

**BOARD OF COMMISSIONERS'
REGULAR MEETING**

October 5, 2011

9:00 a.m.

Harris Hall Main Floor

Commissioner Faye Stewart presided with Commissioners Jay Bozievich, Rob Handy, Sid Leiken and Pete Sorenson present. County Administrator Liane Richardson, County Counsel Stephen Vorhes and Recording Secretary Melissa Zimmer were also present.

1. **ADJUSTMENTS TO THE AGENDA**

None.

2. **PUBLIC COMMENTS**

Steve Sieczkowski, President, Lane County Citizens for a Safer Lane County, spoke on the PSCC Report. He said a recommendation from their committee will be coming soon to the Board. He said that they are going to request a Charter Amendment to guaranty a specific amount of funding dedicated to public safety. He explained that public safety includes the District Attorney's office, the Sheriff's Office and Department of Youth Services. He said they want to find a way to guaranty \$30 million or 60 percent of the current \$50 million general fund. He thought 46 percent could go toward the Sheriff's Office to operate the way business is operating at this time that is below the means for their population in the area. He said it would leave about \$23 million for the Sheriff's Office, guaranteed money through a Charter Amendment. He said the Charter Amendment could be done with a signature drive to ask the community to put this onto a measure to vote it in or the Board of Commissioners could put it on the ballot measure to provide a voting opportunity to say yes or no. He said if the Board looks at the proposal they are going to present and the Board thinks it is worth going to the community, it would guaranty that amount for public safety. He said when it comes time to build the budget, they will know where they are at. He said if it happens they will have a core component for funding for the three services that are needed in the community. He said the Board of Commissioners and the Budget Committee won't have to fight for the public safety funding money, they know how much dedicated funding they have. He added that it creates public confidence for the measures in the future because the community will understand that the removing of money from the general fund because of past ballot measures won't be a factor. He indicated the citizens will know the general fund budget amount for public safety is not an unknown anymore and that is what they have to work with and it can't change. He stated that a ballot measure or levy presented to voters will have the confidence that money will be moved out of the Sheriff's Office or District Attorney's office because they have added funds. He thought it was a good core starting point. He said the political action committee is willing to step up and take the initial ride on this and present it to the Board.

3. **COMMISSIONERS' RESPONSE TO PUBLIC COMMENTS AND/OR OTHER ISSUES AND REMONSTRANCE**

Stewart thought the time had passed to put something on the ballot for this November.

Vorhes stated that it was too late to get something on the ballot for this November. He said if this goes to the Board in May, it has to be prepared by January..

Stewart asked that when the Charter review comes back to the Board that the public safety proposal be presented at the same time.

4. **EMERGENCY BUSINESS**

None.

5. **CONSENT CALENDAR**

A. Approval of Minutes

B. Assessment & Taxation

- 1) ORDER 11-10-5-1/In the Matter of a Refund to Springfield Professional Building Associates LLC, in the Amount of \$39,040.92.

C. Health & Human Services

- 1) ORDER 11-10-5-2/In the Matter of Appointing Designees of the Community Mental Health Director to Direct a Peace Officer to Take a Mentally Ill Individual into Custody According to ORS 426.233.

MOTION: to approve the Consent Calendar.

Leiken MOVED, Handy SECONDED.

VOTE: 5-0.

6. **COMMISSIONERS' BUSINESS**

a. REPORT AND DISCUSSION/Public Safety Coordinating Council (PSCC).

Tim Laue, Public Safety Coordinated Council, reported in May of this year he came to the Board with a discussion around an evaluation of the public safety system and community health system in Lane County and how they relate to one another and the impacts of ongoing budget reductions. He said at that time he

presented materials that had quantitative and qualitative analysis of the system to bring back to the Board. He noted the other discussion they had was an understanding that the Board of Commissioners is doing everything they can on the federal level around the concept of renewing Secure Rural Schools to the extent possible and budget reductions to balance the budget for the next fiscal year. He said at the PSCC the conclusion they came to was doing nothing was not a good option. He said the Board is looking at \$10 million in budget reductions next year on top of what they had done this year and there is serious concern about the level of public safety and human services the County would be able to offer even in the current budget cycle.

Laue said they wanted the Board to look at near term, midterm and longer term steps that might be taken to try and address the circumstance. He said they involve working with partners in the community, stakeholders and others looking for different ways the County may find increased flexibility in terms of how it addresses its concerns. He said they would be looking at work that would be done in advance of the AOC meeting in November, to talk to other counties that are in similar circumstances and look at the work other counties might have done to try to address this circumstance. He indicated that Deschutes County put together some public safety service districts. He thought the Board should work with the city of Eugene and Springfield in terms of any planning that could be done in addressing future circumstances. He noted an ongoing discussion is the Buckley House for sobering services, as it is very important to the city of Eugene as well as others. He said they should work with the legislative delegation in terms of actions that might be taken in the 2012 legislative session that might give the County more flexibility in terms of how it allocates its resources. He recommended working with the District Attorney and the Sheriff's Office in terms of ideas they may have about how to mitigate this circumstance not only currently but in the future. He indicated that they don't have the capacity or the staff resources to coordinate this but the discussion came up that the Board might be able to put together a short term task team together to consider these issues in advance of the legislative session and AOC meeting and any type of declaration of a public safety state of emergency.

Stewart reported the analysis shows from 1980 to 2011 virtually every area has declined. He recalled in 1980 Corrections had a capacity of 994 total beds, including the Jail and Community Corrections, the Forest Work Camp and today they are functioning with 369 slots. He indicated that they have cut substance abuse and mental health treatment. He noted that the County is looking between \$11.5 million and \$12 million in cuts for next year. He said the recommendation he made to the PSCC (and forwarding to the Board) is to ask the administration to put together a work group that will focus on the short term with other counties going through the same situation. He didn't think the state could give more money but there are things to keep their current Community Correction fund allocation. He noted there is a new task force formed by the legislature to look at Secure Rural Schools. He thought there could be things they could do before the

next budget to help them with the deficit. He added for long term options they have to look at how they can enhance revenues. He thought there could be option levies like they had in Springfield up to continued efforts like what Deschutes County did with service districts or something different. He said they need to be doing more than they currently have but they need to put together a work group to start to address this immediately.

Sorenson asked if revenue should be part of the discussion.

Laue didn't think this problem could be solved with just the reduction approach entirely. He said they are at the point that in the next year or two, public safety and community health services in Lane County will look entirely different without some sort of stabilization. He said the public has to agree but they are in a very insecure position. He commented that for revenue enhancement, it cannot be the County doing it by itself, it will have to involve the municipalities the legislature and the federal government with other approaches.

Leiken concurred with Stewart's suggestion. He said that Stewart mentioned Springfield. He said that he was never afraid to go out and ask the public for additional revenue. He said they focused, put a strategy together and asked the citizens what are the areas of public safety meet their needs. He said what people are tired of is government asking for more revenue and not understanding where it is going. He thought this will help them come up with a strategic and more focused opportunity.

Bozievich noted that the city of Florence runs their police department and their local city court and city jail on approximately \$1.65 per thousand of assessed value. He added that they try and run their entire government on \$1.28 per assessed value. He said they were locked in the past because of the timber money they had. He said if they can't get a resolution of the timber issues there will need to be discussions to get local control of their revenue source for public safety and general government. He thought they could possibly look for a serial levy or Deschutes model in the future, but they need to build public support and to work with their state legislatures to relieve them of the circumstances they are under.

Laue said there is a need for the public to understand the nature of the crisis. He didn't think there was an easy solution or any plan to get the County through this circumstance. He said the County is at the point where the ability to provide the services in an effective way may be lost.

Sorenson indicated that if they increased logging on the natural forests to 48 billion board feet, it would make up for the current SRS payments. He said to accomplish that logging, the federal government would have to spend 17 times more money than they currently spend in the administration of the national forest system. He said to do that in Lane County means they would have to increase the logging on federal lands by 10 times what they are currently logging.

Laue indicated those were not charges of the PSCC or otherwise and he doesn't know about the logging levels. He said that would be a larger discussion the Board would need to have not just that option, but many options on what is getting to be a critical circumstance.

Leiken thought they would have to engage the citizens to find out the top priorities. He doesn't know why Lane County has lost ballot measures in the past. He thought what was missing on the Board level is lack of credibility to the public. He said it will take people like Laue and others to put together the strategic task force that are short term. He said people in the community will have to become engaged who are leaders to help the Board help address the public safety issues.

Laue commented that he is not convinced even with effort there is support in the community for this because he thinks people are feeling very insecure. He said it wasn't just a discussion on how they approach the public one more time, it was about what they can do working with intergovernmental partners and community partners, and the legislature. He said there is no magic bullet. He thought there would be small incremental steps to mitigate the losses, but at a reduction of the general fund of \$10 to \$11 million next year (with the majority of the money going to public safety and community health services) it is an entirely different looking system than they have now. He added that doing nothing is not an option, but finding ways to move forward in as many ways as possible makes sense. He thought it would be a mistake to go immediately to some sort of enhanced revenue source.

Stewart commented that during his time as a commissioner they have tried to enhance revenue and they have failed. He said with the school districts failing, he hears the citizens say they have no more revenue so revenue enhancement in the immediate future will not be possible. He added the citizens don't have additional money to spend and knowing that, he is trying to find solutions that help them move forward. He said they need to move forward working together with their partners, recognize where their boundaries are at the current time and try to build an understanding with the community so they are confident in what they are doing.

Laue reported the PSCC didn't have much funding and he thought the coordination should fall to the Board of Commissioners to have discussions with community partners, intergovernmental partners and legislative districts to do the research to see what had been adopted in other communities. He stated this was brought to the Board because it is the Board's call on whether to go forward.

Stewart commented to compose a work group of lay citizens to come in and make recommendations on legislative changes to the legislature without a lot of background in laws, wouldn't be effective. He thought it was logical for the

administrator or the Board to convene a group of people. He encouraged the challenge to find ways to do business different and open up a better collaborative process. He thought staff time could be rolled into a more long term solution process in researching options as to what would move forward.

Richardson explained that the short term goals are easier to figure out. She thought she would be on the committee along with one of the commissioners, the Sheriff, DA, Roland Hoskins and Alex Cuyler. She wanted to look at the mandates they have. She thought that if the legislature be convinced to either hold those in abeyance or change them for a few years it could help them with the general fund for the next couple of years. She wanted to see if they should invite the cities of Eugene and Springfield to participate. She indicated that when they get into the longer term conversations, that is where they would have to reallocate staffing in order to support a group to move forward and gather information. She thought the next group would be bigger and would cost more money to reallocate staffing.

Handy asked Stewart if revenue enhancements were going to be discussed, or the federal timber item is the one item to be discussed for revenue enhancement.

Stewart explained that in the documentation it is clear that long term is looking towards November 2012 or 2013. He said for the short term, he didn't think revenue enhancement in the next year or less is an option. He said it doesn't mean that a group couldn't come forward to work on something for revenue. He added that it doesn't stop the effort. He recalled in Lane County's peak times, they received \$47 million per year in revenue sharing with the federal government in the timber industry and today they are at less than one-quarter of that amount. He indicated that revenue sharing is still on the books. He said they have an O & C Act that was established in 1937 that gives counties 50 percent of the proceeds and mandates the federal government to manage the land with sustainable timber harvests and that is not taking place. He said they have an obligation to fight for what is theirs. He indicated there were figures quoted by Sorenson of board footage and currently the federal government in the Forest Service in the Pacific Northwest averages about 200 million board feet of harvest per year. He added in historic levels it was over 3.2 billion board feet. He indicated the forests are decaying and dying at a rate of 750 million board feet per year so if they are able to harvest the dying and do thinning to improve the health of the stand, he was confident they could achieve the ten time revenue enhancement Sorenson stated was impossible.

Handy supported putting together an ad hoc committee.

Sorenson thought they should have a meeting with the legislators from the community. He thought some would be receptive to what Lane County's message is. He said the city manager is not making the call on whether they are going to do something to help the federal forest dependent communities. He

stated that they have to focus in on the special session. He added that they have to be careful in starting a new group as a knee jerk reaction as to something that needs to be done.

Laue didn't think it was a knee jerk proposal. He said some research has to be done about the best and most comprehensive way to approach this. He said it was meant to be an ad hoc group to work for a short period of time to look at issues for the 2012 legislative session. He said a concern that came out of the PSCC was the law of unanticipated consequences.

Bozievich reported that historically they have only logged 13 percent at any time over the time the national forest system has been in place at the McKenzie District. He said the O & C Counties Association Trust Plan is a deficit neutral plan and would not impact the deficit. He supported asking the County Administrator to move ahead with both the short and midterm plan. He said they also need to start on the midterm planning. He said if they are going to get the legislators together to talk with them, they have to know what they are going to ask them.

MOTION: to direct the County Administrator and staff to move forward with the near and mid-term strategies outlined in the memo.

Bozievich MOVED, Leiken SECONDED.

VOTE: 5-0.

7. **ASSESSMENT AND TAXATION**

- a. REPORT BACK/Comcast Appeal and Issuance of Deferred Billing Credit Under HB2569.

Anette Spickard, Assessor, explained that she came to the Board last fall. She indicated that this is a large value appeal between Comcast and several internet service providers against the Department of Revenue. She said Comcast appealed in 2009 due to a change in the interpretation of the central assessment statutes by the Department of Revenue as to whether these companies were considered communication companies and therefore should be centrally assessed by the department instead of locally assessed, as they had been in the past. She indicated there are different appraisal methods used for centrally assessed properties and there is a larger item subject to taxation when they are centrally assessed compared to locally assessed. She said when they implemented the change in 2009, the overall value of the Comcast properties that were subject to property taxes under the central assessment statute increased to \$1.1 billion statewide and in Lane County the value change was over \$100 million in value difference. She said in the past, Oregon law allowed counties (if there was a large appeal of value) at least one quarter of one percent of the value of all the property in the

County to be put in a reserve for the disputed property taxes instead of paying them to all of the tax districts, when they receive it, in order to save up the money in case of a refund. She recalled that was the action the Board took last fall. She indicated the portion related to their disputed value amount was set aside in a reserve account and they did not distribute that money to the district. She said the reason behind that is they knew this appeal would take multiple years and it would be a substantial refund if the Department of Revenue didn't prevail and they didn't want to have three to four years worth of taxes come out of one payment cycle and instead save the money over time.

Spickard recalled in the last legislative session there was concern about cities and counties across the state about the impacts of these types of large value appeals because the amount of interest payable in the refund is 12 percent per year. She indicated there wasn't any ability for anyone to set aside the interest portion for the refund and that is a large financial impact to the districts involved. She said the Association of Oregon Counties and League of Oregon Cities and others tried to get together to come up with ideas for the legislature on how they can mitigate the 12 percent interest on the large value appeals. She said they created a tool called the deferred billing credit and the bill was introduced as a revenue committee bill and went through the full process. She said in the end they ended up with HB2569 and it was passed out of the house with only three no votes and it was unanimously passed by the senate. She said the law becomes effective September 29. She wanted to use the tool in light of the ongoing appeal with Comcast. She wanted to see if they can move forward using the deferred billing credit to issue a check to Comcast, representing 2009 and 2010 and to stop the interest accrual on the amount.

- b. ORDER 11-10-5-3/In the Matter of Rescinding Order 10-10-27-1 and Authorizing Cancellation of the Comcast Tax Appeal Reserve Account.

Leiken said he wants to find out what type of protections they might have for the future. He wanted to know if the legislative committee could find out what procedures are available.

Spickard thought it was likely that in the 2012 session or the regular session the issues will come back up because the Tax Court's ruling created consternation on a lot of people's parts, not just the Department of Revenue and the counties. She added that for companies like Quest and AT&T it puts them at a competitive disadvantage because of Comcast, if they are going to be treated differently. She added that there are industry people who are concerned as well as the cable internet providers for how they are taxed in Oregon.

Leiken wanted to monitor this.

MOTION: to approve ORDER 11-10-5-3.

Sorenson MOVED, Bozievich SECONDED.

VOTE: 5-0.

8. **COUNTY ADMINISTRATION**

a. Announcements

Richardson said they are beginning the recruitment process for the Economic Development Manager. She added they are also beginning a recruitment process for the Director for Health and Human Services position. She heard from Public Works yesterday that the material recovery survey has come out. She recalled the County had a mandate to recycle at least 54 percent of all their waste in 2009 and didn't hit that. She added for 2010 they were at 57.4 percent. She indicated that they have currently exceeded the mandate. She stated that was a community effort and not just Public Works.

b. REPORT BACK/River Road Park and Recreation District Request that Lane County Facilitate the Creation of an Urban Service Agreement.

Richardson stated that she tried to again connect with John Ruiz, city of Eugene, to get whatever he had developed in response to the letter they had received last week. She received a bounce back that he was out of the office until October 10. She incorporated everything that Handy gave her and re-wrote the letter she had prepared to send to Ruiz. She sent it to the Board yesterday to review. She hadn't received any responses back from the Board. She wanted to send the letter today or tomorrow to Ruiz so it is there as soon as he returns.

MOTION: to have the County Administrator send a letter to John Ruiz.

Handy MOVED, Leiken SECONDED.

Handy asked to carbon copy DLCD and LCDC so all of the partners are in the loop.

VOTE: 5-0.

c. PRESENTATION/Working for You Video, "Lane County District Attorney – Holding Criminals Accountable".

9. **COUNTY COUNSEL**

a. Announcements

None.

10. **EXECUTIVE SESSION as per ORS 192.660**
(Commissioners' Conference Room)

Per ORS 192.660(2)(h) for the purpose of pending litigation.

11. **OTHER BUSINESS**

None.

There being no further business, Commissioner Stewart recessed the meeting into Executive Session at 11:00 a.m.

Melissa Zimmer
Recording Secretary