

04-6-16

Judge Shaffer called the regular Gilliam County Court meeting to order at 10:08 a.m. The meeting was held at the Gilliam County Courthouse in Condon, OR. Present were Judge Steve Shaffer, Commissioner Michael Weimar and Commissioner Dennis Gronquist. Absent: None.

IN THE MATTER OF ADDITIONS TO THE AGENDA

Four Rivers Early Learning Hub Presentation has been cancelled.

Phone System annual maintenance contract will be tabled.

IN THE MATTER OF ASSESSMENT & TAXATION GRANT APPLICATION

Gilliam County Assessor Dave Messenger was present for a discussion of the assessment and taxation grant application. Last year the County received \$84,000 and over the past five years the County has received approximately \$470,000. Messenger estimated costs to be the same in fiscal 2016-17 as in the current fiscal year. Messenger confirmed that County Appraiser and incoming County Assessor Chet Wilkins was an integral part of the process.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve Department of Revenue Grant Application Resolution No. 2016-05 to apply to the Department of Revenue in order to participate in the Assessment and Taxation grant. ; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF GILLIAM-EAST JOHN DAY WATERSHED COUNCIL ANNUAL UPDATE

Watershed Coordinator Amber Schlaich was present to give the Gilliam-East John Day Watershed Council Semi-Annual Report.

1.
 - Projects in development: Large Grants
 - a) Olex Irrigation Diversion: fish passage
 - b) \$38,931 Oregon Watershed Enhancement Board Grant
 - c) \$106,403 in matching funds from agencies and Confederated Tribes of the Warm Springs
 - Projects in Development: Small Grants
 - a) Seven projects with local landowners
 - i. Springs, energy efficiency (solar), juniper removal, water efficiency, water development

- ii. \$66,000 Oregon Watershed Enhancement Board (OWBD) Grants total for the biennium
- 2. Proposed Projects
 - Large Grants
 - a) 8,588 Acre Juniper Control Project in Lonerock. Partners include Natural Resources Conservation Service, Gilliam Soil and Water Conservation District, Gilliam EJDWC, Multiple Private Landowners
 - b) Proposing a landscape burn
 - Small Grants
 - a) Currently soliciting landowner partnerships for the new biennium with small grants up to \$5,000 for restoration and protection projects.
- 3. Outreach and Education
 - a) Farm to School Grant Submitted to Department of Education and awarded to Condon School District #25J, in conjunction with the Watershed Council, in the amount of \$31,359
 - i. Reintroduces Agricultural Education through a hydroponics lag, greenhouse, classroom education and field trips
 - ii. Steering committee will be formed this school year to direct the grant funds and set the goals and objectives for the program
 - b) Quarterly Newsletter – next one will be published in May
 - c) Booth at the Gilliam County Fair
- 4. Funding
 - a) Current
 - i. \$110,275 OWEB Council Capacity Funding for 2015-17
 - ii. \$22,464 Confederated Tribes of the Warm Springs Funding Capacity
 - b) Moving forward
 - i. Working hard to not only improve the natural health of the County, but to also be a financial engine by bringing outside funding in for farmers, ranchers, contractors and businesses
- 5. Watershed Council summer intern
 - a) \$22,464 Confederated Tribes of the Warm Springs capacity funding
 - b) Will be hiring Hannah Fatland as a summer intern for three months
 - i) Will fulfill her school requirements while helping out the Watershed Council with projects and conservation work.

IN THE MATTER OF COPY MACHINE PURCHASE

Gilliam County Planner Michelle Colby presented a proposal to purchase a new copy machine for the Gilliam County Courthouse. The current copy machine was purchased in 2008 and is showing signs of advanced aging. The proposal is to purchase a like Konica Minolta copy machine with a maintenance contract. The bid from Bohn's Printing, Inc. is \$9,996.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist to approve the purchase of Bohn's Printing, Inc. Konica Minolta Bizhub C454e copy machine with a complete maintenance plan for \$9,996; Shaffer – Yes; Gronquist – Yes; Weimar – Yes;
Motion carried.

IN THE MATTER OF PORT OF ARLINGTON GRAIN LAB LEASE AGREEMENT

Port of Arlington Manager/Economic Development Officer (EDO) Peter Mitchell was present to resume discussion of the Port of Arlington lease agreement with Gilliam County for management of the Gilliam County Grain Lab. The lease agreement as drafted by legal counsel was rejected by the Economic Development Administration (EDA). Legal counsel Will Carey believes he can draft an operational agreement similar to the lease agreement that the EDA would sign off on. The EDA responded that potential solutions were that Gilliam County could add the Port of Arlington to the EDA grant or enter into an operations contract with the Port. Commissioner Weimar said he thought adding the Port to the grant agreement could be a viable option. Judge Shaffer was of the opinion that Gilliam County is not going to continue to operate the lab for another nine years to fulfill the EDA agreement. Commissioner Gronquist thought since the Port is currently operating the Lab, if a satisfactory agreement cannot be reached with the EDA, then he thought the County should close the doors. Judge Shaffer will work with Carey and keep the Commissioners up to date on the status of the operational agreement. There was clarification that Gilliam County would not be responsible for routine janitorial maintenance of the Lab.

IN THE MATTER OF LEASE AGREEMENT WITH WI CONSTRUCTION, INC.

Gilliam County Assessor Dave Messenger and Gilliam County Treasurer Nathan Hammer were present for discussion of a tax assessment complication regarding County owned equipment at the concrete batch plant that WI Construction will be leasing. Messenger informed that in order for the County to collect taxes on the equipment the lease agreement needed to have been signed and effective January 1, 2016 at 12:00 a.m. There was a general discussion of the fact there was not a signed lease agreement as of January 1, 2016. WI has been paying rent since last fall, but they have not paid the \$5.00 per yard for the concrete that was agreed upon. Messenger said he didn't feel comfortable having WI fill out a real property return since there was not a signed lease in place on January 1st and thought the County didn't have a legitimate right to charge WI the equipment assessment. After a brief discussion the Court agreed.

IN THE MATTER OF CORRESPONDENCE

Judge Shaffer informed the Court has received funding requests ahead of upcoming budget discussions. The current plan is for the County to set aside \$1 million to fund County operations when the SIP funds expire. The County has received funding requests in the amount of \$2,337,735. The combined SIP Discretionary funds and the Economic Development Enhancement funds, less County operation costs leaves the Court with just over \$1.2 million to fund those requests. Ahead of discussing individual requests, Judge Shaffer outlined his new three year plan to fund fiber projects in Arlington, Condon as well as and the fiber backbone from Cedar Springs Ranch to the ESD building in Condon for Frontier TeleNet. The Court has already agreed to grant the Arlington TV Co-op \$776,000 which is part one. The estimate for construction of the backbone is \$1.6 million and based on estimates Judge Shaffer has received, the projected cost for a fiber build in Condon is \$600,000. Commissioner Gronquist said with funding commitments from the County Court, all three builds would qualify for bank loans to start their projects rather than having to wait for three years. Judge Shaffer has been working with Treasurer Hammer to locate funds for the fiber projects. SIP funds are decreasing this year by \$1 million and will stay at the new amount until 2024. Commissioner Gronquist thought it important to work with Treasurer Hammer to figure out if funds would indeed be available for broadband projects.

IN THE MATTER OF THE ARLINGTON COMMUNITY SCHOOLS REQUEST FOR FUNDS

Kristen Rooper and Stephanni Mcaninch were present representing Arlington Community Schools. Their request was \$15,000 to fund current and future programs/classes held at the school. Most of their programs are fitness based, because those are the programs that traditionally draw large attendance numbers. In the future they hope to create programs for less active members of the community. Some options they are considering are painting classes, adult cooking classes and creation of a walking club. They have also had a request for hunter safety classes. Last summer they held a successful cheerleading camp. Judge Shaffer suggested they apply for a Gilliam County Special Projects grant. Commissioner Gronquist agreed that would be a good place to start even if they don't receive the entire \$15,000. Judge Shaffer also suggested approaching the North Health District since much of what they offer is fitness based.

IN THE MATTER OF THE JOHN DAY RIVER TERRITORY REQUEST FOR FUNDS

Gilliam County Community Development Rachel Weinstein was present to advocate for the John Day River Territory (JDRT) request for \$4000. The request is the same as last year, but the Eastern Oregon Visitor Association membership dues have been reduced this year to \$500 which will leave more of the funding to be used by the JDRT for programs and grant matches.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve the John Day River Territory budget request for \$4000 to be paid out of the Community Development Project Development line item; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF WI CONSTRUCTION LAND LEASE IN ARREARS

Gilliam County Treasurer Nathan Hammer brought to the Court's attention that WI Construction, Inc. has never paid anything for the additional land they utilized at Shutler Station Industrial Park. The balance in arrears is \$15,148.80. WI has always disputed the monthly lease amount. After a general Court discussion it was agreed to have Hammer stop billing WI for the additional land lease.

IN THE MATTER OF ARLINGTON SCHOOL DISTRICT NO. 3

Gilliam County Treasurer Nathan Hammer brought to the Court's attention that Arlington School District No. 3 still has not repaid Gilliam County the \$14,538.89 the District owes as part of the Department of Revenue tax settlement with Waste Management. The original invoice was dated September 22, 2015. Hammer intends to send the District one more invoice along with a letter informing the District the invoice is now six months past due. Arlington School District No. 3 Superintendent Kevin Hunking was present and informed Treasurer Hammer that he had the invoice in his office and the District intends to repay Gilliam County; he just didn't think there was a sense of urgency. Hammer agreed there wasn't a due date on the invoice. Commissioner Gronquist told Hunking that since the issue is out in open Court he needed to either pay the invoice or make arrangements with the Treasurer to pay the balance in installments.

IN THE MATTER OF BUDGET OFFICER 2016-17 FUNDING REQUEST LETTERS

Gilliam County Treasurer/Budget Officer Nathan Hammer was present for a County Court discussion of the funding request letters the Court has received. Hammer informed there have been \$2.3 million in funding requests which leaves the County approximately \$1 million short in available funds if the Court intends to put \$1 million in the Strategic Reserve Fund. Judge Shaffer opened the discussion of broadband and the impact that will have on the County's budget going forward. Judge Shaffer stated that he wanted to make sure the Commissioners were aware that funding broadband is of high importance. There was then a general Court discussion of the various requests and requests that are vital and others that perhaps could be reduced and how difficult budget cuts will be. The first request discussed the Port of Arlington request for \$800,000. The Court agreed to cut that amount to \$300,000. The Court agreed, while difficult, to cut school funding by \$25,000 each. The Court agreed that they should cut \$10,000 from the Oregon State

University Extension in Condon. Commissioner Weimar said if funds were cut to wildlife services the program would fold. Condon and Arlington child care and pre-school organizations need to remain funded in full. It was agreed to cut the South Gilliam County Health Center request to \$75,000 from \$150,000. There was a general Court discussion of the importance of the Strategic Reserve Fund and of how much to put into savings. Commissioner Gronquist thought the Court had already addressed the possible large cuts and it would probably not be possible to meet the savings goal of \$1 million; but should save as much as possible. Members of the Court agreed.

IN THE MATTER OF INTERGOVERNMENTAL AGREEMENT NO. 29985

Road Master Dewey Kennedy was present to discuss Intergovernmental Agreement No. 29985 between Gilliam County and the Oregon Department of Transportation (ODOT). The agreement would give Gilliam County 40,000 tons of crusher grindings from Willow Creek as payment for the Road Department processing emulsified asphalt for ODOT. ODOT kept 10,000 tons and will pay for any required additives needed for processing the asphalt. Kennedy informed the only possible change in the agreement would be a shift in the timing of projects. The Road Department has lent Columbia County their pug mill in exchange for ODOT helping to pave Baseline Road this summer. There was a general Court discussion of the agreement.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve Intergovernmental Agreement No. 29985 between Gilliam County and the Oregon Department of Transportation (ODOT) for Exchange of ODOT Grindings for Gilliam County Cold Recycle Emulsified Asphalt; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF ANNEXING AIR BASE ROADS INTO THE COUNTY ROAD SYSTEM

Road Master Dewey Kennedy was present to resume discussion of annexing Air Base roads into the County road system. Bringing Air Base roads into the County road system would require a survey and a formal request from the owners to the County Court to have the roads incorporated into the County road system. The Court would then need to accept that request. Kennedy has informed the owners of the process. Kennedy believed there must have been a survey when the Port of Arlington did brown field work at the Air Base. Peter Mitchell was in the audience and thought if there was a survey it would be with Anderson Perry & Associates, Inc. since they did the project. It was noted that Gilliam County legal counsel is against the annexation since that would open the County to risk management issues. It was agreed the County doesn't have to make a final decision at this time and discussion will continue.

IN THE MATTER OF INTERGOVERNMENTAL AGREEMENT WITH MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

The Court discussed the Amendment Number 1 to Intergovernmental Agreement between the Mid-Columbia Economic Development District and Gilliam County for the services of communication and government affairs specialist David Van't Hof.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to accept Amendment Number 1 to the Intergovernmental Agreement between Mid-Columbia Economic Development District and Gilliam County in the amount of \$7,000 to be paid by Gilliam County upon signing Amendment Number 1 and \$3,000 to be paid by December 31, 2016; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF ARLINGTON TV CO-OP PROJECT UPDATE

Arlington TV Co-op Board members Alan Cunningham, John Neys and Kevin Hunking were present, along with Port of Arlington Manager/Economic Development Officer (EDO) Peter Mitchell to give the Court an Arlington TV Co-op project update. Commissioner Gronquist said that it had been brought to his attention he might have a conflict of interest with respect to the TV Co-op. Therefore Commissioner Gronquist contacted Neys and asked him to do a records search and learned that he owns one share of the Arlington TV Co-op that was gifted to him in 1974. He didn't have any recollection of the share, but wanted it reflected on the record, but didn't think having a share was a conflict. Cunningham said the shares do not have any real market or leveraging dollar value. Next Cunningham gave the Court a project update. The Co-op has secured the required loans to fulfill the County grant requirements. They have an approved loan with Co-Bank and contingency funding through Greater Eastern Oregon Development Corporation (GEODC). Therefore they are requesting of one third of the grant funds be released to the Port of Arlington. They intend to purchase property, update the head house and pay for the engineering as phase one. Commissioner Gronquist asked if those commitments had been signed. Cunningham informed they did have a signed commitment from Co-Bank. The GEODC will Board will be meeting the week of April 11th and will have terms and conditions at that time. They are asking for the funds because Port of Arlington Board will be meeting April 7th and are trying to avoid a three to five week delay in their project. Commissioner Gronquist said speaking for himself, he wanted to see signed documents before approving the release of funds. When asked about current cost projections, Cunningham informed that including \$230,000 in contingency funds the project currently stands at \$1.6 million from the original \$1.9 million projected in the business plan. Judge Shaffer asked for more detail on the change in project cost. Cunningham said the business plan quotes were provided by Wind Wave. They have subsequently been working with Codale Electric from Boise, Idaho and their bid was \$300,000 less. Commissioner Gronquist asked the Co-op to come back to County Court when they have their financing paperwork in order. Both Commissioner Gronquist and Commissioner

Weimar reiterated their commitment to the October 7 County Court vote. Judge Shaffer asked the Co-op to listen to his new three year funding plan for broadband. In his three year scenario Judge Shaffer said the County would be willing to pay for the Co-op's entire project if they were willing to alter their time frame and provide the Court with solid financial figures. Cunningham responded it was more important to the Arlington TV Co-op to stay with their current plan and complete their project as soon as possible. Judge Shaffer said the County could later pay their loans off for them. Cunningham said he would let the Court know when all of their paperwork is complete and come back to County Court at that time. Judge Shaffer detailed the following clarification at the April 20th County Court meeting: "Discussion ensued about the Court putting together a proposal, similar to a previous 5 year plan, to provide fiber throughout the County. The consensus was for the TV Co-op to continue with their loan package."

IN THE MATTER OF CORRESPONDENCE CONTINUED

The Court acknowledged receipt of annual report from the Columbia Ridge Landfill Citizens Advisory Committee.

IN THE MATTER OF THE NEW HOST FEE AGREEMENT WITH WASTE MANAGEMENT

Commissioner Gronquist provided an update on getting the new host fee agreement with Waste Management signed. He talked to Jason Rose and was assured the host fee will indeed be signed, but the process had been stalled somewhere. He agreed to look into the problem. He also received an email from Alan Anderson letting him know that he has seen some movement on the agreement through an in house email thread.

IN THE MATTER OF COURT MEMBER REPORTS

Judge Shaffer attended the Greater Eastern Oregon Regional Solutions meeting in Burns. The meeting was to look at setting new economic development opportunities within the region. Going forward it looks like housing and workforce development and training are rising as the top priorities. The third priority is utilization of Federal land.

Judge Shaffer attended a Frontier TeleNet meeting where the priority of broadband was the main topic of discussion. There was discussion of whether or not Gilliam County was going to participate in the backbone build from Cedar Springs Ranch to the ESD Building. Or should Frontier go ahead and spend the \$650,000 to upgrade the microwave at the Air Base. To adapt a hub to be compatible with fiber would cost in the range of \$250,000.

Judge Shaffer asked Frontier if they upgraded to fiber, would they invest the remaining \$400,000 in the fiber backbone. The idea didn't generate traction.

Judge Shaffer informed that NORCOR has not been able to agree on a budget and discussion is scheduled to resume with the process starting anew. Gilliam County's cost will be roughly 5% of the cost in an agreed upon budget.

Commissioner Weimar informed he and Judge Shaffer attended a Mid-Columbia Council of Governments (MCCOG) meeting where Judge Shaffer made a motion to appoint Commissioner Weimar to the Executive Committee.

Commissioner Weimar attended the Area Commission on Transportation (ACT) Lower John Day meeting. The meeting addressed two upcoming funding programs, the Connect Oregon grant and the Enhancement Program of the State Transportation Improvement Program grant. Commissioner Weimar will be one of two representatives who will be attending the Super ACT meeting in Bend on May 12th. The City of Condon Pedestrian Access Improvement plan to replace and improve sidewalks received a high ranking and has a good chance of being funded. Both grants will be discussed at the meeting in Bend.

IN THE MATTER OF COLUMBIA HILLS MANOR COMMUNITY CENTER

Columbia Hills Manor (CHM) Board Members Alcenia Wright and Nancy Proctor were present to give a project update, present the project budget, request the release of construction funds and make a request for additional funds. Wright said the building is coming along and the center itself is still on track and on budget as per their original proposal. Swaggart Brothers Construction bid came in at \$1,644,099. However, they have encountered some unanticipated costs due to site relocation in the amount of \$145,440. Their County award was \$1,849,000 so the cost overruns have not put them over budget to date. One change they would like to make is to add solar energy to the project. That would provide an estimated \$5,500 per year in energy savings. They received a grant from the Oregon Energy Trust and used the funds to hire Sunthurst Energy, LLC for a feasibility study. They plan to apply for another Oregon Energy Trust grant to pay for \$70,000 of the cost of purchasing and installing solar panels for the center. If they receive that grant, their net cost for the project would be \$28,958. Right now CHM only has a construction contingency line item of \$10,000. The Manor requested an additional \$290,000 from the Court to pay for the addition of solar project and would use the rest to increase construction contingency funds. After a lengthy Court discussion of whether to increase funding for the center, especially in light of likely budget cuts, Judge Shaffer said the Court will try find funds in the upcoming fiscal budget, but could not promise the Court would be able to fund their request.

IN THE MATTER OF THE CONSENT AGENDA

Commissioner Weimar had requested a clarification in the body of the Motion regarding the Oster Professional Group engagement letter. There was a general Court discussion of the wording of the Motion.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to accept the Consent Agenda with a wording change regarding the Oster Professional Group engagement letter language to add in for the preparation of the financial statements and related Management's Discussion and Analysis; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF THE NEXT COURT MEETING

The next Gilliam County Court meeting will be held on April 20, 2016 beginning at 10:00 a.m., at Gilliam County Courthouse in Condon.

It appearing to the Court there was no further business to be conducted at this time and not additional matters to be considered Judge Shaffer adjourned the meeting at 1:38 p.m.

GILLIAM COUNTY COURT

By _____
Steve Shaffer, Judge

By _____
Dennis Gronquist, Commissioner

By _____
Michael Weimar, Commissioner

R. Weinstein/Recorder