LANE COUNTY BUDGET COMMITTEE MINUTES

Thursday, May 2nd, 2013
5:30 PM
Harris Hall

Chair Rose Wilde presided with Budget Committee members present: Jay Bozievich, Pat Farr, Vice-Chair Denis Hijmans, Sid Leiken, Shanna Reichenberger, Pete Sorenson, Faye Stewart, and Herb Vloedman. Ashley Miller was absent, but will view remotely.

In addition, County Administrator; Liane Richardson, Chief Operating Officer; Madilyn Zike, Budget and Financial Planning Manager; Christine Moody, Chief Deputy Assessor; Roxanne Gillespie, Public Works Budget Manager; Tanya Heaton were present.

I. CALL MEETING TO ORDER
Chair Rose Wilde called the meeting to order at 5:31 p.m. She noted public testimony to be at 7:30 pm.

II. COMMITTEE BUSINESS
A. Election of FY 13-14 Chair and Vice Chair
Rose Wilde opened the floor to nominations: Denis Hijmans nominated Rose Wilde for Chair, seconded by Sid Leiken. The vote was unanimous in favor (10-0). Faye Stewart nominated Denis Hijmans for Vice-Chair, seconded by Herb Vloedman; the vote was unanimous in favor (10-0).

B. Approve Lane County Budget Committee Minutes: May 17, 2012 and May 22, 2012.
Sid Leiken made a motion to approve the minutes from May 17 & May 22, 2012. The motion was seconded and passed unanimously (10-0).

C. Committee process
Cards are available for people to write out questions for departments. Lane County meetings are conducted using Roberts Rules of Order. The goal is to be clear and consistent.

Wilde pointed out that there will be an extra meeting on May 23 to vote on results of the election May 21.

Faye Stewart noted for home viewers that several of the work sessions will be from 2:00-4:30 p.m.

III. BUDGET MESSAGE
Liane Richardson, County Administrator, presented her message. (Message is in FY 2013-14 Proposed Budget Document available online.)

Richardson stated that during the last two years as Administrator, there had been enormous challenges to fund necessary services in Lane County as funding sources disappeared or dwindled. Two years ago several options were brought to the Budget Committee and the Board of Commissioners so they could choose between them and create a balanced budget. Those choices represented the reduction of approximate $6.5M in General Fund usage. Last year was even more difficult--the proposed budget reflected over $10M in additional reductions to the General Fund.

All handouts and/or PowerPoint slides are available online at: www.lanecounty.org/budget
The Committee faced the daunting task of determining how to allocate nearly 30% less General Fund to services that had already been stretched thin over the past 30 years of consistent reductions.

Preparations for this year’s budget began along those same lines. Last June the forecast showed we would have to reduce services by $3-6M depending on a large variety of factors. However in the budget documents before you, the budget is largely status quo from what was adopted last year.

How that was accomplished is a really great story. The first and perhaps the largest decision that positively impacted the county’s fiscal reality for this coming year was the Board’s decision to not spend an unexpected allocation of Secure Rural Schools Funds received after the adoption of the budget last year. By saving those funds for the coming year, the Board effectively reduced the expected deficit by half. That decision also saved some Road Fund money.

Another large impact on the fiscal situation was the proposal by two unions, Administrative Professionals and Local 626, both in the Public Works Department. Those unions and their membership took the lead in proposing and adopting lower cost alternative health care plans. At this point all county employees are now on those plans, so significant rate increases in our health insurance were offset.

Lane County also finished the majority of Phase I Innovate Lane County. Many larger changes involved dismantling and re-assembling county departments. Though originally intended to increase efficiency and effective service, there has been quite a bit of savings as a result. Phase II items which are revenue-generation are just beginning to be implemented. County departments have also been extremely careful with their spending. They have kept positions open longer, and stretched existing resources and staff as much as possible before refilling necessary spots.

As necessary building repairs were made, energy reduction was sought. New training for managers and supervisors began as well as a risk program. The result is a county government that is responsive to our residents, creates a positive atmosphere for employees, and lets us be good stewards of public tax dollars.

Returning to the preparation for this year’s budget: Even as late as June we thought there would be a deficit to address again. However by Fall we had more data available. The gap had been almost completely closed; only minor reductions were needed.

Reductions in staffing are always difficult. There was a large reduction last year. Remaining positions are services that are required, important and essential. The goal was to have a year without reductions. As you know there is a 2% general fund lapse every year. Departments were asked if they could come back with a 4% lapse for this year. With a 4% lapse, there would be no reductions needed in the General Fund. All departments indicated they would be able to do that. Therefore the proposed budget is not much different than the one adopted last year. You will still see reductions. The District Attorney’s office had one-time funds last year to preserve the Medical Examiner function, district attorney and office positions. We were able to preserve the Medical Examiner function in the coming year’s budget, however not the other positions that had been funded with one-time funds.

Our Information Services is also seeing reductions. There were three staff positions reduced this current fiscal year and there will be two or three more positions reduced next fiscal year. Those
changes are not General Fund reductions but the result of closing down services.

The Sheriff’s Office Department was also looking at reductions including Forest Patrol, Search and Rescue and Deputy positions. However, the recommendation to the Committee and to the Board is that they allocate $1.2M of the Secure Rural Schools in addition to other funds so these positions will not be lost. That will get them back to 24-7 patrol coverage because they will not be restricted by conditions of the special funding.

There is a levy on the ballot in May. That could serve as a first step if approved. The budget before you assumes no additional funds. The hope is that Public Safety will find permanent solutions, can be funded in a stable way. The budget process this year, though not as difficult as last year, will still involve difficult decisions.

Wilde asked about the lapse. Richardson explained that lapse means that a department takes 2% of total budget, saves it and uses that figure as a starting point for next year’s budget. Moody added that this is also referred as Vacancy Rate. It is assumed a department is not going to spend 100% of its budget.

Wilde asked which departments will be affected by the levy and Richardson answered that the levy funds will go to the Sheriff’s Office and to Youth Services in the division of Health and Human Services.

IV. BUDGET OVERVIEW
Christine Moody presented with a Power Point. (Slides are available online.)

Sorenson, Moody, and Richardson discussed the change of fund difference cause by the move of Parole & Probation out of the Sheriff’s Office.

Bozievich and Moody addressed the PERS rate changes.

Leiken, Sorenson, and Moody discussed Timber funding and Property Tax Growth.

Sorenson and Moody talked about Workers Compensation and Health Care cost.

Farr and Moody referred to discussion of revenues during Budget Committee and Lapse.

V. PROPERTY TAX OVERVIEW
Roxanne Gillespie, Chief Deputy Assessor stated her presentation on Property Tax will give an overview on 2012 Tax Roll, Property Values, Levy amounts, Collections and Foreclosures, Legislation and potential issues. (Copy online)

Leiken and Gillespie reviewed the difference between larger industrial and small industrial land taxes.

Leiken and Gillespie discussed the U of O and LCC tax rolls and the fact that they are state-owned and are exempt unless they lease to another party.

Reichenberger and Gillespie conversed in regards to the ProVal database and software system.

Wilde spoke with Gillespie concerning passage of Senate Bill 1529.
VI. ROAD FUND OVERVIEW
Tanya Heaton, Public Works Budget Manager, presented the Road Fund Overview. (Copy online).

Leiken and Heaton reviewed the overall value of roads and bridges in Lane County.

Wilde, Heaton, and Bozievich discussed who Public Works receives grants from.

Bozievich and Heaton reviewed transfers to the Sheriff’s Office.

Wilde thanked Heaton and Public Works for their stewardship during the years they were building up their reserves, which have helped more than one department.

VI. PUBLIC HEARING ON THE FY 2013-14 PROPOSED BUDGET
Chair Wilde reviewed the statement of respectfulness to be used.

Jennifer Snyder: Question: How can we get a copy of the presentations?

Moody replied that the webcasts and materials will be online at the County site the next morning.

Snyder testified about Adult Foster Care and inquired on why they are having a cut in pay.

Wilde indicated that the committee will ask the Health and Services Director to answer that question at the May 16th meeting.

Deb Friske: Expressed happiness that cuts are not as serious as first thought. She is concerned about the jail cut from November of last year and she hopes the property tax levy passes. She also indicated that with the possible cuts to DA Office they couldn’t afford to prosecute 30% felonies and she thinks there should be more public input into what cases should be prosecuted.

Wilde closed the public hearing and asked the other committee members if they had any questions.

Sorenson asked about the May 23rd meeting and whether it was still “only if needed”.

Moody indicated that it will definitely occur.

Members Bozievich, Vloedman, Farr passed on any additional questions; and Farr indicated that Heaton’s presentation was very well done. Members Leiken, Reichenberger, Stewart and Hijmans also passed on any further questions.

VII. ADJOURN
Wilde thanked the Budget Committee members for their time and service. The meeting was adjourned at 7:48 p.m.