

MINUTES
VENETA CITY COUNCIL AND LANE COUNTY COMMISSIONERS
MONDAY, MARCH 11, 1991
AT THE VENETA COMMUNITY CENTER
25192 EAST BROADWAY AVENUE, VENETA, OREGON

PRESENT: MAYOR J. W. SMIGLEY
COUNCIL MEMBERS TIM BROOKER, SHIRLEY LAKES, VERN BROCK, AL STARNES

JACK ROBERTS, CHAIR, LANE COUNTY COMMISSIONERS
COMMISSIONERS STEVEN CORNACCIA, MARIE FRAZIER, ELLI DUMDI, JERRY RUST

ALSO: DAN J. DEAN, CITY ADMINISTRATOR, CITY OF VENETA
JIM JOHNSON, COUNTY ADMINISTRATOR
SHIRLEY M. J. OVERED, CITY RECORDER, CITY OF VENETA
J. KENNETH JONES, CITY ATTORNEY, CITY OF VENETA
RAY V. WALTER, CITY ENGINEER, CITY OF VENETA

CALL TO ORDER

Mayor Smigley called the meeting to order.

Mr. Roberts called the special meeting of the Lane County Board of Commissioners to order. Those members were introduced - Jack Roberts, Chairman for the Board for 1991, representing North Eugene; Jerry Rust for South Eugene; Marie Frazier for East Lane; Ellie Dumdi for West Lane; and Steve Cornaccia for Springfield. There were no adjustments to their agenda. Jim Johnson, the County Administrator, was also introduced.

PUBLIC COMMENT

This is a time when people can address any item of county concern to the Commissioners. There were none.

COMMISSIONERS' ANNOUNCEMENTS.

Commissioner Dumdi. She indicated that Commissioners Rust, Frazier and Ms. Dumdi will be going to Washington, D. C. to meet with the congressional delegation at the National Association of Counties' legislative conference. They have appointments with the five congressional representatives and Senator Packwood.

COMMISSIONERS' EXECUTIVE SESSION - none

BALLOT MEASURE 5

Mr. Smigley indicated we were hoping for some enlightenment regarding the ramifications of Ballot Measure 5. He felt that the City of Veneta will not be asking for anything more out of the \$10 than what they had before it came into existence. The tax rate for this tax code area for non-school is approximately \$8. The total for all districts is \$11.50 to come out of the \$10 limitation. It

is felt that districts should not begin asking for special levies to up their portion, at least to determine how things are going to impact us because of Measure 5. The County will be impacted within the City of Veneta as is the City and the Fire Department. Everyone will be reduced proportionately.

There will be Hearings before Intergovernmental Affairs. There is a bill that would require that counties throughout the state would meet with all the taxing districts and plan how any one jurisdiction would go out for an additional levy. If a jurisdiction did not sign on to that agreement they could not independently pursue a levy. It would require that each county have a task force that identifies what has to be done based on facts and analysis of the situation. That would require considerable staff to put this together. The Association of Oregon Counties is giving testimony in opposition to the bill as they feel that situations like this are occurring within Lane County.

Mr. Starns was advised that this does not preclude the 6% of the base in figuring budgets. Mr. Roberts indicated that one of the major components that they levy as a property tax on which they rely very lightly as they rely heavily on timber receipts they only levy about \$1.47 per \$1,000 for property taxes. But a part of that is their law enforcement levy rather than the tax base which does not increase. That means that if there is a city's tax base and a fire tax base they only increase by 6% so the relative proportions would remain the same for those. But if the levy is frozen in amount and in two more years they will have to ask the voters to approve it, that then can shrink that portion of it so that it does change the proportions. That might be a reason to ask the voters to roll that levy into the tax base so that it retains the same percentage amount.

Mr. Roberts indicated that there might be a possibility that what they might want to do in conjunction with the Cities is go out for a larger law enforcement levy that would apply county-wide with the understanding that the portion attributable to the cities would be refunded back to the city for them to use for their own law enforcement operations, but would allow the county to capture part of the untaxed increment under ballot measure 5 in the rural areas so that they could provide a better level of law enforcement in the rural areas. That question - how do you provide for law enforcement and get people to pay for it there without also taxing the people in the cities who are already paying for their city police. It could give a greater ability to contract as the County presently does with Veneta. It does give more opportunity to give more stable funding for law enforcement.

Mr. Smigley questioned what the assessment is going to be and what one is going to have to pay. He was advised that the requirement in Oregon is that this must be done every six years. In the past the County has been behind. They recently got money from the State to assist in the assessment and taxation function. Each year certain multipliers are applied which factor in changes in the market throughout the county. Combining these it should be possible to figure in an inflation level. The legislature has not decided how to implement Ballot Measure 5. Under the traditional approach used in the past, property is valued as of January 1 for the tax year that begins July 1-June 30. Notices of valuation go out in March or April, and they can be appealed until May. Once all values have been set then the tax bill comes out based on dividing the tax levy into the assessment.

Ballot measure 5 included a different measure for valuation. Instead of using the "true cash value" as of the January 1 date it will not be a "real market value" which is the lowest value a property has during the year to come, that is the tax year from July 1 - June 30 (of 1992). That Ballot Measure 5 limitation which is \$10/thousand for local government and this year will be \$15/thousand for schools is applied to that future value. The legislature did not do anything to correct how those two are conformed. There can be one measure for the normal tax and another measure for the ballot measure limitation one would pay the lesser of the two. One would have to go through the valuation system now, the appeals process, but there would be a second chance at an appeal later if one did not like the value or felt that the ballot measure 5 limit would be different.

Because the county has the responsibility for all of the assessment and collection of the tax even if there is only on an average of five cents out of every dollar of property taxes paid - most goes to cities, school districts, special districts, etc - they have to pay all the cost of collecting it. The county would not want to have to go through two appeals or valuations processes. The legislature is trying to work with some way to have one system for all. That has not yet been done. The new routine may have the appeal in the fall when the valuations come out in July, with payment by December 15th.

Going from a levy system to a value system means that all the levies in the county are added together with everyone's share calculated on that fixed amount, now, as the values of properties grow the revenues will grow. That is a radical change that may not have been discussed before the vote on ballot 5. It changes the property tax system in the state. Mr. Roberts indicated that more was taken from schools but it also limited local government immediately to \$10/1000. For schools, this year and next year they get \$15/1000 then \$10/1000 for the next two years and then down to \$5/1000 at which point it means that schools are getting the vast majority of their money from some other source which is identified by the State and will be distributed according to where the state legislature thinks the money should go rather than local communities having a say over how much money their schools spend.

Mr. Roberts felt that the purpose of Ballot Measure 5 will be accomplished, that is, to hold down property taxes. If the economy is strong and the value of properties goes up it would not reduce it by as much as it would if property taxes were stagnant. Everyone would benefit if the economy is strong. The county's computer program has had to be revamped at a cost of some \$54,000 to begin working with the changes. There will be more people in the Assessment department who will be working on appeals. Because Ballot Measure 5 as it was written did not change the system of assessing value. So unless that is changed the county assessor still has to do determine what the value is. If the system for imposing property tax is to be changed the voters can do that. But all that was changed was putting a limit on the rate. There was no limit put on the value.

COUNTY ROADS AND STREETS

Mr. Smigley stated that there is an agreement with the County for the City of Veneta to take care of streets with money from the County. He questioned what might happen in the future. Mr. Cornaccia indicated that there is an amount of \$17.5 million being all sources in the road fund. Presently the county gets

\$12 million from the State for gas taxes. This past year they received \$24 million from National Forest receipts, making a total of \$36 million this year. Interest would be additional to that. The county plans on a five year period, and they have money in the bank for each of those five years for projects as they come along.

In discussion of a \$5 million National Forest receipt year plus the gas tax would trigger that agreement to end. That is, going from \$24 million of last year which is about 70% of historic level and drop it down to \$5 and take 4/5 of it away, all potential spotted owl habitat retention plans that cover the national forest none of them have a reduction of timber supply to that degree. The make-up of the national forest is different from BLM there is a lot of area, especially the Willamette, that is fire generated second growth, and while it is large trees it does not have the old-growth characteristics which are used to describe old growth in forest management plans. There is a lot of timber that could be put into the system. National Forest receipts are quite different from the O&C receipts.

Things beyond the county's control is the economy. A recessionary period is hard on the timber industry. The period coming out of recession is doubly hard. There could still be the amount of timber that the federal government could put out but the industry itself is not cutting it. That can also drop timber receipts down. There has been a significant increase over the past three years in the amount that is bid for public timbers. The average contract price for this past year was \$350/1000. Mr. Cornaccia felt that for at least the next three years there will be a continued ability in Lane County to share receipts with cities. In looking at the system there is in Public Works, to take care of the county's road system - that is, 1500 miles of roads and 400+ bridges - and do nothing else, that is give nothing to cities or special projects such as is being done, that can be done within the \$17.5 million. And for the next five years there will be county participation in some form with cities. If there should be a major change, there would probably be about an 18-month warning period so that cities count consider this in their budget process.

Mr. Roberts felt that the urban transition money which is an automatic amount which goes to the cities should probably be one of the last things that would be cut. If money gets tight a lot of the special projects may have to be cut out. The total amount that goes to the cities is \$3 million. In part the county benefits from the population of the cities because the gas tax is allocated based on the population in the cities as well as the rural areas. If or when the county funds get close to the \$17.5 million that given them the right to review funds. Mr. Roberts felt that there is a need for the county to provide that stable source of funding for the cities, and recognize their obligation to the roads in the cities just as they do for roads in the rural areas.

Many times roads which have been turned over to the cities in urban transition are at a county level of maintenance, and may not be up to the standards of the cities. It is fair for the county to acknowledge that, that there should be some type of additional help in getting them to that level. Whether that is done on a special project basis or done through the \$4/per mile is determined by each city.

LAW ENFORCEMENT - CITY OF VENETA

The City of Veneta has contracted with Lane County for law enforcement services. Mr. Roberts indicated that they will be preparing their budget very soon but at this time do not know what is happening in Departments. The County Administrator indicated that instructions to him in preparing the budget was to hold back on spending. They have a short-term financial plan for the next three years. When the budget committee looked at that plan they indicated there had to be \$3 million less spent next year than was planned to be spent. Mr. Johnston will send a proposed budget to the budget committee. The budget is always changed by the Commissioners.

In deciding how to allocate that \$3 million they reviewed all the services in the discretionary general fund - juvenile services, public safety, jail, law enforcement, civil function, district attorney, finance and management services, assessment and taxation. In reviewing where the money is going now they determined that about 51% of that \$30 million is in youth services, public safety and district attorney. Even though it is felt that high priority services include the jail, rural law enforcement, district attorney and youth services, in order to reduce the budget by \$3 million some would have to be taken out of law enforcement services.

All departments have instructions to prepare proposals suggestions where they would remove that \$3 million for the next fiscal year. Part of what Sheriff Pro Tem Bob McManus is doing is making those suggestions. One suggestion he has made is that the law enforcement services around Creswell and Veneta be reduced. Presently there is an enhances level of law enforcement around Creswell and Veneta. There are some places in the county which only have a resident deputy - McKenzie Bridge, Oakridge. In Veneta and Creswell there are actually a full contingent of deputies and a sergeant to cover not only the city but around five miles beyond. So that where people live within five miles of those cities there is a much larger level of law enforcement than anywhere else.

The Sheriff Pro Tem has indicated that is probably one area that if there has to be some money reduced as a last resort that is probably one area to consider. The issue for the citizens and for the Veneta City Council is that the law enforcement contract will continue; the city is paying for that; but the area around five miles from the city may get reduced.

Mr. Smigley indicated that the City is looking to not increasing the budget for law enforcement. He questioned if the county would be looking to reducing services, and if so how would they do that. Since Sheriff Pro Tem McManus was in attendance at the meeting, he spoke as to his thoughts on the matter.

He indicated that presently the City of Veneta and the Sheriff's Office are involved in their yearly negotiations to see how we can continue on the law enforcement contract. Although he felt that what had been heard from the County Administrator is not reality at this point, it is one of the considerations that he has to make in a budget when he has been asked to reduce his entire budget by \$900,000. When reducing a service-providing agency by that amount of money it means people. He has made a decision to recommend to the administrator to take a mix of corrections and police services for the downsizing in the Lane County Sheriff's Office.

The part that is of concern out here is the county's part of the Veneta contract. The same thing is happening in Creswell. Currently the City pays approximately \$171,000 for full-time law enforcement services - 5 deputies and one sergeant at 80%. On a priority basis, if there is a police officer available to the city residents and for the expanded area of five miles around there is a police officer and sometimes two available 24-hours a day seven days a week 365 days a year.

In the county it may be up to two days before a deputy can get to a premises where there may have been a burglary. But that does not occur in the City because of the city's contract, where the city supplies one-half the cost of the deputies, and the county supplies the cost for half the deputies and reduces the amount that the city pays by the amount that they would normally charge for civil service. What the City is getting is the ability to have 24-hour police protection by paying less than one-half the actual cost for deputy sheriffs.

His problem comes with the need to reduce \$900,000 in the budget. One of the things he has to look at is reducing the ability of the sheriff's office or law enforcement to provide that level of service in the areas around Veneta and Creswell. He has to look at the enhanced service. He indicated that of the 14 down-sizing or reduction packages those for Veneta and Creswell are 12 and 13. That means that these sub-stations are a priority with him, and would be the last to go. He emphasized that the people in the unincorporated area around the City of Veneta do have more law enforcement than any other unincorporated area in Lane County since the downsizing of the Sheriff's Department in 1983.

The two components under consideration are (1) the five law enforcement deputies who work out of this area. (2) Last year the sergeant's time was broken out of this work unit to 80% to help the City of Veneta maintain a 24-hour law enforcement agreement with the funds they had available. What the county pays is 20% of the sergeant's time and 50% of the remaining 80% being the time he spends in the City of Veneta and the county's 50% of the 5 deputies. At the worst, if the county has to pull everything back and make decisions through the budget committee is that less than the 5 deputy sheriffs and the sergeant will be working only inside the city. They will not go out. In that instance there would not be any 24-hour police protection.

If the county pulled their 50% plus the civic service fee the city would be left with 2.9 deputies for the amount of money that the city is paying now. Those 2.9 (or 3) deputies would work only within the City limits. So that the city would be without municipal law enforcement services for some period of time. The county and what is left of the state police would at those times when a Veneta deputy was not only under their regular priority they will come in and attempt to handle the business.

The serial levy which was passed for the law enforcement is a three year level. We are presently in the first year of that levy. One of those serial levies funds the Junction City resident deputy; that deputy will remain here to augment the existing patrols which he does now and will continue to do even if the area is downsized.

Mr. Roberts pointed out that if nothing changes - if we continue to rely on getting timber receipts which at best might remain stagnant, our reliance

on property taxes is low enough and Ballot Measure 5 has reduced the ability to get more, what we are looking at in a stagnant revenue base with increasing demands and increasing costs is that if nothing is done on the revenue side and the Veneta contract remains in effect for this year, it will be back on the table again next year with a harder fight. That is why he is interested in having a county-wide law enforcement levy which does bring in the revenue to support rural law enforcement while still fair to the people who live in the cities.

Mr. Johnson reminded the meeting that the worst case scenario had been given to them. The Sheriff's Department makes their oral proposal to the County Administrator tomorrow. He has asked for more cuts out of the Departments than he needs to take. He is also aware that the Board of Commissioners in looking at all the 67 products that the County provides rated rural law enforcement as the number one priority. The Sheriff Pro Tem has also said that the Veneta and Creswell contracts are among the highest priorities to be considered to be added back in. The proposed budgets are expected to be available on April 12th with the Public Hearing scheduled for April 15 at an evening meeting.

Concerning the limitations of Measure 5 as to capital items can one go outside that levy in terms of relieving the load. Mr. Jones felt that that is another one that is being considered in the legislature. He had received an update on the bill submitted that morning as an amendment. General obligation bond measures are outside the \$10 but only for capital improvements. Now they are looking how to define capital improvements. Initially the definition that came from bond counsel was that it meant buildings and land. At this point they feel that they can expand that a little to include buildings, land and things that it takes to make the buildings useful, like furniture, etc. Presently that does not include, for instance, police cars or radios, replacing weapons, etc.

Mr. Smigley felt that the City has been able to let the Commissioners know what their concerns were on this matter; he expressed his appreciation at this local level with the law enforcement contract with the county; it works very well; we have good deputies out here; and the working relationship has been excellent. He felt that with something like this which is working so well it would be unfortunate if it would have to not work as well as it has.

It was suggested that the Council might want to send its representatives to the county budget hearings when they are established. The other factor is the continuing negotiations between the Sheriff's Department and the City on the price of the law enforcement agreement and how that coincides with the county's budget process. Mr. Johnson suggested that the city have different scenarios depending on the prices to be considered.

LANE COUNTY ATLAS

Mrs. Dumdi presented a autographed commemorative edition of the recently-published Lane County Atlas, and gave it to Mayor Smigley. This was produced by Lane County in cooperation with Lane Council of Governments, and the geography department at the University of Oregon.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE JOINT MEETING BETWEEN THE LANE COUNTY BOARD OF COMMISSIONERS AND THE VENETA CITY COUNCIL THIS PART OF THE MEETING WAS CLOSED.