

BOARD OF COMMISSIONERS SPECIAL WORK SESSION AGENDA
3:00pm, CBAB, 601 State Street, Hood River, OR - 1st Floor Conference Room

All commissioners present. Legal and Administrator.

- County Funding Options – Discuss Next Steps

(background info attached: May 2019 election results, sustainability resolution #2223, ballot measures text and 2017 polling results)

Chair Oates stated we were unsuccessful with both measures that were placed on the May 19, 2019 election and reviewed what happened at last Thursday's budget committee meeting. 2 items were cut but backfilled the unfunded with cash that came in unexpectedly. Also, an additional amount that went into contingency the past years and that was used and there was funding from MCOGG that came in from the closing of MCOGG. Resulting in minimal cuts and backfilling with one-time cash.

Perkins stated there was a lengthy discussion on how to proceed after the vote. No press was present to report on that discussion. Discussion was do we preserve some of the cash now and make cuts and go back out in November for another tax measure(s)? Which was our initial intention. Seemed to him most folks were good with going for another measure in November. Challenge to explain why we would be doing that, we started down the path of backfilling because if we make the cuts now those services were most likely not be brought back like extension and or closing the health department and deputies it takes a long time and it costs a fair bit to bring the services back. A lot of the services slated to be cut disproportionately affect lower income citizens. The budget committee made the decision to backfill.

Benton asked for point of order we are in a work session today to discuss funding options and the budget plays into that concerned with debating the budget and running a foul of budget laws. Can we make budget decisions at a work session or how much we can discuss?

Perkins said we are not here to discuss passing the budget we are here to talk about how to move forward after the fail of the two tax measures.

Joplin feels it is appropriate to have discussion on anything in a work session setting and not act.

McBride – Noted during the budget committee meeting last week we decided to not fund the public information services, so he is not sure how we are going to move forward with another ask.

Regarding the budget resolution – the budget committee put forward a proposed budget that he believes runs counter to the resolution – it spends over a \$1M and not the \$750K also without cutting more than we have already proposed we the commissioners are putting everyone who worked on this campaign and staff of walking into the public and being called liars because they and I were under the impression that real cuts would be made and when we were challenged about that in public.

Perkins said during this whole year we never said we would cut positions if the measures failed.

Debate over whether the resolution has been followed appropriately. McBride feels we haven't followed it correctly. Benton and Perkins disagree.

Oates – he never said specific cuts would be made or what they would be knowing that we had to go through the budget process.

Perkins – do you try and maintain services at the highest level you can until you have the chance to go out again if that is what is decided to do. He doesn't see going out 3 times. If it doesn't pass a second time he is prepared to make the necessary cuts. The question is do you make major cuts before you must or maintain services if you can until it is very clear that it is not going to happen with additional funding.

Oates – agrees with Perkins but the entire board needs to decide that.

Joplin – feels that when the \$750K was established we all knew that would result in cuts because cost go up each year. We can try and continue to scrape from here and there and we might be ok but feels it is accurate to say that when community members say they will find the money some where and they won't make the cuts, feels that is what she will always work towards to not make large cuts and not allow departments to do the jobs they need to do.

Feels that with a week past the election she has different thoughts on what happened at the budget meeting and believes she would have made a different decision. We need to remember our intent is sustainability with a system that can be delivered year after year.

Perkins said we have another opportunity at the public hearing when we as the commission pass the budget.

Benton wants to discuss the election results with everyone and where the commission wants to go from here. Sounds like we might want to go out with something different. We don't have support from the community for \$4M worth of funding.

Oates introduced Liz Whitmore who served as the Chair of the PAC that helped with the campaign for the measures.

Liz Whitmore – she was the campaign manager she ran several campaigns for the school district and served on the school board. She knows how difficult the decisions are sitting on the board- they closed a few schools and cut positions, ending programs and people were very upset with the school board.

When Mike asked her to attend a PAC meeting to give her perspective, she agreed and had nothing to gain from being involved and had not been previously involved in the conversations and her perception is the public had an opinion of the commission on how decisions were made and how the budget was balanced and knew it was going to be a difficult task. For 3 months the PAC met weekly and took the strategy from the county information and their understanding was that if the measures didn't pass there were going to be cuts made and every single communication that went out repeated those things. They raised \$25K to run this campaign. 5 postcards, radio and news ads were sent and placed and the message was always the same and she was shocked to hear that the budget committee decided to tap into 1x funding and not make the level of cuts they were

communicating to our community and now we are being told that is not going to happen and we want to talk about going back in November or May she doesn't understand that logic. She will not be a part of that because the decision made is to spend more money. She feels the commission needs to do the hard work now. The message to the community needs to be that we will make the hard decisions and make the cuts. Not spiteful to make a point but the statements that we are looking to set a lean sustainable budget should be followed through with. Concerned that the commission is setting themselves up for failure.

Benton thanked her for her help and unfortunate that he never had a conversation with her during this process. He feels her statement would be valuable in a budget setting and encouraged her to come to the budget hearing and make the same statement and it would be especially valuable for the record. It is discouraging to hear her perspective on the process. From a communication standpoint the message you the PAC were putting out was not his intent nor did he feel it was the boards intent.

Liz said there needs to be something compelling for the voters. In 2004 the school district went out for a tax and it didn't pass and they were saying elementary PE and music were to be cut and those cuts were made. The citizens felt that was not good and didn't like the situation and they went back out in May and the message was we cut the items and the community didn't like it and the levy was passed. If you make the cuts and go back out, you will not have an argument. It puts the Sheriff in a bad position based on statements made. Feels the only opportunity to back to the community is when the cliff has come and gone, and all the cuts have been made in 2-3 years then the community might say they were right there is nothing left but doesn't feel you can go out before then.

Perkins said that over a decade ago we made cuts and it is not for a lack of will to make that position but if you eliminate services they will not come back. These are fundamental services for some of the poorest population in the county when the services are gone they are gone. Doesn't feel it is something you can put back together it will take a decade to get it back from the state (speaking about closing the health department) if you can get the services back at all. That is the difference between the county and a school district. It is our fault for not doing better with the messaging.

Liz said at some point you will need the support of the community and need a local option – and a part of that is gaining the trust the community. Feels we almost got there. Feels the paid opposition of the F&B tax brought down the property levy and the competing measures stole from each other.

Maybe the cuts don't have to be as deep as closing the health department but there needs to be some.

Benton – to him it seems like we went out with two measures and they conflicted and had issues the levy almost passed and from his perspective do you Liz think the community doesn't understand we have a problem the questions he got was what is the county going to do with the money if they pass. His communication with the community was great and folks were saying we get it and see there are problems but they asked what we would use the money for. He didn't have trouble saying the funds would be used for good programs but there were not specific dollars tied to specific services.

Liz said part of their strategy with the campaign they didn't want to get into the structure of tax detail but wanted to speak about services and what is important to the citizens. Public safety and health. We said without the funding, there would not be 24-hour coverage for example. The messaging worked for the in town precincts, the no's were the upper valley. Those folks might always be a no, they generally vote no on school

district levy's too. We needed stronger yes in town and the yes votes were on the edge, we didn't have the margins to be successful.

If the people didn't like it the first time what are we doing differently other than just asking for one measure the next time around?

Joplin feels the messaging the PAC did was in-line with what the commission discussed and in her opinion the intent.

Benton – he said that when we started this process he was opposed to 2 measures, wanted a smaller levy and didn't want to go for 2 at the same time. So, when they failed he felt there was a lot of room to go back out and if we don't cut he doesn't think the people won't support it. As far as the messaging and saying we would cut if they don't pass so we have to cut there might be value in that he is not sure but cutting because we said so perhaps there is value in that he is not sure. He still doesn't feel the commissions intent was to make cuts as needed and we have done that. It is our job to provide services to this county on a sustainable level. Feels what we have done up to this point was in line with the plan. Feels if we dropped the F&B and retooled the levy and go back out we might be successful.

If we are going to make cuts to be 100% sustainability we need to make the cuts but if we do that he wants to understand why we are cutting. He would recommend going back out for a levy only and at the same level or lower. Concerned with the comments that Liz made he didn't expect to hear that today and he disagrees a bit.

Hecksel handed out a sheet showing options of a value and what that means as far as maintain current service level, adding some to capital to replace the rolling stock or adding services.

Stated the unsustainable point is the burning of cash. Stated that we need to stop burning cash. When the cash is gone the end is very bad and when something goes wrong you have nothing left to deal with the problem or emergency. We don't want to be there. If that means stair stepping such as use the \$750K you would need to make some additional cuts.

Oates asked Benton about being more specific on what we would be going to out. Oates was concerned about doing that because of the process we need to go through with the budget committee. Benton said the specifics with the levy for example for a specific number of deputies or health department the levy money would be used for those items and if that freed up other general funds there is discretion on what those monies would be used for.

Hecksel said that was pretty much what happened with the F&B tax proposal.

Hecksel asked early in the process if the Commission was interested in cutting one department and moving money to another department and the BOC said no at that time. So that says to him we need to fill the whole at a bare minimum if the commission doesn't want to take money from one department and move it to another.

The capital funding of \$500K has been well vetted by the Public Works Director. Then there is the question of increased services/ability to provide existing services that gets you to a higher number.

Hecksel asked again if the BOC is interested in cutting in one department and using it in another department. Short and or long term.

Perkins said if we are looking at making those size of cuts feels we have whittled in departments and to him we look at a large reorganization.

Benton said this goes back to the discussion of getting sustainable now and if that is the way we go we are looking at a complete reorganization. Without adequate funding we are looking at a complete reorganization.

Joplin talked about making incremental cuts. Benton said he doesn't see the value in making incremental cuts. He is struggling with how he feels and wants to sustain where we are at.

Debate over the messaging and what the intent was and what was relayed to the community. The commission contends their message was that we phase down over 3 years if funding measures are not passed.

Sarah worked on the PAC as well – Does echo all the sentiments that Liz said but wants to speak about moving forward. If the BOC accepts the budget as it is to prioritize the impacts to the budget choices to the community. If the public doesn't see the impacts of the budget situation the passing of future asks will be difficult. Maybe it is not cutting but when planning application – relaying there will be delays and publicizing there is not 24-hour coverage.

Benton said those are great points, there will be impacts even with the cuts put forward by the budget committee and we need to communicate the changes those cuts have.

Oates – if we are looking at another local option – we need to settle on an amount, Oates says we need an expert to help with figures, wording etc. Benton said the expert in the room that has put a lot of time into this her comments has him concerned. Liz said she is not an expert, she has worked on a few campaigns and her comments were her sense of how the community might see this.

Sheriff English – agrees with Benton on the sustainability – we are not running at a sustainable level and to continue to provide the same services they need to add positions. Since the measures didn't pass, they have to become sustainable and reduce liability, provide safety for the employees and he need to following what is provided by the law.

Stated he shared last week at the budget committee and shares Whitmore's concern about being able to pass anything without a change. The PAC received the messaging from the budget package. What it looked like from sitting in the budget committee was you took the 1x funding and shored up the 2 deputy positions slated to be cut.

He sees a potential cliff in June 2020 if nothing passes, we will need to be looking at reducing 6 positions. Every time we lose positions he will have to rescale to fit the level of service we are able to provide with the staffing left.

Benton – asked Matt if he would rather cut 2 positions now and 4 next year instead of cutting 6 positions next year? Matt said yes if that is what is going to happen. Benton said from his perspective if we had those 2

deputies for the next FY and we pass something, but we had cut 2 positions and need to rehire it takes 2 years to get them up to speed.

English concerned about the uphill battle of get a levy passed so soon after these failed. Feels what Benton stated is correct we cannot sustain the current level of services – things need to change now even if we don't cut deputies. Feels this is probably the same in other departments.

McBride – the wording and messaging put out in the PAC was that if these do not pass these items may be reduced or eliminated. We were not able to be specific with what the cuts would take place because of the process we are required to go through for budgeting. Sheriff's association sent a consultant that spoke to the PAC and he would like to be involved with writing the measure if we go back out. There are other professionals that can help with us to get the wording right.

The budget committee recommended that we revise the sustainable budget resolution that will create a finer line that will help a consultant get us to the messaging that we need.

As we move forward feels we need to have a professional consultant on board to work with us.

Perkins said we have \$10K in the budget for that service.

June 17, 2019 – agenda item: discuss a consultant during work session.

Oates feels that more discussion is needed at the June 17th Commission meeting. He was hoping the commission would be able to identify where we need to go now, and we could start getting things set up.

Joplin heard that the PAC members in whole or part are not interested in working with us on another measure at this time.

Adjourned the meeting at 4:49pm.