



# Washington County

## *2010-11 Budget Committee Meeting*

*May 4, 2010*



# *Meeting Agenda*

- Introductions
- Elections
  - Chair and Secretary for County & SDL Budget Committee
  - Chair for ESPD/URMD Budget Committee
- Administrator's Message
- Budget Overview
- May 20, 2010 Budget Committee Hearing
  - Adopt Budget Committee Process & Procedures

# *Elections*

- Washington County & SDL
  - Current Chair – John Cook
  - Current Secretary – Bob Terry
  
- ESPD & URMD
  - Current Chair – vacant

# *Administrator's Budget Message*

- Recession continues to impact County's complex financial portfolio.
- Continued flat or declining revenues in some funds; moderate increases anticipated in others
- Preserving the General Fund Balance reserve is a key element in County's financial strategy
  - Board goal to have the Fund Balance at 20% of annual General Fund Revenue with a minimal level of 15%

# *Administrator's Budget Message*

- Growth in assessed value estimated at 3.5%
- Reliance on levy funding
- Discipline in spending is a priority; anticipate spending at 95% of budget
- Federal stimulus revenue will be incorporated as funds become available
- Attracting and retaining a highly qualified workforce continues to be a priority

# *Administrator's Budget Message*

- **Cost of Living (COLA):** A recommended 2.5% cost of living adjustment is included in proposed budget
- **Medical:** Plan modifications have been recommended for fiscal year 2010-11 to reduce anticipated premium increase
- **PERS:** In July 2011, employer costs may increase based on actuary

# *Administrator's Budget Message*

- **General Fund – Reserves Management**
  - County no longer has the flexibility draw further on reserves
  - For foreseeable future, current revenues = current expenditures
  - COLA and other inflation factors to be absorbed into current appropriation levels
  - Even if revenues rebound, the County will hold-the-line on expenditures until fund balance is fortified.

# Administrator's Budget Message

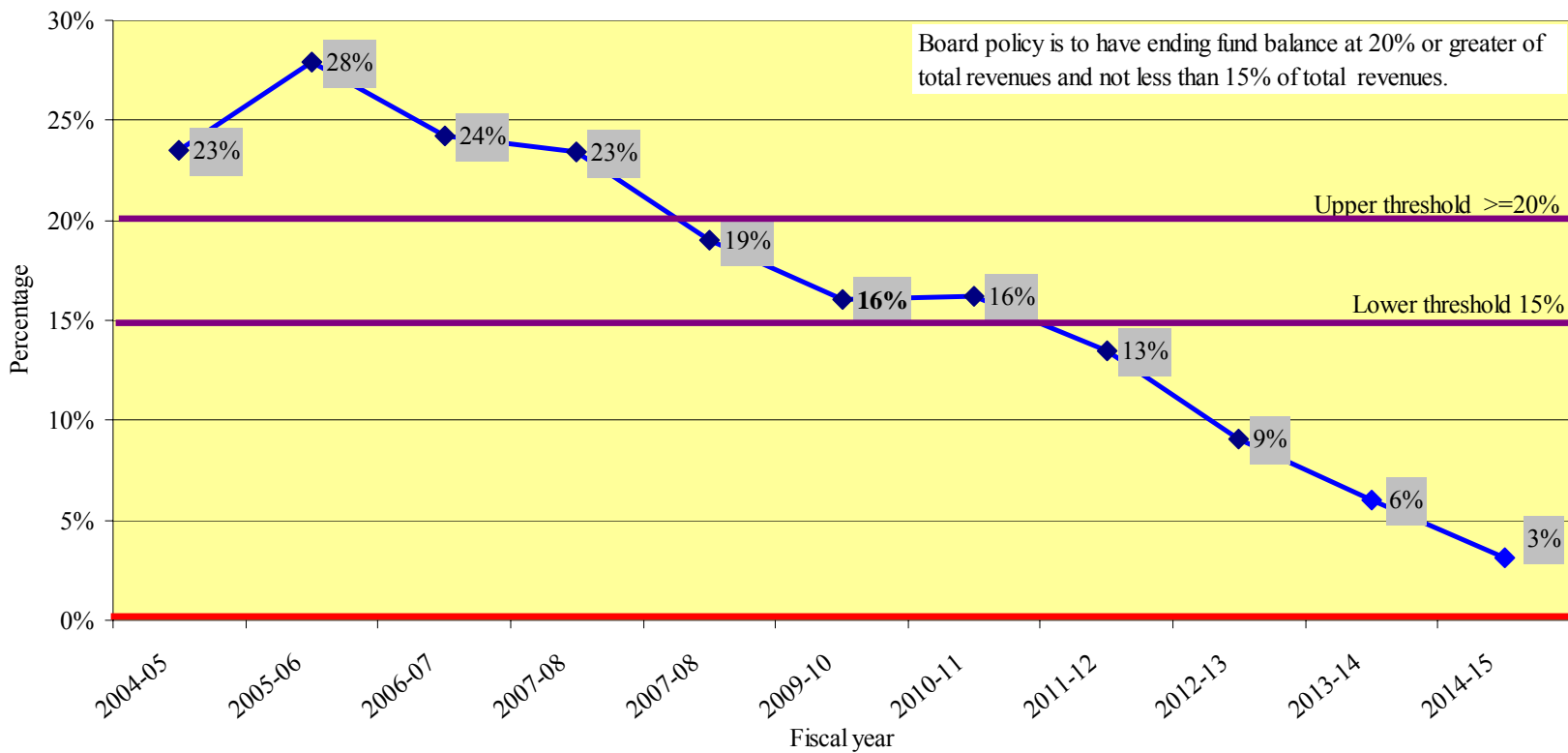
| County-wide Budget | Modified              | Proposed           | change from prior year |            | % of        |
|--------------------|-----------------------|--------------------|------------------------|------------|-------------|
|                    | 2009-10               | 2010-11            | \$                     | %          | Total       |
| Operating          | \$ 375,604,763        | 380,778,774        | 5,174,011              | 1%         | 57%         |
| Capital Outlay     | 124,816,283           | 128,810,034        | 3,993,751              | 3%         | 19%         |
| Non-operating      | 160,161,507           | 162,244,432        | 2,082,925              | 1%         | 24%         |
| <b>Total</b>       | <b>660,582,553</b>    | <b>671,833,240</b> | <b>11,250,687</b>      | <b>2%</b>  | <b>100%</b> |
| General Fund       | 195,172,958           | 195,011,666        | (161,292)              | 0%         | 29%         |
| Special Funds      | 465,409,595           | 476,821,574        | 11,411,979             | 2%         | 71%         |
| <b>Total</b>       | <b>\$ 660,582,553</b> | <b>671,833,240</b> | <b>11,250,687</b>      | <b>2%</b>  | <b>100%</b> |
| General Fund       | 930.24                | 932.09             | 1.85                   | 0%         | 52%         |
| Special Funds      | 881.13                | 853.80             | (27.33)                | -3%        | 48%         |
| <b>FTE Total</b>   | <b>1,811.37</b>       | <b>1,785.89</b>    | <b>(25.48)</b>         | <b>-1%</b> | <b>100%</b> |





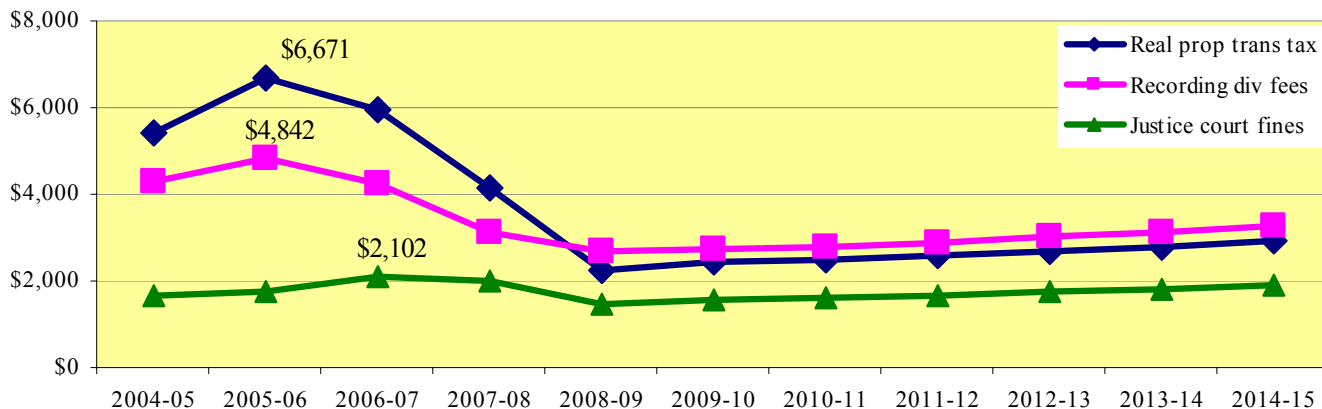
# Administrator's Budget Message

## Ending Fund Balance as a % of Total Revenues



# Administrator's Budget Message

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- Real property transfer tax, recording fees and Justice Court fines are marginally increasing
- Assessed value is projected to increase slightly above the statutory 3%

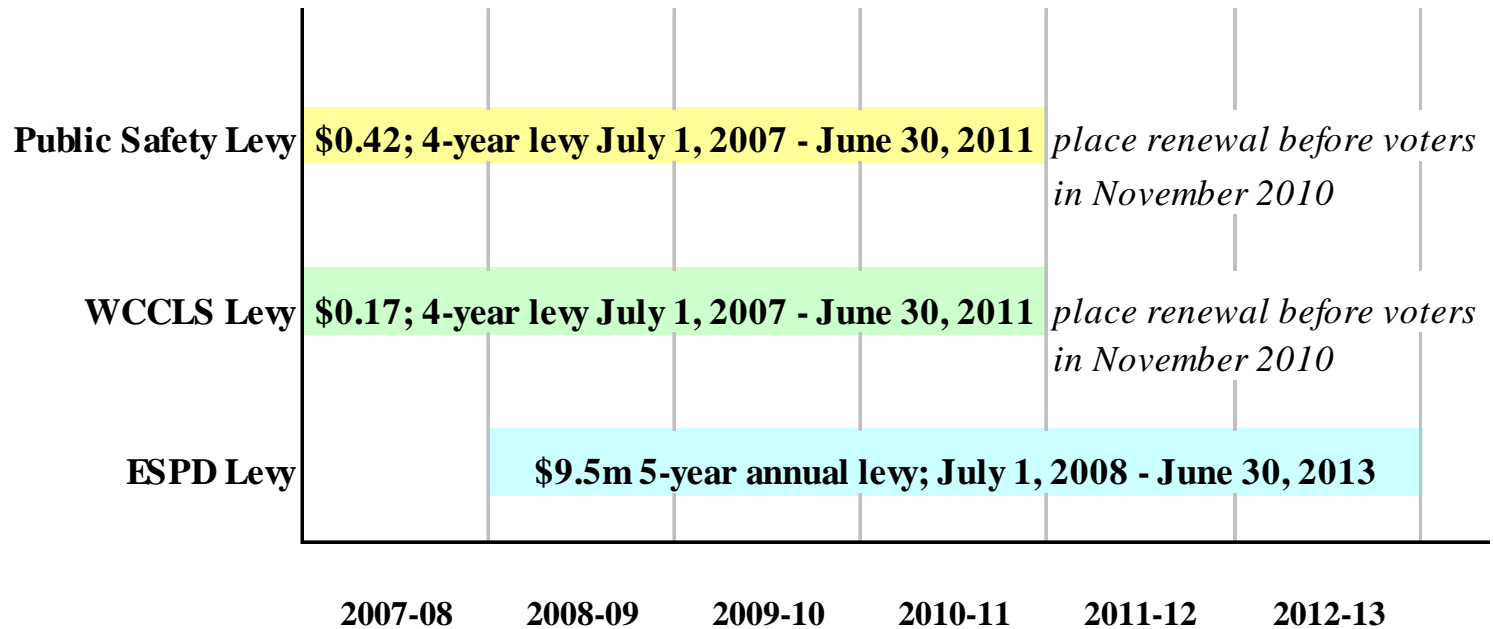
|                |                   |                | <u>change from prior year</u> |       |
|----------------|-------------------|----------------|-------------------------------|-------|
|                | 2009-10           | 2010-11        | \$                            | %     |
| Assessed Value | \$ 44,775,991,809 | 46,343,151,522 | 1,567,159,713                 | 3.50% |



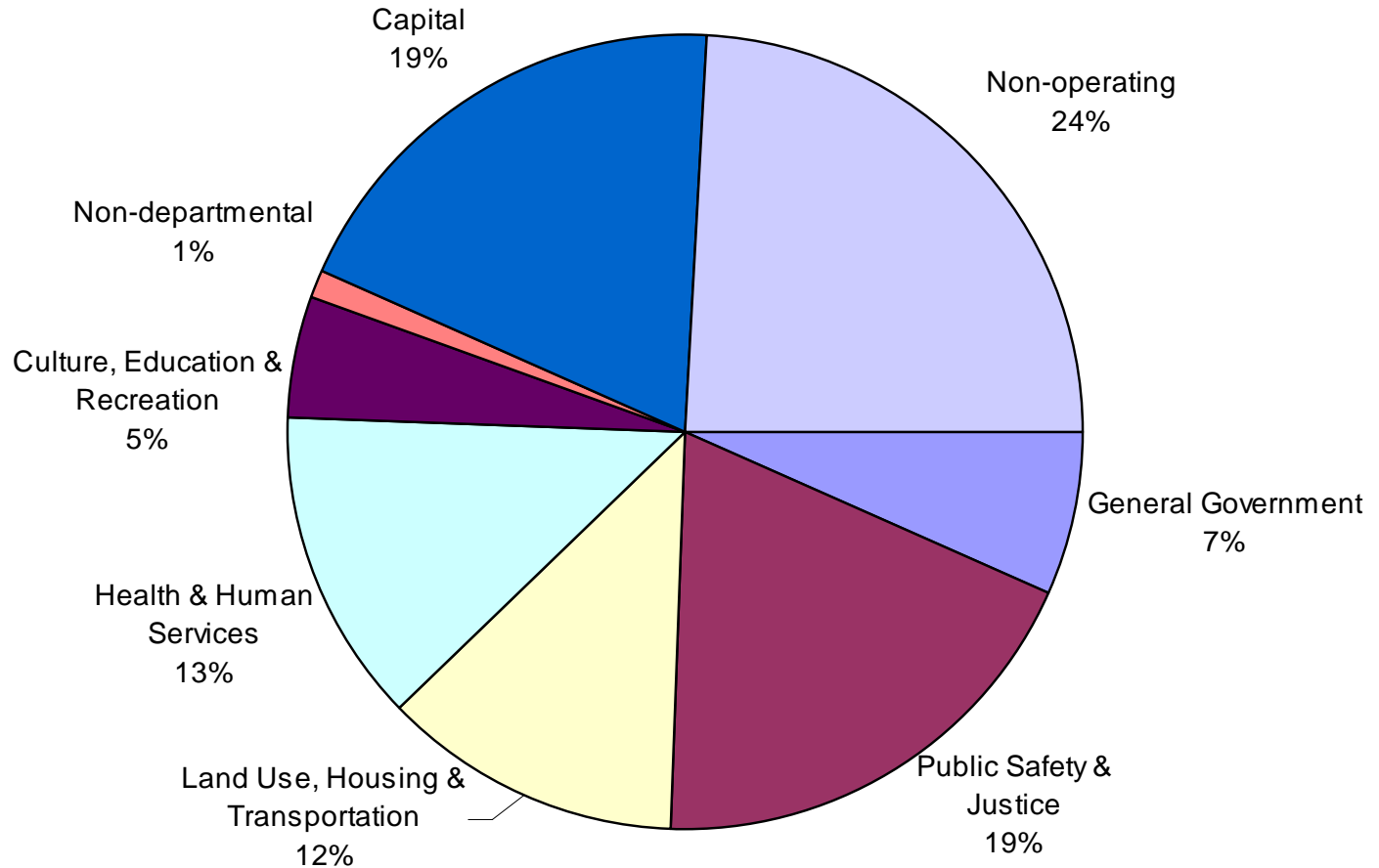
# *Administrator's Budget Message*

- 2009-10 Budget Management:
  - Expenditure reductions of varying degrees  
County-wide:
    - Select reductions in work schedules and work force
    - Holding vacant positions open
    - Reduction in overtime and use of temporary employees
    - Defer capital projects and other one-time purchases
    - Reduction in materials & services and other forms of discretionary spending

# Local Option Levies



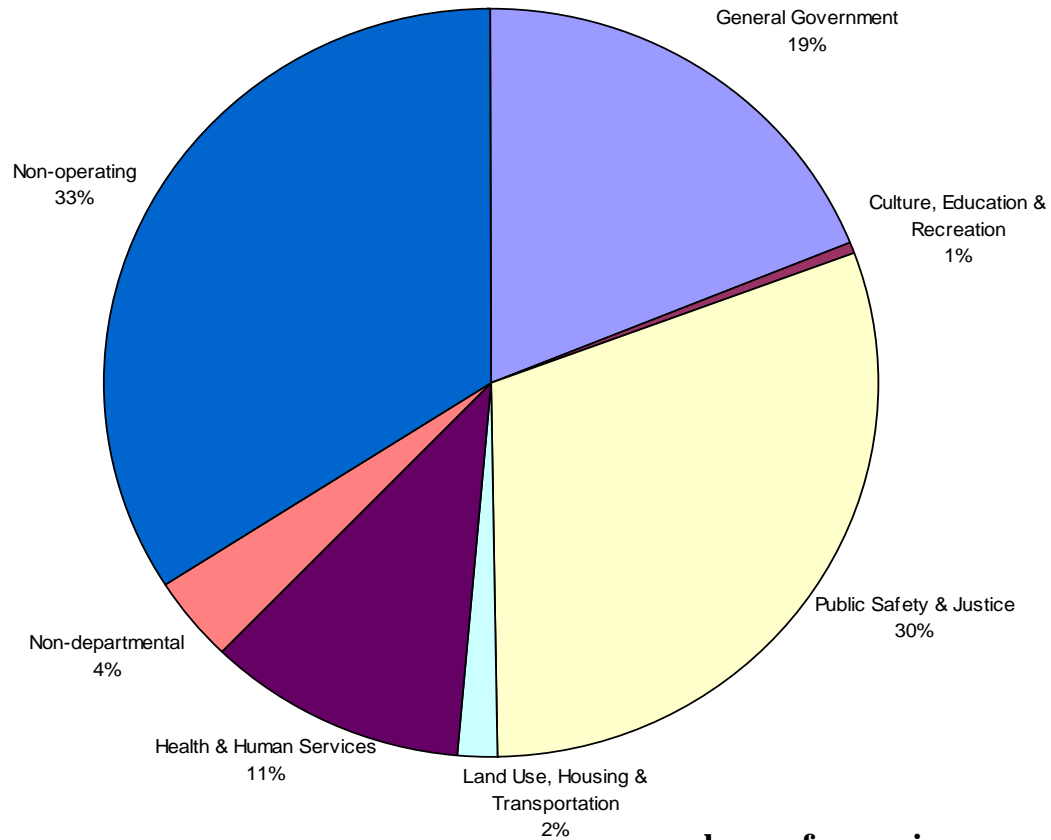
# Total County-wide Budget



|        | 2009-10        | 2010-11     | change from prior year |     |
|--------|----------------|-------------|------------------------|-----|
|        |                |             | \$                     | %   |
| Budget | \$ 660,582,553 | 671,833,240 | 11,250,687             | 2%  |
| FTE's  | 1,811.37       | 1,785.89    | (25.48)                | -1% |



# General Fund



|        |                |                | <u>change from prior year</u> |          |
|--------|----------------|----------------|-------------------------------|----------|
|        | <b>2009-10</b> | <b>2010-11</b> | <b>\$</b>                     | <b>%</b> |
| Budget | \$ 195,172,958 | 195,011,666    | (161,292)                     | 0%       |
| FTE's  | 930.24         | 932.09         | 1.85                          | 0%       |

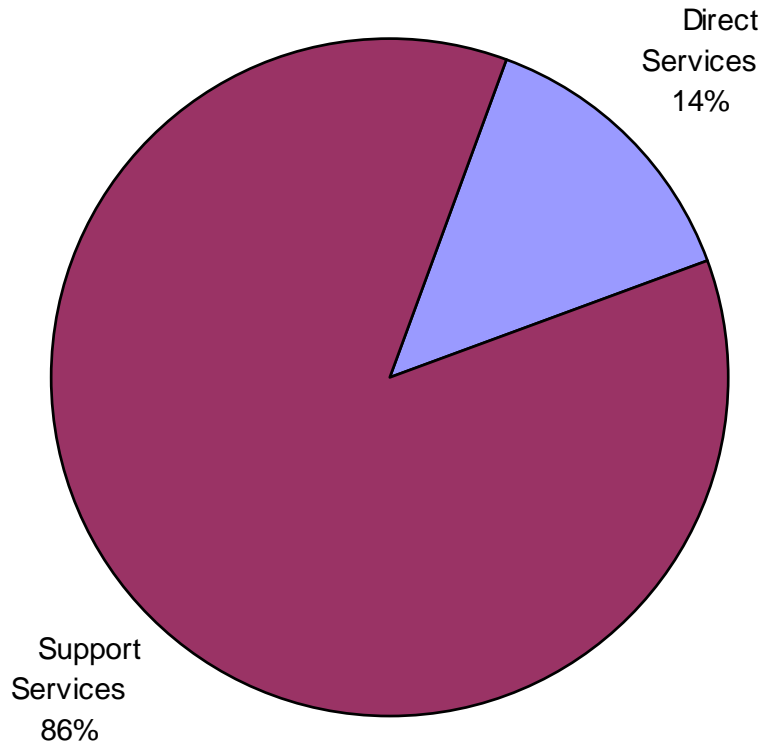


# General Fund Subsidy & Transfers

| FUNCTIONAL AREA   | Modified<br>2009-10   | Proposed<br>2010-11 | change from prior year |            | % Alloc     |
|---|-----------------------|---------------------|------------------------|------------|-------------|
|   |                       |                     | \$                     | %          |             |
| General Government  | \$ 29,472,386         | 29,155,461          | (316,925)              | -1%        | 18%         |
| Public Safety & Justice                                   | 52,166,883            | 52,832,235          | 665,352                | 1%         | 33%         |
| Land Use, Housing & Transportation                        | 2,413,242             | 2,120,748           | (292,494)              | -12%       | 1%          |
| Health & Human Services                                   | 7,232,814             | 7,243,679           | 10,865                 | 0%         | 5%          |
| Culture, Education & Recreation                           | 14,971,655            | 15,563,371          | 591,716                | 4%         | 10%         |
| Non-departmental  | 21,429,595            | 18,546,377          | (2,883,218)            | -13%       | 12%         |
| Capital   | 30,028,919            | 29,042,808          | (986,111)              | -3%        | 18%         |
| Non-operating   | 5,467,899             | 5,461,860           | (6,039)                | 0%         | 3%          |
| <b>sub-total General Fund Subsidy<br/>&amp; Transfers</b> | <b>163,183,393</b>    | <b>159,966,539</b>  | <b>(3,216,854)</b>     | <b>-2%</b> | <b>100%</b> |
| Plus departmental revenues                                | 31,989,565            | 35,045,127          | 3,055,562              | 10%        |             |
| <b>Total General Fund Budget</b>                          | <b>\$ 195,172,958</b> | <b>195,011,666</b>  | <b>(161,292)</b>       | <b>0%</b>  |             |



# General Government

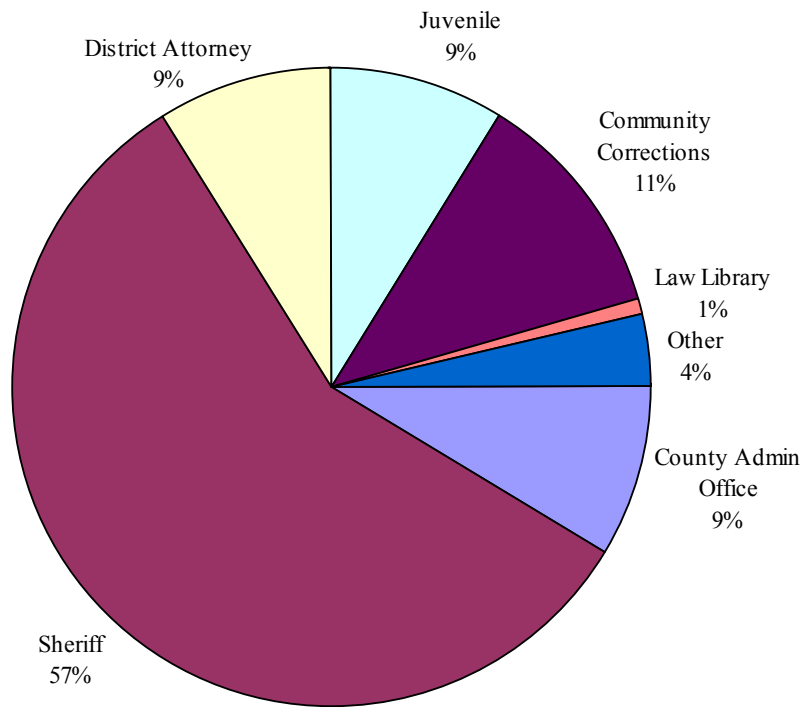


- Slight increase in FTE due primarily to the transfer of a .40 FTE from Animal Services to Support Services Administration
- A&T – \$900,000 increase in recording fees
- Human Resources – continue efforts in benefits redesign, implementation of advanced benefits system
- ITS – migration to new web environment, document imaging
- Facilities – actively trying to minimize the consumption of electricity and natural gas, efforts underway to increase recycling and deploy green practices

|        | 2009-10       | 2010-11    | change from prior year |    |
|--------|---------------|------------|------------------------|----|
|        |               |            | \$                     | %  |
| Budget | \$ 43,390,168 | 43,986,935 | 596,767                | 1% |
| FTE's  | 297.00        | 297.34     | 0.34                   | 0% |



# Public Safety & Justice

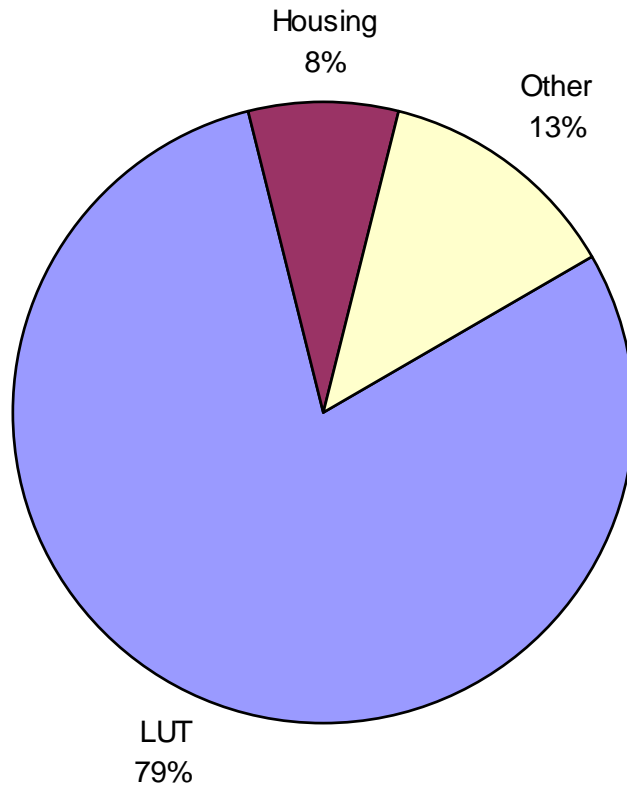


- Third year of a 5-year, \$9.5 million per year local option levy (ESPD)
- Fourth year of a 4-year Public Safety local option levy
- Jail – reduction in overtime to reflect flexible hiring practices for Corrections Officers
- \$323,000 increase in Jail Health General Fund subsidy due to a reduction in inmate co-payment revenue and increased service provider and pharmaceutical costs
- District Patrol budget increases \$1.4m to maintain existing staff & service levels, funding for mobile data computer upgrades and increased 911 dispatch costs
- Decreases in State funding and General Fund transfer to Community Corrections

|        | 2009-10        | 2010-11     | change from prior year |     |
|--------|----------------|-------------|------------------------|-----|
|        |                |             | \$                     | %   |
| Budget | \$ 125,068,991 | 127,936,294 | 2,867,303              | 2%  |
| FTE's  | 837.92         | 833.42      | (4.50)                 | -1% |



# Land Use, Housing & Transportation



- **Development Activity**

- **Current Planning** – \$400,000 decrease in beginning fund balance, reduced work force by 3.0 FTE, developing a plan to further stabilize the Division
- **Building Services** – \$2.7 million decrease in beginning fund balance; decrease of 8.0 FTE with plans to propose an additional 12.0 FTE reduction
- **Survey Funds** – \$275,000 decrease in beginning fund balances; reduction of 3.0 FTE

- **Planning** major work tasks:

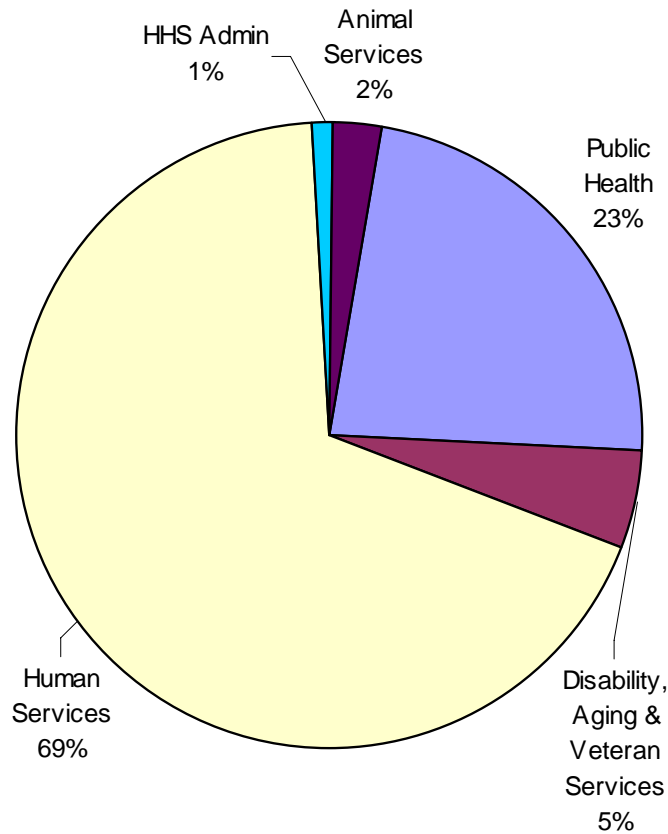
- Urban and rural reserve
- North Bethany and West Bull Mountain urban growth boundary (UGB) expansion planning
- Cooper Mountain UGB planning
- TGM/Energy grants – bike/pedestrian improvement prioritization, boulevard implementation

- **Road Fund**

- \$4 million or 23% increase in state gas tax due an increase in vehicle registration fees
- Reduction of 12.3 FTE
- \$1.8 million decrease in beginning fund balance

|        | 2009-10       | 2010-11    | <u>change from prior year</u> |     |
|--------|---------------|------------|-------------------------------|-----|
|        |               |            | \$                            | %   |
| Budget | \$ 83,545,081 | 81,150,080 | (2,395,001)                   | -3% |
| FTE's  | 391.75        | 364.85     | (26.90)                       | -7% |

# Health & Human Services



- **Overview**

- Expenditure increase driven by departmental revenue.
- State funding in Human Services and Aging Services accounts for most of increase.

- **Public Health** – Revenue increases in State and Metro grant funds, decreases in solid waste and environmental health fees. Expenditure increases associated with new revenue. Includes 3.0 new FTE funded with dedicated revenue.

- **Animal Services** – Moderate revenue and expenditure growth. General Fund subsidy decreases \$14,600 (2%). Decrease 0.4 FTE for position shared with Support Services.

- **Veteran Services** – \$8,500 revenue decrease due to depletion of Senate Bill 1100 funds. General Fund subsidy increases \$17,800 (1%) to support personal services.

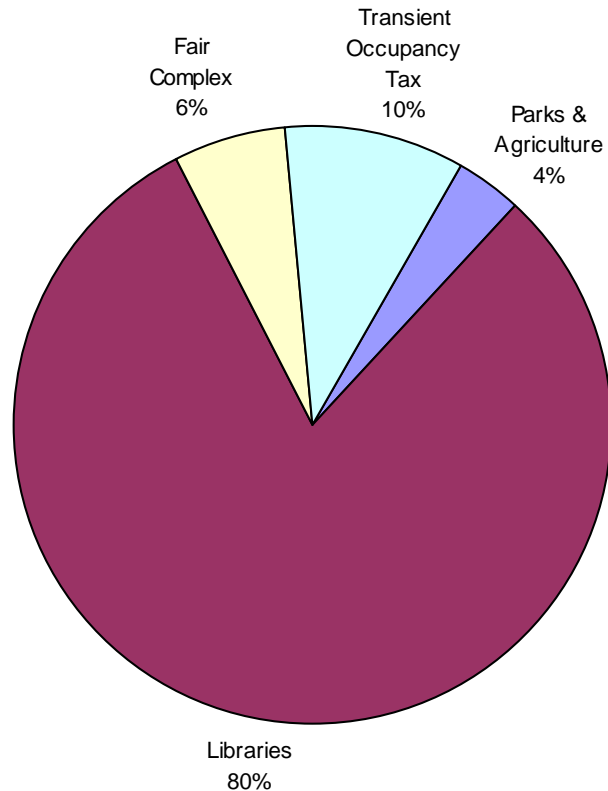
- **Aging Services** – Revenue and expenditure increase due to new state and federal funds. Contingency for future appropriations increases \$325,000 (70%). 1.65 FTE increase.

- **Children & Family Services** – Revenue decreases \$240,000 (6%) with state and federal funding cuts. Expenditures excluding contingency drop \$48,000. Contingency for future appropriations declines 86% to \$53,500.

- **Human Services** – Revenue growth due to State funding increase, mostly in Mental Health. Expenditure increases associated with new revenue, including 0.5 new FTE. This unit accounts for over 90% of the department’s expenditure increase.

|        | 2009-10       | 2010-11    | <u>change from prior year</u> |    |
|--------|---------------|------------|-------------------------------|----|
|        |               |            | \$                            | %  |
| Budget | \$ 78,969,303 | 85,757,896 | 6,788,593                     | 9% |
| FTE's  | 241.43        | 246.03     | 4.60                          | 2% |

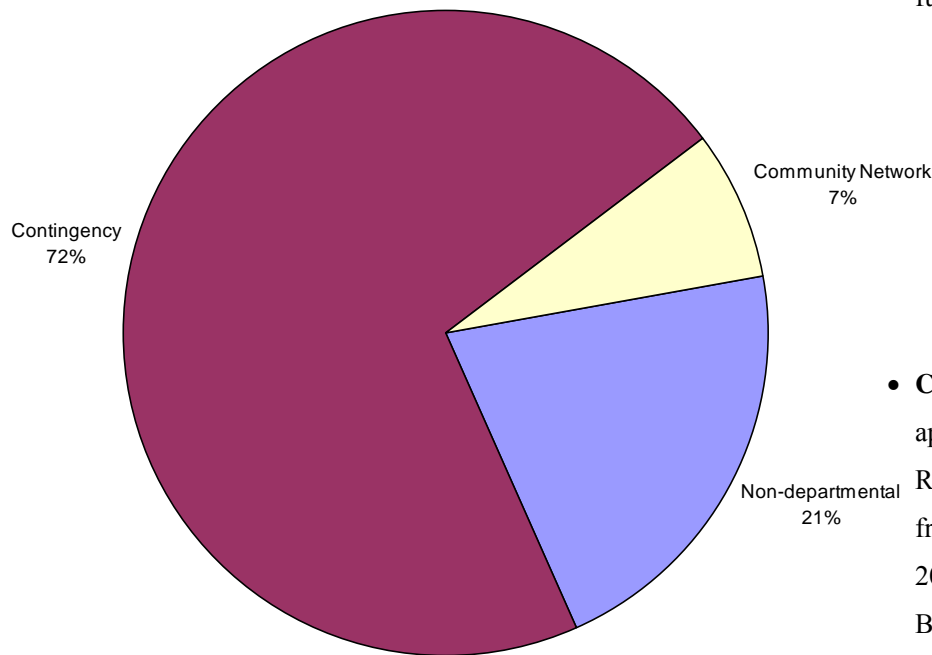
# Culture, Education & Recreation



- **Cooperative Library Services** – \$420,043 increase in the distribution of funds to libraries
  - Revenues are comprised of:
    - 4-year local option levy
    - Transfer from the General Fund
- **Fair Complex** - \$338,533 or 14% decrease in the proposed budget
  - Fair and Fairgrounds agreement
  - Lower than anticipated lodging tax revenues due to economic downturn
  - Decrease in personal services due to the elimination of the Executive Director position
  - \$140,000 reduction in capital outlay
  - Status quo funding for fair event with a slight enhancement for entertainment

|        |                |                | <u>change from prior year</u> |          |
|--------|----------------|----------------|-------------------------------|----------|
|        | <b>2009-10</b> | <b>2010-11</b> | <b>\$</b>                     | <b>%</b> |
| Budget | \$ 34,811,448  | 34,996,780     | 185,332                       | 1%       |
| FTE's  | 45.25          | 44.25          | (1.00)                        | -2%      |

# Non-departmental

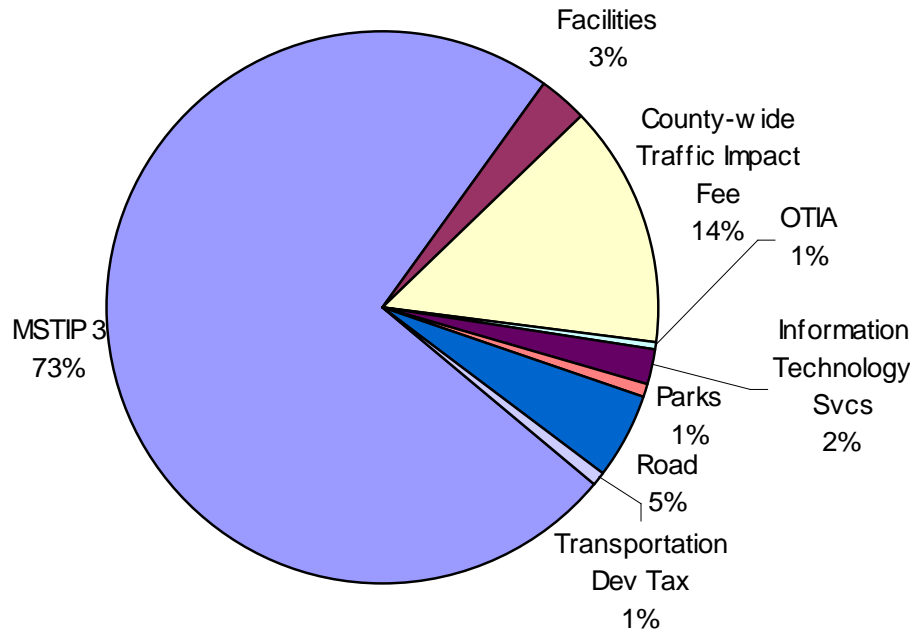


- **Non-departmental** – Cost of living adjustment to the Historical Society per agreement; status quo funding to RACC
  - **Community Network** – status quo funding for nonprofit partners. Funding also provided for shelter providers for building-component replacement funds. 2009-10 was the final year of a challenge grant to Community Action
- **Contingency** budgeted at \$4,971,065, a decrease of approximately \$2.8 million; combined with the Revenue Stabilization Fund and projected 5% return from the proposed budget, the reserve on June 30, 2011 will be above 15% and complies with the Board adopted policy regarding fund balance

|        | 2009-10      | 2010-11   | <u>change from prior year</u> |      |
|--------|--------------|-----------|-------------------------------|------|
|        |              |           | \$                            | %    |
| Budget | \$ 9,819,772 | 6,950,789 | (2,868,983)                   | -29% |



# Capital Outlay

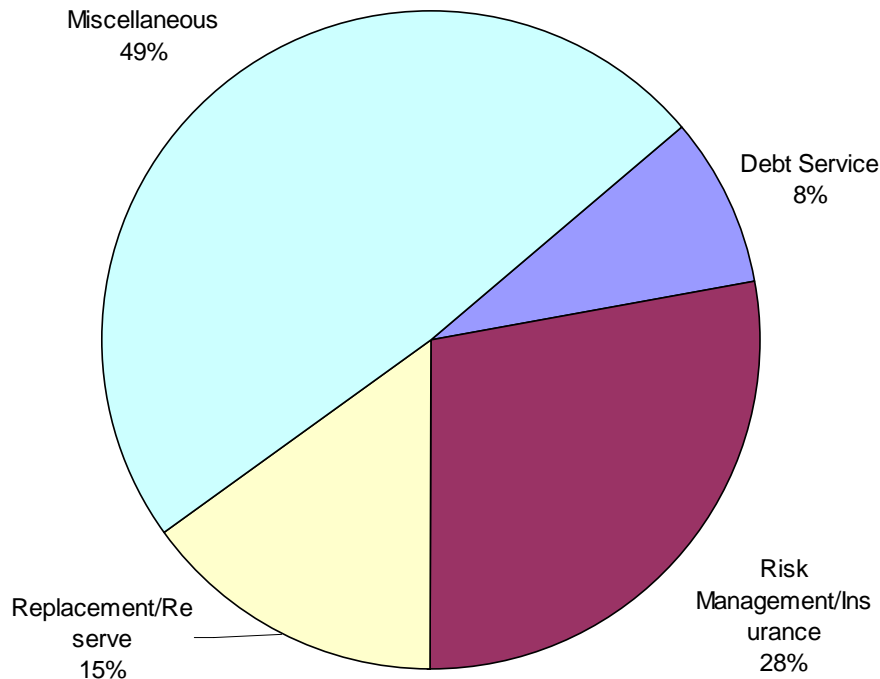


- Facilities Capital Projects** budget includes \$200,000 in General Fund, \$1,642,794 in Special Funds, and \$1,916,900 in Federal Stimulus projects that include the following highlights:
  - Parking lot expansion at Service Center East
  - Projects to increase the energy efficiency of County buildings & properties (Federal Stimulus dollars)
- Information Technology Services Capital Acquisition** proposed budget includes \$959,419 in General Fund and \$1,645,622 in Special Funds and include the following highlights:
  - Replacement of Sheriff's Office mobile data computers (\$ 873,657)
  - Road Operations System (\$ 304,300)
  - Client Services/Help Desk (\$ 186,182)
  - Oracle Advance Benefits module (\$ 335,766)
- MSTIP 3** includes \$42.4 million for transportation projects
- Transportation Development Tax (TDT)**
  - Approved by voters in November 2008, replaces TIF
  - Collection began July 1, 2009
- OTIA Capital Projects** proposed expenditures total \$846,543 to fund three remaining bridge projects

|                         | 2009-10        | 2010-11     | change from prior year |    |
|-------------------------|----------------|-------------|------------------------|----|
|                         | \$             | \$          | \$                     | %  |
| Capital Outlay          | \$ 124,816,283 | 128,810,034 | 3,993,751              | 3% |
| Facilities & Technology | 6,727,297      | 7,157,911   | 430,614                | 6% |
| Transportation          | 118,088,986    | 121,652,123 | 3,563,137              | 3% |
|                         | \$ 124,816,283 | 128,810,034 | 3,993,751              | 3% |



# Non-operating



- **Medical Insurance**

- Rate increases for health insurance premiums are:
  - Providence Medical 10.4%
  - Kaiser Medical 7.2%
  - ODS Dental 4.5%
  - Willamette Dental -.3% decrease
- Recommendations from the Benefits Committee will be forwarded to the Board in 2010

- **PERS Stabilization Fund**— established in 2003-04

- Purpose was to accumulate resources to offset potential rate increases
- Non-discretionary

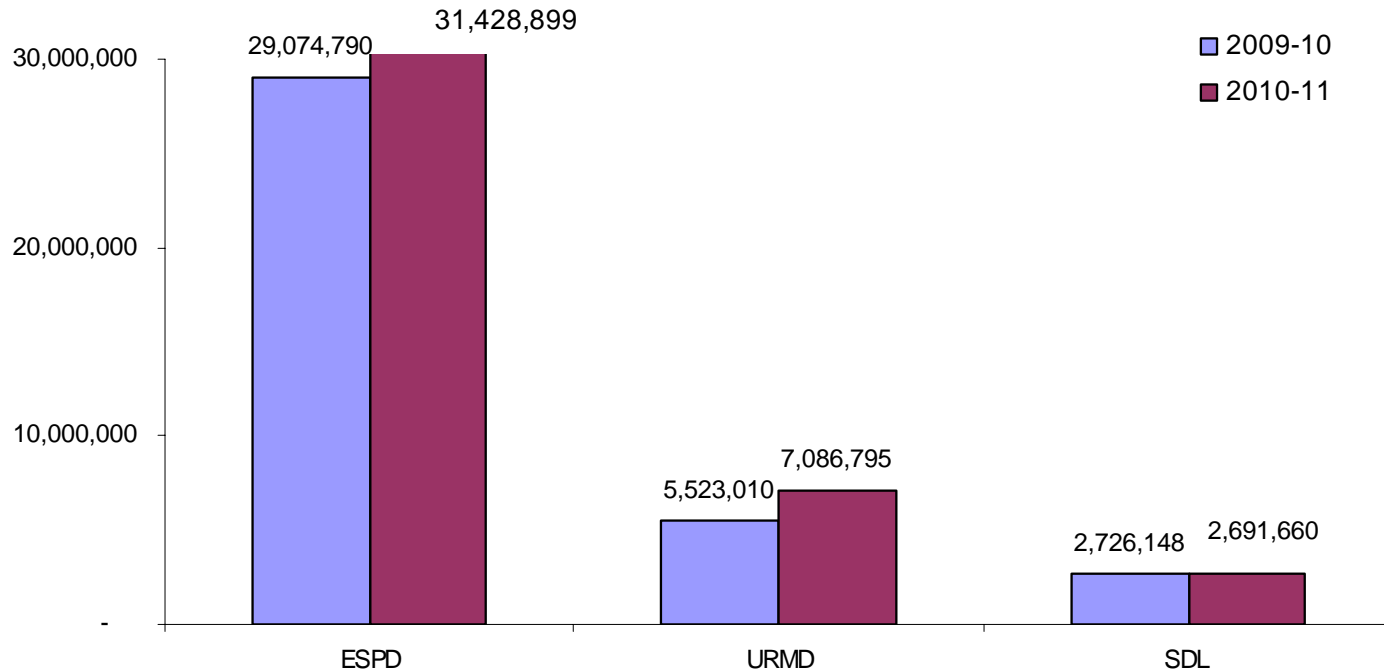
- **General Fund Transfers** decrease \$508,068

- **SIP** includes strategic investment program agreements entered into with Intel and Genentech

|        | 2009-10        | 2010-11     | change from prior year |    |
|--------|----------------|-------------|------------------------|----|
|        |                |             | \$                     | %  |
| Budget | \$ 160,161,507 | 162,244,432 | 2,082,925              | 1% |



# Service Districts



| Organization Unit             | 2009-10       | 2010-11    | change from 2009-10 |     | Permanent Rate |
|-------------------------------|---------------|------------|---------------------|-----|----------------|
|                               |               |            | \$                  | %   |                |
| Enhanced Sheriff's Patrol     | \$ 29,074,790 | 31,428,899 | 2,354,109           | 8%  | \$ 0.6365      |
| Urban Road Maintenance        | 5,523,010     | 7,086,795  | 1,563,785           | 28% | 0.2456         |
| Service District for Lighting | \$ 2,726,148  | 2,691,660  | (34,488)            | -1% | \$ -           |





# *May 20, 2010 Public Hearing*

- Order of budget presentation and review
  - Enhanced Sheriff's Patrol District
  - Urban Road Maintenance District
  - Service District for Lighting
  - Washington County
- Public Testimony
  - Three (3) minutes per person or 10 minutes per organization
  - Outside Organizations
    - Time certain 10:30 a.m.
- Approve property tax rates and general obligation bond amounts



Public Hearing

May 20, 2010

8:30 a.m.

Auditorium

Charles D. Cameron

Public Services Building

