



# Multnomah County FY 2018 Approved Budget

Presented to the  
Board of County Commissioners

Multnomah County  
April 25, 2017

Located at: [www.multco.us/budget](http://www.multco.us/budget)

# Overview

---

## ■ **'Corporate' Budget Overview**

- ✓ General Fund/Other Funds Overview
- ✓ FTE and Labor Unit Information
- ✓ Budget Highlights
- ✓ General Fund Basics
  - Financial Picture and Assumptions
  - One-Time-Only Funds and Use
  - Reductions & Reallocations
  - Contingency & Reserves

## ■ **Financial Trends**

- ✓ Cost Growth
- ✓ Revenue Growth

## ■ **Summary – Balance, Uncertainty & Financial Resiliency**



# Overall Financial Context

---

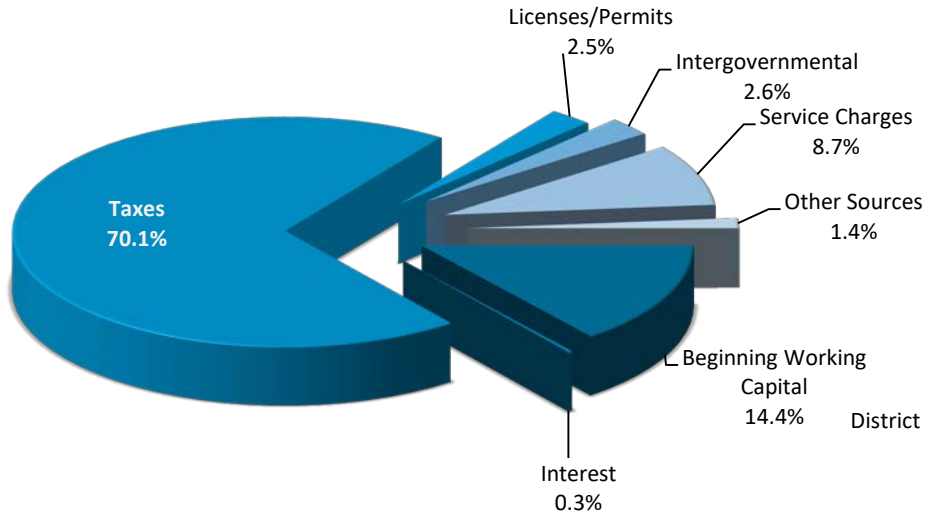
- FY 2017 Adopted Budget = \$1,883,604,458
- FY 2018 Approved Budget = \$2,047,633,444
- An increase of \$164 million or 8.7%
- 36 Funds with resources from \$612.5 million to \$80,300

Note: Includes Contingencies, Reserves, and Unappropriated Balance

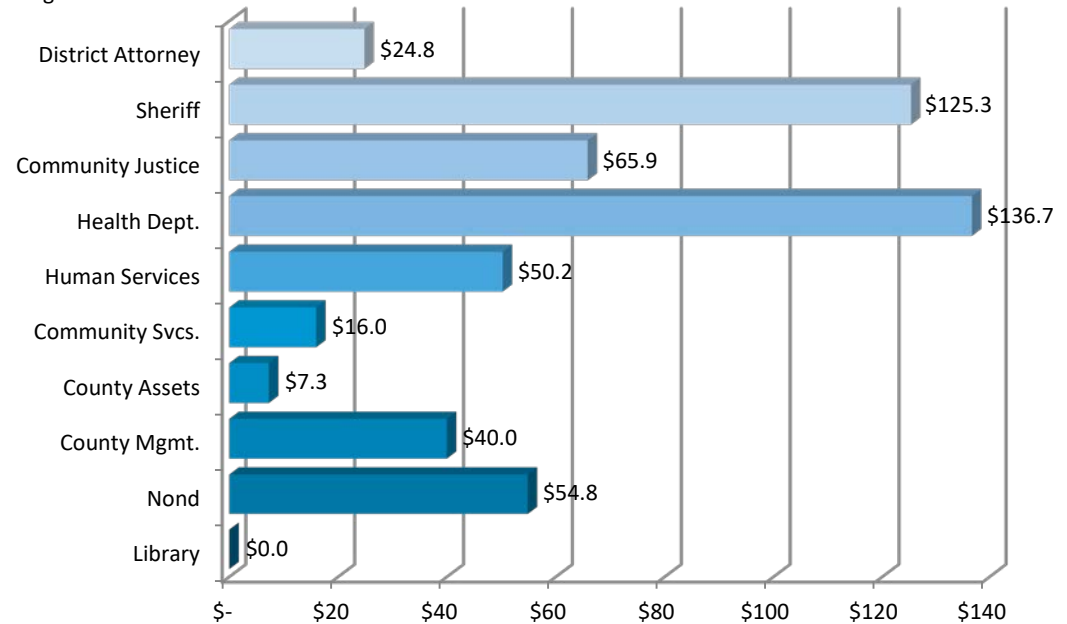


# General Fund Overview - \$612 Million

Where the money comes from:



Where the money goes to:\*

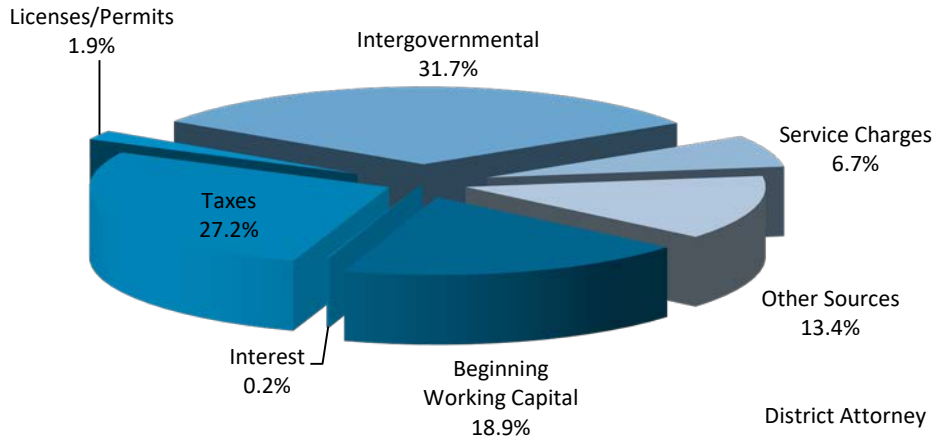


\*Note: does not include transfers, reserves and contingencies.  
Health Dept. includes \$45.5M of FQHC/PCPCH

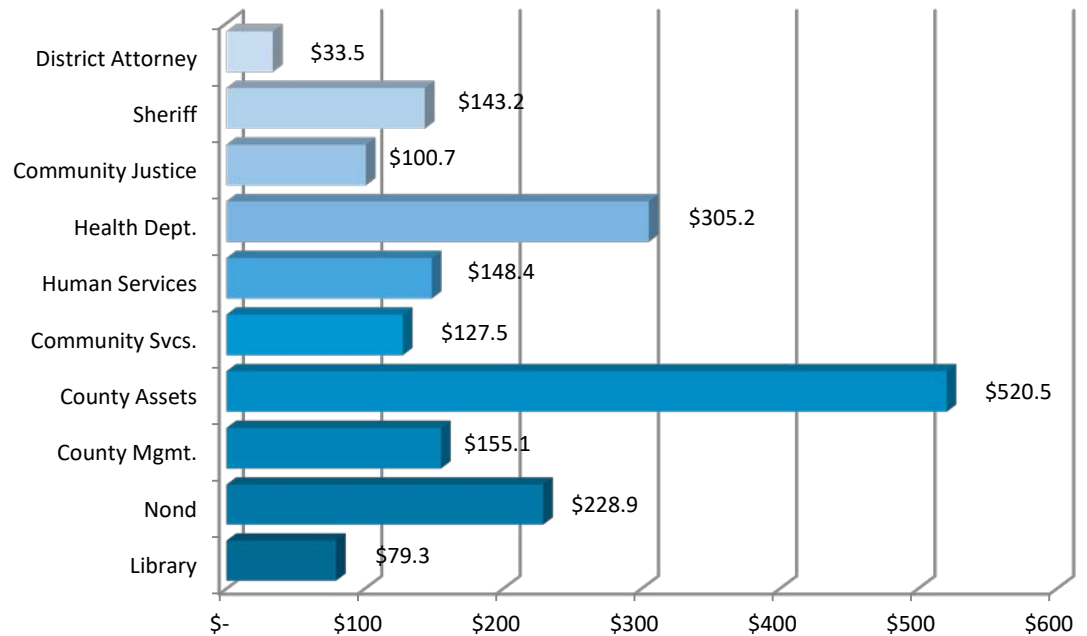


# All Funds Overview - \$2.05 Billion

## Where the money comes from:



## Where the money goes to:\*

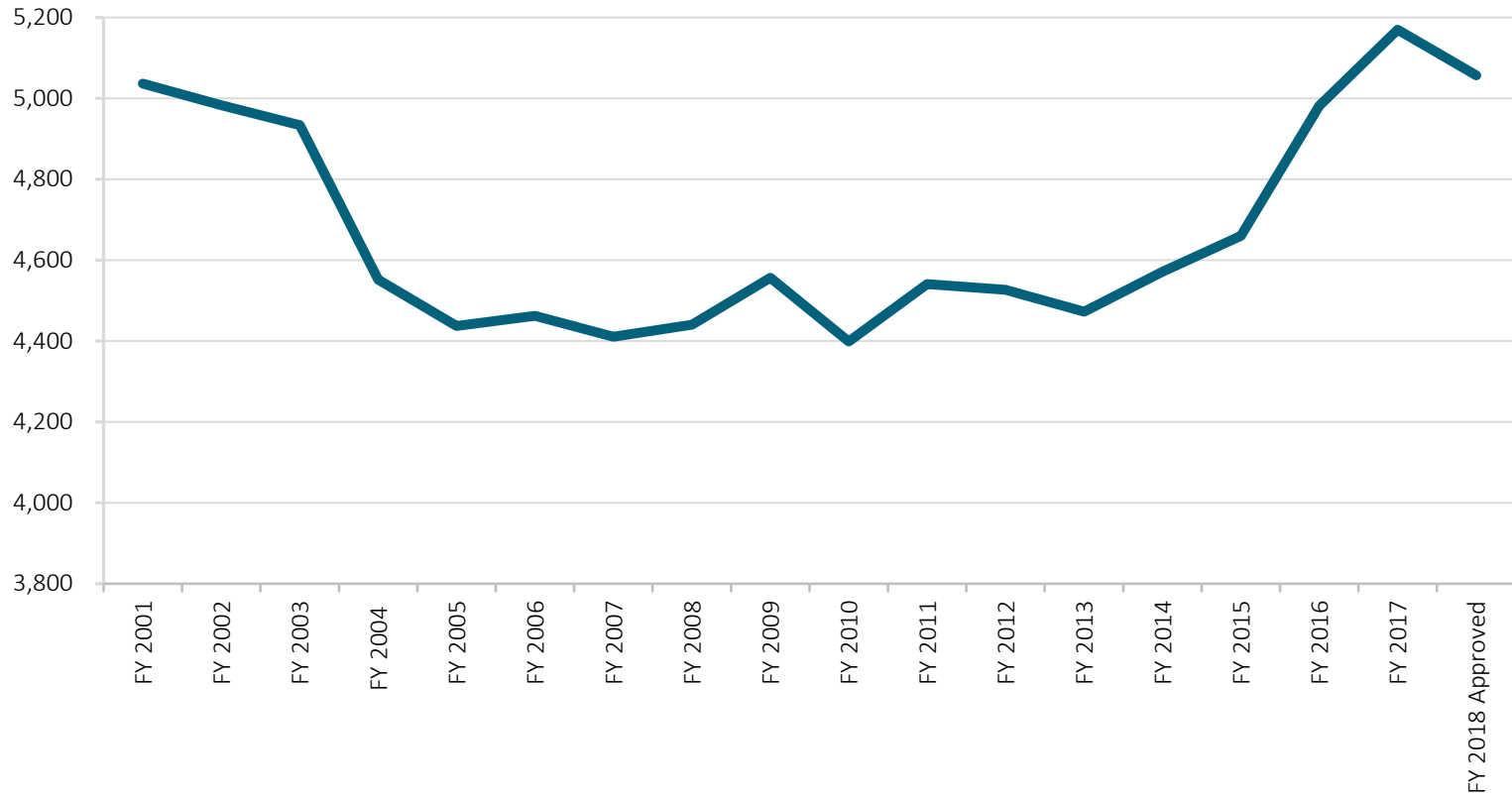


\*Note: does not include transfers, reserves ,and contingencies

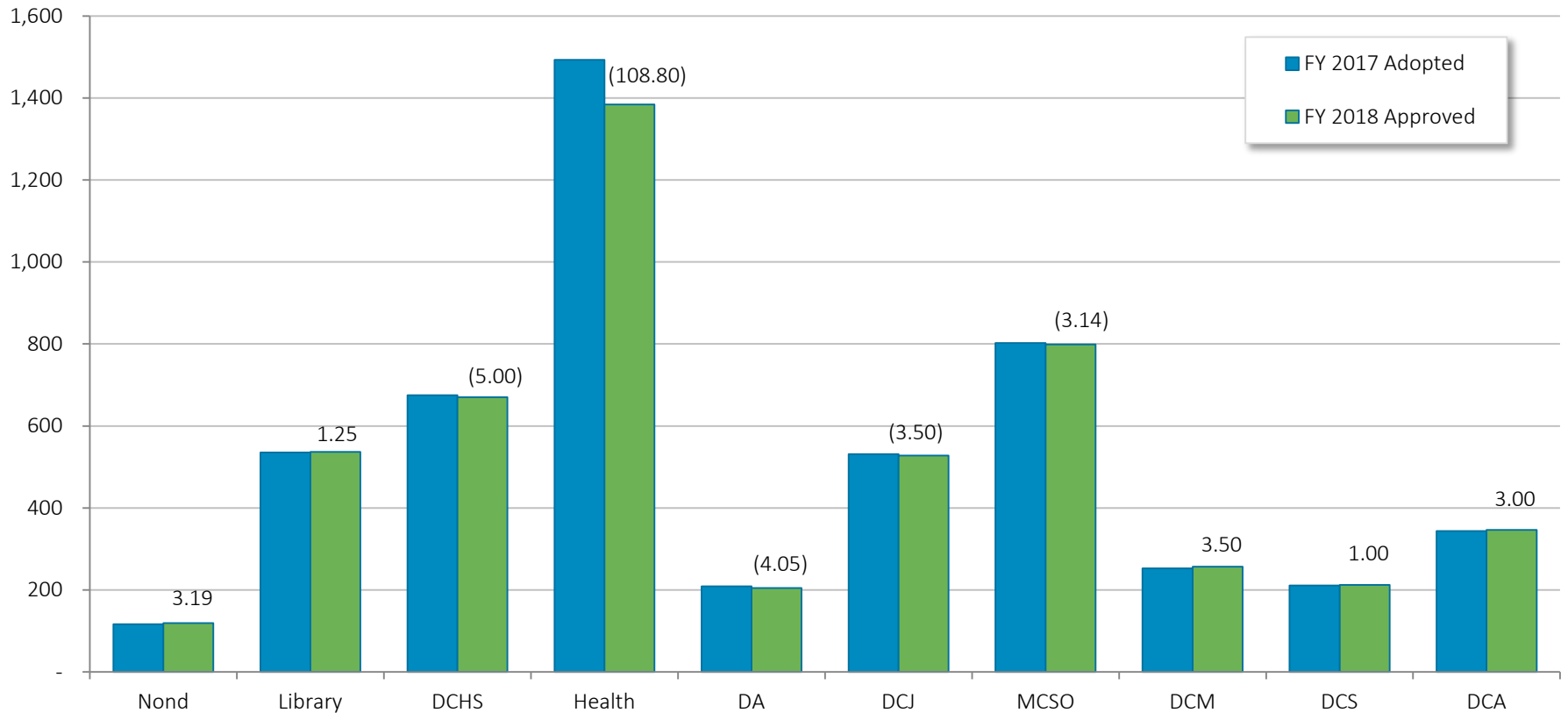


# Full Time Equivalents – 5,057 FTE

*FY 2001 Adopted – FY 2018 Approved (All Funds)*

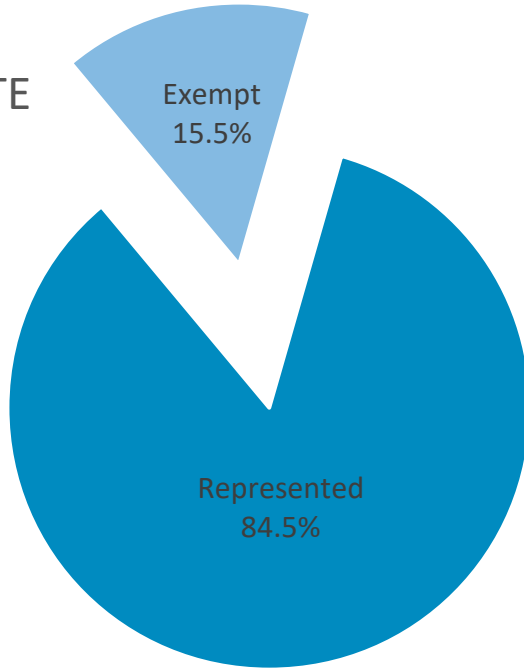


# Full Time Equivalents (FTE) by Department

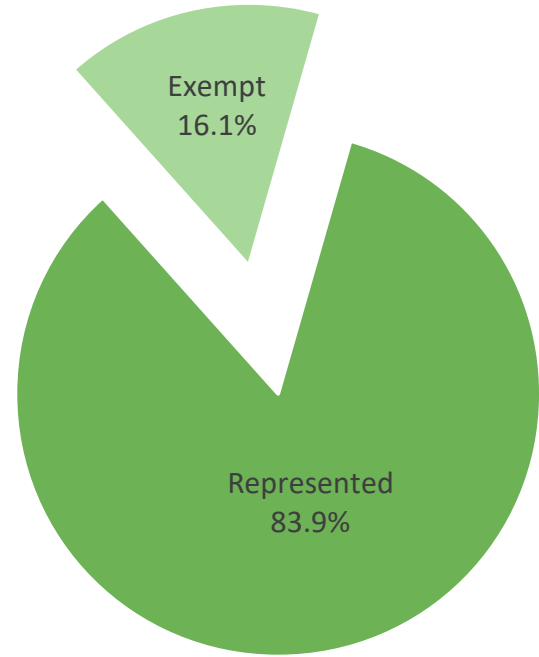


# FTE Represented vs. Non Represented

FY 2017  
5,169.27 FTE



FY 2018 AP  
5,056.72 FTE





# FTE by Union Year over Year

	FY 2017 Adopted	FY 2018 Approved	Difference
Painters & Allied Trades	1.00	1.00	0.00
Operating Engineers	16.00	17.00	1.00
Electrical Workers	23.00	24.00	1.00
Physicians	27.80	19.70	(8.10)
Juvenile Custody Svcs. Spec.	60.00	61.00	1.00
Prosecuting Attorneys	79.00	73.95	(5.05)
Deputy Sheriff's	116.62	116.62	0.00
Parole/Probation Officers	129.00	127.00	(2.00)
Oregon Nurses	218.33	194.52	(23.81)
Corrections Deputies	438.04	433.90	(4.14)
Exempt/Management/Elected Officials & Staff	801.37	811.72	10.35
AFSCME Local 88	3,259.11	3,176.32	(82.79)
<b>Total</b>	<b>5,169.27</b>	<b>5,056.72</b>	<b>(112.54)</b>



# Budget Highlights

---

- General Fund balanced over 3-year horizon
- Fully funds reserves and maintains BIT stabilization reserve
- Devotes \$30 million of one-time-only General Fund resources to capital infrastructure
- Addresses pressing community needs
  - ✓ Adds additional \$3.2 million for homeless and housing needs
  - ✓ Provides \$750,000 for the LEAD program and \$589,000 additional Health Department staff at the jails to address mental health needs and reduce incarceration
- Sets aside \$2.7 million to ramp down State and Federal programs as needed
- Addresses (but does not solve) unfunded PERS liability
- Relies on sound budget practices
- Provides for employee step/merit and COLA increases



# General Fund Basics

---

## ■ Current General Fund Financial Picture

- ✓ Ongoing revenues exceed expenditures by \$26.7 million or 5.8% in FY 2018.
- ✓ Accounting for \$14.4 million in ongoing General Fund debt requirements for the Downtown Courthouse, Health Department Headquarters, the ERP project, and the JOHS IGA funding requirements reduces the surplus to \$12.4 million in FY 2018.
- ✓ Surplus becomes a \$15.9 million (2.9%) deficit by FY 2022.
- ✓ Driven by slowing revenue growth and increasing cost growth.
- ✓ No ability to add ongoing programs over the long-term absent new revenues, reallocation of funds from existing programs, or efficiency gains.

## ■ Policy Direction & Assumptions

- ✓ FY 2018 surplus of \$12.4 million treated as OTO to balance over 3 years.
- ✓ Accepted and reallocated roughly \$6.1 million of the \$7.6 million in ongoing funds generated by the proposed 2% departmental reductions.
- ✓ \$29.9 million of OTO funds allocated to capital projects.
- ✓ \$8.8 million of OTO funds used to a variety of costs, such as consulting services for the ambulance service plan, ramp-down of State and Federal programs, and an additional ballot sorter for elections.



# General Fund Basics

---

- One-Time-Only Funds

- ✓ \$46.6 million after funding General Fund reserve and BIT Reserve

- ✓ Sources include:

- \$20.4 million of additional BWC in FY 2017 (from departmental underspending and higher revenues in FY 2016).

- \$8.3 million of additional resources from FY 2017 (mainly from higher than-budgeted property, motor vehicle rental, and business income taxes).

- \$12.4 million of FY 2018 ongoing funds that were treated as one-time-only to balance the budget for the next 3 years.

- \$7.9 million of funds carried over (unspent) from FY 2017.

- Use of OTO on Next slide

- Updated Forecast on May 16<sup>th</sup>



# Use of One-Time-Only Funds

---

- OTO General Fund for Capital Infrastructure - \$29.9 million
  - ✓ \$18.0 million for the new Downtown Courthouse
  - ✓ \$7.0 million for the new Health Department Headquarters
  - ✓ \$4.2 million for upgrading the electronics at the Multnomah County Justice Center
  - ✓ \$0.7 million for replacement of the District Attorney's CRIMES software
  
- Other Significant Uses of OTO
  - ✓ State and Federal Ramp Down- \$2.7 million
  - ✓ Homeless and Housing Needs- \$1.7 million
  - ✓ Adult Community Healing Initiative - \$326,000
  - ✓ North Portland Dental Expansion Carryover- \$1.8 million
  - ✓ Capital & Asset Planning- \$700,000
  - ✓ Law Enforcement Assisted Diversion (LEAD) Program- \$750,000
  - ✓ DART Residential Development Program- \$636,000
  - ✓ Elections Equipment (Sorter)- \$350,000
  - ✓ Londer Learning Center Ramp Down - \$330,000
  
- Page 21 of the Budget Director's message has a complete list



# General Fund Basics & Other Notes...

---

- Vast majority of programs are maintained from FY 2017
- Reductions and Reallocations
  - ✓ The Health Department has cut seven provider teams (and the associated support staff), resulting in a reduction of approximately 73 FTE.
  - ✓ Approximately \$3.0 million of administrative and back-office reductions across all departments.
  - ✓ Cutting the Warrant Strike Team in the Sheriff's Office, saving \$752,809.
  - ✓ Ramp down and closure of the Londer Learning Center, saving \$330,000 in FY 2018 and \$660,000 in FY 2019.
  - ✓ Cutting the CaCoon program in the Health Department, saving \$538,000.
  - ✓ A reduction of 112.54 FTE or 2.2% of FTE across all funds.
- Pages 9 through 14 of the Budget Director's message provide an accounting of General Fund additions and reductions
- Joint Office of Homeless Services
  - ✓ Shown in Non-Department, but broken out separately
  - ✓ Program Offers reorganized to accurately reflect type of services, populations, and funding/service levels.



# General Fund Reserves – Fully Funded

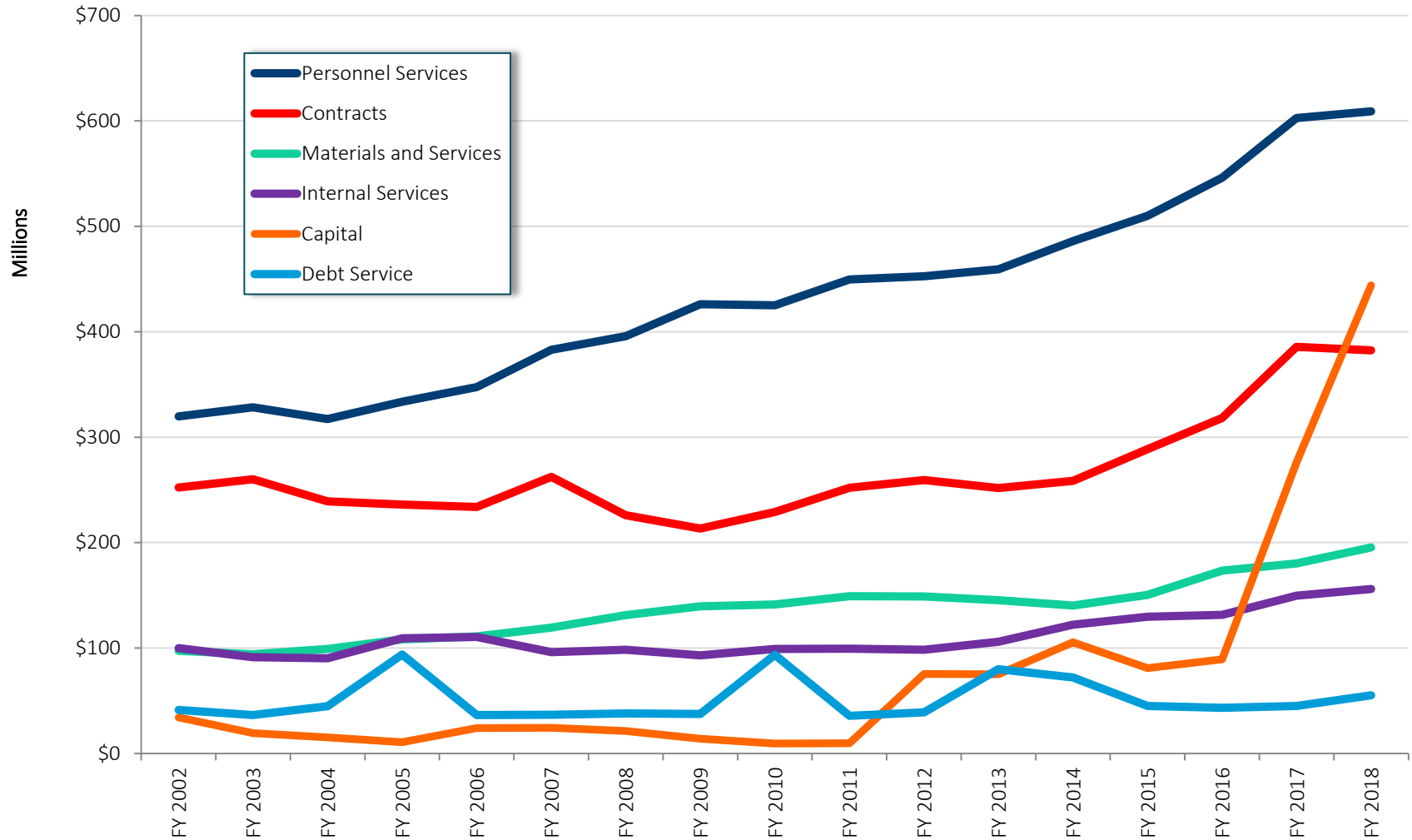
---

- General Fund Reserve @ 10% of corporate revenues or \$41.7 million
  
- BIT Reserve @ 10% or \$8.3 million
  
- General Fund Contingency \$12.3 million
  - ✓ Regular - \$1.25 million
  - ✓ BIT Reserve - \$8.3 million
  - ✓ General Fund Contingency Set-asides
    - Fed/State Program Ramp Down- \$2.7 million



# What We Spend our Resources on...

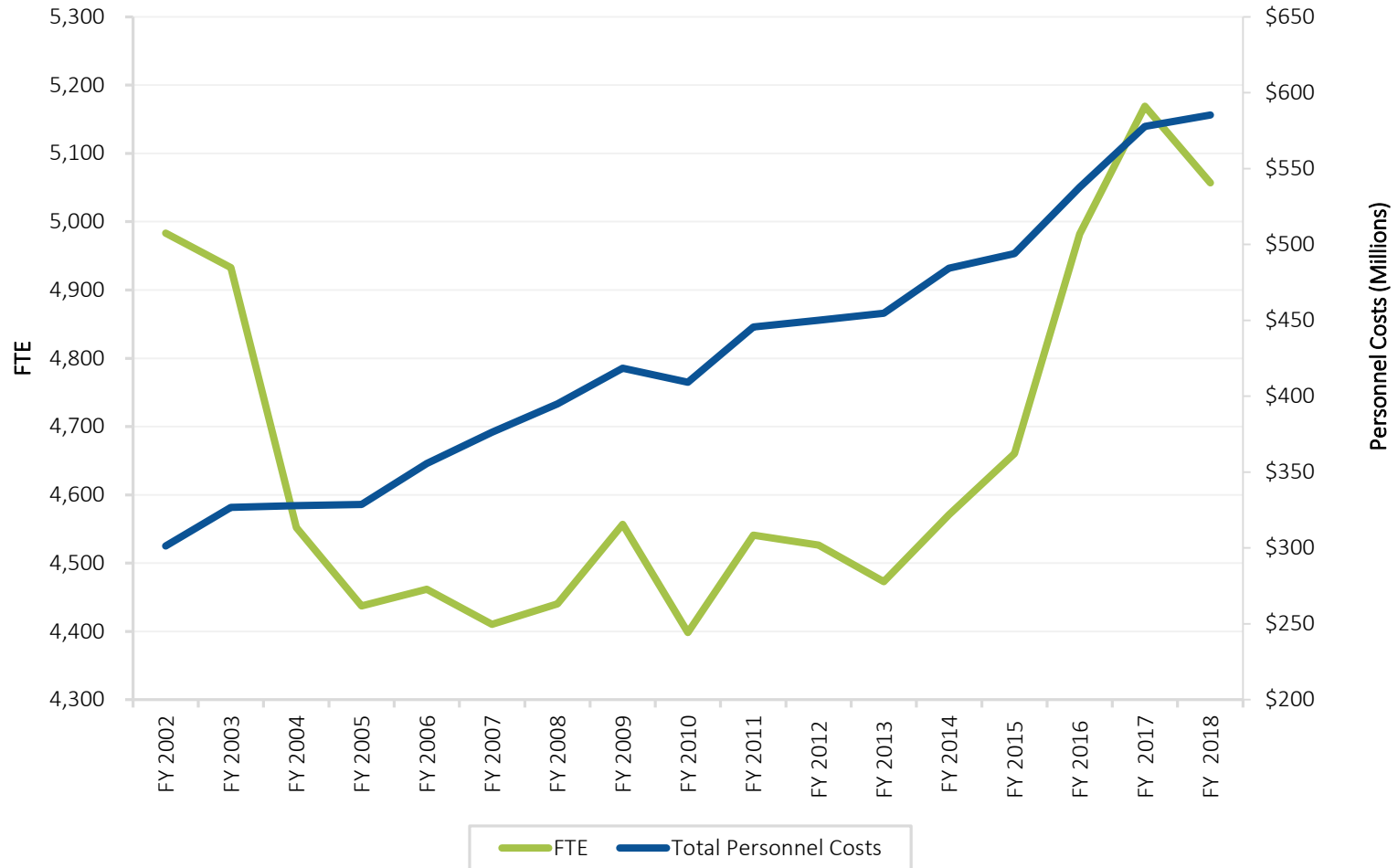
*FY 2004 Actuals – FY 2018 Approved (All Funds)*





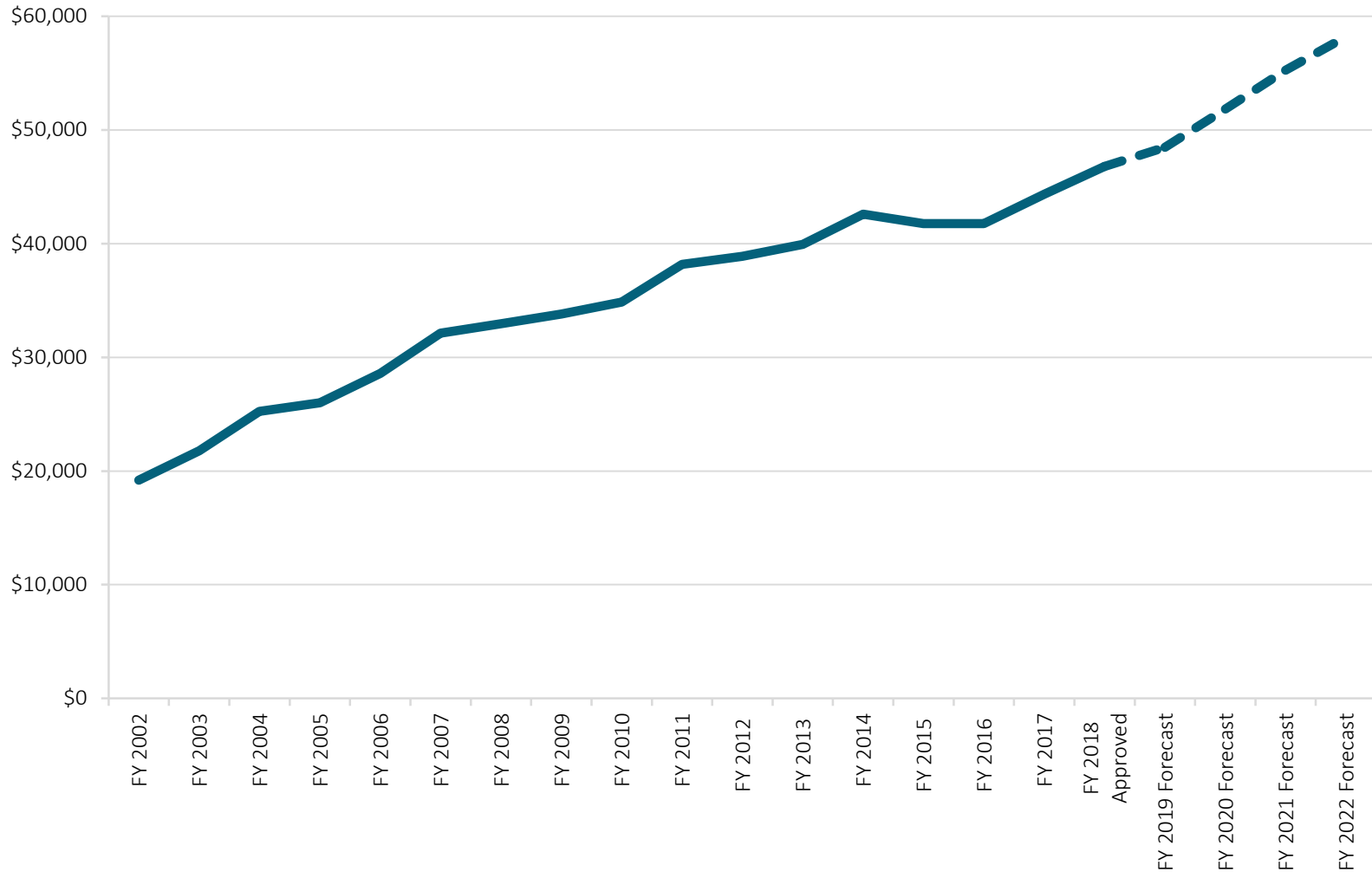
# FTE vs. Total Personnel Costs

*FY 2002 Adopted to FY 2018 Approved (All Funds)*



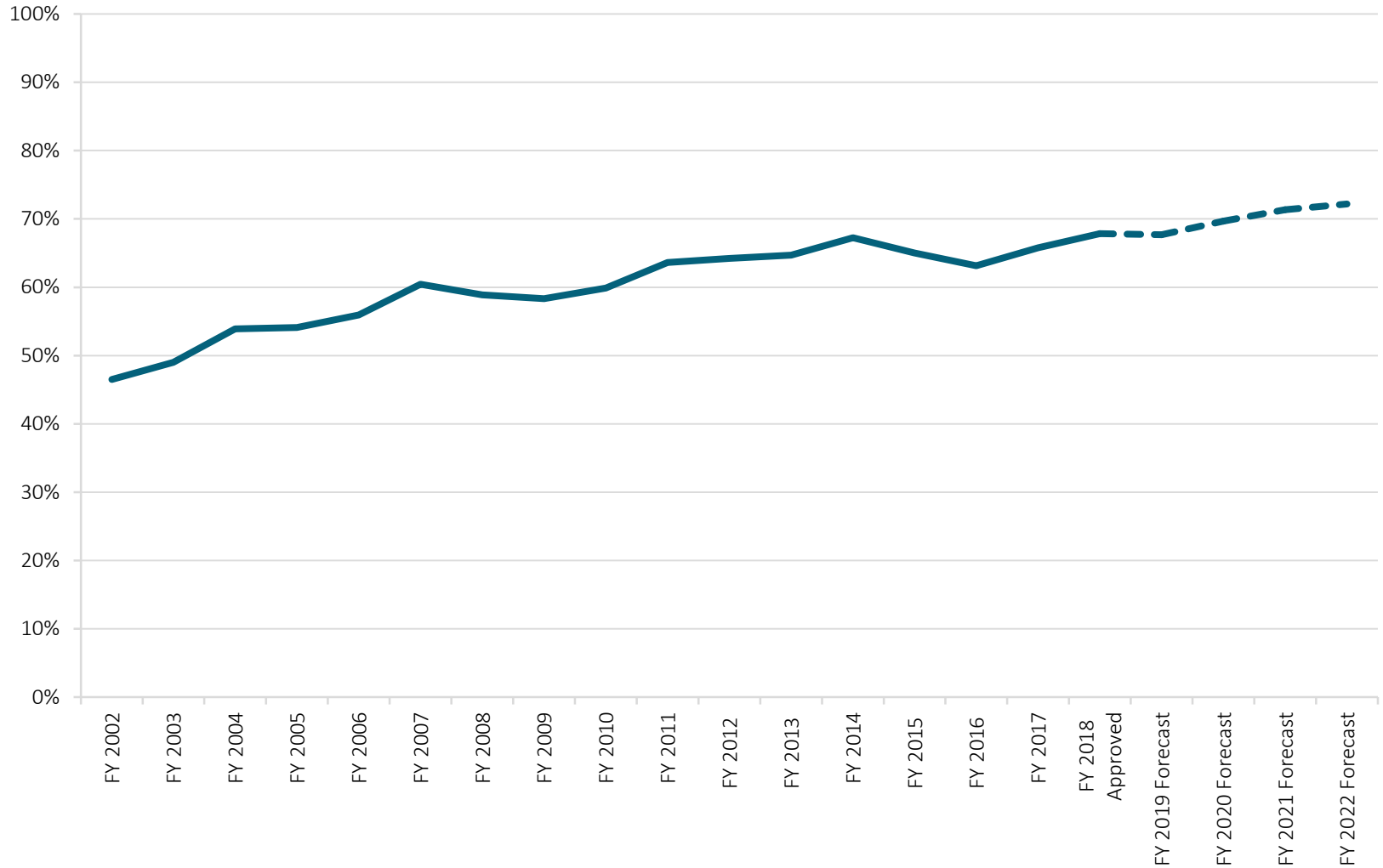
# Avg. Benefits & Insurance Cost per FTE

*FY 2002 Adopted to FY 2018 Approved*



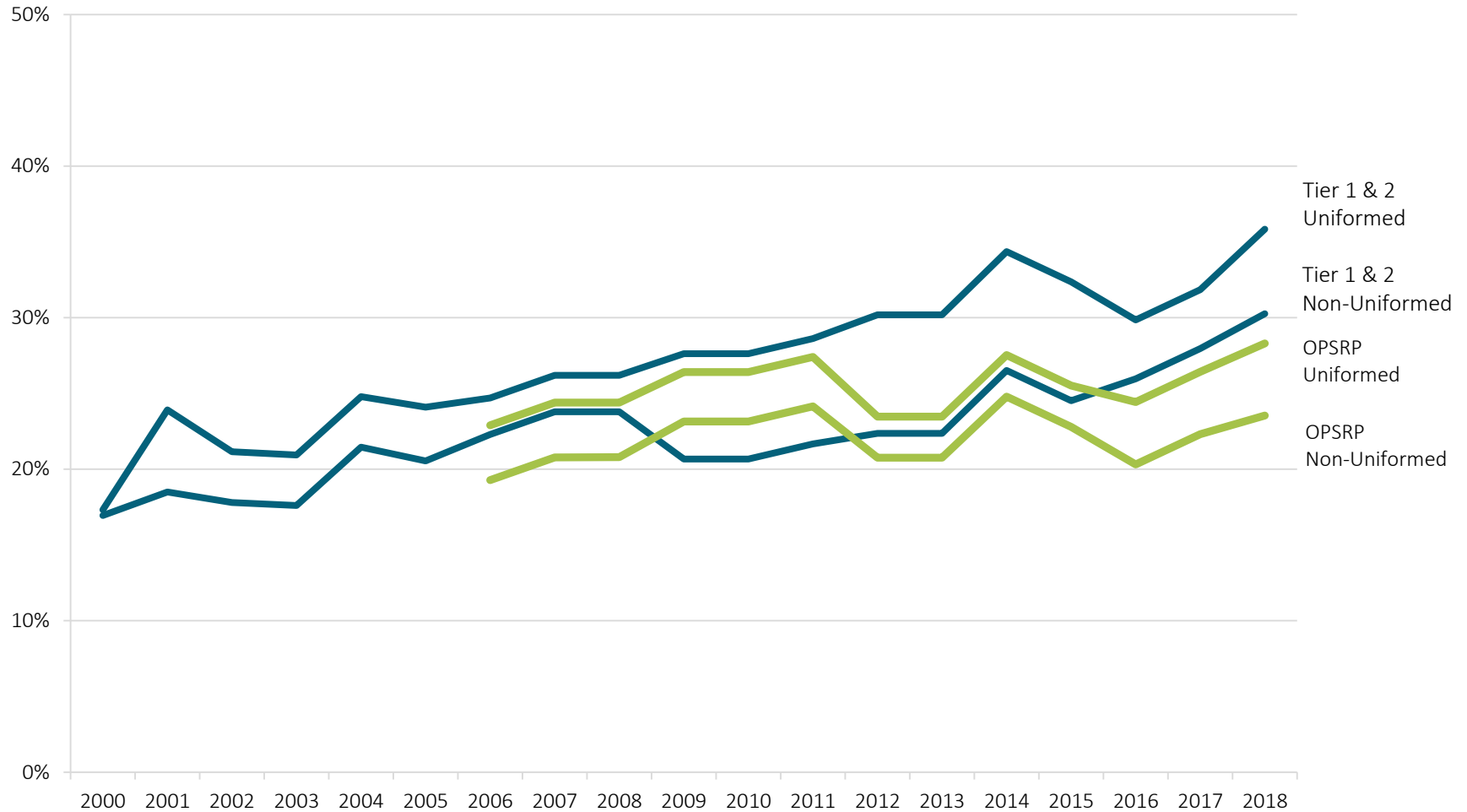
# Benefits & Insurance % of Payroll

*FY 2002 Adopted to FY 2018 Approved*



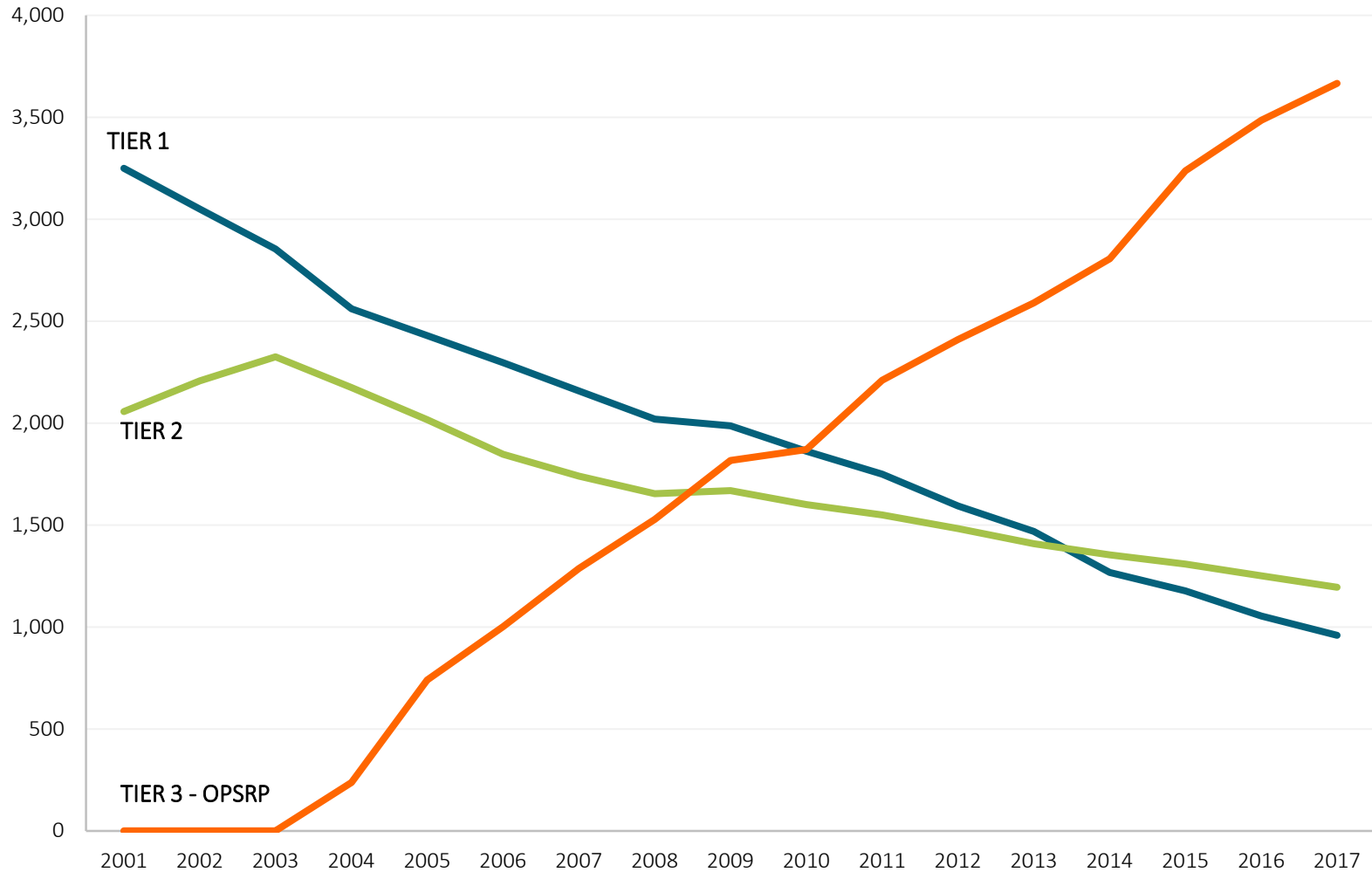
# PERS Rates Charged to Departments

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

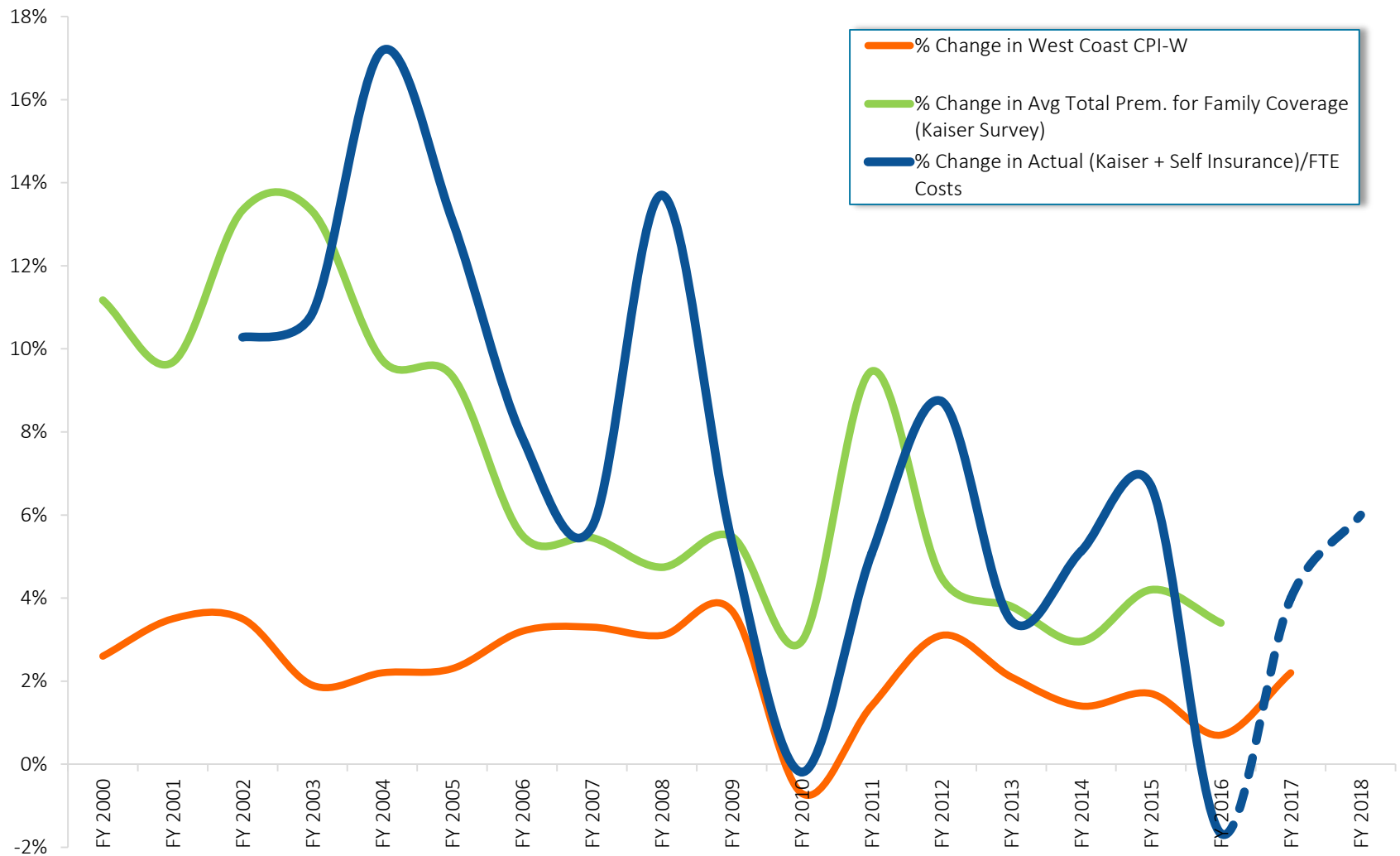


# FTE by PERS Tier

*Based on Actual People*

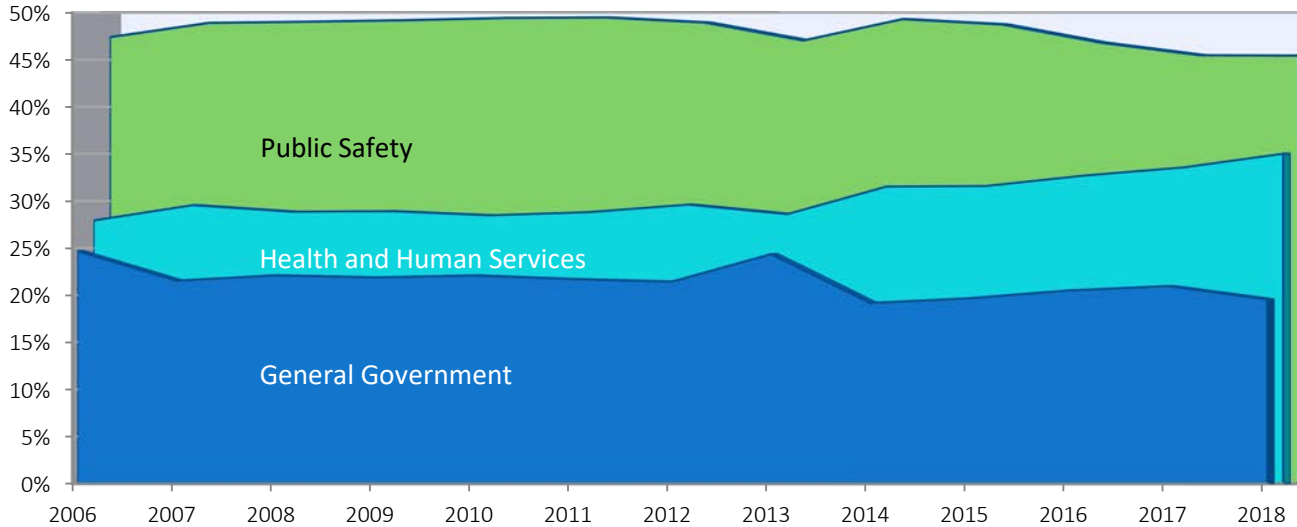


# Health Care Inflation/Costs



# Where Do We Spend General Fund?

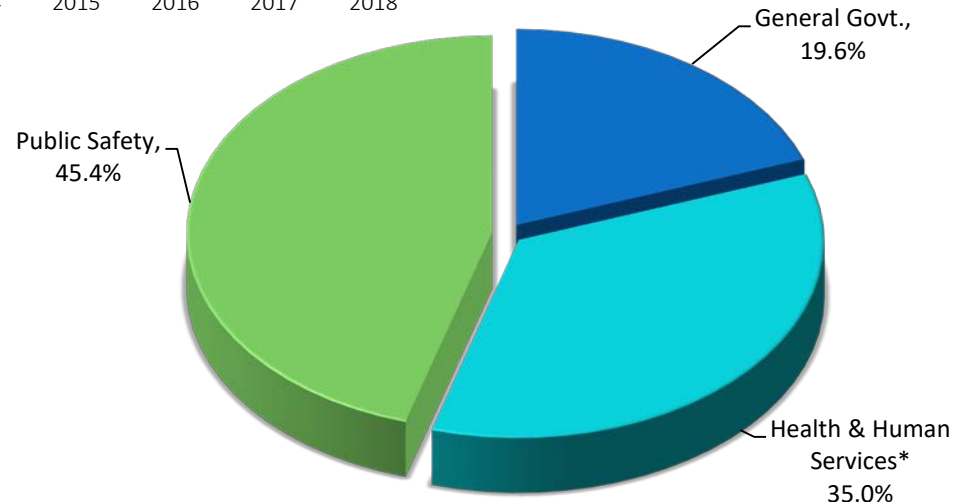
*FY 2006 Adopted to FY 2018 Approved*



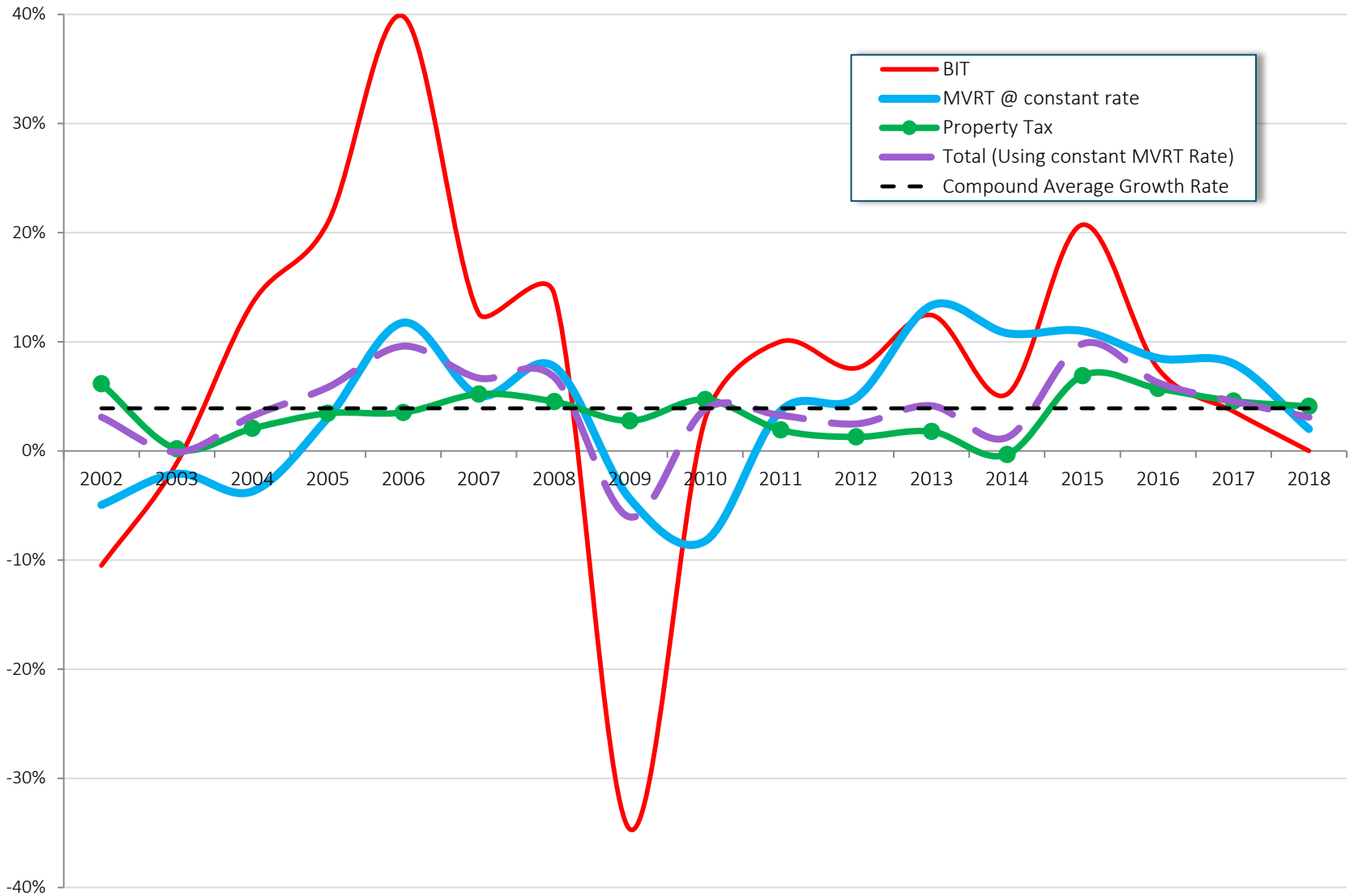
Based on department appropriations

\*Health does not include FQHC Expenditures

Joint Office Homeless Services is shown as Health/Human Services

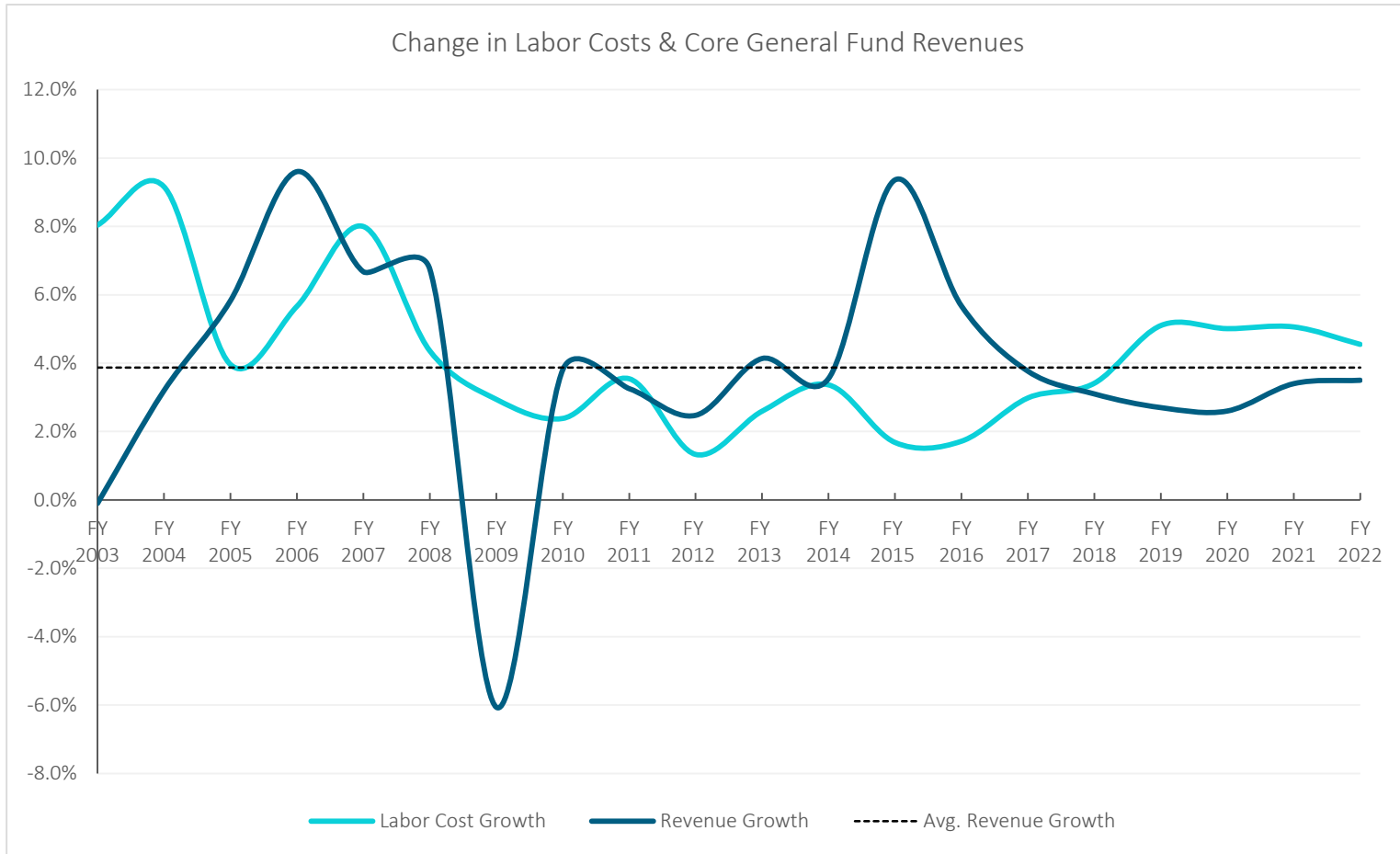


# How Fast does GF Grow to Support Services?





# Cost Growth vs. Revenue Growth



**Notes:**

1. Adjusted FY 2014 revenue for Library District formation and increased compression. (Added \$7.2 million to FY 14 core revenue, then determined percentage.)
2. Adjusted FY 2015 percentage to reflect FY 2014 revenue adjustment for Library District formation and increased compression. (Added \$7.2 million to FY 14 core revenue, then determined percentage.)
3. FY 2014 PERS rates up net 4.1%
4. FY 2011 Medical/Dental rates up 14.63% and PERS up 1%



# Summary – Uncertainty & Financial Resiliency

- Balanced budget over 3-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
- Planning for PERS liability
  - ✓ \$25 million for side account
- Well positioned to prepare for State & Federal uncertainties and next recession while providing services today
- Difficult, but sound financial choices while balancing competing needs have contributed to the County's position



# Questions

---

