



Washington County Budget Committees Meeting #1

FY 2024-25 PROPOSED BUDGET

| April 29, 2024

→ Overview

- Welcome and Introductions
- Budget Committees Actions
- Assistant County Administrator Presentation Areas
- Budget Message
- Financial Update
- Strategic Plan Update 2024-2028
- Budget Equity Tool Update
- Proposed FY 2024-25 Budget Document Review
- Procedures and Budget Committee Calendar
- Wrap up, final comments





Budget Committee Actions

- Election of Chair and Vice-chair for each Budget Committee

Governing Body	Community Members		
Board of County Commissioners	Washington County & SDL #1	ESPD-URMD	North Bethany CSDR
Chair Kathryn Harrington District 1 Nafisa Fai District 2 Pam Treece District 3 Roy Rogers District 4 Jerry Willey	Karen Bolin Joe Everton Melissa Laird Sig Unander Jeff Sarafa	Fernando Lira Dick Steinbrugge Pradnya Patil Bruce Dickinson Darin Campbell	Dan Reid Sarah Beachy Alicia Gruber Mahesh Udata Bruce Young

- Washington County and Service District for Lighting #1
- Enhanced Patrol Service District and Urban Roads Maintenance District
- North Bethany Service District for Roads District
- Review Budget Committee Procedures



Assistant County Administrators

Erin Calvert

Emergency Management
Community Corrections
District Attorney's Office
Justice Court
Juvenile Services
Deflection & Diversion
Law Library
Sheriff's Office
Facilities, Fleet and Parks

Marni Kuyl

Assessment and Taxation
Elections
Community Development
Health and Human Services
Housing Services
Deflection & Diversion
Information Technology Services
Sustainability
CAO Office
Board of Commissioners
Finance
County Counsel
County Auditor

Dani Ledezma

Land Use and Transportation
Cooperative Library Services
Economic Development
Westside Commons and Fair Complex
Government Relations
Human Resources and Risk Management
Office of Equity, Inclusion and
Community Engagement

→ Budget Message – A Tale of Two Counties

- Many tensions in the proposed budget
 - One-time/limited duration revenue vs. constrained property taxes
 - Expansion of some programs vs. reductions in others
 - Mandated services vs. discretionary
- Guidance from Budget Principles, Priorities and Strategic Plan
 - Annual budget direction is given to the County Administrator every December-January.
- Third year of Budget Equity Tool



Budget Message – Balancing the General Fund

- Property tax framework constrains our choices
- Strategic, One Washington County approach to achieving balance through reductions
 - Maintains basic, mandated services
 - Keeps existing workforce intact to the greatest extent possible
 - Uses fewer one-time funds to achieve balance
- General Fund investments to address strain in Public Safety system
 - Returns Community Corrections Center to full capacity
 - Builds new court room and maintains specialty courts
 - Preserves Jail and other Sheriff's Office positions



Budget Message – Designing the Future

- Capital Improvement Plan
 - Addressing critical facilities needs
 - Multi-modal transportation improvements
 - Enterprise Resource Planning (ERP) Modernization
 - Center for Addiction Triage and Treatment (CATT)
- Other steps forward
 - Service Level Assessment
 - Unified work planning
 - Developing key performance indicators and transparent reporting
- Thankful and cautiously hopeful
 - County employees
 - Fellow local governments and community partners
 - Budget Committee



→ Finance Update

- General Fund
- Key Budget Challenges
- Strategies, Tactics & Progress
- Solutions to Achieve a Balanced FY 2024-25 Budget



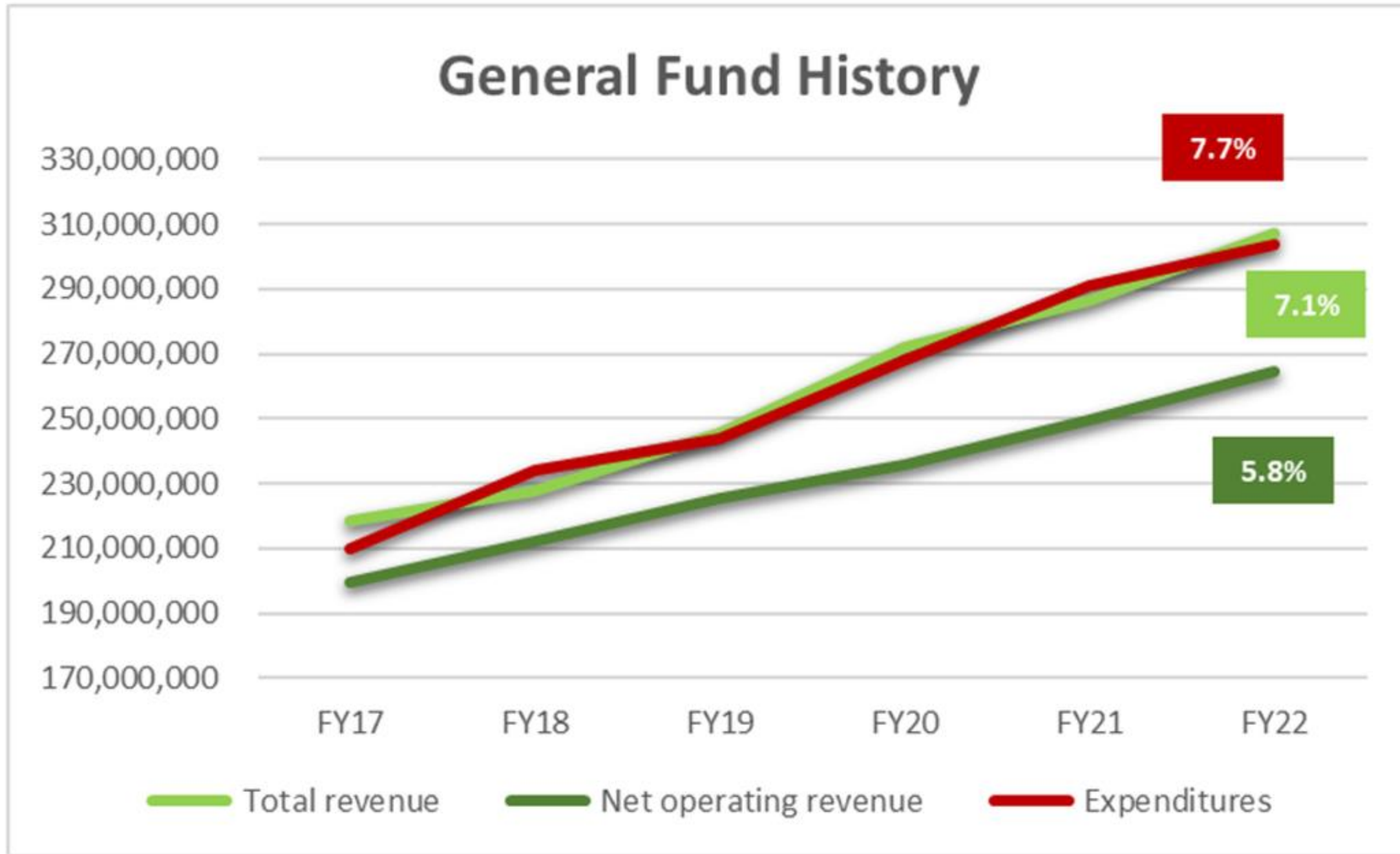


General Fund – Key Budget Challenges

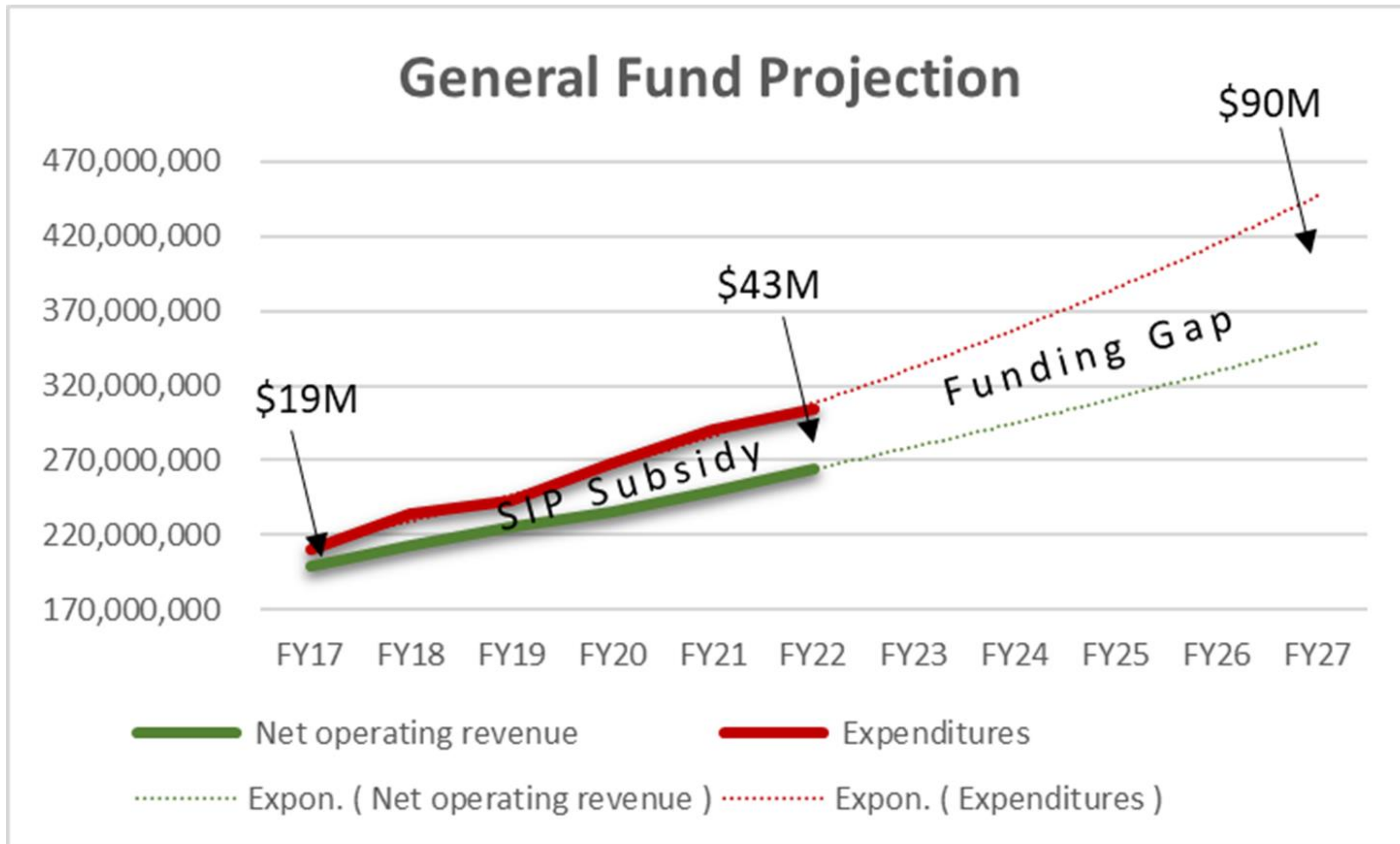
- Budget shortfall of \$31M in FY23, \$25M in FY24 and \$10M in FY25
- County Administrator/Budget Officer must submit a balanced budget
- Expenditures growing faster than revenue
 - Upward “market” pressure on payroll costs
 - Un- and under-funded state mandated programs
 - A “capped” property tax revenue system
- Over reliance on time-limited SIP funds to fund ongoing operations
- Declining SIP fund balance - \$10M at the end of FY22
- Contingency underfunded
- Comingled with “special revenue fund” and “enterprise” services



Expenditures Outpacing Revenue



→ Over Reliance on SIP



Not all county revenue is the same!

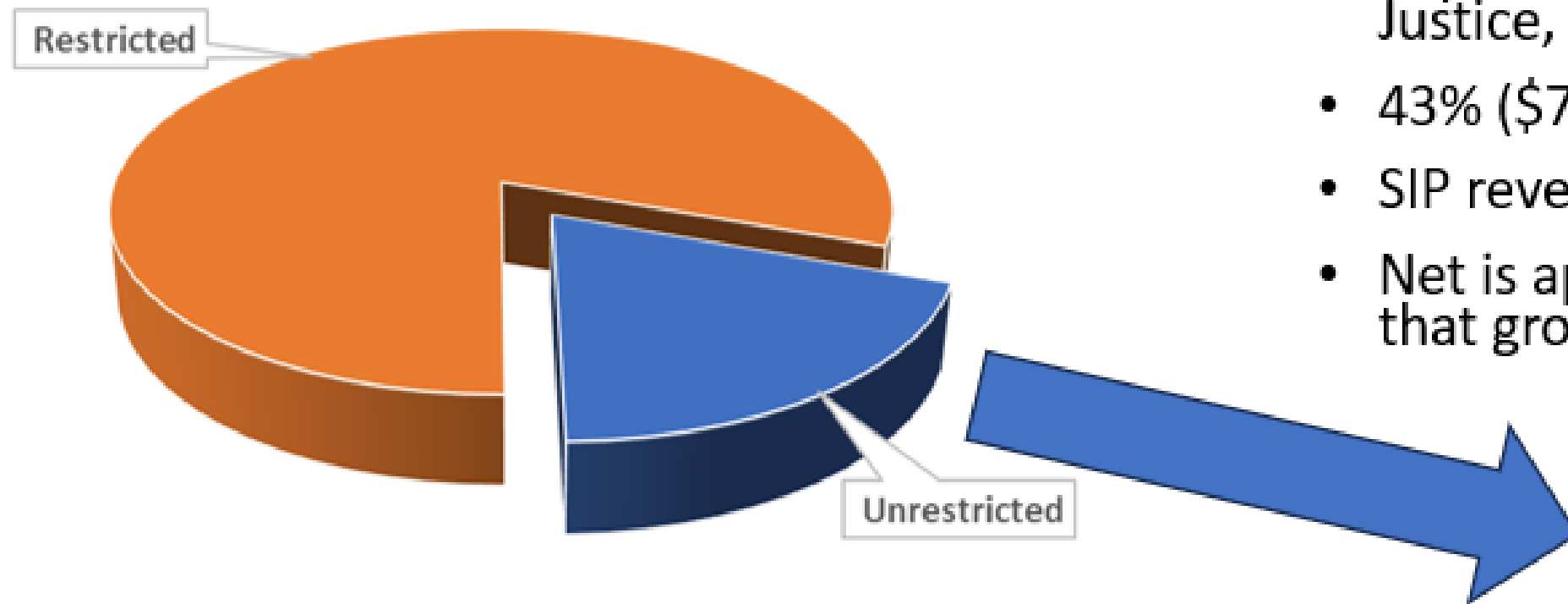
Unrestricted

- Generally property taxes
- Fund common county gov't activities:
 - Law & justice (SO, Jail, Courts, DA)
 - Assessment & taxation
 - Elections
 - Public health
 - Recording, vet services
- Competitive

Restricted

- Limited by law or contract for specific use
- Accounted for separately - no sharing of funds
- Separate business activity
- Grants, fee for service, room tax
- Examples: health services, disposal fees, building permits, court fines & fees

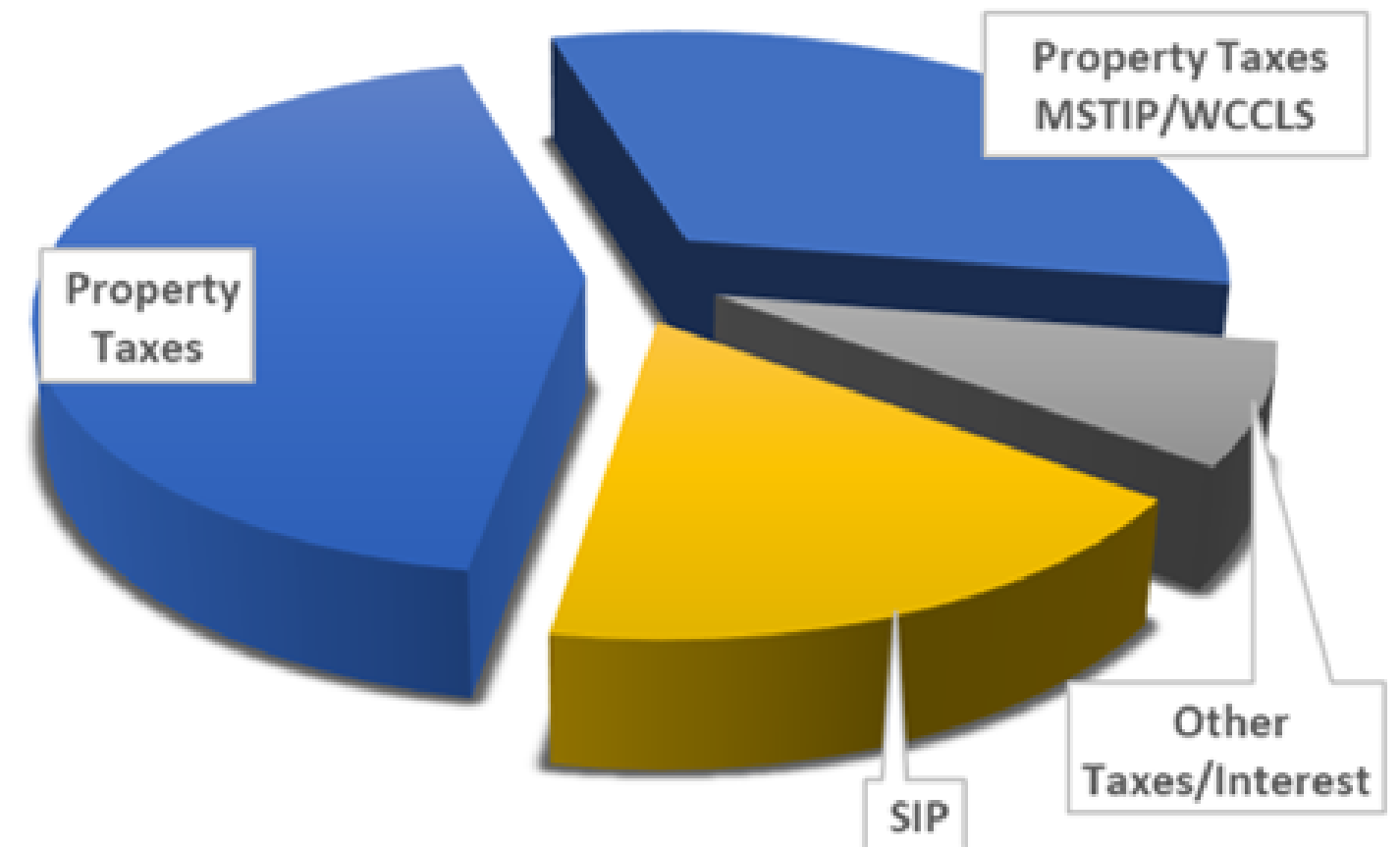
→ Unrestricted Revenue



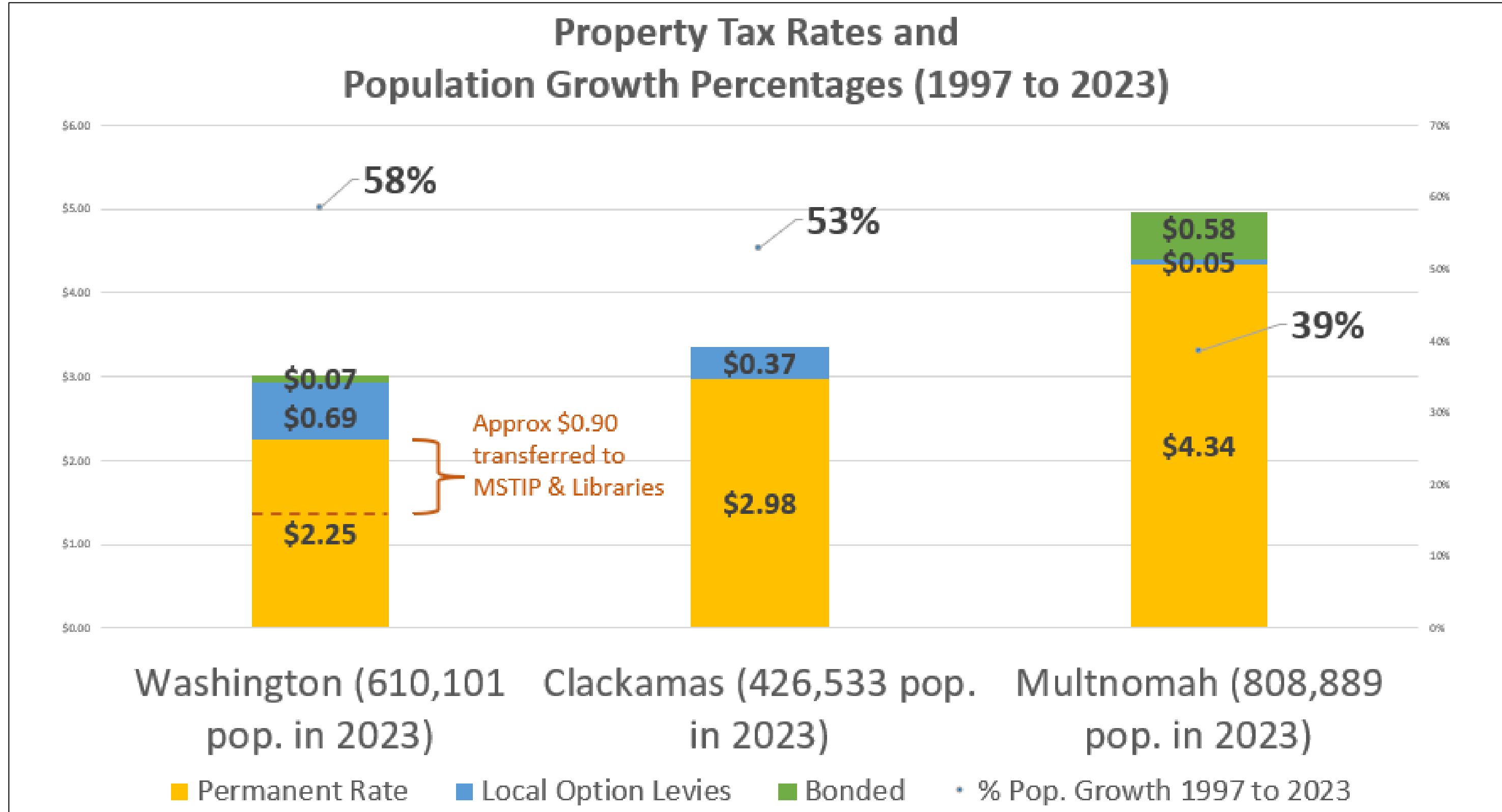
Approximately \$230 million or 19% of new annual revenue is unrestricted

Primary funding source in the General Fund

- Pays for Elections, Assessment & Taxation, Public Safety & Justice, Public Health, Long Range Planning
- 43% (\$75M) of property tax revenue is dedicated
- SIP revenue is limited in terms of time and duration
- Net is approximately \$100M in ongoing unrestricted tax revenue that grows at 4-5% per year



→ Property Tax Revenue





Focus Areas - Strategies, Tactics & Progress

Focus Areas - Strategies/Tactics

- Reduce reliance on “one-time” SIP revenues
- Declining SIP balance
- Resolve budget gap – expenses growing faster than revenue
- Fully fund contingency to 4 month’s property tax
- Create SIP fund policy
- MSTIP Program
- WCCLS/Library Program
- Align funding & services to mandates and desired outcomes
- Move special revenue functions out of GF
- Control growth in health insurance costs
- Implement best practices reserve policies
- Create Capital Improvement Plan

Progress

- Projecting \$30M in FY23, down from \$43M in FY22
- Increased from \$10M in FY22 to \$25M in FY23
- Market driven costs/mandates vs M50 restricted revenue**
- New contingency and reserve policy adopted in February
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- Bond funding for prior projects; and selected 3F projects
- Library funding and governance evaluation underway
- Service level assessment underway
- Internal service functions in FY24, public health in FY25
- Initial FY24 >20% increase negotiated/reorganized to 6.3%
- New contingency and reserve policy adopted in February
- 2nd annual CIP update approved by Board in April



Strategic Plan Update 2024 – 28

Tanya Ange, County Administrator

Dani Ledezma, Assistant County Administrator

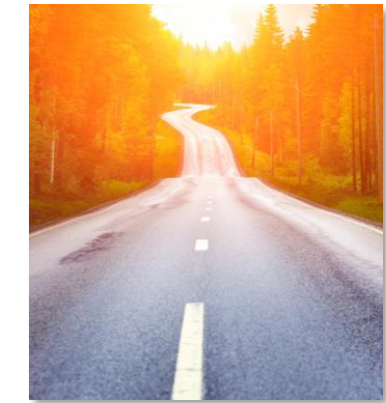


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Strategic Plan History



1986

Original County 2000 Strategic Plan adopted by the Board of County Commissioners. This plan identified service delivery roles, principles and priorities for the organization.

Early 1990s

The Board adopted minor adjustments in the early 1990s, after a two-year review process and public hearings.

2005

The Board sought to condense the Strategic Plan from 60 to 17 pages and make minor updates. This shorter working draft was shared on the County web and a brief public input period followed. The working draft was not formally adopted.

Now

The Board has adopted an update to the Strategic Plan with changes to align to One Washington County language. Public input was sought from Jan. 11 to Feb. 16. In four year's time, after the County has implemented foundational systems improvements, a more extensive update to the Strategic Plan is anticipated.

2028

The Board's target date for launching a comprehensive review of Washington County's Strategic Plan, including a community vision.



Strategic Update Elements

Document Element	Description
Introduction	Describes the intent of the document
Vision	Infuses One Washington county values
Mission	Focus on Design the Future and modernization
Guiding Principles	Six key values that inform the work of the County
Four Fundamentals	Answers how work is guiding and how the county approaches community problem solving
Organizational Goals	Done in collaboration with the County's Leadership team, these goals are organized by five areas of county government. The goals provide an overview of Washington County's services and responsibilities.
Looking Forward	A brief description of how the update will be utilized by County staff.
Appendix	Includes County strategic planning timeline for context, a diagram of our map of building systems, the Washington county services diagram, county and state shared services diagram and a glossary.



Vision and Mission

Vision

The Washington County Community – Our Vision



One Washington County is our unifying effort that produces a vision for a special community and mission-focused organization that can better serve the community now and in the years ahead.

Mission

Washington County the Organization – Our Mission

Washington County is a leading-edge, mission-focused organization that successfully serves the community now and in the years ahead. We are a human-centered organization that integrates equity into decision-making and supports the health, effectiveness, creativity and talents of our employees as public servants and the residents whom we serve.





Guiding Principles



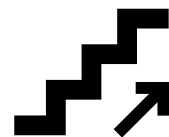
Mission Driven



Accountability and Stewardship



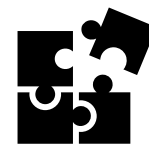
Integrity and Trust



Equity and Inclusion



Valued Employees



Collaboration



Four Fundamentals

Washington County Government's Four Fundamentals

Washington county continues to evolve its strategies and practices based on the vision of One Washington county and the mission of Design the Future. With the 2024-2028 Strategic Plan Update, we revised these fundamentals to guide our work and approach to community problem-solving. Consistent with the guiding principles, these found fundamentals further detail the County's role and Approach to Services.

Fundamental 1: We operate with a collective mindset – One Washington County

Fundamental 2: We build capacity and a positive culture

Fundamental 3: Washington County is a dynamic partner

Fundamental 4: We prioritize critical needs



Organizational Goals

The following organizational goals provide a broad overview of Washington County's services and responsibilities. In this section you will find goals for the primary areas of government administered by the County.

In the Spring of 2024, Washington County leaders will develop 2024-25 Department and Office Work Plans that correspond to the Board's direction and adoption of these organizational goals. These work plans will inform a comprehensive One Washington County Work Plan and corresponding dashboard that annually tracks organization-wide goal attainment, key performance indicators and outcomes.

HOUSING, HEALTH AND HUMAN SERVICES: Washington County will develop and provide a system of program delivery options that emphasizes prevention and response to ensure conditions in which every resident has access to safe, affordable housing, can live well and be healthy.

Department/Office and Description	Goal
<p>HEALTH AND HUMAN SERVICES This department provides services for people, animals and the environment to foster a healthy, equitable and supportive community.</p>	<p>Washington County Health and Human Services (HHS) increases opportunities for individuals, families and their animals, at every stage of life in the community to achieve health and well-being by influencing policies, systems and environments; advancing racial equity; providing education, programs and services; and responding to the needs of vulnerable populations. It does this by partnering with the State of Oregon and the community to protect the public's health while striving to improve the ability to fund and sustain new and ongoing services, including state and federal mandated services, that impact community members' daily lives.</p>

Goals At A Glance:

5 Primary Areas of Government:

1. Housing, Health and Human Services
2. Public Safety
3. Land Use and Transportation and Economic Development
4. Assessment and Taxation
5. County Government

22 Departments/Office Goals – Including:

- Sheriff's Office
- District Attorney
- Justice Court



Strategic Plan Update 2024-28



Strategic Plan Update 2024-2028

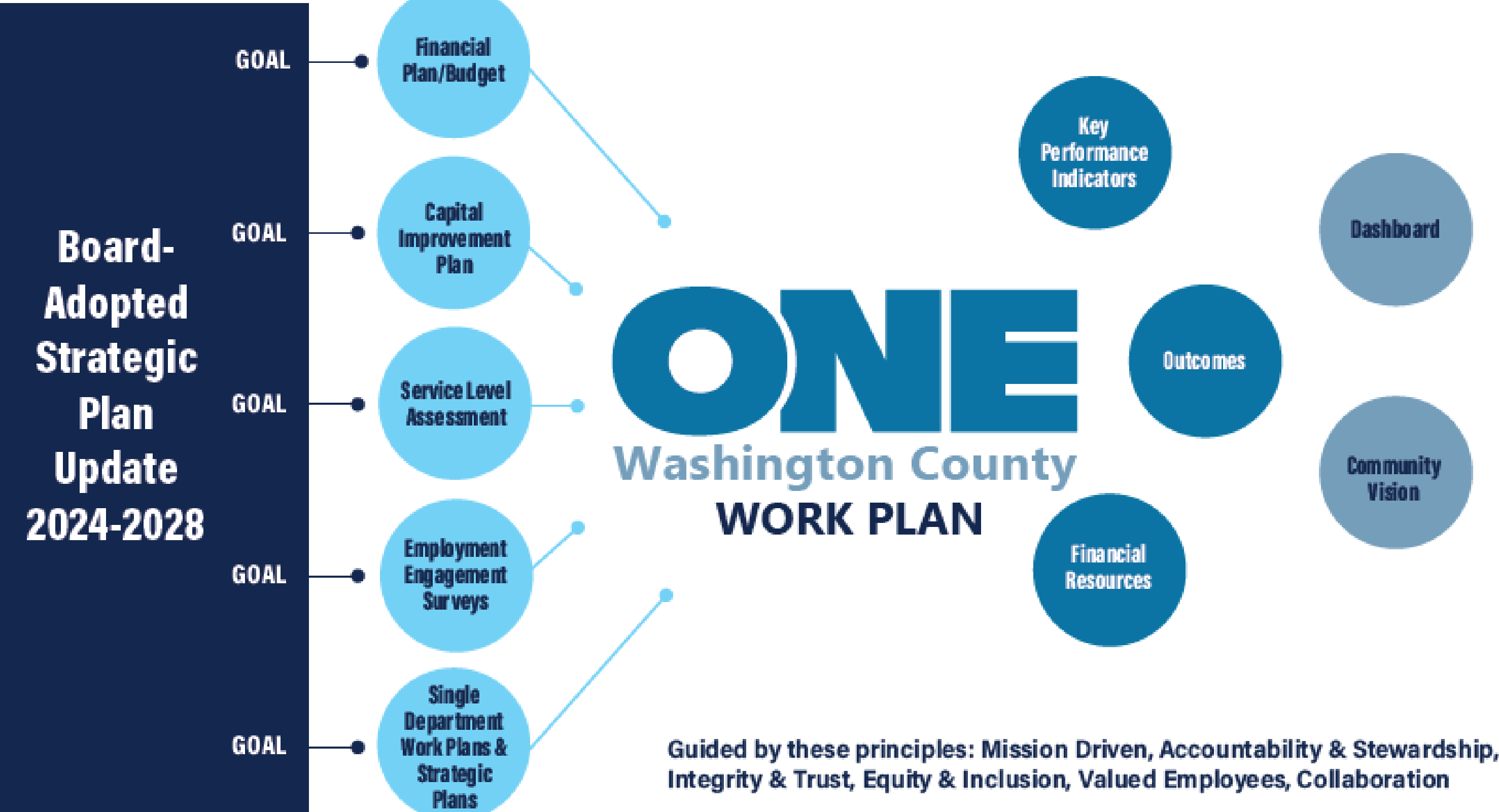


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→ How Will the Strategic Update Be Utilized?

Guiding Document As the County builds capacity through implementation of key management systems.

STRATEGIC UPDATE AND WASHINGTON COUNTY MANAGEMENT SYSTEMS DIAGRAM





Budget Equity Tool



County Administrative Office

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→ Budget Equity Tool

The Washington County's FY 2024-25 Budget Equity Tool is a set of several equity-focused questions used to drive informed and targeted decision-making about County departments' budget proposals and submission. This is another step toward data-informed decision making where staff are building the skills and knowledge to assess the impacts of decision making against our commitment to equity and inclusion.

Goals:

- Fully integrate the Budget Equity Tool into the Budget Process with Finance Staff
- Increase user friendliness
- Merge data in Finance to capture long term information
- Tool that builds on process focused tool of the past two years into a product focused tool for this critical budget year.
- Align with three budget scenarios and budget direction

→ Equity Analysis

- Civil Rights
 - Financial data from last year's proposed budget
- Staff Demographics
 - Demographic data from this fiscal year

→ Budget Equity Tool

Budget Equity Tool Questions

All departments will answer four questions either at the department level or at the fund-org unit level for every Requested Budget and Budget Decision Package (BDP) (e.g. 3% and 5% reductions and add packages, as applicable).

Those four questions are:

1. How does your Requested Budget/ reductions scenario/ add package advance the County's equity and inclusion priorities?
2. How does this budget scenario negatively or positively impact our goals of (a.) Civil Rights Act compliance and language access and/or (b.) recruitment and retention of bilingual and BIPOC staff? Please provide details, using the department level data.
3. How does this budget scenario provide mitigations for any negative impacts?
4. Do you foresee any unintended consequences and potential ways to mitigate?

→ FY 2024-25 Proposed Budget Reader's Guide

- Table of Contents
 - Introduction
 - Operating Budget by Functional Area
 - Capital Budget
 - Non-Operating Budget
 - Service Districts
- Misc. Changes
 - Key Issues
 - Budget Equity Tool





Financial Summary Table

- Components
 - FY 2021-22 Actuals
 - FY 2022-23 Actuals
 - Modified FY 2023-24
 - Proposed FY 2024-25
- Resources = Revenues
- Requirements = Expenses

Total Budget

Resources	Acuals	Actuals	Modified	Proposed	Change	
	2021-22	2022-23	2023-24	2024-25	\$	%
Taxes	\$ 33,616,850	\$ 35,280,139	36,713,560	38,743,337	2,029,777	6%
Licenses and permits	930,290	1,007,396	761,200	836,742	75,542	10%
Intergovernmental	24,256,861	25,257,750	25,868,122	26,604,233	736,111	3%
Charges for Services	5,134,550	5,588,842	5,532,901	6,965,197	1,432,296	26%
Fines & Forfeitures	1,212,350	1,158,969	1,274,763	1,300,000	25,237	2%
Interdepartmental	4,572,563	4,677,709	9,125,404	8,837,464	(287,940)	-3%
Miscellaneous	33,044,177	35,878,212	39,417,163	40,581,005	1,163,842	3%
Operating Transfers In	4,847,036	5,529,775	7,806,684	10,016,288	2,209,604	28%
Total Resources	107,614,677	114,378,792	126,499,797	133,884,266	7,384,469	6%
Requirements						
Personnel Services	141,309,886	146,853,775	162,304,799	176,577,302	14,272,503	9%
Materials & Services	24,132,232	25,476,216	71,654,533	74,755,045	3,100,512	4%
Other	3,334,409	3,434,581	3,752,118	3,590,925	(161,193)	-4%
Interdepartmental	19,981,402	21,877,262	9,487,530	9,302,881	(184,649)	-2%
Operating Transfers Out	1,384,403	342,036	768,768	356,381	(412,387)	-54%
Capital Outlay	682,487	235,951	1,202,432	1,961,590	759,158	63%
Subtotal Requirements	190,824,819	198,219,821	249,170,180	266,544,124	17,373,944	7%
Contingency	-	-	16,862,670	17,344,206	481,536	3%
Total Requirements	190,824,819	198,219,821	266,032,850	283,888,330	17,855,480	7%
Resources under Requirements	(83,210,142)	(83,841,029)	(139,533,053)	(150,004,064)	(10,471,011)	8%
General Fund Subsidy	60,863,846	62,111,561	114,633,185	125,736,906	11,103,721	10%
Special Funds Beginning Balances	\$ 22,346,296	\$ 21,729,468	24,899,868	24,267,158	(632,710)	-3%

→ Summary Schedule

Summary Schedule	Wednesday, May 15	Thursday, May 16	Friday, May 17
	Washington County	Washington County	All Districts
Morning	<p>Welcome/Overview</p> <p>Health & Human Services</p> <p>Housing Services</p>	<p>Welcome/Recap</p> <p>Land Use & Transportation</p> <p>Misc. Departments</p>	<p>Welcome/Recap</p> <p>ESPD presentation, deliberation, public comment, approval</p> <p>URMD presentation, deliberation, public comment, approval</p> <p>NBCSDR presentation, deliberation, public comment, approval</p>
Afternoon	<p>Public Safety & Justice</p> <p>General Gov't Direct Services</p> <p>Public comment</p> <p>Continue meeting to May 16</p>	<p>Fiscal Entities</p> <p>General Gov't Internal Services</p> <p>Public comment</p> <p>Continue meeting to May 17</p>	<p>SDL#1 presentation, deliberation, public comment, approval</p> <p>Washington County deliberation, public comment, approval</p> <p>Adjourn</p>



Budget Committee Meeting #2

- 3 days, May 15-17, 2024, 9am to 4pm
- Special District Budget Committees meet on Friday only
- Working lunches on Wednesday and Thursday
- Hear department level presentations from staff
- Review, and if necessary, revise the proposed budget
- Ask questions and request additional information
- Hear and consider testimony presented by the public
- Approve the budget
- Additional meeting dates if needed: May 22 9am-12pm, May 29 6-8pm

→ Wrap up

- Final Comments
- Questions





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