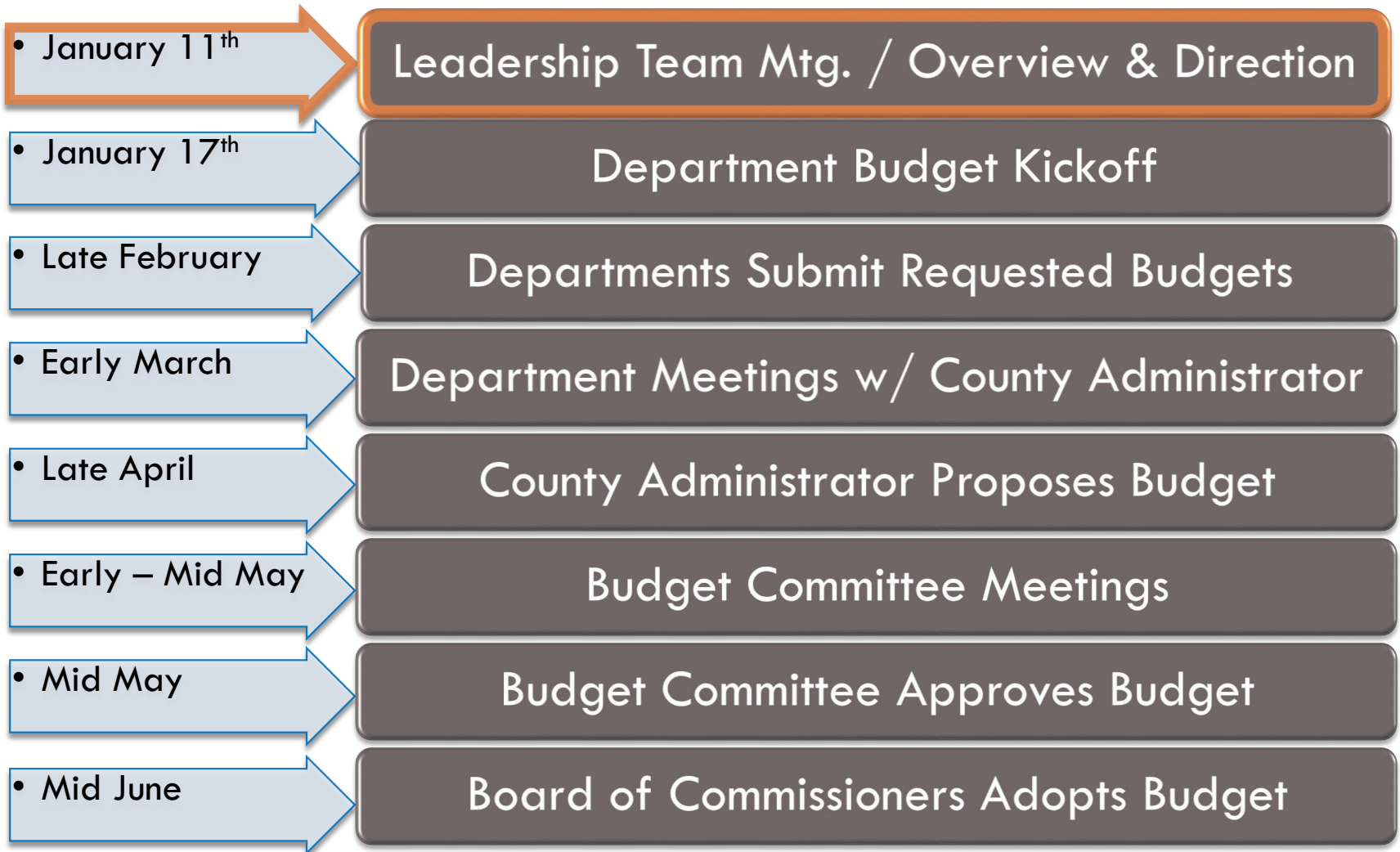


COUNTYWIDE OVERVIEW

Steve Mokrohisky, County Administrator

Lane County Budget Cycle



Lane County Overview

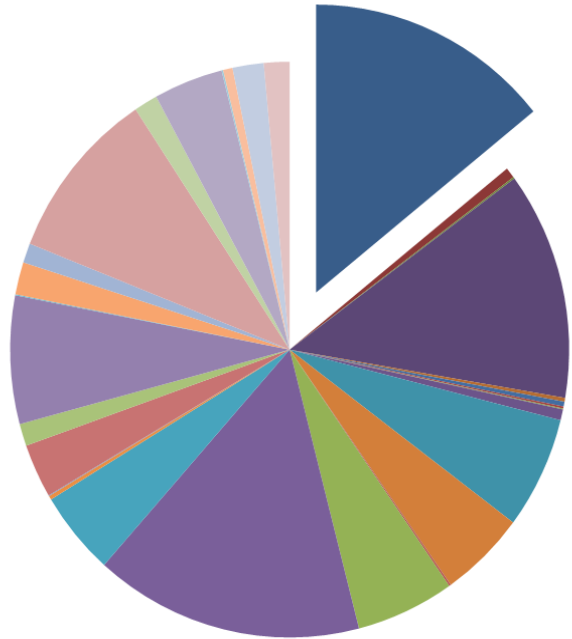
- 2000.99 FTE FY 22-23 Adopted Budget
 - ▣ *Addition of 581.03 FTE since FY 15-16*

- \$988,112,456 FY 22-23 Adopted Budget

- Twelve departments:
 - ▣ Assessment & Taxation*
 - ▣ Community Justice & Rehabilitation Services
 - ▣ County Administration
 - ▣ County Counsel
 - ▣ Data & Analytics
 - ▣ District Attorney*
 - ▣ Emergency Management
 - ▣ Health & Human Services
 - ▣ Human Resources
 - ▣ Public Works
 - ▣ Sheriff's Office*
 - ▣ Technology Services

*Departments run by elected officials

Lane County Overview



Total of 32 different Funds comprised of:

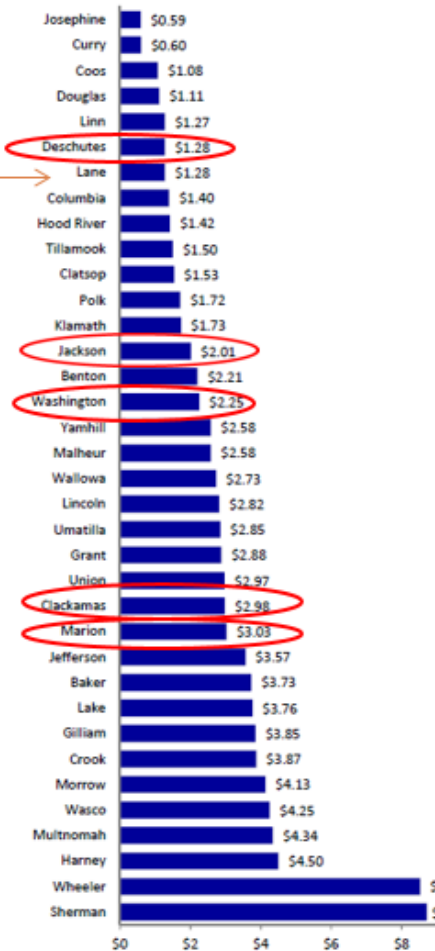
- ✓ 60% State & Federal Funds
- ✓ 40% Local

General Fund ~ 14%

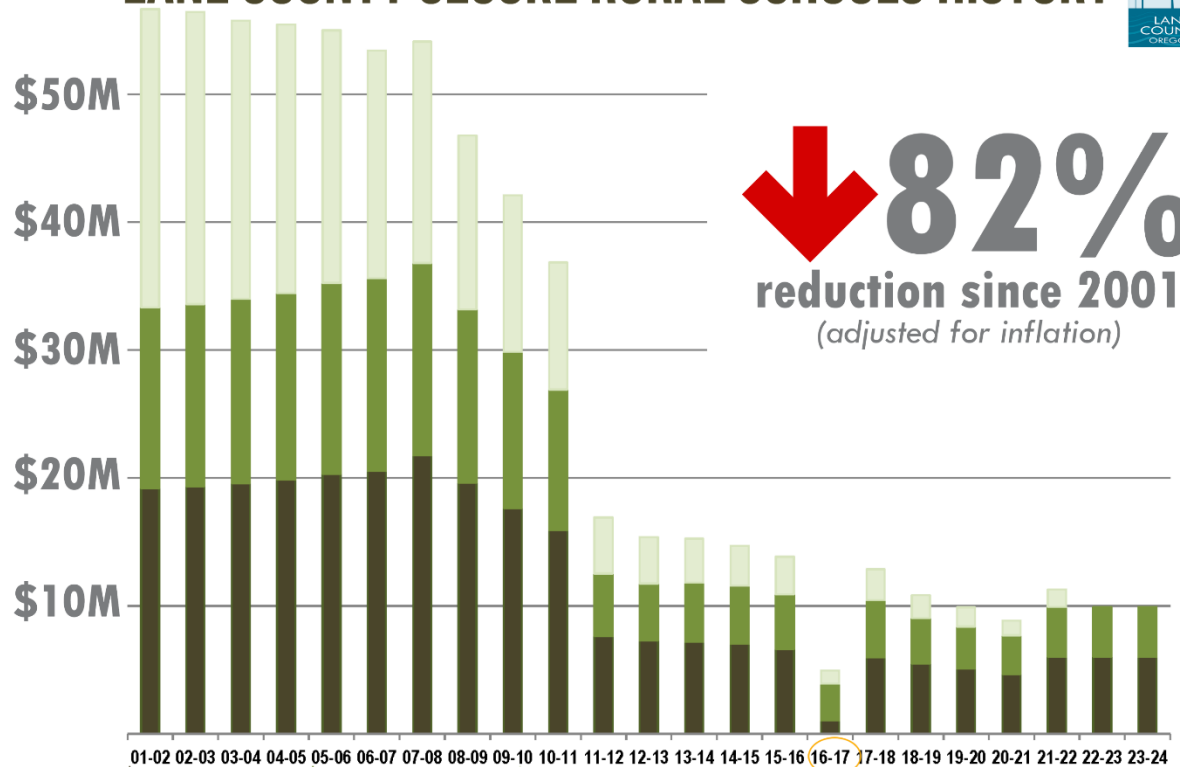
- | | | |
|------------------------------|--------------------------|-------------------------------|
| ■ General | ■ Parks & Open Spaces | ■ Law Library |
| ■ Road | ■ Liquor Law Enforcement | ■ Public Land Corners Preserv |
| ■ County School | ■ Extension Services | ■ County Clerk Records |
| ■ Title III Project | ■ American Rescue Plan | ■ Special Revenue |
| ■ Industrial Revolving Fund | ■ Animal Services | ■ Intergov. Human Svcs |
| ■ Health & Human Services | ■ Local Option Tax Levy | ■ Spe Oblig Bond Retire |
| ■ Notes Payable Debt Service | ■ Capital Improvement | ■ Lane Events Ctrt |
| ■ Solid Waste Disposal | ■ Corrections Commissary | ■ Land Management |
| ■ Self Insurance | ■ Employee Benefits | ■ Pension Bond |
| ■ Motor & Equipment Pool | ■ Intergovernmental Svcs | ■ Technology Replacement |
| ■ Technology Services | ■ Retiree Benefit Trust | |

Lane County In Context & Secure Rural Schools History

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



LANE COUNTY SECURE RURAL SCHOOLS HISTORY



Road Fund
 General Fund
 Total combined funding adjusted for 2022 inflation

*16-17 represents actual harvest receipts

Countywide Overview

Financial Management goals since FY 15-16

Create long term financial stability through a structurally balanced budget

- Moody's upgraded Lane County's bond rating to Aa1 in 2019 which is the highest rating for Lane County, an improvement in the county's general credit profile and a reflection of its long-term financial stability.

Focus limited resources on repairing critical services

Stabilize Public Safety system through targeted investments.

Review/Reduce expenses within our control

- PERS, Debt refinancing, Health Insurance funding, Technology, Fleet, Facilities



2022-2024 Lane County Strategic Plan

Our purpose is **to improve lives.**

Our core behaviors: *Passion to Serve; Driven to Connect; Focused on Solutions*

Our Vision:
Lane County is the best county in which all can live, work, and play.

Our Strategic Lenses:
1. Stewardship of Resources
2. Equity
3. Collective Impact



Priorities and Goals

Safe, Healthy County

Develop an equitable and integrated approach to health, behavioral health, public safety and homelessness so that all residents are safe, healthy, housed, and health outcomes are improved.

Vibrant Communities

Invest in Lane County residents by fostering engaged communities with affordable housing options, equitable opportunities, economic vitality and a healthy environment.

Robust Infrastructure

Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.

Our People and Organizational Health

Invest in our employees who are the backbone of our organization and invest in our systems and organizational health so that employees can thrive and residents can experience a more effective government.

Objectives

Behavioral Health, Homelessness and Public Safety

Public Safety & Service Delivery

Juvenile and Adult Supervision

Homelessness

Health Promotion

Community Partnerships Program

Traffic Safety

- Homelessness recidivism
- Reduction in first time homelessness
- # of deputies per 1,000 population
- Recidivism rates by race and ethnicity
- Vehicle-related personal injury and fatal crashes

Affordable Housing

Economic Development, Equity and the Environment

Multi-Use Community Facility

Civic Engagement

Rural Communities

Land Management

- Housing opportunity index
- % of households paying greater than 30% income on housing
- Reduce internal operations fossil fuel use by 5% annually
- % waste recovery

Affordable Broadband

Accessible Data

Preparedness and Operational Readiness

Disaster Recovery

County Infrastructure and Facilities

Core Services

- Expanded broadband access
- Organization risk score
- FEMA community rating score
- Grant funding obtained as a total % of cost of capital projects

Employee Well-Being and Positive Workplace Culture

Inclusive, Diverse and Equitable Workforce

Financial Stability and Health

Capacity of Our Internal Services

Fulfill the Goals of Strategic Plan

- Preventative care visits
- Diversity of Lane County's workforce
- Employee engagement year over year
- Retention rate
- Bond rating

Measures

www.LaneCountyOR.gov/StrategicPlan

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

LOCAL ECONOMY UPDATE

Brian Rooney, State Economist for Lane County



Lane County's Current Employment Situation and Forecast

FY 23-24 Lane County Budget Kickoff


Brian Rooney
January 11th, 2023



Today's Agenda



- Employment and unemployment trends.
- Labor availability.
- Housing affordability
- Forecasts



Employment and Unemployment During the Recovery From Pandemic Losses

Lane County is approaching prepandemic employment levels.

Eugene, OR MSA Total nonfarm employment

(seasonally adjusted)
Official Oregon Series

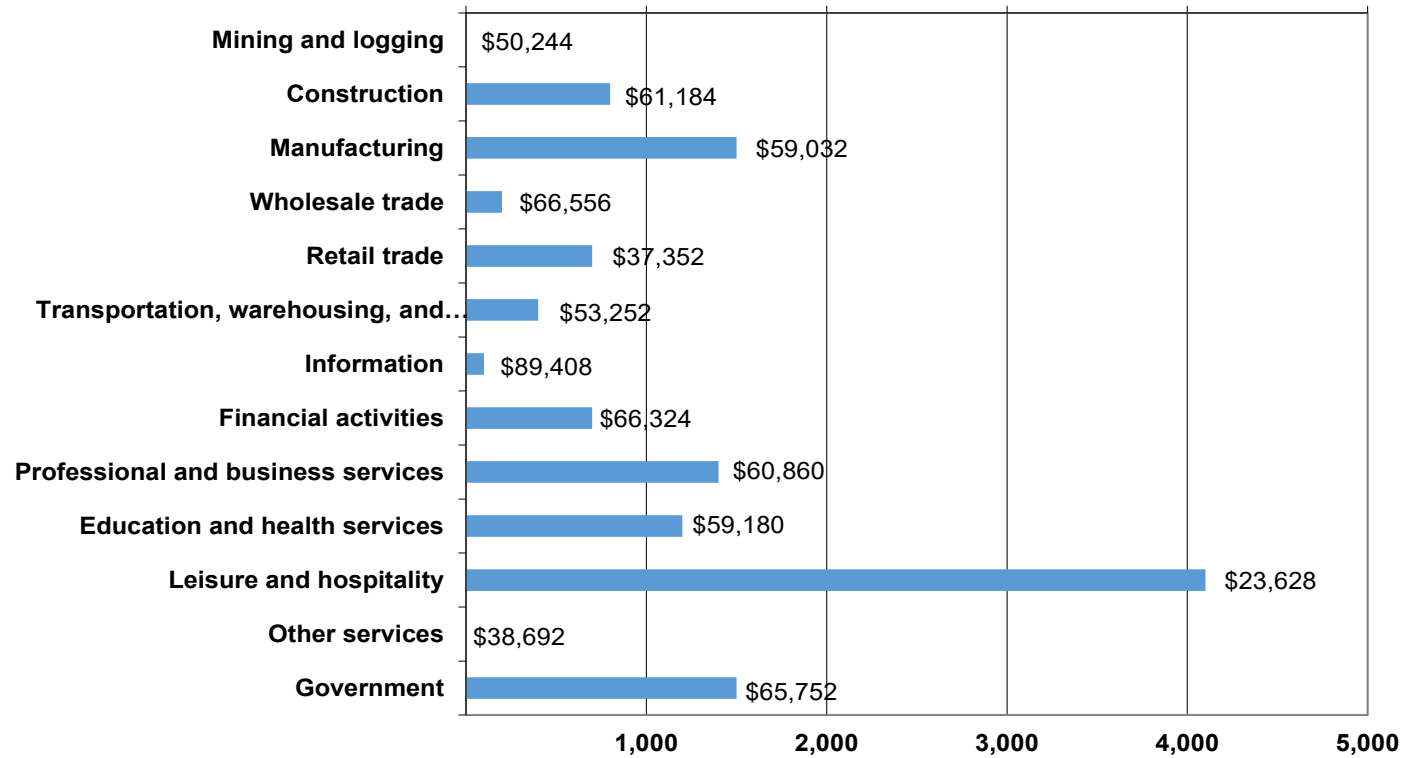


Source: Oregon Employment Department QualityInfo.org

- ✓ Lane County lost 26,600 (16%) jobs between February and April of 2020. It had gained back 23,600 (89%) of what was lost by November 2022.
- ✓ Statewide, Oregon lost 14% between February and April 2020. It had gained back 105% of what was lost by November 2022 (topped prepandemic levels by August 2022).

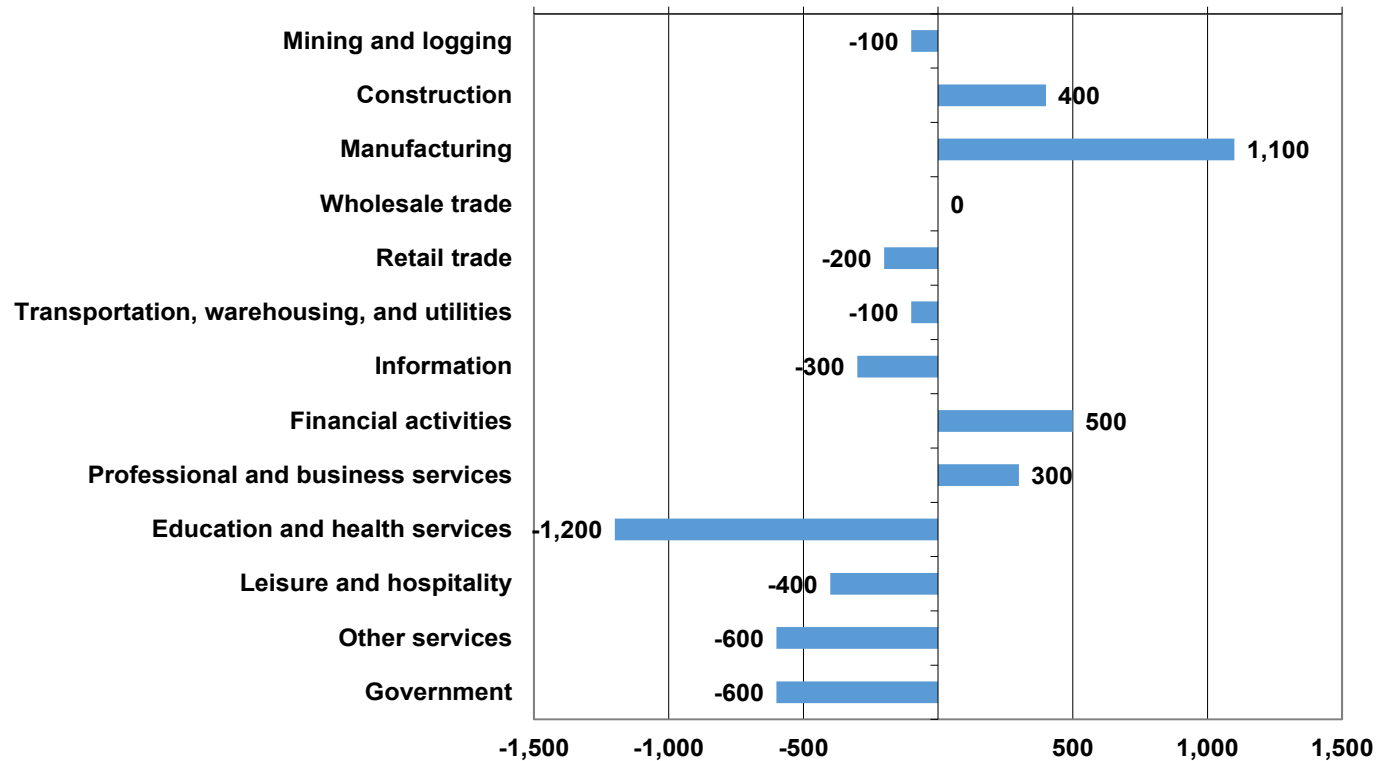
Most industries continue to rebound from the pandemic recession.

**Lane County Industry Employment Change
August 2020 to August 2022
2nd quarter 2022 wages**



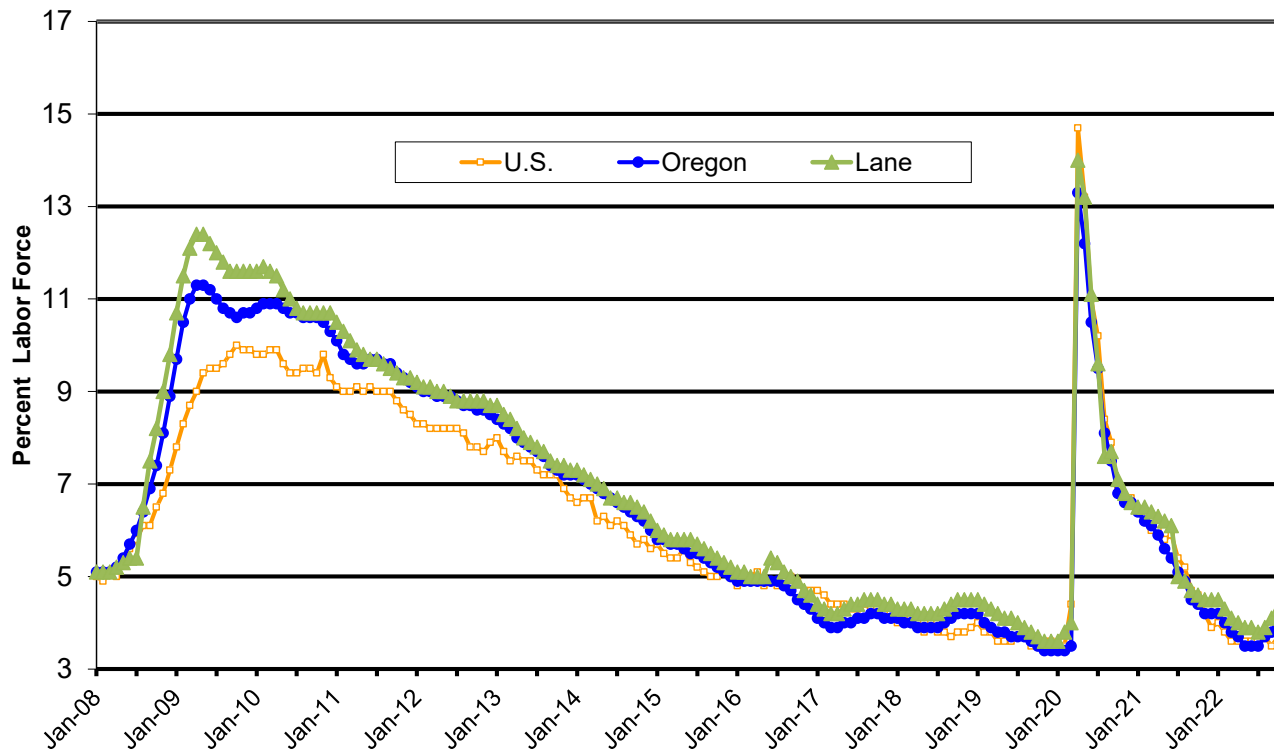
Some industries have yet to reach their pre-pandemic level.

Lane County Industry Employment Change Augst 2019 to August 2022



Lane County's November 2022 unemployment rate stood at 4.6%, about the same 4.5% in November 2021 and a high of 14.0% in April 2020.

Seasonally Adjusted Unemployment Rates, 2008 to Present



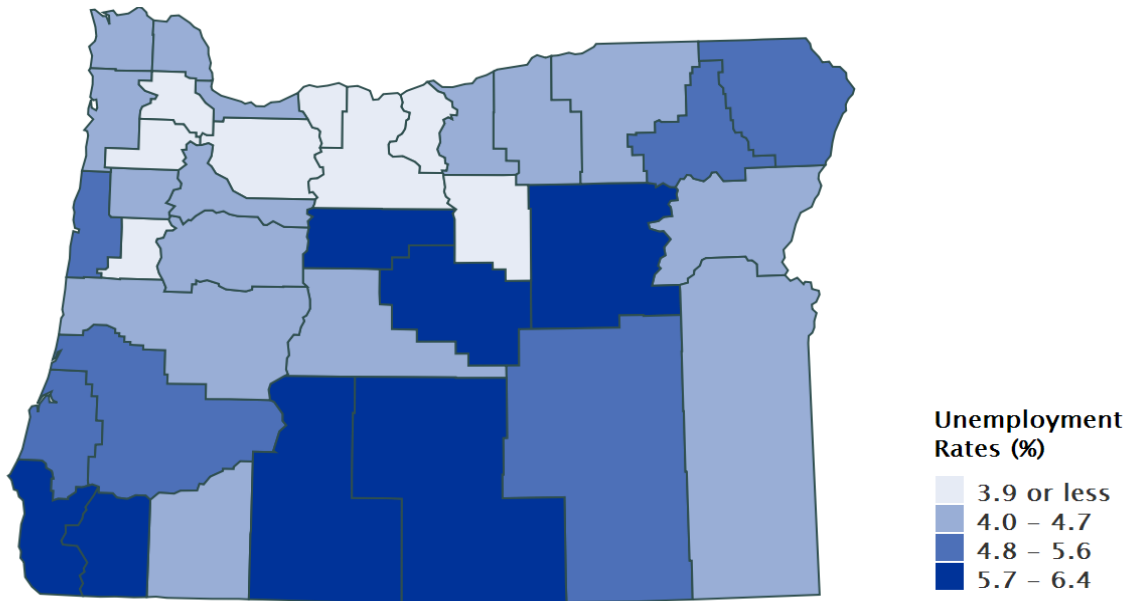
✓ Oregon's statewide rate was 4.4% in November.

✓ U.S. unemployment rate was 3.7% in November.

Oregon Unemployment Rates by County

Seasonally Adjusted Unemployment Rate

November 2022



Oregon Employment Department, Local Area Unemployment Statistics

- ✓ *Unemployment rates increased in all 36 Oregon counties in November 2022.*
- ✓ *Grant County had Oregon's highest unemployment rate (6.4%) in November.*
- ✓ *Wheeler County registered the lowest unemployment rate (3.0%).*



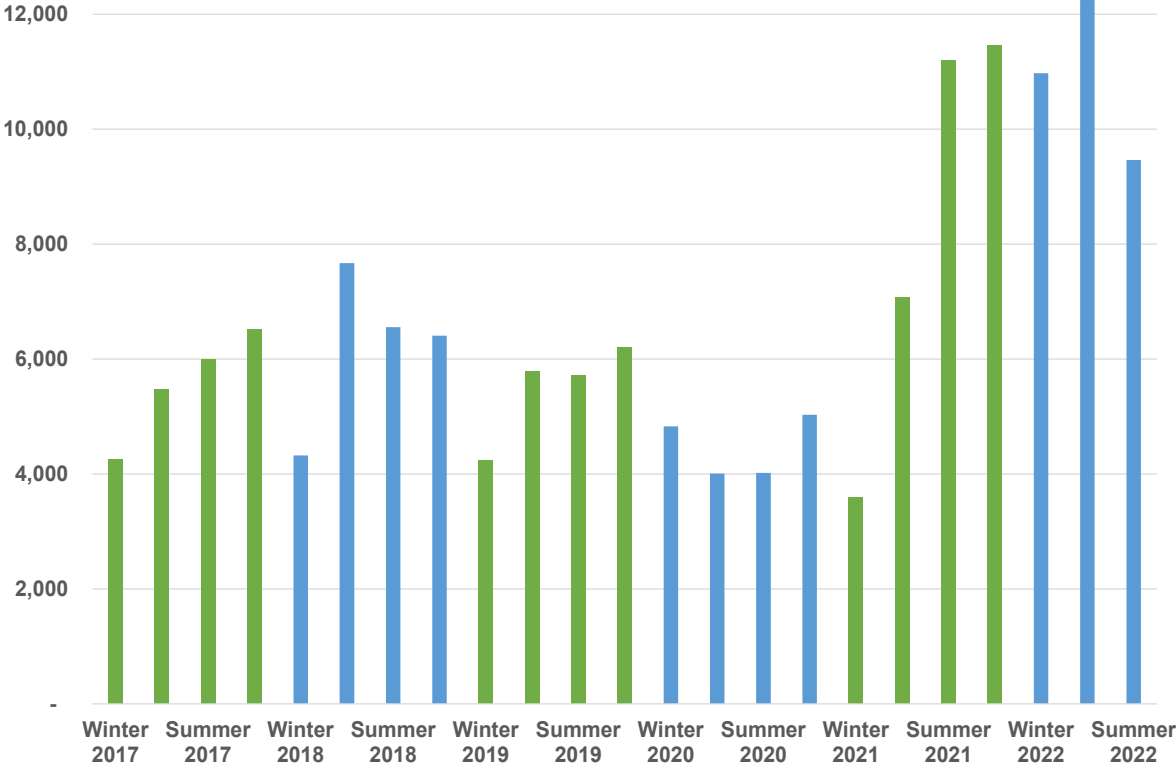
It's Still a Tight Labor Market



LABOR SHORTAGE

Vacancies may be showing the first signs of returning to a lower level.

Lane County Quarterly Job Vacancies 2017-2022



- ✓ *This only represents private job vacancies*
- ✓ *Vacancies are down 16% in the summer of 2022 compared to the summer of 2021.*
- ✓ *There roughly 1.3 vacancies per unemployed person in the summer of 2022, about the same as the summer of 2021.*

Hiring demand was widespread across Oregon's economy.

Oregon Job Vacancies by Industry, Summer 2022

Industry	Vacancies
All Industries	94,434
Health care and social assistance	19,550
Leisure and hospitality	12,377
Retail trade	9,164
Construction	8,019
Manufacturing	7,569
Professional, scientific, and technical services	6,350
Other services	5,778
Private educational services	5,760
Management, administrative, and waste services	5,225
Wholesale trade	4,509
Financial activities	4,387
Transportation, warehousing, and utilities	3,190
Natural resources and mining	1,314
Information	1,242

Source: Oregon Employment Department

✓ *Health care and social assistance, and leisure and hospitality had the most vacancies in Oregon.*

Note: While we've all seen evidence of local school districts hiring as in-person classes resume, those openings and other government hiring aren't captured in this survey of private-sector businesses.



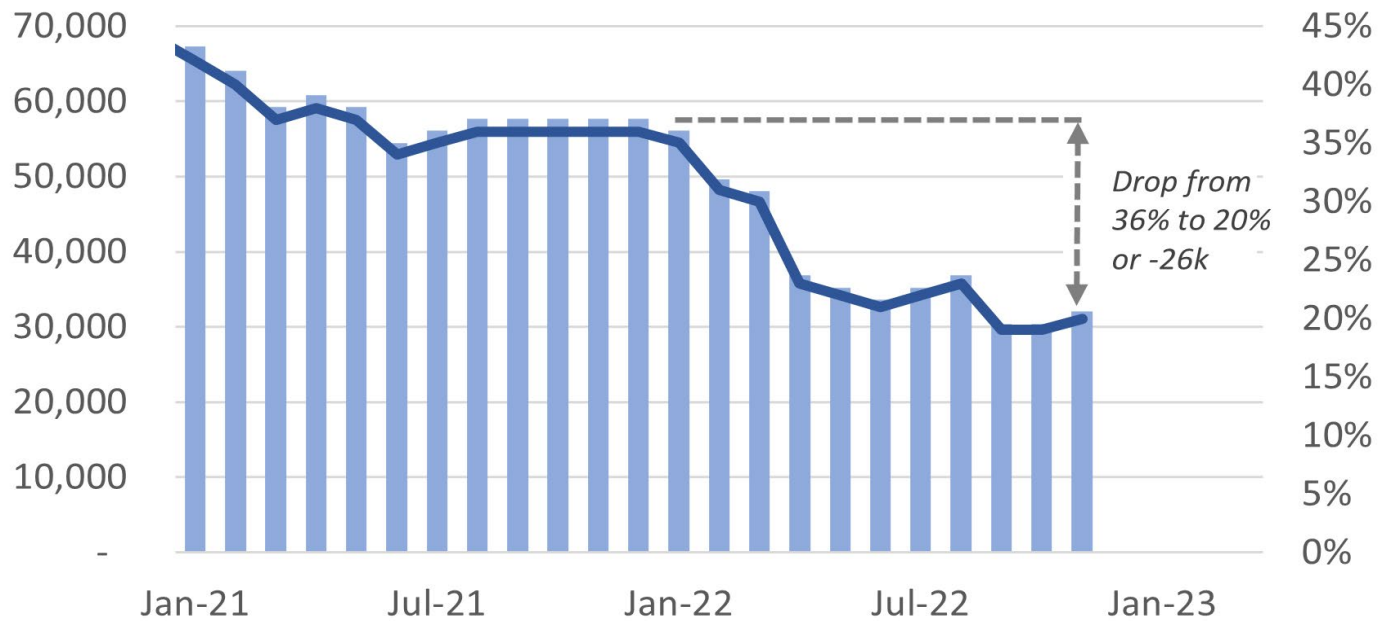
Housing Affordability

Housing affordability is down over the year.

Eugene Homeownership Affordability

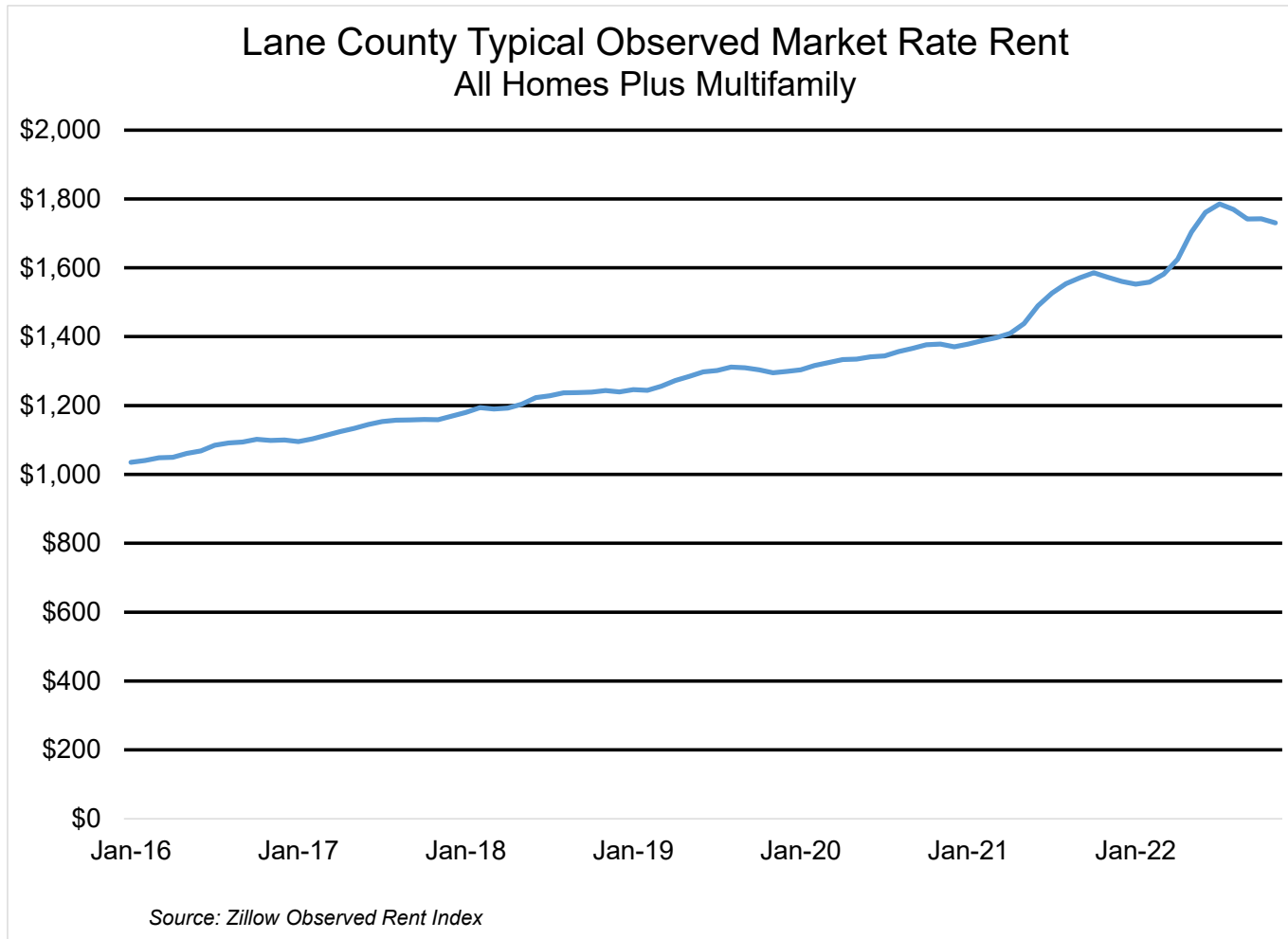
Lane County households who can afford median sold home with 5% down payment and total housing costs not exceeding 30% of income

Number of Households, left | Share of Households, right



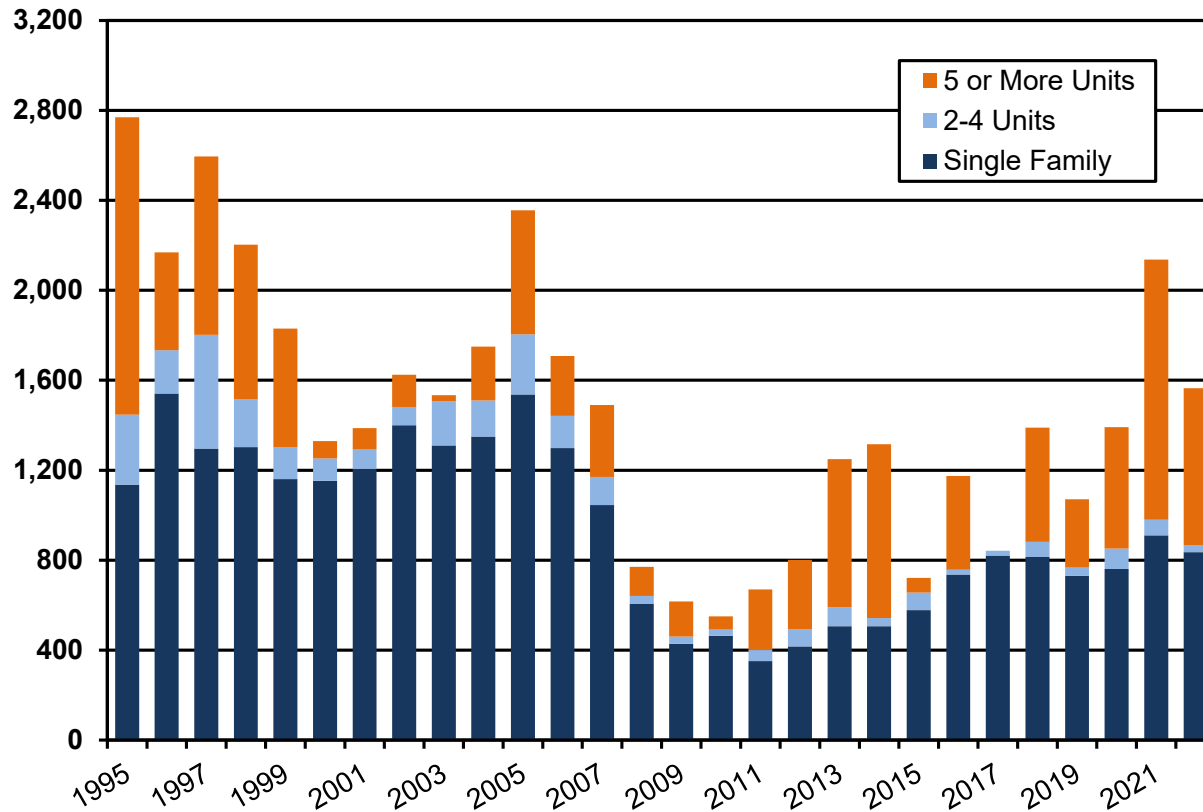
Latest Data: November 2022 | Source: IPUMS-USA, RMLS, Oregon Office of Economic Analysis

Rent has turned upward in the past couple of years.



Building permits are up in recent years.

Lane County Building Permits (Units)



Source: U.S. Census Bureau

- ✓ It takes roughly 1,400 units to keep up with population growth.
- ✓ Note: 2022 is year to date through November.

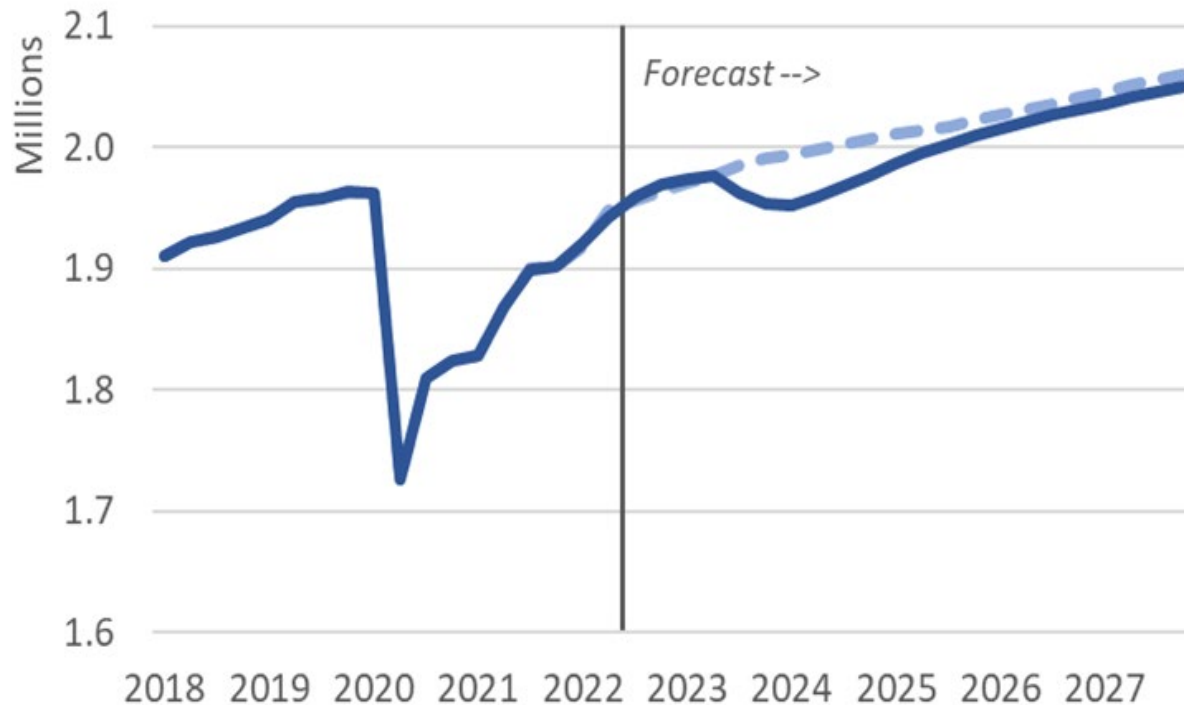


Forecasts

A mild recession is now forecast for 2023.

Oregon Employment

December 2022 Forecast | September 2022 Forecast

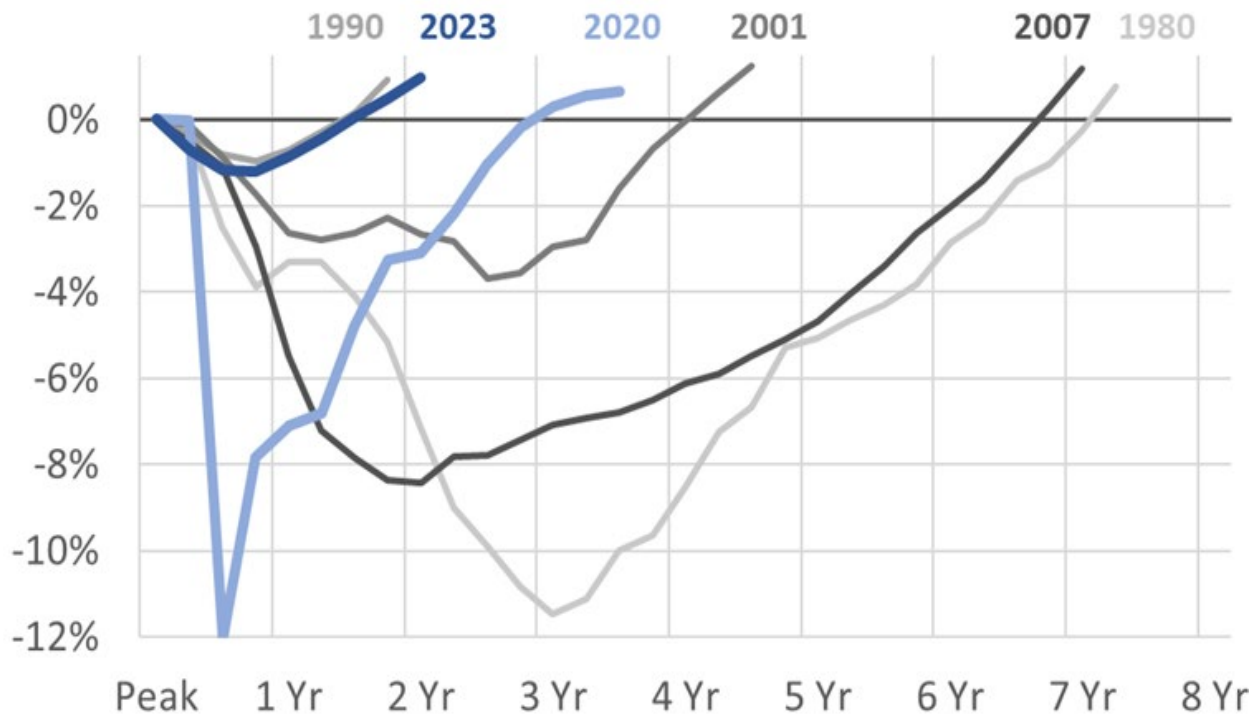


✓ Oregon employment losses are expected to total 24,000 jobs (1.2%) on net.

A mild recession similar to the 1990 downturn is now the baseline forecast.

Oregon Recession Comparisons

Employment percent change from pre-recession peak

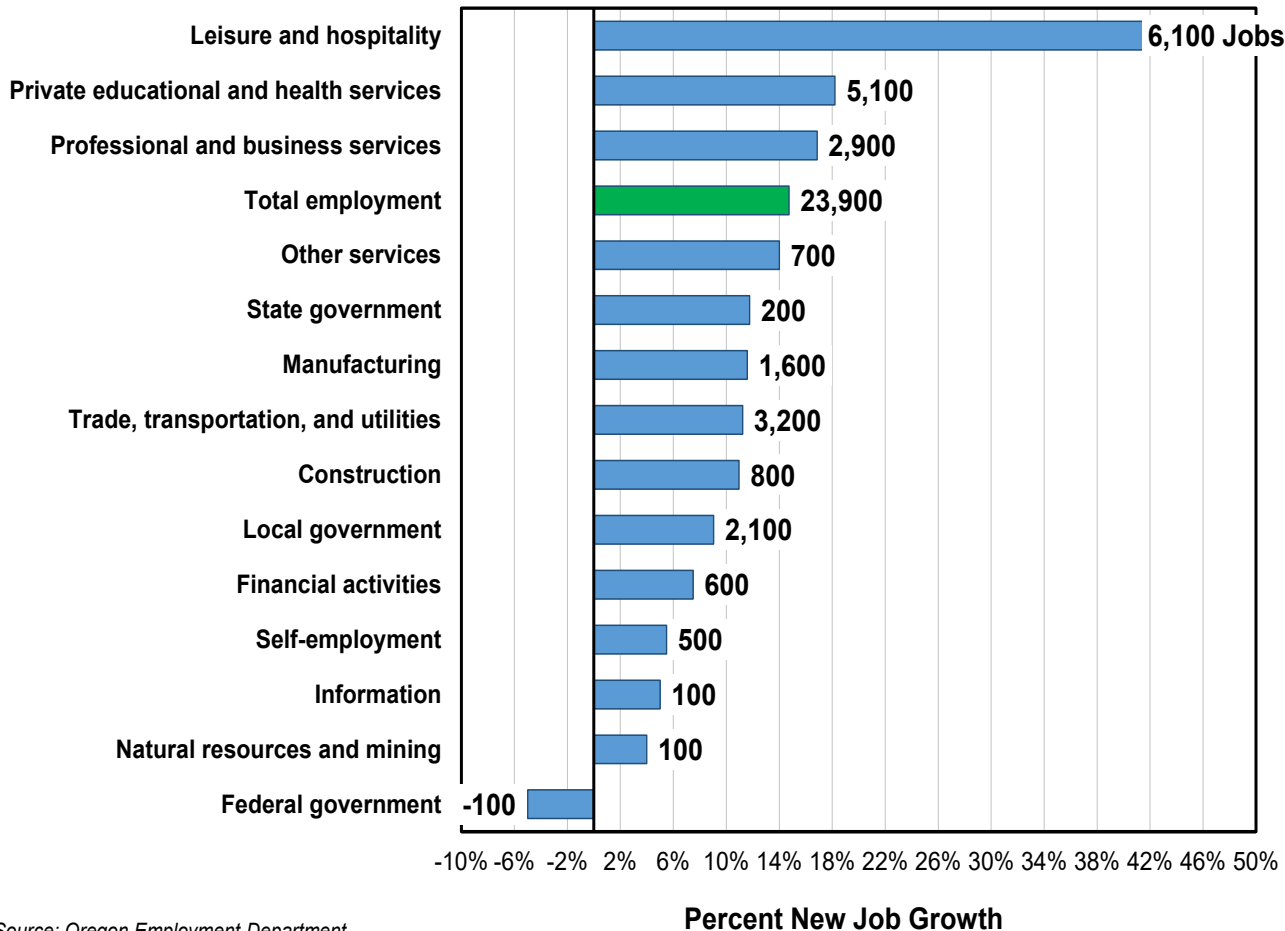


Source: Oregon Employment Department, Oregon Office of Economic Analysis

- ✓ *Inflation is moderating (1%) July through November 2022).*
- ✓ *Supply Chains are improving.*
- ✓ *Interest rates eventually come down.*
- ✓ *Labor market remains relatively tight going into the recession.*

Lane County Jobs are Projected to Increase 15% by 2030

Lane County Industry Sectors Forecast, 2020-2030

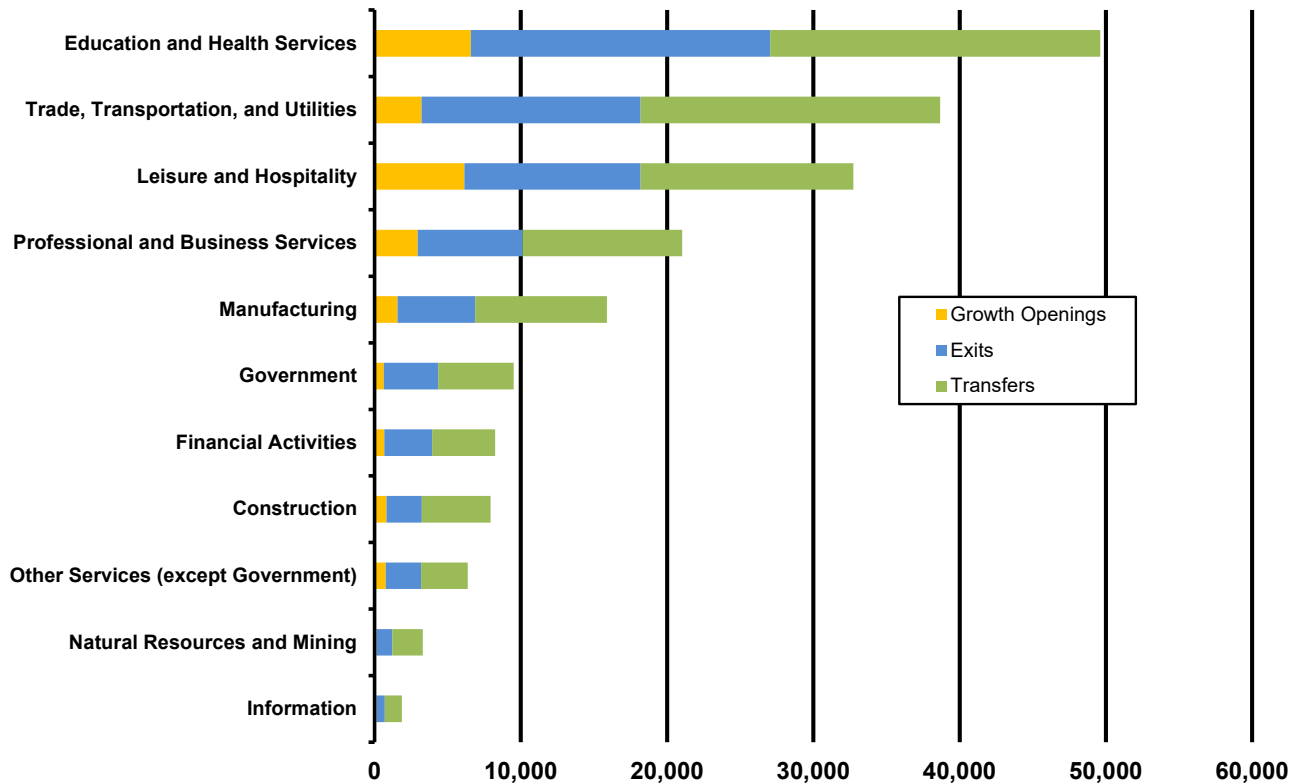


- ✓ *Leisure and hospitality adds the most jobs due to recovery from the COVID-19 recession.*
- ✓ *Oregon statewide is expected to increase 16% by 2030.*
- ✓ *Other areas expected at fastest rate are Central Oregon (18%), Portland area (17%) and Northwest Oregon (16%).*

Source: Oregon Employment Department

All broad occupational categories provide opportunity through replacement openings.

Lane County Projected Job Openings by Industry Growth and Replacement , 2020-2030



Source: Oregon Employment Department

Thank you!



Brian Rooney
(541)359-9546

brian.t.rooney@employ.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 PRIORITIES & INFLUENCES

Alex Cuyler, Intergovernmental Relations Manager
Steve Adams, Policy Director

Oregon Legislature

- Lane County is both an urban and rural County
- Recovering from pandemic and significant wildfire impact
- New Congresswoman in 4th Congressional District
- Many new members in the Oregon Legislature (although Lane Delegation is fairly consistent)
- New Governor Elect and Executive Branch
- A new Policy Team framework
- National Association of Counties and Association of Oregon Counties coordination and collaboration
- Gaining policy reform and funding often requires multiple years

Oregon Legislature

- Long Session convenes February, 2023
 - ▣ Oregon Legislature is undergoing a seismic upgrade and will likely be in person AND virtual
 - ▣ Local government has a mixed reputation in Salem
 - ▣ Our delegation is small but well positioned, and enjoys seniority
 - ▣ Lane County typically prioritizes a handful of policy measures while also working the Ways and Means process closely
 - ▣ Re-balance bill is early budget bill and can influence Lane County's FY 24 budget
 - ▣ The important acronyms: CCA, JRI, CMHP, CAFFA, SHAP, ARPA
 - ▣ Expect a much more engaged Governor's Office, with new Agency leadership and possible restructuring

United States Congress

- Progress For FY 23 Budget
 - ▣ President Biden signed omnibus budget bill Dec 23, 2022
 - ▣ Important Congressionally Directed spending items
 - ▣ Grant opportunities continue

- Outlook for FY 24 Budget
 - ▣ Congressionally Directed Spending continues
 - ▣ Republican led House, but divided internally
 - ▣ United Front trip is March 6-8

Questions



PROPERTY TAX SYSTEM OVERVIEW

Mike Cowles, Deputy Assessor

Taxing Districts

The Lane County Assessor collects property tax 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

▶ Lane County's General Fund receives approximately 11¢ of every property tax dollar paid.

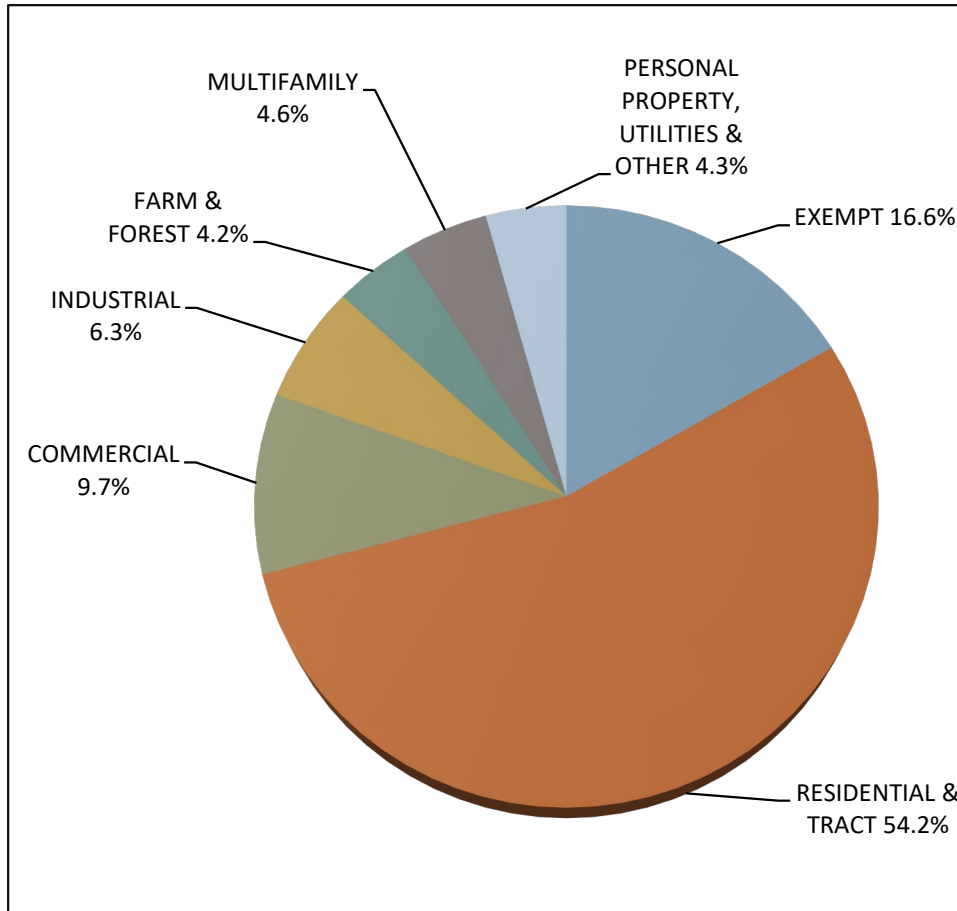
▶ Lane County has the seventh lowest permanent tax rate of Oregon's 36 counties.



85 Taxing Districts:

- ✓ Cities
- ✓ School Districts
- ✓ Fire Districts
- ✓ Other Districts

Quick Facts 2022-23



- ✓ *182,000+ property tax accounts*
- ✓ *Real market value \$88 billion*
- ✓ *Taxable Value \$39.9 billion*
- ✓ *\$661.8+ million certified taxes*
- ✓ *195,000+ Property tax payments*
- ✓ *5,100+ Property inspections*
- ✓ *15,500+ Ownership changes*
- ✓ *2,700+ Property boundary changes*
- ✓ *19,650+ Public information contacts*

2022-23 Market

- A typical Lane County home saw a 14.28% increase in market value
- Current tax statement shows the real market value of property as of January 1, 2022 based on the 2021 real estate market
- Any changes to the market after January 2022 will be reflected next year
- The property's taxable value is the lower Measure 50 assessed value minus any exemptions. On average, residential properties are paying tax on an assessed value that is 53% of market value.

Real Market Value on a Typical (Median) Home in Lane County

Sample areas have the following values:

Area	2021 Median Real Market Value	2022 Median Real Market Value	Percent Change Real Market Value
Blachly	\$240,417	\$306,891	21.66%
City of Coburg	\$456,122	\$517,885	11.93%
City of Cottage Grove	\$273,705	\$315,008	13.11%
City of Creswell	\$334,552	\$397,327	15.80%
City of Dunes	\$467,006	\$552,109	15.41%
City of Eugene	\$387,808	\$450,516	13.92%
City of Florence	\$333,832	\$405,006	17.57%
City of Junction City	\$327,770	\$377,305	13.13%
City of Lowell	\$311,230	\$367,932	15.41%
City of Oakridge	\$189,872	\$242,371	21.66%
City of Springfield	\$309,762	\$362,357	14.51%
Springfield School	\$323,917	\$379,396	14.62%
City of Veneta	\$314,266	\$354,440	11.33%
City of Westfir	\$194,084	\$243,695	20.36%
Crow-Applegate	\$382,316	\$497,082	23.09%
Eugene (4J School)	\$391,768	\$452,946	13.51%
Eugene (Bethel School)	\$324,461	\$380,220	14.66%
Mapleton	\$233,750	\$313,274	25.38%
Marcola	\$356,751	\$418,738	14.80%
McKenzie	\$369,254	\$463,853	20.39%
Pleasant Hill	\$426,918	\$519,449	17.81%
River Road	\$311,864	\$351,195	11.20%
Santa Clara	\$324,491	\$367,848	11.79%
Lane County	\$353,309	\$412,151	14.28%

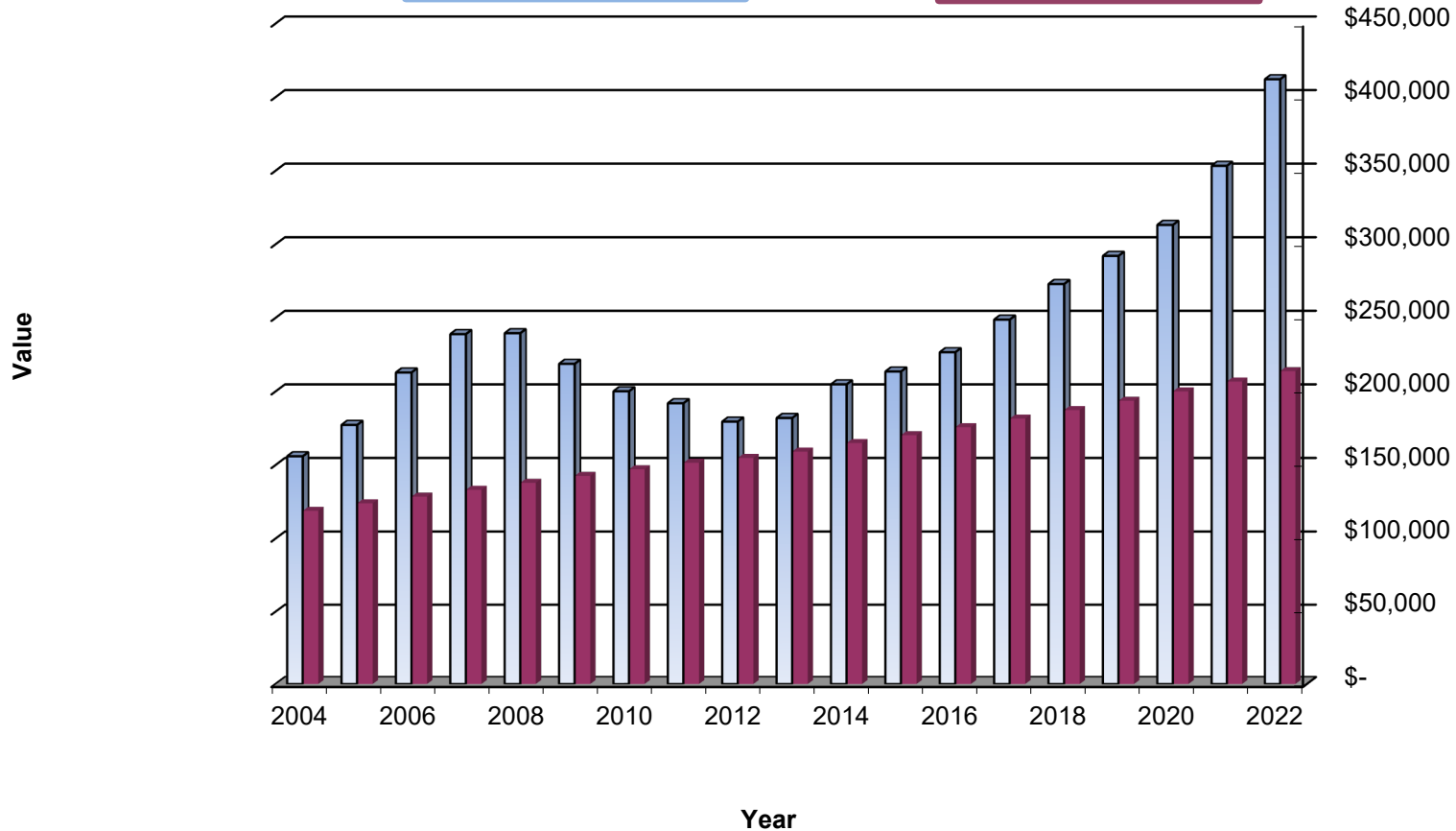


“Typical Residential” Dwelling

Typical Lane County Single Family Dwelling

Real Market Value

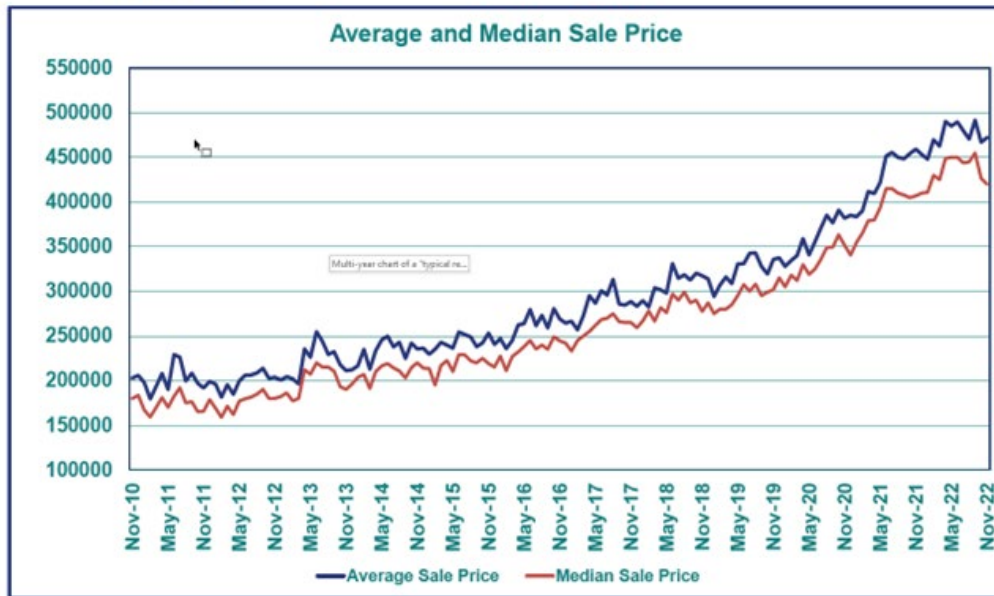
Assessed Value



November 2022 RMLS* Data

SALE PRICE GREATER LANE COUNTY, OR

This graph represents the average and median sale price for all homes sold in Greater Lane County, Oregon.



Inventory in Months*			
	2020	2021	2022
January	1.9	0.8	0.8
February	1.6	0.9	0.9
March	1.7	0.6	0.7
April	2.0	0.7	0.7
May	2.0	0.7	0.9
June	1.3	0.7	1.1
July	0.9	0.8	1.6
August	1.0	0.9	1.2
September	1.1	1.0	1.3
October	0.9	0.9	1.6
November	0.8	0.8	2.1
December	0.6	0.6	

*RMLS – Regional Market Listing Services

Market Action – Residential

- Inventory continuing to creep up. Now at 2.1 months, the highest it has been over the past 3 years (this is still historically very low)
- New listings decreased 20.9% comparing November 2021 and down 28.9% from October 2022
- Pending sales decreased 47.2% comparing November 2021 and down 28.1% from October 2022
- Closed sales decreased 37.2% from November 2021 and down 29.1% from October 2022
- Comparing 2022 to 2021 through November, the average sales price increased 9.9% to \$476,600
- Comparing 2022 to 2021 through November, the median sales price increased 10.2% to \$436,500
- Comparing November 2022 to September 2022, the median sales price dropped slightly (less than 1% change) and the average sales price remained the same

Considerations 2023-24

- Interest Rates
- Inflation
- Inventory
- Rents / Occupancy
- National/Global
- M50
- M5
- Appeals
- Funding
- Market Studies
- Legislative Changes
- Other Factors

Questions



- Mike.Cowles@lanecountyor.gov
- 541-682-6798
- 541-682-4134

PUBLIC SAFETY COORDINATION

Cliff Harrold, Sheriff

Eve Gray, Health & Human Services Director

Greg Rikhoff, Community Justice & Rehabilitation Svcs
Director

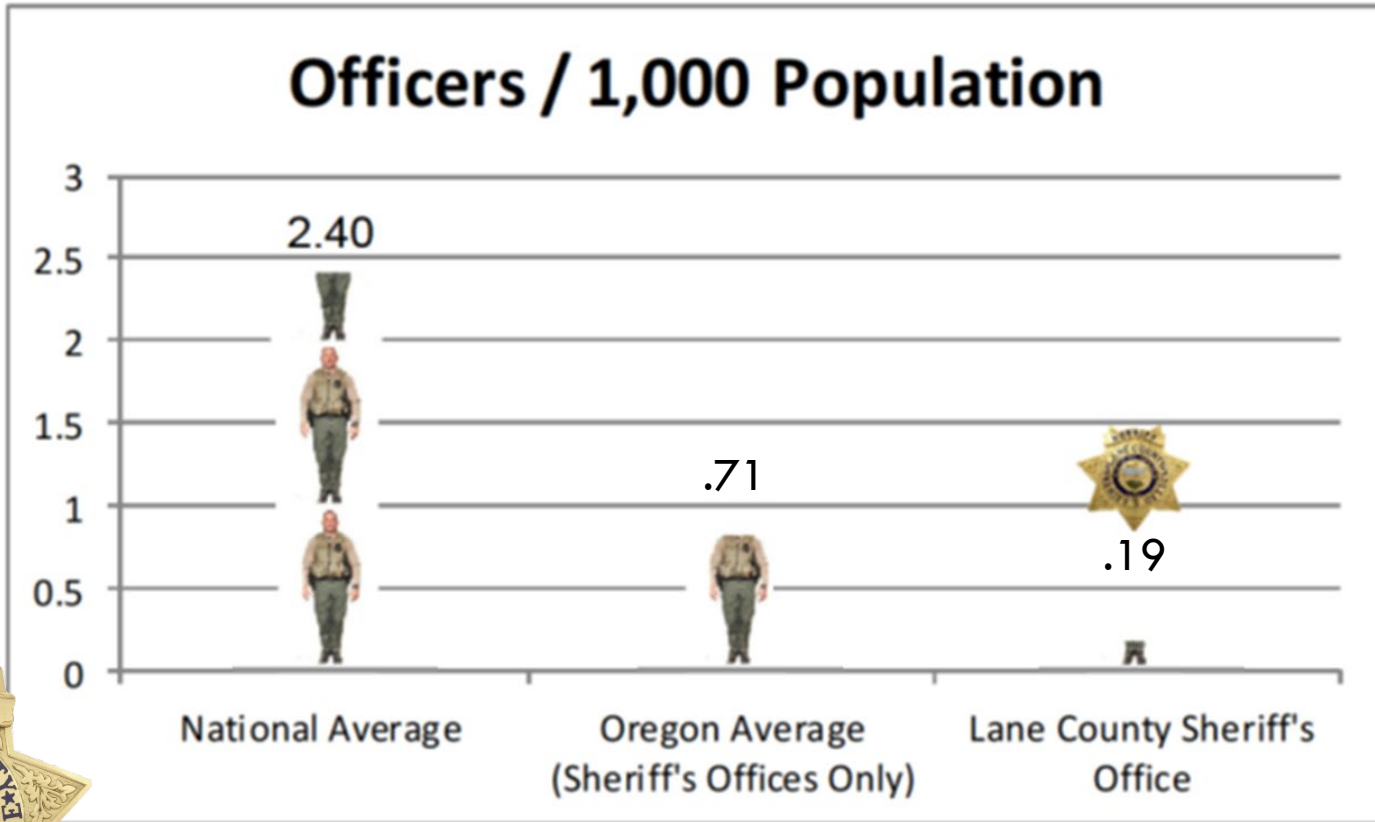
Patty Perlow, District Attorney

Sheriff's Office

Cliff Harrold, Sheriff



Lane County Sheriff's Office



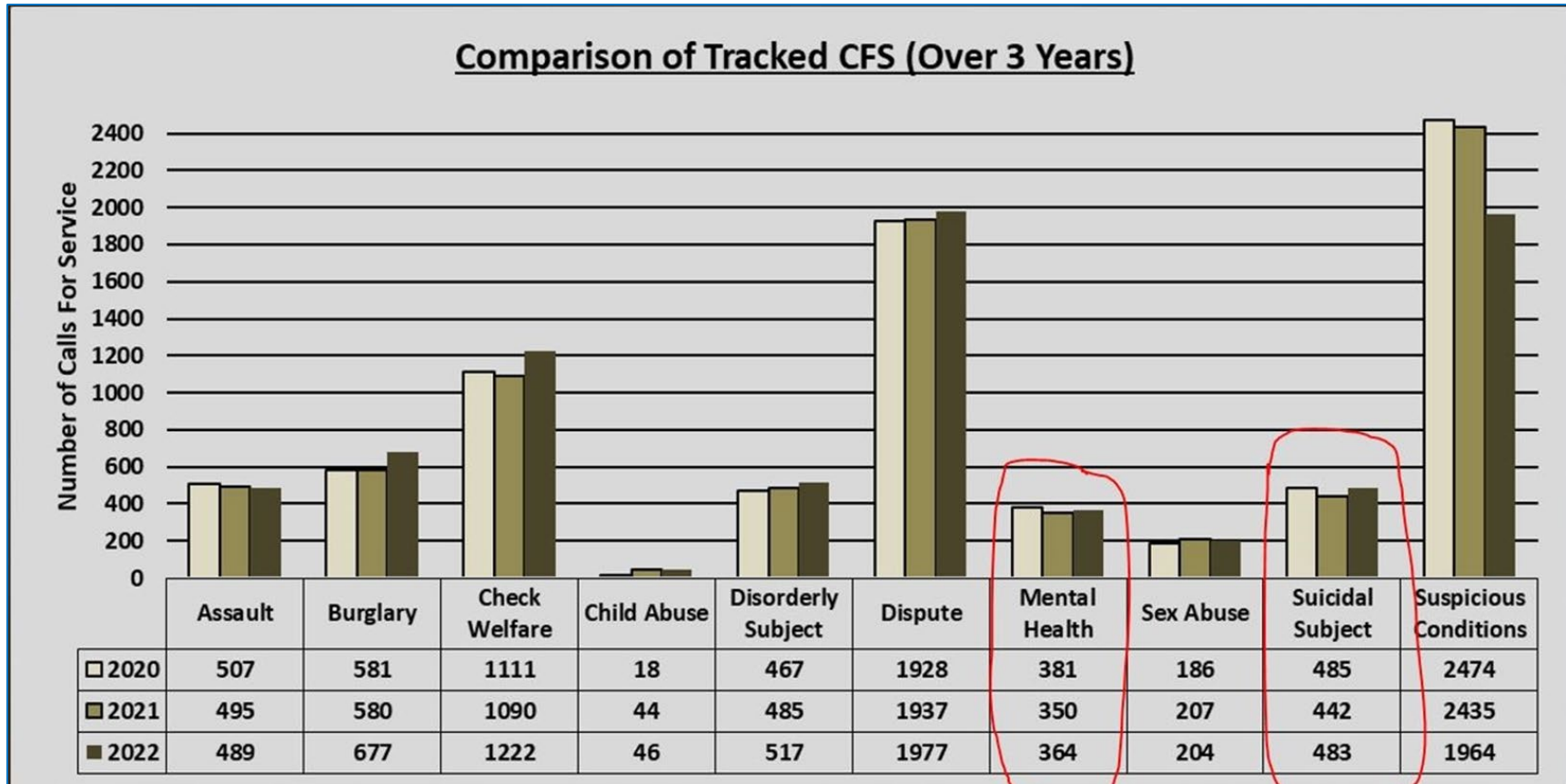
Oregon Deputies per 1,000

COUNTY	POPULATION	ENFORCEMENT DEPUTIES	ENFORCEMENT DEPUTIES PER 1,000 POPULATION
CLACKAMAS	426,515	189	0.44
DESCHUTES	209,266	103	0.49
JACKSON	223,259	67	0.30
LANE	382,971	74	0.19*
MARION	349,120	97	0.27
WASHINGTON	600,372	290	0.48



*After 2022 Secure Rural Schools add-package

Calls for Service (CFS)



*Reminder that these are specifically tracked calls for service types. Mental health issues are prevalent in a lot of calls for service that are not tracked specifically as “Mental Health”

Prioritizing Mental Health



MOBILE CRISIS RESPONSE



Lane County Adult Corrections Jail Bookings FY 21-22

Jul	803	Jan	707
Aug	695	Feb	606
Sep	648	Mar	669
Oct	660	Apr	660
Nov	631	May	646
Dec	653	Jun	698



FY21-22 TOTAL: 8,076

Jail Medication Costs

FY21-22

Psychotropic Meds \$163,587.07

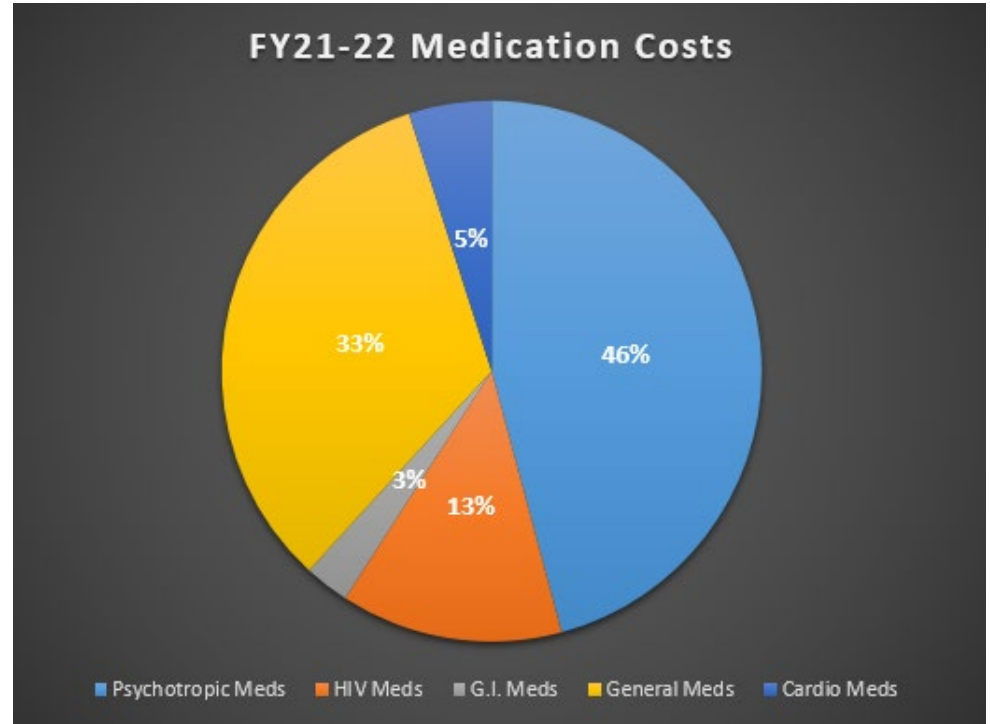
HIV Meds \$47,445.77

G.I. Meds \$9,634.06

General Meds \$118,605.53

Cardio Meds \$17,683.60

Total: \$356,956.03



Adults in Custody on Psychotropic Medication

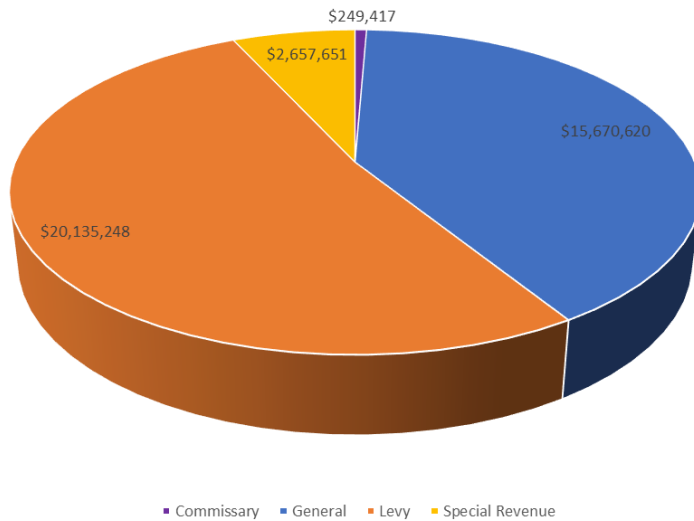
1,258

Adults in Custody on Non-Psychotropic Medication

2,120

Jail Revenues FY22

FY22 Corrections Actuals by Fund



- ✓ **Levy \$20,135,245 (52.01%)**
- ✓ **General \$15,670,620 (40.48%)**
- ✓ **Special Revenues \$2,657,651 (6.87%)**
- ✓ **Commissary \$249,417 (0.64%)**

Prioritizing Mental Health



JAIL WELLNESS PROGRAM

Mental Health Evaluations

.370 evaluations are used to determine the mental fitness of one to proceed in trial. Efficient facilitation of these assessments is vital to mental health treatment and progression through the criminal justice system.

The Lane County Sheriff's Office (LCSO) Mental Health Sergeant helped to facilitate over 123 of these evaluations in 2022. The LCSO Transport Section completed 104 transports to the Oregon State Hospital.

This does not account for Eugene Municipal evaluations, or those that were facilitated as in person visits in our Jail Visiting area.



Behavioral Health

Eve Gray, Health & Human Services Director

Behavioral Health

- 2022-2023 current operating budget: \$39.3 M
 - ▣ Of this, \$592 K was general fund (1.5%)
 - ▣ All general fund to behavioral health is directed toward those engaged in the criminal justice system
 - ▣ All other programs in BH are funded through other sources – state, Coordinated Care Organization, grants, etc.
- 2023-2024 focus areas
 - ▣ Growth in crisis & residential services
 - ▣ Revenue generation in billable areas
 - ▣ Workforce initiatives



Community Justice & Rehabilitation Services

Greg Rikhoff – Director

Parole and Probation

- Served 3,586 clients in 2022
- Current clients are 2,154
 - ▣ 994 High risk
 - ▣ 686 Medium risk
 - ▣ 437 Low risk
 - ▣ 37 Pending assessment
- Developing specialized Mental Health Unit
 - ▣ 3 officers assigned to 170 clients
- Funded by state Community Corrections Act (CCA) and Justice Reinvestment Initiative (JRI)
 - ▣ No general fund revenue
- CCA and JRI formula based on total statewide population
 - ▣ Lane County's percentage has been dropping
 - Current formula at 9.22%, projected percentage is 8.94%

Youth Services

□ Multiple unique business units

- Administration
- Phoenix Behavioral Residential Program
- Detention (Medical Services)
- MLK Education Center
- Nutrition
- Supervision (Community Supervision)

□ Funding sources

- 73% General Fund = \$10,209,708
- 17% Levy = \$2,415,262
- 10% Special Revenue = \$1,370,792

□ Levy Renewal for Youth Services is critical

- Doubles beds in residential treatment and detention programs
- Funds 14.5 Full Time Employees and \$540,000 in Materials and Services



District Attorney

Patty Perlow – District Attorney

Criminal Prosecution 2022

- ❑ 4700 (Projected) Referrals from Law Enforcement
- ❑ 2,800 (Projected) Cases Filed
- ❑ 113 Defendants found Unfit to Proceed
(12/22/22)
- ❑ 19 Prosecutors – Adult Criminal Prosecution
- ❑ Does not include juvenile cases

Mental Health Court



- 20 Active Participants as of November
- 4 in Evaluation Phase as of November
- 11 graduates this biennium as of November
- 4 graduates were downward departures (avoided prison sentences)
- 1 Prosecutor for all three treatment courts

Questions



HEALTH & HUMAN SERVICES

Eve Gray - Director

Department Summary 2022-2023

- 2022-2023 current operating budget: \$190 M
 - ▣ Of this, \$7.7 M was general fund (4.1%)
 - ▣ General fund helps support three divisions – Human Services, Public Health, & Behavioral Health.
 - ▣ All other divisions are self-sustaining.
- 2023-2024 focus areas
 - ▣ Reduce general fund request by:
 - Increasing revenue, especially in the Federally Qualified Health Clinics
 - Vacancy reviews
 - Materials & Services reductions

Questions



GENERAL FUND OVERVIEW & - INITIAL 5 YEAR FORECAST

Christine Moody, Budget & Financial Planning Manager

General Fund



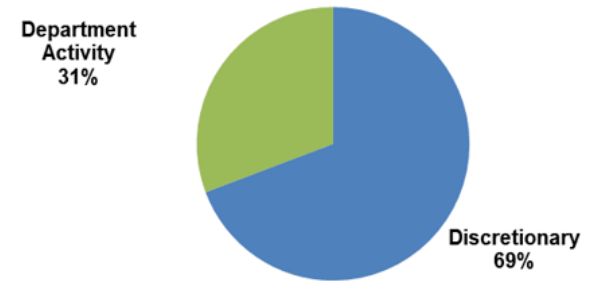
Primary operating fund for the County, this fund consists of discretionary revenues from property and car rental tax collections, federal timber receipts, investment earnings, state shared revenue including cigarette, liquor and marijuana taxes, cable franchise fees and other local revenue sources. The remaining revenues are generated by activities such as grants and contracts, recording and election fees, and other revenues generated by department activities or services.

General Fund

General Fund Resources

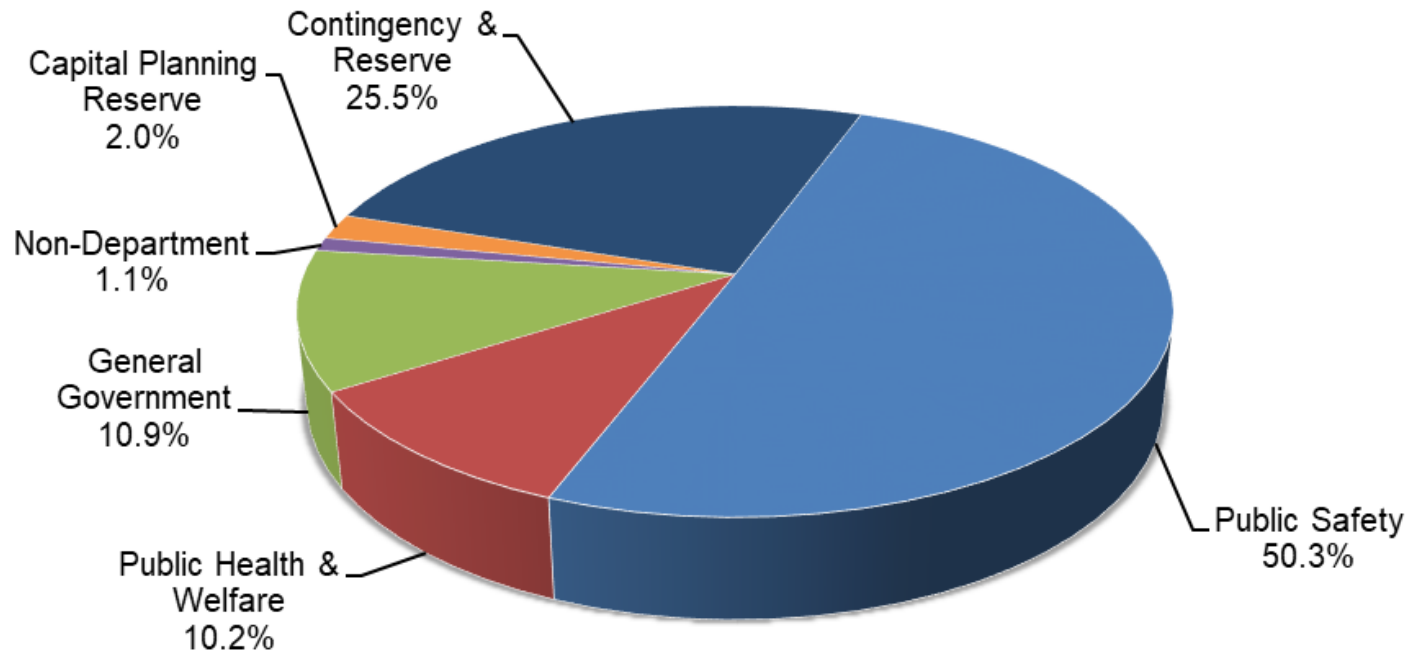
Resources	FY 22-23	Percent of Bdgt
Property Taxes	49,064,000	35.02%
Other Taxes & Assessments	3,637,495	2.60%
Licenses & Permits	1,086,660	0.78%
Fines, Forfeitures & Penalties	799,368	0.57%
Property Rentals	498,685	0.36%
Federal Revenue	6,778,269	4.84%
State Revenue	13,166,292	9.40%
Local Revenues	1,486,230	1.06%
Fees & Charges	3,441,778	2.46%
Administrative Charges	19,623,365	14.01%
Interest Earnings	400,000	0.29%
Intrafund Transfers	910,897	0.65%
Transfers from Other Funds	4,659,616	3.33%
Beginning Fund Balance	34,537,000	24.65%
Total Resources	\$140,089,655	100%

General Fund Resources - Discretionary v. Department Activity

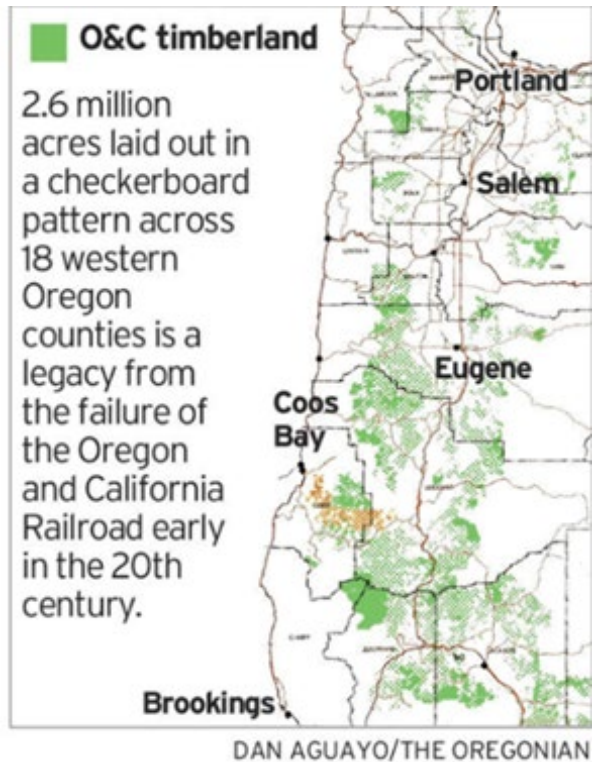


General Fund

Discretionary General Fund FY 22-23 Allocation by Service Category



General Fund



Lane County citizens have relied on timber harvest revenue from federal Oregon & California (O&C) railroad lands, or revenue replacements made by the federal government as part of Secure Rural Schools legislation, for well over 100 years to fund critical county services including Sheriff's patrols and corrections, criminal prosecution, youth detention, public health, and elections. Revenue began significant decline due to change in federal forest policies in the early 1990's. From 1992 through 2000 the County was made numerous service reductions.

Secure Rural Schools Legislation

Congress enacted a new federal guarantee called the Secure Rural Schools (SRS) and Community Self-Determination Act in 2000. Has been renewed/extended six times with the most recent providing funding from FY 21-22 to FY 23-24. County must choose one or the other (O&C Timber or SRS) payment.

General Fund

Use of Secure Rural Schools & Timber Funds

- **Prior to FY 16-17:** Spent as received.

- **FY 16-17 Forward:** Amount that would have been received from Timber is spent as ongoing operating revenue. Additional SRS portion treated as one-time.
 - Use of ongoing funds portion:
 - * Road Fund portion used to fund Sheriff's Office Patrol Svcs
 - * General Fund portion becomes part of discretionary general fund

 - Use of one-time funds examples:
 - * General Fund portion reserved for potential State Courthouse
 - * General Fund & Road Fund to expand Sheriff's Office Patrol Svcs for 5 yrs
 - * Road Fund portion used for specific road and bridge projects

General Fund

Permanent Property Tax Rates and Limitations

1990 - Oregon voters approved Measure 5 restricting taxation for government services to \$10 per \$1,000 of assessed value.

Spring 1997 - Oregon voters approved Ballot Measure 50, a revision of Ballot Measure 47, to significantly change the entire property tax system.

Measure 47/50 changed the system to a rate based one of so many dollars per \$1,000 of assessed value. As value grows, so does the revenue. System also allows for the first time the inclusion of the assessed value of new construction, thereby generating additional revenue for the county each year.

Measure 50 also rolled back assessed values to level assessed two years prior (17% reduction) and placed constitutional restriction on future growth to a 3% annual increase in assessed valuations as opposed to the 6% growth allowed under the previous tax levy system. Growth restriction has created a “structural deficit” within the General Fund where expenditure growth averages ~5% while growth in overall General Fund revenue has been closer to 3% to 3.5%.

History v. FY15-16 Forward

HISTORY

- Loss of Timber revenue
- Property Tax Reform
 - ▣ Expenditures consistently exceeded revenue
 - ▣ Used one-time funds for operations
- Budget & Service Reductions

FY 15-16 FORWARD

- Stabilized spending
 - ▣ One-time v. Ongoing
- Reduction of expenses
 - ▣ Prepayment of debt
 - ▣ Internal expenses reviewed
 - ▣ Self-funded Medical

Forecast Highlights – Revenue

Property Taxes	Future Forecast: 3.75, 3.50%, 3.50%, 3.75%, 3.75%
Timber Revenue	3 year extension of Secure Rural Schools, providing 1 x \$
Recording Revenue	14%+ decrease due to interest rate increase
Marijuana Revenue	Measure 110 decreased County allocation by ~\$1 million
Car Rental Tax	Rebounding faster than anticipated

Forecast Highlights - Expenses

❑ **Wages**

- ❑ Continued growth due to market adjustments and cost of living increases.

❑ **Benefits**

- ❑ Medical claims costs per employee increasing. Rates increase 8% in FY 23-24
- ❑ PERS Employer rate increasing for FY 23-25 biennium.
- ❑ PERS 2002 Bond costs decreasing as enter last 5 years – maintaining smoothing fund
- ❑ PERS 2022 Bond expected to provide savings over life of bond (20 years).

❑ **Materials & Services**

- ❑ Future CPI projections for West Region (OR December Economic Forecast)
 - * FY 23-24 – 2.8%
 - * FY 24-25 – 2.5%
 - * FY 25-26 – 2.6%
 - * FY 26-27 – 2.5%
 - * FY 27-28 – 2.5%

Forecast Cautions

- ❑ **One-time funding providing additional service level**
 - ❑ Sheriff's Office patrol function expanded with one-time reserve funds from Secure Rural Schools payments.
 - ❑ Holiday Farm Fire Recovery Staff
 - ❑ American Rescue Plan Staff

- ❑ **Other funding sources**
 - ❑ Any other funding declines, but State funding in particular and specifically known issue within Community Corrections & JRI Funding.
 - ❑ Public Safety Levy passage is critical

General Fund Forecast



Structural Balance Plan: FY 23-24 Proposed Budget will begin process of returning General Fund to structural balance. Initial focus on internal and controllable costs.

Next Steps: 5 year Forecast will be finalized through Proposed Budget process

Next Forecast Update:

May, 2023 Budget Committee

BUDGET CALENDAR

BASIC BUDGET DIRECTION

Christine Moody, Budget & Financial Planning Manager

Budget Calendar

January

Budget Kickoff w/Leadership Team January 11th

Budget Kickoff w/Departments January 17th

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

□ Personnel

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

□ Benefits

- Medical rates – Increase of 8%
- Adjust other benefits where possible to mitigate PERS & Medical
- Material & Services – Limit to CPI growth as possible (2.8%)

GOALS:

- Structurally balance all funds or have plan on how to achieve
- Continue to meet 20% minimum reserve in General Fund
- Maintain current service levels
- Plan to ensure future stability – when one-time funds end

WRAP UP

Steve Mokrohisky, County Administrator