



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

### Board Clerk Use Only

|                  |                 |
|------------------|-----------------|
| Meeting Date:    | <u>6/9/11</u>   |
| Agenda Item #:   | <u>R.4</u>      |
| Est. Start Time: | <u>10:15 am</u> |
| Date Submitted:  | <u>5/26/11</u>  |

**Agenda Title: RESOLUTION Adopting the Financial and Budget Policies to be Used in Fiscal Year 2012 and Repealing Resolution 2010-075**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

|                                |  |                               |                   |
|--------------------------------|--|-------------------------------|-------------------|
| <b>Requested Meeting Date:</b> | <u>June 9, 2011</u>  | <b>Amount of Time Needed:</b> | <u>10 minutes</u> |
| <b>Department:</b>             | <u>County Management</u>   | <b>Division:</b>              | <u>Budget</u>     |
| <b>Contact(s):</b>             | <u>Mindy Harris, Director County Management, Karyne Kieta, Budget Director</u> |                               |                   |
| <b>Phone:</b>                  | <u>503.988.3786</u>  | <b>Ext.</b>                   | <u>83786</u>      |
|                                |  | <b>I/O Address:</b>           | <u>503/531</u>    |
| <b>Presenter(s):</b>           | <u>Mindy Harris and Karyne Kieta</u>   |                               |                   |

## General Information

### 1. What action are you requesting from the Board?

The Department of County Management recommends approving the Resolution adopting the Financial and Budget Policies for Multnomah County, Oregon for fiscal year 2012 and repealing Resolution 2010-075.

### 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.

The Financial & Budget Policies are required to be reviewed and adopted by the Board on an annual basis. The overarching goals of the policies are to:

1. To preserve capital through prudent budgeting and financial management.
2. To achieve the most productive use of County funds that meets the goals of the Board of County Commissioners.
3. To ensure that all finance-related activities meet generally accepted accounting principles.
4. To achieve a stable balance between the County's ongoing financial commitments and the continuing revenues available to the County.
5. To leverage local dollars with federal and state funding/grants.
6. To provide an accountable form of government to the citizens of Multnomah County.

There is only one change incorporated in the FY 2012 policies:

Internal Services

Policy language has changed based on a recommendation contained in the County Auditor's *Financial Condition* report released in May, 2011. The current policy states that internal service charges include "a contingency or reserve requirement **not greater than 5%** to ensure that service reimbursements charged to other departments are maintained at a relatively constant level."

The *Financial Condition* report states that "an **amount of 10%** might be a more realistic goal." In accordance with that recommendation the policy has been changed to reflect that reserves may be up to 10% of internal service fund expenses.

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

No immediate fiscal impact will result from adoption of this Resolution. The existence of financial and budget policies, and the County's adherence to them, has a positive effect on bond rating agencies which generally allows the County to issue debt at the most favorable interest rates and increases the marketability of the County's bonded debt.

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

Recommended changes to the existing financial and budget policies are to address the requirements of the Governmental Accounting Standards Board, pronouncement #54, which is required to be implemented in full by June 30, 2011. No other legal or policy-related changes are being made at this time.

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

None.

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**Required Signature**

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Elected Official or  
Department/  
Agency Director:



Date: 5/26/2011

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