposed Duplex Loan
- 1.2 9:30 a.m. Sandy Macnab – OSU Extension – Extra Budget Funds
- 1.3 10:00 a.m. Chris Diloreto – Di Loreto Architecture – Wasco Annex Update
- 1.4 10:30 a.m. Commissioner McCoy, Brad Lohrey - Sharing Cost Savings from the New Northern Oregon Regional Corrections Funding Formula with Hood River
- 1.5 11:00 a.m. Rod Asher – Weed District – Potential New Position/Weed District Update
- 1.6 11:30 a.m. Executive Session in accordance with ORS 192.660 (2) (i) Personnel and ORS 192.660 (2) (h) Legal Rights
- 1.7 Iberdrola Solar Project (tentative agenda item)

Additions to Agenda:

2.0 Action Items:

- 2.1 Fair Board Resignation Letter
- 2.2 Budget Transfers/Payments

3.0 Discussion Items:

- 3.1 Fair Board Vacancy

- 3.2 Fair Board Training Survey
- 3.3 Resident Concern/Road Maintenance Request – McIntyre Lane, Martin Road
- 3.4 Road Maintenance Request – Starvation Lane
- 3.5 Wasco Annex Security
- 3.6 Fair Grounds House
- 3.7 Oscar Lange Memorial Plaque Update
- 3.8 Commissioner Reports

4.0 Consent Agenda:

- 4.1 Minutes of December 2, 2015
- 4.2 Revenue/Expenditure Summary – November
- 4.3 Treasurer’s Report – November

5.0 Future Agenda Items:



**SHERMAN COUNTY COURT
REGULAR SESSION
SHERMAN COUNTY CIRCUIT COURTROOM**

MINUTES

**December 16, 2015
Opened Court: 9:03 a.m.**

Present: Judge Gary Thompson, Commissioner Mike Smith, Commissioner Tom McCoy, Administrative Assistant Lauren Hernandez

A quorum was present. No news media was present.

Additions to Agenda

SUMMARY OF ACTIONS TAKEN

Motion by Commissioner McCoy, second by Commissioner Smith, to authorize Chris Diloreto to spend the remainder of the funds allocated for the Wasco Annex Proposal.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner McCoy, second by Commissioner Smith, to approve Sherman County making an extra quarterly payment to Northern Oregon Regional Corrections (NORCOR) in the amount of \$15,000 during the 2016-17 fiscal year, totaling \$60,000, and instruct NORCOR to use this extra payment to reduce the amount owed by Hood River County.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner Smith, second by Commissioner McCoy, to go into Executive Session in accordance with ORS 192.660 (2) (i) Personnel and ORS 192.660 (2) (h) Legal Rights.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner Smith, second by Commissioner McCoy, to accept a letter of resignation from Jaclyn McCurdy effective December 1st, 2015.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner Smith, second by Commissioner McCoy, to authorize Budget Transfers from County General Fund in the amount of \$154,223.00, from Renewable Resources in the amount of \$19,950.00, from SIP Community Service Fees Fund in the amount of \$1,500,000.00, and from SIP Additional Fees Fund in the amount of \$7,126,619.00 as requested by Sherman County Finance Director.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner Smith, second by Commissioner McCoy, to authorize taking the expenditure for the Oscar Lange Memorial Plaque in the amount of \$679.00 from the Operating Contingency fund.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Motion by Commissioner McCoy, second by Judge Thompson, to approve the Minutes of December 2, 2015, Revenue/Expenditure Summary for November, and the Treasurer's Report for November as presented.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

1.0 Appointment Schedule:

1.1 9:00 a.m. Austen Martin – Proposed Duplex Loan

Present: Austen Martin, Sandy Macnab

Citizen of Moro, Austen Martin, presented a housing proposal to the Court. Austen explained his proposal was a request for a \$260,000 loan from the county for a term of 10 years at a 4 percent interest rate. Austen tried to get funding in a more traditional way but was unable. The proposal estimates the county could gain \$55,885 in interest, projected \$3,680 in property tax revenue per year, and additional profits for local businesses from the construction, maintenance, and related services.

Austen estimates he could build each building for \$100,000. Including cost for fuel, research, and land payoff, the total loan would be \$260,000. The proposed monthly rental price for each unit is \$700. Two payment

options were outlined in the proposal. Option one includes paying off \$260,000 at 4 percent interest rate over 120 months. Option two includes paying off \$160,000 at four percent interest over 120 months with a \$121,494 balloon payment in ten years.

The Court reviewed the estimated price breakdown for each duplex. Although the proposal is laid out clearly, concern was expressed about Sherman County providing financing for a private entity. Instead, the Court suggested Austen utilize loan tools in the area such as Mid-Columbia Economic Development District (MCEDD) or Sherman Development League (SDL). Austen explained he approached MCEDD and was not approved due to the long-term nature of the requested loan.

The Court expressed concern that Austen does not have equity in the project proposal and that the county would shoulder the risk. Austen explained it is true the county holds the risk, but because he is a private entity, he can complete the project for half the amount it would take the county to complete a similar housing project. Also, if Austen hypothetically abandons the project, the county would own the duplexes for half the cost of what it would have spent otherwise.

The Court expressed they are supportive of the project and recognize the need for housing but are not in the business of directly lending money to private entities. However, Commissioner Smith agreed to help Austen approach MCEDD and SDL about funding possibilities for this private housing project.

1.2 9:30 a.m. Sandy Macnab – OSU Extension – Extra Budget Funds

Present: Sandy Macnab

Sandy Macnab, OSU Extension, presented a check of unspent reserves to the county in the amount of \$11,600. He expressed appreciation for the Court’s support and explained the extra funds are from his expenses being split between Wasco and Sherman County as well as obtaining grants to help fund his travel expenses.

Judge Thompson informed Sandy outdoor school will be run through the extension, and he is working with legislature to get funding for it.

1.3 10:00 a.m. Chris Diloreto – Di Loreto Architecture – Wasco Annex Update

Present: Chris Diloreto, Carol Olmstead, Carol MacKenzie, Roger Whitley, Brad Lohrey

Judge Thompson informed Chris Diloreto, Di Loreto Architecture, and Carol Olmstead, City of Wasco Council Member, that the electric bill for the Wasco Annex was over \$1,000 last month. Typically the bill is around \$500. Carol explained she saw the gym lights on for three nights, and the lights in the school building were on for one night. Chris suggested installing light sensors in areas where there aren’t any.

Chris asked the Court for a budget target he could work backwards from to help Di Loreto Architecture guide the plan and avoid over planning and over spending. Commissioner McCoy expressed concern that when Brian Melton, Di Loreto Architecture, last met with the Court, he estimated the cost of pursuing option three to be well over \$500,000. Chris summarized option three is adding on to the newer building, leaving the newer gym so it can be used as a gym, and doing renovations inside both parts of the newer portion. He explained adding enough square footage to the newer building to fit all of the functions discussed during the last Court session will cost closer to \$800,000. The amount of money spent on renovation in the newer portions will affect the operating cost of the building – more investment up front provides lower operating costs.

Commissioner McCoy suggested another option is not to add additional square footage to the newer building but to use the newer gym for potlatch, upgrade the newer building to reduce operating costs, and do the remodeling necessary so the newer building can accommodate the main activities now housed in the Annex. Chris explained moving potlatch into the newer gym brings up occupancy and coding issues.

The Court's main concern is the county will not be able to afford to operate the Wasco Annex at the current level after SIP dollars end. The goal is to find a way to accommodate the current users in a facility with low enough operating costs that the county can afford to operate it after SIP funding ends. Chris believes this can be done for \$250,000 by upgrading the newer gym, including upgrading the bathrooms, adding a kitchen, modifying a little bit, but not adding on. Funds beyond the \$250,000 could potentially go into the old building to improve immediate operating cost while other funding options are sought. One option to improve immediate operating costs in the old building is to install a ductless heating/cooling system in the rooms being used, which costs about \$5,000 per room. Other options include sealing around the fire doors and using timers on lights. Chris suggested getting an energy audit to troubleshoot the cause of the high electricity bill.

The Court needs to know the capital and operating costs of this plan. If the operating cost can be reduced enough, more money can be invested up front. Chris believes adding square footage isn't necessary if the space can be repurposed, and he and Brian will look for ways to reduce the operating costs of the old building to between \$200 and \$300 per month.

Carol explained she believes if the operating cost for the old building and the newer building is separated, the expenditure for the old part of the building is surprisingly low. She believes if there are any problems with the insulation, the new windows are the culprit. Carol stated that looking at year-end expenditures showed operating both the old and newer parts of the school costs \$80,000, which means the old part of the school is only costing the county \$40,000. The Court clarified the operating cost is the focus, not the overall budget.

Overall, the Court would like Di Loreto Architecture to develop a plan for the newer building using up to \$250,000 and determine operating costs. Di Loreto Architecture will also explore options to reduce the operating costs of the old school building. The end goal for the plan is to lower the operating cost to a level the county can afford to sustain after SIP funding ends.

Motion by Commissioner McCoy, second by Commissioner Smith, to authorize Chris Diloreto to spend the remainder of the funds allocated for the Wasco Annex Proposal.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

1.4 10:30 a.m. Commissioner McCoy, Brad Lohrey - Sharing Cost Savings from the New Northern Oregon Regional Corrections Funding Formula with Hood River

Present: Brad Lohrey, Amber DeGrange, Debbie Hayden

Commissioner McCoy presented an informational spreadsheet showing the county subsidies for the adult and juvenile segments of the Northern Oregon Regional Corrections (NORCOR) facility. The top box uses the old formula from the 2015-2016 budget year. The bottom box, assuming the budget stays the same as last year's, projects county subsidies under the new 50-40-5-5 funding formula for the 2016-2017 budget year. Under the new funding formula, Wasco County goes down by \$52,310, Hood River goes up \$176,077, Sherman County goes down \$119,689, and Gilliam County goes down \$4,079.

The new funding formula is positive for public safety because it removes the incentive for counties to avoid using NORCR to save money. To ease Hood River County's transition into the new funding formula, Commissioner McCoy and Sheriff Lohrey propose Sherman County give Hood River County half of its total savings for one year, which amounts to \$60,000 dollars. There are two main supports for this proposal. First, when Hood River agreed to the 50-40-5-5- funding formula, Sherman County's NORCOR bill was drastically reduced. It would have reduced slowly over the next several years, but the new funding formula means there will be an immediate reduction in Sherman County's bill. Second, Hood River County is concerned by the cost increase. Hood River County may propose to make dramatic changes to NORCOR, like closing the juvenile side. Giving them half of the Sherman County's savings decreases their NORCOR cost from \$176,077 to \$116,077. Sherman County still saves money with this plan while hopefully preventing drastic changes at NORCOR.

Debbie Hayden, Financial Director, asked how many years the cost savings sharing would last. It is a one year deal. The 50-40-5-5 funding formula was passed for two years. Past and future NORCOR funding formulas were discussed. Debbie clarified she would like the payment to go directly to NORCOR and not to Hood River County. Juvenile Director Amber DeGrange clarified this agreement is between two counties and NORCOR did not have any input into Sherman County's decision. Commissioner McCoy suggested adding \$15,000 per quarter, totaling \$60,000 over one year, to the quarterly payment Sherman County makes to NORCOR with the instruction that NORCOR use the extra \$15,000 to reduce the amount owed by Hood River County

Sheriff Lohrey asked if a mechanism is in place to stop payment of cost savings funds if Hood River backs out of the new funding formula or if other problems arise. Because this agreement is not contractual, Sherman County can stop payment and rescind the offer at any time.

Motion by Commissioner McCoy, second by Commissioner Smith, to approve Sherman County making an extra quarterly payment to Northern Oregon Regional Corrections (NORCOR) in the amount of \$15,000 during the 2016-17 fiscal year, totaling \$60,000, and instruct NORCOR to use this extra payment to reduce the amount owed by Hood River County.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Commissioner Smith asked Debbie some clarifying questions about the budget transfer and cash summary reports.

1.5 11:00 a.m. Rod Asher – Weed District – Potential New Position/Weed District Update

Present: Rod Asher

Weed District Director Rod Asher presented an update to the Court. The new truck is working well but is not an ideal multipurpose vehicle. With the weight of frames and spray equipment, gas mileage is low. The new Durango is being used to check on crews but not to spray. The Weed District will look for a better field-spraying vehicle. For now, the new truck will have a longer life if it is used for roadside spraying.

Rod explained he is working on two main projects: the Deschutes River project and contracted spraying services. The quality of employees allowed the Weed District to expand contracted spraying services. Crews

were brought on earlier and kept busy with contracted work. These employees are hourly, seasonal, not eligible for benefits, and work from March to November.

One particular employee, Michael Hendrickson, has impressed Rod, and he is comfortable and confident in the work Michael does. Currently, Michael has a temporary position earning seasonal pay. Rod proposed the idea of bringing Michael back in March at a higher pay rate and bringing back one individual instead of two, as Michael can be sent out on his own. He would be kept in a seasonal position for up to nine months a year with no benefits, but would be able to earn compensation time. Rod believes this will encourage Michael to continue being employed by the county. Rod believes this change is financially sustainable due to an increase in contract spraying work. The quality of the spraying crew is very important and Rod believes this move will help maintain the Weed District's good reputation.

The Court suggested using the pay scale and allowing employees to work up to higher levels of pay. The Court also invested in equipment to be used by a spraying crew and suggested Rod provide a summary of how this investment has fared in terms of success and paying for itself. This would give a record of how the Weed District performed and give support to Rod's idea of employment changes by being able to project how the employment changes will improve the spraying results.

Returning crew leader of the Deschutes River Project, Scott Susi, has also impressed Rod. Scott is a seasonal worker March through November. Funding for this position comes from the State Weed Board Grant. Rod has submitted an application for this grant for the next fiscal year and hopes to receive it again. Many entities are involved in the Deschutes River Project, including Oregon Department of Fish and Wildlife (ODFW), Sherman and Wasco County Conservation Districts, The Bureau of Land Management, National Resources Conservation Service, Sherman County Weed Control District (SCWCD), and private entities. The goal of the project is to blur boundary lines and form a group able to perform weed control both sides of the Deschutes River. The project has been successful but relies on the Weed Board Grant. Because of this program's instability, Rod would like to explore making Scott a year round, full-time employee to run the current crew, expand ground work, take care of mapping, complete and submit grant applications, as well as to be in charge of seeking other funding sources.

Rod reported there has been progress in the Deschutes River Canyon, as the same sized crews are making more progress than last year due to lower weed populations. If Scott did not return to the project crew, Rod would have to train a new employee from scratch. Scott has full knowledge of the project with a position solely dependent on grant funding. Rod believes the Deschutes River Project could be expanded if an employee like Scott could work full time to look for funding sources year round.

The Court asked Rod to put together a proposal for his ideas about both employee position changes.

1.6 11:30 a.m. Executive Session in accordance with ORS 192.660 (2) (i) Personnel and ORS 192.660 (2) (h) Legal Rights

Present: Brian Hulke

Motion by Commissioner Smith, second by Commissioner McCoy, to go into Executive Session in accordance with ORS 192.660 (2) (i) Personnel and ORS 192.660 (2) (h) Legal Rights.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

The Court discussed security related issues.

Executive Session closed at 11:44 a.m.

2.0 Action Items:

2.1 Fair Board Resignation Letter

Motion by Commissioner Smith, second by Commissioner McCoy, to accept a letter of resignation from Jaclyn McCurdy effective December 1st, 2015.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Consensus: The Court agreed to send a follow up reminder that all volunteers are required to submit a volunteer application as well as pass a background check before volunteering for the county.

2.2 Budget Transfers/Payments

Motion by Commissioner Smith, second by Commissioner McCoy, to authorize Budget Transfers from County General Fund in the amount of \$154,223.00, from Renewable Resources in the amount of \$19,950.00, from SIP Community Service Fees Fund in the amount of \$1,500,000.00, and from SIP Additional Fees Fund in the amount of \$7,126,619.00 as requested by Sherman County Finance Director.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

3.0 Discussion Items:

3.1 Fair Board Vacancy

The Court will not take any action regarding the Fair Board vacancy. The Fair Board will advertise the opening per policy and send the Court a recommendation for appointment when they have one.

3.2 Fair Board Training Survey

A survey asking the Fair Board to give feedback about training services received from Rural Development Initiatives will be sent out.

3.3 Resident Concern/Road Maintenance Request – McIntyre Lane, Martin Road

The Court will work with Road Master Mark Coles to determine the current maintenance schedule for this road and then will decide further steps to take in this matter.

3.4 Road Maintenance Request – Starvation Lane

Complaints have been made that people are driving down Starvation Lane and illegally camping overnight in the state park non-camping area. The illegal camping issue should be handled by Oregon State Parks. Judge Thompson recommended the landowner call the sheriff when illegal camping occurs, as documentation of the problem is needed. Because of excessive travel due to illegal camping, the road condition has worsened. Applying gravel to the road is not possible, as it slides off. The County grades the road twice a year and plans to continue with this maintenance routine.

3.5 Wasco Annex Security

Roger Whitley, Wasco Annex Property Manager/Maintenance Technician, requested cameras be installed around the Wasco Annex for extra security. The suggestion of using game cameras was discussed. The Wasco Annex budget has an equipment line item that can be used for this purchase after prices are researched and a proposal is made.

3.6 Fair Grounds House

The house at the fairgrounds now has its own address. Because the house is a rental house, it is subject to property taxes as per law.

3.7 Oscar Lange Memorial Plaque Update

Motion by Commissioner Smith, second by Commissioner McCoy, to authorize taking the expenditure for the Oscar Lange Memorial Plaque in the amount of \$679.00 from the Operating Contingency fund.

Vote: 3-0

Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

3.8 Commissioner Reports

Commissioner Smith – Fiber negotiation went well; received everything that was asked for; set a five year limit for when to renegotiate on costs; looking to approve the contract near the first of the year; negotiating with Rob Myers and Judge Shaffer to make sure they get their fiber in; met with Marti Dane, Six Rivers, about a mediation program that can provide dispute resolution; attended an Eastern Oregon Coordinated Care Organization board meeting; will receive the grants asked for; attended a North Central Public Health District (NCPHD) meeting; NCPHD is working with Wasco County about funding issues and options to re-open a clinic; attended Mid-Columbia Center for Living (MCCFL) meetings; working on making Kristine from MCCFL more accessible to the community; met with Wes Owens about getting Kristine into the school; attended courthouse facilities design results work shop and open house.

Judge Thompson – David Van't Hof, working through Columbia Gorge Bi-State Renewable Energy Zone (CGBREZ), made a proposal about opening up the California market, but is now having issues with Oregon Public Utility Commission and Oregon Department of Energy; Van't Hof made two offers: one to keep his services at the same level and one to expand his services; it would be ideal if he works in the State of Oregon with the Public Utility Commission and Oregon Department of Energy; right now he works at the \$25,000 level but would like to increase the level to \$50,000; he's somebody the county should retain; at the next CGBREZ an answer is needed about the Court's decision; attended a Community Renewable Energy Association meeting;

attended the Leadership Conference; had dinner with the president of Channel 8 KGW; invited her to see rural Sherman County; she's accepted; attended courthouse facilities open house.

Consensus: The Court came to the consensus to support the additional expenditure of up to \$10,000 from renewable energy wind power development funding to support the increase in level of services from David Van't Hoff.

Commissioner McCoy – Northern Oregon Regional Corrections board approved the new funding formula of 50-40-5-5; attended Conservation and Soil and Water Conservation District meetings, including the watershed meeting for the lower Deschutes and John Day; attended Natural Resources Conservation Service ranking meeting; attended courthouse facilities open house.

4.0 Consent Agenda:

4.1 Minutes of December 2, 2015

4.2 Revenue/Expenditure Summary – November

4.3 Treasurer's Report – November

Motion by Commissioner McCoy, second by Judge Thompson, to approve the Minutes of December 2, 2015, Revenue/Expenditure Summary for November, and the Treasurer's Report for November as presented.

Vote: 3-0

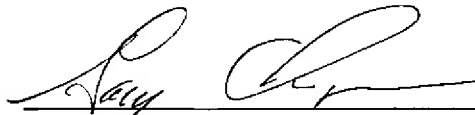
Yes: Smith, McCoy, Thompson

No: 0

Abstain: 0

Being no further business before the Court, the meeting was adjourned at 12:10 p.m.

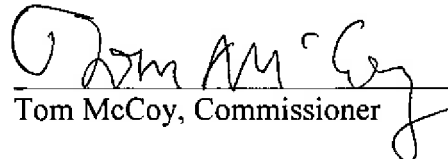
Sherman County Court



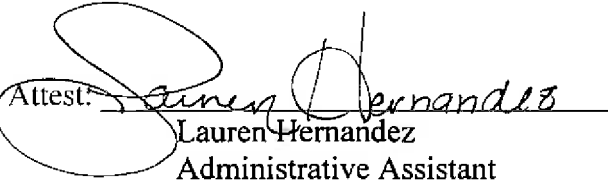
Gary Thompson, Judge



Mike Smith, Commissioner



Tom McCoy, Commissioner

Attest: 

Lauren Hernandez
Administrative Assistant