

# JACKSON COUNTY BUDGET COMMITTEE

## Minutes

Courthouse Auditorium  
April 11, 2013

The Jackson County Budget Committee meeting of April 11, 2013, was reopened and called to order by Mr. Dick Rudisile at 12:30 p.m. in the Courthouse Auditorium.

Present: Mr. Dick Rudisile, Presiding Officer, Budget Committee; Ms. April Sevcik, Budget Committee; Mr. Craig Morris, Budget Committee; Mr. Don Skundrick, Commissioner; Mr. John Rachor, Commissioner; and Mr. Doug Breidenthal, Commissioner.

Mr. Danny Jordan, County Administrator; Mr. Harvey Bragg, Sr. Deputy County Administrator; Ms. Traci Adams, Budget Analyst; and Lynnell Dewey, Recording Secretary.

County Staff.

Guests: Interested Members of the Public and Press.

Mr. Rudisile asked Mr. Jordan to provide a summary of the Elected Officials Salary Review Committee process for the public. Mr. Jordan stated that the Budget Committee has met several times, and in those meetings it was suggested that no Cost of Living Adjustment (COLA) be given to Elected Officials, managers and confidential employees. Order No. 53-13 is concerned with this decision for Elected Officials only. The step plan remains in effect for the first six years that an Elected Official is in office. Mr. Jordan noted that fiscal year 2013-2014 is the third year the Commissioners have agreed to freeze their salaries, and they will not receive a step increase or a COLA. With the exception of the Sheriff's salary, which is already at the highest step, each of the other Elected Officials will receive step increases. Mr. Jordan stated that if an elected office becomes vacant, the person appointed will start at step one.

**Ms. Sevcik made a motion to approve Order No. 53-13 in the matter of approving the 2013-14 Fiscal Year Elected Officials' salaries for Jackson County Oregon, as recommended by the Elected Officials Salary Committee. Mr. Morris seconded the motion. Those who voted aye – Mr. Rudisile, Commissioner Skundrick, Commissioner Rachor, Commissioner Breidenthal, Mr. Morris, and Ms. Sevcik. Motion passed.**

Mr. Morris encouraged the Elected Officials to accept step increases and recognize this is not a precedent; there is no expectation that Elected Officials will not accept increases.

Mr. Rudisile noted there is a \$6.8 million difference between revenues and expenses, and the Rainy Day Fund continues to diminish. He stressed to the public that the Committee has thoroughly reviewed and discussed the issues and difficult choices in lengthy meetings prior to the hearings. Mr. Rudisile asked Commissioner Skundrick to begin with the subject of the Library.

Before addressing the Library budget, Commissioner Skundrick led a discussion regarding a revenue enhancement proposal that could have a substantial impact on the current financial situation. Commissioner Skundrick proposed a Jail surcharge on residential units, because the jail is used by every law enforcement organization in the county, and benefits every citizen.

Because a surcharge could be accomplished by Ordinance, it can be reduced or eliminated if additional revenues become available. This could balance this year's budget, and would also give the County a reliable, stable, and sustainable funding source into the future. There are no short-term solutions the County can depend on.

A discussion was held about the legal requirements and how such a surcharge could be implemented. Mr. Jordan noted the surcharge is a recent concept that has not yet been thoroughly investigated. There are examples of this being done by cities in the County, which add a surcharge to their citizens, and has been upheld by the Oregon Supreme Court. For the purposes of Measure 50, this is not a tax; it is a fee because it is not applied to a property owner, but resident households. All Board Ordinances require Public Hearings, with advance notice to citizens, and the time period, if the Board approves, would likely be at least four months.

Mr. Morris commended Commissioner Skundrick's creative solution as an alternative to the many reductions needed. Because there are many unknown details, the Committee discussed the need to continue with the cuts needed in the proposed 2013-2014 budget, while the surcharge concept is further researched. Commissioner Breidenthal reminded the Committee it has a fiduciary responsibility to produce a balanced budget. Mr. Rudisile stated it is time to let the public know what the consequences are if additional revenues are not found, either through a surcharge or a change in federal policies regarding timber harvests.

Mr. Jordan explained the proposed surcharge would not require a supplemental budget because it isn't using the Rainy Day Fund. The budget could be appropriated, and items identified to be reduced if the additional revenue isn't found. The 2013-2014 budget does not go into effect until July 1, which allows ten weeks to determine if the surcharge is feasible.

**Commissioner Skundrick made a motion that the Budget Committee recommend County Staff to research the possibility of a jail surcharge for additional revenues to offset possible cuts that will be recommended later. Mr. Morris seconded the motion. After further discussion, the motion was amended and clarified to say that County Staff and County Counsel will be directed to look into the feasibility of a jail surcharge, and bring a proposal to the Board of Commissioners. The Budget Committee will continue with the assumption that the jail surcharge will not happen, and identify cuts that will happen if the jail surcharge is not feasible. Mr. Morris again seconded the motion. Those who voted aye - Mr. Rudisile, Commissioner Rachor, Commissioner Breidenthal, and Ms. Sevcik, Mr. Morris, and Commissioner Skundrick. Motion passed.**

### **Libraries**

Commissioner Skundrick explained that Jackson County Libraries are currently funded at a cost of \$5 million out of the General Fund.

**Commissioner Skundrick made a motion stating that unless additional General Fund revenue is found, the result will mean the closure of all but the Medford Library in July 2014. Further, the Medford Library could be closed during the 2015-2016 fiscal year. The Medford Library is the logical choice if the Library system is limited to one location. This timeline provides the public two years to find a sustainable revenue source. If that revenue is not secured, the Medford Library would also be closed. Commissioner Skundrick also recommended that \$150,000 be set aside to be used by interested groups looking for ways to raise revenue for the libraries.** Mr. Jordan reminded the Committee that whatever decisions the current Committee makes, those decisions are not binding on

subsequent Budget Committees. There was a long discussion on the wording of the motion, possible revenue sources, using funds for information campaigns, and the need to reduce expenditures. **Commissioner Skundrick withdrew his original motion and restated it as: Unless additional funding can be found through some sort of public initiative, special district, operating levy, etc., drastic measures should be implemented beginning with the 2014-2015 budget. These measures would start with closure of all but the Medford Central Library beginning in July, 2014. Furthermore, the Medford Library could be closed during the 2015-2016 fiscal year if no additional funding can be secured and includes setting aside up to \$150,000 to be used at the Board's discretion, to assist in an information campaign to help those seeking a funding solution or solutions. Commissioner Rachor seconded the motion.** There was further discussion. **Those who voted aye - Commissioner Skundrick, Commissioner Rachor, Ms. Sevcik, Mr. Morris, and Mr. Rudisile. Those who voted nay - Commissioner Breidenthal. Motion passed.**

Commissioner Rachor addressed the public and reminded them that Budget decisions are made by the Budget Committee, and citizens should direct any concerns and comments to the Committee, and not the County Administrator.

Mr. Morris addressed the many Library supporters and reminded them a revenue enhancement proposal is being reviewed. He suggested the Libraries should organize themselves to find a permanent funding solution, and reminded the public that the Libraries were funded for many years by successful Library levies.

### **Fair Board**

Mr. Rudisile stated that the Fair Board has requested the Budget Committee forgive its current loan, which is estimated to be nearly \$200,000 by the end of the fiscal year. A lengthy discussion was held about the Fair Board's presentation, plans, and past performance.

**Ms. Sevcik made a motion that the Budget Committee deny the Fair Board's request to forgive the loan. Mr. Morris seconded the motion. Those who voted aye – Commissioner Skundrick, Commissioner Rachor, Mr. Rudisile, Commissioner Breidenthal, Mr. Morris, Ms. Sevcik. Motion passed.**

A discussion was held regarding System Development Charges for Roads. **Commissioner Skundrick made a motion to accept the Roads and Parks Department budget as presented.** (The motion died for lack of a second.)

Mr. Rudisile recessed the budget meeting at 2:10 p.m. for a short break.

Mr. Rudisile called the meeting back into order at 2:24 p.m. Ms. Sevcik listed several areas that she felt should be cut, and would equal \$1.3 million. It was decided each item would be discussed separately. Each motion would be made, followed by discussion, and then a vote would be taken.

**Ms. Sevcik made a motion to eliminate the Communications Contract in the amount of \$60,000. Mr. Morris seconded the motion.** Commissioner Breidenthal stated he felt that the communications contract is important in keeping the public informed. The Committee discussed the various functions filled by the contract, and that Jackson County does not have the same contacts within the media outlets. **Those who voted aye - Ms. Sevcik, Mr. Morris, Commissioner Skundrick, Commissioner Rachor, and Mr. Rudisile. Those who voted nay - Commissioner Breidenthal. Motion passed.**

**Commissioner Breidenthal made a motion to remove the \$90,000 contract with Rogue Valley Television. Commissioner Rachor seconded the motion. Those who voted aye - Commissioner Skundrick, Ms. Sevcik, Mr. Rudisile, Commissioner Breidenthal, and Commissioner Rachor. Those who abstained - Mr. Morris. Motion passed.**

There was a brief discussion about the County funds given to the 4H program. This amount is strictly for awards, and in the future it could be paid by the Fair. There were no motions on this topic.

There was a brief discussion about the Contingency Fund, and Mr. Jordan explained to the public that reducing the contingency does not reduce the deficit. It is not operating revenue, and will not contribute to a savings in the amount taken from the Rainy Day Fund. The Contingency Fund has been carried forward most years. Commissioner Skundrick stated the Contingency Fund has been used very successfully for the past two years for economic development job grants. He feels it has been very successful, and has given \$214,000 to businesses and created more than 50 jobs.

**Ms. Sevcik made a motion to reduce Development Services' budget by \$100,000. Motion was seconded by Commissioner Breidenthal.** (Discussion followed.) Ms. Kelly Madding, Development Services Director, was invited to speak on the impact that reduction would have on that department. Removing \$100,000 would necessitate a reduction of at least one Code Enforcement Officer, and she noted that a similar cut was made in 2007 resulting in many unhappy citizens. Code Enforcement is not just Solid Waste, but also building without permits, which is a public safety issue. Code enforcement is important to the livability and public safety in the County. Development Services currently has 3.5 FTEs, including three Code Enforcement Officers, one of whom is paid for by White City, and a half-time Administrative Assistant who takes calls, logs complaints, takes care of the fines, and administers the hearings. Commissioner Rachor asked where the cost of the Hearings Officer appears in the budget, and Ms. Madding explained it is in Code Enforcement and Current Planning, under contracted services. Mr. Rudisile asked what complaints don't go through law enforcement. Ms. Madding explained the policy and process, as outlined by the Board, begins with a complaint. If a violation is found, the homeowner is notified, and a hearing is held before a Hearings Officer with a suggested course of action or fine. Fines generate about 5 percent of the Code Enforcement revenue, and 1 percent of the total department revenue. If cut, Development Services will do its best to respond to the complaints in a timely manner, and continue to prioritize as directed by the Board. The goal is for voluntary compliance; not to punish or fine people, but to bring them into compliance. **Those who voted aye - Ms. Sevcik, Commissioner Breidenthal, Commissioner Skundrick, Mr. Morris, and Mr. Rudisile. Those who voted nay - Commissioner Rachor. Motion passed.**

**Ms. Sevcik made a motion to reduce the Sheriff's Department by \$250,000. Mr. Morris seconded the motion.** (Discussion followed.) Sheriff Winters was invited to speak, and noted that law enforcement is something people can't do for themselves. If his budget was cut further, he will continue to give 100 percent, but response time and public safety will suffer. Commissioner Breidenthal stated he could not agree to maintain Library funding and cut the Sheriff's department. Commissioner Rachor noted the Libraries have been given notice, and the cut would not shut down the Sheriff's department, and all the budget cuts are difficult. Mr. Morris stated we must redouble our efforts to get the report back from County staff on the revenue enhancement proposal and do everything possible so the cuts won't be necessary. Commissioner Skundrick noted that due to contractual agreements, the Libraries can't be cut off immediately. Mr. Jordan added that the Sheriff's budget has already been reduced

approximately \$4.5 million, including the PERS increase. That was accomplished without laying off staff, although 22 positions were eliminated. A \$250,000 additional cut will cause more than that in service reductions. A discussion was held regarding the possibility of additional revenue to pay for staffing by entering into agreements with other agencies in the new floor of the jail. *Ms. Sevcik and Mr. Morris withdrew the motion on the Sheriff's Department because Commissioner Breidenthal wished to talk more about the library budget before voting on the Sheriff's budget.* Further discussion was held on funding the libraries, and the contracts and other commitments involved with the Libraries.

**Commissioner Breidenthal made a motion to cut \$500,000 from the Libraries. There being no second, he withdrew the motion.**

### Libraries

**Ms. Sevcik made a motion to cut \$250,000 from the Libraries. Commissioner Breidenthal seconded the motion. Those who voted aye - Ms. Sevcik, Commissioner Breidenthal, Mr. Morris, and Mr. Rudisile. Those who voted nay - Commissioner Rachor and Commissioner Skundrick. Motion passed.**

### Sheriff

**Ms. Sevcik made a motion to reduce the Sheriff's budget by \$250,000. Mr. Morris seconded the motion. Those who voted aye – Commissioner Skundrick, Commissioner Rachor, Commissioner Breidenthal, Mr. Rudisile, Mr. Morris, and Ms. Sevcik.**

### Health and Human Services (HHS)

**Ms. Sevcik made a motion to reduce the Health and Human Services (HHS) budget by \$250,000. Mr. Morris seconded the motion.** (Discussion followed.) Mr. Mark Orndoff was invited to speak about the impact of this budget cut. He explained that \$2.4 million is received from the General Fund, \$792,000 provides jail health services through a contractor, \$160,000 to the Sobering Unit which is a non-mandated service, Public Health receives \$734,000, Developmental Disabilities receives \$26,000 and is leveraged 1:1 with federal matching funds, and \$322,000 is allocated for the Veterans program. Essentially, the cut would pull support for the ARC, closing the Sobering Unit, or reducing support for Veterans. \$377,000 goes to Community Partners. Mr. Jordan noted that Service Partners have been managed by HHS, but are not a function of HHS. There was a lengthy discussion regarding whether the program cuts would be designated by the Committee or Mr. Orndoff as HHS Department Director, further explanation about mandated services, and possible impacts of the reduction. *Ms. Sevcik and Mr. Morris withdrew their motion and second.*

**Commissioner Skundrick made a motion to reduce the General Funds given to Service Partners by \$100,000 and to Veterans by \$150,000. The motion was seconded by Mr. Morris. Those who voted aye - Commissioner Skundrick, Mr. Morris, Commissioner Rachor, Commissioner Breidenthal, and Ms. Sevcik. Those who voted nay - Mr. Rudisile. Motion passed.**

Mr. Rudisile led a discussion about possibly reducing an FTE in Public Health.

**Commissioner Rachor made a motion to remove \$100,000 of employee costs in Public Health. Commissioner Breidenthal seconded the motion. Those who voted aye - Commissioner Rachor, Commissioner Breidenthal, Ms. Sevcik, and Mr. Rudisile. Those**

**who voted nay - Commissioner Skundrick and Mr. Morris. Motion passed.** Mr. Jordan clarified that the Committee motions cut nearly 30 percent of the General Fund support to HHS.

### **Oregon State University (OSU) Extension Service**

Discussion was held regarding the Oregon State University Extension Service Station, and Mr. Jordan explained the property is owned by the County, and in the past the lease was provided to OSU at no cost with OSU performing regular maintenance. The amount identified for the Extension Service is \$204,204. A possible impact would be the closure of the Extension Service, even though the Jackson County support is only 11 percent of its budget, and a local financial match is required to hire support staff. Commissioner Skundrick expressed concern on the local agricultural community, Commissioner Breidenthal warned that losing County support could remove the valuable presence of OSU and its scientists in the valley, and Ms. Sevcik noted that twenty jobs will be lost if the Extension Service closes.

**Commissioner Rachor made a motion to remove the \$204,204 allocated to Oregon State University Extension Service. Mr. Morris seconded the motion. Those who voted aye - Commissioner Rachor, Mr. Morris, Commissioner Skundrick, and Mr. Rudisile. Those who voted nay - Commissioner Breidenthal and Ms. Sevcik. Motion passed.**

### **Rogue Valley Council of Governments (RVCOG)**

**Commissioner Breidenthal made a motion to no longer fund the Rogue Valley Council of Governments at \$26,223. Ms. Sevcik seconded the motion.** Mr. Jordan clarified that all of the motions to reduce funding are contingent on the County not receiving additional revenue. **Those who voted aye - Commissioner Breidenthal, Ms. Sevcik, Commissioner Rachor, Mr. Morris, and Mr. Rudisile. Those who voted nay - Commissioner Skundrick. Motion passed.**

### **Southern Oregon Regional Economic Development, Inc. (SORED)**

Discussion was held, but there was no motion made.

### **Wildlife Services Agent**

The Committee discussed the cost of the Wildlife Service Agent and the services he provides.

**Commissioner Rachor made a motion to stop funding the \$59,941 Wildlife Services agent position. Ms. Sevcik seconded the motion. Those who voted aye - Commissioner Rachor, Ms. Sevcik, Commissioner Skundrick, Commissioner Breidenthal, and Mr. Morris. Those who voted nay - Mr. Rudisile. Motion passed.**

### **Southern Oregon Regional Economic Development, Inc. (SORED)**

**Commissioner Breidenthal made a motion to no longer fund SORED. Commissioner Rachor seconded the motion.** (Discussion followed.) Commissioner Skundrick stated that Jackson County, Josephine County, City of Grants Pass, and City of Medford all give the same amount of money. He sees SORED as the economic driver for both recruitment and expansion and feels it makes no sense to cripple that organization. **Those who voted aye - Commissioner Breidenthal and Commissioner Rachor. Those who voted nay - Commissioner Skundrick, Ms. Sevcik, Mr. Morris, and Mr. Rudisile. Motion failed.**

#### **4H and FFA**

**Commissioner Rachor made a motion to eliminate the funding of the 4H and FFA awards.**  
*The motion failed for lack of a second.*

Mr. Jordan confirmed that the budget reductions thus far equaled \$1,390,368.

Mr. Morris led a discussion regarding the reconciliation of the fund balance and how it could change. For the 2013-14 ending fund balance components, the contingency would be at \$200,000 which has been discussed and is not changing. There is also a \$1.5 million reserve which could be used if a supplemental budget was approved by the Board. This will be added to the ending fund balance at the end of the year. Mr. Morris noted if that reserve is not spent next year, it can become part of the Rainy Day Fund, and will increase the fund without making additional reductions.

#### **Capital Projects**

The Committee discussed capital projects at length, and Mr. Jordan identified the projects funded by dedicated funds, and those projects supported by General Funds.

**Mr. Morris made a motion to postpone the Courthouse common area remodel (\$400,000) until other funds are identified to pay for it. Commissioner Breidenthal seconded the motion.** (Discussion followed.) *Mr. Morris and Commissioner Breidenthal withdrew the motion and the second.*

**Mr. Morris made a motion to delay any portion of the Courthouse common area remodel that is not necessary; necessary repairs include new boilers and electrical panels are OK, but cosmetic changes will be delayed. Commissioner Breidenthal seconded the motion. Those who voted aye – Commissioner Skundrick, Commissioner Rachor, Ms. Sevcik, Mr. Rudisile, Commissioner Breidenthal, and Mr. Morris. Motion passed.**

Mr. Morris stated he felt it was important to explain to the public how Capital Projects are funded, and that Capital Projects are not being funded out of the General Fund.

Mr. Rudisile asked Mr. Jordan to update the budget spreadsheet for the Committee to show the cuts in each area. A brief discussion was held regarding video poker revenues, possible reassignment of budgets, economic development parameters, which include public safety and Libraries. Mr. Jordan reviewed with the Committee the detailed Library budget, and the historical and current definition of economic development to receive State funds from video poker.

Mr. Jordan explained how he anticipated that if no changes were made in the appropriation authority, the Committee would pass the motion adopting the budget as proposed before the additional cuts were made. As the first motion made by the Committee was a revenue motion (the potential of a jail surcharge), all the other motions are contingent on that additional revenue not occurring. This means the cuts would not be implemented for distribution; the money will sit in the Ending Fund Balance. It isn't necessary to include that in a motion. If the Committee passes this appropriation authority, all the other motions for cuts are contingent on additional revenue not occurring. Mr. Jordan stated that the direction he is receiving from the Budget Committee is that he will be given appropriation authority, and if the revenue option works, the cuts are held in abeyance. If the revenue option does not work, the cuts will be implemented.

**Mr. Morris made a motion to approve Order No. 54-13 in the matter of approving the 2013-2014 Fiscal Year Budget for Jackson County, Oregon, as recommended by the County Administrator. Commissioner Skundrick seconded the motion. Those who voted aye – Commissioner Rachor, Commissioner Breidenthal, Mr. Rudisile, Ms. Sevcik, Commissioner Skundrick, and Mr. Morris. Motion passed.**

Mr. Rudisile adjourned the meeting at 4:50 p.m.

Respectfully submitted,

/s/ Dick Rudisile  
Dick Rudisile, Presiding Officer

/s/ Lynell Dewey  
Lynell Dewey, Recording Secretary

Approved on: December 5, 2013