

**MINUTES FOR THE  
JACKSON COUNTY BUDGET COMMITTEE MEETING**

November 19, 2019

The Jackson County Budget Committee meeting was called to order by Chair Craig Morris at 1:30 p.m. in the Board of Commissioners' Conference Room, 10 South Oakdale, Room 214, Medford, Oregon. Roll call was taken.

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

Absent: John Rachor, Budget Committee Member

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

**Approval of Budget Committee Minutes**

The first item on the agenda was approval of the minutes from the Jackson County Budget Committee meetings held on April 9, 2019; April 16, 2019; and April 18, 2019. Chair Morris asked if anyone had any corrections or additions to the minutes for the meeting; upon hearing none, he asked for a motion.

**Commissioner Dyer made a motion to approve the minutes of the Jackson County Budget Committee meetings for April 9, 2019; April 16, 2019; and April 18, 2019; as presented. Mrs. Sevcik seconded the motion. Those who voted aye: Mrs. Sevcik, Commissioner Dyer, Commissioner Strosser, Commissioner Roberts, and Chair Morris. 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 spoke about the Jackson County Home Rule Charter and Local Budget Law regarding supplemental budgets. He explained that the Charter requires that 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 public hearing. Chair Morris clarified that the supplemental budgets would be sent to each

member by email when needed. Mr. Jordan confirmed this, and the Committee authorized the Board to continue to process supplemental budgets in this manner.

### **Fiscal Year 2020-2021 Beginning Fund Balances/Cash Balances**

Mr. Jordan reviewed fund balances (*Submission No. 1*) and stated that the Committee could review and ask himself or Mr. Bragg any questions they may have. Chair Morris stated that insurance plan funds seemed to be down, and Mr. Bragg stated that the cash balance changes were due to changes in accounting, not actual changes in the amounts of the balances. Mr. Jordan reviewed each of the self-insurance funds for the Committee and noted that funds are double reserved based on an actuarial of each fund. Mrs. Sevcik asked if the property for the proposed jail had been paid for in full, and Mr. Jordan explained that it is being paid for in three installments per a request from the seller. Commissioner Roberts asked about the Expo fund balance and a decrease that she noticed. Mr. Bragg explained that purchases have been made for items at the Expo property. 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, and stated he would cover the topic in more detail later in the meeting but there would be transitional liability to be paid of approximately \$21,000,000. He stated that if the bond pertaining to the jail passes, money would be tight and reserves would be spent down.

### **Jail Update**

Mr. Jordan explained that the Sheriff was presenting a proposed ballot measure to the various cities in the County. There are two proposals (*Submission No. 2*); one including the City of Talent and one excluding the City of Talent, as the City of Talent is not apt to allow the ballot measure to be presented to its voters. As of today, all cities except Medford, Ashland, and Talent have heard the presentation and have decided to support the ballot measure being presented to the voters within their respective cities. Mr. Jordan explained that the longer the process takes to get the bond approved, the more the costs associated with the plans would increase. He explained that the Board had decided on the 20-year bond structure that was presented at each of the City Council meetings.

### **PERS Side Account Update**

Mr. Jordan explained that Jackson County now qualifies to participate in the PERS Employer Incentive Fund, which provides a 25 percent match on qualifying employer lump-sum payments. Mr. Bragg explained that there would be a second round of applications submitted on December 2, 2019, and the application is ready to submit at 10:00 a.m. that day. Mr. Jordan reviewed an Analysis of Potential Financial Impact (*Submission No. 3*) to Jackson County for participation in the fund and how it was affected by transitional liability. He then reviewed the returns on the investment and Chair Morris noted it was a good opportunity for the County even though the reserves would be spent down due to this and the possibility of building a new jail.

### **Budget Targets for FY 2020-2021**

Mr. Jordan reviewed the General Fund revenues and General Fund targets for fiscal year 2020-2021 (*Submission No. 4*). He stated that the State-shared marijuana revenue has increased by 20 percent, although the market price has gone down. Sales have increased and that is expected to continue. Property tax will have the standard increase of 3 percent, plus new construction. Oregon and California Railroad Revested Lands (O&C) funds and Payments in Lieu of Taxes (PILT) will stay the same, and this is a conservative budgeting approach for these funds.

Liquor revenue is expected to increase, and cigarette tax is expected to decrease. He explained that the targets were based on a 1 percent increase in revenue and a 4 percent increase in expenses. Mr. Jordan explained that the upcoming rate increases in PERS will affect the amount of staffing increases that will be allowed. There will not be extra money allotted for hiring, but employees should not be laid off due to the increasing rates. Chair Morris asked for an explanation on amounts that the Justice Court generates back to the General Fund and Mr. Bragg clarified that they are covering their costs, while revenue is expected to increase by 1 percent. Chair Morris asked for clarification on the analysis by each department. Mr. Bragg explained that the departments submit the numbers and then justify the changes to revenues and expenses. Those changes and justifications are analyzed to ensure the revenues will be met before the increase is decided upon. Chair Morris asked about the process and timing compared to reviewing fee increases, and what the process would be to adjust the fees if the budget was already approved. Mr. Jordan explained how fees were assessed in comparison to actual costs. He also explained the difference for fees that are statutorily assessed. Chair Morris asked what the process would be to adjust the budget if the Board does not approve the requested changes. Mr. Jordan stated that has not happened in his time as County Administrator, but if it were to happen the budgets would have to be cut, or the General Fund would have to supplement the fees that were not increased. Commissioner Dyer stated that as long as the fees are based on true cost and substantiated, they will most likely be approved. Mr. Jordan explained it was a multi-step process and has many checks and balances in place to ensure the true cost is the basis and there is an appropriate rate for each fee. Mr. Jordan stated that Animal Services is going to require a fee increase, or an influx of revenue in some manner, as the current funds will not continue to support work at the Animal Shelter.

### **Executive Session**

The Executive Session began at 2:40 p.m. under Oregon Revised Statute (ORS) 192.660(2)(d), Labor Negotiations – Press Excluded ORS 192.660(4). The Executive Session ended at 3:19 p.m.

### **Other Business**

There was discussion about the possibility of the formation of a parks district in White City. The District would be structured similar to the White City Lighting District and the White City Enhanced Law Enforcement District.

There being no further business, Chair Morris adjourned the meeting at 3:23 p.m.

Respectfully submitted,

/s/ Craig Morris  
Craig Morris, Presiding Officer

/s/ Jennifer Drake  
Jennifer Drake, Recording Secretary  
Approved on: 04/07/2020

*Due to the existing novel coronavirus (COVID-19) pandemic and the need to promote physical distancing, the Jackson County Budget Committee is conducting meetings through electronic and telephonic means. On April 16, 2020, the Jackson County Budget Committee approved Order No. 58-20 authorizing the use of their electronic signatures on Orders and other documents, including the minutes of November 19, 2019.*