

Overview

Lane County, Oregon

Historical and Geographic Information

Lane County was established in 1851 and is geographically situated on the west side of Oregon, about midway down the state's coastline. It was named for Gen. Joseph Lane, a rugged frontier hero who was Oregon's first territorial governor. Pioneers traveling the Oregon Trail in the late 1840's came to Lane County mainly to farm. The county's first district court met under a large oak tree until a clerk's office could be built in 1852. A few years later, the first courthouse opened in what is now downtown Eugene. With the building of the railroads, the market for timber opened in the 1880's.

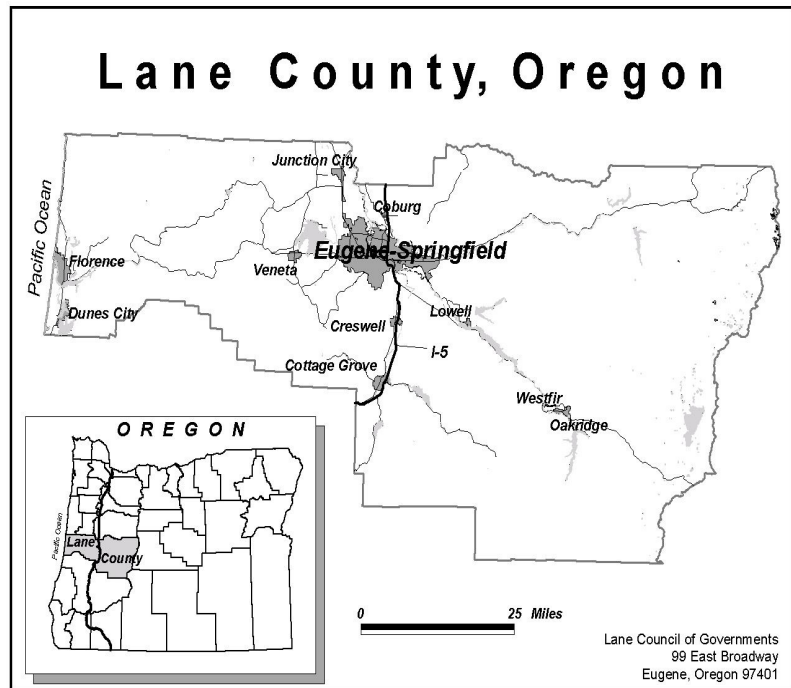
The county encompasses 4,620 square miles and, in many ways, typifies Oregon. The county's lands are geographically a microcosm of the state – ranging from rugged glaciated mountains in the east, through a broad valley spreading across the Willamette River mid-county, to a beautiful and rugged coastline along the western edge. Special points of interest include twenty historic covered bridges, Bohemia Mines, coastal sand dunes, Darlingtonia Botanical Wayside, numerous reservoirs, Heceta Head Lighthouse, Hendricks Park Rhododendron Garden, hot springs, Hult Center for the Performing Arts, Lane ESD Planetarium, McKenzie River, McKenzie Pass, Mt. Pisgah Arboretum, Old Town Florence, Pac-10 sports events, Proxy Falls, sea lion caves, vineyards and wineries, Waldo Lake, Washburne State Park tide pools, and Willamette Pass ski area.

Lane County has 12 incorporated cities which include Coburg, Cottage Grove, Creswell, Dunes City, Eugene, Florence, Junction City, Lowell, Oakridge, Springfield, Veneta, and Westfir. Eugene, which is the county seat, is the largest city with a population of 157,100 and Westfir is the smallest with a population of 340.

Population Demographics

Although 90 percent of Lane County is forestland, Lane County's population exceeds 347,690 as of July 1, 2009 (Population Research Center, Portland State University, 12/15/09), which makes it the fourth most populous county and third most populous metropolitan statistical area (MSA) in Oregon. Lane County's population has grown 7.5% since 2000, with 44.7% of the population being a native to Oregon and 93.5% of the population being born in the United States.

According to the U.S. Census Bureau's 2008 American Community Survey, Lane County's residents identify their nationalities as 93.5% white; 3.9% Asian; 2.8% American Indian and Alaskan Native; 1.9% Black or African American; 0.3% Native Hawaiian or Other Pacific Islander; and 1.4% of some other

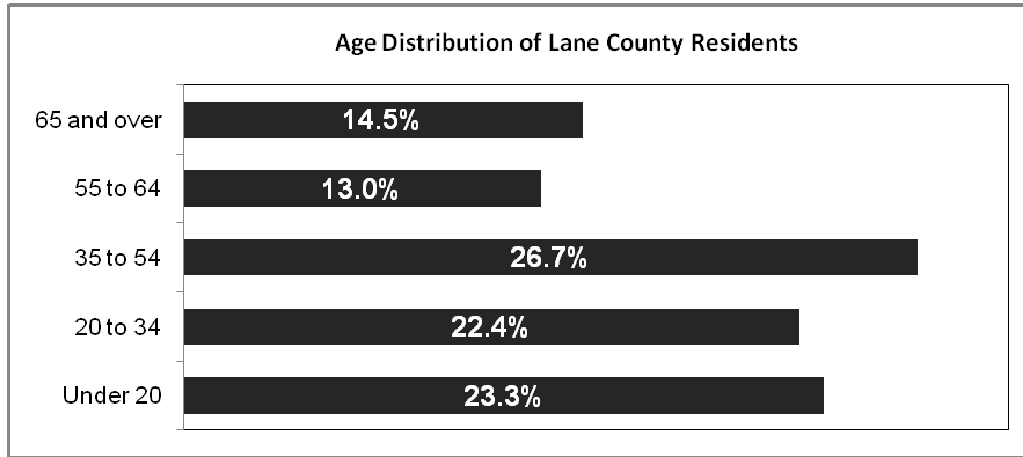


Overview

race. 3.4% of residents identify themselves as two or more races. 6.4% of the population identifies as Hispanic or Latino, which can be of any race. 89.9% of households speak English only while 2.7% speak English less than “very well.”

Families make up 58.2% of the households in Lane County with 74.7% of those families being married couples. Of the approximately 143,000 occupied housing units, 61% are owner-occupied with an average household size of 2.49.

The median age for Lane County residents is 38.3 years with 23.3% of the total population being 20 years of age or younger and 14.5% of the total population being 65 years of age and over.



Source: U.S Census Bureau's American Community Survey, 2008

EDUCATION IN LANE COUNTY

Educational attainment in Lane County for the population 25 years and older continues to trend higher than both the State of Oregon and national averages in most categories.

	Lane County	Oregon	U.S.
High School Graduate or Higher	90.0%	88.6%	85.0%
Some College and Associate's Degree	36.9%	34.9%	28.8%
Bachelor's Degree	16.3%	18.0%	17.5%
Graduate or Professional Degree	11.0%	10.1%	10.2%

Source: U.S. Census Bureau's American Community Survey, 2008

These rates are attributable in part to the outstanding higher learning institutions within Lane County's borders, which include:

University of Oregon

Generations of leaders and citizens have studied at the University of Oregon since it opened in 1876. The university's 295-acre campus is an arboretum of more than 500 species and more than 3,000 specimens of trees. Campus buildings date from 1876 when Deady Hall opened, to new additions of the William W. Knight Law Center (1999), the most environmentally friendly business school facility in the country in the Lillis Business Complex (2003), renovations to the Jordan Schnitzer Museum of Art and Autzen Stadium (2005), and the newest addition of the John E. Jaqua Academic Center for Student Athletes (2010). As of the fall term 2009, The University of Oregon had 22,386 total students enrolled consisting of 18,514 undergraduate students and 3,872 graduate students.

Overview

Lane Community College

Lane Community College (LCC) was founded in 1964 by a vote of local citizens, as a successor to the Eugene Technical-Vocational School, founded in 1938. The main campus opened in 1968 and is located in the south hills of Eugene, Oregon. There are numerous outreach centers throughout the county including in Cottage Grove and Florence, as well as community learning centers at seven area high schools. Lane Community College has the third largest enrollment of the seventeen community colleges in Oregon consisting of more than 36,000 students who take classes each year.

Northwest Christian University

Northwest Christian University was founded in 1895 by pastor-educator Eugene C. Sanderson and was originally named Eugene Divinity School. In 1934 the school became known as Northwest Christian College and on July 1, 2008, the name officially changed to Northwest Christian University (NCU). NCU's buildings are a blend of historic and modern. The oldest building, a Eugene landmark, is the three-story Martha Goodrich Administration Building constructed in 1908 from volcanic stone. One of the newest buildings is the 43,000 square foot, state-of-the-art Morse Event Center completed in the fall of 2003. As of the fall term 2009, Northwest Christian University had 534 total students enrolled and relishes a phenomenal student/faculty ratio of 10:1.

ECONOMIC CONDITIONS, DEVELOPMENT & OUTLOOK

The county's location in the western agricultural belt, among the most productive in the nation, and along major West Coast trade routes means that essential food items stay reasonably priced year round. Power is generated locally from abundant resources, keeping electric and natural gas rates among the lowest in the country.

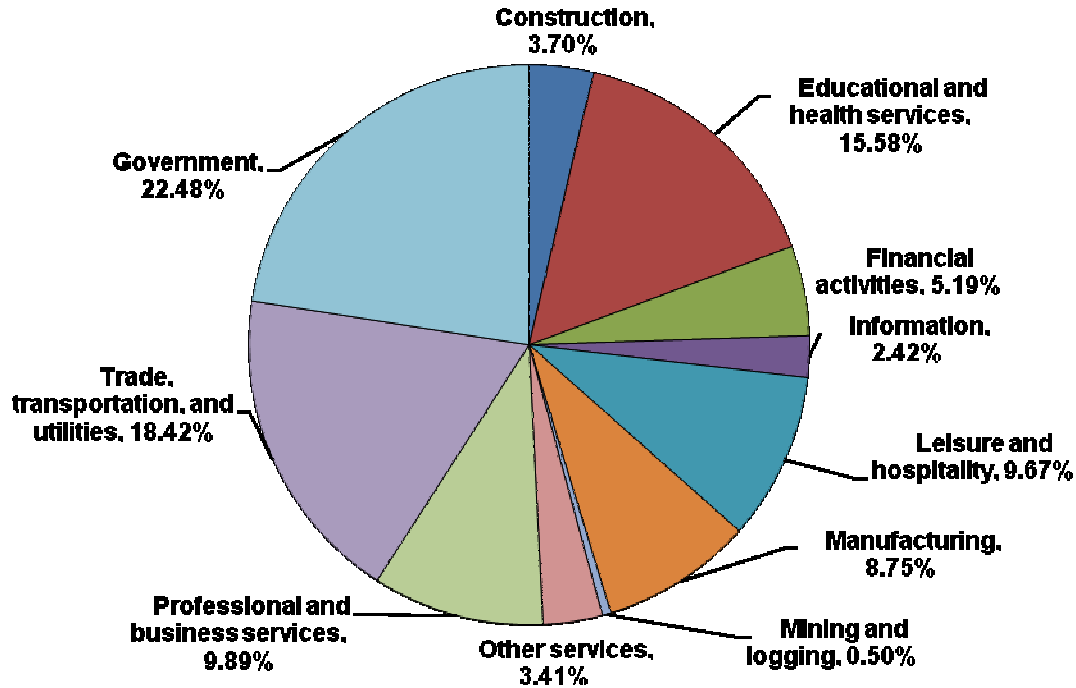
Lane County is home to tens of thousands of businesses, which include national and international corporations, a federal courthouse, fifteen school districts, and two large hospital facilities. At the heart of the county's economy are also numerous small and medium-sized businesses.

While lumber and wood products remain the largest single component of the manufacturing industry in Lane County, it saw a 33% decline in employment between 1990 and 2001 mainly due to changes in federal logging practices. Since that decline, the remaining manufacturing base has grown more diverse, with manufacture of transportation equipment and the high technology items replacing many of the jobs lost in lumber and wood products.

Other top industries in the county include Agriculture (with main crops being nursery crops and Christmas trees), Tourism, and Retail Trade. As the home of several educational institutions, including the University of Oregon, multiple utility companies, and a federal courthouse; government employment helps add stability to Lane County's economy and collectively provides 40.12% of all Lane County nonfarm employment.

Overview

LANE COUNTY TOTAL NONFARM EMPLOYMENT



Source: Oregon Employment Department, February 2010

LANE COUNTY TOTAL NONFARM EMPLOYMENT

	Feb 2010	Feb 2009	# Change Previous Year	% Change Previous Year
Total nonfarm employment	140,600	144,000	(3,400)	-2.36%
Mining and logging	700	700	0	0.00%
Construction	5,200	5,700	(500)	-8.77%
Manufacturing	12,300	13,000	(700)	-5.38%
Trade, transportation, and utilities	25,900	26,800	(900)	-3.36%
Information	3,400	3,600	(200)	-5.56%
Financial activities	7,300	7,600	(300)	-3.95%
Professional and business services	13,900	13,900	0	0.00%
Educational and health services	21,900	22,000	(100)	-0.45%
Leisure and hospitality	13,600	13,900	(300)	-2.16%
Other services	4,800	5,000	(200)	-4.00%
Government	31,600	31,800	(200)	-0.63%

Source: Oregon Employment Department, February 2010

Overview

TOP 10 EMPLOYERS IN LANE COUNTY AS OF JULY, 2008

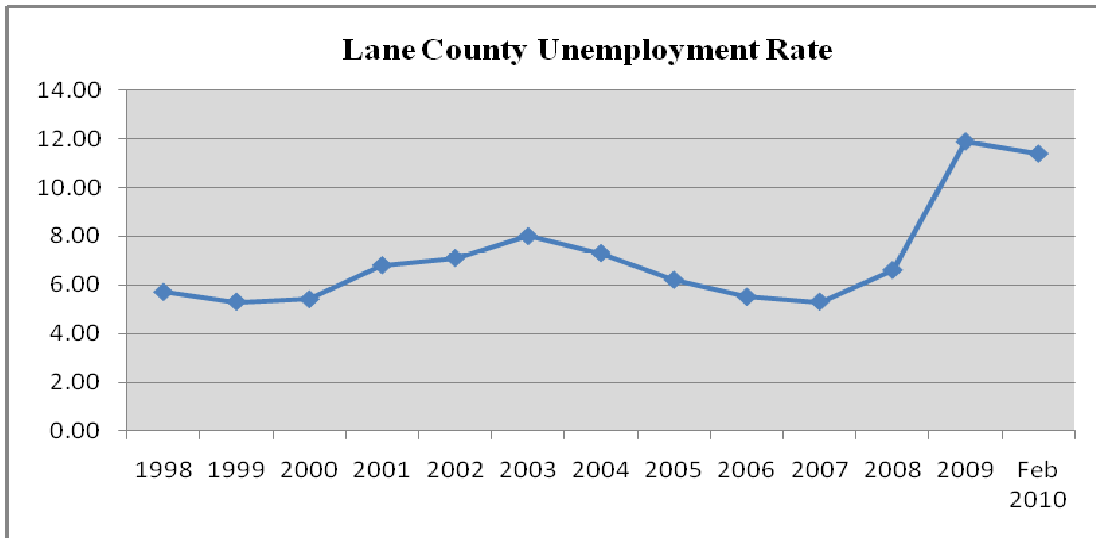
#	Name	Industry	# of Employees
1	PeaceHealth Oregon	Healthcare	5,239
2	University of Oregon	Education	4,311
3	Lane Community College	Education	2,794
4	Monaco Coach Corporation*	RV Manufacturer	2,400
5	Eugene School District	Education	2,025
6	State of Oregon	Government	2,000
7	U.S. Government	Government	1,800
8	City of Eugene	Government	1,818
9	Lane County Government	Government	1,350
10	Country Coach*	RV Manufacturer	1,300

Source: Eugene Chamber of Commerce

* **Monaco Coach Corporation** filed for bankruptcy in March, 2009 and laid off all but 150 employees.

* **Country Coach** had a series of layoffs reducing employees to 500 before closing in late 2008 for a period of four months due to financial hardships. It re-opened in April 2009 and re-hired 60 employees.

The unemployment rate in Lane County for February 2010 was 11.4%, which is an increase of 4.8% over the rate for 2008, but is 0.5% lower than the rate for 2009. This is slightly above the Oregon rate of 10.5% and well above the national unemployment rate of 9.7%. The annual unemployment rate in Lane County for the past ten years has mirrored the area's economic status. As the rates below show, the economy recovered from the recession that began in 2001, but is now well into the national recession that began in late 2007. The 2009 unemployment rate was the highest for the area since 1983 when Oregon was at the height of the early 1980's recession and the rate reached 14.3%. According to local economists, Lane County's unemployment rate has likely begun a slow decline and a slow but steady decline is likely during the next eight years with educational and health care services leading projected job growth.



Source: Oregon Employment Department

Overview

Taxing Structure

Lane County's tax rates are among the lowest in the nation – there is no sales tax, no business inventory tax and moderate corporate and property tax rates. Personal income tax rates are as low as 5% and unemployment insurance rates start at 1.0%, depending on the experience of the employer. Worker's Compensation Insurance fees are among the lowest in the country due to reforms crafted in the early 1990's. (Source: Lane Metro Partnership.)

Unfortunately, the tax structure in Oregon creates unique problems for state and local governments. The lack of sales tax creates a strong dependence on income and property tax. This in turn means that employment rates are strongly linked to the economic well-being of the entire state. In 2007, income tax accounted for more than 72% of the state's total tax revenue according to the U.S. Census Bureau. This linkage means that recovery from a recession lags due to the timing of income tax filings and payments. Oregon, and thereby its local governments and schools, will see significant decreases in income tax from the high 2009 unemployment rate in April 2010 and will not see the full impacts of the high 2010 unemployment rates until income taxes are filed in April, 2011.

The largest payers of property taxes in the county are businesses:

Top 10 Property Taxpayers in Lane County

TaxPayer Name	# of Parcels	Tax Amount	Assessed Amt	Market Amt	% of Total County Assessed Value
Hynix Semiconductor MFG America Inc	7	9,721,008	258,542,806	262,425,204	1.01%
IP Eat Three LLC	20	3,300,026	196,225,121	198,546,497	0.77%
Comcast Corporation	5	2,116,790	127,670,100	127,670,100	0.50%
PeaceHealth	57	1,897,276	452,573,671	1,043,556,940	1.77%
Valley River Center	13	1,844,078	99,460,548	200,990,231	0.39%
Qwest Corp	165	1,779,277	116,430,400	116,430,400	0.45%
Northwest Natural Gas Co.	98	1,473,854	95,797,200	95,797,200	0.37%
Symantec Corporation	2	1,351,033	77,524,843	82,101,178	0.30%
Weyerhaeuser Company	1500	1,099,344	125,221,916	222,274,687	0.49%
Gateway Mall Partners	5	999,180	57,854,704	115,142,796	0.23%

Source: Lane County Department of Assessment and Taxation

Property taxes also have severe limitations due to ballot measures that have been passed by the voters in the past fifteen years. Current provisions in the property tax law include a cap on the amount available for general government purposes (\$10 per \$1,000 assessed) and a limit on the percentage that assessments can be increased annually to 3%, regardless of the change in real market value. Two ballot measures in 1996 & 1997 (47/50) went so far as to reduce property taxes to the 94-95 or 95-96 levels minus 10%. The property tax revenue shortage is exacerbated in Lane County due to the very low permanent tax rate of \$1.28 per \$1,000 assessed value. See Appendix B, 2008-2009 Property Tax Rate and Value Information for Oregon Counties, which shows that Lane County's comparable tax rate is the lowest in the state.

Prior to the decline in the timber industry, Lane County relied on timber harvest receipts and thereby did not seek a higher permanent tax rate. When the timber industry declined in the 1980's and a ballot

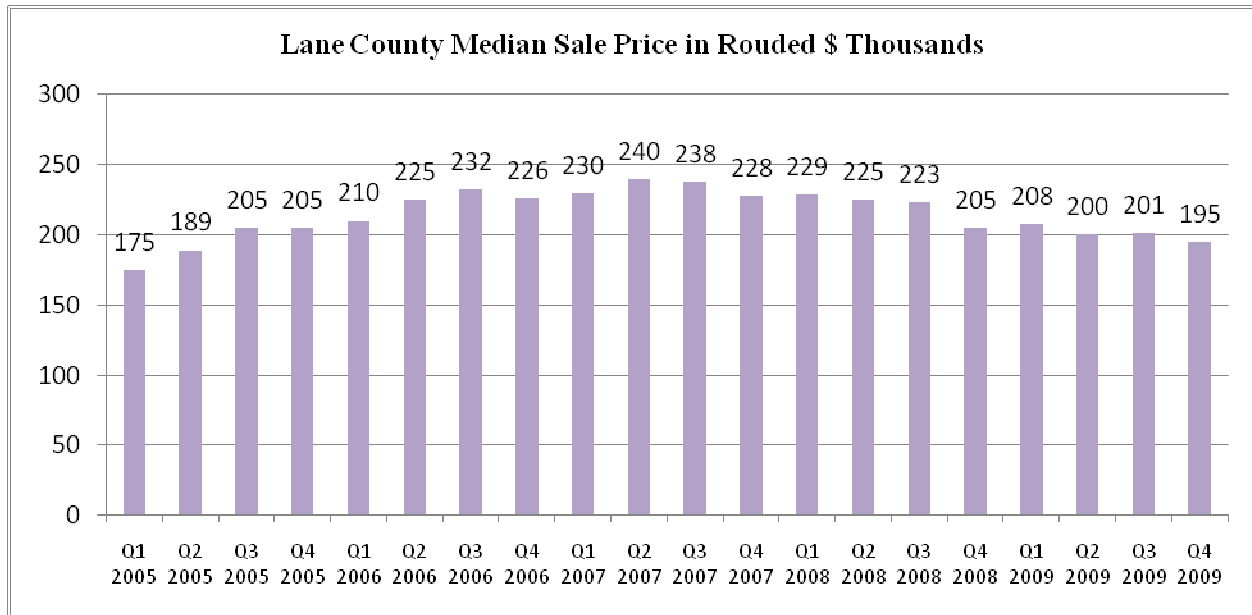
Overview

measure froze permanent tax rates, Lane County began experiencing large revenue shortfalls that are discussed in more detail under the Financial Analysis tab.

In 2008, overall travel spending, or tourism, reached \$580.8 million and employed and estimated 8010 people (Source: Travel Lane County). No sales tax means that the revenue tourism could generate is lost and the tax burden remains solely paid by the residents of the state through property and income tax. Various sales tax initiatives have been placed on the ballot over the years, but all have failed.

Housing Costs

The time period that a new home listing remains on the market has increased from 81 days in June 2008 to 124 days in June 2009. The median sale price for a home in Lane County peaked during the second quarter of 2007 at \$240,000. One year later it dropped to \$225,000, or a decrease of 6.25%. By the end of the fourth quarter in 2009, the median sale price for a home in Lane County dropped to \$195,000, or approximately an 11.11% decline from 2008 or an 18.75% decline from its peak in 2007.



Source: Multiple Listing Service

Financial strain also exists within occupied housing with approximately 32.8% of owner-occupied units and 47.4% of renter-occupied units paying more than 35% of the household income for mortgage/rent payments. The median monthly mortgage cost in 2008 was \$1,448 and the median monthly rental rate was \$760. Nearly two-thirds of all owner occupied homes have a mortgage. (Source: U.S. Census Bureau's American Community Survey, 2008.)

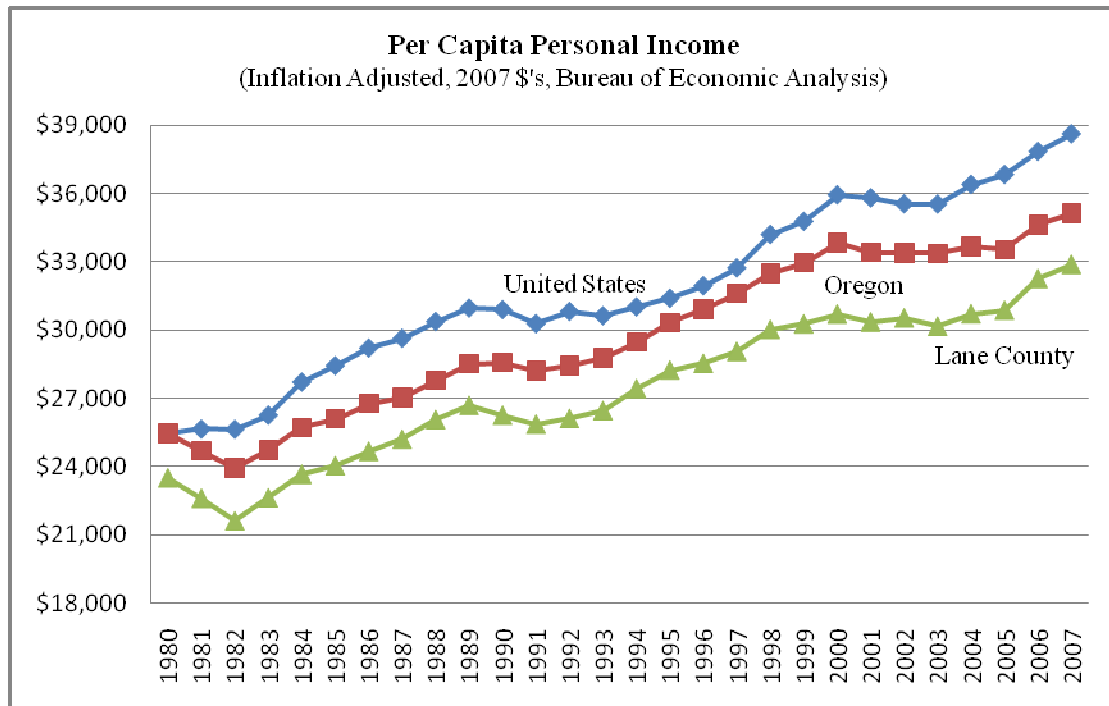
Of occupied housing units, 1.6% has no telephone service available, 0.3% lack complete plumbing facilities, and 1.1% lack complete kitchen facilities. 73.3% of all homes are heated using electricity, 16.6% with natural gas, and 7% with wood.

Overview

Per Capita Income, Poverty Rates, and Working Dynamics

In 2007 Lane County had a per capita personal income (PCPI) of \$32,877. This PCPI ranked 7th among Oregon counties (up from 8th in 1997) and was 6% lower than the state and 15% lower than the nation. The 2007 PCPI reflected an increase to Lane County of 4.8% from 2006, compared to a 4.4% increase for Oregon and a 4.9% increase for the nation. Over the past ten years, Lane County's average annual PCPI growth rate is was 3.9%, compared to a 3.7% increase for Oregon and 4.3% increase for the nation.

The per capita income for Lane County is lower than both the state & national averages as shown below:



Source: Bureau of Economic Analysis, April 2009

15.8% of all Lane County citizens, or nearly 1 out of 7, lived below the poverty level at some time during 2008 (15% under the age of 18, 17.9% for ages 18 to 64 years, and 7.3% for ages 65 years and over), which is higher than the state average of 13.6% and the national average of 13.2% (Source: U.S. Census Bureau's American Community Survey, 2008).

70.3% of all multi-parent households with children under the age of 17 had both parents in the labor force. 69.9% of all workers 16 years and over drive to work alone, with 25.6% who either carpool, take public transportation, walk, or use other means. 4.6% of all workers 16 years and over work from home (Source: U.S. Census Bureau's American Community Survey, 2008).

Lane County Government

Lane County government operates under a home rule charter approved by voters in 1962. The Charter grants authority to a full-time compensated, five-person Board of County Commissioners to legislate and administer County government within the limits of that non-partisan authority. Lane County voters individually elect commissioners for four-year terms from specific geographic regions. The County operates under the provisions of the County Charter and the Lane County Code, as well as the Oregon Constitution and State law (Oregon Revised Statutes). Board action is effected by a simple majority vote of three of the five Board members.

MISSION

A general purpose government, the mission of Lane County is to provide high-quality, local government services in a fair, open, and economical manner to best meet the needs and expectations of our citizens and guests.

Strategic Plan & Lane County Goals

Lane County Strategic Plan

On March 14, 2001, the Board of Commissioners adopted the **Lane County Strategic Plan** (Appendix A). The Strategic Plan has numerous strategies, divided into four categories: Service Improvement, Resource Planning and Allocation, Performance Management, and Revenue Development. Since adoption, significant progress has been made in all areas of the Strategic Plan.

Board Goal Setting 2009

The Lane County Board of Commissioners met on September 20, 2009 to discuss the County's priorities and set goals to guide the organization for the coming one to two years. This goal setting work followed two years of Board discussion on budget direction, service priorities and a commitment to involve the citizens of Lane County in discussions regarding the County's future.

The Board compiled options at the Federal, State and local level for opportunities, potential revenue sources, outreach and service to Lane County. Two main issues facing the County are a long-term financial plan and a shorter-term strategic plan. The Board discussed the Federal Funding for Secure Rural Schools and Community Self Determination Act and the involvement of our State leaders to assist counties with options should the funds not be reinstated.

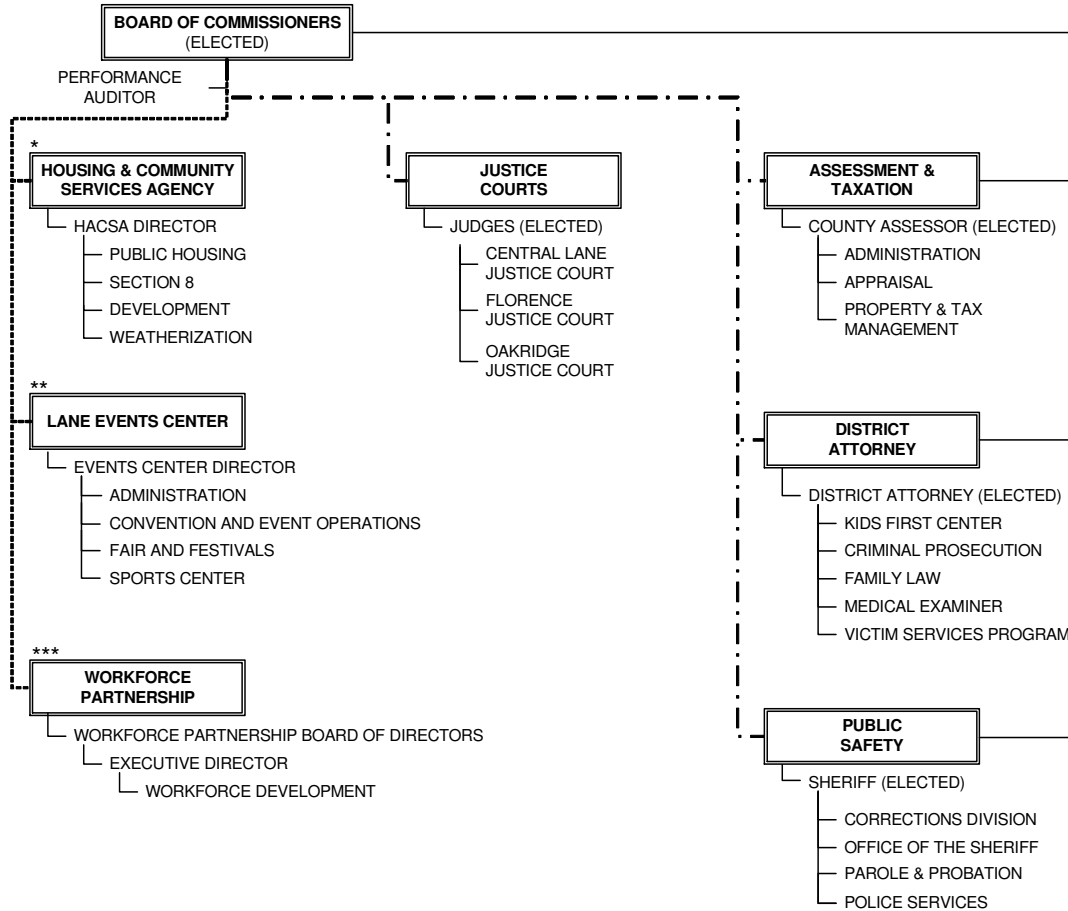
The Board of Commissioners in their leadership role stated their commitment to work with the community on ideas and solutions to provide the right service levels and organizational configuration for the County in the future. A key element of the process will be to work on the development of a strategic plan that would serve the County in regards to revenue analysis and its future success.

LANE COUNTY GOALS 2008-2010

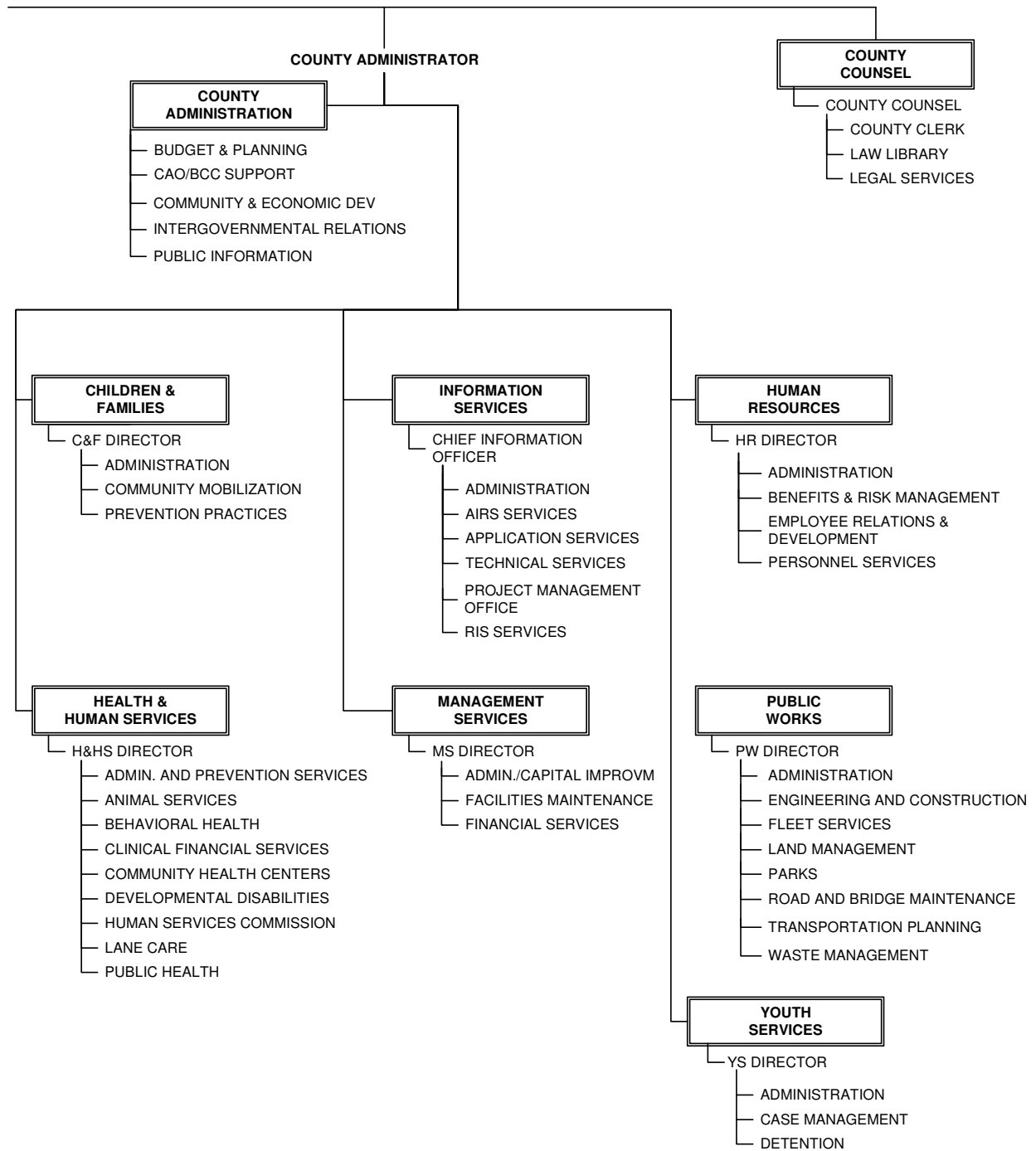
- Develop Lane County's economic engine
- Provide outstanding customer/constituent service
- Build public trust through intensive communication and engagement
- Develop a five year strategic plan

Organizational Chart

LANE COUNTY CITIZENS



LEGEND	
— · — · —	indicates publicly elected officials with direct budget authority by the Board of Commissioners
-----	indicates partial responsibility to the Commissioners (see right):
————	indicates direct responsibility
*	(Not a department) Board of Commissioners is the Housing Services (HACSA) Board
**	Board of Commissioners has budget authority. Fair Board has independent management authority for the Fair; Fair Board members are appointed by the Commissioners
***	Board of Commissioners sets personnel rules; department has separate statutory operational charge, contracts with County for administrative services



Departments

This County consists of fifteen departments grouped into three categories: Public Services, Public Safety, and Support Services. Three departments are directed by elected officials, the County Assessor, District Attorney, and Sheriff. County Counsel reports directly to the Board of Directors. The remaining department directors report directly to the County Administrator unless otherwise noted.

Public Services

Assessment and Taxation. The Department of Assessment and Taxation annually assesses all new construction values of real property, maintains the market value of real property through a sales comparison program, and adds the reported value of personal property to the assessment and tax rolls. The department is also a collection agent for over 80 active taxing jurisdictions, including cities, school districts, and special districts within Lane County. The department is headed by the County Assessor who is elected to a four-year term by the voters of Lane County.

Children and Families. The Department of Children and Families, in conjunction with the Lane County Commission on Children and Families, advises the Board of Commissioners on children, youth, and family policy. Appointed by the Board, the Commission on Children and Families is charged by state statute with multiple responsibilities including: developing a comprehensive plan for Lane County's children, youth and families; promoting community collaborations; leveraging public and private resources to invest in prevention programs that support children, youth and families; and shifting the paradigm to create a wellness system for children and families in Lane County.

Health and Human Services. The mission of Lane County Health and Human Services (HHS) is to promote and protect the health, safety and well being of individuals, families and our communities. HHS is a broad-based organization which oversees health, mental health, developmental disabilities and social services in a largely subcontracted system. The subcontract providers are our community partners in a complex service delivery system. The HHS budget is mostly categorically restricted dollars from the state and federal governments. The department's use of the General Fund, small given the size of the overall departmental budget, allows for enhancement of services and leveraging of resources.

Lane Events Center. Lane County operates a "split" model operation of the Lane Events Center/Lane County Fair in which operational responsibility is vested in a Fair Board for the Fair, and in the County for the remainder of the year. In addition to the annual Lane County Fair, facilities are also provided for various entertainment events, meetings, festivals, catered functions, and exhibitions year-round. Livestock facilities are available during the dry-weather period. The Lane Events Center also operates an ice arena for skating and hockey, and venues for basketball and volleyball.

Public Works. The Department of Public Works' mission is to maintain and enhance the livability and sustainability of Lane County's natural and built environments by providing safe and cost-effective public infrastructure and related services. Public Works consists of seven different funds and two sub-funds for eight divisions – Administrative Services, Engineering & Construction Services, Fleet Services, Land Management, Parks, Road & Bridge Maintenance, Transportation Planning and Waste Management. The department receives no general fund revenue.

Workforce Partnership. Workforce Partnership is a council of governments as well as a department of County government. Lane County provides personnel and employment related services for the Lane Workforce Partnership, which is a non-profit corporation setting policy for the department. Funded by state and federal training grants, Workforce Partnership offers vocational assessment, job-search training, classroom training, and special youth services for unemployed Lane County residents.

Overview

Public Safety

District Attorney. The District Attorney's office serves as the public prosecutor and representative of the State in criminal and traffic proceedings in circuit and justice courts. The office provides 24-hour legal assistance to police agencies throughout Lane County and special assistance to victims of crime. The department operates the Victim Services program as well as Kids' FIRST, a child advocacy center created to minimize the negative impact of child abuse and subsequent investigative and judicial proceedings for child victims and their families. The District Attorney also serves thousands of children each year through the Family Law Division. The Medical Examiner is also located within this office. The District Attorney, elected by County voters, is a state official who serves a four-year term.

Justice Courts. Lane County has three justice courts, located in Florence, Oakridge and Springfield. *These courts are not a department of the County.* Each court is responsible for the adjudication of a variety of complaints, including criminal, civil, traffic and marine, filed within each court's jurisdictional boundary. The Oakridge and Florence courts were established in the early 1900's as a service to the residents of East and West Lane County by providing a convenient, accessible court. The Central Lane Justice Court supports the operational costs of the Public Safety Traffic Team, created in 1990 to reduce the high numbers of accidents and fatalities on targeted county roadways.

Sheriff's Office. The Sheriff's Office is under the direction of an elected Sheriff and organized into two operational divisions and the Office of the Sheriff. The Police Services Division is responsible for suburban and rural police patrols, traffic enforcement, criminal investigations and law enforcement contracts as well as communications and police records. Police Services also directs court transport and security, civil operations, and search and rescue programs. The Adult Corrections Division manages the Lane County Jail and a variety of alternative custody programs including the Community Corrections Center, Electronic Supervision, Inmate Road Crew and Community Service. The Office of the Sheriff includes administrative support programs including fiscal, fleet, personnel, planning, emergency management and training. The Sheriff is elected to a four-year term by the voters of Lane County.

Youth Services. The Department of Youth Services is responsible for dealing with children under the age of 18 who have committed an offense that would be a crime if committed by an adult. Law enforcement makes over 5,000 referrals to Youth Services each year. Services include intake, detention, court, probation and parole. Special programs exist for sex offenders, arsonists, violent offenders, and alcohol and drug problems. The operating philosophy is built on a "balanced approach" involving community protection (detention at the newly-opened Juvenile Justice Center), accountability (restitution to victims of crime), and competency (skill development).

Support Services

Board of Commissioners. The Board of County Commissioners legislates and administers County government within the limits of authority granted in the Lane County Home Rule Charter. The charter grants legislative and administrative power to the full-time, paid five-person board. The Commissioners represent Lane County citizens in over 50 committees and agencies. Commissioners are elected by Lane County voters in specific individual geographic regions for four-year terms. The County's Internal Auditor works directly with the Board of County Commissioners.

County Administration. The Office of County Administration serves as the focal point for implementing countywide policy approved by the Board of County Commissioners. This is done through the County Administrator, who reports directly to the Board of County Commissioners. The department provides direction to all appointed administrative departments, coordinates with elected department heads, and serves as liaison to interagency associations, local municipalities, and the state and federal governments. Preparing the annual Budget, monitoring budget performance and maintaining the County's

Overview

long-range financial plan for the General Fund are also critical responsibilities. The department coordinates countywide performance measurement and oversees the development and implementation of the County's Strategic Plan. Other operating units in the department include Economic Development, Intergovernmental Relations, and the Public Information Office.

County Counsel. The Office of County Counsel serves as attorney and legal advisor to the Board of Commissioners, County Administrator, County elected officials, and County departments. County Counsel's office handles civil suits brought by or against the County and reviews all proposed contracts between the County and other entities. The Office of County Counsel also has responsibility for the Law Library. The County Clerk is the new addition to this department and serves such functions as Elections, Deeds & Records, and Board of Property Tax Appeals. The department director reports directly to the Board of Commissioners.

Human Resources. The Department of Human Resources provides personnel management and administrative support to County organizations in the areas of personnel services, employee relations and benefits, training and development, risk management and diversity implementation.

Information Services. The goal of the Department of Information Services is to help individual departments use computer technologies to provide better service to Lane County's citizens. The department is responsible for supporting the information technology needs of County departments and overseeing the Regional Information System (RIS). The department maintains the County's major finance and human resource applications, as well as a large number of smaller systems. Information Services also supports a common network operating system connecting County's nearly 1,400 personal computers. RIS provides information technology services to local government agencies in and near Lane County including the regional justice and public safety system (AIRS), a data center, electronic mail, Internet access, LAN systems support, and operation of a regional network that interconnects local government organizations.

Management Services. The Department of Management Services has two functional groups. The *Finance Group* provides finance operation including payroll, accounts payables, receivables and investments; property management; purchasing, and contract management. The *Management Services Group* includes facilities maintenance

Housing & Community Services Agency (HACSA)

While HACSA is not a department of Lane County, the Board of Commissioners is the Housing Services Board. As such, HACSA is indicated on the County organizational chart, but not included in the County Budget. GASB rules require HACSA financial reporting in the County's Comprehensive Annual Financial Report which can be found on the County's website.

Overview

Lane County Budget

The purpose of Lane County's budget is to provide the fiscal means to implement the community's goals, as represented by the Budget Committee and the Board of County Commissioners. The Budget Committee is made up of five citizens-at-large (appointed by the Board), and the five County Commissioners. Oregon Revised Statutes determine the composition of the Budget Committee and establish the precise process that must be adhered to in order for the local government to collect taxes.

OREGON LOCAL BUDGET LAW

Oregon's Local Budget Law (Chapter 294 of the Oregon Revised Statutes) does several things:

- It establishes standard procedures for preparing, presenting and administering the budgets of Oregon's local governments.
- It encourages citizen involvement in the preparation of the budget before its formal adoption.
- It provides a method of estimating revenues, expenditures and proposed taxes.
- It offers a way of outlining the programs and services provided by local governments and the fiscal policy used to carry them out.

BUDGET CHARACTERISTICS

The budget is a **financial plan** containing estimates of revenues and expenditures for a **single fiscal year**. Lane County's fiscal year begins on July 1 and ends the following year on June 30. The budget document must have certain ingredients per State law. It must show the major items of budget resources, and revenues and expenditures must be recorded on a fund-by-fund basis, using the cash basis, the modified accrual basis or the accrual basis of accounting. State law allows each municipality to select its preferred method. Lane County uses the modified accrual basis.

The budget must contain a summary statement by funds showing the estimate of budget resources and expenditures. The sheet or sheets which reflect each activity's or fund's estimate of expenditures and resources must also show (in parallel columns) the actual expenditures and resources for the two fiscal years preceding the current year, the estimated expenditures and resources for the current year, and the estimated expenditures and resources for the ensuing year. In addition, personnel services, materials and services, capital outlay for each organizational unit or activity of each fund, and the major items for debt service, special payments and operating contingencies for each fund must be listed separately.

The General Fund pays for many public services such as public health, public safety (i.e., the Sheriff's Office), assessment and taxation, and prosecution, as well as several support services, including human resources, finance and payroll. Budgeting allows a local government to evaluate its needs in light of the revenue sources available to meet those needs. A complete budget justifies the imposition of ad valorem (according to value) property taxes, which account for the majority of General Fund revenues. Oregon law does not allow local governments to increase property taxes, even through a supplemental budget process. Oregon law also prohibits local governments from expending or borrowing monies beyond their adopted budgets.

Lane County's budget is a combination of both a fixed and flexible budget, depending on the area of operations. For example, internal service areas (Support Services) are dependent on property tax revenues and transfers from other department funds and have fixed budgets. Their operational resources are established based on historical need and approved changes, and that amount cannot be exceeded for the year. In the event a fixed-budget department will run over, a supplemental budget must be approved and adopted by the Board, per State budget law. Since many of the external service areas are fee or "enterprise" supported, activity levels have a great impact on projected revenues and resource demands, and therefore those department budgets are more flexible.

Overview

LANE COUNTY'S BUDGET PROCESS

Budget preparation begins in early winter and results in the completion of a proposed budget to be considered by the Budget Committee in spring. Once the Budget Committee has considered and approved the budget, the Board of County Commissioners holds a public hearing and adopts the budget. An illustration of the process with a schedule of Lane County's Budget Process follows this description. Citizens participate and provide input into the County budget process in many ways (see the next section on Community Involvement). Steps in the budget process:

1. Proposed budget prepared:

The Lane County Leadership Team, made up of the Commissioners, department directors, and the County Administrator, usually meets in late fall to review the previous year's activities and the financial forecast for the next five years. The Leadership Team provides direction and agrees on the assumptions to be used in budgeting for the coming year. County department managers then begin building the budget, based on goals/priorities set forth by the County Commissioners.

Proposed budgets must reflect projected expenditure and revenue forecasts, activity levels and external limitations or pressures such as State tax measures, technology requirements, labor union contracts and capital improvement projects. Finished department budgets are submitted to the County Administrator's Office for subsequent review, revision and approval by the County Administrator.

2. Notice of Budget Committee Meeting published:

Once the proposed budget document is prepared by County staff, a "Notice of Budget Committee Meeting" is published. The notice contains the dates, times and places of several meetings, including presentation of the Budget Message, Budget Committee public hearings and deliberations. The notice is published twice in the five to thirty days before the meeting and can be found in The Register-Guard newspaper.

3. Budget Committee meets:

The budget message, delivered at the first Budget Committee meeting, explains the Proposed Budget and any significant changes in the County's financial position. Budget Committee meetings are public meetings, during which interested parties may attend. The public may also provide testimony or public comment at scheduled meetings not designated as work sessions.

The Proposed Budget is made available to each member of the Budget Committee before their first meeting. At this time, the Proposed Budget is also made available to the community in the County Administrator's Office. The Proposed Budget is also available at the County's internet website www.lanecounty.org.

4. Budget Committee approves budget:

The Budget Committee hears public testimony, presentations from each department, and comments from the Budget Manager and budget analysts. It also reviews the Proposed Budget, any add/reduction packages, and any additional material requested. The committee deliberates and makes any necessary additions or reductions from the budget proposed by the County Administrator, before approving the budget. The Approved Budget specifies the amount or rate of ad valorem taxes for each fund receiving tax revenue. The Budget Committee is the only group that can set the property tax to be levied each year. It also sets the maximum amount that will be appropriated to each department within each fund.

Overview

5. Budget summary and notice of budget hearing published:

After the budget is approved, a budget hearing must be held by the Board of County Commissioners. The Board publishes a Financial Summary of the budget and a Notice of Budget Hearing five to thirty days before the scheduled hearing, during which additional public testimony is invited.

6. Budget hearing held:

The purpose of the hearing is to listen to citizens' testimony on the Approved Budget.

7. Budget adopted, appropriations made, taxes declared and categorized:

By law, the Board may make changes in the Approved Budget before it is adopted. Prior to the beginning of the fiscal year to which the budget relates, it can also make changes to the adopted budget. However, there are limitations:

- Taxes may **not** be increased over the amount approved by the budget committee.
- Estimated expenditures in a fund cannot be increased over the amount approved by the budget committee by more than \$5,000 or 10 percent, whichever is greater.

After considering public testimony provided at the Budget Hearing, the Board of Commissioners deliberates and adopts the budget, no later than June 30. The Board prepares a resolution or ordinance that formally adopts the budget, makes appropriations and, if needed, levies and categorizes taxes. The budget is the basis for making appropriations and certifying the taxes.

8. Notice of property tax levy:

Each taxing district imposing a property tax levy must give notice of its property tax levy to the County Assessor by July 15.

9. Amendments to the Budget:

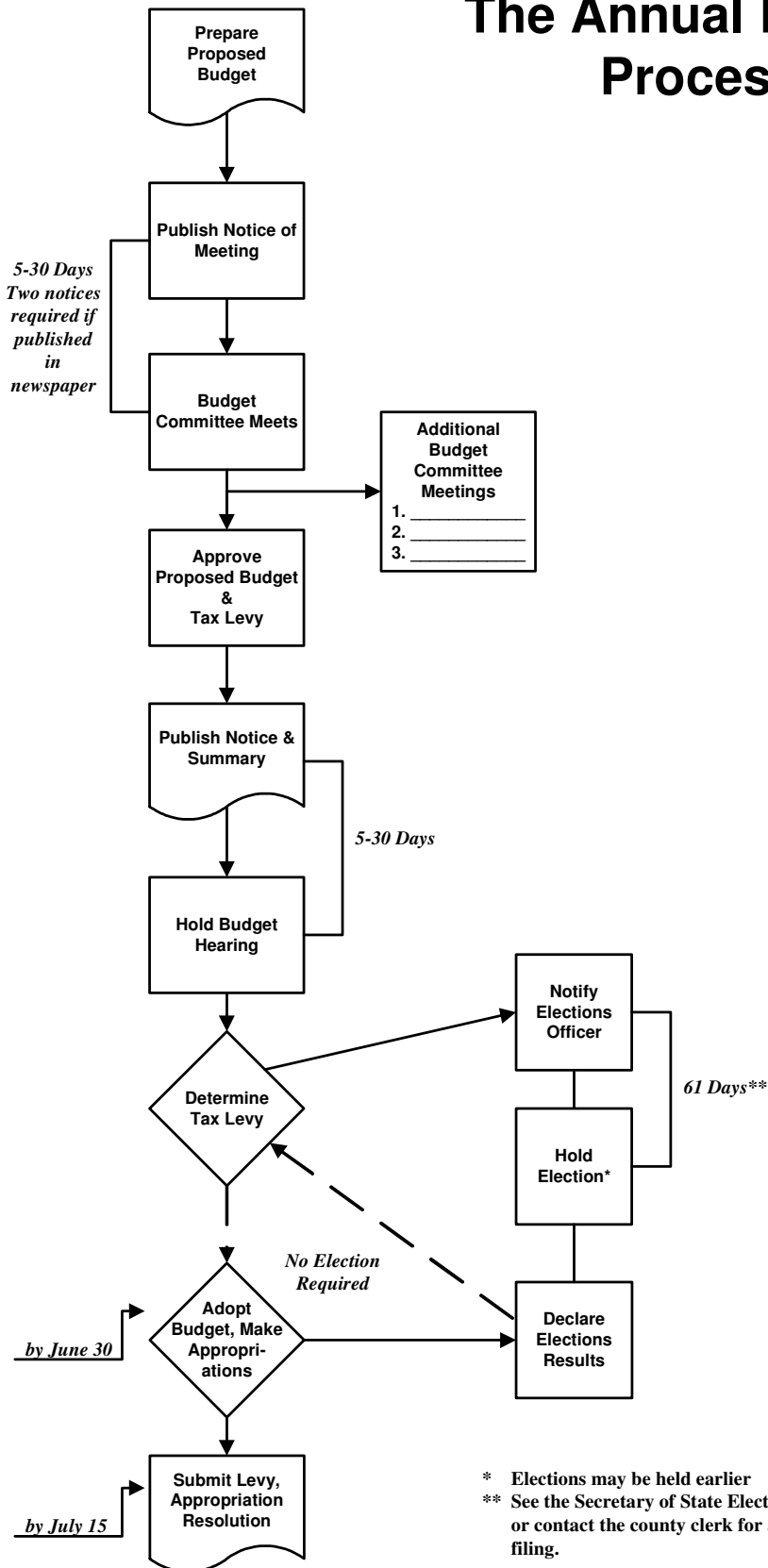
Supplemental budgets: There are times when an adopted budget gives no authority to make certain expenditures or when revenues are received for which the governing body had no previous knowledge. In these cases it is possible to use a supplemental budget to authorize expenditures or spend additional revenues in a current fiscal year. Each supplemental budget is published prior to a public hearing at which they are discussed and adopted by the Board. The budget committee is not involved in adopting supplemental budgets. Supplemental budgets cannot be used to authorize a tax levy.

Board Orders amending the budget: In addition to the supplemental budget process, when needed, the Board can amend appropriations to the current year budget at a regular, publicly announced, meeting providing the changes do not exceed 10% of the budget in the fund being adjusted. These amendments happen periodically throughout the year, often as a result to changes in grant funding.

Community Funding Request Process

Community groups wishing to submit a request for budget committee consideration and possible inclusion in the next budget can submit a Community Request Form to the Budget Committee. All requests are forwarded to the full budget committee for consideration. Community groups submitting requests are provided with a scheduled time to appear before the budget committee to provide additional information and answer questions. Community Request Forms were made available in February of 2009 and were due back to the County Administration Office on March 31, 2010. All requests are forwarded to the full budget committee for consideration. Contact the County Administrator's Office at 541-682-4203 or check the Budget Committee Schedule posted on our website at: www.lanecounty.org/Departments/CAO/Budget/Pages/.

The Annual Budget Process



Overview

Budget Preparation Schedule

<u>Date</u>	<u>Description of the Event</u>	<u>Product/Outcome</u>
<i>Tuesday, January 19</i>	Departments begin to prepare Base budget, review budget with advisory committees, as appropriate, and prepare Adjusted Base Budget.	Budget Instructions distributed
<i>Friday, February 5</i>	Departments complete base cycle data entry and submit Adjusted Base budgets	Department base budgets
<i>Wednesday, February 17</i>	Departments complete Service Option Sheets for all services receiving General Fund	Service Option Sheets
<i>Wednesday February 17</i>	Departments complete data entry and submit Budget	Department Request Budget
<i>Monday, March 8 – Friday, March 12</i>	County Administrator and budget staff review departmental budgets and hold departmental reviews.	Preliminary budget decisions
<i>Tuesday, March 16 – Thursday, April 15</i>	Final preparation of Proposed Budget by budget staff	Proposed Budget
<i>Sunday, April 11</i>	First notice of Budget Committee meeting on Proposed Budget published in accordance with ORS 294.401.	Legal Advertisement
<i>Thursday, April 15</i>	Send Proposed Budget document to printer	--
<i>Sunday, April 18</i>	Second Notice of Budget Committee meeting published.	Legal Advertisement
<i>Thursday, April 29</i>	Budget Committee receives County Administrator's budget message and holds public hearing on Proposed Budget.	Budget Message; Proposed Budget; Public Hearing
<i>Tuesday, May 4 through Thursday, May 13</i>	Budget work sessions and public hearings usually Tuesday and Thursday evenings at 5:15 p.m. Departments present their budgets and highlight services changes.	Budget Committee Work sessions
<i>Thursday, May 20</i>	Budget Committee public comment, final discussion, deliberations, and approval of budget. The public is welcome to attend.	Approved Budget
<i>Sunday, June 6</i>	Publish Budget Summary and Notice of Public Hearing on Approved Budget in accordance with ORS.	Legal Advertisement
<i>Wednesday, June 23</i>	Board of County Commissioners holds public hearing, adopts budget, makes appropriations and levies taxes.	Adopted Budget

Citizen Involvement Opportunities

Citizen Budget Committee

The County's ten-member Budget Committee is made up of five county commissioners and five citizens as mandated by Oregon Revised Statute 294.336. Each commissioner appoints one of the five citizens. This committee reviews and approves the County budget, limits the amount of tax which may be levied by the County and establishes a tentative maximum amount for total permissible expenditures for each department and fund in the County budget.

Citizen members serve staggered terms of up to three years ending on December 31st of the final year. Citizens may be appointed for multiple terms. Initial budget committee meetings are scheduled in January and February of each year where relevant topics relating to Lane County's budget are presented to the committee by experts in their corresponding field. Regular Budget Committee meetings usually occur twice a week in the evening in April and May of each year. Please contact the Commissioner's Office at 541-682-4203 if you are interested in the Budget Committee or need additional information.

Public Hearings/Public Comment

Citizens can appear in person to share comments directly with the Budget Committee at one of several meetings, or with the Board of County Commissioners prior to budget adoption. Written material can either be hand delivered, mailed, faxed, or submitted via email attention Lane County Budget Committee (see contact info below).

Metro TV and Webcasts

If you are unable to attend Board of Commissioner or Budget Committee meetings in person, Metro TV telecasts all Board and Budget Committee meetings on Comcast cable channel 21. You may also view the meetings as a webcast at the County's internet website www.lanecounty.org under County eGovernment, Board of Commissioner's, Webcasts.

Lane County Website

In addition to webcasts of meetings, budget related information is available on the County's internet site including links to the current year budget, the proposed budget, agendas for upcoming Budget Committee and Board meetings, and Commissioners' email addresses.

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