

A special meeting of the Wheeler County Court was held on July 11, 2013, beginning at 6:00 p.m. in the Jeanne E. Burch Building, located at 401 Fourth Street, Fossil, Oregon.

Judge Perry called the meeting to order at 6:05 p.m. and welcomed those attending. Teresa Greenfield recorded the meeting.

Present: Patrick C. Perry, Wheeler County Judge; Robert L. Ordway, County Commissioner; Anne C. Mitchell, County Commissioner; Dan Ousley, County Counsel; Teresa Greenfield, court secretary.

Public signing in: William F. Potter, Fossil; Sally A. Potter, Fossil; Roy Carlson, Fossil; Matt Camargo, Fossil; Linda Dunn, Fossil; Kathy Horn, Fossil; Susan Moore, John Moore, Mac Stinchfield, Times-Journal; Barb Sitton, Fossil; Tom Schott, Fossil; Candy Humphreys, Spray; Angi Humphreys, Fossil; Jeremiah Holmes, Spray; Ree Ann Stepp, Fossil; Michelle Ordway, Spray; Franklin Ordway, Spray; Jule Donnelly, Richmond; Rene Brosseau, Pat Hyatt, Fossil; Marilyn Garcia, Fossil; Mary Mountain, Fossil; Linda Philbrick, Fossil; Charles Nelson, Fossil; Mehrten Homer, Fossil; Christine Smith, Fossil; Steve Bray, Fossil; Jack Lorts, Fossil; Sabine Ladd, Fossil; Rod Osgood, IUOE Local 701; Lois Hunt Elder, Fossil; Phil Wilson, Wilson Ranches; Tina Conlee, Gene Conlee, Schott Richardson, Tammy Richardson, Orville Ladd, Fossil; Charles Nelson Jr. Sherian Asher, Fossil; Roger Moorehead, Fossil; Lisa Robertson, Fossil; Myrna O'Leary, Ted Molinari, Jeff McMorrان.

Purpose: To discuss road funding issues and concerns. Meetings were held in Mitchell and Spray as well as Fossil. Public Meeting Notices were posted in Wheeler County News and The Times-Journal as well as conspicuous places in each of the Wheeler County communities.

Commissioner Mitchell: Introduced herself and gave background on her commissioner appointment. Tonight is the third of three meetings that we have been holding in the county. As a court, we discussed a few months ago, the importance of giving everyone in our county an opportunity to meet the court and participate in court meetings. We know that it is hard for people to attend in Fossil in the middle of the day on a Wednesday on our regular meeting days. We talked about holding meetings in the different communities a number of times a year and we talked about the fact that it would be most appropriate if there were specific issues to each community or if we had special issues and topics that were of great interest and changes going on in the county. And so, since we have large changes going on right now and big challenges with our road department and the funding of our road department, this was a perfect time for us to hold these special meetings so we want to thank everybody for coming; we had a very good turnout in Mitchell two nights ago and in Spray last night. Some of the folks have attended all the meetings so we really appreciate your traveling and coming and participating. What we are going to do tonight is talk a bit about the challenges we are facing now in terms of funding for the county road department and some of the really difficult decisions that the County Court has had to make in the last couple of weeks, resulting in the layoff of four of our six county road crew.

Commissioner Mitchell gave a summary of road funding and how we got to the point we are at and had to make these decisions they made. The meeting will then open up for comments and questions. In addition to questions, we really like to have this be the start of us looking to the future and working together to find solutions to our problems so we can build our road fund back up and get the highest level of staffing and service that we can to ensure public safety and roads in our county.

Commissioner Mitchell referred to the handouts: There are three sheets. The first one has a narrative about some of the history and background and the current conditions of where we are at in terms of our county funding. At the bottom is contact information for those who do not feel comfortable speaking this evening—you may submit comments or questions.

First of all, the way our county roads are funded....back in 1908, a law was passed that was called the Secure Rural Schools Act. It ensured that the federal lands that were not on our tax rolls-we would never be able to get property tax that would help us fund our county programs from those lands-the federal government said they will give a portion/percentage of the receipts from the timber harvested from those lands to the county for use for their roads and schools. The breakdown was 75% for roads and 25% for schools. Schools also get additional funding from state funding so that is in addition to that. While our timber economy was healthy and strong, we had a lot of funds coming in and were able to fund our road department and maintain a high level of service. As the timber economy dwindled....closing at Kinzua and in the 1990s, those timber receipts, for many reasons that we are all familiar with, really began to dwindle. By 1992, our federal timber receipts were \$1,642,000. By the year 2001 receipts were \$28,424. It was apparent that the counties that had been relying on timber receipts to fund their roads and schools were hurting because they did not have that money coming in. Another act was passed by congress which was called the Secure Rural Schools and Community Self Determination Act. That was taking those receipts that had disappeared and supplementing those with federal dollars so that each of the counties that had lost those timber receipts were getting money to continue to fund their roads and schools. The original act was set up to last...to fund us for six years-through 2006. During that time, it was supposed to be a bridge to help us get through a transition of our economies and adjust our service levels and whatever we needed to do to become more self sufficient to fund those programs and not rely on our timber receipts. Since that time, there have been three re-authorizations of the act. The first time was in 2007 and they reauthorized it for one year. That was not long enough so they reauthorized it again for four years and then again in 2011, they reauthorized for one more year. I am sure that many of you have heard over the years that the road department is going to lose its funding and we are hoping to have the money continue to come. What we are faced with...in 2012, we got our last check. Our congressional delegation is working really hard and we have been working with them and folks at the state level and other counties have been working to try to get that extended for yet another year and also focus on trying to increase our timber receipts by getting people working in the woods again and getting some of our mills working again. That is going on right now but there is no guarantee we are actually going to get another check this year. What that leaves us with is that our road department has been operating with a budget of about \$850,000-\$950,000 a year. At our highest in 2007, we received through the Secure Rural Schools fund, \$764,000. We also get money that funds our roads through the Oregon State vehicle registration and gas tax. We also supplement that money with grant funds and special funds that are available through the state for special projects and some federal funds as well for things such as paving. Our whole budget for the road department does not rely on the Secure Rural Schools funds but a large portion does. We have known this was coming and had reauthorization, but in Wheeler County and in most counties, because you are operating with such a small crew and budget anyway, a lot of us are at a point where we are stuck because we did not make adjustments and the end is here for that funding so now we are faced with making huge decisions about how we are going to operate. Our projected revenue for 2013-14 that we can use for roads is \$167,065. That is what we have to spend on roads for the coming year. We do have about 1.2 million dollars in our road fund at the current time. One of the big chunks of that fund we are obligated to use for purposes other than the future. We are obligated to fulfill our obligations to our road crew, which there were six of them at the end of June and if we have to do layoffs, we have to cover unemployment benefits and they have all accrued and earned paid time off. And if you lay people off, you have to pay them what they have....they've earned it and so you have to save that chunk of money. And so, we came to the conclusion that we have this chunk of money now and it is obligated. Instead of spending down until we don't have anything and we can't meet those obligations, we needed to do something. That is where we are at. Commissioner Mitchell referred to the handout and looked at the projected timber receipts through 2016 and for all the counties in the state. We are hovering around \$22,000-24,000 for timber receipts at the current level. That is what we can expect to work with in the near future unless there is some really big change. That is where we are at. The structure now.....in January when the new court started working on this, we realized we were going to have to make some big and difficult

decisions and one of the first things we did, we looked at where we could cut and that was in March, we decided we needed to eliminate the position of road master. Commissioner Ordway took on additional responsibilities and became the road commissioner and has been working with the road department in overseeing this process that we are going forward with in terms of trying to figure out where future revenues will come from and how we deal with the immediate situation. Then just recently as we looked at our budget and found out what the possibility of getting another reauthorization of the Secure Rural Schools funding, which is very very iffy, we had to make some decisions and so at the end of June we had to lay off four of our six road crew people. This is a huge hard decision and I know people have a lot of questions about how we did it but the current staffing level is that we have one fulltime employee that remains in a union position and one of our positions is no longer union and is now a county employee and that position is a foreman who will take on the day to day responsibilities of supervision as well as be out there operating equipment. The foreman is in Mitchell and the other crew person is going to be in Fossil. This gives you the picture. I am going to be recording questions and comments to the best of my ability. Our next step with our foreman, road crew, commissioners, the County Court and other people who would like to be involved, is to really sit down and figure out our plan for making this happen because it is so new to us we do not have a full plan in place at this point. We are hearing in these meetings what the priorities are and we are going to go forward from here.

Judge Perry-Set meeting rules: If you have a question, please raise your hand. I will call upon you, you will state your question and we will give you an answer to the best of our ability and then I will call on the next question. We don't want to step over onto other people's conversations and cross conversations. Please also state your name.

Ms. Richardson: I am pretty tired so I will just read what I have to say. I feel that my husband, after 31 years of work, I have the right to have a few things to say. I came home one evening to hear on the answering machine that several county workers had lost their jobs. In the middle of negotiations, their jobs were terminated. My husband then called the road county department and was told, "Didn't the union representative tell you?" for which Scott replied, "The union representative is not my boss." Still not believing that after 31 years of hard work he would hear this over the phone....my husband did not want me to read this but I am going to anyway....I have the right to....to be heard over the phone by co-workers I didn't believe this would happen. Anyone knowing Scott knows that he does a job and he does it well. He may not be great at PR...not a great care person but his work ethics are impeccable. This board had two days to answer a simple question that I had asked and they have not answered and I will ask the same question. I do not feel that they have listened and in my opinion I do not feel they care, for I feel that they had a personal agenda from the very beginning, which I believe was created.....back to the facts....that is what I believe. Not only did Scott have seniority after 31 years of hard work, he is also the most qualified grader/operator around this community and in a lot of places. The first thing Robby Ordway did was to have Scott and other workers fix a corner and a culvert etc. which the men know what that means....I don't do road work...which cost the county lots of money. When Robby wanted a job done that he wanted it done for benefits, I feel he had Scott do it because he knows that Scott does a very good job. I don't think anybody can deny that. When that job was done, Scott was sent over to pick up garbage to Fossil with Scott Davis and do other menial tasks without grading roads; other people were put on as grader that do not have the qualifications he did. How is that in the best interest of our county? Scott was also told by Robby.....Robby told him that he wanted to see that the bathrooms were cleaned once per week-he didn't t say that he wanted Scott to do it-he just wanted to see those bathrooms cleaned once a week. I don't believe anybody else thought any other counties were told that....to clean the bathrooms. There are many things I could go on and on about but I won't. I got this question for two days and still have not received an answer. One is for validity...What did you go by when choosing who to keep for this...County Court? Was it seniority? Obviously not. Was it work ethics? Productivity? What was it? Last night Robby stated that they preferred to keep an employee-they promoted him to a foreman post position because he has management background. I believe that the management background is his wife's business, which I am not sure how these management skills pertain to the county road department. Chris Perry mentioned that the other person worker that he retained, due to special skills who I understand is JT, who I guess people have been calling him and

saying I have been talking about him....No....I have simply stated...with mechanical skills, however, were these skills needed with a fulltime crew all the time? Are these skills going to be needed more often than changing tires, grading roads, using a chain saw, cleaning culverts with a shovel and other menial tasks that are needed on a daily basis when you are doing road work? I do not know these men and understand that they want their jobs as well as anybody else. But I believe the County Court was elected by the people to serve the people, voted in by the people. I do not believe this County Court is in the best interest for our county. I believe that they all have their own personal agendas and I was told about this personal agenda before some people were even voted in here and I did not believe it.....I do now because this personal agenda has not wavered from the start.

Constituents: Clapped and stated approval of comments.

Judge Perry: Thank you and if you would like another chance for us to answer your question as far as why we chose to keep them individuals...we looked at the combination of skills and experience and made that fit the amount of money we had to spend. We looked at keeping an employee in the north end of the county and one in the south end of the county so there would be quicker response time to take care of situations that come up and there would be a savings of travel time and two more hours at each shift that could be worked.

Commissioner Mitchell: If you (Ms. Richardson) would like to submit your full comments to us, we will make sure that they will get put into the record.

Ms. Richardson: I have no faith in you I don't need to submit anything.

Commissioner Mitchell: I just wanted to give you that opportunity.

Mr. Sharp: I am one of the people who was laid off. I would like to know...will you please introduce the lady who is sitting up there-she has not been here before. I would just like to know who she is.

Judge Perry: I will do that...Ann Hanus, she is a policy manager with the Association of Oregon Counties (AOC). She is here, after we field some questions and wind down a little bit, she is here to give a power point presentation to the group as to things that are going on statewide and in our county as far as funding.

Mr. Sharp: Nice to meet you.

Ms. Asher: I don't know the lady that just spoke and have known Robby, Chris and Anne for quite a while. Chris not as well as the other two...I have known Anne since she first came here. I don't personally think they have a personal vendetta or an agenda. Anne especially, has not been her long enough to make as many enemies as I have. You gave....Clarence Asher years as judge.....you gave Buck Leckey years as judge...Lee Hoover, Jeanne Burch, Marilyn Garcia...all of them years. These poor people have only had six months; could you not at least give them a year or two to see they can do? I don't think that any of us, when we first start a job, are that great at anything and I know that some of the county employees feel that way too. They have had to work very hard to get where they are. I don't think it is fair to all-of-the-sudden say that they have a personal agenda because I don't believe they do. I am here to support the County Court. I am sorry that people lost their jobs. It is devastating I know but you know...at least listen to them and bear with them and see what happens.

Mr. Nelson: I have checked a little bit with the Gilliam County road department. Their employees make half what Wheeler County employees were making in wages.

Constituents: That is not true....just not true.

Mr. Homer: You actually appointed us a year ago....to look into the road department thing and see where the expenses are and what we are going to have to do. It didn't have anything to do personally with any one of you...this whole thing doesn't.....actually the whole thing belongs and is actually the union and the only way to put the union out is to have all of you gone. That is the only sensible thing... is to get rid of the union and we have to have no one work there for two years to do it. You haven't got any money to do it anyhow so that is what we came up with a conclusion, it was several of us all over the county, you actually stood behind it and I don't think it is a bad deal.

Mr. Richardson: Can I ask Mehrten for some clarification as far as you standing behind it and who was standing behind it when you said that?

Mr. Homer: We gave a recommendation and they actually must have went through with it I guess.

It had nothing personally to do with anybody at that point. As far as the union goes, it seems to have a hell of a hold on you guys....am I right.

Mr. Richardson: In what respect? I don't understand the question I guess.

Mr. Homer: First, I guess everybody was pretty expensive and all the stuff that goes with you....the insurance and benefits and everything else that goes with you...and then secondly, if you go out and work with you...and I haven't done it in a long time but I used to....just about the time you get going, you have to stop for 15 minutes cuz the union says it's okay. You gotta for noon you gotta stop after that...hey you don't get a damn thing done all day.

Constituents: That is Oregon law.

Mr. Homer: All we were doing was the dollars didn't fit what was coming in and what was causing it was that and you said you gotta go two years without two years without the union to get them outta here cuz they won't just let you put them out the window and keep you guys working. That's what we understood.

Mr. Richardson: In the courthouse....

Mr. Homer: There not in the union.

Mr. Richardson: They are not in the union but don't they have pretty much the same pay scales.....

Mr. Homer: Oh no they don't.

Mr. Richardson: Pretty much the same.

Mr. Homer: It doesn't matter....all I am saying is that.

Judge Perry: Let's go on to other questions.

Commissioner Mitchell: In our deliberations, I know that we had some information that a committee had been formed and had recommendations and kind of came up with the fact that layoffs were going to have to happen. But at no time did we discuss or I had no information about the whole thing about the union and the two years. Our deliberations and our discussions were just based on the numbers we are dealing with here.

Mr. Homer: You just asked for our advice and we gave it.

Commissioner Mitchell: We did not have discussion based on that recommendation.

Ms. Dumler: I would like to know the names of the "we".

Judge Perry: Committee members were made up of two from each community: Jeremiah Holmes, Merhten Homer, Wes Whelchel, Nancy Kartak, Earl Mortimore, Peggy Williams and Ms. Thomas.

Ms. Dumler: Their recommendation was to can.....or...

Mr. Homer: Get rid of the whole road department.

Ms. Dumler: Okay, why wasn't the whole road department let go?

Mr. Holmes: Our recommendation was to lay off some of the road department because the numbers would not match. It was not the whole road department and it was never....my recommendation as chairman of that committee.... it was never recommended in County Court that we get rid of the union either.

Ms. Williams: There were actually several recommendations made-some of them were buying out some of the senior employees and as people retired...not filling those positions...having them go by attrition things of that nature. There were a lot of recommendations that we made and it was up to the County Court to look at it, sift through it and see what was best. There were a number of things.

Mr. Homer: It wasn't black and white.

Ms. Williams: No, it wasn't black and white...there were several options and the County Court, at that time, chose not to take any of the options.

Commissioner Mitchell: What year was that?

Ms. Williams: It was a few years ago....in the winter.

Ms. Wilson: I would like to know how it is cost effective to have someone driving from Fossil or Mitchell to care for the Spray area county roads. How is it cost effective?

Judge Perry: Spray will have an overlap of service. They will have people maybe start their patrol or snow plowing in Spray and work from there either south or west. There's lots of options. As people pointed out at the last meeting-they pointed out that not each area receives the same weather; a lot of its gonna be communication.

Ms. Wilson: It wasn't mentioned last night but a few moments ago that you had made one of the people left a foreman. Does that now mean that Robby will not be overseeing the county road department but the person you are calling a foreman will be doing that? And if so, will he be getting a pay raise?

Judge Perry: Robby will remain the road commissioner, which will be.....and the foreman will be in charge of the day to day management and working up work plans.

Ms. Wilson: Robby, what qualifies you to be someone that can oversee a road department? What qualifications do you have?

Commissioner Ordway: I have lived in Wheeler County my whole life.....

Ms. Wilson: So have I pretty much my whole life but that doesn't qualify me as someone to oversee the road department.

Commissioner Ordway: That's your opinion Janet.

Ms. Wilson: Yes, can't you give me any more qualifications that you have to oversee a road department and in doing so did you get a raise in salary?

Commissioner Ordway: A raise in compensation for the road commissioner? No, I did not. The four months that I served in the capacity of the direct supervisor for the road department employees, I received absolutely no compensation for that.

Ms. Wilson: That is odd because I saw you driving a county road vehicle around an awful lot.

Constituents: Agreed.

Ms. Wilson: Did you put your own gas in that vehicle?

Commissioner Ordway: No. Actually I did not. When I had that vehicle out, it remained at the county shop in the evenings and I took it when I had to go to Mitchell, when I went out on the roads at Spray and when I came to Fossil.

Ms. Wilson: That is why it was parked in front of the Spray General Store the other day for ½ hour or 45 minutes?

Commissioner Ordway: I was actually in talking to a constituent.

Ms. Wilson: Wow. Could you give me any other qualifications that you might have to do this job?

Commissioner Ordway: Well, I have worked as a mechanic for the last 21 years.

Ms. Wilson: On Mercedes Benz.

Commissioner Ordway: And for the last 15 years I have taken care of the Spray School District. For the last seven years.....

Ms. Wilson: You did the mechanics on the school buses?

Commissioner Ordway: Yes, I serviced the Mitchell school buses for the last 7 years... Monument School District for 2 years.

Ms. Wilson: If you made this other person a foreman, why do we still need you as a road commissioner and at any time in the past has Wheeler County used a commissioner to oversee road projects?

Judge Perry: That was done in order to save a major management cost to the road department...was to no longer have a road master but to have a road commissioner. Let's give others a chance to ask questions.

Ms. Wilson: I can wait to ask other questions but nobody else was.

Ms. Smith: In my experience with the unions, isn't it a union requirement that there be a foreman or manager... something like that and so this position was created as a union requirement or am I mistaken?

Judge Perry: The men have to work under a formalized work plan and that requires day to day management.

Mr. Moore: Can you give me a ball park number of what we are saving by cutting these four employees. It is costing \$200,000 some to cut them and what are the savings?

Judge Perry: We are working at trying to have sustainable road services and sustainable budgeted levels and the number we are striving to stay in....and we will go over it....it is just the way it works.....I am sure by calling on.....every day to day operations.....we are operating so close to the \$178,000 known revenue that we will have.... we are striving to stay at a sustainable level so that we have a road department for a long period of time and not a road department for another year and a half or two years.

Mr. Moore: Can you answer if there is an actual first year of savings by cutting four employees?

Commissioner Mitchell: Yes. Our obligation to current liabilities is \$360,000. That is for all six. With two remaining, that is reduced. I do not have the exact figures. We distributed this without names (handout of employee salaries without names). It is public information in terms of salaries and benefits and total costs. With our projected revenue and if we were going to continue with the level of staffing we had in 2012-2013, we would be operating at a loss of \$899,000. We can give you exact numbers but do not have those here tonight.

Mr. Moore: I will assume with the amount of unemployment you will pay, the road department is self insured for unemployment.

Judge Perry: We pay unemployment going out.

Mr. Moore: So you don't pay insurance for unemployment? Was that ever discussed?

Judge Perry: I am sure everybody always knew what we owed on the tail end of losing employment-laying off. We have always known we had numbers we had to reserve for, for unemployment.

Mr. Nelson Jr. : What is the foreseeable future for the road department for winter and ongoing years...maintaining the roads and all that? Are you hiring people back later or what is the plan?

Judge Perry: Our plan is, and it has a multitude of answers, to...as funding comes on or we figure out other ways to grow the road department as funding grows, we will grow our road department and if the people that have been laid off are available, they will be recalled as per the union contract.

Mr. Richardson: To Commissioner Mitchell—You referred to the payroll sheet... the total cost...aren't there 8 positions listed?

Commissioner Mitchell: That was for six employees.

Mr. Richardson: On the sheet aren't there 8 listed?

Commissioner Mitchell: This included the recent retiree and the road master.

Mr. Richardson: Actually that is not correct then.

Commissioner Mitchell: We can get the exact costs. The operating loss we are talking about is calculated for the six-those that were remaining.

Mr. Richardson: As the reference you gave to the people here that had that information and said that was the actual operating cost but it is inflated.

Commissioner Mitchell: Right. That is a list of road employees and I misspoke when I said that it was the only six that you were looking at in June. That includes the road master and it was probably put together at the beginning of the year when we were looking at the budget. One of the things that I failed to point out and some of you may have seen it.....we do have an emergency reserve fund so we will not only have \$167,000 to work with in the coming year. Over those years, they have set aside some reserve funds and some of that is for catastrophic failure; if we have a major flood or something like that, we have funds to address those. It's \$500,000. There might be other funds that might come in if it were a major flood. We do have an equipment reserve of \$157,168, which is reserved for if we need to replace equipment-that is my understanding of that.

Ms. Stubblefield: If you have a catastrophic event, where is your equipment and manpower going to come from to respond?

Commissioner Mitchell: We have the equipment and we would be able to pay for the manpower out of those funds.

Ms. Stubblefield: Non-union manpower I assume?

Judge Perry: In the event of a catastrophic event and an emergency is declared, we are allowed to bring in contracted services.

Ms. Stubblefield: You are going to have contractors come in when you have an issue.... is that clear?

Judge Perry: Only if it is a catastrophic event.

Ms. Stubblefield: Well, it will be.

Judge Perry: The union is pretty specific in the contract as far as bringing on contractors.

Mr. Jones: I would like to ask a few questions to make sure I understands the challenges that the court is facing. At the present, the operating loss is \$899,000 for the 2013-2013 year?

Commissioner Mitchell: That is if we operated at the current level of 2012. If we move that into 2013-14 at that same level of operations, that is what it would be.

Mr. Jones: Your current liabilities that you spoke about which relates to paid time off and unemployment benefits totals \$360,000....those two combined are 1.2 million and you are taking that number and reducing it off the reserve that you have, which is 1.36 million to come up with the balance to operate the road department at \$167,000.

Court: Correct.

Commissioner Mitchell: \$200,000 of the money that is invested right now...of that \$1,366,000, \$200,000 of that is actually money that is for equipment replacement that came from the insurance from when the Spray shop burnt. That is my understanding that it has to be used for equipment.

Mr. Jones: When I look at this and I will say first and foremost, I can only imagine the position that you folks are in as elected officials. Taking personal criticisms and trying to do best for the folks of Wheeler County and you are trying to create a plan that is going to last for some time. I personally would like to say, "Thank you".

Constituents: Applauded comments.

Mr. Jones: It is very difficult and I would not want to be in your shoes. I feel bad for the folks who lost their jobs. I really do. It is very challenging. If we had more elected officials in our federal government who make difficult decisions like this I think we would go a long way....thank you.

Ms. Peterson: We in Spray are just hoping for no snow this year.

Judge Perry: I would like to see no snow in all our county but our farmers would not like that.

Ms. Wilson: We are trying to find solutions on how to save money. And I had a question last night and she wrote every question down-I want to know how much money does it cost to spray our county roadsides with chemicals every year that are doing no good? Did you happen to have an opportunity to find out how much it costs to do that?

Judge Perry: Every year we pull out of that line item into Title III funding around... \$50,000. It can vary-from \$46,000 - \$53,000.

Ms. Wilson: That would keep one man working in Spray.

Judge Perry: It is real specific what you can spend it on and it is specific to fuel reduction. It did keep part of a position in our road department. We had a person in the road department that had the qualifications to do the roadside spraying.

Ms. Wilson: Are you telling me that you are being subsidized to spray the roadsides?

Judge Perry: Ya, that's a good term for it.

Ms. Wilson: Who are you being subsidized by?

Judge Perry: Federal Government.

Ms. Wilson: So we are putting out that much money to be guinea pigs for big chemical companies basically. Knowing that the county road department is going broke, and you had to lay off all these people, why was \$15,000 spent on county roads around Ordway's property even though it was on a list and there is a whole list of things to do, but because we are going broke and we are in a war, everyone has to make sacrifices. There has never been a war that the American people did not have to make sacrifices; it has always been that way and we seem to forget we are at war, but why, because we are going broke....we need to focus on things that are dangerous, on plowing the roads for the school buses, yet \$15,000 was spent to upgrade the county roads in that area. Nobody before had approved of that work being done. \$5,000 of that was contracted out rather than done by our own county road department.

Judge Perry: Two different corners. One was done by the Ordway property, that was done first. The second corner that was forecasted at the cost of \$15,000, which was a safety concern down Rowe Creek. We came in lower than \$15,000. The number came in at \$9,619.

Ms. Bolton: I wanted to answer some of Janet's concerns from my point of view. I understand what she is talking about the spraying. I did not used to like the chemical spraying either but I have seen the difference it has made on our property as far as....it's a continual battle with thistles. No matter how much you spray on your own grounds, which is very expensive, you still fight it along the roads and you are fighting a losing battle. I have seen that it helps. As far as the noxious weeds, the State of Oregon works at that everywhere. Every county has to work at that because noxious weeds are very detrimental to the state. As far as the corner that keeps coming up...that was on the list and okayed by the County Court years ago....years ago....and DeWayne Simmons, who was our road master chose to ignore it.

Ms. Wilson: That's the point.....years ago.

Ms. Bolton: As far as a safety concern...our children get on the bus on that corner and that is safety as far as school buses are concerned. It is a safety because as you are coming up to that corner you could not see by it and the drivers themselves complained about it. It is not something that Robby took on, it was something that was already there and ignored and that is why it finally got done and thank goodness for our children that it did get done.

Commissioner Ordway: Did not have anything to add-that pretty well took care of it. I am looking through here at a bus driver and I think she can attest to that.

Ms. Dunn: Are you talking about the one on Rowe Creek Road?

Commissioner Ordway: That one also and the one on Kahler Basin Road and the danger of the bus stopping on the corner and what the driver....

Ms. Dunn: It should be avoided at all costs. The corner on Rowe Creek Road that was fixed and worked on.... I came around there one time in the winter and on bad roads and there was a rock in the middle of the road darn near as big as the front of the bus. I drove a standard size school bus. Thank goodness I had training for a 2-inch clearance. I could get around it with just minimal clearance and called it in. They came and shoved it off the road. The rocks are continually falling on that corner....it is very hazardous.

Ms. Wilson: Alder Creek Road is very hazardous too.

Mr. Andersen: The corner on Rowe Creek Road is adjacent to my property. In the five that I have been here, I know of three times people have gone directly.....instead of turning the corner, they have gone directly off the edge. There has been at least two serious accidents there. The rocks there...it was 21 feet.....I have moved rocks, have taken my tractor down there and moved rocks, have stopped people and asked them to help move rocks. It was probably as dangerous as anywhere in the county. I can't imagine anything more dangerous than that sharp turn. As much as it pains me to have to say it needed to be done, they had to do it. They did a good job. The whole crew was there as far as I know and they worked hard. It was something that if somebody ever got into a serious accident there, it could have been a lawsuit against the county.

Mr. Richardson: I think there are tons of corners in the same situation in the county. Regarding Chris...is there some way you can put out how you came up with those figures? I told you on Monday I thought it was \$60-80 thousand dollars and I told you last night that I figured out my first three weeks in cat time, based on cat rental rates charged by the county, and you told me we can't charge by those rates. You also said the county is going to discontinue doing private work because they were losing money. If you are losing money at \$120 an hour per cat, how can you do it when you are doing it on your own road for any less than that?

Judge Perry: My thoughts on it is the rental rates are for when we do a state or federal project or private project. Them rates are charged out to projected costs so we can recoup that money from project costs. When we do work for ourselves, that equipment belongs to the citizens of Wheeler County. That equipment, while doing our own project work, our own right-of-way, our own safety, snow removal...I don't see how you can charge that out...who would you bill it to ourselves?

Mr. Richardson: We are trying to come up with a cost for the corner and you came up with a figure and I don't know how you came up with that figure, especially so small, especially when you said last night that you paid Earl Mortimore over \$5000 for his involvement.

Judge Perry: That is included in that figure.

Mr. Richardson: Yeah, that blows my mind. I was there for 5 weeks....

Judge Perry: I will give you the numbers. I know this is really perplexing for you so I can clarify it for you.

Mr. Richardson: It really is....it really is. If we can do that, I mean we have so much money to run the road department I think we can have ten people working if we can do that corner for \$9000.

Judge Perry: Ya, \$6,720 was the hammer cost for equipment rental and of that the other cost associated with it was \$2,899 for fuel and oil. With them two figures added together it was \$9619 and that includes the fuel for the pickups and equipment.

Mr. Richardson: So you are saying that it doesn't cost anything for the personnel?

Judge Perry: Wouldn't the personnel be working anyway Mr. Richardson?

Mr. Richardson: They aren't working today.

Judge Perry: I would rather see them working on a public safety project.....

Mr. Richardson: Today they are not working.

Judge Perry: Point taken.

Mr. Nelson: Back to the noxious weed.... a lot of people don't realize the federal government recognizes the juniper tree as a noxious weed; they should be removed from their property and the federal government is putting out some money to help remove them but on private property, if you can, you need to be getting those juniper out because they are taking the water, the grass feed from the cows, horses, livestock and wildlife.

Judge Perry: Agreed.

Ms. Wilson: You mentioned that you will probably not have the county workers run the crusher and that you find it cheaper to purchase the gravel. Driving past the crusher site I looked at all the equipment. If we are looking for a way to make money, I wonder what you are going to do with all the crusher equipment. Gene brought up a point about insuring all that equipment....an overload for two people. The insurance to cover all of that equipment would pay for someone's wages for one year. I want to ask again, what is going to be done with all the crusher equipment and all the excess equipment and blades and whatnot?

Judge Perry: Our plan is to only insure the equipment that we need to use. The extra equipment will sit unused and uninsured in moth balls basically until there is a need for them. Our long term forecast is not to....we are here to build a road department, not for our road department to go away. The need for that equipment, if we need to purchase that equipment in the future and we sell it for pennies on the dollars right now, in order to make a purchase and buy back, it isn't good business to sell things for pennies on the dollar and then when you need it to spend.....

Ms. Wilson: The equipment....sitting unused doesn't it depreciate in value because everything dries up in it and the mice move in and chew up the wiring? Are you going to have this unused equipment constantly kept up? It just goes downhill.

Judge Perry: As far as depreciation, most of our equipment is pretty antiquated. The appreciation is all out as far as equity. You are right...equipment that sits does end up with seals drying up and other factors with fuel getting old. It is something that we are attentive to, thank you.

Ms. Wilson: I wonder if any of the other commissioners took a position of power over the road department.

Judge Perry: I think we are on uncharted ground to tell you the truth. Other counties have commissioners that oversee their road masters and road departments but I think we are actually the first to take over active management.

Ms. Wilson: I just want to say that I feel as qualified as Robby does to oversee a road, county road department. My father worked at Bend Aggregate and Paving Co. for 45 years.

Constituent: Maybe you should put your name on the ballot next time.

Ms. Wilson: Ya, maybe I should.

Mr. Wilson: These guys and lady have made a hard decision here to try to keep this thing alive. There are going to be a lot more hard decisions to make about our county government and how we are going to supply the services we need to survive here to live here and prosper. This is a good first step and am proud of you guys for what you have done.

Constituents: Applauded the comments.

Ms. Wilson: I agree with him but they should have fired everybody.

Ms. Ann Hanus (AOC):

I work on transportation issues and unfortunately, there are many counties in Oregon that are facing very serious financial problems along with Wheeler County that have to make some very difficult decisions. Ms. Hanus presented information regarding what is happening at the statewide and federal levels and how this is impacting Wheeler County. Documentation may be viewed by requesting a copy through the Wheeler County Court.

Oregon Road Jurisdiction – Counties have 26,000 – 27,000 total miles of road they have to maintain in the state. That is compared with ODOT's 8000 miles.

County Road Revenues - Looking at counties in total across the state, roughly half of the revenues in the state for the counties come from the state highway fund (gas tax, vehicle registration fee, etc.). Counties receive approximately 30% of that money that comes into the state. The state shares it with counties and cities. State gets 50% and cities get 20%. There are other sources that counties have such as property taxes and timber receipts, which are especially important to timber dependent counties like Wheeler County.

Count Road Funds Expenditures – Counties spend over half of their money for operations, maintenance and repair and preservation. There is a small portion (20%) goes for construction and expansion and most of that is in the larger populated counties in Oregon. Unfortunately, county road personnel, from 1980 -2010, are decreasing because counties are losing timber revenues and also other financial problems have hit. The high cost of the materials is also crippling counties and the state.

State of Oregon– Has its own financial difficulties. The state took about half of the money it got and bonded it because there were many projects around the state that needed to be done. Statewide Transportation Plan (STP) funding is decreasing. It is the money that is used and distributed around the state for transportation improvement projects. When the last legislation session ended, there was no major transportation package in place. They are hoping and advocating for a transportation package in the next legislative session, which is two years out and there is no certainty of what will happen.

Impact from the 2009 State Jobs for Transportation Act – The good news is that 70-80 million dollars of that went to counties. Wheeler County received \$45,000 because the money is distributed according to population and vehicle registrations. For counties that have low population and number of vehicles compared to large counties, you do not get as large of a share of revenue. The bad news is that the loss of timber revenues has been devastating for Oregon counties, not just for Wheeler County. With the mills not running, timber harvesting not being taken and the uncertainty with the Secure Rural Schools...what that has meant to Wheeler County and statewide, there is a 100 million dollar loss. For Wheeler County, that translated into almost a \$600,000 loss or more. This information is from 2009 to present.

History of Forest Service Payments – Graph shows from 2001 and projecting forward after 2012. There is a precipitous drop in U.S. Forest Service payments. The county commissioners here and across the state and citizens are seeing that the loss of the revenue, of which the bulk of it can be used for county roads, has dramatically dropped and has hurt when counties are trying to figure out what they can count on for continuing operations.

Timber Receipts – 25% of the gross receipts that come off of timber harvesting are given to local governments and that then has to be divided – 25% to county schools and 75% to county roads. When the timber harvesting stopped, so did the revenue. Safety Net was there with the Secure Rural Schools, but again, where we are at right now, it has been declining a lot and we have been going agonizingly almost year to year such that we don't know what is going to happen in the next year. One of the important things to know is that those changes and how the distributions happen are not uniform; it does not go into one big pot in the state. It is distributed according to what historic timber harvest was or from state revenues according to population and vehicle registration. Ms. Hanus presented a graph of Oregon Counties that have been hit extremely hard. Unfortunately, Wheeler County is one of the worst hit in the state and those counties are really struggling now.

Timber Payment Reauthorization – AOC has been working very hard, along with the coalition of other county and other states around the country. The congressional delegation has been working hard as well. Congress has not been working well together and it is extremely hard to get anything passed. Currently, Senator Wyden's office is trying to attach a reauthorization amendment to a bill dealing with helium. It is very difficult and if it does go through, it is usually for just one year of funding and at a lesser percentage of funding. From a legal standpoint, you cannot budget for that money until you actually know that you have the money.

Federal Transportation Funding – Last year, Congress passed MAP-21 (Federal Transportation Reauthorization). If they didn't pass it, the federal trust fund for transportation was literally going to go broke so they had to come up with how to fund that. The federal gas tax at \$0.18 has not been increased in over 20 year. Congress chose not to increase the gas tax but instead moved some funds

around and the federal reauthorization lasts for another 1.5 years and then they will come together and look at it again. It is a difficult way, if you are trying to plan transportation projects some of which take years to plan, to try and figure out what funding you actually have. Of the federal transportation funding that comes through the state and then a portion of it is distributed to counties (approximately 30%), Wheeler County receives \$139,000 per year. In the short term, Ms. Hanus does not see anything coming down from the federal level that would increase the amount of money the county currently receives. One of the overall issues that state and federal governments are facing is what to do about the gas tax because a lot of the vehicles on the road are much more fuel efficient (good news) but less revenues are coming in (bad news). Gas tax revenues are decreasing and by 2025, the federal energy standards go up to 55 miles per gallon on average.

U.S. Infrastructure (national standpoint) – Because we, as a country, have not been investing in our infrastructure we have been falling behind from a competitive standpoint. The United States ranks 24th in the world behind Portugal and Malaysia in terms of the amount that we invest on a per capita basis. The American Society of Civil Engineers has given the country a grade of a “D” for roads and transit and a “C+” for bridges.

Future Options for Consideration – If there was a \$.05 state gas tax increase, it would give Wheeler County approximately an additional \$20,000 per year. Wheeler County can impose its own \$.05 local option gas tax that would need voter approval. This would give the county approximately \$10,000 additional dollars per year. The county could have a local option vehicle registration. If taken up to the legal amount, it would tack on another \$43 to the vehicle registration. This would also need voter approval and would yield approximately \$100,000 per year.

Ms. Hanus gave out her contact information and encouraged constituents to get in touch with her if they have questions or comments following the meeting.

Ms. Smith: Where do we go from here?

Judge Perry: We go in the direction of a sustainable road department that provides sustainable services and to build a road department with funding as we gather and address situations as to weather or road conditions and modify our plan as conditions present themselves. Our goal is to have a continued road department; a road department that will continue on and not just one day we shut the doors and not provide services at all. That’s the direction we are going.

Mr. Logan: Do you have an idea what that looks like?

Judge Perry: Suggested Mr. Logan look at the handouts as a reference as he came in late. What that looks like is two people; one employee and one road foreman and they provide road services north and south of the river and work together and overlap in the Spray area. That is what we are looking at right now and are looking at increasing our ability to fund more so we can build more. We cut it back to a level that we had sustainable funds for and our goal is to grow a road department with the funds we can secure.

Commissioner Mitchell: One of the options that we do have is that there are grant funds available. We do have the option to apply for funds, for special funds for projects such as.....do not recall the name of it but there are some available for maintaining roads that access federal forests. Some of those things that will help us fund specific projects...we will continue to do that and seek those out as we can and that is one of the things that Commissioner Ordway will be working hard on. Our next step is that we will be working very closely and hard with our foreman and crew to sit down and write a plan and this will be ongoing for the court. We will be talking about this at most of our meetings coming up and we would encourage you to submit your ideas and comments and participate in the process. What that looks like....we are not quite sure but obviously we all need to work on this together and we invite you to remain engaged in this process.

Constituent: These meetings are open to the public?

Commissioner Mitchell: I am talking about the County Court meetings and nothing else has been sent forth yet. That will be a conversation of how we move forward with developing the plan and how to move forward.

Mr. Richardson: Question for Robby – Robby, you came out and told us, before I went off on vacation, about a week before...as of June 10th, Randy got from Chris... after a kind of failed negotiation session, Chris announced and you came out and announced to the rest of the crew that the road department was going from a 10 hour day to an 8 hour day. You said, “To be more in the public eye.” I asked for clarification and you said, “To be more in the public eye.” That was the only thing you could say and that is exactly what you said Robby.

Commissioner Ordway: That’s not what I said. The idea was to have the crew available five days a week.

Mr. Richardson: Is that cost effective to the road department to work the extra day and to be traveling back and forth the extra day than working a 4 day week? Is that cost effective? There are more breaks, it takes more fuel and is it more cost effective? Whoever is in Mitchell and overlapping in Spray...they are traveling an extra day, they are on the road being paid for that road time....starting their rigs up in the morning and doing all this stuff. Is that cost effective?

Judge Perry: In the first part of the conversation as to why we did what we did, we will have somebody in the south of the county and somebody in the north county so they’re not wasting two hours of travel time.

Mr. Richardson: If you have the guy in the north end of the county he’s got a big tree in the road and he needs to take a power saw and do it but he can’t take the power saw, you’ve got to bring the guy from the south end of the county so how does that work out?

Judge Perry: That is for us to determine with our work plan and how to best provide services.

Mr. Richardson: Is that in the best interest of the residents of Wheeler County?

Judge Perry: We’re being fiscally responsible and I believe that is being in the best interest of the citizens of Wheeler County. With that I would like to field anybody else that has any questions or comments that they haven’t had a chance to speak.

Mr. Lorts: If within the next year or 18 months you are able to rehire somebody, would be you recalling the former employees?

Judge Perry: That’s the union contract...if they are available to work. Like I said at the last meeting, we can’t expect them to wait around and wait for a job but if they are available, there is the recall option.

Commissioner Mitchell: Thanked everyone for coming and noted that the court will take all the questions and comments and put them altogether and do all the research they need. The court will get information and answers out on the website and in written form as soon as possible.

Judge Perry adjourned the meeting at 7:44 p.m.