

# FY 21-22 PROPOSED BUDGET OVERVIEW



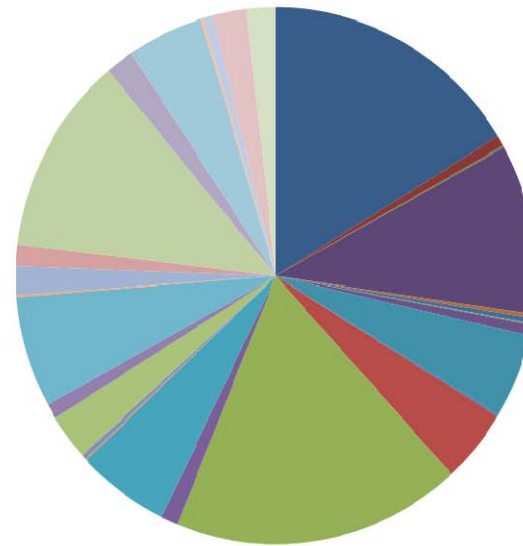
Christine Moody,  
Budget & Financial Planning Manager

# Total FY 21-22 Proposed Budget

\$767,757,739

13.6% decrease

- 33 Funds



- |                             |                              |                               |
|-----------------------------|------------------------------|-------------------------------|
| ■ General                   | ■ Parks & Open Spaces        | ■ Law Library                 |
| ■ Road                      | ■ Liquor Law Enforcement     | ■ Public Land Corners Preserv |
| ■ County School             | ■ Extension Services         | ■ County Clerk Records        |
| ■ Title III Project         | ■ Special Revenue            | ■ Animal Services             |
| ■ Industrial Revolving Fund | ■ Intergov. Human Svcs       | ■ Health & Human Services     |
| ■ Lane Care                 | ■ Local Option Tax Levy      | ■ Lane Events Ctr Debt Svc    |
| ■ Spe Oblig Bond Retire     | ■ Notes Payable Debt Service | ■ Capital Improvement         |
| ■ Lane Events Ctrt          | ■ Solid Waste Disposal       | ■ Corrections Commissary      |
| ■ Land Management           | ■ Self Insurance             | ■ Employee Benefits           |
| ■ Pension Bond              | ■ Motor & Equipment Pool     | ■ Intergovernmental Svcs      |
| ■ Technology Replacement    | ■ Technology Services        | ■ Retiree Benefit Trust       |



# FY 21-22 Proposed Budget by Fund

	FY 20-21 Curr Bdgt	FY 21-22 Adopted	Amount of Change	% of Change	% of Total Bdgt
General	128,523,921	125,051,111	(3,472,810)	-2.70%	16.29%
Special Revenue	437,682,538	358,615,743	(79,066,795)	-18.06%	46.71%
Debt Service	6,877,259	3,101,908	(3,775,351)	-54.90%	0.40%
Capital	31,956,755	20,893,124	(11,063,631)	-34.62%	2.72%
Enterprise	86,637,302	72,624,857	(14,012,445)	-16.17%	9.46%
Internal Services	182,579,724	173,601,100	(8,978,624)	-4.92%	22.61%
Fiduciary	14,023,881	13,869,896	(153,985)	-1.10%	1.81%
<b>TOTAL</b>	<b>\$888,281,380</b>	<b>\$767,757,739</b>	<b>(\$120,523,641)</b>	<b>-13.57%</b>	<b>100.00%</b>

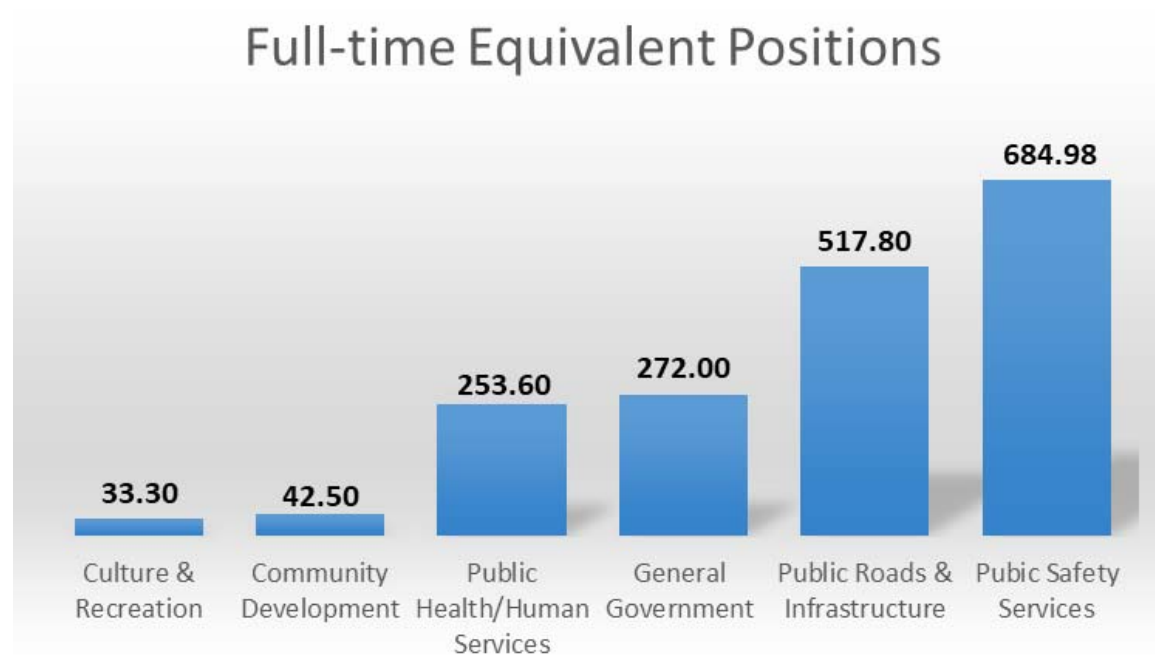
## Restricted v. Discretionary

General Fund contains \$90.2 million in discretionary funds  
11.75% of budget



# FY 21-22 Full-time Equivalents (FTE)

Total Proposed FTE: 1,804.18



Additional Information in Proposed Document:

*Total FTE: Page 381*

*FTE Additions in FY 21-22: Page 71*

*Classification Salary Ranges: Pages 403-412*



# Budget Basics

## **Revenue v. Resources**

Revenue: Property tax and non-property tax. Money received from funding source (state, federal, grants, taxes) or services provided (fees, licenses, fines, etc.).

Resources: Includes Revenue PLUS any money carried forward (reserve) and transfers.

## **Requirements v. Expenditures**

Expenditure: on-going costs required for operations including Personnel, Materials & Services, Capital Outlay, & Debt Service

Requirements: Includes Expenditures PLUS transfers, contingency/reserves, and unappropriated ending fund balance (UEFB).



# Budget Terms

**Appropriation:** Authorization for spending a specific amount of money for a specific purpose during a fiscal year.

**Personnel Services:** Expense for compensation of employees including salary, payroll taxes, retirement contributions and other benefits.

**Materials & Services:** Expense for operating costs and supplies, contracted and/or professional services, utilities, rent, training, repair parts, fuel, etc.

**Debt Service:** Expense for payment of principal and interest on debt.

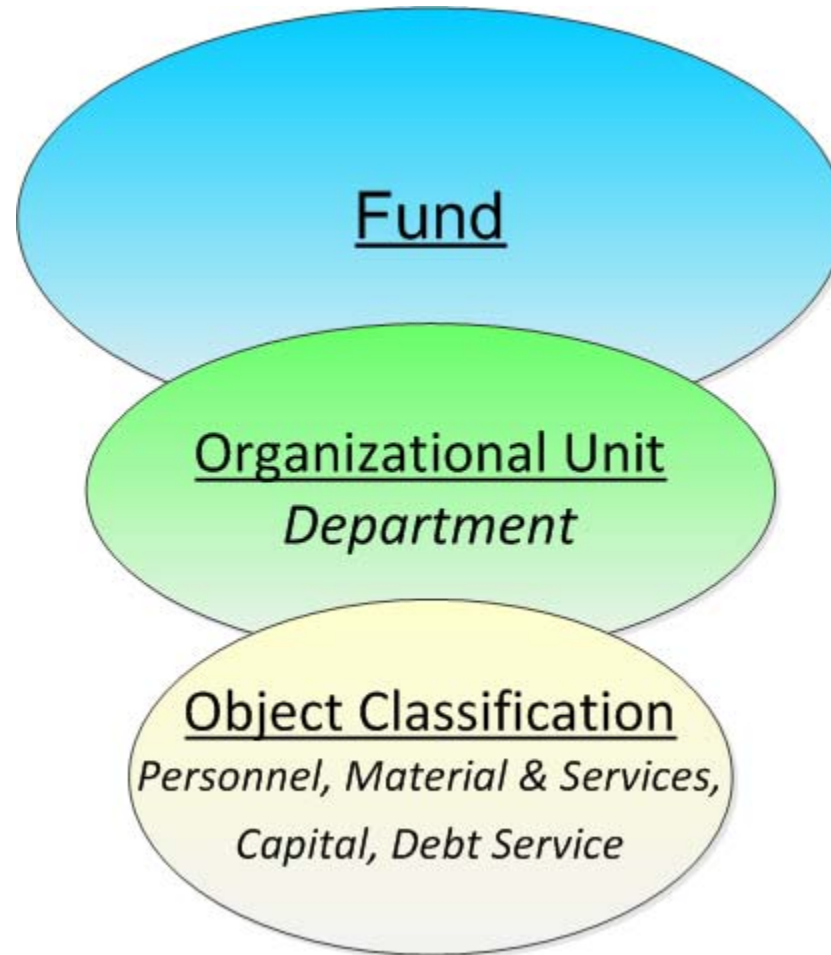
**Transfers:** Amount moved from one fund to finance activities in another fund. Shown as a requirement in original fund and a resource in the receiving fund.

**Contingency:** Amount appropriated in anticipation of expenditures that may become necessary which cannot be foreseen or planned in the fiscal year.

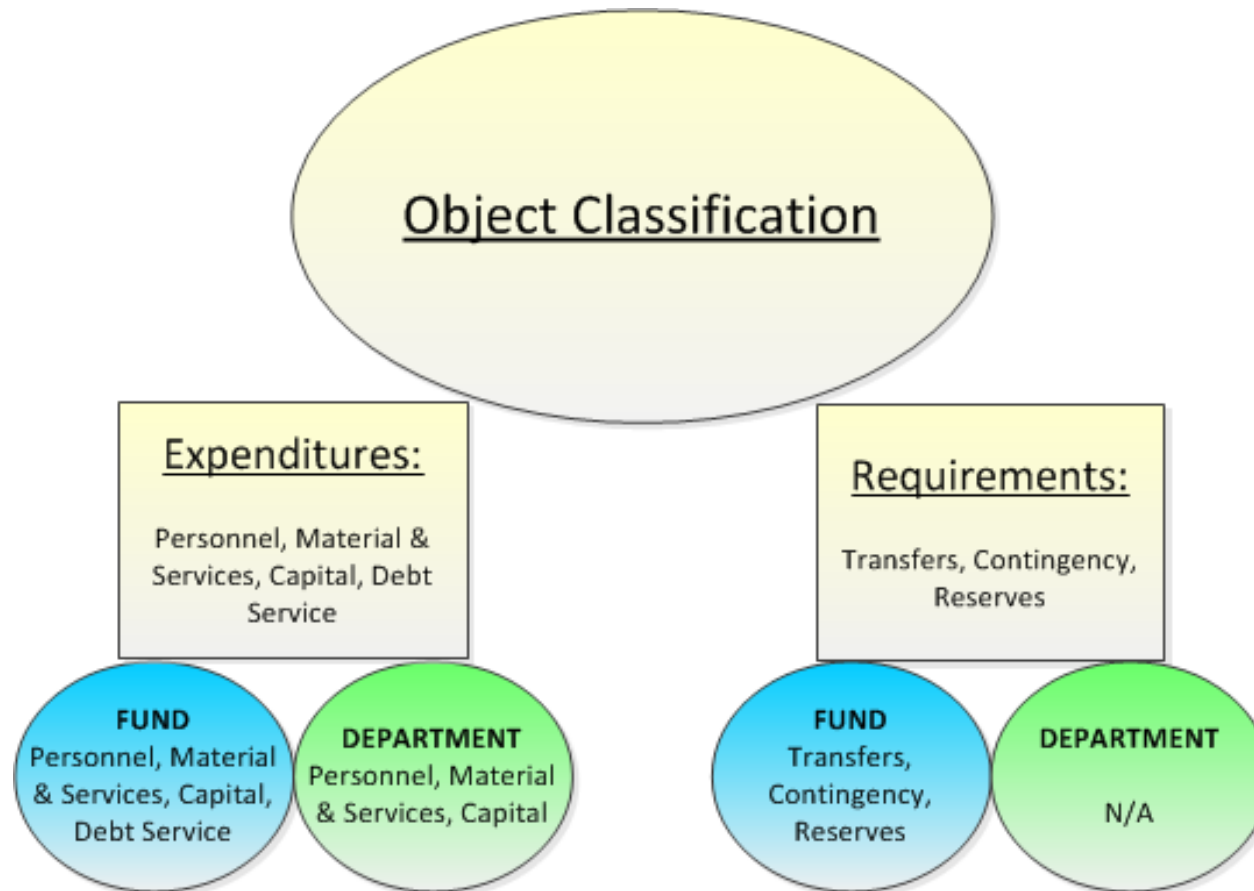
**Reserve:** Amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year.



# Budget Basics



# Budget Basics



Department Expenditures = Personnel, Material & Services and Capital





# Budget Basics

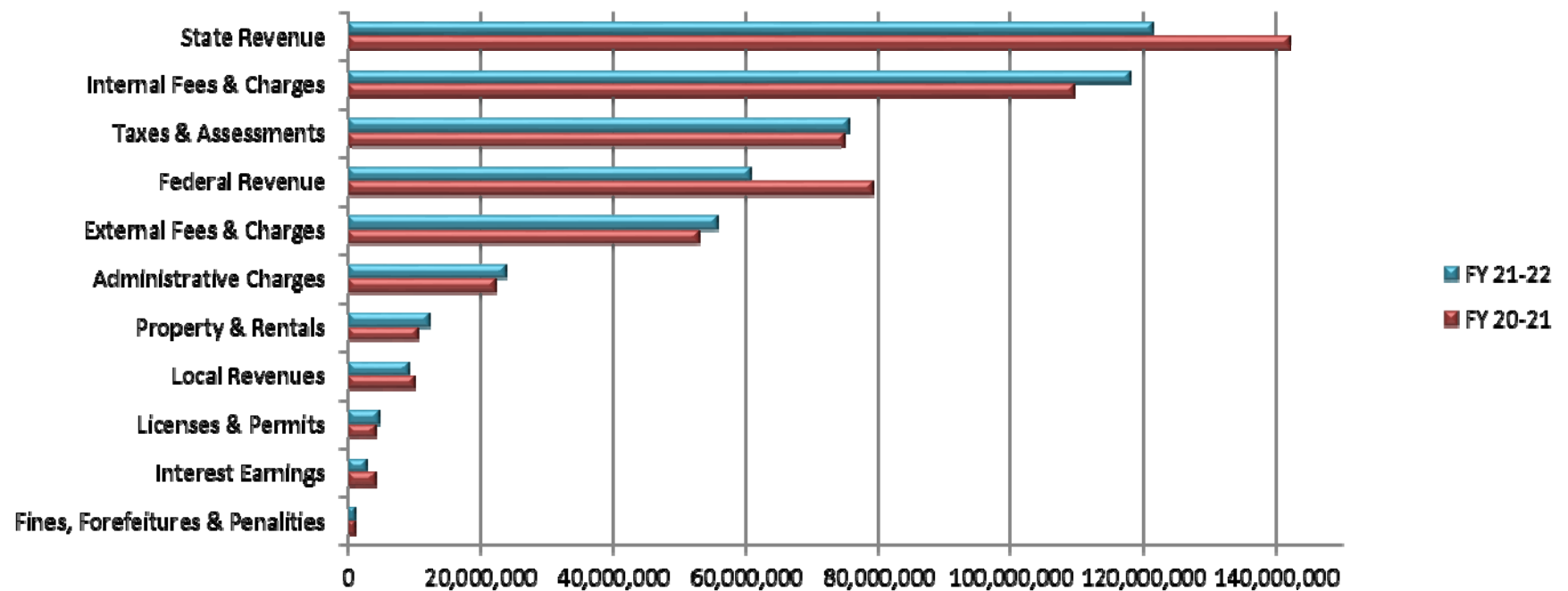
Balanced budget as required by Budget Law:  
**Resources = Requirements**

Structurally Balanced Budget:  
**Ongoing Revenue = Ongoing Expenditures**



# FY 21-22 Budget Details

**21-22 Revenue - \$486,017,841**



# FY 21-22 Other Resources

	FY 20-21	FY 21-22
Fund Balance	\$314,148,450	\$244,848,766
Transfers between Funds	\$45,538,513	\$29,980,734
IntraFund Transfers	\$16,417,496	\$6,800,397
InterFund Loan Receipt/Pymt	\$0	\$110,000

Additional Information in Proposed Document:

*Fund Balance: Page 88*

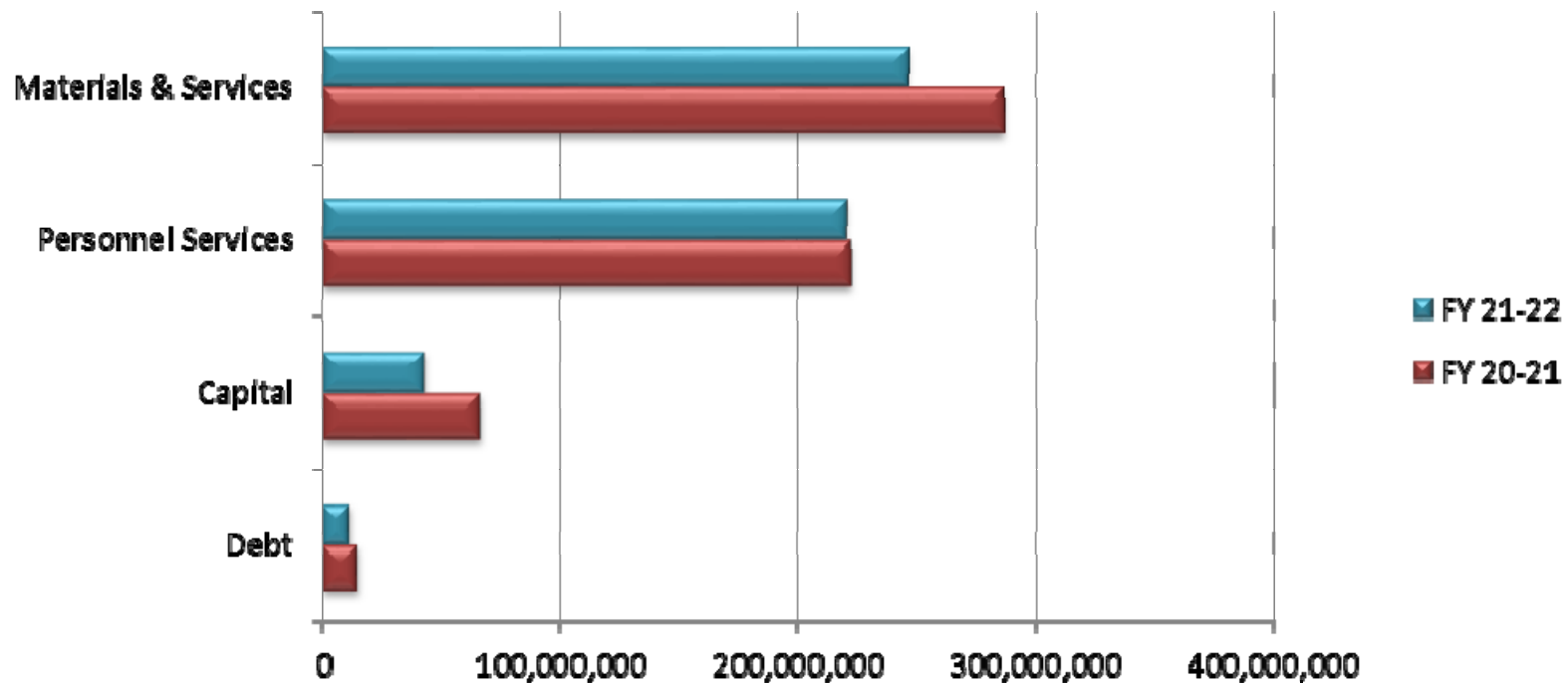
*Fund Transfers: Page 92*

*Interfund Loans: Page 91*



# FY 21-22 Budget Details

**21-22 Expenditures - \$519,884,963**



# FY 21-22 Other Requirements

	FY 20-21	FY 21-22
Transfers between Funds	\$45,538,513	\$29,980,734
Intrafund Transfers	\$16,417,496	\$6,800,397
Contingencies	\$40,832,018	\$28,108,898
Reserves	\$196,026,706	\$182,872,747
Interfund Loan Pymt	\$0	\$110,000

Additional Information in Proposed Document:

*Fund Transfers: Page 92*

*Contingency: Page 89*

*Interfund Loans: Page 91*

*Reserves: Page 93*



# FY 21-22 Reserves

## Why have them?

- *Cash Flow*
- *Requirement*
- *Bond rating*
- *Future equipment*
- *Service & Rev Stabilizer*
  - *Economy*
  - *Revenue fluctuations*
  - *Asset protection*

RESERVES BY FUND				
Name	FY 20-21 Cur Budget	FY 21-22 Proposed	\$ Chng from Curr	Restrictions on Use
124: General	\$ 29,104,307	\$ 26,239,381	\$ (2,864,926)	Lane Manual Chapter 4 Reserve Policy
216: Parks & Open Spaces	334,866	230,590	(104,276)	Transient Room Tax; Car Rental Tax
222: Law Library	422,814	422,218	(596)	ORS 357.203; State Court fees
225: Road	28,816,802	24,514,902	(4,301,900)	ORS 366.739&366.570; OR Constitution Art IX, Sec 3a
240: Public Land Corners Preserve	847,617	1,324,178	476,561	ORS 203.148
244: County Clerk Records	155,459	375,373	219,914	<b>ORS 205.365</b>
250: Title III Projects Fund	4,670,148	3,388,370	(1,281,778)	Secure Rural Schools Federal Law
260: Special Revenue	9,695,693	10,072,717	377,024	6 subfunds w/various federal, state & grant revenue
275: Industrial Revolving	15,559	15,700	141	<b>Only projects authorized by ORS 271.510 .540 .500</b>
283: Animal Services	67,139	64,530	(2,609)	Lane Manual Chapter 4 Reserve Policy
285: Intergov. Human Svcs	2,238,488	2,460,310	221,822	Federal, State & Local Grants
286: Health and Human Services	968,593	3,467,487	2,498,894	Federal, State & Local Grants
287: LaneCare	1,050,000	0	(1,050,000)	Fund being dissolved in FY 21-22
290: Local Option Tax Levy	19,826,289	17,446,699	(2,379,590)	Restricted by Voters
323: Lane Events Center Debt	106,181	0	(106,181)	Transient Room Tax
333: Special Obligation Bond	387,082	350,936	(36,146)	Reserved for future Debt Service Payments
435: Capital Improvement	3,312,304	0	(3,312,304)	Lane Manual 4.010(3)(e)
521: Lane Events Center	2,178,912	2,205,221	26,309	Transient Room Tax
530: Solid Waste Disposal	29,045,172	29,004,628	(40,544)	OAR Division 94.0140-94.0145
539: Corrections Commissary	638,179	667,703	29,524	Self-supporting service
570: Land Management	6,056,180	5,027,103	(1,029,077)	Title III and committed fees
612: Self Insurance	7,471,926	6,605,916	(866,010)	Self-insured reserves; ORS 294.343.
614: Employee Benefit	13,752,089	11,396,002	(2,356,087)	Lane Code 2.600; self-funded health reserve
615: Pension Bond Fund	4,024,130	4,979,693	955,563	Debt Service reserves for PERS Bond
619: Motor & Equipment Pool	19,292,496	20,183,855	891,359	ORS 294.343; Future equipment replacement
627: Intergovernmental Services	124,404	317,250	192,846	ORS 294.343
653: Technology Replacement	1,267,842	1,746,061	478,219	ORS 294.343; five year technology replace cycle
714: Retiree Benefit Trust	10,156,035	10,365,924	209,889	Lane Code 2.500(1)(2); legacy employee benefit
<b>TOTAL RESERVES</b>	<b>\$ 196,026,706</b>	<b>\$ 182,872,747</b>	<b>\$ (13,153,959)</b>	



# FY 20-21 Major Events

- COVID-19 Global Pandemic continued
  - ▣ Increased expenditures/decreased revenue
  - ▣ Funds received into budget to assist
  - ▣ Limited public contact -A&T, CHCs, Customer Svc Ctr
  - ▣ Adjustments within Public Safety/Corrections
  
- Holiday Farm Fire, September 2020
  - ▣ Multi-agency response
  - ▣ Responsibility for expenditure reimbursements
  - ▣ Housing and assisting homeowners



# Highlights of Budget Impacts

Increased public health expenses due to response to COVID-19 pandemic

Land Management workload increase – Holiday Farm Fire rebuilding

Environmental Health revenue decline – closures and decreased occupancy in restaurants/hotels

Road Fund, Parks, Lane Events Center, Community Health Centers – Decreasing revenue; reduction in reserves to continue operations

Implementing of new laws and regulations related to COVID-19 pandemic (employee & public)

Holiday Farm Fire September 2020 - Multiagency responses/expenses, providing shelter

Coordination of financial support - businesses, rent relief, Cares Act Funding

Staff added to provide services to public for COVID-19 pandemic & holiday farm fire

Loss of structural balance in several funds – ongoing expenditures exceeding ongoing revenue





# CARES Act

*The **Coronavirus Aid Relief, Economic Security Act** also known as the **CARES Act**, was \$2.2 trillion economic stimulus bill passed by the 116<sup>th</sup> United States Congress and signed into law by President Trump on March 27, 2020, in response to economic fallout of the COVID-19 pandemic in the United States.*

\$20 million to Lane County FY 19-20 & 20-21  
Business Loans/Grants, Stimulus Payments, Deferral  
of payments (mortgage, student loans) Rent Relief



# American Rescue Plan

*The **American Rescue Plan Act of 2021**, also called the **American Rescue Plan**, is a \$1.9 trillion economic stimulus bill passed by the 117<sup>th</sup> United States Congress and signed into law by President Biden on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.*

Direct payments to states, counties, cities  
Infrastructure funds  
Secure Rural Schools replacement



# American Rescue Plan

Lane County – Direct Payment \$74 million  
to be spent through 12/31/2024

**Specific allowable uses**  
**Auditing/reporting requirements**  
**One-time funds**  
**Unknown impacts of pandemic to come**

*Chance to recover from pandemic  
and  
create future stability*



# General Fund

## **General Operating Fund of the County**

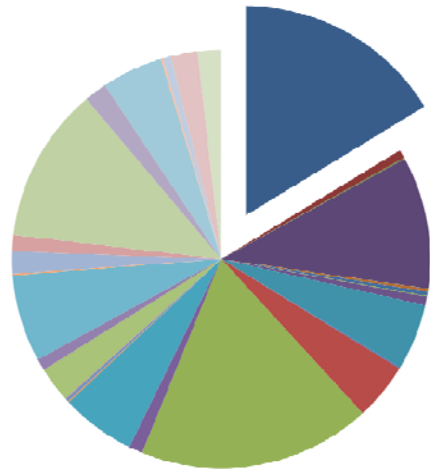
Services provided include:

Public Safety (Sheriff, District Attorney, Youth Services, Justice Courts), assessment & taxation, elections, public health, animal services, property management, finance, facilities, county administration and county counsel.

Between 30-35% of County FTE is paid for by the General Fund



# General Fund



■ General	■ Parks & Open Spaces	■ Law Library
■ Road	■ Liquor Law Enforcement	■ Public Land Corner Preserv
■ County School	■ Extension Services	■ County Clerk Records
■ Title III Project	■ Special Revenue	■ Animal Services
■ Industrial Revolving Fund	■ Intergov. Human Svcs	■ Health & Human Services
■ Lane Care	■ Local Option Tax Levy	■ Lane Events Ctr Debt Svc
■ Spe Oblig Bond Retire	■ Notes Payable Debt Service	■ Capital Improvement
■ Lane Events Ctr	■ Solid Waste Disposal	■ Corrections Commissary
■ Land Management	■ Self Insurance	■ Employee Benefits
■ Pension Bond	■ Motor & Equipment Pool	■ Intergovernmental Svcs
■ Technology Replacement	■ Technology Services	■ Retiree Benefit Trust

**\$125,051,111**

*2.7% decrease from FY 20-21*

**440.35 FTE**

*Increase of 5.5 FTE*

**Additional Information in Proposed Document:**

*General Fund Tab: Page 73*

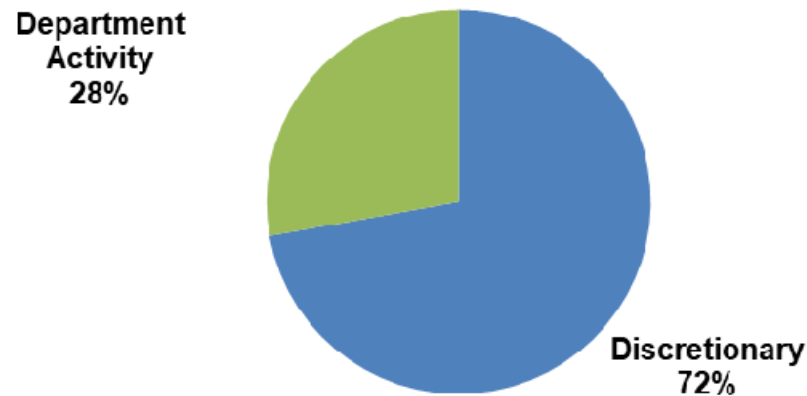
*Balancing Options: Page 70*

*Service Option Sheets*



# General Fund

## General Fund Resources - Discretionary v. Department Activity

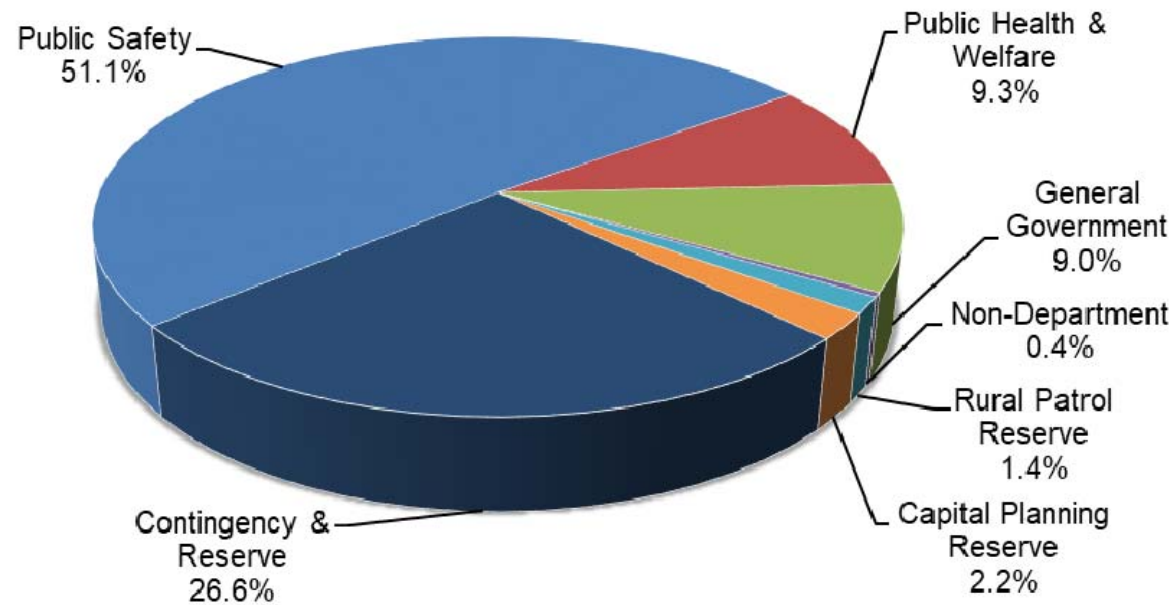


Discretionary General Fund = Revenue not dedicated for a specific purpose. Lane County accounts for Department Activity revenue separately.



# General Fund

## Discretionary General Fund FY 21-22 Allocation by Service Category

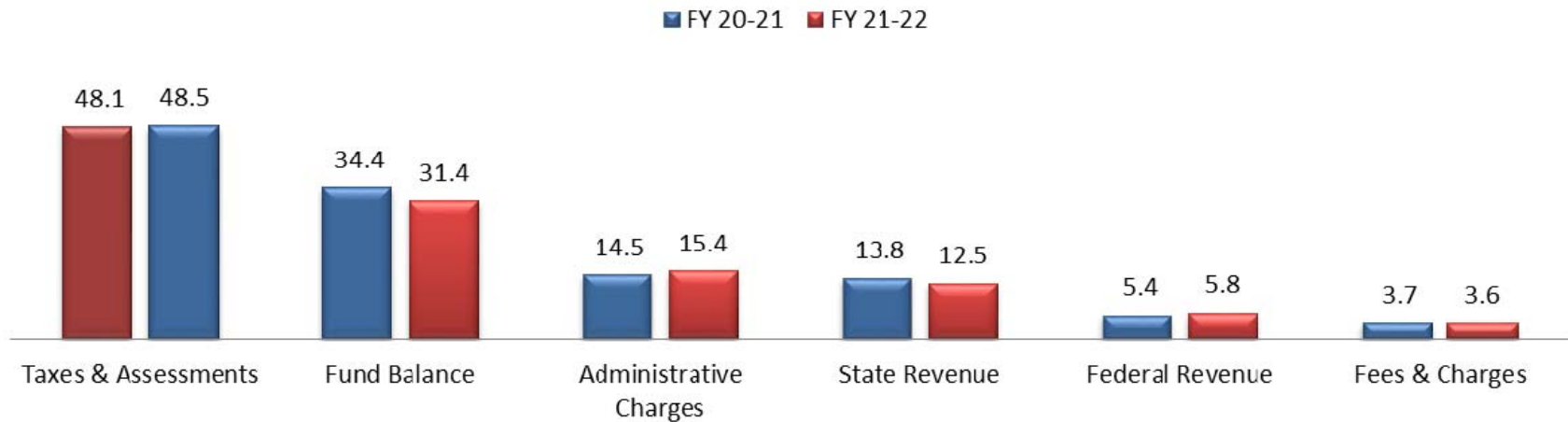


Additional Information in Proposed Document:  
*Discretionary General Fund: Page 74*



# General Fund

## General Fund Resources Comparison by Type (in millions)



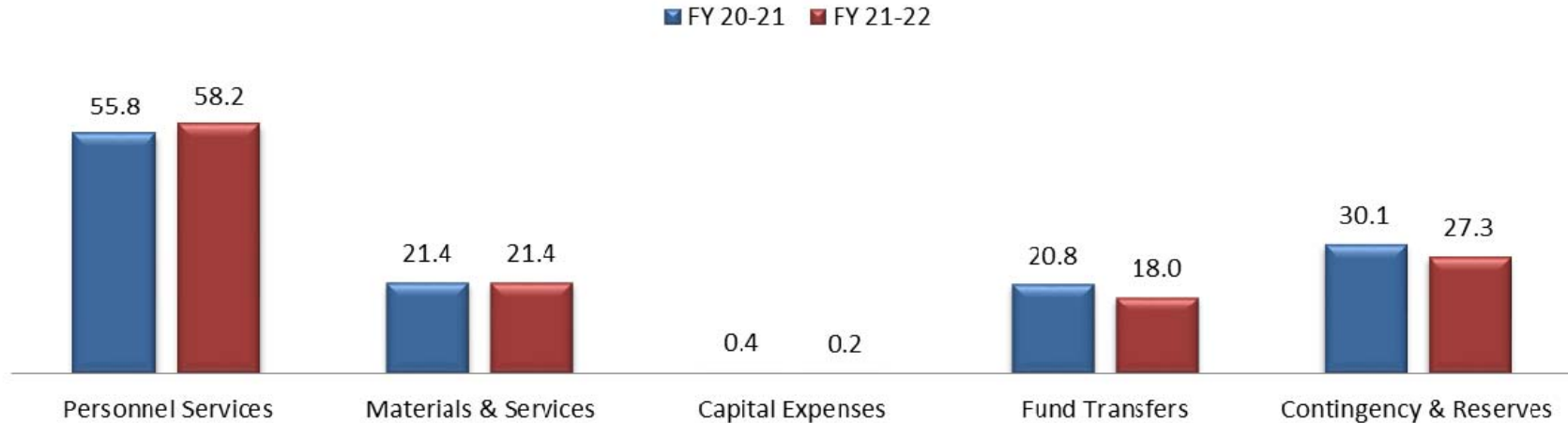
- Taxes & Assessments: Property Tax growth projected at 0%
- Federal Revenue: Timber Harvest receipts anticipated to increase
- State Revenue: CARES Act funding n FY 20-21
- Fund Balance: Spending of on one-time projects in FY 20-21





# General Fund

## General Fund Requirements Comparison by Type (in millions)

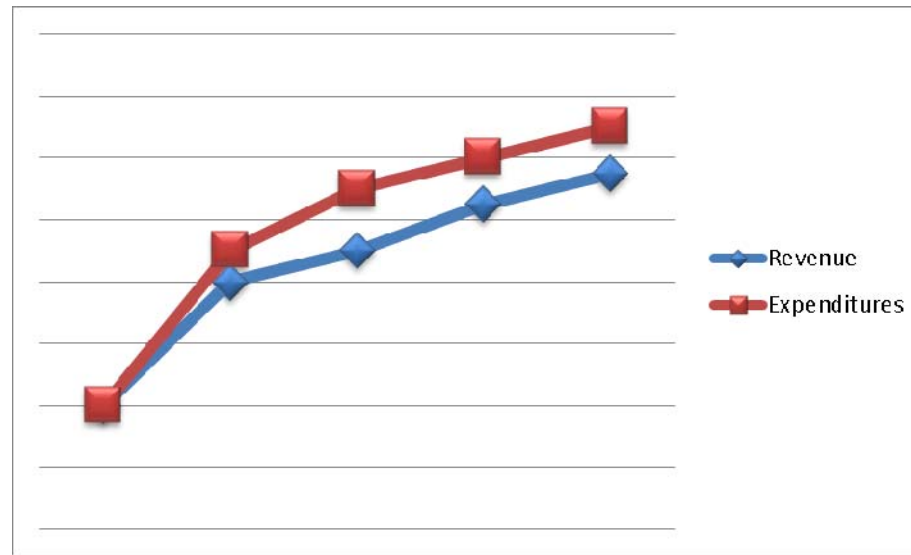


- Personnel Services: Market & cost of living increases; vacancy variance
- Materials & Services: 2.1% CPI plus one-time initiatives
- Contingency: Vacancy variance or other unanticipated expenditures
- Reserves: Decreasing due to spending on one-time projects; Meets 20% minimum reserve policy; future capital planning reserve



# General Fund Forecast

Operating Revenue Growth over next 5 years ~1.0 - 2.5% slower than Expenditure Growth.



**Ability to remain structurally balanced will depend on economic stability & expense to revenue growth.**





# Future Cautions

**Wages** = recent growth due to market and cost of living increases; projections for continued growth in future years – dependent upon number of employees

**PERS rate increases** = Lane County's PERS costs, excluding PERS Bond, will reach \$55.7 million per biennium (\$27.8 annually) by 29-31- a 52% increase compared to the 11-13 biennium.

**Service/community needs** = increasing needs for variety of services. Housing, mental health, fire recovery.

**Structural balance** = temptation to spent ARP or other funds in ways that increase future expenditures. Discipline required.





# Future Cautions

## Aging Capital Assets

In 2016, Lane County Performance Auditor found:

*“Lane County’s capital assets are aging in all categories analyzed, putting the County at risk for significant replacement or repairs costs or service disruptions.”*

Response: Increased focused on capital improvement planning, including creation of Countywide Capital Improvement Plan. FY 2021-2025 plan identifies \$77.3 million in known and funded projects – with millions more projects identified and in preplanning stage.

Additional Information:

Draft 2022-2026 CIP:

[www.lanecounty.org](http://www.lanecounty.org)

-> *Budget & Finance*

-> *Capital Projects*



# Foundational Strengths

## Strategic Plan

Strategic Priorities & Key Strategic Initiatives

## Strong financial policies & bond rating

Service stabilization reserve

Structurally balance of budget

Vacancy Variance budgeting

Planning for known expenses – for assets & otherwise

## Community Trust building

Public Safety Levy

## People & Partnerships

Diverse, highly skilled workforce with a deeply commitment to delivering services to Lane County residents.



# Questions?

[www.lanecounty.org/budget](http://www.lanecounty.org/budget)

