

Your Quarterly Town Hall with Chair Kathryn Harrington



How a County government
lives within its means.
(BUDGET!)

March 6, 2025 6:00pm – 7:00pm

Tualatin Valley Fire & Rescue Station 50
Community Room
12617 SW Walnut St. Tigard, OR 97223

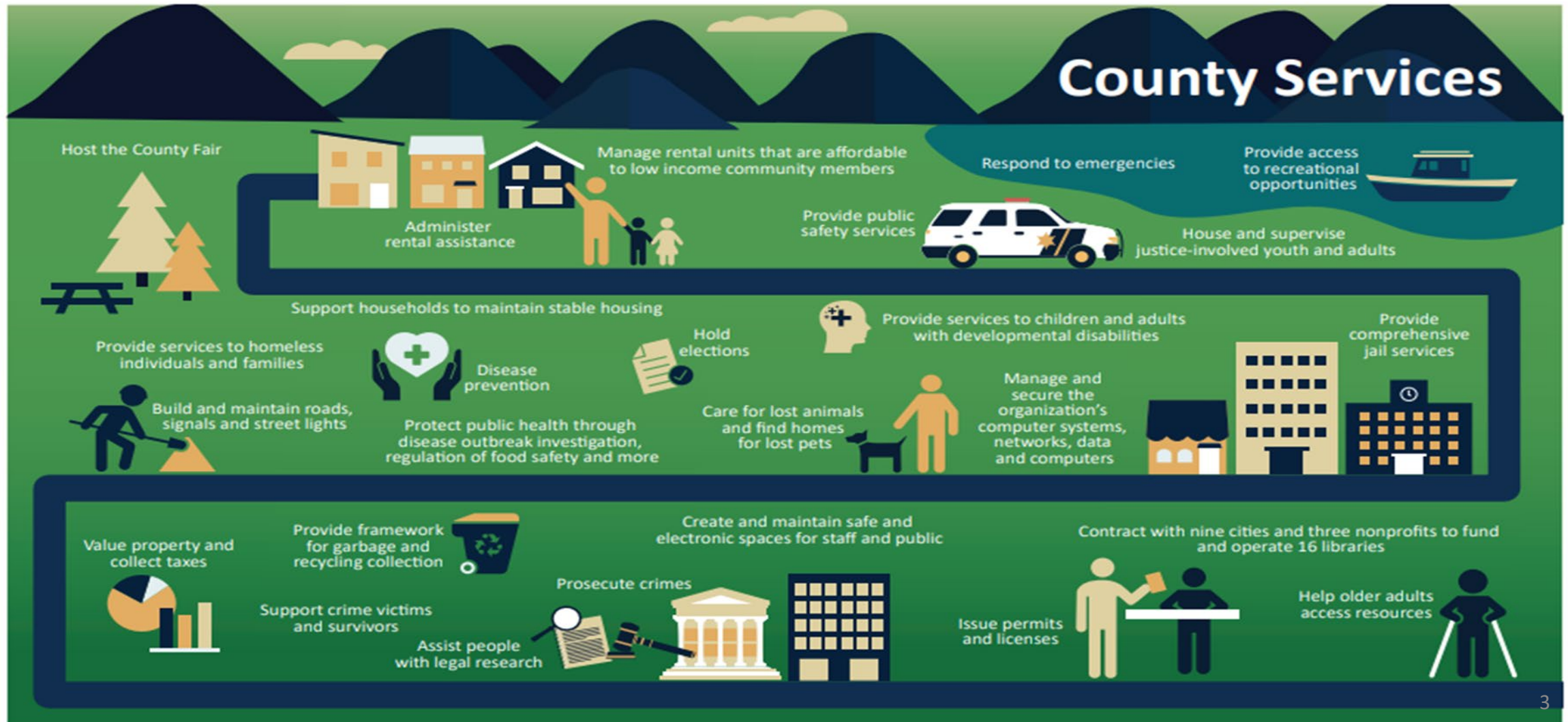


Proposed Agenda for tonight's conversation

- **Introductions**
 - Please include name, area you live in and what brought you here today
- **Overview of County budget and process**
 - Please ask questions throughout the presentation
- **Other Q & As**
 - Any other questions or topics you would like to discuss?
- **How you can get involved and stay involved**
 - Attend a Budget town hall!
- **Thank you for coming! Ideas for additional town halls?**

→ County Government: A lot of services to community

WASHINGTON COUNTY SERVICES DIAGRAM



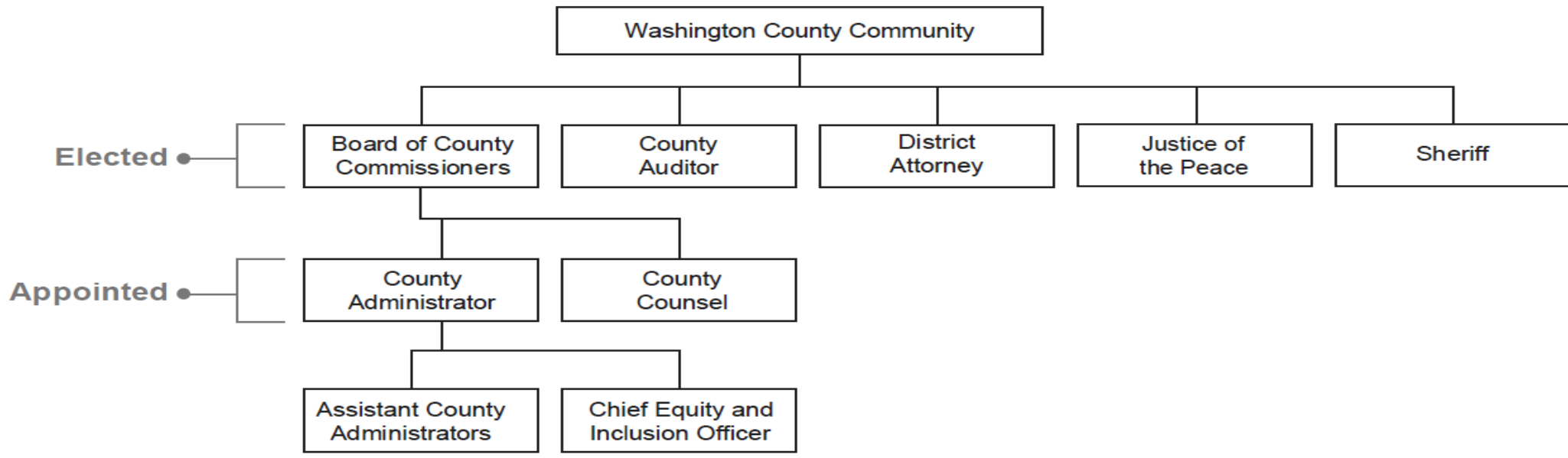


Basic Terms

- **General Fund** may be used for **any purpose or as discretionary spending** and are generated by flexible sources like property taxes.
 - The General fund resources fund all WA County general government activities (more detail later) and provides addition money for special projects and other work.
- **Special Funds** are less flexible and can only be used for **specific purposes (directed)**. These restricted special funds make up the majority of the county's resources. (ex. Law Library fund, MSTIP, WCCLS). Money also directed by grants may flow through the general fund but can only be used for a specific purpose.
- **Multiple budgets, some combined budget committees:**
 - Washington County + Service District for Lighting No. 1 (combined budget committee)
 - Special District Budgets, with combined budget committees:
 - Enhanced Sheriff Patrol District (EPSD) + Urban Road Maintenance District (URMD)
 - North Bethany Service District for Roads (NoBSDR)
 - Washington County Housing Authority Budget (with it's specific Board)

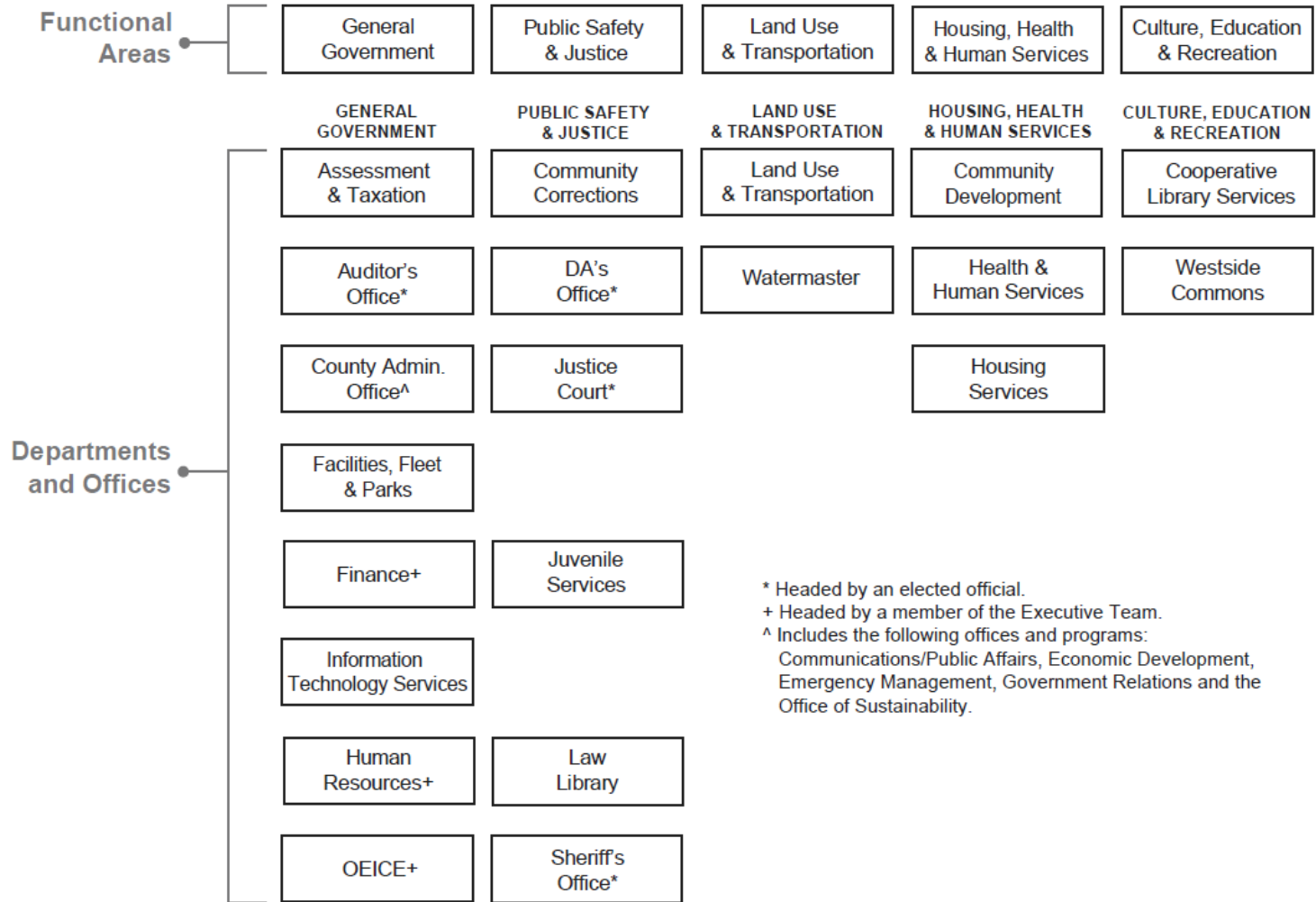


Many WA County service areas: slide 1 of 2





Many WA County service areas, different revenue sources



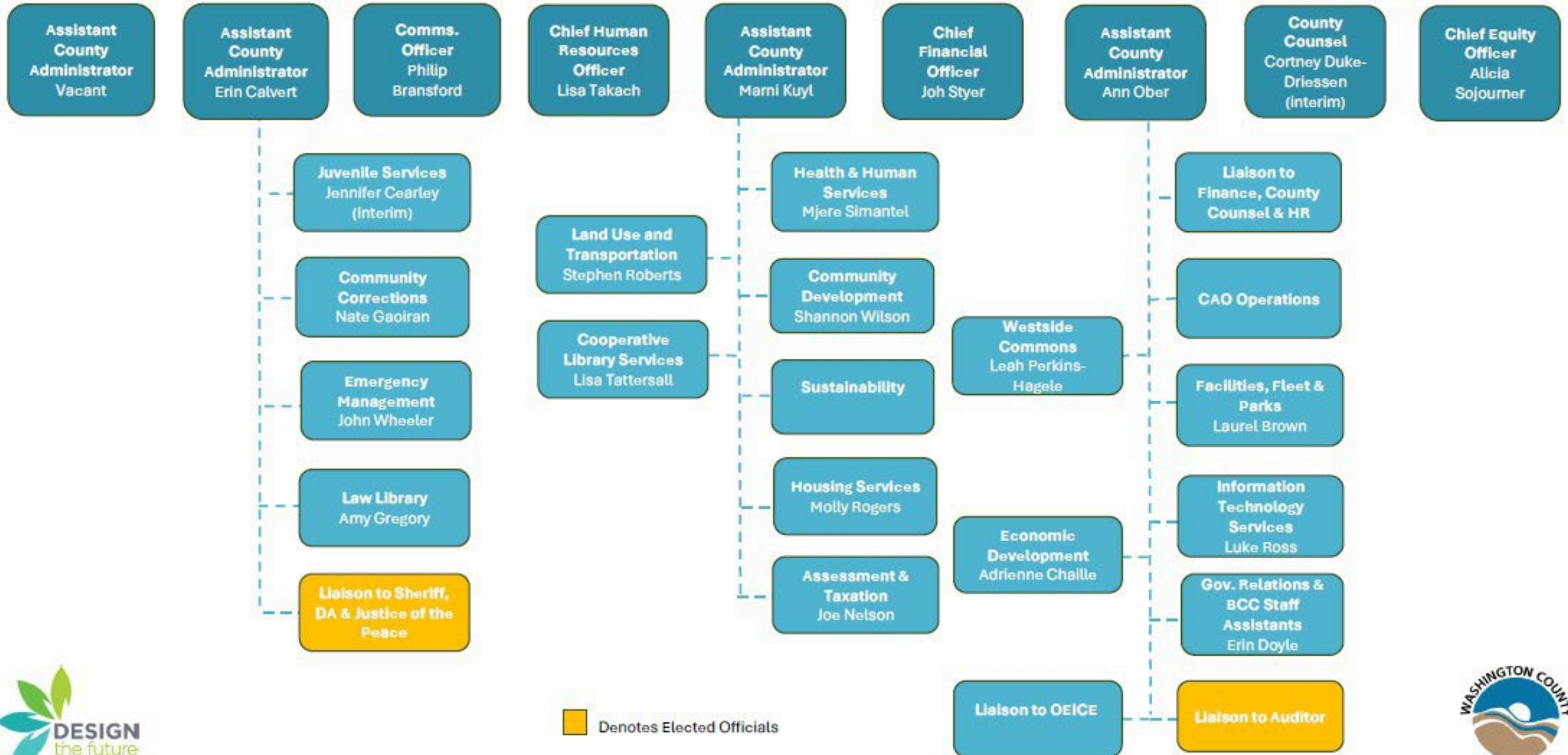
* Headed by an elected official.
 + Headed by a member of the Executive Team.
 ^ Includes the following offices and programs:
 Communications/Public Affairs, Economic Development, Emergency Management, Government Relations and the Office of Sustainability.

- 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

Washington County Organization Chart

County Administrator
Tanya Ange

ACAs presented their portfolio budgets last year





Revenue 101

• Not all county revenue is the same!

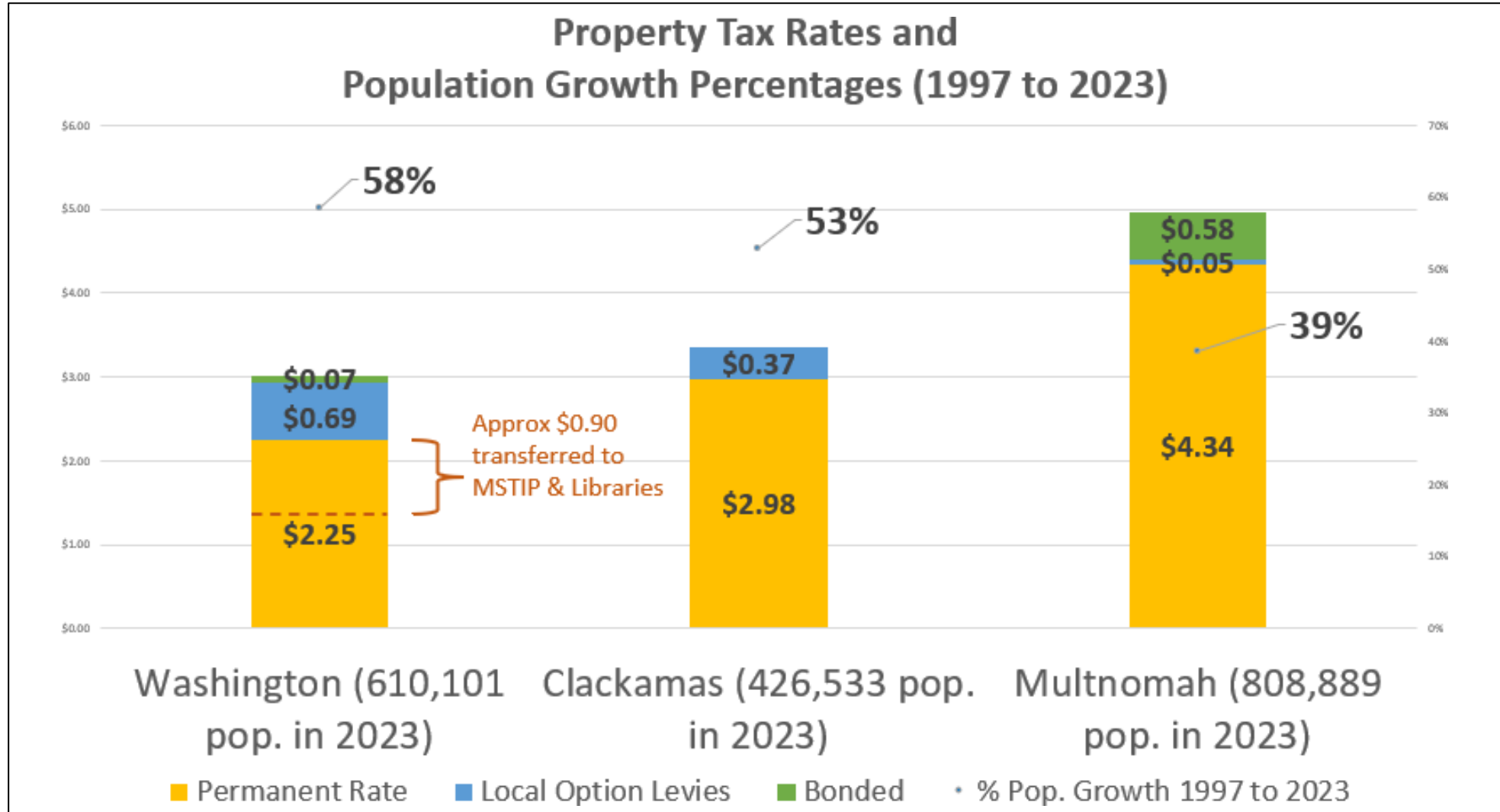
Unrestricted

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

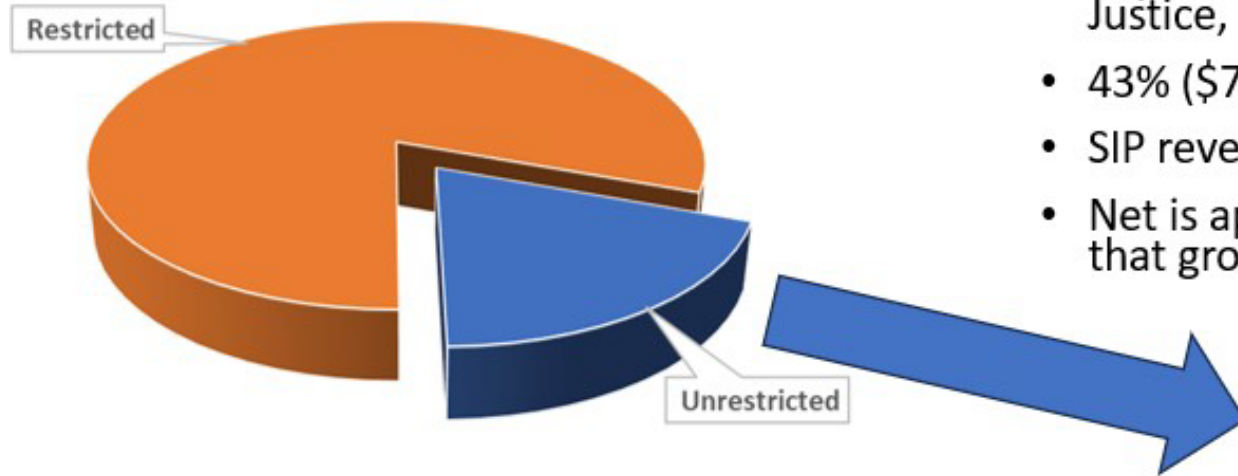
Restricted

- 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

→ Property Tax Revenue



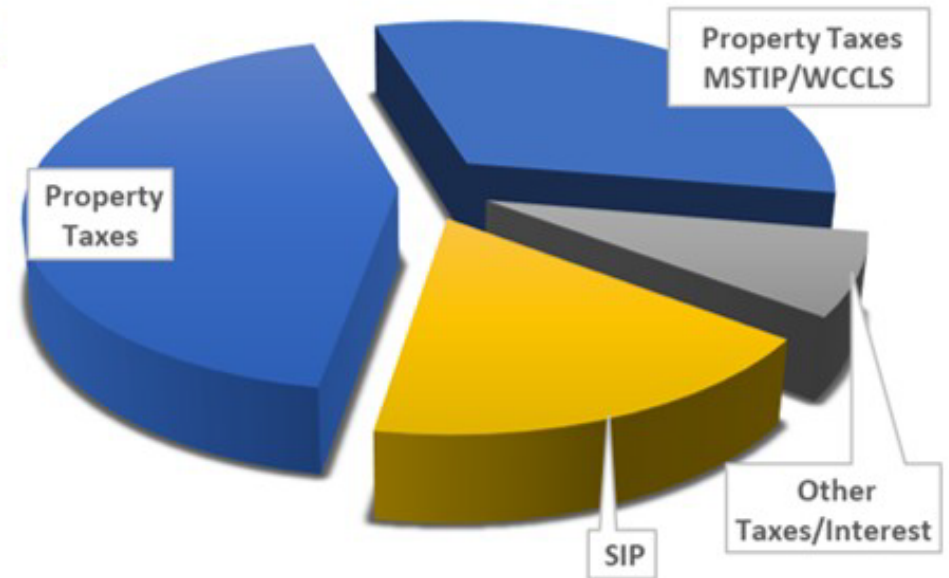
→ Unrestricted Revenue



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

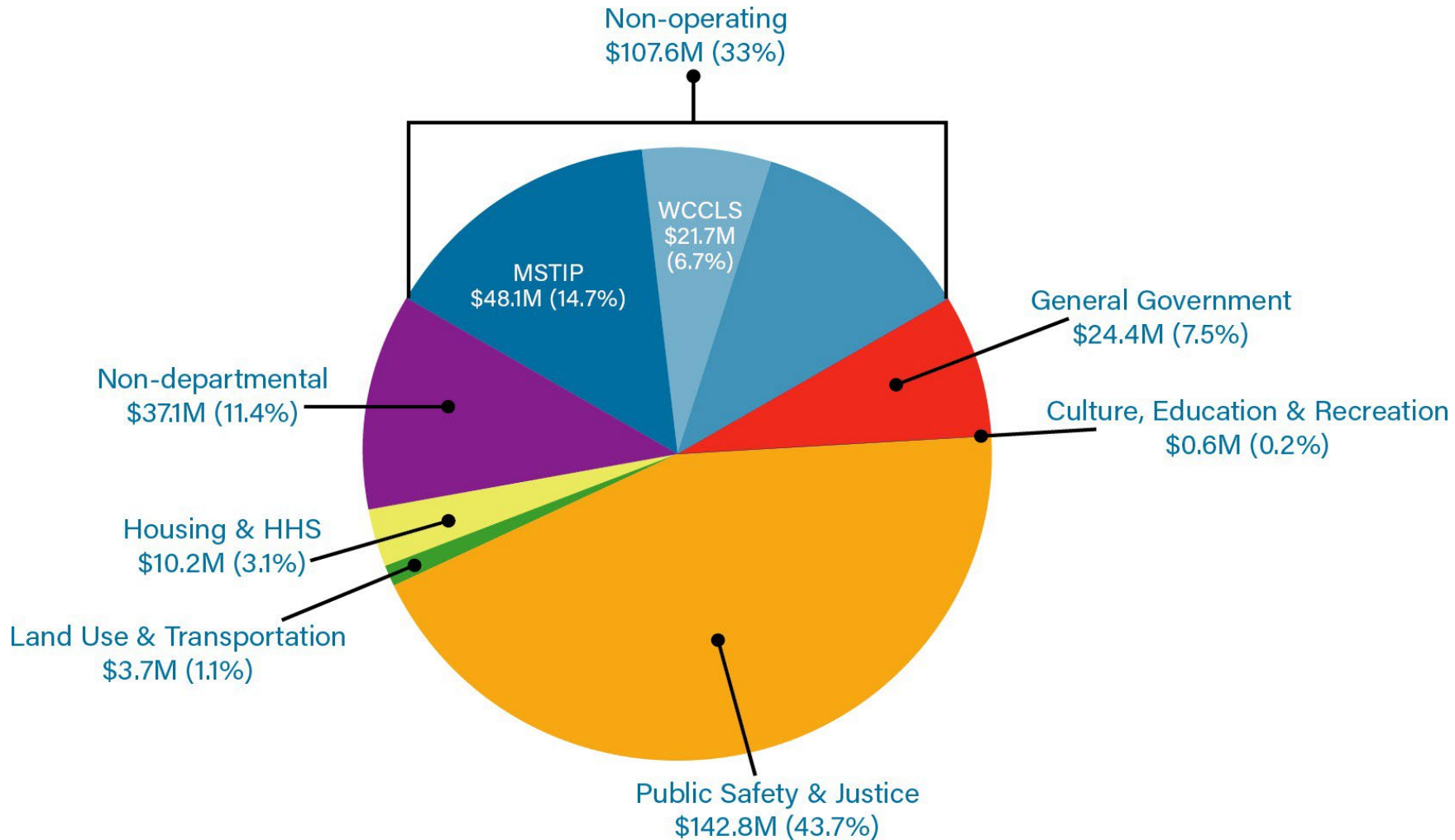
Primary funding source in the General Fund

- 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





General Fund Requirements by Functional Area



Note: Values found on pg. 71 of adopted FY 2024-25 Budget

- **Washington County budget (FY 24-25) is \$ 2.1 Billion of which General Fund is \$327 million**
- **Washington County has 2,570 full-time equivalent employees**



Last years Proposed FY 24 – 25 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
- New contingency and reserve policy adopted in February
- 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



2025 Legislative Priorities

Secure stabilized and sustainable funding for services that the state requires the county to provide.

- Fully fund county community corrections agencies to ensure required service levels are provided, supporting targeted investments to reduce recidivism and improve public safety, including enhanced funding for Justice Reinvestment Grants.
- Strengthen funding for county assessment and taxation operations to robustly support the fair collection of local revenues for all jurisdictions that rely on property taxes.
- Increase funding for the county law library to ensure access to legal materials for community members that need support navigating the legal system and seeking justice.



Recent History of General Fund Right-sizing

FY 2021-22		FY 2022-23	
GF Gap	Balancing Actions	GF Gap	Balancing Actions
\$12M	<p>Departments instructed to submit budgets with a 2% reduction after any unavoidable cost increases (existing contracts, obligated expenditures, etc.)</p> <p>\$6 million of GF resources saved from staff time redirected COVID-19 response</p> <p>\$6 million one-time increased in SIP transfer to GF</p> <p>Minimal new staff positions</p> <p>Small increase to Materials and Services</p>	\$31.1M	<p>Minimize use of one-time funds for on-going operations</p> <p>Denied new position requests</p> <p>Postponed new facilities and IT capital project funding</p> <p>Froze several vacant positions</p> <p>Cuts to Fleet replacement vehicle contributions.</p>

Source: [BCC Roundtable 'Budget Roundtable Presentation' 12/5/24](#)



Recent History of General Fund Right-sizing

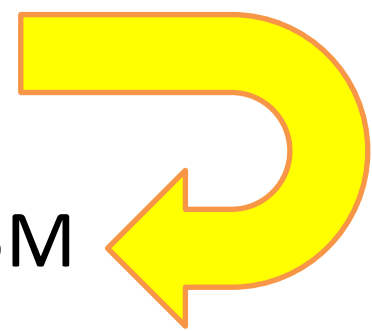
FY 2023-24			FY 2024-25		
GF Gap	Scenarios	Balancing Actions	GF Gap	Scenarios	Balancing Actions
\$25.3M	4%	No COLA for department and County Administrative Office leadership and limited increase in the COLA to 3.5% for all non-represented employees A 5% reduction target in health insurance costs Manage future vacancies to a \$4 million savings Elimination of 22 currently vacant positions 7% reduction in GF transfer to MSTIP & WCCLS	\$10M	Flat Budget	Eliminating or temporarily freezing some GF supported positions 5% reduction in GF transfer to MSTIP & 7% reduction to WCCLS Use of SIP funds for facilities capital projects and limited duration support for the Housing Production Opportunity Fund
	7%			3%	
	10%			5%	



FY25-26 General Fund Forecast

General Fund	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
	Actual	Actual	Unaudited YTD	Forecast	Forecast
Beginning Balance	31,765,395	27,908,928	32,479,654	34,855,935	36,847,848
Revenues	300,042,351	312,859,672	299,602,016	282,800,078	293,174,320
<i>Property Taxes</i>	<i>160,982,820</i>	<i>168,760,902</i>	<i>176,226,471</i>	<i>183,238,390</i>	<i>202,526,022</i>
<i>Transfer from SIP</i>	<i>43,000,000</i>	<i>33,000,000</i>	<i>27,000,000</i>	<i>46,247,940</i>	<i>35,649,000</i>
<i>Other Revenues</i>	<i>96,059,531</i>	<i>111,098,771</i>	<i>96,375,545</i>	<i>53,313,748</i>	<i>54,999,299</i>
Expenditures	303,898,818	308,288,946	297,225,735	289,769,165	312,017,632
<i>Personnel Services</i>	<i>158,246,821</i>	<i>165,541,105</i>	<i>132,433,791</i>	<i>116,020,124</i>	<i>133,329,823</i>
<i>Materials and Services</i>	<i>43,056,105</i>	<i>46,308,697</i>	<i>66,571,347</i>	<i>58,430,805</i>	<i>66,302,855</i>
<i>Other Expenditures</i>	<i>102,595,892</i>	<i>96,439,144</i>	<i>98,220,597</i>	<i>115,318,236</i>	<i>112,384,953</i>
Ending Balance	27,908,928	32,479,654	34,855,935	27,886,848	18,004,537
<i>Reserve Requirements</i>	<i>29,138,217</i>	<i>30,885,142</i>	<i>34,320,970</i>	<i>36,901,008</i>	<i>38,469,301</i>

GAP = \$20.5M





PFY 25-26 Guiding Principles

- Support Board goals and governance
- Enhance meaningful communication with the public that is transparent and open
- Enhance and evaluate revenue and short-, mid- and long-term fiscal sustainability
- Honor the continued commitment towards equity
- Objectively evaluate services with a priority on mandated services
- Consider both long-term capital and operating needs
- Position the organization for the future
- Understand service impacts on community members' daily lives
- Balance systems of service and continue to pursue a One Washington County approach



PFY 25-26 Priorities slide 1 of 2

- Focus on a financial plan to address immediate, mid- and long-term budget issues
- Operationalize Design the Future and One Washington County including improving the major systems of county government such as capital improvement planning, finance, information technology and human resources
- Plan for and respond to emergencies and disasters, including those caused by climate change
- Support a connected multimodal transportation system in partnership with the federal, state, cities and region
- Value and retain our employees, including training opportunities, as we build a financially sustainability organization



PFY 25-26 Priorities slide 2 of 2

- Continue the spend down of ARPA funds (December 2026)
- Partner with the state and community to protect public and behavioral health
- Partner with the state and region to develop, build and manage affordable housing and address homelessness
- Deliver public safety and justice services in a way that builds community trust
- Proposals for new or expanded services must include new revenue
- Prioritize county-wide revenue on county-wide services
- Prioritize revenue on county/state shared services
- Address known budget requirements to deliver mandated services such as juvenile detention bed shortage, jail staff hiring challenges, etc

→ Developing the Proposed Budget - Next Steps

To produce a balanced proposed budget, General Fund reductions will be required from all property tax-supported programs

- Cut scenarios from departments at 10%, 13% and 17%

Due to our fiscal reality, we will need to continue to examine:

- Our approach to services going forward, including mandated services
- Quality-of-service standards in some areas from "gold" to "bronze"
- Eliminating some services and programs
- All revenue alternatives, including new or increased taxes and fees



Washington County FY 2025-26 Budget Calendar

Done so far,
and the work
continues . . .

FY 2025-26 Budget Calendar <i>(updated 12/2/24)</i>	
Date	Activity
10/1/2024	Budget calendar prepared and approved by the CAO
11/1/2024	WISARD Personnel data extracted for Questica upload
11/4/2024	Countywide Cost Allocation Plan Distributed for Department Review
11/7/2024	Board of Commissioners Roundtable: first draft of budget principles
11/29/2024	Complete Questica pre-kickoff entries including the County Cost Allocation Plan
12/5/2024	Board of Commissioners Roundtable: General direction on budget principles
12/6/2024	Budget Kickoff: Questica Open Budget Guidance and Budget Equity Tool
1/3/2025	New Position Request due to HR for Class & Comp review
1/9/2025	Board of Commissioners Roundtable: Affirm budget principles and provide direction to the CAO
1/28/2025	Mid-Year estimates due
1/31/2025	Revised Fee Schedule templates due
Feb 2025	Interviews for Budget Committee openings
2/10/2025	Dept Requested Budget entries, packets, New Position Requests and BDP's due
2/13/2025	Departmental presentation files due
2/14/2025	Budget Information Session for City/Special District Managers and CBO Leadership
2/19 - 2/21/2025	Requested Budget Presentations to BELT
3/5 - 3/7/2025	Leadership Offsite - Requested Budget & Budget Decision Packages (BDP's) Review

Color Key



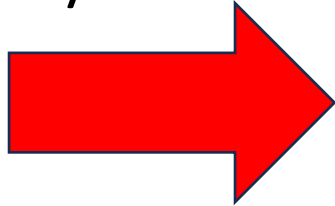
Budget Committee

Board of County Commissioners

Washington County FY 2025-26 Budget Calendar



Proposed budget posted to County website 4/28/2025



Community Forum

Budget Committee Meetings
And more!

3/10/2025	Finalize BDP selections
3/18/2025	Board work session to review Budget Committee appointment recommendations
3/24/2025	PENCILS DOWN. All budget summary content due (Hard Deadline)
4/1/2025	Board approves new Budget Committee members at regular meeting
4/14/2025	Budget Committee Orientation
4/14/2025	Proposed Budget Summary Document Review by Communications and CAO
4/21/2025	Proposed Budget Summary Document submitted for printing
4/28/2025	Proposed Budget Summary posted on County website
4/28/2025	Printed Budget Summary books distributed
4/28/2025	Budget Committee Meeting #1 and Budget Message Presentation
5/9/2025	Budget Information Session for City/Special District Managers and CBO Leadership
5/5/2025	Year-end Estimates due
5/14/2025	Budget Committee Meetings #2 - Budget Presentation
5/15/2025	Budget Committee Meetings #3 - Budget Presentation (Cont'd)
5/16/2025 12PM	Budget Committee FAQs available
5/20/2025	Budget Committee Meetings #4 - Budget Presentation (if needed) and Public Hearing to Approve FY 25-26 Budgets
6/17/2025	Board of County Commissioners Public Hearing to Adopt FY 25-26 Budgets
7/1/2025	Adopted Budget goes into effect
7/15/2025	Provide Budget documents to Assessor (LB-50)
8/31/2025	Adopted Budget document delivered to Board of County Commissioners and posted on the county website

Color Key



Budget Committee

Board of County Commissioners



Budget Forums = engagement opportunities

Proposed Budget Under Development

Proposed Budget Focus

Budget Adoption & Beyond

Budget Activities

2/25 Budget Committee appointed
3/18 Budget Committee Update

4/14 Budget Committee orientation



4/28 Budget Committee hears Budget Message



5/14-16 Budget Committee meetings

5/20 Budget Committee Public Hearing & vote on approval

6/17 Board Public Hearing & vote on adoption

Comms/Outreach Activities

3/19 Board-hosted Update Sess. for: City, Spec. Dist. Electeds

4/28 Proposed Budget announced through earned & social media

5/7&15 Q&A submission deadlines



5/12 Board-hosted info. Sess. for community

5/16 Q&As shared with Budget Committee and published to web

5/20 Approved Budget announced through earned & social media

6/17 Adopted Budget announced through earned & social media



Summer State of Our County



Summer-Fall potential Board-hosted Info. Sess. for: community



Now, for your Questions!

Q & A TIME! ??

Ideas for Next Town Halls?



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](#)

Join us for Chair Harrington's Second Quarter Town Hall about your OSU
Extension Services here in Washington County!

Date Thursday June 5 on Zoom, 6 pm – 7 pm



Resources

- FY 24-25 Media Release
<https://www.washingtoncountyor.gov/bcc/news/2024/06/24/washington-county-board-adopts-budget-preserving-basic-county-services-despite-reductions-funds>
- [FY 2025 -26 Budget Roundtable Presentation](#)
- [Washington County Budget Background videos 1-6](#)
- [BCC Roundtable 'Budget Roundtable Presentation' 1/9/25](#)
- [BCC Roundtable '2025 State Legislative Agenda' 12/4/24](#)