

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

April 7, 2020

The Jackson County Budget Committee meeting was called to order by Chair Craig Morris at 1:30 p.m. by videoconference. Roll call was taken.

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

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

Members of the Press

Chair Morris read a statement for the benefit of the public relaying the different ways in which they can participate in the Budget Committee meetings and the options available to provide public comment.

Election of Presiding Officer

Mrs. Sevcik made a motion to nominate Mr. Morris as the Chair and Presiding Officer of the Budget Committee. Commissioner Strosser seconded the motion. Those who voted aye: Mrs. Sevcik, Mr. Rachor, Commissioner Roberts, Commissioner Strosser, and Chair Morris. Motion passed.

Approval of Budget Committee Minutes

Commissioner Strosser made a motion to approve the minutes of the Jackson County Budget Committee Meeting for November 19, 2019. Commissioner Roberts seconded the motion. Those who voted aye: Commissioner Roberts, Commissioner Strosser, Mrs. Sevcik, and Chair Morris. Abstain: Mr. Rachor as he was absent of the meeting. Motion passed.

Presentation of Budget Message

Mr. Jordan began by pointing out that this recommended budget was being prepared prior to the coronavirus (COVID-19) outbreak. The financial impact to the County from the pandemic is impossible to anticipate at this time, but it is sure that all County departments will be affected, and some much more than others. It is also impossible to project how long it will be for a full recovery to take place.

Mr. Jordan also noted that the recommended budget is available to the public to view on the County's website, or through a written copy available from the County Administrator's Office. He read the entire Budget Message into the record and explained that more specific detail will be provided during the budget hearings. The total recommended Jackson County budget for fiscal year 2020-2021 is \$429,811,647. The adopted budget for fiscal year 2019-2020 totaled \$383,567,367. The recommended budget for fiscal year 2020-2021 continues on the principles adopted in fiscal year 2019-2020. He reviewed the past financial devastation that occurred due to the depletion of timber payments, and he noted that at this point revenue guarantees are sporadic. On December 20, 2019, the President signed Public Law 116-94 which includes an extension of the Secure Rural Schools (SRS) funding act through fiscal year 2020-2021. The Association of O&C Counties has also recently endorsed Federal legislation that was introduced by Senators Ron Wyden and Mike Crapo which would create a Secure Rural Schools Endowment Fund ensuring long-term financial certainty at levels not less than the Federal Fiscal Year 2017 payment. It should also be noted that after approximately 30 years of court cases, on November 15, 2019, Judge Leon of the United States District Court for the District of Columbia ruled that the 2016 Resource Management Plan (RMP) violates the O&C Act. "When a statute's language is plain, courts must enforce it according to its terms." The issue is that the O&C Act requires all 2,100,000 acres of O&C timberlands to be managed for sustainable yield timber production, and the RMPs did not do so. With this judgment, the RMP must be revised so logging can continue; but at this point, there is no timeframe on when the revised RMP will be written or approved.

Through the last 30 years, as court battles have raged over timber harvests versus protecting endangered species, local forests have largely been left unmanaged. In their natural state, these areas support approximately 20 trees per acre; those areas that are planted for future harvest carry 500 to 1,000 trees per acre. As a result of neglect, underbrush in tree stands that had been planted with the intent of being harvested have grown to the point that they are now an extreme fire hazard. While the Board of Commissioners does not control forest management, they continue to do everything they can to make this situation known to those who do, and have given voice to the citizens of Jackson County on this issue. Funds are included in this budget to continue this effort into fiscal year 2020-2021. The goal is full wildfire suppression during State-declared fire season. Our hope is that forests will be managed to reduce the fire danger, stop the smoke that has filled the valley for the last several years, and to improve the economy and reduce the tax burden by implementing a sustained yield on these O&C forest lands.

The Public Employees Retirement System (PERS) modifies their rates at the beginning of each biennium based on earnings and employer contributions from the third and fourth years prior. In order to make up a significant unfunded actuarial liability, they predicted large increases over a three-biennium span beginning in the 2017-2019 State biennium. For fiscal year 2017-2018, the average increase was approximately 4.19 percent and for fiscal year 2019-2020, the average increase was approximately 4.3 percent of salaries. Further increases, projected to be in the 4 percent range, will hit in fiscal year 2021-2022 and, unless investment returns improve, there will likely be another increase in the following biennium due to the impacts of COVID-19. This recommended budget includes a hedge against the next increase; however, growth in the property tax base and inflation over the next few years will have to work together along with fiscal spending restraint to preserve service levels over the next four years. Some relief was provided by the passage of Senate Bill 1566 which provided a 25 percent match (with limits) to local governments who had enough cash on hand to establish a PERS side account to offset PERS costs. Jackson County was able to take advantage of this offer. By making a payment in the amount of \$16,725,588, matched by the State in the amount \$4,181,397, rates were reduced by

3.62 percent of payroll effective February 1, 2020. The lifespan of this side account is 20 years. Jackson County's jail has been at capacity for many years now and is too small for our current population. All of the city police departments, the County Sheriff patrols, the District Attorney's Office, the State court system, Community Justice, and mental health and addiction service agencies are experiencing significant workload impacts as a result. More importantly, our citizens are not getting the services they need and it is impacting the health and safety of our communities. Land has been acquired in the amount of approximately \$6,600,000 for a new facility. The final payment for the property is included in this recommended budget. In addition, if a service district is formed to build and operate a new facility, this recommended budget includes a match from the General Fund in the amount of \$60,000,000. The proposal for the formation of the new district will be on the May 2020 ballot. Ongoing operations of the new jail will also require the same level of continued General Fund support. The district is only meant to support additional costs of operations plus debt service on a 20-year, \$100,000,000 general obligation bond. This new facility will increase total capacity from approximately 300 to 700 and would be expandable at some point in the future. Given the current state of the economy due to COVID-19 it is anticipated that the proposed district will not receive voter approval on this attempt.

He continued by stating that non-represented employees are budgeted to receive a 2.70 percent cost of living increase in addition to step increases for those who are eligible. The Collective Bargaining Agreement (CBA) with the Federation of Oregon Parole and Probation Officers (FOPPO) will expire June 20, 2022, and based on the negotiated salary schedule using the annual Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), West Coast Index Annual Average, with a minimum of 2 percent and a maximum of 4 percent, the salary increase will be 2.60 percent. The CBA with the Jackson County Sheriff's Employees' Association (JCSEA) ends June 30, 2020, and is in negotiations.

The CBA with the Service Employees International Union (SEIU) ended June 30, 2019. After both parties made their respective final offers pursuant to the Public Employees Collective Bargaining Act, the County and representatives for SEIU reached a tentative agreement for a cost of living adjustment (COLA) increase in wages for SEIU-represented employees of 3.50 percent effective the first full pay period after ratification by both parties, and an additional COLA increase of wages, based on the annual CPI-W, West Coast Index Annual Average, with a minimum of 2 percent and a maximum of 4 percent, or 2.60 percent increase, effective the first full pay period of July 2020. The tentative agreement is still subject to ratification by the membership of the Union and the Board of Commissioners, on behalf of the County. If either party fails to ratify the tentative agreement, the parties will continue in negotiations.

In this recommended budget, full-time equivalent (FTE) positions are up from 878.05 adopted in fiscal year 2019-2020 to 899.85 for fiscal year 2020-2021.

Mr. Jordan noted that the narratives from each of the County's departments were prepared prior to the COVID-19 pandemic outbreak. The narratives do not reflect the expected impacts that COVID-19 will have on the operation of the departments into fiscal year 2020-2021.

Mr. Jordan explained the budget hearing process and the process for reviewing the Elected Officials' salaries. He then reviewed significant department highlights and issues for fiscal year 2020-2021, and the process by which this budget was prepared.

Commissioner Dyer arrived to the meeting at 1:54 p.m.

He concluded his presentation by noting that the County is in good financial standing, and through the coming fiscal year, we anticipate modifications to this service plan will be necessary due to

the COVID-19 pandemic. He thanked staff for their efforts to complete the budget.

Chair Morris noted that the Budget Committee recognizes how the COVID-19 pandemic is making the budget for this fiscal year a very fluid document. Mr. Jordan and Chair Morris stated that they encourage the public to utilize the electronic methods of participation in the upcoming meetings.

Mr. Jordan answered additional questions from the Budget Committee. Chair Morris stated that the next meeting will be held via videoconference on April 14, 2020, at 8:30 a.m. He again read the statement advising the public on the ways to participate in these meetings and the options available for providing public comment.

There being no further business, Chair Morris adjourned the meeting at 2:14 p.m.

Respectfully submitted,

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

/s/ Alycia Hartley
Alycia Hartley, Recording Secretary

Approved on: 11/19/2020

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. Following the motion and roll call vote, Chair Morris authorized the use of his electronic signatures on these minutes of April 7, 2020.