

CURRY COUNTY BOARD OF COMMISSIONERS WORKSHOP

Wednesday, May 9, 2018 – 10:00 AM
Commissioners' Hearing Room, Courthouse Annex
94235 Moore Street, Gold Beach, Oregon
www.co.curry.or.us

Present: Chair Gold, Vice Chair Huxley, Commissioner Boice, Counsel Huttli, Minute Clerk Jezuit

- 1. Call To Order & Pledge Of Allegiance Gold 10:00A**
- 2. Adoption/Amendment Of The Agenda**

Motion by **Huxley** to approve as written. 2nd **Boice Carried Unanimously**

- 3. Oregon Department Of Forestry (ODF) Good Neighbor Authority (GNA) Salvage Logging In Chetco Bar Burn Area** – John Huttli, County Counsel and Phil Chang, ODF Federal Forest Restoration Program Lead {10:02A to 10:39A}
Dave Lorenz, Southern Oregon Director introduced **Link Smith**, District Forester and **Phil Chang**, Federal Coordinator Timber Salvage Chetco Bar Fire
Chang gave a presentation covering the Forestry Federal Restoration Program (FFRP): The Oregon Model – Collaborative Support, Federal Partner Support, and GNA. GNA allows Oregon to expand its role as the Federal government makes the state their agent to enable work on Federal Lands.
GNA Example of projects
 - Thinning,
 - Culvert replacement,
 - Invasive species/noxious weeds treatments,
 - Site preparation, and
 - National Environmental Policy Act (NEPA) support and implementation monitoring.**Gold**, during the course of the presentation,
 - Asked who pays for all of this? State or Federal?
 - Asked is one of the reasons due to the amount of ground fuel we have?
 - Stated she is more concerned about being proactive, rather than reactive.
 - Stated benefits to the County are more indirect rather than direct.
 - Asked are you going to limit the people who do the salvage to local people?**Chang**
 - Answered under GNA, basically the federal government is providing resources, sometimes funds, sometimes on form of timber for the state to work. The Federal government gains extra capacity from State workforce and the State gets funding to cover those costs. It is paid for out of timber value or federal funds.

- Replied yes, a part of the reason the Federal Forest Restoration program was established within the State was an interest in doing fuel reduction work to reduce the severity and extent of fires. Observed if we can get ahead of the fire and reduce fuels; it makes it much easier to manage. He also spoke about the 2 kinds of agreements (Supplemental Project Agreements (SPAs) that can be done under GNA –
 - Restoration Services and
 - Program Income/Timber Sale
- Under GNA, capture a lot of the value of the wood, don't capture nearly as much to be given to the county. We want to make case the sales we are talking about participating in would not happen unless done under GNA. Volume that would be harvested vs sales
- Benefit to the county is fuels reduced.
- Stated with GNA timber sales, program income is held by Forest Service to be used for restoration within the forest, and the County receipts are based on minimum appraised value.
- Reported on the Chetco Bar Salvage efforts emphasizing the program income will primarily be used for
 - recouping ODF costs,
 - post-fire recovery,
 - replanting,
 - watershed/stream restoration, and
 - fuels reduction.
 - with a minimal amount going to the County.
- Stated the best opportunity to help is to do a little bit of the salvage under GNA as benefits are additional timber value employment, acres treated, and getting people in access this area.
- Replied he does not believe they can restrict the sale. However, they have been in close contact with local industry and local contractors.
- Stated nationally, the forest service is running a process trying to compare their NEPA processes to others and the results should be rolling out over the next couple of years.
- Stated there is an area where the forest service has funds, but not human resources to get work done. For example, still have funds for Sudden Oak Death (SOD) and they are turning to us to use our resources and their funds.
- Stated from a nuts and bolts point of view, GNA timber sales does not mean the road construction or reconstruction needs to be done by ODF. Partnering with the County public works department would be just as good an option.

Boice, during the course of the presentation,

- Stated very little money comes back to the county.
- Asked do we just have one 1 project we're looking at right now?
- Stated the reality is the only way to get some realistic rehabilitation is with a GNA project.
- Asked Lorenz if he sees NEPA process improving?
- Observed you're going to see from the all the counties in Oregon more pushing hard for local control of process.
- Asked if some of those would be part time forest protection association employees?

Lorenz

- Stated there are 2 projects being considered right now
 - Roadside hazard tree removal.

- The other includes about 350 acres in addition to roadside.
- Stated, if the timing is right, and we can still get the wood out; we're interested in more than 2 projects.
- Stated the GNA is an agreement between forest service and also a partnership. **Mike Robison** from Coos Forest Protective (CFPA) is aware of the conversation. There will be a right time to get engaged with staffing, etc. We're talking about some salvage right now. We can do longer term planning. This will result in generating revenue which could be used for some fuel modification. And that's where we need someone with **Robison's** expertise and knowledge of the area here.
- Stated his experience with NEPA not very extensive and he does not know what's in the works there.
- Stated for NEPA and forestry, it employment goes from goes from seasonal to full time. To keep personnel on 2 to 3 months would be beneficial.
- We're proceeding down the path of being engaged with GNA on the Chetco Fire salvage. The other thing, you met **Smith** He will be involved in some of the GNA interactions. **Smith** is out of the Coos Bay office.

4. Road Fund Loan Ordinance – John Huttli, County Counsel {10:39A to 11:13A}

Huttli explained this has been on a previous agenda and summarized John Hitt's Memo on topic

- House Bill (HB) 3435 provisions
- Curry County has approximately \$30,000,000 earning about 1.6% return.
- Curry County governmental agencies need funding or have long term high interest rate bonds
- Proposed ordinance could
 - help with both while providing a higher rate of return thereby generating earnings which
 - go in the General Fund and
 - be referred to the voters for approval
- Recommendation is to adopt ordinance with or without amendment
- No recommendation to on referral to voters

Huttli thinks there are arguments both ways on whether the earnings go into the Road Fund or the General Fund. He also summarized the proposed ordinance requirements.

- A written application showing requested amount, term, and interest rates
- Past 5 years
 - Audited financial reports
 - Demonstrate no loan defaults
- Qualify for an independently certified bond rating of BBB+/A-2 from Standards and Poor's or obtaining insurance on the principal of the by a nationally recognized municipal bond rating insurer.
- Unencumbered tax revenue in excess of 115%. Of total debt service to timely of repayment of principal and interest
- Sinking funds reserve, in separate escrow account, equal to at least 7.5% of remaining principal owed.
- No Loan
 - may exceed 25% of the total Road Fund
 - be longer than 10 years
- Principal and interest paid quarterly

- Minimum interest rate 3% or more above State of Oregon Local Government Intermediate Fund rate
- Prior to approval 2 public hearings separated by 30 days, one in a location other than Gold Beach
- Approval must be unanimous
- All underwriting requirements be met before final loan approval.

A summary of comments made during the discussion - -

Huxley –

- Observed all documents were originated by John Hitt, former Interim County Administrator, stated he did not see any input by **Huttl**,
- Emphasized reviewing ORS 294.035, 294.145, and 294.155 concerning municipal lending
- Stated he supports the concept, but would prefer it be more restrictive
- Is wary of, if needed for an emergency, availability of road funds in liquid cash
- Would not support locking anything up for 10 years.
- He would prefer this come back in 3 months with an ordinance to go before the voters.
- Wants to direct staff to proceed with a more thorough review
- The cost of preparing the documents is part of the costs that are to be recouped.
- The interest rate is not fixed but floats, similar to a variable loan.

Boice stated

- HB 3435 passed unanimously and thoroughly reviewed;
- The County staff has spent considerable amount of time on this;
- He is opposed to spending any more time on this
- He wants to defer this to the next Board.
- If we have no interest so far in districts coming before us, why spend time right now?

Gold stated

- She very strongly feels we need stipulation and process to apply for a loan.
- We need to be protective of our road funds
- It's necessary for us to have an ordinance
- She believes does not need to go before the voters because of the public hearing provision.
- She agrees with further review
- She believes interest rate should be based on credit worthiness of entity applying

Huttl

- Stated he had reviewed ORS 294.060, 294.468, and 368.705 and incorporated his thoughts in the proposed ordinance
- Asked who will be responsible for
 - preparing loan documents
 - reviewing loan
- Stated it wouldn't be a bad thing to have this come back in 6 months based on his workload involving
 - Land use Board of Appeals
 - 3 lawsuits for remediation of nuisances and
 - Weyerhaeuser litigation.
- Suggested there are some certain mechanisms that can be put into place on an agreement by agreement basis.

- He will be looking at the following - -
 - Can we have investment money, other than the road fund, come back.
 - Review ORS chapter 294
 - Who would create the documents and pay for the creation
 - What is allowable interest rate
- He will get back to the Board in a reasonable amount of time

5. Adjourn 11:13A

Meeting Minutes were approved on Sept. 5th, 2018.

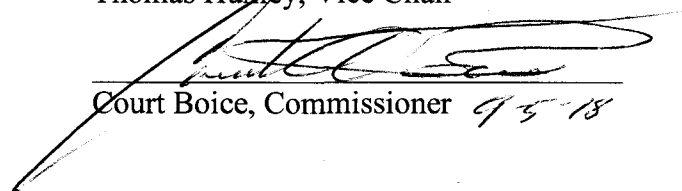
Curry County Board of Commissioners



Sue Gold, Chair

Opposed

Thomas Huxley, Vice Chair



Court Boice, Commissioner 9/5/18