



Multnomah County Oregon

Board of Commissioners & Agenda

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BOARD OF COMMISSIONERS

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MAY 27, 28 & 29, 2008 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. Tuesday Executive Session
Pg 2	11:00 a.m. Wednesday TSCC Public Hearings on 07-08 County Supplemental Budget and 08-09 Multnomah County Budget
Pg 3	9:30 a.m. Thursday Public Comment
Pg 3	9:30 a.m. Thursday Service Districts Budgets
Pg 5	10:45 a.m. Thursday Supporting Restoration of Simple Majority Voting Requirement
Pg 5	10:50 a.m. Thursday Direction for County's Legislative Activities for the 2009 Session of the Oregon Legislature in Support of Funding for Court Facilities
Pg 5	11:10 a.m. Thursday Directing Facilities to Pursue Land Use Entitlements for the North Hawthorne Bridgehead, Preferred Site for a New Courthouse in Government Center

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Thursday, 9:30 AM, (LIVE) Channel 30

Saturday, 10:00 AM, Channel 29

Sunday, 11:00 AM, Channel 30

Tuesday, 8:15 PM, Channel 29

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Tuesday, May 27, 2008 - 9:00 AM
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

EXECUTIVE SESSION

- E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(d),(e) and/or (h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by County Attorney Agnes Sowle. 15-55 MINUTES REQUESTED.
-

Wednesday, May 28, 2007 - 11:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

TAX SUPERVISING AND CONSERVATION COMMISSION PUBLIC BUDGET HEARINGS

- PH-1 The Tax Supervising and Conservation Commission will conduct PUBLIC HEARINGS on the 2007-2008 Multnomah County Supplemental Budget and on the 2008-2009 Multnomah County Budget.
-

Thursday, May 29, 2008 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM **DEPARTMENT OF COUNTY HUMAN SERVICES**

- C-1 ORDER Authorizing Designees of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

DEPARTMENT OF COMMUNITY SERVICES

C-2 ORDER Authorizing the Public Sale of Tax Foreclosed Property

REGULAR AGENDA

PUBLIC COMMENT - 9:30 AM

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

SERVICE DISTRICTS - 9:30 AM

(Recess as the Board of County Commissioners and convene as the governing body for **DUNTHORPE RIVERDALE SANITARY SERVICE DISTRICT NO. 1**)

R-1 Public Hearing and RESOLUTION Adopting the 2008-2009 Budget for Dunthorpe Riverdale Sanitary Service District No. 1 and Making Appropriations

(Adjourn as the governing body for Dunthorpe Riverdale Sanitary Service District No. 1 and convene as governing body for **MID-COUNTY STREET LIGHTING SERVICE DISTRICT NO. 14**)

R-2 Public Hearing and RESOLUTION Adopting the 2008-2009 Budget for Mid-County Street Lighting Service District No. 14 and Making Appropriations

(Adjourn as the governing body for Mid-County Street Lighting Service District No. 14 and reconvene as **BOARD OF COUNTY COMMISSIONERS**)

NON-DEPARTMENTAL – 9:40 AM

R-3 PROCLAMATION Proclaiming the Month of June 2008 as PRIDE Month for Lesbian, Gay, Bisexual, Transgender and Other Sexual Minorities in Multnomah County, Oregon

SHERIFF'S OFFICE – 9:45 AM

R-4 Budget Modification MCSO-13 Appropriating \$167,000 General Fund Contingency to Continue to Operate a Double Bunked Module (62 Beds) at the Multnomah County Detention Center from June 1, 2008 through June 30, 2008

R-5 RESOLUTION Establishing Jail Capacity and Adopting a Capacity Management Action Plan

DEPARTMENT OF HEALTH – 9:50 AM

R-6 Budget Modification HD-43 Appropriating \$106,848 in Revenue from the State of Oregon, Department of Human Services, Public Health Services

R-7 Budget Modification HD-44 Appropriating \$11,691 in Revenue from the State of Oregon, Department of Human Services for “Addressing the Prevention, Early Detection, and Management of Chronic Diseases Phase I – Building Public Health Capacity”

DEPARTMENT OF COUNTY HUMAN SERVICES – 9:55 AM

R-8 Budget Modification DCHS-40 Increasing the Community Services Federal/State Appropriation by \$1,760,271 in Grant Funding for Energy and Weatherization Services

R-9 NOTICE OF INTENT to Submit a \$100,000 Grant Request to the Oregon Commission on Children and Families to Provide Technical Assistance for New and Established Community Schools Across the State

COMMISSION ON CHILDREN, FAMILIES AND COMMUNITY – 10:00 AM

R-10 Budget Modification NOND-08 Appropriating \$126,727 Grant and Donation Revenue to the Commission on Children, Families and Community Budget

DEPARTMENT OF COUNTY MANAGEMENT – 10:03 AM

R-11 RESOLUTION Declaring a Portion of the Property Located at 10615 SE Cherry Blossom Drive, Portland, Oregon to be Surplus and Approving a Real Property Sublease with the Immigration and Refugee Community Organization

R-12 Reallocation of Capital Improvement Program Project Funds FPM 08-05, Building System Emergency Repair (BSER)

DEPARTMENT OF COMMUNITY SERVICES – 10:10 AM

R-13 Second Reading and Possible Adoption of a Proposed ORDINANCE Amending the Multnomah County Code and Framework Plan Relating to:

Alternative Uses of Public School Buildings; Lot of Record Requirements to Correct Unlawfully Divided Parcels; Easement Placement During Land Divisions; Permit Processing Timelines; Biofuel Facilities; and Substandard Lot Size for Public Parks or Conservation

NON-DEPARTMENTAL - 10:15 AM

- R-14 **10:15 AM TIME CERTAIN:** Regional Arts and Culture Council Update. Presented by Eloise Damrosch, Jeff Hawthorne, Cynthia Knapp and Carole Morse. 30 MINUTES REQUESTED.
- R-15 RESOLUTION Supporting Restoration of Simple Majority Voting Requirement
- R-16 RESOLUTION Providing Direction for the County's Legislative Activities for the 2009 Session of the Oregon Legislature in Support of Funding for Court Facilities
- R-17 RESOLUTION Directing Facilities to Pursue Land Use Entitlements for the North Hawthorne Bridgehead, the Preferred Site for a New Courthouse in Portland's Government Center Area

BOARD COMMENT

Opportunity (as time allows) for Commissioners to provide informational comments to Board and public on non-agenda items of interest or to discuss legislative issues.

BOGSTAD Deborah L

From: LASHUA Matthew
Sent: Wednesday, May 28, 2008 9:12 AM
To: ROBERTS Lonnie J; NAITO Lisa H; COGEN Jeff; WHEELER Ted
Cc: PETERSON Sam; FALKENBERG Keith E; MADRIGAL Marissa D; WILLER Barbara; BOGSTAD Deborah L; DARGAN Karyne A
Subject: Excuse for TSCC Hearings Today

Commissioner Rojo de Steffey is ill and cannot attend the TSCC Hearings scheduled for today.

Matthew Lashua
Office of Commissioner Rojo de Steffey
Multnomah County - District One
501 SE Hawthorne, Suite 600
Portland, OR 97214
503 988 6796
503 988 5440 fax

5/28/2008



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
501 S.E. HAWTHORNE BLVD., Room 600
PORTLAND, OREGON 97204
(503) 988-5217

LISA NAITO • DISTRICT 3 COMMISSIONER

MEMORANDUM

TO: Chair Ted Wheeler
Commissioner Maria Rojo de Steffey
Commissioner Jeff Cogen
Commissioner Lonnie Roberts
Board Clerk Deb Bogstad

FROM: Keith Falkenberg
Staff to Commissioner Lisa Naito

DATE: May 27, 2008

RE: Commissioner Naito excused from May 27 and May 28 meetings.

Commissioner Naito will not be able to attend the May 27 Executive Session nor will she be able to participate in the TSCC public hearing on May 28. She is attending her son's graduation from college. Commissioner Naito will be back for the Board meeting on May 29.

Thank you,
Keith Falkenberg

BOGSTAD Deborah L

From: ROJO DE STEFFEY Maria
Sent: Tuesday, May 27, 2008 6:50 AM
To: LASHUA Matthew; BOGSTAD Deborah L
Subject: I am home ill today

Unfortunately, I seem to have picked up a stomach bug. I am feeling terrible. I thought about calling in for this morning's executive session but I just don't feel well enough. Matthew, please check my schedule and cancel whatever I have. Thanks. Hold on tomorrow. We'll see how I fare.

Also, Matthew, send the Sauvie Island letter to all of the Metro councilors (if we haven't already) as well as all the members of the Oregon Transportation Commission. Karen or Ian have their names. Send the first letter we sent out with the updated date. Go ahead and sign them so they can go out today.

5/28/2008



MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 05/27/08
 Agenda Item #: E-1
 Est. Start Time: 9:00 AM
 Date Submitted: 05/22/08

Agenda Title: Executive Session Pursuant to ORS 192.660(2)(d),(e)and/or(h)

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 27, 2008 **Amount of Time Needed:** 15-55 minutes
Department: Non-Departmental **Division:** County Attorney
Contact(s): Agnes Sowle
Phone: 503 988-3138 **Ext.** 83138 **I/O Address:** 503/500
Presenter(s): Agnes Sowle and Invited Others

General Information

1. What action are you requesting from the Board?

No final decision will be made in the Executive Session.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Only representatives of the news media and designated staff are allowed to attend. Representatives of the news media and all other attendees are specifically directed not to disclose information that is the subject of the Executive Session.

3. Explain the fiscal impact (current year and ongoing).

4. Explain any legal and/or policy issues involved.

ORS 192.660(2)(d),(e)and/or(h)

5. Explain any citizen and/or other government participation that has or will take place.

Required Signature

**Elected Official or
 Department/
 Agency Director:**

Date: 05/22/08

BOGSTAD Deborah L

From: DARGAN Karyne A
Sent: Friday, May 23, 2008 1:37 PM
To: ROJO DE STEFFEY Maria; NAITO Lisa H; ROBERTS Lonnie J; WHEELER Ted; COGEN Jeff
Cc: LASHUA Matthew; MARTINEZ David; WESSINGER Carol M; FALKENBERG Keith E; WEST Kristen; MACK Thomas M; FARVER Bill; MCLELLAN Jana E; MADRIGAL Marissa D; BOGSTAD Deborah L; NEBURKA Julie Z; HAY Ching L; JASPIN Michael D; ELKIN Christian; CAMPBELL Mark; BURDINE Angela L; DURANT Sarah; WU Liang; TURK Shannon L; LINHARES Thomas W; DARGAN Karyne A
Subject: TSCC hearing on the FY 2008 Supplemental Budget - Process and Information

Dear Members of the Board-

Two TSCC hearings are scheduled for May 28th. The first is on the FY 2008 Supplemental Budget and that is what this email references. I will be sending out a separate email regarding the TSCC hearing for the FY 2009 Approved Budget.

As you'll remember the TSCC board will convene the meeting on May 28th. Julie Neburka will make a summary presentation about the Supplemental Budget Items that you approved in May. The TSCC Board will then ask a series of questions. A staff courtesy copy of those questions with our responses is attached for your information. Because this is really related to technical housekeeping items, I would recommend that Julie respond.

A supplemental budget is the vehicle specified in ORS Chapter 294 for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. We generally do one supplemental budget each year to take care of things that come up during the year and to make sure we are in compliance with budget law. This small supplemental budget consisted of four housekeeping items that kept us from violating budget law. It increased our overall appropriations by \$1.1 million. Briefly, the issues were:

- Adding the SCAAP grant—which is not a grant, really, but a partial reimbursement from the federal government to pay for the costs associated with holding undocumented immigrants in our County jails—to the Sheriff's Office General Fund budget. (\$472,219).
- Adding prior-year grant revenue to County Human Services Developmental Disabilities program to be used for residential capacity development and supplements to transportation providers to offset the gas crisis. (\$357,391).
- Adding additional funds from the State of Oregon from collected Telephone Tax for supporting Multnomah County's emergency communications. The additional revenue received will be applied to the City of Portland IGA payments for 911dispatch/radio access fees with the Bureau of Emergency Communications.(\$80,000).
- Adding additional revenue from the Federal Timber payments program to be passed on to local school districts. This item reflects the one-year extension in timber payments (\$245,524).

5/28/2008

All of these items are housekeeping measures, and all of them only affect FY 2008. Department staff will also be available to answer specific questions the TSCC board may have. Also, you'll see this item on the agenda again: at the TSCC hearing on May 28th, and then shortly thereafter, when we will schedule it for adoption later in June

Please let me know if you have any questions.

Thanks
Karyne

**FY 2008 SUPPLEMENTAL BUDGET
MESSAGE**

Supplemental Budget

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THE DOCUMENT

The document consists of three sections:

1. The budget message explaining the reasons for the changes proposed,
2. A section of detailed estimate sheets and descriptions for those actions resulting in changes in expenditures,
3. A financial summary of the resources and requirements being changed by fund.

REASONS FOR CHANGES

A Supplemental Budget is the vehicle allowed by ORS Chapter 294 for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. In cases where no fund's expenditures are increased by more than 10 percent of the adopted budget figure, the law allows the Board to make additional appropriations after advertising a hearing on the Supplemental Budget. However, since this supplemental budget increases a fund by more than 10% and makes adjustments to other funds, the process for the supplemental budget action is to:

1. Convene the Board of County Commissioners to approve the supplemental budget for submission to the Tax Supervising & Conservation Commission,
2. Submit the approved supplemental budget to Tax Supervising,
3. Attend a Tax Supervising hearing on the supplemental budget, and
4. Adopt the supplemental budget after Tax Supervising has held the public hearing.

This FY 2008 Supplemental Budget is a relatively straight forward "housekeeping" measure, and it recommends several actions to account for the following items in four County funds. Each of these items affects FY 2008 only; there is no ongoing fiscal impact.

- The General Fund increases by a total of \$472,219. \$466,874 in proceeds from the State Criminal Alien Assistance Program (SCAAP) grant and \$5,345 from indirect from other revenues.

The SCAAP grant will be used to purchase the following items for the Corrections Division of the Sheriff's Office.

- Corrections Recruiting Package – Enable the Sheriff's Office to aggressively recruit for Corrections Deputy positions at job fairs, colleges, and military bases.
- Re-Key Project at MCDC – Good jail practices require locks to be re-keyed on a periodic basis. FREDS will facilitate the project.
- Replacement of X-ray and Magnetometers at MCDC and the Courthouse - The X-ray and Magnetometers are approaching the end of their useful life and are maintenance intensive. Some of them are technically obsolete and can no longer be repaired. MCSO will purchase 3 X-ray machines (\$90,386), 7 Magnetometers (\$26,655), and move the security screening station in MCDC closer to the front doors to increase security in the lobby area (\$20,000).
- Replace six laundry carts

- Replacement sealers for inmate property bags
 - Evidence-on-Q Property Tracking System for Inmate Property –
 - Replacement of a washer and dryer in the booking area for inmate property
 - Replacement of 100 pound washer/extractor at Inverness Laundry
 - Video conferencing upgrade
 - Law Enforcement Data System (LEDS) Encryption Project - One of the security requirements of the Criminal Justice Information System (CJIS) is point to point encryption of data if the data does not travel across proprietary lines. This is a requirement of the Federal Government NCIC and State of Oregon LEDS systems. Compliance is subject to system audit. Failure to comply could result in access loss to the federal and state criminal justice systems. This purchase will pay for ½ of the project which is the estimated usage amount of the Corrections Division.
 - Training Software - this software will provide a comprehensive employee development data management and reporting capability to meet the requirements of certification and qualifications training tracking. The software is utilized by other jurisdictions in our area and would allow for sharing information in a common format for mutual aid agreements and emergency management needs. The software includes an extensive number of custom reports designed to be Sheriff's Office specific reporting requirements.
- The Federal-State fund increases by \$357,391. This supplemental budget reflects the State of Oregon's authorization for Multnomah County Human Services to utilize unspent transportation funds from the 2005-2007 biennium SMHG Grant funding as beginning working capital.
 - The Emergency Communications fund increases by \$80,000 due to a higher rate of funds passed through from the State than was originally estimated by the Sheriff's Office and a one-time-only payment from the State Telephone Excise Tax.
 - The County School Fund increases by \$245,524. In preparing the FY 2008 budget, the assumption was made that the payments would sunset this year. After the FY 2008 budget was prepared, Congress voted to given the program a one year extension.

General Fund (Fund 1000)

This supplemental budget increases appropriations in the General Fund by \$472,219. The majority of these funds are from the Sheriff's Office SCAAP grant, while the other \$5,345 is indirect revenue from other fund revenues added. New funds include:

SCAAP Grant, \$466,874:

In FY 2008, The Sheriff's Office is due to receive \$466,874 from the State Criminal Alien Assistance Program (SCAAP) Grant. These funds will be used to purchase resources to assist with corrections recruitment and training, re-keying the Multnomah County Detention Center, upgrade video conferencing at the Multnomah County Inverness Jail, fund one half of the LEDS Encryption Project, as well as purchase new equipment to replace worn out items in the corrections support services.

Indirect Revenue, \$5,345:

In applying the indirect rate to the additional revenue added to the Emergency Communication fund, \$1,710 was added to General Fund contingency and \$3,635 was added to general fund supplies in the Sheriff's Office.

Supplemental Budget

Financial Detail Sheets

General Fund	FY 2008 Adopted Budget	This Action	FY 2008 Revised Budget
60000 Permanent	121,933,346	0	121,933,346
60100 Temporary	3,196,009	0	3,196,009
60110 Overtime	6,574,150	0	6,574,150
60120 Premium	3,018,705	0	3,018,705
60130 Salary Related	42,676,069	0	42,676,069
60135 Non-Base Salary Related	197,735	0	197,735
60140 Insurance	30,876,331	0	30,876,331
60145 Non-Base Insurance	109,968	0	109,968
Total Personal Services	208,582,313	0	208,582,313
60150 County Supplements	4,270,260	0	4,270,260
60155 Direct Client Assistance	1,003,966	0	1,003,966
60160 Pass-through Payments	32,166,422	0	32,166,422
60170 Professional Svcs	21,636,305	0	21,636,305
60180 Printing	1,465,304	0	1,465,304
60190 Utilities	1,874	0	1,874
60200 Communications	267,514	0	267,514
60210 Rentals	159,298	0	159,298
60220 Repairs & Maintenance	462,828	0	462,828
60230 Postage	361,903	0	361,903
60240 Supplies	3,737,911	470,509	4,208,420
60246 Medical & Dental Supplies	310,224	0	310,224
60250 Food	2,429,766	0	2,429,766
60260 Education and Training	1,328,555	0	1,328,555
60270 Local Travel and Mileage	477,950	0	477,950
60280 Insurance	1,108	0	1,108
60290 External Data Processing	1,610,095	0	1,610,095
60310 Drugs	1,163,343	0	1,163,343
60320 Refunds	5,000	0	5,000
60340 Dues and Subscriptions	483,247	0	483,247
60350 Central Indirect	199	0	199
60355 Dept Indirect	4,573	0	4,573
60370 Telephone	2,021,871	0	2,021,871
60380 Data Processing	14,117,118	0	14,117,118
60390 PC Flat Fee	80,900	0	80,900
60400 Asset Preservation	15,000	0	15,000
60410 Motor Pool	2,494,684	0	2,494,684
60420 Electronics	515,521	0	515,521
60430 Building Management	22,634,026	0	22,634,026
60440 Other Internal	135,945	0	135,945
60450 Capital Lease Retirement	1,404,331	0	1,404,331
60460 Distribution/Postage	1,871,225	0	1,871,225
Total Materials and Services	118,638,266	470,509	119,108,775
60520 Land	0	0	0
60530 Buildings	0	0	0
60540 Other Improvements	7,843	0	7,843
60550 Equipment	177,800	0	177,800
Total Capital	185,643	0	185,643
60490 Principal	0	0	0
60500 Interest	1,350,000	0	1,350,000
Total Debt Service	1,350,000	0	1,350,000
60470 Contingency	8,361,414	1,710	8,363,124
60560 Cash transfers	17,312,876	0	17,312,876
60570 Bad Debt Expense	0	0	0
Total Contingencies & Transfers	25,674,290	1,710	25,676,000
60480 Unappropriated Fund Balance	13,500,000	0	13,500,000
Fund Total:	367,930,512	472,219	368,402,731

Federal-State Fund (1505)

This supplemental budget increases appropriations in the Federal-State Fund by a net amount of \$357,391.

Beginning Working Capital in DCHS-Developmental Disabilities, \$357,391

This supplemental budget reflects the State of Oregon's authorization for Multnomah County Human Services to utilize unspent transportation funds from the 2005-2007 biennium SMHG Grant funding as beginning working capital.

Developmental Disabilities (DD) 53 Transportation Services are public or private transportation provided to individuals with developmental disabilities when: (a) unsubsidized public transportation is not available or not feasible due to the severity of an individual's disability; and (b) transportation is required for effective participation in employment or other services needed by an individual (such as community access).

This modification reflects the State's authorization to utilize unspent DD 53 Transportation Services funds of \$357,391 from the 05-07 biennium for DD clients. Pending final State approval, \$100,000 of the funds will be utilized for residential capacity development; \$100,000 will be utilized for developmental disabilities clients without mental health issues, and the remaining \$157,391 of the funds will be utilized for one time only supplements to transportation providers to offset the gas crisis.

Supplemental Budget

Financial Detail Sheets

Federal-State Fund	FY 2008 Adopted	This Action	FY 2008 Revised
	Budget		Budget
60000 Permanent	70,209,462	0	70,209,462
60100 Temporary	1,959,605	0	1,959,605
60110 Overtime	892,226	0	892,226
60120 Premium	1,218,563	0	1,218,563
60130 Salary Related	23,127,320	0	23,127,320
60135 Non-Base Salary Related	34,384	0	34,384
60140 Insurance	17,598,560	0	17,598,560
60145 Non-Base Insurance	14,056	0	14,056
Total Personal Services	115,054,176	0	115,054,176
60150 County Supplements	1,420,169	0	1,420,169
60155 Direct Client Assistance	66,470,158	357,391	66,827,549
60160 Pass-through Payments	39,862,363	0	39,862,363
60170 Professional Svcs	8,016,089	0	8,016,089
60180 Printing	506,328	0	506,328
60190 Utilities	834	0	834
60200 Communications	75,715	0	75,715
60210 Rentals	58,359	0	58,359
60220 Repairs & Maintenance	113,172	0	113,172
60230 Postage	22,477	0	22,477
60240 Supplies	1,539,197	0	1,539,197
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	943,422	0	943,422
60250 Food	611,239	0	611,239
60260 Education and Training	561,458	0	561,458
60270 Local Travel and Mileage	353,629	0	353,629
60280 Insurance	8,626	0	8,626
60290 External Data Processing	36,027	0	36,027
60310 Drugs	7,156,137	0	7,156,137
60340 Dues and Subscriptions	89,505	0	89,505
60350 Indirect Costs	3,317,187	0	3,317,187
60355 Departmental Indirect	7,048,584	0	7,048,584
60370 Telephone	1,197,266	0	1,197,266
60380 Data Processing	5,330,810	0	5,330,810
60390 PC Flat Fee	10,800	0	10,800
60410 Motor Pool	425,298	0	425,298
60420 Electronics	27,961	0	27,961
60430 Building Management	6,797,057	0	6,797,057
60440 Other Internal	116,313	0	116,313
60450 Capital Lease Retirement	0	0	0
60460 Distribution/Postage	796,424	0	796,424
Total Materials and Services	152,912,604	357,391	153,269,995
60520 Land	0	0	0
60530 Buildings	0	0	0
60540 Other Improvements	661	0	661
60550 Equipment	103,444	0	103,444
Total Capital	104,105	0	104,105
60490 Principal	0	0	0
60500 Interest	0	0	0
Total Debt Service	0	0	0
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
Total Contingencies & Transfers	0	0	0
60480 Unappropriated Fund Balance	0	0	0
Fund Total:	268,070,885	357,391	268,428,276

Emergency Communication Fund (Fund 1502)

This supplemental budget increases the Emergency Communications fund by \$80,000. This fund accounts for revenues received from the State Telephone Excise Tax. Expenditures are restricted for the Emergency Communication Network in conjunction with the City of Portland,

Bureau of Emergency Communication \$80,000

The revenue is received from the State of Oregon as a reimbursement from collected Telephone Taxes for supporting Multnomah County's emergency communications (911 telephone tax revenue). The revenue the County receives is based on the unincorporated area population; the incorporated cities receive their revenue directly from the State. In November of 2007 the State's administration of the emergency communication fund was transferred from the Oregon State Police to the Oregon Military Department, and at that time it was determined to pass on \$4.8 million dollars as a onetime distribution to local jurisdictions.

The additional revenue received will be applied to the City of Portland IGA payments for 911 dispatch/radio access fees with the Bureau of Emergency Communications.

Supplemental Budget

Financial Summary

Emergency Communication Fund	FY 2008 Adopted	This Action	FY 2008 Revised
	Budget		Budget
60000 Permanent	0	0	0
60100 Temporary	0	0	0
60110 Overtime	0	0	0
60120 Premium	0	0	0
60130 Salary Related	0	0	0
60135 Non-Base Salary Related	0	0	0
60140 Insurance	0	0	0
60145 Non-Base Insurance	0	0	0
Total Personal Services	0	0	0
60150 County Supplements	0	0	0
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	0	0	0
60170 Professional Svcs	226,637	74,655	301,292
60180 Printing	0	0	0
60190 Utilities	0	0	0
60200 Communications	0	0	0
60210 Rentals	0	0	0
60220 Repairs & Maintenance	0	0	0
60230 Postage	0	0	0
60240 Supplies	0	0	0
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	0	0	0
60250 Food	0	0	0
60260 Education and Training	0	0	0
60270 Local Travel and Mileage	0	0	0
60280 Insurance	0	0	0
60290 External Data Processing	0	0	0
60310 Drugs	0	0	0
60340 Dues and Subscriptions	0	0	0
60350 Indirect Costs	4,274	1,710	5,984
60355 Departmental Indirect	9,089	3,635	12,724
60370 Telephone	0	0	0
60380 Data Processing	0	0	0
60390 PC Flat Fee	0	0	0
60410 Motor Pool	0	0	0
60420 Electronics	0	0	0
60430 Building Management	0	0	0
60440 Other Internal	0	0	0
60450 Capital Lease Retirement	0	0	0
60460 Distribution/Postage	0	0	0
Total Materials and Services	240,000	80,000	320,000
60520 Land	0	0	0
60530 Buildings	0	0	0
60540 Other Improvements	0	0	0
60550 Equipment	0	0	0
Total Capital	0	0	0
60490 Principal	0	0	0
60500 Interest	0	0	0
Total Debt Service	0	0	0
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
Total Contingencies & Transfers	0	0	0
60480 Unappropriated Fund Balance	0	0	0
Fund Total:	240,000	80,000	320,000

County School Fund (Fund 1506)

The County School Fund will be increased by \$245,524. When the FY 2008 budget was prepared, it was unclear if the Secure Rural Schools and Community Self-Determination Act, also known as the Federal timber payments program, would be reauthorized by Congress. The act was scheduled to sunset at the end of the 2007 Federal fiscal year.

The Federal timber payments program was restored by Congress in a supplemental appropriations bill that was signed by the President in mid-May. The budget had already been approved by the Board at the time this information became available to us. Revenue from the timber payments program represents the majority of the resources in the County School Fund. The addition of this revenue would have caused the fund to exceed approved appropriations by more than the 10% allowed by statute. Approval of this Supplemental Budget will allow us to pass through \$245,524 to local school districts.

Supplemental Budget

Financial Summary

County School Fund	FY 2008 Adopted Budget	This Action	FY 2008 Revised Budget
60000 Permanent	0	0	0
60100 Temporary	0	0	0
60110 Overtime	0	0	0
60120 Premium	0	0	0
60130 Salary Related	0	0	0
60135 Non-Base Salary Related	0	0	0
60140 Insurance	0	0	0
60145 Non-Base Insurance	0	0	0
Total Personal Services	0	0	0
60150 County Supplements	0	0	0
60155 Direct Client Assistance	0	0	0
60160 Pass-through Payments	75,000	245,524	320,524
60170 Professional Svcs	0	0	0
60180 Printing	0	0	0
60190 Utilities	0	0	0
60200 Communications	0	0	0
60210 Rentals	0	0	0
60220 Repairs & Maintenance	0	0	0
60230 Postage	0	0	0
60240 Supplies	0	0	0
60245 Library Books & Materials	0	0	0
60246 Medical & Dental Supplies	0	0	0
60250 Food	0	0	0
60260 Education and Training	0	0	0
60270 Local Travel and Mileage	0	0	0
60280 Insurance	0	0	0
60290 External Data Processing	0	0	0
60310 Drugs	0	0	0
60340 Dues and Subscriptions	0	0	0
60350 Indirect Costs	0	0	0
60355 Departmental Indirect	0	0	0
60370 Telephone	0	0	0
60380 Data Processing	0	0	0
60390 PC Flat Fee	0	0	0
60410 Motor Pool	0	0	0
60420 Electronics	0	0	0
60430 Building Management	0	0	0
60440 Other Internal	0	0	0
60450 Capital Lease Retirement	0	0	0
60460 Distribution/Postage	0	0	0
Total Materials and Services	75,000	245,524	320,524
60520 Land	0	0	0
60530 Buildings	0	0	0
60540 Other Improvements	0	0	0
60550 Equipment	0	0	0
Total Capital	0	0	0
60490 Principal	0	0	0
60500 Interest	0	0	0
Total Debt Service	0	0	0
60470 Contingency	0	0	0
60560 Cash transfers	0	0	0
Total Contingencies & Transfers	0	0	0
60480 Unappropriated Fund Balance	0	0	0
Fund Total:	75,000	245,524	320,524

Supplemental Budget

Financial Summary

General Fund			
	2007-2008 Adopted Budget	This Action	2007-2008 Revised Budget
Resources			
Direct Federal Sources	1,700	466,874	468,574
Indirect Revenue	7,725,955	5,345	7,731,300
All Other Revenues as Adopted	360,202,857	0	360,202,857
Total Resources	367,930,512	472,219	368,402,731
Requirements			
Materials & Supplies	118,638,266	470,509	119,108,775
All Other Expenditures as Adopted	240,930,832	0	240,930,832
Total Expenditures	359,569,098	470,509	360,039,607
Contingency	8,361,414	1,710	8,363,124
Total Requirements	367,930,512	472,219	368,402,731
Federal-State Fund			
Resources			
Beginning Working Capital	36,052	357,391	393,443
All Other Revenues as Adopted	268,034,831	0	268,034,831
Total Resources	268,070,883	357,391	268,428,274
Requirements			
Direct Client Assistance	66,470,158	357,391	66,827,549
All Other Expenditures as Adopted	201,600,727	0	201,600,727
Total Expenditures	268,070,885	357,391	268,428,276
Total Requirements	268,070,885	357,391	268,428,276
Emergency Communications Fund			
Resources			
Direct State Sources	240,000	80,000	320,000
All Other Revenues as Adopted	0	0	0
Total Resources	240,000	80,000	320,000
Requirements			
Materials & Supplies	240,000	80,000	320,000
All Other Expenditures as Adopted	0	0	0
Total Expenditures	240,000	80,000	320,000
Contingency	0	0	0
Total Requirements	240,000	80,000	320,000
County School Fund			
Resources			
Shared Government	75,000	245,524	320,524
Total Resources	75,000	245,524	320,524
Requirements			
Pass Thru Payments	75,000	245,524	320,524
Total Expenditures	75,000	245,524	320,524
Contingency	0	0	0
Total Requirements	75,000	245,524	320,524

Multnomah County 2007-08 Supplemental Budget

Date: Wednesday May 28, 2008

Time: Public Hearing; 11:00 a.m.

Place: Multnomah Building
Commissioner's Board Room
501 SE Hawthorne Blvd
Portland, Oregon

Local Budget Law:

Once a district adopts its budget it is limited to expenditures detailed in the Resolution Making Appropriations unless formal action of the governing body is taken to amend the budget (ORS 294.435(4)). Amendments can be "minor" or "major" depending on the degree of the change. For increases in appropriation authority, if the total increase in authority is 10 percent or greater of the appropriations in a given fund, the district must hold a public hearing (major). If the increase in appropriation authority is less than 10 percent the district need only pass a resolution or ordinance (ORS 294.480). If the district is transferring authority from general operating contingency to an expenditure line item within the same fund and the amount of the transfer is greater than 15 percent of the fund's total appropriation authority, the district must hold a public hearing (major). If the transfer of general operating contingency is 15 percent or less the district need only pass a resolution or ordinance (ORS 294.450).

For both major and minor supplemental budgets the district must publish a notice of the meeting where the action will be discussed, either at a public hearing (major) or during a regular meeting of the governing body (minor). A summary of the changes to be considered is required to be included in the public notice.

Taxing districts in Multnomah County, rather than conducting a public hearing on major supplemental budgets, are required to submit the supplemental budget to TSCC. TSCC conducts the public hearing instead of the district.

Summary:

Multnomah County is increasing its 2007-08 Adopted Budget by a net of \$1,155,134 in a total of four (4) Funds. Of these four funds, expenditures are being increased more than ten percent in only two fund and expenditures are increasing less than ten percent in two funds.

On the resource side, \$357,391 of the increase is attributable to higher than anticipated beginning fund balances, \$466,874 is from a federal grant, and \$325,524 is attributable to increases in state revenue. In addition, \$5,345 is being added as "indirect revenue".

On the expenditure side, all new spending is being added to existing expenditure line items: Materials and Services, + \$470,509; Professional Services, + \$74,655; Direct Client Assistance, + \$357,391, and; Pass Through Payments, + \$245,524. In the General Fund, \$1,710 is being added

to Contingency and in the Emergency Communication Fund \$5,345 is being added to Indirect Costs (transfer to General Fund).

The chart below details the changes in resources and appropriations.

Fund	07/08 Adopted Budget	Adjustments - Resources		Adjustments - Requirements			To Contingen cy	07/08 Revised Budget
		New Revenue	Beginning Fund Balance	Expenditure	Interfund Transfer	Other		
General Fund	\$367,930,512	\$ 472,219	\$ 0	\$ 470,509	\$ 0	\$ 0	\$ 1,710	\$368,402,731
Federal - State Fund	268,070,885	0	357,391	357,391	0	0	0	268,428,276
Emergency Communication Fund	240,000	80,000	0	74,655	0	5,345	0	320,000
County School Fund	75,000	245,524	0	245,524	0	0	0	320,524
Total Supplemental Action	\$636,316,397	\$ 797,743	\$ 357,391	\$ 1,148,079	\$ 0	\$ 5,345	\$ 1,710	\$637,471,531

General Fund (+0.14%)

In the current fiscal year the General Fund, through the Sheriff's Office will receive a \$466,874 State Criminal Alien Assistance Program (SCAAP) Grant from the US Department of Justice. The grants support the housing of undocumented aliens prior to being deported. These funds will be used to purchase resources to assist with corrections recruitment and training, re-keying the Multnomah County Detention Center, upgrade video conferencing at the Multnomah County Inverness Jail, fund one half of the LEDS Encryption Project, as well as purchase new equipment to replace worn out items in the corrections support services.

An additional \$5,345 in indirect fees is also being added from as a transfer from the Emergency Communication Fund (see below).

Federal – State Fund (+0.13%)

A total of \$357,391 is being recorded as an increase in beginning fund balance. This amount is carried forward from unspent transportation funds for clients with developmental disabilities from the 2005-07 biennium. The State has granted the County authority to spend these carry forward funds in the current fiscal year. The funds will be used to subsidize public or private transportation where subsidized transportation is not available or not feasible and where transportation is needed for employment or other services. If the State approves, \$157,391 of the funds will be used to offset higher gas prices for transportation providers.

Emergency Communication Fund (+33.33%)

The Emergency Communication Fund is used to track revenue and expenditures from the State Telephone Excise Tax as these funds are restricted as to use. The only allowed expenditures are for the emergency communication network in conjunction with the City of Portland. Because this fund is so small even minor changes in the budget can trigger the ten percent increase in expenditure threshold. Additional revenue is being recorded because the State is distributing \$4.8 million in one time only funds to cities and counties.

Most of the additional revenue, \$74,655; will be passed on to the City of Portland in accordance with an Intergovernmental Agreement (IGA). The City's Bureau of Emergency Communications operates the 911 dispatch/radio system and the County simply passes on its fees to the City. The County keeps a small percentage of the fees and thus as the fee is increased the amount being transferred to the General Fund increase as well. This amounts to \$5,345.

County School Fund (+320.37%)

The County School Fund is another fund used for revenues that are dedicated to specific uses and is quite small. There are two sources of revenue: an in lieu of tax on small private railcar companies (ORS 308.640) and revenue from the sale of timber cut on federal land. The law which allocates money to the state from federal timber harvests had expired so the County did not budget any revenue from this source. Congress ultimately extended the program for one year. The County is obligated to distribute the money to school districts within its jurisdiction. Thus the entire \$245,524 additional revenue will be expended as pass-through payments.

Questions:

1. The name of the grant would imply that the funds were to be used for purposes specifically related to illegal immigrant criminals. Yet these new funds will be used for a wide variety of corrections uses, including replacing a washer and dryer. How restrictive are these funds and do you have to report how they are used?

Each year the State Criminal Alien Assistance Program (SCAAP) provides revenues to assist local jurisdictions in the incarceration costs of undocumented foreign nationals. The award is made annually by Congress and is administered by the Bureau of Justice Administration. Types of activities for which the revenues can be used are restricted to corrections activities. The below criteria is from the BJA website and was provided to the Sheriff's Office at the time of the award:

**Salaries for corrections officers
Overtime costs
Performance based bonuses
Corrections work force recruitment and retention
Construction of corrections facilities
Training / education for offenders
Training for corrections officers related to offender population management
Consultants involved with offender population
Medical and mental health services
Vehicle rental / purchase for transport of offenders**



**Prison Industries
Pre-release / reentry programs
Technology involving offender management / inter agency information sharing
Disaster preparedness continuity of operations for corrections facility**

The funds are subject to federal audit but are not included as part of the Single Audit Act.

The Sheriff's Director of Business Services has been in contact with BJA about any spending limitations of the SCAAP Award and has done due diligence in determining the appropriate use of the funds. Documentations and expenditure records will be maintained to sustain an audit should the BJA wish to do so.

2. The additional \$357,391 which the state has allowed you to carry over in the Federal – State Fund is increasing beginning fund balance. Were you in possession of the funds prior to this and simply not recording it as beginning fund balance in the budget, or are the funds just now being made available from the State?

The \$357,391 funding awarded in Developmental Disabilities (DD) 53 Transportation Services for the 2005–2007 biennial period was approved by the State on March 20th, 2008 to be utilized as 2007–2009 biennial period as one-time carryover funds, which may only be used for DD Services.

3. How much of these transportation funds are given directly to clients versus being distributed to other organizations to distribute?

No portion of the transportation funds will be given directly to clients. Case Managers will utilize funds for services to DD clients (ex: purchase on behalf of clients - bus tickets, bus passes, lift rides or taxi services); and/or funds will be contracted with community based service providers to provide client transportation. All of the transportation funds will be utilized within DD Services, which is a requirement of the State.

4. The additional revenue for the Emergency Communication Fund comes from a onetime distribution from the State Telephone Excise Tax. Do you have any idea why the state had this extra money that they decided to distribute this year?

The revenue comes to us from the State of Oregon as a reimbursement from collected Telephone Taxes for supporting the Counties emergency communications (911 telephone tax revenue). The revenue the County receives is based on the unincorporated area population; the incorporated cities receive their revenue directly from the State. In November of 2007 the State's administration of the emergency communication fund was transferred from the Oregon State Police to the Oregon Military Department, and at that time it was determined to pass on \$4.8 million dollars as a onetime distribution to local jurisdictions.

The additional \$80,000 in revenue we are receiving is being applied to our City of Portland IGA payments for our 911 dispatch/radio access fees with the Bureau of Emergency Communications.

5. What formula is used to distribute the funds from Federal timber monies received from the Secure Rural Schools and Community Self-Determination Act?

The Secure Rural Schools and Community Self-Determination Act (PL 106-393) combined two federal timber payments programs that have benefited Oregon counties since the early-1900's. P.L. 106-393 replaced the related acts of 1908 and 1913 (National Forest lands) and updates the 1937 act for Oregon & California (O&C) Railroad Lands. The law was enacted in 2000 and it provided for guaranteed minimum payments for the removal and sale of timber cut on national forest lands.

Revenue from the removal and sale of timber on lands formerly owned by the O&C has historically been a General Fund revenue source. In Multnomah County, this has averaged approximately a million dollars annually. Revenue from the removal and sale of timber on other federal lands is allocated to the Road Fund and the County School Fund by state statute. ORS 294.060 states that "moneys received by each county . . . shall be divided 75 percent to the road fund and 25 percent to the school fund of the county." It is this revenue that supports the appropriation being made to the County School Fund in this supplemental budget.

BOGSTAD Deborah L

From: DARGAN Karyne A
Sent: Friday, May 23, 2008 4:18 PM
To: ROJO DE STEFFEY Maria; NAITO Lisa H; ROBERTS Lonnie J; WHEELER Ted; COGEN Jeff
Cc: LASHUA Matthew; MARTINEZ David; WESSINGER Carol M; FALKENBERG Keith E; WEST Kristen; MACK Thomas M; FARVER Bill; MCLELLAN Jana E; MADRIGAL Marissa D; BOGSTAD Deborah L; NEBURKA Julie Z; HAY Ching L; JASPIN Michael D; ELKIN Christian; CAMPBELL Mark; BURDINE Angela L; DURANT Sarah; WU Liang; LINHARES Thomas W; TURK Shannon L; DARGAN Karyne A
Subject: TSCC Hearing on the FY 2009 Approved Budget

Dear Members of the Board –

Oregon Budget Law requires an annual TSCC hearing on the Approved Budget. That hearing is scheduled for May 28, 2008. Attached are two documents pertaining to that hearing. The first attachment is the **TSCC Budget Review for Multnomah County**. This report contains an overview of our funds (revenues and expenditures), program services, debt history and the certification letter with recommendations and objections. There are no objections and one recommendation. The recommendation requires a written response and is included in the Resolution to Adopt the FY 2009 budget (June 5, 2008) as attachment "D". Also included in this report are questions on our budget which we will be asked to respond to at the hearing. The second attachment (**TSCC Questions & Responses**) provides draft responses to potential questions that TSCC may ask.

The TSCC board will convene the meeting on May 28th. As in the past, the Chair Wheeler will have an opportunity to provide an overview and highlights of the FY 2009 budget. The TSCC Board will then ask a series of questions. Many of the questions center on policy issues. In the past, Board members have had the choice to take the lead in responding to questions that are within their portfolio. If a Board member does not wish to take the lead, Chair Wheeler is prepared to respond. We will also have department staff available in the audience if necessary.

I will try to catch up with you or your staff early next week to see if you have any questions. Or please feel free to email me.

Thanks,
Karyne

5/28/2008

TSCC Budget Review 2008-09

Multnomah County

Location:

Multnomah County is located in the northwestern section of the state. The Columbia River acts as the northern border of the County.

District Background:

A five member salaried board governs the County. All are elected to four-year terms on non-partisan ballots: the Board Chair is elected at large and four board members are elected from districts. The Territorial Legislature established Multnomah County in 1854, five years before Oregon was granted statehood, because citizens found it inconvenient to travel to Hillsboro to conduct business. Portland was designated as the county seat.

Of the 36 counties in Oregon, Multnomah County is Oregon's smallest in area, covering 457 square miles. Despite its size, the County is home to more Oregonians than any other county. The County's estimated population was 710,025 as of July 1, 2007. Approximately 98% of the population of the County resides within the boundaries of one of six cities, 79.7% within the largest city in the state, Portland. Multnomah County is also home to Oregon's largest: Community College, School District, ESD, Port, Mass Transit District, Regional Government, and Urban Renewal Agency.

The County operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Chair of the Board.

In November 2002, the voters approved a five-year Library Local Option Levy for library operations. Fiscal year 2007-08 was the last year of this local option levy; however, in November, 2006, voters approved another five-year Library Local Option Levy. In 2007-08, the County levied the 2006 local option amount instead of the expiring levy. The 2006 levy rate of \$0.8900 per \$1,000 assessed value is the only local option tax levied in this budget.

In May 2003 voters passed a three year 1.25% personal income tax (I-TAX). This was the first tax of its type in Oregon. Of the amount raised, approximately 70% of the proceeds went to Multnomah County schools; 13% to County Health and Human Services; 13% to Public Safety; and the remainder for tax collections and audits of the I-Tax. 2005-06 was the last year for collections of the I-TAX; prior year tax collections are still anticipated in 2008-09.

General Information:

Multnomah County	2005-06	2006-07	2007-08	2008-09
Assessed Value in Billions	\$49.186	\$51.433	\$54.303	
Real Market Value (M-5) in Billions	\$78.058	\$87.052	\$100.303	
Property Tax Rate Extended:				
Operations	\$4.3434	\$4.3434	\$4.3434	
Library Local Option	\$0.7550	\$0.7550	\$0.8900	
Debt Service	<u>\$0.2081</u>	<u>\$0.1965</u>	<u>\$0.1837</u>	
Total Property Tax Rate	\$5.3065	\$5.2949	\$5.4171	
Measure 5 Loss	-\$11,297,437	-\$10,220,015	-\$10,885,686	
Number of Employees (FTE's)	4,337	4,410	4,440	4,539

Overview:

In development of the 2008-09 Budget, the Multnomah County Board of Commissioners continued to utilize Priority Based Budgeting based on four primary goals: preserve core county programs; strengthen the County's financial position in anticipation of a weakening economy; open the Wapato facility in a fiscally responsible manner; and, refine existing funding priorities. The fourth goal provides direction for future budget discussions.

Based upon current and future financial forecasts, the County is proactively reducing expenditures by \$18.7 million in the General Fund in 2008-09. This action will decrease the County's reliance on one-time only revenue. Of the \$18.7 million shortfall, two-thirds of it is attributable to the loss of I-TAX revenue. The remaining \$6.0 million is due to an ongoing structural deficit – the amount of revenue the County receives is inadequate to fund budgeted expenditures, requiring the use of one-time funding. The County used the following strategies to reduce spending:

- Develop 3% constraint budgets for each Department, with an additional cut above the constraint level for the Sherriff's Department.
- Absorb additional personal services costs unanticipated with developing the budget.
- Identify specific reductions in administrative overhead.
- Retire existing debt to decrease future debt payments.

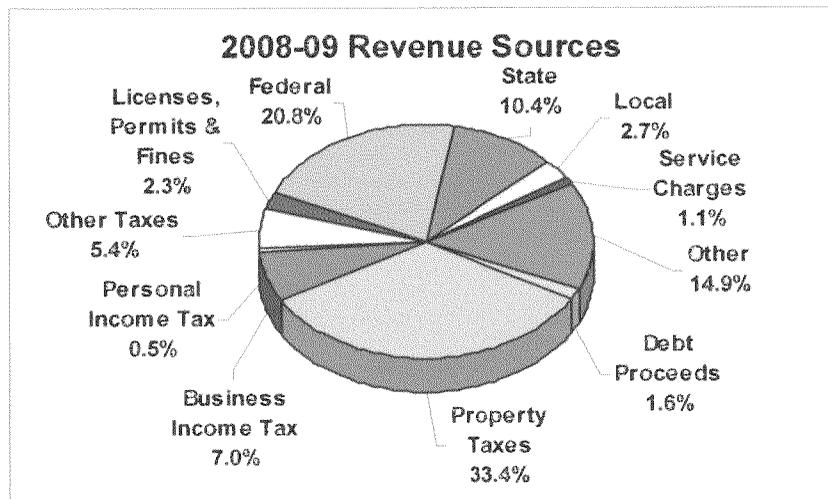
Multnomah County	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Total Budget All Funds	1,224,958,704	1,161,708,913	1,162,877,451	1,255,198,297
Percent of Change from Prior Year	+1.0%	-5.2%	+0.1%	+7.9%
Total Beginning Fund Balance All Funds	161,258,040	194,841,391	170,714,654	221,660,905
Percent of Change from Prior Year	+48.2%	+20.8%	-12.4%	+29.8%

Revenues:

Overall, revenues increased in 2008-09, despite a slowing economy and reduced revenue (\$21.6 million) from the sale of County assets. This budget includes \$3,600,000 in prior year tax collections for the I-TAX, down from \$5.0 million budgeted in 2007-08. A corresponding decrease in disbursement payments to schools offsets this loss of revenue.

Much of the increased revenue can be attributed to \$26.9 million in fund transfers. Of this amount, \$24.2 million is a cash transfer to the Capital Lease Retirement Fund for early payment of debt obligations. The amount transferred is counted twice in the budget as it is recorded in two separate funds.

Increased property tax collections due to a higher local option levy for the library and federal and state pass thru funding in the Federal/State Fund also contribute to the increase.



The 2008-09 Budget includes increased revenue from Business Income, transient lodging, and motor vehicle rental taxes, despite a weakening economy.

General Fund:

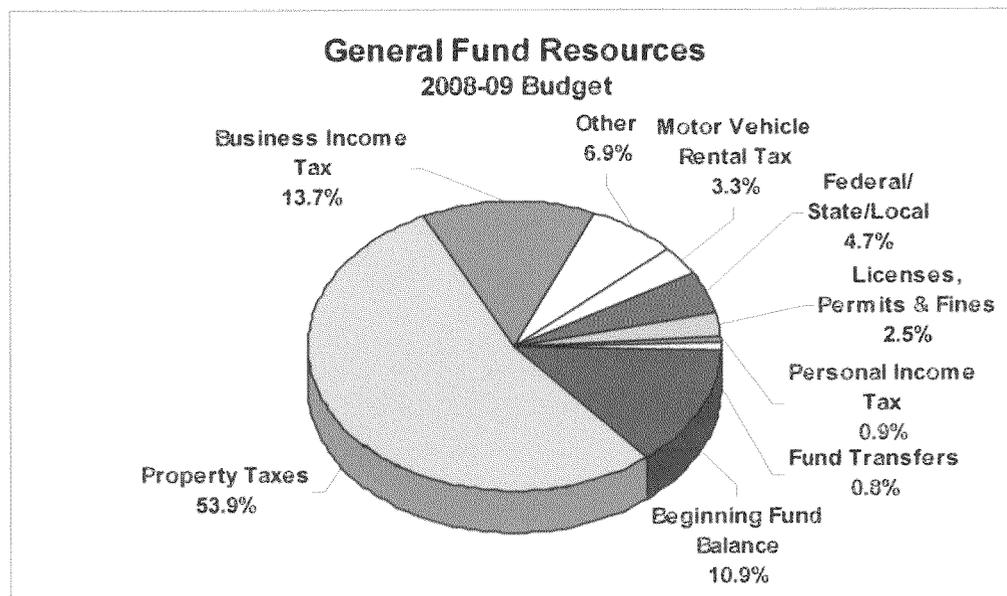
The General Fund shows an overall budget increase of 8.4%, primarily due to the significant increase in beginning fund balance. If this amount is removed, the General Fund increased by 5.5% in 2008-09.

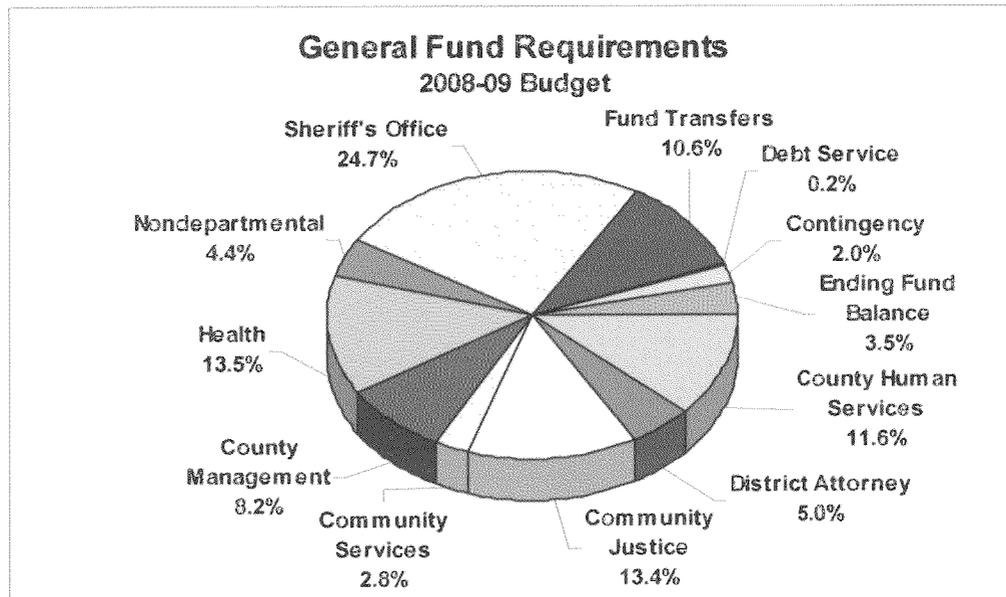
Multnomah County	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
General Fund	471,190,737	401,139,202	368,760,455	399,734,595
General Fund Beginning Balance	42,415,762	54,963,630	40,266,074	53,109,368
General Reserve Fund Beginning Balance	11,960,876	13,708,730	14,250,000	15,000,000

The General Fund beginning fund balance is up 31.9% in 2008-09 from \$40,266,074 to \$53,109,368. The General Fund Reserve Beginning Fund Balance increased 5.3% in 2008-09.

Multnomah County	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
General Fund Ending Balance	54,963,629	60,218,366	13,500,000	14,000,000
General Reserve Fund Ending Balance	13,708,731	14,426,604	14,750,000	15,600,000

In October 2001, the Board adopted a policy setting a targeted reserve level of 10% of General Fund current revenue. The reserve is budgeted in two places: five percent in the General Fund and five percent in the General Reserve Fund. Based on 2008-09 budgeted revenues, the County anticipates the target to be around \$32 million. This budget, while increasing the amount set aside, fully funds only about 93% of the target.





Expenditures:

Overall requirements increase by 7.9% across all funds. This is overwhelmingly due to increased fund transfers, contingencies and ending fund balances. If these amounts are removed, total expenditures increase by only 1.7%, from \$1,036,099,307 to \$1,053,292,378.

The 2008-09 Budget includes use of \$6.9 million one-time only funds for the opening of the Wapato facility - \$5.4 million for operations and \$1.5 million for start up costs. All of this funding is set aside in the General Fund contingency and does not impact Department programs.

Expenditures also include a fund transfer from the General Fund to the Capital Lease Fund for early debt payments. This amount is budgeted in the fund's unappropriated ending fund balance until the decision to retire the debt is approved. An additional \$7.1 million one-time General Fund dollars have been budgeted to fund thirteen other program offers.

Multnomah County	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Personal Services	307,974,724	382,847,394	414,527,895	435,668,884
Materials & Services	613,694,817	489,274,191	505,902,727	510,426,777

Personal Services:

Overall, the staffing for 2008-09 increases by 99.02 FTE to 4,539.40 FTE. Over half of the new positions are due to Federal and State funding increases in Development Disabilities (22.75 FTE), Aging Services (25.5 FTE) and Mental Health Services (21.66 FTE). Most of the remaining FTE are in Community Justice (23.13 FTE) and the Library (12.75 FTE).

The amount budgeted for personal services increases over \$21 million, or 5.1%. The cost of County benefits continues to grow. At the time the budget was developed, two labor contracts had been referred to arbitration.

To date, all labor contracts include wage provisions that set annual cost of living increases at the Portland CPI-W for the second half of the previous year. Department's budgets were

developed using an estimated cost of living increase of 3.0%; actual CPI rates were 3.8%. Departments were asked to absorb the increased costs of just over \$4 million across all funds, \$1.8 million in the General Fund.

Department Programs and Services:

Nearly all departments experienced increases in their budget in 2008-09. The lone exception is Community Services.

- The Department of County Human Services has a total budget of \$187.2 million in 2008-09. This budget includes \$1,000,000 one-time funds toward development of a site for a Sub-Acute Facility for Mental Health. An additional \$0.8 million is being sought by community partners. The County anticipates the facility will begin operations in 2009-10 at a cost of \$2.9 million a year.
- In 2008-09, the Health Department, which deals with regulatory health issues, totals \$137.0 million, up 2.0%.
- Just over \$224.5 million is budgeted for 2008-09 for the three departments that comprise the county's justice system: the Multnomah County Sheriff's office which provides support for the rest of the justice system within the County, law enforcement and corrections at \$114.9 million; the Community Justice Department which provides supervision of offenders and court services for juveniles at \$83.3 million; and the District Attorney's office at \$26.3 million. The budget for Community Justice includes funding for alternative sanctions – Day Reporting Center, Community Service, and Electronic Monitoring – for adult offenders that would otherwise have been put in jail. The Sheriff's budget includes funding for 1,539 beds, a reduction of 94 beds. Of the total beds, 126 beds are funded for seven months in anticipation of the possible opening of the Wapato facility. Also included in the Sheriff's budget is \$1.32 million from the City of Portland for 'Project 57' jail beds. Using the US Marshal contract rate of \$125 per bed day, this amount actually funds only 29 beds – not the 57 that the project title implies.
- Library operations increase by \$3,866,079, or 6.9%, to \$60,126,479. This budget includes funding for operations for two new library branches in North Portland and Troutdale. The approved budgeted also funds \$1.4 million for the installation of a theft detection system at the Central Library to reduce the theft of library materials. The system will also reduce staff handling and encourage self service.
- The Non-Departmental area consists of support for Elected Officials, non-County agencies and independent organizations. The total Non-Departmental budget is \$46.3 million. The budget for this department shows a 5.4% increase, reflecting the addition of a Public Safety Specialist auditor and the County's lobbyist and Economic Development Coordinator positions.
- The approved budget of the Department of Community Services is \$80,478,464, down 1.5%. It includes funding for direct community services, such as elections, transportation and land use planning, and animal control for the County. Anticipation of flat Road Fund revenues drives the reduction, as well as the movement of the Emergency Management program to the Department of County Management.
- The Department of County Management includes information technology, property appraisal and tax collections, and finance. The approved budget increases by \$307,428, or 0.1%, in 2008-09. This nominal increase is due to completion of high cost projects in 2007-08 – the Assessment and Taxation computer system and I-TAX Administration – as well as continued emphasis by the County to reduce overhead.

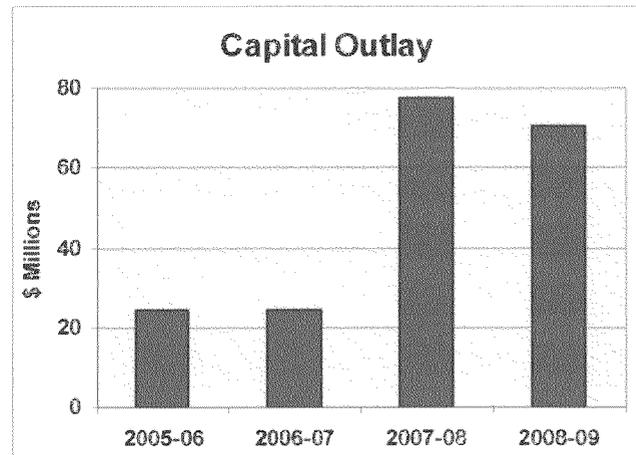
Capital Outlay:

Multnomah County	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Capital Outlay	24,310,678	24,398,585	77,721,387	70,661,378

Overall capital outlay decreases 9.1% in 2008-09.

Some of the major capital outlay projects planned for 2008-09 by the County include:

- Construction of a new downtown medical clinic
- Construction of the East County Justice Center
- Prep for downtown courthouse site and Hawthorne Bridge-head relocation
- Transportation Capital Projects



The County continues to look for ways to fund a large backlog of deferred maintenance items. The Capital Improvement Fee, assessed to all County tenants based on space occupied, is set to increase 8% to bring it in line with building needs.

Debt History:

The 2008-09 Budget includes the final payment for General Obligation Bond Series 1996B, leaving only the 1999 Refunding General Obligation Bond (includes portions of original issue of 1996A and 1996B). This debt is scheduled to be paid off in 2016.

This budget includes \$24.2 million one-time funding to retire debt associated with the County's Juvenile Detention Center, Mead and McCoy Buildings, Certificates of Participation issued for deferred maintenance countywide and energy loans. It is anticipated that this action will reduce the County's ongoing expenses in the General Fund by about \$4 million a year for six years, reducing the County's structural deficit.

Multnomah County – Debt Outstanding	6-30-2005	6-30-2006	6-30-2007	6-30-2008 Est.
General Obligation	81,025,000	75,340,000	69,380,000	63,125,000
Revenue Bonds	6,935,000	6,420,000	5,880,000	5,320,000
PERS Pension Revenue Bonds	178,568,160	175,203,160	170,908,160	165,583,160
COPs	28,005,000	24,135,000	20,090,000	15,850,000
Full Faith & Credit	79,725,000	75,290,000	70,655,000	65,805,000
Lease Purchase	846,481	1,649,076	1,358,515	1,042,832
Long Term Loans	541,737	447,413	445,345	361,723
Total Debt Outstanding	375,646,373	358,484,649	338,717,020	317,087,715

Contingencies, Transfers, Unappropriated:

It is Board policy to establish an emergency contingency account in the General Fund each fiscal year. The account is funded at a level consistent with actual use of transfers from contingency during the prior ten years. The General Fund contingency is increased in this budget, from \$2.6 million to \$8.2 million. In 2008-09, total contingencies in all funds are up 35.7%, from \$24.3 million in 2007-08 to \$33.0 million in 2008-09.

The unappropriated ending fund balance is reasonable.

Transfers for three years balance; 2006-07 actual transfers are out of balance by \$157,401. The County is reviewing its transfers for that year.

Highlights of the 2008-09 Budget to be published in TSCC Annual Report:

- The 2008-09 Budget was developed using Priority Based Budgeting.
- The total budget increased \$92.3 million, or 7.9%.
- The General Fund increased by 8.4%, from \$368,760,455 to \$399,734,595.
- This is the second year of the five year Library Local Option Levy; this budget includes funding for operations of two new library branches funded through the levy.
- This budget includes \$24.2 million to pay down existing debt and reduce the amount needed for future debt payments.
- This budget includes an increase of 99.02 FTE.

Local Budget Law Compliance:

The 2008-09 Budget is in substantial compliance with Local Budget Law.

The audit for the year ending June 30, 2007 noted an over-expenditure explained below.

Certification Letter Recommendations and Objections:

The 2008-09 Budget was filed timely on April 28, 2008. The Commission hereby certifies by a majority vote one recommendation, which will require a written response.

Recommendation – Expenditures exceeded appropriations

The audit for the year ending June 30, 2006 noted the following over-expenditures:

Willamette Rive Bridge fund	\$ \$3,221
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Local Budget Law does not allow the expenditure of monies beyond the legal authority. All funds be closely monitored throughout the year to ensure appropriation authority is in place prior to expending monies.

Questions:

Revenues

1. There have been many discussions about the need for adequate funding for the County's public safety and justice services departments. Are there any plans for a Public Safety Levy in the near future?

Library

2. This budget is the second year of the local option levy for Library operations. Last year you noted that the County had established a Library Funding Task Force that would research and recommend ways to decrease the Library's reliance on local option levy funding. What were the recommendations of the Task Force? What do you envision Library funding sources will look like in the County's budget three years from now?
3. What is the status of the two new library branches in North Portland and Troutdale?

Public Safety

4. This budget includes \$6.9 million in General Fund contingency for the start up and operation of the Wapato Jail facility. Can you provide us with an update of the plans for this facility?
5. One of the reductions in this budget is the closing of jail beds on the 8th floor of the Justice Building. What are the plans for this space?
6. It has been reported that the Board Chair and the Sherriff's Office have entered into a Memorandum of Understanding (MOU) that divides some operational responsibilities between the two offices. Can you explain to us the details of the MOU and what you hope to accomplish through this agreement.
7. It has been reported that the union may challenge the budget for the Sherriff's Office under the auspices of SB 400 and the concern for the public safety of the Sherriff's Office employees. Has a challenge been filed? What are the implications of this action on this budget?

Operations

8. Last year's budget included an "Innovation Fund" for development of cost saving ideas with a 1:1 return on dollars spent. Were many cost saving ideas produced? Does this budget include results from those efficiencies?

9. This Budget will transfer \$24.2 million to the Capital Lease Retirement Fund to pay off debt early, thus saving the County money over the long term. Yet the money has been budgeted in reserves not debt service expenditure. Why is that?

Employee Benefits

10. Department budgets were put together assuming a 3.0% cost of living adjustment for all employees that will actually be 3.8% based on CPI. Departments were asked to absorb the additional cost within the 2008-09 Budget. What impact will this have to the departments?

11. What is the status of the two labor negotiations that have gone to arbitration? Does this budget anticipate any additional expense from the outcome of the arbitration?

Facilities

12. Groundbreaking on the East County Justice Center is set for August 2009. Currently there is a \$3.85 million shortfall for the \$21.1 million project that we understand you hope to cover through the selling of property to McMenamins and Reynolds School District. What is the status of right of way abdication on this property by the City of Troutdale?

13. Commissioner Cogen has been meeting with City of Portland officials regarding a review of the City's urban renewal districts and has secured a "pledge" of \$35 million to assist the County in consolidating its downtown Portland offices. Can you provide us with more details on how that would work and when it might actually happen.

Questions:

Revenues

1. There have been many discussions about the need for adequate funding for the County's public safety and justice services departments. Are there any plans for a Public Safety Levy in the near future?

The county commissioned a survey to test the support for a public services levy. The results were relatively positive regarding alcohol and drug treatment and mental health programs aimed at "at-risk" youth. However, the Board has not committed to go out for a levy in November, 2008. In order to meet the legal filing deadline, the Board would need to adopt a resolution calling for the election in the next few months.

Library

2. This budget is the second year of the local option levy for Library operations. Last year you noted that the County had established a Library Funding Task Force that would research and recommend ways to decrease the Library's reliance on local option levy funding. What were the recommendations of the Task Force? What do you envision Library funding sources will look like in the County's budget three years from now?

The Library Funding Task Force met regularly this year. The Task Force has researched funding options, reviewed financial scenarios, and discussed the possible ramifications of the different options. Currently, the group is working on developing a resolution to take before the Board that would report on progress to date and request authorization to proceed with a long-term plan to reduce the Library's reliance on the local option levy. We do not anticipate a change in the Library's funding sources in the near future, as the plan will probably take several years to fully implement.

3. What is the status of the two new library branches in North Portland and Troutdale?

The Library is in the process of negotiating with developers in the Kenton area for the North Portland-area library site, as well as with developers in Troutdale for the Troutdale Library. The Library expects to take recommendations to the BCC for a decision in June.

Public Safety

4. This budget includes \$6.9 million in General Fund contingency for the start up and operation of the Wapato Jail facility. Can you provide us with an update of the plans for this facility?

Wapato Jail is a 525-bed facility that the County has never opened. There is currently insufficient on-going funding to fully operate this facility. The Approved Budget includes \$5.4 million set aside of one-time-only in contingency to operate this facility in some fashion for a portion of the year. There is an additional \$1.5 million earmarked in contingency for programmatic and capital start up costs associated with commissioning the facility and ramping up operations. The current proposal on the table is to open Wapato in January with 75 jail beds and 50 alcohol and drug treatment beds. Operating, legal, labor, and budget details are still being vetted. A proposed budget note states that prior to appropriation an operational and financial plan addressing the Boards concerns needs to be presented and approved by the Board.

5. One of the reductions in this budget is the closing of jail beds on the 8th floor of the Justice Building. What are the plans for this space?

The 8th floor will be held vacant until there is the funding and the need for additional jail beds.

6. It has been reported that the Board Chair and the Sheriff's Office have entered into a Memorandum of Understanding (MOU) that divides some operational responsibilities between the two offices. Can you explain to us the details of the MOU and what you hope to accomplish through this agreement?

The intent of the MOU is to define parameters and agree on lines of administrative responsibilities between the County's executive departments and the County Sheriff's Office.

The long term goals of the MOU are to:

- 1) Manage costs and resources and increase transparency of expenditures.
- 2) Increase the number of hours employees are at work and hold all employees accountable.
- 3) Operate a safe system for offenders and employees.
- 4) Reduce the barriers to reducing the use of overtime within the Sheriff's Office

See the attached MOU for more details

7. It has been reported that the union may challenge the budget for the Sheriff's Office under the auspices of SB 400 and the concern for the public safety of the Sheriff's Office employees. Has a challenge been filed? What are the implications of this action on this budget?

At this time we have one demand to bargain from the Multnomah County Corrections Deputy Association (MCCDA). This demand is in regard to a proposed budget cut in the control operations at the Inverness Jail. The County has provided both MCCDA and the Deputy Sheriff's Association with notifications concerning other details of the proposed budget. The unions have 14 days from receipt of the letter to demand to bargain. This would include demands to bargain over newly mandated subjects per SB400. The Unions have until Friday, May 23, 2008 to make a formal bargaining request. The County will analyze each demand to determine whether or not it rises to the level requiring mandatory bargaining per the Public Employees Collective Bargaining Act which now includes safety. If we determine a need to bargain over a proposed cut, there is a possibility that they Board may need to allocate additional dollars to hold the cut until the full bargaining process is complete.

Operations

8. Last year's budget included an "Innovation Fund" for development of cost saving ideas with a 1:1 return on dollars spent. Were many cost saving ideas produced? Does this budget include results from those efficiencies?

The Innovation fund was not purchased by the Board for FY 2008 and was not in the Adopted budget

9. This Budget will transfer \$24.2 million to the Capital Lease Retirement Fund to pay off debt early, thus saving the County money over the long term. Yet the money has been budgeted in reserves not debt service expenditure. Why is that?

The goals of this transaction were to reduce General Fund expenses and free up capacity under the County's internal policy on debt issuance. We analyzed the various outstanding debt issues of the County and came to the conclusion that there were no issues that could be defeased outright.

In evaluating the way the debt was allocated to General Fund programs we identified about \$4.1 million of General Fund supported debt that would be paid off within six years. We concluded that the best alternative to realize ongoing savings was to allocate one-time-only revenue to a "sinking" fund that will be used to make annual debt payments over the next five to six years. The diminishing balance will also draw interest which can be used to further offset annual debt service.

Employee Benefits

10. Department budgets were put together assuming a 3.0% cost of living adjustment for all employees that will actually be 3.8% based on CPI. Departments were asked to absorb the additional cost within the 2008-09 Budget. What impact will this have to the departments?

Historically departments have spent just 98% of their appropriations by year end. A majority of the departments will offset the additional inflation with salary savings in FY 2009, but this means that an "increased" adjustment will occur in 2010 and at that time there may have to be operational reductions to offset the increased inflation.

11. What is the status of the two labor negotiations that have gone to arbitration? Does this budget anticipate any additional expense from the outcome of the arbitration?

The County currently has three bargaining units that have not settled contracts for 2007. The arbitration between the County and the Multnomah County Corrections Association was held last week. We do not anticipate an answer from the arbitrator for approximately three months. We have one other bargaining unit scheduled for arbitration and one yet to be scheduled. They are the Juvenile Custody Services Workers unit of AFSCME (JCSS) and the Federation of Parole and Probation Officers (FOPPO). The County is currently working with FOPPO on post mediation bargaining in the hopes that we can settle the contract before the interest arbitration which has yet to be scheduled. The JCSS interest arbitration is scheduled for August.

The budget developed for FY 2009 assumed that all bargaining units would receive the same cost of living adjustment. As noted above, that increase was estimated at 3%. There are no funds set aside to provide for increases above 3%.

Facilities

12. Groundbreaking on the East County Justice Center is set for August 2009. Currently there is a \$3.85 million shortfall for the \$21.1 million project that we understand you hope to cover through the selling of property to McMenamans and Reynolds School District. What is the status of right of way abdication on this property by the City of Troutdale?

The County has just started the design process for the East County Justice Center and is in the process of discussing, in detail, the needs and desires of the building's tenants. We have not

yet reached the point where we are able to define accurately the size or mix of specific uses/spaces that will be in the new building. As a result there are no actual cost estimates available yet.

Nonetheless, it is clear that construction costs, in general, are up by one-third since the plan for the facility was originally developed. We must assume that the cost of this building will be up as well. In order to address this situation, we have looked at potential additional sources of funding which included the revenues you mention that the County would receive if the 242nd By-Pass is vacated.

The County recently closed on the sale of the Edgefield property on the South side of Halsey. Under the terms of that transaction, Reynolds/McMenamins placed \$1.7 million in escrow which will be released to the County if the 242nd By-Pass is vacated within 18 months. The County Board originally voted in favor of vacating that right-of-way 3 years ago and is now pursuing that end in earnest. The legal work to prepare all of the necessary documentation is currently in progress and all of the affected jurisdictions and agencies have been notified of the County's intent to proceed on this action. There is not yet a specific schedule for the presentation of the matter to the Troutdale City Council although the plan is to move ahead as soon as possible.

13. Commissioner Cogen has been meeting with City of Portland officials regarding a review of the City's urban renewal districts and has secured a "pledge" of \$35 million to assist the County in consolidating its downtown Portland offices. Can you provide us with more details on how that would work and when it might actually happen?

Urban renewal spending would more than double to \$813 million to improve decaying blocks in three neighborhoods through 2021 under a proposal the Portland Development Commission endorsed May 14, 2008. However, two groups suggested that proposals to use the money to meet social goals are illegal and threatened to challenge parts of the plan.

The groups object to the city's proposals to spend more than \$50 million raised within the Pearl District to build an elementary school and community center in outer east Portland and help Multnomah County fix its downtown offices. There is a tentative plan for the county to use that money to buy the Lincoln Building, where it leases space.

The City's proposals would:

- Allow two downtown urban renewal districts to expire when the debt is paid off in 2024.
- Increase spending in the up-and-coming Lents neighborhood, which straddles Interstate 205, from \$75 million to \$245 million through 2020.
- Increase spending on Pearl District-related projects from \$224 million to \$568 million through 2021.
- Give Multnomah County leaders an official voice on any future urban renewal districts as the county loses approximately \$18 million in property tax collections each year because of the UR programs.

Of the total increase, about \$54 million, or 16 percent, is earmarked to go to the David Douglas school and Multnomah County's offices. The actual spending decisions will require City Council votes.

It is unknown how long the legal challenges will take to resolve.

Willamette River Bridges

14. Recently plans for an additional fee for Multnomah County residents that would have been dedicated to the replacement of the Sellwood Bridge failed when three county cities voiced their opposition to the fee. One of the issues was that there should be a regional funding plan for Willamette River bridges and not one funded solely by Multnomah County. A "Regional Bridge Authority" is a concept that the Chair's Executive Budget Message proposed in 2007-08. What is the status of this concept?

Over the course of the last year, the Chair's Office has met with a variety of local jurisdictions regarding the formation of a regional bridge authority. Barriers have stalled further discussions at this point. The Chair's Office continues to maintain bridge and transportation issues at the top of his list of priorities.

15. Can you give us an update on the construction of the new Sauvie Island Bridge, including any thoughts on use of the old bridge?

The construction continues on the Sauvie Island Bridge. We are expecting to open to traffic on the new bridge in late June. The entire project is expected to be complete by the end of this year.

The old bridge will be demolished, and the steel portions will probably be recycled at Schnitzer (we'll know more when we receive the Contractor's demolition plan).

The City of Portland decided, after much debate, to shelve the idea of using the old bridge over I-405.