

# Financial & Planning Summary

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## Fund Structure

Lane County's financial activities are accounted for on a fund basis. A fund is a fiscal and accounting entity of self-balancing accounts to record cash and other financial resources and related liabilities all segregated for specific regulated activities and objectives. The County uses fund accounting to ensure compliance with state and federal laws and rules, charters, local government resolutions and ordinances, and the principles of good accounting. The County creates funds to control the use of restricted or dedicated revenues. The County adopts a balanced, annual appropriated budget for all of its funds.

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. A fund structure chart is included at the end of this discussion. The chart reflects those funds for which the County has an appropriated budget, which then is followed by a complete list of each fund with descriptions.

### **Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. These include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

The purpose of a **General Fund** is to record financial transactions relating to all activities for which specific types of funds are not required. This fund is used for all receipts not dedicated for a specific purpose. In most counties, this includes such activities as law enforcement, youth services, assessment and taxation, and general administration.

**Special Revenue Funds** are set up for special tax levies and other dedicated revenues when required by federal law, Oregon statutes, charter provisions, or terms under which revenue is dedicated. The largest special revenue funds for Lane County are Road Fund, Health & Human Services Fund, and Title III Projects Fund.

**Capital Project Funds** record all resources used to finance building, rehabilitating, or acquiring capital facilities – non-recurring, major expenditures. Resources include the proceeds from the sale of general obligation bonds, grants, transfers, or other revenues authorized for financing capital projects. A separate fund is often established when a capital project or series of projects is authorized by the voters, such as those that require indebtedness. The fund is closed when the project is completed. Several related projects financed from one bond issue may be accounted for in one fund if there are no provisions to the contrary in the authorization to sell the bonds.

Taxing districts use **Debt Service Funds** to account for indebtedness as a result of borrowing money or issuing bonds. A voter-approved ballot measure authorizing a municipal corporation to sell bonds for a specific purpose is required if property taxes will be the source or repayment. The measure also authorizes a tax levy to pay off the bond principal and interest. The Debt Service Fund and a tax levy pay the principal and interest. Any cash on hand or unused working capital in the fund must be invested and the earnings used to pay bond principal and interest. Resources cannot be diverted or used for any other purpose. Transfers from a Debt Service Fund are only allowed in two situations. (1) Transfer to repay an interfund loan. (2) If a surplus remains after all interest and principal are paid, the fund may be dissolved and the balance transferred to any fund originally designated by the governing body, or as included in the bond contract.

A taxing district may set up **Reserve Funds** to accumulate money for specified purposes. A municipality, by ordinance, is permitted to set up a financial reserve fund. A question doesn't have to be submitted to the voters if the taxes levied, or other revenue used to establish the fund, are within the tax base. If it is necessary to exceed the tax base to obtain revenue for a new reserve, the voters must approve a tax levy question. The County does not have any Reserve Funds in effect at this time.

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### Proprietary Funds

The County maintains two different types of proprietary funds – enterprise funds and internal service funds. **Enterprise Funds** are used to finance and account for acquiring, operating, and maintaining facilities and services, which are self-supporting from user charges and fees. The County uses enterprise funds to account for its fairground operations, solid waste disposal utility, land management activities, corrections commissary operations, and regional information systems activities. **Internal Service Funds** are used to account for operations that provide services primarily to the other departments or agencies of the County, or to the other governments, on a cost-reimbursement basis. The County uses internal service funds to account for its self-insurance and employee benefits activities, motor pool operations, intergovernmental services activities, information services and computer replacement activities.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The accounting used for fiduciary funds is similar to that used for proprietary funds. The County maintains one fiduciary fund, the Retiree Benefit Trust Fund.

## **Basis of Budgeting and Accounting**

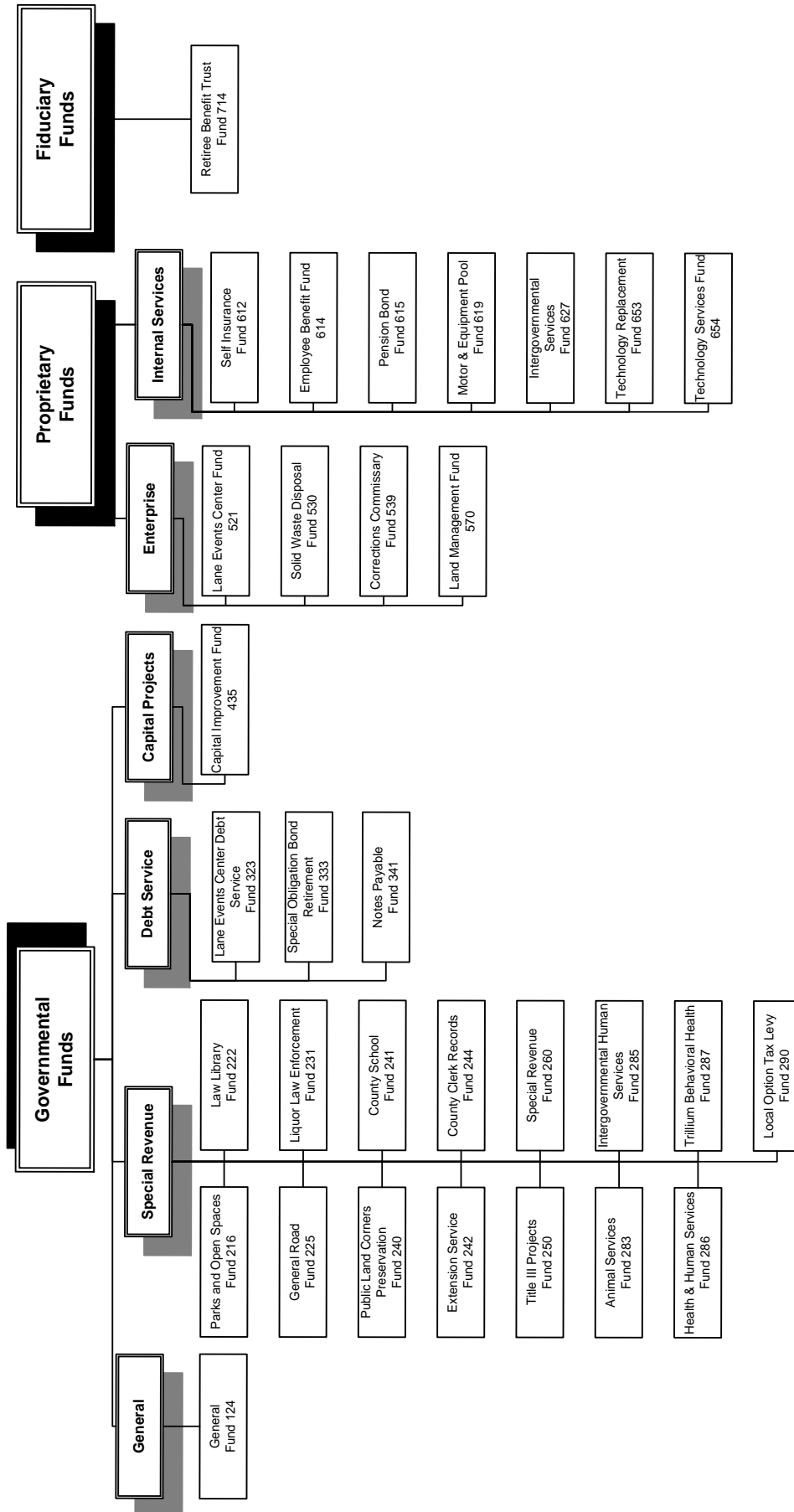
Lane County maintains its budget using the current financial resources measurement focus and the modified accrual basis of accounting as defined by Generally Accepted Accounting Principles (GAAP) and interpreted by the Governmental Accounting Standards Board (GASB), with certain exceptions. Under the current financial resources measurement focus revenues are recorded when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and vested compensated absences. Exceptions between the budget and modified accrual basis of accounting are as follows:

- Unrealized changes in the fair value of investments are not recognized on a budget basis
- Investment earnings are not accrued on a budget basis
- Intrafund transfers are recognized on a budget basis
- Prepaid expenditures for the Lane Events Center are reported on a budget basis

GAAP basis financial statements require governmental funds be recorded on the modified accrual basis of accounting and proprietary funds be recorded on the full accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, additional adjustments are required to convert proprietary fund types from the budget basis/modified accrual basis of accounting to the full accrual basis of accounting. For example, disbursements for the acquisition of proprietary fund capital assets would be considered expenditures under Oregon Local Budget Law and the modified accrual basis of accounting, but are capitalized as capital assets under full accrual reporting. Conversely, receipts of proceeds from proprietary fund debt financing are a budgetary resource under Oregon Local Budget Law and the modified accrual basis of accounting, but are reported as liabilities under full accrual reporting. Differences between the budget basis, modified accrual basis, and full accrual basis of accounting are reported at year-end in the Comprehensive Annual Financial Report (CAFR) in the Required Supplementary Information and Other Supplementary Information sections. You can view the CAFR at the Lane County website:

[http://lanecounty.org/government/county\\_departments/county\\_administration/operations/financial\\_services/](http://lanecounty.org/government/county_departments/county_administration/operations/financial_services/)

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## **County Funds Overview**

### **GENERAL FUND 124**

The primary operating fund for the County, this fund consists of discretionary revenues from tax collections, O&C timber receipts, investment earnings, cigarette and liquor taxes, and other state and local revenue sources. The remaining revenues are generated by activities such as grants and contracts, recording and election fees, and other revenues generated by department activities or services.

### **SPECIAL REVENUE FUNDS**

#### **Parks and Open Spaces 216**

This fund receives revenue from State and local sources for operations, maintenance and enhancement of County parks, campgrounds, and open spaces.

#### **Law Library Fund 222**

Revenues collected by the Courts as part of civil litigation filing fees support the Law Library. The library provides legal reference materials and assistance to patrons (attorneys, litigants, and public).

#### **General Road Fund 225**

Revenues are designated for the maintenance, preservation, and construction of the County road-and-bridge system. The major revenues are the state gas tax and highway user fees, along with National Forest timber receipts. These revenues are mandated by Federal and State law for road purposes. Presently, State law allows the use of National Forest timber receipts for police road patrols.

#### **Liquor Law Enforcement Fund 231**

Revenues are received from County Justice Courts, city municipal courts, and the District Court for fines on traffic violations related to the Liquor Control Act. Funds are administered by the District Attorney and are used for liquor law enforcement activities as well as for alcohol abuse prevention campaigns.

#### **Public Land Corner Preservation Fund 240**

Revenue from a Deeds and Records filing fee is dedicated to corner preservation activities. This program researches the records, locates government corners in the field, and re-establishes and records available to public on section, donation-land claim, and meander corners.

#### **County School Fund 241**

Revenue from this fund is distributed to County schools through the Lane Education Services District. State law requires that funding from 25% of the National Forest timber receipts received by the County and a portion of state timber sales receipts be paid by this fund.

#### **Extension Service Fund 242**

This fund was created following the passage of a five year local option levy of \$0.015 per \$1,000 assessed value in May, 2016 for operations and capital. While part of County's budget, the funds will be remitted directly to the Oregon State University (OSU) Extension Service in order to provide services specified within the ballot (4-H programs, Master Gardener, Master Food Preserver, secure local Extension positions, etc.) This current levy expires after the FY 20-21 tax year.

#### **County Clerk Records Fund 244**

Revenues received from recording of legal documents, including contracts, deeds, and other conveyances of real property for archival, indexing, and retrieval on computer and microfilm by the public. Marriage licenses are issued, ceremonies performed, and records indexed and maintained. The program also operates the County Record and Archive Center, administers the Records management program and

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micrographics program, and provides public assistance in the Records Research Room. These functions are performed in accordance with state and local mandates. (Commissioners' orders, ordinances, resolutions, and minutes are filed and maintained in the form of Commissioners' Journals).

### **Title III Projects Fund 250**

This fund holds the Title III revenue received from P.L. 106-393 (2000), P.L. 110-343 (2008), P.L. 112-141 (2012), P.L. 113-40 (2013), and P.L. 115-141 (2017) also referred to as the Federal Secure Rural Schools (SRS) legislation. There are specific allowable uses for these funds as detailed in the legislation and the BCC reviews requests and awards funds each fiscal year according to those uses.

### **Fund 260 Special Revenue**

This fund consists of several dedicated revenue sources and programs. Transient Room Tax funds the Tourism program. Revenue generated from the sale of tax-foreclosed real property supports the management of these properties. Funding is also included for the Short Mountain Training Facility, Drug Enforcement, and rural and community development projects. Court fines fund Courthouse Security operations.

### **Animal Services Fund 283**

Animal regulation services are provided for unincorporated Lane County and other small cities. Funding is provided by General Fund. As of July 1, 2014 animal regulation services will be provided through the General Fund and the use of the Animal Services Fund will be discontinued.

### **Intergovernmental Human Services Fund 285**

This fund is a cooperative intergovernmental effort between Lane County and the Cities of Eugene and Springfield to provide pooled human services and homeless resources and coordinated policy. This also provides for leveraging of State and Federal funds. Services are provided through a mix of contracted services provided by public and non-profit organizations, direct services provided by County staff, and involvement in community initiatives. Programs include Human Services Administration, Family Mediation, Energy & Conservation Services, Human Services Management Information System, Human Services and Housing, and Veterans Services.

### **Health & Human Services Fund 286**

Revenues are received from Federal, State and local resources, enabling Lane County to provide a wide variety of health and human services to the community. Programs funded include, but are not limited to, Public Health, Adult & Child Behavioral Health services, Developmental Disabilities, and Environmental Health services. This fund also contains sub-funds to provide the services of the Community Health Centers and Juvenile Detention and Youth Services.

### **Trillium Behavioral Health Fund 287**

This fund was originally established in October 2003 for LaneCare, which was the mental health managed care organization for Lane County through August 2012. The fund name was changed from LaneCare to Trillium Behavioral Health to coincide with the change of the managed care organization role moving from Lane County to Trillium Community Health. This fund now includes revenue to provide the administration of the behavioral health benefits to Oregon Health Plan members, which are funded through a contract with Trillium Community Health.

### **Local Option Tax Levy Fund 290**

This fund was created following the passage a five year local option levy tax for the restoration of jail beds and critical youth services in May, 2013. This fund contains property tax revenue received from the approved levy of \$.055 per \$1,000 assessed value. The levy was last renewed by voters in May of 2017. The current levy expires after the FY 22-23 tax year.

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## DEBT SERVICE FUNDS

### **Lane Events Center Debt Service Fund 323**

This fund accounts for the accumulation of resources for and payment of debt service for the construction and renovation of facilities at the fairgrounds site. Fund resources come from transient room tax revenue funds, grants, and donations.

### **Special Obligation Bond Retirement Fund 333**

This fund provides for the interest and principal payments to retire bonds sold to finance capital improvements and equipment purchases, using pledged revenue as the source of repayment. For the Capital Project Debt Retirement, the revenues are pledged from building rental income and an annual general fund appropriation.

### **Notes Payable Fund 341**

This fund provides for the interest and principal payments to retire promissory notes sold to finance capital improvements and equipment purchases, using pledged revenue from the Capital Improvement Fund as the source of repayment.

## CAPITAL PROJECTS FUNDS

### **Capital Improvements Fund 435**

The sale of County property, rental and parking revenue, and payments through the Indirect Cost Allocation Plan provide the resources for major capital equipment projects.

## ENTERPRISE FUNDS

### **Lane Events Center Fund 521**

The fund receives revenue from local resources and user fees generated by activities at the Lane Events Center. The principal revenues are Convention Center rental fees, County Fair admission and amusements, and building use fees during the remainder of the year. The fund also receives Transient Room tax funds, which are designated for capital improvements and operations as approved through the budget process.

### **Solid Waste Disposal Fund 530**

This fund operates solely on revenues generated from user fees. As of July 1, 1993 a portion of the user fees collected are allocated for the integrated solid waste management system through waste prevention, reuse and recycling, waste diversion and operation of outlying transfer sites throughout the County as well as the development, replacement, closure, and post closure requirements of County solid waste landfill sites and the Central Receiving Station in Glenwood.

### **Corrections Commissary Fund 539**

The fund provides for the purchase of sundries by corrections facility inmates. Items offered for purchase are for personal use or consumption and do not duplicate necessities issued to inmates. Commissary profits provide recreational equipment for inmate use within the corrections facility. All revenues are received from inmates.

### **Land Management Fund 570**

This fund contains revenue for the Land Management Division of Public Works that is generated from building permit, zoning fees, and user fees for land use planning, building, electrical subsurface sanitation, and code compliance services to the public and cities within the county.

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### INTERNAL SERVICE FUNDS

#### **Self-Insurance Fund 612**

Lane County is self-insured for both Workers' Compensation and general liability, including property, equipment, employee faithful performance, and certain special coverage. Revenues are provided by departmental contributions made from other funds based on a combination of exposures and experience.

#### **Employee Benefit Fund 614**

The fund receives payments from all County departmental budgets to pay for all negotiated and statutory employee benefits such as FICA (Social Security), PERS, Unemployment, Health Insurance, and services including employee assistance, health promotion, and training. The County's Health Plan Self-Insurance Fund is also part of this Fund.

#### **Pension Bond Fund 615**

The Pension Bond Fund is an internal service fund established to account for the receipt of the payroll surcharge assessed against operating departments and used to make Public Employee Retirement System (PERS) bond payments.

#### **Motor and Equipment Pool Fund 619**

This fund provides vehicles and equipment for use by County departments and other governmental agencies. The payments to this fund are for vehicle operation and maintenance, as well as vehicle replacement.

#### **Intergovernmental Service Fund 627**

This fund provides administrative support services to all County departments and other agencies. Services are provided on a cost-reimbursement basis.

#### **Technology Replacement Fund 653**

This fund receives payments from all Lane County departments who intend to replace their personal computers, servers, copiers, and printers based on a scheduled replacement cycle. Monthly payments are made based upon the number and type of equipment. Once sufficient funds have accrued, the paying department can use the proceeds to purchase replacements. The Technology Services department manages this fund.

#### **Technology Services Fund 654**

This fund accounts for information technology core infrastructure and support services provided to County departments and regional customers on a cost-reimbursement basis by the Technology Services department. This fund was established with an effective date of July 1, 2004. Prior to the creation of this fund, the Technology Services department was budgeted within the General Fund.

### TRUST AND AGENCY FUNDS

#### **Retiree Benefit Trust Fund 714**

The County has an obligation for medical benefits for certain retired employees. This is a limited obligation in that no employees hired after 1997 are eligible to receive it. The Retiree Benefit Trust Fund was established to adhere to governmental accounting standards that require the County to provide dedicated funding for this defined liability for the duration of its existence and to place those funds in a trust fund. Monies will be placed into this fund each year to meet the obligation based upon an actuarial analysis. The Retiree Benefit Trust Fund will account for the receipt of the payroll surcharge assessed against operating departments and to account for the medical benefit payments.

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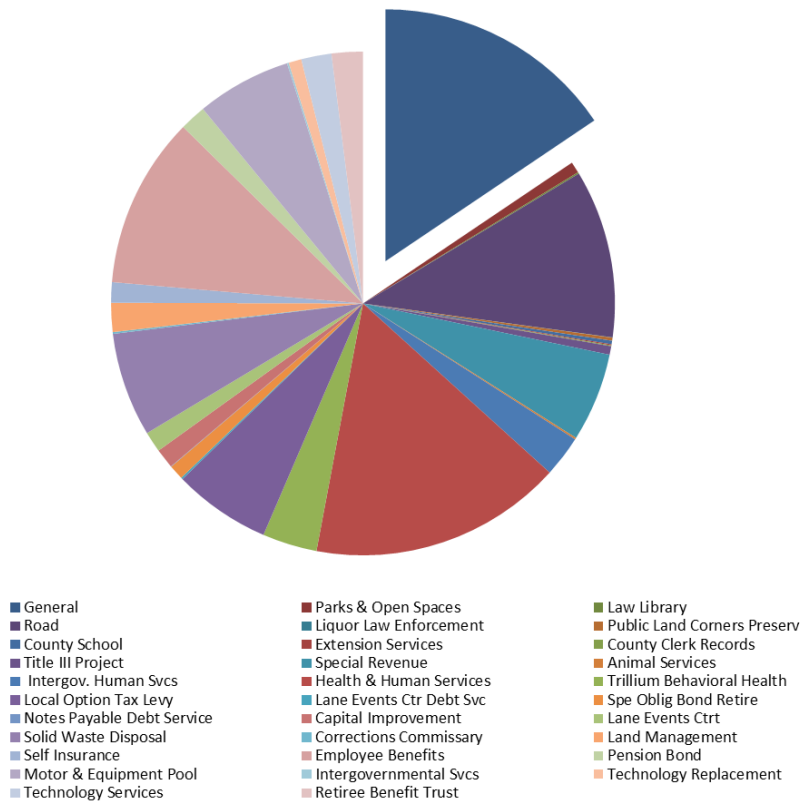
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## Understanding the County's Budget

### General Highlights

The Fiscal Year 2019-2020 Proposed Budget including expenditures, transfers and reserves for all funds is \$710,037,154, which is a \$13,979,167 or 1.93% decrease from the current fiscal year budget.

The County has 32 different funds in the FY 19-20 budget, with the majority of the funds being restricted special use funds. The General Fund, which is the primary operating fund of the County, accounts for 15.56% of the entire requirements budget.



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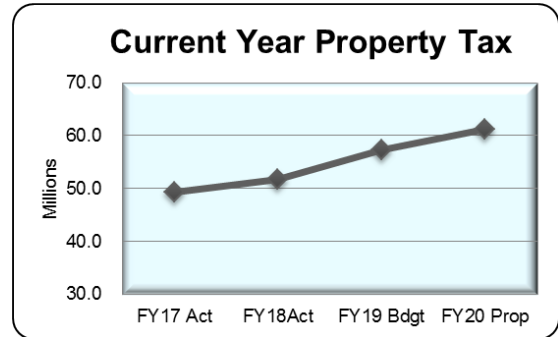
## Major Revenue & Resource Trends

### Revenues

Revenues have been adjusted based upon anticipated or reported funding and current financial projections. The County also relies heavily upon comparisons to historical actuals for both revenue and expenditure projections. Major categories of revenue are described below.

### Current Year Property Tax

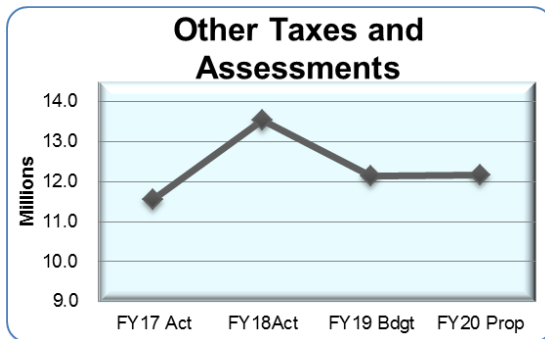
Current Year Property Tax revenue is anticipated to represent 14.4% of the County's total revenue in FY 19-20. Lane County's permanent tax rate under voter approved Measure 50 is \$1.2793 per \$1,000 of Assessed Value (AV). The current AV is increased by a constitutionally restricted limit of 3% plus additions for estimated new construction. It is estimated that the County will receive \$42.5 million from its permanent rate and a total of \$61.2 million from all of its property tax levies. In addition to the permanent rate, the County also collects taxes on two voter approved local option levies - the first being the Public Safety Levy with an authorized rate of \$.055 per \$1,000 AV passed by voters in 2013 and renewed in 2017 for restoration of jail beds and critical youth services, and the second, passed in 2016, for a 4H Extension Services at a rate of \$0.015 cents per \$1,000 AV. It should be noted that the 4H Extension Service levy funds pass through the County's budget and are paid directly to the OSU Extension Service which is a separate entity from Lane County government.



Overall, current year property tax growth is estimated at 3.75% from current year due to a strong local housing market.

### Other Taxes & Assessments

In addition to Current Year Property Tax receipts, the County also collects other taxes including Prior Year (late) Property Taxes, Payments in Lieu of Taxes (PILT), Car Rental, Transient Room occupancy and other miscellaneous taxes and assessments. This portion of Taxes & Assessments will represent 2.86% of total County revenue and is projected to remain flat for FY 19-20. Federal PILT payments are not currently budgeted for FY 19-20 due to lack of an authorization of the funding. In past years, the County has received approximately \$700,000 in PILT into its General Fund. The spike in revenue shown on the chart to the left for FY18Act was the result of a one-time increase in PILT. A relatively new 3% local marijuana tax passed by voters is still early in its collection. Most recent collections have shown collection of late taxes, indicating that prior year recorded receipts were low.

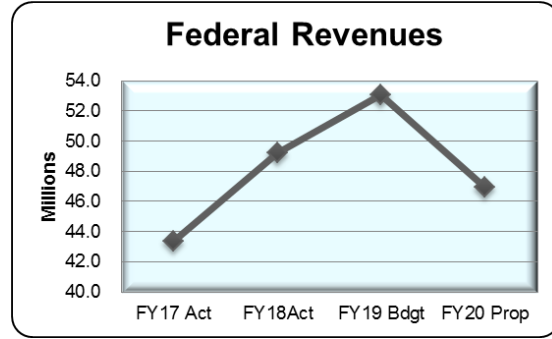


The late payments make future projections for ongoing revenue difficult. Projections for that revenue source will be updated once more data is available. State marijuana tax revenue is shown under State revenue found below.

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## Federal Revenues

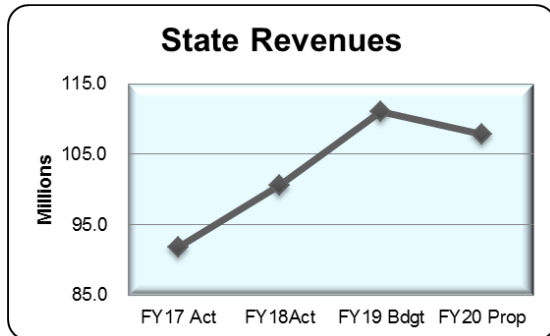
Federal revenue to the County will decrease by 11.54% in FY 19-20 largely due to the end of the most recently authorized Secure Rural Schools (SRS) Act payments. Those payments, meant to replace decreasing timber revenue to counties resulting from changes in federal logging practices have steadily declined by at least 5% annually since the first renewal of the Act in 2012. There is no current reauthorization of payments for FY 19-20 and the Proposed Budget contains a return to actual timber harvest receipts for both the National and O&C forests. Given the volatility of the SRS funds the County now budgets any authorized SRS payments above the anticipated timber revenue as one-time funds.



The County's largest source of federal funding is now from Medicaid Wrap payments received through the County's Community Health Centers within the Department of Health & Human Services. That revenue source has steadily increased in recent years with an anticipated amount of \$22 million in FY 19-20, up from \$20.4 million in the current year. Additional Health & Human Services funding (\$6.5 million), Housing and Community Development (\$2.6 million, and Child Support Enforcement payments (\$1.5 million) are a few of the other larger sources of Federal Revenue to the County.

## State Revenues

State revenue consists of 25.3% of all County revenue and comes primarily in the form of specific use grants (\$68.4 million). Total State Revenue is estimated at \$107.7 million, which is down \$3.2 million or 2.94% from FY 18-19. FY 19-20 will be the first year of a new State Biennium, which means many of the County's State revenue is not final until the 2019 State Legislature Session completes in June.



The County's largest grant state funding consists of Mental Health Division payments in the amount of \$20.4 million. Coordinated Care Organization payments are also within this category of funding and are estimated to total \$10.7 million in FY 19-20.

Community Corrections Act (CCA) funding is currently budgeted flat at \$12.5 million for FY 19-20 due to unknown final State budget numbers. This funding is the result of the Community Corrections Partnership Act

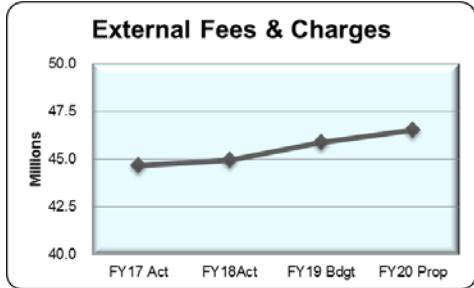
established in 1997 and governed by ORS 423.505. The County's Parole & Probation Division, in the Department of County Administration, is primarily funded with this revenue source at \$8.3 million. The Sheriff's Office receives the remaining \$4.2 million in funds for jail beds, electronic surveillance and community service programs. The amount of revenue received under CCA is dependent upon the number of felony convicted offenders under supervision in Lane County – making the service level within the District Attorney's Criminal Prosecution office critical.

Current projections for State shared revenue taxes on cigarette, liquor, amusement device and a recreational vehicle fee are stable and expected to total just over \$3.4 million in FY 19-20. Liquor tax continues to experience growth year over year while cigarette tax revenues are declining. Video Lottery revenue, which must be spent on economic development, is projected to grow by 3% and total \$1.6 million for FY 19-20. The State Marijuana Tax, implemented in calendar year 2016, is collected by the State and the County began receiving distributions in September of 2017. Receipts have initially far exceeded the State's initial projections and the County's current annual projected revenue is \$1.2 million.

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Highway Funds and Gas Tax are the largest source of non-grant funds from the State and are expected to total \$26.2 million in FY 19-20. This revenue is experiencing relatively steady growth as House Bill 2017, which increased fees and taxes to add to transportation funding statewide, is implemented.

## Fees and Charges

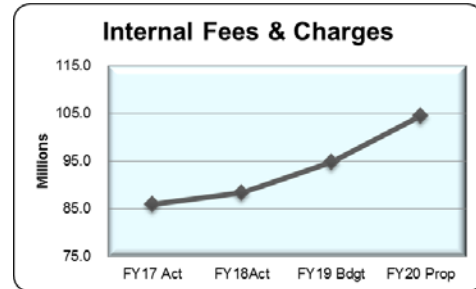


### External Fees

The County charges fees for services rendered to residents in areas such as Short Mountain Landfill fees, Land Management permit fees and real property recording fees within Deeds & Records. These fees will total \$46.5 million in FY 19-20, which is approximately 1.4% growth from FY 18-19. The County reviews its fees regularly to ensure cost of service is recovered wherever possible.

### Internal Fees

The County budget also accounts for fees charged internally between departments and Internal Service Funds for benefit costs, finance, human resources and administrative services as well as legal and technology services necessary to enable departments to provide services to the public. Internal fees will total \$104.4 million in FY 19-20.

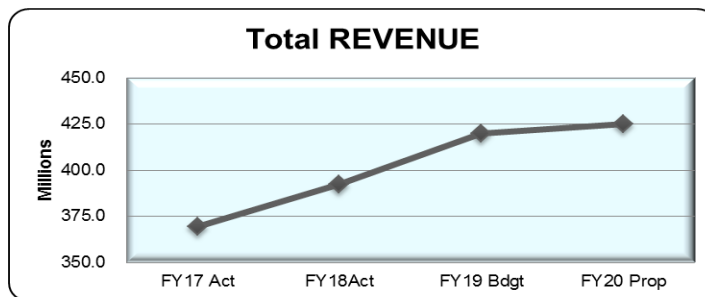


## Interest Earnings

The County invests cash on hand within all County funds in compliance with Oregon Revised Statutes 294 and 295, Lane Manual 4.015 to 4.020, and Lane County's Administrative Procedures Manual Chapter 2, Section 20 with a focus on Safety, Liquidity and Yield. Investments in the current fiscal year have increased due to the Federal Reserve's increasing of interest rates. This action resulted in the County's yield to maturity on December 31, 2018 increasing up to 2.108% from 1.455% for the same period in 2017. Interest earnings Countywide are projected at 2.25% for FY 19-20 for a total \$3.89 million in revenue for FY 19-20.

## Total Revenue

For FY 19-20, the County is also projecting the following other major revenue sources: Property and Rentals of \$6.6 million, Local Revenues of \$9.3 million, Fines Forfeitures and Penalties \$1.2 million and internal Administrative Charges \$20.8 million. Total County Revenue is projected at \$425,231,850. Revenue accounts for just under 60% of all County Resources within the County's budget.



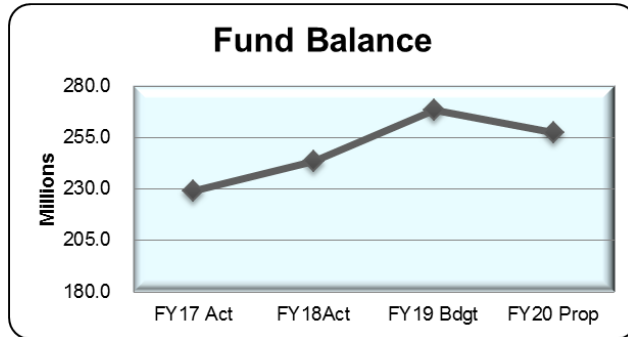
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## Other Resources

In addition to the revenue that will be received by the County in FY 19-20, the County also maintains fund balances in each of its funds and transfers money between funds which are then available as a Resource in the budget year and beyond. Beginning fund balances maintain the same spending restrictions as the original revenue source. In addition, many of the County's funds are required to maintain specific reserve levels for cash flow, self-insurance, bond ratings, service stabilization, maintenance of assets, and events such as the future closure of the Short Mountain landfill and disaster preparedness for roads and bridges.

## Fund Balance

Fund Balance represents the amount of money that is anticipated to be unspent and carried forward into FY 19-20 at the end of the current fiscal year. These funds will either be spent or reserved based upon reserve policies for the type of fund and service. In some cases the County also relies on these funds to maintain stable service levels from year to year as revenues fluctuate. The most important thing to remember when reviewing Fund Balance is



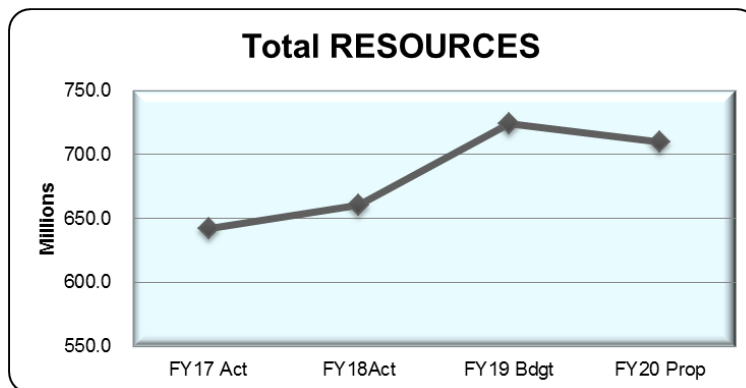
that the funds are available for “one-time” use only. This means they do not replenish themselves once spent – unless additional funds are received or unspent elsewhere. In FY 19-20, the total beginning fund balance for all County funds is estimated at \$257.4 million, which is a decrease of \$10.7 million from current year budget. While in some cases this reduction is anticipated due to planned spending, the decrease also shows an overall decline in resources available to the County for providing services to the community.

## Transfers

The Transfer of funds from one County Fund to another will amount to \$18.5 million in FY 19-20. The reasons for these types of transfers include payment of debt, transfer of General Fund to other funds for services, and payment transfer of administrative charges within a Department between funds.

## Total Resources

All available Resources for FY 19-20 are budgeted to total \$710,037,154. This is a decrease of \$13,979,167 from the current year's budget of \$724,016,321.



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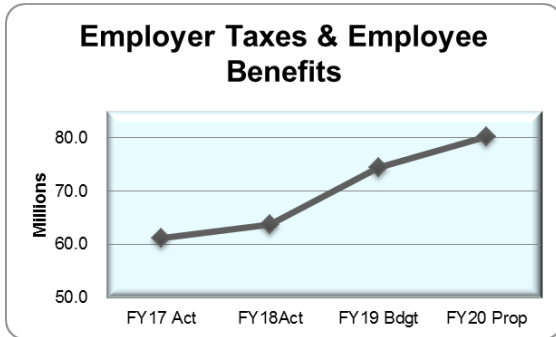
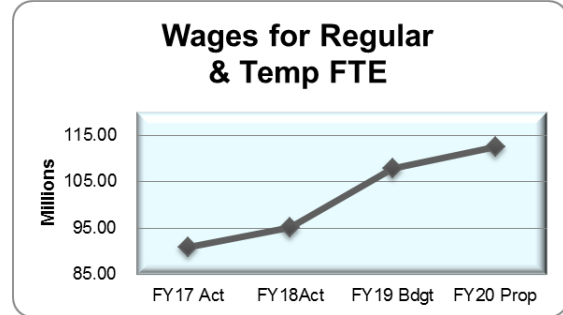
## Major Expenditure Trends

Expenditures are defined in Oregon local budget as personnel services, material and services, capital, and debt service.

### Personnel Services

#### Wages

Lane County's services, like most governmental agencies, are labor intensive. The total wages for both regular and temporary employees (total of 1,664.59 FTE) are budgeted at \$112.46 million for FY 19-20, an increase of 4.3% from current year. The County also hires Extra Help employees (working no more than 520 hours in each fiscal year) throughout the year in various service areas for short-term needs. Extra Help Wages are projected to total \$2.6 million, bringing total projected wages to \$115.1 million for FY 19-20. Wages account for 25.5% of all County expenditures.



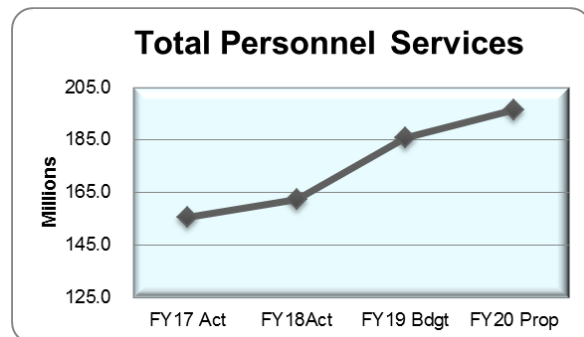
#### Benefits

An additional \$80.1 million in expenses is budgeted for employer taxes such as Social Security and Medicare as well as benefit costs associated with medical insurance, retirement, deferred compensation and other employer paid benefits. Taxes and benefit costs now average \$48.1 thousand per FTE. Health insurance costs continue to remain fairly steady following the County's move to a self-funded model in 2015.

Public Employee Retirement System (PERS) employer rates are increasing for the 2019-2021 state biennium. The County's employer rate is different for each employee's tier enrollment in PERS (set by the State and based upon hire date). Lane County's rates are increasing for all three tiers which will result in an estimated 24.9% increase. Current projections show that the County will continue to experience additional rate increases in future biennia due to the overall unfunded liability level of PERS. The County also has a PERS Bond payment each year from the prepayment of a portion of the unfunded liability back in the early 2000's. That bond payment is funded by internally charging a rate against all PERS eligible wages. The PERS Bond rate will remain flat in FY 19-20 and is expected to increase .25% in FY 20-21.

#### Total Personnel

Total Personnel expenses are projected to total \$196.4 million which is an increase of \$10.3 million or 5.56% from current year budget. This represents 43.2% of the County's total expenditure budget.



The County's Proposed Budget includes a Personnel expense budget built in accordance with recommended best practices and County policy which takes into account expected vacancies in positions throughout the budget year. While it is more common practice in government budgeting to budget for full employment (100% of positions filled throughout the entire fiscal year), that practice

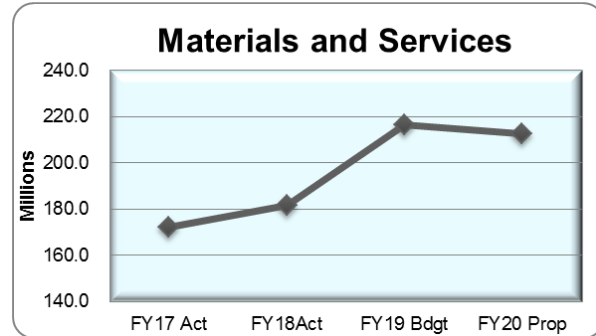


## Financial & Planning Summary

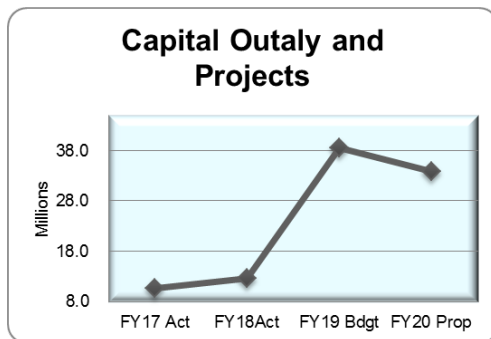
results in an inflated expenditure budget. Lane County began to adjust its Personnel expense budget for vacancies in FY 17-18 and will continue to refine the process and future vacancy projections. For the General Fund, an assumed 3% vacancy rate has been included in the FY 19-20 Proposed Budget. All other County funds have taken anticipated vacancy rates into account when projecting their Personnel expenses – with specific percentage rates built in specific to each Fund. The move towards more accurate budgeting of Personnel expenses provides more transparency and accuracy in the budget for projected expenses and documents the ongoing structural balance of County Funds.

### Materials & Services

This category is projected to total \$212.8 million or 46.8% of the total expenditure budget for the County for FY 19-20. This a \$3.9 million decrease from current year fiscal year. The decrease is attributed to the spending of one-time costs in FY 18-19 for items such as the \$2 million Housing Improvement Plan Initiative, as well as a continued focus on cost containment to maintain the personnel needed to provide direct services to citizens.



### Capital Outlay and Projects



Capital outlay and projects are budgeted at \$33.8 million, which represents 7.4% of the County's total expenditure budget. The majority of the projects in this category are found in the County's Five-Year Capital Improvements Plan. The increase over the four year period is largely attributed to increased road and bridge projects resulting from additional State funding from the Transportation Package passed in 2017. Capital Outlay expenses include purchase of radios and the radio network in the Sheriff's Office as well as motor vehicles within Fleet Services and computers in the Technology Services Department. The decrease for FY 19-20

from current year is largely attributed to the one-time purchase of land from the City of Eugene in FY 18-19.

### Debt Service

The County pays debt service payments on various bonds issued for a variety of projects. Specific details on the bonds can be found in the Non Departmental section of this document. The payments consist of both principal and interest payments and are budgeted in FY 19-20 at a total of \$11.6 million.

Payments are currently being made for the following major bonds: Heating, Ventilating and Air Conditioning (HVAC) and Fairgrounds' capital improvements bonds; Mental Health Building; Public Health and Community Health Clinics, the PERS Limited Tax Pension bond, and 2011 Improvements (Riverstone, Marina, Customer Service Center, Lane Events Center Roof and PSB HVAC).

### Total Expenditures

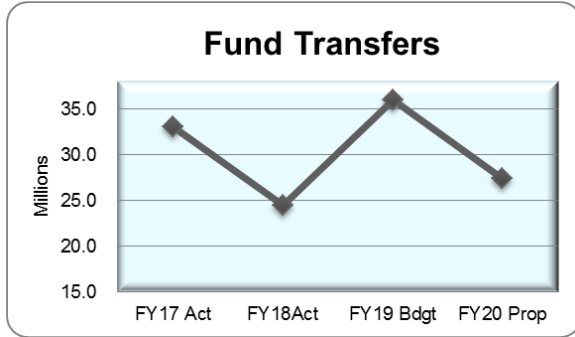
In FY 19-20, the County is projecting total expenditures of \$454,533,409. Expenditures account for 64% of all County budget requirements.

# Financial & Planning Summary

## Other Requirements

In addition to the expenditures described above, the County has other requirements detailed in the budget pursuant to budget law. These include fund transfers (transfer of monies from one fund to another) as well as contingencies and reserves.

## Fund Transfers

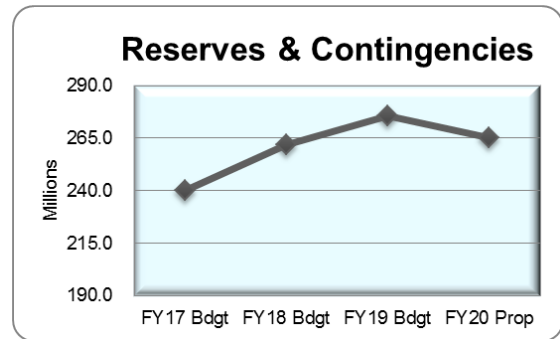


Transfers between County funds will total \$27.4 million in FY 19-20. A large percentage of that total is a transfer of General Fund into Special Revenue Funds to pay for services such as Public Safety, Public Health, Mental Health, Developmental Disabilities and Youth Services. Funds are also transferred from Departments into Debt Service funds to make the bond payments referenced above. More detail on Transfers between Funds is available in the Non-Departmental section of this document. Fund Transfers fluctuate

year to year based upon one-time expenditures.

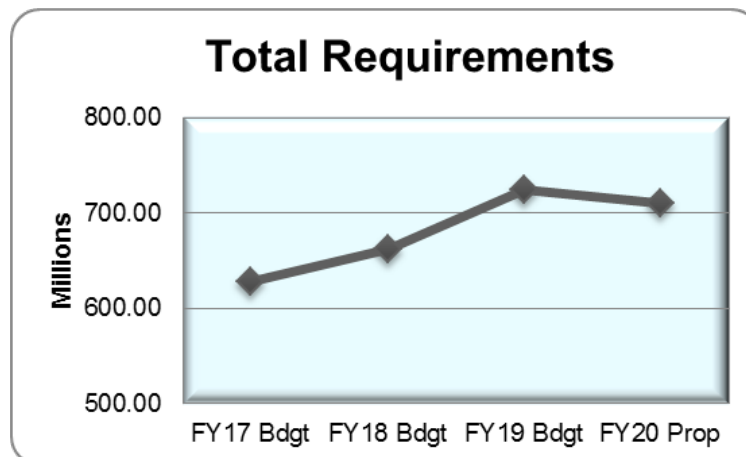
## Reserves & Contingencies

Reserves for all funds are estimated to total \$190.9 million by the end of FY 19-20 with an additional amount of \$37.2 million budgeted for contingency. Additional information on reserves and contingencies, including detail on amount by Fund, can be found in the Non-Departmental section of this document. The chart to the right contains final budget, current budget and proposed budget amounts because reserves & contingencies do not show up in Actuals given that they are not spent from that category. If contingencies or reserves need to be spent in a fiscal year, the amount will be moved to the appropriate expenditure or requirement category.



## Total Requirements

Total budgeted requirements for FY 19-20 total \$710,037,154, which is a decrease of \$13,979,167 from the current year's budget of \$724,016,321. This amount matches available resources and therefore meets Oregon State Budget Law requirement for a balanced budget. The chart below documents budgeted amounts for the four year comparison period due to contingencies & reserves not being represented in prior year Actuals as described above.





## Financial & Planning Summary

RESOURCES & REQUIREMENTS - ALL FUNDS COMBINED							
Proposed BUDGET							
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	\$ Chng	% Chng	Total
	Actuals	Actuals	Cur Budget	Proposed	from Curr	from Curr	Bdgt
Taxes & Assessments	\$60,845,528	\$65,310,124	\$69,458,476	\$73,373,044	\$3,914,568	5.64%	10.33%
Licenses & Permits	4,396,526	4,515,193	4,429,600	4,317,405	(112,195)	-2.53%	0.61%
Fines, Forf., Penalties	1,586,584	1,393,804	1,270,865	1,215,700	(55,165)	-4.34%	0.17%
Property & Rentals	7,473,645	7,234,711	9,282,157	6,647,730	(2,634,427)	-28.38%	0.94%
Federal Revenue	43,357,687	49,217,374	53,055,990	46,933,348	(6,122,642)	-11.54%	6.61%
State Grant Revenue	60,697,041	64,607,067	68,302,921	68,393,586	90,665	0.13%	9.63%
Other State Revenue	31,138,984	35,955,961	42,717,855	39,364,274	(3,353,581)	-7.85%	5.54%
Local Grants	1,831,113	1,827,556	2,152,433	1,718,404	(434,029)	-20.16%	0.24%
Local Revenues	5,576,733	5,888,435	6,221,554	7,598,384	1,376,830	22.13%	1.07%
Fees & Charges	130,530,944	133,322,321	140,657,186	150,923,133	10,265,947	7.30%	21.26%
Administrative Charges	19,556,027	19,261,407	19,369,643	20,859,191	1,489,548	7.69%	2.94%
Interest Earnings	2,560,185	3,599,823	2,903,659	3,887,651	983,992	33.89%	0.55%
Bond Sales	9,897,864	0	0	0	0	0.00%	0.00%
Resource Carryover	229,620,889	243,598,595	268,185,829	257,440,756	(10,745,073)	-4.01%	36.26%
Interfund Loans	20,000	1,013,508	1,331,891	1,001,461	(330,430)	-24.81%	0.14%
Fund Transfers	33,029,982	23,513,599	34,676,262	26,363,087	(8,313,175)	-23.97%	3.71%
<b>Total Resources</b>	<b>642,119,730</b>	<b>660,259,477</b>	<b>724,016,321</b>	<b>710,037,154</b>	<b>(13,979,167)</b>	<b>-1.93%</b>	<b>100%</b>
Personnel Services	155,773,259	162,612,561	186,017,332	196,363,725	10,346,393	5.56%	27.66%
Materials & Services	172,077,217	181,523,829	216,703,131	212,815,329	(3,887,802)	-1.79%	29.97%
Capital Outlay	2,500,306	3,520,372	8,718,243	9,007,534	289,291	3.32%	1.27%
Capital Projects	8,117,942	9,117,434	29,770,729	24,788,806	(4,981,923)	-16.73%	3.49%
Debt Service	27,002,426	9,758,946	9,864,354	10,556,554	692,200	7.02%	1.49%
Fund Transfers	33,049,982	24,527,106	36,008,153	27,364,548	(8,643,605)	-24.00%	3.85%
Interfund Loan	20,000	1,013,508	1,331,891	1,001,461	(330,430)	-24.81%	0.14%
Operational Contingency	0	0	39,884,211	37,160,752	(2,723,459)	-6.83%	5.23%
Total Reserves	0	0	195,718,277	190,978,445	(4,739,832)	-2.42%	26.90%
<b>Total Requirements</b>	<b>398,541,132</b>	<b>392,073,756</b>	<b>724,016,321</b>	<b>710,037,154</b>	<b>(13,979,167)</b>	<b>-1.93%</b>	<b>100.00%</b>

## Financial & Planning Summary

FY 19-20 DEPARTMENT LEVEL PROPOSED RESOURCES BY FUND TYPE & DEPARTMENT						
Department Name	General	Special Revenue	Capital Projects	Enterprise	Internal Services	Total Dept
Assessment & Taxation	\$1,591,060	\$0	\$0	\$0	\$0	\$1,591,060
Board of Commissioners	1,015,632	0	0	0	0	0
County Administration	7,949,446	12,888,554	3,476,185	0	573,388	25,903,205
County Counsel	1,538,690	0	0	0	0	1,538,690
District Attorney	3,693,264	7,119	0	0	0	3,700,383
Emergency Management	693,178	0	0	0	0	693,178
Health & Human Svcs	0	122,835,316	0	0	0	122,835,316
Human Resources	2,546,087	0	0	0	0	2,546,087
Public Works	3,367,665	47,629,133	0	34,682,105	8,730,388	94,409,291
Sheriff's Office	8,410,508	26,005,725	0	156,500	883,140	35,455,873
Technology Svcs	0	0	0	0	15,864,753	15,864,753
<b>Total Resources</b>	<b>\$ 30,805,530</b>	<b>\$ 209,365,847</b>	<b>\$ 3,476,185</b>	<b>\$ 34,838,605</b>	<b>\$ 26,051,669</b>	<b>\$ 304,537,836</b>

FY 19-20 DEPARTMENT LEVEL PROPOSED EXPENDITURES BY FUND TYPE & DEPARTMENT						
Department Name	General	Special Revenue	Capital Projects	Enterprise	Internal Services	Total Dept
Assessment & Taxation	\$6,649,147	\$0	\$0	\$0	\$0	\$6,649,147
Board of Commissioners	1,084,729	0	0	0	0	0
County Administration	8,253,548	13,066,938	6,890,014	0	582,567	29,877,796
County Counsel	1,936,999	0	0	0	0	1,936,999
District Attorney	11,098,364	12,726	0	0	0	11,111,090
Emergency Management	553,905	0	0	0	0	553,905
Health & Human Svcs	0	128,319,432	0	0	0	128,319,432
Human Resources	2,908,405	0	0	0	0	2,908,405
Public Works	3,996,224	50,060,734	0	30,388,355	9,186,643	93,631,956
Sheriff's Office	33,752,850	27,976,136	0	166,016	4,324,768	66,219,770
Technology Svcs	0	0	0	0	15,408,379	15,408,379
<b>Total Expenditures</b>	<b>\$ 70,234,171</b>	<b>\$ 219,435,966</b>	<b>\$ 6,890,014</b>	<b>\$ 30,554,371</b>	<b>\$ 29,502,357</b>	<b>\$ 356,616,879</b>

## Financial & Planning Summary

### **EXPENDITURES BY SERVICE CATEGORY**

Local Oregon Budget Law defines expenditures as Personnel, Material & Services, Capital Expenditures and Debt Service payments. Below is a summary of the FY 19-20 budgeted amounts in each of these categories, broken down by Service Category.

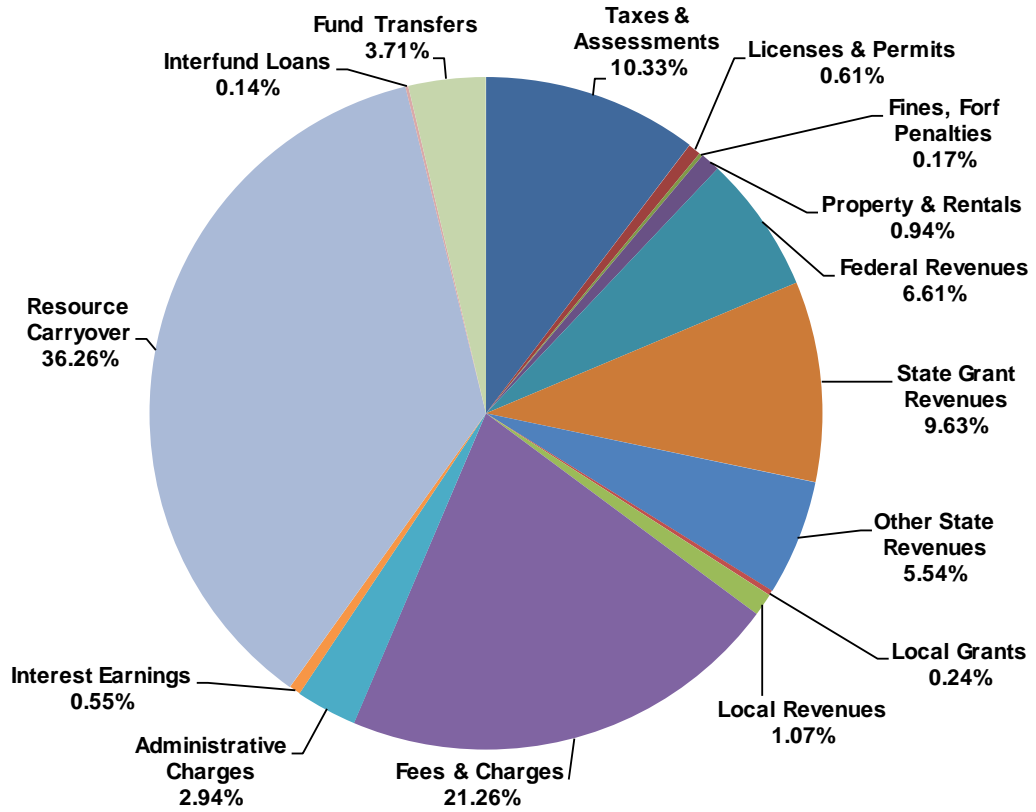
For more information on budgeted amounts for the remaining requirements within the FY 19-20 Proposed Budget, which includes Interfund Transfers, Contingencies and Reserves, please see the Non-Departmental Tab within this document.

FY 19-20 PROPOSED EXPENDITURES BY SERVICE CATEGORY								
ALL FUNDS COMBINED								
Expenditure Type	Culture & Recreation	Community Development	Gen Gov't	Public Health	Roads & Infrastructure	Public Safety	Non Operating	Total
Personnel	\$3,506,756	\$4,597,745	\$29,857,686	\$65,669,212	\$26,829,654	\$65,902,672	\$0	\$196,363,725
Material & Services	4,398,183	8,617,379	17,197,691	49,601,635	21,842,807	33,277,020	77,880,614	212,815,329
Capital Expenditures	1,680,000	106,900	11,133,948	1,998,945	14,209,363	4,617,184	50,000	33,796,340
Debt Service	860,293	0	549,088	1,289,262	378,318	754,488	7,726,566	11,558,015
<b>TOTAL:</b>	<b>\$10,445,232</b>	<b>\$13,322,024</b>	<b>\$58,738,413</b>	<b>\$118,559,054</b>	<b>\$63,260,142</b>	<b>\$104,551,364</b>	<b>\$85,657,180</b>	<b>\$454,533,409</b>

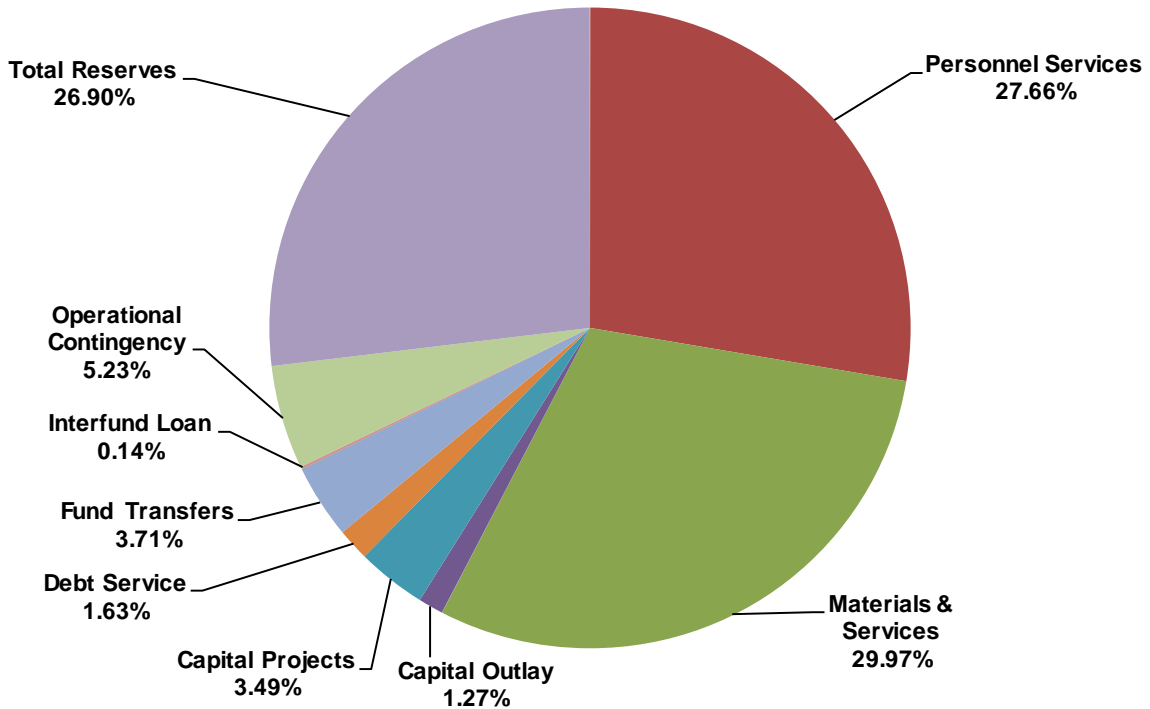
*PERS Bond Debt Service FY 19-20 payment of \$7,726,565 is found within Personnel in Service Category Budgets rather than Debt Service.*

# Financial & Planning Summary

## FY 19-20 Proposed Resources – All Funds



## FY 19-20 Proposed Requirements – All Funds



### Lane County Strategic Planning, Priorities, and Objectives

The Board of Commissioners adopted its 2018-2021 Lane County Strategic Plan in March of 2018. This Plan builds upon prior efforts that have established a strong foundation for achieving Lane County's mission. The prior Strategic Plan laid out the long term goals for the future, focusing on Strategic Priorities in the areas of a Safe and Healthy County, Vibrant Communities, and Infrastructure. This Strategic Plan identifies ways to continue to expand on our current priorities by taking into account the drivers of change that will likely impact the accomplishment of goals in the next several years, and to take the progress we have achieved over the last few years to the next level. One of the ways to take it to the next level is by incorporating measures. Our goal is to create accountability for the work being produced (outputs) and whether that work is making a difference (outcomes). This will allow us to evaluate how we are progressing towards achieving our goals. We have regular quarterly updates to the Board of County Commissioners as well as annual work sessions.



To meet the needs of our residents and employees over the next three years, Lane County identified four Strategic Priorities in the 2018-2021 Strategic Plan:

- Safe, Healthy County
- Vibrant Communities
- Robust Infrastructure
- Our People and Partnerships

These Priorities reflect areas of focus that will best help us accomplish the vision of Lane County. The relationship among these priorities is expressed in the Lane County Strategic Plan logo, shown to the left.

### Lane County Priorities

The 2018-2021 Strategic Plan lays out a vision of the future, focusing on our priorities of a Safe, Healthy County, Vibrant Communities, Robust Infrastructure and Our People and Partnerships. Under each of these Priorities, there are Key Strategic Initiatives and from there, we have Key Activity Areas, which are similar to tactics. Each department is working on updating their own department work plans to align with the new countywide Strategic Plan. Department work plans will be addressing the Key Activity Areas and Key Strategic Initiatives.

#### Safe, Healthy County

Our objective is to protect and enhance the safety and health of Lane County residents with a focus on enhancing and managing resources, improving access to, prevention programs, and collaborative initiatives. The Key Strategic Initiatives include:

- Affordable Housing & Homelessness
- Behavioral & Community Health
- Public Safety Funding & Service Delivery
- Incarceration & Recidivism

# Financial & Planning Summary

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## Vibrant Communities

Our objective is to manage equitable services for urban and rural residents to enhance opportunities and access by embracing efficient systems and processes, collaboration with partners, and innovative approaches to solving problems. The Key Strategic Initiatives include:

- Resilient, Diverse, & Sustainable Economy
- The Natural Environment
- Equity

## Robust Infrastructure

Our Objective is to focus on strategic infrastructure maintenance and investments that have the highest return for safety, vibrant communities, and long term environmental benefit. The Key Strategic Initiatives include:

- Safe Transportation
- Facility Maintenance & Management
- New Facility Development

## Our People and Partnerships

Our Objective is to provide a safe, healthy, and inclusive work environment that attracts and retains a diverse, highly skilled workforce with a deeply embedded commitment to delivering value and service to the residents of Lane County through operational effectiveness, fiscal resilience and partnerships. The Key Strategic Initiatives include:

- Fiscal Resilience & Operational Effectiveness
- Employee Engagement & Resilience
- Enhanced Partnerships

## **Public Participation**

The development of the 2018-2021 Lane County Strategic Plan involved a considerable amount of employee and public engagement. We began the process in December of 2017 with two types of focus groups; employee and community focus groups. These were great sessions that allowed us to get a sense of what people were proud of, what worked well and what didn't work as well, how they used the existing plan, and what future challenges and opportunities may be. We had several public meetings, including a kickoff event and presentations to the Board of County Commissioners. We developed employee surveys and community surveys and had an incredible response rate. Once we had a framework in place, we held several open houses for staff and the public to weigh in. Through all of these efforts, we heard consistent themes and that guided us in creating the Priorities, Initiatives and activities that make up the 2018-2021 Lane County Strategic Plan.

## **Implementation into Budget Process**

The 2018-2021 Strategic Plan has been incorporated into the budget process in several ways. When it came to balancing the budget, we ensured that we had the strategic priorities and initiatives in mind. In each of the department sections, the text incorporates department goals and strategic planning. Finally, during the Budget Committee presentations, we will hear how the County is incorporating the Strategic Priorities and Initiatives into the preparations for the upcoming budget year. For more detailed information about our Strategic Plan, please stay in touch by visiting our website at:

[www.lanecounty.org/strategicplan](http://www.lanecounty.org/strategicplan).



## 2018-2021 Lane County Strategic Plan Overview



**Vision:** Lane County is recognized as the best county in which to live, work, and play.

**Mission:** We responsibly manage available resources to deliver vital, community-centered services with passion, drive, and focus  
**Purpose:** To improve lives

**Core Behaviors:** Passion to serve • Driven to connect • Focused on solutions

### Strategic Priority

### Key Strategic Initiative

### Measures

<b>Strategic Priority</b>	<b>Key Strategic Initiative</b>	<b>Measures</b>
<p>Protect and enhance the safety and health of Lane County residents with a focus on enhancing and managing resources, improving access to, prevention programs, and collaborative initiatives.</p>	Affordable Housing & Homelessness	Proportion of cost burdened low-income households
	Behavioral & Community Health	Availability of supported housing units
	Public Safety Funding & Service Delivery	Number of Tier 2 and 3 Primary Care Patient Centered Medical Homes (PCPCH)
	Incarceration & Recidivism	Public safety response time Recidivism rate(s) Diversion program graduates
<p>Manage equitable services for urban and rural residents to enhance opportunities and access by embracing efficient systems and processes, collaboration with partners, and innovative approaches to solving problems.</p>	Resilient, Diverse, & Sustainable Economy	Percent of families with incomes below the living wage
	The Natural Environment	Percent of population within close proximity to healthy food retail outlets
	Equity	Total employment in targeted industry sectors Material diverted from waste stream Minority business outreach
<p>Focus on strategic infrastructure maintenance and investments that have the highest return for safety, vibrant communities, and long term environmental benefit.</p>	Safe Transportation	Annual visits to Lane County
	Facility Maintenance & Management	Crashes and fatalities by mode
	New Facility Development	Condition of capital assets Space utilization
<p>Provide a safe, healthy, and inclusive work environment that attracts and retains a diverse, highly skilled workforce with a deeply embedded commitment to delivering value and service to the residents of Lane County through fiscal resilience and partnerships</p>	Fiscal Resilience & Operational Effectiveness	General Fund reserves
	Employee Engagement & Resilience	County bond rating
	Enhanced Partnerships	Employee engagement and satisfaction Employee retention rate

*Motto: Lane County Proud*

# Financial & Planning Summary

Lane County 2018-2021 Strategic Plan - Status of Activity Areas		3/20/19
#	Key Activity Areas	Status
<b>Safe, Healthy County</b>		
1a1	Affordable housing action plan	
1a2	Varied housing options to address homelessness	
1b1	Address food security and access to healthy food	
1b2	Land use policies / investments for community development	
1b3	Access to primary /behavioral / oral health care	
1c1	Phase II of 10-Year Public Safety Plan	
1c2	Next steps for formation of Metro Plan Amendment	
1d1	Evidence based practices adult and youth parole/probation systems	
1d2	Collaborative efforts to address behavioral health issues in the public safety system	
<b>Vibrant Communities</b>		
2a1	Increase broadband access in rural communities	
2a2	Implement rural economic development plan - rural community priority projects	
2a3	Support investments that lead to jobs w/ incomes above median wage w/ a focus on traded sector ind.	
2a4	<del>Support existing and new traded sector business retention and expansion</del>	
2a5	Monitor and invest in business innovation opportunities in our region	
2a6	Advocate for economic development tools / opportunities at local, state & federal level	
2a7	<del>Sector Strategy Initiatives related to Tech, Food &amp; Bev. &amp; Advanced Wood Products</del>	
2b1	Continue to monitor marijuana regulations and potential land use issues	
2b2	Identify resources and stewardship planning - transportation, facilities, waste mgmt, and procurement	
2b3	Improve existing park grounds and create partnerships to invest in infrastructure	
2b4	Market Lane County parks as a destination for residents and visitors	
2c1	Equity and Access Plan, improve access to services for underrepresented communities	
2c2	Promote greater understanding and acceptance for all people	
2c3	Establish procurement processes to encourage participation by minority-and woman-owned businesses	
<b>Robust Infrastructure</b>		
3a1	Create a Bike/Pedestrian Plan for Lane County that includes Safe Routes to Schools	
3a2	Collaborative model of engineering, education and enforcement to address transportation safety	
3b1	Safe and resilient road and bridge system for Lane County	
3b2	Countywide Capital Improvement Plan	
3b3	Capital Management Plan to address space allocation planning and best uses for County owned property	
3b4	Lane County Events Center Business Plan to maximize flexibility, attract new events & increase revenue	
3b5	Adopt and implement a new Parks Master Plan	
3c1	Complete funding and construction of the new Courthouse	
3c2	Pursue a new location for Adult Parole and Probation & renovate existing facility	
<b>Our People and Partnerships</b>		
4a1	Align department work plans with the 2018-2021 Strategic Plan	
4a2	Support effective core operational services, such as Technology Services and Assessment and Taxation	
4a3	Pursue efforts to maintain a structurally balanced budget	
4a4	Coordinate strategic partners to advocate for Lane County's interests in Salem and Washington DC	
4a5	Performance audits to identify successes and solutions to improve services	
4a6	Pursue opportunities for efficient service delivery models, such as one-stop services	
4a7	Develop and implement internal cost controls to reduce expenses	
4a8	Emergency preparedness and the Continuity of Operations Planning (COOP) within Lane County	
4a9	Workforce plan focusing on knowledge management, resilience, and professional development	
4b1	Identify and implement opportunities for employee engagement	
4b2	Identify and implement opportunities for employee wellness	
4b3	Align values and core behaviors in recruitment, performance evaluation processes and trainings	
4c1	Enhance reporting and data availability in the areas of health, safety, economy and environment	
4c2	Collaborate, share tools, and enhance communication with internal and external partners	
4c3	Collaborative and decentralized approach to Strategic Plan monitoring and reporting	

**Legend:**

- Good progress towards outcome
- Some progress towards outcome
- Minimal progress towards outcome

Items crossed out above have been incorporated into other Key Activity Areas, or expanded upon since the adoption of the Plan.



# Financial & Planning Summary

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## Balancing Options

The following list chronicles the key events, preparations, deliberations, and decision points that preceded the creation of the Proposed Budget for FY 19-20.

### ***November 2018***

The General Election of November 2018 resulted in a change in governing body for Lane County with the election of two new commissioners – Joe Berney for District 2 (Springfield) and Heather Buch for District 5 (East Lane).

### ***January 2019***

#### ***Budget Kickoff with Leadership Team***

The County held its annual budget kickoff meeting with Leadership Team, which consists of the Board of Commissioners, Department Directors and County Administrator. This meeting is the start of budget preparation of the coming year. Brian Rooney, Oregon’s local economist, provided information on employment trends, unemployment rates, GDP growth, the housing market, and a look forward at leading economic indicators and recent economic news from the Lane County area. The Team also heard presentations on a Property Tax Overview, State & Federal Legislative Updates, Public Safety System, Housing and Homelessness and a review of the County’s General Fund including an initial 5-year Financial Forecast.

While Lane County continues to face fiscal challenges due to a low permanent property tax rate and available local revenue per capita to provide services to our community, the FY 19-20 budget was projected remain stable, with no structural deficit. With that information, budget direction for FY 19-20 consisted of:

- Budgeting wages to include Board adopted changes
- Including a vacancy variance rate in the personnel budget
- 0% increase in medical rates; adjusting rates by specific plan to account for actual costs
- PERS employer rate increases as set by the PERS Board
- Limiting Material & Services growth to the Oregon Economic Forecast of 2.5% where possible.

In addition to the specific direction stated above, the following goals were identified:

- Remain structurally balanced
- Continue to strive to meet 20% reserve policy for General Fund
- Maintain current service levels

#### ***Budget Kickoff w/Departments***

Departments received initial budget direction and began to build their budgets on January 14, 2019.

#### ***Phase I***

General Fund Departments were initially requested to enter their Adjusted Base Budgets, which is defined as “current budget year level of service with updated expenses and revenues.” This phase helps to identify any previously unknown issues and verify the initial 5 year financial forecast amounts for FY 19-20. There were no substantial changes identified in this phase.

## Financial & Planning Summary

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### *Phase II*

The Budget Office determined the rate for the vacancy variance for the General Fund for FY 19-20 to be 3% of regular salaries and benefits. The implementation of a vacancy variance rate is pursuant to best practices and County policy. All County funds have taken vacancy rates into account when developing their personnel expense budgets with varying adjustments based upon the projects for the specific fund/service.

### **March 2019**

In late mid to late March, the Budget Office and County Administrator met with each department to review service levels, anticipated changes in revenue and expenditures, and areas of concern or high need in their budget for FY 19-20. Following those meetings, the County Administrator identified key investments for the FY 19-20 Proposed Budget as detailed in his budget message. These items include:

- Identified funding in the amount of \$1 million for a Behavioral Health Crisis Center to divert individuals experiencing a mental health and/or substance abuse crisis away from the jail and emergency room, to a treatment facility for individuals requiring a short-term stay over 24 hours.
- Addition of a paralegal and additional discovery record costs in the District Attorney's office to provide staffing for a newly State mandated service to record grand jury proceedings.
- \$65,000 General Fund to replace the aging Search & Rescue boat.
- Addition of an Administrative Analyst within Behavioral Health.
- Addition of 1.5 FTE in Emergency Management to provide the ability to update the County Emergency Operations Plan, provide data analytics and develop training and exercise plans for Lane County and our partners.
- \$75,000 for Emergency Operations Center on the Public Works Delta Campus and \$30,000 for vehicle purchase.
- Identified funding for a homeless systems transition and a continued expansion of the successful Dawn to Dawn shelter and navigation services launched in early 2019 through a partnership between Lane County, City of Eugene and Saint Vincent de Paul.
- Addition of 2.0 FTE in Parks consisting of a Volunteer Coordinator and Sr. Account Clerk, as well as \$468,000 in Transient Room Tax funding for a Facility Condition Index and investments to enhance and maintain park assets.
- Addition of a 1.0 FTE in County Administration to provide assistance to the Board of Commissioners.
- Addition of 2.0 FTE in Human Resources for a Talent Management Program Manager and Sr. Management Analyst.
- \$100,000 in General Fund for Elections computer server replacement and \$10,000 for Warehouse shelving – both to be funded from existing Elections Extra Help reserves.

### **May 2019**

The Budget Committee will begin their review of the FY 19-20 Proposed Budget at their first meeting on May 2, 2019 beginning at 5:30 pm with presentation of the Budget Message, Budget Overview and a Public Hearing. There will also be Budget Committee work sessions occurring on May 7, May 8, May 9, and May 14, with final budget approval scheduled to occur on the evening of May 16, 2019.