

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 18-05-01-06

IN THE MATTER OF AMENDING LANE
MANUAL CHAPTER 4 TO REVISE
MANAGEMENT POLICIES (LM Chapter 4)

The Board of County Commissioners of Lane County **ORDERS** as follows:

Lane Manual Chapter 2 is amended by removing, substituting or adding the following sections:

REMOVE THESE SECTIONS

ALL OF CHAPTER 4


If any section, subsection, sentence, clause, phrase or portion of this Order or the referenced Lane Manual provisions is for any reason held invalid or unconstitutional by any court or administrative agency of competent jurisdiction, such portion is deemed a separate, distinct, and independent provision, and such holding does not affect the validity of the remaining portions.

Said sections are attached hereto and incorporated herein by reference. The purpose of these substitutions is to revise management policies. (LM Chapter 4).

INSERT THESE SECTIONS

ALL OF CHAPTER 4

ADOPTED this 1st day of May 2018.



Jay Bozievich, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date

4/23/18

LANE COUNTY OFFICE OF LEGAL COUNSEL

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Chapter 4

MANAGEMENT POLICIES

FINANCIAL AND BUDGET MANAGEMENT

4.005 Purpose.

The purpose of these policies is to provide guidance to the departments in the prudent management of the financial affairs of Lane County **to meet the goal of maintaining financial stability**. The following financial and budget policies are adopted in support of the County's ~~strategie~~**Strategic Plangoals**, to ensure stability in service delivery; and ~~to~~**promote** the efficient use of public funds. *(Revised by Order No. 84-12-19-9; Effective 12.19.84; 06-5-31-1, 5.31.06)*

4.010 Policies.

Departments will use the following policies in administering their budgets, developing long-range goals and plans, and dealing with the public and other governments.

(1) Budget and Management Policies:

(a) The County's **annual** budget will **be structurally balanced throughout the fiscal year with recurring expenditures at or below the level of recurring revenues. If structural imbalance occurs in any Fund, a plan will be developed and implemented to restore structural balance.**~~provide information concerning program service delivery and will integrate performance measures and productivity indicators, where possible.~~

(b) The County budget will provide for an appropriate balance between ~~the~~**equipment**/capital portions of the budget to ~~insure~~**ensure** that equipment and facility maintenance and replacement are adequately funded and **are appropriate when compared to service levels**~~occur in a timely cost-effective manner.~~

(c) Long-range financial plans, ~~including~~**and financial forecasts** of revenues and expenditure estimates will be **completed for all operating funds**~~developed in order to contribute~~ to **ensure** financial and ~~program~~**service** stability.

(d) **Allocation of funds from discretionary general fund revenue will be re-established annually, after considering other revenue sources available to fund services, the level and appropriateness of expenditures, and the consideration of all mandated and critical County services.**

(e) **Financial reports detailing budget expenditure status and relevant economic and financial information will be presented to the Board of Commissioners no less than bi-annually. —**

(f) The County will ~~endeavor to~~ prepare and publish its **Adopted Budget document in accordance with local budget law and with the goal of obtaining the Distinguished Budget Presentation Award** ~~a comprehensive annual disclosure of its financial affairs in a format intelligible to the interested public, with the goal of obtaining the Certificate of Excellence in Financial Reporting~~ (issued by the Governmental Finance Officers Association).

(g) **The County will prepare and publish a Comprehensive Annual Financial Report in accordance with state law, the principles of the Governmental Accounting Standards Board, and the Generally Accepted Accounting Principles, with the goal of obtaining the Certificate of Achievement in Excellence in Financial Reporting issued by the Government Finance Officers Association.**

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(eh) The County will manage its separate funds in a manner that insures that one fund does not improperly subsidize another fund.

(2) Revenue Policies:

~~Goal: To develop and maintain balanced sources of revenue sufficient to meet the ongoing financial commitments of Lane County.~~

(a) ~~To the extent feasible,~~ One-time revenues will be used for one-time capital expenditures or projects and will not be used for recurring operating purposes **unless specifically approved by the Board of Commissioners through the budget process.**

(b) Prior to ~~initiating initiation of~~ new projects, ~~whether services programs,~~ grants, or capital improvement projects, financial impact analyses will be completed and considered. The analysis will identify the short term and long-range effects of ~~such programs~~ **new initiation** on the County, **including along with** any commitment for additional County resources.

(c) The County will strive to ~~diversify~~ **diversify** revenues and **to** develop ~~controllable~~ **sustainable** revenue sources in order to maintain services during ~~times of~~ economic downturns **and/or fluctuations of any existing revenue source.**

(d) Charges for services will be **reviewed annually and** set by the Board of Commissioners **upon recommendation from the County's Finance & Audit Committee, and based on an analysis will take into account beneficiaries** of ~~who benefits from~~ the service, amounts charged by other agencies for similar services, the actual direct and indirect cost of providing the services, and statutory limits. ~~It is the generally policy that~~ fees will be set to recover the cost of providing the service.

(e) ~~Fees and charges for internal service funds will be set at a cost recovery level. For replacement reserves, the charges will be established at a level to fund the replacement over the expected useful life of the equipment. Internal service charges will be reviewed annually for appropriateness.~~

~~(f) The County may sell or lease services that were developed to meet a County need, but the sale or lease will be secondary to the~~ **original** purpose **for developing the service of meeting the identified need.**

(3) Reserve Policies:

~~Goal: To maintain adequate reserves to provide a cushion against unforeseen events and economic downturns, thus providing for stability in planning and service delivery, and to maintain a reserve level sufficient to maintain a favorable bond rating.~~

~~(a) The County will establish reserve funds that can be used to reduce the impact of revenue fluctuations and provide for more stable delivery of services to Lane County citizens.~~

~~(b) The County will strive to maintain a minimum of a 5% Prudent Person Reserve for all funds except the General Fund. The reserve in each fund will be reviewed annually during the budget process by the designated fund manager and associated committee.~~

~~(c) The County will establish operational reserves within the General Fund and strive to maintain a reserve balance of at least 10% of General Fund operating revenues. Refer to General Fund Reserve Policy at LM 4.011 below.~~

~~(d) The County will establish and budget adequate contingency reserves for all operating funds to meet unanticipated requirements during the budget year.~~

(4) Expenditure Control Cost Recovery Policies:

~~Goal: To delivery maximum services in a cost effective and efficient manner.~~

(a) **Personnel expenditure budgeting will take into account anticipated vacancy rates. The County will increase efforts to review programs effectiveness to insure maximum return from extremely limited resources. One major effort will be an expanded performance audit capability.**

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(b) Contracting for services **provided by** ~~with~~ outside agencies **or** ~~vendors~~ will be considered when **contracting out is both** cost ~~efficient~~ **effective** and consistent with County **employee labor** policies.

(c) Intergovernmental ~~services~~ agreements **shall to provide, receive, or cooperate in the provision of service delivery will** be encouraged wherever services ~~used by several departments~~ can be more effectively provided on a collective basis. ~~Service billings~~ **Billing for services provided** to user agencies will be sufficient to fully recover costs of operation, including depreciation of equipment, direct and indirect costs.

(d) Department expenditures ~~shall~~ **may** not exceed appropriations, and expenditures of discretionary ~~General~~ **general Fund** ~~fund dollars will~~ **may** not exceed the amount **allocated to** ~~approved in the department budget, except upon written authorization by the Board of Commissioners.~~

(e) Fees and charges for internal service funds will be set at a cost recovery level. For replacement reserves, the charges will be established at a level to fund the replacement over the expected useful life of the equipment. Internal service charges will be reviewed annually for appropriateness.

(ef) The County will charge the allowable indirect **cost allocation** to all departments and funds in the most equitable manner possible and will recover the allowable indirect **cost allocation** from all grants, contracts and intergovernmental agreements. ~~Any e~~Exceptions will be made only upon Board approval. Indirect **cost** revenues, except for depreciation and use allowance revenues, are to be received into the General Fund to pay for the cost of central services provided. Depreciation and use revenues are to be received into the Capital Improvement Fund and assigned to general capital improvement projects as approved by the Board ~~of County Commissioners.~~

(fg) ~~It is County policy to fully expend a~~ All grant, contract, and other ~~program~~ **service** generated revenues (e.g. fees, reimbursements) **are considered fully expended** prior to expending ~~other county~~ **County** funds unless otherwise directed by specific grant or contract requirements.

(gh) Any services or programs that are largely or wholly supported by time-limited grant or contract funds will be considered to automatically sunset at the expiration of the grantor contract.

(i) General funds will not be moved to another fund for future carryover, except for approved equipment replacement payments as set by budget direction during the annual budget process or in a supplemental budget transfer appropriation.

(54) ~~Lapse Policy~~ Reserve Policies:

(a) General Fund. Lane County will establish and strive to maintain a minimum **20% reserve of anticipated operating revenues, to ensure adequate cash flow, a strong standing with bond rating agencies, and protection of service levels to the community in the event of unforeseen events, revenue volatility, or economic downturns. This reserve is in addition to contingency amounts. The reserve will have two components:**

(i) Emergency Reserve.

(1) Purpose. The first 17% of the reserve will be designated an emergency reserve and will be maintained to ensure adequate cash flow and a strong bond rating.

(2) Conditions for Use. The emergency reserve will be available for appropriation ordered by the Board for expenditure necessary to respond to a threat of public health or safety that involves one or more of the following: a severe revenue shortage threatening critical services; an involuntary conversion or destruction of Lane County property, a civil disturbance, a natural disaster, or other public calamity.

(ii) Service Stabilization Reserve.

(1) Purpose. The additional reserve beyond the emergency reserve amount will be designated a service stabilization reserve, which will provide the potential to achieve or maintain a very strong bond rating.

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(2) **Funding.** Priority will be given to fund this component of the reserve when the County receives one-time discretionary general fund revenue or excess year-end lapse funds resulting from lower-than-budgeted expenditures.

(3) **Conditions for Use.** The reserve will be available for appropriation to reduce the impact of revenue fluctuations and drops in revenue growth due to economic downturns when continuation of existing service levels to the community are threatened. The following trends will guide the use of the service stabilization reserve.

(A) Overall General Fund operating revenue growth below 2.5% annually;

(B) Current Year Property Tax revenue growth below 2.5% annually;

(C) Local housing prices more than 10% below any time in prior 24 months;

(D) The Year-over-year Eugene/Springfield MSA unemployment rate more than two percentage points higher than any time in the prior 12 months, or an overall unemployment rate in excess of 7%.

(iii) **Replacement of Reserve.** In the event the total reserve falls below the 20% minimum amount, replenishment will begin as soon as feasible, preferably within the fiscal year following use, with full replenishment occurring within five fiscal years.

(iv) **Additional Reserves.** In the event the total reserve exceeds 25% of operating revenues, within a specific Board of Commissioner plan to do so, the Budget Officer will provide recommendation to the Board on the reserve. If a recommendation for expenditure is presented, priority will be given to one-time expenditures that result in future operating cost reductions or prepayment of debt obligations.

(b) **Road Fund.** Lane County will establish and strive to maintain a minimum 40% reserve based of anticipated operating revenues, to ensure adequate cash flow, protection of service levels to the community in the event of unforeseen events, revenue volatility or economic downturns and maintain Road Fund assets. This reserve is in addition to contingency amounts. The reserve will have three components:

(i) **Emergency Reserve.**

(1) **Purpose.** The first 17% of the reserve will be designated an emergency reserve and will be maintained to ensure cash flow.

(2) **Conditions for Use.** The emergency reserve will be available for appropriations ordered by the Board for expenditures necessary to respond to a threat to public health or safety that involves one or more of the following: a severe revenue shortage threatening critical services, an involuntary conversion or destruction of Lane County Road Fund assets, or an unexpected asset failure.

(ii) **Catastrophic Reserve.**

(1) **Purpose.** The next 15% of the reserve will be designated as a catastrophic road fund reserve. It will provide the ability to prepare and complete repairs to a road fund asset failure due to an extreme event.

(2) **Conditions for Use.** The catastrophic reserve will be available for appropriations ordered by the Board for expenditures necessary to respond to a Lane County Road Fund asset failure that involves one or more of the following: an involuntary conversion or destruction of Road Fund assets, a civil disturbance, a natural disaster, or other public calamity.

(iii) **Service and Asset Stabilization Reserve.**

(1) **Purpose.** The additional reserve beyond the emergency and catastrophic reserves will be designated as a service and asset stabilization reserve.

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(2) **Funding.** Priority will be given to fund this component of the reserve when the County receives one-time discretionary road fund revenue or excess year-end funds resulting from lower-than-budgeted expenditures within road fund budgets.

(3) **Conditions for Use.**

(A) The reserve will be available for appropriation to reduce the impact of revenue fluctuations and drops in revenue growth due to economic downturns when continuation of existing service levels to the community is threatened.

(B) The reserve will be available for appropriation to provide resources for a Lane County Road Fund asset capital improvement, preservation or construction.

(C) The following trends will guide the use of the service and asset stabilization reserve:

(a-a) Overall Road Fund operating revenue growth below 2.5% annually;

(b-b) State Highway Allocation revenue growth below 2.5% annually;

(c-c) Local housing prices more than 10% below any time in the prior 24 months;

(d-d) The Year-over-year Eugene/Springfield MSA unemployment rate more than two percentage points higher than any time in the prior 12 months, or an overall unemployment rate in excess of 7%.

(4) **Replenishment of Reserves.** In the event the total reserve falls below the 40% minimum amount, replenishment will begin as soon as feasible, preferably within the fiscal year following use and not later than within five years.

(5) **Additional Reserves.** In the event the total reserve exceeds 45% of operating revenues, without a specific Board of Commissioners plan to do so, the Budget Officer will provide recommendation to the Board on the reserve. If a recommendation for expenditure is presented, priority will be given to one-time expenditures that result in future operating cost reductions or preservation of road fund assets.

(c) **Other Funds**

(i) **Debt Service Funds and other Funds used to process pass through payments to other entities are excluded from reserve requirements.**

(ii) **For all other Funds, reserve levels will be established specific to the funding source, service type and assets owned. The recommended level will be verified and reviewed for adequacy through the annual budget process.**

~~Goal: To maintain the integrity of financial planning models, provide accountability, and maintain reserve levels.~~

~~(a) Each department utilizing General Fund resources is expected to lapse 2% of net General Fund use. The lapse generally results from expenditures less than the total appropriated amount. However, revenues in excess of the budgeted amount can be used to offset expenditures for the net lapse calculation.~~

~~(b) If a department fails to meet the 2% lapse target by more than \$5,000, the department is expected to repay the shortfall to the General Fund within one year. At year end, an interfund loan will be executed to cover the shortfall, which is subject to approval by the Board of Commissioners for approval. (Refer to Lane Manual 4.034-4.040).~~

~~(c) Under extraordinary circumstances, the Board of Commissioners may waive the lapse expectation for one or more departments.~~

(65) **Governmental Fund Balance Policies:**

~~Goal:~~ To enhance the usefulness **and consistency** of governmental fund balance information, **the**

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~~following terms will be used to classify by providing clearer~~ governmental fund balances: **classifications that can be more consistently applied.**

(a) ~~“Non-spendable”~~: Includes constrained amounts that cannot be spent such as inventories, prepaid expenditures, long-term loans and notes receivable, permanent contributions, and property held for resale.

(b) ~~“Restricted”~~: Includes constrained amounts whose restrictions are either 1) externally imposed by creditors, grantors, contributors, or laws/regulations, or 2) internally imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or mandate payment of resources from outside the government, and includes a legally enforceable requirement that those resources be used only for specific purposes. All Lane County Board Ordinances/Resolutions and legislation in the Lane County Home Rule Charter and the Lane Code are considered enabling legislation. Legally enforceable means Lane County can be compelled by those outside the government to use those resources for the purposes specified in the legislation.

(c) ~~“Committed”~~: Includes constrained amounts that can be used only for specific purposes imposed by the Lane County Board of Commissioners. Commitments can only be reversed by taking the same action employed to commit the amounts (e.g., board order). The difference between Restricted and Committed is that committed resources can be redeployed for other purposes with appropriate due process. Compliance with the commitment is not legally enforceable by those outside the government. All Lane County Board Orders and legislation in the Lane Manual are considered Committed.

(d) ~~“Assigned”~~: Includes amounts constrained by the intent that they be used for specific purposes. Intent can be expressed by either the Lane County Board of Commissioners, Lane County advisory committees (~~budget, finance and audit, etc.~~), or officials the Board of County Commissioners has delegated authority to. All Budget Committee and Finance **& Audit** Committee decisions and policies in the Administrative Procedures Manual are considered Assigned.

(e) ~~“Unassigned”~~: Defined as the residual fund balance that is not non-spendable, restricted, committed, or assigned. (*Revised by Order No. 02-1-30-1; Effective 1.30.02; 06-5-31-1, 5.31.06; 10-7-7-5; 7.7.2010; 13-03-12-02, 3.12.13*)

4.011—General Fund Reserve Policy

~~Lane County will establish adequate reserves to provide a cushion against unforeseen events and economic downturns. Adequate reserves provide for stability in planning and service delivery and assist the County in maintaining a favorable bond rating. The County will establish operational reserves within the General Fund and strive to maintain a reserve balance of at least 10% of General Fund operating revenues. The General Fund operational reserve will have two components:~~

~~(1) **Emergency Reserve.**~~

~~(a) The first 5% reserve will be designated by the Board as emergency reserve. The emergency reserve is available to fund one-time or non-recurring emergency, unanticipated expenditure requirements. Emergency examples include disaster relief, expenditures related to essential services, or expenditures that are related to public life and safety issues. Use of the reserve requires a Board order.~~

~~(b) Restoration of the emergency reserve will begin the fiscal year following use and will be the first priority for any “lapse” or carryover resources. During budget development, consideration will be given to authorizing appropriations at 98% of available resources in an effort to rebuild the 5% reserve in the earliest prudent timeframe.~~

~~(2) **Economic Stabilization Reserve.**~~

~~(a) The second 5% reserve will be designated by the Board as an economic stabilization reserve. The economic stabilization reserve is available to reduce the impact of revenue fluctuations and drops in revenue growth due to economic downturns. The reserve can be used to continue high-priority services that could not otherwise be funded by current revenues.~~

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~~(b) Use of the stabilization reserve can be approved through the annual budget process, or by Board order. The Budget Committee and Board should consider trends such as:~~

~~(i) Revenue growth below 2.5% annually~~

~~(ii) Unemployment rate in excess of 7%~~

~~(c) When the General Fund reserve falls below 10% as a result of use of the economic stabilization reserve, or as a result of failure to meet carryover targets, the Board will endeavor to restore the reserve as soon as possible to maintain the fiscal integrity of the County and maintain a favorable bond rating.~~

~~(d) Restoration of the reserve will be targeted within two fiscal years, and the restoration plan will be included in the County Financial Plan and adopted budget. The restoration plan should give consideration to measures such as:~~

~~(i) Increasing the “lapse” expectation by reducing appropriated expenditures.~~

~~(ii) Appropriating a minimum of 1% of operating revenues annually to the reserve.~~

~~(iii) Temporary reductions in assessments to other funds, to be redirected to rebuilding the reserve.~~

~~(e) Both components of the targeted General Fund reserve are considered as “operational reserve” (Account 992920) and require appropriation through the Supplemental Budget process before expenditures can be made. (Revised by Order No. 06-5-31-1, Effective 5.31.06)~~

4.012 Administration Authority

The County Administrator is delegated the authority to develop and maintain Administrative Procedures in accordance with LM 2.095 and to implement adopted policies of the Board, in the areas of financial and budget management and administration, and the authority to approve cash accounts and funds. *(Revised by Order No. 06-12-13-6, Effective 12.13.06)*

INVESTMENT POLICIES

4.015 Purpose.

The purpose of these policies is to provide direction to the Director of ~~Management Services~~**Operations or delegated County Treasurer** in the investment of surplus cash in all funds, including moneys held in a fiduciary capacity. *(Revised by Order No. 94-6-28-7, Effective 6.28.94; 04-12-8-4, 12.8.04)*

4.020 Policies.

The following are the policies to be used by the Director of ~~Management Services~~**Operations or delegated County Treasurer** in administering the investment program.

(1) Investment practices shall be in accord with all applicable state and federal statutes and regulations. Investments shall be made in accordance with such statutes and regulations, including but not limited to, ~~ORS chapters 294 and 295~~ **Oregon law governing County financial administration and depositories of public funds and securities**, as applicable.

(2) Maturity of such investments will be made to coincide as nearly as practical with the expected use of the funds and may not exceed three (3) years or statutory requirements, unless matched to a specific cash flow and approved by the Board of Commissioners.

(3) Investment of County funds shall be made only upon the authorization of the Director of ~~Management Services~~**Operations, delegated County Treasurer**, or designee.

(4) Other Lane County officials receiving money in their official capacity must deposit such funds with the Director of ~~Management Services~~**Operations or delegated County Treasurer**, or at the discretion of the Director **or Treasurer**, in checking/negotiable order of withdrawal accounts.

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(5) All investments shall be placed to ensure a competitive rate of return and be consistent with considerations of safety, liquidity and yield.

(6) The County Administrator is delegated the authority and responsibility to develop and maintain Administrative Procedures to implement these policies.

(7) LM 4.020 shall be adopted not less than annually by the Board of Commissioners. *(Revised by Order No. 04-12-08-04, 12.8.04; Readopted without changes by Order No. 02-05-15-08, 5.15.02; 06-02-15-03, 2.15.06; 07-02-21-04, 2.21.07; 08-02-06-05, 2.6.08; 09-01-28-10, 1.28.09; 10-02-24-01, 2.24.10; 11-03-15-09, 3.15.11; 12-03-14-06, 3.14.12; 13-03-12-01, 3.12.13; 14-04-15-01, 04.15.14)*

DEBT POLICIES

4.025 Purpose.

The purpose of these policies is to provide direction to the Director of ~~Management Services~~**Operations or delegated County Treasurer** in the issuance and management of the County's borrowing and capital financing activities. *(Revised by Order No. 06-9-13-9, Effective 9.13.06)*

4.030 Policies.

The following are the policies to be used by the Director of **Operations or delegated County Treasurer**~~Management Services~~ in administering the issuance of debt.

(1) Debt management practices shall be in accord with all applicable state and federal statutes and regulations. Debt shall be issued in accordance with such statutes and regulations, including but not limited to, ~~ORS chapters 287 and 288~~**Oregon law governing local government borrowing and Oregon facilities financing** as applicable.

(2) Debt shall be issued in a manner that minimizes the County's debt service and issuance costs while maintaining the highest practical credit rating.

(3) Repayment schedules for debt retirement for capital projects shall not exceed the useful life of the asset acquired through the debt issuance.

(4) Bonds and long-term debt obligations shall be issued only upon the authorization of the Board of County Commissioners. *(Revised by Order No. 06-9-13-9, Effective 9.13.06; 06-12-13-6, 12.13.06)*

INTERFUND LOAN POLICIES

4.035 Purpose.

The purpose of these policies is to outline the requirements and responsibilities of departments regarding the use of interfund loans as a short-term financing resource to address cash flow needs in County operations or capital financing plans. *(Revised by Order No. 04-4-28-16; Effective 4.28.06)*

4.040 Policies.

The following are the policies to be used by departments entering into interfund loan transactions:

(1) Interfund loans are a tool employed by the County to assist funds and programs experiencing short-term, transitory cash imbalances created in the conduct of activities approved by the Board of County Commissioners.

(2) Interfund loan requests must be reviewed and approved by the County's Finance and Audit Committee prior to taking a request for authorization to the Board of County Commissioners.

(3) Interfund loans must be authorized by an order of the Board of County Commissioners, which shall state the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose for which the loan is made and the principal amount of the loan, along with a schedule for repayment of principal and interest, or a statement that interest is not applicable to the loan.

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(4) Interfund loans must be made in compliance with all other statutory requirements and limitations of ~~ORS 294.460~~**Oregon law governing County financial administration. The County and Municipal Financial Administration.**—The provisions of ~~ORS Oregon law 294.460~~ are included in LM 4.040(5) and (6) below.

(5) Interfund loans are to be characterized as either “operating” or “capital” and shall meet the following additional requirements, consistent with their character:

(a) An “Operating Interfund Loan” is defined as a loan made for the purpose of paying operating expenses. An operating interfund loan:

(i) Shall be budgeted and repaid no later than the end of the fiscal year subsequent to the period in which the loan was made;

(ii) If not repaid in the same fiscal year in which it is made, the full repayment of the loan shall be appropriated as a budget requirement in the subsequent fiscal year; and

(iii) Is required to be assessed interest, unless otherwise stated in the adopting order.

~~(aa)~~**1** If interest is assessed, the rate of interest will be equivalent to the actual earnings rate in the Lane County Investment Pool, unless otherwise stated in the adopting order.

~~(bb)~~**2** If interest is assessed, such interest will be computed as simple interest on the outstanding balance from the date of the loan to the date of repayment or partial repayment, unless otherwise stated in the adopting order.

(b) A “Capital Interfund Loan” is defined as a loan made for the purpose of financing the design, acquisition, construction, installation, or improvement of real or personal property and not for the purpose of paying operating expenses. A capital interfund loan:

(i) Shall not exceed ~~60~~**120** months in duration;

(ii) Shall set forth in the adopting order a schedule under which the principal amount of the loan, together with interest thereon at the rate provided for pursuant to LM 4.040(5)(b)(iii) below, are to be budgeted and repaid to the lending fund;

(iii) Shall be assessed interest at a rate that is equivalent to the actual earnings rate in the Lane County Investment Pool, unless otherwise stated in the adopting order; and

(iv) Shall accrue interest computed as simple interest on the outstanding balance from the date of the loan to the date of repayment or partial repayment, unless otherwise stated in the adopting order.

(6) Loans shall not be made from the following funds or restricted resources:

(a) From debt service reserve funds to the extent that the amount of the loan exceeds the amount required to be held in the reserve fund by covenant with the holders of the bonds or other obligations;

(b) From debt service funds; nor

(c) From monies restricted to specific uses under constitutional provisions, unless the purpose of the loan is an allowed use under constitutional provisions.

(7) In addition to the statutory requirements and limitations of ~~ORS 294.460~~**Oregon law governing County financial administration**, listed in LM 4.040(5) and (6) above, the following additional policies and provisions shall apply to all County interfund loans:

(a) Interfund loans shall not be made from funds otherwise restricted by law, bond covenants, grantor requirements, Board order or ordinance for specific uses, unless the purpose of the loan is an allowed use under those restrictions or the restricting entity approves the loan transaction.

(b) Interfund loans are not to be used to fund on-going operating activities other than those approved by the Board of County Commissioners in a formal budget action.

(c) Interfund loans are not to be used to balance the on-going operating budget of the borrowing fund due to a shortage of spending authorization.

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(d) Interfund loans will be granted only after it has been demonstrated that reasonable consideration was given to other potential resources available to the fund and when the loan is required to meet a pressing need or to take advantage of a special opportunity.

~~(e) Total interfund loans to an individual fund may not exceed the greater of~~
~~(i) 40% of available unrestricted fund balance of the borrowing fund, or~~
~~(ii) 20% of annual "total revenue" plus "other financing sources" of the borrowing fund;~~
~~both as determined in accordance with GASB 34.~~

(fe) Interfund loans made to General Fund departments or programs shall not obligate unrestricted General Fund general revenue sources for future loan repayments beyond the current fiscal year.

(gf) Interfund loans may be made only if there is a likely expectation that the fund receiving the loan will have the ability to repay it. In other cases, the use of an interfund transfer should be considered for appropriateness.

(hg) Consideration shall be given to the adequacy of resources in the lending fund, and in no case shall an interfund loan be made when the consequence of that loan would be to deter or otherwise interfere with any function or project for which the fund was established.

(ih) Interfund loans may be repaid in advance without any additional accrual of interest (if applicable) or any other penalties.

(8) No County fund shall carry a deficit cash balance for more than six months during any 12-month period without the written authorization of the County Administrator. Lacking that authorization, the fund managers shall be required to proceed with initiating an interfund loan authorization discussion with the Finance and Audit Committee and request to the Board of County Commissioners

(9) At no time shall a County fund carry a deficit fund balance at fiscal year end. *(Revised by Order No. 04-4-28-16; Effective 4.28.16)*

**ROAD FUND REAL PROPERTY ASSETS ~~REAL PROPERTY~~
ASSETS PURCHASED WITH STATE GAS TAX REVENUES
PRIOR TO 1980**

4.050 Purpose.

The purpose of these provisions is to address the appropriate use of real property assets originally acquired with State Gas Tax Revenues prior to 1980. At that time, the Road Fund was comprised primarily of Gas Tax Revenues, governed by Oregon Constitution, Article IX, Section 3, which could be used generally only for roads, police and parks; and Federal Forest Receipts, governed by **the** 16 USC Section 500, which could be used generally only for roads. Article IX, Section 3a was adopted by the voters on May 20, 1980, amending Section 3 by limiting the permissible use of Gas Tax Revenues to roads and highways, and deleting police and parks as permissible uses. The amendment was prospective only. It is presumed that the Federal Forest Receipts have been lawfully expended for roads; the appropriate use of these revenues has not changed and they are therefore not addressed by the policies below. The policies below are based on advice of counsel presented to the Board at the time of their adoption. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.055 Use.

(1) Property purchased prior to 1980 and used for either parks or policing can continue to be used for that purpose.

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(2) If it can be established that the property was purchased only with Gas Tax Revenues, property purchased prior to 1980 and used for roads can be used for parks or policing. The costs of conversion to such use or of making improvements is addressed below.

(3) Property purchased prior to 1980 and used for roads, parks or policing can be used for other purposes ~~if and~~ only if:

(a) Fair market rent is paid to the Road Fund, **and**

(b) There is a reasonable and identified expectation that the property will be needed for roads, parks or police purposes in the future such that the other use is not regarded as permanent. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.060 Maintenance.

(1) Current and on-going maintenance and utility costs shall be paid by users in proportion to the actual use of the service to the extent determinable. If not readily ~~determinably~~**determinable**, costs shall be shared and paid for by the users on the basis of the percentage square foot use of the property.

(2) Police and parks (or any other user not currently eligible to be funded with Gas Tax Revenues) shall pay their share from a source other than Gas Tax Revenues. Road Fund eligible users shall pay their share with Road Fund revenues.

(3) The Public Works Department shall be responsible for maintenance of and accounting for all property purchased with Gas Tax Revenues or other Road Fund revenues if the property is used in part or in whole for road or road-related uses.

(4) Property purchased with pre-1980 Gas Tax Revenues and devoted exclusively to either parks or policing shall be maintained by and accounted for by the user. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.065 Improvements.

(1) Improvements can be made to pre-1980 acquired property currently used for road purposes and can be paid for with Road Funds.

(2) Improvements can be made to pre-1980 acquired property currently used for mixed road purposes and non-Road Fund eligible (parks, policing and other) purposes, and be paid for with Road Funds, if and only if the non-Road Fund eligible user pays to the Road Fund fair market rent for its proportionate share of the improvement.

(3) Improvements ~~can~~**may** be made to pre-1980 acquired property currently used exclusively for parks or policing and paid for with Road Funds, ~~if and~~ only if:

(a) The parks or police user pays fair market rent to the Road Fund for the improvement, and

(b) There is a reasonable and identified expectation that the property will be needed for roads in the future such that the other non-Road Fund use is not regarded as permanent.

(4) If improvements are made to pre-1980 acquired property and are paid for with funds other than Road Funds in either of the two circumstances listed immediately above, there would be no need to pay fair market rent to the Road Fund for the improvement. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.070 Sale.

(1) The sale proceeds of a real property asset acquired prior to 1980 which has been used exclusively for roads shall be deposited in the Road Fund.

(2) The sale proceeds of a real property asset acquired prior to 1980 which has not been improved with any post-1980 Road Funds, and which has been used exclusively for either parks or policing, shall be deposited in a fund which supports that use (parks or policing), and shall be used exclusively for the same purpose as the real property was used.

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(3) Upon the sale of a real property asset acquired prior to 1980 which has been improved with post-1980 Funds (of any source) and which has been used for mixed purposes (roads, parks, policing or other purposes) the proceeds shall be distributed in a fair and equitable manner, taking into account the source of funds for acquisition and improvement, depreciation, rents paid, and usage over the period of County ownership. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose.

The Video Lottery Allocation Policy reaffirms that video lottery receipts must be applied to programs and activities which support economic development in Lane County. Video lottery revenue is received from the State of Oregon as a transfer from the Oregon State Lottery Fund. The Oregon State Lottery Fund is governed by **the** Oregon Constitution, Article XV Section 4 **and further defined by Oregon Revised Statutes.**

This policy defines economic development activities for Lane County and provides guidance for strategic allocation of video lottery funds to economic development programs and activities. This policy reaffirmation is the basis for all video lottery allocation decisions for the benefit of Lane County citizens, and is meant to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others directly involved in economic development activities, ~~which~~ **that** meet one or more of the economic development objectives or categories listed in paragraph 4.105 below. *(Revised by Order No. 01-2-21-2; Effective -5.1.02; 05-11-30-3, 11.30.05)*

4.105 Definition of Economic Development.

Economic development is **defined as** a program, ~~a~~ group of policies, ~~and~~ or activity that seeks to improve the economic well being and quality of life for a community. Ideally, **economic development** ~~it~~ will create and retain jobs, enhance employment opportunities, increase family wage income, and provide a stable tax base. Creation of new high-~~paying~~ jobs and improvement of worker-~~s'~~ wages are the principal outcomes anticipated from this economic development policy. **Other** outcomes may also include community development investments in infrastructure, commercial and business parks, ~~other~~ public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following:

(1) Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses.

(2) Workforce Development. Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. *(Revised by Order No. 01-2-21-2; Effective -5.1.02; 05-11-30-3, 11.30.05)*

4.110 Allocation.

After establishing appropriate reserve levels pursuant to the County's reserve policies, the Board of Commissioners will annually allocate ~~Within the above definition,~~ the revenues derived from the State's ~~2.5%~~ video lottery distribution **to counties** for economic development ~~shall be allocated~~ between two economic development categories. ~~Through~~ **through** the annual budget process **as follows:** ~~the Board shall appropriate a maximum of 50% of the annual receipts to general allocation programs and the remainder (50% minimum) of the annual receipts for economic development strategic investment projects. All (100%) of unspent monies from previous years shall be appropriated for economic development strategic investment projects.~~

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(1) Category 1 - General ~~Allocation for Economic Development Program~~. ~~Up to half The Board will strive to allocate no more than fifty percent~~ (50%) of the County's annual receipts ~~from video lottery revenue shall be allocated to the to this~~ ~~Category of General Allocation Economic Development Program~~. The purpose of the General **Economic Development A**allocation is to pay for ongoing County programs and services which meet the adopted definition of economic development. ~~The rationale is that citizens, tourists, employees and potential business owners shall benefit from a stable economic base, prepared and ready workforce, nurturing atmosphere for business growth and investment and consistent and knowledgeable development staff.~~ Guidelines for **determining eligibility for this category are** ~~the General Allocation for Economic Development Program shall be:~~

(a) The cost of administering the ~~video lottery receipts shall be paid with video lottery funds from the General Allocation category.~~ **County's Economic Development program.**

(b) ~~A working capital reserve for General Allocation programs may be maintained.~~

~~_____ (c) The County may continue to participate~~ **Participation** in forums for exchanging ideas and addressing the economic development needs of the County.

(d) ~~The County may e~~ **Contracting** with other agencies for the purpose of community/county promotion, marketing/recruitment, and other economic development support services, the sole purpose of which is to build capacity over time and increase and/or stabilize the economy of the County and its ~~citizens~~ **residents**.

(e) ~~The County programs may maintain or hire County staff internally or any contract(s) with other agencies to provide economic development support services to the e~~ **County** and/or communities within the county.

(2) Category 2 - Economic Development Strategic Investment ~~Program~~. The ~~County Board will strive to allocate no less than fifty percent (50%) of the County's annual receipts from video lottery revenue to the shall establish the~~ "Economic Development Strategic Investment ~~Program category."~~ The purpose of this category is to assist communities to pro-actively leverage video lottery dollars through public-private partnerships that will make a measurable difference in the economic growth and stability of Lane County. ~~This program shall be capitalized annually with a minimum of 50% of the new video lottery revenue received each year from the Oregon State Lottery Commission's transfer to counties for economic development activities. In addition, all revenue unspent in previous years will be added to this category.~~ General guidelines for **allocation from** this category ~~are~~ **shall be:**

(a) Any activity or project supported ~~by this program~~ must demonstrably and directly increase the chance of making a measurable difference to the economy of Lane County and its ~~citizens~~ **residents**.

(b) Projects are expected to have some financial support other than video lottery money.

(c) ~~Allocations toward p~~ **P**rojects or facilities identified in a recognized capital improvement plan (e.g., the County, communities within the county or economic development organization's capital improvement plan) ~~shall~~ **will** receive priority consideration.

(d) Projects that require multi-year commitments may be funded **and some or all of the funds for this category may be carried forward for future allocation.**

~~_____ (e) Allocations shall be made by the Board upon the advice of the Economic Development Standing Committee, after review and comment by the Lane Economic Committee.~~

~~_____ (f) No obligation shall exist to recommend an annual expenditure from this category. Projects should only be recommended for funding if they substantially meet the general guidelines and can demonstrate a direct impact on economic development of the community. Some or all of the funds may be carried over in any year for larger allocations in a later year.~~

~~_____ (g) The cost of administering the Economic Development Strategic Investment program shall be paid with video lottery funds from the economic development strategic investment category.~~

(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)

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COMPUTER AND ~~COMMUNICATION~~ INFORMATION TECHNOLOGY RESOURCES

4.200 Purpose.

The purpose of this policy is to provide guidance to the departments and employees in the prudent use and management of ~~the computer resources,~~ communication ~~resources,~~ and information technology **resources** of Lane County. *(Revised by Order No. 01-3-14-4; Effective 3.14.01; 05-11-2-1, 11.2.05)*

4.220 Policy.

~~Computer resources, e~~Communication ~~resources,~~ and information technology **resources** are provided and ~~shall will~~ be used in the furtherance of County business. The County Administrator ~~shall will~~ adopt administrative procedures implementing this policy, including sanctions for policy violation. ~~These Such~~ procedures may include **requirements governing** minor and incidental personal use, which for the limited purpose of compliance with the state ethics rules is considered part of the compensation package for County officers and employees. The County Administrator is **further** authorized to establish a monthly stipend in lieu of an assigned communication device. *(Revised by Order No. 01-3-14-4, Effective 3.14.01; 05-11-2-1, 11.2.05)*

FIREWISE INCENTIVES PROGRAM

4.300 Purpose.

The purpose of this voluntary program is to institute specific incentives, including building permit fee waivers and grant funding opportunities, for targeted residential construction and landscaping improvements that qualify under Title III **of the Secure Rural Schools Act as last amended.** ~~, Section 601 of Public Law 110-343 — The Emergency Economic Stabilization Act of 2008.~~ These provisions establish and define allowable incentives, and the authority of ~~e~~County staff to conduct fire safety property assessments to determine program eligibility and to confirm that requirements of the program have been satisfied. Participation in this program shall be voluntary. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.305 Financial Incentives.

In an effort to reduce the catastrophic loss of life, property and natural resources from a wildland urban interface disaster Lane County promotes home design, construction, landscaping and maintenance activities that follow the national Firewise Communities program guidelines. To this end, the following incentives are available to qualifying ~~county~~ homeowners within Lane County ~~and but~~ outside ~~of~~ the Urban Growth Boundary of an incorporated city, to the extent consistent with LM 4.310:

(1)~~—~~ Building Permit Fee Waivers. Building permit fees may be waived for property owners and supplanted with Title III funds for those qualifying improvements listed under LM 4.305(2) that are made to lawfully established dwellings and that meet applicable standards found in the 2009 International Urban-Wildland Interface Code. These waivers shall cover 100% of building permit fees, when permits are required for said improvements, up to a maximum amount of \$2,500. However, no more than 20% of the total annual Title III incentive funding available each fiscal year shall be applied towards fee waivers. Fees for planning actions, septic permits, and other approvals separate from the building permit are not covered by this waiver. The ~~e~~County may require a deposit for these permits not to exceed the lesser of either 25% of the permit fee, or \$1,000. The purpose of such deposits is to ensure that applicants bring projects to a satisfactory conclusion while their eligible funds are being held in abeyance from other projects. If a project is not completed in a timely manner this deposit will be retained only to the extent necessary to compensate Lane County for costs incurred in review of the project. Deposits will be

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refunded in full upon the completion of all work required on the project, if done within 1 year of eligibility being determined and approved.

(2) Building Improvement Incentives. Financial incentives to pay licensed contractors and landscapers are available to eligible County homeowners who satisfactorily complete the following types of building improvements:

Improvement	Available Financial Incentive
(a) Roof Covering (Shake to approved Class A non-combustible roof covering or Class B roof assembly).	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(b) Noncombustible Exterior Siding	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(c) Fire Resistant Glazing for Windows, Skylights and Other Exterior Glass Applications.	80% of construction cost up to \$1,500 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(d) Exterior Doors.	80% of construction cost up to \$300 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(e) Spark Arrestor Installation.	\$100
(f) Vent Protection.	\$100

Improvement	Available Financial Incentive
(a) Roof Covering (Shake to approved Class A non-combustible roof covering or Class B roof assembly).	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(b) Noncombustible Exterior Siding	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(c) Fire Resistant Glazing for Windows, Skylights and Other Exterior Glass Applications.	80% of construction cost up to \$1,500 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(d) Exterior Doors.	80% of construction cost up to \$300 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(e) Spark Arrestor Installation.	\$100
(f) Vent Protection.	\$100

(3)
 Lan
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 Improve
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 Financial
 incentives
 to complete
 the
 following
 types of
 landscap
 ing improve
 ments are
 available as
 follows:

Improvement	Available Financial Incentive
(a) Defensible Space Development.	\$500 (base) and up to \$2,000 when warranted by specific site conditions.
(b) Driveway Access.	\$200 when warranted by site conditions and performed in conjunction with (3)(a), above.
(c) Fire Resistant Plants & Hardscaping.	\$300, maximum, in conjunction with (3)(a), above.

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(d) Defensible Space Irrigation System.	25% of installation and system costs up to \$500, in conjunction with (3)(a), above.
(e) Water-Catchment Storage Tanks Supplying Water to a Defensible Space Irrigation System (maximum individual tank size not to exceed 5,000 gallons).	80% of installation and equipment costs up to \$2,500 when performed in conjunction with (3)(a) and (3)(d), above.

Improvement	Available Financial Incentive
(a) Defensible Space Development.	\$500 (base) and up to \$2,000 when warranted by specific site conditions.
(b) Driveway Access.—	\$200 when warranted by site conditions and performed in conjunction with (3)(a), above.
(c) Fire Resistant Plants & Hardscaping.	\$300, maximum, in conjunction with (3)(a), above.—
(d) Defensible Space Irrigation System.	25% of installation and system costs up to \$500, in conjunction with (3)(a), above.
(e) Water Catchment Storage Tanks Supplying Water to a Defensible Space Irrigation System (maximum individual tank size not to exceed 5,000 gallons).	80% of installation and equipment costs up to \$2,500 when performed in conjunction with (3)(a) and (3)(d), above.

(4) Applicants pursuing their authorized agent and submitted to the Land Management Division prior to the start of any project where county Firewise Incentive Program funds will

be sought.

(5) No person, entity, or affiliation shall be eligible for Firewise financial incentives for more than 2 residences annually. *(Revised by Order No. 09-3-31-4, 4.15.09; Revised by Order No. 10-3-17-8, 3.17.10)*

4.310 Eligibility Determinations.

The **Land Management Division (LMD)** Manager shall inspect properties to determine eligibility for the incentives provided for in LM 4.305(1) - (3) under the authority provided in LM 4.320. These determinations will be based upon a review of significant risk factors including, but not limited to slope, aspect, surrounding vegetative fuel type, property access, and roof composition. The Manager shall also make inspection to determine that all conditions of program participation have been satisfactorily completed. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.315 Appeals.

In accordance with LM 4.310, the LMD Manager shall determine program eligibility and determine when program requirements have been satisfied. Any adverse determination may be appealed by the homeowner, as provided herein.

(1) Public Works Director Review. Homeowner applicants may appeal any adverse determination to the Public Works Director. The appeal shall be in writing, in substantially the form required by the Department, be submitted within 14 **calendar** days of the action complained of, and must include all information necessary to fully complete the form. The Land Management Division shall charge a fee of \$100 as cost for the appeal, but said fee shall be refunded to the applicant in the event that

the appeal is upheld. Within 60 days from the date that an appeal is filed, the Public Works Director shall review the appeal and provide written notification of his or her final decision to the applicant.

(2) Board Review. In the event that the applicant is not satisfied with the decision of the Public Works Director, further appeal may be made to the Board of Commissioners as follows:

(a) Requests for Board consideration must be submitted to Land Management Division on a form provided by the Division not later ~~then~~ **than** 14 **calendar** days from the date of the decision of the Public Works Director.

(b) Within 60 **calendar** days of receiving a request for Board consideration the Board shall determine if they will elect to review the appeal. The decision to review or not to review shall be within the discretion of the Board. In determining whether or not to review the appeal the Board shall use the decision criteria provided for in Lane Code 14.600-(3)(a) - (d) with the following exceptions:

(i) The term 'Planning Director' shall mean the LMD Manager.

(ii) The term 'Hearings Official' shall mean the Public Works Director.

(c) The Land Management Division shall charge a fee of \$250, all of which shall be refunded if the applicant prevails.

(d) The conduct of Board's review shall be performed substantially as provided for in Lane Code 14.400(7)-(10) with the following exceptions:

(i) The term 'Approval Authority' shall mean the Lane County Board of County Commissioners.

(ii) The term 'previous Approval Authority' shall mean the Lane County Public Works Director.

(iii) The term 'Director' shall mean the LMD Manager.

(iv) Lane Code 14.400(9)(b) shall not be applicable.

(e) All decisions made by the Board of Commissioners pursuant to LM 4.315(2) shall be final. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.320 Authority to Access Properties.

Only when requested by an interested property owners will the Public Works Director **or designee** be authorized to make entry upon properties for the purposes of evaluating the exterior of residential structures and surrounding landscaping to assess the potential threat of wildfire to those properties, to determine potential eligibility for funding pursuant to LM 4.310, and to inspect and certify that requirements of the Lane County Firewise Incentive Program have been satisfactorily completed. Except where there is a substantial danger to health or safety, information collected from these site visits shall not be admissible in any Lane County code enforcement proceeding, nor may it form the basis of any subsequent investigation thereof. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.325 Conflicts of Interest.

No County personnel shall evaluate their own property or the property of a relative for eligibility under this program. "Relative" means: spouse, domestic partner, grandparent, step grandparent, grandchild, parent, stepparent, child, brother, sister, step sibling, aunt, uncle, niece, nephew or first cousin. *(Revised by Order No. 09-3-31-4, 4.15.09)*

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Chapter 4

MANAGEMENT POLICIES

FINANCIAL AND BUDGET MANAGEMENT

4.005 Purpose.

The purpose of these policies is to provide guidance to the departments in the prudent management of the financial affairs of Lane County to meet the goal of maintaining financial stability. The following financial and budget policies are adopted in support of the County's Strategic Plan, to ensure stability in service delivery and promote the efficient use of public funds. *(Revised by Order No. 84-12-19-9; Effective 12.19.84; 06-5-31-1, 5.31.06)*

4.010 Policies.

Departments will use the following policies in administering their budgets, developing long-range goals and plans, and dealing with the public and other governments.

(1) Budget and Management Policies:

(a) The County's annual budget will be structurally balanced throughout the fiscal year with recurring expenditures at or below the level of recurring revenues. If structural imbalance occurs in any Fund, a plan will be developed and implemented to restore structural balance.

(b) The County budget will provide for an appropriate balance between operating and equipment/capital portions of the budget to ensure that equipment and facility maintenance and replacement are adequately funded and are appropriate when compared to service levels.

(c) Long-range financial plans, including financial forecasts of revenues and expenditure estimates will be completed for all operating funds to ensure financial and service stability.

(d) Allocation of funds from discretionary general fund revenue will be re-established annually, after considering other revenue sources available to fund services, the level and appropriateness of expenditures, and the consideration of all mandated and critical County services.

(e) Financial reports detailing budget expenditure status and relevant economic and financial information will be presented to the Board of Commissioners no less than bi-annually.

(f) The County will prepare and publish its Adopted Budget document in accordance with local budget law and with the goal of obtaining the Distinguished Budget Presentation Award issued by the Governmental Finance Officers Association.

(g) The County will prepare and publish a Comprehensive Annual Financial Report in accordance with state law, the principles of the Governmental Accounting Standards Board, and the Generally Accepted Accounting Principles, with the goal of obtaining the Certificate of Achievement in Excellence in Financial Reporting issued by the Government Finance Officers Association.

(h) The County will manage its separate funds in a manner that insures that one fund does not improperly subsidize another fund.

(2) Revenue Policies:

(a) One-time revenues will be used for one-time expenditures or projects and will not be used for recurring operating purposes unless specifically approved by the Board of Commissioners through the budget process.

(b) Prior to initiation of new projects, services, grants, or capital improvement projects, financial impact analyses will be completed and considered. The analysis will identify the short term and long-range effects of new initiation on the County, including any commitment for additional County resources.

(c) The County will strive to diversify revenues and to develop sustainable revenue sources in order to maintain services during economic downturns and/or fluctuations of any existing revenue source.

(d) Charges for service will be reviewed annually and set by the Board of Commissioners upon recommendation from the County's Finance & Audit Committee. Analysis will take into account beneficiaries of the service, amounts charged by other agencies for similar services, the actual direct and indirect cost of providing the services, and statutory limits. Generally fees will be set to recover the cost of providing the service.

(e) The County may sell or lease services that were developed to meet a County need, but the sale or lease will be secondary to the original purpose for developing the service.

(3) Expenditure Control Cost Recovery Policies:

(a) Personnel expenditure budgeting will take into account anticipated vacancy rates.

(b) Contracting for services provided by outside agencies or vendors will be considered when contracting out is both cost effective and consistent with County employee policies.

(c) Intergovernmental agreements to provide, receive, or cooperate in the provision of service delivery will be encouraged wherever services can be more effectively provided on a collective basis. Billing for services provided to user agencies will be sufficient to fully recover costs of operation, including depreciation of equipment, direct and indirect costs.

(d) Department expenditures may not exceed appropriations, and expenditure of discretionary general fund may not exceed the amount allocated to the department.

(e) Fees and charges for internal service funds will be set at a cost recovery level. For replacement reserves, the charges will be established at a level to fund the replacement over the expected useful life of the equipment. Internal service charges will be reviewed annually for appropriateness.

(f) The County will charge the allowable indirect cost allocation to all departments and funds in the most equitable manner possible and will recover the allowable indirect cost allocation from all grants, contracts and intergovernmental agreements. Exceptions will be made only upon Board approval. Indirect cost revenues, except for depreciation and use allowance revenues, are to be received into the General Fund to pay for the cost of central services provided. Depreciation and use revenues are to be received into the Capital Improvement Fund and assigned to general capital improvement projects as approved by the Board.

(g) All grant, contract, and other service generated revenues (e.g. fees, reimbursements) are considered fully expended prior to expending other County funds unless otherwise directed by specific grant or contract requirements.

(h) Any services or programs that are largely or wholly supported by time-limited grant or contract funds will be considered to automatically sunset at the expiration of the grantor contract.

(i) General funds will not be moved to another fund for future carryover, except for approved equipment replacement payments as set by budget direction during the annual budget process or in a supplemental budget transfer appropriation.

(4) Reserve Policies:

(a) General Fund. Lane County will establish and strive to maintain a minimum 20% reserve of anticipated operating revenues, to ensure adequate cash flow, a strong standing with bond rating agencies, and protection of service levels to the community in the event of unforeseen events, revenue volatility, or economic downturns. This reserve is in addition to contingency amounts. The reserve will have two components:

(i) Emergency Reserve.

(1) Purpose. The first 17% of the reserve will be designated an emergency reserve and will be maintained to ensure adequate cash flow and a strong bond rating.

(2) Conditions for Use. The emergency reserve will be available for appropriation ordered by the Board for expenditure necessary to respond to a threat of public health or safety that involves one or more of the following: a severe revenue shortage threatening critical services; an involuntary conversion or destruction of Lane County property, a civil disturbance, a natural disaster, or other public calamity.

(ii) Service Stabilization Reserve.

(1) Purpose. The additional reserve beyond the emergency reserve amount will be designated a service stabilization reserve, which will provide the potential to achieve or maintain a very strong bond rating.

(2) Funding. Priority will be given to fund this component of the reserve when the County receives one-time discretionary general fund revenue or excess year-end lapse funds resulting from lower-than-budgeted expenditures.

(3) Conditions for Use. The reserve will be available for appropriation to reduce the impact of revenue fluctuations and drops in revenue growth due to economic downturns when continuation of existing service levels to the community are threatened. The following trends will guide the use of the service stabilization reserve.

(A) Overall General Fund operating revenue growth below 2.5% annually;

(B) Current Year Property Tax revenue growth below 2.5% annually;

(C) Local housing prices more than 10% below any time in prior 24 months;

(D) The Year-over-year Eugene/Springfield MSA unemployment rate more than two percentage points higher than any time in the prior 12 months, or an overall unemployment rate in excess of 7%.

(iii) Replacement of Reserve. In the event the total reserve falls below the 20% minimum amount, replenishment will begin as soon as feasible, preferably within the fiscal year following use, with full replenishment occurring within five fiscal years.

(iv) Additional Reserves. In the event the total reserve exceeds 25% of operating revenues, within a specific Board of Commissioner plan to do so, the Budget Officer will provide recommendation to the Board on the reserve. If a recommendation for expenditure is presented, priority will be given to one-time expenditures that result in future operating cost reductions or prepayment of debt obligations.

(b) Road Fund. Lane County will establish and strive to maintain a minimum 40% reserve based of anticipated operating revenues, to ensure adequate cash flow, protection of service levels to the community in the event of unforeseen events, revenue volatility or economic downturns and maintain Road Fund assets. This reserve is in addition to contingency amounts. The reserve will have three components:

(i) Emergency Reserve.

(1) Purpose. The first 17% of the reserve will be designated an emergency reserve and will be maintained to ensure cash flow.

(2) Conditions for Use. The emergency reserve will be available for appropriations ordered by the Board for expenditures necessary to respond to a threat to public health or safety that involves one or more of the following: a severe revenue shortage threatening critical services, an involuntary conversion or destruction of Lane County Road Fund assets, or an unexpected asset failure.

(ii) Catastrophic Reserve.

(1) Purpose. The next 15% of the reserve will be designated as a catastrophic road fund reserve. It will provide the ability to prepare and complete repairs to a road fund asset failure due to an extreme event.

(2) Conditions for Use. The catastrophic reserve will be available for appropriations ordered by the Board for expenditures necessary to respond to a Lane County Road Fund asset failure that involves one or more of the following: an involuntary conversion or destruction of Road Fund assets, a civil disturbance, a natural disaster, or other public calamity.

(iii) Service and Asset Stabilization Reserve.

(1) Purpose. The additional reserve beyond the emergency and catastrophic reserves will be designated as a service and asset stabilization reserve.

(2) Funding. Priority will be given to fund this component of the reserve when the County receives one-time discretionary road fund revenue or excess year-end funds resulting from lower-than-budgeted expenditures within road fund budgets.

(3) Use.

(A) The reserve will be available for appropriation to reduce the impact of revenue fluctuations and drops in revenue growth due to economic downturns when continuation of existing service levels to the community is threatened.

(B) The reserve will be available for appropriation to provide resources for a Lane County Road Fund asset capital improvement, preservation or construction.

(C) The following trends will guide the use of the service and asset stabilization reserve:

(a-a) Overall Road Fund operating revenue growth below 2.5% annually;

(b-b) State Highway Allocation revenue growth below 2.5% annually;

(c-c) Local housing prices more than 10% below any time in the prior 24 months;

(d-d) The Year-over-year Eugene/Springfield MSA unemployment rate more than two percentage points higher than any time in the prior 12 months, or an overall unemployment rate in excess of 7%.

(4) Replenishment of Reserves. In the event the total reserve falls below the 40% minimum amount, replenishment will begin as soon as feasible, preferably within the fiscal year following use and not later than within five years.

(5) Additional Reserves. In the event the total reserve exceeds 45% of operating revenues, without a specific Board of Commissioners plan to do so, the Budget Officer will provide recommendation to the Board on the reserve. If a recommendation for expenditure is presented, priority will be given to one-time expenditures that result in future operating cost reductions or preservation of road fund assets.

(c) Other Funds

(i) Debt Service Funds and other Funds used to process pass through payments to other entities are excluded from reserve requirements.

(ii) For all other Funds, reserve levels will be established specific to the funding source, service type and assets owned. The recommended level will be verified and reviewed for adequacy through the annual budget process.

(5) Governmental Fund Balance Policies:

To enhance the usefulness and consistency of governmental fund balance information, the following terms will be used to classify governmental fund balances:

(a) Non-spendable. Includes constrained amounts that cannot be spent such as inventories, prepaid expenditures, long-term loans and notes receivable, permanent contributions, and property held for resale.

(b) Restricted. Includes constrained amounts whose restrictions are either 1) externally imposed by creditors, grantors, contributors, or laws/regulations, or 2) internally imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or mandate payment of resources from outside the government, and includes a legally enforceable requirement that those resources be used only for specific purposes. All Lane County Board Ordinances/Resolutions and legislation in the Lane County Home Rule Charter and the Lane Code are considered enabling legislation. Legally enforceable means Lane County can be compelled by those outside the government to use those resources for the purposes specified in the legislation.

(c) Committed. Includes constrained amounts that can be used only for specific purposes imposed by the Lane County Board of Commissioners. Commitments can only be reversed by taking the same action employed to commit the amounts (e.g., board order). The difference between Restricted and Committed is that committed resources can be redeployed for other purposes with appropriate due process. Compliance with the commitment is not legally enforceable by those outside the government. All Lane County Board Orders and legislation in the Lane Manual are considered Committed.

(d) Assigned. Includes amounts constrained by the intent that they be used for specific purposes. Intent can be expressed by either the Lane County Board of Commissioners, Lane County advisory committees or officials the Board of County Commissioners has delegated authority to. All Budget Committee and Finance & Audit Committee decisions and policies in the Administrative Procedures Manual are considered Assigned.

(e) Unassigned. Defined as the residual fund balance that is not non-spendable, restricted, committed, or assigned. *(Revised by Order No. 02-1-30-1; Effective 1.30.02; 06-5-31-1, 5.31.06; 10-7-7-5; 7.7.2010; 13-03-12-02, 3.12.13)*

4.012 Administration Authority

The County Administrator is delegated the authority to develop and maintain Administrative Procedures in accordance with LM 2.095 and to implement adopted policies of the Board, in the areas of financial and budget management and administration, and the authority to approve cash accounts and funds. *(Revised by Order No. 06-12-13-6, Effective 12.13.06)*

INVESTMENT POLICIES

4.015 Purpose.

The purpose of these policies is to provide direction to the Director of Operations or delegated County Treasurer in the investment of surplus cash in all funds, including moneys held in a fiduciary capacity. *(Revised by Order No. 94-6-28-7, Effective 6.28.94; 04-12-8-4, 12.8.04)*

4.020 Policies.

The following are the policies to be used by the Director of Operations or delegated County Treasurer in administering the investment program.

(1) Investment practices shall be in accord with all applicable state and federal statutes and regulations. Investments shall be made in accordance with such statutes and regulations, including but not limited to Oregon law governing County financial administration and depositories of public funds and securities, as applicable.

(2) Maturity of such investments will be made to coincide as nearly as practical with the expected use of the funds and may not exceed three (3) years or statutory requirements, unless matched to a specific cash flow and approved by the Board of Commissioners.

(3) Investment of County funds shall be made only upon the authorization of the Director of Operations, delegated County Treasurer, or designee.

(4) Other Lane County officials receiving money in their official capacity must deposit such funds with the Director of Operations or delegated County Treasurer, or at the discretion of the Director or Treasurer, in checking/negotiable order of withdrawal accounts.

(5) All investments shall be placed to ensure a competitive rate of return and be consistent with considerations of safety, liquidity and yield.

(6) The County Administrator is delegated the authority and responsibility to develop and maintain Administrative Procedures to implement these policies.

(7) LM 4.020 shall be adopted not less than annually by the Board of Commissioners. *(Revised by Order No. 04-12-08-04, 12.8.04; Readopted without changes by Order No. 02-05-15-08, 5.15.02; 06-02-15-03, 2.15.06; 07-02-21-04, 2.21.07; 08-02-06-05, 2.6.08; 09-01-28-10, 1.28.09; 10-02-24-01, 2.24.10; 11-03-15-09, 3.15.11; 12-03-14-06, 3.14.12; 13-03-12-01, 3.12.13; 14-04-15-01, 04.15.14)*

DEBT POLICIES

4.025 Purpose.

The purpose of these policies is to provide direction to the Director of Operations or delegated County Treasurer in the issuance and management of the County's borrowing and capital financing activities. *(Revised by Order No. 06-9-13-9, Effective 9.13.06)*

4.030 Policies.

The following are the policies to be used by the Director of Operations or delegated County Treasurer in administering the issuance of debt.

(1) Debt management practices shall be in accord with all applicable state and federal statutes and regulations. Debt shall be issued in accordance with such statutes and regulations, including but not limited to, Oregon law governing local government borrowing and Oregon facilities financing as applicable.

(2) Debt shall be issued in a manner that minimizes the County's debt service and issuance costs while maintaining the highest practical credit rating.

(3) Repayment schedules for debt retirement for capital projects shall not exceed the useful life of the asset acquired through the debt issuance.

(4) Bonds and long-term debt obligations shall be issued only upon the authorization of the Board of County Commissioners. *(Revised by Order No. 06-9-13-9, Effective 9.13.06; 06-12-13-6, 12.13.06)*

INTERFUND LOAN POLICIES**4.035 Purpose.**

The purpose of these policies is to outline the requirements and responsibilities of departments regarding the use of interfund loans as a short-term financing resource to address cash flow needs in County operations or capital financing plans. *(Revised by Order No. 04-4-28-16; Effective 4.28.06)*

4.040 Policies.

The following are the policies to be used by departments entering into interfund loan transactions:

(1) Interfund loans are a tool employed by the County to assist funds and programs experiencing short-term, transitory cash imbalances created in the conduct of activities approved by the Board of County Commissioners.

(2) Interfund loan requests must be reviewed and approved by the County's Finance and Audit Committee prior to taking a request for authorization to the Board of County Commissioners.

(3) Interfund loans must be authorized by an order of the Board of County Commissioners, which shall state the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose for which the loan is made and the principal amount of the loan, along with a schedule for repayment of principal and interest, or a statement that interest is not applicable to the loan.

(4) Interfund loans must be made in compliance with all other statutory requirements and limitations of Oregon law governing County financial administration. The County and Municipal Financial Administration provisions of Oregon law are included in LM 4.040(5) and (6) below.

(5) Interfund loans are to be characterized as either "operating" or "capital" and shall meet the following additional requirements, consistent with their character:

(a) An "Operating Interfund Loan" is defined as a loan made for the purpose of paying operating expenses. An operating interfund loan:

(i) Shall be budgeted and repaid no later than the end of the fiscal year subsequent to the period in which the loan was made;

(ii) If not repaid in the same fiscal year in which it is made, the full repayment of the loan shall be appropriated as a budget requirement in the subsequent fiscal year; and

(iii) Is required to be assessed interest, unless otherwise stated in the adopting order.

(1) If interest is assessed, the rate of interest will be equivalent to the actual earnings rate in the Lane County Investment Pool, unless otherwise stated in the adopting order.

(2) If interest is assessed, such interest will be computed as simple interest on the outstanding balance from the date of the loan to the date of repayment or partial repayment, unless otherwise stated in the adopting order.

(b) A “Capital Interfund Loan” is defined as a loan made for the purpose of financing the design, acquisition, construction, installation, or improvement of real or personal property and not for the purpose of paying operating expenses. A capital interfund loan:

- (i) Shall not exceed 120 months in duration;
- (ii) Shall set forth in the adopting order a schedule under which the principal amount of the loan, together with interest thereon at the rate provided for pursuant to LM 4.040(5)(b)(iii) below, are to be budgeted and repaid to the lending fund;
- (iii) Shall be assessed interest at a rate that is equivalent to the actual earnings rate in the Lane County Investment Pool, unless otherwise stated in the adopting order; and
- (iv) Shall accrue interest computed as simple interest on the outstanding balance from the date of the loan to the date of repayment or partial repayment, unless otherwise stated in the adopting order.

(6) Loans shall not be made from the following funds or restricted resources:

(a) From debt service reserve funds to the extent that the amount of the loan exceeds the amount required to be held in the reserve fund by covenant with the holders of the bonds or other obligations;

(b) From debt service funds; nor

(c) From monies restricted to specific uses under constitutional provisions, unless the purpose of the loan is an allowed use under constitutional provisions.

(7) In addition to the statutory requirements and limitations of Oregon law governing County financial administration, listed in LM 4.040(5) and (6) above, the following additional policies and provisions shall apply to all County interfund loans:

(a) Interfund loans shall not be made from funds otherwise restricted by law, bond covenants, grantor requirements, Board order or ordinance for specific uses, unless the purpose of the loan is an allowed use under those restrictions or the restricting entity approves the loan transaction.

(b) Interfund loans are not to be used to fund on-going operating activities other than those approved by the Board of County Commissioners in a formal budget action.

(c) Interfund loans are not to be used to balance the on-going operating budget of the borrowing fund due to a shortage of spending authorization.

(d) Interfund loans will be granted only after it has been demonstrated that reasonable consideration was given to other potential resources available to the fund and when the loan is required to meet a pressing need or to take advantage of a special opportunity.

(e) Interfund loans made to General Fund departments or programs shall not obligate unrestricted General Fund general revenue sources for future loan repayments beyond the current fiscal year.

(f) Interfund loans may be made only if there is a likely expectation that the fund receiving the loan will have the ability to repay it. In other cases, the use of an interfund transfer should be considered for appropriateness.

(g) Consideration shall be given to the adequacy of resources in the lending fund, and in no case shall an interfund loan be made when the consequence of that loan would be to deter or otherwise interfere with any function or project for which the fund was established.

(h) Interfund loans may be repaid in advance without any additional accrual of interest (if applicable) or any other penalties.

(8) No County fund shall carry a deficit cash balance for more than six months during any 12-month period without the written authorization of the County Administrator. Lacking that authorization, the fund managers shall be required to proceed with initiating an interfund loan authorization discussion with the Finance and Audit Committee and request to the Board of County Commissioners

(9) At no time shall a County fund carry a deficit fund balance at fiscal year end. *(Revised by Order No. 04-4-28-16; Effective 4.28.16)*

ROAD FUND REAL PROPERTY ASSETS PURCHASED WITH STATE GAS TAX REVENUES PRIOR TO 1980

4.050 Purpose.

The purpose of these provisions is to address the appropriate use of real property assets originally acquired with State Gas Tax Revenues prior to 1980. At that time, the Road Fund was comprised primarily of Gas Tax Revenues, governed by Oregon Constitution, Article IX, Section 3, which could be used generally only for roads, police and parks; and Federal Forest Receipts, governed by the 16 USC Section 500, which could be used generally only for roads. Article IX, Section 3a was adopted by the voters on May 20, 1980, amending Section 3 by limiting the permissible use of Gas Tax Revenues to roads and highways, and deleting police and parks as permissible uses. The amendment was prospective only. It is presumed that the Federal Forest Receipts have been lawfully expended for roads; the appropriate use of these revenues has not changed and they are therefore not addressed by the policies below. The policies below are based on advice of counsel presented to the Board at the time of their adoption. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.055 Use.

- (1) Property purchased prior to 1980 and used for either parks or policing can continue to be used for that purpose.
- (2) If it can be established that the property was purchased only with Gas Tax Revenues, property purchased prior to 1980 and used for roads can be used for parks or policing. The costs of conversion to such use or of making improvements is addressed below.
- (3) Property purchased prior to 1980 and used for roads, parks or policing can be used for other purposes only if:
 - (a) Fair market rent is paid to the Road Fund, and
 - (b) There is a reasonable and identified expectation that the property will be needed for roads, parks or police purposes in the future such that the other use is not regarded as permanent. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.060 Maintenance.

- (1) Current and on-going maintenance and utility costs shall be paid by users in proportion to the actual use of the service to the extent determinable. If not readily determinable, costs shall be shared and paid for by the users on the basis of the percentage square foot use of the property.
- (2) Police and parks (or any other user not currently eligible to be funded with Gas Tax Revenues) shall pay their share from a source other than Gas Tax Revenues. Road Fund eligible users shall pay their share with Road Fund revenues.
- (3) The Public Works Department shall be responsible for maintenance of and accounting for all property purchased with Gas Tax Revenues or other Road Fund revenues if the property is used in part or in whole for road or road-related uses.
- (4) Property purchased with pre-1980 Gas Tax Revenues and devoted exclusively to either parks or policing shall be maintained by and accounted for by the user. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.065 Improvements.

- (1) Improvements can be made to pre-1980 acquired property currently used for road purposes and can be paid for with Road Funds.
- (2) Improvements can be made to pre-1980 acquired property currently used for mixed road purposes and non-Road Fund eligible (parks, policing and other) purposes, and be paid for with Road Funds, if and only if the non-Road Fund eligible user pays to the Road Fund fair market rent for its proportionate share of the improvement.

(3) Improvements may be made to pre-1980 acquired property currently used exclusively for parks or policing and paid for with Road Funds, only if:

- (a) The parks or police user pays fair market rent to the Road Fund for the improvement, and
- (b) There is a reasonable and identified expectation that the property will be needed for roads in the future such that the other non-Road Fund use is not regarded as permanent.

(4) If improvements are made to pre-1980 acquired property and are paid for with funds other than Road Funds in either of the two circumstances listed immediately above, there would be no need to pay fair market rent to the Road Fund for the improvement. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

4.070 Sale.

(1) The sale proceeds of a real property asset acquired prior to 1980 which has been used exclusively for roads shall be deposited in the Road Fund.

(2) The sale proceeds of a real property asset acquired prior to 1980 which has not been improved with any post-1980 Road Funds, and which has been used exclusively for either parks or policing, shall be deposited in a fund which supports that use (parks or policing), and shall be used exclusively for the same purpose as the real property was used.

(3) Upon the sale of a real property asset acquired prior to 1980 which has been improved with post-1980 Funds (of any source) and which has been used for mixed purposes (roads, parks, policing or other purposes) the proceeds shall be distributed in a fair and equitable manner, taking into account the source of funds for acquisition and improvement, depreciation, rents paid, and usage over the period of County ownership. *(Revised by Order No. 98-7-29-18; Effective 7.29.98)*

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose.

The Video Lottery Allocation Policy reaffirms that video lottery receipts must be applied to programs and activities which support economic development in Lane County. Video lottery revenue is received from the State of Oregon as a transfer from the Oregon State Lottery Fund. The Oregon State Lottery Fund is governed by the Oregon Constitution, Article XV Section 4 and further defined by Oregon Revised Statutes.

This policy defines economic development activities for Lane County and provides guidance for strategic allocation of video lottery funds to economic development programs and activities. This policy reaffirmation is the basis for all video lottery allocation decisions for the benefit of Lane County citizens, and is meant to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others directly involved in economic development activities that meet one or more of the economic development objectives or categories listed in paragraph 4.105 below. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

4.105 Definition of Economic Development.

Economic development is defined as a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community. Ideally, economic development will create and retain jobs, enhance employment opportunities, increase family wage income, and provide a stable tax base. Creation of new high-paying jobs and improvement of workers' wages are the principal outcomes anticipated from this economic development policy. Other outcomes may also include community development investments in infrastructure, commercial and business parks, public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following:

(1) **Business Development.** Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses.

(2) **Workforce Development.** Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

4.110 Allocation.

After establishing appropriate reserve levels pursuant to the County's reserve policies, the Board of Commissioners will annually allocate the revenues derived from the State's video lottery distribution to counties for economic development between two economic development categories through the annual budget process as follows:

(1) Category 1 - General Economic Development. The Board will strive to allocate no more than fifty percent (50%) of the County's annual receipts to this category. The purpose of the General Economic Development allocation is to pay for ongoing County programs and services which meet the adopted definition of economic development. Guidelines for determining eligibility for this category are:

- (a) The cost of administering the County's Economic Development program.
- (b) Participation in forums for exchanging ideas and addressing the economic development needs of the County.
- (d) Contracting with other agencies for the purpose of community/county promotion, marketing/recruitment, and other economic development support services, the sole purpose of which is to build capacity over time and increase and/or stabilize the economy of the County and its residents.

(e) County programs or any contract(s) with other agencies to provide economic development support services to the County and/or communities within the county.

(2) Category 2 - Economic Development Strategic Investment. The Board will strive to allocate no less than fifty percent (50%) of the County's annual receipts from video lottery revenue to the Economic Development Strategic Investment category. The purpose of this category is to assist communities to pro-actively leverage video lottery dollars through public-private partnerships that will make a measurable difference in the economic growth and stability of Lane County. General guidelines for allocation from this category are:

(a) Any activity or project supported must demonstrably and directly increase the chance of making a measurable difference to the economy of Lane County and its residents.

(b) Projects are expected to have some financial support other than video lottery money.

(c) Projects or facilities identified in a recognized capital improvement plan (e.g., the County, communities within the county or economic development organization's capital improvement plan) will receive priority consideration.

(d) Projects that require multi-year commitments may be funded and some or all of the funds for this category may be carried forward for future allocation. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

COMPUTER AND INFORMATION TECHNOLOGY RESOURCES

4.200 Purpose.

The purpose of this policy is to provide guidance to the departments and employees in the prudent use and management of communication and information technology resources of Lane County. *(Revised by Order No. 01-3-14-4; Effective 3.14.01; 05-11-2-1, 11.2.05)*

4.220 Policy.

Communication and information technology resources are provided and will be used in the furtherance of County business. The County Administrator will adopt administrative procedures implementing this policy, including sanctions for policy violation. Such procedures may include requirements governing minor and incidental personal use, which for the limited purpose of compliance with the state ethics rules is considered part of the compensation package for County officers and employees. The County Administrator is further authorized to establish a monthly stipend in lieu of an assigned communication device. *(Revised by Order No. 01-3-14-4, Effective 3.14.01; 05-11-2-1, 11.2.05)*

FIREWISE INCENTIVES PROGRAM

4.300 Purpose.

The purpose of this voluntary program is to institute specific incentives, including building permit fee waivers and grant funding opportunities, for targeted residential construction and landscaping improvements that qualify under Title III of the Secure Rural Schools Act as last amended. These provisions establish and define allowable incentives, and the authority of County staff to conduct fire safety property assessments to determine program eligibility and to confirm that requirements of the program have been satisfied. Participation in this program shall be voluntary. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.305 Financial Incentives.

In an effort to reduce the catastrophic loss of life, property and natural resources from a wildland urban interface disaster Lane County promotes home design, construction, landscaping and maintenance activities that follow the national Firewise Communities program guidelines. To this end, the following incentives are available to qualifying homeowners within Lane County but outside the Urban Growth Boundary of an incorporated city, to the extent consistent with LM 4.310:

(1) **Building Permit Fee Waivers.** Building permit fees may be waived for property owners and supplanted with Title III funds for those qualifying improvements listed under LM 4.305(2) that are made to lawfully established dwellings and that meet applicable standards found in the 2009 International Urban-Wildland Interface Code. These waivers shall cover 100% of building permit fees, when permits are required for said improvements, up to a maximum amount of \$2,500. However, no more than 20% of the total annual Title III incentive funding available each fiscal year shall be applied towards fee waivers. Fees for planning actions, septic permits, and other approvals separate from the building permit are not covered by this waiver. The County may require a deposit for these permits not to exceed the lesser of either 25% of the permit fee, or \$1,000. The purpose of such deposits is to ensure that applicants bring projects to a satisfactory conclusion while their eligible funds are being held in abeyance from other projects. If a project is not completed in a timely manner this deposit will be retained only to the extent necessary to compensate Lane County for costs incurred in review of the project. Deposits will be refunded in full upon the completion of all work required on the project, if done within 1 year of eligibility being determined and approved.

(2) **Building Improvement Incentives.** Financial incentives to pay licensed contractors and landscapers are available to eligible County homeowners who satisfactorily complete the following types of building improvements:

Improvement	Available Financial Incentive
(a) Roof Covering (Shake to approved Class A non-combustible roof covering or Class B roof assembly).	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(b) Noncombustible Exterior Siding	80% of construction cost up to \$4,000 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(c) Fire Resistant Glazing for Windows, Skylights and Other Exterior Glass Applications.	80% of construction cost up to \$1,500 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(d) Exterior Doors.	80% of construction cost up to \$300 maximum, if a defensible space exists or is developed, consistent with (3)(a), below.
(e) Spark Arrestor Installation.	\$100
(f) Vent Protection.	\$100

(3) Landscaping Improvements. Financial incentives to complete the following types of landscaping improvements are available as follows:

Improvement	Available Financial Incentive
(a) Defensible Space Development.	\$500 (base) and up to \$2,000 when warranted by specific site conditions.
(b) Driveway Access.	\$200 when warranted by site conditions and performed in conjunction with (3)(a), above.
(c) Fire Resistant Plants & Hardscaping.	\$300, maximum, in conjunction with (3)(a), above.
(d) Defensible Space Irrigation System.	25% of installation and system costs up to \$500, in conjunction with (3)(a), above.
(e) Water-Catchment Storage Tanks Supplying Water to a Defensible Space Irrigation System (maximum individual tank size not to exceed 5,000 gallons).	80% of installation and equipment costs up to \$2,500 when performed in conjunction with (3)(a) and (3)(d), above.

(4) Applicants pursuing incentives provided for in LM 4.305(1) - (3) must address specific qualifying standards and criteria as the Public Works Director may reasonably require. These standards and criteria are set forth on the Lane County Firewise Incentives Grant Application form. This application must be completed by the applicant or his or her authorized agent and submitted to the Land Management Division prior to the start of any project where county Firewise Incentive Program funds will be sought.

(5) No person, entity, or affiliation shall be eligible for Firewise financial incentives for more than 2 residences annually. *(Revised by Order No. 09-3-31-4, 4.15.09; Revised by Order No. 10-3-17-8, 3.17.10)*

4.310 Eligibility Determinations.

The Land Management Division (LMD) Manager shall inspect properties to determine eligibility for the incentives provided for in LM 4.305(1) - (3) under the authority provided in LM 4.320. These determinations will be based upon a review of significant risk factors including, but not limited to slope, aspect, surrounding vegetative fuel type, property access, and roof composition. The Manager shall also make inspection to determine that all conditions of program participation have been satisfactorily completed. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.315 Appeals.

In accordance with LM 4.310, the LMD Manager shall determine program eligibility and determine when program requirements have been satisfied. Any adverse determination may be appealed by the homeowner, as provided herein.

(1) Public Works Director Review. Homeowner applicants may appeal any adverse determination to the Public Works Director. The appeal shall be in writing, in substantially the form required by the Department, be submitted within 14 calendar days of the action complained of, and must include all information necessary to fully complete the form. The Land Management Division shall charge a fee of \$100 as cost for the appeal, but said fee shall be refunded to the applicant in the event that the appeal is upheld. Within 60 days from the date that an appeal is filed, the Public Works Director shall review the appeal and provide written notification of his or her final decision to the applicant.

(2) Board Review. In the event that the applicant is not satisfied with the decision of the Public Works Director, further appeal may be made to the Board of Commissioners as follows:

(a) Requests for Board consideration must be submitted to Land Management Division on a form provided by the Division not later than 14 calendar days from the date of the decision of the Public Works Director.

(b) Within 60 calendar days of receiving a request for Board consideration the Board shall determine if they will elect to review the appeal. The decision to review or not to review shall be within the discretion of the Board. In determining whether or not to review the appeal the Board shall use the decision criteria provided for in Lane Code 14.600(3)(a) - (d) with the following exceptions:

(i) The term ‘Planning Director’ shall mean the LMD Manager.

(ii) The term ‘Hearings Official’ shall mean the Public Works Director.

(c) The Land Management Division shall charge a fee of \$250, all of which shall be refunded if the applicant prevails.

(d) The conduct of Board’s review shall be performed substantially as provided for in Lane Code 14.400(7) - (10) with the following exceptions:

(i) The term ‘Approval Authority’ shall mean the Lane County Board of County Commissioners.

(ii) The term ‘previous Approval Authority’ shall mean the Lane County Public Works Director.

(iii) The term ‘Director’ shall mean the LMD Manager.

(iv) Lane Code 14.400(9)(b) shall not be applicable.

(e) All decisions made by the Board of Commissioners pursuant to LM 4.315(2) shall be final. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.320 Authority to Access Properties.

Only when requested by an interested property owners will the Public Works Director or designee be authorized to make entry upon properties for the purposes of evaluating the exterior of residential structures and surrounding landscaping to assess the potential threat of wildfire to those properties, to determine potential eligibility for funding pursuant to LM 4.310, and to inspect and certify that requirements of the Lane County Firewise Incentive Program have been satisfactorily completed. Except where there is a substantial danger to health or safety, information collected from these site visits shall not be admissible in any Lane County code enforcement proceeding, nor may it form the basis of any subsequent investigation thereof. *(Revised by Order No. 09-3-31-4, 4.15.09)*

4.325 Conflicts of Interest.

No County personnel shall evaluate their own property or the property of a relative for eligibility under this program. “Relative” means: spouse, domestic partner, grandparent, step grandparent, grandchild, parent, stepparent, child, brother, sister, step sibling, aunt, uncle, niece, nephew or first cousin. *(Revised by Order No. 09-3-31-4, 4.15.09)*