



**Multnomah County Oregon**

## **Board of Commissioners & Agenda**

*connecting citizens with information and services*

### **BOARD OF COMMISSIONERS**

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#### **ANY QUESTIONS? CALL BOARD**

**CLERK DEB BOGSTAD @ (503) 988-3277**

Email: [deborah.l.bogstad@co.multnomah.or.us](mailto:deborah.l.bogstad@co.multnomah.or.us)

INDIVIDUALS WITH DISABILITIES PLEASE  
CALL THE BOARD CLERK AT (503) 988-3277,  
OR MULTNOMAH COUNTY TDD PHONE  
(503) 988-5040, FOR INFORMATION ON  
AVAILABLE SERVICES AND ACCESSIBILITY.

## **OCTOBER 23 & 25, 2001**

### **BOARD MEETINGS**

#### **FASTLOOK AGENDA ITEMS OF INTEREST**

Pg 2	9:30 a.m. Tuesday Budget Work Session
Pg 3	9:30 a.m. Thursday Annual Report of Strategic Investment Program with LSI Logic
Pg 3	10:00 a.m. Thursday Library RESULTS
Pg 3	10:15 a.m. Thursday Resolution Authorizing Amendments to Agreements with the Port of Portland for Purchase of Wapato Jail Site
Pg 3	10:35 a.m. Thursday Resolution Adopting Financial and Budget Policies
Pg 4	10:45 a.m. Thursday School Attendance Initiative Briefing
<b>Thursday November 15, 2001 &amp; November 22, 2001 Board Meetings Cancelled</b>	

Thursday meetings of the Multnomah County  
Board of Commissioners are cable-cast live and  
taped and may be seen by Cable subscribers in  
Multnomah County at the following times:

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

Friday, 11:00 PM, Channel 30

Saturday, 10:00 AM, Channel 30

(Saturday Playback for East County Only)

Sunday, 11:00 AM, Channel 30

Produced through Multnomah Community Television

**(503) 491-7636, ext. 333 for further info**

or: <http://www.mctv.org>

Tuesday, October 23, 2001 - 9:30 AM to 12:00 PM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **BUDGET WORK SESSION**

WS-1 The Board of Commissioners, Auditor, District Attorney, Sheriff and Invited Participants Will Meet to Review Priorities, Issues and Ideas, and to Discuss Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Facilitated by John Rakowitz and John Ball. **[This is a Public Meeting and Interested Persons are Welcome to Attend, However Public Testimony Will be Taken During Budget Hearings Scheduled in November.]**

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Thursday, October 25, 2001 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING**

### **CONSENT CALENDAR - 9:30 AM** **NON-DEPARTMENTAL**

C-1 Appointment of Earnie Dory to the COMMUNITY HEALTH COUNCIL

### **DEPARTMENT OF COMMUNITY AND FAMILY SERVICES**

C-2 ORDER Authorizing Designees of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

C-3 Amendment 1 to Intergovernmental Agreement 4600002445 with Tri-Met for Developmental Disabilities Services, Adding Special Conditions Language per the State's Amendment 1 to 2001-2003 Financial Assistance Agreement #26-001 with Multnomah County

### **DEPARTMENT OF SUSTAINABLE COMMUNITY DEVELOPMENT**

C-4 Amendment 1 to Intergovernmental Agreement 0110993 with Washington County and the City of Portland, Authorizing Portland Development

Commission to Continue Providing Administrative and Fiscal Services as  
Fiscal Agent for the Regional Investment Board

**REGULAR AGENDA - 9:30 AM**

**PUBLIC COMMENT - 9:30 AM**

Opportunity for Public Comment on Non-Agenda Matters. Testimony  
Limited to Three Minutes Per Person.

**NON-DEPARTMENTAL - 9:30 AM**

R-1 Report on the County Strategic Investment Program (LSI Annual Report).  
Presented by Steve Pearson, Duke Shepard and Invited Guests. 30  
MINUTES REQUESTED.

**DEPARTMENT OF LIBRARY SERVICES - 10:00 AM**

R-2 RESULTS Presentation on the Knowmobile. Presented by Pauline  
Baughman. 10 MINUTES REQUESTED.

**DEPARTMENT OF COMMUNITY AND FAMILY SERVICES - 10:10 AM**

R-3 NOTICE OF INTENT to Apply for an Oregon Occupation Safety and Health  
Training (OSHA) Training and Education Grant to Produce a Training  
Package Entitled "Domestic Violence in the Workplace: Effective Response  
and Prevention"

**SHERIFF'S OFFICE - 10:15 AM**

R-4 RESOLUTION Authorizing Amendments to the Sale Agreement for  
Purchase of the Wapato Jail Site from the Port of Portland, Amendments to  
the Intergovernmental Agreement for Reimbursement of Infrastructure  
Construction Costs to Serve the Site and Execution of Related Easements  
and Other Required Documents to Complete the Purchase of the Site

**DEPARTMENT OF SUPPORT SERVICES - 10:35 AM**

R-5 RESOLUTION Adopting Financial and Budget Policies for Multnomah  
County, Oregon

MEETING DATE: October 23, 2001  
AGENDA NO: WS-1  
ESTIMATED START TIME: 9:30 AM  
LOCATION: Boardroom 100

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: Board, Auditor, DA, Sheriff and Invited Participants Budget Work Session

BOARD BRIEFING: DATE REQUESTED: Tuesday, October 23, 2001  
REQUESTED BY: Chair Diane Linn  
AMOUNT OF TIME NEEDED: 2.5 hours

REGULAR MEETING: DATE REQUESTED: \_\_\_\_\_  
AMOUNT OF TIME NEEDED: \_\_\_\_\_

DEPARTMENT: Non-Departmental DIVISION: Chair's Office  
CONTACT: John Rakowitz/John Ball TELEPHONE #: 503 988-5137 / 988-3958  
BLDG/ROOM #: 501/600

PERSON(S) MAKING PRESENTATION: Facilitated by John Rakowitz and John Ball

**ACTION REQUESTED:**

[ ] INFORMATIONAL ONLY [x] POLICY DIRECTION [ ] APPROVAL [ ] OTHER

**SUGGESTED AGENDA TITLE:**

The Board of Commissioners, Auditor, District Attorney, Sheriff and Invited Participants Will Meet to Review Priorities, Issues and Ideas, and to Discuss Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Facilitated by John Rakowitz and John Ball. **[This is a Public Meeting and Interested Persons are Welcome to Attend, However Public Testimony Will be Taken During Budget Hearings Scheduled in November.]**

**SIGNATURES REQUIRED:**

ELECTED OFFICIAL: Diane M. Linn

(OR)

DEPARTMENT MANAGER: \_\_\_\_\_

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Board Clerk @ (503) 988-3277 or email  
[deborah.l.bogstad@co.multnomah.or.us](mailto:deborah.l.bogstad@co.multnomah.or.us)

BOARD OF  
COMMISSIONERS  
01 OCT 19 AM 11:05  
MULTNOMAH COUNTY  
OREGON

**From:** LINN Diane M

**Sent:** Tuesday, October 16, 2001 4:16 PM

**To:** #MULTNOMAH COUNTY ALL EMPLOYEES

**Subject:** Budget Update

As you know the Board of County Commissioners, along with other county elected officials and department directors, met on Monday to lay the groundwork for the mid-year budget process. We were able to gain a clear understanding of our financial situation and begin to determine how we're going to identify cost savings.

As I said before, this will not be an across-the-board cut, but will focus on our core principles, our service requirements and programming value.

Our intention throughout this fast and furious process is to be as inclusive as possible - both in terms of people and proposals for reductions. A team of county staff (the Budget Core Team), representing all county departments, meets daily to review reduction suggestions. Suggestions will come from a variety of sources, not just from Board members or department heads. I would encourage all of you to share your ideas with us during the next 45 days.

As for process, we've outlined a timeline and schedule for briefings, decision making and participation:

- We have included a link on the MINT where employees can keep updated on the process and provide ideas and input. I strongly encourage all of you to access this site on a regular basis. Please send e-mail correspondence to the address on the site. The address is: <http://mintdev.co.multnomah.or.us/dss/fin/budget/rebalance/>
- The Board is scheduled to meet every Tuesday to review and discuss proposals. These are public meetings.
- There will be a series of public meeting opportunities in November. We will post the schedule on the MINT site as soon as the meetings are scheduled.
- You will soon receive an invitation to join me in a dialogue about the budget process. I will be scheduling these open meetings with department employees during the month of November.

I hope you take the opportunity to get involved and provide input throughout the budget rebalance process. I know that this is a difficult time and that many of you have concerns about your future and the future of the county. I am certain, however, that if we build this budget together and focus on establishing a long-term, solid financial foundation, we will emerge from this a stronger, more stable organization.

Thank you for your continued service to the county and the people we serve.

Regards,

Diane Linn  
Chair

**BOGSTAD Deborah L**

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**From:** STUMP Sheryl M**Sent:** Thursday, October 18, 2001 8:24 AM**To:** COOPER Ginnie; FLYNN Suzanne J; JOHNSON Cecilia; MCCONNELL Jim; OSWALD Michael L; POE Lorenzo T; SHERIFF; SHIRLEY Lillian M; SCHRUNK Michael D; SPONSLER Thomas; BALL John; RAKOWITZ John A; MATTIODA Gina M; Uherbelau Rebecca A; SODEN Stephanie A; #OPERATING COUNCIL; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; #ALL CHAIR'S OFFICE**Subject:** RE: Update from the Segue Budget Group for Wednesday, October 17**Segue Budget Group; Daily Update for Wednesday, October 17**

On Wednesday, we:

- Began our review of current year estimates from each department; these are incomplete given several outstanding questions. Final numbers will be shared later.
- A preliminary revised estimate of property tax revenue (subject to additional revision next week) indicates potential good news: more revenue than we thought. The estimate is being reviewed and will be published soon. The bad news is that what we may gain is very small compared to the \$20million shortfall. Every little bit helps, but we still have a very large problem to solve.
- Began a "thermometer" to post our progress toward our charge; as soon as we have final numbers for current year estimates and increased revenue, we will begin watching our progress. The goal is to get to 75% of the \$20million by November 5—that's just a little more than two weeks.
- Finalized our issue/idea tracking and analysis process and began using it.
- Are collecting ideas from multiple sources and have a master action tracking spreadsheet to document them all. Attached to this email is a summary of the ideas being reviewed now (these come from the Board meeting on Monday and a few others added by the group). New ideas will be added each day. This will be your first alert that an idea has surfaced that may mean interactions with you and/or others you designate in your departments. Note that many columns are not filled in---this will change beginning on Thursday when we start adding more information about our analysis.
- Began analyzing some of the ideas presented by the Board. We started with three ideas and identified what we know, what we need to know and who can give us the information. For each issue/idea, one of our group is assigned as the lead and that person will notify department directors about who we will be talking to in their department(s). We are NOT making any decisions, only providing the information needed for decision-makers; we will bring analysis work into the Monday meetings and involve affected departments in the analysis.
- Scheduled our team work time for the rest of the week; we are shifting to a schedule that will have the whole Segue Group meeting together in the morning with the afternoons set aside for issue analysis either in the team rooms or elsewhere depending on the issue(s).
- Revised the new Budget Balance email site in response to questions and input.

If you have questions or want additional detail, please let me know.

Note: In response to a question raised yesterday, here is a list of all those on the Segue Budget Team. This list will be added to the MINT site within the next couple of days:

Dave Warren, Project Lead, County Budget Manager, DSS  
 Shery Stump, Project Coordinator, Organizational Effectiveness Manager, DSS

Carol Ford, Health

10/18/2001

Wanda Yantis, DSCD  
Kathy Tinkle, DCFS  
Chris Yager, DCFS  
Lore Joplin, DCJ  
Shaun Coldwell, DCJ  
Pieter Van Dyke, Sheriff's Office  
Tim Moore, Sheriff's Office

Mark Campbell, Budget  
Karyne Dargan, Budget  
Ching Hay, Budget  
Mike Jaspin, Budget  
Julie Neburka, Budget

Van Le, Evaluation and Research, DSS  
Cathy O'Brien, County Human Resources, DSS  
Tony Mounts, DSS  
Lisa Yeo, Chief Information Officer, DSS  
Diane Smith, MERLIN, DSS

Representatives from all departments and the District Attorney, County Counsel, Public Affairs Office, Chair's Office, and Board of County Commissioners may be called in to assist in the development, analysis and review of budget proposals. Weekly meetings with Department Directors, Elected Officials, Board Staff, and Deputy Directors of Departments are scheduled.

Shery Stump  
Segue Budget Group Communication Contact

**BOGSTAD Deborah L**

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**From:** PHILLIPS Robert E

**Sent:** Thursday, October 18, 2001 5:53 PM

**To:** LINN Diane M; ROJO DE STEFFEY Maria; CRUZ Serena M; NAITO Lisa H; ROBERTS Lonnie J; FLYNN Suzanne J; SCHRUNK Michael D; SHERIFF

**Cc:** BOGSTAD Deborah L; BALL John; WILLIAMS Theresa E; AGABI Peter T; ALCANTARA Joseph R; ALEDO Daniel O; BAKER Vernon A; BARUA L. Jayanta; BLIATOUT Bruce T; BOSS Phil; BOWERS Kevin; BRIDGES Laura M; BROWN Jimmy D; BULLOCK Steven; CABRERA John; CAREY Henry L; CASTILLO Millie X; CHUN Terrilyn; COLEMAN Monique; DAHLSTROM Marie E; DANG Thanh C; EASTER Johnette; EDGETT Carolyn; ESPANA Rey; FIELDS Robert L; FORD Carol M; FULLER-POE Kathleen; GARCIA Gilbert P; GARRISON Nick; GIESBRECHT Susan; GONZALES Carla K; GOODLOW Leslie A; GOODMAN Carl E; GRACE Frank; GUILLE Ernest E; GUION ReGina; HE Haiou; HOLLAND Darryl G; HOWARD Horace J; HUBBARD Arna; IRUNGU Thomas K; JABER Carl J; JACKSON Lovie J; JARAMILLO Linda M; JOHNSON Cecilia; JOHNSON KaRin R; JOHNSON Marialisa; JUI Jonathan; KATAGIRI Valerie C; KHAMVONGSA Christine S; KHAN Shawin; KINOSHITA Carol; KITAMURA Kevin D; KONADU Sammuel A; KYLE Lewis R; LASLEY E. Harold; LINCOLN Don R; LOUIE Donna G; LYON Doug R; MACK Robin M; MALDONADO Julio C; MANHAS Sonia X; MARTIN Lyne R; MATTHEWS Shelley B; MCDOWELL Will L; MCGEE Tanya Colie; MILLER-JR John L; MILLER-SR John L; MINOR-LAWRENCE Evelyn C; MO Meiyee; MOORE Alfonzo; MORF Jenny M; MORGAN Rosemary; MORIMITSU Kathryn A; NACOSTE Tim; NAGAE James T; NAITO Terri W; NATH Satishwar S; NAVARRO Adrian M; NETTLES Lonnie R; NGUYEN Thach V; O'BRIEN Cathy L; ORR Shirley R; PHAM Christine T; PHILLIPS Robert E; POE Lorenzo T; POOL Vera C; PREUITT Erika L; RAMIREZ Joe F; ROBERTSON John A; ROCHE Hector R; RODRIGUEZ Mike G; RUSSELL-ALEXANDER Yolanda A; RYAN Robert A; SANFORD Mark; SARAGOZA Consuelo C; SCIACCOTTI Mike F; SMITH Anita; SMITH Sharon R; SREEDHARAN Geeta K; STRICKLAND Cynthia A; THOMAS GJean; TILLMAN-REARDON Tricia; VANDERLINDE Thuy H; VAN-SI Chareundi; VEACH Prudence S; VU Nguyet M; WASHINGTON Leza H; WELCH Patricia; WHITNEY Larry C

**Subject:** Managers of Color - Budget Shortfall/Rebalancing Recommendations

Managers of Color on Thursday, October 18, 2001, held a work session to review the budget shortfall and make recommendations regarding rebalancing. The result of the meeting includes the following:

**Budget Framework**

1. Budgetary decisions should reflect where we are and where we want to go. They should not be based on a model of retrenchment or takes the organization back to past operational structures.
2. Decisions should maintain our strategic approach towards the goals of eliminating racial and ethnic disparities in programs and services.
3. Priority should be given to programs focus on prevention and attack root causes through early intervention.
4. Safety-net programs serving our most venerable at risk populations (i.e. the elderly and abused) should be protected in the program cutting process.
5. Consolidate programs and services within and across units that create or enhance efficiencies (more will be included on this in the recommendations).
6. Maintain equitable services that respond to particular communities needs.

**Priorities**

10/19/2001



- Safety-net Programs
- Services targeted to ethnic & diverse communities and needs.
- Re-examine contracted services (look at training employees to deliver services - translator services is an example).

#### **Mangers of Color do not Recommend**

- Across the board cuts. The “soup is presently so thin it is now water.”

#### **Supports/Recommends**

- The Mental Health Redesign structure is presently “top heavy” and needs to be streamlined, with defined management and program accountability.
- Departmental restructuring and/or redesigned (such as Department of Administrative Services – DSS/DSCD; Health & Mental Health Services to create a Department of Health and Wellness; and CFS/ADS – Department of Human Services). Within the mental health structure should be an examination of services now being provided and/or potentially duplicated by DJC, CFS, Mental Health Redesign, Health and the Sheriff’s Office.
- Review potential of creating a one-stop multi-service center that encourages program collaboration and team case managing. We believe some of the cost problems have to do with service delivery models and not the services themselves. It was pointed out that based on our present model of service delivery; some clients have up to three caseworkers responding to their various needs.
- Examine the operations of facilities and the procurement process and charging practices. This program apparently does not generate revenue, but creates costs to the departments, that appears to be outside of the norm for contracting out or purchases from public vendors.
- The concepts used to contract out services should be examined for accountability and capacity building.

#### **MOC Support from the Commissioner’s Priorities**

- Tightening up departmental operations through restructuring and/or program realignment (Chair Linn).
- Taking into account demographic trends (Comm. Cruz).
- Examine Facilities operations (Comm. Naito).
- Assuring equitable services to all parts of the County (Comm. Roberts).
- Be open to bold changes; and maintain a focus and emphasis on cultural competent services (Comm. Rojo De Steffy).
- Review issue of Facilities cost reimbursements and procurements (Sheriff Noelle).
- Find ways of structuring and redesigning programs for greater collaboration (District Attorney Mike Schrunk).

We hope our input will help you in your deliberation and review process.

**BOGSTAD Deborah L**

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**From:** LINN Diane M  
**Sent:** Monday, October 22, 2001 4:08 PM  
**To:** #MULTNOMAH COUNTY ALL EMPLOYEES  
**Subject:** Budget Update

I would like to provide you with a brief update on the progress of the mid-year budget process. As you may already know, department managers along with the Sheriff, Auditor, District Attorney, Board and Chair's office staff, meet Monday mornings to talk about budget reduction ideas and developments.

In this morning's meeting, it was reiterated that this is an open and inclusive process that must remain focused on the long-term financial strength of our organization. We must look carefully at identifying possible systemic changes that increase the county's efficiency and fiscal health. We must also look at this and all other budget processes as not just an emergency or annual routine exercise, but as an on-going, daily operation that should become a part of our overall strategic thinking.

There was good news in that some one-time revenues have been identified. There has been a revised estimate of increased property tax revenue, and documented spending restrictions already in place that will reduce our budget shortfall from \$20 million to approximately \$14 million before new budget reductions are applied. While this is good news, economic conditions outside the County and a special legislative session (which could result in reductions in state supported services), could bring more bad news over the next few months. As we continue to look for ways to rebalance the budget, the county will be addressing both the current \$20 million problem and longer term needs in the context of the economy. This, and other financial updates, can be accessed on the MINT site located at: <http://mintdev.co.multnomah.or.us/dss/fin/budget/rebalance/>

At the meeting this morning, department directors and elected officials shared examples of the impact of cutting the general fund in each department. They noted areas where cuts in one place affect other departments and services, alerting the Chair's Office, Board Staff, and the Budget Core Team to the real and broad effects of cuts at the department level. Initial data about client service areas and cross-departmental services also laid the groundwork for future discussion about possible efficiencies and service improvements.

The Budget Core Team continues to meet daily to review and analysis reduction ideas. Suggestions are coming from a variety of sources - including valuable employee input - but please keep in mind that no decisions have been made. If you would like to view some examples of what types of reductions and changes the Core Team are analyzing, a running list is posted on the budget MINT site. Please note that these are items being researched and evaluated *only*; some may come off the list and others may be added on depending on new ideas coming in daily and on Board policy direction.

Finally, you may be interested in a timeline for participation and decision-making. A schedule will be posted on the MINT site, including the schedule for public meetings and department employee meetings with the Chair. If you have any questions or would like

more information about the budget, please continue to visit the MINT site for up-to-date information.

We hope that you will be actively involved throughout the process and are able to find all needed support and resources to continue the great work you do.



## **Diane Linn, Multnomah County Chair**

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Phone: (503) 988-8308  
FAX: (503) 988-3093

### **MULTNOMAH COUNTY BOARD AND LEADERSHIP MEETING**

October 23, 2001

Multnomah Building, 501 SE Hawthorne, 1st Floor Boardroom, Portland OR 97214  
9:30AM – 11:00AM

- |         |      |  |                    |
|---------|------|--|--------------------|
| 9:30AM  | I.   | <b>Convene and Welcome</b>                         | Chair Diane Linn   |
|         |      | Agenda Review                                      |                    |
| 9:35AM  | II.  | <b>Budget Development Framework Process Update</b> | Chair Diane Linn   |
|         |      | a. Policy Framework                                | John Rakowitz, COS |
|         |      | b. Calendar Review                                 | John Ball, COO     |
|         |      | c. Budget Strategy Target                          | John Ball, COO     |
|         |      | d. Strategy Progress                               | Dave Warren        |
|         |      | e. Executive Team                                  | John Ball, COO     |
|         |      | f. Board Discussion & Direction                    | Chair Diane Linn   |
| 10:30AM | III. | <b>Board Information</b>                           |                    |
|         |      | a. Spending Trends                                 | Jim Carlson        |
|         |      | b. Demographic Trends                              | Van Le             |
|         |      | c. Upcoming Agenda                                 | Tony Mounts        |
|         |      | d. Requests for Additional Information             | Tony Mounts        |
| 11:00AM | VII. | <b>Adjourn</b>                                     |                    |

## FY02 Budget Rebalancing October 15, 2001 Board Direction

### A Starting Point

This document is intended to summarize the Board's discussion and direction for the FY02 Budget rebalancing process. In the coming weeks service reduction proposals will be considered and weighed against the values expressed during the retreat. In the end, approximately 92% of the current service systems will continue into the future. A clear set of values will assist in clarifying the choices that continue some services and reduce or eliminate others.

### Goals for the Process

After listening to a description of the County's financial condition, relevant financial policies and the proposed process for rebalancing the budget, the Board discussed their goals for the process. They include:

1. **Balance the Budget** – the General Fund budget must be rebalanced to meet anticipated FY02 revenue. The solution should allow the County to sustain the new service levels within foreseeable revenue streams and begin rebuilding reserves. Every effort should be made to maximize revenue and outside funding sources.
2. **Consumer Focus** – The solution must consider impacts on the people served by County programs with special attention to the most vulnerable. Service reductions must be equitable and respect the distribution of people in need across the county.
3. **Service Partnerships** – The solution should seek to preserve capacities to support integrated approaches to address community issues.
4. **Increase Organizational Efficiency and Service Effectiveness** – The solution should seek ways to reduce duplication of administrative systems (HR, IT, Finance, Facilities, etc.) while maintaining or increasing service effectiveness. Capacities such as cultural competency, ability to plan and support data-driven decisions should be maintained to support the remaining service systems.

### Strategic Benchmarks

The Board reviewed their strategic benchmarks. As a result of this discussion the Board clarified and expanded its understanding of the benchmarks.

- **Reduce Poverty** – Discussion suggested that reducing poverty encompasses strategies that can increase personal/family wealth (i.e. economic development) as

well as strategies enrich lives through needed services such as school support, health/mental health, and alcohol/drug treatment.

- **Increase School Success** – There was general agreement on this as a priority without additional discussion.
- **Enhance Public Safety** – As a result of significant discussion, it was agreed to change “Reduce Crime” to Enhance Public Safety. This concept emphasizes the importance of citizens feeling safe in their communities. While strategies will still seek to impact crime, consideration should be given to ways improve citizens’ perception of safety in their communities.
- **Increase Health (physical?) & Mental Health** – There was some concern that adding mental health to the title would be too restrictive. In addition to public health services, discussion encompassed long-term care, services to ameliorate long-term disabilities, and alcohol and drug services.
- **Good Government: Increase Accountability and Responsible Use of Public Funds** – This benchmark was considered a statement of how the County does business. Increasing accountability was seen as supporting the use of measurement to clarify policy intent and establish the means to assess effectiveness. Responsible use of funds supports continuous improvement and strategies to reduce administrative costs.

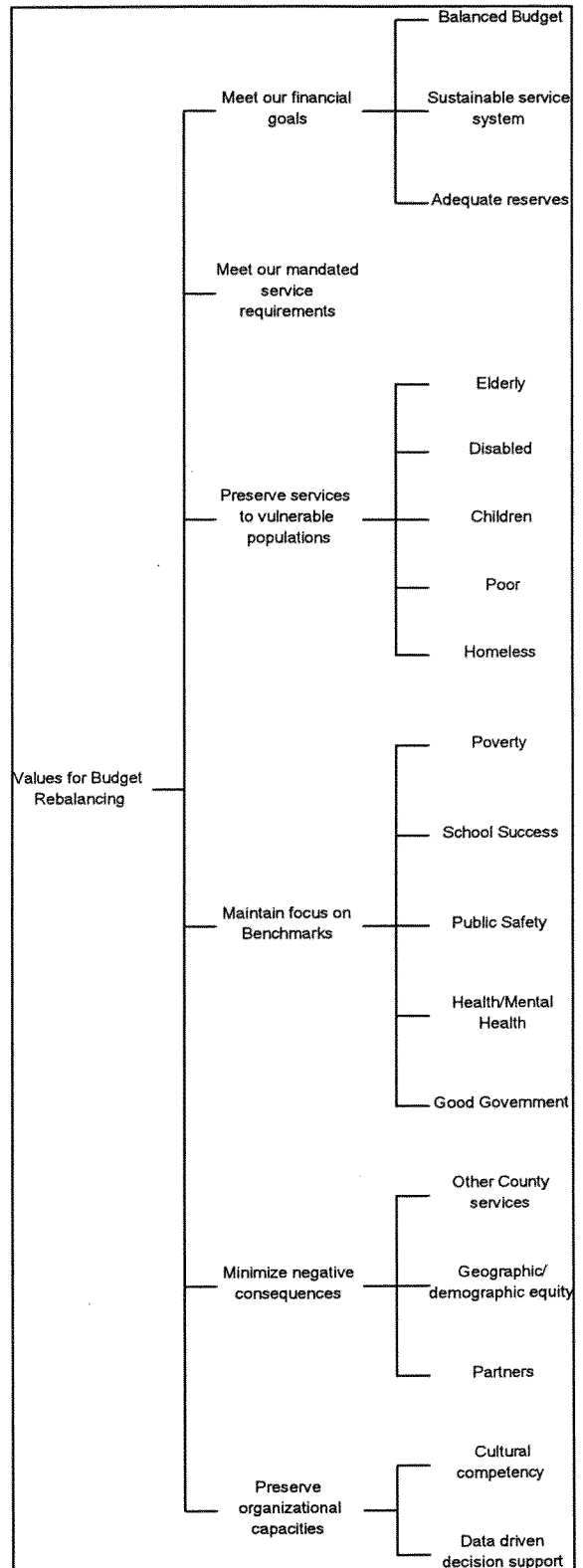
## Service Priorities

The Board discussed their priorities for service preservation. This discussion built on the previous discussions on Goals and Benchmarks. Priorities discussed included:

- Vulnerable populations
  - Children from pre-birth to 18
  - Elderly
  - Disabled
  - Homeless
  - Poor
- Financial goals
  - Sustainable service levels
  - Stable reserves
  - Maximize revenue
- Organizational Capacities
  - Cultural competency
  - Data driven decision making
- Avoiding unintended consequences
  - Impact on partners
  - Impacts on other County services
  - Inequitable geographic/demographic service impacts
- Service Systems
  - Mandated services
  - Public Safety

## Summary

The adjacent diagram attempts to summarize the range of values expressed during the Board's discussions. Over the coming weeks reduction proposals will be presented and discussed within the context of these values. Currently no explicit priority exists among them. The Core Budget and the COO/Leadership teams will consider the proposals with these in mind and provide the Board with written summaries that address these dimensions.



# Updated Financial Situation

10/22/2001

## GENERAL FUND PROPERTY TAX REVENUE

	Budgeted Estimate	Tax Bill Data	Additional Available
Permanent Rate times Property Value	178,829,783	181,289,785	
Less Compression	(1,434,065)	(1,374,530)	
Less Delinquencies and Discounts	<u>(10,133,743)</u>	<u>(10,877,387)</u>	
<b>Taxes Available for Expenditure</b>	<b>167,261,975</b>	<b>169,037,868</b>	<b>1,775,893</b>

## BEGINNING WORKING CAPITAL

		Additional Available
Retroactive rate change for FQHC visits will decrease 2000-01 Health Department General Fund Support	estimated	<b>2,000,000</b>

## FEDERAL BED RENTAL REVENUE

	Additional Available
Bud Mod DCJ 01 recorded additional OYA revenue for Multi-Systemic Treatment and reduced General Fund support as required by the budget note setting out a three-tiered process for dealing with a shortfall in INS/Federal Marshal bed rental.	<b>502,799</b>

## PAY TO STAY FEE COLLECTION

	Additional Available
Sheriff Noelle has made a commitment to cover the projected shortfall in this revenue source by spending restrictions over and above the anticipated 98% level.	<b>951,544</b>

## PRIMARY CARE REVENUES

	Additional Available
Rate change for FQHC visits will offset the potential shortfall in primary care clinic recoveries. While not a direct General Fund savings, it reduces potential General Fund cuts to backfill lost revenue.	<b>3,234,457</b>



**Updated Financial Situation SUMMARY**  
**10/22/2001**

<b>Revenue Source</b>	<b>FY 01-02 Budget</b>	<b>September Estimate</b>	<b>September Shortfall</b>	<b>Revisions through 10/22</b>	<b>Current Shortfall</b>
Property Tax	172,984,447	172,984,447	0	1,775,893	1,775,893
Business Income Tax	37,176,808	30,240,000	(6,936,808)	0	(6,936,808)
Department of Corrections Revenue	29,640,853	29,667,394	26,541	0	26,541
DCJ	19,706,466	19,733,007	26,541		26,541
Sheriff's Office	9,934,387	9,934,387	0		0
Beginning Working Capital (GF)	19,995,165	12,773,340	(7,221,825)	2,000,000	(5,221,825)
Motor Vehicle Rental Tax	13,590,129	12,260,375	(1,329,754)	0	(1,329,754)
Federal Bed Rental Revenue	8,305,651	5,367,793	(2,937,858)	502,799	(2,435,059)
Recording Fees	3,550,000	3,850,000	300,000	0	300,000
A & T Supplement	3,465,710	3,339,373	(126,337)	0	(126,337)
Animal Control Fines and Fees	1,432,000	1,174,508	(257,492)	0	(257,492)
Pay to Stay Fee Collection	1,000,000	48,456	(951,544)	951,544	0
<b>Subtotal General Fund</b>			<b>(19,435,077)</b>	<b>5,230,236</b>	<b>(14,204,841)</b>
DUII Fee Revenues	538,529	320,000	(218,529)	0	(218,529)
Strategic Investment Program	1,310,001	1,310,001	0		0
Federal Financial Participation	5,200,000	5,200,000	0		0
CFS	1,100,000	1,100,000	0		0
Health	4,100,000	4,100,000	0		0
Primary Care Revenues	22,013,950	18,779,493	(3,234,457)	3,234,457	0
Gas Tax	25,974,206	25,974,206	0		
<b>Total Estimated Shortfall (All Sources/Funds)</b>			<b>(22,888,063)</b>	<b>8,464,693</b>	<b>(14,423,370)</b>

Financial Condition  
Multnomah County, Oregon

April 2001



Suzanne Flynn  
Multnomah County Auditor



**SUZANNE FLYNN, Auditor**  
**Multnomah County**

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[www.multnomah.lib.or.us/aud](http://www.multnomah.lib.or.us/aud)

**MEMORANDUM**

Date: March 23, 2001

To: Bill Farver, Interim Multnomah County Chair  
Pauline Anderson, Interim Commissioner, District 1  
Serena Cruz, Commissioner, District 2  
Lisa Naito, Commissioner, District 3  
Lonnie Roberts, Commissioner, District 4

From: Suzanne Flynn, Multnomah County Auditor

Subject: Financial Condition Report

The attached report covers our biennial review of the County's financial condition which was included in the FY00-01 Audit Schedule. This is the fifth report produced by the Auditor's Office and covers the financial period from FY91 to FY00.

This report is a ten year historical look at the County's financial health and does not reflect the current year situation. It is intended to identify areas that need attention and to add perspective to budget deliberations. Over the years, the County has responded to financial circumstances in a responsible and deliberative manner. One significant response to these reports was the development of a financial and budget policy. The challenge is to remain committed to that policy even in more difficult times.

This year's report identifies some strengths and other areas that need watching. Notable this year, the County alleviated the unfunded pension liability and should save \$35 million over the next 30 years. Two areas of concern are the continued reliance on short-term revenues to finance operations and the decrease in unreserved fund balances.

We have reviewed this report with the County Chair's Office and managers in the Department of Support Services. Their written response is in the last section of the report. We appreciate their assistance and cooperation.

Auditor: Judith DeVilliers

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# Executive Summary

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The primary purpose of gathering data and evaluating trends is to provide a look into the future by reflecting on the past. Over time, financial indicators can identify warning trends and allow government to make corrections. Financial indicators can also add perspective to budget deliberations.

The last ten years have seen continued growth in County revenues caused by economic prosperity and the transfer of social and justice programs from the state and federal governments to local control. Spending for justice services has more than doubled in the last ten years. Programs for social and health services have nearly doubled.

Increased reliance on state and federal funds has a risk associated with it. Revenue decisions made at the state or federal levels of government could impact the community particularly if revenues were withdrawn.

During the last ten years, the County has also enjoyed strong public support for libraries and justice services. Serial and bond levies have funded the renovation of Central Library, improvements to the branch library system, and additional jail space. Uncompleted projects are a new jail, booking facility and additional library replacements and renovations.

The County has made efforts to balance short-term and long-term costs. Employee benefits as a percentage of total personnel costs have remained

stable. The unfunded pension liability was alleviated through the sale of bonds that should save the County \$35 million over the next 30

years. The County has also invested significantly in land and buildings.

We continue to be concerned over the County's reliance on short-term revenues to support operations. A turn in voter approval could affect programs such as the Library, social, health, and justice services.

And, despite the County's recent investments, the need for additional capital improvements is still great. Continued deterioration of buildings, roads, and bridges make this another area of concern that should not be ignored.

There are some economic signs that the rate of growth is slowing. Two warning trends suggest closer attention should be given to the financial condition:

- The County's "rainy day funds," unreserved fund balances, have been decreasing over the past two years

- The ability to meet short-term obligations is below industry standards

The County is preparing a "constraint" budget for next fiscal year based upon current revenue projections. We would also recommend they not lose sight of the financial goals that have guided the County into the current position of good financial management.

## Report Highlights

- Annual growth in revenues averages 6%
- Over 1/2 of revenues are from federal and state government
- Declining county gas taxes could affect County roads
- County continues to rely on short-term revenues for operating expenses
- Despite a significant increase in number of employees, the cost of benefits have remained steady
- General government costs have not increased at the same rate as services
- Unfunded pension liability alleviated

## Introduction

This is the fifth report the Auditor's Office has done on the financial condition of Multnomah County. The report is issued biennially and covers measurements for a ten-year period. These measures are commonly used by local governments to indicate their ability to fund services on a continuing basis. A county in good financial condition can continue existing services to the public, withstand economic slumps, and meet the demands of changing service needs.

The Auditor's Office looked at measures of resources coming into the County, how it uses these resources, and its financial health over time. We also included indicators about how the population and economy are changing and how those changes can affect County services.

Since we began these reports, the County has undergone major changes in the property tax system and assumed responsibility for many social services previously under state government control. The County has responded to these challenges by developing sound policies to provide for the financial health of County government and better serve its citizens.

## Objectives, Scope, and Methodology

The objective of this report was to evaluate the financial condition of Multnomah County using the Financial Trend Monitoring System developed by the International City and County Management Association (ICMA) and the draft indicators developed by the Government Accounting Standards Board (GASB). We relied on the County's budgets, Comprehensive Annual Financial Reports, and other management reports for financial data. We used published sources for most socio-economic data. In developing and analyzing the indicators of financial condition, we interviewed personnel in the Finance Division, the Budget and Quality Division, and other County departments.

The prior four reports covered the fiscal year 1981-1982 through fiscal year 1987-1998. This report covers the period from fiscal year 1990-1991 through fiscal year 1999-2000. Fiscal years in this report are identified by their ending date, such as FY00 for fiscal year 1999-2000. We expressed most indicators in constant dollars. These adjustments for inflation convert dollar amounts over the ten-year period to the equivalent of the purchasing power of money in fiscal year ending June 30, 2000. The adjustments are based upon the Portland-Salem Consumer Price Index for all urban consumers.

The ICMA and GASB stress the importance of developing a consistent and meaningful definition of the entity being evaluated. For purposes of this report, "the County" will include the revenues, expenditures, and activities covered by the general fund, special revenue funds, and debt service funds. Excluded are capital construction, internal services, enterprise and trust and agency funds. However, we did include the Behavior Health Managed Care Fund because it is an integral part of the Behavior Health Program. This work was done in accordance with generally accepted government auditing standards.

# County Revenues

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## Overview

Operating revenues are used to pay for on-going services. Decreasing revenues may reduce a government's ability to maintain existing service levels.

In general, the revenue trend has been favorable over the past ten years. In current dollars, operating revenues increased from \$316 million in FY91 to \$529 million in FY00. Although each of the four categories of revenues increased, state and federal funds showed the largest growth, which may not be a favorable trend.

Both the ICMA and GASB recommend showing indicators for total revenues, major revenue sources, and others such as revenues subject to economic fluctuations and temporary or short-term revenue sources. Below is a list of indicators included in this report, which we believe are relevant to Multnomah County.

## Indicators

- Operating Revenues
- Revenues from Federal, State and Local Government
- Property Tax Revenues
- Business Income and Car Rental Taxes
- User Charges
- Short-term Revenues
- Revenue Shortfalls

# County Revenues

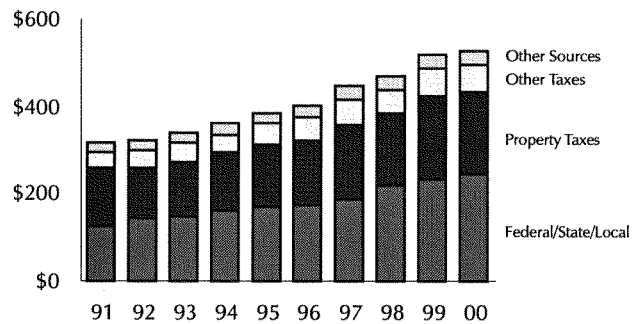
## County income has grown an average of 6% per year

Operating revenues are used to pay for on-going services. These services include elections, road maintenance, health services, jails, libraries, social services, criminal prosecution, assessment and taxation, animal control, and administration.

Most of the County's growth in revenues is due to the transfer of state programs to county government. In the past ten years, the State transferred programs and responsibilities for parole and probation, and more recently disability services. Refer to diagram in appendix, page 31, for more complete information.

Other increases were a result of voter-approved bond and serial levies for libraries and jails. In FY00, federal, state and other local governments funded 47% of the County's operating revenues, property taxes 36%, excise and income taxes 11%, and other sources 6%.

**Operating Revenues**  
Adjusted for inflation (in millions)





# County Revenues

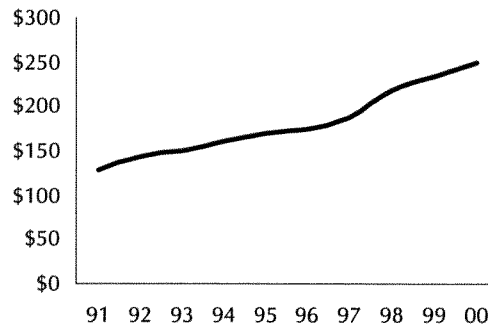
## Increasing federal and state revenue for County services may indicate an over-dependence

Recent federal and state policies have shifted more responsibilities to lower levels of government to increase local control over service delivery.

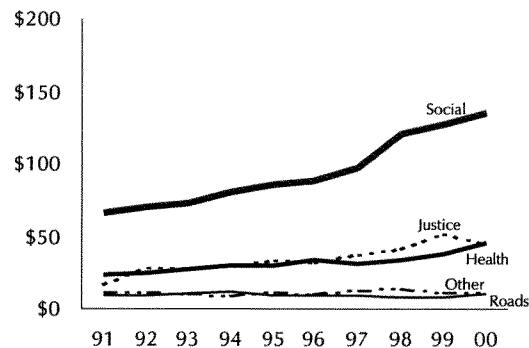
Increasing federal and state revenue to support County services may indicate an over-dependence on these sources. Revenue decisions made in Salem or Washington, DC can have a large impact on the community and the County's budgeting decisions. If these revenues were withdrawn, the County would be forced to find additional revenue or cut services. In the last decade:

- Expenditures for social service programs increased from \$67 million to \$135 million in current dollars. A large part of this growth was from the state transferring its Disability Program, including 137 staff, to the County's Aging and Disability Services Department.
- Federal/state program revenues for health services nearly doubled from \$23 million in FY91 to \$45 million in FY00.
- Federal/state program revenues for justice services increased from \$16 million to \$46 million. Approximately \$12.5 million of the increase is State payments to the County for assuming parole and probation responsibilities in FY92.
- Revenues for roads is the County's share of state gas taxes and other special project grants which fluctuate from year to year.

**Total Revenues from Federal, State and Local governments**  
Adjusted for inflation (in millions)



**Revenues from Federal, State and other Local Governments by Program**  
Adjusted for inflation (in millions)



# County Revenues

## Property tax revenues have increased

Property taxes averaged about 5% annual growth over inflation during the past ten years. Over half of the growth was due to voter-approved serial levies and bond measures.

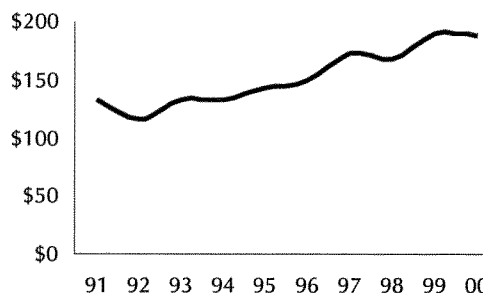
Property tax revenues:

- Decreased in FY92 as a result of the tax limitation imposed by Measure 5
- Recovered since that time as a result of increases in the market value of residential property
- Show a decrease in FY98 as a result of Ballot Measure 50

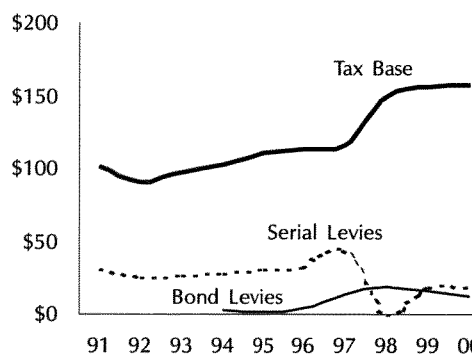
Both the library and public safety serial levies were folded into the County's permanent tax rate with Measure 50. As a result, in FY98 there were no serial levies and the tax base increased by \$42 million. Under Measure 50, voter-approved general obligation bonds are also outside of the tax base and property tax limitation.

With the approval of an additional \$18 million library serial levy in FY99, revenue from serial levies began to increase.

**Total Property Tax Revenues**  
Adjusted for inflation (in millions)



**Property Tax Revenues by Type**  
Adjusted for inflation (in millions)

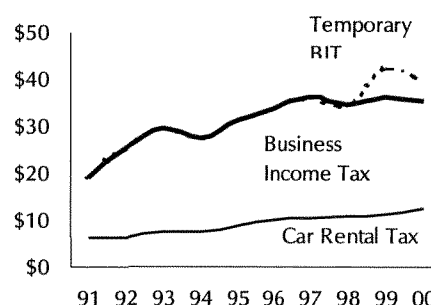


# County Revenues

## Total revenue from Business Income and Car Rental taxes has increased in the last ten years

The Business Income and Car Rental taxes change with the economy. Over dependence on these taxes can result in program cuts when the economy worsens. Although total revenues have increased, the taxes have consistently been about 10% of the total operating revenues for the County. A temporary increase in the Business Income Tax to support schools is reflected in FY99 and FY00.

**Business Income and Car Rental Taxes**  
Adjusted for inflation (in millions)



## User charges have increased

User charges are intended to recover the cost of services from citizens whenever possible. These fees fluctuate from year to year. Some fees, such as real estate recording fees, are affected by the economy. Other fees, such as election fees, are cyclical, based on election years.

**User Charges**  
Adjusted for inflation (in millions)

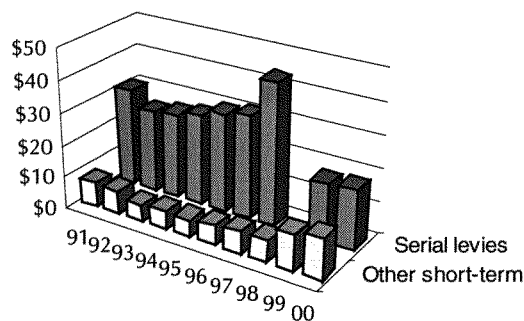


# County Revenues

## The County is reliant on short-term revenues to finance on-going operations

Continued use of short-term revenues such as voter approved serial levies, reserves, surpluses, and sales of property to balance the budget signals a warning trend. With Measure 50, the County's short-term serial levies were folded into the permanent tax rate and continued as part of the base, therefore decreasing this reliance. However, an additional 5-year library levy for nearly \$18 million annually approved in November 1997 indicate continued reliance on temporary revenue sources.

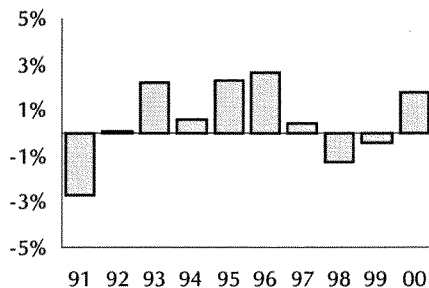
**Short-Term Revenues**  
Adjusted for inflation (in millions)



## Recently, revenues have been within 3% of projections

Revenue shortfalls measure how well the County estimates expected revenues each year. Significant shortfalls could require mid-year cuts of services, spending of reserve funds, or increased use of short-term borrowing, all to be avoided if possible. Actual revenues have exceeded estimates seven of the last ten years.

**Revenue Shortfalls**  
As percentage of operating revenues



# County Spending

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## Overview

Spending has increased 79% in the past ten years, in part because of increased service responsibilities. To provide these services the County hired more employees and contracted for more services.

Nearly half the County's spending was for social and health services, which have increased in constant dollars, from \$134 million in FY91 to \$267 million in FY00. Spending for justice services has more than doubled, going from \$86 million in FY91 to \$182 million in FY00. Spending on the County's libraries grew 140% from \$18 million in FY91 to \$43 million in FY00. Spending for general government has had only slight increases, and spending for roads and bridges has gone down over the last ten years.

We consider indicators for all operating costs in the County by expense type as well as by program area. Additional indicators are shown for number of employees and employee benefits. Below is a list of spending indicators included in the following pages.

## Indicators

- County Spending
- Justice Services
- Social and Health Services
- Library
- Roads and Bridges
- General Government
- Internal Services
- Number of Employees
- Employee Benefits

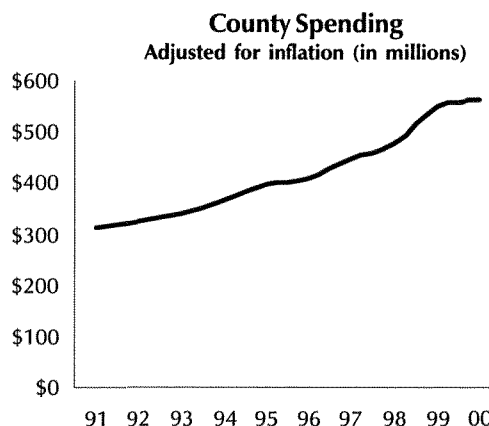
# County Spending

## Spending has increased faster than inflation, largely because of increased County responsibilities

Expenditures have increased by 79% over the past ten years largely due to the increased responsibilities transferred to the County from state government.

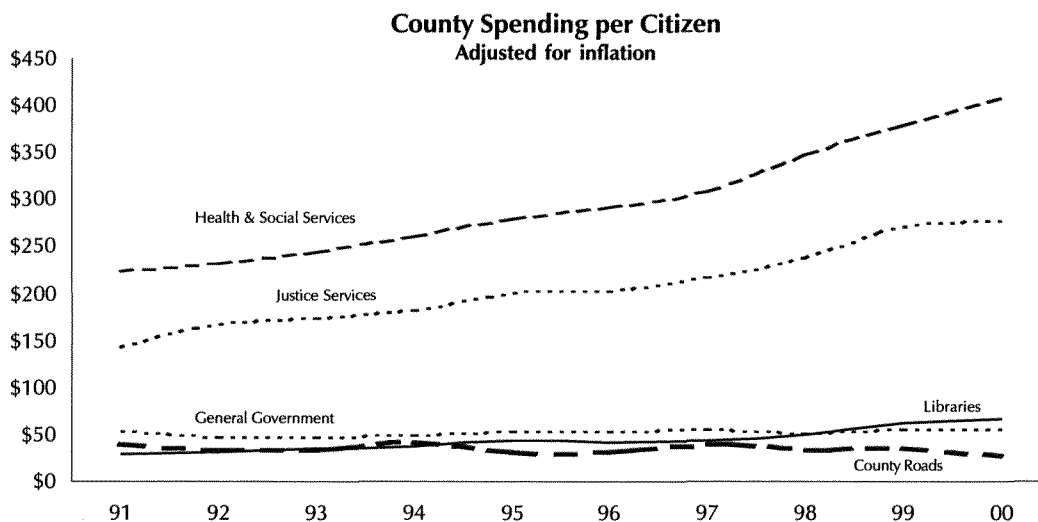
Spending on personnel increased by 64% and on contract services by 96%. In FY00 the County's operating expenditures include personnel costs (47%), contract services (31%), materials and supplies (21%), and capital costs for on-going services (1%). The majority of County services are in health and social services (49%) and justice services (33%).

In FY00 spending per citizen ranged from \$409 for Health and Social Services to \$26 per citizen for County roads. Between FY91 and FY00, spending per citizen for health, social, and justice services and the library doubled. General government spending per citizen increased slightly and spending on roads decreased.



## A Comparison of County Spending Per Citizen FY91 to FY00

Program	FY91	FY00
Health & Social Services	\$224	\$409
Justice Services	\$143	\$279
Libraries	\$ 30	\$ 66
General Government	\$ 55	\$ 57
County Roads	\$ 39	\$ 26



# County Spending

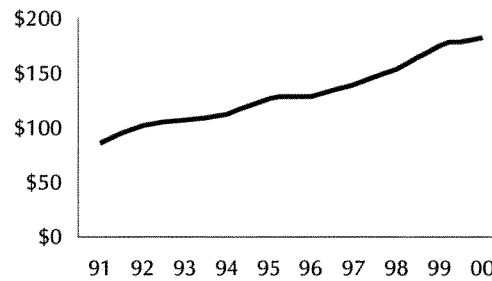
## Spending for justice services has more than doubled

Spending for justice services has increased from \$86 million in FY91 to \$182 million in FY00. The largest increase occurred in juvenile and adult community justice programs, with an increase from \$18 million to \$67 million in constant dollars.

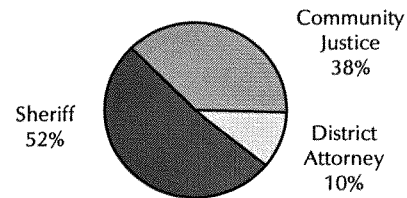
Over half of county spending in justice services is for the Sheriff's Office. Increase in Sheriff's Office spending was funded by voter-approved levies.

Among the revenue sources, General Fund contribution for justice services shows the largest increase from \$57 million in FY91 to \$122 million in FY00. About \$20 million of that increase was from the serial levy rolled up into the County's tax base as a result of Measure 50. Other causes for the increase were a voter approved bond levy outside the tax base and increased funding from the State for sentenced felons.

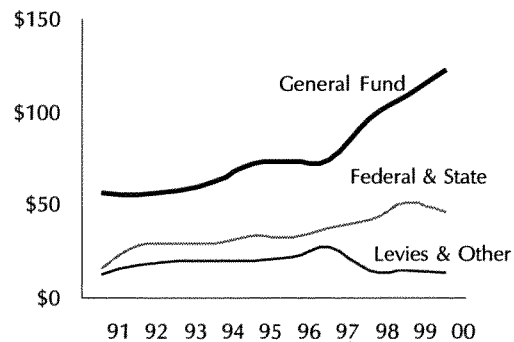
**Total Spending - Justice Services**  
Adjusted for inflation (in millions)



**Justice Services**  
FY00



**Spending in Justice Services by Revenue Source**  
Adjusted for inflation (in millions)



# County Spending

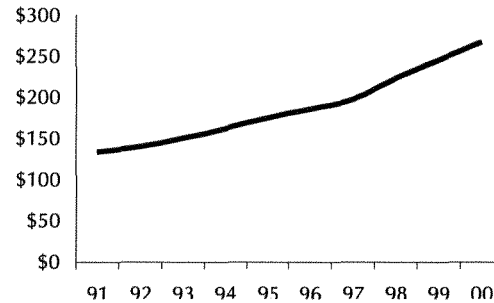
## Social and health services have nearly doubled

Expenditures for social and health services have increased 99% since FY91. The largest increase in spending in the past 10 years was for Community and Family Services with the Behavioral Health Managed Care Fund which added \$27 million in services.

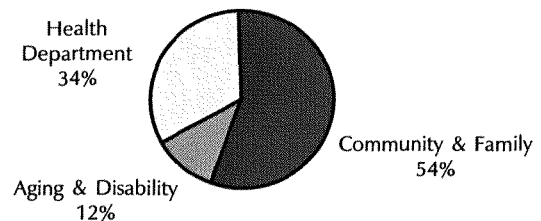
These programs included the Health Department, the Department of Community and Family Services, and the Department of Aging and Disability Services. Examples of programs are mental health, developmental disabilities, youth, housing, services for the elderly, health and dental clinics, and regulatory health services.

The General Fund contribution to social and health programs increased 101% from \$39 million to \$79 million. Federal and State resources have increased by 100% over the past ten years.

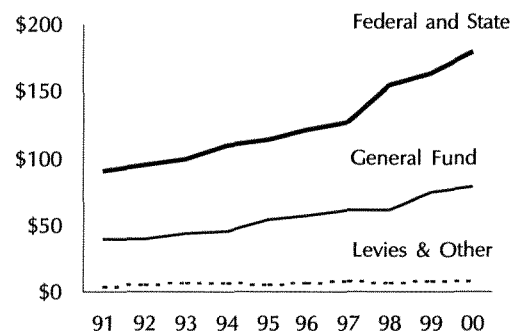
**Total Spending - Social and Health Services**  
Adjusted for inflation (in millions)



**Social and Health Services FY00**



**Spending on Social and Health Services by Revenue Source**  
Adjusted for inflation (in millions)





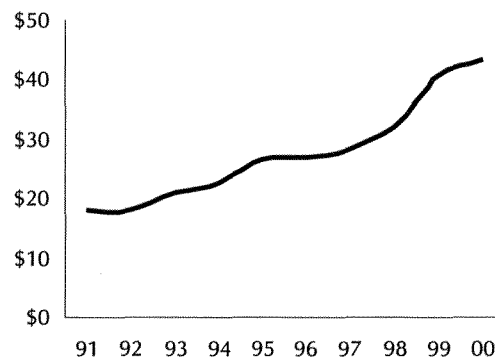
# County Spending

## Library spending continues to rise with increased voter-approved serial levies

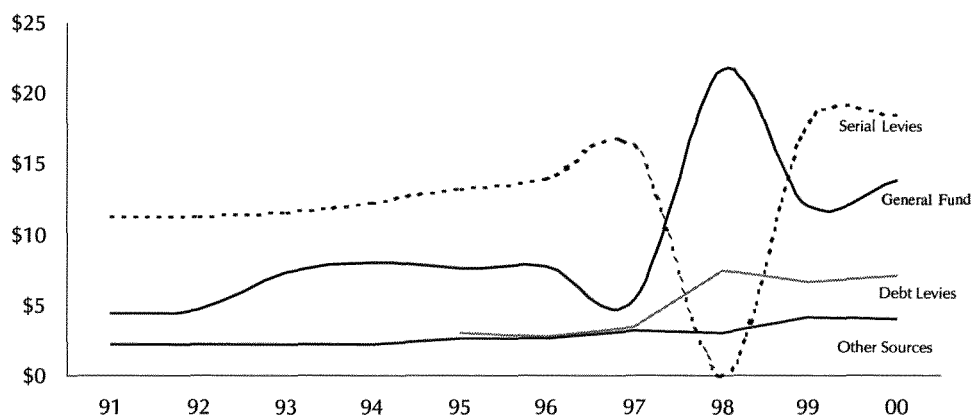
Library spending increased 140% from \$18 million to \$43 million in the last ten years. The libraries continue to be dependent on serial levies for daily operations.

In FY98, the library serial levy was added to the County's tax base as a result of Measure 50. Since then voters have approved an additional 5 year levy of \$18 million. General Fund support of the library continues to increase, growing from \$4 million in FY91 to \$14 million in FY00. Other funding sources are debt levies, from \$3 million to \$7 million since FY98. The debt levies are also voter-approved and are outside the County's base tax rate limitation.

Total Spending - Library  
Adjusted for inflation (in millions)



Spending on the Library by Revenue Source



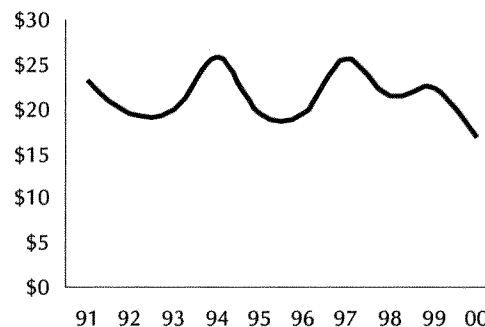
# County Spending

## Total spending on roads and bridges has declined over the last ten years

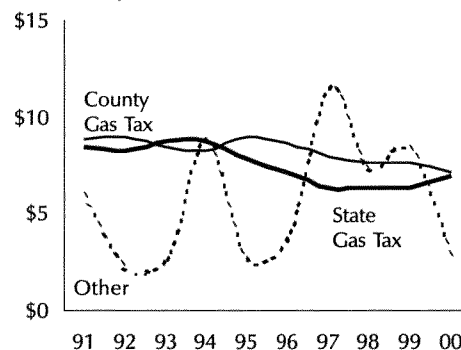
Funding for roads and bridges comes from State and County gas tax revenues and special project funding from the State and Federal government. No General Fund dollars are allocated to road and bridge repairs and maintenance.

Total spending on roads and bridges has declined over the last ten years from \$23 million in FY91 to \$17 million in FY00. Funding fluctuates due to state and federal funding for special projects. However, the revenues from State and County gas taxes have declined in constant dollars from \$17.3 million in FY91 to \$14 million in FY00.

**Spending - Roads and Bridges**  
Adjusted for inflation (in millions)



**Spending on Roads and Bridges by Revenue Source**  
Adjusted for inflation (in millions)



# County Spending

## General government has increased slightly

General government costs include administration such as personnel, accounting, legal, and county commissioners as well as other services such as elections, animal control, assessment and taxation, and land use programs that serve all citizens. Most of the services are funded by General Fund dollars.

General government has been increasing in the last 10 years from \$33 million in FY91 to \$37 million in FY00. The largest increase was in finance, which increased from \$2.5 million in FY91 to \$6.3 million in FY00. We were not able to distinguish some of the administrative costs recovered from state and federal funds through overhead charges.

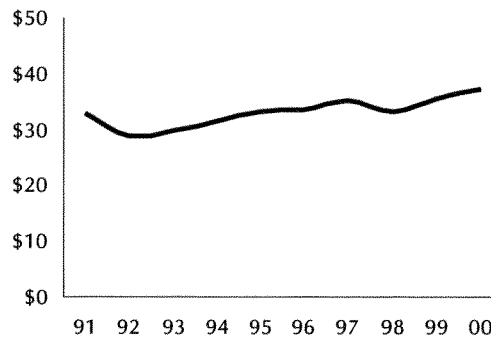
## Spending on some internal services has increased

Costs of internal services such as: risk management programs, facilities management, data processing, fleet, telephone, and mail distribution are charged to County programs.

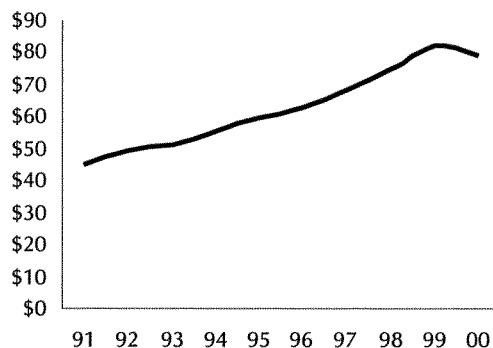
This spending is already reflected in the previous exhibits as costs in personal services and other services.

In FY00 total spending for Internal Services was \$79 million. Facilities Management and Risk Management each spent \$29 million while Data Processing spent nearly \$11 million.

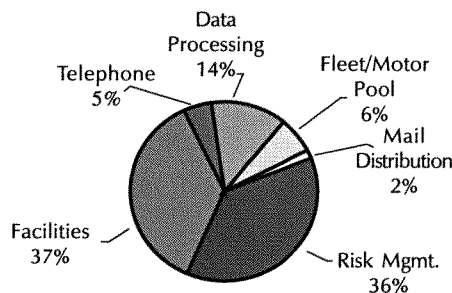
**Spending - General Government**  
Adjusted for inflation (in millions)



**Spending - Internal Services**  
Adjusted for inflation (in millions)



**Internal Service Spending**  
FY00



# County Spending

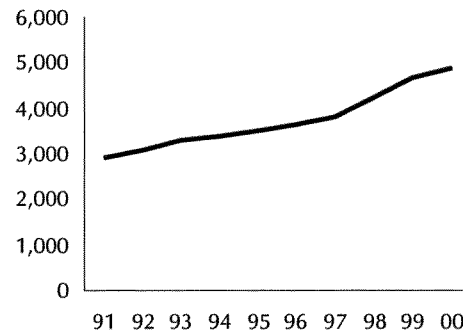
## Number of employees has increased

Changing responsibilities have increased the number of County employees from 2,900 in FY91 to 4,900 in FY00.

Some of the staff increase was due to program transfers of State employees to the County for parole and probation and disability services. Other increases resulted from staffing the new jails and increases in social and health services funded by state and federal dollars.

In FY97, 90 positions were funded from State dollars to pay for felons formerly housed in State prisons. In FY98, 137 employees were gained from State Disability Service Programs.

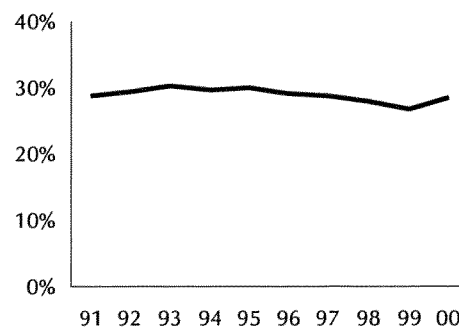
Number of Employees



## Proportionately, the cost of employee benefits has remained steady

Employee benefits include the cost of health and dental insurance, worker's compensation, retirement, and the employer-paid portion of social security. Paid holidays are not included. The cost of employee benefits has remained steady over the last ten years.

Employee Benefits as % of Total Personnel Costs



# Financial Health

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## Overview

Financial health is difficult for government to evaluate. Unlike businesses, governments do not have a bottom line. Government does not exist to make a profit, but rather to provide quality services to its citizens at a price they are willing to pay. But, just like its citizens, the County must pay bills, save money, and plan ahead. How well it achieves these activities will ultimately affect the quality of services. Some of the indicators explored here measure savings, the ability to meet short-term obligations, and long-range capital spending and debt management.

The County needs to heed some early warning signs of decreasing reserves and decreasing ability to pay short-term obligations. These combined with a slowing economy may indicate some policy action is needed to maintain the County's financial health.

## Indicators

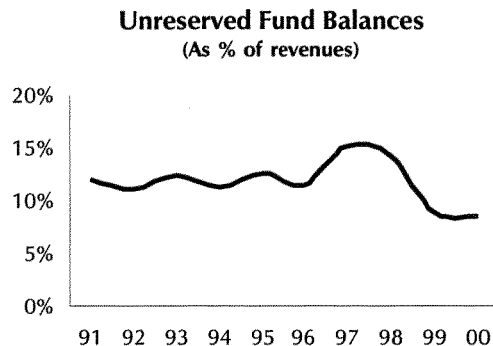
- Unreserved Fund Balances
- General Fund Reserve
- Liquidity Ratio
- Accounts Payable
- Unfunded Employee Leave
- Capital Spending
- Long Term Debt and Leases
- Debt Structure

# Financial Health

## Percentage of unreserved fund balances has decreased

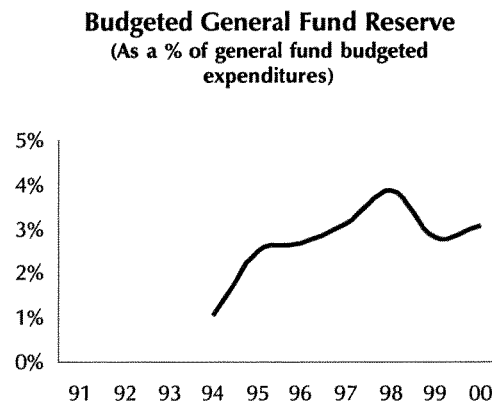
Unreserved fund balances can be thought of as “rainy day funds.” The size of a government’s unreserved fund balances can affect its ability to withstand short-term financial emergencies.

This indicator measures the unreserved fund balances of the General Fund and Internal Service Funds as a percentage of revenues for the General and Internal Service Funds. This ratio has declined from 12% in FY91 to 8.6% in FY00.



## County has not yet reached its goal to target 5% in reserve

The County’s financial and budget policy sets a goal of maintaining a reserve account of approximately 5% of the General Fund budget. To that end, the Board of County Commissioners set aside approximately \$8.6 million in FY00, which represented 3% of the budgeted general fund expenditures.

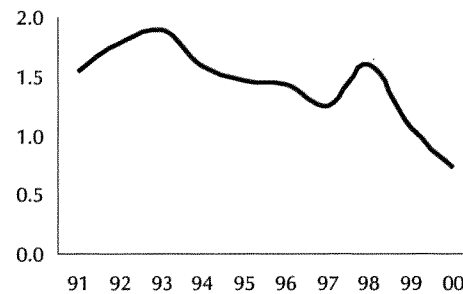


# Financial Health

## Liquidity ratio needs watching

Liquidity is an indicator of the County's ability to pay its short-term obligations. The credit industry considers a liquidity ratio of less than \$1 of cash and investments to \$1 of current obligations to be a negative indicator. Although the County has maintained a good ratio in the prior nine years, the ratio for FY00 is under the \$1 to \$1 ratio, indicating a warning trend.

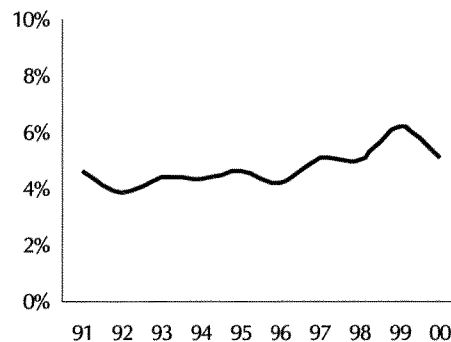
Ratio of Cash and Investments to Short-term Debt



## Income needed to pay short-term debt is satisfactory

This indicator shows County payments due at fiscal year end as a percentage of its operating revenues. Increasing short-term debt may indicate cash shortages. The credit industry considers short-term debt over 5% or a trend of increasing short-term debt as a negative factor.

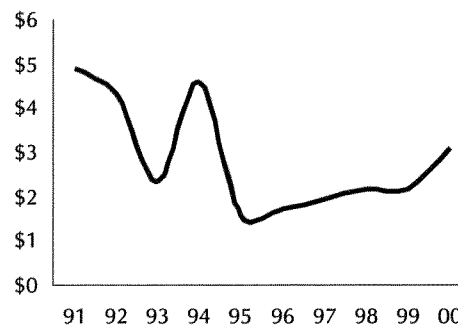
Accounts Payable (as % of operating revenue)



## Recently unfunded employee leave is increasing

Accumulated employee leave is the value of unused vacation leave accrued to County employees. For employees who remain on the payroll and use their vacation leave, it poses no additional costs to the County, except in loss of services while they are absent. Although the total liability for employee leave has increased due to growth in the number of employees over the last ten years, the unfunded portion decreased until FY96 when it began to rise.

Unfunded Liability for Employee Leave Adjusted for inflation (in millions)



# Financial Health

## Capital spending has increased for land and buildings

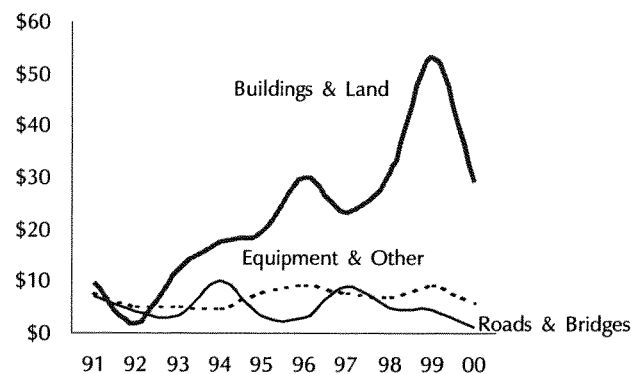
Spending for land and buildings has increased with the construction of two jails, the juvenile justice complex, and several libraries, as well as the purchase of the Multnomah Building in FY99. These were primarily funded by voter-approved general obligation bonds. Spending for equipment and other categories has remained stable. Spending on roads and bridges fluctuates by project. Declining capital expenditures is a warning trend that may indicate the use of inefficient or obsolete equipment.

The need for additional capital improvements is still great. The County Courthouse and many County owned buildings do not meet standards and will require future replacement. Continued deterioration of buildings, roads, and bridges make this an area of concern which should not be ignored.

**Capital Spending**  
Adjusted for inflation (in millions)



**Capital Spending by Type**  
Adjusted for inflation (in millions)



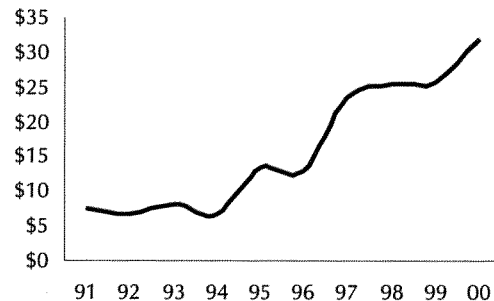


# Financial Health

## Income needed to pay for long-term debt and leases has increased

Fixed costs include the principal and interest on long-term debt and operating leases. These costs have increased as a result of construction of new libraries, jails, and other justice facilities financed by general obligation bonds approved by voters. More recently, in December 1999, the county issued taxable Revenue Pension Obligation Bonds to cover the County's Public Employees Retirement System (PERS) unfunded liability which will result in a savings of nearly \$36 million over a 30 year period.

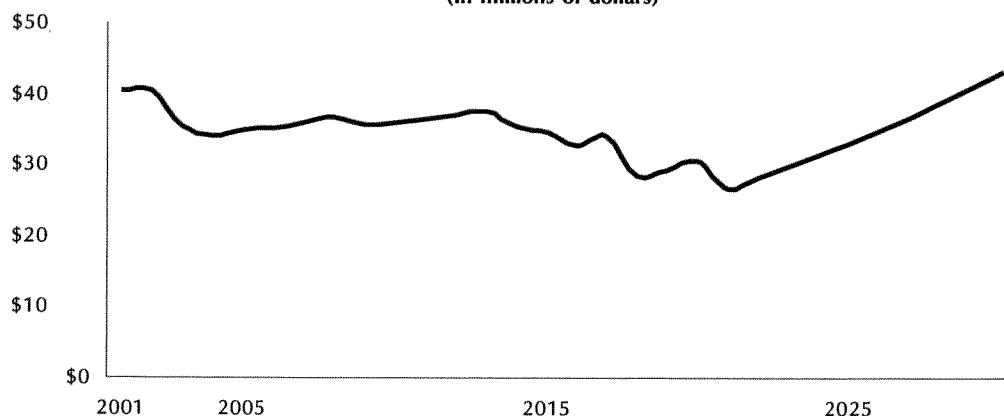
**Fixed Costs**  
Adjusted for inflation (in millions)



## Principal and interest payments will remain constant if no new debt is incurred

Although debt has been rising as a result of new borrowing, the annual payments of principal and interest over the next 30 years will remain fairly constant.

**Principal and Interest Payments for the Next Thirty Years**  
(In millions of dollars)



# Economic and Demographic Trends

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## Overview

### Economic Trends

Economic indicators and demographic indicators that help measure services to specific populations are useful for looking at the future.

The economy has remained strong over the last ten years. Unemployment rates remained under 5% for eight of the last ten years. Property values have grown. New residential construction grew from FY91 through FY97, and the number of businesses grew from 20,000 to over 24,000 over the last ten years. However, there are signs in the last two years that the County may not experience this rate of growth in the near future.

### Service Populations (Demographic Trends)

Service populations have also been changing. In some cases, County services benefit all citizens while in other cases particular citizens benefit. Keeping an eye on characteristics of the County's population over time can help plan for needed services. It can also help determine if County efforts have had an impact. Service population indicators show favorable trends.

The following economic indicators are ones recommended by the ICMA. We also include demographic indicators such as population growth, income and poverty, and crime rates. However it is difficult to find measures for some of the health and social service programs.

## Indicators

### Economic

- Property Values
- Uncollected Property Taxes
- Number of Businesses
- Unemployment Rate
- New Construction

### Demographic

- County Population
- Population over 70 and under 20 years of age
- Average Income
- Households in Poverty
- Reported Crimes

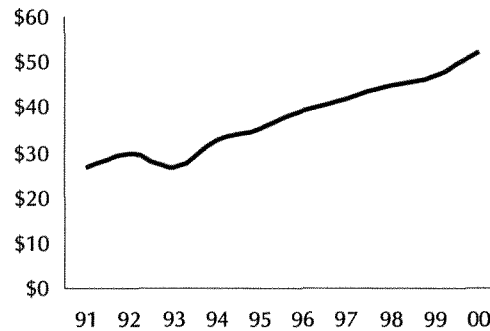
# Economic and Demographic Trends

## Property value continues to increase and delinquency rates to decrease

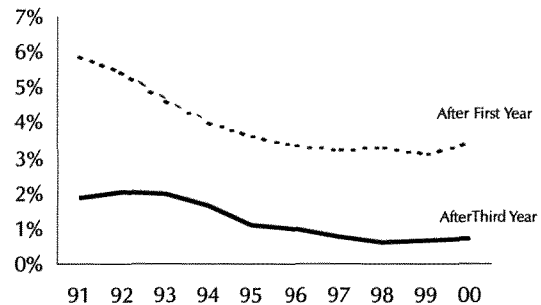
The Real Market value for properties in Multnomah County has continued to increase for the last ten years from \$27 billion in FY91 to \$52 billion in FY00. Much of this increase is due to the strong economy and new construction.

The effects of the strong economy have also been seen in the percent of uncollected property taxes after the first year, which decreased from 6% in FY91 to 3.4% in FY00.

**Assessed Property Values**  
Adjusted for inflation (in billions)



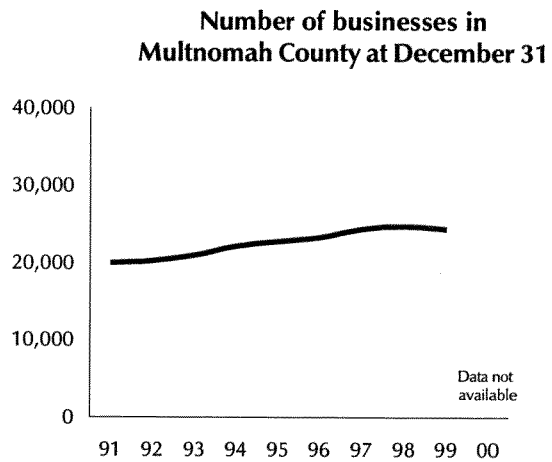
**Uncollected Property Taxes**  
Percent of taxes delinquent



# Economic and Demographic Trends

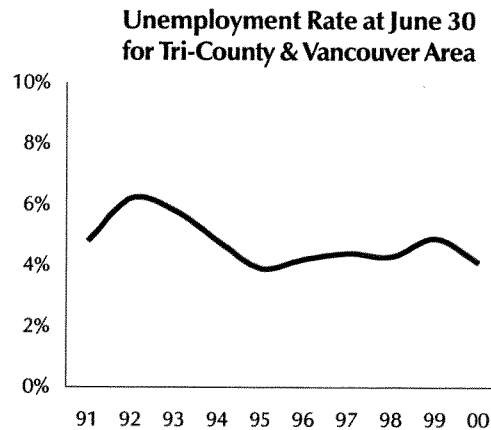
## The County experienced growth in the number of businesses from FY91 through FY99

The number of businesses in Multnomah County grew from 20,000 to over 24,000 in the nine-year period for which we have data.



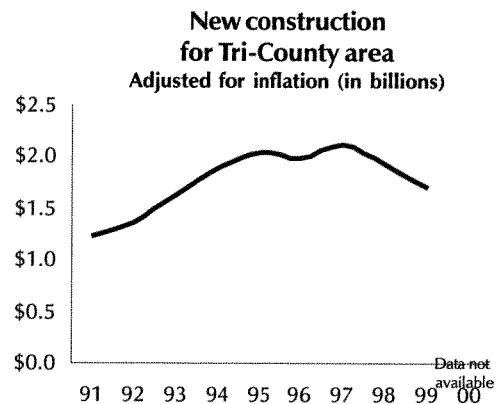
## Unemployment remains low: under 5% for the last seven years

Unemployment as measured at June 30, each year and has been under 5% since FY93.



## New construction is decreasing

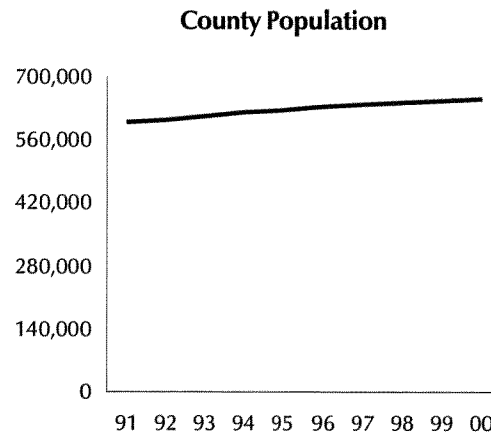
New residential construction is a positive economic indicator that means increases in the County's tax base. New residential construction grew through FY97. The indicator for subsequent years shows a less aggressive economy than in earlier years.



# Economic and Demographic Trends

## Population growth has been steady

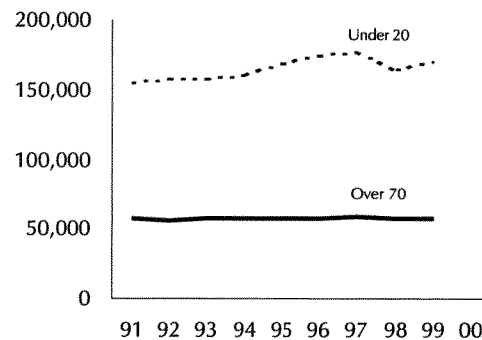
Rapid change in population can increase service costs or reduce the County's revenue base. Population has only increased by about 54,000 since FY91.



## The number of people under 20 has increased by 10% while the number over 70 has remained steady

Many County services are for the elderly or families with children. Large changes in these groups could dramatically affect the need for County services.

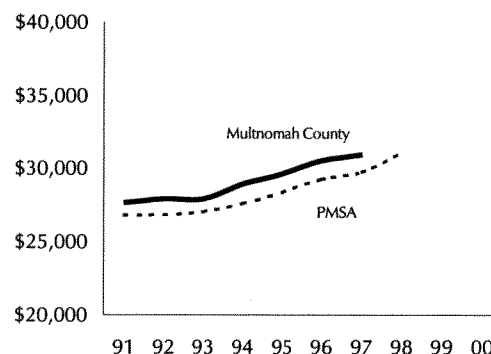
### Population Under 20 and Over 70 Years of Age



## Average income has increased faster than inflation

The average annual income is based on information gathered by the State of Oregon Employment Division. The average income for Multnomah County is slightly higher than for Portland Metropolitan Statistical Area (PMSA) and has been increasing over the last ten years. Declines in income may affect consumer activity, reduce business incomes, and increase tax delinquencies.

### Average Annual Income Adjusted for inflation

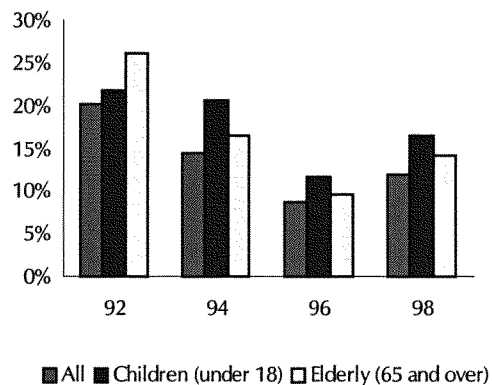


# Economic and Demographic Trends

## In FY98 about 12% of households in the County were in poverty

Many County health and social programs provide services for low-income citizens. Poverty in 1996 was defined as earning less than \$16,000 annually for a family of four.

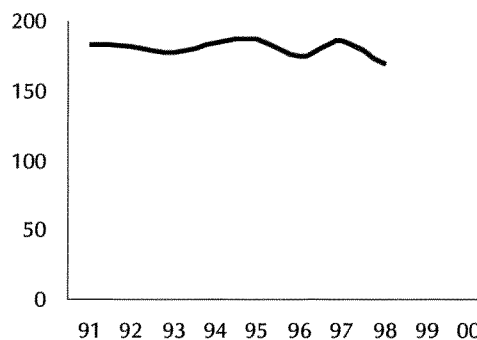
Households in Poverty



## Reported crimes have decreased

About 1/3 of the County's costs are for justice services. The reported crime rate has decreased 8% since FY91. This trend should be watched to see if it continues and whether it might affect the need for services

Multnomah County Reported Crimes per 1,000 residents



# Response to Audit

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## Bill Farver, Multnomah County Chair

Suite 600, Multnomah Building  
501 S.E. Hawthorne Blvd.  
Portland, Oregon 97214

Phone: (503) 988-3308  
FAX: (503) 988-3093  
Email: [mult.chair@co.multnomah.or.us](mailto:mult.chair@co.multnomah.or.us)

To: Suzanne Flynn, County Auditor

From: Bill Farver, Acting Chair

RE: Chair's Response to Financial Condition Report

Thanks to you and your staff for your work on the Financial Condition Report on Multnomah County. I will describe what I believe are the major learnings from your work and comment on what, if anything, we can do to address them in light of our current estimated \$20 million dollar budgetary shortfall for fiscal year 2001/2002 .

### **Increasing federal and state revenues**

As you state, our increase in these revenues is in part a result of policy decisions in Washington D.C. and Salem to transfer functions previously delivered at the federal and state level to local government. Unfortunately we cannot guarantee continued funding and are left with the responsibility to our citizens to provide the needed services. We should begin discussions with federal and state leaders to to stabilize these funding sources and reduce the number of prospective legislative acts that restrict how we spend the money.

### **Other County revenues**

Your favorable report on property taxes, car rental taxes and business income taxes needs to be watched carefully in the future. As you point out, the County has relied on short-term revenues through voter approved serial levies, and we will be crafting measures to replace and or increase the current levies when they expire or tolerate service declines. With the slowing economy, the County's elastic business income tax and car rental taxes are responsive to economic changes and we expect the taxes to increase at a much slower pace than they have experienced during the last several years.

### **Cost of employee benefits**

Although the cost of employee benefits have remained steady over the last 10 years, the costs have skyrocketed during the last two years. Based upon latest estimates, medical and dental benefits are expected to increase by double digit inflation during the next few years. The County has been taking steps to work together with our Unions to search for better benefits design and contain the costs of benefits.



## **Financial health overall**

The County needs to continue to strive to reach its goal to target 5% in reserves. This is a difficult task with the current financial situation, but the County intends to monitor and put a plan in place to achieve this goal.

The liquidity ratios will continually be monitored as we attempt to bring them back to a good ratio.

We continue to make progress with addressing our assets and buildings. Your office is in the process of initiating an audit of capital construction activity and this should help us in defining the needs.

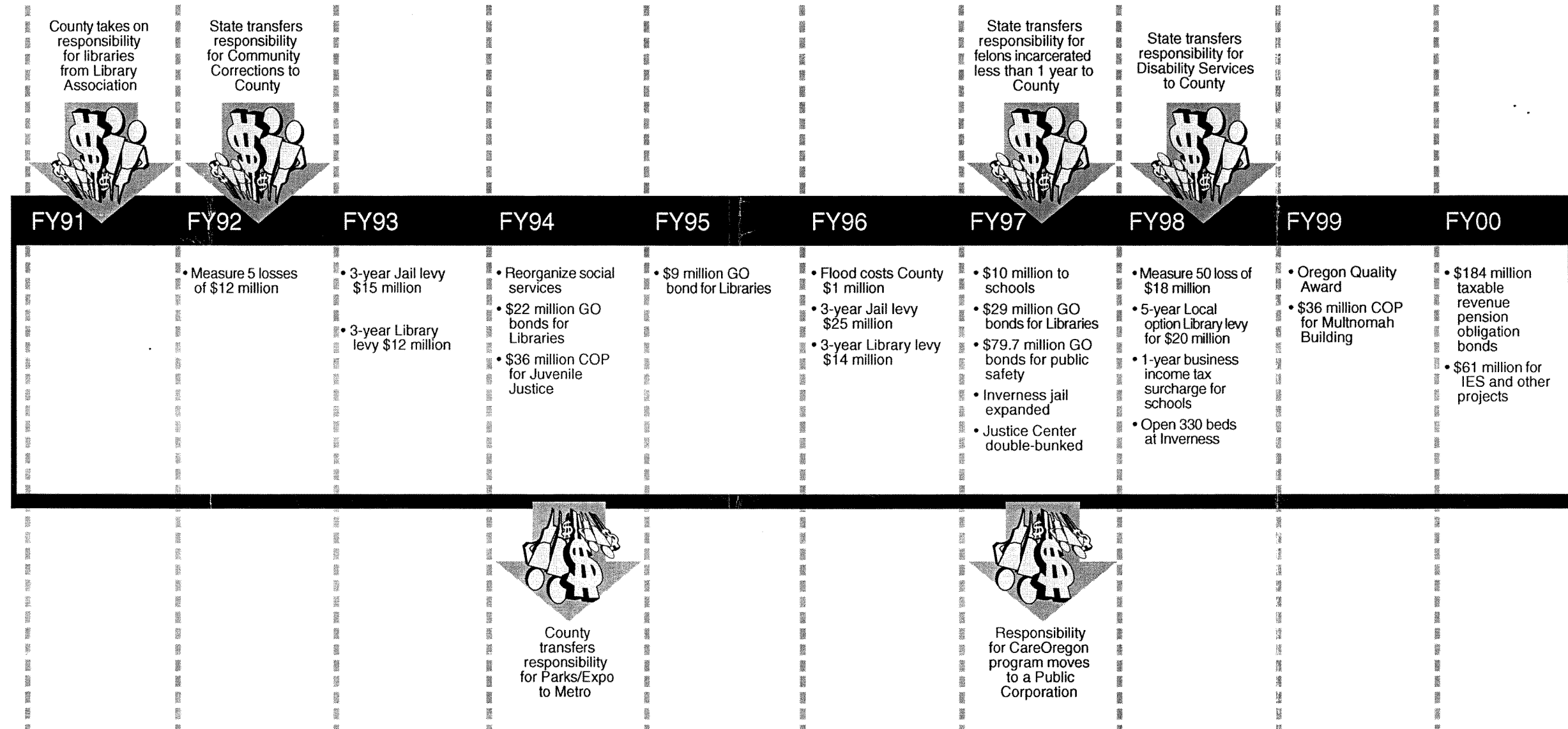
We are very pleased to have addressed our PERS unfunded liability and believe that the restructuring of this liability will reduce our costs over the next thirty years.

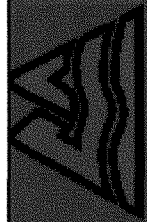
Thank you for an excellent report to assist the Board and citizens of Multnomah County .

# Appendix

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# 10 Years of Change

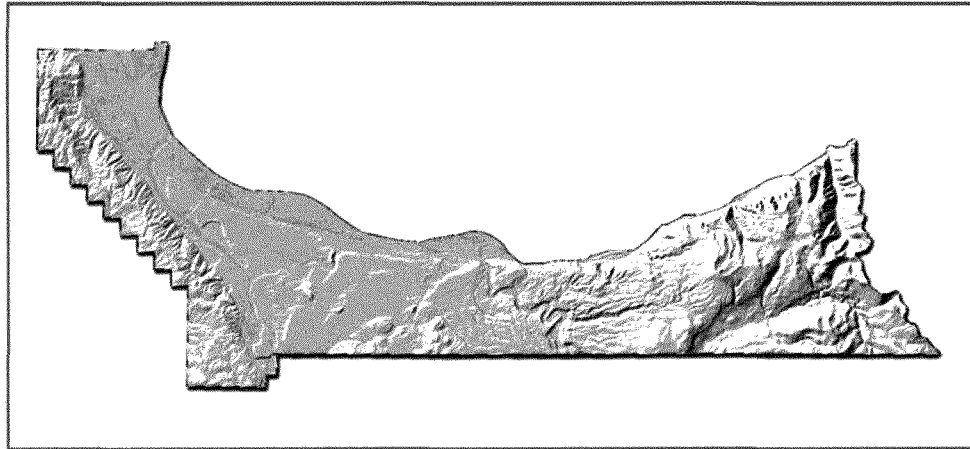




# **Multnomah County**

## **A Brief Review of Expenditure Trends**

**October 23, 2001**



**By Jim Carlson & Matt Nice Evaluation/Research Unit**

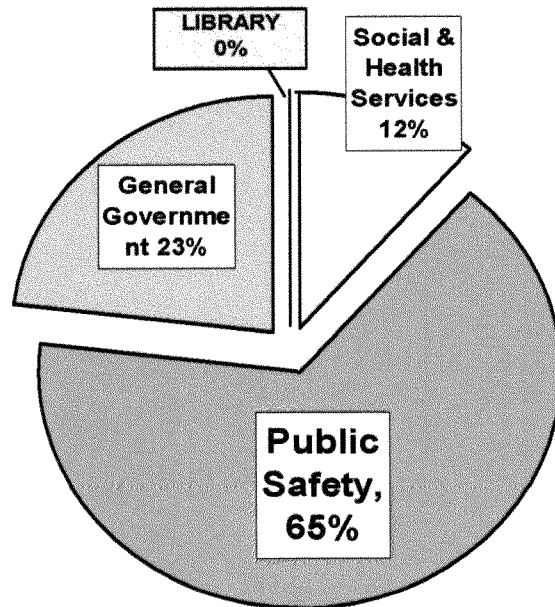
**Budget & Quality Office**

**Department of Support Services**

**Using data prepared by the Multnomah County Auditor's Office**

# Does Public Safety Consume 65% or 44% of Locally Generated Revenue?

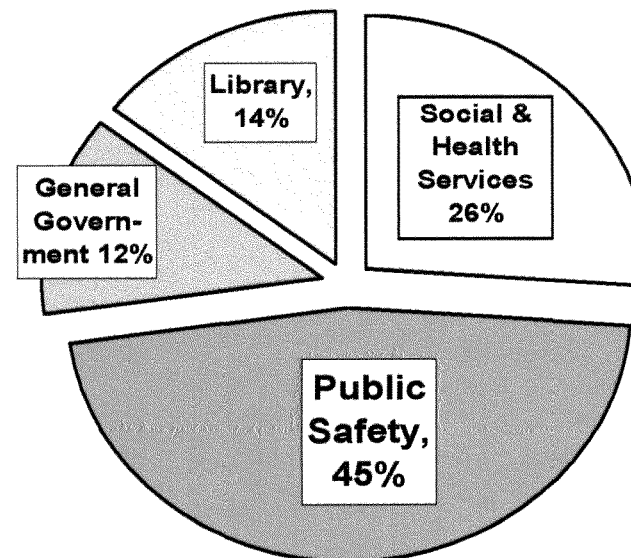
**General Fund Spent in  
Departments as General Fund  
FY02**



**TOTAL = \$169 million**

**How We Account for General Fund**

**All Local Spending: General Fund,  
General Fund Transfers, Levies  
FY02**



**TOTAL = \$321 million**

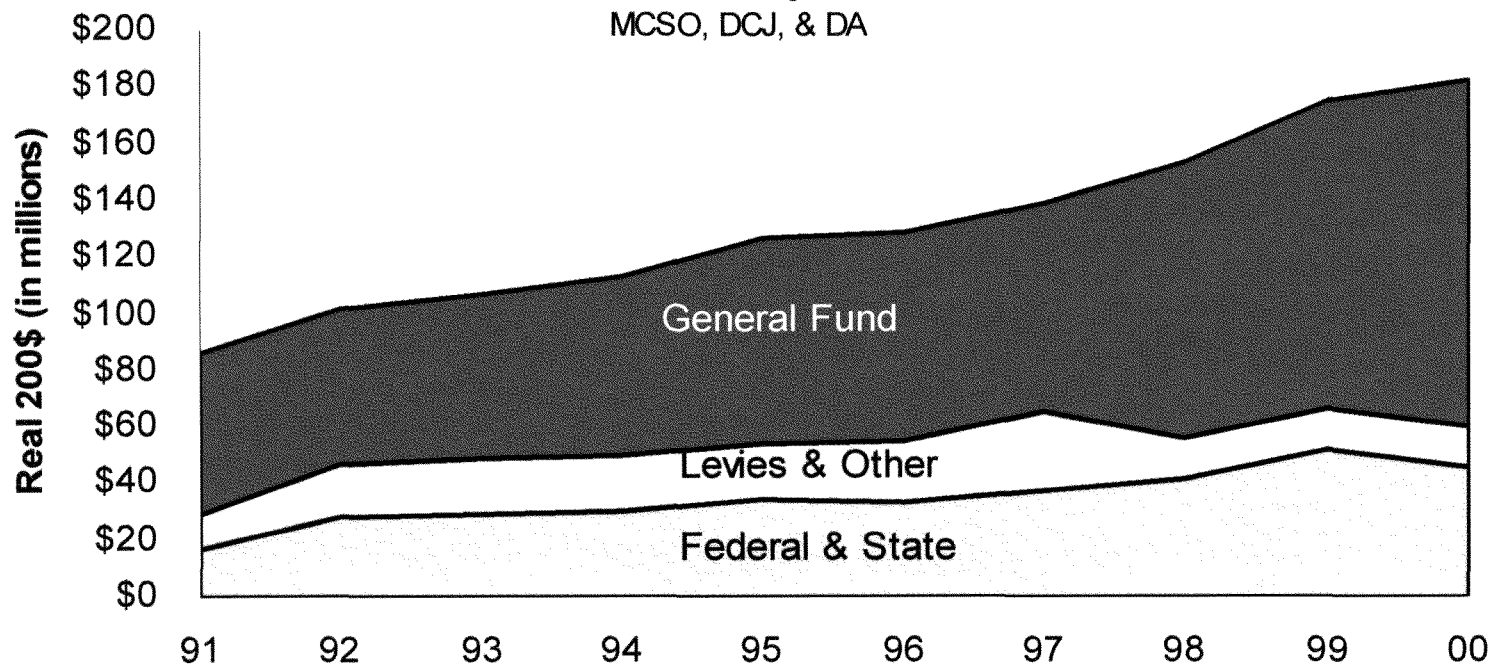
**How We Spend Local Dollars**

➤ Accounting for local fund expenditure depends on whether we count only GF that is spent in departments as GF, or all local revenue including GF, GF Transfers, and Local Levies.

# What are the Revenue Sources for Public Safety?

## Public Safety Trends

MCSO, DCJ, & DA



Source: Multnomah County Auditor's Office, Financial Condition Report April 2001, pg 11

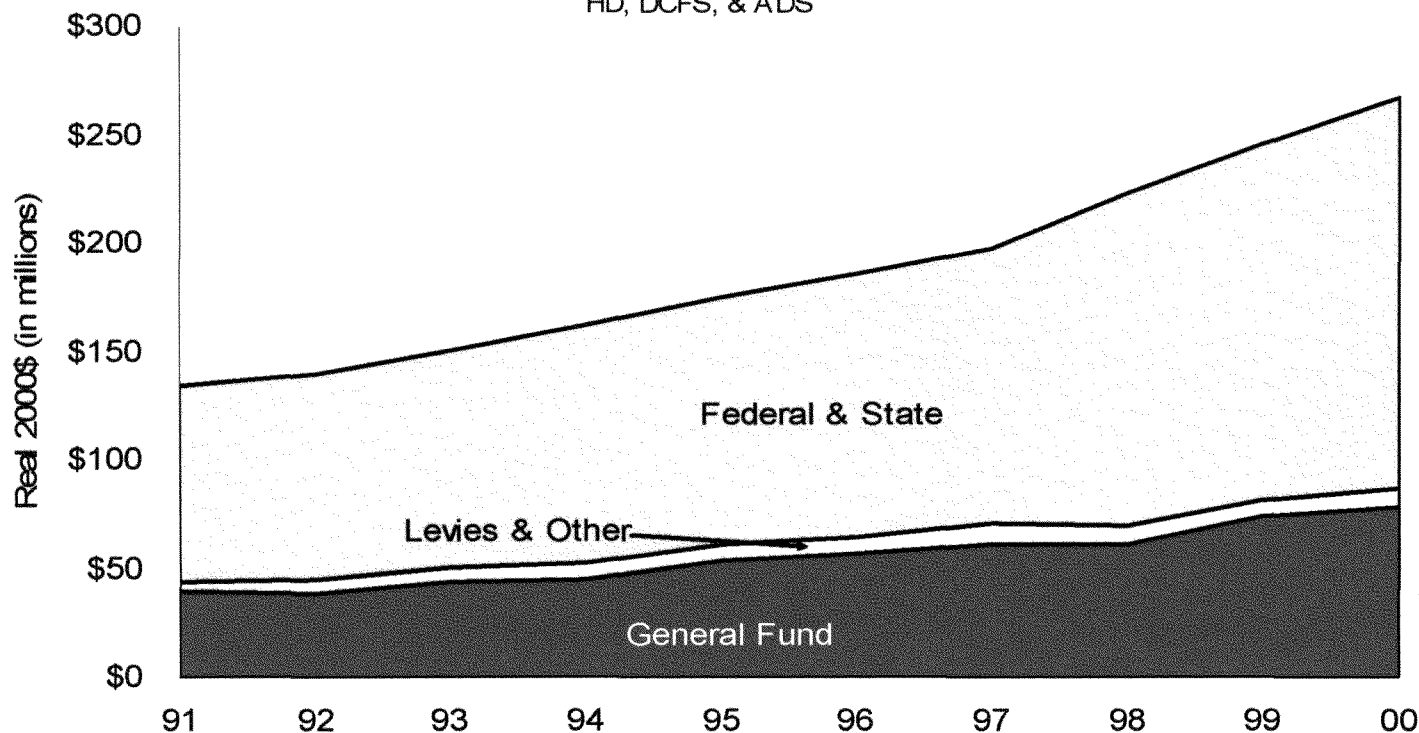
- **GF expenditures for Public Safety, inflation adjusted, increased 115%, from \$57 million in FY91 to \$122 million in FY00.**
- **GF paid 2/3<sup>rd</sup> of the Public Safety budget in FY00.**
- **Federal and State revenues dropped in FY99-00.**



# What are the Revenue Sources for Health & Social Services?

## Health & Social Service Trends

HD, DCFS, & ADS

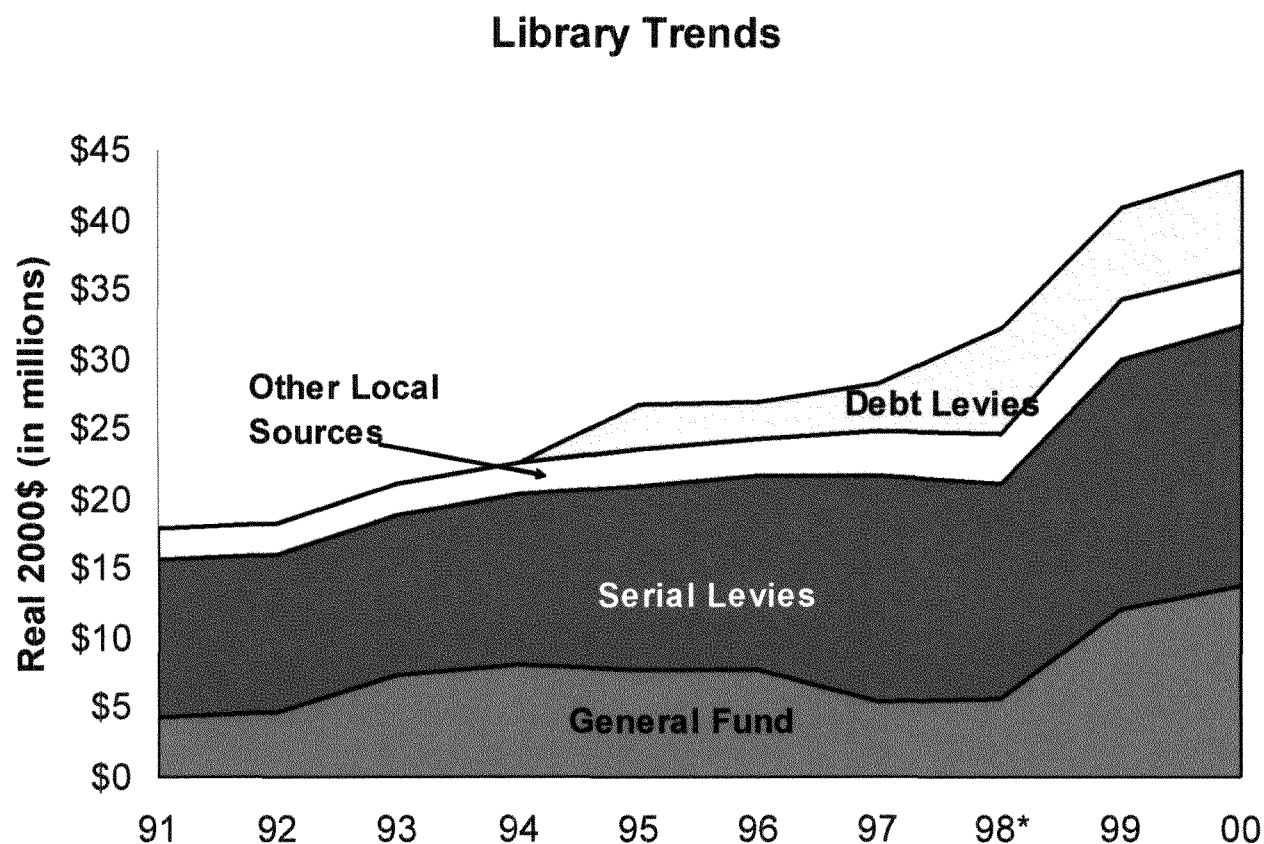


Source: Multnomah County Auditor's Office, Financial Condition Report April 2001, pg 12

- GF spending for social and health services, inflation adjusted, increased 101%, from \$39 million in FY91 to \$79 million in FY00.
- Federal & State funds accounted for 2/3<sup>rd</sup> of Heath & Social Service expenditures in 2000.



## What are the Revenue Sources for the Library?



Source: Multnomah County Auditor's Office, Financial Condition Report April 2001, pg 13

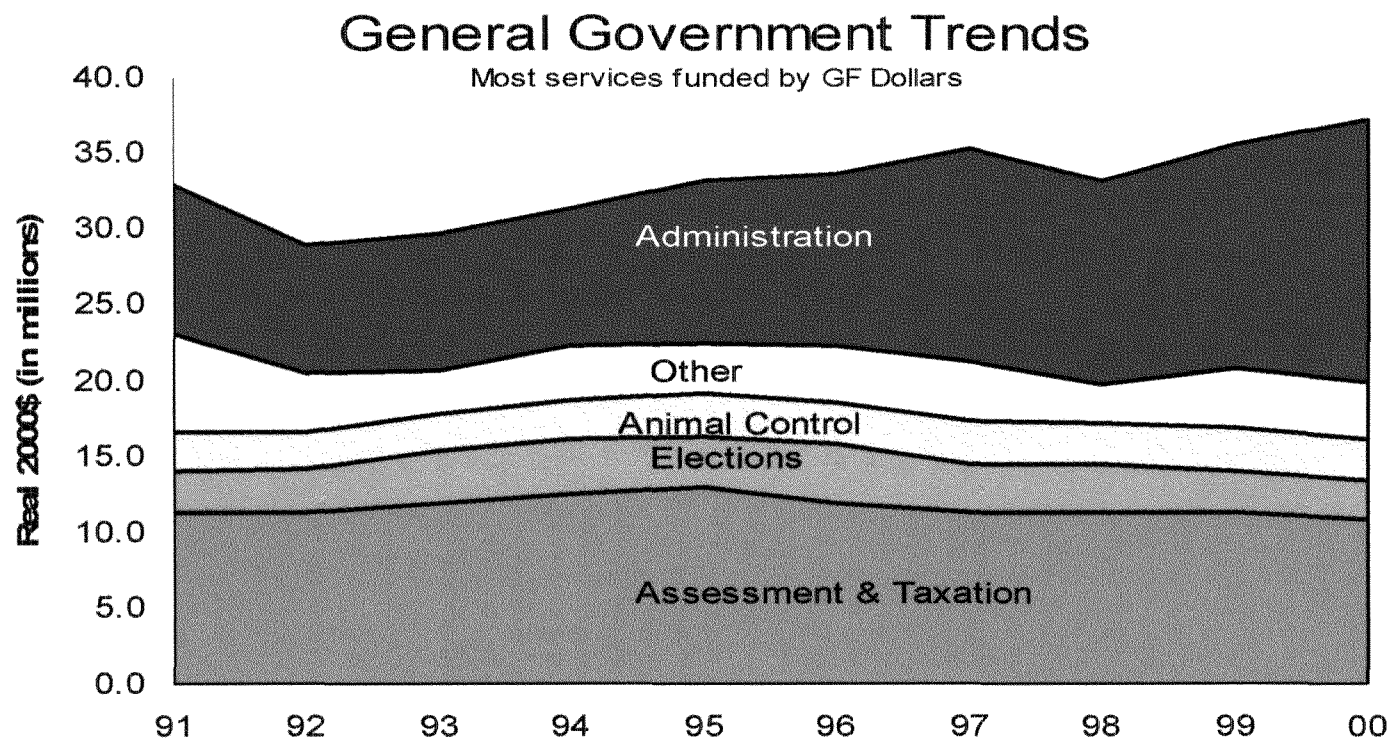
\*MCAO data for FY98 adjusted to reflect CAFR and Budget Detail--accounting issue.

- **The Library is almost entirely funded by local sources.**
- **Total Library spending from all sources, inflation adjusted, increased 140% from \$18 million in FY91 to \$43 million in FY00.**





## Where are General Government Dollars Spent?



Source: Multnomah County Auditor's Office, Financial Condition Report April 2001, pg 15

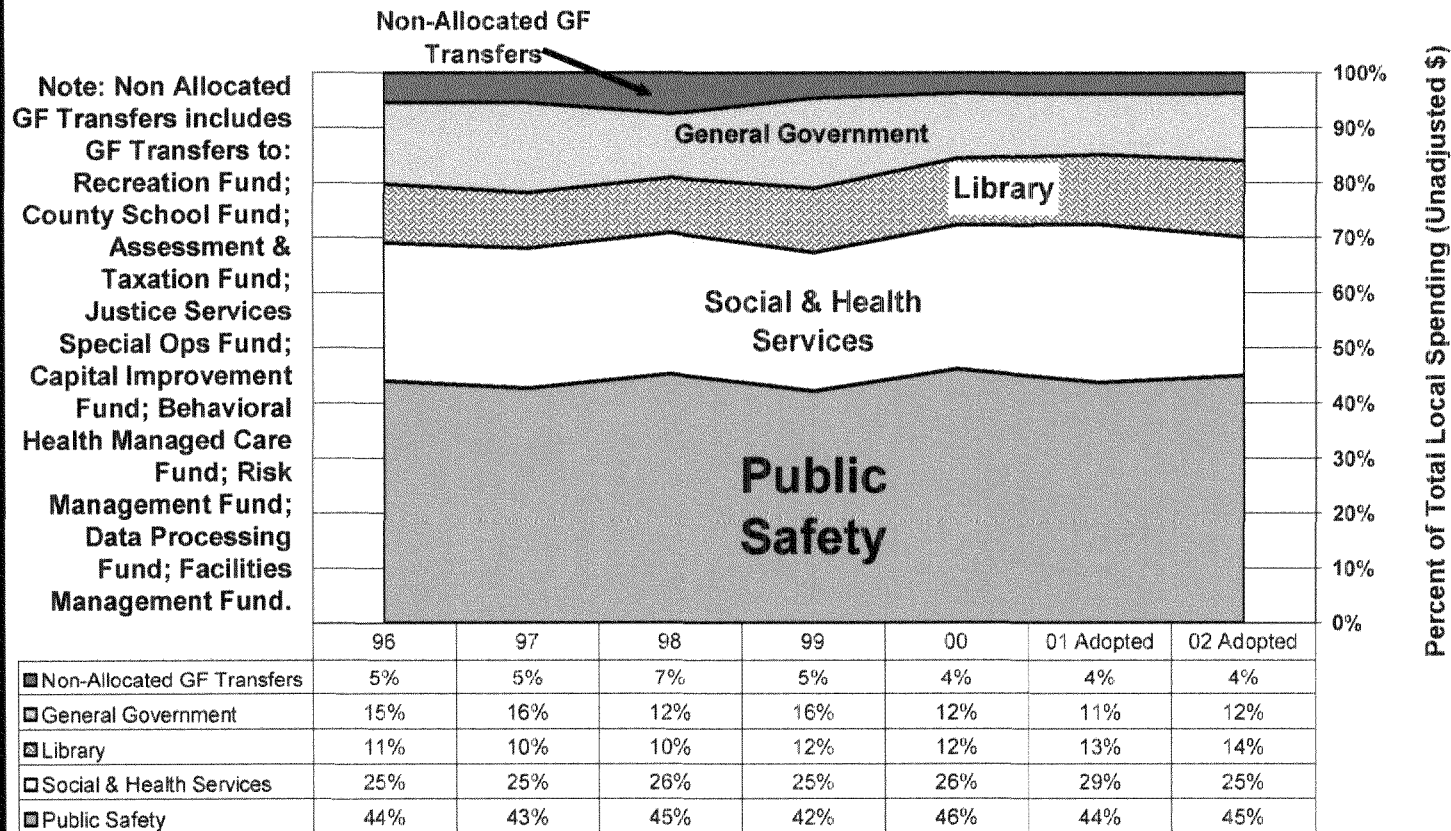
- **Assessment & Taxation, Elections, and "Other" government functions all cost less in inflation adjusted dollars. Animal control increased only 15%.**
- **Administration, inflation adjusted, grew 75%, from \$10 million in FY91 to \$17 million in FY00.**

**Note:** Administration includes finance, accounting, human resources, information services, budget & evaluation, organization development & training, much of the Dept. of Sustainable Community Development, county counsel, auditor's office, and county commissioners.



# What is the Big Picture for All Local Spending?

## Allocation of Total Local Spending in Multnomah County FY96-FY02



The Library increased its share of total local spending from 11% to 14%. General Government's share of total local spending declined 3%  
One percent of total local spending in FY 02 is about \$3.2 million.

## Multnomah County Facts

Population, households, elections  
and kids

October 2001

How many people are there in  
Multnomah County?

- A. 630,545?
- B. 583,887?
- Or,
- C. 660,486?

October 2001

Multnomah County, Evaluation/Research Unit

2

What % of people in Multnomah  
County are registered to vote?

- A. 65%?
- B. 81%?
- Or,
- C. 72%?

October 2001

Multnomah County, Evaluation/Research Unit

4

We've decreased the number of  
people 65 or older in Mult Co. True?

- A. True, we have 5,786 less in this  
age group than in 1990.
- B. True, we have 4,201 less.
- Or,
- A. True, we have 1,245 less.

October 2001

Multnomah County, Evaluation/Research Unit

6

How many school districts are there  
in Multnomah County?

- A. 10?
- B. 3?
- Or,
- C. 13?

October 2001

Multnomah County, Evaluation/Research Unit

10

Oregon's population grew at a faster  
rate than Mult Co. True or false?

- A. True, Oregon grew 3% more  
than Mult Co.
- B. False, Oregon grew at the same  
rate of 13%.
- Or,
- C. True, Oregon grew 7% more  
than Mult Co.

October 2001

Multnomah County, Evaluation/Research Unit

12

How many people in the Under 18 age group are in District 4?

- A. 44,613?
- B. 25,483?
- Or,
- C. 67,890?

October 2001

Multnomah County, Evaluation/Research Unit

14

What % of Mult Co property taxes go to School Districts?

- A. 36%?
- B. 40%?
- Or,
- C. 20%?

October 2001

Multnomah County, Evaluation/Research Unit

15

Which household type has increased the least since 1990?

- A. Single person households?
- B. Male headed households?
- Or,
- C. Married couple households?

October 2001

Multnomah County, Evaluation/Research Unit

16

Which statement is more accurate?

- A. The majority of households now have people Under 18.
- B. In 2000, the majority of households do not have people Under 18.
- Or,
- C. Since 1990, the majority of households continue to be without people Under 18.

October 2001

Multnomah County, Evaluation/Research Unit

20

Which of the following governments' budget grew more than 65% since 1990?

- A. Mult Co and City of Portland
- B. Mult Co and City of Gresham
- Or,
- C. Mult Co, Portland and Gresham

October 2001

Multnomah County, Evaluation/Research Unit

22

Which % of Multnomah kids go to Portland Public Schools District?

- A. 57%?
- B. 48%?
- Or,
- C. 42%?

October 2001

Multnomah County, Evaluation/Research Unit

24

What % of property taxes go to local City budgets?

- A. 35%?
- B. 40%?
- Or,
- C. 25%?

October 2001

Multnomah County, Evaluation/Research Unit

28

There is a household in East County whose house and garage are in different school districts. True?

- A. Yes, it's true.
- Or,
- C. No, that's hard to believe.

October 2001

Multnomah County, Evaluation/Research Unit

29

What % of Mult Co property taxes go to Multnomah Co budget?

- A. 100%?
- B. 26%?
- Or,
- C. 43%?

October 2001

Multnomah County, Evaluation/Research Unit

30

How many School Districts are in Mult Co Commissioner District 4?

- A. 3?
- B. 6?
- Or,
- C. 9?

October 2001

Multnomah County, Evaluation/Research Unit

32

What percent of Multnomah County children are under the poverty line?

- A. 12.9%?
- B. 10.4%?
- Or,
- C. 15.2%?

October 2001

Multnomah County, Evaluation/Research Unit

34

What percent of Multnomah County adults are under the poverty line?

- A. 16.9%?
- B. 17.4%?
- Or,
- C. 13.1%?

October 2001

Multnomah County, Evaluation/Research Unit

36

Which type of household has the higher median household income?

- A. Family households?
- Or,
- B. Non family households?

October 2001

Multnomah County, Evaluation/Research Unit

36

Which school districts have deepest pockets of poverty?

- A. Reynolds school district?
- B. Gresham-Barlow school district?
- C. Centennial school district?
- Or,
- D. All of the above?

October 2001

Multnomah County, Evaluation/Research Unit

37

Since 1990, what is the decrease in the % of Multnomah residents speaking English at home?

- A. 6%?
- B. 8%?
- C. 2%?
- Or,
- D. It has increased 4%?

October 2001

Multnomah County, Evaluation/Research Unit

38

How many Multnomah residents speak an Asian-Pacific Islander language at home?

- A. 30,802?
- B. 18,519?
- Or,
- D. 40,388?

October 2001

Multnomah County, Evaluation/Research Unit

39

How many Multnomah residents speak Spanish language at home?

- A. 31,254?
- B. 35,298?
- Or,
- D. 40,388?

October 2001

Multnomah County, Evaluation/Research Unit

40

Which of the following are the two major data sets from Census Bureau?

- A. American Population?
- B. Decennial Census?
- Or,
- D. American Community Survey?

October 2001

Multnomah County, Evaluation/Research Unit

41



What's the difference between the ACS and the Census?

- A. Sample size?
- B. Types of questions?
- C. Block level vs. County level data

Or,

- D. All of the above?

October 2001

Multnomah County, Evaluation/Research Unit

42

Which of the following data sources agree with the Census figures on poverty?

- A. Living wage research?
- B. Program numbers such as Federal Breakfast Lunch program
- C. Food bank usage data

Or,

- D. None of the above?

October 2001

Multnomah County, Evaluation/Research Unit

43

## MULTNOMAH COUNTY DEMOGRAPHICS 2000

OCTOBER 2001

EVALUATION/ RESEARCH UNIT  
MULTNOMAH COUNTY, OREGON

WITH ASSISTANCE FROM:

-MULTNOMAH COUNTY GIS

ANDREA WESTERSUND

-PORTLAND-MULTNOMAH PROGRESS BOARD

SCOTT STEWART .

BOB MACKAY

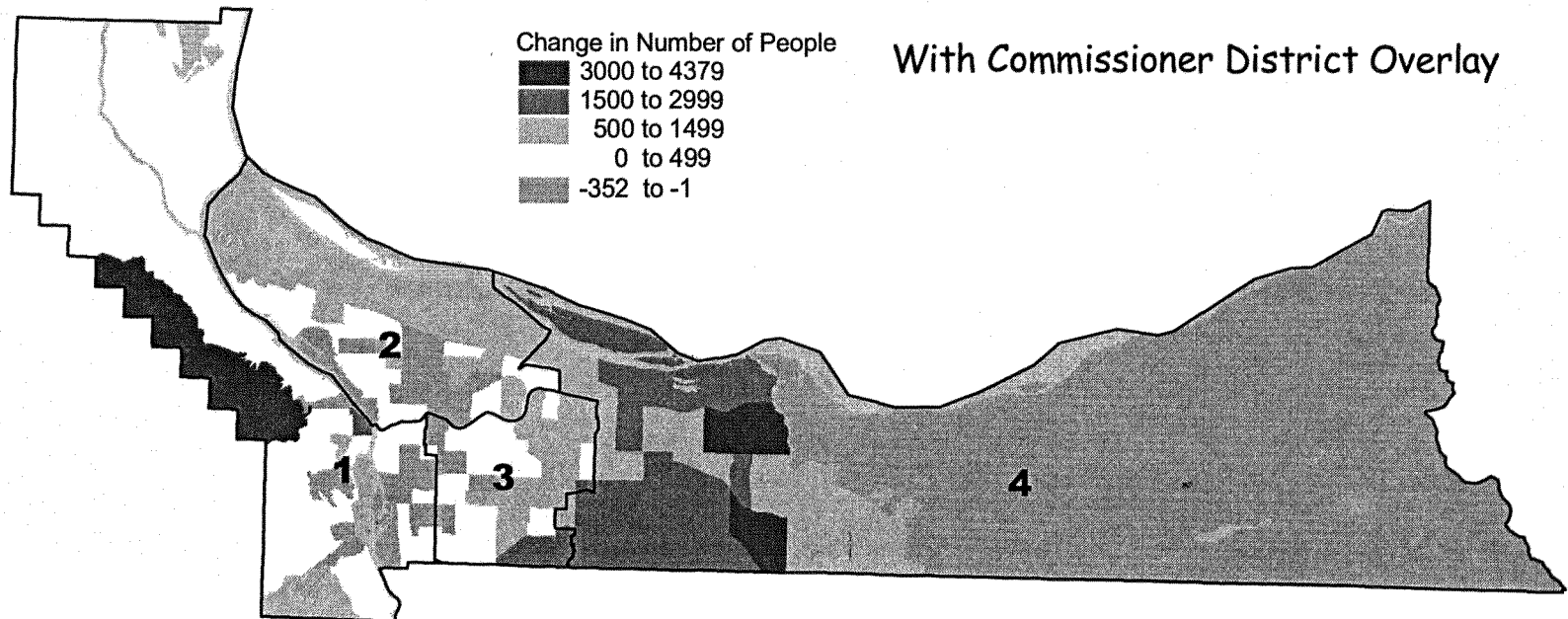
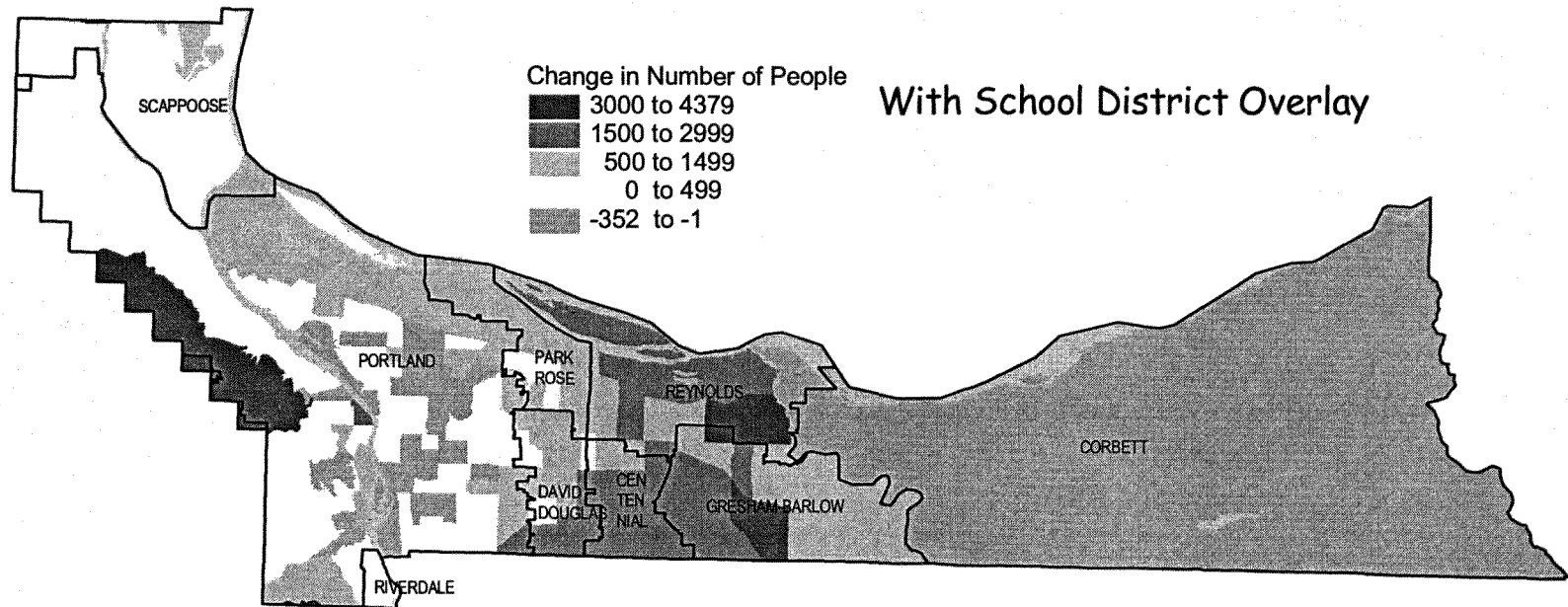


# County Population: Main Findings

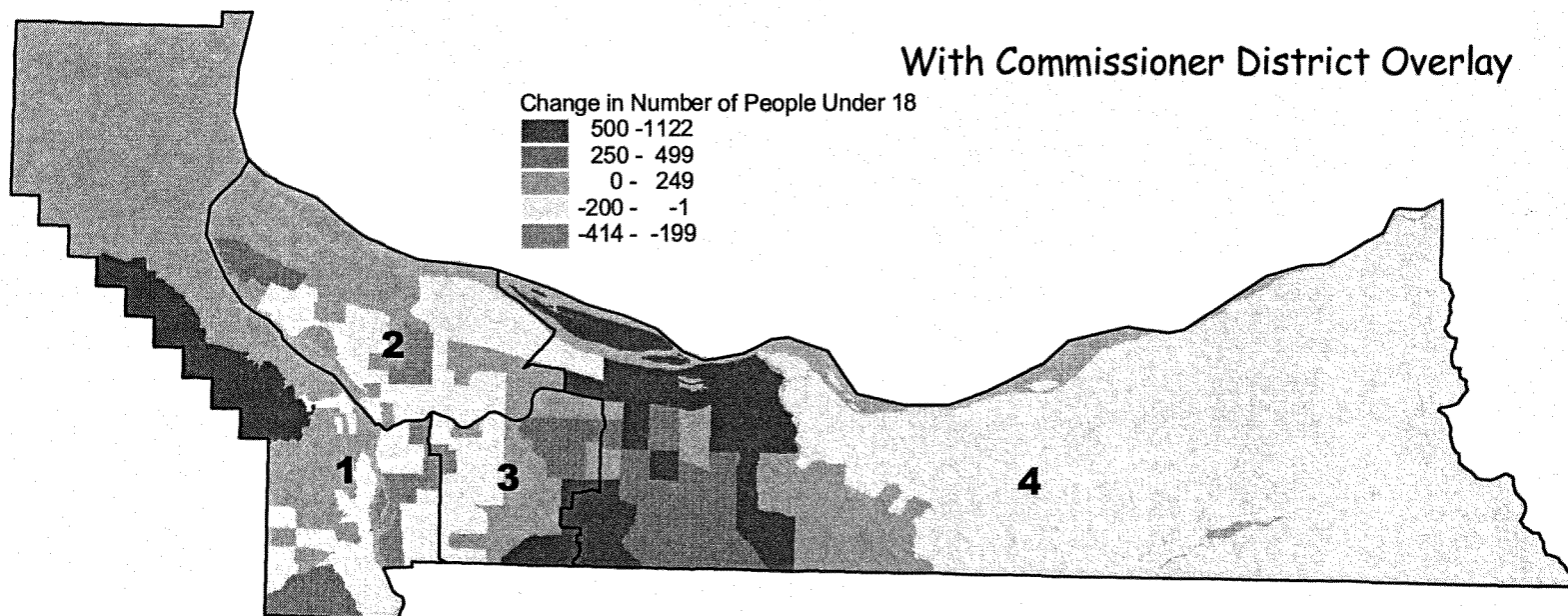
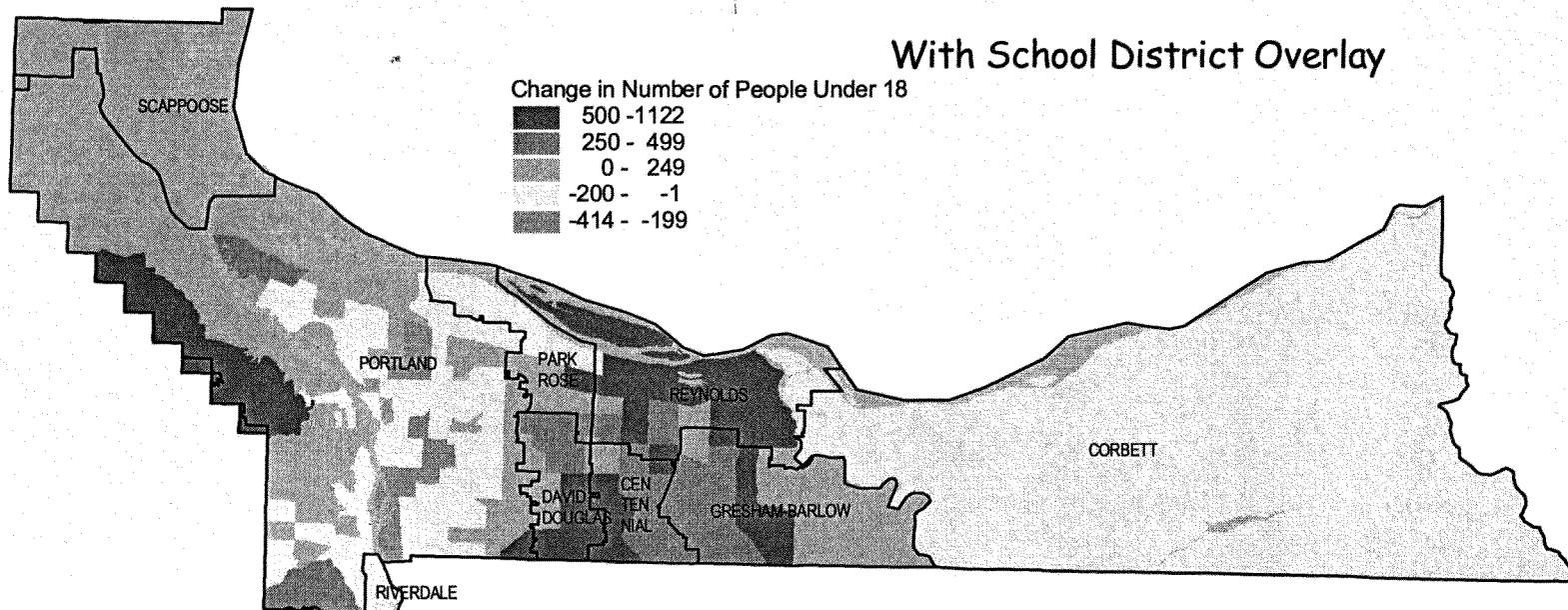
- Since 1990, County population overall has increased by 13%. The Under 18 age group has increased by only 9% but 18-64 group has increased by 19%. In contrast, 65 or older group has decreased by 7%. Future projections will also have to take into account migration factors.
- There is an increase of 12,330 kids living in Multnomah County since 1990.
- Multnomah County's population has been subdivided into four equal Districts. However, in terms of age groups, household types and other social characteristics, each District will have a different makeup.
- In every living situation, there are more kids in District 4 than in District 1.
- District 2 has the largest number of kids (9,977) living in Female Headed households and other types of households such as other relatives, non relatives and institutions.
- District 4 has 30% of the County's 147,250 people under 18. Compared to other Districts, District 4 also has the highest number of 13-21 youths.
- District 1 has 28% of the County's 439,629 people between 18-64 and only 17% of the under 18 age group.
- District 3 has 29% of the County's 73,607 people who are 65 or older.
- Across all household types, the majority, 71% (192,888) of households in Multnomah County do not have people under 18 and only 29% (79,210) have people under 18.
- In 1990 and 2000, more than 50% of the Married Couple households do not have people under 18. Single and Nonfamily households were very unlikely to have people under 18.

- There are 111,400 Married Couple households which is the most common household type in Multnomah County. Of these, 60,333 have people under 18 in the household.
- In contrast to Married Couple households, more than 60% of Male and Female headed households have people under 18. Since 1990, single parent households increased in number and percentage.
- The increase of 2,592 children living in Male Headed households is a 42% increase. Despite this increase in the number of children living in Male Headed households, there are still more children living in Female Headed households than in Male Headed households.
- Compared to 1990, Multnomah County has fewer households with people 65 or over.
- 28% of Multnomah County eligible voters are not registered. District 4 has 32% of its people over 18 not registered. This is highest of all four Districts.
- Political affiliation in Multnomah County is mainly Democrat. For each registered Republican there are two Registered Democrats or one registered 3<sup>rd</sup> party or no political affiliation noted.

# Change in the Number of People from 1990 to 2000 with Overlays

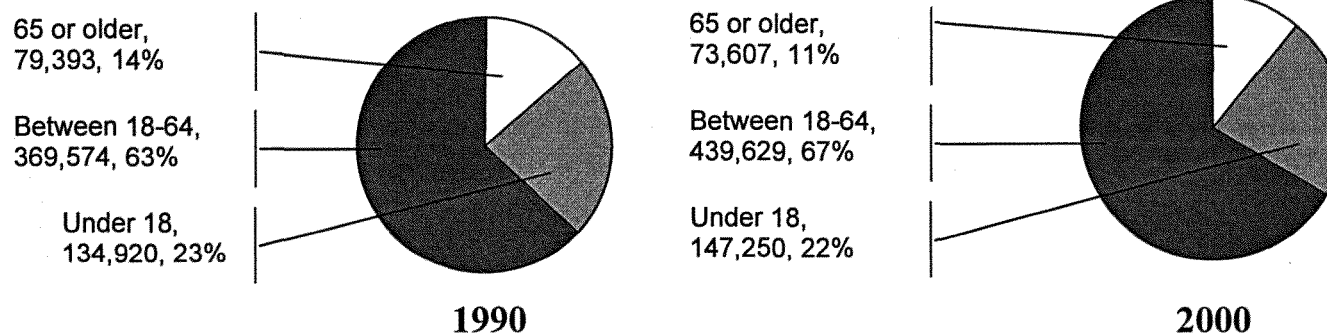


# Change in the Number of People Under 18 from 1990 to 2000 with Overlays



## A. County Individuals

**Figure 1: Multnomah County Age Groups, 1990 and 2000**



Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

**Table 1: Multnomah County Age Groups, 1990 and 2000**

	1990	2,000	# change	% Change
Total people	583,887	660,486	+76,599	13.1%
People between 18-64	369,574	439,629	+70,055	19.0%
People under 18	134,920	147,250	+12,330	9.1%
People 65 or older	79,393	73,607	-5,786	-7.3%

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

- Multnomah County has grown about 77,000 (13.1%) people in this decade. Oregon's population has increased since 1990 by 20%; US has increased by 13%.
- The under 18 and 18-64 age groups also increased but the 65 or older decreased by 7%.

**Table 2: Multnomah County Age, 1990 and 2000**

	1990	% of pop	2000	% of pop
Total people	583,887	100.0%	660,486	100.0%
People under 18	134,920	23.1%	147,250	22.3%
People between 18-64	369,574	63.3%	439,629	66.6%
People 65 or older	79,393	13.6%	73,607	11.1%
People 13-21	65,196	11.2%	75,608	11.4%

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

**Table 3: Multnomah County Age Groups by District, 2000**

	County	District 1	District 2	District 3	District 4
Total people	660,486	165,096	165,152	165,094	165,144
People under 18	147,250	25,483 (17%)	38,852 (27%)	38,302 (26%)	44,613 (30%)
People between 18-64	439,629	121,613 (28%)	109,545 (25%)	105,478 (24%)	102,993 (23%)
People 65 or older	73,607	18,000 (24%)	16,755 (23%)	21,314 (29%)	17,538 (24%)
People 13-21	75,608	15,985 (21%)	19,582 (26%)	18,368 (24%)	21,673 (29%)

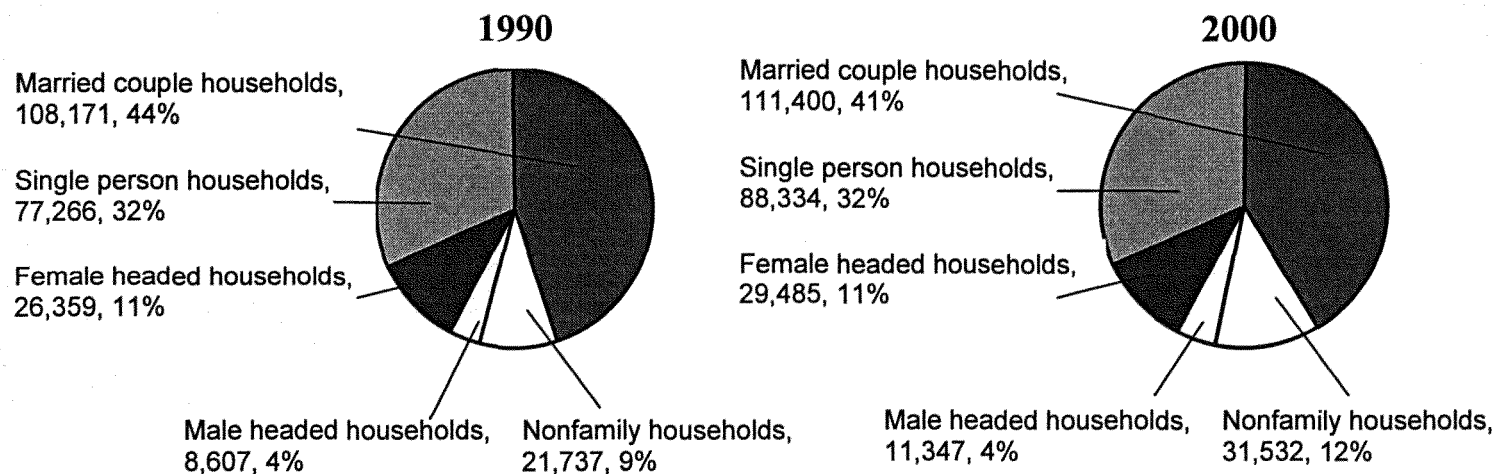
Source: US Census Bureau, 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

### Highlights

- Multnomah County's population has subdivided into four equal Districts. However, in terms of age groups, household types and other social characteristics, each District will have a different makeup.
- District 4 has 30% of the County's 147,250 people under 18. Compared to other Districts, District 4 also has the highest number of 13-21 youths.
- District 1 has 28% of the County's 439,629 people between 18-64 and only 17% of the under 18 age group.
- District 3 has 29% of the County's 73,607 people who are 65 or older.

## B. County Households

**Figure 2: Multnomah County Household Types, 1990 and 2000**



Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

**Table 4: Multnomah County Household Types, 1990 and 2000**

	1990	2000	# change	% Change
Total households in County	242,140	272,098	+29,958	12.4%
Married couple households	108,171	111,400	+3,229	3.0%
Female headed households	26,359	29,485	+3,126	11.9%
Male headed households	8,607	11,347	+2,740	31.8%
Single person households	77,266	88,334	+11,068	14.3%
Nonfamily households	21,737	31,532	+9,795	45.1%

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

**Table 5: Multnomah County Households People Under 18 by District, 2000**

	County	District 1	District 2	District 3	District 4
Total households (Lines A and F)	272,098	80,764	66,246	64,474	60,614
(A) Households with NO PEOPLE under 18	192,888	65,700	45,725	44,125	37,338
Married couple households with no people under 18	60,333	16,162	13,387	14,824	15,960
Female headed households with no people under 18	9,449	1,819	2,916	2,690	2,024
Male headed households with no people under 18	4,647	943	1,365	1,323	1,016
Nonfamily, single households with no people under 18	118,459	46,776	28,057	25,288	18,338
(F) Households with people under 18	79,210	15,064	20,521	20,349	23,276
Married couple households with people under 18	51,067	10,561	11,686	12,969	15,851
Female headed households with people under 18	20,036	3,201	6,596	5,124	5,115
Male headed households with people under 18	6,700	1,049	1,856	1,847	1,948
Nonfamily, single households with people under 18	1,407	253	383	409	362

Source: US Census Bureau, 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

### Highlights

- There are 111,400 Married Couple households which is the most common household type in Multnomah County. Of these, 60,333 have people under 18 in the household.
- Across all household types, the majority, 71% (192,888) of households in Multnomah County do not have people under 18 and only 29% (79,210) have people under 18.

**Table 6: Multnomah County Households 65 or over, 1990 and 2000**

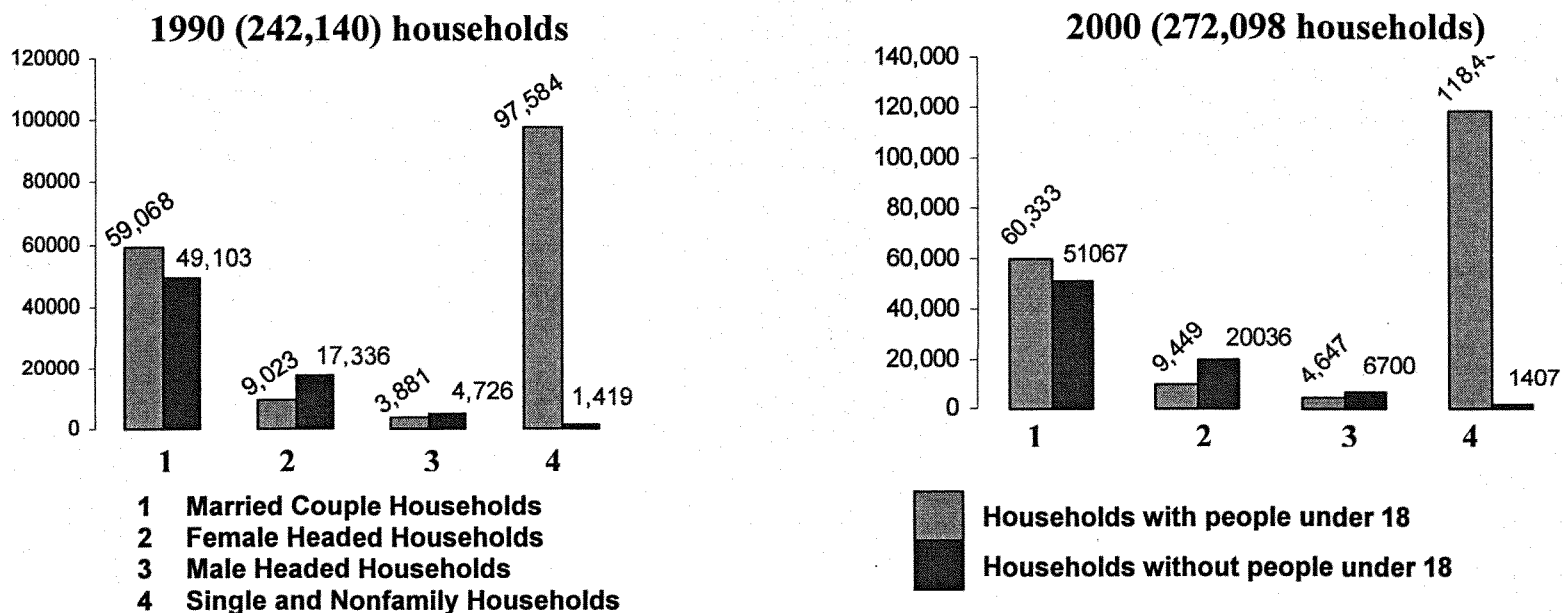
	1990	2000	# change	% change
Households with everyone under 65	185,484	219,448	33,964	18 %
Households with people 65 or over	56,656	52,650	-4,006	-7 %

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

- Compared to 1990, Multnomah County has fewer households with people 65 or over.



**Figure 3: Multnomah County Household Types and People under 18, 1990 and 2000**



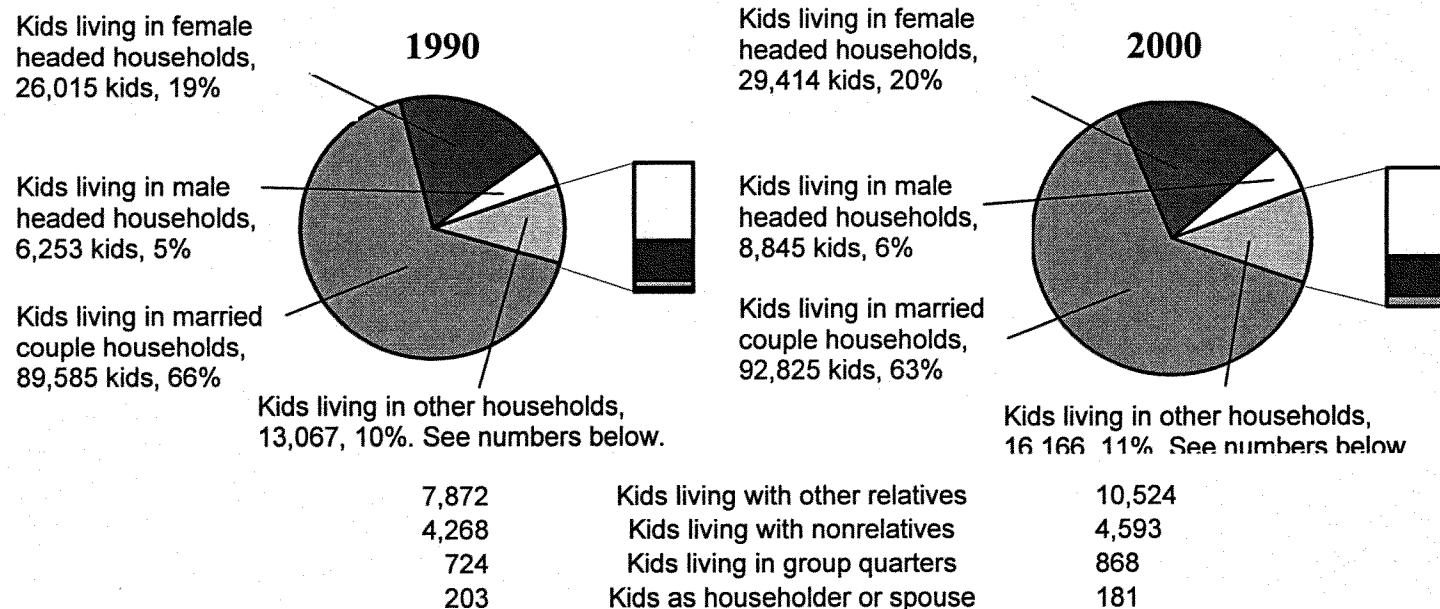
Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

### Highlights

- In 1990 and 2000, more than 50% of the Married Couple households do not have people under 18. Single and Nonfamily households were very unlikely to have people under 18. In 2000, the majority (71%) of households in Multnomah County do not have people under 18.
- In contrast to Married Couple households, less than 40% of Male and Female headed households do not have people under 18. Since 1990, single parent households increased in number and percentage.

# C. County Kids Living Situation

**Figure 4: Multnomah County Kids Living Situation, 1990 and 2000**



Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

## Highlights

- Most kids (60%+) live in Married Couple households. Since 1990, there has been a small decrease (3%) in the percentage of kids living in married couple households towards living in other household types.
- The second most common living situation for kids is the Female Headed household.

**Table 7: Multnomah County Kids Living Situation, 1990 and 2000**

	1990	2000	# change	% change
Total kids living in Multnomah County	134,920	<b>147,250</b>	12,330	9.14%
Kids living married couple households	89,585	<b>92,825</b>	3,240	3.62%
Kids living in male headed households	6,253	<b>8,845</b>	2,592	41.5%
Kids living in female headed households	26,015	<b>29,414</b>	3,399	13.1%
Kids living in other types of households	13,067	<b>16,166</b>	3,099	23.7%

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

### Highlights

- There is an increase of 12,330 kids living in Multnomah County since 1990.
- The increase of 2,592 children living in Male Headed households means a 42% increase. Despite this increase, there are more children living in Female Headed households than in male headed households.

**Table 8: Multnomah County Kids Living Situation by District, 1990 and 2000**

	County	District 1	District 2	District 3	District 4
Total kids	<b>147,250</b>	25,483	38,852	38,302	44,613
Kids living married couple households	<b>92,825</b>	18,054	21,036	24,007	29,728
Kids living in male headed households	<b>8,845</b>	1,319	2,389	2,489	2,648
Kids living in female headed households	<b>29,414</b>	4,259	9,977	7,303	7,875
Kids living in other types of households	<b>16,166</b>	1,851	5,450	4,503	4,362

Source: US Census Bureau, 1990 and 2000 SF1 analyzed by Multnomah County Evaluation/Research Unit, 9/2001

- In every living situation, there are more kids in District 4 than in District 1.
- District 2 has the largest number of kids (9,977) living in Female Headed households and other types of households such as other relatives, non relatives and institutions.

## D. County Elections

**Table 9: Multnomah County Elections Profile, 2000**

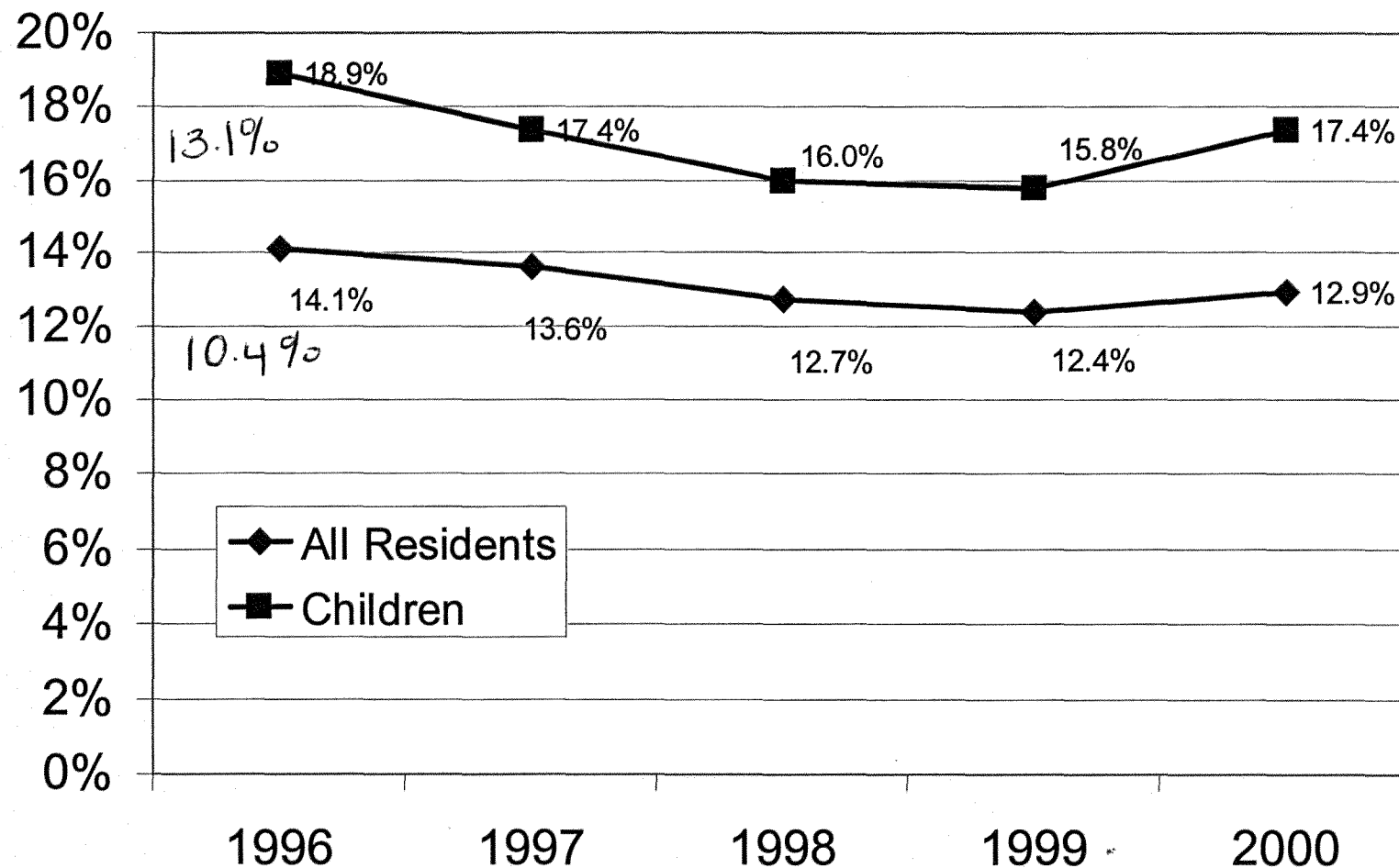
	County	District 1	District 2	District 3	District 4	Not geocoded to District yet
People 18 or over, Census figure	513,236	139,613	126,300	126,792	120,531	
Registered Voters	369,706	105,978	93,355	87,295	82,047	1,031
Number not registered	145,592	33,635	32,945	39,497	38,484	1,031
% of people not registered	28%	24%	26%	31%	32%	
Number who voted in Nov 2000	286,009	86,034	71,135	65,712	62,352	776
Number who voted in May 2000	158,727	48,476	39,484	36,466	33,895	406
Registered Democrat	180,737	51,292	52,528	42,395	34,112	410
Registered Republican	89,545	23,940	16,083	20,988	28,169	365
Registered 3rd party or no indication	99,424	30,746	24,744	23,912	19,766	256

Source: Multnomah County Elections, analyzed by Multnomah County GIS and Evaluation/Research Unit, 9/2001

# American Community Survey

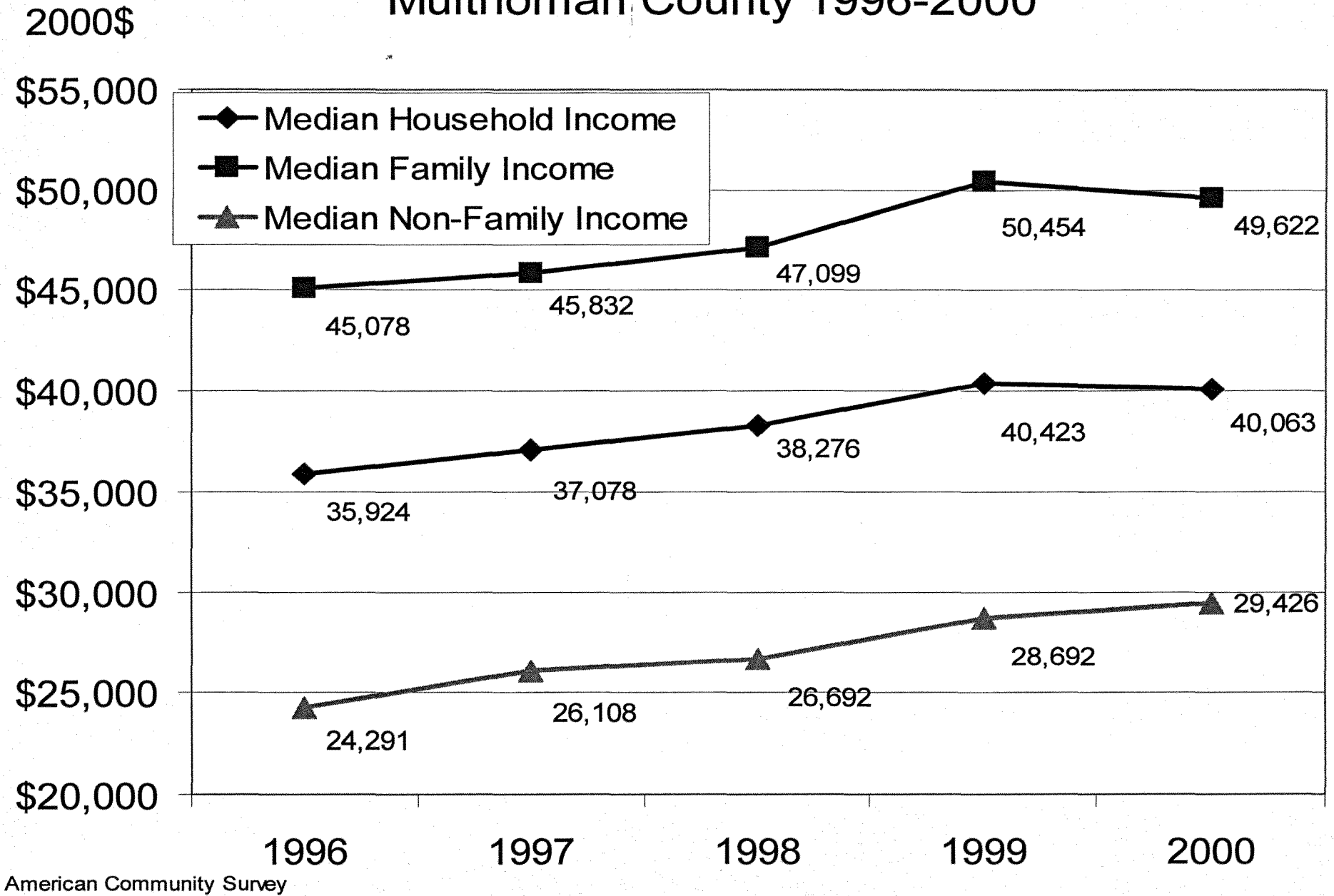
## Residents and Children in Poverty

### Multnomah County 1996-2000



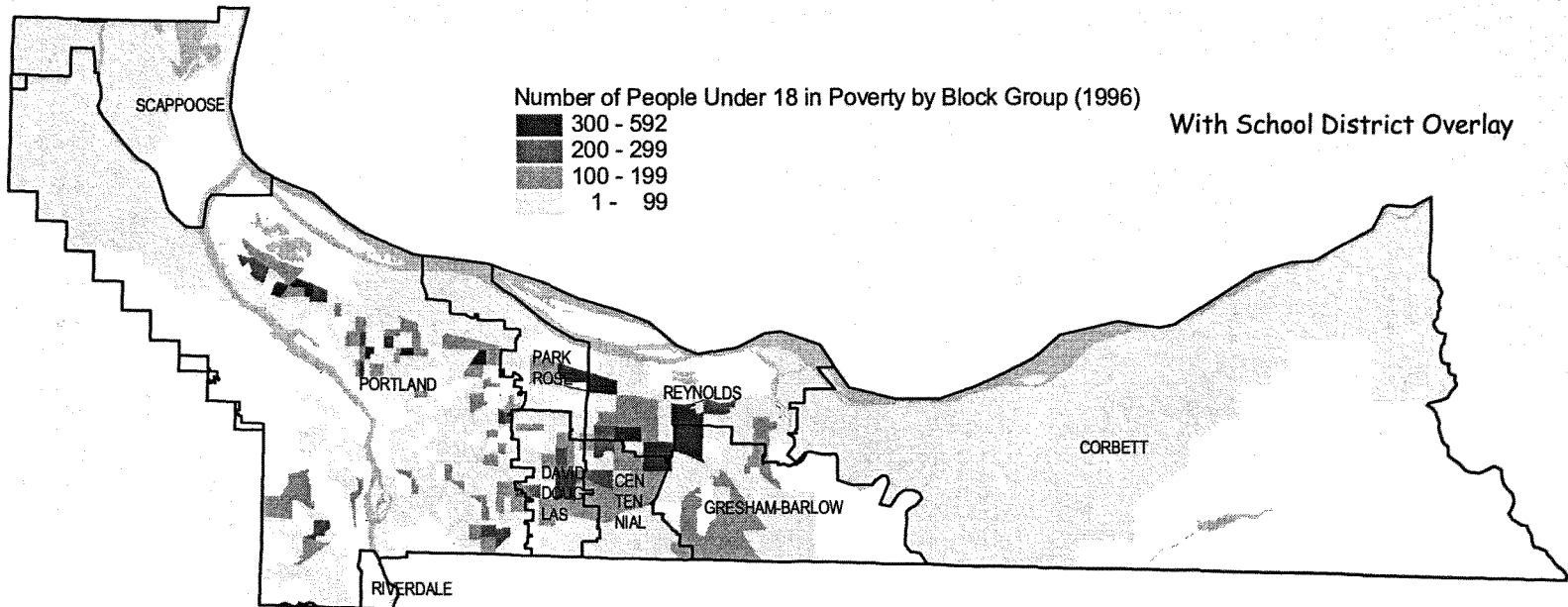
American Community Survey

# Multnomah County 1996-2000

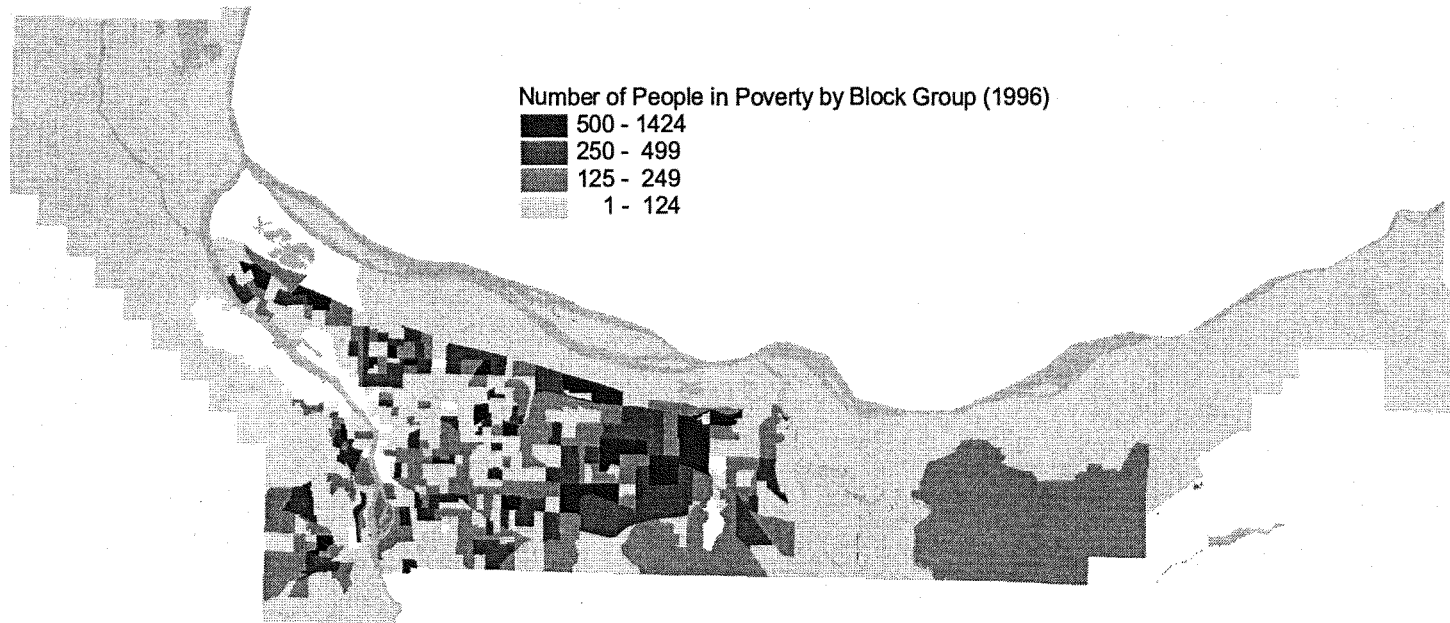


# Pockets of Poverty

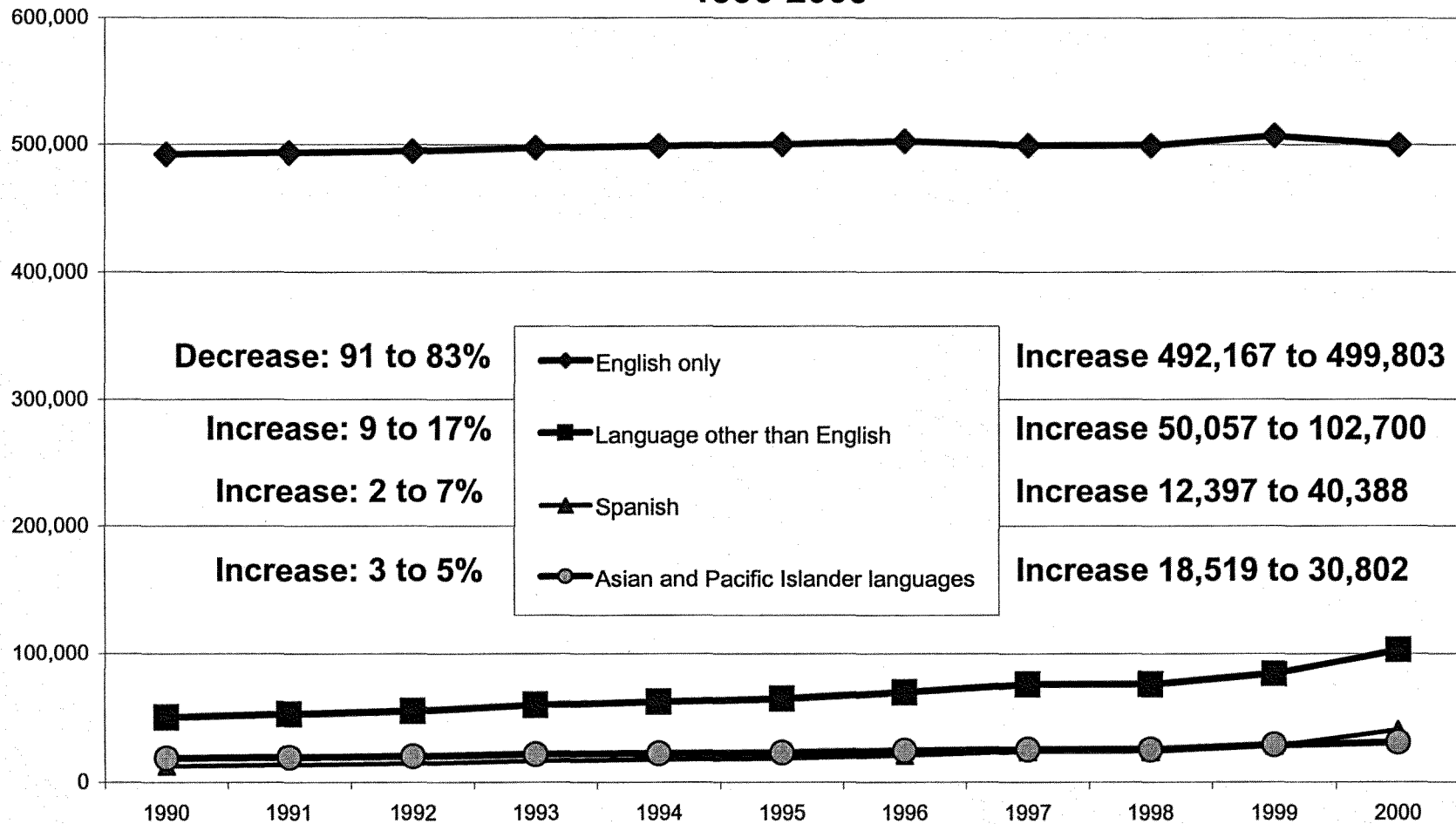
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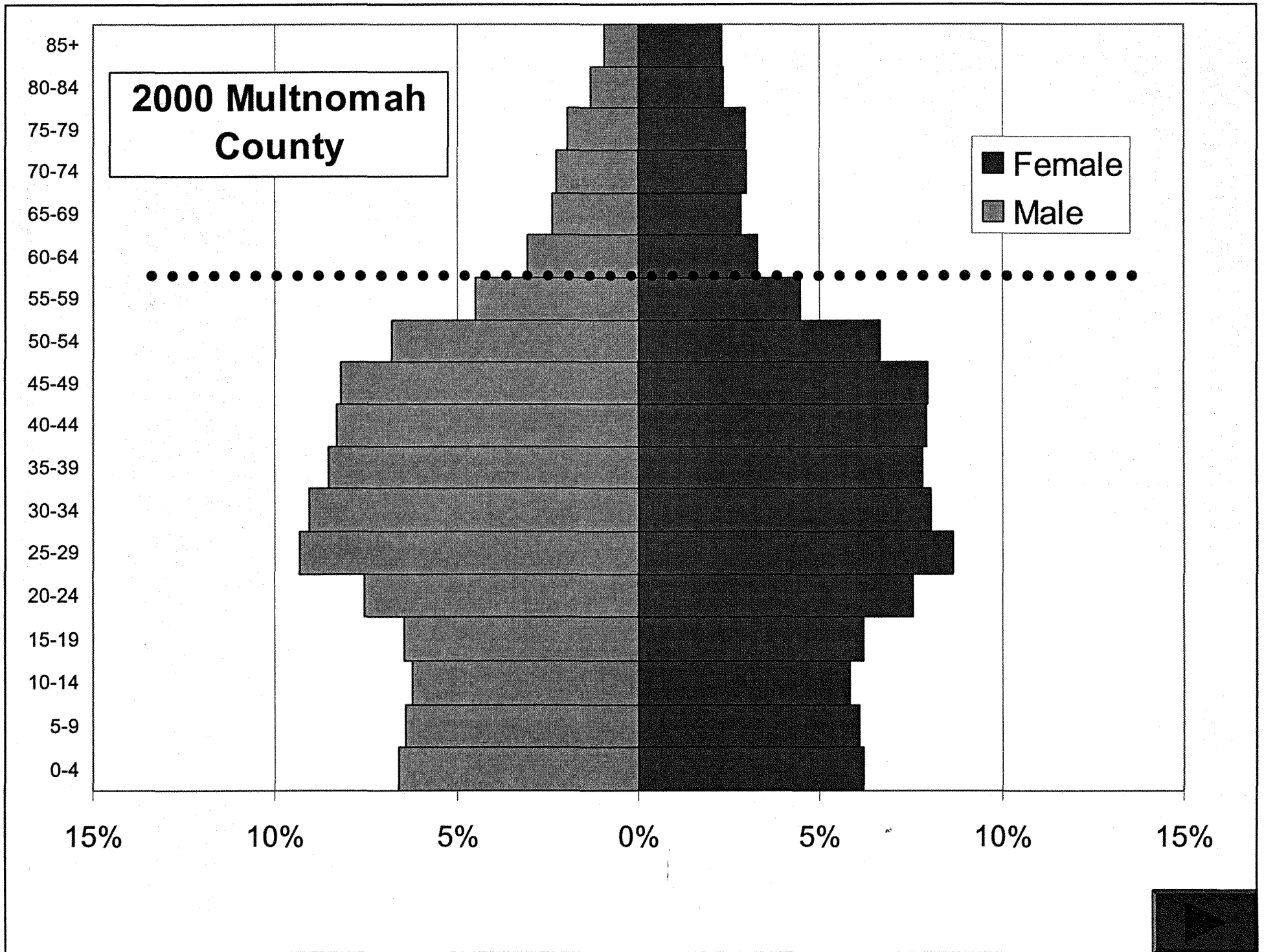


# **Language Spoken at Home, Multnomah County Residents Age 5 or Higher 1990-2000**

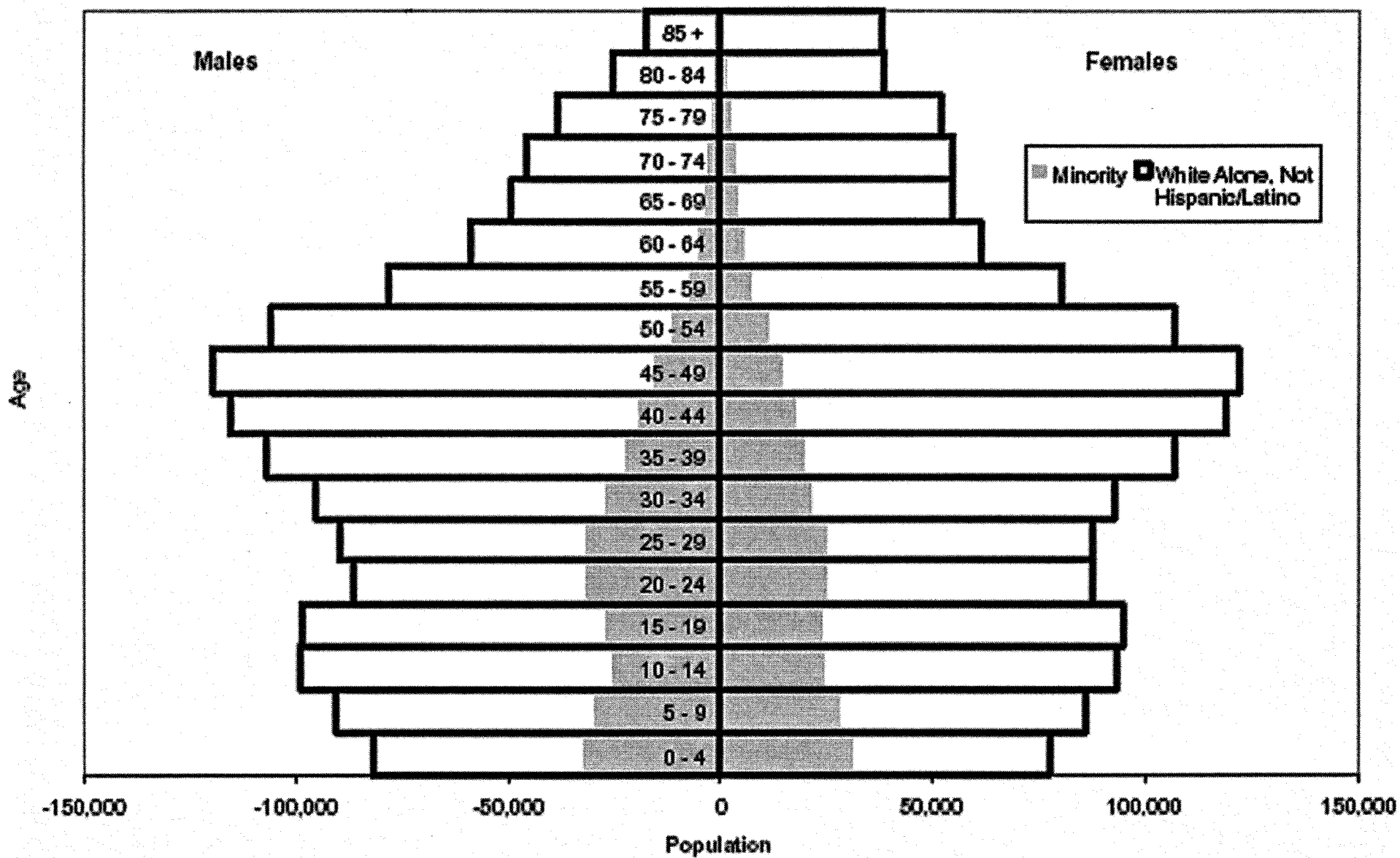


Sources: US Census Bureau -- 1990 Census; 1996-2000 American Community Survey  
 Note: Spanish and API are subsets of "Language other than English"

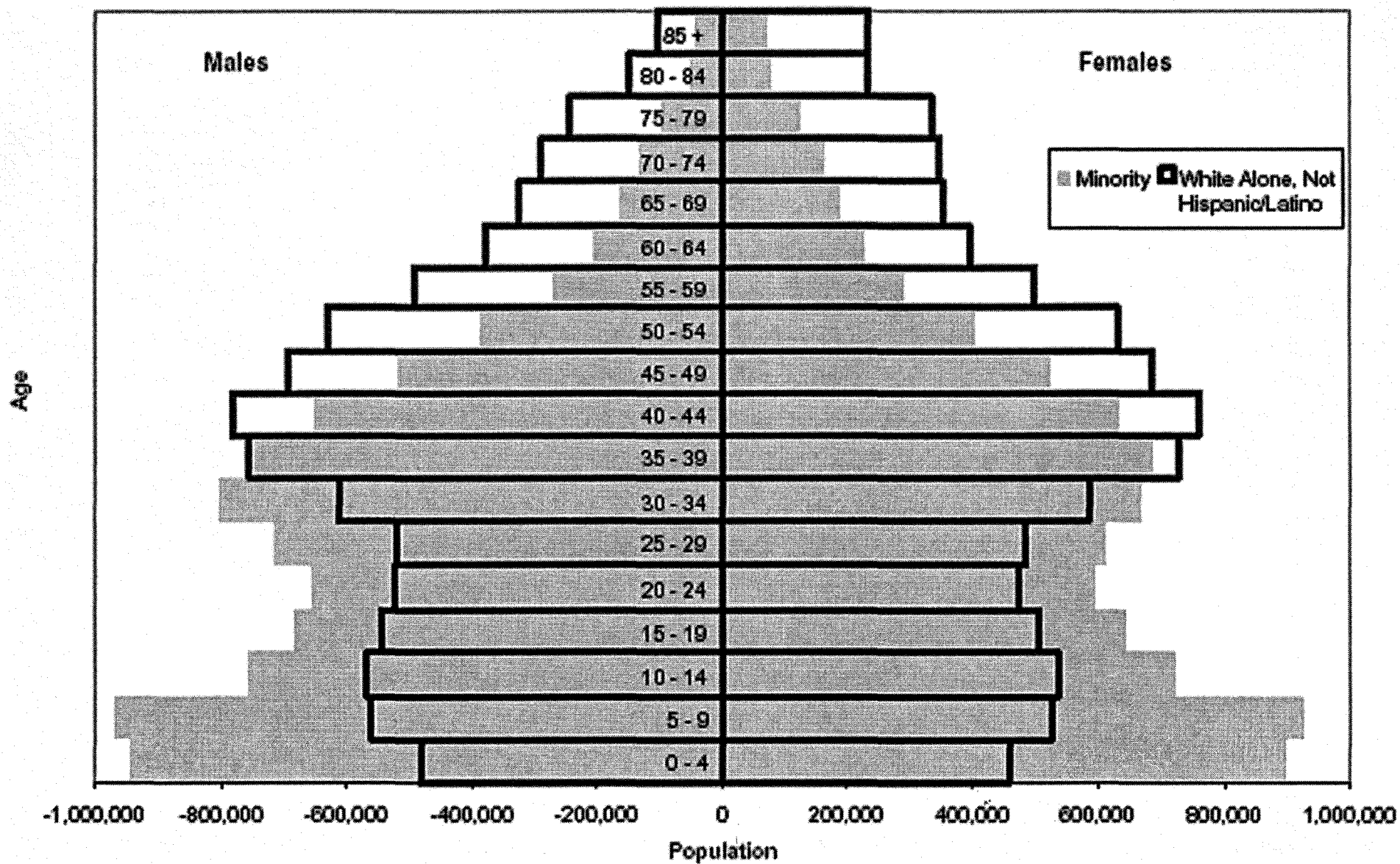




**Oregon Age Distribution April 1, 2000**  
**White Alone, Not Hispanic/Latino and Minority**



California Age Distribution April 1, 2000  
White Alone, Not Hispanic/Latino and Minority



## **Edits to October 15 Budget Workshop Notes Document**

-----Original Message-----

**From:** SHERIFF

**Sent:** Tuesday, October 16, 2001 4:44 PM

**To:** LE Van T

**Subject:** RE: Edited Com. opinions 10/15 document

Van: I might state mine a little differently:

- Living wage, either end or make health coverage mandatory
- Decentralize facilities and property management
- IT reduce technology to level of real need (computer replacement etc.)
- Use "The Farm" as an INS detention facility and negotiate separate rate.

-----Original Message-----

**From:** ROJO DE STEFFEY Maria

**Sent:** Thursday, October 18, 2001 9:21 AM

**To:** LE Van T

**Subject:** RE: Edited Com. opinions 10/15 document

Please change the reference to "Transfer Out" Roads and Law Enforcement. What I said was "Conduct an analysis of whether or not we should be in this business".  
Thanks.

-----Original Message-----

**From:** LE Van T

**Sent:** Tuesday, October 16, 2001 2:36 PM

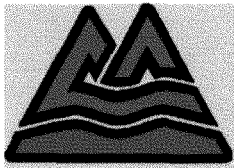
**To:** FLYNN Suzanne J; SCHRUNK Michael D; ROBERTS Lonnie J; NAITO Lisa H; CRUZ Serena M; LINN Diane M; SHERIFF; ROJO DE STEFFEY Maria

**Cc:** WARREN Dave C; TURNER Kathy G; RAKOWITZ John A; BALL John; FARRELL Delma D; FULLER Joanne

**Subject:** Edited Com. opinions 10/15 document

I have been asked to try to put names to the comments I copied down. I would be happy to accept corrections.

Best, Van



**Deborah Bogstad, Board Clerk**  
**MULTNOMAH COUNTY OREGON**

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Multnomah County Chair's Office  
501 SE Hawthorne Boulevard, Suite 600  
Portland, Oregon 97214  
(503) 988-3277 phone  
(503) 988-3013 fax

Tuesday, November 6, 2001 - 6:00 PM  
**Gresham Branch Library, Conference Room**  
385 NW Miller Street, Gresham

**PUBLIC BUDGET HEARING**

PH-1 Opportunity for Public Input on Proposed Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Please fill out a speaker card available at the back table and present it to the Clerk. Testimony Limited to Three Minutes Per Person.

---

Thursday, November 8, 2001 - 6:30 PM  
**Multnomah Building, First Floor Commissioners Boardroom 100**  
501 SE Hawthorne Boulevard, Portland

**PUBLIC BUDGET HEARING**

PH-2 Opportunity for Public Input on Proposed Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Please fill out a speaker card available at the back table and present it to the Clerk. Testimony Limited to Three Minutes Per Person.

---

Monday, November 19, 2001 - 6:00 PM  
**North Portland Branch Library Conference Room**  
512 N Killingsworth Street, Portland

**PUBLIC BUDGET HEARING**

PH-3 Opportunity for Public Input on Proposed Mid-Year Reductions to the 2001-2002 Multnomah County Budget. Please fill out a speaker card available at the back table and present it to the Clerk. Testimony Limited to Three Minutes Per Person.

**BOGSTAD Deborah L**

---

**From:** STUMP Sheryl M  
**Sent:** Tuesday, October 23, 2001 1:48 PM  
**To:** COOPER Ginnie; FLYNN Suzanne J; JOHNSON Cecilia; MCCONNELL Jim; OSWALD Michael L; POE Lorenzo T; SHERIFF; SHIRLEY Lillian M; SCHRUNK Michael D; SPONSLER Thomas; BALL John; RAKOWITZ John A; MATTIODA Gina M; Uherbelau Rebecca A; SODEN Stephanie A; #OPERATING COUNCIL; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; #ALL CHAIR'S OFFICE  
**Cc:** #segue; MORIMITSU Kathryn A  
**Subject:** RE: Update from the Segue Budget Group for Monday, October 22 and the Morning of October 23

On Monday, we

- Met with the Chief Operating Officer's Group and the Operating Council. General notes from that meeting were distributed by Chair Linn to all employees (Links to new MINT information will be completed by this afternoon)
- Reviewed new ideas added to the list.
- Assigned new ideas to lead analysts.
- Checked progress on ideas under analysis.

This morning (Tuesday), we

- Reviewed new ideas added to the list.
- Assigned new ideas to lead analysts.
- Attended the Board meeting to hear their policy interests and concerns and presentations to them on demographics and spending trends.
- Began entering the department cut ideas into our issue tracking sheet. Tomorrow (Wednesday, 10/24), we will meet as long as it takes to review and assign these ideas and to begin to group ideas in relationship to the Board's policy interests.

**Communications Note re. the Issues List:**

Since the issues list will be changing constantly during the day today, I am not attaching it to this email. I will send it to you tomorrow morning. The issues list on the MINT (as of today) will be the one sent to you on Monday for 10/19 so it does not include department cuts. **We will update the issues list on the MINT later in the week when we have most of the department cuts on the list.** This will give you a few days to make sure employees who could be affected don't first hear "from the MINT" instead of from you. Several departments have expressed interest in and shared ideas for wording used to explain to employees about the "issues/cut/ideas" list. I will capture some key points below:

- **Employee needs:**
  - We have received a number of appreciative emails about the MINT and the concept that this budget reduction process is open and information is flowing. Some have specifically valued the openness of communication as a way to dispel rumors. Employees want to know the truth; this is also the message of all good books/research about organizational communication.
  - Recognize that everyone is worried (about themselves, about their coworkers, about their clients, about increased workloads after cuts, about the future and values of the services that make them proud to be county employees) so withholding information does not help reduce worry.
  - Remind them that the cut ideas and final decisions will not in any way be a reflection of individual performance as we will deeply regret losing employees due to reductions in revenue. The County will also be providing support to staff affected through a variety of outplacement services.
  - Remind them that this affects many, not a few. That is not good news, but helps

10/23/2001

to depersonalize the issue so it feels a little less a personal affront.

- Good communication is the first step to effective transition management when all the decisions have been made (more on that later).

- **The reality of the situation:**

- In reality, the situation is not good. The County has a budget shortfall for FY02 that was (before we started addressing it in Sept) \$20 to \$22million. The forecasts for FY03 indicate that we will have less revenue then as well so we can't promise that services cut now will be restored in a few months when the new budget is developed. The economic situation is poor for the country. The state legislature will have a special session which could in fact result in additional cuts to funding for services. Overall, we are rebalancing the budget in light of these grim circumstances.
- The good news is that information received since the process began in September now indicates that we have addressed some of the problem and have about \$14 million left. That's progress.
- The 10% cuts departments have been asked to submit will exceed the remaining need so not all the cuts that have been submitted will be required. This is an idea list, NOT a cut list.

- **The process:**

- Ideas for cuts will all be posted on the MINT in support of the County's commitment to communicating openly about this process. These are ideas only, not decisions.
- The Segue team will consult with departments to complete analysis of the issues/ideas/cuts. There is room in the process to communicate the negative effects of the cuts.
- Monday meetings will consider the ideas "on the table" and help sort them for the Board to address policy considerations.
- The Board will be given more cuts to review than they need to reach the goal so they can choose to address their policy needs. Their decision date is November 29; nothing is final until then.
- Employees can participate in submitting more ideas, in meetings with the Chair, in public hearings (if off work or with permission).