

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as (if applicable)
Policy Session Worksheet

Presentation Date: 10/26/2021 **Approx. Start Time:** 1:30PM **Approx. Length:** 20 min

Presentation Title: Clackamas County Sheriff's Office Financial Condition Analysis - County Internal Audit engagement

Department: Office of County Internal Audit

Presenters: Jodi Cochran, CAE; Kathy Yeung, Senior Internal Auditor; Sheriff Brandenburg; Chief Deputy Morrison; Nancy Artmann, CCSO Administrative Services Manager

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

No action requested. Informational presentation provided as request of Board.

EXECUTIVE SUMMARY:

One of 3 short-term goals established by the new Sheriff after taking office was an independent assessment of the Office's financial condition. At the request of the Sheriff, the Office of County Internal Audit designed an engagement to provide objective and independent services. The resulting financial condition analysis addresses the financial condition and trends experienced by the Sheriff's Office over the 11-year period from fiscal year 2010 through fiscal year 2020. The report establishes a baseline and tools for on-going trend analysis and monitoring of fiscal sustainability within the Sheriff's Office. The report, published on both the County Internal Audit's and the Sheriff's public websites, enhances transparency and accountability for our residents. The report supplements the countywide Financial Condition analysis County Internal Audit conducts every 3 years.

This engagement is important because the Sheriff's Operational Fund is a significant portion of the county's overall budget. During the 11 year period, 64% of the Sheriff's Operational Fund revenue came from the county General Fund. In the same period, 30% of total county expenditures and transfers to other funds went to the Sheriff's Office.

The financial condition analysis indicates Clackamas County Sheriff's Office expenditures are outpacing revenues. The Sheriff's Office has nine divisions with Jail and Patrol Divisions being the largest. The financial condition analysis addressed each division, as well as the Sheriff's Office as a whole. Key observations and trends to watch include:

- Revenues and expenses per capita are both increasing.
- Personal services represent the largest expense, over 70% of all expenses, and are increasing.
- The cost of fringe benefits as a % of compensation is increasing.

The engagement established initial baseline calculations. To maximize the value of the developed trend data, the Sheriff's Office has indicated a desire to provide updated data at consistent intervals. The tools developed by County Internal Audit will be available to the Sheriff's Office for on-going use. County Internal Audit has identified trends to watch and areas where "deeper dives" will provide additional data and further enhance decision-making strategies.

This County Internal Audit engagement adds value by supporting collaboration and cooperation in building public trust through good government.

The engagement is an analysis of actual transactions and the results - not an assessment of the operational decisions, efficiencies or effectiveness. The report calculates and identifies trends for continued attention and potential action.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$ 0.00

What is the funding source? NA

STRATEGIC PLAN ALIGNMENT:

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

This County Internal Audit engagement provides consulting services to the Sheriff's Office so the public, employees, and departments of Clackamas County can feel confident that the public's interests are protected. The resulting published report supports public, employee and department engagement with an accountable, higher performing, and transparent local government.

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

This County Internal Audit engagement adds value by supporting collaboration and cooperation in building public trust through good government.

LEGAL/POLICY REQUIREMENTS: NA

PUBLIC/GOVERNMENTAL PARTICIPATION: NA

OPTIONS: NA

RECOMMENDATION: NA

ATTACHMENTS:

A: PowerPoint presentation slide deck

B: Clackamas County Sheriff's Office: Financial Condition Analysis report

SUBMITTED BY:

Division Director/Head Approval _____



Department Director/Head Approval _____

Jodi Cochran, CAE 10/20/2021

County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____ @ 503- _____

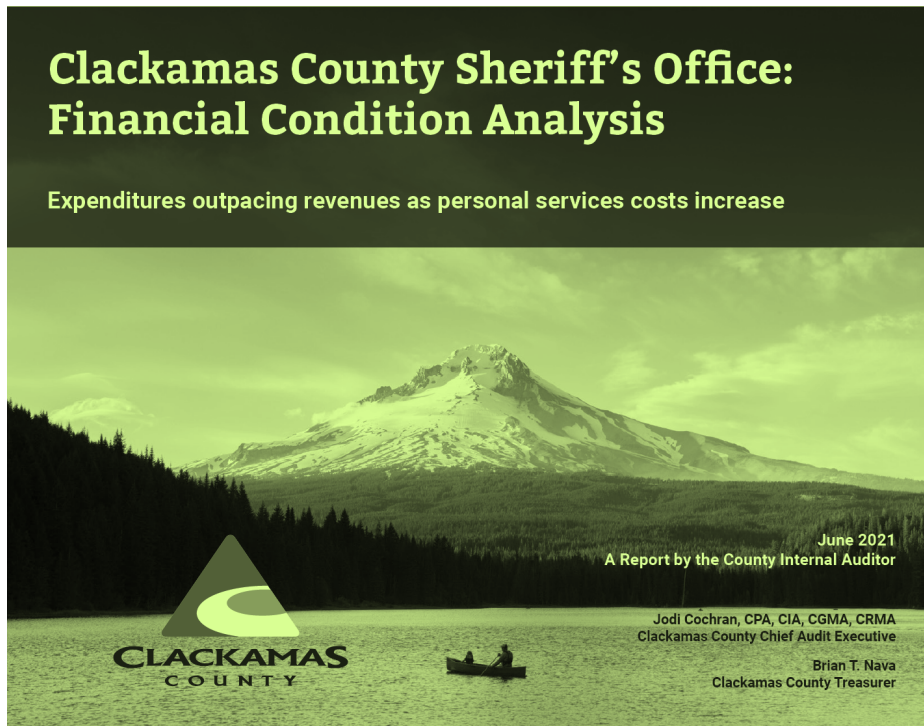
Clackamas County Sheriff's Office - 2021 Financial Condition Analysis

A report by the County Internal Auditor

A joint presentation by the
Clackamas County Sheriff's Office and Office of County Internal Audit
October 26, 2021 Board of County Commissioners Policy Session

Who we are

The Clackamas County Office of County Internal Audit is an independent, objective and unbiased resource



- ▶ Assurance, consulting and investigative services
- ▶ A dual-reporting structure; Functional reporting to the Internal Audit Oversight Committee and administrative reporting to the elected County Treasurer
- ▶ A function designed to be free from influence or pressure

Why the engagement is important

The Sheriff's Operational Fund is a significant portion of the county's overall budget; Enhanced transparency and accountability for residents



- ▶ 64% of the Sheriff's Operational Fund revenue comes from the county General Fund.*
- ▶ 30% of total county expenditures and transfers to other funds goes to the Sheriff's Office.*
- ▶ This engagement was designed to provide objective and independent services; supporting collaboration and cooperation in building public trust through good government.
- ▶ This effort establishes a baseline and tools for on-going trend analysis and monitoring of fiscal sustainability.

* As calculated over the 11-year period, FY10 to FY20.

What we did

Established baseline analysis of Sheriff's Office financial condition;
Identified key 11-year trends in all Sheriff's Office divisions



- ▶ Supplement to the County Financial Condition Analysis reports
- ▶ Based on International City/County Management Association (ICMA) standards
- ▶ Designed a common approach to evaluating the whole & each division
- ▶ Identified data and trends
 - ▶ Revenue by source
 - ▶ Expenses by type (Percentage of total and 11-year trend)
 - ▶ Revenues & Expenditures per capita
 - ▶ Personal services expenditures by type

What we learned

Clackamas County Sheriff's Office expenditures are outpacing revenues;
Personal services costs are increasing, led by fringe benefits



- ▶ Jail and Patrol Divisions are the largest of the nine Sheriff's Office divisions
- ▶ Personal services (people) represent the largest expense, over 70% of all expenses
- ▶ Revenues and expenses per capita are both increasing - trend to watch
- ▶ Personal services as a % of total expenses is remaining consistent - trend is ok
- ▶ Fringe benefits as a % of compensation is increasing - trend to evaluate and watch

What we advise

Maximize value of the developed trend data by repeating financial condition analysis at consistent intervals



- ▶ “Deeper dives” into identified trends will provide additional data and enhance decision-making strategies.
- ▶ Tools developed for the financial condition analysis will be available to the Sheriff’s Office for on-going internal analyses.
- ▶ The Office of County Internal Audit will continue to address the county financial condition through routine, independent analysis.

Clackamas County Sheriff's Office: Financial Condition Analysis

Expenditures outpacing revenues as personal services costs increase



June 2021
A Report by the County Internal Auditor

Jodi Cochran, CPA, CIA, CGMA, CRMA
Clackamas County Chief Audit Executive

Brian T. Nava
Clackamas County Treasurer

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A scenic view of a waterfall cascading into a pool in a lush forest. The water flows over a dark rock ledge into a small pool below, which then flows into a stream. The surrounding forest is dense with trees and ferns, many of which have turned vibrant shades of yellow, orange, and red, indicating autumn. The scene is captured from a slightly elevated perspective, looking down at the waterfall and pool.

I. Executive Summary

Executive Summary

The financial health of the Clackamas County Sheriff's Office is stable. The Sheriff's Operations Fund has a balanced budget. Over the 11-year period from fiscal year 2010 (FY10), the Sheriff's Operations Fund has received 64% of its revenue from the Clackamas County General Fund. As a result, the Sheriff's Office financial health is critically tied to the financial health of Clackamas County. A 2020 county financial condition analysis indicated the county's financial health was stable, with favorable debt, liquidity, fund balance and credit rating indicators. Like the county, the Sheriff's Operations Fund revenues are trending upward, but are being outpaced by an upward trend in expenditures. The Sheriff's Office needs to monitor its increasing personal services costs and the impacts of increasing compensation fringe benefits.

	Revenues per Capita 11-year trend	Expenditures per Capita 11-year trend	Expenditures per Capita FY20	Personal Services %of Total Expenditures 11-year trend	Personal Services %of Total Expenditures FY20	Fringe Benefits % of Compensation 11-year trend
Sheriff's Operation Fund	▲	▲	\$234.89	— less than 1% change	72%	▲
Jail Division	▲	▲	\$72.21	▼	75%	▲
Patrol Division	▲	▲	\$89.51	▲	78%	▲
Investigations & Family Justice Center Divisions	▲	▲	\$30.39	—	88%	▲
Civil Division	▲	▲	\$11.24	▼	92%	▲
Administration Division	▲	▲	\$11.47	▲	83%	▲
Operational Support & Training and Wellness Divisions	▲	▲	\$16.49	—	68%	▲
Public Safety Training Center Division	▼	▼	\$3.59	▲	51%	▲



II. Background

Clackamas County
Sheriff's Office
Brooks
Building

9101

SE SUNNYBROOK BLVD

ONLY

Background

What is financial condition?

This report provides residents and public officials information on the Clackamas County Sheriff's Office (Sheriff's Office) financial health. The report uses information, primarily from the Sheriff's Office's subsidiary financial reports and the County's audited Annual Financial Report, to identify favorable and unfavorable trends at a high level. Monitoring the Sheriff's Office finances over time enables public officials and residents to assess the Sheriff's Office's fiscal sustainability and identify problem areas that may need attention.

A financially sustainable County or local government component unit can meet its obligations and provide services on an ongoing basis. It can address effects of fiscal interdependency between governments, withstand economic disruptions, and respond to changes in the environment. A financially stable County or specific component unit collects enough revenue to pay its short and long-term bills and finance major needs without shifting disproportionate costs to future generations.

Clackamas County profile

Clackamas County was established on July 5, 1843. It is governed by an elected Board of Commissioners. The County encompasses 1,883 square miles and is "urban, suburban, rural, and wild."¹ A 2020 Clackamas County Financial Condition Analysis conducted by the Clackamas County Office of County Internal Audit concluded "the county's financial health is stable²." Additionally, it was observed "increasing internal service costs and aging assets may challenge [the] county in [an] uncertain, post-COVID-19 economic future."

Clackamas County Sheriff's Office services

In each Oregon County, the Sheriff is the Chief Executive Officer and Conservator of the peace. The primary duty of the Office of the Sheriff is to provide police protection to the unincorporated areas of the county. However, the duties of the Sheriff cover the entire spectrum of law enforcement – criminal investigation, search and rescue, service of legal process of the courts, the operation of the county jail, in addition to 24-hour patrol service. By law, the Sheriff's Office must provide court security, transport all adults in custody to and from penal institutions and take a person into custody who is imminently dangerous to themselves or others.

¹ Clackamas County internet home page
² Clackamas County 2020 Financial Condition Report

As stated in its 2020 Strategic Plan, the Sheriff's Office mission is to provide public safety services to the people of Clackamas County so they can experience a safe and secure community³. Some of these services are supported with local taxes. Others rely in part on state and federal revenue.

Public Protection expenditures for the Sheriff's Office are for operating the county's jail and providing patrol, investigation and civil processing services to incorporated areas and unincorporated areas of Clackamas County within the Metropolitan Urban Growth Boundary.

Organizational Funds

The Sheriff's Office activities are accounted for in two distinct funds, the Sheriff's Office Operations Fund and the Enhanced Law Enforcement District Fund (ELED). The ELED was approved by voters in November 1994. The ELED provides an improved level of patrol services in the unincorporated areas of Clackamas County within the Metropolitan Urban Growth Boundary. The ELED Fund accounts for all revenue and expenditures directly associated with this objective and District governance. The Sheriff's Operations Fund accounts for all activities of the Sheriff's Office not paid for by the ELED. The Sheriff's Operations Fund is comprised of nine divisions:

- Jail,
- Patrol,
- Investigations,
- The Family Justice Center (FJC),
- Civil,
- Administration,
- Operational Support,
- Training & Wellness, and
- Public Safety Training Center (PSTC).

III. Sheriff's Operations Fund



Revenues

Why are revenues and expenses important?

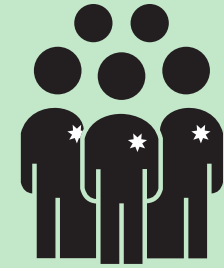
Revenues are necessary for government to provide services to residents. Diverse sources of revenues can help a local government component weather a downturn in the economy. Expenses are government's cost of providing public services, not just what the government spent (expenditures) during the year. Some common expenses are salaries and wages, pension obligations, and asset depreciation. The Sheriff's Operations Fund can have a balanced budget each year on its anticipated resources and budget expenditures, but actual revenues may not equal or exceed the total costs of services provided.

The Sheriff's Operations Fund has a balanced budget, with, over the 11 year period from FY10, 64% of its revenue provided by the Clackamas County General Fund. On average, 30% of the county's combined General Fund expenditures and transfers to other funds is directed to the Sheriff's Operations Fund. In the past 11 years, the smallest and largest General Fund percentages received by the Sheriff's Operations Fund, respectively, were 27% in FY13 and 31% in fiscal years 2014, 2015 and 2017. Of the total General Fund transfers to other funds, over 50%, on average, is received by the Sheriff's Operations Fund. The financial health of the Sheriff's Office is critically tied to the county's financial health. (Figure1)

Both revenues and expenses have grown; fund balance is trending down

Revenues increased 26% from fiscal year 2010 (FY10) to fiscal year 2020 (FY20) (adjusted for inflation). The change is the result of a continuing, steady economic recovery after the Great Recession of December 2007 to June 2009. The economic impacts of COVID-19 are not yet recognized in property tax collections. COVID-19 impacts on Sheriff's Office divisions with service charge revenues are slightly noticeable as service demand and delivery during the fourth quarter of FY20 decreased, along with the revenues generated by such services. These divisions include the PSTC, Civil and the FJC. Similar impacts are expected to be seen in fiscal year 2021 (FY21) data.

Expenses increased by 27% from FY10 to FY20 (adjusted). The change in expense is the result of the Sheriff's Office's response to the impact of the changes in revenues. The significant expense increase in FY16 is mainly attributed to implemented GASB standards that require the accrual of pension items and the result of the Oregon Supreme Court decision in *Moro v the State of Oregon* (issued April 30, 2015) addressing cost of living adjustments. (Figure2)



***"A Tradition of
Service Since 1845"***

The Sheriff's Operations Fund has experienced consistent gaps between revenues and expenses of, on average, 1.5% of total revenues. Seven of the last 11 years have resulted in supplementing revenues with portions of the fund balance. From FY10 to FY20, the Sheriff's Operations Fund fund balance has decreased by 69%. (Figures 2 and 3)

Property taxes are the largest revenue source for the Sheriff's Operations Fund

In FY20, the Sheriff's Operations Fund received 66%, or \$65,759,514, of its revenue from property tax and other general county resources in the form of an interfund transfer from the county General Fund. Over the 11-year period, this revenue source averages 64% of all Sheriff's Operations Fund revenue. The FY20 transfer represents an 11-year increase of 32%. Other major sources of revenue include \$12,670,515 from the Public Safety Local Option Levy; contracts with the cities of Wilsonville, Estacada and Happy Valley for patrol services at \$10,500,958; a reimbursement from the ELED for personnel costs at \$6,402,853; grants; and a variety of fees for services such as alarm permits and civil process services. (Figures 4 and 5)

While significantly reliant on the county, the Sheriff's Operations Fund revenue sources appear to meet the diversification threshold. With the exception of grants and service charges, revenues have generally been stable or increased in every category in recent years.

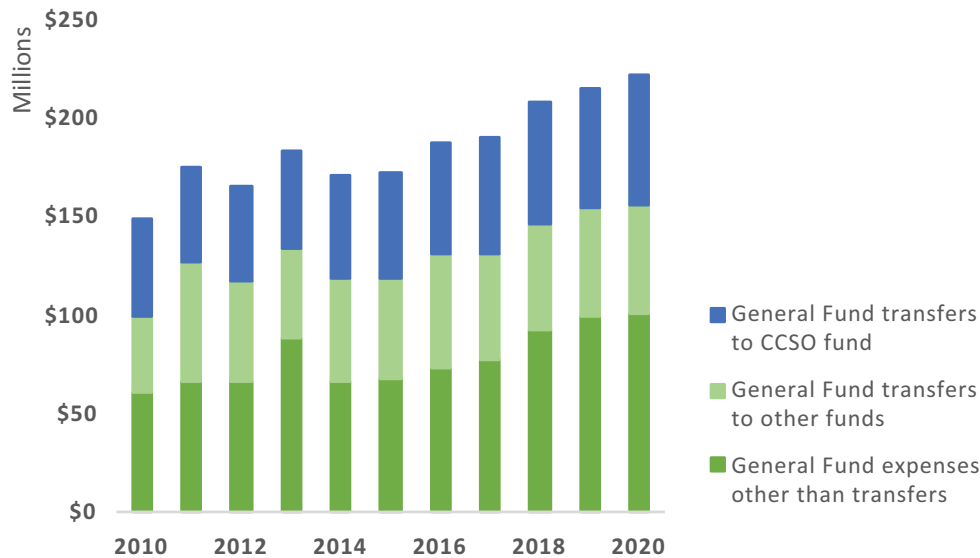


Fig. 1: County General Fund expenditures and transfers out (in millions, adjusted for inflation)

On average, 30% of total county General Fund expenditures and transfers out is received by the Sheriff's Operations Fund.

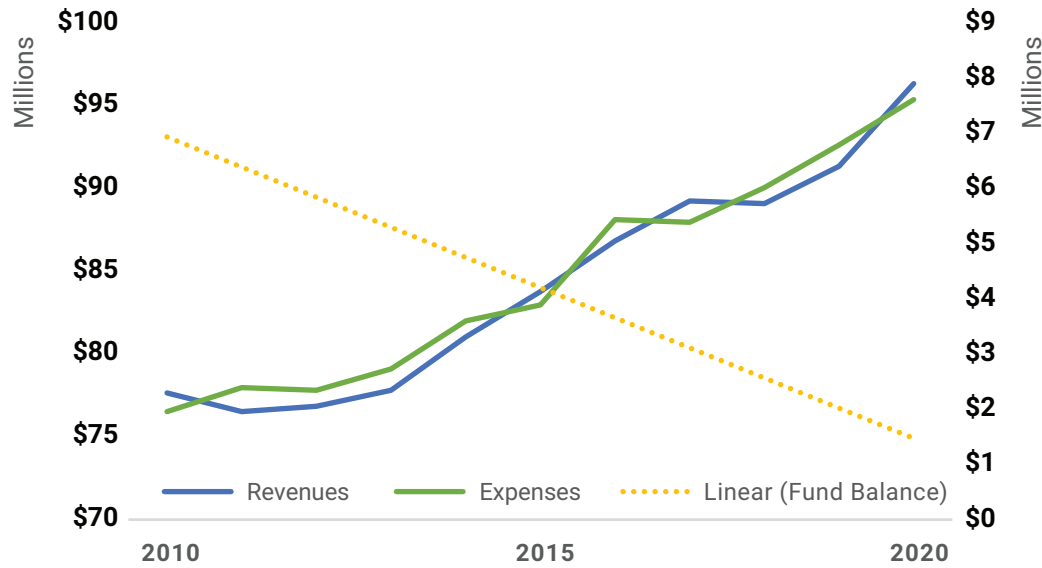


Fig. 2: Revenue versus expenses (in millions, adjusted for inflation)

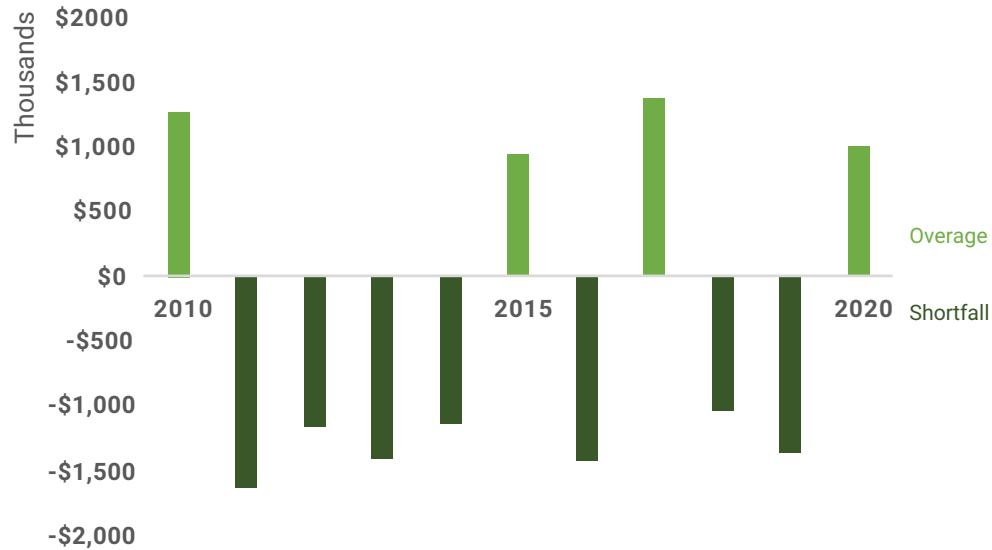
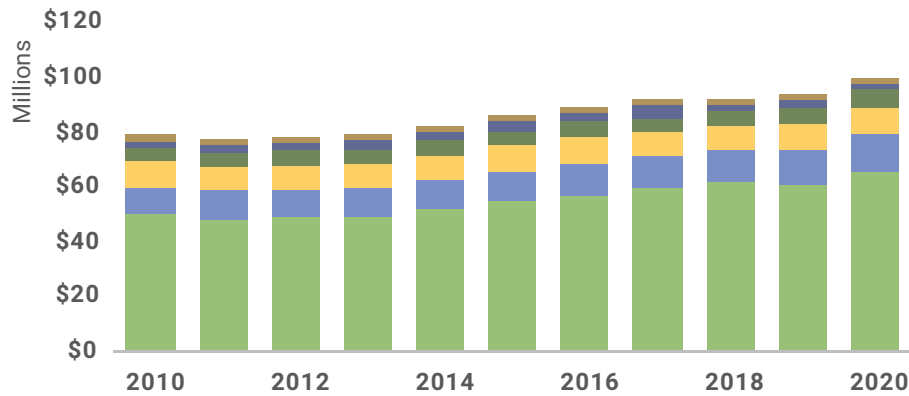


Fig. 3: Revenue overages and shortfalls (in thousands, adjusted for inflation)

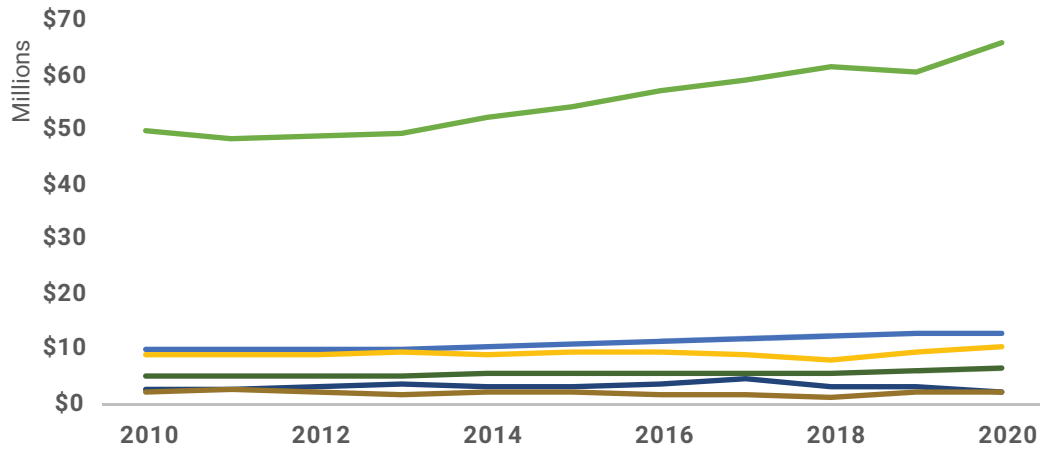
Between FY10 and FY20, revenues increased by 26%, expenses increased by 27%.

Gaps and swings between revenue and expense indicate a reliance on fund balance as a stabilizing factor.



■ GF ■ Levy ■ Local contracts ■ ELED contract ■ Service charges ■ Grants, other

Fig. 4: Revenue by Source (in millions, adjusted for inflation)



■ GF ■ Levy ■ Local contracts ■ ELED contract ■ Service charges ■ Grants, other

Fig. 5: Revenues by source (in millions, adjusted for inflation)

On average, General Fund distribution of property taxes contributes 64% of CCSO revenue sources.

There have been stable increases in most revenue sources. In the 11-year period, the largest increase was a 32% increase in General Fund transfers.

Expenditures

The combined Patrol Division and Jail Division expenditures represent, on average, 70% of the Sheriff's Operations Fund expenditures. In FY20, the Sheriff's Operations Fund expended \$37,431,155 and \$30,198,293, respectively, for Patrol and Jail services. In addition to these two largest expenditure divisions, the Sheriff's Operations Fund expends resources supporting civil, investigation, operational support and administrative services and efforts. While total expenditures have increased over time, the relative proportions have remained consistent. (Figures 6 and 8)

In 11 years, from FY10 to FY20, the Sheriff's Operations Fund expenditures have increased by 27%, totaling \$98,229,473 in FY20. Clackamas County population has increased by 10%, from 381,775 residents in 2010 to 481,187 residents in 2020. Expenditures per capita is the average amount of government spending by the Sheriff's Operations Fund to provide services to each person who lives in the county. Revenues per capita measures the average revenue earned by the Sheriff's Operations Fund per person who lives in the county. Both revenues per capita and expenditures per capita have increased from FY10. The significant expenditure per person increase in FY16 is mainly attributed to the *Moro v State of Oregon* decision and the accrual of pension items. Prior to FY16, these items were not required to be reported in the County's Statement of Activities and expenses. In FY16, fringe benefit costs increased 8%. On average, services provided per resident cost more than revenue collected per resident. The FY20 expenditure per capita rate was \$234.89. (Figures 7 and 9)

The majority of the Sheriff's Operations Fund expenditures are in five categories: personal services, ELED personal services contract, materials and services, cost allocations, and capital expenditures.

In FY20, personal services costs were 72% of all Sheriff's Operations Fund expenditures. When combined with costs associated with the ELED personal services contract, this amount increased to over 78% of total expenditures. In FY20, the Sheriff's Office had budgeted positions of 462 full-time equivalent employees. While some positions were vacant, this represents a growth rate of 8% from 2012, compared to the 10% population growth rate. The FY12 elimination of 20+ positions primarily resulted from a change in medical service delivery within the Jail Division from in-house resources to outsourced contracted resources. (Figures 10 and 11)

The Jail and Patrol Divisions, combined, represent over 2/3 of the total Sheriff's Office workforce. All divisions have experienced increases in FTE in an 11-year period, except for the Jail Division which has reduced its staff by 11% since 2010. The majority of Sheriff's Office employees are sworn

officers. The division with the largest percentage of sworn staff to overall staff is the Patrol Division with 92%. For purposes of these FTE analyses, the Investigations Division results include the Family Justice Center. Additionally, the Operational Support Division results include the PSTC and Training and Wellness employees (Figures 12, 13 and 14)

Since FY 2010, personal services costs have increased, on average, 3% annually, while budgeted FTE has increased, on average, 0.5% each year. Fringe benefits (insurance, pension, FICA and other compensation costs) were 41% of all personal services costs in FY20. This is a 52% increase in 11 years. In FY10, fringe benefits were 35% of total personal services. For every \$1.00 spent on general compensation in FY10, \$0.53 was spent on fringe benefits. In FY20, \$0.70 was spent on fringe benefits for every \$1.00 spent on general compensation.

Sheriff's Operations Fund expenditures, while remaining relatively proportionate between categories, have increased over 11 years in all categories. Personal services and ELED personal services contract expenditures have each increased 28% and 25%, respectively, since FY10, totaling \$70,250,331 and \$6,442,003, respectively, in FY20. (Figures 15, 16 and 17)

The cost of county provided central services is distributed to operating departments, including the Sheriff's Operations Fund. This cost allocation is designed to recover the costs of technology, human resources services, records management, financial and accounting, facilities management, and other central services provided to county departments and component unit operations. The county's cost allocation methodology is applied in a manner consistent and compliant with rules governing grant-funded activities. The Sheriff's Operational Fund is charged a portion of these allocated costs. This single charge is distributed among the nine divisions based on the division's percentage of overall Sheriff's Operational Fund FTE. This distribution methodology was established in 2015, representing a change from prior distribution methods.

Since FY10, materials and services expenditures and cost allocation expenditures have increased 17% and 50%, respectively.

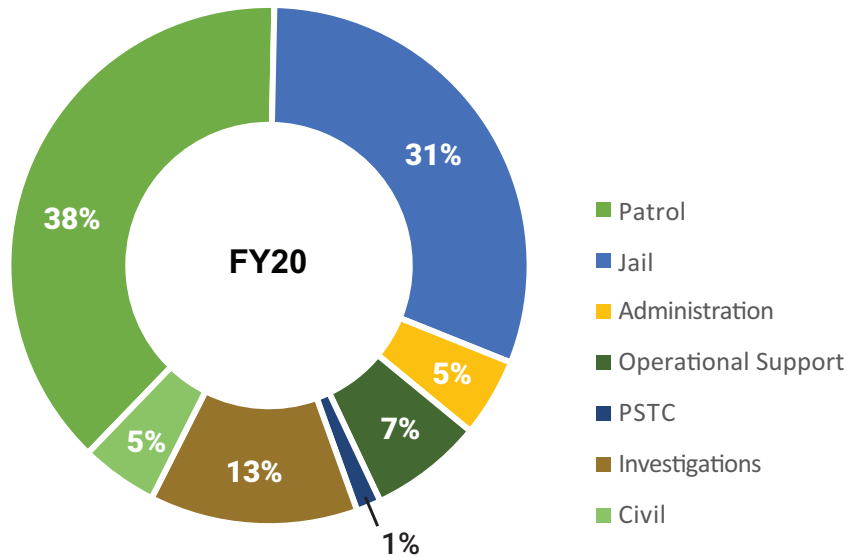


Fig. 6: Expenditures by Division (percentage of total)

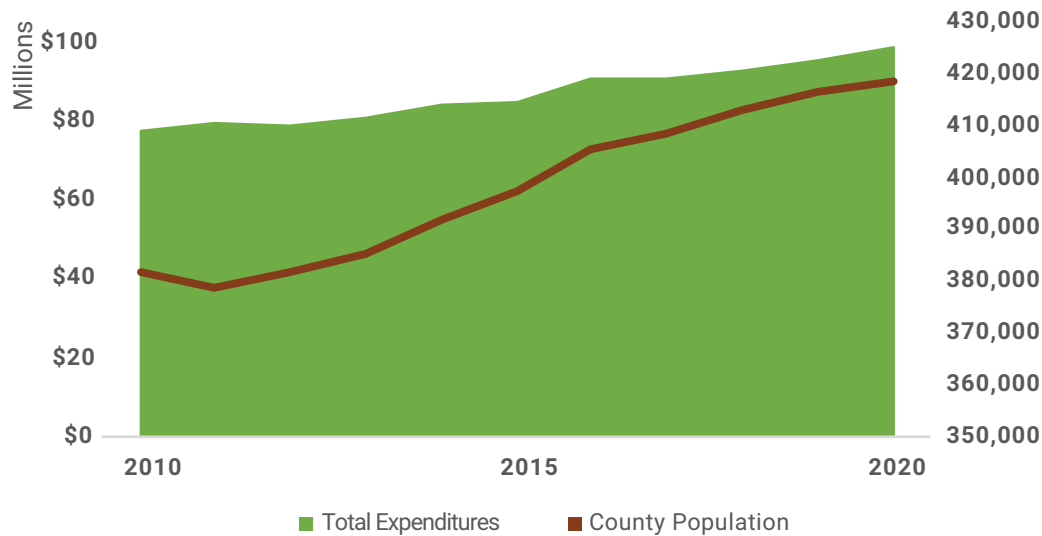


Fig. 7: Total Expenditures (in millions, adjusted); Population Totals

Patrol and Jail expenditures combined are nearly 70% of total Sheriff's Operations Fund expenditures.

In 11 years, expenditures have increased by 27%; and County population by 10%.

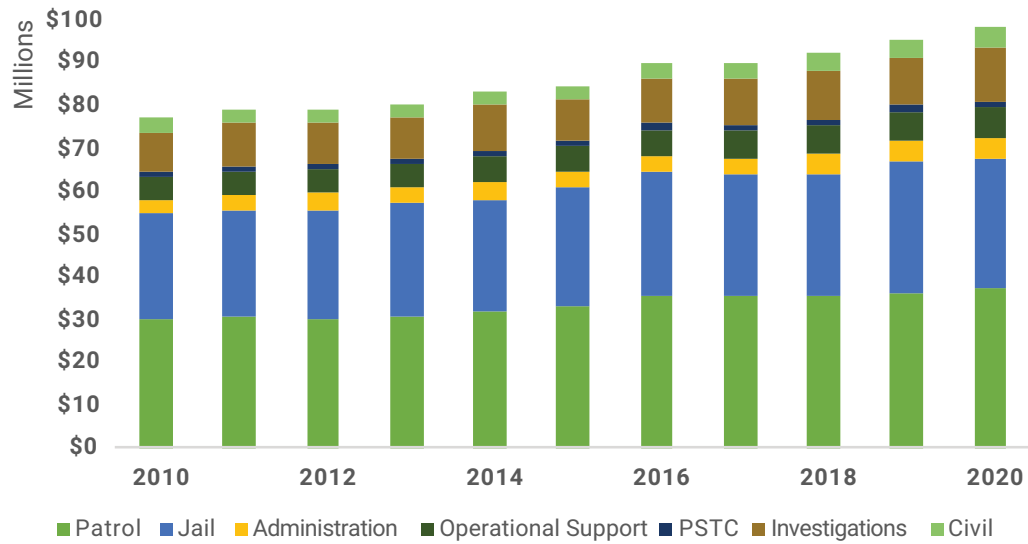


Fig. 8: Expenditures by Division (in millions, adjusted for inflation)

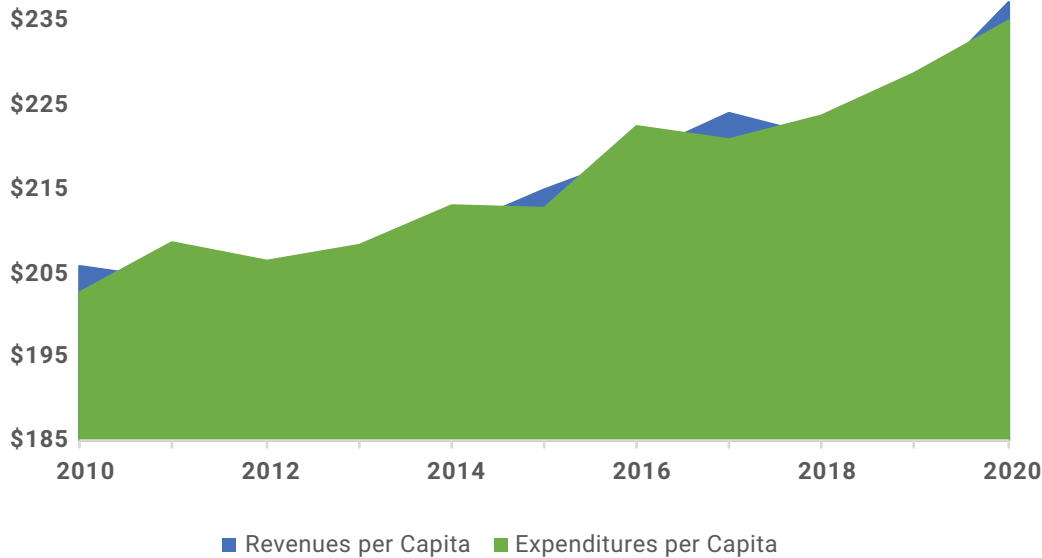


Fig. 9: Expenditures and Revenues per Capita (adjusted)

Division expenditures have remained relatively proportionate.

On average, services provided per county resident cost more than revenue collected per county resident.

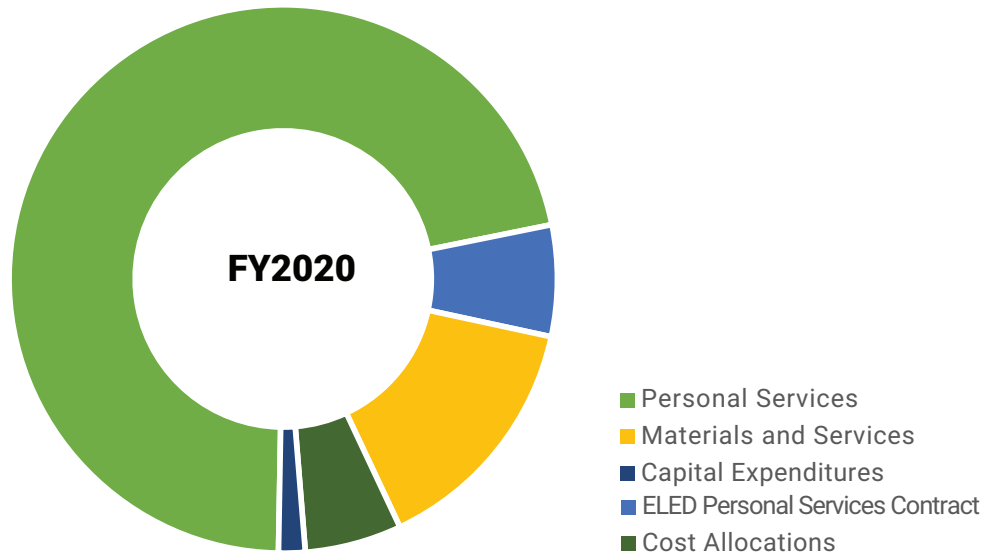


Fig. 10: Expenditures by type (percentage of total)

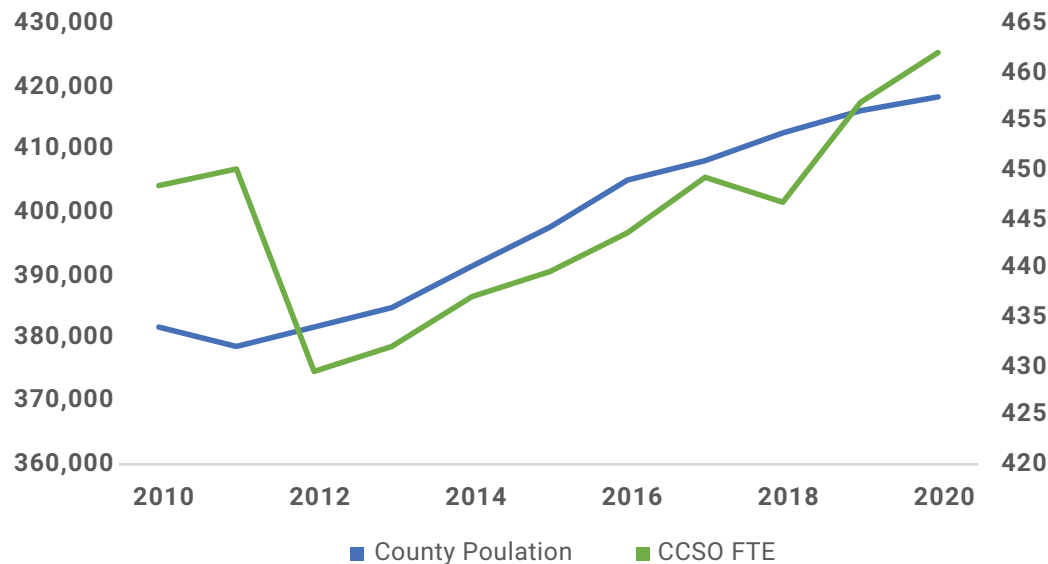


Fig. 11: Comparison of population count to full-time equivalent employees

Personal services costs were 72% of total expenditures.

Budgeted FTE positions are maintaining pace with population increases.

In FY12, 20+ positions were eliminated primarily due to a change in the Jail medical service delivery model from in-house to outsourced.

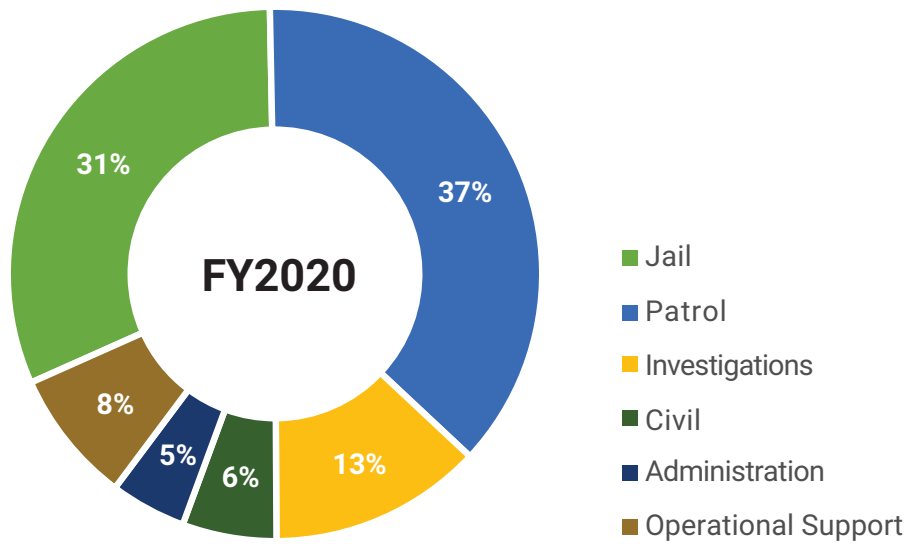


Fig. 12: FTE budgeted positions, by Division 2020

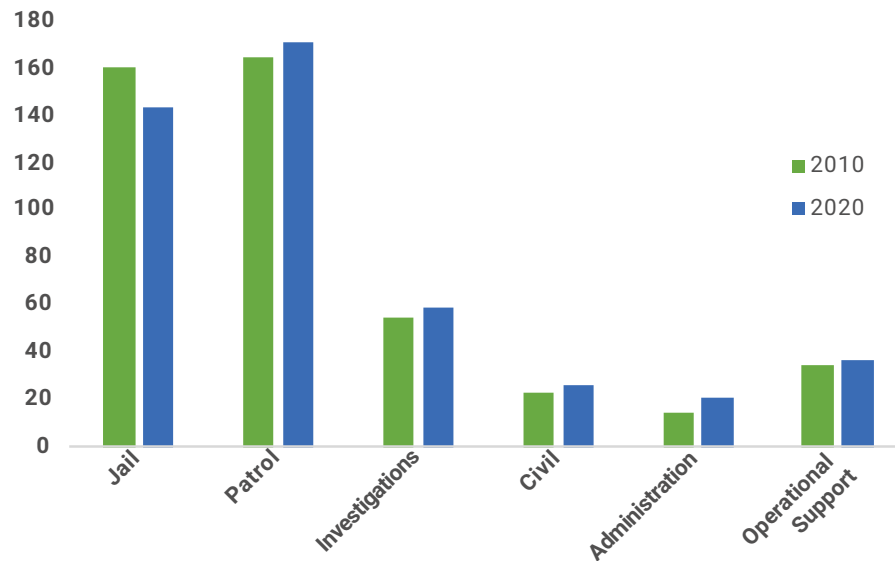


Fig. 13: Full-time equivalent budgeted positions, by Division

Jail and Patrol Divisions each represent over 1/3 of total Sheriff's Office workforce.

The number of budgeted full-time equivalent employees is increasing in all Sheriff's Office divisions from 2010 levels, except the Jail Division.

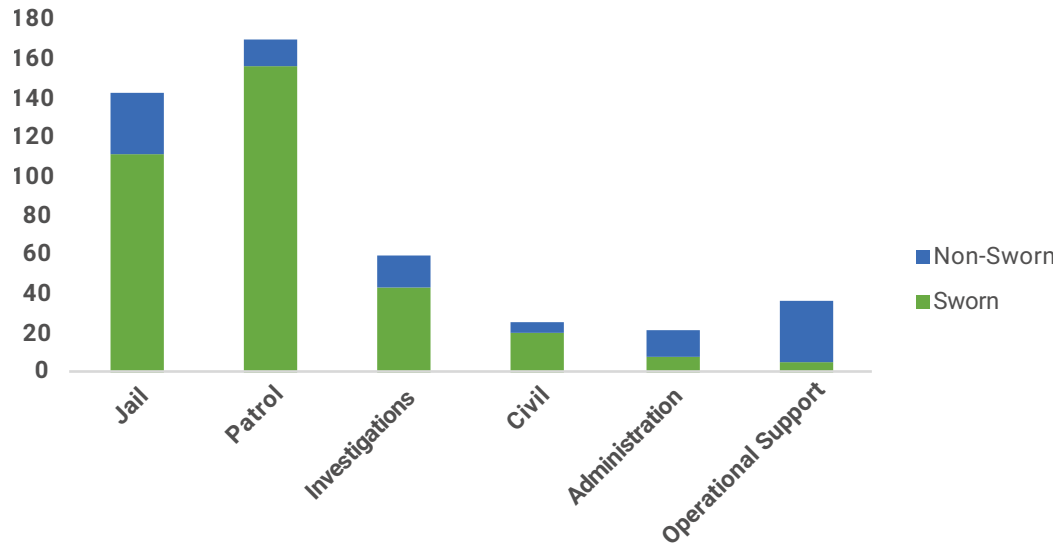


Fig. 14: Full-time equivalent budgeted positions, by Division and type - 2020

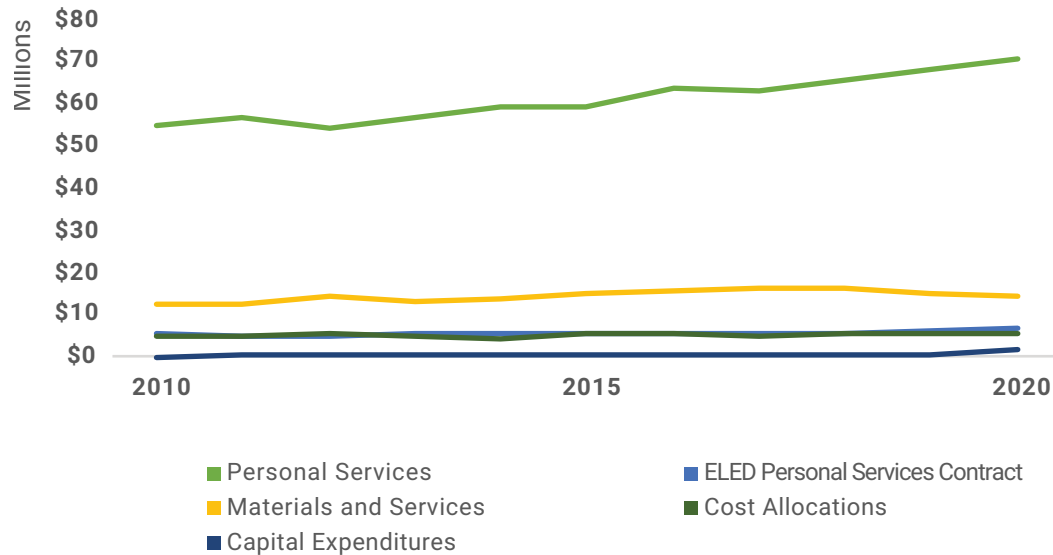


Fig. 15: Expenditures by types (in millions, adjusted for inflation)

The majority of the Sheriff's Office employees are sworn officers. The Patrol Division has the largest percentage of the sworn 2020 workforce.

Personal services expenditures have increased by 28% since FY10.

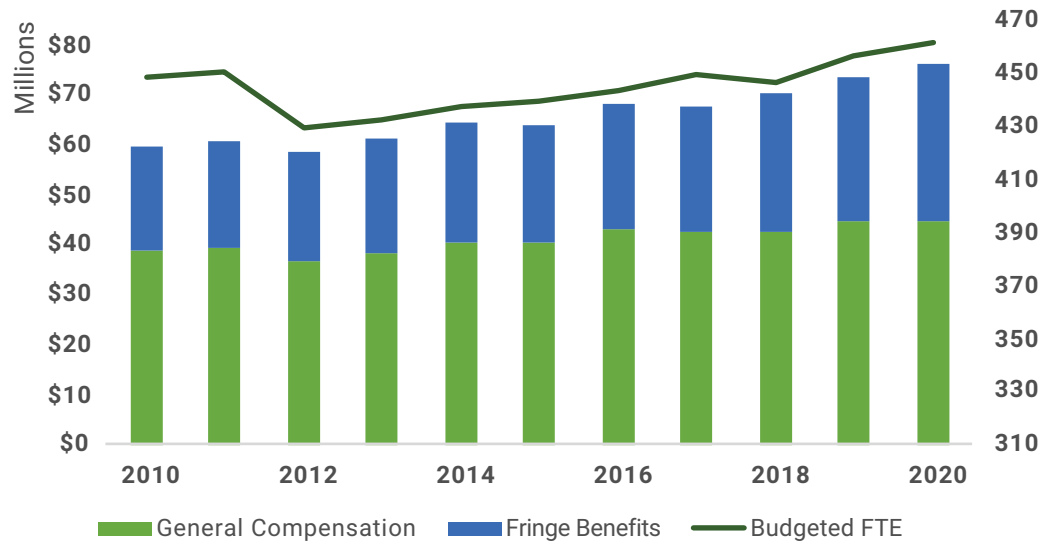


Fig. 16: Personal services expenditures by type (in millions, adjusted for inflation)

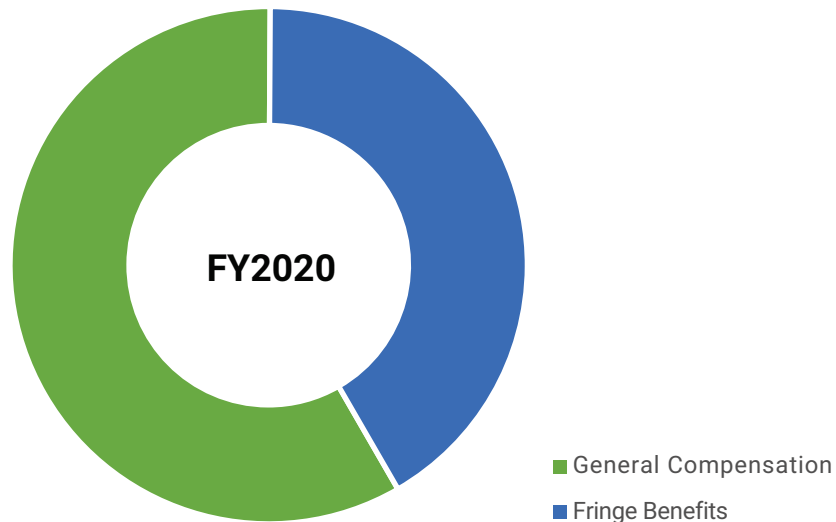


Fig. 17: Personal services expenditures by type (percentage of total)

Wages, benefits and other costs have increased, on average, 3% each year; Budgeted FTE has increased, on average, 0.5% each year.

Sheriff's Operations Fund personal services fringe benefits include insurance, pension, FICA and other costs. Fringe benefits have increased by 52% in the 11 years since FY10.

Fringe benefits were 41% of total Sheriff's Operations Fund personal services.



IV. Jail Division

Sheriff's Operations Fund: Jail Division

The purpose of the Jail Program is to provide a safe and secure custody environment for inmates and staff and to provide social, medical, food, and education services to inmates so they can be safe while they are held accountable, prepare for release, and become productive members of the community.

The Jail Division maintains a safe and secure facility for both inmates and staff in compliance with statutory authority, court decisions and the Oregon Jail Standards. It strives to keep all citizens of the community safe and to positively impact those who are held or who must serve sentences in the facility.⁴

Clackamas County General Fund transfers and Public Safety Local Option Levy tax revenue comprise 97% of all Jail Division revenue. Levy revenue in FY14, FY16 and FY17, while proportionate amounts existed and were available for all three divisions it supports (Jail, Investigations and Patrol), was not distributed to the Jail or Investigations Divisions. This is represented in the revenue trend lines for all three divisions. (Figures 18 and 22)

Personal services costs in FY20 were 75% of total Jail Division expenditures. Both revenues and expenditures have increased from FY10 levels, 31% and 24%, respectively. The Jail Division has experienced an 11% decrease in FTE since FY10. This includes the FY12 reduction of staff when the Jail medical service delivery model was changed from in-house delivery to outsourced contracted services. Additionally, the percentage decrease reflects a smaller reduction of Jail staff which occurred during the 2020 calendar year. General compensation has remained relatively flat, while fringe benefits have increased by 36% in the 11-year period. In FY10, the Jail Division spent \$0.54 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.73 was spent on fringe benefits (Figures 19, 22 and 23).

While personal services expenditures, overall, have increased by 13% since FY10, materials and services and cost allocations for county internal services costs have each increased by nearly 80%. Jail Division expenditures per capita in FY20 was \$72.21. (Figures 20 and 21)



“Hold offenders accountable and achieve justice”

⁴ Division purpose and description provided by the CCSO

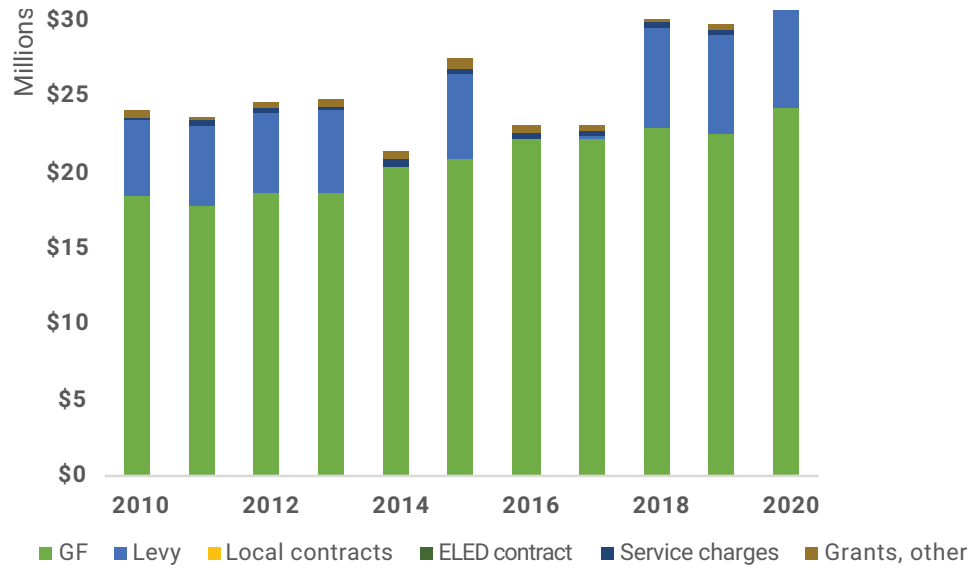


Fig. 18: Jail Division: Revenue by source (in millions, adjusted)

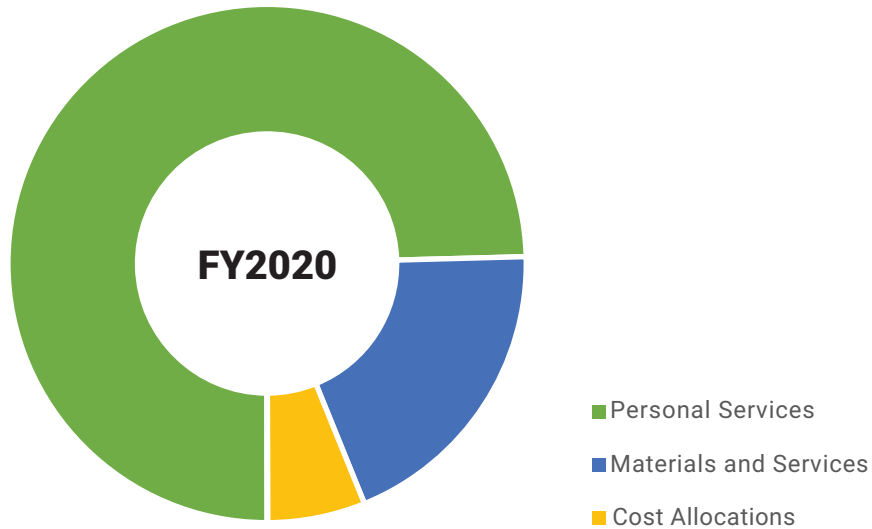


Fig. 19: Jail Division: Expenses by type (percentage of total)

Combined General Fund transfers and Levy revenues total 97% of all Jail Division revenue.

Personal services costs were 75% of total Jail Division expenditures.

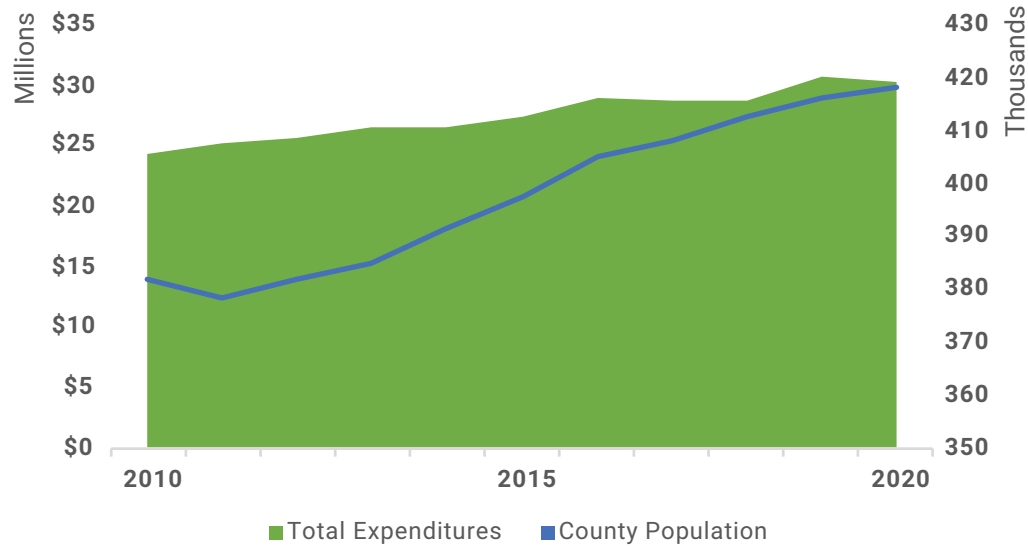


Fig. 20: Jail Division: Total expenditures (in millions, adjusted); Population totals

FY20 Jail Division expenditures per capita was \$72.21.

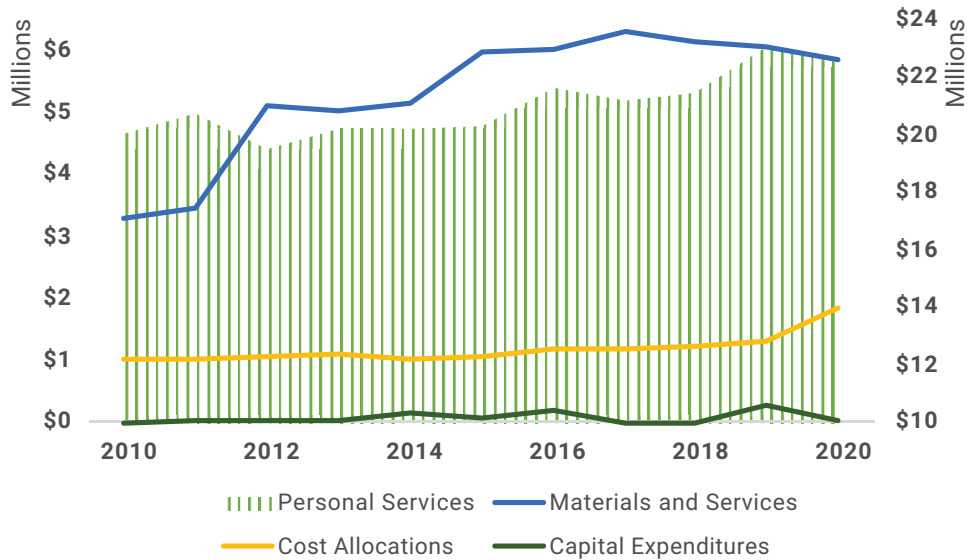


Fig. 21: Jail Division: Expenditures by types (in millions, adjusted)

Materials and services and cost allocation expenditures have increased each by nearly 80% since FY2010 for the Jail Division.

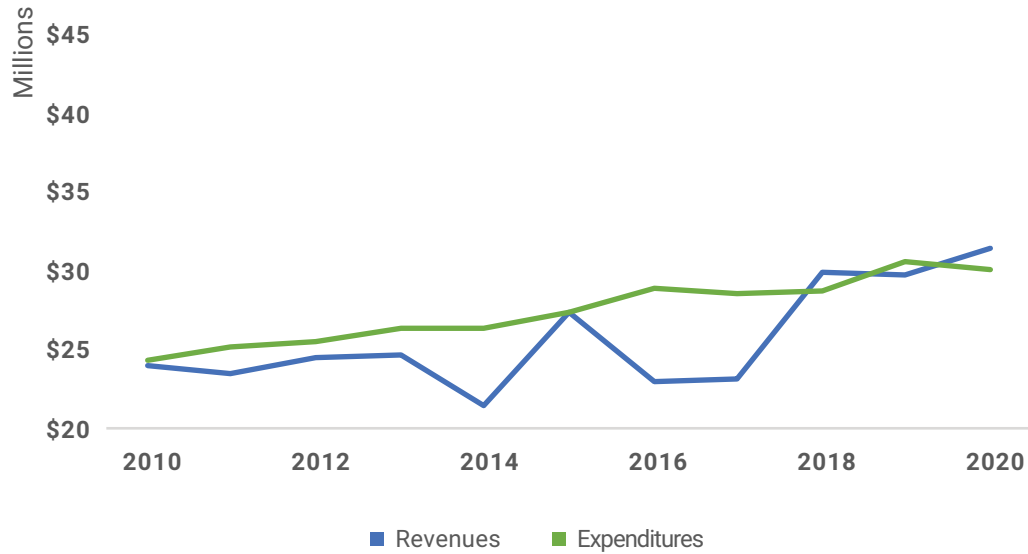


Fig. 22: Jail Division: Revenue versus expenses (in millions, adjusted)

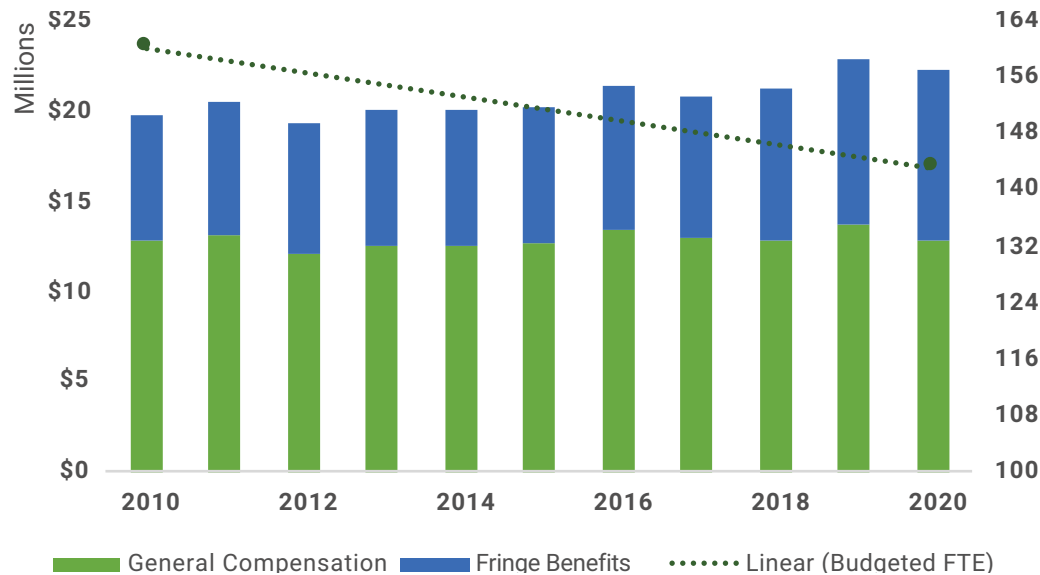


Fig. 23: Jail Division: Personal services by type (in millions, adjusted)

Both Jail Division revenues and expenditures increased from FY10, 31% and 24%, respectively.

While available for distribution and support of Jail and Investigations Divisions, accounting methods recorded all levy revenue in the Patrol Division for FY14, FY16 and FY17.

Jail Division FTE is decreasing. The fringe benefits portion of Jail Division personal services expenditures has increased 36% since FY10.

A photograph of a sheriff in a dark vest with 'SHERIFF' written in large, bold, orange letters on the back. The sheriff is seen from behind, looking out over a large, open rodeo arena. The arena is surrounded by a white fence and has a large crowd of spectators in the background. The sky is a mix of orange, pink, and purple, indicating sunset. There are several tall light poles around the arena, and some trees are visible in the distance. The overall scene is a typical rodeo event at dusk.

V. Patrol Division

Sheriff's Operations Fund: Patrol Division

The purpose of the Patrol Program is to provide public safety, community partnership, education, and law enforcement services to those who live, work, and play in Clackamas County so they can enjoy safe, livable communities.

The Patrol Division provides uniformed patrol services to ensure a safe community. This division is solely responsible for patrolling county roadways and waterways. In addition, the Patrol Division is responsible for responding to 9-1-1 police calls in the unincorporated areas of Clackamas County. There are several special units assigned to this division such as the Behavioral Health Unit, SWAT, Search and Rescue and the Sheriff's Office K-9 program.⁵

Contracted professional services for the ELED and local cities generate 44% of all Patrol Division revenue. Levy revenue in FY14, FY16 and FY17, while proportionate amounts existed and were available for all three divisions it supports (Jail, Investigations and Patrol), was not distributed to the Jail or Investigations Divisions. This is represented in the revenue trend lines for all three divisions. (Figures 24 and 28)

Personal services costs, including costs associated with the ELED contract, were 78% of total FY20 Patrol Division expenditures. On average, fringe benefits (insurance, pension, FICA and other costs) are 1/3 of all personal services costs. Patrol fringe benefits are increasing at a higher rate than general compensation, 54% and 17% respectively since FY10. In FY10, the Patrol Division spent \$0.53 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.70 was spent on fringe benefits. Patrol FTE has increased by approximately 4% in 11 years to 170 FTE providing county and ELED patrol services. (Figures 25 and 29)

Both revenues and expenditures have increased from FY10 levels, 23% and 24% respectively. While both cost allocations and capital expenditure costs have increased in the 11 year period, materials and services expenditures have decreased 7% since FY10. Patrol Division expenditures per capita in FY20 was \$89.51. (Figures 26, 27 and 28)



“Promote and contribute to a safe and secure community”

⁵ Division purpose and description provided by the CCSO

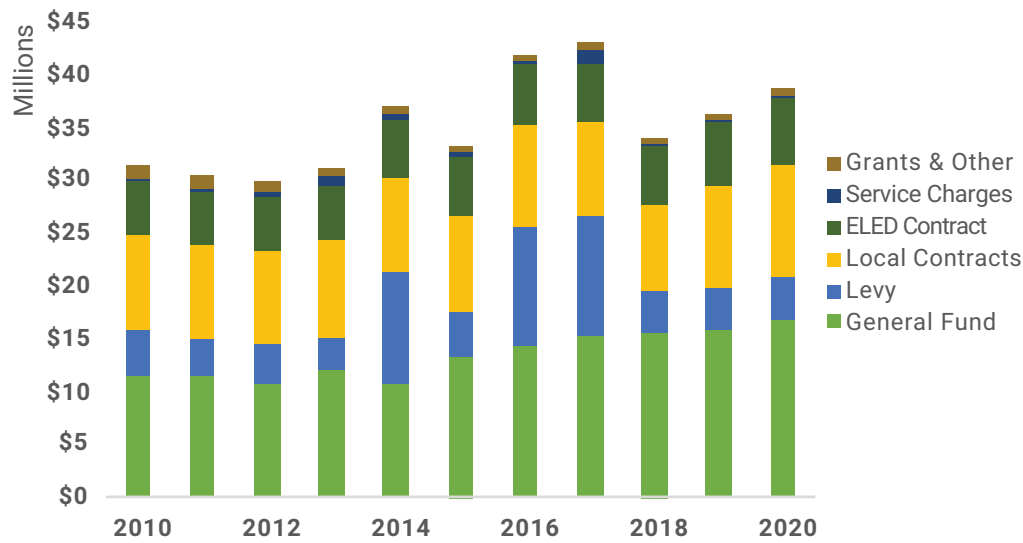


Fig. 24: Patrol Division: Revenue by source (in millions, adjusted)

Contracted services for the ELED and local cities generate 44% of Patrol Division revenue.

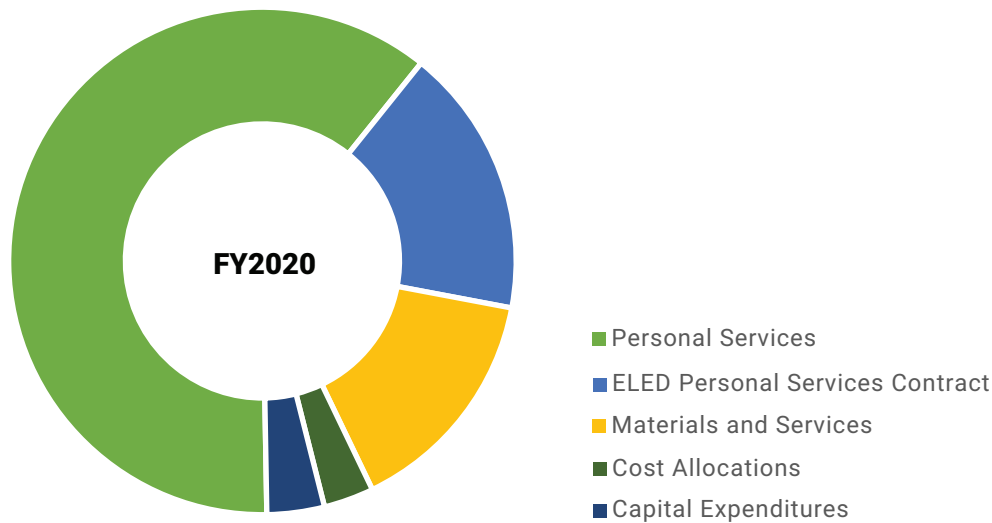


Fig. 25: Patrol Division: Expenses by type (percentage of total)

Personal services costs, including the ELED contract, were 78% of total Patrol Division expenditures in FY20.

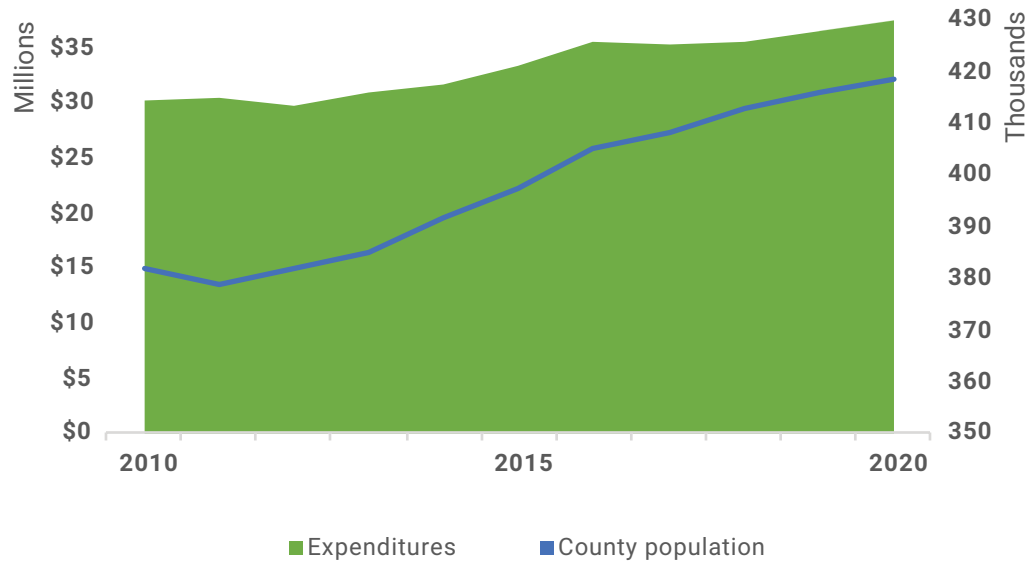


Fig. 26: Patrol Division: Total expenditures (in millions, adjusted); Population totals

FY20 Patrol Division expenditures per capita was \$89.51.

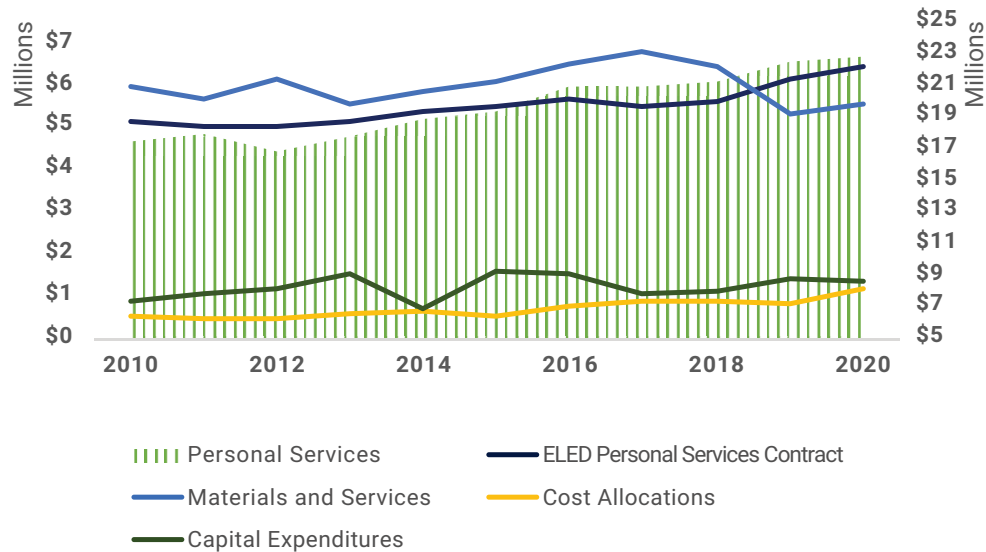


Fig. 27: Patrol Division: Expenditures by types (in millions, adjusted)

Patrol Division personal services costs have increased 31% in 11 years.

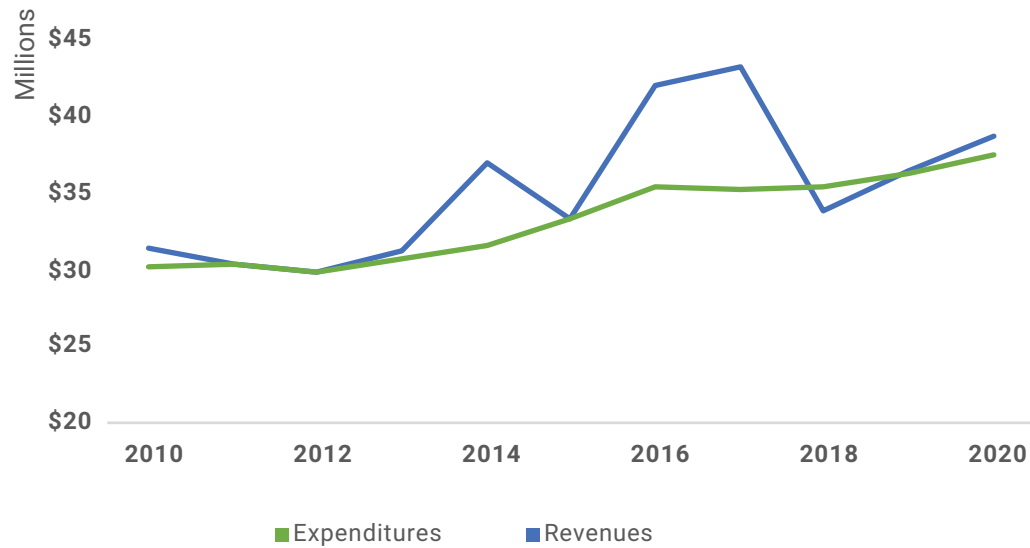


Fig. 28: Patrol Division: Revenue versus expenses (in millions, adjusted)

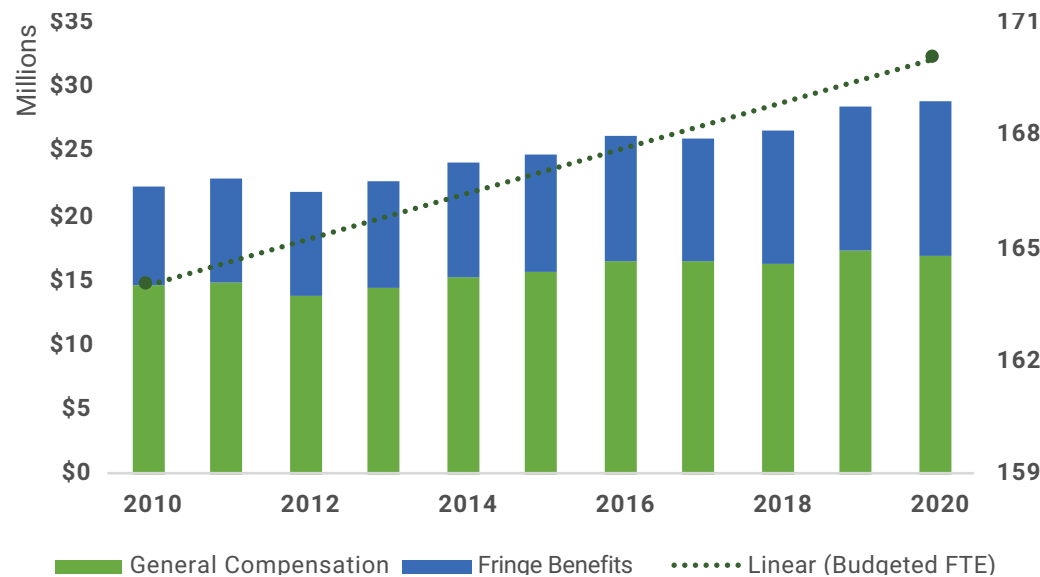


Fig. 29: Patrol Division: Personal services, including ELED contract, by type (in millions, adjusted)

Patrol Division revenues and expenditures are increasing at similar rates, 23% and 24%, respectively.

While available for distribution and support of Jail and Investigations Divisions, accounting methods recorded all levy revenue in the Patrol Division for FY14, FY16 and FY17.

Patrol general compensation and fringe benefits have increased 17% and 54%, respectively, since FY10.

A forensic investigator is shown from behind, wearing a dark jacket and pants, crouching on a paved surface at night. A bright flashlight beam illuminates the ground in front of them. Several yellow evidence markers are placed around the scene, with the number '20' clearly visible on a marker in the foreground. In the background, a white SUV is partially visible with its headlights on, and a license plate that reads 'E264383'. A metal barricade is positioned to the right of the investigator. The scene is dark, with the primary light source being the investigator's flashlight and the vehicle's headlights.

VI. Investigations and Family Justice Center Divisions

Sheriff's Operations Fund: Investigations and Family Justice Center Divisions

The purpose of the Investigations Program is to provide comprehensive investigative services and secure evidence storage for prosecutors, other law enforcement agencies, and victims of crime so they can hold offenders accountable and achieve justice.

The Investigations Division is responsible for responding to and investigating major incidents in Clackamas County. The division is comprised of several units to create a coordinated and specialized response to County events: Homicide and Violent Crimes Unit, Property Crimes Unit, Child Abuse Team, Clackamas County Inter-Agency Task Force (narcotics), Computer Forensics, Crime Scene Investigations, Forensic Art, Adult Sex Crimes, Property and Evidence.

The purpose of the Family Justice Center (FJC) Program is to provide comprehensive and coordinated victim services from public and non-profit agencies to vulnerable victims of crime so they can live a life free of violence.

A Safe Place Family Justice Center is a public/private partnership that houses 10 on-site agencies to address the needs of survivors. This one-stop center, led by the Sheriff's Office, serves victims and families of domestic violence, sexual assault, human trafficking, stalking and elder abuse. The Center houses the Sheriff's Office Domestic Violence Enhanced Response Team, Adult Sex Crimes Detectives, and representatives from several community partners including the District Attorney's Office and Clackamas Women's Services.⁶ This analysis combines the financial impacts of the Investigations and Family Justice Center Divisions.

Clackamas County General Fund transfers and Public Safety Local Option Levy tax revenue comprised 97% of all Investigations Division revenue in FY20. Levy revenue in FY14, FY16 and FY17, while proportionate amounts existed and were available for all three divisions it supports (Jail, Investigations and Patrol), was not distributed to the Jail or Investigations Divisions. This is represented in the revenue trend lines. (Figures 30 and 34)

Personal services costs were 88% of total expenditures in FY20. Fringe benefits have increased 60% in



***“Act with character
and principle in a
professional manner”***

⁶ Division purposes and descriptions provided by the CCSO

11 years. In FY10, the Investigations and Family Justice Center Divisions spent \$0.52 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.66 was spent on fringe benefits. (Figures 31 and 35)

Both revenues and expenditures have increased from FY10 levels. Expenditures are consistently outpacing revenues. Cost allocations expenditures have significantly increased since FY10, 538%, \$677,789. Materials and services expenditures have decreased 34% in the same period, while personal services increased 38%. Investigations Division expenditures per capita in FY20 was \$30.39. (Figures 32, 33 and 34)

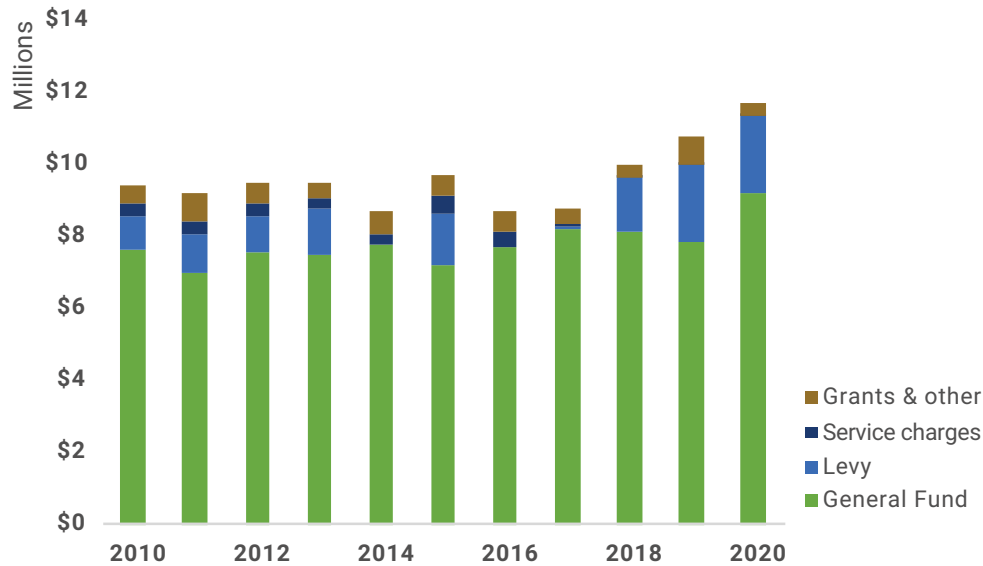


Fig. 30: Investigations Division: Revenue by source (in millions, adjusted)

Combined General Fund transfers and Levy revenues totaled 97% of all Investigations Division revenue in FY20.

Grants & other revenue has decreased 24% since 2010. No service charge revenue has been received since FY19.

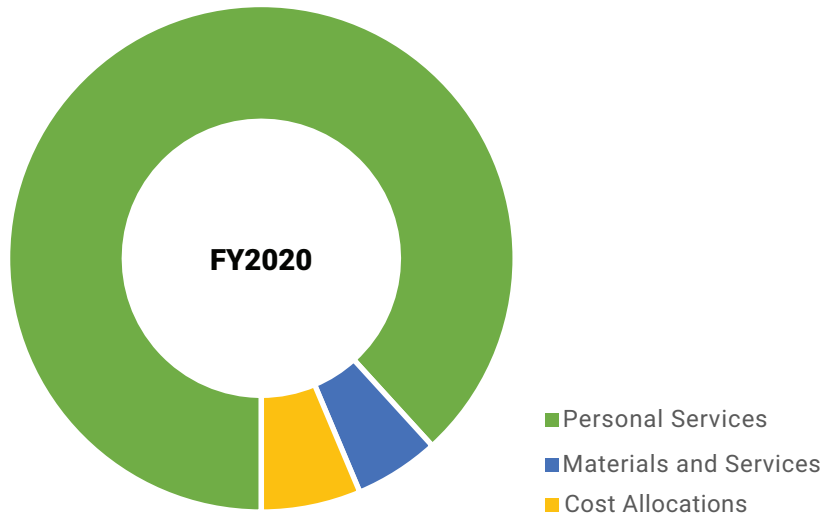


Fig. 31: Investigations Division: Expenses by type (percentage of total)

Personal services costs were 88% of total Investigations Division expenditures.

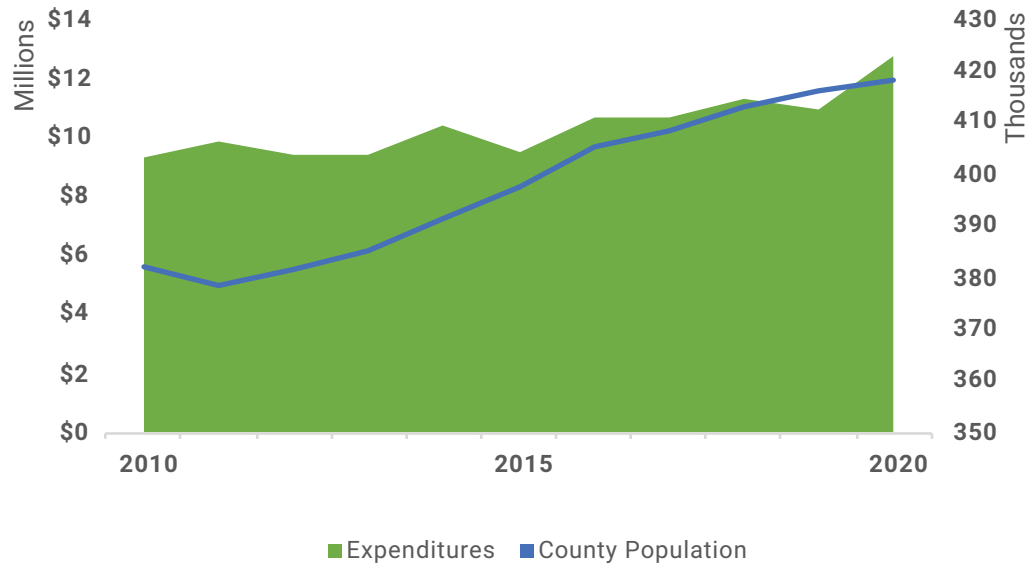


Fig. 32: Investigations Division: Total expenditures (in millions, adjusted); Population totals

FY20 Investigations and Family Justice Center Divisions expenditures per capita was \$30.39.

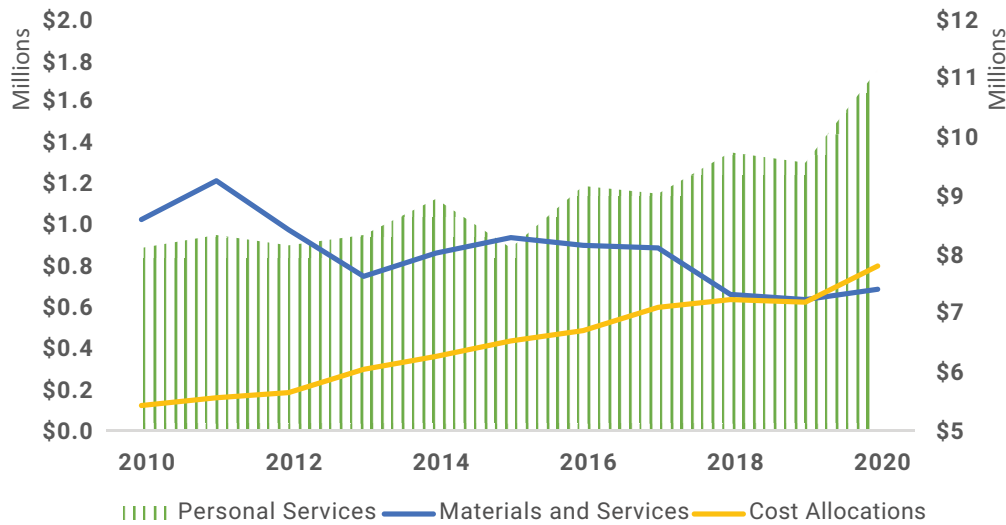


Fig. 33: Investigations Division: Expenditures by types (in millions, adjusted)

Cost allocation expenditures have increased 538%, \$678K, in 11 years.

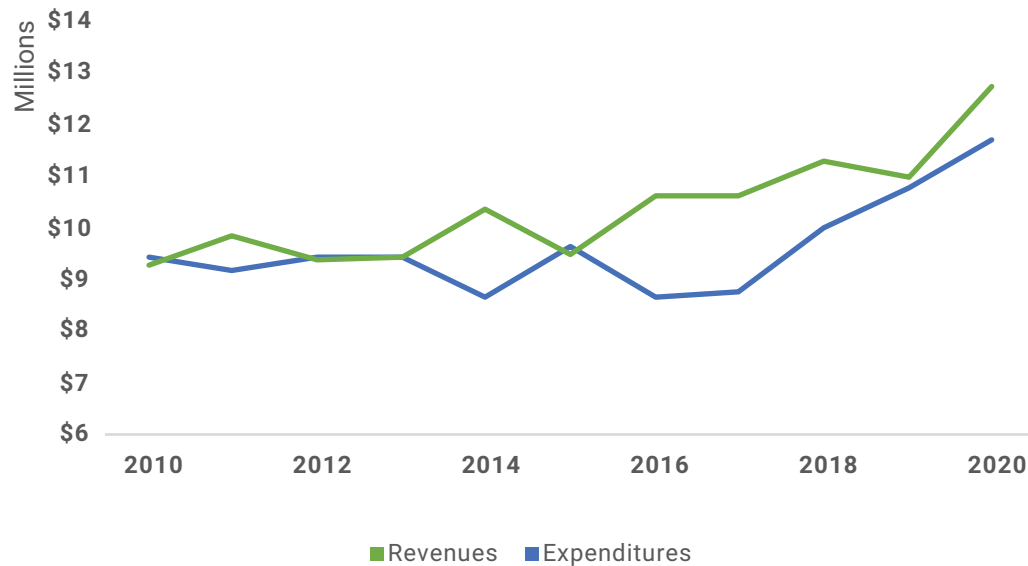


Fig. 34: Investigations Division: Revenue versus expenses (in millions, adjusted)

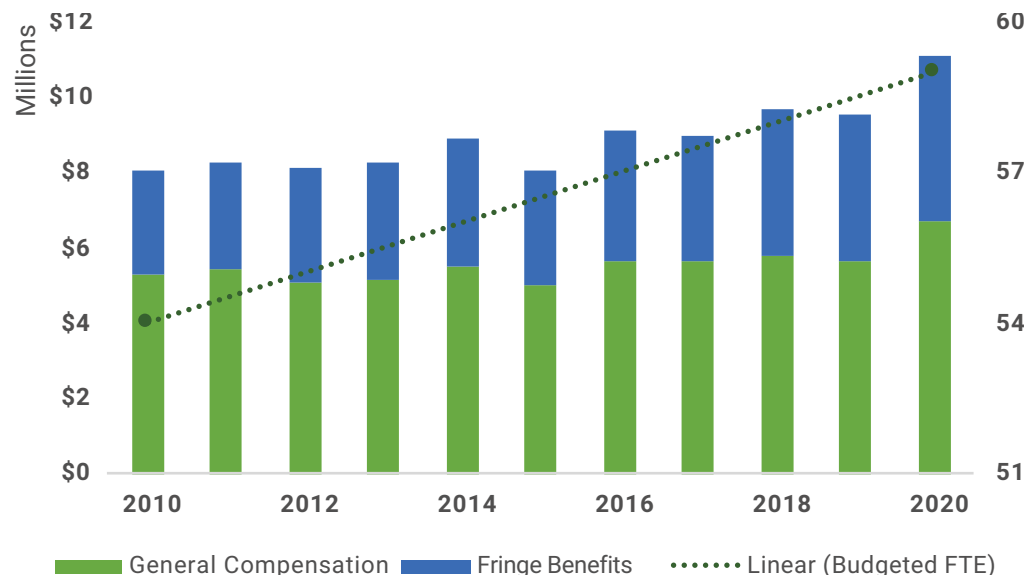


Fig. 35: Investigations Division: Personal services by type (in millions, adjusted)

Investigations and Family Justice Center Divisions expenditures have been consistently outpacing revenues since FY16.

While available for distribution and support of Jail and Investigations Divisions, accounting methods recorded all levy revenue in the Patrol Division for FY14, FY16 and FY17.

Investigations Division fringe benefits increases are outpacing general compensation expenditure increases, 60% to 27%, respectively. Overall, personal services expenditures are up 38% since FY10.



VII. Civil Division

Sheriff's Operations Fund: Civil Division

The purpose of the Civil Program is to provide court security services and to execute the process and orders of the court for court employees and members of the public so they can experience a safe court environment and have process served in a proper and timely manner.

The Civil Division is responsible for serving civil process, providing security for 13 courtrooms spread between the county courthouse, juvenile building and justice court, and transport of individuals in custody to and from the courthouse for trial, sentencing and appearances.⁷

Clackamas County General Fund transfers comprise 84% of all Civil Division revenue. In FY20, personal services costs were 92% of total Civil Division expenditures. The Civil Division experienced a 13% increase in FTE. Both revenues and expenditures have increased from FY10 levels. Expenditures are slightly outpacing revenues, 35% to 33%, respectively. Civil Division cost allocations expenditures, 6% of total expenditures, have increased by 152% (\$177K) since FY10. Materials and services and personal services have increased 12% and 32%, respectively, during the same period. (Figures 36, 37, 39, 40 and 41)

Fringe benefits are comprising a larger portion of personal services, 42% in FY20 compared to 35% in FY10, Fringe benefit expenditures have increased 60% in the 11-year period. In FY10, the Civil Division spent \$0.53 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.73 was spent on fringe benefits. (Figure 41)

Civil Division expenditures per capita in FY20 was \$11.24. (Figure 38)



***“Serve the community
with compassion
and commitment”***

⁷ Division purpose and description provided by the CCSO

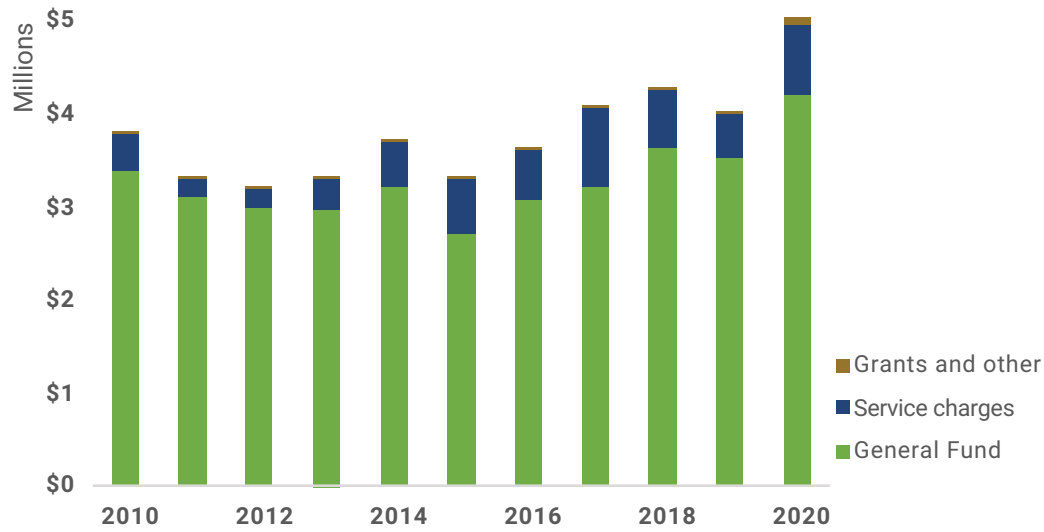


Fig. 36: Civil Division: Revenue by source (in millions, adjusted)

In 11 years, service charges revenue has increased by 98% within the Civil Division.

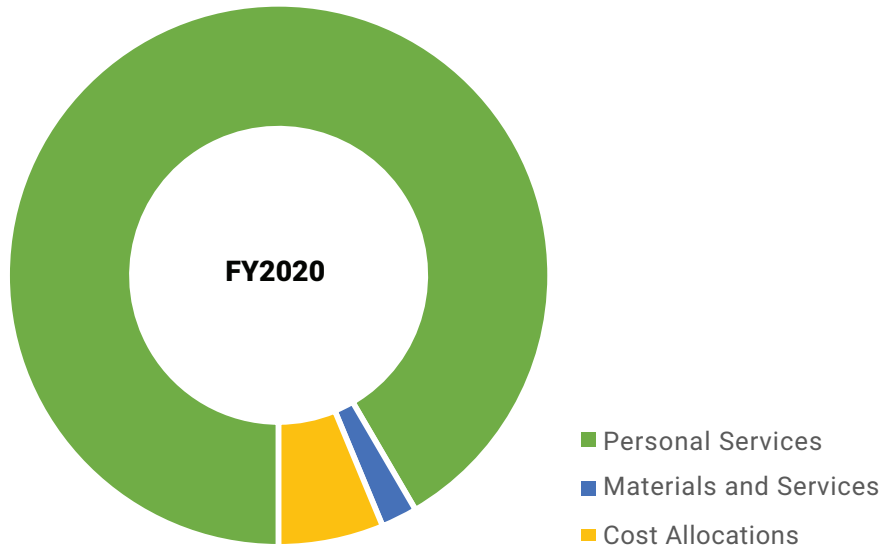


Fig. 37: Civil Division: Expenses by type (percentage of total)

Personal services costs were 92% of total Civil Division expenditures.

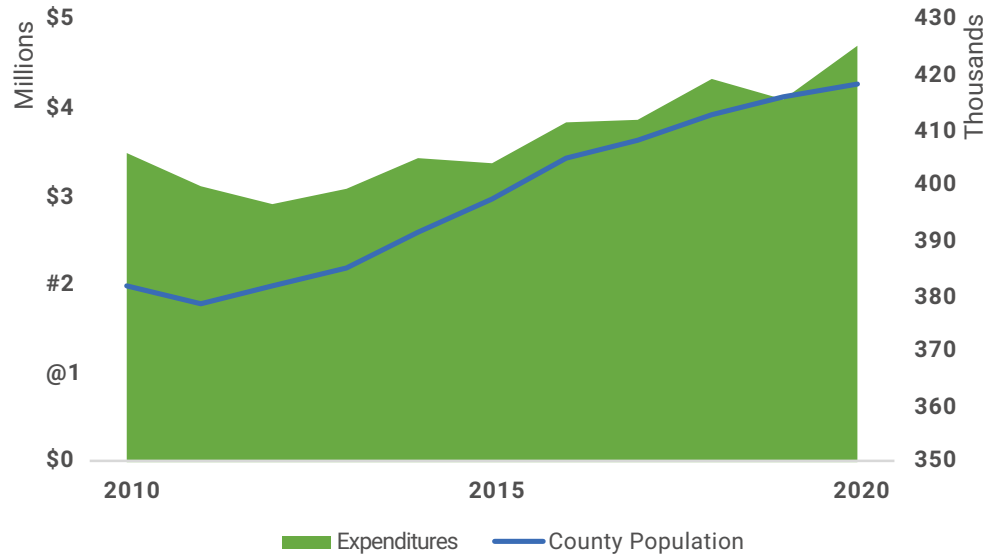


Fig. 38: Civil Division: Total expenditures (in millions, adjusted); Population totals

FY20 Civil Division expenditures per capita was \$11.24.

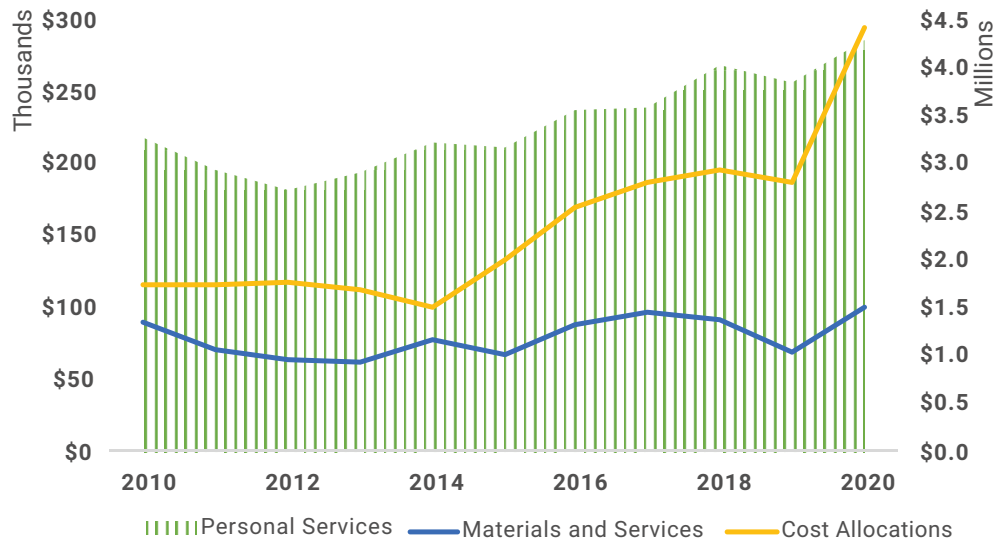


Fig. 39: Civil Division: Expenditures by types (in millions and thousands, adjusted)

Civil Division FY20 cost allocations were 6% of total division expenditures; an increase of \$177K, or 152%, from FY2010 amounts.

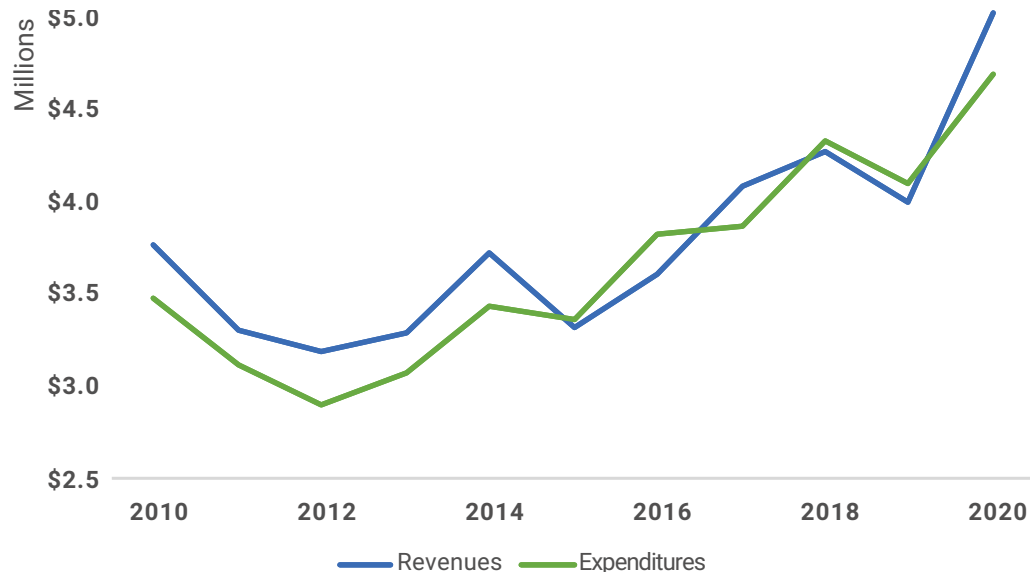


Fig. 40: Civil Division: Revenue versus expenses (in millions, adjusted)

Civil Division expenditures are increasing at a slightly higher rate, 35%, than revenues, 33%, since FY10.

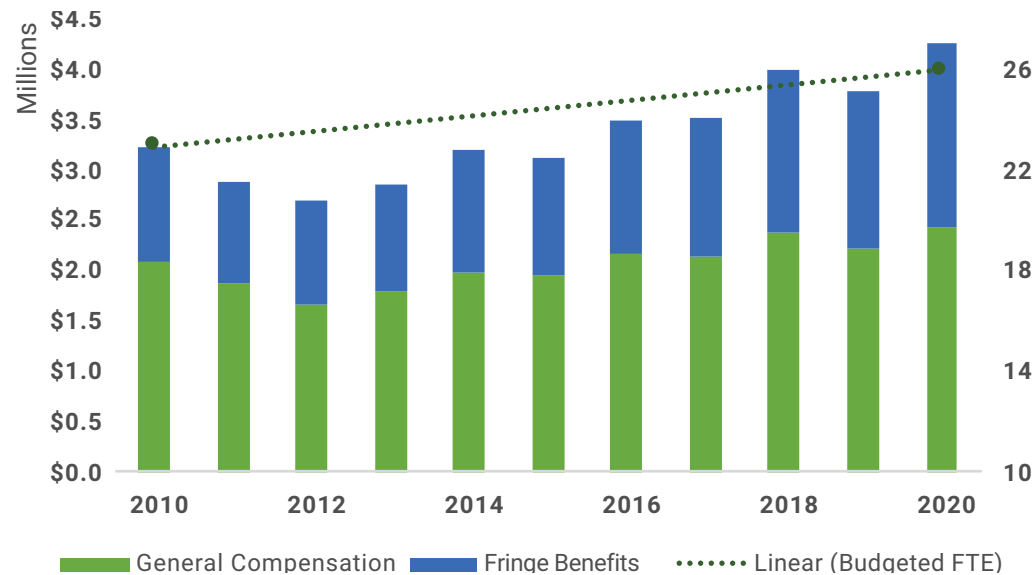


Fig. 41: Civil Division: Personal services by type (in millions, adjusted)

Civil Division fringe benefits increases are outpacing general compensation expenditures 60% to 17%, respectively. Personal services are up 32% since FY10.

A close-up photograph of a stack of colorful folders and papers. The folders are in various colors including purple, yellow, green, and red. The papers are white and some have labels. A dark horizontal band is overlaid across the middle of the image, containing the text 'VIII. Administration Division' in white, bold, serif font.

VIII. Administration Division

Sheriff's Operations Fund: Administration Division

The Administration Line of Business provides executive leadership, administrative support, and operational support services to Sheriff's Office employees so they can deliver quality law enforcement and public safety services to the community. The purpose of the Office of the Sheriff Program is to provide executive leadership, management, and communication services to Sheriff's Office employees and the community so they can benefit from strong, visionary leadership and work together to advance the Sheriff's Office mission to provide trusted public safety and law enforcement services.

CCSO Administration exercises supervision over all divisions and establishes policy, long-range planning, composes and monitors all division budgets, prepares statistical information, coordinates strategic business plan (MFR) and directs procurement. The Public Information Unit and Professional Standards Unit are both included in this group, reporting directly to the Sheriff/Undersheriff.⁸

Clackamas County General Fund transfers comprise 100% of the Administration Division's revenue. Personal services costs were 83% of total FY20 Administration Division expenditures. Both revenues and expenditures have increased from FY10 levels. Expenditures are outpacing revenues, 43% to 33%, respectively. (Figures 42, 43 and 46)

Since FY10, cost allocations expenditures for internal services have decreased by 37%. The Sheriff's Operations Fund is charged a portion of the county's total allocated costs. This single charge is distributed among the nine divisions based on the division's percentage of overall Sheriff's Operations Fund FTE. This distribution methodology was established in 2015, representing a change from prior distribution methods. Prior to 2015, a significant amount of the allocation was accounted for within the Administration Division. (Figure 45)

Personal services expenditures increased by 76% since FY10. The Administration Division experienced a 42% increase in FTE, six FTE, between FY10 and FY20. General compensation and fringe benefits (insurance, pension, FICA and other costs) increased 120% and 59%, respectively, in the 11-year period. In FY10, the Administration Division spent \$0.51 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.72 was spent on fringe benefits. (Figure 47)

Administration Division expenditures per capita in FY20 was \$11.47. (Figure 44)



***“Participate as innovative
leaders in partnership
with our community”***

⁸ Division purpose and description provided by the CCSO

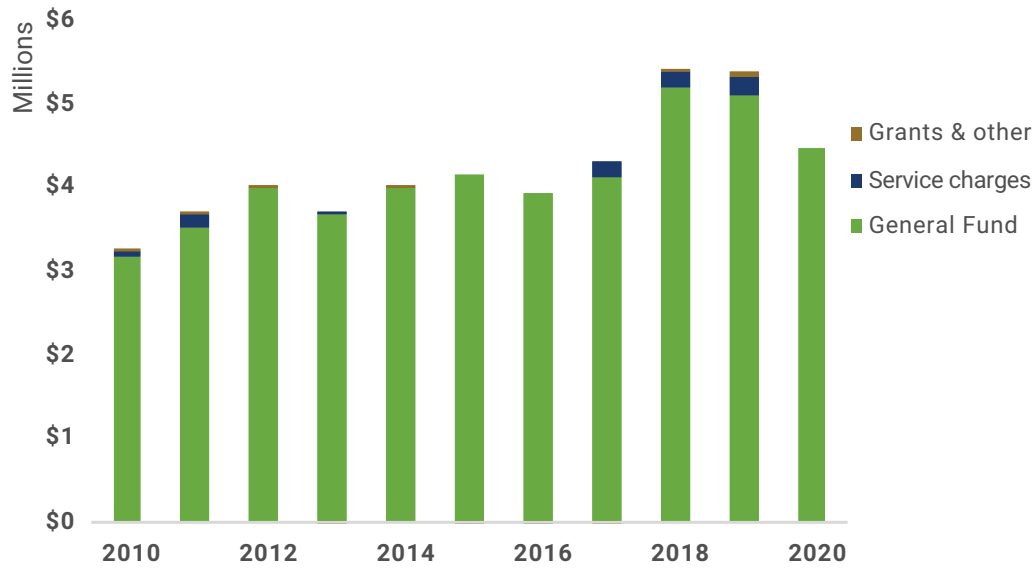


Fig. 42: Administration Division: Revenue by source (in millions, adjusted)

In FY20, the Administration Division was funded 100% by county General Fund revenue.

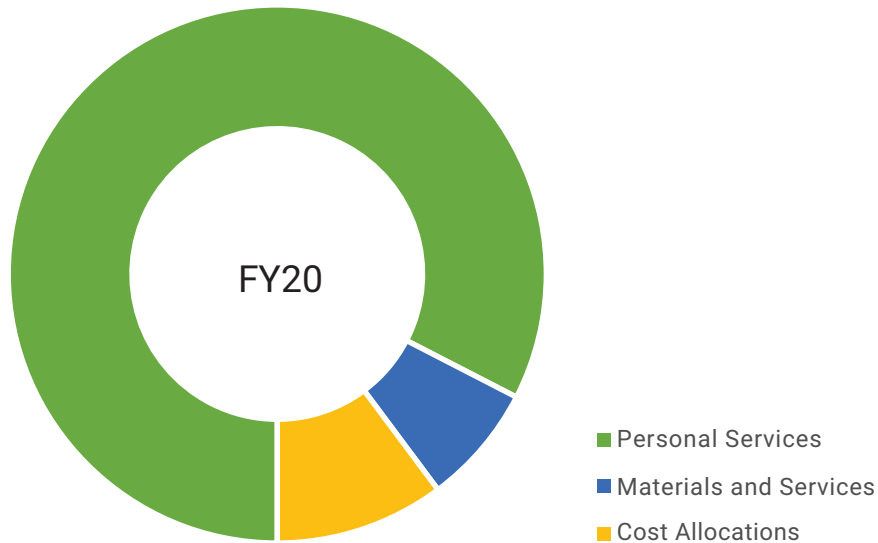


Fig. 43: Administration Division: Expenses by type (percentage of total)

Personal services costs were 83% of total Administration expenditures.

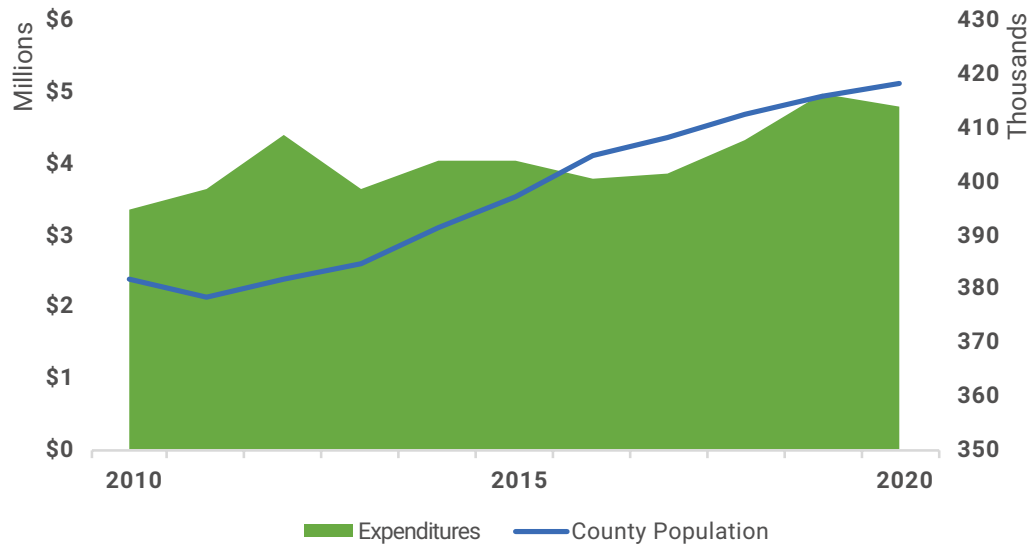


Fig. 44: Administration Division: Total expenditures (in millions, adjusted); Population totals

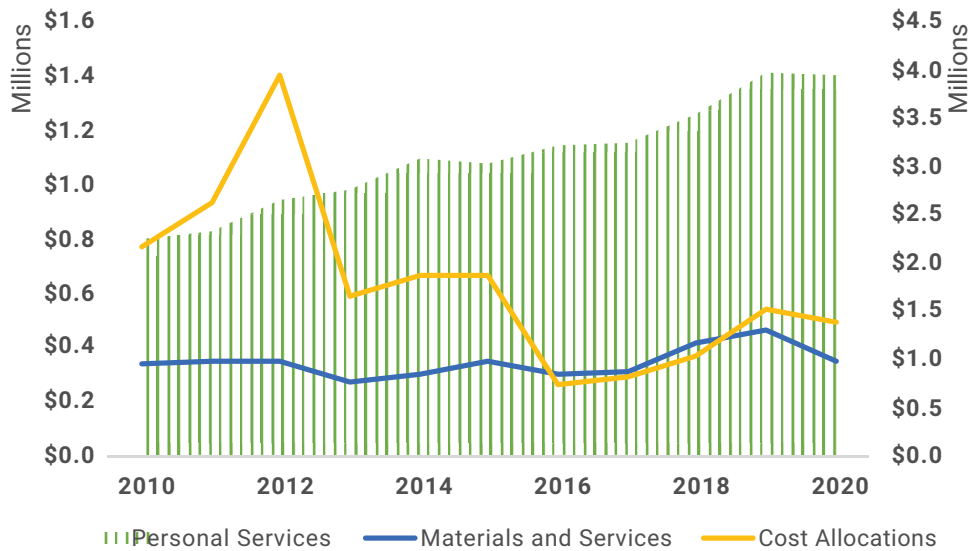


Fig. 45: Administration Division: Expenditures by types (in millions, adjusted)

FY20 Administration Division expenditures per capita was \$11.47.

Personal services expenditures have increased 76% in 11 years. Cost allocations for county internal services decreased 37% during the same period due to changes in distribution methodology.

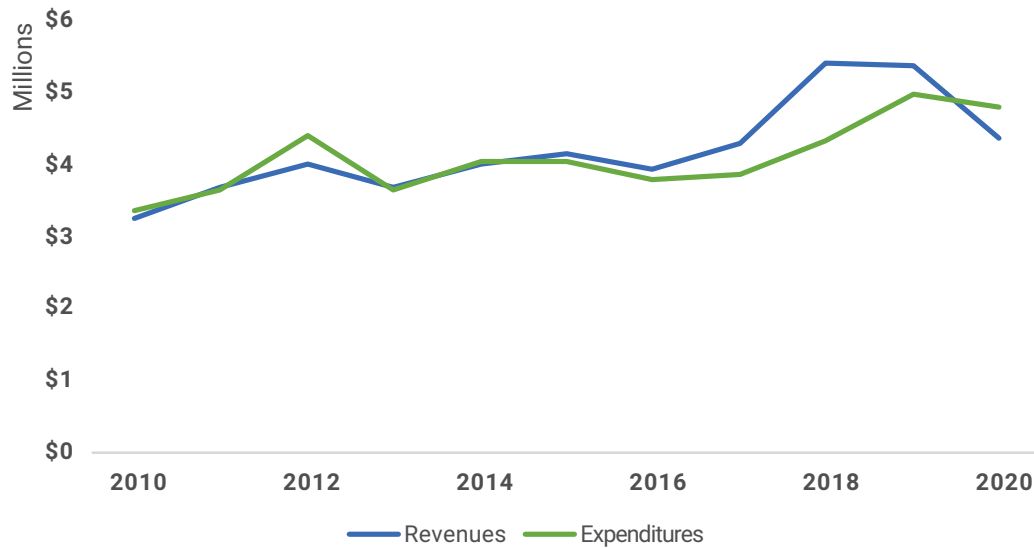


Fig. 46: Administration Division: Revenue versus expenses (in millions, adjusted)

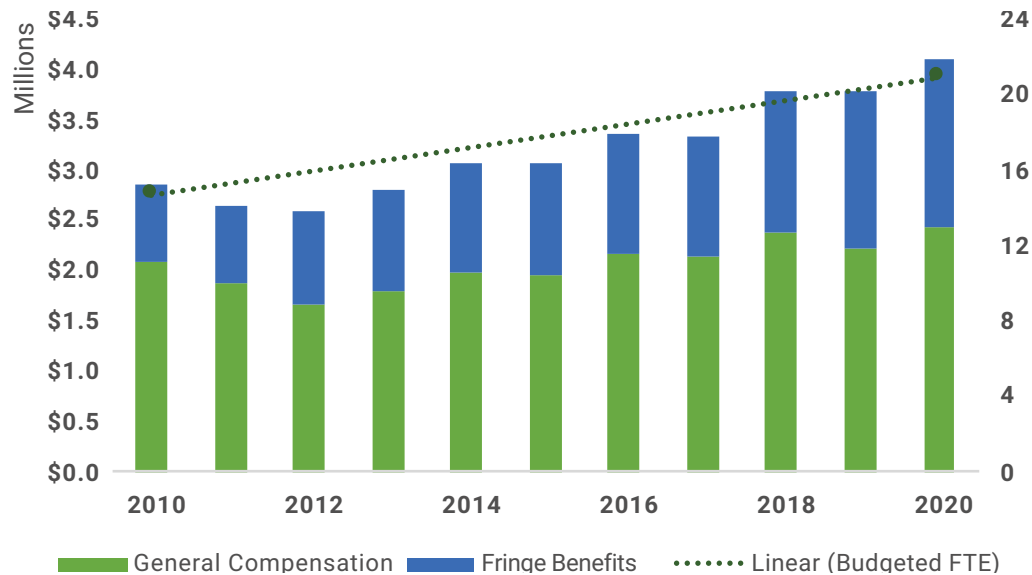


Fig. 47: Administration Division: Personal services by type (in millions, adjusted)

While both decreased in FY20, the 11-year trend indicates increases of 33% and 43%, respectively, for Administration Division revenues and expenditures.

Administration Division FTE has increased 42% in the 11 year period. Since FY10, fringe benefits have increased nearly 120%, outpacing general compensation increases of 59%.

A photograph of a group of law enforcement officers in a training room. In the foreground, a man in a tan uniform is shown in profile, wearing a radio. His uniform patch reads "SHERIFF" and "WAS COU". In the background, other officers in dark uniforms are seated at desks, some looking towards the front of the room. The room has a blurred background with a red fire extinguisher visible.

**IX. Operational Support and
Training & Wellness Divisions**

Sheriff's Operations Fund: Operational Support and Training & Wellness Divisions

The purpose of the Training & Wellness Program is to provide professional risk mitigation training to Sheriff's Office employees and personal wellness services to employees and their families so they can maintain physical and mental well-being throughout their career.

The Operational Support Division is comprised of the Human Resources, Training & Wellness, Information Technology, Records and Public Safety Training Center activities. The Human Resources and Training and Wellness functions are responsible for coordinating all hiring efforts, as well as, all training required to keep sworn staff certified. Information Technology coordinates all computer needs for the Sheriff's Office. The Records unit processes criminal reports taken by Patrol and Investigations. It also maintains warrants and protective orders for Clackamas County and various city police departments and assists crime analysis and case management efforts.

The Training and Wellness Division work in corporation with the other Sheriff's Office divisions to cultivate and deliver training throughout the Office. In addition, the Division tracks employee's annual and biannual training requirements making sure each sworn member of the office has the legally required training hours and that specific training topics are covered. This Division also houses the Wellness Coordinator who is tasked with facilitating several programs targeting employee wellness.⁹ This analysis combines the financial impacts of the Operational Support and Training & Wellness Divisions.

The Division is generally funded by the county General Fund, comprising 94% of all Operational Support Division revenue in FY20. On average, service charges generate 12% of the division's revenue. In FY20 service charges revenue decreased by 70% from the prior year to \$292,172 in FY20 revenue. Both revenues and expenditures are increasing. Operational Support expenditure increases are outpacing increases to revenues, 33% to 24%, respectively, in an 11 year period. Personal services is the largest expenditure category, increasing 32% since FY10. (Figures 48, 49, 51 and 52)



"Ensure excellence in hiring, organizational system management, training & wellness"

⁹ Division purposes and descriptions provided by the CCSO

On average, fringe benefits (insurance, pension, FICA and other compensation costs) account for 1/3 of total personal services costs. General compensation comprises the remaining 2/3 costs. In FY10, the Operational Support and Training and Wellness Divisions spent \$0.51 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.65 was spent on fringe benefits. (Figure 53)

Operational Support Division expenditures per capita in FY20 was \$16.49. (Figure 50)

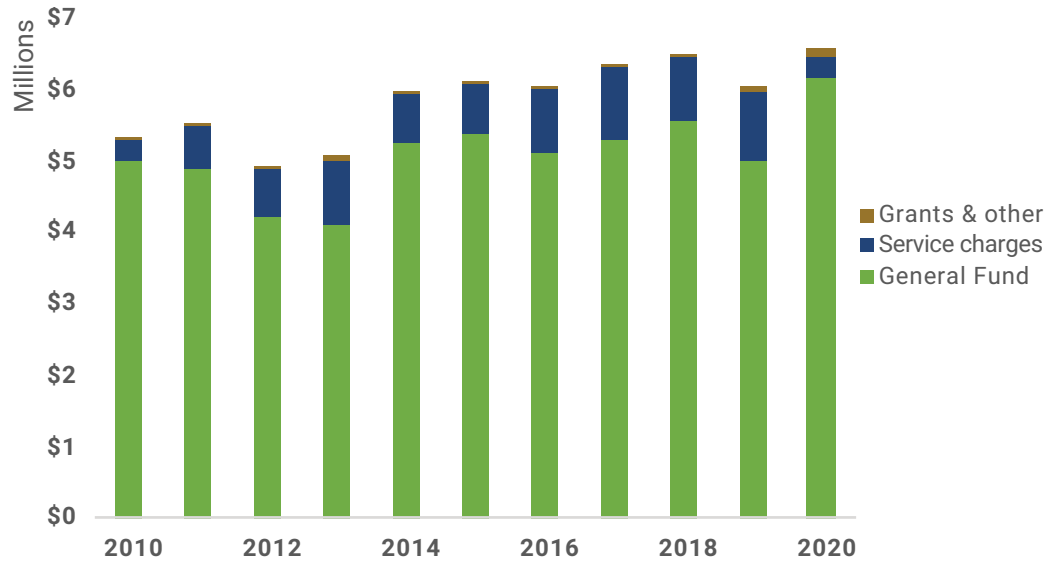


Fig. 48: Operational Support Division: Revenue by source (in millions, adjusted)

Operational Support Division service charge revenue decreased by 70% in FY20 from the prior year.

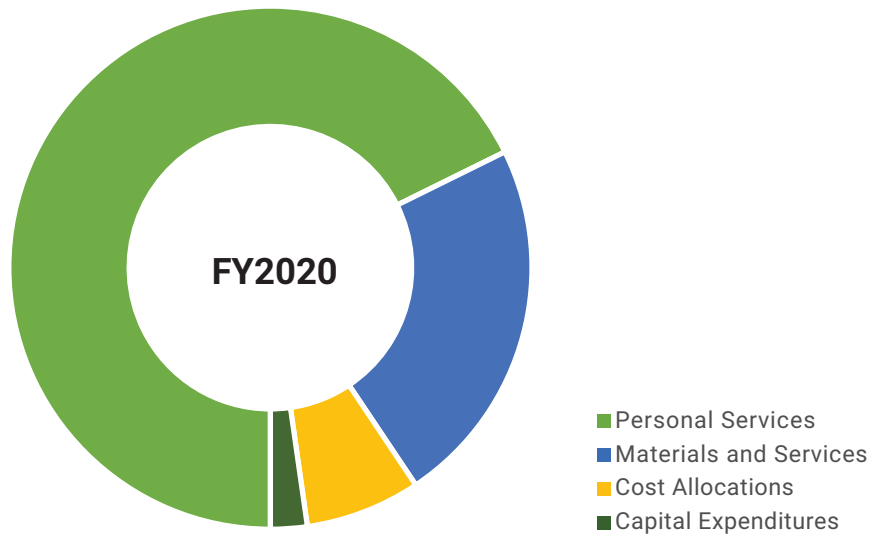


Fig. 49: Operational Support Division: Expenses by type (percentage of total)

Personal services costs were 68% of total Operational Support expenditures.

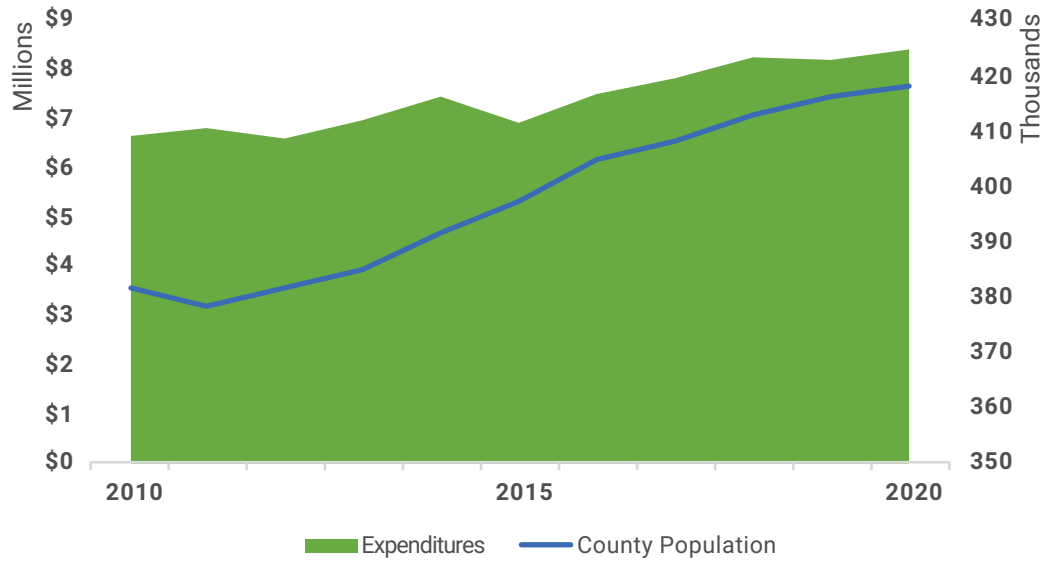


Fig. 50: Operational Support Division: Total expenditures (in millions, adjusted); Population totals

FY20 Operational Support Division expenditures per capita was \$16.49.

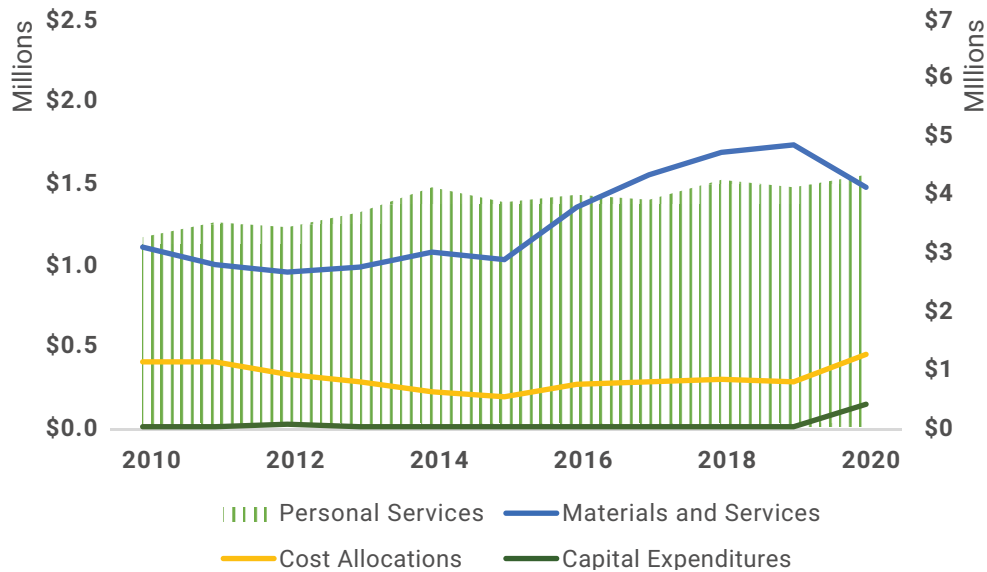


Fig. 51: Operational Support Division: Expenditures by types (in millions, adjusted)

Operational Support Division total expenditures increased by 33% since FY10; Personal services increased 32%.

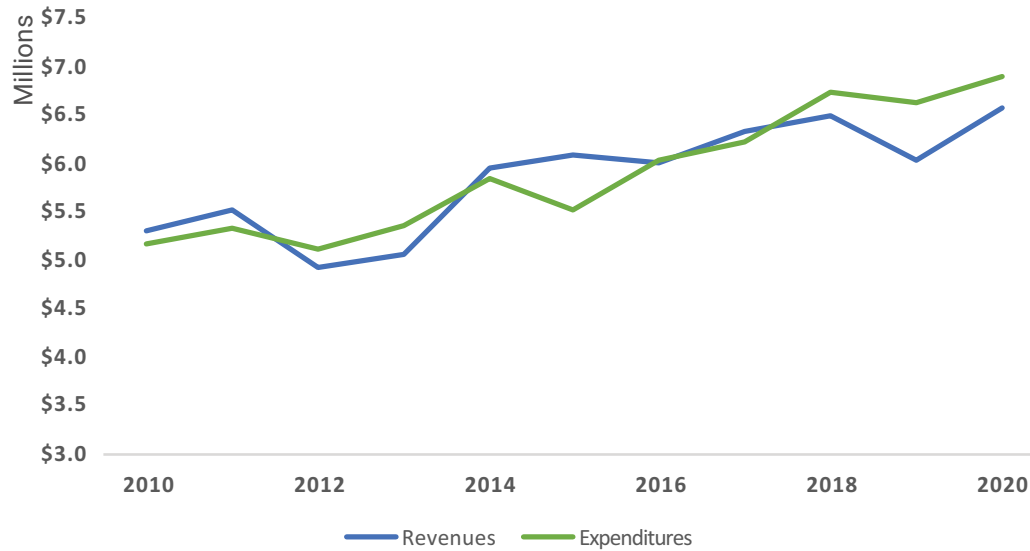


Fig. 52: Operational Support Division: Revenue versus expenses (in millions, adjusted)

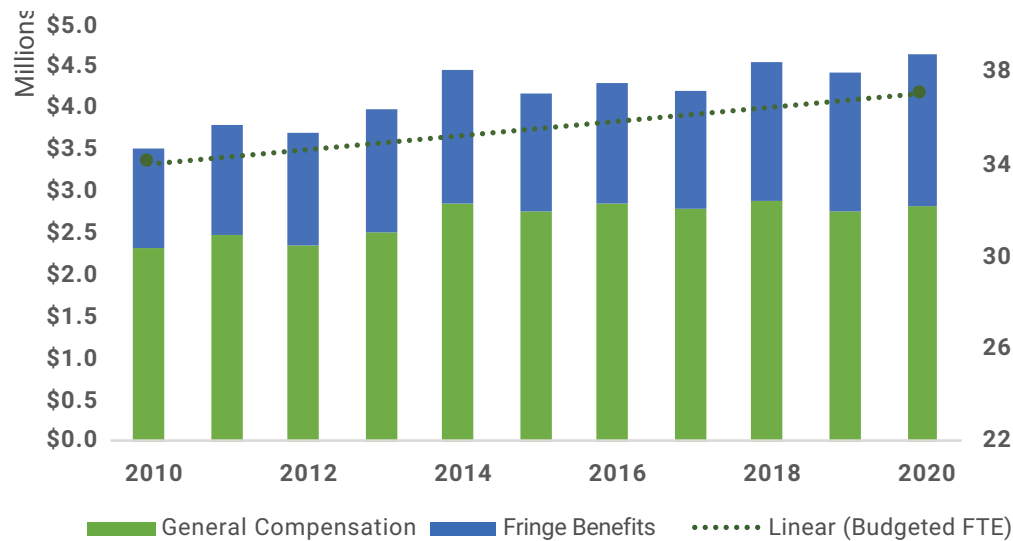


Fig. 53: Operational Support Division: Personal services by type (in millions, adjusted)

Increases in Operational Support Division expenditures have been outpacing revenue increases, 33% to 24%, respectively, since FY10.

Fringe benefits, on average, account for 1/3 of total personal services expenditures.



**X. Public Safety
Training Center Division**

Sheriff's Operations Fund: Public Safety Training Center Division

The purpose of the Public Safety Training Center (PSTC) Program is to provide facilities, skills development, and education services to Sheriff's Office employees, other law enforcement agencies, and the public so they can enhance their public safety knowledge and skills to build a more secure community.

Public Safety Training Center (PSTC) activities are managed through the PSTC Division. Activity at the Public Safety Training Center accounts for costs of a facility which houses a shooting range plus meeting and classroom space. The facility is used by county staff, as well as, other law enforcement agencies in the area. Fees are charged to outside agencies and public users to cover costs related to maintenance and operation. The goal is to have the facility pay for itself between fees and overtime savings generated from deputies being able to shoot during their regular shifts.¹⁰

On average, PSTC activities have received a majority of revenues from service charges, 51%, with an additional 44% of total revenue transferred from the county General Fund. Annual service charges revenue has been steadily declining. In FY20, service charges revenue was 37% of all PSTC revenue, an 11-year decrease of 44%. COVID-19 impacts on service charge revenues are slightly noticeable as service demand and delivery decreased the last quarter of FY20, along with the revenues generated by such services. Similar impacts are expected to be seen in FY21 data. (Figure 54)

Total PSTC revenue has declined 6% since FY10. Expenditures have risen 1%. Personal services expenditures have seen a 120% increase in the 11-year period as the PSTC staff has grown from 3 FTE to 6 FTE. Fringe benefits (insurance, pension, FICA and other compensation costs) were 41% of personal services costs in FY20. In FY10, the PSTC Division spent \$0.30 for every \$1.00 spent for general compensation. In FY20, for every \$1.00 spent on general compensation, \$0.68 was spent on fringe benefits. (Figures 57, 58 and 59)

The PSTC expenditures per capita for FY20 were \$3.59. (Figure 56)



***"Enhancing public safety
knowledge and skills to
build a more
secure community"***

¹⁰ Division purpose and description provided by the CCSO

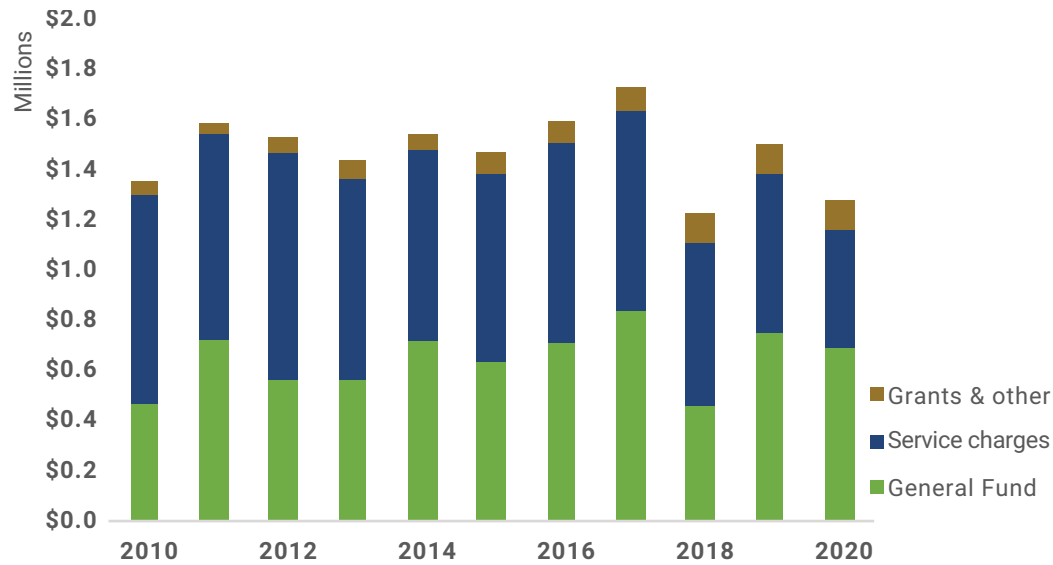


Fig. 54: PSTC: Revenue by source (in millions, adjusted)

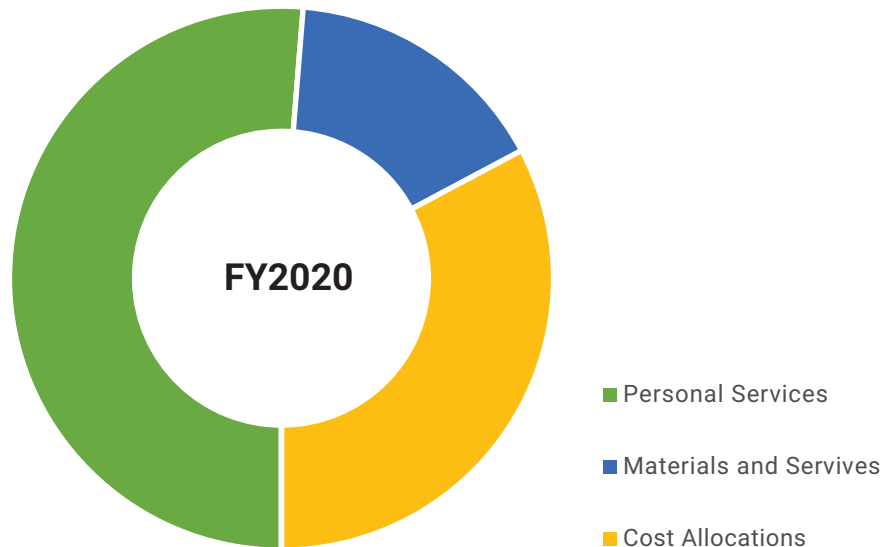


Fig. 55: PSTC: Expenses by type (percentage of total)

PSTC service charge revenue has decreased 44% in 11 years; Revenue from grants and other sources has increased.

Personal services costs were 51% of total PSTC expenditures.

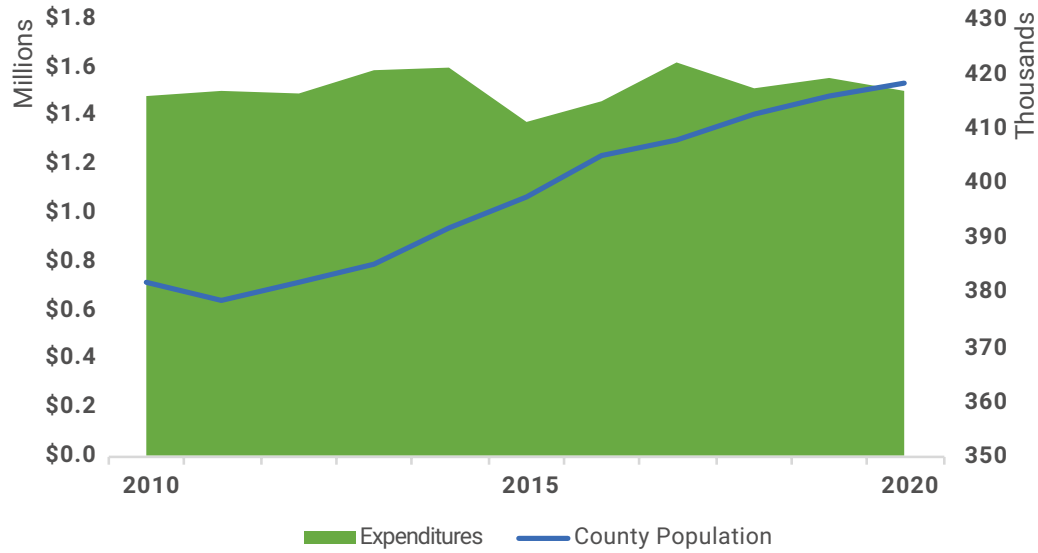


Fig. 56: PSTC: Total expenditures (in millions, adjusted); Population totals

FY20 Public Safety Training Center expenditures per capita was \$3.59.

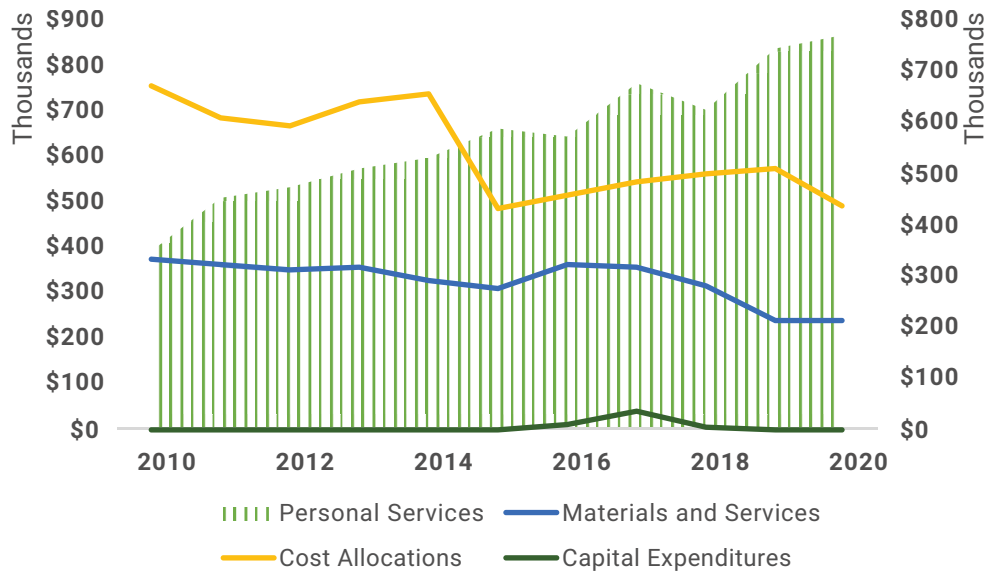


Fig. 57: PSTC: Expenditures by types (in thousands, adjusted)

PSTC personal services expenditures increased 120%, or \$419K, in 11 years.

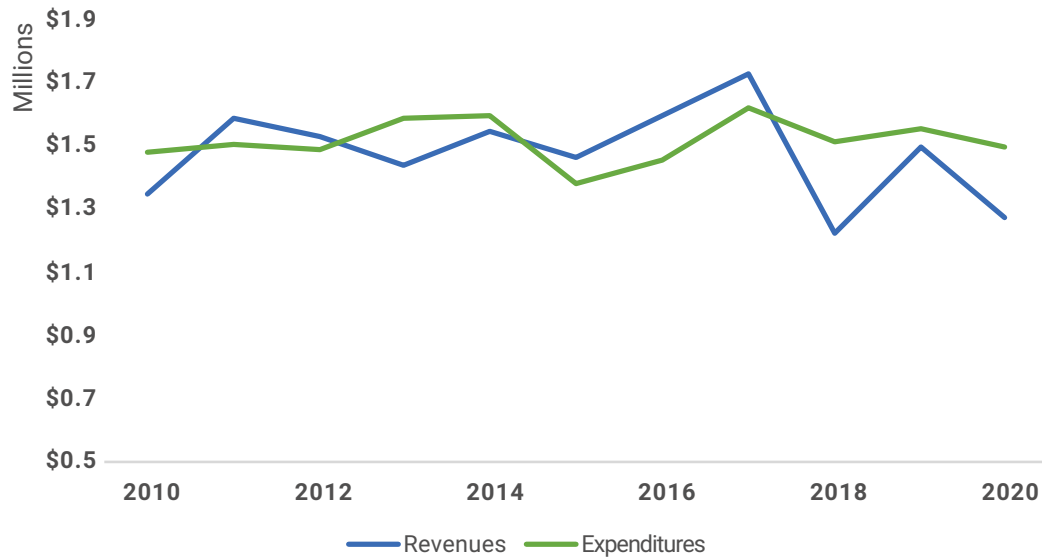


Fig. 58: PSTC: Revenue versus expenses (in millions, adjusted)

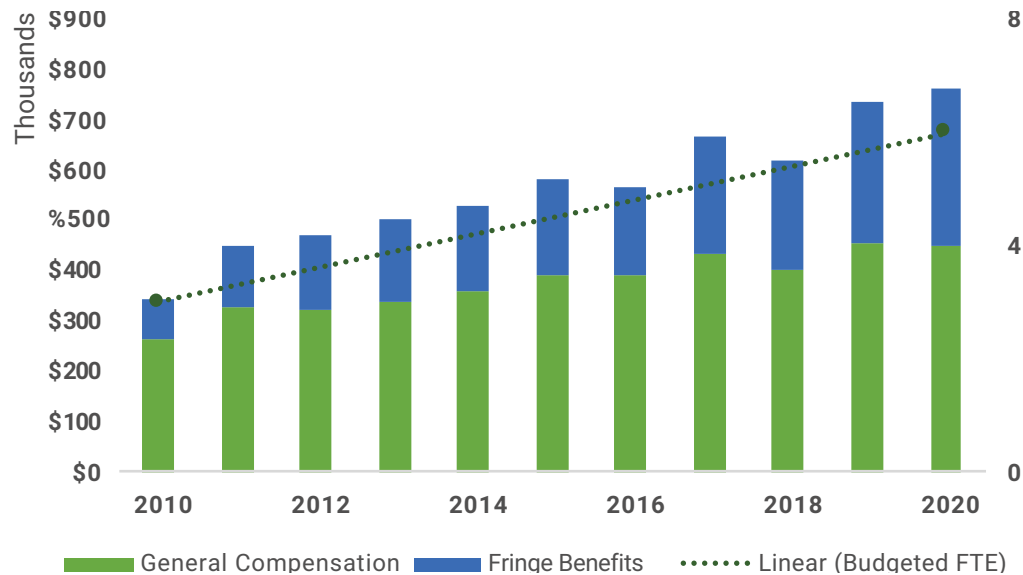


Fig. 59: PSTC: Personal services by type (in thousands, adjusted)

Public Safety Training Center revenues are not keeping pace with expenditures, decreasing 6% since FY10 while expenditures have risen 1%.

In FY20, fringe benefits represented 41% of total PSTC personal services expenditures.

XI. Public Safety Local Option Levy



Sheriff's Operations Fund: Public Safety Local Option Levy – Levy Activity Only

In November 2016, the voters of Clackamas County, once again, renewed the five-year Public Safety Local Option Levy (Levy). Levy revenue funds the 31 sworn staff required to keep 84 jail beds open. These jail beds originally closed in 2002 for lack of funding. The Levy also provides for 18 patrol positions and funds 11 staff members who provide additional enforcement to combat drug-related crimes.¹¹

Beginning with fiscal year 2017–18, the Levy is accounted for in the Sheriff's Operations Fund within Jail, Patrol, and Investigations Divisions. Prior to FY18, the Levy was accounted for in a separate fund. Data shown here consolidates the two for purposes of trend analysis. Likewise, the Levy data included in the Sheriff's Operations Fund analyses (Jail, Patrol, and Investigations Divisions) represents all 11 years of Levy data.

Levy activities are funded 98% by a local option tax. In FY20, an additional 2% (\$251K) was available through grants and other revenue. Personal services costs were 80% of total Levy expenditures in FY20. Both revenues and expenditures have increased from FY10 levels. Materials and services expenditures reached \$2MM in FY20, an increase of 168% in 11 years. Expenditures are outpacing revenues, 37% to 27%, respectively. FY11 through FY16 experienced revenue shortfalls. As a result, the fund balance has decreased 56% in 11 years. (Figures 60–65)

“Preserve life, uphold the law, and prevent crime”

¹¹ CCSO FY20-21 budget narrative - Levy

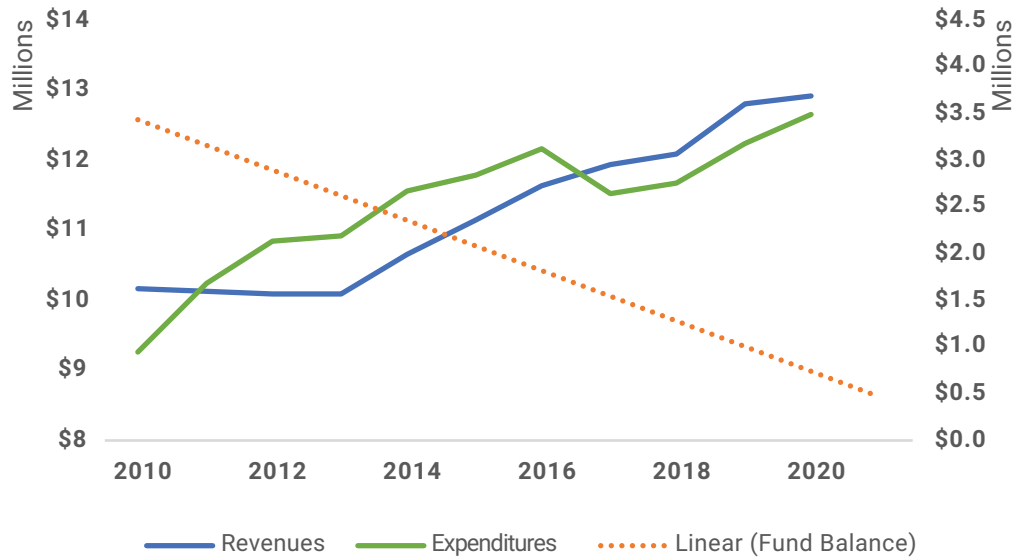


Fig. 60: Levy - Revenue versus expenses (in millions, adjusted)

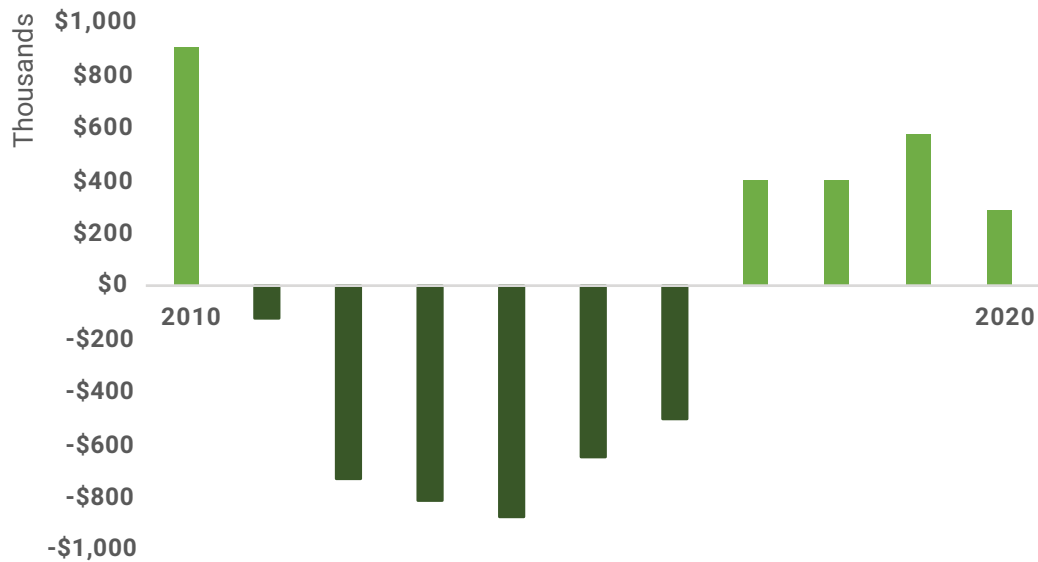


Fig. 61: Levy - Revenue overages and shortfalls (in thousands, adjusted for inflation)

Levy revenues and expenditures have increased 27% and 37%, respectively, since 2010.

Fund balance has decreased by 56% in 11 years.

Six consecutive years of shortfalls have depleted the associated fund balance.

Recent overage margins have been decreasing.

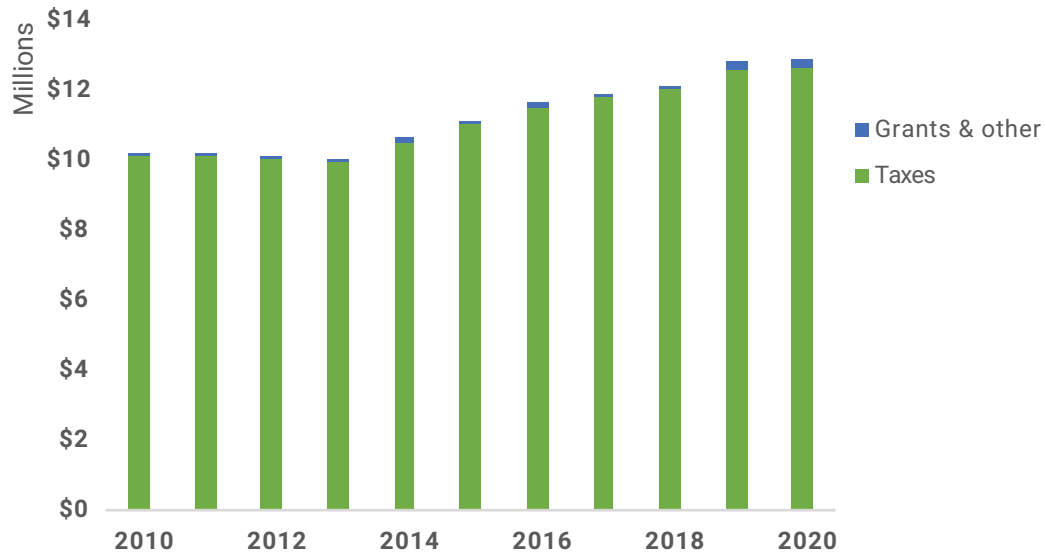


Fig. 62: Levy - Revenue by source (in millions, adjusted)

Public Safety Local Option Levy activities are funded 98% by a local option tax. In FY20, an additional 2%, or \$251K, was available through grants and other revenues.

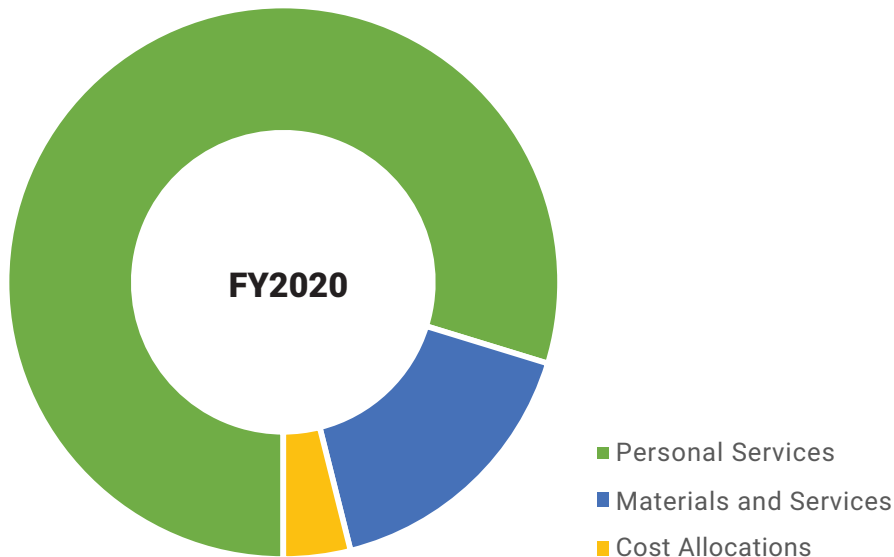


Fig. 63: Levy - Expenses by type (percentage of total)

Personal services costs were 80% of total Levy expenditures.

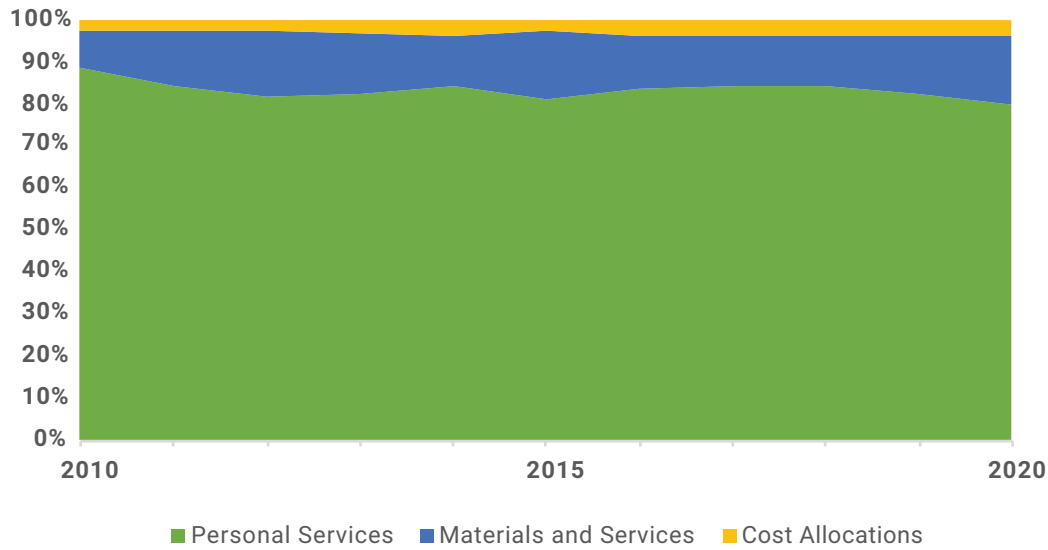


Fig. 64: Levy - Expenditure types as a percent of total (adjusted)

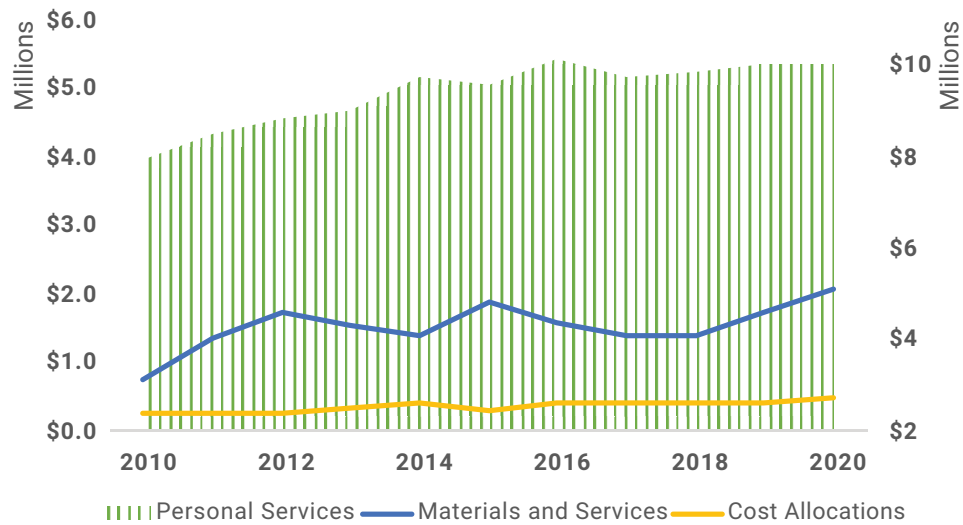


Fig. 65: Levy - Expenditures by types (in millions, adjusted)

Levy expenditures have remained proportionately consistent since 2010. Personal services represent the largest expenditure category.

Levy personal services increased 26% between 2010 and 2020. Levy materials and services rose 168% to \$2MM.

A map showing a residential area with a river and several streets. The map features a central grey horizontal band containing the title. A red dashed line outlines a specific area, and a green line follows the riverbank. Several buildings are highlighted in yellow. The river is shown in light blue. Streets are labeled in black text.

XII. Enhanced Law Enforcement District

S-SALAMO RD

SALAMO RD

10TH ST

10TH END RD

Enhanced Law Enforcement District

The purpose of the Enhanced Law Enforcement District (ELED) Program is to provide enhanced public safety, community partnership, education, and law enforcement services to those who live, work, and play within the ELED so they can enjoy safe, livable communities.

The Clackamas County Enhanced Law Enforcement District (ELED) was approved by voters in November 1994. The ELED provides an enhanced level of patrol services in the unincorporated areas of Clackamas County within the Metropolitan Urban Growth Boundary.

The permanent tax rate of \$0.7198 per thousand assessed value is used to assess taxes on properties lying within District boundaries.

The District is large and segmented, encompassing diverse communities, each presenting its own particular needs, challenges and opportunities. The ELED delivers and preserves an assurance of security, safety and quality law enforcement to the unincorporated areas of Clackamas County which represent the district. Staff assigned to this area strive to provide services that contribute to the preservation of life, the protection of property, the preservation of community health and safety, and general public assistance under all conditions.¹²

ELED activities are funded 99% by the assessed property tax. In FY20, ELED received an additional \$106K from grants and other revenue. ELED personal services expenditures consist primarily of a personal services contract with the Sheriff's Office for patrol services. Contracted personal services costs were 94% of total expenditures in FY20. Both revenues and expenditures have increased from FY10 levels. Though trending upward, the ELED fund balance experienced a 72% decrease in FY20. This decrease balanced the ELED fund and addressed a \$360K revenue shortfall. (Figures 66 – 71)

***“Improve livability
for the residents of
Clackamas County”***

¹² ELED purpose and description provided by the CCSO

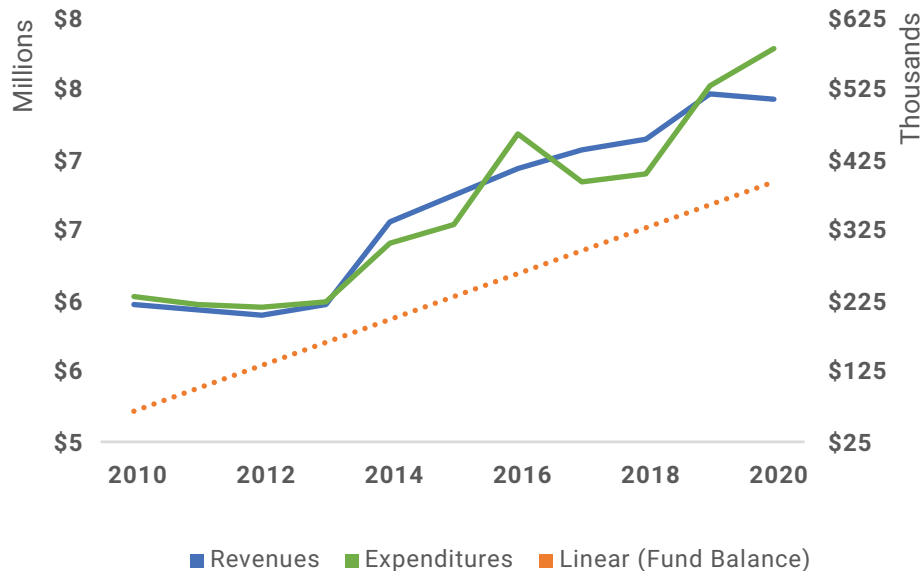


Fig. 66: ELED - Revenue versus expenses (in millions, adjusted for inflation); Fund balance (in thousands, adjusted)

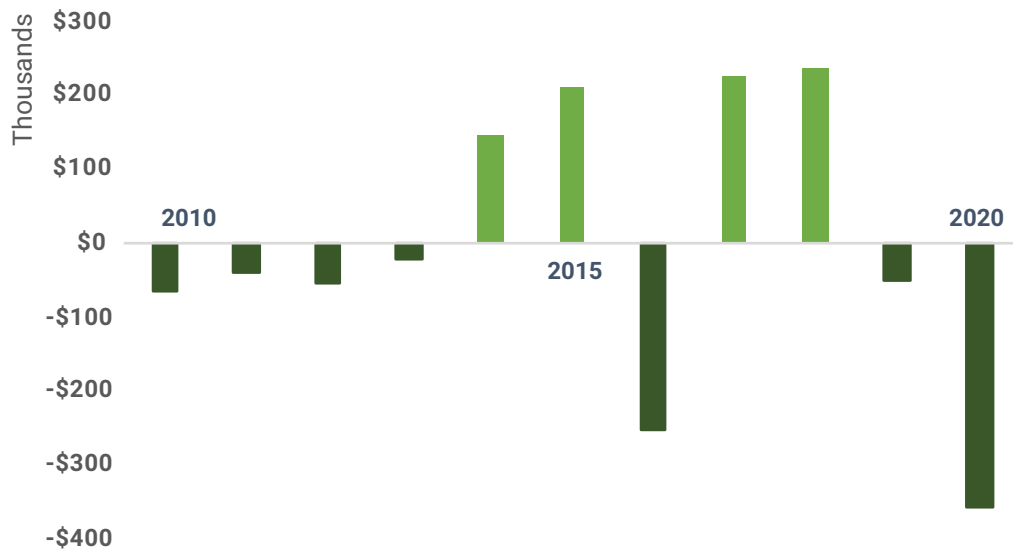


Fig. 67: ELED - Revenue overages and shortfalls (in thousands, adjusted for inflation)

ELED revenues and expenditures have increased 24% and 29%, respectively, since 2010.

Fund balance, though trending upward, experienced a 72% decrease in FY20.

Fund balance gains were significantly impacted by the FY20 shortfall of \$360K.

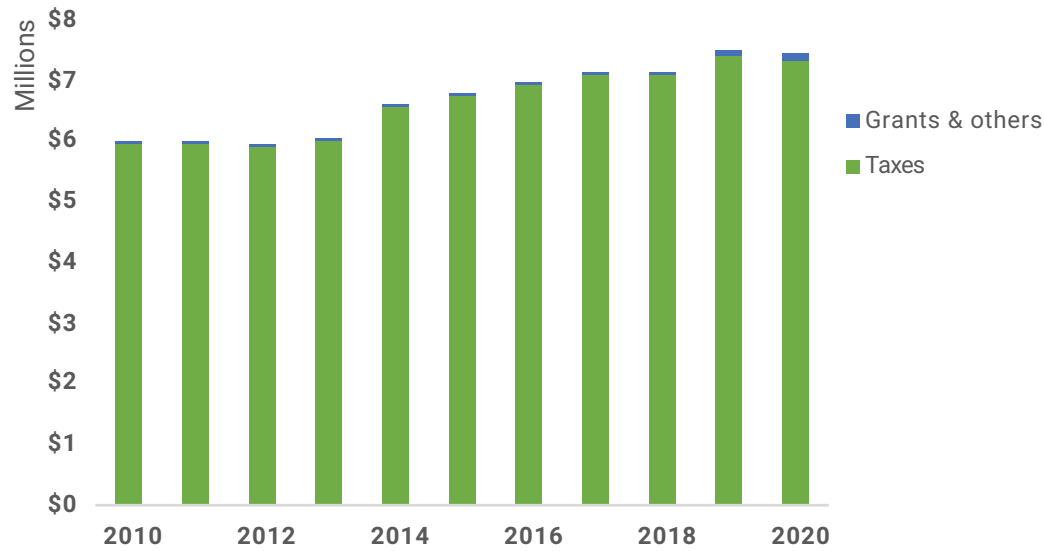


Fig. 68: ELED - Revenue by source (in millions, adjusted)

The Enhanced Law Enforcement District is 99% funded by property taxes. In FY20, ELED received \$106K in grants and other revenues.

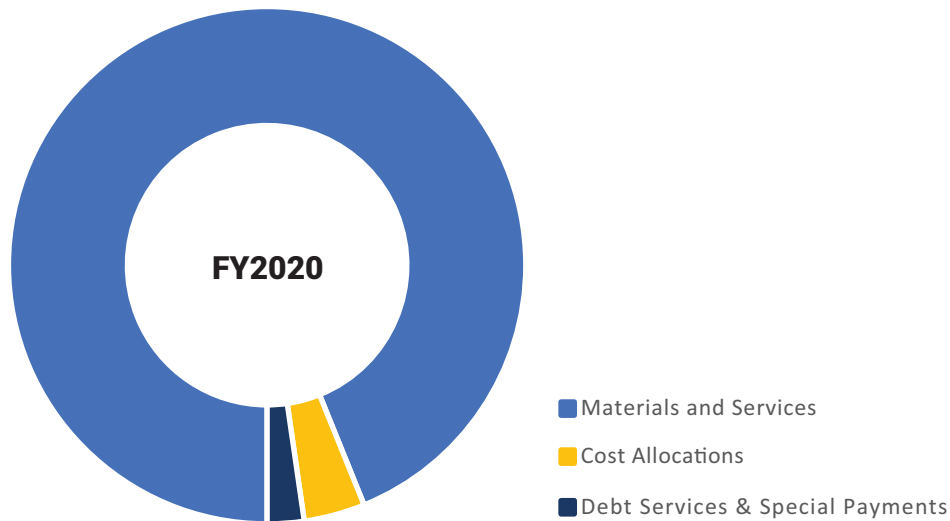
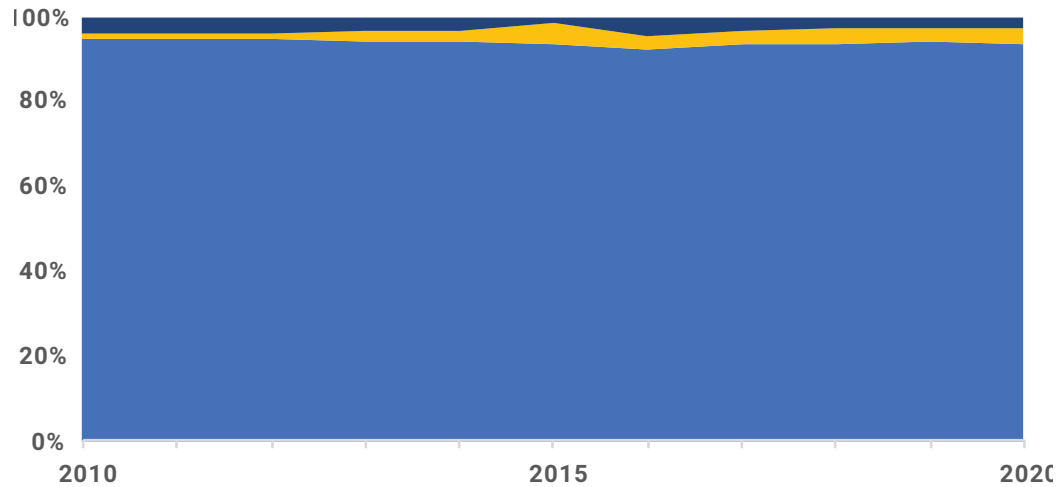


Fig. 69: ELED - Expenses by type (percentage of total)

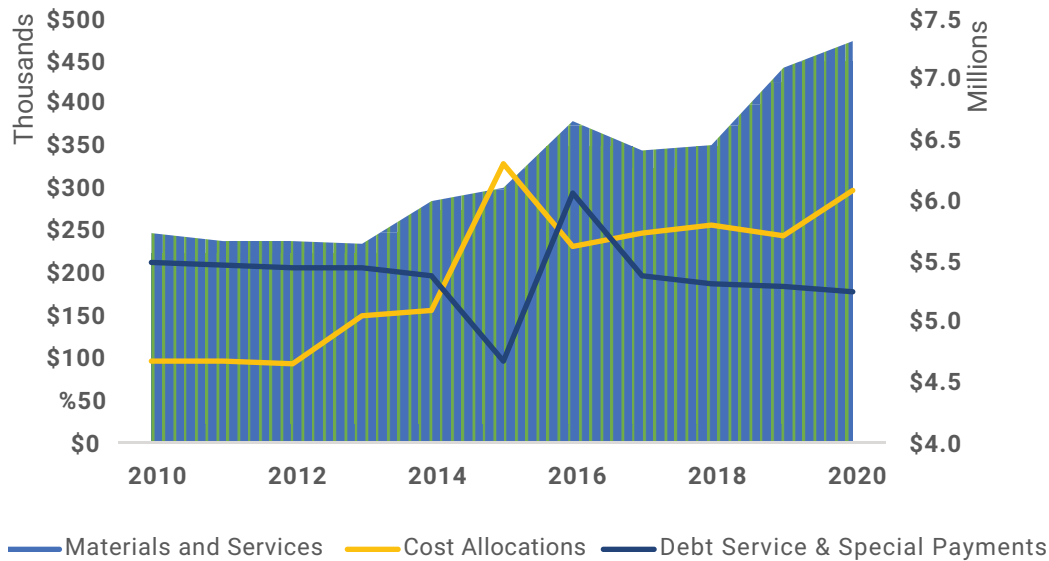
Materials and services (contracted patrol services) costs were 94% of total ELED expenditures.



■ Materials and Services ■ Cost Allocations ■ Debt Service & Special Payments

Fig. 70: ELED - Expenditure types as a percent of total (adjusted)

ELED expenditures have remained proportionately consistent since 2010. Materials and services comprise the majority of expenditures.



— Materials and Services — Cost Allocations — Debt Service & Special Payments

Fig. 71: ELED - Expenditures by types (in millions, adjusted)

The timing of FY15 and FY16 debt service payments created a dip and subsequent spike in costs. The FY15 spike in cost allocation expenditures is due to a revised distribution methodology.

A photograph of a desk setup for a meeting or workshop. In the foreground, a document titled 'MEETING BRIEFING' is covered with several colorful sticky notes (yellow, blue, green) containing handwritten notes in Portuguese. The notes mention 'caso de distância', 'a acessibilidade', 'nra bathos', 'base do res', '2 modulos', 'inteligencia', 'Fim', 'atop', 'baixado', 'Jornal', 'Simpósio', 'atop', 'baixado', and 'Jr - Lúcia - Modulo 1'. To the left is a dark mug with a logo. In the center is a black calculator. To the right is a clear plastic container filled with various colored markers. The background shows a white sheet of paper and a dark surface.

XIII. Objectives, Scope and Methodology

Objectives, Scope, and Methodology

In accordance with the Clackamas County 2021 internal audit plan, County Internal Audit evaluated the financial condition of the Sheriff's Office as of June 30, 2020.

In response to Sheriff Brandenburg's formal request for consulting services, this evaluation was designed to independently assess the current financial condition of the Sheriff's Office; develop reporting tools and baseline data for future trend analysis; and create transparency for the Sheriff's Office and the County. The Sheriff's Office expressed a desire to establish a baseline for ongoing analysis which will assist the Office in its efforts to ensure "residents of Clackamas County understand how their tax dollars are being utilized."

This report is provided to support strategic decision-making abilities through enhanced financial trend analysis. The economic instability resulting from the COVID-19 pandemic significantly lessens the value of projections made based solely on historical trends. Future funding sources, locally and at state and federal levels, are uncertain. As the economic impacts of the pandemic become clearer, it is highly recommended that key financial condition indicators be updated and reviewed to better inform interested stakeholders.

The analysis approach was based on the Evaluating Financial Condition and Financial Trend Monitoring System developed by the International City/County Management Association, as well as indicators suggested by the Government Accounting Standards Board. The selected indicators were chosen based on the relevance to the Sheriff's Office.

The limited scope of this engagement focused on subsidiary data for the Sheriff's Office and the Clackamas County Enhanced Law Enforcement District. The data analysis generally covers an 11-year period from fiscal year 2010 through 2020. Unless otherwise indicated, data is presented on a fiscal year basis (e.g. fiscal year 2020 represents July 1, 2019 through June 30, 2020). Financial data is expressed in constant dollars to account for inflation by adjusting dollar amounts from each prior year to equal the purchasing power of money in 2020. The Consumer Price Index (CPI) for the West region – Size Class B/C, as reported by the Bureau of Labor Statistics, US Department of Labor was used in these calculations. Chart titles indicate if amounts have been adjusted for inflation.

Information was reviewed for reasonableness and consistency. Data that was not reasonable or needed additional explanation was questioned and researched. The accuracy of the source documents

or the reliability of the data in computer-based systems was not audited. The review of data was not intended to give absolute assurance that all information is free from error. Rather, the intent was to provide reasonable assurance that the reported information presents a fair picture of the Sheriff's Office financial condition. All financial information was reconciled to the County's Annual Financial Reports and reliance was placed on the work performed by the County's external financial auditors. Unmodified (clean) opinions were given on all reviewed Annual Financial Reports.

In addition, while the report offers financial highlights, it does not thoroughly determine the reasons for negative or positive performance. More analysis may be needed to provide such explanations. This report was produced for informational purposes.

A person wearing a brown, textured sweater is sitting at a desk, typing on a laptop. The scene is lit with warm, natural light from a window in the background. The person's hands are positioned on the keyboard, and the laptop is open in front of them. The overall atmosphere is professional and focused.

XIV. About the Office of County Internal Audit

The Office of County Internal Audit provides assurance, consulting and investigative services to the public, employees and departments of Clackamas County so they can feel confident that the public's interests are protected and can engage with an accountable, high performing and transparent local government. The Office helps Clackamas County accomplish its mission by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The Office of County Internal Audit governs itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, Code of Ethics and International Standards for the Professional Practice of Internal Auditing. The Office does not fully conform to the Standards to the extent the Office has not received an external review. Obtaining an external peer review is one of the Office's strategic goals. The County Internal Auditor, the Chief Audit Executive, reports functionally to the Internal Audit Oversight Committee and administratively to the publicly elected County Treasurer. This authority allows the Office of County Internal Audit to provide independent, objective and risk-based assurance, advice and insight. The Office is designed to add value and improve county operations and the county's ability to serve.

Office of County Internal Audit

2051 Kaen Road #460

Oregon City, OR 97045

Office: 503-742-5983

Cell: 971-352-1644

ocia@clackamas.us

¹³ <https://na.theiia.org/standards-guidance/mandatory-guidance/pages/standards.aspx>



XV. Glossary

Adjusted for Inflation – Expressing prior year amounts in terms of the current year value of the dollar; Financial data is expressed in constant dollars to account for inflation by adjusting dollar amounts from each prior year to equal the purchasing power of money in 2020. The Consumer Price Index (CPI) for the West region – Size Class B/C, as reported by the Bureau of Labor Statistics, US Department of Labor was used in these calculations.

Capital Expenditure – Purchased or constructed capital assets, including property, plant and equipment, infrastructure (roads, bridges, drainage systems, and street lighting), right of ways and easements, are reported at cost or estimated historical cost. The county defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Clackamas County Enhanced Law Enforcement District (ELED) – Organized under the provisions of ORS Chapter 451 to provide enhanced law enforcement services by contract with the Clackamas County Sheriff. The Clackamas County Enhanced Law Enforcement District is also authorized to construct, maintain, and operate appropriate service facilities to fulfill that purpose.

Cost Allocation – The cost of county provided central services is distributed to operating departments. Cost allocation is designed to recover the costs of technology, human resources services, records management, financial and accounting, facilities management, and other central services provided to county departments and component unit operations. The county's cost allocation methodology is applied in a manner consistent and compliant with rules governing grant-funded activities. The Sheriff's Operational Fund is charged a portion of these allocated costs. This single charge is distributed among the nine divisions based on the division's percentage of overall Sheriff's Operational Fund FTE.

Debt Service and Special Payments – Payment of principal and repayment to holders of debt instruments (bonds, etc.). This includes charges paid to the fiscal agents.

Expenditure – The outflow of funds paid, or to be paid, for goods and services received during the current period.

Fiscal Year (FY) – The 12 month period to which the annual operating budget applies, and at the end of which, the county determines its financial position and the results of its operations. The county's fiscal year runs from July 1st to the following June 30th.

Fringe Benefits – Amounts paid by the county on behalf of the employees. These amounts are not included in the gross salary. Fringe benefits include the county’s cost for health insurance premiums, dental insurance, life and disability insurance, Medicare, retirement, social security and applicable reimbursements.

Full-time Equivalent (FTE) – An employee position number based on the hours for which a position is budgeted during the accounting year: 1 FTE = 2,080 hours, 0.5 FTE = 1,040 hours, etc.

Fund Balance – The fund equity of government funds. The excess of fund assets over liabilities. These unspent funds can be included as revenue in the following year’s budget. It also represents the accumulated net resources of a fund available for use. A negative fund balance is sometimes referred to as a deficit.

General Fund – This is the County’s primary operating fund. It accounts for all revenues and expenditures, except those required to be accounted for in another fund.

General Fund Transfers to other funds – Transfers are routinely made for the following purposes: a) to move revenues from which statute or budget requires them to be collected to the fund from which statute or budget requires them to be expended; b) to move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations; and c) to move revenues collected from restricted sources to other funds to pay for direct expenses.

Materials and Services (M&S) – Consumable goods and services purchased outside of the organizational unit (inventory and non-inventory items; utility services, maintenance agreements, contractual services)

Per Capita – Per unit of population; by or for each person; Revenues and expenditures per capita are theoretical amounts that are associated with each resident within the county. While these do not apply to any individual as circumstances differ among residents, these theoretical calculations are indicators of the general tax and fee burden paid by residents, as well as the cost of services provided to each resident.

Personal Services – Expenditures for personnel-related costs including salaries and wages, overtime, shift differential, social security matching, retirement contribution, life and health insurance, worker’s compensation, and unemployment compensation.

Public Safety Local Option Levy – Clackamas County voters approved the first Clackamas County Public Safety Local Option Levy in 2006, reapproving levies in 2011 and 2016. The levy is a fixed rate levy at \$0.248 cents per \$1,000 of assessed value. The levy provides a portion of the funding for county public safety services. The current levy, approved in 2016, will expire on December 31, 2021.

Revenue – Those receipts which increase a fund’s financial resources; the total amount of income received, earned, or otherwise available for appropriation.

Sheriff Fund (Sheriff’s Operations Fund) – This fund accounts for the Sheriff’s Department patrol, investigation, jail, operation, and civil processing services in both incorporated and unincorporated areas of the county, and the primary source of revenue is property taxes as well as a combination of fee revenue and grant agreements.

A photograph of two law enforcement officers in uniform. The officer on the left is a man wearing a black face mask and a tan polo shirt with a star badge and the word 'SERGEANT' on it. The officer on the right is a woman wearing a black face mask and a tan uniform jacket with a star badge and a patch that reads 'SHERIFF CLACKAMAS COUNTY SHERIFFS OFFICE OREGON'. They are both looking down at a document held by the man. In the background, there are whiteboards with handwritten notes, including 'Daily Contacts', 'Roles', and 'County # 22-2003'.

XVI. A Letter from the Sheriff



ANGELA BRANDENBURG
Sheriff

Clackamas County Sheriff's Office

When I first took office in January 2021, one of my primary objectives was to determine the financial health of the Clackamas County Sheriff's Office for two reasons. First, as a means to explain to our tax payers how their tax dollars are used by our office. Secondly, to assess our current financial condition so we have a baseline to understand financial trends in our operations as the County grows and demands for public safety services increase. I am grateful that the Office of the County Internal Auditor was able to assist me in accomplishing this important goal. It is my intention to engage the County Internal Auditor in future financial analysis of my office.

I hope this report provides the public with a better understanding of our operations and the complexities of the Sheriff's Office finances. With that in mind, the Executive Summary addresses the Sheriff's Office need to monitor its increasing personnel services costs. I want to clarify that while my office can monitor these costs, it does not determine them. Rather, wages and benefits of Sheriff's Office employees are determined every three years through a collective bargaining process between the County and the Clackamas County Peace Officers' Association, the labor union that represents both sworn and non-sworn Sheriff's Office personnel. The resulting collective bargaining agreement directly impacts personnel costs, and in turn the Sheriff's Office financial condition. Clackamas County Sheriff's Office provides 24-hour services, so it is to be expected that personnel costs will continue to be our highest financial investment.

As the analysis indicates, the Sheriff's Office financial health is critically tied to the financial health of Clackamas County. While fund revenues are trending upward, they are being outpaced by an upward trend in expenditure for both the Sheriff's Office and the County. This is important to keep in focus as we consider the future stability of public safety services and the need to replace our aging county jail, built in 1958. I am working collaboratively with the Board of County Commissioners to ensure a new county jail is prioritized.

In closing, the Clackamas County Sheriff's Office is comprised of hard-working, integrity-filled personnel that invest in the delivery of excellent public safety services 24-hours a day. The recent five-year operating levy approved by the voters this May 2021, confirms the significant public support and trust in the Sheriff's Office. We are deeply grateful for that public trust and we will continue to earn your support every day.

It is my honor to be your Sheriff.

Sincerely,

Angela Brandenburg
Sheriff