

February 2, 1991
8:40 a.m.

LANE COUNTY
BUDGET COMMITTEE MEETING

Harris Hall
Main Floor

Chair Karsten Rasmussen presided with Peter Bartel, Jami Counard, Ron Hanson, Scott Bartlett, Jack Roberts and Jerry Rust present. Marie Frazier tardy. Steve Cornacchia and Ellie Dumdi excused.

Staff Present: Jim Johnson, County Administrator; Margo Drivas, Assistant County Administrator; Nancy Cameron, Management Analyst; Larry Salmony, Justice Services Coordinator and David Garnick, Recording Secretary.

1. CALL TO ORDER

Rasmussen called the meeting to order.

2. RESULTS OF PRIORITY SETTING EXERCISE

Johnson handed out two documents summarizing the results of budget committee member's prioritization of general fund programs. The first handout gave the rankings by County Department, the second was ranked by average score. Johnson mentioned that the rating summaries did not include the written comments made by the raters. He also noted that, using a scale of 1 to 3, some people did not use any 3's.

Johnson commented that he was not really surprised with the results and felt they were relatively consistent with what he thought would occur through this kind of system. He could see that the top ten items consisted of a lot of mandated services.

Johnson then asked committee members to complete another rating sheet on Intergovernmental Dues and Associations, plus some other major items. The results of this exercise will be taken into consideration when putting together the proposed budget. After the rating sheets were collected, Johnson said he would provide a summary of results at the next meeting.

As a final point of clarification, Johnson mentioned that items prioritized with a '1' are not immune from possible reduction.

3. MAJOR POLICIES, STRATEGIES, CONCEPTS FOR REDUCING EXPENDITURES

Johnson asked committee members for their input on strategies for reducing the budget.

Rasmussen said, and Bartel agreed, that they were not interested in percentage reductions. Bartel said there must be a combined reduction in service and increase in revenue, such as fees for service or new fees instituted.

Johnson said he didn't plan to increase the amount of fees or institute new ones. He said he would have departments project the expected level of revenue at current fee levels. Rasmussen added that we should take this

opportunity to identify areas for possible increases, i.e. user fee review. Rust agreed. He said it would be helpful to see proposals for new or increased fees.

Rust went on to give his preferred approaches: 1) a layer of management eliminated in all departments, regardless of how they are ranked; 2) for law enforcement/criminal justice services area we need comprehensive planning for the entire system - find a more cost effective way to share/consolidate, etc. - a longer range planning effort; 3) Focus is on the General Fund - wants Johnson to arrest the large growth in Road Fund by 10%.

Roberts agreed that across the board cuts are not desirable but may give Johnson something he can then work with to prepare his budget. As for reducing a layer of management, he agreed with the concept but questioned where excesses might exist. Regarding consolidation, he agreed but did not feel it was the charge of this committee. He thought it should proceed at the Board level. As for other funds, he agreed that all funds should be looked at, though no arbitrary setting of limits for reductions if their revenue allows.

Rasmussen threw out for further consideration the question of whether the services lost due to reductions could be replaced by the private sector or not. Also, will reductions result in long or short term costs to the County or other agencies of government?

Bartlett said that the priority of human needs should be used as the first criterion for minimizing adverse budgetary impacts; that attrition should be used to minimize job losses; and that a freeze in hiring and other increases should be looked at.

Frazier raised the question of intergovernmental contracts. She wants them to be looked at to make sure the County is not paying more than its fair share and that they are equitable. She also asked the budget committee to consider looking at a policy for tracking and reviewing new positions to see if they have been effective and should be funded for another year.

Johnson asked how the group felt about the LIFO concept (Last In, First Out). After clarification and discussion, the group agreed that LIFO was not a good approach.

4. ORGANIZATIONAL ISSUES

Rasmussen expressed reservations regarding the budget subcommittee approach used in the past. He said it leads to unintentional parochialism or favoritism, and the problem of being familiar with your own subcommittee area and less familiar with other areas of the budget.

Johnson suggested that there are at least three ways to review the budget: 1) the normal subcommittee approach - General Government, Law Enforcement and Public Works and a Committee of the Whole for everything else; 2) a Committee of the Whole to deal with the entire budget; and 3) a modified

approach with a Public Works Subcommittee, a Subcommittee of everything else (e.g. JTPA, Fairboard, General Expense), and a General Fund/Levy Committee of the Whole.

After discussion and an expression of preferences, approach number three, the modified approach, was preferred by a majority of members.

Rasmussen then asked members which non-general fund subcommittee they wished to be on. The members indicated their preference as follows (except Rasmussen):

<u>Public Works</u>	<u>Other Non-GF</u>	<u>No Preference</u>	<u>GF/Levy Only</u>
Rust	Bartlett	Roberts	Bartel
Hanson	Counard		
	Frazier		

5. LONG RANGE PLANNING

Frazier asked Johnson whether the County has had a long range plan in prior years and if so, where we were in that process. Johnson explained that we do have a long range plan. The current process started in 1987 in an attempt to begin predicting revenues and expenses into the future and discussing some concepts. This was phase one. Phase two is what we are involved with right now. Drivas said the plan identifies both revenue and expenditure problems over a multi-year horizon with a discussion of potential revenue strategies. As time has passed, we have moved away from the revenue side and focused more on expenditures.

Johnson said that his intention for putting this item on the agenda was not to spend time discussing the plan, but rather as a reminder of how this budget fits within the long range plan.

Rasmussen then asked the group if they wanted to come together to discuss long range planning before the budget process begins.

Johnson said he thought there were two questions: 1) does the committee need to get together on the proposed budget prior to April 15th; and 2) Johnson wanted to talk with Rasmussen about when the committee should meet on long range planning. Johnson said the staff work is not done yet so he had no sense of what the schedule might be.

On the first question, Rasmussen said he felt the sense of the group was that there was no need to come together to discuss the budget prior to its release. The group agreed.

On the second question, Rasmussen said he felt that since the budget process can be pretty overwhelming, the committee needed a separate process that paralleled the budget process and that he was comfortable meeting with Johnson. He asked the committee members to speak up if they were uncomfortable with this approach. None objected.

Roberts said the way he was looking at the proposed cuts, in the context of the longer term, is that the committee needs to decide whether the message being sent to departments is that we are doing a temporary cut now in hopes of getting more revenue later on, or are we more likely looking at permanent reductions in the hopes that we can then rearrange our revenue base so that we have a sustainable funding source for that level.

Roberts said he felt the County needed to be prepared for real, permanent reductions and the level of service that we are going to be able to provide in at least the medium, if not long term. Then, after we have done that and reassured the public that we have taken seriously the financial situation we are in, then we could consider rearranging our financial resources. Otherwise, the County will be facing permanent reductions every year. He said he thought this was the message that needed to get out to the departments.

The group agreed unanimously.

There being no further business, this meeting adjourned at 10:45 a.m.



David Garnick
Recording Secretary