

# MINUTES & NOTICE OF BOARD ACTION

BOOK 146 PAGE 1177

APPROVED 2-5-91

## LANE COUNTY BOARD OF COMMISSIONERS



*This document, upon approval in a public meeting by the Board of County Commissioners, serves as official minutes of such meetings as required under the Open Meetings Law, ORS 192.650.*

Pursuant to notice made by mailing agendas to news media, a selected list of jurisdictions and individuals in Lane County, a meeting of the Board of County Commissioners was held.

Questions should be directed to The Board Office Specialist 3, ext. 4203.

December 18, 1990  
8:30 a.m.

GOAL SETTING SESSION  
BOARD OF COUNTY COMMISSIONERS

Shadow Hills  
Junction City

Chair Bill Rogers presided with Steve Cornacchia, Ellie Dumdi, Jack Roberts and Jerry Rust present. Jeff Luke, Facilitator and Judy Haldeman, Recording Secretary.

### Goals/Guidelines/Norms

Luke introduced the agenda for this session. He commented that the goals for today were to identify the Board expectations for the Fair Board and to have a meaningful discussion of the County budget.

### FAIR BOARD DISCUSSION

Luke suggested that the Board list what the Fair Board should do more of, less of and what should stay the same.

### MORE

- Dumdi - Communicate with the Board on a regular basis, set policy for the Fair Manager based on good business principles; work with the City of Eugene in a planning process and develop a comprehensive marketing program.
- Frazier - Communicate with the public, staff and the Board of Commissioners, ask for help if needed, prepare a programming and events plan for maximum profit or minimum loss, and develop a good short- and long-term plan.
- Rogers - Clearly understand the expectations of the Board of Commissioners with regard to Fair Board operations. He commented that when things go well or when things go wrong, they affect and reflect upon County Government. Clearly understand the aspect of public trust as it applies to public property and funds as compared to the private

sector; clearly understand the need to be more involved in the day-to-day operations of the fairgrounds; have expectations of the Fair Manager that go far beyond the "bottom line" of management; have Fair Manager develop a work plan and submit it to the Fair Board for approval; understand the spirit and letter of the law as it pertains to public assets and agree to increase or maintain the rural aspect of the fairgrounds.

- Roberts - Perform checks and balances on the Fair Manager and provide a forum for disaffected users of the fairgrounds to express their concerns.
- Cornacchia - Prepare a comprehensive marketing program for each and every structure; specify policies, work plans and expectations of the Fair Manager; continue to question the mode of operation through scrutiny, analysis and modification; hold more community fund raising to benefit general public; offer more youth opportunities at the fairgrounds; more public presence by the Fair Board so that the public will know them personally. Better communication with all user groups.
- Rust - Provide critical evaluation of the administration; request a work plan from the administration and commence and/or complete the master plan with the inclusion of the neighborhoods.
- Jim Johnson - Place more value on quality customer service.

#### LESS

- Dumdi - Cronyism, old boy networking and behind-the-scenes backbiting among Fair Board members.
- Frazier - Buck-passing.
- Rogers - Denial of problems.
- Roberts - Act as a support group for besieged manager; advocate for a particular interest or user group; appearing to have special "perks" and avoid even the appearance of special privileges.
- Cornacchia - Listening to Bill Rogers and allowing one member to dominate the operation of the Fair Board.
- Rust - Hear less and enjoy more; less denial and less obsession with the media.

## SAME

- Dumdi - Hold regular meetings.
- Frazier - Continue monitoring changes and continue better focus on agriculture.
- Roberts - Running the Fairgrounds like a business within the public law constraints; and continue pursuing innovative activities and facility improvements.
- Rust - Lane County Fair is exemplary; be open to possibilities, but continue to be realistic. Say "no" based on sound business practices when appropriate.
- Rogers - Continue to maintain the grounds beautifully
- Johnson - The top seven conventions in town are handled very well.

David Suchart, Performance Auditor, commented that he would ask Sharyle Lonstron, Events Manager, to show the profits for each of the conventions held. Johnson stated that this list will be presented to the Fair Board on January 3, 1991.

This meeting recessed at 10:15 a.m. to reconvene at 10:30 a.m.

#### Budget Forecast - Nature and Scope of the Budget Problem

Nancy Cameron, Management Analyst, explained that the budget charts used were not adjusted for Measure 5 losses and stated that there was a seven percent increase in the overall expenditures in these charts. She stated that expenditures are increasing as revenues are decreasing. Luke asked the Board to define the current budget problem in 25 words or less.

- Rust - Flat, unstable revenue base with runaway expenditures in the \$7.5 million range.
- Cornacchia - We've had it too good; high receipts have lulled us to sleep. \$5 to \$7.5 million problem.
- Roberts - Lack revenue stream that grows with the economy while expenditures are out of sync with any reasonable revenue stream. \$8 million problem.
- Rogers - Spending at a rate that will cause expenses to exceed revenues in FY 91-92. \$7.5 million problem.
- Frazier - Certain expenditures with uncertain revenue sources and a \$7 to \$8 million problem.

- Dumdi - By FY 91-92 expenditures will start to exceed projected revenues. The obvious action is to start now with a plan to reduce expenditures. \$7.5 to \$8 million problem.
- Drivas - Expenditures now exceed revenues, reserves are being exhausted, less control over revenues than expenditures - figure it out! \$5 to \$7 million problem.

#### Summary of Budget Forecast - Consensus Statement

Luke commented that there is currently a \$5 to \$8 million gap based on current assumptions and existing revenue sources. In the future, there will be a continuing need to constrict expenditures, assuming that there are no new revenue sources.

Drivas restated her comment that expenditures now exceed revenues, reserves are being exhausted and there is less control over revenues than expenditures. Rogers commented that there is a wind-down time involved in reducing the expenditures and commented that a reserve should be maintained. Rust stated that he would agree and added that the County should have a glide path which is smooth. He stated that there should be some expenditure reduction this fiscal year and a larger amount the following fiscal year.

Bill Van Vactor, County Counsel, recommended that \$1 to \$2 million be cut now. Bill Hoyt, Director of Regional Information Systems, commented that he would agree except there must be an increase in revenue to prevent cutting on into the future. John Goodson, Director of Public Works, stated that there should be a two-phase approach; one which identifies potential revenues and a contingency plan for cutting expenditures. Steve Carmichael, Director of Juvenile Services, commented that there is nothing stating the problem in terms of increasing revenue, it is all on the cut side. Jim Gangle, Assessor, agreed that both sides should be looked at and stated that he was a bit concerned about when the cuts will occur.

Cornacchia commented that revenue options are not supported by the majority of the Board and he would ask the departments to identify where the revenues they refer to will come from. Rust commented that the County should exhaust the potential of savings on the expenditure side before there is a major look at revenues. Roberts commented that the County should move into expenditure control first, but that any statement of the problem which makes it appear that this is purely an expenditure problem or that it is going to be solved on the expenditure side totally, misleads people into thinking that we are going to have a long-term solution. We are not going to have a long-term solution with current revenue sources. Cornacchia commented that the Board is not here for long-term solutions as there is an immediate problem to face.

This meeting recessed at 12:00 p.m. to reconvene at 1:00 p.m.

**Identify Strategic Framework - Focus Statement**

Luke commented that there were really two problems: a short-term problem and a long-term problem.

<b>Short-Term</b>	<b>Long-Term</b>
Expenditures exceeding revenues	Stable or declining revenues
\$800,000 shortfall 90-91	
\$2.9 million shortfall 91-92	Requires continued budget cuts yearly
\$5.1 million shortfall 92-93	
Revenues being exhausted	No plan to deal with long-term problem
Revenues are not increasing	
Limited control over current revenues	

Roberts commented that the Board has made a conscious policy choice not to seek new revenues at this time.

Luke stated that based on the problem, there is a need to make some targeted cuts today for FY90-91. Roberts suggested that the Board get ready for the FY91-92 budget season during the next six months with a target of \$2.9 million in savings. Dumdi agreed that the 91-92 fiscal year was the place to start. Rust suggested that the Board go after \$500,000 to \$1 million in cuts now. Cornacchia commented that this Board should state what Lane County is and what the priorities of service for the County will be. He suggested that the Board quit spending money outside of the budget process. Dumdi agreed that the Board should be looking at prioritizing programs before cuts are made. Johnson stated that he would be returning to the Board in January with some expenditure containment suggestions and ideas partly to begin saving money, but also due to his concern about the spending limit. Roberts commented that it was extremely important to maintain a reserve and that the Board should decide what the amount will be. Dumdi suggested that departments should be told that there is no more money to be spent this year and Johnson commented that the Board should decide that also. Luke agreed that the Board should be part of this and that nothing new should be approved. In FY91-92 there will be permanent sustainable cuts in services of lesser priority; long-term problems could follow the strategic planning process. Johnson commented that he would appreciate general instructions without a target amount.

Cornacchia stated that he would like a commitment from the Board to meet with Department Heads and County Administration to determine who the County is, where it is going and how it will get there. Rob Rockstroh, Director of Health and Human Services, commented that the state budget was his big worry. Robert McManus, Lieutenant, commented that he supports clear political direction from the Board in a partnership with the departments. Jef Faw, Director of Finance and Management Services, commented that what services will be provided by Lane County should be determined by the Board; how they are administered should be determined by the County Administrator and the department heads. He commented that

there was a great deal of duplication of internal services throughout the County which could be better coordinated. Jim Gangle, Assessor, commented that he is concerned about what the Legislature will do to his department and what he will have to do to implement Ballot Measure 5. He stated that the long-range aspect of planning will involve the Board developing the policy for the County. John Goodson, Director of Public Works, suggested that the Board identify what services are going to be provided by the County. Steve Carmichael, Director of Juvenile Services, commented that the Commissioners need to decide as soon as possible what the County stands for while line item cuts should be addressed at the department level. Doug Harclerod, District Attorney, commented that planning could be done without thinking about money; the aspect of where the County wants to be is a long-range plan. He stated that it might be a useful exercise to talk about where the Board would like to be in the future with Lane County government and where it wants to set priorities.

Luke summarized instructions for FY 91-92 cuts and savings: 1) the Board gets its hands dirty; 2) the Budget Committee acts as a whole; 3) identify a not-to-exceed amount by January 30, 1991; 4) discuss appropriate reserve amount and 5) consider a holistic approach. He summarized the FY 91-92 approach for departments: 1) targeted cuts will be based on priority services; 2) review departmental and programmatic efficiencies with reduced duplication through consolidation, use of advanced technologies and layering of middle management; and 3) intergovernmental consolidations.

The Board agreed that it would authorize no new expenditures from the General Fund beginning January 1, 1991, except for emergencies.

This meeting recessed at 2:35 p.m. to reconvene at 2:45 p.m.

Johnson reviewed his memorandum entitled "Ideas from Department Employees and a Timeline for Consideration" (see material on file). He stated that he would like comments on this memorandum by next week from departments.

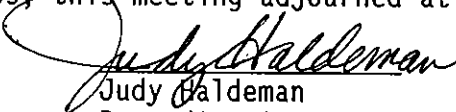
Johnson reviewed his memorandum entitled "Toward an Outline of Lane County's Financial Planning Effort": 1) Agreement on a plan and an overall process; 2) Where we are and where we are going; 3) Where do we want to go toward strategy formulation--planning for success; and 4) How do we get there (see material on file). The Board consensus was that Johnson had done a good job putting this together and that the Board would like to proceed in this direction.

Carmichael commented that the City of Eugene and the 4J School District were going through a similar process and suggested that the three entities work together. Rogers suggested that Lane Council of Governments might be able to head up this type of effort. Roberts commented that it may be important that the County coordinate with the other entities, but not to the extent that it appears to be a raid on the taxpayers' pocketbooks. Dumdi commented that it could be more cost effective in the long run to work together with the other jurisdictions.

Luke reviewed the next steps that the Board will be taking: 1) develop specific dollar targets; 2) agree on quality versus quantity; 3) develop program priorities; and 4) discuss intergovernmental consolidation.

Rust commented that this retreat had exceeded his expectations with regard to getting down the road, but did not meet his expectations with regard to cutting the budget. Cornacchia commented that this had been a good beginning. Roberts commented that there had been some good accomplishments today and stated that a tentative decision was needed for the next fiscal year to take off \$2.9 million. Rogers commented that the process is well defined and now needs to be refined. He stated that he had hoped for more participation from the departments. Cornacchia added that departments should be a major component of the upcoming process. Dumdi stated that she appreciated the leadership of Luke and commented that she would have liked more progress on strategic planning.

There being no further business, this meeting adjourned at 3:42 p.m.

  
Judy Baldeman  
Recording Secretary