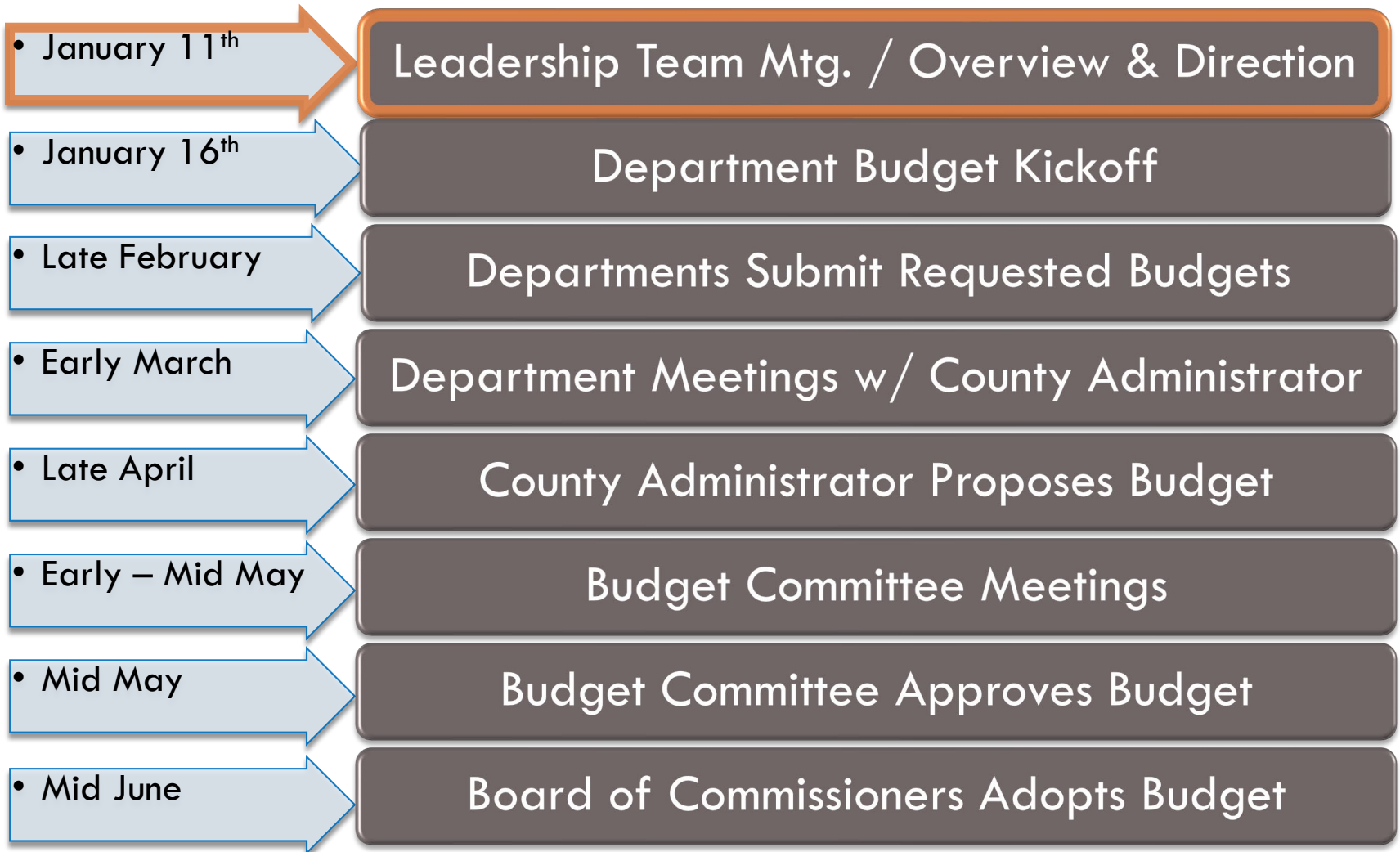


# COUNTYWIDE OVERVIEW

Steve Mokrohisky, County Administrator

# Lane County Budget Cycle

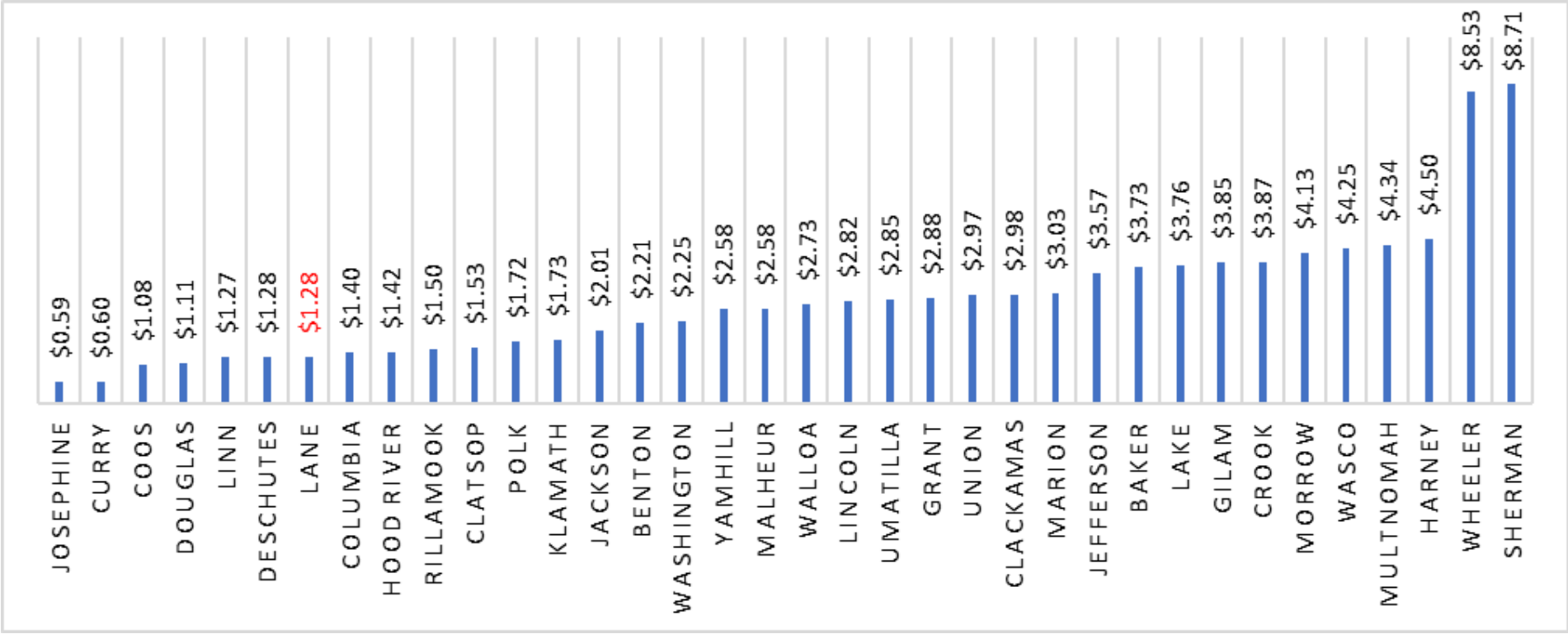


# Lane County Overview

- 2040.09 FTE FY 23-24 Adopted Budget
- \$1,096,225,049 FY 23-24 Adopted Budget
- Twelve departments:
  - Assessment & Taxation\*
  - Community Justice & Rehabilitation Services
  - County Administration
  - County Counsel
  - Data & Analytics
  - District Attorney\*
  - Emergency Management
  - Health & Human Services
  - Human Resources
  - Public Works
  - Sheriff's Office\*
  - Technology Services

\*Departments lead by elected officials

# Lane County In Context & Secure Rural Schools History



# Lane County In Context & Secure Rural Schools History



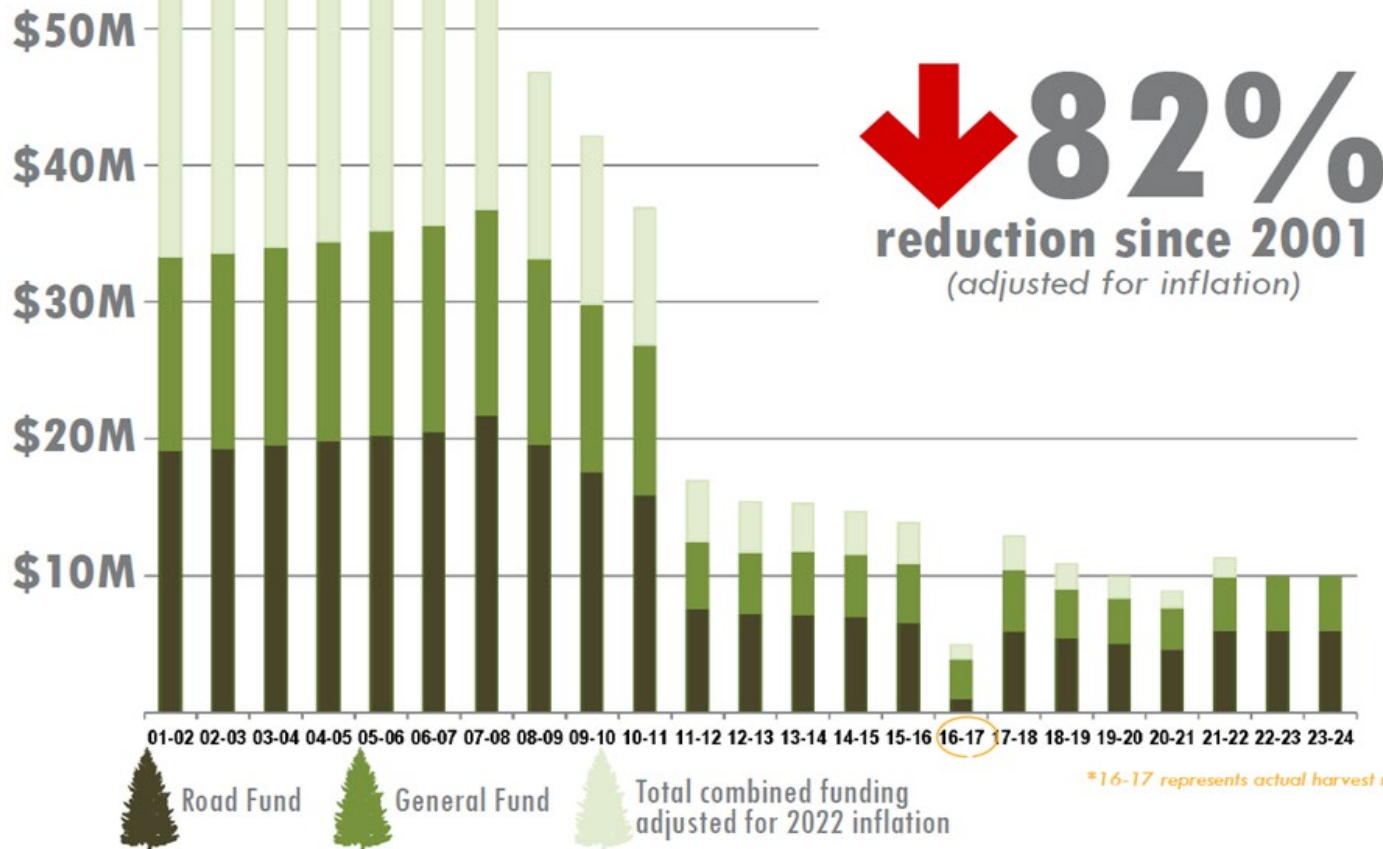
## Permanent Public Safety District Rates:

Deschutes County: Countywide \$1.25 Rural \$1.55

Clackamas County: \$0.72 (Enhanced Law) Has split regular rate \$2.41 City v. \$2.98

# Lane County In Context & Secure Rural Schools History

## LANE COUNTY SECURE RURAL SCHOOLS HISTORY



# Countywide Overview

## Financial Management goals since FY 15-16

### 1. Create long term financial stability through a structurally balanced budget

- ❑ One-time funds spent on one-time expenses.

#### RESULTS:

- ❑ Updated reserve policy to meet GFOA recommended. (Being met)
- ❑ Resulted in Moody's upgraded Lane County's bond ratings
  - ❑ Aa1 in 2019. Lower interest rates when incur debt.
- ❑ Service stabilization:
  - ❑ Time to bring General Fund back into structural balance.
  - ❑ Fund Parole & Probation/Sheriff's Office/State funding decline
  - ❑ Cover economic downturns (recording revenue, CAFFA grant)
  - ❑ Enhance Sheriff's Office patrols following Holiday Farm Fire.
  - ❑ Hire staff to assist with Holiday Farm Fire recovery.
- ❑ Able to pre-pay debt (save interest) and participate in 25% match for PERS Side Account creation to provide longer term savings/impacts.

# Countywide Overview

## Financial Management goals since FY 15-16 (cont.)

2. Focus limited resources on repairing critical services
3. Stabilize Public Safety system with targeted investments.
4. Reduce expenses within our control
  - ❑ Self-funded Health Insurance, Debt and PERS side accounts
  - ❑ Internal Services reviewed - Fleet, Facilities, and Technology
  - ❑ Workers Comp Liability
  - ❑ Budget for Vacancies



# Revenue v. Expenditures

## REVENUE

Recent (limited in duration) revenue enhancements

- ❑ American Rescue Plan Act (ARPA)
- ❑ Opioid Settlement
- ❑ All in Funding

Actively pursuing additional potentially revenues related to:

Secure Rural Schools renewal, Measure 110 reform, CDBG Grant opportunities, and overall State & Federal advocacy.

Except in RARE circumstances (State Marijuana) new revenues come with new expenses (Parks Levy).

# Revenue v. Expenditures



## COUNTYWIDE EXPENDITURES

39% Personnel (wages/benefits)

45% Material & Services

12% Capital Outlay & Projects

4% Debt Service Payments

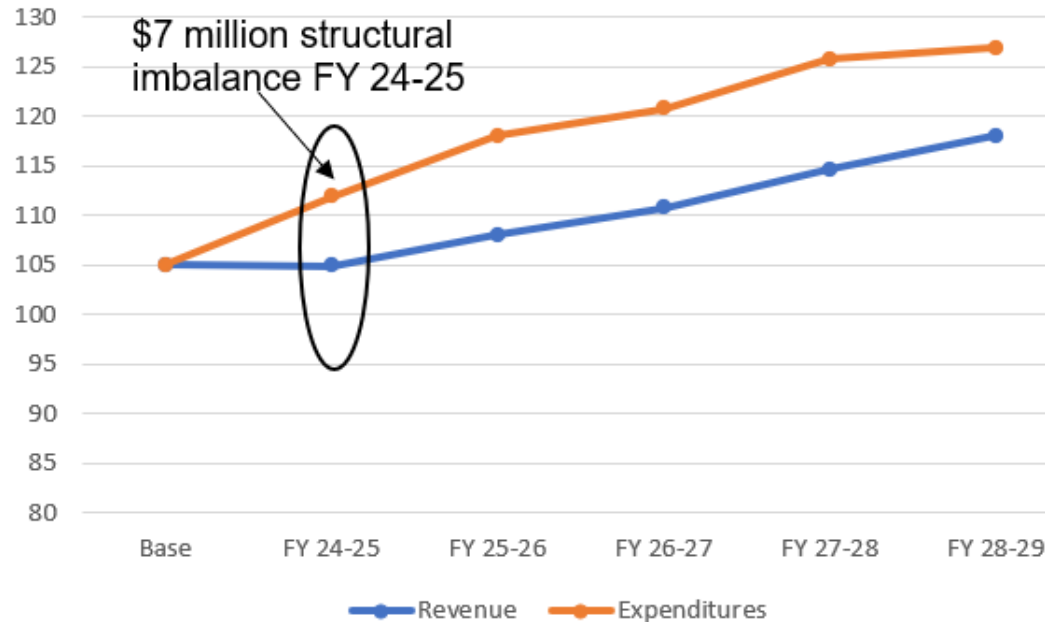
Expense growth continues to outpace revenue growth.

# Revenue v. Expenditures – General Fund

## FY 24-25 Forecast:

Ongoing Revenue 2.36% growth

Expenses 5.36% growth (prior to open wage adjustments)



# LANE COUNTY LABOR MARKET DATA, HOUSING AFFORDABILITY AND FORECAST

Brian Rooney, Regional Economist  
State of Oregon Employment Department

# Today's Agenda

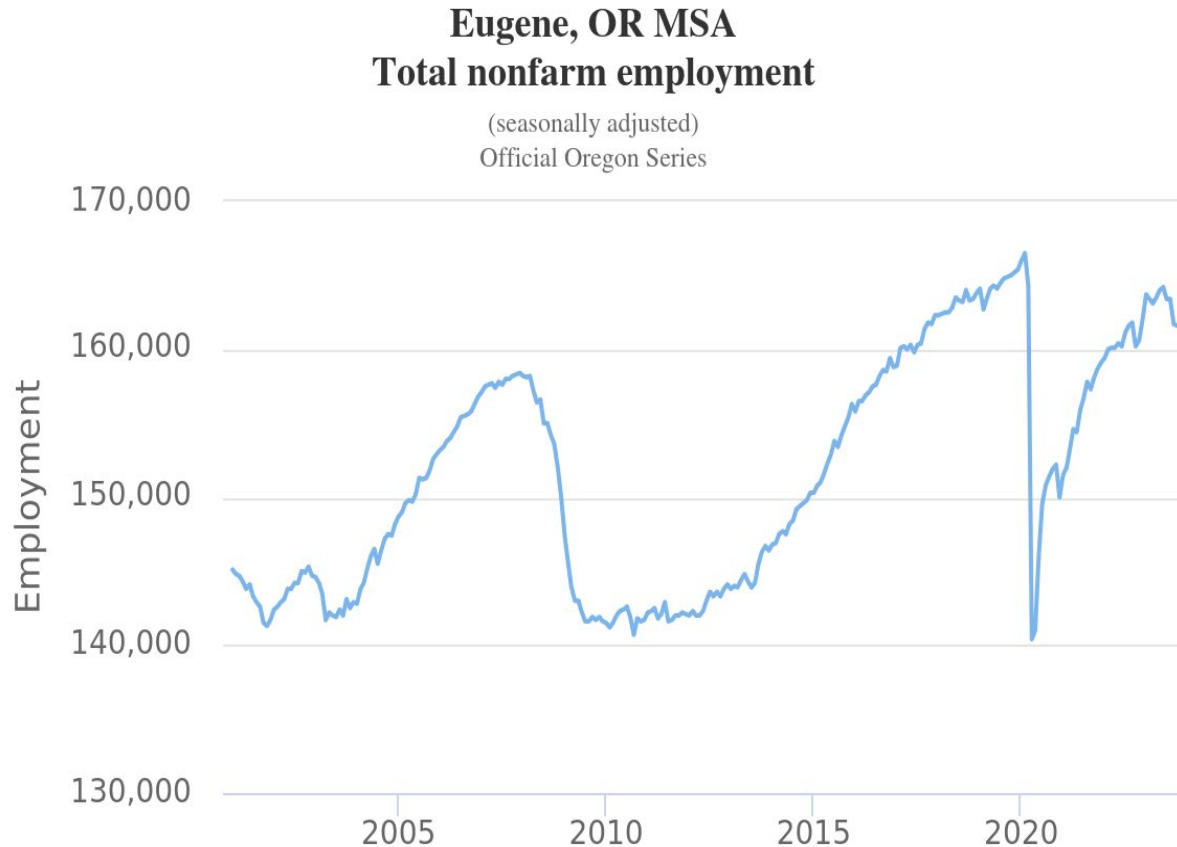


- Employment and Unemployment trends.
- Labor Availability
- Housing Affordability
- Forecasts



# Employment and Unemployment During the Ongoing Recovery From Pandemic Recession Losses

# Lane County has yet to reach prepandemic employment levels.



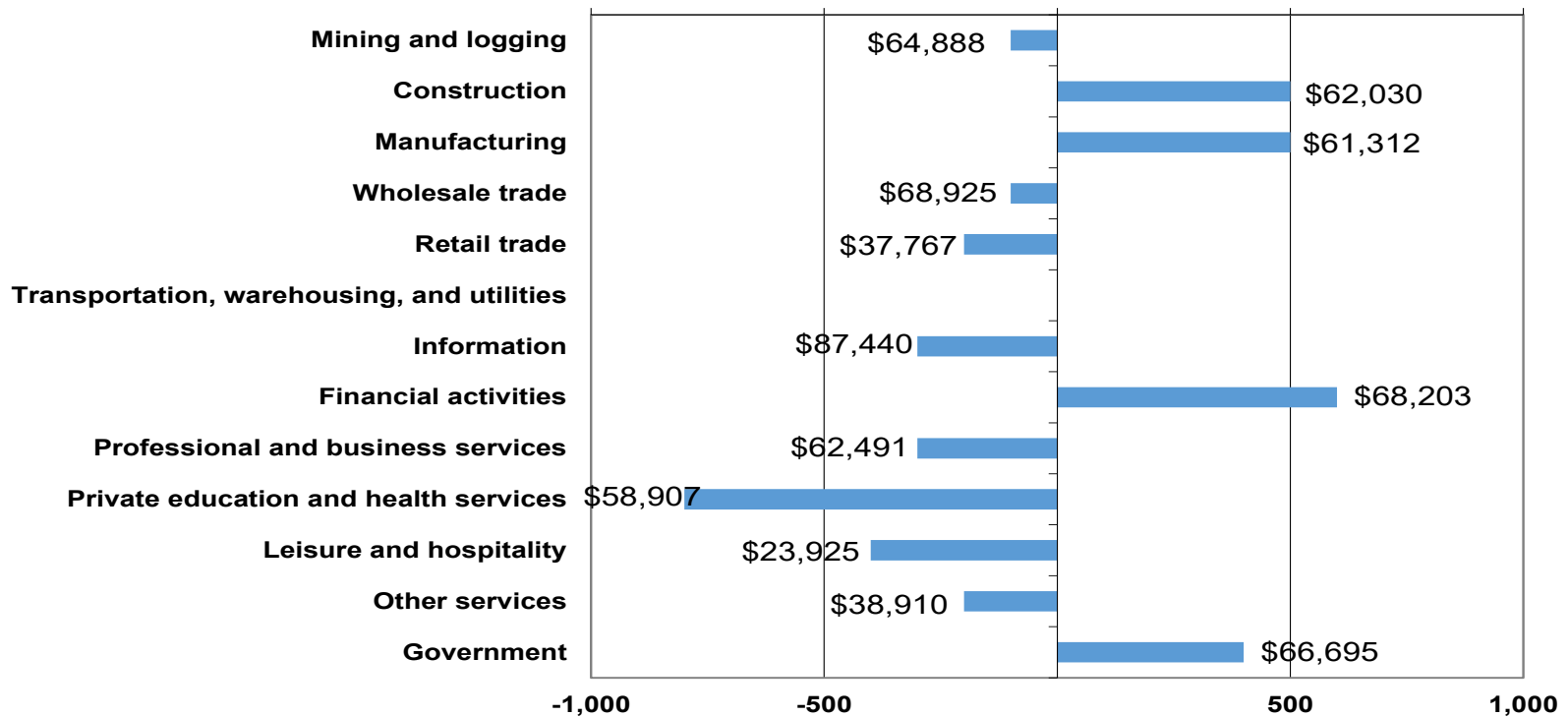
Source: Oregon Employment Department QualityInfo.org

Lane County lost 26,100 (16%) jobs between February and April of 2020. It had gained back 21,200 (81%) of what was lost by November 2023.

Statewide, Oregon lost 14% between February and April 2020. It had gained back 109% of what was lost by November 2023 (topped prepandemic levels by January 2023).

# Some Industries have lagged coming out of the pandemic recession.

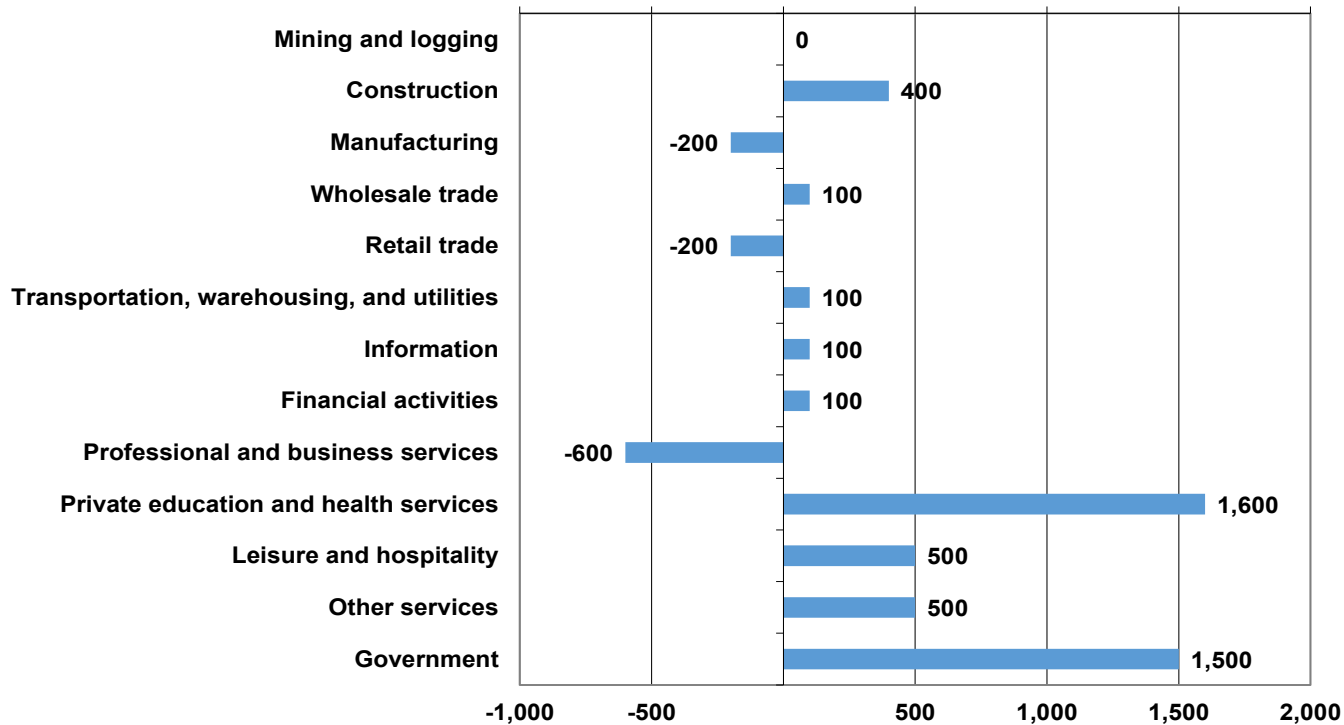
**Lane County Industry Employment Change  
June 2019 to June 2023**





# Most industries continue to add jobs.

**Lane County Industry Employment Change  
June 2022 to June 2023**

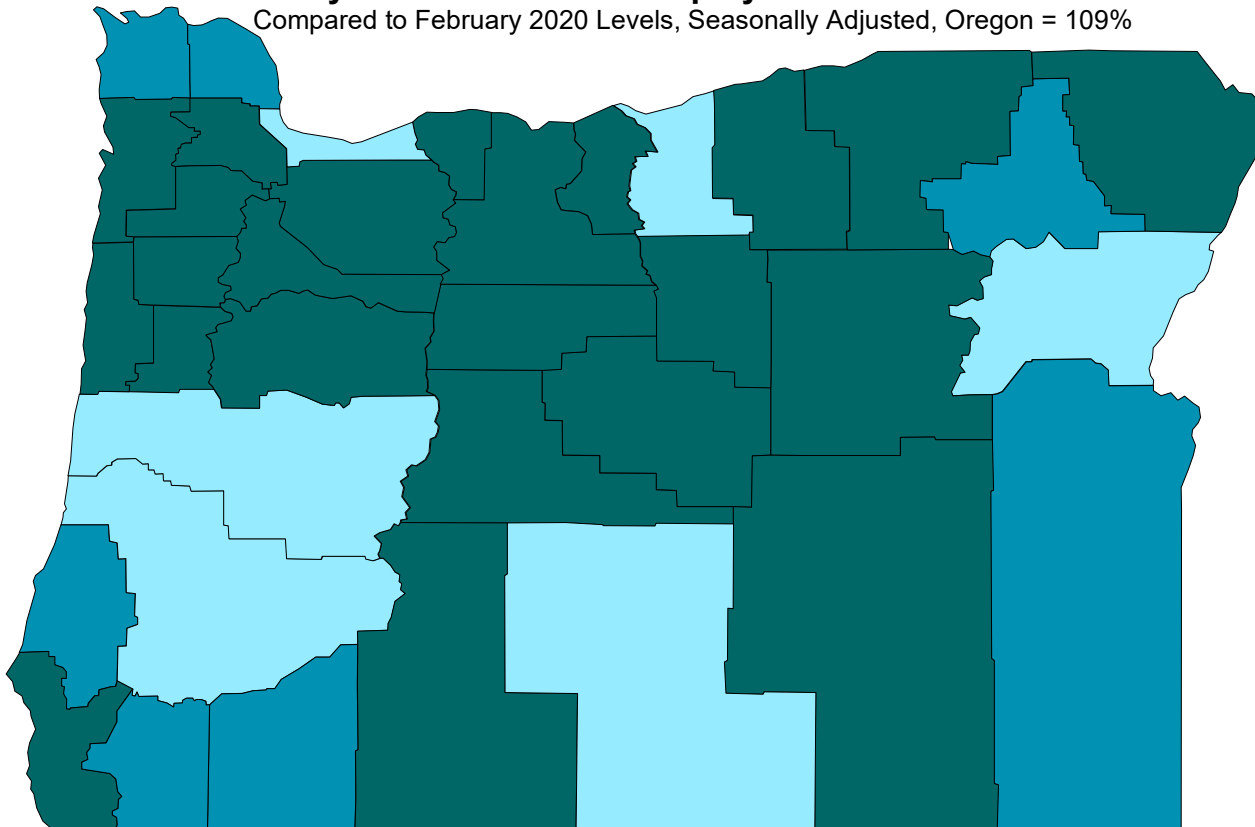


*Total payroll employment is up 3,900 (2.4%) over the year.*

# The recovery has been uneven across counties in Oregon.

## Recovery of Total Nonfarm Employment as of November 2023

Compared to February 2020 Levels, Seasonally Adjusted, Oregon = 109%



Twenty-three counties have regained their total pandemic recession job losses:

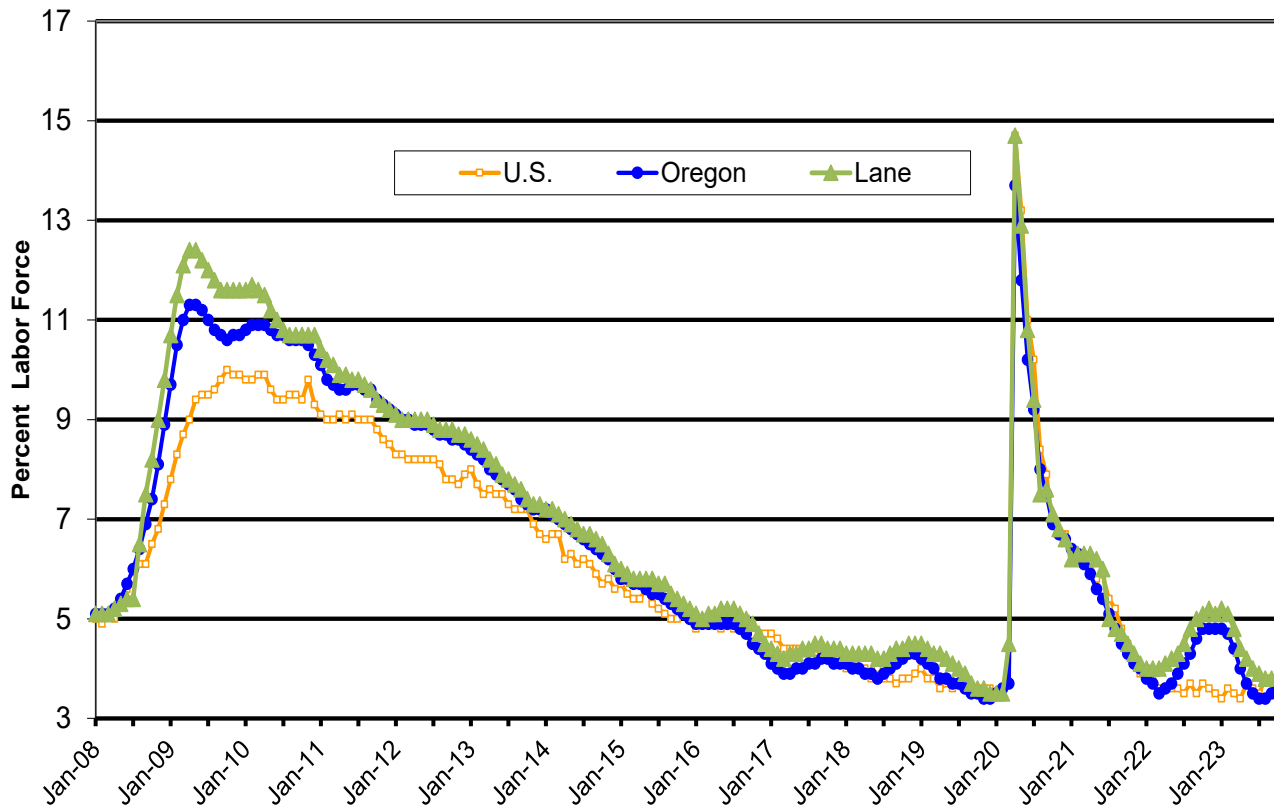
- |              |              |
|--------------|--------------|
| □ Benton     | □ Linn       |
| □ Clackamas  | □ Marion     |
| □ Crook      | □ Morrow     |
| □ Curry      | □ Polk       |
| □ Deschutes  | □ Sherman    |
| □ Grant      | □ Tillamook  |
| □ Harney     | □ Umatilla   |
| □ Hood River | □ Wallowa    |
| □ Jefferson  | □ Wasco      |
| □ Klamath    | □ Washington |
| □ Lincoln    | □ Wheeler    |
|              | □ Yamhill    |

Source: Oregon Employment Department

**More jobs than before recession (100% +)**   **Near full jobs recovery (90% to 100%)**   **Slower recovery (89% or less)**

# Unemployment rates are near record lows

## Seasonally Adjusted Unemployment Rates, 2008 to Present



Lane County's November 2023 rate was 3.8%, down from 5.2% in November 2022 and down from a high of 14.7% in April 2020.

Lane County's record low rate is 3.5% set in December 2019.

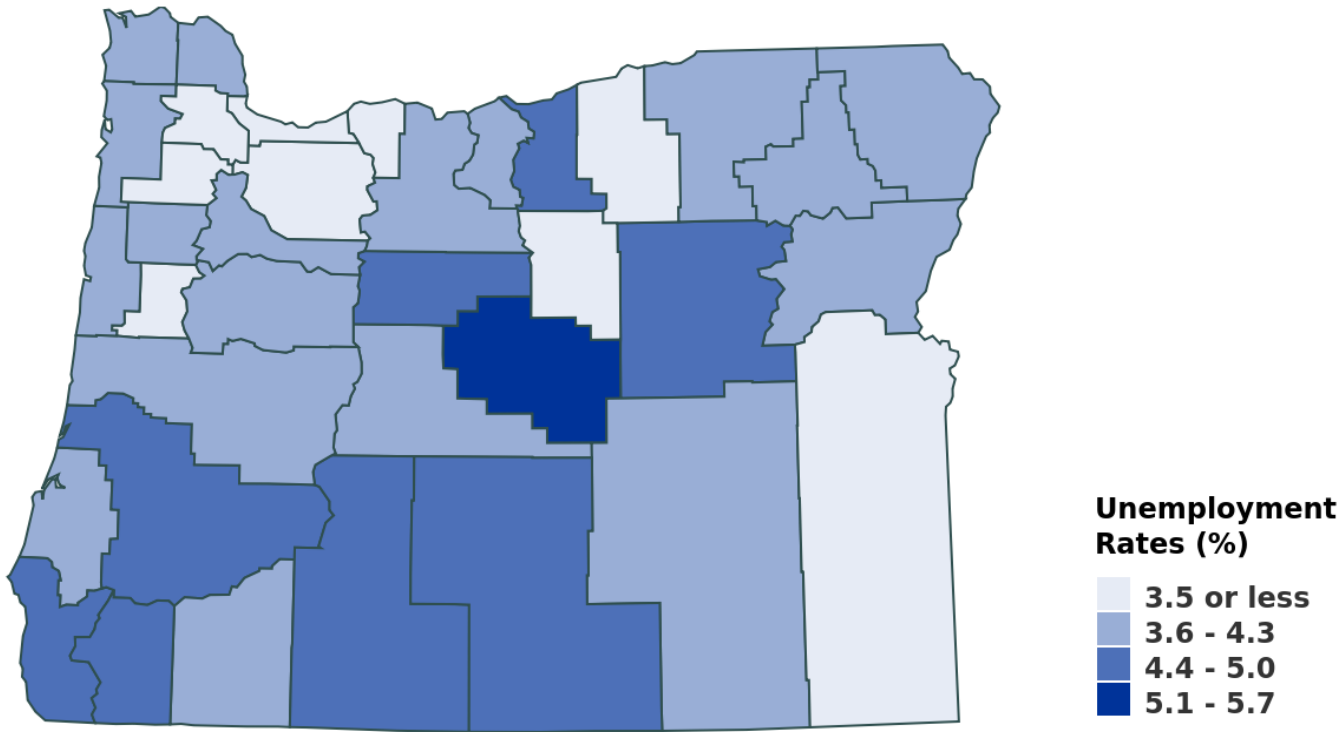
Oregon's statewide rate was 3.6% in November.

U.S. unemployment rate was 3.7% in November.

# Oregon Unemployment Rates by County

## Seasonally Adjusted Unemployment Rate

November 2023



Unemployment rates declined or remained unchanged in 27 of Oregon's 36 counties in November 2023, and increased in nine.

Crook County had Oregon's highest seasonally adjusted unemployment rate (5.7%) in November.

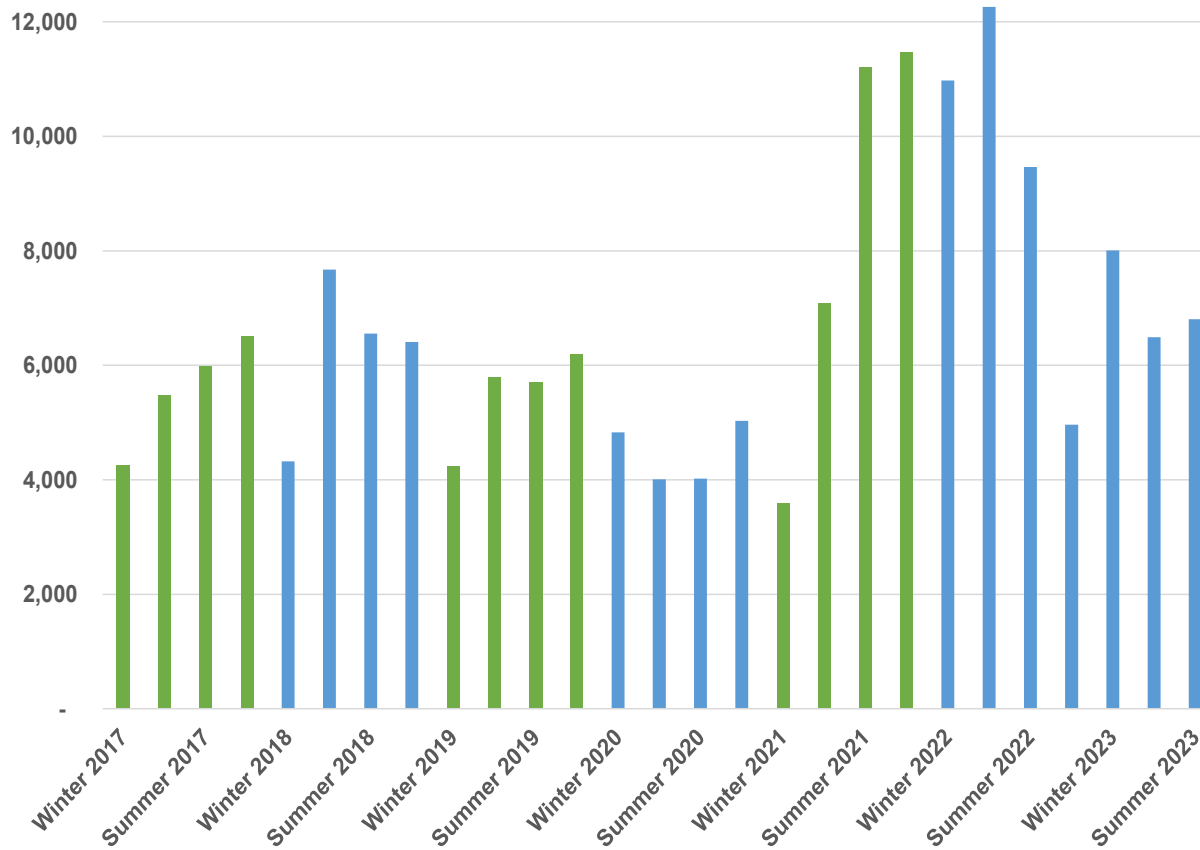
Wheeler County registered the lowest unemployment rate (2.8%).



# Labor Force Trends

# Vacancies are still elevated compared to prepandemic levels but are dropping.

Lane County Quarterly Job Vacancies 2017-2023



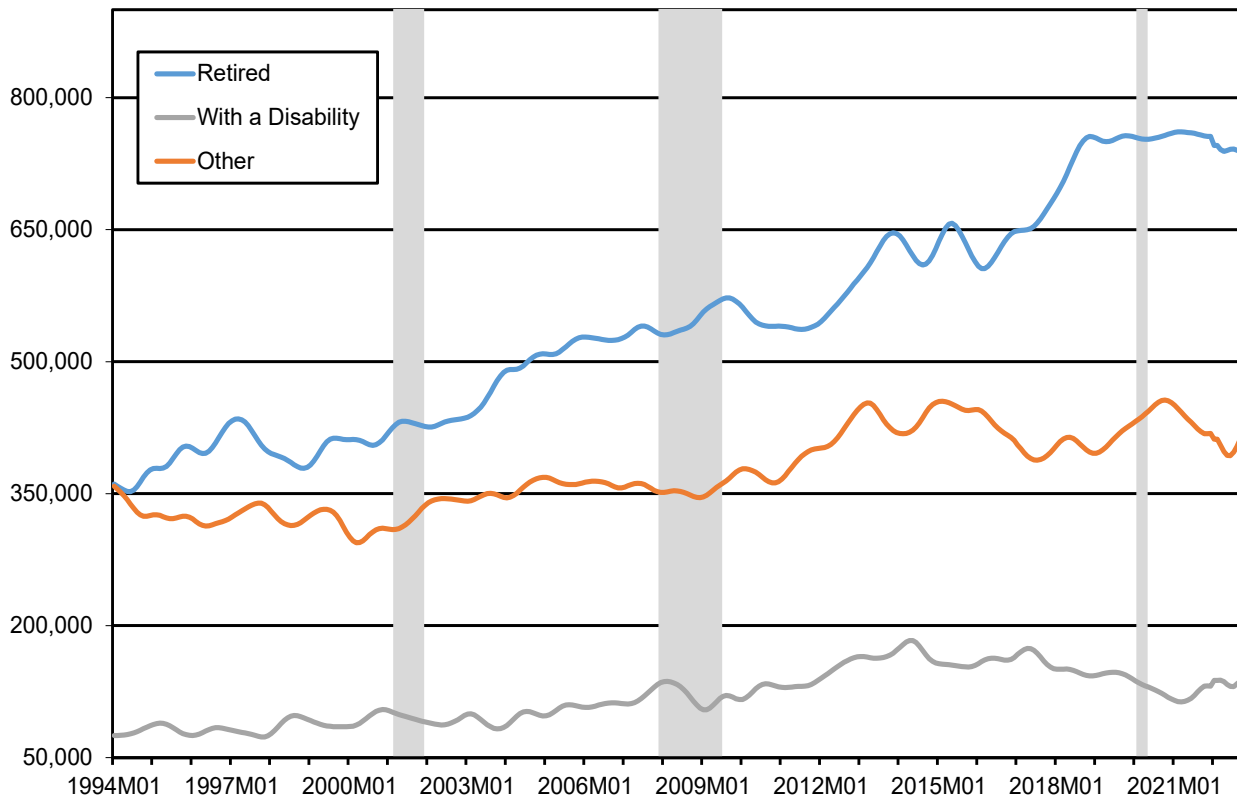
This only represents private job vacancies

Vacancies are down 28% in the summer of 2023 compared to the summer of 2022.

There were roughly 1.0 vacancies per unemployed person in the summer of 2023, a little lower than the 1.1 in the summer of 2022.

# Labor Supply Going Forward: Retirements

**Oregon Not in Labor Force by Reason**  
Shaded Bars = NBER Recessions



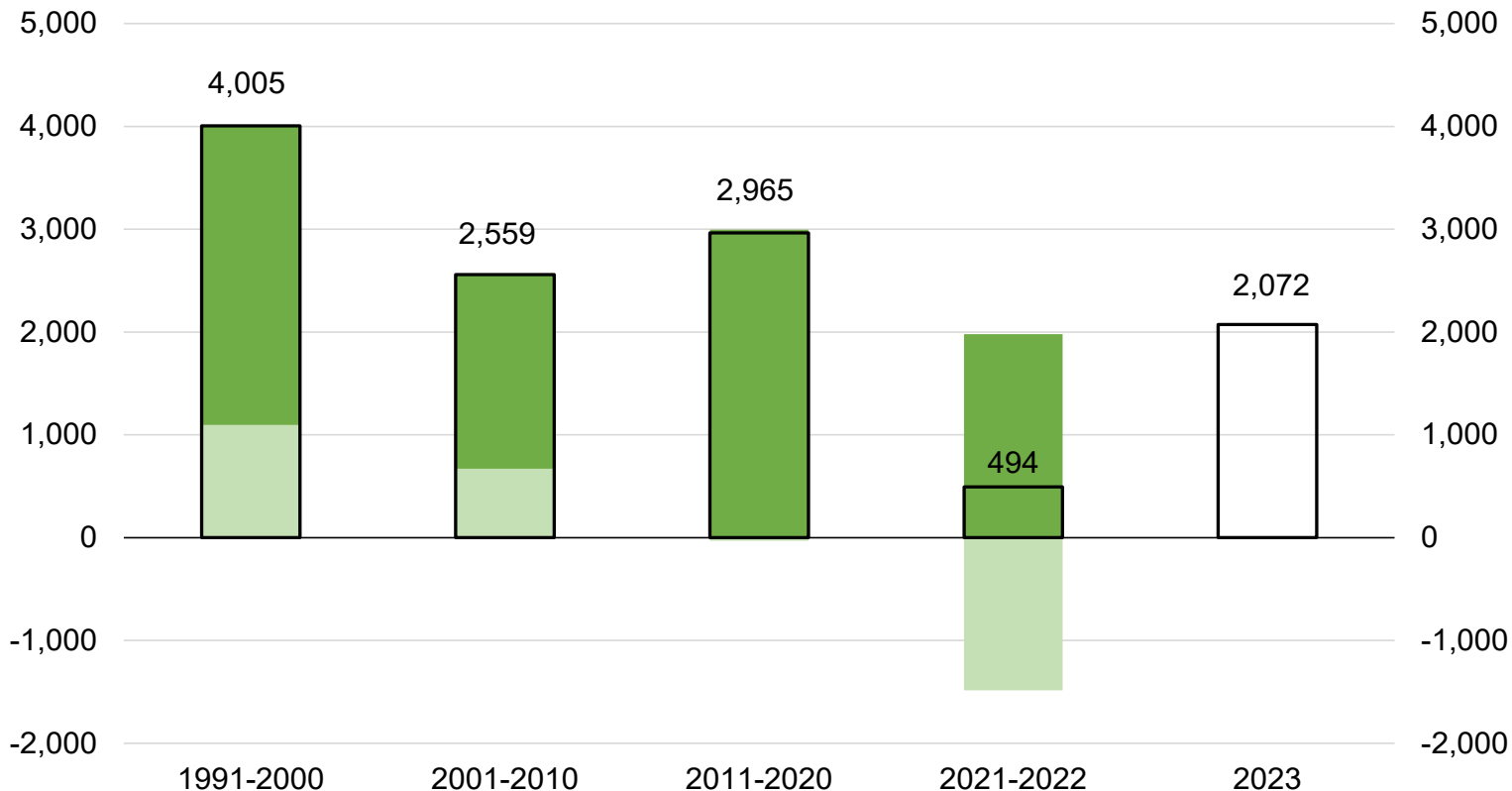
The number of people who were not in Oregon's labor force due to retirement grew by 21% between 2016 and 2019.

Lane County's share of workers 55+ = 25%, about the same as Oregon.

# Oregon and Lane County have lost some advantage as an attractor

Lane County Annual Population Change  
1991-2022 Annual Averages

■ Natural Increase ■ Net Migration □ Total

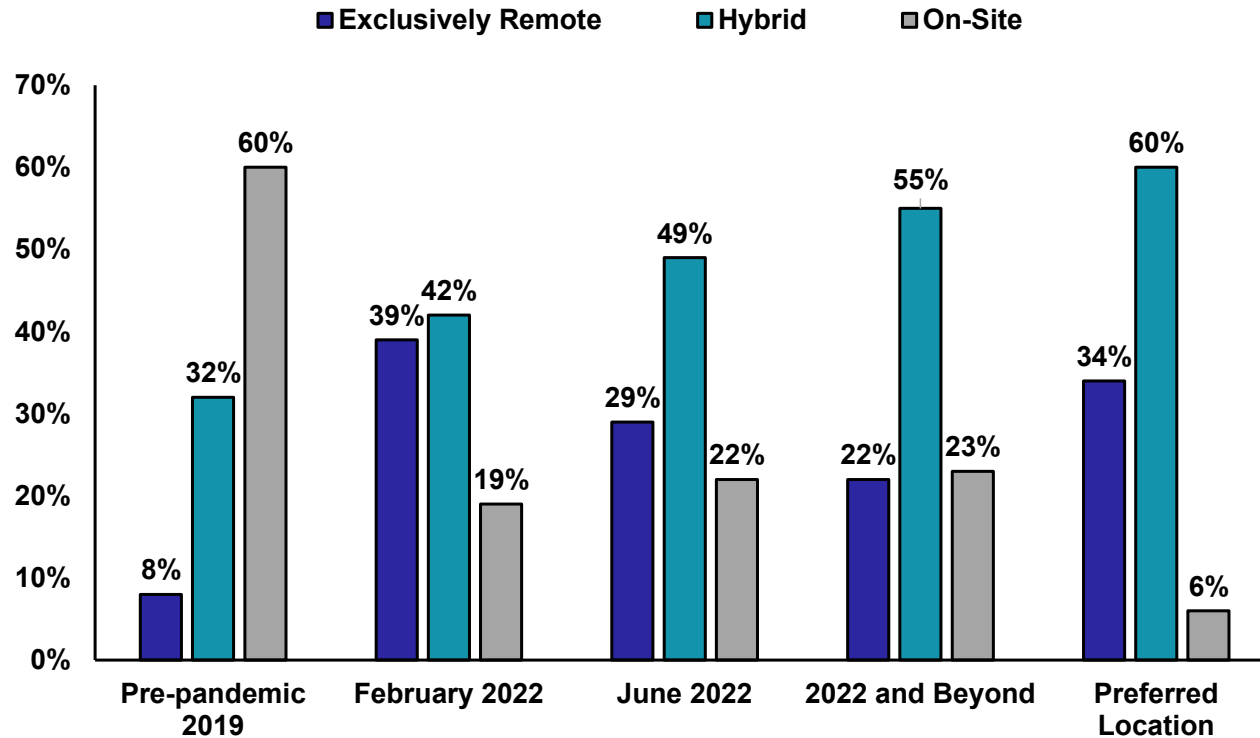


Oregon and Lane County depend on in-migration to grow our labor force.



# Remote work, when possible, is very popular.

## Where do Remote-Capable Employees Expect to Work Long-Term and Where Would They Prefer to Work?



According to Census Bureau data in 2022 working from home:  
Lane County = 15%  
Oregon = 20%  
U.S. = 15%

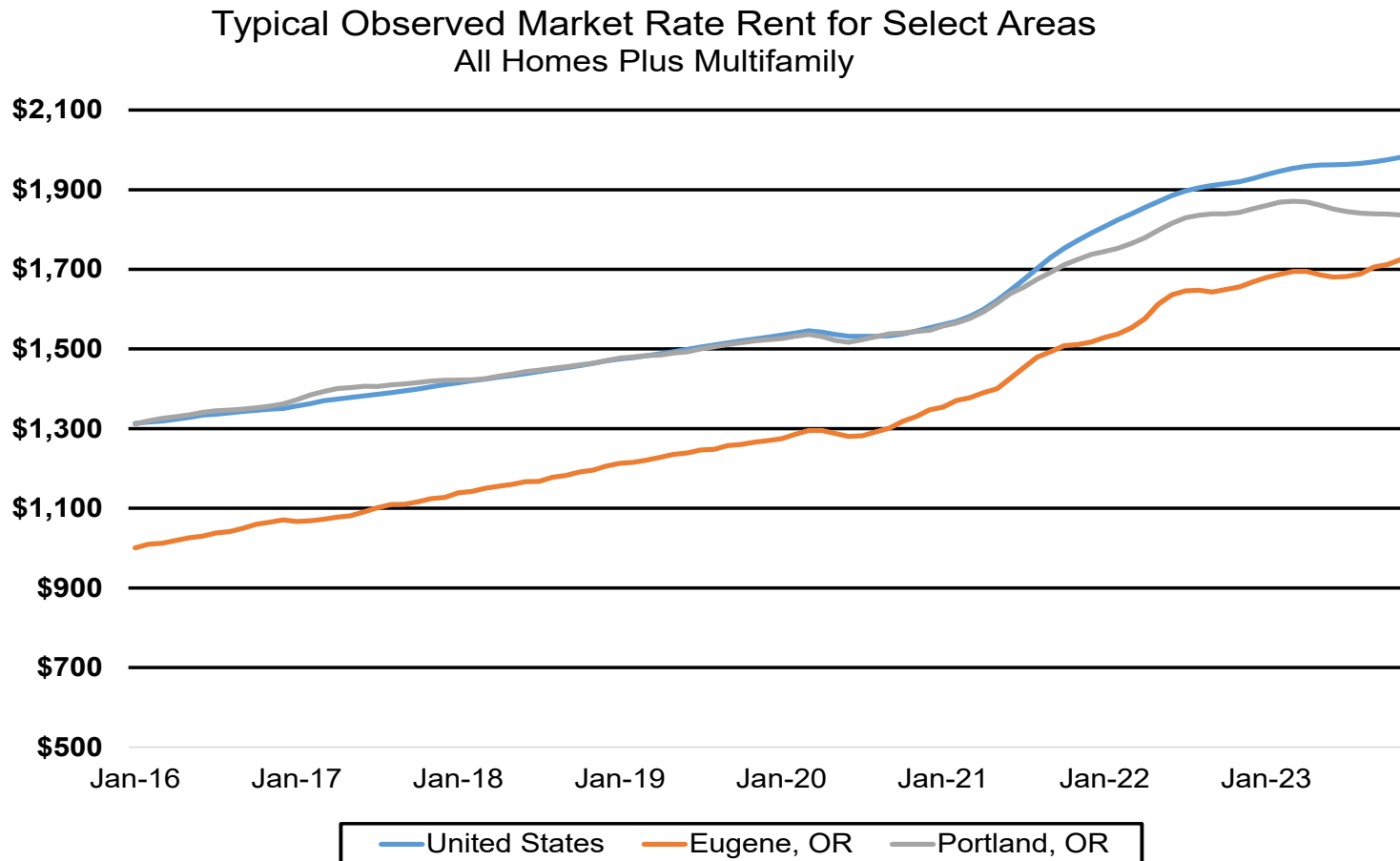
**Quality Info article:**  
*Working from Home since COVID —the New Work Experiment*

Source: OED and Gallup Survey  
Returning to the Office: The Current, Preferred, and Future State of Remote Work



# Housing Affordability

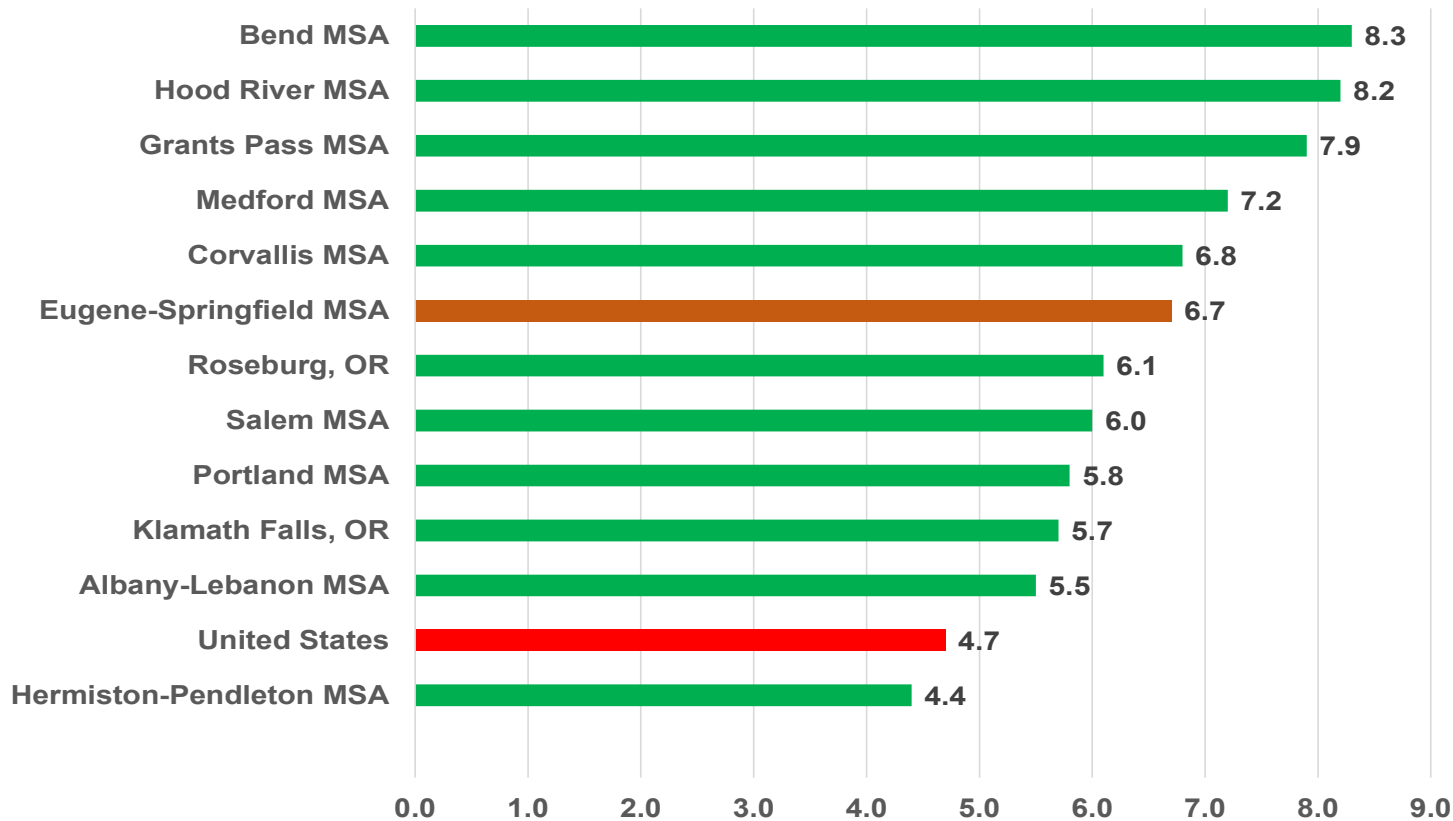
# Rent increased after pandemic restrictions lifted and is now leveling off.



Source: Zillow Observed Rent Index seasonally adjusted

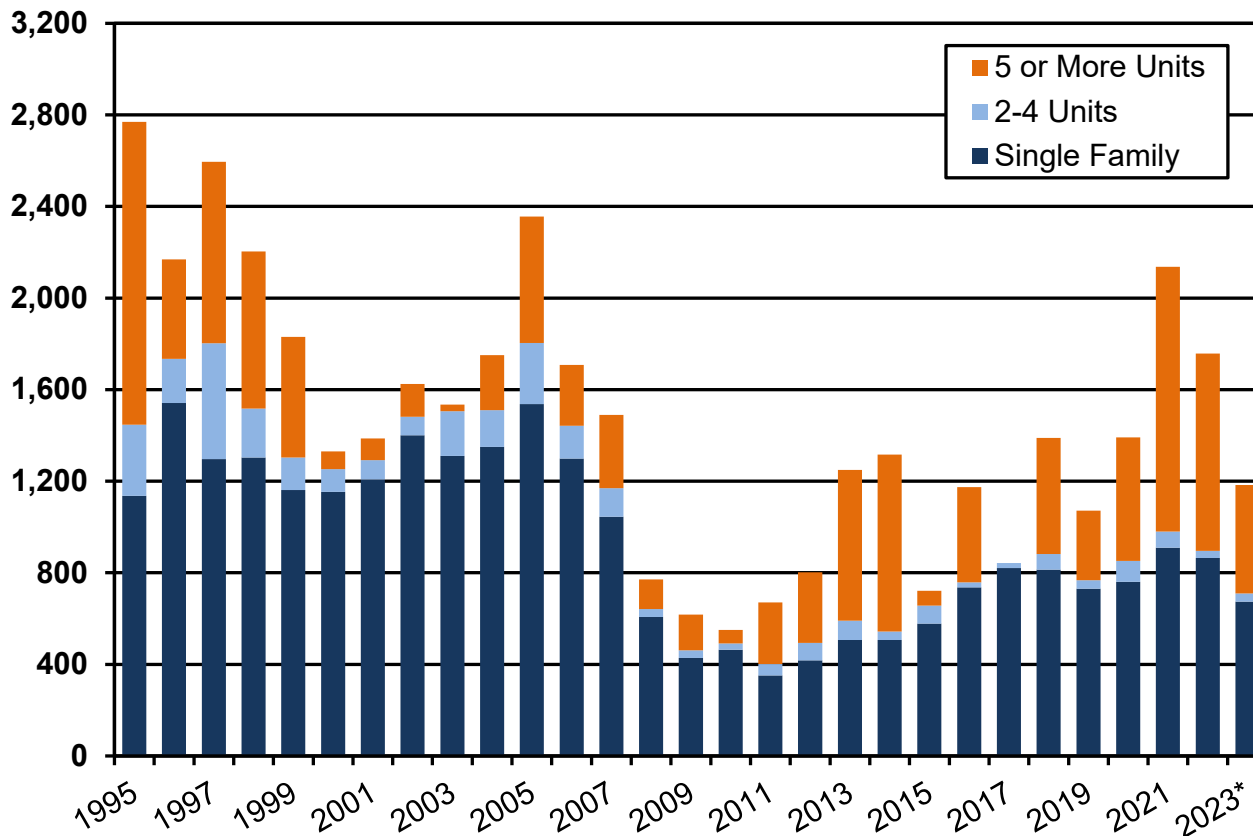
# How Many Years of Annual Median Income Would it Take to Purchase a Home?

Home Cost-to-Income Ratio, 2022 (By MSA)



# Residential building permits are down in 2023

## Lane County Building Permits (Units)



It takes roughly 1,400 units to keep up with population growth.

\* Year-to-date through November

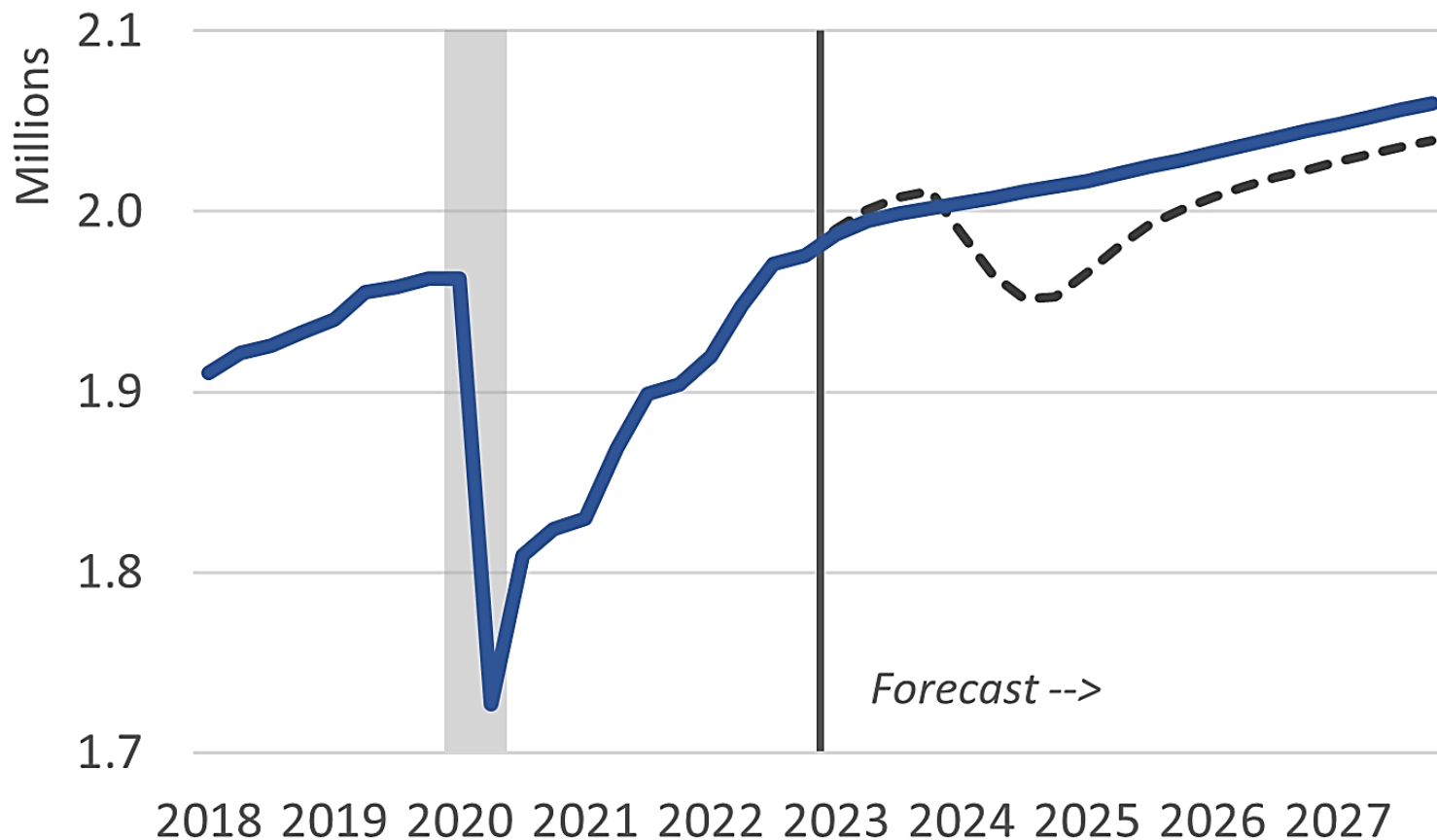
Source: U.S. Census Bureau



# Forecasts

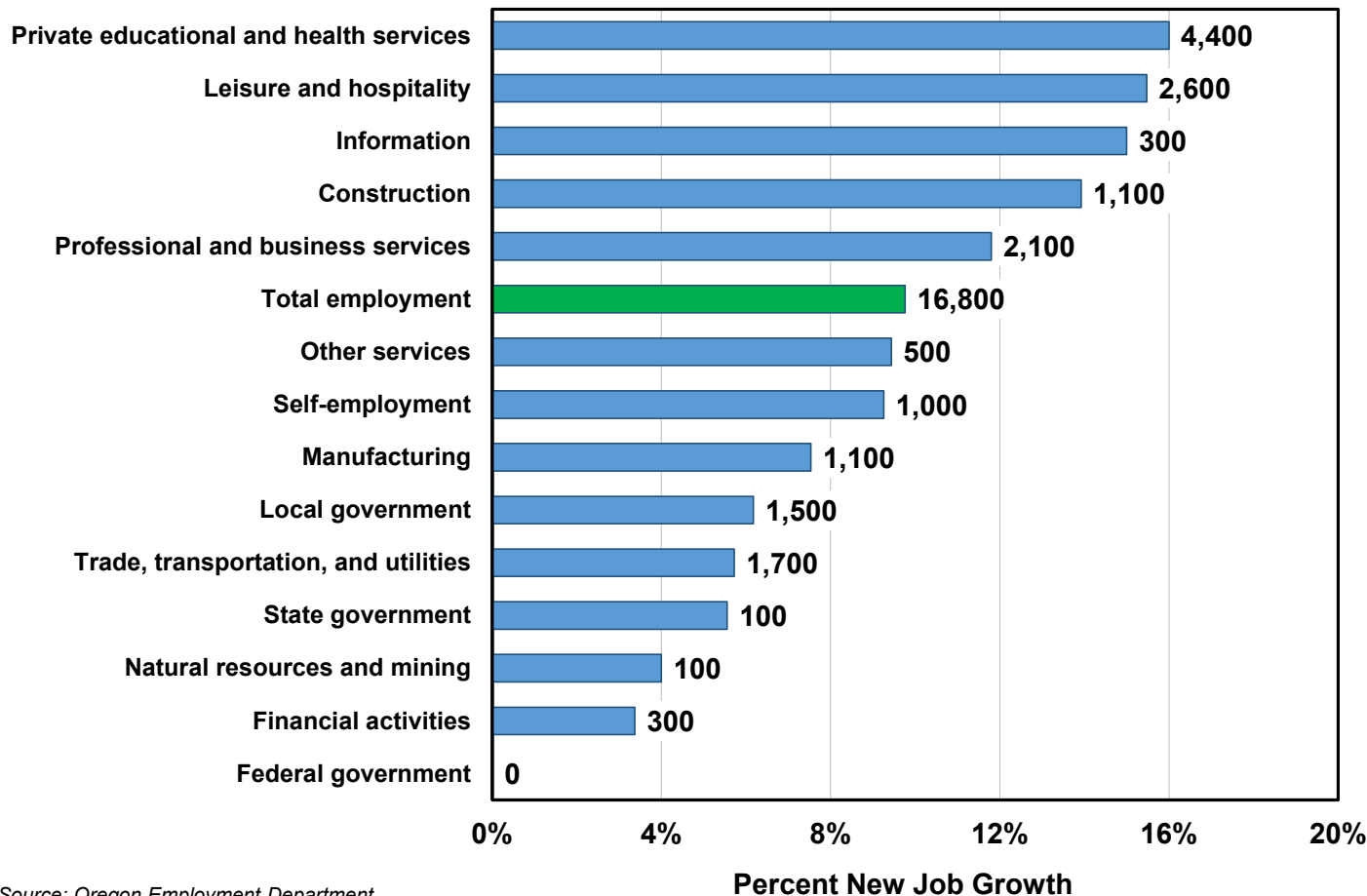
# Oregon Office of Economic Analysis baseline is for a soft landing

## Baseline Soft Landing and Boom/Bust Alternative Scenario



# Lane County jobs are projected to increase 10% by 2032

## Lane County Industry Sectors Forecast, 2022-2032



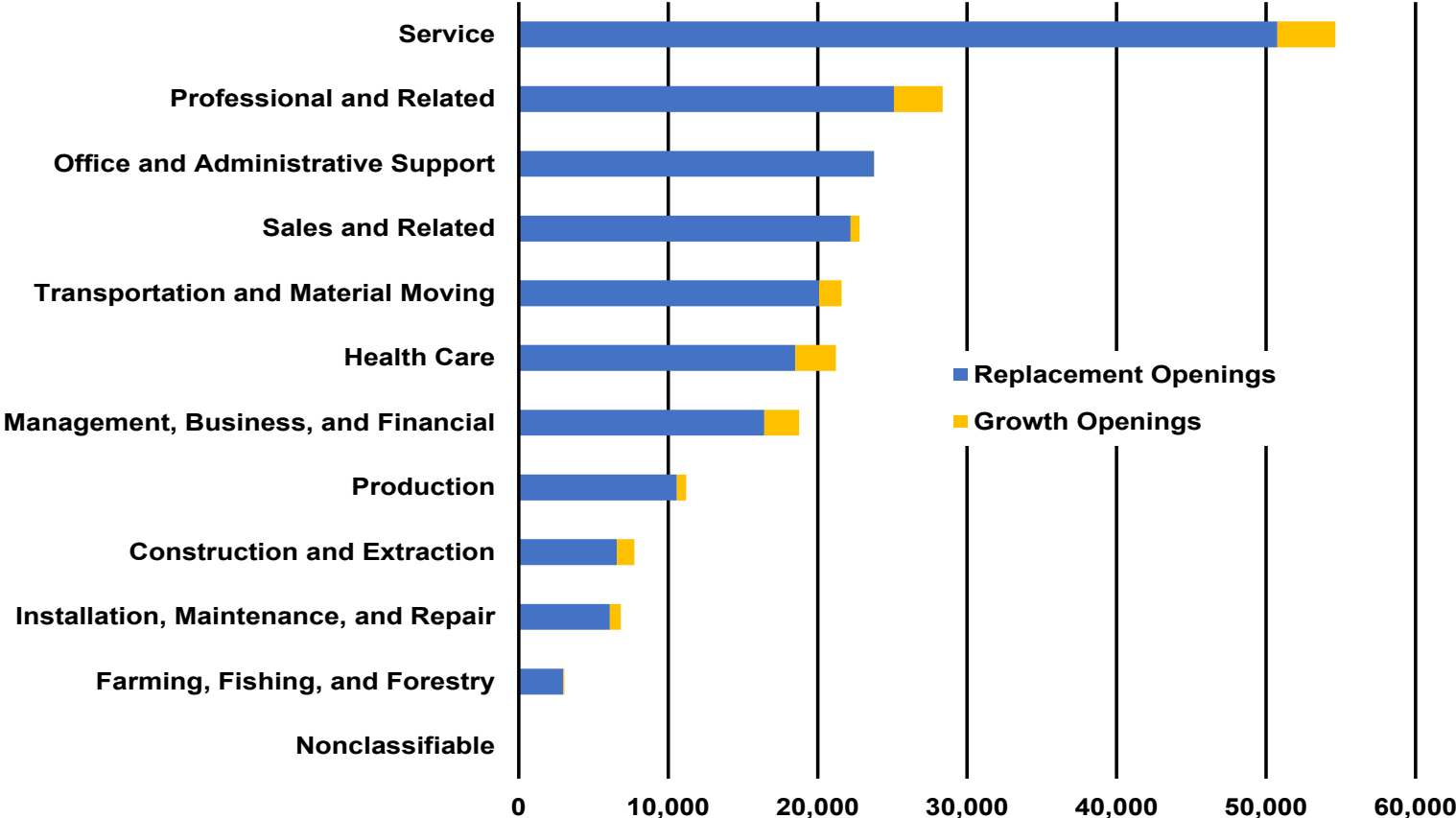
Forecast influenced by primarily by structural growth.

Oregon statewide is expected to increase 10% by 2030.



# Replacement openings create opportunity

Lane County Occupational Projections, 2022 - 2032



# Thank you!



Brian Rooney

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Website:

[www.qualityinfo.org](http://www.qualityinfo.org)

Subscription service at the bottom of the Qualityinfo.org home page or at the following link:

<https://www.qualityinfo.org/p-sofrm?custEmail>

# STATE AND FEDERAL LEGISLATIVE PRIORITIES AND INFLUENCES

Steve Adams, Policy Director

# Oregon Legislature

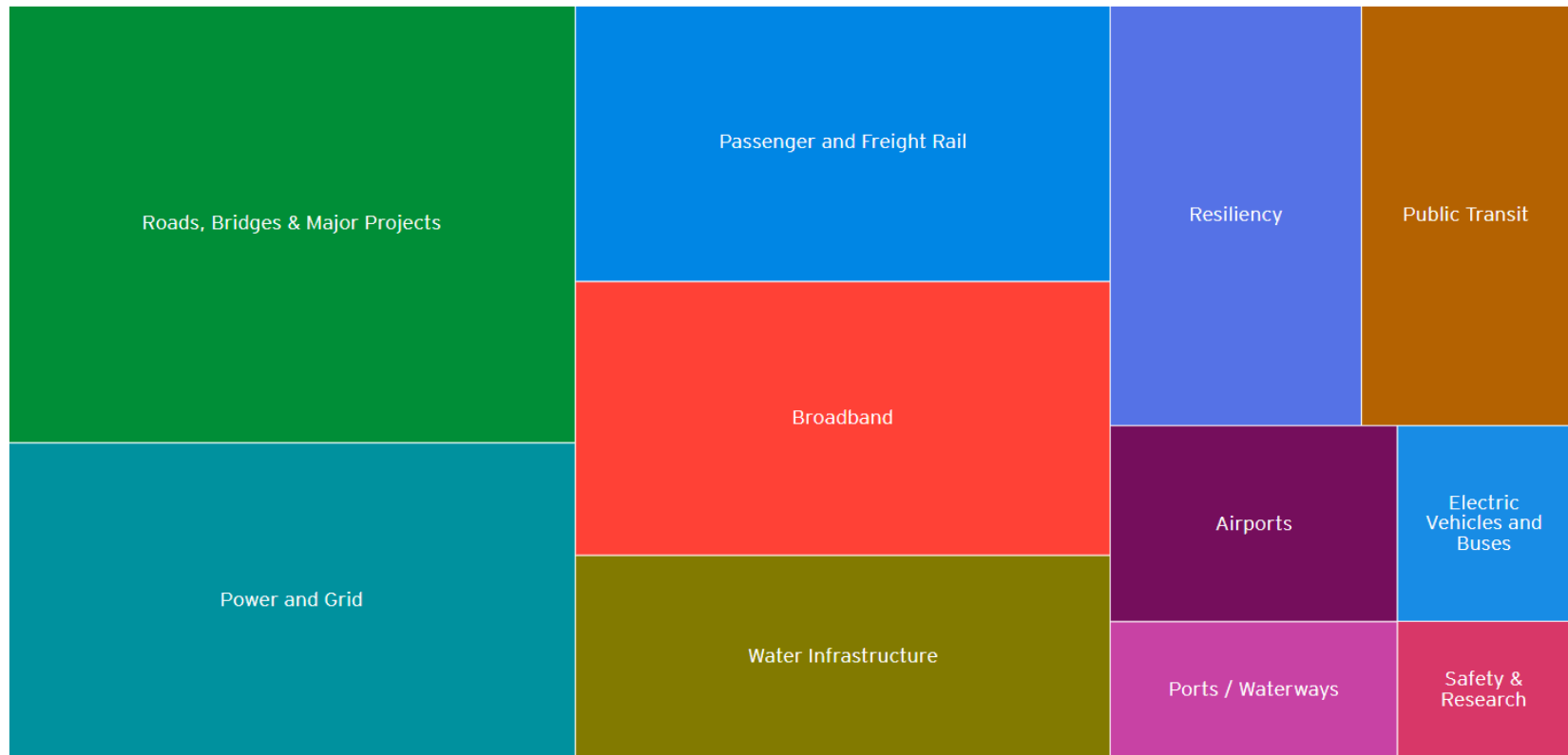
- Short Session convenes February 2024
  - ▣ Focal Points:
    - Measure 110 reform
    - Governor Kotek's housing package
    - Behavioral health needs
    - Priority: Public Safety/Community Corrections Act
- Long Session convenes January 2025
  - ▣ On the horizon:
    - Emergency Management
    - Transportation Package
    - Ongoing focus on 2024 Short Session Priorities

# United States Congress

- Progress For FY 24 Budget
  - Upcoming CR deadlines - \$2.7m in CDR pending
  - Abnormally large volume of grant opportunities continue (IIJA & IRA)
- Outlook for FY 25 Budget
  - Congressionally Directed Spending, repeats or new?
  - United Front trip is March 18-21

# Ongoing Federal Funding Opportunities

- 2021 Infrastructure Investment & Jobs Act (IIJA) - \$1.2T over 5 years



Source: White House & US Chamber of Commerce

# BENEFIT COSTS AND TRENDS

James Trujillo, Workforce Wellness Manager

# Workforce Wellness

- Whole Self Wellness for 4400 Lives
  - ▣ Physical
  - ▣ Mental
  - ▣ Work-life Balance
  - ▣ Meaning and Purpose
- Driving toward quality of life
  - ▣ High-value
  - ▣ Prevention-focused
  - ▣ Fairly-priced benefits
  - ▣ Responsible investment of public funds
- Long-term cost control strategy
  - ▣ Wellness + Self-Insured Model + Smart Health Care Consumption



# Medical Cost Trends

- USI Benefit Brokerage analyzes and recommends rates for claims payment and reserve coverage. The below rates are an overall cost projection for medical only.
  - 23-24 projected cost increase of +11.0%
  - 24-25 projected cost increase of +11.8%

# 10-Year Medical Cost Trend

## Fiscal Years and Cost Increases

13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
N/A*	6.0%*	-2.4%	2.5%	3.7%	1.2%	0.8%	6.2%	6.3%	11.1%

- FY 13-14: Migration from Fully Insured Begins
- FY 14-15: Homes for Good leaves Lane County; Migration to Self-Insured is complete

## 8-Year Cost Increase of 40%

Fiscal Year	Employee Headcount	Cost Per Employee Per Month
15-16	1472	\$1286
23-24	1792	\$1803

# Cost Drivers

- Catastrophic Claims
  - ▣ 2022-23
    - Three claims exceeded \$300K stop loss
    - Two claims over \$3M; third claim over \$700K
    - 28 claims over \$100K
    - 33% of all paid claims were high-cost claims
  - ▣ 2023-24
    - \$10.2M in paid large claims over \$50K but under \$300K
- Stop Loss Insurance Cost increases
- Pharmacy Costs
- Medical Labor Costs
- Robust/Generous Benefit Plan Design

# Dental Cost Trends

- Willamette
  - ▣ Flat renewal – no increases
  - ▣ Ongoing staffing shortages
  - ▣ Opportunities to increase preventive care
  
- Moda/Delta Dental
  - ▣ Flat renewal – no increases
  - ▣ Opportunities to increase preventive care

# Paid Leave Oregon (PLO)

- PLO increased the salary cap for wages subject to PLO tax to \$168K – an embedded rate increase
- 6% of the County employee population has expended 41% of the total County contributions to the State pool
  - ▣ Pool built since January 2023 and benefits have been expended over three months
- The average State PLO administered organization has 2.5 FTE devoted to leaves compared to 0.8 FTE with Equivalent PLO administered organizations
- Estimated internal administration costs \$185K annually

# Other Benefit Trends

- Childcare
  - ▣ Accessibility and Affordability
- GLP1 Drugs – weight loss treatment options
  - ▣ Extraordinary Cost
  - ▣ Chronic Condition Avoidance vs. Cosmetic Drug Use
- Mental Health Benefits
  - ▣ Marathon Live Well Center and Employee Assistance
- Financial Wellness
- Flexibility

# Good News

- Live Well Center
  - Increased utilization (\$300K in estimated savings)
  - 49% capacity to 80% in 9 months
- Self-insured strategy
- Smart health care consumption
- Exploring childcare options
- Introducing canine therapy options
- Working to cultivate a culture of health and wellness

# PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)

Christine Moody, Budget & Financial Planning Manager  
James Trujillo, Workforce Wellness Manager



# PERS System Info

- Public Employee Retirement System – includes members in 3 groups:
  - Tier one, Tier two and OPSRP.
- PERS Employers consist of 897 employers including state agencies, universities and community colleges, school districts and most cities, counties and other local government units in Oregon.
- Primarily a Defined Benefit Plan (pension)

# PERS System Info

Pension = funded by Employer contributions & EPSA accounts

Individual Account Program – “Employee” contribution (picked up by most employers)

$$\begin{array}{ccccc} \mathbf{B} & = & \mathbf{C} & + & \mathbf{E} \\ \text{Benefits} & & \text{Contributions} & & \text{Earnings} \end{array}$$

*Every two years PERS adjustments Employer rates*

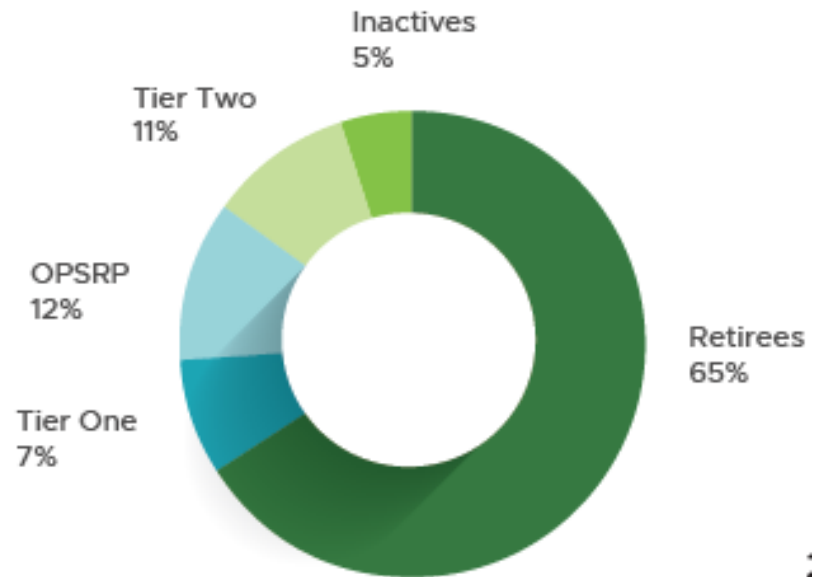
# PERS System Funding Status

As of 12/31/2022, PERS System was 73% funded (79% including side accounts, which hold deposits from employers to offset employer contribution rates).

Total system unfunded amount = **\$28 BILLION or 21.8 BILLION w/Side Accounts**

## ACTUARIAL ACCRUED LIABILITIES (AS OF DECEMBER 31, 2022)

About 70% of PERS' total accrued liability is for members who are no longer working in PERS-covered employment (65% retirees and 5% inactives).



# Lane County's Funding Status

As of 12/31/2022, Lane County Funded Status was 103% with our side accounts. *Includes PERS bonds of \$301,655,553 as of 06/30/2024.*

Historical Funding status:

2015	2016	2017	2018	2019	2020	2021
78%	73%	77%	71%	74%	71%	80%

# Lane County Strategies Taken

## □ **Reserve Funds**

Reserve fund started during legislative changes; now rate smoothing fund for bonds.

## □ **2002 PERS Bond issuance:**

Issued \$71,408,377 in bonds to pay portion of County's unfunded actuarial liability. Annual payment \$9.3 million in FY 23-24' final payment June 2028. FY 24-25 rate 4.5%.

## □ **Employer Incentive Fund:**

Lane County used \$10 million in excess reserves from Workers Comp & Self-funded medical to receive match of \$2.5 million from State to create PERS Side Account #1 for a period of 10 years with a beginning employer rate decrease of 1.53%.

## □ **2022 PERS Bond issuance:**

Lane County \$286,638,289 in bonds to payoff the County's unfunded actuarial liability and fund PERS Side Account #2 for a period of 20 years with a beginning employer rate decrease of 16.87%. FY 23-24 Payment \$17.3 million with final payment on 06/15/2042.

# Lane County's 24-25 PERS Rates

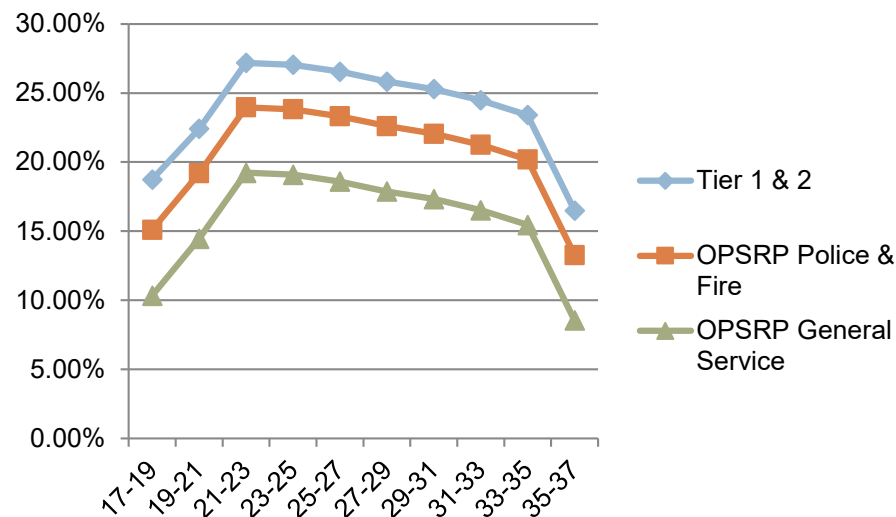
❑ Employer rate	3.82% – 9.11%
❑ 2002 PERS Bond rate	4.50%
❑ IAP/EPISA	6.00%
❑ 2022 PERS Bond rate	<u>16.87%</u>
❑ <b>TOTAL RATE:</b>	<b>31.19% – 36.48%*</b>

Composite rate employees based upon current population – 32.67%

Note: \*Plus Additional 4% IAP (Pros Atty only)

# PERS Rate Future Projections

PERS Employer Rate Projection tool from 2018 for Lane County showed the projected employer rate trends through 35-37. Projections showed significant rate increases followed by slow decreases until 35-37 biennium.



FUTURE: 2025-2027 Advisory Rates for Lane County using 12/31/2022 data indicate continued rise in rates.

# Questions?





# GENERAL FUND OVERVIEW & - INITIAL 5 YEAR FORECAST

Christine Moody, Budget & Financial Planning Manager

# General Fund



Primary operating fund for the County, this fund consists of discretionary revenues from property and car rental tax collections, federal timber receipts, investment earnings, state shared revenue including cigarette, liquor and marijuana taxes, cable franchise fees and other 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.

# General Fund Resources

## FY 23-24 Adopted Budget

Resources	Discretionary
Current Year Property Taxes	\$ 51,021,395
Other Taxes & Assessments	4,653,570
Licenses & Permits	696,350
Fines, Forfeitures & Penalties	275,000
Federal Revenue	3,886,383
State Revenue	4,167,975
Administrative Charges	371,087
Interest Earnings	500,000
Beginning Fund Balance	40,448,505

**Current Year Property Taxes =**

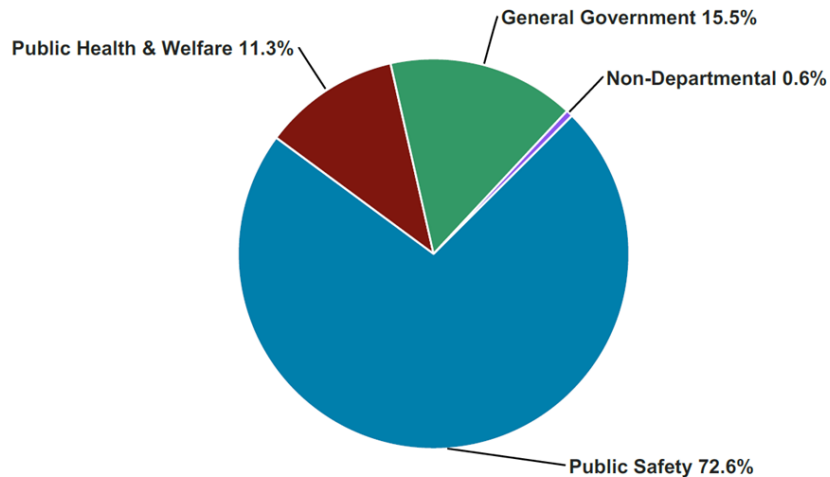
**48% of resources**

**78% of revenue**

# General Fund Resources

## FY 23-24 Adopted Budget

Discretionary General Fund FY 23-24 Allocation by Service Category excluding unallocated reserves

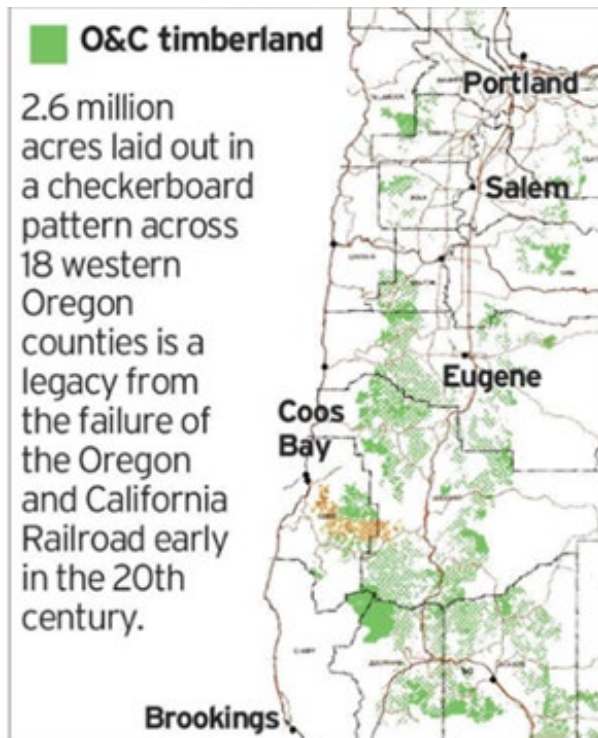


<b>Top 5 Public Safety Services:</b>	
Law Enforcement, 9-1-1 Response	- \$13,165,159
Violent Offender Jail Capacity	- \$11,165,775
Criminal Prosecution	- \$8,437,445
Supervision Services	- \$3,166,990
Detention	- \$1,795,363

<b>Top 3 General Govmnt Services:</b>	
Assessment & Taxation	- \$6,555,454
Elections & Voter Reg	- \$2,366,946
Facilities	- \$1,115,088

<b>Top 3 Public Health &amp; Welfare Services:</b>	
Human Services	- \$1,975,078
Homeless Systems Transformation	- \$816,634
Women Infants & Children	- \$623,808

# General Fund History



DAN AGUAYO/THE OREGONIAN

For well over 100 years, Lane County citizens relied on timber harvest revenue from federal Oregon & California (O&C) railroad lands to fund General Fund services.

Timber harvest revenue decreased due to changes in timber harvest practices and revenue replacements were made by the federal government (OWL guarantee, Secure Rural Schools). The funds help support critical services such as Sheriff's patrols and corrections, criminal prosecution, youth detention, public health, and elections.

At the same time that timber harvest revenue and replacement revenue declined...the property tax system was overhauled.

# General Fund History

## *Permanent Property Tax Rates and Limitations*

**1990** - Oregon voters approved Measure 5 restricting taxation for government services to \$10 per \$1,000 of assessed value.

**Spring 1997** - Oregon voters approved Ballot Measure 50, a revision of Ballot Measure 47, to significantly change the entire property tax system.

Measure 47/50 changed the system to a rate based one of so many dollars per \$1,000 of assessed value (**\$1.2793 per thousand for Lane County**). As value grows, so does the revenue. Allows for first time inclusion of assessed value of new construction.

Measure 50 also rolled back assessed values to the level assessed two years prior, a 17% reduction, and then placed a constitutional restriction on future growth to a 3% annual increase in assessed valuations as opposed to the 6% growth allowed under the previous tax levy system. This growth restriction has created a “structural deficit” within the General Fund. Annual expenditure growth has averaged between 5% and 6% while growth in overall General Fund revenue has been closer to 3% to 3.5%.

# History v. FY15-16 Forward

## HISTORY

- Loss of Timber revenue
- Property Tax Reform
  - ▣ Expenditures consistently exceeded revenue
  - ▣ Used one-time funds for operations

Budget & Service Reductions

## FY 15-16 FORWARD

- Stabilized spending
  - ▣ One-time v. Ongoing
- Reduction of expenses
  - ▣ Prepayment of debt
  - ▣ Internal expenses reviewed
  - ▣ Self-funded Medical

# Forecast Highlights

- ❑ Ongoing Revenue growth of ~ 2.3%
- ❑ Ongoing Expenditure growth of ~ 5.4%
- ❑ Property Tax Growth ~ 3.5% growth
- ❑ Other revenue growth very modest.
- ❑ Personnel Expenses ~ 5% growth. (prior to CBAs)
  - Initially assumes 4% vacancy variance rate
  - PERS Rates slight decrease (bond)
  - Medical rate increase 7.5%
- ❑ Material & Services ~ 2.7% growth (Dec OR Econ Forecast)





# Forecast Bottom Line for FY 24-25



Ongoing Revenue: ~\$104.9 million

Ongoing Expenditures: ~\$111.9 million

**Structural Deficit of ~\$7 million**

# Forecast Cautions

## One-time expenditures within Fund

- ❑ Expanded Patrol (through 24-25 Gen Fund/25-26 Road Fund) ~\$2.8 million annual expenditures.
- ❑ Holiday Farm Fire Recovery staff
- ❑ ARPA Funds & related expenditures (position discussion needed)
- ❑ Risk Fund paying for 2 FTE in County Counsel (will transition to indirect plan)
- ❑ Various Limited in duration positions & one-time funding allocations
- ❑ Sheriff's Office CCA/JRI Funding Shortfall

TOTAL: ~\$5 million+ estimated in FY 24-25

**Personnel Expenses continuing to outpace revenue growth (Wages & Benefits)**

# Reserves

RESERVES BY FUND				
Fund Name	FY 22-23 Curr Bgt	FY 23-24 Adopted	\$ Chng Fr Curr	Restrictions on Use
124: General	22,879,033	35,236,158	12,357,125	Lane Manual Chapter 4 Reserve Policy
216: Parks and Open Spaces	1,649,936	1,699,911	49,975	Transient Room tax; Car Rental Tax
222: Law Library	422,218	370,631	(51,587)	ORS 357.203; State Court fees
225: General Road	71,247,498	62,921,862	(8,325,636)	ORS 366.739&366.570; OR Constitution Art IX, Sec. 3a
240: Public Land Corners Preservation	1,527,666	1,514,109	(13,557)	ORS 203.148
244: County Clerk Records	169,027	134,892	(34,135)	ORS 205.365
250: Title III Projects	3,606,804	3,475,838	(130,966)	Secure Rural Schools Federal Law
255: American Rescue Plan	29,642,263	22,143,125	(7,499,138)	American Rescue Plan Act Federal Law
260 Special Revenue	17,454,471	20,145,060	2,690,589	6 subfunds w/various federal, state & grant revenue
275: Industrial Revolving	126,224	128,000	1,776	Only projects authorized by ORS 271.510.540.500
283: Animal Services	40,761	0	(40,761)	Lane Manual Chapter 4 Reserve Policy
285: Intergov. Human Svcs	5,012,629	4,792,916	(219,713)	Federal, State & Local Grants
286: Health & Human Services	13,595,944	26,504,584	12,908,640	Federal, State & Local Grants
290: Local Option Tax Levy	18,372,248	18,608,782	236,534	Restricted by Voters
295: Parks Levy	0	484,070	484,070	Restricted by Voters
333: Special Obligation Bond	311,501	274,649	(36,852)	Reserved for future Debt Service Payments
341: Notes Payable Debt Service	1,194	0	(1,194)	Reserved for future Debt Service Payments
435: Capital Improvement	6,817,521	7,300,000	482,479	Lane Manual 4.005.010C.5
521: Lane Events Center	7,705,636	9,179,006	1,473,370	Transient Room Tax
530: Solid Waste Disposal	20,634,599	22,141,650	1,507,051	OAR Division 94.0140-94.0145
539: Corrections Commissary	382,092	99,848	(282,244)	Self-supporting service
570: Land Management	7,475,303	7,580,422	105,119	Title III and committed fees
612: Self Insurance	7,364,125	6,635,522	(728,603)	Self-insured reserves; ORS 294.343.
614: Employee Benefit	6,963,496	17,408,804	10,445,308	Lane Code 2.040.010; health plan self-insurance
615: Pension Bond	5,145,741	3,639,155	(1,506,586)	Debt Service reserves for PERS Bond
619: Motor & Equip Pool	23,418,006	25,590,462	2,172,456	ORS 294.343; Future equipment replacement
627: Intergovernmental Services	99,678	98,153	(1,525)	ORS 294.343
653: Technology Replacement	1,401,020	224,605	(1,176,415)	ORS 294.343; five year technology replace cycle
714: Retiree Benefit Trust	11,513,358	10,981,836	(531,522)	Lane Code 2.040.005; legacy employee benefit
<b>TOTAL RESERVES</b>	<b>284,979,992</b>	<b>309,314,050</b>	<b>24,334,058</b>	

# Reserves

Reserve levels help mitigate financial risks to the County:

- ❑ Non-General Fund reserves decrease reliance on General Fund. Road Fund, Land Management, Parks, etc.
- ❑ Benefit Fund Reserves helping smooth rate increases. (medical)
- ❑ General Fund Reserve gives us time to achieve structural balance.

\*Cash Flow reserves (reduces borrowing risk) and provides resilience.

# BUDGET CALENDAR

## BASIC BUDGET DIRECTION

Steve Mokrohisky, County Administrator

Christine Moody, Budget & Financial Planning Manager

# Budget Calendar

## **January**

Budget Kickoff w/Leadership Team January 11<sup>th</sup>

Budget Kickoff w/Departments January 17<sup>th</sup>

## **February**

Departments prepare and submit budget to central budget office

## **March**

County Administrator Meetings w/Departments

Adjustments to department budgets

## **April**

Preparation of proposed budget document

## **May/June**

Budget Committee Meetings

Budget Committee Approval and Board of Commissioners Adoption

# Next Steps



## ***Department Budget Kickoff – January 16, 2024***

Departments will submit an Adjusted Base Budget for General Fund supported services = same service level at next year's projected costs.

County Administrator will issue budget direction to achieve a balanced proposed budget.

Direction will include spending targets, reductions in cost requests, analysis of other funding sources, efficiencies, etc.

Exploring process for employee idea generation around efficiencies and expenditures savings.

# Initial Budget Direction

## Personnel:

- ▣ Include BCC approved cost of living/wage increases
- ▣ Include a vacancy variance in all funds

## Benefits

- ▣ Medical rate increase 7.5% (use reserves); Dental rates 0%

## Material & Services

- ▣ Continue Zero Base Budgeting in General Fund
- ▣ Additional focus on equipment (cell phones, computers), travel/training, printing, professional consulting and agency payments, space/facilities review including leases/contracts.



# Overall Budget Goals for FY 24-25



- ❑ Structurally balance all funds or have plan on how to achieve
- ❑ Continue to meet reserve policies/use reserves to stabilize
- ❑ Avoid reduction to current service levels; Strategic Plan alignment
- ❑ Enable resilience now and in future
- ❑ Plan to ensure future stability – when one-time funds end

# WRAP UP

Steve Mokrohisky, County Administrator