

Multnomah County Approved Budget FY 2015

www.multco.us/budget

April 29, 2014

Overview

- **Schedule and Process**
- **Corporate Budget Overview**
 - Summary information
 - Use of OTO
 - Percolating Topics & Issues
 - General Fund Reserves & Contingencies
- **Trends**
- **Summary**



Budget Process FY 2015

- November 14th – Forecast for FY 2015
- February 14th – Departments Submit Budgets
- March 13th – Updated Forecast for FY 2015
- April 24th - Board Approved Budget*
- May 14th – Updated Forecast for FY 2015
- Three Evening Public Hearings
 - April 30th - East County – Sharron Kelly Conference Room
 - May 7th - IRCO - Northeast
 - May 14th - Multnomah County Boardroom
- May 22nd - TSCC Hearing*
- **May 29th - Adopt Budget***

*Library District FY 2015 Budget on concurrent schedule



Budget Worksessions FY 2015

- Week of April 28th – Financial Overview, CIC, Finance & Budget Policies, Debt Overview, Capital Briefing, 3 Mini-Worksessions:
 - HB 3194
 - Local Public Safety Reinvestment: Mental Health Pilot
 - Affordable Care Act
- Week of May 5th – Health & Human Services
- Week of May 12th – Public Safety, General Fund Forecast and General Government
- Week of May 19th – General Government, Library District, Amendments & Budget Note Review, TSCC Hearings
- Week of May 26th – Adopt Budgets FY 2015 Multnomah County & Library District



Overall Financial Context

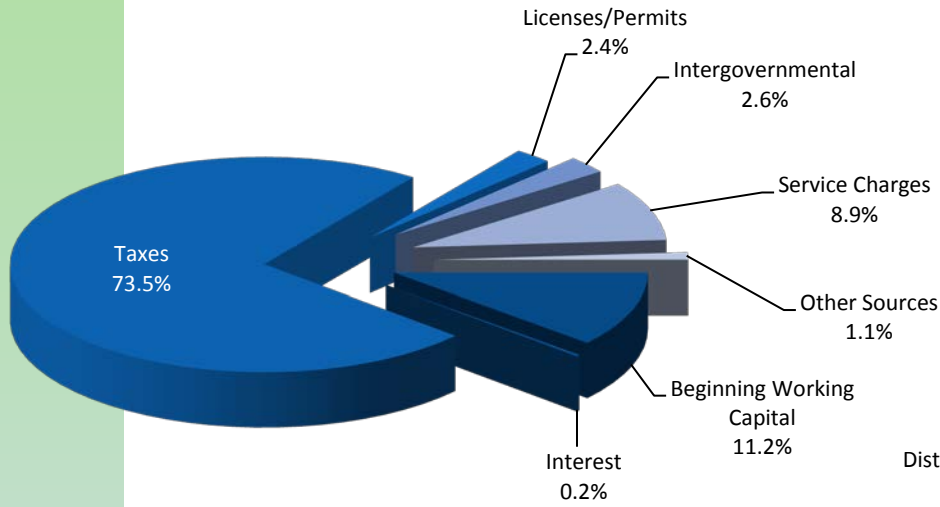
- **FY 2014 Adopted Budget =**
\$1,533,439,628
- **FY 2015 Approved Budget =**
\$1,617,303,040
- **An increase of \$83.8 million or 5.5%**

Note: Includes Contingencies, Reserves, and Unappropriated Balance

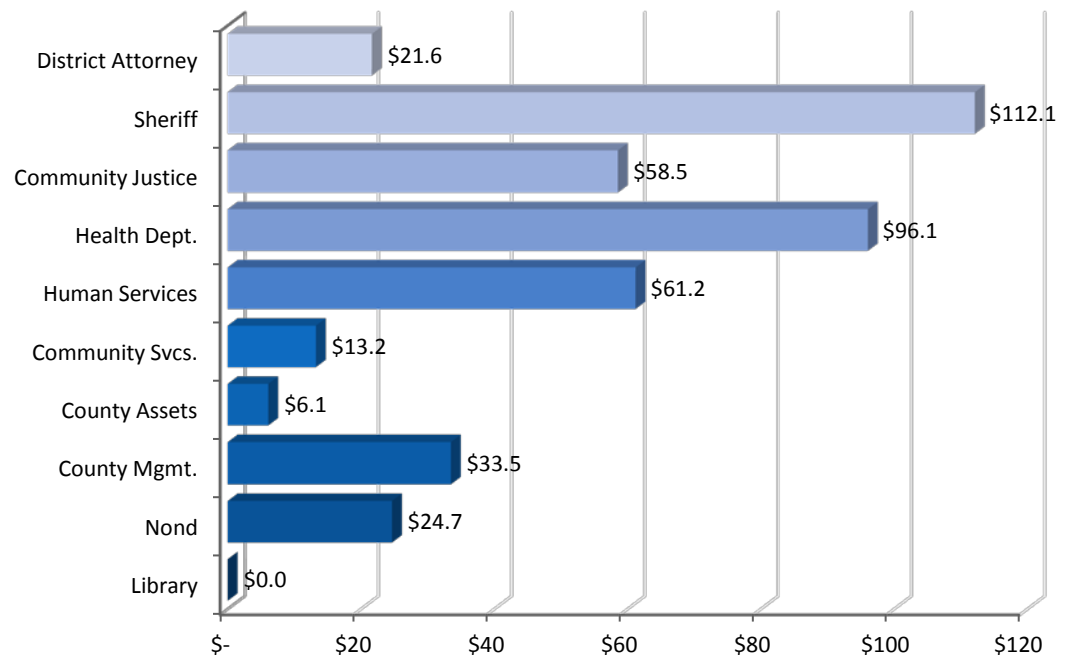


General Fund Overview - \$453 Million

Where the money comes from:



Where the money goes to:*

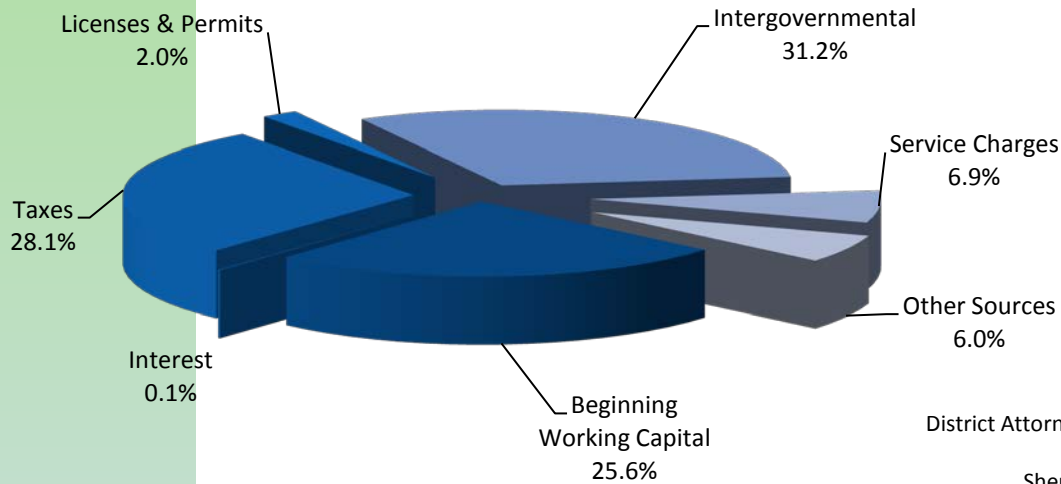


*Note: does not include transfers, reserves and contingencies.
Health Dept. includes \$32.7M of FQHC/PCPCH

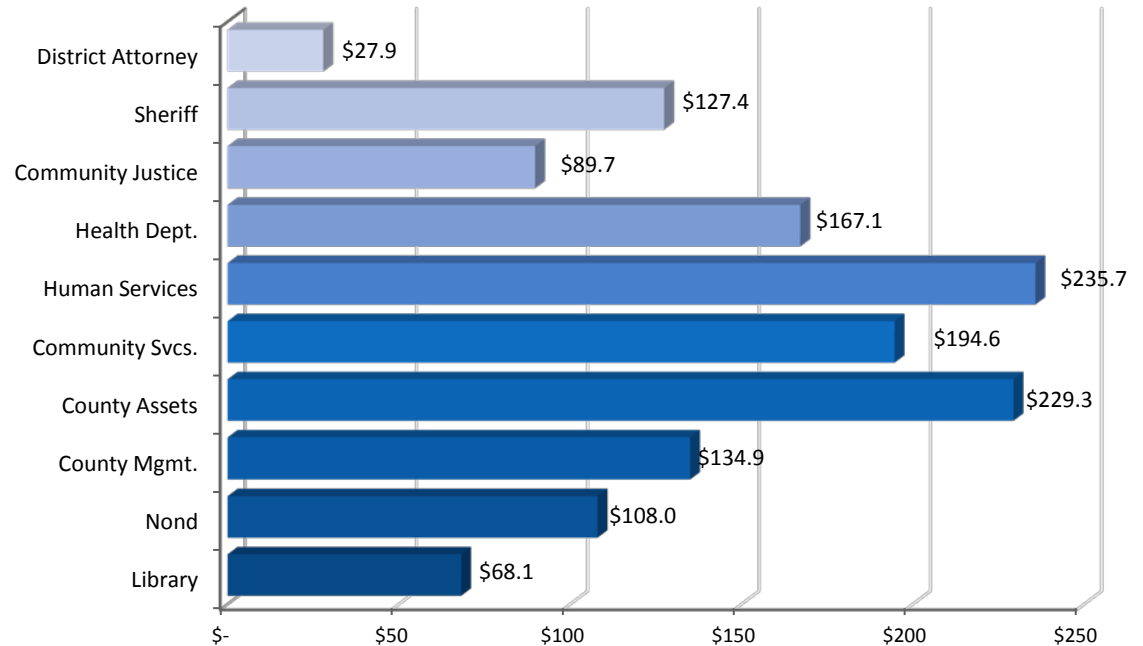


All Funds Overview - \$1.6 Billion

Where the money comes from:



Where the money goes to:*

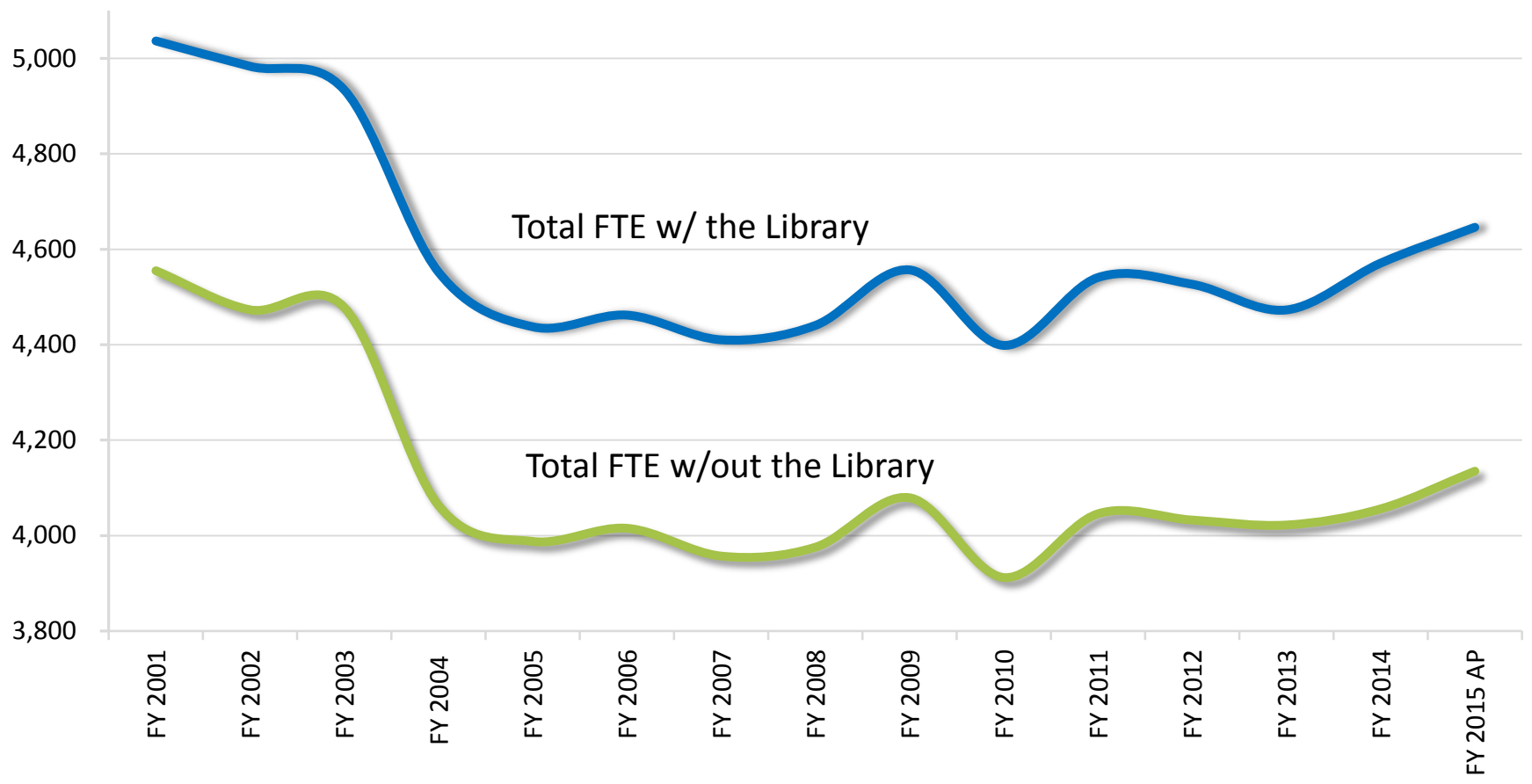


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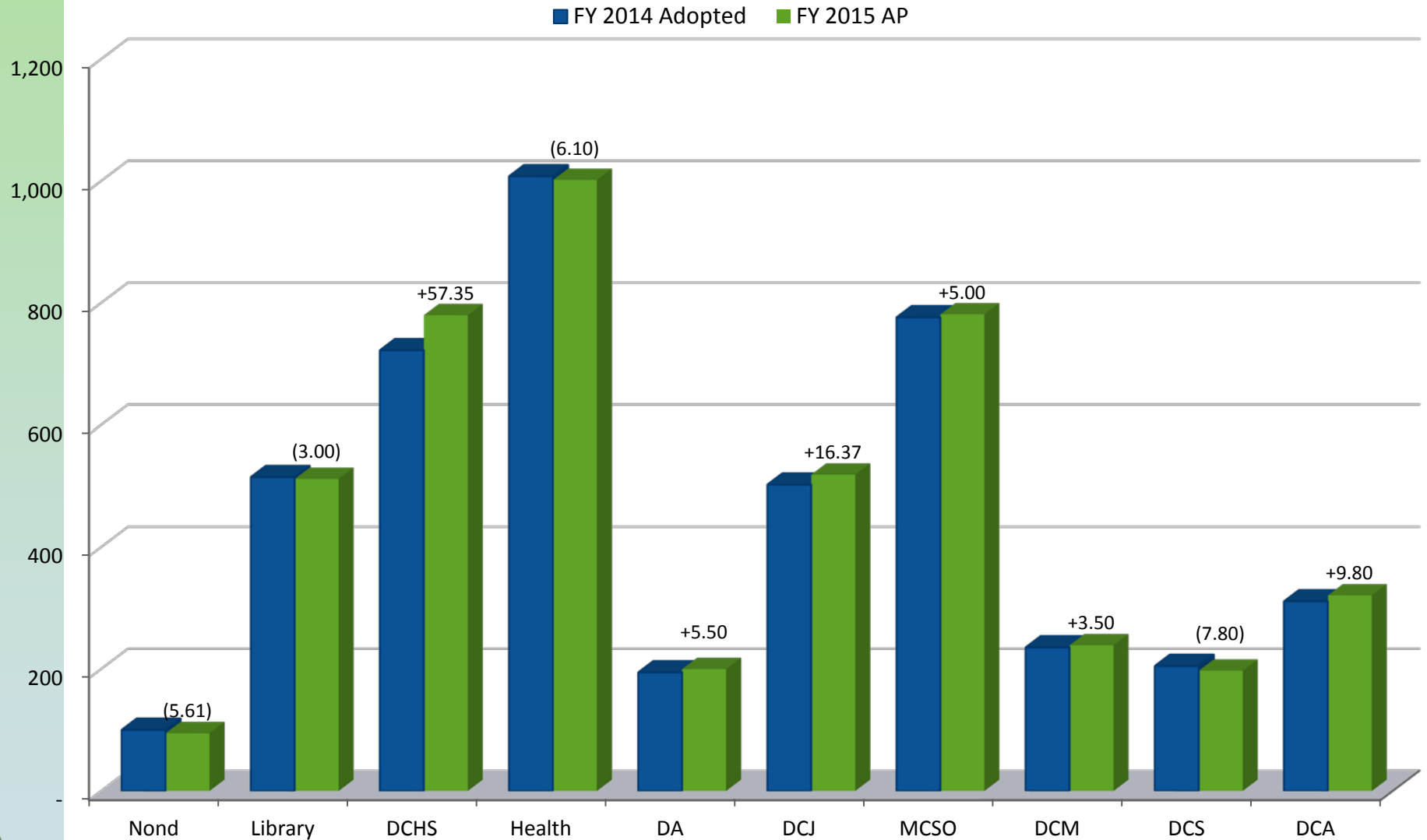


Full Time Equivalents + 75.01 FTE

FY 2001 Adopted – FY 2015 Approved
(All Funds)

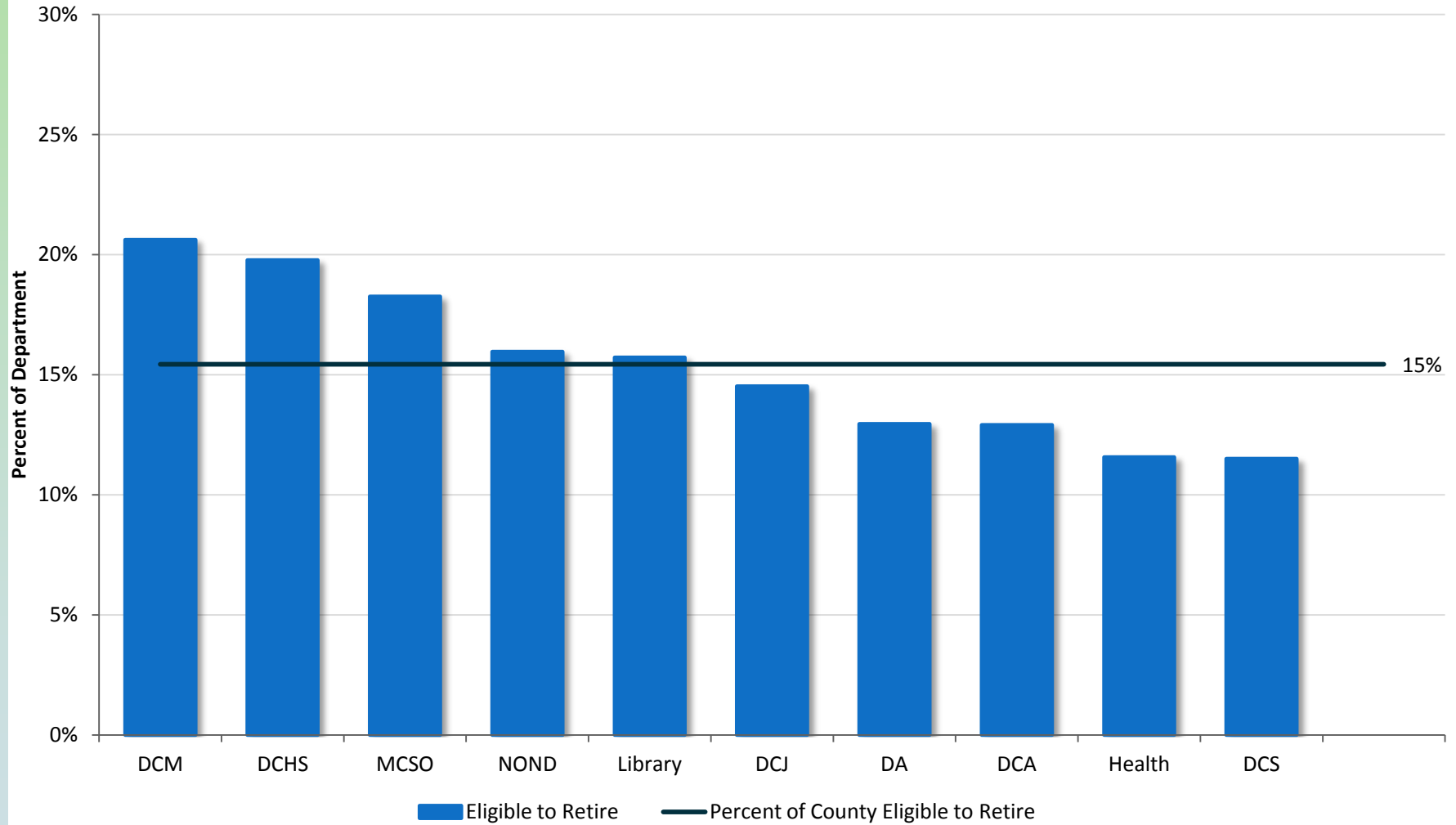


Full Time Equivalents (FTE) by Dept.

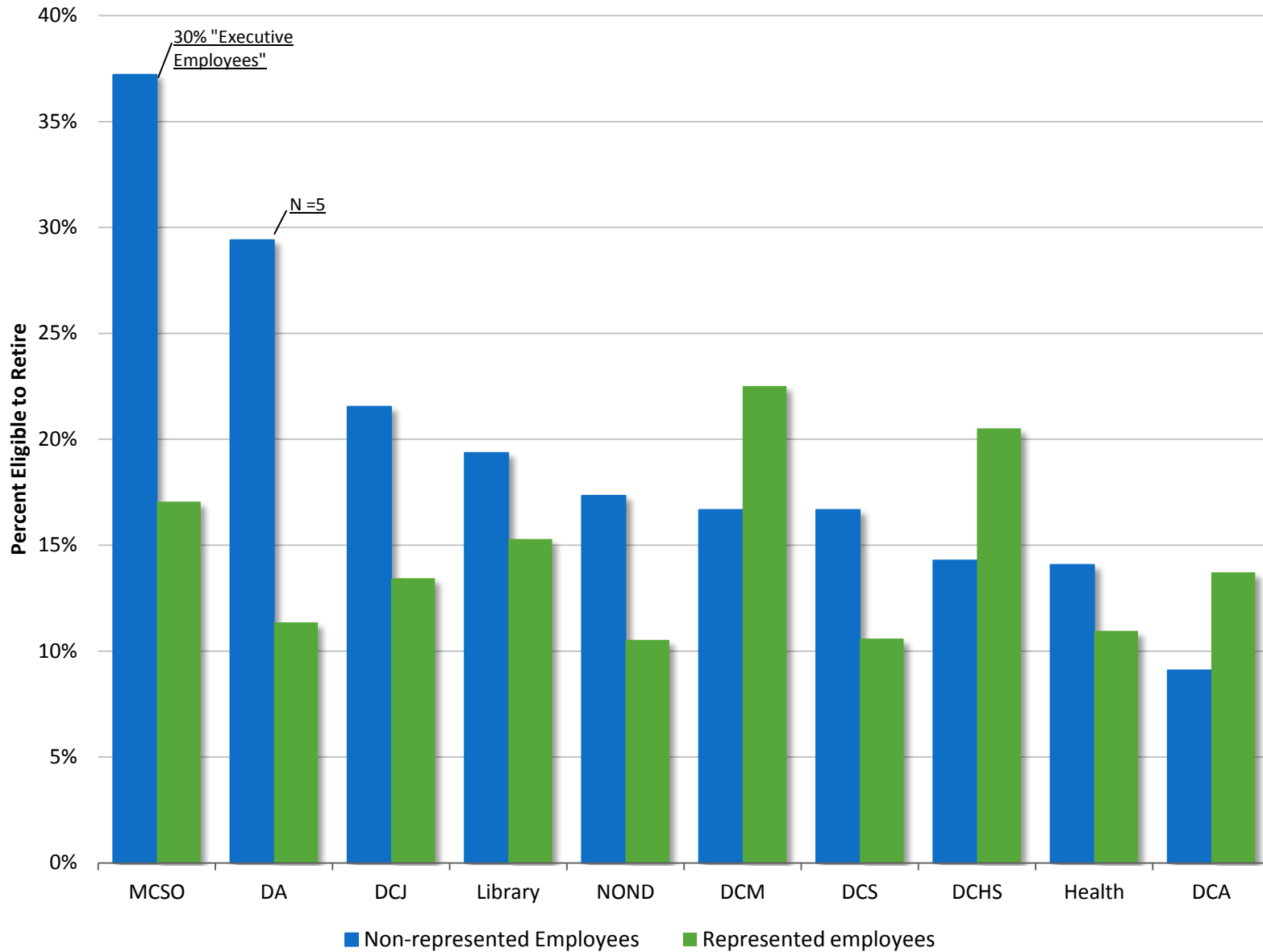


Eligible Retirements by Dept.

Retirement Eligibility as of FY 2015
15% of County Employees will be eligible to retire as of 7/1/2014



Eligible Retirements Rep. vs. Non-rep



Budget Highlights

- General Fund balanced for next 3 years
- Invests in safety net services (including Mental Health services, SUN, housing programs), maintains public safety service levels
- Strategic use of GF OTO for capital investments
- Creates three new capital construction funds for transparency
- Includes additional Visitor Development Funds
- Provides for employee step/merit and COLA increases
- Fully funds reserves and maintains BIT stabilization reserve



General Fund Basics

- FY 2015 General Fund Forecast
 - Ongoing revenues exceed expenditures by \$8.3 million or 2.1% in FY 2015
 - Gap shrinks to \$2.7 million by FY 2019
 - Driven by below average cost growth due to flat medical/dental rates and PERS rate reductions
 - Daily General Fund cost to run the county - \$1.2 to \$1.6 million
- Policy Direction & Assumptions
 - \$4.7 million of the \$8.3 million treated as one-time-only to balance budget for roughly the next 3-years
 - Assumes 95 USM beds/day – A reduction to 50 would result in a loss of \$2.1 million
- OTO Funds
 - \$15.4 million after funding General Fund reserve and BIT Reserve
 - Includes \$4.7 million of ongoing that is treated as OTO
 - \$9.8 million dedicated for capital projects or debt
- Updated Forecast on May 14th



Use of One-Time-Only (OTO)

- Responding to Community Needs
 - Mental Health Pilot Project (40059, 50041) - \$750,820
 - SummerWorks Internship Program (10035) - \$250,000
 - Land Use Comprehensive Plan Update (91027) - \$586,000
 - Mental Health & Addictions Engagement Services (25136B) - \$471,000
 - MCSO Crisis Intervention Training – Patrol Enhanced (60023A) - \$81,100
 - Veterinary Services (91030) - \$197,316
- Facilities Capital and Debt
 - Health Department Headquarters (78006) - \$1,000,000
 - Downtown Courthouse (78013) - \$2,300,000
 - Columbia River Boathouse (78014) - \$100,000
 - Animal Services Renovation (78015) - \$700,000
 - Capital Debt Retirement Fund (10026) - \$1,800,000
- Information and Communications Capital
 - DSS-Justice Funding (10009B) - \$205,336
 - IT Continuity of Operations (78017) - \$600,000
 - IT Network Convergence (78018B) - \$1,139,000
 - DART Assessment & Taxation System Upgrade (72035B) - \$1,500,000
 - Server Virtualization – NetApp (15002B) - \$75,000
- Other
 - Upgraded Ballot Tally System (91026) - \$500,000
 - MCSO Additional Hiring Process Backgrounders (60004) - \$174,077

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



General Fund Reserves – Fully Funded

- General Reserve @ 10% of corporate revenues or \$34.3 million
- BIT Reserve @ 10% or \$6.3 million
- General Fund Contingency \$9.1 million
 - Regular - \$1.25 million
 - Additional 'OTO' - \$858,471
 - Earmark for runoff election - \$400,000
 - Earmark for disparities reduction in communities of color - \$250,000
 - BIT Reserve - \$6.3 million



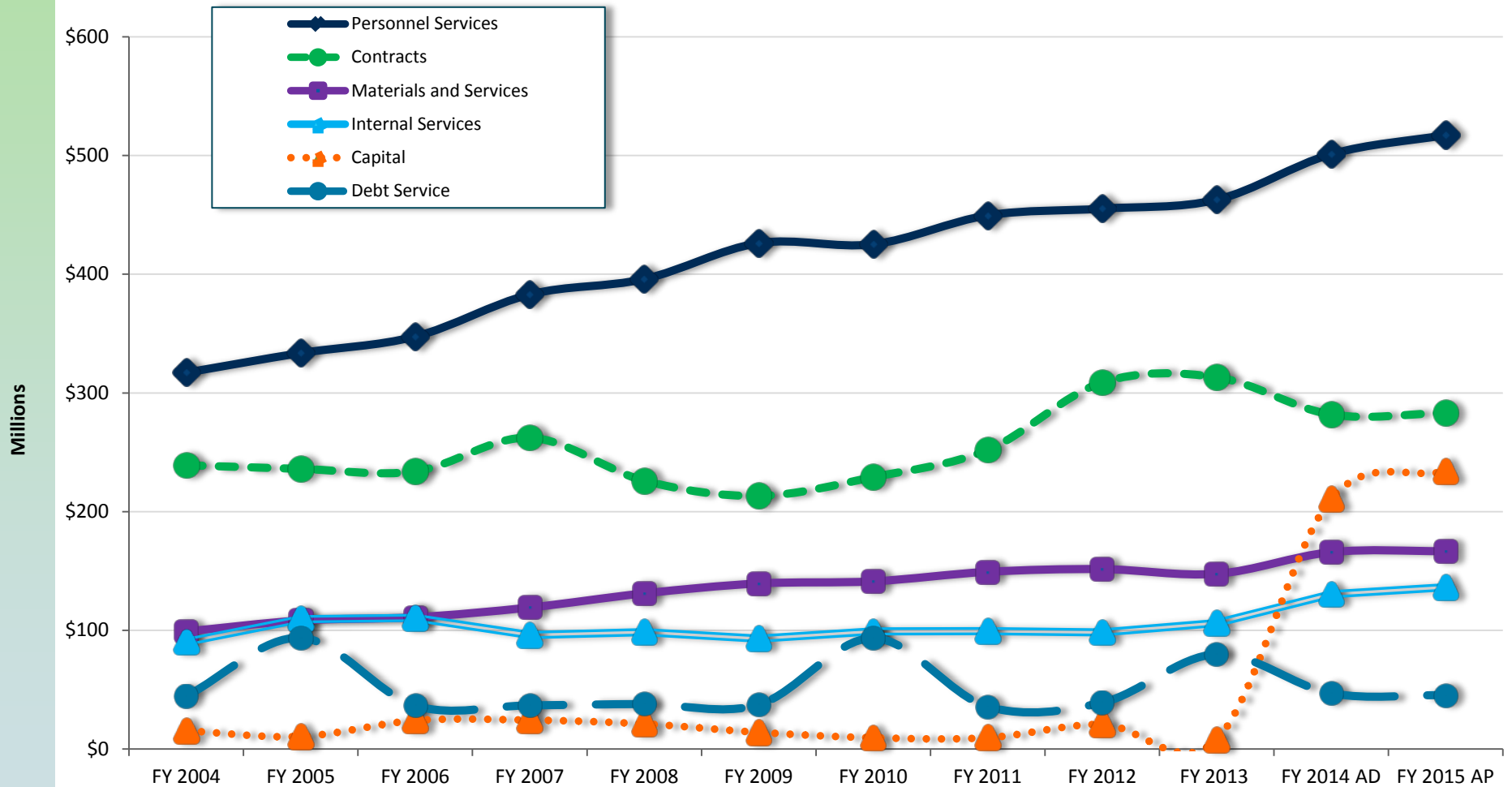
Percolating Topics & Issues

- US Marshal Bed Usage
- Affordable Care Act & Healthcare Transformation
- HB 3194 Allocation
- Major Capital Projects
 - Downtown Courthouse
 - Health Department Headquarters
- Local Partnerships & Roles
 - i.e., SUN and Mental Health services
- Cautionary Note – current revenues can not support backfilling ongoing federal/state/city programs and major capital expenditures without impacting current services.



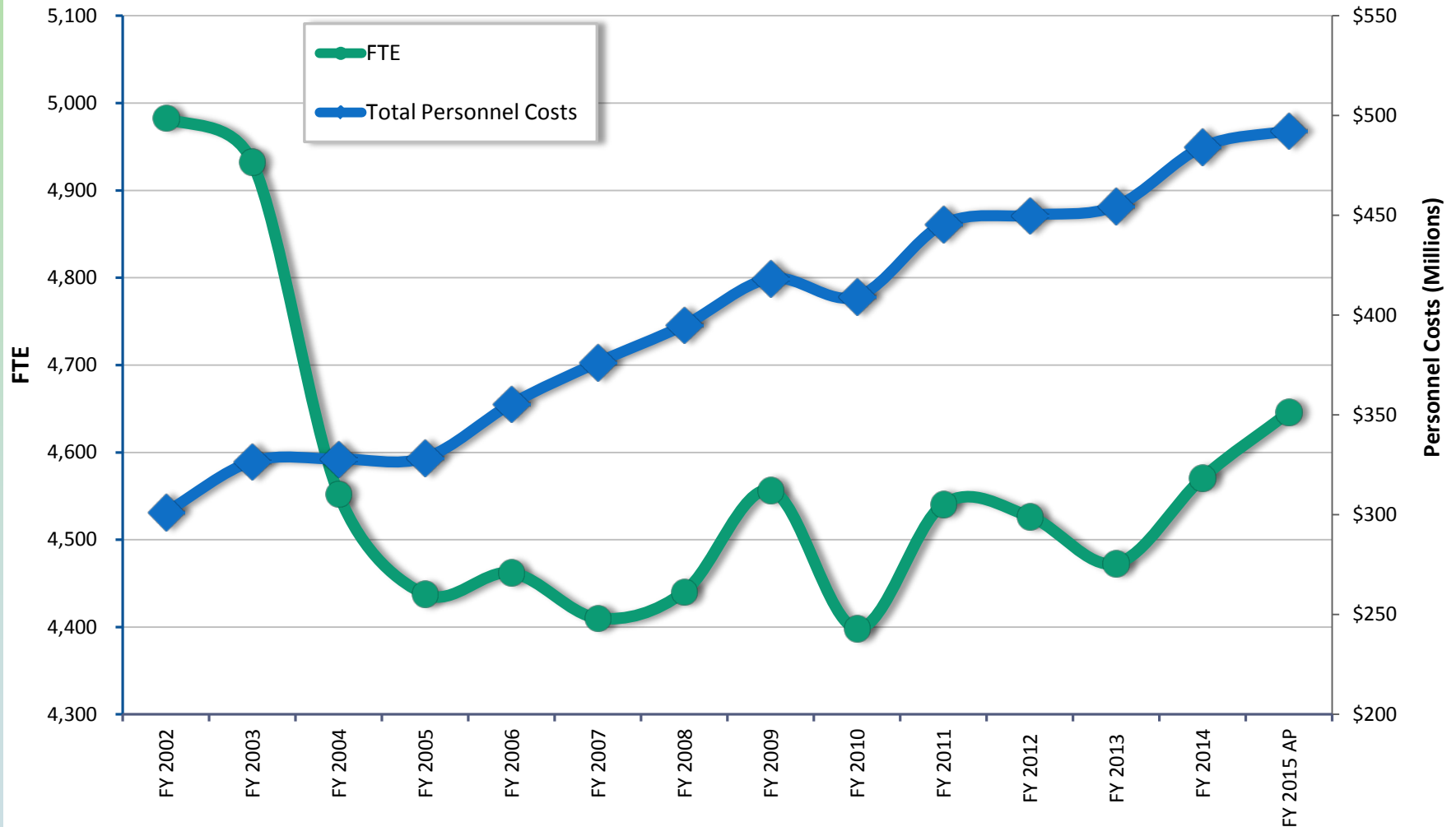
What We Spend our Resources on...

FY 2004 Actuals – FY 2015 Approved (All Funds)



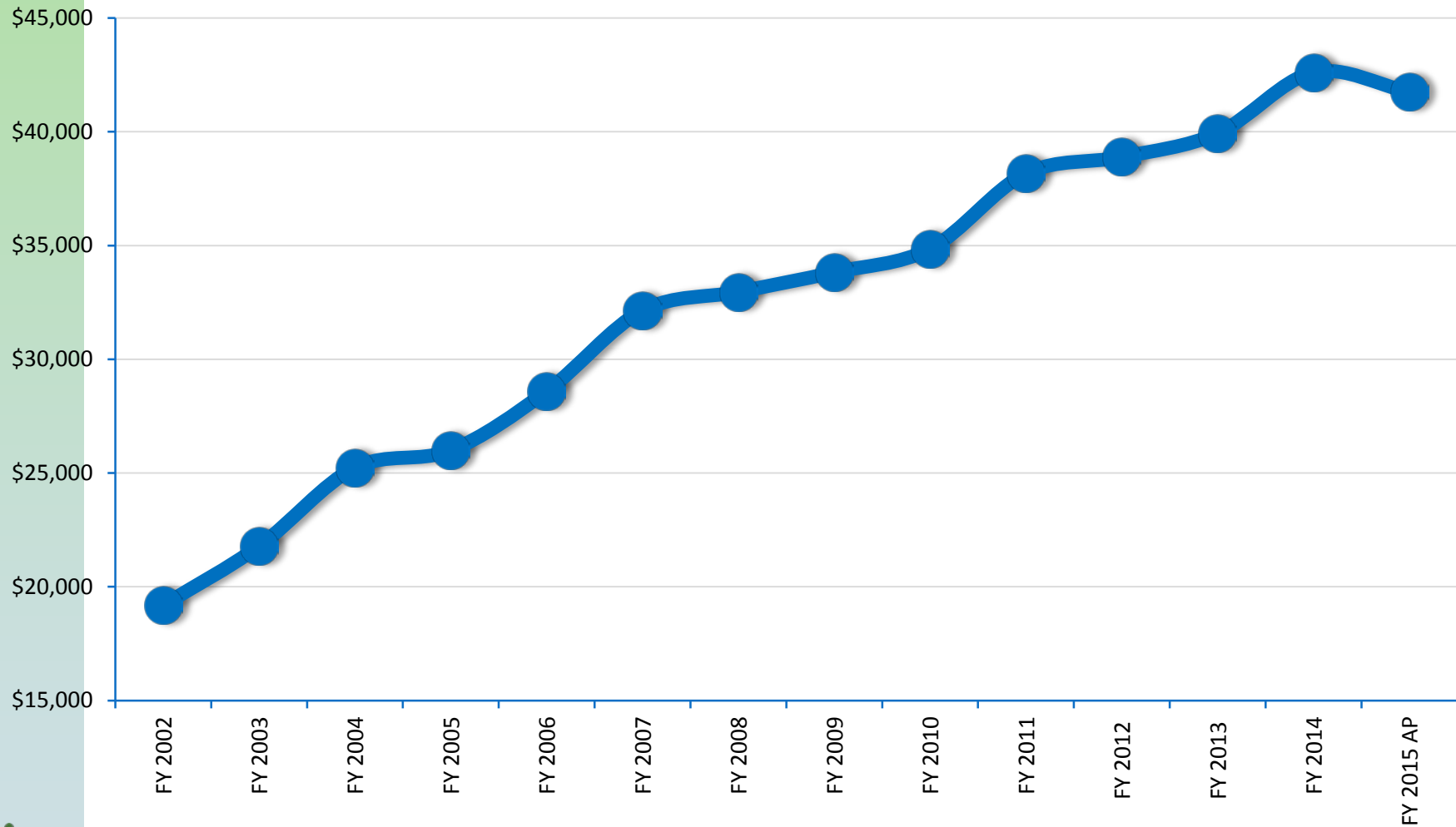
Adopted FTE vs. Total Personnel Costs

FY 2002 Adopted to FY 2015 Approved (All Funds)



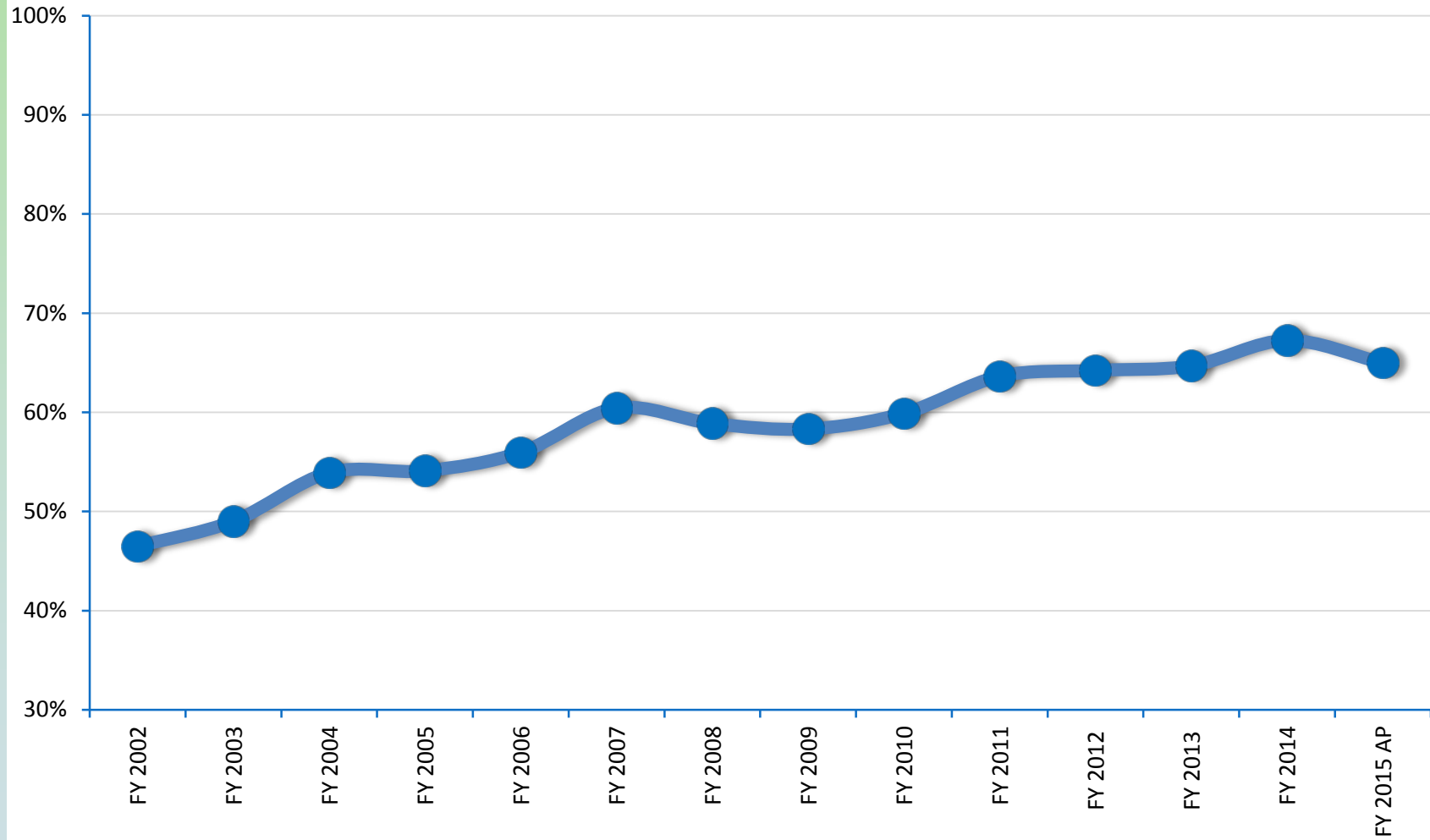
Avg. Benefits & Insurance Cost per FTE

FY 2002 Adopted to FY 2015 Approved



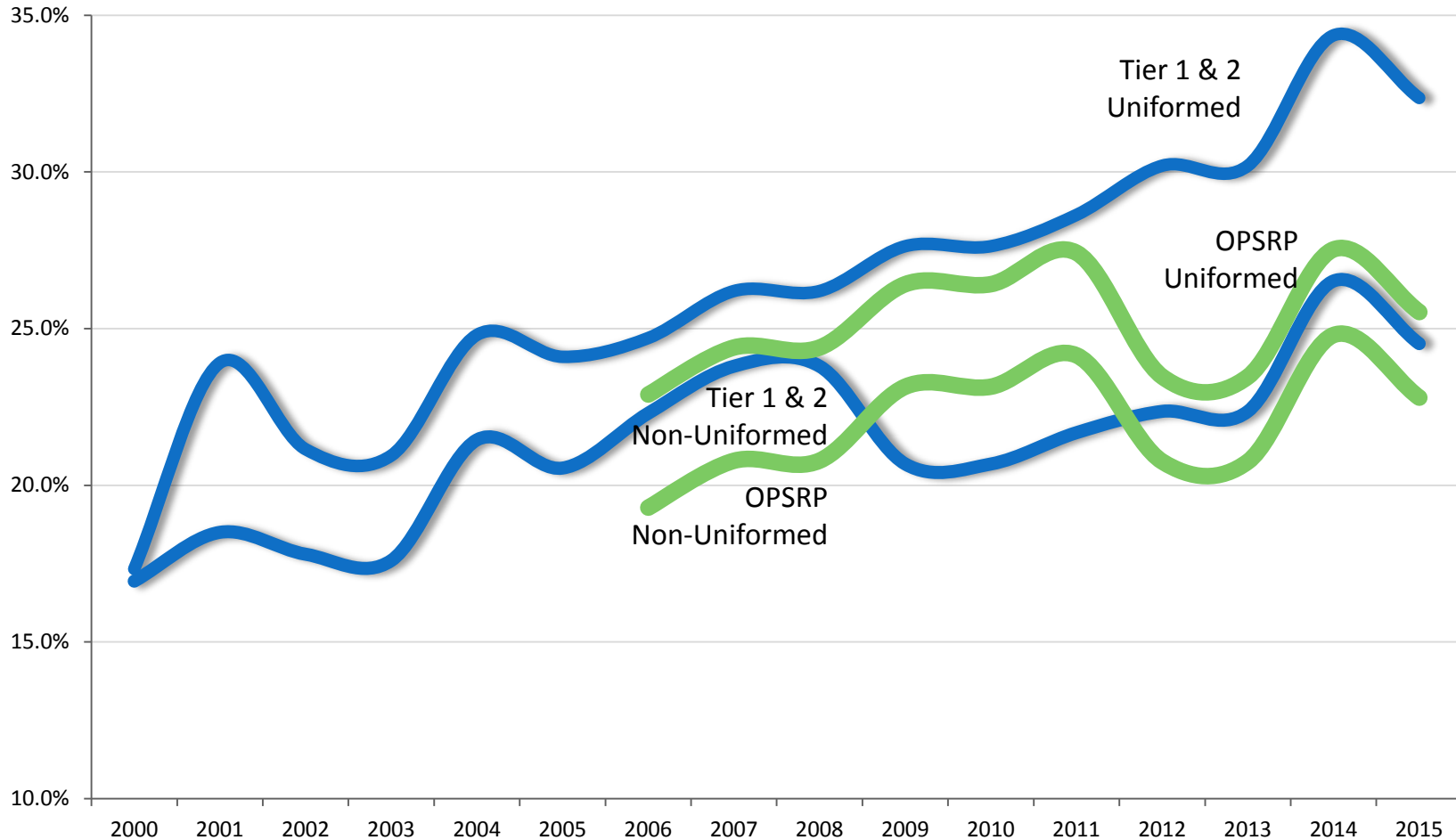
Benefits & Insurance % of Payroll

FY 2002 Adopted to FY 2015 Approved



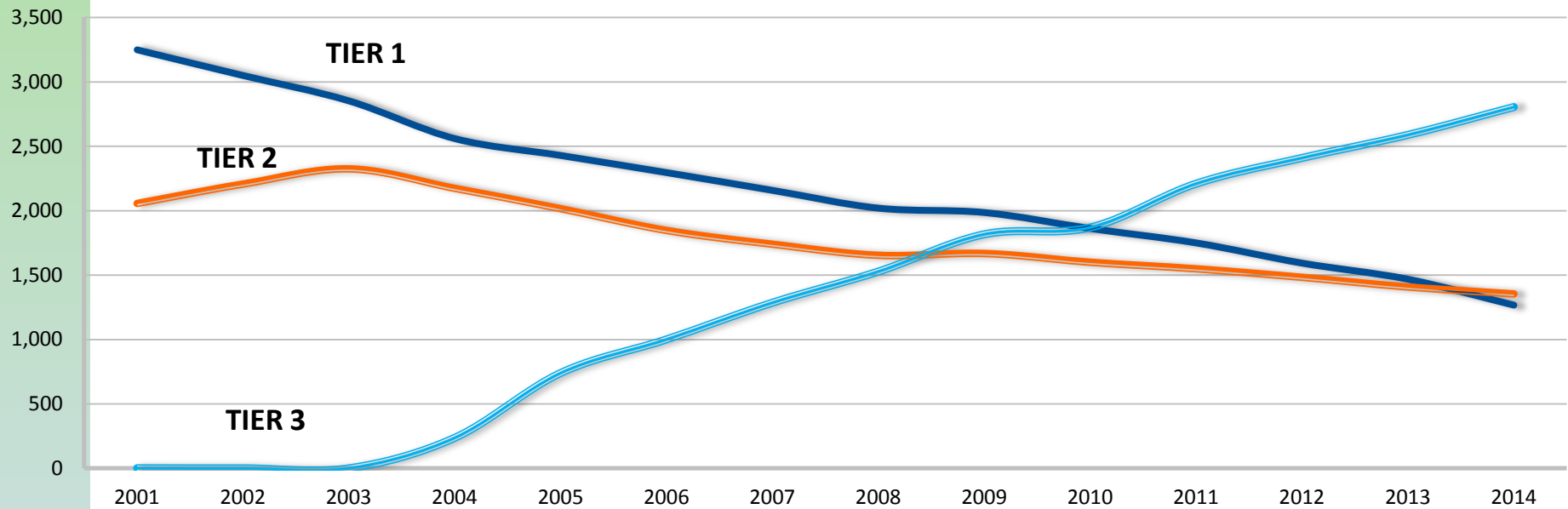
PERS Rates Charged to Departments

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

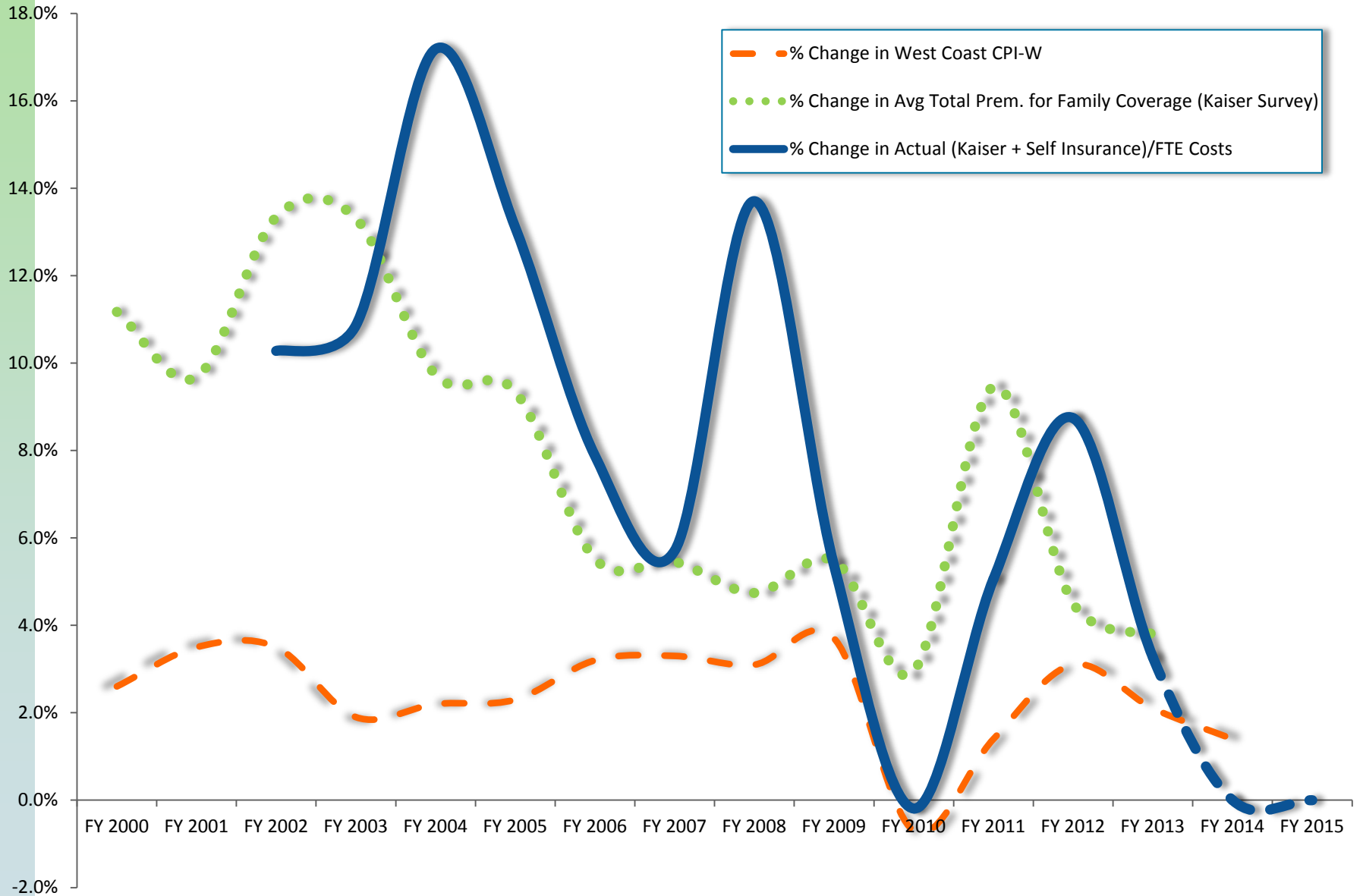


FTE by PERS Tier

Based on Actual People

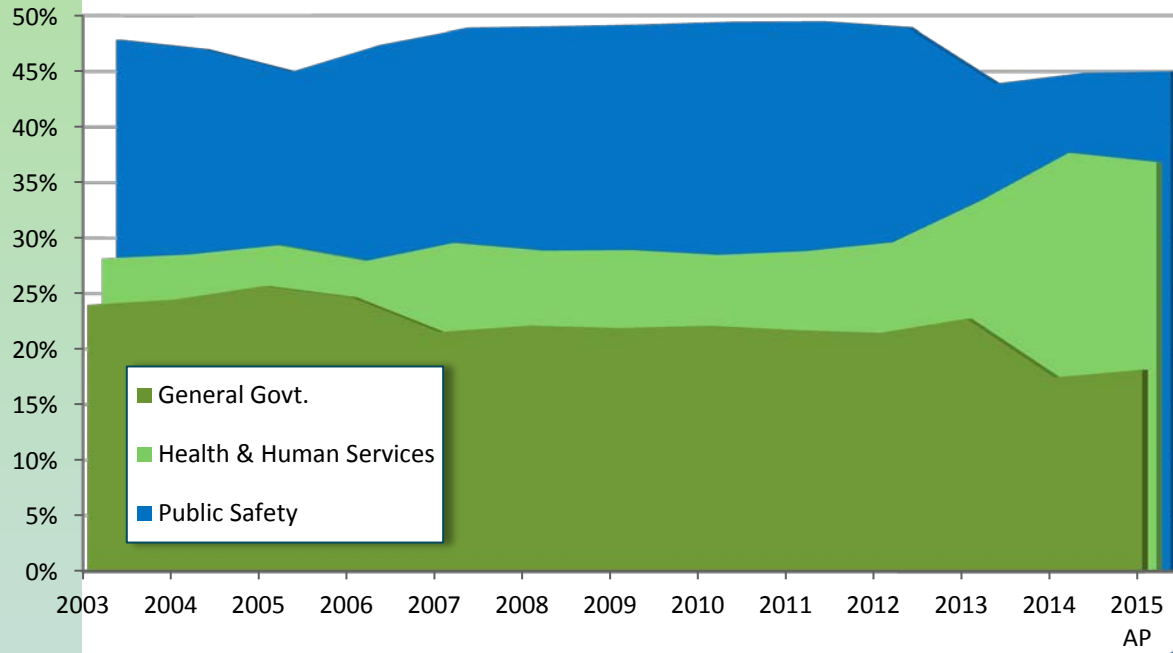


Health Care Inflation/Costs

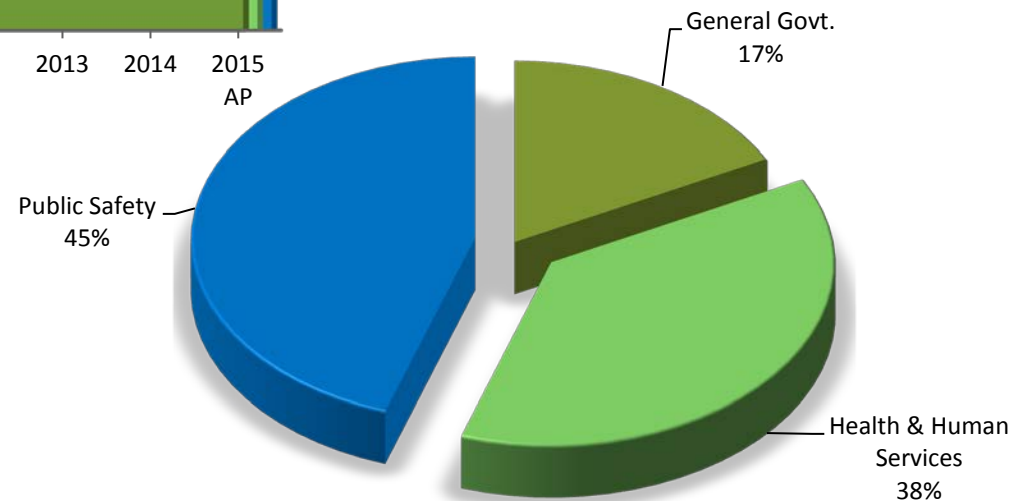


Where Do We Spend General Fund?

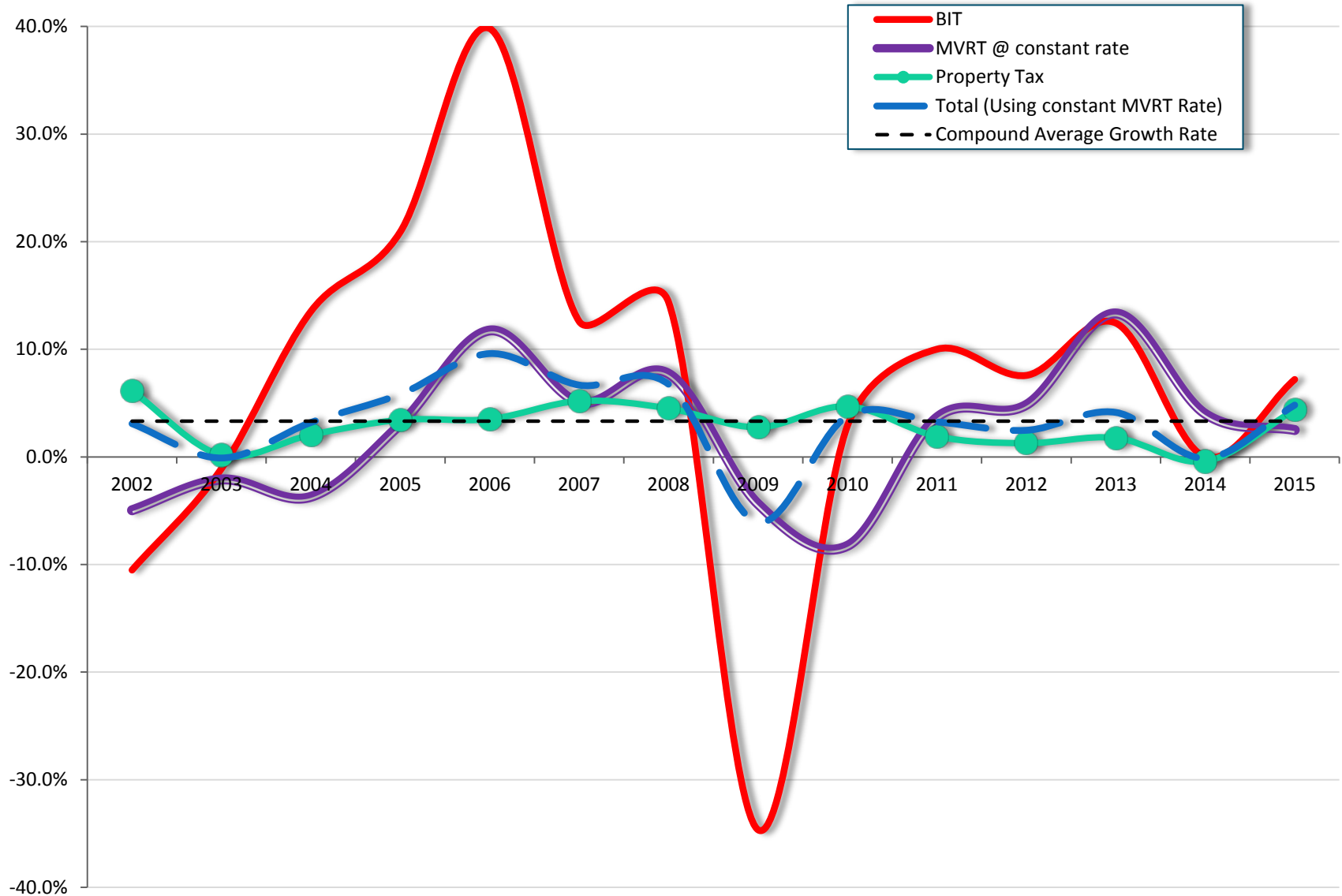
FY 2003 Adopted to FY 2015 Approved



Based on department appropriations



How Fast does GF Grow to Support Services?



Striking a Balance

- Balancing the demand for current services while preparing for future demands by investing in our infrastructure & people
- Balancing the uses of resources across many service areas – public safety, general government, and health and human services
- Balancing the demand for current services while providing for financial flexibility and stability in the future
 - General Fund balanced through FY 2017
 - General Fund and BIT stabilization reserves maintained and General Fund contingency funded
 - Prudent budget practices
 - Deliberate use of OTO w/limited support for ongoing programs
 - Wise use and management of debt along with maintaining credit ratings

