



Diane M. Linn Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

To: Board of County Commissioners
Date: May 6, 2004
Subject: Transmittal of FY 2005 Executive Budget

Fiscal Reality

As we are all well aware, the immediate and long term fiscal challenges faced by our jurisdiction remain very significant. Local and state revenues continue to decline while the demand for County services increases. Our general fund revenue has fallen \$ 15 million since FY 2003, a nearly 5.5% decline. While Ballot Measure 26-48 has lessened the full impact of this trend, the FY 2005 reduction in our general fund budget is approximately \$10 million, reflecting the overall decline in County revenue. This is not just a product of a poor economy, but a long term structural situation driven by Oregon's tax structure.

This reality requires us to make tough choices about the services we provide and to maintain our fiscal discipline. Maintaining a superior bond rating is one benchmark of our ability to live within our means and to sustain services into the future. In order to fund our libraries, maintain support for our schools, seniors, public safety system, and other critical services we must begin to lay the groundwork for the sunseting of the ITAX in FY 2007, while also adjusting to the long-term limitations on available revenue.

Process

This Executive Budget is a product of lengthy discussions between the Chair's Office, budget staff, our departments, and the Commissioners. It represents a very important first step in the adoption of our FY 2005 budget. Over the next five weeks, the Board of Commissioners will continue to hear input from the public during evening hearings on May 11, May 20, May 25 and June 10. The Board will formally adopt our final budget on June 10 that will reflect public input and continued deliberation.

Acknowledgements

I would like to thank our Budget Office and our department directors for their tireless efforts in preparing this proposed budget. I would also like to thank Sheriff Bernie Guisto, Auditor Suzanne Flynn and District Attorney Mike Shrunk for their diligence and willingness to work through difficult issues together.

Finally, I want extend my tremendous appreciation to my colleagues on the Board of Commissioners for their ongoing involvement in shaping this budget and their dedicated representation of their constituents. Multnomah County is fortunate to have such strong and capable leadership.

Sincerely,

Diane M. Linn
Multnomah County Chair