

LANE COUNTY BUDGET COMMITTEE

Thursday, May 2, 2019

5:30p

Harris Hall

Vice-Chair Herb Vloedman (Citizen Member) presided with Budget Committee members present: Commissioners Pete Sorenson, Pat Farr, Heather Buch, Joe Berney and Jay Bozievich, and Citizen Members Larry Abel, Timothy Morris, Kamala Shugar and Dale Stoneburg.

In addition, County Administrator Steve Mokrohisky and Budget and Financial Planning Manager Christine Moody were present. Jill Allen and Joe Szelesta from the Budget Office were also present.

I. COMMITTEE BUSINESS

Vice-Chair Herb Vloedman calling the meeting to order and began with nominations for FY20 Chair and Vice-Chair.

For Chair: Commissioner Pete Sorenson nominates Herb Vloedman. Commissioner Pat Farr seconds the nomination. No other nominations. All in favor, none opposed. Chair Herb Vloedman accepts.

For Vice-Chair: Commissioner Pete Sorenson nominates Larry Abel. Commissioner Pat Farr seconds the nomination. No other nominations. All in favor, none opposed. Vice-Chair Larry Abel accepts.

Pete Sorenson, District 3 Commissioner, answered question about how committee members can ask basic questions about budget structure, and clarifies that emailed questions are sent to Christine Moody.

Pete Sorenson asked the Committee to consider building in time in for the four new members of Budget Committee to ask more questions.

- Budget and Financial Planning Manager Christine Moody answered that additional time has been added on the 14th for discussion of new initiatives.
- Steve Mokrohisky mentions two hours carved out on the 14th and extra time is budgeted in upcoming meetings as well.
- Pat Farr, District 4 Commissioner, urges discretion in length on committee business.
- Christine Moody reminded the committee about the website, lanecounty.gov/budget, with more information, as well as the Dropbox for committee, a packet of answers that is assembled from emails and notecards that are collected after presentations.

III. BUDGET MESSAGE

Steve Mokrohisky, County Administrator, introduces the proposed 2019-20 budget via slideshow presentation.

- The committee was reminded of the goal to correct the \$6-9 million budget imbalance that was successfully met in two years.
- For the third year in a row, the budget being presented is structurally balanced for all of the 32 separate Lane County funds (meaning that revenues equal expenses, without having to dip into savings account, with no layoffs and no reduction of services).
- This has resulted in an increased credit rating, a reduction of claims cost, a four year stretch of little to no medical costs raised for employers, and state and national awards, including #1 Healthiest Public Employer in the State of Oregon, #40 Healthiest Employer in the Nation, and the Outstanding Community Partner Award from United Way.
- The financial stability has allowed more funding to direct residential services.

Steve Mokrohisky gave an overview of strategic plan priorities, which include housing, homelessness, mental health, substance abuse, and public safety as top priorities.

- A summary of past allotments was given, including 90 new supportive housing units in Lane County, 2 Million dollars in one-time funds for homeless projects (Sponsors in North Eugene, and Square One Cottages in Cottage Grove).
- One-time resources are aligned with building projects that support these goals. \$1 Million from the property tax settlement with Comcast is proposed to be set aside to seed the building of a new Behavioral Crisis Center, using evidence-based practices to lower costs to the overall public safety system.
- Public detention centers are stressed to the max, and the building of the Behavioral Crisis Center will, in the long run, lower the cost to taxpayers of repeat offenders to the criminal justice system through rehabilitation. It will provide a first step toward stability struggling with a behavioral crisis.
- This proposal is seeding the effort, to be carried further by partners in healthcare and the UO Mental Health Summit, as well as healthcare arena, the private sector, and nonprofit service partners such as St. Vincent de Paul.
- More than six out of ten inmates have documented mental health or substance abuse disorders, and that jails are not the place to solve these problems. Similar efforts, such as the new drop-in crisis center White Bird being built in the Whiteaker and the Hourglass Community Crisis Center, and that the proposed Behavioral Crisis Center will fill a different role as a jail diversion model open “23/7,” but work alongside existing programs as part of an effort to build a seamless coordinated system of crisis support services, and creating a pathway to end homelessness and build permanent supportive housing.
- Statistics were shared for the FUSE Pilot (Frequent Users of System Engagement) Project, connecting people with permanent supportive housing and services. Of

- note were an 83% reduction of EPD arrests, a 75% reduction of court citations, a 50% reduction of jail intakes, and a 53% reduction of overall healthcare costs.
- Graphics shown noted the proposed budget reflects an implementation of the TAC (Technical Assistance Collaborative) steering committee report commissioned by a Boston consultant group, that advocated concrete steps to end the cycle of recidivism. The report included recommending funds for a successful and evolving Dawn to Dawn program, making emergency shelters available. The proposed budget would add funding to this effort.
 - Lane County will be providing 50% of the total cost for this homeless system's transformation, where the City of Eugene would support other 50%. The proposal entails an aggressive search for three positions that would help bust barriers to security housing in the community, secure technical services which could use data analytics to look at how available housing could be effectively used, and analyze how to work with identification bureaucracy and landlords to find a solution for getting people off the streets. Steve Mokrohisky acknowledged this was a diverse and complex issue.

Steve Mokrohisky shifted his budget proposal overview to the building of a new Justice Center, as reflected by upcoming ballot measure on May 21st for \$154 Million 20-year bond.

- This would include expanding and renovating the courthouse, sheriff's office, victim services department, public defender's budget, and includes \$4 Million in one-time federal forest payments.
- Also this would improve equality and speed of access to justice in the community, as well as expanding the flexibility of courtroom to be used as a drug court.

Steve Mokrohisky moved on to note budget elements put aside for the park system master plan, as recommended in an audit.

- The proposal recommends funding the park system from transient rental taxes and car rental taxes.
- The plan requires coordination with partner groups to perform upgrades, as well as investment from one-time resources.
- The budget proposal recommends the creation of a task force for park funding for longer-term solutions to engage with park advisory committees.

Steve Mokrohisky highlighted the proposal's request to fund an additional 1.5 FTE positions in emergency management to respond to natural disasters, a move supported by sheriff's office.

- Special mention was made of Patience Whittingham from the City of Eugene's handling of two natural disasters this past year.
- Highlighted was the proposal's recommendation of funding a backup EOC (Emergency Operation Center) at the 3050 N. Delta Highway campus for supporting both sides of the Willamette.

Steve Mokrohisky made mention that space for parole and probation staff was inadequate and inappropriate, and efforts are being made to relocate.

Presented were a series of slides examining how a general-purpose breakdown of how a Lane County citizen's tax dollars are spent.

- Only 11% of property taxes go to the county.
- Lane County has the third lowest per capita local revenue of any county in the state and seventh lowest overall rate. That rate had worked in the past because of timber revenue (the general and road fund). This rate has been 93% reduced. Entitlement programs are not re-authorized.

Steve Mokrohisky updated the Committee on Lane County employment information.

- \$30 million is required for Lane County employee benefits.
- There is a 70% participation in wellness clinic.
- Per employee insurance costs are lower than 2014, and one-time payments can be used to pay off debt.
- There is a 90% job satisfaction for Lane County employees, with a 10% turnover rate despite heavy competition for talent.
- There have been improved support services, but communication and autonomy within the workforce could be improved.
- 42% of non-supervisors have gone through the Emerging Leaders program, led by Aaron Rawlins. 70%+ are women, and 38% have been promoted or involved in career development in the past year.
- Laura Vinson and the HR team has reported that 25% of applicants are non-white. 53% of hires are women and 20% are non-white.
- Over 50% of managers in Lane County are women.
- County Administrator Steve Mokrohisky urged a renewed commitment to equity work, in particular training in race sensitivity in the workplace.

Steve Mokrohisky noted the pressure from increasing ages and benefits.

- There was a 7% increase in PERS, and a further 4% increase expected (115 Million).
- There is \$79 Million in debt on the books, but that reflects a 28 million decrease in debt (26% reduction) in the past four years alone.

Steve Mokrohisky wrapped up his budget report and thanked Christine Moody, Jill Allen and Joe Szelesta for their work, as well as the many Departmental employees involved in preparing the proposed budget.

QUESTIONS for Mr. Mokrohisky were received.

- Kamala Shugar requested an electronic version of slides. County Administrator Mokrohisky says he will send one along.

- Pete Sorenson asked for clarification about the FY 18-19 adopted budget until June 30th (what last year's Committee and board approved), and that the recommended budget would fund at a slightly higher amount unless changes were requested by the Committee. Mokrohisky and Moody confirmed this.
- Budget Committee member Larry Abel gave praise for progress. Larry asked about how many people were involved in FUSE results. Karen Gaffney answers, saying 11 people were engaged in services from a 100-person pilot project. Pat Farr added it's expanded since then, and that the proposed Crisis Center is modeled on Marion County's successful system.
- Christine Moody responded to Commissioner Sorenson's question about dues, and asks if there is a place when comparisons can be made between received financial benefit and dues paid or investments made. Christine Moody said they're working on better numbers.
- Heather Buch gave thanks for previous work done to ensure stability.
- Pete Sorenson shared a personal story about timber tax figures: In Oct 2000, Congress passed the law that provided for payments above Lane County BLM land and National Forest lands, and Lane County was the largest recipient of these funds in United States (\$47 Million), and the White House asked Sorenson (the current Chair of the Budget Committee) to go to the signing ceremony.
- Timothy Morris asked about the timing of approval for new budget measures towards funding the courthouse and other matters. Moody and Mokrohisky answered this would be prior to the election. Morris also asked whether \$4 million does not pass federal budget, and Moody answered that commissioners would determine steps forward at that point and make a recommendation.
- Budget Committee member Larry Abel asked for clarification of the TAC plan at 50%. Clarification was given from Moody and Mokrohisky that 50% of funding for Dawn to Dawn program and 50% of the three new Crisis Center positions were budgeted, and that the City of Eugene were expected to provide the other half.

IV. BUDGET OVERVIEW

In a series of slides, Budget and Financial Planning Manager Christine Moody presented an overview of the breakdown of the total proposed budget: \$710,037,154 in total resources and requirements for 32 different funds.

A review of relevant and often confusing vocabulary terms was given before her presentation.

- These include revenue v. resources, requirements v. expenditures, appropriation, personnel services, materials and services, debt service, transfers, contingency, reserve.

A review of the structure of budgeting was given.

- Funds comprising departments can be further broken down as going towards expenses, personnel, and services.
- Moody reiterated that a structurally balanced budget is when ongoing resources equal ongoing requirements.

The FY 19-20 Lane County revenue budget is \$425,231,850, and was broken down into the component sources of revenue.

- State revenue is the largest slice of the pie, federal revenue is the fourth-largest.
- A details graph showed that materials and services are the primary expenditure.
- A table showed the reserves in funds, and how they're structured for sustainability.
- Budget changes (mentioned by Mokrohisky in his Budget Message) were also re-reviewed. Pie chart highlights included increases in the general fund and discretionary general fund. Bar graphs compared general fund requirements by type.

Christine Moody gave projected revenue, as well as future cautions.

- Of note is an impending recession affecting housing market, meaning less money from car rental and income taxes.
- Christine Moody also warns of an increased wage growth and rate increases expected by PERS, and capital assets aging.

Christine Moody reviewed the strategic plan's strong foundational strengths:

- Strong financial policies and bond rating.
- Community trust building (the public safety levy).
- The people and partnerships.

The floor was opened to questions from the Committee for Ms. Moody.

- Committee Member Kamala Shugar wanted clarification why county-wide funds were decreasing if the general fund was increasing.
 - Christine Moody answered, clarifying that "countywide" counted for all counties, though said she'd get back to Kamala about specifics.
- Committee Member Timothy Morris questioned why minimum reserve revenue was 20%, and how that was started.
 - Christine Moody answered that the GFOA (Government Finance Officers Administration) puts out best practices for reserve rate policy, and 17.7% was their recommendation, and the extra 2.7% was for service stabilization.

- Pete Sorenson additionally clarified that although budget goes into effect with the fiscal year on July 1st, the revenue is not usually available until November, and money needs to be on board to pay expenses.

Budget Committee Chair Herb Vloedman called for a ten minute break.

V. PUBLIC HEARING

Budget Committee Chair Herb Vloedman presided over for public comment by reading off a sign-up list, with a timer limit for five minutes.

Rose Wilde urged the board to review an email sent from Common Sense Justice For Lane County, representing two years of research centering around the problem of poverty and mass incarceration disproportionately affecting the black community.

- Rose mentioned her hopes to find a solution for bias prevention in the DA's office.

Ginny Osteen also spoke as member of local ACLU and Common Sense Justice for Lane County, and urged transparency for DA's office, reflected in currently-proposed House Bill 3224.

- Ginny hoped to remind Committee that budget can reflect priorities of collecting and reporting DA policy.

Marie Bowers, the President of Lane Families for Farms and Forests, a volunteer organization of 100+ members, expressed group support for remaining within O&C counties.

- Bowers underlined that AOCC (Association of Oregon California Counties) gives a voice to Lane County's concerns at a federal level and affects the economy (30% of Lane County land is harvestable federal land). Bowers made the point that revenues from O&C lands provide much-needed tax dollars to rural Lane County.

Chandra LaGue, representing the environmental advocacy organization Oregon Wild, hoped to persuade the Committee to leave O & C Counties.

- Chandra reminded the committee that membership in the AOCC is a small line item in the budget and recommends cutting it, as it is not necessary for receiving federal funds.
- Chandra further reminded the Committee that AOCC does not disclose how it spends Lane County revenue, but it can be inferred by their actions that the organization uses funds to sue and lobby the federal government to reduce wildlife and environmental protections and to promote timber harvest.
- Chandra underlined the costs of timber harvest: water quality reduction, fire danger increase, and resource extraction.

Cooper Otte, also in favor of cutting ties with AOCC, proposed that if cutting funding for AOCC seemed too extreme a measure for the Committee, then halfway measures could be adopted:

- Making a stipulation that funds collected by Lane County not pay AOCC litigation fees
- Make meeting times and locations of AOCC meetings public.

Christine Moody made sure the Committee was aware of some included parts of the Budget packet: the revised Committee schedule, new contact information sheet, department expenditure chart, memo on IGA dues, and responses to emailed questions.

Commissioner Joe Berney asked about the ability of Committee to change budgets over the five County Commissioners.

- Budget and Financial Planning Manager Christine Moody responded that the Committee that they may vote to make any line item change to the budget, though the Commissioners are the policy makers.

Public Hearing was adjourned by Chair Herb Vloedman.

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