



## Multnomah County Agenda Placement Request Budget Modification

(Revised 9/23/13)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS

AGENDA # R-5 DATE 6/25/15  
MARINA BAKER, ASST BOARD CLERK

### Board Clerk Use Only

Meeting Date: 6/25/15  
Agenda Item #: R.5  
Est. Start Time: Approx. 10:12 am  
Date Submitted: 6/12/15

**Agenda Title:** BUDGET MODIFICATION # NOND-07-15: Increases appropriations for the Special Excise Tax Fund and BIT Pass Thru to East County Cities

Requested Meeting Date: 6/25/15 Time Needed: 3 Minutes  
Department: 1000 - Nondepartmental - All Other Division: Budget Office  
Contact(s): Michael Jaspin, Economist and Eric Arellano, Deputy Chief Financial Officer  
Phone: 503.988.3312 Ext. 87689 I/O Address 501/503

Presenter Name(s) & Title(s): Michael Jaspin, Economist and Eric Arellano, Deputy Chief Financial Officer

### General Information

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

Requesting approval of Budget Modification NOND-07-15 to increase the appropriation for the Transient Lodging Tax in the Special Excise Tax Fund (1511) by \$2,870,000 and to increase the General Fund appropriation for the Business Income Tax (BIT) pass thru to East County Cities by \$764,015.

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

Special Excise Tax Fund (1511) increases by \$2,870,000

This special revenue fund accounts for the County's Transient Lodging Tax (TLT) collected from all hotels/motels in the County and a portion of Motor Vehicle Rental Tax (MVT) collected from rental agencies. Expenditures are restricted to the Oregon Convention Center, Visitor's Development Fund, Regional Arts and Culture purposes and other uses pursuant MC Code 11.300 & 11.400 and intergovernmental agreements with Metro, City of Portland, and Travel Portland. Close to 100% of TLT funds are passed through (primarily to Metro).

The Transient Lodging Tax has supported Oregon Convention Center since 1986. The tax is set at 12.5% on all hotel and motel room rentals in Multnomah County. The tax is distributed as follows:

- 5% City and County General Fund

- 1% City and County Tourism Promotion
- 3% Excise Tax Fund (Administered by Multnomah County)
- 2.5% Visitors Facilities Trust (Administered by Multnomah County)
- 1% State Tourism

Transient Lodging Tax (TLT) revenue collections continue to come in stronger than expected. We are expecting FY 2015 TLT collections to be up 20% from last year, substantially higher than our 8% average growth rate (FY 2010-FY 2014). City and County hotel/motel occupancy rate growth for FY 2015 is near 19% and substantially higher than the 10.3% growth rate from FY 2011-14. This will be the fourth year of double digit growth in occupancy rates. Travel Portland through the Visitors Development Fund has done a lot to strengthen City/County's economy through conventions and marketing efforts. Portland continues to see a boost in tourism and leisure travel.

#### Pass-Through Payments to East County Cities - \$764,015

The Business Income Tax (BIT) is collected on behalf of and passed through to the East County cities of Gresham, Troutdale, Fairview, and Wood Village. These payments are prescribed in an intergovernmental agreement (IGA) that shares revenue from the BIT. Under the terms of this agreement, the four cities share 25% of the first 0.6% of BIT collections. Per the FY 2016 May General Fund Forecast, the County has continued to experience strong growth in the BIT. The forecast estimates the BIT will end the year near \$73 million, increasing by \$10 million over the FY 2015 Adopted budget. This necessitates an increase the budget to allow the County to legally pass-thru the funds to East County cities per the IGA.

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

These funds are 100% pass-thru payments to other jurisdictions per the IGA. There is no ongoing impact resulting from this action.

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

This action allows the County to comply with our intergovernmental agreements.

### **5. Explain any citizen or other government participation.**

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## **Budget Modification**

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### **6. What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**

Transient Lodging Tax in Fund 1511 is being increased by \$2,870,000  
 Business Income Tax (BIT) in the General Fund for the East County Cities is being increased by \$764,015

### **7. What budgets are increased/decreased?**

Pass-thru in Fund 1511 is being increased by \$2,870,000  
 Pass-thru to the East County Cities in the General Fund is being increased by \$764,015

### **8. What do the changes accomplish?**

This action allows the County to comply with our intergovernmental agreements.

### **9. Do any personnel actions result from this budget modification?**

There is no change in FTE as a result of this modification.

**10. If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**

N/A

**11. Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

Yes

**12. If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (e.g. cash match, in kind match, reporting requirements, etc)?**

These increases were factored into the estimates for the FY 2016 budget.

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**Required Signature**

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**Elected Official or  
Dept. Director:** Karyne Kieta /s/

**Date:** June 12, 2015

**Budget Analyst:** Christian Elkin /s/

**Date:** June 12, 2015

**Department HR:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Countywide HR:** \_\_\_\_\_

**Date:** \_\_\_\_\_

# Exp/Rev/FTE - Budget Modification

Budget Year: 2015

Budget Modification: NOND-07-15

## Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	10022-15	1000	10-02	0020	108650	60160 - Pass-Thru & Pgm Supt	6,735,985	7,500,000	764,015	
1000 Total										764,015
10-02 Total										764,015
Program Offer Number 10022-15 Total										764,015
2	10025-15	1511	10-02	0020	108501	50120 - Trnsient Lodging Tax	(26,959,800)	(29,829,800)	(2,870,000)	
3	10025-15	1511	10-02	0020	108501	60160 - Pass-Thru & Pgm Supt	30,866,130	33,736,130	2,870,000	
1511 Total										0
10-02 Total										0
Program Offer Number 10025-15 Total										0
4	95000-15	1000	19	0020	9500001000	50160 - Business Income Tax	(62,987,023)	(63,751,038)	(764,015)	
1000 Total										(764,015)
19 Total										(764,015)
Program Offer Number 95000-15 Total										(764,015)

**Exp/Rev/FTE - Budget Modification**

**Budget Year: 2015**

**Budget Modification: NOND-07-15**

**Annualized Personnel Changes**

Change is shown on a full year basis even though this action affects only a part of the fiscal year (FY).

No positions were affected by this Budget Modification.

**Current Year Personnel Changes**

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.