



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 8/18/11)

### Board Clerk Use Only

Meeting Date: 6/6/13  
 Agenda Item #: R.3  
 Est. Start Time: 10:05 am  
 Date Submitted: 5/24/13

**Agenda Title: RESOLUTION Adopting and Defining the Various Funds to be Used in Fiscal Year 2014 and Repealing Resolution 2012-062**

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

<b>Requested Meeting Date:</b>	<u>June 6, 2013</u>	<b>Time Needed:</b>	<u>10 minutes</u>
<b>Department:</b>	<u>County Management</u>	<b>Division:</b>	<u>Budget Office</u>
<b>Contact(s):</b>	<u>Mark Campbell, Karyne Kieta</u>		
<b>Phone:</b>	<u>503-988-3786</u>	<b>Ext.:</b>	<u>83786</u>
		<b>I/O Address:</b>	<u>503/5/531</u>
<b>Presenter Name(s) &amp; Title(s):</b>	<u>Mark Campbell, Chief Financial Officer; Karyne Kieta, Deputy Director, County Management</u>		

## General Information

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

The Department of County Management recommends approving the Resolution defining the funds to be used in FY 2014 and repealing Resolution 2012-062.

### 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.

Each year the Board is asked to ratify the fund structure by which the County does its accounting. The Resolution lists all the funds in place as of July 1, segregates them by fund type, and briefly describes the revenues and expenditures for which each fund accounts. The proposed fund structure follows generally accepted accounting principles and is consistent with the budget document. The County prepares budgets and accounts for spending in 29 funds.

In FY 2014, there will be a new Asset Replacement Revolving Fund (2503) that will make internal loans to departments, providing an alternative to debt financing for projects that do not necessarily fall within the Capital Improvement Program. Departments requesting loans from the fund would be required to submit an analysis of the options they have considered for funding a given project and demonstrate that the project will be able to repay the loan within 5 -7 years. The Chief Financial Officer (CFO) would choose projects suitable for funding, establish an amortization schedule, and ensure that funds for the repayment of the loans were included in annual budgets. This Resolution is updated to include that new fund as follows:

**Asset Replacement Revolving Fund (2503)** – Accounts for expenditures for small capital assets/equipment that might otherwise need to be acquired through the issuance of debt. Resources in the fund are derived from one-time revenues available in FY 2014. Expenditures will be reimbursed over time by loan payments charged to the budgets of programs for which the assets are purchased.

The Resolution also defines a number of other funds, such as enterprise funds for the Dunthorpe-Riverdale Service District and Mid County Service District, and fiduciary funds for the public guardian, Sheriff forfeitures, and property taxes for governmental entities located in Multnomah County.

In FY 2014, the Resolution will add a definition for the Library District Fund (1520). In November 2012, a majority of voters approved the formation of a library district with a permanent rate of up to \$1.24 per \$1,000 assessed value for ad valorem taxes beginning in 2013. The new definition is:

**Library District Fund (1520)** - Accounts for revenues and expenditures of the Multnomah County Library District. The primary source of revenue is property tax collections related to the permanent rate passed by the voters of Multnomah County for the creation of the Multnomah County Library District, effective July 1, 2013. Additional sources of revenue include fines and grants. The expenditures are made pursuant to an intergovernmental agreement for library services provided by Multnomah County. Library operations will continue out of the Library Fund (1510), with periodic reimbursements from 1520 to 1510 per the intergovernmental agreement.

Prior to the creation of the Library District, there had been a five-year local option levy to support library services, approved in November 2006, followed by a three-year local option levy, approved in May 2012, both at a rate of \$0.89 per \$1,000 assessed value. Although the Board will no longer levy local option taxes, the County will continue to receive prior year property taxes from the local option levy for several years. In light of these changes, the definition of the Library Fund has been amended to:

**Library Fund (1510)** - Accounts for the Multnomah County Library operations. The principal source of revenue is reimbursement from the Library District (fund 1520) pursuant to an intergovernmental agreement. Additional revenue comes from prior year property tax levies.

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

There is no financial impact that will result from approval of the Resolution.

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

No other legal or policy-related changes are being made at this time.

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

None.

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**Required Signature**

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**Elected  
Official or  
Department**

**Director:**

Karyne Kieta /s/

**Date:**

5-24-13