



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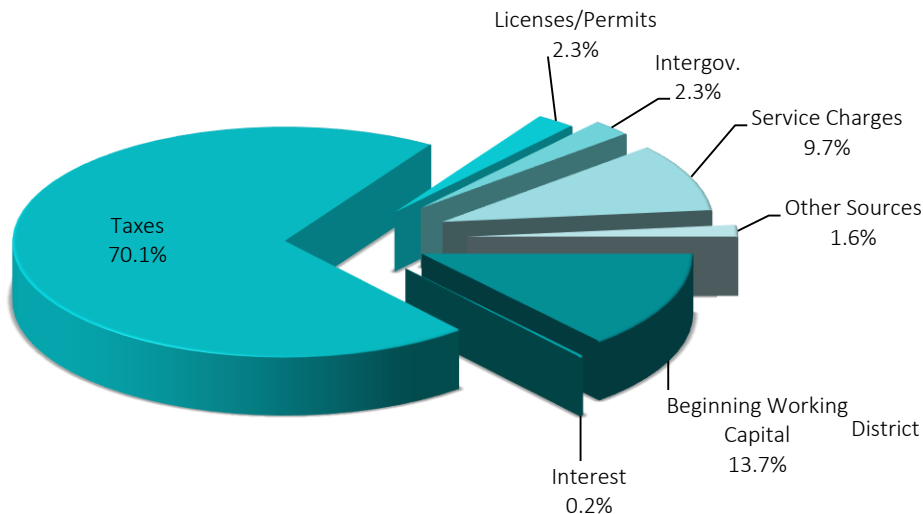
- FY 2016 Adopted Budget =  
\$1,733,792,105
- FY 2017 Approved Budget =  
\$1,870,614,986
- An increase of \$136,822,881 million or 7.9%

Note: Includes Contingencies, Reserves, and Unappropriated Balance

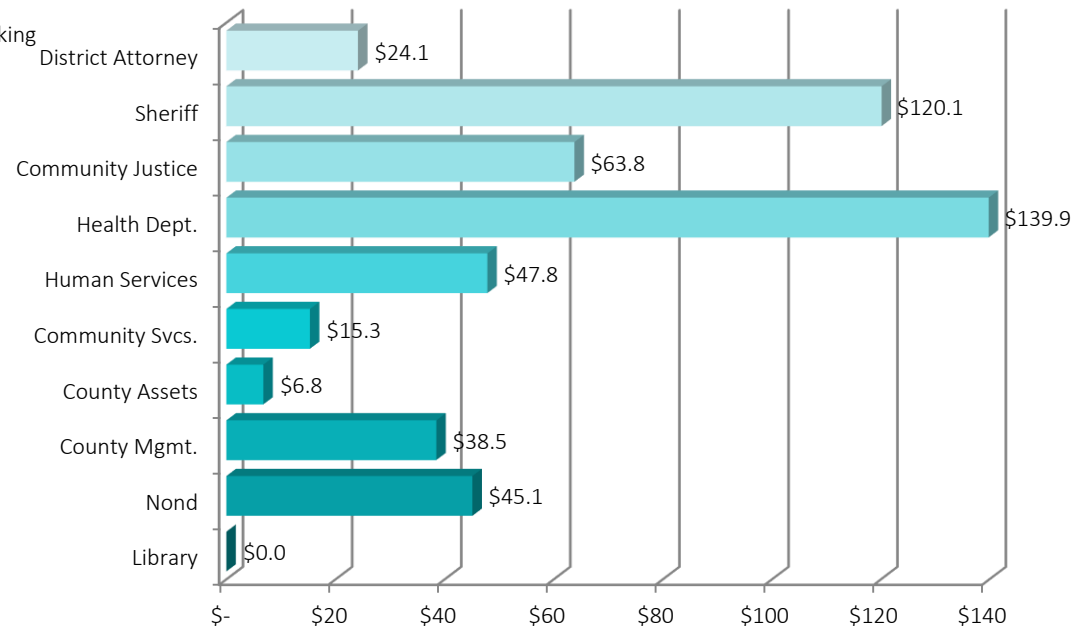


# General Fund Overview - \$583 Million

Where the money comes from:



Where the money goes to:\*

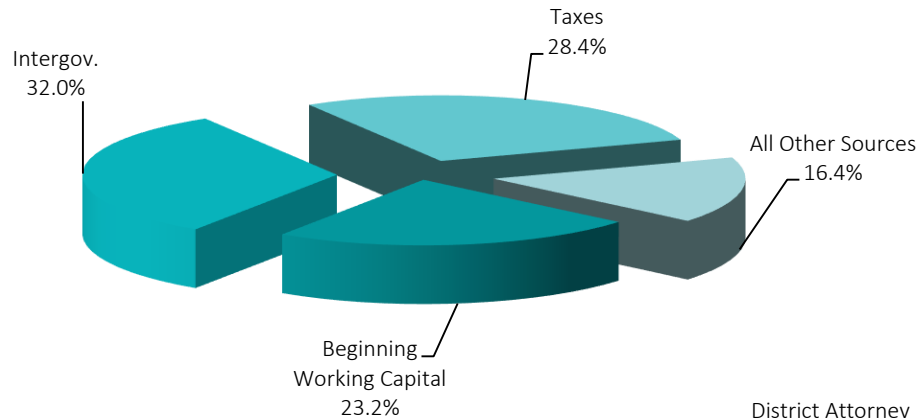


\*Note: does not include transfers, reserves and contingencies.  
Health Dept. includes \$52.8M of FQHC/PCPCH

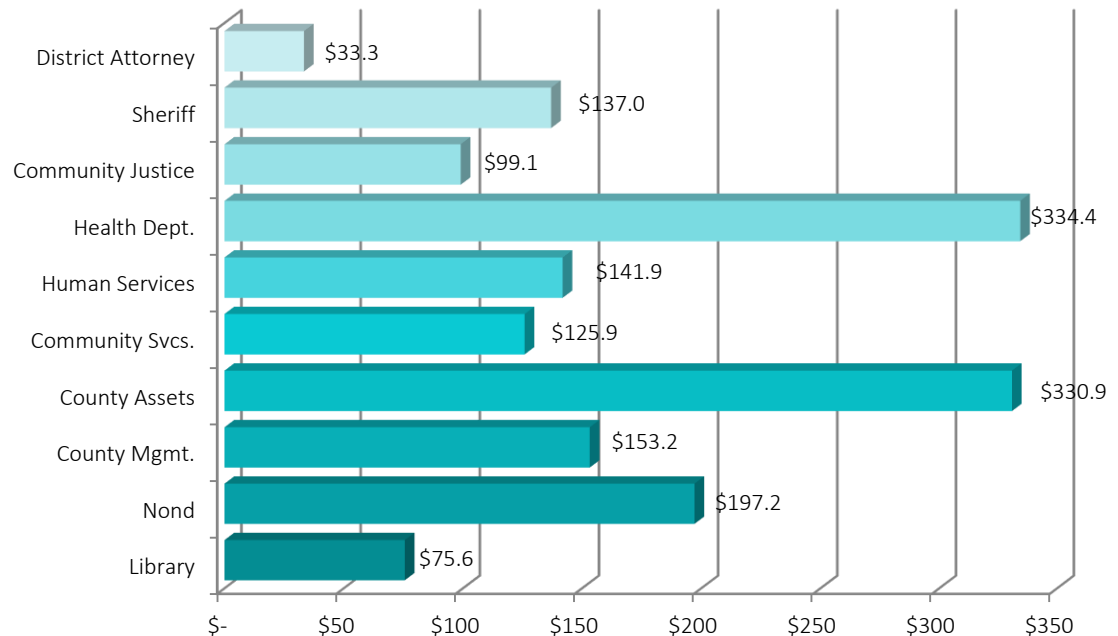


# All Funds Overview - \$1.87 Billion

Where the money comes from:



Where the money goes to:\*

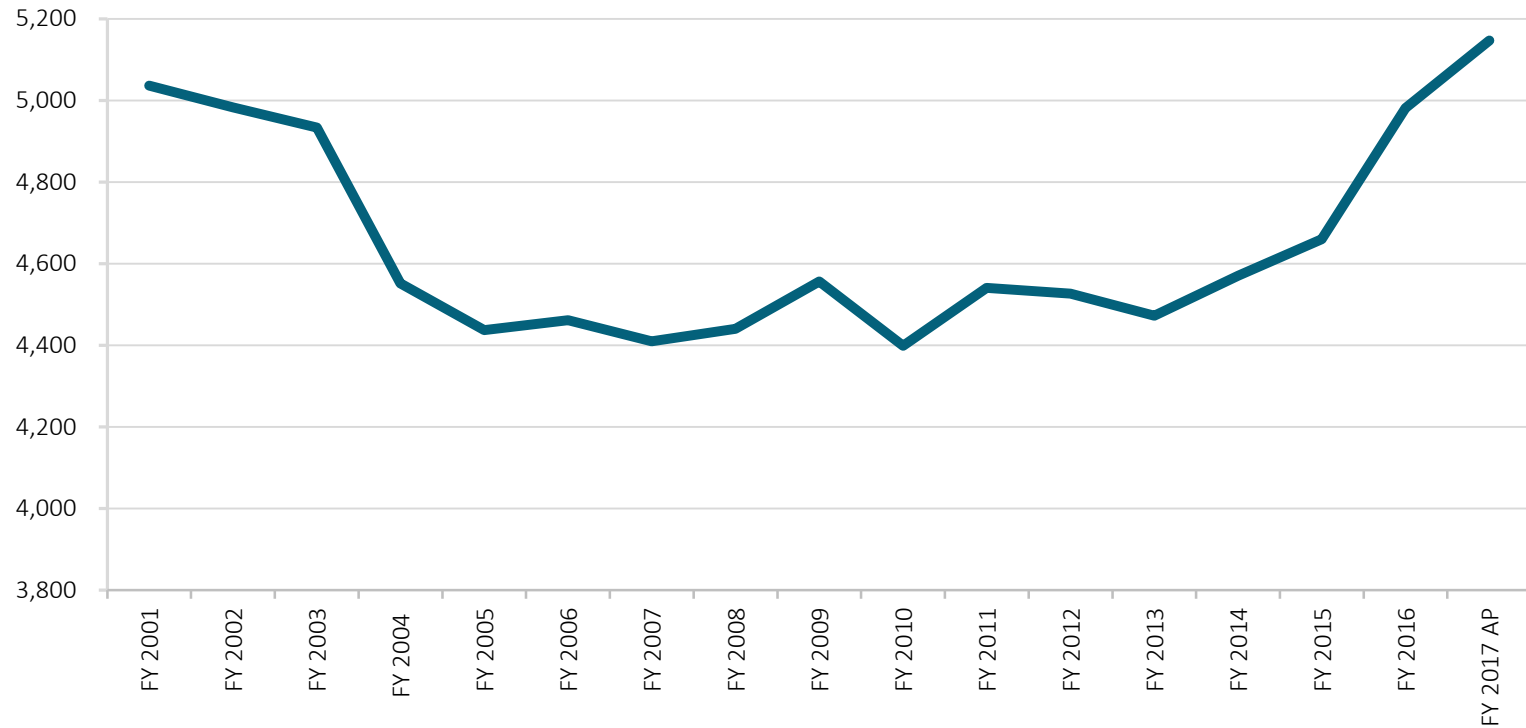


\*Note: does not include transfers, reserves, and contingencies

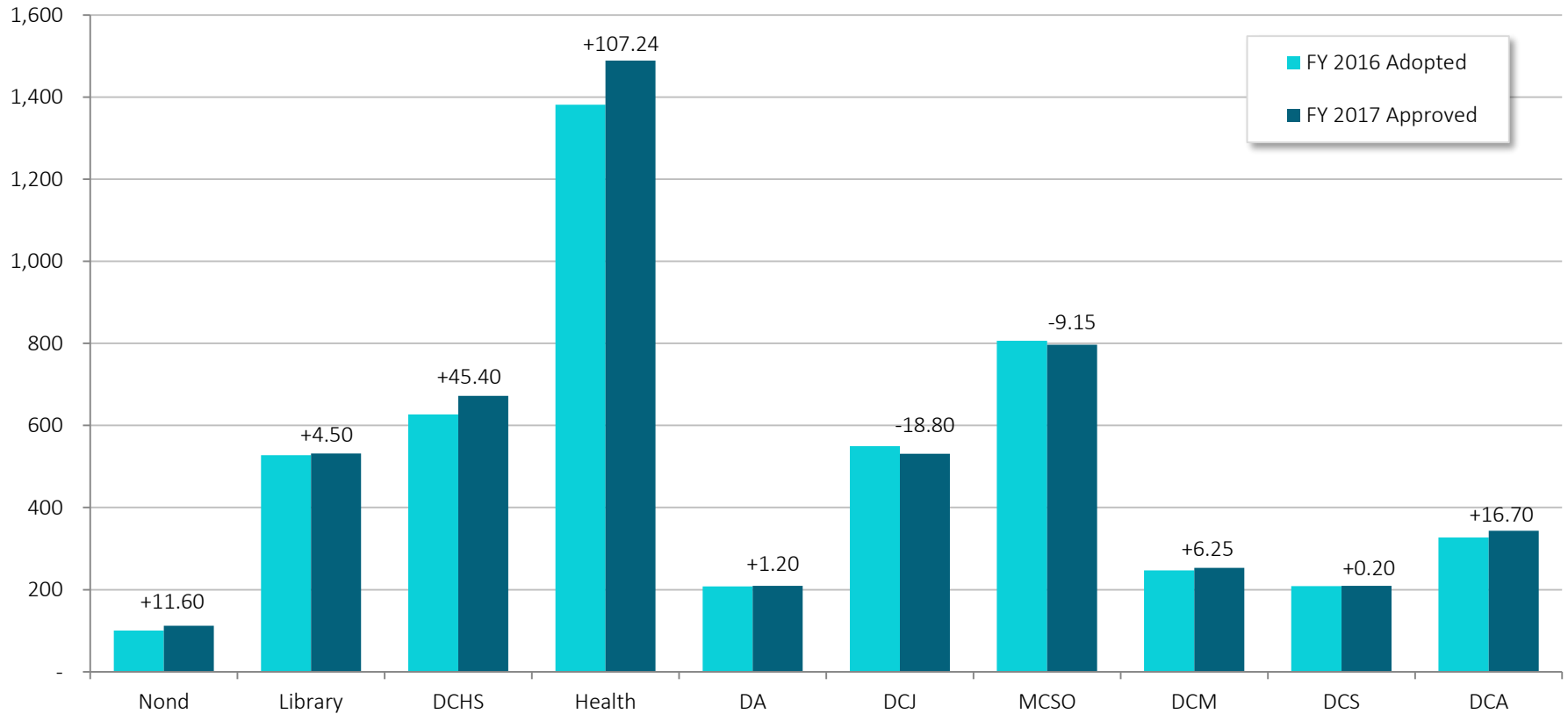


# Full Time Equivalents +165.14 FTE

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

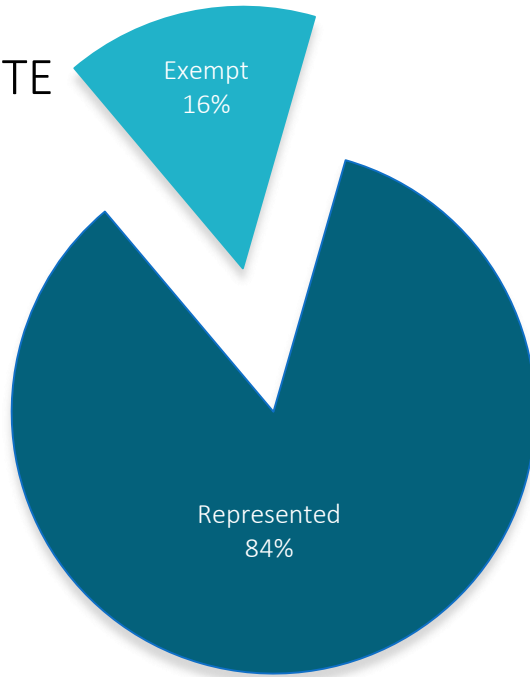


# Full Time Equivalents (FTE) by Department

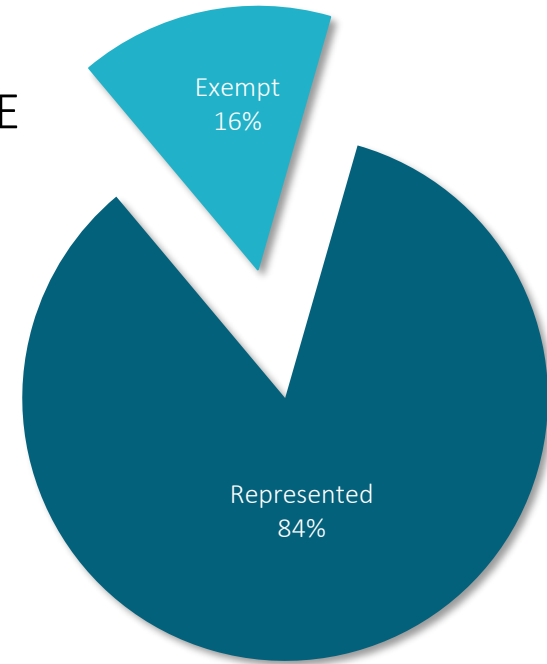


# FTE Represented vs. Non Represented

FY 2016  
4,981.77 FTE



FY 2017 AP  
5,146.91 FTE





# FTE by Union Year over Year

	FY 2016 Adopted	FY 2017 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

## ■ 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

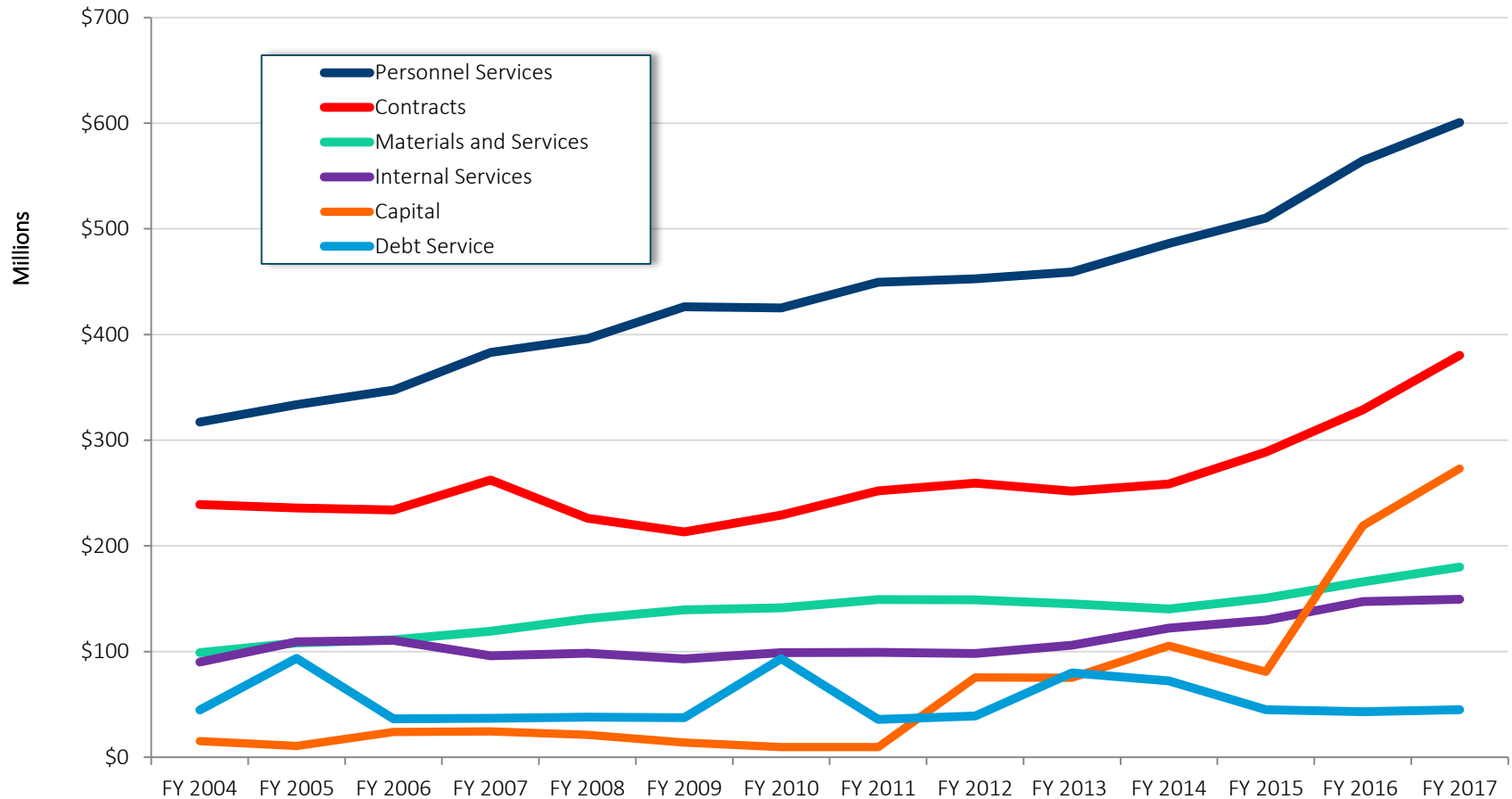
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- General Fund Reserve @ 10% of corporate revenues or \$39.9 million
- BIT Reserve @ 10% or \$8.0 million
- General Fund Contingency \$9.8 million
  - ✓ Regular - \$1.25 million
  - ✓ BIT Reserve - \$8.0 million
  - ✓ General Fund Contingency Set-asides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



# What We Spend our Resources on...

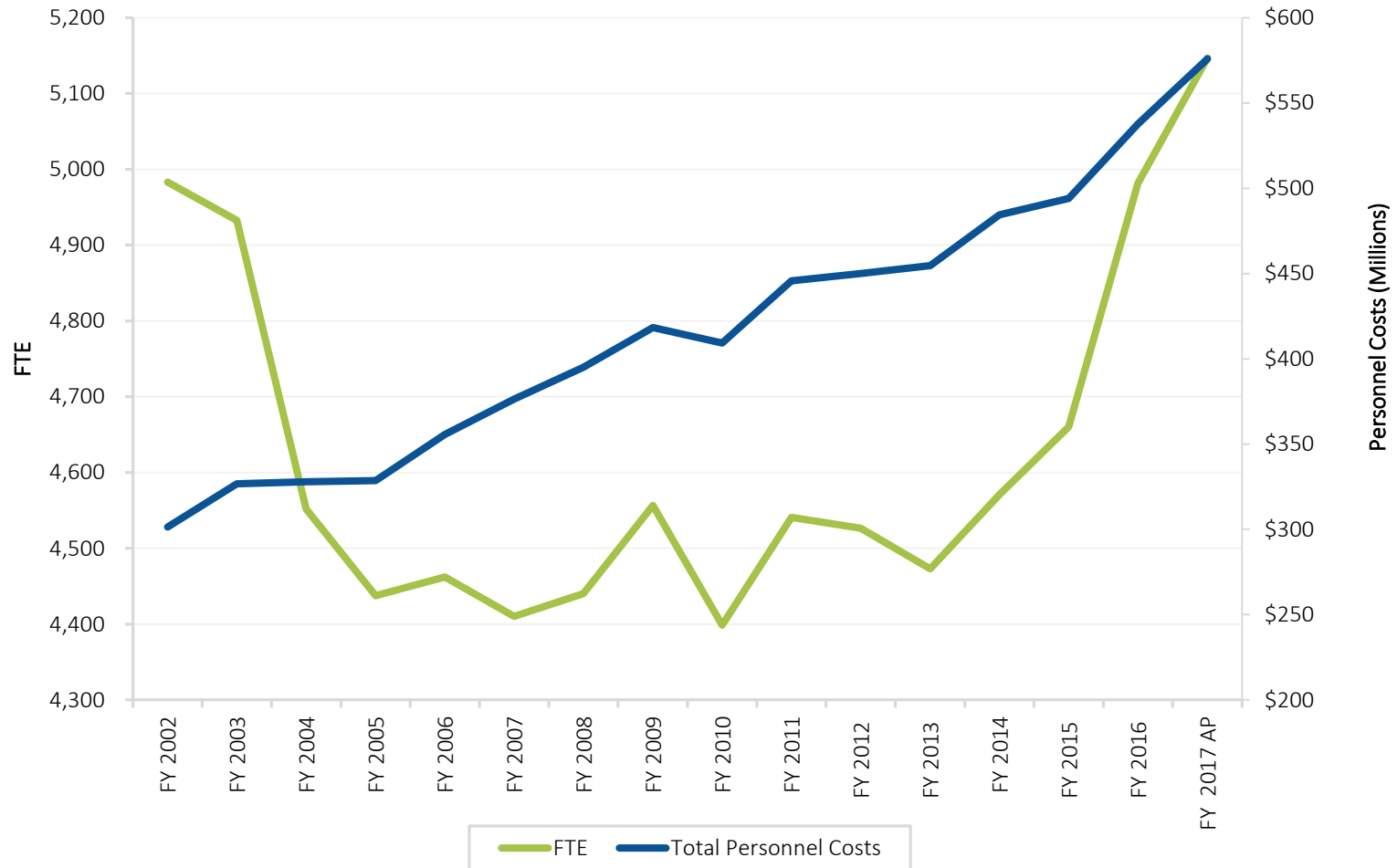
*FY 2004 Actuals – FY 2017 Approved (All Funds)*





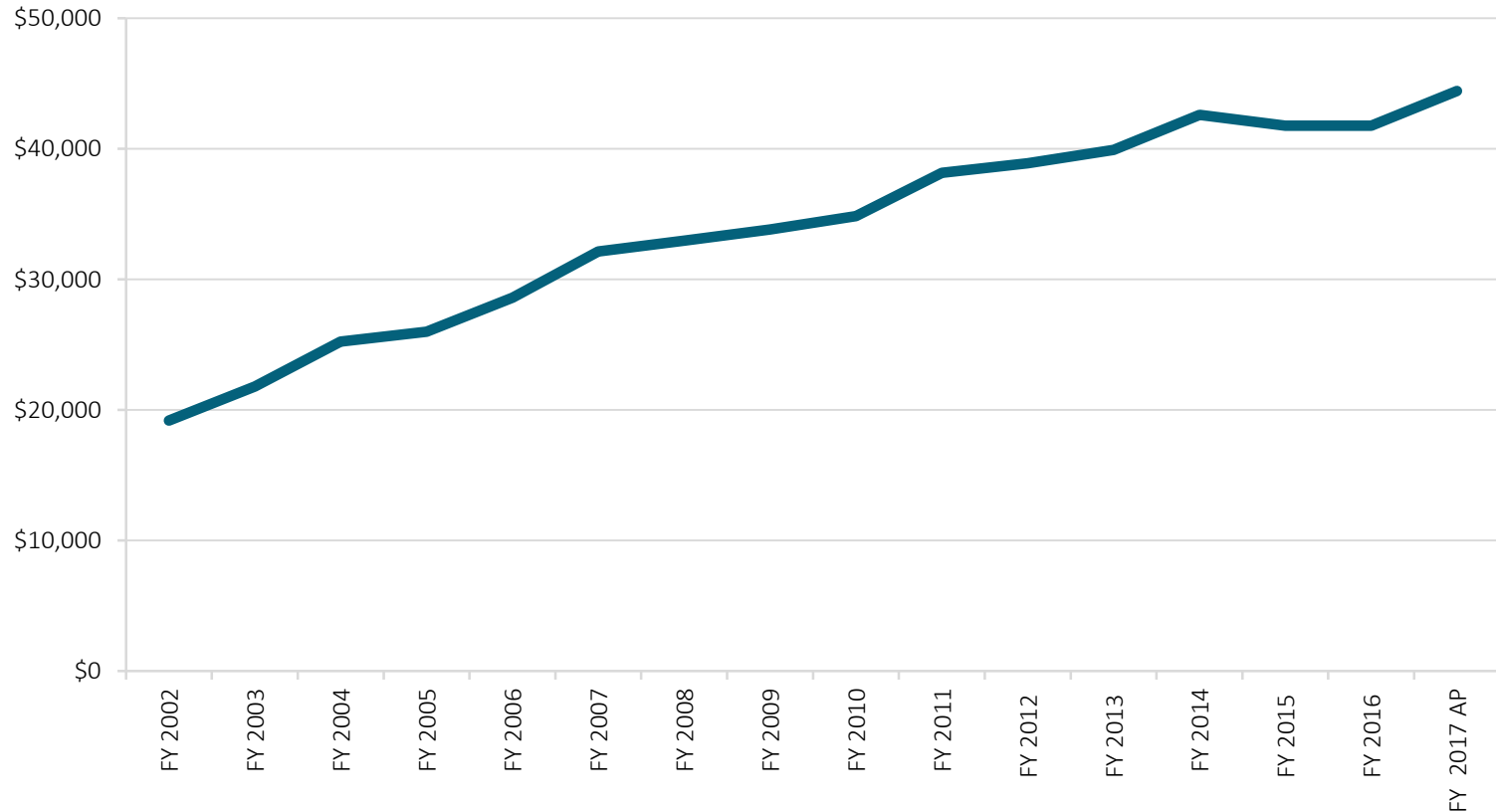
# FTE vs. Total Personnel Costs

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



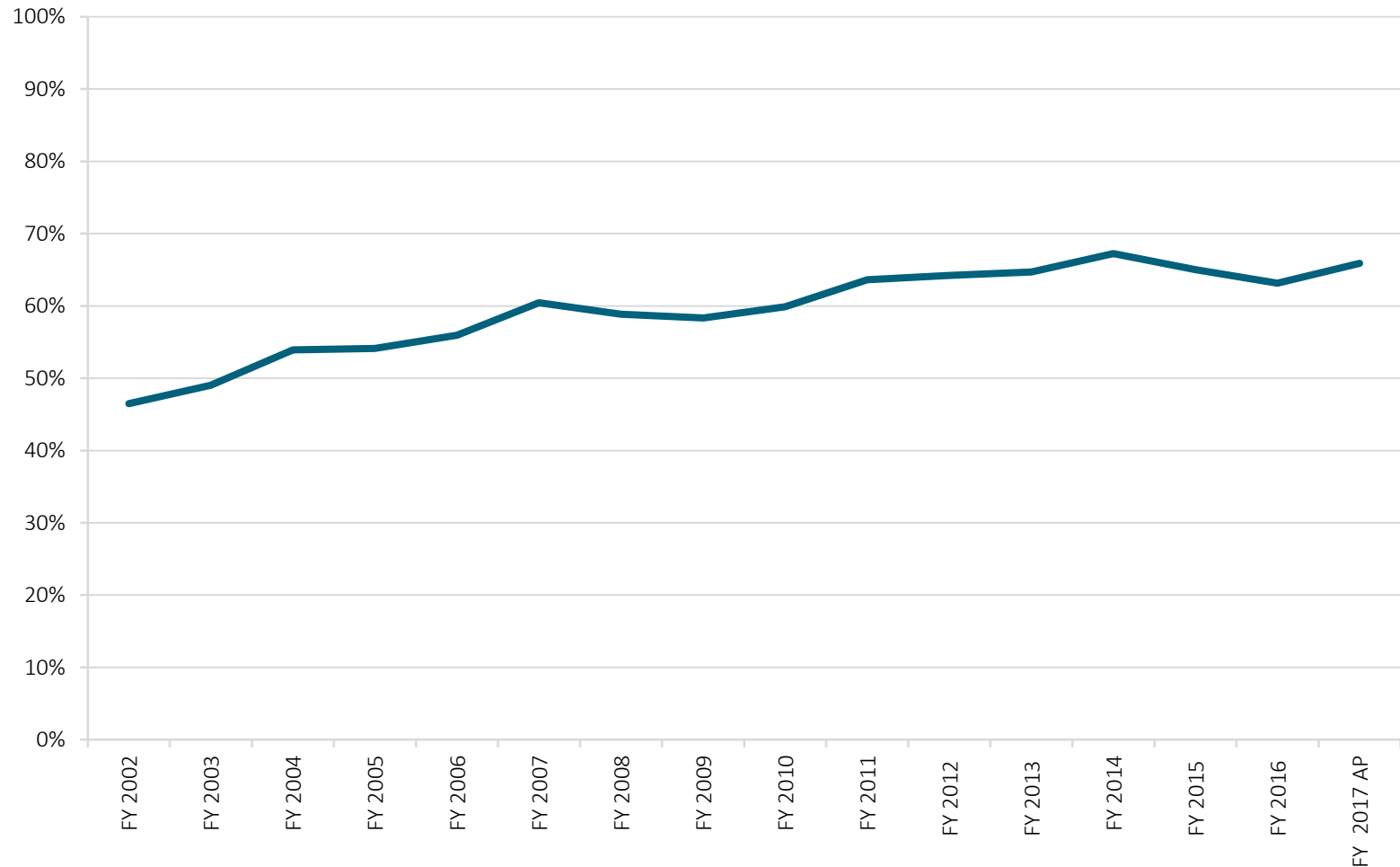
# Avg. Benefits & Insurance Cost per FTE

*FY 2002 Adopted to FY 2017 Approved*



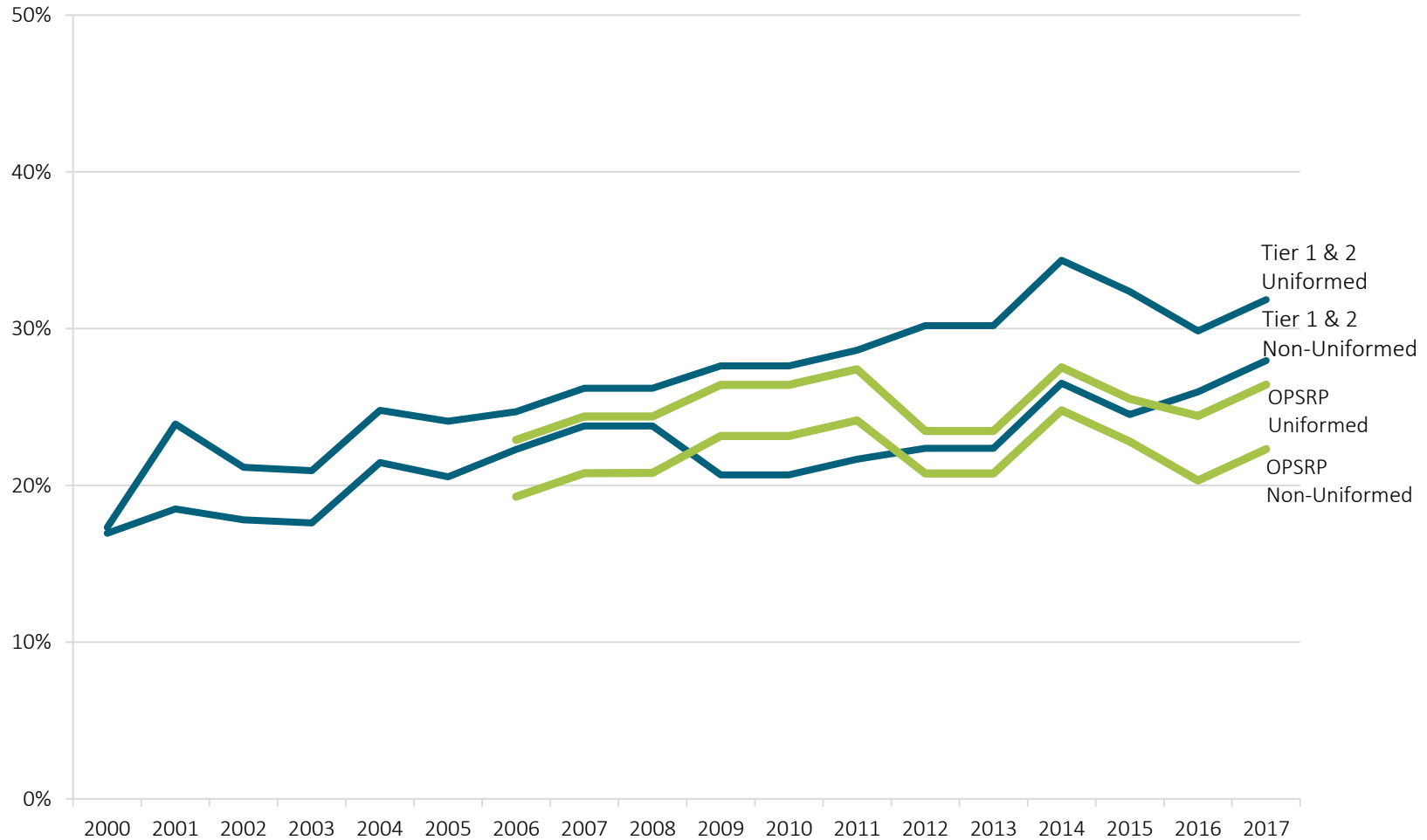
# Benefits & Insurance % of Payroll

*FY 2002 Adopted to FY 2017 Approved*



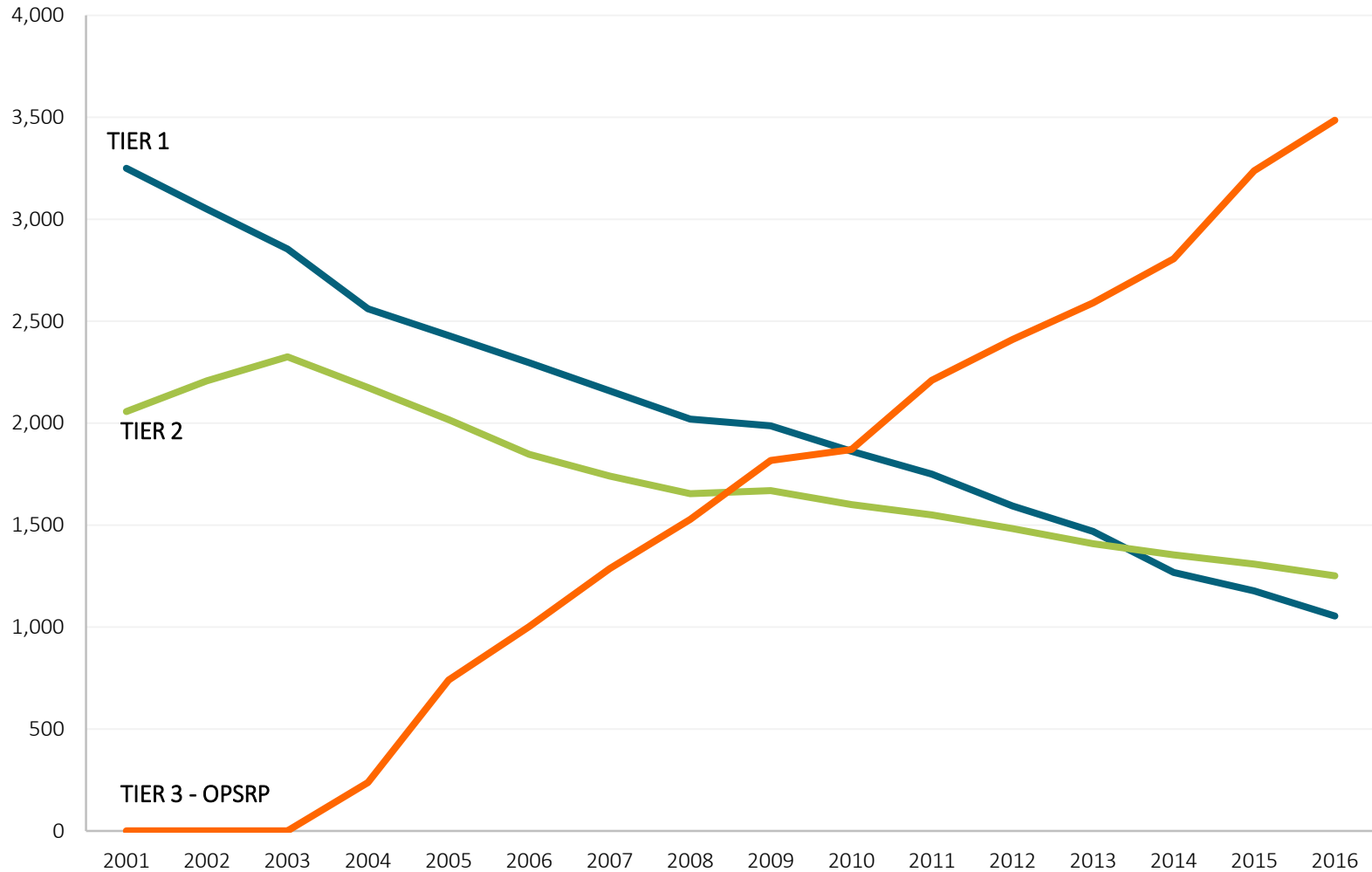
# PERS Rates Charged to Departments

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

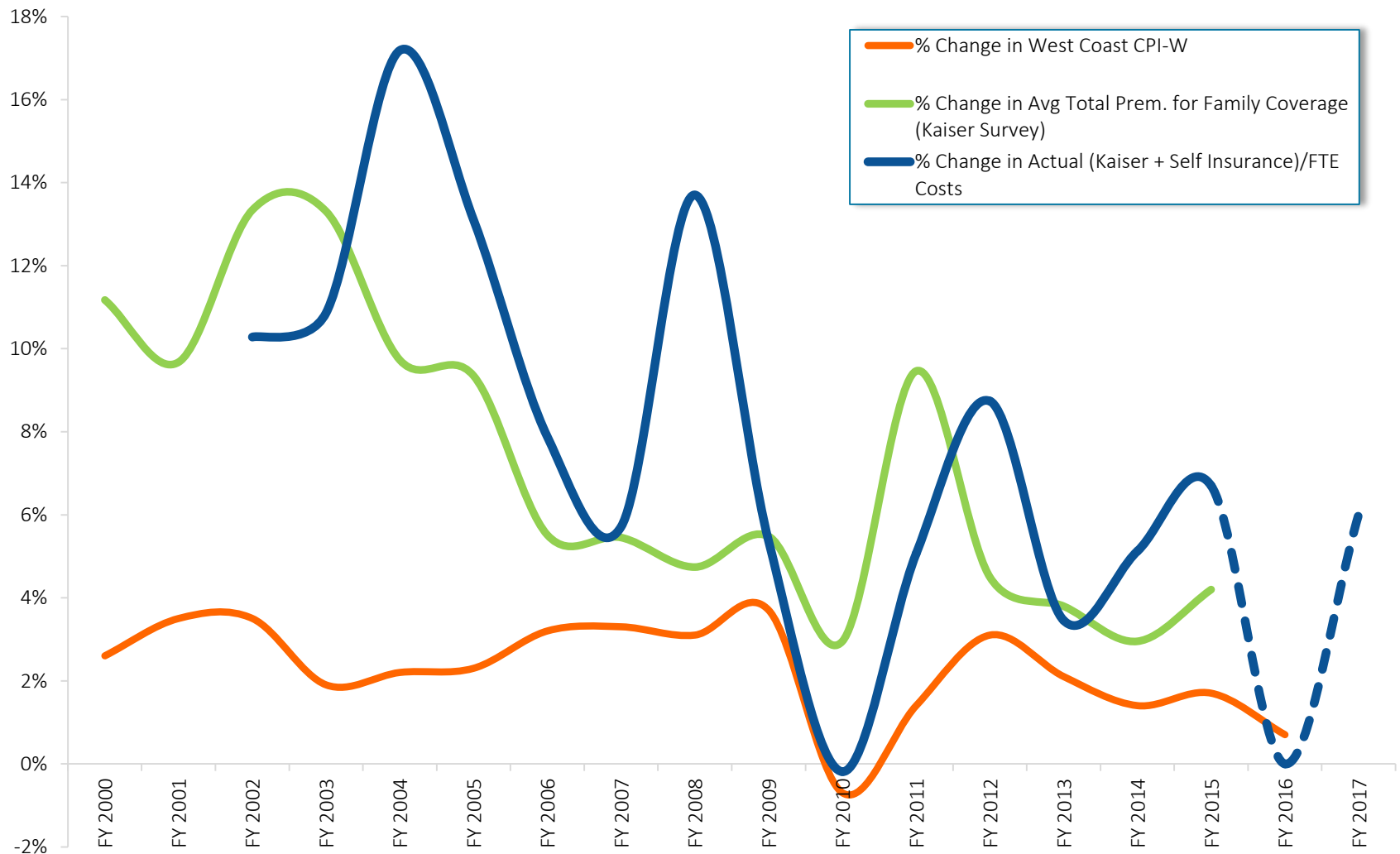


# FTE by PERS Tier

*Based on Actual People*

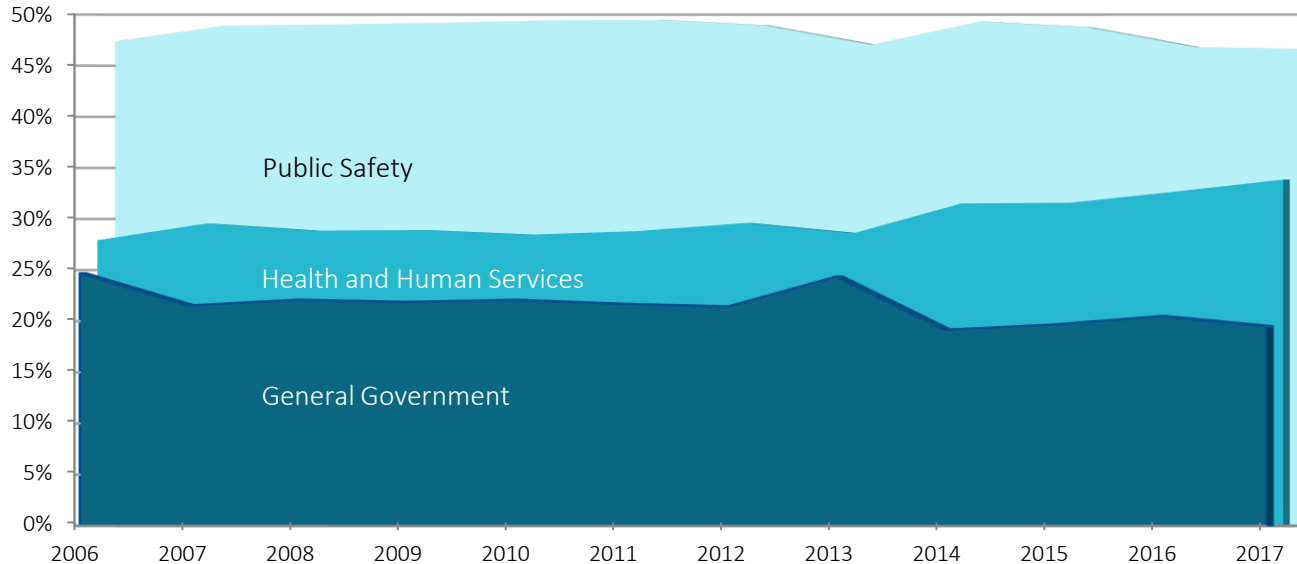


# Health Care Inflation/Costs



# Where Do We Spend General Fund?

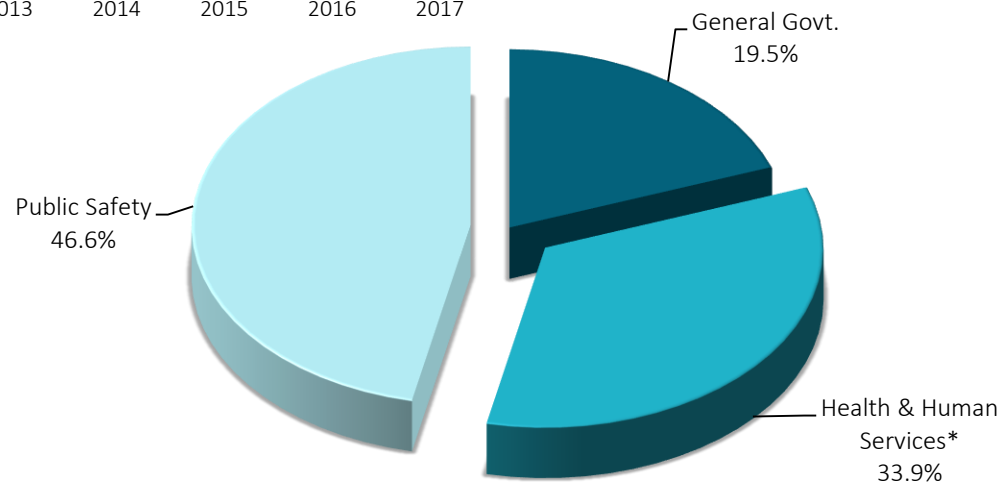
*FY 2006 Adopted to FY 2017 Approved*



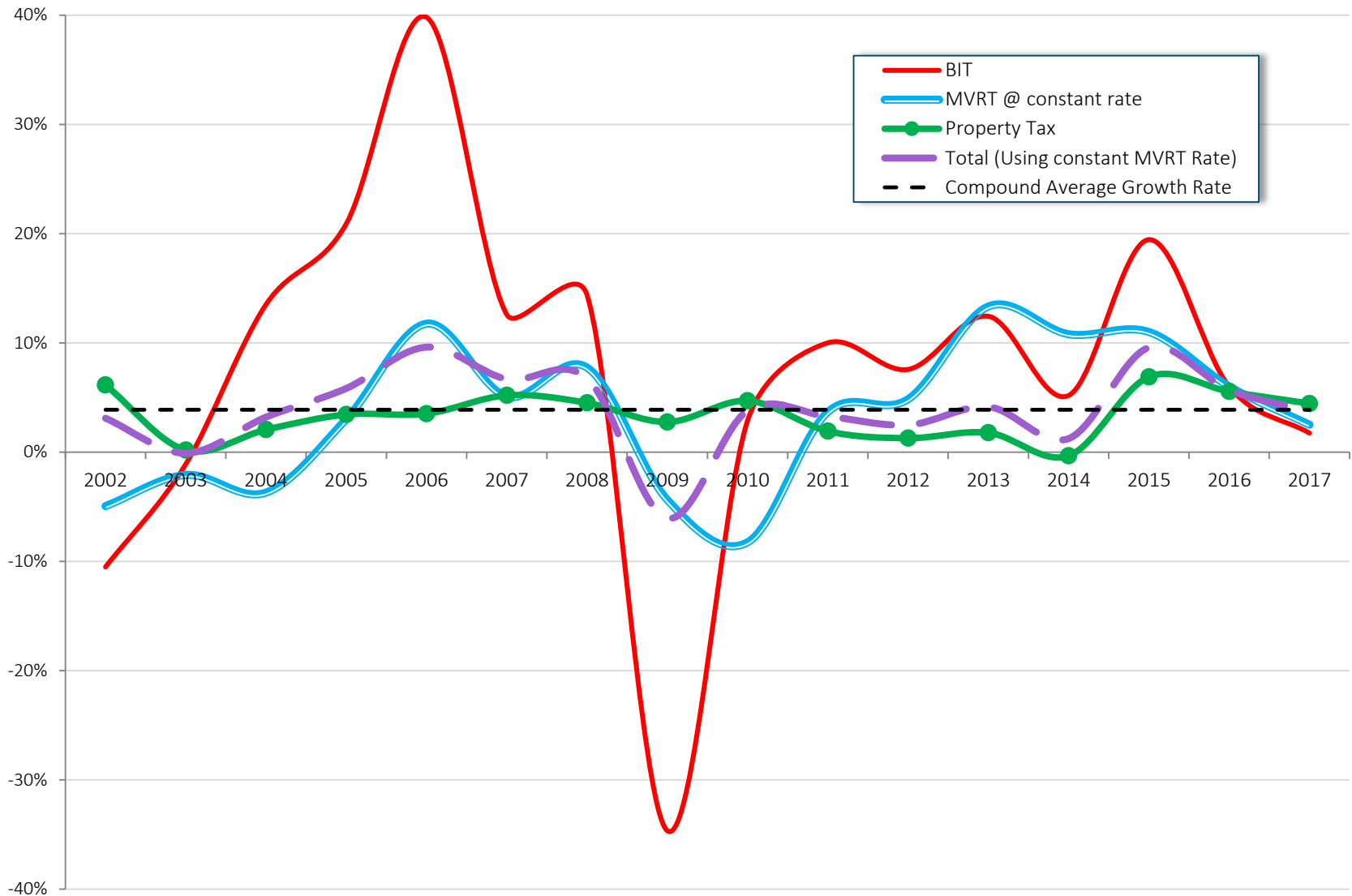
Based on department appropriations

\*Health does not include FQHC Expenditures

Joint Office Homeless Services is shown as Health/Human Services

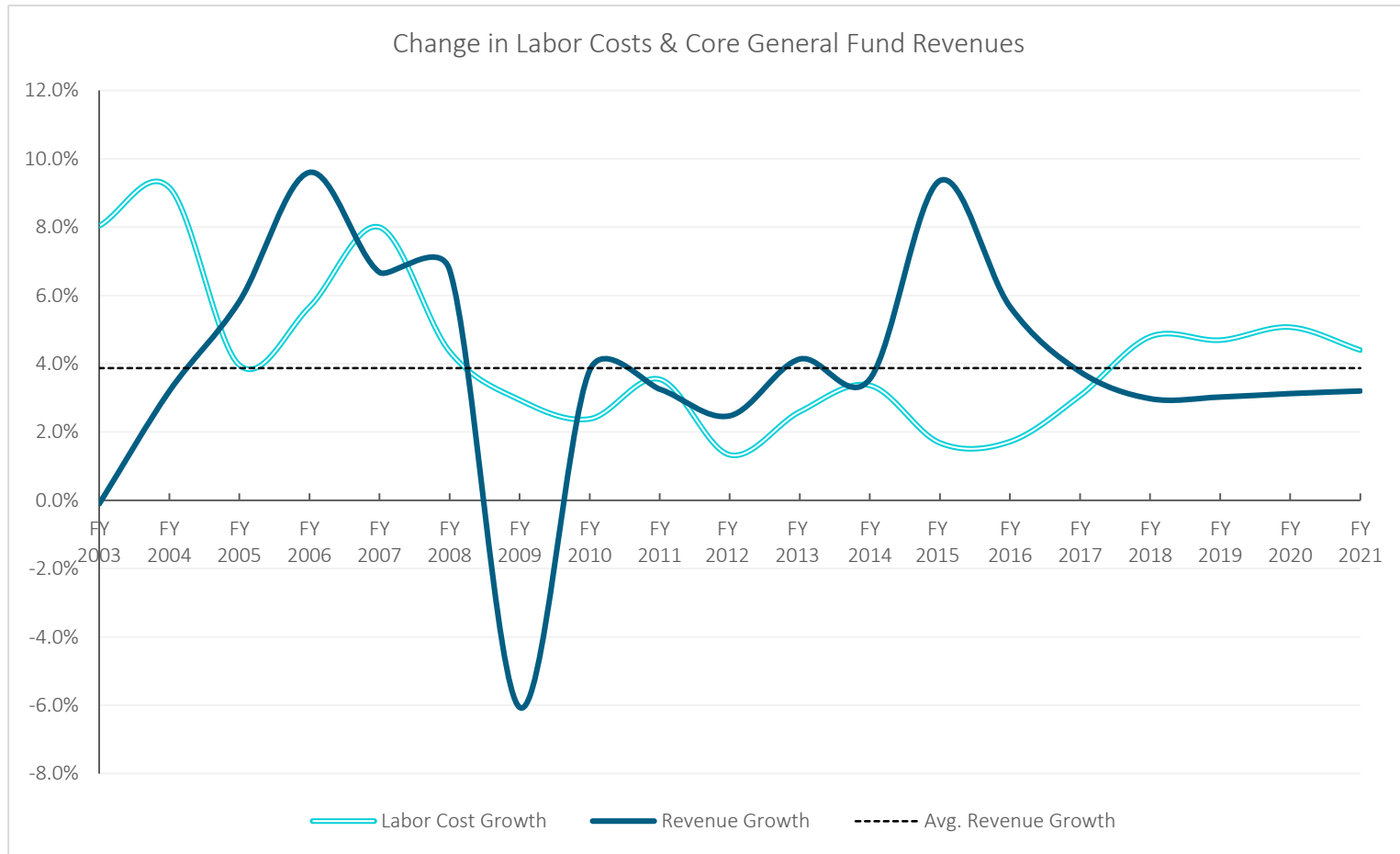


# How Fast does GF Grow to Support Services?





# 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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