



MULTNOMAH COUNTY FY 2021 Budget Work Session Follow Up – Department of County Assets

Department of County Assets – May 15, 2020

Question 1

Commissioner Jayapal (District 2): Please provide more details regarding how you determined the savings on internal service rates.

Response: The development of DCA's budget goes through two steps: Internal service rate development, and then Department budget submission. DCA develops internal service rates based on current service levels, inflation and contractual growth, and factors such as known projects or other efforts. DCA's 2% constraint on internal service rates resulted in an overall reduction totaling \$1.68M, with \$839K General Funds and \$839K other funds reductions. The Reductions were made across DCA divisions particularly with the two largest divisions : Information Technology (IT) and Facilities and Property Management (FPM). For IT - reductions totaled \$942K in 1 FTE (help desk), 2 LDA positions (help desk and project management), 3 contractor positions, software and supplies. For FPM - reductions totaled \$430K in non-critical property management services (window washing, bark dust, high dusting, ect). For the other divisions - reductions totaled \$307K in temporary personnel, professional services, and travel and training.

After the development of internal service rates, DCA works with Departments as they develop their budgets to identify additional funding needs, or reallocate internal service rates, for investments or other necessary or high priority needs for the Departments. Those efforts identified needs including cyber security, the pay equity study, software and licensing cost increases, additional FTE in Human Resources and FPM, and repairs and maintenance. After estimating these requested adds, plus an adjustment for the impacts of the new Downtown Courthouse and increases in janitorial costs, the DCA budget ended up slightly above the originally estimated current service levels.

Question 2

Commissioner Vega Pederson (District 3): Please provide a briefing at a future date with additional clarity and detail as how you determine internal service rates.

Response: DCA will schedule a followup briefing in the first half of FY 2021.

Question 3

Commissioner Vega Pederson (District 3): What, if any, are the impacts on our internal services costs because of COVID-19 and lack of people coming into buildings?

Response: The impacts to our FY2020 budget are still being managed. With respect to reduced use of some facilities, we have seen small reductions in energy costs and other building-related expenses for under-utilized or closed buildings. On the other hand, we have seen some increased costs in other facilities that remained open due to the COVID response, or continued to be open with modified



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schedules or access, in building service costs such as increased requests for janitorial services, security, supplies, and overtime. We have added some resources but have managed to primarily support redeployment of existing resources with temporary reassignments to shelters, the EOC, and to support our daily operations.

For FY2021, we are involved in discussions about new or updated Intergovernmental Agreements (IGAs). We anticipate the need, for example, for ongoing shelter support throughout FY2021 for the temporary shelters that have been established. We are also going to work with the Budget Office, the CFO, and other leaders to consider the possible adjustment of internal service rates and the rate development methodology for future years. As changes are made to how we deliver services to the public, the impact of those decisions on the County's infrastructure, such as how space costs are calculated and allocated, will need to be examined, measured, and built into the rate structures.