COUNTYWIDE OVERVIEW

Steve Mokrohisky, County Administrator
Lane County Budget Cycle

- January 11th: Leadership Team Mtg. / Overview & Direction
- January 17th: Department Budget Kickoff
- Late February: Departments Submit Requested Budgets
- Early March: Department Meetings w/ County Administrator
- Late April: County Administrator Proposes Budget
- Early – Mid May: Budget Committee Meetings
- Mid May: Budget Committee Approves Budget
- Mid June: Board of Commissioners Adopts Budget
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%
Lane County In Context & Secure Rural Schools History

Lane County Secure Rural Schools History

82% reduction since 2001 (adjusted for 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

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.

Priorities and Goals

Behavioral Health, Homelessness and Public Safety
Public Safety & Service Delivery
Juvenile and Adult Supervision
Homelessness
Health Promotion
Community Partnerships Program
Traffic Safety

Objectives

Affordable Housing
Economic Development, Equity and the Environment
Multi-Use Community Facility
Civic Engagement
Rural Communities
Land Management

Affordable Broadband
Accessible Data
Preparedness and Operational Readiness
Disaster Recovery
County Infrastructure and Facilities
Core Services

Measures

- Housing opportunity index
- % of households paying greater than 50% income on housing
- Reduce internal operations fossil fuel use by 5% annually
- % waste recovery
- 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

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

www.LaneCountyOR.gov/StrategicPlan
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.

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

Lane County Industry Employment Change
Augst 2019 to August 2022

- Mining and logging: -100
- Construction: 400
- Manufacturing: 1,100
- Wholesale trade: 0
- Retail trade: -200
- Transportation, warehousing, and utilities: -100
- Information: -300
- Financial activities: 500
- Professional and business services: 300
- Education and health services: 1,200
- Leisure and hospitality: -400
- Other services: -600
- Government: -600
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.

Oregon’s statewide rate was 4.4% in November.

U.S. unemployment rate was 3.7% in November.
Oregon Unemployment Rates by County

- 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.

- 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

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

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.

Source: Zillow Observed Rent Index
Building permits are up in recent years.

It takes roughly 1,400 units to keep up with population growth.

Note: 2022 is year to date through November.

Source: U.S. Census Bureau
Forecasts
A mild recession is now forecast for 2023.

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.

- 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.

Oregon Recession Comparisons
Employment percent change from pre-recession peak

Source: Oregon Employment Department, Oregon Office of Economic Analysis
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.
Thank you!

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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
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.
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
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.
Typical Residential Dwelling

Typical Lane County Single Family Dwelling

- **Real Market Value**
- **Assessed Value**


Value: $-$, $50,000, $100,000, $150,000, $200,000, $250,000, $300,000, $350,000, $400,000, $450,000
November 2022 RMLS* Data

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

*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

Officers / 1,000 Population

- National Average: 2.40
- Oregon Average (Sheriff's Offices Only): 0.71
- Lane County Sheriff's Office: 0.19
Oregon Deputies per 1,000

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

*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
<table>
<thead>
<tr>
<th>Month</th>
<th>Bookings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>803</td>
</tr>
<tr>
<td>Aug</td>
<td>695</td>
</tr>
<tr>
<td>Sep</td>
<td>648</td>
</tr>
<tr>
<td>Oct</td>
<td>660</td>
</tr>
<tr>
<td>Nov</td>
<td>631</td>
</tr>
<tr>
<td>Dec</td>
<td>653</td>
</tr>
<tr>
<td>Jan</td>
<td>707</td>
</tr>
<tr>
<td>Feb</td>
<td>606</td>
</tr>
<tr>
<td>Mar</td>
<td>669</td>
</tr>
<tr>
<td>Apr</td>
<td>660</td>
</tr>
<tr>
<td>May</td>
<td>646</td>
</tr>
<tr>
<td>Jun</td>
<td>698</td>
</tr>
</tbody>
</table>

FY 21-22 TOTAL: **8,076**
Jail Medication Costs

FY21-22

<table>
<thead>
<tr>
<th>Medication Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychotropic Meds</td>
<td>$163,587.07</td>
</tr>
<tr>
<td>HIV Meds</td>
<td>$47,445.77</td>
</tr>
<tr>
<td>G.I. Meds</td>
<td>$9,634.06</td>
</tr>
<tr>
<td>General Meds</td>
<td>$118,605.53</td>
</tr>
<tr>
<td>Cardio Meds</td>
<td>$17,683.60</td>
</tr>
</tbody>
</table>

Total: $356,956.03

Adults in Custody on Psychotropic Medication: 1,258
Adults in Custody on Non-Psychotropic Medication: 2,120
Jail Revenues FY22

- 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

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

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

[Diagram showing the distribution of General Fund Resources: Department Activity (31%) and Discretionary (69%)]


General Fund

Discretionary General Fund FY 22-23
Allocation by Service Category

- Public Safety: 50.3%
- Capital Planning Reserve: 2.0%
- Contingency & Reserve: 25.5%
- Non-Department: 1.1%
- General Government: 10.9%
- Public Health & Welfare: 10.2%
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

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>Future Forecast: 3.75, 3.50%, 3.50%, 3.75%, 3.75%</td>
</tr>
<tr>
<td>Timber Revenue</td>
<td>3 year extension of Secure Rural Schools, providing 1x $</td>
</tr>
<tr>
<td>Recording Revenue</td>
<td>14%+ decrease due to interest rate increase</td>
</tr>
<tr>
<td>Marijuana Revenue</td>
<td>Measure 110 decreased County allocation by ~$1 million</td>
</tr>
<tr>
<td>Car Rental Tax</td>
<td>Rebounding faster than anticipated</td>
</tr>
</tbody>
</table>
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
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