



# Department of County Management

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Budget Work Session

Fiscal Year 2011

May 18, 2010



# Department of County Management

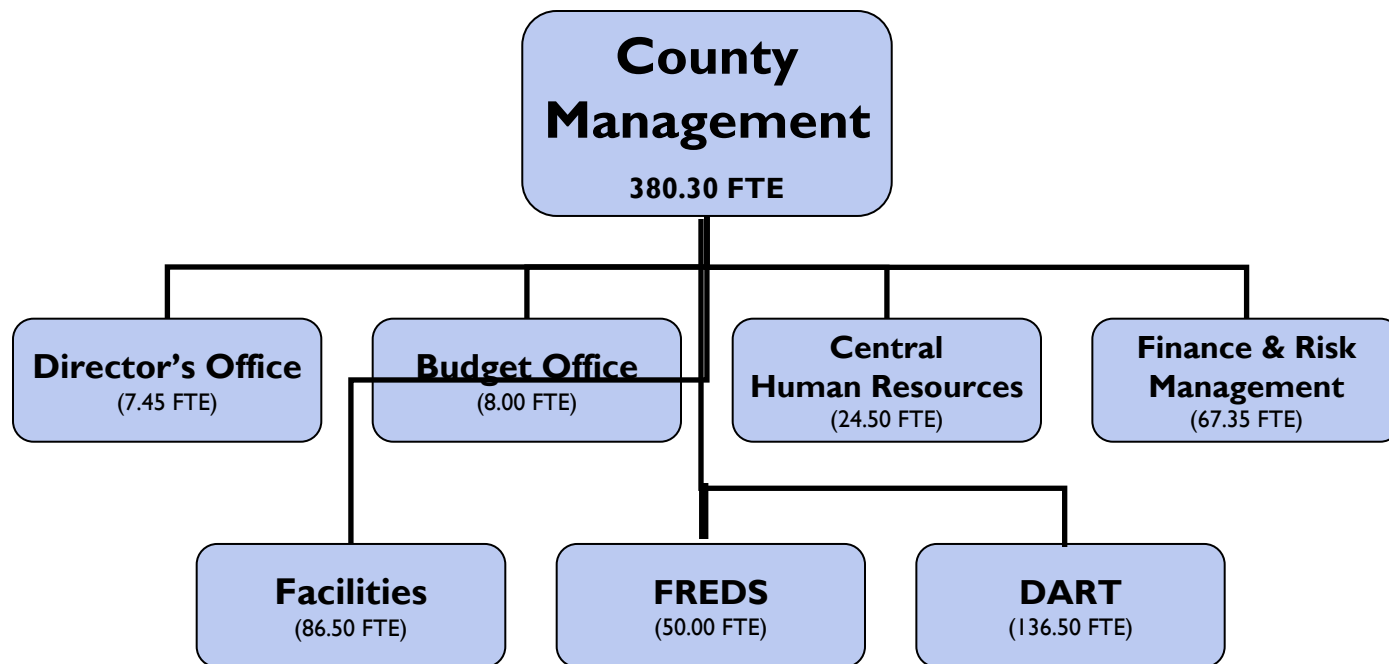
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## □ Agenda

- DCM structure
- Guiding budget principles
- Budgetary and Organizational changes
- DCM major projects FY2011
- Conclusion

# Department of County Management

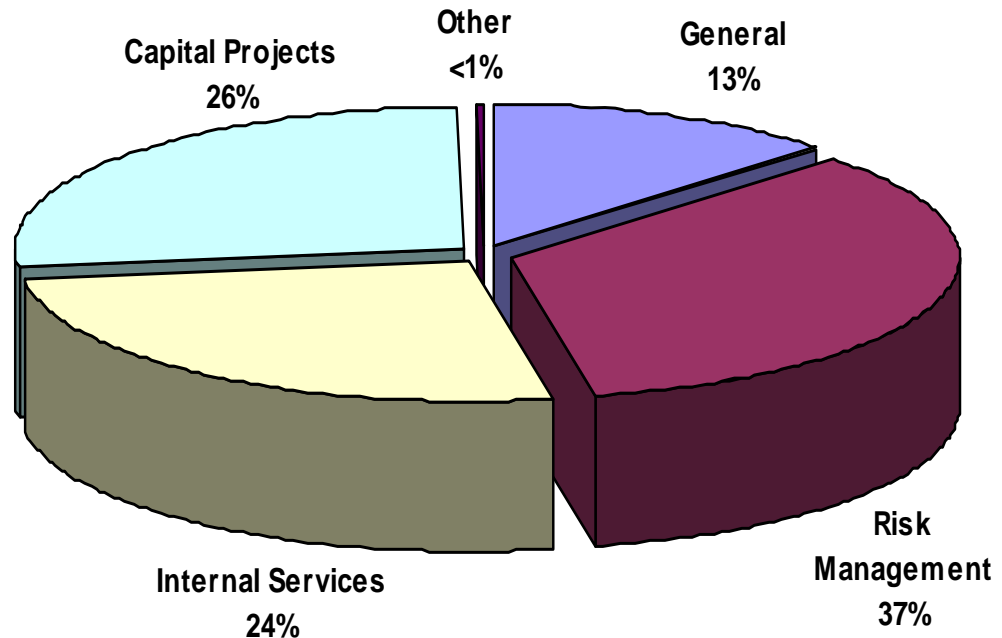
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# Department of County Management

## □ Expenditure Budget by Fund (millions)

General Fund	\$ 29.0
Risk Mgmt	86.7
Internal Svs	55.4
Capital Project	59.2
Other Funds	.7
<b>Total Funds</b>	<b>\$ 231.0</b>

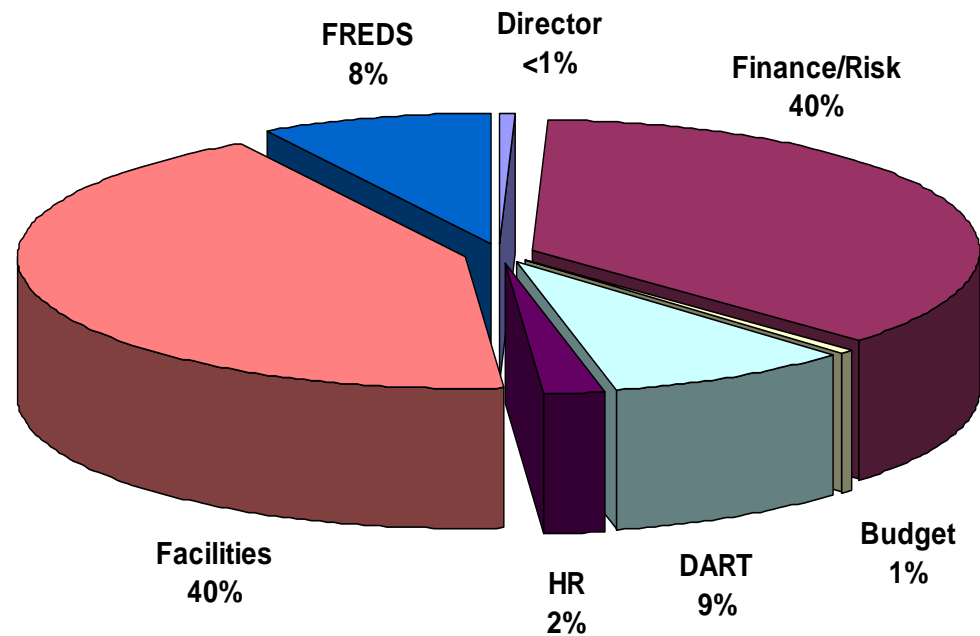


# Department of County Management

## □ Expenditure Budget All Funds by Division

(millions)

Director	\$ 1.0
Finance/Risk	92.3
Budget	1.3
DART	21.4
HR	5.6
Facilities	91.5
FREDS	17.9
<b>Total</b>	<b>\$ 231.0</b>





# Guiding Budget Principles

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- ❑ County-wide Financial Management, Fiscal Integrity, Organizational Stability
- ❑ Quality Workforce
- ❑ Spending aligned with Chair/board priorities
- ❑ Business process & efficiency improvements
- ❑ Minimize overall risk to organization
- ❑ Opportunities to Increase Revenue
- ❑ Required vs. optional services, functions
- ❑ Best Practices



# DCM Budgetary Changes – all funds

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- ❑ FY2011 budget request: \$231 million
- ❑ FY2010 adopted budget: \$213 million
- ❑ Overall increase \$18 million
- ❑ Primary factors:
  - \$13 million Risk Management fund
  - \$7.5 million capital projects funds

# Budgetary Changes – FY2010 to FY2011

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	<b>FY2011</b>	<b>FY2010</b>	<b>Change</b>	<b>% Change</b>
<b>General Fund</b>	29,062,344	31,530,851	(2,468,507)	-7.8%
<b>Risk Mgmt</b>	86,687,376	73,749,475	12,937,901	17.5%
<b>Internal Service</b>	55,385,235	50,605,493	4,779,742	9.4%
<b>Capital Projects</b>	59,184,965	56,228,857	2,956,108	5.3%
<b>Other</b>	687,964	874,308	(186,344)	-21.3%
<b>Total</b>	<b>231,007,884</b>	<b>212,988,984</b>	<b>18,018,900</b>	<b>8.5%</b>



# Budgetary Changes – FY2010 to FY2011

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- General Fund (226.55 FTE)
  - Total change: <\$2,468,507>
  - Adjustments
    - One Time Only \$1.25M
    - Transfers out:
      - Regional Arts, \$165,291
      - Sustainability Program, \$282,644
      - Office of Diversity & Equity, \$276,526
  - Net operating reduction \$494,046

# Budgetary Changes – FY2010 to FY2011

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- Risk Management Fund (17.25 FTE)
  - Fund increased by 17.5%
  - Primary factors:
    - 109 new positions added across County, increasing health care costs
    - Overall cost increases for health care
    - Large outstanding claims budgeted
    - Increased unemployment costs

# Budgetary Changes – FY2010 to FY2011

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- ❑ Facilities Fund (86.50 FTE)
  - \$1.5 million reserves used to close gap between revenues & operating expenditures to maintain service levels
  - Future service level reductions will be developed with departmental customers
  - 2 new Library Branches, 1 new Health Clinic for FY2011
  - Vacancy rate up to 3.65% (up .3%), largely due to Kelly Building, Walnut Park vacancies

# Budgetary Changes – FY2010 to FY2011

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- Fleet & Distribution Funds (50.0 FTE)
  - \$450,000 reserves used to offset cost increases
  - State contract adds \$75,000 revenue to FY2011
    - Funds services to State's Portland-area fleet
    - Adds one FTE
  - Equipment budget increased to purchase 4 electric vehicles
  - Distribution fund added 1.0 FTE for electronic records management

# Budgetary Changes – FY2010 to FY2011

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## □ Capital Funds

- Funds increased 5%

- Primary factors:

- ARRA (Stimulus) project funding \$1.925M - Building Automation System project and Inverness Jail Laundry Heat Recovery System project
- Gateway Domestic Violence project \$600K

# Budgetary Changes – Staffing

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<b>FTE Changes by Division</b>	<b>FY2011</b>	<b>FY 2010</b>	<b>FTE Change</b>	<b>% Change</b>
Director	7.45	8.00	(0.55)	-6.9%
Finance/Risk	67.35	69.40	(2.05)	-3.0%
Budget	8.00	8.00	0.00	0.0%
DART	136.50	137.50	(1.00)	-0.7%
HR	24.50	24.00	0.50	2.1%
Facilities	86.50	85.50	1.00	1.2%
FREDS	50.00	48.00	2.00	4.2%
<b>TOTAL</b>	<b>380.30</b>	<b>380.40</b>	<b>(0.10)</b>	<b>-0.03%</b>

# Organizational Changes

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- Programs moved from DCM to Non-Departmental
  - Office of Sustainability (\$282,644 & 2.0 FTE)
  - Office of Diversity & Equity (\$276,526 & 2.0 FTE)
- Programs moved from DCS to DCM
  - Tax Title (\$546,623 & 1.0 FTE)
  - Passports (\$ 70,000 & 1.0 FTE)



# Organizational Changes

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- Staff reductions
  - 1.0 Purchasing
  - 1.0 Treasury/Tax Administration



# Organizational Changes

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- ❑ Creation of Business Services Unit
  - Aligns similar functions within DCM
  - Allows expertise to be focused
  - Budget neutral – existing FTE reallocated within department
- ❑ Staff capacity increases
  - Revenue Analysis & New Opportunities
  - Property Management for East County projects
  - Electronic Records Management
  - 3.0 FTE added for one year period



# DCM Major Projects FY2011

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- ❑ Implementation of Property Tax System
- ❑ Business Process Re-engineering
  - Streamline County Administrative Support/Structure
  - Facilities Management
  - Contracts Redesign
- ❑ Classification Study, Management/Executives
- ❑ Debt Issues
  - East County Courthouse
  - Sellwood Bridge

# Closing Thoughts

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- ❑ DCM provides administrative backbone to entire County organization
- ❑ DCM budget driven by ISR-what other departments budget (e.g., 109 new FTE)
- ❑ DCM general fund took 4.4% reduction
- ❑ Constant review of the way we do business looking for efficiencies/streamlining
- ❑ Progressive eye toward FY2012 with future reductions & challenges