



FY 2016
Budget in Brief

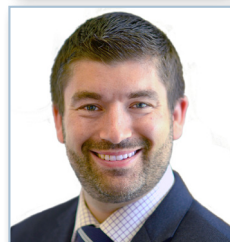
Multnomah County, Oregon

**board of
county
commissioners**

Deborah Kafoury
County Chair



Jules Bailey
District 1



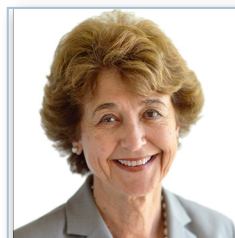
Loretta Smith
District 2



Judy Shiprack
District 3



Diane McKeel
District 4



**elected
officials**

Rod Underhill
District Attorney



Dan Staton
Sheriff



Steve March
Auditor



what's new in fy2016

Financial Resiliency - For the first time in recent history, Multnomah County's Proposed budget was balanced over a five-year period. This was an exceptional accomplishment in view of the many spending priorities that accumulated as we emerged from the Great Recession. A recovering economy, below average labor cost growth, and sound financial practices positioned the County in the enviable position to not only budget for current programmatic service levels, but to fund new ongoing and one-time-only investments all while providing for financial resiliency.

Housing and Affordability - In 2013, a point-in-time count of homelessness in Multnomah County found nearly 4,400 people in need of permanent housing, including over 2,800 people living on the streets or in emergency shelter. In response, Multnomah County, in partnership with other community partners, has made substantial investments to help reduce homelessness including \$2.0 million of ongoing General Fund to place 125 additional households into permanent housing, and \$5.0 million of one-time-only funding to develop 125 units of affordable housing over the next 1 -2 years. Additionally, A Home for Everyone Initiative Director, in partnership with the City of Portland was developed to oversee and coordinate the implementation of the Home for Everyone strategic plans in the community.

Consolidation of Troutdale Law Enforcement with the Sheriff's Office - Troutdale will pay the County \$2.8 million to provide police services. The County will assume responsibility for police services Troutdale provided to third party agencies, such as the Reynolds School District and Tri-Met. Twenty-

six former Troutdale public safety employees will be moving to the Sheriff's Office, including some that will fill currently vacant positions.

Sellwood Bridge - The new Sellwood Bridge will replace the 84-year old Willamette River crossing and will connect with Highway 43. The cost estimate is \$307.5 million. The existing bridge moved to new temporary piers and will serve as a detour bridge. The new bridge construction is on schedule and is expected to open in FY 2016.

Health System Transformation - Health System Transformation continues in Multnomah County and throughout the State of Oregon. Its primary impact on the FY 2015 budget is in Medicaid expansion from the Affordable Care Act. The Multnomah County Departments of Health, Community Justice, and County Human Services have been pivotal in this expansion during Cover Oregon website challenges. While the expansion is expected to increase rates of insured County clients, if and how this will allow the County to expand or enhance services is still uncertain.

Downtown Courthouse Planning - The existing Courthouse is over 100 years old and has been determined to be both functionally and structurally obsolete. The County has partnered with the State of Oregon, as well as other stakeholders, to plan a new facility that will be between 345,000 and 360,000 square feet and meet all modern standards for court operations and security. The FY 2016 budget includes \$28 million of one-time-only General Fund. The project is expected to cost between \$250 million and \$260 million.

budget overview

When is a \$1.73 billion dollar budget not really \$1.73 billion dollars?

When \$1.73 billion is not actually collected or spent. The *net budget* is a more accurate statement of the money the County actually plans to spend. It subtracts all the internal charges, transfers, and loans from one fund to another. It also subtracts the reserves for future years to reflect the net or operating budget.

| | |
|-------------------------|------------------------|
| Department Expenditures | \$1,321,631,282 |
| Contingency | 56,702,704 |
| Total Net Budget | \$1,378,333,986 |
| Service Reimbursements | 147,453,033 |
| Internal Cash Transfers | 39,592,845 |
| Reserves | <u>168,412,241</u> |
| Total Budget | \$1,733,792,105 |

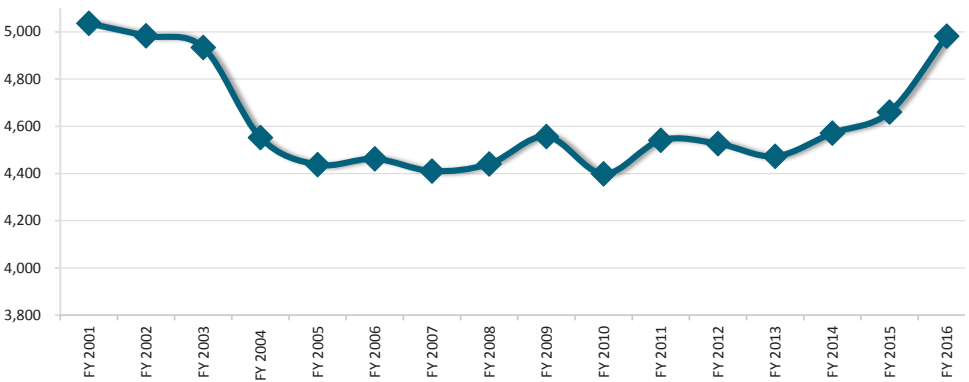
The total FY 2016 budget increased by \$107 million from FY 2015. A majority of the increases are due to budgeting for large capital construction projects including the Courthouse and the Health Department Headquarters. Additionally, the Behavioral Health Managed Care Fund increased significantly due primarily to the medicaid expansion under the Affordable Healthcare Act.

authorized positions (all funds)

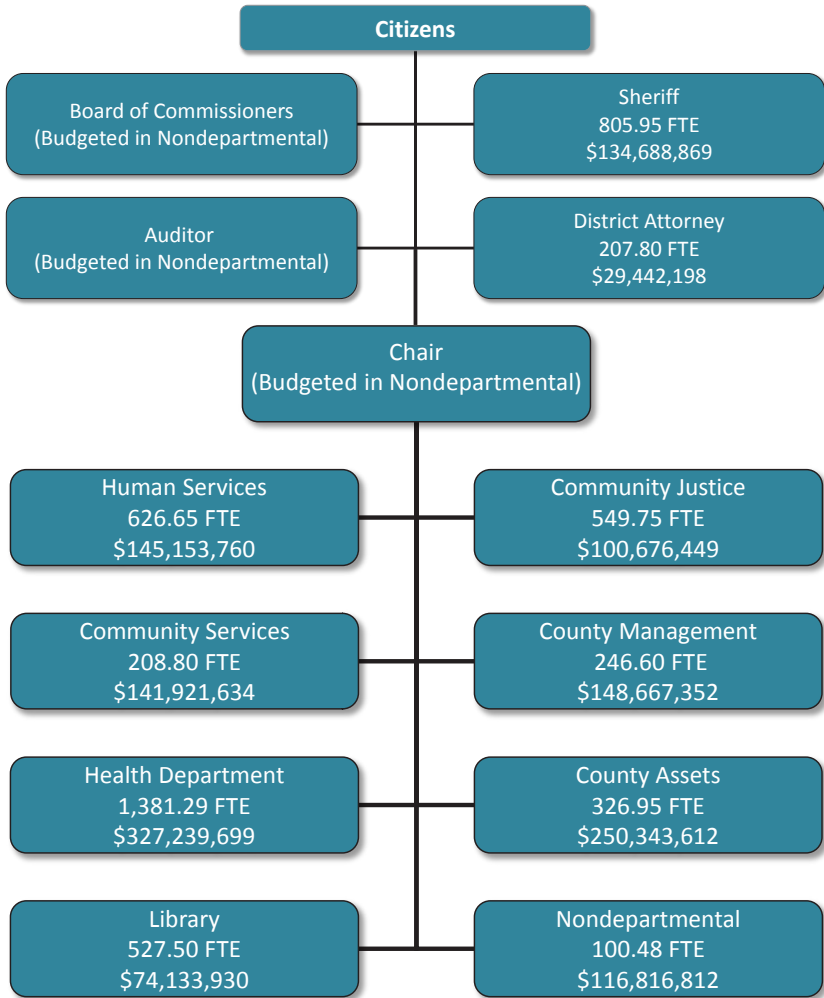
There are 4,981.77 FTE or full time equivalents in the budget, which includes all operating and capital funds. This represents an increase of 321.53 FTE from FY 2015. Most of the increase is in the Health Department with the addition of Mental Health and Addictions Services and the expansion of Health Clinic services.

Over the course of 15 years, the County has reduced a net of 54.44 FTE - from a high of 5,036 in 2001 to low of 4,398 in 2010.

The organizational chart on the next page shows FTE by department.



county organizational chart



FTE = Full Time Equivalent or Position

resources -
all funds
\$1.43*
billion

Where does ALL the money come from?

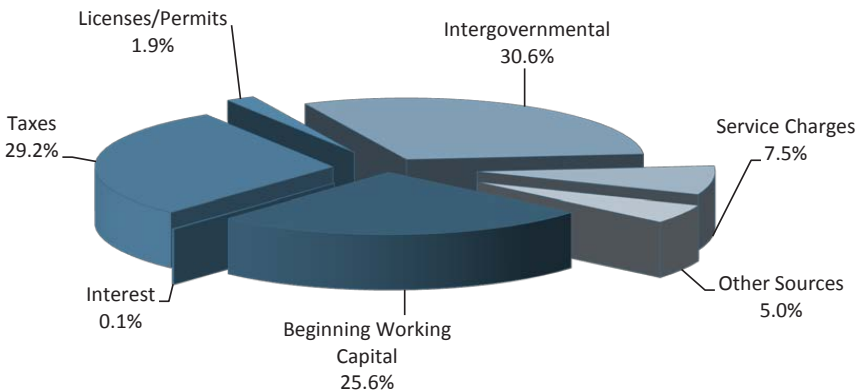
Total revenues for FY 2016 are \$1.43 billion vs. \$1.35 billion in FY 2015*. Intergovernmental revenues are the County's single largest revenue category at \$437 million or 30.6%.

Taxes constitute the next largest revenue source (29.2%) and include property tax, business income tax, motor vehicle rental tax, transient lodging tax, and county gas tax. For FY 2016, tax collections are anticipated to increase 9.7% from \$380.0 million in FY 2015 to \$417 million.

Beginning Working Capital (BWC) is the third largest at \$366.4 million or 25.6%. It has increased from FY 2015 by \$18.2 million or 5.2%. This masks several significant changes by fund, including:

- A \$29.3 million increase in the General Fund.
- A \$29.2 million decrease in the Sellwood Bridge Replacement Fund.
- A \$6.6 million increase in the PERS Bond Sinking Fund.

**Note: this does not include internal service reimbursements or cash transfers.*

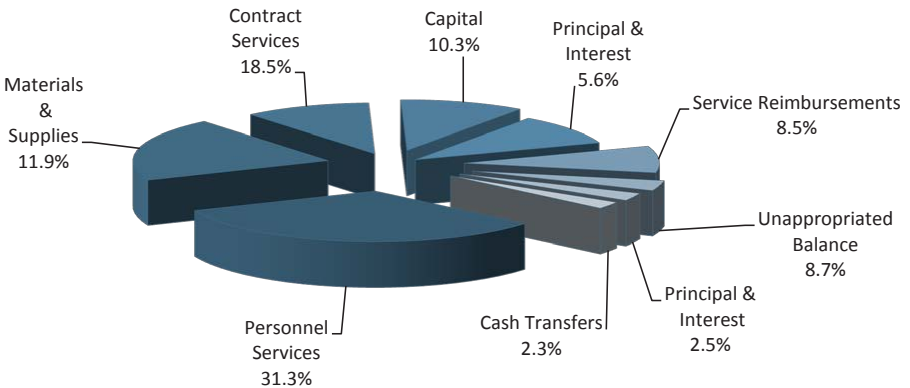


all funds by category

How is ALL the money spent?

Personnel services (costs associated with employees like salaries, insurance, and benefits) account for 32.6% of the total budget with contract services following at 20.3%.

The unappropriated balance includes the financing activity for the Sellwood Bridge.



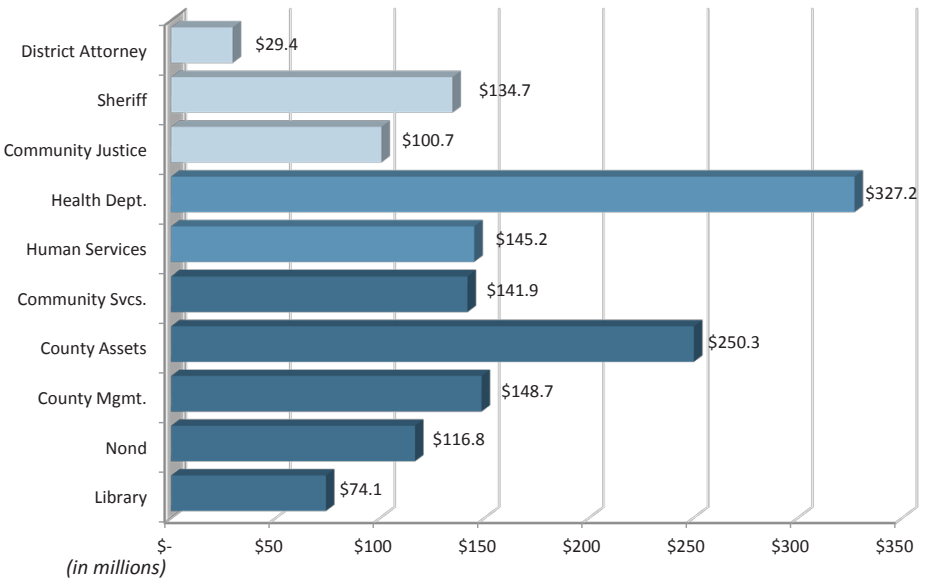
all funds by service area

How is ALL the money spent?

The County has three general service areas:

- General Government - *Libraries, County Management, County Assets, Community Services, Nondepartmental, and Reserve Funds*
- Public Safety - *Community Justice, Sheriff's Office, and the District Attorney's Office*
- Health and Human Services - *Health Department and County Human Services*

When looking at all the funds, including service reimbursements, 50% are spent on General Government, 18% for Public Safety and 32% for Health and Human Services.



general fund
\$528.5*
million

Where does the General Fund money come from?

There are six *ongoing* revenue sources that make up the majority of the General Fund. Those revenues are: Property Taxes, Business Income Taxes, Motor Vehicle Rental Tax, Assessment and Taxation Grant Recording Fees, Other State Shared Revenues (OLCC, cigarette and amusement taxes), and the FQHC Medicaid Wraparound reimbursement.

| General Fund Revenue Sources | FY 2016 Adopted | % |
|--|----------------------|---------------|
| Property Taxes | \$263,743,000 | 49.9% |
| Beginning Working Capital | 80,422,000 | 15.2% |
| Business Income Tax | 74,460,000 | 14.1% |
| FQHC Medicaid Wraparound and Prospective Health Payments | 44,686,000 | 8.5% |
| Motor Vehicle Rental Tax | 26,240,000 | 5.0% |
| Assessment & Taxation Grant/Recording Fees | 8,341,000 | 1.6% |
| Other State Shared Revenues | 4,890,000 | 0.9% |
| Other/Misc | <u>25,745,000</u> | <u>4.9%</u> |
| Total General Fund Revenues* | \$528,527,000 | 100.0% |

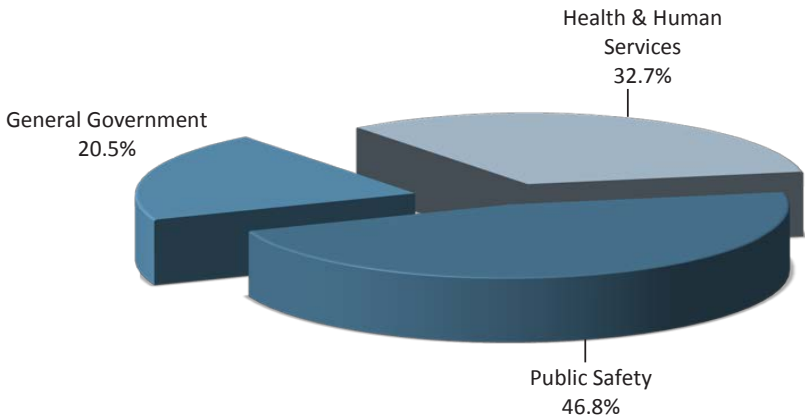
*Also included in the General Fund are transfers between funds including \$33.0 million of service reimbursements and \$1.8 million in cash transfers for a General Fund grand total of \$563.3 million.

county
general
fund by
service
area

How is the General Fund money spent?

The General Fund is about one third of the County’s budget and is the largest pool of discretionary funds that the County Commissioners can allocate with few restrictions.

Close to half of the General Fund, 47%, is spent on Public Safety programs in the District Attorney’s Office, Sheriff’s Office, and Department of Community Justice. Health and Human Services spend 33% and 20% is spent on General Government.

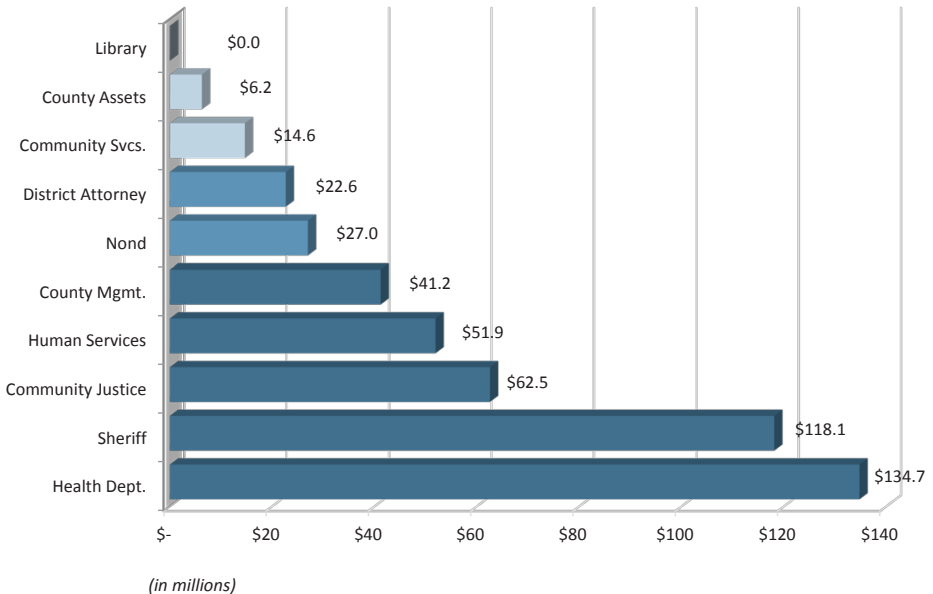


Note: Health and Human Services does not include the FQHC Medicaid & Prospective Health Payments.

county general fund by department

How is the General Fund money spent?

Budgeting the FQHC Medicaid Wraparound reimbursement in the General Fund means that the Health Department is the largest user of the General Fund at 28.1%. Approximately 25% of the County's General Fund is spent on the Sheriff's Office. Vying for third are the Department of County Human Services at 10.8% and the Department of Community Justice at 13.1%.



| County Chair & Commissioners | |
|--|--------------|
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| Judy Shiprack, District 3 district3@multco.us | 503.988.5217 |
| Diane McKeel, District 4 district4@multco.us | 503.988.5213 |
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| Rod Underhill, District Attorney da@mcda.us | 503.988.3162 |
| Dan Staton, Sheriff sheriff@mcso.us | 503.988.4300 |
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| Kim Peoples, Community Services | 503.988.5880 |
| Marissa Madrigal, County Management | 503.988.3312 |
| Sherry Swackhamer, County Assets | 503.988.4183 |
| Liesl Wendt, County Human Services | 503.988.3691 |
| Vailey Oehlke, Library | 503.988.5402 |
| Joanne Fuller, Health Department | 503.988.3674 |
| Scott Taylor, Community Justice | 503.988.3701 |

About our cover

Photo Submitted by: **Randy Cox**

The FY 2016 Budget cover photo was taken by Randy Cox from the County's Communications Office. Randy works as the County's Creative Media Coordinator. Last June, he was inspired to capture the stunning wildflowers on the eco-garden on the fifth floor of the Multnomah Building. A large print of this same photo hangs in the reception area for the County Chair's Office. The Budget Office is pleased to showcase his beautiful photo on our 2016 Multnomah County Adopted Budget.



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