

Lane County, Oregon

General Expense

Christine Moody,
Budget & Financial Planning Manager

Purpose & Overview

Consolidation of non-departmental mandated and essential payments and services that cannot be allocated to individual departments.

- Debt Service
- General Fund
- Risk & Benefits
- Special Services & Projects
- Title III
- Tourism

Debt Service

GOALS:

The County manages debt with an overall goal of minimizing debt service requirements while maintaining adequate capacity for capital projects. We also work to maintain the highest practical credit rating in order to issue future debt at an affordable rate.

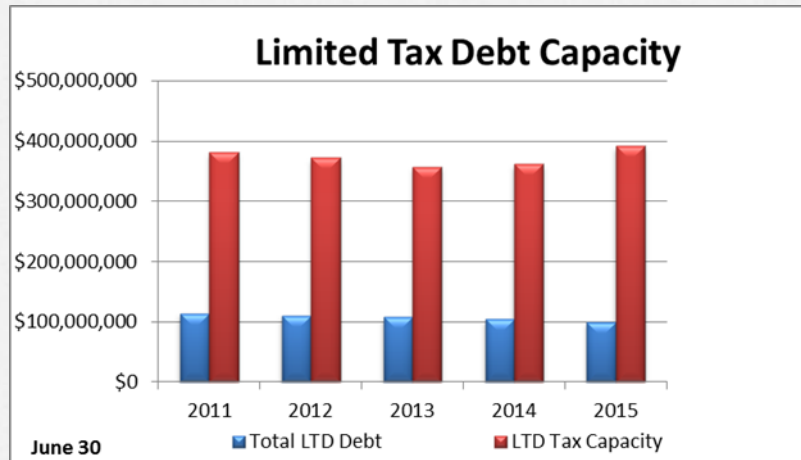
Debt Affordability Report prepared each year.

Available online at <http://www.lanecounty.org/finance>

Debt Service

County limited by ORS 287.053 to carry debt on limited tax full faith & credit bonds of no more than 1% of real market value on taxable property within the county.

County current has no General Obligation Bonds.



TOTAL OUTSTANDING Principal
as of 6/30/2016: \$83.7 million

FY 16-17 Debt Service
Payments: \$10.7 million

*Pension Bond makes up \$51.9
million of total principal and \$6.7
million of annual payment.*

Debt Service

Lane Manual 4.010(2)(a):

“To the extent feasible, one-time revenues will be used for one-time capital expenditures or projects and will not be used for recurring operating purposes.”

Proposed future Payoff of Debt using one-time funds from HHS:
\$4.4 million resulting in interest savings of approx \$1.2 million

**Page 69 of Budget Document provides additional detail on recent debt payoff.*

General Fund

- o Revenue & expenses required to meet Countywide operating requirements within the General Fund.
 - o REVENUE
 - o Property Tax Revenue
 - o Cigarette, Liquor, Car Rental and Amusement taxes
 - o Timber Payments from O&C Lands
 - o EXPENDITURES
 - o Debt Service transfers
 - o Legal ad expenses
 - o Association Dues – separate handout
 - o Metro TV, etc
 - o RESERVES – 10% minimum + Service Stabilization

General Fund

- o General Fund Reserve Policy
 - o 5% 'Emergency' and Cash Flow Reserve
 - o 5% Economic Stabilization Reserve
 - o Use of this reserve can be approved through budget process. Committee should consider trends:
 - o Revenue growth below 2.5% annually
 - o Unemployment rate in excess of 7%
 - o If used, should restore within two fiscal years.

Risk & Benefits

Risk Fund

- o Fund holds reserves for payment of both general liability and workers' compensation claim payments.
Actuary performed every 2 years
 - o \$4.3 million in FY 16-17
- o County purchases excess liability insurance due to increased Claims limits by the legislature.

Risk & Benefits

Benefits Fund

- o Health, Dental, PERS, Deferred Comp, all employer taxes.
- o Self-Funded Health Insurance
 - o Trending better than originally anticipated
 - o Employee Clinic & Wellness Initiatives
- o PERS Reserve – Decrease in employer rate in FY 13-14 following legislative changes, but County held rates higher for one year awaiting Supreme Court decision. Balance of \$2.28 million

Risk & Benefits

Retiree Benefit Fund

- o Retiree Medical insurance benefit reserve. Grandfathered benefit.
- o Currently charged as 3.5% payroll
- o County pays for employee only insurance until eligible for Medicare.
- o County pays Medicare.

Reserve is now decreasing each year as funds spent. Actuary performed every 2 years.

Special Services & Projects

Economic Development

- o Funded with Video Lottery from State of Oregon
 - o 50/50 split between general allocation program and economic development strategic investment projects.
 - o Moving towards infrastructure for strategic investment projects.

Courthouse Facility Security

- o Revenue from court fines, fees & assessments. Expenditures must develop or implement court security improvement.

Capital Projects

- o Juvenile Justice Center construction fund – contains balance of voter approved GO-bonds. Plans for improvements & repairs on the Youth Campus.

County School Funds

- o National Forest Svc & State Timber Harvest Payments. Transfer all funds to Lane Education Service District which then disburses to schools within Lane County.

Title III

- o Secure Rural Schools (SRS) federal funding for timber dependent counties in regions with substantial holdings of federal forests. Title III portion of this funding used exclusively for:
 - o Firewise Communities program - \$433k in FY 16-17
 - o Lane County has a grant program run through Land Management in Public Works. Encourages local solutions for wildfire safety.
 - o Search & Rescue and Dunes Patrol - \$385k in FY 16-17

SRS 2013 & 2014-15 funds remaining:

\$2.9 million. Firewise Project

SRS 2000: Approx \$650k for Search&Rescue/Dunes Patrol.

Transient Room Tax

- o Transient Room Tax
 - o Travel Lane County
 - o Capital Improvements (Lane Events Center)
 - o Lane County Historical Museum
 - o Rural Tourism Program
 - o Special Projects
 - o Parks

FY 16-17 projects conservative increase of 3%.

FY 16-17 Change

- o Proposed Budget contains a shift in funding:
 - o \$201,154 of Car Rental Tax is being decreased in Parks and moved to the General Fund to support debt payments.
 - o \$201,154 in Transient Room Tax is then being moved from Special Projects portion of Tourism to Parks.

RESULT – Additional General Fund revenue, Parks remains whole. Special Projects will be decreased with funds currently being dedicated to annual Track Town payment of \$70k through FY 19-20.