

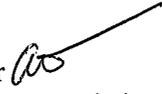


Josephine County, Oregon

Finance Office

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May 5, 2015

TO: Budget Committee Members
FR: Arthur O'Hare, Finance Director/Budget Officer 
RE: Elected Officials Compensation Committee Recommendations and Discussion

This memo is to collect the recommendations of the EO Compensation Committee and the two discussion items from the Budget Committee meeting of April 30, 2015 in order to allow the Budget Committee to address and make a motion on each issue.

Recommendations of EO Compensation Committee

1. No adjustment to Elected Officials salary compensation. Salaries remain unchanged.
2. Increase Surveyor hourly wage from \$32.00 to \$34.57. Discussion: this brings Surveyor wage into parity with other elected department heads of Assessor, Clerk, and Treasurer. The budgetary impact is approximately \$70 per month, which is adequately covered within the Surveyor budget.
3. Recommend BCC establish policy to provide EO COLA if and when there is a Non-union COLA. Discussion: this will help reduce compression between Elected Officials and their staff, specifically if staff receives a COLA and EO does not.
4. Deposit \$100/month to EO health reimbursement account. Discussion: this is a cost to each department budget, although the impact is limited to those departments that have Elected Officials (4 General Fund, 2 Public Safety, and 2 Internal Service). Cost would be approximately \$1,500 per year per EO.

Recommendation of Commissioner Hare

5. Recommend BCC establish alternative if EO opts-out of PERS. Discussion: currently there is no alternative to PERS for an elected official that opts-out. 2015-16 PERS rate for new employees is 11.31%. The recommendation is to allow Elected Officials who opt-out of PERS to participate in a 6% deferred comp match. This could create a net savings of 5.31% or approximately \$4,000 per year. This would provide a lower cost option for those elected officials who choose to not join PERS.

Recommendation of Commissioner Heck

6. Reduce Commissioner Position 2 (Keith Heck) salary by 15%, from \$75,391.80 to \$64,083.00. Discussion: please see attached Budget Committee minutes from May 28, 2013 for prior discussion on this subject, including Exhibit A, Legal Counsel memo dated May 24, 2013. In summary,
 - a. The minutes indicate some Committee members were concerned about creating salary inequity between Commissioner positions, even though there was no difference in responsibility.
 - b. The Legal memo has two examples where the Chair receives more salary than the other two Commissioners due to having more responsibility.
 - c. The Legal memo states the Budget Committee can reduce salary for a position, but not for a person. Potential impact – Candidates for Position 2 may be hesitant. Salary could not be restored until the Budget Committee meets.

**BUDGET COMMITTEE MEETING, Anne Basker Auditorium,
604 NW 6th Street, Grants Pass, Oregon
Tuesday, May 28, 2013, 3:00 p.m.**

Budget Committee: Pat Fahey, Marie Hill, Jim Brumbach, Keith Heck, Simon Hare, Cheryl Walker
Budget Officer: Rosemary Padgett, CFO

1. Open Meeting

Pat Fahey, Budget Committee Chair opened the meeting at 3:00 p.m.

2. Old Business:

a. Approve Minutes of May 22, 2013

Mr. Brumbach made a motion to approve the minutes of May 22, 2013, seconded by Mr. Hare. Upon vote, motion carried, 6 – 0, yes.

b. Elected Officials Compensation

Commissioner Salary Reduction

Rosemary Padgett, CFO addressed **Exhibit A, Legal Opinion** which allows each commissioner position to be salaried at different levels. Using **Exhibit B, Elected Officials Table** she illustrated the Elected Officials' current salary, how a 3.8% COLA, and a 10% reduction would affect said salaries. Mr. Hare recommended the Committee deal with last week's tabled motion first.

Ms. Walker made a motion to take from the table the motion made last week by Mr. Heck to reduce the salary of Commissioner Position 2 to \$50,000 for further consideration, seconded by Mr. Brumbach. Upon vote, motion carried, 6 – 0, yes.

Mr. Heck explained that he was pursuing an idea he promoted when he was in the commissioner's race. He felt the current climate responded well to that and would help with costs in the Board's office.

Mr. Hare, Mr. Brumbach, and Ms. Walker voiced concern about the inequity of salary between positions, feeling it set a bad precedent. Mr. Heck, Ms. Hill, and Mr. Fahey supported the salary reduction.

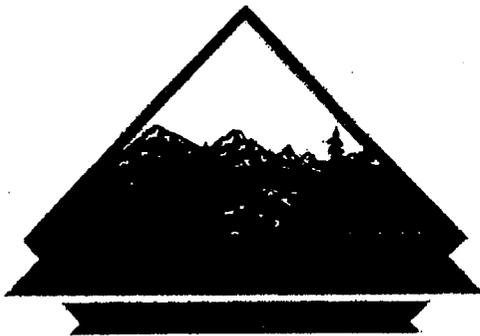
Upon vote, motion failed, 3 – 3, for a lack of a majority.

Set Salaries of Elected Officials

Mr. Fahey referenced **Exhibit B**, asking when the Elected Officials last received a COLA and was told 2008. Mr. Hare made a motion to adopt the Elected Officials Compensation Committee's Recommendation in its entirety, seconded by Ms. Hill. Mr. Hare noted his proposal from last week to cut the Elected Officials salary by 10% would only amount to \$47,000. He felt it would be fiscally prudent to maintain the status quo for the fifth year in a row reflecting a roughly 10% reduction. Ms. Walker agreed that the lack of COLA resulted in a reduction. Upon vote, motion carried, 6 – 0, yes.

c. Proposed Reductions - Simon Hare

Mr. Hare reviewed **Exhibit C, Estimate of Savings** with the Committee. He explained the cut to Forestry would actually only return Federal funding and other cuts would decimate programs. He suggested the Board of Commissioners could make adjustments before the end of June. He said these tough cuts were to illustrate this only resulted in a \$350,000 savings to fill a \$9.2 million hole. He suggested the next conversation should be how to prioritize and recommended that the jail should be the first priority. Ms. Walker said all of the suggested cuts were substantially painful and in reviewing it there was no prospect for additional revenue. She agreed with Mr. Hare that the jail affected the courts, corrections, arrests, and everything else. She suggested they pass the budget they were presented with one correction; adding Scenario 2 from **Exhibit D, Additional Requests**.



Josephine County, Oregon

OFFICE OF LEGAL COUNSEL

*Exhibit A
Budget Com
5-28-13*

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Leah C. Harper, Assistant Legal Counsel
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MEMORANDUM

To: Board of Commissioners
cc: Rosemary Padgett, CFO
From: Leah Harper, Asst. Legal Counsel *UH*
Date: May 24, 2013
Re: Commissioner's Salary

Received
Josephine County
MAY 28 2013
Board of
Commissioners

The memo is in response to the question of whether the Budget Committee can reduce the salary of one commissioner without reducing the salaries of the other two commissioners. The short answer is yes. There are, however, policy and financial ramifications which should be considered.

The Josephine County Charter requires that the compensation and job related expenses of personnel in the service of the County be fixed annually by the budget committee. (Josephine County Charter, Chapter VI, Section 25(1).)¹ The compensation of elected county officers remains in effect unless changed by the budget committee. (ORS 204.126.) A compensation committee, appointed by the Board of Commissioners, is required to "annually recommend a compensation schedule for the county elective officers," including the treasurer, county clerk, assessor, treasurer, and county commissioners, to the budget committee. (ORS 204.112, 204.005). There are no laws which prohibit a Commissioner's salary from being decreased upon the request of the affected Commissioner.

At least two other Oregon counties have different salaries for different members of their Boards of Commissioners. In Multnomah County, the Chair of the Board of Commissioners is paid more than the other four Commissioners; for the 2012-13 fiscal year, the Chair's salary was approximately \$136,672, while the remaining four commissioners' salary was approximately \$90,640. (Multnomah County Resolution No. 2012-0534.) In Washington County, the salary of the Chair is set at 80% of the Circuit Court Judge, while the salary for other commissioners is set at 40% of the salary of the Chair. (Washington County Charter, Chapter III, Section 30(e), 2008.)

¹ Chapter VI, Section 25(2) of the Josephine County Charter has been held invalid under Hudson v. Feder, Josephine County Circuit Court Case No. 90-CV-0139 (Judge Joan Seitz presiding).

Further, state law contemplates that commissioners may receive compensation that is different from the other commissioners. ORS 203.230 provides that when a county that does not have a County Charter chooses to establish a Board of County Commissioners by abolishing the office of the County Judge and appointing a third commissioner, the order establishing the Board of Commissioners "may specify any or all of the following relating to the third commissioner: (a) Compensation that is different from the other commissioners; (b) Powers and duties that are different from the other commissioners; and (c) Service as chairperson of the board of commissioners." While this statute does not directly apply to the situation at hand, it does show that different compensation may be paid to different members of the Board of Commissioners in non-home-rule counties.

A question has been raised as to whether a reduction in salary should be made to the individual commissioner personally, or to the commissioner's position. It is the opinion of this office that, if salary is reduced, then the reduction should be made to the position itself, and not to the commissioner personally. ORS 204.013 provides that "In each county that has a board of county commissioners, each office of county commissioner shall be designated by number as Position No. 1, Position No. 2, or Position No. 3." The salaries are set by the Budget Committee for County Officers or County positions, and not for named persons. Setting a particular salary for an individual person, instead of for a County Officer or Position, may open the door for potential problems of discrimination.

Please be aware that this legal opinion does not address financial or policy considerations which would be better addressed by the Board of Commissioners or by the Finance Department. Those considerations include, for example, a) what effect the salary reduction of one commissioner would have on the budget as a whole, and to the ISF budget in particular; b) whether it would be more effective for a commissioner to make a donation in the amount of the salary reduction to a specific program or department; and c) consideration of the tax consequences of such a donation, which is outside the scope of this memo. More information on the details and financial ramifications of a reduction to an individual's salary may be obtained from the Finance Department.

Please let me know if you have any further questions or need any additional information.