

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, June 24, 2009
Marion County Courthouse Square

9:00 a.m. Board Session
Senator Hearing Room

PRESENT: Commissioner Patti Milne, Commissioner Janet Carlson and Commissioner Sam Brentano. Also present were John Lattimer as chief administrative officer, Jo Stonecipher as legal counsel and Kim Hulett as recorder.

PRESENTATION

2009 Marion County Fair – Kelly Walther

Kelly Walther, chair of the Marion County Fair, gave a PowerPoint presentation providing an overview of the activities, exhibits, performances, and shows for the July 9-12, 2009 fair (attachment A). She distributed a flyer describing the many events and said that this year’s fair theme is “Green & Growing, Celebrating 150 Years of Clean & Green Oregon.”

Ms. Walther said that last year there were 832 volunteers. In the Future Farmers of America (FFA) market auction, the kids earned approximately \$200,000 from the fair last year. She spoke of the living green expo, which is a new component of the fair for 2009.

The commissioners thanked Ms. Walther for chairing the Marion County Fair Board and praised all the hard work the volunteers do in presenting this event. Volunteers are still needed and further information is available on the fair website at www.mcfair.net or the fair’s office at 503-585-9998.

Commissioner Carlson commented about living green and the Oregon 150 Relay. She gave the schedule for the Oregon 150 Relay, which travels 150 miles through all 20 cities in Marion County and ends with a birthday celebration at the Marion County Fair.

PUBLIC COMMENT

BOARD OF COMMISSIONERS

OLCC APPLICATIONS – Recommend Approval
Trexler Farm, Stayton

BUSINESS SERVICES – HUMAN RESOURCES

Approve recommendation to adjust the pay range of Environmental Services Site Supervisor.

CHILDREN AND FAMILIES

Approve an order re-appointing Eduardo Angulo, Walt Beglau, Maureen Casey, Teresa Cox, Linda Craven, Rene DuBoise and Dick Withnell to the Children and Families Commission to terms beginning July 1, 2009, and ending June 30, 2013.

HEALTH

Approve the renewal of a two-year contract for \$2,999,660 with Resource Connections of Oregon (RCO) to provide fiscal intermediary and stipend services.

Approve the receipt of \$237,763 from the Department of Human Services to insure consistent safe operation of public drinking water systems in Marion County.

Approve the receipt of \$35,622,463 from the Department of Human Services for providing financial assistance for the operation of community mental health, developmental disability and addiction programs.

Approve an order appointing Rod Calkins, Roy Deede, Sandra Stewart, Pamela Heilman and Scott Richards as county financial assistance administrators to administer the 2009-11 intergovernmental agreement for the financing of community mental health, developmental disability and addiction services.

JUVENILE

Approve the biennial intergovernmental agreement to receive \$1,559,418 from the Oregon Youth Authority for Juvenile Crime Prevention (JCP) basic services and diversion services.

PUBLIC WORKS

Receive bid award to Albina Asphalt for the furnishing and application of emulsified oils and liquid asphalt on a fee for service basis.

PUBLIC WORKS – ENVIRONMENTAL SERVICES

Approve an order re-appointing John Matthews to the Solid Waste Management Advisory Council to a term ending June 20, 2013.

PUBLIC WORKS – PLANNING

Receive planning commission's decision approving subdivision, case #SUB09-1, Bowen, Clerk's File #5617.

MOTION: Commissioner Carlson moved approval of the consent calendar.
Seconded by Commissioner Brentano; motion carried. A voice vote was unanimous.

ACTION

FINANCE

1. Consider adoption of third supplemental budget for fiscal year 2008-09 (**TO BE ACTED ON FOLLOWING PUBLIC HEARING**). – Jeff White, Richard Minaker, Jerry Woelke

2. Consider approval of a resolution to adopt the fiscal year 2009-10 budget, make related appropriations, and impose and categorize property taxes. – (**TO BE ACTED ON**

FOLLOWING PUBLIC HEARING) – John Lattimer, Jeff White, Richard Minaker, Jerry Woelke

3. Consider adoption of revised general reserves policy #490. – Jeff White

Richard Minaker, finance department, said they are proposing to amend policy #490 for general reserves. The county's reserves are comprised of general fund contingency, general fund unappropriated ending fund balance and the rainy day fund. The proposal is for the general fund unappropriated fund balance reserve, which is currently required to be 8 percent of the general fund revenues, be reduced to 5 percent of general fund revenues. This will bring us in line with the fiscal year 2009-10 budget.

John Lattimer said that it was difficult to balance the budget this year because of the economy. He said the reasons to change this to 5 percent are because there will be a 5.3 percent ending fund balance, but we still have good reserves and have increased the contingency to take care of anything unanticipated that comes up during the fiscal year. He said the rainy day fund was maintained this year because the expectation is that the next couple of years will be difficult economically. The Government Finance Officers Association recommends a minimum of 5 percent. He indicated it would be better to have a larger percentage, but we don't want to lay off any more staff than we need to in this economy.

Commissioner Milne said she feels Marion County has done a really good job in planning ahead in case things get difficult. The contingencies are healthy and the ending fund balance is within requirements for the bonding status and we have not touched the rainy day fund. She said the next two years could be difficult and this puts the county in a responsible position.

Commissioner Brentano said he recognizes this is what we have to do to balance the budget for this year and there will be more concern next year.

Commissioner Carlson commented that the county would be in worse shape now if the percentage had not been at eight percent. She said the board has been advised the next two years will be even harder than this year.

MOTION: Commissioner Brentano moved adoption of revised general reserves policy #490, in particular dropping the unappropriated ending fund balance from eight percent to five percent. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

Commissioner Milne said they would now be acting as the Contract Review Board.

FINANCE - CONTRACT REVIEW BOARD

4. Consider approval of a board order granting an exemption to extend the term of the County Clerk's contract for a land records management system for an additional three years. – Peggy Mitchell, Bill Burgess

Bill Burgess, county clerk, and Jo Stonecipher, legal counsel, explained that there is a need to request an exemption to extend the current contract with the ACS land records system. It has been a full-service contract in the past, where ACS has taken care of all of the hardware,

software and IT related needs. He said the current rate billed is \$3.47 per document. This type of full-service structure is used in many localities throughout the nation.

At the beginning of last year, the Clerk's Office went through a request for proposals (RFP) process to see what other software is available on the market. In January, all of the software was evaluated and a recommendation for award was made by the RFP evaluation team. The decision not to award the RFP was made due to funding concerns and other situations within the Clerk's Office that made it imprudent to go forward at that time. Implementing a new system is a very costly process. A decision was made to continue a contract with the present vendor to save the county money.

ACS is cost competitive and has provided excellent services. The current vendor has also provided at no additional cost to Marion County a complete marriage and domestic partnership program that will replace the previous unsupported Access program. The new contract, for software indexing purposes only, reduces the per document charge to \$2.20. There are some other fixed costs also. This is a significant vendor charge cost reduction from the full-service rate quote and will shift support function to Marion County Information Technology. A service level agreement will be drafted. There will likely be another RFP in 2011. The board of commissioners can approve this request, deny the special procurement exemption and direct staff to renew a full-service contract or initiate a new request for proposals. The Clerk's Office recommends that the contract review board grant an exemption to the public contracting rules to enter into a three-year contract for the county clerk land records management system.

Commissioner Carlson said the county is currently paying \$3.47 per document for full-service and it will be reduced to \$2.20 with potential additional expenses for IT involvement. She asked what the cost had been for previous years. Mr. Burgess indicated it is questionable that the county would save in long-term if we were to use another vendor. For the RFP, it would have been \$60,000 to \$70,000 for hardware. Commissioner Carlson asked if the \$175,000 to \$185,000 per year is what it will cost this year. Mr. Burgess said the county is currently paying approximately \$200,000 for document services this year. The estimate for next year is \$175,000 to \$185,000. John Lattimer said this is an interim solution for a problem that we have in the Clerk's Office with the old technology. The RFP showed that it would be rather expensive to convert to a new system, so this contract is intended to fulfill the service needs for three years. He said the county is also looking at a system in the Assessor's Office that needs to work with the system in the Clerk's Office.

Ms. Stonecipher said there are two alternatives if the board determines this is not anti-competitive. Since we went through an RFP process and came up with a result we could not follow through with, it could be determined that this is not anti-competitive. The IT department believes they will be able to provide services within their current structure. This will maintain the county recording system, which is used to provide services required by law.

Commissioner Milne asked how much IT support has been needed for this in the past and how much is anticipated for the future. Mr. Burgess indicated that it would likely be additional work, but would not necessitate another full-time employee (FTE). He is unsure how much IT work would be needed. Mr. Lattimer said IT has people assigned to do work for the Clerk's Office, which would not change due to this contract. It will not cost IT more money to do this. Commissioner Carlson said there is a substantial savings between what we have been paying the vendor and what we would be paying now.

Commissioner Milne requested that Mr. Burgess update the board as he receives additional information. Commissioner Brentano said it sounds vague on whether there might be savings. He said he is going to support this item, but would like to monitor it and revisit it if the savings are not there. Mr. Lattimer said this solution is not being done to save money, but it is really an interim solution to a complex technology problem that we have not been able to solve. In the long run, proper technology will save the Clerk's Office in staff costs. Mr. Burgess said the present system is a good system for searches and for providing customer service. The Clerk's Office is able to provide what the public needs. He added that the Clerk's Office has worked with IT and the Assessor's Office. IT had experimented with setting up a virtual server for this and it seems that it would work, but has not yet been confirmed. The Clerk's Office took the old equipment that ACS is essentially abandoning and is going to squeeze some more use out of it.

MOTION: Commissioner Carlson moved approval of a board order granting an exemption to extend the term of the County Clerk's contract for a land records management system for an additional three years. Added to this motion was the request by Commissioner Carlson to have an update back to the board in a year. Seconded by Commissioner Brentano; motion carried. A voice vote was unanimous.

5. Consider approval of a board order granting an extension of time for a class special procurement for consulting services authorized under Board Order #06-165. – Peggy Mitchell, John Lattimer

John Lattimer reported in Peggy Mitchell's absence. Mr. Lattimer said that in 2006 he came to the board requesting that the county business processes be reviewed. A consultant provided a report showing that we need to fix our business processes, especially in the financial area. Because the Oracle system that we use is so complex, we need to have technically trained people to help fix or change things. Last year there was a need to change the chart of accounts to improve our business processes so it would work better for all departments, including project management for public works. He said the county is currently changing the chart of accounts and the project involves more than was originally anticipated.

There is a firm that has been working with the county under a class special procurement for consulting services and those services are set to expire June 30, 2009. He requested that services be extended until June 30, 2010. The hope is for the county to move to the new chart of accounts in October 2009, but there will be a need to continue to make additional changes.

MOTION: Commissioner Brentano moved to approve the board order granting an extension of time for a class special procurement for consulting services authorized under board order #06-165. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

Commissioner Carlson commented that the work on the chart of accounts is important and very complex. It makes sense to continue with the people who have the expertise and institutional memory continue to work on the project. Mr. Lattimer commented that the purpose of the project is to allow the county to do a better job of reporting financial information to the board and to the public.

Commissioner Milne said they would now close the contract review board and resume as the board of commissioners.

PUBLIC WORKS

6. Consider approval of the Declaration of Covenants and Restrictions for the wetland mitigation site necessary for the Jefferson-Marion Road Bridge project. – Bill Worcester

Patricia Nordahl, public works right-of-way agent, presented the covenants and restrictions that have been required by the Oregon Department of State Lands for the wetland mitigation site developed for the Jefferson-Marion Road project. This bridge replacement project is located northeast of Jefferson in the southern part of Marion County on the Jefferson-Marion Road.

There was about three-quarters of an acre of established wetlands that was destroyed on the northwest end of the project along the new roadway alignment, which caused the need to establish the new wetland site. The location of the replacement wetland site was chosen because of its location in the same draining basin and the availability of water levels and soils that would support the wetland plants. The new wetland site runs along Sidney Ditch and should be established in about five years. The Public Works Department will monitor the site periodically and send annual reports to the Oregon Department of State Lands. Once it is acknowledged as a wetland site, it will remain as a wetland and the county would only need to do minimal work to maintain the viability of the site. Public Works has already placed fencing and signage to restrict access to the site. The recommendation is for the board of commissioners to sign the declaration of covenants and restrictions as required by the Oregon Department of State Lands for this wetland mitigation site.

Commissioner Milne asked if the wetland mitigation was a new portion of the project. Ms. Nordahl indicated this is not new to the project. Commissioner Milne asked if the county has taken over the property or if the Hamptons maintain ownership. Ms. Nordahl said that the county purchased the property. A portion of the property that was purchased was used for realignment of the road and the remainder was used for wetland mitigation.

Commissioner Brentano said the property does not look like a wetland to him and wanted to know what makes it a wetland. Ms. Nordahl said public works removed a lot of soil, lowering the elevation and creating higher water levels. There has also been extensive planting of wetland plants. Commissioner Carlson asked what fund the \$5,000 yearly cost comes out. Ms. Nordahl answered that it comes from the road fund.

MOTION: Commissioner Carlson moved approval of the Declaration of Covenants and Restrictions for the wetland mitigation site necessary for the Jefferson-Marion Road Bridge project. Seconded by Commissioner Brentano; motion carried. A voice vote was unanimous.

PUBLIC HEARING

9:30 a.m.

FINANCE

A. Public hearing to consider adopting third supplemental budget for fiscal year 2008-09. – Jeff White, Richard Minaker and Jerry Woelke

Richard Minaker reported on the 2008-09 third supplemental budget. The purpose of supplemental budgets is to adjust the current budget to reflect unanticipated resources or occurrences that require additional appropriation authority. This is the third of three supplemental budgets this fiscal year. This supplemental budget increases the total county budget by \$3,175,542 to \$337,482,440. The board of commissioners reviewed the supplemental budget in detail at a recent management meeting. Details may be found on Marion County's web site and copies are available at the board of commissioners reception desk. A public notice was published in the Statesman Journal. Mr. Minaker summarized changes in the funds.

Commissioner Carlson commented that this is the third chance for the board to reconcile the budget for the 2008-09 fiscal year.

MOTION: Commissioner Brentano moved to close the public hearing and adopt the third supplemental budget for fiscal year 2008-09. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

B. Public hearing to consider adopting the fiscal year 2009-10 budget, make related appropriations, and impose and categorize property taxes. – Jeff White, Richard Minaker and Jerry Woelke

Richard Minaker summarized the 2009-10 fiscal year budget. The total budget is \$323.6 million, which is a \$13.9 million decrease from the current fiscal year. The general fund budget is \$73.3 million, which is a \$4.1 million decrease from the current fiscal year. A budget summary and notice of public hearing was published in the Statesman Journal and the budget committee's approved budget is available on the internet and at the board of commissioner's office reception desk. There are no recommended adjustments to the budget committee's approved budget.

John Lattimer commented that the budget committee has reviewed the budget over about a month. The budget committee did an outstanding job of working through the budget and understanding the fiscal requirements to make the budget balance. The finance staff worked long hours to accomplish this budget. It is a good budget; unfortunately, there was a need to lay off approximately 35 people to make the budget work. He said it is something he regrets doing, but there was no other way to balance the budget and maintain the services the county is required to maintain. Mr. Lattimer indicated the next fiscal year budget will be difficult and for the 2011-12 fiscal year, the county will face increased PERS costs that could be as much as \$6 million depending on the economy and PERS investments. With the way PERS works the county is always lagging two years, so 2011-12 may not reflect the economy at that time, but may be impacted by past economic problems and investments made by PERS. Thanks to the board's willingness to maintain the reserves we have had, we are in better shape than many other counties and cities across the state. He said that we will be able to continue to provide the services that citizens of Marion County expect of us.

Commissioner Milne expressed that the county will need to continue to be cautious.

Commissioner Brentano asked if there were things that the county could do to anticipate the PERS changes. Mr. Lattimer indicated that the county will have increased PERS costs in fiscal year 2011-12, but he does not know if the county will have enough money to meet those costs. If it gets as high as \$6 million, even the rainy day fund, which is primarily PERS money, won't

be enough. The county would then need to use other reserves. The problem is that the county may not have any reserves because of the economy.

Commissioner Milne said this is definitely something to re-evaluate monthly for the next year or so. Mr. Lattimer said he has one other concern with what the state will do. So far, our shared revenues seem to be intact, but that could change by September 2009 or March 2010.

TESTIMONY:

Support:

David Beem, advocate for disabled people in the Salem area, said the county needs to keep police and fire services intact. He would also like to see Saturday bus service.

Commissioner Milne indicated that transit services are not a part of services provided by the county.

Commissioner Carlson commented that the budget committee spent hours and hours on this budget. She stated that the county is not part of the mass transit district and does not have responsibility for those decisions or budgets, but the county does participate in transportation decisions. Public safety has been and continues to be the priority of Marion County. Approximately three-quarters of the general fund is spent on public safety. Because public safety receives a large portion of the general fund budget, it is experiencing the reductions needed for this budget. That is not the preference of the board of commissioners, but the county is in a situation where there is no alternative. This is a balanced budget that maintains services to the greatest extent possible. The budget is focused on what services continue to be needed and how the county can best provide those services with the revenues available. There are no capital improvement projects in this budget, so that those funds could be shifted toward services. The county has huge facilities needs for maintenance and new buildings. There is not enough funding in the current budget to adequately maintain parks or make improvements. The county is making an effort to make the budget more transparent to the public.

John Lattimer said the law requires that counties publish their budgets by fund. The funds don't clarify what exactly the money is spent on. The county displays the budget in a way that describes the programs that are being funded and the money that is contributed to those programs. There is much more information provided than what we are required to publish in the newspaper.

Commissioner Brentano said there were many sacrifices for the budget this fiscal year including layoffs, decreases to salaries and raises that have been foregone. He acknowledged budget committee members Dave Kinney, Patrick Vance and Don Judson. Commissioner Brentano said he would support this budget.

Commissioner Milne thanked the budget committee, John Lattimer, Jan Fritz, Jeff White, Richard Minaker, Jerry Woelke and others in the finance department for their work on the budget. She spoke of the ripple effect of the economic impact throughout the community. Commissioner Milne talked about public safety as the government's primary responsibility. Public safety is intertwined with economic development and the economic vitality or lack thereof in a community. She said local government doesn't function in isolation. This brings forward

the question of the role of the government and community priorities and expectations for services provided.

MOTION: Commissioner Carlson moved to close the public hearing and to approve the resolution adopting the fiscal year 2009-10 budget, make related appropriations, and impose and categorize property taxes. Seconded by Commissioner Brentano; motion carried. A voice vote was unanimous.

Commissioner Milne clarified that the tax is at a rate of 3.0252 per thousand dollars of assessed value.

Commissioner Milne read the weekly calendar.

Commissioner Milne adjourned the meeting at 10:51 a.m.

Attachments:

ABOVE MINUTES APPROVED

CHAIR

COMMISSIONER

COMMISSIONER

If you require interpreter assistance, an assistive listening device, large print material or other accommodations, call 503-588-5212 at least 48 hours in advance of the meeting. TTY 503-588-5168.

Si necesita servicios de interprete, equipo auditivo, material copiado en letra grande, o culaquier otra acomodacion, por favor llame al 503-588-5212 por lo menos 48 horas con anticipacion a la reunion. TTY 503-588-5168 Marion County is on the Internet at: www.co.marion.or.us