

COLUMBIA COUNTY BOARD OF COMMISSIONERS
BUDGET HEARING

MINUTES

June 8, 2005

The Columbia County Board of Commissioners met for a public hearing on the FY 2005-2006 Columbia County Budget with Commissioner Anthony Hyde, Commissioner Joe Corsiglia, and Commissioner Rita Bernhard, together with Ruth Baker, Director of Finance & Taxation, and Jan Greenhalgh, Board Secretary present. The meeting was held at 6:30 pm at Clatskanie City Hall, Clatskanie, Oregon.

Commissioner Hyde called the meeting to order and opened the hearing for public testimony.

Margaret Magruder, Clatskanie, asked what it looks like, in the long term, for Columbia County in terms of budgetary issues? She questioned the issue of salary increases. Until the revenue side goes up, it would seem difficult for the expense side to go up.

Commissioner Hyde stated that there are a couple of issues here. The Board was not aware that they were going to get a double step increase when they agreed to the budget. That came out of a Human Resource recommendation, and frankly, he could care less about the wages. Further, the County is not laying off any positions.

Margaret restated her question. In general, what is the future of the County budget?

Commissioner Hyde stated that USG comes online next year and will start paying taxes. There are some good things happening for Columbia County. The County is already seeing things happening as a result of Port Westward.

Commissioner Corsiglia stated that he was somewhat surprised to see a sign when he came into town opposing the Port Westward development. He understands there is some concern about it, but the monetary potential can outweigh a lot of those concerns. The biggest problem we face is that we get called upon to bring in business and develop the tax base and to create jobs. Then when we finally get a corporation that wants to move into the county, then we hear "oh no, that's not really what we want". It is sometimes difficult to keep everybody happy.

Commissioner Hyde stated, that in answer to Margaret's question, he is spending a lot of time in Salem because it seems that counties have a bulls eye painted on them. It is taking a great amount of time on the part of counties to check into the legislature effecting their counties. When in Salem, he hears about Columbia County and the good things that are happening here. So it's a very positive feeling.

Commissioner Bernhard feels that is nice for a change. She serves on the Workforce Investment Board, as well as at the State level for the Oregon Consortium and Oregon Workforce Alliance, and the Commissioners talk about what is going on in their counties. Recently, I've been able to say some very positive things are really happening here, and they have to do with Port Westward.

It's been a long haul. Nine or ten years, so in general, it really is a good thing to be able to have some positive feedback to tell folks.

Commissioner Corsiglia just met somebody recently who is a major player from outside this region, who said that he thought this was the most beautiful part of the country that he's ever seen. And that's even without the sunshine. Sometimes it's hard for us to appreciate what we have.

Diane Pohl, Mayor of Clatskanie asked about the up-coming Sheriff's levy and if the Board has looked at the areas that are compressed out before the levy is put on the ballot?

Commissioner Hyde stated that is what the focus group is for and should be doing that. However, he is not sure there are any compressed areas.

Diane stated that Clatskanie is compressed and part of Rainier is compressed. That means that the Clatskanie area is going to lose about \$20,000 in revenue. She isn't sure if the Fire district and Library district come under the cap, maybe they don't. Because if that happens, there needs to be - as I understand it - some kind of agreement or something before that goes on the ballot with the different districts that will be affected.

Commissioner Corsiglia believes that, as a result of lessening the amount of meth in the county, all districts will begin to recover monies that they have been spending on the effects of meth. So the city might lose initially but it'll come back.

Commissioner Hyde thinks it is pretty scary when you realize that 80% or more of what's going on in law enforcement circles all the way from incarceration, to community infractions, and the District Attorney's office, is directly a result of crystal meth. That is an astounding number.

Diane doesn't want to have to lose an officer, even though she is in favor of the Sheriff's levy.

Commissioner Corsiglia then suggested the issue of salary increases be discussed. He asked if it would it be feasible to take that number and unplug it where it is and plug it in on the Veteran's end of the stick, or is there a better way to do it?

Commissioner Hyde feels there is a better way to do that. There has been assumptions on the part of the public that the Board is doing away with VA Services so we can get a raise. If we approve the budget in one motion, then we are ratifying that assumption and that assumption is so far from the facts. Anytime there's a raise, pick a cause why it shouldn't happen. Anyone can go down the budget and can always find a cause.

Commissioner Corsiglia is looking at the net effect, and agrees with Commissioner Hyde to some extent, but he also thinks that no matter what we do, somebody's going to put a spin on it. He asked what the total roll out is that was suggested by the Compensation Committee. Commissioner Hyde stated that, in terms of the step increase, it would be 5%.

Commissioner Corsiglia asked what the total dollar amount is and if the other elected officials, the Clerk and Surveyor, are included. Commissioner Hyde stated that amount would be \$9,000 at 5%. Ruth stated that the Surveyor is not a salaried position. The Clerk's salary is dependent upon the Commissioners' salaries. She believes the Clerk gets 5% less than the Commissioners.

Commissioner Corsiglia asked where the step increase is actually penciled in. Commissioner Hyde stated that the 5% increase is not segregated out. The number reflects both the step increase and the COLA.

Commissioner Corsiglia explained that what he is aiming for is the net effect of backing that away as we have done in the last two or three years, but to unplug that number and basically, you're worried about it looking like it's shuffling right across.

Commissioner Hyde stated that there is a bill in front of the House and one in front of the Senate - that were going to put more money into county delivered services that the state requires us to deliver and fund. One was \$5 million and the other was \$2 million. There was an amendment offered to that, that said any money that the county is currently supplementing to the Veterans' services will be frozen and we will not allow you to back fill or supplant as the result of the net increases. When the State cut VA services, the County took general fund money and made up the difference, so there was no net loss in service. Now this year, the state has re-defined Medicaid. As the result of re-defining Medicaid, it has created yet another \$10,000 or \$12,000 hole in the current service level that we are accustomed to - which is two days a week - that we contract out with Washington County Services. Last year, we were up to \$10,500 of General Fund donations to that particular service. We have in our budget, \$10,500 again, which is the current service level. However, because there is a short fall expected with the anticipated re-definition of Medicaid, there is still a \$10,000 or \$12,000 hole in the two-day service. As Budget Officer, he budgeted straight across at \$10,500. The County is negotiating with Washington County to sign a contract that said two days of service. It will say: "If the State does not fund us, we'll pick up the difference." This has been mis-construed by the public because of some very bad reporting on at least one newspaper. The County has been misconstrued as being cold hearted and not caring. We have all said publicly that there will be no cut in VA services in Columbia County.

Commissioner Bernhard stated that the Board held a couple of meetings at the Courthouse when there were veterans present. At that point, there may have been some confusion, because after that meeting, she got a number of calls from folks saying "You guys are cutting our services" and she tried to explain to them that wasn't what was said. So there was some misunderstanding from those meetings and it just escalated from there. The Board needs to clarify that we are not cutting their services. She thinks the Board should take the money and put the whole thing into the Veterans' Services and let it go at that. She does not think the Board should take any raises.

Commissioner Hyde worries about locking in \$10,000 or \$12,000 forever just because the state doesn't want pay up.

Commissioner Corsiglia has thought about this and realized that we're only talking about \$10,000 or \$15,000 and we're talking about our Veterans. He finally came around to the point where he felt that, at some point in the future, we're probably not going to be around, and somebody is eventually going to adjust the salaries. The timing is not right. What I was getting at to begin with, is ratcheting back and not doing anything with the salaries other than the COLA, and put the VA budget at \$25,000 and just live with it. He would rather go beyond because he just doesn't have any faith in the State.

Commissioner Hyde explained that it's more like \$35,000. He didn't include any of the soft costs the county is providing, such as rent, phones, utilities, etc. We're getting skinned on Senate Bill 1145 which says you guys will provide community corrections, and we'll pay for it - now they're backing off on that. We're getting skinned on the agreement that we had with 2-1/2% so that we acquiesce on mini-management of video lottery, just go right down the line and, why not balance the budget on counties. Where do you draw the line?

Commissioner Corsiglia agrees wholeheartedly on all of that. He doesn't have a lot of good to say about the State of Oregon and what they're doing, but when it gets down to it, whose getting hurt, it's the veterans.

Commissioner Hyde stated that the reason he would push back on the \$25,000 is because he is convinced that the bill that has now come out of the House and Senate is going to pass and there's going to be more money for veterans services. He doesn't mind saying we'll fund this at \$22,500 or whatever it is for the 20 hours or the two days, and if we get more money from the state that we add services, rather than backfill and supplant. But for us to add \$25,000, he doesn't agree with that.

Commissioner Corsiglia feels we are getting in this tug-of-war with the state and ultimately we're trying to play such hard ball and the veterans are the ones who will get hurt because they're in the middle.

Commissioner Hyde stated that the perception is that the veterans are going to get hurt and the Board is getting beat up on that perception.

Commissioner Corsiglia agrees, but also feels that the County should just step up and do the best thing can do for those folks, they deserve it from somebody. The state's going to be the way they're going to be. When he sees what we're giving to the Fair budget, it's a lot more of a number than this would be. So, he feels there needs to be a solid number put in the VA services. He hopes that Commissioner Hyde is right and that the State steps up, but he doesn't trust them.

Ruth Baker reminded the Board that at the last budget meeting with the department heads, all departments were asked to cut their finances back by 5% and to have it sitting in their pocket in case the Sheriff's Levy doesn't pass. In December, we might need to make more cuts.

Commissioner Corsiglia knows that things are tough for the County, but they're also tough for a bunch of guys who went over and established our freedoms We're talking about \$25,000, which

is not earth-shaking. Actually, why are we even waiting for the state to do the right thing?

Commissioner Bernhard feels that whatever money we do put into it, we are going to get back into our community because those veterans service officers are going to get additional federal money.

Margaret Magruder feels the Board needs to think about the public perception of this whole thing. When this all blew up, her first thought was: you made this decision on the salary increase. She would be really hesitant to cave on this decision. You folks made a decision and she feels the Board should stick to their decision.

Commissioner Hyde agrees. If the Board does cave on this, it makes it look like we're doing something wrong.

Commissioner Corsiglia again feels that sometime down the road, a Board will approve a salary increase. It's going to happen at some point, because it is recommended every year by the Compensation Committee. The reason the Board ignores their recommendation is because the timing wasn't right. We're probably still living in that time, where it's just not the thing to do considering the health of the economy. But Margaret is right, and Commissioner Hyde is right on the idea that it does look like a cave in. So after some thought, but maybe we should stick to our guns on it.

Commissioner Hyde stated that the only one reason he is willing to go along with this - only one reason and I'm hesitant to even bring this up because we're in very delicate negotiations with two union contracts and have been notified that those negotiations which were about to be ratified are in danger if we take a step increase like this. He has a name for that but won't say it. In the interest of the county, which is why we all got elected - which is why we're all here, because we really do care - he is willing to walk away from the step increase in the interest of getting those union contracts ratified.

Commissioner Corsiglia has always thought that the intelligent thing to do was follow the guidelines set forth by the Compensation Committee. However, he didn't realize about the double increase. That did take him by surprise. But the other part of my thinking. I want to separate the two thoughts so I can include the line of thinking with the veterans in that when they were in front of us in the courtroom and when they were in front of us in our meeting, I think we made a very clear statement to them that we were going to take care of them. I meant that. The more I thought about it and seeing what those guys are going through, and how difficult it is to get what is due them and how much overtime is being put in by our VA Services staff, throwing \$13,000 to \$15,000 in there is really kind of small change. It's not a lot of money but what it accomplishes is huge.

Margaret asked what would be the result of taking away one step increase.

Commissioner Hyde guesses it would be close to \$14,000 or 15,000.

Commissioner Corsiglia - Actually, if you want to leave those in there, we've already taken the heat, it doesn't really matter. On the vets thing I think we just need to quit looking at the State of Oregon and just put them in a position where they've got good programs in our county and if the state comes through, then all the better.

Commissioner Bernhard needed some clarification on the salary increase. Are we talking about taking the cost of living increase, but not the step increase. Commissioner Hyde confirmed that. Well then, Commissioner Bernhard wants to be on record right now that she will not be taking any of the increase, not a dime. If it is approved, she will give it all back. She does not feel it is appropriate to take the increase.

Commissioner Corsiglia feels that step increase and COLA are completely separate things. The COLA doesn't have anything to do with the one or two steps. So the COLA doesn't bother me at all.

Commissioner Bernhard feels it's still a raise and it's still - to me the timing is just not appropriate and there's just too many other things. Anyway, for me personally, I'm going to give it up. I'll give back to the veterans, I talked to John Knight about how I could give it back, give the majority to the veterans and a little bit to the United Way. When I voted at the budget meeting, I expressed my feelings then and explained that I thought it was a very poor time for us to even consider taking any raise - it looks like it's come out to be that and there's been a lot of problems and a lot of things have been hurt because of this decision and I'm really worried about it.

Commissioner Corsiglia stated that the COLA thing has never been an issue and doesn't have a problem with that. Usually they put that straight across the board and I don't even think the unions will have a problem with that.

Commissioner Hyde didn't mind taking a freeze for the last two years, that's fine because it was appropriate. But at some point, we have to keep up with the rest of the employees.

Commissioner Corsiglia feels that's the silly part. It does make common sense and the Compensation Committee did their job properly. They made a recommendation that they should have made. Most corporations, most entities would look at it a levelizing the playing field. But times are tight, the reverb out there in the community is that we don't have a wealthy community, they don't really see it the same way. I can understand a little bit of that. I think we've already taken the heat for it anyway. I just didn't realize the double increase thing was there. I'm more concerned about the veterans than I am about the raise.

Commissioner Bernhard feels the message is out in the public that the Board can't fund the veterans but can give themselves raises. Like it or not, it's the perception.

Commissioner Hyde feels "so what"? Why don't we just all go to work for nothing? He has a family to raise. You know what? We said we were going to freeze everybody's wages and then we were going to make sure that those that we have left were going to be paid, and paid well. So

we kept a good staff. Now are we working less than anybody else? What's the difference? I've got two kids, I've got a wife, I've got a family to raise, nothing's different with me than with any other employee. I'm not embarrassed when I walk up to get my paycheck - I earned it. If it's not okay with the public that I get paid a reasonable wage, then don't elect me. That's all I have to say.

Commissioner Corsiglia is torn because he agrees with everything Commissioner Hyde just said. However, it doesn't make any difference on what the Board does, because there are a couple of people in south county who are going to twist and turn this and make it sound like he and Hyde are criminals. That is taking a back seat for him, compared to the veterans issue.

Commissioner Hyde stated that VA services will reflect full funding in the budget.

Commissioner Corsiglia would feel comfortable with just putting the funding in the VA budget and do the right thing from the vets and have a good program in Columbia County. The raise issue has become such a mess, it really doesn't matter anymore. His goal is to see VA services funded. He will support the COLA but not the step increase.

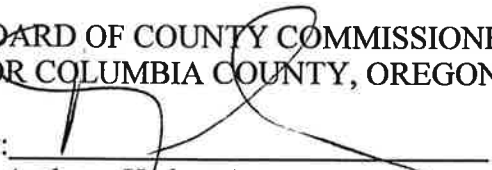
As a point of clarification, Commissioner Hyde stated that the budget will reflect full funding of the short fall that the VA Services is expecting for current service level, step increases for the 5 elected officials will be taken out but they will receive the COLA.

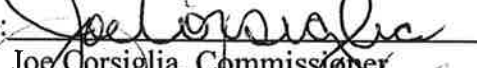
With nothing further coming before the Board, the meeting was adjourned.

Dated at St. Helens, Oregon this 8th day of June, 2005.

NOTE: A tape of this meeting is available for purchase by the public or interested parties.


BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: 
Anthony Hyde, Chair

By: 
Joe Corsiglia, Commissioner

By: 
Rita Bernhard, Commissioner

Recording Secretary

By: 
Jan Greenhalgh, Board Secretary