



FY 2016-2017 Budget Message

The Honorable Board of County Commissioners and Budget Committee Members for Clackamas County, Oregon

Budget Committee

The Budget Committee is comprised of the Board of County Commissioners and five citizen members, assisted by County Administration and Finance staff:

Board Members:

John Ludlow, Chair
 Jim Bernard
 Paul Savas
 Martha Schrader
 Tootie Smith

Citizen Members:

Jeff Caton
 Eric Hofeld
 Frank Magdlen
 Ed Mura
 Wilda Parks

Staff:

Don Krupp, County Administrator/
 Budget Officer
 Laurel Butman, Deputy
 County Administrator
 Nancy Newton, Deputy
 County Administrator
 Marc Gonzales,
 Finance Director
 Diane Padilla,
 Budget Manager
 Roxann Fisher,
 Budget Coordinator
 Jian Zhang,
 Budget Coordinator

I am pleased to present the FY 2016-17 Annual Proposed Budget for Clackamas County, Oregon totaling \$720,600,960 projected annual requirements. The full breadth of programs and activities overseen by the Board of County Commissioners brings the total budgetary responsibility to \$973,371,354. The other Clackamas County agencies are listed below.

<u>Dependent Agency</u>	<u>Proposed Amount</u>	<u>Note</u>
Development Agency	\$ 56,516,524	Responsible for the County's Urban Renewal program in four areas: Clackamas Town Center, Clackamas Industrial Area; the North Clackamas Revitalization Area and the Government Camp Village Revitalization Area.
Water Environment Services (WES)	\$ 113,500,000	County Service Districts providing sanitary and surface water services.
North Clackamas Parks & Recreation District	\$ 45,990,039	County Service District for parks and recreation.
Library Service District of Clackamas County	\$ 19,076,187	County Service District for library operations.
Enhanced Law Enforcement District	\$ 6,654,421	County Service District for law enforcement in urban unincorporated areas of the county.
Extension and 4-H Service District	\$ 6,833,370	County Service District providing education on issues such as farming, gardening, food safety and youth programs.
Street Lighting District #5	\$ 4,199,855	County Service District for street lighting services.

Overview

Clackamas County's FY 2016-17 budget proposal represents a stabilization of the economic recovery that began to have a positive impact on the County budget in FY 2013-14.

PERS reforms enacted by the Oregon Legislature in 2013 stabilized the employer cost rates for Clackamas County (and other Oregon PERS employers) through the 2013-15 biennium. PERS rates increased by \$865,000 annually for the 2015-17 State biennium. However, in 2015 the Oregon Supreme Court struck down some of the 2013 reforms. This will result in a further increase in the PERS rates, but not until July 1, 2017. The County has an established Reserve Fund with \$2.3 million set aside to help offset future PERS increases.

Strategic Plan

The Board of County Commissioners adopted a County Strategic Plan—**Performance Clackamas**—in September 2014, establishing these strategic priorities:

- Build Public Trust Through Good Government
- Grow a Vibrant Economy
- Build Strong Infrastructure
- Ensure Safe, Healthy and Secure Communities
- Honor, Utilize, Promote and Invest in our Natural Resources

Performance Clackamas is based on a Managing for Results approach which is a comprehensive and integrated management system focused on achieving results for the customer.

Following adoption of the County Strategic Plan, County departments were directed to develop Strategic Business Plans using the Managing for Results approach. This effort started in FY 2014-15 and is projected to be complete for all County departments over a span of three fiscal years. Departmental Strategic Business Plans focus on achieving measurable results that enhance customer experience and align with the **Performance Clackamas** Strategic Plan.

In addition to the planning effort, those departments whose plans were completed in time for the FY 2015-16 budget process transformed their budgets into program-based, performance budgets. Three County departments presented program-based performance budgets this cycle: Transportation & Development, Business & Community Services, and Finance. An additional 13 departments will have completed their Strategic Business Plans at the end of this fiscal year, leaving four Commission-managed departments for next year's planning cycle.

About half of the new departments that completed their Strategic Business Plans this fiscal year are presenting in the new program budget format with actual accounting and payroll migration still pending. The new program-based performance budgets can be viewed on the County's website.

Check out our online public budget site!
www.clackamas.us/budget

Economic Indicators

For several years we have used key indicators to track economic trends. Following the unemployment rate, median home sale price, and property tax growth has allowed us to better understand the course of the recession and our economic recovery. Updated indicators this year show positive growth is continuing.

Clackamas County’s unemployment rate has continued to drop. In March of 2016, the county’s 4.0% unemployment rate has well surpassed the 5.1% rate enjoyed in pre-recession 2008.

Unemployment Rate U.S., State of Oregon and Clackamas County

Source: Oregon Employment Department

Month/Year	U.S.	Oregon	Clackamas County
March, 2012	8.2%	8.9%	8.1%
March, 2013	7.5%	8.1%	7.2%
March, 2014	6.6%	7.1%	6.3%
March, 2015	5.5%	5.4%	5.0%
March, 2016	5.0%	4.5%	4.0%

The median home sale price in Clackamas County has grown again this year since a low of \$230,000 in March, 2012.

Median Home Sale Price Clackamas County

Source: Clackamas County Assessor’s Office

Month/Year	Median Home Sale Price
March, 2012	\$230,000
March, 2013	\$255,000
March, 2014	\$282,000
March, 2015	\$300,000
March, 2016	\$328,000

For the FY 2013-14 budget, we estimated the first year over year percentage increase in property taxes in six years. This is important because property tax is by far the single largest revenue source for the County’s General Fund and the main source of discretionary revenue. County property tax growth in FY 2014-15 was slightly higher than our original 4.25% estimate, ultimately coming in at 4.79%.

Clackamas County Property Tax Growth

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (est.)
% change	2.71%	2.66%	1.82%	5.51%	4.79%	4.7%	4.7%

It is estimated that property tax growth for FY 2016-17 will continue at 4.7% which will result in a flat budget for the coming fiscal year. The baseline funding that leveled out for general county government services in FY 2014-15 is expected to enjoy modest, positive increases starting in FY 2017-18.

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Economic Indicators, *continued*

Another series of indicators we track to measure economic vitality in Clackamas County are those that reflect the economic health of families and those in need throughout the county. Changes in Supplemental Nutrition Assistance Program and Temporary Assistance to Needy Families program use are key indicators in this regard.

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, is a federal program offering nutrition assistance to eligible, low-income individuals and families and providing economic benefits to communities. SNAP is the largest program combating domestic hunger. Following several years of continued growth in use, this program has now experienced its second year of declining usage both in Clackamas County and across the state of Oregon and has moved from single digit declines to double digit declines in three of the four categories.

Growth in Use of the Supplemental Nutrition Assistance Program

Source: Oregon Dept. of Human Services

Entity	Type of Count	Mar-13	Mar-14	Mar-15	% change 2014 to 2015	Mar-16	% change 2015 to 2016
Clackamas County	Person	42,884	41,410	39,579	-4.4%	35,698	-9.8%
Clackamas County	Household	20,394	19,898	19,349	-2.8%	17,353	-10.3%
State	Person	809,586	793,260	771,722	-2.7%	583,072	-24.4%
State	Household	444,538	440,304	434,822	-1.2%	396,501	-8.8%

Temporary Assistance to Needy Families (TANF) is another major indicator of financial need. This program provides cash assistance to low-income families with children to reduce the number of families living in poverty. Only families with very few assets and little or no income are eligible for TANF benefits.

TANF caseloads declined dramatically in 2015 and again in 2016 at both county and state levels. The state experienced overall 17% and 18% caseload decreases in 2015 and 2016. Caseloads in Clackamas County were down 20% in 2015 and another 19.8% in 2016, a strong indicator that the area is in true economic recovery.

Growth in Use of Temporary Assistance to Needy Families (TANF)

Source: Oregon Dept. of Human Services

Entity	Type of Count	Mar-13	Mar-14	Mar-15	% change 2014 to 2015	Mar-16	% change 2015 to 2016
Clackamas County	Caseload	1,936	1,675	1,341	-20.0%	1,076	-19.8%
State	Caseload	36,276	34,453	28,708	-17.0%	23,491	-18.2%

Budget Development

Baseline County population and construction growth statistics are developed to show change over time. The construction permit numbers below are preliminary estimates for FY 2015-16 compared with actuals for FY 2006-07. Permit activity is projected to increase to beyond 2006-07 actuals in the tenant improvements area only.

July 1, 2015 Clackamas County population estimate: 397,385

Single family residential permits: 1,273 (2006-07 permits = 1,424)

“Detached” permits, accessory buildings: 360 (2006-07 permits = 616)

Commercial buildings, additions and remodels: 680 (2006-07 = 990)

Tenant Improvements: 185 (2006-07 = 37)

Budget Approach

After several years of negative growth in baseline budgets, last year the economic recovery allowed County Administration to bring departmental budgets up to a level that could sustain current services without budget reductions. We were additionally able to fund several Policy Level Proposals and add ongoing programs providing veterans housing, children and families programs, juvenile services, and the arts due to both property tax gains beyond estimates as well as some one-time funding.

For FY 2016-17 budget development, departments were again provided a Maintenance Level Budget generally calculated by increasing each current base budget to accommodate known personnel cost increases and known baseline increases in internal services costs. For departments receiving General Fund revenue, these cost increases were again shared proportionately by General Fund resources. The goal of returning departmental budgets to a true maintenance of service level is to ensure continued services while avoiding further reductions that have posed a major and ongoing challenge over the past five years.

Again this year, departments were asked to suggest Policy Level Proposals to regain losses of recent years and recognize new programs directed by the Board of County Commissioners or mandated by the State or Federal government. However, allowing for the modest Maintenance Level Budget increases and adjustments for unforeseen circumstances, and with an unchanged growth rate in property tax revenue, there is no additional discretionary General Fund funding available to respond to those Policy Level Proposals without using Contingencies and Reserves.

The County Administrator's Proposed Budget remains at the maintenance level with a few exceptions. Though the Oregon Legislature crafted a solution for PERS relief in 2013, the Oregon Supreme Court ultimately rejected PERS reform in 2015. As a result, beginning July 2017, PERS costs are expected to rise at a much greater rate than the annual \$865,000 amount for the 2015-17 biennium when reforms were in place. While the County has established a special Reserve Fund to offset these future increases, I anticipate that the reserve will be insufficient for the next rate hikes. I am proposing to move an additional \$700,000 or 5.6% from General Fund Reserves to the PERS Reserve to plan for these cost increases. This will cause the General Fund Reserve to dip below the 10% target of \$12 million but will increase our PERS Reserve to \$3 million. With improvement in the health of the General Fund, we will replenish those reserves.

My additional Proposed Budget recommendations are listed toward the end of this Budget Message. It is my expectation that the Budget Committee and the Board of County Commissioners will consider those recommendations as just one more input into their deliberation process as they discuss and finalize their own budget priorities.

Revenue and Expenditure Highlights

Key Revenues

↔ Current property tax revenue is estimated to increase by 4.7% countywide the same as last year. Greater revenue growth is projected in out years.

Expenditures

↑ Total County personnel services are estimated to increase by \$5.4 million or 2.24%.

Key Budget Issues

General Fund

Overall, the General Fund is steady with growth in revenues and expenses of less than 1.0%. The key issues for the General Fund are:

- General Fund Personnel Services costs have increased \$1.07 million or 2.63%.
- Reserves are at 10% of unrestricted General Fund revenue or \$12 million.
- Contingency is budgeted at 5% of General Fund expenditures or \$8 million.

County Staff

Below are the budgeted number of FTEs for the past three fiscal years and a projection for the next fiscal year.

<u>Budget Year</u>	<u>2013 — 2014</u>	<u>2014 — 2015</u>	<u>2015 — 2016</u>	<u>2016—2017 Est.</u>
FTEs	1,938	1,947	2,012	2,017

Overall Issues

Looking forward, we anticipate continued progress in FY 2016-17 on several important issues and areas of interest facing the County. Among them:

- Continuing to develop and align departmental Strategic Business Plans with the Board’s Performance Clackamas Strategic Plan;
- Continuing educational outreach on the condition of County roads while securing voter approval for increasing funding for road maintenance;
- Developing a plan for and addressing deferred maintenance needs of County facilities;
- Ensuring careful oversight and stewardship of General Fund resources.

Elected Officials Compensation

Annually, the Citizen's Compensation Board for Elected Officials evaluates market data from similar labor markets such as Multnomah County, Washington County and City of Portland, to recommend elected official compensation that maintains competitive wages. The Compensation Board reviewed market comparables and reaffirmed their philosophy to remain within five percent of the market.

This year, the Compensation Board recommended that all elected officials receive a cost-of-living adjustment (COLA) equivalent to that received by the Non-Represented group of employees on July 1, 2016. The FY 2016-17 COLA for Non-Represented employees is 2.0%.

The chart below shows each elected position's relationship to market average and the recommended individual increase, where applicable.

Elected Official	Relationship to Market	Recommended Cost of Living Allowance	Recommended Individual Market Adjustment July 1, 2016
Assessor*	- 2.6%	2.0%	2.0%
Clerk	- 2.8%	2.0%	0.8%
Commissioner	- 1.1%	2.0%	0%
District Attorney	+4.9%	7.1% ¹ (County portion only)	0%
Justice of the Peace	- 0.6%	2.0%	0%
Sheriff*	+14.0%	2.0%	0%
Treasurer	- 1.4%	2.0%	0%

*Indicates elected position where there is concern of salary compression with second-in-command.

¹ **District Attorney** — In the case of the District Attorney, the Compensation Board recommends a 7.4 or 7.8% COLA to the County's portion of the official's salary. The State contributes the majority of the District Attorney's salary, so the 7.1% COLA recommendation represents a 2.0% overall increase.

² **Sheriff** — The Compensation Board reiterated that the County will continue to ensure the Sheriff's salary is at least \$1 per month more than the highest paid Undersheriff. This follows the Compensation Board practice and maintains compliance with ORS language.

As of the publication of this budget message, the Compensation Board Recommendations have yet to be reviewed by the full Budget Committee. Any changes to current Elected Official compensation levels will be determined through the budget process.

Activity Highlights

Last year the County completed many noteworthy projects, programs and activities; here are just a few.

- Thanks in part to the Board and budget committee's budget contribution of \$1,500,000 to offset road fund program expenses, **Transportation and Development** paved 11.89 miles of roads, including a significant project on Foster Road.
- **Public and Government Affairs** coordinated the 2016 Clackamas County Community Survey. Among the major findings, 58% of residents believe Clackamas County is "on the right track," the highest level of public approval since the survey began in 2000. Respondents ranked road and highway maintenance, access to health care, and assisting victims of domestic violence as their highest service priorities.
- The **District Attorney's Office** increased its court ordered collections for back due child support by more than \$3 million to a record high of \$23.2 million.
- Last year, the **Clackamas Health Centers** served 18,103 patients and provided 122,156 visits in primary care, behavioral health, and dental clinics.
- **A Safe Place** is Oregon's First Family Justice Center. This program is a one-stop-shop providing a number of services to survivors of abuse. Over the past budgetary year it's grown significantly. By the end of 2015, A Safe Place had 3,765 visits from survivors of domestic abuse, sexual assault, and elder abuse. That's an increase of almost 800 visits from the previous year.
- **Justice Court** piloted an eConviction project with the Oregon DMV to transmit traffic violation conviction data to the DMV from court software. Previously, six staff prepared and printed convictions daily then mailed the paper to DMV. Now, one staff person spends twenty minutes per day reviewing the electronic record and sending it to DMV. The new technology has reduced staff time and eliminated printing 13,552 pieces of paper plus postage costs since its implementation in June, 2015.
- **Clackamas County Service District No. 1** (CCSD No.1) along with the **Tri-City Service District** (TCSD) and the **Surface Water Management Agency of Clackamas County** (SWMACC) have completed their first budgets for Performance Clackamas and look forward to continuing the implementation of this strategic plan. The 2016-17 fiscal year will be one of continued planning for solids-related capital investments for CCSD No. 1 and for TCSD as the Regional Wastewater Treatment Advisory Committee continues its review of treatment options for the districts.
- Clackamas County's **Economic Development Department** is part of the Pacific Northwest Manufacturing Partnership which was formed in response to a federal initiative: *Investing in Manufacturing Communities Partnership* (IMPC). IMPC is eligible for federal funding and aims to accelerate the resurgence of manufacturing in the United States and create a competitive climate for job creation and private investment. Cross Laminated Timber development in the Pacific Northwest has been targeted as the top priority for IMCP.
- **Behavioral Health** invested in Mental Health First Aid training for all department employees. The division also participated in free trainings offered throughout the community through www.GetTrainedToHelp.org.

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Activity Highlights, continued

- The **Clackamas County Inter-agency Task Force** seized nearly 22 pounds of heroin, 13 pounds of methamphetamine and a number of other illegal drugs — as well as nearly \$400,000 in assets, made 162 arrests, conducted 59 controlled buys, investigated 11 overdose deaths, executed 69 search warrants, and dismantled four drug trafficking organizations.
- Clackamas County **Social Services** runs the Mt. Hood Express, which had the strongest ridership to date this past winter. This public transit provides bus service between the City of Sandy and destinations for work and recreation on Mt. Hood, including Government Camp and Timberline Lodge. The Mt. Hood Express addresses a variety of issues; including limited parking, reducing emissions and reducing the number of cars on Highway 26, helping to reduce accidents and congestion.
- The **District Attorney's Office** provided direct services to more than 1,447 victims of domestic violence and stalking, including 731 protective orders and the conviction of more than 80% of all defendants charged with crimes of domestic violence.
- Clackamas **Health Centers Eligibility Services** assisted with 3,927 Oregon Health Plan applications during open enrollment October, 2014 through January, 2015. Eligibility Services completed 860 unique applications resulting in 2,262 insured residents.
- **Community Corrections** expanded mental health services by opening Serenity House; this facility provides stabilization, mentoring and case management to eight women with mental health issues.
- At the **County Fair and Event Center**, the 109th Clackamas County Fair had record-breaking attendance of 146,075. Rodeo attendance was 18,893 and the Junior Livestock Auction reached record-breaking sales at \$350,000.
- **Community Solutions** worked with over 269 businesses developing 268 job training agreements (Work Experience, Jobs Plus, and On the Job Training). This created an estimated \$966,592 in cost savings to Clackamas County businesses.
- The **Public Health Division** worked with response, medical & community partners after a Hepatitis A exposure in Sandy. Through risk assessment, planning, communication and organized implementation, the division provided 232 residents medication to prevent spread of the disease.
- **Community Solutions** weatherized 251 Clackamas County dwellings, procured seven general contractors and 10 residential specialty contractors. They have over \$1,000,000 in signed contracts since July 1, 2016. Community Solutions also provided energy education to 1,767 Clackamas County residents including 991 school children.
- **Behavioral Health** launched a Zero Suicide campaign, including hiring a Suicide Prevention Coordinator.
- **Technology Services'** Clackamas Broadband eXchange (CBX) program continued expansion in fiber plant size and customer base while maintaining self sufficiency. This includes completion of client connections in Wilsonville and extension to and beginning of client connections to West Linn. Staff is working on potential support services to enhance CBX benefits such as basic networking assistance and Closed Circuit Television (CCTV) support.

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Activity Highlights, continued

- The **North Clackamas Park and Recreation District** (NCPRD) Aquatic Park provided swim lessons for 4,500 children and was home to four high school competitive swim teams, one NCPRD recreational team, two private swim teams and two master teams. Annual attendance exceeded 250,000.
- The **NCPRD Milwaukie Center** provided 85,000 meals to seniors through Meals on Wheels, congregate dining and Pete's café. These programs fundraised over \$150,000 in FY 2014-15 to help provide these meals.
- The **Sheriff's Office** helped with numerous public outreach events, large and small – including *Safety Street* at the Clackamas County Fair, *Mental Health First Aid* training in Molalla, and *Shop with a Cop* in the holiday season. The first-annual *Drive With a Cop* event in October had Sheriff's Deputies teaching 40 high school students safe-driving tactics.
- **Transportation and Development** staff responded to almost 288,000 service inquiries with 77% of customers reporting experiencing a results-oriented, problem-solving approach to customer service.
- Clackamas County **Social Services** Homeless Veteran Outreach project helps homeless veterans access services they need to obtain safe, affordable housing. Two part time outreach positions (both held by veterans) offer support and intensive attention to help people address their unique needs. The team has worked with 80 homeless veterans, 24% of whom have moved to stable, permanent housing.
- **County Parks** received a grant from the Oregon State Marine Board for replacement of the Hebb Park boat docks in the amount of \$305,000. This will fund over 75% of the capital construction costs of approximately \$420,000.
- The **Senior Companion Program** connects seniors who want to help others with other seniors and persons with disabilities who need extra help. The program has more than doubled the number of Senior Companions, from 13 to 27. As a result, the number of people served went from 50 to 100. Each person receives 8-16 hours per week of assistance, including transportation, grocery shopping, banking and other business, social activities, emotional support and assistance with minor in-home services.

Emerging Issue

At the time of publication of this budget message, voters in the City of Damascus are determining the future of their city. According to the Oregon Voters' Pamphlet a "yes" vote disincorporates the City of Damascus and the city must convey property to Clackamas County, satisfy debts/obligations, pay remaining funds to taxpayers and surrender its charter. A "no" vote would continue the City of Damascus as a municipal corporation under the 2005 City of Damascus Charter.

Should the city disincorporate, land use issues would be administered by Clackamas County. The City of Damascus currently contracts with the County for these services and residents would continue to come to the Red Soils campus or call Clackamas County Transportation and Development for assistance. Law enforcement would remain at its current level for one year and then be transferred to the Clackamas County Sheriff's Office.

Updates on this emerging issue can be found on the County's website, www.clackamas.us.

Administrator's Budget Recommendations

I am recommending a Proposed Budget with departments funded at a stable level of financial resources to maintain current services. In addition, I have maintained contingency and reserve levels at the maximum level allowed, totaling 15% per Board policy but am proposing drawing on those slightly. This is not something I propose lightly; doing so will necessitate replenishing these funds as a priority for any additional General Fund discretionary revenue in FY 2017-18. However, contingency and reserve funding is available for the precise reason of keeping our operations running when resources are tight.

While the FY 2015-16 budget saw modest improvement in County revenues, particularly property taxes, the County is still operating in a constrained fiscal environment. Currently, the General Fund projection for FY 2016-17 is flat with increases starting in FY 2017-18. Continuing to maintain adequate reserves and contingencies and budgeting wisely for the coming fiscal year will place the County in a positive position to take advantage of projected future revenue increases. However, there are some critical needs that I believe we must address to ensure future stability, primarily in key support services areas. I am proposing some modest funding infusions from our General Fund Contingency to begin to address the direst needs.

The baseline Maintenance Level Budget includes allowances for departments that receive General Fund funding that account for calculated increases in personnel services and allocated costs. In most cases, departments were able to balance their budgets to the maintenance level. For a few departments, maintenance level adjustments are acceptable for this year only due to adequate beginning fund balances to bridge the gap. As those departments further deplete their fund balances in the coming fiscal year, we will need to adjust their budgets and/or assess service levels in coming fiscal years.

Additionally, as the Sheriff's Office indicated during last year's budget deliberations, ongoing costs to achieve full deputy staffing this year in alignment with Board direction continue to place pressure on the maintenance budget. While Sheriff's Office General Fund support increased almost \$2 million for FY 2016-17, including an additional \$400,000 I offered to defray cost increases beyond departmental control, it was necessary to make additional adjustments to balance the budget. One action taken was to institute a \$400,000 reduction in fringe benefits. This is a calculated risk which assumes that the Sheriff's Office will not be at full staffing at all times. For FY 2016-17 we will need to remain vigilant and look to contingency for resolution if a further discrepancy arises. We are working closely with the Sheriff and his staff to develop a five-year forecast and plan for achieving fiscal stability.

I ask that the Budget Committee consider funding the following recommendations from General Fund Contingency. These Proposals seek to bolster core internal infrastructure and critical services; they are not "nice to have" items. They also prioritize efforts that align with the strategic goals of *Performance Clackamas* and represent key investments that can be leveraged in future years.

Our core internal business systems — including recruitment and selection, PeopleSoft support, facilities and technology maintenance, and financial management, including grants — are losing stability after struggling to meet increasing customer demands without adequate additional resources. Please note that all numbers are rounded; exact amounts are available in the financial pages of the Proposed Budget. The total recommended to be funded from General Fund Contingency is \$1,105,750, reducing the overall General Fund Contingency from 5% to 4.3% of all General Fund expenditures. The total recommended to be drawn from General Fund Reserves is \$700,000, reducing the overall General Fund Reserve from 10% to 9.4% of unrestricted General Fund revenues.

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Administrator's Budget Recommendations, continued

Allocate \$695,250 in Ongoing General Fund funding from Contingency to:

- Fund a new Deputy District Attorney position to be located at the Family Justice Center on a full-time basis. Locating a DVERT Deputy District Attorney at the FJC will improve services to victims and facilitate greater coordination and communication among participating agencies. Estimated cost is \$131,250 with first year expenditures supported by one-time savings in the District Attorney's current budget: *\$131,250, District Attorney.*
- Provide ongoing funding to cover the annual maintenance costs of dog shelter management software essential to managing Dog Services. This new software is being purchased and integrated through one-time ending fund balance funding. It replaces software that is no longer supported and will manage tens of thousands of shelter, licensing and enforcement records: *\$43,000, Transportation & Development.*
- Provide ongoing funding of \$20,000 for Community Rating Service consulting to address the Board's Performance Clackamas Goal for emergency preparedness and \$10,000 to purchase emergency kits for essential personnel on an ongoing basis. This is the first step in replenishing lost funding from the State Emergency Management Performance Grant which has declined from \$480,000 in 2011 to \$120,000 in 2016. By FY 2017-18 the department's fund balance will be depleted and an additional \$310,000 in ongoing funding will be needed for the department to meet state and federal mandates and respond during disasters: *\$30,000, Emergency Management.*
- Add a full-time Grant Manager to lead the Single Audit process, fill a critical gap for succession planning, and prepare the department to purchase grant management software that, unlike the current financial system and manual grant tracking, will meet federal grant compliance requirements and allow the County to retain and obtain further Federal grant funding: *\$150,000, Financial Management, Finance.*
- Add a full-time Financial System Support Analyst to provide a crucial support role. The PeopleSoft Financial System is currently maintained by one person, leaving the County Financial system at risk of failure from insufficient coverage of duties. Additionally, customer requests for training, upgrades, and testing and implementation of existing modules not yet placed into service have grown significantly since the system was installed and the one FTE hired in 1998. This position is essential to continued implementation of MFR/Performance Clackamas: *\$105,000 annually (after two years, this position will be included in the cost allocation plan) Financial Management, Finance.*
- Add a full-time Human Resources Analyst with a recruitment focus to maintain the existing level of recruitment services. Demand for recruitment services increased 25% in the first half of the current fiscal year, with 31% of the total recruitment demand coming from Health, Housing & Human Services (H3S). H3S established and paid for an additional recruiter but is unable to sustain that contribution in FY 2016-17 and the recruitment demand extends beyond H3S. The impact of not funding and losing this position would reduce recruitment capacity and activity in FY 2016-17 by 20%. This position is essential to continued implementation of MFR/Performance Clackamas: *\$112,000 annually (after two years, this position will be included in the cost allocation plan), Employee Services.*
- Provide ongoing funding to maintain the current level of video production support (\$220,000) in Public & Government Affairs as all fund balance has been depleted, resulting in only \$95,000 remaining for

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Administrator's Budget Recommendations, continued

all video production: \$124,000, *Public & Government Affairs*.

Allocate \$277,000 in Ongoing and One-time General Fund funding from Contingency to:

- Add a full-time Human Resources Information Systems (HRIS) Analyst, a full-time Technology Services System Project Analyst, and provide training in the current PeopleSoft Human Resources System to respond to customer requests for Recruitment and Workforce Planning technology solutions (manager self-service, dashboards and reports, eliminate paper processing, develop an electronic competency model for workforce planning). These positions are essential to continued implementation of MFR/Performance Clackamas:

Ongoing: *System Project Analyst—\$118,000, Technology Services;*

2 Years: *HRIS Analyst—\$109,000 annually (after two years, this position will be included in the cost allocation plan), Employee Services; and*

One-time: *Training—\$50,000, 50% Employee Services, 50% Technology Services.*

Allocate \$133,500 in One-time General Fund funding from Contingency to:

- Add a full-time Building Maintenance Coordinator and a full-time Building Maintenance Assistant to decrease the level of deferred maintenance and meet the Board's Performance Clackamas goal of having funding to maintain County facilities in good to excellent condition. These positions will become part of cost allocation after the first year: \$133,500, *Facilities, Finance*.

Allocate \$700,000 in One-time General Fund funding from Reserves to:

- Add \$700,000 to the PERS Reserve to bring it to \$3 million in anticipation of rate increases in 2017.

See the next page for a summary table outlining these recommendations.

Recommendations Summary:

FUNDING FROM GENERAL FUND CONTINGENCY:

<u>Core Internal Infrastructure to Meet Legal/Customer Demands</u>	<u>Ongoing</u>	<u>One-time</u>
• Grants Manager	\$150,000	
• Financial System Support Analyst (PeopleSoft) *	\$105,000	
• HRIS Analyst, System Project Analyst and training (PeopleSoft) *	\$227,000	\$50,000
• Human Resources Analyst—Recruitment Focus *	\$112,000	
• Facilities Building Maintenance Coordinator & Assistant		\$133,500
• Cable Production Services	\$124,000	

* Essential to MFR/Performance Clackamas

Addressing Critical Service Needs

• DVERT Deputy District Attorney	\$131,250	
• Dog Shelter Management Software Maintenance	\$43,000	
• Disaster Management Needs	\$30,000	

FUNDING FROM GENERAL FUND RESERVES:

Preparing for Future Rate Increases

• Add to PERS Reserve		\$700,000
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Closing

Producing the annual budget is a large and collective task. I extend my sincere thanks to all the individual departments, budget preparers, and many staff who undertake various production tasks. Especially noteworthy is the effort the following individuals in Finance and County Administration devote to ensuring an understandable and reliable process — Finance Director Marc Gonzales; Budget Manager Diane Padilla; Budget Coordinators Roxann Fisher and Jian Zhang; and Deputy County Administrators Laurel Butman and Nancy Newton. Thanks also to the Budget Committee for its continued review of the budget from development through approval every year.

Sincerely,



Don Krupp, County Administrator