

JACKSON COUNTY BUDGET COMMITTEE

Minutes
Courthouse Auditorium
April 16, 2019
8:30 a.m.

The Jackson County Budget Committee meeting was called to order by Chair Craig Morris at 8:45 a.m. in the Courthouse Auditorium, Medford, Oregon. Roll call was taken.

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

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

Guests: Former Commissioner John Rachor, Former Commissioner Sue Kupillas, Former Commissioner Dave Gilmour, Former County Administrator Sue Slack, and Interested Members of the Public and Press

The Board of Commissioners made a special presentation to Mr. Rudisile for his many years of service on the Jackson County Budget Committee. The former Commissioners and former County Administrator were invited to speak and each thanked Mr. Rudisile for his service. A letter was read from former Commissioner Don Skundrick, as he was unable to attend.

Budget Overview

Mr. Jordan explained the budget process for the public. He presented the Budget Overview (*Submission No. 1*), including a video regarding the Comprehensive Annual Financial Report by Moss Adams, LLC. He explained operating, non-operating, dedicated, and non-dedicated revenue sources, and the percentage of each in the recommended budget. The General Fund reserves are approximately \$86,436,343 in the recommended budget, with the total reserves, contingency, and ending fund balance at approximately \$164,126,945. He explained the need to not grow operations with non-operating funds, new staff is not hired with non-operating funds as these funds cannot be expected to continue every year. These funds are items such as one-time, non-operating grants and timber payments. He noted an increase in contingency in the recommended budget for the possibility of building a new jail. Having funds set aside in contingency will allow for their use moving forward. He noted that the County had enough revenue to cover costs associated with the Public Employees Retirement System (PERS) and showed a video detailing the PERS system and its history. He reviewed the costs associated with PERS for each average rate increase for the next few years. He reviewed the expenditures compared to last year and noted significant changes. The Expo has a 14 percent increase due to the possibility of having more concerts, which have increased associated expenses. The Roads

Department has an increase in expenses due to the Transportation Package last year, and the increase has allowed for more road projects which also have associated costs. He asked if the Budget Committee had any questions. Mr. Morris had one due to the refinancing of library bonds and how much money was saved.

Public Comment

No one wished to speak.

Airport

Mr. Jerry Brienza, Airport Director, presented the recommended budget (*Submission No. 2*) for the Airport noting it was prepared with special consideration given to the safeguarding of the Airport Authority's assets and reliability of the financial records, while allowing the staff the tools to provide outstanding service. He presented the Airport's Economic Impact to the Community. He discussed a report from the Department of Aviation which showed the total combined direct output to the community was estimated at \$262,100,000 and the direct employment total is 2,116. With non-direct jobs over 4,000 jobs are created by having the Airport be part of the community. A \$500,000 grant was awarded to the Airport to help attract new air service. Bringing the total to solicit new airlines to approximately \$750,000 to help attract more airlines, which will increase the number of flights. Flights have been steadily increasing and a 10 to 15 percent increase in passengers is expected for fiscal year 2019-2020. Mr. Brienza explained grants from the State of Oregon help to meet Federal government matches, which are necessary to receive funding and how that relates to projects that have been completed at the Airport. He informed the Budget Committee about various companies with a presence at the Airport and explained how recruitment is handled to find others to expand into Jackson County. Mr. Brienza and Mr. Jordan fielded questions from the Budget Committee.

Sheriff

Mr. Morris noted that the Budget Committee had received the Sheriff's request in March for additional pre-hire funding (*Submission No. 3*) and that it would not be deliberated on until Thursday, but if the Sheriff wanted to present any information, then Budget Committee was open to hearing about it. Sheriff Nate Sickler began his presentation (*Submission No. 4*) by reviewing the Sheriff's Office total budget, by reading the Sheriff's Mission and Values, and how his Office includes them in the organization. He then reviewed the amount of total expenses of \$34,826,270 and that the total General Fund requirement needed was \$25,032,270 for fiscal year 2019-2020. He explained that personnel costs are a large portion of the General Fund contribution. He described his goals for his term as Sheriff and noted that safety was the most important, with a new jail facility being paramount to this goal. The other goals are to maintain the public's trust, maximize resources, and be the best Sheriff's Office in the State of Oregon. He then noted the Office's accomplishments over the past year for each of the Bureaus in his Office; Corrections, Criminal, and Civil. He noted there are 177.75 full-time equivalent (FTE) positions included in recommended budget, and explained how they were broken down by Bureau and noted the changes in the past year. Overtime has been necessary to meet the demands of the Department; last year 44,000 hours of overtime were worked. He then explained the difficulty of hiring in law enforcement, as there are challenges due to training time and not being able to hire new personnel until a current employee leaves. From the date of hire, employees are required to attend eight months of training prior to beginning work. So while reports show a complete staff, the new individuals are unable to be scheduled causing a shortage in the workforce. He noted that the request he sent to the Budget Committee would alleviate some of this and aid in the hiring process. The request is for a fund to pay for pre-hiring employees. He concluded his presentation

and then answered many questions from the Budget Committee. Mr. Jordan offered additional information to help answer the Budget Committee's questions.

Justice Court District

Judge Joe Charter presented the fiscal year 2019-2020 recommended budget to the Budget Committee (*Submission No. 5*). He began by explaining House Bill 2614, which eliminates the use of a driver's license suspension to collect court fines. If it passes, a loss of approximately \$4,000,000 is estimated for local jurisdictions and an estimated \$35,000,000 would be lost from the State budget. He noted that with a 50 percent loss in revenue, the Justice Court would barely be self-sustaining. He reviewed traffic fatalities in 2018 and noted they were up from 2017. He then reviewed the number of cases referred to the Justice Court by the Sheriff's Office as well as other jurisdictions, and how each category related to revenue. He noted the Oregon State Police have also been bringing traffic citations to the Justice Court as no IGA is necessary since it is a State Court. He answered questions from the Budget Committee about the number of cases handled from the Sheriff's Office.

Public Comment

No one wished to speak.

Chair Morris recessed the meeting at 11:20 a.m.

The meeting was reconvened at 11:25 a.m.

District Attorney

Ms. Beth Heckert, District Attorney, presented the fiscal year 2019-2020 recommended budget (*Submission No. 6*) for the District Attorney's Office. She stated there are 54.00 FTEs in the District Attorney's Office. She gave an overview of the District Attorney's Office and reviewed the various types of funding for prosecution. She reviewed the number of cases forwarded to her Office from the various law enforcement jurisdictions in the County. She shared her Office's accomplishments for 2018-2019, including Grand Jury Recording, Failure to Appear Cases, and the number of cases filed as well as those handled by a mental health position. She then noted that an additional 1.50 FTEs were added in 2018 due to marijuana grant funding. She explained the positions and the needs of the staffing changes to streamline the workload for the Office Manager. She then reviewed the funding for Victims' Services and stated that volunteers provided 2,167 hours of service to 4,686 crime victims. Her Office prepared 1,057 restitution orders totaling \$4,392,758 for the victims of crime. Family Support collected almost \$9,000,000 in child support for families. She answered a question about restitution collection from Ms. Sevcik, stating that the Court collects restitution. Mr. Jordan added that statewide restitution collection is dismal.

Community Justice

Mr. Eric Guyer, Community Justice Director, began his presentation (*Submission No. 7*) by describing the essential functions of the Community Justice Department. He reviewed the FTEs in each division of his Department and described their functions. He noted there will be one additional FTE due to an agreement with the Oregon Department of Forestry for a fire crew. He reviewed the number of offenders supported by the many programs of the Community Justice Department. Mr. Guyer stated the Department's recommended budget for fiscal year 2019-2020 is \$20,850,000. He identified the major revenue sources and explained various programs which are supported by these revenue streams. Mr. Jordan asked about the homeless program at the Transition Center for people who are on supervision but have no place to live. He stated an average of 43.3 clients per day were served in transitional housing. He discussed the key

partnerships between Jackson County Departments to provide an innovative approach to the Justice System. He entertained questions of clarification from the Budget Committee on total numbers served and was asked to explain the Transitional Care Program in more detail. Mr. Jordan mentioned how the numbers are affected by an overall caseload increase, not recidivism. He noted the graduation requirements of the Transitional Care Program which provides clients with cognitive behavior program, addiction recovery programs, and employment.

Public Comment

No one wished to speak.

Chair Morris recessed the meeting at 11:57 a.m.

The meeting was reconvened at 1:30 p.m.

Development Services

Mr. Ted Zuk, Development Services Director, presented the recommended budget for the Development Services Department (*Submission No. 8*), beginning with reviewing the overall Department organization, goals, and how performance measures are used to assess if goals are being met. He reviewed the Department's accomplishments for fiscal year 2018-2019. He reviewed the Department's revenue of \$4,910,573 (that includes the General Fund target amount of \$681,309) and explained where the revenue comes from. He explained in detail the Community Development Fee. The General Fund provides approximately 14 percent of the revenue; this is used in part to provide counter service to citizens with questions. There are 37.00 FTEs who served approximately 40,510 customers; the same amount of employees are serving almost 20,000 more people since fiscal year 2015-2016. He provided information on significant activities for each division in the Department: Building, Planning (both Comprehensive and Current), and Code Enforcement. Mr. Zuk answered questions about the changes in the performance measures as there were noticeable changes in several categories; the Budget Committee was asking if the percentages will go up with newer staff and if there will be a drop in building or marijuana cases that will lower the amount of customers served. Mr. Zuk noted that the Department is holding off on hiring more staff in case there is a decline in the building business. Mr. Jordan clarified that with the number of customers being served with the same amount of staff, it is expected that the turnaround time for inspections would be greater. The Budget Committee asked a few questions and stressed the importance of reaching the performance measures which have declined in recent years.

Information Technology

Mr. Mark Decker, IT Director, presented the Information Technology (IT) recommended budget presentation (*Submission No. 9*). He explained the two programs of this budget; the Computer Replacement Fund and Information Technology Services. Two positions needed to be cut to meet the budget target; however, the Department Directors opted to help pay for one position, bringing the total FTEs to 30.00. The IT Department is funded by basic charges, direct charges, and fees. Basic charges are for common equipment such as phones and email, and direct charges are department-specific items or applications. The fees mostly include geographic information system (GIS) map and data sales. He reviewed the results of an internal survey which was sent to County employees and shared that the customer satisfaction was at an all-time high in 2018. In the future, the IT Department will be replacing the computer records system which is a joint project with the City of Medford, and will also be updating the Jail Management System for the Jackson County Jail and have accounted for its increased size. Windows 10 deployment is 75 percent complete. He stated that the Computer Replacement Program changed from a

purchasing program to a rental program, which allows for flexibility and allows the cost of the program to come down. He explained how the GIS program aided with wildfire support to provide accurate maps of evacuation areas and citizen alerts. He reviewed future projects that will need to be completed.

Finance

Ms. Shannon Bell, Finance Director, presented the recommended budget for the Finance Department (*Submission No. 10*). Ms. Bell noted an increase in the budget for her Department at 1.23 percent in revenue, as well as 1.23 percent in expenses. The County continues to be honored by receiving several financial awards. Ms. Bell then reviewed the investment objectives of safety and liquidity and mentioned that the investment portfolio yield is 2.56 percent and, for the first time in 10 years, the local government investment pools are higher than the County's. They invest in stocks not allowed by municipalities. As of the end of 2020, the General Obligation Bonds for the libraries will be paid off. She reviewed each of the programs in the Department and the objectives and outcomes for the past year. She reviewed the objectives of the Taxation Office Program to process collections in an efficient and cost-effective manner by using best practices and modern equipment. The cost per statement to be printed and mailed is \$.50 and the Program is still processing statements for Curry County. U.S. Bank is shutting down the lock box center and many counties are looking to Jackson County for a model of how to process payments in-house.

Expo

Ms. Helen Funk, Expo Manager, and Ms. Shannon Bell, Finance Director, gave the Expo's recommended budget presentation (*Submission No. 11*). Ms. Funk read the mission statement, reviewed the 2018 highlights, and asked Ms. Bell to review the financial aspects of the program. Ms. Bell gave an overview of the finances, comparing the fiscal year 2018-2019 adopted budget to the fiscal year 2019-2020 recommended budget. She noted the biggest difference was an increase in revenue and expenses due to concerts; however, both revenue and expenses could change if the concerts were not held. A contribution from Hunter Communications was received adding Wi-Fi to the Event Center; revenue and expenses for this project must show in the budget. She noted an upward trend in finances at the Expo since 2015. Ms. Funk spoke to the challenges that the Expo was facing for 2019-2020 which included cost containment, a needed increase in attendance at the rodeo, community collaboration, and sponsorships. She also noted that a change in the type of event that families enjoy has changed over the years and the Jackson County Fair is needing to evolve to keep interest through this change.

County Clerk

Ms. Chris Walker, County Clerk, began her presentation (*Submission No. 12*) by explaining the daily tasks of the Clerk's Office. The revenue for the Clerk's Office is expected to be \$1,692,000 and expenses will be \$1,704,000, which includes Administration, Elections, Recording, and Board of Property Tax Appeals Programs. She reviewed the elections handled by her Office through fiscal year 2018-2019 and future elections for fiscal year 2019-2020. She explained the upgrades needed for computers and a new ballot sorter. The Department of Homeland Security will be conducting security assessments in the Elections Program as elections offices around the country are now classified as "critical infrastructure." There were no questions from the Budget Committee.

County Administration

Mr. Harvey Bragg, Sr. Deputy County Administrator, presented the County Administration's (CAO) recommended budget for fiscal year 2019-2020 (*Submission No. 13*). He explained an increase

in the budget graph, which is due to the Self-Insurance Fund being based on actual costs showing in past years and current years showing are budgeted costs. This budget includes the Self-Insurance Fund which must be budgeted for, including an actuarial liability which in most cases it is not spent. He reviewed the FTEs which have been reduced by 1.75 FTEs for fiscal year 2019-2020 from the year prior. One part-time position was eliminated in the Law Library due to service changes; the Law Library will be managed by the State. Also, one position was eliminated when Risk Management-General and Auto Liability was moved from Human Resources to CAO. He then reviewed all of the components in the CAO budget which showed the dollar amount for each component, noting that insurance was the largest portion of the budget and the next largest portion was Facility Maintenance, which maintains all County facilities. He answered questions about the decrease in FTEs and how it relates to an increase in expenses. He noted how rates were set for insurance and how those rates are increased each year to make sure that all costs are covered but, if not spent, then those are starting fund balances for the next year. Actuarial liability is in the material and services category; but it is money that is rarely spent, but must be there in case of a need from self-insurance plans. So while the FTEs have decreased, the overall Department budget may show an increase until the actuarial liability is realized.

Public Comment

No one wished to speak.

Chair Morris recessed the meeting at 3:00 p.m. to reconvene on Thursday, April 18, 2019, at 9:00 a.m.

Respectfully submitted,

/s/ Craig Morris
Craig Morris, Presiding Officer/Chair

/s/ Jennifer Drake
Jennifer Drake, Recording Secretary

Approved on: 11/19/2019