

State auditor says Grant County CARES Act spending could cause concern

By Steven Mitchell
Blue Mountain Eagle

A state report showed Grant County's COVID-19 federal reimbursements could be at risk for a federal audit.

Upwards of 20 hours per week of overtime for COVID-19 Emergency Operations Center leaders and allocating 100% of county court labor costs to Grant County's COVID-19 response with scant documentation could raise questions from federal or municipal auditors, according to a report last month from the Oregon Secretary of State's Office obtained by the Eagle.

The Department of Administrative Services, the agency responsible for dispersing to local governments millions in federal Coronavirus, Aid, Relief, and Economic Security Act money, audited Grant County COVID-19 expenses last month and determined it was at medium risk of being questioned by federal auditors.

The auditors chose 32 local governments to audit for the first round of reimbursements from March to May 15. According to the report, Grant County was selected due to its large payroll request and its regional location.

Grant County was one of 12 local governments that had a medium risk of being questioned by municipal or federal auditors, the report said.

The county has since returned \$15,481 of the \$35,268 received for the county court salaries, which was recommended by Treasurer Julie Ellison. The original figure submitted to the state included 100% of County Judge Scott Myers' wages, even though he tracked his COVID-19 hours separately.

With the exception of the county



Eagle file photo

Grant County Emergency Manager Paul Gray, left, and County Commissioner Jim Hamsher, the county's emergency management liaison, talk during the county's Nov. 5 curbside testing at the fairgrounds.

court salaries and the high overtime, the audit report said the county's request was not high relative to the county's budget.

For three months of work, the county requested reimbursement for about \$100,000 for the EOC and \$75,000 for the health department. The report noted that, in light of budgeted costs, the figures were reasonable.

The EOC, public health workers and the county court made up the lion's share of the county's request based on time tracked for COVID-19-related activities. The county chose not to claim 100% of public safety and public health costs, which would have been allowed, per the Treasury guidelines.

The state's auditors requested documentation for the court's labor costs and a rundown of daily tasks to justify allocating the reimbursement to the county's COVID-19 response.

In an Oct. 21 phone interview with state auditor Scott Learn, Grant County Commissioner Jim Hamsher said he kept track of his hours on a FEMA form and put in 1,000

hours over 10 weeks. Learn said in an email the audits division did not receive the forms.

The Eagle submitted a public records request in July for the FEMA daily activity reports and so far the county has not provided them.

Hamsher also said the county's emergency manager at the time, Ted Williams, resigned the day of the governor's statewide emergency order. The EOC employees with high overtime came into help the EOC "get on track," he said.

Williams, who had been the county's emergency manager for four years, stepped down after an emergency Grant County Court session March 6.

Williams disagreed with the court's decision to appoint Dave Dobler, a sheriff's deputy, to head up "coronavirus task force," which effectively replaced his emergency management team, on the recommendation of Sheriff Glenn Palmer. He also disagreed with opening up an EOC when one existed next door to the county health department, the lead

agency, during a health emergency.

Both Dobler and EOC staffer Steve Fletcher averaged at least 20 hours per week of overtime.

Dobler, in a September email with Learn, said the projected death toll in both the state and county justified the overtime.

According to Learn's report, the explanation was reasonable, but a large amount of overtime for several employees "could raise questions on the appropriateness of spending."

Fletcher's base wage on his time card showed \$16 per hour as his base wage, but the amount used in the request was \$24. It turned out, according to an email between Hamsher and Learn, that Fletcher received a raise to \$24 in May.

The auditors noted the staff positions at the EOC and the health department were "reasonable" and tied to public health. The report also said they had seen commissioners involved in response to the virus in other rural areas.

Community Counseling Solutions, contracted by the county to provide public health services, tracked its COVID-19 time separately while county employees did not.

While the auditor noted the EOC documentation showed public safety and public health costs were logical for coronavirus-related uses, the county court 100% reimbursement was not well documented and lacked detail on what the commissioners did.

In emails and interviews with auditor Learn, Hamsher said both he and the EOC's public information officer, County Commissioner Sam Palmer, both devoted "a lot of time" to protect the public health and developed reopening plans for the county.

Hamsher said Myers was also extensively involved in the COVID-19 response when asked for details on what kind of tasks he did.

"It appears the county can make a strong argument of substantially dedicated for the employees that make up the majority of the reimbursement requested, public safety and public health. However it is not clear if the county's percentage allocation approach for commissioners is valid," the audit said.

Overall, three of the local governments reviewed were at a high risk of being questioned. For example, Sunset Empire requested reimbursement for 100% for its parks and recreation staff, asking for reimbursements for fitness instructors and lifeguards. The others the Port of Morrow, which put in for high-dollar payouts for all of its staff including administrators, and Lincoln County, which requested reimbursement for expenses incurred before March.

The auditors did an overall review of how the counties documented expenses, requested reimbursement of allowable costs and accurately filed.

Roughly \$200 million of the \$1.64 billion Congress sent the state in March through the CARES Act to help pay for pandemic-related expenses requires the money to respond to the public health emergency, according to the U.S. Treasury Department.

Expenses have to be unexpected and not accounted for in a budget as of March 27, when the CARES Act became law. For a cost to be eligible, it must occur between March 1 and Dec. 30, 2020. Local governments have until the end of the year to spend the money.

Rep. Owens planning for upcoming legislative session

By Steven Mitchell
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State Rep. Mark Owens

State Rep. Mark Owens, R-Crane, who represents Grant and Harney counties, updated Grant County Court about the state response to COVID-19 at the last county court meeting Oct. 28.

Owens said COVID-19 is dominating the conversations. He told the court that the people he talks to in communities within his district are "ready to move on."

Owens said he believes communities need to protect their vulnerable populations so they do not overwhelm their health facilities.

He said he believes that it would not have been possible to push back against Gov. Kate Brown's first restrictions on phased reopenings and school reopenings without those calls.

In the future, he told the court that he is concerned the "secondary effects of COVID are going to outweigh the primary effects."

Owens told the court that he

believes the virus is real, but said waiting for a cure or a vaccine before moving on to another phase is "no longer acceptable."

He said 40% of Oregon's hospitality businesses have said they will go out of business in the next six months.

Owens said another situation that relates to COVID-19 is that the capital has been locked down.

"The public has not been able to participate," he said. "That, in my opinion, is wrong. You can't make public policy and good public policy without public participation."

He said the state has to figure out how to allow public participation before the legislative ses-

sion begins Jan. 18, 2021.

Presently, he said, the long session in odd years starts the day after Martin Luther King Day and goes for 160 days.

Owens said he is bringing 35 legislative concepts that either have come from him or his constituents. One that directly affects Grant and Harney counties that came from new Emergency Manager Paul Gray is declaring 911 dispatchers first responders.

Owens said he has a concept that would limit the governor's emergency declaration to 14 days. Under his plan, the governor would have the ability to extend the declaration one time. Any other extensions would need to come before a legislative assembly for a vote.

"I don't think there is anything wrong with that," he said. "It's checks and balance. I don't care if they do their vote virtu-

ally, but we need to make sure that there is some balance even in a so-called pandemic."

He said another piece of legislation he hopes to introduce is creating a special district to increase the county's Payment in Lieu of Taxes payment. Owens said the county's PILT, an annual payment local governments receive to help offset property tax revenue losses because of federal lands, was considerably lower this year.

He said PILT is linked to the Secure Rural Schools Act, and in 2017 the SRS was not authorized.

"That finally caught back up to us," he said.

He said, if the county sets up a special district, the state will funnel the funds to a special district that would go to roads and schools.

He said funds would not be considered a prior payment on

PILT. Owens said Grant County could receive roughly \$600,000 more that would go into its general fund.

"It's a loophole," he said. "Yeah, maybe we shouldn't exercise it, but other states are, so we're going to try and exercise that to bring more money into Grant County."

He said he also wants to disconnect from Oregon's corporate activity tax, the 2019 gross receipts tax that the legislature passed in 2019 after the voters turned it down.

"It's a horrific tax," he said. "It's a pass-through tax we're all paying for, different areas are going to be affected quite more, and if we could abolish the whole thing, I would, but we can't. But we're going to start trying to take small bites of that elephant. The first one we are trying to get excluded from that is ag."

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