

March 31, 1992  
5:15 p.m.

LANE COUNTY  
BUDGET COMMITTEE

Commissioners'  
Conference Room

PRESENT: Karsten Rasmussen presided with Scott Bartlett, Steve Cornacchia, Marie Frazier, Ron Hanson, Kate Jones, Jack Roberts and Jerry Rust present. Peter Bartel and Ellie Dumdi excused. Judy Haldeman, Recording Secretary.

1. CALL TO ORDER

Rasmussen called the meeting to order.

- 2. APPROVAL OF MINUTES: February 19, 1992  
March 3, 1992  
March 10, 1992  
March 17, 1992

MOTION: Approval of the Minutes. Hanson MOVED, Rust SECONDED. VOTE: 8-0.

3. BUDGET DIRECTION FY 93 AND BEYOND

- a. Overview
- b. Updates

Margo Drivas, Assistant County Administrator, reported that O&C is doing better this year than last year and she believed that the County would make the guarantee without difficulty. Nancy Cameron, Management Analyst, reviewed the financial plan model using a targeted reduction of \$4.2 - \$4.4 million.

c. FY 93 Expenditures/Revenue/Service

Cornacchia commented that his list has no cuts at all, though he is willing to hear about those cuts which people feel should be eliminated outside of this particular budget. He would like the Budget Committee to discuss the financing of the HVAC, reserves, new revenue and wages. Rasmussen commented that he is not prepared to make all the proposed cuts and he would rather not have a long discussion about cuts if the Committee is not willing to make them. Roberts agreed with Cornacchia and stated that there has been some significant belt tightening already. He would be inclined to remove the high and medium restorations from the reduction list and have the budget prepared including those cuts not recommended for restoration and listing all of the low restoration items as cuts for the Committee to consider. Cornacchia would put the \$200,000 for emergency shelter and food into the base budget. Roberts agreed.

Rust stated that he would agree with Cornacchia and Roberts that the \$200,000 should be part of the base budget; he would include the Vets in that same vein of services. He would finance another year on the HVAC, use \$1 million of the reserves and go for a three-year serial levy. Hanson stated that he would like to see the medium and high restorations made with some thought to restoring the lows; he would agree that those not recommended should be cut. Jones stated that she was comfortable with the methods discussed; refinancing the HVAC, using reserves, reductions and possibly new revenue. She agreed that those not recommended for restoration be deleted from the base budget with the low restorations being discussed. She would include the \$200,000 as part of the base budget. Bartlett said he would put the \$200,000 into the base budget. He stated that there would need to be new revenue, if there were no cuts made; he could support some cuts. Frazier concurred with preparing the base budget as outlined; though she would like to see some restructuring looked at with a focus on efficiency and effectiveness. Rasmussen would restore the high and medium cuts, enact the low cuts and those not recommended for restoration while including the \$200,000 in the base.

Cornacchia stated that the County is not "sitting on a pile of money" and is at the mercy of the federal government with regard to timber receipts. He is willing to ask the public for help at this time to keep County services at the current level. Rust figured that the average household pays \$77 in property tax to Lane County and that Measure 5 will lower the overall taxes on the average house by \$181 next year. A \$10 million serial levy would raise taxes by \$45 which would provide an overall tax saving of \$136 for next year; this is modest and affordable for the average taxpayer.

Roberts commented that the levy approach would buy the County time to see where the federal and state governments are heading with regard to funding. A levy would solidify the base budget and maintain maximum flexibility for the County. He commented that it would be irresponsible not to hold on to the reserves when the future is so uncertain; he suggested that the prudent person's reserve should be 10-15 percent rather than five percent. He supports a levy that would restore the deficit for the coming years and would maintain the current levy programs. He would finance more of the HVAC system, possibly \$2 million instead of \$1 million.

Jim Johnson, County Administrator, stated that a public hearing must be held by April 27 to allow other local governments to comment, if the Board is going to consider a levy. May 29-30 is the last date to place something on the ballot for the June 30 election. Hanson stated that he would basically concur with what had been discussed up to this point. Jones stated that she was comfortable that something would be done with a serial levy though marketing a \$10 million levy may be difficult; using some of the reserves would be a good-faith effort on the part of the County. Bartlett commented that he did not feel there was any choice but to go to the people with a tax levy;

this is a safety-net issue and the services must be identified to the taxpayers. He stated he would be willing to spend \$200,000 to provide better communication to let people in the community know what they are really getting from Lane County; what they currently take for granted. Frazier stated that she could be supportive of the levy since law enforcement will be so heavily impacted with the proposed cuts, but she would like a parallel course followed which would explore other cost savings. She suggested that there may be something which could be done at the legislative level to lessen the burden to the counties, such as changes in Assessment and Taxation. She suggested that shared responsibilities of governments be explored along with shared revenues. She would support the original HVAC proposal and would support spending a portion of the reserves.

Rasmussen stated that he would prefer to leave the HVAC financing the way it is and not touch the reserves; he would support a serial levy. Rust stated that the County could be criticized for having money in reserve, but there has been more criticism for spending the reserves. He proposed that the Committee stay with the current HVAC financing scheme and leave the reserves alone. Cornacchia commented that he would like to have the levy prepared with no adds and with the deficit addressed at the current level of service. Roberts asked for a report on what it would take to continue the existing levy programs and cover the deficit, but he suggested some enhancement of the rural patrol services. Rasmussen suggested that it should be perfectly clear what the difference is between the two levy proposals. Jim Johnson, County Administrator, summarized that he had direction to prepare a proposed budget that includes the low, medium and high reductions in the base but to prepare reduction packages for all of the low reductions; to include the \$200,000 for emergency food and shelter in the base; to leave those cuts not recommended for restoration out of the proposed budget; to maintain flexibility to change the method of financing for the HVAC should it become necessary; to retain the status quo on the reserves and to prepare a proposed budget, for levy purposes, with the existing level of services. Rust and Cornacchia discussed whether there should be adds included in the levy proposal which will be prepared by Johnson.

Roberts stated that Dumdi would be having a meeting next Monday which will include Bob McManus, Doug Harclerod, Rob Rockstroh, Steve Carmichael and Roberts to discuss what might be included in the levy; he is reluctant to exclude adds prior to that meeting. Frazier stated that she would agree with Cornacchia that there should be no adds associated with the levy proposal. Rasmussen stated that he would agree with Cornacchia and concluded that Johnson should not bring additions to the Budget Committee as part of the base budget. Johnson clarified that this levy would be a law enforcement levy which would transfer general fund dollars from law enforcement in order to fund the list of reductions. Roberts stated that this would move law enforcement off of reliance on general fund dollars.

MOTION: To support the recommendations made by Johnson which are listed as long-term issues on pages 4-5 (see material on file). Roberts MOVED, Rust SECONDED. VOTE: 7-0. Frazier was out of the room when the vote was taken.

Rust excused at 7:11 p.m.

d. Long-Term

Johnson stated that a final report regarding the recommendations for classification and compensation, merit increases and benefit packages will be ready for the Budget Committee and the Board in three weeks. The Committee concurred that it would not discuss a room tax increase. The next meeting and public hearing will be held April 21, 1992, at 7:00 p.m. in Harris Hall.

There being no further business, this meeting adjourned at 7:22 p.m.

  
Judy Waldeman  
Recording Secretary