

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

November 19, 2020

The Jackson County Budget Committee meeting was called to order by Chair Craig Morris at 1:00 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.

Guest: Dave Dotterer, Commissioner-Elect

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 7, 2020; April 14, 2020; and April 16, 2020. 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 7, 2020; April 14, 2020; and April 16, 2020; as presented. Commissioner Strosser seconded the motion. Those who voted aye: Commissioner Dyer, Commissioner Strosser, Commissioner Roberts, Ms. Sevcik, Mr. Rachor, and Chair Morris. Motion passed.

Following the motion and roll call vote, Chair Morris authorized the use of his electronic signature on the minutes presented, pursuant to Order No. 58-20.

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. Mr. Jordan noted that each year the County applies for a budget award through the Government Finance Officers Association (GFOA), and that they are making changes around strategic planning which will create some formatting changes in the published budget. He explained that this topic will be covered in more detail later in the meeting.

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 convened for each supplemental budget. 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. The Committee authorized the Board to continue to process supplemental budgets in this manner.

Budget Impacts From COVID-19 and Fires

Mr. Jordan began by noting that the current budget was prepared prior to the COVID-19 crisis, and that reducing spending is within his authority to do; however, increasing appropriations would require approval by the Budget Committee. He stated that given the County-declared state of emergency, all costs are being captured and will be reimbursed by the Federal government through Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. Mr. Jordan noted that CARES Act funds must be spent, and will end, by the end of the year; however, funds are getting tighter at this time due to large increases in positive cases and the aspects related to managing them. Chair Morris asked for clarification of the amount of CARES Act funds to be spent, and if the County will meet or exceed that dollar amount. Mr. Jordan answered that it is about \$7,200,000, and the County will purposely hit that number. If it is not met, then the funds are required to be returned. He stated that the funds may be slightly overspent, but not underspent to guarantee all funds available are utilized.

Mr. Jordan provided additional information related to the impacts that COVID-19 has had on multiple departments. He discussed details that affected the Airport, which is also receiving direct CARES Act funds. He noted that, considering the circumstances, the Airport is doing quite well. Mr. Jordan continued by speaking about the impacts that the pandemic has had on the Expo, and the ways in which it was able to continue to be utilized for emergency response. He stated that, though County parks were closed at the beginning of the pandemic, once they were reopened they were one of the only recreational options available until more businesses began reopening. Mr. Jordan explained that there is a large portion of staff that are working a lot of extra hours and explained the difference that this plays in overtime pay depending on the different positions. He noted that this has not greatly affected the County as the cost is being reimbursed through CARES Act funding. After December, if there is not another program through Congress or the State, the County will need to request reimbursements from the Federal Emergency Management Agency (FEMA). He does not see a lot of need countywide outside of the Health and Human Services Department at that point; however, the Health and Human Services Fund cannot support all of the extra expenses, and costs will need to be covered by the General Fund while awaiting reimbursement from FEMA.

Chair Morris stated that, though COVID-19 has created an accounting issue, the steps will be taken to collect reimbursement and it is not a financial crisis. He asked if there is any indication from the State on what the County's role will be once a vaccine is approved? Mr. Jordan answered that the State was required to submit a vaccination plan to the Federal government and that, at this point, it does not include vaccinating the general population. Frontline workers and high-risk populations will be the focus initially, and the County will not likely be fully responsible for the administration. Chair Morris asked if the County will need to bare the costs, or if it will be reimbursed. Mr. Jordan stated that County Public Health is responsible for providing vaccinations;

however, the State has been cooperative in providing funding to administer vaccines. Federal funding is not typically received.

Mr. Jordan moved on to update the Committee on the County's response to the Almeda and South Obenchain Fires. He explained how FEMA reimburses these types of projects based on an emergency Category designation of either A or B. Initially, Jackson County was in a Category B designated emergency and, after pressure was placed on the State and the statewide damage threshold was met, the request to FEMA was approved for a Category A emergency designation. He provided additional information regarding the levels and percentages of reimbursement. Mr. Jordan spoke about additional funding sources and programs that the County is going after to provide for reimbursement across all levels of the response. The State is picking up the cost of all cleanup, and he spoke about how insurance payments will be accounted for in the process. The County is documenting everything that is done to ensure all reimbursements are received from FEMA.

Mr. Jordan continued by speaking about, and providing examples of, the ways in which the Parks Enterprise and Expo Enterprise Funds have benefited while assisting citizens who have been displaced by the Fires. Revenue generated from FEMA for use of the Southern Oregon RV Park and the Expo parking lot will help offset losses that have occurred due to COVID-19. Mr. Jordan noted that the General Fund may have to supplement those Funds if they are not reimbursed immediately; however, it, again, is just a matter of accounting. In the current budget year and what is projected, those Enterprise Funds are in good shape and budgeted funds are not being spent at a quicker rate than usual. Chair Morris asked, in relation to fire response costs, with most costs being incurred in this fiscal year, will there be other anticipated costs that will move into the next fiscal year? Mr. Jordan answered that, yes, there will be and they will be built into the budget and accounted for.

Chair Morris asked about the process for, and financial impact of, the property tax assessments and prorations for the homes that were lost. Mr. Jordan answered by providing information on how the certified tax rolls are processed and the ratio that applies to each district based on State statute. He noted that two-thirds of the damaged structures were manufactured homes, which do not have a lot of tax assessed value as they are personal property and depreciated. He stated that while the Fires greatly affected the Cities of Phoenix and Talent, the loss will be distributed across all taxing districts. Mr. Jordan provided additional information related to the tax assessment process and how the damage assessment for impacted properties was done right off the bat, which was very helpful and thorough.

In closing, Mr. Jordan noted that during the Fires, there was a lot of overtime accumulated in the Sheriff's budget. He stated that it is unknown whether the appropriation authority will be overspent, requiring a supplemental budget; however, they are waiting until the end of the year as these costs will likely be reimbursed through FEMA.

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 any questions they may have. He spoke about the Public Employees Retirement System (PERS) side account that was set up, with almost \$12,000,000 being paid to set it up. He referenced the total balance only being down \$5,000,000, which means the County made up a lot of ground. Mr. Jordan stated that the biggest change in each fund is due to the PERS side account; however, it will create a significant reduction in payroll costs. Chair Morris asked if the spend down in Health and Human Services is due to COVID-19 response. Mr. Jordan answered

that, no, it is due to the PERS side account. Mr. Bragg provided additional information and stated that this is from the prior fiscal year to the beginning of this current fiscal year.

Mr. Rachor asked about the increase in video lottery funds, the changes in the self-insurance costs, and if there has been an increase in capital projects. Mr. Jordan addressed the question regarding the Self-Insurance Health Plan and stated that, after negotiations, the Service Employees International Union (SEIU) was brought on and the cost came in higher than projected due to the lengthy negotiation process. He noted that the increase in healthcare was offset by the reduction in payroll costs from the PERS side account. Mr. Bragg answered Mr. Rachor's question regarding the Video Lottery Fund and stated that, typically, at the end of each fiscal year there is a transfer of funds from the Video Lottery Fund to the Sheriff for jail functions. However, this year, due to changes in the amounts that the State will receive, the County is not projecting to receive as much to forward to next year. He also stated that capital projects are always something that money will be allocated specifically for. He referenced the remodel of the Jackson County Circuit Court building and how, due to COVID-19 and product availability, the project was unable to be completed in the same fiscal year.

PERS Side Account Update

Mr. Jordan noted that the creation of the PERS side account has resulted in a 3.6 percent reduction in salary costs. He moved to the next agenda item as this topic was previously discussed.

New Government Finance Officers Association (GFOA) Budget Award Criteria

Mr. Bragg began by explaining that new criteria has been made stricter as far as having a strategic plan. He noted that there will be a couple of changes implemented this coming fiscal year in each program's page regarding department goals. He stated that the next step will be consolidating information to reduce the amount of verbiage in the budget document. It will be reported at the department level instead of the program level. He confirmed that all of the same information will be included, there will just be less detail.

Commissioner-Elect Dotterer stated that he is impressed with having a strategic plan and asked about placing the same information in a different location of the budget. Mr. Bragg stated that the County will be bolstering the strategic plan, and have department programs point back to the County's main goals. This will refine the document so that each department has more of their own goals which, in turn, relate to the County's. Mr. Jordan stated that it is taking program pieces and descriptions, and putting them under the department.

Budget Targets for FY 2021-2022

Mr. Jordan reviewed the General Fund revenues and General Fund targets for fiscal year 2021-2022 (*Submission No. 2*), and anticipates revenue increase of 1 percent. He spoke about changes that have occurred in State law and measures that were passed by voters which will affect the Justice Court, such as the inability to enforce driver's license suspension fines and the decriminalization of many drug crimes. He stated that, by reserving operating revenue, the County is placed in a great position. Mr. Jordan went through each fund's adjustments. He reviewed the Consumer Price Index and noted that, at around 2 percent, they are lower than prior years. The County's budget will be kept even between bringing on SEIU in the Self-Insurance Health Plan and the PERS side account.

Chair Morris stated that the information is very clear and was presented in a straight-forward way. He asked if there was any further discussion taking place related to the proposed new jail. Mr. Jordan stated that he is not prepared to address the new jail at this time as the Board has not discussed it since the election. He explained that the Sheriff is putting together options to bring back to the Board and the Committee.

Executive Session

There was nothing for Executive Session.

Other Discussion Items

Mr. Rachor congratulated, and thanked, Mr. Jordan and Mr. Bragg for their hard work in preparing the budget, especially in these trying times. Commissioner Roberts stated her appreciation as well, and acknowledged the depth of understanding that they both have. Commissioner Dyer also thanked Mr. Jordan and Mr. Bragg, and stated his appreciation for the lay members.

There being no further business, Chair Morris adjourned the meeting at 2:21 p.m.

Respectfully submitted,

/s/ Craig Morris
Craig Morris, Presiding Officer

/s/ Alycia Hartley
Alycia Hartley, Recording Secretary
Approved on: 04/06/2021

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 6, 2021, the Jackson County Budget Committee approved Order No. 49-21 authorizing the use of their electronic signatures on Orders and other documents.