

Lane County Budget Committee Questions

May 1st, 2014 Responses

Information Services

- 1. Chair Rose Wilde: Why does IS have such a large reduction in materials and services and capital outlay? It seems many of the reductions are around equipment/purchases, which are cyclical so I expect some variation each year - is there any further reason?**

There are a few things happening here; such as follows,

- There is a large decrease in both Maintenance Agreements and Data Processing Services due to the close of the AIRS Division.
- We allocated more monies to Capital Outlay in fund 653 (Infrastructure Replacement) to cover the larger purchases such as servers and switches. These monies were previously allocated to more inexpensive servers which were purchased from DP Supplies. This is difficult to see in the Department Requirements Summary because we have an overall decrease in Capital Outlay which is also due to AIRS closing.
- One additional point to note... when we bring in our Fund Balance Carryover in Supplemental 1 or 2 we generally allocate a portion of those monies to DP Supplies and Department Materials in NSS and CSS to cover technology purchases under \$5K for Regional (NSS) and Lane County (CSS) shared services. That would explain the difference between FY13-14 Current Budget and FY14-15 Proposed. We do budget carryover, however, it is impossible to know exactly how much will be carried over at the end of each fiscal year.

Youth Services – Health & Human Services

- 1. Chair Rose Wilde: How is DYS responding to the ongoing issue of disproportionality by race/ethnicity within the juvenile justice system?**

Youth Services is finishing up a 4 year grant addressing disproportionality. We have engaged our communities of color, have had numerous trainings related to cultural competency, we have implemented tools that allow us to use more objective criteria related to whether to detain (Risk Assessment Instrument) and what array of services to provide, including frequency of contact, use of community service and other sanctions (Program Services Matrix). We have examined data related to disproportionality at the decision points that are under YS control (probation violations and warrants) and have shared this data individually and collectively with our juvenile counselors, who are currently brainstorming how to impact the disproportionality in these numbers, and we are providing data to the District Attorney assigned to juvenile and the juvenile court judge related to their decision points. We have begun looking at data on how youth move through the Detention level system as it relates to disproportionality. Finally, we will have an additional training related to Native American issues by end of summer. We

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are evolving our DMC efforts into a Youth Services ongoing Equity focus and commitment, and have just completed an initial round of staff conversations around equity, power and privilege facilitated by the YS Manager, Assistant YS Manager and our Mental Health Specialist. A second round is planned for fall.

2. How does the retirement of the juvenile justice bond affect tax payer bills? Will this result in any lost funding to DYS for operations?

The juvenile justice center general obligation bond has resulted in a tax bill of between 10-12 cents per thousand assessed value annually during the repayment period. The retirement of the bond may result in a decrease on taxpayer bills depending on the assessed value of their home and any other bond/ levy passed by voters in a given year.

The general obligation bond was used to pay for construction of the juvenile justice center only. There is no lost operation funding to Youth Services as a result of the bond's retirement.

Public Works

1. Chair Rose Wilde: Although Public Works also has a rather large reduction in requirements this year, the majority is explained by reduction in reserves. I recall seeing this projected in previous years. What are the risks associated with low reserves in public works? Do we expect major reductions in services beginning next year?

Also public works: What was the county's role in responding to the severe cold and ice events in December and February? Did we have the equipment available to respond to the dangerous road and other conditions?

Public Works Response:

What are the risks associated with low reserves in public works?

Reserves are used to facilitate cash flow, respond to emergencies and enable stewardship and planning. A reserve higher than the minimum required in the Financial Policies provides time to respond to economic factors, meet goals and minimizes the need for short term loans due to cash flow.

The Road Fund Prudent Person reserve is currently set at 15% for FY 14-15. This amount will likely decrease in the future when adjustments are needed to balance the Road Fund Budget.

The risks associated with low to minimum level reserves include cash flow needs, emergency response, decreased bond ratings and reduced ability to have matching funds for grants. There is a considerable increase in road and bridge construction, repair and preservation projects in the dry months of each year. These projects typically require larger expenses in May through September. In the future it will be important to

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have enough cash available to purchase the supplies needed prior to the work beginning and to be able to pay contractor progress payments through the construction season.

Do we expect major reductions in services beginning next year?

There is a \$10 million gap between annual revenue and annual expenses in the Road Fund Public Works Services model, excluding any transfer to the Sheriff's Office. In FY 14-15 this gap was reconciled by drawing down the reserves by \$12 million.

It will be necessary to address this gap which equals approximately 25% of annual expenses through increasing revenue, and/or decreasing expenses and/or reserves for FY 15-16. A combination of changes could be used to rebalance the Road Fund Budget in FY 15-16. It is unknown at this time the specific changes that will be prepared for the FY 15-16 budget. Public Works management and staff are working on revenue proposals that if approved would significantly reduce the amount of service reductions needed to balance the FY 15-16 budget.

What was the county's role in responding to the severe cold and ice events in December and February?

The December event centered on extreme cold for our region and involved road de-icing and sanding. The February event had freezing rain and snow. This event created more work and safety concerns with both roads and vegetation that was weighed down with freezing rain. Tree and vegetation trimming, removal and cleanup was extensive. The February event has been approved as a FEMA event.

Lane County Public Works tracks weather and road conditions as part of their daily operations. Both of these weather events were anticipated and crews and equipment were ready for the events. De-icer was applied early to assist with road conditions and crews were out sanding while most of us were sleeping. Road & Bridge Maintenance Services Division is well prepared for these events and sets up an emergency response call team to track all the calls coming in and the locations of events.

There are five zone shops and crews in Lane County that provide services for our roads and bridges. The crews are located in Eugene, Dexter, Cottage Grove, Veneta and Florence. When weather events occur the first priority is the safety of the road and crew schedules are modified to respond as needed. Both the December and February events had crews working round the clock to provide 24 hour service. The County's role is to first prepare and care for County roads and bridges.

Did we have the equipment available to respond to the dangerous road and other conditions?

Weather events are both predictable and unpredictable at the same time. It is normal for the Lane County area to get one or two weather events between December and March of each year. The unknown is when the event will occur and what type of event it will be. Will it include heavy rain and flooding, high wind, freezing rain, sleet and or snow?

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For these reasons our Road and Bridge Maintenance Division Manager orders sanding rock in the spring and has the sanding sheds filled and ready to go by November 1st of each year. Sanding Rock is a specialty item that needs to be small and clean when it is delivered and stored in covered three sided sand shed to minimize moisture and freezing opportunities. It must be ready to go all winter and easy to spread. De-icer is also ordered well ahead of the cold season and stored in each zone. We have a fleet of vehicles and heavy equipment (mowers, plows, dump trucks etc.) that is continuously maintained and ready for use by our Fleet & General Services Division. Each of our crew and supervisor vehicles/trucks is equipped with a large tool box that carries small equipment and tools, such as chain saws, saws, picks, shovels, chains, etc. for emergency response.

Overall budget

1. Chair Rose Wilde: It seems the proposed budget maintains current service levels by decreasing reserves, in general. Why does the County Administrator/leadership suggest maintaining current service levels instead of beginning a glide path to realign our budget with anticipated future resources and reduce the impact of future larger cuts as soon as next year? Do we expect additional resources not currently in our projections (such as another Secure Rural Schools or other version of a federal payment?)? If so, which additional resources might we be tracking?

Budget direction for the FY 14-15 budget was set by Leadership Team (the Board of Commissioners and Department Directors) in January, 2014. The direction given was to maintain current service levels for as long as possible with the funds currently available to the County, while also meeting reserve requirements. Any currently known revenues are contained in the Proposed Budget. Please also see the attached memo from Alex Cuyler, our Intergovernmental Relations Manager, with regard to future legislation that may impact the County's budget.

Public Safety

1. Chair Rose Wilde: Why do public safety related services require an even high proportion of the general fund than last year? A jump from 59% to 68% seems rather large - how is this explained?

The change in the percentage is the result of the change in the amount/size of reserves. As shown on the pie chart on page 53 of the proposed budget document, all service areas are increasing as the reserve percentage decreases.

2. Also, will the Public Safety Levy assure the continued funding of the minimum of 255 jail beds without drawing larger and larger amounts from the General Fund each year? Generally speaking, does the levy raise enough money to cover the cost of the guaranteed 255 jail bed capacity without eroding other departments also reliant on the general fund?

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The Levy Fund and the General Fund work together to provide the promised 255 jail beds. In projections done prior to the levy, the anticipated decrease of discretionary general fund available in future years was part of the formula used when determining the required amount of the levy. There is no anticipated additional strain on other services reliant on general fund as a result of the levy.

Human Resources

1. How is the Human Resource department funded? It appears to be included in the county indirect model, but the chart on page 115 indicates 100% of the requirements are from the General Fund, so I'm confused- when our departments are funded by a variety of funds, and have HR needs, why would all of the requirements be from the General Fund? Perhaps I need a clarification on the meaning of requirements?

Human Resources is in the General Fund, but is funded through the indirect cost plan (shown as Administrative Charges revenue). While support services also use some discretionary general fund each year, that amount is then billed out through the cost plan in the subsequent year so that each fund is paying for the amount of service it receives from HR and all other support services (such as Board of Commissioners, County Admin, County Counsel, Finance, etc.).