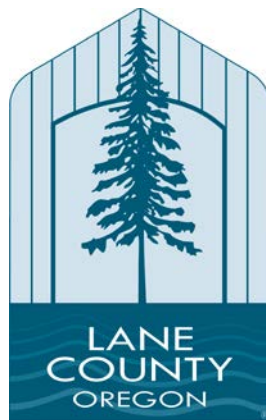


Lane County Quarterly Financial Report

Quarter Ended June 30, 2020
(Fourth Quarter of FY 19-20)



**Presented to Lane County Board of Commissioners:
September 29, 2020**

Table of Contents

	Page Number
Executive Summary.....	1
National Economic Indicators.....	2
Local Economic Indicators.....	3
Actual Revenues and Expenses vs. Budget (All County Funds).....	6
General Fund.....	7

Executive Summary

We are pleased to present you with Lane County's Quarterly Financial Report for the Fourth Quarter of Fiscal Year (FY) 19-20. 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 work to address the lack of ongoing revenue sources to support service levels in a variety of areas. 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. For information on the development of the County's budget and the service levels provided, please visit www.lanecounty.org/budget.

As we are all aware, near the end of the third quarter, on March 11, 2020, the World Health Organization declared SARS-CoV-2 and the disease it causes, COVID-19, a global pandemic. On March 17, 2020, Lane County declared a local emergency as a result of the Public Health response to COVID-19. The COVID-19 pandemic resulted in the temporary closure of many businesses which in turn caused high unemployment rates and sweeping economic impacts. The data in the third quarter report only showed the very beginning of the impacts caused by the pandemic. This FY 19-20 4th Quarter report contains updated economic data and any additional information on the overall financial health of the County, as the full economic and financial impacts continue to become known.

The following is a brief summary of the report:

- National unemployment was 11.1% (compared to 4.4% in the 3rd Quarter)
- CPI-U for the United States was 0.6% for the prior 12 months
- CPI B/C West Region was 0.5% for the prior 12 months
- Average sale price of residential property increased 8.7% from \$316,200 to \$343,700 from June 2019 to June 2020.

Steve Mokrohisky,
County Administrator

National Economic Indicators

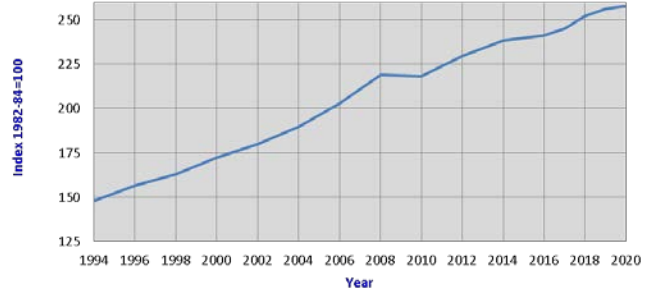
Consumer Price Index

Consumer Price Index (CPI)

1982 - 1984 = 100
All Urban Consumers

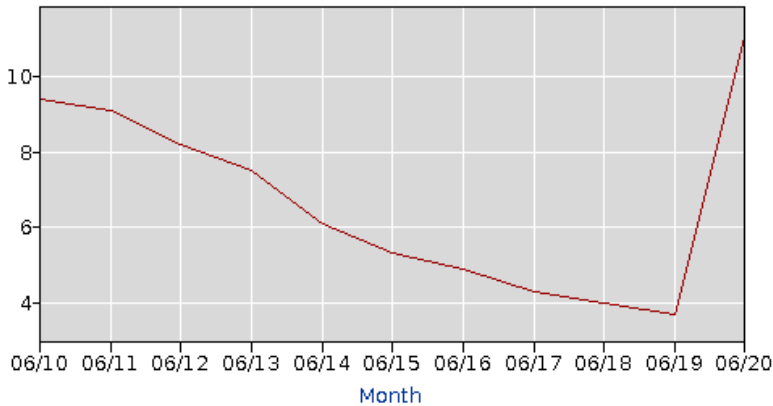
United States	
June 2020	257.797
Annual Change	0.6%
July 2019-June 2020	0.5%
West - Size B/C, all urban	
June 2020	158.857
Year Change	0.8%
July 2019-June 2020	0.9%

Not Seasonally Adjusted
Area: US city average
Item: All items
Base Period: 1982-84-100



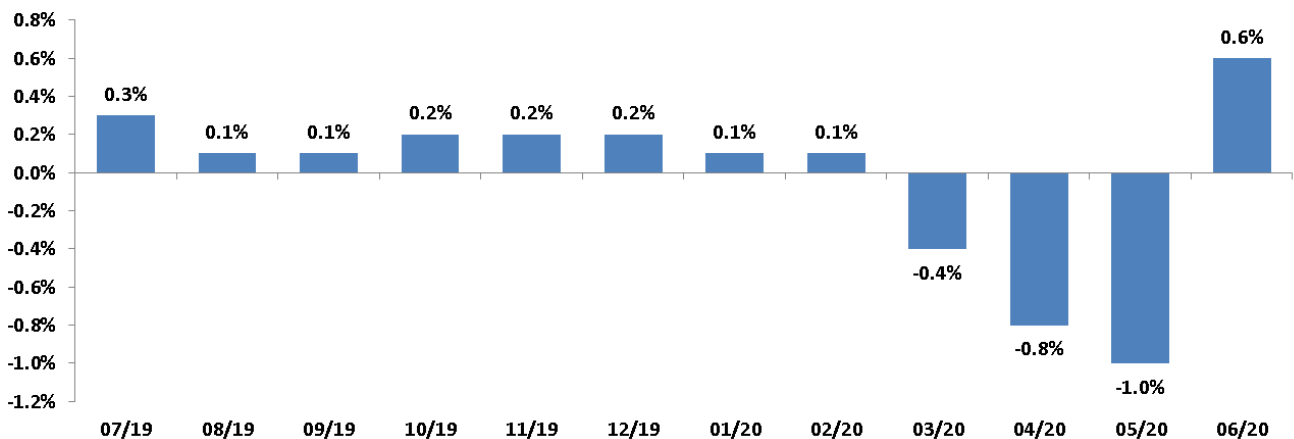
National Employment

The US Bureau of Labor Statistics reports that the national unemployment rate increased to 11.1% in June, 2020. This is up from 3.7% in the same period last year. Note that these rates include the upward spike in unemployment rates due to the COVID-19 pandemic.



Inflation

The Consumer Price Index for All Urban Consumers (CPI_U) grew .6% in June (seasonally adjusted basis). Over the last 12 months, the all items index increased .64 percent.

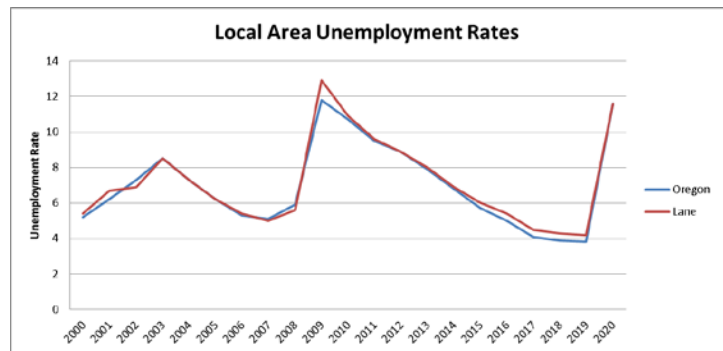


Local Economic Indicators

Employment Data

Unemployment in Lane County for June, 2019, unemployment was 4.2%, while June 2020 was 11.6%. March had marked the 43rd month in a row with unemployment rates under 5% in Lane County, but due to the COVID-19 pandemic, that streak came to an end in April.

Unemployment in Oregon was 11.6% in June 2020, an increase from the rate of 3.8% in June, 2019.

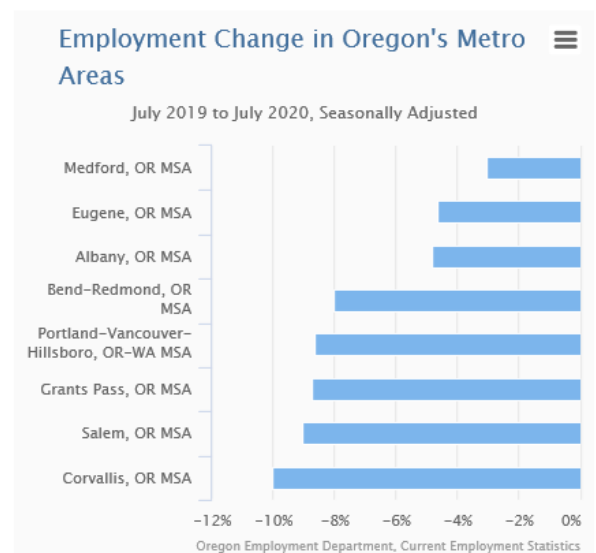


Employment/Job Growth

Lane County's seasonally adjusted unemployment rate decreased from 14.6 percent in May, which was a record high for May, to 11.1 percent in June. The record June rate was 12.9 percent in 2009. The Oregon seasonally adjusted June rate was 11.2 percent and the U.S. rate was 11.1 percent.

Lane County's payroll employers added a seasonally adjusted 7,000 jobs in June. Lane County has gained back almost half of the jobs lost in March and April due to COVID-19 related restrictions. The largest private-sector gains in June were in leisure and hospitality (3,500), education and health services (2,500), and retail trade (1,000). No sector lost jobs in June.

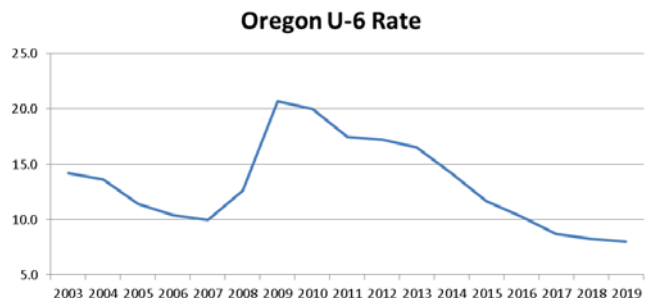
Government lost 700 in June due to losses in local government (-700) and state government (-100) that were countered by a gain in federal government (100).



U-6 Unemployment Rate - Oregon

The U-6 unemployment rate, which is an alternate measure of unemployment, is the broadest unemployment measure and includes anyone who has looked for work in the last 12 months, those who are willing and available to work but have not looked in the last 4 weeks, and those who are working part time because full time work is not available.

(Source: Bureau of Labor Statistics)



Household income - Oregon

Oregon's household income for 2018 averaged \$63,426.

There are 1,639,970 households in Oregon with an average size of 2.6 people, almost matching the U.S. average household size of 2.7 people. A household is all the people who occupy a housing unit, such as a house, an apartment, a mobile home, a group of rooms, or a single room that is a separate living quarters. A household can consist of a single family, a person living alone, two or more families living together, or any other group of people who share living arrangements.

People not living in a housing unit are considered to live in group quarters and are not included in the median household income figures. Examples of group quarters include correctional facilities, nursing homes, mental hospitals, college dorms, military barracks, group homes, missions, or shelters.

There Are Significant Income Differences by Type of Households

There are 1,639,970 households in Oregon. One out of four households (394,435) does not have any earnings income. All their income comes from investments (interest, dividends, or net rental income); Social Security; retirement or disability income; public assistance; or other types of income. They do not have earnings from wages or salaries for work performed as an employee, or net income (after expenses) from farm and nonfarm self-employment.

Household income varies by age of the householder. It seems to hit a sweet spot where the householder is between the ages of 45 and 64 years and the median is \$75,380. That's slightly higher than the \$72,648 median income for households when the householder is age 25 to 44 years. Median household income is just \$38,885 when the householder is under 25 years, and it is \$47,314 when the householder is 65 years and over. The householder is the adult in the household who own or rents the housing unit. It can be either person when the house is owned or rented by a married couple.

Urban Counties Tend to Have Higher Household Income, 2018 Oregon = \$63,426

County	Median Household Income	County	Median Household Income
Washington	\$82,819	Tillamook	\$52,486
Clackamas	\$81,061	Wasco	\$52,269
Multnomah	\$70,756	Crook	\$51,348
Deschutes	\$67,372	Union	\$50,616
Hood River	\$66,607	Jefferson	\$50,376
Benton	\$63,600	Lincoln	\$49,265
Columbia	\$63,338	Curry	\$48,788
Polk	\$62,389	Coos	\$48,352
Yamhill	\$61,776	Wallowa	\$48,137
Sherman	\$58,838	Douglas	\$47,020
Marion	\$56,408	Josephine	\$46,578
Jackson	\$55,511	Grant	\$46,141
Morrow	\$55,343	Baker	\$45,972
Gilliam	\$54,325	Klamath	\$45,374
Linn	\$54,292	Lake	\$44,847
Umatilla	\$53,917	Harney	\$43,370
Clatsop	\$53,806	Malheur	\$42,624
Lane	\$53,161	Wheeler	\$39,579

Urban (metropolitan) counties in gray.

Source: Oregon Employment Department, U.S. Census Bureau, Small Area Income and Poverty Estimates

Although the median household income in Oregon is \$63,426, there are significant differences in income based on the race and ethnicity of the householder. Household income is much higher when the householder is Asian (\$80,316), and slightly higher than overall when the householder is white and not Hispanic or Latino (\$64,295). Household incomes are lower than overall when the household is Black or African American (\$46,076), American Indian and Alaska Native (\$50,774), or Hispanic or Latino origin of any race (\$52,779).

Source: A Closer Look at Oregon's Median Household Income, Will Buchar, Usability Analyst – Systems Development – 6/8/20
<https://www.qualityinfo.org/-/a-closer-look-at-oregon-s-median-household-income>

Real Estate Statistics

June Residential Highlights

New listings (512) decreased 17.8% from the 623 listed in June 2019, and increased 5.6% from the 485 listed in May 2020.

Pending sales (554) increased 2.6% from the 540 offers accepted in June 2019, and increased 19.1% from the 465 offers accepted in May 2020.

Closed sales (399) decreased 15.3% from the 471 closings in June 2019, and increased 28.3% from the 311 closings in May 2020.



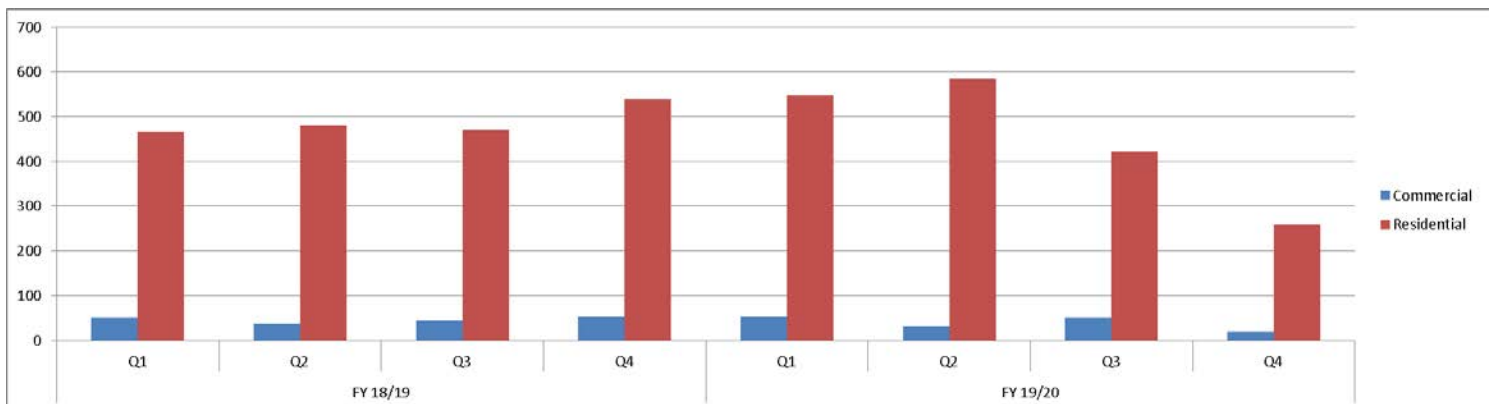
Comparing 2020 to 2019 through June, the average sale price has increased 8.7% from \$316,200 to \$343,700. In the same comparison, the median sale price has increased 10.7% from \$289,000 to \$320,000.

Source: Market Action, RMLS, June 2020

Building Permit

Building permit activity within Lane County Land Management showed a marked downward trend for the period between April and June 2020 as compared to the same period in 2019. Residential permits have decreased 52.1%, while commercial permits have decreased by 61.5% as compared to the same period in 2019.

Property Type	FY 18/19				FY 19/20				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total
Commercial	51	37	43	52	53	32	51	20	156
Residential	466	480	469	539	548	584	422	258	1812
Percent change Commercial last Quarter	17.6%	-37.8%	14.0%	17.3%	1.9%	-65.6%	37.3%	-155.0%	
Percent change Residential last Quarter	-9.01%	2.92%	-2.3%	12.99%	1.64%	6.16%	-38.4%	-63.57%	
Percent change Commercial 1 year	37.3%	-8.1%	-14.0%	19.2%	3.8%	-15.6%	15.7%	-160.0%	
Percent change Residential 1 year	-10.5%	-27.5%	-14.9%	5.8%	15.0%	17.8%	-11.1%	-108.9%	



ALL COUNTY FUNDS
FY 19-20

RESOURCES	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date	Current Budget	% Actual to Budget
Beginning Fund Balance/Reserves	308,917,439	733,707	-	-	309,651,146	309,651,146	100.00%
Revenues							
Taxes & Assessments	2,440,942	61,277,529	4,413,676	4,299,948	72,432,096	72,739,986	99.58%
Federal Revenue	(7,613,893)	8,450,347	10,189,841	29,494,283	40,520,578	57,771,603	70.14%
State & Local Revenue	18,505,187	31,654,457	30,997,108	46,459,370	127,616,123	119,029,213	107.21%
Fees & Charges	34,142,010	37,612,661	38,879,528	42,551,711	153,185,910	152,357,749	100.54%
Other Revenues	9,326,701	11,147,346	9,968,940	9,165,721	39,608,708	37,779,358	104.84%
Total Revenue	56,800,947	150,142,340	94,449,093	131,971,034	433,363,415	439,677,909	98.56%
Transfers In	4,944,312	6,101,859	5,036,033	14,323,110	30,405,314	33,500,114	90.76%
Other Resources	313,861,751	6,835,566	8,528,838	14,323,110	343,549,265	1,001,461	34304.81%
TOTAL RESOURCES	370,662,698	156,977,906	102,977,931	146,294,144	776,912,680	783,830,630	99.12%

REQUIREMENTS	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date	Current Budget	% Actual to Budget
Expenditures							
Salaries & Wages	25,244,812	25,774,580	29,926,690	31,422,041	112,368,122	117,673,834	95.49%
Employee Benefits & Taxes	16,467,474	17,940,381	19,586,384	21,714,266	75,708,505	81,629,545	92.75%
Other Personnel Expenses	284,469	284,469	284,469	284,468	1,137,874	1,137,874	100.00%
Material & Services	38,648,212	52,951,147	50,943,499	58,520,631	201,063,489	238,869,183	84.17%
Capital	4,782,658	6,133,524	11,747,205	9,565,121	32,228,508	50,386,299	63.96%
Debt Service	145,325	3,632,017	79,355	7,734,069	11,590,765	11,558,015	100.28%
Total Expenditures	85,572,949	106,716,116	112,567,602	129,240,596	434,097,262	501,254,750	86.60%
Transfers Out	4,944,312	6,101,859	5,728,838	14,323,110	31,098,119	34,501,575	90.14%
Ending Fund Balance/Reserves						248,074,305	0.00%
TOTAL REQUIREMENTS	90,517,260	112,817,975	118,296,440	143,563,706	465,195,381	783,830,630	59.35%

Net Revenue (Expense) (28,772,001) 43,426,224 (18,118,508) 2,730,438 (733,847) (61,576,841) *

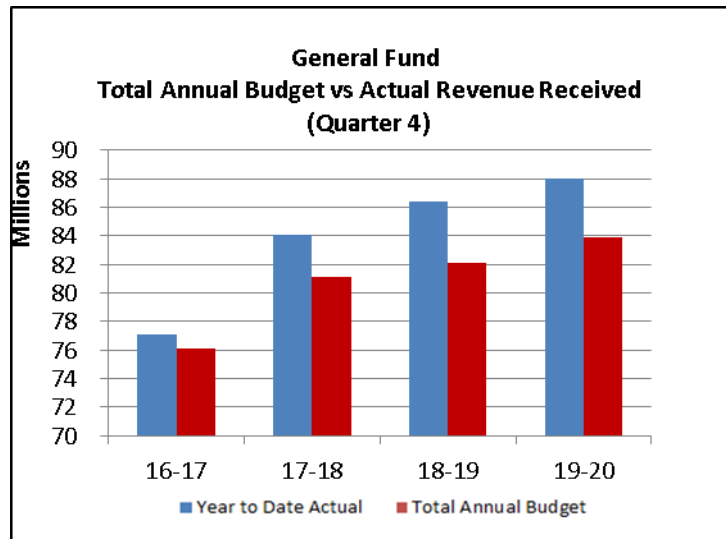
*The net expense shown in the Current Budget column is the result of spending reserves or one-time funds. This typically occurs for one-time expenses - usually in the area of capital expenditures. County policy indicates that one-time resources need to be spent on one-time expenditures, rather than ongoing operating expenses to avoid structural imbalance.

General Fund

Positive and Within Budget

Revenues:

At the end of the Fourth Quarter of FY 19-20, the County had received 104.82% of its budgeted annual General Fund revenue. This is a decrease of 0.4% increase over the same period last year. Limited budget adjustments were made in FY 19-20 Supplemental #4 due to anticipated decreases in Car Rental and Liquor Taxes resulting from the COVID-19 pandemic, some of which ended up coming in higher than budget. In addition, unbudgeted Federal CARES Act funding received resulted in a higher actuals to budget variance.



General Fund Operating Revenues				
Quarter Ending June 30	16-17	17-18	18-19	19-20
Quarter 4 YTD Actual	77,075,987	84,118,585	86,440,680	88,043,250
Total Annual Budget	76,075,554	81,166,225	82,116,827	83,891,826
Actual as % of Budget	101.32%	103.64%	105.27%	104.95%

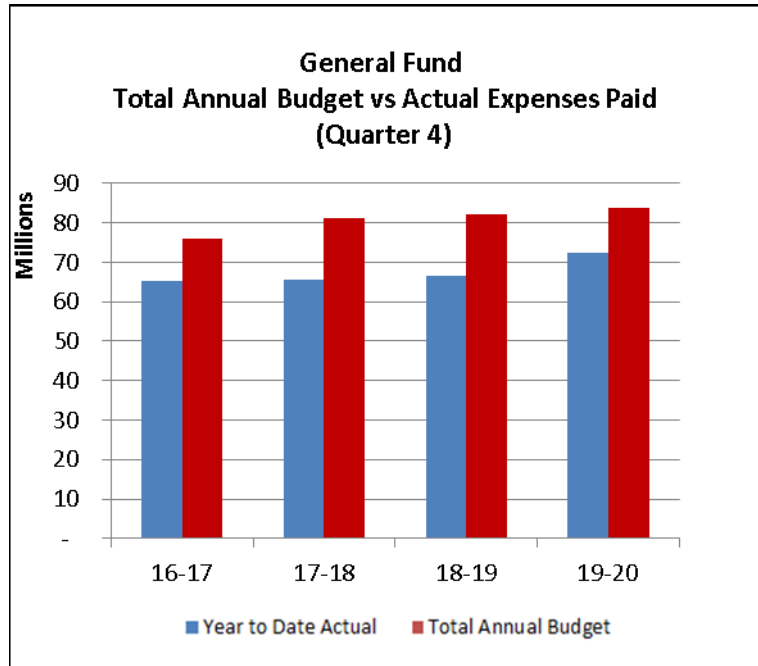
General Fund Operating Revenues					19-20 vs. 18-19 Variance	
Quarter Ending June 30	16-17	17-18	18-19	19-20	\$	%
Taxes & Assessments	41,552,849	45,052,342	48,035,925	46,853,581	(1,182,344)	-2.46%
Federal Revenue	7,052,432	7,298,914	5,625,303	4,891,685	(733,618)	-13.04%
State & Local Revenue	10,448,433	12,574,200	14,134,181	16,374,250	2,240,069	15.85%
Fees & Charges	3,483,769	3,225,120	2,710,213	3,047,838	337,625	12.46%
Administrative Charges	11,331,170	12,172,813	12,675,098	13,355,202	680,103	5.37%
All Other Revenue	3,207,334	3,795,195	3,259,960	3,520,696	260,736	8.00%
Total	77,075,987	84,118,585	86,440,680	88,043,250	1,602,571	1.85%

General Fund

Positive and Within Budget

Expenditures:

At the end of the Fourth Quarter of FY 19-20, the County has expended 86.15% of its annual General Fund Expenditure budget. This is a 6.5% increase as compared to the same period in FY 18-19. Percentage of expenditure budget spent within the Fourth Quarter is within expected limits given that the General Fund expense budget is predominantly related to personnel expenses.



General Fund Operating Expenses				
Quarter Ending June 30	16-17	17-18	18-19	19-20
Quarter 4 YTD Actual	65,372,568	65,675,373	66,433,766	72,349,953
Total Annual Budget	76,075,554	81,166,225	82,116,827	83,891,826
Actual as % of Budget	85.93%	80.91%	80.90%	86.24%

General Fund Operating Expenses					19-20 vs. 18-19 Variance	
Quarter Ending June 30	16-17	17-18	18-19	19-20	\$	%
Personnel Services	46,643,235	48,241,344	49,098,607	51,373,590	2,274,983	4.63%
Materials & Services	18,681,638	17,086,823	17,072,746	18,824,561	1,751,816	10.26%
Capital Projects/Outlay	47,695	347,205	262,414	2,151,802	1,889,388	0.00%
Total	65,372,568	65,675,373	66,433,766	72,349,953	5,916,187	8.91%