

Lane County Budget Committee
Thursday, May 12, 2022
2:00pm –BCC Conference Room

Budget Committee members present: Chair; Herb Vloedman, citizen members: Chris Hazen, Chris Pryor, Bruce Webber and Lane County Commissioners: Joe Berney, Jay Bozievich, Heather Buch, Pat Farr and Laurie Trieger. Dawn Lesley reported she would be absent before the meeting.

Staff Present: Lane County Administrator, Steve Mokrohisky, Budget and Financial Planning Manager, Christine Moody.

Presenting were:

Property Tax Revenue Overview: Mike Cowles, Lane County Tax Assessor; Mary Vuksich-Shafer, Deputy Assessor

American Rescue Plan Administration: Robert Tintle, American Rescue Plan Manager; Alex Dreher, Sr. Grants Analyst; Valerie VanAuker, Sr. Program Services Coordinator

I. CALL MEETING TO ORDER

Chair Vloedman called the meeting to order at 2:00pm.

II. COMMITTEE BUSINESS

There was none.

III. PROPERTY TAX REVENUE OVERVIEW

Mike Cowles, Lane County Tax Assessor and Mary Vuksich-Shafer, Deputy Assessor presented the following slides and discussions:

- Key Information:
 - Assessment date 1/1/2022 for FY 22-23.
 - Assessment roll primarily uses 2021 (prior year) sales.
 - Property value analysis (recalculation/trending) ongoing.
 - Property tax year July 1, 2022 to June 30, 2023.
 - November 15, 2022 initial property tax due.
- Interest Rates are currently 5.73% for 30 years, highest level in more than a decade.
- Inflation and the Consumer Price Index overview noting this is the largest 12-month increase in since the period ending December 1981.
- Unemployment for Lane County is 4.1%.
- Lane County Housing Starts noting 1,930 approved with 57% multi-family.
- Housing inventory, reporting time on market is 23 days. Both inventory and market time are low.
- Foreclosure Activity noting 2021 is historically low.
- Commercial Industrial and Multifamily noting vacancy rate on small-cap commercial is relatively low with a price growth.

- Average home sales price \$462,800 increase of 6.3 % since beginning of 2022 and median sales home price is \$425,000 increase of 6.5% since beginning of 2022.
- Fannie Mae Home Price Index reports record growth in quarter 1, 2022.
- Components of Property Tax:
 - Measure 47/50 3% maximum assessed value (MAV) annual increase.
 - Measure 5 constraints.
 - New construction and other exception value.
 - Appeals and roll corrections.
 - Omitted property/clerical errors.
 - Flipped accounts.
 - Robust residential market.
 - Currently analyzing commercial/industrial/multifamily markets.
 - Reappraisal.
 - Exemptions.
 - New laws and administrative rules.
 - Trending, depreciation and recalculation.
- Top 10 Lane County tax payers.
- Lane County Taxable Value.
- Property Tax Collection spreadsheet is currently 98.32%
- Lane County Permanent Rate noting an increase in tax dollars for a few more years.

QUESTIONS were opened for the Property Tax Revenue Overview.

Bruce Webber asked if a home is taxed on Maximum Assessed Value or Real Market Value. Mr. Cowles reported Maximum Assessed Value which is their Assessed Value.

Commissioner Buch asked about the impacts from the Holiday Farm Fire to the A&T office. Mr. Cowles reported the laws changed for refunds which caused more work for the Assessment and Taxation office. In addition, it will be more work over the coming years due to rebuilding. Commissioner Buch asked if the homes that will be rebuilt will be taxed as new properties. Mr. Cowles reported that when a home goes through a change property ratio it will be a brand new house versus an older home so it is likely it will be taxed as a new property unless laws go into effect for the Holiday Farm Fire rebuilds.

Mr. Hazen asked about mental health and wellness for Assessment and Taxation in the Strategic Plan. Mr. Cowles shared many goals are outward looking for the Strategic Plan and reported this is an internal goal to attract and retain employees.

IV. AMERICAN RESCUE PLAN ADMINISTRATION

Robert Tintle, American Rescue Plan Manager and Alex Dreher, Sr. Grants Analyst presented the following slides and discussion:

- American Rescue Plan Team chart. Managing about 60 projects in the County.
- American Rescue Plan Act noting it is a \$1.9 trillion plan passed by the 117th US Congress.
 - Individual/Household Relief.
 - Business Relief.
 - Schools.
 - Health & Pandemic.

- State and local assistance.
- Chart explaining who the American Rescue Plan helps.
- CSLFRF Allocations:
 - Total Oregon \$4.26 billion.
 - State direct \$2.6 billion.
 - Lane County direct \$74.2 million. (\$37 million received in May 2021, \$37 million to be received May 2022).
- Statutory Eligible Uses:
 - A: Support Public Health response and address negative economic impacts.
 - B: Premium pay for essential workers.
 - C: Replace public sector revenue loss.
 - D: Water and sewer infrastructure and broadband infrastructure.
- Expenditure categories, noting there are 83.
- Statutory ineligible uses:
 - Pension fund deposits.
 - Rainy day funds or financial reserves.
 - General infrastructure.
 - Debt service and legal settlements.
- Spending timelines: March 3, 2021 – December 31, 2024. Costs must be obligated by 12/31/2024 and expended by 12/31/2026.
- American Rescue Plan Milestones.
- Public Engagement:
 - January 2022: survey tool development and translation.
 - February 2022: launch electronic survey and conduct targeted feedback sessions.
 - March 2022: results compiled and presented to the BCC.
- ARPA Collective Impact for Lane County.
- Grant collaboration:
 - Countywide: weekly meetings with department staff, coordination on grant applications, ARP team notices to departments, grant management software opportunities.
 - Regional: City of Eugene and City of Springfield.
- Chart example of how the ARPA incorporates project collaboration.

QUESTIONS were opened for the American Rescue Plan.

Commissioner Trieger asked what the deadline is for changing allocations. Mr. Tintle reported December 31, 2024.

Commissioner Trieger asked about sharing licenses with other jurisdictions or just internally within Lane County for the grants management software. Mr. Robert reported traditionally cost is based on licenses but this is still being looked into.

Discussion was held in regards to Lane County purchasing real estate. Mr. Tintle shared a point of clarification if federal funds are used to purchase a property unless there is an exception granted, at the time of disposal of the asset the federal funds would need to be paid back for their portion. The CARES act did have an exception granted.

Mr. Hazen asked about the survey and additional programs that are responding to the public interest specifically mental health. Mr. Tintle shared there is \$3 million in the community grant making process as

well as Public Health Contingency for future unknown response to Public Health. Use the following website for more information www.lanecountyor.gov/arpa.

V. COMMITTEE BUSINESS/PRE-DELIBERATION DISCUSSION

Commissioner Bozievich reported he spent time going through expenditures in the H&HS funds outside of Youth Services and his recollection is that General Fund resources have been increasing each year he specifically looked at utilization of Reserves. He is not going to propose any changes to H&HS budget due to the General Fund not being structurally balanced and the timing of his request being at the end of Budget Committee as well as changes to H&HS staff. He would like the Budget Committee to strategize going forward how to become revenue generating in order to displace some of the General Fund for other funds like Land Management.

Mr. Bozievich shared he will propose a direction for Video Lottery dollars for Land Management and encourages Land Management to look at their fee proposal.

Discussions were held in regards to Health and Human Services tracking performance metrics and utilizing them for projecting future needs.

Discussions were held in regards to the current Budget Committee process and encouraging the Committee to share thoughts and directions with funds that are not structurally balanced: Parks Fund, Parole and Probation, Land Management, General Fund.

Christine Moody shared a handout describing the Budget Committee Deliberation Process/Guidelines. If the committee would like to bring forward proposals for the budget the deadline is May 17th. Tax rates will be the full amount for approval by the Committee.

There will be a survey sent to the Budget Committee for feedback on the process and meetings for this year. Minutes will be sent to the Committee for approval at the May 19th meeting.

Next Lane County Budget Committee meeting is Thursday, May 19th, 2022 at 5:30pm in Harris Hall.

VI. ADJOURN

Committee Chair Vloedman adjourned the meeting at 4:19pm.

Note: A webcast (the "official" record of the meeting's events) is available at:
https://lanecounty.org/how_do_i/view/webcasts