



Josephine County, Oregon

Finance Division

Josephine County Courthouse
500 NW 6th Street / Dept 4, Grants Pass OR 97526
(541) 474-5255 / FAX (541) 474-5258 / TTY (800) 735-2900

BUDGET COMMITTEE MEETING

Anne Basker Auditorium

604 NW 6th Street

Grants Pass, Oregon

Thursday, May 3, 2012

4:00 p.m. to 6:00 p.m.

Purpose of the meeting is to discuss the FY 2012-13 Budget for Josephine County.

Budget Committee members: Marie Hill, Larry West, Keith Heck, Simon Hare, Don Reedy, Harold Haugen

Budget Officer: Rosemary Padgett, CFO

AGENDA (Revised)

- 1) Open Meeting – Harold Haugen
- 2) Approve Minutes of April 24, 2012
- 3) Elected Officials Compensation Committee Recommendation
 - a) Department Presentations:
 - i) General Fund Presentations:
 - (1) Forestry – Vic Harris
 - (2) Planning – Dave Wechner
 - (3) Transfer Overview – Rosemary Padgett
 - (a) Veterans – Lisa Shipley
 - (b) PEG – Rosemary Padgett
 - ii) Parks – Doreen Ferguson
 - iii) Fair – Wes Brown
 - iv) Airport – Larry Graves
- 4) May 10th Presentations: Public Works, Fleet, Public Health/Animal Control
- 5) May 17th Presentations: Public Safety (Sheriff, District Attorney, Juvenile Justice)
- 6) May 22nd Presentations: Continuation of Public Safety (if needed)
- 7) Public Comment (limit of three minutes each, public comment may be allowed at additional meetings)



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BUDGET COMMITTEE MEETING

Anne Basker Auditorium

604 NW 6th Street

Grants Pass, Oregon

Tuesday, April 24, 2012

4:00 p.m. to 6:00 p.m.

Purpose of the meeting is to discuss the FY 2012-13 Budget for Josephine County and allow public comment.

Budget Committee members: Marie Hill, Larry West, Keith Heck, Simon Hare, Don Reedy, Harold Haugen

Budget Officer: Rosemary Padgett, CFO

AGENDA

- 1) Open Meeting
- 2) Elect Chair of Budget Committee
- 3) Elect Vice Chair/Secretary of Budget Committee
- 4) Budget Officer presents Budget Message and Proposed Budget for FY 2012-13
- 5) Elected Officials Compensation Committee Recommendation – Jeff Wolf
- 6) Department Presentations: Budget Officer
 - a. Summary of Funds
 - b. General Fund – OverviewPresentations:
 - Assessors- Connie Roach
 - Treasurers – John Harelson
 - County Clerk – Art Harvey
 - Forestry – Vic Harris
 - Planning – Dave Wechner
 - Transfer Overview – Rosemary Padgett
- 7) Budget Committee establishes meeting calendar. Proposed dates: meet from 4 to 6 p.m. on Thursdays: May 3rd, 10th and 17th. Or Tuesdays: May 1st, 8th, and 22nd.
- 8) Public Comment (limit of three minutes each, public comment may be allowed at additional meetings)

Josephine County Budget Meeting Minutes – April 24, 2012, 4:00 p.m.

Anne Basker Auditorium, 604 N.W. 6th Street Grants Pass, Oregon 97526

Present: Marie Hill, Harold Haugen, Keith Heck, Don Reedy, Larry West, and Simon Hare. Attending: Rosemary Padgett, Budget Officer; Arthur O'Hare and Chris Carlson, Finance; Connie Roach, Assessor; John Harelson, Treasurer; Art Harvey, Clerk; Linda McElmurry, Recorder; members of the media and other interested parties.

1) Open Meeting – Rosemary Padgett, Budget Officer

Rosemary Padgett, Budget Officer opened the meeting at 4:00 p.m.

2) Elect Chair of Budget Committee

Mr. Haugen was nominated by Mr. Heck, seconded by Mr. West. Ms. Hill was nominated by Mr. Hare and seconded by Mr. Reedy. Mr. Hare felt the committee has always looked to the private sector to lead the committee and wanted to stay consistent. Mr. West withdrew his second not wanting to set a precedent. Mr. Heck explained he felt Mr. Haugen was knowledgeable and neutral. Ms. Hill said she supports Mr. Haugen and seconded his nomination. The nominations were closed. Upon hand vote to have Ms. Hill serve as Chair, 2 – 4; Mr. Reedy – no, Mr. Heck – no, Mr. Hare – yes, Mr. West – yes, Mr. Haugen – no, Ms. Hill – no. Upon hand vote, Mr. Haugen was selected as Chair, 4 – 2; Mr. Reedy – yes, Mr. Heck – yes, Mr. Hare – no, Mr. West – no, Mr. Haugen – yes, Ms. Hill – yes.

3) Elect Vice Chair/Secretary

Chair Haugen opened nominations after Rosemary Padgett, CFO, explained the purpose of the position. Mr. Hare nominated Marie Hill, seconded by Larry West. Upon roll call vote, motion carries, 6 – 0; Mr. Reedy – yes, Mr. Heck – yes, Mr. Hare – yes, Mr. West – yes, Mr. Haugen – yes, Ms. Hill – yes.

4) Budget Officer presents Budget Message and Proposed Budget for FY 2012-13

Rosemary Padgett, CFO read **Exhibit A, Budget Message.**

5) Elected Officials Compensation Committee Recommendation – Jeff Wolf

Jeff Wolf, Chair presented the Elected Officials Compensation Committee recommendations and reviewed **Exhibit B.** Mr. Heck asked what the history of the COLA has been for the Elected Officials. Mr. Wolf responded that if the COLA was not granted this would be the third year with no increase. Mr. Heck asked if the survey involved the private sector or if it was all public. Mr. Wolf explained that the committee used a set of counties outlined by the ORS and no one would share private sector information. Mr. Heck asked if the Committee reviewed his recommendation to drop the Commissioner's salaries by \$20,000. Mr. Wolf said each member received the recommendation but it was beyond their legally mandated charge and they elected to remain silent unanimously.

Mr. West clarified that a wage increase was completely separate from COLA's and that ten county employees were being discriminated against. Further discussion ensued.

Toni Webb, 405 Curry Lane felt Elected Officials were not discriminated against when there is no money. Since there is a shortfall she encouraged them to not vote for the COLA.

Mr. Reedy said he supported all of the recommendation except Item 1, Elected Official's COLA.

Mr. Hare clarified that last year nonunion employees received a COLA after not having received one for several years. He echoed Mr. Reedy, saying in these times when the County is asking the public for money they need to meet them in the middle.

Mr. Heck said he would hesitate to continue to deny the other Elected Officials a COLA but the Board didn't need to take the COLA. He supported the full recommendation.

Mr. West said he wanted the minutes to have a clear record that they discussed all sides of the issue because it would come back to them later. He felt they should forego the COLA.

Mr. Haugen asked about Item 3 reducing the Treasurer's salary January 1. He asked if a percentage of it was because of the tax collection duties. Mr. Wolf said the comparator counties were not consistent in the duties of the position adding that the Committee was charged with the review of the elected official's compensation, not opining on the fairness.

Mr. Reedy excused himself at 4:45 p.m.

Mr. Wolf said this was the conclusion of his four year term and thanked the Board for allowing him to serve.

Mr. Hare made a motion to table the decision to the next available budget meeting, seconded by Mr. Heck. Upon roll call vote, motion carries 5 – 0; Mr. Heck – yes, Mr. Hare – yes, Mr. West - yes, Mr. Haugen – yes, Ms. Hill - yes.

6) Department Presentations: Budget Officer

Rosemary Padgett, CFO explained there were three departments that needed tentative budget approval prior to April 30th to qualify for CAFFA grant funds and they would present their budgets today. She noted that the 5-year projection included with the budget was a requirement of our Charter and has been fairly accurate.

a) Summary of Funds.

Tabled

b) General Fund – Overview

Presentations:

Assessor – Connie Roach

Connie Roach, Assessor said they made some very difficult decisions this year. John McCafferty, Chief Deputy Assessor said they have reduced staff by two full time positions and are sharing skills and software with other departments. Money for the CAFFA Grant is declining because recording fees are dropping. They have maintained their professional workforce so they will not cut their core function. They have made \$160,000 in reductions over last year and are requesting \$777,500 in General Funds.

Mr. Heck asked what the reduction in staff would mean to the average citizen. John responded that the phones will go to a voice mail system, there will be less counter service, and they may not be able to answer all questions and this will limit time they are open to the public. Mr. Hare asked if the Assessor received administration costs from any of the other Districts. John responded that the County bears the full burden of assessment and taxation but there is a move at the State level to change that.

Treasurer – John Harelson

John Harelson, Treasurer explained his salary comes from the Treasurer duties not the tax collection duties. He said they have 4.5 FTE and using **Exhibit C**, explained the duties his office carries out. They collect \$57 Million in taxes annually and collect 96% in the first year.

County Clerk – Art Harvey

Art Harvey, Clerk said the biggest impact on the budget is the 35% drop in revenue directly related to the real estate market. He said he has reduced staff by a little more than 20% and enhanced their website dramatically. They now have two full time computer stations for public access of documents that require little or no assistance from staff. He has reached out to other departments for help and is learning how to do more with less. He stated their General Fund request was 35% less than last year and they may have to reduce hours open to the public. He explained the current election required 159 unique ballot styles. Primaries are the most expensive elections and they are rarely reimbursed for them.

Citizen comment:

None heard

Mr. Hare made a motion to approve the budgets of Assessor, County Clerk, and Treasurer as submitted, seconded by Ms. Hill. Upon roll call vote, motion carries 5 – 0; Mr. Heck – yes, Mr. Hare – yes, Mr. West - yes, Mr. Haugen – yes, Ms. Hill - yes.

7) Budget Committee establishes meeting calendar

Rosemary Padgett, CFO proposed they table the Planning and Forestry presentations to the next meeting with Public Health and Public Works. The Committee agreed and said they would also like to hear from Parks and the Fairgrounds. Ms. Hill made a motion to meet May, 3, 10, 17, 22 and the 24th if needed and have the presentations as discussed, seconded by Mr. West. Upon roll call vote, motion carries 5 – 0; Mr. Heck – yes, Mr. Hare – yes, Mr. West - yes, Mr. Haugen – yes, Ms. Hill - yes.

8) Public Comment

None heard.

Meeting adjourned at 5:59 p.m.

Linda McElmurry, Recorder

Exhibit A Budget Message
Exhibit B Elected Officials Compensation Committee
Exhibit C Treasurer PowerPoint

Exhibit A
Budget
4-24-12

**Josephine County
Budget Message
Fiscal Year 2012-13
April 24, 2012**

As the Budget Officer for Josephine County, I am tasked by Oregon Budget Law with presenting to the Budget Committee a balanced budget. This budget message outlines the financial priorities of the County and highlights major changes to the Funds. Although County government and the resulting budget is complex, our goal is to provide as much transparency in government as possible while following Oregon Budget Law.

Based on "Budgeting for Outcomes", the FY 2012-13 budget details Oregon Revised Statute (ORS) mandates, program outcomes, revenue and expenditure line items and personnel for each department within their respective fund. Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2011:

- 1) Encourage public involvement, through community outreach, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide sustainable funding for all mandated and essential County government programs for the next ten years.
- 3) Provide services in a transparent, open and efficient manner to the citizens of Josephine County.
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

Overall the proposed budget shows a decrease of approximately twenty eight percent (28%) from FY 2011-12, which includes a proposed reduction of full-time equivalent positions (FTE) of nearly one hundred twenty five (125). Ninety eight (98) positions overall in Public Safety (Sheriff, District Attorney, and Juvenile Justice) and twenty seven (27) positions in other County departments.

Josephine County requires that the majority of County programs be self sustaining through fees, grants, state contracts, and other revenue sources that don't rely on property taxes or General Fund support. With the economy continuing to be stagnant and the State's ongoing budget issues, many Departments will be further reducing staff, making it even more difficult to provide minimal services for our citizens. The budget proposal does include small requests from the General Fund for the Public Health Solid Waste program, Veterans Services, Animal Protection program and an offset of the costs of the Marlson landfill mediation for the Public Works Special Projects Fund.

As part of the SRS 2008 bailout, Congress included monies for O&C Counties through 2011. Payments for general government purposes had been dedicated to the Public Safety Fund. Public Works and Title III projects were also funded for the same time period. Currently, no new revenue sources have been identified or approved by the citizens to replace the SRS 2008 payments for FY 2012-13.

Fund Structure Information

- 1) Departments made up of elected offices, divisions, and programs that provide similar services and rely on common funding sources remain grouped together in separate funds such as the General Fund and the Public Safety Fund.
- 2) The General Fund contingency has improved from the \$1.9 million budgeted in FY 2011-12 to \$2.6 million dollars for FY 2012-13. This was partly achieved by reducing the transfer to Public Safety by one million dollars. A conservative estimate of three million dollars in contingency is recommended in order to cover payrolls and other costs until property tax and other revenues arrive in November.
- 3) Funding for the public safety departments (Sheriff, District Attorney and Juvenile Justice) from Federal general purpose sources has ended. Revenues include a transfer from General Fund of two million dollars, carryover monies and dedicated revenues. An election is scheduled for May 15th that will sustain the criminal justice system but is not included in this budget since it has not been approved by the citizens. With no new funding, the proposed budget reflects an estimated decrease of approximately sixty (60) percent of the current service levels for the public safety programs in the criminal justice system.
- 4) The Public Works Fund's major source of revenue continues to be State Gas Tax dollars. Public Works will also realize loss of revenues related to the ending of funding of the SRS 2008 bailout and is proposing staff reductions and fewer road projects.
- 5) Funds, such as Fair, Parks and Public Health will continue to be self sustaining from fees, grants or other revenue sources outside of the General Fund. Monies that are for dedicated purposes are required to be shown as individual funds in the budget. These funds reversed deficit fund balances from FY 2010-11 in FY 2011-12 with General Fund support and changes in operations.
- 6) Fund 210, Grant Project Fund is mainly a pass through fund for Title III monies from the federal government and Economic Development lottery dollars. With carryover monies available from the original O&C legislation for Title III programs, the County has enough reserves to continue Search and Rescue, community work crew programs and forest related activities for approximately three more years. The monies available for Title III projects under SRS 2008 have more restrictions and any non-obligated monies have to be returned to the Federal government by September, 2012. Economic Development applications will be requested for projects at the beginning of the fiscal year by the Board of County Commissioners. County Departments that receive economic dollars have been maintained at the reduced rate set in FY 2011-12 (Airport, Parks, Fair and Planning).
- 7) The centralized overhead of the County is in Fund 401, Internal Service Fund. ISF was looking at a reduction of approximately \$900,000 for FY 2012-13 because of declining operational budgets countywide. As part of the offset, the Board of County Commissioners approved increasing current charges from 9.25% to 10.00%. Because of reduced insurance costs charged to the individual departments, this had minimal impact on the department's budgets. The percentage allocation is applied to the personal service and material & services budgets of the operating funds (excluding capital transfers and pass through monies). The General Government program was moved to General Fund and program budgets were reduced an additional \$500,000.

- 8) Fund 402 includes the programs for maintenance and replacement of County facilities and fleet. Departments are directly charged for services based on usage. Charges were maintained at the current level, with depreciation transfers to property reserve slightly decreased to reflect the increases in utility costs.
- 9) Fund 410, Insurance Fund continues to decrease due to the County's decision to change from being self insured to premium based coverage with deductibles. Outstanding litigation prior to 2007 has reached settlement.
- 10) Property sales and capital expenditures for facilities are shown under the Property Reserve Fund. This budget includes federal stimulus projects and projects funded by a portion of the rental charge to departments for depreciation. The Equipment Reserve Fund receives revenues from Fleet for vehicle replacement and direct transfers from Funds that require capital purchases of \$5,000 or more.
- 11) The Personnel section includes the Organizational chart with the proposed positions county wide. A comparison of FTE by Department between FY 2011-12 and FY 2012-13 is also included. Salary tables reflect the current union contracts with AFSCME, SEIU/OPEU and the Sheriff's Association that will expire June 30, 2012. New contracts are in the process of being bargained for FY 2012-13.

Conclusion

Today I am presenting a balanced budget – Josephine County will live within its' means as required by Oregon Budget Law. Because this budget contains no proposed funding from federal timber sources or citizen approved levies, you will see significant budget cuts throughout the Budget Book. The proposed Budget shows the continuing impacts of reduced service levels to programs, both in dollars and positions (FTE's) budgeted. The Public Safety Fund, which relied on General Fund transfers and SRS 2008 federal monies, will be facing major reductions in FY 2012-13 unless the Criminal Justice Systems levy is successful in May. Even if the levy passes, Josephine County and its citizens will need to continue to work together on a plan for sustainable long term funding for the public safety programs.

Today is the first opportunity for the Budget Committee to deliberate on the proposed budget and to hear from the citizens of the County. Additional opportunities in the next few weeks will be available for our citizens to voice their thoughts on what services Josephine County should provide in FY 2012-13

Unlike some of our neighboring counties who are looking at program failures countywide, Josephine County is able to maintain essential services in most programs, although at reduced levels, because of policies put in place by the Board of County Commissioners in the last few years. We are facing challenges, especially in Public Safety, but the County will still be in business in FY 2012-13.

Rosemary Padgett, CFO/Budget Officer.