

T. 5.6.

AGENDA COVER MEMORANDUM

AGENDA DATE: February 15, 2005

PRESENTED TO: Board of County Commissioners

PRESENTED BY: Jennifer Inman, Management Analyst

AGENDA TITLE: **IN THE MATTER OF PRIORITIZING STRATEGIC OBJECTIVES AND IDENTIFYING HIGH LEVEL OUTCOMES**

I. MOTION

MOVE APPROVAL OF ORDER 05-2-15-_____ adopting Priority Strategic Objectives.

II. ISSUE

What are Lane County's priority objectives for the coming one to three years?

Which high-level outcome measures should the County establish to chart progress on the goals laid out in the Strategic Plan?

III. DISCUSSION

A. Background

The Strategic Plan, adopted on March 14, 2001, identifies the County's mission, eight goals, and four core strategies. In the last year of the plan, the County has made progress in all core strategy areas. The plan, however, did not provide shorter term priorities or workplans with timelines.

Faced with growing budget deficits and cuts, the Board of County Commissioners appointed the Service Stabilization Task Force in August of 2004. After two months of intensive work, the task force reported to the Board of County Commissioners on November 3rd, 2004. The task force's first recommendation urged the Board to "immediately determine the service priorities and desired results for Lane County Government" and "prioritize its goals and establish outcome measures ... in time for preparation of the 2006-07 budget."

Strategic Objectives

In the two months following the task force report, the Management Team developed a list of Strategic Objectives, designed to focus countywide efforts on priority goals. The process began with department directors creating lists of strategic initiatives for the coming one to three years. A smaller group then reviewed the department lists and identified countywide Strategic Objectives. The objectives and early draft workplans were presented to the Leadership Team on January 11th, 2005. The Management Team has since revised the list and further developed each work plan, including timelines and indicating those responsible for each activity. (See Attachment: Lane County Strategic Outcomes)

High-Level Outcomes

In their report to the Board of County Commissioners, the Service Stabilization Task Force suggests several outcome measures each for seven of the Strategic Plan goals. In an effort to reduce the number of measures and add a measure of progress on the County's mission statement, the Management Team drafted a second set of measures. This set has one measure for each of the eight Strategic Plan goals and one measure for the mission statement. Both lists were presented to the Leadership Team on January 11th, 2005.

B. Analysis

Strategic Objectives

The Strategic Objectives developed by the Management Team represent short-term (one to three year), countywide priorities. They do not cover the breadth of functions and services of a general purpose government, nor were they intended to do so. They are intended to focus effort and resource on key activities leading to progress on specific County's Strategic Plan goals. A Crosswalk of the Strategic Objectives and County goals is attached.

The Strategic Plan, a five-year document, provides guidance on several core strategies; it does not prioritize short-term objectives. This was a missing link in the strategic planning process. The Strategic Objectives were designed to fill the gap.

As presented, the objectives are in the Management Team's priority order. The timelines, however, were designed as if each objective were the County's top priority. Time and resources are insufficient to pursue all six objectives simultaneously. Once a priority objective or objectives are identified by the Board of County Commissioners, the Management Team will need to revise timelines.

The six Strategic Objectives are:

1. Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.
2. Engage and inform citizens about the services of Lane County government.
3. Safeguard delivery of public health services by construction of a new Public Health Building.
4. Ensure that Lane County's workforce is responsive and able to meet the service needs of its citizens.
5. Measure performance and use results in county decision-making.
6. Strengthen Lane County's economy through focused economic development efforts.

Without the adoption of a priority objective/s:

- Progress on County goals is vulnerable to being sidetracked by the pressing needs of day-to-day operations; and
- Some objectives would see progress, while others may be shelved depending on the time and resources available to those responsible for implementation, rather than the strategic direction provided by the Board.

The Leadership Team will prioritize County services through the Service Information Sheet process on February 25th, 2005. Countywide objectives also need prioritized. Calling out clear priority objectives will increase accountability, add fuel and energy to implementation, and improve the likelihood of success. It will also provide needed direction to the Leadership Team work on the February 25th.

High-Level Outcomes

The Strategic Plan provides thoughtful, comprehensive goals for Lane County. The fundamental reason Lane County adopted the plan was to demonstrate accountability to its citizens. In order to keep that promise, the County needs to identify and report on both the implementation of the plan and on **outcomes related to plan goals**.

A few of the high-level outcome measures recommended by the Management Team are already in use by County programs or departments. Data is collected and analyzed routinely. The other measures are new and require the development of data collection and analysis plans. As those plans are developed, we may discover that some of the measures identified today require refinement or replacement. Time and financial resources will be required for the development and implementation of the new measures. For example, the estimated cost of surveying citizen perception, awareness, and understanding of Lane County services is \$12,500.

If the board so directs, plans to collect and analyze data will be developed for new measures and data collection will begin. Improvements to measures, if needed, will be recommended as part of the revision to the Strategic Plan, currently planned for

late 2005. The Board of County Commissioners will have an opportunity to adopt tested outcome measures in revised Strategic Plan. Upon successful development, outcome measures will provide data to use in citizen education and awareness building efforts.

C. Alternatives/Options

1. Adoption of Prioritized Strategic Objectives

After amending as determined during work session;

- a. Adopt all six proposed Strategic Objectives in prioritized order and direct Management Team to revise timelines. Implication: Work will begin on Objective One and on other Objectives as time and resources allow. As time passes, lower priority or more challenging objectives will fall behind timelines and generate frustration. The County may appear unable to meet its own commitments.
- b. Narrow list to one or a few objectives and prioritize, directing Management Team to revise timelines. Implication: Greater potential for accomplishing tasks as planned with energy, focus, and accountability.
- c. Edit, revise, or develop new Strategic Objectives. Prioritize and send back to Management Team for development of activities and timelines. Implication: May delay implementation as new objective/s return to Management Team, however, Board investment in objective will be strong.
- d. Take no action at this time. Implication: Work will begin on objectives that are resourced and championed by those responsible for implementation. Other objectives will be shelved. Progress will be vulnerable to being sidetracked by pressing needs of day-to-day operations

2. Direction/Guidance on High-Level Outcomes

After amending as determined during work session;

- a. Recommend establishing high-level outcomes recommended by the Management Team and prioritize development of data collection plans. Implication: Time and resources will be directed to develop new outcome measures and gather data and analysis of existing measures. External expertise will likely be needed. The establishment of high-level outcomes will provide data to use in citizen education and awareness building efforts.
- b. Recommend establishing all or a selection of outcome measures identified by the Service Stabilization Task Force and prioritize development of data collection plans. Implication: This long list of measures will require more time and resources be directed to develop new measures and gather data and analysis of existing measures. Costs may be prohibitive. External expertise will likely be needed. These more extensive measures may provide a more comprehensive picture of progress on County goals.
- c. Take no action at this time. Implication: Savings of time and resources needed to develop and implement measurement plans. May generate ill-will as County

is unable to report on outcomes of Strategic Plan goals or follow through on recommendations made by Service Stabilization Task Force.

D. Recommendation

Adopt a narrowed list of one to three Priority Strategic Objectives and direct CAO and Management Team to revise timelines and begin implementation. Option C.1.b.

Recommend establishment of high-level outcomes identified by the Management Team or a variation of similar outcomes and prioritize development of data collection and analysis (Option C.2.a.). Include as a priority the development and implementation of citizen survey of perceptions, awareness, and understanding of issues and services of Lane County government.

IV. IMPLEMENTATION/FOLLOW-UP

Following Board action, the County Administrator will work with the Management Team to revise timelines on Priority Strategic Objective/s, begin implementation of adopted priorities, and develop data collection and analysis plans for high-level outcomes.

V. ATTACHMENTS

Board Order

Lane County Strategic Objectives, developed by Management Team January 2005

Crosswalk: Strategic Objectives ('05) and Lane County Goals ('01-'05)

High-Level Outcome Grid

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER 05-2-15-)	IN THE MATTER OF ADOPTING
)	PRIORITY STRATEGIC OBJECTIVES
)	
)	
)	
)	

WHEREAS, the Lane County Strategic Plan 2001-2005 was adopted on March 14th, 2001; and

WHEREAS, progress has been made on the Plan's core strategies; and

WHEREAS, prioritization is needed to focus efforts and maximize short term achievements; and

WHEREAS, the Management Team met and recommends 1-3 year countywide Strategic Objectives with workplans identifying activities, timelines, and those responsible for implementation; and

WHEREAS, the Board of County Commissioners has considered and evaluated the recommendations and identified priority objectives; now, therefore

IT IS HEREBY RESOLVED AND ORDERED, that the Board of County Commissioners adopts the following Priority Strategic Objective/s for Lane County, with implementation to begin immediately and continue through fiscal year 2008;

Priority Strategic Objective 1:

Priority Strategic Objective 2:

Priority Strategic Objective 3:

THE CAO IS DIRECTED to work with the Management Team to revise timelines and begin implementation of adopted Priority Strategic Objective/s.

THE CAO IS FURTHER DIRECTED to develop data collection and analysis plans for high-level outcomes related to Strategic Plan goals.

Dated this 15th day of February, 2005.

Chair, Board of County Commissioners

Lane County Strategic Objectives
(Last revised by Management Team, January 31, 2005)

Strategic Objective 1

Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.

Strategic Objective 2

Engage and inform citizens about the services of Lane County government.

Strategic Objective 3

Safeguard delivery of public health services by construction of a new Public Health Building.

Strategic Objective 4

Ensure that Lane County's workforce is responsive and able to meet the service needs of its citizens.

Strategic Objective 5

Measure performance and use results in county decision-making.

Strategic Objective 6

Strengthen Lane County's economy through focused economic development efforts.

LANE COUNTY STRATEGIC OBJECTIVES

OBJECTIVE 1

ENSURE THE CONTINUITY OF HIGH QUALITY AND COST EFFECTIVE GOVERNMENT SERVICES BY EXPANDING REVENUES AND CONTAINING COSTS

Priority	Responsible Party	Start Date	Completion Date	Requires BCC Action
Leadership Team prioritizes list of services and service levels to be provided by county government.	Leadership Team ¹	Immediate	2/25/05	Yes
Prepare an overarching financing plan to achieve and sustain approved services and service levels.	County Administration	Immediate	5/15/05	Yes
Develop plan to contain benefit costs and present to Leadership Team.	HR Manager, L&E Relations, Risk & Benefits	Immediate	4/30/05	Yes
Prepare a General Fund operational reserve policy for BCC review and adoption.	Budget Manager	Immediate	4/30/05	Yes
Complete analysis of viable revenue opportunities for Lane County including, but not limited to, utility, telecommunications, amusement, and business taxes for presentation to the BCC.	County Administration	Immediate	4/30/05	Yes
Upon approval, develop work plan for implementing overarching financing plan.	County Administration	Summer 2005		may require further BCC action
Upon approval, develop work plan for implementing benefit cost containment plan.	HR: Manager, L&E Relations, Risk & Benefits	Summer 2005		
Upon approval, develop work plan for implementing General Fund operational reserve policy.	County Administration	Summer 2005		
Present voters with a Public Safety District plan for Lane County.	BCC and CAO, lead by IGR	Immediate	11/07/06	Yes

¹ The Leadership Team is made up of the Board of County Commissioners and Department Directors

LANE COUNTY SUPPLEMENTAL BUDGET REQUEST

OBJECTIVE 2

ENGAGE AND INFORM CITIZENS ABOUT LANDSCAPE GOVERNMENT SERVICES

Activity	Responsible Party	Start Date	Completion Date	Repeats Budget Addition
Convene a Management Steering Committee (MSC) to determine expected outcome (branding, public safety district or both) as well as set measurable objectives	Rockstroh, Burger, Gardner, Smith, Snowden, VanVactor, Kletzok	Feb. 2005	August 2005	
Assess current efforts to engage and educate public (communications audit)	MSC	Feb. 2005	March 31, 2005	
Define components of sustained effort to enhance employee/management/public understanding and support.	PIO, IGR, CAO	February 2005	March 2005	
With rigor, departments determine needs for service and how they have changed (using baselines, current).	Management Team	March 2005	April 2005	
Determine public and employee perceptions on how LC is meeting the need. Determine services most highly valued and which are most/least known. (Caseloads, waiting lists, customer satisfaction survey, public perception survey etc). Identify discrepancies between need and perceptions to inform communication efforts.	MSC, PIO, and External Survey Contractor	March 2005	April 2005	
Review organizational structure and adjust to optimize customer service, media, marketing	MSC, Management Team	May 2005	June 2005	
Create positioning/branding/process/timeline. Allocate staff resources and funds	PIO, IGR, CAO, outsourcing or extra help	May 2005	June 2005	Yes
For internal and external outreach, develop materials, implement program (settle on message and delivery channels)	PIO, IGR, CAO, outsourcing or extra help	June 2005	Ongoing	
Measurement Results and refine (repeat step 3)	Management Team	October 2005	Continue Annually	

LANE COUNTY STRATEGIC OBJECTIVES					
OBJECTIVE 3					
SAFEGUARD DELIVERY OF PUBLIC HEALTH SERVICES THROUGH CONSTRUCTION OF A NEW SPECIALIZED HEALTH BUILDING					
Activity	Responsible Party	Start Date	Completion Date	Responsible Party	Completion Date
Architectural Master Plan (including site selection)	David Suchart Architects	3/01/05	9/16/05		Yes
Conceptual Financing Plan	David Suchart	3/01/05	6/30/05		Yes
Obtain Financing	David Suchart	10/3/05	2/24/06		Yes
Construction Manager/General Contractor (CM/GC) Selection	David Suchart	2/6/06	4/7/06		Yes
Architectural Design	Architects	4/3/06	3/30/07		Yes
Building Permits	Architects	3/5/07	4/13/07		
Break Ground	CM/GC	5/2/07			Yes
Construction	CM/GC	4/16/07	4/24/09		

LANE COUNTY STRATEGIC DEBATES

OBJECTIVE 4

ENSURE LANE COUNTY'S WORKFORCE IS RESPONSIVE AND ABLE TO MEET THE SERVICE NEEDS OF ITS

CITIZENS

Agenda	Responsible Party	Start Date	Completion Date	Required Action
Provide expert consultation to policy makers about class and compensation systems including total compensation and market concepts	HR Manager, Personnel Program Mgr.		6/15/05	Yes
Survey applicants and employees to ascertain why they accept or decline offers of employment and why they choose to stay or leave Lane County employment.	HR Manager, Personnel Program Mgr.		8/15/05	
Perform total compensation survey comparable with public sector agencies. Provided the results, BCC gives direction as to whether County class and comp system should be modified.	HR Manager, Personnel Program Mgr.		9/15/05	Yes
If recommended, develop and implement plan to modify Lane County classification and compensation system.	HR & Personnel Program Mgrs.	9/15/05		Yes
Develop workforce enhancement plan for all Lane County departments to include, but not limited to: <ul style="list-style-type: none"> performance accountability classification system supporting career paths professional development succession planning mentoring continuous learning required training incentive programs diversity initiatives cultural competency 	HR Staff		12/15/05	Yes

LAKE COUNTY'S STRATEGIC OBJECTIVES

OBJECTIVE 5

MEASURE: PERFORMANCE AND USE RESULTS TO INFORM FUTURE DECISION-MAKING

Activity	Responsible Party	Start Date	Completion Date	Requires EOC Approval
Procure, install, pilot, and implement performance measures software, including training of employees.	IS and PMIT ²	03/01/05	12/31/05	Yes
Complete departmental pyramids of measures (program, division, department, CAO, BCC/public). Incorporate into budget document.	Dept. Directors ³ with PMIT	Spring 2005	1/31/06	
Improve overall capacity to collect, report, analyze, and utilize performance measures data at each level of the pyramid of measures.	Staff responsible for perf. meas. in ea. department ⁴ w/ PMIT support	Immediate	Ongoing	
Measure performance on shared activities and Priority Strategic Objectives. Update strategic objectives and priorities annually.	Dept. Directors and BCC	Immediate	December 2005 and annually thereafter	
Create committee to revise Strategic Plan. Revise Plan. Define and measure high level outcomes related to Plan goals.	new Strategic Plan Revision Committee	Summer 2005	Draft by 12/31/05 Final by 6/30/06 Report measures in December	Yes
Revise service prioritization process in relationship to updated Strategic Plan, Strategic Objectives, and performance measures.	Budget&Planning Staff and Management Team	Summer 2005	1/31/06	
Refine the use of performance measures data in day-to-day management and key decision-making.	Dept. Directors with PMIT	Immediate	Ongoing	Yes

² Performance Measures Implementation Team

³ Department Directors and/or Department's Performance Measures Champion and staff responsible for measurement

⁴ Also known internally as Performance Measures Cadre members

LANE COUNTY STRATEGIC OBJECTIVES

OBJECTIVE 6

STRENGTHEN LANE COUNTY'S ECONOMY THROUGH FOCUSED ECONOMIC DEVELOPMENT EFFORTS

Activity	Responsible Party	Start Date	Completion Date	Revised BCC Action
Amend Lane Manual to focus on economic development activities that create family wage jobs and increase income to Lane County. BCC identify industry clusters upon which the County will focus economic development decisions and efforts.	BCC		10/05	Yes
Identify economic development resources within Lane County government and in the region.	Dept. Directors and BCC		11/05	Yes
Develop a plan to direct economic development resources (Lane Co. government and external resources) to goals.	Dept. Directors and BCC		9/06	Yes
Coordinate with partners to develop goals/priorities for economic improvement across the county.	BCC		1/06	Yes

High Level Outcome GRID

Lane County Goals	Management Team Outcome Recommendations	SSIF Outcome Recommendations
MISSION: To provide high-quality, local government services in a fair, open, and economical manner to best meet the needs and expectations of our citizens and our guests.	% of citizens rating Lane County fair or better in relation to the services provided	
Goal 1) Work for a strong regional economy to expand the number of family-wage jobs available in Lane County	% increase in family wage jobs in Lane County	Increased possession of skills and abilities required by employees Increased employment rate Increased earnings levels Increased % of people employed Increased % family living wage jobs Increased % of profitable business
Goal 2) Provide opportunities for <i>citizen participation</i> in decision-making, voting, volunteerism and civic and community involvement	Increase in public education by surveying citizens on their awareness and understanding of the issues and services of Lane County	Increased participation in decision-making Increased voter registration and turnout Increased part. in volunteer ops, civic, community involvement
Goal 3) Ensure the provision of <i>basic social support</i> in health care, disease prevention, protection, poverty reduction and independent living	Improved index of health care measures for Lane County	Increased % above poverty line Increased % living in permanent, safe home or community setting Increased % who make progress toward self-sufficiency Improved access to care Improved health self-assessment Improved index of epidemiological measures

¹ From Strategic Plan 2001-2005

CROSSWALK

Strategic Objectives ('05) and Lane County Goals ('01-'05)

Engage and inform citizens about the services of Lane County government.		
Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.*	% of citizens rating Lane County fair or better in relation to the services provided	MISSION To provide high-quality, local government services in a fair, open, and economical manner to best meet the needs and expectations of our citizens and our guests.
Ensure that Lane County's workforce is responsive and able to meet the service needs of its citizens.*		
Strengthen Lane County's economy through focused economic development efforts.	% increase in family wage jobs in Lane County	Work for a strong regional economy to expand the number of family-wage jobs available in Lane County
Engage and inform citizens about the services of Lane County government.	Increase in public's awareness and understanding of the issues and services of Lane County	Provide opportunities for citizen participation in decision-making, voting, volunteerism and civic and community involvement
Safeguard delivery of public health services by construction of a new Public Health Building.	Improved index of health care measures for Lane County	Ensure the provision of basic social support in the areas of health care, disease prevention, protection, poverty reduction and independent living
Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.* (Public Safety District)	% decrease in repeat offenses by adults and juveniles	Ensure the public's safety with regard to adult and juvenile crime, emergency preparedness and regional cooperative policing through law enforcement, intervention, prosecution, incarceration, and parole and probation, while protecting individual's constitutional rights
	% of road miles with a pavement rating of fair or better	Contribute to appropriate community development in the areas of transportation and telecommunication infrastructure, housing, growth management, land use and parks
	% increase in Lane County Solid Waste Recovery rate	Maintain a healthy environment with regard to air quality, water quality, waste management, land use and parks
	Increased awareness of infrastructure	Protect the public's assets by maintaining, replacing or upgrading the county's investments in systems and capital infrastructure
Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.*	% of departments meeting performance measure outcomes	Provide efficient and effective financial and administrative support and systems to direct-service departments
Ensure that Lane County's workforce is responsive and able to meet the services needs of its citizens.*		

* Objective applies to more than one Strategic Plan goal.

High Level Outcome G

Goal 4) Ensure the <i>public's safety</i> with regard to adult and juvenile crime, emergency preparedness and regional cooperative policing through law enforcement, intervention, prosecution, incarceration, and parole and probation, while protecting individual's constitutional rights	% decrease in repeat offer % decrease in repeat offer
Goal 5) Contribute to <i>appropriate community development</i> in transportation and telecommunication infrastructure, housing, growth management, land use and parks	% of road miles with a pav fair or better ³
Goal 6) Maintain a <i>healthy environment</i> with regard to air quality, water quality, waste management, land use, parks	% increase in Lane County Recovery rate ⁴
Goal 7) <i>Protect the public's assets</i> by maintaining, replacing or upgrading the county's investments in systems and capital infrastructure	Increased awareness of int Measure outcomes
Goal 8) <i>Provide efficient, effective financial and administrative support and service</i> to direct-service departments	% of departments meeting Measure outcomes

² LCSO also suggests:

of violent and property crimes reported per 1000 population;

% change in injury/fatal motor vehicle collisions;

% of unincorporated residents rating Lane county as a safe place to live;

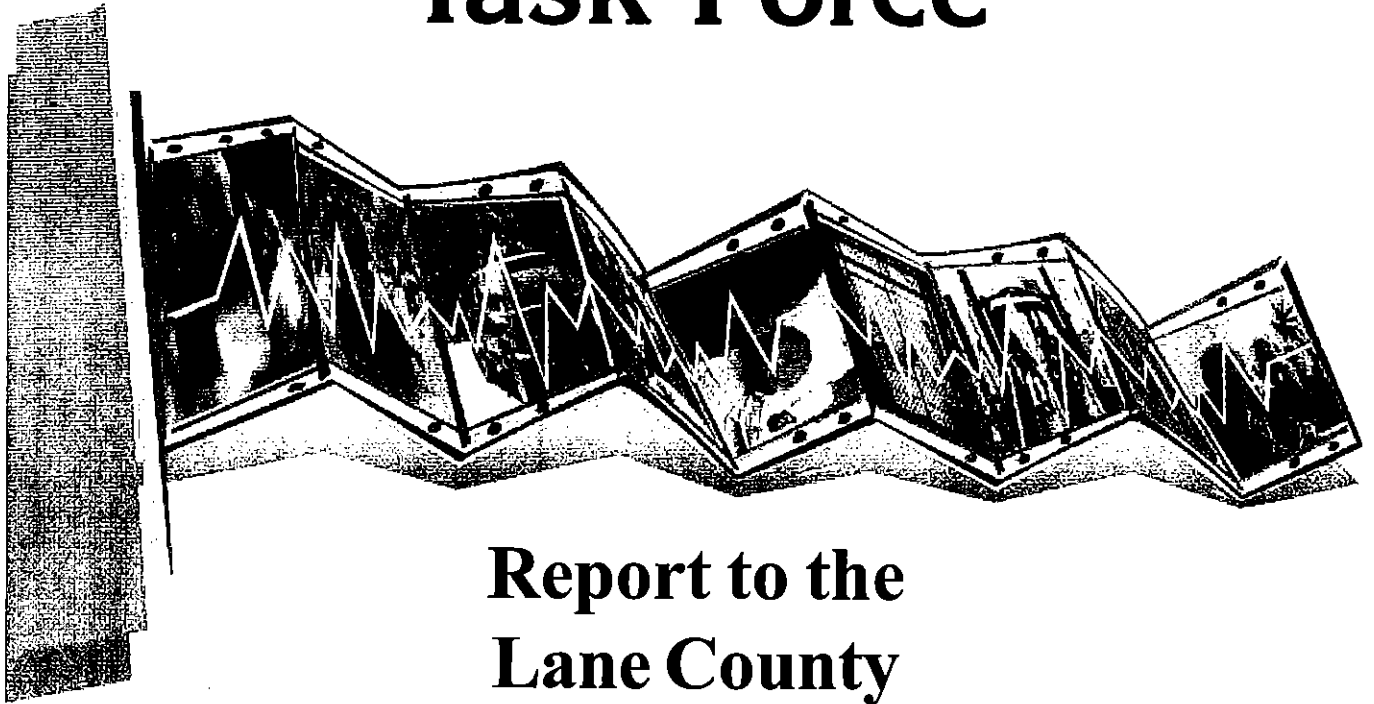
of methamphetamine labs seized and cleaned up per year.

³ Public Works also suggests: Acres of county parks open space within 20 miles of cities.

⁴ Public Works also suggests: % of compliance actions closed in a year; % of visitors rating County parks good to ex

⁵ Management Services recommends a combination of measures monitoring maintenance of existing County facilities
Improvements Plan. Public Works also suggests: % of county bridges in fair or better condition.

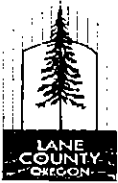
LANE COUNTY
Service Stabilization
Task Force



**Report to the
Lane County
Board of County
Commissioners**



November 3, 2004



Lane County Board of Commissioners

Bill Dwyer
Bobby Green, Sr.
Don Hampton
Anna Morrison
Peter Sorenson

November 3, 2004

Bobby Green, Sr., Chair
Lane County Board of Commissioners
125 E. 8th Avenue
Eugene, OR 97401

Dear Commissioner Green and Members of the Board:

The Service Stabilization Task Force is pleased to transmit our final report and recommendations to you. The Task Force was given two short months to consider the financial situation that faces Lane County and to respond to your request that we study and recommend strategies on how the County might address the structural deficit that exists within its General Fund. We met a total of nine times.

We concluded that the County has a significant gap between the resources that are likely to be available to it for the foreseeable future and the cost of continuing to operate as a general-purpose government. We believe that it is critical for the Board to establish a clear set of priorities on which to base future funding decisions. The funding priorities should be responsive to what the citizens of Lane County consider to be most beneficial, and they should be clear and understandable to the public and county staff.

We very much appreciate the able support we received from your staff. We could not have completed our work without the help of Dave Garnick, John Arnold, and Bill VanVactor, and the assistance of several note takers.

We sincerely hope that this report and our recommendations will be of assistance to you.

Thank you for asking us to participate in the process.

Sincerely,


Kate O'Donnell (Chair)

Mary Ann Holser
Jeff Miller
Gary Shearer
Lorraine Still


David Piercy (Vice-Chair)

Erik Jensen
Jack Radabaugh
Dennis Shine

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EXECUTIVE SUMMARY

On August 25, 2004, the Lane County Board of Directors appointed a nine member Service Stabilization Task Force charged with recommending whether and how to pursue certain strategies to address a structural deficit that exists within the County's General Fund Budget. The Task Force was instructed to complete its deliberations by October 31, 2004.

The Task Force met nine times and concluded that there is a significant gap between the resources that are likely to be available to the County for the foreseeable future and the cost of continuing to operate as a general-purpose government.

Specifically, the Task Force made the following recommendations, which are explained in more detail in the report that follows.

1. The Board of County Commissioners live within its means on an annual basis. To assist with this, the Task Force also recommended that the Board:
 - a. Immediately determine the service priorities and desired results for Lane County Government;
 - b. Prioritize its goals and establish outcome measures; and
 - c. Finalize its service priorities, outcome goals, and outcome measures in time for preparation of the 2006-07 budget.
2. The Board use the following strategies to reduce costs:
 - a. Approach the governing bodies of all public agencies within the county, with the exception of schools, to propose pooling the health care benefits provided by each agency to its employees;
 - b. Audit departments;
 - c. Explore making more County programs self-supporting, as the Board currently does with planning and building permits and waste management;
 - d. Budget to outcomes not departments to ensure that a department's efforts are directly related to the priorities that have been established by the Board;
 - e. Manage competition by having internal departments compete with private business and non-profits for the provision of service;
 - f. Enter into a dialogue with other agencies to discover ways to consolidate services; and
 - g. Work with the Association of Oregon Counties, and other appropriate groups, to lobby the Oregon Legislature to adequately fund state mandates that deal directly with the operation of government, such as jails, courts, and elections.

3. The Board pursue new revenue options in order to meet its long-term policy choice to remain a general-purpose government. Specifically, establish a public process that would include a Revenue Task Force to complete an in-depth analysis of revenue options and consider the implications of each of those options.
4. The Board consider the barriers to the creation of a Public Safety District before deciding whether to proceed.

The Task Force encouraged the Board of County Commissioners to provide the leadership necessary to overcome the current budget crises so it does not become permanent and so that it can meet its goal of truly being a general-purpose government. Such leadership, the Task Force concluded, will require a high degree of cooperation with city mayors, councils, and administrators, and with the various special districts in the county so they can assess their needs together, and decide on how to move toward inter-jurisdictional cooperation, consolidation, and, maybe even the creation of a metro area service district.

INTRODUCTION

On June 30, 2004 the Board of County Commissioners adopted Order No. 04-6-30-5, which states,

WHEREAS, the Lane County General Fund has a structural deficit as expenses rise on average 6% per year and revenue rises only 3% per year, and

WHEREAS, the Board of Commissioners has made a long term policy choice to remain a general-purpose government, and

WHEREAS, the Board has determined that a citizen-led Service Stabilization Task Force should be appointed to recommend strategies on how the County might address the structural deficit,

NOW, THEREFORE IT IS HEREBY ORDERED a Service Stabilization Task Force shall be established....

TASK FORCE MEMBERSHIP

Order No. 04-6-30-5 went on to state,

...and it is further

ORDERED the Service Stabilization Task Force shall consist of 9 members, one appointed by each commissioner and 4 at-large, with the at-large appointments occurring after a 30 day recruitment period and upon due consideration by the Board of an appropriate balance of various elements of diversity, including but not limited to geographic area and political party affiliation...

Through the open 30-day recruitment period, the Board received 21 applications for the four at-large positions.

On August 25, 2004, the Board Adopted Resolution 04-8-4-2 appointing the following members to the Task Force:

North Eugene District	Jeff Miller
South Eugene District	Kate O'Donnell
Springfield District	Jack Radabaugh
West Lane District	Erik Jensen
East Lane District	Lorraine Still
At-large	Mary Ann Holser
At-large	David Piercy
At-large	Gary Shearer
At-large	Dennis Shine

TASK FORCE CHARGE

ORDER NO. 04-6-30-5 established the charge for the Task Force:

ORDERED that the charge to the task force is as follows:

In view of the circumstances and policy choice described above, the Task Force shall recommend to the Board of County Commissioners whether and how to pursue one or more of the following strategies to address the structural deficit, including short and long-term implications of each option.

- 1. Live within its means on an annual basis*
- 2. Reduce the cost factors which drive the deficit*
- 3. Right size the organization so that the service delivery system is stable for a number of years. Include as part of the recommendation how many years the County should engage in this strategy.*
- 4. Pursue revenue.*
- 5. If pursuit of revenue is selected, the Task Force shall also evaluate the wisdom of advancing a law enforcement district proposal to the citizens in November, 2006, in addition to any other recommendation it has regarding revenue pursuit.*
- 6. Any other strategies available to address the structural deficit, and it is further*

ORDERED that the Service Stabilization Task Force report shall be completed by October 31, 2004 so that the recommendations, if adopted, can be incorporated into the FY 05-06 budget...

TASK FORCE PROCESS

Board Chair Bobby Green, Sr. convened the Task Force on August 31, 2004. Commissioner Green briefed the Task Force on its charge and the staff provided members with an overview of the County's budget, reviewed the budget document, the County's Strategic Plan, and a number of related documents. Task Force members selected Kate O'Donnell as chair, and David Piercy as vice-chair.

The Task Force met once each week during the months of September and October, received several staff reports and reviewed a great deal of information about the County's budget. See appendices.

The Task Force's deliberations and conclusions were influenced by the work of David Osborne and Peter Hutchinson, The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis (New York, Basic Books, 2004). We recommend that the Board of County Commissioners become familiar with this resource if it has not already done so.

The Task Force's report and recommendations were agreed upon by consensus.

Our timeline was short, and as a result we did not have time to articulate all the implications of our recommendations, to give specific recommendations regarding new revenue sources, or to go through a more thorough consideration of what funding priorities the Board should adopt.

RECOMMENDATIONS

1. Live Within Means by Reestablishing Service Priorities; Right Size the Organization

The Stabilization Task Force recommends that the Board of County Commissioners live within its means on an annual basis.

We understand and concur that it is desirable for Lane County to remain a general-purpose government. This is an important goal, but the Board of County Commissioners is legally required to live within its means on an annual basis.

Since additional revenue will not be available to the Board during FY 2005-06 and perhaps into the foreseeable future, the Board will need to establish a clear set of priorities that are comprehensible to the public and county staff. Prioritizing service outcomes and strategies that are of most value to the public will assist the Board as it determines which services to keep or enhance, and which services to reduce or eliminate. This will lead directly to decisions that will "right size the organization."

A. Immediately determine the service priorities and desired results for Lane County Government.

The Board should not make "across-the-board reductions," but using the resources available to it, fund its highest priorities. Those priorities should be based on what the citizens of Lane County consider to be most beneficial. Services that cannot be funded can be restored as additional funding becomes available either through additional revenue or program efficiencies. The Task Force understands that if revenue continues to decline, important and popular programs may require reduction, reorganization, or elimination.

B. The Board should prioritize its goals and establish outcome measures. Table 1 shows the priorities and outcome measures recommended by the Task Force.

Based on the revenue projections available to the Task Force, in FY 2005-06, the county will not be able to fund all of its goals so should make its funding decisions based upon its highest priorities. The Board may want to consider making even further reductions in 2005-06 to help begin to make the reductions that will be necessary in the future.

Table 1
Prioritized Goals and Outcomes Recommended by the Service Stabilization Task Force

LC Goal Statement	Outcome Goal	Outcome Measure	Rank
Ensure the public's safety with regard to adult and juvenile crime, emergency preparedness and regional cooperative policing through law enforcement, intervention, prosecution, incarceration, and parole and probation, while protecting individual's constitutional rights.	Decrease violent crime and property crime	Decreased recidivism rate Reduced preventable injury and loss Increased emergency response	1
Ensure the provision of basic social support in the areas of health care, disease prevention, protection, poverty reduction and independent living.	Improve condition of vulnerable children and adults Improve health of Lane County residents	Increased % living above poverty line Increased % living in permanent, safe home or community setting Increased % who make progress toward self-sufficiency Improved access to care Improved self-assessment on health Improved index of epidemiological measures	2
Maintain a healthy environment with regard to air quality, water quality, waste management, land use and parks.	Improve quality of natural resources	Improved % of days with healthy air Improved % of water bodies/sources that meet quality standards Reduced rate of land converted to urban area Increased participation in cultural programs Increased participation in recreational programs Increased availability and access	3
Contribute to appropriate community development in areas of transportation and telecommunications infrastructure, housing, growth management, and land development.	Improve the mobility of people, goods, information, energy	Sufficient capacity to meet demand Minimized delay and downtime Fair and reasonable pricing	4
Work for a strong regional economy to expand the number of family wage jobs available in Lane County.	Improve quality and productivity of workforce Improve economic vitality of business and individuals	Increased possession of skills and abilities required by employees Increased employment rate Increased earnings levels Increase % of people employed Increased % of family living wage jobs Increased % of profitable business	5
Protect the public's assets by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.	Improve the public's assets	Increased quality of infrastructure Increased quality of systems	6
Provide Opportunities for citizen participation in decision-making, voting, volunteerism and civic and community involvement.	Increase opportunities for citizen participation in civic affairs	Increase participation in decision-making Increased voter registration and turnout Increased part. in volunteer ops, civic, community involvement	7

In establishing the priorities in Table 1, the Task Force did not prioritize the county's goal that deals with "efficient and effective financial and administrative support" because we believe that this is a given and should be included in the cost of implementing each of the other goals. We also discussed but did not reach consensus on adding an additional goal dealing with educational, cultural, and recreational opportunities. It is unfortunate that library services are not readily available to all citizens of Lane County.

- C. If the Board feels that the recommendations provided by the Task Force need additional discussion, input, and/or analysis, the Task Force recommends that the Board finalize its service priorities, outcome goals, and outcome measures in time for preparation of the 2006-07 budget.

In the meantime for FY 2005-06, the Board has projected a substantial shortfall that will need to be reconciled. The Task Force recommends that any reductions in 2005-06 not be "across the board," but based on a determination of priority outcomes.

2. Reduce the Cost Factors that Drive the Deficit

The Task Force recommends that the Board use the following strategies to reduce costs.

Some of these can be implemented without regard to service priorities and others may need the Board to be clear about its strategic priorities and the criteria it uses to justify these priorities. The Board may want to refer to United Way of Lane County's most recent need's assessment to help determine the County's funding priorities. The Task Force recommends that those strategies that are independent of a service priority, be implemented within one year, or as soon as possible.

- A. Approach the governing bodies of all public agencies within the county, with the exception of schools, to propose pooling the health care benefits provided by each agency to its employees.

By pooling the number of employees and having greater control over the benefit package, the agencies could reasonably set a goal of reducing the annual increase in insurance costs to under 10% (from the typical 15 to 20%) while still maintaining a comprehensive benefit package to staff. We chose not to include schools because we understand that the state may already be considering pooling their health care benefits.

- B. Audit departments to:

- (1) Evaluate what department services are necessary to meet the prioritized outcomes determined by the Board;
- (2) Determine which services in the department are being done by another department or agency and justify why those services should be continued or duplicated;
- (3) Determine the consequences of eliminating or reducing services;

- (4) Review whether the department is implementing required or mandated services and of those that are not required or mandated whether they are secondary to meeting the prioritized outcomes desired by the Board; and
- (5) Evaluate whether employee overtime is being appropriately used.

These audits can be completed either internally or by contracting with independent outside auditors, but decisions about which departments to audit should be made without regard to “political influence,” and there must be documented follow-up to whatever recommendations result from the audits.

- C. Explore making more County programs self-supporting, as the Board currently does with planning and building permits and waste-management.

By charging more of the cost of some programs to the users, the General Fund will have resources available to fund high priority services. If the Board pursues this strategy, fee structures will need to be transparent, understandable, and allow for enforcement. One downside of this strategy is that it could make those departments that are self-sufficient more powerful, even if the services they provide are not of the highest priority.

- D. Budget to outcomes not departments to ensure that a department’s efforts are directly related to the priorities that have been established by the Board.

Such an effort will require a complete look at all departmental budgets and justification for continued spending. We encourage the County to continue its movement toward budgeting to outcomes, not outputs.

In their book, The Price of Government, Osborne and Hutchinson state, “Budgeting for outcomes starts with the results most important to citizens, then purchases programs and activities from all corners to achieve these results. It takes no existing programs as givens; it asks all programs to compete with other public and private organizations to deliver results at the best price. It combines program budgeting’s focus on programs rather than organizations, performance budgeting’s focus on the results of those programs, zero-based budgeting’s habit of reexamining priorities every budget cycle, and managed competition’s method of letting all kinds of organizations, public and private, compete to deliver programs.” (New York, Basic Books, 2004, p. 85)

- E. Manage competition by having internal departments compete with private business and non-profits for the provision of service.

Behind this concept, is the idea that internal departments should operate as efficiently as possible, and when more efficient than private business or non-profits they can continue to provide services, or, when unique, even market and sell their services to the public and other governmental jurisdictions. On the other-hand, when internal departments cannot provide a service as efficiently as external groups, the Board may consider contracting-out a service.

It should go without saying that some services such as public safety should never be contracted-out either because the County can provide them more efficiently or because they provide extremely sensitive and/or core functions.

This strategy will require early and open conversations with employees and their formal bargaining representatives. It is desirable for employee groups to be involved in identifying problems and solutions, and to understand the full extent of the budgetary issues that are being faced by the Board.

One tactic that is used effectively by some businesses is a concept referred to as “mock bidding.” That is, the Board would contract with an expert in the provision of a certain service, and ask that expert to independently determine what the cost of doing business should be. The department then can submit a bid. If the department is within the range recommended by the expert, then it should continue doing business as usual. If the department, on the other hand, exceeds the cost, the Board, working with its employees, can determine how to reduce the cost, or justify the higher cost.

In pursuing this strategy, the Board may control for the cost of public employees. For example, the cost of retirement plans or medical benefits may not be considered when evaluating efficiency, but staffing levels, support personnel, and other costs would be. As a public agency, the Board needs to be concerned about providing living wage jobs for its employees.

If a decision is made to pursue the contracting-out of services, the Board will need to comply with legal requirements and the provisions of collective bargaining agreements, and also be committed to protecting existing employees to the extent possible. For example, the County could use the following strategies:

- use attrition rather than layoffs;
- encourage early retirement;
- create internal opportunities for those whose jobs may disappear;
- require, as a part of a contract, that employees be given an opportunity for employment by the contractor;
- offer severance packages; and/or
- when making layoffs ensure that they are necessary.

There are potential drawbacks to using this strategy: employees will see it as threatening and it could result in labor unrest. The County is accountable and ultimately will not be able to delegate its program and fiscal responsibilities for certain services. There is also risk that some services, if contracted-out, will not be done to the standards expected by the County and its citizens. Therefore, decisions about which services to contract-out, need to be made carefully.

F. Enter into a dialogue with other agencies to discover ways to consolidate services.

This is difficult to do, but all agencies are “hurting” financially and need to make careful budget decisions and might be able to consolidate some services such as, but not limited to health, patrol officers, SWAT, and cultural and library services. For

this strategy to work, the Board needs to enter the discussion with no preconceived notions of what can be done more efficiently through consolidation.

- G. Work with the Association of Oregon Counties, and other appropriate groups, to lobby the Oregon Legislature to adequately fund state mandates that deal directly with the operation of government, such as jails, courts, and elections.

3. Pursue Revenue

The Task Force recommends that the Board of County Commissioners pursue new revenue options in order to meet its long-term policy choice to remain a general-purpose government. Specifically, we recommend that the Board establish a public process that would include a Revenue Task Force to complete an in depth analysis of revenue options and consider the implications of each of those options.

The Task Force did not have adequate time to complete an in depth analysis of the revenue options available to the Board or to consider their implications. Therefore we are unable to make a recommendation about the sources of revenue that the Board should consider. We do believe, however, that the County does need to acquire new revenue if it is going to continue as a general-purpose government.

The public process to explore new revenue should include a Task Force (ad hoc or ongoing), procedures for testing the public's perception, and the development of strategies for positive communication with citizens about the funding dilemma the County finds itself in. If the board undertakes such an effort, the Task Force recommends that each potential revenue source be given a cost/benefit analysis. That is, the cost of collections, the amount collected, and the potential receptivity of the public should be considered.

The Task Force identified a number of revenue options that the Board or a new Revenue Task Force could consider.

1. Seek Voter Approval for a Personal Income Tax
2. Liquidate Excess County Assets
3. Review Existing System Development Charges and Establish Additional Charges, if Appropriate
4. Expand Taxation of Tourism
5. Recover the Full Cost of Services For Which the County Currently Charges
6. Seek Voter Approval for a Levy for Sheriff and District Attorney Services
7. Establish a Pollution Tax
8. Assess a Telecommunication Tax
9. Assess a Gas Tax
10. Seek Voter Approval for a Corporate Income Tax
11. Seek Legislative Relief From the Cost of Unfunded Mandates
12. Seek Voter Approval to Establish a County Sales Tax with a Corresponding Reduction in County Property Taxes
13. Establish a Business License Fee
14. Establish a Transportation Tax
15. Seek Voter Approval for a Payroll Tax

16. Assess a Tax on Tobacco and Alcohol Sales
17. Explore a Tax on the Value of Land
18. Consolidate Governmental Services and/or Jurisdictions
19. Assess an Entertainment Tax
20. Halt Tax Benefits for Large Corporations and Provide Incentives for Smaller Business
21. Market and Sell Unique County Services to the Public and Other Governmental Jurisdictions

4. Consider the Barriers to Establishing a Public Safety District

The Task Force recommends that the Board of County Commissioners consider the barriers to the creation of a Public Safety District before deciding whether to proceed.

The Task Force reached consensus that it could not take a position on the creation of a Public Safety District at this time. We believe that there are a number of barriers and issues that need to be resolved before the Board determines how to proceed. The ones we identified are listed below:

1. There is lack of clarity over what services would be included in a public safety district. Until the public and other governmental agencies are clear on what would be included, it is difficult to determine whether to be supportive or not.
2. If funding for drug and mental health treatment is included in a Public Safety District, they need to be managed independently of, but cooperatively with law enforcement.
3. It is unclear about how services within local jurisdictions would be affected if a special district is formed.
4. The Board would need to have support from the cities that will be affected before it proceeds, or ask the legislature for a change in law. Both of these could lead to conflicts with city partners.
5. If cities do not agree and the boundaries within a special district are not contiguous, it may be difficult to obtain Boundary Commission approval.
6. The Board will need to determine if pursuit of a special district will be revenue neutral or raise replacement funds that can be used to fund other critical county services. There is question about whether the pursuit of a special district is cost effective if no additional revenue becomes available.
7. The citizens of Lane County have not been generous in taxing themselves to fund services, even public safety services.
8. There are questions about whether there should be a separate governing board or whether the current Board of County Commissioners should have authority over such a special district.

9. There may be some ways for the Board to work with other jurisdictions to consolidate certain public safety services short of creating a Public Safety District. See Recommendation 2F.

CONCLUSION

The Task Force encourages the Board of County Commissioners to continue to provide the leadership necessary to overcome the current budget crises so it does not become permanent, and so that the Board can meet its goal of truly being a general-purpose government.

We believe that such leadership will require a high degree of cooperation with city mayors, councils, and administrators, and with the various special districts in the county. This cooperation is necessary if we are to truly assess our needs together, and decide together on how we can move toward inter-jurisdictional cooperation, consolidation, and, perhaps even the creation of a metro area service district.

The Task Force commends the Board on the hard work it has already done and for publicly acknowledging its budget crisis by appointing a group of citizens to advise on how to proceed. In our report we recommend that the Board:

- (1) Immediately determine outcome priorities for the County so that the Board can move toward funding for outcomes not outputs (Recommendation 1);
- (2) Complete a thorough analysis of how the County might reduce some of the costs of doing business (Recommendation 2);
- (3) Pursue new revenue so all the citizens of the county have the safety, recreational, cultural, and health and human benefits that only a general-purpose government can provide (Recommendation 3).

All of these are necessary if the County wishes to remain a general-purpose government and keep up with the projected population growth of an additional thirty-two thousand residents in ten years. We encourage the Board to continue an open discussion with the community on the controversial subject of how to gain new revenue.