Benton County
OREGON

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MINUTES OF THE GOAL-SETTING MEETING
BENTON COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 9, 2025

Present: Nancy Wyse, Chair; Pat Malone, Vice Chair; Gabe Shepherd, Commissioner; Vance Croney, County Counsel; Rachel McEneny, County Administrator; Rick Crager, Assistant County Administrator

Elected Officials: Jef Van Arsdall, Sheriff

Staff: Erika Milo, Board Recorder; Maura Kwiatkowski, Board Staff; Toby Lewis, Community Development; Gary Stockhoff, Public Works; Dawn Dale; Lieutenant David Iverson; Lieutenant Jeremy Jewell, Sheriff's Office; Tracey Martineau; Jo Missler; Tammy Webb, Human Resources; Adam Loerts, Information Technology

Guests: Sara Cash, Naomi Shadwick, Alsea Citizens' Advisory Committee; Chris Eck, FEMA; Rachael Maddock-Hughes, Rural Prospertity Partners; Mimi Stout; Jim Reese; Janet Hendricks; Misty Muncie; Kita Tom; John Betteror; Linda Parker; Lee Parker; Janet Higgin; Cathy Jones; Denise Crouch; Jessica McGee

1. Call to Order and Introductions

Chair Wyse convened the meeting at 9:02 a.m. and introductions were made.

2. Review and Approve Agenda

No changes were made to the agenda.

3. Announcements

No announcements were made.

4. Work Session

4.1 *Update: Federal Emergency Management Agency (FEMA) Publication of Draft Environmental Impact Statement - Toby Lewis, Floodplain Administrator, Community Development

Lewis stated there had been progress on the integration of the National Flood Insurance Program (NFIP) and Endangered Species Act (ESA) in Oregon. FEMA published the draft documents for community feedback and initiated a 45-day public comment period that began on August 22 and ends on October 6. The documents requesting feedback include: the Draft Environmental Impact Statement (EIS) and the Draft Implementation Plan. Lewis reviewed the application of the proposed changes. Of the selected areas in Oregon, the proposed changes would apply to any area classified as special flood hazard areas, including 100-year floodplains and 100-year flood hazard areas. Additional mitigation requirements will apply in floodways and identified riparian buffer zones. Lewis provided the dates and details for the previous and the upcoming public meetings regarding FEMA's Draft EIS. Once the public comment period ends, FEMA will revise and publish the Final EIS and the Implementation Plan. The proposed changes will add mitigation requirements to floodplain development projects. The proposed changes are intended to ensure continued habitat viability, prevent damage to habitats, and to strengthen the systems of accountability.

Lewis shared a Floodplain Habitat Protection Table that summarized key habitat functions by category and onsite mitigation ratios. Categories included flood storage, water quality, and vegetation. Lewis discussed considerations for habitat protection. Lewis stated that the proposed changes are similar to the requirements already in place for development projects that impact at minimum one quarter acre or more of land throughout the County, but will now apply to projects at a smaller scale. There is an additional requirement that applies to any non-water-dependent development in buffer zones to include native vegetation planting.

The Draft EIS functions to identify the impacts of implementing the proposed changes in Oregon. FEMA is considering three alternatives: no action, mitigation required unless ESA-compliant permits are obtained, or mitigation required regardless of permits. The second and third alternatives require using the Mitigation Table to evaluate floodplain projects and apply the mitigation requirements. Alternative 2 ensures compliance; and if an applicant receives the approval, environmental impacts do not have to be applied. Alternative 3 will enforce mitigation requirements in addition to the permitting. Lewis shared the potential impacts and benefits to each alternative that FEMA has identified. Lewis stated that FEMA is seeking public feedback regarding the alternative options.

The draft Implementation Plan addresses the key components: no net loss standards, community implementation options, and community reporting requirements. Lewis displayed three model projects from FEMA in Appendix E of the draft Implementation Plan.

Lewis provided examples of considerations, such as information the community believes FEMA should know regarding the proposed changes, compliance feasibility of the proposed changes, or which alternative FEMA should enforce. Lewis provided documents that included a QR code that links to the County's press release with direct links to relevant documents. There is a virtual open house option in addition to the scheduled online public meetings.

Wyse asked if FEMA is requesting the Board to submit feedback.

Lewis indicated yes.

Shepherd stated that Commissioners from Tillamook County have expressed concern over potential changes because a large portion of Tillamook is located in a Special Flood Hazard Area (SFHA), which could complicate future development opportunities. Shepherd believed Alternative 2 would be the best option for Benton County.

Lewis stated there have been concerns regarding an added layer of requirements in a program that was not necessarily set up for that. For Alternatives 2 and 3, the type of projects that would require State or Federal approval will be bridge replacements or large habitat enhancement projects; not small-scale housing related projects or similar.

Wyse asked if any of the surrounding cities were within a SFHA zone and if any of those cities have communicated any concerns to FEMA.

Lewis was not aware what had been communicated to FEMA but has heard from many floodplain managers in the affected areas that there is concern over the ability to implement the mitigation requirements and the associated costs with implementation. Lewis added that there are concerns over how the information will be tracked, potential public frustration, and the specificity of the model ordinance language. Lewis stated that CFM Associates sent an email to request an extension to FEMA's deadline, but Lewis believed it was highly unlikely the extension would be approved due to compliance related issues.

Malone asked if the proposed changes would apply to all counties.

Lewis responded that the changes will apply to all counties, cities, and tribal jurisdictions within the red zone on the provided map.

Malone requested further explanation on how the requirements will apply if there is not consensus between all of the affected entities.

Lewis stated that the Implementation Plan's proposed changes are FEMA's response to minimize development in floodplains that harm protected species. If the project is finalized, FEMA will more likely choose Alternative 2 or 3, instead of Alternative 1, which is no action.

Malone provided an example of a project that could be difficult to enforce under the proposed changes.

Lewis stated that in smaller communities, requirements can be easier to enforce than in larger sized jurisdictions.

Malone asked if it were possible to add exemptions for projects of a qualifying size.

Lewis stated there have been requests but does not expect any exemptions will become available. The definition that FEMA is using for the proposed changes is the same definition that is used for floodplain development.

Malone believed there should be a threshold to the proposed requirements, adding that in some cases compliance requirements can increase the cost of modifications. Malone asked if the Riparian Zone buffer is a total of 170 feet from the high watermark.

Lewis said the buffer is 170 feet on each side.

The Board requested more time to synthesize the information Lewis provided. Wyse suggested tabling the item for an upcoming Department Head meeting and will work with staff on draft comments.

*Exhibit 1: NFIP-ESA Providing Feedback to FEMA
*Exhibit 2: QR Codes FEMA NFIP-ESA Integration in Oregon

4.2 Board of Commissioners Evening Meetings - Rachel McEneny, County Administrator; Maura Kwiatkowski, Administrative Services Manager, Board of Commissioners Office

McEneny stated that Commissioner Shepherd had requested a discussion regarding future Board of Commissioners meetings being held during the evening. McEneny and Kwiatkowski researched how and when other counties hold Board meetings, along with the potential cost implications of holding a Board meeting during the evening. The memorandum excluded Goal-setting meetings.

Kwiatkowski discussed the memorandum. Table 1 listed opportunities and challenges; two of the opportunities defined are items relating to the Board's priority for responsible governance. Table 2 included the estimated financial impact, employee impact, and the Board of Commissioners office staffing. Kwiatkowski recommended Information Technology (IT) staff be scheduled onsite for evening meetings. Security was also recommended, because the building doors will be left unlocked during the meeting hours to a mostly empty building. Kwiatkowski stated both of those recommendations will contribute to the estimated financial impact.

Malone asked if Table 2 figures were per meeting.

Kwiatkowski confirmed the figures were based on a typical meeting length of approximately two to three hours. Table 3 included information on employee impacts from Kwiatkowski's research and from Human Resources. Sustainability Coordinator, McGuire stated the greenhouse gas emissions increase would be negligible. Attachment 1 to the memorandum is an overview on patterns in public meeting schedules for similar sized counties in Oregon.

Shepherd asked why IT staff could not flex working hours and if the hours would be considered overtime pay.

McEneny confirmed IT staff would qualify for overtime pay.

Loerts recommended that Board staff plan for overtime pay for IT staff based on the ongoing staffing needs of the IT Department.

Shepherd asked if it was necessary to factor in a Sheriff's Deputy for evening meetings instead of hiring private security.

Kwiatkowski received rates from the Sheriff's Office, did not pursue a private security option, but offered to research that alternative.

Shepherd stated the estimated maximum cost range of approximately $800 per meeting seemed reasonable in order to provide opportunity for more people to attend a public meeting. Shepherd has received feedback from various community members who want to attend a public meeting, but cannot at 9 a.m. on a Tuesday. Shepherd believed offering evening meetings will allow the County a greater opportunity to receive community feedback and engagement. Shepherd had originally suggested hosting one evening meeting per month but is interested in testing out Wyse's preference of one evening meeting per quarter.

Wyse suggested the Board schedule two evening meetings then assess the results.

Malone did not believe there was enough evidence to support the information in Table 1 regarding regular public participation and engagement; Malone discussed a lack of public attendance during the Budget Hearing meetings and selective community participation. Malone believed the evening meetings will allow new people to attend but did not believe it will increase overall attendance. Malone expressed concern regarding staff, presenters, and other elected officials attending evening meetings. Malone was not certain if changing a few meeting times will enhance transparency and mentioned that the implementation of CivicPlus has helped with its livestreaming service and recording, but expressed interest in testing out a few evening meetings if planned. Malone provided an example of an entity changing its meeting times to accommodate others schedules but did not see an increase in attendance.

Wyse believed scheduling evening meetings quarterly will not have a significant impact, because the schedule will allow for one evening meeting in 2025, and the next one would be scheduled in 2026 when Malone is the Chair.

Shepherd agreed that the evening meetings would be an occasional occurrence. Shepherd provided personal experience with evening meetings when working for Corvallis and Albany. Shepherd agreed that changing meeting times does not always lead to a higher attendance rate, but did notice public participation during the Town Hall events that were scheduled during various times and days of the week.

The Board agreed to scheduling two evening meetings.

McEneny agreed that staff could set it up and track the efficacy of the evening meetings but believed the data would be more accurate over a span of two years instead of one.

Chair Wyse recessed the meeting at 10:06 a.m. and reconvened at 10:13 a.m.

4.3 Sheriff's Office - Fleet Services Discussion - Sheriff Jef Van Arsdall; Rick Crager, Assistant County Administrator

The discussion regarding the Sheriff's Office's (SO) consideration to change its fleet service provider has an estimated cost savings and budget impact. The discussion involves an internal service that had been budgeted for the 2025-27 biennial budget; a decision to change the fleet service provided for the SO will have an impact on the County's approved budget.

Van Arsdall stated the SO's fleet services budget was forecast to increase by $1 million for the 2025-27 biennial budget; this was concerning to Van Arsdall, Dawn Dale, Business Analyst for the SO, and Undersheriff Don Rogers. The SO began to research alternatives to using an internal fleet service as a cost-saving measure. Van Arsdall issued a Request For Proposals (RFP) and selected Crabtree Automotive, who also works on the Linn County Sheriff's fleet. Dale and Crager each did an analysis of the services the SO receives. On August 26, Van Arsdall sent a memorandum to Human Resources (HR) Director Tracy Martineau to inform the County of Van Arsdall's intent to change fleet service providers.

Crager provided the highlights of the process:

- The total biennial budget for the County's fleet program is approximately $5.3 million. That amount was adopted by the Board of Commissioners, and it is funded from an internal service fund that is comprised of revenues from other departments.

- Approximately $1.6 million is appropriated to the SO, primarily from the General Fund budget.
- The fleet program maintains approximately 70 to 80 vehicles and trailers.
- To determine the impacts of the change, staff researched the experience of the internal fleet program from 2023 to 2025. This included the fleet staff's labor and output in comparison to the cost estimate for the new service contract with Crabtree Automotive. The estimate was based on various hourly rates, cost for parts, and sublet services.
- AFSCME was notified of the RFP.
- The cost analysis was reviewed over a 24-month basis; the working hours of the fleet program from the prior two years was applied to the external contractor's proposed rate. The total cost is $1.25 million, which compared to the $1.597 million budget, is approximately $339,000, or a 21% estimated savings.
- The cost analysis does not include the cost for County staff to oversee the program and systems costs; the SO believed the existing budget can absorb that cost. The analysis also does not include time for deputies to transport the vehicles to Albany where service is provided; however, many of the County's deputies live in Albany.

Wyse asked if the estimated savings of $339,577 comes from the Sheriff's budget.

Crager confirmed.

Van Arsdall stated the SO has paid into the current service provider for the prior three months of the biennium.

Crager discussed the budget impact:

- For the estimate, Crager projected November 1, 2025 to change fleet service providers.
- The savings of $339,577 will not be completely realized in the biennium, but staff estimate approximately $292,000 in savings will be achieved for the current budget period.
- Crager discussed how the County appropriates a certain amount of funding every budget cycle for internal services, which would not be the model for the SO under the proposed change.
- The lost revenue estimate for the internal fleet program for the biennium is approximately $1.4 million. Staff estimated reductions in expenses such as fuel, parts, and contracted services. This would reduce the internal fleet programs budget by approximately $535,000.
- The County would need to address a $728,000 budget deficit. After factoring in the estimated savings, the best case scenario is a $400,000 deficit.

- The greatest cost will be staffing. The fleet program has an enterprise model that offers external work; after increasing the rates to balance the budget, there has not been a reduction in business. Crager mentioned a possibility to maximize that program to divert staffing costs or to use contingencies.
- Crager discussed next steps.

Malone asked if Lieutenant Iverson would have the capacity to manage the SO's fleet in terms of maintenance and scheduling and if that would change Iverson's current duties.

Iverson is currently managing the SO's fleet and it is not a time consuming task. The deputies are responsible for taking their vehicles in for service, and Iverson provides the oversight.

Malone asked for an estimate of time Iverson spends on fleet-related tasks.

Iverson stated approximately 30 minutes a day.

Malone asked for more information regarding the cost and workflow associated with sending vehicles to Albany for service.

Iverson stated Crabtree Automotive will pick up and drop off the vehicles, or the deputies can trade out a completed vehicle for one that needs service. Iverson suggested that a deputy can work on office-related tasks while waiting for a vehicle.

Van Arsdall stated that volunteers can also assist with transportation.

Crager stated that Crabtree's proposal waived the cost of vehicle transportation, thus staff did not include transportation in the cost analysis.

Malone discussed the amount of time invested in accurately estimating the true cost of an internal fleet program. Malone expressed concern regarding how the change in services will affect staffing for the County's fleet program. Malone asked if Crabtree Automotive is a non-union business.

Iverson confirmed.

Crager reminded the Board that the $740,000 deficit is forecasted for the internal fleet program and discussed methods to offset costs with the external program. Crager did not believe the deficit can be entirely balanced without any reductions.

Wyse asked what the current budget concerns are for the SO and what requires additional funding.

Van Arsdall stated the SO is expected to have a five-deputy vacancy rate, but the office is completely staffed and Van Arsdall did not believe that vacancy rate could be achieved while maintaining the appropriate level of function in the County. Van Arsdall believed the SO could utilize funding from the General Fund more efficiently.

Wyse asked if Van Arsdall is concerned about losing staff due to the budget.

Van Arsdall discussed a responsibility to SO staff and to make better use of funding.

Shepherd asked if parts for vehicles are included in the County's current agreement with fleet services.

Stockhoff stated the cost for parts, including markup, are within the service rate.

Crager added that the internal fleet program's markup is less in comparison to competitors.

Shepherd, Stockhoff, and Crager discussed which parts were included in the RFP with Crabtree Automotive versus the internal fleet program. Shepherd referenced page 2 of the memorandum that stated the external contractor estimated cost 24 months and asked if parts for unforeseen repairs were included.

Crager confirmed it was included in contract and labor.

Shepherd asked about the fueling location for the vehicles.

Crager said Pacific Pride was discussed as an option but urged caution on making too early an estimate on fuel costs.

Shepherd asked if the SO was comfortable with a representative from Crabtree Automotive driving the vehicles.

Van Arsdall said the company provides the same service for the Linn County's Sheriff's Office and there have been no complaints with Crabtree Automotive.

Shepherd asked for an estimate of time for vehicle repair and expressed concern over the SO's fleet not receiving priority for service.

Van Arsdall was not concerned, adding that it was uncommon for multiple vehicles to require service at the same time.

Iverson added that it was normal to wait for service with the internal fleet program currently due to parts or other factors.

Shepherd asked for clarification on AFSCME's response timeline to the notification of intent that was sent on August 26.

Martineau stated the County is required to give at minimum a 30 days' notice to the union, once the County has proposed to contract out work that is normally performed by regular full-time or part-time bargaining unit employees.

Shepherd stated notice was not given to the union 30 days before the RFP.

Van Arsdall confirmed.

Shepherd established that the savings from the new contract would be allocated to the General Fund that could require reallocation to the fleet program's deficit through a supplemental budget.

Crager confirmed and clarified that a portion of the savings would be identified in the Community Corrections program through a contingency.

Shepherd stated the savings would not cover the SO's vacancy rate and did not believe the change in service would solve the issue. Shepherd added that the savings would be returned to the Board of Commissioners and then redistributed elsewhere.

Van Arsdall believed the savings should be redistributed to the SO to use toward the vacancy rate and stated the current proposal excluded deciding where savings would be redistributed.

Crager added that any savings would be at the discretion of the Board to redistribute.

Shepherd was concerned that applying funding toward the vacancy rate in the SO would be at the expense of current positions within the County's fleet program.

Wyse stated the proposal would be beneficial for the SO, but not for Benton County, because the Board would have to find an additional $400,000 to $728,000 in funding. Wyse asked where that funding would come from.

Crager suggested General Fund contingencies.

Wyse discussed alternative areas that require funding. Wyse asked if the deficit for the fleet program was not addressed if the County would lose fleet employees.

Crager confirmed.

Wyse's main priority for the 2025-27 budget was not to lose any County employees and discussed the County's contract with the union.

Van Arsdall discussed the SO's budget and a responsibility to the SO and utilizing tax payer money efficiently.

Wyse suggested using contingency funding to address a vacancy rate instead of the SO's proposal to change fleet service providers.

Stockhoff discussed the internal fleet program's price adjustments. The external rate increased to $192 per hour because the County had been subsidizing the rates prior; the internal rate was also adjusted. Stockhoff discussed the surplus from externals during the 2023-25 budget cycle that was credited to the internals and reconciling it.

Crager stated if a surplus had not existed for the 2023-25 budget, the program costs would have increased more significantly. Crager discussed additional factors that added to the increase in cost.

Malone discussed having the information and timeline regarding the increase in cost for the internal fleet program and how it affected the SO's budget. Malone suggested standardizing the SO's fleet as a cost-saving measure.

Van Arsdall stated the SO is working on cost-saving measures but did not think the standardization of fleet was realistic due to various factors.

Iverson added that many deputies work in their car up to 10 hours a shift, use it as an office, and some deputies have canines. Those are a few reasons why the SO vehicles are tailored to a deputy's specialty.

Wyse did not support the SO's proposal and asked if a public hearing was necessary.

Counsel stated a public hearing was not required, but it was recommended due to the potential for public interest.

Wyse asked if it was necessary if the Board voted to not approve a supplemental budget.

Counsel responded that there would then be no change in the budget; therefore, a public hearing would be unnecessary. Counsel stated the Sheriff has the ability to enter into the contract, which would create an imbalanced budget, which would require the Board to address a supplemental change to the 2025-27 budget.

Wyse suggested the Board tentatively schedule a public hearing.

Counsel agreed and stated the Board could cancel the public hearing if the SO does not enter the proposed new contract.

Malone requested a more accurate estimate of the savings listed in the proposal.

Crager stated the current cost-saving analysis is as accurate as it can be, but the budget impact will require more work to address the deficit.

Shepherd summarized concerns regarding County staff discontent and inter-departmental relationship and acknowledged the frustration regarding the vacancy rates and how it could affect the SO. Shepherd expressed the belief that the proposal will not make the best use of taxpayer dollars Countywide.

Malone agreed that the proposal could benefit the SO, but it will not be beneficial to the overall County budget.

McEneny asked if the SO's vacancy analysis accounted for upcoming retirements.

Dale stated the SO is expecting an additional $475,000 in reductions; in order to balance the budget, the vacancy rate could be higher than four.

Chair Wyse recessed the meeting at 11:32 a.m. and reconvened at 11:39 a.m.

4.4 Alsea Community Service and Health Center Project - Rick Crager, Assistant County Administrator; Naomi Shadwick, President; Sara Cash, Program Coordinator; Alsea Citizens Advisory Committee; Rachael Maddock-Hughes, CEO, Rural Prosperity Partners

Crager provided background information regarding the financial viability of Community Health Centers (CHC) and the budget deficit a few years prior. The Alsea Health Clinic (AHC) was reviewed during that time period because it was not financially viable given the number of patients that were utilizing it. The County is required by the Federal government to maintain a level of service to the CHC to qualify for Federal funding. There was not enough income to allow the County to meet the Federal requirements; and after working with staff and the community, it was concluded that the County needed to close the AHC and consider alternative options. In previous years, the Alsea Human Service District had provided a level of revenue and support; but the County has since suspended the tax revenue that the Alsea Human Service District had received. When CHC assumed control of the AHC operations, there was a facility owned by a community nonprofit that was deeded to the County in 2018 to continue to provide community health services. Since the County has closed the facility, the building has been vacant and mostly nonoperational. County staff have discussed the potential to deed the facility back to the community nonprofit to provide some form of services with Shadwick and Cash. Counsel stated if the County deeds the property back, State law requires the facility be used for services related to housing, childcare, or health. Crager discussed a legislative initiative the County believed would provide funding for the AHC, but the initiative was not funded.

Shadwick introduced approximately seven members of the Alsea Community Action Collaborative (ACAC) and seven members of the Alsea community. Many spoke of the importance of the AHC to the community.

Shadwick shared images of AHC's exterior and interior space. When AHC closed, the clinic was used for direct healthcare services, but there are spaces within the clinic that ACAC hopes to use for other community-related services. ACAC's potential community partner, Crossroads Communities (Crossroads), secured a telehealth contract, and Alsea will be one of the selected sites beginning in January 2026. Shadwick shared the balance sheet for ACAC's proposal, which will be done in two phases. Phase 1 is capacity building over the first year; the working budget detailed funding that had been secured that will assist in reopening the facility. Shadwick regularly applies for grants, which are smaller funding sources, but can be re-applied for quarterly. ACAC is requesting ownership of the AHC building because a requirement for many of the grant funding opportunities is the applicant owns the building. ACAC plans to offer capacity building and to modify the building to provide other community services.

Maddock-Hughes presented a feasibility study to the Board. Rural Prosperity Partners (RPP) reviewed the past performance history of AHC while it was managed by Benton County. RPP interviewed Orchid Health, an organization that operates six rural clinics within the State of Oregon. The Feasibility Study examined two paths; an independent non-federally recognized or certified health clinic. The second pathway is to obtain a Rural Health Clinic (RHC) certification. The Federally Qualified Health Center (FQHC) has a high burden of rules and regulations that made it difficult for smaller sized communities to comply with in the past; however, the RHC model contains benefits and provides ease for a clinic to become sustainable. Maddock-Hughes discussed the high administrative costs that were associated with Benton County managing the clinic; moving forward, the study considers a lean operating model to reduce the overhead costs. Orchid Health has offered consultation support to ACAC if the RHC model is pursued. Maddock-Hughes stated the estimates provided for number of patients and visits the AHC could see per year were reported conservatively. RPP utilized data from the lower range of past performance. Maddock-Hughes stated that RHC is a model that can be financially sustainable in Alsea. Maddock-Hughes mentioned a minor error in the narrative section of Projected Revenue and Expenses and will provide an updated version of that section.

Shadwick provided a summary of the proposed plan with Crossroads. Jackson Street Youth has also expressed interest in a partnership with ACAC. Shadwick discussed the community of individuals living in the rural segments of Benton and Lincoln Counties who are isolated, and some who are living without internet access, which can cause difficulties in utilizing telehealth services. ACAC plans to commit a portion of office space in AHC to provide computer, internet, and volunteer access to assist others to utilize the services.

Maddock-Hughes mentioned a telehealth grant from the United States Department of Agriculture that AHC can apply for.

Cash spoke with a representative at the Office of Rural Health regarding the HRT grant funding; a large portion of the funding is intended to bolster rural communities and to support telehealth initiatives.

Shadwick added that ACAC recently applied for a health equity grant for $40,000 and had applied for a $16,000 grant from PacificSource. Shadwick shared the proposed three-year budget schedule for Phase 2 of the AHC; Shadwick expressed confidence in meeting the proposed budget schedule. The budget provided were calculations that excluded the revenue that comes from billing patients. ACAC is considering additional opportunities such as Medicaid, Medicare, and private insurance.

Wyse asked if the grant funding opportunities are a stopgap to assist the AHC into year three or four, or if the grant funding will be reoccurring.

Shadwick stated a majority of the first year grants are secured, and ACAC expects to secure more funding during the second year.

Cash emphasized the scope and breadth of work ACAC has done and the partnerships ACAC has developed to implement the AHC project once a location is secured.

Shadwick confirmed that ACAC has allocated funds to cover the maintenance and overhead of the clinic. Shadwick shared the working list of potential project partners and providers, the written documentation of community support for the AHC, and the survey methods and results. The data from Benton County's CHC patient trends displayed a consistent decline in the number of patients largely due to the FQHC operation model. Individuals who had been served by a RHC were not allowed to be patients under the FQHC because the patient did not have a FQHC provider that was recognized. Order No. D2012-001 was passed when the Board of Commissioners approved the creation of a special tax district, the Alsea Human Services District, to assist in funding the operations of the AHC. The average amount the tax district collected was approximately $38,000 to $40,000 per year, until 2023. When the clinic was closed, the Board suspended the recovery of the funds. Through community approval, ACAC seeks to reinstate the taxing district once the healthcare element has been established.

Cash stated the service area for the AHC is between approximately 1,100 and 1,500 individuals; ACAC does not have the census data but is working on conducting its own survey. Cash predicted the AHC would have approximately 385 patients within two to three years. Cash clarified the issue with the FQHC model was it provided no option for a fee-for-service or walk-in model. Cash stated that ACAC was not formed to work only on the AHC project, but the project is included within ACAC's mission statement regarding the stability and sustainability of the Alsea community. ACAC's goal, once completing its program development phase, is for the AHC to be self-sustaining with ACAC assisting on the clinic's Board. ACAC does not want to be the owner or manager of the facilities but is open to a similar operational method if necessary. The concept for the building itself is a community center providing various services for the community, including a clinic and emergency preparedness. Cash believed that AHC can support Alsea's volunteer and underfunded EMS and Fire Department; which is struggling to provide emergency services. Cash discussed the interest that was collected in two community surveys.

Shepherd asked for the differences between FQHC, RHC, and Lookalike.

Mollel stated that the RHC is a certification process for the Federal Centers for Medicare and Medicaid Services (CMS) designation. It allows for a reimbursement structure for Medicare and Medicaid rates. The certification is heavily regulated with many points for compliance and would have to be certified through the State or a third party accrediting agency. FQHC, also known as Community Health Center, is also a Federal designation, but it is approved through HRSA. An entity can only qualify for this designation during a new access point opportunity or whenever there is a service area competition period. The applicant must apply through a competitive grant process in order to become a FQHC, and there is a list of mandated services. Mollel stated the process is exhaustive, but it provides for operating revenue in addition to a base grant. Mollel listed a few of the mandated services for FQHC. Designated entities can utilize increased reimbursement through its Prospective Payment System (PPS) for Medicaid patient services. Providing a sliding scale fee structure is required for both RHC and FQHC designation. For a lookalike, it is required to provide all of the mandated services and meet compliance for the entirety of the Health Center Program without any operating capital from HRSA. Once designated a lookalike, when a service area competition grant opens, there is eligibility to apply. Although all of the requirements need to be met, the entity does not receive any of the additional PPS cost-based reimbursement for Medicaid services.

Shepherd asked if a RHC designation is eligible for 340B.

Mollel confirmed. With 340B, the designation would be operating as a covered entity; meaning the clinic's patients could contract with other pharmacies. Benton County CHC does not use a contract pharmacy, only an in-house pharmacy.

Wyse asked if ACAC is wanting to incorporate a pharmacy.

Shadwick said not onsite, but ACAC could consider contract services.

Cash added that outreach clinics are willing to offer mobile pharmacy services once a location is determined.

Malone asked how long ACAC has been in operation.

Shadwick was on the Alsea Community Effort (ACE) Board between 2014 to 2023 as Treasurer and as President for two of the years. Other ACE Board members were interested in community development and approved ACE creating ACAC as a permanent standing subcommittee to ACE in 2022. After some time, ACAC required a separate entity to work on community development related projects and have access to dedicated funding and resource development. At the end of 2023, ACAC was approved by the IRS to become a 501(c)(3) and was officially operating as ACAC in 2024.

Malone asked if ACE supported ACAC's AHC project proposal.

Shadwick and Cash discussed ACE not providing written support.

Shepherd asked for clarification.

Shadwick responded that ACE had not taken a position on the matter.

Wyse mentioned the Board receiving many letters and emails expressing support but did not know if any of the supporters were affiliated with ACE.

Malone discussed concerns because Alsea is an unincorporated area and does not have a governing body.

Cash stated that ACE will continue to focus its resources to library facilities and activities, the local newsletter, and vital services for the community. ACE's lack of involvement in the AHC project is ancillary to fact that ACE is focusing on other projects.

Malone expressed concern that aspects of the proposal appeared to be pending, the capability of ACAC, and the concept of theory versus practice. Malone discussed the importance of volunteer efforts in a rural community. Malone requested a more legible version of the details regarding funding that has been secured and funding that is pending.

Crager stated staff could review the information more closely, make an assessment, and advise the Board. Crager discussed organizational capacity.

Wyse asked if ACAC had a timeline the Board should be aware of.

Shadwick said ACAC would prefer a decision on returning the ownership of the AHC as soon as possible because filing for a tax exemption needed to be done before April 1, 2026.

Maddock-Hughes mentioned the grant cycles being in fall and spring; if ACAC does not have ownership of the asset, it cannot be added to the grant applications.

Wyse asked for Maddock-Hughes' opinion regarding ACAC's proposal.

Maddock-Hughes expressed confidence in ACAC and mentioned the project had a great deal of community support. Maddock-Hughes discussed budgets and costs and the concept of the AHC as a community asset.

Wyse did not have a concern regarding ACAC's capabilities and would like to see AHC reopened.

Shepherd stated the AHC is a popular topic with the community in Alsea. Shepherd discussed how the community of Alsea had trusted the County to manage a functioning health clinic; financially the plan did not work out, and it made sense to trust the Alsea community to reopen the AHC. Shepherd's condition to deeding the building to ACAC is for the County to have the first right of refusal if the building was to be sold in the future.

Crager stated since the building is a County asset, if the County chooses to deed it, it must be used for government services, such as healthcare. Crager mentioned the County would need assurance that if it is not used for those purposes, the building could potentially be returned to the County.

Counsel mentioned potential statutory difficulties with ACAC's plan to add community services to the AHC. Counsel suggested a deeper exploration of the proposal.

Wyse asked if deeding back the property is the only option or if an offer such as a 100-year lease at the cost of one dollar would work.

Counsel was also considering Wyse's suggestion and asked if ACAC was required to own the facility in order to qualify for the grants ACAC wanted to apply for.

Maddock-Hughes said ownership was likely required but mentioned each grant opportunity would vary in its requirements. Maddock-Hughes offered to research the requirements more in-depth.

Crager, Counsel, Ferrer-Santa Ines, and staff will work out the financial and legal aspects of the project proposal.

Wyse asked if providing a decision during an October Board meeting would be enough time for ACAC.

Crager discussed aspects of the proposal that would require an in-depth review.

Cash suggested the County review the survey conducted by the CHC in the packet.

Chair Wyse recessed the meeting at 1:11 p.m. and reconvened at 1:13 p.m.

5. County Administrator Updates

This item was deferred to the September 16, 2025 Board Meeting.

6. County Commissioner Updates

This item was deferred to the September 16, 2025 Board Meeting.

7. Other

No other business was discussed.

8. Executive Session ORS 192.660[2][a]—Employment of a Public Officer, Employee, Staff Member, or Individual Agent

Chair Wyse recessed the regular Board Meeting at 1:14 p.m. and immediately convened into Executive Session.

Chair Wyse adjourned Executive Session at 1:23 p.m. and immediately reconvened the regular Board Meeting.

9. Adjournment

Chair Wyse adjourned the meeting at 1:24 p.m.

Nancy Wyse, Chair

Erika Milo, Recorder

Rachel Bulder, Transcriptionist

* NOTE: Items denoted with an asterisk do NOT have accompanying written materials in the meeting packet.