

**Clackamas County Board of Commissioners Planning Meeting
Budget Planning Meeting**

Wednesday, January 29, 2014 ~ 9:00-11:30 a.m.

PSB Hearing Room

Staff: Don Krupp, Laurel Butman, Nancy Newton, Marc Gonzales, and Diane Padilla

1. Welcome
2. Legacy Issues discussion
3. Overview of upcoming Budget Committee meeting agendas
4. Administrator's budget process overview
 - Budget process/calendar review
 - Fiscal condition and major issues review
 - Administrator's approach for departmental Requested Budgets
 - Maintenance of service efforts budget requests
 - Policy level proposals allowed
5. Adjourn

Attachments:

1. Draft agenda for February 5 Budget Committee meeting
2. Draft agenda for April 9 Budget Committee meeting
3. Draft Budget Calendar
4. General Fund & All Departments 6-month budget to actual reports
5. Draft preliminary 5-year General Fund forecast

**Clackamas County Board of Commissioners Planning Meeting
Quarterly Budget Committee Meeting**

Wednesday, February 5, 2014 ~ 9:00-11:30 a.m.

PSB Hearing Room

Budget Committee:

Public members: Jeff Caton, Cheri Macfarlane, Frank Magdlen, Karina Mayner, and Kent Wyatt

Board members: Chair John Ludlow and Commissioners Jim Bernard, Paul Savas, Martha Schrader, and Tootie Smith

Staff: Don Krupp, Laurel Butman, Nancy Newton, Marc Gonzales, and Diane Padilla

1. Welcome and introductions 9:00-9:10 (All)
2. Legacy Issues discussion 9:10-9:45 (Committee)
3. Administrator's report: 9:45-10:30 (Don Krupp)
 - Current budget update –
 - Year-to-date expenditures vs. budget
 - 10 year history of General Fund support
 - Budgeting principles review
 - Budget process overview:
 - Calendar
 - Financial condition & issues highlights
 - Requested Budget approach (maintenance of service baseline, policy level proposals)
4. Fleet Services overview/discussion 10:30-10:55 (John Stockham)
5. Sheriff's Office overview/discussion 10:55-11:25 (Matt Ellington)
6. Adjourn 11:30 (All)

Next Budget Committee Meeting: April 9, 2014, 9:00-11:30



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Clackamas County Board of Commissioners Planning Meeting
Quarterly Budget Committee Meeting
Wednesday, April 9, 2014 ~ 9:00-11:30 a.m.
PSB Hearing Room

Budget Committee:

Public members: Jeff Caton, Cheri Macfarlane, Frank Magdlen, Karina Mayner, and Kent Wyatt

Board members: Chair John Ludlow and Commissioners Jim Bernard, Paul Savas, Martha Schrader, and Tootie Smith

Staff: Don Krupp, Laurel Butman, Nancy Newton, Marc Gonzales, and Diane Padilla

1. Welcome and introductions 9:00-9:10 (All)
2. Revenue Forecast discussion 9:10-10:00 (Assessor Bob Vroman)
3. Administrator's report: 10:00-10:30 (Don Krupp)
 - Current budget update – year-to-date expenditures vs. budget
 - Budget process update:
 - Current status
 - Upcoming activities of Budget Committee interest
4. Update on Policy Level Proposals 10:30-11:00 (Don Krupp)
5. <Open for items identified 2/5/14> 11:00-11:25 (TBD)
6. Adjourn 11:30 (All)

BUDGET CALENDAR – DRAFT ONLY, Not For Distribution
FY 2014-15

Date	Responsible	Action
Dec	BudOfc	Budget Office provides personnel services estimates to departments that allocate costs on current year basis (Technology Services & Facilities Management)
01/21	Depts	Budget requests from current year allocating departments due to Budget Office (Technology Services & Facilities Management)
01/22 - 02/10	BudOfc	Budget Office analyzes budget requests from current year allocating departments, reviews with Administration, calculates final cost allocations for all departments
01/29	BCC/Admin	Budget planning meeting
01/30	BCC	FY13-14 supplemental and other budget changes approved
02/05	BudCom/Adm	Budget Committee quarterly meeting
02/05-13	Admin	Distribute administrator's message and growth indicators
02/13	Depts	Workshop for budget preparers Brass software opens to users
02/26	Depts	FY13-14 Year end projections completed in Brass
End of Feb	Admin/BCC Depts	Comprehensive Fee Review Capital Improvement Requests due to Facilities
03/12	Depts	FY14-15 budget requests completed in Brass
03/19	Depts	Policy level proposals due to Budget Office
03/26	Depts	Detail sheets due to Budget Office
04/02	Depts	Departmental narratives (including updated goals & performance measures) due to Budget Office
04/02 – 04/14	BudOfc	Budget Office analyzes departmental budget requests
04/09	Depts	All remaining supporting documentation due to Budget Office (fund narratives, org charts, CIP sheets)
04/09	BudCom/Adm	Budget Committee Quarterly meeting
04/10	BudOfc/Admin	Review revenue estimates, gap analysis
04/14 – 04/24	Depts/Admin	Departmental meetings with administrator; finalize proposed budget
05/01	BudOfc	Notice of Budget Committee meeting due to newspaper
05/05	BudOfc	Budget materials distributed to committee members
05/08	BudOfc	Notice of Budget Committee meeting published in newspaper and on county website
05/19	BudCom	General County Budget Committee session begins 8:30 am
05/20	BudCom	General County Budget Committee session begins 8:30 am

Continued ...

BUDGET CALENDAR – DRAFT ONLY, Not For Distribution
FY 2014-15

Date	Responsible	Action
05/21	BudCom	General County Budget Committee session begins 8:30 am Public testimony begins at 5:30 pm and will continue to any subsequent General County sessions
05/22	BudCom	Agency Budget Committee sessions begin 8:30 am
05/27	BudCom	Budget Committee session as determined
05/28	BudCom	Budget Committee session as determined
05/29	BudCom	Budget Committee session as determined
06/05	BudOfc	Hearing notice with financial summary due to newspaper
06/12	BudOfc	Hearing notice with financial summary published in newspaper and on county website; Budget materials to BCC for hearing
06/19	BCC	Board of County Commissioners hearing and adoption of budget Note: separate but related action – adopt fee schedule
07/07	BudOfc	Budget documents filed with Assessor and Clerk

General Fund	THIS YEAR			LAST YEAR		
	FY 14 Budget	FY 14 After 6 Mo	Percent Remaining	FY 13 Budget	FY 13 After 6 Mo	Percent Remaining
Fund Bal at End of Prior Yr	21,443,059	22,377,892	-4	15,494,184	15,494,184	0
Prior Year Revenues						
Taxes	99,804,630	91,038,024	9	95,267,000	86,037,921	10
Licenses & Permits	1,751,027	461,306	74	1,610,000	454,385	72
Federal Revenues	112,487	37,167	67	1,155,341	5,716	100
State Revenues	4,682,668	2,286,196	51	3,859,000	2,358,272	39
Local Government & Other Agencies	3,000	2,489	17	1,000	1,573	-57
Charges for Services	15,522,692	6,713,798	57	14,985,961	7,618,867	49
Fines & Penalties	0	4,991		380,000	59,167	84
Miscellaneous Revenue	18,335,480	8,506,988	54	17,200,501	5,772,700	66
Miscellaneous Sales	3,500	99,907	-2754	2,000	3,585	-79
Other Financing Sources	400,100	384	100	20,080,000	1,448	100
Interfund Transfers	2,497,462		100	3,163,359		100
Revenue Summary	164,556,105	131,529,142	20	173,198,346	117,807,818	32
Personnel Services	38,223,886	15,396,380	60	36,279,032	14,902,072	59
Materials & Services	7,195,276	2,627,084	63	27,220,610	2,952,983	89
Debt Service	244,303	244,303	0	244,303		100
Interfund Transfer	90,631,405	45,443,203	50	84,650,502	41,847,198	51
Cost Allocation Charges	6,992,233	3,496,164	50	6,327,791	3,163,914	50
Capital Outlay	315,000	120,976	62	5,000	2,504	50
Reserve for Future Expenditures	13,678,485		100	12,305,881		100
Contingency	7,275,517		100	6,165,227		100
Expenditure Summary	164,556,105	67,328,110	59	173,198,346	62,868,671	64

All Departments	THIS YEAR			LAST YEAR		
	FY 14 Budget	FY 14 After 6 Mo	Percent Remaining	FY 13 Budget	FY 13 After 6 Mo	Percent Remaining
Fund Bal at End of Prior Yr	90,980,724	94,960,142	-4	98,950,627	93,689,901	5
Prior Year Revenues	1,972,340	4,143,576	-110	797,970	14,034,147	-1,659
Taxes	108,972,624	99,505,734	9	104,526,125	93,976,548	10
Licenses & Permits	11,152,176	6,019,452	46	9,669,790	5,435,059	44
Grant Revenues	203,054	80,618	60	324,673	75,216	77
Federal Revenues	22,140,204	5,598,638	75	31,875,215	7,583,758	76
State Revenues	86,792,892	36,633,242	58	84,737,369	33,758,163	60
Local Government & Other Agencies	17,588,991	6,804,269	61	18,200,948	6,801,007	63
Matching Funds	991,157	112,056	89	1,406,716	146,591	90
Charges for Services	99,684,157	41,389,338	58	94,179,857	40,614,061	57
Fines & Penalties	5,236,892	2,230,034	57	5,440,350	2,358,045	57
Miscellaneous Revenue	40,718,695	15,951,946	61	39,096,817	12,858,417	67
Miscellaneous Sales	37,600	119,998	-219	37,500	20,381	46
Other Financing Sources	7,416,701	658,413	91	25,549,701	2,469,596	90
Interfund Transfers	108,493,772	52,841,844	51	101,466,136	45,944,380	55
Revenue Summary	602,381,979	367,049,300	39	616,259,794	359,765,270	42
Personnel Services	220,046,361	90,938,413	59	210,030,484	86,590,114	59
Materials & Services	131,699,129	52,047,762	60	167,018,785	57,048,674	66
Debt Service	15,866,556	6,061,519	62	10,858,284	923,129	91
Interfund Transfer	108,493,772	52,637,525	51	101,466,136	46,103,269	55
Indirect Costs	5,798,343	2,233,988	61	6,127,166	2,332,068	62
Cost Allocation Charges	24,802,192	12,401,664	50	22,554,465	11,226,018	50
Capital Outlay	26,699,709	10,337,235	61	32,334,448	9,657,287	70
Reserve for Future Expenditures	23,845,601		100	26,039,732		100
Contingency	45,130,316		100	39,830,294		100
Expenditure Summary	602,381,979	226,658,106	62	616,259,794	213,880,559	65

Clackamas County General Fund - Five Year Forecast at January 2014

General Assumptions:

The five-year forecast is based on currently available information and will need to be updated regularly if it is to remain relevant.

Service levels and staffing continue at current levels (354.48 FTE).

In the absence of a more specific basis, revenues and expenditures are adjusted per estimated change in Portland-Salem CPI-U as published by the Oregon Office of Economic Analysis. For 2015 - 2019 it ranges from 1.7% to 1.9%. This is a more moderate rate than was experienced prior to 2008.

Operating subsidy transfers continue at current levels adjusted for same growth rate as other costs.

Cost of living adjustment = 2% per year.

Assessed value growth = 3.5% for FY15; increasing steadily to 4.75% by FY 19. (Historical levels have been 5% - 6.5%).

Projection focuses on operating revenue vs. operating expenditure. Beginning fund balance, contingency and reserves not included.

**General Fund
Five Year Forecast - January 2014**

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Beginning Fund Bal	13,101,570	20,072,410	14,751,526	15,494,182	22,377,891	22,458,603	23,367,476	26,278,862	32,494,515	41,338,170
Prior Yr Rev	0	0	0	0	0	0	0	0	0	0
Property Tax	89,621,539	92,050,732	94,162,547	96,327,611	100,550,000	103,725,000	107,552,700	112,035,906	116,984,574	122,443,230
Franchise/Filing Fees	1,521,620	1,613,601	1,629,586	1,728,701	1,732,267	1,735,088	1,765,973	1,800,233	1,833,357	1,869,107
Federal (Timber, PILT)	4,295,229	4,245,344	1,296,834	1,308,911	513,291	221,048	224,983	229,347	233,567	238,122
State (Shared Revs, Grant, St Ct FY13)	5,310,766	5,161,069	4,389,832	4,936,335	4,807,000	5,029,876	5,227,563	5,350,615	5,446,516	5,545,703
Local (Contract)	28,600	29,116	2,919	3,852	5,000	5,079	5,169	5,270	5,367	5,471
Chg for Svc (Recording/Alloc Costs)	14,000,204	14,244,481	14,200,670	15,429,179	14,861,552	15,096,365	15,365,080	15,663,162	15,951,365	16,262,416
Fines & Penalties (St Court until FY13)	606,005	378,379	345,773	59,167	0	0	0	0	0	0
Misc Rev (Salary Reimb/Interest)	15,022,256	15,118,634	16,194,462	16,473,202	18,334,738	18,978,794	20,064,850	20,778,523	21,974,842	22,762,139
Loan Proceeds & Repayments *	2,497,005	16,079	111,795	20,079,302	0	0	0	0	0	0
Interfnd Trnsfr Rev	5,647,861	245,285	698,017	3,058,155	1,268,500	1,288,542	1,311,478	1,336,921	1,361,520	1,388,070
Operating Revenue	138,551,085	133,102,720	133,032,435	159,404,415	142,072,348	146,079,792	151,517,797	157,199,976	163,791,108	170,514,259
% Change		-3.9%	-0.1%	19.8%	-10.9%	2.8%	3.7%	3.8%	4.2%	4.1%
Pers Svc	33,682,444	31,934,588	32,847,939	34,683,711	36,873,694	38,208,915	40,478,158	41,952,436	44,453,150	46,081,991
Matl & Svc *	8,977,226	7,338,321	5,503,854	26,611,964	7,000,000	7,110,600	7,237,169	7,377,570	7,513,317	7,659,827
Debt Service	0	0	0	244,303	244,303	244,303	244,303	244,303	244,303	244,304
Operating Subsidy Trans to Depts	81,638,415	93,560,218	87,795,233	84,545,298	90,631,405	92,173,042	92,914,537	93,460,021	94,464,145	95,241,340
Cost Alloc	6,559,732	5,585,909	5,804,924	6,379,770	6,992,233	7,184,058	7,482,244	7,699,994	8,022,537	8,257,363
Cap Outlay	644,181	4,568	337,829	55,660	250,000	250,000	250,000	250,000	250,000	250,000
Operating Expense	131,501,998	138,423,604	132,289,779	152,520,706	141,991,635	145,170,919	148,606,411	150,984,323	154,947,452	157,734,826
% Change		5.3%	-4.4%	15.3%	-6.9%	2.2%	2.4%	1.6%	2.6%	1.8%
Ending Fund Bal	20,150,657	14,751,526	15,494,182	22,377,891	22,458,603	23,367,476	26,278,862	32,494,515	41,338,170	54,117,604
FTE	361.48	351.85	350.58	352.21	353.48	353.48	353.48	353.48	353.48	353.48
Filled at Year End	333.48	325.35	329.08	329.13	330.00	330.00	330.00	330.00	330.00	330.00
Vacant at Year End	28.00	26.50	21.50	23.08	23.48	23.48	23.48	23.48	23.48	23.48

* FY13 = \$20.1 million payment to Trimet for Portland-Milwaukie Light Rail

General Fund - Projected Operating Revenue vs. Operating Expense

	10	11	12	13	14	15	16	17	18	19
Oper Rev	138,551,085	133,102,720	133,032,435	159,404,415	142,072,448	146,079,792	151,517,797	157,199,976	163,791,108	170,514,259
Oper Exp	131,501,998	138,423,604	132,289,779	152,520,706	141,991,635	145,170,919	148,606,411	150,984,323	154,947,452	157,734,826

Revenue does not include carryforward. Expense does not include contingency or reserves.

