



Board of Commissioners

Office: (541) 766-6800

Fax: (541) 766-6893

4500 SW Research Way

Corvallis, OR 97333

bentoncountyor.gov

## MINUTES BOARD OF COMMISSIONERS GOAL-SETTING MEETING

January 9, 2024, 9:00 AM

Present: **Xanthippe Augerot**, Chair; **Nancy Wyse**, Vice Chair; **Pat Malone**, Commissioner; **Vance Croney**, County Counsel; **Rachel McEneny**, County Administrator

Elected  
Officials: **Jef Van Arsdall**, Sheriff

Staff: **Rick Crager**, **Karen Vaughn**, Financial Services; **April Holland**, Health Services; **Tomi Douglas**, **Jesse Ott**, Natural Areas, Parks, and Events; **Cory Grogan**, Public Information Officer; **Maura Kwiatkowski**, **Amanda Makepeace**, Board of Commissioners Office; **Sean McGuire**, Sustainability

Guests: Dr. Phil Hays, Parks Advisory Board; Nyssa, Paul, Corvallis Housing Grants Coordinator; Peggy Lynch; Bernie Cummings; Edward Wienhoff; Craig Hendrickson; Kristi Schrock; Brad Tylman; Zack Reeves, CFM Advocates

### 1. Opening

- 1.1 Chair Augerot called the meeting to order at 9:00 AM.
- 1.2 Introductions were made.
- 1.3 There were no announcements.

### 2. Review and Approve Agenda

The agenda was approved.

### 3. New Business

- 3.1 **Acceptance of Purchase and Sale Agreement for 4185 SW Research Way**  
– Rick Crager, Chief Financial Officer

Crager reminded the Board that in November 2023, the County executed a Letter of Intent to purchase the property.

Since then, the County conducted its due diligence. One major issue with the property was identified, that being the Heating, Ventilating, and Air Conditioning (HVAC) system. The cost to replace the HVAC system was estimated at between \$200,000 and \$300,000. Benton County proposed the Seller provide a \$300,000 credit; the Seller ultimately agreed to provide a \$200,000 credit.

A revised purchase agreement (different from that presented in the meeting packet but distributed to the Board in advance of the meeting) was prepared to reflect the change in the purchase price resulting from the HVAC credit. Croney indicated the agreement was approximately 97 percent complete; there may be a few minor adjustments, but no substantive changes will be made. Closing on the property is anticipated for mid-February, potentially earlier.

**MOTION:** Malone moved to authorize the Board Chair to enter into a purchase and sale agreement, and any other documents necessary for the acquisition of property located at 4185 SW Research Way, which will be targeted for meeting the space needs for Benton County's Children and Family Services programs.

Wyse offered a friendly amendment to Malone's motion to change the words "Board Chair" to the words "any Commissioner."

The motion, as amended by Wyse, was seconded by Augerot and **carried 3-0.**

### **3.2 Acceptance of Purchase and Sale Agreement for McBee Campground Property – Rick Crager, Chief Financial Officer**

Croney reminded the Board the county previously entered into a letter of intent regarding the property. It has been Hull-Oakes Lumber Company's desire for the property to become part of Benton County's parks system.

Croney noted the property was conveyed from Hull-Oakes to the Alliance for Recreation & Natural Areas (AFRANA), which resulted from Hull-Oake's desire to have the conveyance occur prior to the end of the 2023 tax year. AFRANA agreed to serve as an intermediary in the acquisition until the county can complete all its required acquisition steps. The county is required to complete its acquisition steps by July 1, 2024, although Croney indicated that would likely occur sooner. The final acquisition agreement before the Board details the County's responsibilities regarding the property (insurance, access, reservations, etc.).

Ott reported the property is now set up as a day use area, including posted rules and other signage and coordination with law enforcement. Crager confirmed all appropriate insurance coverage is in place. To commemorate the acquisition, Ott presented the Commissioners with copies of the published history of the Benton County parks system. Augerot thanked everyone who help facilitate the acquisition, especially the Nystrom family of Hull-Oakes Lumber Company.

**MOTION:** Malone moved to approve the Acquisition Agreement for the McBee Campground property and authorize the Chair to sign it and all other transfer documents related to the acquisition. The motion was seconded by Wyse, **which carried 3-0.**

**3.3 Oregon Health Authority Grant Agreement – Authorization for Board Chair to Execute Documents** – Rick Crager, Karen Vaughn; Financial Services; Damien Sands, Health Services

Crager indicated the grant would be used to mitigate contaminated soil at the new Crisis Center. The grant must be recorded against the property because the grant is for a restricted use. Crager was requesting authority for the Board Chair to sign the agreement. The restricted use language in the agreement will be corrected relative to use definitions.

**MOTION:** Malone made a motion to authorize the Chair of the Board of Commissioners to execute the grant agreement with the Oregon Health Authority for \$1,126,592.21 to be used to mitigate contaminated soil at the Benton County Crisis Center project site, as well as any other documents related to the grant agreement. Wyse seconded the motion, **which carried 3-0.**

**3.4 Renewal of Housing Alliance Membership** – Xanthippe Augerot, Board Chair

Augerot presented the request, and Kwiatkowski discussed the membership renewal process. Augerot indicated the county's membership is managed in the Health Services Department, and it is valuable for Benton County to be a voice in the organization.

**MOTION:** Malone made a motion to approve renewal of Benton County's membership in the Oregon Housing Alliance and authorize payment of membership dues in the amount of \$750.00 each for Fiscal Years 2022-23 and 2023-24 (total cost of \$1,500.00). Wyse seconded the motion, which **carried 3-0.**

**3.5 Letter of Support for Lane County Recommendation to Address Measure 110** – Xanthippe Augerot, Board Chair

Augerot referenced the update provided to the other Commissioners. With respect to Measure 110, which will be a centerpiece of the legislative session, Augerot asked whether the Board should take a position on the Lane County memorandum regarding Measure 110 and funding needed by counties to service individuals with Substance Use Disorder who become justice system involved. Augerot believes the position memorandum is well thought out and addresses the needs of counties.

At the January 8 Association of Oregon Counties (AOC) joint meeting of the Health and Human Services and Public Safety Committees, most of Lane County's recommendations were acted upon. There are, however, some nuances in the Lane County position that are not present in the AOC position. Augerot was uncertain as to whether Benton County needs to take a position on the Lane County recommendations. It may be better to hold off to see what develops in the legislature so the county can be more strategic and timelier. Also, Senator Gelser-Blouin and Speaker Rayfield occupy strategic seats in the State Legislature relative to this issue.

Wyse asked about the reason the AOC selected only 8 of the 11 recommendations. Augerot indicated AOC staff were permitted to interact on Recommendations 8 and 10, but AOC was not ready to adopt them. AOC will work with the legislature on Recommendation 8, but there was significant concern regarding Recommendation 10. It appeared to duplicate what the legislature had just mandated, which is 24/7 crisis response teams in behavioral health. AOC questioned the need to set up a second response team when communities are struggling to staff the response teams. Much more discussion is needed on Recommendation 10. Malone indicated the AOC Legislative Committee did not discuss the Lane County recommendations in any detail.

Wyse was agreeable to holding off so long as the county remains vigilant about opportunities to have a voice on the issue. Regarding Recommendation 4, Wyse wanted to ensure Benton County is very clear about funding; the county cannot take on more work without funding to support that work. Augerot agreed. Malone concurred with holding off on a letter of support so long as our elected leadership understands the county's position.

Van Arsdall agreed this was the best course of action. The County can weigh in later in the legislative session. The Sheriff reiterated the need to ensure there is funding to execute any additional work for counties that may result from any Measure 110 recommendations.

Augerot indicated Representative Lewis attended and listened carefully at the joint AOC meeting and plans to introduce an omnibus Measure 110 bill. Augerot was pleased to see the consensus amongst commissioners at the AOC joint meeting.

### **3.6 Implementation of Addendum to the Agenda Process – Maura Kwiatkowski, Board of Commissioners Office**

Kwiatkowski presented a proposal to add an addendum to the meeting agenda and packet process. An addendum to the agenda would allow staff to add time sensitive or urgent matters to the Board's agenda after the meeting packet has been published. By utilizing the addendum process, the Board and the public would have timely access to most of the agenda materials approximately one week in advance of meetings, with only limited agenda items added via the addendum. Addition of items to the addendum would require County Administrator approval.

**MOTION:** Malone made a motion to approve implementation of an addendum to the agenda procedure effective with the February 6, 2024 Board meeting. Wyse seconded the motion, which **carried 3-0**.

#### 4. Discussion Topics

##### 4.1 2024 Legislative Priorities Discussion – Rick Crager, Chief Financial Officer; Zack Reeves, CFM Advocates

Reeves provided an advance look at the 2024 legislative short session, which is a maximum of 35 days by law and includes balancing the budget. Each legislator is limited to two bills; committees are permitted to submit three bills. The first chamber work session deadline is the second week of the session, and there is limited time to pass bills.

Regarding housing and homelessness, the Governor has requested a \$600 million package. Much of the housing money would come from the state's reserve fund. The Governor will likely not get the \$600 million requested, but there will still be a substantial investment. The bill submitted by the Governor in the 2023 session failed last year. The new proposal includes some concessions to cities and increases the ability of developers to build more housing.

Malone indicated he had not heard about accessing the rainy-day fund, which has a current balance of \$1.8 billion, and asked whether there will be funding for infrastructure such as sewer and water, which are needed for additional development.

Augerot noted that system charges do not cover the cost of infrastructure, so developers are hesitant to consider developing land with no utilities due to the cost. Reeves indicated it is a positive that the legislature will look at other funding rather than cities being required to cut service development charges.

Wyse expressed concern about one-time, rather than sustainable, funding. Reeves agreed it is a valid concern; local governments will need to continually go back to the state for additional funds. Hopefully, sustainable funding will eventually be incorporated into the state's budget development process. Crager indicated County staff was having conversations about creative funding opportunities and partnering with others. He was intrigued by the concept of a homelessness pool of funding for local jurisdictions. State resources may not always be available; local jurisdictions need to be creative and flexible. Augerot agreed.

McEneny asked whether pension costs come from the state's rainy-day fund: Reeves responded that pension funding is included in department budgets. Legislators can access rainy day funds for a variety of reasons. Augerot noted there is some legislative reluctance to access those funds.

Reeves advised the other topic for the legislature will be changes to Measure 110. There is little consensus in the legislature regarding Measure 110; positions range from leaving it as

is to fully repealing. All sides acknowledge something needs to be done. Some recriminalization is likely.

Augerot indicated there are many and regular discussions amongst the stakeholders. Recriminalization seems to be the biggest issue. AOC does not want to weigh in on the level of recriminalization needed; that needs to be decided by the legislature. Reeves acknowledged it is a complicated issue, and people are working hard to find solutions that work. Malone asked about getting agreement on the “low hanging fruit” items to advance those in the short session while working on the more difficult issues going forward. Reeves indicated that would be the worst-case scenario of outcomes – simply pushing the issue further out. The legislature needs to reach a conclusion; either after 35 days or coming back in a special session.

Crager advised that Benton County’s 2024 legislative priorities include two major funding requests. The first is a \$5 million request for the Children and Families Services building acquisition. If the county is successful at that full amount, it would create some flexibility around some of the county’s work at the Monroe Health Center, which encompasses mental health support services. The county still has a federal appropriations bill with a potential \$1 million for the replacement of the Monroe Health Center (a match is required). The county should learn more soon about the status of that federal appropriation.

The second priority is the new courthouse. The state’s portion is short of what is needed to provide up to a 50 percent match (a \$6.9 million request). County staff met with Oregon Judicial Department (OJD) staff last week. OJD is poised to moved forward, and Crager advised OJD the Commissioners are ready to help as the county is able. OJD is to take the lead with support from Benton County.

Reeves asked that Augerot plan to testify at some point during the session. February 7 is the revenue forecast due date followed by balancing the budget and making minor adjustments. Although there is less discretionary funding in 2024, Reeves believes Benton County is well positioned with its two requests.

Crager pointed out that the Children and Family Services building could be a bond funded project, but he believed a General Fund appropriation would be the best fit. The new courthouse would be a bond project.

Crager reminded of the January 20 legislative breakfast date. Augerot would also like to have a session wrap-up legislative breakfast in March; the tentative date is March 16.

McEneny asked about kicker reform. Reeves indicated reform would be difficult, and the topic would not be a short session discussion. Malone reported significant work on this issue in the past by former Senator Morris, but no progress was made. Augerot indicated a property tax discussion would likely occur in the 2025 legislative session.

Reeves and Crager will update the Commissioners as bills are submitted during the short session.

Malone advised of the January 24 ribbon cutting for the new Oak Creek evacuation route. Senator Gelser-Blouin is scheduled to attend.

Augerot asked Reeves about LC 130 being introduced by Gelser-Blouin. It requires that the Oregon Health Authority provide services to people under 21 years of age who are charged with violating the law and who also have mental health issues to assess whether they are mentally able to proceed with a hearing. It is very similar to legislation Gelser-Blouin introduced last session. Reeves indicated the bill's requirements would be very expensive. CFM will monitor the bill's progress and keep the Board informed.

#### **4.2 Leadership Policies Manual Review – Rachel McEneny, County Administrator**

McEneny provided an overview of the roles and responsibilities of the County Administrator, County Counsel, and the Board of Commissioners. The County Administrator and County Counsel advise the Board day to day. The County Administrator currently has 17 direct reports.

Commissioners do not supervise department directors or employees; they discuss service level quality with the County Administrator. There are no concerns with Commissioners speaking with department directors, but the County Administrator should be consulted.

Augerot indicated she valued the Leadership Policies document; it defines the lanes for various roles. Beyond decisions regarding the County Administrator and County Counsel, who report to the Board, all staffing decisions are made by the County Administrator. The document also includes information about the County Administrator's relationships with other elected officials, specifically the Sheriff and District Attorney. Augerot did not have any changes to suggest but wanted to reaffirm the county wants to continue to rely on the document.

Malone noted the document is a good reminder of roles and responsibilities and had no changes to propose. He indicated the document should come before the Board regularly for review and potential changes.

Augerot agreed the reaffirmation of policies and practices was appropriate.

#### **4.3 Discussion Regarding Establishment of a Fund to Construct a New Benton County Jail – Rick Crager, Chief Financial Officer**

Crager informed that construction of a new jail would cost as much as \$60 million. The question is, how does the county create the cashflow and fund balance to sustain a debt service payment? How much debt can the county afford annually while maintaining the General Fund discretionary fund at the best practices level (at least 30 percent of General Fund revenue/expenses)? Crager indicated that after courthouse funding, the discretionary fund is still in a good position.

Important considerations regarding funding a new jail include considering what key things will happen in the next few years that will allow the county to potentially borrow again. Crager noted the PERS (Public Employment Retirement System) bonds would be paid off soon.

Crager suggested the county could create a fund and begin setting funds aside for the new jail. A range between \$26 and \$28 million would be a stable fund balance. Crager noted the county will be spending some money, including some increased salaries due to recent market studies. Additional costs will also be likely from the upcoming bargaining session. Crager noted a variety of approaches could be used, including putting aside funding positions for matching relative to a potential bond issue and a look at county fees to determine if they are being charged at the appropriate level. A good strategy is to always work to maximize unrestricted funds.

Crager reminded that \$36 million in bonds were issued for the new courthouse. If the county borrows to fund a new jail, what is the impact? It will take time for the county to get to a place where it can finance. Options include positioning the county for a potential future bond measure and looking at issuing 40-year bonds. Forty-year bonds are more expensive than the county's typical 20- or 30-year bonds, but it is an option. Bond rates are not particularly favorable at present. Crager requested guidance from the Board about how he should be thinking about the various options.

Augerot expressed a commitment to prioritizing the need for a new corrections facility; she does not want to wait until the county is in crisis. Augerot would like the Board to consider setting aside monies in a dedicated fund to demonstrate the county's commitment to a new corrections facility. She expressed that there is some community concern that the county continues to do other things while waiting to build a new jail. There is understanding that Children and Family Services facilities are a critical need.

Crager indicated he had some ideas about how the county could implement a designated account for a new jail. There is currently a good return on investment due to higher interest rate. Questions include, how can the fund balance be bolstered, and how can the county avoid reducing the amount available to set aside for a jail construction fund?

Augerot indicated the jail is a priority, and the Board needs to acknowledge that. Crager noted it is important to identify strategies to reduce General Fund costs.

Malone said the county did a good job funding the Emergency Operations Center, including securing matching funds. He believes the current design is what is needed. Malone went on the record as a identifying a new jail as a priority for him.

Crager indicated he would prepare a proposal to present to the Board for a dedicated effort to grow funds for a new jail, as well as other strategies to help accumulate funding as quickly as possible. There may be opportunities to sell existing properties to help fund a new jail. Crager advised he would return to the Board soon with an introductory proposal that will include the county's borrowing capacity (currently approximately \$10 million).



Malone agreed multiple funding streams would be required for jail financing.

Van Arsdall expressed appreciation for the Board's commitment to funding a new corrections facility and indicated anything the county can do would send a strong message to the community.

#### **4.4 Board of Commissioners 2024 Calendar Review – Maura Kwiatkowski, Board of Commissioners Office**

Kwiatkowski presented the Board's 2024 calendar as currently scheduled. Several conflicts with county holidays and other planned activities were resolved, and Kwiatkowski will update the calendar.

#### **4.5 Board of Commissioners 2024 Committee Assignments – Board of Commissioners**

Wyse indicated she would be assuming the lead Commissioner liaison role for the Corvallis Chamber of Commerce. Commissioner Malone will continue to serve as the Board liaison to the Chamber's Government Affairs Committee. It is a good idea to have two county representatives involved at the Chamber. Malone noted the Government Affairs Committee has not been very active lately. Previously, monthly meetings focused on City of Corvallis issues, but the meetings are a good venue to communicate county issues and news. Wyse had no other changes to her committee assignments.

Malone is a member of the Workforce Investment Board of Northwest Oregon Works. Benton is the only Willamette Valley county in the organization, and it is not the most advantageous position for Benton County. Malone would like to see Benton move to the Mid-Willamette Valley group. A formal application for this change was previously submitted to the Governor's Office, but then the pandemic occurred, and no action has been taken on that application. Malone will continue to serve on this board but would appreciate help from other commissioners. It may be timely to make a change when a new commissioner joins the Board in 2025.

Augerot indicated she had no change requests to her committee assignments.

#### **4.6 County Administrator Updates – Rachel McEneny, County Administrator**

McEneny provided County Administrator Updates.

- Sustainable Materials Management Plan: activities are underway to develop a task force charge, project timeline, and task force membership.
- Facilities Assessment. A request for proposals (RFP) will likely be issued in April for a countywide facilities assessment.

- An RFP is also being developed for an Equity, Diversity, and Inclusion Assessment.
- Reorganization options for health and human services as a whole are being reviewed. This will be a long-term process.
- McEneny will attend the National Association of Counties legislative conference in Washington, DC in February. This will be an excellent opportunity to promote county legislative priorities, including funding.
- McEneny is currently reviewing applications for the Assistant County Administrator position, and interviews will begin at the end of January. McEneny hopes to narrow the field to two final candidates by mid-February.
- The county's new website launched in December 2023. A few constituents have needed assistance locating meeting information. Staff is developing a procedure for the length of time video archives will be posted on the website. More information will be shared with the Board in the near future.

#### 4.7 Commissioner Updates – Board of Commissioners

Malone expressed appreciation for CFM Advocates' legislative briefing at this meeting and noted the short session is a less than ideal process for complex issues.

Augerot reported she is working with staff on a flexible subsidy pool [including potential partnerships with Oregon State University (OSU) and Samaritan Health Services. She is also working with external partners on a pilot program and longer-term solutions for housing.

Augerot plans to attend the Martin Luther King, Jr. Peace Breakfast on the OSU campus. Other upcoming meetings include several related to Samaritan Health Services. She will be in Alsea the evening of January 17 to meet with community members.

The regular meeting recessed at 11:58 AM.

#### 5. Executive Session

ORS 192.660[2][e] - Negotiations for Property Transactions

The Board entered Executive Session at 11:58 AM under ORS 192.660[2][e], Negotiations for Property Transactions. The Board exited the Executive Session at 12:41 PM.

The Board reconvened the regular meeting at 12:41 PM and adjourned the regular meeting at 12:41 PM.

  
 Xanthippe Augerot, Chair

  
 Maura Kwiatkowski, Recorder