



**Multnomah County
Auditor's Office**

2011 Financial Condition on Multnomah County

May 5, 2011 Board Presentation

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Introduction

- This is our 10th biennial review of the county's financial condition
- Data cover a ten-year period, from FY01-FY10
- The purpose of the report is to provide historical trends and prompt questions regarding the future of the county's financial condition
- The report is divided into six sections: County Revenues, County Spending, Financial Health, Revenue Base & the Economy, Demographics, and Recommendations

Presentation Summary

- Total operating revenues have been steadily increase, particularly intergovernmental revenues
- County spending per capita has decreased over the last ten years, in part due to an increase in service population
- Though the recession has hit the county population hard, the county has benefited from a history of sound, conservative financial decisions and policies, and has maintained a relatively positive financial condition
- Our recommendations highlight issue of concern with regard to internal service funds and long-term financial planning

Where do our revenues come from?

Total Operating Revenues

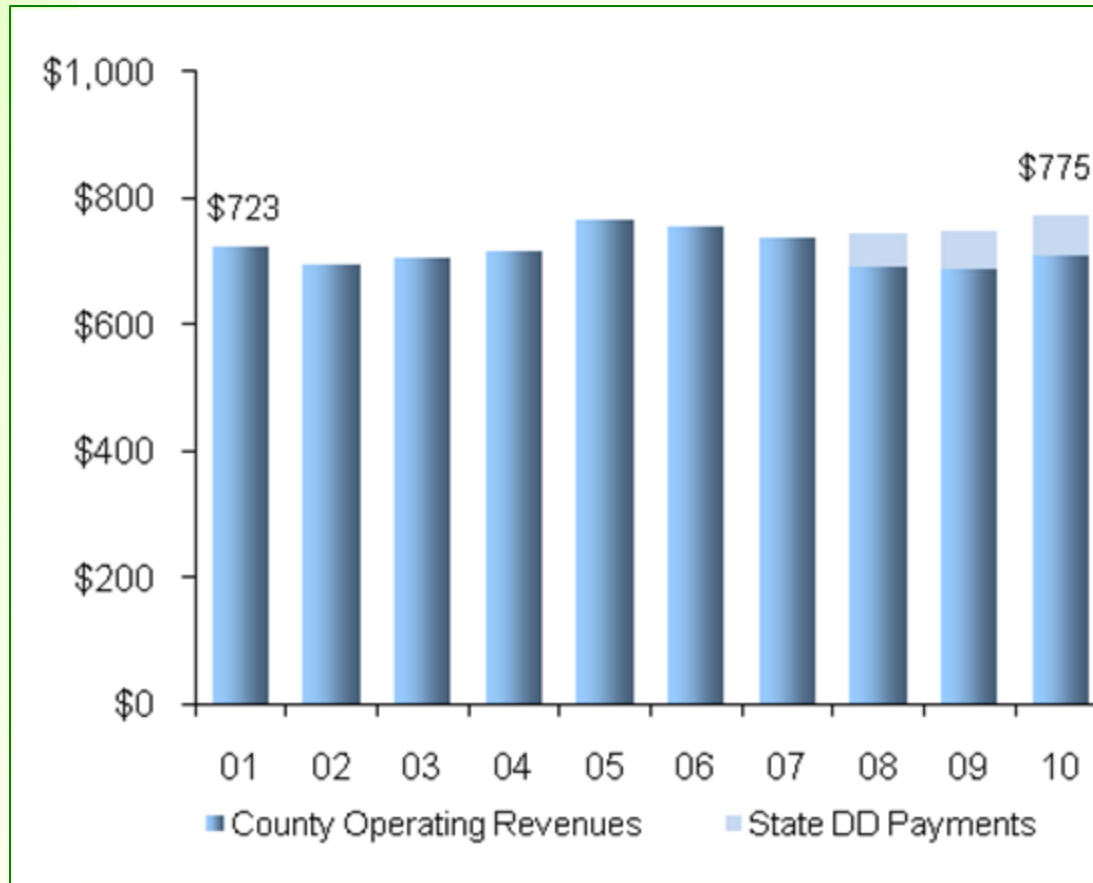


Chart 2 Total Operating Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

Operating Revenues by Fund

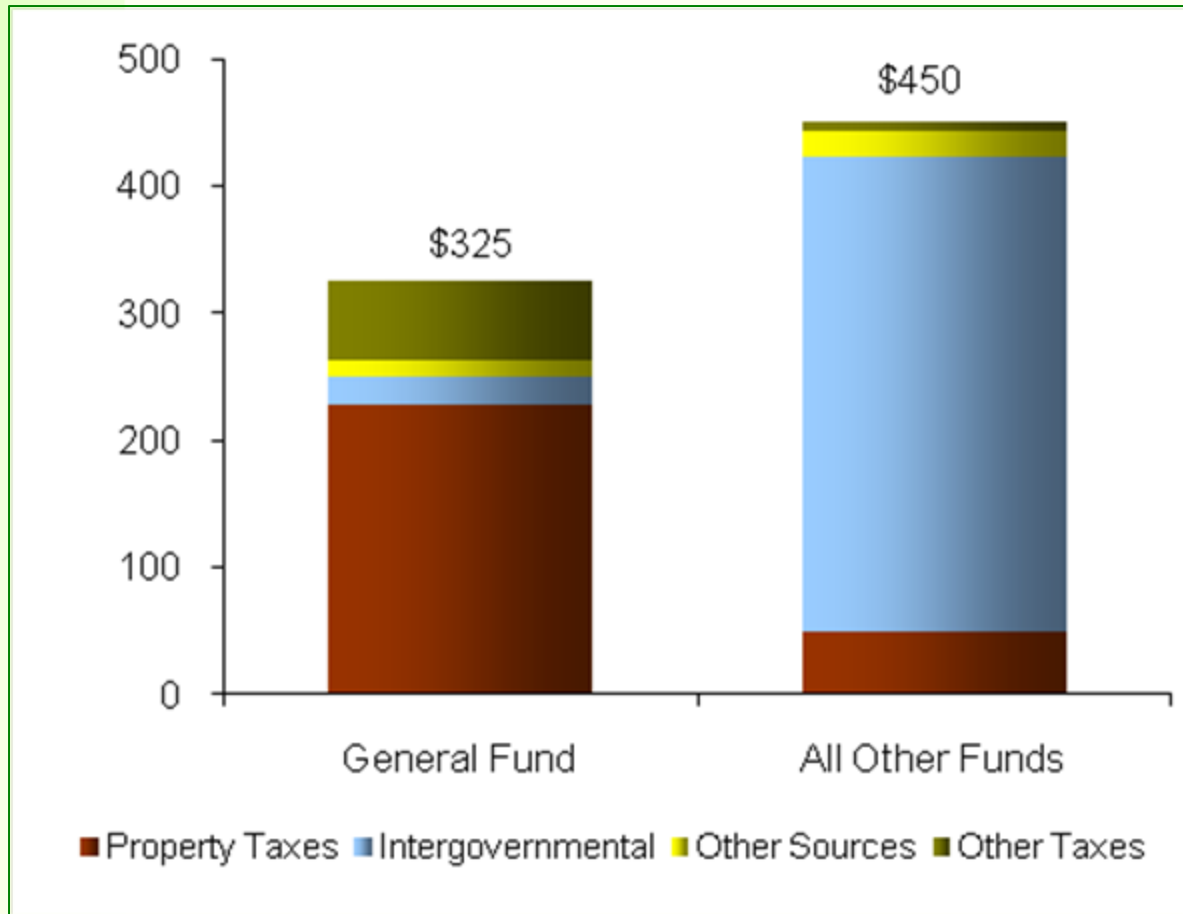


Chart 4 Total Operating Revenues by Fund

Fiscal year ended June 30, 2010 (in millions)

Intergovernmental Revenues

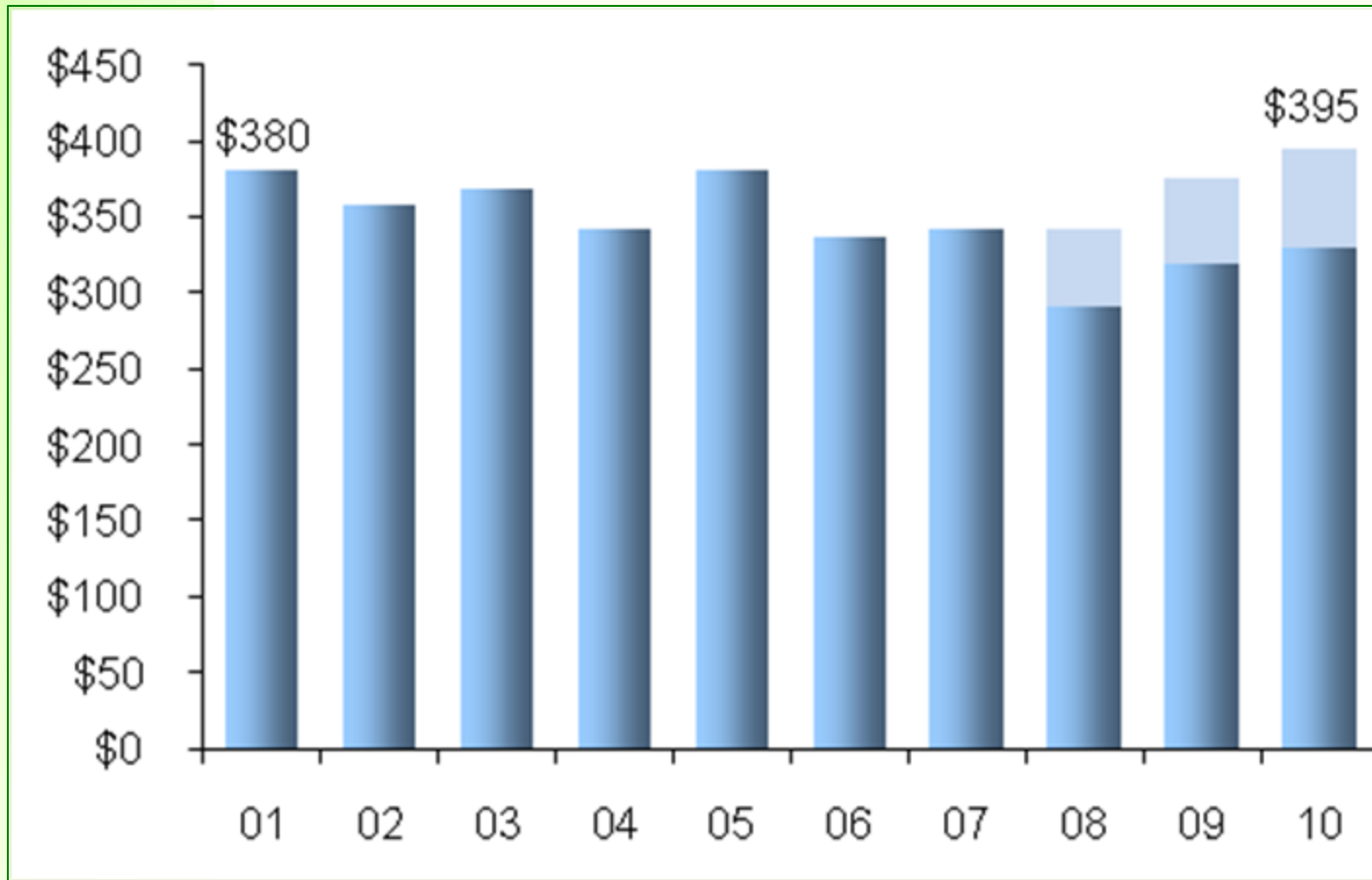


Chart 7 Intergovernmental Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

Property Tax Revenues

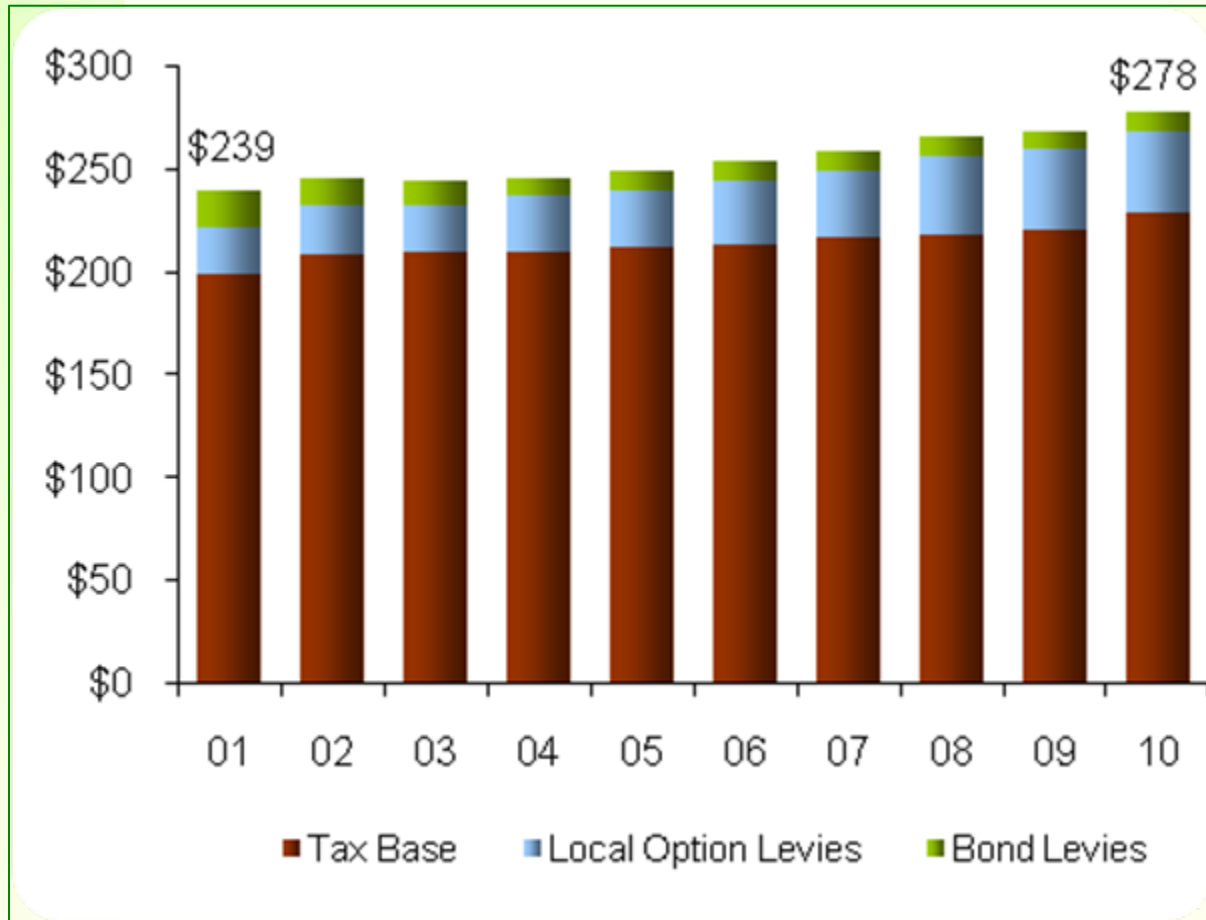


Chart 9 Property Tax Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

Other Taxes

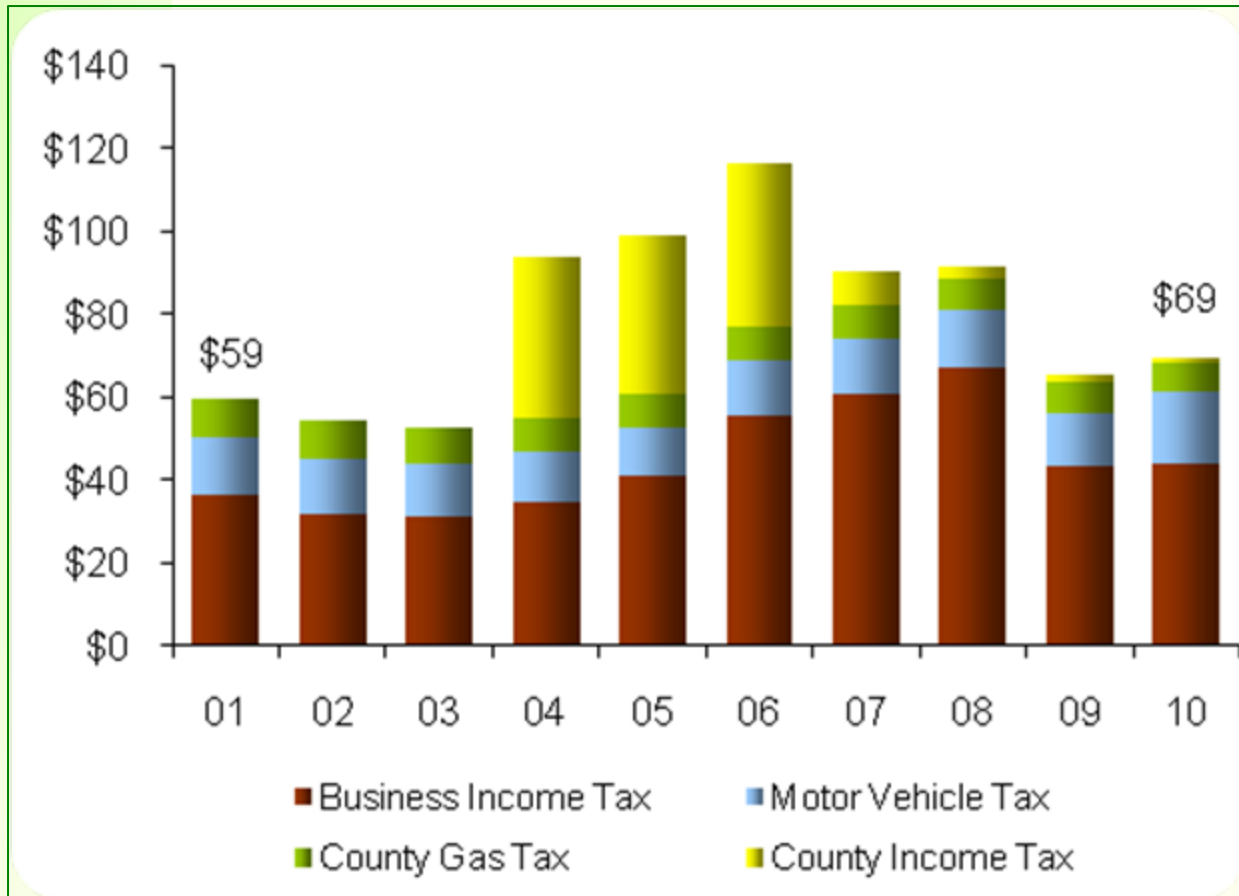


Chart 11 Other Taxes

Fiscal year ended June 30

Adjusted for inflation (in millions)

Other Revenues

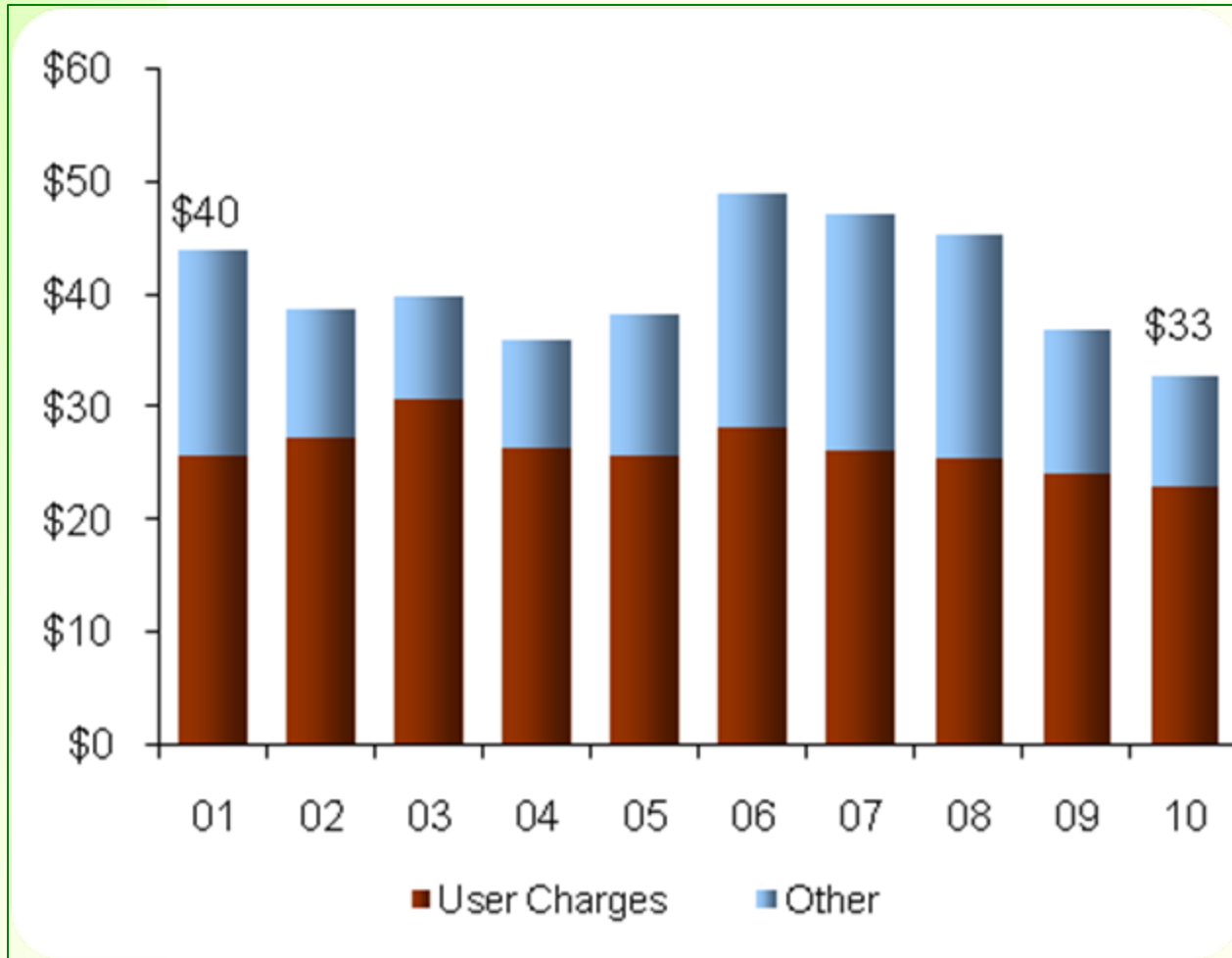


Chart 10 Other Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

What do we spend our revenues on?

Spending per Capita

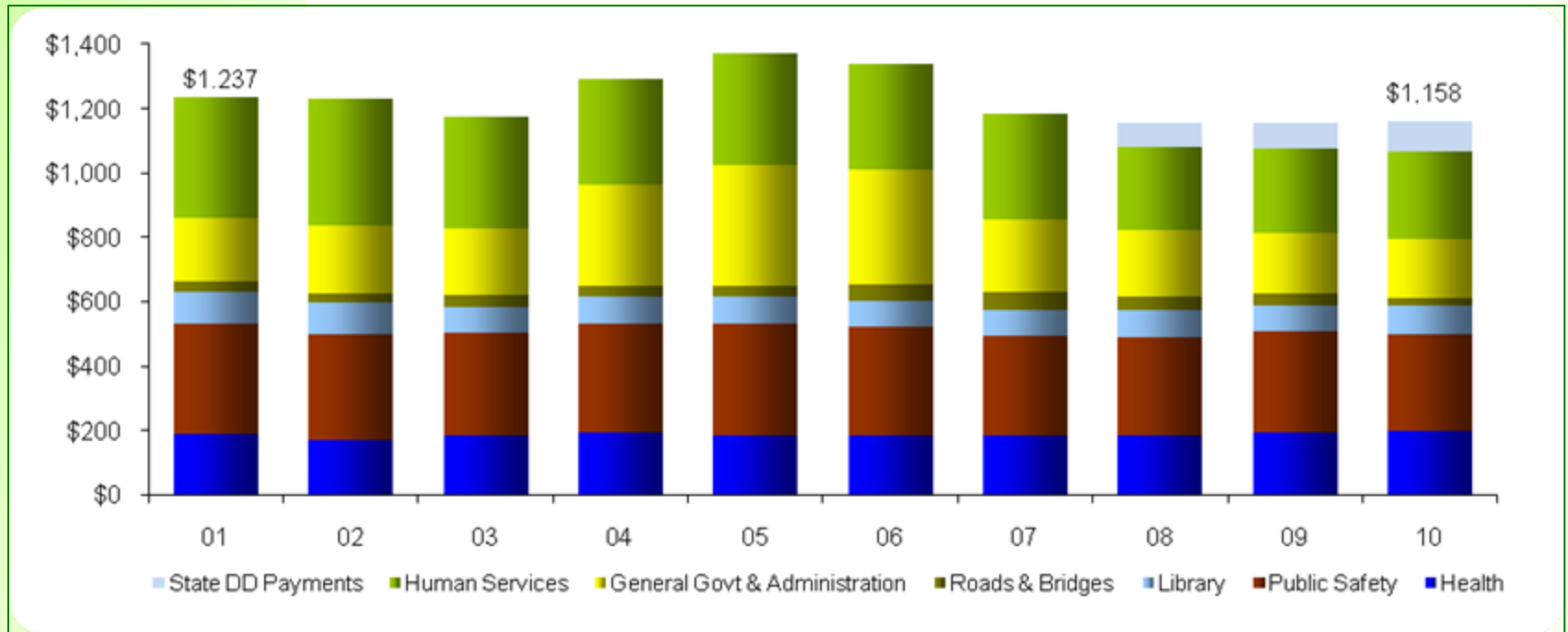


Chart 12 Spending per Capita

Fiscal year ended June 30, 2010

Adjusted for inflation

Spending by Type

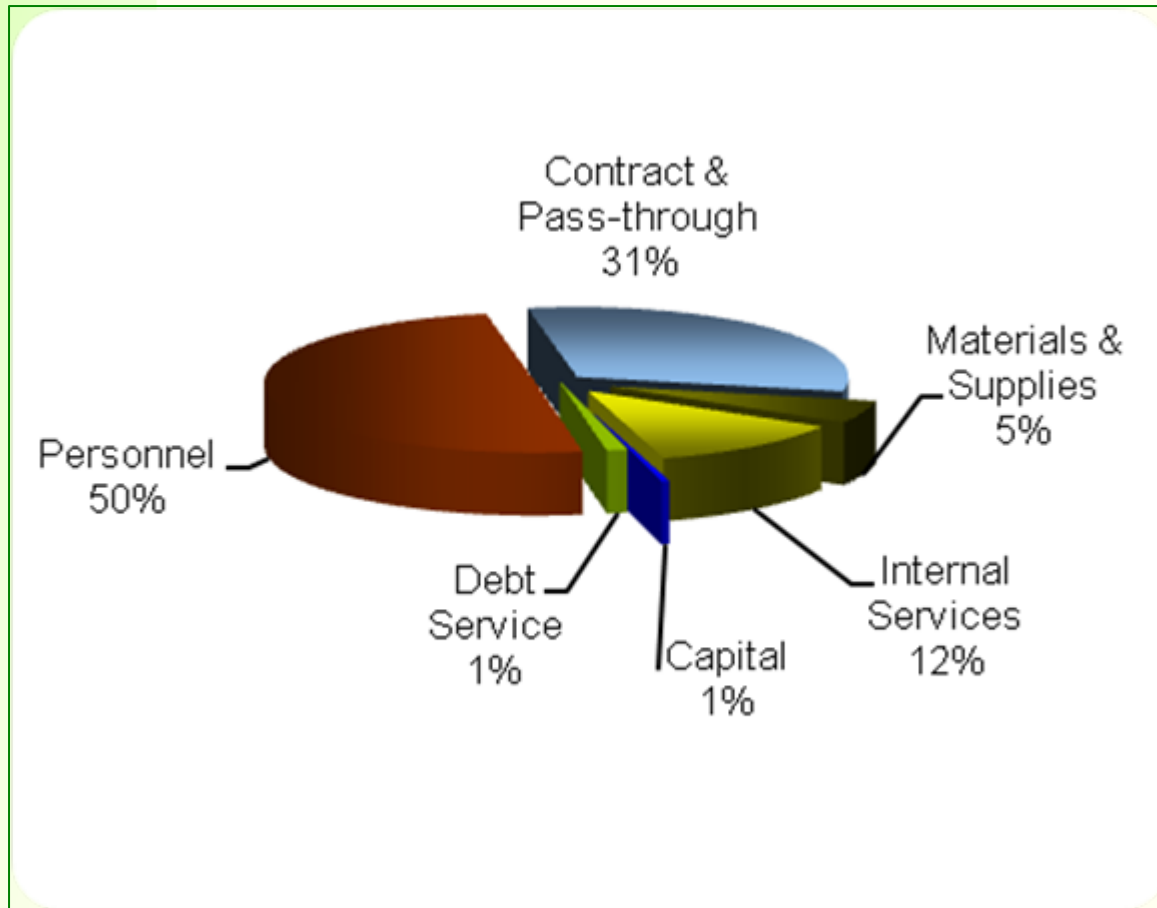


Chart 14 Spending by Type

Fiscal year ended June 30, 2010

Spending on General Public-Roads & Bridges

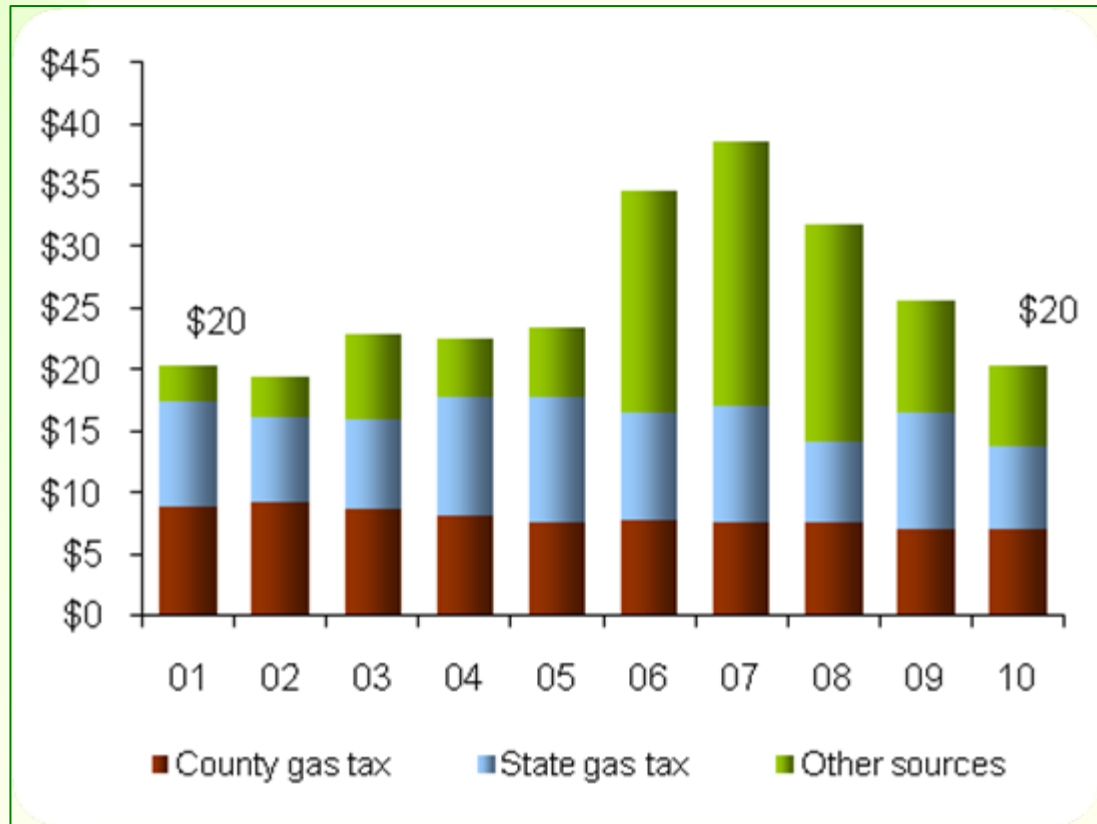


Chart 19 Roads and Bridges

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on General Public-Roads & Bridges

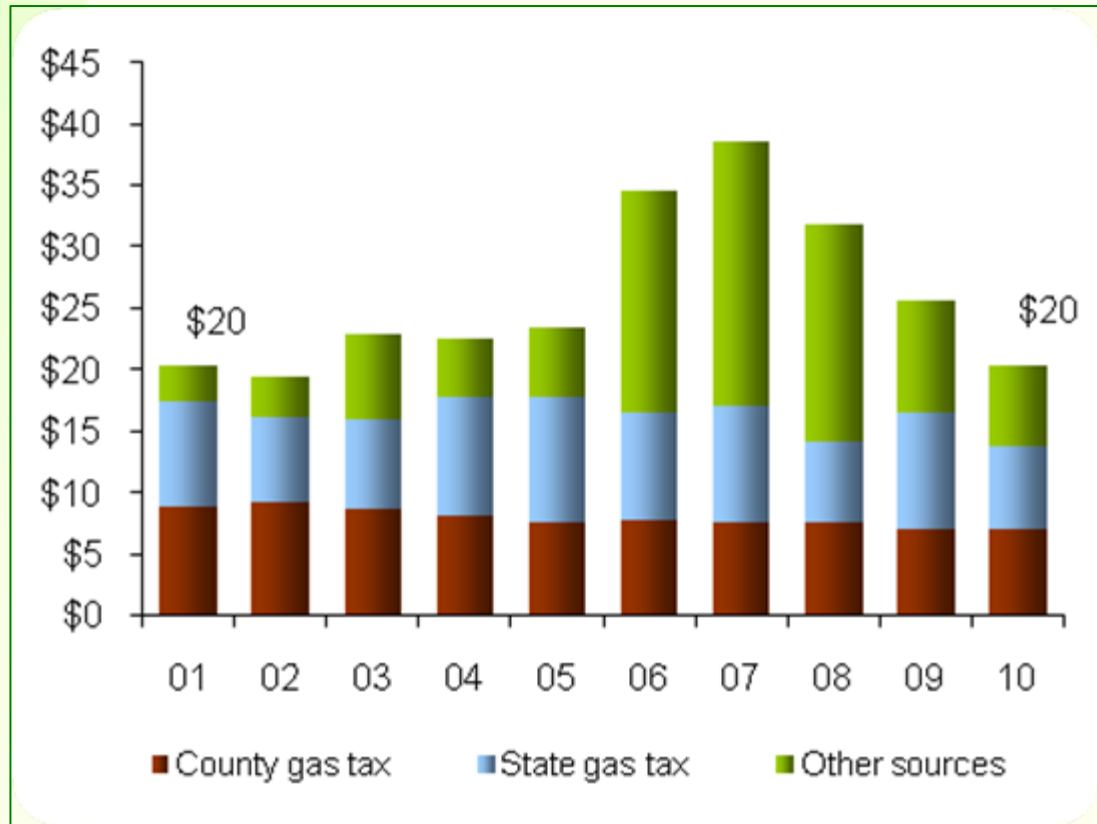


Chart 19 Roads and Bridges

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on General Public- Library Services

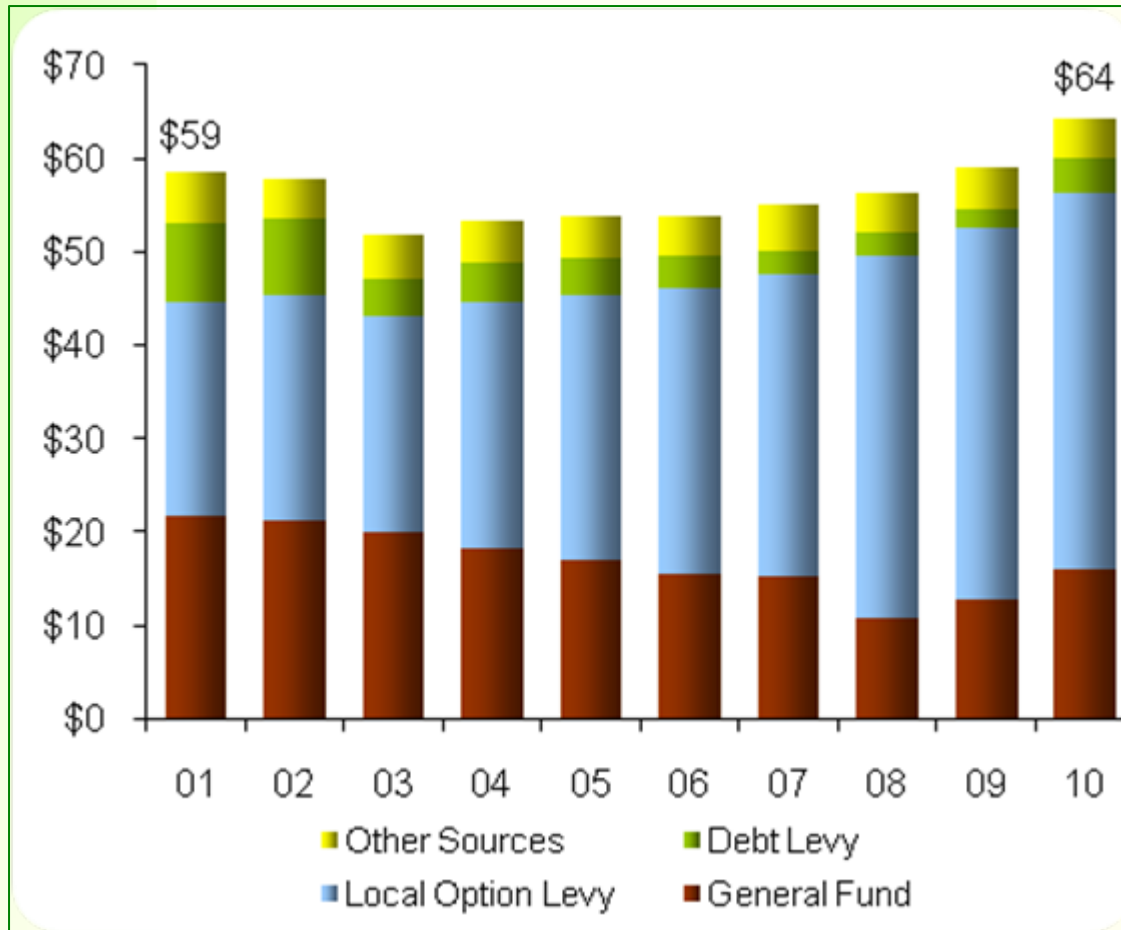


Chart 22 Library Services

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on General Public- General Government

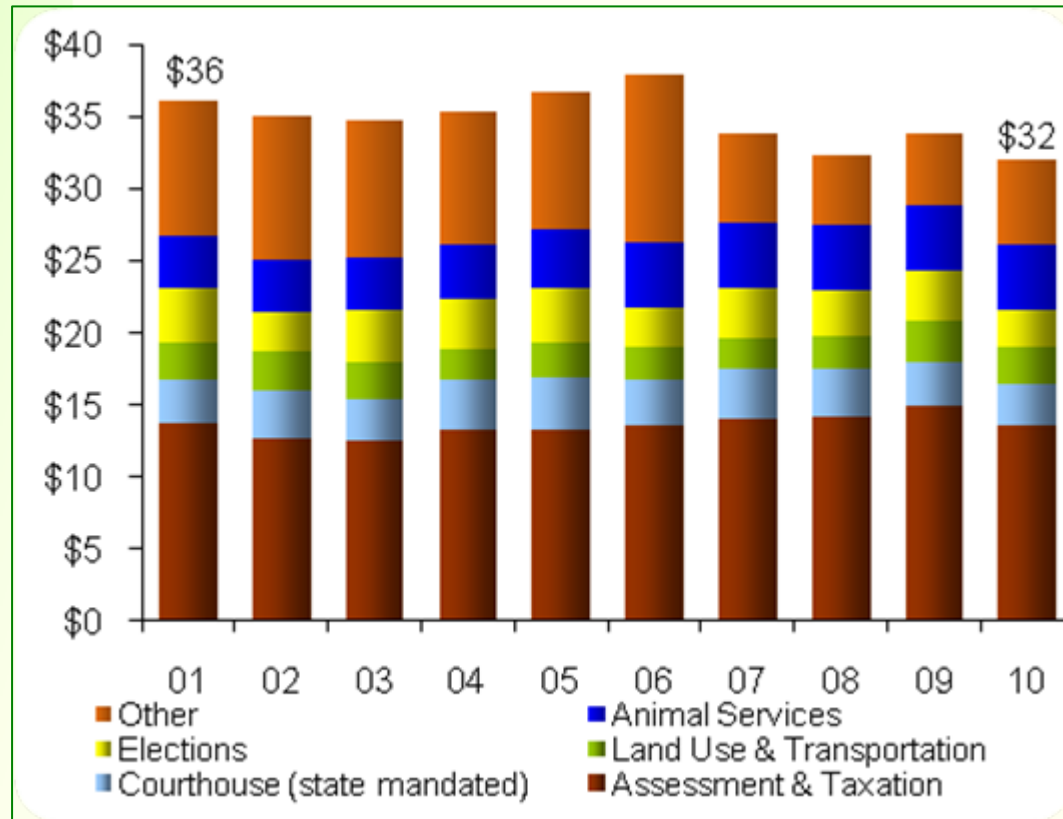


Chart 23 General Government

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on Targeted Populations Human Services

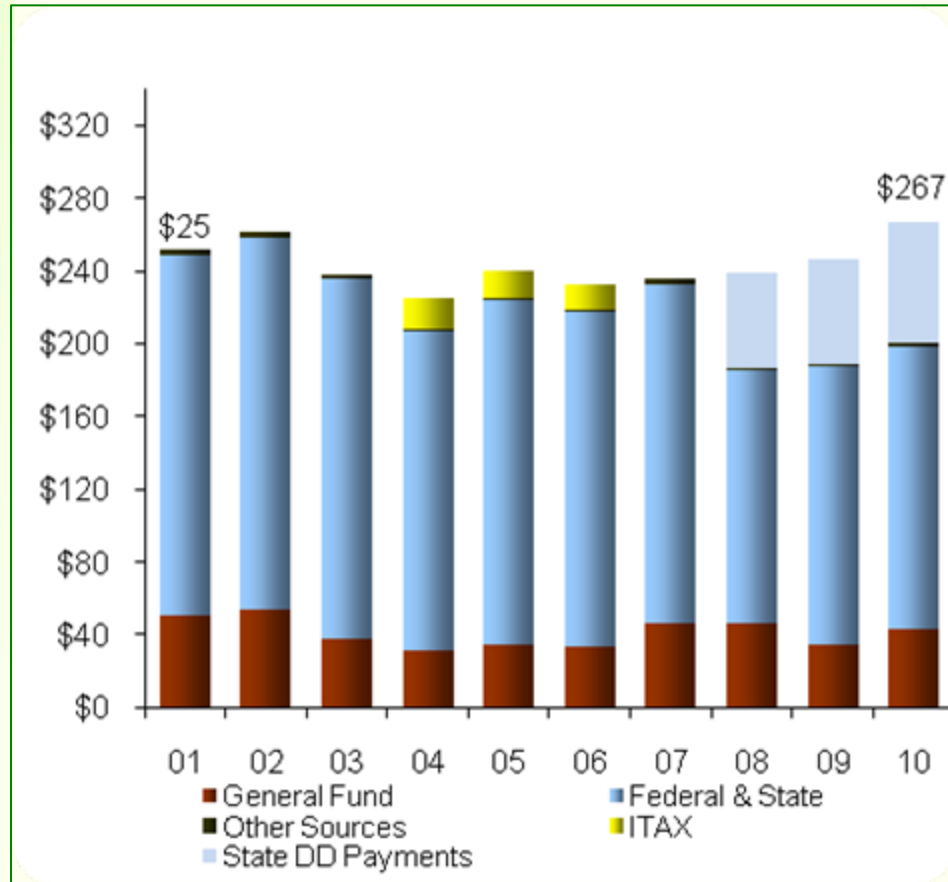


Chart 20 Human Services

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on Targeted Populations Health Services

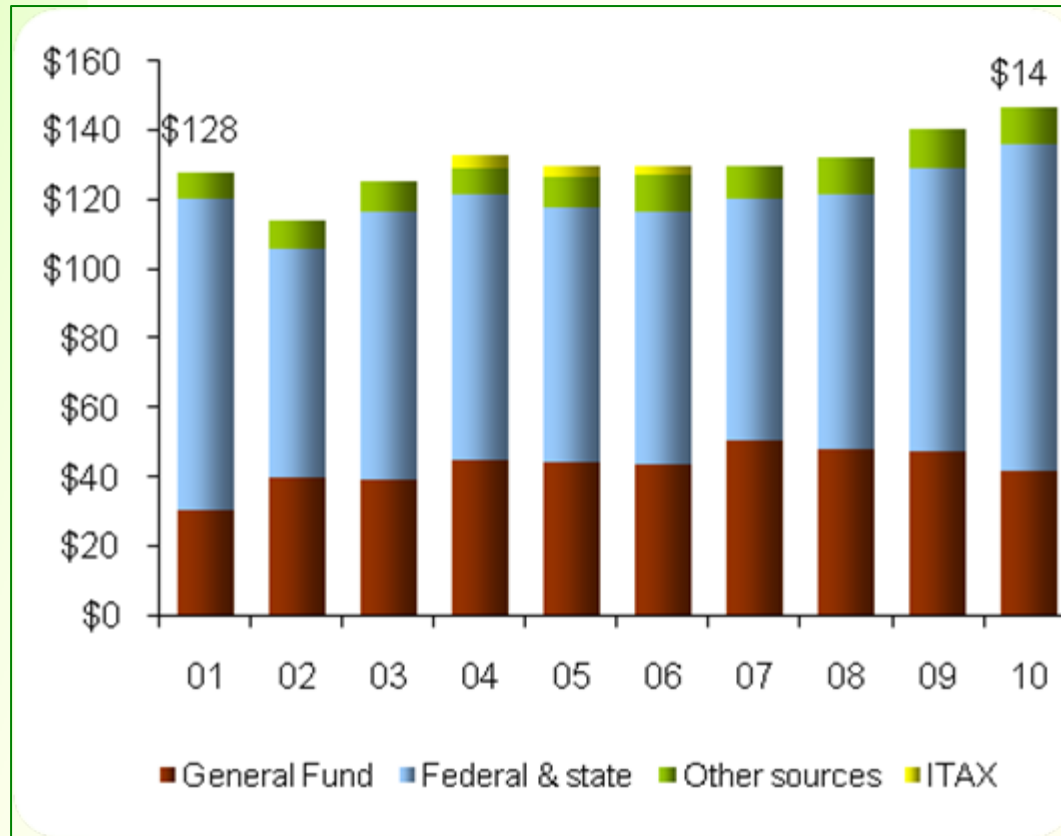


Chart 20 Health Services

Fiscal year ended June 30

Adjusted for inflation (in millions)

Spending on Targeted Populations Public Safety Programs

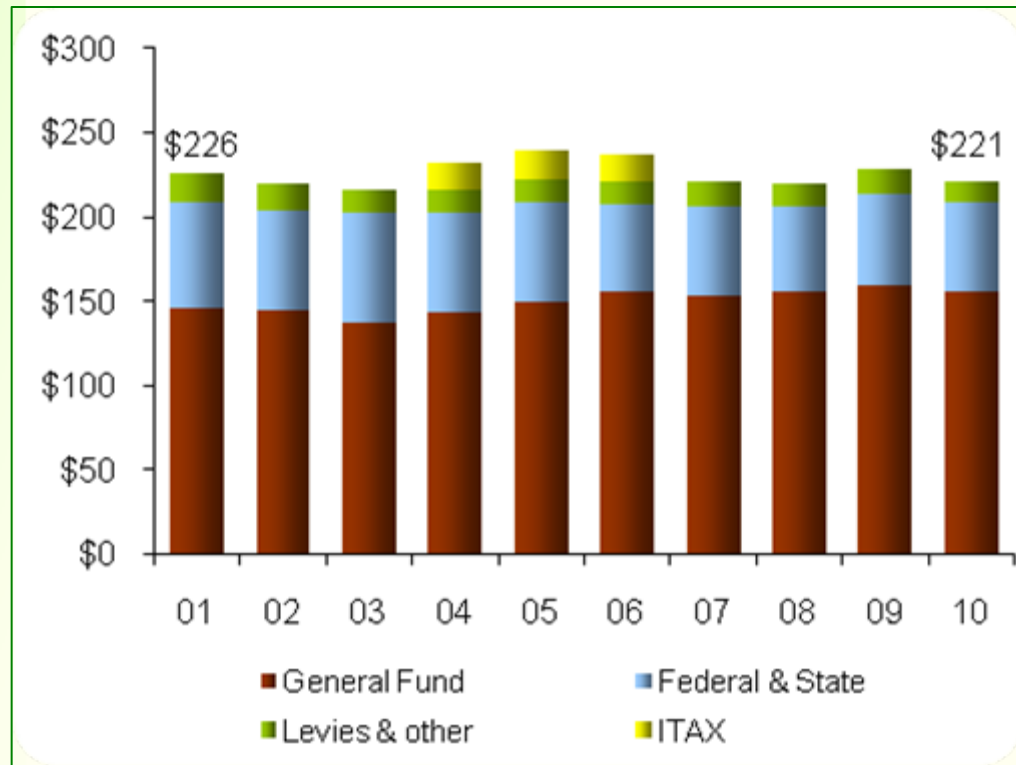


Chart 20 Public Safety Programs

Fiscal year ended June 30

Adjusted for inflation (in millions)

Financial Health

General Fund

Unreserved Fund Balance

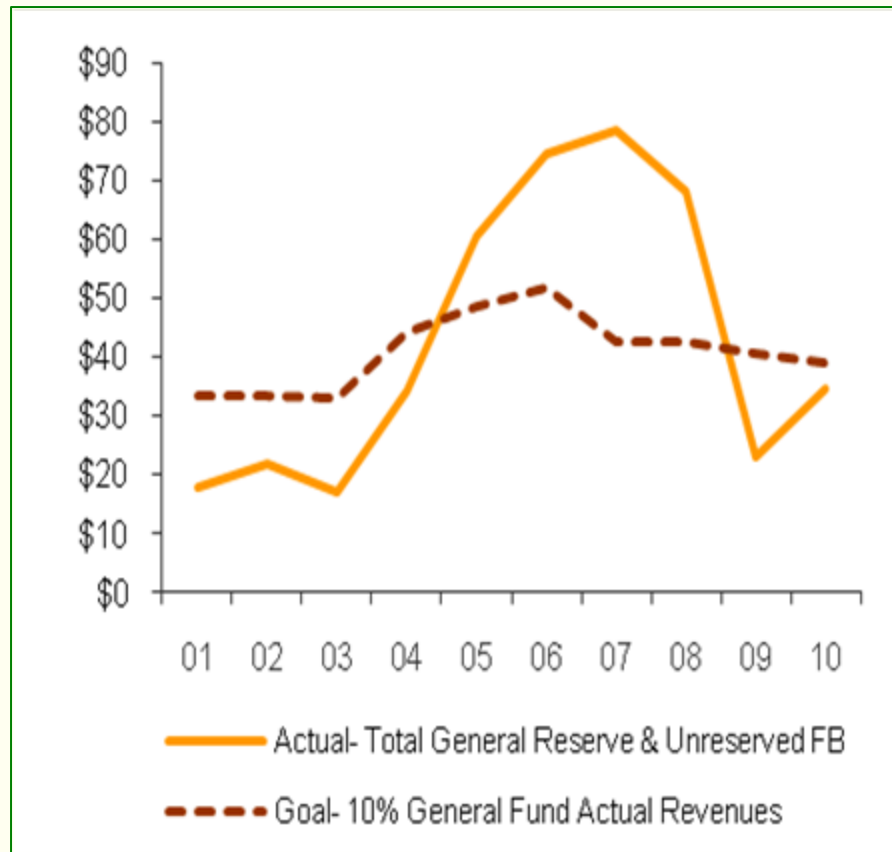


Chart 29 General Fund Unreserved Fund Balance

Fiscal year ended June 30

Adjusted for inflation (in millions)

Liquidity

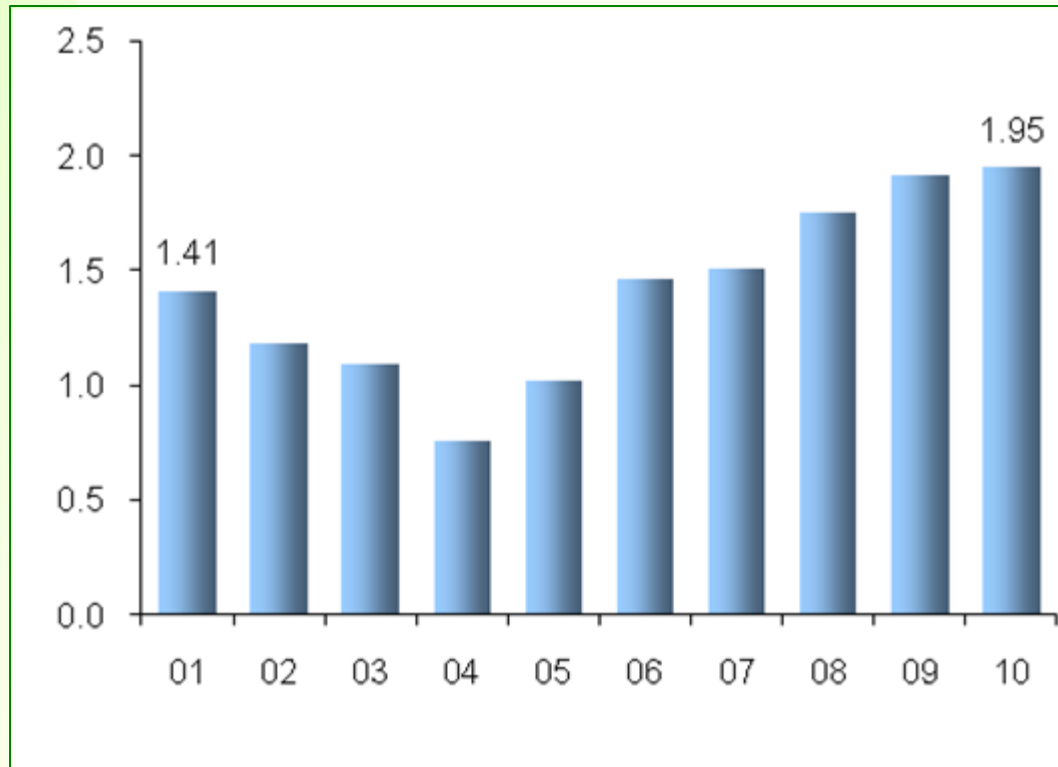


Chart 31 Liquidity

Current assets to liabilities

Fiscal year ended June 30

Capital Assets

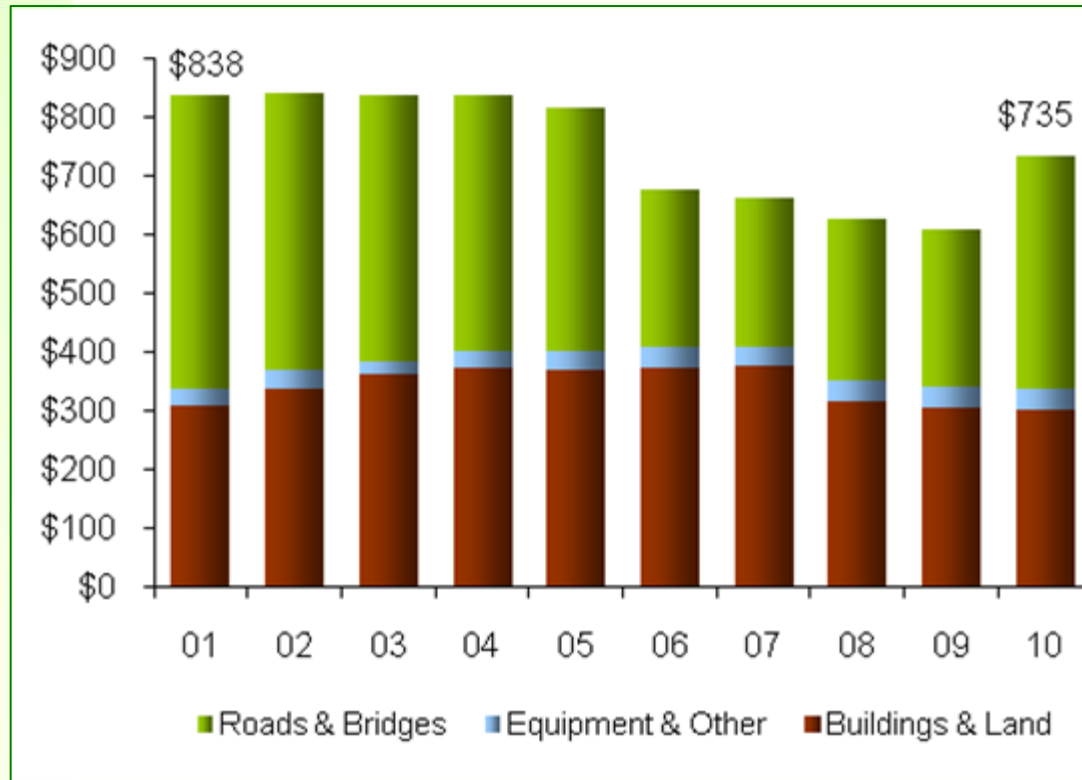


Chart 32 Capital Assets

Fiscal year ended June 30

Adjusted for inflation (in millions)

Fixed Costs

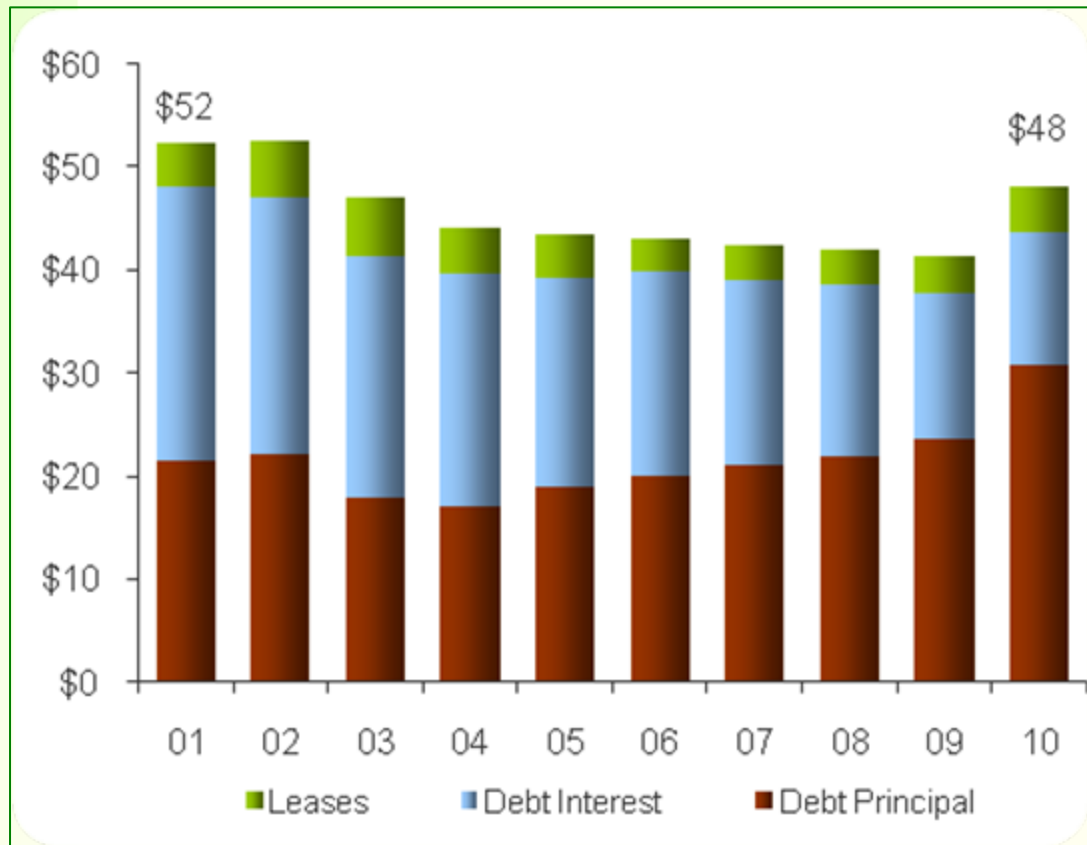


Chart 34 Fixed Costs

Fiscal year ended June 30

Adjusted for inflation (in millions)

Revenue Base and the Economy

Unemployment

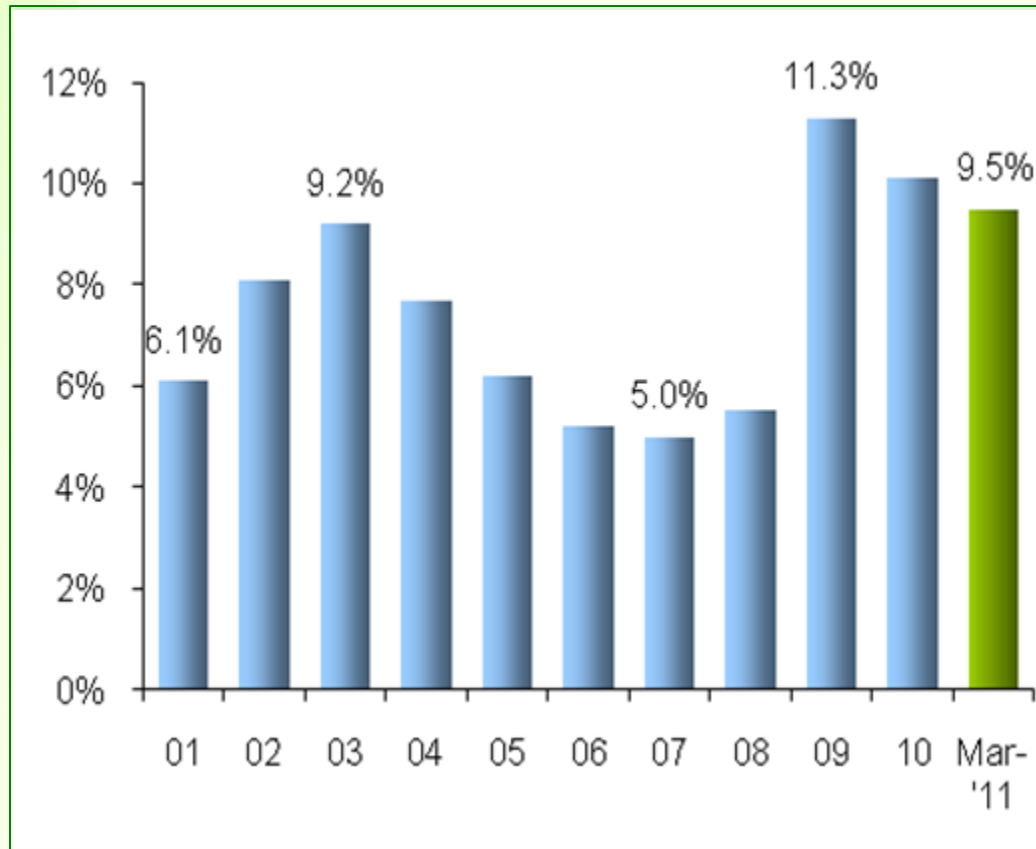


Chart 39 Unemployment Rate-Multnomah County

At June 30

Number of Businesses

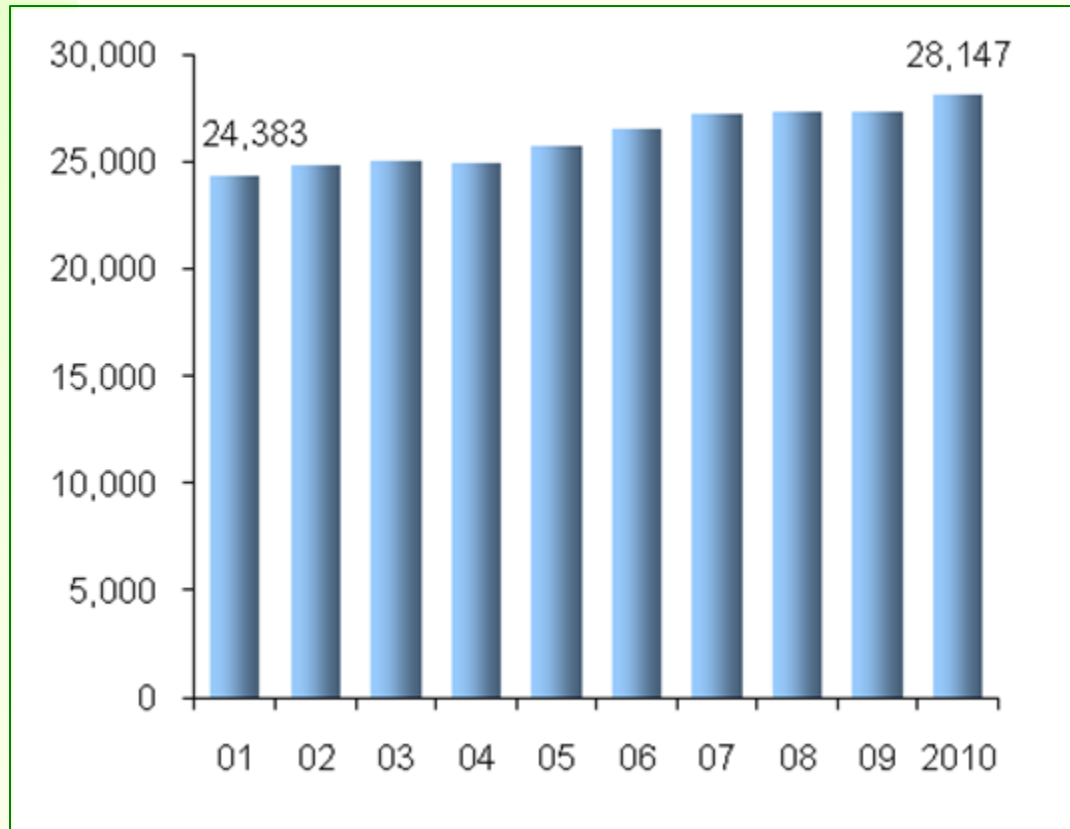


Chart 38 New Businesses in Multnomah County

Calendar year at December 31

New Construction

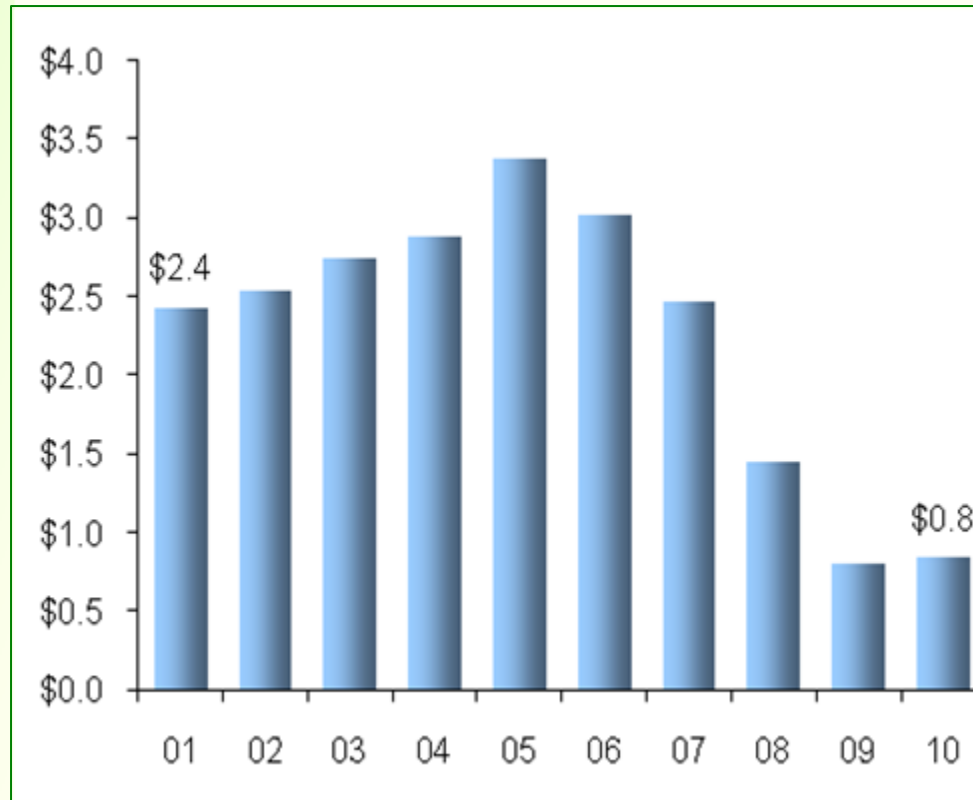


Chart 37 New Construction-PMSEA

Calendar year ended December 31

Adjusted for inflation (in billions)

County Population

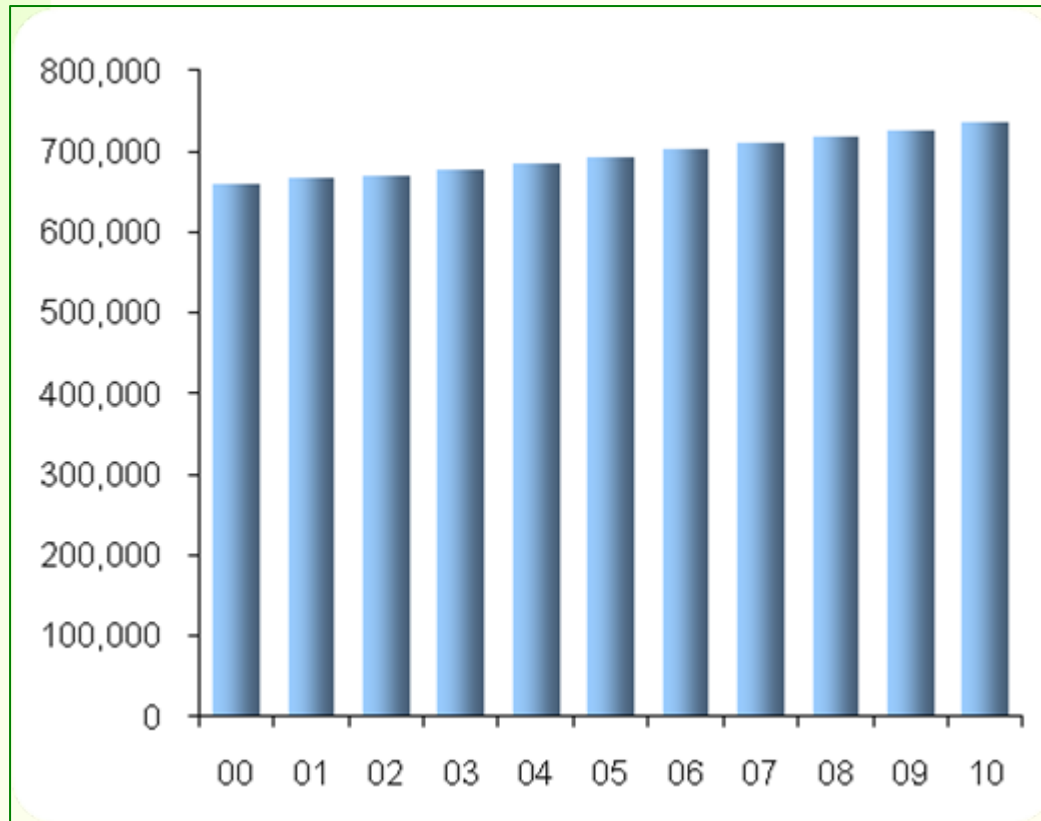


Chart 42 County Population

At April 1 for 2000 and 2010

At June 30 for FY01-FY09

Percent Residents in Poverty

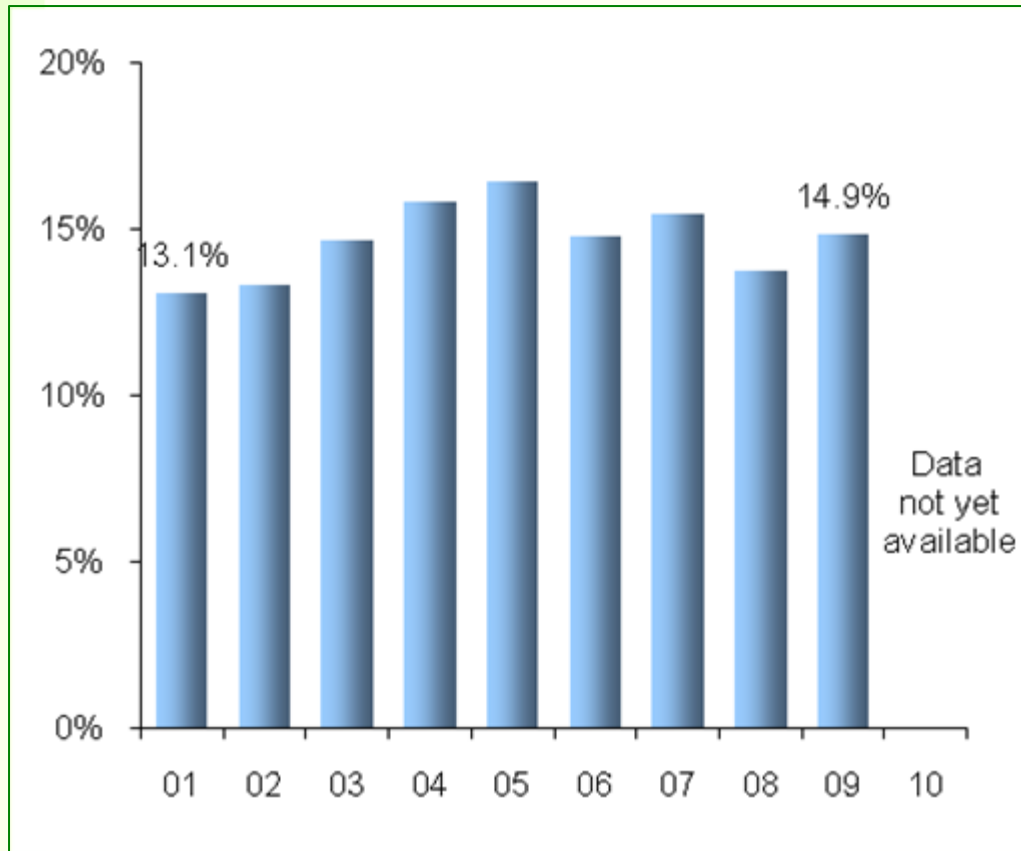


Chart 45 Percent of County Residents in Poverty

Calendar year ended December 31

Reported Crimes

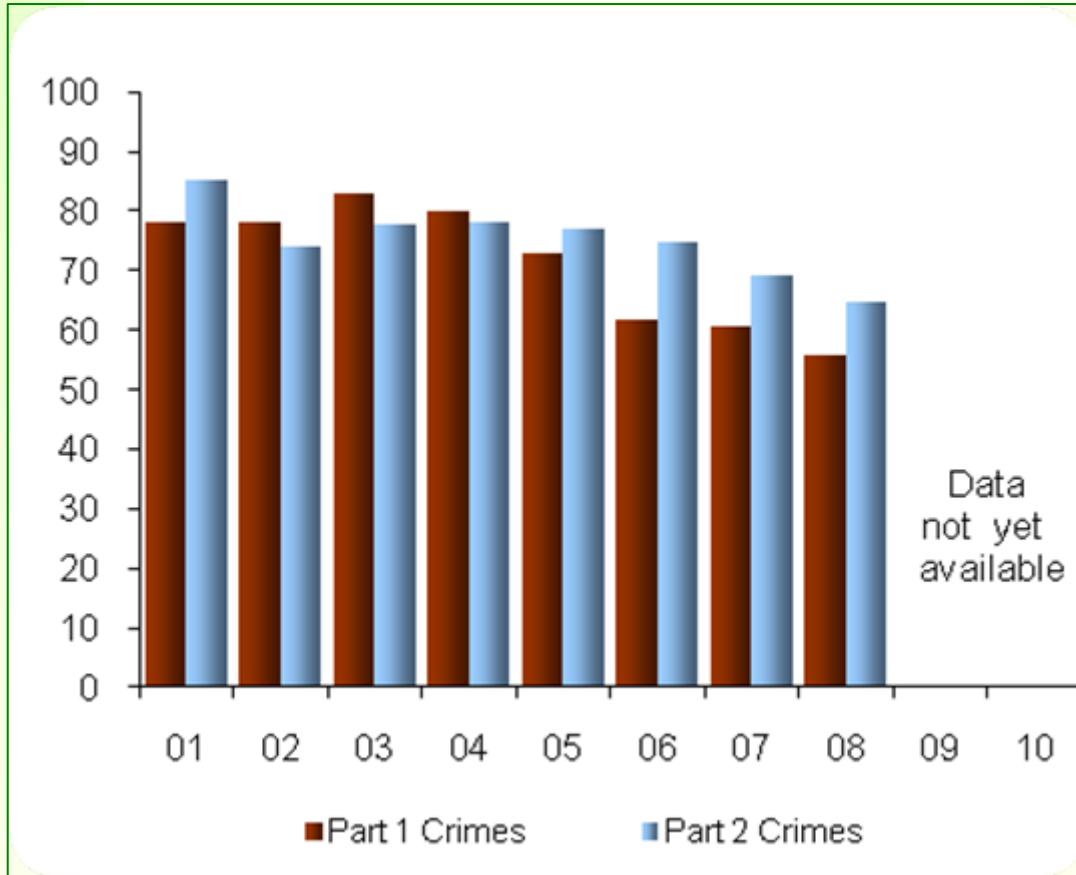


Chart 46 Reported Crimes per 1,000 Residents

Calendar year ended December 31

Recommendation One: Internal Service Reserves

- 1.) Set a reasonable reserve amount
- 2.) Monitor and enforce internal service fund reserve policy
- 3.) Remove exception policy and fund special projects transparently

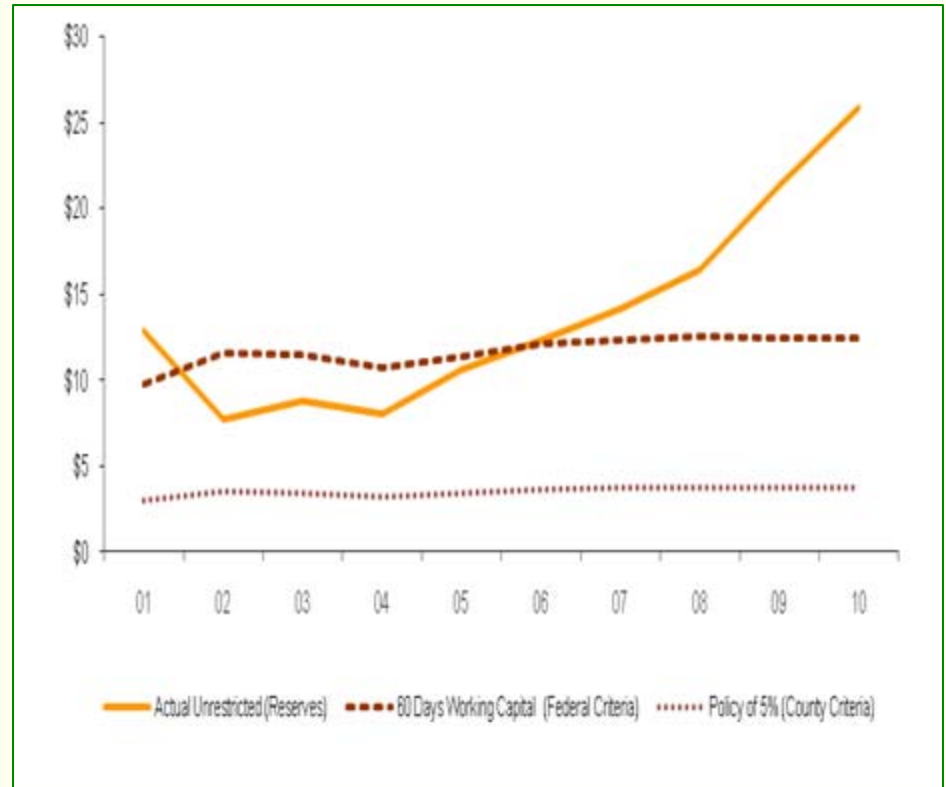


Chart 47 Internal Service Reserves

Combined totals for Fleet, Facilities, Mail Distribution, and Information Technology funds

Fiscal year ended June 30

Recommendation Two: Long-Range Planning

- 1.) Set aside a set amount or percentage of undedicated general fund dollars
- 2.) Identify additional funding sources
- 3.) Seek federal assistance for seismic upgrades

Liabilities:

- Deferred maintenance on buildings: \$230 million
- Seismic liability for bridges: \$156 million
- Unfunded OPEB: \$123 million

Any questions?