



**Board of Commissioners' County Counsel Meeting  
July 23, 2019 ~ 10:00am ~ Room 214**

7/23/2019 - Minutes

**1. Call To Order & Those Present**

Commissioner Boyd, Commissioner Morris, Commissioner DeGroot; Mika Blain / County Counsel; Haley Huffman / Admin Staff; Sue Murphy, Vickie Noel / Finance; Rick Vaughn / Tax Collector.

**2. Approve Minutes From Last Meeting**

Approved.

**3. City-County SkyWest IGA**

Mike Blain and the Board review the IGA. Commissioner Boyd said he felt the County's vision was to have a temporary revenue guarantee for the operation of an airline not specifically SkyWest. He said he doesn't want to limit it to just SkyWest. He has concerns with us sending the City the check, it sitting in their account and letting them collect interest on it. He feels they should send us a request for our portion of the reimbursement. He said, it doesn't seem necessary to indemnify the City. Commissioner Morris said she doesn't have any concerns about Commissioner Boyd's comments and feels they should be addressed. She does have a concern about not specifying SkyWest. Mika Blain said she knows they are applying for a grant and she would like to know if they are applying for the grant specifically for SkyWest on any airline. Commissioner DeGroot said he has a concerns that it doesn't specify the order in which funds are spent. Ms. Blain said she will discuss the concerns with Mike Swanson and bring this back to the Board afterwards.

**4. Business Improvement Area - Ordinance Revisions**

Ms. Blain said, you all had different notes on this and based on the comments she heard from the Board there needs to be substantive changes. She said, she suggests we amend this and move forward. She said, we would have to do the hearings again. Commissioner Morris said she'd like to amend it to dial it in to tourism and define the majority as the super majority. Commissioner DeGroot said he wants an opt-out clause. Commissioner Morris and Commissioner Boyd agreed the opt-out clause defeats the purpose. Commissioner DeGroot said the compulsory piece of this makes it a tax and he feels it's not a decision we should make. Commissioner Boyd said the government has been imposing taxes on citizens forever and he doesn't feel it's outside of our scope. Commissioner Morris agrees. She said she feels it's within the purview of revising to not need to have the hearings again. Ms. Blain explains, if there are substantive changes she feels it should go through the process again. She said the Board hasn't told her exactly what they want to see yet and that needs to be the conversation today or at a later date. Commissioner Morris said this basically just allows for another proposal to be brought forward. Commissioner Boyd said narrowing to tourism is changing it enough that there needs to be another hearing. Commissioner Boyd said, basically it is a fee that is put on to the users of lodging that benefits tourism and hoteliers. Commissioner Morris said it seems like the will of the Board is to do more hearings. She asked, can we get this

scheduled quickly? Ms. Blain said, once she gets a definite direction from the Board she can revise it. Commissioner DeGroot asks, t any business related to tourism can be involved or just lodging? Commissioner Morris said, we should look to other communities or Civitas to see how they define those. Commissioner Boyd asks what the City of Portland's ordinance looks like. Commissioner DeGroot said if you narrow it to lodging, we know who the lodging businesses are but we don't know who the tourism businesses are and you'd only be able to get those through a business license program. Commissioner Morris explains this only an enabling ordinance. Ms. Blain said, you would still have the opportunity to say no to anyone who petitions you. Commissioner DeGroot said he'd like the severability item removed. Ms. Blain said she would have to look at it. Commissioner DeGroot said his next concern is enforcement. Ms. Blain said we do not have that language in there and their default is the County enforces it. She feels it should be the association enforcing it. Commissioner Boyd said he doesn't have a problem with the County collecting the fees but he does have a problem with the County enforcing it. Commissioner DeGroot said, he wants indemnification. Ms. Blain said she will incorporate the changes, circulate them and bring it back. Commissioner Morris asks if we can also get potential dates for the hearings.

#### **5. Property Management Tax Reserve**

Ms. Blain explains, there is a reserve of 1.9 million. She said she has some concerns that we are holding on to the funds and shouldn't be. Mr. Vaughn said, when he started with the County there was already a fund started that was 1.1 million. He said it was described to him as funds for getting properties ready to sell, clean up, abatement, senior deferrals and mobile homes. He said, we're no question over conservative on these figures. He said, some of these items are already in our budget. Commissioner Morris asks, what do you think it should be? Mr. Vaughn said he has identified three areas that include \$720,000 that are adequately covered in the budget. Mr. Vaughn said, we are on top of our properties after the next sell but the mobile homes are the unknown, we are probably not going to spend that much on the mobile homes but that's what the funds were for. Ms. Blain said there's nothing in the statute that says you can have a reserve. Any proceeds received under foreclosure after the portion given to tax delinquency and costs etc., the balance of proceeds must be distributed by the Treasurer to municipal corporations if they have a lien and then to governmental units. Vickie Noel said, and it requires an annual distribution. Mr. Vaughn said we can let the reserve go, assume the mode that the County government has done in the past and turn our backs or pull the money from somewhere else. Commissioner Boyd asks about the language "cover expenses". Ms. Blain says, it covers expenses incurred. Commissioner DeGroot said alot of the small districts we've already covered because they get paid out. Ms. Noel said, it has nothing to do with the current year prepayment. Mr. Vaughn asks, the little districts are getting prepaid on top of that? Ms. Noel said we are only prepaying them for that year's taxes not any properties sold. Ms. Blain expressed concerns about the statute stating proceeds needing to go to the governmental entities and not a reserve fund. Commissioner Boyd said Multnomah County has an exception. Ms. Blain reads the statute and says it pertains to counties having a population of 650,000 or more. Commissioner Boyd said that is something we could easily change. Ms. Noel said she spoke to a woman from the Oregon Public Property Management and she was adamant that you distribute everything. Mr. Vaughn said, she's never dealt with this type of an issue. Mr. Vaughn said this will go away. Commissioner DeGroot said it is a 2 year problem. Mr. Vaughn said, exactly, it's the remainder of a 5 year problem. Ms. Blain confirmed the fees and penalties are supposed to go back to the general fund. Mr. Vaughn said right now those are going to the reserve. Ms. Noel suggested that on an annual basis, Mr. Vaughn expense they money that he needs and we can expense those from the sale proceeds each year. Mr. Vaughn said the

challenge is next year there will be no reserve, if we follow that thinking. Ms. Blain and Mr. Vaughn agree it would then be general fund dollars. Ms. Noel said the general fund gets proceeds from the sale that we could allocate to be spent on mobile homes.

Commissioner Boyd said, you would be short a reserve from June 30 and your first auction. Mr. Vaughn said he doesn't think that will generate the funds we need. Ms Noel reiterated she feels we need to distribute everything on an annual basis. Commissioner Morris asks if the statute dictates what are acceptable expenses. Ms. Blain said yes, and reads the specifics. Commissioner Morris confirms, so maintenance and supervision of the properties are the big ones. Commissioner DeGroot asks about wiping out the debt to the general fund if our expenses are over the money we actually receive. Ms. Noel said, we would carry a loss on the books and future sales can pay back the loss. Ms. Murphy said she feels the loss would have to be absorbed first. Commissioner Morris asks, what if we ask the special districts to partner with us and sign off on this to help us get Klamath looking really good? Ms. Noel said she'd like to have the records show we distributed the money and then we come back to them and ask. Commissioner Boyd suggests distributing to get down to the original \$700,000 then we start the cleanup, we have a sale August 1 and you've got money to operate with. Commissioner DeGroot said it's important to aggressively address the mobile home problem. Commissioner Boyd said he'd like to bring this back to discuss at a later date.

#### **6. NRE Repositories-Ready To Transfer**

Ms. Blain gives an update on the repository. The purchase agreement was filed in the Court. The easement has been recorded. Phase one ESA has been completed and the road issues have been resolved. The receivership has prepared the quick claim deeds to the County and they are recorded. There will be ongoing activities at the repository for the next few months, repairing damage from winter runoff, extending the split rail fence around the entire memorial park footprint and the new memorial park.

#### **7. Withers-Sprague River Property**

Ms. Blain explains the issue. Someone, other than the County, has bulldozed a road from Sprague River Road to Mr. Wither's property through County property. Commissioner DeGroot asks about the agreement from the 1980's between the two property owners at the time. Ms. Blain said she recommends we send a letter revoking that agreement. Mr. Vaughn said he was last on the property 4 months ago and there was nothing there at that time. Commissioner Boyd confirms the agreement is for use of the road not maintaining it. Commissioner Boyd said he feels we should have a deputy go out, write a report and turn it in to the District Attorney and have him arrested for destruction of public property. Mr. Vaughn will go out today to take pictures to verify this and get back to the Board.

#### **8. Other County Business**

Commissioner Morris said Mr. Golden has been working on a narrative about recent issues and she asked him to put together an executive summary which he will provide to the Board if they'd like.

#### **9. Adjournment**

11:55am

office at 541-883-5100 (voice/TDD) or the ADA Coordinator at 541-883-4296 at least 48 hours in advance of the scheduled meeting.

Klamath County Commissioners' Weekly Calendar is subject to change without notice. 305 Main Street 2nd Floor,  
Klamath Falls, OR 97601

E-mail: [bocc@klamathcounty.org](mailto:bocc@klamathcounty.org) Website: [www.klamathcounty.org](http://www.klamathcounty.org)