

Budget & Legal Analysis
with additional information on
Commissioner Sorenson's May 14, 2009
Proposal to Budget Committee

1. Reduction of District Attorney Prosecution of Non-Violent Felonies Increase in Services currently in the Proposed Budget.

The proposal shows a straight split of the costs and FTE associated with the add package currently in the Proposed Budget. Unfortunately cutting an FTE in half does not result in saving half of the position and material & service costs. This is especially true in the case of AFSCME positions where the employee still receives full family medical coverage at a part-time position level. For the Office Assistant in this package, cutting the FTE and salary in half results in only 35% savings of the total position cost but reduces the work hours by 50%. The REDUCED PACKAGE shown below would do a more efficient job of achieving the greatest outcome for the funds spent.

CURRENT PROPOSED

2 Deputy District Attorneys
1 Office Assistant
1 Investigator
1 Victim Advocate

5.0 FTE
** \$327,798 (see below)

REDUCED PACKAGE:

1 Deputy District Attorney
1 Office Assistant
1 Investigator

3.0 FTE
**\$157,761 (see below)

The impact on the outcomes this service will provide, as compared to what is stated in the Service Option Sheet is not known, but will definitely be reduced.

** These amounts take into account a technical adjustment needed in the District Attorney's Office for a grant that was inadvertently not included in the Proposed Budget in the amount of \$112,000. Proposed Amount total was \$439,798 and Reduced Package total was \$269,761 prior to applying the additional revenue.

2. The following items on the list are already in the Proposed Budget and therefore no action is needed by Budget Committee to keep as is.

Developmental Disabilities Specialist
Communicable Disease Nurse & Support
Communicable Disease Community Service Worker
Juvenile Justice Security
Development Disabilities Spec – Children
Resource Development for Prevention Programs

Note: From a budget standpoint, the cost for each Add included in the Proposed Budget has been updated on the deliberation worksheet to reflect the true cost following the reduction of the health insurance rates.

3. Reduction to Sheriff's Office to remove the "Re-open 84 Jail Beds" add from the Proposed Budget.

Cost of addition is updated to **\$3,237,695** to reflect the health savings.

As stated on the Impact Statement & SOS form, if this is removed from the budget, the following would not occur:

1. Service being added: This service addition will have a significant impact on the ability of the Sheriff's Office to keep dangerous offenders in custody. The service includes funding for 11 deputies, as well as critically needed medical and mental health treatment staff. Reopening 84 jail beds will increase food, medical, maintenance, and Records costs.
2. Who will be affected: Many public safety officials, state court judges, as well as drug and alcohol treatment providers and transitional housing providers have spoken out about the critical need for additional jail beds in Lane County. Additional jail beds not only keep the public safer by keeping dangerous offenders in custody, but also serve an important role in moving offenders into treatment and other services that may reduce recidivism and assist their ability to make long-term change.
3. What disruption could this cause to other service agencies: None
4. What mitigation might there be to this addition from other agencies: None.

Long Term Outlook:

This service addition will make a tangible step towards keeping dangerous or prolific offenders off the streets until trial. It will help hold sentenced offenders accountable by serving more of the sentence imposed by the courts. While it is a critical and necessary action, there remains a significant level of need for greater jail capacity and alternatives-to-jail programs as well as treatment and prevention efforts.

4. ADD PACKAGES PROPOSED

The following adds would all exist in the Board Of Commissioners budget. ***As a reminder to the committee, the addition of expenses in a support service budget results in increasing costs to all funds through the Indirect Cost Plan. An * on the title below indicates that the package would increase overhead costs.***

***BCC Outreach Listening Tour \$29,100**

\$7,500 Listening Tour Consultant (\$75/hr, 10 hrs per meetings, 2 mtgs/district/yr)
\$21,600 Community Outreach Meeting – (\$75/hr, 8 hrs/mtg, 2mt/mo, 10 mo)

***BCC Outreach – Remote Meetings \$34,500**

\$750 Meeting supplies & food

\$600 - Joint Elected Officials meeting lunches (increased number of these meetings now)

\$31,200 - Remote Recording of Meetings for MetroTV broadcast

(~\$1,300/mtg, 2mtg/mo) - can be less if fewer remote meetings are scheduled

\$2,000 – Advertising/publicity of BCC outreach meetings/events

***Expanded Budget Committee Meetings \$11,400**

Proposal to decrease this amount from \$11,400 to \$5,000 will not produce the same objectives. The breakdown of costs of the proposal as follows:

\$10,000 for consulting fees. While the majority of the speakers in FY 08-09 were state employees and we didn't incur costs for them coming to speak, other speakers such as Seattle NW Securities & the Kenney Consulting, cost the County over \$4,500. The \$10,000 assumes 3 consultants per year from an external expert/consultant.

\$580 for copier charges

\$550 for food

\$270 office supplies (such as binders, tabs, labels)

A comment was made to staff to remove the 'food' from this item. This would result in an add amount needed of \$10,850 for this addition.

***Strategic Planning \$150,000**

This is a one time cost to hire consultants to update the Lane County Strategic Plan.

***BCC Staffing \$250,000**

This addition is for a .50 FTE Office Support Assistant for each of the five commissioners. (FTE listed should be 2.5 not 3.0). The positions would be non-represented and would receive full county benefits. The \$50,000 annual cost per position includes a couple thousand for office/computer supplies for each Assistant.

***BCC Resource Development Analyst \$82,618**

There is currently no position classification in the County with this title and Budget staff is unable to determine how this figure was obtained. As is usual practice with creating positions, Human Resources will need to be consulted prior to any final determination of the level of position needed based on the tasks the position will complete prior to the posting and hiring process.

COPS Hiring Recovery Program**\$263,160**

This is the COPS Grant Funding Scenario which includes 5 deputies for 4 years. A four year commitment is required to obtain the grant and the grant provides 3 years of funding. The \$263,160 amount is the average annual cost over the 4 years.

5. OTHER CHANGES TO PROPOSED BUDGET**Do not pay O&C membership Dues of \$37,704.**

O&C Dues are currently paid from General Expense in the General Fund so not paying this would result in a general fund savings of \$37,704.

Pay National Assoc of Counties (NACO) dues of \$6,500.

NACO Dues were historically paid 70% from the General Fund and 30% from the Road Fund. If that percentage is still used, this would result in increased expenses of:

\$4,550 to the General Fund

\$1,950 to the Road Fund

PW – Do not transfer funds from General Fund. Instead transfer funds from Solid Waste Fund

Note: the amount listed on the proposal is incorrect. It should read \$450,000, not \$477,000.

This will be a reduction in expense in the General fund and an addition of expense in the Solid Waste Fund.

Legal Counsel, Liane Richardson, adds the following comments on the use of fees collected that currently make up the Solid Waste Fund reserve:

Although we may be able to do an increased fee in the future if it is logically related to land management issues, there are legal concerns about using fees that have previously been collected without such a justification. I believe Public Works is presenting an option to the Board for consideration on Wednesday for next fiscal year. Again, this proposal would only address future fees collected. Additionally, we have two cases in litigation regarding closed landfills. The purpose of the solid waste fund is to help with closure costs and to pay any fees, court fines, etc., in relation to closed landfills. Either one of those cases has the potential to drain the entire solid waste fund, and one of the cases alone is asking for \$8.5million dollars in damages. Draining the fund to cover costs in Land Management will put Public Works at risk of not having the funds to pay damages in these two cases. We have not budgeted for these cases in the risk fund, as the assumption had been that it would be paid out of solid waste funds. There is not enough money in the risk fund to cover the damage amounts asked for in these two cases.

End contract for Metropolitan Partnership & put funds into County economic development efforts – Remove \$100,000 from Metro Partnership and put in Economic Development program. Both expenses are within General Expense in the Special Revenue fund and there is no savings to the General Fund for this change.

Risk Management Fund - \$35,000 refunded to the General Fund from the 'excess' reserve.'

One fund cannot receive a refund from the Risk Fund unless a review of all County funds paying into the Risk Fund is done at the same time. A review of the Risk fund for the past 5 years shows that the General Fund has paid approximately 35.5% of the total paid into the Risk Fund. To achieve the \$35,000 to the Risk Fund, \$100,000 will need to be taken from the Risk Fund Reserve and refunded back to all funds that have paid into the fund.

A few additional comments from the Risk & Benefits Manager, Karen Artiaco, on the Risk Fund:

1. We are due for another biennial actuarial review of the Risk Fund as of June 30, 2009. Typically we receive the results in the fall. Based on claims paid since the last valuation, and added reserves for claims filed since June 30, 2007, it is possible that the recommended reserve level will be higher than the 2007 valuation. Departments would need to be charged greater Risk Management fees in order to increase the fund balance to the higher level if the Risk Fund is depleted.
2. In the current session, the State Legislature has increased the Tort Claim limit that applies to public entities in Oregon from a \$500,000 cap per incident to \$1,000,000 cap per incident. In addition, this incident cap will increase by \$66,000 per year until 2015. This will result in a cap of \$1,330,000 by 2015, for a total increase in exposure of \$830,000.
3. Lane County is self-insured for liability insurance and automobile insurance. Should there be a multi-million dollar claim that does not fall under the Tort Claim Act, or should the County experience multiple claims that meet the current \$1,000,000 limit, any amount over the balance in the Self Insurance Fund would need to be paid from other fund reserves, including the General Fund Reserve.

A few additional comments from legal counsel, Liane Richardson:
Because we have significant risk currently which has not been factored into the risk fund reserve amount (the two landfill cases referred to under the Solid Waste Fund transfer above), it would not be fiscally prudent to make a transfer out of the fund at this time.

A&T - Increase Filing Penalties from late Tax Filings by \$42,000.

This item will budget an additional \$42,000 in revenue to be received by the department of Assessment & Taxation. As the Assessor explained in her budget presentation, this amount is usually budgeted on the low-side because the

amount can vary greatly based on the size of the account incurring the late penalty. The past couple years have seen higher than budgeted revenue amounts for this line item.

The revenue would be increased in the A&T, and with no expenditure increase it decreases the amount of discretionary general fund needed by the department, thereby increasing the overall General Fund reserve.

Unspent Funds from BCC program budget - \$36,000

It is not completely clear where this amount is coming from. The assumption on the deliberation checklist is that the Board of Commissioners project they will leave \$36,000 – over the 2% lapse requirement – unspent in the Board of County Commissioners program in FY 08-09. These funds would then carry forward and increase the Fund balance in the General Fund in FY 09-10.