



NORCOR

CORRECTIONS FACILITIES

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NORCOR

Board of Directors

Minutes of the Board Meeting

October 19, 2017

PRELIMINARY BUSINESS:

Quorum was determined and the Board Meeting was called to order on October 19, 2017 @ 10:02 AM by Rod Runyon, Chairman.

Present: Bryan Brandenburg-NORCOR Administrator **Board Members:** Rod Runyon- Wasco County Commissioner, NORCOR Board Chairman; Tom McCoy- Sherman County Commissioner, NORCOR Board Vice-Chairman; Ron Rivers- Hood River County Commissioner; Amber DeGrange- Sherman County Juvenile Director (*alternate for Molly Rogers- Wasco County Youth Services Director*); Brad Lohrey- Sherman County Sheriff

Guests: Will Carey- NORCOR Attorney; Jeff Justesen- NORCOR; Beth Anderson- NORCOR; Sherrin Ungren- Gorge ICE Resistance; Gary Bettencourt- Gilliam County Sheriff; Teresa Hepker- The Dalles Resident; Brian Stovall- The Dalles Resident; Tim Schechtel- The Dalles Constituent; Solea Kabakov- The Dalles Community Member; Ray Sherrill- Concerned Citizen from The Dalles; Beverly Sherrill- Concerned Citizen from The Dalles; Sloane Borrego- The Dalles Student; Jim Patterson-Hood River County Juvenile Director; MariRuth Petzing- Hood River Resident; JoAn Henricks- The Dalles Citizen; Widge Johnson- The Dalles Resident; The Rev. Red Stevens- St. Paul's Episcopal Church, Pastor; Juli Twidwell- NORCOR; Amber Orion- The Dalles Citizen and Gorge ICE Resistance; Tara M. Kamp- Pauly Rogers & Partner Co., P.C., Tigard, OR; Lane Magill- Wasco County Sheriff; Dan Lindhorst- NORCOR; Neita Cecil- The Dalles Chronicle; Tyler Stone- Wasco County Administrator

Rod Runyon started the meeting with introductions of all who were present. Rod reminded those in attendance that this is a Board Meeting and not a Public Hearing, though the members of the public who were present would get a chance to speak. Rod also reminded those present that the Board has heard their concerns and encouraged comments on new concerns or any questions on new topics.

Ron Rivers made a motion to accept the August 17, 2017 Board Minutes as distributed. Brad Lohrey seconded the motion. Tom McCoy abstained from the vote, as he had not been present at the August 17, 2017 Board

Meeting. All the Board Members who were present at both this Board Meeting and the last Board Meeting voted in favor of the motion and the motion passed.

BUSINESS ITEMS:

- **2.1 Public Comments/Questions** – MariRuth Petzing, a resident of Hood River, started out the Public Comments with raising the issue of ICE Detainees and asked why NORCOR continues to call ICE when local people are arrested. Bryan Brandenburg answered that when someone is arrested their name, date of birth, their charge, and their country of origin is passed along to ICE if the country of origin is anything other than the United States. MariRuth reiterated that the question was why this information is passed along to ICE. Bryan answered that it is statutorily required. MariRuth then asked which statute requires this information to be passed along to ICE. Bryan answered that he could not remember the statute number off the top of his head.

Teresa Hepker, a resident of The Dalles, spoke of her concern and referenced a letter that she wrote, which was handed out to the Board Members, regarding the lack of NORCOR Board Meeting notices. Juli Twidwell answered that there is documentation confirming that NORCOR sends the information to the Dalles Chronicle, the Condon Times Journal, and the Hood River News to have them published.

Brian Stovall, a resident of The Dalles, noted that he did not appreciate comments that Commissioner Runyon had made at a meeting the previous week regarding the protestors of NORCOR. Rod Runyon replied that he was actually commenting on the fact that the ACLU paperwork on the subject made it sound like NORCOR was a jail out in the middle of Venezuela or Argentina, which is not true. Brian asked for respect for the people who are sitting outside the jail protesting as responsible citizens. Rod reiterated that his comments were not against the citizens who are protesting NORCOR, but rather on the tone of the words written by the ACLU.

JoAn Henricks, a citizen from The Dalles, wanted to know what taxpayers are going to be paying in legal fees to fight the lawsuit and in response to the ACLU. JoAn asked how taxpayers are paying for these fees and if the ICE contract is really worth what the legal fees will cost. JoAn further requested that this be put specifically into the Board Meeting Minutes because she was seeking a response to this question from the Board, not today at this meeting, but she wanted a detailed response. Bryan Brandenburg answered that there had been no lawsuit filed from the ACLU so there is no cost associated with that yet and there is no way to know yet what the costs will be that are associated with the lawsuit since it has not moved beyond the process of discovery. MariRuth Petzing pointed out that NORCOR had responded to the ACLU and questioned Bryan's answer that there were no legal costs associated with that response himself. Bryan answered that there were no costs associated with the response to the ACLU because he had written that response. JoAn told the Board that she thought they were skating on thin ice. Ron Rivers responded that it was not appropriate to have any threats.

- **2.3 Bond Levy Status- NORCOR Board** – Rod Runyon noted that the Board Members had left the last meeting with homework regarding the bond levy and noted that no one in Wasco County has yet filed any levy or bond for the ballots in May or November of 2018 . Ron Rivers interrupted Rod with a message from the Hood River County Commission that Hood River County will not be involved with any bond levy discussion. Tom McCoy noted that Sherman County had not discussed the bond levy at all. Brad Lohrey noted that the Sheriffs had discussed the bond levy and, at this point, they were not in support of pursuing it again. Rod Runyon noted that the issue is put on hold for now. Rod asked Bryan Brandenburg if he had any comments on the bond levy. Bryan answered that he was willing to go in whatever direction the Board wanted to go in, and for right now, it looks like the Board does not want to go in the direction of pursuing the Bond Levy.
- **2.2 Financial/ Budget Document- Tara Kamp, Pauly Rogers & Co, P.C.** – Bryan Brandenburg had noted that at the last Board Meeting the formatting of the financial document presented to the Board might be changed a little. Bryan then introduced Tara Kamp, one of NORCOR’s auditors, to explain and discuss the budget document. Tara briefly explained the different columns on the document and the information given in each of them. Tara noted that the budget is really just a plan of what everyone thinks may happen in the coming year; since things never go exactly as planned the budget should be monitored and adjusted accordingly. Tara pointed out that the budget adjustment column is fluid and changes as things come up.

Rod Runyon asked Tara Kamp to explain state statutes regarding budget adjustments and Tom McCoy asked who makes the adjustments that are needed. Tara answered that any budget adjustment that changes an expense has to come to the Board in the form of a Resolution. If the adjustment is over 10%, it requires a supplemental budget process, either the long supplemental process or the short supplemental process. Tara further explained that the budget adjustment column on the financial document is not official and does not actually change the budget in any way, but is useful for planning purposes. Tom asked when an official budget adjustment is required. Tara answered that an official budget adjustment is required when you know that your expenditures are going to change. Bryan Brandenburg asked if this requirement is for expenses only or also for revenue. Tara answered that this requirement is for expenses only; revenue changes do not require any budget modifications. Rod asked Tara to explain the difference between changes to expenses within line items versus changing expenses to another category. Tara noted that the budget adjustment requirement is not for spending under the budgeted amount. The example that Tara gave was that if the Budget Resolution was to spend \$1 million in an expense category, but only \$800 thousand was spent, there is no need for an official budget adjustment, unless there is a desire to move some of that money to another category. Tara explained that NORCOR’s Budget Resolution does two things:

- 1) It sets the funds that NORCOR has and
- 2) It sets the appropriation level (the line items under the funds)

Tara pointed out that the report that NORCOR management gives to the Board is very detailed and it is up to the Board as to how much detail they request from management. Tara explained that NORCOR is not legally required to stay within its budget on every single accounting line, but rather

the budget adjustment requirements are for the totals of the budget expense main categories. Bryan asked if a budget adjustment would be required since, at this point in NORCOR's budget year, we should be at 25% of our budgeted totals and as you look through the financial document, there are some categories that are over that 25% mark. Tara answered that it is not necessary, at this time, to make a budget adjustment since NORCOR has not yet overspent the total budgeted amount. Tara pointed out that this is what makes the financial document that the Board gets from management so useful; the Board and management can watch those categories and determine if there will be a need for an adjustment at a later date.

Tara Kamp further noted that the audit focuses on the Year-to-Date Actual column, but that the Budget Adjustment column is a great tool for both management and the Board to use to watch and react informally to things that have not financially gone according to the budget plan. Tara pointed out that it is normal for the Projected Ending Fund Balance to change throughout the year as things happen because it is just a projection based on what has actually happened and what is known at this time. Tara also explained that it is good for the Board to consider setting a guideline of what they would like for the Ending Fund Balance to be, either formally through a resolution or informally as just a stated guideline. According to the Governmental Finance Officers Association (GFOA) recommendation, an ending fund balance of 2-3 months of operating expenses is a good guideline. Tom McCoy asked how much 2-3 months of operating expenses would be. Bryan Brandenburg answered that he had figured that out at one point, it was about \$500 thousand per month, but he was not sure if that amount was still valid at this time. Tara gave the reminder that during the next year's Budget meetings that the Beginning Fund Balance should be closer and more comparable to the actual Ending Fund Balance from this fiscal year. Amber DeGrange asked if the Projected Ending Fund Balance is what the Ending Fund Balance is expected to be if there are no adjustments to the accepted current Budget. Tara answered that yes, that is what management is projecting and it looks reasonable. Tom asked if that Projected Ending Fund Balance comes from the Budget document itself. Tara answered that it comes from the actual numbers; the Projected Ending Fund Balance takes the actual information from the third column and projects it out to the end of the fiscal year. Amber then asked if this current Projected Ending Fund Balance is what had been planned and what the Board had intended to have at the end of the year when the Budget was set up, instead of the well over \$1 million that had been initially planned on. Bryan answered that had been the initial plan, but that there had been a mistake in counting the Reserve Funds twice toward the end of the last fiscal year and then there was also a significant decrease in revenue for three months; last fiscal year's Projected Ending Fund balance was inaccurate because of those two items. Rod Runyon asked for confirmation that there is no official adjustment that is needed for the large (\$292,800) decrease in revenue noted in the adjustment column. Tara confirmed that there is no official adjustment that is needed for adjustments in revenue. Tara explained that the auditors have not noted any errors in the Budget Adoption or Amendment process and that they look at the process, not necessarily at the numbers.

Rod Runyon asked about the contracts with Klickitat County and Umatilla County and the checks that had already been received from them but are not in the budget document. Bryan Brandenburg

answered that the money is already deposited, but not included in the Budget document until those counties are billed out for what they use each month. Jeff Justesen further explained that the contracts with those counties buys them 365 beds for the year, and each month NORCOR bills those counties based on what they have actually used; the amount that is billed out for actual use is what is counted as revenue for that month. Juli Twidwell added that the money has been deposited into the deferred revenue line item and each time that those counties are billed on the contract, the money is pulled from that deferred revenue line item and shown as revenue because we cannot count it as revenue until we actually earn the revenue. Tara Kamp explained that it is an accounting rule that money is unearned until you bill. Rod asked if there was some other way to show that money, so that the Board can see that the money is there. Tara answered that the money shows up on the books and the Board can ask for a General Ledger account report that shows that the money has been deposited to deferred revenue, how much has been billed, and how much remains. Bryan also added that the revenue is reflected on the Budget document as the year goes on and the revenue from those contracts is earned, but it is a process that occurs throughout the year. Amber DeGrange asked if NORCOR is required to return the money for unused beds. Bryan answered that the money is not returned if those counties do not use it all. Amber then asked why those contracts can't be billed for 365 days at the beginning of the year since the money is not required to be returned to be able to reflect all the revenue on the Budget document. Bryan answered that he had asked the same question, but was told it was some kind of accounting rule that it cannot be done that way. Will Carey added that the money received from those counties is put into deferred revenue much like money that is put into a trust fund and is only taken out when it is used. Tara agreed that the money is there, but is slowly taken out throughout the year as it is earned and that is how the contracts read. Tyler Stone asked why the contributions received from the four counties are not accounted for in the same way. Tara answered that the contracts for Juvenile beds with Klickitat and Umatilla Counties are worded so that they are paying for specific services, whereas the four counties agree to pay a specific portion rather than to pay for specific services. Tyler noted that it is difficult for the counties, as they manage their budgets, to know where NORCOR is with their budget and asked if there was a better way to keep track of where NORCOR is with their budget. Tara answered that the Budget document that is given to the Board is the best way for the Board and the Counties to be able to monitor where NORCOR is at with their budget. Amber asked if there was any other deferred revenue. Juli answered that these are the only two counties that pre-pay. Bryan a question that Molly Rogers had in the handout that she sent to the Board this morning was about a difference in the way the juvenile housing number look. Bryan answered that it is because the ICE contract had not previously been split out; the ICE contract has not been split out and so the numbers are where they should be. Tyler asked about the Budget Adjustments column and the budget adjustment process. Tara noted that, as had been discussed earlier, that this adjustment column is for monitoring and planning purposes. Rod suggested changing the title of the Budget Adjustment column to avoid future confusion. Bryan suggested using the title Potential Adjustments for that column. Tara agreed that this could help avoid confusion over the purpose of this column on the Budget document. Tom McCoy asked if this current process gives us the most accurate possible projection of where NORCOR will end up at the end of the year. Tara answered that yes, this Budget document provides a reasonable projection. Tom noted that, for the Board, the Projected Ending Fund Balance is the

best indication of whether NORCOR is on track or not. Amber asked, on behalf of Molly, why the Adjusted Projected Ending Fund Balance does not equal the Budgeted Ending Fund Balance, instead of using money from the Reserve to make up the difference. Bryan answered that the potential adjustments are fluid and not set in stone, the adjustments have not actually happened. Tara answered that it is good to watch, but nothing needs to be changed yet. Tom suggested that trying to make the Projected Ending Fund Balance match with the Budgeted Ending Fund Balance, so that Reserves are not used would be better to do later, maybe at the six month point with more actual information. Rod thanked Tara for coming to the meeting, for her excellent explanation of the Budget document, and for answering all the questions that the Board had.

- **2.4 NORCOR Update/Status- Bryan Brandenburg** – Bryan Brandenburg let the Board know that this current Budget document is what will be sent to them monthly so that they can monitor where NORCOR is with the Budget.
 - Representatives from Benton County had come in to tour NORCOR and that they were impressed with the facility and with the quality of the services offered. The Benton County Administrator released more funds for more inmates to be able to serve their time at NORCOR, in order to help relieve the backlog that they have. For a while, Benton County numbers will increase from the budgeted 35 beds to 40 beds each month.
 - The ICE contract, which had averaged 18 for the first three months of the fiscal year, has increased to closer to 30 for the next few months.
 - Bryan then went over the statistics handed out to the Board.
 - Ron Rivers asked how the Sheriffs felt about the numbers for the counties being at about 100. Lane Magill answered that the Sheriffs feel pretty comfortable with the numbers where they currently are.
 - Amber DeGrange asked Bryan what definition of recidivism he is using to calculate recidivism rates. Bryan answered that his definition of recidivism is any individual who comes back to jail at all, even for a book and release.
 - Gary Bettencourt noted that jail continues to be a default for mentally ill people who are in crisis instead of going to treatment facilities and hospitals, where they belong. Too often the local hospitals are refusing to take these people and are simply sending them to jail. Bryan agreed that the hospitals need to step up and take more responsibility for treating the mentally ill. Tom McCoy asked if there was any hope of opening up a mental health wing of NORCOR that is not part of the jail to help provide space for these people. Bryan answered that he was meeting with people about that very subject later in the day. Gary added that NORCOR is being forced to do something like that until the OHA is able to catch up with the demands that need to be met in this area. Bryan responded that he is on board with moving in that direction. Rod Runyon asked if Bryan had responded to the hospital. Bryan answered that he had not yet. Gary and Brad Lohrey both voiced their opinion that this is a response that needs to come from the County level, from the Commissioners. Rod asked for Bryan to put a report together for the Counties to be able to respond to these incidents. Tyler Stone noted that the Counties are not getting this information and

asked to be included in the communication loop when these incidents happen. Bryan noted that he has been talking about this issue with the Sheriffs and has been putting together a report that looks at the last 60 days to see what the process has been to bring the seriously, persistently mentally ill (SPMI) here to NORCOR. Lane noted that the County should have been getting this information. Tyler responded that he was hearing a need for political help with this issue asked for the Counties to be able to get reports so that they can help take this message to the State.

- The last PREA document has been sent in and NORCOR is now certified PREA Compliant. Bryan was asked what PREA stands for and he answered that PREA stands for Prison Rape Elimination Act.
- The Policy updates are getting ready for the ICE and Sheriffs audits which are both scheduled for November.
- Painting is getting done on the Juvenile side.
- The new kitchen lead, hired by our Contractor, is helping to initiate a Culinary Arts Program for both the adult and juvenile sides.
- An extension contract has been signed with INSITU and is good for the next two years. NORCOR does need to help them replace a couple of doors and pay for half of their alarm system for the fire suppression unit, which will be taken out of a construction fund.
- Bryan attended the Stepping up Conference in Washington D.C., as part of the BJA Grant, to present NORCOR's program and to work with other counties that are just starting out. He will be going to Mariposa County in December to do the same thing.
- Bryan noted that he will be meeting with GOBHI to talk about additional revenue opportunities including a 30 day in-patient substance abuse treatment program, a 90 day intensive out-patient substance abuse treatment program, and a psychiatric crisis hold respite opportunity; this is just a preliminary meeting. Bryan is also planning on meeting with other counties to talk about NORCOR's mental health unit and what it has to offer. Amber DeGrange asked about where more inmates for the mental health unit would go since NORCOR's max capacity is 160 and that is where the numbers are currently. Bryan answered that the current capacity of the mental health unit is 12 and the program is currently running at about 8, so 4 more mentally ill inmates could be housed without problem. Amber then asked if there was another wing that could be opened up with increased staff. Bryan answered that there is not; the Booking side of the facility has 212 beds and not filling every single bed provides ability to move inmates around as needed, but there is the potential for another 60 beds in the Work Release. The additional number of beds and possibility of more staff will all be part of the talks with GOBHI.
- Bryan and Dan Lindhorst presented a draft of the new Inmate Orientation video.

REPORTS AND DISCUSSION – ACTION THAT MAY BE REQUIRED:

- **3.1 Sheriff Board** – Brad Lohrey reported that the Sheriffs had met and talked about everything that was talked about today. The biggest topic of the meeting was the mental health issue that all four

counties are facing. Brad asked the members of the public who were present to help put pressure on the hospitals to try to help solve this issue.

- **3.2 Juvenile Directors** – Amber DeGrange reported that the Juvenile Directors have been meeting and discussing some of the comments from the Disability Rights of Oregon (DRO) Report. The Juvenile Directors had met the new teacher and were excited about what she has to offer the kids at NORCOR.

Jeff Justesen reported on the painting that has been going on at the Juvenile facility. Jeff further reported on staffing changes and the anticipated cost savings that will result from these changes along with an anticipated reduction in overtime. Jeff also reported on the DRO visit to NORCOR in June and the subsequent visits to the Juvenile facility in August and in October gathering information on policies and statistics. The DRO public report should hopefully be available at the end of November. NORCOR was the first Juvenile facility that the DRO had visited in the state.

- **3.3 Legal Counsel** – Legal Counsel had nothing to report outside of the Executive Session.
- **3.5 Commissioners Comments** – There were no Comments from the Commissioners at this time.
- **3.6 Next Board Meeting** –
The next regular scheduled Board Meeting is scheduled for December 14, 2017 @ 1:00 PM.
- **3.4 Executive Session 192.660 (1) (h)** –The Board adjourned into Executive session @ 11:48 AM. The Board was called back into regular session @ 12:25 PM.
- **3.7 Adjournment:** The meeting was adjourned @ 12:25 PM.

Date

Rod Runyon, NORCOR Board Chair

Date

Beth Anderson, NORCOR

Respectfully submitted,
Beth Anderson, NORCOR