

**MINUTES
BUDGET COMMITTEE MEETING
May 6, 2013 9:00 a.m.**

Room 32, Courthouse

PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, Scott Maytubby, Silas Halloran-Steiner, Paul Kushner, Krisan Pendleton, Lindsey Manfrin, Craig Hinrichs, Marie McDaniel-Bellisario, David Manitsas, and Paul Partridge.

Guests: Nathalie Hardy, News-Register.

Kathy George called the meeting to order at 9:02 a.m.

Election of Officers - Mary Stern moved to appoint Kathy George as chair; Shelley Halleman seconded the motion. The motion passed unanimously. Mary moved to appoint Shelley as secretary; Chris McLaran seconded the motion. The motion passed unanimously.

Adoption of Minutes - Angel Aguiar moved approval of the minutes from May 7-9, 2012, and June 1, 2012; Mary seconded the motion. The motion passed unanimously.

Property Taxes - Scott Maytubby provided an update on the property tax system in Yamhill County. He discussed the decrease in tax revenue to the county over time as a result of Measure 5 and Measure 50, and the \$484,000 tax revenue loss in 2011 due to tax roll corrections. He said that exception value increased in 2012, which is a good sign. He distributed a history of the property tax system to the lay committee members.

Budget Overview - Laura Tschabold reviewed the slides in the budget binders. She stated that since 2003, there has been an average yearly increase of 4.62% in personnel costs and 2% in materials and services costs. She said that there isn't much overall budget change from 2012-13 to 2013-14, although there is a significant increase in Health & Human Services, largely due to an increase in Oregon Health Plan (OHP) services and the Affordable Care Act. She reported that Yamhill County is ranked the lowest in per capita expenditures among its comparable counties, and the third lowest in per capita revenue.

The meeting recessed at 10:01 a.m. and reconvened at 10:17 a.m.

HEALTH & HUMAN SERVICES TEAM

Current Status - Silas Halloran-Steiner stated that the new coordinated care organization is a vital systems change, and the county has a responsibility to incorporate those systems changes and to plan for services to populations. He discussed a Medicaid expansion effective January 1, 2014, and other reforms, including the Early Learning Council, a community-based process that replaces the former Commission on Children and Families. He reported that OHP membership has gone up substantially, and the budget process is stalled, waiting for the next revenue forecast from the state.

Silas stated that he plans to use his fund balance pragmatically, and has budgeted to use \$1.2 million of the fund balance in 2013-14. He said that the total FTE has increased slightly since the proposed budget was presented in April, and includes HHS services in the jail. He discussed changes in personnel budgeting strategies to get the budget closer to actual numbers. He reviewed a list of proposed reclassifications.

Division Review - Silas stated that he has removed the Commission on Children and Families program from the **Community Health** budget, but kept a partial position as a placeholder for transition activities. He said that he has also deleted some FTE due to the transition of the Healthy Start program to a community provider, with funds being reallocated to the Veterans' Services program. He noted that he is using some fund balance to delay fee increases in the Environmental Health program.

He said that Mid-Valley Behavioral Care Network decided not to renew Melissa Jagoe-Seidl's contract position, so the team discussed how to best use her skill set internally, and decided to have her part-time in **Community Support Services** and part-time in **Central Services**. He said that Central Services includes a planned \$150,000 expense for conversion to electronic medical records, although that will be reallocated across the appropriate budgets once the project is defined and underway. He added that the Central Services budget also includes new revenue in anticipation of the OHP expansion. He noted that currently 50% of all births in Oregon are on OHP.

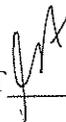
Silas stated that a new school services position has been created in **Family & Youth** in response to the Sandy Hook school shooting. He said that sex offender treatment formerly contracted out is now being provided through an in-house program. He said that the Mentoring Hub contract is ending, and he plans to continue mentoring services on a shoestring budget.

Silas said that state revenue has been included in the **Enhanced Care Facility/Residential Treatment Facility** budget for a new regional Behavioral Support Services program that Krisan Pendleton has been asked to help with. He said that her team deserves praise for starting this program, which targets the elderly and physically disabled.

Silas stated that **Adult Behavioral Health** replaces the former Adult Mental Health and Chemical Dependency divisions. He said that Marie McDaniel-Bellisario has taken on the integration of adult outpatient services wholeheartedly and with great skill, and he is adding a supervisor position to work under her. He said that he has budgeted bridge funding for the Family Drug Court program because he doesn't know if that grant will be renewed. He noted that this budget also includes the Veterans' Services program now, with an increased amount of discretionary revenue being allocated to the program. He said that having Veterans' Services integrated with HHS will give it more visibility and contact with the community. Paul Partridge said that he is putting together a Joining Community Forces Steering Committee to publicize the services available to veterans and to organize a covenant-signing event at the county fair in August.

Kathy stated that she hears positive feedback about all of the HHS programs as she is out in the community.

The meeting recessed at 12:03 p.m. and reconvened at 1:35 p.m.

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PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, Al Westhoff, Ken Huffer, Ted Smietana, Dan Linscheid, Mike Brandt, John Phelan, Bill Gille, and Russ Heath.

Guests: Nathalie Hardy, News-Register.

CULTURE & RECREATION TEAM

Fair (20-80) / Fair Event Center (20-82) - Al Westhoff reviewed his proposed budget and said that the fair is coming together well. Allen Springer suggested contributing \$1000 for a third ambassador scholarship. He said that this is a great program and a tremendous investment in the youth. He said that it would be nice for the ambassadors to stop by and introduce themselves to the Board of Commissioners. Shelly said that the schools should do more to promote this opportunity, as she had a hard time getting an application for her daughter. She suggested that it be promoted through 4-H and FFA leaders as well.

Parks (10-81) - Ken Huffer stated that it is a busy year, and it's great to see the many parks initiatives moving forward. He discussed the inmate worker program, stating that it gives the county personnel savings and gives the workers employable skills. He thanked the Board for the additional discretionary revenue allocation and said that it would help greatly. He noted that a pending bill would increase the county's share of recreational vehicle registration fees, resulting in a fee revenue increase of 10%. He discussed grant opportunities for Rogers Landing and the Yamhelas Westsider Trail. He said that the Tangleboxing program is still very successful, and having more families visiting the parks has decreased vandalism.

LAND USE TEAM

Surveyor (10-21) / Corner Restoration (27-37) - Mike Brandt stated that the county's long-time surveyor, Dan Linscheid, had retired in January, and that position is currently being filled by Bill Gille, County Engineer, at .1 FTE. He said that a new line has been added in 27-37 for corner corrections. He stated that coordinates have been determined for most of the corners, but monuments still need to be fixed, and he anticipates that Marty Glass will be working on that over the next couple of years. Kathy pointed out that the recording fee had been reduced previously because of the huge surplus in fund balance. Mike said that he would start tracking expenses to see if the fee needs to be raised back up.

Planning (10-20) / Solid Waste (17-28) - Mike stated that Planning revenues have increased 17% this year, and he would like to increase his beginning balance by \$25,000 and his Extra Help expenses by \$45,000, with the \$20,000 balance coming from the ending balance. He reported that Riverbend Landfill has seen a decrease in its in-county revenue as more local waste is being diverted to recycling, and an increase in out-of-county revenue. He noted that the revenue in the Solid Waste budget reflects a license fee increase.

Landfill License Reserve (38-56) - Laura stated that there is no longer any restriction on the use

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of these funds. Mary said that the amount to be budgeted in Other Expenses as a placeholder should be discussed in deliberations. She said that the Board had discussed its desire to use these funds for one-time projects rather than for operations. Mike stated that the contingency account is currently at \$2.7 million, which is reasonable, but he would like to get that up to \$3 million. He said that the \$885,000 that stays in the expense line for post-closure expenses related to the Newberg Landfill is also a reasonable amount

The meeting recessed at 2:46 p.m. and reconvened at 2:56 p.m.

PUBLIC WORKS TEAM (Funds 11, 41, 45, and 52)

Motor Vehicles (11-29) - Russ Heath stated that vehicle maintenance charges have been increased from 16.3% to 18.5%. He said that one mechanic assistant has been laid off since the county stopped maintaining the bus fleet, and the remaining staff stays very busy working on projects. John Phelan explained that state highway funds are disbursed among the Public Works budgets to spread out the effect of the funds being so variable.

Engineering (11-55) - Bill Gille stated that his time in this budget has been decreased to .9 FTE, with the other .1 FTE budgeted in the Surveyor's budget. He said that this is the second year of reserving funds for the Aerial Photo Project, and after five years of building up funds, he will discuss with Planning and the Assessor's Office who will take the lead on the project. Laura noted that Mike Brandt believes he'll have adequate resources in the Planning budget to pay his share when the time comes, so he is not setting aside funds in a reserve line each year.

John stated that ten intersections in the county have been identified that need to be redesigned to improve traffic flow and safety. He discussed the possibility of working with George Fox University to have students study and design a shovel-ready project for future grant funding.

Road Fund (11-60) - Bill stated that he hasn't budgeted any federal forest revenue because the funding is so unpredictable. He said that the revenue for the new Blue Sign Program is an estimate and will be adjusted next year based on experience. John stated that if the office space formerly occupied by the Surveyor's Office isn't filled with county staff, he anticipates offering that to outside tenants. He stated that he has been more aggressive in spraying vegetation, since he doesn't have to worry about mowing or fire danger. He said that he is also focusing more on improving gravel roads, and is spending about twice as much on that as he has historically.

Bicycle/Footpath Fund (41-30) - Mary stated that these funds could be used for paving on either side of the proposed Yamhelas Westsider Trail wherever the trail intersects with county roads.

Motor Vehicle Replacement (45-29) - John provided an update on the conversion of the underground fuel storage tank system into an above-ground storage system. He recommended that once the expenditures are done, the reserve fund be built up to about \$200,000 for future needs. Russ explained that the new tank should last for many years, but there are other items related to the fuel island that may need to be replaced.

Habitat Conservation Fund (52-62) - John stated that the Habitat Conservation Plan has been resubmitted, and he expects to receive a take permit within the next month. Laura noted that two

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comments on the plan were received during the public comment period, and John has been working with the agencies on those.

The meeting recessed at 4:01 p.m. and reconvened at 4:08 p.m.

GENERAL GOVERNMENT TEAM (part)

Commissioners (10-13) - Chuck Vesper stated that this budget includes the 3% salary increase that was recommended last year by the Compensation Committee, but declined by the commissioners. Laura stated that Leslie Lewis used some of her portion for the bypass groundbreaking and left the rest for Allen Springer, Mary contributed hers to the Cat Coalition, and Kathy hasn't used hers. She suggested using \$1000 from the ending balance to fund one additional ambassador scholarship, as mentioned earlier by Allen.

Administrative Services (10-10) - Laura stated that a .5 FTE Grants Project Coordinator position has been added to this budget per the Board's decision in April. She said that the YCOM revenue line and ending balance both need to be reduced by \$5000.

INTERNAL SERVICES TEAM (part)

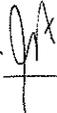
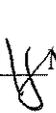
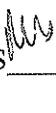
Non-Departmental (10-39) - Mary stated that the Association of Oregon Counties annual dues may increase by a small percentage. Laura stated that due to the substantial increase in advertising costs, the county is no longer using the Statesman Journal for job listings, and is now limited to advertising in other newspapers and online sources.

Air Support (10-165) - Laura reported that all assets have been sold and this budget can now be closed out, with the remaining resources available as a potential source of one-time funding. She said that she has previously advocated that the funds be put into a reserve toward future replacement of the county's finance system, which will have to be done in the next five years, and the committee can discuss the issue during deliberations.

Federal Funds (30-52) - Mary stated that these funds can only be used to reimburse for Search & Rescue or forest patrol events, but can't be used to support those budgets. Laura said that there is no time limit on using the funds, so they will be held in this budget and used to reimburse the Sheriff's Office for any applicable charges until they are depleted.

O&C Reserve (50-52) - Chuck stated that these are unrestricted funds to be used for one-time projects. He said that the Board approved a transfer to the District Attorney's Office to keep its budget whole through June 30, 2013, as well as a \$10,000 transfer to the Economic Development Fund to increase the revolving loan fund.

The meeting recessed at 4:44 p.m. and reconvened at 6:33 p.m.

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PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, and Sue Lamb.

Guests: Nathalie Hardy, News-Register; Wendy Hackman, Community Emergency Response Team; Jody Christensen and Amy Jauron, McMinnville Economic Development Partnership; Renee Vorm and Marlena Bertram, Your Community Mediators; Dawn Will, Homeward Bound Pets; and Jan Hartzell, YCAP.

PUBLIC HEARING

Jody Christensen and Amy Jauron, **McMinnville Economic Development Partnership** (MEDP), presented a request for \$20,000 for the Advanced Manufacturing Retention, Expansion & Recruitment Outreach Project. Jody stated that MEDP's total operating budget will be \$140,000.

Wendy Hackman presented a request from the **Community Emergency Response Team** (CERT) for \$15,000. She stated that CERT is an organization consisting entirely of volunteers that provides training to the community and assists during emergencies to free up first responders for tasks that only they can do. She said that CERT no longer receives any grant income, but still needs funding for things like manuals, shirts, hats, safety vests, and signs.

Dawn Witt presented a request for \$5000 for **Homeward Bound** pet shelter to operate a spay and neuter clinic, which the shelter can't afford on its own due to financial difficulties. She said that she is asking all of the cities for contributions as well. She stated that the county decided in 2009 to change its animal control program to a dog control program, and if it can't change that back, it needs to come up with some funding. Mary stated that Homeward Bound has taken a lead in working with the Cat Coalition.

Jan Hartzell, YCAP Development Director, presented a request for \$25,000 to continue the **Friday Family Food** program and extend it to Sue Buel Elementary School. She said that funding for the program will end June 30, 2013, and she plans to ask private industries to provide match funding as well.

Renee Vorm and Marlena Bertram presented a request for \$10,000 for **Your Community Mediators** (YCM) and explained that volunteer mediators address a wide variety of issues, including small claims court, neighbor-to-neighbor mediation, parenting/custody plans, and juvenile victim/offender mediation. Marlena pointed out that businesses are attracted to the community and retained through conflict resolution services and training. She stated that contributions from cities and the county make up 40% of YCM's income and provide better leveraging power in grant applications.

The public hearing was closed and the meeting recessed at 7:08 p.m.

May 7, 2013 9:00 a.m.

Room 32, Courthouse

PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, Ted Smietana, Vicki Wood, Ken Huffer, Jessica Beach, Brad Berry, Chris Osterhoudt, Tim Loewen, Lisa Hanes, Scott Paasch, Cliff Toney, Jeff Hindley, Jack Crabtree, Kellye Fetters, Tim Svenson, and Ron Huber.

Guests: None.

The meeting reconvened at 9:04 a.m.

CRIMINAL JUSTICE TEAM

District Attorney's Office (10-18 and 10-22) - Brad Berry stated that his office went through difficult union negotiations this past year, but a contract settlement was reached. He said that he wants to go back to making domestic violence a top priority in the office. He said that the office has been file-less since January 1 and he is continuing to work through issues with that, but the new case management system has proven invaluable. He stated that the courts will be moving to e-filing within the next year. He said that Yamhill County is ninth on the waiting list for a courthouse dog, and he has obtained community commitments for supplies, food, and medical costs for the life of the project. He noted that he needs to add budget numbers for donations and expenses related to the courthouse dog.

He said that there are several potential homicide and attempted homicide trials coming up in the next year that will involve a significant number of expert witnesses and will likely be expensive. He said that he isn't sure how he will pay for them, and he hasn't budgeted for them. He said that public safety outweighs everything else, but he is forced to weigh prosecution costs and dismiss some cases as funds get tighter.

He said that he has once again submitted a capital improvement request to eliminate the middle hallway and reconfigure the office. Laura noted that the list of capital improvement requests will be presented to the Board for consideration in a few weeks.

Brad stated that he doesn't expect any reduction in federal funding to the Support Enforcement Division (10-22) as a result of sequestration. He explained that the proposed budget reflects a realignment of positions due to Bonnie Sliper's retirement last fall, but the overall FTE is unchanged.

Community Corrections (Fund 21) - Ted Smietana said that he probably won't have the numbers for state funding until early June, so he has prepared a skeleton budget for now based on the governor's recommended budget of \$197 million, with placeholders for additional revenue and expenses if it were to be \$215 million. He said that the county is still in early labor negotiations with the Federation of Parole and Probation Officers union, so he doesn't know how that will end up.

He said that no county funds have been budgeted for the pre-trial release officer position after

July 1, but he will do his best to find funds for this key position if he doesn't get the grant. He requested that the Victims Panel budget (21-50) be merged into the State Enhancement budget (21-45), noting that the Victims Panel is a small program that is completely fee-based. He stated that cognitive treatment services in the jail are now overseen by Health & Human Services, so he is contracting an additional \$22,000 per year for that. He said that he is spending into his fund reserves and projects an ending balance in 2013-14 of \$384,000, down from \$390,000 in 2012-13.

Juvenile Department (10-74) - Tim Loewen discussed plans to seek federal Title 4-E funds in order to expand the service of Effective Practices in Intensive Community Supervision (EPICS) to all high-risk offenders on probation. He said that he has included a placeholder in the budget for these funds. He reviewed a handout of proposed budget changes.

Juvenile Detention (10-77) - Scott Paasch stated that the new Behavioral Rehabilitation Services program has been both exciting and challenging. He said that committing five beds to this program has reduced the number of detention beds to 18, which will also pose challenges, and he will have a better idea of those budget numbers next year. He requested the reclassification of Cliff Toney and Jeff Hindley due to increased responsibilities. He said that he would be looking for another project similar to the Amity House in the \$45,000 price range. Allen volunteered his time to look at any properties Scott might be interested in.

Tim stated that past practice has been for team members to help each other out from year to year as needed, and he had agreed to give \$15,000 of general fund allocation from 10-74 and 10-77 to a fellow team member this year. He requested that the transfer be remembered next year, and if the receiving department doesn't end up needing those funds, that they be transferred back to his budgets.

The meeting recessed at 10:16 a.m. and reconvened at 10:32 a.m.

Sheriff's Office

Jail Capital (40-41) - Jack reviewed planned capital improvement projects.

Jail (10-41) - Jack Crabtree stated that medical treatment is probably one of the most volatile expenses in the jail. He shared several examples and said that he will probably be \$20,000 to \$40,000 over budget in that area this year. He said that there is no medical insurance available for inmates, but he is working through legislative means on a bill to resolve some of the issues.

Patrol (10-43) - Jack stated that he had to cut a detective position in order to balance the budget. He said that he needed to keep rural patrol at the current level.

Court Security (10-86) - Jack said that he has eliminated two hours of service per day due to a reduction in revenue. He said that discussions will continue about the future of this program and how to fund it. Mary requested that this issue be added to the deliberation list, noting that the Budget Committee may not be ready to make a decision yet, but there needs to be some discussion at least.

Dog Control (13-47) - Jack stated that he has periodically done an amnesty program when revenue is low to get people in to license their dogs, but that may actually be having an adverse effect because people are waiting for the amnesty program before coming in. He said that this budget will get the dog control program through the next year, but it isn't sustainable without general fund dollars, so he

needs to sit down with the Board and discuss the future of the program. He said that no donations have been received toward the spaying and neutering of cats since that option was added to the dog licensing form.

Shelley stated that Dog Control had a substantial balance accumulated in the Motor Pool Fund last year, yet is still contributing \$27,000 per year, so perhaps the charge to this department is excessive. Jack agreed to look into the issue. Tim Svenson stated that a lot of unlicensed dogs are vaccinated, and Clackamas County has an ordinance that requires veterinarians to send the county a monthly update of vaccinations. Shelley said that it would be interesting to see if there has been any backlash in Clackamas County since that requirement was implemented.

INTERNAL SERVICES TEAM (continued)

911/Dispatch Dues (10-48) and 911/Dispatch Services (24-28) - Laura stated that the YCOM Executive Board hasn't settled on a dues level yet, but is meeting next week. She said that a new law was passed and fees now go directly to YCOM instead of coming through the county.

Workers Comp Reserve (80-137) - Chuck stated that Citycounty Insurance Services will be presenting its quote to the county in the next couple of weeks, and this may be an opportunity to change providers and save money.

Medical Insurance Reserve (80-139) - Allen stated that there needs to be a discussion during the budget process about how to plan for what could be a significant increase in medical insurance costs due to the Affordable Care Act. Laura said that she and Chuck would set up a meeting with the insurance broker and ask for some estimates.

The meeting recessed at 11:56 a.m. and reconvened at 1:30 p.m.

PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, Tonya Saunders, Bridget Lavin, Brian Van Bergen, Gayle Jensen, Mike Green, Brian Dunn, Doug McGillivray, Sue Lamb, Scott Maytubby, Murray Paolo, and Rick Sanai.

Guests: None.

COMMUNITY SERVICES TEAM

Transit (10-33) - Tonya stated that she had expected a \$50,000 reduction when the Job Access and Reverse Commute (JARC) funds were rolled into the 5311 STF program, but the county actually got an increase in funding. She noted that with the change to First Transit as the provider, much more fare revenue is being funneled through the county, so there is a new line item for that, along with a new placeholder revenue line for rent from First Transit for office space at the new transit center. Laura estimated that the new transit center would be completed in the spring of 2014. Tonya discussed the

difficulty in selling tax credits from the Energy Incentive Program and the uncertainty that creates for the budget.

Law Library (14-26) - Bridget Lavin stated that most of the budget changes are due to the relocation of the library to the Spence Building. She said that she added a scanner last year and has budgeted money to continue upgrading the equipment. She reported that she has drastically reduced the amount of physical print materials and is maintaining a good balance now between print and online materials. She said that it has been difficult to sell the old books, but she will continue to work on that.

GENERAL GOVERNMENT TEAM

Assessor (10-12) - Scott Maytubby stated that he is currently seeking bids to convert the old microfilm and microfiche records to digital format that can be accessed. He explained that the old film is deteriorating and the reader machine is broken. He stated that his office receives an average of 25 to 30 calls per day from title companies, research firms, and other non-local entities trying to confirm information, so the new website with its expanded online access to information should reduce the call volume and be beneficial for everyone.

Clerk (10-15, 12-15, and 40-15) - Brian Van Bergen stated that he is using up his entire fund balance in the 2013-14 budget. He said that he is upgrading the network infrastructure to accommodate e-recording, which will hopefully go into effect in the next month and will reduce the workload for his staff. He said that he anticipates a slight increase in recordings and passports, and has had to reduce the amount being saved for new voting equipment, which is distressing because it will need to be replaced in the next two to three years and will cost about \$25,000. He said that he only has \$11,000 saved up so far. He stated that his budget has received no general fund revenue for many years, and he may need assistance if the recording revenue slows down from its current trend.

Mary stated that the Clerk's Office staff has been significantly reduced over the years, which is a cause for concern, and Brian will no longer be able to rely on fund balance to pay for his expenses. Shelley said that the state needs to consider increasing the statutory recording fees so that the department can be self-supporting. She said that technology allows for more efficient operations, but it is expensive.

Brian discussed HB 3521, which would automatically make all qualified voters within the state database registered voters unless they go to the effort to opt out. He said that only two clerks in the state are in favor of the bill, which would cost his office an estimated additional \$58,772 per year and require additional work space for the increased number of ballots.

He stated that he plans to use some 12-15 funds to bring in additional help to catch up on a backlog of documents that need to be scanned and archived. He said that if the Budget Committee could find an extra \$13,993, he would purchase a newer scanner for \$15,000 and eliminate the current service contract that costs \$15,000 per year.

County Counsel (10-25) - Rick Sanai stated that this is a status quo budget and he continues to save money wherever he can.

The meeting recessed at 2:52 p.m. and reconvened at 3:03 p.m.

Treasurer (10-23) - Mike Green stated that, based on the current definition of the treasurer's position, the budget is more than sufficient to do the job; however, he would recommend increasing the budget to allow him to spend time developing investment strategies to get a better return on investments for the county. He also requested that retirement and health benefits be added to the treasurer position, and that the base compensation be increased over time to be commensurate with other counties. He reviewed options for three different budget levels. He suggested adding a revenue line for pool interest and expenditure lines for distribution to departments in order to track investment performance more transparently and provide some accountability for the treasurer position.

Allen stated that some of the past treasurer duties have been redistributed to administration staff, and Mike knew going into the position what the salary level and benefits would be, especially with his past experience on the Budget Committee. He expressed surprise that Mike would come to the committee after only four months on the job and want to rewrite the position. He said that even if some one-time funds were set aside to work on developing investment strategies, once those strategies were in place, all that would be needed is monitoring the investments.

Shelley stated that the budget document may not be the best operational tool to measure the treasurer's performance, and what Mike is looking for with regards to tracking interest earnings might be better as a supplemental document. She said that she likes the option of hiring an outside financial advisor because it provides continuity if a new treasurer is elected.

Chris thanked Mike for his hard work so far and for the options he has put together for the committee to consider.

Mike stated that he was recruited into the treasurer position by the commissioners, and he had discussed with them prior to and immediately following his election that he would give his job due diligence, evaluate the position, and come back with some recommendations, since nobody knew what the job actually entailed. He said that if the committee is happy with the current job duties, then the budget should be approved as submitted, but it won't cover investment services because he is not going to do that pro bono. He said that if an increase is approved and the time requirement lessens after some time, then he would come back and request a reduction. He stated that regardless of the decision in his case, it is important for the county to establish some guidelines and policy regarding employment benefits for part-time elected officials.

Laura later stated that she believes that Mike's suggestion to show all of the county's interest earnings in his budget would be contrary to local budget law. Mary said that there is no reason Mike can't run a report with Becky Weaver's help to find out what those numbers are.

Facilities Maintenance (40-16) - Brian Dunn reviewed his budget, noting a significant increase in the beginning balance from last year because there have been no major in-house projects this year. He said that he may do a study of the janitorial contract this year and compare the price per square foot to private sector costs. He said that he plans to acquire some maintenance software this year. Chuck reminded the committee that some discretionary revenue was moved from this budget to Fund 10.

Capital Improvement (40-27) - Brian provided an update on current and upcoming capital improvement projects. He said that the current ratio of maintenance staff to employees is 1 to 100, so his crew is spread pretty thin.

Emergency Services (10-40) - Sue Lamb stated that this budget is very small compared to the county's overall budget, and there aren't many changes from last year. She said that she would like to change a .4 FTE temporary position into a .5 FTE permanent position in order to do more outreach in the community, training of county staff, and collaboration with the cities. She said that she would be willing to contribute \$15,000 from the fund balance to the CERT program. Chuck stated that Doug McGillivray is planning to retire in October and then stay on a couple more months to help with the transition. He said that Doug has brought the Emergency Management program a long way.

Information Services (10-17) - Murray Paolo requested the reclassification of Adam Greene to Senior Desktop Support Specialist due to his increased responsibilities. He reviewed the size of the county network, upcoming projects, and substantial changes to his budget. He agreed to analyze the cost effectiveness of purchasing warranties on the county's computers. He said that he accepts the responsibility and challenge of dealing with issues that are strategically critical to the success of the county. Mary pointed out that Murray's staff is undertaking a lot of huge projects all at once and is doing a great job.

The meeting recessed at 4:39 p.m. and reconvened at 4:47 p.m.

PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver.

Guests: Jody Christensen and Amy Jauron, McMinnville Economic Development Partnership (MEDP); Karen Litvin, Project Masters, and members of the GROW Yamhill County work group.

GROW Yamhill County Presentation

Jody Christensen provided background information about the GROW project and reviewed the six deliverables, noting that the county's contract with MEDP ends on June 30, 2013. She said that the purpose of this discussion is to focus on the final draft of the Economic Development Plan.

Karen Litvin provided an overview of the economic development planning process and stated that the plan can be implemented with or without the separate granting process component. She said that the work group's recommendation for phased implementation of the plan is well thought out, and the plan will give Yamhill County the organizational presence that's found in other counties around the state. She stated that Phase 1, which will cost \$55,700, includes development of an organizational structure and beginning implementation. She said that whatever decision the county makes, the positive momentum generated by this large and diverse group of people needs to continue.

Jody stated that Yamhill County has extraordinary assets and needs an organization to market those assets and bring business here. She said that it is more about answering questions than about providing incentives, and extraordinary things will happen for minimal investment. She asked the

committee to trust this organizational process that was developed by professionals who are willing to join with the county to make it successful.

The committee members expressed appreciation for the effort and commitment of each person involved in making this project a priority. Mary stated that the committee members have struggled with finding the best use for these economic development dollars, and they wanted to get a grant process going. She thanked Chris for leading that charge when asked and for getting MEDP involved. Kathy stated that the changes made to the revolving loan fund to make it more accessible are an incredible benefit from the process, and the group developed a great logo as well.

The meeting reconvened at 5:26 p.m.

May 8, 2013 10:45 a.m. Room 32, Courthouse

PRESENT: Budget Committee members Kathy George, Mary P. Stern, Allen Springer, Chris McLaran, Shelley Halleman, and Angel Aguiar.

Staff: Laura Tschabold, Chuck Vesper, Becky Weaver, Pat Anderson, Silas Halloran-Steiner, Mike Green, Scott Maytubby, Jack Crabtree, Tim Svenson, Ron Huber.

Guests: Jody Christensen and Amy Jauron, MEDP; Nathalie Hardy, News-Register.

The meeting reconvened at 10:45 a.m.

DELIBERATIONS

Compensation Committee Recommendations - Chris presented the following recommendations from the Compensation Committee:

- a. Increase the sheriff's salary as needed to meet statutory requirements;
- b. Restore the clerk's salary to \$67,884, retroactive to January 7, 2013;
- c. Defer the discussion on the treasurer's salary to the Budget Committee;
- d. Keep all other elected officials' salaries at their current rate.

Mary moved to accept the recommendation for the **sheriff's** salary; Chris seconded the motion. The motion passed unanimously.

Mary moved to correct the budget to reflect what should be the accurate salary for the **clerk**, \$67,884, retroactive to January 7, 2013, with the understanding that the Board may need to provide him with additional funds; Chris seconded the motion. The motion passed unanimously.

Mary said that the **assessor** hasn't received a raise since taking office, and he has done an amazing job getting the office back in line. She said that his staff is getting a 1.5% raise this year and next year, and she think he deserves a 5% increase, which is a small amount of money. She said that she understands the discussion of the Compensation Committee, however, and is willing to compromise. She

moved approval of a 3% salary increase for the assessor. Kathy seconded the motion, stating that Scott has brought a new level of professionalism to the position and has gained respect for the county at a state level. She said that because of the circumstances and because Scott also serves as the tax collector, this raise would not be out of line. The motion failed with Mary, Kathy, and Allen voting aye and Chris, Angel, and Shelley voting no.

The consensus of the committee was to accept the recommendation for no salary change for the **commissioners, district attorney, and assessor.**

Mary stated that the committee had come up with an estimate for the **treasurer's** salary last year, knowing that the number might change. She said that it is hard to measure the value of the treasurer and the duties have evolved over the years, but the investment piece is still there. She said that Mike has already brought value to the position in a short time, including the development of a draft comprehensive investment policy and financial savings, and she would like to give him a year at a salary that allows more hours on the job to prove to the committee that he can do what he thinks can be done, after which the salary could be reevaluated.

Allen stated that the level of the county's financial situation warrants the opinion of a professional regarding investment activities. Mary noted that the investment committee to be appointed by Mike would have members with professional experience. Allen said that he would like to get information on other options and what the fees would be for comparison purposes. He said that it is easier to terminate a private sector contractor than an elected official if the county isn't satisfied with its performance, and the county shouldn't be afraid to explore and then make an informed decision.

Shelley stated that Mike has said the budget is sufficient for the current scope of duties, and investment duties are outside of the current scope. Laura stated that the statutory duties of the treasurer include investments, and Mike has made the point that the current salary doesn't allow him to do that in any depth. Chuck noted that four hours per week was plenty of time for him to perform the treasurer's oversight duties, and the Budget Committee had decided that ten hours per week would be sufficient to add investments. Mary pointed out that that was an estimate, and the treasurer has stated that it isn't enough.

Kathy stated that Mike, as member of the Budget Committee last year, was part of the discussion to determine the value of the treasurer position, and now it feels like he is asking the committee to pay him more to do the job that he had told them he thought he could do. Mike said that he had discussed with the Board that he would determine over the first few months of the job what it really takes, and then come back with a recommendation. He said that, given the discomfort of the majority of committee members with his proposal, he would recommend leaving the salary as is and revisiting the issue in a year. He added that he is disappointed that the committee isn't willing to spend \$34,000 to increase the county's return on investment.

Mike stated that it is important for the Board to decide what level of benefits, if any, should be given to elected officials earning a salary equivalent to a part-time position. Mary stated that the Board would have county counsel look into that issue with Pat Anderson.

Shelley stated that \$18,000 per year seems like an appropriate salary that is more in line with what was presented to the committee. Mary said that she believes that still isn't high enough. The rest of

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the discussion was deferred until later in the meeting.

The meeting recessed at 11:51 a.m. and reconvened at 1:33 p.m.

Laura distributed copies of the deliberation list (see Exhibit A).

Various Budget Requests

[Discussion only] Courthouse Security (10-86) - Allen provided an update on ongoing discussions about the possibility of increasing the level of security in the courthouse. He said that the group is determining improvements that can be made initially without spending more money, but hasn't come to any conclusions beyond that. He said that security is pretty good right now, and statistically not many people are attacked in courthouses, but the group is looking to see if there are ways to make people feel safer.

Jack Crabtree agreed with Allen and recommended that control over the camera system be moved from the maintenance division to the jail commander to resolve logistical issues. Laura stated that because cameras tie into the county's network now, there needs to be a broader discussion about how to improve the system and maintain consistency throughout the courthouse campus.

Jack stated that his proposed budget reflects a security staff reduction of a couple hours per day, and he would need an additional \$33,000 to keep the staffing level status quo. Allen said that he would like to keep working on the issue, and the Board would know enough to make a decision about the cut in service by the end of the month.

[Approved on a permanent basis] Criminal Justice Team Discretionary Shift to District Attorney - Laura stated that the team members are asking that this be a one-time shift of funds (\$10,000 from the Sheriff and \$15,000 each from Juvenile and Juvenile Corrections), but she recommends that it be made permanent. She said that if departments have a shortage in the future, they can make a request for consideration at that time. Jack stated that he doesn't have \$10,000 to give on a permanent basis, and by making this shift permanent, it takes away the team's spirit to meet and discuss budget needs every year. Mary said that the team members will still need to work together and figure out their budgets each year, and the committee has already taken some discretionary revenue from other departments permanently because they had healthy fund balances. She said that these departments have healthy fund balances and the District Attorney's Office would need the funds again next year for the receptionist position. Angel agreed that making this permanent shift would not stop the team from caring about each other and working together. The consensus was to make the shift permanent. Laura noted that it would be good to identify which HHS services benefit the Criminal Justice Team.

[Approved] Clerk, Upgrade of Voting Software, \$13,993 - Mary stated that the county would be foolish not to do this. She said that Brian is planning to pay for some of the costs out of his budget, but will be short in his budget due to his retroactive salary increase and the cost of living increase for his staff that didn't show up in his budget. She suggested that the committee consider covering the entire cost of the software upgrade from other resources. The consensus was for the software costs to be paid for out of Software Reserve (40-117), with Laura to determine the amount.

[Approved] Emergency Management, .5 FTE Permanent Position - Laura recommended

approval of this request. Chuck stated that the increased activity since the position was added has been a great improvement to the program, and the budget can handle the costs. Mary stated that outreach and assistance to the local communities, especially the smaller ones, is important. The consensus was to approve the request.

Agency Requests

[Partially funded with Commissioner discretionary funds] Homeward Bound, \$5000 - Laura stated that the county has no history of contributing funds to this organization, other than the funds donated by Mary last year that were allocated for her salary increase. Mary stated that this is a troubling issue because the county did handle cats in the past, but the sheriff was correct in his decision that using dog licensing fees to address cat issues is not an appropriate use of funds. Allen stated that he wouldn't be opposed to carving out \$2000 to help with the problem, since the organization is putting in real effort and bringing dollars and solutions to the table. Shelley stated that this is not an essential government service and doesn't rise to the level of being a health risk. Chris suggested providing an incentive for cities to take care of their cat problems. Kathy agreed that it isn't just a county issue. She said that she would contribute the \$1500 from her salary increase for the current year, which would give the group another year to work on the issue.

[Approved] Northwest Oregon Resources Council, \$325 for dues - Mary stated that the county used to belong to this group, and it would be a benefit to the county to join again, because the group is actively working on the Yamhelas Westsider Trail. Laura agreed that it would be in the county's interest, since this group will probably be the ongoing maintenance and development arm for the trail. The consensus was to pay for the dues from 10-39 (Non-Departmental).

[Denied] YCAP, \$25,000 for Friday Family Food program - Mary explained that this program helps feed elementary school students and their families throughout the county, which improves quality of life. Kathy said that this is a program the churches should be picking up, not the county. Allen said that Jan Hartzell had talked about families not being able to get food, but churches are providing a free meal every day. He agreed that it really is a responsibility of the churches, and said that he would press the issue in some upcoming meetings he has scheduled with clergy.

Economic Development Requests

[Approved] McMinnville and Newberg Downtown Associations, \$5000 each - Mary stated that these amounts have already been included in the budget. Chris said that he disagrees with the idea of funding an existing organization that has fundraisers and dues. He said that economic development funds shouldn't be used for existing operations with proven track record, but to help new ones get off the ground. Kathy pointed out that Newberg's and Dayton's associations are still relatively new and in the growth phase, so they still need that support. Mary explained that the reason for contributing to McMinnville Downtown Association is that the county has bought up many buildings that used to contribute to its funding. She suggested leaving them in the budget for now and deciding what process to take with these requests as part of the GROW plan. Shelley suggested that the county inform the associations that changes in the process may be coming next year. Allen stated that he would like some economic development funds to be available to all of the communities as seed money in a more immediate way than going through the GROW process. The consensus was to leave the budgeted amounts unchanged.

[Partially approved] MEDP, \$20,000 - Kathy stated that she struggles with continuing to contribute funds to this organization when the county is looking to develop its own structure for economic development funding and needs to keep as much as possible for that program. She said that if the county gives anything to MEDP this year, it should be the historical amount, as it wouldn't be fair to eliminate all funding without warning. She said that McMinnville businesses should be supporting MEDP if they feel the organization is of value to them. Allen said that \$20,000 is too much to give, considering the narrow scope of MEDP, which is primarily on manufacturing. Chris stated that it makes more sense to fund MEDP than other programs, such as the fair and the parks, that have questionable ties to economic development. He said that the county is supporting the downtown organizations this year and should be consistent in its approach. He agreed with a suggestion by Mary that MEDP be funneled through the GROW program along with the downtown organizations once that system is in place.

Allen recommended that the county contribute \$10,250 to MEDP this year and let the organization know that the county would be transitioning to a different process for next year. Mary and Chris supported a contribution of \$20,000, but the consensus of the remaining committee members was to approve \$10,250.

The meeting recessed at 3:09 p.m. and reconvened at 3:10 p.m.

GROW Project - Allen stated that something will likely be implemented, but there is still a fair amount of discussion needed before the Board is ready to make a final decision. He said that the Board needs to fine-tune the information to meet its needs, and should be able to do that by the time MEDP delivers its final set of deliverables in June. Chris said that he is glad to see the county heading in a direction that seems to have a strategic plan, and it would be good to provide some sort of commitment statement to let participants know what the Board intends to do. Angel agreed that some sort of action should be taken soon, stating that a lot of work has been put into the project and the county doesn't want to give the impression that the proposal is just being put on the shelf.

Chris asked if the \$47,000 currently allocated to the fair from economic development funds could be covered with some other portion of the budget, such as the general fund, and that money used for new business opportunities. After some discussion, Allen suggested waiting until the remaining economic development funds have been used up and then discussing another source of funds for the fair. Angel agreed with the suggestion. Mary stated that the county does have a responsibility to continue funding the fair and the parks, but not necessarily from economic development funds.

Allen shared an idea for developing a video to introduce and promote the county that would hopefully be finished by the time the county's new website goes live. Mary suggested posting it on the GROW Yamhill County website as well.

Public Works - Chris stated that the \$115,000 budgeted for overtime expenses in 11-60 seems excessive, given the fact that the amount spent during the bad storm of 2008 was \$103,000. Allen explained that if that same storm happened today, it would cost at least \$115,000 due to higher costs, and the money won't be spent if it isn't needed.

Shelley said that the motor vehicle replacement reserves weren't mentioned this year, and she had raised the question last year of whether the charges to some departments, such as Dog Control, might be excessive, since the balances are getting high. Laura stated that staff had created a schedule last fall for each department's reserve and replacement plan over the next six years, and it showed that the charges aren't excessive. She said that lowering the fee for Dog Control wouldn't be enough to solve its

facilities issue, but the sheriff is working on that.

The meeting recessed at 3:34 p.m. and reconvened at 3:45 p.m.

Treasurer - Chris moved to approve Shelley's earlier suggestion of increasing the treasurer's salary to \$18,000. Mary said that she would like to increase the salary enough to reflect the hours that Mike has recommended for a year and see what happens. She said that Mike has the skills to do more than the basics and has developed a good plan to do that. She said that he has already shown the county a savings of potentially more than \$50,000, and if the county wants to improve its investments, it needs to follow his recommendation.

Shelley agreed that Mike has great experience, but pointed out that there are firms that specialize in advising government agencies and that have access to a lot more information than Mike does, so both options should be considered before making a decision. She noted that Mike mentioned a lot of meetings with department heads to gather information, but much of that could be streamlined and done by e-mail. She recommended getting proposals from at least two different companies. Allen agreed with the suggestion. He said that he would be fine with increasing the salary to \$18,000 in the meantime, since working with an outside firm would take more of Mike's time, too. He said that once the investment strategies are developed, it won't take as much time to oversee them. Chuck stated that when he was performing the oversight duties, it usually only took two hours per week.

Chris moved to keep the salary at its current level.

Kathy stated that Mike ran for the position knowing the salary and the duties, and now he's decided that he wants more money to do the job. Mary said that the time requirements have turned out to be more than he anticipated for the investment part. Allen stated that he has signed contracts that he later regretted, but he was honorable and carried through with them.

Laura said that she believes there was a misunderstanding about what was meant by Mike coming back to the Board after some time on the job. She suggested approving an elevated salary for a few months to allow Mike to put together some strategies and to put out a request for quotes from outside financial advisors. Chris stated that as a Compensation Committee member, he doesn't want to be in the position of assigning and monitoring duties and cutting salaries if the duties aren't being met. He said that the committee should just set what it believes is an appropriate salary. He said that he would either keep the salary at its current level or put it at a level equivalent to comparable counties.

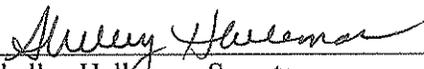
Allen moved to increase the treasurer's salary to \$23,184 plus associated benefits (not including VEBA), effective July 1, 2013; Chris seconded the motion. The motion passed unanimously

Approval of budget and tax rate - Chris moved to approve the budget as amended, with a total budget amount of \$91,010,253, and set the tax rate at \$2.5775 per thousand dollars assessed value; Mary seconded the motion. The motion passed unanimously.

The meeting adjourned at 4:28 p.m.

Prepared by Anne Britt

YAMHILL COUNTY BUDGET COMMITTEE



Shelley Halleman, Secretary

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May 2013-14 Deliberation List

<u>1</u>	<u>Various Budget Requests</u>	<u>Account Code</u>	<u>Name</u>	<u>Request/Change</u>	<u>Issue</u>	<u>Decision</u>
	1.1	38-56	Landfill License Reserve		Is "Other Expense" budget of \$200,000 Sufficient? Where should resources be transferred to? Discretionary shift - should it be permanent? General Discussion Upgrade of Voting Software Consider options presented Maintain 0.5 EM Assistant EM as permanent position	
	1.2	10-165	Air Support			
	1.3		Criminal Justice Team			
	1.4	10-86	Courthouse Security			
	1.5		Clerk	13,993		
	1.6	10-23	Treasurer			
	1.7	10-40	Emergency Management			
<u>2</u>	<u>Agency Requests:</u>					
	2.1		Yamhill County CERT	1,500	Budget in Emergency Management (10-40)	Yes
	2.2		Homeward Bound	5,000		
	2.3		Northwest OR Resources Council	325		
	2.4		YCAP - Friday Food	25,000		
<u>3</u>	<u>Economic Development Requests:</u>					
	3.1	Fund 26	McMinnville Downtown Association	5,000		
	3.2		Newberg Downtown Association	5,000		
	3.3		Dayton Downtown Association	3,000		
	3.4		MEDP	20,000		

Exhibit A 1/1