

COUNTY COURT

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 increase by the following method: Before being eliminated, prior to the last election, there was a full-time county judge position, most recently held by Terry Tallman. The judge's salary was twice the commissioners at \$76,814 per year. By a vote of the previous county commission the judge position was eliminated, and the court now has three commissioners all receiving equal wages of \$38,407 per year. The compensation commission took the \$38,407 "saved" by the elimination of the judge position, and divided it evenly amongst the three commissioners, which is how they arrived at the recommended pay increases.

In addition to their salary commissioners have always also received health insurance and retirement benefits.

The recommendation of the compensation board to increase the salaries was

on the March 22 agenda of the county commissioners' meeting, which opened to immediate objection from the public to the wage increases.

"We have an administrator and we do not need full time commissioners," former county commissioner Dan Brosnan told the court. "I was a half time commissioner."

Doherty said despite the compensation board's recommendation being on the agenda, the court was not asking to be moved from .5 to 1 FTE.

"I have no problem putting in 40-50-60 hours a week," he said. "I only want the people who run for this position to know it's not part time. I am not going to ask that we be compensated any more," Doherty said.

"When I ran it was advertised as a part time position and I assumed 20 hours per week," Russell said. "Then I won and found out different." He said the job

has cost him economically, pointing out that he has had to sell a couple of car washes he owned before being elected, because he does not have time to run them. "The time commitment is much more than a part time," he emphasized.

Heppner Mayor Cody High was in attendance at the commissioner meeting and pointed out that after eliminating the full-time judge position and converting to a three-person commission last year before the election, the court advocated for hiring a full-time administrator to take over the load.

"You did hire a new administrator; would that not take off the load?" he asked. High also pointed out that even with the current salary at 40 hours per week the commissioners are making over \$18 an hour, "which is more than I make."

Russell said the administrator is doing things that weren't getting done under the previous full-time judge position. He cited personnel periodic review as an example.

"This was not getting done. Employees have the right to know if their work is not satisfactory," Russell said.

He also said when he advocated to eliminate the judge position he did not think juvenile court judge work should be handled by the elected lay county judge. He said 32 of Oregon's 36 counties agree with him.

Former commissioner Lean Rea said she never considered herself a full-time commissioner, and told Russell he had not served long enough on the commission yet to get a full appreciation of how much time is really needed for the job. "Some weeks I would put in more than 40 hours per week, and some 10 hours," she said.

Doherty said he attended the compensation board meeting and they were not comfortable deciding if the commission positions were full time. He suggested perhaps the matter should be taken to the county budget committee.

Compensation Board Chair Lianne Currin, who was at the commission meeting, also said she did not think the board should be the one responsible for deciding if the commissioners are full time or not.

"My concern was it's not our job to determine if you are part time or full time," she told the commissioners. "The public needs more due process with this."

Doherty said that none of the commissioners feel the positions are not full time, and they just need to find a process to put it before the public. He said he was not sure if there was a "venue" to do this. He said under the current compensation he felt he was

donating a large portion of his time and not getting paid for it.

Morrow County Clerk Bobbi Childers told the court the county got a county administrator because the public was told there would no longer be a full-time judge/administrator position. And with the commissioners now wanting to be considered full time, "You sold us down the river on voting on this."

"We are full time in name only. Is that good enough?" Doherty responded.

"No," Childers responded. "We were sold this. I don't see an administrator if you are full time and you need to have an office here," she said. Doherty said there are two complete work stations in the county office building that commissioners can use and Lindsay said there has been space made in the Docken Building in Boardman for commissioners to have office space, and that the commissioners do a lot of work out of their home.

As far as compensation Doherty said by comparison other counties like ours have commissioners making \$80,000 to \$90,000 per year with a \$150,000 administrator. He said Morrow County "pales by comparison. This is still a fantastic value for this county," he said of the commissioner's hours and compensation.

"As a past commissioner I never thought, 'How much am I going to get paid?'" Rea said. "I did not do it for the money. I hate to think people are going into this just for the money."

Doherty, who defeated Rea in the last commission election, said he was insulted by the comment.

After the discussion the court voted unanimously not to give themselves any raises. However, as far as the full-time designation, Morrow County Council Justin Nelson said it was pretty much a moot point since legally the commission positions are not designated either full or part time.

"There is no part-time county commissioner on the ballot," Nelson said. "Part-time is not valid. No statute that says you only work 20 hours. You are just called a commissioner. In one county you work 10 hours a week in another county much more."

In other business the county discussed the on-going problems with the tower clock. Russell asked if it was possible to get a separate accounting on how much the clock is costing to keep running. Master clockmaker Gary Kopperud had spent some time recently with Rod Wilson working on the clock, which had stopped working. Russell wanted to know if it might be better to change back to an electrical mechanism.

Tax Wise and Otherwise

A periodic column by Daniel Van Schoiack, CPA
No Pain, No Gain; No Gain, No Pain?

The subject of capital gains is one of the most misunderstood and feared areas of the tax code. However, since capital gains rates are lower than ordinary tax rates, long-term capital gains actually receive preferred tax treatment. For some taxpayers, there is no federal capital gains tax. In other cases, the impact of capital gains tax can be reduced with proper planning.

The IRS takes a backward approach in defining capital assets in section 1221 of the tax code. The code basically states that capital assets are property owned by the taxpayer unless stated otherwise. Some examples of "non capital assets" include inventory, business supplies, accounts receivables and most property used in a trade or business. However, most property used in a trade of business receives capital gains treatment to the extent depreciation has not been taken.

If a capital asset is held for more than one year, the sale is treated a long-term capital gain. Married couples with taxable income of less than \$75,301 are in the zero long-term capital tax bracket; the same for a single taxpayer with taxable income of less than \$37,671. For taxpayers in the 25 percent to 35 percent ordinary tax brackets, the capital gain rate is 15 percent. Taxpayers in the highest tax bracket of 39.6 percent pay capital gains tax at 20 percent; basically half of the ordinary rate. For Oregon, long-term capital gains are taxed at the same rate as ordinary income; the highest rate is nine percent.

When planning for the sale of capital assets, timing is of essence. In some cases, selling a capital asset one day to soon could result in ordinary tax instead of a favorable capital gain rate. Sometimes selling a capital asset on contract over a number of years can prevent spiking the gain into a higher tax bracket. In other cases a 1031 exchange can be used to defer the gain and meet the long-term investment goals of the taxpayer. Generally, the depreciated basis of business property is subject to ordinary tax rates instead of favorable capital gains rates. Therefore, if a depreciable asset is likely to be sold within a short time period, it might be advantageous to minimize the amount of depreciation taken.

Like most areas of the federal tax code, a thorough discussion of capital gains is beyond the scope of this article. There are many exceptions to the general information discussed here. For example, cattle and horses used in a trade or business for draft, breeding, dairy, or "sporting purposes" must be held for 24 months to obtain capital gain treatment. Also, other factors like alternate minimum tax must be considered. With proper planning, results can go from "No pain, no gain" to "Capital gain, no big pain." Please feel free to contact me if you have any questions about this article.

Daniel Van Schoiack CPA, can be contacted at 541-676-9971 or danielrvan@yahoo.com. Recent articles can be viewed at danielcpapro.com.

Leave This to the Experts!


Removing a kite tangled in power lines is a job best left to utility workers wearing protective gear. If you try to remove it, you run the risk of being electrocuted. When flying a kite, stay away from power lines. Use dry string, and make sure your kite contains absolutely no metal. Never fly a kite in stormy or wet weather.



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Community lunch menu

Willow Creek Baptist Church volunteers will serve lunch on Wednesday, April 5, at St. Patrick's Senior Center. Lunch will include chicken alfredo, egg noodles, mixed vegetables, green salad, hot rolls and German chocolate cake.

"I love mechanical clocks, just don't want to be spending thousands of dollars to keep it going." He said Kopperud is donating a lot of his time but someday "he might say he doesn't want to work on it any more. Is this an on-going maintenance?" Russell asked.

Doherty suggested it might make sense for the county to move away for the mechanical to running the clock electrically.

Russell also reported that he is looking into technology that would have a different kind of red light on top of the wind towers that do not blink constantly all night, and only come on when an aircraft comes into the vicinity.

"The biggest complaint I have from resident is the blinking red lights all night long. The technology is there; we should think about this when we talk to wind developers," he said.

In other business the court voted to spend up to \$500 to put some type of display, perhaps from the SAGE Center, into the front windows of the Gilliam-Bisbee building in Heppner. The county owns the building and Lindsay said perhaps the county should do something to make the big windows in the front look better.

In other action the court entered into an intergovernmental agreement that would allow public works to share equipment, labor and materials with other government entities. Road department boss Burke O'Brien said the agreement will allow the county to be more streamlined and efficient by working with other entities.



WELL DONE!

HEPPNER FFA MEMBERS AT THE STATE CONVENTION IN REDMOND!



STUDDED TIRES MUST BE REMOVED BY APRIL 1ST

Tires LES SCHWAB

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