



Welcome to Chair
Harrington's Townhall

Myth Busting your
County Government
Budget

| May 23, 2024

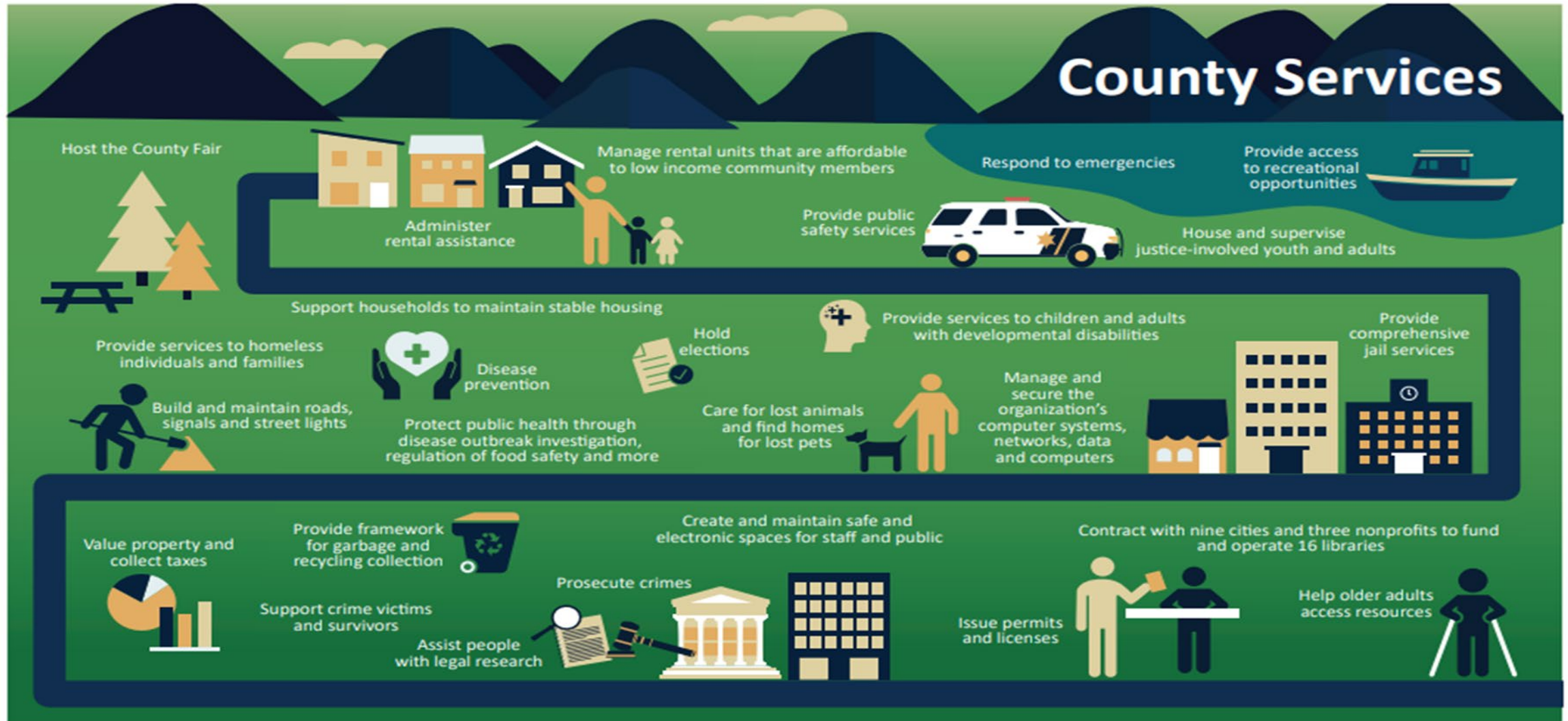
Thursday, May 23, 2024, 6 – 7 p.m.

Tualatin Public Library Community Room

<https://www.washingtoncountyor.gov/>

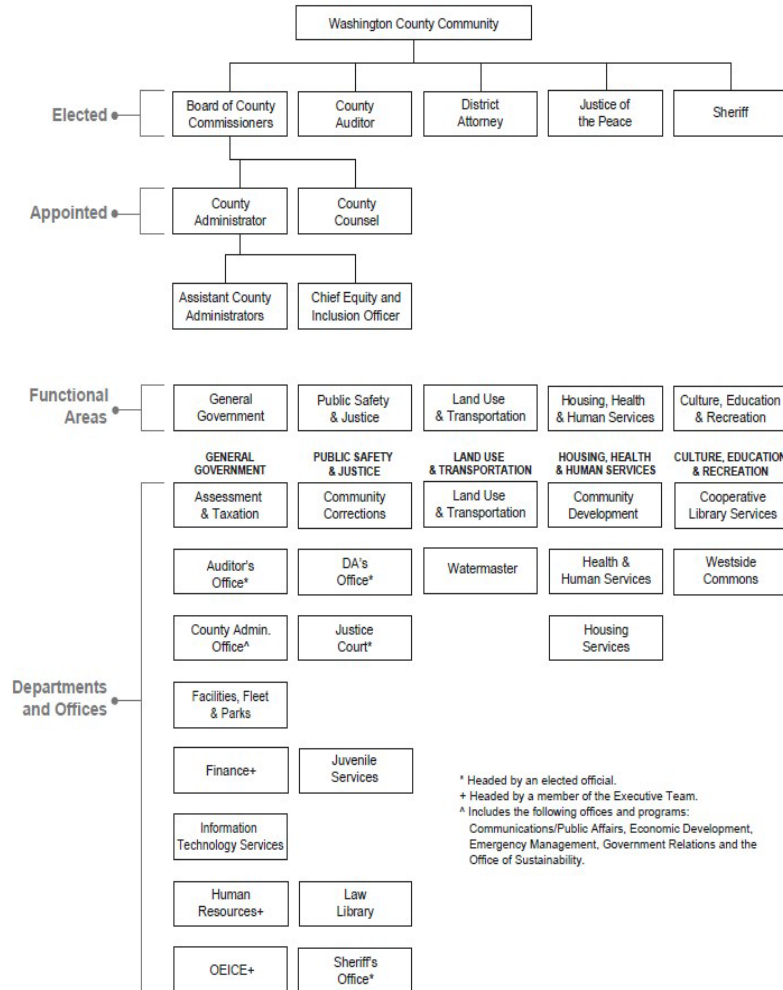
→ County Government: A lot of services to community

WASHINGTON COUNTY SERVICES DIAGRAM





Many WA County service areas



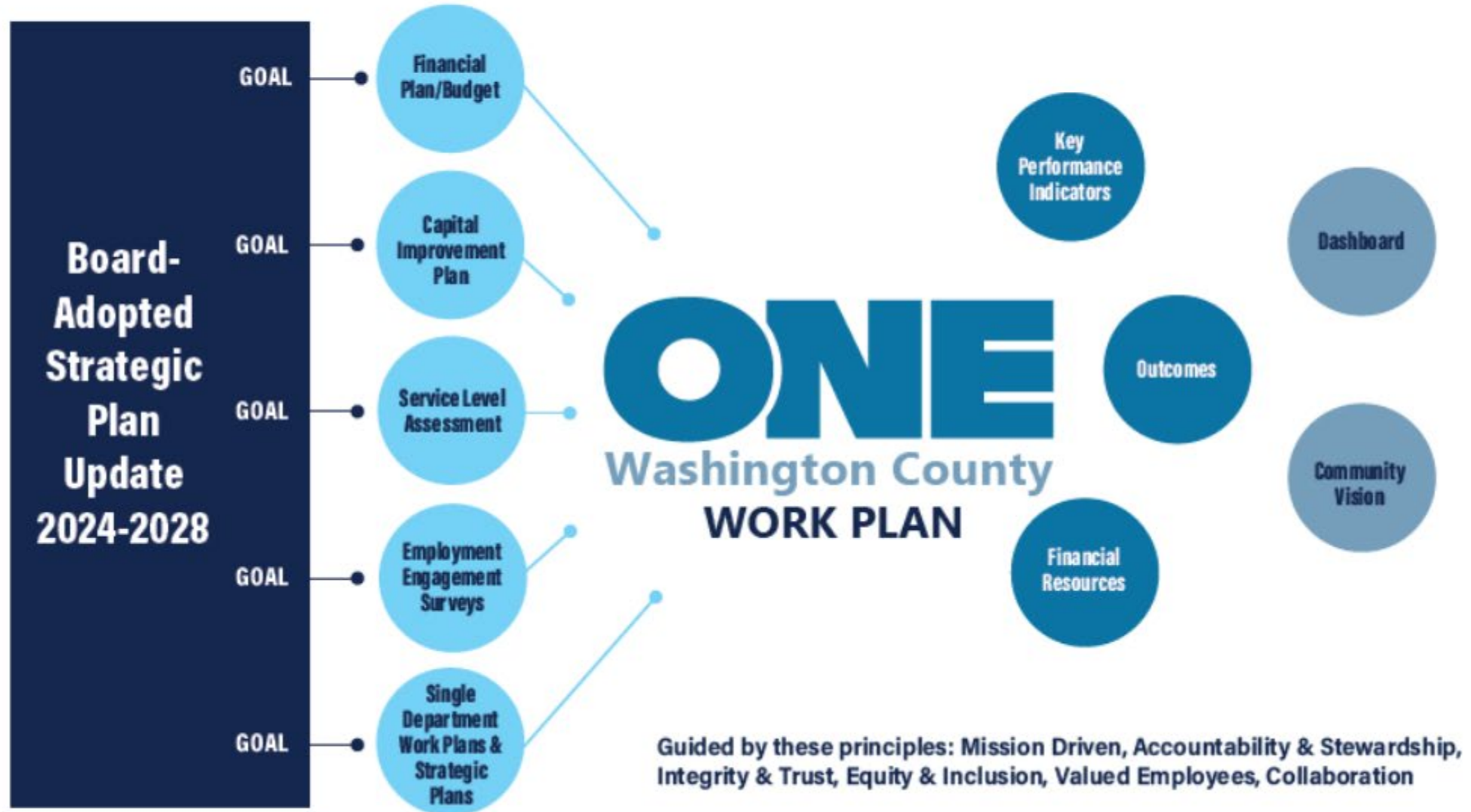
11/2022



Common budget myths – Let's build the list.

- You have a ton of money
- You have more money than you need
- You can do whatever you want with my tax dollars
- You keep raising our taxes
- (Your contributions??)

STRATEGIC UPDATE AND WASHINGTON COUNTY MANAGEMENT SYSTEMS DIAGRAM





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

Our strengths in the face of these challenges:

- Talented, dedicated employees

- Commitment to building systems

- and structures to serve the community

- Strategic coordination and

- organization-wide planning



→ Revenue 101

Not all county revenue is the same!

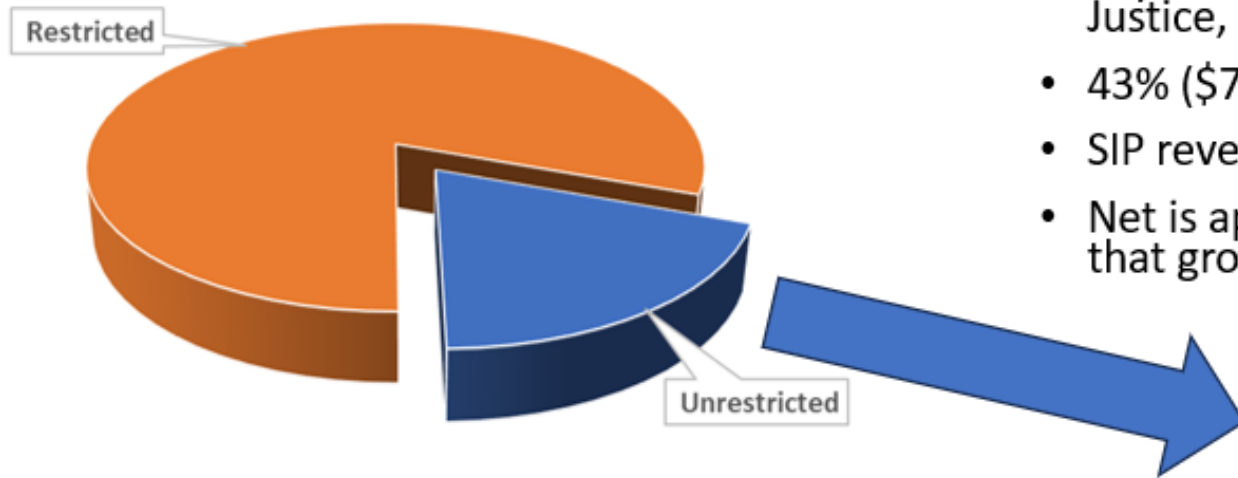
Unrestricted

- 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

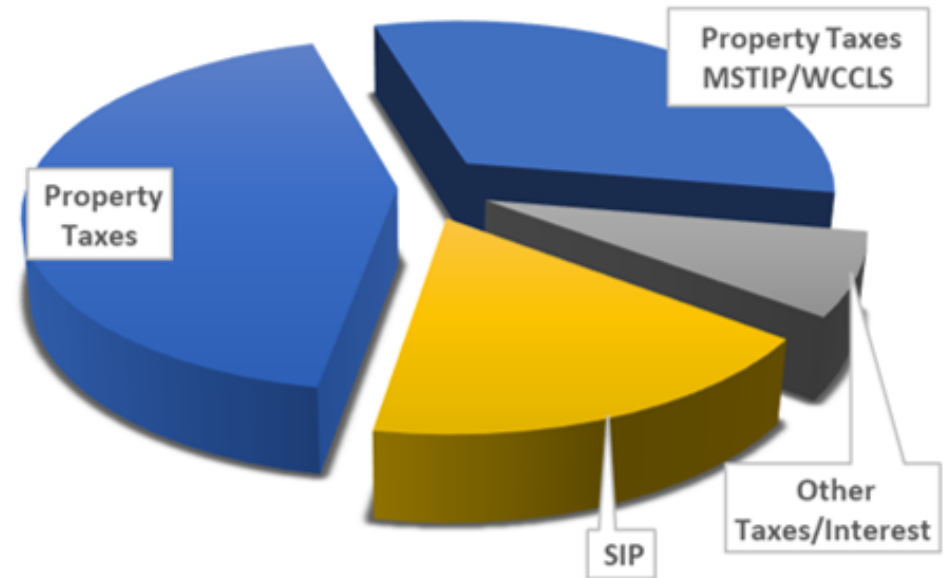
→ Unrestricted Revenue



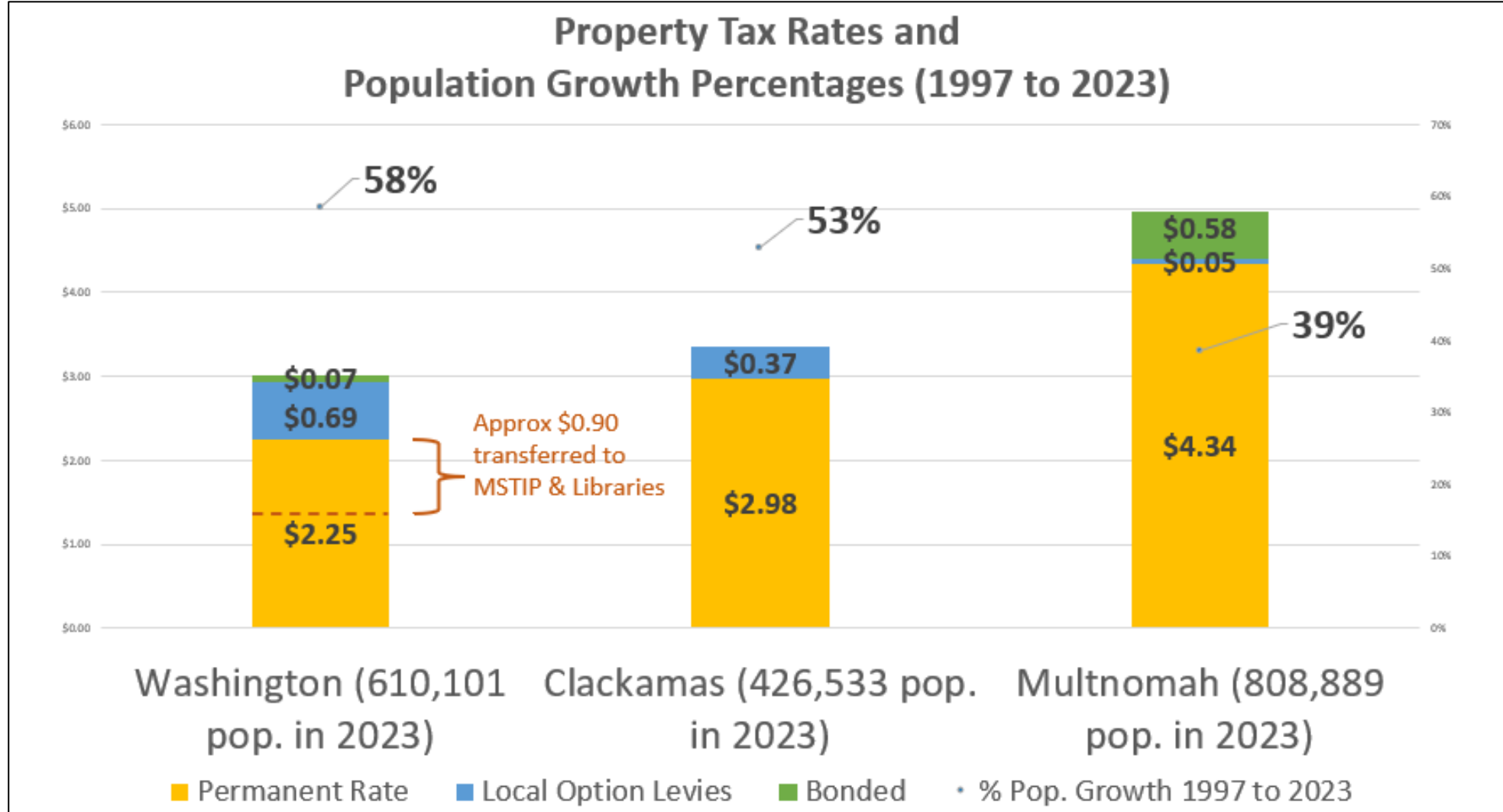
Approximately \$230 million
or 19% of new annual
revenue is unrestricted

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

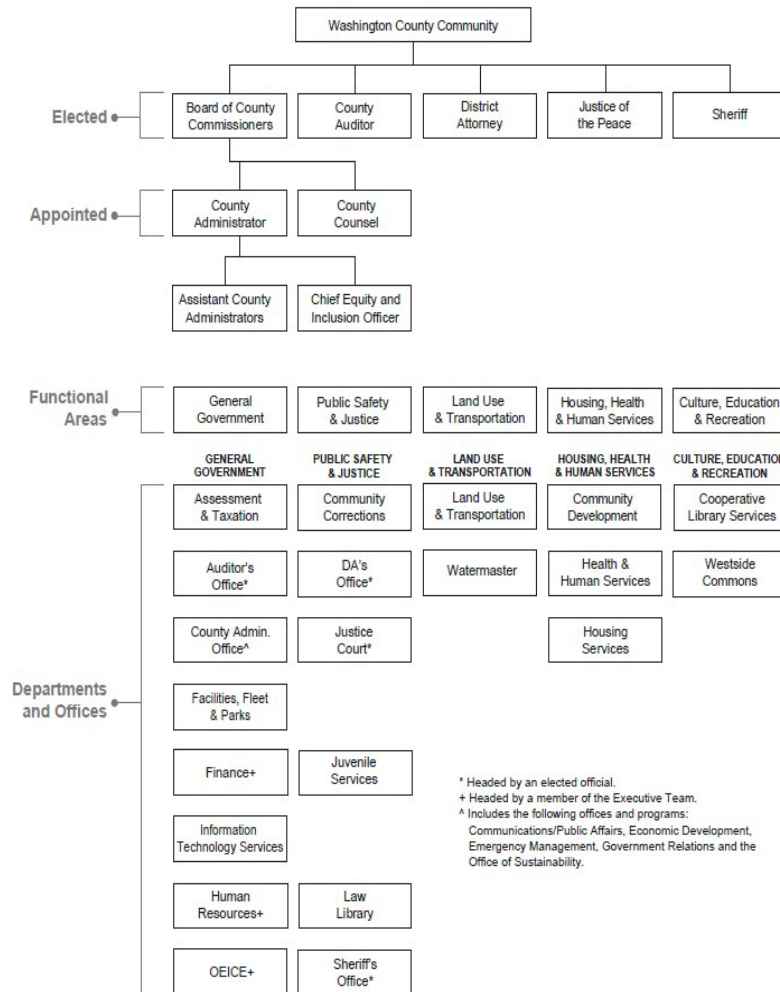


→ Property Tax Revenue





Many WA County service areas, different revenue sources



11/2022

- Discretionary, General Fund Revenue (example: property taxes & fees)
- Special Directed funds: special purpose areas (examples: grants from State and Federal Government for affordable housing, public health, transportation construction)
- Voter Approved Specific Purpose Funding
 - Washington County Public Safety Local Option Levy
 - Washington County Cooperative Library Local Option Levy
 - Metro Affordable Housing Bond
 - Metro Supportive Housing Service Tax revenue
 - UUA specific Enhanced Service Patrol District
 - UUA Urban Road Maintenance District Property Tax



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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- Internal service functions in FY24, public health in FY25
- Initial FY24 >20% increase negotiated/reorganized to 6.3%
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Our list of Common budget myths

- You have a ton of money
- You have more money than you need
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- You keep raising our taxes
- (Your contributions??)

Did we cover them all?



Q&A

Ways to Connect

Chair@washingtoncountyor.gov

503-846-8681

Constituent Inquiry Form

<https://www.washingtoncountyor.gov/bcc>

Then 'Contact Board Members' menu on the right which takes you to the

[Constituent Inquiry | Washington County Forms](#)

State of Your Washington County, Thursday June 20, 6-7pm

Washington County Public Services Building Auditorium

155 N. First Avenue Hillsboro OR

Join us on July 10, 6 -6:50 pm at the Beaverton City Library,

12375 SW 5th St, Beaverton, OR 97005

for Chair Harrington's Third 2024 Town Hall!



Backup material



General Fund Transfers – History

- Prior to Measure 50, Washington County had two voter-approved serial levies:
 - Libraries
 - Major Streets Transportation Improvement Program (MSTIP)
- Property tax reform rolled these levies into a single permanent rate
- Board has supported discretionary transfers since then

Measure 50 Implementation

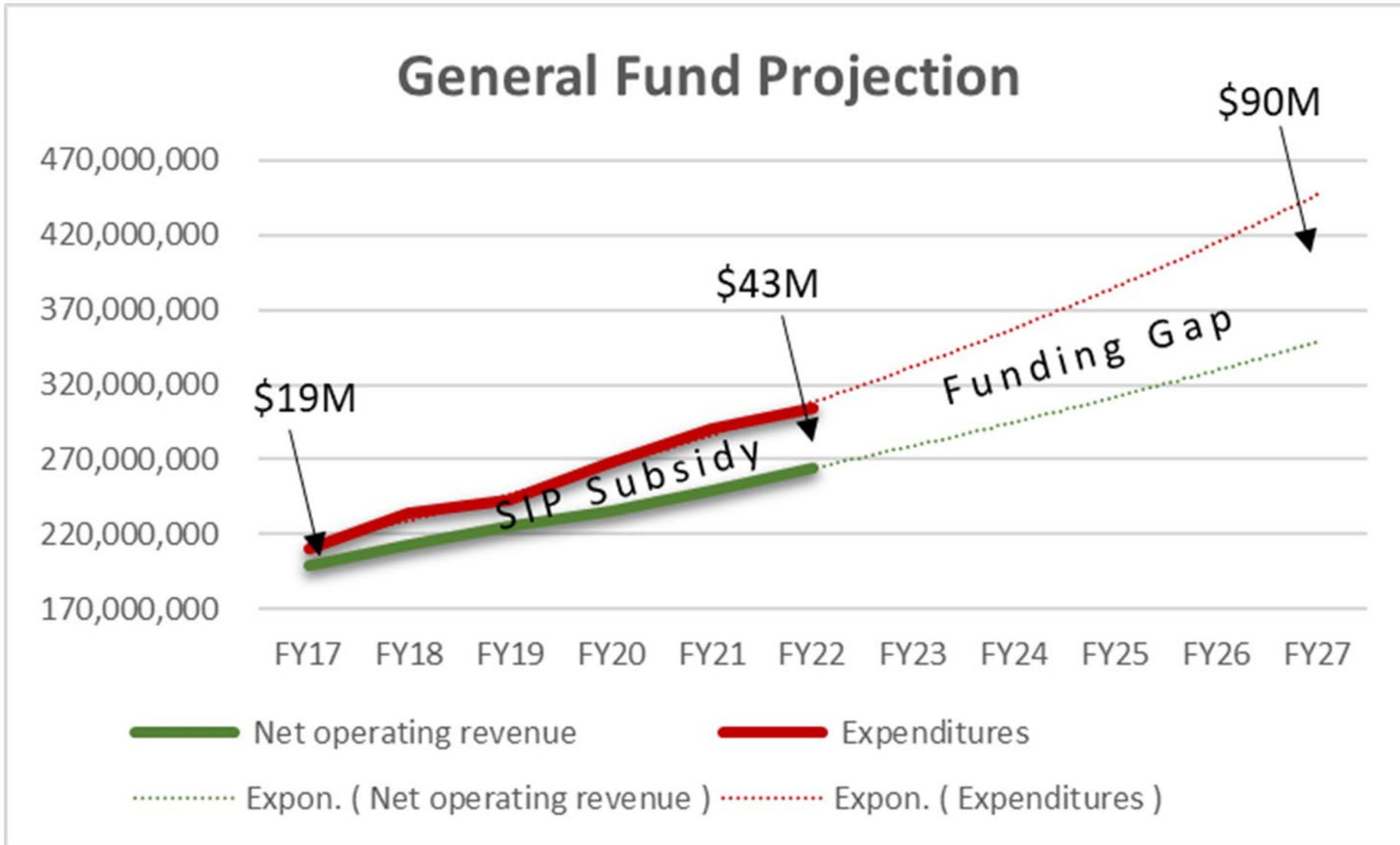
- EXCERPT FROM WHITE PAPER
- ADOPTION ON MARCH 15, 1998 BY THE WASHINGTON COUNTY BOARD OF COMMISSIONERS



General Fund Transfers – History

- Board has approved changes to the growth rate and level of General Fund transfers in recent years
 - FY 2011-12 shift from a 4% annual increase based on assessed value growth to a 3% increase based on actual General Fund revenue growth
 - FY 2023-24 General Fund transfers reduced by 7%, proportionate with reductions experienced by other General Fund recipients

→ Over Reliance on SIP

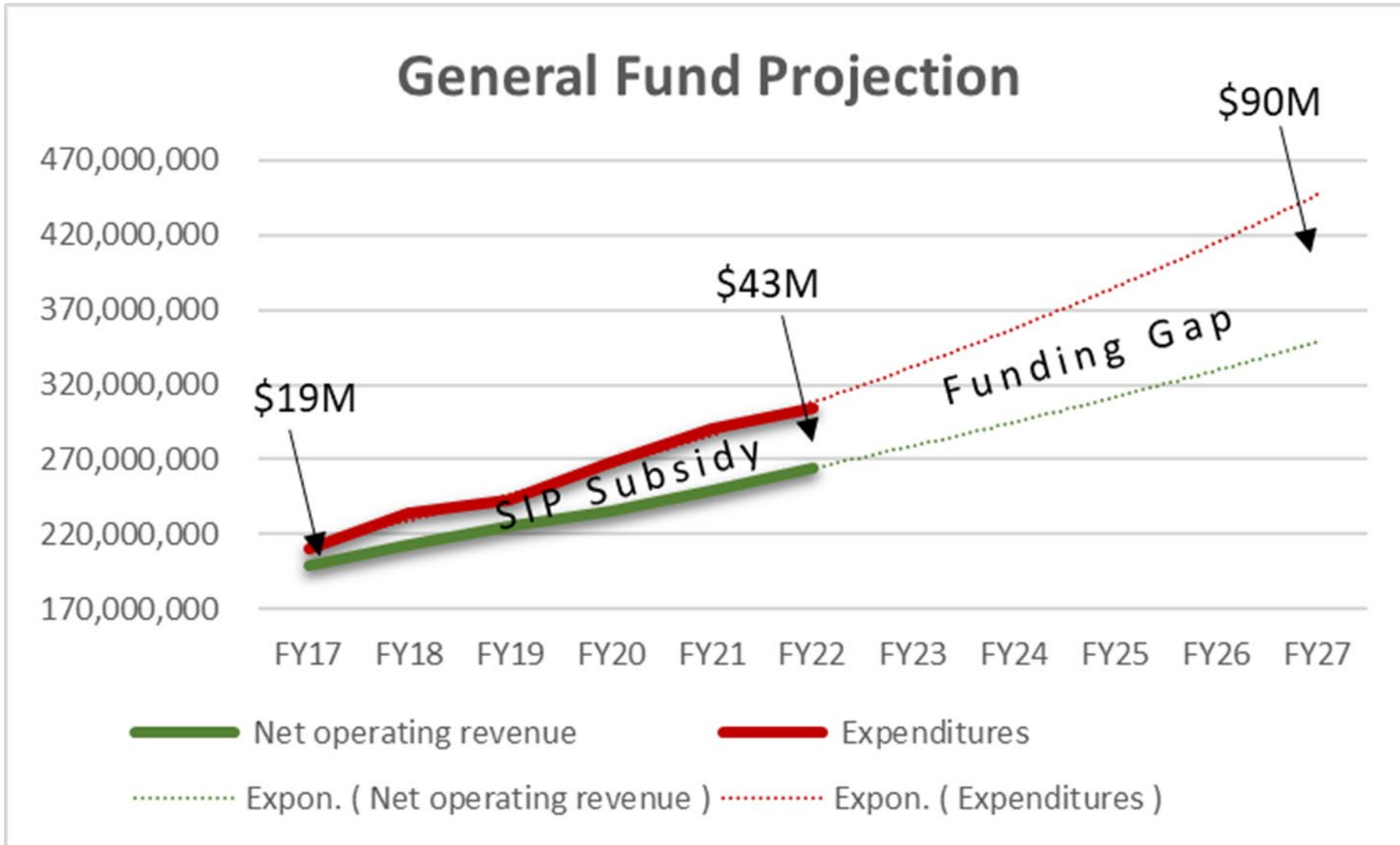




General Fund Transfers – FY 2024-25

- This year's proposed budget includes modest reductions to General Fund transfers
- Nominal 5% reduction to MSTIP (\$2.5 million savings) and 7% reduction to Cooperative Library Services (\$1.6 million)
- Actual year-over-year reductions are 0.5% (\$258,955) for MSTIP and 2.6% (\$588,126) for Libraries
 - For MSTIP: construction cost escalation continues to be an even more impactful challenge
 - Board approved up to \$150 million in bonding and MSTIP 3d & 3e to complete prior project commitments; approval of MSTIP 3f with \$250 million in additional improvements is anticipated this June.
 - For WCCLS: 2% increase in funding allocation this fiscal year (up from 1% last year)
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- Our property tax system is forcing constrained choices

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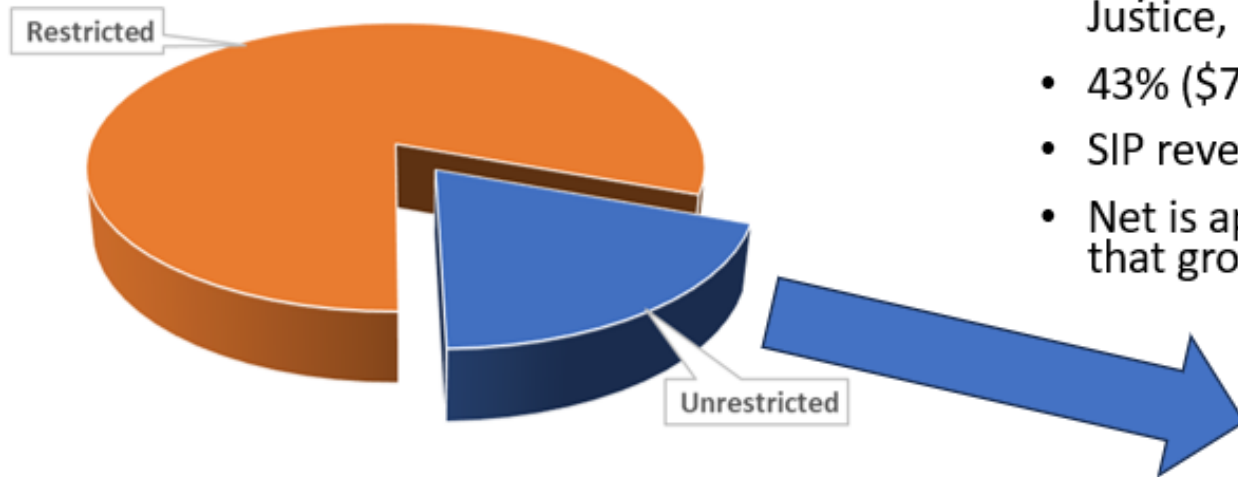
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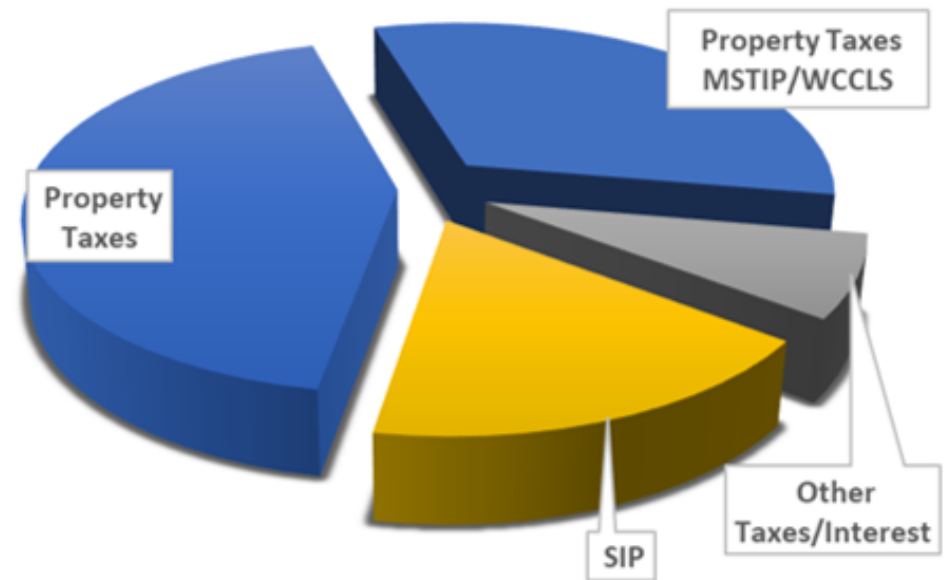
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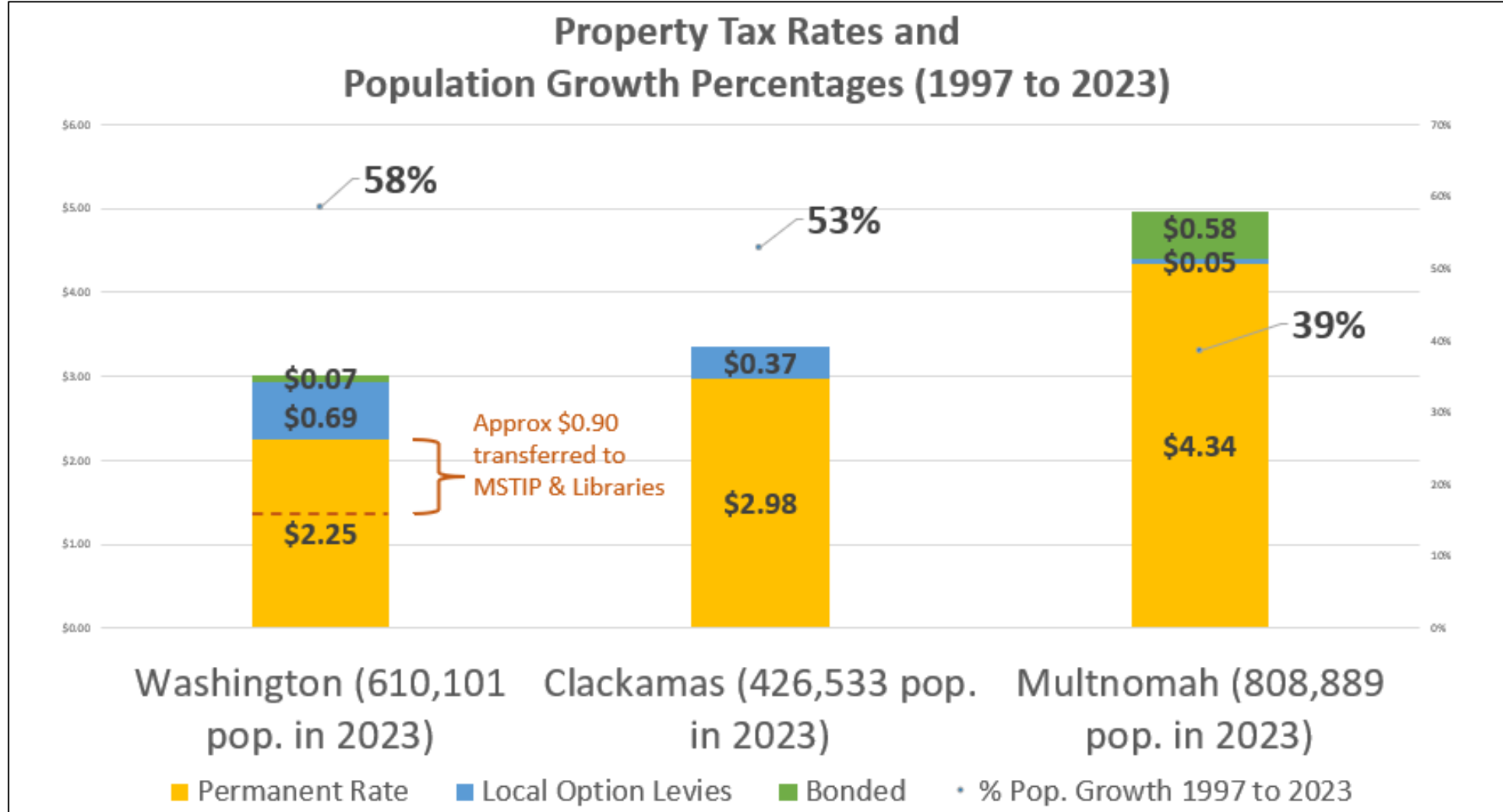
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→ Property Tax Revenue





Budget Message – Balancing the General Fund

Property tax framework constrains our choices

Strategic, One Washington County approach to addressing \$10 million shortfall

- 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



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→ Budget Message – Strategic Guidance

Guidance from Budget Principles, Priorities

Annual budget direction is given to the County Administrator every December-January.

Strategic Plan Update 2024-2028

Five-year path forward while we modernize foundational systems

Third year of Budget Equity Tool



Strategic Plan Update
2024-2028



ONE Washington County



Adopted April 23, 2024

washingtoncountyor.gov



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

Tale of two counties leaves us thankful and cautiously hopeful

County employees

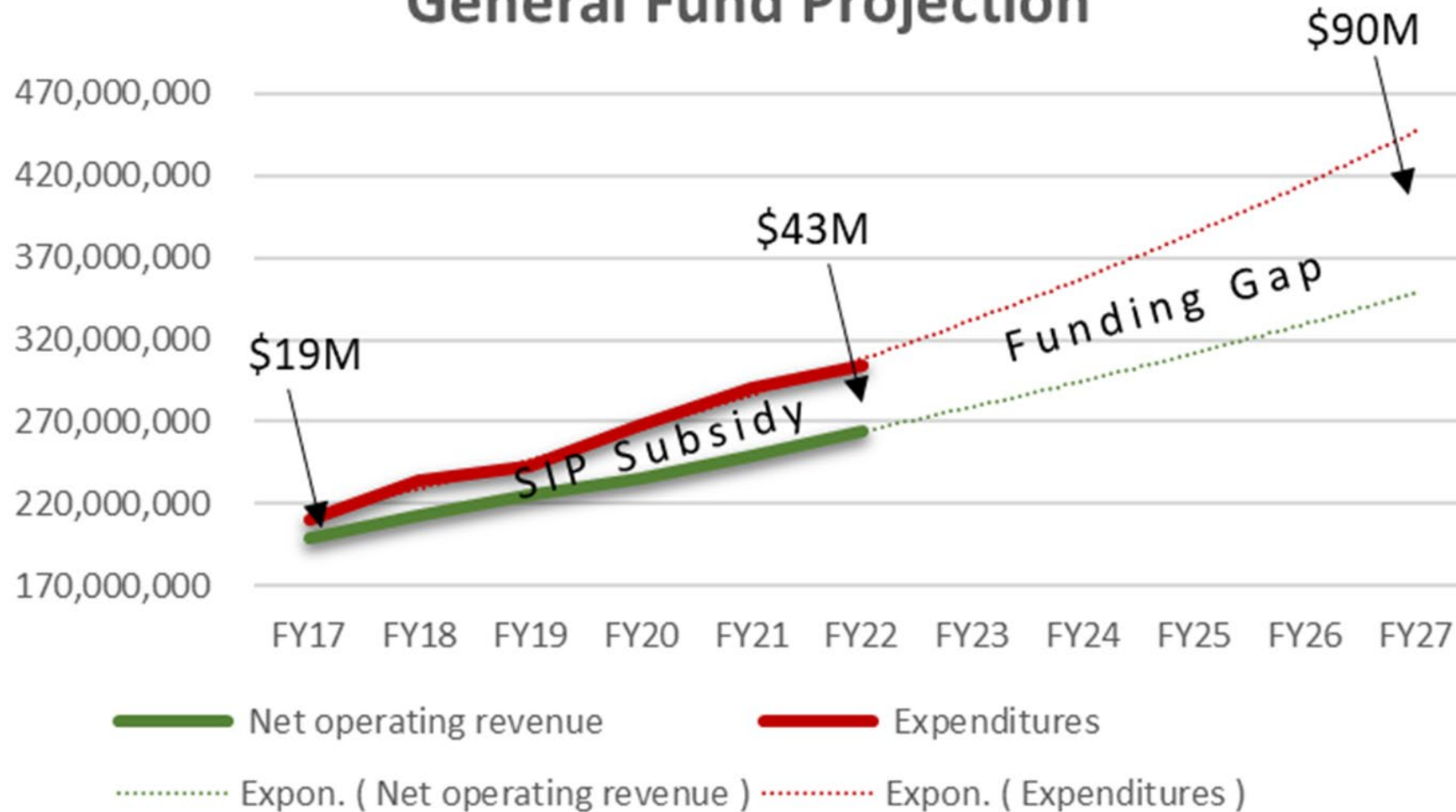
Fellow local governments and community partners

Budget Committee





General Fund Projection





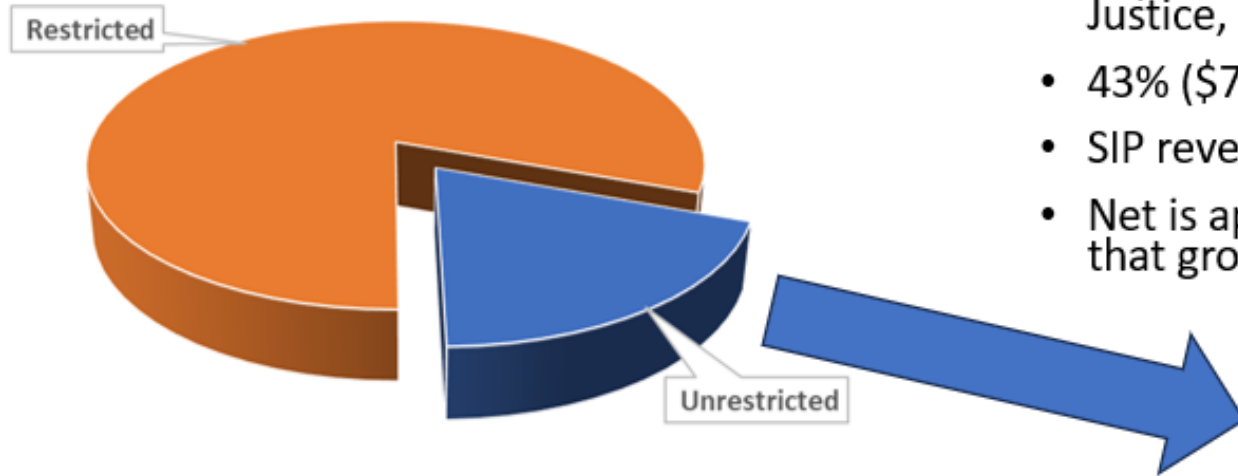
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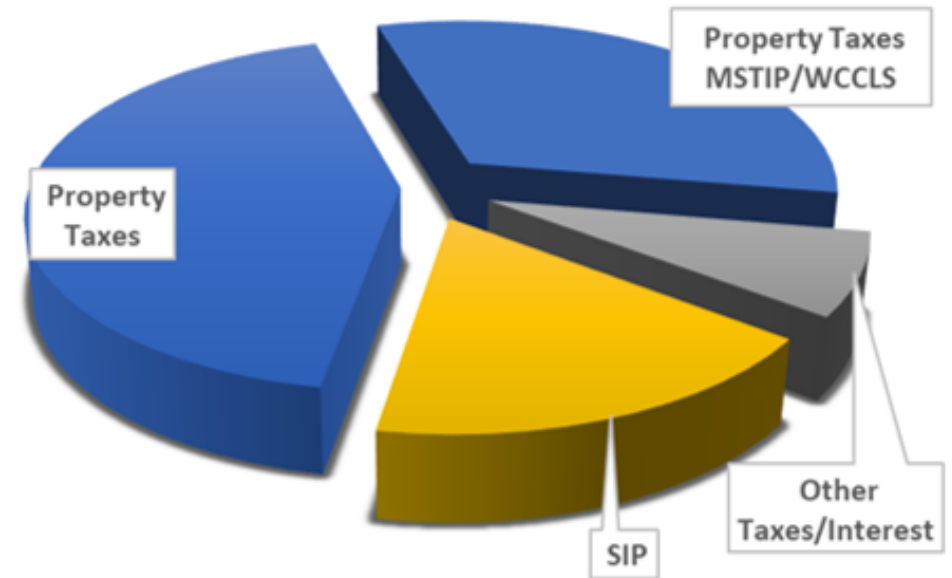
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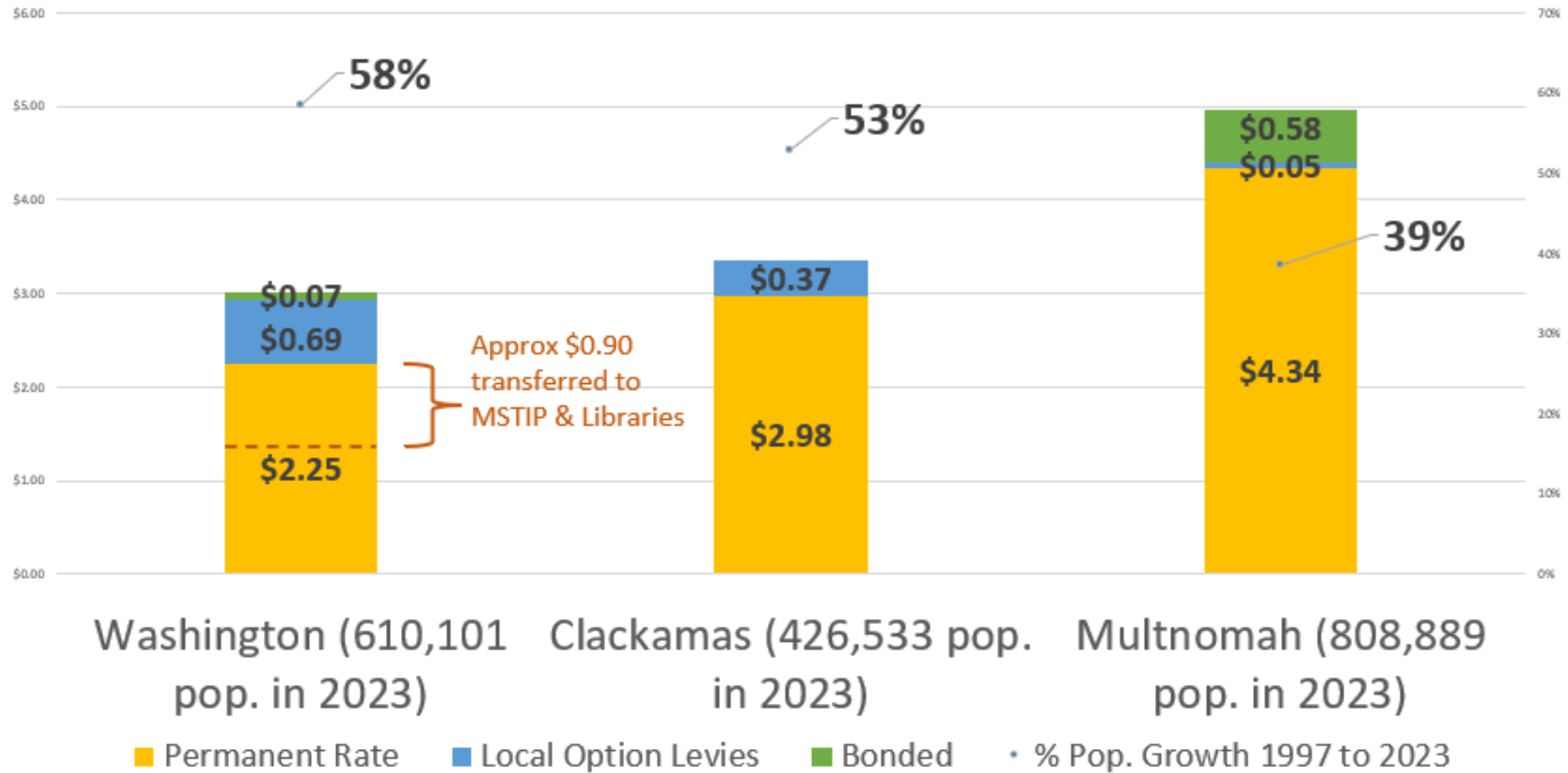
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Property Tax Rates and Population Growth Percentages (1997 to 2023)





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