



# MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS  
ROOM 606, COUNTY COURTHOUSE  
1021 S.W. FOURTH AVENUE  
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308  
PAULINE ANDERSON • DISTRICT 1 • 248-5220  
GARY HANSEN • DISTRICT 2 • 248-5219  
RICK BAUMAN • DISTRICT 3 • 248-5217  
SHARRON KELLEY • DISTRICT 4 • 248-5213  
CLERK'S OFFICE • 248-3277

## AGENDA

### MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

#### FOR THE WEEK OF

AUGUST 12 - 16, 1991

Tuesday, August 13, 1991 - 9:30 AM - Planning Items. . . .Page 2  
Tuesday, August 13, 1991 - 1:30 PM - Agenda Review . . . .Page 2  
Tuesday, August 13, 1991 - 2:30 PM - Board Briefings . . .Page 2  
Thursday, August 15, 1991 - 9:30 AM - Regular Meeting. . .Page 3

Thursday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:

Thursday, 10:00 PM, Channel 11 for East and West side subscribers  
Friday, 6:00 PM, Channel 27 for Paragon Cable (Multnomah East) subscribers  
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

Multnomah County Courthouse, Room 602

P-1      PR 4-91  
          ZC 4-91      PUBLIC HEARING - ON THE RECORD 10 MINUTES PER  
                              SIDE

P-2      CU 6-91      PUBLIC HEARING - ON THE RECORD, WITH ADDITIONAL  
TESTIMONY; APPELLANT ALLOWED 15 MINUTES FOR  
SCOPE OF FARM USE AND IMPACTS; 45 MINUTES PER  
SIDE; TOTAL 1-1/2 HOURS

In the Matter of an Appeal of the June 3, 1991 Planning Commission Decision to APPROVE, SUBJECT TO CONDITIONS, a Requested Conditional Use Permit for a Commercial Activity that is in Conjunction with Farm Uses in the EFU Zoning District, for Property Located at 9833 NW CORNELIUS PASS ROAD

Multnomah County Courthouse, Room 602

B-3      Review of Agenda for Regular Meeting of August 15, 1991.

Multnomah County Courthouse, Room 602

B-4 Board Discussion and Policy Direction for the Development of an Agenda for the September 4, 1991 Joint Cities/County Government Meeting. Presented by Hank Miggins, Dave Warren and Maureen Leonard.

-2-

Thursday, August 15, 1991 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 In the Matter of the Appointment of Elsie Hastings to the Portland/Multnomah Commission on Aging through July, 1994; and the Appointment of Bonnie Morris to the Multnomah County Library Board through August, 1995

DEPARTMENT OF HUMAN SERVICES

- C-2 Ratification of an Intergovernmental Agreement Between the Oregon Department of Energy and Multnomah County, Providing Federal Department of Energy Rebate Funds for Weatherization of Oil, Oil/Wood, or Wood Heated Homes for Clients of the Aging Services Division, Community Action Program Office, for the Period July 1, 1991 through June 30, 1993
- C-3 Ratification of an Intergovernmental Agreement Between Mt. Hood Community College and Multnomah County, Providing Work Activity Center Services for Clients of the Social Services Division, Developmental Disabilities Program, for the Period July 1, 1991 through June 30, 1992

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-4 Ratification of Amendment No. 2 to the Intergovernmental Agreement Between the State Fire Marshall and Multnomah County Providing an Extension to the Regional Hazardous Materials Emergency Response Team Services Contract, for the Period June 30, 1991 through December 31, 1991

REGULAR AGENDA

PUBLIC CONTRACT REVIEW BOARD

(Recess as the Board of County Commissioners and convene as the Public Contract Review Board)

- R-1 ORDER in the Matter of Exempting From Public Bidding a Maintenance Service Contract with Dynix System for Existing Hardware and Software

(Recess as the Public Contract Review Board and reconvene as the Board of County Commissioners)

DEPARTMENT OF HUMAN SERVICES

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

DEPARTMENT OF HUMAN SERVICES - continued

- R-3 Ratification of a Memorandum of Understanding Between the Oregon Housing Agency and Multnomah County Establishing a Housing Agency Low Income Rental Housing Fund Pilot Project to be Administered by the Aging Services Division, Community Action Program through June 30, 1992

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 Ratification of an Intergovernmental Agreement Between the Oregon Emergency Management Division and Multnomah County Whereby Multnomah County Agrees to Cooperate in the Implementation and Maintenance of an Emergency Management Program in Order to Qualify for Emergency Management Assistance Funding for the 1990-91 Federal Fiscal Year
- R-5 Request for Approval of a Notice of Intent to Co-Sponsor, with the Oregon Department of Fish and Wildlife and the Nature Conservancy, an Application to the Northwest Power Planning Council Concerning a Wildlife Mitigation Grant Proposal for Properties Located Within the Sandy River Gorge

JUSTICE SERVICES

SHERIFF'S OFFICE

- R-6 Introduction of Officer Beth Fernandez, North Miami Beach Police Department, Participating in an Officer Exchange Program with the Multnomah County Sheriff's Office, Safety Action Teams (10:00 AM TIME CERTAIN)

NON-DEPARTMENTAL

- R-7 RESOLUTION in the Matter of the Plan for Altering the Boundaries of Commissioner Districts as Required by the Multnomah County Home Rule Charter, Section 3.15 *T.C. 10:00 Am*
- R-8 Second Reading and Possible Adoption of an ORDINANCE Creating the County Peace Task Force and the Thousand Crane Award to Recognize Citizens who are Leading Multnomah County Toward a Peaceful Non-Nuclear Future
- R-9 RESOLUTION in the Matter of Proposing Multnomah County as a Member of the Northwest Oregon Region for the Regional Strategies Program
- R-10 RESOLUTION in the Matter of Approving a Request to Transfer 3533 N.E. 11th Street Property to Give Us This Day, a Charitable Organization, for Low Income Housing
- R-11 RESOLUTION AND ORDER in the Matter of the Appeal of James Weaver, dba Abe's Second Hand Store
- R-12 RESOLUTION in the Matter of a Process to Determine Future Delivery of Law Enforcement Services in Multnomah County

NON-DEPARTMENTAL - continued

- R-13 RESOLUTION in the Matter of the Sheriff's Countywide Role in Law Enforcement in Multnomah County
- R-14 Budget Modification NOND #1 Authorizing Adjustment of Appropriations and Revenues to Offset 1991-92 Revenue Shortfall. Reduces JDH Construction, Reduces Transfer from General Fund to Jail Levy Fund and Recognizes Increased State Revenue

Meeting Date: AUG 13 1991

Agenda No.: B-4

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM  
(For Non-Budgetary Items)

SUBJECT: Preparations for Joint Government Meetings

BCC Informal August 13, 1991  
(date)

BCC Formal \_\_\_\_\_  
(date)

DEPARTMENT Non-dept.

DIVISION BCC

CONTACT Maureen Leonard

TELEPHONE 248-5076

PERSON(S) MAKING PRESENTATION Hank Miggins, Dave Warren, Maureen Leonard

ACTION REQUESTED:

☐ INFORMATIONAL ONLY

☒ POLICY DIRECTION

☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 45 minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: \_\_\_\_\_

BRIEF SUMMARY (include statement of rationale for action requested,  
as well as personnel and fiscal/budgetary impacts, if applicable):

By Resolution adopted June 27, 1991, the Board agreed to meet  
in advance of the first joint government meeting (Sep 4) to  
develop its agenda.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL \_\_\_\_\_

Or

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

(All accompanying documents must have required signatures)

BOARD OF  
COUNTY COMMISSIONERS  
1991 AUG -7 AM 11:44  
MULTNOMAH COUNTY  
OREGON

Meeting Date: AUG 13 1991

Agenda No.: B-5

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM  
(For Non-Budgetary Items)

SUBJECT: Board Discussion of Business Income Tax Issues

AGENDA REVIEW/  
BOARD BRIEFING 8/13/91 REGULAR MEETING \_\_\_\_\_  
(date) (date)

DEPARTMENT Nondepartmental DIVISION Chair's Office

CONTACT \_\_\_\_\_ TELEPHONE X-3308

PERSON(S) MAKING PRESENTATION \_\_\_\_\_

ACTION REQUESTED:

☒ INFORMATIONAL ONLY

☐ POLICY DIRECTION

☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 30-45 Minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: \_\_\_\_\_

BRIEF SUMMARY (include statement of rationale for action requested,  
as well as personnel and fiscal/budgetary impacts, if applicable):

Board discussion of Business Income Tax Issues

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL

Gladys McCoy

Or

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

(All accompanying documents must have required signatures)

CLERK OF  
COUNTY COMMISSIONERS  
1991 AUG - 8 PM 1:50  
MULTNOMAH COUNTY  
OREGON

Meeting Date: August 8, 1991

Agenda No.: R-2

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM  
(For Non-Budgetary Items)

SUBJECT: An Ordinance Relating to the Business Income Tax; Amending MCC 5.70.045

AGENDA REVIEW/  
BOARD BRIEFING August 6, 1991 REGULAR MEETING August 8, 1991  
(date) (date)

DEPARTMENT Non-Departmental DIVISION Chair Gladys McCoy

CONTACT Ben Buisman TELEPHONE 248-3883

PERSON(S) MAKING PRESENTATION Ben Buisman, Merlin Reynolds

ACTION REQUESTED:

☐ INFORMATIONAL ONLY

☐ POLICY DIRECTION

☒ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 30 Minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: \_\_\_\_\_

BRIEF SUMMARY (include statement of rationale for action requested,  
as well as personnel and fiscal/budgetary impacts, if applicable):

First Reading Continued From June 27, 1991. .5% Increase in BIT.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL Gladys McCoy /or/

Or

DEPARTMENT MANAGER [Signature]

(All accompanying documents must have required signatures)

CLERK OF  
COUNTY COMMISSIONERS  
1991 JUL 31 PM 3:55  
MULTNOMAH COUNTY  
OREGON



*Agenda Review*  
*R-2*  
*8-6-91*  
*Handout #1*

1991-92 GENERAL FUND

\$ Millions

Financial Picture June 25, 1991

Shortfall in Beginning Working Capital (resulting from 90-91 BIT shortfall)	(\$2.20)
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Shortfall in 91-92 B.I.T. based on 1990-91 receipts, assuming 1.96% rate	(\$2.60)
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Property taxes

Benefit from PDC not competing within the \$10 limit	\$0.40
---	--------

Valuation Increase (from 10.25% to 14.50%)	\$1.80
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Total Shortfall	(\$2.60)
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Financial Picture August 6, 1991

Shortfall in Beginning Working Capital	(\$3.60)
--	----------

Shortfall in 91-92 B.I.T. based on 1990-91 receipts, assuming 1.96% rate	(\$2.60)
---	----------

Property taxes

Benefit from PDC not competing within the \$10 limit	\$0.40
---	--------

Valuation Increase (from 10.25% to 14.50%)	\$1.80
--	--------

Total Shortfall	(\$4.00)
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95% Spending Limit

Savings from Depts. Administered by the Chair	\$0.91
---	--------

Savings from Elected Officials	\$0.46
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Remaining Shortfall	(\$2.64)
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ORDINANCE FACT SHEET

Title: An Ordinance Relating to the Business Income Tax; Amending MCC 5.70.045 Date: 8/2/91

Brief statement of purpose of ordinance (include rationale for adoption of ordinance, a description of persons benefitted, and other alternatives explored).

The purpose of the proposed ordinance is to increase General Fund revenues to Multnomah County, by increasing the Business Income Tax from 1.46% to 1.96%. Revenues received through the increase will be used in partial support of the myriad of programs and support functions funded through the General Fund.

Other alternatives explored focused on cutting the budgets of existing programs and divisions, or implementing employment taxes, or utility franchise fees.

The increased revenue is needed to balance the County budget for FY 1991-92.

What other jurisdictions in the metropolitan area have enacted similar legislation?

The City of Portland has a Business License Fee. Multnomah County has had a Business Income Tax since 1976. This ordinance increases the rate of the existing tax.

What has been the experience in other areas with this type of legislation?

This type of revenue source, is considered fairly stable, although it is directly affected by the overall health of the local, regional, and global economy. Concern has also been noted about the possibility of businesses moving from the affected jurisdiction, but the tax rate at which the tax triggers this movement has not been documented.

What authority is there for Multnomah County to adopt this legislation? (State Statute, home rule charter). Are there constitutional problems?

Authority is granted under the Home Rule Charter.

Fiscal Impact Analysis

Increases the Business Income Tax rate 0.5 percent, from 1.46 percent to 1.96 percent for a period of 3 years. The estimated revenue to the county for Fiscal Year 1991-92 equals \$5.8 million.

SIGNATURES:

Office of County Counsel

Department Head

~~Liaison Commissioner~~

CLERK OF  
COUNTY COMMISSIONERS  
1991 AUG -2 7:11:53  
MULTNOMAH COUNTY  
OREGON

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. \_\_\_\_\_

An ordinance relating to the Business Income Tax; amending  
MCC 5.70.045.

Multnomah County ordains as follows:

SECTION 1. FINDINGS.

- A. The citizens of the State of Oregon enacted Ballot Measure 5, the Property Tax Limitation Initiative, in November of 1990. As a result of that limitation, services and programs funded through the Multnomah County General Fund must be sharply cut.
- B. It has been made plain in testimony from the citizens of Multnomah County that the required cuts are unacceptable. Alternative revenue sources must be established.
- C. This ordinance modestly increases the County's Business Income Taxes for a limited period of time as a means of partially funding public services and programs that would otherwise be lost. Approval of the ordinance will result in a total business income tax rate of 1.96% until January 1, 1994, when the rate shall return to its current 1.46%.

1 SECTION 2. AMENDMENT

2  
3 MCC 5.70.045 is amended to read as follows:  
4

5 (A) Except as otherwise provided in this chapter,  
6 a tax is hereby imposed upon each person doing business  
7 within Multnomah County equal to six-tenths of one  
8 percent (0.006) of the net income from that business  
9 within the county.  
10

11 (B) In addition to the tax imposed under  
12 subsection (A) above, a tax equal to thirty-five  
13 hundredths of one percent (0.0035) of the net income from  
14 each person doing business within Multnomah County is  
15 hereby imposed upon that business within the county  
16 effective with tax years beginning January 1, 1986.  
17

18 (C) In addition to the tax imposed under  
19 subsections (A) and (B) above, a tax equal to fifty-one  
20 hundredths of one percent (0.51%) of the net income  
21 (0.0051) from each person doing business within Multnomah  
22 County is hereby imposed upon that business within the  
23 county effective with tax years beginning January 1,  
24 1987.  
25  
26

1           (D) In addition to the tax imposed under  
2 subsections (A), (B), and (C) above, a tax equal to five-  
3 tenths of one percent (0.5%) of the net income from each  
4 person doing business within Multnomah County is hereby  
5 imposed upon that business within the county effective  
6 with tax years beginning January 1, 1991.

7  
8           (E) The tax imposed by subsection (D) above shall  
9 be levied for three (3) years and shall expire as of the  
10 tax year beginning January 1, 1994.

11  
12           (F) The tax prescribed in subsections (A), (B),  
13 [and] (C), and (D) of this section is for revenue  
14 purposes and is not imposed for regulatory purposes. The  
15 payment of the tax and the acceptance of it by the county  
16 shall not entitle a taxpayer to carry on any business not  
17 in compliance with all other legal requirements.

18  
19  
20 SECTION 3. ADOPTION.

21  
22           This Ordinance, being necessary for the health, safety, and  
23 general welfare of the people of Multnomah County, shall take  
24 effect on the thirtieth (30th) day after its adoption, pursuant to  
25 Section 5.50 of the Charter of Multnomah County.  
26

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 1991, being  
the date of its \_\_\_\_\_ reading before the Board of County  
Commissioners of Multnomah County.

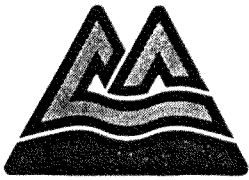
(SEAL)

By Gladys McCoy  
Gladys McCoy, Chair  
Multnomah County, Oregon

REVIEWED:

By Laurence Kressel  
Laurence Kressel, County Counsel  
For Multnomah County, Oregon

05/23/91:2  
R:\FILES\067LK.ORD\dc



# MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS  
GLADYS McCOY  
PAULINE ANDERSON  
GARY HANSEN  
RICK BAUMAN  
SHARRON KELLEY

PLANNING & BUDGET  
PORTLAND BUILDING  
1120 S.W. 5TH—ROOM 1400  
PORTLAND, OREGON 97204-1934

PHONE (503) 248-3883

## MEMORANDUM

TO: Board of County Commissioners

FROM: Ben Buisman, Budget Office *BBB*

DATE: August 7, 1991

SUBJECT: Budget Balancers

1991 AUG - 7 PM 1:49  
MULTNOMAH COUNTY  
OREGON  
BOARD OF  
COUNTY COMMISSIONERS

Latest estimates of revenues and expenses indicate the 1991-92 General Fund Budget will be short about \$4.0M, assuming an increase in the Business Income Tax to 1.96%. At the August 6 Informal, you asked the Budget Office to put numbers on some alternatives, including alternate or increased revenue sources, and spending limitations.

### MOTOR VEHICLE RENTAL TAX

The current 10% tax is expected to bring in \$5.9 million in 1991-92. An additional 1% should generate \$0.59M if it had been in place July 1st. Assuming a September raise in the rate, with taxes collected October through June of next year, a 1% increase would bring in about \$0.44M.

### BIT RATES

Our current assumption is that a 1.96% Business Income Tax will bring in \$23M (\$2.6M less than in the Adopted Budget). At that rate, a 0.1% increase (to 2.06%) would raise an additional \$1.17M.

Before our June discovery of the BIT shortfall, the 0.5% increase (to 1.96%) would have balanced the budget. Now, with our shortfall of \$4.0M, the increase (without any other correction) would have to be an additional 0.34% (0.84% total increase) to 2.30%. (The Portland license rate is 2.2%).

If the 95% spending limit is in place, but with no further correction, the shortfall is reduced from \$4.0M to \$2.64M. A balancing BIT rate then would be 2.19%, up 0.73% instead of the 0.5% in this week's BIT ordinance. County Counsel has advised you that any change from the 0.5% is likely a substantial change and would require another public hearing. (This would not necessarily add a week to the process. What is before the Board this week is a vote on the first reading. If the proposed ordinance is amended, public testimony should be taken on August 8th on the amendment. The second reading can be retained on August 15th, the date we need to notify the DOR about what rate to print on the tax forms. If there is no amendment, public testimony need not be taken on August 8th.)

## UTILITY SURCHARGES

Our initial look at this was to estimate how much a utility surcharge on bills to customers of Northwest Natural Gas, Portland General Electric, and PacifiCorp (PP&L). We estimated a 1% surcharge over a full year would raise \$4.4M. Given the late start and assuming at least two months for implementation, a better 1991-92 estimate would be \$3.3M for each 1% surcharge on electric and natural gas bills.

Recently it was pointed out that we did not consider oil heat customers in our study. For a full year, about \$0.4M could be raised from a 1% surcharge on heating oil pumped in the county. Again, with a late start, the 1991-92 estimate would be \$0.3M for each 1% surcharge on heating oil bills. Some implementation expense would be necessary to get this started in the 60 to 70 dealers serving the county.

We don't have data now to do seasonal patterns on the partial-year receipts. With that, both numbers above could possibly be raised a little as we would surely bill for the colder months when more energy is consumed.

## SPENDING LIMITS

The Budget Office estimates that departments will spend 96% of their budgets. Each additional 1% less spending below that would result in a savings of \$0.91M for departments administered by the Chair, and \$0.46M for areas administered by other elected officials.



## CUTS/OTHER ADJUSTMENTS

In our Tuesday handout, we showed that with the 1.96% BIT and a county-wide spending limit, the shortfall is \$2.64M. Program cuts of that size would be necessary to balance the budget.

Commissioner Anderson (August 6, 1991 memo, copy attached) has suggested \$1.175M in possible changes in funding sources that would begin to address this requirement:

1. Reduce the Marshal Revenue Subsidy to operate MCIJ II, using Levy funds instead to save \$0.35M in the General Fund.
2. Cut \$0.5M budgeted for JDH.
3. Appropriate the possible \$0.2M savings from County School Support per Measure 5 interpretation.
4. Use Road Fund contingency to pay for one-half of the PUC Enforcement activities in the Sheriff's office, saving \$0.25M in the General Fund.

## MAÑANA

With a 95% spending limit for control, and a 1.96% BIT, it is technically possible to do nothing else and deal with the \$2.46M in the 1992-93 budget as a severely reduced 1992-93 Beginning Working Capital.

A worksheet might help you organize your thoughts. There are many numbers laid out above. Assuming the 0.5% BIT increase to 1.96% the shortfall is \$4.0M. You might want to note your thoughts on restorations decreasing the shortfall.

<u>Shortfall</u>	<u>Restoration</u>	<u>Description</u>
\$4.0M	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
Total Restored	\$ _____	

cc: Auditor  
District Attorney  
Sheriff  
Department Managers

Planning and Budget  
August 7, 1991

G:\COMMON\ALTREVS.DOC (WORD 5.5) August 6, 1991

PAULINE ANDERSON  
Multnomah County Commissioner  
District 1



605 County Courthouse  
Portland, Oregon 97204  
(503) 248-5220

August 7, 1991

To: Board of County Commissioners  
From: Pauline Anderson  
Re: Suggested Budget Actions

In June, we passed a budget whose expenditures could exceed revenues by \$2.6 million. We delayed further actions at that time, pending additional information from the Budget office and Salem. Nothing has changed.

In view of this possible shortfall, I recommend the following two stage approach to our budget.

#### STAGE 1

This month, we should take the following budget actions.

1. Reduce the Marshal Revenue Subsidy to Operate MCIJ II  
(Use levy funds instead) \$ 350,000
2. Return additional funds budgeted for  
JDH to contingency \$ 500,000
3. Appropriate anticipated School Fund Revenue  
\$ 200,000
4. Pay for 1/2 of the PUC Enforcement Sheriff Activities  
through use of Road Fund contingency  
\$ 125,000

At the same time we are reducing requirements by \$850,000 and recognizing revenues of \$325,000, we should reduce our anticipated BIT revenue by \$1,175,000. This will get us part of the way towards a more realistic, balanced budget plan.

#### STAGE 2

In addition to these budget actions, I am willing to support one or more of the following:

1. Increase the BIT another .1 %, bringing the total to 2.06%

2. Increase the car rental tax by 1%, raising \$590,000.

3. Reexamine the 95% spending limit in October to determine whether we need to tighten the limit further. At that time, we will know the final BIT revenues for fiscal year 1990-91 and the first quarter spending projections for 1991-92.

In the interim, I believe we should ask the budget office to develop procedures to ensure that the spending limit is fairly applied and achieves our financial goal. We also need to be sure that all the elected officials will abide by our final decision on the spending limit.

A few points of clarification:

1. Reducing the Marshal Revenue Subsidy has no impact on the opening or operating of MCIJ II. Currently, the marshal revenue goes into the General Fund and is then transferred to help operate the jail. With the increased levy collections, we do not need as much General Fund money to operate MCIJ II.

2. I avoided counting the additional Library Levy revenues (approximately \$250,000) because the Library contingency will already be eliminated by needing to backfill the Property Tax Accounting Error identified by TSSC (\$712,351) and the minimum cost of implementing the classification/compensation study (\$440,000 not counting exempt costs). The additional library levy funds could be added to contingency for a partial restoration.

3. The use of Road Fund to support the PUC enforcement has been given legal blessing by Counsel. The original proposal in June would have provide total support for the PUC program from the Road contingency fund, thereby depleting the fund. This option leaves the Road Fund with a \$125,000+ contingency.

4. I avoided anticipating any revenue for video poker because of the uncertainty of the revenue source, potential legal challenges, and the amount of one time only money we have already built into the budget. Any revenue we receive this year should be of assistance in meeting next year's needs.

I suggest we discuss the Stage 1 proposals as a package during the week of August 13th/15th.

c. Sheriff  
c. District Attorney  
c. Auditor  
c. Department Managers

## 1991-92 GENERAL FUND

\$ Millions

## Financial Picture June 25, 1991

Shortfall in Beginning Working Capital (resulting from 90-91 BIT shortfall)	(\$2.20)
Shortfall in 91-92 B.I.T. based on 1990-91 receipts, assuming 1.96% rate	(\$2.60)
Property taxes	
Benefit from PDC not competing within the \$10 limit	\$0.40
Valuation Increase (from 10.25% to 14.50%)	\$1.80
Total Shortfall	(\$2.60)

## Financial Picture August 6, 1991

Shortfall in Beginning Working Capital	(\$3.60)
Shortfall in 91-92 B.I.T. based on 1990-91 receipts, assuming 1.96% rate	(\$2.60)
Property taxes	
Benefit from PDC not competing within the \$10 limit	\$0.40
Valuation Increase (from 10.25% to 14.50%)	\$1.80
Total Shortfall	(\$4.00)
95% Spending Limit	
Savings from Depts. Administered by the Chair	\$0.91
Savings from Elected Officials	\$0.46
Remaining Shortfall	(\$2.64)

Regular Meeting  
8-8-91

R-2

Handout #1

## COMPONENTS IDENTIFIED

<u>Shortfall</u>	<u>Restoration</u>	<u>Description</u>
(4,000,000)		
	1,170,000	Each 0.1% B.I.T. increase over .5%
	440,000	Each 1% Car Rental Tax
	3,300,000	Each 1% electrical/natural gas tax
	300,000	each 1% fuel oil tax
	910,000	each 1% lower spending by Depts.
	460,000	each 1% lower spending Elected Officials
	350,000	Reduce Transfer to Levy Fund
	500,000	Cut funds for JDH
	200,000	State offset to School Fund support
	125,000	Use Road Fund for PUC

## COMMISSIONER ANDERSON PROPOSAL

<u>Shortfall</u>	<u>Restoration</u>	<u>Description</u>
(4,000,000)		
	1,170,000	Increase B.I.T. rate to 2.06%
(2,830,000)		
	440,000	Increase Car Rental Tax 1%
(2,390,000)		
	350,000	Reduce Transfer to Levy Fund
	500,000	Cut funds for JDH
	200,000	State offset to School Fund support
	125,000	Use Road Fund for PUC
(1,215,000)		
	1,360,000	95% Spending Ceiling
145,000		

## CURRENT SCENARIO IN PLACE

<u>Shortfall</u>	<u>Restoration</u>	<u>Description</u>
(4,000,000)		
	1,360,000	95% Spending Ceiling
(2,640,000)		