

LANE COUNTY BUDGET COMMITTEE

Tuesday, May 9, 2017

5:30 p.m. – 8:05 p.m.

Harris Hall

Chair Denis Hijmans presided with Budget Committee members present: Commissioner Gary Williams, Herb Vloedman, Commissioner Jay Bozievich, Larry Abel, Commissioner Sid Leiken, Dale Stoneburg, Commissioner Pat Farr, and Commissioner Pete Sorenson. Phil Carrasco was absent.

In addition, County Administrator, Steve Mokrohisky; Budget and Financial Planning Manager, Christine Moody; Strategic Planning and Budget Supervisor, Judy Williams; Performance Auditor, Shanda Miller; Sue Heron and John Mosby from the Budget Office, were also present.

I. CALL MEETING TO ORDER

Chair Denis Hijmans called the meeting to order.

II. COMMITTEE BUSINESS

Judy Williams addressed the committee and introduced staff in the Budget Office. She discussed the process for handouts, the electronic version of materials, the change in minutes for the next 5 meetings, and mentioned the different options the committee had to ask questions during and after presentations.

A. Election of FY 17-18 Chair & Vice Chair

Denis Hijmans expressed his willingness to continue serving as Chair, and he opened the floor to nominations. Commissioner Leiken nominated Denis Hijmans to be the Chair. Hijman's nomination was seconded by Commissioner Pat Farr. The vote was unanimous in favor (9-0). Denis Hijmans nominated Herb Vloedman to continue serving as Vice Chair. Vloedman's nomination was seconded by Dale Stoneburg. The vote was unanimous in favor (9-0).

B. Approve Lane County Budget Committee Minutes: May 19, 2016

Larry Able moved to approve the 2016 Budget Committee minutes. Herb Vloedman seconded the motion. The vote was unanimous in favor of approval (8-0). Commissioner Gary Williams was not a committee member at the time of the 2016 meeting and abstained from voting.

C. Committee Process

No changes from County Administration. No comments from the Commissioners.

III. BUDGET MESSAGE

County Administrator, Steve Mokrohisky presented the Budget Message to the Committee (PowerPoint presentation available with meeting materials).

The proposed budget includes no layoffs or reductions in services to residents; the budget was created with two goals over a three-year period:

- Creating long term financial stability through structurally balanced budget &
- Repairing critical services to make the community safer, healthier and more vibrant

Chair Hijmans opened the room for comments.

Commissioner Jay Bozievich noted the \$200,000 investment made by adding FTE in the DA's office ultimately increased the community corrections funding and the Justice Reinvestment Grant funding by about 12.5%, or \$2-3 million.

Chair Hijmans asked Mr. Mokrohisky if he would describe the steps taken to come up with budget so he might give credibility to the process and point out that line item criticism is not worth the time.

Steve Mokrohisky remarked that while the Budget Committee comes together for just 3 weeks per year formally, the County works on the process throughout the year.

The formal process begins with updating the five-year forecast. The leadership team comes together each year in January, when they lay out particular challenges for the following year and departments enter their revenues and expenses. Refining the budget includes making sure the budget is structurally balanced: assessing cuts & reductions, working strategies to get to "0", aligning with strategic investments.

IV. BUDGET OVERVIEW

Budget & Financial Planning Manager, Christine Moody presented the Budget Overview to the Committee (PowerPoint presentation available with meeting materials).

The FY 17-18 proposed budget comes to \$599,569,727, which is a decrease of \$19.5 million or 3.16%.

Ms. Moody opened the room to questions.

Commissioner Pat Farr commented about Ms. Moody's statement that housing is up 10%. He noted that while job growth increases, wages are not increasing, and there is a growing gap between wages and housing costs. He remarked we must keep track of the fact that so many people are losing their houses and are paying a much higher percentage of their income on housing.

Commissioner Jay Bozievich commented that 21.15% of the county's total resources are fees and charges, which is the second largest piece of the budget. He inquired about whether a large amount of that is the reimbursement we receive from the State government from the Federal government as a part of the Affordable Care Act, which

accounts for the largest piece of risk in the current budget. Staff confirmed that his statement was correct.

Commissioner Sid Leiken asked Ms. Moody to comment on PILT.

- Christine Moody responded: the federal government has put PILT back into their budget at a 3% increase, meaning we expect about \$500,000 over what's budgeted in current year.

Commissioner Sid Leiken also discussed the state-wide significance of the \$500 million gift to the University of Oregon from Phil and Penny Knight.

V. PERFORMANCE AUDITOR SUMMARY

County Performance Auditor, Shanda Miller presented the Performance Auditor Summary to the Committee (PowerPoint presentation available with meeting materials). Commissioner Pete Sorenson asked Ms. Miller about the follow-ups to the performance audits.

- Ms. Miller responds that she conducts a follow-up one year after the audit is released.

Commissioner Pat Farr commented in response to Sorenson and the audit results for Lane County Behavioral Health. He remarked again that providing housing is essential for mental health.

Commissioner Sid Leiken asked for a response from staff with regards to the mental health audit and career perception. He asked, is Lane County a desirable place to work?

- Administrator Mokrohisky responded that in 2016, Lane County had the highest number of employees since 2012 while also having the highest retention rate in five years.

Chair Hijmans commented to the interconnectedness between the performance audit/auditor and the Budget Committee – the audits put the information at the feet of the administrators, who have the ability to make the necessary changes.

VI. PUBLIC HEARING

The public hearing was opened and closed by Chair Hijmans. There were no persons who wished to address the Committee.

VII. ADJOURN

Chair Denis Hijmans adjourned the meeting.