

JACKSON COUNTY BUDGET COMMITTEE

Minutes

Courthouse Auditorium

April 15, 2014

8:30 a.m.

The Jackson County Budget Committee meeting of April 15, 2014, was called to order by Chair Dick Rudisile at 8:30 a.m. in the Courthouse Auditorium. Roll call was taken.

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

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

Guests: Interested Members of the Public and Press.

Budget Overview

Mr. Jordan provided a PowerPoint presentation of the budget for fiscal year 2014-2015 (*Submission No. 1*) and explained that the losses are more than just the drop in timber payments, and total \$27,000,000, which includes Title III funds as it relieves General Fund expenditures for Public Safety Programs. Mr. Jordan then detailed the four types of revenue: Operating (Constant and predictable); Non-Operating (fund balance, reserves and windfalls which cannot be depended on in the future); Dedicated (for a specific purpose); and Non-Dedicated (discretionary). About 45.71 percent is Dedicated Operating, 23.35 percent is Dedicated Non-Operating, 16.69 percent is Non-Dedicated Non-Operating, and 12.25 percent is Non-Dedicated Operating.

The Recommended Budget for fiscal year 2014-2015 is \$306,263,365. Mr. Jordan reviewed the allocation of Non-Dedicated Revenues and the 24.60 percent reduction of full-time equivalents (FTE) since fiscal year 2006-2007. Operating Expenditures exceed Operating Revenues by \$5,294,449, and the County continues to use reserves to make up the difference. He believes that the County should not fund additional services because it is not sustainable in terms of Operating Revenue.

Mr. Jordan then listed major items that affect the difference in Beginning Fund Balance, and the total one-time savings of \$17,133,781. He explained that General Fund Reserves are approximately \$43,700,000 in the fiscal year 2014-2015 Recommended Budget, which is a significant increase. Cash Flow requirements are approximately \$10,000,000 for all funds. Other reserves are approximately \$4,400,000, and Debt Services Reserves (connected to the Health and Human Services Building) is \$4,900,000. Total Reserves, Contingency, and Ending Fund Balance are approximately \$86,800,000.

Mr. Jordan provided information about the Libraries and Extension Service funding, explaining that the County extended the funding for these programs because of receipt of timber funds and other one-time revenues. Any future funding will be based on a year-to-year evaluation because of the lack of sufficient Non-Dedicated Operating Revenue. O&C timber funds are discretionary funds and are deposited into the General Fund when received. If the Library District and/or Extension District are not approved, then any associated costs to provide these non-mandated services will compete for limited General Fund dollars with other General Fund programs. The guiding principles used to develop the

budget are to provide mandated services and those services that protect the health and safety of County citizens. Since service levels are not mandated, competition for limited General Fund dollars could impact any service that receives General Fund support.

The increase in the General Fund balance due to one-time revenues provides a minimum of another year of funding for these services while still increasing the Rainy Day Fund, contingent on Budget Committee approval. Budgets for both Libraries and Extension provide the opportunity to certify and collect a tax for the Districts in November 2014, while maintaining current operating models. The budget is in place so that transition of services can occur. If either taxing district fails, the Budget Committee has stated its intention to reconvene to determine a course of action which would include consideration of continuation of General Fund support for either service as well as other options.

Mr. Jordan clarified that \$17,000,000 of unexpected income is projected this fiscal year, which will affect the reserve balance. He believes the County will receive some O&C payments due to legislation, an extension, or even shared receipts from timber harvests. Underspensing the budget will also increase the Beginning and Ending Fund Balance. The County consistently underspends the budget and Mr. Jordan stressed again that the budget is a best guess. Budget targets were \$1,500,000 less in General Fund expenditures than last year. All departments were given a 1 percent increase in General Funds, but their expenses decreased enough that the County netted a reduction in overall reductions because of Public Employees Retirement System (PERS) and also some risk work done with the County's Risk Fund, and no Cost of Living Adjustment (COLA) was given again this year.

Airport

Ms. Marcy Black explained that the Airport is an Enterprise Fund and does not receive any General Fund support. The budget (*Submission No. 2*) is about \$4,000,000 less than last year as a result of Airport's planned capital projects being less, and the full-time equivalent (FTE) count remains the same. Total operating revenue is \$7,791,795 and is comprised of compensatory (\$5,824,913) and residual (\$1,966,882). The four programs that utilize operating revenue are: Administration, Security, Operations, and Diversification. The total operating expenses are \$7,346,020 and Reserves are \$445,775. The Operations and Maintenance budget totals \$3,506,657. Of the overall Operation budget, 14 percent is contracted services for airfield fire and rescue. The Security and Safety Program has a similar circumstance in that ten percent of its budget is for contract services for armed security services. The total budgeted internal allocated costs are \$645,478.

In the Development Program, the Airport is anticipating receiving a variety of revenues. Nearly 41 percent (\$11,600,000) of Airport capital projects will be funded by Airport Improvement Program grants from the Federal Aviation Administration (FAA). The rehabilitation of Runway 14/32 is the primary project for fiscal year 2014-2015.

In 2013, some of the 2007 Airport Revenue bonds were refunded and the Airport anticipates a \$440,000 savings over the life of the bonds. Within the Passenger Facility Charges (PFC) Fund, about 48 percent will stay in the Reserve, 50 percent will be used for debt service, and 2 percent for contracted services. Ms. Black confirmed that the large Reserve in the PFC Fund is a portion that will decrease the amount the Airport pays for part of the runway rehabilitation. The Airport is authorized to use the PFC Fund for that match, but currently the Fund is being used only to pay the debt service. The Airport will be reimbursed for the match portion at some point.

Sheriff's Office

Sheriff Mike Winters began his presentation with a review of the Sheriff's Office Annual Report (*Submission No. 3*). He noted that the Jackson County Sheriff's Office provides services to all citizens

of Jackson County. He presented an overview (*Submission No. 4*) of the Office's financial performance, noting that Deputies provide 24/7 coverage to 2,800 square miles and responded to 56,212 calls for service with a 92 percent clearance rate for people and property crimes. Driving Under the Influence (DUI) incidents decreased by 87 percent in 2013, which he believes is due to the implementation and enforcement of the Traffic Team. Forced release of inmates decreased by 14 percent, and the newly remodeled jail provides more holding cells and allows for better observation and management of inmates. A Tactical Operations Center (TOC) has been designed to provide technical and advanced computer systems for monitoring operational progress in emergencies. In 2013, the Sheriff's Office used drug seizure money to pay for state-of-the-art technology to be installed in Shady Cove Elementary and Middle Schools. These schools are the first in the nation to have technology this advanced in classrooms.

Sheriff Winters spoke about the aviation unit, noting that time is of the essence for major trauma victims and the aviation unit aids in saving lives. Flight missions include search and rescue, drug cartel marijuana eradication, and environmental clean-up on public lands. General Fund support in the amount of \$95,000 has been used in the past three years and the balance of funding for the aviation unit comes from Federal contracts and grants. Sheriff Winters noted that the Southern Oregon Multi-Agency Marijuana Eradication and Reclamation (SOMMER) Team has become the State leader in disrupting, dismantling, and prosecuting illegal drug trafficking organizations. SOMMER is supported by Federal contracts and partners with Coos, Curry, Douglas, Josephine, Klamath, and Lake Counties. Search and Rescue responded to 105 missions, and the 135 volunteers are trained in all aspects of search and rescue. Over 19,000 volunteer hours are projected for fiscal year 2014-2015 and, at the national volunteer cost per hour, which is a savings of \$491,000 to the taxpayers.

The Civil office is experiencing an increase in the number of citizens applying for a concealed hand gun licenses and anticipates issuing and processing over 3,500 applications in the next budget year. Recent changes to Legislation requires the Sheriff's Office to handle foreclosure court decisions, which is labor intensive, and Sheriff Winters projects a 51 percent increase in this area. The Corrections Records staff processes booking and release paperwork for arrestees and over 12,000 individuals are expected to be processed next year. The Criminal Records unit is staffed 24/7 and answers the phones for non-emergency incidents and continues to enter warrants into the system and register sex offenders.

The Sheriff's 2014-2015 budget is allocated as follows: Corrections (35 percent), Criminal (33 percent), Administration (12 percent), Support Services (11 percent), White City District (7 percent), and Search and Rescue (2 percent). Overall, the budget has 52 percent for Personnel, 27 percent for Materials and Services, and 21 percent in revenue. The budget target was met by eliminating vacant positions, \$200,000 savings in Risk Management, and restructuring of management.

Mr. Jordan noted that the Budget Committee previously approved the expenditures for the more than \$2,000,000 in capital improvements for the jail to add 62 jail beds and remodel the Sally Port. There is a projected line item revenue of \$1,200,000 for the additional jail beds generated from contracts with Federal agencies. Community Justice will generate about \$500,000 of additional revenue from use of those beds for a drug treatment program which will take place while people are incarcerated. The County has generated \$2,000,000 a year in new operating revenue between those two budgets for a \$2,000,000 one-time investment. Mr. Jordan complimented the Sheriff for working with Community Justice and the County Administrator's Office and for securing the agreements for those contracts. The County is realizing the return on the investment that was made and that should be a return the County sees every year, as was projected.

Sheriff Winters confirmed that Priority 1 crimes are crimes against people and those response times are tracked through the 911 center. The average time to arrive at the scene is 14 minutes. A discussion was held regarding the reasons the call center was relocated and the fact that Deputies use take-home cars to help response times and reduce costs.

Chair Rudisile stated that the Budget Committee wants to see fewer early releases. The Sheriff explained that when the State courts employed court release officers, many people were released under their own recognizance. Because the courts no longer use release officers, more people are being processed through the Sheriff's system. The additional 62 beds in the jail will help manage the most dangerous prisoners, but people that are considered low risk will still be released early. Early release criteria and estimated costs for a 600-bed jail were discussed.

Justice Court District

Judge Charter used a graph to show the Justice Court's County revenue history from 2007 through 2013 (*Submission No. 5*). In the past calendar year, the Justice Court has seen a return to normal in terms of the revenue streams due to some relief from the Oregon Legislature. Another graph illustrated the County's share of revenue by quarter from 2010 through 2013, reflecting the drop in revenue from changes implemented by House Bill 2712.

Judge Charter stated that the fatality rate has remained low compared to the years prior to the establishment of the Justice Court and the Sheriff's Office Traffic Team. The number of people using traffic school has grown from less than 1,500 in 2012, to 2,000 in 2013

Mr. Jordan noted that \$1,500,000 is set aside in the General Fund fiduciary for the proposed acquisition or construction of a new Justice Court building. The current lease will expire in January of 2016.

Commissioner Skundrick commented that it is important to understand that the main purpose of the Justice Court and the Sheriff's Traffic Team is to reduce accidents. The revenue is a result of enforcing the law.

Public Comment

No one wished to make a comment. Chair Rudisile recessed the meeting at 9:55 a.m. and the meeting resumed at 10:25 a.m.

District Attorney

Ms. Beth Heckert noted that the District Attorney (DA) Office (*Submission No. 6*) has \$850,920 in revenue and General Fund support of \$3,777,917, with a total budget of \$4,628,837. Most of the DA's budget is in personnel, with 43.50 FTEs including 18.00 Deputy District Attorneys (DDAs). Last year was memorable because of the bombing of the facility. The DA's Office is made up of three programs: Prosecution, Crime Victims Services, and Child Support. The Prosecution Division is 95 percent dependent on General Funds with 2 percent coming from Federal/State/Local revenues and 3 percent from Fees and Other Revenues. In fiscal year 2013-2014, 6,110 cases were filed with the court. The DDAs are carrying high caseloads with the average felony deputy assigned 266 new cases as well as some unresolved cases. Misdemeanor DDAs are assigned an average of 688 new cases. Ms. Heckert outlined the DA's Office's accomplishments including providing 75 hours of training to local law enforcement agencies (LEA); one prosecutor assigned to Medford Area Drug and Gang Enforcement (MADGE); three grand juries held weekly; and installation of the Karpel Data Case Management System to help manage the caseloads.

Ms. Heckert described the work of Crime Victims Services (CVS) and noted it receives approximately 65 percent from the General Fund and approximately 35 percent from Federal/State/Local Revenue. Volunteers provided 2,138 hours of service. CVS will serve nearly 3,414 crime victims in a fiscal year by providing 2,138 hours of service through volunteers and providing advocacy and victim's rights

information and other services. Her office will restore 2.00 FTEs dedicated to documenting restitution for crime victims. There were 1,123 restitution orders prepared totaling almost \$5,000,000 in restitution to victims.

The work in Child Support is funded by Federal/State/Local revenues (67 percent), General Fund (31 percent), and fees and other revenues (2 percent). Child Support collected \$8,400,000 of child support and the caseload decreased by 6 percent due to more cases being handled by the State. Even with the reduction in cases, more dollars were collected per case over the last year. A Child Support Division attorney will also be assigned about 20 percent of the criminal cases due to the reduction of child support cases.

Mr. Jordan noted that the District Attorney building has been on the list of capital projects for seven years. The County anticipates scheduling the design costs for a new facility and potentially funding it the following year.

When asked about record retention, Ms. Heckert explained that the Karpel Data Case Management System allows the DA's Office to store police reports electronically, provides access to records from many locations, and physical storage of the files is not required. The system began in January 2014, and going forward there will be fewer and fewer physical files required.

Commissioner Skundrick noted that in the previous year one DDA position was not filled and with the attorney in the Child Support division now covering 20 percent of the criminal caseload, asked if the department still needs to hire another DDA. Ms. Heckert explained that there wasn't room in the budget target to hire another attorney. The Child Support division attorney will be able to take about 20 of the criminal cases, but the additional attorney will be handling 688 cases. She believes it is inevitable that more staff will need to be hired in the future. Mr. Jordan stated that the largest impact on the DA's workload is enforcement. The County doesn't control how many police officers the cities hire and caseloads typically go up because more people are being charged. The system is not necessarily driven by anything Ms. Heckert can do. A discussion was held regarding Federal prosecutors declining to prosecute.

Community Justice

Mr. Shane Hagey, Community Justice Director, (*Submission No. 7*) outlined Community Justice's revenue sources as General Fund (38 percent), State funds (37 percent), Fees (8 percent), Grants (4 percent), Interdepartmental Transfers (1 percent), Contracts (7 percent), and Work Crews (5 percent). Total Revenue is \$14,416,590. The largest portion of this budget is Personnel (72 percent) with the rest made up of Operations, Contracts, and Chargebacks.

Adult Services provides probation and parole services, which is supervision on felony crimes and a few select misdemeanors. There are 37.50 full-time equivalent (FTE) positions in the Adult Services division which receives funding from the General Fund (8 percent), State funds (62 percent), Fees (19 percent), Grants (8 percent), and Miscellaneous (2 percent). Expenditures in Adult Services total \$4,585,418 and are primarily Personnel (78 percent). This division provides drug and alcohol services, sex offender treatment, and drug court programs. The remainder of the expenditures are Chargebacks (10 percent), Operations (7 percent), and Contracts (5 percent). The Adult Services division re-implemented the K-9 program which has been a big help with drug enforcement in the community. The previous drug dog has retired, but a new dog has been acquired and is preparing to be certified. The Sex Offender Unit receives consistent recognition and publicity because the program is excellent.

The Community Justice Transition Center is a 176-bed facility with 2,385 intakes last year. Clients serve jail time and then move into the Transitional Center to help them focus on how to change their behavior,

get and keep jobs, and become successful contributors to society. Revenues are \$4,093,311 and are made up of State funds (45 percent), General Fund (21 percent), Work Crews (19 percent), Contracts (11 percent), Fees (2 percent), and Grants (2 percent). This Program helps pay for itself. Expenditures total \$4,093,311 and are made up of Personnel (68 percent), Operations (12 percent), Contracts (10 percent), and Chargebacks (10 percent). The Center offers several programs, including alcohol and drug treatment, life skills, GED classes, and parenting classes.

Juvenile Services provides 24-hour intake services, community supervision of approximately 374 youth, diversion agreements, services for victims, filing of legal documents in juvenile court, community service, and victim/offender mediation. While in the Juvenile Detention Center, youths have access to life skills classes, mental health services, education, alcohol and drug services, a fire setter program, sex offender treatment, gang program, graffiti program, and parent skills training. Juvenile Services revenues are \$5,478,160, which is made up of General Fund (78 percent), Contracts (11 percent), State funds (9 percent), Fees (1 percent), and Grants (1 percent). Expenditures are \$5,478,160 broken down as follows: Personnel (74 percent); Chargebacks (9 percent); Contracts (9 percent), and Operations (8 percent). Administration within this Department accounts for 1.8 percent of the budget, including 123 FTEs and three divisions: Adult Services, Juvenile Services, and Transition Center.

Mr. Hagey stated that jail overcrowding has been an issue for some time because the courts eliminated court release officers, resulting in a huge increase in the jail overpopulation and subsequent early releases. Community Justice coordinated with the Sheriff's Office to help develop an objective program to target the people who are most likely to show up for court and is seeing some positive results. His Department has also contracted with some other counties which have closed their transition centers. A program was designed to provide a pod that is just for treatment. The people sentenced to jail will be able to get drug and alcohol treatment with mental health services while incarcerated and then can be moved on to the Transition Center to continue with treatment.

Commissioner Rachor asked if Community Justice's Work Crews will be substantially increased and Mr. Hagey replied they are constantly looking for opportunities to expand those programs. Chair Rudisile mentioned that most of the General Fund contribution for Community Justice (\$5,456,034) goes to Juvenile Services. Mr. Hagey stated that at 28 percent, the Department is slightly under the State average for recidivism, which is 29 percent. Ordinarily, the State doesn't fund juvenile services. Community Justice has reduced the number of people into detention, which is the most expensive part of that program. Mr. Jordan added that Jackson County has one of the highest arrest rates in the State, takes all referrals, and has one of the lowest rates for violent crimes. He believe that is because of early intervention and having these community-based programs in place.

The jail overcrowding issue has pushed Community Justice into a position of accepting people that would not have been accepted before, which lowers some of its recidivism statistics.

Library

Ms. Lisa Garcia, Library Program Manager, addressed the Budget Committee (*Submission No. 8*) and noted that the Library has three programs: Mail Services, Law Library, and Library. The Library is funded from the General Fund (59 percent), program revenues (30 percent), and transfers (11 percent), with a total budget of \$6,548,663.

Ms. Garcia stated that residents check out more than 1,600,000 material items annually, more than 66,740 books were read as part of the summer reading program, and the Jackson County Library will be presented an Outstanding Ready to Read award from the Oregon State Library for that program. Library staff is working on a technology plan to incorporate more reimbursements from E-Rate where the Library usually receives between \$40,000 and \$100,000 each year. The 2014-2015 goals are: passage of the

Library District; maintaining the level of service; and meeting technology growth and demand through e-book collections, databases and patron technical support and services.

The Law Library provides access to legal materials and its budget is a dedicated fund in the amount of \$489,818 and is basically funded by fees. Collection development and maintenance is \$140,000 annually, and with Law Library use continually declining the cost per person is rising.

Mail Services has a small, self-sufficient budget of \$116,417 generally based on interdepartmental chargebacks. While the total piece count is declining due to electronic documents, the cost per piece increased because of the purchase of a mail machine and meter.

Public Comment

No one wished to speak.

There being no further comments, Chair Rudisile recessed the meeting at 11:28 p.m. to resume on Thursday, April 17, 2013, at 9:00 a.m.

Respectfully submitted,

/s/ Dick Rudisile

Dick Rudisile, Presiding Officer/Chair

/s/ Lynell Dewey

Lynell Dewey, Recording Secretary

Approved on: 12/09/2014