

JACKSON COUNTY BUDGET COMMITTEE

Minutes

Board of Commissioners' Conference Room, Room 214
November 30, 2018
1:30 p.m.

The Jackson County Budget Committee meeting was called to order by Chair Dick Rudisile at 1:30 p.m. in the Board of Commissioners' Conference Room. Roll call was taken.

Present: Dick Rudisile, Chair, Budget Committee; Craig Morris, Budget Committee; April Sevcik, Budget Committee; Commissioner Rick Dyer, Commissioner Bob Strosser, and Commissioner Colleen Roberts.

Staff: Danny Jordan, County Administrator; Harvey Bragg, Sr. Deputy County Administrator; Traci Carrier, Budget Analyst; Jennifer Drake, Recording Secretary.

Guests: Interested Member of the Public

Approval of Budget Committee Minutes

The first item on the agenda was approval of the minutes from the Budget Meeting held on September 6, 2018. Chair Rudisile asked if anyone had any corrections or additions to the minutes for the meeting and upon hearing none, asked for a motion to approve.

Mr. Morris made a motion to approve the minutes of the Jackson County Budget Committee meeting for September 6, 2018. Ms. Sevcik seconded the motion. Those who voted aye: Ms. Sevcik, Mr. Morris, Commissioner Dyer, Commissioner Strosser, Commissioner Roberts, and Mr. Rudisile. Motion passed.

County Budget Policies

Mr. Jordan referenced the budget policies and reported that no changes have been made; however, discussion of the budget policies can occur if anyone has concerns, or changes are desired. He stated that staff currently have no concerns.

Home Rule Charter Section 15 – Local Budget Law

Mr. Jordan mentioned the Jackson County Charter and Local Budget Law regarding supplemental budgets. He explained that the Charter requires the Budget Committee (Committee) be informed of supplemental budgets and given the opportunity to respond. The County's practice has been to provide supplemental budgets to the Committee by email. If a Committee member communicates a concern, or the item is substantial or unusual, the full Committee is convened; otherwise, the Board of Commissioners (Board) holds a supplemental budget hearing. Ms. Sevcik clarified that the supplemental budgets would be sent to each member by email when needed.

Mr. Jordan confirmed and the Committee authorized the Board to continue to process supplemental budgets in this manner.

Jail Update

Mr. Jordan explained the community need for a new jail, the Board has not made a decision to move forward with plans for a jail and stated the Commissioners had decided to purchase property for its location. He answered questions that the public may ask the Committee to keep them well informed of the process and costs. He explained that an architectural firm had been hired for conceptual drawings and a cost analysis for the project. A report from the firm would become available around the first of December. He reviewed rough numbers and a conceptual plan for funding of a new jail. If the Board of Commissioners decides to move forward with the building of a jail, as a part of the November ballot, a community report, cost analysis, and a plan for a bond would need to be accomplished by July 1, 2019, which is a limited timeline. Mr. Jordan entertained questions from the Committee and let them know he would update them accordingly throughout the process. There was discussion on how the taxpayers would be effected and how costs would be introduced to the public. Mr. Morris stated the challenge would be getting the public to understand the funding and support it.

Fiscal Year 2019-2020 Beginning Fund Balances/Cash Balances

Mr. Jordan reviewed fund balances (*Submission No. 1*) and stated the Committee could review and ask himself or Mr. Bragg any questions they may have. Mr. Jordan updated the Committee on the possibility of a Public Employee Retirement System (PERS) side account, which was mentioned in prior Budget Committee meetings. He explained that due to changes in requirements, the County did not qualify for a match from the State for a PERS Side Account which would have a higher rate of return. He provided the PERS rates per payroll for each employee classification. He stated PERS payments for the biennium should not cause a reduction in services provided by the County. He provided other information on how to best prepare for the next biennium increase without using reserves. He explained the status of utilizing a self-insurance program and the beneficial impacts of the miCare clinic utilized by the management class of County employees. He clarified that the budget policy requires a three month operating reserve, and previously the Expo was the only fund below this requirement. During the current fiscal year the Expo has acquired the necessary reserves to comply with the policy requirement. He then reviewed Budget Targets and General Fund Revenues for fiscal year 2019-20 (*Submission No. 2*). He explained the targets were based on a 1 percent increase in revenue and a 4 percent increase in expenses.

Mr. Jordan explained expected changes in revenue. The costs associated with construction of the HHS building, were originally paid in large part by the general fund, and have since been paid back to the general fund by the HHS Department. He noted the State shared marijuana revenue change was due to a grant for marijuana enforcement and matching funds which was required. The saturated market will possibly cause marijuana taxes to go down and will not be budgeted high until the market even outs. Solid Waste will have a 3 percent increase in revenue. Prior year property tax balance has gone down, and more people are paying property tax when they come due. Mr. Bragg explained how the prior housing crisis affected and are still affecting the tax rolls. Property tax was only increased by 3.95 percent. Timber harvest monies have increased, so the budget has been increased. This year no money will be underspent but there are a few items that can't be budgeted as there are not firm amounts to reflect in the budget. Mr. Jordan is proposing to set the budget targets at 4 percent in expenditures. This 4 percent should allow targets to meet the budget without decreasing or cutting services. He explained the largest increase would be to the Sheriff's Office budget because it is the largest and most of that would

be in personnel costs. Mr. Jordan explained the difficulty in hiring for law enforcement. The District Attorney's Office hasn't added any management positions in many years, and there will be an attempt to fund a new management position within the budget target. It will come back to the Committee if the cost is unable to be covered within the budget. He reviewed the Development Services budget target and emphasized the increase in expenses for code enforcement due to processing marijuana complaints. He stated the Board of Commissioners budget won't be underspent this year, due to all Commissioners accepting their full salary. Which will decrease the amount of carryover, but should remain well within budget.

Animal Control has received additional funding in the past and more will be needed over the next few years. There is not a state requirement to maintain a program for cats, but currently the Animal Shelter has this program and it does not have a revenue stream to support it. The budget includes generous support from the Friends of the Animal Shelter, but it is not enough to fully fund the programs and the shelter will need general fund support in the next few years. The cat program, though not required is extremely important. Without the program the County could face a serious public health problem due to increased numbers of feral cats. A request for additional funding is not being made at this time, but may be addressed in the future.

Mr. Rudisile asked the Committee if the budget target increase of four percent in expenditures was appropriate, or if there were any objections. He asked for anyone with objections to state it at this time, as these numbers are used in budget preparations.

Mr. Rudisile recessed the meeting for 10 minutes and stated Executive Session would begin after the break.

Executive Session

Mr. Rudisile closed the meeting to go into Executive Session under ORS 192.660(2)(d), Labor Negotiations – Press Excluded ORS 192.660(4) and ORS 192.660(2)(h), Litigation at 11:23 a.m.

Mr. Rudisile reconvened the Budget Committee Meeting at 11:44 a.m.

Other Business

The Committee had several items to discuss, Commissioner Roberts asked where monies for SOREDI were allocated and she inquired to what the total cost would be. There was discussion on what type of representation would be needed for lobbying this year and where those costs were included in the budget and how were they allocated.

There being no other items to discuss, Mr. Rudisile adjourned the meeting at 11:52 a.m.

Respectfully submitted,

/s/ Dick Rudisile
Dick Rudisile, Presiding Officer

/s/ Jennifer Drake
Jennifer Drake, Recording Secretary