

November 26, 1991

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October 16, 1991
5:30 p.m.

LANE COUNTY
BUDGET COMMITTEE

Harris Hall
Main Floor

PRESENT: Chair Karsten Rasmussen, Peter Bartel, Scott Bartlett, Steve Cornacchia, Ellie Dumdi, Ron Hanson, and Kate Jones. Jack Roberts and Jerry Rust arrived at 6:15 p.m. Marie Frazier excused. STAFF: Jim Johnson, County Administrator; Nancy Cameron, Management Analyst; and David Garnick, Management Analyst.

1. CALL TO ORDER

Rasmussen called the meeting to order at 5:30 p.m.

2. APPROVAL OF MINUTES

MOTION: Approval of the Minutes of May 20 and May 22. Hanson MOVED, Dumdi SECONDED. VOTE: 7-0.

3. DISCUSSION

C. 1. Outline of Upcoming Financial Planning Report

Johnson said that this was the latest outline of the ongoing financial planning effort. This outline was expected to result in a draft document which is to be completed before the first of the year.

2. September 23 Memo from County Administrator to Department Directors re: Financial Planning

Johnson said that department directors were being asked to provide an estimate of major revenue sources and what they may expect over a five-year period; due October 14. Department directors are also being asked to present 5-10 key issues that face the programs within their departments; due October 21. The Management Team will then try to arrive at a proposed budget for the County. He explained that he expected some direction on a budget target from the Budget Committee; departments will then discuss how they plan to meet the target. Rasmussen commented that it would be helpful to have the ratings that the Committee did last year distributed for review.

3. Revenue Committee Update

Rasmussen said that the revenue task force had met three times and is currently waiting for information from a consultant who will provide data. The task force will look at all of the possibilities that have been placed on the table and hopes to have a recommendation to the Budget Committee by January.

Bartlett asked if there had been estimates done by the Assessor or County Administrator regarding reductions in real revenue as a result of Ballot Measure 5 for the largest business holdings. He suggested that this be explored with the idea of recapturing this revenue back up to \$30 per 1000. Johnson commented that it would be a good idea to start the research, since businesses have a larger savings than residences. Jim Gangle, Assessor, stated that there was a shift in value for businesses at the expense of the homeowners. He said that there had been no analysis done yet, but the consultant was preparing some information that might be useful, though not specifically what Bartlett was requesting. The Committee concurred that it would like information on the business impact from the Assessor.

A. Roles and Responsibilities of the Budget Committee

Johnson explained to the Committee that the Board would like to continue to invite an expansive role for the Committee. Cornacchia commented that he finds it very worthwhile to have the feedback of the Committee lay members. Rasmussen stated that he was comfortable with the status quo and the Committee concurred. Johnson noted that the Board would limit bringing items to the Committee which had already been decided and that the Committee could decide its level of involvement on specific issues.

B. Values and Expectations Regarding the Upcoming Budget

Garnick listed the following values and expectations for possible discussion: prevention; public health, safety and enforcement; mandatory responsibility; economy/efficiency; economic vitality; citizen access; strategic investments; remote services; and facility maintenance. Rasmussen stressed that he would like to have the rating information from the last budget cycle distributed for review by the Committee. Cornacchia commented that this list was a means of expanding the budget impact to its effect on the community and that it was worthwhile to discuss these items from the standpoint of community impact.

Bartlett commented on the long-term budget impacts and noted that he had asked the County to look at County forest systems to supplement income in the future. He stated that this seems to have gotten lost in a subcommittee. Johnson commented that there had been specific direction from a majority of the Board not to pursue this. Cornacchia commented that any project without a champion sometimes dies a natural death. Bartlett stated that it was important to him to find out if a forest system had been relevant to the budgets of Hood River and Coos County.

Bartel commented that there was no privatization of services listed and suggested that privatization be considered. Johnson commented that virtually all social services in Lane County had been privatized

and Dumdi said that there had been discussions in the past on privatization and that it would bear discussing again. Bartel said that when there is an economic crunch, there is an obligation to explore every detail and services may have to be provided at a lower level. Bartlett asked whether a fiscal shortfall would allow the County to revisit compensation increases, though he would not advocate this option. Johnson responded that there were formulas in most cases with the bargaining units which contained reopener clauses, but that it was unlikely that the formula would kick in.

Roberts and Rust entered the meeting at 6:15 p.m.

Bartlett reiterated that strategic and long-term investments should be important to the County. Rust discussed consolidation with intergovernmental agencies and contracts such as the Tourism Council and the Metro Partnership.

D. Choosing a Spending Target

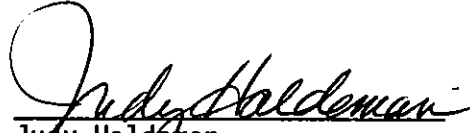
Johnson commented that the general concept of choosing a spending target is based to a large extent on where the Committee expects revenue to be the next fiscal year. Nancy Cameron, Management Analyst, shared facts about O&C timber receipts, harvest price and estimate of harvest levels (see material on file).

The Committee discussed the possible O&C levels and concluded that it would be reasonable to expect \$12.7 million in receipts for the next fiscal year. Roberts said that it was important that the direction to department heads be at the \$12.7 figure and this could be revisited if there are additional dollars in the spring. Cornacchia commented that any additional dollars should be saved in the probable event that the coming years will be worse. Rasmussen asked the Committee to discuss the Reserve for Future Years of \$1.3 million to decide whether it would be spent or saved. Cornacchia commented that he would support using the Reserve for Future Years. Rust commented that he would vote to save all of the reserve, but that he would like to see a report from the Revenue Committee. The majority of the Budget Committee voted to save the Reserve for Future Years; Bartlett did not vote.

Cameron reported that according to the model selected by the Committee, there would be a reduction of \$4,350,000 needed next fiscal year. Rust commented that he would like to see sources of revenue for \$4.4 million to offset this reduction. Johnson stated that he would try to prepare a budget that shows the impact of \$4.4 million on the organization and that the revenue document should come in at approximately the same time so that the Committee can compare the documents. Bartlett commented that the windfall to businesses in Lane County would be approximately \$30 million as a result of Ballot Measure 5 and that a gross receipts tax could be constructed to recapture part of this amount. Rasmussen responded to Bartlett that

he expected that the revenue task force would discuss this item.
MOTION: To officially adopt expected O&C receipts of \$12.7 million using none of the Reserve for Future Years for next year's budget. Roberts MOVED, Bartel SECONDED. VOTE: 8-0, Bartlett abstained.

There being no further business, this meeting adjourned at 7:30 p.m.


Judy Haldeman
Recording Secretary