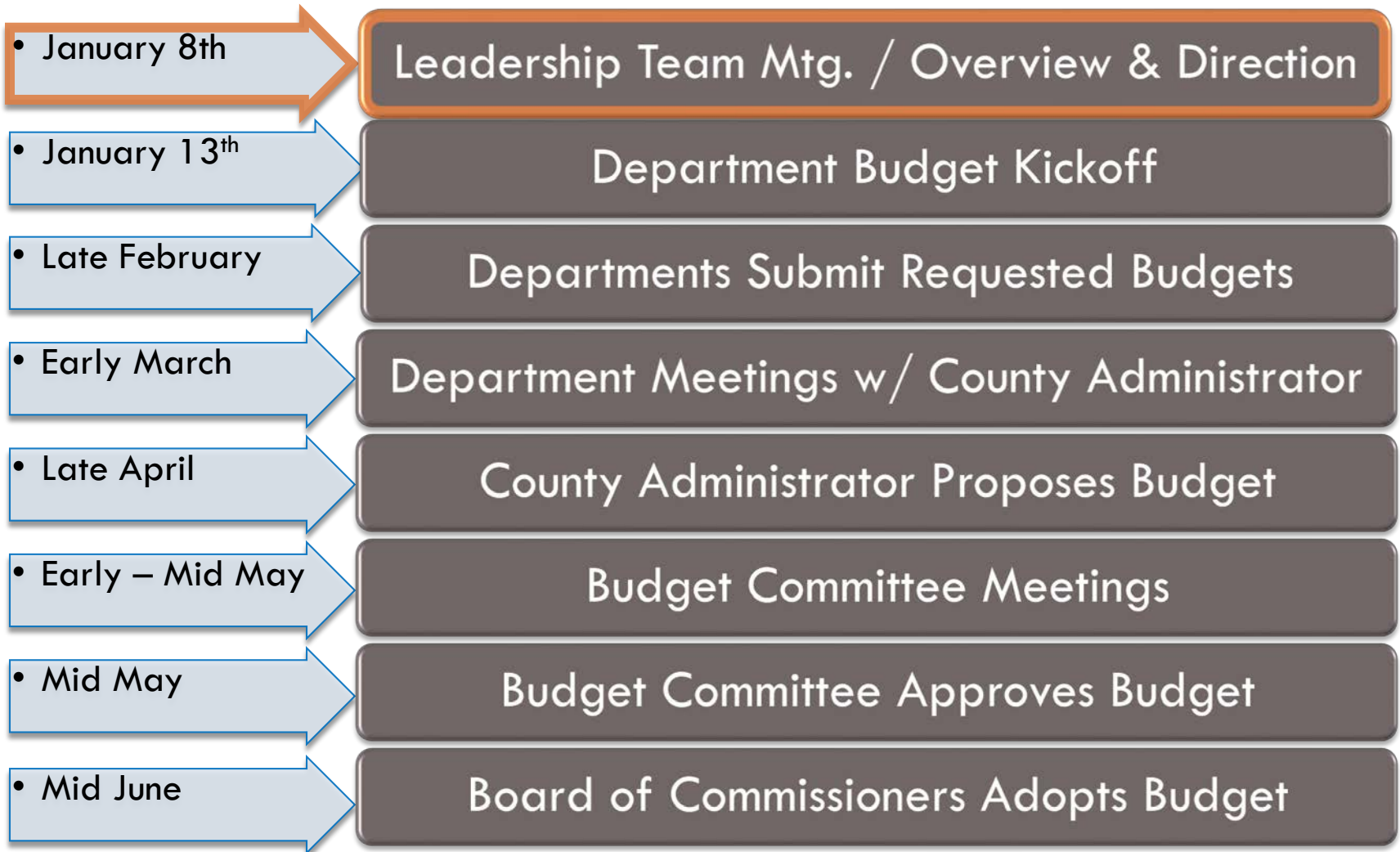


COUNTYWIDE OVERVIEW

Steve Mokrohisky, County Administrator



Lane County Budget Cycle



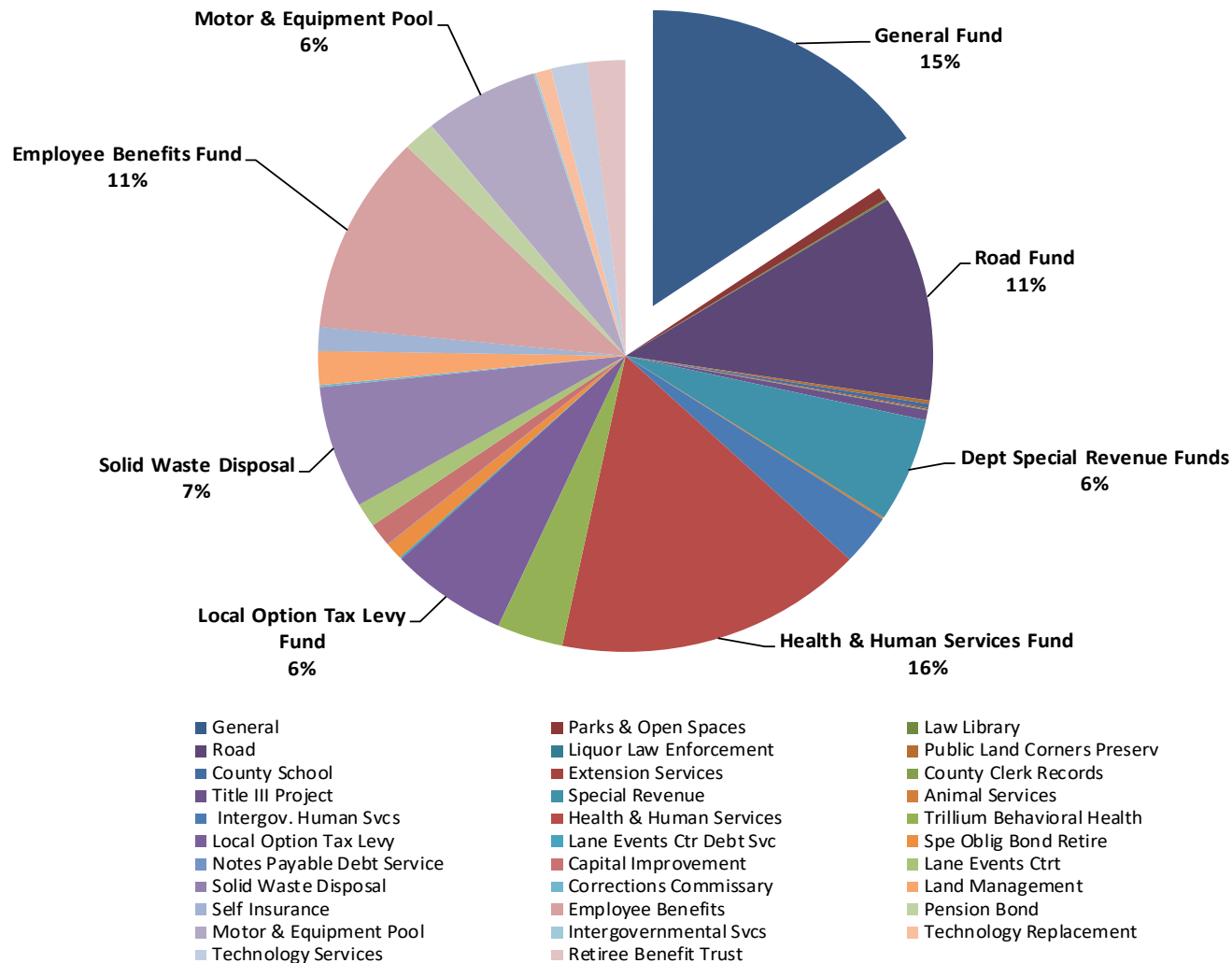


Lane County Overview

- 1672.39 FTE FY 19-20 Adopted Budget
- \$716,556,301 FY 19-20 Adopted Budget
- Nine departments
 - Assessment & Taxation*
 - County Administration
 - County Counsel
 - District Attorney*
 - Health & Human Services
 - Human Resources
 - Public Works
 - Sheriff's Office*
 - Technology Services

*Departments run by elected officials

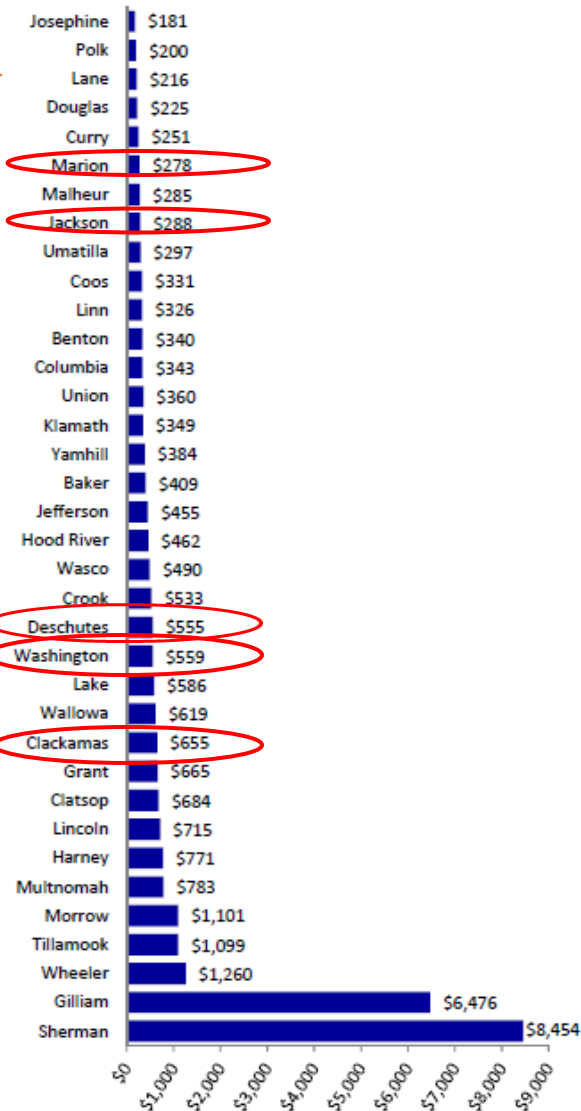
Lane County Overview



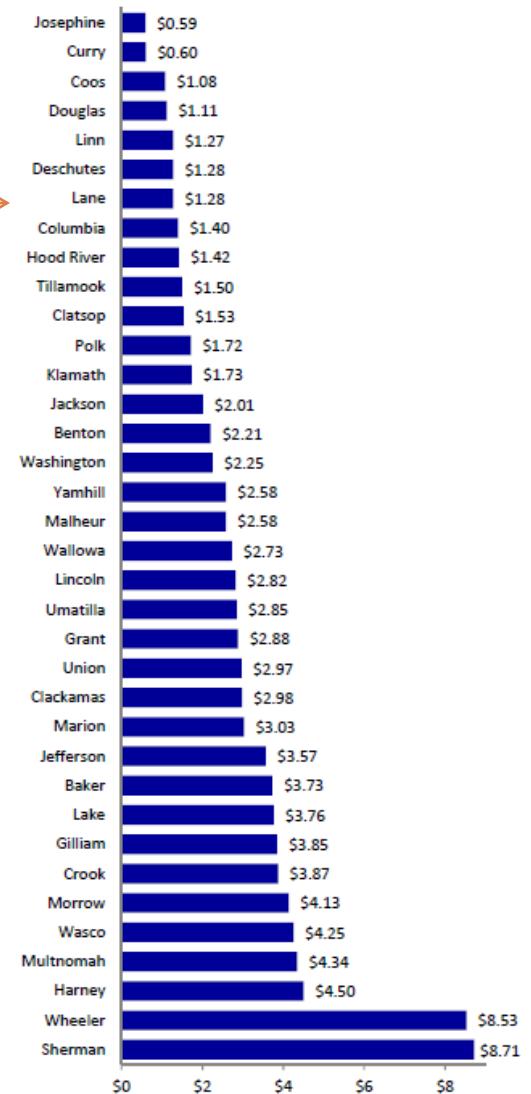
- FY 19-20 Adopted Budget
 - \$716,556,301
- 32 different funds, consisting primarily of restricted special use monies.
- General Fund, which is the primary operating fund and the source of the County's discretionary funds, accounts for just 15% of the total budget.

Lane County In Context

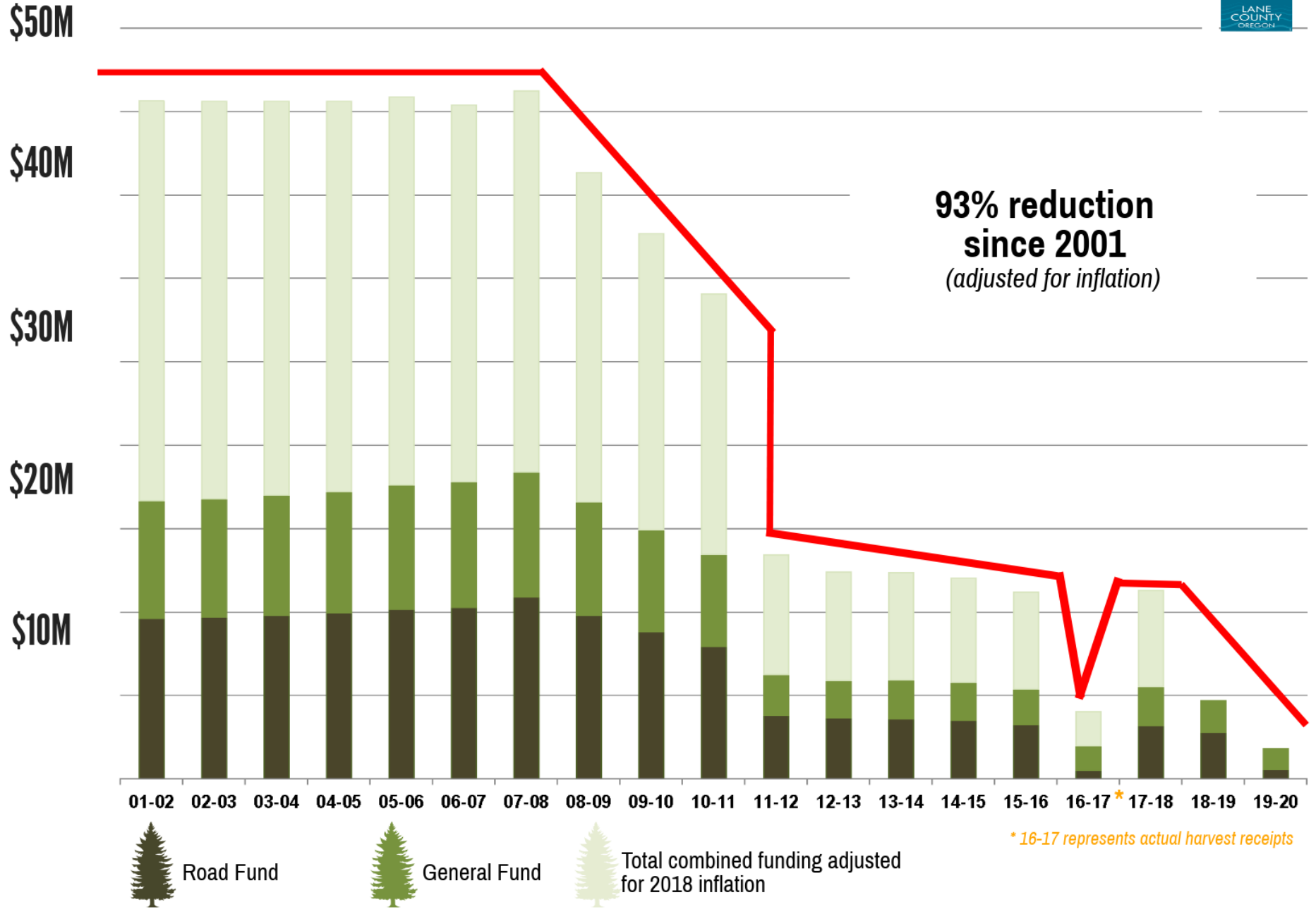
Local Revenue per Capita
5-year average, FY 2011-2015



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



Lane County Secure Rural Schools History



Countywide Overview

Financial Management goals over last four years:

- ▣ Create long term financial stability through a structurally balanced budget
 - Fiscal Year Adopted Budget is 3rd year in a row structurally balanced.
 - All funds meet or exceed the board reserve policy.
 - Moody's upgraded Lane County's bond rating to Aa1 in 2019, which is the highest rating for Lane County to date and the second highest rating possible!
- ▣ Focus limited resources on repairing critical services
- ▣ Stabilize Public Safety system with targeted investments
- ▣ Reduce expenses within our control
 - Health Insurance, Debt and PERS
 - Internal Services including Fleet, Facilities, and Technology
 - Workers Comp Liability
 - Budget for Vacancies
 - PERS Side Account – Projected decrease in PERS payments over 20 year period could be as high as \$9.8 million based upon PERS projections. Which would mean the County would see a 98.3% return on investment of its \$10 Million deposit.

Property Tax Projections

- Current Lane County Regional Multiple Listing Service data indicates an approximate 5% increase in residential listings in November 2019.
- Commercial/Industrial 2019 sales have not yet been analyzed.
- Multifamily is starting to show limited slowing and some minor rent decreases are beginning to occur.
- Housing inventory is still low.
- Interest rates are very favorable.
- New home stock is low or under what would be desirable.
- Projected property tax growth is 3.75%

Strategic Plan

PURPOSE: To improve lives

MISSION: We responsibly manage available resources to deliver vital, community-centered services with passion, drive and focus.

LENSES:

- Financial Stewardship
- Equity
- Collective Impact

CORE BEHAVIORS:

- Passion to serve
- Driven to connect
- Focused on solutions

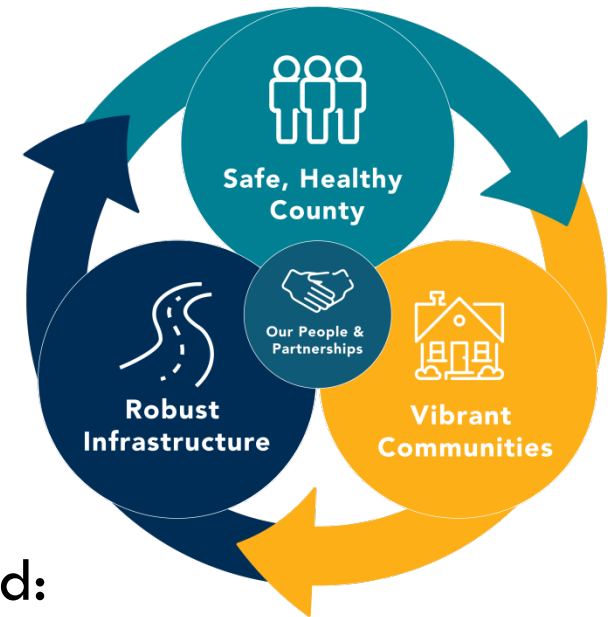


Strategic Plan Priorities

- Safe, Healthy County
- Vibrant Communities
- Robust Infrastructure
- Our People & Partnerships

- Other Significant Plans incorporated:

- 10 Year Public Safety Plan
- Community Health Improvement Plan (CHIP)
- Transportation Plans
- Rural Economic Development Plan
- Equity & Access Plan



Revisions Include:

- Incorporating newly identified priorities of the Board
 - Housing / Mental Health / Safety System (interconnected)
 - Prevention
 - Safety
 - Climate Change
 - Community Benefits



Lane County's Current Employment Situation and Forecast

FY 20-21 Lane County Budget Kickoff

Brian Rooney
January 8, 2020



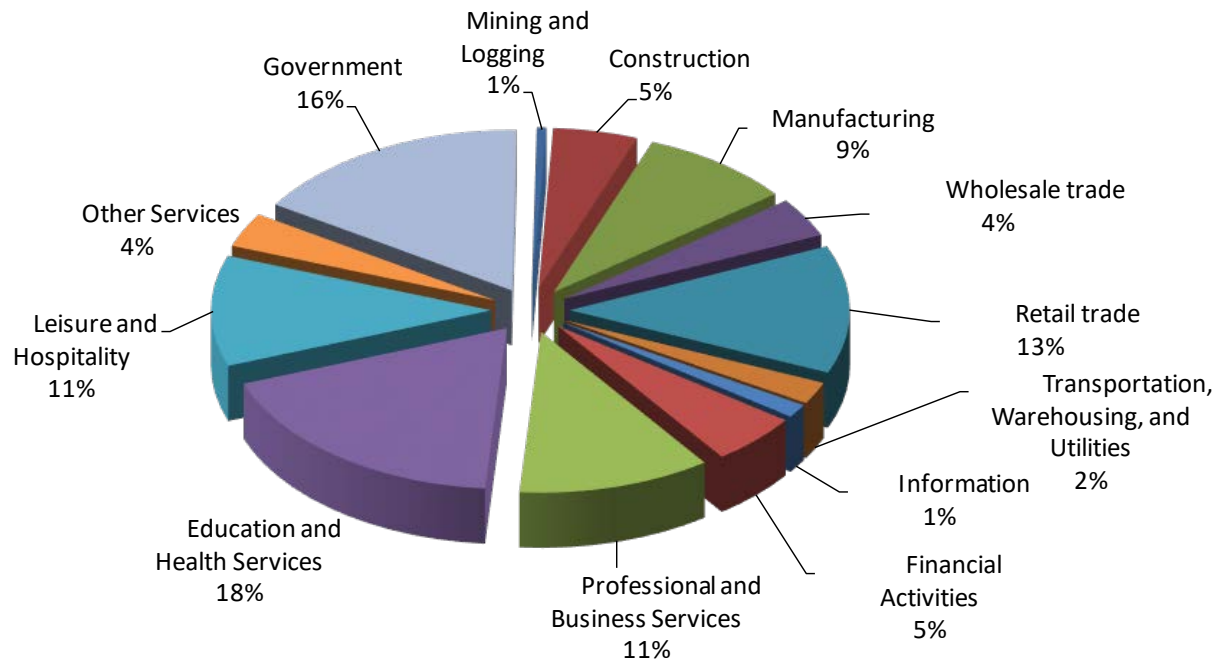
Agenda today



- Overview of the Lane County economy
- Housing market
- Forecast

Lane County's economy is diverse.

Lane County Employment September 2019

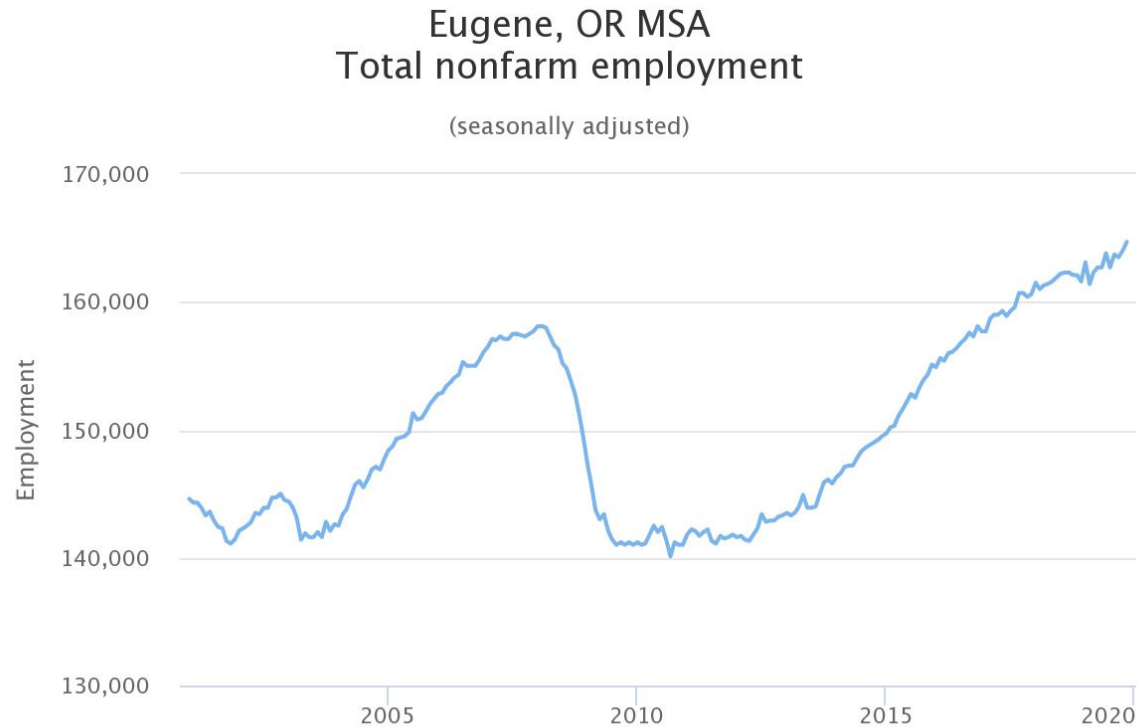


- ✓ *U of O is included in government.*
- ✓ *Private education and health services is almost all health services. Lane County is a regional health care center.*
- ✓ *Above the national average for percent of employment in manufacturing.*



Employment Trends

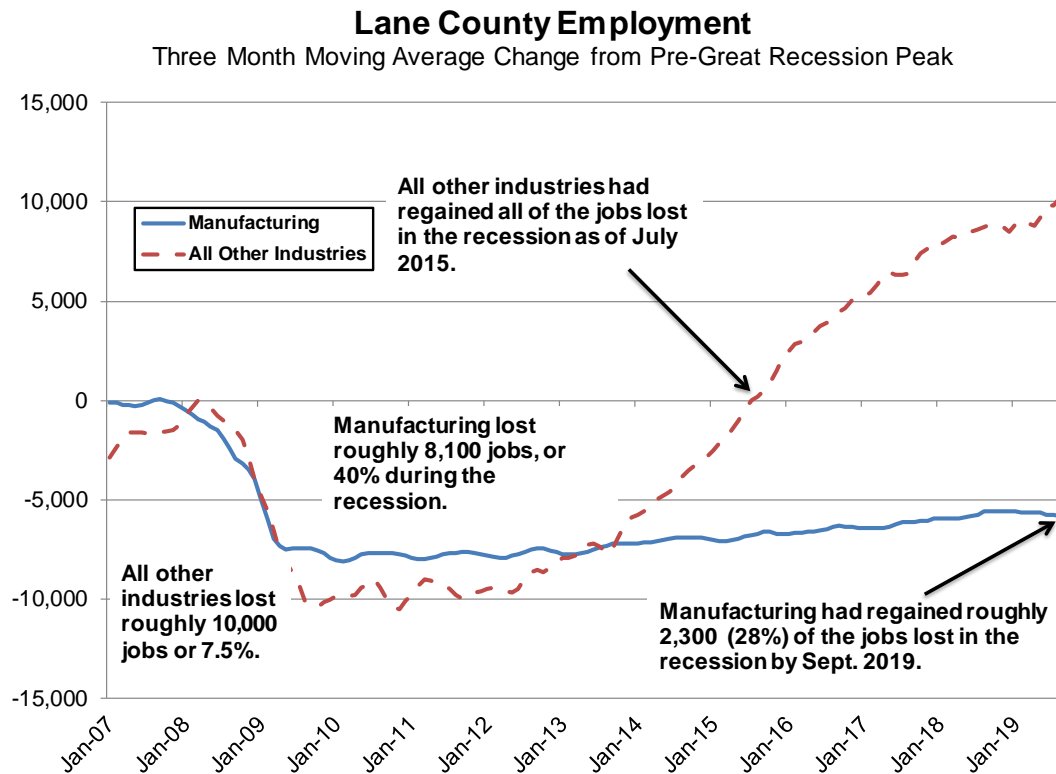
Lane County began a slow employment recovery in early 2012.



Source: Oregon Employment Department QualityInfo.org

- ✓ Lane County lost 18,000 (11.4%) of its jobs during the Great Recession. This compares to a loss of 8.5% statewide during the recession.
- ✓ The lost jobs were gained back by January 2017.
- ✓ Lane County is now 6,600 jobs or 4.2% above the previous peak.

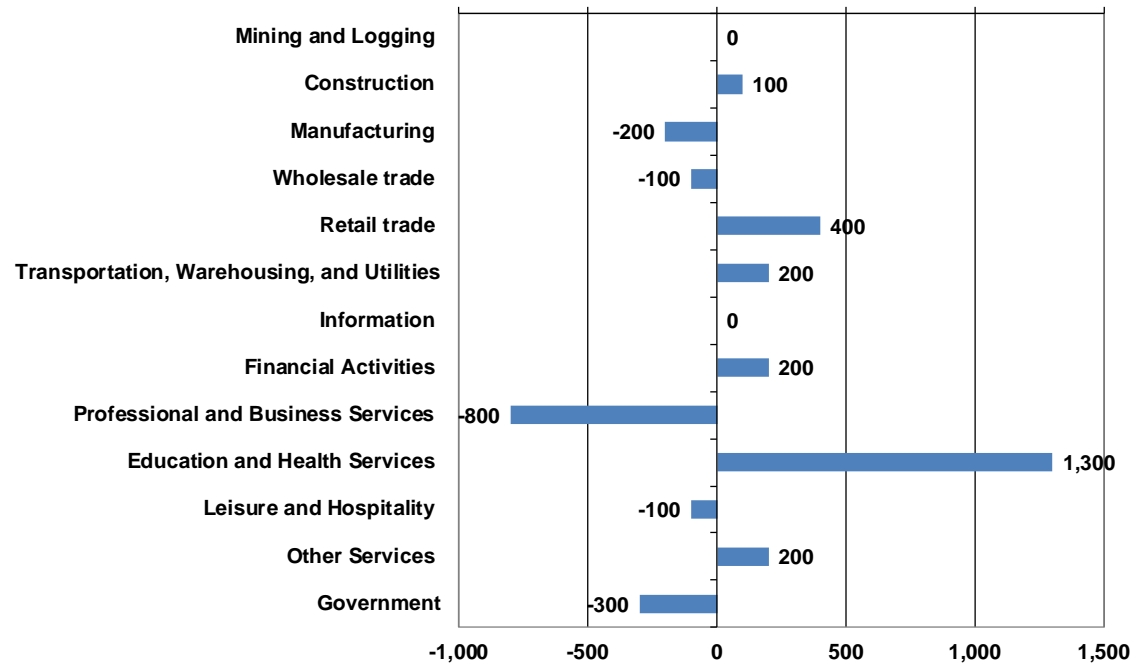
In Lane County, manufacturing has gained back roughly 28% of the employment lost in the recession while all other industries combined were back to prerecession levels in July 2015.



✓ Lane County experienced a structural change during the recession with the loss of manufacturing.

The latest estimates show that employment growth continues, but is slowing.

**Lane County Industry Employment Change
over-the-year October 2019**



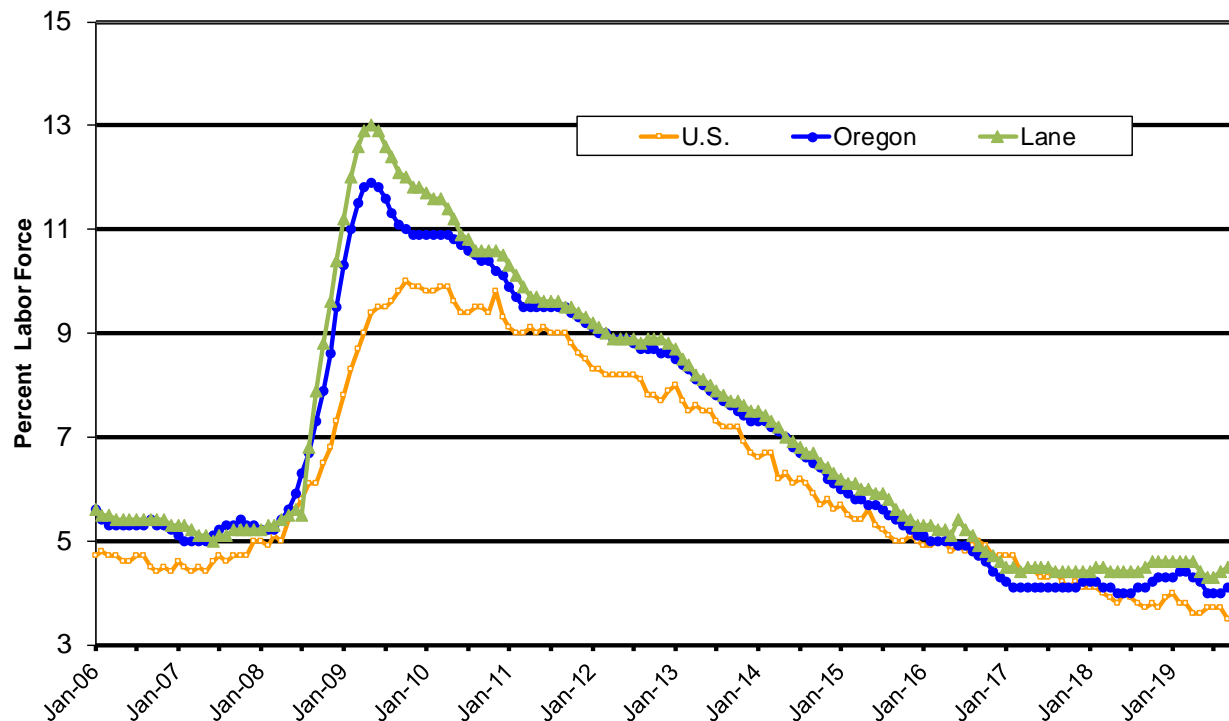
- ✓ Over-the-year employment growth was 1.4% in 2018, 1.9% in 2017 and 2.8% in 2016.
- ✓ Over-the-year growth for Oct. 2019 was 0.5%.



Unemployment Rates

Lane County's November 2019 unemployment rate stood at 4.2 percent, up from 4.6 percent in November 2018 and a high of 13.2 percent in April 2009.

Seasonally Adjusted Unemployment Rates, 2005 to Present



- ✓ Lane's 4.2% rate in November 2019 was a record low.
- ✓ Oregon's statewide rate was 3.9% in November.
- ✓ U.S. unemployment rate was 3.5% in November.



GDP Growth

Lane County's 2018 GDP growth was comparable to other MSAs.

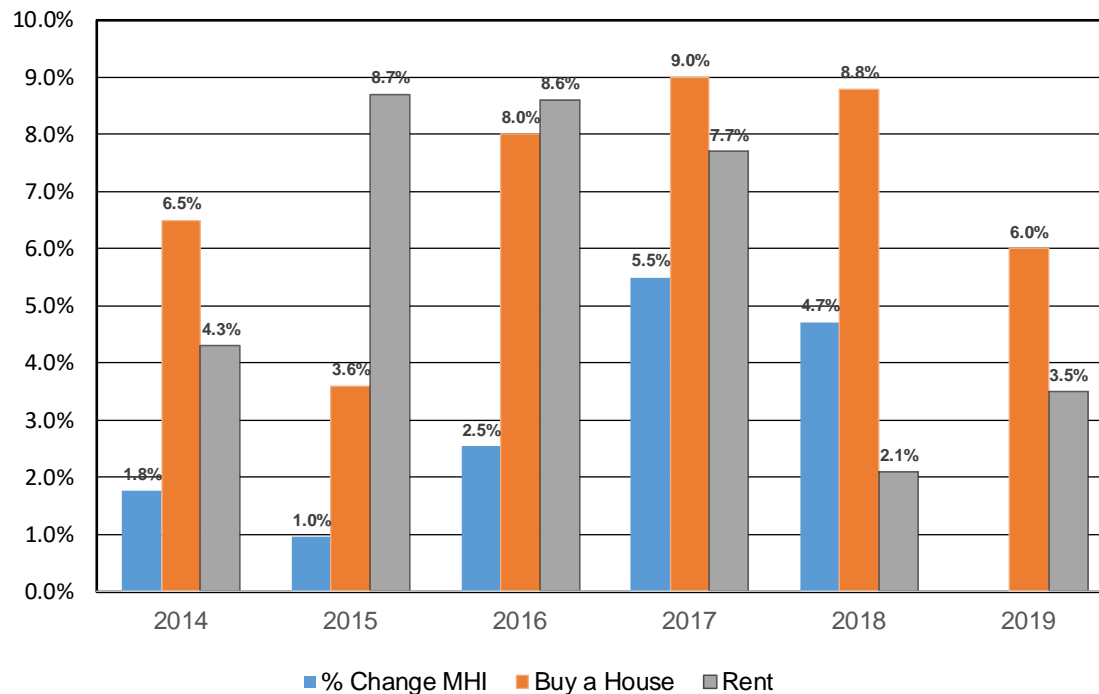
- ✓ Lane County GDP growth was 2.6% in 2018.
 - ✓ Oregon grew by 3.8%.
 - ✓ The U.S. grew by 2.8%.
-
- ✓ Lane County was led by the financial activities, health services and manufacturing industries.



Housing Market

Compared to two or three year ago housing cost inflation is slowing and incomes are rising faster.

Lane County Over the Year Percent Changes in Rent, Cost to buy a House and Median Household Income

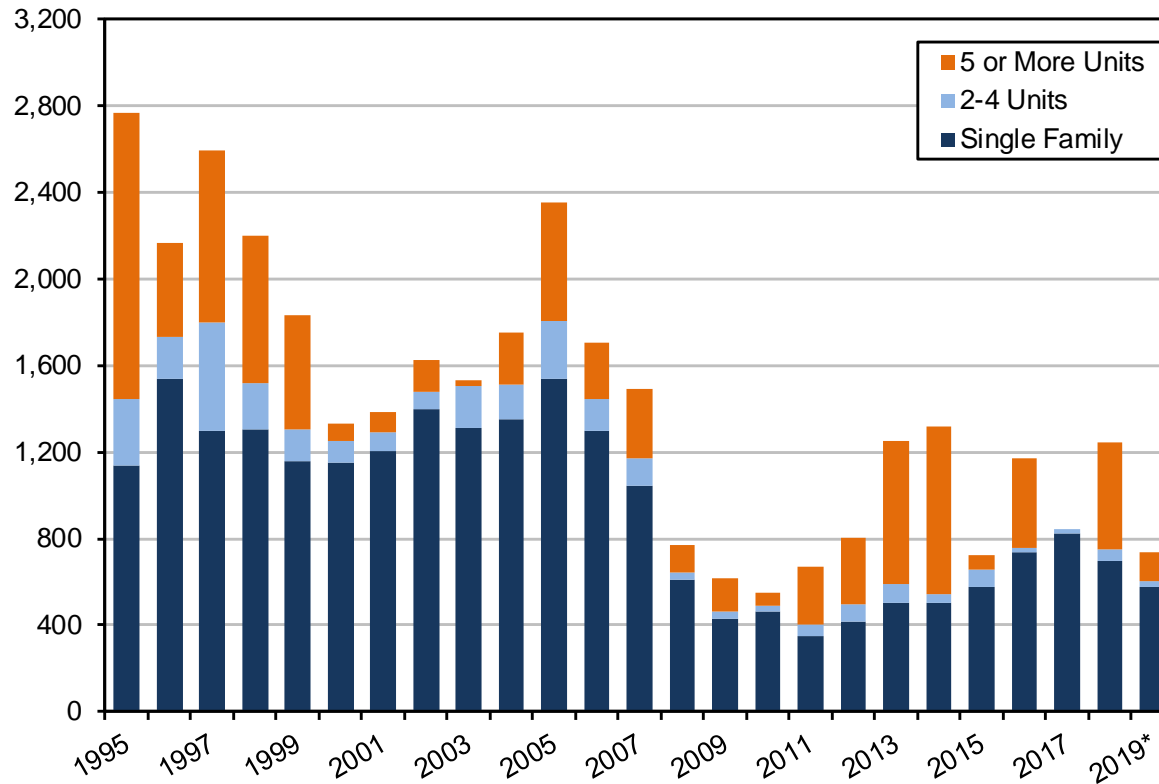


Sources: Zillow Rent Index, median sale price. Census American Community Survey 5-year estimates of MHI.

- ✓ Large increases of the past are “baked into” today’s prices.
- ✓ Average monthly median rent through November 2019 is \$1,375 in Lane County, \$1,561 statewide and \$1,695 in Multnomah County.
- ✓ Average monthly median sale price through November 2019 is \$291,146 in Lane County, \$339,082 statewide and \$395,982 in Multnomah County.

Total building permits were up in 2018, but are trending lower in 2019.

Building Permits Eugene MSA (Lane County)



* 2019 is year-to-date through November

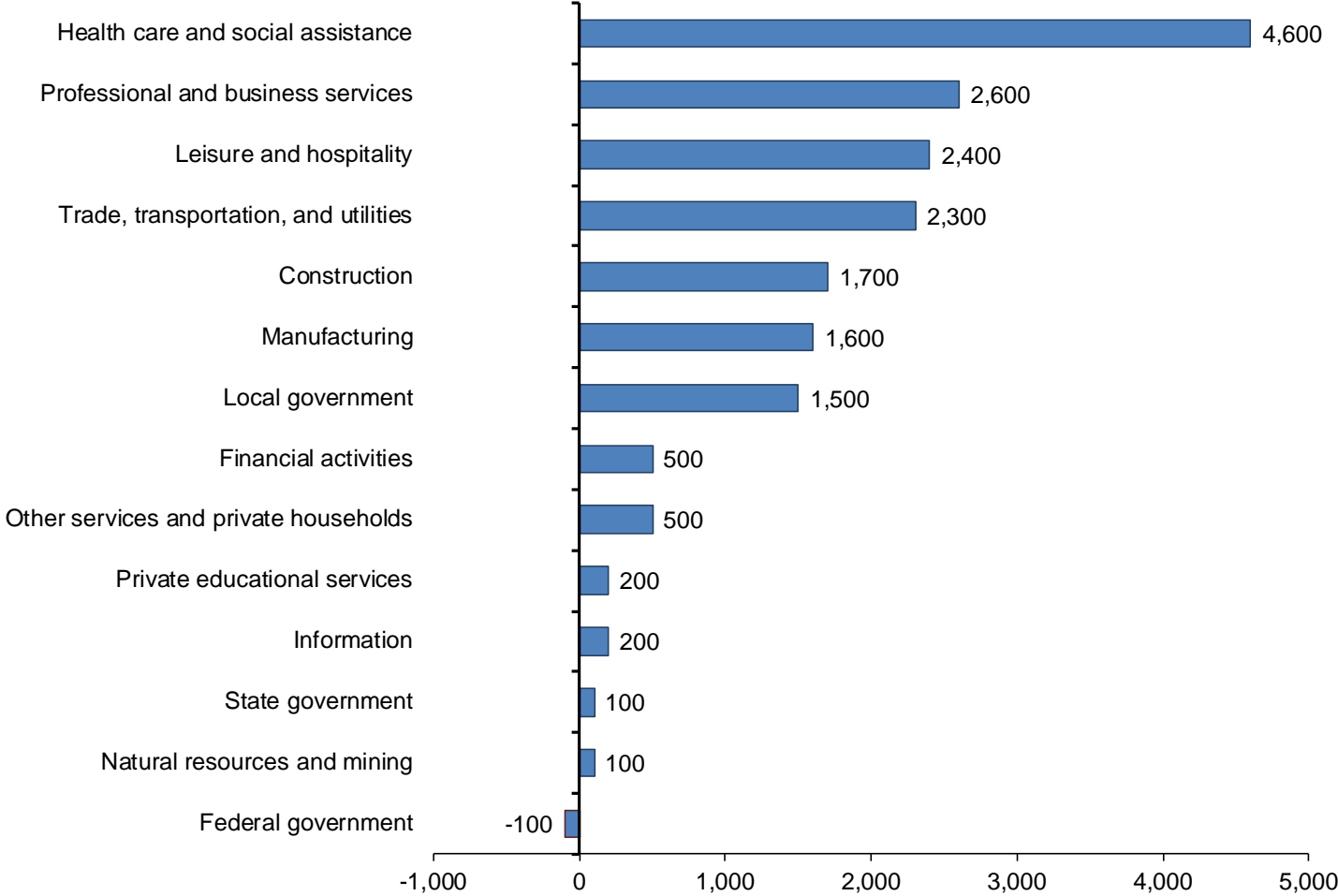
- ✓ As of November 2019 there were 735 total units, 130 of which were in buildings of 5 or more units.
- ✓ We need about 1,500 units annually to keep up with population growth.



Now for a look forward...

All Lane County industries are expected to add jobs between 2017 and 2027, but at a slower rate than previous forecasts.

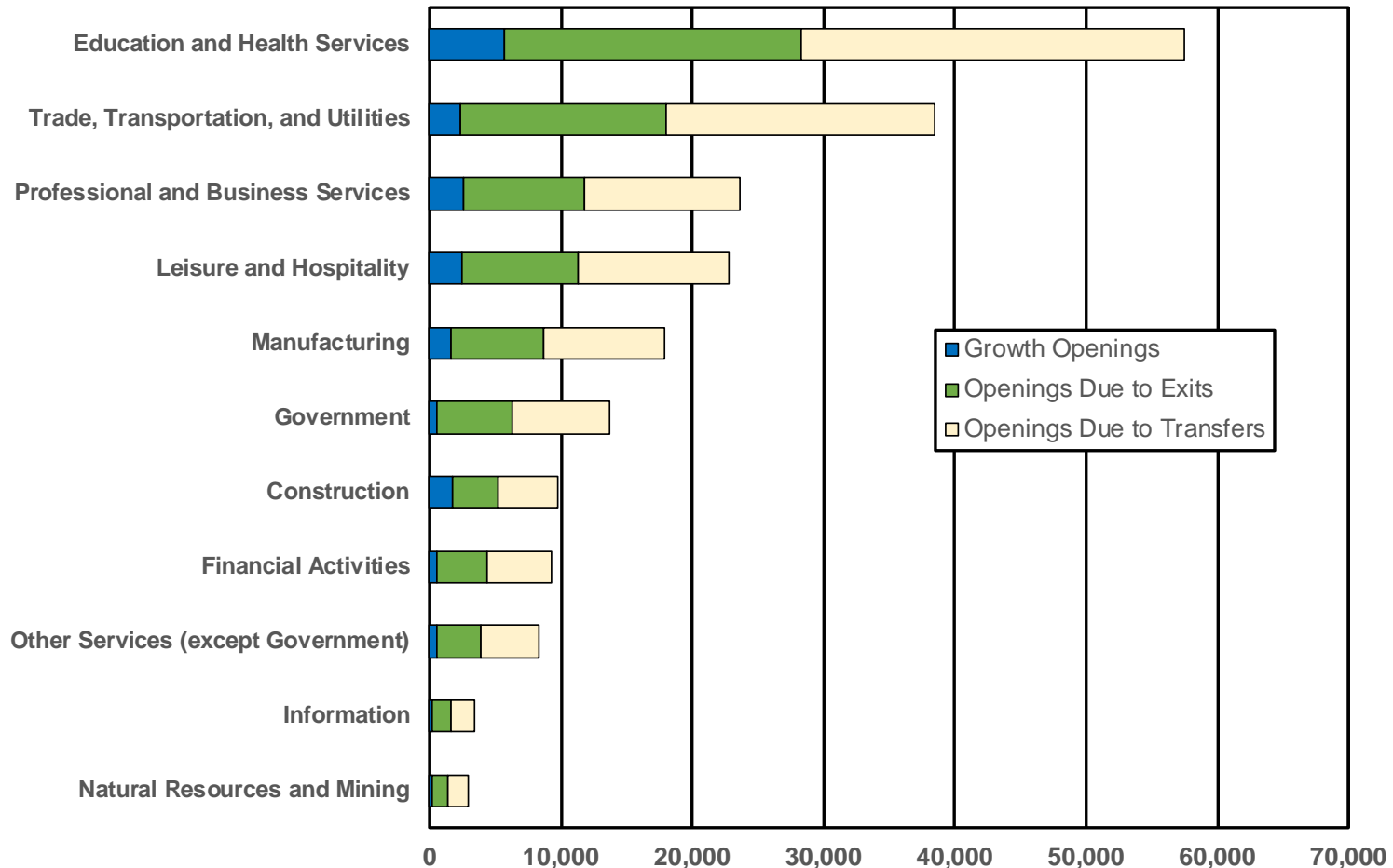
Lane County Long-Term Employment Growth Numeric Change, 2017-2027



- ✓ 2010 – 2020 forecast = 18% growth.
- ✓ 2012 – 2022 forecast = 15%.
- ✓ 2014 – 2024 forecast = 11% (17,700 jobs).
- ✓ 2017 – 2027 forecast = 11% (19,300)

Additional opportunities will be created by replacement openings, largely from retirements and transfers.

Lane County Projected Job Openings by Industry
Growth and Replacement, 2017-2027



What we know is going to happen is mostly positive.

- Construction began on **Obie Companies'** \$75 million expansion of the 5th Street Public Market in **Eugene**. It includes a three-story building with retail and office space, a 127-unit apartment building, and an 82-room hotel. *The Register-Guard 02/15/2019*.
- **Norton LifeLock Inc.** in **Springfield** will lay off 46 people in January. *KEZI 11/21/2019*.
- **East West Tea Co.**, the parent company of Yogi Tea, headquartered in **Eugene**, has purchased Choice Organic Teas and is moving its manufacturing to the company's West Eugene facility. *The Register-Guard 10/01/2019*
- **The Eugene-Broadway Apartments**, a 12-story, 209-unit development with commercial space on the ground floor, will be built near the University of Oregon. *The Register-Guard 08/15/2019*
- **SentinelOne**, a cybersecurity firm in **Eugene**, employs 40 people and plans to grow by at least 30 percent this year. *Portland Business Journal 06/05/2019*.
- Massachusetts-based e-commerce company **Wayfair** plans to open a call center in **Springfield** that will employ more than 600 people. *The Oregonian 01/07/2019*

Public projects:

- Heyward field, 2021 World Athletic Championships.
- 4J \$300+ million bond measure, school construction.
- Development of the former EWEB riverfront property, city hall and county courthouse.

Challenges:

- **Labor Availability** – Low unemployment with slowing population growth and retirements. Roughly 6,000 unemployed people.
- **Infrastructure** – Transportation. The fiber internet link in downtown Eugene has helped attract employers.

Bottom line. For the near term, slow growth is expected to continue.

Positive indicators:

- Still in a “sweet spot” with a strong labor market and increasing real household income.
- Consumer spending is strong.
- At or near full employment. Slower more, sustainable growth rates are expected.

Risks:

- Business investment weak.
- Trade war, tariffs, slowing global growth, and the political climate create uncertainty.

Next recession? Don't know. IHS Markit and the Wall Street Journal Economic Forecasting Survey put the probability of a recession in 2020 at 30 to 35 percent.



Thank you!

Questions?

Brian Rooney

(541)359-9548

Brian.T.Rooney@oregon.gov

Website:

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 & FEDERAL LEGISLATIVE UPDATES

Alex Cuyler, Intergovernmental Relations Manager

State and Federal Funding Issues of Import to the Lane County FY 21 Budget Process

- May, 2020 statewide tobacco tax election: increase per pack tax to \$2.00 and inhalant delivery system to 65% of wholesale price. Resultant revenue (effective 1/1/20) for mental health and tobacco use prevention services.
- February Legislative Session work on restoring \$9M to County Mental Health Program funding (if successful approximately \$900K impact to Lane Co HHS)
- February Legislative Session work on adding \$50M to Community Corrections Act funding. (If successful potential revenue to Lane County, \$2.5-\$5M, LCSO and Parole and Probation)
- On 12/20/19, President signed the Consolidated Budget Act of 2020, which included 2 year Secure Rural Schools funding with a 5% annual decrease from previous years, providing one-time funding for FY 20 and FY 21.

HEALTH AND WELLNESS

Human Resources WWS Manager – Mary Miller

Workforce Wellness & Organizational Health

Lane County has taken big steps toward workforce wellness and organizational health.

Bigger steps lie ahead...



Our workforce has taken steps to live well, and to help their families live well too!

- **60%** of employees are engaged and improving
- **45%** of spouses are engaged, **35%** are improving
- **10%** of children are engaged
- **100%** are satisfied
- **\$2 million** in claims savings YTD

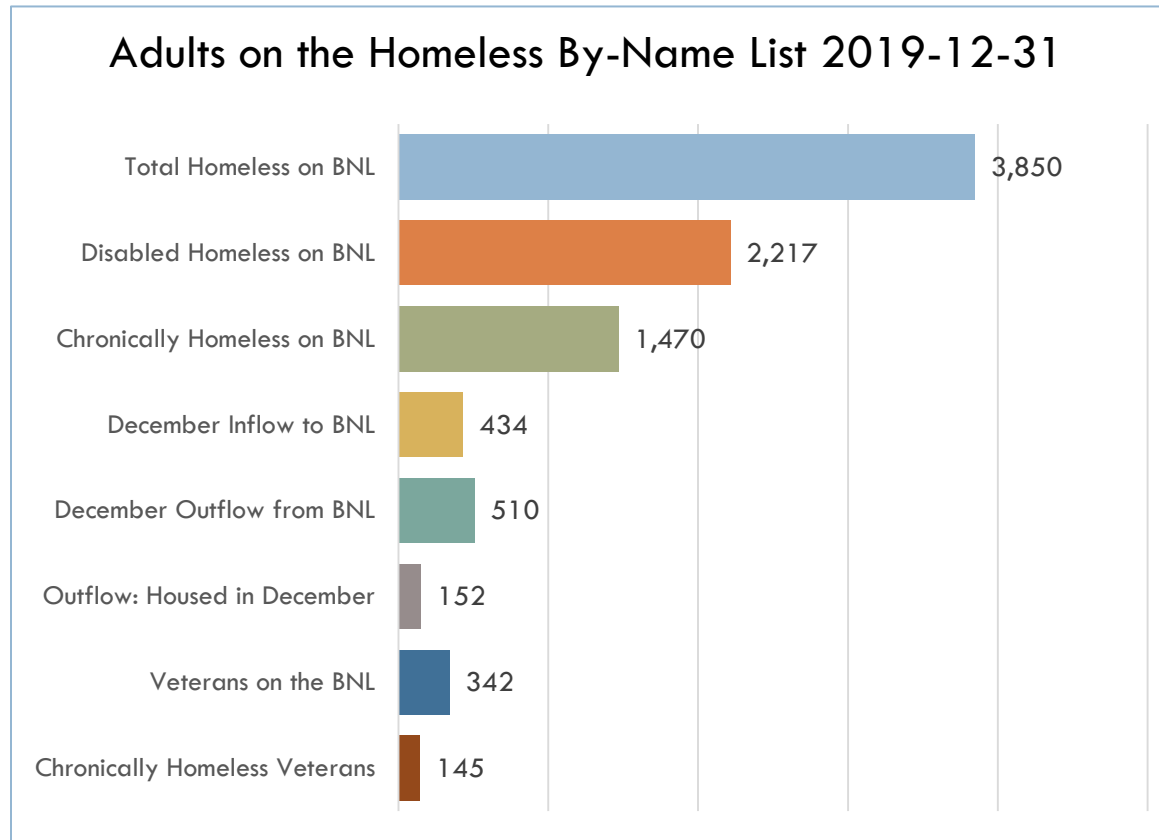
SUPPORTIVE HOUSING, SHELTER & MENTAL HEALTH CRISIS SERVICES

Human Services Division Manager – Steve Manela

Behavioral Health Division Manager – Pauline Martin

Sherriff's Office – Captain Clint Riley

Homeless Needs Snapshot



TAC Recommendations – Housing Solutions Alliance

HOMELESS SERVICE SYSTEM RECOMMENDATIONS

1



EXPAND AND COORDINATE
STREET OUTREACH

2



EXPAND DIVERSION
& RAPID EXIT
STRATEGIES

3



EXPAND AND COORDINATE
RAPID REHOUSING

4



350 UNITS PERMANENT
SUPPORTIVE HOUSING

TAC Recommendations – Housing Solutions Alliance



Service System Improvements

- ❑ Implemented New Data Systems – Fall 2019
- ❑ Implemented Move On Strategies – Fall 2019
- ❑ Increase Effectiveness of Coordinated Entry System - Winter 2020 – By Name List/Case Conferencing
- ❑ Expand Outreach Services beginning - Spring 2020
- ❑ Expand Diversion and Rapid Resolution - Summer 2020
- ❑ Expand and Better Coordinated Rapid Rehousing – Fall 2020
- ❑ Expand Healthcare and Tenancy Supports – Fall 2020
- ❑ Expand Training and Technical Assistance to non-profit service providers – Fall 2020

Permanent Supportive Housing (PSH)

- Housing Improvement Plan (HIP) – Construction of 80 units of PSH for special needs populations throughout Lane County with one-time SRS and H&HS funds.
- MLK Commons – Construction of 51 units of PSH for chronically homeless adjacent to Lane County Behavioral Health.
- Oregon Supportive Housing Institute – Collaborative application with Homes For Good for training and access to a portion of \$20 million available for PSH. Minimum of 20 units of PSH to be developed.

HIP Grants - Sponsors



HIP Grants – Square One Village



HIP Grants – Homes For Good



MLK Commons



Shelter

- ❑ Through partnership with the City of Eugene more than doubled Emergency Shelter Beds through Dusk to Dawn program to 192 beds. 64 beds to be added this month.
- ❑ Enhanced supportive services available at the Lindholm Center.
- ❑ Commenced implementation planning and siting for operating a Navigation Center and 75 bed shelter for operation Winter 2020-2021
- ❑ Increased Alternative Shelter through siting Conestoga's and hosting additional Safe Parking for people living in vehicles.

Frequent User Service Engagement (FUSE) OUTCOMES

- A central purpose of the FUSE program is to outreach and provide PSH to the people who are highest-cost and most in need; i.e. mental illness, substance use disorder
- 71% Reduction in Arrests for Housed Participants
- 62% Reduction in Jail Bookings for Outreach Participants
- 58% Reduction in Arrests for Outreach Participants
- 35 % Reduction in Health Care Costs for Outreach Participants
- Health Outcomes were much better Housed Participants

Mental Health Crisis System Enhancement-Background

- Individuals in severe behavioral health distress need treatment and yet many of the individuals end up in jail and/or the hospital.
- 2019 – 2021 Lane County Local Mental Health and Addictions Plan identified that while the expansion of mobile crisis services has assisted law enforcement in responding to behavioral health crises in the community, there are still adults who cycle through the crisis and criminal justice system.

(Continued) Mental Health Crisis System Enhancement-Background

- In May 2019 Lane County Behavioral Health convened a workgroup to assist the agency to develop the proposal for a crisis center. The workgroup included: Judges, law enforcement representatives, BH providers, and city representatives.
- To-date a comprehensive crisis center that houses the full range of crisis services (24/7 walk-in services which includes dedicated space for law enforcement to bring individuals for assessment) is proposed by this workgroup.

Next Steps:

- A comprehensive proposal detailing services and resources will be presented to the Board later in January 2020
- An implementation workgroup has been identified and will be involved in smaller subgroups with a focus on: Resources/Staffing, Grant writing/proposals(IMPACTS grant is of interest to the group), Workflows, populations served, etc.

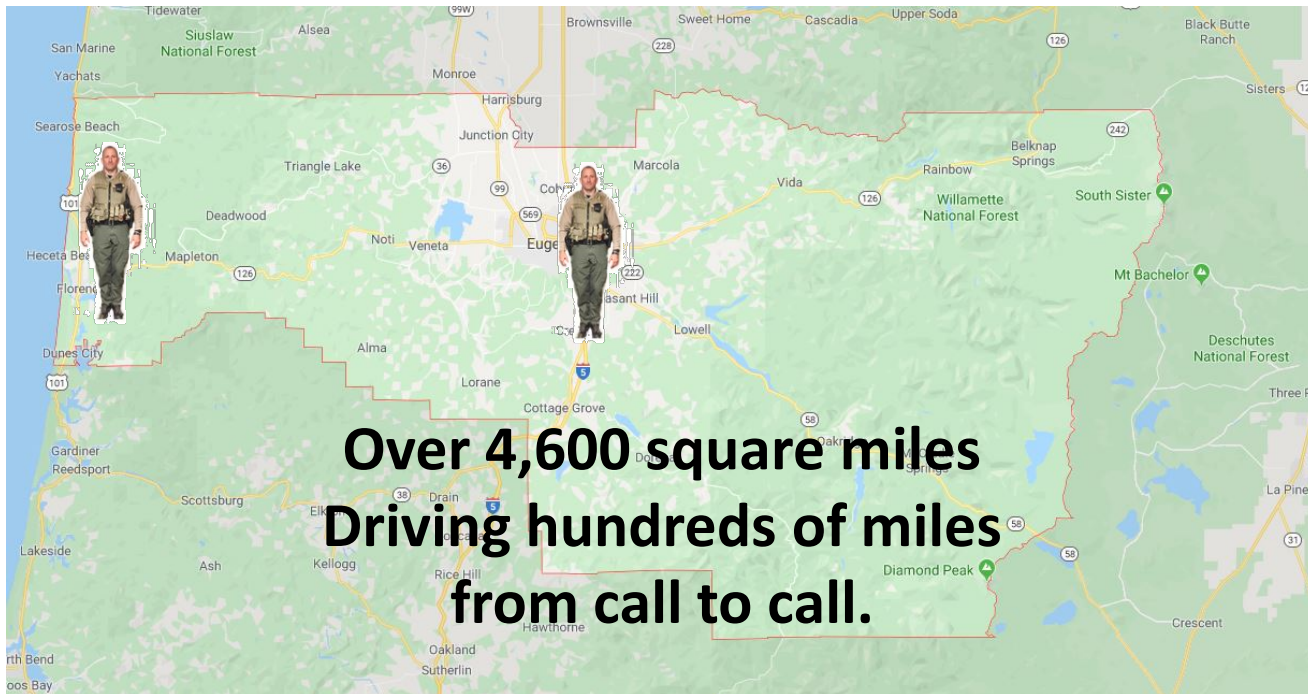
CRITICAL SERVICE NEEDS

Sheriff – Cliff Harrold
Assessor – Mike Cowles

Lane County Sheriff's Office



The Lane County Sheriff's Office is the primary 9-1-1 response for over 100,000 people in Lane County, from the coast to the mountains.



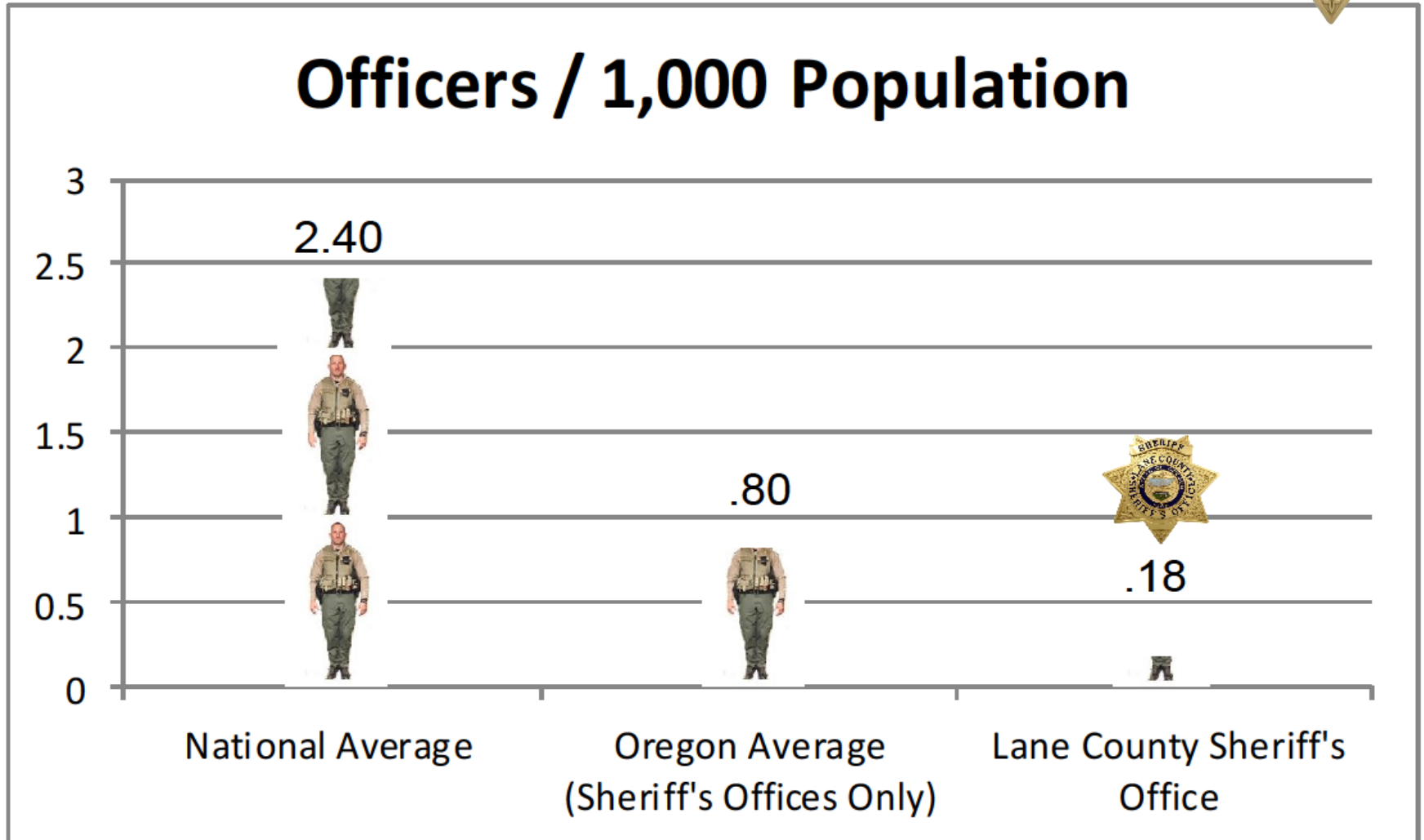
Lane County Sheriff's Office



Lane County Sheriff's Office



Officers / 1,000 Population



In December of 2019

42 reports of assault

Average response time?

**1 hour 37
minutes.**

Please help us protect our communities.

Lane County Sheriff's Office



Additional funding for more deputies is needed to:

Increasing the safety and quality of life for Lane County residents and visitors.

- Increase the number of calls the Sheriff's Office can respond to.
- Decrease the time it takes to respond to calls, ultimately.....

Please help us protect our communities.

Lane County Sheriff's Office



Assessment and Taxation

The Lane County Assessor collects property taxes on behalf of 85 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

WHERE YOUR PROPERTY TAX DOLLAR GOES

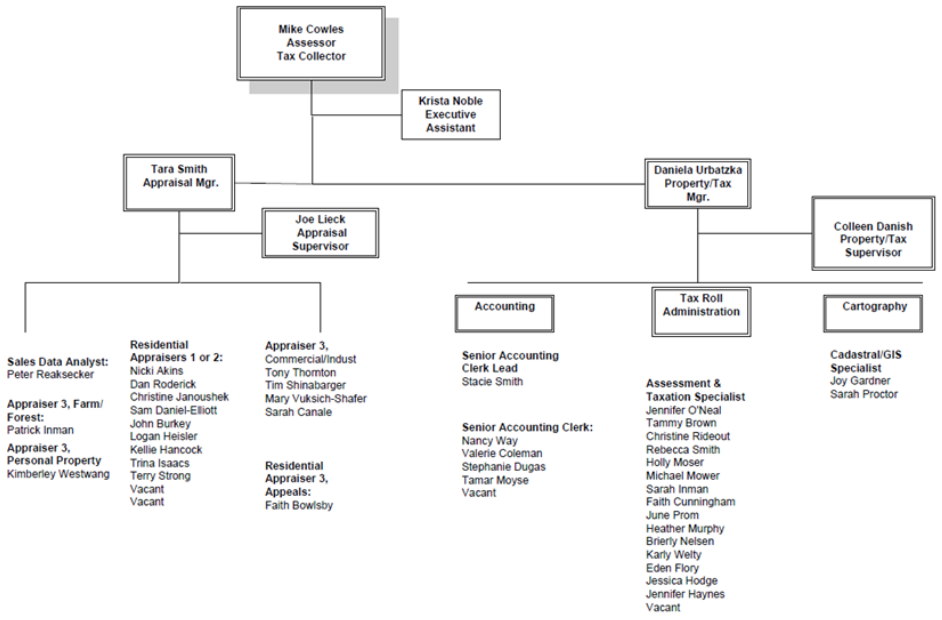


- 11¢ County
- 48¢ School districts
- 31¢ Cities
- 6¢ Libraries, parks, water districts, etc.
- 4¢ Fire districts

2019 Quick Stats

- 180,000 property tax accounts
- Real market value \$66.1 billion
- Assessed value \$42.6 billion
- \$581+ million certified taxes
- 195,000+ Property tax payments
- 8,500+ Property inspections
- 15,500+ Ownership changes
- 2,700+ Property boundary changes
- 19,650+ Public information contacts

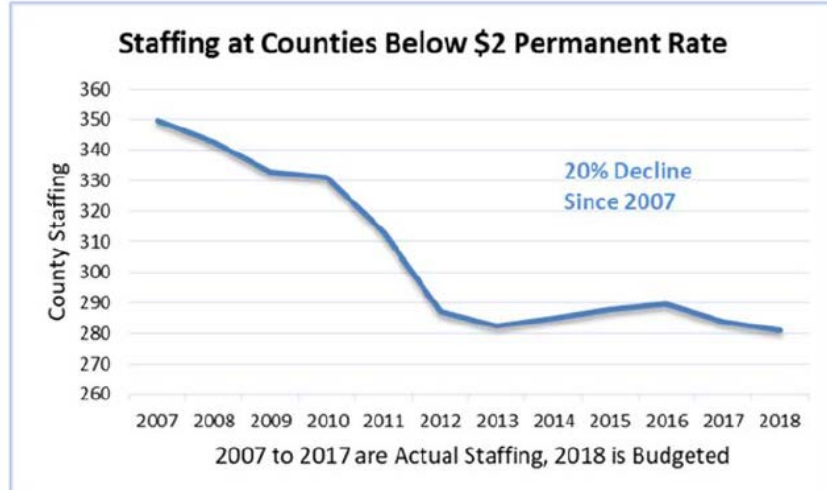
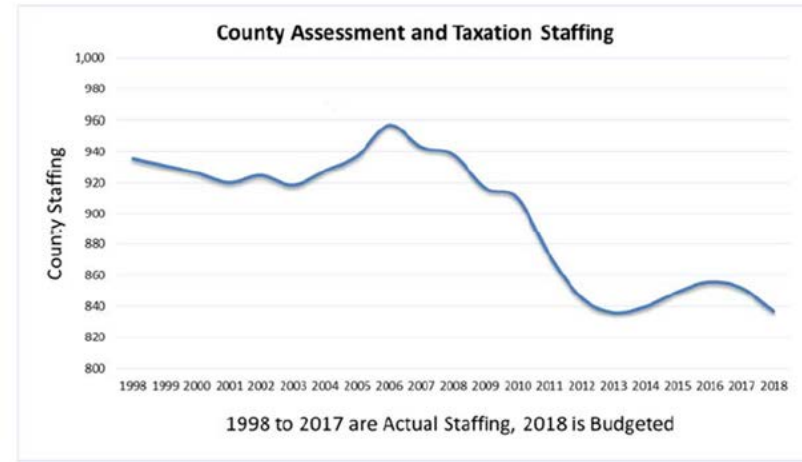
Assessment and Taxation Current Staffing



Lane County Assessment and Taxation



Statewide A&T Staffing



Assessment and Taxation Current Staffing

Number of Accounts / FTE

County	2018	2018-19	
	Accounts	Budgeted Total A&T Staffing	Accounts per FTE
Wheeler	2,794	3.42	817
Gilliam	3,588	3.96	906
Sherman	4,097	3.72	1,101
Morrow	9,184	7.32	1,255
Jefferson	14,198	9.6	1,479
Hood River	14,613	9.65	1,514
Crook	18,585	12.13	1,532
Grant	9,382	6.1	1,538
Harney	11,250	7.05	1,596
Union	16,788	10.18	1,649
Wasco	19,394	11.69	1,659
Wallowa	9,915	5.8	1,709
Tillamook	32,137	16.3	1,972
Columbia	29,696	14.89	1,994
Malheur	22,753	11.24	2,024
Clatsop	37,174	17.8	2,088
Baker	17,900	8.15	2,196
Umatilla	43,057	18.87	2,282
Linn	59,781	25.77	2,320
Benton	39,729	16.95	2,344
Yamhill	49,126	19.56	2,512
Coos	46,981	18.62	2,523
Washington	227,006	89.18	2,545
Lake	18,723	7.13	2,626
Curry	24,764	9.39	2,637
Lincoln	65,385	24.68	2,649
Marion	137,654	51.58	2,669
Multnomah	342,184	125.36	2,730
Polk	37,848	13.55	2,793
Josephine	54,999	19.27	2,854
Deschutes	113,201	39.52	2,864
Clackamas	183,763	62	2,964
Jackson	119,720	40.03	2,991
Douglas	93,237	27.51	3,389
Klamath	68,564	18.8	3,647
Lane	184,392	49.95	3,692
Total	2,183,561	836.72	2,610

Oregon Department of Revenue (DOR) Modeled Staffing

Function / Activity	Lane	2018-19	
	Model FTE	Budgeted FTE	Current FTE
Assessment Admin, Support and Deed Clerks	21.32	17.00	17.00
Valuation Real Property	32.40	19.50	18.00
Valuation Personal Property	3.44	3.50	3.00
Valuation Totals	57.16	40.00	38.00
Clerk / BoPTA	0.63	0.25	0.15
Tax Collection Admin, Support & Tax Distribution	9.87	7.70	7.70
Cartography	5.00	2.00	3.00
Total A&T w/o Data Processing	72.66	49.95	48.85



Assessment and Taxation

Unfunded Need - Current Reappraisal Cycles

- ❑ Before passage of Measures 47/50 Lane County Assessment and Taxation was on a 6 year reappraisal cycle
- ❑ The 6 year reappraisal cycle ended in 1996-97
- ❑ Many accounts have not been physically inspected for 25-30 years
- ❑ Potential lost revenue due to outdated records
- ❑ Potential lost revenue from specially assessed accounts that may not currently qualify
- ❑ Reappraisal ensures accurate data for mass appraisal models

Assessment and Taxation

Omitted Property Examples

- Account 0939072, 31161 Kenady Lane, Cottage Grove
- Single family dwelling added for 2015-2018
- Exception value added for 2015 (first year) \$367,788
- Taxes added for that year \$3,035.94
- Total tax due for the omitted period \$13,316.97



Assessment and Taxation

Omitted Property Examples

- Account 1795101, 966 Brenda Ave, Junction City
- Single Family Dwelling added for 2015-2017
- Exception value added for 2015 (first year) \$177,174
- Taxes added for that year \$2,241.50
- Total tax due for omitted period \$7,327.35



Assessment and Taxation

Additional Unfunded Items

- Enhanced personal property & real property return compliance
- Collections
- Audits
- Software replacement
- Paperless processing
- Updated commercial and industrial tables
- Updated market areas / neighborhoods
- Fire patrol updates
- Customer service hours
- Large impact appeals
- Legislative changes

Assessment and Taxation

CAFFA and Funding

In the early 1980s, the economy declined; counties struggled to maintain accurate RMVs due to budget cuts

County Assessment Function Funding assistance (CAFFA) grant was created in 1989 (HB 2338). Funding for CAFFA was provided by:

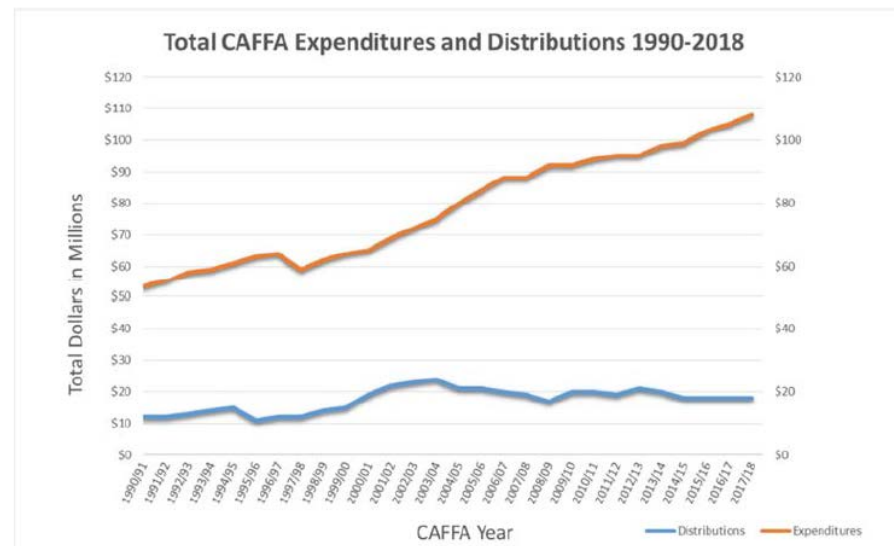
- Increasing percentage of interest collected on delinquent property
- Adding a fee on most documents recorded

CAFFA now covers about 16.5% of A&T funding, was 35-40%

Several legislative bills for A&T funding over the past sessions have been introduced but did not pass.

2019 HB 2104

2019 HB 2383



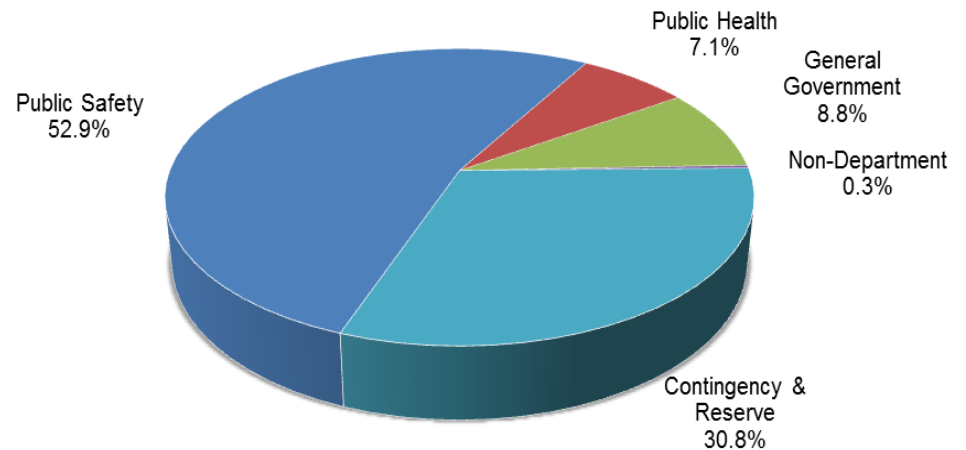
GENERAL FUND - INITIAL 5 YEAR FORECAST

Christine Moody,
Budget & Financial Planning Manager

General Fund

Primary operating fund for the County, this fund consists of discretionary revenues from tax collections, federal timber receipts, investment earnings, cigarette and liquor taxes, and other state and 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.

**Discretionary General Fund FY 19-20
Allocation by Service Category**



General Fund History

Decades of budget reductions due to:

- ▣ Loss of Timber/SRS Funds beginning in 1980's
- ▣ Property Tax reform (Measures 5/50) mid-1990's
 - ▣ Resulted in low rate/slow (but consistent) growth

Prior to 2016:

- ▣ Expenditures consistently exceeding revenue
 - ▣ PERS Rates; Medical Insurance; Wages
- ▣ Use of one-time funds for ongoing operations

Steps Taken to structurally balance

After decades of service reductions due to loss of Timber/SRS funds; focus to structurally balancing the fund began in 2016.

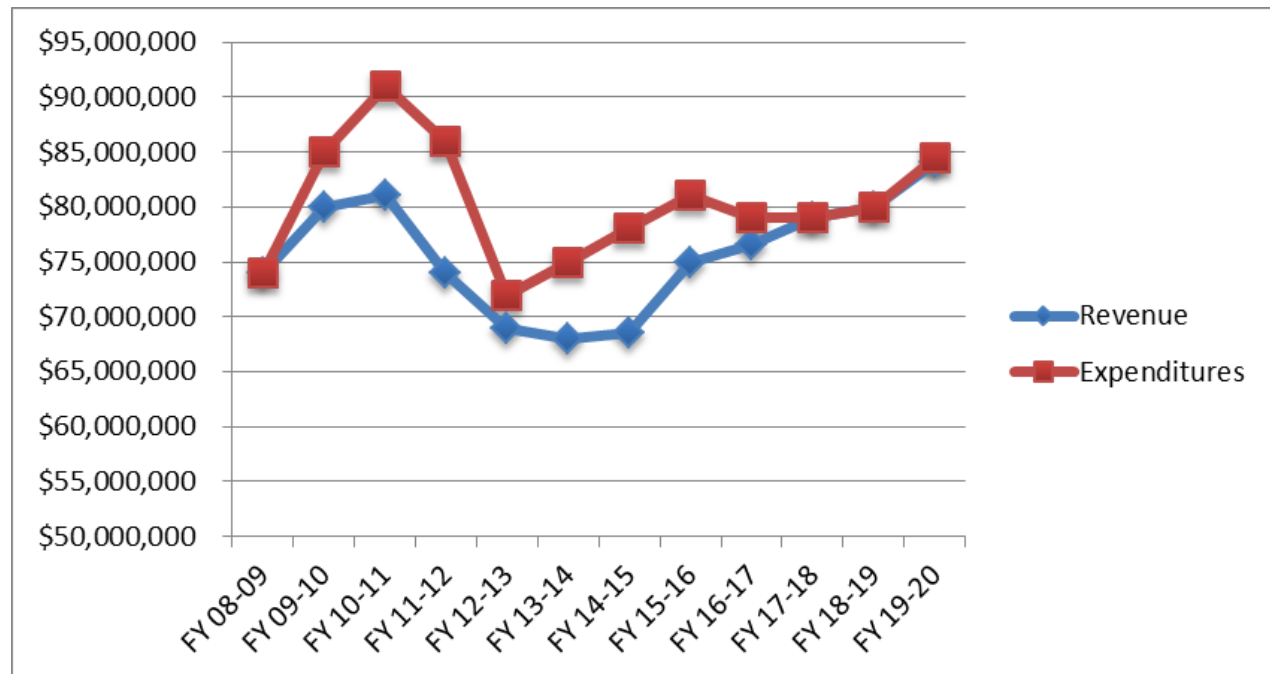
- ▣ Stopped spending one-time funds on operating
- ▣ Reduction of operating expenses:
 - Internal expenses
 - Prepayment of Debt to lower operating expenses
 - Self-Funded Medical Insurance to control premium growth

Structural Balance

Operating Revenue = Operating Expenditures

Structural Deficit occurs when Operating Expenditures exceed Operating Revenue

Historical
Structural
Balance:



Forecast Highlights – Revenue

- Property Taxes** Forecasting growth of FY 20-21 and 21-22 3.75%; FY 22-23 and FY 23-24 3.5%; FY 24-25 forward 3.25%
- Timber Revenue** Increasing forecast slightly; Timber harvested by BLM, price of timber strong.
- Recording Revenue** Recovered from FY 18-19 downturn.
- Comcast Franchise Fees** Decreases due to # of Cable subscribers decreasing.
- Parking Revenue** Sale of Butterfly Parking lot and transition of Market District lots will decrease revenue to General Fund

Forecast Highlights - Expenses

Wages

Continued growth due to market adjustments and cost of living increases

Benefits

- Medical claims per employee slight increase; offset increased employee # and decrease in retiree's receiving medical benefit
- No change for PERS Employer Rate; now pay for PERS Retirees
- Increase in PERS Bond annual rate (0.25% increase)
- Decrease in annual rate for Retiree Medical Benefit (0.5% decrease)
- Slight decrease in dental insurance rates (2%+ depending on plan)

Materials & Services

Future CPI projections for Oregon - 2.4% annually over next 5 years

5 Year Forecast

Initial General Fund Forecast:

FY 20-21 projected to maintain structural balance

Future pressure of Employer PERS rates and wages combined with revenue growth will determine next four years

Next Steps: Forecast will be verified through Proposed Budget development process

Next Forecast: May, 2020 Budget Committee

5 Year Forecast

Future Challenges:

Revenue: Property Tax revenue growth sustainability, potential impact of future recession on State/Federal funding. Timber revenue v. SRS.

PERS Rates: Rates will adjust next in FY 21-22; potential for slower rate growth over longer period of time due to SB 1049. Side Account creation will help offset (~0.96% point decrease).

Wage Increases: Wages growing faster than revenue.

Reserve Levels: 20% reserve achieved. Maintain to keep bond rating.

BUDGET CALENDAR

BASIC BUDGET DIRECTION

Steve Mokrohisky, County Administrator

Christine Moody, Budget & Financial Planning Manager

Budget Calendar

January

Budget Kickoff w/Leadership Team January 8th

Budget Kickoff w/Departments January 13th

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

Initial Budget Direction

- No extension/renewal of SRS payments.
 - Assume timber harvest payments

- Personnel
 - Include previously approved cost of living & market increases in addition to merit raises
 - Include a vacancy variance

- Benefits
 - Medical rates flat – 0% change; Dental rates decreasing slightly
 - PERS Bond Rate increase (increase of 0.25%)
 - Decrease Retiree Medical Charge (decrease of 0.50%)
 - Material & Services – Limit to CPI growth as possible (2.4%)

GOALS:

- Structurally balance all funds
- Continue to meet 20% minimum reserve in General Fund
- Maintain current service levels