



## CURRY COUNTY BOARD OF COMMISSIONERS

### BUDGET MEETING

May 14-17, 21, 23, 2018

Commissioners' Hearing Room, Courthouse Annex  
94235 Moore Street, Gold Beach, Oregon

[www.co.curry.or.us](http://www.co.curry.or.us)

### 2018 Budget Meeting Minutes

(Times recorded are in reference to the video. For more details, refer to the video)

#### Huxley Comments Nov 20 – 23, 2018:

**Monday, May 14, 2018 – 10:00 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Carl King, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John Huttli, County Counsel; Brenda Starbird, Admin Assistant; & Louise Kallstrom, County Accountant.

#### 1. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}

Gold called for the pledge of allegiance. Following the pledge of allegiance, Gold introduced Board staff – present above. She then turned the meeting over to Budget Committee Chair Bill Ostrowski.

**Side Discussion: {0:04} 10+ minutes** Huxley entered three documents into the record and addressed the Board with regard to the significant budget proposal increases. No motions were made.

**2-page document dated May 14, 2018 directly below was read into the record by Huxley.**

**Date:** May 14, 2018

**From:** Budget Committee Member Huxley

**To:** Budget Committee Members Ostrowski, Brand, King, Gold and Boice

**Subject:** Request the Budget Committee support a motion and vote affirmatively not to be bound by the major proposed budget increases in the Budget Message provided May 7, 2018 by Budget Officer Kallstrom.

The following are provided in support of such action:

**Source:** Video of the May 7, 2018 Budget Committee Meeting.

**38.5 min into video:** Budget Committee member Huxley to Budget Officer Kallstrom: Page one of the budget message for general funds shows there is a thirteen percent (\$1 Million plus) increase over last year. *“Who decided that in this budget that \$481,000 dollars was from Road Funds were going to be used? That’s just a question. Who made that decision?”*

**39 min:** Kallstrom: *“There was a Workshop (March 28, 2018) with county commissioners on the budget and Interim County Administrator Hitt did say he was going to propose this in the budget; to add the four deputies.”* [Emphasis added]

**40 min:** Huxley to Kallstrom: *"I was at that Workshop. I will review but I walked away absolutely not with that understanding. I'll verify that."*

Kallstrom to Huxley: *"That was part of his talk was that he was looking at that and then um, so this ah a lot of this proposed budget was working with Interim County Administrator before he left."*

**Source:** Video of the March 28, 2018 Board of Commissioner Workshop – Budget Direction – John Hitt, Interim County Administrator and Louise Kallstrom, County Accountant:

**3 min into video:** Hitt: *"I don't have any recommendations for you today. My presentation is really mostly in the form of if you will food for thought or possible action in the future."*

**11 min:** Hitt: *"At this point to me it's just OK here's some various things you can take a look at and then if you desire to follow up in more detail on any portion of it or on all of it I'm happy to do that."*

**1 hr 3 min:** Hitt: *"I said at the beginning, these are not recommendations. I don't mean to say that they are viable ways to go."*

**1 hr 9 min:** Hitt: *"I don't give this presentation making any particular recommendations."*

**Source:** News Article – Curry Coastal Pilot – Saturday, April 21, 2018: "John Hitt resigns leaving county without an administrator" Quoted statements below attributed to Hitt are taken from the article (attached).

*"Once you reach the point where you get the strong feeling the board isn't accepting your recommendations, agreeing with your recommendations or input, probably not much will go on (in discussions)."*

*"I think they felt they don't need anyone else, so why would I continue?"*

*"The commissioners wanted to move on to a new county administrator, so I figured why prolong things? They obviously didn't want my input on the budget."*

### **Summary:**

- The response from Budget Officer Kallstrom at 39 minutes into the Budget Meeting May 7, 2018 is disturbing as she was present during the Workshop March 28, 2018.
- On four separate occasions during the March 28, 2018 Workshop Interim Administrator Hitt emphasized (video) that he was not making any particular recommendations regarding the budget.
- In the April 21, 2018 news article Hitt is quoted numerous times presenting the message that the board was not accepting his recommendations and did not want his input on the budget.
- The same consistent message is attributed to Hitt during the Workshop March 28, 2018 and the news article April 21, 2018.

### **Closing:**

Why then was a decision made to increase the General Fund Proposed Budget for 2018/2019 by \$1 million dollars (thirteen percent) over the General Fund Adopted Budget for 2017/2018 and include the use of approximately \$500,000 in Road Capital Improvement Reserve Funds?

**ORS 294.331 Budget officer:** The governing body of each municipal corporation shall, unless otherwise provided by county or city charter, designate one person to serve as budget officer. The budget officer, or the person or department designated by charter and acting as budget officer, shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body. [1963 c.576 §5]

The 'major budget changes' on page two of the budget message from Budget Officer Kallstrom should be removed from the Curry County Proposed Budget for fiscal year 2018-2019. The Committee may then begin discussions on a Budget similar to that of the prior year.

On a related note regarding the use of Road Capital Improvement Reserve Funds: A news article May 9, 2018 in the Curry Coastal Pilot titled "County accountant unveils \$55 million budget" reported

**(Road money)** The biggest bone of contention in recent years has been whether to use county Road Capital Improvement Funds (RCIF) to pay for sheriff's patrol deputies. While some budgets have allocated money for that — and it is allowed for seven Oregon counties under legislation approved five years ago — the sheriff has only dipped into that pot once.

Attached is a worksheet titled "Transfers - Road Capital Reserve to Sheriff Road Patrol" showing nearly \$5 million was transferred from Road funds to Sheriff's County Road Patrol beginning (FY) 2012/2013. Also included in the worksheet are seven years of transfers into the Road Fund budget showing a significant increase in the department dependency on Road Capital Improvement Reserve Funds.

## 2. BUDGET COMMITTEE QUESTIONS {1:55}

At {0:18} County Accountant Kallstrom entered King's questions into the record.

- The Budget Committee, Counsel Huttli, and Kallstrom discussed the transferring of the Cable Franchise fees into the General Fund and projected revenues.
- At {0:33} Kallstrom discussed the increase of revenues in the Federal SRS Fund. Kallstrom referenced to a press release that stated the Federal SRS supplemental payments were extended for two years to the O&C Counties. Kallstrom explained that the current year-to-date (YTD) revenue in the SRS Fund of \$714,462 plus the supplemental payments of around \$300-400k is going to make about \$1,000,000 this year and with 95% projected to come in.
- At {0:43} Kallstrom explained that historically the Federal PILT revenue is received in June which answered King's third question of why nothing was reported in the YTD.
- At {0:49} Kallstrom discussed the significant increase to the Misc. Revenue. She informed the Committee that the additional revenue was based off projections for Marijuana taxes, SAIF Rebates, and the proceeds from the sale of the airport.
- At {0:59} Kallstrom discussed Kings question concerning the amount transferred from the Road Reserve Fund into the General Fund for fiscal year 2016/17. She stated it was an error that she will have corrected by submitting a prior year adjustment to the Auditors.

**The hearing was recessed at {1:01}. Ostrowski reconvened the hearing at {1:11}**

## 3. IGS COST ALLOCATION {1:21}

Kallstrom briefly presented the budget and there was discussion concerning the high administrative fees for both the Sheriff's Department and the Road Department. Kallstrom explained, "It's based off their budget, so if they have a higher budget, they have a higher percentage of the overhead." Huttli, Kallstrom, and the Committee discussed how some Departments don't use certain administrative functions and therefore do not have allocated costs for those functions. At {1:30} Kallstrom discussed

how there are certain grants that allow a dollar amount for their overhead costs and some of them are specific to what that overhead cost can cover. No motions were made.

**4. PUBLIC HEALTH & ENVIRONMENTAL SERVICES FUND {1:40}**

Public Health Administrator, Ben Cannon discussed the major changes to the budget due to the statutory change in having vital statistics being conducted by a County employee. Kallstrom discussed the supplemental budget that would need to be done before the end of the year in order to avoid going over appropriation levels. Cannon explained that the increase from \$154,762 to \$180k in the CCH IGA #148154 Eviron Health Fund was in anticipation of hiring a Compliance Officer who will collect violation fees. No motions were made.

**The hearing was recessed at {2:00}. Ostrowski reconvened the hearing at {2:58}**

**5. IT BUDGET {2:58}**

Kallstrom introduced the budget noting the changes to the Five-Year IT plan in order to reflect a status quo of last year's approved budget. She stated last year the IT plan addressed the Data Center and Sheriff Core Routers and that this year it would address Phone Sip Annex Routers, Sheriff, and Road Location Equipment for \$27k. There was discussion concerning the decision to contract out Coos Curry Electric and HuttI noted that the contract has an annual renewal with a built-in optional percentage increase. At {3:06} IT Representative Daniel Springer gave an overview of the provided services thru the contract. No motions were made.

**6. FINANCE/PR/HR {3:21}**

- Kallstrom presented the Finance budget stating that it is a status quo budget besides an increase to Payroll and a decrease to Audit Services. She explained that the changes reflect a \$12k decrease to the budget. There was discussion concerning allocated liability insurance decreases, salary changes, and increases to travel expenses. No motions were made.

**At {3:26} Boice exits the meeting due to pre-existing commitments.**

- At {3:37} Kallstrom presented the Payroll/Human Resources budget and stated there were no changes. No motions were made.

**7. FEDERAL CFDA GRANTS FUND {3:38}**

- Kallstrom briefly introduced the one time VOCA Grant.
- **At {3:38} King asked Kallstrom what the status was of David Marshall, what he had accomplished and the costs to the county for his work. Specifics were not provided.**
- At {3:40} Kallstrom presented the Mental Health Court Grant noting that it is not budgeted for next year. Counsel HuttI explained the history of the grant and how it wasn't being administrated. There was discussion concerning grants not being properly managed in the past and the centralization of grant administration through the County Accountant's office.

**At {3:44} Boice returned to the meeting.**

- At {3:55} Kallstrom briefly introduced the Justice Reinvestment Grant. She noted that the grant is reissued every two years and she stated Sheriff John Ward could provide details of how the grant is being used during his presentation.

**At {3:56} Boice exits the meeting due to pre-existing commitments.**

- At {3:56} Kallstrom presented the Brookings Headstart Facility Grant and Counsel I HuttI explained how the grant would be used. No motions were made.

**8. STATE/LOCAL GRANTS FUND {3:59}**

- Kallstrom presented the Restroom ADA Facility Upgrade Grant.
- At {4:00} Kallstrom presented the D-Sart Grant noting that it is a 3yr grant.

The budget committee, Kallstrom, and Huttl discussed grant opportunities and administrative fees. No motions were made.

**At {4:09} Boice returned to the meeting.**

**9. TREASURER {4:12}**

County Treasurer, Debbie Crumley gave a PowerPoint presentation with an overview of her position. A discussion took place concerning investments and Crumley stated \$2 million had been invested with 1.5% interest rate as well as \$3 million with a 1.6% rate. The County receives \$15k and \$17,700 in interest per quarter from the two investments. At {4:23} Crumley presented the purposed budget with the addition of a Sal-Regular fund in order to provide back-up support for her position. The Budget Committee discussed the addition and debated the amount based on how many hours are essential.

*At {4:46} Gold motioned to approve 300 hours for the new position and remove 1,000.00 for the irregular position left in the budget by accident. Boice seconded. King commented that none of the motions are set in stone until the final approval of the budget. Motion passed unanimously.*

**The hearing was recessed at {4:47}. Ostrowski reconvened the hearing at {4:59}**

**10. VETERANS {5:00}**

Veteran Services Officer, Anthony Vouidy presented the Veteran's budget stating they were able to decrease the General Fund contribution by \$20k due to the Lottery Funding. Vouidy noted that there were some increases to the budget in IT services because of the movement to the new office in Brookings.

*At {5:02} Brand moved to accept the budget. Gold seconded. Motion passed unanimously.*

**11. COUNTY SHERIFF'S BUDGET {5:03}**

Sheriff John Ward gave a 17minute overview and background of the Sheriff's Department, prior to addressing the prepared Sheriff's Budget that had been presented to the Committee. He explained how each Department Head prepared their own budget, as they were most knowledgeable, but then noted the budgets were reviewed by himself and the Captain for final approval. He reviewed mandated services and reviewed all the different departments that fall under the Sheriff's budget. Ward stressed the county did not have adequate coverage for deputy patrol, noting they could not provide 24/7 coverage. He said they could not properly train staff, or retain staff, yet continued to provide quality service with very limited resources. He said they had "limped along with lack of resources" and was asking for support from Commissioners, for whatever means of funding was available to obtain. He asked the Board to FIND funding and also use road funds for patrol, noting the Governor had sent a letter that encouraged the Board to use road funds. He said he was asking for less than 500K from the road reserves to provide 24/7 coverage by adding four additional road deputies. Optimally, Ward would like to see a total of sixteen deputies. There was extended discussions around adding two and four road deputies, Ward stating four would give 24/7 coverage, but would still be minimal.

**Other Topics of discussion:**

- Inmates and their medical bills covered by the County.
- Special Taxing District for the Sheriff's Department.
- Increased Food Budget
- Increased mandated Records Management Program
- Incarcerated inmates - cities Vs. County and possibility of charging cities
- Jail and liabilities
- Revenue generating ideas discussed – increase property taxes, transient lodging tax (TLT), sales tax, and continued use of road funds

At {6:51} there was consensus to defer budget approval until the Road Master's budget is presented.

**(Funding for Sheriff's budget approved in Road Capital Improvement Fund on page 9.)**

**Chair Ostrowski recessed the meeting at {6:54}**

**Tuesday, May 15, 2018 – 10:00 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Carl King, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John Huttli, County Counsel; Brenda Starbird, Admin Assistant; & Louise Kallstrom, County Accountant.

**12. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}**

Gold introduced the meeting and called for the pledge of allegiance. Following the pledge of allegiance, Gold introduced Board staff – present above. She then turned the meeting over to Budget Committee Chair Bill Ostrowski. There was discussion and a consensus of the Board to have Kallstrom provide a payroll worksheet for clarification purposes.

**13. JUVENILE & PARKS {0:09}**

- Juvenile & Parks Director, Jay Trost gave a PowerPoint presentation with an overview of the Juvenile department. Trost noted the many highlights taking place for the department including several new prevention programs, having the lowest annual recidivism rates among all Oregon Counties, and obtaining two grants to assist with transition and treatment. At {0:28} Trost presented the budget overview stating, “Since 2011, the Juvenile department has absorbed a 40% overall reduction in general fund contributions. From \$730k to the current level of \$433k.” Trost explained that the cost reduction was absorbed by reallocation in having a personnel percentage increase out of Parks and that it’s made possible because of Parks’ strong carry over.

**Side Discussion:** At {0:39} Brand **and asked Trost for his opinion regarding the current status of the County and whether the state should step in and declare** ~~discussed~~ the County being in a state of emergency. Trost stated the County is in a financial emergency, a safety emergency, and also a responsibility emergency in the notion that officers are being sent out to respond under unsafe conditions. Due to waiting presenters, there was a consensus to defer this discussion until the end of the budget review.

- At {0:54} Trost briefly discussed revenues for the Parks Dept. and noted they are self-sufficient, having only a positive impact on the General Fund by offsetting personnel costs. Trost noted the decrease to propane costs were due to investing in a new generator for Lobster Creak, and a better rate with a new propane vender. At {1:00} The Budget Committee and Trost discussed the Restricted Fund Balance and the status of the Grant Project. **A restroom grant project was on hold because the estimate had approximately doubled from \$150,000 to \$300,000 because a prevailing wage requirement applied which had not been included in the request for proposal.** No motions were made.

**The hearing was recessed at {1:05}. Ostrowski reconvened the meeting at {1:15}**

**14. SURVEYOR {1:15}**

County Surveyor, Riley Smith briefly presented the budget. It was noted that over 40k records have been made available online and Smith discussed the current project to receive revenue for the online access to the maps through PayPal. There was discussion concerning the current issue of completing field work due to lack of funding. A decrease to PERS was noted due to Smith retiring from Pers. There was consensus to approve the proposed budget. No motions were made.

**15. DISTRICT ATTORNEY (DA) {1:35}**

County District Attorney, Everett Dial briefly discussed Jake Conde’s resignation, the two DA Positions that are currently open, and the correlating budget increases for new equipment and training. At {1:40}

Dial explained the budgeted Step-Increase for Office Manager, Stacy DeLong who has been with the DA for four years and hasn't received a raise.

- At {1:43} Dial introduced Victim Advocate, Christine Mather giving an overview of her budget and job duties. He stated the Victims' Assistant Fund is a grant funded budget.
- At {1:48} Dial introduced Child Advocate, Jackie Antunes who runs Wally's House. He noted the Child Advocacy Fund is budgeted to receive a transfer from the DA budget to support the center, but by next year it will be completely independent. At {1:52} Antunes discussed being supported through different funding grants noting that they are now able to fund a fulltime child and family advocate.

There was consensus to approve the three proposed budgets. No motions were made.

**Side Discussion:** At {2:00} Huttl handed out a proposal that would shift some of the current functions of the Community Development Department to the new County Administrator. He stated the functions are primarily in Economic Development and that they were done originally in the Board of Commissioners office prior to two years ago.

**The hearing was recessed at {2:02}. Ostrowski reconvened the meeting at {3:00}**

## **16. ECONOMIC DEVELOPMENT {5:54} {3:00}**

Community Development Director, Carolyn Johnson deferred the discussion to Counsel Huttl who detailed his proposal. Huttl stated the plan reorganizes the structure with the notion of "Normalizing" job functions. Planning and Building will become separate departments who then will both report directly to the new County Administrator. He noted the plan would also reallocate lottery funds from SCDC (South Coast Development Council) and other Promotional Studies to nuisance abatement in order to increase property values as a blight abatement economic improvement. Huttl stated that the changes would reduce General fund contributions to Code Enforcement fees and to the County Admin which would also reduce all the departments' County Admin charges.

- At {3:15} Ostrowski asked Huttl if the newly hired County Administrator knows this is to be within his scope of work. Huttl replied he might if he was watching the video of the meeting.
- At {3:22} the Budget Committee discussed the involvement of the new County Admin during this decision process. Gold asked County Accountant Kallstrom if a supplemental budget could be put together once the County Admin arrived. Kallstrom stated since the changes would be spread to all departments, it would be best to make the changes during this budget approval process. Huttl stated if the Budget Committee would like for him to contact the County Admin to see if this proposal is of interest, then he would do that.
- At {3:23} Huxley offered this was not the time to get into this detailed discussion in his opinion.
- At {3:24} Boice agreed with Huttl and referred to a 9-page report presumably from Director Johnson that is going to be why it should be justified to keep the status quo down there in that department.
- At {3:28} Johnson stated "First of all you just made a comment Commissioner Boice that this information is being used to protect the status quo and let me assure you that was not why this was put together. OK?" Boice: "OK."
- At {3:29} Johnson commented that to redistribute the functions to the new County Admin, the scope of work that has been completed in the Economic Development section under the Community Development department needs to be considered. Johnson noted a previous meeting where discussion took place on how the County could save money and suggested that the Budget Committee look at normalizing the entire agency. Johnson discussed a previous memo to the Board of Commissioners (BOC) from Oct. 2017 that asked for a piece of Economic Development to be taken and put under the County Admin position with the idea that the Community Development Director would be available to assist the County Admin.

- At {3:32} the Budget Committee discussed the proposal further.
- At {3:36} HuttI felt some aspersion was being cast on him and he considered it offensive.
- At {3:36} King: “In both directions. Please in both directions. I’m tired of this.” King stood up and walked out of the meeting.
- At {3:37} HuttI: “Are we having a recess here?”
- At {3:37} Ostrowski: “No.”
- At {3:37} HuttI: “For the record. Carl King has left the meeting.”
- At {3:37} Boice: “Yes.”
- At {3:38} there was a public comment by Jan Barbas who spoke about the four candidates running for Commissioner Huxley’s position that have all emphasized Economic Development. He discussed the reduction of FTE in the Economic Development department and a Study to address the County housing crisis challenge. Johnson stated, “I’ve been working with Allcare and they are interested in committing a full \$15k to the Housing Study.”

*At {3:43} The Budget Committed discussed the motion to table the discussion in order to review all the data for the new proposal. At {3:53} Ostrowski motioned to table the discussion until Monday, May 21<sup>st</sup> 2018 in order to review Legal Counsel’s proposal. King seconded. Motion passed 5 to 1. Huxley was opposed.*

#### 17. TAX ASSESSOR & COLLECTORS {3:56}

County Assessor Jim Kolen stated in 2018-19 this department will assess and collect a total of approx. 28.1 million dollars in property tax for the districts and other agencies that operate in Curry County. Kolen gave a PowerPoint presentation discussing maintenance reappraisal. He stated, “We have found a total in these years of about 14.5 million in assessed value which would generate about \$128k in property taxes. From this estimate, we are estimating that we might be finding as much as \$768k in additional property tax for the taxing districts.” At {4:06} Kolen and the Budget Committee discussed the Pilot Project going before the E-Board in September. If approved, the Pilot Project will reduce the reappraisal cycle to 6 to 8 years by funding an additional 1.50 FTEs. At {4:13} Kolen presented the Assessor Budget noting that the Pilot project is budgeted as grant revenue for \$125,000, but won’t be spent unless the Project is approved. Line items for software and car replacement were discussed and at {4:30} there was discussion concerning staff level increases. Kolen noted that the budgeted CAFFA grant for \$131,000 is going to be closer to \$142,700. At {4:38} there was discussion concerning raises and step increases for non-represented employees. Kolen requested that his Deputy Assessor receive a step increase which would total approx. \$1,600 and the same insurance premium increase that the County pays of \$100 a month that the rest of his staff received for a total increase of \$1,200 to the Health Insurance fund. At {4:47} Kolen noted that the budgeted Tax Warrant Fees for \$2,000 should actually be budgeted at \$2,500. There was a consensus to accept the proposed budgets with the exception of the non-budgeted \$1,600 step increase.

**The hearing was recessed at {4:49}. Ostrowski reconvened the meeting at {5:06}**

#### 18. EVENT CENTER/FAIR {5:06}

Event Center Manager, Nikki Sparks distributed handouts related to the budget. She noted the \$16k installation for a Fog Tank which was required by the state and how the Fair budget does not draw from General Funding. She explained how the City of Gold Beach **(has a 1% TLT which has accumulated approximately \$120,000 – they did not give the Event Center 1% of the tax)** gives the Event Center 1% of the Transit and Lodging tax which has accumulated to about \$120k this year to be dedicated to the repair and maintenance of the Fair Grounds. She discussed the projects being undertaken including fixing the Docia Sweet hall roof and the Showcase Building floor. Sparks and the Budget Committee discussed renting the dormitory for revenue and Sparks stated last summer they made about \$7k off the dormitory. Sparks briefly discussed developing other streams of income including an RV Park and a beach wedding gazebo. There was consensus to accept the budget as proposed. No motions were made.



## 19. ROAD FUNDS{5:30}

- At {5:31} Roadmaster, Richard Christensen presented the Road Department Budget. He discussed the SRS funds noting that the yearly depletion of the SRS funds can be as high as \$3,000,000. He stated last year there was only \$100k left in the fund and that this year with the additional new SRS funding of \$1,000,000, the road department was able to take out \$500k less from the General Fund. At {5:37} Christensen discussed the budgeted \$178,365 increase to Total Personal Services attributing the increases to Step & COLA Increases for the Road crew staff in addition to changing a half-time employee into a fulltime employee. Discussion ensued concerning the Step & COLA increases. Christensen explained that due to the Road crew being non-represented, they have been left behind for many years concerning increases. At {5:52} he discussed the new four Sal-Irregular positions for the temporary summer flaggers. At {5:57} there was discussing concerning the \$100k increase to the Pro-Svcs-General fee that Christensen attributed to a new 10-Year Road Maintenance Plan. He stated that the plan would be done by a professional engineer costing around \$80k and that the plan will help in attaining future grants. Discussion also took place concerning the \$50k increase to the Pro-Svcs Engineering fees attributed to Geotechnical costs that might arise as well as for contracting out engineering for the smaller in house projects.

*At {6:07} the Budget Committee was in consensus to approve the Road Department Budget with the exception of the Payroll increases that will be further deliberated.*

- At {6:07} Christensen presented the Roadside Improvement Fund stating that the fund was created to make improvements on Titus Lane. He noted that the fund will close out in 2020 as part of the five year road plan when Titus Road is overlaid. Do to the strict restrictions stating that the funds can only be used for Road Improvements not Road Repairs. Christensen stated he would do further research on the situation. There was consensus to approve the budget as presented.
- At {6:12} Christensen presented the Bike and Footpath Reserve Fund noting that every year all the bike paths and roads in the County are re-striped costing around \$7k. There was consensus to approve the budget as presented.
- At {6:15} Kallstrom and Huttl presented the history of the Towers Operations & Maintenance Fund noting that the leases are coming up for renewal and that the old leases charged for space, but didn't capture all of the County costs. There was discussion between Christensen and the Committee Members concerning the major funding issue to fix and maintain the towers. Christensen stated the County has been subsidizing these towers using around \$30k of Title III funds each year, but this will be the last year the funds are available. *At {6:26} Christensen stated when he recently started to work for the county the prior Road Master had passed the torch to the interim administrator and David Marshall and this was David Marshall's mission (tower funding). But he resigned three and a half weeks ago.* He (Christensen) stated next year without the Title III funds along with a few other funds, the Towers fund will be \$50k short in just maintenance fees. He stated in the next fiscal year there won't be enough funds to pay Day Wireless, a company that specializes in towers and is monitoring the towers system. He noted that Day Wireless has found that the Tower System has a high failure rate. At {6:30} Christensen discussed the letters written by Doug Robbins, Former Road Master, approved by the Board of Commissioners and mailed out to 20 agencies that utilize the towers. He also informed the Committee that Day Wireless is pursuing a package deal for financing through Motorola Radios and Counsel Huttl stated he would be looking into the deal for further information. At {6:50} there was consensus to approve the budget as presented.
- At {6:51} Kallstrom introduced the General Service Internal Service Fund and Christensen gave a brief breakdown of the fund. At {6:57} there was consensus to approve the presented budget.

- At {6:57} Christensen presented the Vehicle Replacement Reserve Fund. There was consensus to approve the budget as presented.

**Chair Ostrowski recessed the meeting at {7:07}**

**Wednesday, May 16, 2018 – 10:30 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Carl King, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John Huttel, County Counsel; John Jezuit, Admin Assistant; & Louise Kallstrom, County Accountant.

**20. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}**

Gold introduced the meeting and called for the pledge of allegiance. Following the pledge of allegiance, Gold introduced Board staff – present above. The Curry County Public Transit Service District meeting took place and adjourned at {0:13}.

**The hearing was recessed at {0:13}. Ostrowski reconvened the meeting at {0:27}**

**21. COMPENSATION COMMITTEE REPORT {0:27}**

Compensation Committee (CC) Member, Bruce Raleigh presented the compensation recommendations for the different departments in the County. He noted that the salary comparisons were based off of Counties with similar demographic sizes and that no adjustments were made based on financial situations. He stated overall, the CC Board felt some of the positions within Curry County were significantly underpaid.

- Raleigh Briefly discussed the Board of Commissioner's (BOC) decision to adjust and reduce their salaries for the budget year 2017/18 and he stated if they chose not to do the same this year, than the recommended salary for a full-time Commissioner would be \$68,600. It was noted that when comparing salaries to similar Counties, it wasn't taking into account whether or not those Counties had a full-time County Administrator.
- At {0:34} Raleigh stated the Sheriff is currently receiving the recommended salary of \$88,480 by retiring to receive contributions from PERS. He noted that the CC Board feels it is a fair compensation when compared to similar Counties and that the Counties selected for comparison did share the same responsibilities of the Sheriff, such as Search & Rescue and the Jail.
- At {0:38} Raleigh stated for the County Assessor position, they looked at comparable Counties who had additional tax collection duties and that the peers were making \$76,900. The CC Board's salary recommendation for the County Assessor is to increase from \$62,746 to \$69,650. Raleigh referenced to a report stating the recommendation for the Assessor is currently the same as it was in 2015.
- Raleigh stated the County Clerk's comparable peers are making \$75,200 and that the CC Board is recommending an increase from \$62,098 to \$66,400. He noted that the County Clerk has also not received an increase in salary compensation for some time.
- Raleigh stated the comparable salary for the County Treasurer's position is around \$77,000 and that the CC Board is recommending a salary increase from \$61,524 to \$66,400.

There was discussion between the Budget Committee, Huttel, and Raleigh concerning the recommendation compensation report and the process for changing Elected Official's (EO's) salaries.

*At {0:53} King motioned to accept the Compensation Committee report. Gold seconded. The motion passed unanimously (6-0).*

- At {0:56} County Sheriff, John Ward commented that he would like to clarify that he did not receive a raise in order to meet the recommended salary compensation made by the CC Board, but instead retired in order to receive extra contribution from his own PERS fund. County

Assessor, Jim Kolen discussed the salary history for EO's and the retention issues for County employees.

- At {1:00} Ostrowski questioned Boice about a list he had in his hand yesterday (May 15) of 88 employees that had left the county. Ostrowski asked Boice why they left. Boice stated there had been a lot of dissention in the building over the last 3½ years and that that was well documented.
- At {1:01} Huttl stated that was speculative and hearsay.
- At {1:04} King commented on the context of earlier statements from Boice which imply that all these employees are leaving because of dissention when in fact over the past year there were two notices of tort claim filed by employees who had been terminated by the county. The one who had the support of all the other elected officials and department heads who, according to the press sued the county for nine million dollars walked away from the lawsuit with no award.  
*At {1:11} Brand motioned that the County Assessor, Treasurer, & Clerk receive an annual \$2k salary increase. Boice seconded. Motion passed unanimously (6-0).*

## 22. COUNSEL/GIS/SOLID WASTE/LANDFILL {1:19}

- Counsel Huttl presented the Solid Waste Fund noting County Council's Salary is partly funded through this budget and discussed with the Committee possibly transferring the fund into the General Fund budget.
- At {1:24} Huttl briefly discussed the Court Mediation Fund and the Court Security Fund. He explained that both funds act as pass through funds.
- At {1:28} Huttl presented the Port Orford Landfill budget giving a brief history of the settlement agreement. Huttl discussed looking into the possibility of being partly funded through this budget due to the significant administrative work being performed by Legal Assistant, Brenda Starbird and himself in order to manage the Landfill.  
*At {1:35} Ostrowski moved to approve the Solid Waste Fund, the Court Mediation Fund, The Court Security Fund, and the Port Orford Landfill budget as presented. King seconded. Motion passed unanimously (6-0).*

**The hearing was recessed at {1:36}. Ostrowski reconvened the meeting at {2:37}**

## 23. ELECTIONS, RECORDING, & BOPTA {2:39}

- County Clerk Rene Kolen gave a brief overview of the Elections Department stating that this year's budget is a revenue generating cycle with two elections scheduled. Kolen noted the addition of a fulltime position titled Election Deputy 1 for \$48,600 which includes benefits. Shelley Denney, Chief Deputy County Clerk discussed the ballot tally system equipment replacement which will be financed through the treasurer's department for the next five years. She pointed out the principal payments of \$15,151 and the Debt Svs- Interest Payments of \$3,011 for the equipment replacement. There was a brief discussion concerning saving for future equipment upgrades by creating a new line item.
- At {2:51} Kolen gave an overview of the Recording Department stating that the budget has not changed much. Denney noted that several of the line items in Material & Services have been transferred into their reserve fund and therefore much of the expenses will be coming out of the reserve fund directly. Denney discussed a reduction to payroll due to a vacated position that will not be refilled at the same salary and instead be filled by two entry level positions.
- At {3:01} Kolen presented the Reserve Fund explaining the origination of the fund, where the fees come from, and what the fund provides to the Recording Department.
- At {3:03} the Budget Committee reviewed the Board of Property Tax Appeals (BOPTA) budget funded by the CAFFA grant.  
*At {3:06} there was consensus of the Budget Committee to approve the presented budgets for Elections, Recording, the Reserve Fund, and BOPTA.*

#### **24. BUILDING R & M/ OCCUPANCY {3:08}**

Curry County Facilities Director Eric Hanson distributed a five year plan for Building Repair & Construction Projects. He gave an overview of his responsibilities and discussed the undergoing projects including carpet replacements and card lock system replacements for both the Annex and Courthouse buildings. Kallstrom commented that in order to keep up with regular maintenance repairs there was an increase to the budget of \$62,000 from the General Fund. Kallstrom stated she would be moving the Cap-Annex Carpet lines 22, 23, and 24 totaling \$27, 239 to line item 33 Contingency-Working Capital. She stated she would also be moving revenue line item 5 of \$180,000 to line item 7 titled Tran In- 1.10 Gen Fund-Other Requiremts.

At {3:46} Hanson presented the budget proposal for the Central County Occupancy Department and Kallstrom noted that \$7,500 is budgeted to be transferred into the department from the North County Occupancy Department. She stated the \$7,500 is a carryover that hasn't been used and that the transfer of the funds would close out the North County Occupancy fund.

*At {4:07} there was consensus of the Budget Committee to approve the presented budgets for Building Repair & Maintenance and Occupancy.*

**Side Discussion:** At {3:51} Huxley discussed the general issue of line items being overspent in the budget according to the monthly revenue and expense reports. The Budget Committee discussed the possibility of quarterly financial review meetings in order to track overspent budget line items.

**The hearing was recessed at {4:08}. Ostrowski reconvened the meeting at {4:20}**

#### **25. ROAD CAPITAL IMPROVEMENT RESERVE FUND {4:21}**

- Kallstrom introduced the budget noting that the fund effects the Sheriff and Road Departments. She stated that for this fund, the only revenue balance is a carryover from previous years. Road Master, Richard Christensen and the Budget Committee discussed the \$80k Facilities Plan for future road improvements which will include the priority and price of the planned projects. He stated that with the Facilities Plan, they will have a team together chasing Federal & State grants that will allow anyone of the projects to be completed for only ten cents on the dollar. At {4:35} Christensen explained that once the road funds are gone, there will be no more leveraging for grants and how roads will not be able repaired.

*At {5:36} Brand motioned to backfill the Sheriff's department by transferring out \$481,000 from the Road Capital Improvement Reserve Fund. Christensen informed the Committee that the Roads vision when creating the Reserve Fund was to protect and conserve the Road Funds. He stated at the current average being spent annually, within eight years the funds will be gone along with the grant leveraging power and its compounding interest power. At {5:06} Brand seconded the motion. Motion carried (4-2). Huxley and King were opposed.*

#### **26. GENERAL FUND EQUIPMENT SELF-INSURANCE FUND {5:12}**

Kallstrom presented the budget noting the previous year's decision to transfer \$60k from this fund into the General Fund in order to avoid using Road Capital Improvement Funds. At {5:17} there was consensus of the Committee to approve the budget.

#### **27. ROAD FUND EQUIPMENT SELF-INSURANCE FUND {5:17}**

Kallstrom presented the budget noting the vehicle vandalism issues taking place and the Budget Committee discussed possible solutions to protecting the assets. At {5:24} the Budget Committee was in consensus to approve the presented budget.

#### **28. COUNTY COUNSEL {5:25}**

County Counsel John Huttel gave an overview of current functions taking place within the department and presented a status quo budget with no significant changes.

*At {5:36} the Budget Committee was in consensus to approve the County Counsel Budget.*

## 29. COMMISSIONERS FUND {5:38}

A thirty minute discussion ensued concerning the new travel policy and salary cuts that took place during the preceding budget year for the elected Commissioners.

- At {5:42} Brand to Boice: You are a policy maker, not an administrator. This budget is designed to have an administrator run this.
- At {5:43} Boice to Brand: The voters would not agree with that. That's not what the people elected me for. Boice projected on the screen a yellow highlighted list of the 88 people who had left the county he had previously referred to. When questioned further about the list by Gold and King, Boice responded this was not a conclusive list and that he was not attributing this to any one particular person. King referred to specific individuals on the list who had left for health reasons and others who moved to be closer to their family, none of which had anything to do with dissention as referred to earlier by Boice.
- At {5:47} Huxley mentions that yesterday the budget committee heard all the people on this list were run off or some such thing. Today, not so much.
- At {5:49} Boice stated this discussion is all connected with his travel and his salary. He then showed photos of county cars not being used. He referred to 11 pages of personal receipts paid for his travel. Ostrowski interrupted questioning the appropriateness of this discussion topic. Boice then held up a manila folder claiming it contained \$1,400 in personal receipts he had paid. He then held up three envelopes with receipts for meals he had paid for.
- At {5:52} Boice stated he has no longer willing to take a \$20,000 pay cut.
- At {5:55} King to Boice: Last year we had a budget. It was approved by this committee and the board of commissioners. The board of commissioners set a travel policy. Commissioner Boice decided because he disagreed with it that he would not comply with it. King motioned to approve the commissioner's budget as submitted with the understanding that the salary assigned to each of the three positions remains the same next year as they are this year.
- At {5:56} Kallstrom stated because there would be a new commissioner beginning next year that the current salary for Huxley should be for one half year and the full salary should be budgeted for the second half of the fiscal year. King replied that he was advised by counsel HuttI that as a matter of state law, unless the budget committee recommends a change the salary, it remains the same.
- At {5:57} HuttI confirmed that King's statement was correct.
- At {5:59} Brand commented to Boice it's simple; this is the reason we have a county administrator. We don't need both. If you want to have full time commissioners get rid of the administrator. Without that you don't have a justification.
- At {6:01} Boice to Brand: "You make the point that there isn't enough work to justify full time commissioners. I'm here to tell you and I have plenty of documentation that can demonstrate otherwise."
- At {6:03} King supported Brand in his reasoning for a county administrator and explained the functions of a board and that of an administrator. He went on and explained to Boice that just because they may disagree with one another on a particular subject, Boice believes that he is being punished which is incorrect.
- At {6:06} Ostrowski asked if Huxley would like to comment. Huxley responded he had a headache. He agreed with committee members Brand and King. The committee was getting way off the subject. "I think there was a motion to approve this budget as proposed. I would second that motion and call for a vote."

The vote was 5 to 1 in favor with Boice opposing.

*At {6:06} Huxley seconded King's motion to approve the Commissioners Fund as presented.*

*At {6:07} Huxley stated when he ran for office it is on a platform of taking a \$10,000 salary or stipend or whatever you want to call it. This was done so the difference of several hundred thousand could remain in the coffers of the county. He spend the first five month with two pro-bono attorneys fighting not to take hundreds of thousands of dollars in pay and he prevailed.*

**Side Discussion:** At {6:14} Kallstrom distributed a list of non-represented employees that would be affected by the \$1,200 insurance supplemental increase and she stated with the increase, the total additional impact on the General Fund would be around \$16,400. Discussion ensued concerning excluding Elected Officials from the insurance increase.

*At {6:22} Ostrowski motioned to approve \$1,200 per non-represented employee with the exception of Elected Officials. King Seconded. Motion passed (5-1). Huxley was opposed.*

**Chair Ostrowski recessed the meeting at {6:31}**

**Thursday, May 17, 2018 – 10:00 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John HuttI, County Counsel; John Jezuit, Admin Assistant; & Louise Kallstrom, County Accountant.

**ABSENT:** Carl King

### **30. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}**

Gold introduced the meeting and called for the pledge of allegiance. Following the pledge of allegiance, Gold introduced Board staff – present above.

**Side Discussion:** At {0:01} Boice further discussed the Commissioner's Travel Policy and Salary cuts.

- *At {0:04} Boice: "And then the travel thing has been an incredible thing which I presented you yesterday that I'm being penalized. Even had language that I may have done something criminally wrong that I used a car and ah ya know took care of county business.*
- *So, what I've done is, I've taken the keys to the Traverse which is our best car (displays picture car) and ah, I'm gonna decide when that car is gonna be used and I'm gonna make sure it's only for county business. I will continue to keep good receipts and if that, ya know, my concern is much more so the people that elected me then being subordinate to this board and having my efforts questioned and even criticized and it just, it just makes my head spin."*

### **31. PUBLIC COMMENTS {0:07}**

- David Barnes discussed how the decrease to the Commissioners Salaries limits the future applicants stating that only retired individuals will be able to live off the lowered amount. He asked the Committee to raise the Commissioners salaries back to the previous year's figures around \$60k.
- *At {0:09} Steve Beyerlin expressed his concern for the County Commissioners Salary and the Travel Policy. He stated that there might be a possibility of a future lawsuit due to breach of contract or discrimination. HuttI stated for the record that he does not share the same opinion as Mr. Beyerlin concerning breach of contract or discrimination.*

- At {0:13} Boice discussed the Commissioners Salaries further stating that he did agree to the \$20k pay cut for only one year and so effective July 1, 2018 he would like his salary returned. He proposed that once his salary is returned and if the new County Administrator stays beyond February 1, 2019, he would donate out of his salary approx. \$3,500 to the Curry Wild Fire Prevention Group, \$3,500 to the Oregon Housing Homeless Coalition, and \$3,500 to the Vietnam Veteran Association. No motions were made.
- At {0:15} Huttli stated he did not share Mr. Beyerlin's opinion - breach of contract or discrimination.
- At {0:16} Huttli corrected a statement by Kallstrom a change in pay for any commissioner in that any pay change would require the matter coming back before the budget committee. It is not a matter of budget law but rather that of compensation law.

### 32. SHERIFF CIVIL/CRIMINAL/PATROL CONTINUED {0:19}

Kallstrom noted that yesterday's motion to approve \$1,200 per non-represented employee with the exception of Elected Officials would affect the budget concerning one individual, Captain Mike Espinoza, who is a non-represented employee.

*At {0:21} Ostrowski moved to approve the budget as proposed with the addition of the \$1,200. Boice seconded. Motion carried unanimously (5-0).*

**Side Discussion:** At {0:22} Kallstrom distributed an organizational chart requested by Chair Ostrowski. At {0:24} The Budget Committee, Kallstrom, & Captain Mike Espinoza discussed the Jail bed rental revenue. Espinoza discussed the issues that arose throughout the year including the unexplained elevator issue and their Internal Surveillance System becoming obsolete. He informed the Committee that Supplemental Budgets for the selected projects would be coming to the Board for approval and that the cost of the projects would not exceed the rental revenue.

### 33. NON-DEPARTMENTAL {0:34}

There was a brief discussion concerning the \$200k decrease to the Unassigned Fund Balance. Kallstrom explained that the decrease was made to avoid budgeting over the amount that is currently in contingencies. She noted that the budgeted amount in the Unassigned Fund Balance is a conservative number based on the 2018 March Expense report that shows they did carry over \$500k more than budgeted in the 2018 adopted budget. At {0:45} there was discussion concerning the \$10k increase to Dues-Memberships fees. Kallstrom and Huttli discussed how some of the fees are required for insurance purposes. There was consensus to table the Non-Departmental Budget until Monday, May 21, 2018.

**The hearing was recessed at {1:14}. Ostrowski reconvened the meeting at {1:33}**

At {1:33} Kallstrom handed out a year to date printout of the Dues-Membership fees. The Budget Committee discussed the fees. No motions were made. (Continued on page 10)

### 34. OTHER REQUIREMENTS {1:46}

Kallstrom presented the budget noting a \$5,300 decrease in the transfer to the Event Center / Fair because there was a decrease in insurance costs for the Event Center/Fair.

*At {1:56} Ostrowski moved to approve the budget as presented. Boice seconded. Motion carried unanimously (5-0).*

### 35. TITLE III RESERVE FUND {1:57}

Kallstrom presented the history of the budget discussing the changing strict regulations on spending the Title III funds. She noted that the restrictions on the new SRS funds coming into the Title III Fund have been loosened, but she is awaiting further clarification. Kallstrom explained with the loosened restrictions, the Title III funds could possibly be spent for the other prior approved projects that are not part of the Active Search & Rescue on Federal Forest Land.

*At {2:08} there was consensus of the Budget Committee to approve the budget as presented.*  
**The hearing was recessed at {2:16}. Ostrowski reconvened the meeting at {3:23}**

**36. P.E.R.S. EXPENSE RESERVE FUND{3:24}**

Kallstrom presented the budget noting that the fund hasn't received money for quite some time. The Budget Committee discussed the future potential liabilities and the notion of a 401k retirement plan for new employees in lieu of P.E.R.S.

*At {3:38} there was consensus of the Budget Committee to approve the budget as presented.*

**Side Discussion:** At {3:38} Kallstrom distributed a handout that detailed what had been paid in the previous years to Dues-Membership fees. She noted for the 2016-17 budget year the Association of Oregon Counties cost \$8k and for the 2017-18 budget year the Association of Oregon Counties cost increased to \$17k.

**37. UNEMPLOYMENT EXPENSE RESERVE FUND{3:41}**

Kallstrom presented the budget noting the previous year's decision to transfer \$127k into the General Fund. Discussion ensued concerning the 4-5% projected increase to P.E.R.S. for 2017-18.

*At {3:54} there was consensus of the Budget Committee to approve the Budget as presented.*

**38. COUNTY SCHOOLS FUND{3:54}**

Kallstrom discussed the workings of the fund stating that this is a pass-through budget. She explained that the significant rise in resources was made so that appropriation levels aren't exceeded when the new SRS funds come in.

*At {3:58} there was consensus of the Budget Committee to adopt the budget as presented.*

**39. BROOKINGS AIRPORT FUND{3:59}**

Kallstrom presented the budget noting that the Brookings Airport will possibly be sold by the end of the fiscal year. She stated that a few expenditures were budgeted in case the property hasn't sold and they do have to make payments during the beginning of the coming year. There was discussion concerning the restrictions concerning transferring Airport funds into the General Fund. Huttli explained that According to Federal Regulations, because the County received FAA grant money for the Airport Fencing Project, the Airport Funds can now only be used towards airport uses. He then explained that the Airport sale can be transferred into the General Fund because the County's Capital Contribution to the fund over the last six years for improvement projects matches the approx. sale amount of \$100k. Kallstrom stated that the proposed budget would have some line item changes due to the Airport Restrictions on transferring funds to the General Fund noting that last year's motion to transfer \$8,347 from the Airport Fund to the General Fund would not be happening and therefore would change the Assigned Fund Balance to \$25,200. She stated she would also be adding \$20k to Other Materials & Services after she removes the proposed \$10k transfer into the General Fund-Non Dept. which will reflect a \$10k decrease to the General Fund- Non Dept. Budget. Kallstrom noted that no Funds were budgeted for the Fund-BOC-FAA Grants Dept. because the Airport is for sale and therefor no grants are being pursued.

*At {4:17} the Budget Committee was in consensus to approve the budget.*

**40. LAW LIBRARY FUND{4:19}**

Kallstrom briefly presented the budget with no significant changes.

*At {4:22} the Budget Committee was in consensus to approve the budget.*

**Side Discussion:** At {4:24} Gold presented information concerning previously paid Membership Dues-fees. She noted that of the AOC Fees, \$4,100 was paid to Forest Management Sub



Committee Dues which is a voluntary extra option. The Budget Committee discussed decreasing Membership Dues-Fees by \$4,100. No motions were made.

At {4:34} Kallstrom discussed an extra inserted line within the Veterans Services Budget. She stated \$2,600 worth of payroll costs weren't being accounted for, and that she would be bringing back the adjusted Veterans Service Budget on Monday, May 21, 2018 for approval.

At {4:38} Kallstrom noted that in the Assessor Budget a payroll mistake was made concerning the Deputy Assessor Position. She explained that salary scheduled employees cannot receive a personal salary increase because it would affect other employees who are on the same salary schedule.

**The hearing was recessed at {4:44}. Ostrowski reconvened the meeting at {5:04}**

**41. COUNTY LANDS MANAGEMENT FUND {5:05}**

Kallstrom briefly presented the budget noting that they closed the fund out to the General Fund during the previous year's budget process.

**42. PEG ACCESS FUND {5:07}**

Kallstrom briefly presented the budget and Huttl noted that the Subscriber's Fees coming into the fund are restricted and can only be used for Capital Projects such as the televisions, cameras, and sound booths. He stated the funds do not pay for operating expenses and so the operating expenses are being funded out of the BOC office funds. There was discussion concerning the future projects currently being deliberated and the need to add additional revenue to support the projects from the \$27k carryover in the PEG Access fund. Nick Brandt from Brandt Media informed the Budget Committee that the broadcasting channel has aging transmission equipment that is in debate with Charter Communications on who is responsible for replacement costs.

*At {5:27} Brand moved to approve the budget as presented. Motion passed unanimously (5-0).*

**43. BRIDGE LIGHTING MAINTENANCE FUND {5:28}**

Kallstrom presented the budget noting that it is funded completely from public donations and that the fund is currently in the negative at -\$135.00 due to lack of donations. The committee discussed the funding history and the current issue negative balance issue. Following discussion, Kallstrom stated she would be taking out the 2018-19 proposed budget, and presenting a supplemental budget to close out the fund by transferring \$135.00 from the General Fund to remedy the negative balance.

*At {5:37} Ostrowski moved to accept the proposed budget with Kallstrom's amendments to budget zero for the upcoming fiscal year and to transfer \$135.00 from the General Fund in order to correct the negative balance. Motion passed unanimously (5-0).*

**Side Discussion:** At {5:38} Kallstrom listed the previous topics and amendments scheduled to be further deliberated on Monday, May 21, 2018.

**Side Discussion:** At {5:47} Huttl handed out a new October 18<sup>th</sup> Board of Commissioners Memo concerning the reorganization on the Community Development Office. He noted that it will replace the incorrect version located in the packet distributed by Development Director Carolyn Johnson. For further review, Huttl distributed the ordinance creating the County Administrator position.

**Side Discussion:** At {5:55} Boice noted the earlier discussions concerning a periodical financial review and an exit review for employees leaving the county. He also discussed projects he will be working on such as fire awareness meetings, a consumption tax, and the possibility of saving money by switching from PERS to a 401k option. At {5:58} Boice discussed the Commissioner's salary decrease of \$20k that took place during the previous fiscal year

He stated that it was a voluntary 1-year decrease and that he would like to direct Kallstrom to amend the Commissioners Budget by adding back the \$20k to his salary.

At {6:00} Boice: “So the \$66,000 on the, the pay I’m gonna direct ah Ms. Kallstrom to ah reinstate that effective July 1<sup>st</sup>. And ah, ah, it’s not negotiable for me. I’m gonna ask her by Monday to come up with how we can balance that out and how that would be that \$20,000 shouldn’t be that difficult of a program.”

The Budget Committee, Kallstrom, and Julie Swift from Payroll & HR discussed the process for changing the Commissioners salary. At {6:12} Swift explained how the actual salaries paid to commissioners and all other officials and employees are memorialized each year in the master payroll as of July 1 each year. At {6:13} Ostrowski: So the adopted budget for this year shows a payment to commissioner Gold of \$10,000? Swift: Yes. Ostrowski: And \$40,000 to commissioner Boice? Swift: \$46,000 and change, yes. Ostrowski: Does that represent the official salary then of those individuals? Swift: Yes.

At {6:14} Boice did not agree with \$46,000 salary and wanted to let the public in on the whole discussion. Ostrowski: Hopefully the public is watching. What you (Boice) are talking about a reset of the payroll.

At {6:16} Ostrowski asked Gold what she thought. Gold: Once we vote, let’s accept it and move on. Gold had a problem with this keep hounding and hounding and hounding. Boice interrupted Gold and responded: “What an insult.”

At {6:17} Brand stated that he was the guy who made the motion last year. There were two parts which he set out on the first day of the budget meeting what he was going to do. The motions were to re-adjust the amount of money that went to the commissioners department and we were going to fund a new position. A professional trained manager. There was no idea in the motion that an individual was going to dictate the future of their funding nor were they going to dictate the future of the administrator. It was a pretty simple concept. We’re going to have much less money put into the commissioner’s part of governance and more put into a professional trained manager. Brand was willing to stay with the votes the committee had last year.

At {6:19} Huttel offered that the committee had already in this budget cycle voted on elected officials salaries to maintain the status quo expect for the three occasions where committee added.

There was consensus to further deliberate the Commissioners salary on Monday, May 21, 2018 when Committee Member Carl King can be present by phone.

**Chair Ostrowski recessed the meeting at {6:25}**

**Monday, May 21, 2018 – 10:00 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John Huttel, County Counsel; John Jezuit, Admin Assistant; & Louise Kallstrom, County Accountant.

**BY PHONE:** Committee Member, Carl King

#### 44. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}

Gold introduced the meeting and called for the pledge of allegiance. Following the pledge of allegiance, Gold introduced Board staff – present above.

At (0:02) Counsel HuttI read an email between himself and budget committee member Carl King that King would be watching the meeting on the internet and calling in when a vote was required.

#### 45. PUBLIC COMMENTS {0:04}

- David Barnes stated that in the previous budget process, the Budget Committee allocated \$55k for new County Administrator, Clark Schroeder's salary and asked Kallstrom why his calculations show that the Schroeder is being paid more than the \$55k. Kallstrom stated that the Committee allocated \$80k for the Administrator's position and therefore he isn't being paid more than budgeted. At {0:06} Mr. Barnes made comments concerning the decision that took place during the last fiscal budget process to hire a new County Administrator.
- At {0:09} HuttI: Stated for the record this is a budget committee meeting and a lot of the prior public comments were not relevant to this proceeding.

**Side Note:** At {0:13} Kallstrom distributed the list of motioned amendments to the 2018-19 proposed budget.

#### 46. ECONOMIC DEVELOPMENT {0:15}

- Kallstrom distributed the 2018-19 Economic Development Department Option proposed by Acting County Administrator, John HuttI on Tuesday, May 15, 2018. (located on page 5.) At {0:19} HuttI stated that the main concept of the Option is to pay the County Admin with Lottery Funds for Economic Development functions and to pay the Planning Director out of the General Fund because Planning was put into the General fund a year ago. He clarified that the Option does not reflect any savings based on a reduction in pay to the Community Development Director notwithstanding any change of what fund that position is payed out of for who does the Economic Development. Kallstrom and HuttI further discussed the changes the Option would bring and at {0:27} there was discussion concerning the amount of time it will take to resolve blighted properties due to the nature of the tasks. HuttI explained his proposed \$40k reduction to Nuisance Abatement fees noting that there is not a need for the full \$100k because approximately only three properties will be resolved during the year.
- At {0:30} Community Development Director, Carolyn Johnson commented on the discussion noting that there have been previous discussions with John Hitt and the Board of Commissioners concerning using \$9-10k for Development type functions and that if the entire amount for abatement proposed in HuttI's Option is approved those functions can't be pursued unless other funds are found.
- At {0:38} there was discussion concerning the Lottery Fund purposes located in the Proposed Budget and the agreement with South Coast Development Council (SCDC), a non-profit organization whose mission is to promote and support businesses that provide quality jobs through responsible development on Oregon's South Coast. From the purposed budget. At {0:45} Johnson explained that the \$8,800 increase to Other Materials and Services is budgeted for marketing purposes noting last year's participation in the funding of a booth at the San Francisco Traveling Show to bring more visitors to Curry County. At {0:50} HuttI discussed the statutes surrounding how Economic Funds can be used for elimination of blight property noting

that it isn't as clear a path as he originally thought and that they may need to receive clarity from the state before pursuing using the Lottery Funds for blight removal.

- At {1:07} Huttli clarified how his proposal is an organizational effort to follow through with the previously discussed agreements to move Community Development into the General Fund and as a byproduct, there will be some savings to the County. The Budget Committee further deliberated between the two proposed budgets.
- At {1:50} there was much confusion on the allocation of fractions of positions between Community Development, Planning, Code Enforcement and the administrator position. Various options were too vague as worded for Kallstrom to allocate funds.
- At {2:03} King was asked what he thought and replied we were making mountains out of mole hills.
- At {2:04} Huttli asked if Gold could make a motion.

*At ~~{5:37}~~ {2:05} Gold moved to adopt the proposed budget with the amendment to reduce Nuisance Abatement from \$100k to \$60k. Motion passed unanimously (6-0).*

**The meeting was recessed at {2:06}. Ostrowski reconvened the meeting at {3:06}**

#### **47. REVISIONS/BALANCING THE BUDGET {3:07}**

- Kallstrom discussed the distributed list of motioned amendments to the 2018-19 proposed budgets noting that in the \$1,200 insurance increase to non-represented employees, she did not include the Assessor, Commissioners, County Clerk, Sheriff, and Treasurer as previously decided by the Committee.
- At {3:19} Kallstrom presented and discussed handout titled *Changes from 2017-2018 adopted budgeted payroll to 2018-2019 proposed budget payroll at 05/09/18*. Kallstrom noted that payroll changes to the BOC Office were not included in the handout. At {3:28} discussion between the Budget Committee, Kallstrom, and Personal Officer Julie Swift ensued concerning Step increases for Road Personnel. Kallstrom stated in the proposed budget, compared to last years adopted budget, step increases are added, but it wasn't part of the budgeting process.
- At {3:31} Swift noted that there is other built-in step increases for the Sheriff's department dependent on collective bargaining negotiations. Discussion ensued concerning removing the proposed step-increases to the Sheriff's budget.
- At {3:43} discussion took place concerning the general budget preparation process associated to the notion of receiving awareness of possible upcoming changes. At {3:51} Huttli presented and discussed ORS294.331 titled *Budget Officer* in order to explain who gives guidance to the Budget Officers during the creation of the proposed budget.
- At {3:59} Discussion ensued concerning the Services Officer's 7.5% step increase in the Veterans budget and possible new policy procedures in order to be more aware of changes to the proposed budget.
- At {4:14} Assessor Jim Kolen discussed salary increases stating he would like to see non-represented employees being treated the same as the road department employees are being treated which would equate to a 3.1% cost of living for the non-represented employees if the 2% cost of living stands from this year's budget.
- At {4:21} the Budget Committee deliberated the 2% COLA increase to the Roads Department and whether or not the increase was going to be spread further to all non-represented employees.  
*At {4:27} Ostrowski motioned to remove the 2% increase from the proposed Road Department Budget. Gold seconded. Motion passed unanimously (5-0). (King was not on telephone?)*
- At {4:28} Kallstrom noted that she would be looking into the District Attorney proposed Administrative Assistant step-increase and the 7.5% step increase in the Veterans Budget. She stated she would be reducing \$40k in the Non-Departmental Budget for Professional Services.

**The meeting was recessed at {4:33}. Ostrowski reconvened the meeting at {4:47}**

- At {5:12} Ostrowski distributed a handout to discuss and look at further reductions to the General Fund. Discussion ensued concerning transferring carry-over balances into a Towers Capital Improvement Fund for future improvements and Kallstrom noted the supplemental budgets that would need to be created. At {5:42} Gold agreed that funds should be set aside for improvements along with increasing the rates of the agencies currently using the towers.

*Following further deliberations at {6:22} Gold motioned to transfer the discussed savings into the Capital Improvement Fund in Towers Budget. King seconded. Motion carried unanimously (6-0). (King was on telephone?)*

**Side Discussion:** At {6:27} Huxley provided video footage that captured the previous meetings discussions concerning Commissioners expenses and salaries. No motions took place.

**Chair Ostrowski recessed the meeting at {6:48}**

**Wednesday, May 23, 2018 – 10:00 A.M.**

**BUDGET COMMITTEE MEMBERS PRESENT:** Bill Ostrowski, Thomas Brand, Thomas Huxley, Sue Gold, & Court Boice.

**STAFF PRESENT:** John Huttli, County Counsel; John Jezuit, Admin Assistant; & Louise Kallstrom, County Accountant.

**BY PHONE:** Committee Member, Carl King

**48. CALL TO ORDER & PLEDGE OF ALLEGIANCE {0:0}**

The meeting was reconvened Chair Ostrowski, and following the pledge of allegiance, the budget committee resumed business.

**Side Discussion:** At {0:01} Boice made a motion for the budget committee to revisit and consider resetting Commissioner's salary (his). There was no second.

**49. SHERIFF BUDGET CONTINUED {0:15} {0:04}**

Sheriff John Ward spoke before the Committee stating he was out on Monday but noted it was his understanding there had been discussion previously and the added steps had been removed from his budget re union negotiations. The anticipated step increases had been put in his budget, even though negotiations had not taken place. Ward informed the Committee if negotiations ended up in arbitration, it could cost the county three times what it would cost by giving step increases. **At {0:06} Kallstrom said step increases are usually included in the budget.** Ostrowski motioned to reverse the decision, Boice seconded the motion, and also added to take the money out of the tower's budget and put the steps back in for the Sheriff's Department employees. Huxley suggested trying to reach King for the vote, whom was not present at the meeting. After attempting to call Mr. King, his wife answered and said he would pull off the road and call back. The motion was tabled until Mr. King would call back.

**50. PUBLIC COMMENTS {0:15}**

- Public comment by Scott Faas inviting Board to a Timber Rally, also praised Sheriff Ward and his Department.
- Public comment by David Barnes reiterated what he said the other day concerning fully funding Commissioner's positions. **Rescind the offer of the administrator position to Mr. Schroeder.**

**51. SHERIFF BUDGET CONTINUED {0:20}**

Ostrowski said he would like to proceed with the discussion on the above mentioned motion, noting they could discuss without waiting on Mr. King as they had a quorum, noting there were no new requirements, only taking away from the tower fund. He said if matters did go to arbitration, it would

cost more. At {0:57} King called in from his travels and HuttI gave him an overview of the discussion and the motion.

*At {1:07} Ostrowski motioned to reverse the decision to take away the Sheriff's staff's step increases. Boice seconded. Motion did not pass (1-5) Huxley, Gold, King, and Brand were opposed. Ostrowski voted yes and Boice was no longer available by phone for the vote.*

**At {0:50} Boice leaves the meeting. Boice later called in and seconded the motion but the connection was lost prior to the vote and he did not vote on the motion. The motion did not pass (1-4).**

## **52. APPROVAL OF 2017 BUDGET MEETING MINUTES {1:12}**

Commissioner Gold and Huxley needed more time to review the minutes and didn't want the Committee to approve today, but would like to set another meeting up in the future. Staff was directed to set this up and reconvene the Board at a later date.

## **53. APPROVAL OF 2018-2019 PROPOSED BUDGET {0:20} {1:20}**

Kallstrom stated she had typed up a motion to read out loud to approve the budget. Brand stated that from the budget message presented over a week ago, today the budget had increased \$23,000 plus dollars.

*Following discussion, Gold motioned to approve the 2018-2019 budget for Curry County in the amount of \$8,918,235 for the General Fund and \$46,155,627 for all other funds and to approve the property tax rate at \$.5996 per \$1,000 of assessed value. King seconded the motion. Roll call -*

*Gold, yes, Huxley, yes, King, yes (Boice just called in at 11:21, in the middle of roll call). HuttI rereads the motion and explained taking roll call and if No deliberations, needed Boice to vote. Boice voted no, but said he may change his mind when comes before Board of Commissioners (BOC) for the final approval. Motion passed (5-1).*

## **54. BRAINSTORMING FOR FUTURE DOLLARS NOTES {0:20} {1:21}**

- Continue discussions around revenue sources for the county.
- Discuss Sales Tax and Lodging Tax **{1:24} Gold**
- Increase property taxes **{1:25} Ostrowski; Gold**
- Increase property Assessments by the Assessor **{1:28} Gold**
- Project future revenues/expenditures and plan **{1:30} HuttI; Ostrowski**
- Form Subcommittee to brainstorm ideas **{1:38} Ostrowski; Brand**
- Asks citizens for input – survey/town hall meetings **{1:42} Brand; Huxley**
- Create a “roadmap” of what the future of the county will look like **(1:52) J. Kolen**
- Look at “pie allocation” of taxes collected **{1:55} Gold**
- **Demographics and previous attempts at putting tax measures before the voters {2:00} Huxley; Ostrowski; Brand**

**Ostrowski adjourned the meeting at 12:08P.M. {2:06} Video Time**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.  
Curry County Budget Committee of 2017

\_\_\_\_\_  
Sue Gold, Commissioner

\_\_\_\_\_  
Thomas Huxley, Commissioner

\_\_\_\_\_  
Court Boice, Commissioner

\_\_\_\_\_  
Bill Ostrowski, Chair

\_\_\_\_\_  
Carl King

\_\_\_\_\_  
Thomas Brand, Vice Chair

Transcribed by J. Allen on October 17, 2018.

DRAFT

