

MULTNOMAH COUNTY

ADOPTED BUDGET

1982 - 83

Donald E. Clark, County Executive

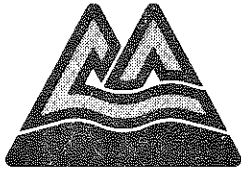
Budget Committee

Dennis Buchanan, District 1
Gladys McCoy, District 2
Caroline Miller, District 3
Earl Blumenauer, District 4
Gordon Shadburne, District 5



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MULTNOMAH COUNTY OREGON

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DONALD E. CLARK
COUNTY EXECUTIVE

BUDGET OFFICER'S MESSAGE

For the last six years, Multnomah County has continually compiled and analyzed the fiscal data necessary to anticipate major changes in revenue and expenditure requirements well in advance of the need to deal with their impact.

The County Executive labeled 1980-81 as a "transition year" a period during which "we must move from an era in which careful management of our inelastic revenue base was sufficient to maintain the existing mix and level of services to a period when major changes must be made -- either in what we do or how we pay for it."

The multi-faceted planning approach that took place during the transition year led to the consideration of a number of possible 1981-82 budget-balancing solutions. The document finally adopted by the Board of Commissioners included a major new source of revenue -- a \$2-million general operating serial levy -- as well as a \$4-million reduction in General Fund expenditures and a \$1.4-million reserve to offset the cost of continuing 1981-82's already reduced level of service in 1982-83.

Because of these steps to shore up the County's short-term fiscal stability and the ongoing implementation of internal administrative efficiencies, no large-scale program reductions or revenue increases are necessary to balance the General Fund books in 1982-83.

However, current five-year projections indicate that by 1984-85 at the very latest -- the year the serial levy expires -- the County will again be at a major crossroads requiring changes in either its responsibilities or its resource base.

To allow the County two full years to reach this juncture, the Approved Budget includes a one-time reserve of \$800,000 in its

general operating contingencies to reduce the size of the anticipated 1983-84 shortfall. Without the reserve, it is estimated that over \$3-million will need to be cut in 1983-84 to balance revenues and expenditures. With the reserve, the potential deficit shrinks to less than \$2-million.

It must be kept in mind that these projections merely indicate trends rather than produce precise numbers. Because of the unsettled state of the economy, the Budget Office has devoted a great deal of time to the preparation of its revenue and expenditure assumptions and consulted with a variety of economists at the local, state and national level as well as the Board of Commissioners and a citizen's Fiscal Status Task Force.

However, any major changes in key economic indicators such as a sharp decrease in interest and home mortgage rates or the federal deficit could result in significant modifications to our estimates over the course of the next year.

NOTES

1. Insurance Fund

The transfer from the General and Road Funds to the Insurance Fund to cover liability premiums and claims and build a catastrophic reserve is reduced from \$805,000 to \$405,000 for three principal reasons:

- The \$100,000 statutory per claim maximum has been upheld by the State Courts.
- Actual liability claims paid by the County have not exceeded \$233,000 in any of the five years since the fund was established.
- A portion of the \$805,000 transfer in past years was designed to help build a \$5,000,000 catastrophic liability reserve. The Insurance Fund, as a whole, now has a reserve in that amount.

Again, in keeping with actual claims history, the percentage of County personnel services costs set aside for workers' compensation is reduced from 3% to 1.55%.

Finally, for the first time, two positions are budgeted in the Insurance Fund to enable the County to establish a Risk Management program.

2. Capital Reserve Fund

Budgeted in the Capital Reserve Fund are the resources and expenditures associated with a \$3-million issue of tax exempt certificates of participation.

This financing mechanism, similar in concept to lease purchase financing but at a lower interest rate, will enable the County to buy a new, cost-saving telephone system; construct two new barns at the County Exposition Center as part of an agreement with the Pacific International Livestock Exhibition; and buy a variety of capital equipment included in departmental budget requests.

3. Inverness Fund

On the advice of County Counsel, the Executive Budget includes an \$861,000 transfer from the Inverness Fund through the Sewage Facilities Fund to the General Fund as a reimbursement for the General Fund dollars used to construct the Inverness Sewage treatment plant in 1967-68. \$609,000 of the total will be used for a variety of one-time General Fund expenditures, while \$152,000 is being loaned to the Central County Service District to be repaid over a period of 10 years at an average annual interest rate equal to the rate of return earned by other County investments.

Ownership of the Inverness plant and its trunk lines will be transferred to the Service District. However, for at least the next year, the Service District will contract with the Inverness Fund to run the facility.

4. General Fund

1981-82 History

All figures for 1981-82 are those contained in the year's Revised Adopted Budget.

As statutorily required, the 1981-82 budget originally adopted by the Board of Commissioners included the dollars that would be generated by passage of both the A and B portions of the three-year operating serial levy on the June 30, 1981 ballot.

After the voters rejected the B portion of the levy, the 1981-82 Adopted Budget was reduced accordingly by approximately \$2-million, and a Revised Adopted Budget was printed.

Contingency

In addition to a portion of the \$800,000 reserve mentioned above, the General Fund contingency account includes dollars set aside to cover the estimated costs of salary increases for positions represented by bargaining units that have not yet negotiated 1982-83 wage adjustments.

Court-Related Revenues and Expenditures

On January 1, 1983, all Oregon counties will transfer administrative and fiscal responsibility for the court systems they operate to the state. Next year and in each of the four years thereafter, each county will pay the state a lump sum equivalent to a statutorily set, declining percentage of 1980-81's net court expense.

Expenditures: As a result, Multnomah County's 1982-83 Executive Budget includes a lump sum payment of \$3,111,660 budgeted in the Contract Services Division of the Department of Justice Services and six-month appropriations for the Circuit, District, Probate, and Juvenile Courts as well as indigent defense. Support functions provided by the Finance Division in the Office of County Management and the Records Section in the Department of Administrative Services' Assessment & Taxation Division are also included for only six months and are funded with one-time-only dollars.

Revenues: The Executive Budget includes 50% of the court-related revenues the County expects will be generated in 1982-83. They appear in the General Fund section of the Financial Summary under Charges & Recoveries; Fines and Forfeitures; and State Sources (Grant) as well as each court's individual budget section.

Organizational Changes

Changes in organizational structure are noted within each department's budget. Chief among them are:

Department of Administrative Services

Six-month funding for three positions in the Department administration -- the Executive Program Director, the Management

Assistant, and an Office Assistant 2 -- indicating the intention to implement changes in the organization of the County's internal management and administrative functions beginning on January 1, 1983.

The re-distribution of the functions of the Communications Division to the Division of Assessment & Taxation (Records); the Division of Facilities & Property Management (telephone systems); and the Department of Intergovernmental Relations (Public Information).

Department of Environmental Services

The incorporation of the Planning & Development Division into the Community Services Division and the transfer of the Parks & Memorials Section from the Division of Community Services to the Division of Operations & Maintenance.

Department of Human Services

The deletion from the Department of Human Services Administration of the responsibility for the operation of Edgefield Manor due to the closure of the nursing home and the voluntary transfer of its patients to other accommodations within the community.

Appropriations for Elected Officials

The 1982-83 appropriations for all elected positions with terms expiring on December 31, 1982, are divided into six-month increments. Included in this category are the positions of County Executive, County Auditor, and County Commissioners representing Districts 2 and 4.

Fringe Benefits

Throughout the budget there is an apparent increase in the amount of money allocated for fringe benefits. Although there have been real increases in the cost of health and dental insurance, the bulk of the increase in total fringe costs stems from a change in the way retirement benefits for employees are budgeted.

In the past years, retirement contributions have appeared in two separate places in the County Budget: 1) as a portion of each individual employee's fringe benefits in an amount equal to 6.4% of wages for most of the County work force; and, 2) as a separate lump sum payment (\$1.2-million) in the County-Wide Appropriations Section of the Nondepartmental portion of the Budget for the purpose of retiring the County system's unfunded liability over a 40-year period.

Next year, as a result of the merger of the County system with the State Public Employees Retirement System (PERS), the entire County retirement contribution appears as a portion of each employee's fringe benefits. For most employees, the size of the contribution has increased from 6.4% to 15.2% of wages. Six percent of the increase was covered with a negotiated reduction in pay rates beginning July 1, 1981. The remainder is accounted for by the elimination of the lump sum contribution and its re-distribution as part of each employee's fringe benefits.

The table below breaks out the fringe benefit cost by employee:

FRINGE BENEFIT ESTIMATES PER EMPLOYEE

	<u>Sworn Law Officers</u>	<u>Corrections Officers</u>	<u>All Other Employees</u>
<u>Percentage of Payroll</u>			
F.I.C.A.	6.7% up to \$31,800	6.7% up to \$31,800	6.7% up to \$31,800
Workers Compensation	1.55%	1.55%	1.55%
Retirement (PERS)	25.05%	21.02%	15.18%
<u>Insurance Costs Per Year</u>			
Life Insurance	\$ 47	\$ 72	\$ 62
Dental Insurance			
Blue Cross	331	331	331
Kaiser	312	312	312
Health Insurance			
Blue Cross - single	700	700	700
double	1,564	1,564	1,564
multiple	1,856	1,856	1,856
Kaiser - single	556	556	556
double	1,111	1,111	1,111
multiple	1,667	1,667	1,667

Helen G. Barney, Budget Officer
Budget & Management Analysis Division
Multnomah County, Oregon

SUMMARY OF RESOURCES

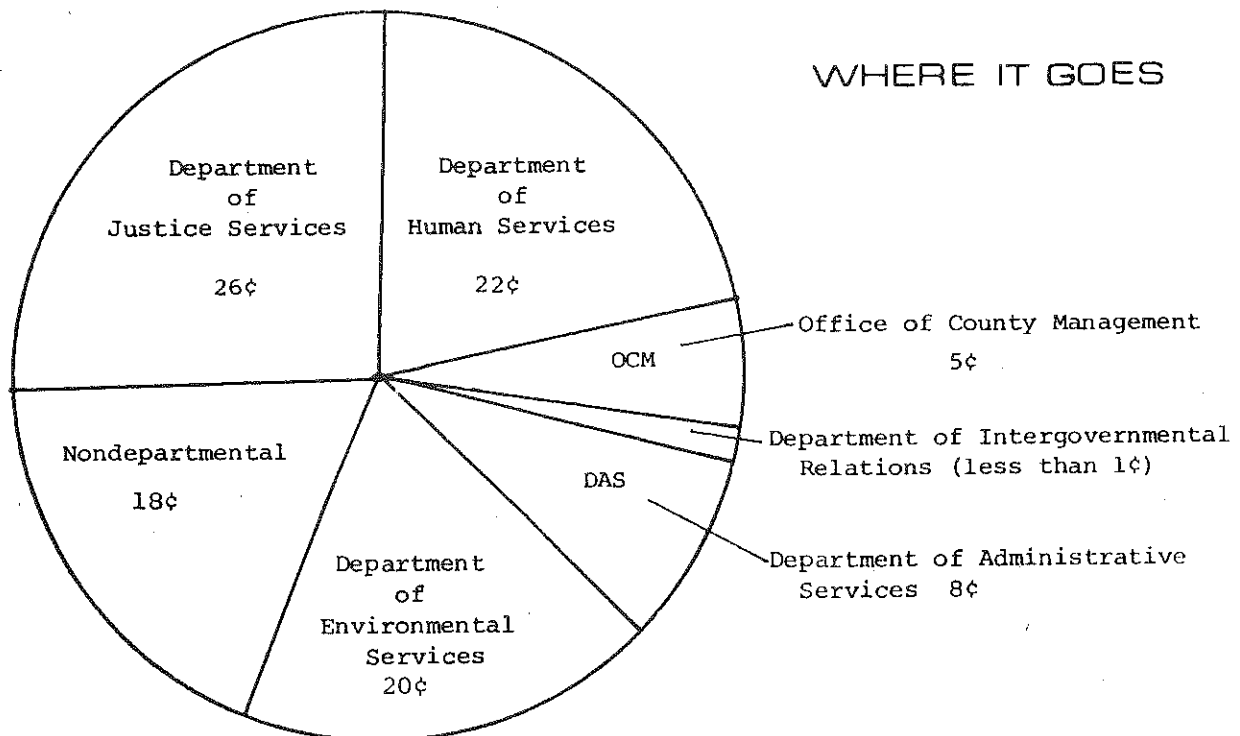
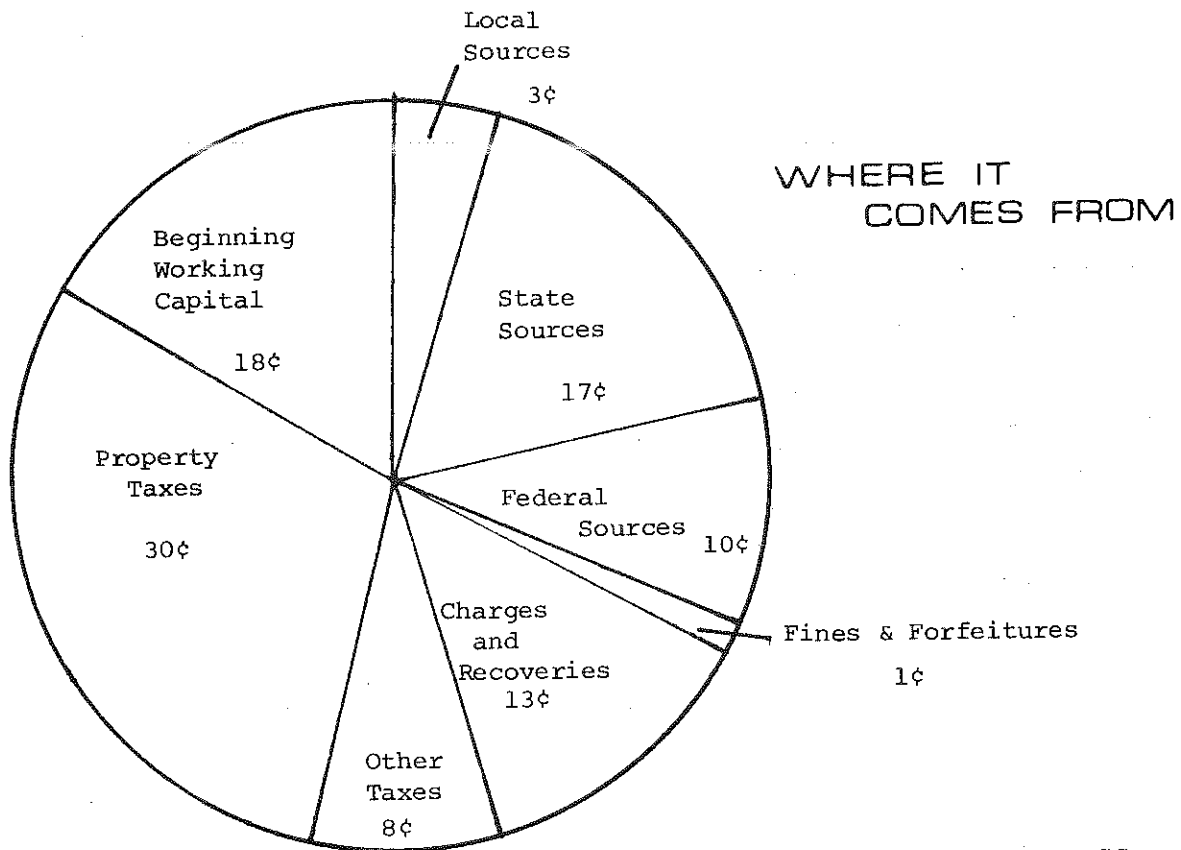
	BEGINNING WORKING CAPITAL	PROPERTY TAXES	OTHER TAXES	CHARGES AND RECOVERIES	FINES AND FORFEITURES	FEDERAL SOURCES	STATE SOURCES	LOCAL SOURCES	CASH BUDGET SUB TOTAL	SERVICE REIMBURSE.	CASH TRANSFERS	TOTAL RESOURCES
General	7,582,902	46,576,705	6,344,000	12,269,822	1,564,600	500,000	3,844,620	90,000	78,772,649	2,752,502	14,031,244	95,556,395
Road	6,137,303	350,000	7,190,000	825,137	0	1,500	7,479,000	0	21,982,940	881,738	334,000	23,198,678
Federal/State	0	0	0	0	0	10,373,692	16,087,751	2,341,223	28,802,666	0	6,317,406	35,120,072
Animal Control	0	0	0	484,400	12,000	0	0	0	496,400	0	698,687	1,195,087
Asst Dist												
Bond Sink.	500,000	0	0	594,100	0	0	0	0	1,094,100	0	0	1,094,100
Asst Dist.												
Impr. Fund	36,000	0	0	29,000	0	0	0	0	65,000	0	0	65,000
Asst Dist.												
Oper. Fund	(300,000)	0	0	1,301,700	0	0	0	0	1,001,700	0	0	1,001,700
Bicycle Paths												
Construction	233,000	0	0	0	0	0	0	0	233,000	0	72,750	305,750
Capital Reserve	3,716,706	0	0	3,908,100	0	0	0	0	7,624,806	0	40,000	7,664,806
County School Bd	0	116,667	0	0	0	0	0	0	116,667	0	1,166,000	1,282,667
Data Processing	440,000	0	0	376,507	0	0	0	1,065,057	1,881,564	3,544,721	0	5,426,285
Emergency Comm.	400,000	0	0	0	0	0	250,000	0	650,000	0	0	650,000
Fleet Managemt	741,000	0	0	35,000	0	0	0	0	776,000	1,649,003	0	2,425,003
General Oper												
Serial Levy	0	2,032,463	0	0	0	0	0	0	2,032,463	0	0	2,032,463
Insurance	5,429,000	0	0	111,000	0	0	0	0	5,540,000	3,050,505	405,000	8,995,505
Inverness	940,000	0	0	383,483	0	0	0	0	1,323,483	0	0	1,323,483
Recreat. Facil.	87,000	0	0	232,000	0	0	0	0	319,000	0	0	319,000
Revenue Sharing	3,803,000	0	0	400,000	0	6,000,000	0	0	10,203,000	0	0	10,203,000
Sewage Facilities	20,500	0	0	165,150	0	0	0	0	185,650	0	857,139	1,042,789
Tax Title												
Land Sales	122,333	0	0	162,000	0	0	0	2,000	286,333	0	0	286,333
TOTAL	29,888,744	49,075,835	13,534,000	21,277,399	1,576,600	16,875,192	27,661,371	3,498,280	163,387,421	11,878,469	23,922,226	199,188,116

SUMMARY OF REQUIREMENTS

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FUND	HUMAN SERVICES	JUSTICE SERVICES	ENVIRONMENTAL SERVICES	ADMIN. SERVICES	OFFICE OF COUNTY MGMT.	NON-DEPTL.	IGR	TOTAL EXPENDITURES	CASH TRANSFER	CONTINGENCY	BALANCE	TOTAL REQUIREMENTS
General	\$ 9,448,271	39,458,266	4,086,796	12,624,908	3,154,852	14,524,402	374,842	83,672,337	8,328,593	3,255,465	300,000	95,556,395
Road	0	0	22,298,331	0	0	0	0	22,298,331	578,487	321,860	0	23,198,678
Federal/State	24,230,335	4,603,462	2,059,466	59,898	0	3,911,000	255,911	35,120,072	0	0	0	35,120,072
Animal Control	0	0	1,195,087	0	0	0	0	1,195,087	0	0	0	1,195,087
Assess. District	0	0	629,926	0	0	0	0	629,926	0	0	464,174	1,094,100
Bond Sink.	0	0	0	0	0	0	0	0	65,000	0	0	65,000
Assess. District Improvement	0	0	0	0	0	0	0	0	0	0	0	0
Assess. District Operating	0	0	1,001,700	0	0	0	0	1,001,700	0	0	0	1,001,700
Bicycle Path	0	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	294,557	0	0	0	0	294,557	0	11,193	0	305,750
Capital Reserve	0	0	0	0	0	6,667,598	0	6,667,598	425,966	1,242	570,000	7,664,806
County School	0	0	0	0	0	1,282,667	0	1,282,667	0	0	0	1,282,667
Data Processing	0	0	0	0	4,928,658	0	0	4,928,658	0	497,627	0	5,426,285
Emergency Commun.	233,312	0	0	0	0	0	0	233,312	0	416,688	0	650,000
Fleet Management	0	0	1,653,461	0	0	0	0	1,653,461	300,000	471,542	0	2,425,003
General Oper	0	0	0	0	0	0	0	0	0	0	0	0
Serial Levy	0	0	0	0	0	0	0	0	2,032,463	0	0	2,032,463
Insurance	0	0	0	0	74,601	3,447,000	0	3,521,601	0	5,473,904	0	8,995,505
Inverness	0	0	461,555	0	0	0	0	461,555	861,928	0	0	1,323,483
Recreat. Facil.	0	0	50,000	0	0	0	0	50,000	269,000	0	0	319,000
Revenue Sharing	0	0	0	0	0	0	0	0	10,000,000	203,000	0	10,203,000
Wage Facilities	0	0	0	0	0	0	0	0	1,042,789	0	0	1,042,789
Tax Title Land Sales	0	0	0	159,660	0	0	0	159,660	18,000	108,673	0	286,333
TOTAL	\$ 33,911,918	44,061,728	33,730,879	12,844,466	8,158,111	29,832,667	630,753	163,170,522	23,922,226	10,761,194	1,334,174	199,188,116

your county dollar



SUMMARY OF DEPARTMENTAL REQUIREMENTS

ORGANIZATION	POSITIONS	PERSONAL SERVICES	MATERIALS AND SERVICES	CAPITAL OUTLAY	TOTAL REQUIREMENTS	LESS SERVICE REIMBURSEMENT	DIRECT REQUIREMENT
Department of Human Services	553.2*	\$14,284,208	\$19,601,530	\$ 26,180	\$33,911,918	\$ 989,604	\$32,922,314
Department of Justice Services	1,068	\$29,501,767	\$14,520,906	\$ 39,055	\$44,061,728	\$3,122,616	\$40,939,112
Department of Environmental Svcs	384	\$11,563,679	\$ 9,884,143	\$12,283,057	\$33,730,879	\$1,544,866	\$32,186,013
Department of Administrative Svcs	256	\$ 6,622,645	\$ 6,221,821	\$ 0	\$12,844,466	\$1,095,055	\$11,749,411
Office of County Management	153	\$ 4,618,714	\$ 3,493,320	\$ 46,077	\$ 8,158,111	\$1,295,450	\$ 6,862,661
Nondepartmental Appropriations	52	\$ 1,515,930	\$18,704,914	\$9,611,823	\$29,832,667	\$ 743,396	\$29,089,271
Department of Intergov't Relations	10	\$ 304,790	\$ 288,890	\$ 37,073	\$ 630,753	\$ 3,504	\$ 627,249
TOTAL	2,476.2*	\$68,411,733	\$72,715,524	\$22,043,265	\$163,170,522	\$8,794,491	\$154,376,031
*Includes FTE's in Human Svcs							