

HEPPNER



50¢

Gazette
Times

VOL. 117 NO. 20 18 Pages Wednesday, May 20, 1998 Morrow County, Heppner, Oregon

Lawsuit eats up over \$40,000 for rec. district

A suit by Ed Glenn of Boardman challenging the legality of the Morrow County Unified Recreation District's funding of school athletics has cost the district's taxpayers \$43,870 so far.

MCURD has spent that amount defending the district against Glenn's legal challenge and they have told the Morrow County School Board that they will be around \$50,000 short of funding the school district's extracurricular program requests for the 1998-99 year. The school district will have to cut that much from their programs for the next school year. They have also pared down funding of the Morrow County Arts Council.

Glenn's suit contests the way the district is categorized—he maintains that the district should be included in the school district categorization and be subject to the school district's taxing limitations of \$5 per thousand real market valuation. The district maintains that it is a local government and therefore should be categorized as a separate district, subject to local government's limitation of \$10 per thousand real market valuation.

Glenn's suit, filed Sept. 15, 1997, against MCURD, claims that the "tax levy is used for interscholastic sports programs, open only to students of Morrow County Schools". However, in addition to funding school athletics, MCURD has sponsored numerous community events. Since their inception in 1995, when voters passed a three-year operating levy, the district has funded: entertainment and advertising costs for the Cinco de Mayo celebration in Boardman; a Blue Mountain Community College concert in Boardman; tickets and transportation for community members to travel to view the Imperial Tombs of China exhibit; a classical guitarist for workshops and performances for the past three years; entertainment and a Blues festival during the Lone Fourth of July celebration; entertainment and advertising for the Irrigon Watermelon Festival; opening entertainment for the Morrow County Fair in 1996; Boardman Park and Recreation District summer line dancing, swimming and teen basketball programs; advertising for Boardman Fourth of July celebration; a community Halloween party in Boardman; 15 Morrow County Arts Council lessons and performances in 1996-97 and 22 in 1997-98; and lift and lesson tickets for the Morrow County Ski Program.

School district extracurricular programs include: football, volleyball, basketball, wrestling, tennis, track, baseball, softball, cheerleading, and extracurricular drama, FFA and other school clubs.

The total MCURD budget approved by the budget committee for 1998-99 is \$476,614, with \$375,614 for school district activities; 30,000 for community activities; \$50,000 for grants and donations; \$8,500 for administration costs; \$10,000 for legal fees; and \$2,500 carryover. The district anticipates that it will have to spend additional monies in the event that the state tax judge rules against Glenn, who is a former lawyer, and he appeals. The proposed budget was initially \$498,117, with \$416,000 for the school district; \$18,617 for community activities; \$50,000 for grants and donations; \$7,500 for administration; \$1,000 for capital outlay; and \$5,000 carryover.

The budget for 1997-98 was \$583,292, with \$431,792 for school district activities; \$65,500 for community activities; \$30,000 for administration; \$50,000 for grants and donations; \$1,000 for capital outlay; and \$5,000 carryover.

The total budget for 1996-97 was \$552,041 with \$341,887 for school district activities, \$66,925 for community activities; \$6,993 for administration; and \$136,236 carryover.

The budget for 1995-96 was \$429,774, with \$290,031 going for school district activities; \$11,294 for community

activities; \$5,442 for administration; and \$123,007 carryover.

Taxes necessary to balance for the 1998-99 year amount to \$393,417. Last year's taxes necessary to balance came to \$386,592. Taxes collected for 1996-97 were \$402,630. Taxes collected for 1995-96 were \$413,067. Other resources include grants and donations, Eastern Oregon Severance Tax, and monies from the Oregon Department of Fish and Wildlife and monies from the sale of county lands.

The first hearing on Glenn's suit was held April 20 in Heppner with Judge Carl Beyers, Oregon Tax Court, presiding. Final arguments must be submitted by May 22. The district hopes the decision will be made by June 15, the date the district will certify its categorization (school or local government) with the assessor.

"This has cost the taxpayers of Morrow County a lot of money," said Cyde Estes, MCURD chairman. "Where Ed (Glenn) has defended himself, the district had to hire an attorney, using money that could be spent on kids."

continued page 4

Over 400 absentees still to be counted

Following are the local preliminary results of the Morrow County biennial primary election held on Tuesday, May 19. Over 400 absentee ballots are not included in the total, according to Morrow County Clerk Barbara Bloodsworth. Local measures were not reported at presstime.

Oregon State Governor: Democrat-John Kitzhaber, 531, Paul Damian Wells, 39, Dave Foley, 75; Republican-Jeffrey Brady, 109, Walter Huss, 83, Bill Sizemore, 253, Bill Spidal, 42.

Morrow County Judge: Republican-Rollie Marshall, 99, Bill

Doherty, 104, Guy VanArsdale, 149, Terry Tallman, 226, Keith Lewis, 111; Democrat-John Mollahan, 345, Doug Rathbun, 173.

Morrow County Commissioner: Republican-Patty Wehrli, 274, Dan Brosnan, 395; Democrat-Leann Rea, 472.

Morrow County District Attorney: Earl Woods, Jr., 663, David Allen, 635.

Morrow County Justice of the Peace: Charlotte Gray, 703, Rod Osgood, 654.

Measure 53-eliminating voter turnout requirement: yes, 627, no, 706.

CBEC looks at other income sources

Facing falling usage by consumers, and anticipating the possibility of Legislative forced retail wheeling, the board of directors of Columbia Basin Electric Cooperative has authorized the staff of the cooperative to investigate two alternative sources, that may provide additional income in future years.

Some work has already been done on the feasibility of providing security systems in homes, businesses and other applications that may find a need to be protected from theft, fire, burglary, freezing medical emergency and others.

The board of directors also

authorized a feasibility study that will investigate providing natural gas to the towns of Fossil, Condon, Heppner, Lone and Lexington, as well as some rural customers whose needs are close to the routes to be proposed in the study.

Both projects will need to provide not only additional revenues for the cooperative, but will be required to provide margins above their costs, said a co-op news release.

Many cooperatives across the nation have successfully instituted similar programs to benefit their customers by diversifying available resources, according to CBEC.

Larry Mills to retire from MCGG

Since Larry Mills came on board as manager of the Morrow County Grain Growers 29 years ago, he has earned a reputation as a man who can make things happen. The congenial Mills has indeed made big things happen, both for MCGG and for the community. Mills' announcement of his retirement at the end of the month will leave big shoes to fill at MCGG, but his plans to retire here will allow him to continue on with some of the projects he has spearheaded over the years.

Mills, 62, and his wife, Betty, were both born and raised in Rockford, WA, a small town southeast of Spokane. The two were high school sweethearts and married after graduation from Rockford High School. The Mills have now been married for 44 years.

After graduation, Larry went to work for Armour & Co. at Spokane in their meat packing plant and attended Kinman Business School in the evenings. He moved up from his job in meat packing and got a job in their industrial engineering department, where he was involved in conducting time and efficiency studies, which, he says, proved to be very helpful later on.

In 1955, the Mills left Spokane and moved to Odessa, WA, in central Washington, where he went to work for Odessa Trading Company, a grain storage cooperative business and International Harvester dealer. He started out as a bookkeeper at Odessa and left in 1969 as the assistant manager to come to MCGG as the manager.

When he was first hired at MCGG, the company had just merged two years earlier with Lexington Oil Co-op, which sold fuel, tires and hardware. About the same time the co-op bought a farm machinery dealership which was located in which is now the Polaris shop in Lexington. The petroleum business was then located next to Dan Looslie's body shop and the MCGG office was where the Jehovah's Witness church is now. The co-op was trying to assimilate the two businesses when Mills came on the job. A year or so after his arrival, the coop decided to consolidate operations and build the current building in the fall of 1972. "It was one of the toughest decisions we had to make," said Mills. "The co-op was struggling."

Mills said the 15,000 square foot building was constructed at a cost of \$150,000. "It sounds like a deal now," said Mills. "But the problem was, the co-op didn't have \$150,000. It worked out well for the coop, though. It improved our efficiency and business started to pick up."

Back then total sales were probably around two and a half million, with total supply sales less than \$600,000. Last year, says Mills, supply sales were about \$15 million, with total co-op sales at \$53 million. "Some of that can be attributed to inflation," says Mills, "but we've seen a lot of growth. We've also gotten into a lot of businesses over the years."

The co-op got into the fertilizer business in 1976, when they purchased the CENEX fertilizer outlet in Lone. In 1986, they opened a branch in Sherman County at Wasco in a joint arrangement with the Sherman Co-op. The Sherman co-op had a hardware store and wanted to expand. So, MCGG rented space from them and they put up a building. MCGG put in a parts department and farm equipment sales department, which worked out really well, said Mills. About five years ago, MCGG started fertilizer sales at the Sherman store, which services the south end of Gilliam County, Sherman County, Wasco County and Klickitat County in Washington.

MCGG outgrew their space at Sherman Co. and just finished moving into a brand new building on the edge of town in



Larry Mills with some of his many awards on the wall behind him.

December. The building, which has 9,000 square feet on the main floor and 4,000 square feet of storage upstairs, houses a farm equipment dealership, full service repair shop, parts store, sales store and fertilizer and chemical sales. They previously had their fertilizer plant two miles south of Wasco in a separate location. Their parts and sales store had been only around 2,000 square feet, which was not adequate for current equipment sales. The bigger equipment now takes up a great deal more space.

In 1991, MCGG bought the propane plant in Heppner from Cal Healy, called Heppner Nor-Gas. About that time they also bought Pettyjohn Oil in Lone and added to their bulk petroleum business. Mills said that some of those moves were necessitated by CRP. The CRP program came into effect in 1985 and took out 25 percent of the farmland in Morrow County. "CRP made a dramatic change in the county. We faced a big cutback when CRP came in," said Mills. "We had to lay off 15 percent of our employees, freeze salaries and freeze capital spending. It became clear to us it we wanted to survive, we had to diversify." Mills said that CRP not only forced consolidation of MCGG business, but also the consolidation of farms in the county. Farms got fewer and larger and farm equipment also got bigger and faster.

Last year MCGG opened a convenience store in Lexington and in Wasco. "We've been pleased with that," said Mills. "It's a good asset to the community."

Mills said it takes around 10 full-time and part-time employees to staff the convenience store, which is open seven-days-a-week from 5 a.m. to 10 p.m.

Mills has been an active promoter of the grain industry, serving as past president of Pacific Northwest Grain and Feed Association, past president of the Ag Co-op Council of Oregon, 12 years as director of the National Grain and Feed Association, a member of the executive committee for eight years and chairman of the Morrow County Elevator Committee for two years.

In addition to his industry

involvement, Mills has become a vital part of the community. He is an active member of the Heppner Chamber of Commerce and past president. He says that one of the best things that could have happened to that organization is hiring a manager to help coordinate events in the community and disperse information. Mills is a former member of the Lions Club and past president. He is a former member of the Pioneer Memorial Hospital Board and is still very active in the Pioneer Memorial Hospital Foundation, currently acting as president of the board of trustees. The foundation has permanent funds which generate earnings to be used for special projects, physician searches, equipment and scholarships. Mills was also instrumental in the formation of the Morrow County Fairgrounds master plan, co-chairing the committee with George Koffler. "It provided a road map to get everyone started," said Mills. "Once we got the ball rolling, we've made a lot of improvement."

Mills is involved with the museum project in Heppner, which will renovate a grain storage facility into a farm museum. MCGG donated the facility and land. Grant monies from Regional Strategies and the Forest Service have been used for window painting and painting the facility. Foundation is in the process of being formed to act as fund raiser for the project.

The newly formed softball and baseball fields also have a great deal to do with MCGG. After Union Pacific sold the property adjoining their abandoned rail lines to MCGG, the co-op leased the property to the Little League for \$1 a year. The new ball fields cleaned up the entrance to the town and gave kids some sorely needed fields on which to play.

MCGG has also actively supported kids through 4-H and FFA fat stock sales, as well as other projects. "Our board has always been supportive of kids," says Mills. "And our employees are very active in the community." He also credits his employees with much of the success of MCGG. "We've got a super bunch of employees," he said. "Quite a few local employees have grown up in the

continued page 2



DELTA TOOL BOXES

SALE! 15% off
Due to stock on hand

Sale prices good through Saturday, May 30th

MORROW COUNTY GRAIN GROWERS

Lexington 989-8221 • 1-800-452-7396 For farm equipment, visit our web site at www.mcgg.net