



# **CURRY COUNTY BOARD OF COMMISSIONERS**

## **WORKSHOP**

Wednesday, May 9, 2018 – 10:00 AM  
Commissioners' Hearing Room, Courthouse Annex  
94235 Moore Street, Gold Beach, Oregon  
[www.co.curry.or.us](http://www.co.curry.or.us)

### **AGENDA**

- 1. Call To Order & Pledge Of Allegiance**
- 2. Adoption/Amendment Of The Agenda** (5 minutes)
- 3. Oregon Department Of Forestry (ODF) Good Neighbor Authority (GNA) Salvage Logging In Chetco Bar Burn Area** – John Hutt, County Counsel and Phil Chang, ODF Federal Forest Restoration Program Lead (45 minutes) (Packet Page 2)
- 4. Road Fund Loan Ordinance** – John Hutt, County Counsel (45 minutes) (Packet Page 8)
- 5. Adjourn**

*Curry County does not discriminate against individuals with disabilities and all public meetings are held in accessible locations. Auxiliary aids will be provided upon request with 48 hours advance notification. Please call 541.247.3296 if you have questions regarding this notice.*

CURRY COUNTY BOARD OF COMMISSIONERS

AGENDA ITEM ROUTING SLIP

FORM 10-001.1 **Revision 3-22-2018**

**PART I – SUBMITTING DEPARTMENT: RETURN TO [BOC OFFICE@CO.CURRY.OR.US](mailto:BOC_OFFICE@CO.CURRY.OR.US)**

**PROPOSED AGENDA ITEM TITLE:** Presentation from Phil Chang Oregon Department of Forestry Good Neighbor Authority Salvage Logging in Chetco Bar Fire Burn Area

**TIMELY FILED** Yes ☒ No ☐

If No, justification to include with next BOC Meeting

**AGENDA DATE<sup>a</sup>:** 05/09/2018 **DEPARTMENT:** BOC **TIME NEEDED:** 45 min

(<sup>a</sup>Submit by 9AM five days prior to the next General Meeting (six days if a holiday falls within that five day period) **RECOMMENDED AGENDA CATEGORY** PRESENTATION

**MEMO ATTACHED** Yes ☐ No ☒ If no memo, explain: **see below**

**CONTACT PERSON:** C. Boice / J. Hutt! **PHONE/EXT:** 3218 **TODAY'S DATE:** 04/26/2018

**BRIEF BACKGROUND OR NOTE: (If no memo attached)** The 2014 Farm Bill included Good Neighbor Authority (GNA) provisions that allow states to partner with the U.S. Forest Service to implement restoration projects, including timber sales, on National Forests. ODF would like to implement one of the salvage sales in the Chetco Bar fire area to allow more harvest than the Forest Service would otherwise be able to administer just with its own staff. Phil Chang (Program Lead), Link Smith (District Forester), and Dave Lorenz (Area Director) from ODF will present the benefits to the County of ODF activities under GNA. Key benefits include: more volume to local mills, more employment opportunities in the forest and at mills, fuels and dangerous snags removed from more acres, and revenue generated for restoration activities like re-planting.

**FILES ATTACHED:** None. Phil Chang Oregon Department of Forestry Federal Forest Restoration Program Lead Powerpoint regarding Good Neighbor Authority salvage option to be presented at meeting unavailable at time of publication


**INSTRUCTIONS ONCE SIGNED:**

- ☐ No Additional Activity Required OR
- ☐ File with County Clerk Name:
- ☐ Send Printed Copy to: Address:
- ☐ Email a Digital Copy to: City/State/Zip:
- ☐ Other Phone:

**Note: Most signed documents are filed/recorded with the Clerk per standard process.**

**PART II – COUNTY ADMINISTRATOR REVIEW**

☒ **APPROVED FOR 05/09/2018 BOC MEETING** ☐ Not Approved for BOC Agenda  
because ASSIGNED TO: PRESENTATION



# **Good Neighbor Authority & Chetco Fire Salvage**

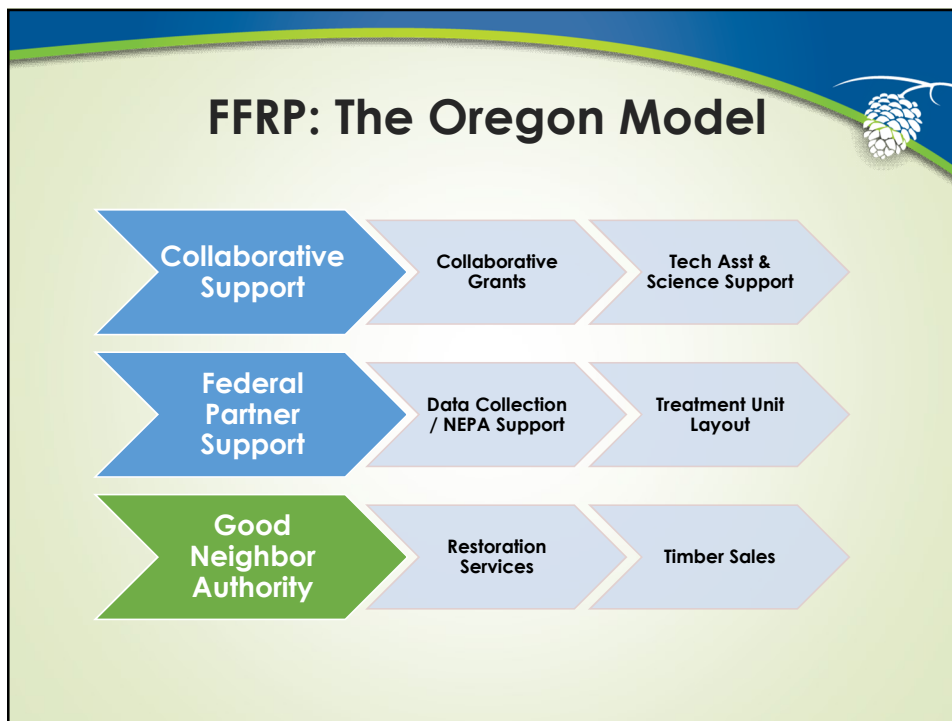
Curry County Commission Work Session  
May 9, 2018

Dave Lorenz, Phil Chang, Link Smith



## **Federal Forest Restoration Program**

- Created by the Governor and the State Legislature in 2013
- “To accelerate the pace, scale and quality of forest restoration to increase the resilience of Oregon’s federal forests, in a manner that leverages collaborative efforts and contributes to the long-term vitality of regional economies and rural communities”



## Good Neighbor Authority

- **Example Projects**
  - Thinning (commercial and non-commercial) for hazardous fuels reduction or forest health
  - Culvert replacement for watershed restoration / fish passage
  - Invasive species/noxious weeds treatments
  - Site preparation / layout for prescribed fire
  - NEPA support work (botany survey, stand exam, analysis, drafting)
  - Pre and post implementation monitoring

## Good Neighbor Authority

### Supplemental Project Agreements (SPAs)

- **Restoration Services SPAs**
  - Federal funds (Appropriated, KV, etc) pay for ODF to provide restoration services
- **Program Income/Timber Sale SPAs**
  - ODF administers a timber sale on federal forest land, uses revenue to cover costs and accomplish additional restoration

## Good Neighbor Authority

- **GNA Timber Sale Sideboards**
  - Program Income held for FS in an account for restoration work within the Forest
  - County receipts only on minimum appraised value
  - No vegetation removal work in Wilderness, Wilderness Study Area, or other areas where prohibited
  - Forest Service maintains NEPA decision responsibility & provides prescriptions and marking guidelines for vegetation projects
  - Any road construction or reconstruction must be required for restoration

## Good Neighbor Authority

- **How does a GNA Timber Sale work in Chetco Bar salvage?**
  - ODF prepares and administers a sale that the Forest Service otherwise would not get to
  - Benefits: additional timber volume, employment, acres treated; plus earlier access
  - Timber value captured before wood decomposes
    - Used to implement additional restoration work
    - Used to recoup ODF's prep and admin costs
  - Minimal receipts to County, but a sale that would not have happened without GNA



CURRY COUNTY BOARD OF COMMISSIONERS

AGENDA ITEM ROUTING SLIP

FORM 10-001.1 **Revision 3-22-2018**

**PART I – SUBMITTING DEPARTMENT: RETURN TO** [BOC OFFICE@CO.CURRY.OR.US](mailto:BOC_OFFICE@CO.CURRY.OR.US)

**PROPOSED AGENDA ITEM TITLE:** This item was moved from the 5/2/18 General Meeting to the 5/9/18 Workshop. Road Fund Loan Enabling Ordinance

**TIMELY FILED** Yes ☒ No ☐

If No, justification to include with next BOC Meeting

**AGENDA DATE<sup>a</sup>:** May 9, 2018 **DEPARTMENT:** Counsel **TIME NEEDED:** 45 min

(<sup>a</sup>Submit by 9AM five days prior to the next General Meeting (six days if a holiday falls within that five day period)) **RECOMMENDED AGENDA CATEGORY** DISCUSSION ONLY

**MEMO ATTACHED** Yes ☒ No ☐ If no memo, explain:

**CONTACT PERSON:** J Hutt **PHONE/EXT:** 3218 **TODAY'S DATE:** 05/03/2018

**BRIEF BACKGROUND OR NOTE:** (If no memo attached)

**FILES ATTACHED:**

- (1) Memo: J Hitt
- (2) Proposed Ordinance
- (3) House Bill 3435

**INSTRUCTIONS ONCE SIGNED:**

- ☐ No Additional Activity Required OR
- ☒ File with County Clerk Name:
- ☐ Send Printed Copy to: Address:
- ☐ Email a Digital Copy to: City/State/Zip:
- ☐ Other Phone:

**Note: Most signed documents are filed/recorded with the Clerk per standard process.**

**PART II – COUNTY ADMINISTRATOR REVIEW**

☒ **APPROVED FOR** \_\_05/09/2018\_\_ **BOC MEETING** ☐ **Not Approved for BOC Agenda because**

**ASSIGNED TO:** ORDINANCE



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## INTEROFFICE MEMORANDUM

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**TO:** BOARD OF COUNTY COMMISSIONERS

**FROM:** JOHN HITT, INTERIM ADMINISTRATOR

**SUBJECT:** PROPOSED ORDINANCE IMPLEMENTING HOUSE BILL 3435

**DATE:** (FOR) MAY 2, 2018

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**BACKGROUND:** At prior BOC workshops and meetings the BOC directed staff to prepare, for BOC consideration, an implementing ordinance that would govern future possible loans from the Curry County Road Fund to other governing entities. This proposed ordinance, containing lending requirements and restrictions is attached.

**RELEVANT FACTS:**

1. House Bill 3435 grants to the local governing body the authority to lend to other government agencies (port districts, cities, school districts, fire districts, etc.) "...moneys from federal sources in the county road fund of Curry, Klamath and Yamhill Counties...." The only limitation on such lending is it cannot exceed the debt service abilities of the receiving district and cannot exceed 20 years.
2. Curry county currently has approximately \$ \$30 million in its road fund earning a blended rate of interest of approximately 1.6%. It is currently unknown the amount the various sources (federal, state, local) have contributed to the \$30 million Road Fund Reserve
3. There are other Curry County governmental agencies that either are in need of long-term funding or have existing long-term loans (bonds) at a relatively high rate of interest.
4. The attached ordinance could provide the means to provide some form of 'debt relief' to those agencies in need of funds, or with existing high interest indebtedness. Any funds actually lent out could pay back to the county and Road Fund interest accruals in excess of what we currently earn. Any excess earnings could be allocated to the county's General Fund.
5. The proposed Ordinance could be referred to the voters for approval/rejection at the next general election

**OPTIONS:**

1. Take no action.
2. Approve the proposed ordinance with or without amendment.
3. If an ordinance is approved, make the effective date dependent on approval by the voters.

RECOMMENDATION: Adopt the ordinance with or without amendment. Staff has no recommendation concerning a possible referral to the voters prior to the ordinance becoming effective.

## Exhibit 'A'

### Curry County Ordinance # \_\_\_\_\_

#### A. Application for Loans from County Road Fund Reserves.

1. Any Curry County governmental entity requesting a Road Fund loan shall do so in writing indicating, as a minimum: a. the amount requested. B. the purpose of the loan. C. The requested term and interest rate of the loan, D. copies of audited financial reports for the prior five fiscal years. E. Copies of loan documents for any current or pending loan.
2. The applying governmental entity must be able to demonstrate that there have no loan defaults in the prior five fiscal years.

#### B. Application Standards

1. The public entity requesting a loan must qualify for an independently certified bond rating of BBB+/A-2 from Standards and Poor's or an equivalent rating from another nationally recognized bond rating agency. OR

2. The entity requesting a loan must obtain and pay the required premium to insure the principle of the loan for the entire period of the loan. Said insurance shall be provided by AMBAC, Assured Guaranty Corporation or other nationally recognized municipal bond insurer.

3. The applying agency shall secure road fund loan by the General Obligation of the borrowing entity.

4. The borrowing entity must have unencumbered annual tax revenue in excess of 115% of the total debt service required to timely meet the requirements of the repayment of principle and interest, resulting from any Road Fund Loan.

5. The borrowing entity shall maintain a Road Fund loan sinking fund reserve, in a separate escrow account, equal to at least 7.5% of the remaining principle owed.

#### C. Loan Underwriting Limitations

1. No loan, or combination of loan balances outstanding, may exceed 25% of the total Road Fund.

2. No loan shall have a repayment term of more than 10 years.

3. All loans shall be fully amortized over the life of the loan and all principle and interest payments shall be made quarterly.

4. The minimum interest rate on all Road Fund Loans shall exceed the then current State of Oregon Local Government Intermediate Fund rate by 3% or more at the time of loan funding.

D. Loan Approval Process.

1. Prior to approval of any Road Fund Loan request, the Board of Commissioners shall conduct two separate public hearings, separated by at least 30 days. Said public hearings shall be noticed in all newspapers of record, and the county website, at least 21 days prior to each public hearing. At least one public hearing shall be conducted in a location other than Gold Beach.

2. The BOC shall take a vote after each public hearing. The BOC shall cast a unanimous vote favoring the loan proposal before moving forward with, or otherwise approving the loan request. Failure to obtain a unanimous vote after either public hearing, or after review of the final loan documents, shall result in a denial/disapproval of the loan request.

3. The BOC shall not grant final loan approval until all underwriting requirements as contained herein are met, all loan documents are prepared and the loan request formally approved by the loan applicant at a public meeting of the applicant's governing board.

## Enrolled House Bill 3435

Sponsored by Representatives SMITH DB, RESCHKE; Representative WILSON

CHAPTER .....

AN ACT

Relating to county road fund moneys; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** (1) Notwithstanding ORS 294.060, 294.468 and 368.705, moneys from federal sources in the county road fund of Curry County, Klamath County or Yamhill County may be loaned to:

- (a) Any taxing district located within the county;
- (b) Another county; or
- (c) Any taxing district located in another county.

(2) The amount of the loan may not exceed the lesser of:

(a) The amount of operating taxes estimated to be collected by the taxing district or the county to which the moneys are to be loaned, plus interest, for a period of 20 consecutive years; or

(b) The estimated annual debt service amounts that can reasonably be estimated to be available for the term of the loan to the taxing district or the county to which the moneys are to be loaned, after subtracting any other financial or legal obligations of the borrower taxing district or county.

(3)(a) Moneys may be loaned under this section only pursuant to a legally binding inter-governmental agreement or loan agreement entered into by the governing bodies of the borrower taxing district or the county and the lender county.

(b) The intergovernmental agreement or loan agreement must contain provisions that:

(A) Fix the principal amount of the loan and state the method of determining the rate of interest. The rate of interest may not be less than the average rate of return earned over the immediately preceding 12-month period by moneys of the lender county placed in the investment pool as defined in ORS 294.805.

(B) Fix the term of the loan and the schedule of the payments of principal and interest.

(C) Pledge the operating tax revenues of the borrower taxing district or county as security for repayment of the loan, plus interest.

(D) Identify the purpose for which the taxing district or the county is borrowing the moneys.

(E) Establish remedies in favor of the lender county if the borrower taxing district or county is unable to meet the annual debt service obligations.

(4) The governing bodies of the borrower taxing district or county and the lender county shall account for the loan and the repayment obligation, including interest, in their annual budgets for the term of the loan.

(5) A county that makes a loan under this section shall disclose the loan to the Oregon Municipal Debt Advisory Commission.

(6) Moneys from state and local sources that are subject to Article IX, section 3a, of the Oregon Constitution, may not be loaned under this section.

**SECTION 2.** This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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Passed by House June 21, 2017

Received by Governor:

Repassed by House July 6, 2017

.....M.,....., 2017

Approved:

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Timothy G. Sekerak, Chief Clerk of House

.....M.,....., 2017

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Tina Kotek, Speaker of House

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Kate Brown, Governor

Passed by Senate July 4, 2017

Filed in Office of Secretary of State:

.....M.,....., 2017

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Peter Courtney, President of Senate

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Dennis Richardson, Secretary of State