

W. 7. C.

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

**RESOLUTION & ORDER) IN THE MATTER OF BUDGET
) DIRECTION FOR FY 08-09**

WHEREAS, the Lane County Strategic Plan, adopted March 14, 2001, identified Service Priority Guidelines (Sec. B3) which established funding priorities for the County, and

WHEREAS, the County's General Fund financial forecast and the current needs of the community have changed significantly since 2001, and

WHEREAS, the Board of Commissioners launched the 2007 Listening Tour to obtain citizen input from all corners of the County and followed the Tour with telephone polling and citizen focus groups, and

WHEREAS, the Board of Commissioners met on December 17th, 2007 with the Budget Committee and the County's Department Directors to consider the status of renewal of the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) and the financial forecast for the County's General Fund;

WHEREAS, the Board of Commissioners recognize the need to proactively plan for a Lane County without the Federal forest payments, and

WHEREAS, the Board of Commissioners deliberated, and weighed the needs of the community with available resources and applicable policies, before determining the County's Service Priority Guidelines should be revised and multiple budgets should be proposed;

NOW IT IS THEREFORE RESOLVED AND ORDERED that the Lane County Board of Commissioners directs that the attached Service Priority Guidelines be used for the FY 08-09 Budget (Attachment A); it is further

RESOLVED AND ORDERED that the County Administrator be directed to develop the following proposed budgets for consideration by the Budget Committee:

Renewal Budget Option: This option assumes passage of the Wyden/DeFazio plan for renewal of SRS. This proposed budget requires no service reductions in FY 08-09, requires service reductions in each of the subsequent four fiscal years. (Attachment B)

Step-Down Budget Option: This option assumes passage of the Wyden/DeFazio plan for renewal of SRS. This proposed budget include General Fund service reductions in FY 08-09 of \$4.5 million to provide a few years of service level stability before final reductions in FY 11-12 and FY 12-13. (Attachment C)

No Renewal Budget Option: This option assumes Secure Rural Schools is not renewed and reflects service reductions of \$18.1 million in FY 08-09. (Attachment D)

DATED this 2nd day of January, 2008.

Chair
Lane County Board of Commissioners

Lane County Service Priority Guidelines

- 1) Revenue Generating or Cost/Risk Avoiding**
- 2) Emergency Health and Safety Response (life and death)**
- 3) Minimal Level State and Federal Mandates**
- 4) Board Budget & Service Goals**
- 5) Prevention and Youth**
- 6) Corrections/Deterrence (law enforcement related) and Treatment**
- 7) Assistance for Vulnerable People and Persons in Need**

**LANE COUNTY, OREGON
FIVE-YEAR GENERAL FUND FORECAST**

**Attachment B
Renewal Budget Option**

Sec. Rur. Sch. 6-Yr Guar. SRS 1-Yr Ext

ALL DEPARTMENTS, ENTIRE GENERAL FUND	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimated	FY 08-09 Forecast	FY 09-10 Projected	FY 10-11 Projected	FY 11-12 Projected	FY 12-13 Projected
RESOURCES								
1 Taxes & Assessments	27,616,174	28,783,509	30,761,198	31,992,000	33,271,680	34,602,547	35,986,649	37,426,115
2 Licenses & Permits	2,637,340	2,755,409	594,402	606,000	618,120	630,482	643,092	655,954
3 Fines, Forf. & Penalties	3,261,163	693,553	597,285	601,000	604,000	607,025	610,060	613,110
4 Property & Rentals	1,216,916	1,272,971	1,304,795	1,328,000	1,354,560	1,381,651	1,409,284	1,437,470
5 Federal Revenues	25,308,850	22,493,119	23,233,052	21,576,123	19,909,127	18,233,796	13,000,334	5,965,829
6 State Grant Revenues	10,009,567	6,153,789	6,138,789	6,227,000	6,320,405	6,415,211	6,511,439	6,609,111
7 Other State Revenues	5,013,070	4,400,648	4,272,954	4,296,000	4,317,480	4,339,067	4,360,763	4,382,567
8 Local Revenues	2,717,911	1,317,741	1,350,685	1,367,000	1,421,675	1,457,217	1,493,647	1,530,988
9 Fees & Charges	6,935,569	5,919,400	3,194,979	3,195,000	3,195,000	3,195,000	3,195,000	3,195,000
10 Administrative Charges	9,683,237	10,070,643	10,545,759	10,968,000	11,406,720	11,862,989	12,337,508	12,831,009
11 Interest Earnings	562,687	785,677	736,182	743,544	750,979	769,754	788,998	808,722
12 Fiscal Transactions	15,860,507	14,494,602	13,537,442	15,697,513	14,876,727	11,325,010	11,289,236	10,912,701
TOTAL RESOURCES	110,822,991	99,141,061	96,267,522	98,637,180	98,046,478	94,819,749	91,626,011	86,368,576
EXPENDITURES								
14 Permanent Wage Costs	38,282,411	34,833,566	32,282,953	35,178,915	36,691,505	37,080,906	34,357,551	31,756,621
15 Extra Help	990,444	902,453	914,703	923,850	933,089	921,530	837,262	761,488
16 Employee Benefits	21,540,037	22,026,052	20,288,457	22,688,126	24,738,595	25,357,875	24,591,137	23,886,595
17 Risk Management Benefits	239,779	193,769	230,261	234,866	239,564	238,737	217,649	197,828
18 Pers. Svcs Adjustments	0	0	0	0	0	0	0	0
19 Personnel Services Total	61,052,671	57,955,840	53,716,373	59,025,657	62,602,752	63,599,048	60,003,599	56,602,532
20 Total FTE	726.00	650.17	595.00	595.00	587.15	553.77	523.13	485.13
21 Materials & Services	27,438,601	21,135,772	19,355,463	20,380,407	21,093,722	21,734,040	21,871,294	22,077,484
22 Capital Outlay	172,113	174,573	8,440	0	0	0	0	0
23 Capital Projects-Pub Hlth Bldg	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
24 Fund Transfers	7,913,359	6,440,811	7,351,867	5,784,645	5,934,526	6,088,904	6,247,913	6,411,693
25 Reserves & Contingencies	0	0	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588
26 TOTAL EXPENDITURES	96,576,744	87,206,996	92,796,906	94,982,676	99,447,975	101,271,466	97,656,483	94,137,297
27 Reductions to Balance	0	0	0	0	(1,401,496)	(6,451,717)	(6,030,472)	(7,768,721)
28 Additional Reduction	0	0	0	0	0	0	0	0
29 Estimated FTE Cut	0.00	0.00	0.00	0.00	(7.85)	(33.38)	(30.64)	(38.00)
30 ADJUSTED TOTAL EXPENSE	96,576,744	87,206,996	92,796,906	94,982,676	98,046,478	94,819,749	91,626,011	86,368,576
31 Less Lapser Requirement	0	0	0	1,568,121	1,645,900	1,577,627	1,516,888	1,418,226
32 Less Reserves/Contingencies	0	0	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588
33 Less Additional Lapser	0	0	0	0	0	0	0	0
34 YEAR-END EXPENSE	96,576,744	87,206,996	81,932,143	85,002,598	88,083,604	84,892,648	82,075,445	77,404,762
35 Minimum Lapser	1,896,952	1,633,265	2,270,615	1,588,121	1,645,900	1,577,627	1,516,888	1,418,226
36 Reserves & Contingencies	8,427,804	8,249,033	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588
37 Additional Lapser	3,921,491	2,051,767	1,200,001	3,634,504	0	(0)	0	0
38 ENDING FUND BALANCE	14,246,247	11,934,065	14,335,378	13,514,582	9,962,875	9,927,101	9,550,566	8,963,813
39 Percent of Oper. Revenue	12.9%	12.0%	14.9%	13.7%	10.2%	10.5%	10.4%	10.4%
40 Year-End Fund Balance Percentage								

Assume Wyden/DeFazio Step-Down Plan: 90%, 80%, 70%, 40%, 0% Funding
 4.00% Car & Prop Up; PY Taxes Down
 2.00% Conc. Weap: Cable Fran.
 0.50% Flat Traffic Team activity
 2.00% Parking & Misc. Rentals
 O&C and T2/T3 cut same %
 1.50% CCA & Title XIX
 0.50% Declining Cig; Flat Liquor Tax
 2.50% Jail beds & Crews; Sp elect.
 0.00% Record. fees \$2.2 M declining
 4.00% Countywide and Departmental
 1.90% Growth to match PY Actuals
 -3.36% Includes \$1.2 M TT Redirect
 -1.9% W/O Fiscal Txn; 2.2% With FT
 3.64% 2% COLA, Merits, BGU Agmts
 1.00% within dept. control
 3.37% 10% Hlth, PERS up-flattening 11/12
 2.00% Inflation
 0.00%
 0.34% Avg Growth w/Reductions
 3.62% Inflation + fixed cost growth
 0.00% 1-time expenses
 0.00% Public Health Bldg Debt Svc
 -1.41% HHS, Debt Svc, Pub Hlth Bldg
 10.00% Operational Reserve
 0.33% Avg Growth w/Reductions
 (\$21.6) M. Cum. Reductions
 (109.87 FTE) Cum. Reduction
 Total After Reductions Applied
 3.00% for FY07-08; 2% thereafter
 Additional Cash to Carry Forward

**LANE COUNTY, OREGON
FIVE-YEAR GENERAL FUND FORECAST**

**Attachment C
Step Down Budget Option**

Sec. Rur. Sch. 6-Yr Guar. SRS 1-Yr Est.

ALL DEPARTMENTS ENTIRE GENERAL FUND	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimated	FY 08-09 Forecast	FY 09-10 Forecast	FY 10-11 Forecast	FY 11-12 Forecast	FY 12-13 Forecast	Assume Wyden/DeFazio Step-Down With Flat Revenue for Four Years
RESOURCES									
1 Taxes & Assessments	27,616,174	28,783,509	30,761,198	31,992,000	33,271,680	34,602,547	35,986,649	37,426,115	4.00% Car & Prop Up; PY Taxes Down
2 Licenses & Permits	2,637,340	2,755,409	594,402	606,000	618,120	630,482	643,092	655,954	2.00% Conc. Weap; Cable Fran.
3 Fines, Forf. & Penalties	3,261,163	693,553	597,285	601,000	604,005	607,025	610,050	613,110	0.50% Flat Traffic Team activity
4 Property & Rentals	1,216,916	1,272,971	1,304,795	1,328,000	1,354,560	1,381,651	1,409,284	1,437,470	2.00% Parking & Misc. Rentals
5 Federal Revenues	25,308,850	22,493,119	23,233,052	21,576,123	19,909,127	18,233,796	13,000,334	5,965,829	O&C and T2/T3 cut same %
6 State Grant Revenues	10,009,567	6,153,789	6,138,789	6,227,000	6,320,405	6,415,211	6,511,439	6,609,111	1.50% CCA & Title XIX
7 Other State Revenues	5,013,070	4,400,648	4,272,954	4,296,000	4,317,480	4,339,067	4,360,763	4,382,567	0.50% Declining Cig; Flat Liquor Tax
8 Local Revenues	2,717,911	1,317,741	1,350,685	1,387,000	1,421,675	1,457,217	1,493,647	1,530,988	2.50% Jail beds & Crews; Sp elect.
9 Fees & Charges	6,935,569	5,919,400	3,194,979	3,195,000	3,195,000	3,195,000	3,195,000	3,195,000	0.00% Record, fees \$2.2 M declining
10 Administrative Charges	9,683,237	10,070,643	10,545,759	10,968,000	11,406,720	11,862,989	12,337,508	12,831,009	4.00% Countywide and Departmental
11 Interest Earnings	562,687	785,677	736,182	743,544	750,979	769,754	788,998	808,722	1.90% Growth to match PY Actuals
12 Fiscal Transactions	15,860,507	14,494,602	13,537,442	15,697,513	19,703,622	19,204,306	15,593,652	10,998,789	-1.86% Includes \$1.2 M TT Redirect
TOTAL RESOURCES	110,822,991	99,141,061	96,267,522	98,617,480	102,873,373	102,699,045	95,930,427	86,454,664	-1.9% W/O Fiscal Txn; 2.2% With FT
EXPENDITURES									
14 Permanent Wage Costs	38,282,411	34,833,566	32,282,953	35,176,815	33,978,991	35,100,297	36,083,106	34,212,090	3.64% 2% COLA, Merits, BGU Agmts
15 Extra Help	990,444	902,453	914,703	923,850	861,854	870,472	879,177	820,577	1.00% within dept. control
16 Employee Benefits	21,540,037	22,026,052	20,288,457	22,282,722	23,476,271	24,927,100	25,592,793	24,808,477	4.09% 10% Hlth, PERS up-flattening 11/12
17 Risk Management Benefits	239,779	193,769	230,261	234,866	221,444	225,873	230,391	215,706	2.00% Inflation
18 Pers. Svcs Adjustments	0	0	0	0	0	0	0	0	0.00%
19 Personnel Services Total	61,052,671	57,955,840	53,716,373	58,620,254	58,538,560	61,123,743	62,785,467	60,056,850	1.46% Avg Growth w/Reductions
20 Total FTE	726.00	650.17	568.17	568.17	568.17	568.17	543.78	489.15	
21 Materials & Services	27,438,601	21,135,772	19,355,463	20,380,407	20,641,722	21,405,465	22,176,062	22,515,307	3.62% Inflation + fixed cost growth
22 Capital Outlay	172,113	174,573	8,440	0	0	0	0	0	0.00% 1-time expenses
23 Capital Projects-Pub Hlth Bldg	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.00% Public Health Bldg Debt Svc
24 Fund Transfers	7,913,359	6,440,811	7,351,867	5,784,845	5,934,526	6,088,904	6,247,913	6,411,693	-1.41% HHS, Debt Svc, Pub Hlth Bldg
25 Reserves & Contingencies	0	0	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588	10.00% Operational Reserve
TOTAL EXPENDITURES	96,576,744	87,206,996	92,796,906	94,677,373	94,931,783	98,467,587	100,743,119	98,029,437	1.12% Avg Growth w/Reductions
28 Reductions to Balance	0	0	0	(4,826,900)	0	0	(4,812,693)	(11,574,773)	(\$20.9) M. Cum. Reductions
29 Additional Reduction	0	0	0	(4,826,900)	0	0	0	0	
30 Estimated FTE Cut	0.00	0.00	0.00	(20.33)	0.00	0.00	(24.39)	(54.63)	(105.85 FTE) Cum. Reduction
ADJUSTED TOTAL EXPENSE	96,576,744	87,206,996	92,796,906	90,067,773	94,931,783	98,467,587	95,930,427	86,454,664	Total After Reductions Applied
32 Less Lapse Requirement	0	0	0	1,469,613	1,583,606	1,650,584	1,602,977	1,419,948	
33 Less Reserves/Contingencies	0	0	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588	
34 Less Additional Lapse									
YEAR-END EXPENSE	96,576,744	87,206,996	81,932,143	80,275,993	85,031,202	88,467,528	86,293,773	77,489,129	
36 Minimum Lapse	1,896,952	1,633,265	2,270,615	1,496,613	1,583,606	1,650,584	1,602,977	1,419,948	3.00% for FY07-08, 2% thereafter
37 Reserves & Contingencies	8,427,804	8,249,033	10,864,763	8,291,967	8,316,975	8,349,474	8,033,677	7,545,588	
38 Additional Lapse	3,921,491	2,051,767	1,200,001	8,559,907	7,941,590	4,231,459	0	0	Additional Cash to Carry Forward
ENDING FUND BALANCE	14,246,247	11,934,065	14,335,378	16,341,667	17,842,171	14,231,517	9,636,654	8,965,535	
40 Percent of Oper. Revenue	12.9%	12.0%	14.9%	18.6%	17.3%	13.9%	10.0%	10.4%	Year-End Fund Balance Percentage

**LANE COUNTY, OREGON
FIVE-YEAR GENERAL FUND FORECAST**

**Attachment D
No Renewal Budget Option**

Sec. Rur. Sch. 6-Yr. Guar. SRS 1-Yr Ext

ALL DEPARTMENTS ENTIRE GENERAL FUND	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimated	FY 08-09 Forecast	FY 09-10 Projected	FY 10-11 Projected	FY 11-12 Projected	FY 12-13 Projected	Notes
RESOURCES									Secure Rural Schools is not reviewed by Congress and Act Expires
1 Taxes & Assessments	27,616,174	28,783,509	30,761,198	31,992,000	33,271,680	34,602,547	35,986,649	37,426,115	4.00% Car & Prop Up; PY Taxes Down
2 Licenses & Permits	2,637,340	2,755,409	594,402	606,900	618,120	630,482	643,092	655,954	2.00% Conc. Weap; Cable Fran.
3 Fines, Forf, & Penalties	3,261,163	693,553	597,285	601,900	604,005	607,025	610,060	613,110	0.50% Flat Traffic Team activity
4 Property & Rentals	1,216,916	1,272,971	1,304,795	1,326,900	1,354,560	1,381,651	1,409,284	1,437,470	2.00% Parking & Misc. Rentals
5 Federal Revenues	25,308,850	22,493,119	23,233,052	5,602,232	5,630,243	5,658,394	5,686,686	5,715,120	O&C and T2/T3 zeroed out
6 State Grant Revenues	10,009,567	6,153,789	6,138,789	6,227,000	6,320,405	6,415,211	6,511,439	6,609,111	1.50% CCA & Title XIX
7 Other State Revenues	5,013,070	4,400,648	4,272,954	4,296,000	4,317,480	4,339,067	4,360,763	4,382,567	0.50% Declining Cig; Flat Liquor Tax
8 Local Revenues	2,717,911	1,317,741	1,350,685	1,387,000	1,421,675	1,457,217	1,493,647	1,530,988	2.50% Jail beds & Crews; Sp elect.
9 Fees & Charges	6,935,569	5,919,400	3,194,979	3,195,000	3,195,000	3,195,000	3,195,000	3,195,000	0.00% Record. fees \$2.2 M declining
10 Administrative Charges	9,683,237	10,070,643	10,545,759	10,965,000	11,406,720	11,862,989	12,337,508	12,831,009	4.00% Countywide and Departmental
11 Interest Earnings	562,687	785,677	736,182	743,644	750,979	769,754	788,998	808,722	1.90% Growth to match PY Actuals
12 Fiscal Transactions	15,860,507	14,494,602	13,537,442	15,697,513	18,069,624	17,068,066	15,193,981	12,820,941	-0.21% Adds \$1.2 M. Traf. Im Redirect
TOTAL RESOURCES	110,822,991	99,141,061	96,267,522	82,643,289	86,960,491	87,987,404	88,217,107	88,026,106	-1.5% W/O Fiscal Txn; 2.2% With FT
EXPENDITURES									
14 Permanent Wage Costs	38,282,411	34,833,566	32,282,953	35,178,815	25,637,136	26,483,161	27,224,690	27,899,862	3.64% 2% COLA, Merits, BGU Agmts
15 Extra Help	990,444	902,453	914,703	923,850	642,784	649,212	655,704	662,261	1.00% within dept. control
16 Employee Benefits	21,540,037	22,026,052	20,288,457	21,215,178	19,390,275	20,623,601	21,645,823	22,796,389	2.47% 10% Hlth, PERS up-flattening 11/12
17 Risk Management Benefits	239,779	193,769	230,261	234,866	167,067	170,409	173,817	177,293	2.00% Inflation
18 Pers. Svcs Adjustments	0	0	0	0	0	0	0	0	0.00%
19 Personnel Services Total	61,052,671	57,985,840	53,716,373	57,552,710	45,837,262	47,926,382	49,700,033	51,535,805	-1.13% Avg Growth w/Reductions
20 Total FTE	726,000	650,170	497,520	497,520	497,520	497,520	497,520	495,260	
21 Materials & Services	27,438,601	21,135,772	19,355,463	20,380,407	19,285,222	19,998,775	20,718,731	21,485,324	3.62% Inflation + fixed cost growth
22 Capital Outlay	172,113	174,573	8,440	0	0	0	0	0	0.00% 1-time expenses
23 Capital Projects-Pub Hlth Bldg	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.00% Public Health Bldg Debt Svc
24 Fund Transfers	7,913,359	6,440,811	7,351,867	5,784,645	5,934,526	6,088,904	6,247,913	6,411,693	-1.41% HHS, Debt Svc, Pub Hlth Bldg
25 Reserves & Contingencies	0	0	10,864,763	6,694,578	6,889,087	7,091,934	7,302,313	7,520,517	10.00% Operational Reserve
TOTAL EXPENDITURES	96,576,744	87,206,996	92,796,906	91,972,340	79,446,096	82,605,995	85,468,990	88,453,338	-0.71% Avg Growth w/Reductions
28 Reductions to Balance	0	0	0	(18,996,000)	0	0	0	(427,231)	(\$18.5) M. Cum. Reductions
29 Additional Reduction	0	0	0	(8,878,948)	0	0	0	0	
30 Estimated FTE Cut	0	0	0.00	(37.43)	0.00	0.00	0.00	(2.26)	(99.74 FTE) Cum. Reduction
ADJUSTED TOTAL EXPENSE	96,576,744	87,206,996	92,796,906	73,827,440	79,446,096	82,605,995	85,468,990	88,026,106	Total After Reductions Applied
32 Less Lapse Requirement	0	0	0	1,196,962	1,302,450	1,358,503	1,408,375	1,451,878	
33 Less Reserves/Contingencies	0	0	10,864,763	6,694,578	6,889,087	7,091,934	7,302,313	7,520,517	
34 Less Additional Lapse	0	0	0	0	0	0	0	0	
YEAR-END EXPENSE	96,576,744	87,206,996	81,932,143	65,936,900	71,254,560	74,155,558	76,758,302	79,053,712	
35 Minimum Lapse	1,896,952	1,633,265	2,270,615	1,196,962	1,302,450	1,358,503	1,408,375	1,451,878	3.00% for FY07-08; 2% thereafter
36 Reserves & Contingencies	8,427,804	8,249,033	10,864,763	6,694,578	6,889,087	7,091,934	7,302,313	7,520,517	
37 Additional Lapse	3,921,491	2,051,767	1,200,001	8,815,949	7,514,395	5,381,409	2,748,118	0	Additional Cash to Carry Forward
ENDING FUND BALANCE	14,246,247	11,934,065	14,335,378	16,707,489	15,705,931	13,831,846	11,458,806	8,972,395	
39 Percent of Oper. Revenue	12.9%	12.0%	14.9%	20.2%	18.1%	15.7%	13.0%	10.2%	Year-End Fund Balance Percentage