

WASCO COUNTY BUDGET COMMITTEE

MAY 10TH, 2011

PRESENT: SHERRY HOLLIDAY, Commissioner/Budget Committee member
SCOTT HEGE, Commissioner/Budget Committee member
ROD RUNYON, Commissioner/Budget Committee Member
CHIP WOOD, Budget Committee Member
MEL OMEG, Budget Committee Member
PATRICK DAVIS, Budget Committee Member

STAFF: MONICA MORRIS, Finance Manager
TYLER STONE, Administrative Officer
SUZANA PINKERTON

The Budget Session was called to order at 9:03 by Chip Wood, Chairman of the Budget Committee.

Welcome and Introductions were made.

Chip Wood, Budget Committee Chairman, called for the election of the Budget Committee Officers for Fiscal Year 2011-2012.

Mel Omeg moved to nominate Scott Hege for Chair of the Wasco County Budget Committee. Rod Runyon seconded. Motion passed unanimously.

Sherry Holliday moved to nominate Mel Omeg for Vice Chair. Mel declined, Rod Runyon nominated Patrick Davis for Vice Chair of the Wasco County Budget Committee, seconded by Chip Wood. Motion passed unanimously.

Patrick Davis moved to approve the Budget Committee minutes for the 2010-2011 of April 26th and 27th, as distributed. Scott Hege seconded. Motion passed unanimously. Rod said he had changes he wanted in the minutes and they were accepted with the changes.

Scott Hege passed the meeting on to Tyler Stone, Administrative Officer.

Tyler Stone thanked the Budget Committee Members for volunteering to go through reams of pages of the budget. He had a special thanks to Mel Omeg for his commitment and acknowledged this is his last year as a Budget Committee Member. He also thanked Monica Morris for standing out in this process and for all the time and hours that she puts into this, in order to put the budget together. He also thanked Scott Hege for sitting in the process as the Commissioner, and how much he appreciated Scott's input. Finally, he wanted to thank last year's Budget Committee members for their efforts in making the numbers much easier to work with.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 2

Tyler Stone started his Presentation of the Budget Meeting for 2011-2012 (attachment # 1)

The year in Review:

- Veterans moved out from the Public Works building, which was a positive move for the veterans in the community. They are working to develop a volunteer program.
- The Public Health general fund administration will be shown in the Public Health Fund, which was a very significant move.
- 911 moved from the Sprint building to a County building which saved us money; for example \$45,000.00 a year that we are not paying for rent.
- Tim Lynn is starting the Assessment and Tax software conversion, replacing the aging system.
- This year is the first year for Project Accounting.
- Replacement of the La Clinica roof.
- We have some significant changes in staff; two new Commissioners, County Clerk retired, Chief Deputy retires, and Planning Director resigns. These changes will have budget impacts in personnel costs.

STRATEGIC PLANNING

- It is new this year, just started working with it. Working with small group of citizens and commissioners.
- We will get a feel for the strategic planning process and how it plays off in the budget process.
- This was designed to help departments model and direct Strategic Planning at department level.

Tyler Stone went through the Strategic Planning of the county, and talked about the following focus areas: Technology, Customer Service, Employee Satisfaction, Infrastructure, Communication and Financial Health. (Details in Attachment # 1)

STRATEGIC PLAN – SHERIFF’S OFFICE (page 10 of attachment # 1)

Presented by Lane Magill, Chief Deputy Sheriff

Lane Magill gives a brief overview on the Sheriff’s Office strategic Plan. He said that was the first time he had written it and it fits under the umbrella of the county, so that they are all working together.

He also went through the Sheriff’s Office mission statement and core values.

Lane stated that relationships are primary and they need to be built through the county.

Goals we have for this year:

Goal one: Technology... to develop and update website

Goal two: to improve customer service, providing means for the citizens of Wasco County to interact directly with the Sheriffs’ office on a regular basis.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 3

Provide web based customer service for contact to be completed by January 2012. The goals interact with one another. We also have an open door policy to improve customer service with innovative ways, and technology will provide a much better service.

All of these strategies will not cost more. It will be integrated by what we have now.

We will have total transparency; everybody will have access to the information at any time.

We broke each division down with specific needs and goals and we will achieve this within the next 5 years.

We will hire 2 additional deputies for patrol and our target is to have 10 full time deputies.

Now we have only one deputy working in a homicide case, which is not good.

The citizens were not having face to face contact to help them work through the process, we need that in a criminal situation, to give a better service and reduce response time. We have had issues with actual response power because of distance to cover.

We have huge amount of calls for each deputy. Every resource today is trying to handle the situation because of man power issues.

How we are going to measure this: providing detailed reports, breaking it down to individual towns, report directly to all of you, working on that as it goes.

We will also have customer base survey to bring back to you to share an understanding where the customers are coming from.

Sherry Holliday asked if there was a South County Deputy.

Lane Magill said that the deputy that was there before was promoted and moved to The Dalles. He also said they had some manpower issues in the summer. Now we are in a response mode because we are shorthanded. We are now in the process of hiring some more people, but it will take 6 or 7 months for that to be accomplished.

Lane Magill opened for questions

It's extremely important for you all to read this, and please tell us if you have any questions. We didn't just come up with this, we got input, and we will integrate it in our work in order for it work. If you see something you don't like, let us know so we will fix it.

Rod Runyon made a comment that the Sheriff's Department had some hesitancy in doing this, but then sat down and adapted it to their world. They got an idea and made it work for them.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 4

Lane Magill thanked the Committee for giving him the time to work on this. Rod Runyon congratulated him on the job done.

Tyler Stone said that this is showing where this is leading to, hoping that each department will take this example. It may need some changes though.

Tyler Stone thanked Lane Magill and said that he really grabbed this and created an exceptional document, specially being his first attempt. There were some hurdles which were overcome and Rick Eiesland is right behind it working as a model in this Strategic Planning for all departments.

Tyler Stone moved on, talked about the administrative rate and had an analysis of what costs the County to do business, and you will see this in the budget.

Monica Morris said that contrary to what everybody feels, it was extremely cumbersome.

Tyler continued with his presentation, talking about the methodology of administrative rate, and this was asked from every department. We need that not only for internal department. Ex.: in the Sheriff Dept, the county pays a part and the city pays a part.. Now we can show that with solid numbers, we can use it in the communication with the city as a true partnership. We have revenue from grants, and with the administrative rate we can apply it to grant to assist in paying overhead.. By having the administrative rate we may bring in additional grant revenue, This represents many hours of work with more to come for fine tuning. The Commissioners will be having a work session to see what it means for internal department and where they want to see it go.

Lessons learned from last year's budget process and some things we would like to see to get better. We now give the department heads the numbers and let them make the cuts. As a result the goal was to decrease the time of the Budget Committee meetings.

Last minutes cut to balance are not an effective process. There was lots of anxiety last year at the meeting. This time we sat down before we got to this meeting and worked the issues ahead of time.

The budget will be available on big screen, and we will keep a total running on the cuts.

The departments were asked to budget expecting to provide services in true cost. For the most part that is what you see in your documents. Any changes outside that will be handled on an individual request basis.

The budget balanced fairly easy this year. Unlike last year, we had some beginning fund dollars. The carryover came higher, because we were conservative last year on our approach.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 5

Last year we expected the max in PERS increase, actual is half because of PERS level adjustments. All the departments were conservative in their spending.

Monica Morris will give more details when she presents the Budget Message.

The total budget was down due to grant funding ending and not represented in this year's budget. Numbers on the budget roll up. The beginning dollar amount for budget purposes is 13 million for general fund purposes.

Beginning Fund Balance is higher. We were conservative last year.

Tyler Stone went through some items and how there were no increases in personnel numbers, but that PERS cost had a steep jump in a year.

Monica Morris said that the departments did not increase their request for materials and services.

NORCOR has cut personnel and cost, and this year will be fairly stable providing everything is holding true.

10:00 – The Budget Committee recessed.

10.06 – Meeting reconvened by chairman Scott Hege.

NORCOR FUNDING – Presented by Dan Erickson

Dan Erickson went through a little history about funding how we got where we are. There are 100 beds allocated for the 4 counties. (Hood River, Gilliam, Sherman and Wasco).

Wasco County went over 65 to 70 beds and we need to figure how we can compensate for the extra usage. At the NORCOR Board it was agreed that the counties would pay 10 dollars a day per bed that went over the allocation. This incremental cost basically covers the cost of food, laundry and electricity.

We agreed to go for the 5 years average, and it's called the Dan plan. That required each county to maintain its base, until it went over the base, then we took the 5 year average and that would become the average. The higher of the 2 is the system. Wasco Co. is paying over and the other counties are paying the same.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 6

A Resolution passed in 08 requires that the bed base remains the same, at that time Hood River wanted to maintain the 40 beds as base. This decision has changed, but no detail given. Funding NORCOR is a long term commitment. The juvenile facility is still fully funded. Juvenile is tracked separately from the adult.

Does every county have the same power of vote? Wasco County funds half of it but everybody has the same vote.

Sherry Holliday said that last year Hood River took a big cut, and Sherry suggested the board get together and continue this discussion.

Rod Runyon said that he appreciates to have the knowledge that Dan Ericksen provided, so that we have a base to go on to the budget process.

It was considered that Wasco County would not go over the 50 beds as the base level, and that would be a way to cut spending on NORCOR, and it is a viable alternative.

Rod Runyon commented that NORCOR is a significant part of the entire budget.

Monica Morris thanked Dan Ericksen for the presentation.

BUDGET MESSAGE (attachment #2)

Presented by Monica Morris

We ended the year in a positive note. The sky didn't fall in, like it did in other counties.

Revenue is coming in this year. The state is sending some tax revenue. The citizens were wonderful in paying taxes.

We do not know yet what the state will do. We will revisit if needed, we evaluated the revenue for all taxes. If the State doesn't come through we need to re-evaluate. The budget is balanced. We will not reduce services, and will increase in the Sheriff's Department. We are starting changes in the process, using the Strategic Planning. We do not want to react, but do forecasting. We will start a three year forecasting in the budget. When we react to a problem it is not good.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 7

The current budget is less due to grants, as we do not have all that we had last year.

She went through the budget.

Patrick Davis had a question: "You mentioned a report that Wasco County dodged the bullet in relationship to some other counties that were not so good at it. We will be adding strength in the Sheriff's office. Klamath County went from 26 to 5 officers. How can we maintain current level of service? Is there an answer to that?"

Tim Lynn explained that permanent tax rates are based on what was funded at the time of ballot Measure 5.

Dan said that the reason they have the problem is based on O & C, Federal fund revenue that directly impacts those County's general fund. The Federal timber funds received by Wasco County is dedicated for the roads. The Wasco County Road Department is impacted by the loss of Timber funds.

Monica answered Pat that there will be an impact, that we are not escaping that, but not as dramatic as in some counties. Patrick Davis thanked her for the clarification.

Monica Morris started going through the budgetary changes that will be seen this year in this budget, the first one being the combining of GIS and Information Services. They have two employees in each. As a combining department it will be able to utilize staff skills more efficiently and support GIS. We hope this will have a positive impact. They will be able to maintain the current computer programs and databases and individual support. Other duties will be installing the Manatron system, which is a tax and assessment system. This action will allow the Information Services Department to continue supporting uses. A couple of other things that are going on, electronic records in Public Health, also time spent in 911. By combining GIS and Information Services there will be a relief in their work load.

Tyler Stone made a comment that with all this the GIS services should not be impacted, their services will continue as they do today. They will keep supporting the county in the same way they have in the past. Efficiencies will be had by these changes.

Scott Hege said that it made more sense, we will see how much efficiency was gained and if we need to add more staff or not.

There were some more discussions about the logistic of the change and how it will affect the departments in the coming year.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 8

Monica Morris talked about the next big change which is a structure change in the creation of an Operating Reserve Fund. This came about as one of the goals in the Strategic Plan. An example of the need for an Operating Reserve Fund is the impact of not having federal timber dollars and how that could impact Wasco County. At this time Wasco County does not have any fund that will fill in that need. This reserve fund will start us down that path. We do not know what the State funding is going to do. This will help us absorb those impacts.

We also made changes in Public Health. One of them was an allocation funding formula which was desperately needed for our Public Health District. This was needed because the District gives credit to Wasco County for the in-kind work, and we needed a solid allocation formula. The allocation formula can be presented to partners and we can stand behind it. We were able this year able to move the dollars into the administration dollars from all three counties into a separate fund, the Public Health fund so we can track those and we can now share that information with our partners. This allows them to be comfortable that their administration dollars will go towards the Public Health District. Teri, Kathy and I worked very hard this year. There was a lot of information to go through and lots of learning. Teri came into my world and I went into her world, and we were able to communicate and satisfy all the partners. Hats off to the Public Health District for all the data work they did. Also I sat through a review by the state and hats off to Teri and her group. The State was very satisfied with all their reports and their record keeping

The in-kind allocation formula will be used by all department heads, whether it will be for grant funding or in communicating with Nolan in the city, when talking about 911 or Animal Control. It is going to come in to play a lot in the future. It will be interesting to see how the Commissioners take it and what their intentions are with it.

These were all the structure changes this year.

STAFFING LEVELS – the only increase you see is in the Sheriff's department, we have 2 parts to the increase, currently we have a ½ time deputy funded by the Oregon Marine Board. By increasing the part time person to full time, we talked to Rick and he lowered his overtime by \$20,000. We were able to bring in another full time deputy, which ends up costing us \$75,000. The part time deputy brought to full time will do half time Marine Services and half time patrol services as a road deputy.

We brought the ½ time person to full time and added a new deputy, and this was the only staffing change made through this budget.

PERSONAL SERVICES – only 31% of this entire proposed budget, and Pat, this goes out to your original question of why this county is not sinking, because in some counties their Personal services is over half of the budget. Costs are down a little bit - not reducing services, but due to turnover.

Wage adjustments in this budget, we have WCLEA budgeted at 0.... They had a 10% increase, will be negotiating their contract this summer.

FOPPO, negotiated at 2%, AFSCME at 1.5% and Non-Rep at 1.5%.

PERS – We have a very nice article mentioned by Scott, in the Statesmen Journal about PERS funding and we were rated 11 in the US. The article also said that the State is recovering more quickly from the market crash of 08 because of its strict accounting methods. Oregon PERS is 86% funded , with 80% funding as ideal, that's great news.

Rod Runyon mentioned that part of that is that, in Oregon, when PERS investments are down employers are required to make up the difference.

Tyler Stone said that is why we made for a \$ 240,000 increase for PERS in 10/11.

Monica continued saying the Our PERS rates came in less than anticipated. We anticipated a maximum of 6% increase and it came at a little bit over a 4% increase.

Total increase to our budget is \$240,000.00, we had some money saved from last year so we have only \$120,000.00 increase over last year. Next year we will have the same PERS rates, it is over 2 years. There will be a big increase on our PERS next year because we are not saving this year.

Scott Hege asked that if PERS rate will be the same as last year, why will there be an increase? Bottom line amount should be less or minus the same?

Monica: "It will be similar to that increase is this year. We offset the"

Scott: "I don't understand, rates are the same, should it not be the same. It should be the same. It won't be the \$240,000 dollars."

Discussion made on that.

Sherry Holliday asked that if we know the increase why are we not putting that away this year?

Monica Morris said that they anticipated the max and it will only be at 4% money will not be set aside.

Scott: "that should not go up as much as last year".

May 10th, 2011

Page 10

Tyler: "the huge increase is in this year budget and next year's budget".

Chip Wood said that based on years before, the increase could go down two years from now.

Monica stated that PERS didn't hurt as bad as we anticipated.

Sherry Holliday said that: "if we are going to be faced with a payment next year we should look at putting fund away not know it is going to cost more maybe we should be putting some away this year. That is good budgeting in my mind".

Tyler Stone said that we kind of did it with the operating reserve fund. There are some dollars put away that are not ear marked for certain things.

Sherry Holliday said that was good to know.

Monica: "Reserve Operating Fund, they are not ear marked for anything in particular, it's there for the Commissioner's decision to use help keep county services running, when we have so much uncertainty from the State. It is available to any department, any fund, and any service".

HEALTH COSTS

Monica said that when the process of the budget starts the insurance company gives us a number that we use. Then later on at about the end of April or first week in May there is a final number. However, historically the budget is already finalized. They told us it would be 8.5% for medical and 5% for dental. The dental actually went down 2.7% according to figures given to us about one week ago.

Monica went over the employees share in the cost of their medical premiums and their costs compared to the County's cost. The cost reflected in this budget is the employer's share only.

She explained the costs of medical and dental in the grid, which is 1.4 million for medical and 108,000 for dental.

Mel Omeg asked: what is the yearly cost per family coverage.

Monica said that it is \$1,600.00 a month for family, employee will pay 350.00, and the county 1250.00 – just for medical insurance, and it does not include dental, LTD or life.

Mel Omeg asked if single was \$ 573.00 a month and Monica confirmed this amount.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

The insurance companies are looking at restructuring and having single plus children instead of family.

Scott Hege said: "back to medical, did we look at medical coverage differently, with a high deductible and different things? Are we going eventually look at that again?"

Tyler Stone answered that three years ago it was done a big study with employee meetings, and presented an option of savings account with a high deductible option, and most of our employees didn't want to do it.

There were some discussions on that about savings that the county could have.

Tyler Stone agreed that maybe it is time to look at doing a study again.

Rod Runyon made a comment that a couple years ago it was different from now, that now people have the knowledge and they understand insurance better.

Monica agrees that we should be looking at something, because the cost of insurance is right up there with NORCOR.

Monica asked if there were any questions up to this point about anything. There were none.

TRANSFERS:

It is basically when we move money from one fund to another and it has to be shown. Most of these transfers are not new. They have been in the budget year after year. Health Grant is a new one where we took administrative dollars out of general fund and we are sending it via transfer to 201.

The Parks Fund is larger than usual this year because of a grant match. This was part of the Hunt Park expansion and restructure. We have to match 25% of it in order to get the grant and that is the 56,000 you see in the budget. This will allow us to receive more revenues from the State.

Fred Davis, Facilities Operations Manager said that improvements will be done over several years, and they will bring grants. We will receive a big amount from State, in form of grants.

Tyler Stone said that they will redesign the RV park and that will qualify for State funding from the RV revenue at a rate of 75% for developing camp sites. It supports the long term revenue stream for Hunt Park.

Rod Runyon mentioned that it does not matter if the space is used, that it is qualified space, and the State will pay money.

Tyler Stone said that by the payment of RVs coming into the park there will be an increase on the revenues.

Mel Omeg asked for a comment on the Community Corrections for 209,000.

Monica explained that we received money from the state to support NORCOR for a certain type of Correction client.

Molly Rodgers commented that a portion of that is to house people for 364 days or less in our county facilities. We are housing them at county level. There is portion that goes to NORCOR and a portion to Community Corrections.

Mel Omeg asked about the stability of that on that level of funding from the State, if it is up in the air.

Molly Rodgers, Youth Services Director said that the Department of Corrections is not as volatile as the rest of the state. What part of NORCOR footprint does the State own because they helped us in 1999 to build the NORCOR facility?

Monica said that money was coming from the Community Corrections fund. We were working with Robert Martin who manages the Community Correction and he does the State budget as well. This money is coming from his fund into general funds he was fairly confident that the revenue he is anticipating will come in. If there is an issue we will have to address it when we find out.

Monica asked if there were any questions about the transfer. No questions were asked.

Molly Rogers, Youth Services Director stated that the Commission for Children and Family was basically eliminated from the State starting in July of 2012, but it appears that there will be something in there for this fiscal year. This will be a huge change.

RESOURCES:

Our resources are budgeted to be down, and again the decrease is grant dollars. Grant dollars can be misleading because they look like additional revenues. We encountered that last year when they saw that we were up 1 million dollars, but it is money for a specific project, we cannot choose where to spend it.

May 10th, 2011

Page 13

Scott Hege commented that grants are great but they always cost you money, because we always have to put money for those projects too and they can hurt the budget in a way. Scott was the Commissioner in the Budget group.

Monica continued saying that there were some increase and some decrease in our revenues. The decrease was in the tax revenue, budgeted conservatively because we don't know what is going to happen. We are ready and prepared for any significant issues that may come through. Our property taxes remain our greatest source of revenue.

Monica and Tim Lynn, Assessor/Tax Collector worked on property tax projection this year. They both made an estimate and their numbers are pretty close, within \$1,000 dollars from each other, confident that number will come in.

Scott Hege asked Tim said that in theory, tax will go up 3%.

Tim said that this was an assumption and not always the case.

Scott Hege said that if we go in the assumption of a 3% increase and in then in the budget the actual is and increase of 5.19%, how do you explain the difference?

Tim explained the difference, saying that some things will go down, based on market value fluctuation and that there is no cut and dry formula. We do feel it is best to look at past history and that his estimate is based on history. He went into a in depth explanation about market value, construction and that it takes him a long time to come up with these figures.

Scott Hege asked how much the increase was from past years.

Tim said it was around 5%.

There were some discussions and comments on the fluctuation of market and assessment values and the variations of it, and the difficulty in coming up with those numbers, and it would always come to the 3% increase.

Monica Morris said that they don't just add the 3% to it, they start with the assessed value and then apply some assumptions. It's a long process that is looked at to come up with these figures.

In the General Fund, property taxes are the single largest resource of revenue, then Beginning Fund Balance followed by the Wasco County Garbage Dump.

WASCO COUNTY BUDGET COMMITTEE MEETING

Other revenues include video poker, various state taxes and the recording fees that are coming higher than anticipated. As economy goes down people gamble more and drink more.

Sherry Holliday asked if the State had increased the allocation of tax.

Monica said there is no changing in the allocation of tax but it is open for them to do it.

Monica Morris explained the chart of the General Fund resources included in the Attachment making comments on how the beginning balance came in higher than planned this year and that the taxes are being paid wonderfully. The landfill is a big revenue and she talked about the 30 year landfill agreement and that it ties up the landfill license, we have committed to it and it increases every year, giving us room to negotiate our tipping fee, but it would have to be done with some legal help. Glenn will be here this afternoon if we want to get into a deeper discussion about it.

Scott mentioned that Monica had said that the license fee increases annually but it shows as the same in the budget.

Monica said that the license fee has increased but we are collecting some back money that will phase out. The license fee itself is not \$ 130,000.00.

We are hoping that our interest will start coming back. We are anticipating that we will do something in the next year or two. We are going to have some additional investment that will bring that revenue in more aggressively.

Scott Hege made a comment of the budgeted amount of interest for last year being \$30,500 and asked Monica if she had a way of knowing roughly how much would be brought in this year.

Monica said that she didn't have a way of knowing but it would probably be around \$ 15,000 or so.

Monica went through the rental income coming from La Clinica and the Center for Living and asked Tyler if he had any comments about that.

Tyler said that La Clinica will be building a project as is the Center for Living, which happen to be our tenants, and as those building come on line, they will be vacating our buildings.

Chip Woods asked if they had money for the buildings.

Tyler Stone answered that La Clinica does but the Center for Living is still in the process.

Monica said that when that time comes, the Commissioners will have to discuss as to what to do with those buildings.

Monica mentioned the fact that the traffic fines for this year are budgeted half of last year, this being a clear indication of the Sheriff's Office being shorthanded.

There were some discussions about the State getting the traffic fines and if that would be changed eventually.

MATERIALS AND SERVICES:

Monica Morris said that the Department heads are doing a fabulous job in not spending money. There is a big portion of materials and services that they don't have control, like liability, unemployment, county wide costs that have big impacts.

There were minor increases. Fuel is going up for the Sheriff's Office. Completing a home repair loan grant so it will not be in next year, we didn't reduce service, we just have a grant going away. Paul's material and services are going up because of the restructure of GIS coming into his department.

Assessor cost is going up a tad bit because of mapping costs not negotiable to the State.

Public Health costs went down 100%, not going away, just coming out of general fund and going into a restrictive fund.

Planning went down, it's not reducing any service, just a change in accounting structure that we need for Planning and Clerk recording.

Public works surveyor, there has been a few changes in it. One of Marty's requests was to reduce the allocation he spends on Dan and in order to do that we moved some of the money from Public Works into the Lands Corner Preservation Fund. That fund is there for the surveyor to find old property markers and replace them. That money comes from recording. Another change made in the Surveyor, is that currently he is in charge of the Weed and Pest Department, and next year that will change to the Public Works Department under Marty. No fund structure will be changed, just the Supervisor's responsibilities.

There was an increase in the Youth Services because of some services for Youth Counseling being contracted and the department plans to continue those services.

May 10th, 2011

Page 16

CAPITAL

Monica said she would go through the items in the Capital Outlay. Fred and Paul have big projects. The vehicle committee has asked for 4 vehicles, 3 for the Sheriff Department and 1 for Public Health.

We have a 90% grant funded to replace the clerks counter, and we will be funding 10% of that.

Pipe leak in the IT room, leaking on servers, we are in the process of moving the servers now.. Fred is due to sign contract tomorrow. The first phase will be completed in the next fiscal year, so we are not high risk area.

Patrick Davis asked where it was moving to and Fred said that it will be moved to the other side of the wall. Fred explained where it was going to be moved to.

Next is for the elevator repair, and anyone that has been there wonders why we are waiting. Sherry said she time this morning and it was 15 seconds only, Tim said it was 50 seconds. Monica stated that the elevator was not trustworthy for late nights. There was some discussion as to the age of the elevator and Fred said it was about 20 years old, that it had not responded to the reboot process. He also stated the repairs have been pushed as long as we can for safety.

Next we have DEQ clean up for \$15,000..... for tank that needs to be taken out. Tyler said that there were also asbestos issues.

IT room full construction will cost \$ 15,000.

Capital equipment for \$ 44,500 is not ear marked for anything specific. It is there in the event that we need to purchase any other equipment.

The Electronic Medical Records – Public Health, even though it is 100% State funded, there is still a cost for the county for that.

Public Works Capital

Monica asked Marty if he wanted to talk about that for a minute.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 17

Marty Matherly, Roadmaster, went through the items needed for his department according to the amount in the budget: 5,000 for imagery, 5,000 for right away acquisition, 205,000 for road

equipment, barricade picker, bushwhacker, 2 pickups, oil/separator that wore out, 20,000 for building rehab, and the carpet desperately needs to be replaced.

The Fair and Hunt Park will be sharing the cost of a tractor.

Tyler Stone said that they are currently using a 1963 tractor which was passed down from Public Works. They desperately need one now, because local farmers are bringing tractors in, they are there mowing, and they need one.

The \$143,000 in the Museum Fund is from donations that they anticipate to use in rebuilding for the Transportation Building Project.

The Hunt Park Capital Improvement Project: General Fund is paying 25% as the match, and it is 75% grant funded. The grant is in 3 phases, this currently addresses phase 2. We re-budgeted phase 1 which has not been spent, so we are looking at phase 1 and 2.

Tyler Stone said that it will probably be starting in October and that by doing both phases together it will allow us to save in some contractor's costs.

Monica continued the explanation with the Tax and Assessment software, which will be replacing the AS 400.. The amount is the balance of the contract that has been signed. The total amount was \$225,000 and \$15,000 was already sent. The balance of \$210,000 is what we owe now, which was clarified by Tim Lynn.

Monica asked if there were any questions about the Capital Outlay. No questions were asked.

Ending Fund Balance which is now addressed by GASB.

Scott asked Monica to say, for the record, what GASB is.

Monica said that it is the Government Accountability Standards Board, which have some accounting rules that apply to County Government. We have to meet Federal and State rules and sometimes they contradict. And GASB 54 is not acknowledged by the State of Oregon in their budget requirements, but it will be acknowledged in our financial statement At the end of the year you have a balance and that can be misleading. An example is that we have

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 18

\$5,000,000 dollars, that would be misleading to investors, because when they look at it they might not see that 3,000,000 dollars is restricted because of Public Works dollars that is *federally* restricted, it's not General Fund, and you cannot pay debts with it, it's not discretionary. What GASB 54 is doing is

requiring us take our Year End total and categorize them, in 5 categories: *bonded debt, restricted, reserved, discretionary and not discretionary*. We will need to take our money and put them in these categories. When investors look at it they will see the reality, and it breaks out what the true financial picture of the entity. This is required of everybody. This is the biggest change that has come down in the last 20 years.

GASB 45 took in the cost of retirements, we are required to have an evaluation every 2 years, and we will include our cost in the Financial Statement. GASB 45 is different than GASB 54. GASB 45 is OPEB.

Monica said that GASB 54 not only categorizes the dollar amount, but we will have to look at our Ending Fund Balance which is our total un-appropriated amount and we have to actually put forth a policy behind it.

Monica explained how it will be done this year. She also explained how it will be affecting the operating fund of each department and how important it is for each Head of Department to be informed of the process.

Each department that has an operating fund that is restricted will need to do the analysis and review.

The Sheriff did that for 911 and Animal Control, and it was well received by the Division Mangers.

Each operating fund has a different un-appropriated fund that they can vouch for. The un-appropriated balance sometimes will look high - we cannot change that. In the past we could address that.

Patrick Davis asked that in the 4 month minimum, if it was standard and a part of the GASB or is that a part of your strategic Plan?

Monica answered that the 4 months is the County's decision, because some of our revenues come in monthly, we cannot tie too much on un-appropriated money, it would be hard to balance the budget.

We need to be realistic with cash flow every month. I am confident that with the 4 month policy we will not have any cash flow issues until the tax money comes in.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 19

Tyler said the policy is set each year by the Commissioners.

Patrick Davis asked if the reason we are searching around for money to try to balance, will this be something that it will affect our sustainability. Can we take that out from carry over? It sounds that the policy in place is written in stone, what about an emergency?

Monica explained that the point of this is to prevent that from happening. It is designed so you can have your cash flow and meet your expenses for however long you need to. This allows us to have a contingency plan if we cannot meet that plan, and that plan has to be spelled out as part of that policy.

Patrick said that as an example if you are up against the wall, and have to prioritize some County services, like keeping deputies on, then you need to be able to access the fund and go below the 4 months in order to do that in an emergency situation – even if we realize it is unsustainable but we need that.

Monica said that GASB will require that we put a contingency plan in the policy in order to change that, in the event we cannot make it in the 4 months.

Patrick said that this answers my question, that I was concerned that you would be boxed in.

Monica said that yes, we are boxed in a little bit, and you have to be very careful. For example in the Public Work fund, their biggest expense comes in December so we looked at this.

Monica said we will break for lunch now and this afternoon is open to the public and also to the Heads of Departments will be here to answer any questions you might have.

11:55am – The budget Committee recessed for lunch.

1:00pm – Meeting called to order by Scott Hege

Monica Morris addressed the Budget Committee stating that if they want more information about the budget or if they have any questions. You are charged with a very serious duty with this proposed budget and you are representing the citizens of the County and you need to ask if they have any doubts.

She talked about a spreadsheet with the listing of the partnership between the City and the County, activities and programs that both put money into (attachment #3). She said that this could change depending on the Commissioners' decision on how and where to use the administrative rate. Museum funded equally by both.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 20

Animal control: The budget outline what the City and the County pay into the fund. It does not include in is any administrative cost outside the Animal control fund, and it's not truly reflective of the County participation on the Animal control; it's reflective of the cash component only.

Patrick Davis asked if that was true for the City also, that they are including their administrative costs.

The city put small administrative rate in the Library because they manage the Library.

Monica said that the county put in \$35,000 dollars for 911 as administrative rate to help cover the cost of the IS Department, the IT service.

At the Animal control the county does the administration and the city sends a check, the same with 911, the County does all the work. The partnership is used loosely.

There were some discussion on the partnership between the City and the County, like the Library's roof repair. Fred Davis thinks the City put the roof in and Sherry Holliday said that the County contributed equally with the City.

Monica explained more about this partnership, about their responsibilities and who is doing what. She also said that 911 and Animal Control will be topics that will have much discussion in the coming year.

The county is putting \$ 5,000.00 for the Six Rivers mediation and the City is not.

Sherry Holliday said that that was all they requested.

Rod Runyon asked that if the City does not put money in the Six Rivers mediation can the City have access to the service.

Sherry Holliday answered that they can pay as they go.

Monica Morris stated that this is all important because she sees all these numbers changing in the next 2 or 3 years, and the structure changing too. This is something we all need to be aware of and talked about.

Monica asked Rick Eiesland to tell the Committee where they are at with Animal Control. Rick Eiesland stated that they are still good with the money that the County gave them last year. The Officer has

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 21

a back injury. He is currently working 2 hours a day, 5 days a week. If he does take a medical retirement, Rick said he is not sure that he would be willing to have an animal control officer for the actual amount of calls that we receive in the County. It might be safe to say that the deputies will eventually take over the animal control, and that would be his recommendation. If Brad Heinige retires, he recommends that the position would not be filled and that the Animal Control be hand over to the city of The Dalles. There were some comments on the subject about transport in the County and who does that.

Scott Hege asked if there were any questions for Monica at this point.

Tim Lynn asked how many partners the county has in GIS. Dan responded saying that the county has 4 partners: Sherman County, Northern Wasco Co. PUD, Mid Columbia Fire and Rescue and the City of The Dalles.

Tim Lynn made a comment that he thought that GIS should be funded by the partnership not the County.

There were some discussions on the fee charged for a map, if it should be increased, because the County charges \$8.00 dollars as opposed to \$35.00 that is charged somewhere else, so the County needs to look into that. Suggestions were made that they should look at market rates for it.

Scott Hege opened for public comments.

David Williams, State Director for USDA and Wild Life Service Program stated that he has been here since 1997 but has never attended one of these meetings, and that they have always worked with available resources to keep employee in and delivering the best they can. Some of the points he covered:

He talked about the costs in general and how they work with birds, feral pigs, and wild life diseases.

They are bringing in a helicopter from Lewiston, Idaho for coyote removal and how they will be able to use it for a couple of days in Wasco County, and they are very excited about this project. They lost 75% from State funding and how they use every dollar they get from the State and County.

Coming to the County for more money is their last resort, meaning that if the County want the service there needs be compensation.

There were some discussion about the feral pigs and how the property owners are getting involved in it and how mobile they are, and how predatory they are. They cause a lot of damage in the properties, and because they are nocturnal they are harder to hunt.

There has to be a joint effort and how the employee John cannot do this by himself, they cause serious damage to the soil. There has to be a working plan. David Williams suggested that the Budget Committee consider a \$ 10,000.00 amount for the Conservation District.

Monica Morris said that there was a request for \$ 5,380.00 and she understands that they are asking for some more beyond that.

David Williams said that he wanted to illustrate what was going on in reality, not pointing fingers or making issues. He said he wanted to work with the County supporting agriculture.

Sherry Holliday makes a motion that the Budget Committee gives the \$ 4,620.00 extra for USDA but not give it to them until they complete some kind of program, giving them the \$ 5,380.00 budgeted and add additional when they provide a work plan.

Patrick Davis seconded.

The Committee discussed the subject a little further about it:

Tyler Stone made a comment that \$ 5,000.00 was not buying the County anything. That if they really wanted to fund it, they should bring someone on a quarter time basis.

Chip Wood said that it was \$ 8,000.00 before and it has been \$ 5,000.00 in the last 2 years.

Mel Omeg thinks that if the County will spend the money than they have to sit down with the Conservation Service to see what is feasible, and if the money will really be used to destroy these feral pigs.

Monica Morris told the Committee that they had to realize that any increase in funding a service that doesn't carry year after year would be very controversial, if it is decided to decrease it in the future.

Scott Hege made a motion that the motion proposed by Sherry Holliday be passed. Motion passed unanimously.

HOME AT LAST

Home at last was represented by Sheila Dooley, Jerille Drynan, Kathy Norton and Stephen Drynan.

Sheila said that they were here to see if the Committee had any questions about the Shelter operation. Some of the points covered:

Expansion of the cans and bottles programs, which made \$ 20,000.00 last year.

Expansion of the volunteer program, a 5 year plan. They are working on becoming more visible so people can make donations through their checking accounts.

Eric Nisley asked if they had seen any difference since Brad was not there. Sheila said they missed him.

Kathy said that they get many calls and that even though Brad is not available people assume that we go and get the animals, and how they do not have the training and equipment to go and get them. They also talked about having to talk to the Sheriff to see what they need to do to get some help.

Sherry Holliday said that there were some suggestions in going across the river and talking to the other counties and she asked if they had done that. Sheila said that that was part of their plan.

They have lots of donations from other counties when anybody from other county brings them animals, and they have a surrender fee.

Patrick Davis asked how much it costs to adopt an animal.

They answered that the cost varies from \$ 135.00 to \$250.00 according to size, cost of spaying, demand and breeding. They have people coming from different places to adopt animals, because sometimes that is exactly the animal they want.

Patrick Davis said he had heard that the cost of adopting an animal in the county was too high, but that he was sure that they were doing it at cost and they need to convey that to the rest of the County.

There were some more comments and discussions on costs involved in adopting an animal.

Fred Davis, Facilities Operation Manager, said that he had a little concern. When he was there last there was literally a dog in every single space in the office.

Kathy said there has been a great influx of stray animals lately taking kennel space and also being in puppy season, making their space very small. They try not to keep more than 2 dogs per cage. When animals are in the office it is because they are being socialized.

Sheila and the other members of Home at Last thanked the County for their support.

Scott Hege asked if there were any more public comments.

No further comments were made.

Monica Morris suggested that the Committee get together and deliberate, if there is anything they would like to address or change.

Monica Morris said that she wanted to go through with the Committee about the requests from the Department Heads this year, so they know which ones are in the budget and which are not:

IT requested a new person to help in the merge with the GIS department. We will be evaluating this year to see if that is effective.

Dan Boldt said that taking the GIS from the Surveyor's office it runs counter to the professional affiliation that is developing. GIS and land surveying are 2 separate professions that are melding into one. By combining GIS with IT even though it is a healthy move, let us be aware that we are separating two professions that are growing together around the world.

Tyler Stone said that functionally there won't be a lot of changes, just because they are in GIS part of the budget it doesn't mean that they will stop doing what they need to do.

Dan Boldt said that he was not opposed to the change, he just wanted everyone to be aware of the complications.

Monica continued:

There was another request from GIS department to implement a data plan allowance for the employees and they decided not to include that in the budget this year. That should be discussed with the Committee first.

- Public works requested to reduce their transfer from General Funds. The existing inconsistency needs to be acknowledged. Public works does send money to General Funds where as some of

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 25

the other funds do not, so there is inconsistency on how that has been applied. Part of the

Commissioners job is to address that and see how that affects Wasco County as a whole. We asked Marty not to transfer and leave it as it is and give the Commissioners a chance to address this.

The Sheriff requested a new deputy, full time employee. Rick Eiesland has lowered his overtime by \$ 20,000.00. By increasing the new deputy they do not need to increase the equipment to increase that. There were some talks about an additional vehicle .

Patrick Davis said that in past years the Forest Service requested that Wasco County provided patrolling the ATV area south of rocket reservoir. Is that still happening?

Rick said, "Yes, for \$20,750.00. They asked for a vehicle and we do it on overtime. We use that money to buy equipment we can use in the forest like radars. They have been good to us".

Monica continued:

The Sheriff requested to be given a cell phone allowance since he is on call literally 24/7 using his own cell and pay out of his own pocket. We decided that he could have cell phone allowance.

The last request was that Commissioners' vehicle allowance be restored.

Rod Runyon said that he lives so close that he did not really need it, to give it to others that live far away.

Monica Morris explained that all the Commissioners will get an additional amount on their payroll, it is not a mileage or reimbursement. This is a vehicle allowance, and taxed as a flat amount given to each Commissioner regardless of where they live.

Next increase is for the vault toilet: a \$3,000.00 grant was received from the Oregon Marine Board. Sherry Holliday found someone to clean the vault toilet so the State will not call everyday complaining that it is not clean. The increase of \$4,000.00 is in the budget and the \$3,000.00 from the grant. Chip Wood asked how much longer for the contract and Monica answered it will be over in 2013.

GIS asked for email retention with Google, which is important to make us compliant with records retention laws.

Monica stated that these were the changes.

Scott Hege asked if there were any questions based on these changes.

Sherry Holliday said that at some point the Commissioners need to address the tipping fees for the Landfill Because as we lose the federal timber dollars we need to start that conversation.

Rod Runyon agrees with that.

Marty Matherly said that perhaps it should start slow with the increase. Have the tipping fees to be allocated to the Road Department, and it is not quite sustainable but it will help.

Rod Runyon talked about the wage adjustments for the Department Directors and Commissioners with the increase of 1.5% saying he was not in favor of that, the money could be put into something else and that it was too soon for an adjustment.

Tyler Stone explained that the compensation committee sets those rates for Department Directors and the Commissioners, and that the recommendation made was of 1.5% increase.

Scott Hege asked if anything else came about Compensation Committee in terms of recommendations about compensations.

Tyler Stone said that this is a bigger discussion for later on, on compensation. We need to step back and take a look at the whole compensation program, how and why we pay people. Maybe it should be more on a merit base or it could be combination of base plus merit. It needs to be looked at on how we do it currently and take some steps on why and how is being done.

There were some discussions as to how this should be done and when, and if we need to get some help to look at it.

Gary Nychyk made a comment saying that anything when the compensation increase is based on merit, it will increase the difficulty in budgeting on Tyler's and Monica's end. Monica said that it would be well worth the difficulties with the budget.

WASCO COUNTY BUDGET COMMITTEE MEETING

May 10th, 2011

Page 27

Eric Nisley said that a similar study was done in the early 80s evaluating the compensation and it was very expensive, but it allowed the County to create a way to evaluate the compensation and it is now

obsolete. This will be a cost to make everybody wince, but maybe necessary for an evaluation. Jobs and positions are different now, responsibilities have changed.

Patrick Davis mentioned that at the time that was spoken, about 5 years ago, the cost would be 35 to 40 thousand dollars. He echoed Eric saying that it is time now, to polish it up in order to continue with positive cultural changes to help going with what started last year. This meeting has gone from a very frustrating to a very pleasurable experience. It is very professional now, especially the Department heads, they are 100% better than before.

Mel Omeg added that Tyler Stone and Monica Morris are very professional.

Robert Martin added that some resource like staffing models should be done.

Scott Hege had 2 questions: This is under summary, about the household hazard waste, what is the reason for that?

Teri Thalhofer from the Health Department said that fees were generated and it is in a maintenance mode.

Scott had another questions as to why the Parks went up 98%.

Tyler Stone answered that a lot of the construction Capital Reserve funds went down because of relocation.

Monica Morris said that they had talked about moving Public Works under Dan Boldt, the Public Works Director. Marty and Dan have ran it together before. Now in this change, it will be taken the Weed and Pest funds and changing the administration portion to Marty, and nothing will change as far as funds.

Dan said that it was great that Marty Matherly should be recognized as the Director of Public Works.

Scott Hege asked if there were any other comments or questions.

Gary Nychyk made a comment that the planning fees were not changed. They were based on overhead allocation. He said that they could collect \$200,000 thousand dollars, but when you allocate \$100,000 they accept that. If the commissioners want to set adjust the fees set it now.

Monica made a comment that their fees were increased last year, and people would come into the meeting asking for waivers, that the increase did not bring revenues, but increased the work and the cost, they saw that.

Sherry mentioned that there are some extenuating circumstances.

Gary Nychyk asked that the commissioners please look at it closely, and the consequences of it to be fair and that their jobs is to make that happen. Evaluate the fees that you want to collect, that is clearly the Commissioner's job.

Linda Brown said that they have no authority to waive any deed. If there are to be no fees, for a private party 81 dollars, part of the fee goes to the state, and they have no authority to say that was not collected. There are no waivers.

Rick Eiesland said the same thing occurs with the traffic tickets.

Patrick Davis makes a motion that the budget committee of Wasco County has reviewed and hereby approves the budget for the 2011/2012 fiscal year as amended by the attached list. Sherry Holliday seconded.

It is moved and seconded that the budget committee of Wasco County has reviewed and hereby approves the budget for the 2011/2012 fiscal year as amended by the attached list.

Patrick Davis makes a motion that the Wasco County Budget Committee approves taxes for the 2011/2012 fiscal year at the rate of \$4.2523 per \$1,000, and Rod Runyon seconded.

It is moved and seconded that the Wasco County budget committee approve taxes for the 2011/12 fiscal year at the rate of \$4.2523 per \$1,000 of assessed value for operating purposes in the General Fund, and in the amount of \$473,875 for the general obligation bond levy in the Debt Service Fund for principal and interest.

Meeting adjourned at 3:00pm

Suzana Pinkerton