

2008-09 ADOPTED BUDGET

KEY INITIATIVES & ISSUES

The Proposed Budget was adopted with minimal changes. The changes are summarized in Exhibit A on page ii of this document. Due to the limited scope of these changes, the charts, graphs, and financial summary analysis that follow, continue to reference amounts from the Proposed Budget. The Approved and Adopted columns for each organization unit and the Schedule of Appropriations fully reflect the budget as adopted by the Board of Commissioners. Changes from the Proposed to Adopted budget include encumbrances, carry-forwards and salary adjustments.

OPERATING BUDGET

General Government

County Administrative Office (*Organization Unit 100-1510*): The proposed budget includes a position previously budgeted in Support Services (Sr. Program Educator) that is being transferred to this budget unit and reallocated (Communications Officer classification), and an additional Government Affairs Officer approved by the Board of Commissioners mid-year 2007-08. These positions are intended to fortify and enhance the County's government affairs and communications team. The net impact to the General Fund for these positions is approximately \$185,300. The budget also includes the addition of a part-time temporary Sr. Deputy County Administrator.

Assessment and Taxation (*Organization Unit 100-3020*): The proposed budget for Assessment and Taxation anticipates a decrease in revenue due primarily to a \$1.24 million reduction in recording fees. The 2007-08 adopted budget also anticipated a decrease in this funding source and actual revenue for the current year is expected to fall below the budget level. The reduction is due to the slowdown in the housing market as well as a decline in the number of properties being refinanced. The budget includes the addition of a 1.00 FTE Personal Property Auditor to keep pace with the growing number of accounts and compliance with the statutes.

Information Technology Services - ITS (*Organization Unit 100-3525*): The proposed budget includes the addition of two positions, including: a Senior Client Services Technician and a Senior Information Systems Analyst. These positions will provide support to Web-based programs, wireless devices, emergency management response and enhanced end-user support. ITS continues to work on a number of strategic initiatives, including: migration to a new Web environment; migration of the financial system to the Linux model; implementation of a back-up data center; implementation of wireless infrastructure; and document imaging.

Facilities Management (*Organization Unit 100-3535*): The proposed budget includes the addition of a 1.00 FTE Maintenance Technician II to assist with preventive maintenance efforts. The County owns and operates more than 30 facilities with a growing list of preventative maintenance work orders. The budget also includes additional resources to purchase replacement chairs, ergonomic work stations, uninterrupted power supply (UPS) batteries and accounts for construction related inflation. The Division continues efforts to reduce consumption of electricity and natural gas by upgrading heating, ventilation and air conditioning (HVAC) equipment, purchasing energy-efficient equipment and educating employees on sustainability practices. These efforts have reduced consumption, thus minimizing utility rate increases.

Fleet Management (*Organization Unit 500-3540*): The proposed budget includes an additional \$115,000 for fuel expenses (approximately 10% increase) based on analysis of consumption trends and

fuel prices. Based on recent market trends, this estimate may require an upward adjustment later in the budget process as additional market and pricing information is available. The Fleet Management Division continues to actively manage the number of vehicles and equipment in the fleet and the purchase of "right-sized" vehicles for utility, economy and efficiency. This includes the procurement of fuel-efficient vehicles, including subcompacts and hybrids. The Division is also working closely with end-users to nearly double the volume of biodiesel used in appropriate vehicles and equipment from approximately 6,700 gallons last fiscal year to 12,000 gallons next fiscal year.

Public Safety & Justice

Sheriff's Office-Law Enforcement (*Organization Unit 234-4020*): The proposed budget includes three new officer positions in the Sheriff's Office local option levy budget. The positions will help maintain law enforcement service levels at the same level that was established in the current fiscal year's budget process (2007-08). Consistent with the fiscal 2007-08 budget process, this recommendation is made as an interim measure while certain long-standing staffing measures and underlying Board-adopted policies are reviewed in conjunction with the County's cities. The Sheriff remains committed to this review process.

Sheriff's Office-Jail (*Organization Unit 100-4030*): The proposed budget for the Sheriff's Office-Jail includes the addition of a .50 Administrative Specialist II position and the reclassification of 35 Control Room Monitor positions to 30.00 FTE Jail Technician I positions and 5.00 Jail Technician II's. The reclassifications are aimed at the general goal of implementing a Board-approved plan (that was originated in fiscal 2007-08) to reduce jail overtime expenditures and its attendant impact on staff. The proposed solution uses the additional and newly classified civilian positions at various key positions in the jail that in turn, allows the redeployment of existing Corrections Officers to provide shift coverage that will reduce the need for mandatory overtime. Reclassification of the civilian positions also has the secondary benefit of reducing the high turnover rate among certain key civilian positions that currently bogs down jail efficiency and creates additional pressures for overtime.

District Attorney (*Organization Unit 100-4510*): The proposed budget for the District Attorney's Office includes 1.00 new Deputy District Attorney IV for the criminal prosecution program. This position is fully supported by new state funding dedicated to providing increased involvement in juvenile dependency litigation and support for the DA's child abuse team. Also, beginning with the fiscal 2008-09 budget, 37.5-hour-per-week clerical positions will be reflected as .94 FTE instead of the historical 1.00 FTE. There are 23 such positions in the District Attorney's proposed budget and results in a -1.12 FTE reduction.

District Attorney Local Option Levy (*Organization Unit 234-4510*): The District Attorney's local option levy budget includes funding for a 1.00 FTE Deputy District Attorney (DDA) IV, and a 1.00 FTE Software Applications Specialist. The new DDA IV position is proposed to contend with increasing workload demands in the post-conviction prosecution. This is due to a significant number of major convictions that have now evolved to their final stages of appeal through the courts. In order to assist the State Attorney General's Office in sustaining these convictions, additional local DA involvement is now necessary. This trend is likely to continue indefinitely given the large number of major convictions being experienced in the County. The Software Specialist position is being requested to assist the DA's Office with vital information collection and analysis to aid overall DA's Office program performance assessments, provide better information for management decision making, and ultimately, provide more basic caseload information to Washington County's overall criminal justice system planning efforts.

District Patrol (*Organization Unit 182-4020*): Fiscal year 2008-09 is slated to be the first year of a five-year, \$9.5 million per-year local option levy renewal that will be placed before voters in May 2008. If voters approve this measure, the new levy will continue to supplement the Enhanced Sheriff's Patrol District (ESPD) permanent tax levy of .64 cents per thousand dollars of assessed value (see Organization Unit 210-1680 for further information).

The fiscal 2008-09 proposed budget for District Patrol assumes that this new levy will be approved and the proposed budget therefore includes the hiring of nine new ESPD officers-increasing the ESPD officer total from 98 to 107 officers. The proposed budget reflects the staff and resources plan approved by the Board in the ESPD levy proposal.

Community Corrections (*Organization Unit 188-5510*): Declining reserve funds and insufficient levels of state funding in conjunction with the increasing cost of maintaining staff and service levels will require a \$1.2 million increase in the General Fund subsidy provided to Corrections.

The increase in General Fund subsidy is included in the proposed budget with the following considerations: 1) current and past levels of state funding are not keeping pace with the on-going cost of providing services; 2) the draw-down of the Corrections fund balance reflects the department's efforts to balance this budget in the past while minimizing General Fund increases; 3) maintaining staff/service levels in Corrections is a vital link in the County's criminal justice system and reductions here would result in costly imbalances elsewhere in the system; and 4) the justice system at the state and local levels may change significantly depending upon the outcome of measures that will appear on the ballot this November.

Public Safety Local Option Levy Fund (*Organization Units 234-1690, 4010, 4020, 4030, 4510, 5010, and 5015*): The 2008-09 fiscal year will be the second implementation year for the Public Safety Local Option Levy renewed by voters in November 2006. This new levy covers the fiscal years 2007-08 through 2010-11 and maintains the staff positions and services from the previous levy. The proposed budget also includes five new positions for a total of 132 levy-funded positions. These 132 positions represent approximately 16% of the County's total public safety and justice workforce. Highlights and significant budget changes for the 2008-09 fiscal year include:

- An increase in the levy fund balance (\$2.63 million) as planned for in the Board-approved local option levy five-year finance plan.
- An increase in levy based property tax revenues (\$.97 million) which includes the amount originally planned for in the new Public Safety Local Option levy approved in November of 2006, plus additional tax revenues derived from higher than anticipated property tax collections for fiscal year 2008-09.
- A \$2 million decrease in borrowed funds from the General Fund to implement the bridge funding plan.
- A combination of increases and decreases in miscellaneous revenues (interest earnings and delinquent taxes) of \$.101 million.
- On the expenditures side, a \$.75 million increase (5%) in expenditures is included in all local option levy operating budgets (see all fund 234 organization units). This includes an increase of \$35,000 in the allocation for the Safe Place emergency shelter for homeless/runaway youth. See organization units 234-5010 (Juvenile LOL), and 100-1696 (Community Network) for more details.
- A \$.79 million (25%) increase in the levy fund's contingency.
- An increase of \$.20 million in transfers for repayments to the General Fund for the above-described borrowed funds; and,
- A \$.025 million increase in expenditures for emergency housing expenditures.

Jail Health Care (*Organization Unit 100-7020*): The proposed budget includes an increase of \$329,822 due to cost adjustments from the private health services contractor. This represents an 11% increase from the current year's level.

Land Use, Housing and Transportation

Planning (*Organization Unit 100-6010*): The primary projects proposed for the 2008 work plan include: 1) planning of property brought into the Urban Growth Boundary (UGB) and review of areas being planned by cities; 2) transportation funding plan; 3) urban/rural reserves; 4) county urban services policy; 5) regional transportation plan update; 6) Metro's New Look; and 7) I-5/99W Corridor Study. The proposed budget includes the addition of 4.00 FTE (approved mid-year 2008-09) to support elements of the approved work plan. The positions are two Associate Planners, an Assistant Planner and a Program Educator.

Road Fund (*Organization Unit 168-6030, 6040, 6050, 6060*): The proposed budget for the Road Fund anticipates a \$721,407 (6%) reduction in the beginning fund balance as compared to the 2007-08 adopted budget. Total expenditures for the four organization units in the Road Fund, net of contingency, are up \$1.96 million (6%) and revenues increase approximately \$407,000 (1%). The increased expenditure level includes expenditures to purchase energy efficient traffic signal technologies, emergency repair work and infrastructure improvements such as: a \$400,000 grant to install flashing yellow arrows at key intersections, \$900,000 culvert replacements (with partial reimbursement from the Federal Emergency Management Agency), \$82,000 for gravel road upgrades, and \$300,000 bicycle safety improvements. Overall, the fund balance is projected to decrease during the 2008-09 fiscal year. The department will monitor the fund balance and make adjustments to maintain it above the minimum target level of \$6 million.

Development Activity (*Organization Unit 172-6020, 174-6020, 216-6030*): Development activity in the county has remained flat through the 2007-08 fiscal year and is anticipated to experience a slow down for 2008-09. The proposed budget reflects staffing reductions of 6.00 FTE which reflects a combination of reduced workloads (development activity and Measure 37/49 activities) and increased efficiency derived from wireless networking. In addition, budgeted positions may remain unfilled upon vacancy depending on activity levels.

Watermaster (*Organization Unit 100-9610*): The proposed budget includes the elimination of 2.00 FTE due to the discontinuance of water monitoring services provided under an intergovernmental agreement with Clean Water Services.

Health and Human Services

Public Health (*Organization Unit 100-7030*): The proposed budget includes an additional \$1.85 million in the Clinic Services Program budgeted for non-cash assistance to account for the value of vaccine provided, at no cost to the County, by the State of Oregon. The budget also includes an increase of 6.48 FTE related to additional grants and categorical state funding (i.e. Tobacco Grant and State funding for communicable disease prevention).

Veterans Services (*Organization Unit 100-7510*): The proposed budget includes the addition of a 1.00 FTE Assistant Veterans Services Officer to provide information and outreach, assistance with filing claims and coordination of benefits. This position is substantially funded by Senate Bill 1100 resources, dedicated to expand and enhance services to Oregon veterans and their dependents. The position will assist with a growing number of clients.

Human Services (*Organization Unit 192-7060*): The proposed budget reflects a \$1.09 million increase in expenditures, excluding contingency. This change is primarily the result of a \$1.6 million increase in the Alcohol and Drug Program for contracted treatment services. This increase is partially offset by net reductions in Mental Health Services and Children's Human Services due to exhaustion of one time grant funds. In addition, the General Fund transfer increases by \$78,277 to support expenses related to involuntary commitments.

Aging Services (*Organization Unit 198-7520*): For more than 15 years, the County has worked diligently to integrate funding sources and services to the disabled, seniors and veterans. The model used to accomplish this goal relies on a handful of County staff for administration, information and referral and select program coordination and a cadre of nearly 100 state employees who deliver state programs and services under the leadership of the County Director of Health and Human Services. The proposed budget includes a General Fund transfer of \$245,770, which is the same as the amount from the 2007-08 fiscal year, and includes the addition of a 1.00 FTE Program Coordinator to monitor contracts and develop an information and outreach program.

Culture, Education and Recreation

Cooperative Library Services (*Organization Unit 184-9710*): The proposed budget includes the addition of 2.75 FTE to address services to member libraries as detailed in the voter approved library levy. This includes a 1.00 FTE Librarian I, 1.00 FTE Web Specialist, and a .75 FTE Administrative Assistant. In addition to property tax revenues, the General Fund support for Washington County Cooperative Library Services (WCCLS) totals \$14,068,065 or \$541,079 (4%) more than the current fiscal year. This is consistent with Measure 47/50 planning, which assumes the General Fund contribution to libraries would increase by 4% per year for the four-year period of fiscal year 2007-08 through fiscal year 2010-11.

Non-Departmental

Non-Departmental (*Organization Unit 100-1670*): The County provides funding to certain not-for-profit agencies that provide services of benefit to County residents, but are not part of the County's core services. These agencies, including the Historical Society and the Regional Arts and Culture Council (RACC), are able to leverage County funds to generate additional resources through grants, donations and volunteer hours. The proposed budget includes an increase of \$3,327 in funding for the Historical Society due to a cost of living adjustment (3.1%) and \$85,000 for RACC, which is the same as fiscal year 2007-08. RACC is requesting \$125,000. Non-Departmental also includes professional services expenses related to legislative support and general consulting. The budget includes \$180,000 for consulting services to support and guide the urbanization forum.

Community Network (*Organization Unit 100-1696*): The proposed budget includes status quo funding for nonprofit partners such as Community Action, Centro Cultural, Vision Action Network, Community Housing Fund, 211 Information and Referral and other non-profit housing and volunteer clearinghouse providers. The budget includes a \$15,000 increase related to the addition of Boys and Girls Aid (BGA) as a recipient of funds to support the building component replacement funds for a new homeless shelter located in Hillsboro. BGA will be added to the current recipients: Family Bridge, Hillsboro Shelter, Good Neighbor Center and Domestic Violence Resource Center.

CAPITAL BUDGET

Facilities and Technology

Facilities Capital Projects (*Organization Unit 356-3580*): The proposed budget includes \$1,103,265 in discretionary resources and \$165,459 in Special Fund resources. The most significant projects include the upgrade and replacement of the Uninterrupted Power Supply (UPS) in the Public Services Building Data Center (\$375,000); Law Enforcement Center/Jail Improvements (\$185,428), Hillsboro campus signage improvements (\$100,000); Hagg Lake float replacement (\$62,000); Community Corrections remodels (\$49,622), Harkins House kitchen upgrade (\$41,674) and miscellaneous tenant improvements (\$200,000).

Additional expenses related to the replacement of key building components are budgeted in the Building Equipment Replacement Fund (356-3580).

Information Technology Services Capital Acquisitions (*Organization Unit 354-3580*): The proposed budget includes \$1,433,147 in discretionary resources, \$1,177,345 in Special Fund resources and \$159,611 from the beginning fund balance. The most significant projects include Web Environment Improvements (Content Management) (\$198,200); Road Operations System (\$302,550); Public Safety systems (\$396,535); Finance System (Linux migration \$131,000); Telecommunications (\$142,900); GIS System (\$194,225) and Document Publishing (\$90,621).

NON-OPERATING

Risk Management/Insurance

Medical Insurance (*Organization Unit 510-3570*): The rate of increase in the County's health insurance premiums is expected to stay in the single digits for the most part. The following premium increases are expected for the 2008-09 fiscal year: Providence Medical 9.5%; Kaiser Medical 9.4%; ODS Dental 7%; Regence Dental 10.5%; and ODS Vision no change from the previous year. Based on these rates, the total estimated cost of medical, dental and vision premiums increases approximately 9.0%. The Human Resources Division will convene a Benefits Committee early in the 2008-09 fiscal year to review the benefits structure and make recommendations for adjustments, changes and/or new approaches to benefit delivery.

Public Employees Retirement System (*Organization Unit 524-1615*): The County established the Public Employees Retirement System (PERS) employer rate stabilization fund in the 2003-04 fiscal year. Contributions to the fund were 6.02% of payroll for two fiscal years ending June 30, 2005. The purpose of the fund was to accumulate resources to offset potential rate increases. The fund is projected to have a balance of \$10,163,235 as of July 1, 2008. The reserve balance will be used to offset a PERS rate increase or to make a lump sum payment to reduce unfunded liability.

Miscellaneous

General Fund Transfer (*Organization Unit 100-1670*): This budget houses all of the discretionary revenues available for allocation by the Board of Commissioners including property taxes, licenses, intergovernmental revenue, fines, miscellaneous revenue and transfers. The largest discretionary revenue source is from current property tax collections. For the 2008-09 fiscal year, property taxes are budgeted based on 4.25% growth in assessed value and a 95.5% collection rate, resulting in an increase of \$4.25 million. The growth rate is adjusted downward (4.75% in the 2007-08 fiscal year) based on the slowing housing market. Real Estate Transfer Tax is budgeted to decrease by 3.4% (\$180,635) due to the same economic factors. Overall, discretionary resources are budgeted to increase 4.44% (\$5,561,664).