

**Depoe Bay Rural Fire Protection District
&
North Lincoln Fire & Rescue District #1**

**Oversight Committee Meeting Minutes
(formerly Consolidation Steering Committee)
February 18, 2020**

***** APPROVED *****

<u>Attendance:</u>	
Committee Members:	Others in Attendance:
Bryan Daniels – Acting DBF Fire Chief	Kevin Dykes – DBF
Rob Dahlman – NLFR Fire Chief	Patrick Ganz – DBF
Janel Gifford – DBF Board Director	Gina Geary – DBF
Paul Erskine – DBF Board Vice-President	Nick Robinson – DBF
Ron Woodard – NLFR Board Secretary-Treasurer	Jerry Herbage – Lincoln County Counsel
Alan Lee – NLFR Board President	

The meeting of the DBF / NLFR Oversight (formerly Consolidation Steering) Committee was held at the Gleneden Beach Fire Station at 6445 Gleneden Beach Loop, Gleneden Beach, OR 97388.

The meeting was called to order by Committee Chair Paul Erskine at 4:00 p.m., and all stood to recite the Pledge of Allegiance. Roll call attendance was then taken.

Approval of Minutes

The Consolidation Steering Committee minutes from the January 21, 2020 meeting were presented for approval. Ron Woodard made a motion to approve the minutes as presented; Alan Lee seconded the motion. The motion passed. **(See Motion #1)**

Old Business

- Follow up with County Legal Counsel regarding consolidation process – Jerry Herbage reported his research on questions posed at the January 21, 2020 meeting. Mr. Herbage prefaced his remarks with a reminder that Carrie Connelly of the Local Government Law Group is the attorney and fiduciary for both Districts. Mr. Herbage is not the Districts’ fiduciary; his client is Lincoln County. Mr. Herbage cannot give the Districts legal advice, but he can share his findings. Mr. Herbage recommended consultation with the Districts’ attorney soon.

Umatilla Reformation: In 2014 three measures went on the ballot: 1) To dissolve the Umatilla Fire District; 2) To dissolve the Stanfield Fire District; and 3) To consolidate the two Fire Districts. This process went through the Board of Commissioners. All three measures had to pass for this to work, and in Hermiston it failed.

In Umatilla, all three measures passed in 2016, and a new District was formed. In the articles, this was called a reformation.

Paul Erskine asked if the reformation as described could be considered the same as a consolidation. Mr. Herbage answered that according to definitions in ORS 198.705, one could argue that this was a merger (which mentions dissolving) vs. consolidation (which does not mention dissolving). He also referenced a handbook available on the internet—"Formation, Alteration, and Dissolution of Special Districts"—which has a section on consolidation and mergers.

Is there a local boundary commission? No.

Is annexation a possible process under the circumstances? No. Mr. Herbage referred to a publication by the Oregon Department of Revenue: "Boundary Change Information: How to comply with ORS 308.225" (available online). What the Districts want to do does not fit the definition of annexation.

Deadlines? Mr. Herbage consulted with Joe Davidson, Lincoln County Assessor. In order for a boundary change to be effective for the upcoming year, the map and legal description have to be approved by the Department of Revenue no later than March 31st, to be final and effective no later than June 30th. Joe Davidson requested that the resolution along with the boundary change be contingent on the outcome of the May election.

What happens to bonds and indebtedness? Mr. Herbage is waiting for additional information from the Dept. of Revenue. He referred to a tax computation manual from the Dept. of Revenue 2010. He read from a section about bonds: "When voters approve general obligation bonds, they approve the debt and the taxes required to repay the debt. In most cases, responsibility to repay the debt stays with the territory that was in the district when the debt was approved, even if part of the territory is subsequently withdrawn from the original district. Likewise, if the territory becomes part of a larger merged district, the debt usually stays within the original territory and is not shared with the rest of the merged district." These areas are called "bond pockets." He will share additional information when it becomes available.

Paul Erskine asked if this applies to levies (i.e. local option taxes) as well. Mr. Herbage does not yet have an answer from the Dept. of Revenue.

Does the new District get everything good and bad? Mr. Herbage quoted from materials forwarded to Chief Dahlman: "Once a consolidation is effective, the successor District succeeds to all the property, contract rights, and powers of the former Districts. Former Districts must turn over to the board of successor District all funds, property, contracts, and records of the former Districts and uncollected taxes, assessments, or charges levied by the former Districts become part of the property of the successor District. ... The successor District board must levy taxes and assessments for the liquidation of any prior existing indebtedness in accordance with the debt distribution plan." Mr. Herbage suggested that the Districts talk with its attorney about this.

He continued quoting: "If you have two or more Districts merging or consolidating, the tax rate of the surviving District or successor District is that rate that would produce the same tax revenue as the merging or consolidating Districts would have cumulatively produced in the year of consolidation or merger if the consolidation or merger had not occurred." This is an Oregon constitution provision (Article 11, Section 11.3.D). The handbook previously mentioned has worksheets for calculating this.

Mr. Herbage referred to paperwork for a merger/consolidation in 1997 of Taft-Nelscott-Delake Fire District and Devil's Lake Fire District into North Lincoln Fire & Rescue District #1.

Is the May 2021 timeline feasible? Mr. Herbage suggested that the Districts look at legal and practical considerations, consider marketing and educating the public, and talk with the Districts' Attorney.

Mr. Herbage will report any additional information from the Dept. of Revenue to Chief Dahlman.

- Review contact list of Stakeholders – Lists were compared, groups were suggested, and specifics of outreach were discussed, including levels of involvement.

New Business

- Review of Goals & Objectives (Strategy B of ESCI study) – Chiefs Dahlman and Daniels will work on an edit of this list. Janel Gifford suggested making financials the highest priority, along with a proposed organizational chart to help estimate costs and create a 5-year projection. Chiefs Dahlman and Daniels will create an organizational chart to present at the next meeting. Ron Woodard asked if it would be possible for information be sent ahead of time for review.
- Adopt name change of committee (Oversight Committee) – Each District's board approved.

Future Meeting Dates and Locations

The next meeting of the Oversight Committee is scheduled for Thursday, March 26, 2020 at 4 p.m. at the St. Clair Fire Station at 4520 SE Hwy. 101 in Lincoln City, Oregon.

Agenda Items will include:

- Organizational Chart
- Review of Edit of Goals & Objectives
- Quarterly Report for 190 Agreement

For the Good of the Order

None.

ADJOURNED AT 5:24 p.m.

The minutes were taken, transcribed and submitted by Gina Geary, DBF Administrative Assistant

**Depoe Bay Rural Fire Protection District & North Lincoln Fire & Rescue District #1
 Oversight Committee Meeting
 Motion #1 and Voting Record
 Date: February 18, 2020**

Motion Made By:		Motion Seconded By:	
	Bryan Daniels		Bryan Daniels
	Rob Dahlman		Rob Dahlman
	Janel Gifford		Janel Gifford
	Paul Erskine		Paul Erskine
X	Ron Woodard		Ron Woodard
	Alan Lee	X	Alan Lee

MOTION: To approve the minutes of the January 21, 2020 Consolidation Steering Committee Meeting as presented.

	FOR	AGAINST	ABSTAINED	COMMENTS
Daniels	X			
Dahlman	X			
Gifford	X			
Erskine	X			
Woodard	X			
Lee	X			

RESULTS

PASSED	FAILED
X	