

**MINUTES**  
**UMATILLA COUNTY BOARD OF COMMISSIONERS**  
Meeting of November 4, 2015  
9:00 a.m., Room 130, Umatilla County Courthouse  
Pendleton, Oregon

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**Commissioners Present:** Chair George Murdock and Vice-Chair Larry Givens; and  
Commissioner Bill Elfering

**County Counsel:** Doug Olsen

**Members and Guests Present:** Dennis Doherty, Hermiston; Ed Brookshier, EOTEC Chair; Mike Short, Round-Up City Development Corporation President; George Anderson, Hermiston; Steve Chrisman, City of Pendleton Economic Development Director; John Turner, Port of Umatilla Commissioner; Sgt. Dwight Johnson, Court Security; Capt. Stewart Harp; Undersheriff Jim Littlefield; Gary Roberts, Road Department Surveying Foreman; Mary Hallman, Pendleton; W. E. Hallman, Pendleton; Don Miller, Umatilla County Fair and EOTEC Board; Tim Simons, Pendleton City Engineer; and Capt. Kathy Lieuallen, 911 Manager

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**CALL TO ORDER**

The meeting was called to order at 9:00 a.m. Chair George Murdock welcomed all and reminded those present that the meeting is a public forum. It is being audio and video-recorded and minutes will be taken. Comments will become part of the record. If persons wish to speak before the Board, please come to the podium, identify yourself and state where you live for the record.

**Pledge of Allegiance.** Those in the room stood and recited the pledge of allegiance led by Commissioner Givens.

**Awards/Recognitions and Correspondence:** Commissioner Elfering had one item, but deferred to the next meeting.

**Acknowledgment of Minutes of Previous Meetings.** Commissioner Elfering moved to approve the minutes of the 9/16/15 Board meeting. Seconded by Commissioner Givens. Carried, 3-0. Commissioner Elfering moved to approve the Administrative meeting minutes of 9/23/15. Commissioner Givens seconded. Carried, 3-0.

**Additions to Agenda.** None.

**Public Recognition/input:** None.

**Agenda – Business Items**

1. **Authorize Purchase of X-Ray Inspection System.** Dwight Johnson, Sgt, Court Security; and Capt. Stewart Harp, Jail Transports. They are requesting permission to purchase of an x-ray inspection system. Since implementing full-time court security, there is a standard of inspecting all items on the second floor of the courthouse. Grant funding was awarded. He has worked with Counsel Doug Olsen on the contract. Commissioner Elfering asked about

another machine discussed at a previous meeting (it was a magnetometer). Sgt. Johnson advised that the current unit was an older machine and had a bank of non-functioning LEDs; the recommendation that was approved by the Board was to replace it. The manufacturer will set up the new equipment this week. The old machine can be repaired at some expense, but it will be kept for back-up only. Chair Murdock asked who wrote the grant for the equipment now being proposed? Doug Olsen advised it was funding left over and the State allocated available funds by requests. Sgt. Johnson added it was a letter request and it was approved. **Commissioner Elfering moved to approve/authorize purchase of an X-Ray Inspection System from Astrophysics in the amount of \$17,632.11. Seconded by Commissioner Givens. Carried, 3-0.**

2. Economic Development Funding Request – RCDC. Mike Short, President of Round-Up City Development Corporation, presented. He introduced Steve Chrisman, City of Pendleton Economic Development Manager, and John Turner, Port of Umatilla Commissioner. This is the third leg of the process for matching funds to purchase radar for the UAS industry. He went over funding sources and amounts. This opportunity is a good one in our Eastern Oregon region.

Commissioner Elfering asked how much revenue is generated by unmanned aviation – has it produced revenue? Steve Chrisman advised operations have been difficult, but the FAA has been slow to award the operations. He noted seven customers from four different states have signed 2-year contracts to operate at the range. Hold ups have occurred, so approval is likely to come in December. To date there is no revenue, but they anticipate that to increase over next two years. Regarding a question about necessity of the requested item, Mr. Chrisman responded it is for safe operations in the airways.

The Connect Oregon grant presented itself at an ideal time. Radar allows safety operations of unmanned aviation into the airways. This is also a marketable asset. The FAA pays for the tower staff – they have operated radar but training will occur; there is no radar at the tower at this time. According to FAA priorities the Pendleton tower is low on the list. The Master Plan update is occurring soon and radar is a priority item. Mr. Short noted installment payments are not preferable, but some commitment is requested. He talked about gap funding and a draw-down from Pendleton’s budget in a reserve fund. Payment over two - three years is better than over 5 years.

Commissioner Elfering advised he had looked at available economic development funding and a 5-year proposal was discussed. This is a worthy program and it fits within the realm. \$150,000 funding request would require a second look at the budget. **Commissioner Givens moved to take the request under advisement for more information – he has not had a chance to look the specifics over.** Mr. Short asked for a commitment subject to sorting out a timeline for payment. He noted the grant application deadline is to be submitted within 10 days. He apologized for the short timeframe, but needed information was not available to them beforehand. Commissioner Elfering felt the project could be supported. Discussion included short timeline, time for the Board to further discuss options in a special Administrative meeting if needed, priorities of the FAA, etc. Chair Murdock advised he would have parties notified of a scheduled Administrative meeting. **Commissioner Elfering**

**seconded the motion to take the request under advisement. A determination would be made within deadline of 10 days. Carried 3-0.**

3. Lee Street Grade. Chair Murdock called the public hearing to order at 9: 15 a.m. Gary Roberts, County Road Department Survey Foreman, presented. This will be to establish the right of way where it has been located for many years. When this project is complete, the bridge will transfer to the City of Pendleton. Chair Murdock asked for any other proponents. None were heard.

Mary Hallman, 801 NE 8<sup>th</sup> Street, Pendleton, came to the podium. She lives on the Lee Street Grade. She has no problem with the project, but asked for a copy of the document presented that day. Mr. Roberts provided a copy to her. Chair Murdock closed the public hearing at 9:23 a.m. **In the Matter of Legalization of a Portion to Lee Street grade (a.k.a. 8<sup>th</sup> Street), County Road No. 983, Commissioner Elfering moved to approve Order No. RD 2015-05. Seconded by Commissioner Givens. Carried, 3-0.**

4. Double Fill Position – Assessment & Taxation. Chair Murdock reported. The request is to double fill a position for training a promoted employee until the other employee's retirement 12/31/15. Funds are available since the vacated position will not be filled. **Chair Murdock moved to approve double filling the position of Administrative Assistant II from 11/1/15 - 12/31/15. Commissioner Elfering seconded.** Mr. Olsen responded to a question posed by Commissioner Givens -- there will be some savings (no more longevity pay) and some other expenses will be recovered for the 2 months. **Motion carried, 3-0.**
5. Authorize Office Painting. Mr. Olsen noted 3 quotes were obtained for painting the new offices for A&D/Veterans Services. **Commissioner Givens moved to approve painting by Sheets Painting LLC in the amount of \$5,377.50 (the low bid). Seconded by Chair Murdock. Carried, 3-0.**
6. EOTEC Update. Ed Brookshier, Committee Chair. He referred to a completion budget for EOTEC. They are in phase I for an amount needed to be raised for completion. EOTEC currently has \$11.8 million available for entire project. Fundraising in Phase I & 2 combined is for total of \$4.2 million. This is in three equal requests from the City of Hermiston and from Umatilla County each in amount of \$600,000. Hermiston has agreed unanimously to contribute \$600,000 for Phase I. Another \$1 million will be raised by West County Hoteliers group (they agreed to double their tourism promotion assessment). \$1 million will be raised over a bond period. Money is needed now to move toward completion in time for the 2017 Fair and Farm City Rodeo.

He also noted County Fair representative Don Miller is in attendance. It has been a learning experience for him of the Fair serving on the EOTEC Board. The Fair involves thousands of young people every year – FFA, 4H, animal husbandry, and the livestock sale is nearly the largest in the state. The EOTEC is a facility that will be a far better home for the Fair. EOTEC will provide a great facility for many events as well as the Fair.

Phase I is \$2.2 million. Of that amount, \$1.75 million will go toward the barns – directly benefiting the Fair. Three different structures will be 90,000 square feet for barn exhibition space.

Commissioner Givens noted he has been involved since the beginning. Umatilla County has contributed \$3.3 million up to now. He had hoped next year the Fair could be at the EOTEC location. Hermiston School District has allowed up to 12/31/16 before requiring the Fair to move. We are at crucial point to move forward. It has been decided that the Fair will occur at the new site until 2017. He talked about 50/50 obligation with the City of Hermiston. The Event Center will be completed in March and fully operational (per Brookshier). Don Miller noted current space will not be sufficient to the fairgrounds. The square footage is needed and will not be available until Phase II. Phase I completion will not be enough for Fair. Commissioner Givens noted new barns are set to include what would be equal to the size of Rankin Hall – but it will be better space and more efficient.

Commissioner Elfering spoke from a business person standpoint. EOTEC is to replace a facility downtown, the new facility will replace grounds that are not in good shape. The cost would be high to repair/maintain an old facility. He noted upside of facility taking on new and different type of events. Economic Development funds are generated from lottery funds, some of which would go to a new fairgrounds facility far exceeding what the Fair currently has. It makes so much sense to go to EOTEC facility. From an investment standpoint, investment of \$600,000 for a \$14 million project makes good sense. The new facility would be more accessible and available to more county citizens. He spoke in favor of the requested \$600,000.

Commissioner Givens asked to hear from Fair Board members. He noted the County receives many requests for money, but priorities need to be determined. This project has been on board for upwards of 20 years to try to get accomplished. Vision is from 25-30 years back. This has had a lot of thought and effort from people county-wide. We must move forward.

Don Miller, Fair Board and EOTEC Board, noted one reality is if we do not move forward, the Fair has no place or ability to offer the Fair and Farm City Rodeo beyond next year. He urged the Board to support the reality of EOTEC by commitment of funding. New grounds have parking and available space. Fairgrounds are at point that infrastructure is gone and is not able to be repaired. Collapse point has occurred during the fair and other events over the last few years.

Chair Murdock requested the report Mr. Brookshier was reading from as he had not seen it prior to the day's Board meeting. Mr. Brookshier complied.

George Anderson, 625 W. Division, Hermiston, came to the podium. About 7-8 years ago he was approached by Art Prior about the Fair requesting his legal advice for a memorandum of understanding with the Fair, Farm City Rodeo and the School District. EOTEC has been an idea for nearly 30 years – to move it by the Hermiston Airport. He referred to an agreement from 2010 saying the Fair would need to move in August of 2016. An amendment was made in 2011 that pushed back the date to 12/31/16 – this shows the timeframe is right on. Cost is

high due to code requirements. Another important thing is the EOTEC project is an economic development generator (i.e. new hotel near the EOTEC site and the old Tum a Lum property downtown was recently purchased by a Eugene developer to place another hotel). In addition, Ranch & Home owns property South of Hermiston Foods with plans to locate a business and Airport Road property has been acquired by a local businessman to develop the property for economic purposes – and the list continues. The south side of Hermiston can handle development whereas the north side is pretty full.

Chair Murdock asked about when the agreement was drafted, what about liability for any shortfalls in operation – is it true the County and City of Hermiston share liability? He asked Mr. Anderson if the agreement is “silent in the other direction”? That is, if he understands correctly, if it is profitable, what language speaks to that? Mr. Anderson advised profit would stay with the authority; they would not give half to the City and half to the County. EOTEC has no ability to tax or bond, it has to make its own way. If it does not, then the liability would equally go to the County and City. EOTEC does not need to come to the City and County if they are short of funds.

Commissioner Givens noted historically signing transfer of ownership of fair grounds to the school district, what would happen with raising taxes – EOTEC is not facing a bond for construction. Private individuals and state grants have been committed. He noted funds would not come from the General Fund – that is property taxes -- they would come from other sources. Mr. Anderson noted a hotel will be a large tax generator as well as the new motel built downtown. All businesses will contribute taxes to the County.

Dennis Doherty, 1045 SW 9<sup>th</sup> Place, Hermiston, came to the podium. He gave context of the discussions from 1995 where ideas were discussed about privatizing the Fair, which was not pursued and the County remained the “owner” of the Fair. Focus of efforts in late 90s was about moving the fair; a bond was not seriously considered (since it was not successful from the 80s), but a site was sought for a possible place to move, which did not happen at that time. He noted a reversionary right in the agreement of the fair; therefore, the grounds could not be sold by the County. The School District later proposed purchasing the property. In about 2010 things started moving forward with site location and some funding pieces coming together. However, funding has become more and more a problem with shortfalls and delays have become problematic. The request of \$600,000 is reasonable and a good deal for the County as it is much less than what it would have cost to remodel/improve the current fairgrounds.

George Anderson noted in answer to Chair Murdock’s question about the IGA (Intergovernmental Agreement), paragraph 8, per statute, shows debts/liabilities are equal to all. Regarding reserves – are they maintained with the authority? Mr. Anderson responded the authority holds the reserves. And the agreement only uses language about liability (and there is tort liability for insurance as well).

Mr. Brookshier noted there is a reserve in the existing budget in the amount of \$250,000. Agreements can be made to the IGA by amendment. Commissioner Elfering felt the authority would need to answer to the signatory parties. There is also need for an annual report by EOTEC to the County and City of Hermiston.

Commissioner Givens advised he felt good about the project not using a tax bond. He referred to other similar facilities that have had to bond for funding. He also noted the continual (and increasing) high expense of maintaining infrastructure at current location will not be a problem at the new EOTEC facility. The Board agreed the present fairgrounds are obsolete.

Mike Short, 1890 SW Quinney, Pendleton, talked about legacy projects and noted there will be some bumps with funding and delays. In the long run, the project is a vision coming to reality. He supported the project concept.

Chair Murdock noted discussion about County representation on the EOTEC board is being considered for possible change. Commissioner Givens asked Mr. Olsen if action can be taken if the Board is ready. Mr. Brookshier noted the City of Hermiston has taken action and he requested the County take action soon. Hoteliers will be approached shortly.

Robert Pahl, CFO, he encouraged the Board to delay action for an opportunity to discuss financing outside the meeting today. Commissioner Givens asked Mr. Pahl, if action is taken, is the County in position financially to commit outside the general fund? Mr. Pahl advised the sources are not certain and he would like to discuss that before action is taken by Board. Commissioner Elfering asked if there is a county reserve fund for EOTEC. Mr. Pahl advised there is a reserve fund to cover operational costs of EOTEC, but it is not budgeted for capital purposes; the Board would have discretion. The fund is approximately \$225,000. Commissioner Elfering advised he had also identified some economic development funding could go towards the project. **Commissioner Givens moved to meet the commitment to EOTEC in matching the City of Hermiston's fund in the amount of \$600,000. Carried, 2-0. Chair Murdock did not vote as he was not prepared to take action today.**

7. Nomination to Wildhorse Foundation Board. **Commissioner Elfering moved to approve/adopt BCC Order No. 2015-087 nominating Commissioner Murdock to another two-year term on the Wildhorse Foundation Board. Seconded by Commissioner Givens. Carried, 3-0.**

#### Commissioner Reports

Commissioner Givens: DOGAMI. A new Executive Director has been offered the position. He will be dealing with DOGAMI business through December, then stepping back as Chair of the governing board. The Governor's office is willing to let him out of commitment.

AOC. As AOC's incoming President he will attend meetings to discuss the sister county program to be shared soon with other counties statewide.

Commissioner Elfering: He attended a Base Realignment Conference in Texas along with CDA representatives to network with others in similar position. Update shows the only remaining issue is water rights on depot property. Probably the best approach is to meet with the National Guard to determine water rights then make a proposal to the Army. Perhaps the second quarter of next year conveyance of property will occur. Development would begin after that. There are business prospects coming forth.

At a recent CDA meeting, decision was made to have Umatilla County act as fiscal agent. They are also looking at a new office in Umatilla County moving away from the Port of Morrow; possibly having the CDA share space with EOTEC office located behind Stafford Hansell Government Center in Hermiston (since EOTEC will soon be located at the facility).

He plans to attend a Water Law conference in December, along with Port of Umatilla Manager Kim Puzey and J R Cook, Director of NOWA.

Back to Commissioner Givens, regarding the Blue Mountain Forest Plan, they formed a process review committee (of which he is a member). All was put on hold due to forest fires last summer. One directive was to get more public/private citizen input and add more listening sessions. They have scheduled 6 sessions throughout the region – La Grande, Ukiah, Pendleton, Clarkston, Washington, etc. Schedules are forthcoming.

Chair Murdock asked if all Commissioners would attend the Greg Smith event; all confirmed plans to attend. In addition, Chair Murdock will travel to Portland on 11/12/15, to attend a meeting of the newly organized Governor's Task Force on Energy and Transportation.

Chair Murdock recessed the meeting at 10:35 a.m. to come back at 1:30 p.m.

Chair Murdock reconvened the meeting at 1:30 p.m. for 2015-16 supplemental budgets and budget transfers. Commissioner Givens was not present as having a previous commitment. Chair Murdock read the required statement, opened the public hearing and called on Robert Pahl, CFO, for the staff report. He read through Budget Order Nos. 2016-02 through 2016-10 providing specifics for each order including fund, increase or decrease, etc.

Chair Murdock asked for questions. Any questions regarding the Fair Order? None. Any questions regarding Dispatch? None. Questions regarding Dispatch Reserve? None. Fair Improvement Fund? Chair Murdock asked about \$441,000. Mr. Pahl responded it is a federal grant for building the event center and noted funds have been paid to EOTEC for construction. Mr. Olsen added the grant was from 2008 and it expired November 30, 2015, so it has been transferred. Chair Murdock continued – questions regarding Parks Fund? None. Questions regarding Mental Health Fund A&D? None. Questions about Mental Health Administration? Chair Murdock asked if this is just putting funding in the budget, to which Mr. Pahl replied yes; there was not a budget in place until now. He further noted the contract has changed and there will be a supplemental budget presented soon. There were no questions about Veterans Expanded Services. There were no questions from the public, and the public hearing was closed.

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget 2016-02 (Program 4042-County Fair), seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget 2016-03 (Program 1509-911 Dispatch Fund) (increase of \$34,500 in Materials & Services for increase of maintenance fees for RIMS system and supported by local revenue increases). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget 2016-04 (Program 1519-Dispatch Reserve Fund) (increase of \$35,000 in Capital Outlay; decrease of \$29,910 in Materials and Services; and Contingency decreased \$5,090). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget 2016-05 (Program 4023-Fair Improvement Fund) (increase of \$441,000 in materials and services; increase of \$30,870 in contingency; Federal & Local Revenues increased \$471,870). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget 2016-06 (Program 1005 - Parks Fund) (changes in operations requires increase of \$34,083 in Parks Requirements and \$34,083 increase in Resources; supported by increase in revenues and adjustment in cash carry forward). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget2016-07 (Program 5487-Alcohol Drug &Gambling Services) (Requirements increased \$474,293; Resources increased \$474,293. This is supported by change in carry forward). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget2016-08 (Program 5488-Mental Health Fund Administration) (Administration Requirements increased \$743,323 and Resources increased \$743,323). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Supplemental Budgets Pursuant to ORS 294.471 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget2016-09 (Program 5497-Mental Health Subcontracted Services) (Requirements increased \$26,250 and Resources increased \$26,250). Seconded by Commissioner Murdock. Carried 2-0.**

**In the Matter of Approving Transfer of Appropriations Pursuant to ORS 294.463 for F.Y. ending 6/30/16, Commissioner Elfering moved for the adoption of Order No. Budget2016-10 (Program 5771-Veterans Expanded Services) (Beginning Cash Balance decreased \$11,748 and Materials & Services and Contingency decreased \$11,748). Seconded by Commissioner Murdock. Carried 2-0.**

The meeting adjourned at 1:40 p.m.

Respectfully submitted,

*Melinda Slatt*

Executive Secretary, Umatilla County Board of Commissioners