

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting as the Clackamas County Budget Committee
Policy Session Worksheet

Presentation Date: March 19, 2019 **Approx. Start Time:** 1:30 **Approx. Length:** 2.0 hours

Presentation Title: Quarterly General County Budget Committee Meeting

Department: Finance and County Administration

Presenters: Gary Schmidt, County Administrator, Laurel Butman, Deputy County Administrator, Christa Wolfe, Finance Director, Haley Fish, Temporary Interim Deputy Finance Director, Allocation Department Representatives

Other Invitees: Community members of the Budget Committee, Jennifer Chambers, Budget Manager, Jian Zhang and Roxann Fisher, Budget Coordinators

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational meeting regarding the budget monitoring for FY 2018-19 and issues affecting the FY 2018-19 and future years.

EXECUTIVE SUMMARY (why and why now):

This meeting will follow the agenda included in the packet.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO **N/A informational meeting**

What is the cost? \$

What is the funding source?

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**

Policy session packets and staff reports submitted by the deadline.
100 percent of budgets with expenditures not exceeding appropriations.
Budget to actual reports provide to the County administrator.

- **How does this item align with the County's Performance Clackamas goals?**

Further the countywide goal of Building Public Trust through Good Government.
By 2018, 100 percent of County Budget will be attached to measurable customer results.
By 2020, Clackamas County will achieve the Strategic Results in the Strategic Plan.

LEGAL/POLICY REQUIREMENTS:

Budget committee established under ORS 294.414 and additional meetings held from time to time at its discretion (quarterly) in accordance with ORS 294.428 (2).

PUBLIC/GOVERNMENTAL PARTICIPATION:

Quarterly Budget Committee meetings promotes public engagement and enhances financial transparency and oversight.

OPTIONS:

NA – Informational meeting.

RECOMMENDATION:

NA – Informational meeting.

ATTACHMENTS:

- Attachment A: Meeting Agenda
- Attachment B: Allocation Workshop PowerPoint PDF
- Attachment C: 5-Year General Fund Forecast at March 2019
- Attachment D: 10-Year General Fund Forecast at May 2018

SUBMITTED BY:

Division Director/Head Approval _____ HF _____
Department Director/Head Approval _____ CW _____
County Administrator Approval _____ LB _____

For information on this issue or copies of attachments, please contact Haley Fish @ 503-742-5425
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ATTACHMENT A

Quarterly Budget Committee Meeting Tuesday, March 19, 2019 ~ 1:30 – 3:30 p.m. PSB Hearing Room

Budget Committee:

Public members: Jeff Caton, Wilda Parks, Tom Feely, Jan Lee and Shaun Coldwell

Board members: Chair Jim Bernard and Commissioners Paul Savas, Martha Schrader, Ken Humberston and Sonya Fischer

Staff: Gary Schmidt, Laurel Butman, Christa Wolfe, Haley Fish and Jennifer Chambers

1. Welcome and Introductions 1:30 – 1:40 (All)
2. Administrator's Report 1:40-1:50 (Gary Schmidt)
3. Allocation Workshop:
 - General overview 10 min
 - Introduction
 - About cost allocation
 - Service Level Agreements
 - Current issues
 - Department information:
 - County Administration 5 min
 - Public & Government Affairs 5 min
 - Human Resources 5 min
 - Benefits Administration 5 min
 - Risk Management 5 min
 - Records Management 5 min
 - Finance 5 min
 - Procurement/Mail/Courier 5 min
 - Facilities 5 min
 - Fleet Services 5 min
 - Technology Services 5 min
 - Questions & Discussion if time allows
4. Updated General Fund Forecast 2:55-3:25 (Christa Wolfe & Haley Fish)
5. Feedback from management on proposed policy on budgeting for grants 3:25-3:30 (Christa Wolfe & Haley Fish)
6. Adjourn 3:30 (All)

Clackamas County Allocations Workshop

FY 2019-20

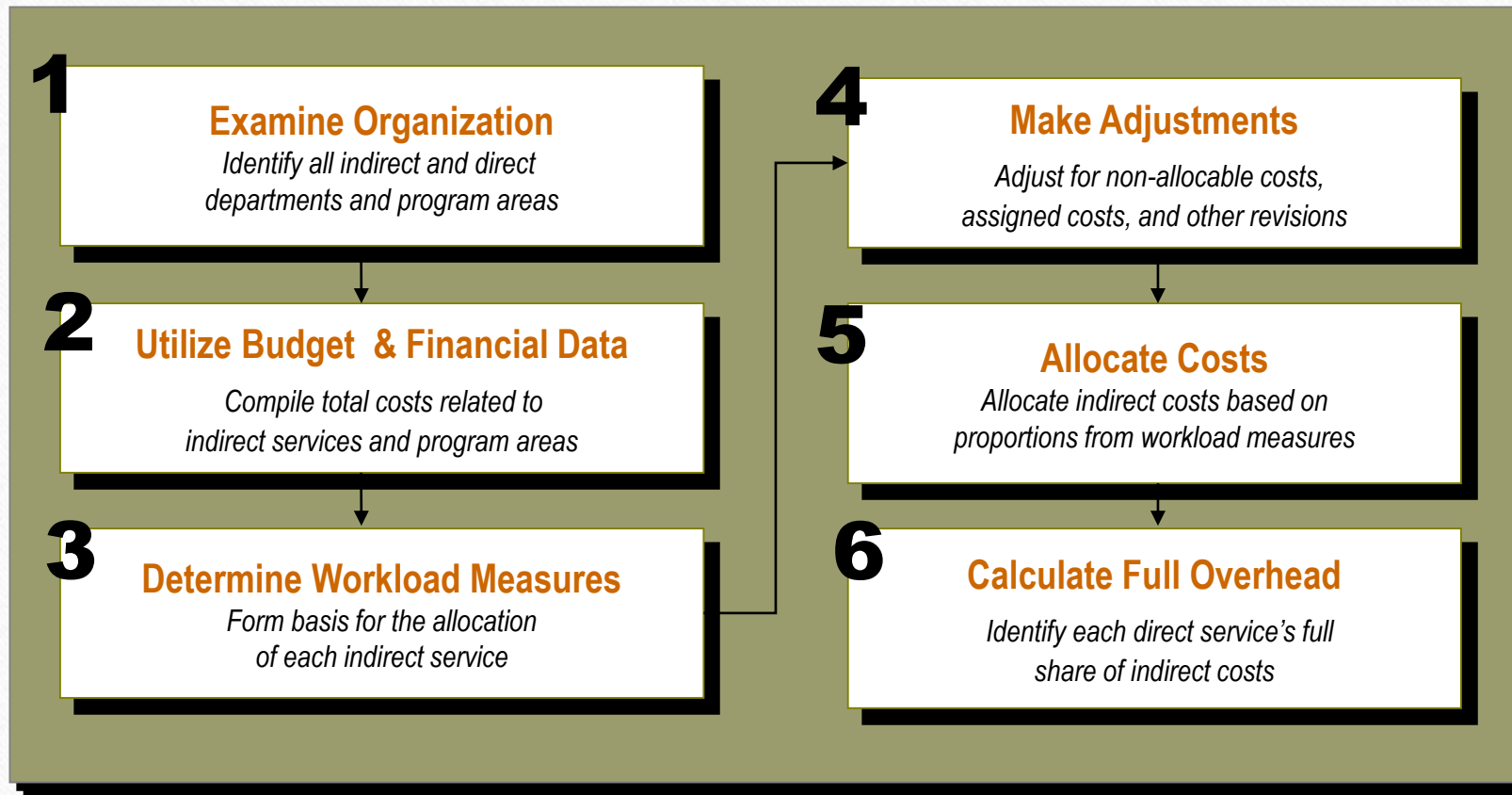
Today's Agenda

- General overview 10 min
 - Introduction
 - About cost allocation
 - Service Level Agreements
 - Current issues
- Department information:
 - County Administration 5 min
 - Public & Government Affairs 5 min
 - Human Resources 5 min
 - Benefits Administration 5 min
 - Risk Management 5 min
 - Records Management 5 min
 - Finance 5 min
 - Procurement/Mail/Courier 5 min
 - Facilities 5 min
 - Fleet Services 5 min
 - Technology Services 10 min
- Questions & Discussion if time allows

Reasons for Cost Allocation

- Identify actual cost of services
- Reimburse service providers for costs incurred to deliver internal services
- Recover administration costs through federal reimbursement, compliant with guidelines governing grant funds use
- Services provided to support direct delivery of Clackamas County's core public service functions
- Compensate service providers while providing documentation to funds and functions with a dedicated revenue source

Cost Allocation Methodology



Source: FCS Group

Cost Allocation Principles

- Strive for a reasonable and equitable means to allocate costs
- Develop cost effective and efficient allocation models
- Relate costs to running the “business of government”
- Choose cost allocation measures that are real and current
- Allocation measures should reasonably link to the level of service and/or benefit received
- *Note: Because grant reimbursements for administration costs cannot use budgeted costs, there is usually a two-year lag so audited actual expenditures can be used instead.*

Allocation Factors

You can find these online @

<http://web1.clackamas.us/budgetsupport>

FY 2019-20 Allocations

3-Yr County Cost Allocations

Allocated Programs	FY17-18 Allocation	FY18-19 Allocation	FY19-20 Allocation	FY19-20 Chg \$	FY 19-20 Chg %
County Administration	2,037,975	2,024,782	2,060,605	35,823	1.77%
HR Services	2,665,176	2,911,350	3,477,105	565,755	19.43%
Risk Management	5,290,938	4,549,785	4,785,648	235,863	5.18%
PGA	1,233,219	517,903	1,243,267	725,364	140.06%
Records Management	356,551	445,116	385,881	(59,235)	-13.31%
Finance	2,855,269	2,921,060	3,175,416	254,356	8.71%
Procurement/Courier/Mail	1,052,832	1,054,398	1,173,116	118,718	11.26%
Facilities	8,946,957	9,179,314	11,520,780	2,341,466	25.51%
Technology Services	9,976,803	11,017,897	11,538,122	520,225	5.17%
Grand Total	\$34,415,720	\$34,621,605	\$39,359,940	\$4,738,335	
% of Budget	3.46%	3.43%	TBD		

Service Level Agreements (SLAs)

- Most internal service departments have developed or are developing SLAs
- SLAs outline services, service levels, performance and customer service expectations
- They also have a section for any department-specific service agreements
- When signed, they represent a memorialized agreement for services given and received
- A good way to know the value of what you are getting for your dollars


On the Horizon

- Challenges going forward
 - PERS increases
 - Equal Pay Act impacts
 - Need for a new ERP (financial & human resources) system
 - Impact of increased staffing or other expenses 1-2 years ago


Cost Allocation

Internal Service Department
Information Sharing

County Administration

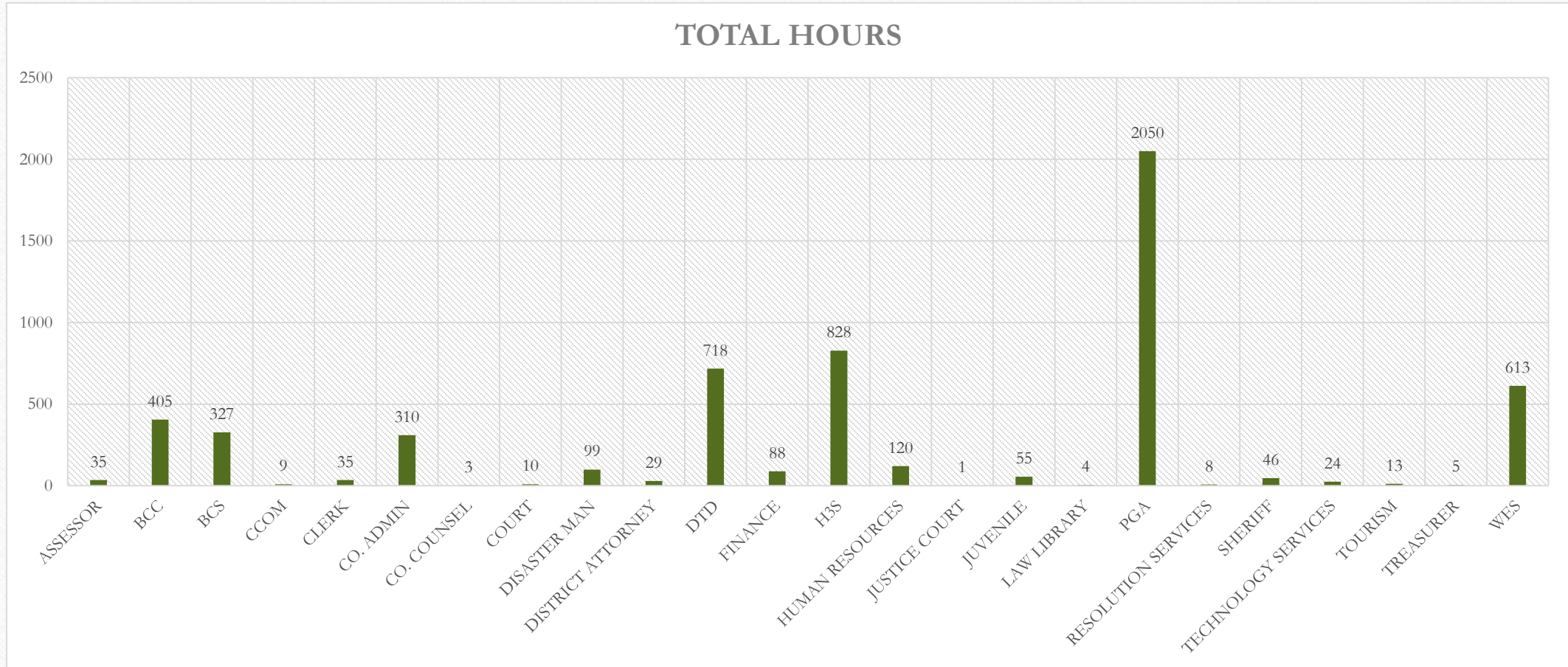
- **Services Provided:** budget consultations; financial, intergovernmental and personnel approvals; sponsorships; Board meeting materials support; diversity events; Title VI, Title II complaint reviews; Performance Clackamas support and performance reporting
- **How Costs are Allocated:** 50% of cost is allocated directly to the Board of Commissioners; remainder by number of budgeted regular FTE
- **Anticipated Increase/Decrease FY 2019-20:** 1.77% Increase 
- **NOTE:** County Administration added a position this fiscal year; this will result in an increase in future years.

Public & Government Affairs

- **Services Provided:** PGA provides public engagement, intergovernmental and legislative relations, and consultation and communication services to the public, the Board of County Commissioners and all departments so they can build connections and trust between people and their government.
- **How Costs are Allocated:** PGA only allocates the cost of the Communications and Engagement Program. Costs are allocated based on each department's number of budgeted FTE.
- **Anticipated Increase/Decrease FY 2019-20:** 140.06% Increase 
- **Drivers Impacting Cost Changes:**
 - Reset to normal after one-time adjustment for franchise fee revenue recognized in prior year, rates should better correlate to FY 2017-18.

PGA SUPPORT TO DEPARTMENTS
July 2018 – January 2019

TOTAL HOURS



Human Resources

- **Services Provided:**

- **Class & Comp:** Initiated Pay Equity Study; conducted 257 position allocation reviews; developed 21 new classifications; and revised 120 classifications
 - **Measures:** Number of position allocations, recommendations and determinations provided; Number of market studies conducted
- **Employee & Labor Relations:** Bargained 2 successor contracts; 6 contracts remain; managed 18 grievances + 49 discipline/corrective action cases
 - **Measures:** Number of grievances resolved; Number of discipline consultations provided
- **Recruitment:** Developed 3 new business processes; completed 246 recruitments, resulting in 354 hires
 - **Measures:** Number of job postings per year; Number of hires per year
- **Workforce Data Management:** ERP strategic planning; Business Process Review; entered 8900 transactions, with 80.62% accuracy rate
 - **Measures:** Number of data transactions provided; 95% of departments submitting PA's not needed material corrections

Human Resources

- **Workforce Planning and Development:** Clarify, Converse, Capture; DashTrain launch; 6th Leadership Academy; Reached 1597 students (140 classes!)
 - **Measures:** Number of Leadership Academy engagements provided; Number of employees receiving learning and development services
- **Internal Complaints:** Completed Internal Audit Review; handled 18 complaint cases
- **How Costs are Allocated:** Number of budgeted regular FTE (this does not include 398 temporary employees)
- **Increase/Decrease FY 2019-20: 19.43% Increase** ↑
- **Drivers Impacting Cost Changes:** Current level of personnel, benefit, and operating expenses in response to customer service demands.

Benefits Administration – Service Fee

- **Services Provided:** Comprehensive benefits, wellness, and disability management planning, education, and consultation
- **How Costs are Recovered:** Monthly per capita benefit administration fee based on filled regular and temp employees to cover program administration
- **Increase/Decrease FY 2019-20: Maintain** fee of \$141 PEPM for regular status and \$16 PEPM for Temporary workers
- **Drivers Impacting Cost Changes:** Historically insufficient benefit administration fee that does not meet program administration costs

Risk Management

- **Services Provided:** Loss prevention services; workers' compensation, liability and unemployment claims management; self-insurance and insurance coverage; driving program; drug testing program; contract insurance reviews; and ergonomic assessments
- **How Rates are Calculated:** Formula based on payroll, industry risk level index, and actual claims history, which determines each department's percentage of total amount to be allocated

Risk Management

- **Slight increase from FY 2018-19 (each line up 5%):**
 - Total Countywide FY 2019-20 allocation: \$4,935,000
- **Drivers Impacting Cost Changes:**
 - Worsening actuarial estimates (a couple large claims reserved in FY 2018-19) increased our actuary liability YOY estimate by \$1.6 million.
 - Increasing costs of salaries, benefits and workers' comp medical treatment.
 - Risk fund still actuarially sound, allowing this COL type increase.

Records Management

Services Provided:

- Document conversion regardless of medium of County permanent records to archival film
- Maintain electronic records inventory (RCWeb) stored offsite in Records Center and at Oregon State Archives
- Deliver Department record requests in a timely manner: same or next business day (1-hour rush delivery available in emergency)
- Update and maintain County retention schedule
- Provide electronic records database training for County departments
- Confidential records destruction per retention schedule
- Insure all department records stored are in good condition (free of rips, splits), barcoded, and assigned a unique identification number for accurate retrieval and refileing

Records Management

- **Anticipated Increase/Decrease FY 2019-20:** 13.31% decrease ↓
- **Drivers Impacting Cost Changes:**
 - Cubic feet of records stored at Records Center
 - Document conversion requests
 - Administrative support
 - Revenue from passport photo and application fees
- **How Costs are Allocated:** Combination of staff time and records stored

Finance Division

SERVICES PROVIDED

- **Budget Support** provides budget development, consultation and review services so county leaders and employees can manage public funds effectively, tie resources to expected performance and achieve results that matter to taxpayers.
- **Payroll Services** processes bi-weekly paychecks for over 2,000 County employees as well as the Housing Authority, Community Solutions clients, Election Poll workers and Worker's Compensation checks and provides PERS reporting.

Finance Division

SERVICES PROVIDED, CONT.

- **Accounting and Reporting** Accounts Payable, Accounts Receivable, annual audit, accounting advice and account reconciliation
- **Grants Management** Financial reports and draws as required by the awarding agency, fiscal review meetings with department mgmt., training on grant requirements and guidance per our Grants Manual, assisting departments with subrecipient agreement development and monitoring of those agreements, coordination of the County annual Single Audit

Finance Division

HOW COSTS ARE ALLOCATED

- **Budget Support:** Number of budgeted accounting lines
- **Payroll:** Number of paychecks issued
- **Accounting & Reporting:** Number of voucher & journal entry lines processed for customer department
- **Grants Management:** Number of federal awards with expenditures reported on the Schedule of Federal Awards (SEFA)

Finance Division

ANTICIPATED INCREASES/DECREASES FY 2019-20

- **Division Wide:** 8.71% Increase ↑
- **Budget Support:** \$20,582 Increase ↑
- **Payroll:** \$30,659 Increase ↑
- **Accounting & Reporting:** \$186,017 Increase ↑
- **Grants Management:** \$17,096 Increase ↑

Finance Division

DRIVERS OF COST CHANGES

- **Budget Support:** Normal operating cost increases. FY 2018-19 we have significant salary savings due to vacancies, which will result in a temporary decrease for FY 2020-21 allocation rates.
- **Payroll:** Normal operating cost increases.
- **Accounting & Reporting:** Fully staffed in FY 2017-18, resulting in cost increase for the allocation.
- **Grants Management:** Normal operating cost increases.

Procurement Division


(including Mail & Courier Service)

- **Services Provided:** Procurement, contract, mail & courier services
- **How Costs are Allocated:** # of contracts, # of Purchase Orders, pieces of mail, and courier stops
- **Anticipated Increase/Decrease FY 2019-20:** 11.26% Increase ↑
- **Drivers Impacting Cost Changes:** Normal operating cost increases. Fully staffed in FY 2017-18, resulting in cost increase for the allocation.

Facilities Division

- **Services Provided:** Maintenance; safety and energy management services; collaborative facilities planning, construction and renovation.
- **How Costs are Allocated:** By square footage, direct costs, and work orders requested. Project cost recovery is not part of the allocation process but is billed directly to the appropriate department or to the Capital Projects Reserve Fund.
- **What is Changing in Facilities Management:**
 - Beginning with FY 2017-2018 Facilities Management has been focused on completing more preventive maintenance tasks. This is will be expanding in the years ahead.
 - Improving our Service Level Agreement (SLA) referencing what Facilities Management does, items you can do yourself, and provide better definitions. Goal to have it completed by the end of February.
 - Increasing the small list of tasks that departments will be billed for during the fiscal year. This will continue to change and grow. Goal to have it completed by the end of February.
 - Improving the communication to you, our customers.

Facilities Division

- **Ways to Manage Your Costs:**
 - Reduce the number of people who can enter requests.
 - Approval of workorders must correspond to budget authority.
 - Be as descriptive as possible and provide details to help the technician perform the work.
 - Please do not ask the technician to perform extra work while they are in your area. Just submit a new request.
- **Coming Soon:** A new asset management software. The goal is to have a user-friendly program, improve communication abilities, and increase the operating performance.
- **Anticipated Increase/Decrease FY 2019-20:** 23.12% Overall Increase  - Allocations increased by 30.2% - Utilities decreased by 0.19%
- **Drivers Impacting Cost Changes for FY 2019-20:** Additional staff, increase in material costs, higher completion of preventive maintenance.

Fleet Services (DTD) – *Fee for service*

- **Services Provided:** Vehicle Specification, Vehicle Acquisition & Disposal, Vehicle Licensing & Titling, Fuel Cards, Maintenance & Repairs, DEQ Tracking & Administration, Motorpool
- **How Costs are Charged:** Fuel Markup, Shop Rates, Parts Markup, Misc Shop supply charge, Auction Admin Fee, and Motorpool
- **New Rates for FY 2019/20:** Fuel is cost plus 10%, Shop Rate \$115 per hour, Parts are cost plus 20%, Misc Shop Supply Charge of \$5 per work order, Auction Admin fees are TBD, and Motorpool is variable depending on your rental.
- **Drivers Impacting Cost Changes:** normal operating cost increases, bringing rates to current market as many rates had not been adjusted for several years, charging cost of management oversight to the operation.

Fleet Services (DTD) – *Fee for service*

Shop Rate Market Research	
	Labor Rate per hour
Lithia Subaru	\$ 120
Fidlay Dodge	\$ 135
Tonkin Dodge	\$ 159
North Side Ford	\$ 135
Toyota of Gladstone	\$ 135
Average Rate	\$ 137
County Car Shop Rate FY19/20	\$ 115
<i>Average Savings</i>	<i>\$ 22</i>

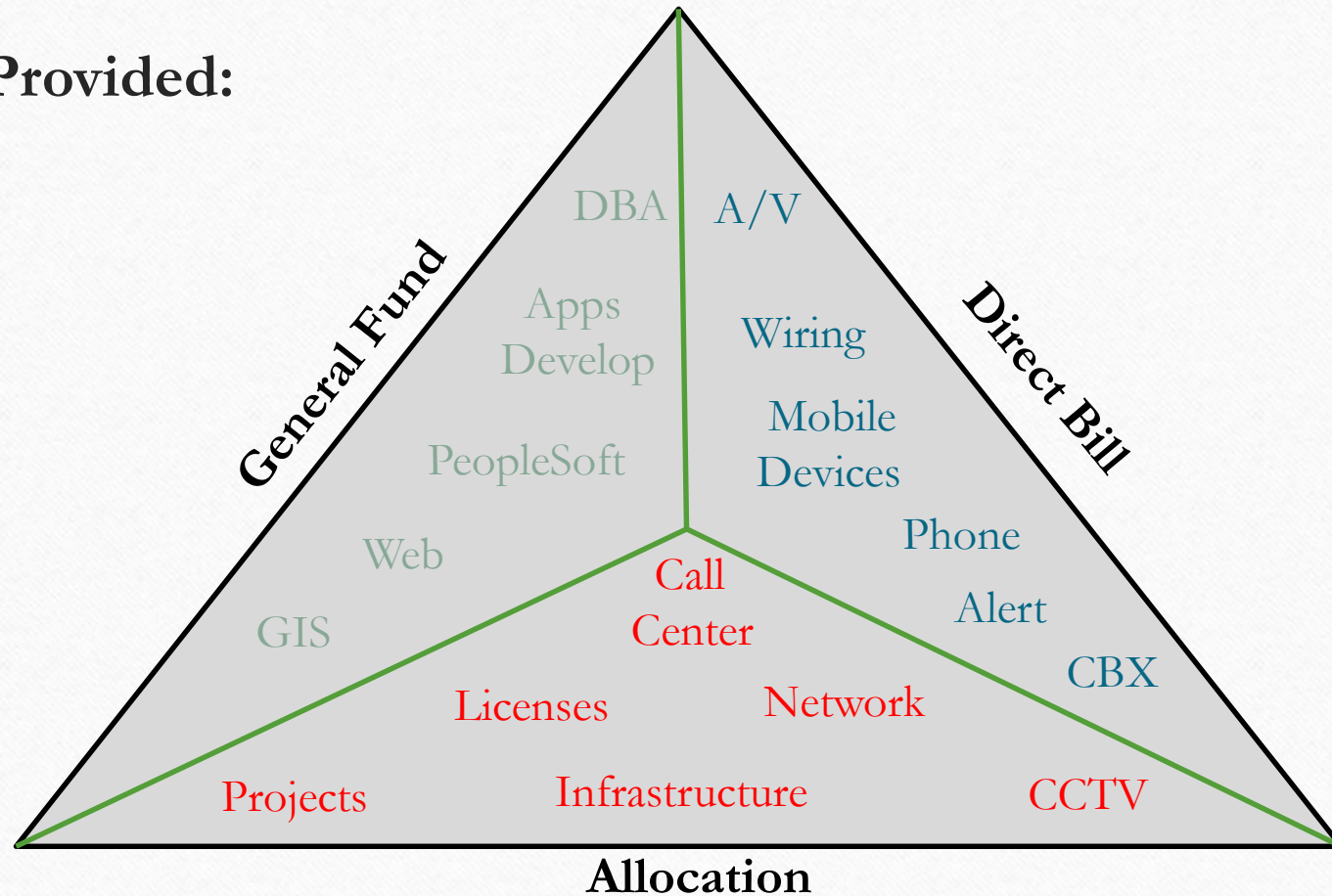
Fleet Services (DTD) – *Fee for service*

Daily Rental Car Rates							
Class	Enterprise	Hertz	Alamo	State of Oregon	Clackamas County (FY18/19)	Clackamas County (FY19/20)	
Sedan	\$ 36.68	\$ 96.82	\$ 72.31	\$ 45.00	\$ 30.00	\$ 45.00	
SUV	\$ 58.71	\$ 158.73	\$ 84.19	\$ 65.00	\$ 50.00	\$ 65.00	
Pickup	\$ 53.00	\$ 94.28	\$ 59.96	\$ 65.00	\$ 45.00	\$ 65.00	
7 Passenger Van	\$ 130.89	\$ 158.73	\$ 107.08	\$ 65.00	\$ 45.00	\$ 65.00	
15 Passenger/Lift Van	\$ 125.51	N/A	\$ 96.40	\$ 75.00	\$ 80.00	\$ 80.00	

Hourly rate available, if your rental is less than 5 hours. Rentals available for check out at the DSB Lobby and the Abernethy Complex.

Technology Services

- **Services Provided:**



Technology Services

- **How Rates are Calculated:**

- Allocation is based on utilization and costs
- Multiple Tiers of utilization which are based on type of technology
- Multiple levels of service are used per Tier to tune rates to usage
- Tier \$ Rates = \$ Costs / Tier Counts
- PC \$ Rates = \$ Infrastructure Costs / PC Count
- Counts are taken quarterly for the calendar year prior to budget year
- Counts are posted online for departments to review and monitor
- Final count is average of 4 quarters to be as accurate as possible
- Staff rates are based on fully loaded costs
- Cost reduction requires significant reduction in overall counts

Technology Services

- **Increase/Decrease FY 2019-20:** Goal is to maintain $\leq 5.00\%$ increase (Not including CBX or Telecomm)
 - Total TS Budget Increase = \$749,428 / 10% ↑
 - Allocated Budget = \$ 696,103 / 5.17% ↑ General Fund = \$-126,318 / -2.71% ↓
 - Slave Printers (EP2) rates dropped by 50% ↓

For FY 2019-20

TIER	LEVELS	RATE	CHANGE
• PC	Primary/Auxiliary/Kiosks	2,185.92	+ 1.79 %
• Peripheral	Network/Slave/All-in-One	637.68	+ 4.39 %
• Account	Primary/Service	444.34	+ 3.95 %
• Mobile	Email/Mobile Email/Full	467.32	+ 3.98 %
• CCTV	Full/License Only	465.12	+ 4.37 %

Technology Services

- **Drivers Impacting Cost Changes:**
 - ✓ Increased Utilization (most counts are up)
 - ✓ New Services and Maintenance Contracts
 - ✓ Maintenance Contracts Increases
 - ✓ Staff and Benefits Costs Increase
 - ✓ Licensing Costs
 - ✓ Capital Equipment Replacement Cycle
 - ✓ Increasing Security Requirements

For more information:
web1.clackamas.us/ts/allocations.html

QUESTIONS?



ATTACHMENT C

Clackamas County 5-Year General Fund Forecast

How was the Forecast Developed?

This forecast is an estimation of the revenues and expenses the general fund will require to continue operations for the next 5 years. The forecast is based on current economic factors that are available through a variety of sources. It was prepared by first analyzing trend data and then making assumptions to project revenues and expenses into the future. Actual data was entered through fiscal year 2017-18, fiscal year (FY) 2018-19 and 2019-20 data was taken from departmental current year budget projections and requests as available through approximately the end of February. As the budget is still under development and has not gone through review by County Finance or Administration it is subject to change between now and when the proposed budget is presented to the Budget Committee at the end of May beginning of June. The FY 2019-20 data was then projected using assumptions.

Significant assumptions included:

To provide year to year consistency in reporting ongoing operations, General Obligation bond proceeds and payments to local governments for emergency radio systems have been removed.

Consistent with County Administrator instruction to prepare maintenance level budget requests service levels and staffing remain at current levels. That said, due to significant preliminary deficits in the forecast, the general fund support to departments was reduced 5%. This reduction was reduced to 2% if the reduction resulted in a level of support below the current year subsidy applied on a fund or function basis. We have asked departments to help find solutions with this level of support as a preliminary benchmark as it will be a group effort of give and take to balance the current budget.

A significant contributor to this imbalance is the estimated increase in personnel service costs. A 3.6% COLA was estimated for the current fiscal year for all bargaining units that hadn't reached agreement as of December 31, 2018. Additionally, a 3.6% COLA was estimated for the 2019-20 fiscal year for non-represented employees and again for all bargaining units that hadn't reached agreement as of December 31, 2018. The County PERS rate is also increasing 16% for the next biennium. Overall increases in general fund personnel costs are estimated to increase 12.81% for status quo staffing levels. Increases in personnel service costs have a compounding affect on the composite general fund expense picture because they are a component of both support provided to departments and allocation charges. Previously a historical average had been applied as a consistent multiplier in the forecast but given the biennial anticipated PERS increases advised to be in the 20% range for the foreseeable future this forecast models alternating 4% and 9% increases. These alternating increases have also been applied to an estimated weighted average of 40% personnel service portion of the general fund support and general fund charges for services which are primarily made up of allocated costs. The weighted average needs to be further vetted as it vastly varies from department to department and will be refined in future forecasts.

Property taxes, which make up approximately 72% of general fund revenue, is assumed to continue at 20 year average growth of 4.78%, reduced in fiscal years 2021-22 and 2022-23 for probable recession.

This forecast includes 2 years of interim debt service payments of \$2,800,000 for the courthouse project and assumes General Obligation Bonds are passed and issued by June 30, 2021.

In the absence of a more specific basis, revenues and expenditures are adjusted per estimated change in CPI West Region Size A as published by the Oregon Office of Economic Analysis.

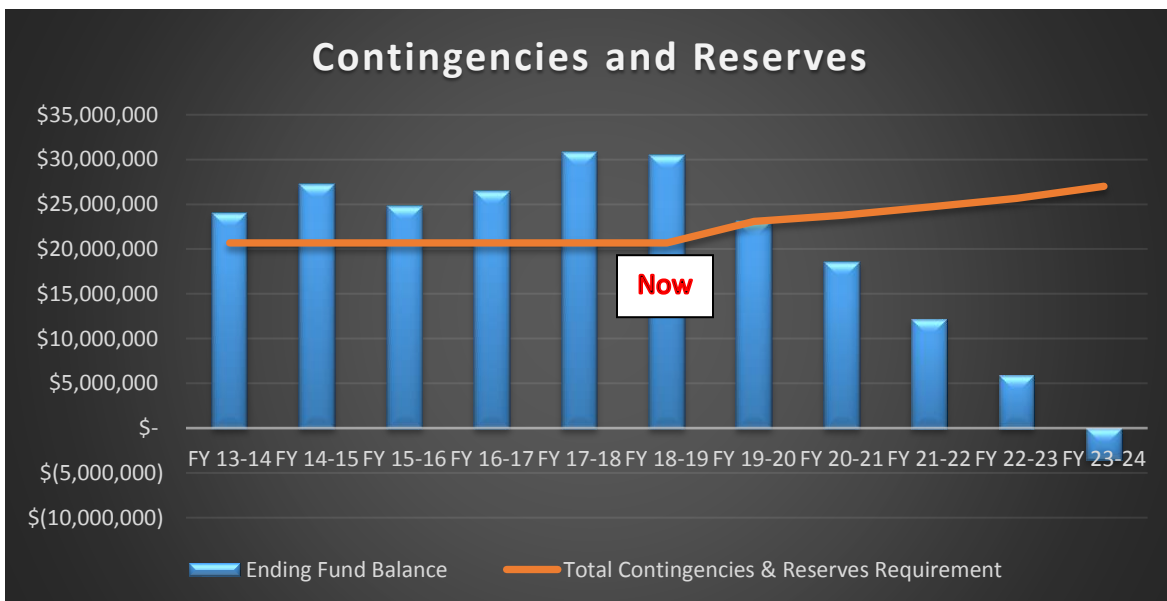
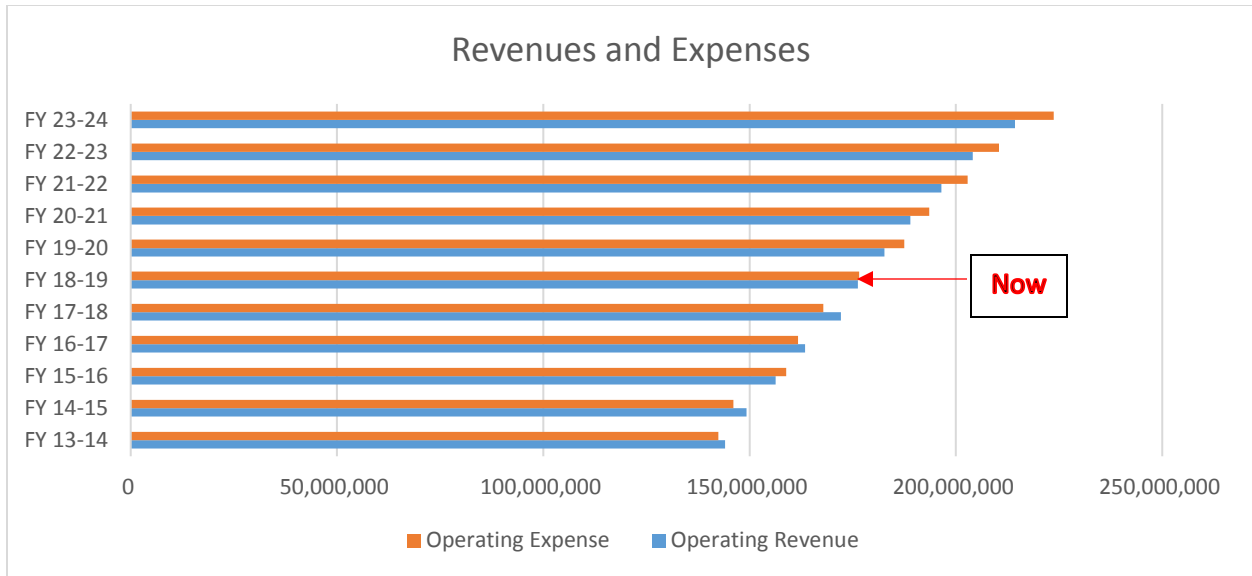
5 Year General Fund Forecast as of March 2019

To provide year to year consistency in reporting ongoing operations, General Obligation bond proceeds and payments to local governments for emergency radio systems have been removed.

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Beginning Fund Bal	22,377,891	24,027,416	27,247,687	24,756,089	26,464,783	\$ 30,746,993	\$ 30,441,161	\$ 23,101,673	\$ 18,532,267	\$ 12,182,503	\$ 5,836,512
Property Tax	102,180,627	106,735,943	111,269,171	116,930,139	121,632,814	130,659,995	134,018,288	139,075,962	143,859,621	149,518,006	156,542,891
Fees and Fines	1,812,614	1,880,317	1,951,379	2,147,560	2,108,554	2,055,221	1,986,318	1,920,310	1,856,854	1,796,027	1,738,150
Federal, State and Local Revenue	6,651,965	6,022,755	6,610,242	7,014,937	10,550,376	7,388,973	7,299,025	7,501,359	7,615,066	7,919,460	8,091,122
Chg for Svc (Recording/Alloc Costs)	14,338,541	15,591,058	16,277,246	17,398,624	16,156,583	14,753,390	15,656,812	16,073,093	16,708,624	17,141,514	17,838,510
All Other Revenue	19,095,534	19,029,132	20,223,392	19,924,693	21,663,753	21,400,358	23,724,328	24,352,318	26,452,754	27,736,370	30,137,217
Operating Revenue	144,079,281	149,259,205	156,331,430	163,415,953	172,112,080	\$ 176,257,936	\$ 182,684,770	\$ 188,923,042	\$ 196,492,919	\$ 204,111,377	\$ 214,347,890
% Change		3.6%	4.7%	4.5%	5.3%	2.4%	3.6%	3.4%	4.0%	3.9%	5.0%
Personnel Svc	35,733,948	35,896,681	38,342,199	40,103,427	41,141,812	44,338,916	50,033,099	52,534,754	57,262,882	60,126,026	65,537,368
Matl & Svc	5,740,750	7,173,335	6,153,982	7,059,734	7,431,893	10,372,066	11,184,710	9,827,857	10,361,742	10,756,771	11,004,177
Debt Service for IF Loan with WES	244,303	244,303	244,303	244,303	244,303	244,303	244,303	244,303	244,303	0	0
Special Payments	-	-	1,090,776	396,990	558,099	524,382	480,216	485,971	491,399	496,709	502,384
Operating Subsidy Trans to Depts	93,491,551	95,252,740	104,430,847	104,717,527	109,268,741	110,768,373	114,841,260	116,754,406	122,988,164	127,153,583	133,993,274
Allocations & Indirect Costs	7,094,888	7,393,222	7,896,486	8,756,846	9,030,112	9,630,517	10,111,914	10,508,184	11,149,468	11,571,970	12,278,269
Cap Outlay	124,316	78,653	664,435	428,432	154,910	685,211	328,756	336,974	344,725	352,309	360,412
Debt Service for Courthouse						0	2,800,000	2,800,000	0	0	0
Operating Expense	142,429,756	146,038,934	158,823,028	161,707,259	167,829,870	\$ 176,563,768	\$ 190,024,258	\$ 193,492,449	\$ 202,842,682	\$ 210,457,368	\$ 223,675,884
% Change		2.5%	8.8%	1.8%	3.8%	5.2%	7.6%	1.8%	4.8%	3.8%	6.3%
Ending Fund Balance	\$ 24,027,416	\$ 27,247,687	\$ 24,756,089	\$ 26,464,783	\$ 30,746,993	\$ 30,441,161	\$ 23,101,673	\$ 18,532,267	\$ 12,182,503	\$ 5,836,512	\$ (3,491,481)
Contingency Requirement (5%)	8,240,108	8,240,108	8,240,108	8,240,108	8,240,108	8,240,108	9,501,213	9,674,622	10,142,134	10,522,868	11,183,794
Reserve Requirement (10%)	12,445,381	12,445,381	12,445,381	12,445,381	12,445,381	12,445,381	13,600,461	14,099,627	14,571,647	15,131,403	15,828,104
Total Contingencies & Reserves Requirement	\$ 20,685,489	\$ 20,685,489	\$ 20,685,489	\$ 20,685,489	\$ 20,685,489	\$ 20,685,489	\$ 23,101,673	\$ 23,774,250	\$ 24,713,782	\$ 25,654,272	\$ 27,011,898
Net operating Rev (Exp)	1,649,525	3,220,271	(2,491,598)	1,708,694	4,282,210	(305,832)	(7,339,488)	(4,569,407)	(6,349,763)	(6,345,991)	(9,327,994)
Growth in revenue year over year		5,179,924	7,072,225	7,084,523	8,696,127	4,145,856	6,426,833	6,238,272	7,569,877	7,618,458	10,236,514
Growth in expense Year over year		3,609,178	12,784,094	2,884,231	6,122,611	8,733,898	13,460,490	3,468,191	9,350,234	7,614,686	13,218,516
Fund Balance NET of Reserve Requirements	\$ 3,341,927	\$ 6,562,198	\$ 4,070,600	\$ 5,779,294	\$ 10,061,504	\$ 9,755,672	\$ 0	\$ (5,241,983)	\$ (12,531,278)	\$ (19,817,760)	\$ (30,503,380)



5-Year Historical Trend & Prospective Forecast Graphs



Attachment C

Clackamas County General Fund Ten Year Forecast at May 2018

To provide year to year consistency in reporting ongoing operations, General Obligation bond proceeds and payments to local governments for emergency radio systems have been removed

General Assumptions:

The 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

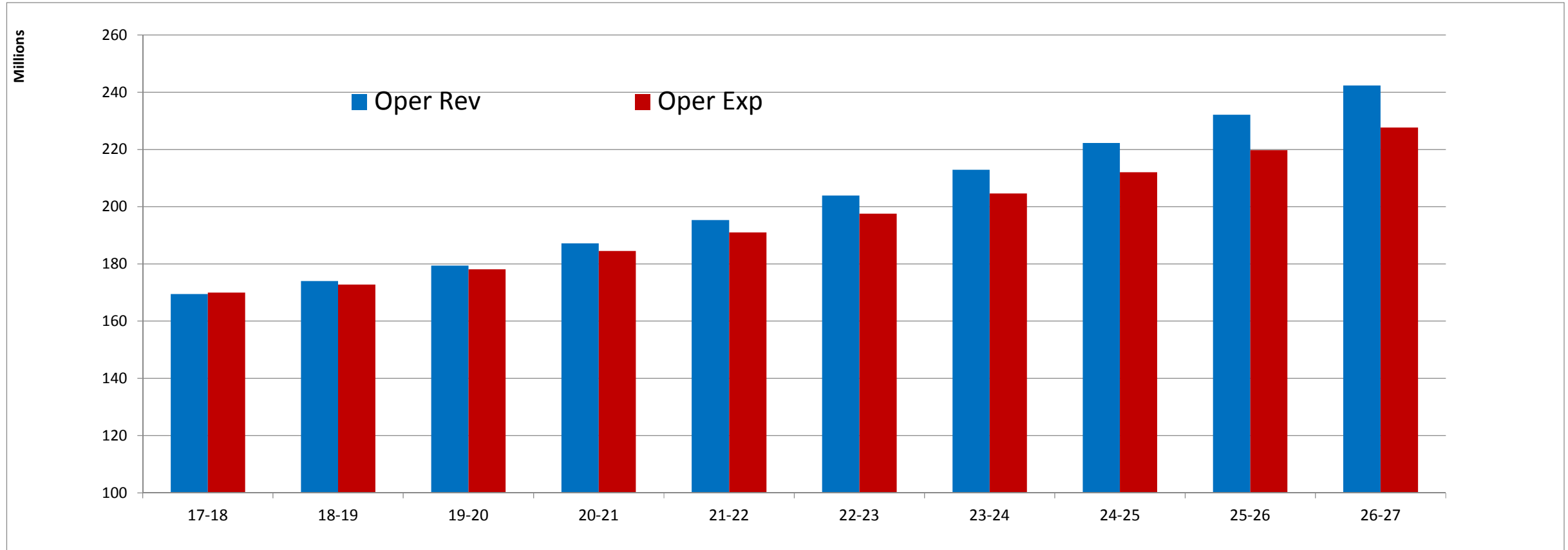
In the absence of a more specific basis, revenues and expenditures are adjusted per estimated change in CPI West Region Size A as published by the Oregon Office of Economic Analysis. This index has grown (and is projected to grow) at an average annual rate of 2.7% through 2027.

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

Cost of living adjustment for personnel services per CPI

Assessed value growth: assumed to continue at 20 year average of 4.75 to 4.80%

General Fund - Projected Operating Revenue vs. Operating Expense (extraordinary transactions removed)



	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Oper Rev	169,505,097	174,005,630	179,449,159	187,189,143	195,372,587	203,941,395	212,925,859	222,314,006	232,127,078	242,384,677
Oper Exp	169,973,201	172,810,164	178,112,024	184,526,361	191,016,202	197,538,221	204,652,169	212,066,415	219,757,050	227,690,568

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