

JACKSON COUNTY BUDGET COMMITTEE

Minutes

Courthouse Auditorium

April 17, 2014

9:00 a.m.

The Jackson County Budget Committee meeting of April 17, 2014, was reopened and called to order by Chair Dick Rudisile at 9:00 a.m. in the Courthouse Auditorium.

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

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

Guests: Interested Members of the Public and Press and County Staff.

Chair Rudisile opened the meeting to continue the budget presentations from Tuesday, April 15, 2014.

Roads and Parks

Mr. John Vial, Roads and Parks Director, distributed copies of his presentation (*Submission No. 1*) and began by outlining his Department's overall budget status. The budget is balanced and the Department's priority continues to be maintaining the current system and not building new projects. Revenue remains adequate to maintain the current system but does not allow for significant capital projects. With State gas tax funds leveling off and no Federal county payment revenue there has been a \$1,200,000 reduction from fiscal year 2013-2014 and \$4,000,000 from five years ago. Dipping into the Reserves was necessary over the last few years to complete capital projects but that will be the last time.

The total budget is \$35,682,625 which is \$2,000,000 lower than last fiscal year. Road Maintenance is the largest Program. The Parks Program revenue forecast has been reduced \$500,000 due to the drought.

Mr. Vial explained that most of the Road Fund comes from the State gas tax and registration fees (44 percent) and 39 percent comes from reserves, contingencies, and cash flow. Roads Maintenance uses 56 percent of the Fund, and 24 percent is used on capital construction projects. The amount for capital construction projects will continue to decrease in future years. Approximately 7 percent goes to engineering and permits, 9 percent to administration and overhead, and 4 percent to replacement of equipment.

Mr. Vial provided a graph which illustrated the decline of State gas tax revenues during the recession. An increase was approved in 2009 that resulted in an upturn but the trend is flattening and troubling. With increased vehicle efficiency and fewer miles driven, current gasoline sales remain at 1995 levels. Currently, Jackson County is adequately funded to take care of the County roads.

Roads and Parks' full-time equivalents (FTEs) remain unchanged at 102, which presents challenges for emergency response. The largest Program is Road Maintenance. Compared to historical averages,

Road Maintenance service levels have increased for asphalt surface maintenance, striping, sign installation and repair, and snowplowing/sanding/de-icing. Other service levels remain the same. The highest priority is pavement maintenance as it is much cheaper to maintain than repair the roads. Productivity of chip sealing continues to improve and just over 10 percent of County roads will be chip sealed this year. Over \$2,000,000 is spent on the materials alone, which is more than 21 percent of the maintenance budget. Out of a total of 153 bridges, Jackson County has four bridges with a sufficiency rating of less than 50 which is the Federal condition standard. One bridge is currently being replaced by the Oregon Department of Transportation (ODOT); one is rated low due to a narrow width, but is structurally fine; and the last two are small bridges which are safe to drive over, and are being monitored while replacement funds are being sought.

In the future, capital projects will be funded with grants, Surface Transportation Program (STP) Federal gas tax, and System Development Charges (SDC). State gas funds are only being used to match grants. Roads reserve funds were used to subsidize several capital projects and further cuts to the capital program are needed. While the program has been reduced and will be further reduced, there are several capital projects completed, underway, and planned in fiscal year 2014-2015. The Peachy Road project has been completed with Federal funds. The Table Rock Road project to widen the road is underway and part of that project is addressing the Gregory Road intersection, which is one of the highest crash locations in the County. Foothill Road will be extended past Corey Road up through the Sports Park and on to Atlantic Avenue, providing a beltline around the east side of Medford. A new bridge is being built by County crews on East Gregory Road over Swanson Creek. The Tiller-Trail Highway project is also occurring this year and will straighten one mile of the highway. The Roads Department will be widening and improving Lozier Lane next year in a joint project with the City of Medford.

The project of widening Table Rock Road from Biddle to the Airport is being funded by ODOT or from Federal funds, and is slated to take place during the summer of 2018.

The Parks Program total budget is \$3,122,125, which is down from \$3,698,855. The reduction is due to reduced staffing and expected impact from drought, and better estimates of revenue and expenses of operating Howard Prairie Resort. The Program receives no General Fund assistance and is very stable. Revenue from user fees, concessions, and leases continues to increase and now accounts for over 60 percent of revenue. The drought this year is expected to have significant impacts to Howard Prairie and Emigrant Lakes and the department budgeted accordingly. Additional revenue is expected from the passage of Senate Bill (SB) 1514, which changes the revenue split for Recreational Vehicle (RV) registration fees. Major maintenance of the existing facilities remains a concern and service levels should remain the same.

The majority of the Parks Operating Funds (\$1,891,110) come from user fees. The County operated the Howard Prairie Resort campgrounds and marina last year and Mt. Ashland Association operated the restaurant and store. This increased revenue to the County by \$60,000 and improved the efficiency of the entire Program. A new restroom and shower facility is being built this year and a yurt village is planned for fiscal year 2014-2015. Due to the drought, Parks is extending the dock at Howard Prairie. Emigrant Lake will also be significantly impacted by the drought, with the lowest water levels in 25 years.

A new flush restroom is being built at the Sports Park Shooting Range. The Parks Program has benefited from the continued growth of the volunteer and camp host program and there was a large increase in the number of campground reservations in 2013 due to County management of Howard Prairie Lake Resort. The Bear Creek Greenway Expo Trail is nearly finished and will complete the trail between Pine Street and Upton Road.

Mr. Jordan noted that System Development Charges (SDC) represent only 1 percent of the total revenue of the budget, but it is important because it goes towards matching grants for developments.

Commissioner Rachor noted the budget is \$35,000,000 and about 25 percent of that is capital projects, but the capital projects listed are much more than that. Mr. Vial confirmed that the majority of the projects being built are funded by grants with the County paying the necessary match.

Chair Rudisile relayed a compliment from Chuck Smith, finance committee member with the Fish and Wildlife Department, stating that Mr. Vial and Steve Lambert are the most cooperative people he has ever seen in government.

Development Services

Ms. Kelly Madding, Development Services Director, stated that her Department is comprised of four Programs: Building, Code Enforcement, Comprehensive Planning, and Current Planning (*Submission No. 2*). Overall goals are to provide necessary information to customers in a timely and professional manner, balance staffing levels and workload, utilize program-specific performance measures to ensure Department goals are being met, and provide staff with a respectful and satisfying workplace. Current fiscal year accomplishments include implementing a new permit tracking software, building inspection timelines exceeding statutory requirements, improving Site Plan Review procedures, and continuing to work on meeting Regional Problem Solving (RPS) conditions, Southern Oregon Regional Pilot Program, and the Agricultural Task Force.

The General Fund target is 15 percent (\$517,595) of the total revenue, with nearly 50 percent of revenue coming from direct service fees and permits. Community Development fees provide 30 percent (\$1,057,450) and pays for programs that are not fee-supported. That fee has not changed in the last eight years and she anticipates that it may be increased in the next fiscal year. The Accella carryover (2 percent of revenue) will allow her department to buy hardware to enable staff in the field to provide real-time information to contractors. That project will be done by the end of next fiscal year. The total Department revenue is \$3,548,044.

Department expenditures total \$3,548,044: Personnel Services (69 percent), Chargebacks (15 percent), Operating (12 percent), Accella automation (3 percent), and Travel and Training (1 percent). Ms. Madding is proposing to add 1.50 FTE in Staff, 1.00 FTE in Building, and 0.50 FTE in Current Planning. Her Department has a total of 26.50 FTEs.

The Building Program, which is fee supported, is the only Program in which the budget has been increased because of the need for additional staff. Service demands are growing and another Building Technician is needed. The budget increased by 6.9 percent or \$82,133 from fiscal year 2013-2014. There has been a 55 percent increase of inspection workload since 2008-2009. Her Department used to have a dedicated Plan Reviewer which was lost when staff was reduced. The proposed Building Inspector FTE would provide someone to perform plans reviews every day. The Building Program is exceeding statutory timelines, with 99 percent of inspections completed within 24 hours.

The Code Enforcement Program budget was reduced by 19 percent or \$135,243 from fiscal year 2013-2014. This Program is looking to increase visibility and public presence of Code Enforcement within the County, and coordinates with the floodplain manager on FEMA audit report compliance. The General Fund provides 75 percent of this budget, and 5 percent is provided by fees and fines. If Code Enforcement fees generate the amount budgeted, it would total .8 percent of the department's budget.

The Comprehensive Planning budget was reduced by 15 percent. The Program staffs the Agricultural Task Force, processes Urban Growth Boundary expansions, and works on the Southern Oregon Regional Pilot Program. The Community Development fee provides 87 percent of the funding.

The Current Planning Program's budget was reduced by 13 percent or \$175,803 from fiscal year 2013-2014 and Ms. Madding is proposing to add 0.50 FTE for a counter staff position due to an increase in the workload. Fees and permits account for 43 percent of this budget, and 48 percent from the Community Development fee, and the remainder from the General Fund.

There are a number of statutory timelines for processing the various types of applications and Development Services is meeting these timelines with a high percentage of success. Ms. Madding does not expect to achieve 100 percent on expected performance measures because she believes applications should not be denied simply because the applicant does not have all of the necessary information at the time the application is made. It may delay the application, but it is better customer service to work with the applicant to a successful conclusion.

Ms. Madding explained Development Services is a little more than half the size it was in 2007-2008 with half the Building staff (Permit Technicians and Building Inspectors) and half of management. The workload has increased to a point where the additional 1.50 FTEs need to happen to meet the performance measures. In this case, she believes it is a sign that the economy is improving. Chair Rudisile commented that she made her case with her presentation and asked what amount of General Fund support she needs. Ms. Madding stated she needs every bit of her General Fund target of \$517,595. Several years ago, the department needed \$1,200,000 from the General Fund through the lowest points of the recession. Chair Rudisile complimented Ms. Madding on an excellent job.

Expo

Mr. Dave Koellermeier, Expo Manager, began his presentation (*Submission No. 3*) by thanking many individuals, including Mr. Jordan and several County departments (Airport, Sheriff, Roads, and Development Services) that have helped the Fair and Expo.

The Expo 2014-2015 initiatives are to continue the outsourcing of Fair concerts to mitigate financial risk. Two concerts are privately financed for the upcoming Fair and two more are in negotiations with private funding. The Oregon Army National Guard Capital project is a new opportunity as the Expo is being considered to receive help from the National Guard with engineering skills, etc. The Expo is continuing to re-establish relationships with stakeholders and strategic partners. At Fair time the Expo will follow the market direction begun last year and use the Compton Arena to create a better product value for the patrons that attend the Fair. The Fair Board has challenged Mr. Koellermeier to co-produce some joint venture events with strategic partners.

The Expo will continue to evaluate and change to a better business model with the expansion of product offerings where Expo has a competitive advantage in the marketplace. After the Fair concludes, Mr. Koellermeier plans on organizing people that have shown an interest in producing concerts on a year-round basis. The Harvest Fair has become a premiere microbrew and barbecue competition event. He requested the Budget Committee move the Ending Fund Balance to Reserves.

Mr. Koellermeier stated that the Expo cannot reduce FTEs much further and are relying more and more on contract services. The number of FTEs remains at 3.00.

Building rental provides the majority of revenue at \$353,128 with Fair and Rodeo admission providing \$303,106. Sponsor activity remains very important and provides \$224,750 in revenue. The sponsorship base continues to grow, and private funding may allow free admission to the Fair for children under 12. Mr. Jordan recognized that the former County Counsel and his staff provided a great deal of assistance to the Fair.

The Expo has a Contingency Fund of \$30,000 with \$108,628 in Reserves. Fair and event production costs are the highest expense at \$499,992 and Payroll is second at \$302,226. The Expo is requesting

to move the currently budgeted Unappropriated Ending Fund Balance, which cannot be spent, into Reserves. Mr. Jordan explained there is a limited number of situations that would constitute an emergency where these funds could be spent, and hiring more people or spending money on events would not qualify. A discussion was held during the budget review on this topic but no decision was communicated prior to the Budget Committee Hearings, and that is why the request was being made at this time. The move would not change the total appropriation and would require a motion by the Budget Committee to move the funds to Reserves. Mr. Jordan has spoken with Mr. Chris Smith and Mr. Dave Koellermeier, and recommends approving the request to place the funds into Reserves.

A discussion was held regarding the action required to move the funds. Commissioner Skundrick asked about maintenance and Mr. Jordan explained that every department is responsible for their own building maintenance but the Fair has not been able to provide those services. Several years ago the Board of Commissioners made a direct General Fund allocation to support those facilities as a short-term commitment. Originally these funds went directly to the Fair and were not necessarily used for maintenance. The Budget Committee and Board directed that the allocation be maintained in the Administrator's Facility Maintenance budget and these projects are managed by County Facility Maintenance.

Chair Rudisile stated that the Committee will consider Mr. Koellermeier's request when they go into deliberations and thanked him for his presentation.

Public Comment

No one wished to speak.

Chair Rudisile called for a break at 10:21 a.m. and the meeting continued at 10:45 a.m.

Finance

Ms. Shannon Bell, Director, (*Submission No. 4*) stated that Finance has two Programs in Central Services Accounting and two Programs in Treasury. She reported that Finance is reducing chargebacks to departments by approximately \$55,000 and increasing purchase card rebate by about \$20,000, with a total revenue decrease of \$37,781. The offset is made up of reductions in Expenditures, Personnel Services, PERS, management health insurance decreases, Materials and Services, insurance, and software costs in Treasury.

One of the Accounting Department's primary strategic objectives is to provide accounts payable services in the most cost-efficient manner and reducing the number of written checks. In the last five years the ACH (Automated Clearing House) payments have increased by about 100 times, written checks have been reduced by half, and use of purchase cards has increased about 40 percent, all of which reduces overall costs. At the beginning of this year a campaign was begun requesting vendors sign up for either the e-payables program or ACH. This resulted in 101 vendors signing up the e-payable program and 72 signing up for ACH, which will reduce the number of written checks even more. Over the last five years, the purchase card rebate amount has increased by 400 percent.

In Treasury, the safety of the portfolio is the number one objective and is achieved through diversification, credit ratings, and liquidity. The portfolio is made up of corporate agencies (47 percent), Local Government Investment Pool (18 percent), a small amount in high credit Corporates and municipal debt, and some in liquid cash. The majority of the investments have credit ratings of AAA/AA+ and that collateral is with the State. Yield has been flat all year at about 1.3 percent. The Local Government Investment Pool (LPIG) did not increase at all and the County still earns about 1.5 times more than the pool. Rates are going up and the five-year Treasury rate is beating the County's portfolio for the first time in three years.

Other activities in Treasury included refunding the Airport Bonds in 2013 (\$3,590,000) of the Series 2000 at 5.8 percent, refunded at 2.84 percent, resulting in a net savings of \$350,000. Also in May of last year, Treasury secured a low-interest loan from Key Bank to partially finance the Health and Human Services (HHS) parking garage. Using these funds at the low interest rate will save the County about \$150,000 in interest over the term of the loan by not having to liquidate longer-term investments. A banking Request for Proposal (RFP) was just completed and Ms. Bell anticipates saving about \$35,000 in banking fees annually.

In Tax and Property Management, the Rogue Family Center is receiving an increase due to increased space and rent, and Fees for Services are rising due to mobile home transfers, advertising, and warrant revenue. Foreclosed property equaled \$152,000 this year, with more than 30 properties available for sale, and the number is anticipated to increase. Commercial rental income has increased due to the Expo cell tower and contract revenue on foreclosed property being held by Treasury. One of the increases in expenditures is Personnel Services, from transferring 1.00 FTE from Assessment to Tax for the Senior Deferral Program. This transfer eliminated the need for senior citizens to go from Tax up to Assessment and then back down to Tax in order to pay taxes. One of the strategic objectives in Tax is to process collections by using the best practices and modern equipment. Tax payments were brought in-house three years ago and last year it was streamlined to the point where every piece of mail that comes in is processed, posted, and in the bank the same day. Costs went up slightly per statement due to an increase in USPS rates. Bar coding statements has saved money as well.

Property Management is very busy and about 394 Intent to Foreclose notices are expected to be sent out next year. Every attempt is made to collect these taxes before the property is deeded to the County and last year all but 10 percent of the properties were collected on prior to being deeded. The County has 143 surplus properties in inventory, including 35 which are available for sale. Property Management sold 17 properties last year.

Information Technology

Mr. Mark Decker, IT Director, (*Submission No. 5*) began his presentation by stating that IT has two Programs: Computer Replacement Fund and IT Services. The Computer Replacement Fund allows the County departments to save for the purchase of technology and software. That has saved money this year because the County is upgrading to Office 2013. IT Services is the Program where all of the FTEs are charged. Next year that Program has 28.80 FTEs which is slightly less than the current year. Network operations, front-line computer support, applications, telecommunications, and web site management are all in this Program.

IT revenue sources are mainly internal charges with 94 percent of revenue coming from charges to other departments and 6 percent coming from grants and fees. Of that, 67 percent is for common services such as PCs, phones, email, web, etc., and 27 percent is department-specific applications and support. Customer satisfaction remains high at 96 percent.

The 2013-2014 IT initiatives include: electronic document management, expanding Assessment, HR, Roads, and the Jail; upgrading to MS Office 2013; District Attorney data integration; Development Services migration to Accella Automation; Community Justice legacy system replacement; VOIP phone system phases 1 and 2; and the redesign and CMS (Content Management System) replacement on the public web site. Department by department, IT is converting the public web site from Project A, "Site in a Box," to an open source tool called DotNetNuke, or Evoq. The Sheriff's Office and Roads and Parks web pages have been converted and IT is currently working on the Airport. The new web site is easier to manage and the mobile support is very popular.

County Counsel

Mr. Joel Benton, Interim County Counsel, presented Counsel's budget to the Budget Committee (*Submission No. 6*) and explained that Counsel acts as the County's law firm; provides legal advice to the County departments and elected officials; reviews all Ordinances and contracts; makes changes to the County code and assists with major revisions; is responsible for all litigation and appeals; and tries to handle the majority of that in-house to save money. County Counsel occasionally supervises outside counsel when necessary due to expertise or work flow and handles employment grievances and unfair labor practices claims, including those from the three collective bargaining units. Counsel's Office represents the County at public hearings, Court and Administrative tribunals, and also provides information links and sample documents. Most of these are contract documents and other information for use by County employees, and provides training related to contracts, public documents, public records requests, and other legal matters. Counsel's Office represents a very good bargain for the taxpayers and the County because it is significantly more cost effective to handle these items in-house as the cost is a third of the cost of a Portland attorney and half the cost of a Medford attorney.

Counsel's Office currently has 6.00 FTEs (the same as the previous year), consisting of 4.00 attorneys and 2.00 office professionals. Counsel's funding sources are internal service charges based on percentage of use by each department and chargebacks to Risk Management on specific litigation matters. Interdepartmental chargebacks make up 54 percent, 30 percent come from the general chargebacks, and 16 percent are fiduciary. Counsel had a reduction this year in the General Fund target to \$147,806 from \$153,256.

The total proposed budget for the Department is \$862,249, a decrease of \$16,447 from last year due to a decrease in Personnel Services and Materials and Services. Counsel's Office is handling more contracts than last year, worked on 18 tort claims in fiscal year 2013-2014, and currently has 31 active litigation and employment cases.

Major issues of the past year were Service Employees International Union (SEIU) Collective Bargaining Agreement negotiations, increasing land use development issues, and revision of the Local Contract Review Board rules. Predicted issues and goals are labor and employment issues, including negotiation of the expiring Jackson County Sheriff's Employees Association's (JCSEA) Collective Bargaining agreement, delivery of health care services, updating of County Code, and continued increased land development and economic development.

Counsel's Office will continue to build upon specialty practice areas within Counsel's Office including employment, labor, land use, and other matters and will handle as much as possible in-house to ensure cost-effective use of the County's resources.

Mr. Benton confirmed that no expenditures are planned for outside attorneys on employment labor laws as it has all been brought in-house. A few years ago, the County was spending more than \$600,000 annually on employment labor matters. Commissioner Skundrick commended Mr. Benton on a job well done and stated that the labor negotiations have been handled well and very professionally.

County Administration

Mr. Harvey Bragg, Senior Deputy County Administrator, began his presentation (*Submission No. 7*) with a slide showing the Department's total budget of just over \$25,000,000 and the portions of the budget in Reserves and Ending Fund balances. Revenue is generally internal service department funds and Materials and Services includes the reserve for Self-Insurance.

Mr. Bragg stated the total FTEs in 2010-2011 was 35.95 and is currently 33.15. Risk, Worker's Compensation, and the Health Fund make up 76 percent of the budget. The Risk Fund covers both

general and auto liability and the Health portion is the self-insured managers' health plan. Both are well funded.

Administration has 4.85 FTEs, or 3 percent of the total County Administration budget, and is charged back 100 percent to other departments. Administration includes the County Administrator, the Senior Deputy County Administrator, Budget Analyst, and staff. Internal Audit has 3.05 FTEs which includes the County Auditor and two staff, and is 2 percent of the total budget. Audit handles internal financial and performance audits for the County. Facility Maintenance has 15.40 FTEs and 13 percent of the budget. About 85 percent of Facility Maintenance's budget is supported by the General Fund because the largest facilities are operated by General Fund departments, including the Jail at \$500,000 annually and the Juvenile facility at \$400,000 annually. Facility Maintenance is required to maintain the State Circuit Court facility at a cost of \$400,000 annually and the Expo facilities at a cost of \$185,000 annually. Human Resources is 3 percent of the budget with 5.27 FTEs and is responsible for employee recruitment and retention and ensuring equitable treatment for all County employees. Economic and Special Development is 1 percent of the County Administrator's budget, is part of the General Fund, and includes \$205,000 for the Oregon State University Experiment Station, \$26,000 for Southern Oregon Regional Economic Development, Inc. (SOREDI), \$27,000 for Rogue Valley Council of Governments (RVCOG), and \$24,000 for the Taylor Grazing Fund. One percent of the budget is pass-through funds from Community Block Development Grants (CBDG) to nonprofit organizations, and 1 percent is the Watermaster's Office with 2.00 FTEs which is also in the General Fund.

Commissioner Breidenthal asked Mr. Bragg to provide more information for the public on how chargebacks affect the General Fund. Mr. Bragg explained the department determines the total costs of providing services to departments inside the County organization. A cost allocation plan is created, reviewed, and approved by a committee. This plan must be on file to verify that overhead charged for Federal grants are being charged at the same rate as overhead charged to County departments. Each of the different components of the County Administration budget are charged back differently. For example, Audit is calculated on the size of its budget, but Human Resources is calculated by the number of FTEs and specifically by classification such as Service Employees International Union (SEIU), Jackson County Sheriff's Employees Association (JCSEA), Federation of Oregon Parole and Probation Officers (FOPPO), and management employees.

Mr. Jordan confirmed that the biggest portion of the Administration budget is made up of dedicated funds and not the General Fund. Approximately 60 percent of his salary is paid by dedicated funds and 40 percent by the General Fund. The Commissioners' budget, based on the allocation, is a 50 percent split between dedicated and General Fund dollars.

Chair Rudisile thanked Mr. Bragg for his presentation.

Public Comment

No one wished to speak, and Chair Rudisile recessed the meeting at 11:30 a.m. for a lunch break and the meeting resumed at 1:00 p.m.

Board of Commissioners

Mr. Harvey Bragg, Senior Deputy County Administrator, spoke on the budget for the Board of Commissioners (*Submission No. 8*). Personnel expenses of \$573,622 are down from last year mostly due to Public Employees Retirement System (PERS). There are no cost of living increases budgeted. There are 5.00 FTEs in this budget, which has remained unchanged for some time. The Board of Commissioners exercise legislative, executive, and judicial authority granted by the Home Rule Charter on every subject that is pertinent to anything that goes on in the County. Participating in the Budget

Committee is one way the Board of Commissioners exercises its control over all functions of the County. Even though the Commissioners are Elected Officials, this is their opportunity to provide input to those services. Mr. Bragg acknowledged the service the Commissioners provide.

County Clerk

Ms. Chris Walker, County Clerk, began her presentation by stating that the Clerk's Office strives to perform their daily tasks with the utmost integrity while serving the public with confidence and respect. Her department anticipates receiving more than \$1,400,000 in revenue during the 2014-2015 fiscal year and expending just under its projected revenues to reach the Clerk's budget target. This department's revenue comes from the Clerk's Administration, Elections, Recordings, and Board of Property Tax Appeals Programs. The majority of the Clerk's revenues come from recording deeds, property records, and other documents; and fees for marriage licenses, document sales, and special election reimbursements.

There were many positive changes made in fiscal year 2013-2014 and she stated that her department continues to provide excellence in an effective, cost-efficient manner. Ms. Walker provided examples of continued implementation and progress using data from a 2009 audit of the Recording Program and a recent Procedures and Succession Audit in the Elections Program. These audits have served as tools to monitor work load and develop staff performance measures, resulting in more efficient and cost-effective Recording and Elections Programs. The Board of Property Tax Appeals (BOPTA) held hearings for 191 petitions for 2013-2014 and the Clerk accepts petitions, schedules hearings, and acts as the board administrative assistant. The Clerk keeps the board record, issuing orders and recording hearings. Ms. Walker thanked her dedicated staff, the County Assessor's staff, and the BOPTA members appointed by the Board of Commissioners.

Assessor

Mr. Josh Gibson, Assessor, *Submission No. 9*) noted that the duties of the Assessor's Office include ensuring all property is accurately and fairly appraised, is assessed according to law, educating the citizens of Jackson County on tax laws, fostering collaboration and communication, and being conscientious stewards of the taxpayers' monies. He explained that his budget is funded by the General Fund (78.7 percent), County Assessment Function Funding Assistance (19.5 percent), and fees (1.7 percent). He stated that the Assessor's office has scanned more than 3,000,000 pages of information thus far, using the Laserfiche program, and this information will be available on Property Data Online (PDO) by the end of the summer. Using the Laserfiche program has greatly enhanced the quality of the scans, packets do not require filing, and Mr. Gibson believes the Laserfiche program has great potential. He noted that the number of new construction projects is on the increase. There is also a five-year project to develop specialized software for the office.

Mr. Gibson explained that Enterprise Zones offer an incentive for companies to build a new building, expand a current building, or bring in machinery or equipment to improve the company. As long as the company increases its workforce by 10 percent or more, that property is tax exempt for three years and up to five years if the wage requirement is met. Strategic Investment Zones offer a fifteen-year exemption for traded sector manufacturing with national or international competition and are generally located in the Portland metropolitan area. Mr. Gibson believes that these zones are important and, if there is a trained workforce and job opportunities, the real estate market takes care of itself. He is concerned because some areas in the County are showing increases as high as 15 to 20 percent and this may indicate another real estate bubble. Mr. Gibson reported that his office collects for 67 taxing districts, although not all districts are on all property tax bills. Chair Rudisile noted that this department has been very efficient and handles the same, or increased, workload with nearly 30 percent fewer FTEs.

Surveyor

Mr. Scott Fein, County Surveyor, (*Submission No. 10*) reviewed the various revenue sources that fund his Program, the Department's expenditures, and the increase of 3 FTEs due to demand for services paired with sustainable sources of revenue. He noted that the Surveyor's Office is self-supporting and receives no General Fund support. Mr. Fein provided information about the benefits of the Corner Restoration Program, which restores and maintains 20,000 public land survey corners in Jackson County as mandated by ORS 209. He explained that these corners are essential and required by law for the location and division of real property, location of water rights and roads, and describing, dividing, developing, and taxing real property. The Surveyor Program benefits the public by ensuring the accurate location and division of real property, protects the property liens of all citizens by assuring compliance with surveying laws prior to filing, and serves as the land records information center for Jackson County. Mr. Fein noted that he has an outstanding and productive staff and the Department is managing its resources in a sustainable fashion by not relying on reserve funds for daily operations.

Health and Human Services

Mr. Mark Orndoff, Health and Human Services (HHS) Director, (*Submission No. 11*) noted that an increase in the number of Oregon Health Plan members in Jackson County was anticipated to be 15,100 people between January 2014 and January 2016. The reality has been an increase of 16,000 people in the first three months of 2014. As the designated mental health authority for the Coordinated Care Organizations for Jackson and Josephine Counties there is a huge demand on the County for these services.

Mr. Orndoff reported that the Department's overall budget is \$57,000,000 with much of that coming from the Federal government through the State. General Fund fees and billings revenue is received from restaurants and Animal Control. The dramatic increase of nearly 50 FTEs, and additional \$14,000,000 budget, is a direct result of the need to add capacity to mental health services. Additional licensed medical providers must be hired and it is critical to hire psychiatrists and psychiatric nurse practitioners, which are in high demand. He anticipates that the mental health residential and targeted case management programs will come under the auspices of the Coordinated Care Organizations (CCOs) in the future.

Jackson and Josephine Counties are submitting a joint application for an Early Learning Council Regional Hub which is hoped to be operational by July 1. The Developmental Disabilities Program will see a considerable increase in the number of children eligible for these services with the State's adoption of the K plan. Jackson County's crisis services is back in-house in order to provide continuity of care with 24-hour operations for increased demand. One of the important goals of this health care reform is to meet mental health care needs outside of the emergency rooms and hospitals, which are the most expensive options. In order to do that, Jackson County is opening a five-bed short-term crisis facility on Ross Lane which will serve as an alternative to sending patients to Two North. Jackson County is working with service provider Kairos on a four-bed children's crisis residential facility to enable children to remain within their support network and community. The new HHS building will include a Community Crisis Center, a triage center, and a living room where law enforcement or others can bring someone rather than the hospital. They have learned that if they can talk with them and provide a shower and a little food, often the crisis that would have resulted in a \$1,200 admission to the hospital can be averted. The County has an Assertive Community Team, basically a hospital without walls, which can be dispatched into the community to see the most mobile and acutely mentally ill people in various settings. A week-long Crisis Intervention Training program was offered to provide law enforcement and others necessary skills to interact with the mentally ill and developmentally disabled population and how to access resources. Currently 100 law enforcement officers have been trained in Jackson County and the goal is to have all officers go through the training within the next three years. A mental health task force has been very successful as part of the Public Safety Coordinating Council, a peer-run Compass House is

opening, and a drop-in child and adolescent version is planned. An early assessment Support Alliance program, which has been highly successful in other areas, is also planned for children with psychosis or depression. HHS has applied for and received eight new mental health investment grants totaling \$1,400,000, most of which will go to community partners to increase the capacity of the mental health system.

Public Health, Environmental Health, and Animal Control have been restructured and placed under the leadership of Mr. Jackson Baures. Last year HHS provided 8,000 immunizations; served 10,000 Women, Infants and Children (WIC) clients; investigated 168 communicable diseases; and had 2,300 clients for Sexually Transmitted Diseases (STD) reproductive health and human immunodeficiency virus (HIV). Public Health received a three-year grant from the State for a home visiting program with nurses totaling about \$1,300,000 over the length of the grant. HHS works closely with the three CCOs in Jackson and Josephine Counties and has created a community health assessment for the region.

Environmental Public Health processed 4,300 food handlers' tests and inspected 1,171 restaurants, pools, spas, hotels, motels, and organizational camps. Nearly 600 inspections were done on drinking water systems for non-municipal systems serving more than 50 people but less than 250 people. Mr. Orndoff is very proud that Jackson is one of the few counties in Oregon with a consistently high inspection rate. That inspection rate is currently at 99.5 percent.

Jackson County Animal Control operates the only open-door shelter in the County for dogs and cats and took in 1,587 dogs and 1,525 cats last year. The live release rate for dogs has increased to 84 percent in 2013, from 73 percent in 2012 and 57 percent in 2011. The rate for cats increased to 54 percent in 2013, from 33 percent in 2012 and 16 percent in 2011. He noted that not all of these live release rates reflect an adoption, as some animals were transferred. Mr. Orndoff believes the progress and accomplishments have been astounding and are due to the Shelter staff, volunteers, and partnerships with animal welfare agencies. Friends of the Animal Shelter (FOTAS) has 311 active volunteers who donated over 20,866 hours of service, not including 54 foster families. In 2013, Animal Control dealt with 1,100 domestic animal cases including dog bites and dogs chasing livestock investigations. The County Ordinance was changed in 2013 to require mandatory reporting of dog rabies vaccinations and the number of dogs licensed has increased from 12,000 to 14,000. Mr. Orndoff noted that the Oregon Humane Society provided helpful information and a roadmap of how to improve the Shelter and a full report is available on the County website.

The Development Disabilities Program serves 1,085 eligible individuals with an intellectual disability and/or a developmental disability such as Down syndrome, cerebral palsy, autism or traumatic brain injury.

Veterans' Services assists veterans and their families in obtaining State and Federal veterans' benefits and met with more than 6,000 clients in 2013 compared to 3,660 clients in 2008. These efforts resulted in \$8,000,000 in benefits being claimed locally in 2013. Jackson County has received a \$25,000 grant from the State to implement a new computer system in preparation for Federal Veterans Affairs electronic claims processing.

The currently disjointed campus of ten buildings will be combined in the new HHS facility which has a target move-in date of December 1, 2014. La Clinica will be co-housing with HHS to provide primary and dental care and the location is close to two primary alcohol and drug treatment providers which will allow optimum coordination of patient care. The integrated services care model includes primary care, mental health, alcohol and drug treatment, and dental services. HHS has a triple aim of improving the patient's experience of care (quality and satisfaction); improving the health of populations; and reducing the per capita cost of health care. The facility will treat about 750 clients every day.

Commissioner Skundrick noted that he continues to be amazed at the number of services that HHS provides to the citizens in Jackson County, and how efficiently it is managed. This Department deals with some of the County's most vulnerable population and the sensitivity and the efficiency of service, along with the community partners, is incredible. He stated he was proud to be associated with them.

Human Service Agencies/Special Requests

Mr. Orndoff continued on the topic of Human Services Agencies (*Submission No. 12*) and reviewed the funding history, a list of organizations funded, and the services provided. He explained that the purpose of the Human Services Agencies in Jackson County is to provide a safety net of community human service programs in areas where the County does not provide direct services. A six-member advisory committee was formed in 2009 with participants from a wide range of age, ethnicity, professional service and background, and also were not associated with any organizations receiving funding. A number of community surveys were used to establish priorities, including hospital assessments, Commission of Children and Family assessments, ACCESS assessments, and input from the District Attorney, the Sheriff, Community Justice, and the public. Six categories were identified: food, shelter, and utility assistance; information referral services; alcohol and drug treatment health care; child abuse and family violence services; and legal services. Based on scoring done independently by committee members, applications were funded as follows: ten applicants were funded at 100 percent, five at 75 percent, seven at 55 percent, and twelve applicants weren't funded at all. Reductions over the last several years have been applied across the board.

Circuit Court Judge Lisa Greif spoke on behalf of the agencies and stated her belief that the work is vital. The agencies reduce the number of children entering foster care, the occurrence of child abuse and neglect, domestic violence and sexual assault, provide safe housing, treat substance abuse and mental health disorders, provide legal and primary health care services, and prevent crime. Jackson County is unique in having a coalition of organizations that work together as part of the safety net programs, has a reputation at both the State and national level, and is used as a model for other communities. Many other Oregon counties rave about the partnerships, the work, and the outcomes Jackson County is seeing. These programs provide the opportunity for participants to become independent, self-reliant, productive members of the community and taxpayers. These agencies advocate and protect the most vulnerable citizens - seniors, children, and the disabled. The services affect infants to the elderly. She noted that the majority of these organizations are private, not-for-profit programs with lean, efficient operations. For the approximately \$520,000 awarded to these organizations in the last budget cycle they served almost 65,000 people and leveraged over \$8,000,000 due to their fiscal responsibility. Volunteers are a huge part of these organizations and provided nearly 269,000 volunteer hours. These agencies and organizations provide prevention and intervention for the most vulnerable people in our communities, which leads to savings and enhancement of public safety.

A discussion was held regarding how often the analysis was performed to determine the grantees, and Mr. Orndoff explained that this has not been done for the last five years, as every year it appeared that it would be cut from the budget. The amount in the current budget is \$378,887 which includes the .05 percent increase proposed for Mr. Orndoff's budget target.

Public Comment

No one wished to speak. Chair Rudisile recessed the meeting at 2:26 p.m. and the meeting resumed at 2:50 p.m.

Deliberations

Mr. Jordan noted that the Elected Officials Salaried Review Committee met earlier at a properly noticed public meeting and he distributed related documents (*Submission No. 13*). The task of the County Compensation Board is very broad and he read Oregon Revised Statute (ORS) 204.112(3) to further explain how the Elected Officials' salaries are derived. The compensation schedule discussed by the Salary Review Committee addressed Elected Officials' salaries according to the factors listed in the law and compares local public bodies which may or may not include a county. Beginning in 2008, in order to comply with the law, Elected Officials' salaries were mapped to comparable positions within the County Management Compensation Plan. Internal parity is considered along with subordinates and other appointed officials in comparable positions with comparable responsibilities. Each position was classified based on duties and responsibilities in comparison to positions that exist within the County and this information is available to the public through a Public Records Request. The most significant classification equivalent is a Director III which is the same classification as the Sheriff, Community Justice Director, Health and Human Services Director, and Roads and Parks Director. The lowest entry level manager position classification is a Program Manager I, which includes the Justice of the Peace. The Compensation Plan relies heavily on internal equity to establish classifications and pay ranges and comparisons with local public bodies from which Jackson County draws employees, which includes other counties and cities. While it is difficult to collect classification and compensation information from private businesses, some information is gained from applicants recruited from the private sector as part of their application requires disclosure of current compensation. The Salary Committee recommended a 0 percent cost of living adjustment (COLA) for Elected Officials which is also what is in the budget for management and confidential employees. The Salary Committee also recommended that step-eligible positions will receive a step increase effective the first pay period in January. As Elected Officials progress each year in office, they are eligible for step increases equivalent to the other employees in the County who are similarly compensated, including management, confidential, and represented employees with step plans. Three years ago the Commissioners decided to not move through the steps and not accept any raises unless there was a COLA offered to the other employees, which has not occurred in the last two years. The Commissioners will stay at the current step, which is Step 2 in the Director I classification. The Salary Committee has recommended every year that new Elected Officials would enter at Step 1 and the Commissioners agreed by majority vote that this would include new Commissioners. It is the decision of the individual Commissioners to accept any step or COLA increases.

Mr. Morris made a motion to approve Order No. 73-14 in the matter of approving the 2014-2015 fiscal year Elected Officials' salaries for Jackson County, Oregon, as recommended by the Elected Officials' Salary Committee. Commissioner Breidenthal seconded the motion. Mr. Jordan confirmed that new Commissioners will start at Step 1 and Commissioner Breidenthal, as the incumbent Commissioner in January 2015, will remain at Step 2 for the 2014-2015 budget period. Mr. Morris stated his belief that each Commissioner should have the option to decide whether to accept step or COLA increases, and should earn salaries commensurate to the marketplace. **Those who voted aye: Mr. Morris, Ms. Sevcik, Commissioner Breidenthal, Commissioner Rachor, Commissioner Skundrick, and Chair Rudisile. Motion passed.**

The request made earlier by the Expo for a change in account classification was discussed. Mr. Jordan explained that in the recommended budget there was \$30,000 in contingency and \$108,628 in an Unappropriated Ending Fund Balance (UEFB). Funds in UEFB are expected to be available in the next fiscal year, and not spent in the current year. There are a few exceptions but allowable situations/emergencies are limited and specific. After the budget was submitted, the Expo requested \$108,628 be moved from UEFB to Reserves. This would not change the appropriation amount, and would provide access to those funds this year through the supplemental budget process, which must be approved by the Board of Commissioners after a public hearing.

Ms. Sevcik made a motion to approve the request by the Expo to move \$108,628 from its Unappropriated Ending Fund Balance to Reserves. Mr. Morris seconded the motion. Mr. Morris

stated that although he seconded the motion, Expo finances continue to be an issue for the Budget Committee. In this past year, the Expo has had a windfalls through the sale of property and forgiveness of a loan, and he did not feel the Expo has managed those windfalls well. If this move to the Reserves is not done he was concerned that, based on history, the Expo would once again overspend its budget and ask the County for another loan and continue the familiar cycle. If the Expo submits a supplemental budget to spend those Reserves he expects there to be serious scrutiny regarding the need to access those Reserves. Chair Rudisile agreed. Commissioner Skundrick expressed again his concern about the \$185,000 that the County has provided the Expo annually for maintenance of County assets. County policy is that each department is responsible for maintenance out of their budget and this is another exception for the Expo. Chair Rudisile stressed that the three lay members of the Budget Committee strongly believe that the County needs to stop making loans to the Expo. **Those who voted aye: Mr. Morris, Ms. Sevcik, Commissioner Breidenthal, Commissioner Rachor, Commissioner Skundrick, and Chair Rudisile. Motion passed.**

Commissioner Skundrick noted that although some one-time money has been received, making this year's budget much easier to deal with, the County still has \$5,300,000 more expenses over revenue. He stated it is important for citizens to realize that while the County is grateful for these funds it may not happen again. Because of that uncertainty he felt it was important for Library supporters to understand the need for sustainable funding and that is why the ballot very is so important.

Commissioner Skundrick noted there had been a 15 percent reduction in the past two budgets in support to the Service Partners, and would like to propose a 15 percent increase, equaling \$56,833. From a financial and pragmatic standpoint he believes the services the Service Partners provide saves taxpayers money.

Commissioner Rachor made a motion to reinstate \$56,833 to the Service partners in addition to what is already included in the budget. Mr. Morris seconded the motion. A discussion was held regarding where the money would come from. Commissioner Rachor believed it should come from the Rainy Day Fund. Chair Rudisile felt that this decision was moving in the wrong direction, would add to the total budget and the amount being used from the Rainy Day Fund, and suggested this topic be discussed in the December budget meeting. Ms. Sevcik opposed approving any additional funds because of there are so many uncertainties with the ballot measures, the Expo, and Federal dollars. Chair Rudisile called for a vote. **Those who voted aye: Mr. Morris, Commissioner Breidenthal, Commissioner Rachor and Commissioner Skundrick. Those who voted nay: Ms. Sevcik and Chair Rudisile. Motion passed.**

Mr. Jordan suggested that with the passage of the previous motion the Committee could make a motion to approve Order No. 74-14 with the addition of adding \$56,833 to the Service Partners. The Order would then be updated for their signatures. Chair Rudisile agreed and stated he was open to accept a motion.

Commissioner Breidenthal made a motion to approve Order No. 74-14 in the matter of approving the 2014-2015 fiscal year budget for Jackson County, Oregon, as recommended by the County Administrator, with the following specific changes beginning July 1, 2014, as follows: addition of previously approved motion adding \$56,833 to the Services Partners. Mr. Morris seconded the motion. Mr. Jordan noted that although the way the motion was stated accomplishes the objective, before the Order is published several corrections need to be made as it affects totals in different areas. He requested that the motion be rescinded and the Order corrected in all areas.

Commissioner Breidenthal rescinded his motion, and Mr. Morris seconded that action.

Chair Rudisile recessed the meeting at 3:34 for the Order to be corrected, and the meeting was opened again at 3:49 p.m.

Commissioner Breidenthal made a motion to adopt Order No. 74-14 approving the Jackson County Fiscal Year Budget with a total of \$306,320,198. Mr. Morris seconded the motion. Those who voted aye: Mr. Morris, Ms. Sevcik, Commissioner Breidenthal, Commissioner Rachor, Commissioner Skundrick, and Chair Rudisile. Motion passed.

There being no further comments, Chair Rudisile adjourned the meeting at 3:52 p.m.

Respectfully submitted,

/s/ Dick Rudisile
Mr. Dick Rudisile, Presiding Officer/Chair

/s/ Lynell Dewey
Lynell Dewey, Recording Secretary

Approved on: 12/09/2014