



Court Agenda

May 2, 2012

9:00 a.m.

1.0 Appointment Schedule:

- 1.1** 10:00 a.m. Amanda Hoey – Mid-Columbia Economic Development District – Proposed Sherman County Loan Program
- 1.2** 11:00 a.m. Barbara Seatter – Mid-Columbia Center for Living – New Building Proposal

Additions to Agenda:

2.0 Action Items:

- 2.1 Appointment – Sherman County Area Watersheds Council
- 2.2 Appointment – Special Transportation Fund Advisory Committee
- 2.3 Radio Monitoring of Solar Projects
- 2.4 Columbia Gorge Community College Foundation – Donation Request
- 2.5 Sherman Elementary School – Green House Funding Request
- 2.6 Elevator Maintenance Proposal
- 2.7 Budget Transfers & Payment Authorization
- 2.8 ASET Internet Communicator Proposal – Senior & Community Center
- 2.9 Additional Fee Request - DeLoreto Architects

3.0 Discussion Items:

- 3.1 Early Education Programs – Application Process for Funding
- 3.2 Extension/Experiment Station Facility – Project Wrap-up
- 3.3 Property Manager/Building Maintenance Position – Wasco Annex
- 3.4 Proposed Documents for Loans to Public Bodies
- 3.5 Commissioner Reports

4.0 Consent Agenda:

- 4.1 Minutes of April 18, 2012
4.2 Claims – April

5.0 Future Agenda Items:

***If necessary, an Executive Session may be held in accordance with:*

<i>ORS 192.660 (2) (d) Labor Negotiations</i>	<i>ORS 192.660 (2) (h) Legal Rights</i>
<i>ORS 192.660 (2) (e) Property</i>	<i>ORS 192.660 (2) (i) Personnel</i>



SHERMAN COUNTY COURT
REGULAR SESSION
Sherman County Circuit Courtroom

MINUTES

May 2, 2012 9:03am

Present: County Judge Gary Thompson, Commissioner Steve Burnet, Commissioner Mike Smith, Court Administrative Assistant Melva Thomas; County Clerk Jenine McDermid.

SUMMARY OF ACTIONS TAKEN

Motion by Commissioner Smith, second by Commissioner Burnet to approve the appointment of Keegan Kock to the South Sherman Watershed position and DeeAnn Akita-Ramos to the North Sherman Watershed position on the Sherman County Area Watersheds Council Board of Directors for terms of four years. Vote: Unanimous.

Motion by Commissioner Burnet, second by Commissioner Smith to approve the appointment of Bonne Whitley to the Special Transportation Fund Advisory Committee for a term of four years. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to authorize the expenditure of up to \$750 for installation of radios connected to the Sherman County Internet Network to monitor solar projects at the Fairgrounds, RV Park and Road Department. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to authorize a donation of \$2,500 to Columbia Gorge Community College Foundation in support of Sherman County students. Vote: Unanimous.

Motion by Commissioner Burnet, second by Commissioner Smith to approve a proposal from Otis Elevator Company to renew the current elevator maintenance contract for an additional five years and authorize Judge Thompson to sign. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to approve budget transfers and payment authorizations as requested by the Finance Director. Vote: Unanimous.

Motion by Commissioner Burnet, second by Commissioner Smith to approve a proposal from ASET for the installation of an Internet Communicator at the Senior and Community Center for a total cost of \$485.00 and authorize Judge Thompson to sign. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to approve Additional Service Fees from DiLoreto Architects in the amount of \$7,710.00 for additional scope and hours worked on the Sherman County Extension building. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to offer the position of Property Manager/Building Maintenance at the Wasco Annex to Roger Whitley placing him at classification level .65, step E on the salary schedule. Vote: Unanimous.

Motion by Commissioner Burnet, second by Commissioner Smith to approve draft loan documents as prepared by County Counsel. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to support binding arbitration regarding NORCOR operation funding. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to approve the minutes of April 18, 2012 as presented. Vote: Unanimous.

Motion by Commissioner Smith, second by Commissioner Burnet to approve the claims for April. Vote: Unanimous.

1.0 APPOINTMENT SCHEDULE:

1.1 AMANDA HOEY – MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT – PROPOSED SHERMAN COUNTY LOAN PROGRAM:

County counsel Will Carey was also present. Amanda explained this proposed program would benefit county businesses that don't fit into the current revolving loan fund qualifications and would be a Sherman County loan fund only. Commissioner Smith said a revolving loan fund can be established for businesses, but the problem is MCEDD funds don't allow for racetrack or golf courses and Oregon Raceway Park has asked the county for expansion funding. Will Carey asked if ORP is considered a racetrack per definition, and Amanda confirmed that it is. Will stated any loans must be secured and not forgivable. Judge Thompson added the county wants to stay at arms length from making loans and that MCEDD has the staff to handle them. Amanda said funding requests must go before a loan board, with Sherman County having one vote, and are open to other entities, as well. Will Carey asked about the amount of loan being considered and Judge Thompson responded the amount of \$750,000. Amanda stated the typical interest rate is 1.5% to 2.0%. She added the program could be set up so that interest and fees not used for loan administration would go back to the county. Will Carey recommended an amount of \$250,000 that could be expanded if needed and that \$750,000 is a sizable amount of tax dollars; he added this should be a one loan deal with

funding being repaid directly to the county. The county's loan policy would need to be looked at to see if this is allowed. He added he doesn't think funds should be used for purposes that we don't know about as has to go before MCEDD loan board.

Amanda stated MCEDD can't be directed about whom to make loans. Will said another possibility is the county making the loan with MCEDD providing underwriting and loan administration, but he is not in favor of loaning out a large amount of money indefinitely. Commissioner Burnet said the county could run the risk of losing control of funds if kept at arms-length. He suggested the county explore making the loan, while contracting for administrative services with MCEDD. Amanda said this could be a contractual arrangement that would allow the county to set the interest rate. Will Carey added many counties handle these types of activities through their port authority, although Sherman County doesn't have one. Judge Thompson said a port authority was voted down twice previously. Will asked if the county could contract with MCEDD for loan administration, underwriting and drawing up of loan forms. Melva said she didn't think the county could make loans to private business. Will said he will need to do some checking, but doesn't know that the county can't have its own economic development plan. Commissioner Burnet said one of the objectives is to have an appearance of an at length loan decision that's not being made by the county. He added he would not be in favor of releasing funds that the MCEDD loan committee approves the use of. He added the county could hire MCEDD for loan administration and if there's money to be made above loan administration fees, the county is the recipient. The objective has been to receive a higher interest rate than what the state pool is paying, while maintaining control of the funds in some manner. Amanda added this could be a contractual arrangement, wherein Sherman County has more control over setting the interest rate. Commissioner Burnet said this has been an economic development loan to help the county and feels this is easily defensible, even though it is a private entity that has to advance in order for economic development to be shown. He added the county would need proper collateral, as well. The county is currently in the process of loaning funds to two cities. Will Carey said the loan could be handled without MCEDD and feels the problem is MCEDD making the decision on what to do with our taxpayer dollars. Will stated a grant or loaning of funds is okay and the county is trying to loan money out to improve the interest rate returned. He added the county only has 15 years and at the end of that time we need to be working at having developed ways to keep these funds growing. He feels we can work out a system with MCEDD. Amanda said a contractual arrangement could be developed. Commissioner Smith asked if there is ability for the county to either approve or deny the MCEDD loan board's decision. Amanda said this would be similar to a reimbursement basis, but could be a tricky situation. The two options available are setting up an account for a forgivable loan or a contractual arrangement.

Commissioner Burnet added there needs to be a limit to these loan programs and doesn't want to release funds if there is a chance the county could lose control over them. Commissioner Smith agreed this is important. Will Carey said there could be a limited amount of funds made available to loan out and other loans could be considered once the initial loan is repaid. It was agreed the contractual basis would be best. MCEDD will prepare a draft of costs for services to be reviewed by the court at a later date.

1.2 BARBARA SEATTER – MID-COLUMBIA CENTER FOR LIVING – NEW BUILDING PROPOSAL:

Will Carey had another appointment and was not able to stay for this presentation. Barbara Seatter of MCCFL asked the court for financial support for a new building at 10th and Webber in The Dalles. The court reviewed a proposed design for the 16,000 square foot structure. The estimated cost is \$4,829,000 and includes purchase of the land. MCCFL currently has \$1,000,000 in reserve and is applying for a CDBG grant of \$1,500,000. Barbara said they are asking Sherman County for a loan in the amount of \$1,800,000 at an interest rate of 2% and amortized over 15 years for a monthly payment of approximately \$11,583. CDBG grant requirements don't allow for bank loans, although at the end of five years these requirements are no longer in effect and a bank loan could be obtained. They currently pay \$5,000 per month for rent, which would no longer be needed if they build and these funds could go toward the loan payment. The court reviewed a summary of their financial statements from the past five years and an appraisal report. MCCFL's long term plan would include selling the Lincoln building within the next five years; they also have value in a fleet of vehicles. Barbara added if MCCFL becomes insolvent all local counties are involved in ownership, although Sherman County would be in first position should this happen. She feels that community mental health organizations will continue to exist even under the CCO plan. Commissioner Smith stated the county would need collateral on a loan; Barbara said the Hood River building has a value of approximately \$3,000,000. Commissioner Burnet asked about the time frame. She said in order to work with the CDBG loan application she needs an answer prior to June 30. It was decided to discuss this topic at the May 16 court session after consulting with the county finance director. Melva added this would also need to be addressed by the budget committee; the budget hearing is scheduled for mid-June.

2.0 ACTION ITEMS:

2.1 APPOINTMENT – SHERMAN COUNTY AREA WATERSHEDS COUNCIL:

Correspondence from Emily Lyle of the Sherman County Area Watersheds Council recommending appointments was reviewed.

Motion by Commissioner Smith, second by Commissioner Burnet to approve the appointment of Keegan Kock to the South Sherman Watershed position and DeeAnn Akita-Ramos to the North Sherman Watershed position on the Sherman County Area Watersheds Council Board of Directors for terms of four years. Vote: Unanimous.

2.2 APPOINTMENT – SPECIAL TRANSPORTATION FUND ADVISORY COMMITTEE:

The court received and reviewed a volunteer interest form received from Bonne Whitley.

Motion by Commissioner Burnet, second by Commissioner Smith to approve the appointment of Bonne Whitley to the Special Transportation Fund Advisory Committee for a term of four years. Vote: Unanimous.

2.3 RADIO MONITORING OF SOLAR PROJECTS:

Debbie Hayden was present for this topic. Commissioner Smith said there was an issue with the hookup at the Road Department building so he went ahead and got radios set up at each site with a cost of \$249 per radio and no other monthly charges. He added links were sent to each commissioner and there will be monthly usage reports generated; they can also publish a link on the county's website. It was confirmed there will be no change in the \$150 per residence for repeater installation assistance.

Motion by Commissioner Smith, second by Commissioner Burnet to authorize the expenditure of up to \$750 for installation of radios connected to the Sherman County Internet Network to monitor solar projects at the Fairgrounds, RV Park and Road Department. Vote: Unanimous.

Internet service at the new extension building will be provided through the county wireless system and will be faster than DSL. Judge Thompson said the experiment station's phone number was not part of the initial contract and it was recommended to include one office phone number and a fax number for that office. Debbie said the contract would need to be amended; she is using May 24 as a projected move-in date. She will determine whether or not their phone and fax numbers can be incorporated into the contract. Commissioner Burnet said there isn't a need to separate out the office phone/fax line charges as the cost won't be much and the county will cover the cost. The outside buildings will all be OSU's responsibility, if needed. The court recommended amending the contract with CenturyLink to include one office number and one fax number for Erling's experiment station office. Planning, extension and weed department are all included in the CenturyLink contract. Debbie will contact Erling and also Michelle at CenturyLink to begin moving forward.

2.4 COLUMBIA GORGE COMMUNITY COLLEGE FOUNDATION – DONATION REQUEST:

The court received a funding request from the Columbia Gorge Community College Foundation.

Motion by Commissioner Smith, second by Commissioner Burnet to authorize a donation of \$2,500 to Columbia Gorge Community College Foundation in support of Sherman County students. Vote: Unanimous.

2.5 SHERMAN ELEMENTARY SCHOOL – GREENHOUSE FUNDING REQUEST:

Melva reported a formal request had not been received. This item was tabled.

2.6 ELEVATOR MAINTENANCE PROPOSAL:

Otis Elevator Company submitted an elevator maintenance proposal, which the court reviewed.

Motion by Commissioner Burnet, second by Commissioner Smith to approve a proposal from Otis Elevator Company to renew the current elevator maintenance contract for an additional five years and authorize Judge Thompson to sign. Vote: Unanimous.

2.7 BUDGET TRANSFERS & PAYMENT AUTHORIZATION:

The court received a request from the county Finance Director for authorization of budget transfers and payment.

Motion by Commissioner Smith, second by Commissioner Burnet to approve budget transfers and payment authorizations as requested by the Finance Director. Vote: Unanimous.

2.8 ASET INTERNET COMMUNICATOR PROPOSAL – SENIOR & COMMUNITY CENTER:

The court reviewed a proposal received from ASET for installation of an internet communicator for the fire alarm system at the Senior & Community Center.

Motion by Commissioner Burnet, second by Commissioner Smith to approve a proposal from ASET for the installation of an Internet Communicator at the Senior and Community Center for a total cost of \$485.00 and authorize Judge Thompson to sign. Vote: Unanimous.

2.9 ADDITIONAL FEE REQUEST – DILORETO ARCHITECTS:

Commissioner Burnet explained several changes caused more time to be involved than originally proposed for the extension building. He added there are sufficient funds in the project's contingency fund to cover these additional costs. The extra work involved a change in the roof and for additional labor to cover ceiling staining due to a leak. Any issues concerning the contractor have been negotiated.

Motion by Commissioner Smith, second by Commissioner Burnet to approve Additional Service Fees from DiLoreto Architects in the amount of \$7,710.00 for additional scope and hours worked on the Sherman County Extension building. Vote: Unanimous.

3.0 DISCUSSION ITEMS:

3.1 EARLY EDUCATION PROGRAMS – APPLICATION PROCESS FOR FUNDING:

Melva reported she revised the application form used last year. The court reviewed this and agreed it should be used for this year. Judge Thompson would like for the completed applications to be submitted by June 1. The court agreed applicants would be not required to be present at the June 6 court meeting. It was noted the budget committee gave authorization for expenditures up to \$75,000 with the remaining \$5,000 for emergency purposes.

3.2 EXTENSION/EXPERIMENT STATION FACILITY – PROJECT WRAP-UP:

Commissioner Burnet said a final accounting from the financial officer is needed and may possibly consider an additional fee for Milt Ketchum due to the extra work required. It is hoped they are moved in by May 24. A possible dedication date is June 13, during the Extension Field Day.

3.3 PROPERTY MANAGER/BUILDING MAINTENANCE POSITION – WASCO ANNEX:

Debbie Hayden was present for this discussion. According to Melva one application was received, requesting a salary of \$26.00 per hour or \$29.46 per hour if hired on a contract basis. The court reviewed the current salary schedule and the applicant's qualifications. Judge Thompson suggested the .65 classification. Commissioner Burnet asked about current contracted employees; it was noted the county has two. He added due to this applicant's knowledge level the .65 level at step D or E should be considered.

Motion by Commissioner Smith, second by Commissioner Burnet to offer the position of Property Manager/Building Maintenance at the Wasco Annex to Roger Whitley placing him at classification level .65, step E on the salary schedule. Vote: Unanimous.

3.4 PROPOSED DOCUMENTS FOR LOANS TO PUBLIC BODIES:

Will Carey was present. The court reviewed the proposed promissory notes for City of Moro and Rufus. Will pointed out there is no real property as security, only the SIP payments from the County to cities. He added there is a clause in the Rufus agreement that grants Rufus the right to defer two payments. Loan amortization calculations were attached to the documents, including a 2.53% annual interest rate and annual payments of \$45,774.38. Commissioner Smith asked about an annual audit and Melva added this is already a requirement for SIP funds. Will Carey added there is no reason why the SDL can't administer loans. Requirements included a preliminary title report on property, making sure it's free and clear and some kind of an appraisal report. He would use these reports in considering whether or not to make the loan. Will said the county wants to help, but does has a responsibility for ensuring the loan is protected. If the real property

isn't worth the amount of the loan, then the county doesn't have sufficient security for making a loan. Will noted it would be possible to make the county the loan officer and possibly make arrangements with the SDL for loan administration. Melva agreed the SDL could do this. Commissioner Smith suggested she formally ask the SDL board if they are able to participate with this. Will said the county may want to consider forming a port district. This requires a vote of the people, with board members being elected. The court had no questions regarding the draft notes. The loans have been approved, but the paperwork needs to be formalized. Will's office will prepare the final documents and Melva will forward them on to the cities for approval.

Motion by Commissioner Burnet, second by Commissioner Smith to approve draft loan documents as prepared by County Counsel. Vote: Unanimous.

3.5 COMMISSIONER REPORTS:

Commissioner Burnet reported during the NORCOR budget meeting there was discussion regarding Hood River County's non-payment the previous quarter. The options of mediation or arbitration were discussed at the meeting, with each county to decide whether to enter in to binding arbitration. Judge Thompson added he was told if Hood River County was eliminated from payment it would cost Sherman County an additional \$90,000 per year, \$207,000 annually for Wasco County and \$70,000 annually for Gilliam County. Hood River County is legally liable for the bond. Commissioner Burnet was asked if Sherman County would go on the record in favor of mediation or binding arbitration.

Motion by Commissioner Smith, second by Commissioner Burnet to support binding arbitration regarding NORCOR operation funding. Vote: Unanimous.

Melva will notify Jim Weed of the court's decision.

Commissioner Smith advised he has been working with Dan Devlin on the towers. They have about 75 customers in the county. The potential Grass Valley radio site will not be used as originally planned. He also noted the RV Park structure was not completed on time and asked if the county should consider going after the original contractor's bond to recover additional costs incurred with the construction process. Legal counsel will be consulted.

Judge Thompson reported Auscrete notified him the panels are complete and will be delivered. The county has not paid the original contractor as the work was not completed and there was a performance clause in the agreement.

4.0 CONSENT AGENDA:

4.1 MINUTES OF APRIL 18, 2012:

Motion by Commissioner Smith, second by Commissioner Burnet to approve the minutes of April 18, 2012 as presented. Vote: Unanimous.

4.2 CLAIMS – APRIL:

Motion by Commissioner Smith, second by Commissioner Burnet to approve the claims for April. Vote: Unanimous.

THERE BEING NO FURTHER MATTERS AT ISSUE, COURT WAS ADJOURNED.

COUNTY JUDGE

ATTEST: *Jenine McDermid*
COUNTY CLERK

Steve Bando
COMMISSIONER

[Signature]
COMMISSIONER