

**MINUTES
BUDGET COMMITTEE MEETING**

May 2, 2005 8:00 a.m.

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Leslie Lewis, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Sonja Olheiser, Brad Berry, Murray Paolo, Tim Loewen, Chuck Vesper, Dave Lawson, Kellye Fetters, Jack Crabtree, Paul May, Ken Summers, Ron Huber, Richard Sly, Vicki Woods, Barb Paladeni, Walt Pesterfield, and Cynthia Easterday.

Guests: None.

Mary called the meeting to order.

Election of Officers - Lee Vasquez moved to appoint Mary P. Stern as Chair; Dennis seconded the motion. The motion carried unanimously.

Dennis moved to appoint Lee Vasquez as Secretary; Leslie seconded the motion. The motion carried unanimously. Mary welcomed Ken Austin to the Budget Committee and noted that this would be Lee's last year serving on the committee.

Budget Overview - John Krawczyk provided an overview of the proposed 2005-06 budget, noting that the overall budget reflects a 3.7% increase over the 2004-05 budget. He discussed PERS and medical insurance increases and stated that fringe benefits are becoming a larger portion of the total compensation package. He stated that employee medical coverage this year will include a \$250 deductible for the first time and the county will be considering other options to reduce medical costs in order to mitigate a 17% rate increase next year.

John K stated that the substantial beginning balance resulting from property tax revenue will be used for one-time expenditures to contingency, Public Works, PERS reserve, capital improvements, and courthouse security. Lee suggested that the committee consider the possibility of doubling the allocation to courthouse security.

Lee compared the county's administrative costs to those of Northwest Human Services and suggested the possibility of contracting out HHS services to the private sector. Leslie stated that Chris Johnson had discussed the concept in his budget presentation to the Board of Commissioners and might be able to talk more about it with the Budget Committee tomorrow.

Recess at 8:59 a.m.; reconvene at 9:09 a.m.

CRIMINAL JUSTICE TEAM

District Attorney - Brad Berry stated that the Criminal Justice Team as a whole is in a much better position than in previous years. He stated that the SED budget (10-22), which is responsible for

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Adopted May 3, 2006

collecting child support, is undergoing significant organizational changes but is in good financial shape because of the receipt of a 2002 federal incentive payment of over \$20,000, which will be used to help balance the criminal office budget (10-18). He said the number of positions in 10-22 has not changed, but he has eliminated the director's position and added a Senior Office Specialist, which will save money overall and should work well.

He stated that the DA's budget (10-18) will rely heavily on interdepartmental transfers from the other Criminal Justice Team members. He explained that the 2005-07 Governor's budget provides for very little more than just the elected DA salaries and the state is taking the position that they are no longer a partner in the costs of criminal prosecution. He discussed several legislative bills which, if successful, would increase costs to his department. He stated that his staff is no longer able to keep up with the workload because of the increase in complex trial cases as well as a 30% increase in felony filings since 1998, although he hasn't increased his personnel level since then.

He stated that in addition to the budgeted increase of Jennifer Gardiner to full-time status, he will need to either add one full-time support staff at a cost of \$46,000/year or decrease the workload by no longer prosecuting some cases. He also proposed the increase of Cynthia Easterday to full-time status in 2006-07. In a discussion about working toward a paperless system, he stated that hard copies of photographs are now used only for court and he estimated that most of the discovery process would be electronic in four or five years, although the need for hard copies would not be entirely eliminated.

Juvenile (10-74) - Tim stated that he has eliminated, reduced, and under-filled positions to compensate for a \$70,000 reduction in grant revenue and he has also had to use most of his \$209,900 fund balance for operations and a transfer to the DA's budget. He reviewed the Juvenile Justice System pyramid and the 2004 report card. He agreed with Lee's observation of the need to increase bilingual staff to better support the Hispanic community. He stated that costs per bed in the detention center should decrease by almost 25% once the remodel is completed.

Lee stated that last year the Budget Committee approved two of Tim's four reclassification requests from Office Specialist 2 to Senior Office Specialist and denied the other two. He objected to the subsequent reclassification of 1.5 Office Specialist 2 positions through the Classification Committee. Mary noted that the county has a legal obligation to reclassify positions which are being paid out of class for a certain period of time and the request was unanimously approved based on new information presented by Tim.

Tim stated that he is trying to bring in evidence-based principles and is working to meet all the requirements of the senate bill.

Recess at 10:24 a.m.; reconvene at 10:32 a.m.

Community Corrections (Fund 21) - Richard Sly, Vicki Wood, and Barb Paladeni presented the Community Corrections budget. Richard stated that the county's traditional allocation of the Governor's budget is 2% and this budget is built on 2.133% of \$174 million, although the April forecast indicates that the figure might actually be about 2.4%. He said it is difficult to determine if the county is getting sufficient funding for prisoners incarcerated under Senate Bill 1135. He answered questions about caseload size, Hispanic ratios, and illegal immigrants. Dennis suggested that the county take a leadership role in helping the state as a whole because of Yamhill County's success in misdemeanor supervision

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compared to other counties.

Richard stated that if the Governor's budget ends up at \$190 million instead of the proposed \$174 million, he will be adding a request for additional personnel to restore the cuts taken in 2003. He submitted a copy of the proposed changes to John K.

Sheriff's Office - Jack Crabtree stated that the cost of business is outpacing his department's ability to generate revenue. He discussed factors affecting his budget, such as increasing YCOM dues, medical and PERS costs, the expiration of the COPS grant, the decentralized YCINT model, decreased ability to collect fine revenue, the cost of air cards for the mobile data terminals, and rising fuel costs. He stated that the increasing number of complex criminal cases also takes his deputies out of service. He explained that in order to absorb the increased costs of the new Teamsters contract, he will be leaving two deputy positions and one sergeant position open in addition to using up his fund balance. He added that additional deputies would be lost in 2006-07 unless he gets some additional revenue.

He asked for the committee's support in maintaining a strong law enforcement presence to prevent the meth crisis from escalating like it has in other counties and depleting county resources. He brought in a meth addict to talk to the committee about what meth has done to destroy his life and to answer questions.

Jack stated that the Jail budget (10-41) is heavily dependent on reserves. Lee suggested that Jack and Richard work on restructuring their budgets so that 10-41 reflects a true budget for the Jail. Jack stated that personnel costs and increasing medical costs for prisoners are contributing to the fact that operational costs are outpacing revenue.

In reviewing the Dog Control budget (13-47), he reported that Kathy is trying to develop the possibility of merging with a new kennel operation proposed in the City of Newberg, which would eliminate the drain on county resources.

He presented a proposal for a Justice Court (10-78), stating that it would be an opportunity for the county have two full-time deputies keeping motorists relatively safe, freeing up the other deputies for investigations and responding to emergencies. He explained that aside from start-up costs, revenue to operate the program would be generated by traffic fines and fees.

He requested that one deputy position be restored in 10-43 at a cost of \$70,134. He also requested that \$183,693 be set aside in contingency funds to maintain two deputy positions if the Spirit Mountain grant doesn't come through.

The meeting recessed for lunch at 12:28 p.m.

Anne Britt
Secretary

**MINUTES
BUDGET COMMITTEE MEETING
May 2, 2005 1:30 p.m.**

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Leslie Lewis, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Sonja Olheiser, Dave Lawson, Eileen Slater, John M. Gray, Jr., Jan Coleman, Gayle Jensen, Diane Cilenti, Murray Paolo, and Brian Dunn.

Guests: None.

The meeting reconvened at 1:30 p.m.

GENERAL GOVERNMENT TEAM

County Counsel (10-25) - John G reviewed his budget, stating that he has had the same staffing level since 1983 and that Rick Sanai does a lot of work for the District Attorney's Office as well. He noted that he has budgeted a \$5000 transfer to the Assessor's Office from A&T grant funding. He discussed the workload impact of Measure 37 and stated that the full effect won't be known for years. Lee stated that Systems Development Charges (SDCs) should be considered as a way to support the increased infrastructure costs resulting from Measure 37 development.

Assessor (10-12) - Dave stated that his budget expenses are up about 9.5%, mostly due to personnel costs. He stated that a \$142,000 shortfall in his budget was solved with help from the rest of the General Government team, but the problem will be worse next year. He said his staff workload will be decreased once the basic assessor information becomes available to the public online. Dennis encouraged him to look into the possibility of setting up a system to receive electronic payments.

Dave stated that although he will be eliminating an Appraiser 1 position to fund the Supervising Chief Appraiser position, an Appraiser 1 would bring in \$500,000-600,000 additional tax revenue. John K noted that Dave's share of the increased revenue would be about \$83,000 and about 30% of the position costs could be captured from the A&T grant, if the Department of Revenue would allow Dave to amend the grant application. Dave said he would check with them and report back to the committee before deliberations.

Clerk (10-15) - Jan stated that her budget reflects a slight decrease from last year and includes a \$75,000 transfer to the Assessor's Office. She said she hopes to move her offices to the Stern Building during the 2005-06 fiscal year.

Maintenance (40-16) - Brian stated that he has added a Maintenance 2 position in this budget. He discussed the energy savings and maintenance savings that would come from replacing the courthouse chiller. Dennis requested that some cost figures be made available to discuss the issue during deliberations. John K stated that Laura could talk with McMinnville Water & Light. He also noted that an energy study will be done this year to determine if the savings would pay for the new chiller over a

ten-year period.

Assessor Update - Dave reported that the Department of Revenue is very supportive of adding the Appraiser 1 position and Eileen is modifying the application. He said that the Board would need to sign a resolution regarding the change by 4:00 p.m. today. The Board agreed to hold an emergency formal session at 3:30 p.m. to approve the change.

The meeting recessed at 2:49 p.m. and reconvened at 2:56 p.m.

Information Services (10-17) - Murray stated that he is doing his best to keep staff levels down, so he has 1.0 FTE less than he did last year. He reviewed his three budgets and answered questions from the committee. He shared photos of Budget Chicken's helicopter adventures. Lee emphasized the importance of getting a hangar to protect the county's investment in the helicopter.

The meeting recessed at 3:21 p.m. and reconvened at 3:26 p.m.

Treasurer (10-23) - Nancy reviewed her duties and her budget.

Veterans (10-24) - Diane discussed the likelihood of increased activity in her office in the near future as a result of soldiers returning from combat, and stated that she is already booked into June. She said that depending on how much funding comes through from the legislature, there might be enough to increase her hours in Veterans Services to full-time. John K stated that hiring a part-time assistant to take over Diane's outstation responsibilities would allow the Transportation Division to retain her valuable institutional knowledge and experience. He recommended that a decision not be made until the grant money is awarded, however, because the grant agreement would have a non-supplanting clause.

Administrative Services (10-10) - John K stated that this budget reflects a one-time spike in resources as a portion of administrative costs which were overlooked last year will be recaptured this year. He said that most of his time will now be able to be included in this budget rather than partially in the Capital Improvement budget. He stated that most of Evelyn Mero's part-time position is now taken up with PERS administrative and reporting duties.

The meeting recessed at 3:56 p.m. and reconvened at 4:07 p.m.

NON-DEPARTMENTAL TEAM

John K projected that Pool Interest would see earnings at a higher rate than earlier anticipated, so Discretionary Revenues (10-02) could be increased by \$35,000-40,000, which would give the committee enough to help either Brad or Jack with their personnel requests.

He stated that the Mediation Services budget (10-59) is finally out of the hole, thanks to the hard work of Phil McCollister and Judge Collins. He stated that the \$100,000 going to Contingency (10-92) represents about 2.5%-3% of the general fund, although a comfortable figure for contingency and reserves would be 5%. He explained that Fund 37-39 is a new fund set up to receive donations for compensation of Measure 37 claims. Leslie stated that she would be willing to cut the \$500,000 in half so as not to artificially inflate the budget and she suggested adding the item to the deliberations discussion list.

Ken suggested building the courthouse security charges into rental fees charged to departments. John K said he likes the idea and has already been discussing options with the Board. He said he will look into it more for the 2006-07 fiscal year. He suggested putting some money into Capital Improvements (40-27) for an energy study, which will be needed in order to get an energy savings loan to replace the courthouse chiller.

He explained that Building Projects (40-162) contains \$4.5 million for a proposed new building in the HHS block for Planning, HHS, and IS. He stated that the properties across the street from the courthouse main entrance have recently come up for sale for a total price of \$1.3 million, however, and may be a less expensive option to get the county the office space it needs. He said he will be talking with city officials about parking and other requirements. Lee suggested going forward with purchasing the buildings.

John K stated that the Communications Levy (44-49) project has been problematic in the last several months and will probably come up short by about \$20,000. He said he is looking into borrowing the necessary resources and paying off the debt with prior years' tax collections.

The meeting recessed at 5:18 p.m.

Anne Britt
Secretary

**MINUTES
BUDGET COMMITTEE MEETING**

May 2, 2005 7:00 p.m.

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Leslie Lewis, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Jack Crabtree, Kellye Fetters, Ron Huber, and Ken Summers.

Guests: David Bates, News-Register.

The meeting reconvened at 7:00 p.m.

PUBLIC HEARING

Mary opened the public hearing and expressed her appreciation to all public servants, noting that this is Public Service Week. John K discussed PERS and OPSRP membership statistics. There being no public comment, Mary closed the public hearing

The meeting recessed at 7:05 p.m.

Anne Britt
Secretary

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**MINUTES
BUDGET COMMITTEE MEETING
May 3, 2005 8:30 a.m.**

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Leslie Lewis, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Sonja Olheiser, Chris Johnson, Paul Kushner, Marie McDaniel-Bellisario, Nancy Nunley, Craig Hinrichs, Krisan Pendleton, Sarah Jane Owens, and Dawn Cottrell.

Guests: None.

The meeting reconvened at 8:30 a.m.

HEALTH & HUMAN SERVICES TEAM (Fund 16)

Chris gave an overview of his budget, stating that although the overall budget picture and total FTE remain fairly flat, the constant change within the budget requires strategic planning, the movement of discretionary funds, and a multi-year budgeting approach. He reviewed staffing changes and stated that every reclassification he has requested has been based on a change in job duties rather than on performance.

Public Health (16-70) - Nancy stated that the functions of the Public Health Division are to provide public safety, support for families and children, and primary care access. She discussed the reopening of the Willamina School-Based Health Center.

Developmental Disabilities (16-71) - Sarah Jane stated that she has hired a full-time bilingual caseworker to handle the increasing enrollments where Spanish is the primary language of the parents. She noted that the department has moved to the Internet Payment System, which is more efficient. She also discussed the ongoing development of alternatives for individuals in residential care when physical health or age interferes with their ability to live in their current residence.

Adult Mental Services (16-72) - Marie discussed the three key service mandates being implemented in Adult Mental Services and answered questions about Mental Health Court and fixed fees. She stated that the county's services are complementary to those of Mid-Valley Behavioral Care Network rather than overlapping. She stated that because patients lose Medicaid funding eligibility when they are in jail, she has been discussing the possibility of bringing medical representatives into the jail to provide free samples of medication, thus reducing the jail's medical costs.

The meeting recessed at 9:53 a.m. and reconvened at 10:08 a.m. Leslie excused herself to attend a meeting in Salem.

Enhanced Care Services (16-172) - Krisan discussed the county's two residential treatment facilities, one in existence and one scheduled to open in late June. She reported that the recent implementation of the Enhanced Care Outreach System has been very successful. She also stated that for the past two years,

Yamhill County has met the state's challenging goal to move 25% of its facility residents back into community-based settings each year.

Abacus (16-73) - Craig explained that Abacus provides rehabilitation services to adults with serious mental illness. He discussed employment services, which are an essential factor to recovery, and barriers to employment outcomes. Chris noted that Abacus is a good example of an inexpensive service for the positive outcomes it provides.

Family & Youth (16-75) - Dawn stated that the Oregon Children's Plan grant has led to increased access for young children coming from families with issues such as meth, drugs and alcohol, and neglect. She also reported improved access to a full range of services for Spanish-speaking families. She discussed the Children's System Change Initiative, which will allow the county to work with community partners and intensify the kinds of services they can provide to children.

Chemical Dependency (16-76) - Chris stated that this division has been one of the hardest hit financially, receiving virtually no restoration of funding lost in prior years. He said that the state is not paying attention to the role that treatment has and the county is turning away about twenty people a week due to the lack of resources. He stated that the county is taking a leadership role in addressing the meth problem and has a meth summit scheduled in June. He also discussed an expansion grant proposal for the Drug Court. Mary noted that the division has done a great job on prevention activities as well with their limited funds. Chris stated that a scholarship for a meth user in Drug Court would cost about \$2500 to cover a typical treatment period of nine to twelve months.

HHS Central Services (16-79) - Paul stated that he expects the new Raintree management information system to become operational on August 1, 2005. He explained that Raintree is a joint venture with Marion and Linn Counties for electronic and manual billing software, replacing the old Medipay system. He said there is a possibility of marketing pieces of the Raintree system statewide, although the likelihood is not as great as he initially thought.

Lee asked Chris if he would be able to give \$10,000-15,000 to help other departments in need. Chris stated that he would put Chemical Dependency's need up against any other need in the county, but if it had to come from somewhere, he would take it from his fund balance. Kathy stated that those reserves are there to help Chris avoid layoffs. Chris pointed out that Community Corrections and other departments also have fund balances.

The meeting recessed for lunch at 11:23 a.m.

Anne Britt
Secretary

**MINUTES
BUDGET COMMITTEE MEETING**

May 3, 2005 1:30 p.m.

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin, Leslie Lewis being excused for a meeting in Salem.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Sonja Olheiser, Mike Brandt, Dyke Mace, Bill Gille, Susan Mundy, Richard Sly, Ken Huffer, Russ Heath, Dan Linscheid, Vicki Wood, Allison Musillami, Marilyn Westfall, Caren Anderson, and Diane Cilenti.

Guests: Wendy Crawford, Larry Collver, and Russ Christensen, Fair Board.

The meeting reconvened at 1:30 p.m.

LAND USE & TRANSPORTATION TEAM

Fair (20-80) - Wendy stated that the Fair has operated in the black for three years so far, and this will hopefully be the fourth. She stated that the new Fair Manager, Al Westhoff, is proving to be very beneficial to everyone. Larry discussed completed and ongoing projects and stated that the need for maintenance on buildings and roadways will have to be addressed at some point. Russ C requested a \$17,000 interfund loan to build a permanent stage. He said that Les Schwab has already donated \$3000 towards the purchase and has committed to paying off the balance at \$750 per month. John K stated that the Budget Committee could amend the budget to include the necessary revenue and expense lines and the Board could approve a Board Order to transfer the funds when needed.

Larry stated that he is currently working on getting sponsorships for building additions and improvements. He said he would like to add a line item for repairs and additions now that the loans have been paid off. Wendy accepted Lee's offer to work with the Fair Board on resolving the mounted posse issue.

Planning (10-20) - Mike stated that the increase in his department's revenue and fund balance and the addition of personnel is a result of increased building activity and Measure 37 activity. He stated that although he agrees that Measure 37 fees should not exceed land use appeal fees, the current \$250 fee only covers about 40% of the actual processing costs. He noted that additional revenue will probably be generated by future land use applications and building and septic permits resulting from the Measure 37 claims. He stated that although Planning fee increases are now tied to the Portland Consumer Price Index (CPI), the fee base established in 1991 may need to be revisited. Lee suggested reinstating Systems Development Charges as a way to recover some of the capital improvement costs resulting from all of the increased development.

Mike supported the idea of making Planning a non-general fund department. He noted that the administrative fees would be an additional cost to be considered when looking at future fee increases. He requested a reduced rental rate on the new Planning building since he will be paying for the building completely and all of the renovations. He also requested that the committee encourage the Board to deny

future fee waiver requests, since his department depends on the revenue and would have to do the work anyway.

Solid Waste (17-28) - Mike stated that the new contingency lines for post-closure landfill expenses more accurately reflect the actual projected expenditures for the year. Dyke provided updates on the closed landfills and Riverbend Landfill.

Surveyor (10-21) - Dan stated that administrative tasks have increased as a result of new regulations, but the need for more clerical staff will probably go away by next month. John stated that the \$163 in Contingency should be moved to Other Expenses.

Public Works - Bill reviewed his budgets. He discussed the potential impact of increased Measure 37 development and stated that it makes sense for developers to have to pay a portion of the resulting infrastructure costs, although there are currently no county regulations requiring it. He said he doesn't believe Measure 37 exempts developers from safety-related improvements.

He stated that there has been some criticism of his department for certain projects which aren't getting much attention, but he has been following the Board's direction to focus on the paved road system and accomplish the goal of paving 38 miles per year. He discussed the new Vegetation Management Policy and the growing use of chemical alternatives in zones that aren't sensitive to impacts, which is more cost effective than controlling weeds mechanically.

He reported that the Wheatland Ferry is on pace for record ridership this year. He also discussed several potential projects for the Bicycle/Footpath fund (41-30).

Parks (10-81) - Richard introduced Ken Huffer as the new Parks Coordinator and stated that 50% of his position is now funded in the Community Corrections Work Release budget (21-63). He reviewed the budget and answered questions about the future plans for Rainbow Lodge. Ken suggested making it part of the county parks system. Kathy suggested a long-term goal of making the lodge available to groups for limited overnight use with Board permission. Ken stated that he is gathering information regarding the proposed Rogers Landing launch fee and will work to have the fee established and permits available before Memorial Day 2006.

The meeting recessed at 3:49 p.m. and reconvened at 4:04 p.m.

NON-DEPARTMENTAL TEAM (Part 2)

Commission on Children and Families (Fund 18) - Allison stated that overall, the CCF budget is similar to last year's budget. She stated that because funding streams were cut by about \$9000, she has removed a Senior Management Analyst position, reduced the Program Manager and Office Administrator positions to .93 FTE, reduced the Office Specialist position to .475 FTE, and used some of last year's ending fund balance. She said she is working to comply with evidence-based program requirements. She stated that of the five community progress teams which make decisions in the local communities, some are doing well and some are struggling. Mary pointed out that one of the major battles faced by CCF is having to defend itself every biennium because people don't understand the benefits of the program.

Transportation (10-33) - Diane stated that the county applied for many discretionary grants this year at the request of ODOT, which should benefit the county more broadly than having individual providers apply. John K stated that it would take \$12,809 to move Diane into Veterans Services full-time, but it would be better to hire a part-time assistant with the grant money so as to retain her institutional knowledge and experience in Transportation.

Law Library (Fund 14) - Marilyn stated that she has budgeted conservatively since it is difficult to predict court fee revenue. She said she was able to add one online service this year and get a forms book at half-price. She explained that some users feel more comfortable with a hard copy, while others refuse to use books.

The meeting recessed at 4:29 p.m.

Anne Britt
Secretary

MINUTES
BUDGET COMMITTEE MEETING
May 4, 2005 9:30 a.m.

Room 32, Courthouse

PRESENT: Budget Committee members Mary P. Stern, Leslie Lewis, Kathy George, Lee Vasquez, Dennis Goecks, and Ken Austin.

Staff: John Krawczyk, Nancy Reed, Laura Tschabold, Julia Staigers, Barb Paladeni, Vicki Wood, Richard Sly, Ken Huffer, Jan Coleman, Ron Huber, Kellye Fetters, Jack Crabtree, Ken Summers, Paul May, Murray Paolo, Dave Lawson, Steve Mikami, Brad Berry, Cheryl Anderson, and Dan Linscheid.

Guests: David Bates, News-Register.

The meeting reconvened at 9:32 a.m.

DELIBERATIONS

John K stated that the budgeted discretionary revenue interest earnings could comfortably be increased by \$40,000 for the committee to use in granting funding requests. He added that Economic Development has \$18,000 available in interest earnings from the last four or five years, although it would be a one-time resource. He stated that the committee could utilize one-time reserves if necessary, but he wouldn't recommend using them for operational expenses. He also said that they could look at other departments for resources to fill needs which they feel are a higher priority.

He distributed a list of items for consideration today and the group made final suggestions for items to add to the list (see attached list for agenda items and decisions made).

Contract Negotiations - Steve distributed and reviewed a handout (see attachment) comparing cost of living adjustments (COLAs), step increases, incentive pay, health insurance and PERS costs between Teamsters and YCEA. John K pointed out that although salaries are an important factor in the loss of deputies over the years, Jack has also lost funding from federal revenue sources as well as from cities which couldn't afford to renew their contracts. The committee agreed that the county should keep wages and benefits under control and should try to keep parity in the union contracts to avoid pitting one union against the other.

Wages - Steve discussed a salary survey which compares Yamhill County Sheriff's Office employees with its six comparable counties at both the ten-year and twenty-year marks. He reported that Yamhill County was ranked #2 on both lists. John K noted that the issue of incentive pay clouds the ability to conduct an accurate survey because every county does incentive pay differently. He pointed out that the money available per capita to serve Yamhill County citizens is lower than any

comparable county. Steve stated that although cities are not used as comparables because of the difference in responsibilities, cities the size of McMinnville or larger generally pay their deputies significantly more than the county does.

The meeting recessed at 10:30 a.m. for the Classification Committee meeting and reconvened at 1:00 p.m.

Minutes - Leslie moved approval of Budget Committee minutes from May 3-6, 2004. The motion passed unanimously. Dennis moved approval of Compensation Committee Minutes from May 5, 2004. The motion passed unanimously.

Reclassifications - Ken stated that it seems that county employees are being reclassified based on longevity or job performance rather than on a change in duties. He suggested doing a review of employees to see if any are being overpaid. Leslie expressed her frustration with the automatic step increases, stating that a person simply being in a position for a year doesn't necessarily mean that the job is producing 5% more value to the organization. Mary agreed that a merit system would be better, but the unions would have to be in agreement. Dennis stated that department heads should ensure that employees at higher steps are doing proportionate work.

Lee stated that after the Budget Committee denied two of Tim Loewen's four reclassification requests last year, Tim went back to the Classification Committee and got approval for the reclassifications anyway. Mary explained that the decision was based on additional information that the two employees had been working out of class enough to make the change necessary. Lee stated that it is the department head's responsibility to make sure employees are not working out of class. Mary referred to a memo from Tim which addressed Lee's concerns, and noted that the Juvenile Department ended up saving money overall because the two staff members were able to cover a vacated .48 FTE position.

Elected Officials Compensation - The group discussed the following recommendation by the Compensation Committee for salary increases:

Commissioners, Clerk, Treasurer	5%
Assessor	8.2%
Sheriff	7.5%
District Attorney supplement	16.7%
Surveyor (base salary only)	5%

Lee moved to approve the increases as recommended; Dennis seconded the motion. Leslie stated that 5% is a little high for the Commissioners, since the Elected Officials Survey only shows them at 2% below the comparable counties and the rest of the department heads are only getting 3.2%. Lee amended his motion to include a 3.2% salary increase for Commissioners; Dennis seconded the motion. The motion passed unanimously.

Court Security Supplement - The committee agreed to leave the supplement at \$5000 for now, with the understanding that the money will be in contingency for a future courthouse campus security project. Leslie expressed her concern about the extent to which the counties are expected to make these changes when the courts are a state program.

District Attorney Office Staff - After some discussion, Lee moved to approve one additional position, transferring \$40,000 from discretionary revenue interest earnings and \$6000 from Economic Development to the District Attorney's budget; Leslie seconded the motion. Dennis and Ken stated that they would like to wait to vote until after discussing the other items and Lee withdrew his motion.

Sheriff's Office Deputy - Richard agreed to Lee's suggestion to contribute \$50,000 this fiscal year toward the remodeling of the building across the street to make space for Information Services, so that the remodel money could go to the Sheriff for staffing. Jack stated that if the money was used for Extra Help rather than a deputy, he wouldn't have to lay off a person next year if there were no more funding. John K stated that if he were to give anything to the Sheriff, it would be for the Mobile Data Terminals. Leslie stated that she is concerned about using one-time money for staffing, especially since Jack's ending balance will be gone.

Lee moved to transfer \$50,000 from Community Corrections to Capital Improvements and transfer \$50,000 to the Sheriff's Extra Help line, \$25,000 from Capital Improvements and \$25,000 from Self-Insurance or Contingency; Mary seconded the motion. The motion failed, Lee and Mary voting aye and Leslie, Kathy, Dennis, and Ken voting no.

Community Corrections - See agenda for details. Tim provided an update on the wood barn.

Sheriff's Office YCOM Dues - Lee moved to transfer \$5000 from Contingency to the Sheriff's Office for YCOM dues; Ken seconded the motion. The motion passed unanimously.

District Attorney Office Staff (continued) - Ken suggested giving the \$46,000 to the Criminal Justice Team and letting them decide how to best use it. Kathy moved to transfer \$40,000 from discretionary dollars and \$6000 from Economic Development to the District Attorney's Office to support the department with regards to economic damage done to the community by meth; Dennis seconded the motion. Kathy amended her motion to clarify that the \$46,000 would go to the Criminal Justice Team. Jack stated that in team discussions, it had already been agreed that the District Attorney staff position would be the first priority. Brad stated that although the job duties for the positions in his department and the Sheriff's Office are similar, it would be very difficult logistically to have a split position.

Lee moved to transfer \$40,000 from discretionary revenue and \$6000 from Economic Development to the District Attorney's budget for an additional office staff position; Dennis seconded the motion. The motion passed unanimously.

The meeting recessed at 2:50 p.m. and reconvened at 3:01 p.m.

Assessor Position - John K stated that the increased cost for making the Supervising Chief Appraiser a full-time position would be \$33,951 and the change would need to be included in the A&T grant application, along with \$10,000 building remodeling costs for the move to the Clerk's Office. Lee moved to increase the A&T grant revenue by \$20,000, increase the transfer from Capital Improvement by \$7000, increase collection of current taxes by \$16,945, and adjust the budget to reflect the personnel and remodeling expenditures; Ken seconded the motion. The motion passed unanimously.

Ken suggested raising Planning permit filing fees and earmarking a portion to go to the Assessor to cover additional work required by him. John K agreed that Mike and Dan should explore the idea. Lee suggested that the issue of Systems Development Charges (SDCs) be revisited, at least for businesses and wineries, to help mitigate the impact on county roads. John K recommended budgeting at least a nominal amount in Fund 43 if the county goes ahead with the idea, in case some SDC money comes in. Leslie moved to include \$50,000 in both the revenue and expense sides of Fund 43, to be called a Transportation Impact Fee; Lee seconded the motion. The motion passed unanimously.

Courthouse Chiller - Laura presented information from Mac Water & Light regarding incentives and tax credits for replacing the chiller. Lee moved to add a \$450,000 expense to the Capital Improvement Fund along with revenues of \$150,000 from energy incentives and \$300,000 from an interfund loan; Dennis seconded the motion. The motion passed unanimously.

IS Records Management Grant - Murray stated that once the review phase is completed, he will be able to determine the resources needed. He noted that there might be other federal grant options besides the Homeland Security Grant.

Air Support Hangar - Murray stated that the need for a hangar is much greater now that the county has received the Homeland Security Grant. He said he will continue to search for federal funding, but suggested looking at interfund options as a backup plan. He stated that he has \$5000 in his budget which he could use for an earnest money agreement for building a hangar on the City of McMinnville's airport property. Lee moved to allow Murray to use the \$5000 for an earnest money agreement; Dennis seconded the motion. John K stated that no formal action is necessary. Lee withdrew his motion and the committee consensus was for Murray to go ahead with the plan. Murray said he would present the earnest money agreement to the Board.

Discretionary Revenue Changes - See agenda for details.

Economic Development Changes - See agenda for details.

Measure 37 Donation Fund - Leslie moved to reduce the amount from \$500,000 to \$200,000 on both the revenue and expense lines; Lee seconded the motion. The motion passed unanimously.

Self-Insurance Fund - Lee moved to change the PEL reserve amount to \$205,000 and increase the expense line to match; Ken seconded the motion. The motion passed unanimously.

Abacus & Central Services - Dennis moved to change the Program Manager 1 to Program Manager 2; Lee seconded the motion. The motion passed unanimously.

Fair Interfund Loan - Lee moved to approve the request for an interfund loan of up to \$17,000 for building a permanent stage; Dennis seconded the motion. The motion passed unanimously.

Surveyor - Dennis moved to move the \$163 in the Surveyor's Contingency account to Other Expenses; Lee seconded the motion. The motion passed unanimously.

Public Works - Leslie moved to move the amounts in Motor Vehicles (11-29) accounts 349.11 and 349.18 to accounts 380.11 and 380.18; Lee seconded the motion. The motion passed unanimously.

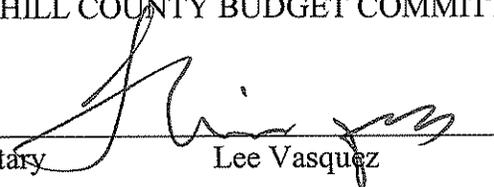
Planning - The group agreed to have Planning and the Board consider all the ramifications of making the Planning Department a non-general fund department and present a proposal to the Budget Committee next year. John K suggested that the Board consider a reduced rental rate since Mike will be paying for the building as well as the remodel costs.

Tax Rate / Budget Approval - Dennis moved to approve the 2005-06 budget as amended and to set the tax rate at \$2.5775/thousand; Ken seconded the motion. The motion passed unanimously

The meeting adjourned at 4:15 p.m.

Anne Britt
Secretary

YAMHILL COUNTY BUDGET COMMITTEE


Secretary Lee Vasquez

Budget Deliberations
May 4, 2005

CRIMINAL JUSTICE TEAM

Court Security

Is the \$5,000 supplement enough?

Leave as is for now. Discuss with Courts. If absolutely necessary, can use contingency.

District Attorney

Request additional office staff. Cost \$46,000.

Use \$40,000 from additional interest in Discretionary and \$6,000 from one-time Economic Development funds.

Community Corrections

Reclassify the Parks Coordinator from range 20 to 22. Will oversee Community Services Supervisor and direct work crews. Parks has .5 and Community Corrections has .5.

Yes.

Add revenue and expense as shown on attached sheet for possible new state grants.

Yes.

Rainbow Lodge?

Have work crews look at and do some work. Probably need a grant to re-do main building.

Sheriff

Cost to restore 1 deputy = \$70,134.

No.

Contingency of \$183,693 in case they don't receive the Spirit Mt Grant.

Leave for Commissioners if Spirit Mountain Grant is denied.

YCOM Dues Increase of \$2,000 to \$5,000..

Hold Sheriff harmless for increase. Take from contingency.

GENERAL GOVERNMENT

Assessor

Resubmit A&T Grant showing full 1.0 FTE Supervising Appraiser (cost \$33,951) and \$10,000 building remodeling for move to Clerk's office.

This should add \$20,000 revenue to A&T Grant.

Add another \$7,000 in transfer of county money from Capital Improvement.

Make changes to reflect these expenditures.

County will increase discretionary to balance additional expense for Supervising Appraiser.

Yes to all of above.

Note: Also recommended to look at an increase in Planning fees to cover cost of additional work required by Assessor.

Maintenance

Discuss options for new chiller.

Laura Tschabold presented information obtained from Mac Water & Light. Will pursue further. To cover, add \$450,000 expense to Capital Improvement Fund and revenues of \$150,000 to Energy Incentive and \$300,000 Interfund Loan.

Information Systems

Look into possibility of a Records Management Grant for criminal justice. Homeland Security?
Per Murray Paolo's Memo, we will do a review and then estimate our resources.

Air Support

Look into opportunities for a grant for a Hanger for the aircraft.
Murray Paolo is working on an option to obtain a building. He will bring earnest money agreement to Board of Commissioners.

Veterans' Services

Cost of making the VSO full time or adding a .5 position.
This will depend on funding from the State.

NON DEPARTMENTAL

Discretionary

Add \$40,000 to Interest.
Yes. Goes to DA for additional staff.
Add \$16,945 to Current Taxes. Covers Assessor Position Funding.
Yes.

Economic Development

The \$10,000 for Contract Services is for the City of McMinnville's Web Site.
Reduce to \$7,500.
Add \$2,500 to Water Inter-tie.
The \$18,000 in Other Expense is ending fund balance that is available for a one time distribution.
Move \$6,000 to DA for additional staff.
Move \$500 to water Inter-tie.
Grant \$4,000 to Your Community Mediators.
Increase funding for Water Inter-tie project to \$5,000.
See above.
Gallery Players Grant-This is a community not county use.
Leave the \$2,000 grant in for this year, but include a letter saying it is not guaranteed in the future.

Measure 37 Donation Fund

How much should we budget?
Decrease revenue and expense to \$200,000 each.

Self Insurance

The PEL Reserve should be \$205,000.
Yes and increase expense to same.

HEALTH AND HUMAN SERVICES

Abacus and Central Services

Correct to show Program Manager I as a Program Manager II. The dollars are correct.
Yes.

LAND USE AND TRANSPORTATION

Fair

Request interfund loan of up to \$17,000 to build a permanent stage. To be paid for by contributions from Les Schwab.
Yes.

Surveyor

Zero out the \$163 contingency account and move the dollars to Other Expense.
Yes.

Public Works

In Motor Vehicle move the amounts in accounts 349.11 and 349.18 to 380.11 and 380.18.
Yes.

Planning

Take Planning out of the General Fund and make it a separate fund.
Review all ramifications for proposal for next year.
See note in Assessor regarding fees.

OTHER

Consider \$4,000 to Your Community Mediators.
Yes. See Economic Development Fund.

Recommendations and discussions by Budget Committee

Rental Charges.

If a department pays the full cost of a new building, some form of reduced rent should be considered.

System Development Charges.

Budget a Transportation Impact Fee of \$50,000 and \$50,000 Contract Services in Fund 43 for road improvements for certain types of development.

Wages/ Reclassifications/Union Contracts

In general, keep wages and benefits under control. Review reclassifications to ensure the duties warrant it and not just a way to give a raise to a person rather than the job. Try to keep parity in union contracts so we are not bargaining against each union.

Elected Officials Compensation

Commissioners 3.2% increase
Clerk, Surveyor, Treasurer 5.0% increase
Assessor 8.2% increase
Sheriff 7.5% increase
District Attorney 16.67% increase to supplement (\$200)

INTERNAL COMPARABILITY: YCEA AND TEAMSTERS

YEAR	T-COLA	Y-COLA	T-STEP	Y-STEP	T-INC	Y-INC	hi th \$ T	hi th \$ Y	PERS
96/97	3%	2.88%	yes	yes	6% max	na	\$329.70		14.88%
97/98	3% 1/1/97 3% 7/1/97	1.70%	yes	yes	6% max	na	\$355.78		(d)
98/99	3% 1/1/98 3.4% 7/98	0	yes	yes	6.5% max	na	\$355.58	\$435.95	(a)
99/00	3%	1.60%	yes	yes	7.5% max	na	\$355.58	\$495.19	na
00/01	3.70%	1.50%	yes	yes	7.5% max	na	\$420.00	\$677.63	(b)
2001/02	3%	4.55%	yes	no	7.5% max	na	\$548.72 \$580.46	\$696.59	13.15% ©
2002/03	2.50%	1.80%	yes	yes	8% max	na	\$632.32	\$740.53	14.64%
2003/04	2.50%	0	yes	no	9% max	na	\$702.92	\$806.74	20/26% (e)
2004/05	2%	3.00%	yes	yes	10% 1/05	na	\$781.65	\$886.55	3 rates
totals	32.10%	17.03%	9x	7x					

(a) YCEA used COLA to fund joini YCEA

(b) COLA for 6 months, eff. 1/1/01

© Used steps to fund adjustment to salary ranges YCEA

(d) 97/98 and 98/99 were result of arbitration for SO employees

(e) YCEA took a voluntary freeze due to PERS increase, only group to do so

NOTE: Teamsters longevity pay: .5% to 1.5% depending on years of service