

MEMORANDUM

FROM

John R. Huttl, Curry County Counsel

TO

Curry County Board of Commissioners

RE:

Enforcement of Travel Policy

DATE:

June 20, 2018

INTRODUCTION

As set forth herein, the Board of Commissioners is authorized to enforce its travel policy and seek recoupment from an individual Commissioner for expenses incurred beyond those authorized in that policy. Such an action would be commenced in Circuit Court. Because of a conflict of interest, I could not represent the county against an individual commissioner.

DISCUSSION

Courts have held that Board of Commissioner travel policies are enforceable, by the Board or by a citizen seeking to curtail unauthorized government spending.

In <u>Gosso v Ridell</u> (1927), the Oregon Supreme Court upheld a money judgment against an individual County Commissioner for travel expenses not authorized by the Board. The Oregon Supreme Court explained:

"[T]he defendant was not entitled to mileage however great his moral claim to such compensation might have been."

In <u>Gosso v. Hart</u> (1927), the Oregon Supreme Court upheld a case nearly identical against a different County Commissioner.

"As to the other matters, the court allowed the defendant's claim for services in superintending the work of the county and only gave judgment against him for the amount paid him as mileage. In this, we hold the decree to have been correct, and it is affirmed here."

More recently, the Oregon Court of Appeals considered a citizen suit against a Board of Commissioners who allowed travel expenses to be paid for uses not authorized by law. In <u>Bahr</u> <u>v. Marion county Commissioners</u>, (1979), the unlawful travel expenses were alleged to have occurred for travel between the residences of county employees and the workplace, and for use of county-owned vehicles for personal use including:

"attending political meetings held for the purpose of their own re-election and other non-official business."

The Court determined that the allegations were sufficient to state a claim of wrongful spending.

Under ORS 294.100 either a citizen or the Board may bring a suit against an individual commissioner. The Circuit Court is the venue to proceed with such an action. ORS 30.310 and ORS 30.315 authorize the County to sue to enforce its laws and recover and prevent damage to County property.

CONCLUSION

As set forth above, the County Board of Commissioners has authority to adopt reasonable expense levels and have its ordinances and resolutions enforced in Circuit Court. If the Board directs further legal action, outside counsel should be retained.

John R. Huttl

Curry County Counsel

Counties—Five Dollars Per Day Allowance to County Commissioner for Supervising County Roads, Buildings, and Bridges Held Proper (Or. L., § 4537).

3. Allowance of \$5 per day to county commissioner supervising work on county roads, buildings and bridges under Section 4537, Or. I., which work was imperatively necessary held proper where oral designation of commissioner therefor was subsequently ratified by County Court.

Counties—Allowance of Claim of County Commissioner for Compensation for Supervising County Road Held Ratification of Oral Agreement for Compensation by County Court.

4. Where county commissioner was, by oral agreement with County Court, designated to look after certain road which was in apparent need of supervision, presentation of claim by commissioner for \$5 per day and allowance thereof by County Court was ratification by County Court of the oral agreement.

Counties, 15 C. J., p. 496, n. 11, p. 497, n. 12, 25, p. 498, n. 27, p. 506, n. 87, 92, p. 643, n. 94.

Expressio Unius Est, 25 C. J., p. 220, n. 17.

From Polk: W. M. RAMSEY, Judge.

Department 1.

AFFIRMED.

For appellant there was a brief and oral argument by Mr. J. N. Helgerson.

For respondent there was a brief and oral argument by Mr. G. O. Holman.

McBRIDE, J.—This is a suit instituted by the plaintiff as a taxpayer of Polk County, for himself and others similarly situated, to recover for the County of Polk certain sums of money alleged to have been illegally drawn from the treasury of Polk County by the defendant while acting as County Commissioner of Polk County. During that period of time defendant Riddell drew various warrants based upon his voucher, for per diem, the sum of \$1,130, and, as mileage, the further sum of \$786. There is

no dispute that this sum was paid to the several defendants by warrants drawn upon the treasurer by the County Court, and ordered by them upon the audit of claims presented by the defendant and his associates to the County Court. It was agreed and stipulated that, during the times mentioned, the records of the County Commissioners' Court for Polk County, Oregon, show that the court was in session for the transaction of business for the period of 91 days and no more; and this proceeding is instituted by the taxpayer, on behalf of himself and others, after petition to the County Court to compel the restitution of the moneys so disbursed, and the refusal of the County Court so to do. Plaintiff concedes that the defendant Riddell was to receive as compensation the sum of \$455 at the rate of \$5 per day for the time employed as a member of the County Court, while said court was in session, to wit, 91 days.

It is contended by the plaintiff that the defendant Riddell should be required to pay the county of Polk the difference betwen the sum of \$1,916 received by him during the said period of time, less the amount of \$455, being \$5 per day for each day the court was in session. There was a like action against the other commissioner varying only in the amounts alleged to have been received, and the cases were virtually tried together.

The Circuit Court rendered the following opinion upon a demurrer to this case and the one accompanying it, which, so far as it discusses the subject, meets with the approval of this court, and, while it was not intended by the trial judge who rendered the opinion to be published, it is so apt that we adopt it here.

"These two cases appear to be alike in form, and the complaints in both cases are similar, and the points made by the demurrers are the same in each case.

"There are two separate causes of suit in each case, stated separately, and the defendant in each case has demurred to each cause of suit.

1. "One of the first points made by the demurrers is that the plaintiff has no legal capacity to maintain this suit. The plaintiff is a taxpayer of the county, and sues for himself and for all other taxpayers, and if a decree is rendered for the plaintiff, it will be for the payment of the money to Polk County for the benefit of all of the taxpayers of the county.

"The county could maintain an action for the recovery of the money alleged to have been wrongfully paid out by the county; but the complaint alleges that the plaintiff asked the County Court to bring an action for the recovery of this money, and that the court refused to bring such actions.

"In my judgment, the following extract from page 965 of R. C. L. states the proper rule governing these cases:

"'If a county has a plain cause of action for an injury done to it, which should be enforced for the protection of its citizens or taxpayers, and its governing board refuses to assert such action, in some jurisdictions any citizen, by reason of his indirect interest, may sue, in behalf of himself and all others similarly situated, the person against whom the cause of action exists, and thereby enforce the rights of the county."

"A county is a *quasi*-public corporation, and the right of taxpayers to bring a suit against persons who have illegally obtained funds from the county is analogous to the right of stockholders in private cor-

porations to sue for injuries to a private corporation. If someone obtains funds wrongfully from a private corporation, and the officers of the corporation refuse to sue to recover it, a stockholder may bring a suit for himself and other stockholders to recover it for the corporation. And the rule seems to be that when funds have been wrongfully disbursed by a county, and the county authorities, on being requested by a taxpayer to bring an action to recover this money, refuse to bring such action, one or more taxpayers of the county may bring suit for himself and all other taxpayers to recover the money for the county. This was expressly held in the case of McKenna v. Mc-Haley, 62 Or. 1 (123 Pac. 1069), and it was held to the same effect in Carman et al. v. Woodruff et al., 10 Or. 133. In my judgment, the plaintiff has capacity to sue.

2. "One of the causes of suit is for the recovery of several hundred dollars from each of the defendants for mileage alleged to have been unlawfully paid by the county to each of the defendants. Each of the defendants was, during the time covered by the complaint, a county commissioner of Polk County, and, during the time that he was commissioner, it is alleged, that he claimed and was allowed by the County Court considerable sums for mileage for distances traveled by him in doing the county business.

"The question raised in relation to this mileage is, whether or not county commissioners are entitled to receive, in addition to their \$5 per day, mileage for the traveling that they do in transacting the county business.

"Section 3621 of Olson's Laws, which was in force during the time covered by the complaints, provides that the county officers of Polk County shall receive 'as compensation for their services' the sums in said section stated, and this section provides that 'county commissioners shall receive \$5 per day for each day employed in the transaction of county business. They are to receive \$5 per day for every day in which they are employed in transacting the business of the county and this section provides that they shall receive this sum as compensation for their services'; and it seems to me that this provision means that \$5 per day shall be full compensation for all of their services, and that they shall receive no other remuneration.

"If one were to hire a person to drive an automobile for him, and this person should agree that \$5 per day should be a compensation for his services, the employer would be not a little surprised, if his employee should present to him his bill for his services, and should therein charge him, in addition to the \$5 per day, ten cents a mile for every mile that he had driven the auto.

"There is nothing whatever in Section 3621, supra, to indicate that any of the persons named in said section should be entitled to receive mileage or any other compensation than that stated therein.

"Section 3670 of Olson's Laws, enacted many years ago and in force during the time covered by the complaint, provides *inter alia* as follows:

"Every officer or person whose fees are prescribed in this title who shall be required to travel in order to execute or perform any public duty, in addition to the fees hereinbefore prescribed, shall be entitled to mileage at the rate of ten cents per mile in going to and returning from the place where the service is performed; etc.

"The phrase 'hereinbefore prescribed' as set forth in said provision limits the right to receive mileage to the persons whose fees were and are prescribed in the sections of said act or title preceding the section from which I have quoted, which was Section 14, when said act was originally published, and county commissioners and assessors are not named or provided for in any of the preceding sections of said act, but they were, when said act was passed, provided for by Section 26 of the original act, and by said section they were to be paid \$3 per day. See Deady's Laws, p. 741. In 1877, the case of Taylor v. Umatilla County came before the Supreme Court, in which Taylor, who had been assessor of Umatilla County, and who had traveled 4,796 miles in assessing Umatilla County, claimed ten cents per mile as mileage for his traveling He presented to the County Court of his county a bill for said mileage, and the county rejected it, and he sued the county to recover for said mileage, and the Supreme Court rejected his claim, holding that he was entitled only to the \$3 per day that the statute authorized: Taylor v. Umatilla County, 6 Or. 394. Discussing the statute in relation to mileage, that I have quoted, supra, Judge Boise, delivering the opinion of the court, said inter alia:

"'If the grant extended (of mileage) to all officers whose fees are prescribed in the whole chapter, then the word 'hereinbefore' must be rejected, which would be in violation of the rules of construction of statutes * The word ('hereinbefore' either confines the grant of mileage to those officers whose fees are prescribed in the preceding sections, or it has no meaning, and is in the statute by mistake. And as the statute can be so construed as to give effect to this word, such should be the construction adopted. The word 'hereinbefore' is a word of limitation, and

such words when of unequivocal meaning and clearly expressed, will prevail to limit what goes before, to which such words refer.'

"This case is directly in point, as assessors in said original act were named in the same section in which county commissioners were named, and were allowed the same per diem, and Taylor claimed mileage for his travel under the same section under which commissioners have been allowed mileage; and the Supreme Court held that the claim of the assessor was unfounded. The same principle that the Supreme Court announced in the Taylor case applies to the question as to the right of the defendants in these cases to mileage; and that decision is controlling authority against the allowance of mileage to the defendants.

"As shown above, the statute in force, during the time covered by these complaints, provided that county commissioners of Polk County should have as compensation for their services, \$5 for every day that they were employed in transacting the county business, and it gives no hint, that they should have anything for mileage, and, in my judgment, the old maxim, expressio unius est exclusio alterius, applies, and the \$5 per day is all that they were entitled to receive for their services, and there was no lawful authority for allowing them mileage.

3. "The other cause of suit in the amended complaints is based on a claim that each of the defendants had been paid by the county \$5 per day for a large number of days in excess of the number of days that said defendants attended the County Court when it was in session, and the plaintiff claims that the defendants were entitled to \$5 a day for every day that they attended the County Court when it was in ses-

sion, and that they were not entitled to supervise working county roads or the building and repairing county bridges, and like work, when the court was

not in session, and to receive pay therefor.

"Section 4537, Olson's Laws, as passed some time ago, which was in force during the time covered by the complaints, confers upon the County Court its powers in relation to locating, building and repairing county roads and bridges, etc., and it provides that these powers, so conferred, may be exercised as follows:

"The powers herein given may be exercised directly by the court, or through some of its members designated for that purpose, with necessary assistants."

"This statute expressly empowers the County Court to execute the powers conferred by said section as a court, or to designate some of their members to exercise those powers; and, in my judgment, the latter provision authorizes the court to empower either or both commissioners to transact said business at times when the court is not in session; but to do it regularly, perhaps, the court should enter in its journal orders expressly authorizing commissioners to transact such business. For doing business outside of term time, by the commissioners, when designated to do it, the court, in my judgment, has authority to allow them \$5 per day.

"Then supposing that the court should authorize the commissioners to transact business for the court outside of term time. If it was county business relating to roads or bridges, and no order was entered 'designating' them to do such business, and they should do such business, and then present to the court a bill therefor, and the court should allow the bill, would or would not the allowance of such bill by the court be a ratification of said matter?

"This is an important matter, and as I have some doubts in relation thereto, and as I desire to hear this question argued by counsel, after the evidence shall be in, I have decided to overrule the demurrers to the amended complaints. The defendants are given the right to file answers."

We fully adopt this as the opinion of this court.

4. It appeared upon the trial that the defendant, by an oral agreement with the County Court, was designated to look after certain road work in the northern part of the county, which it is apparent imperatively needed such supervision; and for such service he put in a claim for \$5 a day, which, we think is proper under the circumstances. While the order was not entered of record, the claim was presented and allowed, which amounted to a ratification of the verbal agreement by the County Court. This left merely the claim for mileage and, in our opinion, the defendant was not entitled to mileage however great his moral claim to such compensation might have It appears to have been the early custom in Polk County to allow such mileage, and we have no doubt of the good faith of the defendant in making such a claim and little doubt but that the money was actually earned; but the law has not seen fit to provide such expenses and he had no legal right to receive such compensation however much he may have deserved it morally. Such being the case, we are compelled to affirm the decree of the Circuit Court, and it is so ordered. AFFIRMED.

RAND, C. J., and Coshow and Rossman, JJ., concur.

Argued October 13, affirmed November 15, 1927.

VERN E. GOSSO v. EZRA E. HART.

(261 Pac. 80.)

Counties—Complaint Stating Facts Showing Cause of Action Against County Commissioner and Plaintiff's Interest as Taxpayer Held Good as Against General Demurrer.

1. Complaint, which stated facts showing a cause of action existed against a county commissioner to recover money alleged to have been illegally drawn from county treasury, and that plaintiff had some interest as taxpayer in result of action, held good as against general demurrer, although vulnerable to special demurrer on ground of plaintiff's lack of legal capacity to sue.

Stipulations—Stipulation That Application was Made to County Court to Sue and Refused Cured Lack of Allegation Thereof in Complaint.

2. In suit by taxpayer to recover money alleged to have been illegally drawn from county treasury by county commissioner, stipulation that application was made to County Court to bring suit and that it refused *held* to cure defects in complaint for lack of allegation of demand and refusal.

Counties—Allowance of Attorney Fees in Taxpayer's Suit to Recover Money Illegally Drawn from County Treasury Held Unwarranted.

3. In suit by taxpayer to recover money alleged to have been illegally drawn from the county treasury, allowance of attorney fees to plaintiff is not warranted.

Counties, 15 C. J., p. 643, n. 94. Pleading, 31 Cyc., p. 311, n. 53.

From Polk: W. M. Ramsey, Judge.

Department 1.

AFFIRMED.

For appellant there was a brief and oral argument by Mr. J. N. Helgerson.

For respondent there was a brief and oral argument by Mr. G. O. Holman.

McBRIDE, J.—This case is in all respects similar in its main features to the case of Gosso v. Riddell, ante, p. 57 (261 Pac. 77), except that in the amended complaint there is no allegation that the plaintiff petitioned the County Court to cause the action to be brought by the county, and no allegation of their refusal so to do. A general demurrer was filed to this complaint on the ground that it did not state facts sufficient to constitute a cause of action, and also a demurrer on the ground that the plaintiff had no legal capacity to sue, both of which were overruled.

1, 2. It is plain that a general demurrer would not lie in this case, because the complaint did state facts showing a cause of action existed against the defendant and that plaintiff had some interest as a taxpayer in the result of any action brought to recover the amount. The complaint was perhaps technically deficient in omitting to state that petition had been made to the County Court to bring such suit and had been refused, and was probably vulnerable to a proper demurrer upon the ground of plaintiff's lack of legal capacity to bring the suit; but a demurrer on that ground, being special in its nature, should have stated wherein the lack of legal capacity existed which this demurrer does not do. Whether this be the true rule or not, it was expressly stipulated in both cases that such application had been made to the County Court and refused. And if, in a case of this kind, it should be necessary to petition the members of the County Court to sue themselves, we think this stipulation cured the defect in the complaint, if any existed. As to the other matters, the court allowed the defendant's claim for services in superintending

the work of the county and only gave judgment against him for the amount paid him as mileage. In this, we hold the decree to have been correct, and it is affirmed here.

3. There is also a suggestion that the court should allow plaintiff's attorney fees in this case, but we find no warrant in the law for so doing and no such allowance was made in the Circuit Court. The decree is therefore in all things affirmed.

Affirmed.

Rand, C. J., and Coshow and Rossman, JJ., concur.

Argued October 21, affirmed November 15, 1927.

SAM ARMISHAW v. ANDREW KAN.

(260 Pac. 1011.)

Partnership—"W. J. Young Asiatic Importing Company" Held not Fictitious Name Requiring Filing of Certificate, Since It Discloses True Name of Owner (Or. L., §§ 7777, 7778).

1. Under Sections 7777, 7778, Or. L., requiring persons having interest in business operated under assumed name to file certificate setting forth names of persons interested, "W. J. Young Asiatic Importing Company" held not an assumed, or fictitious name within meaning of statute, since it embraces and discloses true name of owner.

Evidence—Testimony of Expert Witness Held not Destroyed by Cross-examination Conflicting With Testimony, Weight of Evidence Being for Trial Court.

2. In action to recover reasonable value of goods sold and delivered, testimony by expert witness, a Chinese, as to price of goods, was not destroyed by testimony of witness on cross-examination, which conflicted with previous testimony; cross-examination merely affecting weight of evidence, which was for trial court as exclusive judge of facts.

Appeal and Error, 4 C. J., p. 843, n. 65, p. 848, n. 36. Names, 29 Cyc., p. 270, n. 44. Sales, 35 Cyc., p. 571, n. 68. Statutes, 36 Cyc., p. 1154, n. 81. Trial, 38 Cyc., p. 1945, n. 32, 33.

Bahr v Marion Co Comissioners, 590 P.2d 1240, 38 Or.App. 597 (Or App 1979)

Dennis Sarriugarte, Salem, argued the cause and filed a brief for appellant.

Richard Ligon, Asst. Legal Counsel, Marion County, Salem, argued the cause for respondents. With him on the brief was Frank C. McKinney, Marion County Legal Counsel, Salem.

Before SCHWAB, C. J., GILLETTE and ROBERTS, JJ., and HOWELL, J. Pro Tem.

[38 Or.App. 599] HOWELL, Judge Pro Tem.

The trial court issued an order striking plaintiff's second amended complaint in this action and entered a judgment dismissing the action. Plaintiff appeals, and we reverse.

Plaintiff's original complaint in equity alleged that plaintiff was a taxpayer 1 and that the defendants, Marion County Commissioners, have adopted a policy allowing use of county vehicles by certain county officers "for regular home to office travel." Plaintiff alleged that this policy violates ORS 204.111 and 204.401 and prayed for an injunction. The trial court sustained defendants' demurrer on the ground that the complaint failed to state a cause of action.

Plaintiff then filed an amended complaint in law, rather than equity, for return of money paid for use of the vehicles. The amended complaint challenged the county policy generally on the same basis as the original complaint. The trial court granted defendants' motion to strike on the ground that the complaint was a repetition of the original complaint.

Plaintiff then filed a second amended complaint, alleging the following:

"1

"Plaintiff is a taxpayer of Marion County, State of Oregon.

"II

"At all times material to this action, each of the above listed Defendants was a public official acting in the capacity of a member of the Board of Commissioners of Marion County, State of Oregon under authority granted by the State of Oregon through ORS Chapter 203.

[38 Or.App. 600] "III

"The Defendants expended public money in excess of the amounts and for other or different purposes than authorized by law by allowing and authorizing the personal use of county-owned vehicles in that Defendants:

"1. Allowed, authorized, or were cognizant of, the use of county-owned vehicles for travel by county employees between their residences and Marion County Court House.

- "2. Used county-owned vehicles for their own personal use, including commuting between their residences and Marion County Court House, attending political meetings held for the purpose of their own re-election and other non-official business.
- "3. Initiated and approved a policy for use of county-owned vehicles dated on or about the 25th of May, 1977 which authorized personal use of said vehicles by the following statement; 'Use of county vehicles for regular home to office travel shall be considered as a benefit accruing to the individual for which the county shall be reimbursed according to the degree of benefit accruing.'

Page 1242

"IV

"Said vehicle use as hereinbefore alleged in paragraph III is contrary to ORS 204.401 and further, beyond any specific authority granted by the hereinbefore mentioned ORS Chapter 203."

The trial court dismissed plaintiff's second complaint without leave to amend.

Defendants contend the trial court should be affirmed because "when the conclusions are eliminated, the Second Amended Complaint fails to state a cause of action." We disagree.

ORS 204.101 grants the board of county commissioners the power to fix the compensation of its members and other county employees. 2 ORS 204.111 [38 Or.App. 601] provides that the compensation so fixed is exclusive, and that no other compensation shall be received except in certain situations inapplicable here. 3 ORS 204.401 permits the board to provide for use of county-owned vehicles by employees "in the performance of their official duties." 4

Plaintiff alleges that defendants have violated the provisions of ORS 204.111 by permitting use of county vehicles for personal travel by county employees, including "attending political meetings held for the purpose of their own re-election and other non-official business." 5 While we agree with defendants that [38 Or.App. 602] plaintiff's allegations are not examples of good pleading, we do not believe the allegations are insufficient to state a cause of action. Use of an automobile could certainly be a form of "compensation," but we cannot determine at this stage of the proceedings whether the

Page 1243

alleged use is permitted under the terms of the above statutes. It may well be, as defendants argue, that the use of the automobiles is permitted under ORS 204.101 or 204.401, but such a determination cannot be made without knowing the facts surrounding the actual use.

If defendants were unclear concerning the precise nature of plaintiff's allegations in this case, the proper procedure was to move to make the complaint more definite and certain. ORS 16.110. Uncertainty and indefiniteness in a complaint normally are not grounds for demurrer. Bryan v. Cupp, 1 Or.App. 52, 458 P.2d 697 (1969).

We hold that the trial court erred in striking plaintiff's second amended complaint.

Reversed and remanded for trial.

1 Defendants do not contest plaintiff's standing to bring this action. ORS 294.100(2) provides:

"Any public official who expends any public money in excess of the amounts, or for any other or different purpose or purposes than authorized by law, shall be civilly liable for the return of the money by suit of the district attorney of the district where the offense is committed, or at the suit of any taxpayer of such district."

- 2 "204.101. The county court or board of county commissioners of each county shall fix the compensation of its own members and of every other county officer, deputy and employe, including justices of the peace, constables and elective district court clerks, but excluding district court judges and any court officer appointed by any judge or judges of either the circuit or district courts exercising jurisdiction in the county and compensated from county funds, where the compensation of such officers, deputies and employes is to be paid from county funds."
- 3 "204.111(1). The compensation fixed under ORS 204.101 constitutes full and exclusive compensation for official services rendered to the county, and includes compensation for any special services rendered to the county, such as those performed by the county clerk as clerk of the district court.
- "(2) No other compensation, commission or fees for services rendered to the county shall be allowed to, received or retained by any county officer, deputy or employe whose compensation is fixed under ORS 204.101, except for the performance of marriage ceremonies and surveys for private persons by county surveyors."
- 4 "204.401. The county court or board of county commissioners of each county may provide for:
- "(1) Mileage allowances or the allowance of travel expenses for those county officers, deputies or employes who are required to travel In the performance of their official duties, or may provide for the furnishing of transportation in county-owned vehicles.
- "(2) The allowance of necessary expenses, other than mileage and travel expenses, for county officers, deputies or employes who incur such expenses In the performance of their official duties." (Emphasis added.)
- 5 The county policy, as set forth in plaintiff's original complaint, provides in pertinent part:
- "Category A: Elected and appointed county officials who are expected to be readily available to conduct county business during or after normal business hours. Use of county vehicles For regular home to office travel shall be considered as a benefit accruing to the individual for which the county shall be reimbursed according to the degree of benefit accruing. A variable fee schedule will be utilized for distance of the individual as follows:

- " " 15 to 20 mi...... \$40.00/mo.

Commuting distance (one way) greater than 20 miles .. \$50.00/mo.

"County officers falling under this category shall include:

Board of Commissioners (3)

County Treasurer

County Surveyor

Director of Emergency Services

Director of Public Works

Deputy Director of Public Works

Supervising Engineer, Public Works."

(Emphasis added.)