

PASSED

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION & ORDER) IN THE MATTER OF BUDGET
08-1-2-15) DIRECTION FOR FY 08-09

WHEREAS, the Lane County Strategic Plan, adopted March 14, 2001, identified Service Priority Guidelines (Sec. B3) which established funding priorities for the County, and

WHEREAS, the County's General Fund financial forecast and the current needs of the community have changed significantly since 2001, and

WHEREAS, the Board of Commissioners launched the 2007 Listening Tour to obtain citizen input from all corners of the County and followed the Tour with telephone polling and citizen focus groups, and

WHEREAS, the Board of Commissioners met on December 17th, 2007 with the Budget Committee and the County's Department Directors to consider the status of renewal of the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) and the financial forecast for the County's General Fund;

WHEREAS, the Board of Commissioners recognize the need to proactively plan for a Lane County without the Federal forest payments, and

WHEREAS, the Board of Commissioners deliberated, and weighed the needs of the community with available resources and applicable policies, before determining the County's Service Priority Guidelines should be revised and multiple budgets should be proposed;

NOW IT IS THEREFORE RESOLVED AND ORDERED that the Lane County Board of Commissioners directs that the attached Service Priority Guidelines be used for the FY 08-09 Budget (Attachment A); it is further

RESOLVED AND ORDERED that the County Administrator be directed to develop the following proposed budgets for consideration by the Budget Committee:

Renewal Budget Option: This option assumes passage of the Wyden/DeFazio plan for renewal of SRS. This proposed budget requires no service reductions in FY 08-09, requires service reductions in each of the subsequent four fiscal years. (Attachment B)

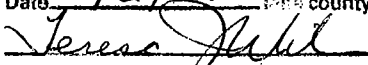
Step-Down Budget Option: This option assumes passage of the Wyden/DeFazio plan for renewal of SRS. This proposed budget include General Fund service reductions in FY 08-09 of \$4.5 million to provide a few years of service level stability before final reductions in FY 11-12 and FY 12-13. (Attachment C)

No Renewal Budget Option: This option assumes Secure Rural Schools is not renewed and reflects service reductions of \$18.1 million in FY 08-09. (Attachment D)

DATED this 2nd day of January, 2008.



Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 1/2/08 Lane County


OFFICE OF LEGAL COUNSEL

Lane County Service Priority Guidelines

- 1) Revenue Generating or Cost/Risk Avoiding**
- 2) Emergency Health and Safety Response (life and death)**
- 3) Minimal Level State and Federal Mandates**
- 4) Board Budget & Service Goals**
- 5) Prevention and Youth**
- 6) Corrections/Deterrence (law enforcement related) and Treatment**
- 7) Assistance for Vulnerable People and Persons in Need**

**LANE COUNTY, OREGON
FIVE-YEAR GENERAL FUND FORECAST**

**Attachment B
Renewal Budget Option**

Sec. Nur. Sch. 6-Yr Guar. SRS 1-Yr Ext

| | 27,616,174 | 28,783,509 | 30,761,198 | 33,271,680 | 34,602,547 | 35,986,649 | 37,426,115 | |
|--|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|---|
| RESOURCES | | | | | | | | |
| 1 Taxes & Assessments | 27,616,174 | 28,783,509 | 30,761,198 | 33,271,680 | 34,602,547 | 35,986,649 | 37,426,115 | Assume Wyden/Defazio Step-Down |
| 2 Licenses & Permits | 2,637,340 | 2,755,409 | 594,402 | 618,120 | 630,482 | 643,092 | 655,954 | Plan: 90%, 80%, 70%, 40%, 0% Funding |
| 3 Fines, Forf. & Penalties | 3,261,163 | 693,553 | 597,285 | 604,005 | 607,025 | 610,060 | 613,110 | 4.00% Car & Prop Up, PY Taxes Down |
| 4 Property & Rentals | 1,216,916 | 1,272,971 | 1,304,795 | 1,351,651 | 1,409,284 | 1,437,470 | 1,473,470 | 2.00% Conc. Weap; Cable Fran. |
| 5 Federal Revenues | 25,308,850 | 22,493,119 | 23,233,052 | 19,909,127 | 18,233,796 | 13,000,334 | 5,965,829 | 0.50% Flat Traffic Team activity |
| 6 State Grant Revenues | 10,009,567 | 6,153,789 | 6,138,789 | 6,320,405 | 6,415,211 | 6,511,439 | 6,609,111 | 2.00% Parking & Misc. Rentals |
| 7 Other State Revenues | 5,013,070 | 4,400,648 | 4,272,954 | 4,317,480 | 4,339,067 | 4,360,763 | 4,382,567 | O&C and T2/T3 cut same % |
| 8 Local Revenues | 2,717,911 | 1,317,741 | 1,350,585 | 1,421,675 | 1,457,217 | 1,493,647 | 1,530,988 | 1.50% CCA & Title XIX |
| 9 Fees & Charges | 6,935,569 | 5,919,400 | 3,194,979 | 3,195,000 | 3,195,000 | 3,195,000 | 3,195,000 | 0.50% Declining Cig; Flat Liquor Tax |
| 10 Administrative Charges | 9,683,237 | 10,070,643 | 10,545,759 | 11,406,720 | 11,862,989 | 12,337,508 | 12,831,009 | 2.50% Jail beds & Crews; Sp elect. |
| 11 Interest Earnings | 562,687 | 785,677 | 736,182 | 750,979 | 769,754 | 788,998 | 808,722 | 0.00% Record. fees \$2.2 M declining |
| 12 Fiscal Transactions | 15,860,507 | 14,494,602 | 13,537,442 | 14,876,727 | 11,325,010 | 11,289,236 | 10,912,701 | 4.00% Countywide and Departmental |
| 13 TOTAL RESOURCES | 110,822,991 | 99,141,061 | 96,267,522 | 98,046,478 | 94,819,749 | 91,626,011 | 86,368,576 | 1.90% Growth to match PY Actuals |
| | | | | | | | | -3.36% Includes \$1.2 M TT Redfire |
| | | | | | | | | -1.9% W/O Fiscal Txn; 2.2% With FT |
| EXPENDITURES | | | | | | | | |
| 14 Permanent Wage Costs | 38,282,411 | 34,833,566 | 32,282,953 | 36,691,505 | 37,080,906 | 34,357,551 | 31,756,621 | 3.64% 2% COLA, Merits, BGU Agrmts |
| 15 Extra Help | 990,444 | 902,453 | 914,703 | 933,089 | 921,530 | 837,262 | 761,488 | 1.00% within dept. control |
| 16 Employee Benefits | 21,540,037 | 22,026,052 | 20,288,457 | 24,738,595 | 25,357,875 | 24,591,137 | 23,886,595 | 3.37% 10% Hth, PERS up-flattening 11/12 |
| 17 Risk Management Benefits | 239,779 | 193,769 | 230,261 | 239,564 | 238,737 | 217,649 | 197,828 | 2.00% Inflation |
| 18 Pers. Svcs Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 19 Personnel Services Total | 61,052,671 | 57,955,840 | 53,716,373 | 62,602,752 | 63,599,048 | 60,003,599 | 56,602,532 | 0.34% Avg Growth w/Reductions |
| 20 Total FTE | 726.00 | 650.17 | 639.09 | 587.15 | 553.77 | 523.13 | 485.13 | 3.62% Inflation + fixed cost growth |
| 21 Materials & Services | 27,438,601 | 21,135,772 | 19,355,463 | 21,093,722 | 21,734,040 | 21,871,294 | 22,077,484 | 0.00% 1-time expenses |
| 22 Capital Outlay | 172,113 | 174,573 | 8,440 | 0 | 0 | 0 | 0 | 0.00% Public Health Bldg Debt Svc |
| 23 Capital Projects-Pub Hlth Bldg | 0 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | -1.41% HHS, Debt Svc, Pub Hlth Bldg |
| 24 Fund Transfers | 7,913,359 | 6,440,811 | 7,351,867 | 5,934,526 | 6,088,904 | 6,247,913 | 6,411,693 | 10.00% Operational Reserve |
| 25 Reserves & Contingencies | 0 | 0 | 10,864,763 | 8,316,975 | 8,349,474 | 8,033,677 | 7,545,588 | 0.33% Avg Growth w/Reductions |
| 26 TOTAL EXPENDITURES | 96,576,744 | 87,206,996 | 92,796,906 | 99,447,975 | 101,271,466 | 97,656,483 | 94,137,297 | (\$21.6) M. Cum. Reductions |
| 27 Reductions to Balance | 0 | 0 | 0 | (1,401,496) | (6,451,717) | (6,030,472) | (7,768,721) | (109.87 FTE) Cum. Reduction |
| 28 Additional Reduction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Total After Reductions Applied |
| 29 Estimated FTE Cut | 0.00 | 0.00 | 0.00 | (7.85) | (33.38) | (30.64) | (38.00) | |
| 30 ADJUSTED TOTAL EXPENSE | 96,576,744 | 87,206,996 | 92,796,906 | 98,046,478 | 94,819,749 | 91,626,011 | 86,368,576 | |
| 31 Less Lapse Requirement | 0 | 0 | 0 | 1,645,900 | 1,577,627 | 1,516,888 | 1,418,226 | |
| 32 Less Reserves/Contingencies | 0 | 0 | 10,864,763 | 8,316,975 | 8,349,474 | 8,033,677 | 7,545,588 | |
| 33 Less Additional Lapse | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 34 YEAR-END EXPENSE | 96,576,744 | 87,206,996 | 81,932,143 | 88,083,604 | 84,892,648 | 82,075,445 | 77,404,762 | |
| 35 Minimum Lapse | 1,896,952 | 1,633,265 | 2,270,615 | 1,645,900 | 1,577,627 | 1,516,888 | 1,418,226 | |
| 36 Reserves & Contingencies | 8,427,804 | 8,249,033 | 10,864,763 | 8,316,975 | 8,349,474 | 8,033,677 | 7,545,588 | 3.00% for FY07-08; 2% thereafter |
| 37 Additional Lapse | 3,921,491 | 2,051,767 | 1,200,001 | 0 | (0) | 0 | 0 | |
| 38 ENDING FUND BALANCE | 14,246,247 | 11,934,065 | 14,335,378 | 9,962,875 | 9,927,101 | 9,550,566 | 8,963,813 | Additional Cash to Carry Forward |
| 39 Percent of Oper. Revenue | 12.9% | 12.0% | 14.9% | 10.2% | 10.5% | 10.4% | 10.4% | |
| 40 Year-End Fund Balance Percentage | | | | | | | | |

**LANE COUNTY, OREGON
FIVE-YEAR GENERAL FUND FORECAST**

**Attachment D
No Renewal Budget Option**

Sec. Rur. Sch. 6-Yr Guar. SRS 1-17Ext

| | | | | | | | | | |
|----|--------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| 1 | Taxes & Assessments | 27,616,174 | 28,783,509 | 30,761,198 | 33,271,680 | 34,802,547 | 35,986,649 | 37,426,115 | Secure Rural Schools is not Reviewed by Congress and Act Expires |
| 2 | Licenses & Permits | 2,637,340 | 2,755,409 | 594,402 | 618,120 | 630,482 | 643,092 | 655,954 | 4.00% Car & Prop Up; PY Taxes Down |
| 3 | Fines, Forf. & Penalties | 3,261,163 | 693,553 | 597,285 | 604,005 | 607,025 | 610,060 | 613,110 | 2.00% Conc. Weap; Cable Fran. |
| 4 | Property & Rentals | 1,216,916 | 1,272,971 | 1,304,795 | 1,354,560 | 1,381,651 | 1,409,284 | 1,437,470 | 0.50% Flat Traffic Team activity |
| 5 | Federal Revenues | 25,308,850 | 22,493,119 | 23,233,052 | 5,630,243 | 5,658,394 | 5,686,686 | 5,715,120 | 2.00% Parking & Misc. Rentals |
| 6 | State Grant Revenues | 10,009,567 | 6,153,789 | 6,138,789 | 6,320,405 | 6,415,211 | 6,511,439 | 6,609,111 | O&C and T2/T3 zeroed out |
| 7 | Other State Revenues | 5,013,070 | 4,400,648 | 4,272,954 | 4,317,480 | 4,339,067 | 4,360,763 | 4,382,567 | 1.50% CCA & Title XIX |
| 8 | Local Revenues | 2,717,911 | 1,317,741 | 1,350,685 | 1,421,675 | 1,457,217 | 1,493,647 | 1,530,988 | 0.50% Declining Cig; Flat Liquor Tax |
| 9 | Fees & Charges | 6,935,569 | 5,919,400 | 3,194,979 | 3,195,000 | 3,195,000 | 3,195,000 | 3,195,000 | 2.50% Jail beds & Crews; Sp elect. |
| 10 | Administrative Charges | 9,683,237 | 10,070,643 | 10,545,759 | 11,406,720 | 11,862,989 | 12,337,508 | 12,831,009 | 0.00% Record. fees \$2.2 M declining |
| 11 | Interest Earnings | 562,687 | 785,677 | 736,182 | 750,979 | 769,754 | 788,998 | 808,722 | 4.00% Countywide and Departmental |
| 12 | Fiscal Transactions | 15,960,507 | 14,494,602 | 13,537,442 | 18,069,624 | 17,068,066 | 15,193,981 | 12,820,941 | 1.90% Growth to match PY Actuals |
| 13 | TOTAL RESOURCES | 110,822,991 | 99,141,061 | 96,267,522 | 86,960,491 | 87,987,404 | 88,217,107 | 88,026,106 | -0.21% Adds \$1.2 M. Traf. Tm Redirect |
| 14 | EXPENDITURES | | | | | | | | -1.5% W/O Fiscal Txn; 2.2% With FT |
| 15 | Permanent Wage Costs | 38,282,411 | 34,833,566 | 32,282,953 | 25,637,136 | 26,483,161 | 27,224,690 | 27,899,862 | 3.64% 2% COLA, Merits, BGU Agmris |
| 16 | Extra Help | 990,444 | 902,453 | 914,703 | 642,784 | 649,212 | 655,704 | 662,261 | 1.00% within dept. control |
| 17 | Employee Benefits | 21,540,037 | 22,026,052 | 20,288,457 | 19,390,275 | 20,623,601 | 21,645,823 | 22,796,389 | 2.47% 10% Hth. PERS up-flattening 11/12 |
| 18 | Risk Management Benefits | 239,779 | 193,769 | 230,261 | 167,067 | 170,409 | 173,817 | 177,293 | 2.00% Inflation |
| 19 | Pers. Svcs Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 20 | Personnel Services Total | 61,052,671 | 57,955,840 | 53,716,373 | 45,837,262 | 47,926,382 | 49,700,033 | 51,535,805 | -1.13% Avg Growth w/Reductions |
| 21 | Total FTE | 726.00 | 650.17 | | 497.52 | 497.52 | 497.52 | 495.26 | |
| 22 | Materials & Services | 27,438,601 | 21,135,772 | 19,355,463 | 19,285,222 | 19,998,775 | 20,718,731 | 21,485,324 | 3.62% Inflation + fixed cost growth |
| 23 | Capital Outlay | 172,113 | 174,573 | 8,440 | 0 | 0 | 0 | 0 | 0.00% 1-time expenses |
| 24 | Capital Projects-Pub Hlth Bldg | 0 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 0.00% Public Health Bldg Debt Svc |
| 25 | Fund Transfers | 7,913,359 | 6,440,811 | 7,351,867 | 5,934,526 | 6,088,904 | 6,247,913 | 6,411,693 | -1.41% HHS, Debt Svc, Pub Hlth Bldg |
| 26 | Reserves & Contingencies | 0 | 0 | 10,864,763 | 6,889,087 | 7,091,934 | 7,302,313 | 7,520,517 | 10.00% Operational Reserve |
| 27 | TOTAL EXPENDITURES | 96,576,744 | 87,206,996 | 92,796,906 | 79,446,096 | 82,605,995 | 85,468,990 | 88,453,338 | -0.71% Avg Growth w/Reductions |
| 28 | Reductions to Balance | 0 | 0 | 0 | 0 | 0 | 0 | (427,231) | (\$18.5) M. Cum. Reductions |
| 29 | Additional Reduction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 30 | Estimated FTE Cut | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (2.26) | (99.74 FTE) Cum. Reduction |
| 31 | ADJUSTED TOTAL EXPENSE | 96,576,744 | 87,206,996 | 92,796,906 | 79,446,096 | 82,605,995 | 85,468,990 | 88,026,106 | Total After Reductions Applied |
| 32 | Less Lapse Requirement | 0 | 0 | 0 | 1,302,450 | 1,358,503 | 1,408,375 | 1,451,878 | |
| 33 | Less Reserves/Contingencies | 0 | 0 | 10,864,763 | 6,889,087 | 7,091,934 | 7,302,313 | 7,520,517 | |
| 34 | Less Additional Lapse | | | | | | | | |
| 35 | YEAR-END EXPENSE | 96,576,744 | 87,206,996 | 81,932,143 | 71,254,560 | 74,155,558 | 76,758,302 | 79,053,712 | |
| 36 | Minimum Lapse | 1,896,952 | 1,633,265 | 2,270,615 | 1,302,450 | 1,358,503 | 1,408,375 | 1,451,878 | 3.00% for FY07-08; 2% thereafter |
| 37 | Reserves & Contingencies | 8,427,804 | 8,249,033 | 10,864,763 | 6,889,087 | 7,091,934 | 7,302,313 | 7,520,517 | |
| 38 | Additional Lapse | 3,921,491 | 2,051,767 | 1,200,001 | 7,514,395 | 5,381,409 | 2,748,118 | 0 | Additional Cash to Carry Forward |
| 39 | ENDING FUND BALANCE | 14,246,247 | 11,934,065 | 14,335,378 | 15,705,931 | 13,831,846 | 11,458,806 | 8,972,395 | |
| 40 | Percent of Oper. Revenue | 12.9% | 12.0% | 14.9% | 18.1% | 15.7% | 13.0% | 10.2% | Year-End Fund Balance Percentage |