

Multnomah County Approved Budget FY 2013



www.multco.us/budget

May 8, 2012

Overview

- **Schedule and Process**
- **Corporate Budget Overview**
 - Summary information
 - What is in the budget
 - Use of OTO
 - Administrative costs and structure
 - General Fund reserves and contingencies
- **Trends**
- **Summary**
- **Looking Forward**



Budget Process FY 2013

- November 8th – Forecast for FY 2013
- February 17th – Departments Submit Budgets
- March 1st – Revised Forecast FY 2013
- March 15th – Community Educational Forum
- May 3rd - Board Approved Budget
- May 17th – Revised Forecast for FY 2013
- Three Evening Public Hearings
 - May 9th , East County – Sharron Kelly Conference Room
 - May 16th , Multnomah County Boardroom
 - May 23rd , IRCO - Northeast
- May 30th - TSCC Hearing
- **May 31st - Adopt Budget**



Budget Worksessions FY 2013

Week of May 7th – Financial Overview & Public Safety

Week of May 14th – Health & Human Services, Capital,
and GF Forecast

Week of May 21st – General Government & Other
Budget Related Business

Week of May 28th – Amendments & Budget Note Review

May 31st – Adopt FY 2013 Budget



Overall Financial Context

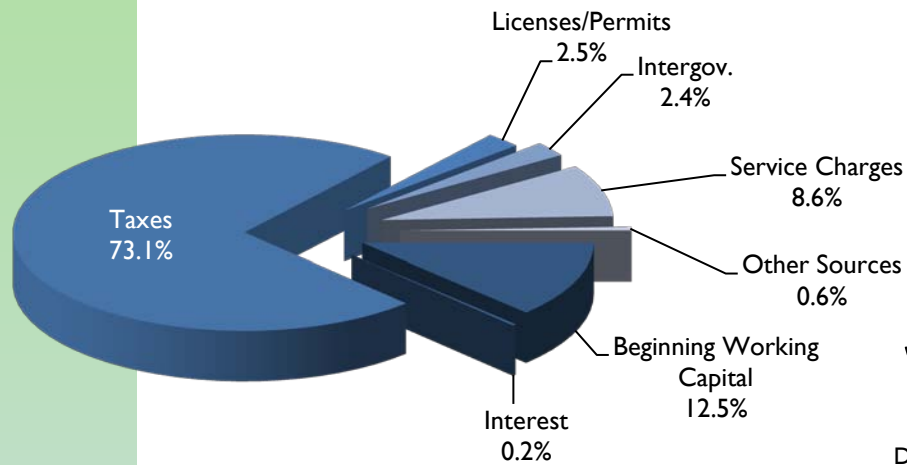
- **FY 2012 Adopted Budget =
\$1,487,769,834**
- **FY 2013 Approved Budget =
\$1,510,239,793**
- **A increase of \$22.5 million or 1.5%**

Note: includes contingencies, reserves and unappropriated balance

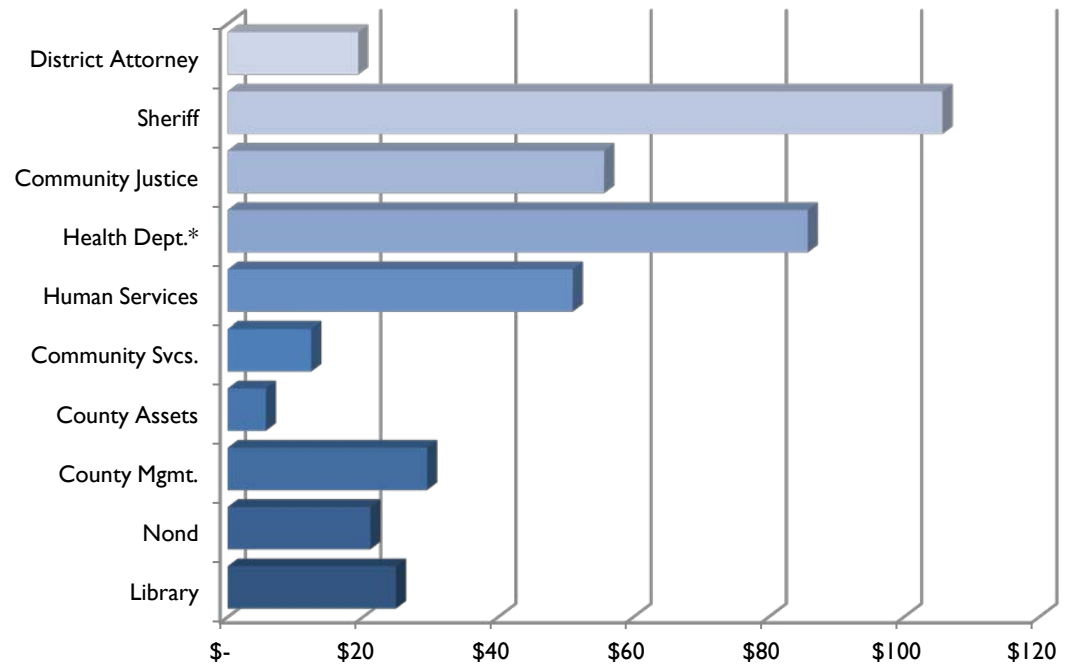


General Fund Overview- \$450,029,379

Where the money comes from:



Where the money goes to:*

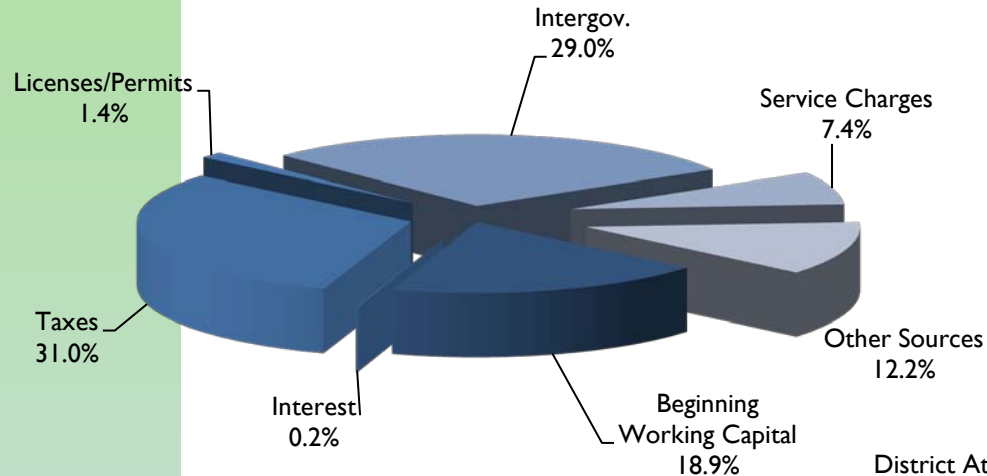


*Note: does not include transfers, reserves and contingencies.
Health Dept. includes \$28.2M of FQHC

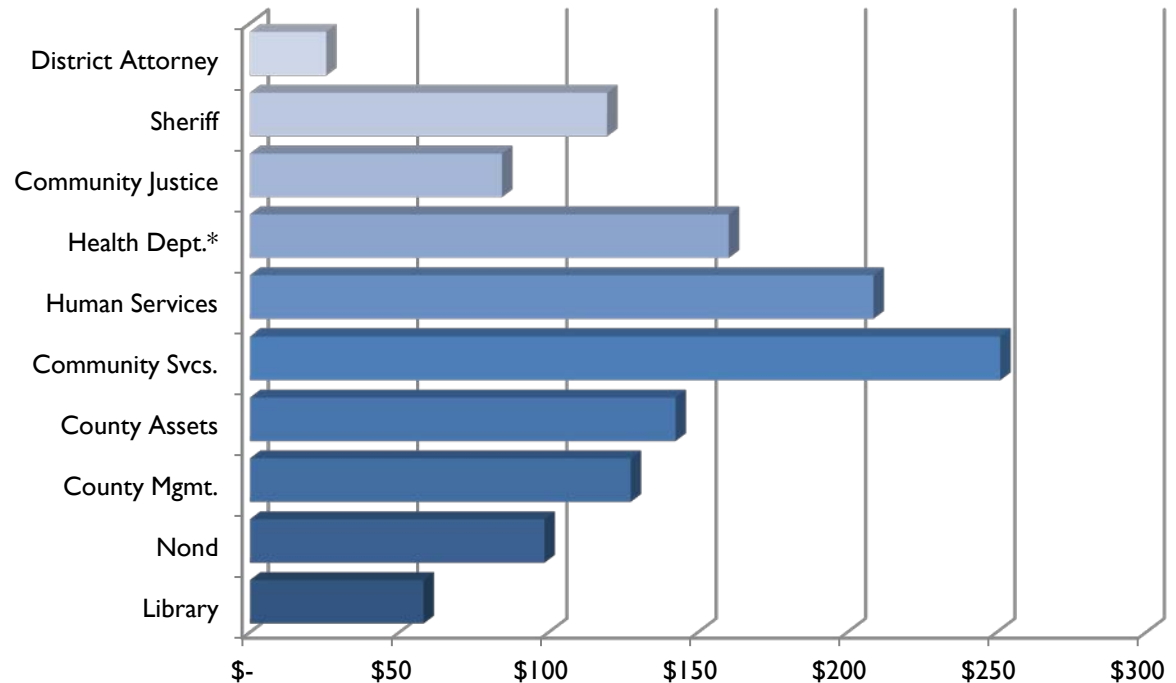


All Funds Overview - \$1,510,239,793

Where the money comes from:



Where the money goes to:*



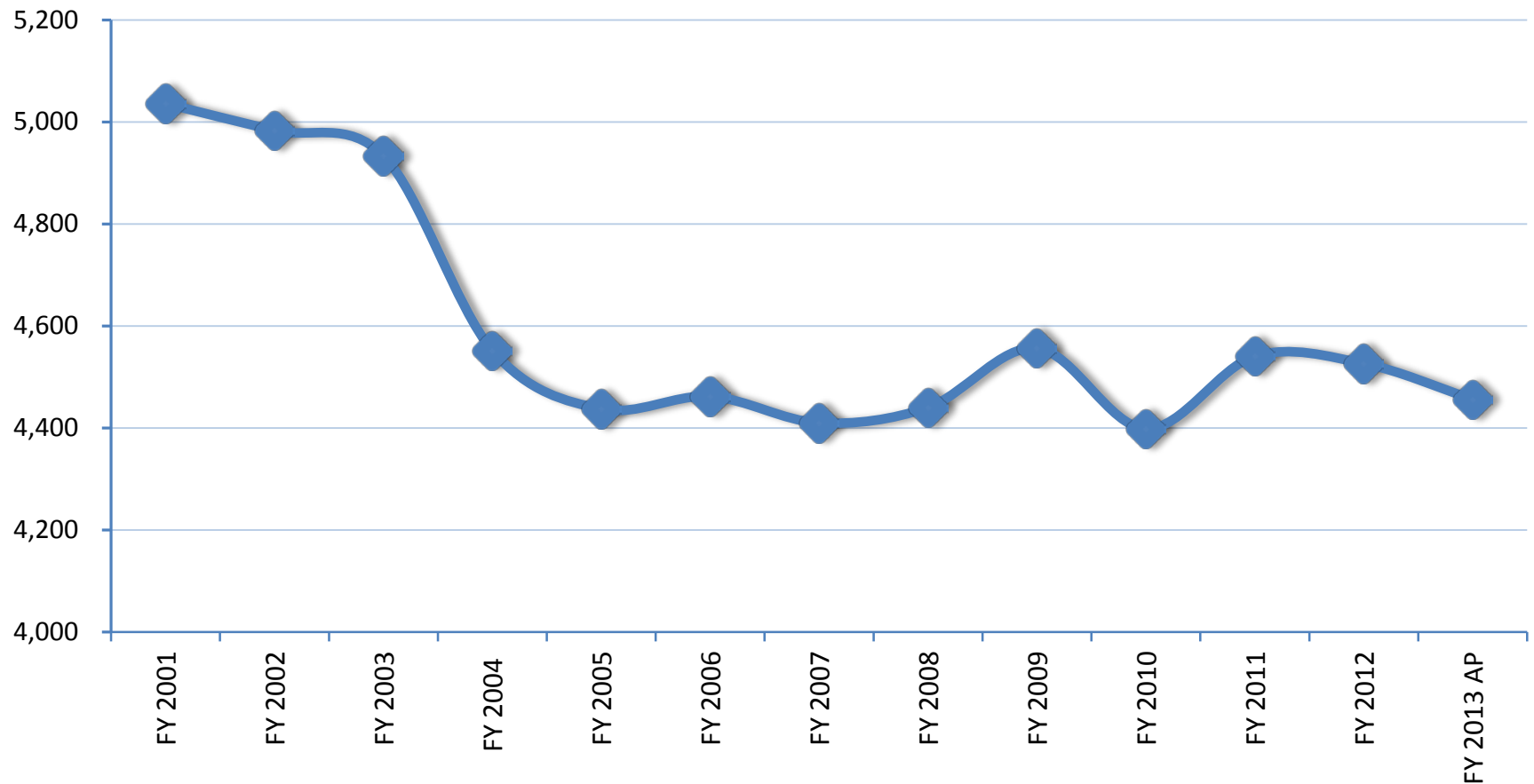
*Note: does not include transfers, reserves and contingencies



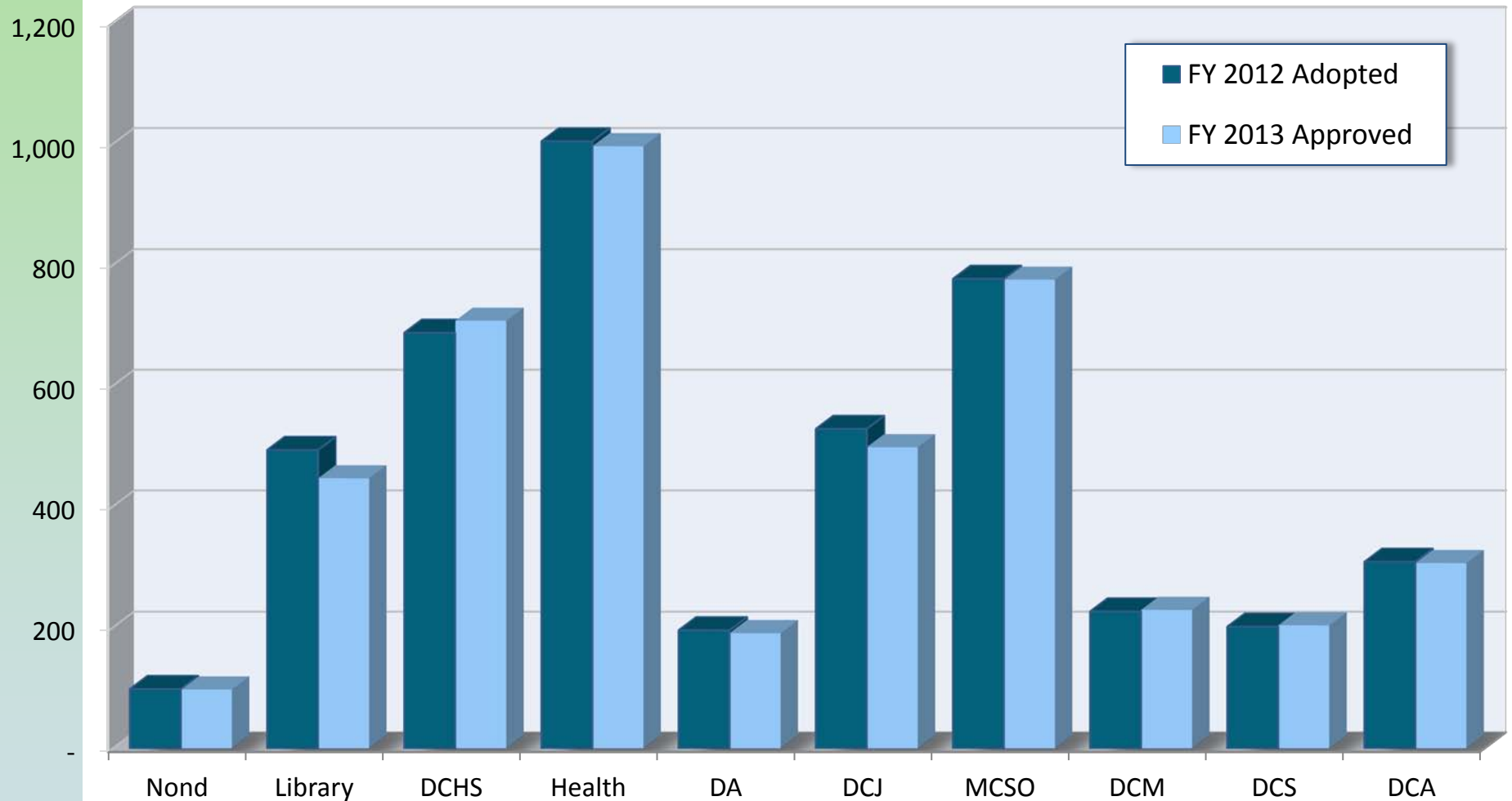
Full Time Equivalents ↓70.00 FTE

FY 2001 Adopted – FY 2013 Approved

All Funds



Full Time Equivalents (FTE) by Year/Dept.



What the Budget does

- Preserves critical direct services to clients (especially in the General Fund)
- Addresses the expenditure/revenue gap for FY 2013
- Invests in safety net services, maintains most public safety service levels
- Strategic use of OTO funds
- Reduces and controls administrative costs
- Fully funds reserves and maintains BIT stabilization reserve



Closing the General Fund Gap

- March Forecast: \$3.5 million gap or 0.94% of expenditures
 - 1.5% CGF constraint to departments generates ~ \$4.7 million
 - Without Local 88 COLA freeze, would have been \$2.8 million higher
- A laundry list of actions to close the gap
 - Span of control & management position review
 - No TRAN required for cash flow purposes
 - Internal service cost increase to depts. modestly lower (9% +/- vs. 9.4% assumed)
 - Redesign & configuration of programs (i.e., early childhood)
 - Reductions – noticeable and unnoticeable
 - Shifts to non-CGF where possible
- Additional OTO Funds - \$3 million
 - Most cover OTO programs; about \$1 million for ongoing costs
 - An Example: OTO resources used to cover \$633,000 of MCSO dorm 4 ongoing cost in FY 2013. Assumes that MCSO hiring & training initiative will reduce ongoing costs (i.e., vacancy/overtime) so that in FY 2014 OTO resources will not be needed.
- More Details in the upcoming work sessions.



Use of One-Time-Only (OTO)

- Strategic transition/bridge funding
 - Adult Services Division – Bridge Funding (50061 - \$508k)
 - MCIJ Dorm 4 (60041H - \$633k)
 - MCSO Hiring and Training (95000 - \$239k)
- Responds to community needs
 - Short Term Rent Assistance (25133B - \$500k)
 - Commercial Sexual Exploitation of Children Victims' System of Care (25135 - \$420k, 50008B - \$93k)
 - Summer Youth Connect (10035B - \$100k)
 - Apartment Cat Trap-Neuter-Return Program (91004 - \$104k)
- Library bridge funding - \$10 million
- Sustainability efforts
 - Green Infrastructure – Fish Passage (91023 - \$35k)
 - Safe Routes to Schools (91024 - \$30k)
 - Climate Adaptation Planning Project (10036 - \$42k)

(Need more detail? See p. 17 of the Budget Director's Message)



Multnomah Evolves

- Controlling Costs

- Span of Control

- FY 2012 savings of \$714,000
 - FY 2013 Ratio increased from 10.83 to 11.34
 - FY 2013 Administrative/management reductions of \$3.3m (all funds)
 - FY 2013 30.00 FTE management were eliminated, downgraded or converted to represented positions

- Local 88 COLA freeze savings = \$6.4m

- \$2.8m General Fund
 - \$3.6m Other Funds

- Moving Forward

- Strategic Sourcing
 - Countywide Budget System
 - Facilities Strategic Plan
 - Fleet Operations Analysis



General Fund Reserves – Fully Funded.

- General Reserve @ 10% of corporate revenues or \$32.1M
- BIT Reserve @ 8% or \$4.2M
- General Fund Contingency \$5.6 million
 - Regular - \$1.25 million
 - BIT Reserve - \$4.2 million
 - MCSO - \$239,000



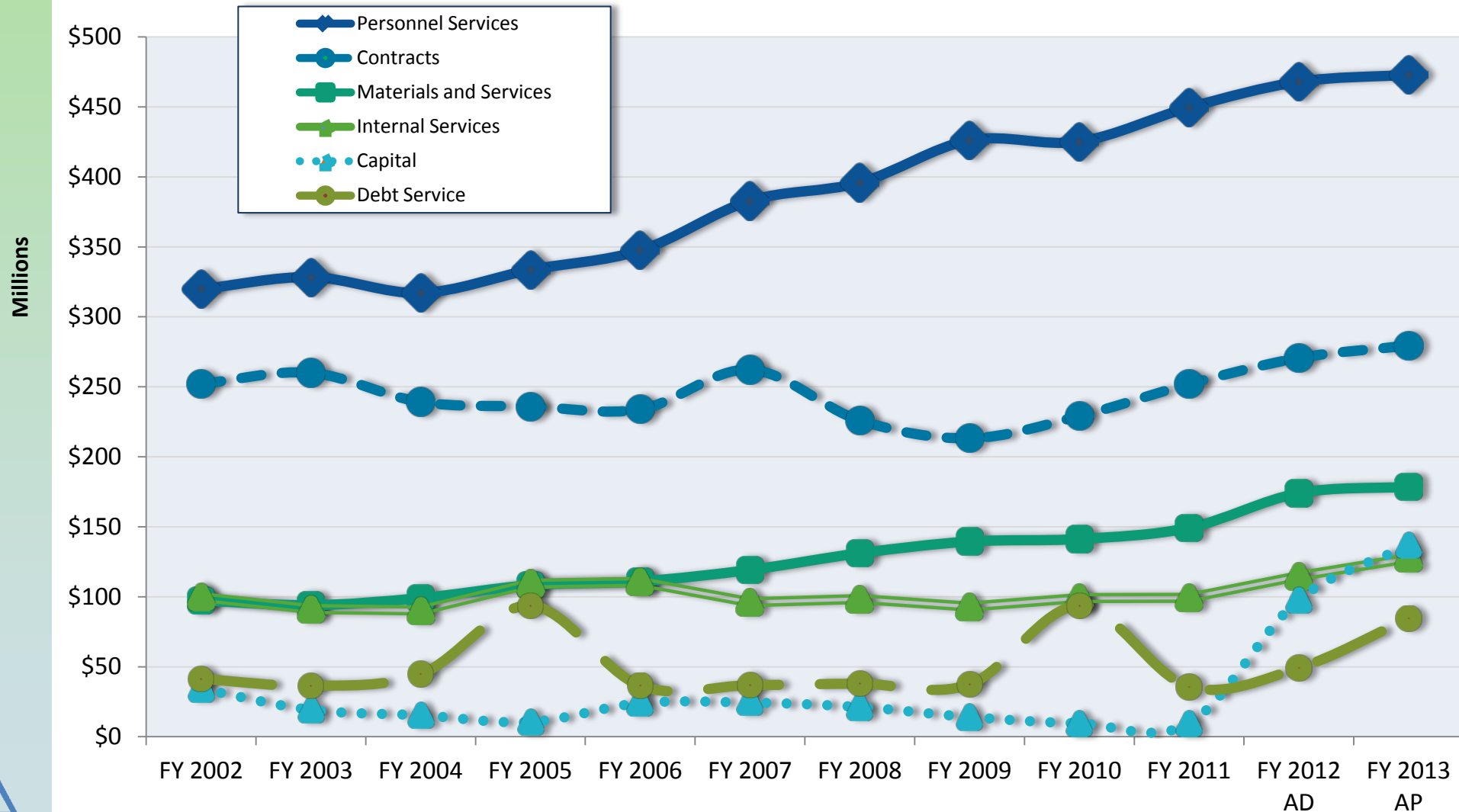
The State....

- FY 2012 State Midyear Rebalance
 - \$1.6 million ongoing
 - \$2.1 million OTO
- FY 2013 marks 2nd half of biennium
- No major surprises
- Major concerns:
 - Healthcare System Transformation
 - Cuts to Judicial Branch
- Cautionary Note – current revenues will not support backfilling ongoing state/federal programs



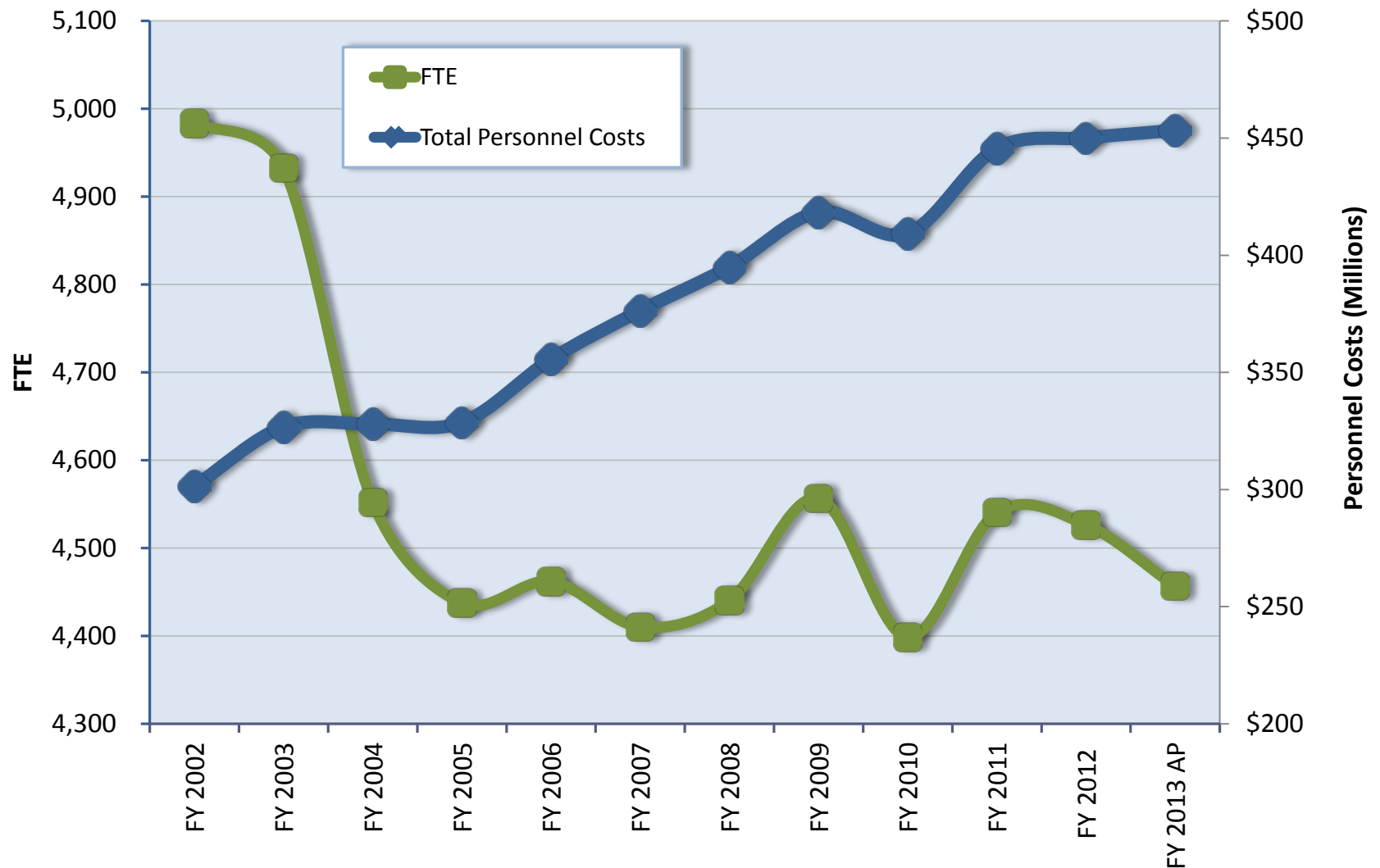
What We Spend our Resources on...

FY 2002 Adopted – FY 2013 Approved (All Funds)



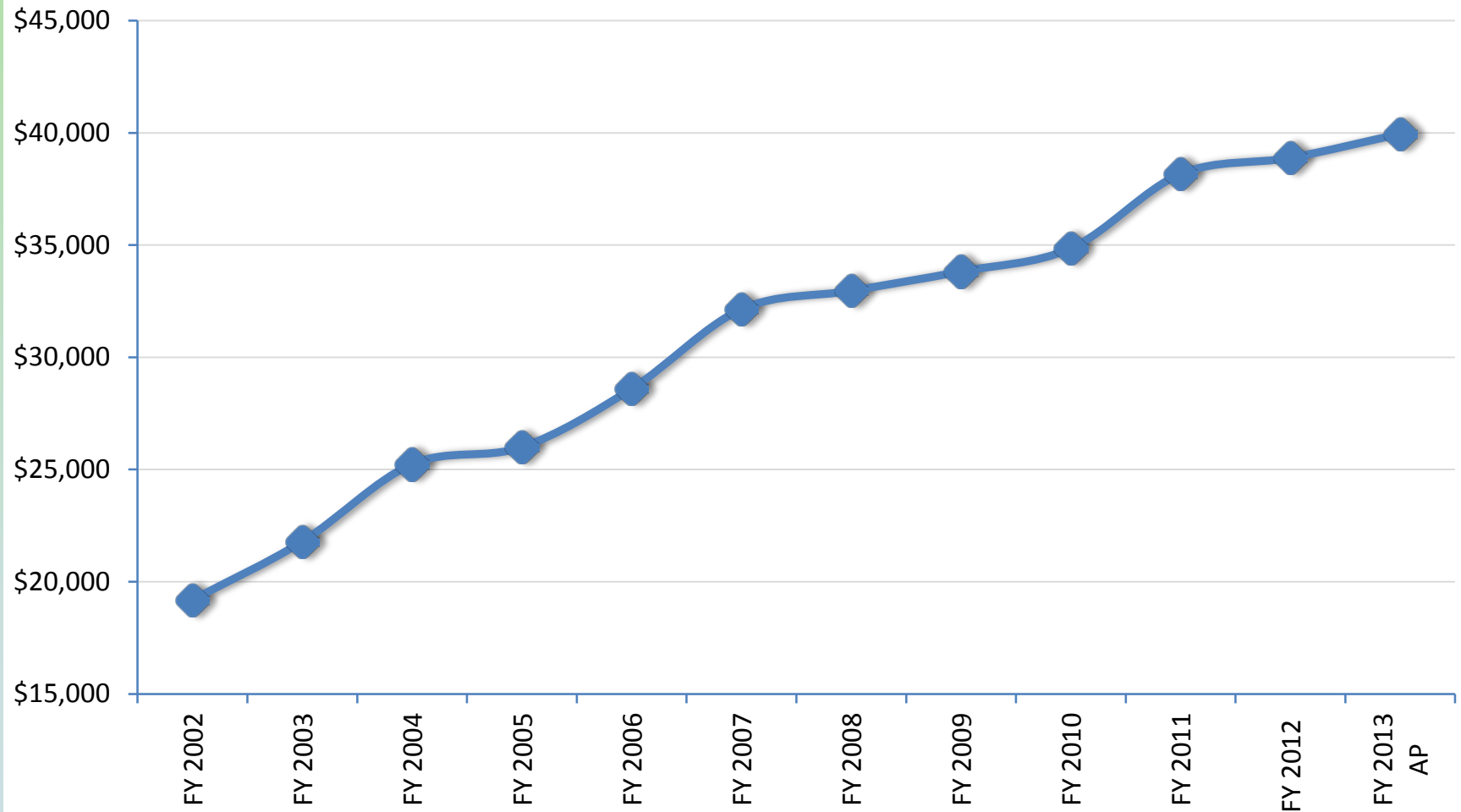
Adopted FTE vs. Total Personnel Costs

FY 2002 Adopted to FY 2013 Approved (All Funds)



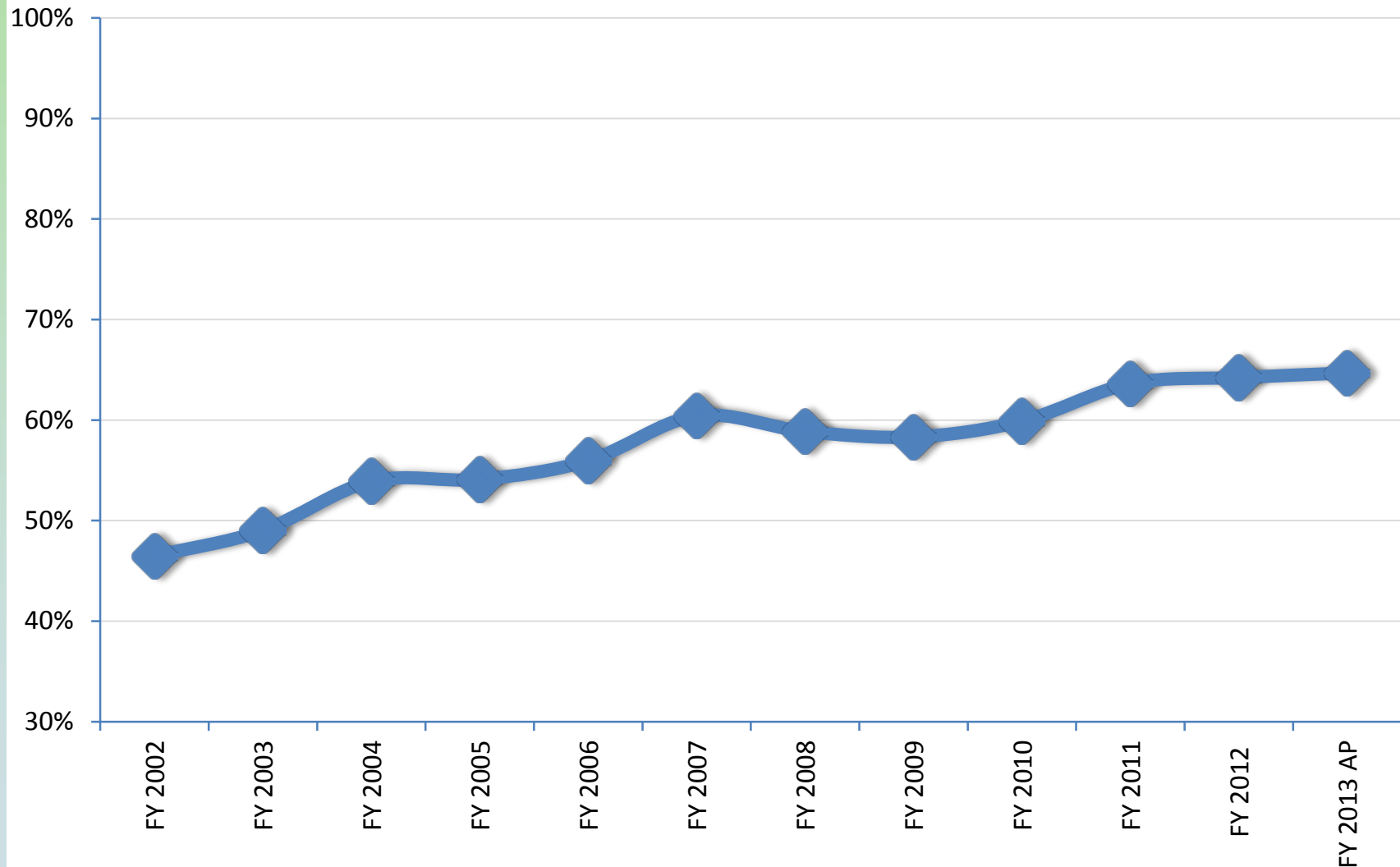
Avg. Benefits & Insurance Cost per FTE

FY 2002 Adopted to FY 2013 Approved



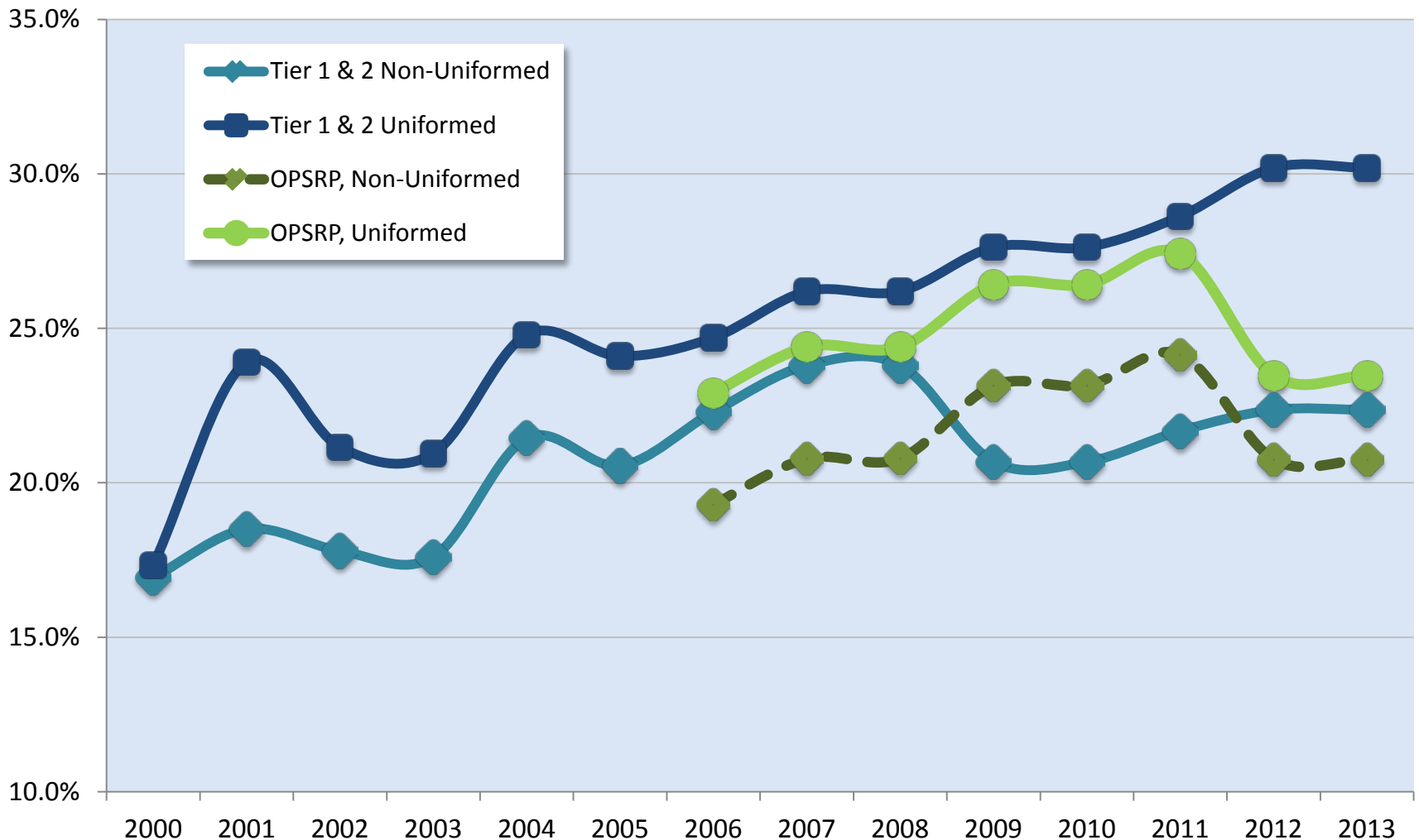
Benefits & Insurance % of Payroll

FY 2002 Adopted to FY 2013 Approved



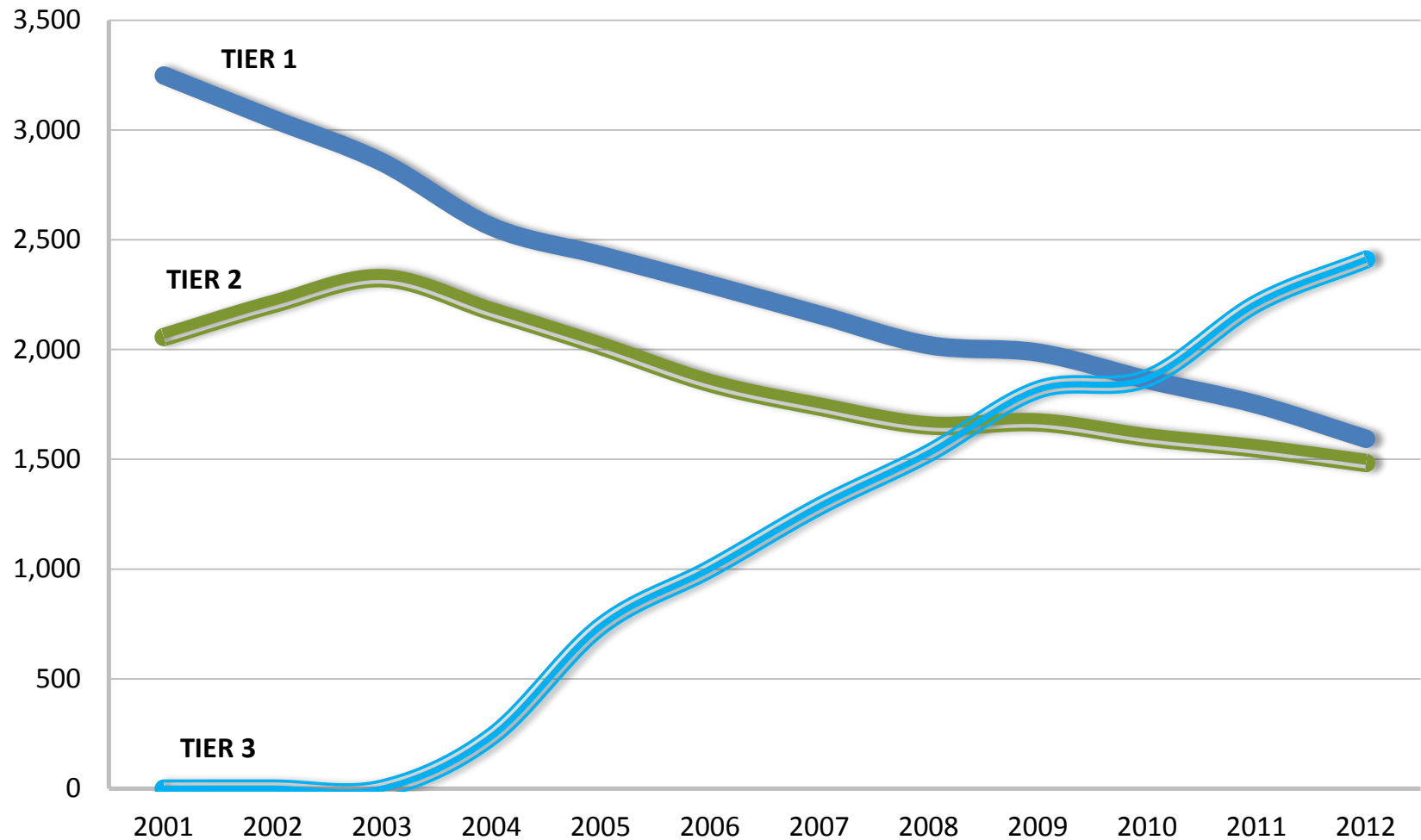
PERS Rates Charged to Departments

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

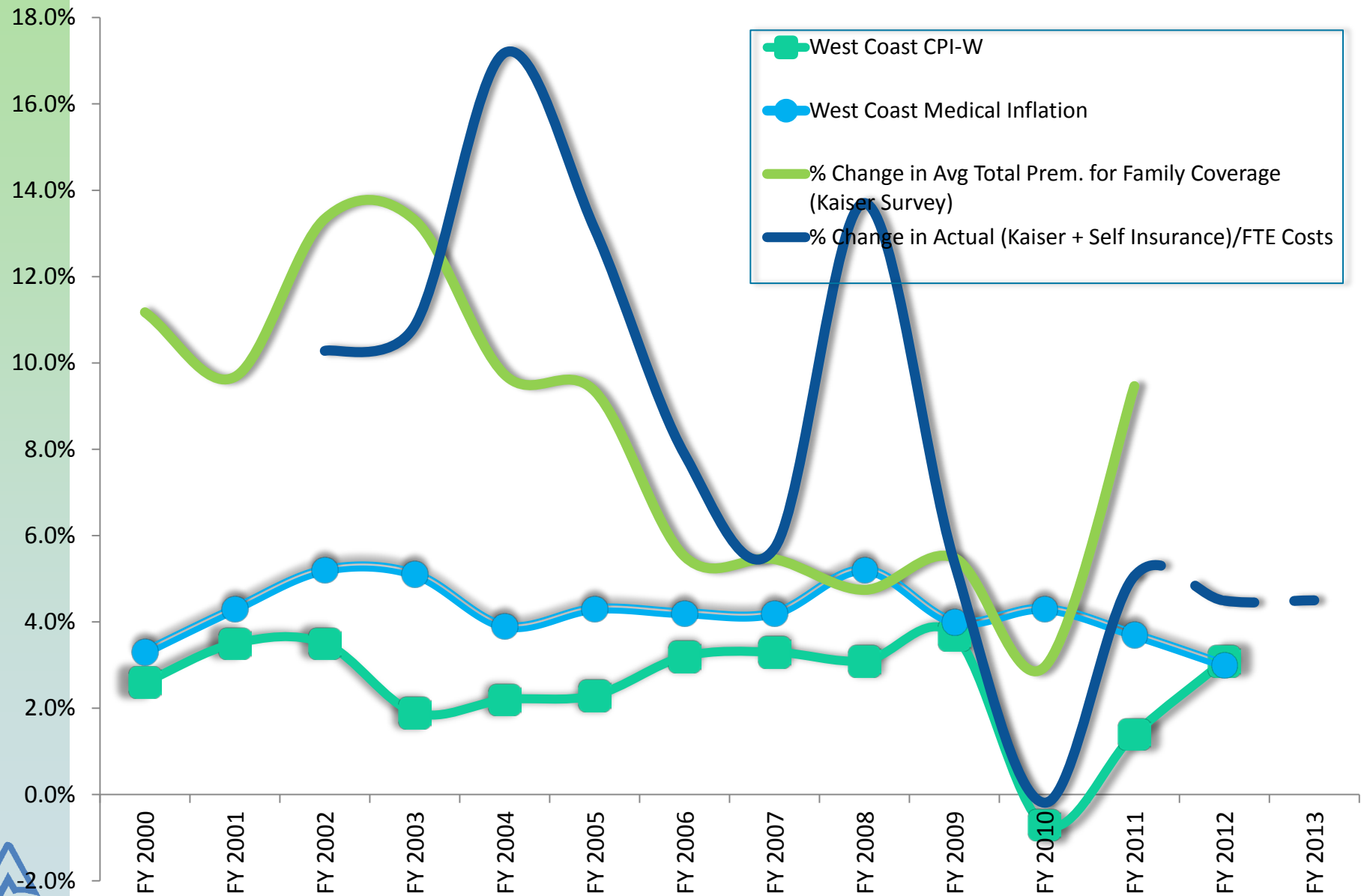


FTE by PERS Tier

Based on Actual People

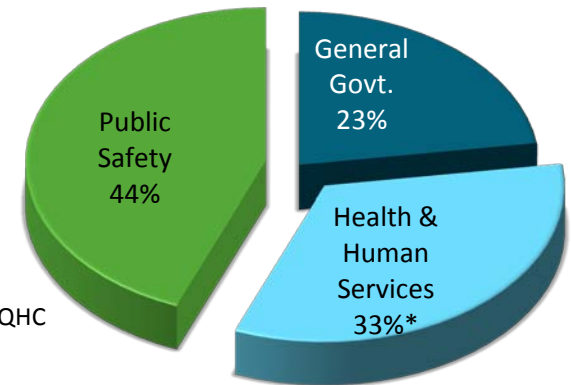
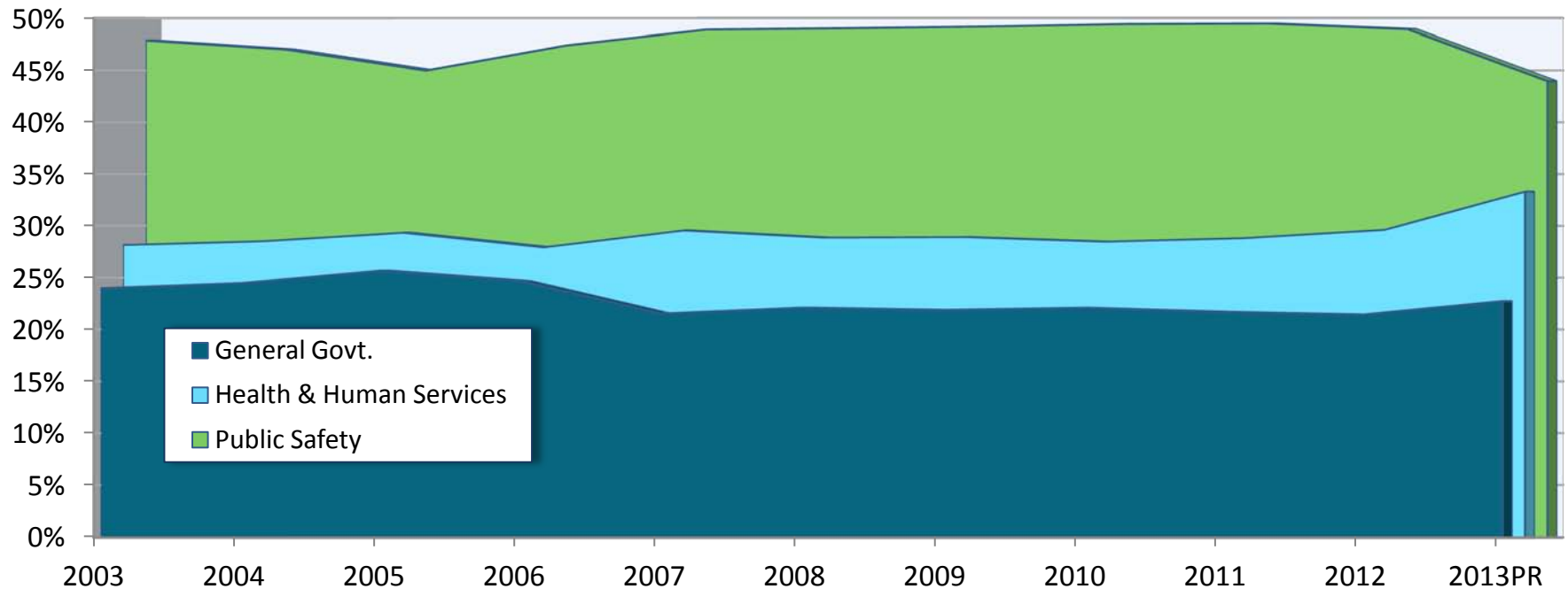


Health Care Inflation



What Areas Do We Spend General Fund?

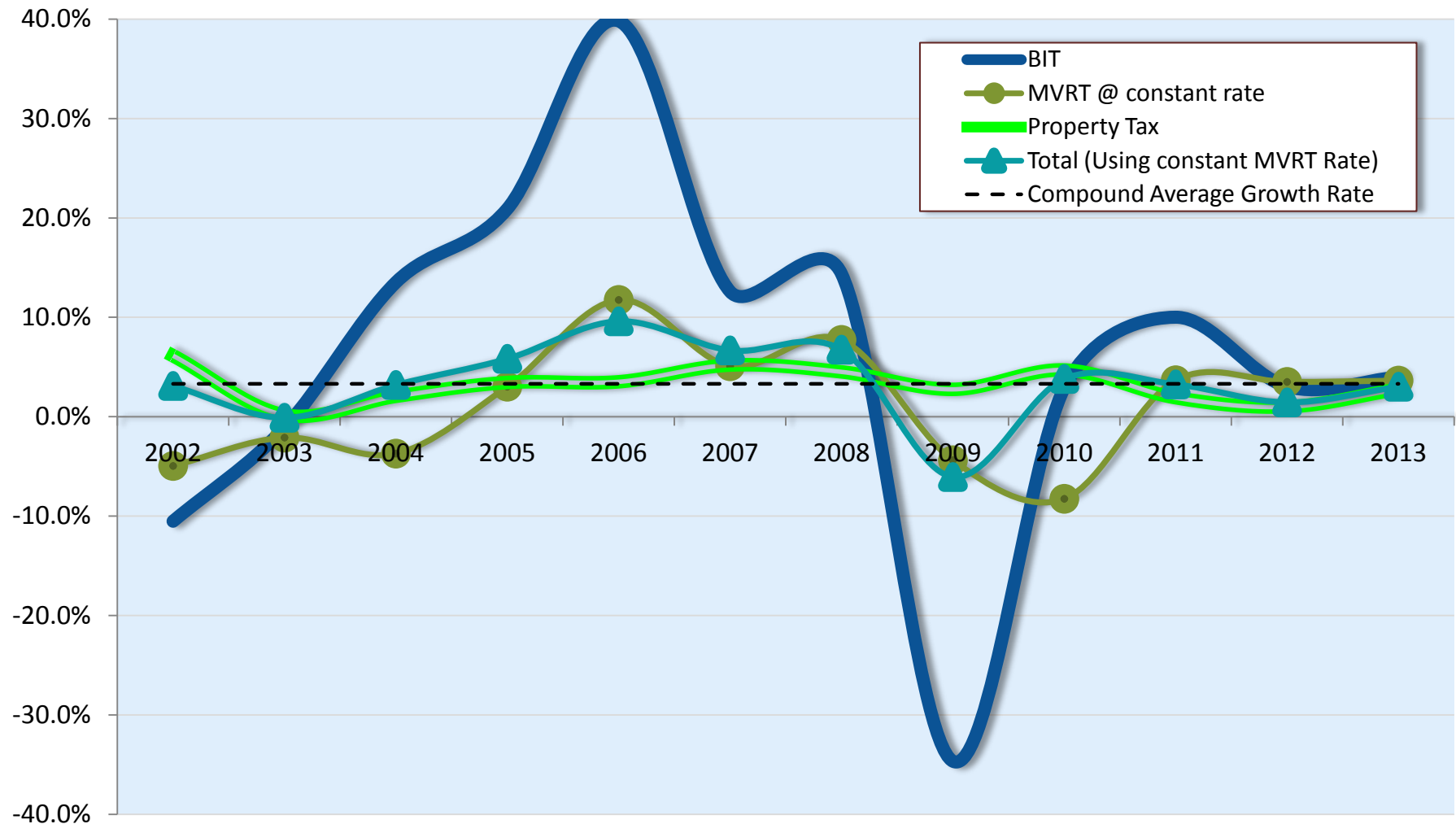
FY 2003 Adopted to FY 2013 Approved



Note: *Health Dept. includes \$28.2M of FQHC and Library includes \$10M of OTO



How Fast does GF Grow to Support Services?



Where are we.....

Relatively Stable General Fund

- Reserves and contingency funded
- BIT stabilization reserve maintained
- General Fund gap addressed for FY 2013
- Prudent budget practices
- Deliberate use of OTO w/no or limited support for ongoing programs (some years ↑ \$20M)
- Debt
- Limited progress on retiree liability



Hold On – Still Choppy Waters

- Ongoing gap FY 2014 and beyond
- Uncertainty surrounding implementation State's policies
 - Healthcare system transformation
 - Impacts of state cuts (i.e. judicial system)
- Future PERS Rate Increases
- Library Funding
- Federal Policies
 - Federal budget
 - November election
 - 2% Social Security tax reduction
 - Automatic spending reductions

