

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

November 28, 2022

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; Matthew Stephenson, Budget Committee Member; Rick Dyer, Commissioner; Dave Dotterer, Commissioner; and Colleen Roberts, Commissioner

Staff: Danny Jordan, County Administrator; Harvey Bragg, Senior Deputy County Administrator; Traci Carrier, Budget Analyst; Joel Benton, County Counsel; Shannon Bell, Finance Director; and Alycia Hartley, 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 5, 2022; April 12, 2022; and April 14, 2022. Chair Morris asked if anyone had any corrections or additions to the minutes; 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 5, 2022; April 12, 2022; and April 14, 2022; as presented. Mrs. Sevcik seconded the motion. Those who voted aye: Commissioner Dyer, Mrs. Sevcik, Mr. Stephenson, Commissioner Dotterer, Commissioner Roberts, and Chair Morris. Motion passed.**

**Executive Session**

The Executive Session began at 1:33 p.m. under Oregon Revised Statute (ORS) 192.660(2)(d), Labor Negotiations – Press Excluded ORS 192.660(4). The Executive Session ended at 1:48 p.m.

**County Budget Policies**

Mr. Jordan referenced the budget policies and provided historical information on the prioritization that occurred when they were created. He noted that the policies were based upon suggestions and input from the Budget Committee (Committee), and that they guide departments on how funding can be utilized. There have been no substantial changes to the policies; however, changes can be suggested by the Committee. There were no concerns or changes requested.

### **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 Committee be convened for each supplemental budget; however, Oregon Budget Law does not require this. 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. He provided further information about the supplemental budget process. The Committee authorized the Board to continue processing supplemental budgets in this manner.

### **Organizational Changes**

Mr. Jordan explained that, as Mr. Bragg will be retiring at the end of the year, restructuring will occur within the Administration Office. He explained that Mr. Benton and Ms. Bell will become Senior Deputy County Administrators, and that 50 percent of each of their time will be assigned to Administration. He noted that further studies of the time allocation will be done throughout the next year. Mr. Jordan provided additional information on how the Administration Office had been organized in the past, and noted that Mr. Benton and Ms. Bell are both very well-versed in the duties this position requires.

Mr. Jordan continued by explaining that, throughout Mr. Bragg's career with the County, he has had a strong knowledge of Capital Projects and has worked closely with Facility Maintenance. Moving forward, the intent is for Mr. Ryan DeSautel, Superintendent, Jackson County Facility Maintenance, to be promoted to a Department Director position within County Administration. Mr. Jordan provided additional details on potential reorganization and staffing changes that may occur. Chair Morris congratulated Mr. Benton and Ms. Bell on their promotions.

### **Fiscal Year 2022-2023 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 noted that reserves have grown each year; however, there is a decrease in the unaudited General Fund which is anticipated due to the mark to market adjustments as result of inflation and downturn in investment portfolio. Mr. Jordan explained that the County is able to invest its own funds, which is approved by the Oregon Short Term Fund Board, the Oregon Department of Revenue (DOR), and the Board. He noted that Ms. Bell has managed the County's portfolio very well and always beats other Local Government Investment Pools. He feels confident about the fund balances and noted that the County's self-insurance insurance costs also continue to do well. Chair Morris asked for clarification on the increases in Health and Human Services (HHS), the Road Fund, and the Airport. Mr. Jordan explained that additional funding is being received from the State for HHS to deliver services for developmental disabilities, the Airport's increase is due to Federal COVID-19 funding, and the Road Fund is due to the increase in gas tax. There were brief discussions related to investments, budgeting for self-insurance, and reinsurance thresholds.

### **American Rescue Plan Act**

Mr. Jordan explained that the County received \$42,000,000 in American Rescue Plan Act (ARPA) funding, followed by an additional \$4,000,000; all of which must be obligated by the end of 2024. He provided information to the Committee regarding a project for a joint community center to be constructed at the Jackson County Expo (*Submission Nos. 2 and 3*). He spoke about weaknesses

that were revealed at the Expo during the COVID-19 pandemic and the Alameda and South Obenchain Fires (Fires). The current facility lacks showers, commercial kitchen capacities, and medical support. Combined with a need for upgraded general facilities, the City of Central Point (City) was looking at options for a new community center. He explained that the project was discussed with the Board and has moved into the conceptual design phase jointly with the City. Mr. Jordan further explained that, at one point, the guidelines for utilizing ARPA funds outright allowed for this type of project; however, the guidelines changed again and did not. The County then contracted with Moss Adams LLP to perform an external audit, which has a specific division to assist local governments with ARPA funded projects. Mr. Jordan explained that Moss Adams outlined all of the criteria and stated that the project does meet the guidelines. He noted that the County policies were also provided for the audit to ensure that nothing conflicted with them. Mr. Jordan provided additional information on the Federal review process for ARPA projects. He further clarified that neither the County or the City have committed these funds yet, but are currently going through the process of engaging an architectural firm for the project. He explained how the operating costs and maintenance for the facility are being budgeted and will be shared with the City. There was a brief discussion about the involvement of the Jackson County Fair Board with the project, and the need for new lines of revenue to be generated by the facility.

### **Jackson County Assessment and Taxation Review by the Oregon Department of Revenue**

Chair Morris began by stating that he asked Mr. Jordan to have this topic on the agenda as he feels the Committee needs to be kept apprised of the plan to address issues that were uncovered in the Assessor's Office. He noted that there is the potential for additional staffing costs and he desires to keep the progress of the Office's plan as public as possible.

Mr. Jordan explained that the DOR review was instigated as the Assessor over refunded taxes to people who were affected by the Fires, due to improper calculations. He explained that out of 17 categories in the review, 12 were found to be at risk or inadequate in following ORS; only three were part of Taxation and were minor fixes or the County believes require a legislative change. Mr. Jordan provided information on discussions that took place during several different meetings of the Board, which the Assessor attended but was defiant and did not take credit for the errors. He noted that he has challenged the Assessor every year to ask for additional staff, and the DOR review has now indicated a need for 13 additional staff. He provided additional information on the process and struggles that took place during these meetings with the Board, and the lack of leadership provided by the Assessor. A plan has now been ironed out that everyone agrees with, and three more staff are being requested in this budget cycle. Ms. Bell spoke about the ratio study that the Assessor believed to be approved by the DOR; however, the DOR confirmed it was not valid and it would not have been approved. It was accepted knowing that there would be improvements. Mr. Jordan noted that, despite several issues, the plan is moving forward and is being worked through. There was discussion regarding the impact to County citizens when the multitude of errors are corrected, as many people are concerned that their taxes will be largely affected. Mr. Jordan spoke about additional errors that have come out of the Assessor's Office and the effects they have had on the County and the community. Chair Morris noted that the Committee has widely questioned each year about staffing needs in the Assessor's Office, with no requests forthcoming. He asked about the timeline for the additional staff, and Mr. Jordan explained that they are included in the budget targets.

Chair Morris called for a recess at 3:08 p.m. Chair Morris reconvened the Budget Committee meeting at 3:15 p.m.

**Budget Targets for Fiscal Year 2023-2024**

Mr. Jordan reviewed the General Fund revenues and General Fund targets for fiscal year 2023-2024 (*Submission No. 4*). He noted that the Committee has discretion in the General Fund and that is where their attention goes throughout the process. He explained that revenue generating departments are projected to generate an additional 1 percent and that all other departments will get a 4.9 percent budget target increase. Mr. Jordan explained the large increase in Motor Pool, 60 percent of which is the Sheriff's Office, is due to gas prices. He noted that the adjustment in the Assessor's budget is due to the new positions, and funds were pulled from the Development Services Department budget as the Department has not spent up to its budgeted amount. He further noted that funds had been taken from the Solid Waste Fund for additional Code Enforcement Officers; however, those positions are now receiving State funding.

Chair Morris asked how long departments will be asked to dig into their fund balances, or to streamline operations to be able to meet their budget targets. Mr. Jordan explained that the reality is that it is done in perpetuity and it will continue to do so each year. He provided an overview of the budget process and how he works with the Department Directors to meet, or change, budget targets each year. There were brief discussions regarding Oregon and California Railroad Revested Lands (O&C Lands) revenues, property tax adjustments, and State shared marijuana revenues. The Committee expressed support of the budget targets.

**Other Discussion Items**

Chair Morris reviewed the budget process going forward and the meetings that will take place.

There being no further business, Chair Morris adjourned the Budget Committee meeting at 3:44 p.m.

Respectfully submitted,

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

/s/ Alycia Hartley  
Alycia Hartley, Recording Secretary  
Approved on: 04/04/2023