

# FY 22-23 PROPOSED BUDGET OVERVIEW

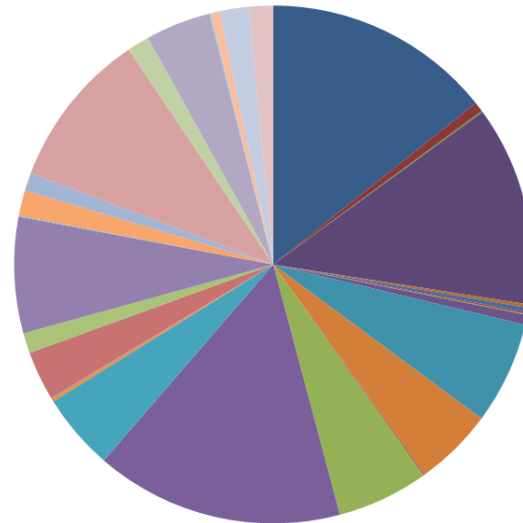


Christine Moody,  
Budget & Financial Planning Manager

# Total FY 22-23 Proposed Budget

\$974,884,757  
7.32% decrease

- 32 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          | ■ American Rescue Plan   | ■ Special Revenue             |
| ■ Industrial Revolving Fund  | ■ Animal Services        | ■ Intergov. Human Svcs        |
| ■ Health & Human Services    | ■ Local Option Tax Levy  | ■ 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 22-23 Proposed Budget by Fund

## CHANGE IN TOTALS BY FUND TYPE

	FY 21-22 Curr Bdgt	FY 22-23 Proposed	Amount of Change	% of Change	% of Total Bdgt
General	136,511,365	139,287,011	2,775,646	2.03%	14.29%
Special Revenue	593,517,218	505,513,918	(88,003,300)	-14.83%	51.85%
Debt Service	6,118,112	2,366,042	(3,752,070)	-61.33%	0.24%
Capital	33,481,616	29,992,844	(3,488,772)	-10.42%	3.08%
Enterprise	92,302,828	99,216,481	6,913,653	7.49%	10.18%
Internal Services	175,105,118	183,914,807	8,809,689	5.03%	18.87%
Fiduciary	14,795,667	14,593,654	(202,013)	-1.37%	1.50%
<b>TOTAL</b>	<b>\$1,051,831,924</b>	<b>\$974,884,757</b>	<b>(\$76,947,167)</b>	<b>-7.32%</b>	<b>100.00%</b>

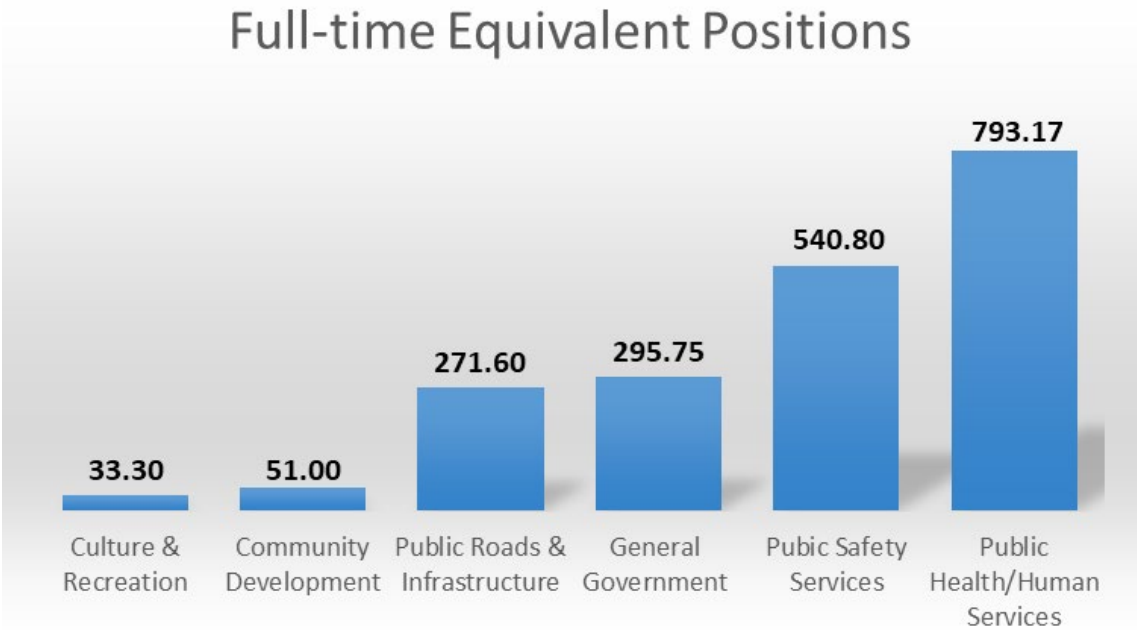
### Restricted v. Discretionary

General Fund contains \$96.9 million in discretionary funds  
9.95% of total budget



# FY 22-23 Full-time Equivalents (FTE)

Total Proposed FTE: 1,985.62



Additional Information in Proposed Document:

*Total FTE: Page 399*

*Historical Changes in FTE: Page 400*

*Classification Salary Ranges: Pages 423-432*



# 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. Reserves are not appropriated.

**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.

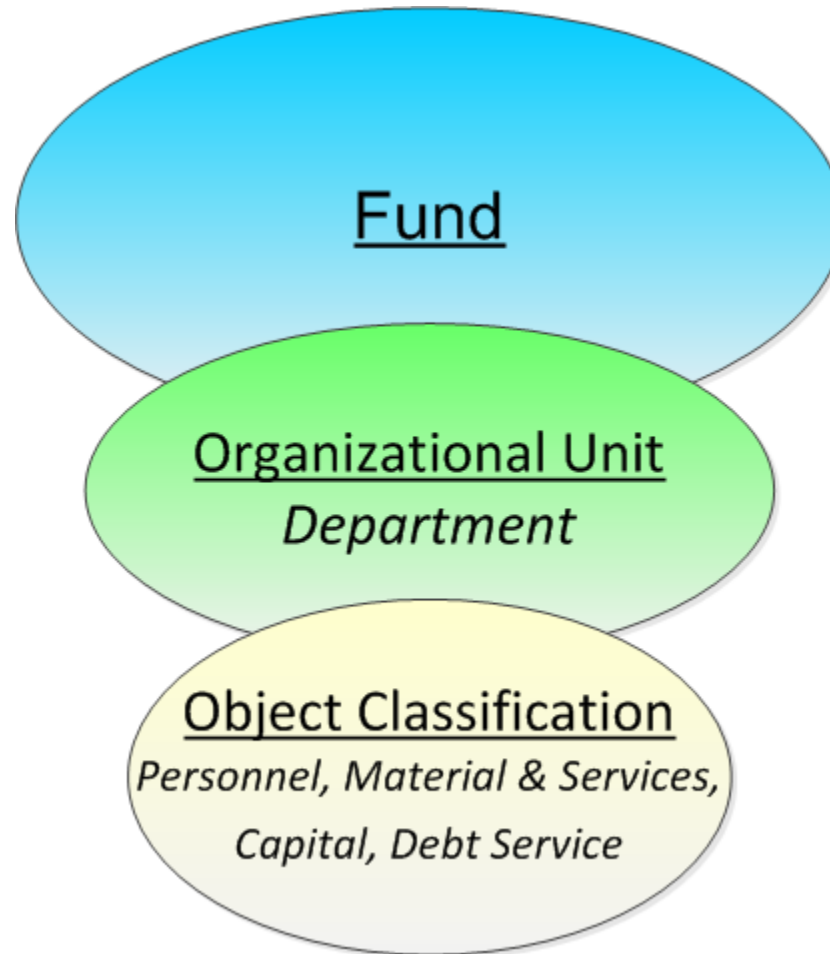
**Transfers:** Amount moved from one fund to finance activities in another fund. Shown as a requirement in original fund and a resource in the receiving fund.

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

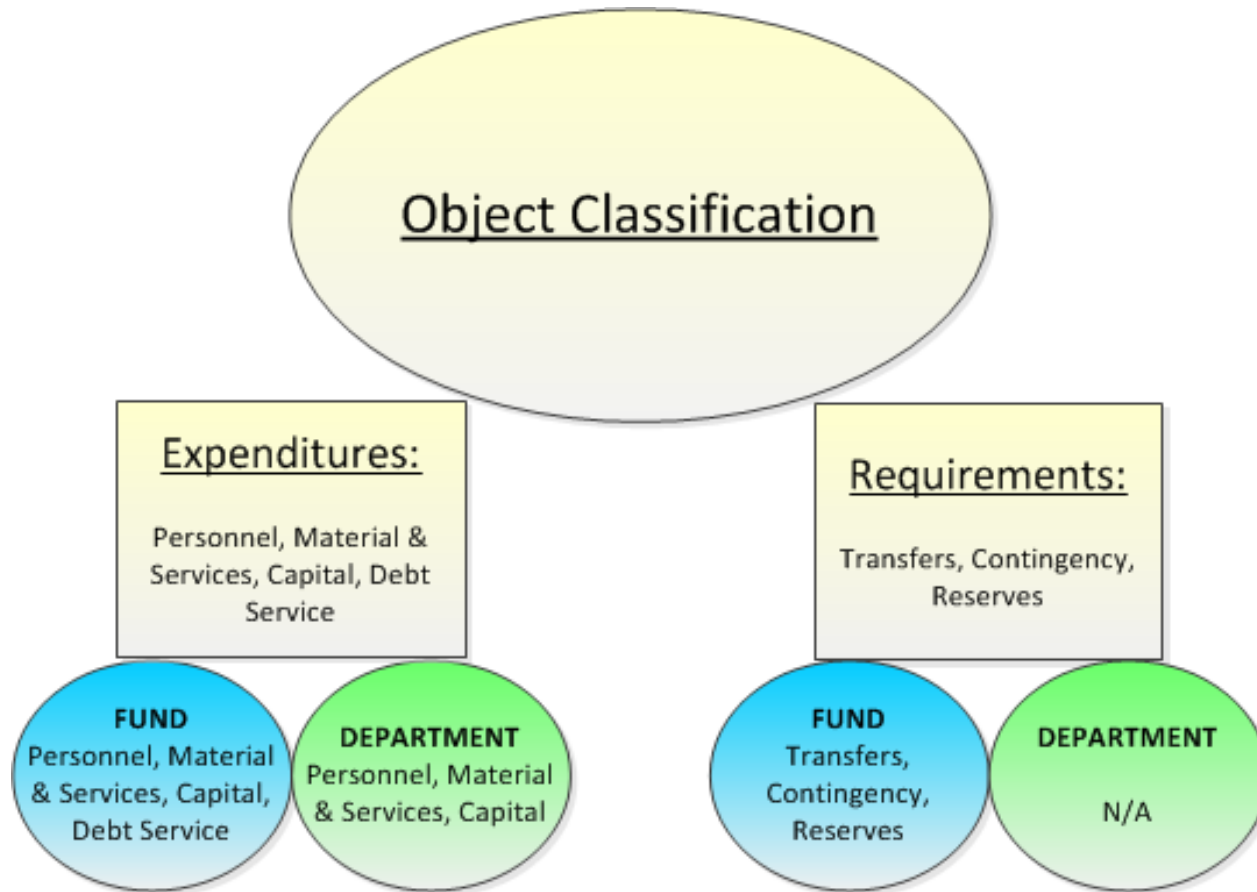
**Reserve:** Amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year.



# Budget Basics



# Budget Basics



Department Expenditures = Personnel, Material & Services and Capital



# Budget Basics

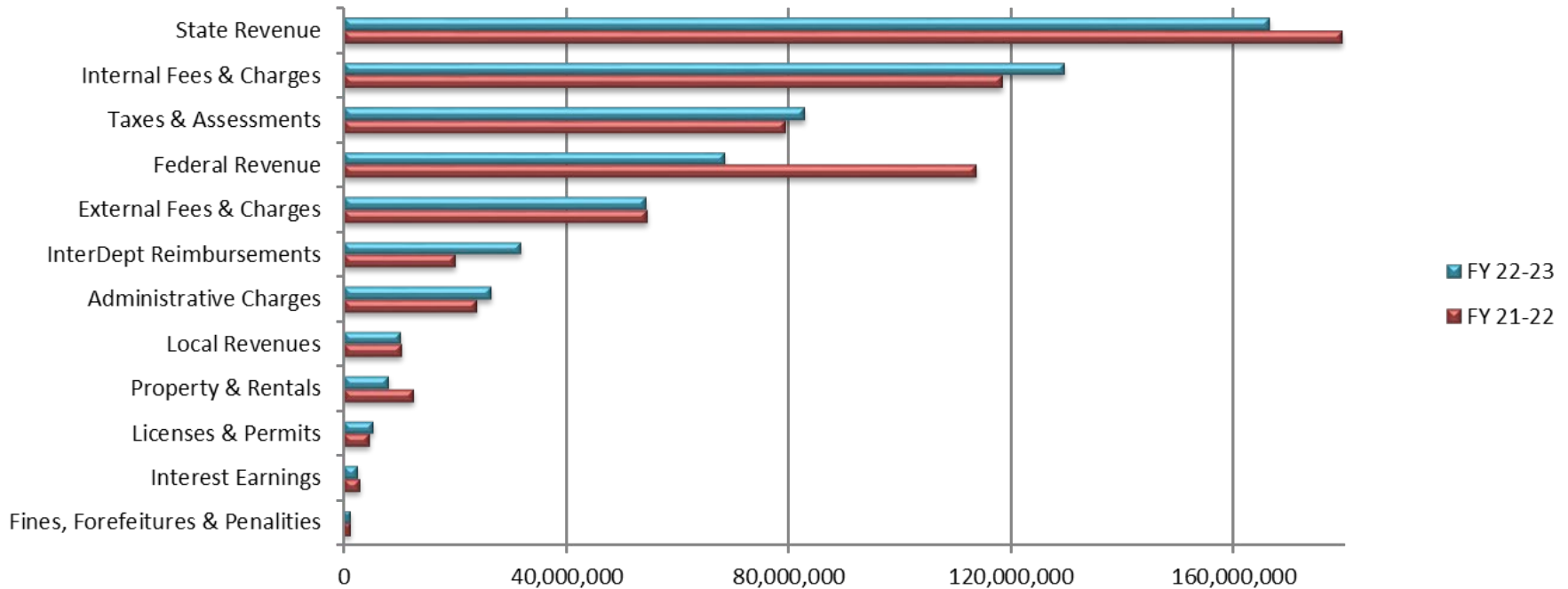
Balanced budget as required by Budget Law:  
**Resources = Requirements**

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



# FY 22-23 Budget Details

**22-23 Revenue - \$587,653,757**



# FY 22-23 Other Resources

	FY 21-22	FY 22-23
Fund Balance	\$368,385,136	\$349,593,849
Transfers between Funds	\$49,382,715	\$20,078,600
IntraFund Transfers	\$12,330,040	\$17,444,803

Additional Information in Proposed Document:

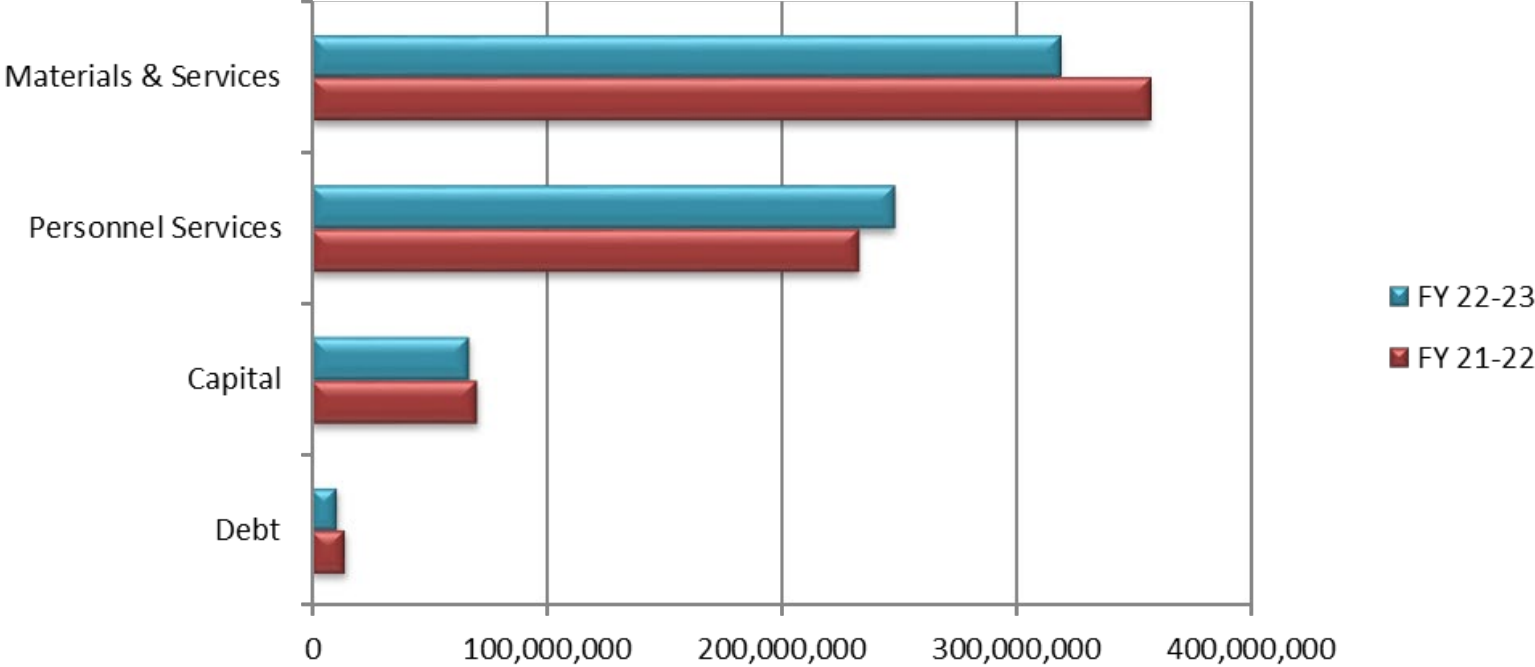
*Fund Balance: Page 86*

*Fund Transfers: Page 91*



# FY 22-23 Budget Details

22-23 Expenditures - \$644,024,485



# FY 22-23 Other Requirements

	FY 21-22	FY 22-23
Transfers between Funds	\$49,382,715	\$19,617,764
Intrafund Transfers	\$12,330,040	\$17,016,868
Contingencies	\$47,118,980	\$30,809,178
Reserves	\$267,915,306	\$263,416,462

Additional Information in Proposed Document:

*Fund Transfers: Page 91*

*Contingency: Page 87*

*Interfund Loans: Page 90*

*Reserves: Page 92*



# FY 22-23 Reserves

## Why have them?

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

RESERVES BY FUND			
Name	FY 21-22 Cur Budget	FY 22-23 Proposed	\$ Chng from Curr
124: General	\$ 30,301,432	\$ 28,143,061	\$ (2,158,371)
216: Parks & Open Spaces	1,018,190	1,016,068	(2,122)
222: Law Library	422,218	422,218	0
225: Road	34,002,333	61,567,547	27,565,214
240: Public Land Corners Preserve	1,413,260	1,489,124	75,864
244: County Clerk Records	196,340	198,500	2,160
250: Title III Projects	3,533,065	3,817,813	284,748
255: American Rescue Plan	56,150,060	29,263,756	(26,886,304)
260: Special Revenue	11,476,332	11,360,142	(116,190)
275: Industrial Revolving	125,231	125,800	569
283: Animal Services	159,585	47,375	(112,210)
285: Intergov. Human Svcs	3,397,903	2,902,161	(495,742)
286: Health and Human Services	9,626,170	2,275,389	(7,350,781)
290: Local Option Tax Levy	18,350,224	20,563,082	2,212,858
333: Special Obligation Bond	350,936	311,493	(39,443)
521: Lane Events Center	3,366,552	6,530,008	3,163,456
530: Solid Waste Disposal	29,365,565	32,383,841	3,018,276
539: Corrections Commissary	467,703	382,092	(85,611)
570: Land Management	7,120,334	5,258,016	(1,862,318)
612: Self Insurance	7,210,219	6,729,113	(481,106)
614: Employee Benefit	10,345,677	8,098,254	(2,247,423)
615: Pension Bond	4,955,603	4,650,610	(304,993)
619: Motor & Equipment Pool	21,336,814	23,053,052	1,716,238
627: Intergovernmental Services	102,437	99,678	(2,759)
653: Technology Replacement	1,829,678	1,453,613	(376,065)
714: Retiree Benefit Trust	11,291,445	11,274,656	(16,789)
<b>TOTAL RESERVES</b>	<b>\$ 267,915,306</b>	<b>\$ 263,416,462</b>	<b>\$ (4,498,844)</b>

# 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**

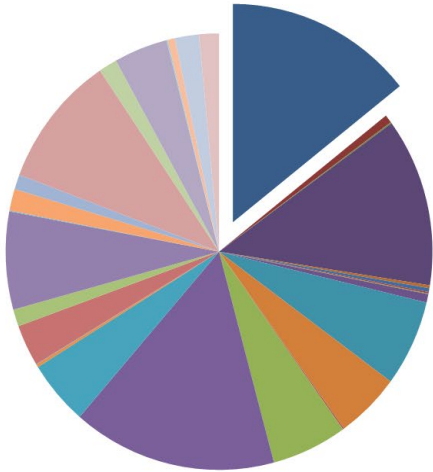
Services provided include:

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



**\$139,287,011**

*2.03% increase from FY 21-22*

**528.65 FTE**

*Increase of 57.3 FTE*

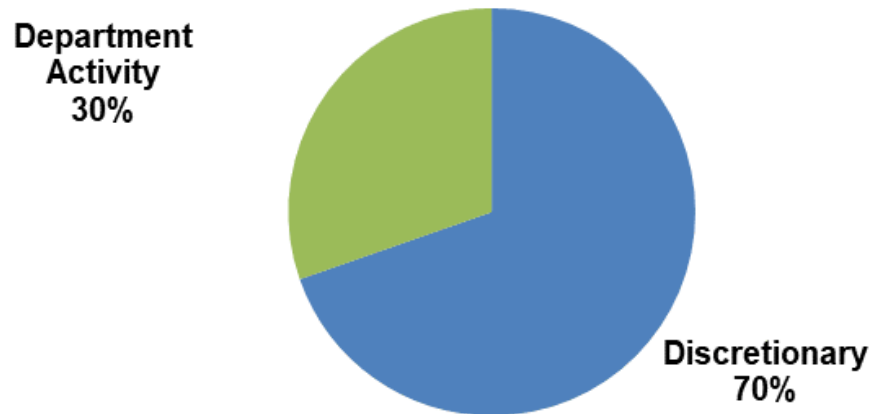
*\*Movement of Youth Svcs*

*\*Addition of 7.5 FTE*

Additional Information in Proposed Document:  
*General Fund Section: Page 71*  
*Service Option Sheets*  
*Department Sections*

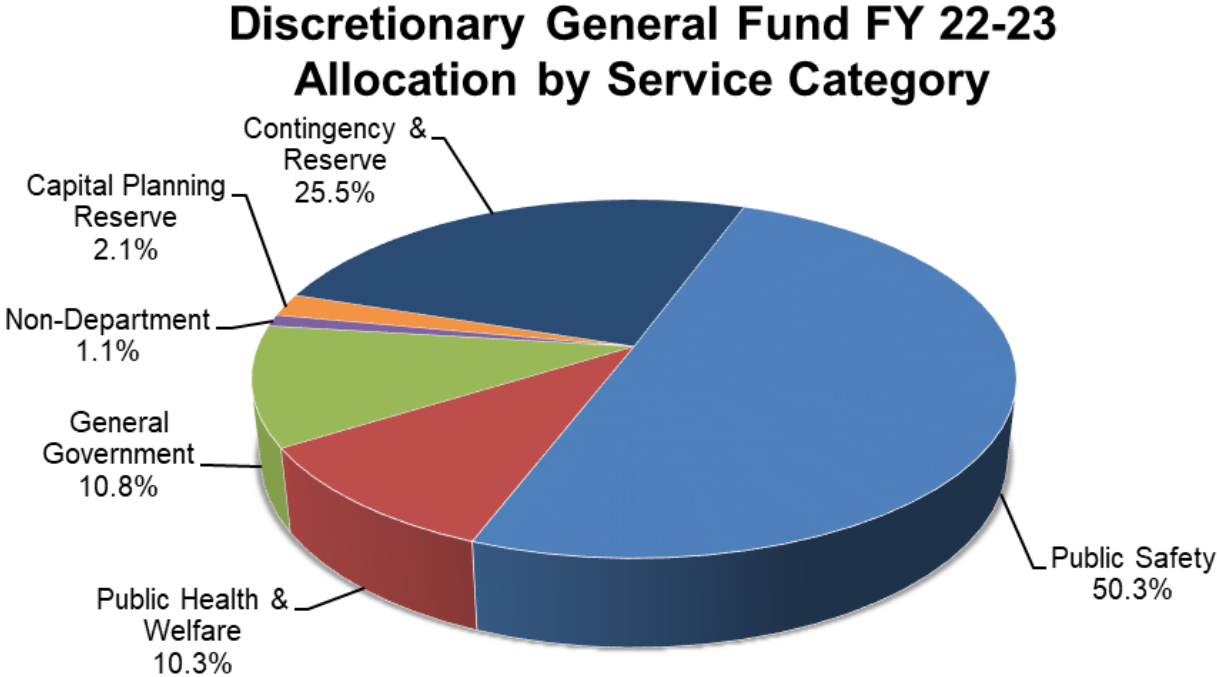
# General Fund

## 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



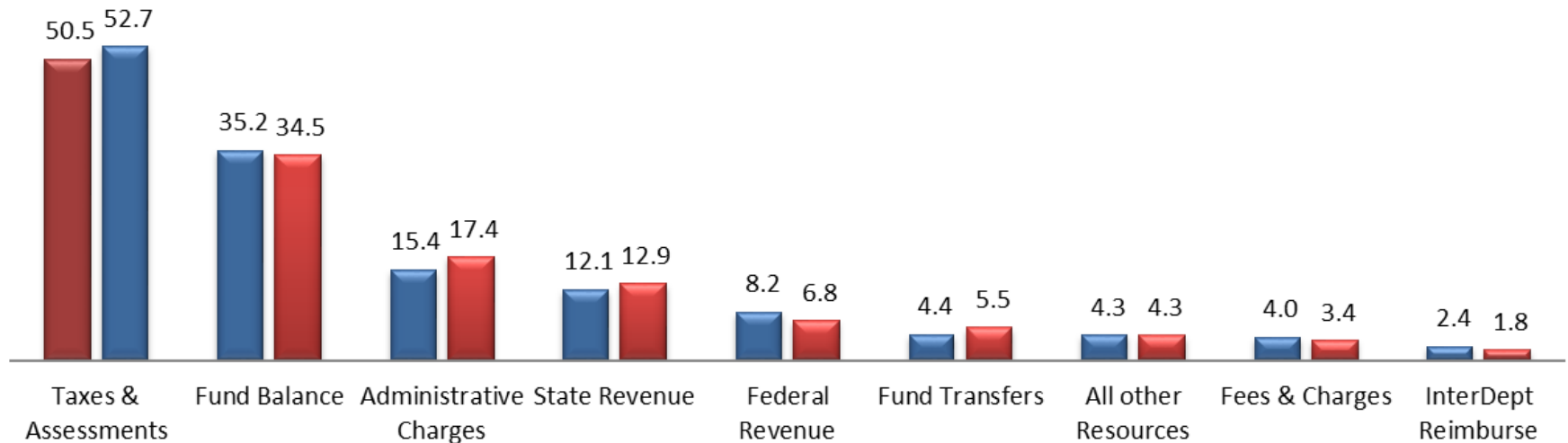
Additional Information in Proposed Document:  
*Discretionary General Fund: Page 72*



# General Fund

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

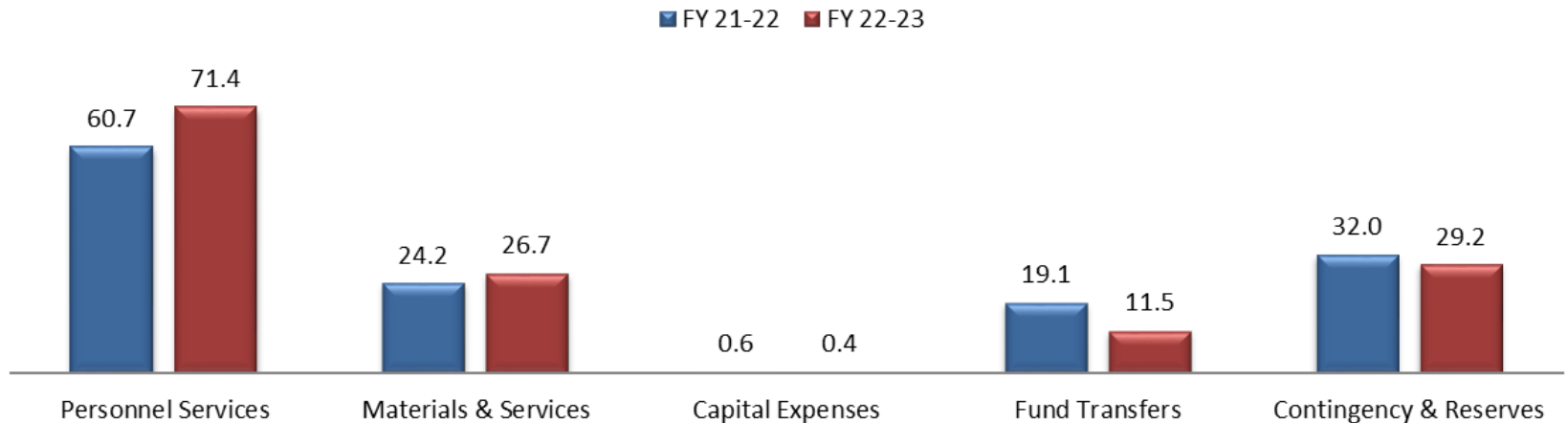
■ FY 21-22 ■ FY 22-23



- Taxes & Assessments: Property Tax growth projected at 3.25%.
- Fund Balance: Spending of one-time projects in FY 21-22.
- Administrative Charges: Indirect Plan revenue for central services.
- Federal Revenue: One-time FEMA Holiday Farm Fire Reimburse in FY 21-22.
- Fund Transfers: Road Fund SRS for increased Sheriff's Office Patrol.
- InterDept Reimburse: American Rescue Plan Funds.

# General Fund

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



- Personnel Services: Market & cost of living increases; movement of Youth Svc.
- Materials & Services: 2.4% CPI plus one-time expenses.
- Fund Transfers: Movement Youth Svcs (previously received transfer).
- Reserves: Decreasing due to spending on one-time projects; Meets 20% minimum reserve policy plus future capital planning reserve, additional patrol reserve, navigation center operations reserve.

# General Fund Structural Balance

**FY 22-23 Proposed Budget General Fund is not Structurally Balanced  
(\$2.3 million)**

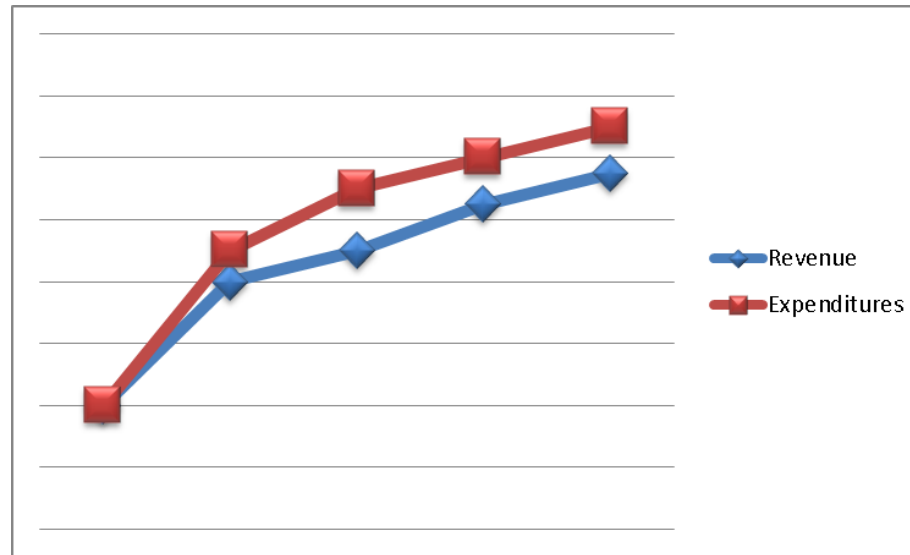
## **Causes:**

- Growth in wages higher than previously anticipated (labor market).
- Increasing material & services costs.
- Revenue growth slow or down – Recording Revenue & State Marijuana reduction.
- Service additions made to support changing needs and high workloads.
- Increase in share of internal charges to HHS General Fund programs due to one-time fund receipt & movement of Youth Services to new Department.
- Previously tracked Dawn to Dawn expansion as one-time. No longer the case.

Plans being developed to restore structural balance including vacant position review prior to hiring and analyzing of internal expenditures.



# General Fund Forecast



Long term expenditure growth continues to be projected to outpace revenue growth. General Fund most dependent on permanent rate property tax growth, which is constitutionally restricted.





# Future Cautions

**Wages** = growth due to market and cost of living increases; projections for continued growth in future years.

**Services currently supported with one-time funds** =

- \* ARPA Funds supporting FTE (\$1.5 million in FY 22-23).
- \* SRS Funds for expanded Patrol (\$2.3 million in FY 22-23).
- \* Limited in Duration positions (Deputy Assessor, Emergency Mgmt.).

**Service/community needs** = increasing needs for variety of services including housing, behavioral health, public safety.

**Structural balance** = influx of COVID related state & federal funds can lead to overall sense of abundance; must exercise caution and discipline to refrain from spending one-time funds for on-going expenditures or increase ongoing expenses where revenue won't keep up (wages, adding services...).



# Future Cautions

## Aging Capital Assets & Purchase of New 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.”*

Purchase or construction of new buildings require long-term maintenance.

### Steps Taken:

- 1) Creation of Countywide Capital Improvement Plan. FY 2022-2026 plan identifies \$89.1 million in known and funded projects – with millions more projects identified in preplanning stage.
- 2) CIP identifies operational impacts and analysis is performed prior to acquisition of additional buildings for sustainability.

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

Structural balance policy

Vacancy Variance budgeting

Planning for known expenses – for assets & otherwise

## Community Trust building

Public Safety Levy

## People & Organizational Health

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



# Questions?

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

