



Multnomah County FY 2016 Approved Budget

Presented to the Board of County Commissioners

Multnomah County
May 12, 2015

Located at: www.multco.us/budget

Overview

- **Corporate Budget Overview**
 - Summary information
 - Use of OTO
 - Challenges
 - General Fund Reserves & Contingencies
- **Trends**
- **Summary – Moving Towards Financial Resiliency**



Overall Financial Context

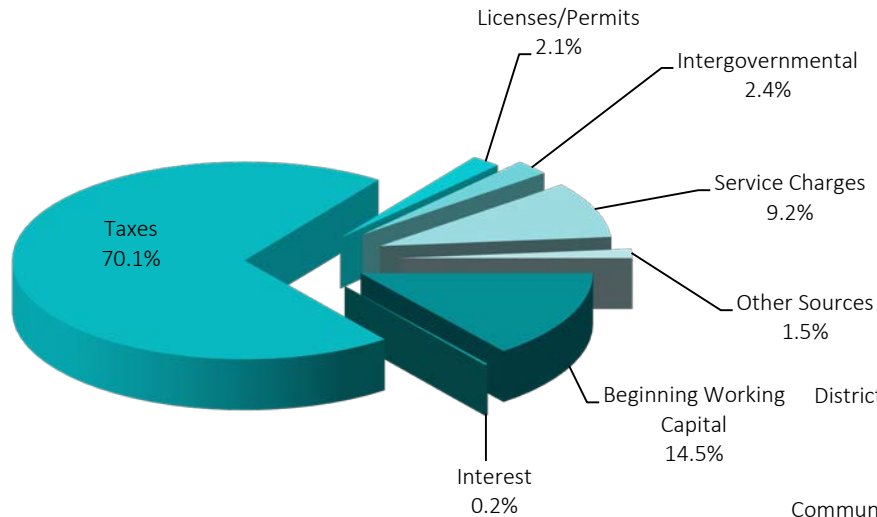
- FY 2015 Adopted Budget =
\$1,626,771,074
- FY 2016 Approved Budget =
\$1,716,828,634
- An increase of \$90,057,560 million or 5.54%

Note: Includes Contingencies, Reserves, and Unappropriated Balance

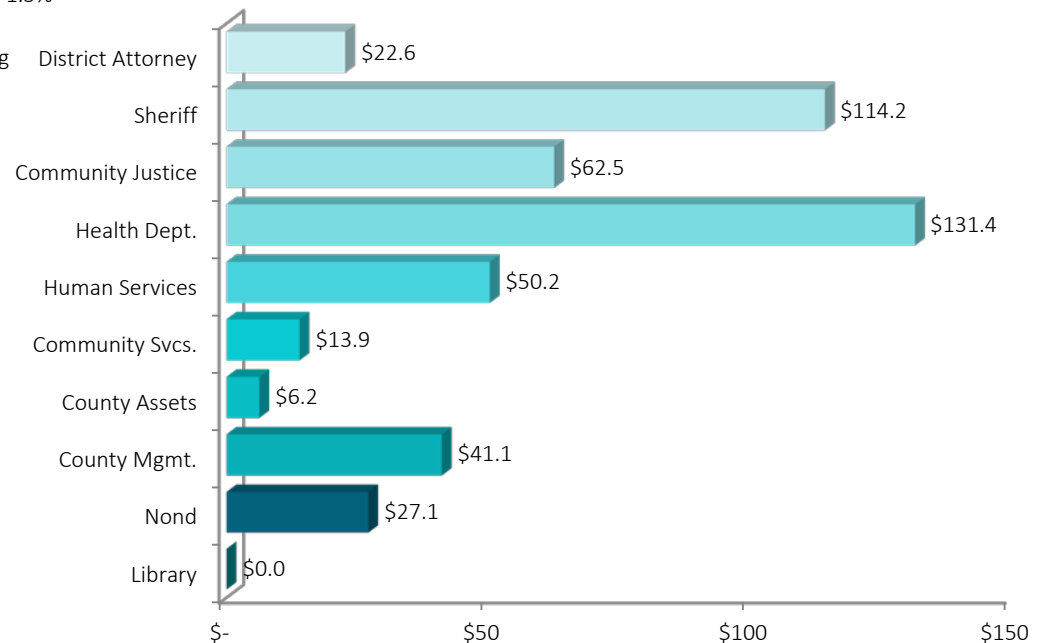


General Fund Overview - \$519 Million

Where the money comes from:



Where the money goes to:*

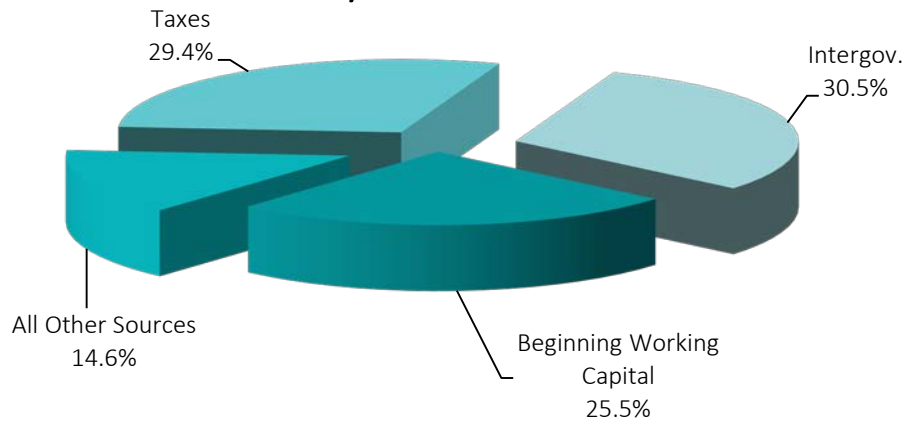


*Note: does not include transfers, reserves and contingencies.
Health Dept. includes \$44.6M of FQHC/PCPCH

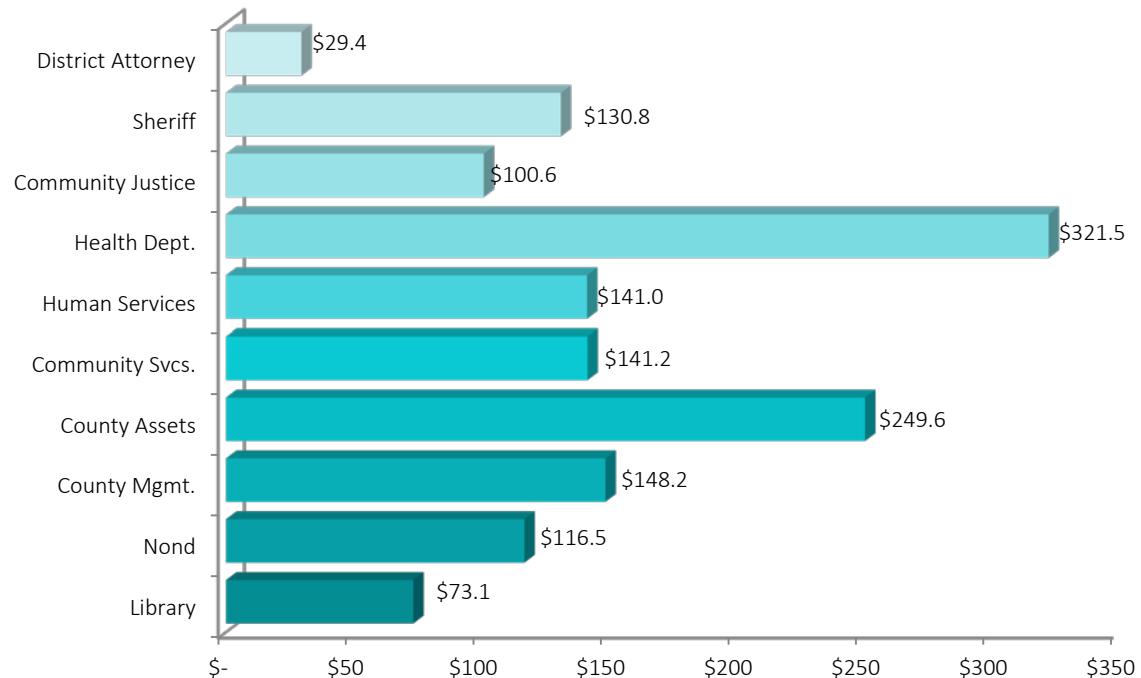


All Funds Overview - \$1.7 Billion

Where the money comes from:



Where the money goes to:*

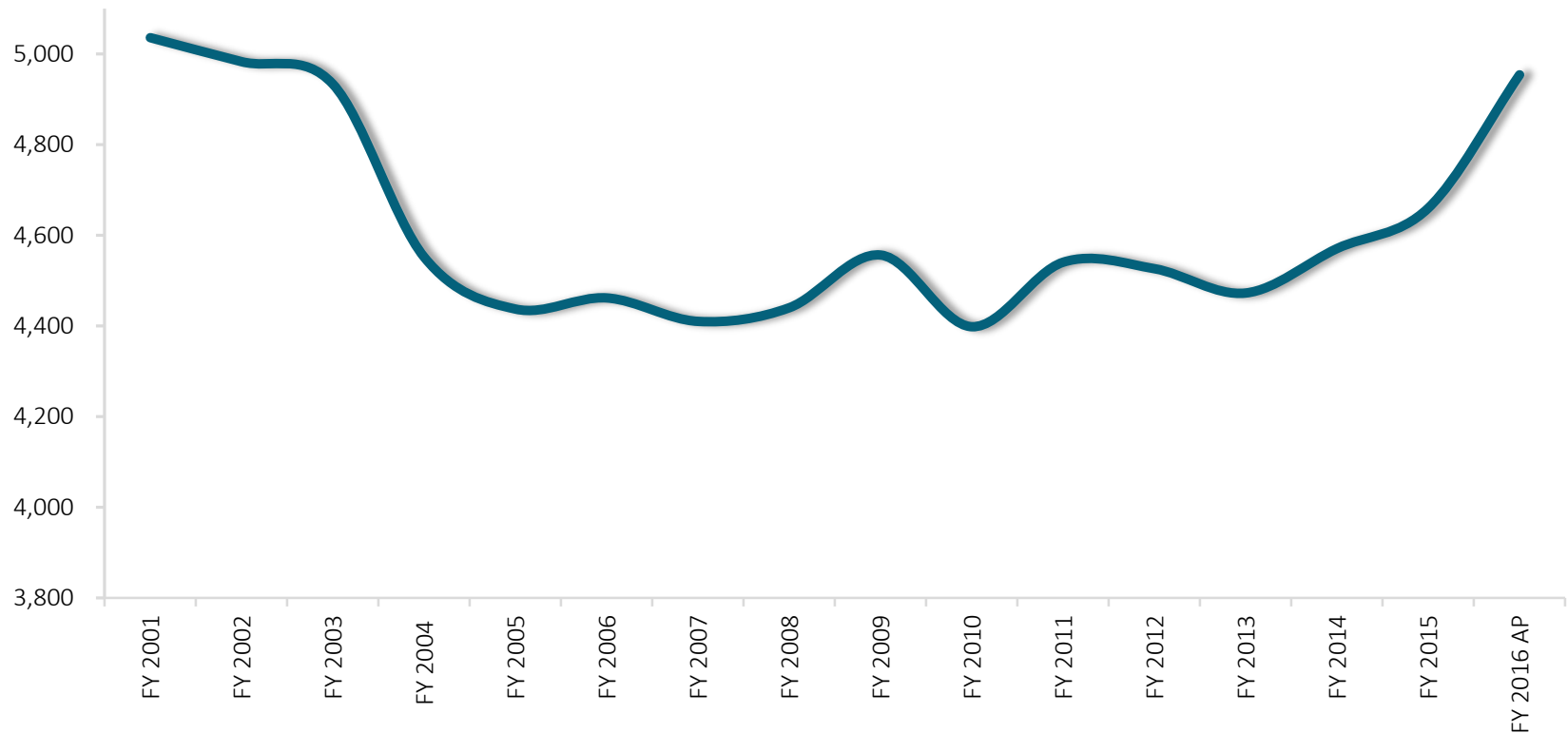


*Note: does not include transfers, reserves, and contingencies

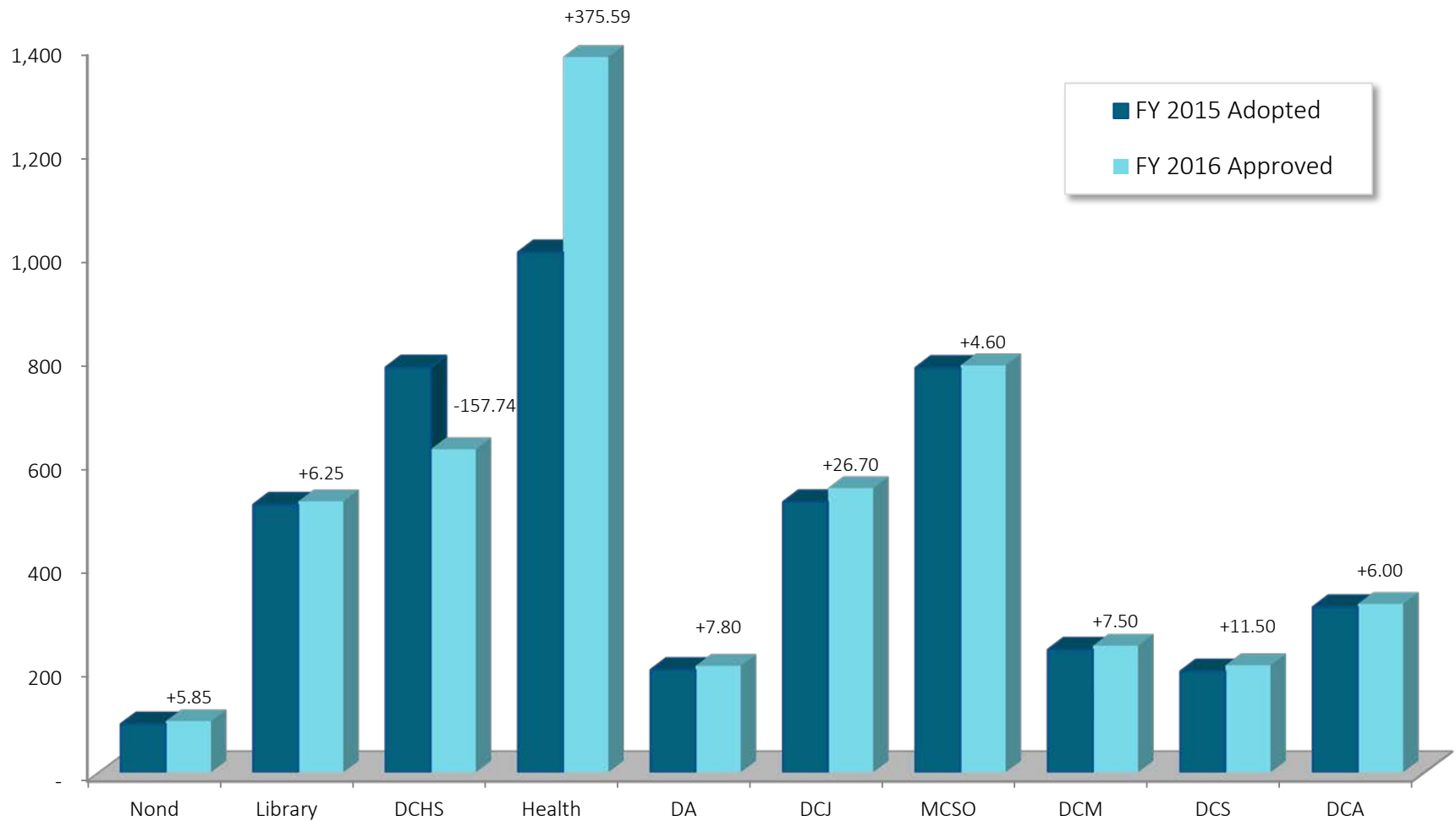


Full Time Equivalents +294.05 FTE

FY 2001 Adopted – FY 2016 Approved (All Funds)

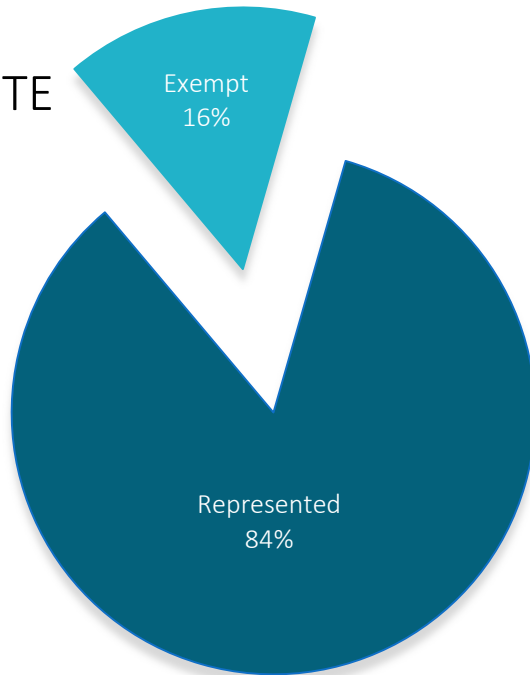


Full Time Equivalents (FTE) by Department

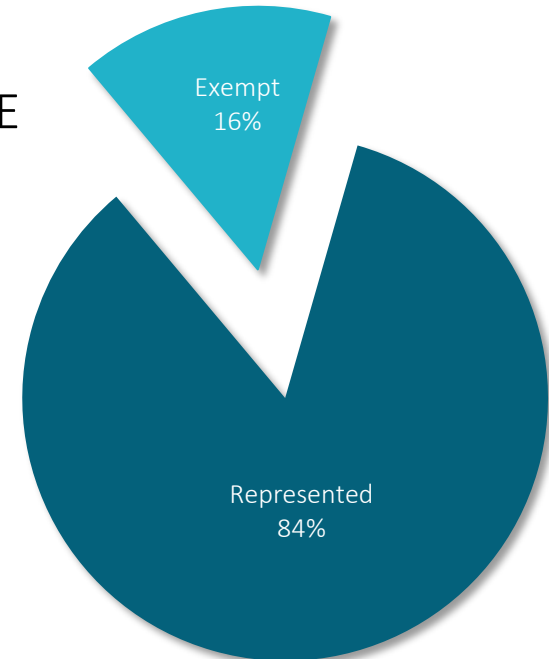


FTE Represented vs. Non Represented

FY 2015
4,660.24 FTE



FY 2016 AP
4,954.29 FTE



FTE by Union Year over Year

	FY 2015 Adopted	FY 2016 Approved	Difference
Painters & Allied Trades	1.00	1.00	0
Operating Engineers	14.00	14.00	0
Electrical Workers	19.00	19.00	0
Physicians	17.10	23.00	5.90
Juvenile Custody Svcs. Spec.	61.00	73.00	12.00
Prosecuting Attorneys	73.50	78.50	5.00
Deputy Sheriff's	97.50	99.50	2.00
Parole/Probation Officers	125.50	131.00	5.50
Oregon Nurses	183.57	203.90	20.33
Corrections Deputies	440.22	442.82	2.60
Exempt/Management/Elected Officials & Staff	726.14	770.28	44.14
AFSCME Local 88	<u>2,901.71</u>	<u>3,098.29</u>	<u>196.58</u>
Total	4,660.24	4,954.29	294.05



Budget Highlights

- General Fund balanced over 5 year Forecast
- Fully funds reserves and maintains BIT stabilization reserve
- No Bad Budget Practices
- Invests in safety net services
- Maintains public safety service levels
- Invests in Courthouse, Energy Efficiency and IT projects
- Provides for employee step/merit and COLA increases



General Fund Basics

- FY 2016 General Fund Forecast
 - Ongoing revenues exceed expenditures by \$24.4 million or 6.0% in FY 2016
 - Gap shrinks to \$10.8 million by FY 2020
 - Driven by above average revenue growth and below average cost growth due to flat medical/dental rates and PERS rates
- Policy Direction & Assumptions
 - \$15.3 million of the \$24.4 million treated as one-time-only to balance budget for the next 5-years
 - Remaining \$9.1 million used for ongoing programs
 - Does NOT include impact of recent Oregon Supreme Court ruling re: PERS, which was previously estimated to cost the General fund \$8.7 million
- OTO Funds
 - \$45.6 million after funding General Fund reserve and BIT Reserve
 - Includes \$15.3 million of ongoing that is treated as OTO
 - Includes \$28.1 million for the Courthouse
- Updated Forecast on May 28th



Use of One-Time-Only (OTO)

- Responding to Community Needs
 - Senior Hunger Initiative (25020B) - \$186,000
 - Racial Justice Initiative (25139D) - \$500,000
 - HIV Grant Backfill (40012B) – \$153,000
 - Violence Prevention/STRYVE (40038B) - \$323,000
 - Community Health Worker Training for Immigrant & Refugee Community (40038C) - \$140,000
 - Community Healing Initiative (50065C) – \$220,000
 - SummerWorks Additional Internship Program (72022B) - \$250,000
 - Land Use Comprehensive Plan Update (91027) - \$597,080
 - A Home for Everyone Initiative Staffing (10030A) - \$255,440
 - A Home for Everyone, Capital Funding (72040) - \$5,000,000
 - School Based Health Centers, Medical Van (40024B) - \$120,000
 - RACC: Right Brain Initiative (10020B) - \$75,000
 - Headstart Graduate Computers (25139C) - \$20,000
 - HSVF Streetroots (25133B) - \$20,000
- Facilities Capital and Energy Efficiency
 - Downtown Courthouse (78014) - \$28,120,000
 - Suicide Prevention Projects, Vent Cover Replacement (78057) - \$555,557
 - Yeon Annex, Reception and Lobby Redesign (78054) – \$165,000
 - Yeon Fuel Tank Installation (78052) - \$450,000
 - Juvenile Justice Complex, Lighting (78055) - \$810,000
 - Inverness Jail, Water (78056) - \$1,496,627

(See p. 18 of the Budget Director's Message for more detail.)



Use of One-Time-Only (OTO), con't

- Information and Communications Capital
 - CRIMES Replacement Study/Scoping (78058) - \$100,000
 - IT Network Convergence (VOIP) Courthouse, Hansen, Justice Center (78020C, D, E) - \$1,425,000
 - Cybersecurity (78037) - \$1,725,000
 - Yeon Fuel Management System (78053) - \$250,000
 - Server Virtualization – NetApp (15002B) - \$75,000
- Other
 - Job Rotation (72017B) - \$153,380
 - East County Clean Diesel School Bus Retrofits (10031) - \$500,000
 - A Home for Everyone Program Evaluation (10030B) - \$50,000
 - Animal Services Foster Rescue (91007C) - \$90,000

(See p. 18 of the Budget Director's Message for more detail.)



Use of One-Time-Only for Ongoing Programs

None!



General Fund Reserves – Fully Funded

- General Reserve @ 10% of corporate revenues or \$37.4 million
- BIT Reserve @ 10% or \$7.4 million
- General Fund Contingency \$10.7 million
 - Regular - \$1.25 million
 - BIT Reserve - \$7.4 million
 - General Fund Contingency Set-asides
 - Levee Recertification - \$500,000
 - Mental Health Housing/Crisis Services - \$1,000,000
 - Runaway Youth (possible state backfill) - \$165,000
 - Social & Support Services for Educational Success (possible state backfill) - \$150,000



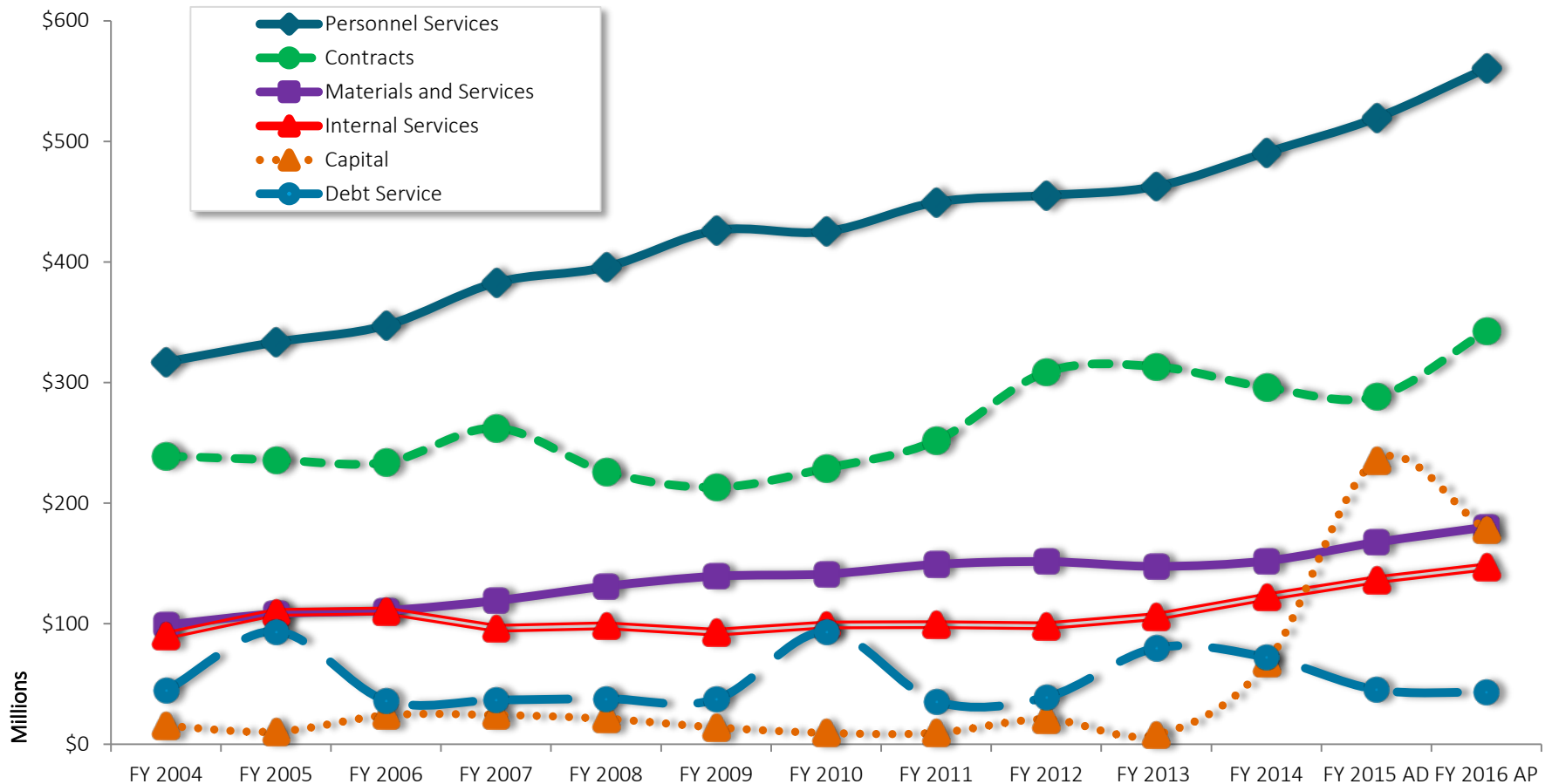
Challenges

- State Budget
 - HB 3194
 - SB 1145
- Major Facility Capital Projects
 - Downtown Courthouse
 - Health Department Headquarters
- PERS
- Affordable Care Act & Healthcare Transformation
- Financial Resiliency



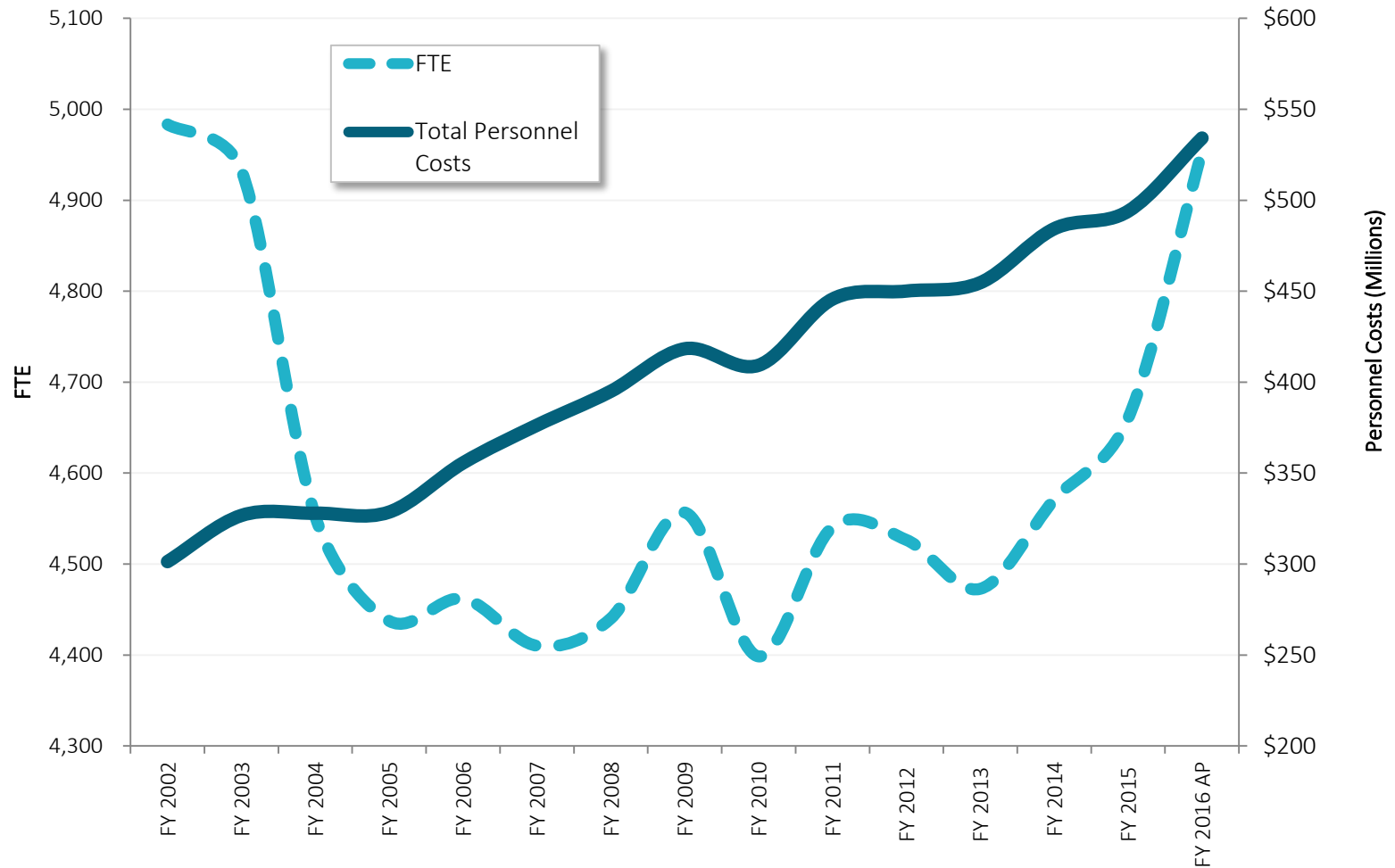
What We Spend our Resources on...

FY 2004 Actuals – FY 2016 Approved (All Funds)



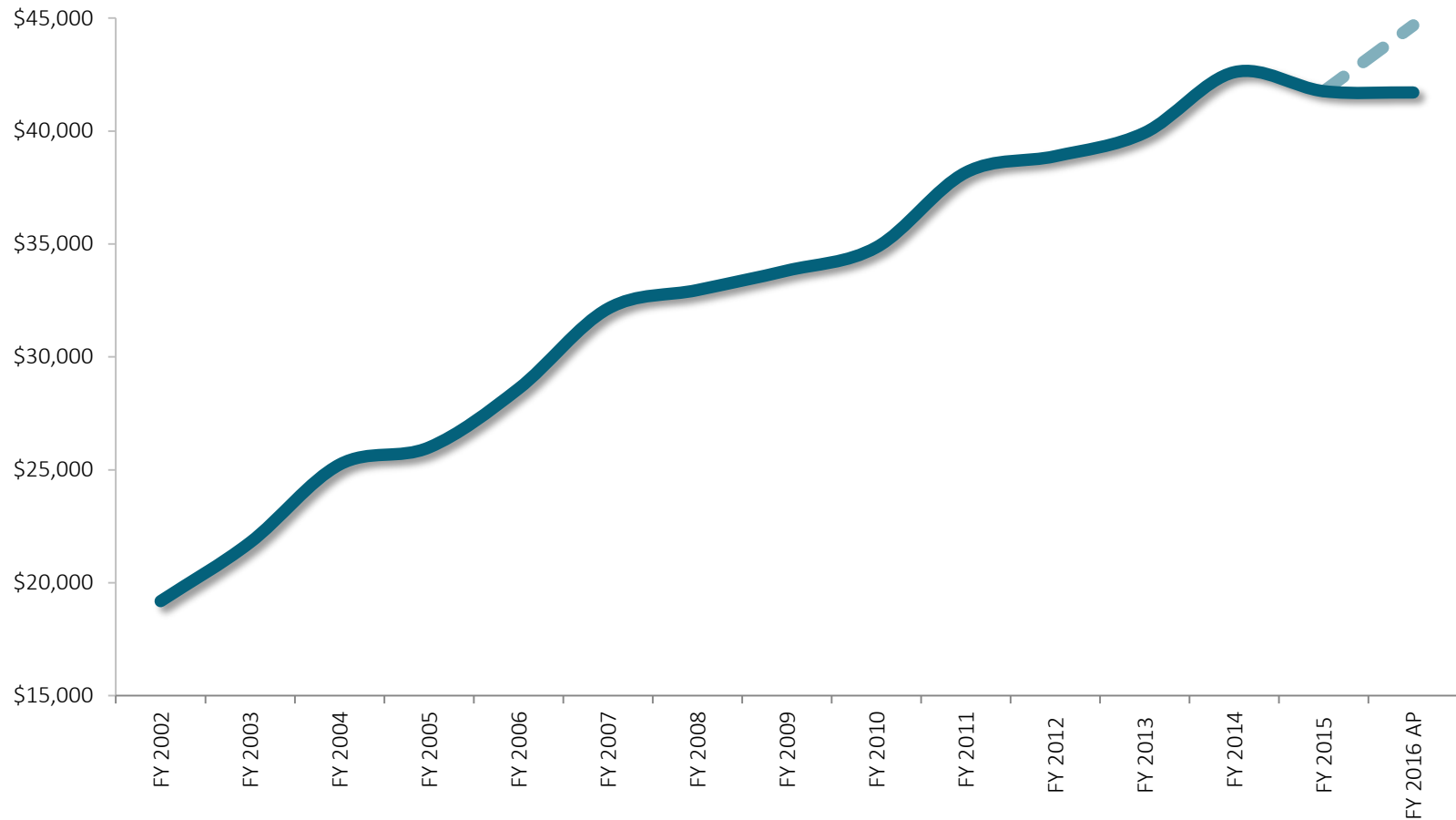
FTE vs. Total Personnel Costs

FY 2002 Adopted to FY 2016 Approved (All Funds)



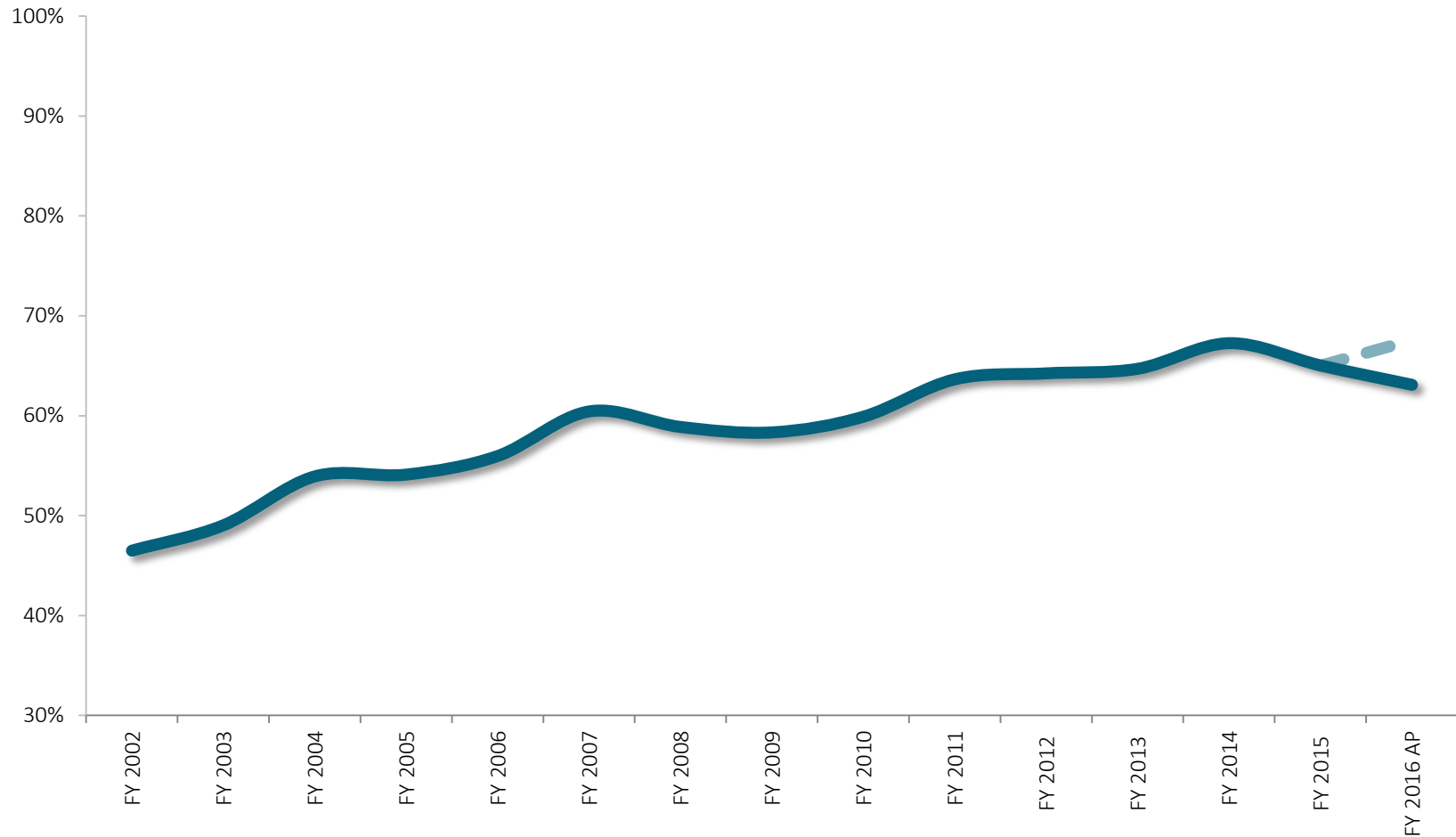
Avg. Benefits & Insurance Cost per FTE

FY 2002 Adopted to FY 2016 Approved



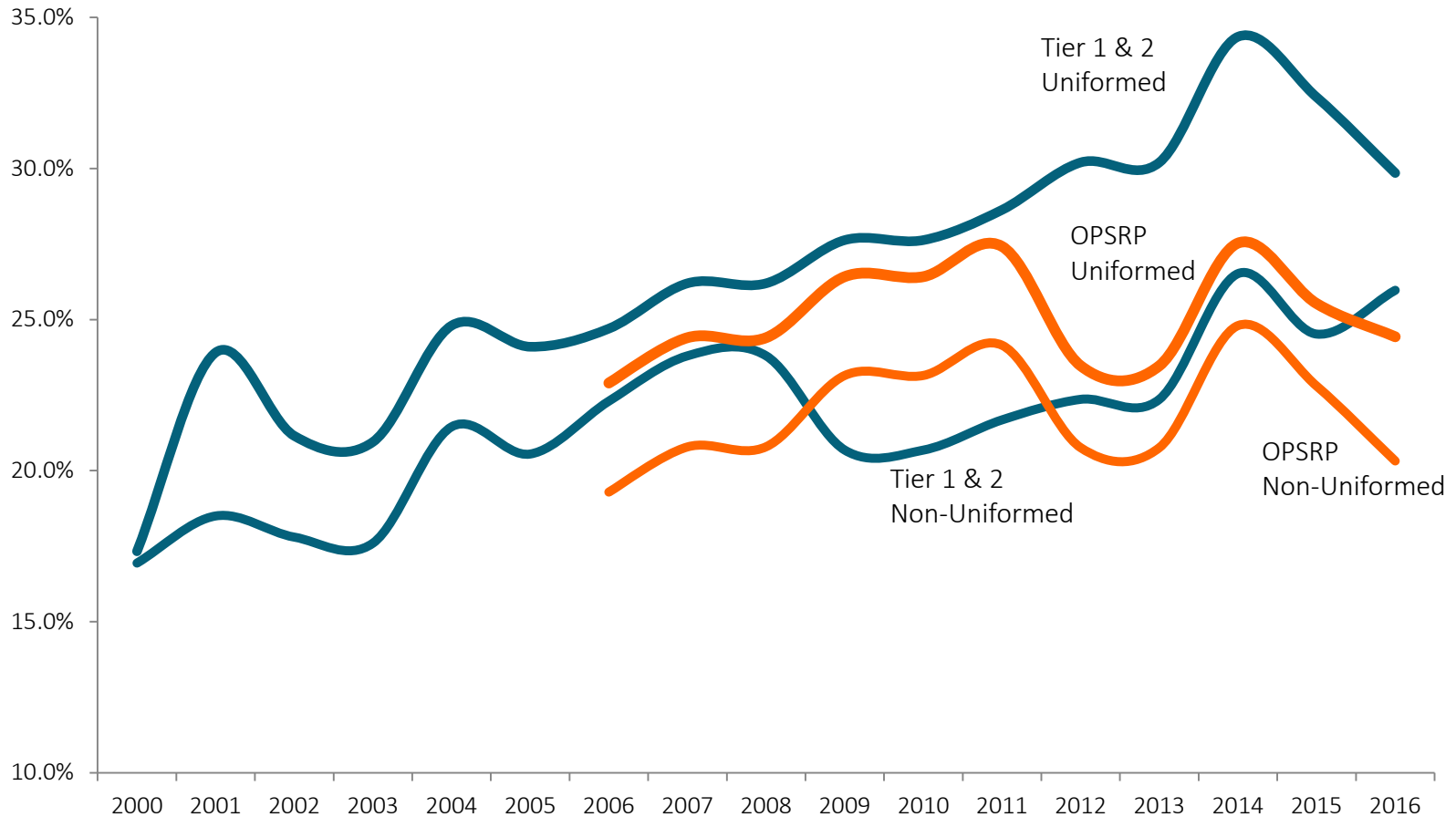
Benefits & Insurance % of Payroll

FY 2002 Adopted to FY 2016 Approved



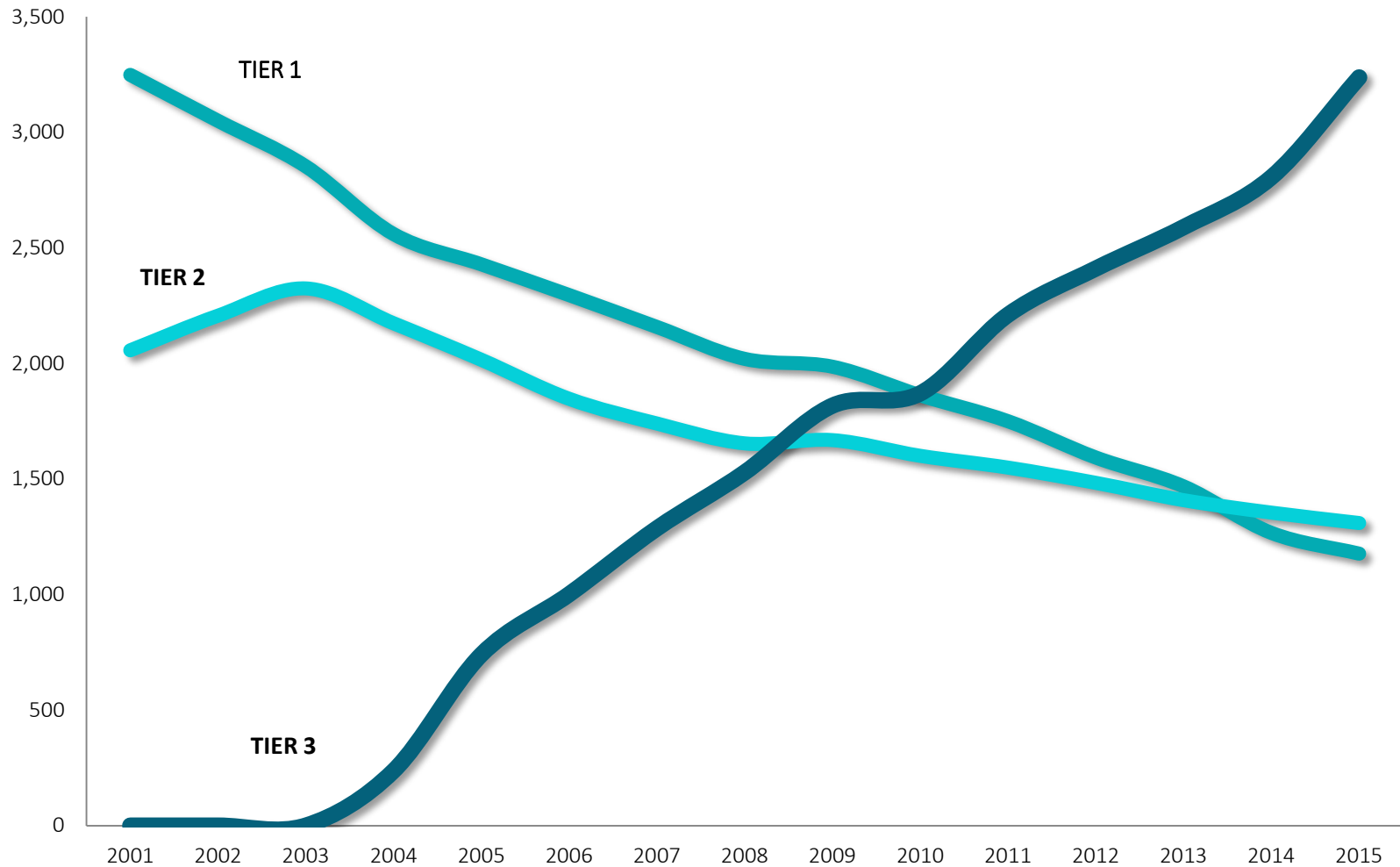
PERS Rates Charged to Departments

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

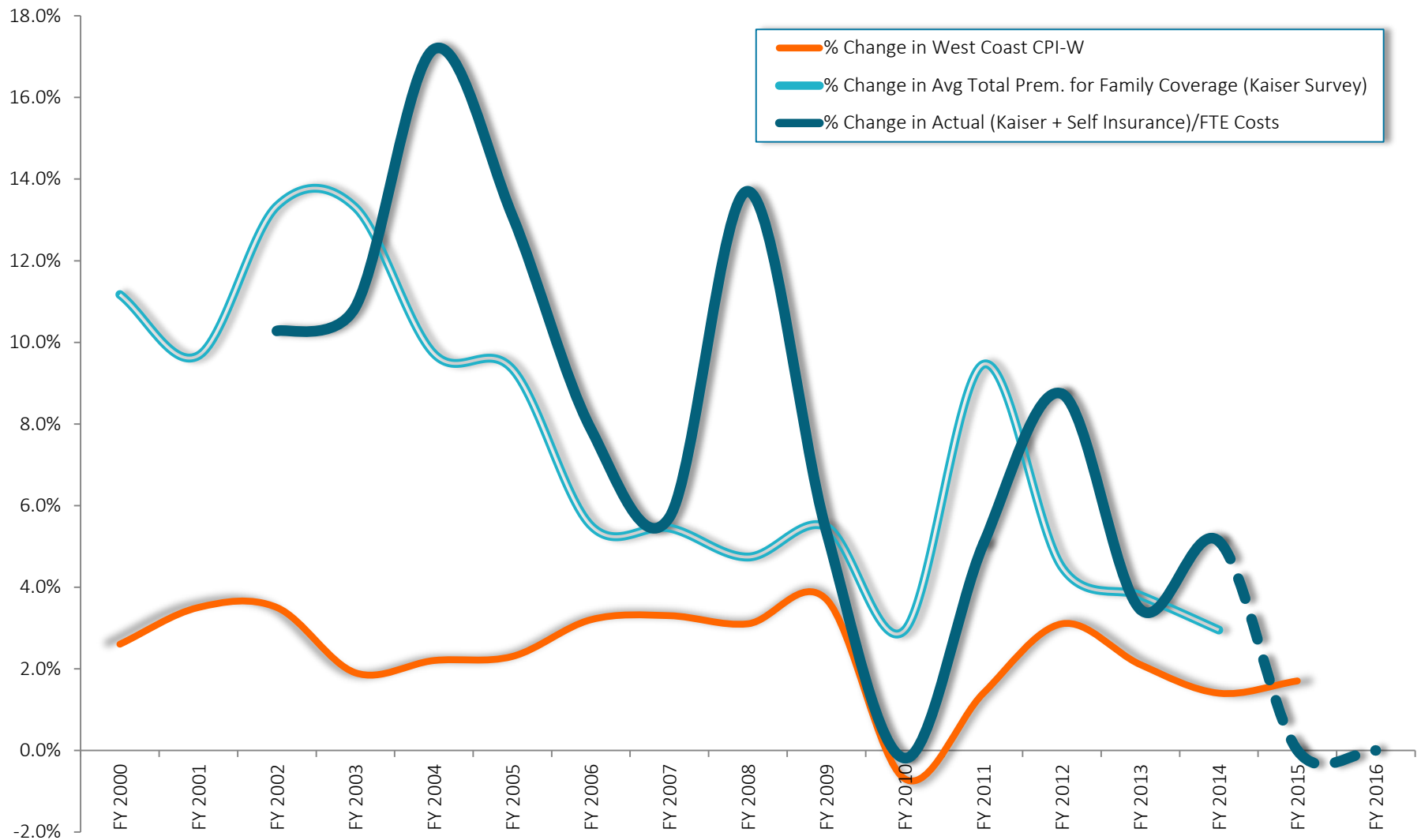


FTE by PERS Tier

Based on Actual People

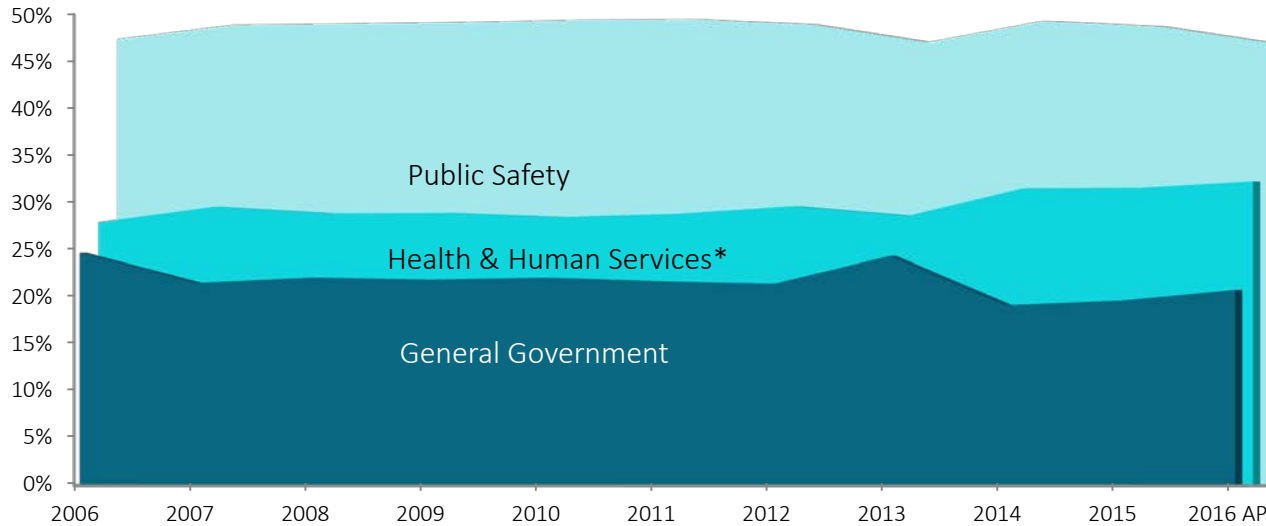


Health Care Inflation/Costs



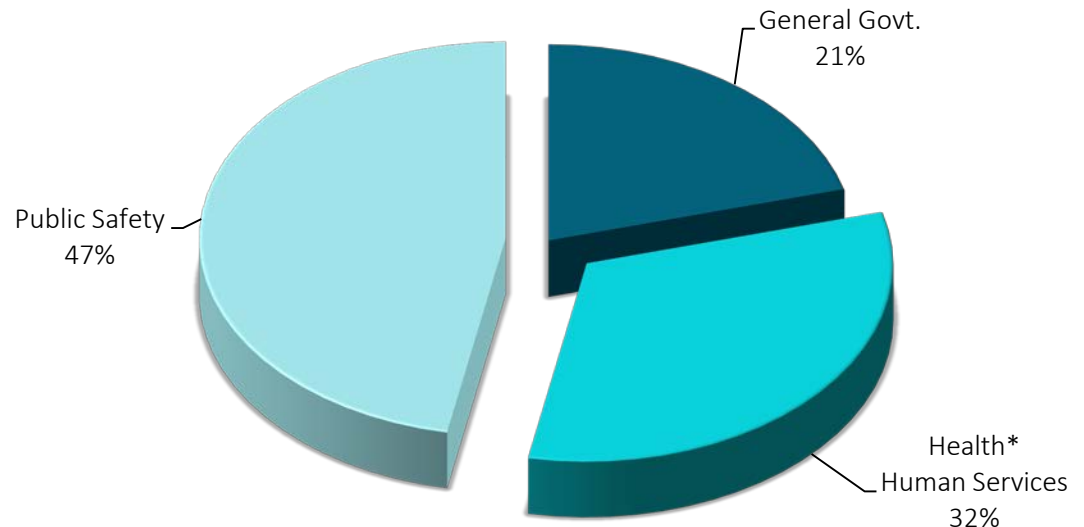
Where Do We Spend General Fund?

FY 2006 Adopted to FY 2016 Approved

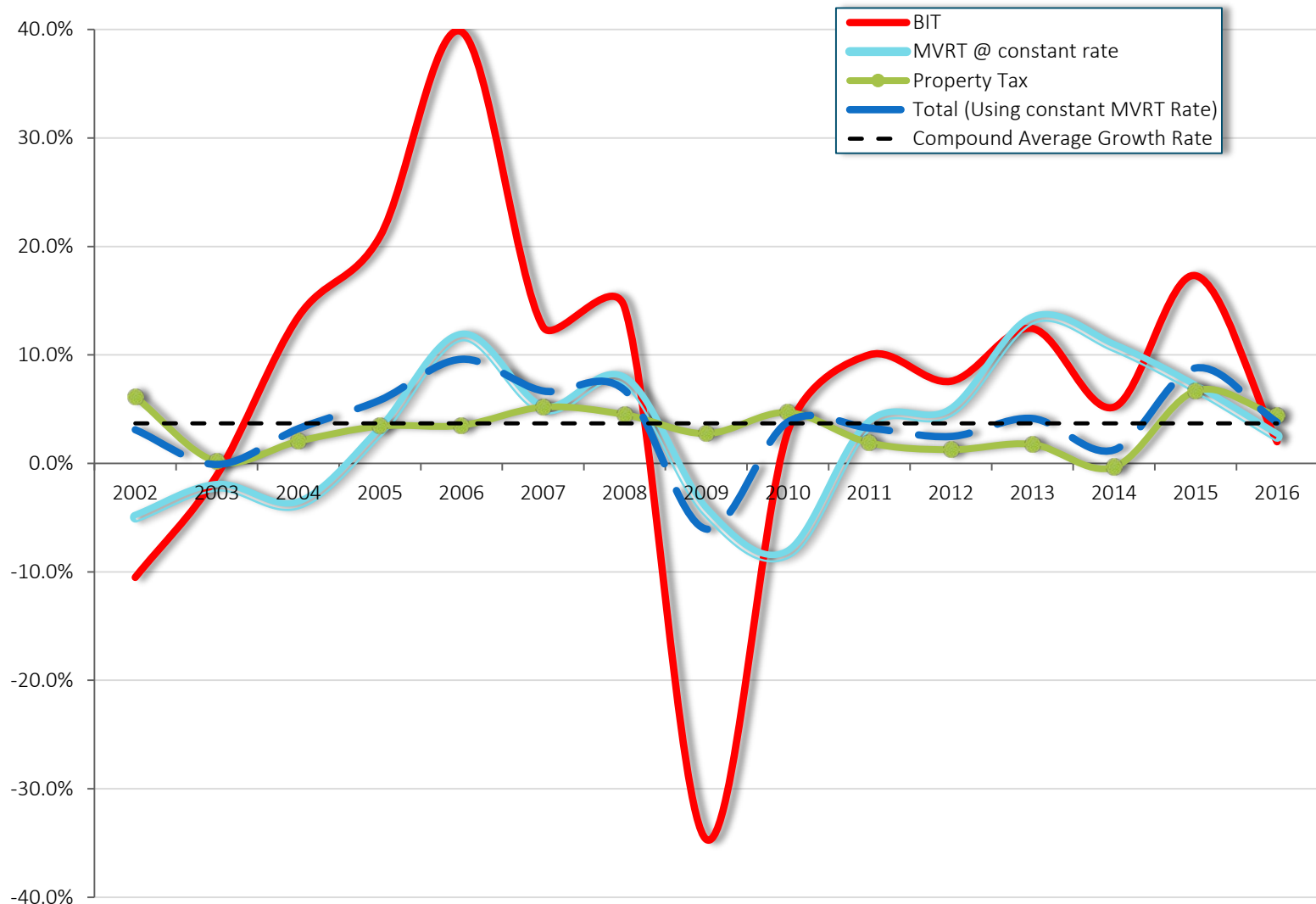


Based on department appropriations

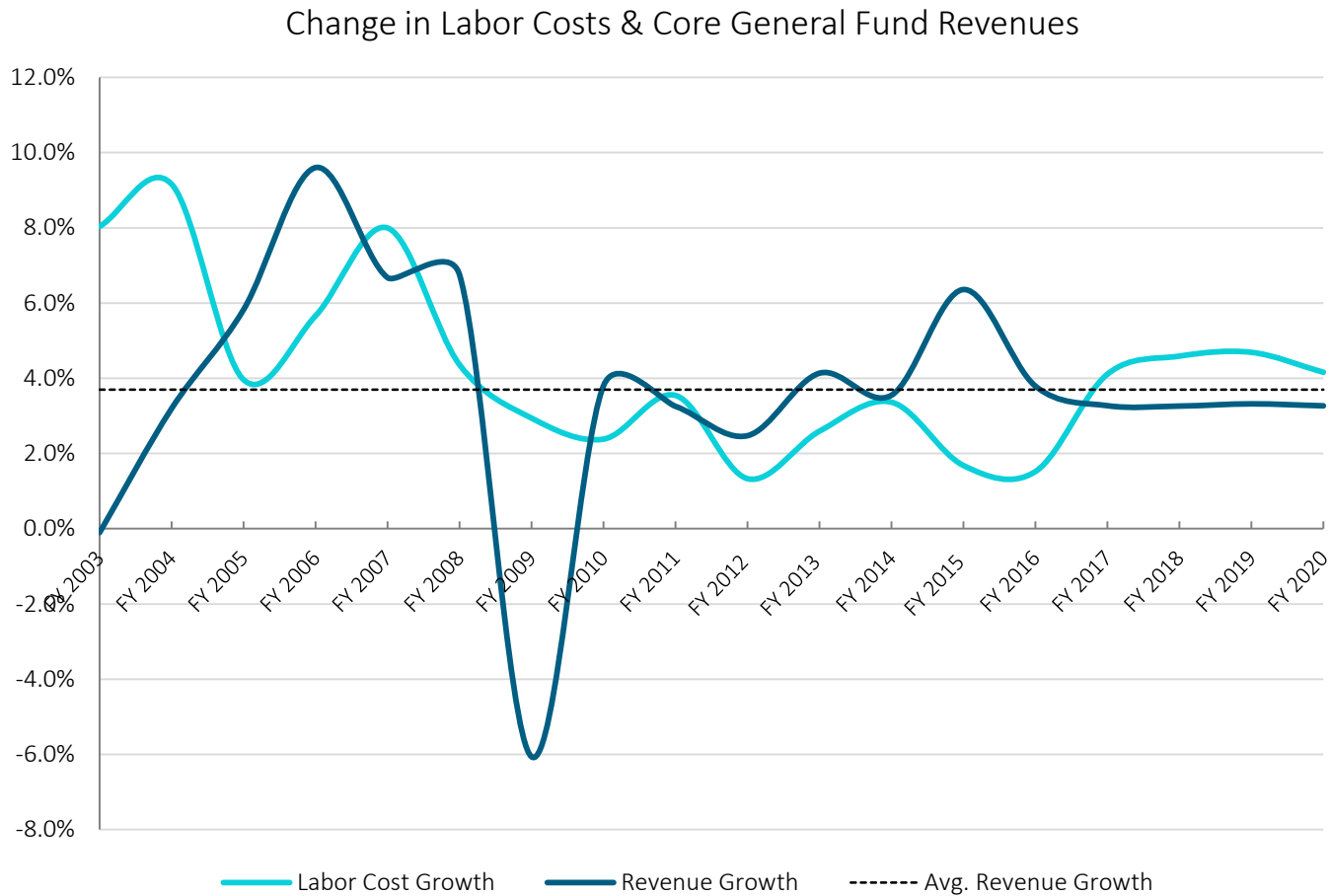
*Health does not include FQHC Expenditures



How Fast does GF Grow to Support Services?



Cost Growth vs. Revenue Growth



Notes:

1. Core General Fund revenues reflect property taxes, business income taxes, and motor vehicle rental taxes, adjusted for the formation of the Library District (FY 2014) and increase in the MVRT (June 2009). Values reflect actual revenues for FY 2002 to FY 2014 and forecasted revenues for FY 2015 to FY 2020.
2. Labor Costs reflect the change in total budgeted total labor costs divided by adopted FTE levels.
3. Average Revenue growth is based on actual, core General Fund revenues from FY 2002 to FY 2014 and estimated revenues for FY 2015 and FY 2016.



Financial Resiliency

- Balanced budget over 5-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
- Sufficient time to plan for PERS increases
- Well positioned to prepare for next recession
- Difficult, but sound financial choices in the recent past have contributed to the County's position



Questions

