

Leadership Meeting 2017

Welcome – Steve Mokrohisky

Countywide Overview

State & Federal Legislative Update

Benefits Update

Property Tax Overview



FY 17-18 Road Fund Financial Forecast

Solid Waste, Community Health Centers & Parole & Probation updates

FY 17-18 General Fund Financial Forecast

Budget Calendar & Budget Direction

Discussion & Final Budget Direction

COUNTYWIDE OVERVIEW

OVERVIEW

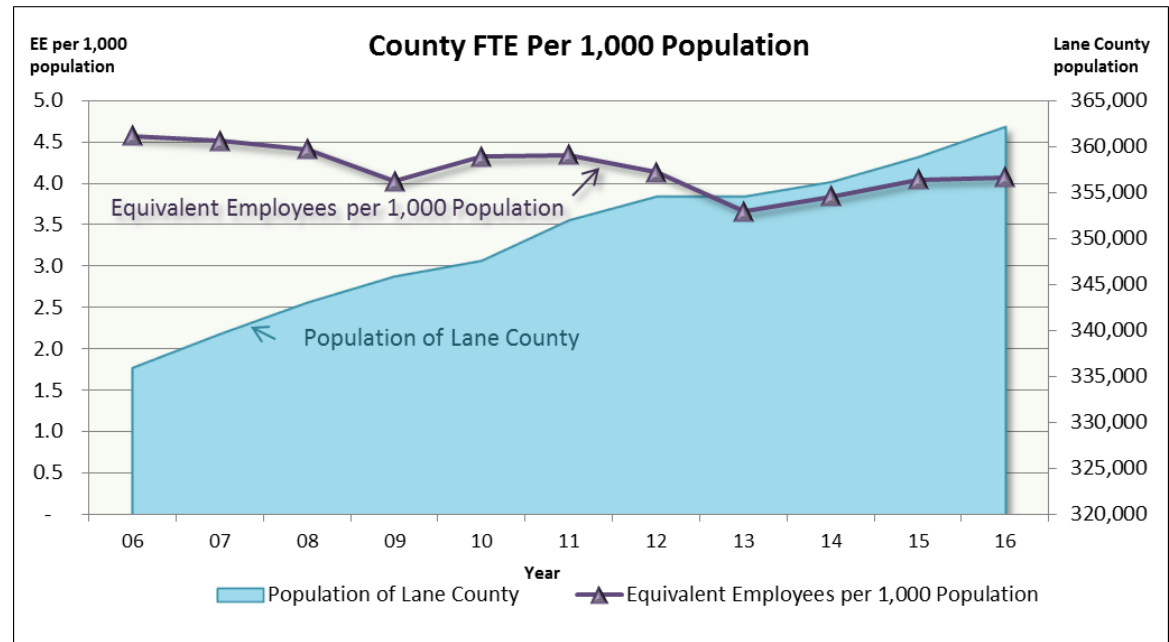
STRATEGIC PLAN

ECONOMIC INDICATORS

Steve Mokrohisky, County Administrator

Lane County Overview

- 4,722 sq. miles
- 12 incorporated cities
- Population 362,450
- 9 departments
- \$569M Adopted budget
- 1,472.26 FTE



Strategic Priorities

Safe, Healthy County

- **Ensure safety throughout our county.**
- **Improve the health of our communities.**

Vibrant Communities

- **Invest in a strong, diverse, and sustainable regional economy.**
- **Support and protect a vibrant natural environment.**
- **Ensure Equity and Access.**

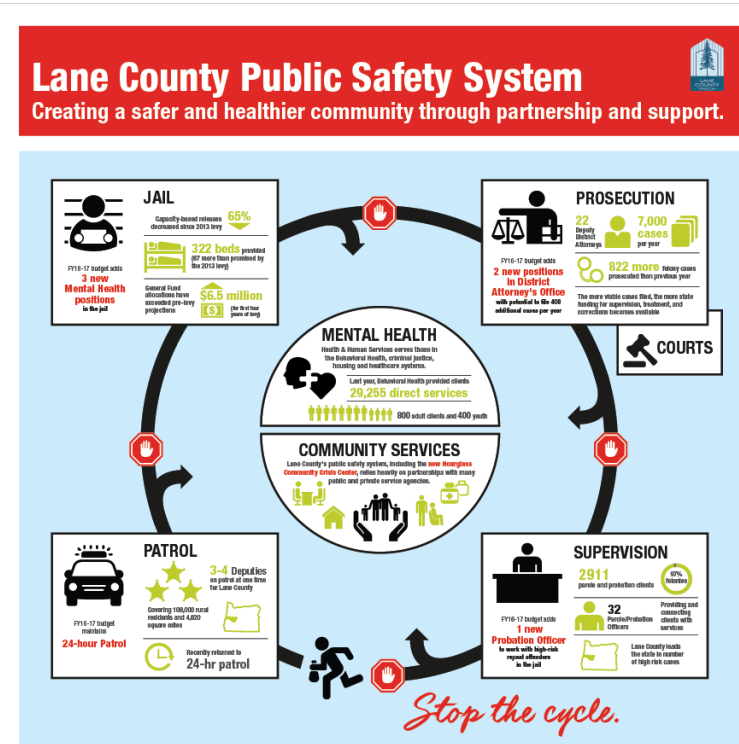
Infrastructure

- **Maintain a safe infrastructure, including roads, bridges, parks, and buildings.**
- **Support and enhance Lane County's internal administrative infrastructure.**



Strategic Plan Updates

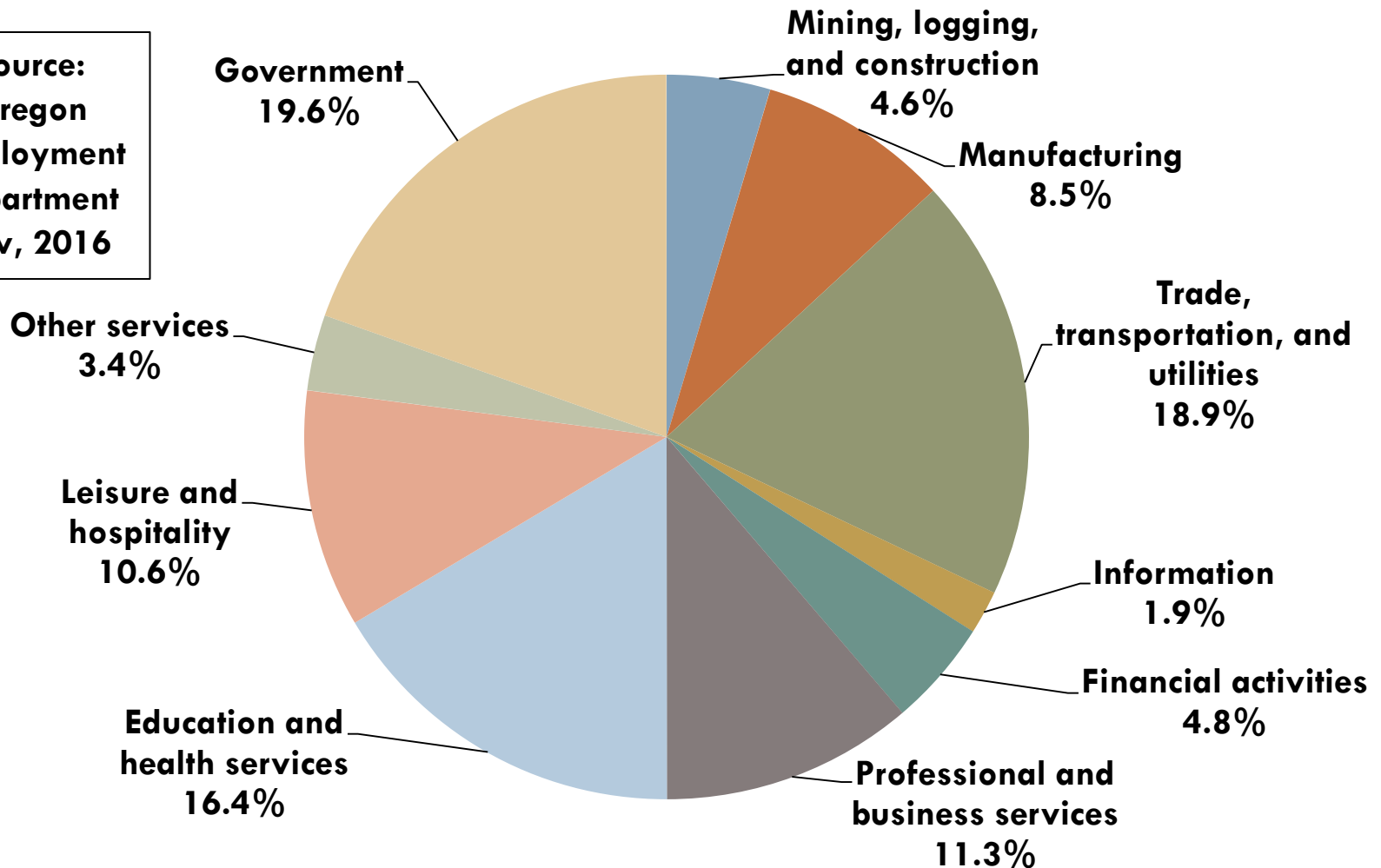
- Prior to December 2016 work session
 - 82 action items total
 - 31 action items completed
 - 42 action items are on target
 - 9 action items we are monitoring
- At the December 2016 work session we revised 12 action items and added 25 additional action items, for a new total of 107 (76 active)
- Department Strategic Plans & One-pagers
- Measurable outcomes
- Looking forward



Economic Indicators

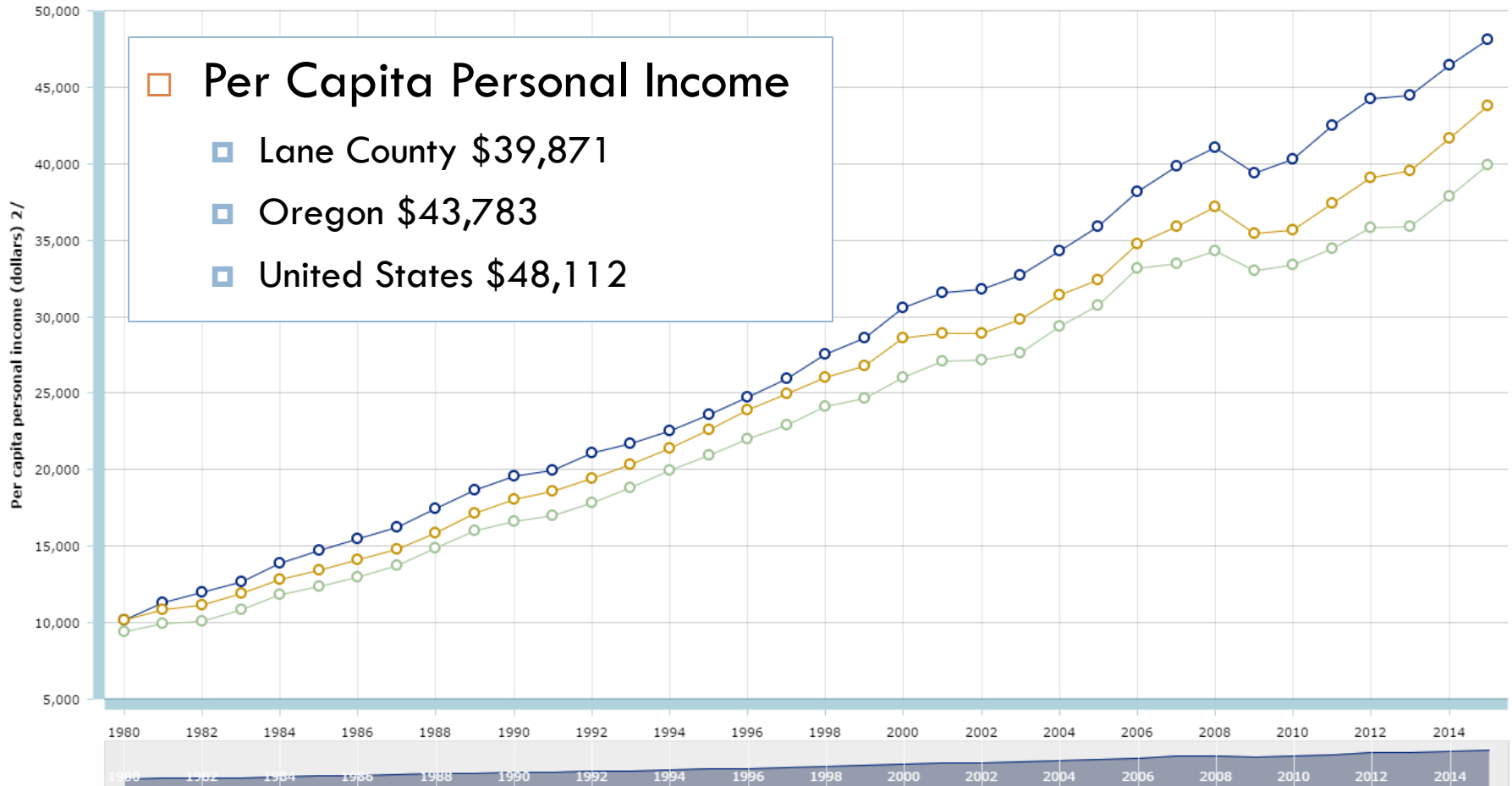
Lane County Total Nonfarm Employment by Sector

Source:
Oregon
Employment
Department
Nov, 2016



Income and Pay

CA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income

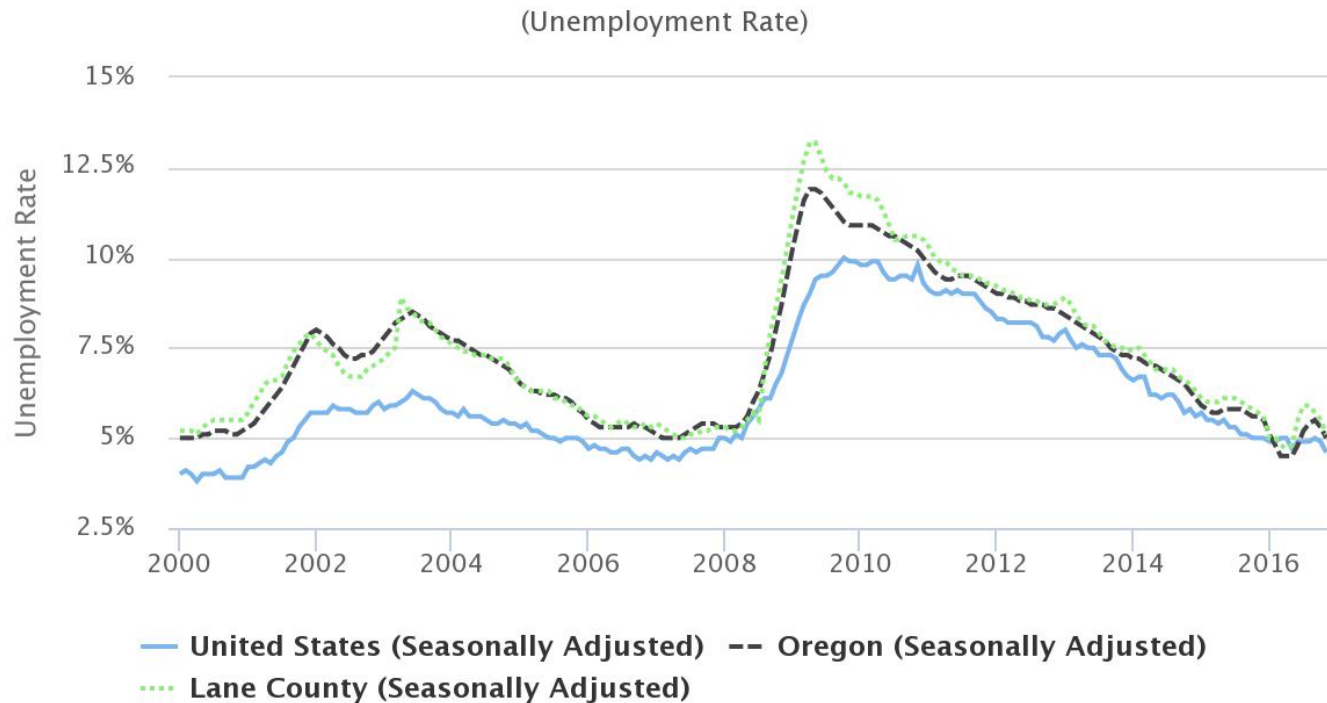


Source: U.S. Bureau of Economic Analysis

United States Oregon Lane OR

Economic Indicators

Local Area Unemployment Statistics

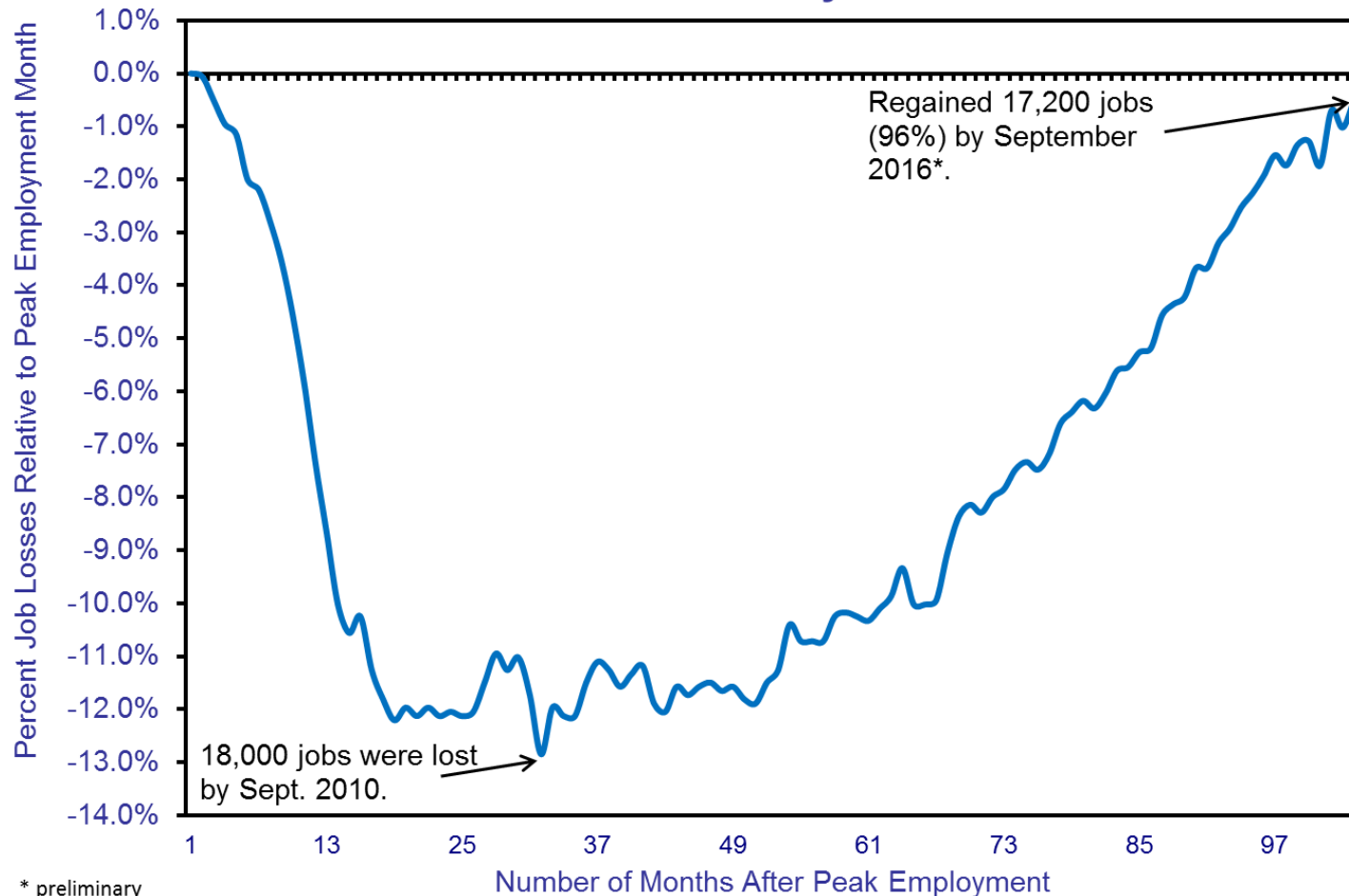


Source: Oregon Employment Department Qualityinfo.org

Unemployment in Lane County decreased over the past 3 months. September was 5.7%, October was 5.5%, and November was 5.1%. National Rates are at 4.6%.

Employment Recovery in Lane County

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

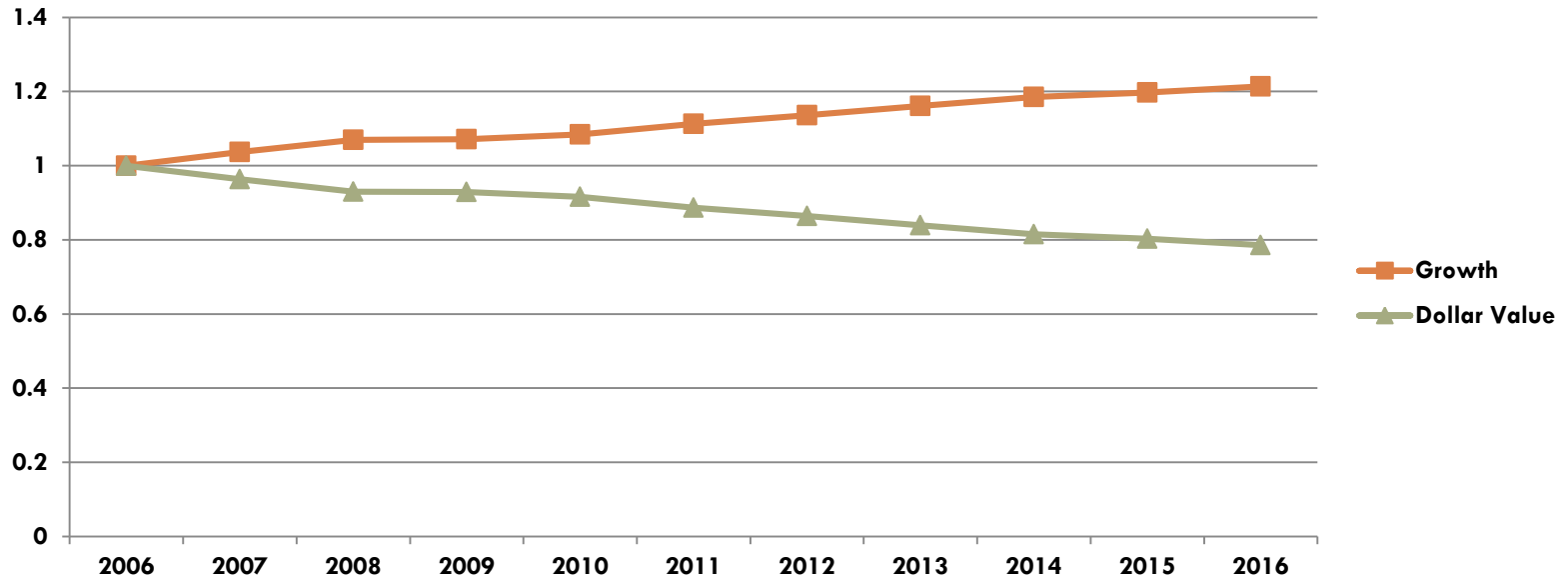


□ Lane County is just about back to prerecession levels

* preliminary

Consumer Price Index

Consumer Price Index History – Portland Salem MSA



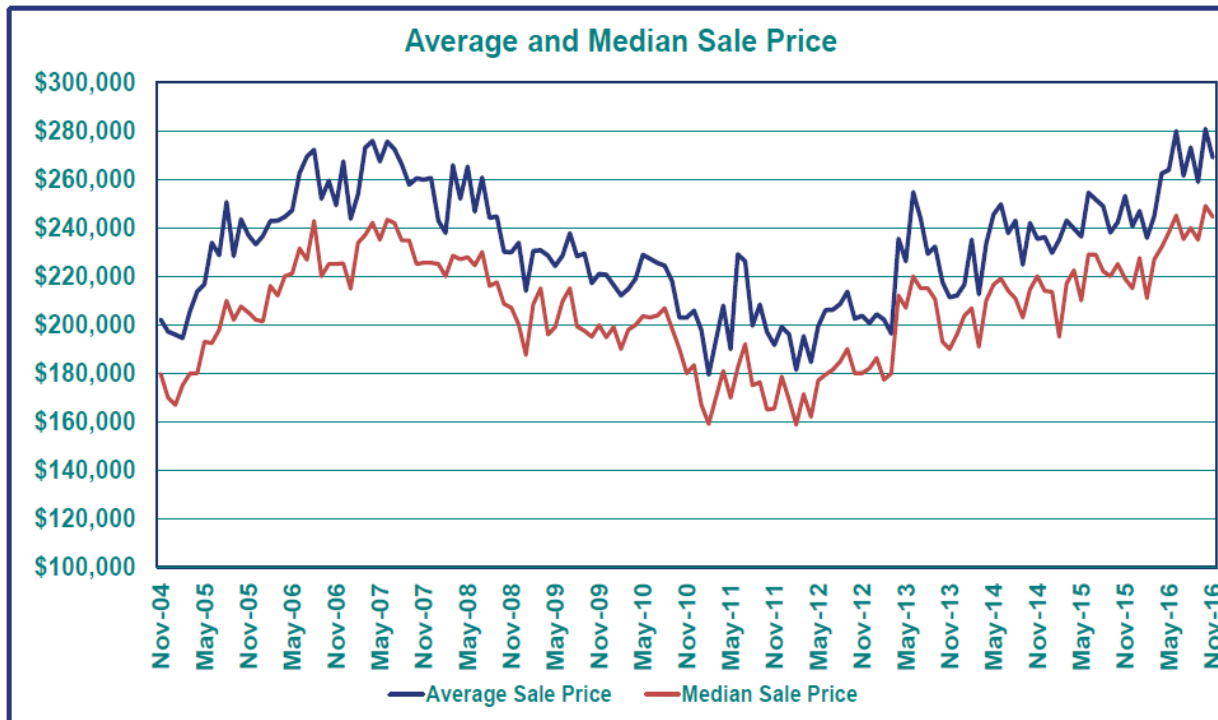
- 21.4% increase in CPI over 10 years = Moderate Inflation.
- \$1.00 in 2006 has the same buying power as \$1.21 in 2016.
- All items CPI for 2016 will be comparable to past years.



RMLS Average and Median Sales Price

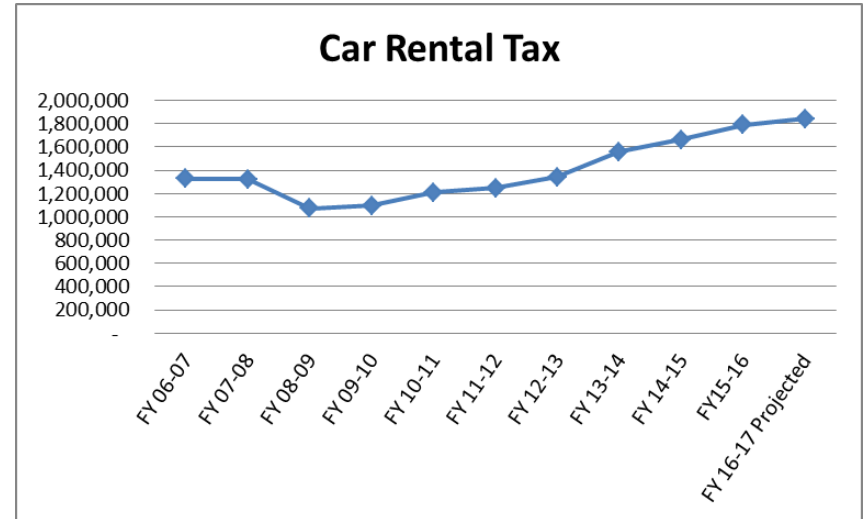
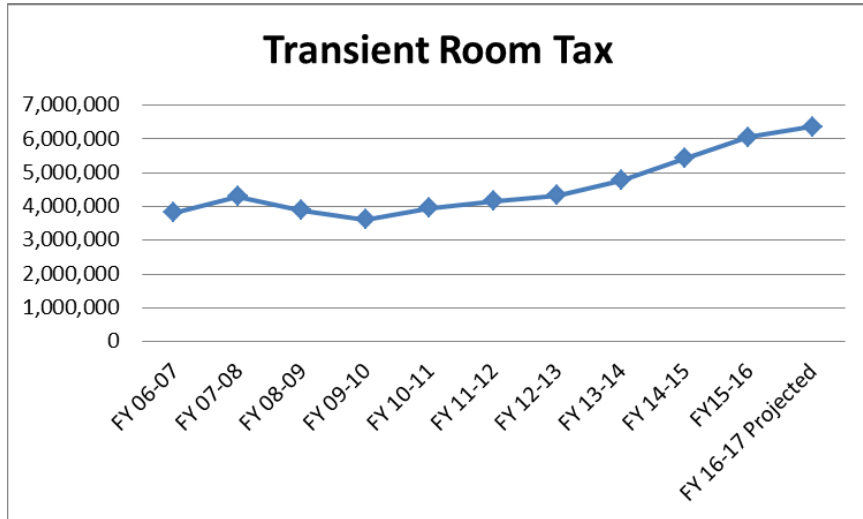
RMLS Nov 2004 to Nov 2016

Looking towards 1/1/2017 (17-18)



Median Sale Price on homes in Lane County went from \$220,000 in 2015 to \$236,000 in 2016 - a 7.5% increase.

Transient Room Tax (TRT) and Car Rental Tax (CRT)



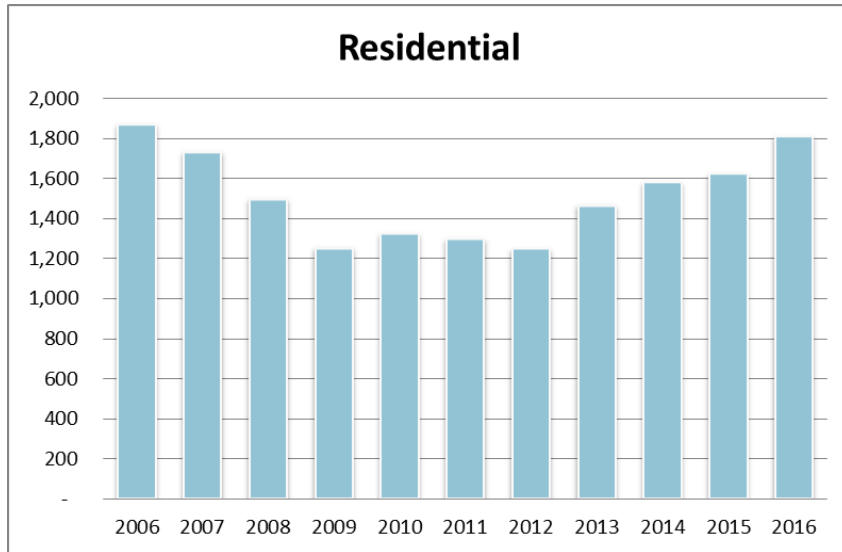
Supports Tourism marketing, historical museum, Lane Events Center, Parks and rural communities.

**76% in the General Fund and 24% in the Parks Fund from FY 08-09 to FY 15-16
Beginning FY 16-17: 87.5% General Fund and 12.5% Parks Fund**

•11.5% increase in FY15-16

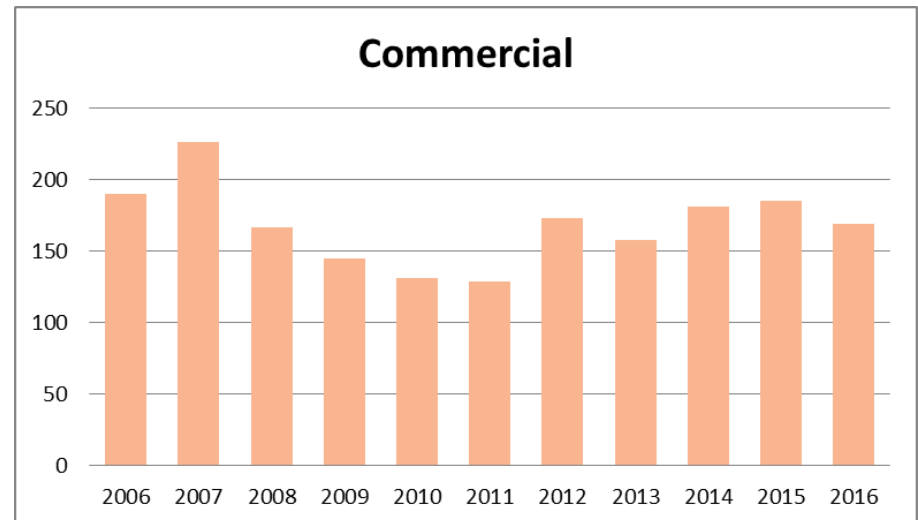
•7.5% increase in FY 15-16

Lane County Building Permit Activity



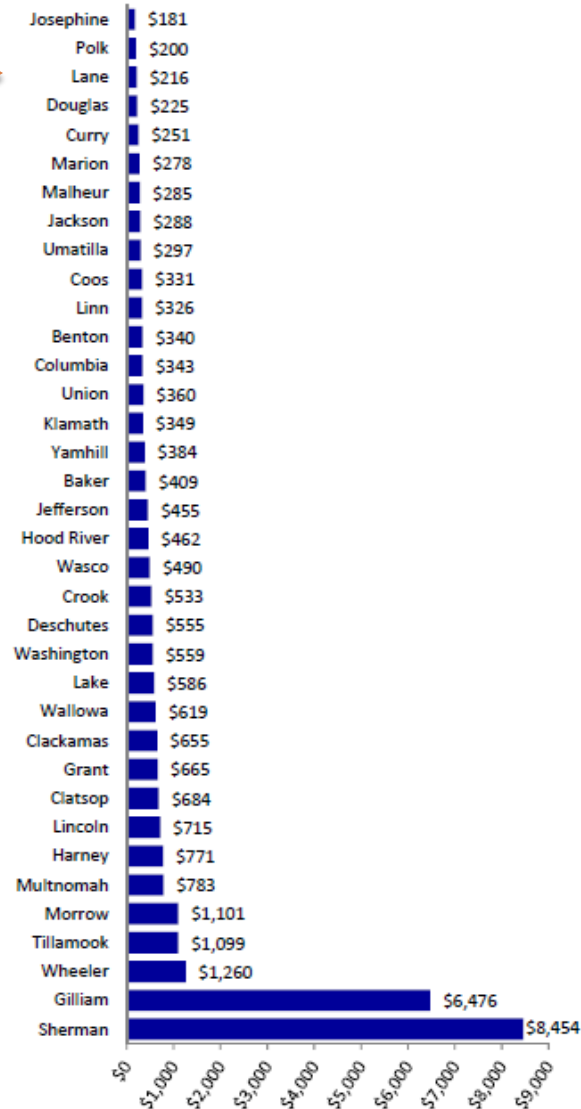
- Residential = SFD, MH, additions/alterations
- Commercial = New commercial, alterations, additions

- Leading Economic Indicator
- Permit data slowly coming back from the Recession

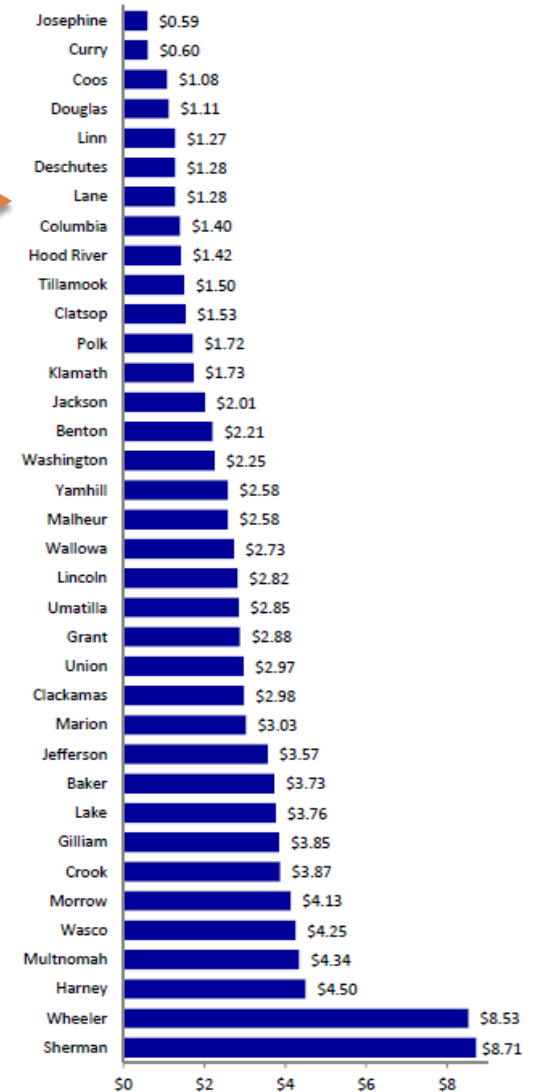


Lane County In Context & In Distress

Local Revenue per Capita
5-year average, FY 2011-2015



Property Tax Rates
Permanent rate per \$1,000, FY 2014-15



Local Focus – 3rd Year of 3 Year Plan

- Federal Outlook – No future SRS
- State Outlook – unknown
- Local Focus on 3 year plan that:
 - ▣ Maintained critical services w/goal of no layoffs
 - ▣ Focused use of one time money
 - Debt reduction
 - ▣ Balance permanent spending reductions, efficiencies, & innovation
 - Structural expenditure reductions in benefit costs
 - Vacancy Review
 - Revenue Review (internal team reviewed options)
 - 2016 Voluntary Separation (VSIP) Program – Estimated \$750,000 in total savings

Debt Pre-payment Details

- General Fund
 - ▣ AIRS System Bond - Payoff saves \$363,163
- Health & Human Services Fund
 - ▣ Portion of Charnelton Building – Payoff saves \$1,285,231
- Road Fund
 - ▣ Portion of Customer Services Center – Payoff saves \$712,138

TOTAL Interest savings = \$2,360,532

Decrease in Annual debt payments = \$1.2 million

PERS

□ PERS Rates

- PERS rates for 17-19 biennium released
- Composite rate (blend of the 3 groups) projected to increase 2.37 percentage points. (20%)
- \$2.2 million in PERS reserves
 - Proposal being developed for several years of rate offset

□ Lane County funding status

- Unfunded liability has increased
- Funded level has dropped from 82% to 78%
 - Rates are collared aka held lower than the regular calculation to help mitigate impact on employer rates.

□ Future rate increases will continue

STATE AND FEDERAL OVERVIEW: IMPLICATIONS FOR THE LANE COUNTY FY 17 BUDGET

Alex Cuyler, Intergovernmental Relations Manager



Broad Themes

□ Federal

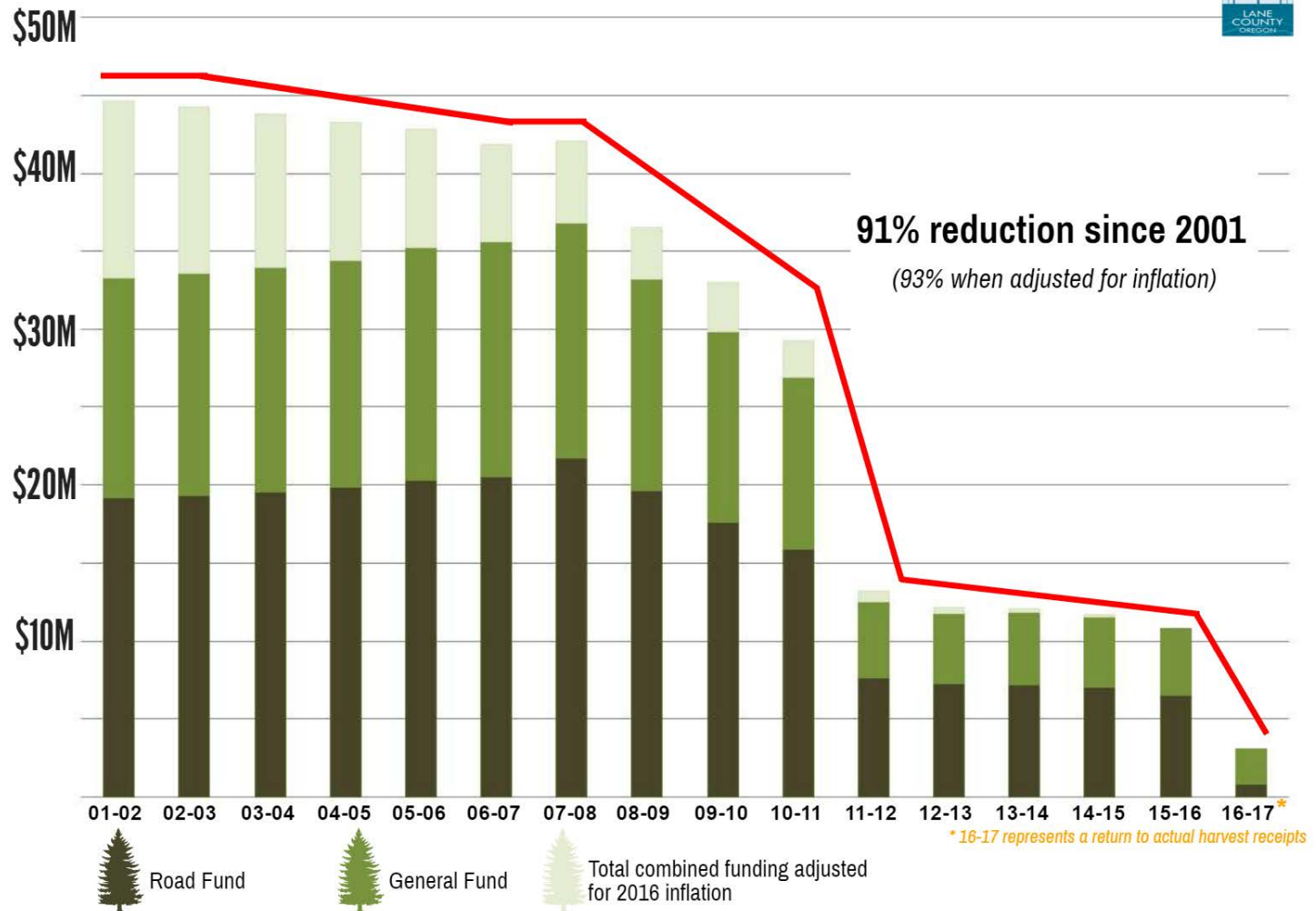
- A new and non-traditional President
- Pledged to immediately repeal the Affordable Care Act.
- Optimism with respect to Federal Forest policy, but lower tier priority for incoming Administration
- Republican Executive branch and majority in Congressional branches
- A delegation with beneficial committee assignments, but nonetheless all but one who remain in the minority

□ State

- A lot of new faces in Salem
- Similarly, a lot of turnover within the Governor's Office, without much visible emphasis on local government partnerships
- Measure 97-lite competing against pressures to pass a long-overdue Transportation Package
- Budget under pressure (PERS, health care)

Federal Forest Revenue - SRS

Lane County Secure Rural Schools History



115th Congress - First Session

- Repeal of ACA with no certainty of replacement
- Budget and spending limit caps need to be dealt with
- Infrastructure spending bill unlikely in first 100 days

- **Federal Lands Management**
 - ▣ Energy bill conference opportunity is lost, all forest bills will have to be re-introduced
 - ▣ SRS funding unlikely

2017 Oregon Legislature

- Lane County Courthouse funding request
- Transportation funding package
- Junction City Hospital closure proposal
- Adequacy of funding for Developmental Disabilities and Mental Health Services
- Tax Reform (referral to allow once every ten year permanent rate reset)
- Marijuana Taxation re-allocation
- Alternative Scheduling jobs and minimum payments
- M 97 lite
- Greenhouse Gas - tax or cap and invest
- JRI and Community Corrections Act shorted in Governor's Recommended Budget
- Female prison population may be key to increasing these appropriations

BENEFITS UPDATE

Mary Miller, Benefits Manager, Human Resources

Q&A on HR - Benefits & Wellness

□ Q1: Is the Live Well Center improving our health?



□ Q2: Is the Live Well Center providing us better care?

□ Q3: Is the Live Well Center reducing our costs?



□ Q4: Did moving to a self-funded plan reduce our costs?



□ **Marathon Health** operates the Live Well Center, as well as clinics for other organizations in nearly 40 states and several industries.

□ **PacificSource Health Plans** delivers healthcare solutions for Lane County and has an 83-year reputation for taking great care of people throughout the Northwest.

Q&A on HR - Benefits & Wellness

Employees Making Progress Toward Normal Range (NR)			
Biometric Category	Initial Pts Outside of NR	Progress Toward NR	% of Initial
Body Mass Index (< 18.5, > 24.9)	308	63	20.45%
Systolic Blood Pressure (> 120)	228	69	30.26%
Diastolic Blood Pressure (> 80)	161	56	34.78%
Glucose (> 100)	55	3	5.45%
Total Cholesterol (> 200)	80	4	5.00%
LDL Cholesterol (> 129)	70	4	5.71%
HDL Cholesterol (< 40)	77	7	9.09%
Triglycerides (> 150)	65	7	10.77%
Unique Patients	349	108	30.95%

A1: Yes

A2: Yes

A3: Yes

Percent of Employee Population Engaged

23.31

Patient Satisfaction Rating – November 2016

100%

March - November Savings

(coaching, acute visits, preventive care, labs, Rx, CDL exams)

\$407,768

Q&A on HR - Benefits & Wellness

15-16 Plan Year

Total Costs of Self-funded Health Plan <i>First plan year</i>	<u>Estimated cost</u> of Fully Insured Health Plan	<u>Net Savings</u> over Fully Insured Health Plan
\$20,845,721	\$24,048,122	\$3,202,401

A4: Yes

- 3.7 % of total budget resources go to health plan
- An additional \$27,778,607 was spent on other employee benefits in FY15-16 (e.g., PERS, unemployment, dental, life, disability)
- An additional \$3,000,000 was spent on retiree health plan in FY15-16 for eligible employees

PROPERTY TAX – YEAR IN REVIEW

Mike Cowles, County Assessor

Taxing Districts

Lane County Assessor Collections

- The Lane County Assessor collects property tax on behalf of 83 separate taxing districts including cities, schools, education service districts, water districts, rural fire districts, urban renewal districts; and parks and recreation, library and ambulance districts

83 Districts

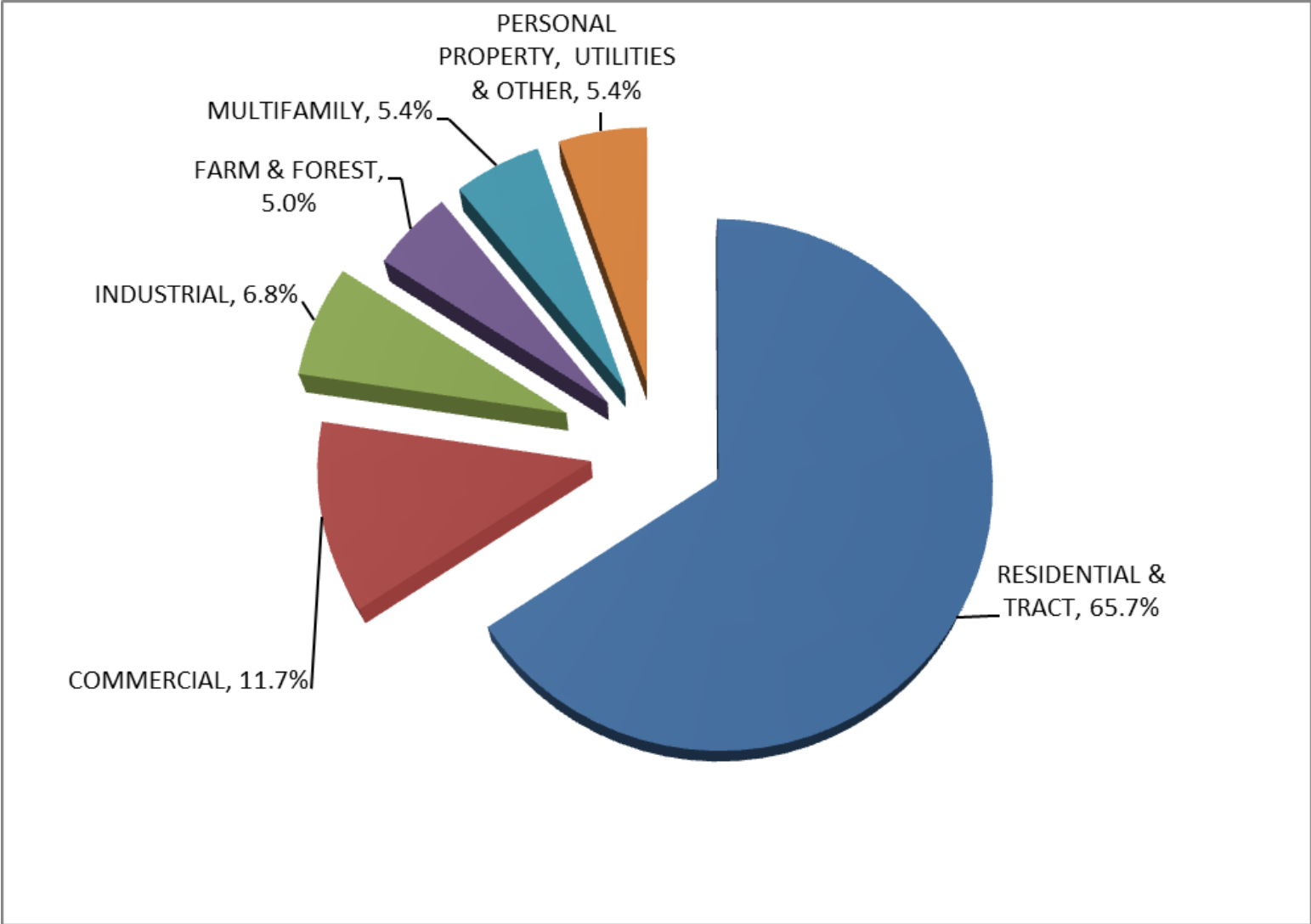
- Cities
- School Districts
- Fire Districts
- Other Districts

Where does your property tax dollar go?



46% School Districts
32% Local Cities
11% Lane County
4% Fire Districts
7% Others including:
Library, Park, Water &
Urban Renewal

2016/17 Values by Property Type



Taxable Value & Certified Taxes

2016/17

- Taxable Value for all properties located in Lane County increased by 3.3 percent over last year, from \$30.5 billion in 2015 to \$31.5 billion in 2016
- The total property tax certified for all tax levies combined in 2016/17 was \$495,714,043
 - 3.7% more than prior year
- Total certified property tax to collect for Lane County for 2016 was \$51,911,384
 - General Levy: \$40,040,416 (Approximately 3.28% higher than 2015)
 - SO Local Option: \$11,870,968 (2015 \$16,570,853 w/ full rate)
- This trend is expected to be moderate for 2017/18
- The amount of taxes billed changes each year as a result of new, expired or renewed local option and bond levies approved by voters; the three percent statutory increase in maximum assessed values; the addition of new properties to the tax roll; the number of exemptions granted; and the number of properties being taxed on their lower market values instead of their Measure 50 maximum assessed values

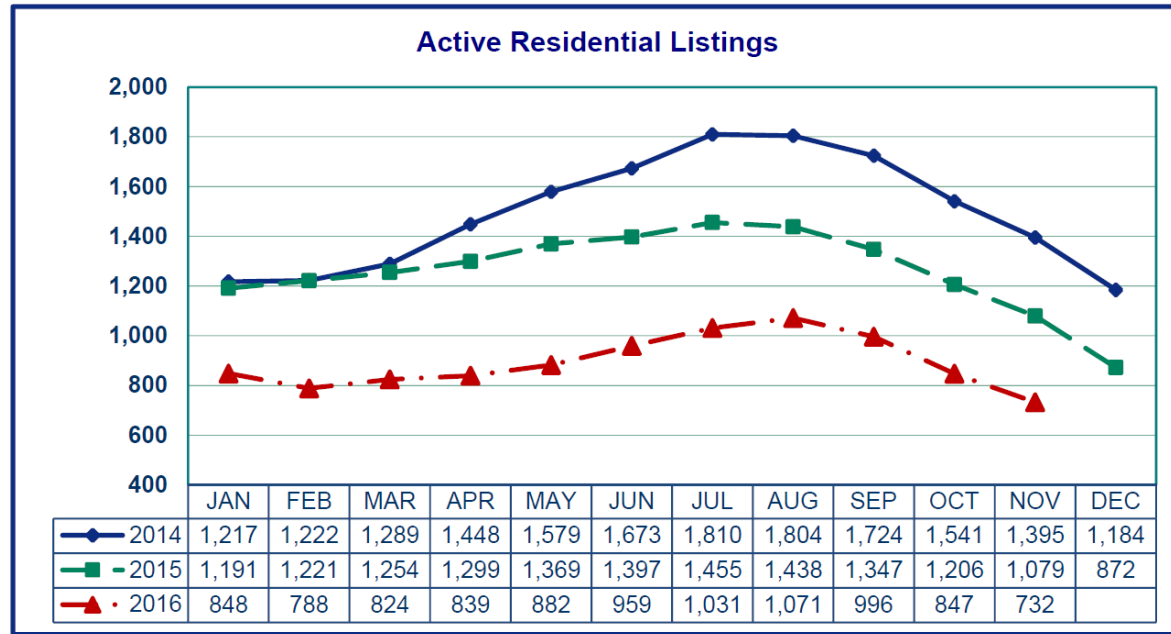
Residential Inventory 2016

Housing Inventory

Inventory in Months*

	2014	2015	2016
January	7.0	5.5	3.3
February	5.7	5.9	2.8
March	4.9	3.7	2.2
April	4.9	3.4	2.1
May	4.9	3.3	2.0
June	4.3	2.6	1.8
July	4.6	2.7	2.5
August	5.0	3.2	2.0
September	4.9	3.0	2.0
October	3.8	2.7	2.1
November	5.5	3.4	1.9
December	4.1	2.2	

Inventory Remains Historically Low

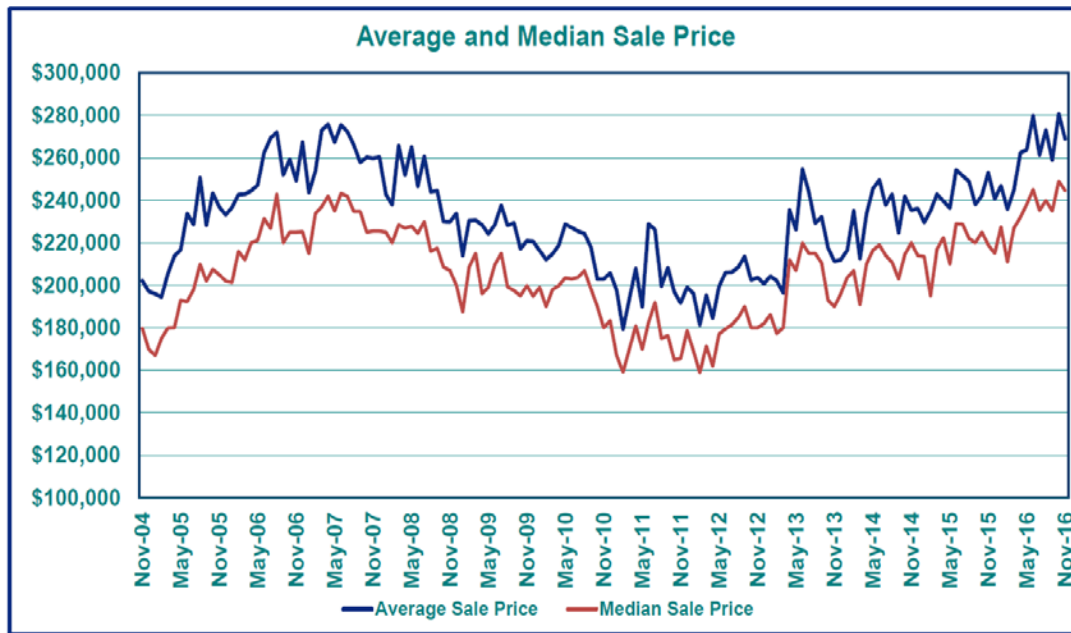


*RMLS Market Action November 2016

Real Market Value

2017/18 Tax Year - Assessment Date 1/1/2017

Average and Median Sale Price



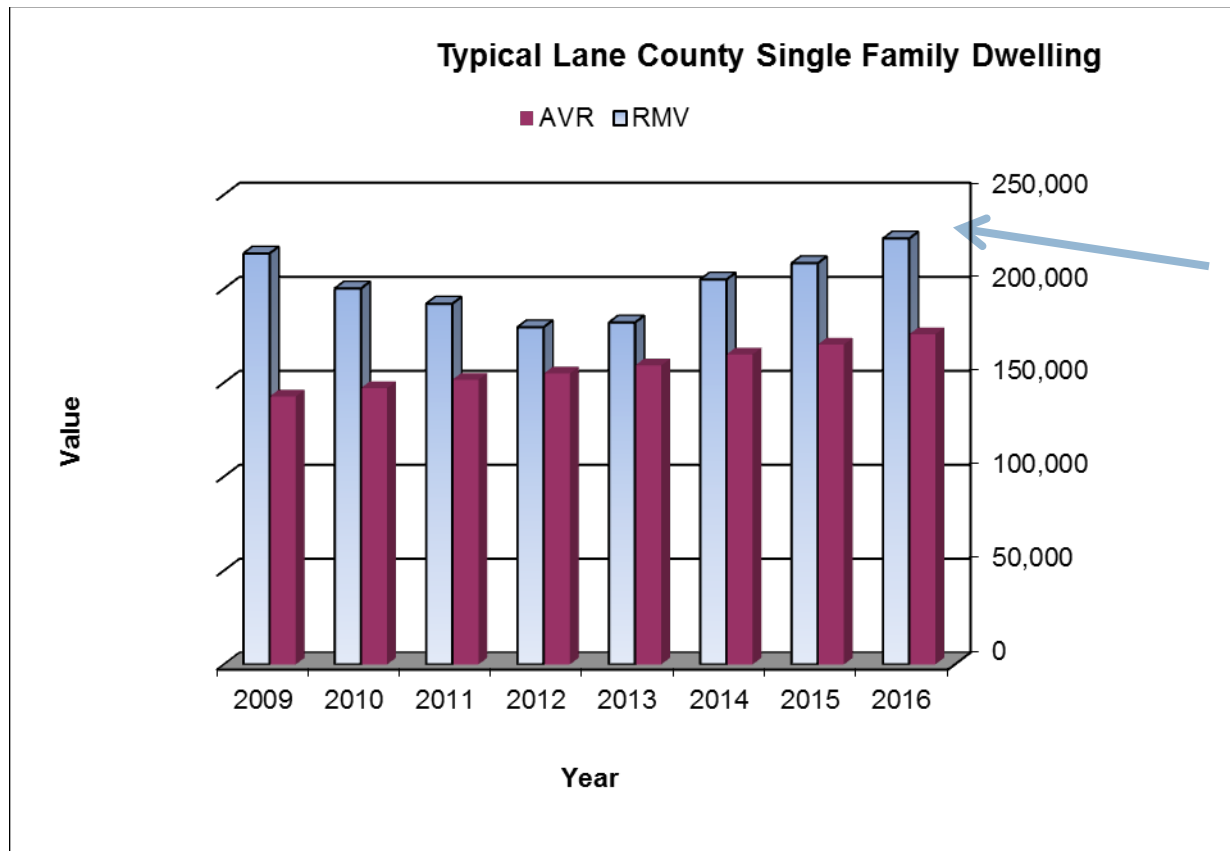
Average and Median Sale Prices

The average price during the first eleven months of 2016 was **\$263,500 up 8.1%** compared to the same period from 2015, when the average was **\$243,800**.

In the same comparison, the median has risen **7.5%** from **\$220,000** to **\$236,500**.

***RMLS Market Action November 2016**

Typical Single Family Dwelling Value



**2016
close to
peak in
2007/08**

2017/18 Taxable Value

2017/18

- ❑ **Real Market Value changes**
- ❑ **Measure 50's 3% increase**
- ❑ **New Construction & Other Exception Value**
- ❑ **Large Account Appeals**
- ❑ **Clerical Errors and Omitted Property**
- ❑ **Flipped Accounts**
- ❑ **Exemptions**
- ❑ **Many other factors...**

County Assessment Function Funding Assistance (CAFFA) Grant Program

What is CAFFA?

The 1989 Legislative Assembly enacted House Bill 2338 in response to statewide deterioration in the property tax system caused by a variety of factors, including a lack of local funding. This legislation established an annual grant program to help finance assessment and taxation costs.

Funding from the CAFFA grant helps pay for essential assessment and taxation functions including administration, valuation, appeals, tax collection and distribution, cartography, and information processing support. Grant monies also help support the department's industrial and utility property appraisal responsibilities and other assessment and taxation system activities.

Lane County is a “Donor County”

Where do the funds come from?

- Document recording fees
- Portion of the interest from delinquent property taxes.
- Investment earnings

CAFFA Grant Program

All Counties CAFFA Certified Expenditures and Percentages
3-Years 2014-2015-2016

\$1,042,232 Grant
2016-17
16.9% of Expenditures

	CAFFA 2016-17			CAFFA 2015-16			CAFFA 2014-15		
	Total Certified Expenditures	CAFFA %	Forecast County Share	Total Certified Expenditures	CAFFA %	Forecast County Share	Total Certified Expenditures	CAFFA %	Forecast County Share
Baker	1,009,158	0.009615	170,553	992,648	0.009669	169,779	975,816	0.009857	171,188
Benton	2,099,511	0.020004	354,828	2,087,361	0.020332	357,016	2,064,710	0.020857	362,227
Clackamas	8,270,322	0.078800	1,397,725	7,957,305	0.077508	1,360,993	7,739,828	0.078185	1,357,853
Clatsop	1,864,125	0.017761	315,046	1,812,726	0.017657	310,043	1,603,898	0.016202	281,383
Columbia	1,985,887	0.018922	335,625	1,863,417	0.018151	318,713	1,772,036	0.017900	310,873
Coos	1,843,440	0.017564	311,550	1,800,852	0.017541	308,012	1,779,221	0.017973	312,140
Crook	1,145,165	0.010911	193,539	1,124,986	0.010958	192,414	1,013,132	0.010234	177,736
Curry	929,687	0.008858	157,122	872,107	0.008495	149,163	852,136	0.008608	149,497
Deschutes	5,539,010	0.052776	936,120	5,448,894	0.053075	931,962	4,944,600	0.049948	867,456
Douglas	2,456,265	0.023403	415,121	2,823,909	0.027506	482,993	2,909,737	0.029393	510,474
Gilliam	503,772	0.004800	85,140	493,143	0.004803	84,346	484,949	0.004899	85,082
Grant	640,594	0.006104	108,264	652,010	0.006351	111,518	655,416	0.006621	114,988
Harney	958,007	0.009128	161,908	968,371	0.009432	165,627	941,235	0.009508	165,127
Hood River	1,026,556	0.009781	173,493	1,000,717	0.009748	171,160	991,058	0.010011	173,863
Jackson	4,556,362	0.043413	770,048	4,490,543	0.043740	768,049	4,401,784	0.044465	772,232
Jefferson	1,010,522	0.009628	170,783	960,471	0.009355	164,276	953,333	0.009630	167,246
Josephine	1,943,675	0.018519	328,491	1,865,252	0.018169	319,027	1,836,060	0.018547	322,109
Klamath	2,817,369	0.026844	476,149	2,631,121	0.025629	450,019	2,409,228	0.024337	422,665
Lake	762,629	0.007266	128,888	745,210	0.007259	127,458	737,441	0.007449	129,368
Lane	6,166,872	0.058758	1,042,232	6,283,212	0.061202	1,074,661	6,806,158	0.068753	1,194,046
Lincoln	2,854,556	0.027198	482,434	2,695,394	0.026255	461,012	2,793,730	0.028221	490,119
Linn	3,315,196	0.031587	560,285	3,163,339	0.030813	541,048	3,086,977	0.031183	541,561
Malheur	913,961	0.008708	154,464	894,006	0.008708	152,908	911,098	0.009204	159,848
Marion	5,927,017	0.056473	1,001,695	6,322,401	0.061584	1,081,364	6,041,591	0.061030	1,059,919
Morrow	847,033	0.008071	143,153	788,929	0.007685	134,936	749,599	0.007572	131,504
Multnomah	20,653,888	0.196790	3,490,609	19,566,695	0.190590	3,346,628	18,503,393	0.186914	3,246,169
Polk	1,841,108	0.017542	311,156	1,745,436	0.017001	298,534	1,616,367	0.016328	283,571
Sherman	326,315	0.003109	55,149	368,668	0.003591	63,056	396,663	0.004007	69,590
Tillamook	2,265,168	0.021583	382,825	2,236,929	0.021789	382,597	2,260,563	0.022835	396,580
Umatilla	2,360,425	0.022490	398,923	2,217,939	0.021604	379,349	2,091,780	0.021130	366,969
Union	1,089,778	0.010383	184,178	1,052,519	0.010252	180,020	1,111,958	0.011233	195,086
Wallowa	496,155	0.004727	83,853	531,481	0.005177	90,903	557,839	0.005635	97,864
Wasco	1,226,756	0.011689	207,328	1,149,075	0.011193	196,534	968,138	0.009780	169,851
Washington	10,474,073	0.099797	1,770,170	10,330,514	0.100625	1,766,900	9,360,691	0.094558	1,642,206
Wheeler	383,972	0.003658	64,893	349,628	0.003406	59,799	360,010	0.003637	63,164
Yamhill	2,449,590	0.023340	413,993	2,376,591	0.023149	406,485	2,312,161	0.023356	405,628
	104,953,919	1.000000	17,737,731	102,663,799	1.000000	17,559,302	98,994,334	1.000000	17,367,182

The Department of Revenue reviewed Lane County's grant application as required by ORS 294.175. Based on this review, the department has determined that the fiscal year (FY) 2016-17 expenditure level that Lane County established for the assessment and taxation program is adequate either to maintain the county's property tax system or to bring the system into compliance.

This letter certifies Lane County's participation in the County Assessment Function Funding Assistance (CAFFA) grant program.

- Your county's approved FY 2016-17 expenditure is \$6,166,872.
Your county must appropriate 100 percent of the approved expenditure level under ORS 294.178 to receive state grant funds.
- Lane County's distribution rate for FY 2016-17 is 0.058758.
- The estimate of total available dollars for distribution in FY 2016-17 resulting from document recording fees and delinquent interest is \$17,737,731.
- The estimate of FY 2016-17 grant dollars that your county will receive is \$1,042,232.

The actual amount your county will receive during FY 2016-17 will depend on the total dollars actually collected during the year.

ROAD FUND OVERVIEW & FORECAST

Tanya Heaton, Public Works Budget & Financial
Services Manager

Road Fund Focus

- **Build and maintain smart and resilient infrastructure for today and future generations**
 - **Customer Service**
 - **Road Safety**
 - **Road Preservation**
 - **Bridge Maintenance and Preservation**
 - **Stewardship**

What we have done

❑ **Eliminating/Reducing Services**

- FTE decreased by 68.9 since FY 07-08, a decrease of 29%
- Reduced Expenses by \$9M, 20%

❑ **Reviewed and updated revenues**

- Federal and State Partnerships to implement transportation improvement projects

❑ **One-time Money**

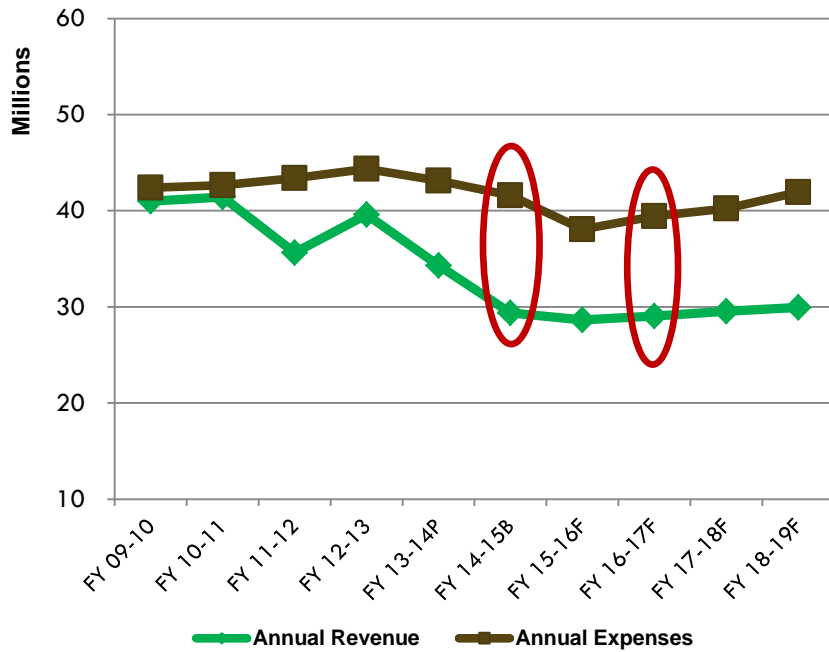
- SRS payments for Road & Bridge repair and improvements
- SRS payment to eliminate debt
- Lower than budgeted spending

❑ **County-wide savings**

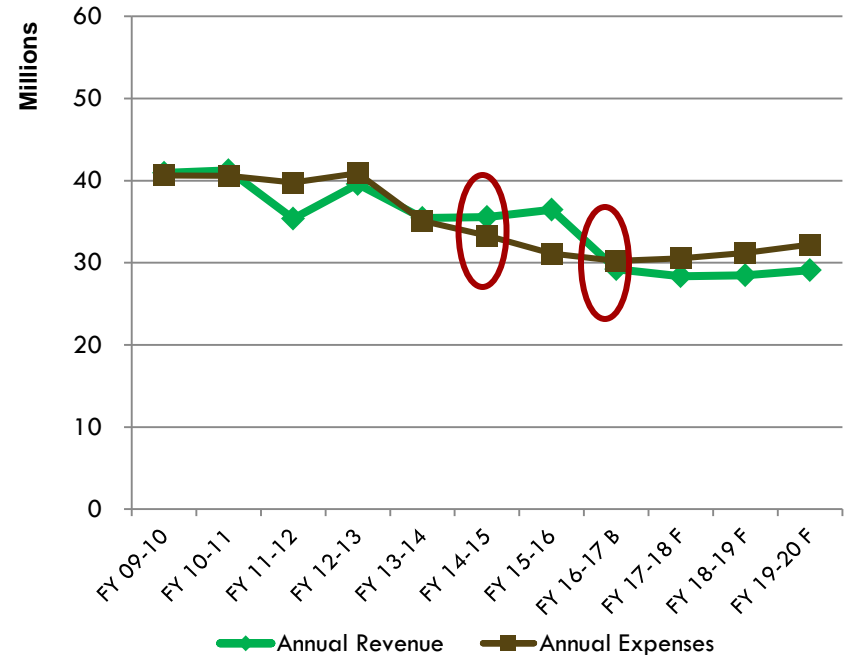
- Health Insurance
- Fleet Rates

Road Services – STRUCTURAL Gap

Budget FY 14-15

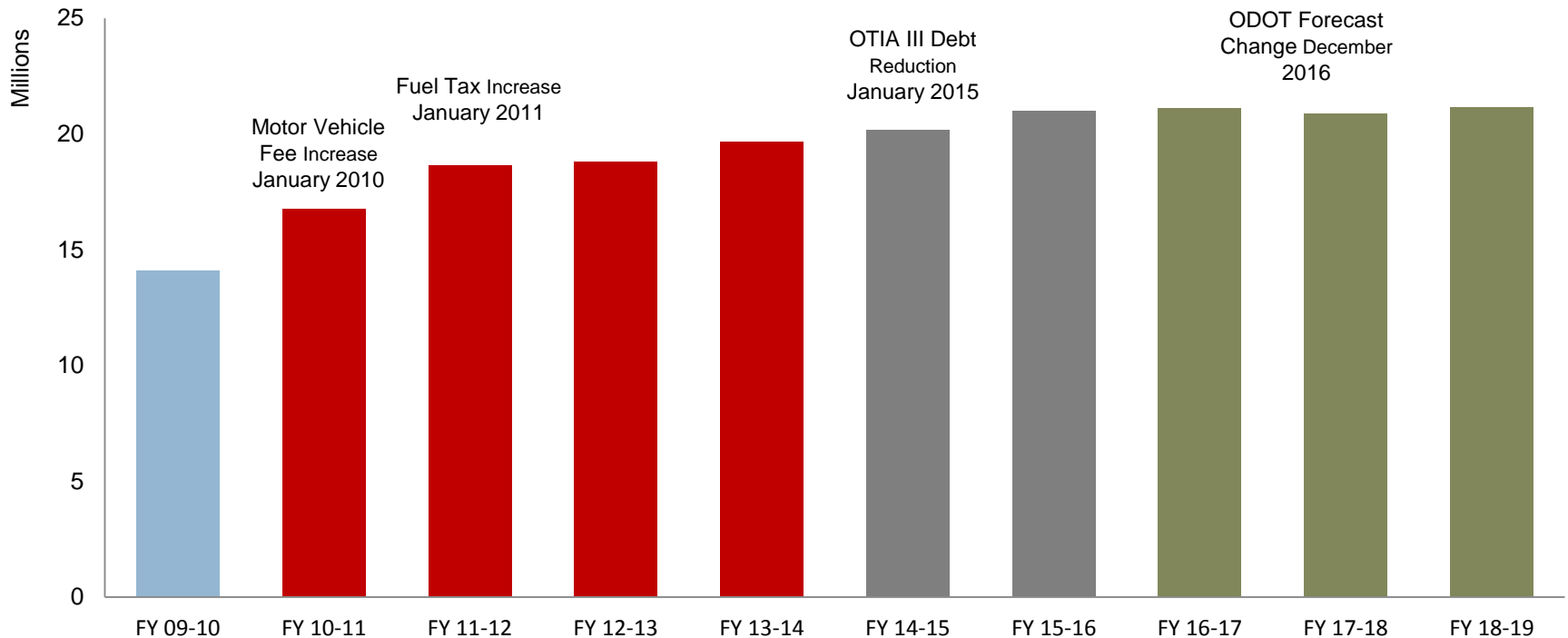


Budget FY 16-17



Oregon Highway Fund

10 Year Lane County Apportionment



What are we doing

- **Reaching for balance of excellent and sustainable services**
- **Moving toward closing the gap**
- **Minimizing impact to services**
- **Actively pursuing transportation funding programs**

*Building for Today,
Planning for Tomorrow*

Financial Summary

Lane County Road Fund	FY 16-17 Projected	FY 17-18 Forecast	FY 18-19 Forecast	FY 19-20 Forecast	FY 20-21 Forecast
New Revenue	28,783,877	28,378,255	28,490,308	29,079,294	29,110,068
TOTAL OPERATING REVENUE	28,783,877	28,378,255	28,490,308	29,079,294	29,110,068
OPERATING EXPENDITURES					
Personnel Services	14,293,196	15,318,764	15,686,771	16,372,923	16,895,528
Materials & Services	11,663,229	12,031,911	12,392,869	12,752,262	13,122,078
Capital Outlay	145,000	145,000	43,500	44,544	45,613
Capital Improvement Projects & Contracts	3,655,000	3,000,000	3,000,000	3,000,000	3,000,000
Fiscal Transactions	0	0	0	0	0
TOTAL ROAD FUND EXPENDITURES	29,756,425	30,495,676	31,123,140	32,169,729	33,063,219
PROJECTED ROAD FUND GAP	(972,548)	(2,117,421)	(2,632,832)	(3,090,435)	(3,953,151)

Long Term Financial Strategy

- **Sustainable Financial Model**
 - **Balancing Operating Revenues with Operating Expenses for long-term financial stability**
 - **Build in Resiliency**

- **Reserves based on Best Practices and Risk Analysis**

- **Build and maintain smart and resilient infrastructure for today and future generations**

- **Stewardship of structural and financial assets**



SOLID WASTE DISPOSAL FUND UPDATE

Dan Hurley, Public Works Waste Management
Manager

Waste Management Focus

- **Provide safe, responsible and economical recycling and disposal services, respecting the environment and communities served.**
 - **Customer Service**
 - **Short Mountain Landfill**
 - **Transfer Stations**
 - **Waste Reduction Education and Opportunities**
 - **Stewardship**

Where we were / What we've done

▣ **FY 13-14**

- **Structural Gap of \$3M**
- **No Fee increase for past seven years**

▣ **Fee updates**

- **September 2014**
- **July 2016 – CPI**
- **October 2016 – increase to self haul rates**

▣ **Structural Gap reduced to \$1.5m**

Where we were / What we've done

▣ **Operational Assessment**

- ▣ Professional Solid Waste Consulting firm
- ▣ Recommendations for \$1.8M projected savings

▣ **Operational Changes FY 16-17**

- ▣ Short Mountain operation improvements
- ▣ Closed one transfer site and reduced hours at two

▣ **Operational Changes FY 17-18**

- ▣ Commercially hauled waste rerouted from Glenwood to Short Mountain

▣ **Annual Fee increases**

- ▣ July 2017 – Transfer Station Fee increase
- ▣ July 2018 – CPI Adjustment

▣ **Closed the FY 14 structural gap**

Long Term Financial Strategy

- **Sustainable Financial Model**
 - **Balancing Operating Revenues with Operating Expenses for long-term financial stability**
 - **Maintain plans and resources for cell development, closure and post closure**
 - **Restructure EPUD Contract to encourage the reduction of organic waste from the waste stream to allow the utilization of emerging technologies**



- **Build and maintain smart and resilient infrastructure for today and future generations**



15 Minute Break



COMMUNITY HEALTH CENTERS

Ron Hjelm, Manager, Community Health Centers,
Health and Human Services

Community Health Centers – Current State

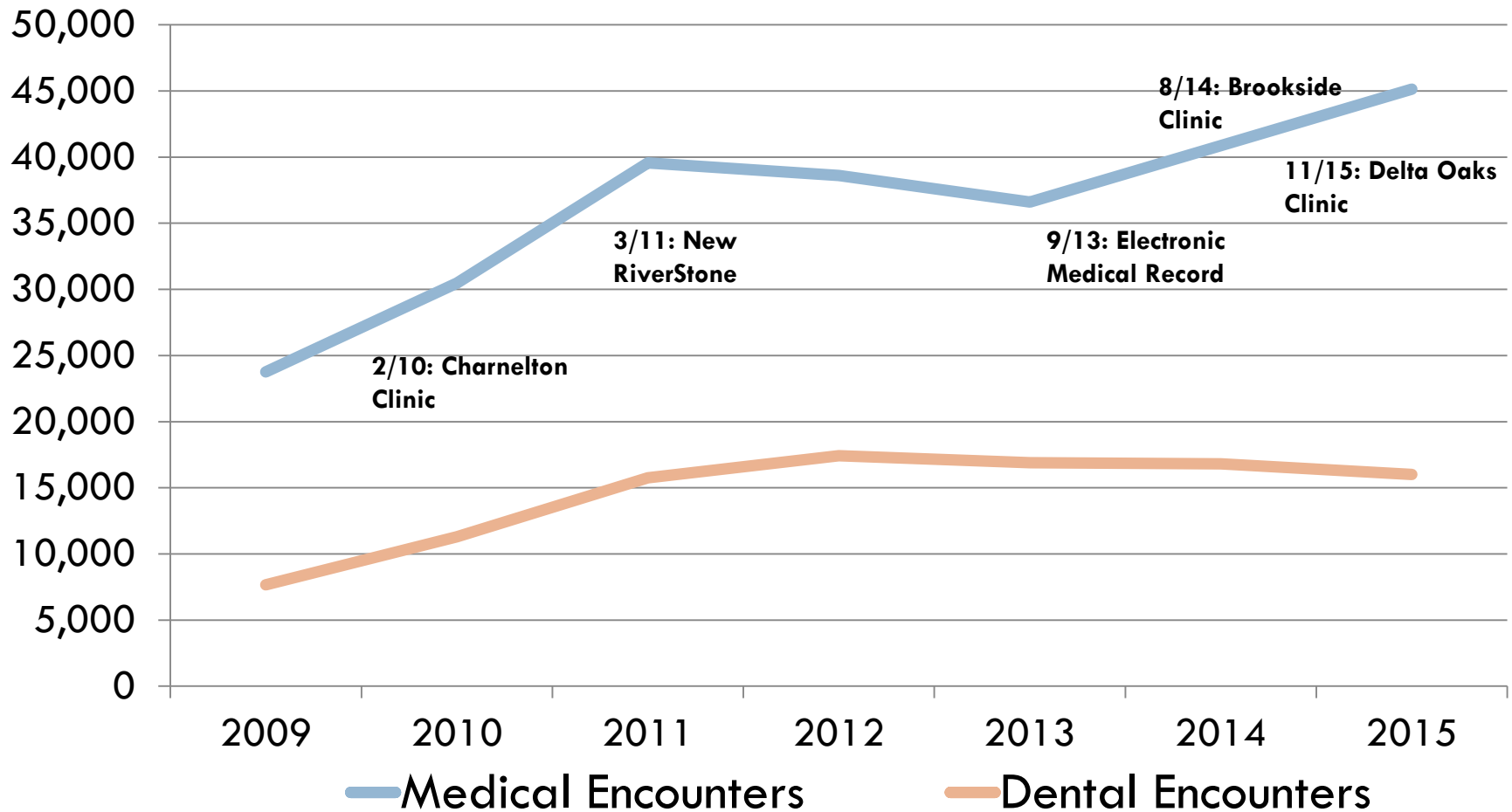
- In 2015 We Provided:
 - ▣ 62,000+ visits
 - ▣ to 25,000+ patients

- Our Services Include:
 - ▣ Primary care to children, adolescents, and adults
 - ▣ Prenatal care
 - ▣ Preventive dental services

- We Have 6 Delivery Sites

- Financial Reserves are Sufficient to Ensure Stability During Affordable Care Act (ACA) Transitions

CHC – Growing to Meet Community Needs

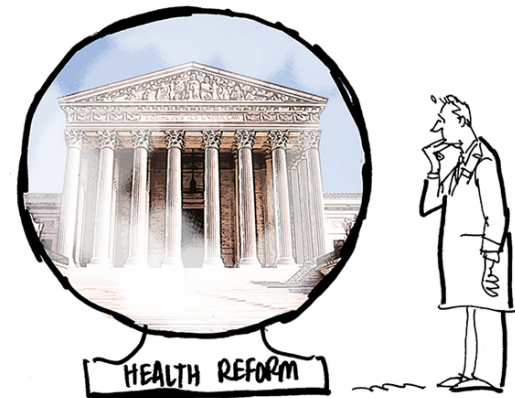


Our Future...3 Scenarios

- **Status Quo:** No Change, or Modest Change to Affordable Care Act (ACA)

- **Complete Dismantling of ACA and Medicaid Reductions**
 - ▣ 40,000 Lane County Residents Lose Medicaid Coverage
 - ▣ Significant Payment Reductions for Medicaid Services
 - ▣ 7,000 Residents Lose Coverage if Insurance Exchanges are Dismantled

- **Somewhere In-Between**
 - ▣ Federal Block Grants to States for Medicaid
 - ▣ Medicaid Eligibility is Tightened



Contingency Plans

Under all scenarios we are committed to serving the underserved members of our community. We will continue to serve all our current patients regardless of their insurance coverage.

- Continue to Build Financial Reserves in the Near Term
- Closely Monitor Proposed Changes to ACA, State Budget, and Other Related Funding
- Put a Hold on Discussions for Additional Sites
- Review All Open Positions
- Review Capital Expenditures

- **Keys to Sustainability:**
 - Ability to Recruit and Retain Providers
 - Continued Improvement on Clinical Quality Measures
 - On-Going Improvement in Program Efficiency
 - Partnering with Community Agencies and Safety Net Providers

PAROLE AND PROBATION

Greg Rikhoff, Director of Operations

Mission:

To improve the quality of life in Lane County by effectively responding to risk, need and promoting positive change.

Balanced Approach

Accountability & Rehabilitation

- Instilling lasting prosocial change that enhances community safety.

Accountability

- We provide swift, certain, fair and individualized responses to violations of supervision conditions and case plans.

Rehabilitation

- Working with individuals, we assess and prioritize risk, needs and barriers. We work collaboratively with our clientele to develop a strength based plan that aims to navigate pro-social change.

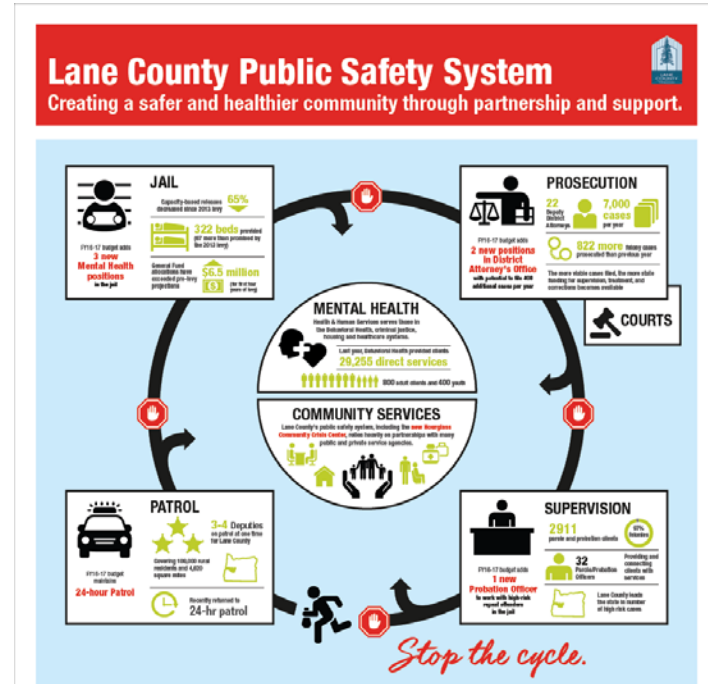


Early Intervention

High Risk Clientele

- Second to Multnomah, Lane County Leads the State in working with High Risk Cases.

Community Supervision Levels	High	Medium	Low	Total
Lane	1,345	818	700	2,997
Clackamas	551	815	830	2,712
Marion	774	892	1734	3,525
Washington	794	978	1319	3,407



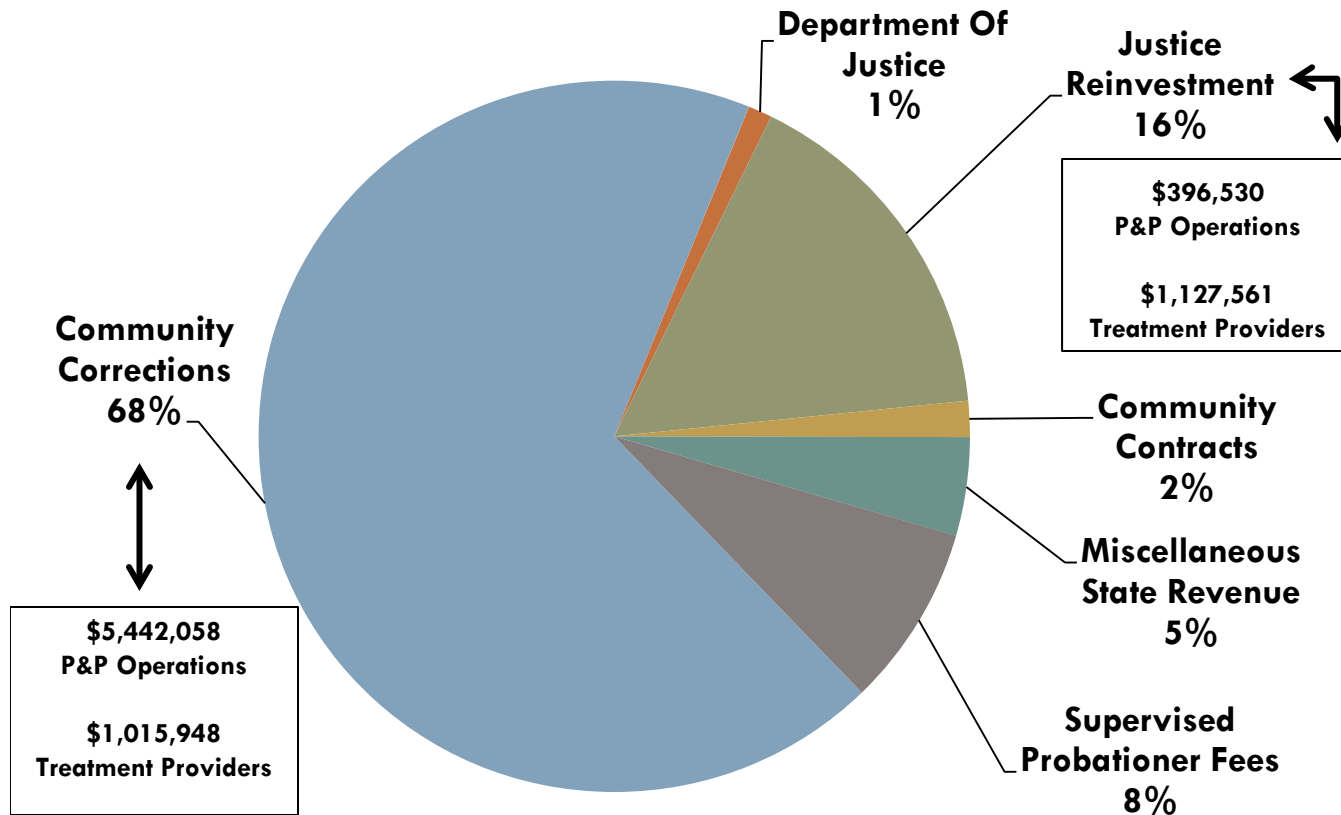
High Case Load Numbers...

Based on 34 Officers overseeing 2,997 individuals

General High	Sex Offender	Domestic Violence
65	55	55

Parole & Probation - Budget

Revenues



Total FTE
53
Total Parole and Probation Officers
33
Total Expenditures
\$10,291,358

Community Corrections Act Funding Calculations

State Budget Calculation Process

- Snapshots taken Oct-Nov-Dec of Odd numbered years to determine Caseload sizes
 - ▣ **2017-2019 Budget snapshots will be taken from Oct-Nov-Dec 2015 Caseloads**
- Calculated the Capitated Rate ie:
Rate per Day – BY15-17 = \$10.719
- Forecast Population
- Calculate Total Forecasted Caseload Budget

County Allocation Calculation Process

- Snapshots taken Oct-Nov-Dec of Even numbered years to determine individual County Caseload sizes
 - ▣ **2017-2019 Allocation snapshots will be taken from Oct-Nov-Dec 2016 Caseloads**
- Total Share of Forecasted Caseload divided by Total equals County Percentage
- In BY15-17 Lane County = 8.26%

GENERAL FUND FORECAST

Christine Moody,
Budget and Financial Planning Manager

General Fund Focus

General Fund

- ▣ **General Operating Fund of the County.**
 - **Public Safety**
 - Sheriff, District Attorney, Youth Services, Justice Courts, Parole & Probation.
 - **General Government**
 - Assessment & taxation, Elections, Human Resources, Finance, Budget, Facilities maintenance, County Administration, Board of Commissioners, County Counsel, Information Services.
 - **Public Health**
 - Public health, Behavioral Health, Animal services.

- ▣ **Between 30-35% of County FTE paid for by General Fund.**

Where we are / What we've done

▣ Eliminating/Reducing Services

- Decreased FTE by over 105 since FY 06-07
- Last 3 years consisted of FTE reductions only and have included enhancement to public safety (funding of patrol), prosecution, behavioral health, assessment & taxation and equity and access.

▣ One-time money

- Reserved SRS payments in the past; most recent paid off debt
- Lower than budgeted spending (lapse

▣ Internal Cost Controls changes

- Health Insurance (Self-funded model)
- PERS (Reserve) and Rate changes
- Other internal cost drivers – IS, Fleet

Where we are / What we've done

- ▣ **County-wide Strategic Plan**
- ▣ **10-Year Public Safety Plan**
 - ▣ **Investing in Public Safety services that leverages state & federal resources.**
 - ▣ **Adding DAs = CCA Funds for Probation**
- ▣ **Review of General Fund Revenue**
 - ▣ **Review occurred in 15-16 & 16-17**

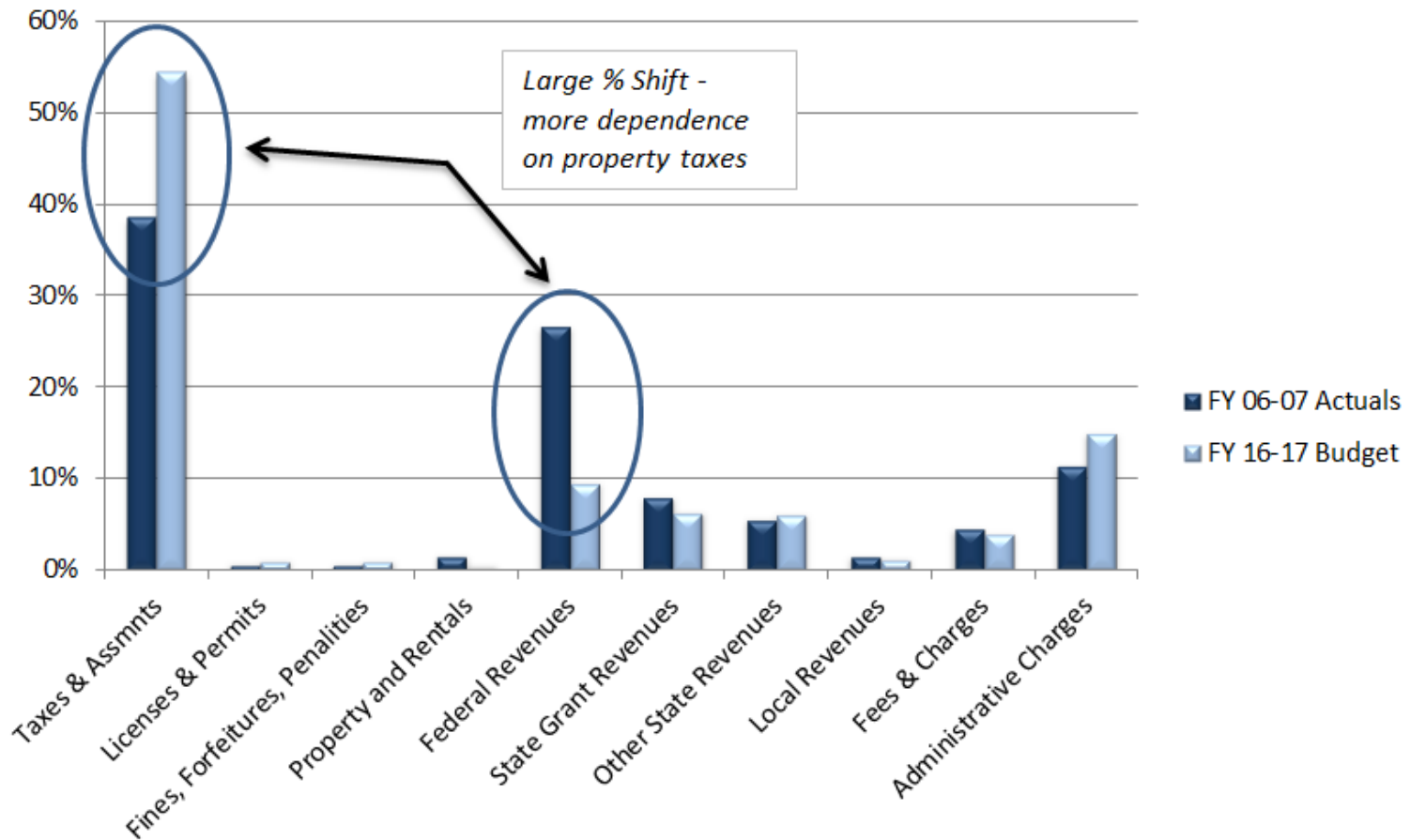
Where we are / What we've done

Remaining Challenges

- **Federal Revenues**
- **Limited local control of Revenue**
- **Structural Deficit**

**= Lack of adequate funding for
mandated and critical county services**

Operating Revenue 10 year History:



Reduction in Federal & State revenues over the past 10 years has sharply increased dependence upon local revenue.

General Fund Forecast:

□ What Changed Over Last Year ?

□ Revenue

- Continued Property Tax Growth, slightly slowed
- Timber Harvest (BLM)
- Car Rental Tax, continued strong growth

□ Expenses

- Benefit Changes (Self-Funded Health)
- Excess Lapse

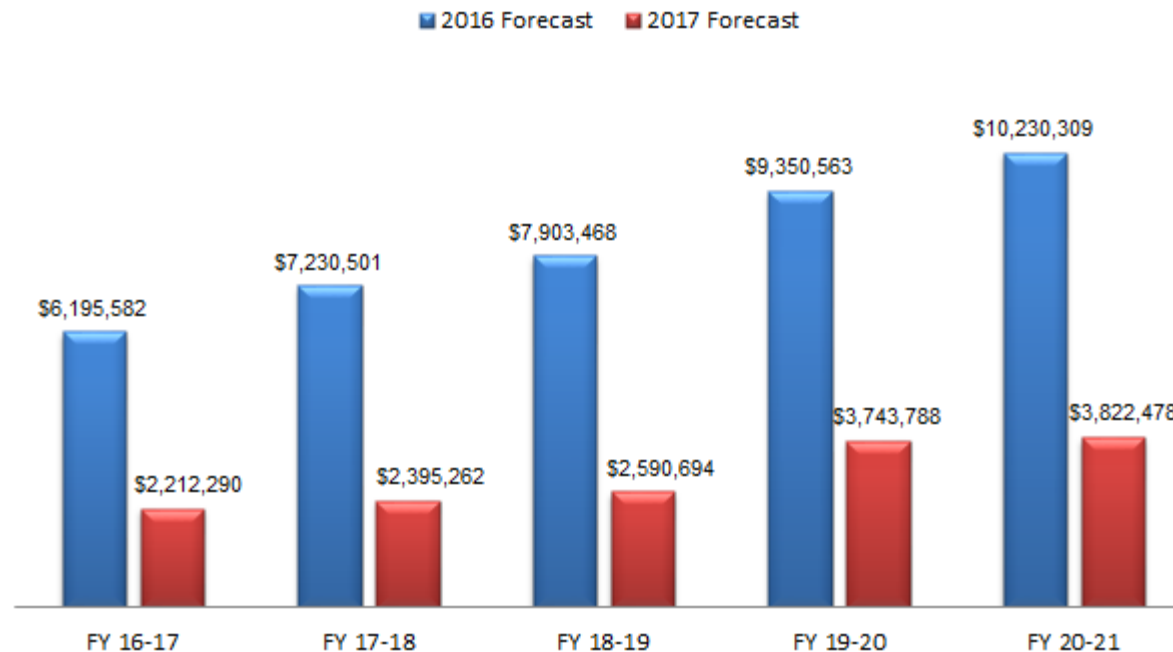


Initial General Fund Forecast:

Lane County General Fund	FY 16-17 Projected	FY 17-18 Forecast	FY 18-19 Forecast	FY 19-20 Forecast	FY 20-21 Forecast
<i>Operating Revenue</i>					
Taxes & Assessments	41,022,166	42,088,711	43,415,585	44,785,427	46,199,628
License & Permits	1,031,100	1,046,567	1,062,265	1,078,199	1,094,372
Fines, Forf. & Penalties	824,250	816,008	811,927	807,868	803,828
Property & Rentals	440,000	440,000	440,000	440,000	440,000
Federal Revenues	7,174,172	6,324,556	6,096,179	5,867,910	5,639,749
State Grant Revenues	4,753,357	4,800,891	4,848,899	4,897,388	4,946,362
Other State Revenues	4,667,051	4,713,722	4,760,859	4,808,467	4,856,552
Local Revenues	975,942	985,701	995,558	1,005,514	1,015,569
Fees & Charges	2,895,570	2,953,481	3,012,551	3,072,802	3,134,258
Administrative Charges	11,331,219	11,727,812	12,079,646	12,442,035	12,815,296
Interest Earnings	150,000	175,000	200,000	225,000	250,000
On-going Transfers	1,266,886	1,450,633	1,458,357	1,466,272	1,474,378
TOTAL OPERATING REVENUE	76,531,713	77,523,082	79,181,826	80,896,882	82,669,992
<i>Operating Expenditures</i>					
Wages	29,544,904	29,648,362	30,057,610	30,516,406	30,779,777
Benefits	19,067,952	19,494,605	20,222,694	21,619,879	22,240,200
Risk Management	805,004	783,798	822,988	864,137	907,344
Material & Services	17,539,058	18,257,667	18,717,182	19,421,803	20,125,957
Debt Service	875,008	874,127	874,893	874,395	872,632
Fund Transfer (for Services)	10,912,077	10,859,785	11,077,153	11,344,050	11,566,560
TOTAL OPERATING EXPENDITURES	78,744,003	79,918,344	81,772,520	84,640,670	86,492,470
Projected Structural Deficit	(2,212,290)	(2,395,262)	(2,590,694)	(3,743,788)	(3,822,478)

General Fund Operating Gap -Current & Progress made

General Fund Structural Deficit



Last year's 17-18 Projected Deficit - \$7.2 million

Current 17-18 Projected Deficit - \$2.4 million

DECREASE OF \$4.8 million

Long Term Financial Planning

- **Structurally Balanced Budget**
 - **Operating Revenues = with Operating Expenditures**
 - **One-time expenditures use one-time resources**

- **Reserve levels based on Best Practice**
 - **Protect (and increase) County bond rating**
 - **Provide for adequate cash flow (prior to property tax collection)**
 - **Protection of service levels**

- **Infrastructure/Service level balance**

Overall Summary

- **Federal and State Changes**
- **PERS Rates**
- **Governor's Budget**
- **Structural Deficits – General Fund, Road Fund**
- **Other Services – Solid Waste, Community Health Centers, Parole and Probation**

Budget Calendar



January

Budget Kickoff January 17th

February

Departments prepare and submit budget to central budget office

March

County Administrator Meetings with Departments
Adjustments to department budgets

April

Preparation of proposed budget document

May/June

Budget Committee Approval and Board of Commissioners Adoption

Budget Direction

- No extension/renewal of SRS payments.
- Personnel – limited to currently known changes
- Benefits
 - ▣ 0% health & dental rates
 - ▣ Offset PERS rate with PERS reserve (over several years)
 - ▣ Material & Services – Limit to CPI growth as possible (2.4%)

GOALS:

- ▣ Close FY 17-18 Structural Gap in General Fund
- ▣ Maintain current service levels