



Board of County Commissioners Town Hall

Budget Development Process

February 23, 2023

County Administrative Office

washingtoncountyor.gov

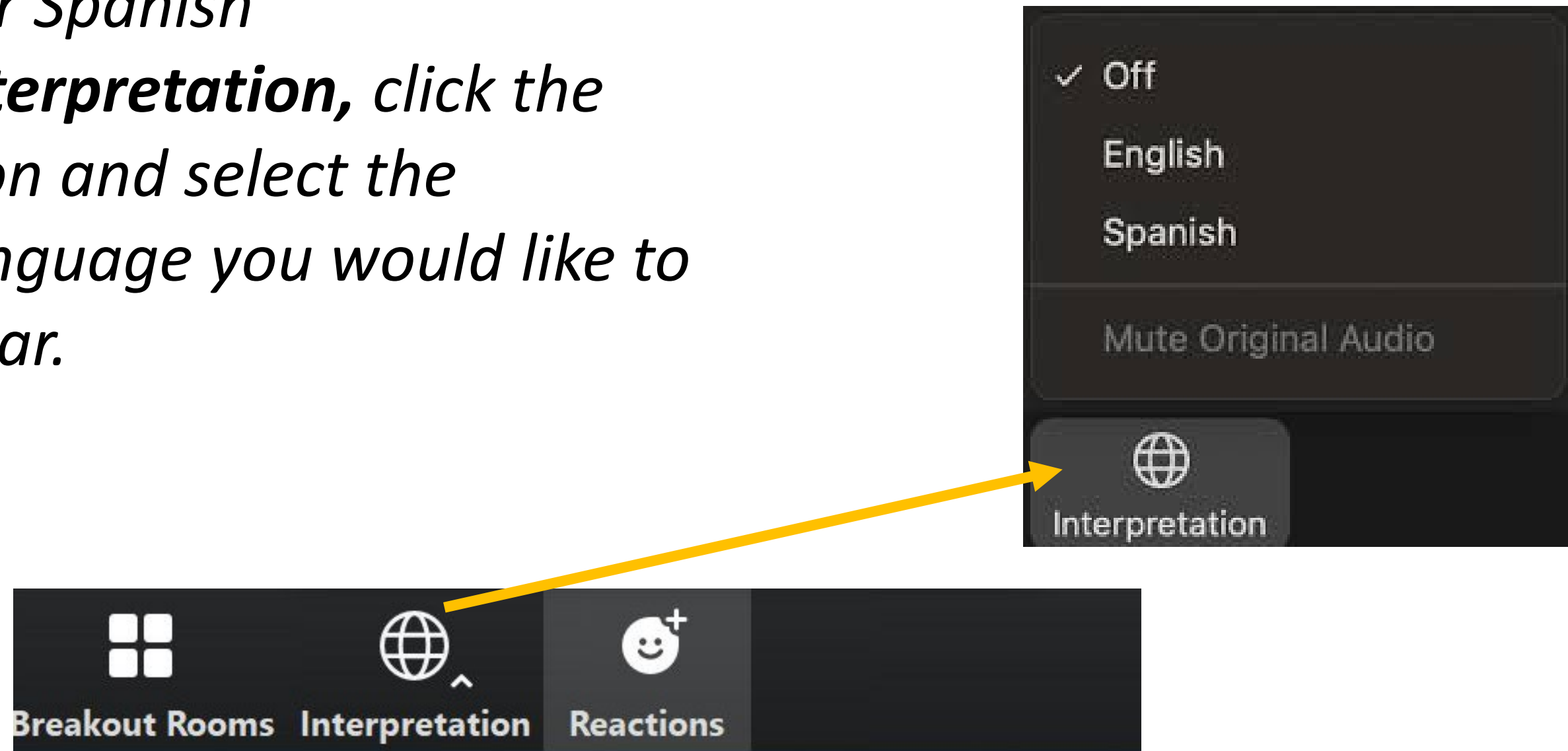


Welcome and orientation

- Zoom tutorial
- Interpretation
- Engagement basics

→ Zoom set up

*For Spanish
Interpretation, click the
icon and select the
language you would like to
hear.*

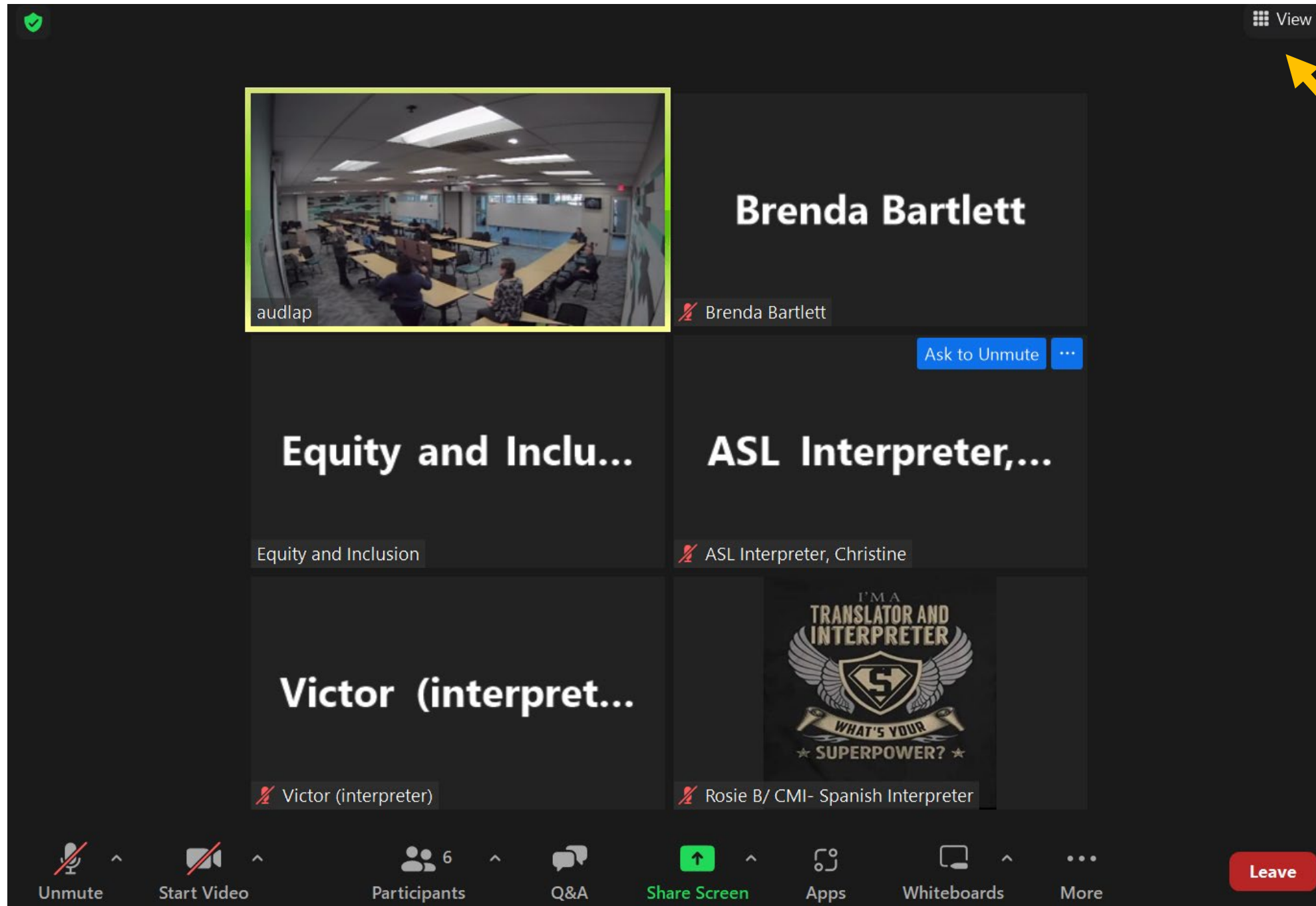


→ Zoom set up



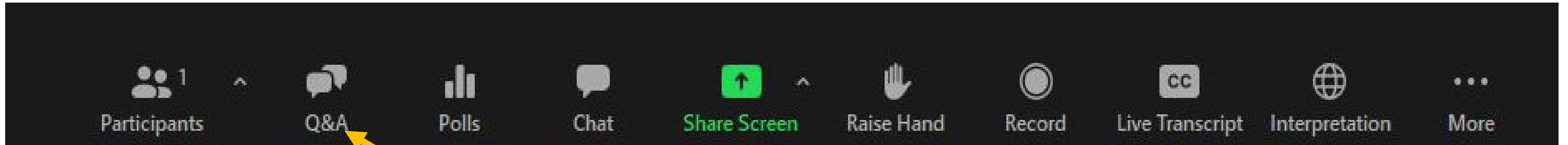
*To access **Interpretation** from a phone or mobile device, click on the 3 dots for “More” and select preferred language.*

→ Zoom set up



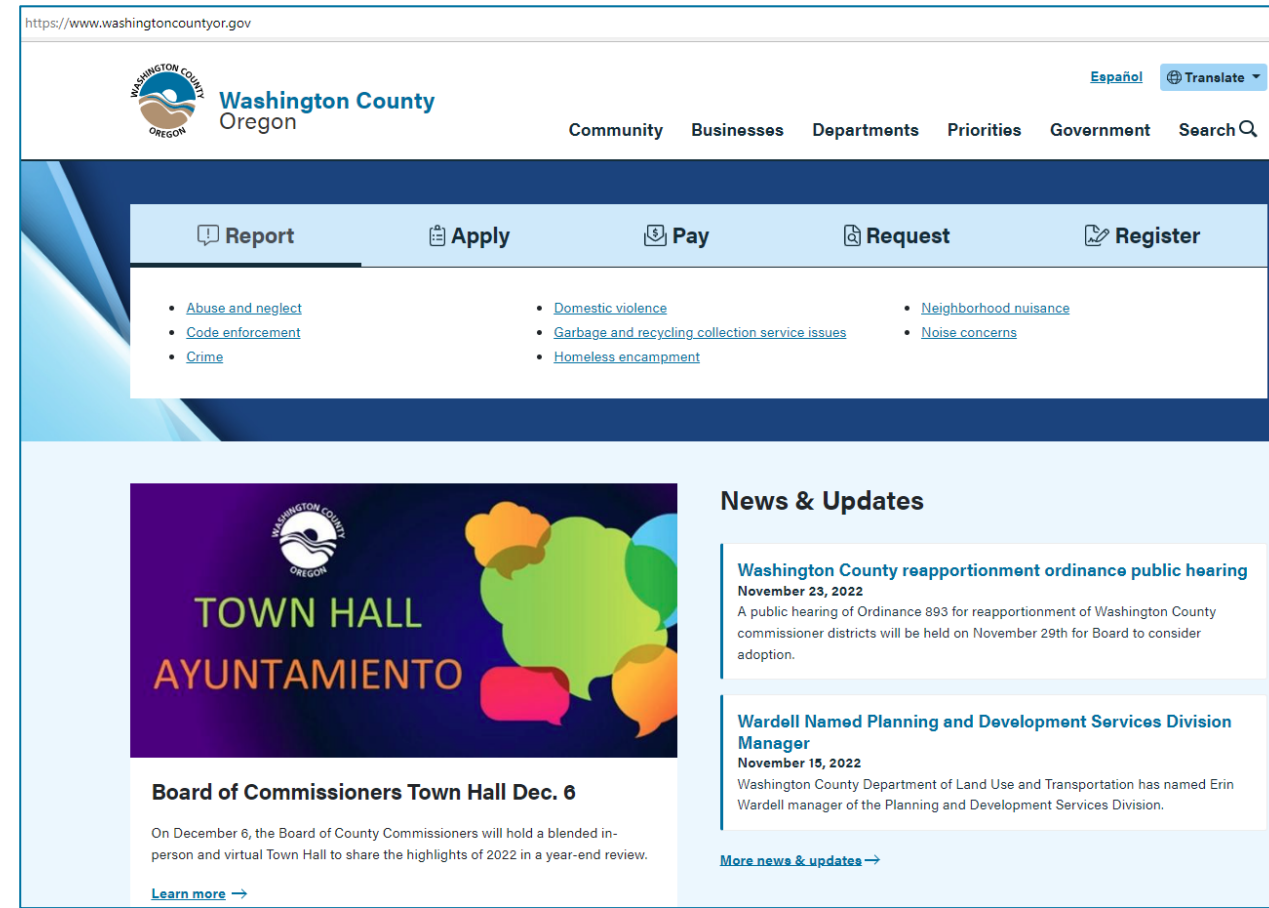
*Select **Gallery View** so you can see the speakers AND interpreters.*

→ Zoom set up



Click “Q&A” to ask a question.

→ Download presentation slides



1. Go to www.washingtoncountyor.gov & click on “Learn more” under Town Hall/Ayuntamiento graphic.

2. Choose preferred language.



Let's get started



Land acknowledgement

Washington County Land Acknowledgment

(as prepared by representatives of Confederated Tribes of Grand Ronde, Nez Perce, Siletz, and Yavapai)

We want to acknowledge the people on whose land we live—the Atfalati-Kalapuyans also known as the Tualatin Band of Kalapuyans—the first inhabitants of Washington County. We are grateful for the land we are on, Kalapuyan land.

Signers of the Willamette Valley Treaty of 1855 were removed from their homelands to the Grand Ronde Indian Reservation. Today their descendants are tribal members of Grand Ronde and Siletz tribes, carrying on the traditions and cultures of their ancestors.

We acknowledge and express gratitude for the ancestors of this place and recognize that we are here because of the sacrifices forced upon them. In remembering these communities, we honor their legacy, their lives, and their continuation in our community. Please reflect on the role government has played in the painful, colonial history and reflect as well on the resilience and healing of the Indigenous land and communities.

We would like to invite everyone to collaborate and work together with the tribes to take care of the land and water and the people who inhabit these spaces.

→ Town Hall meeting norms

Participate with intention

Appreciate diversity of perspectives

Maintain respectful space

Create opportunity for everyone to engage

Only one question or comment to make room for everyone



Town Hall overview

- 6:00 p.m. Welcome, orientation and setting the stage
- 6:11 p.m. Board introductions
- 6:15 p.m. County services and Board principles and priorities
- 6:45 p.m. Overview of County budget
- 7:05 p.m. Challenges ahead for proposed budget
- 7:25 p.m. Budget development process
- 7:27 p.m. Parting remarks from the Board
- 7:30 p.m. Conclusion



Board of County Commissioners



**KATHRYN
HARRINGTON**
AT-LARGE, CHAIR



**NAFISA
FAI**
DISTRICT 1



**PAM
TREECE**
DISTRICT 2



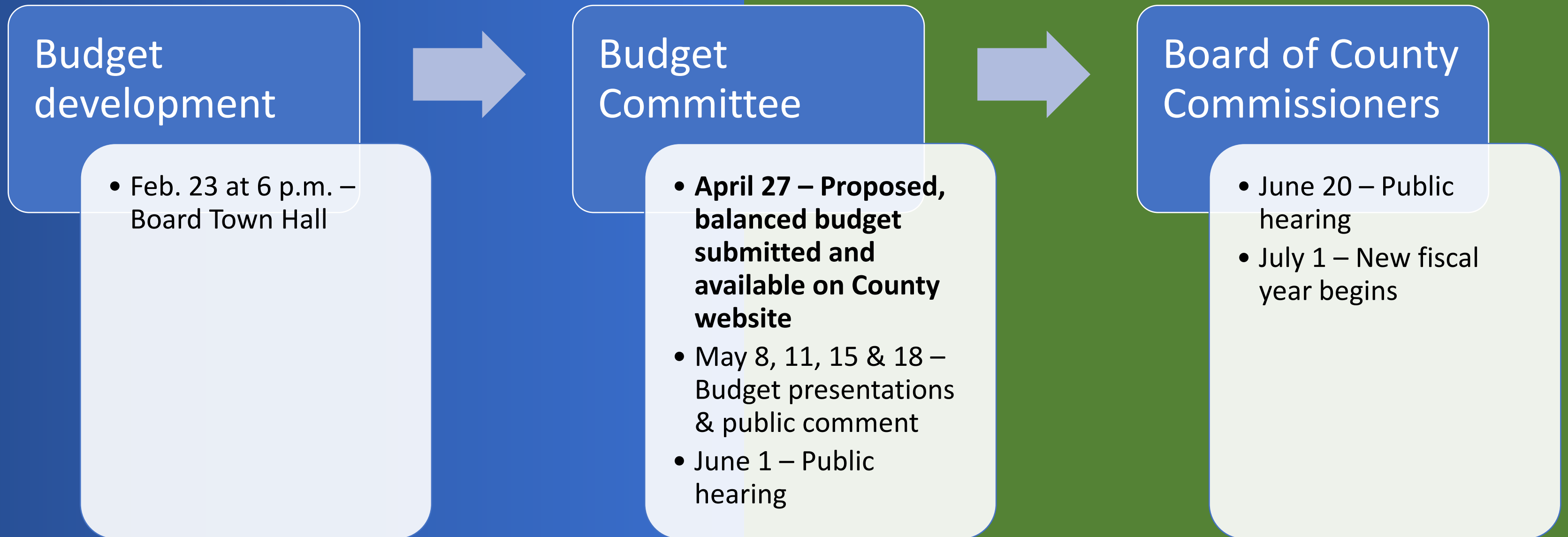
**ROY
ROGERS**
DISTRICT 3



**JERRY
WILLEY**
DISTRICT 4, VICE CHAIR

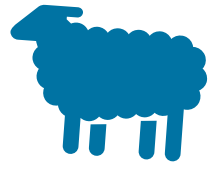
County Services, Board Principles and Priorities

→ Opportunities for public input



Internal Process → **Public Process**

COUNTY SERVICES



Who organizes the County Fair?



Who makes sure my vote is counted?



Who provides police services in unincorporated areas?



Who do I call if my dog runs away?



Who builds roads, sidewalks, and bike lanes?

Who prepares the County for floods, storms, and earthquakes?



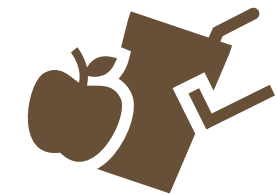
Who plans for future growth of our communities?



Who collects property taxes?



Who issues permits for remodeling?



Who supports health and nutrition for women, infants, and children?



Who prosecutes crimes?



Who provides books and news in multiple languages?



Who runs Hagg Lake?



Who helps with housing for people with low incomes?



Who manages the jail?



County Services

- General Government
- Public Safety & Justice
- Land Use and Transportation
- Housing, Health and Human Services
- Culture, Education and Recreation





Board budget principles

- Support Board goals and governance
- Enhance meaningful communication with the public that is transparent and open
- Enhance and evaluate revenue and long-term fiscal sustainability
- Make explicit the investments in equity
- Fund mandated services and objectively evaluate service levels
- Balance long-term capital and operating needs
- Position the organization for the future
- Protect services that impact community members' daily lives
- Balance systems of service and continue to pursue a One Washington County approach



Board budget priorities

- Address immediate and long-term budget issues
- Fund immediate needs for 24/7 public safety facilities
- Develop the community county strategic plan
- Operationalize Design the Future and One Washington County
- Plan for and respond to emergencies and disasters, including those caused by climate change
- Support a connected multimodal transportation system
- Support equitable economic development through federal Rescue Plan funds
- Partner with the state and community to protect public health
- Support affordable housing and address homelessness
- Deliver public safety and justice services in a way that builds community trust
- Support major systems of County government, including capital improvement planning, finance, information technology and human resources

→ Questions so far?



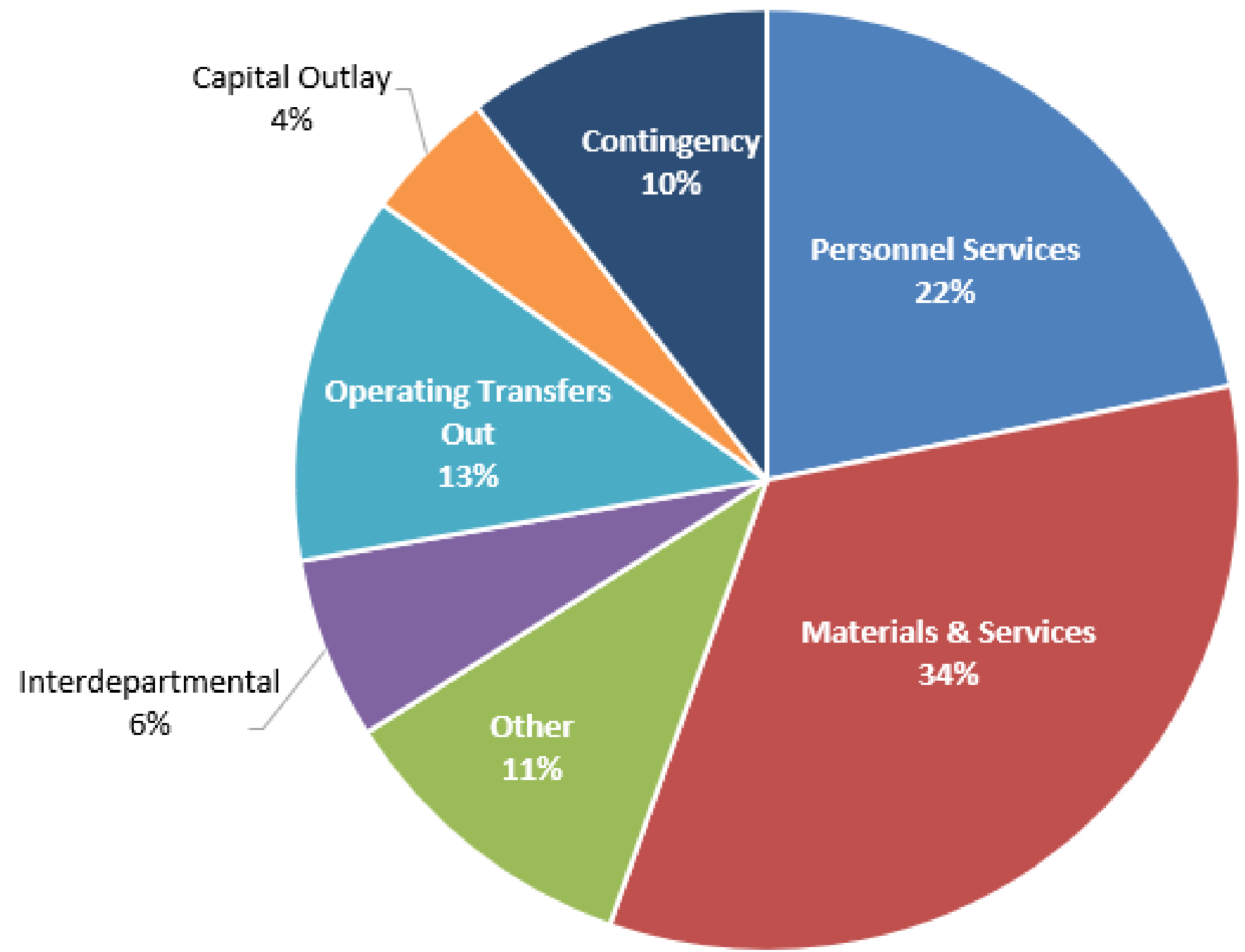
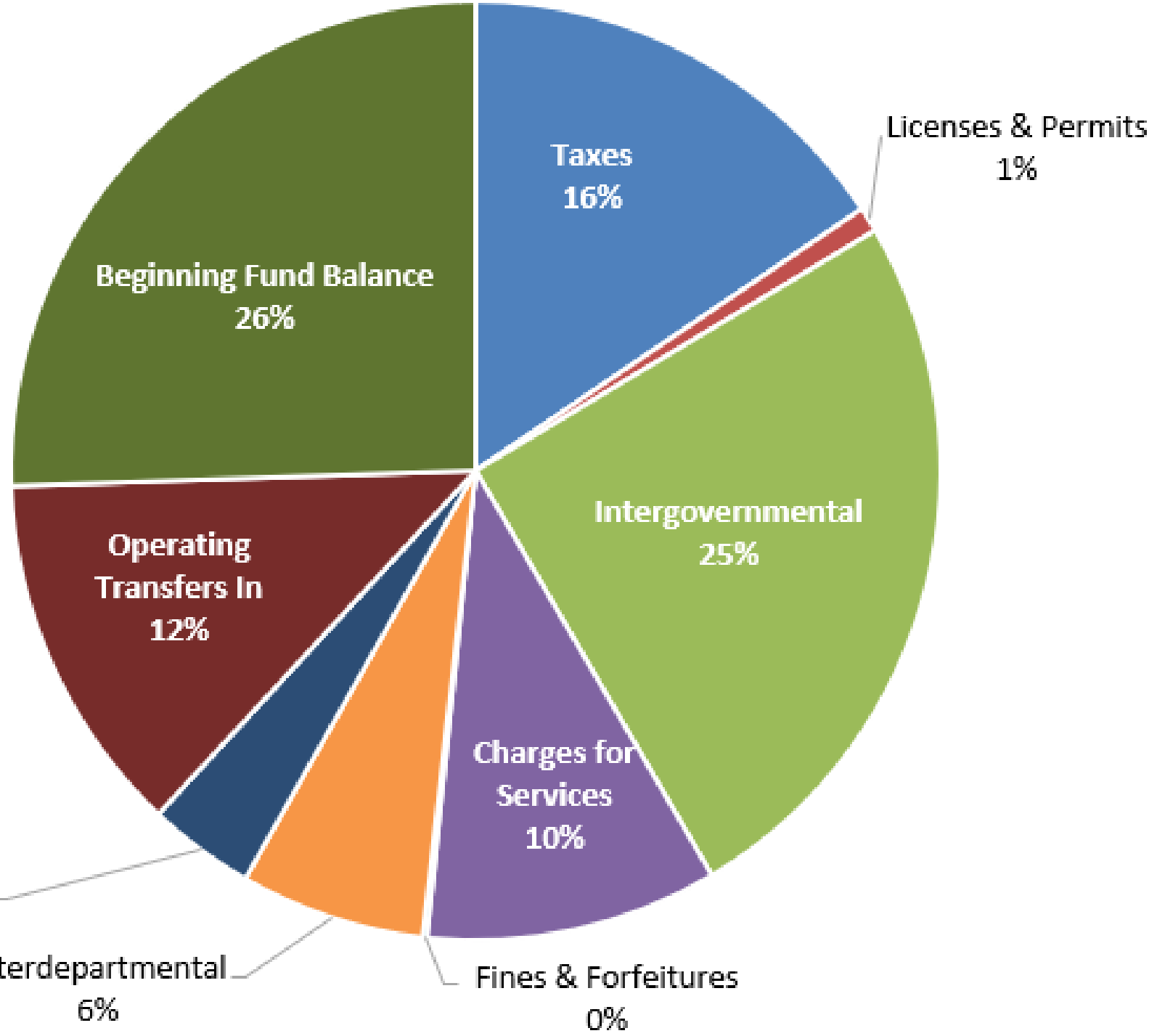
Guests on Zoom, please click “Q&A” to ask a question.

Status of current fiscal year (FY 2022-23)



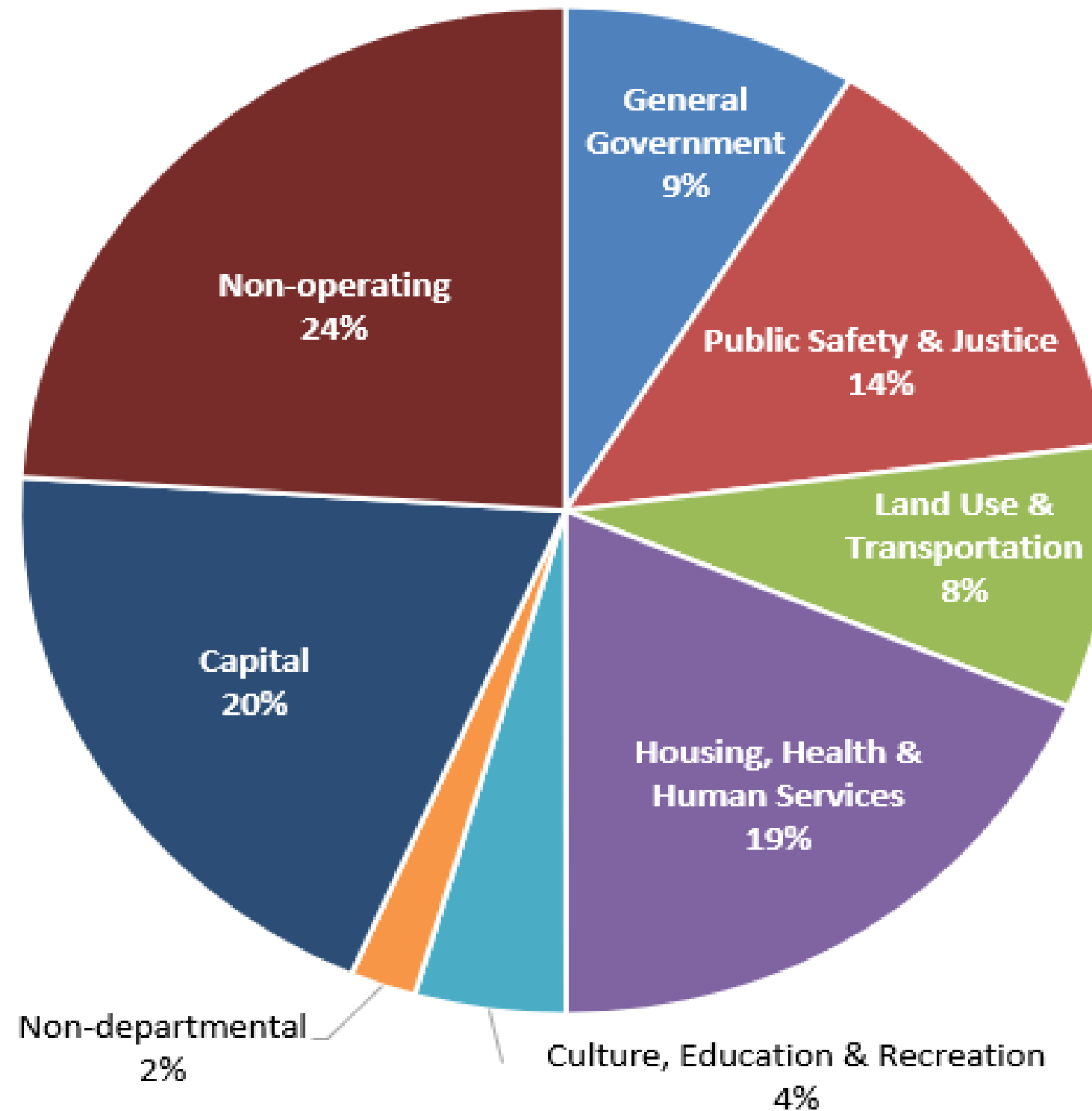


Total budget revenues and expenditures \$1.6 billion





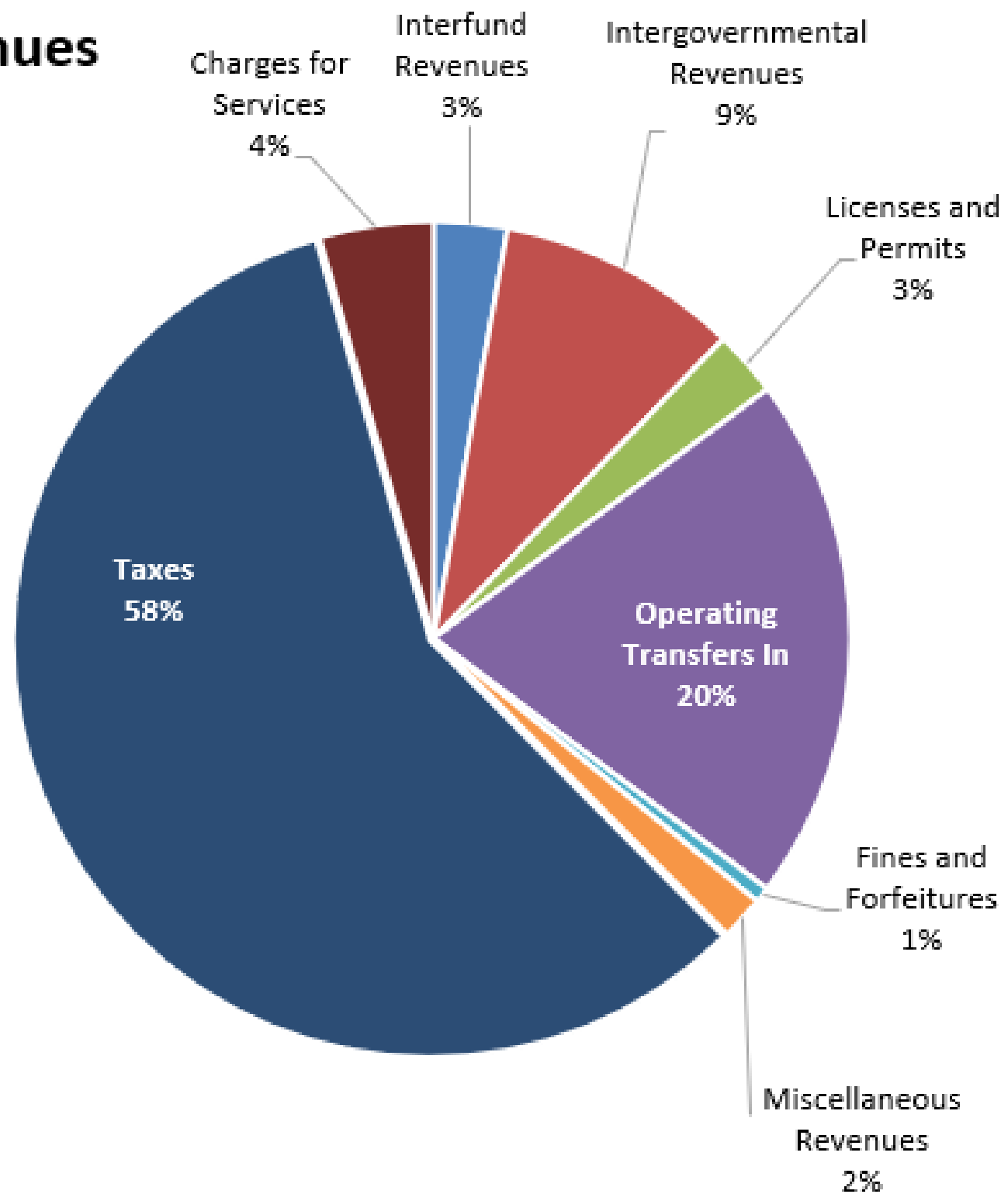
Total budget by fund and functional area \$1.6 billion



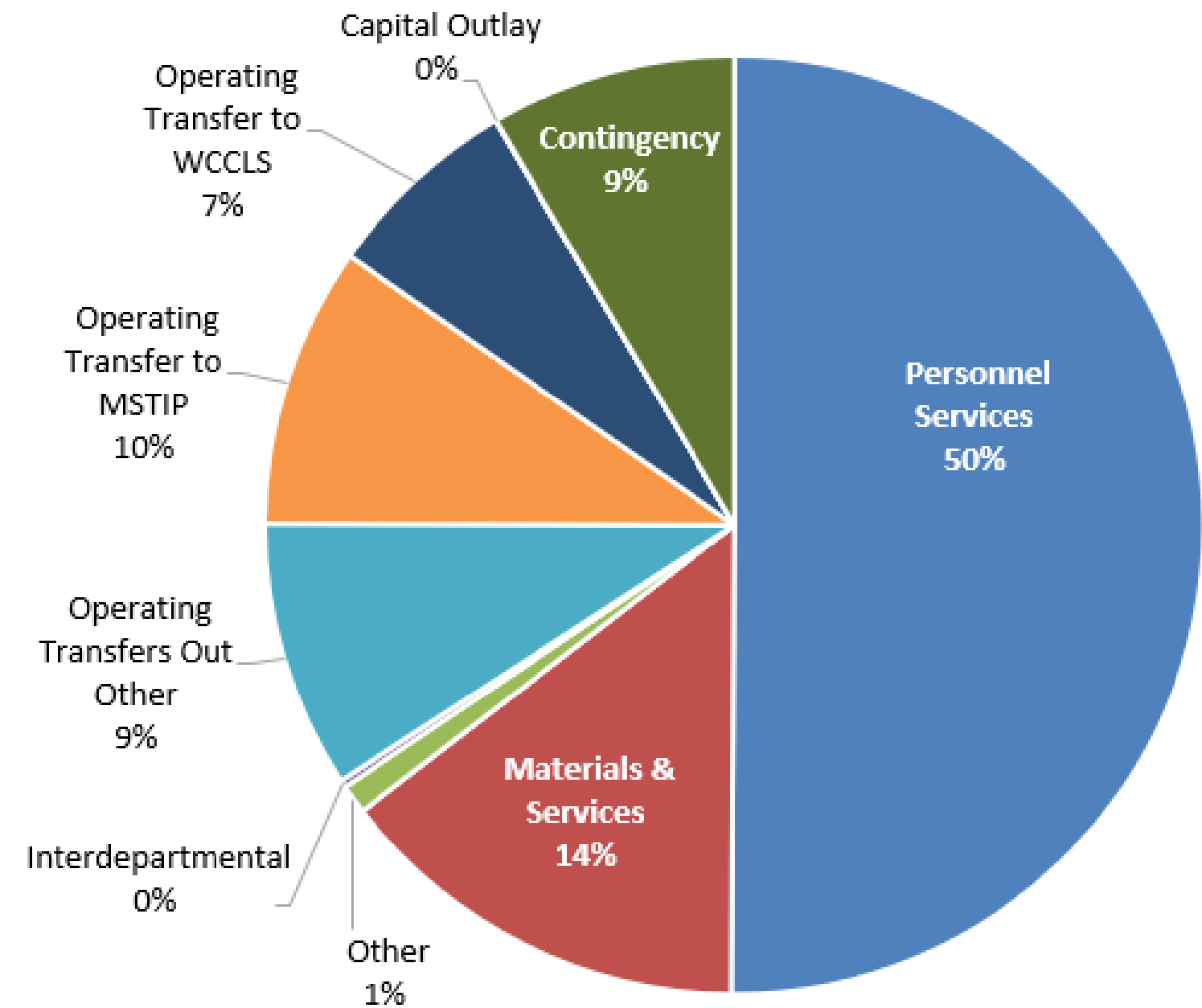


General Fund revenues \$320 million and expenditures \$355 million

Revenues



Expenditures





FY23 budget status

- FY23 budget emergency balanced with \$31.1 million “page 15” modifications
- Approx 9.6% of budget
- One-time stop gap measure
- \$3.7 million vacant positions were frozen

One-time Actions to Balance the General Fund for the FY 2022-23 Proposed Budget

Revenue increases:

- \$3 million in one-time SIP revenue
- \$2.7 million in federal pandemic relief revenue to support services directly impacted by the COVID-19 pandemic
- \$2.4 million in interest earnings in FY 2021-22 and FY 2022-23
- \$2 million in beginning fund balance
- \$1.2 million savings to the General Fund because of pandemic-related staff redeployments funded by one-time federal aid
- \$0.9 million in additional proceeds from the sale of real property

Expenditure reductions:

- \$4 million savings from postponing General Fund allocations for one year to the Housing Production Opportunity Fund (HPOF)
- \$4 million savings from funding only the highest-priority capital projects for Facilities and Information Technology Services (ITS)
- \$3.7 million savings from a temporary freeze on all vacant General Fund positions to allow time for a position-by-position analysis in the coming months
- \$3.6 million savings from denying requested General Fund positions from departments as well as temporary employment support to Finance
- \$1.5 million savings from eliminating the General Fund transfer to Fleet reserves
- \$0.8 million savings from one-time cuts to special projects, expanded use of grant funds and a 5% cut to annual payments to Community Network nonprofits
- \$0.5 million savings from to the General Fund because of pandemic-related expenses funded by one-time federal aid
- \$0.5 million savings from lower-than-anticipated health insurance costs
- \$0.3 million savings from a one-time halt to General Fund transfers to special funds such as the Community Development Block Grant (CDBG), County Road and Metzger Park Local Improvement District (LID) funds.

Approximant Total = \$12.2 million

Approximate Total = \$18.9 million

Grand total savings to General Fund = \$31.1 million

→ Questions so far?



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Challenges ahead for next year (FY 2023-24)



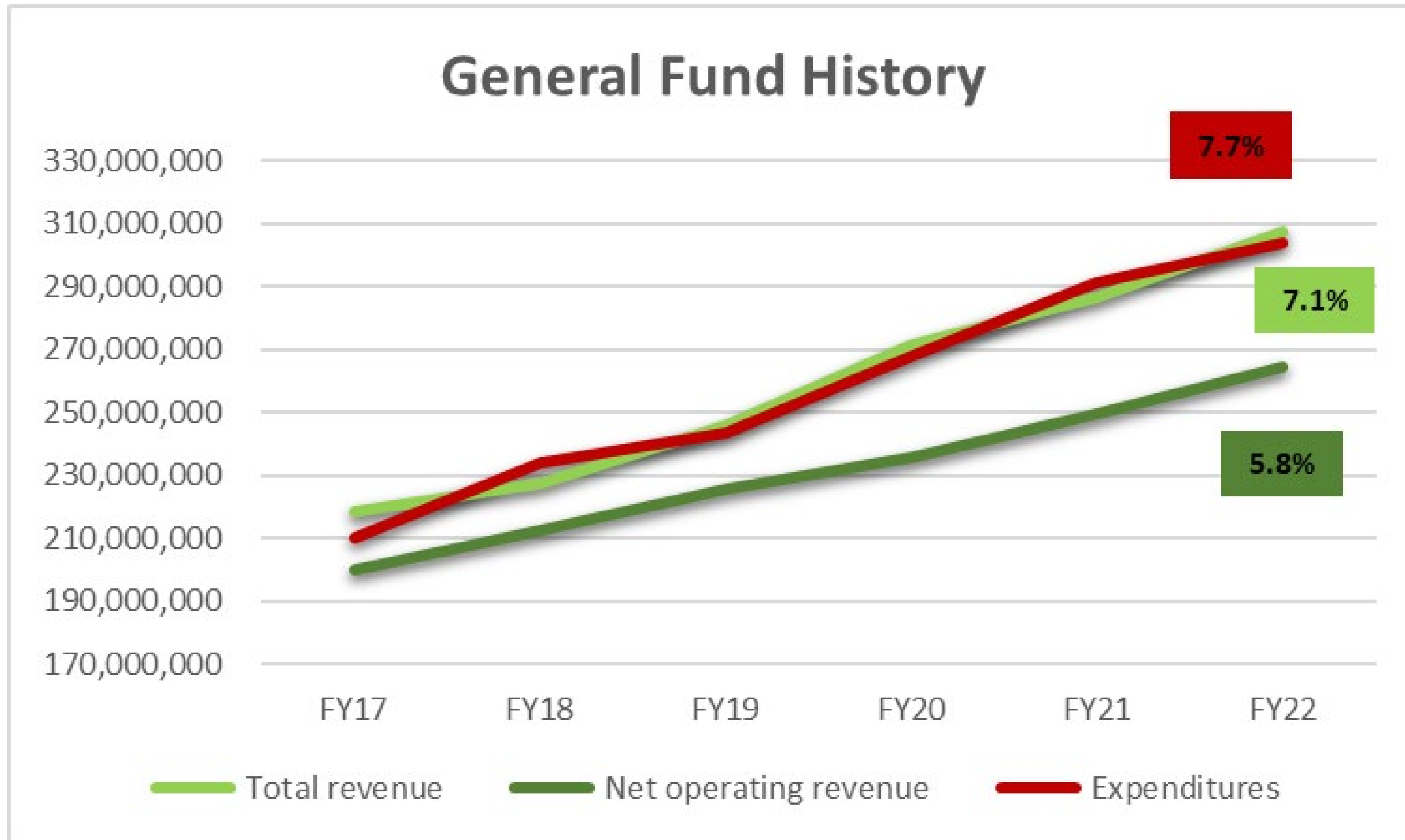


Review of what caused the General Fund imbalance

- Expenditures are growing faster than revenue (7.7% vs 5.8%)
- Over-reliance on “one-time” funds
- Health insurance and state retirement system costs that have outpaced inflation.
- Unfunded state mandated programs, many of which have important goals but simply lack state dollars to implement.
- Key technical systems and facilities that are at or are nearing the end of their useful lives.
- Bottom line: the General Fund is at least 7.1% or \$25 million out of balance for FY 2023-24

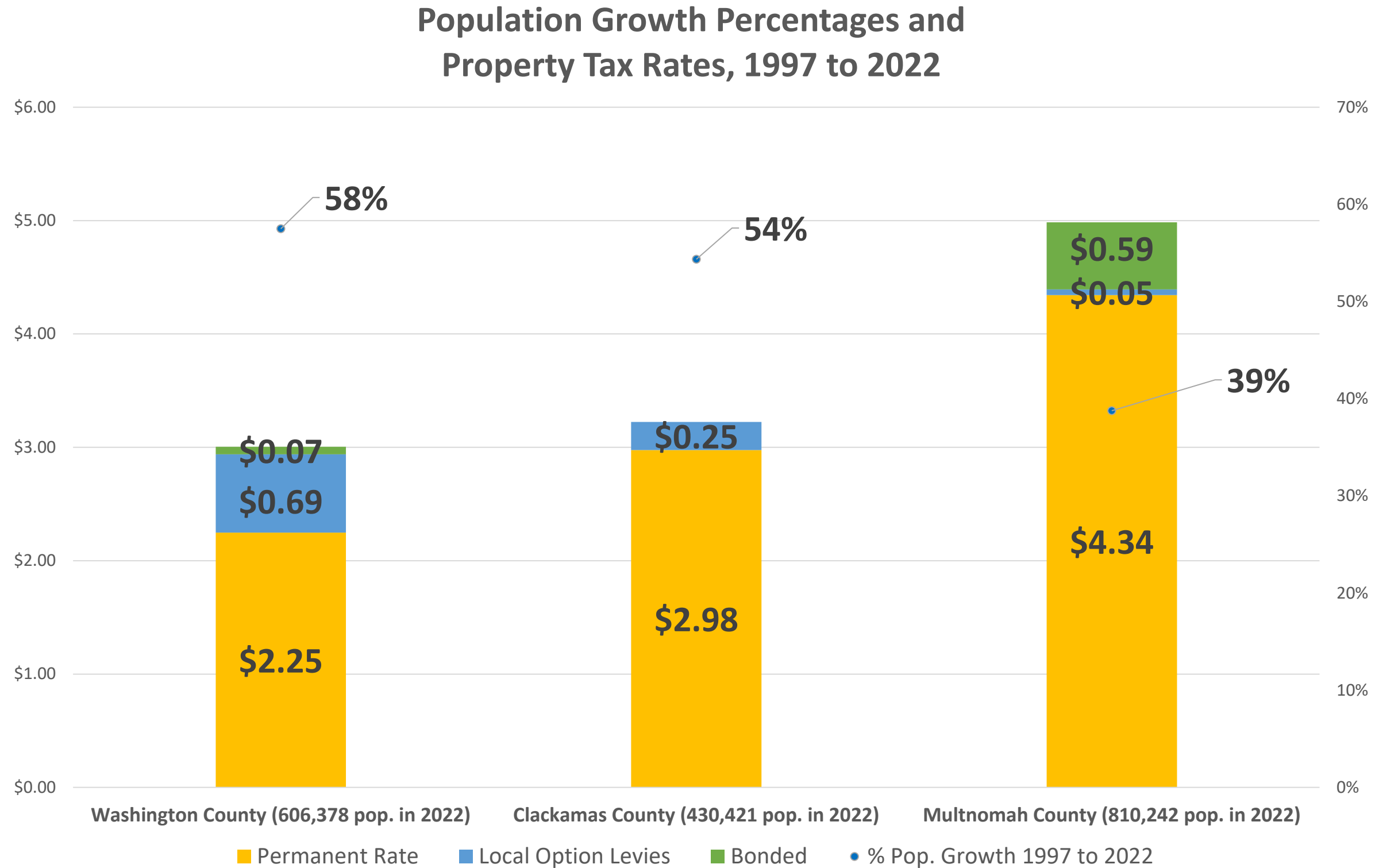


Expenditures outpacing revenue





Our constrained revenue framework





What immediate steps are being taken?

Balance 7.1% or \$25.3 million gap in the General Fund

- All departments receiving General Fund dollars have been asked to provide cut scenarios: 4%, 7%, 10%
- Applies to all service areas supported by General Fund dollars
- Utilize surgical/focused reductions and/or “across the board”
- Assumes impact to service levels
- Actively manage the number of new and vacant employee positions
- Continue implementing budget best practices and strategies as identified by the Government Finance Officers Assoc.



Financial strategies for the future

- Resolve unsustainable structural gap – expenditures growing faster than revenues
- Fully fund contingency to four month's property tax
- Create strategic investment program policy
- Examine Major Streets Transportation Improvement Program and library funding practices
- Align funding and services to mandated and desired community outcomes
- Control growth in health insurance costs
- Implement best practices for reserve policies
- Create capital improvement plan and funding options

→ Questions so far?



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Budget development process ahead

→ Opportunities for public input



Internal Process → **Public Process**

→ Where to find more information

- Budget pages on the County website:
wcor.us/budget
- Media releases, social media and newsletter articles



→ Questions so far?



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