



# Multnomah County FY 2017 Approved Budget

Presented to the  
Board of County Commissioners

Multnomah County  
April 26, 2016

Located at: [www.multco.us/budget](http://www.multco.us/budget)

# Overview

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- **‘Corporate’ Budget Overview**
  - ✓ General Fund/Other Funds Overview
  - ✓ FTE and Labor Unit Information
  - ✓ Budget Highlights
  - ✓ General Fund Basics
    - ❑ Financial Picture and Assumptions
    - ❑ One-Time-Only Funds and Use
    - ❑ Contingency & Reserves
- **Financial Trends**
  - ✓ Cost Growth
  - ✓ Revenue Growth
- **Summary – Balance & Financial Resiliency**



# Overall Financial Context

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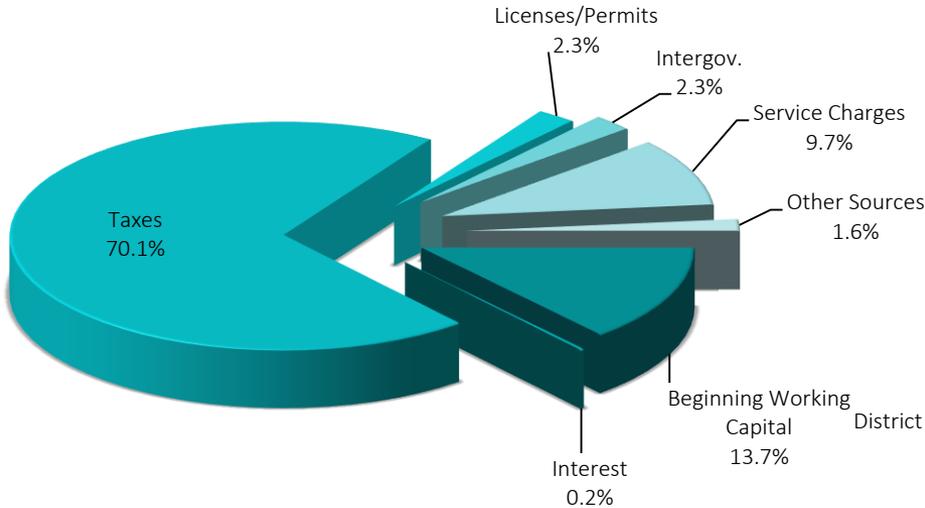
- FY 2016 Adopted Budget =  
\$1,733,792,105
- FY 2017 Approved Budget =  
\$1,870,614,986
- An increase of \$136,822,881 million or 7.9%

Note: Includes Contingencies, Reserves, and Unappropriated Balance

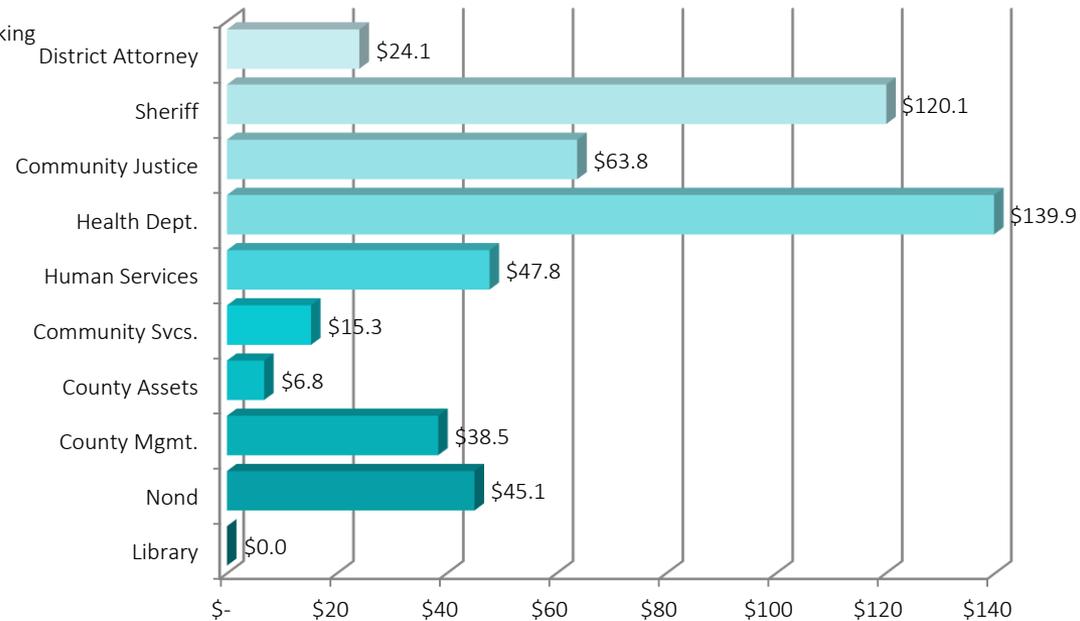


# General Fund Overview - \$583 Million

Where the money comes from:



Where the money goes to:\*

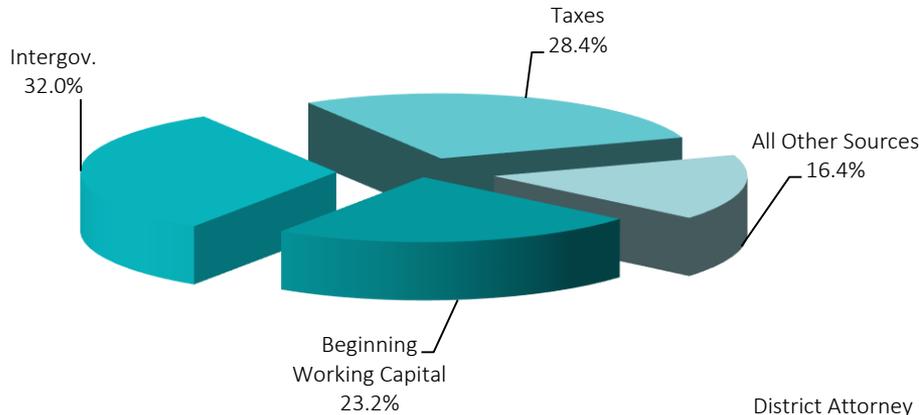


\*Note: does not include transfers, reserves and contingencies.  
Health Dept. includes \$52.8M of FQHC/PCPCH

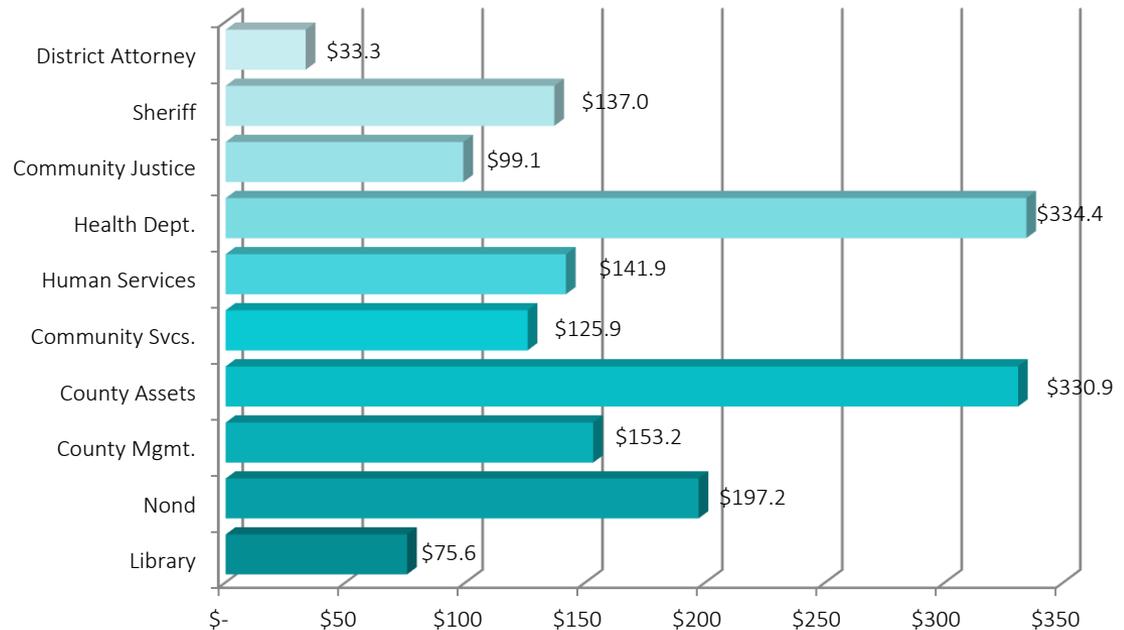


# All Funds Overview - \$1.87 Billion

Where the money comes from:



Where the money goes to:\*

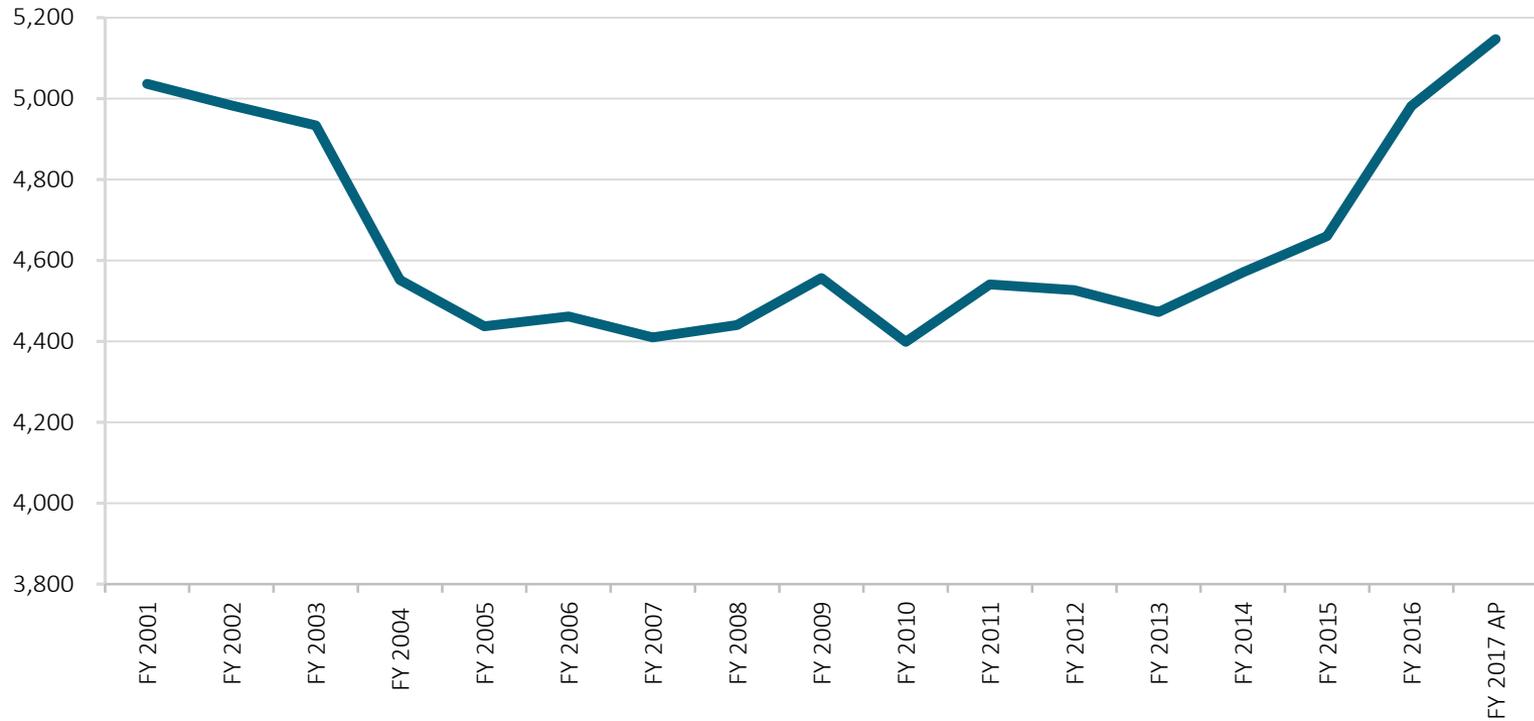


\*Note: does not include transfers, reserves, and contingencies

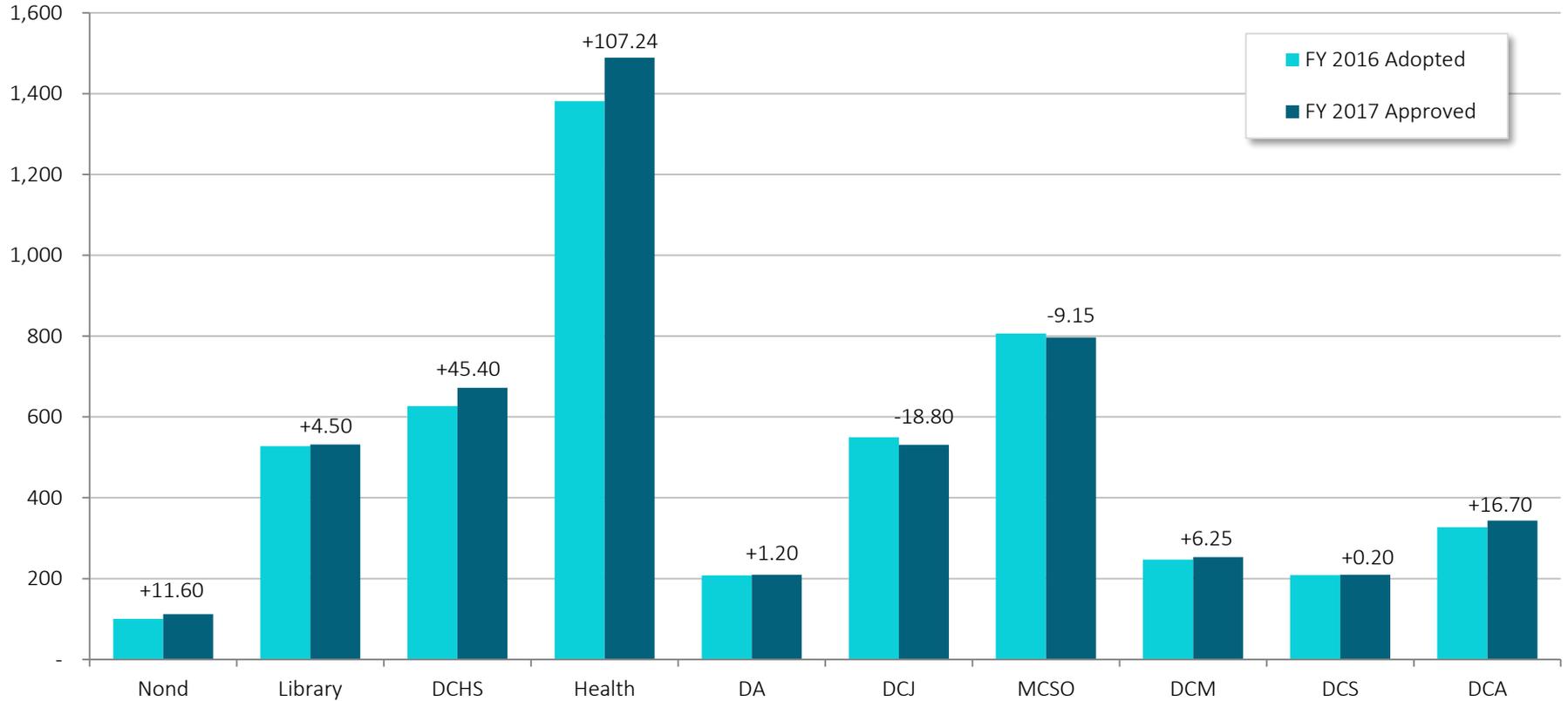


# Full Time Equivalents +165.14 FTE

*FY 2001 Adopted – FY 2017 Approved (All Funds)*

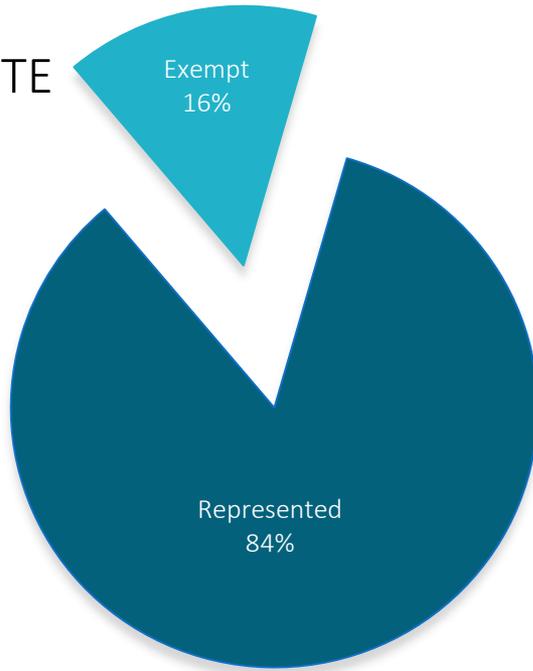


# Full Time Equivalents (FTE) by Department

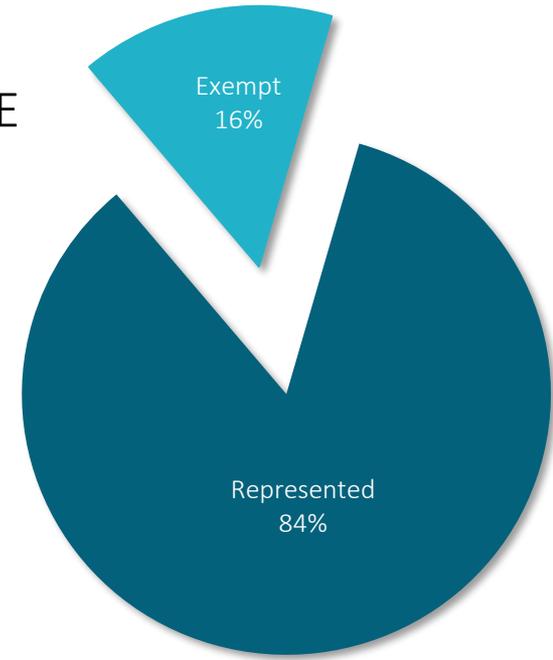


# FTE Represented vs. Non Represented

FY 2016  
4,981.77 FTE



FY 2017 AP  
5,146.91 FTE



# FTE by Union Year over Year

|   | FY 2016<br>Adopted | FY 2017<br>Approved | Difference    |
|---|--------------------|---------------------|---------------|
| Painters & Allied Trades                    | 1.00               | 1.00                | 0.00          |
| Operating Engineers                         | 14.00              | 16.00               | 2.00          |
| Electrical Workers                          | 19.00              | 23.00               | 4.00          |
| Physicians                                  | 23.00              | 27.80               | 4.80          |
| Juvenile Custody Svcs. Spec.                | 73.00              | 60.00               | (13.00)       |
| Prosecuting Attorneys                       | 78.50              | 79.00               | 0.50          |
| Deputy Sheriff's                            | 115.37             | 116.62              | 1.25          |
| Parole/Probation Officers                   | 131.00             | 129.00              | (2.00)        |
| Oregon Nurses                               | 203.90             | 216.23              | 13.23         |
| Corrections Deputies                        | 444.32             | 432.58              | (11.74)       |
| Exempt/Management/Elected Officials & Staff | 770.94             | 801.37              | 30.43         |
| AFSCME Local 88                             | 3,107.74           | 3,244.31            | 136.57        |
| <b>Total</b>                                | <b>4,981.77</b>    | <b>5,146.91</b>     | <b>165.14</b> |



# Budget Highlights

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- General Fund balanced over 3-year horizon
- Fully funds reserves and maintains BIT stabilization reserve
- Devotes \$34 million of one-time-only General Fund resources to capital infrastructure
- Addresses pressing community needs
  - ✓ Adds over \$10 million for homeless and housing needs
  - ✓ Replaces expiring STRYVE (Striving to Reduce Youth Violence Everywhere) grant funds with \$450,000 of General Fund
- Addresses (but does not solve) unfunded PERS liability
- Relies on sound budget practices
- Provides for employee step/merit and COLA increases



# General Fund Basics

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## ■ Current General Fund Financial Picture

- ✓ Ongoing revenues exceed expenditures by \$22.3 million or 5.0% in FY 2017
- ✓ Surplus becomes a \$12.2 million (2.3%) **deficit** by FY 2021
- ✓ Assumes General Fund covers debt requirements for the Downtown Courthouse and Health Department Headquarters
- ✓ Driven by slowing revenue growth and increasing cost growth
- ✓ No ability to add ongoing programs over the long-term absent new revenues, reallocation of funds from existing programs, or efficiency gains

## ■ Policy Direction & Assumptions

- ✓ The 2% General Fund reduction from current service levels generated \$7.5 million of ongoing funds
- ✓ The \$6.7 million of ongoing reductions and funding shifts accepted
- ✓ FY 2017 surplus of \$22.3 million treated as one-time-only to balance the budget for the next 3 years
- ✓ \$34.0 million allocated to capital projects
- ✓ \$7.5 million of ongoing & OTO funds used for restorations of 2% reductions, expansions, and backfill of expiring grant funds (beyond capital and housing & homeless related programs)



# General Fund Basics

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- OTO Funds
  - ✓ \$48.8 million after funding General Fund reserve and BIT Reserve
  - ✓ Sources include:
    - ❑ \$22.3 million of FY 2017 ongoing funds that are treated as OTO to balance over 3-years
    - ❑ \$15.0 million from additional beginning working capital in FY 2016 (mostly departmental underspending in FY 2015)
    - ❑ \$12.9 million from additional resources from FY 2016 (higher than budget property taxes & BIT, tax title property sales, and legal settlements)
    - ❑ \$1.0 million of funds carried over (unspent) from FY 2016
  
- Use of OTO on Next slide
  
- Updated Forecast on May 17<sup>th</sup>



# Use of One-Time-Only (OTO)

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- OTO General Fund for Capital Infrastructure - \$34 million
  - ✓ \$19.9 million for the new Downtown Courthouse (in addition to the \$28.1 million provided in FY 2016)
  - ✓ \$3.0 million for replacement of the Hansen building in East Multnomah County (in addition to the \$2.7 million provided in prior years)
  - ✓ \$1.8 million for the North Portland Dental Clinic
  - ✓ \$1.85 million for replacement of the District Attorney's CRIMES software
  - ✓ \$7.5 million to consolidate the Department of Community Justice facilities in a mid-county campus
  
- Other Significant Uses of OTO
  - ✓ Housing and Homeless Services - \$6.1 million
  - ✓ DSS-J Evaluation and System Upgrade - \$1.0 million
  - ✓ SummerWorks Expanded Internship Program - \$786,000
  - ✓ Tax Title Housing (Placeholder) - \$2.5 million
  - ✓ Presidential Elections - \$335,000
  
- Page 20 of the Budget Director's message has a complete list



# General Fund Notes...

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- Joint Office of Homeless Services
  - ✓ Program Offers 'live' in Non-Departmental
  - ✓ Structured to:
    - ❑ Reflect Existing County & City services/spending by area
    - ❑ Reflect Expanded County & City funding
    - ❑ See program offers 10030 and 10060A thru 10066
  - ✓ More information to come...
  
- Pages 9 through 13 of the Budget Director's message provide an accounting of General Fund additions and reductions
  
- Vast majority of programs are maintained from FY 2016
  
- Reductions and Reallocations
  - ✓ Administrative and back-office reductions across a number of departments
  - ✓ The closure of two jail dorms (118 beds) at Inverness Jail
  
- Addressing Auditors Report on Animal Services
  - ✓ Offers 91006B, 91006C, and 91007B add \$438,666 of ongoing & OTO to help address the Auditor's report on Animal Services



# General Fund Reserves – Fully Funded

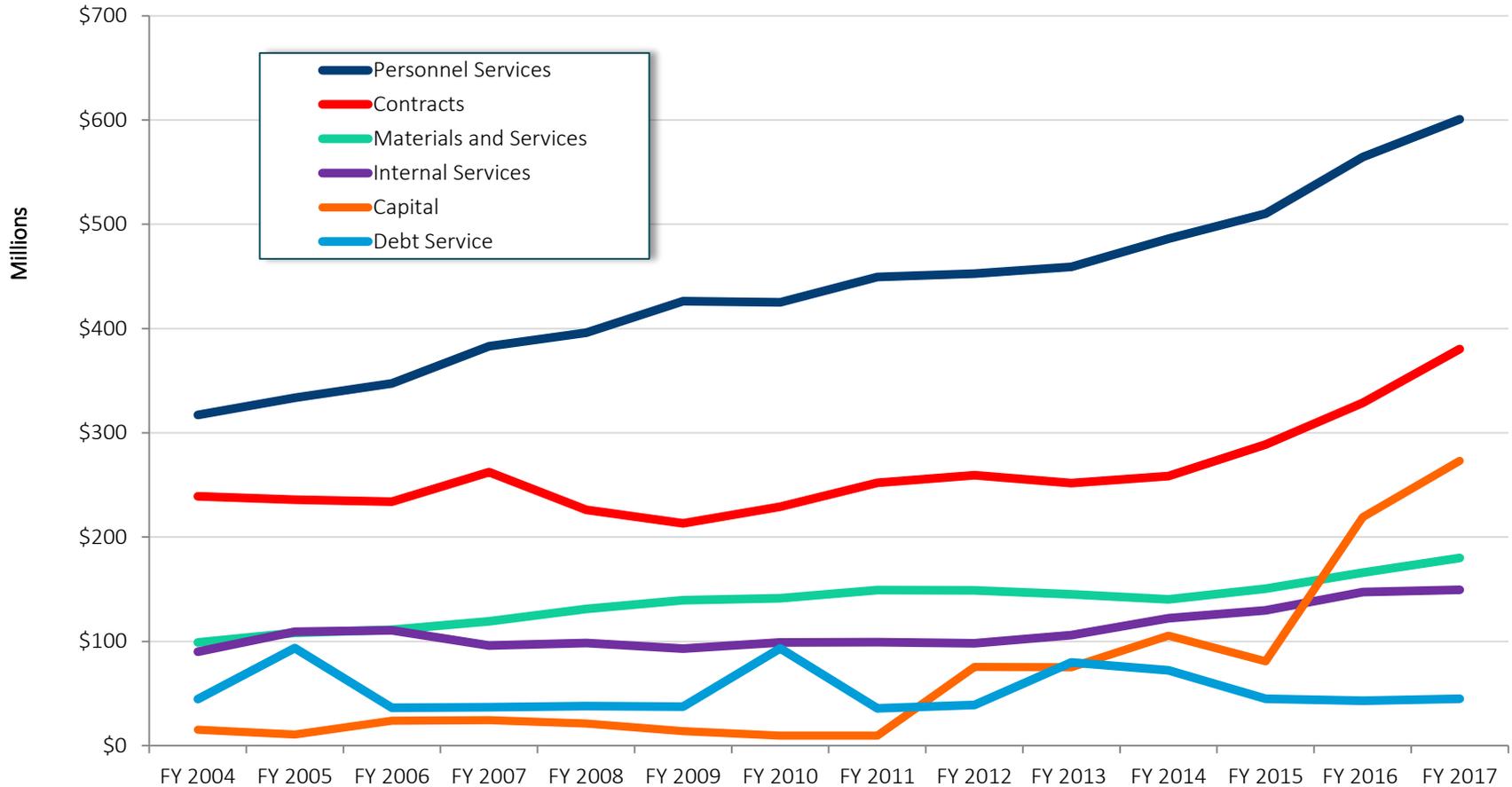
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- General Fund Reserve @ 10% of corporate revenues or \$39.9 million
- BIT Reserve @ 10% or \$8.0 million
- General Fund Contingency \$9.8 million
  - ✓ Regular - \$1.25 million
  - ✓ BIT Reserve - \$8.0 million
  - ✓ General Fund Contingency Set-asides
    - ▣ Mental Health Crisis Services - \$629,532



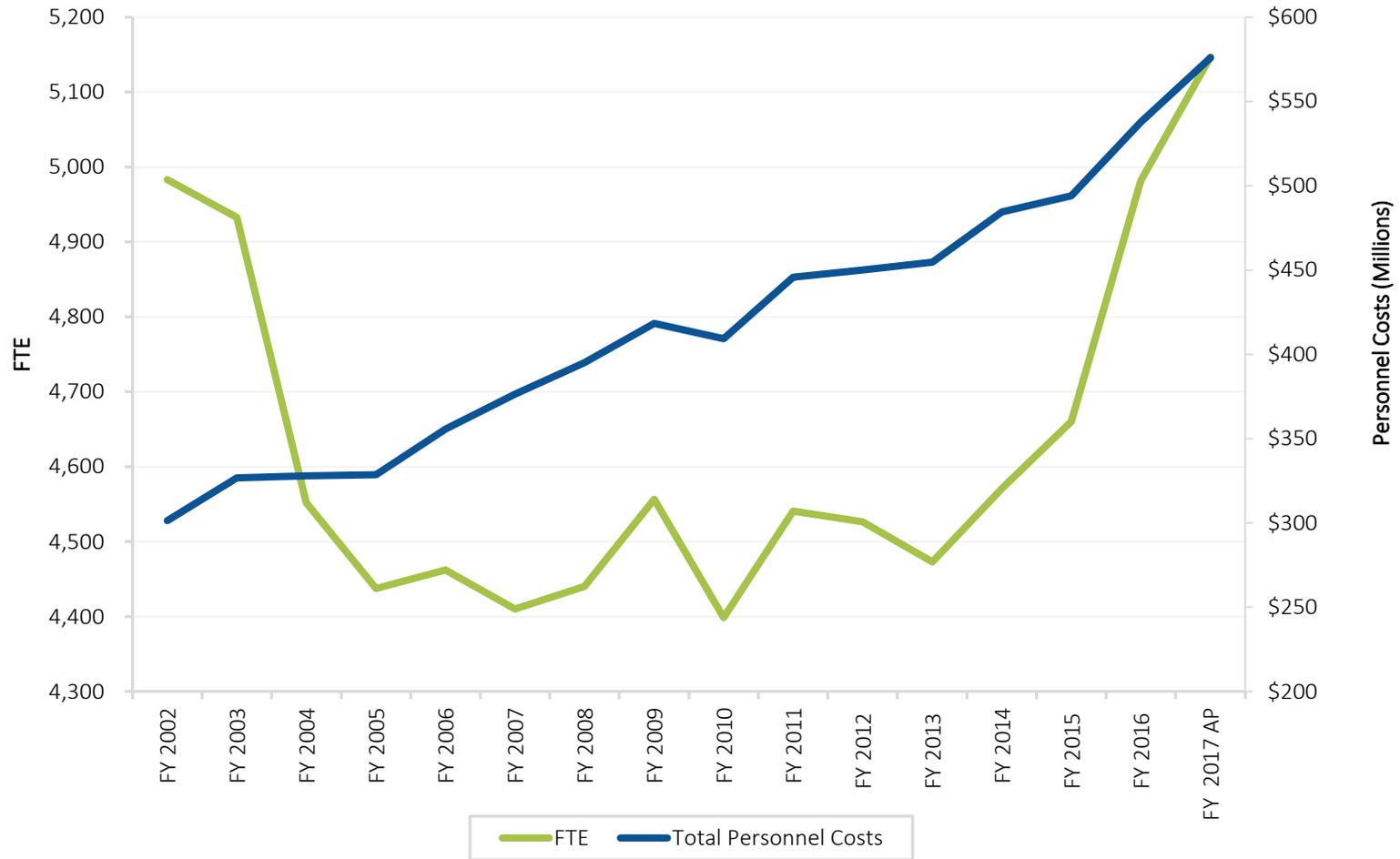
# What We Spend our Resources on...

*FY 2004 Actuals – FY 2017 Approved (All Funds)*



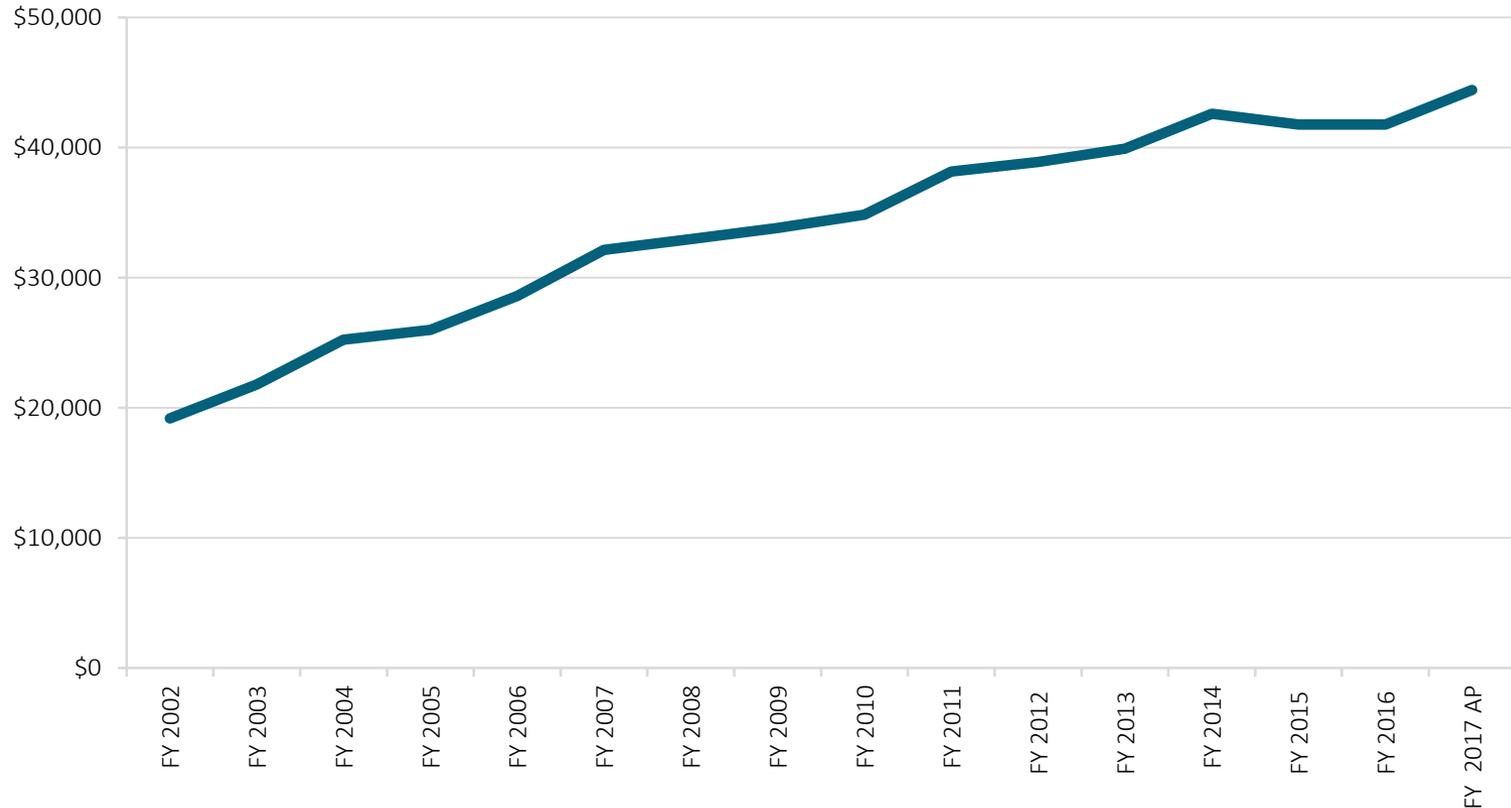
# FTE vs. Total Personnel Costs

*FY 2002 Adopted to FY 2017 Approved (All Funds)*



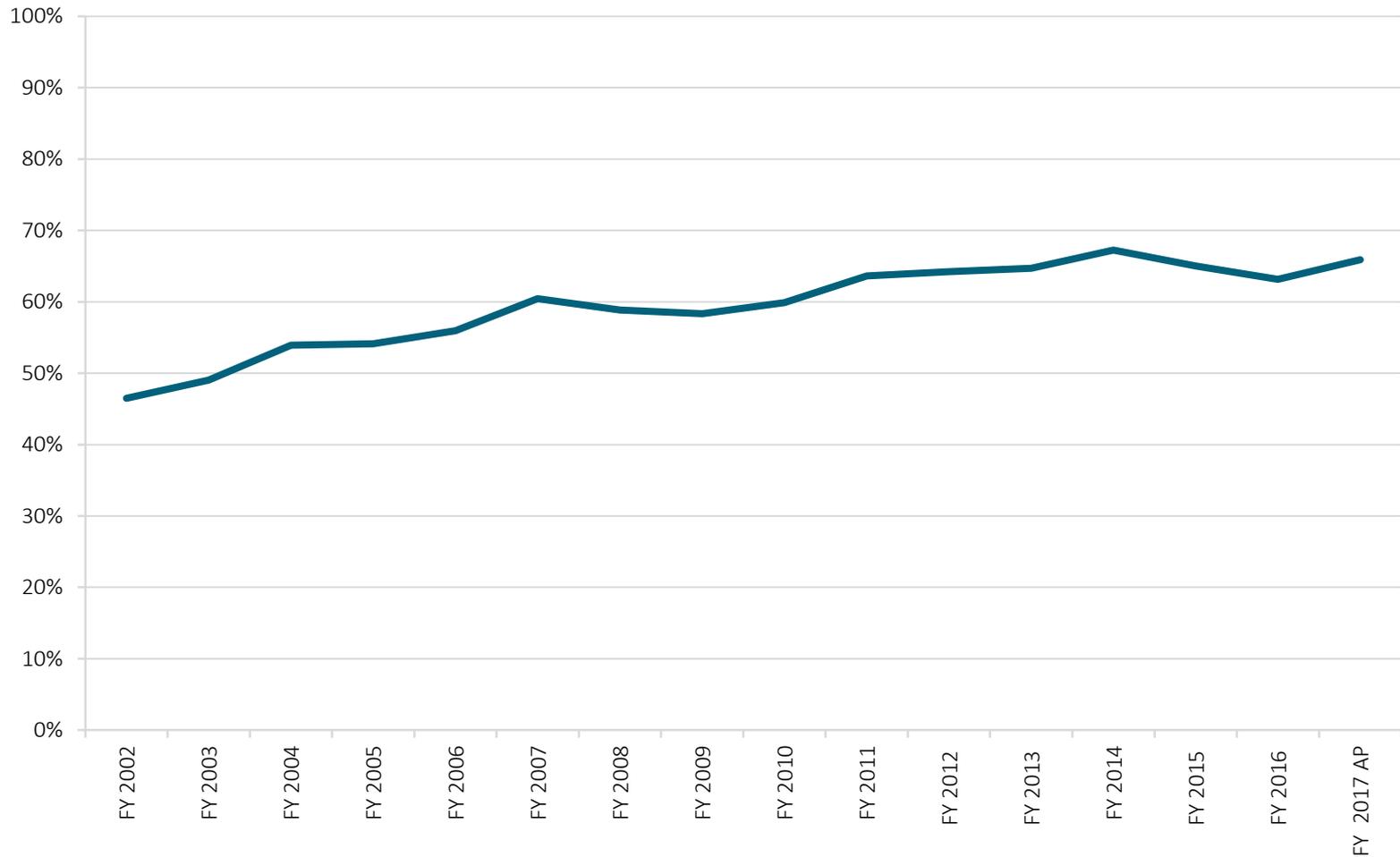
# Avg. Benefits & Insurance Cost per FTE

*FY 2002 Adopted to FY 2017 Approved*



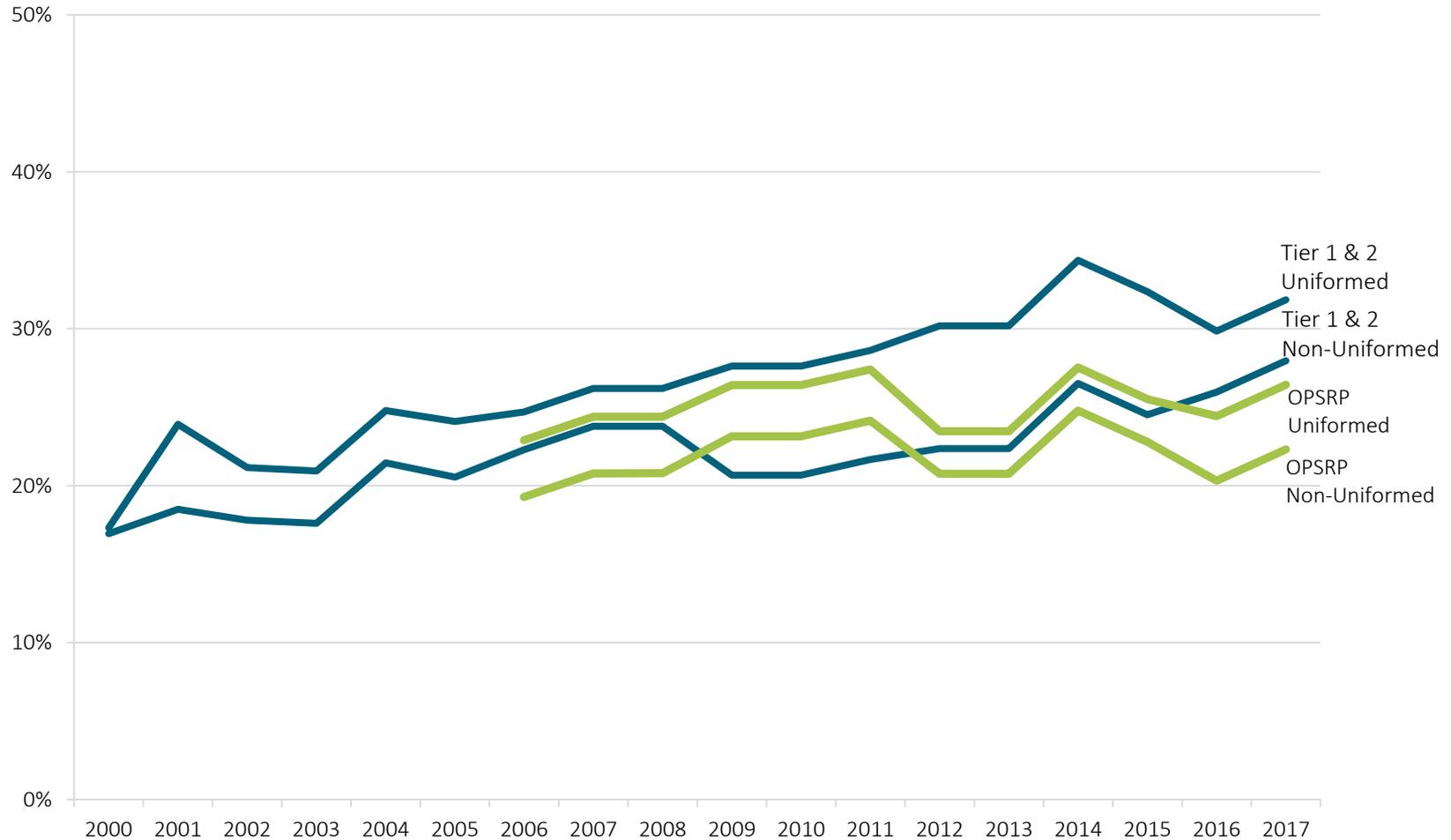
# Benefits & Insurance % of Payroll

*FY 2002 Adopted to FY 2017 Approved*



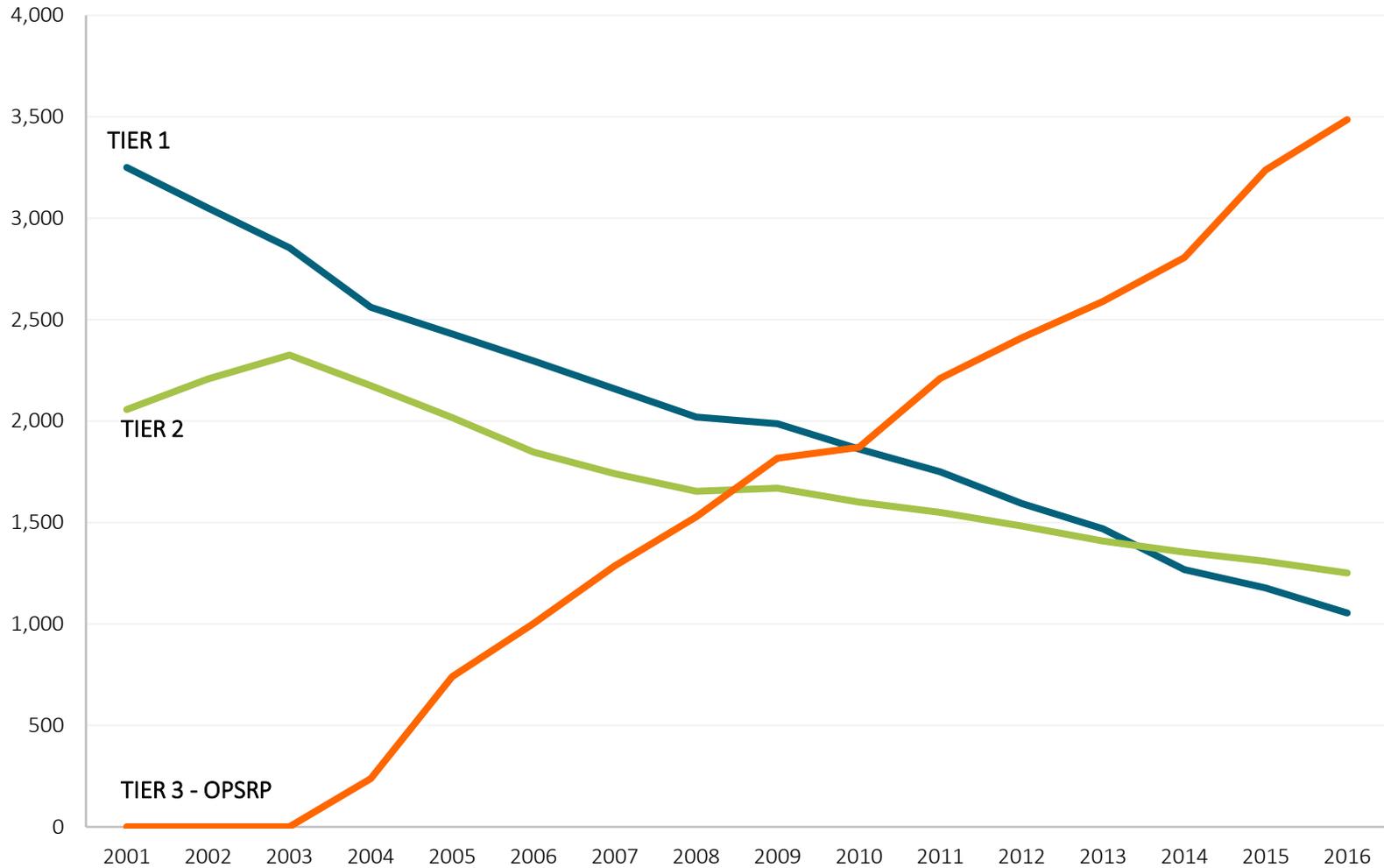
# PERS Rates Charged to Departments

*Based on % of Payroll for PERS, 6% Pick-Up, & PERS Bond*

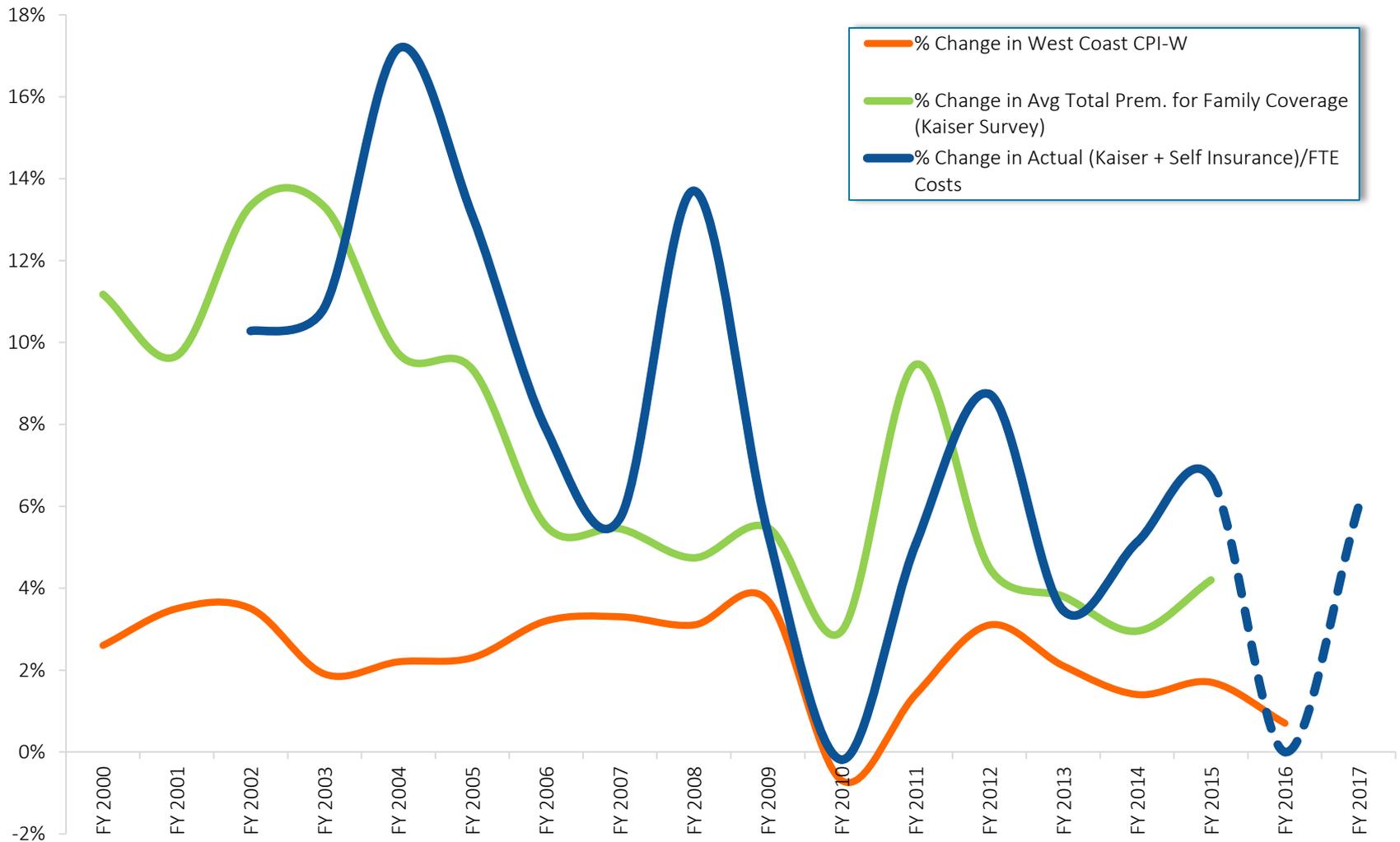


# FTE by PERS Tier

*Based on Actual People*

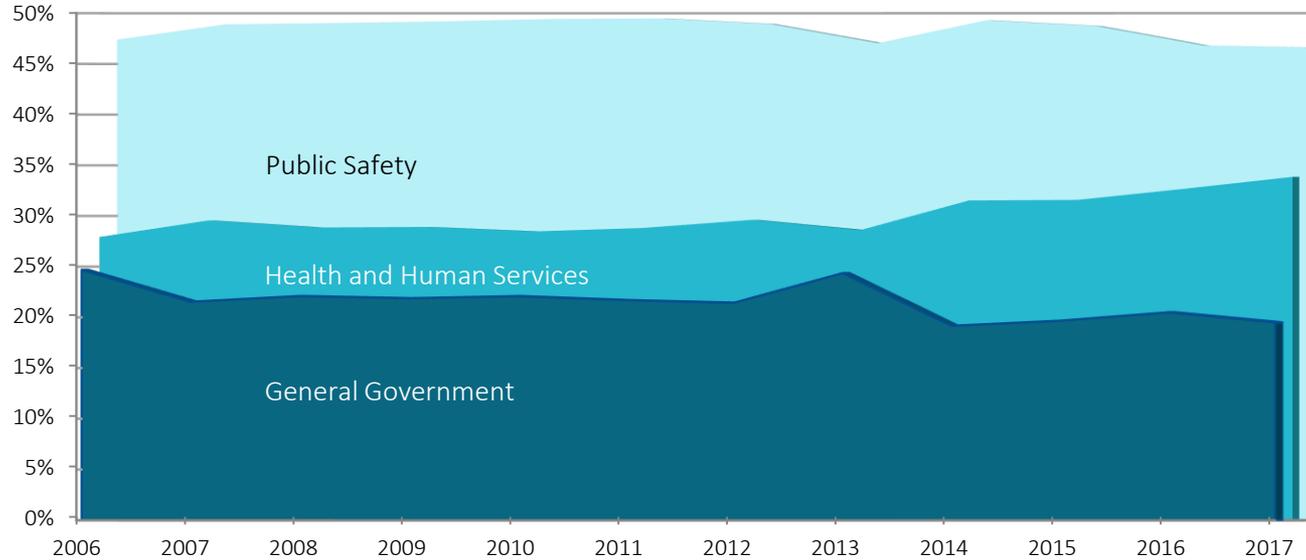


# Health Care Inflation/Costs

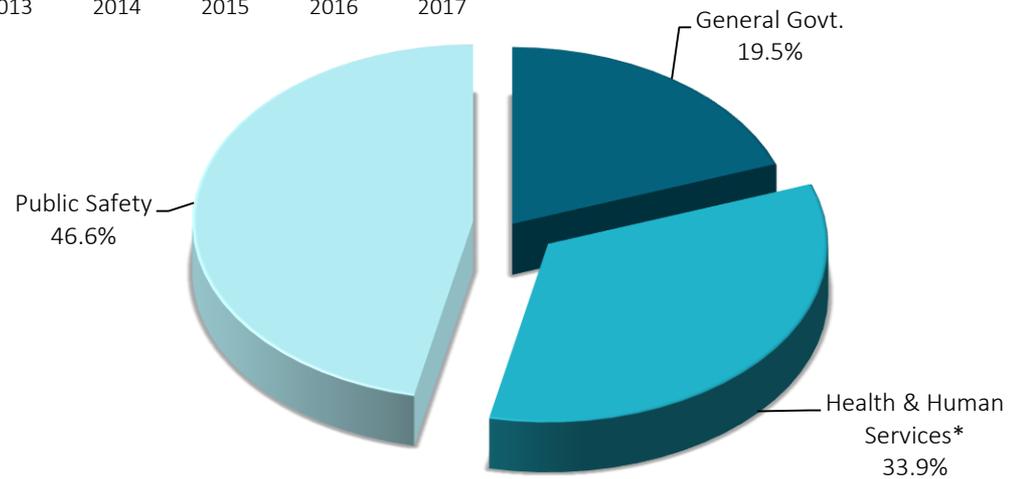


# Where Do We Spend General Fund?

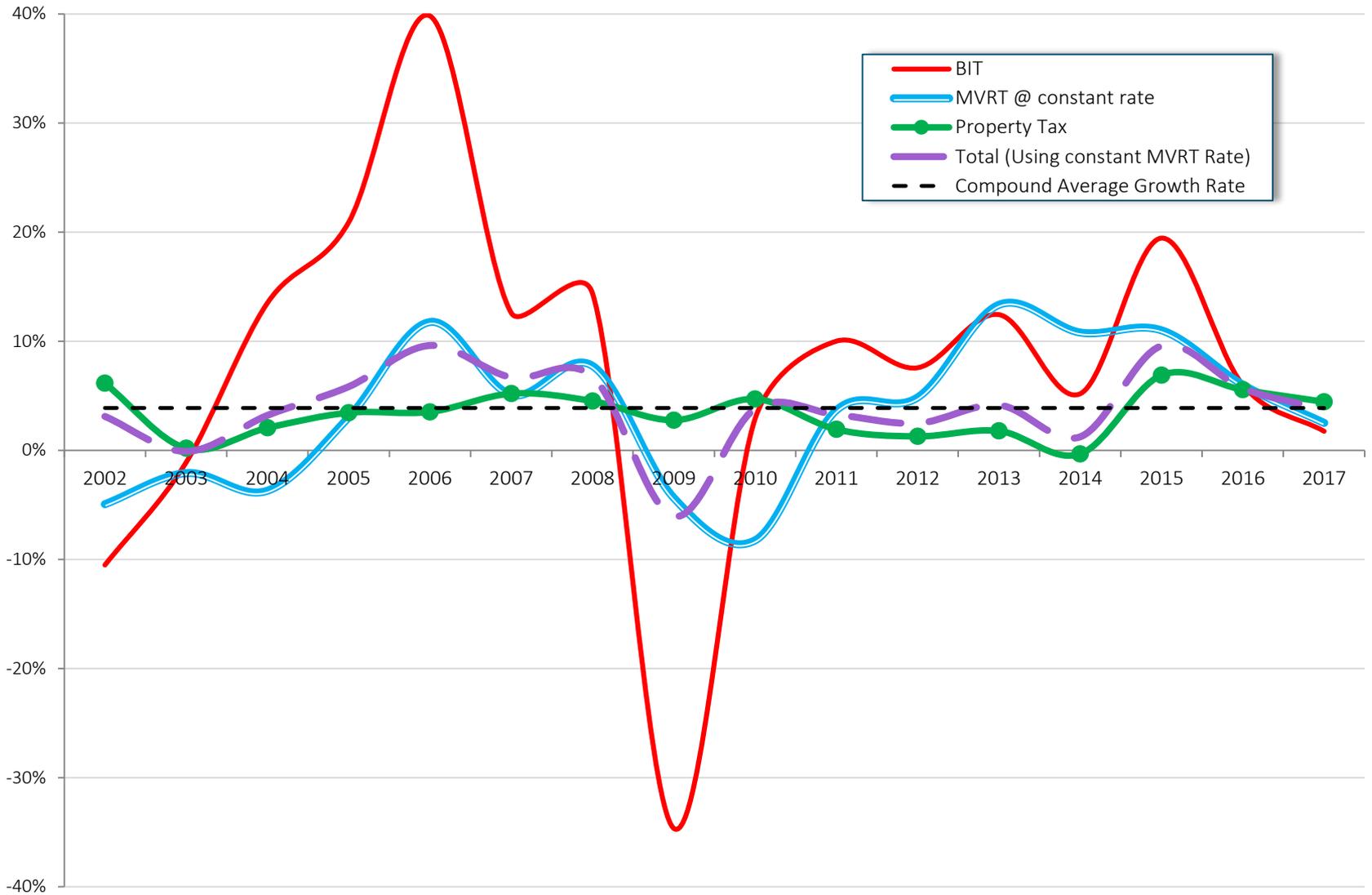
*FY 2006 Adopted to FY 2017 Approved*



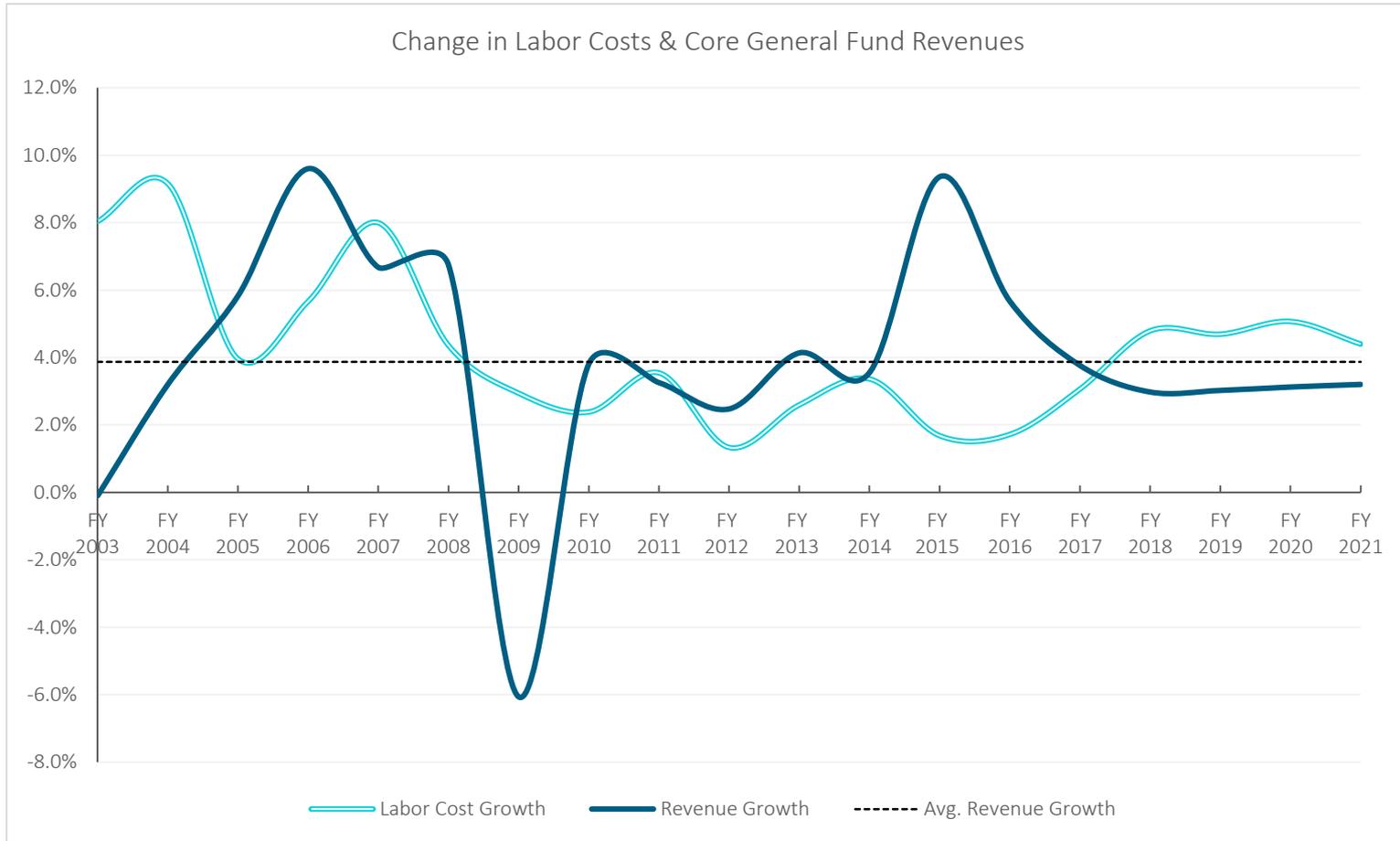
Based on department appropriations  
 \*Health does not include FQHC Expenditures  
 Joint Office Homeless Services is shown as Health/Human Services



# How Fast does GF Grow to Support Services?



# Cost Growth vs. Revenue Growth



Notes:

1. Adjusted FY 2014 revenue for Library District formation and increased compression. (Added \$7.2 million to FY 14 core revenue, then determined percentage.)
2. Adjusted FY 2015 percentage to reflect FY 2014 revenue adjustment for Library District formation and increased compression. (Added \$7.2 million to FY 14 core revenue, then determined percentage.)
3. FY 2014 PERS rates up net 4.1%
4. FY 2011 Medical/Dental rates up 14.63% and PERS up 1%



# Summary – Balance & Financial Resiliency

- Balanced budget over 3-years
- Fully funded reserves and contingencies
- Used one-time-only funds for one-time-only purposes
- Proactively addressing capital needs
  - ✓ Reduces future debt requirements and operating costs
- Planning for PERS liability
  - ✓ \$25 million for side account
  - ✓ Preemptively increasing our internal rates by 2% of payroll
- Well positioned to prepare for next recession while providing services today
- Difficult, but sound financial choices while balancing competing needs have contributed to the County's position



# Questions

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