

8-16-2017

Judge Shaffer called a special work session of the Gilliam County Court to order at 6:00 p.m. The meeting was held at the Gilliam County Courthouse in Condon, Oregon. Court members present were Judge Steve Shaffer, Commissioner Michael Weimar and Commissioner Leslie Wetherell. Others present were County Assessor Chet Wilkins, County Court Administrator Leanne Durfey and Court Reporter Mary Dyer of High Desert Writing Services.

IN THE MATTER OF REVIEW OF ECONOMIC ENHANCEMENT FUND ORDINANCE NO. 2012-05

Judge Shaffer explained that Gilliam County Economic Enhancement Fund Ordinance No. 2012-05 is reviewed as needed or every five years, whichever comes first. He said that the discussion should be based on what is known today, and it should be assumed that the Host Fee Agreement between Gilliam County and Waste Management will continue. If the situation changes, the Ordinance can be reviewed accordingly. County Court Administrator Leanne Durfey noted it is known today that the Host Fee Agreement was recently renewed with an increase in fees and it is also a known possibility the host fee revenues could be reduced as a result of Metro's decision on the upcoming solid waste disposal contract.

IN THE MATTER OF ARTICLE I: ADMINISTRATION

No changes were suggested.

IN THE MATTER OF ARTICLE II: HOMESTEAD REBATE PROGRAM

Each section was discussed as follows:

Section 1: Legislative Intent: No changes.

Section 2: Definitions: Chet Wilkins suggested that the following sentence, "Homestead includes the *land area* upon which the residence is located, but does not include land area in excess of one acre," be changed to "Homestead includes the *tax lot* on which the resident is located," with the second part of the sentence omitted. Wilkins explained that the change would affect only six accounts in the upcoming tax year, increasing the total payout of the Homestead Rebate by approximately \$1,200. However, it would eliminate approximately 120 administrative tax accounts and would eliminate confusion of having two accounts on one tax lot. It would also make online information easier to understand for taxpayers, title companies, insurance companies and attorneys. The proposal was accepted.

Section 4: Claim Procedure: No changes.

Section 5: Approval or Denial of a Claim: No changes.

Section 6: Payment of Rebate: No changes.

Section 7: Miscellaneous: No changes.

IN THE MATTER OF ARTICLE III: DISTRIBUTION OF FUNDS

The Court discussed distribution of each of the County's Economic Enhancement funds, with Rational for Distributions as follows:

City of Condon, 6%: No changes. Judge Shaffer noted that distributions to the Cities increased substantially this year due to an increase in host fees.

City of Arlington, 6%: No changes

City of Lonerock, 0.5%: No changes

General Fund, 25%: The Court initially agreed that no changes are necessary, but later in the meeting agreed to drop the distribution to 23%.

Road Fund, 14.5%: The Court discussed Road Department funding, which beginning in 2019, will be increased due to the Transportation package recently passed by the Oregon Legislature. Judge Shaffer noted that the Road Department received \$509,770.12 in Enhancement Funds in 2017-18, all of which goes to the rock crusher. The Court agreed that the title of the fund should change from "Road Fund" to "Public Works" to better explain use of the funds. The Court also discussed the possibility of decreasing the percentage, but agreed to discuss specifics later in the meeting. Subsequently, after further discussion, the Court agreed to reduce the Road Fund percentage from 14.5% to 12.5%, with the 2% difference increasing the Bridge Fund from 1% to 3%.

Capital Projects Fund, 4%: Agreed to leave the percentage as is, but to increase the cap from \$500,000 to \$750,000.

Bridge Fund, 1%: Discussed the amount of money required for repair and maintenance of the County's sixteen bridges. Judge Shaffer said that due to the condition of the bridges, repair and maintenance is very expensive. Commissioner Wetherell asked if the Rationale allows for bridge replacement, and Commissioner Weimar said although the Rationale states "repair and maintenance," replacement should be included because the chance of receiving state funding for bridge replacement is very slim. Judge Shaffer said it's important to retain the fund, and also to build it faster. Subsequently, the Court agreed to increase the Bridge Fund to 3%, with the additional 2% provided by reducing the Road Fund from 14.5% to 12.5%.

Law Enforcement Fund, 1%: Judge Shaffer read a section of the Rationale as follows: “In 1996, the Court created this fund to be used for the following restricted reasons: 1) Inmate medical costs; 2) Unexpected regional jail costs not covered by the State; and 3) Capital crime unbudgeted expense.” The Court agreed that No. 2 should be eliminated as regional jail costs are now covered by NORCOR. Judge Shaffer related that Sherriff Bettencourt has expressed concern about increasing travel expenses, and after further discussion, the Court decided instead of omitting No. 2, wording should be changed to “cover other unexpected inmate costs not covered by the State.” A \$300,000 cap, which has been reached, will remain unchanged.

Homestead Rebate Fund, 11.5%: No changes.

Rebate Endowment Fund: This fund, created in 1991, was established for such time when the rebate endowment account had reached the targeted base and it was no longer necessary to add money. Thus, the Endowment Fund was subsequently eliminated when the base amount was reached. In 2012, the County Court acknowledged that with the decline in Host Fees and interest rates, it was necessary to increase the percentage to the Homestead Rebate Program. The Court agreed that at this point, it may be beneficial to add the Endowment Fund category back into the Distribution. Later in the meeting, the Court agreed to do so at 3%.

Economic Development Fund, 21%: The Court agreed to reduce the disbursement to 20.5%, with the difference used to increase North and South Special Projects funds from 1.75% to 2% each in order to better accommodate recent increases in number and amount of project requests.

North Special Projects, 1.75%: See Economic Development Fund, above.

South Special Projects, 1.75%: See Economic Development Fund, above.

Transition Fund, 1%: Judge Shaffer explained that the Transition Fund, established by Oregon State Law, is only accessible after the landfill closes, and is intended to be used for costs incurred at that time. Currently, there is nearly \$600,000 in the fund. No changes were made.

Debt Service Fund, 3%: Judge Shaffer explained that the Debt Service Fund was created to repay a \$4,750,000, 25-year loan from the State of Oregon, which has subsequently been paid. Currently, the only debt is the County’s portion of the digital switch, with two years remaining on the loan. There is currently \$406,000 in the fund. Judge Shaffer suggested that the Debt Service Fund be eliminated and the 3% used

elsewhere. Subsequently, it was decided that 2% would be used to increase the Business Development Loan Fund.

Business Development Loan Fund, 2%: The Court agreed that a cap of \$500,000 isn't much in today's dollars and that amount would be useful primarily for small businesses. According to the Rationale, the fund is for existing and startup Gilliam County businesses, but Commissioner Weimar said that it would be beneficial to use the funds to entice outside businesses to locate in Gilliam County. The Court agreed with Judge Shaffer's suggestion that the cap be increased to \$750,000, and that the distribution of funds should be increased from 2% to 4% to grow the fund faster.

IN THE MATTER OF NEXT WORK SESSION

Judge Shaffer said that another work session will be scheduled in September. At that time, SIP discretionary funds and Pennington Reserve funds will be discussed.

IN THE MATTER OF CONTINUED DISCUSSION, PUBLIC RELATIONS

Regarding a matter discussed during the regular meeting earlier in the day, Commissioner Wetherell said she called Lee Weinstein of Weinstein PR-Communications during the dinner break. He indicated he was swamped and unable to help the County with public relations at this time, but recommended Pyramid Communications. Leanne Durfey suggested that Elizabeth Farrar, who offered comments when the matter was addressed earlier in the day, might be interested since she has done similar work through the years. Commissioner Weimar said that Farrar might be able to deliver the work quickly.

The Court agreed to consider both. The matter must be decided quickly and will require a special meeting, as the cut-off date for comments regarding Metro's landfill contract ends Sept. 12. The date of the meeting will be announced.

IN THE MATTER OF THE NEXT COURT MEETING

The next regular Gilliam County Court meeting will be held on Wednesday, Sept. 6, 2017, beginning at 10:00 a.m. at Gilliam County Courthouse in Condon, Oregon.

It appearing to the Court that there was no further business to be conducted at this time and no additional matters to be considered, Judge Shaffer adjourned the Work Session at 8:00 p.m.

GILLIAM COUNTY COURT

By _____

Steve Shaffer, Judge

By _____

Michael Weimar, Commissioner

By _____

Leslie Wetherell, Commissioner

Mary H. Dyer/Recorder _____