

It represents a 4.7% increase from the current fiscal year; personnel costs make up brunt of expenses in projected spending plan

Attributed in part to factors such as rising wages and insurance increases, Jackson County Administrator Danny Jordan presented a recommended county budget Tuesday of \$640,479,766 for the upcoming fiscal year.

The budget increase for fiscal year 2024-25 is up \$28,905,314, or 4.7%, from the \$611,574,452 budget adopted for the current fiscal year.

"This recommended budget for '24-'25 continues on the principles adopted in fiscal year '23-'24," Jordan told the six-member budget committee, which includes the Board of Commissioners and three members of the public.

Behind the rise were factors that include an increase in self-insurance premium expenses of 23% and a \$7,424,671 increase, up 6.1%, in personnel costs that include cost-of-living increases and PERS retirement increases.

The increase in self-insurance premium expenses, Jordan said, "happened pretty much nationwide for all local governments."

A challenge for Jackson County is that personnel costs routinely outpace the county's permanent rate limit of roughly 3%, Jordan told the budget committee.

"We grow at an average of about 7% in cost a year for all services except public safety — those grow at a cost of about 7.5%," Jordan said. "So what that means is, every year we're ... taking away service or finding alternative revenues, which we've done my whole career here, which every local government in Oregon has to do."

"When you set a permanent rate limit, no matter where you set it, there will come a time when that permanent rate limit will not sustain the service," Jordan added.

About the same time the county lost O&C timber revenue in 1991, the county was also challenged by tax-limiting ballot measures in the 1990s such as Oregon Ballot Measure 50 in 1997, which set Jackson County's tax rate of \$2.099 per thousand in the state's Constitution.

He touted the county's success balancing the budget considering the loss of regular O&C timber payments in the early 1990s. Jordan highlighted in the presentation that the county's last regular O&C Timber payment in fiscal year 1991-92 was \$15 million, which, based on the consumer price index data, would be about \$33 million in today's dollars.

He used the lost revenue stream to defend his approach to maintaining significant reserves.

"The county has made an effort in recent years to pursue some projects and funding, and a lot of people say, 'Why can't the county do this in your budget if you're managing the budget so well?'" Jordan said. "I think that if any other local municipality lost between 20% and 30% of their general fund revenue pretty much overnight, they would be in a similar situation with similar asks for things that are in their area of responsibility."

Current property taxes are expected to make up roughly 8.2% of the county's budget, or \$52,345,938. The county is starting with a balance of \$327 million, plus \$159 million in grants and gifts, \$36 million in fees and service charges, \$8 million in all other revenue and \$56 million in interfund charges — which include interfund transfers and interdepartmental charges.
animal shelter sign (copy)

Some of the largest transfers included an airport passenger facility charge that was required as a match for FAA airport improvement grants and a transfer from the county's general fund to Jackson County Health & Human Services covering the animal shelter and human services agencies.

About half of Jackson County Animal Services' projected \$2.5 million in revenue for the upcoming year is a \$1.3-million interfund transfer. The budget shows that donations, grants and gifts to the animal shelter have fallen precipitously over the past two years, from \$588,026 in 2022-23 to \$168,000 in the 2023-24 adopted budget. The proposed budget forecasts grants, gifts and donations of \$70,000.

The largest expenses in the projected budget are personnel costs, which grew from \$121,378,586 in the current year to a projected \$127,702,035 in 2024-25. Full-time equivalent positions rose from 960.7 in 2023-24 to a recommended 964.85.

After \$125 million in materials and services, \$96 million in capital expenses, \$2.8 million in debt service payments, \$1 million in special payments and \$11 million in interfund transfers, the proposed budget projects that by the end of the year the county would have a \$27.8-million contingency fund and an ending balance and reserve of \$248,567,947.

Jordan touched on a common question he hears, asking why the county doesn't spend more of its reserves.

"Honestly, the biggest part of our operating budget is dedicated revenue," Jordan said. "It comes to us for a specific purpose, we have to use it for that purpose."

A large portion of that fund balance is dedicated to the airport, "and that fund balance must be used at the airport," Jordan said. The fund balance on roads must be used for Jackson County Roads and Parks. "Health & Human Services has to be used in those programs, so on and so forth," he said.

Jordan said the budget committee is primarily focused on how the county spends non-dedicated revenue "where you have the discretion and where you're looking at service-building throughout the year."

"When you look at our budget, you can see that the nondedicated operating revenue that you focus on is only 9%," Jordan told the budget committee. "We would love for it to be more of our budget so we can have more discretionary control over our budget."

The budget document is available for review at jacksoncountyor.gov, and the budget committee will meet two more times in public meetings to review department budgets next week: 9 a.m. Tuesday, April 16, and 9 a.m. Thursday, April 18, at the Jackson County Courthouse auditorium, 10 S. Oakdale, Room 214 in Medford. If necessary, deliberations will continue Friday, April 19.

An elected officials' salary committee will be held at noon Tuesday, April 16, at the County Administrator's Office. Public comment on elected officials' salaries will be taken at the April 18 budget committee meeting.