

Lane County Budget Committee
Thursday, May 11, 2023
1:30 pm – BCC Conference Room

Budget Committee members present: Chair; Sarah Means (arrived during Legislative Update), citizen members: Holly Mar-Conte, Herb Vloedman, Bruce Webber and Lane County Commissioners: David Loveall, Ryan Ceniga, Heather Buch, Pat Farr and Laurie Trieger.

Not present: Chris Pryor.

Staff Present: Lane County Administrator, Steve Mokrohisky; Budget and Financial Planning Manager, Christine Moody; Budget Office Staff Jennifer Violette and Michele Stark.

Presenting were:

Legislative Update: Steve Adams, Policy Director; Alex Cuyler, Intergovernmental Relations Manager

Budget Recap: Steve Mokrohisky, Lane County Administrator; Christine Moody, Budget and Financial Planning Manager.

I. CALL MEETING TO ORDER

Vice Chair Webber called the meeting to order at 2:01pm.

II. COMMITTEE BUSINESS

It was moved by Commissioner Loveall and seconded by Herb Vloedman to approve the minutes of the 05/04/23 Budget Committee work session. Motion passed.

III. LEGISLATIVE UPDATE

Steve Adams, Policy Director and Alex Cuyler, Intergovernmental Relations Manager presented the following discussions:

- General overview of Federal and State political activity:
 - Wednesday 05/17/23 is the next revenue forecast from the Oregon Office of Economic Analysis
 - Most recent forecast was released 03/01/23
 - Updates on Oregon economic forecasts
 - Governor is recommending a \$30.1B budget
 - Discussions on proposed State revenue spending and priorities
 - Discussions of a number of bills making their way through the legislature
 - A discussion on the federal debt limit and possible scenarios
- Commissioner Loveall inquired about the possibility of the State offering low interest loans to stimulate housing construction. A discussion followed regarding housing and the governor's priorities on that front.
- Commissioner Farr commented on the partisanship in the State legislature.

IV. BUDGET RECAP

Steve Mokrohisky, Lane County Administrator and Christine Moody, Budget and Financial Planning Manager presented the following slides and discussions:

- A slide showing funds that are not currently structurally balanced:
 - General Fund
 - Land Management Fund
 - Parole & Probation Sub fund
- A slide showing that the General Fund is not Structurally Balanced with a breakdown of causes:
 - Growth in wages due to labor market
 - Increasing material & services costs
 - Revenue growth slow or down (Recording Revenue & CAFFA Grant)
 - Addition of 2.0 FTE in District Attorney's Office & 0.50 FTE in Emergency Management
 - Reduction of 2.0 FTE in Youth Services
- A slide showing steps taken to reduce the initial structural imbalance of \$7.26m to \$2.6m
 - Increased vacancy variance from 3% to 5.5% (\$1.8m)
 - Health & Human Services budget changes (\$2.5m)
 - Change in CCA/JRI budgeting (\$756k)
 - Change in revenue within Assessment & Taxation (\$100k)
 - Youth Services general fund reduction (\$22.6k)
 - Movement of Affordable housing position from General Fund to Video Lottery (\$127k)
 - Salary changes for prosecuting attorneys \$226k
 - Addition of 2 FTE in DA's office & 0.5 FTE in Emergency Management \$465k
- Additional one-time expenses within General Fund:
 - Expanded Patrol
 - Two Limited Duration FTE
 - ARPA Expenditures
 - Holiday Farm Fire Program Manager
- Land Management Fund FY 23-24 Changes:
 - Structurally imbalanced for second year in a row
 - Operating expenses are \$1.37m more than operating revenues
 - LMD will use reserves to cover the operating budget deficit
 - To right-size the fund, the program needs to increase fees, reduce essential services, or both
 - LMD will be conducting a large-scale study of its existing fee structure
 - LMD will be taking on additional storm-water permitting functions on January 1, 2024
- CCA/JRI State Funding:
 - Parole & Probation Sub fund:
 - Lower State funding will result in FTE reductions
 - General Fund/Sheriff's Office:
 - Lower State funding will result in need for additional General Fund (increasing structural imbalance) unless other funds are identified
- Public Health:
 - Heavily utilizing one-time funding and reserves to stabilize budget; Focus for FY 23-24 is identifying long-range funding opportunities
 - Environmental health fee schedule

- Modernization & Public Health Systems Investment
- Mobile Services
- Racism as a Public Health Crisis
- Elevating community voice in public health decision making
- Phasing down COVID response efforts
- Human Services Division Future Challenges & Opportunities
 - Administration and technology cost increases affecting division's reliance on general fund
 - Limited funding for permanent supportive housing and emergency shelters
 - Reliance on Lane County ARPA funding through FY24 to continue outreach, planning, coordination, and shelter services
 - Provider agencies needing additional program and administrative funding
- A slide showing the Road Fund's operating revenues and expenditures trend forecast

Steve Mokrohisky lead a discussion about increasing expenses and the challenges of structurally balancing the budget going forward.

Herb Vloedman asked about reserves spending and sustaining services. Steve Mokrohisky talked about stabilizing the deficit, and dealing with the long-term challenges of funding services. There was additional discussion regarding decreasing funding from the State, and how Secure Rural Schools and timber revenue interact.

Commissioner Trieger wanted to acknowledge the impact of the innovative solution by Health & Human Resources to reduce their General Fund requirements.

V. COMMITTEE BUSINESS/PRE-DELIBERATION DISCUSSION

General discussion regarding mindset and thinking differently regarding budget challenges followed.

Christine Moody shared a handout describing the Budget Committee Deliberation Process/Guidelines. If the committee would like to bring forward proposals for the budget, the deadline is May 16th. She also shared information about the process for discussions during the final meeting, and outlined the motions the Committee will be voting on. There was some brief discussion regarding the Elected Officials Compensation Board. Additional discussion occurred regarding the duties of the Budget Committee and the Board of County Commissioners during the budget process.

Christine Moody reminded the committee that there will be a tour of the Parole and Probation facility on May 17th for the committee if they would like to attend.

Next Lane County Budget Committee meeting is Thursday, May 18th 2023 at 5:30pm in Harris Hall.

VI. ADJOURN

Committee Chair Means adjourned the meeting at 3:45 pm.

Note: A webcast (the “official” record of the meeting’s events) is available at:
https://lanecounty.org/how_do_i/view/webcasts