



**OBSERVER CORP REPORT AS OF JUNE 7, 2016**

**26 April 2016 to June 7 2016**

**WEBSITE ONLY EDITION**

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**4/26/2016: All Commissioners were present. Former Commissioner Rachor was in the audience.**

**1. Discussion of Association of Oregon Counties’ (AOC) International Relations Subcommittee – Colleen Roberts:** Commissioner Roberts (Roberts) became aware that AOC had signed a Memorandum of Understanding (MOU) with China on 10/20/2015. She has not seen the MOU and wants to know and understand Jackson County’s (the County) position on the MOU before any resources of time and money are spent. She is against involvement with China. Commissioner Dyer (Dyer) began the discussion by observing that sometimes there can be a constructive use of investors from China such as the possibility of interesting Chinese investors in the Table Rock Resort that Bob Cole has tried to develop. Commissioner Breidenthal (Breidenthal) indicated that AOC is trying to help people and businesses understand the cultural differences and connect business with investors. He has met frequently with Bob Cole in relation to economic development locally and gave Mr. Cole’s information to Chinese investors. After further discussion, Dyer and Roberts agreed that they need to see the MOU and directed staff to obtain a copy for them. Dyer and Roberts agreed that no more time, money or resources should be spent on this until there is further discussion and that neither see a need at this time for anyone to go to China with the AOC.

**2. Discussion and Deliberation in the Matter of Rescinding Order No. 316-08 – Breidenthal:** Breidenthal said he had been reviewing old BOC orders and raised Order No. 316-08 which allows the Administrator to obligate the County for up to \$5 million if the BOC is unable to convene. He feels that the BOC can always get a quorum and there is no need for the authorization. A lengthy discussion ensued. The County has used this authorization seven (7) times in the last eight years. The authorization was initially lower and was raised a couple of years ago because of the size of road projects. Since the limit was raised it has only been used three or four times. Danny Jordan (Jordan) keeps a log of each time the authorization has been used. It can be used *only* if the item has already been approved in the budget. Jordan recounted instances where a quorum of the BOC could not be found and the losses the County would have incurred had the Order not been in place. He explained the reason for using the Order for each instance. Breidenthal continued to insist that they could get a quorum somehow if there is a telephone. Roberts pointed out that Breidenthal has missed 20% of the 150 meetings of the BOC which means that Roberts and Dyer must be present to keep things moving for the County. After more discussion Dyer and Roberts agreed that no changes to



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Order 316-08 was necessary.

***5/10/2016: All Commissioners present.***

There was a large audience from the public present. The only agenda item was **Discussion Regarding Pacific Connector Gas Pipeline Project (PCGP) – Roberts:** Roberts gave a brief history of the PCGP. In 2008 the BOC was against it. Later the Economic Development Advisory Council (EDAC) took a position in favor of it because of the jobs they believed it would create. Roberts has received a petition from County citizens with hundreds of signatures on it opposing the PCGP on the grounds of eminent domain and she sent it on to Senator Wyden. She said Ordinance 216.23 objects to the use of eminent domain for private benefit and that 67% of the people approved Ballot Measure 39 opposing eminent domain. She wants the BOC to write a letter supporting the denial by the Federal Energy Regulatory Commission (FERC) of permits for the PCGP. A lengthy discussion ensued. Dyer indicated that he believes jobs are important but the PCGP issue has dragged on for over 10 years and the property owners have been negatively impacted; they can't develop their property, sell it and prices, if they could sell it, are negatively impacted. Finality is important. Breidenthal was concerned about EDAC's position in favor of the project. Jordan pointed out that if the project is ultimately approved, the County staff will be required to issue permits – they are not allowed to deny permits if FERC reverses its position and approves the project. Jordan invited a representative of PCGP to come to the meeting to discuss. They refused, saying they would only meet with the BOC privately. Breidenthal expressed concern about jobs, but agrees that eminent domain should not be used and brought up the idea of suggesting that the quality of pipe be upgraded if FERC reverses the denial. Joel Benton, County Counsel (Benton) weighed in on various issues. He was instructed to draft a letter including the issues raised by each of the commissioners and will put it back on next Tuesday's agenda.

***5/17/2016: All Commissioners present.***

1. **Southern Oregon Regional Economic Development, Inc. (SORED) Quarterly Report – Ron Fox, Executive Director (Fox):** Fox introduced Colleen Padilla who will be the new Executive Director as of June 1 when Fox retires. Fox made a presentation covering a great deal and put forth a variety of statistics. During the discussion, Dyer asked Fox whether they intend to fill Colleen Padilla's role. (Note that originally the BOC funded SOREDI with the intention that her role would be created.) Fox said that the Board President was looking at that and evaluating what to do and would come to a decision in a couple of months. Dyer asked the date they would complete the virtual building (that the County had contributed money for). There is no date. Breidenthal said that he is a big supporter of SOREDI but he has growing concerns. This is the fourth quarter where there is no virtual building and no date for one. They did a virtual building for a specific property in 2015 but still no virtual building for a generic property. This is unacceptable. Breidenthal feels that they should complete the generic virtual building as promised or return the money immediately. Breidenthal went on to articulate specific problems with the report format. It does not address the specific issues that the County wants reported on. He is not seeing how the County's \$100,000 investment is correlating with results. At the end of the discussion, Jordan pointed out (he has pointed this out at previous SOREDI presentations) that the County and prior BOC had very specific



detailed outcomes that Fox was to report on. (This Observer recalls Jordan offering over a year ago to give them a format if they wanted it.) Jordan said this BOC is more lenient and now wants progress reports. He can come up with a format for that. Dyer said he had a different interpretation than Jordan of what the BOC wants and asked that this issue come back as an agenda item to discuss and determine expectations for SOREDI.

**2. Review of Letter of Support for Grant Application for Anti-Gang Funding through the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention.** Jordan explained that a letter of support was needed to apply for the grant. Applying for the grant does not obligate the County to accept the money. The grant is for two years, \$100,000 per year for a total of \$200,000 and would be used to hire an anti-gang coordinator who would work with youth. A job description and pay is to be determined. The BOC approved the letter.

**3. Review of Letter Supporting the Federal Energy Regulatory Commission's Denial of the Pacific Connector Pipeline Project.** Benton previously circulated a draft letter to the BOC which included language related to construction standards as requested by Breidenthal. Dyer and Roberts do not want the construction language included and it will be removed. The letter will be copied to Senators Wyden and Merkley and Congressman Walden and will be placed on the County's website. Breidenthal repeated his desire to include the construction language and stated he is not necessarily against the PCGP but does have concerns about eminent domain. Breidenthal said new information regarding the public benefit might outweigh his concerns about eminent domain. Dyer said that he supported the denial based on the information FERC currently has and that circumstances could change. The letter was approved without the construction language.

*5/31/2016: Dyer and Roberts were present. Breidenthal was absent.*

**1. Review and Discussion of Letter to Business Oregon on Behalf of NIC Industries, Inc. – Kelly Madding:** NIC Industries located in White City wants to apply for an income tax exemption under the Oregon Investment Advantage Program. NIC qualifies for the program because it is introducing a new product that no one else produces in the County, actually in the United States. They will initially add five new jobs at 150% of the median income and anticipate a total of 10 new jobs over the next 12 years. They intend to make \$1.050 million in capital improvements. The income tax waiver relates only to the new employees for the new product for a period of 8 years. NIC must operate for two years before getting the 8 year tax relief. The County is being asked to certify that the proposed business will not compete with an existing business; that it is compatible with the economic growth plans; and that the land is zoned industrial, all of which are true. The BOC approved sending the letter.

**2. Discussion and Deliberation of the Natural Resources Advisory Committee (NRAC) and Proposed Changes to Its Bylaws – Joel Benton: a.) Order Revising the Bylaws of NRAC, Order No. 78-16:** Benton said he had been instructed by the BOC to change NRAC's meeting to the third Tuesday of September annually. (Because reference was made to discussions that we did not attend, it was not entirely clear. We believe they made the meetings annual). The BOC had the changes in their packets. **b.) Review and Discussion of a Letter to the NRAC Members:** Benton said he would draft a letter explaining why the changes were made. The BOC asked him to send the letter and to advise NRAC that one of the



commissioners will be present to discuss the changes at the September meeting.

**3. Input from County Administrator – a.) Order Authorizing a Loan to the Parks Fund from the General Fund Regarding the Recreational Vehicle Park (RV Park) at the Expo. Order No. 79-16:** Jordan explained the loan, which was an anticipated part of the funding for the RV Park. A ten year loan at a set rate is proposed. They can chose a variety of repayment plans but he is proposing an escalating payment schedule starting at \$100,000 to give the RV Park a chance to start up. However, as a fund balance is created, the loan will be paid back at a faster rate and, if possible, will be paid off early. Pre-payment will depend on the success of the RV Park. If the RV Park ends up with 80% to 90% occupancy, the County could get \$750,000 per year. They will have to look at staffing since this is a new venture and a high occupancy might necessitate more staff. The remaining items discussed were routine.

*6/7/2016: All Commissioners were present. Former Commissioner Rachor was in the audience.*

**1. Title III Projects Presentation – Traci Carrier, Budget Analyst (Carrier):** Carrier reported that there are eight projects, seven of them ongoing, looking for funding from the current grant allotment. The requests are greater than the money available and she believes that the Federal government will not be renewing the grant. She gave the BOC a packet of information containing a suggested allocation. Search & Rescue are among the projects. After discussion Roberts and Dyer agreed with Carrier's proposed allocation.

**2. Presentation of the Legalization of Foothill Road – John Vial, Roads and Parks Director:** Vial advised the BOC that the entire length of Foothill Road will need to be legalized but today he is only dealing with the section from Hillcrest to Lone Pine. Vial explained the process required to legalize a county road and why it needs to be done. Foothill Road was established in 1869. Many of the markers in the survey no longer exist. A survey was done in 1910 but not officially filed. The entire road will need to be resurveyed but John Proud, Surveyor for the City of Medford, surveyed the portion in question today and it is not far off the 1910 survey, which is good news. The process to legalize the road is: 1. Survey the location. 2. The Road Official must write a report. 3. A Notice to Property Owners must be given, and they are also going to do a voluntary Open House on June 23. 4. A Public Hearing must be held, and that will be done on June 29. Property owners can testify and present other evidence. 5. The BOC then approves the road as surveyed or as changed as they deem appropriate. The process outlined is only to determine the existing right of way. There will be other processes to expand the right of way in the future. The BOC approved moving forward.

**3. Discussion Regarding the City of Rogue River Memorandum of Understanding (MOU) for County Library Facility Emergency Uses.** Jordan explained that the Library District already has such an MOU and that the purpose is to allow the City of Rogue River to use the library facility in the event of an emergency. The BOC unanimously approved the MOU.

**4. Discussion of Commissioners' Schedules and Notification of Absences – Roberts:** Roberts asked that all commissioners confirm that in the transition time (end of Breidenthal's term in office) will comply with the policy to discuss with the BOC the cost benefit of travel or commitment of County resources prior to it happening. Roberts expressed concern about maintaining a quorum since there are only three commissioners. In the discussion it appears that Breidenthal took last week off with short notice and



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agenda items had to be pushed to accommodate him. Jordan pointed out that Breidenthal does most of the travel, he has been out of the office for all but about an hour since the election and it would be helpful to know in advance he would not be in. Breidenthal said that since he can't use staff to make personal arrangements he no longer puts personal appointments on the calendar. Dyer and Roberts both put all of their appointments on the calendar themselves without staff help and pointed out that it is easy to do. In order to ensure that Breidenthal will get everything calendared to facilitate County business, Roberts and Dyer agreed that Breidenthal could use staff to put items on the calendar whether personal or County related.

**5. Discussion of Voting Delegate for National Association of Counties' Conference** – Dyer said he is the prime delegate and Roberts is the second. Since she isn't going, he will change it to Breidenthal.

**6. Discussion of Commissioners' Travel Reimbursement Policy.** (Note that this discussion went on for about 45 minutes). Benton began by pointing out that this BOC had changed the travel policy in that the County will not pay for mileage when a family member is in the car. The County's liability was one of the issues causing this change. After lengthy discussion, it came out that Breidenthal had received a travel mileage advance of \$80. A staff person named Linda had not received a hotel bill in connection with that trip and called the hotel and found out that Breidenthal had a small child with him. Breidenthal said it was his son who was with him due to child care issues. Breidenthal informed the County of this after they asked him about it. Breidenthal was asked to reimburse the County \$80 for the travel advance since he violated the travel policy by having a family member in the car with him. Breidenthal refused, indicating he thought it would be a "donation" to the County if he did so. Later he also said he was checking with ethics authorities to see if he could give the money back. Benton informed Breidenthal that under federal tax law, employers are not obligated to reimburse employees for mileage travel expenses and it would not be a donation. Breidenthal insisted he needed to get an ethics opinion. In addition to that situation, Breidenthal received \$20 for a Fair Board dinner he did not attend. After being asked about it by Linda, he said he had a medical emergency and would not return the money. During today's meeting Breidenthal said that the Fair Board would be giving the money back. It also appears that the travel discussed was not approved in advance and the BOC wants to discuss such things in advance. Jordan informed the BOC that they could allow Breidenthal to keep the money if they wanted to. After more discussion Roberts and Dyer decided that Breidenthal should repay the money and that going forward the County should not give BOC members money in advance of travel. In the case of high dollar conferences, they each have a "purchase card" that has a very specific policy associated with it and can use it for hotels and meals and related expenses up to prescribed limits. Jordan asked Breidenthal whether he will return the \$80 and \$20. Breidenthal says he is asking the ethics people. He did not specify who the ethics people are. Jordan will call the Fair Board about returning the \$20.

--- Respectfully Submitted, Joyce Chapman