

FY 17-18 Budget Overview

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lanecounty.org/Budget

Total Budget Overview

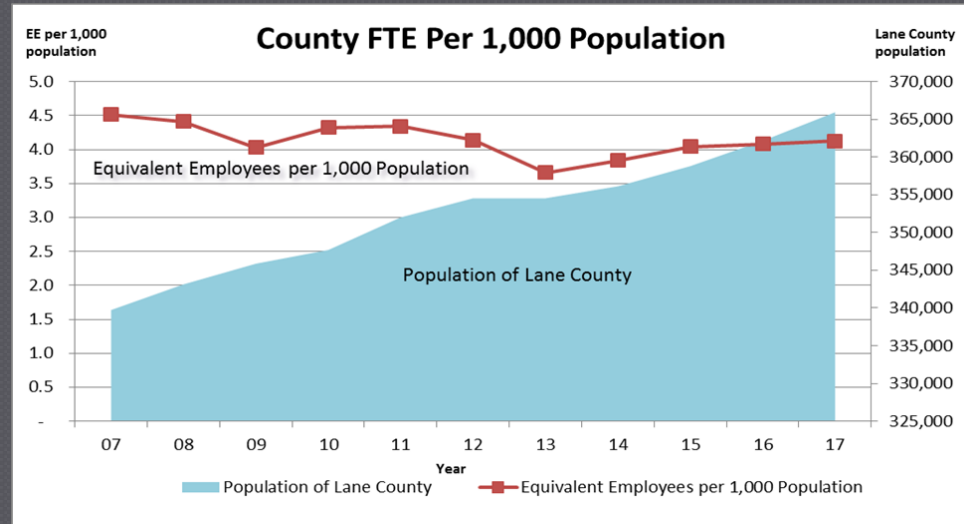
FY 17-18 Proposed Budget - \$599,569,727

Decrease of \$19.5 million or 3.16%

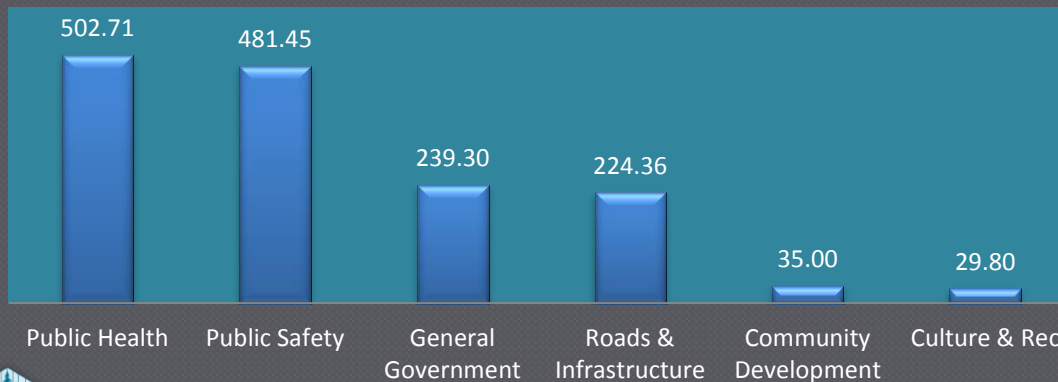
CHANGE IN TOTALS BY FUND TYPE				
	FY 16-17	FY 17-18	Amount of	% of
	Curr Bdgt	Proposed	Change	Change
General	92,474,331	93,812,366	1,338,035	1.45%
Special Revenue	286,574,330	272,981,430	(13,592,900)	-4.74%
Debt Service	16,918,089	9,324,864	(7,593,225)	-44.88%
Capital	10,343,595	9,156,704	(1,186,891)	-11.47%
Enterprise	53,001,500	56,070,779	3,069,279	5.79%
Internal Services	145,353,313	144,018,751	(1,334,562)	-0.92%
Fiduciary	14,449,960	14,204,853	(245,107)	-1.70%
TOTAL	\$619,115,118	\$599,569,747	(\$19,545,371)	-3.16%

Total Budget Overview

Total FTE: 1512.62



FTE by Service Category



Economic Indicators

Unemployment at 4.0% as of March 2017

1.7% 12 month employment growth

Population growth of 4.0% since 2010.

In-migration makes up 91% of total

Housing market
as of March 2017

Percent Change of 12-Month Sale Price Compared With The Previous 12 Months

Average Sale Price % Change:

+9.6% (\$268,100 v. \$244,600)

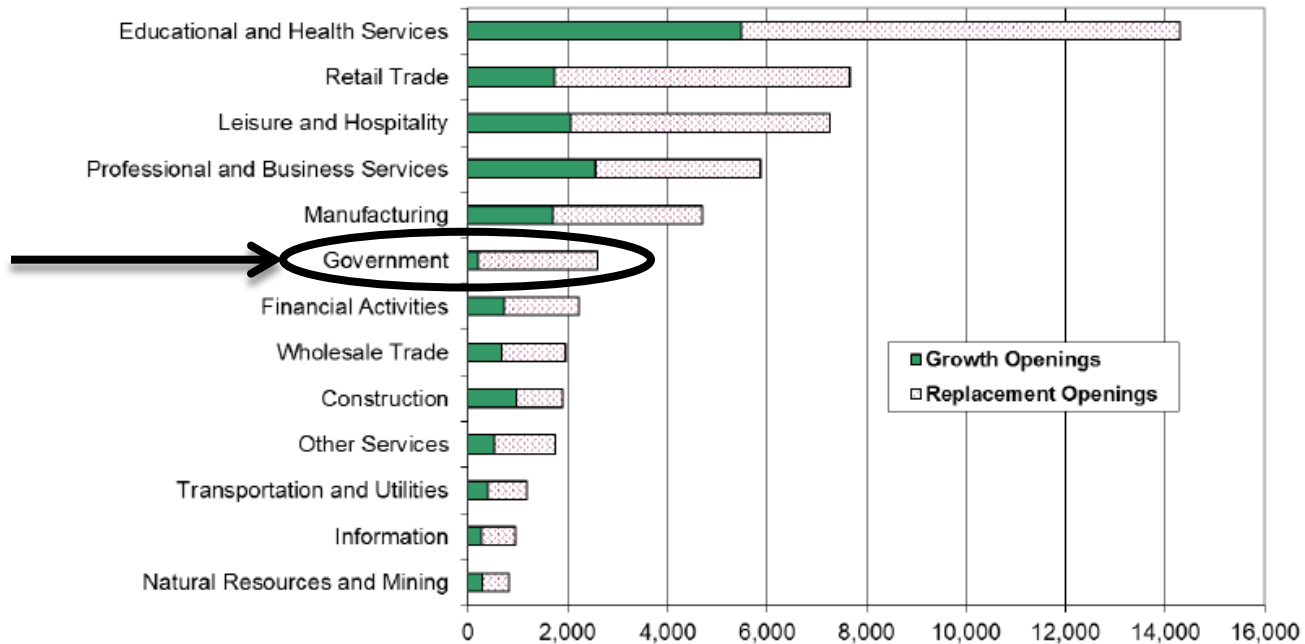
Median Sale Price % Change:

+7.9% (\$240,000 v. \$222,500)



Economic Indicators

Region 5 Projected Job Openings by Industry Growth and Replacement, 2014-2024



*Note: Growth openings are the net number of job openings created by economic expansion.
Occupations with declining employment have zero growth openings.*

Source: www.qualityinfo.org

Financial Condition Highlights

June 2016

Removal from Secretary of State's list of counties to monitor.

February 2017

Upgrade to Lane County's bond rating to Aa2 – the highest in history.

Third successful Audit on Public Safety Levy released.

April 2017

Staff recommended revision to General Fund reserve.

-Minimum of 20% operating revenues, up from 10%.

Budget Basics

Oregon Budget Law dictates preparation of budget.

Fund -> Organizational Unit

Fund Types

General
Special Revenue
Debt Service
Capital
Enterprise
Internal Service
Trust

Organizational Units

Assessment & Taxation
County Administration
County Counsel
District Attorney
Health & Human Svcs
Human Resources
Public Works
Sheriff's Office
Technology Services

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).

Balancing the Budget

Balanced budget as required by Budget Law:

Resources = Requirements

Structurally Balanced Budget:

Ongoing Revenue = Ongoing Expenditures

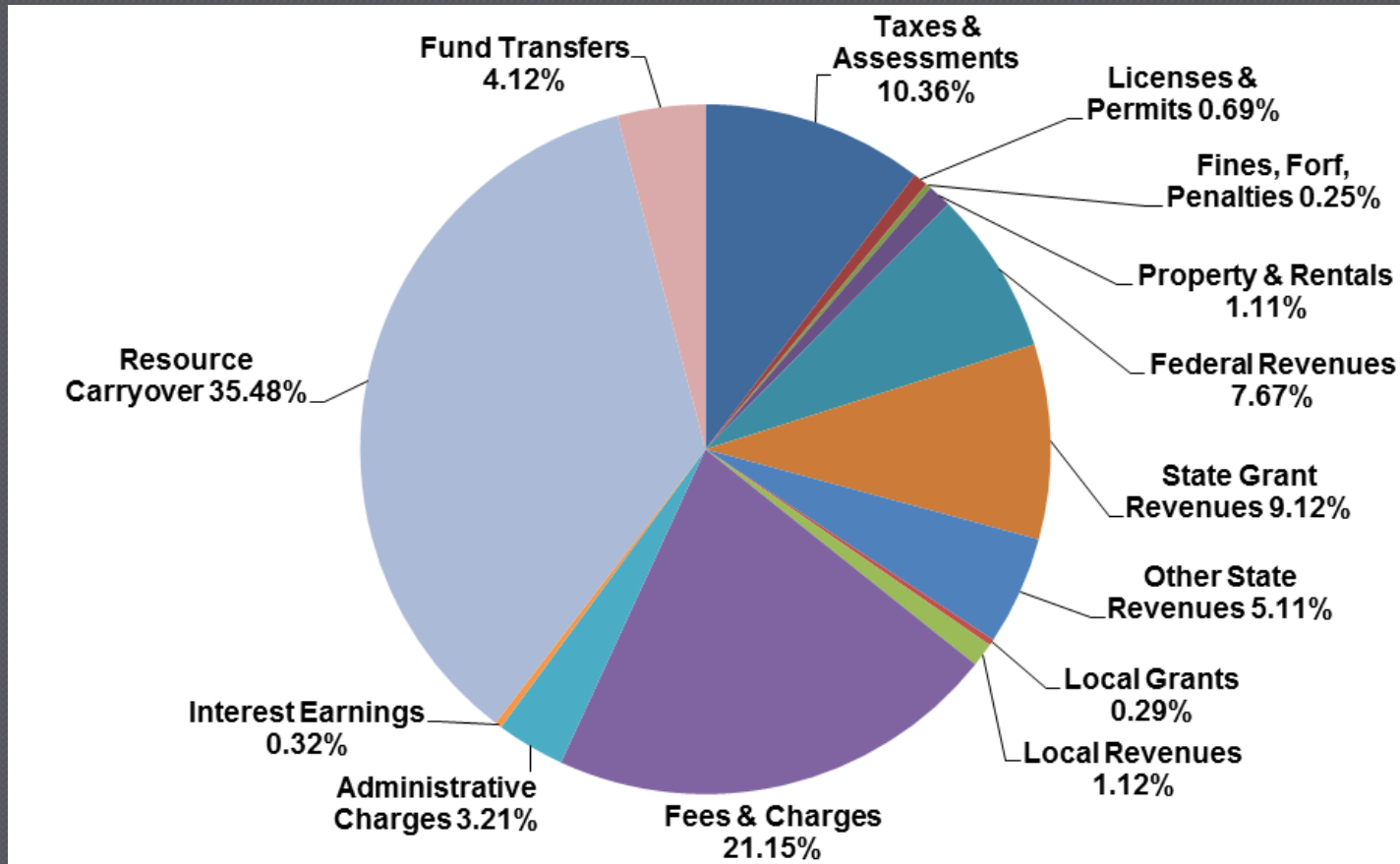
Over the past several years, the focus has been on structurally balancing the budget to provide for long-term stability.

Initial Forecasted Structural Deficit for Road Fund – \$2.1 million

Initial Forecasted Structural Deficit for General Fund – \$2.4 million

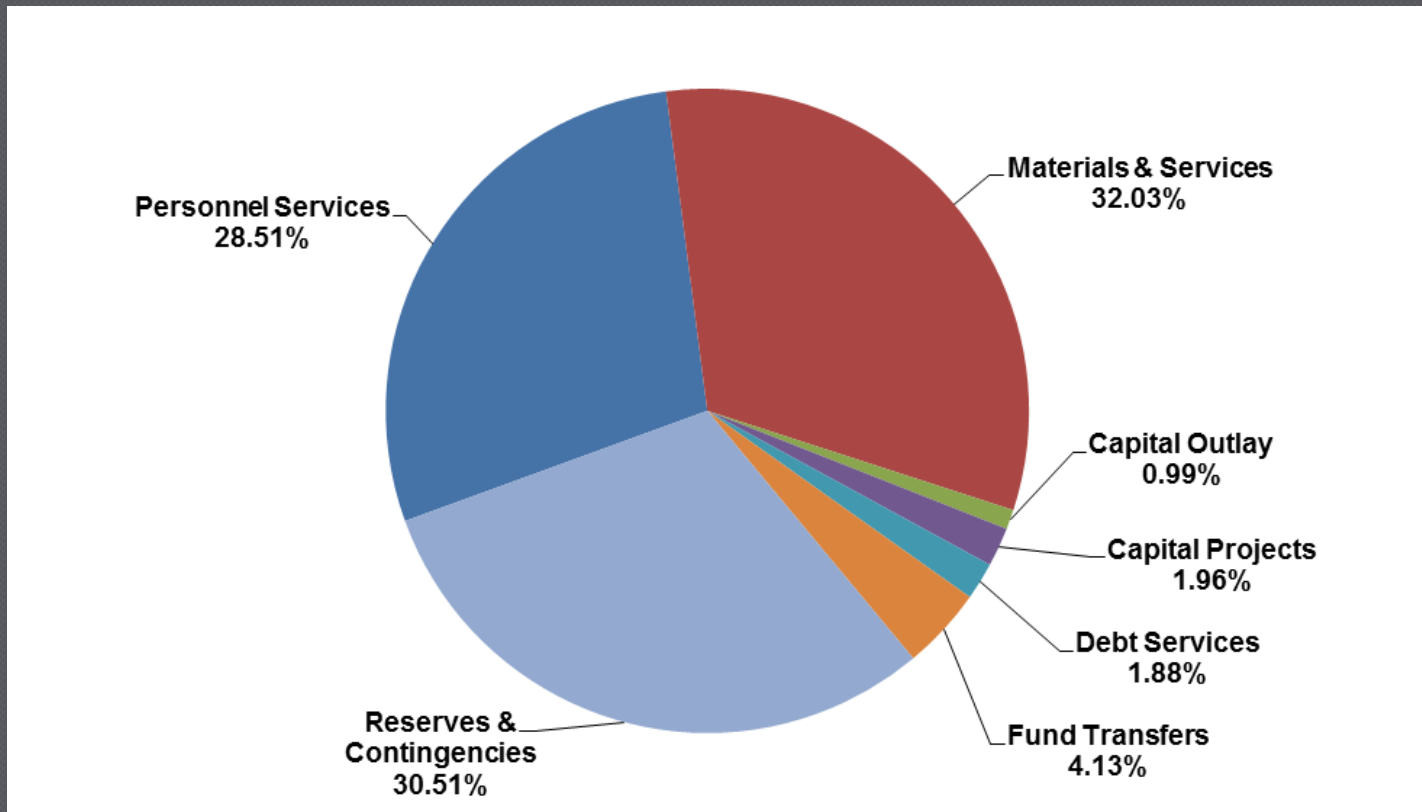
Budget Totals

TOTAL RESOURCES:



Budget Totals

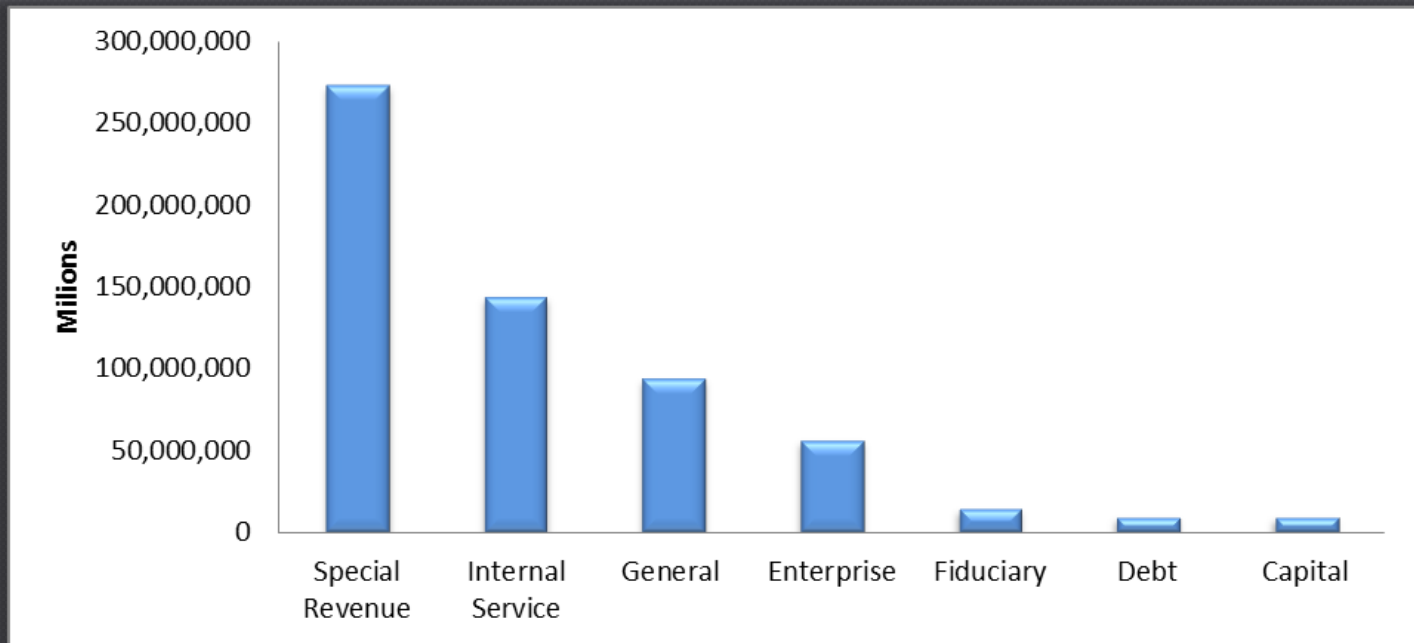
TOTAL REQUIREMENTS:



Budget by Fund Type

Majority of County funds have to be spent in specific ways by law or as designated by entity providing funding.

Examples: Gas Tax – only to maintain County Roads; Grants – for specific project/service; Video Lottery; Enterprise funds (proceeds need to run), etc.



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

FY 17-18 Proposed Budget: \$93,812,366

- Increase of \$1.3 million or 1.45% from current year

Ongoing Revenue/Expenditures = \$79 million

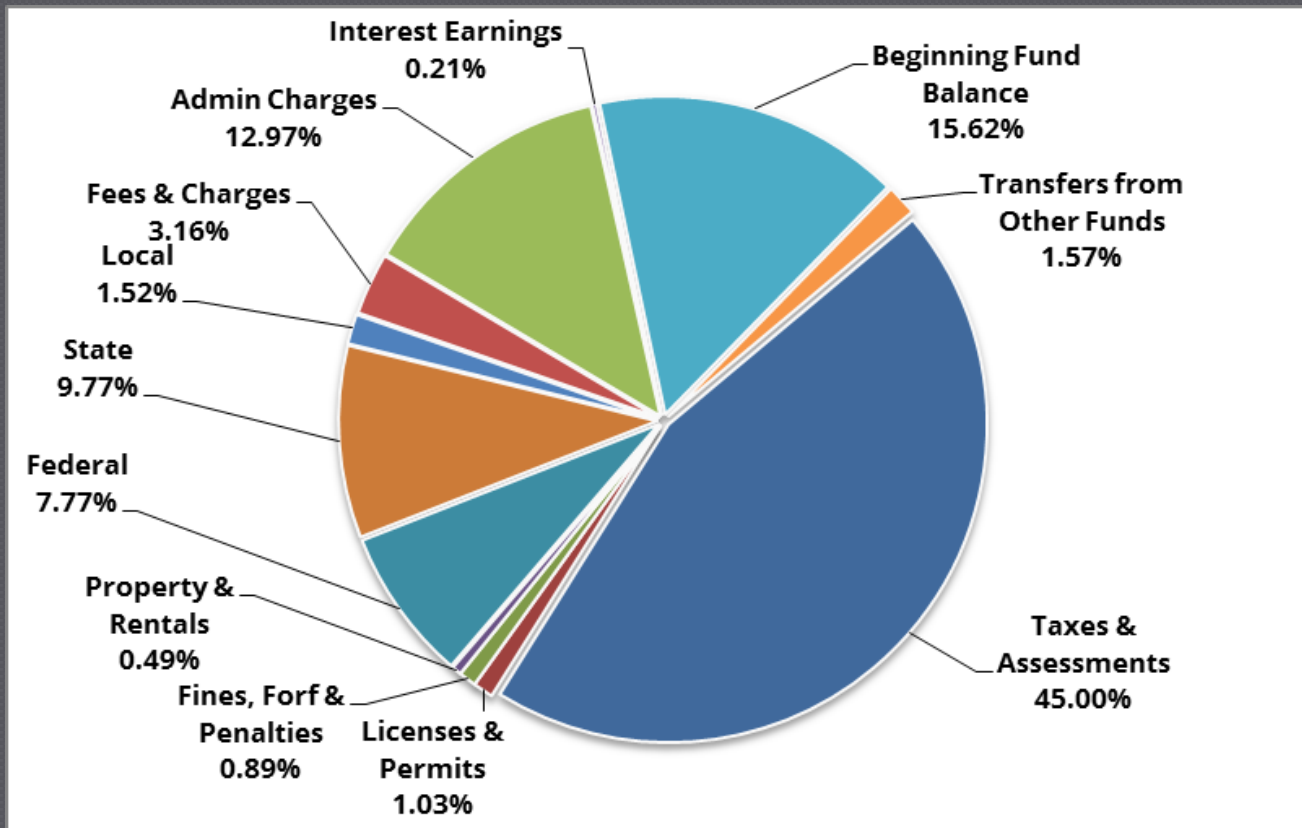
* Remaining amount is one-time transfers/expenses, contingencies and reserves.

FTE: 413.41

- Increase of 1.0

General Fund

TOTAL RESOURCES:

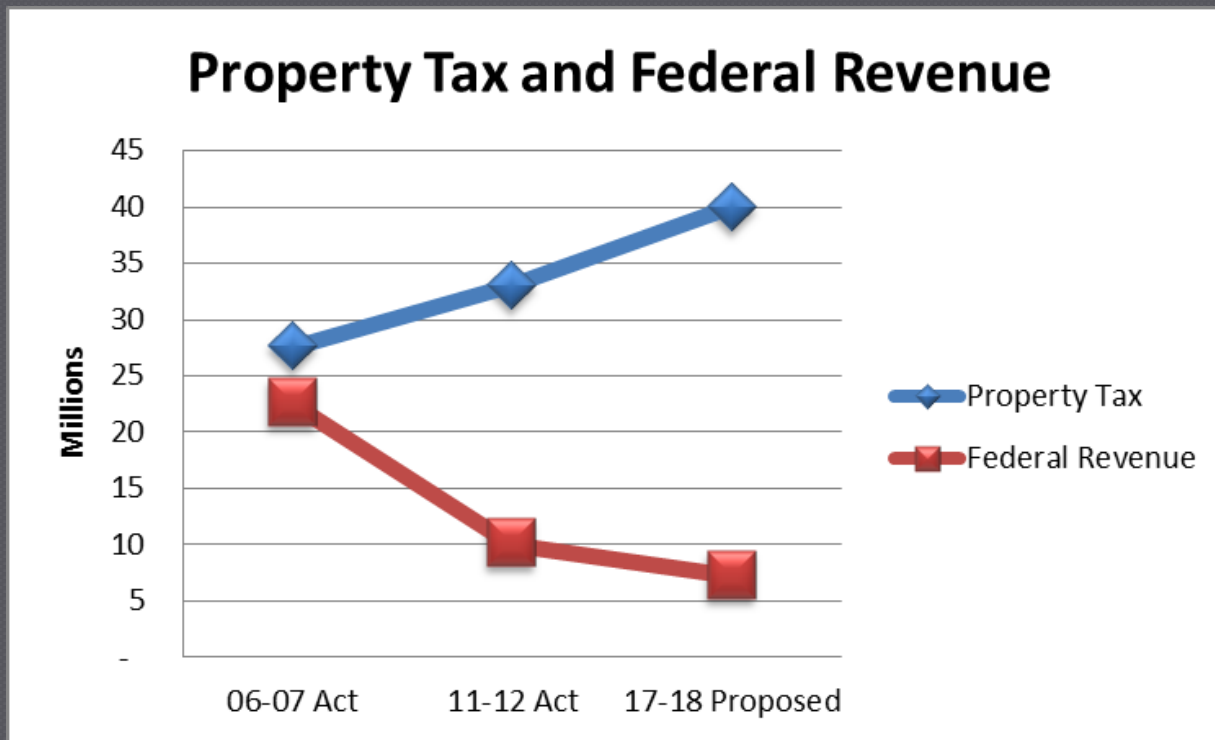


Revenue Source Comparisons

10 Year History

Property Tax – FY 06-07 \$28 million; FY 17-18 \$40 million

Federal Revenue – FY 06-07 \$22 million; FY 17-18 \$7 million

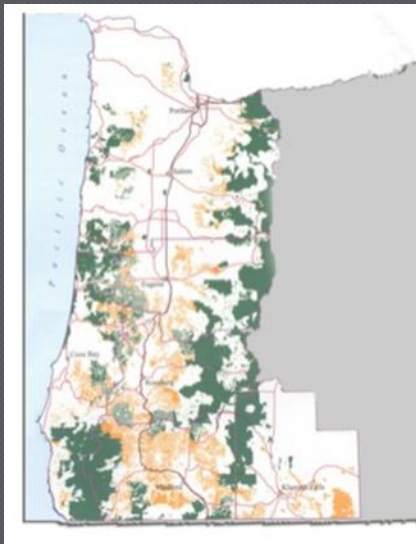


Source of Timber Funds

Federal Revenue

National Forest System:

- * Federal Contract 1908
- * Road & School Fund

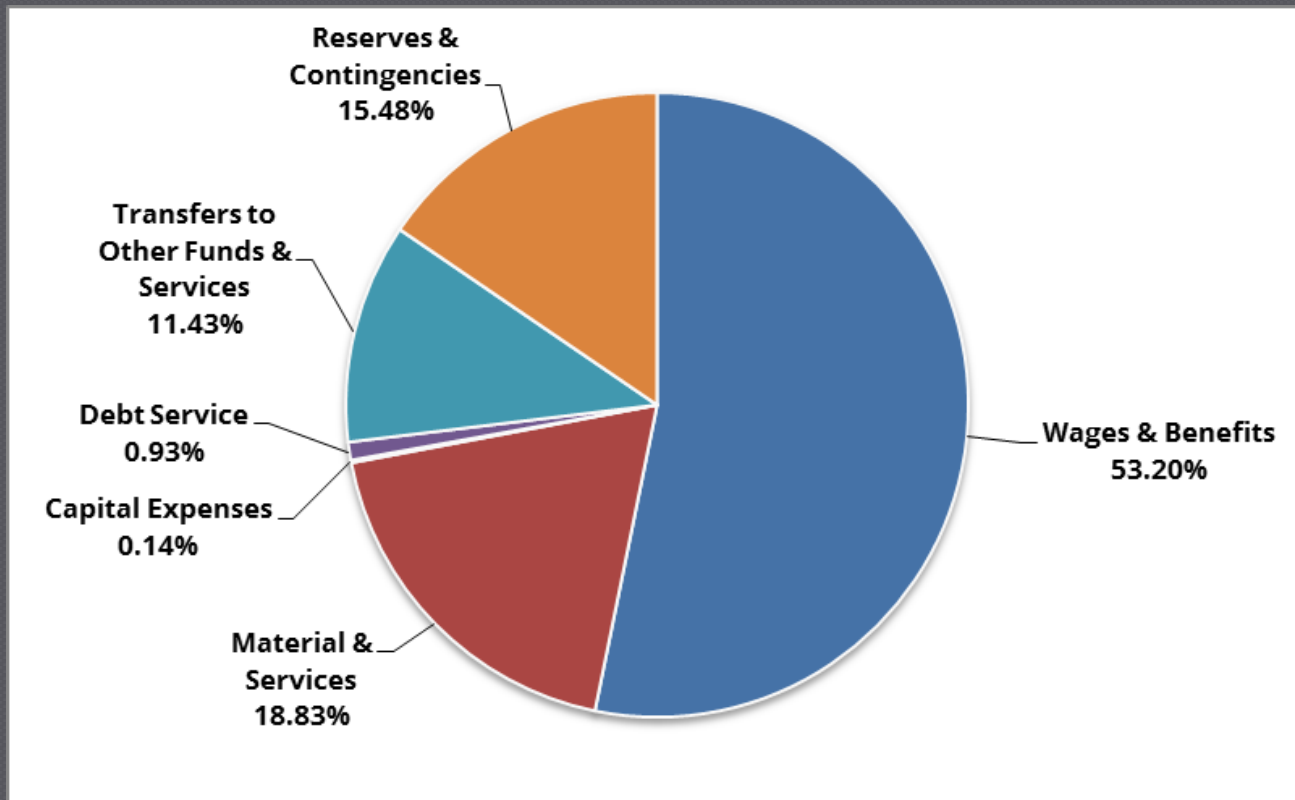


O&C Lands – Bureau of Land Mgmt.

- * 1926 Stanfield Act Revenue Sharing
- * General Fund

General Fund

TOTAL REQUIREMENTS:

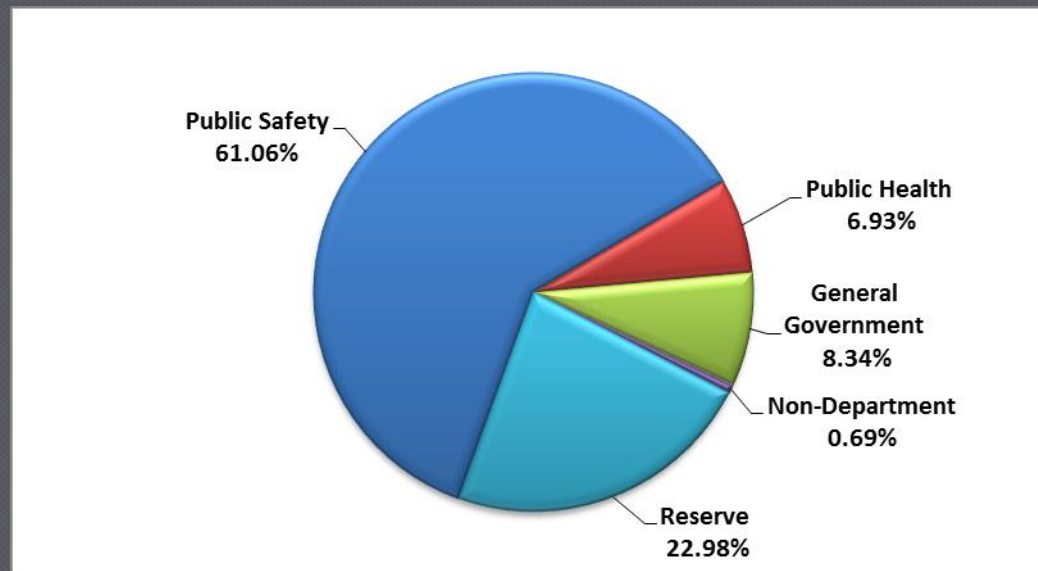


General Fund

Discretionary General Fund (DGF):

No specific regulations or requirements and are not generated by most specific department activities (exception is Property Tax).

Totals \$63.2 million for FY 17-18 distributed as follows:



General Fund

Initial Projected Structural Deficit: \$2.4 million

- ➔ Continued focus on internal costs
 - Health insurance rates flat for third year
 - Fleet expense decreased 8.6% from current year
 - General Liability & Workers Comp charges decreased 7.6%

- ➔ Change in Personnel Budgeting
 - Focus on vacancy variance (decrease of \$985k)

- ➔ Revenue changes due to strong economy
 - Department specific & DGF (timber, car rental tax)

General Fund

Policy & Practice Changes from Current Year

Vacant position budgeting

Remove requirement for return of 2% of DGF

Replace with increased focus on anticipated vacancies

- Decreases structural deficit

Reserve Policy

Change from 10% of revenues to goal of 20% of revenues

- Reliance on property tax revenue
- Maintaining of bond rating

FY 17-18 Proposed Budget – 17.2% of operating revenues

General Fund

Budget Changes for FY 17-18

On-going expenditures - \$189k

- Purchasing supervisor position.
- Enhanced training, extra help performance auditor & intergovernmental manager and reclassification of positions in Elections - \$65k

One-time Expenditures - \$336k

- Dog box for animal services truck
- Facilities Assessment
- Phoenix Program movement in Youth Services
- Telephone system upgrade for General Fund lines

General Fund

5 Year Financial Forecast

Continued Structural Balance will require diligence.
Expenditures continue to grow at rate faster than revenues.

Opportunities

O&C Forest Management

Challenges

Service levels not adequate in all areas – pressure to do more
State Budget unknowns
Personnel Expenses, including PERS employer rates

Anticipated increased Retirements – opportunity & challenge

General Fund

Planning for the Future

Long-term strategic & financial planning

- * Focus limited resources on strategic priorities
- * Continued review of financial policies
- * Strategic Investments to repair services



Questions?

www.lanecounty.org/budget