

To: Honorable Senators reviewing SB 189  
From: Bill Brown, Klamath County citizen  
Date: March 28, 2011  
Re: Testimony opposing SB 189

Thank you Senators for providing Klamath County citizens this hearing to discuss the pros and cons of SB 189 which authorizes Klamath County to use Secured Rural Schools Federal funding for the purpose of patrolling Klamath County roads through January 4, 2014.

So, who am I and why does this hearing interest me enough to lay off work to drive to Salem for this hearing? I am from a seven generation Oregonian family with the past six generations living and working in Klamath County. I am a retired educator with three years teaching manufacturing in California and 27 total years in Klamath County, City and Lake County schools as Career and Vocational Education Director, OIT Manufacturing Professor and Community, Contract and continuing Education Director for Klamath Community College. I served as Klamath County Commissioner from Jan 2005-Jan. 2009. I did not seek re-election due to health issues. Currently, I am enjoying retirement with family and friends, part-time farming and a member of the Klamath County Patriots, a Tea Party Organization. Yes, there were and are educators that believe in limited government, fiscal accountability at all levels of government and adherence to the U.S. and Oregon State Constitutions. **While I am a member of the Klamath County Patriots, my input to you is as a concerned citizen and I do not represent the Klamath County Patriots. I promised myself I would restrain from presenting my opinions publically for one year and, while I bit my lip many times, I kept that promise in respect for the commissioner position. I have been out of office for two years now and decided it was definitely time to speak up on issues that truly concern me and my family and friends and that is why I am here today.**

I have two basic issues against passage of SB 189:

**1. Lack of Financial Planning and Excessive Spending in Klamath County:**

Counties and Cities that have gone through proper planning have been able to weather the storm of our economic situation the past three years. Jackson County is an obvious model of intelligent and thoughtful planning in which they have been able to build a reserve of approximately 127 million dollars according to their commissioners. Klamath County chose not to plan ahead and in any significant way and has spent their funds to the point of a reserve of \$300,000-\$600,000 depending on their audit and sloppy accounting practices. I personally did not vote to approve the Klamath County Budget for three of my four years in office due to excessive spending practices and my inability to persuade Commissioners Switzer and Elliott to put reserves away for a rainy day.

An example is when I left office in Jan 2009; we had finally, due to educated and knowledgeable lay budget members, set aside approximately \$1.5 Million in reserve. Those lay budget members resigned due to Commissioners Switzer, Elliot and Hukill not following ethical financial decision processes in approving a Klamath County Road Shop Facility with a price tag of approximately \$11 million for a new Road Department Facility without going through the normal budget process for such a large expenditure. This figure does not include prior expenditures of approximately \$4.8 million including land, engineering and incidentals of which I was not a commissioner. In fact I was adamantly opposed to the new facility from the time I became Commissioner until I fulfilled my term. This funding came from our Road Reserve including Secure Rural Schools Federal Funding and Oregon Gas Tax receipts that had built up for the specific purpose of maintaining our roads, repairing bridges and the ability to use the interest from these funds to continue to employ Road Department personnel once the federal funding had disappeared. The former shop was a very good and useable facility, especially after Commissioners Switzer, Elliott and I voted unanimously around May of 2008 to

replace the roof and repair the geothermal heating at a cost of nearly \$75,000 giving the facility an additional 20 year life. This new shop facility was not necessary especially given the uncertainty of federal funding.

As another example, those three commissioners and a new set of like minded lay budget committee members increased the FY 2009-2010 budget by 24.8% while having to make significant cuts during the FY 2010-2011. Another example of not thinking ahead. (See Attached Budget Summary for more examples)

**So, what is the message here? I believe based on my experience in office and as a concerned citizen that Commissioners Switzer, Elliott and Hukill do not deserve a Tax Payer Bail-Out for excessive spending practices and for jeopardizing the Road Reserve Fund any further than they already have.**

## **2. Inaccurate Accounting Practices:**

Klamath County is currently under several investigations for poor managerial practices and inaccurate accounting practices. The Oregon Attorney General has determined that Klamath County Officials can spend Secured Rural Schools funds in order to **Bail Out** the commissioners but they cannot utilize Oregon Gas Tax Funds or the interest from the Gas Tax Funds to fund anything but the Road Department. Since these funds have been historically comingled it will be very difficult, given the sloppy accounting practices that have been ongoing for years, to determine which funds Klamath County may be using to support SB189 if passed. Having been involved with very large budgets in our schools as an administrator for 22 of my 27 years in Klamath County Educational budgets, I was amazed when I became a Commissioner at the inability to provide a budget that was understandable and accurate. Commissioner Switzer and Elliott were so impressed with our Treasurer that they voted him a 14% wage increase in 2007 followed by Commissioner Hukill, prior to her taking office in 2009, called our treasurer the "Treasure of Klamath County". Now, all citizens of Klamath County know that our accounting systems and budget information was inaccurate for a number of years.

**So, what is the message here? From my past experience and current investigations, I believe that SB189 should not be approved especially until the financial management investigations are complete and we know who all will be held responsible for these sloppy accounting processes.**

## **Conclusion:**

While we all believe that adequate law enforcement is critical to our citizens. I do not believe we should utilize tax dollars to fund money swaps with the city using secured rural school funding or utilizing said funds to backfill poor budgeting decisions. This problem was brought on by a philosophy that we can spend, spend, spend and the taxpayers will be forced to approve a levy or tax base. I have no problem with the sheriff levy being proposed whereby our citizens will have the opportunity to decide the outcome. In discussions with many people in our communities, I believe our elected officials have under-rated the wisdom of our citizens. I also see no dollar limitations in this bill which will serve as an open check book for the current Commissioners, with the exception of newly elected Commissioner Linthicum, and the current lay Budget Committee Members. I believe, as stated by Representative Bill Garrard in the Herald and News that we must all live within our budgets. Governor Kitzhaber has heard the message and presented a budget that, while I have some personal problems with, overall is a very good start to accomplishing that goal.

Thank you for taking time to hear my concerns related to SB189 and I urge you not to pass this bill.

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KLAMATH COUNTY PROGRAM BUDGET SUMMARY BY CATEGORY - EXPENDITURES

(Revised 3/26/10)

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09	Budget 2009-10	Budget 2010-11
<b>ADMINISTRATION</b>									
ASSESSOR	878,845	882,861	885,275	930,095	958,993	977,664	948,150	967,057	920,197
CLERK	469,783	459,460	476,966	440,029	520,833	522,955	559,019	624,574	561,778
COMMISSIONERS	298,483	298,649	305,829	285,218	292,514	296,034	315,732	328,220	327,873
COURTHOUSE BOND & INTEREST	1,597,553	1,595,123	1,599,535	1,595,215	1,599,800	1,598,500	1,596,945	1,598,895	1,598,295
COURTHOUSE CONSTRUCTION RES	5,511	1,084	0	0	0	0	0	0	0
FINANCE	580,415	641,184	646,665	560,212	601,865	603,296	682,332	713,546	585,385
GENERAL ADMINISTRATION	139,855	145,901	154,038	208,882	231,051	251,763	193,903	202,475	203,989
GENERAL FUND NON-DEPARTMENTAL	1,006,850	1,019,468	985,494	984,115	1,164,307	1,555,209	1,711,363	3,182,879	1,853,412
COMM ACCESS BROADCAST	0	0	0	0	0	0	0	0	0
PROPERTY SALES FUND	501,926	958,799	855,850	933,507	963,786	700,661	859,811	1,013,645	894,150
TREASURER	97,875	97,821	99,979	108,479	112,255	117,620	94,562	109,047	62,128
TAX COLLECTOR	258,919	272,968	265,648	276,651	271,723	285,351	284,930	312,796	312,009
Administration Totals	5,836,013	6,373,337	6,275,279	6,322,403	6,717,107	6,909,052	7,246,747	9,053,134	7,319,196
		+422%	-1.5%	+0.7%	+6.1%	+2.9%	+1.9%	+24.8%	-19.2%
<b>AGRICULTURAL</b>									
AG. EXPERIMENT STATION	67,991	67,991	71,059	66,880	77,261	85,322	108,813	117,114	95,975
EXP. STATION RESEARCH	16,104	17,715	31,142	47,407	16,884	30,246	27,564	47,525	44,275
OSU COOPERATIVE EXTENSION	228,362	218,947	252,880	391,317	540,928	322,792	230,810	416,797	244,893
TAYLOR GRAZING	3,878	4,619	4,409	5,422	4,462	3,763	3,777	7,500	7,500
WATERMASTER	55,656	53,574	55,999	57,695	63,874	66,317	69,091	73,745	83,545
WEED CONTROL	164,082	189,281	155,903	182,970	182,699	203,414	201,908	289,736	315,000
Agricultural Totals	536,073	552,127	570,792	751,691	886,108	711,853	642,063	952,417	791,188
		+2.0%	+3.4%	+31.7%	+17.9%	-19.7	-9.5%	+48.3%	-16.7%
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>									
BUILDING	697,962	720,154	838,102	1,125,796	1,407,631	1,344,179	1,391,455	1,499,103	1,187,483
COMMUNITY DEVELOPMENT CENTER	185,707	317,545	379,290	374,231	439,261	370,200	409,085	530,528	480,651
COMMUNITY SERVICES	0	0	0	0	0	0	0	0	0
COUNTY REVOLVING LOANS	0	0	142,675	18,937	5,228	0	0	0	0
ELECTRICAL	183,547	963,235	256,025	361,720	391,378	377,976	0	0	0
ENFORCEMENT	0	0	0	0	0	69,742	108,191	144,337	98,925
VIOLATION RESERVE	0	0	0	0	0	0	0	7,600	8,745
ON-SITE (SEWER)	0	0	235,505	342,350	420,709	323,053	226,421	256,084	188,610
ECONOMIC DEVELOPMENT FUND	154,058	150,026	162,202	210,928	168,284	596,034	268,232	311,046	226,564
PLANNING	352,816	423,058	447,587	468,580	651,721	493,898	384,801	598,458	451,784
SURVEYOR	64,647	63,516	83,852	31,696	42,147	33,207	34,473	1,060,249	1,168,000
FEDERAL FOREST TITLE III	0	0	0	424,518	1,228,051	954,780	681,148	1,603,690	2,101,695
O&C FOREST TITLE III	0	0	0	9,502	18,625	88,455	420,232	921,732	327,366
TOURISM	216,214	159,677	58,891	38,643	78,183	117,775	274,191	275,818	801,338
Comm. & Econ. Dev. Totals	1,854,952	2,797,212	2,602,129	3,406,891	4,851,218	4,769,299	4,198,229	7,208,645	7,041,106
		+50.8%	-7.0%	+30.7%	+42.4%	-1.7%	-12.0%	+71.7%	-2.3%
<b>COMMUNITY SERVICES</b>									
COUNTY SCHOOLS	3,248,433	3,287,652	3,331,836	3,412,264	6,253,978	3,654,024	4,210,710	3,165,934	2,807,607
FAIRGROUNDS	764,531	782,901	792,434	820,750	937,743	1,055,736	1,013,922	1,217,531	1,275,225
FAIRGROUNDS BOND & INTEREST	476,185	538,185	522,185	608,185	585,185	566,185	546,218	626,700	0
LAW LIBRARY	70,484	78,327	76,371	74,924	79,345	80,133	136,226	117,502	127,262
LIBRARY	0	0	0	0	0	0	0	0	0
MUSEUM - COMPLEX/SALES	222,895	237,112	193,772	210,460	275,372	281,686	527,754	764,913	512,995
PARKS	132,550	78,003	558,818	103,265	206,202	95,661	196,969	192,289	357,850
PARK RESERVES	0	0	0	0	0	50,000	0	120,250	145,750
Community Services Totals	4,915,078	5,002,180	5,475,416	5,227,648	8,338,825	5,783,425	6,537,799	6,205,099	5,226,689
<b>HUMAN SERVICES</b>									
COMMISSION ON FAM & CHILDREN	787,147	611,686	675,178	788,982	617,647	731,476	732,656	635,122	679,128
KLCAS	0	0	0	0	0	0	116,674	0	0
MENTAL HEALTH	6,319,064	7,410,031	8,196,371	8,451,315	9,484,990	7,407,721	8,837,500	12,138,489	12,519,267
PUBLIC HEALTH	2,033,405	2,149,709	1,875,095	1,855,486	2,229,875	2,187,164	2,360,313	2,740,773	2,741,321
COMMUNITY GRANTS	0	0	0	0	28,900	120,720	117,773	58,986	57,500
VETERAN'S SERVICES	116,961	115,002	127,891	157,252	177,932	163,939	246,854	189,820	201,961
Human Services Totals	11,256,578	10,286,428	10,874,535	11,353,035	12,539,345	10,611,021	12,411,770	15,763,190	16,199,177
<b>INTERNAL SERVICES</b>									
COUNTY COUNSEL	163,011	172,248	167,556	198,482	189,382	189,641	230,961	270,305	268,010
INFORMATION TECHNOLOGY	607,784	670,516	672,785	715,493	829,755	969,793	1,011,869	1,115,899	1,115,344
EQUIPMENT RESERVE	654,181	879,966	557,920	1,288,001	1,407,845	1,252,150	2,418,792	4,533,283	4,476,206
NON-DEPARTMENTAL	1,971,970	1,996,108	1,799,124	1,902,992	2,054,740	2,046,193	2,168,737	2,615,108	2,643,581
HUMAN RESOURCES	354,862	294,066	321,120	344,547	351,694	331,869	335,862	405,942	470,584
RISK MANAGEMENT	1,302,058	1,577,260	1,243,889	1,397,420	1,490,368	1,599,976	1,537,141	1,686,018	2,195,396
SPACE RENT (MAINTENANCE)	1,369,499	1,298,360	1,211,247	1,660,092	1,407,059	1,401,144	1,443,029	2,392,396	2,412,337
Internal Services Totals	6,423,366	6,888,524	5,973,641	7,507,027	7,741,043	7,790,767	9,146,391	13,018,951	13,582,548
<b>PUBLIC SAFETY</b>									
COMMUNITY CORRECTIONS	2,855,797	2,746,037	3,273,093	3,287,103	3,746,686	3,943,442	3,881,540	4,741,771	4,561,873
COURT FACILITY SECURITY	47,678	66,538	79,796	107,561	98,408	101,747	103,004	124,954	95,085
DOMESTIC VIOLENCE	365,245	346,770	303,098	535,719	333,639	183,867	231,407	240,202	319,059
SHERIFF SPECIAL REVENUE	20,366	41,673	12,293	612,545	558,308	32,463	1,299,455	880,916	201,231
SUPPORT ENFORCEMENT (DA)	0	0	0	0	0	140,546	143,593	154,031	122,623
DISTRICT ATTORNEY	1,267,634	1,288,919	1,316,668	1,308,512	1,391,489	1,249,546	1,302,752	1,430,785	1,222,921
DIST. ATT. ENFORCEMENT	15,405	6,724	7,473	7,285	2,652	7,035	9,786	21,499	22,100
DOG CONTROL	261,025	281,161	305,519	326,485	314,258	267,098	276,757	384,972	382,173
EMERGENCY SERVICES	97,622	132,360	161,631	139,186	145,757	142,353	133,819	137,030	115,724
JUSTICE COURT	161,580	152,453	170,438	199,010	212,200	217,065	217,681	227,882	207,773

KLAMATH COUNTY PROGRAM BUDGET SUMMARY BY CATEGORY - EXPENDITURES

(Revised 3/26/10)

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09	Budget 2009-10	Budget 2010-11
JUVENILE DEPARTMENT	1,346,288	1,312,829	1,415,007	1,476,391	1,593,502	1,661,027	1,497,650	1,729,906	1,496,490
JUVENILE SPECIAL PROJECTS	1,365,489	873,231	13,935	871,544	85,641	0	0	4,038	4,100
SHERIFF	6,364,653	6,489,165	6,607,907	7,036,588	7,566,712	7,320,500	8,068,551	8,869,504	7,687,517
<b>Public Safety Totals</b>	<b>14,168,784</b>	<b>13,747,861</b>	<b>13,667,038</b>	<b>15,707,930</b>	<b>16,050,252</b>	<b>15,267,542</b>	<b>17,165,395</b>	<b>18,947,490</b>	<b>16,458,069</b>
<i>PUBLIC WORKS</i>									
BICYCLE TRAIL FUND	69,598	8,823	7,779	85	0	0	76,296	203,202	207,000
K F STREETS	617,212	588,228	306,938	150,000	150,000	1,851,374	150,000	2,354,905	3,081,453
LANDFILL SITE RESERVE	109,583	1,145,531	0	0	0	0	0	5,352,000	6,479,424
RECYCLING	43,810	51,391	63,150	62,163	68,153	127,374	117,875	254,515	181,800
ROAD DEPARTMENT	13,053,947	5,767,193	12,547,576	13,571,583	15,495,202	13,495,773	16,041,489	47,209,810	43,625,150
ROAD RESERVES	778,728	778,728	2,383,025	2,960,599	2,493,893	2,285,412	495,919	79,950,000	71,400,000
SOLID WASTE	1,555,918	2,496,828	3,173,877	3,458,951	5,076,631	5,442,494	4,203,034	4,993,644	5,185,950
<b>Public Works Totals</b>	<b>16,228,796</b>	<b>10,836,723</b>	<b>18,482,345</b>	<b>20,203,381</b>	<b>23,284,879</b>	<b>23,202,426</b>	<b>21,084,613</b>	<b>140,316,076</b>	<b>130,160,777</b>
<b>Total County Expenditures</b>	<b>61,219,640</b>	<b>56,484,392</b>	<b>63,921,175</b>	<b>70,480,206</b>	<b>80,408,777</b>	<b>75,045,385</b>	<b>78,527,007</b>	<b>211,467,002</b>	<b>196,778,810</b>