

BEFORE THE BUDGET COMMITTEE
FOR COLUMBIA COUNTY, OREGON

BUDGET MEETING MINUTES

May 12, 2005

The Columbia County Budget Committee met for the first FY 2005-2006 Budget meeting on Thursday, May 12, 2005 at 9:30 a.m. in the Commissioners Meeting Room, Columbia County Courthouse, 230 Strand, Room 308, St. Helens, Oregon.

Those present were: Commissioner and Budget Officer, Anthony Hyde, Commissioner Joe Corsiglia, and Commissioner Rita Bernhard, together with Budget Committee members Jean LeMont and Bob Skeans. Also present were Ruth Baker, Director of Finance, and Jan Greenhalgh, Board Secretary.

Commissioner Hyde called the meeting to order.

ELECT CHAIR AND VICE CHAIR:

Commissioner Bob Skeans moved and Commissioner Corsiglia seconded to appoint Jean LeMont as Chair of the Budget Committee. The motion carried unanimously.

Commissioner Bernhard moved and Jean LeMont seconded to appoint Bob Skeans as the Vice Chair of the Budget Committee. The motion carried unanimously.

BUDGET MESSAGE:

Commissioner Hyde read the 2005-2006 Budget Message into the record. The development of the FY 2005-2006 proposed budget has been a challenge. General Fund personnel costs that were budgeted at \$8,913,927 during FY 2004-2005 are estimated to cost approximately \$9,523,289 for FY 2005-2006. With INS opening a new regional facility in Washington, we experienced a \$600,000 hit in 2005 and will not budget \$500,000 in bed rentals at the jail in 2006. We will however, continue to operate the jail at full capacity and with the rising methamphetamine problem in our County, we have anticipated passage of a Meth Enforcement Levy. The addition of eight new staff positions in the Sheriff's office and jail reflects the advent of passing such levy.

Health care premiums were held this year to an 8 percent increase as opposed to double-digit increases in the past several years. This shows the success of the joint labor-management committee in controlling the costs of health benefits.

PERS is still a significant personnel cost in spite of supposed legislative reductions in the program. We were able to offset this year's rate spike to 22.5% with our PERS savings pool - established in 2003-2004 and maintained a rate of 20% to be charged to the departments. Additionally, we continue to average \$25,000 annual savings from financing in 2002 of the unfunded actuarial liability (UAL).

Commissioner Hyde went over the Budget Notes giving a brief detail of each department.

STAN MENDENHALL, JUVENILE DEPARTMENT:

Stan Mendenhall, Juvenile Director, approached the Budget Committee and presented some written information. He briefly explained what this department does and the challenges they face. He went over the statistical information. The Juvenile Department had contact with 586 families this past year. That number is approximately 8% less than last year. Juvenile crime has been going down for the past three years locally, statewide and nationally and Columbia County continues to out perform the state rate. However, the youth they are seeing have more serious problems and take a lot of work. The department relies heavily on state funding for housing youth and providing mental health, drug and alcohol services and this funding continues to be cut. Stan touched on the meth epidemic in the county and the effects it will have on the system, not only by the youth but also the effects on youth when their parents are involved in meth. The goals of the department are to maintain a high level of professional services to youth and their families which in turn protects the public. They continue to work closely with other youth serving agencies to provide the best service possible with current resources. Stan would like to successfully hire and train one new staff to replace very effective retired staff. If the funding continues to be cut, the recidivism rate will go up.

CONTINUE WITH BUDGET NOTES:

Commissioner Corsiglia has a concern with the Meth/Law Enforcement Levy and the identified positions. He would rather see just the dollar amount going towards the levy and not defined positions. He did not want anyone to get false hopes or an opinion before the levy was clearly defined. Commissioner Hyde feels that can be accomplished in the budget notes by simply leaving out the defined positions. Commissioner Corsiglia agreed with that.

Commissioner Hyde stated that the jail is now charging all convicted inmates for the costs of incarceration. If they don't pay, it goes to collection. The collection agency adds their administration fee on top of the amount, so the Jail gets the full amount. He noted that the collection rate is over 85%.

It was suggested that there is need to start a capital improvement fund so that every year, funds can be put deposited in that account for future improvements.

PHIL DERBY, COUNTY SHERIFF:

Phil Derby, County Sheriff, came before the Budget Committee, to explain some funding issues in the Sheriff's office. The INS rents bed space from the County, but they have now built a new facility in Washington. Therefore, the bed rental revenue has gone from 40 plus inmates per day to 1 or 2 for a \$800,000 difference. However, the Jail is now charging the inmates a daily fee for incarceration which should help. Commissioner Hyde noted that the county doesn't charge cities for inmates because the county made an agreement with the cities that if they supported the new jail, the county wouldn't charge them for inmates and that won't change. The intent was, when the new jail was built, they would run it for the first two years and after that, the county would go out for an operating levy. Commissioner Hyde stated that there are not enough deputies and the patrol cars are old with a lot of miles on them. Sheriff Derby explained that they have been getting their vehicles

from Multnomah County - cars they won't even send to auction. However, they are better than what they had.. Commissioner Hyde would like to see a County Vehicle Department because many of the departments have vehicles and any work that needs to be done on them has to be farmed out. He feels that the Sheriff's department is very creative in getting deputies out on the road, however it is still not adequate.

Commissioner Bernhard addressed the Personnel Services and that just the totals are listed instead of a breakdown for each positions. Ruth explained that there is a Personnel Detail included in the budget book, which breaks down the salary and benefits per employee.

Sheriff Derby addressed the high cost of medical expenses for inmates but they are finding ways around some of those. They are making inmates aware that they will be responsible for any medical expenses incurred.

Jean LeMont asked about the proposed Sheriff's Levy. Commissioner Hyde explained that it is just in the concept phase at this time. They will begin work on this fairly soon to get it on the November ballot.

DAVE HILL, ROAD DEPARTMENT:

Dave Hill, Public Works Director, to discuss the Road and Parks budgets. He began with the Road budget and gave the committee some written information to follow. Dave went over the goals of the department and then addressed his concerns with items that are unfunded. His biggest concern is the insufficient asphalt preservation fund. A recent audit report confirms that the County's roads and bridges will continue to deteriorate significantly with the current rate of maintenance and expenses continue to escalate. Dave addressed some of the revenue line items and expense line items specifically.

The Budget Committee recessed at 1:00 p.m. for lunch and reconvened at 1:30 p.m. with all present.

Jean LeMont called the meeting back to order.

TODD DUGDALE, LAND DEVELOPMENT SERVICES:

Todd Dugdale did not attend due to illness.

CONTINUE WITH BUDGET NOTES:

Commissioner Hyde continued going over the budget notes beginning with Land Development Services. He talked about the details of the new County Transfer Station and various revenues that will be received from it. Another positive thing with LDS is that they will be doing construction permitting and inspections at Port Westward which is huge revenue.

Commissioner Hyde touched on the Information Technology Department and then went over Personnel costs regarding cost of living increases, PERS costs and health care costs. Commissioner Bernhard expressed her concern with the proposed increase for the Commissioner's and feels they will take some heat on this due to the amount of the increase. It's difficult to justify at this time. Commissioner Hyde stated that the Compensation Committee has recommended this increase for the past 6 years and the Board has not accepted it. The Board works hard and should be paid at least what the department heads are paid. Commissioner Corsiglia suggested that Commissioner Bernhard be held at Step 5 if she feels strongly about not accepting the Compensation Committee's recommendation.

Commissioner Hyde then moved on to the positions being cut this year and requested positions not granted.

Commissioner Hyde gave some background on the transportation system. The county has funded transportation \$50,000 for the past two years. Commissioner Bernhard stated that there is currently an interim provider but an RFP has now been let and hopefully, once a provider is selected, the county won't have to be funding it at such a high level.

Some outside agencies funded are Soil & Water Conservation for \$10,000, Veterans' Services for \$10,500, Seniors for \$5,000.

Animal Control Fund - Commissioner Hyde explained that the Board is in the process of moving the Animal Control Officer over to the Code Enforcement department. This program is in the red every year. He feels there should be a pro-active program to encourage people to license their dogs because 75% of dogs in this county are not licensed.

The Fair Fund is a perennial problem and the County cannot continue to fund it (present levels of over \$100,000) The Fair was given three years to become self-sufficient. To date, they are not and they continue to run at a deficit at the end of each year, even with what the County puts in. Commissioner Hyde stated that the Fair is receiving \$130,000 more than they did a few years ago yet they are still running in the red. Commissioner Corsiglia expressed his concern that the Fair continues to spend over budget and assumes that the County will bail them out. This has been an issue every year and something needs to be done. The expenses have to equal the revenues. Commissioner Hyde feels the Fair Board needs to be more involved in their budget. Ruth explained that the main problem is that they are spending based on anticipated revenues, however, they are not receiving the full amount of revenue.

RONDA COURTNEY, COLUMBIA COUNTY FAIR:

Ronda Courtney, Fair Administrator, came before the Board to address the County Fair budget. Commissioner Hyde filled her in on the discussions just held. The Board needs to have a discussion with the Fair Board regarding the expenditures versus ACTUAL revenues. That is not the current practice. Ronda spoke with the Fair Board on some things that should be done and the response was from one Fair Board member that they didn't feel the Fair Board had the backbone to do it. Commissioner Corsiglia stated that Ronda is doing a good job, but this fiscal irresponsibility has

been going on for some years now. The Fair Board needs to be realistic about the budget and cannot continue to overspend.

Ronda feels they do a lot of good things for the community and tries to be fiscally responsible. However, there are 70 acres at the fairgrounds that are very under-utilized. She explained how things were done in the past, giving locals some breaks, allowing more time to get in and out, etc. All of these types of things effect revenue. There have been some changes since she came on board, but more changes need to be made. There are events that are expected, i.e., Easter Egg Hunt, Holiday Lights, etc. that don't bring in a dime.

There are some things that can be done to generate revenue, but it will take time, support and some thinking outside the box.

The Board will schedule a meeting with the Fair Board for sometime in the future to discuss budgetary issues and the future of the Fairgrounds.

STEVE ATCHISON, DISTRICT ATTORNEY:

Steve Atchison, District Attorney, addressed the committee on the District Attorney budget. His budget message is basically the same as last year except for a couple items. One is that Victim's Assistance has been cut back almost in half. Second, the Domestic Violence workload has increased and the attorney that prosecutes these cases can no longer do it. Other counties are also cutting this service because this is not a mandate. What will happen is that the DHS worker will have to appear alone in these cases. This was a hard decision to make because in these types of cases where kids are involved, they are the ones that will be criminals or victims in the future. They have one more series of cuts that are being considered in perhaps dropping misdemeanors but it hasn't happened yet. Steve presented a chart showing the tremendous increase in Judges budgets, up 46% in 6 years, indigent defense up around 27% and district attorneys are down. That said, the department will continue to do their job the best they can with the funding available.

That concluded the review of the budget and comments by department heads. Commissioner Corsiglia reiterated that positions should not be defined for the Sheriff's Levy and he is not comfortable funding anything to the Fair.

After discussion, Commissioner Hyde moved and Bob Skeans seconded to include a budget note that the full Budget Committee will, at mid year, take a look at all departmental budgets, including the Fair, to see if they are on track with their budget, and if not, act accordingly. The motion carried unanimously.

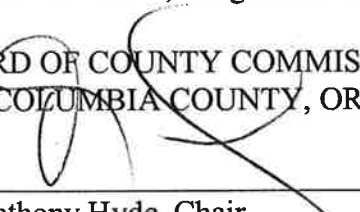
Commissioner Hyde moved and Bob Skeans seconded to approve the FY 2005-2006 Columbia County budget as presented based upon revenues for the General Fund being generated by a tax rate of \$1.3956/1,000 of assessed value as of 1:00 a.m., January 1, 2005, and based upon the maximum for total expenditures for each fund as stated in the proposed budget. Under discussion, Commissioner Bernhard stated that she would be voting against this only because of the proposed increase for the Commissioners. The motion carried. Jean LeMont asked about the debt service and

if that should have been included in the motion. After discussion, Commissioner Hyde amended his motion to include the levy for the debt service fund of \$1,126,596. Bob Skeans seconded the amended motion. Commissioner Bernhard opposed. The motion carried.

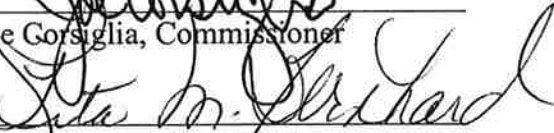
With nothing further coming before the Committee, the meeting of the Columbia County Budget Committee was adjourned.

Dated at St. Helens, Oregon this 12th day of May, 2005.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: 
Anthony Hyde, Chair

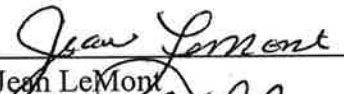
By: 
Joe Gorsiglia, Commissioner


By: 
Rita Bernhard, Commissioner

By: 
Jan Greenhalgh, Board Secretary

BUDGET COMMITTEE FOR
COLUMBIA COUNTY, OREGON

By: not present
Margaret Magruder

By: 
Jean LeMont

By: 
Bob Skeans