

# Lane County Quarterly Financial Report

Quarter Ended September 30, 2015  
(First Quarter of FY 15-16)



**Presented to Lane County Board of Commissioners:  
December 8, 2015**

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## Executive Summary

We are pleased to present you with Lane County's Quarterly Report for the First Quarter of Fiscal Year (FY) 15-16. This report includes national and local economic indicators, budget vs. actual expenditures and year-over-year financial data.

The purpose of this report is to monitor the current year's budget. This report makes no representations about the level of budget or services and whether they are adequate. The County has adopted a Strategic Plan that focuses on the highest priority service areas and continues to address the declining revenues due to the loss of Federal Secure Rural Schools payments. We continue to work with community partners in the short and long term to meet the needs of residents.

This report focuses on a one year period with budget comparisons and some economic information that may prove useful in developing future budgets. To learn more about the County's overall financial health, please refer to the Comprehensive Annual Financial Report, Debt Affordability Report and Investment Report located at [www.lanecounty.org/Finance](http://www.lanecounty.org/Finance). For information on the development of the County's budget and the service levels provided, please visit [www.lanecounty.org/budget](http://www.lanecounty.org/budget).

The following is a brief summary of the report:

- The cost of living in the United States increased by a modest 0.1 percent in September, 2015. Unemployment levels at both the national and local levels continue to improve slightly, and local residential housing prices and taxable values are increasing. Building permit activity within Lane County Land Management Division between July-Sept 2015 showed gains of 4.2% for residential permits and a very slight decrease of 0.2% for commercial permits when comparing to the same period in 2014.
- The General Fund has received \$6.89 million, or 9.28% of its budgeted revenue. Property Taxes, which make up over 50% of the total revenue, will begin being received in November. General Fund operating expenses for the first quarter totaled \$12.4 million, or 19.69% of budget. Operating expenditures do not include budgeted transfers.
- Road Fund revenues totaled \$5.23 million, or 14.96% of budgeted revenue. Total budgeted operating revenue as compared to FY 14-15 is down by 0.4%, (\$141,053) due to a scheduled reduction in Timber Receipts. Road Fund operating expenditures total \$8.64 million, or 26.30% of budget. Actual expenses are down in all categories for the Road Fund.

Steve Mokrohisky,  
County Administrator

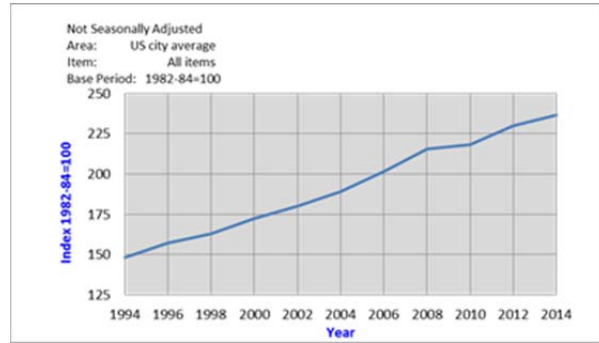
# National Economic Indicators

## Consumer Price Index

**Consumer Price Index (CPI)**  
 1982 - 1984 = 100  
 All Urban Consumers

United States	
Sept 2015	237.945
Year Change	0.0%
Portland-Salem MSA	
July - Dec 2014	242.679
Year Change	2.3%
Jan - June 2015	242.976
Year Change	1.3%

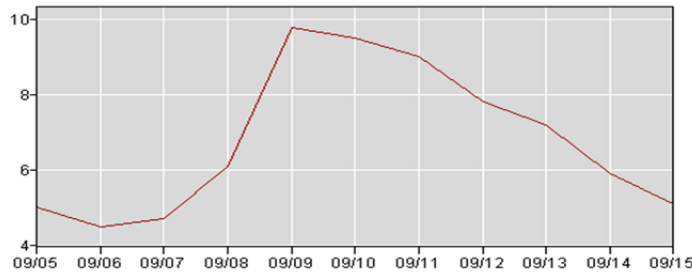
[www.bls.gov/cpi](http://www.bls.gov/cpi)



## National Employment

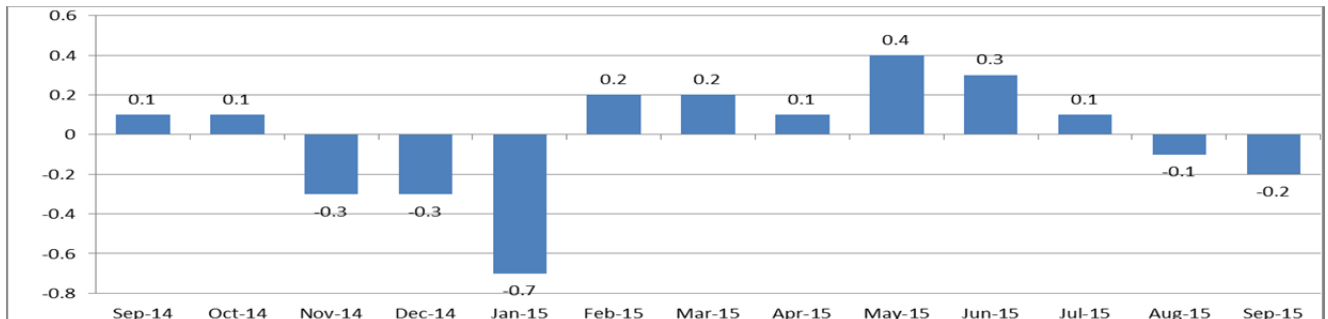
The US Bureau of Labor Statistics reports that the national unemployment rate dropped to 5.1% in September, 2015. This is down from 5.9% in the same period last year.

Seasonally Adjusted  
 Series title: (Seas) Unemployment Rate  
 Labor force status: Unemployment rate  
 Type of data: Percent or rate  
 Age: 16 years and over



## Inflation

The Consumer Price Index for All Urban Consumers (CPI\_U) decreased 0.2 percent in September (seasonally adjusted basis). Over the last 12 months, the all items index was essentially unchanged before seasonal adjustment.



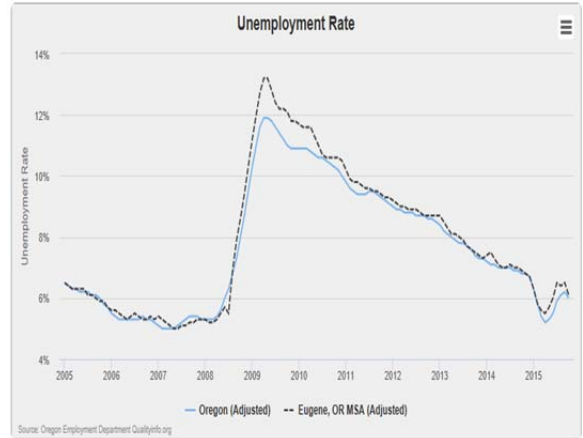
## Health Insurance Costs

CPI for Medical Care gained 1.4% in the quarter ending September 2015, while Health Insurance also increased 1.9%. Lane County would have seen a 4.01% increase in Health rates for FY 15-16; however, this was mitigated by going self-funded on August 1, 2015.

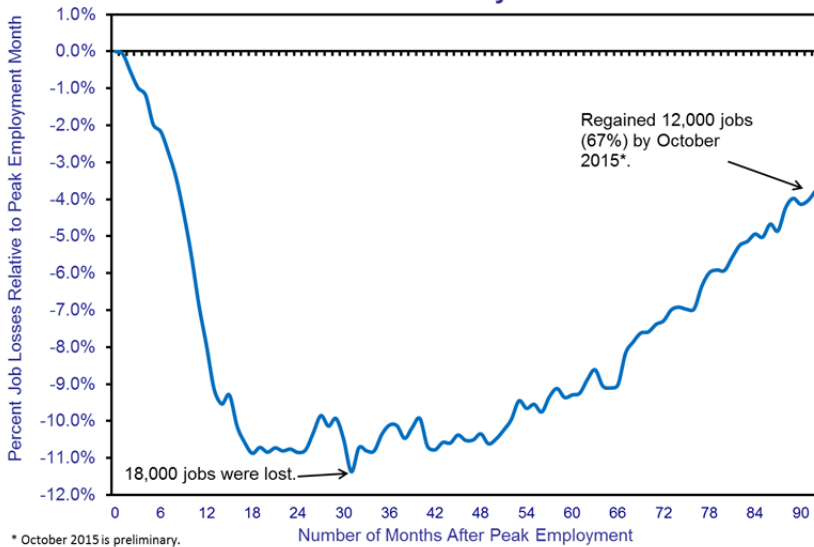
# Local Economic Indicators

## Employment Data

Unemployment in Lane County has risen in the last six months. In March 2015, unemployment was 5.6% and June was 6.0%. September 2015, the employment rate was 6.5%.



**Percent of Job Losses in Lane County Since Peak in February 2008**



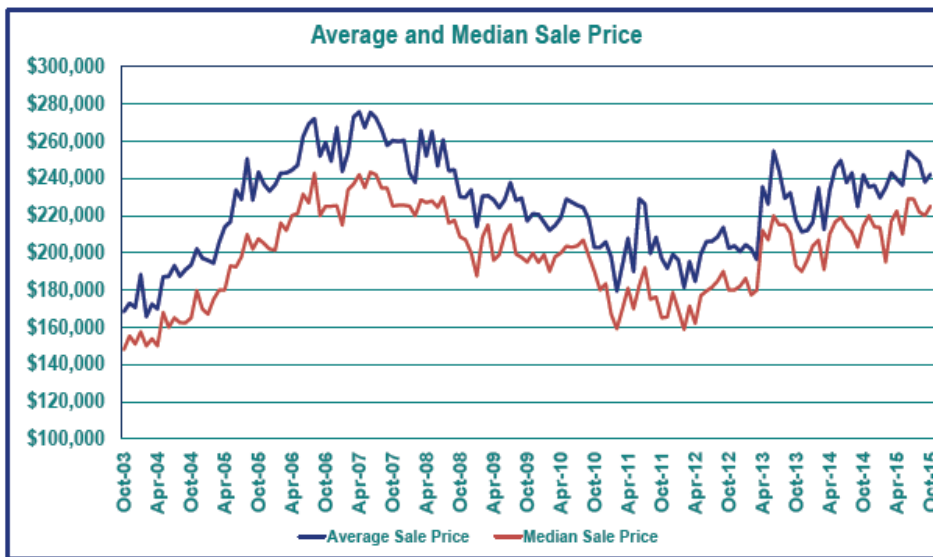
\* October 2015 is preliminary.

remaining loss is from manufacturing. (Brian Rooney, Regional Economist)

Unemployment in Oregon was 5.4% in March 2015 and has risen to 6.2% in September. The National rates for the same time periods are 5.5% and 5.1% respectively.

We are almost back to prerecession levels for all other industries except manufacturing (only down about 600 out of 10,000). Almost all

## Real Estate Statistics



Source: Market Action, RMLS, October 2015

The average price of a home in Lane County grew to \$235,400 in September 2015 from \$235,200 in September 2014. This is a 3.5% increase over the period. In the same comparison, the median price rose by 4.8% from \$210,000 to \$220,000.

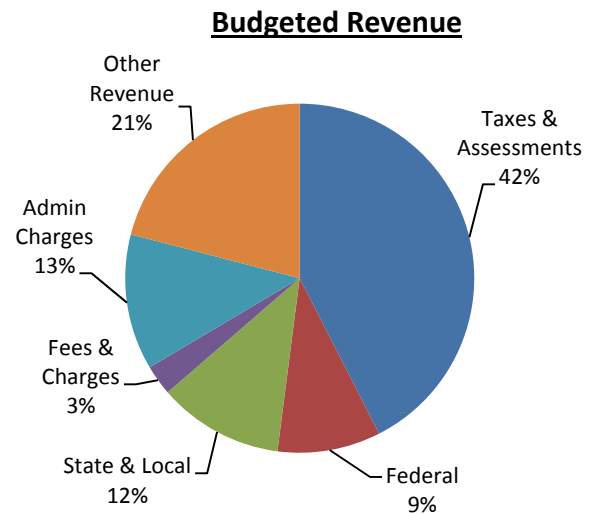
**Building Permit** activity within Lane County Land Management has also shown increases for the period between July-September 2015 as compared to the same period in 2014. Residential permits have increased 4.2%, while commercial permits have decreased by 0.2%.

# General Fund

Positive and Within Budget

## Revenues:

At the end of the first Quarter of FY 15-16, the County has received 9.28% of its budgeted annual General Fund revenue. This is an increase of .17% over the same period last year. The General Fund does not receive property tax revenue until mid-November each year and relies on the funds reserved in the prior year until that time. In FY 15-16, the General Fund had a beginning fund balance of 17.3 million.



<b>General Fund Operating Revenues</b>				
Quarter ended September 30	12-13	13-14	14-15	15-16
Quarter 1 YTD Actual	7,197,736	6,256,913	6,746,902	6,894,813
<b>Total Annual Budget</b>	<b>72,534,839</b>	<b>71,618,361</b>	<b>74,040,183</b>	<b>74,293,340</b>
<b>Actual as % of Budget</b>	9.92%	8.74%	9.11%	9.28%

<b>General Fund Operating Revenues</b>					15-16 vs. 14-15 Variance	
Quarter Ended September 30	12-13	13-14	14-15	15-16	\$	%
Taxes & Assessments	691,781	723,568	728,108	804,925	76,816	10.55%
Federal Revenue	372,395	194,710	352,854	379,131	26,277	7.45%
State & Local Revenue	4,911,134	3,610,458	4,373,458	3,751,652	(621,806)	-14.22%
Fees & Charges	592,138	609,944	582,719	524,380	(58,339)	-10.01%
Administrative Charges	2,768,729	2,885,284	2,642,950	2,660,471	17,521	0.66%
All Other Revenue	(2,138,440)	(1,767,051)	(1,933,188)	(1,225,746)	707,442	-36.59%
<b>Total</b>	<b>7,197,736</b>	<b>6,256,913</b>	<b>6,746,902</b>	<b>6,894,813</b>	<b>147,912</b>	<b>2.19%</b>

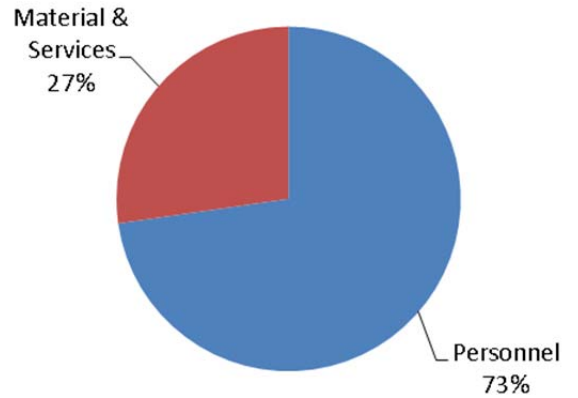
# General Fund

Positive and Within Budget

## Expenditures:

At the end of the first Quarter of FY 15-16, the County has expended 19.69% of its budgeted annual General Fund operating expense budget. This is an decrease of .07% over the same period last year. The bulk of this decrease occurs within the Personnel Services category due to a slightly higher vacancy rate than the prior year. Vacany rates fluctuate and this change is within expected limits.

## Budgeted Operating Expenses



<b>General Fund Operating Expenses</b>				
<b>Quarter Ending September 30</b>	12-13	13-14	14-15	15-16
Quarter 1 YTD Actual	13,197,452	11,099,470	12,405,135	12,407,000
<b>Total Annual Budget</b>	<b>77,744,119</b>	<b>68,851,186</b>	<b>62,772,835</b>	<b>63,006,745</b>
<b>Actual as % of Budget</b>	16.98%	16.12%	19.76%	19.69%

<b>General Fund Operating Expenses</b>					<b>15-16 vs. 14-15 Variance</b>	
<b>Quarter Ended September 30</b>	12-13	13-14	14-15	15-16	\$	%
Personnel Services	10,121,379	8,629,837	8,946,985	8,724,832	(222,153)	-2.48%
Materials & Services	3,076,073	2,469,634	3,456,398	3,682,168	225,769	6.53%
Capital Projects/Outlay	-	-	1,752	-	(1,752)	-
<b>Total</b>	<b>13,197,452</b>	<b>11,099,470</b>	<b>12,405,135</b>	<b>12,407,000</b>	<b>1,864</b>	<b>0.02%</b>

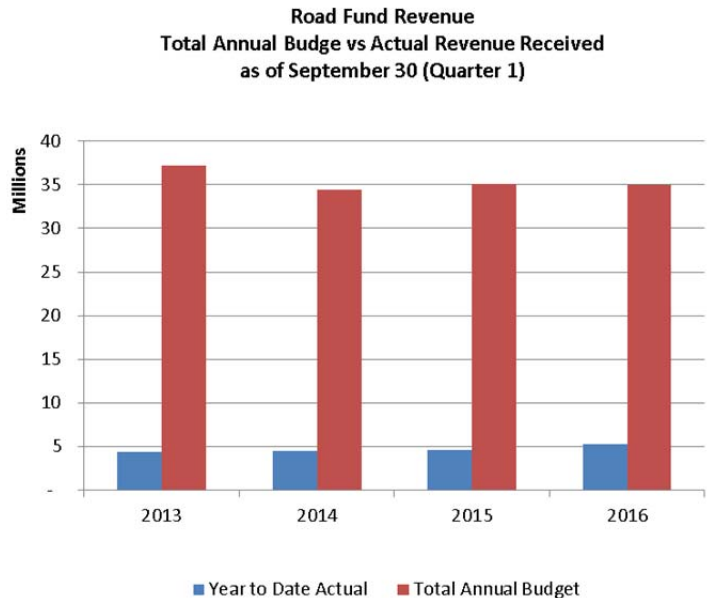
# Road Fund

Positive and Within Budget

## Budget v. Actual Revenue

### Revenues:

As of the end of the first Quarter of FY 15-16, the County has received 14.96% of its budgeted annual Road Fund operating revenue, which is an increase of 1.82% over the same period last year. The net increase of \$618,945 results from a Federal Highway Administration grant for the Row River safety improvements, land sales and an increase in the State Highway Fund Transfer. Total budgeted operating revenue as compared to FY 14-15 is down by 0.4%, (\$141,053) due to a scheduled reduction in Timber Receipts.



<b>Road Fund Operating Revenues</b>	12-13	13-14	14-15	15-16
Quarter 1 YTD Actual	4,345,099	4,496,149	4,607,845	5,226,790
<b>Total Annual Budget</b>	<b>37,225,960</b>	<b>34,382,105</b>	<b>35,074,003</b>	<b>34,932,950</b>
<b>Actual as % of Budget</b>	11.67%	13.08%	13.14%	14.96%

<b>Road Fund Operating Revenues</b>	12-13	13-14	14-15	15-16	15-16 vs. 14-15 Variance	
<b>Quarter Ended September 30th</b>					\$	%
SRS/Federal Timber Receipts	-	-	-	-	-	-
State Highway Fund Transfer	2,808,029	3,030,571	3,037,266	3,253,524	216,258	7.12%
Other Intergovernmental	358,033	131,835	356,261	648,275	292,014	81.97%
Fees and Charges	18,866	81,391	94,670	86,544	(8,126)	-8.58%
Property Sales & Rentals	115,384	142,814	120,756	270,221	149,465	123.77%
Department Indirect Revenue	962,842	1,033,672	937,930	912,717	(25,213)	-2.69%
Other Revenues	81,946	75,867	60,963	55,509	(5,453)	-8.95%
<b>Total</b>	<b>4,345,099</b>	<b>4,496,149</b>	<b>4,607,845</b>	<b>5,226,790</b>	<b>618,945</b>	<b>13.43%</b>



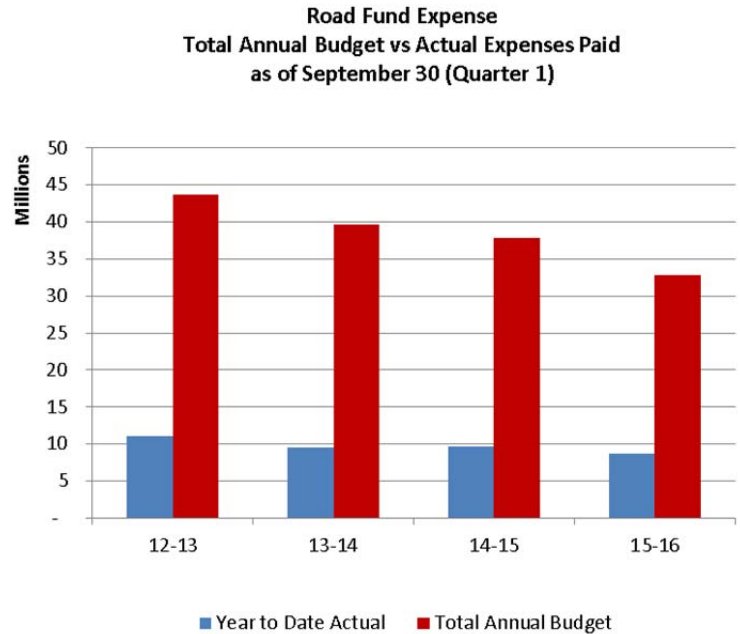
# Road Fund

Positive and Within Budget

## Budget v. Actual Operating Expenses

### Expenditures:

As of the end of the first Quarter of FY 15-16, the County has expended 26.3% of its budgeted annual Road Fund operating expense budget. This is an increase of 0.82% over the same period last year. Actual expenses are down, the decrease of \$996,591 results from decreases in all categories for the Road Fund. The FY 15-16 Operating Expense Budget was reduced by 13.14% from the previous year.



<b>Road Fund Operating Expenses</b>				
<b>Quarter Ended September 30th</b>	12-13	13-14	14-15	15-16
Quarter 1 YTD Actual	11,087,401	9,528,049	9,641,192	8,644,631
Total Annual Budget	<b>43,631,198</b>	<b>39,700,466</b>	<b>37,843,255</b>	<b>32,869,096</b>
<b>Actual as % of Budget</b>	25.41%	24.00%	25.48%	26.30%

<b>Road Fund Operating Expenses</b>					<b>14-15 vs. 13-14 Variance</b>	
<b>Quarter Ended September 30th</b>	12-13	13-14	14-15	15-16	\$	%
Personnel Services	3,567,088	3,648,903	3,566,175	3,164,189	(401,986)	-11.27%
Materials & Services	4,199,239	3,641,880	4,180,286	3,148,491	(1,031,795)	-24.68%
Capital Projects/Outlay	3,321,073	2,237,267	1,894,731	2,331,952	437,221	23.08%
<b>Total</b>	<b>11,087,401</b>	<b>9,528,049</b>	<b>9,641,192</b>	<b>8,644,631</b>	<b>(996,561)</b>	<b>-10.34%</b>

<b>Road Fund Net Operating Balance</b>				
<b>Quarter Ended September 30th</b>	12-13	13-14	14-15	15-16
YTD Actual	(6,742,302)	(5,031,900)	(5,033,347)	(3,417,841)
Total Annual Budget	(6,405,238)	(5,318,361)	(2,769,252)	2,063,854
<b>Actual as % of budget</b>	105.26%	94.61%	181.76%	-165.60%