

## ANNOTATED MINUTES

Tuesday, May 2, 1995 - 9:00 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

### BOARD BRIEFING

- B-1 Update on 1995 Oregon Legislative Session. Presented by Rhys Scholes, Gina Mattioda, Laurie Beth English and Other Invited Guests.

COMMISSIONER GARY HANSEN INTRODUCTION AND COMMENTS IN SUPPORT OF SENATE BILL 686. GEORGE McSHEA, ALLEN WILLIS AND DAVID LOHMAN PRESENTATION ON BEHALF OF THE PORT OF PORTLAND AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. HANK MIGGINS REPORTED ON REPRESENTATIVE MIKE FAHEY'S CONCERNS AND PROPOSED AMENDMENT. SANDRA DUFFY, JANICE DRUIAN AND ROBERT ELLIS COMMENTS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. BOARD CONSENSUS ON PROPOSED AMENDMENTS AND DIRECTION TO LAURIE BETH ENGLISH REGARDING COUNTY POSITION ON SENATE BILL 686. GINA MATTIODA PRESENTATION REGARDING CO-CHAIR'S BUDGET. MS. MATTIODA, RHYS SCHOLES AND BILLI ODEGAARD PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION REGARDING HOUSE BILL 2165. BOARD CONSENSUS TO SUPPORT ASSOCIATION OF OREGON COUNTIES' POSITION. MS. MATTIODA RESPONSE TO QUESTIONS REGARDING STATUS OF PROPOSED PUBLIC SAFETY BUDGET, SENATE BILL 1 AND SENATE BILL 1145.

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Tuesday, May 2, 1995 - 10:00 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

### WORK SESSION

- WS-1 Review and Discuss the Work-in-Progress by the County's Strategic Planning for Information Technology Team; to Solicit Board Input into the Work to Date and Describe the Work Plan for the Remainder of the Project. Presented by Betsy Williams and Members of the Planning Team.

**BETSY WILLIAMS ACKNOWLEDGED AND INTRODUCED TEAM MEMBERS TOM SIMPSON, KATHY TINKLE, SHARON OWEN, SUSAN KAESER, JEANNE GOODRICH, KERI HARDWICK, MEGANNE STEELE, TOM FRONK, JANICE DRUIAN, JIM MUNZ, LANCE DUNCAN, JOHN HAMLIN, KEN PHILLIPS, KATHY GILLETTE, JANN BROWN, JOAN PASCO AND BILLI ODEGAARD. MS. WILLIAMS, MR. SIMPSON, MS. KAESER, MS. HARDWICK, MS. DRUIAN, MR. FRONK AND MS. STEELE PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION.**

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**Tuesday, May 2, 1995 - 1:30 PM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland**

**BUDGET SESSION**

**Chair Beverly Stein convened the meeting at 1:30 p.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen and Tanya Collier present, and Commissioner Dan Saltzman arriving at 1:35 p.m.**

**WS-2 Central Citizen Budget Advisory Committee Report and Recommendations on the Proposed 1995-96 Multnomah County Budget. County Auditor Review of Financial Trends Over the Past Ten Years. Budget and Quality Office Discussion on the 1995-96 Revenues and the Five Year Forecast. Opportunity for Public Testimony on the Proposed 1995-96 Multnomah County Budget.**

**JACK PESSIA PRESENTATION OF CBAC REPORT AND RECOMMENDATIONS. GARY BLACKMER AND JUDITH DeVILLIERS FINANCIAL TRENDS PRESENTATION AND RESPONSE TO BOARD QUESTIONS, COMMENTS AND DISCUSSION. BARRY CROOK, DAVE BOYER, MARK CAMPBELL AND DAVE WARREN REVENUES AND FORECAST PRESENTATION AND RESPONSE TO BOARD QUESTIONS, COMMENTS AND DISCUSSION. BOARD IDENTIFIED FOLLOW UP ISSUES FOR FURTHER STAFF ELABORATION DURING BUDGET DELIBERATIONS.**

**There being no further business, the meeting was adjourned at 3:00 p.m.**

**OFFICE OF THE BOARD CLERK  
MULTNOMAH COUNTY, OREGON**

Wednesday, May 3, 1995 - 9:30 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**BUDGET SESSION**

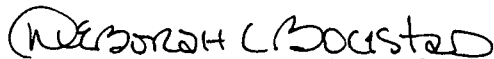
Chair Beverly Stein convened the meeting at 9:35 a.m., with Vice-Chair Sharron Kelley, Commissioners Tanya Collier and Dan Saltzman present, and Commissioner Gary Hansen arriving at 9:36 a.m.

WS-3 Department of Library Services Budget Overview, Highlights and Action Plans. DLS Citizen Budget Advisory Committee Presentation. Opportunity for Public Testimony on the Proposed 1995-96 Multnomah County Budget. Issues and Opportunities. Board Questions and Answers.

**GINNIE COOPER INTRODUCTIONS, BUDGET OVERVIEW PRESENTATION AND RESPONSE TO BOARD QUESTIONS. ANGEL LOPEZ AND SUSAN HATHAWAY-MARXER CBAC PRESENTATION AND COMMENTS IN SUPPORT OF CHAIR'S PROPOSED BUDGET AND ADD PACKAGE. BILL NAITO, TERRENCE O'DONNELL, MARTHA ULLMAN-WEST AND PAUL BRAGDON TESTIMONY IN SUPPORT OF LIBRARY, CHAIR'S PROPOSED BUDGET AND ADD PACKAGE. MS. COOPER UPDATE ON MIDLAND BRANCH AND RESPONSE TO BOARD QUESTIONS. DAVE WARREN RESPONSE TO BOARD QUESTIONS. CINDY GIBBON, JEANNE GOODRICH AND LEO MacLEOD HIGHLIGHTS AND ACTION PLANS PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. MIDLAND BRANCH UPDATE AND ENTREPRENEURIAL ACTIVITIES BRIEFINGS TO BE PRESENTED WITHIN THE NEXT FEW MONTHS. BOARD IDENTIFIED FOLLOW UP ISSUES FOR FURTHER STAFF ELABORATION DURING BUDGET DELIBERATIONS.**

There being no further business, the meeting was adjourned at 11:16 a.m.

OFFICE OF THE BOARD CLERK  
MULTNOMAH COUNTY, OREGON



Deborah L. Bogstad

Thursday, May 4, 1995 - 9:30 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**REGULAR MEETING**

Chair Beverly Stein convened the meeting at 9:34 a.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Tanya Collier and Dan Saltzman present.

**NON-DEPARTMENTAL**

- R-1 Rob Brading of Multnomah Community Television Presentation on the Board of County Commissioners Live Cablecast Programming

**ROB BRADING, TODD LOGGAN AND CABLE CREW INTRODUCTION.**

**CONSENT CALENDAR**

**UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, THE CONSENT CALENDAR (ITEMS C-1 THROUGH C-5) WAS UNANIMOUSLY APPROVED.**

**SHERIFF'S OFFICE**

- C-1 Retail Malt Beverage OLCC License Renewal Application Submitted by Sheriff's Office with Recommendation for Approval, for HAGAR'S AT VIKING PARK, 29311 STARK STREET, TROUTDALE

**COMMUNITY AND FAMILY SERVICES DIVISION**

- C-2 Ratification of Intergovernmental Agreement Contract 104505 Between Multnomah County, Developmental Disabilities Program and the University of Oregon's Specialized Training Program, Providing \$11,000 in Revenue to Assist in Data Collection and Development of the Oregon Natural Supports Project to Transition Persons with Severe Disabilities to Unsubsidized Employment, for the Period January 1, 1995 through June 30, 1995

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

- C-3 ORDER in the Matter of the Execution of Deed D951177 Upon Complete Performance of a Contract to Donald E. Pollack

**ORDER 95-94.**

- C-4 ORDER in the Matter of the Execution of Deed D951186 Upon Complete

**ORDER 95-95.**

- C-5 ORDER in the Matter of the Execution of Deed D951187 Upon Complete Performance of a Contract to Neil O. Marks and Evonne A. Marks

**ORDER 95-96.**

**REGULAR AGENDA**

**PUBLIC COMMENT**

- R-2 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

**NO ONE WISHED TO COMMENT.**

**SHERIFF'S OFFICE**

- R-3 Budget Modification MCSO 16 Requesting Authorization for the Establishment of an Appropriation for the Beginning Working Capital in the Concealed Weapons Unit, and Requesting an Increase in the Equipment Appropriation to Pay for a Fingerprint and Video Image System

**COMMISSIONER KELLEY MOVED AND COMMISSIONER SALTZMAN SECONDED, APPROVAL OF R-3. LARRY AAB AND DAVE WARREN EXPLANATION. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

**AGING SERVICES DIVISION**

- R-4 Budget Modification ASD 3 Requesting Authorization to Move a Case Manager Senior Position from the Long Term Care Program to the Adult Care Home Licensing Program, Using On-Going Funding

**COMMISSIONER SALTZMAN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-4. KATHY GILLETTE EXPLANATION. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

- R-5 Budget Modification ASD 4 Requesting Authorization to Handle Several Personnel Changes Using Salary Savings Within the Aging Services Division Budget, With No Net Fiscal Impact

**COMMISSIONER SALTZMAN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-5. MS. GILLETTE EXPLANATION. CHAIR STEIN ACKNOWLEDGEMENT OF STAFF EFFORTS. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

- R-6      Budget Modification DES 9 Requesting Authorization to Transfer \$306,288 from the Data Processing Fund Contingency to the Correct Expenditure Categories to Fund Phase I of the Development of Multnomah County's Wide Area Network

**COMMISSIONER KELLEY MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-6. JIM MUNZ EXPLANATION. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

- R-7      Request for Approval of FINAL ORDER MC 1-94/LD 13-94 Findings in Support of Decision to Uphold the Decisions of the Hearings Officer and Transportation Division Staff and Approve a Land Partition, Access by Easement and Variance to the Street Standards Code, for Property Located at 01400 SW MILITARY ROAD (Continued from April 25, 1995)

**COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-7. GARY CLIFFORD EXPLANATION REGARDING SUBMITTED OBJECTIONS TO PROPOSED FINAL ORDER. JOHN DuBAY EXPLANATION REGARDING PROPOSED AMENDMENT. UPON MOTION OF COMMISSIONER SALTZMAN, SECONDED BY COMMISSIONER COLLIER, IT WAS UNANIMOUSLY APPROVED TO AMEND PAGE 2 OF THE FINDINGS BY DELETING THE SENTENCE "THE APPLICANTS UNDISPUTED TESTIMONY ESTABLISHED THAT THE PROPERTY SUBJECT TO AGREEMENT LIMITS DEVELOPMENT TO A TOTAL OF THREE HOUSES INCLUDING EXISTING HOUSE." RESOLUTION 95-97 UNANIMOUSLY APPROVED, AS AMENDED.**

- R-8      ORDER in the Matter of the Grant of a Right-of-Way and Easement on County Land at the County Farm Property in the NW 1/4 of Sections 26 and 35, T1N, R3E, WM, Multnomah County, Oregon

**AT THE REQUEST OF CHAIR STEIN AND UPON**

**MOTION OF COMMISSIONER KELLEY, SECONDED  
BY COMMISSIONER COLLIER, R-8 WAS  
UNANIMOUSLY POSTPONED INDEFINITELY.**

- R-9      Ratification of Intergovernmental Agreement Contract 302015 Between Multnomah County and Metro, Providing Records Management Services to Metro on an As-Needed Project Basis Over a Three Year Period for an Amount Not to Exceed \$14,000

**COMMISSIONER COLLIER MOVED AND  
COMMISSIONER KELLEY SECONDED, APPROVAL  
OF R-9.      TOM GUINEY EXPLANATION.  
AGREEMENT UNANIMOUSLY APPROVED.**

**PUBLIC CONTRACT REVIEW BOARD**

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

- R-10      ORDER in the Matter of Exempting from Public Bidding the Purchase of Oracle Version 7 Data Base System

**COMMISSIONER KELLEY MOVED AND  
COMMISSIONER HANSEN SECONDED, APPROVAL  
OF R-10.      ROGER BRUNO AND JIM MUNZ  
EXPLANATION AND RESPONSE TO BOARD  
QUESTIONS.      ORDER 95-98 UNANIMOUSLY  
APPROVED.**

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

**NON-DEPARTMENTAL**

- R-11      RESOLUTION in the Matter of Constructing Additional Beds for the Multnomah County Juvenile Justice Complex and Examining the Feasibility of Using a Portion of that Facility for a Mental Health Crisis Triage Center (Continued from April 27, 1995)

**COMMISSIONER SALTZMAN MOVED AND  
COMMISSIONER COLLIER SECONDED, APPROVAL  
OF R-11.      COMMISSIONER HANSEN MOVED AND  
COMMISSIONER KELLEY SECONDED, APPROVAL  
OF A SUBSTITUTE RESOLUTION. COMMISSIONER  
SALTZMAN COMMENTS IN SUPPORT OF R-11.  
COMMISSIONER COLLIER MOVED AND  
COMMISSIONER SALTZMAN SECONDED,**

APPROVAL OF THE COLLIER AMENDMENT DATED APRIL 27, 1995. COMMISSIONER COLLIER CLARIFICATION IN RESPONSE TO QUESTION OF LAURENCE KRESSEL. COMMISSIONER COLLIER EXPLANATION AND COMMENTS IN SUPPORT OF AMENDMENT. ELYSE CLAWSON RESPONSE TO BOARD QUESTIONS AND DISCUSSION. NORMAN RUPP, PAUL LORENZINI AND PATRICK WHITCOMB TESTIMONY IN SUPPORT OF ADDITIONAL BEDS. SONNY CONDER TESTIMONY REGARDING METRO POPULATION GROWTH PROJECTIONS AND RESPONSE TO BOARD QUESTIONS. BOB NILSEN AND D.A. HILDERBRAD OF HOFFMAN CONSTRUCTION RESPONSE TO BOARD QUESTIONS AND DISCUSSION. MS. CLAWSON RESPONSE TO BOARD QUESTIONS AND DISCUSSION. COMMISSIONER SALTZMAN MOVED AND COMMISSIONER COLLIER SECONDED, TO WITHDRAW PREVIOUS MOTION TO APPROVE R-11 AND TO CONTINUE ITEM UNTIL MAY 18, 1995. BOARD COMMENTS AND DISCUSSION REGARDING R-11 AND SUBSTITUTE RESOLUTION. FOLLOWING DISCUSSION AND AT THE SUGGESTION OF MR. KRESSEL, COMMISSIONER SALTZMAN WITHDREW HIS MOTION AND ADVISED HE INTENDS TO BRING THE ITEM BACK ON MAY 18, 1995. FOLLOWING BOARD DISCUSSION, COMMISSIONER COLLIER MOVED AND COMMISSIONER HANSEN SECONDED, AN AMENDMENT TO COMMISSIONER COLLIER'S 4/27/95 AMENDMENT BY CHANGING THE WORD "WILL" TO "MAY" IN THE SENTENCE "THE BOARD WILL INCORPORATE THE MEASURE WITH OTHER BOND MEASURES AND BEGIN THE PROCESS OF ASKING THE VOTERS FOR APPROVAL TO ADVANCE REFUND THE CERTIFICATES OF PARTICIPATION." COMMISSIONER COLLIER'S 4/27/95 AMENDMENT UNANIMOUSLY APPROVED, AS AMENDED (RESOLUTION 95-99A). SUBSTITUTE RESOLUTION 95-99 UNANIMOUSLY APPROVED.

R-12      RESOLUTION in the Matter of Constructing 32 Additional Beds at the Multnomah County Juvenile Justice Complex and Exploring the Feasibility of Constructing a Triage Center on that Site (Continued from April 27, 1995)

UPON MOTION OF COMMISSIONER COLLIER, SECONDED BY COMMISSIONER KELLEY, R-12 WAS UNANIMOUSLY POSTPONED INDEFINITELY.



R-13 RESOLUTION in the Matter of Approving the Chair's Proposed 1995-96 Budget for Submittal to the Tax Supervising and Conservation Commission as Required by Law (Continued from April 27, 1995)

**CHAIR STEIN AND DAVE WARREN EXPLANATION.  
UPON MOTION OF COMMISSIONER KELLEY,  
SECONDED BY COMMISSIONER COLLIER,  
RESOLUTION 95-100 WAS UNANIMOUSLY  
APPROVED.**

The regular meeting was adjourned at 11:15 a.m. and the briefing convened at 11:20 a.m.

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Thursday, May 4, 1995  
**IMMEDIATELY FOLLOWING REGULAR MEETING**  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

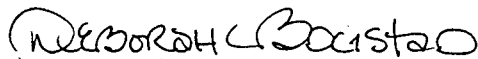
**BOARD BRIEFING**

B-2 Update on Multnomah County Sheriff's Office School Resource Officer Programs and Activities. Presented by Monique Barnhart, Sue Gates, Dan Staton and Keith Krafve.

**LARRY MOLLAHAN, DAN STATON, EMILY ADAMS,  
SUE GATES AND MONIQUE BARNHART  
PRESENTATION AND RESPONSE TO BOARD  
QUESTIONS.**

There being no further business, the meeting was adjourned at 11:45 a.m.

OFFICE OF THE BOARD CLERK  
MULTNOMAH COUNTY, OREGON



Deborah L. Bogstad



# MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK  
SUITE 1510, PORTLAND BUILDING  
1120 S.W. FIFTH AVENUE  
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS		
BEVERLY STEIN •	CHAIR	• 248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	• 248-5219
TANYA COLLIER •	DISTRICT 3	• 248-5217
SHARRON KELLEY •	DISTRICT 4	• 248-5213
CLERK'S OFFICE •	248-3277	• 248-5222

## AGENDA

### MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

#### FOR THE WEEK OF

MAY 1, 1995 - MAY 5, 1995

Tuesday, May 2, 1995 - 9:00 AM - Board Briefing	Page 2
Tuesday, May 2, 1995 - 10:00 AM - Work Session	Page 2
Tuesday, May 2, 1995 - 1:30 PM - Budget Session	Page 2
Wednesday, May 3, 1995 - 9:30 AM - Budget Session	Page 2
Thursday, May 4, 1995 - 9:30 AM - Regular Meeting	Page 3
Thursday, May 4, 1995 - Board Briefing	Page 5
(IMMEDIATELY FOLLOWING REGULAR MEETING)	

Thursday Meetings of the Multnomah County Board of Commissioners are  
\*cablecast\* live and taped and can be seen by Cable subscribers in Multnomah County  
at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30  
Friday, 10:00 PM, Channel 30  
Sunday, 1:00 PM, Channel 30

*\*Produced through Multnomah Community Television\**

**INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222, OR MULTNOMAH COUNTY TDD PHONE 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.**

Tuesday, May 2, 1995 - 9:00 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**BOARD BRIEFING**

- B-1      *Update on 1995 Oregon Legislative Session. Presented by Rhys Scholes, Gina Mattioda, Laurie Beth English and Other Invited Guests. 1 HOUR REQUESTED.*
- 

Tuesday, May 2, 1995 - 10:00 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**WORK SESSION**

- WS-1      *Review and Discuss the Work-in-Progress by the County's Strategic Planning for Information Technology Team; to Solicit Board Input into the Work to Date and Describe the Work Plan for the Remainder of the Project. Presented by Betsy Williams and Members of the Planning Team. 2 HOURS REQUESTED.*
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Tuesday, May 2, 1995 - 1:30 PM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**BUDGET SESSION**

- WS-2      *Central Citizen Budget Advisory Committee Report and Recommendations on the Proposed 1995-96 Multnomah County Budget. County Auditor Review of Financial Trends Over the Past Ten Years. Budget and Quality Office Discussion on the 1995-96 Revenues and the Five Year Forecast. Opportunity for Public Testimony on the Proposed 1995-96 Multnomah County Budget. 1.5 HOURS REQUESTED.*
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Wednesday, May 3, 1995 - 9:30 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**BUDGET SESSION**

- WS-3      *Department of Library Services Budget Overview, Highlights and Action Plans. DLS Citizen Budget Advisory Committee Presentation. Opportunity for Public Testimony on the Proposed 1995-96 Multnomah County Budget. Issues and Opportunities. Board Questions and Answers. 2.5 HOURS REQUESTED.*
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Thursday, May 4, 1995 - 9:30 AM

Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**REGULAR MEETING**

**CONSENT CALENDAR**

**SHERIFF'S OFFICE**

- C-1      *Retail Malt Beverage OLCC License Renewal Application Submitted by Sheriff's Office with Recommendation for Approval, for HAGAR'S AT VIKING PARK, 29311 STARK STREET, TROUTDALE*

**COMMUNITY AND FAMILY SERVICES DIVISION**

- C-2      *Ratification of Intergovernmental Agreement Contract 104505 Between Multnomah County, Developmental Disabilities Program and the University of Oregon's Specialized Training Program, Providing \$11,000 in Revenue to Assist in Data Collection and Development of the Oregon Natural Supports Project to Transition Persons with Severe Disabilities to Unsubsidized Employment, for the Period January 1, 1995 through June 30, 1995*

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

- C-3      *ORDER in the Matter of the Execution of Deed D951177 Upon Complete Performance of a Contract to Donald E. Pollack*
- C-4      *ORDER in the Matter of the Execution of Deed D951186 Upon Complete Performance of a Contract to Joan E. Jasper and Stephen J. Henneberg*
- C-5      *ORDER in the Matter of the Execution of Deed D951187 Upon Complete Performance of a Contract to Neil O. Marks and Evonne A. Marks*

**REGULAR AGENDA**

**NON-DEPARTMENTAL**

- R-1      *Rob Brading of Multnomah Community Television Presentation on the Board of County Commissioners Live Cablecast Programming*

**PUBLIC COMMENT**

- R-2      *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

**SHERIFF'S OFFICE**

- R-3      *Budget Modification MCSO 16 Requesting Authorization for the Establishment of an Appropriation for the Beginning Working Capital in the Concealed Weapons Unit, and Requesting an Increase in the Equipment Appropriation to Pay for a Fingerprint and Video Image System*

**AGING SERVICES DIVISION**

- R-4      *Budget Modification ASD 3 Requesting Authorization to Move a Case Manager Senior Position from the Long Term Care Program to the Adult Care Home Licensing Program, Using On-Going Funding*
- R-5      *Budget Modification ASD 4 Requesting Authorization to Handle Several Personnel Changes Using Salary Savings Within the Aging Services Division Budget, With No Net Fiscal Impact*

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

- R-6      *Budget Modification DES 9 Requesting Authorization to Transfer \$306,288 from the Data Processing Fund Contingency to the Correct Expenditure Categories to Fund Phase I of the Development of Multnomah County's Wide Area Network*
- R-7      *Request for Approval of FINAL ORDER MC 1-94/LD 13-94 Findings in Support of Decision to Uphold the Decisions of the Hearings Officer and Transportation Division Staff and Approve a Land Partition, Access by Easement and Variance to the Street Standards Code, for Property Located at 01400 SW MILITARY ROAD (Continued from April 25, 1995)*
- R-8      *ORDER in the Matter of the Grant of a Right-of-Way and Easement on County Land at the County Farm Property in the NW 1/4 of Sections 26 and 35, T1N, R3E, WM, Multnomah County, Oregon*
- R-9      *Ratification of Intergovernmental Agreement Contract 302015 Between Multnomah County and Metro, Providing Records Management Services to Metro on an As-Needed Project Basis Over a Three Year Period for an Amount Not to Exceed \$14,000*

**PUBLIC CONTRACT REVIEW BOARD**

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

- R-10      *ORDER in the Matter of Exempting from Public Bidding the Purchase of Oracle Version 7 Data Base System*

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

**NON-DEPARTMENTAL**

- R-11      *RESOLUTION in the Matter of Constructing Additional Beds for the Multnomah County Juvenile Justice Complex and Examining the Feasibility of Using a Portion of that Facility for a Mental Health Crisis Triage Center (Continued from April 27, 1995)*
- R-12      *RESOLUTION in the Matter of Constructing 32 Additional Beds at the Multnomah County Juvenile Justice Complex and Exploring the Feasibility of Constructing a Triage Center on that Site (Continued from April 27, 1995)*
- R-13      *RESOLUTION in the Matter of Approving the Chair's Proposed 1995-96 Budget for Submittal to the Tax Supervising and Conservation Commission as Required by Law (Continued from April 27, 1995)*
- 

*Thursday, May 4, 1995*

**IMMEDIATELY FOLLOWING REGULAR MEETING**

*Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland*

**BOARD BRIEFING**

- B-2      *Update on Multnomah County Sheriff's Office School Resource Officer Programs and Activities. Presented by Monique Barnhart, Sue Gates, Dan Staton and Keith Krafve. 30 MINUTES REQUESTED.*

MEETING DATE MAY 0 2 1995

AGENDA NUMBER WS-2

**AGENDA PLACEMENT FORM**

**SUBJECT: 1995-96 Budget - Work Session - Central CBAC Report, Financial Trends Report (County Auditor) Financial Overview (Budget & Quality).**

BOARD BRIEFING: Date Requested May 2, 1995  
1:30

Amount of Time Needed: 1 and 1/2 hours

REGULAR MEETING: Date Requested       

Amount of Time Needed:       

DEPARTMENT: Nondepartmental DIVISION Budget & Quality

CONTACT: Dave Warren TELEPHONE : 248-3822

BLDG/ROOM: 106/1400

PERSON(S) MAKING PRESENTATION: Department staff and budget staff

**ACTION REQUESTED**

☐ INFORMATIONAL ONLY    ☐ POLICY DIRECTION    ☒ APPROVAL    ☐ OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Central CBAC will report their recommendations about the 1995-96 Budget, the County Auditor will review the financial trends over the past ten years, and the Budget and Quality Office will discuss the 1995-96 Revenues and the Five Year Forecast.

1995 APR 26 PM 4:19  
CLERK OF  
COUNTY COMMISSIONERS  
MULTNOMAH COUNTY  
OREGON

**SIGNATURES REQUIRED:**

ELECTED OFFICIAL: Beverly Stein

OR

DEPARTMENT MANAGER:       

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

# Central Citizen Budget Advisory Committee

and

## Citizen Budget Advisory Committees

### **BUDGET RECOMMENDATIONS**

and

### **DEDICATED FUND REPORT**

March 1995

Multnomah County Citizen Involvement Committee  
2115 SE Morrison Street - Portland, Oregon 97214  
(503) 248-3450



**1995-1996**

**CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE**  
**BUDGET RECOMMENDATIONS**

Jack Pessia, Chair  
Larry McCagg, Community Corrections CBAC  
Vera Robbins, Sheriff's Office CBAC  
Mark Jones, Environmental Services CBAC  
Sara Lamb, District Attorney CBAC  
Jim Robison, Support Services CBAC  
Nan Waller, Juvenile Justice CBAC  
Scott Leibenguth, Non-Departmental CBAC  
Bill Davis, Community Health Council  
Susan Hathaway-Marxer, Library Board  
Jane Gordon, Community & Family Services CBAC  
Bobbi Gary, Community & Family Services CBAC

**CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE BUDGET RECOMMENDATIONS  
MARCH 1995**

The Central Citizen Budget Advisory Committee (CCBAC) is aware of the difficult choices that must be made in the coming weeks in preparing the final budget for Multnomah County. With these decisions to be made by the Chair and the Board of County Commissioners, the Central CBAC has prepared information which discusses concepts, lists specific funding requirements and attempts to identify "emerging issues" that can be captured at the cross departmental level for future discussion. We again appreciate the ability to participate directly throughout the budget process thus maximizing citizen contribution.

The attached Citizen Budget Advisory Committee reports track relationship to the urgent benchmarks and the associated costs. The reports additionally do an excellent job of prioritizing recommendations while using a brief format. The Central CBAC has begun to create a "standardized" format that can be used by all committees, which should assist all participants in the process, and will enhance the ability to identify cross departmental issues quickly and easily.

**CONCEPTS:**

- The Board of County Commissioners should emphasize ways to create collaborative programs across departments, remove redundancy in responsibility, and take measures to assure coordination among departments and programs.
- Funding decisions should consider not only next year's business but should move the County in long term strategic directions.
- For overall efficiency, the Board should utilize creative opportunities for encouraging volunteers, community groups, interns and temporary workers to participate in county functions, freeing experienced employees for duties which make the best use of their skills.
- The Board should make every effort to preserve programs that are currently funded by state and federal funds (where these funds might be lost) with special attention to programs whose loss would adversely affect groups of persons.
- The Board should intensify efforts, before funding is allocated, to determine whether more economical ways exist to provide the services requested.

## COUNTY-WIDE ISSUES

1. Technology: In order to use performance-based budgeting, departments and offices must be capable of generating, storing and manipulating information. The Central CBAC supports the work of the Strategic Planning for Information Technology Committee (SPIT) and its draft vision and goal statements for information technology. The Central CBAC favors uniform criteria and centralized purchasing of computers and software. Money for computers in departmental budgets should be used to further the SPIT plan.

2. Training: Training needs should be assessed, planned, coordinated and evaluated and should meet specific job related goals and established outcomes. Training across departments should be explored and coordinated to be cost-effective. Discretionary training funds should support County strategic goals and key results. For example, in order to leverage the continuing investment in computers and data bases, staff needs training and this should be done through a coordinated county-wide program. The Central CBAC recommends that computer training of employee groups be done in-house or through contract arrangements rather than by sending individual employees to outside computer classes selected by the department.

3. Facilities: The Central CBAC strongly supports the Department of Environmental Service's recommendation that the County invest in its properties to provide on-going maintenance and capital improvements at a level that will ensure that these properties retain their program and financial value. This is a heavy expenditure to consider at a time of pressing social needs, but deferring maintenance and improvement greatly increases the eventual cost. The County soon must decide whether it will maintain and improve its buildings or if it would be more cost effective in the long-run to sell and then to lease with maintenance included in the leases.

4. Staffing levels: In a time of constraint budgets, several organizations are in the position of having to make cuts in materials and services to meet increasing staffing costs.

The Central CBAC supports the various add packages to replace this revenue: Emergency Management, Citizen Involvement Committee, Portland Multnomah Commission on Aging, County Counsel, Affirmative Action, health department nurses. While supporting these adds, the Central CBAC recommends that continuous assessment of whether current staffing patterns are still necessary and examination of the use of volunteers and interns for some projects.

We commend the Sheriff's Office plan to use retired sworn officers as temporary employees for some projects, i.e. pre-trial release electronic supervision, and suggest that this plan be explored for other projects such as hospital guards and by other County organizations. A pool of qualified retirees could be developed.

The Central CBAC highly recommends the purchase of computer programs that will allow the Library to manage employee schedules. We recommend that the Library and Sheriff's Office administration work together to see if this system could be used by the Sheriff and other departments.

The Central CBAC is concerned that the County continuously assess the use of temporaries so that it will not use temporaries to the exclusion of full-time permanent employees. Temporary employments should not be used to avoid the payment of benefits.

The Central CBAC also recommends that as advances in technology replace some functions, employees be offered training to enable them to upgrade their skills to accept other County positions. Technology should be seen as a method to increase efficiency and effectiveness, not as a way to eliminate employees.

5. Customer Services: Increasing the availability of County services to the public is an essential component of "good government".

The Library's computer programs to assist in providing better public access and their kiosk project are examples of taking access to government services to where the people are. The kiosk could eventually be used by many state, local and federal government agencies. Support for the expansion of the Midland Branch Library is also an example of providing better access and higher quality public service.

The building of a county-wide computer system as envisioned by SPIT would also improve customer service and employee efficiency.

6. Loss of state, federal or grant funds: Many programs are and will be feeling the affects of loss of federal or state funds, as evidenced by several add packages. The Board of County Commissioners will need to determine soon whether it will backfill, drop or down-size the various services now funded by state, federal or grant money. The Central CBAC recommends that the public, and in particular the Citizen Budget Advisory Committees, be involved in making these decisions.

Examples include: Outpatient adult mental health care for persons not Medicaid-eligible, drop-in services for seriously mentally ill, STOP, Commission on Children and Families program management specialist.

7. Target Services: The County must ensure that populations with special needs are served. Often these programs are not understood or used by the general public and therefore do not have strong public support. The Central CBAC recommends that special needs programs not bare more than their share of any cuts that become necessary. Again, long-term benefits must be kept in mind.

Examples include: Add packages providing counseling to Hispanic persons on pre-trial release, expanding school based health clinics, providing mental health services to low-income persons not eligible for the Oregon Health Plan, and treatment for juvenile sex-offenders.

**EMERGING ISSUES NOT ADDRESSED IN DEPARTMENT REQUESTS:**

1. Moving prisoners now in state institutions to County facilities will trigger a significant impact on all aspects of corrections, including health and mental health programs.
2. Measure 11 will impact juvenile and adult court schedules and detention facilities.
3. Increasing population will impact the County's ability to provide services.
4. Low-income residents who are not eligible for the Oregon Health Plan will either be a drain on County funds or be without health services.
5. Adequate funding is necessary for capital improvements, including improvements to the Willamette River bridges.
6. Contract evaluation is a continuing issue.
7. Operational/staffing/workload study for Sheriff's Office recommended by the International Association of Chiefs of Police, in its study of February 1995, is necessary to validate the IACP recommendations.
8. Increased cooperation among the Sheriff's Office, District Attorney, Community Corrections and Juvenile Justice.
8. Need of rural fire districts for 800mhz radios to be able to communicate with the Bureau of Communications.
9. The inability of the Library to keep pace with comparable library systems in the maintenance and enrichment of its collections.

#### **NEED FOR STRATEGIC PLAN:**

It is clear that the County needs a long-term Strategic Plan. It is impossible to deal with the issues presented by the departments without the guidance of an overall prioritized plan. Capital improvement and technology upgrade are extremely costly. Mandated and other critical programs must compete for the same dollars without a logically driven set of goals. Training is essential, yet must be tied to the County's long-term plans and the role employees will play in the future. The current County benchmarks are often too broad and are apparently not driving departmental issues and choices.

The Central CBAC recommends that the Board of County Commissioners begin a process to determine the County's mission and responsibilities, to assess its needs, and to develop a long term strategic plan. This plan must address contingencies for changing state and federal funding and mandates. The planning process must include employees and the public.

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

**for the**

**COMMUNITY AND FAMILY SERVICES DIVISION**

Jane Gordon, Chair  
Bobbi Gary  
Marina Anttila  
Joy Hicks  
Jim Francesconi  
Gregory Taylor  
Jim Williams  
Muriel Goldman, Volunteer  
Doug Montgomery, Volunteer

# DEPARTMENT OF COMMUNITY AND FAMILY SERVICES CBAC REPORT (3/13/95)

Submitted to: Chair's Office; Chair, Central CBAC; CFSD Director

From: Jane Gordon, Ph.D. - Chair, CFSD CBAC - on behalf of the CBAC Members

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## List of prioritized add packages approved by the CBAC (2/23/95, figures updated 3/10):

Ranking	Tier	Add Package	Amount Requested
1		A. Centralized Management Information System	\$195,000
2		B. Outpatient Mental Health Services (Adults)	\$1,079,585
2		C. Mental Health Services to Non-Medicaid Eligible Children	\$380,504
2		D. Managed Behavioral Health Care	\$398,295
3		E. Consumer-run Empowerment Program (Restoration)	\$154,093
3		F. Hooper Center (needs to be reduced by COLA)	\$138,921

One other package not ranked but needing resolution/recommendation by CCBAC was identified by Department as "Unanticipated Facilities Management Overhead (\$46,018)." Because of an impending move and some incomplete communication from facilities mgt., the CFS believed it would be saving money after the move (reduced costs/sq.ft.), but was later informed previous figures did not include overhead for facilities mgt. to write rent checks and assorted other tasks. The CBAC feels that with a complete listing of the (overhead) tasks, CFS could identify tasks that can be absorbed within the Dept. either reducing or eliminating the overhead fee. (What is the status of CQI and efficiencies in facilities management??) This raises the issue of whether it is more economical to have centralized facilities mgt., or to create authority for depts. to manage their own facilities' expenses, at least to some degree. At this point in budgeting, the \$46,018 will have to come out of service delivery and the CBAC is not in favor of that until all other alternatives are explored in good faith.

### 1. How the add packages relate to key results or benchmarks.

Add package A corresponds to key results and the benchmarks having to do with being able to measure performance and demonstrate to citizens that services provided are necessary, responsive, high quality and cost effective. Without establishing a computerized system to collect and analyze information, the ability to track quality efforts, program evaluation, and efficiency will be virtually impossible.

Add packages B, C & E reflect the county's burden from the state cuts in mental health services for non-Medicaid eligible populations who are still poor and in need of help. It is hard to imagine that this group of people will be abandoned by the state and county, yet the political dynamics of who should pay for what is a prime issue here. Given the state and county commitments to benchmarks related to: economic access to health care, reducing domestic violence, reducing teen pregnancy, reducing alcohol and drug use among pregnant mothers and youth, and independent living choices and employment for mentally ill and developmentally disabled - it is difficult to accept not finding funding (using whatever collaborative and creative processes can be devised) for at least some degree of service for the groups affected. It's not unreasonable to assume these people will wind up on the streets or in jail if alcohol and drug use, related crimes and inability to work in order to take care of themselves becomes their alternative for survival. Government will pay for those eventualities at the "back end". Which is preferable?



Add package D addresses the intent to get a head start on the emerging trend to capitate costs for some mental health care, particularly for children, including alcohol and drug treatment. It's an appropriate strategy to be working on, but could be funded on a smaller scale until some of the other critical issues are addressed.

Package F should be explored further to determine what portion of the request relates to actual operating deficits vs. COLAs. We do not think it's appropriate to pay this agency's COLAs when the same is not being done for other contractors. There was a question as to whether the county is the only sponsor of Hooper's services that should be looked to for supplementing operating costs, and we have no information about why they are over budget (do they need to look at their operating procedures?).

## **2. Cost effectiveness of the add package requests.**

We have no data to use to address this question with any accuracy (in part because there is no system in place to process the data needed!) but as mentioned above, the "no cost" alternatives are actually not cost free, and do nothing to relieve the problem, therefore, our conclusion is doing something is more cost-effective than doing nothing.

## **3. Add packages' enhancement of department/agency efficiency or productivity.**

Add package A will do both.

The remaining add packages (services they would provide) are/would ultimately be related to package A. In addition, not providing those services contradicts the CFSD's mission.

## **4. Emerging issues or needs that are not addressed by the department's budget request.**

Centralized Mental Health Crisis Triage Unit: a proposal which merges current fractured referral processes, but definitely has large start-up costs which are still being reviewed for cost / (long-term) effectiveness and other, more political issues.

There is also a linkage between this and the anticipated future of mental health services to move away from fee for service treatment in a practitioner's office and toward monitoring people coming out of in-patient facilities and crisis care using staff visits to their residences.

CFSD has begun the process of forming a centralized Contract and Evaluation Unit (CEU). We support this effort although the process of moving to a centralized format will create some personnel issues and will require significant training to get the unit up to speed. Preliminary discussions are occurring between CFSD, JJD and HD to have the latter two agencies contract with CFS/CEU to perform evaluation services for them; a full proposal has not been presented to the CBAC for consideration.

Although we believe there is insufficient conversation between departments who service the same people regarding streamlining of services and follow-up, it is not at all clear that Contracts and Evaluation are the place to begin.

Training is part of CFSDs budget request. However, it is only at the benchmark goal. It highlights diversity training and CQI. This may be a prime area for the county to coordinate training across departments to get the maximum effect for dollars spent. This issue will also apply to train people to use improved communication and data handling software and systems.

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE**

**for the**

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

Mike Zollitsch, Chair  
Mark Jones  
Christopher Eykamp  
Harvey Garnett  
Ben Kasubuchi

TO: Beverly Stein, Chair of the Multnomah County Board  
of Commissioners  
Multnomah County Board of Commissioners  
Central Citizen Budget Advisory Committee

FROM: DES Citizen Budget Advisory Committee  
• Michael Zollitsch, Chair  
• Mark Jones, CCBAC Representative  
• Ben Kasubuchi  
• Harvey Garnett  
• Christopher Eykamp

DATE: March 6, 1995

SUBJECT: DES CITIZEN BUDGET ADVISORY COMMITTEE REPORT

The DES Citizen Budget Advisory Committee (CBAC) has reviewed the budget issues and add packages with regard to the Department of Environmental Services for the fiscal year 1995-96.

#### I. OBSERVATIONS AND RECOMMENDATIONS

The Department of Environmental Services (DES) budget covers a wide variety of services that relate to Multnomah County's (County) ability to deliver services to its citizens including youth, elderly, and developmentally disabled; providing for internal service operations and; providing services that enhance the quality and livability for the citizens of Multnomah County.

Three add packages all have one common theme and are considered by this Committee to be the most important areas in need of funding. All three of these packages concern areas that we believe the County is falling dangerously behind in its responsibilities and is not meeting its own benchmarks in the areas of infrastructure investment, access to facilities, increased productivity, and good government.

Two of the add packages affect most or all of the County's ability to serve its citizens and the third relates more directly to the programs of the Department of Environmental Services (DES). Listed below in priority order are the three add packages that this Committee considers absolutely necessary to fund:

- *Capital Improvement Plan\Additional Funding for the CIP Plan*

The need to complete MAJOR deferred maintenance projects and implement the Space Strategic Plan is far greater than the funding that has been allocated in the past. Even prior to the passage of Ballot Measure 5, maintenance projects have been deferred when funds were needed for other programs. We are now realizing the consequences and impacts on our facilities due to the lack of funding for maintenance and absence of a

comprehensive space plan.

The risks and liability of deferred maintenance must be considered when decisions on space are debated. As improvement and maintenance projects are delayed, not only is there a chance of increased liability, but overall costs to complete the projects are subject to inflation. The situations at the Donald E. Long Home and the detox center are prime examples. We understand that there are cost savings to the County when they own their own space, however there is also a FALSE sense of economy when maintenance is ignored. If the County is NOT going to keep up with the needs of their buildings, maybe it is time to lease space and let the owners take care of the maintenance. If we were to factor in an on-going expense for maintenance, perhaps it would be cheaper to lease property.

We do not hold the current Board or any particular board of the past responsible for this situation. However collectively all the Boards share this responsibility. It is time to put an end to short sighted politics and make a long term commitment to run the County in a business like manner. The facilities are a prime resource investment and should be treated as such. We are not advocating spending money on facilities that may no longer serve the County's purposes, but where needs are clear, improvements should be made while a long range plan is developed and a commitment made to its implementation.

The Department of Environmental Services has established a system that allows you to determine what the space costs are for each County program. This aids in determining total program costs. This information can be used to evaluate where you want to spend your resources. This could be the time to cut some programs and make sure that the programs you are committed to are operated in an efficient manner.

- ***New Development for Information Systems Applications***

The CBAC recognizes the efforts of this division to run their operation like a business as much as possible. However if resources are not committed to keep up with information technology the County will not be able to serve its citizens productively and efficiently. As population increases in Multnomah County, County employees are being asked to do more with less. New developments in information applications can provide the

tools necessary for County employees to provide required services in a more efficient manner. We feel that the longer this is deferred, the more it will eventually cost.

Considerable time has been spent to evaluate the needs of the County with regard to information services. The plans that have been developed and are being developed need to be implemented and have the required resources devoted towards them.

- *DES Education and Training Plan*

Simply stated, County employees need to have the tools to do their jobs efficiently and productively. This includes education and training. We strongly support this important and sometimes overlooked benchmark established by the Board.

The next four add packages are strongly recommended for Board consideration for funding.

- *Land Use Records*

This add package would provide funding to improve management of permanent records that the County is required to maintain. The improvements would increase access to the records for both the public and County personnel. Moving towards modernization of file storage and retrieval and improving the management of these records should be a high priority and lead to better governmental responsiveness and increase the County's accountability. This add package also includes off setting revenue.

- *Records Archivist*

Similar to the land use records add package, this committee believes that record maintenance and storage is a primary responsibility of the County. This package also improves the County's accountability and leads to "better government."

- *Animal Control Service Enhancement*

This add package will fund much needed improvements in the Animal Control Division. This Division has continually been asked to do more with less. As population in the County grows, so does the demand for

more service. This program should lead to an increase in citizen satisfaction. Since some of the cost of the program would come from off-setting revenue, the benefit for the general fund contribution is greatly enhanced.

- ***Animal Control Phone Improvement***

An on going area of citizen complaints has been the phone system at Animal Control. Upgrading the system is overdue and should lead to greater citizen satisfaction. The amount of the request is small and should lead to more effective and productive use of time for both citizens and County employees.

The Johnson Creek Water Quality Project should be funded if funds are available. This Committee feels that the County would be remiss if it did not take part in important natural resource issues that affect its citizens and to be a willing participant with other governments in jointly solving problems for its citizens.

The DES Citizen Budget Advisory Committee does not recommend funding the add package for **Contracting Animal Damage Control** services. There is already a responsible agency for this program and we do not see it as a good use of County dollars at this time.

The Committee could not reach a consensus agreement on the **Feral Cat Program** and therefore makes no recommendation. We do however appreciate the Animal Control Division's creative ideas in dealing with difficult problems.

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE**

**for the**

**DISTRICT ATTORNEY'S OFFICE**

Sara Lamb, Chair  
Irwin Mendell  
Dick Wegner  
Molly Wienstein  
Winzel Hamilton  
Dave Simpson  
Doug Menely

March 16, 1995

To: Chair Beverly Stein  
Multnomah County Board of Commissioners

From: Sara Lamb, Chair  
District Attorney's Citizen Budget Advisory Committee

RE: 1995/96 BUDGET REVIEW

Our CBAC has met monthly since September to follow progress on key results measurement, orient our three new committee members, become familiar with the Neighborhood District Attorney Program, and to review departmental issues as the budget was developed. We have endorsed the budget submitted by the DA and support the one add package that he has proposed. Our concerns are discussed under Emerging Issues below.

#### ADD PACKAGE

Add DA Investigator to replace one cut by the Sheriff in FY95.

Currently 3 investigators are supporting 75 lawyers in the DA's Office which means that much of the investigative work must be done by the deputy DAs which is not cost effective. And when the investigation is not done, cases that could be successfully prosecuted are dropped or lost.

The CBAC supports the request to add a replacement investigator.

Relation to Benchmarks/Key Results--Directly relates to key results of the trial units, that is percent of cases issued and percent successfully prosecuted.

How cost effective--Substitutes lower cost (and possibly better skilled?) investigative personnel for higher cost deputy DAs.

Enhance productivity--Allows more cases to be prosecuted with existing lawyers.

#### EMERGING ISSUES/CONCERNS

1. Measure 11. We are concerned with the potential impact of Measure 11 which could increase DA time required as more juveniles are facing serious felony charges and going to adult courts. While the DA believes that this budget is a prudent one and will not put public safety in jeopardy, our committee felt there is a significant risk that increased demand in this area



would make it necessary to reduce prosecutions in other areas. Given that the demand for DA services is externally driven, contingency funding may be required. For this reason our committee supports the Chair's plan to garner a central reserve for the 1995/96 budget year.

**2. Neighborhood DA Program.** We are concerned that the Neighborhood DA Program may be vulnerable in this budget climate. We also support the need for a meaningful evaluation of the program.

Our committee feels that a community-based DA presence is needed now more than ever. Since October members of our committee have visited all 5 existing NDA sites. We have been impressed with the variety of constituencies they serve and the range of services one DA is able to provide at the neighborhood level. We support the continued funding of the Gresham office which is included in the constraint budget, as well as the commitment to beginning to plan for the addition of a Mid County office. We would like to see these services available to citizens in every neighborhood. The DA reported that he has had inquiries from Tri-Met and the School District about the possibility of providing funding for a DA to serve their constituency. While this could be a tempting way to leverage an exciting program, several members of the committee expressed concern that this would set a bad precedent and look like special interest groups were getting special service by hiring their own DA.

Our committee has recommended that the DA provide some further specification of the Key Result for the NDA Program. Currently it reads: Number of targeted crime problems identified for each neighborhood. In reviewing the proposed performance measures in 1993 we suggested the DA further identify the categories of crime problems the NDA Program is working on and make the performance measure the percentage of targeted crime problems that were actually being worked on. After learning from our site visits what the NDAs do and how we have two additional suggestions which we think would support a more meaningful evaluation of the program: (1) change "crime problems" to "public safety problems" to make this a more appropriate measure. (2) include a measure of the breadth of constituencies served and types of services provided at each office.

**3. Grant Funding.** Net grant funding has decreased this year. It has been an important part of the department's budget in the past and should continue to be so in the future. The DA should continue work on the Americorps grant application to train and support young people to work in the Neighborhood DA Program. This is another type of activity that can get lost in a year when needs are increasing faster than resources.

4. Education and Training. The committee noted that funding for education and training increased in the current budget year which we feel is especially important when county employees (as elsewhere) are being asked to do more with less. The constraint budget submitted by the DA represents a further increase which we support. However, at that level we note the DA is still only halfway to the 1995 Oregon Benchmark for training of 2% of payroll.

CC: Michael Schrunk  
Tom Simpson  
Kelly Bacon  
CBAC Members

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

**for the**

**DEPARTMENT OF COMMUNITY CORRECTIONS**

Pat Bozanich, Chair  
Amy Peterson  
Richard Pomeroy  
Katherine Anderson  
Bill Hoffstetter  
William Trappe  
Larry McCagg

March 10, 1995

TO: Beverly Stein, Chair  
Multnomah County Commission

FROM: Pat Bozanich, Chair,  
Community Corrections Citizen Budget Advisory Committee

RE: Community Corrections CBAC Budget Recommendation

The Community Corrections Citizen Budget Advisory Committee makes the following recommendations regarding the Department's proposed Add Packages for 1995/96:

**CBAC funding priorities** are (from highest to lowest) as follows:

1. Add package #7 Hispanic Case management \$50,000
2. Add package #4 Women's Transition Services Case manager \$64,223
3. Add package #1 Increase staffing/ equipment for MIS
4. Add package #6 Maintain/increase STOP Program funding

Please see below for our specific thoughts regarding each of these Add Packages, including #s 2, 3 and 5 not listed in our priorities.

**Add Package #1.** This add allows for continuation of staffing to support and expand the Department's information system and system users. The CBAC supports this add package because it will streamline Multnomah County data base entry and information retrieval from the state ISIS system. Better information will help DCC personnel increase their effectiveness by providing a means for analyzing information to improve operational efficiency. Having MIS knowledgeable staff available will decrease the amount of time other staff will need to become proficient on the new system. It is difficult to project cost savings on estimates of increased staff efficiency and effectiveness. The CBAC had other questions related to project implementation that will be answered in a later meeting. We strongly support this add: it is our number three priority.

**Add Package #2** This add will create another Family Counselor position in the Family Court Services program. Although we support the addition of this position it is not included in our priority list because we support an increase in the Multnomah County divorce filing fee to match that of Washington County and the addition of an affiliation (or user) fee to recover costs from couples who have not married but who use these services. Funded in this manner the position would be self-supporting and have no general fund impacts.

**Add Package #3** This add results from mandates created by Ballot Measure 11. It funds beds and sanctions for probation /parole violators sentenced to serve less than twelve months for violations of conditions of supervision or release. The CBAC is making no recommendation at this time. Too little is known about what the state legislature will propose or fund to deal with these new responsibilities. CBAC members were also concerned about any proposal that focused on beds to the exclusion of other services. We support continued planning efforts, especially those involving cross-departmental and jurisdictional concerns and await additional information from our state legislators.

**Add Package #4** This package provides for an expansion of supervised housing with on-site case management services for women with addictions and young children. This is a strong program with a history of success and an established need. Multnomah County DCC is partnering with the Housing Authority of Portland to make this happen. DCC's fiscal contribution to this effort is small when compared with the cost of foster care and other, less family-friendly alternatives. This is the CBAC's number two priority; it provides a good bang for the buck is well leveraged with HAP funds and meets an important community need.

**Add Package #5** Transfers supervision and oversight of Pretrial Release Intake Unit and Pretrial Release Supervision Program from Multnomah County Circuit Court to DCC. Although

the CBAC acknowledges that DCC benefits from the continuation of these services, it sees no reason for DCC to take on what appears to be a program that is the responsibility of the Court. The CBAC has requested information about the statutory requirements of the Courts and Multnomah County.

**Add Package #6** Continues and expands funding for STOP drug treatment program to reduce drug-related property crimes. This is a successful program with a high treatment completion rate and low re-conviction rates. Funding from an initial grant will not continue for FY 1995-96 and funds from the City of Portland are in doubt. The CBAC supports continuation of County funding at last year's level of \$296,225, the imposition of client fees and an increase in Portland's contribution to continue the Program at its current level. We also support an increase in alarm fees to fund expansion of the Program. It is estimated that the County will save \$150,000 to \$560,000 on probation caseloads and Portland will save \$400,000 on police overtime as a result on program expansion.

**Add Package #7** Provides range of case management services for Hispanic defendants released to pretrial supervision. The package is designed to free up jail beds by providing a mix of services that will keep defendants from fleeing while potentially reducing the number of matrixed releases of more violent offenders. This is the CBAC's number one priority: most Hispanic defendants are not involved in violent crimes but are held because they don't have a place to be released to. We feel it is a better to create alternative services for this group and reserve jail beds for those who are accused of committing violent offences. This is a low cost way to make better use of existing resources.

Our CBAC strongly supports the increased coordination and planning efforts between DCC, the Sheriff's Office, the Courts and the District Attorney's office that are an outgrowth of Ballot Measure 11. We expect these efforts will identify and incorporate system efficiencies that will result in more effective and flexible ways of dealing with offenders. Our number 1 and 2 Add Package priority items reflect our concern with prevention, partnership building and making the most effective use of available resources. We do not feel their implementation needs to be put on hold pending state legislative funding decisions.

cc: Sharron Kelley  
Tanya Collier  
Dan Saltzman  
Gary Hansen  
Tamara Holden  
Central CBAC  
DCC CBAC Members

# MULTNOMAH COUNTY COMMUNITY CORRECTIONS BUDGET ADVISORY COMMITTEE

421 S.W. Fifth Avenue, Suite 600  
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Telephone (503)248-3701  
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Pat Bozanich  
Chair

## Committee Members

Katherine Anderson

Bill Hoffstetter

Larry McCagg

Amy Peterson

Richard Pomeroy

## Community Corrections Staff

Susan Kaeser  
Management Assistant

Karen Rhein  
Administrative Secretary

## VISION/PRIORITIES

*The vision for the Department of Community Corrections is to provide for public safety by assisting offenders in their integration to a healthy community.*

## GOALS/STRATEGIES

### 1) Assess and target the needs of offenders and provide the opportunity and expectation of responsible conduct and personal accountability.

- Provide training and/or education in basic living skills (finances, stable employment, parenting, math and reading, etc.)
- Maintain and contract with group homes, and training programs that assist immature adult offenders "transition" to productive adulthood.
- Insure basic living and work/employment skills are a part of all residential programs that house offenders (jails, prisons, work release, forest project, inpatient); acknowledge and serve the offender in a holistic manner.
- Involve offenders in identifying their needs and investing in the process of meeting those needs, establish goals and consequences.
- Address criminal thinking and attitudes that interfere with an offender's becoming productive and responsible.
- Provide the chronically mentally ill offenders appropriate services.
- Recruit and train staff who are compatible with the diverse population we serve.
- Coordinate initiatives with the Juvenile Justice System to reduce the likelihood of juveniles progressing to the adult system.

**2) Create climate for citizen involvement and promote community partnerships**

- Mobilize the community in identifying their community's needs and formalize partnerships for the delivery of services.
- Involve the community in the direct care and/or delivery of services by utilizing the broad range of skills and community resources available.
- Continue successful models that engage the community such as Safety Action Teams (SATs); and community service projects.
- Target services and interventions, including custody, for high risk offenders presenting the greatest risk to the community.
- Provide timely and responsive assistance to victims of offenders under supervision, regarding financial, supervision status, and availability of other social services.
- Increase linking capacity of systems to insure timely notification of offender contact with other Criminal Justice System partners.

**3) Provide outcome data on recidivism, safety, rehabilitation, and efficiency**

- Institute continuous quality improvement initiatives that can modify programs, build on what works best, and implement changes.
- Use focus groups in the Department of Community Corrections and the county to collect data from clients who succeed and fail
- Provide a combination of inhouse and contracted evaluations that target outcome, key results and subjective analysis.
- Review and apply research findings as appropriate modifications building on effective models throughout the world.

**4) Provide dedicated baseline funding to insure organizational stability and continuity of effort for the delivery of a balanced approach of custody/treatment, rehabilitation/punishment over the next ten years.**

- Provide training that focuses on helping staff help the organization meet the vision

**5) Recognize the link between juvenile criminal activity and adult criminal activity**

- Increase coordination with the juvenile system.
- Assure juveniles are held accountable for behavior as juveniles, especially to work with violent juvenile offenders
- Target apprehension and prosecution at adults who recruit juveniles
- Remove the stigma of "family problems" so family members actively seek help - recognize these are members of our community



**1995/1996**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

**FOR THE**

**MULTNOMAH COUNTY HEALTH DEPARTMENT**



Community Health Council Members

Dr. Kenneth Chung	Nin McKellar
Tanya Collins	Clinton Nelson
Buzz Daniel	Lisa Simpson
Bill Davis	Sandra Spiegel
Lorey Freeman	Darlene Swan
Marge Jozsa	Dr. Eric Wall
Kay Lowe	Gerardo Madrigal

President

Eleanor Matthews

Budget Committee

Dr. Kenneth Chung  
Marge Jozsa  
Bill Davis, Chair  
Nin McKellar

Health Department Staff

Billi Odegaard, Director  
Jan Vlahos  
Tom Fronk

The Community Health Council and Citizen Budget Advisory Committee have adopted the new Central CBAC guidelines for this report. We applaud the efforts of Central CBAC to streamline and simplify this report.

### **Health Department Budget**

The Multnomah County Community Health Council and CBAC have reviewed the Multnomah County Health Department budget. We support the proposed budget on an overall basis.

### **Health Department Budget Add Packages**

The Multnomah County Community Health Council and CBAC makes the following recommendations in the order of our importance:

#### **1. COST OF ONA BARGAINING UNIT AGREEMENT IN FISCAL YEAR 1995-96**

**Purpose:** Restore 5.6 nursing positions

**Cost Effectiveness:** Cost = \$344,000 Maintains current level of access to primary care, specialty care, field and HIV programs.

**Key Results/Benchmark Relationship:** Cutting 5.6 nursing positions will result in the incremental loss of access to care. If nursing staff is lost, more people will be turned away because the present staff is already stretched and quality of care will deteriorate. The CBAC strongly supports that this add package be fully funded at the \$344,000 level.

#### **2. POSTPONING SEXUAL INVOLVEMENT CURRICULUM (PSI)**

**Purpose:** Provide PSI curriculum to all sixth graders in Multnomah County and similar but age and developmentally appropriate curriculum to teen parents through Teen Connections Program.

**Cost Effectiveness:** Cost = \$383,066 The prevention of only a few teen pregnancies resulting in low birthrate babies or other poor outcomes such as teens who don't finish school and are unemployable make this a cost effective program. In addition, this program developed by Emory University and piloted in Atlanta has a proven track record of success and the program includes a solid evaluation and tracking component.

**Key Results/Benchmark Relationship:** Decreasing rate of early and second pregnancy in adolescents is an urgent benchmark Another benchmark is keeping children in schools.

### **3. ADD TWO NEW SCHOOL BASED HEALTH CENTER SITES**

**Purpose:** Add one SBHC at Franklin High School in PPS and offer other school districts in the county the opportunity to bid for another new site in their district. Restores 1990 plan to open Franklin site that was cut due to Measure 5 budget restrictions.

**Cost Effectiveness:** Cost = \$433,799 FY 1995 and \$600,782 FY 1996 Again keeping children in school and preventing teen pregnancies are cost effective programs.

**Key Results/Benchmark Relationship:** Increases health services to an additional 1000 Multnomah County students. Benchmarks: Reduce teen pregnancy and improve access to health care. Keep children in school and be successful.

### **Unranked: MEDICATION ADMINISTRATION IN CORRECTIONAL FACILITIES**

**Purpose:** Respond to change in Board of Pharmacy Administrative Rules requiring pharmacists to dispense all prescription drugs in correctional facilities. Currently, nurses administer single doses to inmates as prescribed.

**Cost Effectiveness:** Cost = \$451,473 plus start up costs for first year of \$32,000.

**Key Results/Benchmark Relationship:** This change adds a costly layer of services and does not support cost containment policies of the county's Good Government Initiative, but is required by law. County and other correctional stakeholders are seeking a compromise with the Board of Pharmacy on a statewide basis. The CBAC supports the county's efforts to seek a compromise.

Health Department Emerging Issues and Recommendations for the Future

1. Concern about moving state prisoners to the county level and the impact on the county's budget without accompanying state funding.
2. Increase of population in metropolitan area and impact on county services
3. Concern about uninsured county residents who are not eligible for the Oregon Health Plan
4. Encourage maintenance of resources for prevention in face of demand for acute and urgency care



Eleanor Matthew, President  
Community Health Council

March 13, 1995



Bill Davis, Chair  
CBAC

**The Citizen Budget Advisory Committee**

**of the**

**Multnomah County Sheriff's Office**

**1995-96 BUDGET RECOMMENDATIONS**

**Members:**

**Al Armstrong  
Margaret Boyles  
Mark Cvetko  
Denise Fugate  
Vera Robbins  
Bob Wiley  
Malcolm Freund - Alternate**

**March 13, 1995**

## INTRODUCTION

The Multnomah County Sheriff's Office (MCSO) Citizen Budget Advisory Committee (CBAC) has completed an overview of the 1995-96 Budget Proposal for MCSO, and makes the following observations and comments.

## SIGNIFICANT CHANGES

1994 was a year of significant change for MCSO. Reduced service population, and corresponding patrol workload reductions, coupled with a large number of retirements to take advantage of benefits, made a review of the current organization and staffing levels very appropriate. CBAC feels the significant change in revenues submitted to the committee, coupled with the 1995-96 personnel moves outlined, reflect a good start in reorganizing the MCSO for its future role and mission. CBAC supports the personnel increase of 30.84 as long as they are funded by the organizational savings. However, as recommended by the IACP the County should have an exhaustive organization and staffing study completed in the near future.

## ADD PACKAGE REVIEW

The CBAC has reviewed the add packages requested by the MCSO. Four major categories were considered during the review:

- a) The MCSO Operational Analysis of February, 1995 conducted by IACP;
- b) Cost effectiveness (both short-term and long-term);
- c) Public safety;
- d) Departmental efficiency.

The CBAC looked at each add package using these four issues as measuring devices, and ranked the add packages accordingly.

### 1) Hospital Security Unit

- a) This position must be staffed for public safety reasons. Inmates must be supervised while they are at the hospital to prevent them from escaping or causing injury to others.
- b) There will be significant cost-savings, both short and long term, from staffing this position at straight time versus overtime.

- c) This job requires more FTEs than are currently funded. The positions are being staffed by the use of overtime. The CBAC feels this puts public safety in jeopardy with the extended work hours.

The CBAC feels that this item is vital and that there is no reason why the Board of Commissioners should not approve this package.

2) Video Arraignment Enhancement

- a) Recommended in IACP Report on Page 43.
- b) The start-up (short-term) cost of this package would be offset by the long-term savings in inmate transport costs.
- c) Increased public safety would result from decreased inmate movement.
- d) Increased departmental efficiency would result due to reduction in staffing hours required for inmate transport, prisoner tracking and scheduling of transports.

The CBAC strongly urges the Board of Commissioners to approve this package. Video arraignment will become even more critical as inmate populations increase. We recommend that MCSO and the Board of Commissioners evaluate the cost effectiveness of expanding video arraignment capabilities to all facilities, including MacLaren and Hillcrest.

3) Options for Supervision and Sanctions Other Than Jail

- a) Recommended by IACP Report on Page 41.
- b) Cost effectiveness of this program has yet to be determined.
- c) This gives a form of control over the pre-trial defendant before his court appearance and gives the incentive to appear without the added cost of issuing a warrant.

We recommend that the Board of Commissioners approve this add package. The approval will send a strong message to the public that the County is concerned about public safety. This add package will become more vital as matrix populations increase while jail bed space remains stable.

4) Increased Staffing In Classification

- a) Recommended by IACP Report on Page 43.

- b) It is expected that the cost of this package will be partially offset by a lowered re-transport cost to get the inmates to the appropriate facility.
- c) Public safety would be increased by pre-classifying inmates who are high risk for escape.

The CBAC recommends that the Board of Commissioners approve this add package. We would like to stress that this package could pay for itself if even one lawsuit is avoided.

5) Temporary Employees To Work In Court Services

- a) This add package is more cost effective than paying FTE's overtime to perform these functions. The reduction in time delays in delivering inmates in a timely manner will positively impact the cost of court services through minimized "down time" spent waiting for inmates.
- b) Public safety will be positively impacted by having additional court guards during peak use periods.
- c) Departmental efficiency will improve as a result of enough manpower to provide services in a timely manner. In addition, efficiency should improve as a result of improved morale and lowered employee stress. Other departments will also become more efficient due to less "down time".

We urge the Board of Commissioners to approve this add package.

6) Increase Records Staff For Booking

- a) Recommended in the IACP Report on Page 32.
- b) The IACP has identified this as an inefficient area at MCDC. This package is an attempt to reduce the data entry error rate of 6.4% (which is expected to go higher), which is unacceptable and measures need to be taken to bring this down substantially. Public safety would increase as a result of timely entering of warrant information.

7) Training Funds

- a) Recommended in the IACP Report on Page 11.



- b) The cost of this package could be offset by potential lawsuits due to inadequate training of patrol and correction staff.
- c) Public (and officer) safety would be increased as a direct result of improved training. First responder training for patrol officers could save many lives >
- d) Departmental effectiveness would be improved long-term through raised employee morale. However, without knowing the specific training programs which will be provided, effectiveness is not measurable at this time.

8) Alcohol & Drug Specialist For In-Jail Intervention Program

- 1) Not specifically addressed in IACP Report.
- 2) Cost effectiveness could not be addressed because statistics of program results were not available.
- 3) Public safety could not be addressed without program statistics.
- 4) Efficiency would improve as a result of enough manpower to provide the required services.

We recommend that the Board of Commissioners research the effectiveness of this program before making a decision on this add package.

CONCERNS

The following concerns were expressed by the CBAC and not addressed in the add packages:

- 1. Computer networking shortfalls;
- 2. Extensive staffing/workload study as recommended in the IACP Report on Page 5.
- 3. Response times to Priority E and 1 calls for service.
- 4. 800 mhz radio systems for rural fire districts. Please refer to letter dated 2/16/95 from the Sauvie Island Volunteer Fire Dept. to the Office of Commissioner Dan Saltzman (Attachment).



14443 N.W. Charlton Rd.  
Portland, Oregon 97231

## SAUVIE ISLAND VOLUNTEER FIRE DEPT. R.F.P.D. #30

February 16, 1995

Mr. Mark Wiener  
Office of Commissioner Dan Saltzman  
1120 SW 5th  
Portland, Oregon

Mr. Wiener:

I wish to thank you in advance for your willingness to address the problems created for the Sauvie Island Volunteer Fire Department (Multnomah County Fire District #30) with the implementation of the new Bureau of Emergency Communications 800mhz radio system. These problems are not unique to us, and although I do not speak for the Corbett Volunteer Fire Department (Multnomah County Fire District #14), they certainly share my concern. The point of this letter is not to argue or weigh the benefits or necessity of the new system, simply to explain the tremendous costs associated with the system and the implications these costs have on a small user.

Under the auspices of the City of Portland, Bureau of Emergency Services (Portland Fire Bureau), the dispatch fee for Sauvie Island was \$600.00 annually. It might be argued that such a figure was a little low, but it has been said many times that \$600.00 was a fair price for the amount we used the system. Two years later, we have received a bill for \$4,462.00. That does not include the system user fee (\$240.00 per radio) of \$2,640.00 annually, nor the price of replacing all of our radios, a cost of \$27,500.00. Tax Supervising predicts our income in the 1995-96 fiscal year to be less than \$57,000.00. Simply put, there is no possible way we can absorb these expenses.

As you read this letter please bear in mind that the Sauvie Island Fire

Department is supported by the 850 people who live on the Island. Yet we respond to where ever the need arises, or to whom ever needs emergency service. We pride ourselves in the excellent service we provide to not just Island residents, but to all of the visitors who come to Sauvie Island. Last year we had over 750,000<sup>1</sup> user days, from which we receive no revenue. To put this in perspective, if the State of Washington sent 882 million people to the City of Portland annually to lie on the beach, ride bicycles, shoot ducks, and drink heavily before attempting to negotiate the roads home, would the Portland community feel somewhat abused?

Although numbered, we do have options, each of which has negative side effects. They are:

1- Go to Columbia County (C-Com) for dispatch services. C-Com is currently not going to the 800 system, instead using a different type of 154 mghtz called narrow band. We would still need equipment upgrade, but perhaps at a reduced cost. Dispatch fee could be negotiated, but would probably be about one-half, not including the fee to transfer calls from Multnomah County to Columbia County. This alternative would mean a drastic reduction in our service. We would consider not responding to calls for help except to residences in our jurisdiction. We would also not be part of the Multnomah County Emergency Management plan, the new EMS system, or respond to mutual aid calls with any of our neighboring departments. Simply put, we could not talk to them. Furthermore, both the lives of victims, and of fire fighters would be jeopardized. If we needed help, who would come? Again, no one could hear us.

2- Use Washington County Communications. Washington County uses the 800 mghtz system. However, the County provided the necessary equipment to every fire department before implementation of the system. With this burden lifted, the dispatch fee is acceptable. If they would take us, the fee of \$3,860.00 is roughly half that charged by BOEC. The drawbacks here are that the Washington County system does not adequately cover our jurisdiction. They might not wish to accept that liability, nor would I. And, of course, somehow we would have to buy the radios. Again, we would sever all of our ties with Multnomah County.

3- Seek financial help and stay with BOEC.

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<sup>1</sup> At the close of 1994, Oregon State Department of Fish and Wildlife reported 467, 491 user days, of which 68% used the Eastside. Of that total, 71% used the last three miles of road. Therefore, 750,000 is a conservative, all inclusive figure.

From a qualitative perspective, there is no option. Every emergency service provider in Multnomah County wants us to stay within the system. Bill Collins from Multnomah County EMS is adamant, as is Portland Fire. Chief John Wilson, PFB, has been working on a plan to help us with radio purchase, and has subsidized our program annually with a \$1,000.00 dispatch aid reimbursement, but because of their own budget constraints, this has ended. Multnomah County Sheriff's office has contributed \$1,000.00 annually as well, and we are extremely appreciative of these generous gestures. However, the time has come to put an end to these stop-gap measures and fix the problem.

The obvious solution is to stay in the BOEC system. Of that there can be no question. For the County to pick up the dispatch fees for Corbett Fire and Sauvie Island would cost approximately \$18,000.00 annually. Hopefully, the City of Portland will find a way to get us the radios. (It should be mentioned that keeping the old system in place costs Portland Fire about \$174,000 a year, and the longer we delay, the more it costs) It should also be mentioned, if we leave BOEC, another jurisdiction within Multnomah County must pick up our fees as they are fixed costs to BOEC! The costs will just be shifted to another provider.

For Sauvie Island Fire to even have to consider pulling out is a failure of the system, and please be aware that Corbett is shopping around as well. Over 80% of all emergency service in the State of Oregon is provided by volunteers, and I feel that a tremendous disservice is being done by allowing this situation to continue. I take tremendous pride in the growth, professionalism, and honor with which the volunteer fire service serves the broad community we all live in. No where in government is such an efficient, cost effective system of service delivery in place.

I hope you will make every effort to ensure that the volunteer fire community remains an integral part of the Multnomah County emergency system, and that we can remain in the modern dispatch system we are now part of.

Sincerely,

Ron Murray, Chief and Budget Officer

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE**  
**RECOMMENDATIONS FOR THE**  
**MULTNOMAH COUNTY LIBRARY**

Susan Hathaway-Marxer, Chair  
Evelyn Crowell  
Paul Millius  
Angel Lopez  
Terry McCall

MULTNOMAH COUNTY  
**LIBRARY**



205 N.E. Russell Street • Portland, OR 97212-3796 • PHONE: (503)248-5402 • FAX: (503)248-5441

Ginnie Cooper, Director of Libraries

**MEMORANDUM**

TO: County Chair Beverly Stein  
Citizen Involvement Committee

FROM: Library Citizen Budget Advisory Committee *John*

DATE: March 9, 1995

SUBJECT: Library FY95-96 Budget Recommendations

The Library Board takes seriously its charge to be the Library Department's Citizen Budget Advisory Committee. A committee of the Board\* has reviewed the Library's FY95-96 budget request, and respectfully submits the following comments and observations.

\*Committee Members: Susan Hathaway-Marxer, Chair; Evelyn Crowell, Angel Lopez, Paul Millius

**OVERVIEW**

The Library's proposed FY95-96 budget is conservative. The Library's budget for next fiscal year is \$20,949,842, which is just \$37,219, or .2%, over FY94-95. Library management was able to achieve this goal through a variety of cost-cutting measures: 3.76 FTE staff (vacant) positions were cut; the Books-By-Mail contract with Washington Cooperative Library System was eliminated; and savings occurred because of Midland's closure which cut costs for the operation of the facility. The use of on-call employees was reduced by using Midland staff to cover where needed, and the Library also was able to reduce its personnel costs by anticipating what vacancies would occur next year, and budgeting these "savings" to reduce their total expenses.

EMERGING NEEDS/ISSUES

We have concerns about the above cuts and the implications of those cuts on the delivery of library services. Also, we believe the Library's effort to submit a "constraint" budget with no increases is at the expense of other significant library services.

For example, the Library's budget for books/materials next year is \$2,713,794. Approved FY94-95 funding for books/materials is \$2,693,954. This fractional increase in the books/materials budget does not allow our library to keep pace with comparable library systems in the percentage of the total budget spent on library materials. The Library's books/materials collection should be replenished and increased every year, to ensure a fresh, contemporary collection. We believe this lack of increase is a disservice to the citizens of Multnomah County, who count on the library system to deliver a balanced, useful collection.

We feel it is critically important that the Library continue its commitment to provide services to at-risk children and families. Through approved add packages in prior years, as well as the use of volunteers and grant-funded programs, the Library has been an important resource for families who would probably not otherwise have contact with books, reading readiness programs, storytimes, parenting programs and other library services.

We encourage the library administration to continue to pursue grants and partnership funding, recruit volunteers, and partner with schools, other county departments and independently contracted social service agencies in their effort to meet some of Multnomah County's most critical Benchmarks: Early Childhood Education/Development; Child Care; Adolescence: Teen Pregnancy and High School Completion; Capable Families; Educational Skill Levels; and Functional, Nurturing Families.

The Library has made considerable progress this year toward establishing an entrepreneurial activities program and setting the stage for a major fundraising effort next year. We understand the fundraising effort will initially be a capital campaign for Central's renovation. We strongly encourage the Library Director to commit her time and resources toward the pursuit of entrepreneurial and fundraising opportunities in order to enhance the Library's ability to raise its own non-tax revenues.

Finally, we understand from Library staff that the Budget Office recommended only one add package be funded (the Substitute Finding System), until it is known if the State's funding to the

County will be decreased. We strongly urge you to reconsider the recommendations of the Budget Office if those funds are available, and fund the four add packages discussed below.

### ADD PACKAGES

The Multnomah County Citizen Involvement Committee has requested that County CBACs standardize their written recommendations in the following format. The discussion of the add packages that follows is listed in the order of priority determined by our committee.

**#1 - MIDLAND:** This add package requests \$103,358 to move and store the existing Midland Library collection during construction of the new building; provide a minimum of new materials for the branch on its opening day; and increase staff by 4.75 FTE for two months at the end of FY95-96 to meet the expected increase in use of the new enlarged library.

**Key Results/Benchmarks:** This package will allow the library to meet their key results measurements, particularly when the library opens at the end of next fiscal year: Children's Program Attendance; Browser Fill Rate; Items checked out Per Capita; Turnover rate. The county Benchmark on Increased Government Responsiveness will also be met.

**Cost Effectiveness:** We had some concern that the services provided for in this package were not included within the library's proposed budget. We have come to understand why this was not done: the Library had to make budget cuts to meet their expenditure goal, and one major cut was the closure of the Midland branch for most of next year. This package is our number one priority. We recommend that it be funded at the requested level, and that the Library also pursue other options to additionally enhance the opening day collection requested in this package, i.e., borrow materials from other branches in the system.

**Enhance Efficiency:** Additional staff and augmentation of the Midland collection will ensure that the new enlarged library can meet anticipated increased demand for public service at that location. The taxpayer's considerable investment in the new Midland Library (\$5.3 million) will be effectively used.

**#2 - PUBLIC INFORMATION KIOSK:** This add package requests \$48,834 to install and operate a Public Information Kiosk, which



would be placed in a high traffic public location. The kiosk would be programmed to provide a wide variety of government and community services, and would have access to the library's on-line catalog, networked CD products, etc.

**Key Results/Benchmarks:** New key results would need to be established to measure the number of uses of the kiosk, the cost per use, and user satisfaction with kiosk services. Kiosks are designed to facilitate this type of data collection.

It is expected that installation and use of the computer installed in the kiosk structure would expose technology to many citizens who have not yet used computers. Library staff sponsored a Countywide kiosk demonstration last month, and those who attended were impressed by its ease of use. The Information Kiosk concept relates to the county benchmark on Accountability and Responsiveness of County Government.

**Cost Effectiveness:** We believe this is a very inexpensive method of providing library, county and community information to a wide variety of citizens of Multnomah County who would not otherwise be able to get this information in a convenient manner. This is such a good idea that we would like to see **two** Information Kiosks, one on the east side of town and one on the west.

If this add package is not funded, we recommend the Library pursue a grant from an organization like the Meyer Trust, perhaps to do a "pilot kiosk" in one of the Fred Meyer locations.

**Enhance Efficiency:** This is an extremely efficient method of providing library, county and community information to a wide variety of people in Multnomah County.

**#3 - AUTOMATION:** This package requests \$265,991 to buy personal computers to be used to replace "dumb" terminals at branches in order to network library information resources at all library locations and, in doing so, add additional access points for this information. It also provides additional telephone line capability, and adds 1 FTE computer technician and .5 FTE trainer to manage the additional computer resources and assist patrons and staff in database searching, using the Internet, etc.

The Library is a major leader at the county in providing automated services. Library staff have the expertise to be one of the primary "drivers" for the County on the Information Highway. We recommend the entire county upgrade its computer infrastructure, either through resources from the

General Fund or through a bond issue that combines the library's automated needs with the rest of the county's. We strongly recommend that the Library continue to upgrade its automated systems, and funding of this add package will support that recommendation.

We would also like to see the Library use the discarded Wyse terminals in a creative way, either by donating them to a worthy institution or by selling them and using the proceeds of the sale to offset the costs of the new personal computers.

**Key Results/Benchmarks:** A new library key results measurement would need to be developed to measure customer satisfaction with additional access points. This automation package relates to the Oregon benchmark on Explosion in Information Technologies.

**Cost Effectiveness:** Funding of this add package is money well spent--it is an effective way to provide all of the library's information resources (Internet, front end interfaces like "netscape," Mosaic, Windows, CD-ROM products, etc.) to patrons at all locations. It enables Library patrons to access systems in the library's buildings, in addition to those users who can already dial into the system through their modems.

**Efficiency:** The library currently has one staff member to repair, upgrade, replace and maintain 280 personal computers, and develop and accomplish staff training. Funding of the additional staff will provide more efficient and responsive service to library patrons and to the library staff who serve those patrons.

**#4 - AUTOMATED SUBSTITUTE FINDER:** This add package requests \$19,905 to purchase an automated branch substitute staff scheduling system. The system automatically locates appropriate on-call staff, calls them to fill requests, and maintains time reports and statistics. This process is currently conducted by a Sr. Office Assistant, who spends half her time physically calling and scheduling substitute staff. The Budget Office has recommended funding of this add package.

**Key Results/Benchmarks:** A new key result would be developed to measure the percent of branch substitute requests successfully filled by the automated substitute finder and the amount of clerical time saved. This subfinder package relates to the county benchmark on Accountability and Responsiveness of County Government.

**Cost Effectiveness:** This is an inexpensive method of scheduling on-call personnel for branch staffing, and would free valuable personnel to support other vital administrative functions. We also recommend, if feasible, that the Library consider "sharing" this system with other county departments that have the same problems finding substitutes.

**Efficiency:** Automating the substitute finding function would improve service to the citizens who use our branch libraries, and to the library's staff schedulers, supervisors, and substitutes. This is an opportunity to take advantage of technology to improve a manual and time-consuming process.

**#5 - COOPERATION WITH SCHOOLS:** This package requests \$107,600 to assist schools in meeting the library needs of young people, as schools continue to cut back on school library services as a result of budget cuts. The add package is not specific in the type of support it would provide. During the last budget process, we recommended and you funded a library add package to provide a variety of programs to support schools. We understand the FY94-95 add package was funded with the understanding that an agreement would come later on, explaining exactly what specific programs would be provided. There was no specific agreement on exactly what programs should be accomplished, and few were actually developed. As a result, half of this year's funding was eliminated as part of a mid-year budget cut.

The Library CBAC has no recommendation on this package, because of its lack of specificity. If the County and Library decide to serve schools, Library Director Ginnie Cooper, you, and other members of the Board of County Commissioners should agree on your objectives and involve the various school districts within the County in determining what specific programs would be provided.

### **CONCLUSION**

We, the members of the Library Board Budget Advisory Committee, appreciated the opportunity to review and comment on the Library's FY95-96 proposed budget. We hope that our recommendations will assist you in keeping the Board of County Commissioners aware of citizen concerns and the role we want our Library to play as an information resource in the intellectual and educational life of the community. We look forward to our participation in the public hearings phase of the budget process this spring.

cc: Ginnie Cooper, Director of Libraries  
Library Board Members



## MEMORANDUM

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TO: Beverly Stein, Multnomah County Chair

FROM: Susan Hathaway-Marxer, Chair, Library Board Citizen Budget Advisory Committee

DATE: March 23, 1995

SUBJECT: Addendum to Library CBAC Report of March 9

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At the Library Board's meeting on March 21, the Library Board discussed in detail the Library CBAC report that was submitted to you and the Citizen Involvement Office on March 9. The Library Board unanimously approved its budget subcommittee's recommendation to support and fund four of the five add packages proposed by the Library.

In addition to the discussion of the proposed library budget, the Library Board expressed concern that the funding for purchase of new books and other library materials remains at a constant, static level in the proposed budget for the third consecutive year. The lack of even an inflationary increase in the budget for new books means that the Library's collection cannot be satisfactorily maintained.

By motion adopted unanimously, the Library Board recommends adding to the proposed library budget an additional add package of \$200,000 for the purchase of new materials to augment the \$2.6 million presently included in the proposed library budget. This new add package is the Library Board's #2 priority for add packages, behind the critical funds requested for accommodation of the Midland Branch construction.

cc: Library Board  
Ginnie Cooper  
Citizen Involvement Office/Committee

**1995 - 1996**

**SUPPORT SERVICES**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

Jim Robison, Chair  
George Kelley  
Berna Plummer  
Hank Miggins  
Sharon Baird  
Gary Hancock

## **1995 CBAC SUPPORT SERVICES BUDGET RECOMMENDATIONS**

### **Departmental Constraint Budgets**

The CBAC recommends approval of all Support Services constraint budgets except Employee Services.

### **Rejection and Modification of Constraint Budgets**

The CBAC recommends that the Employee Services constraint budget be reduced by \$16,461. This will reduce the Employee Services budget below its constraint. The modifications recommended are specified as follows:

-Reduce by \$7221 the advertising expenditure request for new job listings. The CBAC recommends finding alternatives to newspaper advertising such as telephone job banks, listing with state employment offices, postings on bulletin boards in county offices, and the use of on-line computer job databases.

-Eliminate the \$4800 requested for telephone training. The CBAC recommends exploration of "free" services offered by local telephone companies that could include telephone operation and etiquette.

-Reduce by \$3000 the equipment expenditure request for new computers. The CBAC believes that state-of-the-art computers can be purchased for half of the requested expenditure. No information to demonstrate a "special" need has been provided for analysis. No specific information on the type and make of the computers has been provided.

-Eliminate \$1440 requested for proofreading training. The CBAC urges that applicants for positions that require proofreading skills as a part of their job description, be screened more thoroughly for proofreading proficiency. Testing for proofreading skills prior to hiring could eliminate the need for future training in this area.

## **ADD-IN PACKAGES**

Add-in packages have been approved and rated on a high, medium, and low priority basis.

Where the CBAC recommends rejection of ad-in packages, an analysis is provided.

### **High-Priority Recommendations for Approval**

1. Emergency Management Add Package for van remodel and on-call overtime.
2. County Counsel Add Package to maintain current 1.0 FTE for Law Clerk.
3. Affirmative Action Add Package for .5 FTE ADA Coordinator.

#### **Medium-Priority Recommendations for Approval**

4. Budget and Quality Add Package for printing.
5. Add Package for GFOA Conference

#### **Low-Priority Recommendations for Approval**

6. Finance-Purchasing Add Package for .5 FTE EEO Contract Certification Specialist

#### **Add-Package Rejections**

Employee Services Add Package for 1.5 FTE, Training Administrator upgrade and Office Assistant. The CBAC does not support the conclusion that training should be increased to achieve state benchmarks. Therefore, the CBAC can't support adding new positions or upgrading current positions to implement and administer training for the benchmark program. The CBAC believes that the following issues related to training must be addressed and resolved before it can support an increase in the training budget as a percentage of payroll from .59% to .88%, which includes any new FTE:

1. The organizational objective for the benchmarks program.
2. How the benchmarks program supports the County's mission and operating strategies.
3. How the program's effectiveness will be measured and evaluated.
4. How participation by trainees will be generated.
5. How participation by employees in the program will be linked to their performance evaluations.
6. Whether a comprehensive needs assessment related to the training has been performed and how current skill deficiencies impede the implementation of the benchmarks program

#### **CBAC Organizational Effectiveness Analysis**

The CBAC recommends that it continues to evaluate the following Support Services functions to promote effectiveness and efficiency:

1. The Results and benchmarks program as it relates to training
2. County-wide training objectives and systems
3. Purchasing as it relates to procurement of computer equipment and software
4. ISD as it relates to performance of its mission and achievement of its objectives within the current organizational structure

**1995 - 1996**

**NON-DEPARTMENTAL**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

Jerry Penk, Chair  
Kathleen Todd  
Mary Schwoeffermann  
Peter Reader  
Barbara Lentz  
Scott Liebenguth  
Anthony Kim



## NON-DEPARTMENTAL CITIZEN BUDGET ADVISORY COMMITTEE

### Methodology

The Non-Departmental Citizen Budget Advisory Committee met with the following persons: County Chair Beverly Stein; Commissioner Gary Hansen; Commissioner Sharron Kelley; Auditor Gary Blackmer; John Legry, Executive Director of the Citizen Involvement Committee; Helen Cheek, Executive Director of the Metropolitan Human Rights Commission; Kris Larson, staff person of Portland Multnomah Commission on Aging; Bill Bulich, Executive Director of the Metropolitan Arts Commission; Helen Richardson, Director of the Multnomah Commission on Children and Families.

### Recommendations

The following budgets, which did not contain add packages, were recommended for approval as submitted:

Commissioner Tanya Collier  
Commissioner Sharron Kelley  
Commissioner Gary Hansen  
Commissioner Dan Saltzman  
Auditor Gary Blackmer  
County Clerk  
Progress Board  
Policy Legislative Support  
Tax Supervision and Conservation Commission  
Boundary Commission

The following budgets were recommended for approval with the indicated notes:

County Chair - Recommend approval

We note with regret that the rules governing training activities for staff members in the Chair's Office appear to be less stringent than those for other county employees. Such a difference, if true, must ultimately result in morale problems.

The funded training should be identified in terms of the employee's responsibility and the enhanced performance of assigned duties anticipated from the training.

Citizen Involvement Committee - Recommend approval of constraint

Add # 1 - \$7,110 to replace cost of living and inflation increases - Recommend approval

Add # 2 - \$4,000 for Strategic Planning - recommend approval with the stipulation that if funding cuts are necessary later, this add packages should be the first cut.

Add #3 - \$7,000 in increased printing and mailing - recommend approval contingent on approval of Add #2.

Add #4 - \$50,000 for Community Grants - recommend against funding.

Commission on Children and Families - recommend approval of constraint budget

Add #1 - Replace .62 FTE lost through state cut (Program Development Specialist) - recommend approval

Regional Arts & Culture - Recommend approval

Measures should be established to ensure that the County funding be used within Multnomah County. Such an analysis should be part of next year's budget request.

Metropolitan Human Rights Commission - Recommend approval of constraint budget

Adds #1 and #2 - \$3,200 and \$5,000 for Dynamic Differences Workshops and NW Coalition Against Malicious Harassment Conference - Recommend against

Recommend that MHRC solicit these funds from the City of Gresham.

Portland Multnomah Commission on Aging - Recommend approval of constraint budget

Add #1 - \$7,531 to replace cost of living, rent increase, etc. and maintain current program - Recommend approval

Oregon State University Extension Service - Recommend approval of constraint budget

Add #1 - \$11,000 for building maintenance - Recommend approval

Add #2 - \$20,000 for Local Area Data Network - Not recommended.

Even if the amounts requested are reasonable, we believe this project should be evaluated in line with county-wide data processing priorities. We recommend that the Extension Service work with the Data Processing Management Committee and Information Services Division to determine needs and costs.

East and West Soil Conservation Districts - Recommend approval

The CBAC again recommends that the two districts be merged into one in order to make better use of staff and resources. Two separate districts forces duplication of many functions.

Oregon Historical Society - Recommend approval

The CBAC recommends that OHS charge parking for weekend events to offset costs or add services.

Non-Departmental Citizen Involvement Committee

Jerry Penk, Chair  
Scott Liebenguth  
Peter Reader  
Mary Schwoeffermann  
Kathleen Todd  
Anthony Kim  
Barbara Lentz

**1995-1996**

**CITIZEN BUDGET ADVISORY COMMITTEE REPORT**

**for the**

**JUVENILE JUSTICE DIVISION**

Martha McMurray  
Shane Endicott  
Dan Gardner  
Nan Waller  
Charlotte Cook  
Lolita Darby



## MULTNOMAH COUNTY OREGON

---

JUVENILE JUSTICE DIVISION  
1401 N.E. 68TH  
PORTLAND, OREGON 97213  
(503) 248-3460

BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN • CHAIR OF THE BOARD  
DAN SALTZMAN • DISTRICT 1 COMMISSIONER  
GARY HANSEN • DISTRICT 2 COMMISSIONER  
TANYA COLLIER • DISTRICT 3 COMMISSIONER  
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

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April 3, 1995

Dear Chair Stein:

I am writing on behalf of the recently convened Juvenile Justice Citizen Advisory Budget Committee.

Although we have met on a number of occasions, we do not feel that we are in a position to make recommendations on the Juvenile Justice Division's budget at this time. Mr. Anderson and his staff have done an excellent job in providing us with a wealth of information on the current programs run by the Division and the proposed budget. It proved simply to be too much information for us to sort out and be able to do a responsible job of critiquing given the time lines.

Our plan is to continue to meet over the next year on a regular basis so that we will be prepared and ready to review and make recommendations on the Juvenile Justice Division's budget.

Thank you,

Nan Waller  
Juvenile Court Referee

Central Citizen Budget Advisory  
Committee

Dedicated Fund Review

of the  
Department of Environmental Services  
1994

Multnomah County Citizen Involvement Committee  
2215 SE Morrison Street - Portland, Oregon  
(503) 248-3450

This Dedicated Fund Review was prepared by the following members of the Central Citizen Budget Advisory Committee.

Jack Pessia, Chair  
Mark Jones, Environmental Services  
Bobbi Gary, Community and Family Services  
Dan Gardner, Sheriff's Office  
Sara Lamb, District Attorney  
Jerry Penk, Non-Departmental

**CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE  
DEDICATED FUND REVIEW  
NOVEMBER 1994**

**METHOD:**

The Central Citizen Budget Advisory Committee interviewed the following persons and received budgets and financial reports on the funds: Betsy Williams - Natural Areas Acquisition Fund, Recreation Fund, Animal Control Fund, Fair Fund; Tom Guiney - Distribution Fund, Fleet Fund; Jim Munz - Data Processing Fund; Jim Emerson and Wayne George - Capital Improvement Fund; Kathy Tuneburg and Bob Ellis - Assessment and Taxation Fund; Bob Pierson - Road Fund and Land Corner Preservation Fund; and Dan Leyden - Bicycle Ways Fund.

**General findings:**

The Central Citizen Budget Advisory Committee found the dedicated funds for the Department of Environmental Services to be operated according to the intent of the legislation or ordinance, and to be properly administered. The exception is the Tax Title Fund, which is being restructured to provide more accountability.

**General recommendations:**

- a. The Central CBAC recommends that the Board of County Commissioners establish as a legislative priority the continuation of state funding for Assessment and Taxation and legislation to speed the process of tax foreclosure.
- b. The Central CBAC recommends that the County place a high priority on the maintenance of its property. An initial investment will provide benefits in reduced cost in the future.
- c. The Central CBAC recommends that, before property is transferred to Metro, the County Auditor review Metro's accounting procedures and protection of the property and employee rights during the contract phase in order to predict good stewardship after the transfer of this public property.
- d. The Central CBAC recommends that public members be included on any committee whose work affects the public at large, i.e., the committee developing a five year transportation plan.



## **Natural Areas Acquisition Fund (Fund 153)**

The Natural Areas Acquisition Fund was established by the Resolution 90-57 of the Board of County Commissioners on April 19, 1990 to receive half of the revenues from sale of County owned undeveloped property, for the acquisition and maintenance of natural areas. It was amended by Resolution 93-338 in 1993 to receive the proceeds from the sale of undeveloped land. The responsibility of the fund is to implement adopted County policy as contained in the "Natural Areas Protection and Management Plan" including protection, preservation and enhancement of the areas identified in the plan, funding for environmental education, acquiring natural area sites, developing cooperative projects for protection and restoration of natural area sites, and participating in or monitoring planning projects and land use issues that impact natural area systems.

The fund has a balance of \$892,350 and budget of \$619,279. Because of the transfer of Division of Parks personnel to Metro in 1993-94, the County must compensate Metro for work done by the former County staff.

### **Findings:**

The responsibilities covered by this fund are contracted to Metro along with compensation.

### **Recommendations:**

a. The County should continue to use these funds to acquire and maintain natural areas. The County should continue to explore partnership with Metro to enhance greenspaces in the metropolitan area. Natural areas are increasingly important as growth and expansion of urban areas occur.

b. The County should ensure that Metro is using the funds as intended by Multnomah County. We recommend that prior to transfer of Parks, Recreation facilities, or any County properties to Metro that the Auditor examine the use of county funds and the condition of the property.

### **Recreation Fund (Fund 330)**

The Recreation Fund was established in fiscal 1991-92 to account for the income and expenses of the parks and recreation activities in an enterprise fund: Expo Center, Glendoveer Golf Course and parks. This fund now includes the previous Exposition Center Capital Fund (Fund 100), the Parks Development Fund (Fund 100) and the Recreation Facilities Fund (Fund 152). Prior to the establishment of this fund, the profit from the Expo Center and the golf course went into the General Fund and the General Fund supplemented the cost of operation of the Parks Division. This fund would use Expo Center and Glendoveer proceeds to fund the park system.

Since the parks and recreation facilities are being operated by Metro, the operating funds are collected and accounted for by Metro. Money that is received from the state and other sources is accounted for in the County budget and passed through to Metro. The current plan is to transfer ownership of the parks and recreation facilities to Metro in 1996.

### **Findings:**

The County plans to transfer the Parks, Expo Center, Glendoveer Golf Course to Metro in 1996.

### **Recommendations:**

Prior to the transfer of any property to Metro, the County Auditor should determine that the accounting for and use of funds is proper, that the property is being protected, and that the rights of employees are observed.

### **County Fair Fund (Fund 164)**

The County Fair Fund was established in 1985 by the Board of County Commissioners to account for all dedicated revenue from the fair including racing receipts. The State requires that racing receipts be used for the fair. Other income includes concessions, parking, gate receipts, etc.

#### **Findings:**

The County transferred operation of the County Fair to the Friends of the Fair, to a non-profit group. State revenue has been declining, as has attendance, and the County's mission has changed. The Department of Environmental Services worked with the Friends of the Fair to put on the 1994 Fair, providing a full-time director and a challenge grant to help draw sponsorships and donations.

#### **Recommendations:**

- a. The Central CBAC recommends that the County ask the Friends of the Fair to continue to explore ways of addressing urban issues to attract more attendance.
- b. In light of the transfer of the fair to the Friends of the Fair, the County should audit funds and assets prior to the transfer.

## **Fleet Management Fund (Fund 401)**

This fund was established to provide accounting for fleet related services. The County owns 700 vehicles, three facilities and has a staff of 23.

County agencies are charged per assigned car for overhead, replacement, mileage. Overhead includes spec writing and purchasing, licensing, title charges, billings, administration, accidents, and complaints. Replacement cost is adjusted each year and there is no discount for salvage value.

### **Findings:**

The Central CBAC considers this fund to be very well administered with plans that incorporate current and future needs. The costs to the users are reasonable and charges are adequate to fund the usual needs of the organization.

The potential cleanup and replacement of gas tanks will have a serious financial impact, although the cost cannot be known until the work is begun and the damage assessed. The organization anticipates this problem and is setting up contingency funds to deal with this issue.

The administrative costs, including items such as replacement and cleanup of gas tanks, are in one line item which gives the impression that overhead costs are too high.

### **Recommendations:**

The Central CBAC recommends that significant discreet costs, like the gas tank cleanup, be separated from overhead to provide a clearer picture of the on-going and usual expenses associated with vehicle use. This would clarify the cost per car questions raised by some users.

### **Distribution Fund (Fund 404)**

This fund was established in 1990, when the County discontinued contracting with the City of Portland for distribution and mailing, and accounts for mailing and internal distribution.

County agencies pay the cost of their mailing. Each mail drop is charged \$10 for internal delivery; postage is passed through to the U.S. Postal Service, and there is a .04 service charge for each piece of mail. The current cost for the agency is .25 per piece of first class mail.

#### **Findings:**

The County reportedly saves \$100,000 a year from what it paid the City for this service and receives high satisfaction ratings from customers.

#### **Recommendations:**

- a. This fund appears to be operating as intended and funding is adequate for the purpose. The Central CBAC recommends that this dedicated fund be continued
- b. The Central CBAC will examine customer satisfaction during its next review of this fund.

## **Capital Improvement Fund (Fund 240)**

The Capital Improvement Fund was established in 1990 to account for funds acquired through the sale of property and to use these funds for purchase of facilities. One-half the proceeds from undeveloped land was to go to this fund. In 1993, the ordinance was amended to state that all proceeds from improved property go to this fund and the proceeds from unimproved property go to the Natural Areas Acquisition Fund.

In July of this year, the Fund was changed from a holding fund to a fund to receive and use revenue for capital improvements. In addition to the proceeds from land sales, the fund received \$1.2 million in general funds for this fiscal year. The manager recommends that 4 percent of property value set aside for replacement costs.

The work is designated by the adopted five year Capital Improvement Projects plan.

### **Findings:**

This fund appears to be properly managed. In order to be adequate to meet the needs, it will need large General Fund supplements each year.

### **Recommendations:**

A site-specific plan for the use of extra funds should be prepared before any request for additional funding is considered.

## **Facilities Management Fund (Fund 410)**

This fund was created on 1994 to receive payments for space and facilities needs from the county organizations and to account for related costs. This is an effort to determine true costs for county services. The current budget is \$18.7 million.

### **Findings:**

The County has not provided adequate maintenance in the past, leading to deterioration of buildings such as the Donald E. Long Home. Deferred maintenance requires even more costly repair or replacement.

As part of the lease, the County generally pays for the upgrading of leased property to bring it into conformance with building codes and laws for buildings used by the public. The cost of these improvements is lost when the County abandoned the buildings.

### **Recommendations:**

a. Facilities Management staff should work with the County Counsel to protect the County's interest in contracts for leased property, especially in cases involving modifications of property required to conform with the requirements of the Americans with Disabilities Act. Lessors should fund such costs or the county should be reimbursed for such expenses, even if at an amortized rate, at the end of the County's occupancy.

b. Protection and maintenance of its property should be a high priority for the County.

## **Road Fund (Fund 150)**

The Road Fund is a dedicated fund that receives funds primarily from the State Highway Trust Fund, federal forest receipts, county gas tax and other user fees. Road funds are restricted by state statute (ORS Ch 366) to road purposes and can be used only for planning, engineering, construction and maintenance of road facilities within the road right-of-way.

The County shares the revenue with the cities, with the City of Portland receiving about 80% of the total after the Bridge Fund is deducted.

### **Findings:**

The County's Road Fund totals about \$39.6 million. One issue is that as the City of Portland annexes unincorporated areas, an intergovernmental agreement transfers the roads and the revenue. The County is negotiating with the City of Gresham to transfer neighborhood roads to Gresham. As revenue shrinks, it becomes more difficult to maintain a viable transportation division.

There is no deferred maintenance, but as funds decrease, capital improvements will become more difficult to develop.

The Transportation Division operates according to Five Year Plans and is currently developing a new plan.

### **Recommendations:**

One or more public members should be appointed to the group developing the strategic plan.



## **Willamette River Bridges Fund (Fund 161)**

This fund receives revenue from the State Highway Fund for the operation, maintenance and improvement of the six Willamette River Bridges that belong to the County. Under an agreement with the City of Portland, \$1.5 million of the State Highway Funds is allocated to the bridge fund prior to dividing the remainder among the jurisdictions. Other revenue includes federal and state grants. Bridge work is done according to a 20 year plan, updated in 1993.

The plan estimates a cost of more than \$198 million for capital improvements and maintenance over the next 20 year, or about \$10 million per year. Currently, only \$1.5 million is allocated.

### **Findings:**

Auditor Gary Blackmer audited the bridge section in January, 1994. "We did not identify any significant problem areas of which management was not aware. We found management to have a clear vision of the Section's mission and the staff possessed the requisite professional skills to accomplish their duties." The Auditor's Office recommended that the Section continue to work with State, Federal and City officials to obtain funding for the capital improvement needs of the next 20 years.

### **Recommendations:**

The Central CBAC recommends that the County work with other jurisdictions, especially the City of Portland, to find funding for capital improvement needs.

## **Bicycle Path Construction Fund (Fund 154)**

ORS 366.514(1) requires that funds received from the State Highway Fund specifically for footpaths and bicycle trails may be used only for the construction or maintenance of these paths and for curb cuts or ramps that are part of other road projects. The law requires that at least one percent of the funds received from the Highway Fund be used for this purpose. Multnomah County uses between 4 and 5 percent.

### **Findings:**

As highway revenues available to the County decline, this fund also decreases, making maintenance and matching federal or other grants more difficult.

### **Recommendations:**

- a. The \$80,000 budget should be itemized rather than appearing in the transportation budget as a lump sum.
- b. The Sellwood Bridge needs improvements in its approaches and walkway. If this bridge is abandoned as a vehicle bridge in the future, it should be maintained as a bike/pedestrian way.
- c. The County should be more aggressive in promoting bicycles as a viable mode of commuter transportation.

### **Land Corner Preservation Fund (Fund 167)**

ORS 203.148 states that monies in the Public Land Corner Preservation Fund shall be used only to pay expenses incurred and authorized by the county surveyor in the establishment. Reestablishment and maintenance of corners of government surveys under ORS 209.070(5) and (6). The Public Land Corner Preservation Fund receives funds from a Recording Fee on land transfers. This money is used to reimburse the Surveyor's Office (funded by the Road Fund) for work that comes under this statute.

#### **Findings:**

Revenue fluctuates according to land sales, so at this time there is a surplus in the fund. This will be used to develop and implement a Global Positioning System (GPS). The current budget is \$704,000 with \$128,000 held in contingency for the GPS. Projected income this fiscal year is \$400,000.

#### **Recommendations:**

This fund appears to be operating as intended and funding is currently adequate for the purpose.

## **Animal Control Fund (Fund 159)**

The State requires that revenue from dog licenses be accounted for in a dedicated fund and that the money be spent on dog control. This fund is about one-third of the Animal Control budget.

Animal Control focuses on community service, mediation and assisting neighborhoods with owners of offending animals; encourages responsible pet ownership; emphasizes adoption; operates a program for dangerous dogs, and performs rabies control.

### **Findings:**

Issues include competing with other programs for the General Fund where Animal Control is often the loser. Ninety (90) percent of the work is performed within the City of Portland, which elevates transportation costs between the city and the shelter in Troutdale.

### **Recommendations:**

- a. Animal Control should open a shelter site in the City of Portland since that would lower transportation costs and make the shelter more accessible to the bulk of the County's population.
- b. The Central CBAC congratulates Animal Control on its education and adoption efforts and recommend that these efforts be continued and increased.
- c. The Board of County Commissioners should explore sharing costs with the City of Portland and the City of Gresham.

## **Assessment and Taxation Fund**

This fund was established in 1990 in response to a State mandate. The tax on property transfer was increased from 16 cents to 20 cents with the extra 4 cents put in a fund to assist counties meet the legal requirements of timely assessments. The Assessment and Taxation Division (A&T) budget is submitted to the State Department of Revenue for approval in March.

### **Findings:**

1. The division is dependent on state funding to stay in compliance. State funding is provided by a 4 cent increase in property transfer fees and could be removed at any time by the Oregon Legislature.
2. A&T managers state that they need phase three of the data processing plan to do their work efficiently. The County is completing phase 2 and has no immediate plans to continue, since other projects were given higher priority.
3. The Board of Equalization, which is designed by the Legislature to be an independent citizen review process, is administered by A&T. This is a perceived or potential conflict of interest.
4. Business Personal Property Tax is assessed according to the owners' statement of value. There has been a question of whether on-site assessments would be cost effective. A recent study of the efforts of one auditor shows that he added \$71 million to the tax rolls during the past five years, an average of \$14 million per year.
5. The maximum penalty for failing to file or pay Personal Property Tax is \$250.

### **Recommendations:**

- a. The Central CBAC recommends that continuation of state funding be a legislative priority.
- b. Upgrading of computer capability should be a county priority; the Central CBAC recommends that completing Phase III next fiscal year. We would expect to see a improved efficiency that would allow staff to be better used, for example in auditing personal property tax or increasing the number of assessments done each year.
- c. Board of Equalization should be separated from A&T and administered by the Chair's Office. This is intended to be an independent citizen review and as such should not be directed by the division whose work it reviews. This recommendation supports the DES CBAC recommendation of May 12, 1994.

- d. The County should request of the legislature an increase in penalties for not filing or paying Business Personal Property Tax, or making late payments, to a level that they would create an incentive for businesses to file and pay the proper taxes promptly.
- e. Business Personal Property Tax laws should be enforced. Another auditor should be added for Personal Property Tax auditing.

## **Tax Title Fund (Fund 158)**

This fund accounts for the proceeds of the sale of tax foreclosed properties. Property can be foreclosed and the title transferred to the County for non-payment of property taxes - three years of non payment plus two years for the owner to make arrangements to pay. After it receives title, the County can sell the property, transfer it to local governments for public use or transfer to non-profit organizations for low-income housing. In 1990 the Central CBAC made a number of recommendations dealing with timely foreclosure, maintenance of property and availability of property for non-profit housing development.

The Auditor's Office audited the program in 1993, making wide-ranging recommendations, especially in the area of timeliness and accountability for County property.

The accounting functions have been transferred to Assessment and Taxation and Facilities Management retains responsibility for maintenance and disposition.

### **Findings:**

The Board of County Commissioners adopted an ordinance in September that set new policies and clarified procedures and responsibilities.

Because this fund is in flux, the Central CBAC did not review it this year.

### **Recommendations:**

a. The Board of County Commissioners should review this fund in approximately one year after new procedures have been used.

b. A shorter time line for foreclosure should be a legislative priority.

## **Data Processing Fund (Fund 403)**

The Data Processing Fund (Fund 403) was established nearly 30 years ago to pay all costs, including capital replacement and internal County overhead, of operating and maintaining the County's central computer systems and the County's networks.

The revenues include payments from users of the data center; any balance is carried over to the next year. In 1993-4, the income was \$5.8 million. Income and expenditures are gradually increasing each year.

Capital replacements and upgrades are done according to a Capital Plan. Recent expenditures have included CPU replacements for the Amdahl central computer and a disc storage system.

Additionally, the fund provides for data processing development projects selected each year by the Data Processing Management Committee. These include programs for Assessment and Taxation, Juvenile Justice and the Sheriff's warrants system.

### **Findings:**

The Central CBAC agrees with the Dedicated Fund Review of 1992, that there does not appear to be any "central driving force within the County to use technology to improve productivity or efficiency." The trend has been toward decentralization and area networks with network managers employed outside of ISD.

Maintenance and acquisition is underfunded and the county is falling behind. A Task Force has been appointed to develop a long range plan.

The institution of performance based budgets, key results, and benchmarks has increased the need for managers to collect and use data, bringing about an increased need for availability of ISD's services and also changes in the capacity and types of software required.

### **Recommendations:**

a. The Information Services Division (ISD) should be the driving force as it relates to development of technologies to increase productivity and accuracy.

b. The Information Services Division should take control of the proliferation of desk top computers and area networks; determine needs and allot purchase of computers, and govern area networks. To accomplish this, ISD should review and approve acquisitions prior to the adoption of the budget and any request not specifically included in the budget should be reviewed and approved by ISD and approved by the Board through a Bud-Mod.



c. ISD should have the responsibility to determine which programs and software can be purchased and the authority to restrict the purchase of other software. The goal should be to have all computers and programs compatible and prevent purchase of unnecessary soft ware.

d. ISD should have the responsibility to ensure that all departments and offices have equal access to needed computers and software so that small, underfunded organizations also receive the benefits of this technology.

e. Computers no longer needed by an organization should be returned to ISD for allocation to other organizations. The Central CBAC does not agree with ISD that all older computers such as 286s and 386s should be eliminated, but believe there is a place for these computers in organizations that can use them for simple word processing.

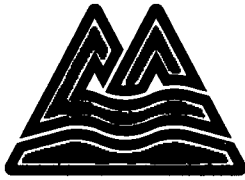
f. Juvenile Justice is one of the Chair's chief interests and has received a considerable increase in funding this year. The corrections system has received a Target Cities grant for service to inmates with mental and drug problems. If these funds are to be used properly, the County must make a corresponding investment in data processing to ensure the ability to track clients and to assess success. The audit of the drug and alcohol treatment programs once again demonstrates the need for careful assessment and evaluation as clients pass through the various treatment and corrections programs.

g. The Central CBAC recommends that the Information Services Divisions determine the current costs of computer training and maintenance included in department and organization budgets and determine whether this training and maintenance could be provided more cost effectively either by ISD or by ISD contracting out these services rather than each office making its own arrangements.

#### **Telephone Fund (Fund 402)**

This fund accounts for telephone services, charging each agency for the services used -- operation, maintenance and line costs. The County owns its equipment and contracts for service, maintenance and technical aspects. The adopted budget for 1993-4 was \$2,700,753, of which \$1,877,563 was service reimbursements.

This fund was reviewed in 1992 and found to be "meeting its objectives and managed in very efficient manner" and therefore was not reviewed this year.



GARY BLACKMER  
County Auditor

# MULTNOMAH COUNTY OREGON

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## M E M O R A N D U M

DATE: May 2, 1995  
TO: Members of the Board of County Commissioners  
FROM: Gary Blackmer, Auditor  
RE: Replacement Graph

Please replace the *Number of Businesses* graph on page 45 of your 1995 Financial Condition report with the attached graph. ✓

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# FINANCIAL CONDITION

## Multnomah County, Oregon

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May 1995



Gary Blackmer  
Multnomah County Auditor



GARY BLACKMER  
County Auditor

## MULTNOMAH COUNTY OREGON

### MEMORANDUM

DATE: May 2, 1995

TO: Beverly Stein, Multnomah County Chair  
Dan Saltzman, Commissioner, District 1  
Gary Hansen, Commissioner, District 2  
Tanya Collier, Commissioner, District 3  
Sharron Kelley, Commissioner, District 4

SUBJECT: Audit on financial condition of County

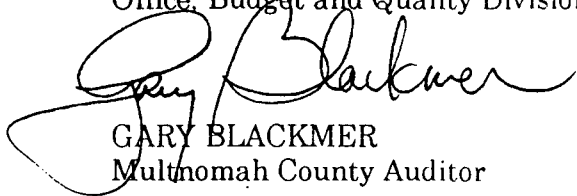
The attached report covers our second review of the financial condition of Multnomah County, which was included on the FY94-95 Audit Schedule.

The indicators of financial health have improved since our last report two years ago. Some of the improvement is attributable to a healthy local economy, but credit is also due the Board and County managers who have taken steps to implement the recommendations of the previous report which have further solidified our good position. The County now has a Financial and Budget Policy, the beginnings of a reserve fund, and an internal service fund for facilities management. In addition, the County initiated a study of long-term facility needs, and discussions with federal and state officials to reduce restrictions on shared revenues.

The County still faces some challenges. The Financial and Budget Policy calls for discontinuing reliance on three-year serial levies to finance our on-going operations. That issue must be addressed in the coming months as we enter the final year for the jail and library levies. We must also monitor employee costs, one warning trend, and ensure that wage increases for the collective bargaining groups are appropriate.

We have discussed our findings and recommendations with representatives from the Chair's Office, Budget and Quality Division, Finance Division, and Labor Relations Division. We would appreciate receiving a written status report in six months from the County Chair, or a designee, indicating what further progress has been made regarding these recommendations. This response should be circulated to the Commissioners.

We appreciate the cooperation and assistance extended to us by personnel in the Chair's Office, Budget and Quality Division, Finance Division, and Labor Relations Division.

  
GARY BLACKMER  
Multnomah County Auditor

Auditor: Judith DeVilliers  
Desktop Publishing: Lucy Skibitzke

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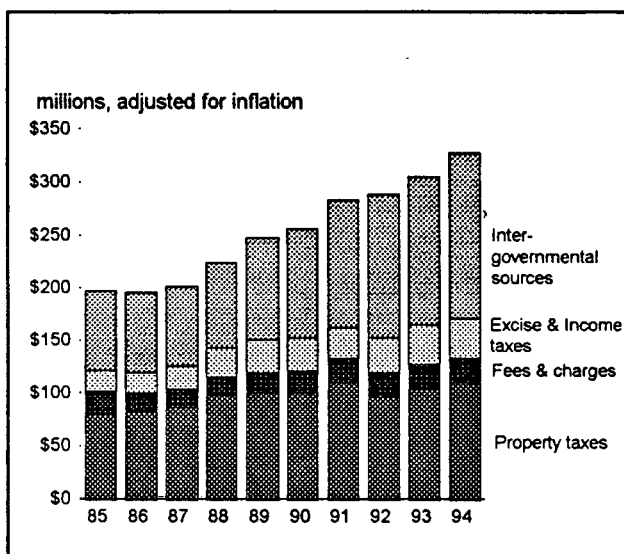
# Summary

*This report assesses the financial condition of Multnomah County. The local economy is providing a strong revenue base for the County. Spending and liabilities have generally been controlled, while efforts have begun to increase reserves and capital maintenance activities. The management response to this review is included in the back of the report.*

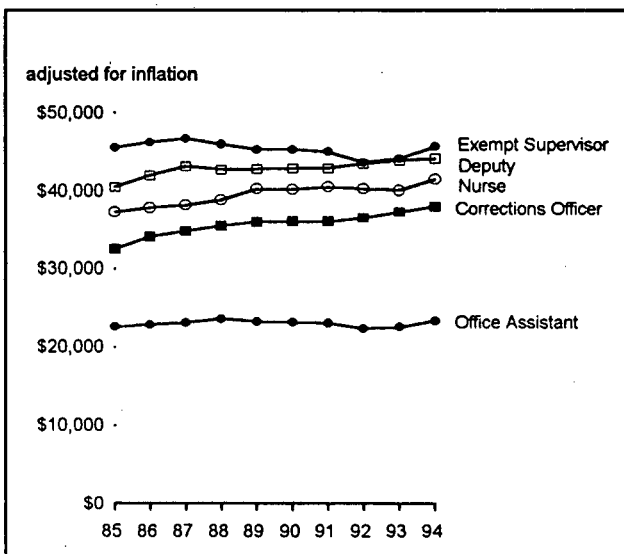
In the past ten years services have shifted as Multnomah County exchanged program responsibilities with other local governments and the State of Oregon. Most recently, parks and the Expo Center were transferred to Metro but, in general, County responsibilities have grown in the past decade.

Largely due to the increased responsibilities, County revenues have grown. Revenues from state and federal sources have doubled, from \$75 million to \$156 million when corrected for inflation. In addition, a strong residential real estate market increased property values in the past three years, countering the revenue reductions caused by the 1990 property tax limitation. However, the County also continues to rely upon three-year serial levies to finance some of its on-going operations. The County's financial and budget policy, adopted by the Board in August 1994, proposes that these serial levy amounts be submitted to the voters for inclusion in the County's on-going tax base.

The number of County employees has also grown from about 2,000 in FY85 to 3,400 in FY94. The County has generally succeeded in controlling salary and fringe benefit costs for employee groups, except corrections officers whose wages increased more than other employees in the past ten years. Despite the large growth in



Operating revenues, p. 7



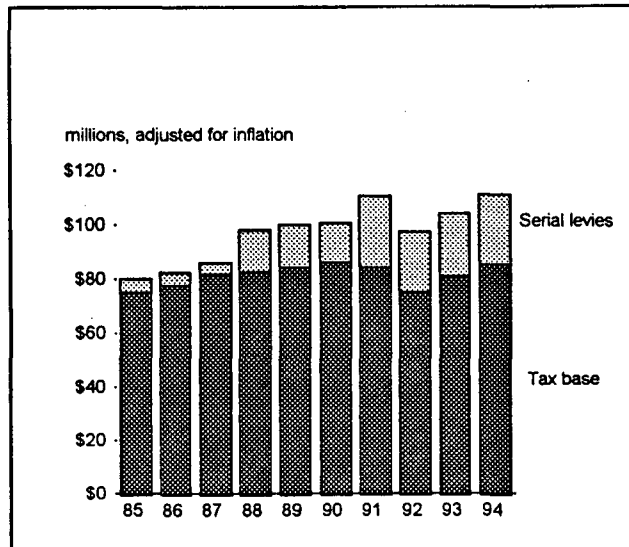
Employee wage increases, p. 18

responsibilities, County administrative and support costs have been held constant over the past decade, when adjusted for inflation.

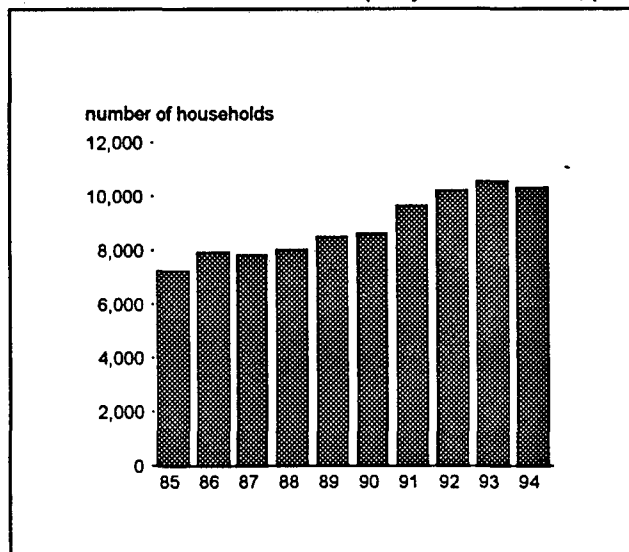
The County controlled or reduced its liabilities, adequately managed its cash, and began increasing reserves. A declining share of County operating revenues is needed to pay the fixed costs for debt service and operating leases.

Indicators also show a strong economic base in the County. Increasing property values and new construction reflect a healthy economy. The number of businesses in the County continues to grow, with 4,000 more employers during the decade. Unemployment crept up to 6% in 1992, but has since declined to less than 5%. In addition, property tax delinquencies reached an all-time low in FY94.

While there have been significant changes in County service responsibilities, the populations served by the County have changed gradually. For example, total County residents have increased about 1% per year during the past decade. Residents under 20 have remained constant, whereas residents over 60 have declined from 19% to 16% of the total population. The strong economy did not affect the number of households below the poverty line which increased from about 7,000 to 10,000 since 1985, with a slight decline in 1994. Reported crime has remained nearly constant for the past four years.



Property tax revenues, p. 8



Poverty households, p. 50

*We recommend that the County continue building reserves, discontinue reliance on serial levies, and continue to refine its financial and budget policy. In addition, the County Board should act to contain salary increases.*



# Introduction

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This report covers our review of the County's financial condition, using methods developed by the International City and County Management Association (ICMA) and methods being developed by the Government Accounting Standards Board (GASB). The audit was included in the FY94-95 Audit Schedule. The work was conducted in accordance with generally accepted government auditing standards, except for the requirement for periodic external quality control review. As the first step of quality control review, audit managers from three other jurisdictions reviewed and approved the policies and procedures manual of this office for compliance with *Government Auditing Standards*.

## Objectives, Scope, and Methodology

The objective of this audit was to evaluate the financial condition of Multnomah County using the Financial Trend Monitoring System developed by the ICMA and the draft indicators developed by the GASB. This is the second report of financial condition issued by this office. The prior report covered the period FY82 through FY92; this report covers the period from FY85 through FY94. 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 Division, and other County departments.

Fiscal years in this report are identified by their ending date, such as FY94 for FY93-94, the fiscal year ending June 30, 1994. 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 FY94. The adjustments are based upon the Portland-Vancouver Consumer Price Index for all urban consumers, except for wage comparisons which use the U.S. Consumer Price Index for wage earners.

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. This combination of funds represents about 97% of total County resources. In accordance with ICMA and GASB methods, certain activities along with their revenues and expenditures were excluded. For example, sewer services, which are enterprise activities, are excluded from the analysis. Internal service activities (such as County fleet and telephone services) are also excluded from the analysis except where noted.

# Background

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## Financial Condition

Financial condition is defined as a local government's ability to finance services on a continuing basis. A county in good financial condition can sustain existing services to the public, withstand economic slumps, and meet the demands of changing service needs.

Sound financial condition covers four measures of solvency.

- ▶ Cash solvency is the ability of a government to generate sufficient cash over a 30 to 60 day period to pay its bills.
- ▶ Budgetary solvency is the ability to generate enough revenues during the budget year to meet expenditures and not incur deficits.
- ▶ Long-term solvency is the ability to pay not only the costs of doing business in the current year, but also those that will come due in future years.
- ▶ Service-level solvency is the ability to provide service at the level and quality desired by citizens and required for the health, safety, and welfare of the community.

A county's on-going revenues should be sufficient to meet short-term expenditure needs, as well as finance major capital expenditures and long-term costs. Monitoring financial condition allows managers to identify existing and emerging financial problems and develop solutions in a timely manner. Effective monitoring can also provide additional information for the annual budget process, give the County Board of Commissioners a wider context for decision-making, and establish a starting point for setting financial policies.

## Monitoring Financial Condition

The ICMA first developed a monitoring system in its publication *Evaluating Financial Condition: A Handbook for Local Government*, by Groves and Valente, 1986. With the assistance of over 30 state and local jurisdictions, the authors identified factors that affect financial condition. Most of the data for the factors is available in annual financial reports, budgets, management reports, and local population and economic statistical reports. The authors organized the factors to allow for consistent reporting, display, and evaluation of the factors. The ICMA system also incorporates the major financial indicators used by national bond rating organizations to evaluate a government's credit-worthiness. Over 30 indicators of financial condition were developed.

More recently, the Government Accounting Standards Board (GASB) began research on financial condition measures to supplement each local government's annual financial report. Many measures are similar to the indicators developed by the ICMA. Both systems

recommend tracking the indicators over a number of years to quantify and evaluate a government's financial condition and to identify strengths and potential problem areas.

The solvency of the government depends on the organization's ability to balance the demands for service with its available financial resources. Sound financial condition evidenced by cash, budgetary, long-term and service-level solvency is reflected in the following major financial factors:

- Revenues
- Expenditures
- Operating position
- Debt and liabilities
- Infrastructure
- Revenue base
- Service populations

Financial condition can be evaluated based upon changes in these factors over a period of time. Some trends are more critical than others, and some trends may require further analysis to better understand the nature and magnitude of potential problems.

If problem areas are identified, officials can develop strategies for dealing with them. The ICMA suggests that governments establish financial policies to address problem areas and set specific goals for the indicators as a means of measuring progress toward improving the jurisdiction's financial condition.

# **County Government**

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Multnomah County government, like the other 35 Oregon counties, receives its authority from the Oregon Constitution and many of its responsibilities from the state legislature. Multnomah County is a Home Rule County with a charter which also defines authority and responsibilities. In some cases, the County is mandated to provide services that meet legal requirements. In other cases, the County has undertaken service responsibilities on the basis of community needs. Some services are provided throughout the County, such as elections; some services are provided to specific populations, such as mental health services; and some services are provided to geographic areas, such as road maintenance in the unincorporated areas.

During the ten years included in this review Multnomah County has undergone considerable change, affecting its organizational structure, its services, and its finances.

In FY85 the County transferred some of its services to the City of Portland. Road funds and about 35 maintenance employees were transferred to Portland which assumed responsibility for all County roads within its boundaries. Over 60 deputies were transferred to the Police Bureau which began providing law enforcement services in the mid-County area. Planning and zoning responsibilities were also transferred to Portland. A library levy provided about \$2.7 million beginning in this fiscal year.

In FY86 about 90 state employees transferred to the County Aging Services Division to provide state- and federal-funded programs.

In FY87 the County opened an 80-bed restitution center, re-opened the Courthouse Jail, and created or expanded five non-custody corrections programs. Despite the increased corrections services, jail overcrowding cost the County nearly \$1 million more than was budgeted. The business income tax was increased from 0.6% to 0.95% of net income to cover increased justice services costs.

In FY88, the County developed alternative housing and programs to manage sentenced and pre-trial prisoners in response to a federal court order imposing a population limit on the Justice Center. In addition, Portland transferred its Youth Service Centers to Multnomah County. The County increased the business income tax to 1.46%. The County received the revenues from a \$4.7 million levy approved by the voters to construct a new jail facility. A new voter-approved library levy also began in this fiscal year, adding about \$7.5 million in property tax revenues.

FY89 and FY90 were relatively stable years. The new Inverness Jail began operations, and budgets were increased to restore support services and to strengthen management capabilities in the County. In addition, the County began a strategic planning process.

In FY91 the Library became a County department, adding over 340 staff to the County budget. In prior years the library system, operated by a non-profit association, had been financed by the County. The County received property tax revenues beginning in this fiscal year from two new serial levies, a \$10.3 million library levy and a \$13.5 million levy to construct and operate a new jail. In November of 1990, voters also approved a state-wide ballot measure to limit property taxes and the County began preparing for reductions to its FY92 budget.

In FY92, as a result of the tax limitation, the cost of services was estimated at \$19 million over expected revenues. Approximately \$12.4 million was cut from County departments. The County also chose to assume the responsibility of administering probation and parole services from the State, combining about 150 State employees and \$9 million of State money with the County's Community Corrections operations.

In FY93 voters approved continuance of two serial levies, one for library operations and another for jail operations. Voters also approved a \$31 million general obligation bond measure for rehabilitation and improvements to the Central Library and Midland Library facility. In addition, \$36 million in certificates of participation were issued to construct a juvenile justice facility.

In FY94 the County completed negotiations to give Metro responsibility for the operations of the Expo Center and park operations. The transfer of 29 operations staff was effective January 1, 1994 and certain assets were transferred to Metro. The real property associated with the operations of Expo and the parks will be transferred on January 1, 1996. FY94 was also the first year of two three-year serial levies for library services (\$11.8 million) and jail operations (\$15.5 million). In August 1994 the Board approved a County budget and financial policy which addressed the recommendations in the Auditor's 1993 Financial Condition report.

# Revenues

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## Summary

County revenues have increased substantially over the past ten years. The largest revenue increase was from state and federal sources which doubled from approximately \$75 million to over \$156 million, when adjusted for inflation. These funds now comprise about half of all County revenues. The other half of County revenues comes from sources such as property taxes, business income taxes, and user fees which also showed growth.

Property taxes increased as a result of voter-approved serial levies and also increased in relative value when inflation dropped below the 6% statutory growth rate allowed for property taxes. Over the ten-year period, the County collected additional property taxes for six voter-approved levies. Property tax revenues dropped in FY92 as a result of the tax limit imposed by Ballot Measure 5, but have nearly recovered as a result of large increases in the market value of residential property.

User fee revenues increased in the past six years, with a large jump in FY92 due to the County's new responsibility to manage parole and probation services, formerly a state function.

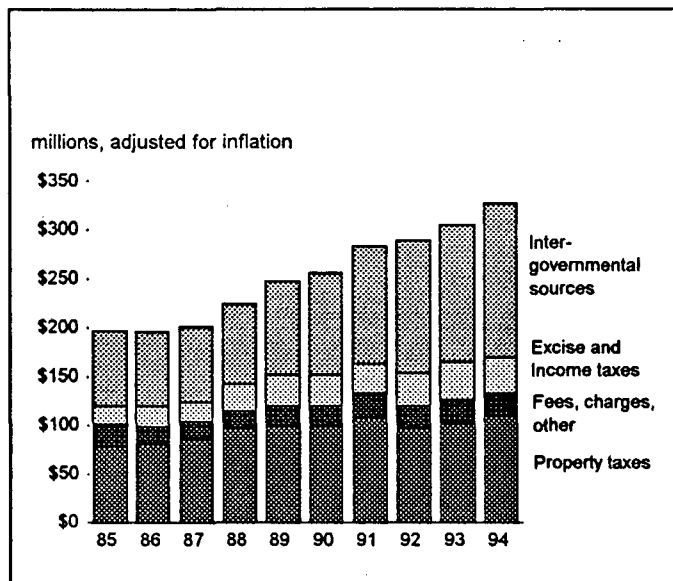
An increasing share of County revenues are from short-term sources such as three-year serial levies. In FY94 over \$25 million in revenues came from voter-approved serial levies scheduled to end at the close of FY96. Likewise, an increasing share of County revenues was restricted to specific purposes.

### Indicators

- Operating revenues
- Property tax revenues
- User charges
- Intergovernmental revenues
- Elastic revenues
- Short-term revenues
- Restricted revenues
- Revenue shortfalls

### Operating revenues

Operating revenues, when corrected for inflation, have increased 60% in the past ten years, a favorable trend.



These are all the County's operating revenues which are available for on-going County services. These services include elections, road maintenance, health clinics, parks, jails, libraries, social services, prosecution, animal control, and administration.

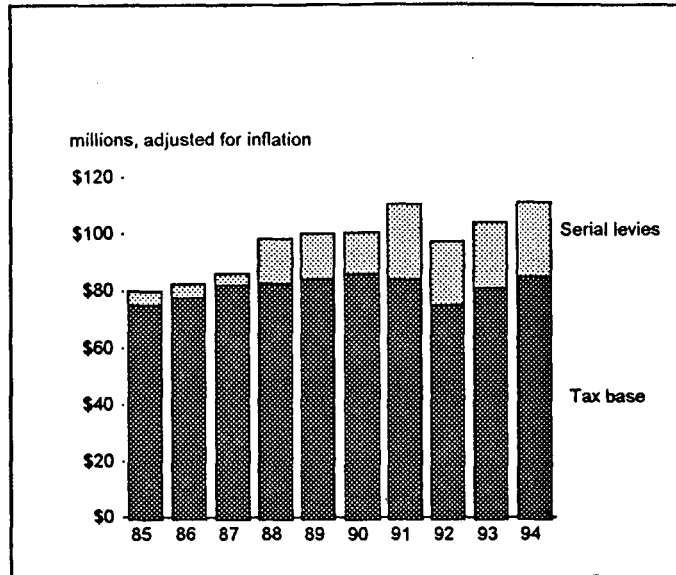
Decreasing revenues may reduce a government's ability to maintain existing service levels.

### Analysis

In general, the revenue trend has been favorable over the past ten years. In current dollars, operating revenues increased from \$197 million in FY85 to \$327 million in FY94. Each of the four categories of revenues increased, although state and federal funds showed the largest growth, which may not be a favorable trend.

## Property tax revenues

Property tax revenues show a favorable increase due to voter-approved serial levies and property value increases.



Property taxes are paid on the assessed value of real, personal, and utility property. County property taxes are currently generated by three separate levies which support on-going County services: the tax base levy, and two three-year serial levies dedicated to jails and libraries.

The Oregon Constitution allows the tax base levy for the General Fund to be increased by 6% over the previous year's levy amount without a vote of the taxpayers. In FY94, most property owners in Multnomah County paid about \$21 per \$1,000 assessed value, with a majority of the taxes going to support schools and about 18% going to County services. Ballot Measure 5, approved by voters in 1990, placed an additional constitutional limit on tax rates. As a result, the total tax rate for the County and all other non-school governments cannot exceed \$10 per \$1,000 assessed value. The measure allows voters to approve levies for capital projects in excess of the limit.

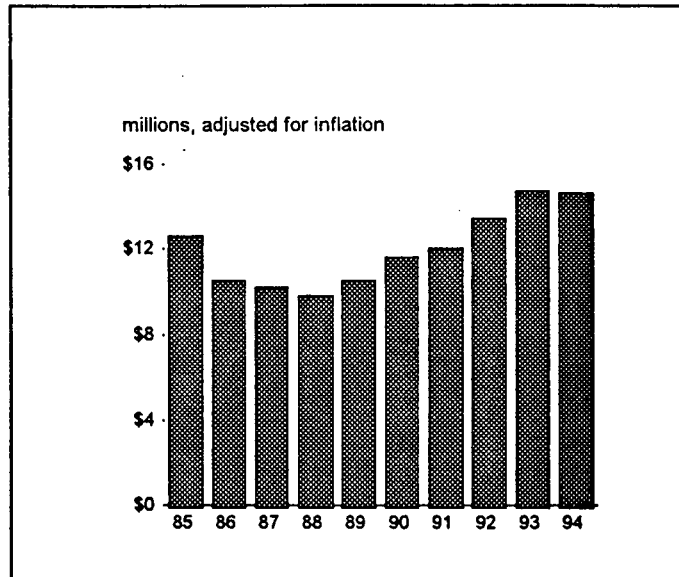
## Analysis

Property taxes averaged about 4% annual growth over inflation during the ten years, largely due to voter-approved serial levies. Excluding the serial levies, average annual growth in the tax base was about 1.5% over inflation. Property tax revenues decreased significantly in FY92 as a result of the tax limitation imposed by Ballot Measure 5 and have nearly returned to previous levels as a result of large increases in the market value of residential property.



### User charges

User charges have grown in the past six years, a favorable trend.



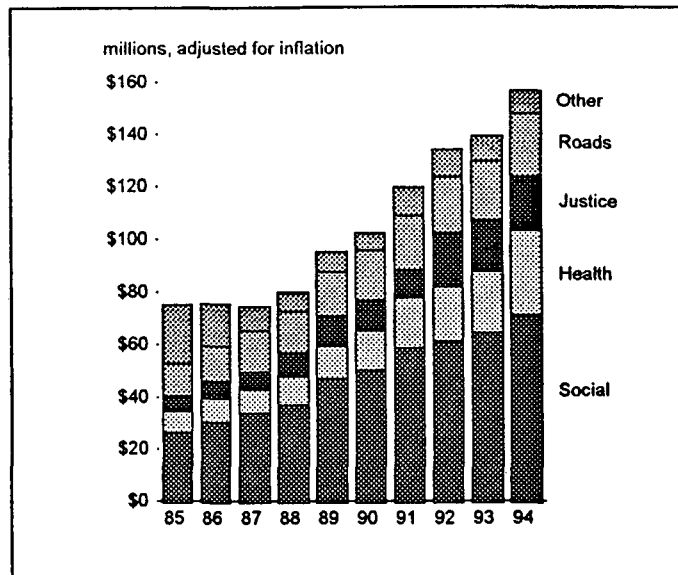
User charges are intended to cover all the cost (or an agreed upon percentage of the cost) for providing services such as dog licensing, recreation activities, and restaurant inspection. This indicator measures service fees and charges in constant dollars. Inflation can easily erode user charge coverage if the cost for services increases faster than rate increases. A decline in user fees is a warning trend.

### Analysis

County fees and charges generally increased in the past six years. Part of the increase is a result of expanded responsibilities. For example, the County received additional fees when it assumed state programs such as parole and probation in FY92. Increases in user charges in health services, animal control, and recreation programs also contributed to the growth.

The Board established a policy to recover costs for services taking into consideration the benefit to the user, ability of the user to pay, and other factors. As a first step, the Budget and Quality Division and Finance Division recently contracted for a study of user fee cost recovery in some programs.

**Intergovernmental revenues**  
Multnomah County reliance on intergovernmental revenues has increased significantly over the past ten years, an unfavorable trend.



Federal and state funds comprise the largest portion of these revenues, with most funds restricted to a specific purpose such as mental health services, Medicaid for the elderly, community-based corrections programs, or emergency planning. Some revenues are not restricted, such as alcohol and tobacco taxes shared by the State or revenues from timber sales shared by the Federal government.

Increasing intergovernmental revenue to support County services may indicate an over dependence. If these revenues were withdrawn, the County would be forced to find additional revenue or cut services to reduce costs. Increasing reliance upon intergovernmental revenues is viewed as a warning trend.

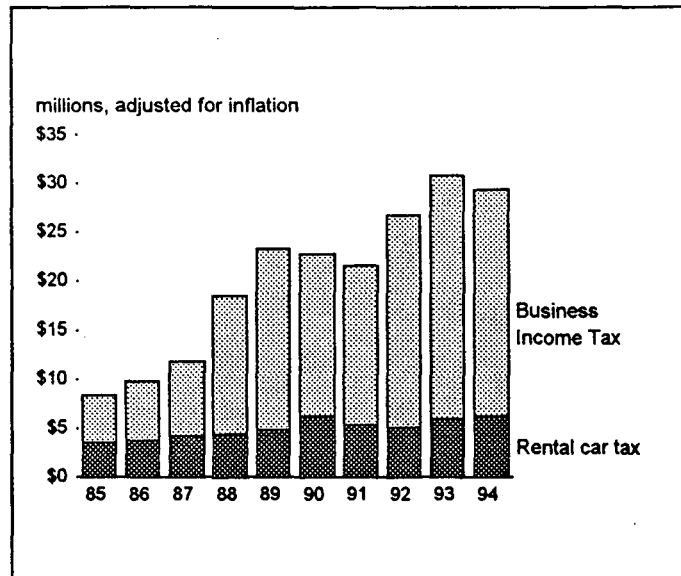
### Analysis

Intergovernmental revenues have grown from 38% of total operating revenues in FY85 to 48% in FY94. In constant dollars, intergovernmental revenues doubled in the ten year period. Large increases occurred in many areas. In FY94 nearly half the intergovernmental revenues were for social service programs which, in current dollars, increased from \$27 million to \$71 million. Over half of this amount represents state mental health funding. Health program revenues increased from \$9 million in FY85 to \$32 million in FY94, with a \$7 million increase in FY94 for Care Oregon.

Intergovernmental revenues for justice programs increased from \$5 million to \$21 million. Approximately \$7 million of the increase is State payments to the County for assuming parole and probation responsibilities beginning in FY92. Revenues for roads increased from \$12.6 million to \$24 million in constant dollars. The "other" category shows the only decline, with the loss of Federal Revenue Sharing, which was the equivalent of \$6.5 million in FY85.

### Elastic revenues

Elastic revenues have increased as a result of an improved economy and rate increases, a favorable trend.



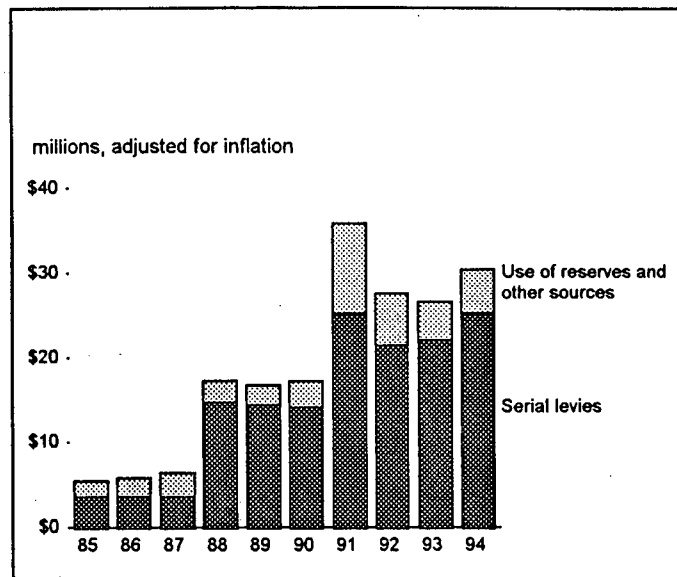
Elastic revenues are responsive to economic changes. The only major County revenues which we consider elastic are the business income tax and motor vehicle rental tax. A balance between elastic and inelastic revenues mitigates the effects of economic growth and decline. Insufficient elastic revenues may produce revenue shortages during periods of high inflation or rapid economic growth. Over-dependence on elastic revenues can reduce revenues during economic downturns.

### Analysis

Adjusted for inflation, elastic revenues have increased over the ten years from \$8 million to \$29 million. The County business income tax rate was 0.6% of net income until FY86 when it was increased to 0.95%. In FY87 the rate was again raised, to 1.46%. The large increase in FY92 resulted from the change to quarterly collections of estimated taxes which produced a one-time increase of \$3 to \$4 million in additional revenues. In FY94 the City of Portland Bureau of Licenses began collecting the taxes under contract with the County. Elastic revenues comprised only about 4% of total revenues in FY85, increasing to about 9% in FY94, indicating movement to a better balance of elastic and inelastic revenues.

### Short-term revenues

The County is increasingly dependent on short-term revenues to provide for its services, a warning trend.



Short-term revenues are resources of a limited duration. These revenues include three-year serial levies, inter-fund transfers and loans, use of reserves and surpluses, and sales of property. Continued use of short-term revenues to balance the budget indicates current service level costs exceed ordinary revenue and signals a warning trend.

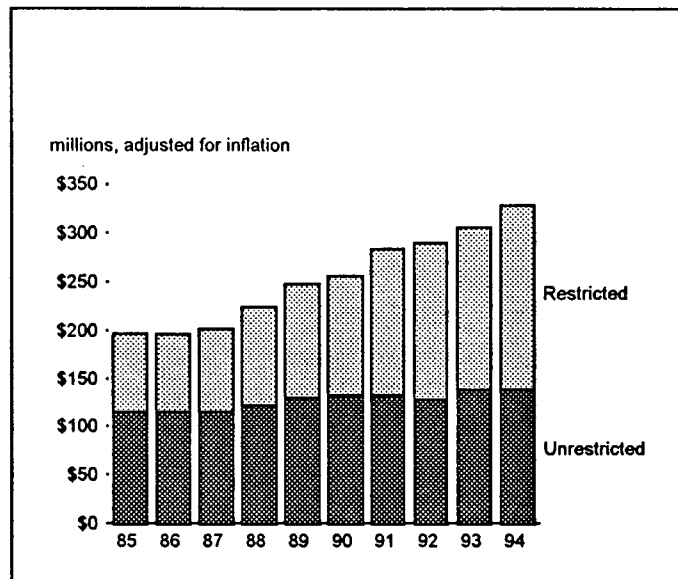
### Analysis

The County has become increasingly dependent upon revenues with limited durations to finance its on-going operations. Chief among these were two serial levies which provided \$25 million in revenues for jails and libraries in FY94. In May, 1993, voters approved continuance of these levies for three more years, resulting in about \$11.8 million per year for library operations, and \$15.5 million for jail operations. Voters also approved a \$31 million general obligation bond measure for rehabilitation and improvement to the Central Library.

The County's financial and budget policy calls for reduced reliance on short term revenue sources, stating that the Board will propose to voters that the serial levy amounts be included in the County's tax base.

### Restricted revenues

An increasing share of County revenues are restricted-use, a warning trend.



This indicator determines the share of all County revenues which are restricted. Restricted revenues are legally reserved for specific purposes and include federal and state funding for specific programs, gasoline taxes, and serial levies approved by the voters for specific programs such as jails or the library.

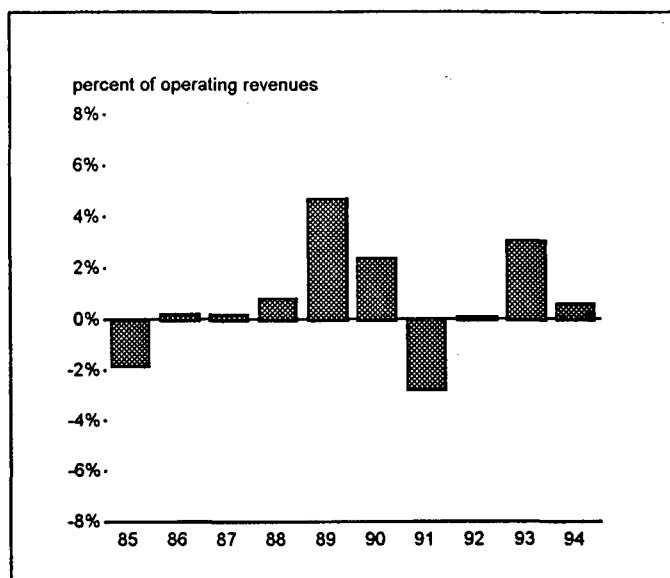
### Analysis

An increasing percentage of the County's revenues are restricted-use. In FY85 only 40% of County revenues had restrictions on their use. By FY92 these restricted funds increased to more than 57% of all revenues. Most of the restricted revenues are from state or federal sources and some may require the County to contribute locally-raised revenues. Although restricted revenues have increased substantially in the County, unrestricted revenues have also shown some growth. In constant dollars unrestricted revenues grew from \$117 million to \$139 million, an annual increase averaging about 2% more than inflation during the ten-year period.

Multnomah County managers are working with state and federal officials to reduce restrictions on the use of some funds.

### Revenue shortfalls

Actual revenues have exceeded budget forecasts in eight of the past ten years, a favorable trend.



This indicator reflects the difference between operating revenues estimated in the adopted budget and revenues actually received. Major shortfalls can indicate inaccurate estimating techniques, sharp fluctuations in the economy or inefficient revenue collection. The ICMA also suggests that shortfalls may indicate that high revenue estimates were made to accommodate political pressures.

Revenue shortfalls may require mid-year cuts of services, spending of reserve funds, or increased use of short-term borrowing. Large or frequent shortfalls constitute a warning trend.

### Analysis

Actual revenues have been within about 5% of projections in the past ten years. Greater variances have occurred for particular revenues such as business income taxes, but the differences were often countered by variances in other revenues. Actual revenues exceeded estimates in eight of the last ten years. The shortfall in FY91 was due to overestimated business taxes and property taxes.

# **Expenditures**

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## **Summary**

Spending increased 82% 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. Wages for the largest group of employees kept pace with inflation, while the wages of public safety and nurse employees grew faster than inflation. The cost of fringe benefits grew during the ten years, largely driven by pension and health care cost increases.

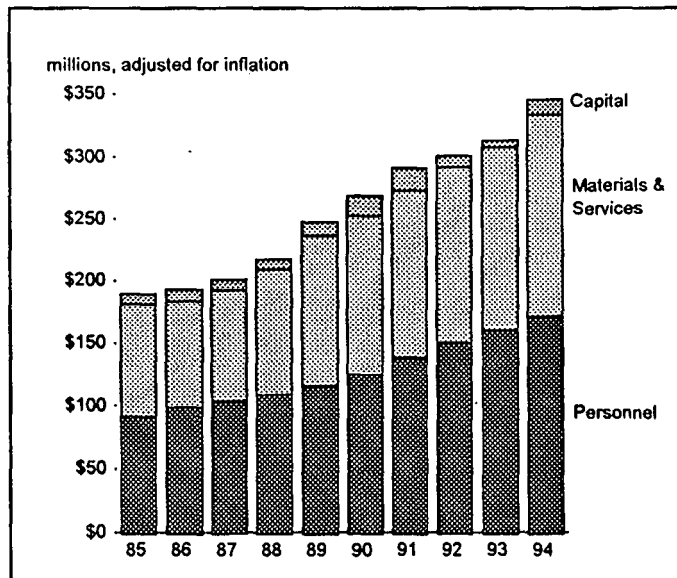
An increasing share of the General Fund has gone to social and health services over the past ten years. During this period, General Fund contributions to justice services declined, although voter-approved levies maintained or increased overall expenditures. Spending for roads and bridges grew during the first five years and remained steady the last five years. Spending for administration and support services has remained relatively constant despite the large increase in County spending.

## **Indicators**

Operating expenditures  
Number of employees  
Employee wage increases  
Employee benefits  
Program expenditures

### Operating expenditures

Spending has increased, largely because of increased County responsibilities.



These are all the County's operating expenditures. Operating expenditures include personnel costs, materials and services, and capital costs for on-going services.

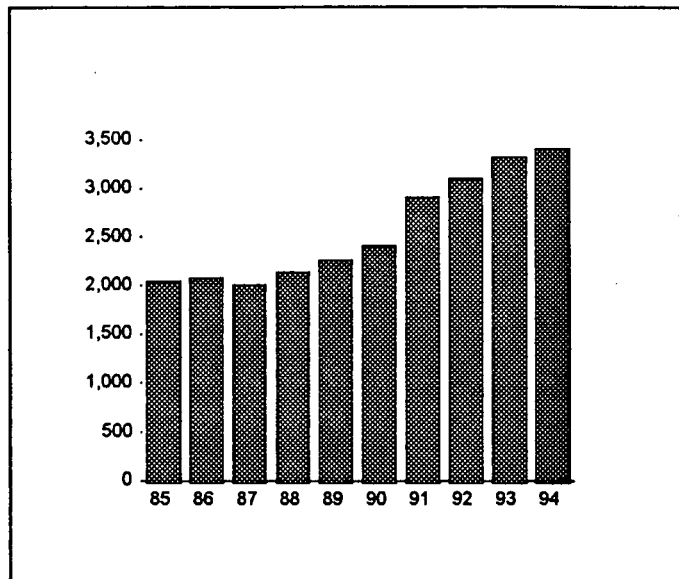
Some of the increases are the result of new service responsibilities. Increasing expenditures may also indicate that service costs are exceeding the community's ability to pay. Further analysis of specific program spending, service levels, and specific populations such as low income, juvenile, or elderly may be necessary to determine whether the government is operating efficiently.

### Analysis

Expenditures have increased faster than inflation. Both personal services and materials and services nearly doubled in the ten-year period. Increased responsibilities contributed to most of these increases. Materials and services costs increased as a result of expanded contract services for mental health programs, developmental disability programs, alcohol and drug treatment, and programs for the elderly.



**Number of employees**  
In recent years changing responsibilities have increased the number of employees.



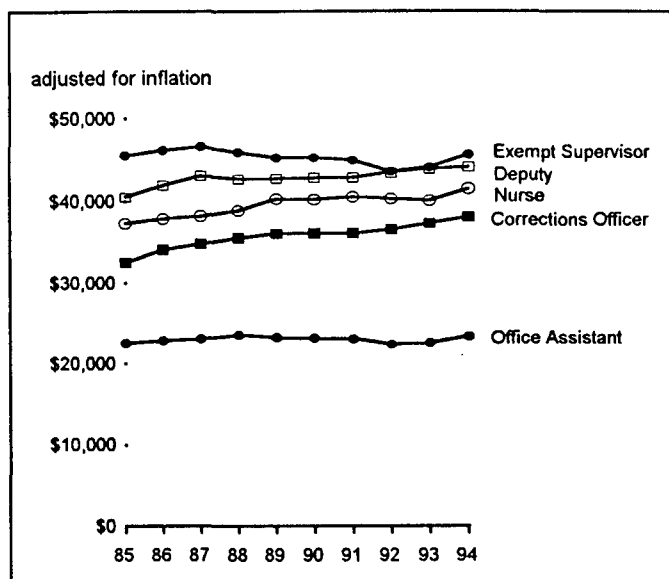
This measure tracks the number of full-time equivalent employees in the County. Vacant positions are not included. The County also provides services through contracts with non-County organizations. Contracted positions are not included.

An increasing number of employees may be a warning trend, indicating more labor intensive work or declining productivity. Changing service responsibilities or use of contracting may also affect the number of employees.

### **Analysis**

Until 1988 the number of full-time equivalent employees remained constant at around 2,000. Increases occurred as a result of staffing for new jails, transfer of community corrections from the state, responsibility for libraries, and increased social and health services funded by state and federal dollars, reaching 3,400 employees in FY94.

**Employee wage increases**  
Wages for most bargaining units have remained steady over the last ten years.



Wage increases are negotiated between collective bargaining units and the County. Other employee benefits such as health and pension benefits must also be considered in assessing compensation levels. To maintain fair and competitive wages, most agreements use the consumer price index as a basis for annual increases. This indicator uses wage rates for the most senior employee in the most common job classification. For the 500 managers, professionals, and technicians not represented by a collective bargaining unit, we used the average earnings of a representative group of supervisors.

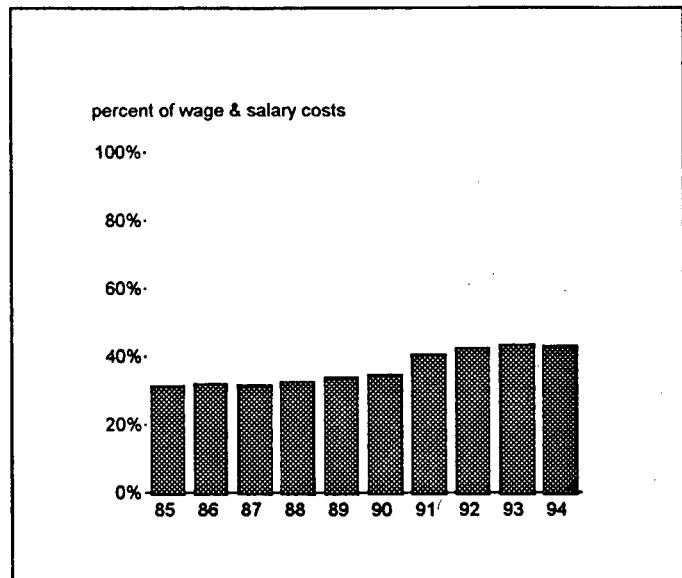
Wages increasing faster than inflation indicate rising costs for County services. Wages which lag too far behind inflation may produce disparities in the job market, making it difficult to attract or retain quality personnel.

## Analysis

Earnings for most County employees kept pace with inflation. Corrections officers, whose wage agreement is subject to binding arbitration, have seen a significant increase in earnings power. The income of other employees also grew faster than inflation. The table below shows the major bargaining units, the number of employees represented, and the annual earnings of a senior employee expressed in current dollars for FY85 and FY94. Because of year to year fluctuations, this comparison may not always represent the general trend.

Bargaining Unit	Represented	Example	FY85	FY94
none	505	Exempt Supervisors	\$45,600	\$45,700
Deputy Sheriff's Assn.	131	Deputy Sheriff	\$40,500	\$44,100
Oregon Nurses Assn.	269	Nurse	\$37,300	\$41,500
Corrections Officers Assn.	342	Corrections Officer	\$32,600	\$38,000
AFSCME Local 88	2,218	Office Assistant 2	\$22,600	\$23,400

**Employee fringe benefits**  
Fringe benefits have grown from 31% of the average employee's wage in FY85 to 43% of wages in FY94, an unfavorable trend.



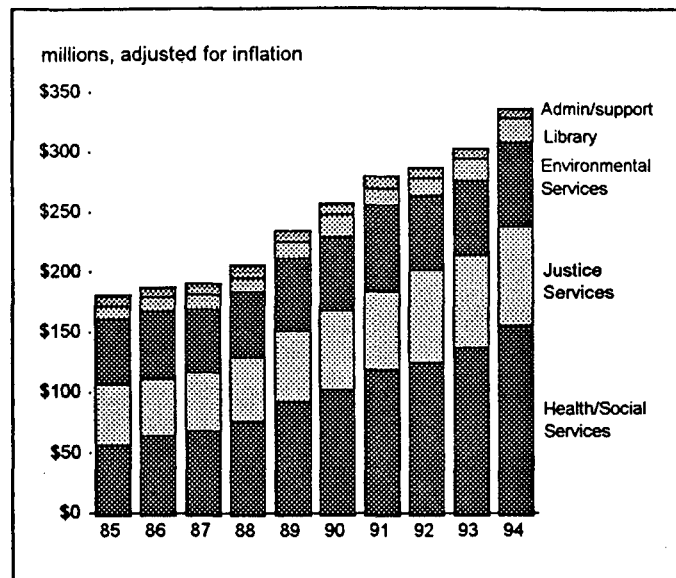
Employee benefits expressed as a percent of wages, include the cost of health and dental insurance, worker's compensation, retirement, and the employer-paid portion of social security. Paid holidays are not included. It is expressed as a percent of wages and salaries.

### Analysis

The cost of fringe benefits has increased faster than salaries and wages, growing from 31% of wages to 43%, indicating a warning trend. Some of the increases are due to increased health care costs, and increased social security and PERS retirement costs. In FY94 PERS, social security, and Tri-Met Payroll taxes were 27% of salary costs for general County employees and 35% for public safety employees. PERS retirement costs grew because of the increase in the number of corrections officers whose retirement contributions cost 45% more than the County's other non-public safety employees.

## Program expenditures

Spending for health and social services grew faster than any other program area.



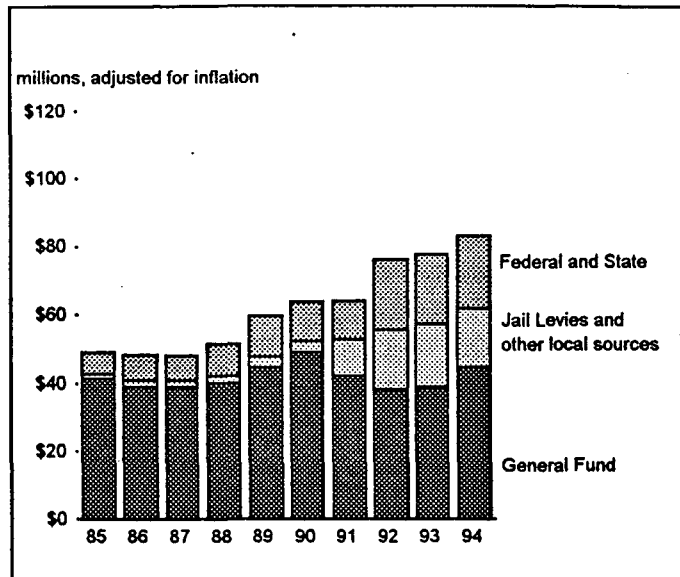
Except for restricted revenues, program expenditures reflect allocation decisions among service responsibilities. Because of reorganizations, past program spending was adjusted to reflect the current County organization as much as possible. Increased expenditures can result from local initiatives, or from increased responsibility from State or Federal authorities. The level of program expenditures is one indicator of service level solvency. A decline in expenditures may indicate that, if efficiency improvements did not also occur, the level of services to the public may be declining.

## Analysis

Like revenues, expenditures have increased faster than inflation over the past ten years, with the largest increases in health and social services. The trend shows an increase in justice services with the FY92 transfer of responsibility for community corrections from the State of Oregon. Environmental services also grew over the ten-year period, mostly for roads and bridges. Despite large increases elsewhere, costs remained relatively constant for administration and support services. The following exhibits show the allocation of revenues for each of the major program areas.

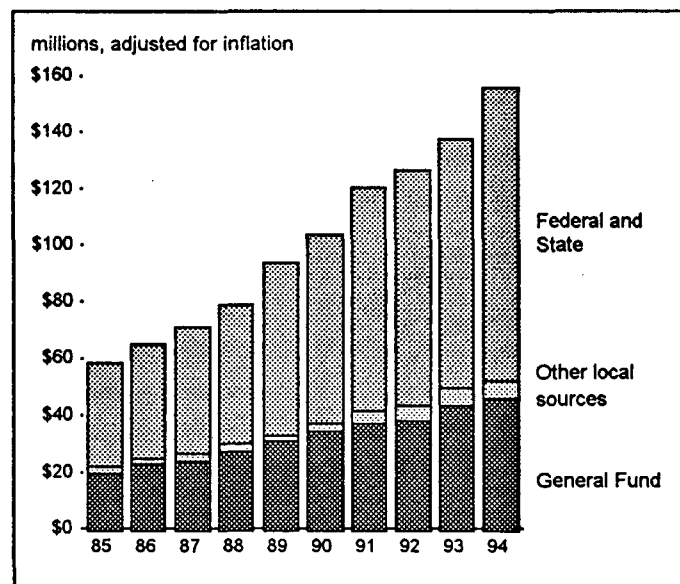
## Justice Services

These activities include: jails, prosecution, law enforcement, and parole and probation services. New jails increased costs to the General Fund until voter-approved tax levies began in FY91. In FY92 State funding increased when the County took over State responsibility for community corrections. In FY94 the cost of operating jails was 47% of the total, community corrections was 21%, prosecution 13%, and law enforcement and other sheriff activities were 19%.



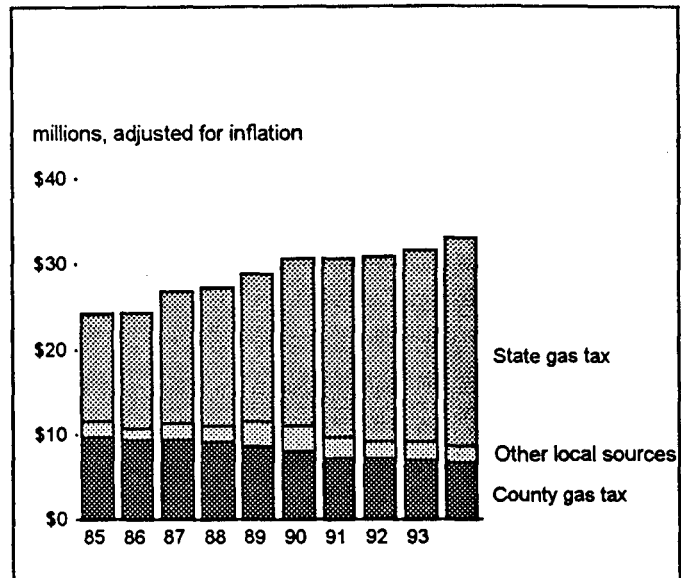
## Social and Health Services

These services represent the largest share of county spending and include: mental health services, developmental disabilities services, youth programs, housing programs, juvenile detention, services for the elderly, health and dental clinics, and regulatory health services. General Fund spending in these areas has increased over the past ten years, although less than the growth in Federal and State funding.



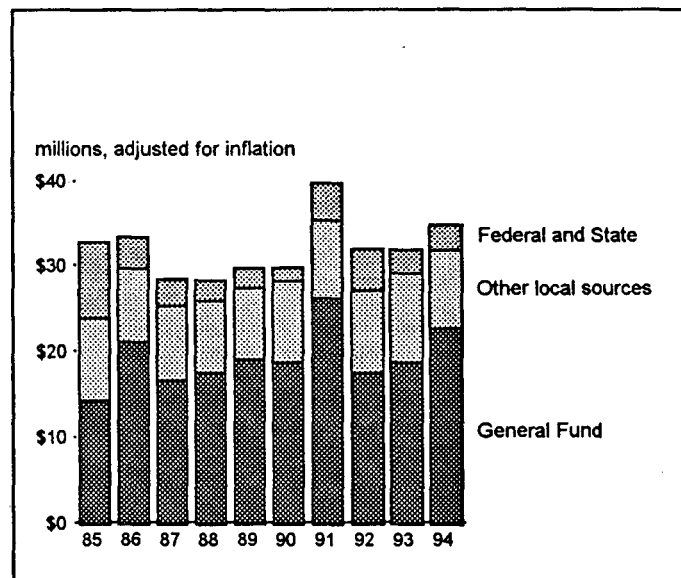
## Environmental Services - Roads

In addition to road construction and maintenance, this program area includes maintenance of the Willamette River bridges, transportation planning, and traffic management. State gas tax revenues showed steady growth through the ten-year period. County gas tax revenues have declined, due to inflation and a revenue-sharing agreement with the City of Portland. No General Fund dollars are allocated to these activities.



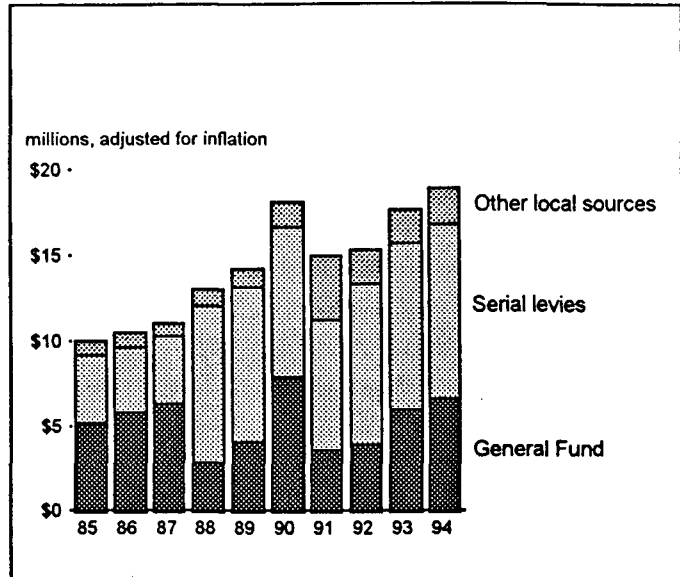
## Environmental Services - Non-roads

These activities include land use planning, cemeteries, parks, animal control, assessment and taxation, elections, and operations of the Exposition Center and Glendoveer Golf Course. Most spending in these areas is covered by the General Fund, although fees and charges also contribute a significant portion. The increase in FY91 was for jail construction costs of over \$5 million, and \$2 million in state funds for property appraisal funding of \$2 million.



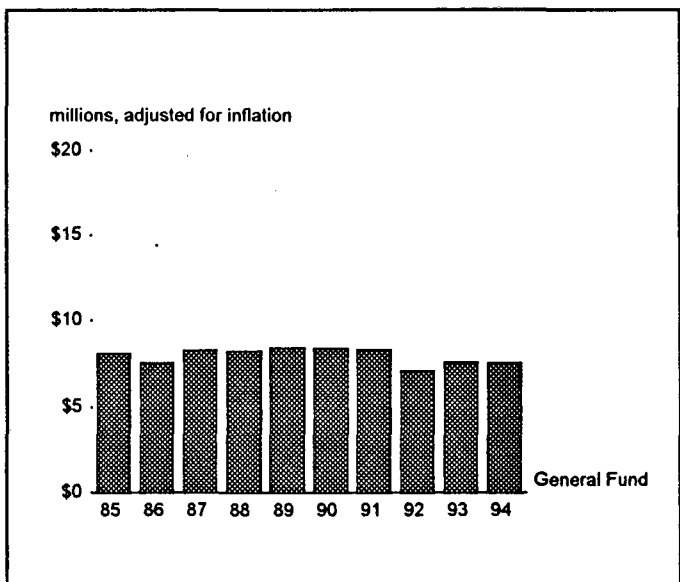
## Library

Library spending nearly doubled from FY85 to FY94. In the past ten years library services became increasingly dependent upon serial levies. FY90 reflects nearly \$3.3 million in one time capital construction costs.



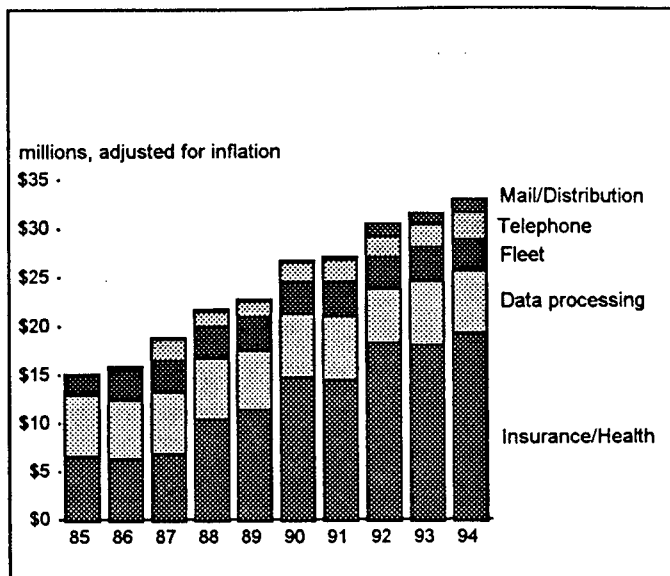
## Administration/Support

Despite large increases in other County programs, spending in this area has remained relatively constant. However, increases in administration and support staff at the department level may also be occurring. Financed almost entirely with General Fund dollars, this program area provides services such as personnel, payroll, finance, purchasing, budget, the Board and its staff, and the Auditor's Office. The cost for some of these services is recovered from State and Federal funds through overhead charges which we were not able to distinguish. Reductions in FY92 reflects cuts in many areas of administration and support.



## Internal Services

County programs purchase internal services which include data processing, telephones, printing, mail, and fleet. The expenditures are already reflected in the previous exhibits as expenses in personal services and materials and services. The largest growth occurred in health benefit costs for County employees which are covered by the Insurance Fund. Costs were not segregated for telephone and mail distribution activities before they were placed in internal service funds in FY86 and FY92, respectively.





# Operating Position

## **Summary**

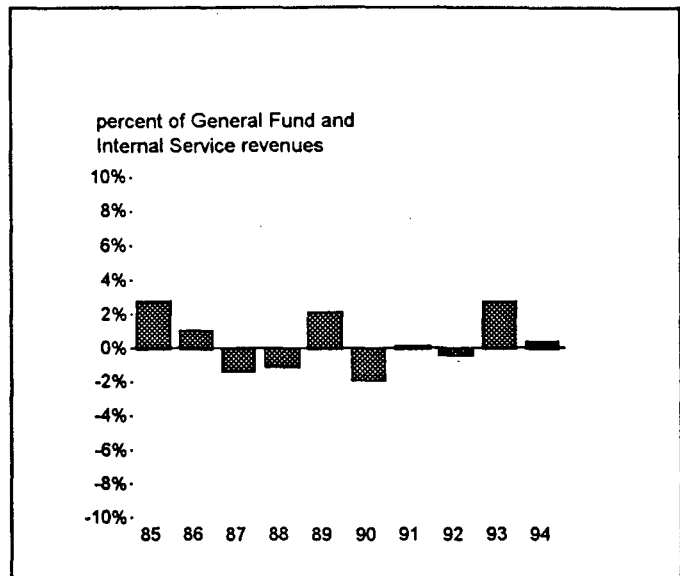
County spending for operations in six of the past ten years has generally matched revenues. However, when spending exceeded revenues in the other four years, the County had to use reserves and other funding sources to make up the difference. Operating revenues have increased much faster than have fund balances. The County's fund balances for the general fund and internal service funds have grown from \$11.7 million in FY85 to \$21million in FY94, while operating revenues have grown from \$139 million to \$327 million. The County has also begun a General Fund Reserve to be used for unexpected budget shortfalls. The County's liquidity ratio continues to show good short-term solvency.

## **Indicators**

Operating revenues over or under expenditures  
Unreserved fund balances  
General fund reserve  
Liquidity

### Revenues over or under expenditures

Differences between spending and revenues in the past ten years has improved.



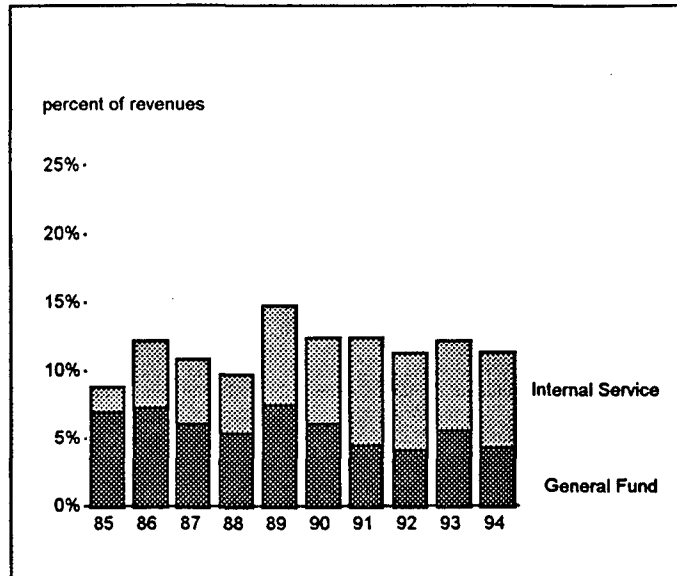
This indicator shows the difference between the revenues and expenditures of the combined general and internal service funds. Unlike the Federal government, Oregon governments are prohibited by State Budget Law from spending more money than they have. However, if a county spends more on operations than it collects in a year, the deficit can be covered by cash reserves, transfers from other funds, or from other sources. An operating deficit may occur as a result of lower revenues or higher costs than were budgeted for these funds. An operating deficit may also result when the Board intentionally spends accumulated reserve funds.

### Analysis

The trend is positive in the last four years. The County spent more for general operating expenses than it received in some of the previous six years. These deficits were covered by cash reserves and transfers from other funds. In some years spending of reserve funds was intentional, and in others a result of revenue shortfalls.

### Unreserved Fund Balances

Unreserved fund balances as a percent of general and internal service fund revenues have held steady in recent years.



The size of a government's unreserved fund balances can affect its ability to withstand short-term financial emergencies. There are no set rules for determining the appropriate level of reserves. According to the ICMA, the overall financial health of the local government, the flexibility of the revenue base, adequacy of insurance coverage, state regulations, and national economic conditions are circumstances to be taken into consideration in determining an acceptable level of fund balances.

Unreserved fund balances in the internal service funds may be used for capital purchases, self-insurance, minor fluctuations between planned and actual revenues and expenditures, or other financial emergencies. The General Fund balance is also used for fluctuations between planned and actual revenues and expenditures, or other financial emergencies.

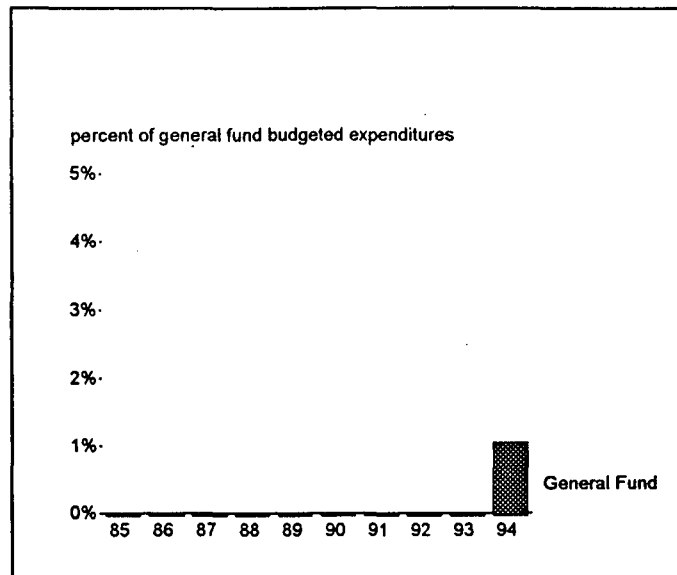
Declining fund balances are a warning trend. Unplanned declines or very low fund balances may mean that the County will be unable to meet service needs should a financial emergency or downturn in the economy occur.

### Analysis

Unreserved fund balances adjusted for inflation increased from about \$11.7 million in FY85 to \$21 million in FY94. The County's financial policy has also set aside a reserve in the general fund to be designated as an unappropriated fund balance.

### General Fund Reserve

The reserve was created in FY94 and is established in the County financial and budget policy.



Reserve funds are held for future years in anticipation of limited duration budget shortfalls. A downturn in the economy, when spending requirements exceed projected revenues, is one example where reserve funds can "smooth" economic cycles.

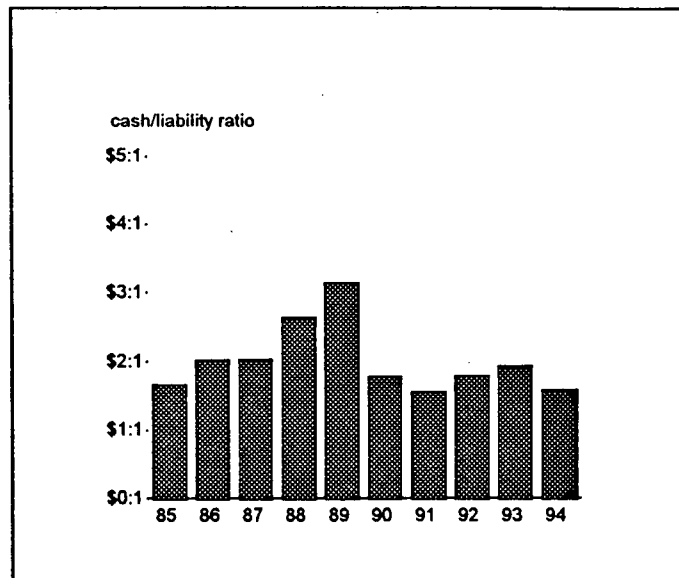
Declining reserves are a warning trend and may be the result of reserve levels which fail to keep pace with expenditures, or intentional spending in response to budget shortfalls. Low levels may require the County to reduce services in response to periodic or unexpected budget shortfalls.

### Analysis

The County financial and budget policy sets a goal of maintaining a reserve account of approximately 5% of General Fund budgeted expenditures. To that end the Board set aside approximately \$1.5 million in FY94, budgeted for an additional amount in FY95, and stated its intention to continue setting aside funds until the goal is reached.

## Liquidity

The County has maintained a favorable liquidity ratio over the past ten years.



Liquidity is an indicator of the County's ability to pay its short-term obligations. Liquidity is the ratio of cash and short-term investments to current liabilities. A low ratio may result in cash-flow problems for the County and require greater use of short-term borrowing to cover expenses. Decreasing liquidity is a warning trend.

The credit rating industry considers a liquidity ratio of less than \$1 of cash to \$1 of debt to be a negative indicator. The County's financial and budget policy also sets a goal of maintaining the same liquidity ratio.

## Analysis

The County has generally maintained a liquidity ratio of at least \$1.50 of available cash to every \$1 of current liabilities. Increases in reserves are reflected in the high liquidity ratios in FY88 and FY89. The ratios indicate an adequate level of cash solvency and are considered acceptable by the credit-rating industry.

# **Debts and Liabilities**

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## **Summary**

The County has maintained a favorable level for its accounts payable liabilities, and has only recently used general obligation debt to finance capital. The County's fixed costs as a percent of revenues have declined over the past ten years.

Indicators of Multnomah County liabilities show a decline in recent years, a favorable trend. The County participates in the Public Employee Retirement System and has a declining unfunded liability. Accumulated employee leave has increased, primarily due to increased staffing.

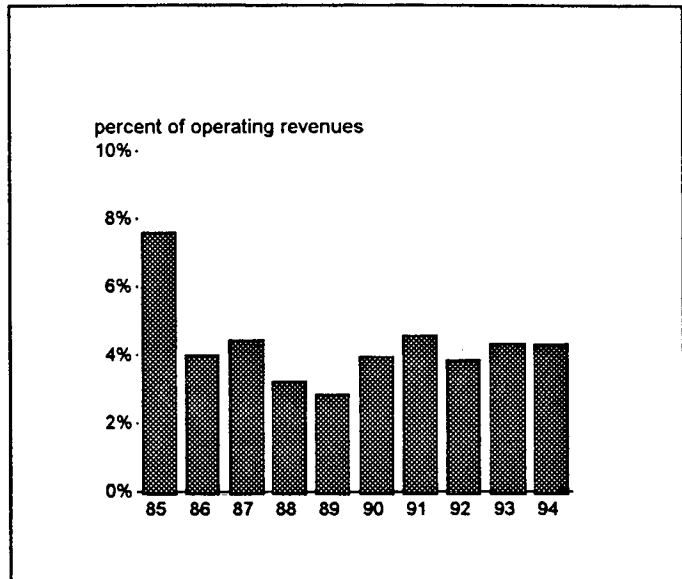
Actuaries have determined that the FY92 level of County self-insurance funds is adequate to cover most claims against the County. These funds are also supplemented by insurance policies to cover extraordinary claims.

## **Indicators**

Accounts payable  
Combined long-term debt  
Debt service  
Unfunded pension liability  
Accumulated employee leave  
Loss coverage

### Accounts payable

The County has maintained a low level of short-term debt, a favorable trend.



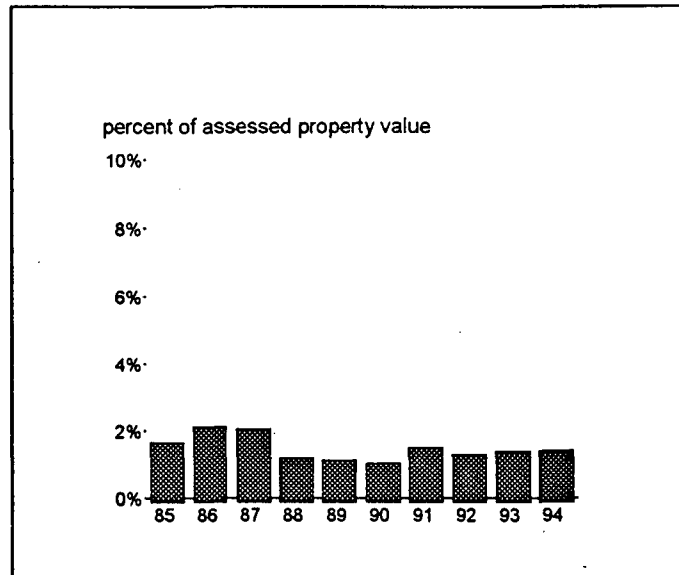
This indicator shows County payments due at fiscal year end as a percentage of operating revenues. These liabilities are comprised of accounts payable, accrued interest payable, and matured bonds payable.

Increasing accounts payable may indicate cash shortages and, therefore, is a warning trend.

### Analysis

Except FY85, accounts payable have been approximately 4% of revenues, a favorable indicator of County cash solvency.

**Combined long-term debt**  
Combined debt of all other jurisdictions  
has been very low, a favorable trend.



Combined long-term debt represents the portion of debt dependent upon property taxes for payment and is a measure of the community's ability to pay. Multnomah County has issued \$22 million in long-term bonded debt. Other governments such as school districts, cities, and special service districts have issued debt of \$364 million against the value of property in the County valued at \$27.5 billion.

The credit rating industry considers combined debt exceeding 10 percent of assessed valuation as a warning.

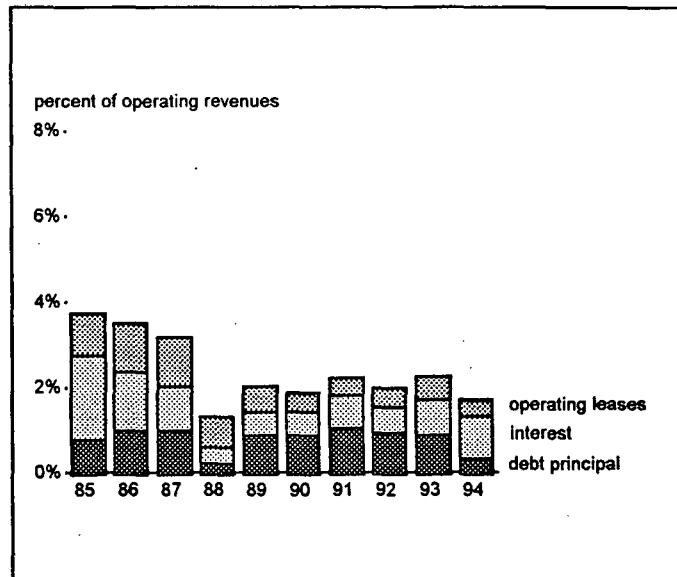
### Analysis

The combined general obligation bonds of all governments have kept debt at 2% or less of the value of property in the County during the ten-year period.



### Fixed costs

Debt service and lease costs have remained at approximately 2% of operating revenues in the last 7 years.



Fixed costs represent the annual payment of leases and long-term debt. They also include interest on short-term debt that is used to finance services at the beginning of the fiscal year in anticipation of property tax receipts in November. The credit rating industry considers debt service up to 10% of operating revenues acceptable.

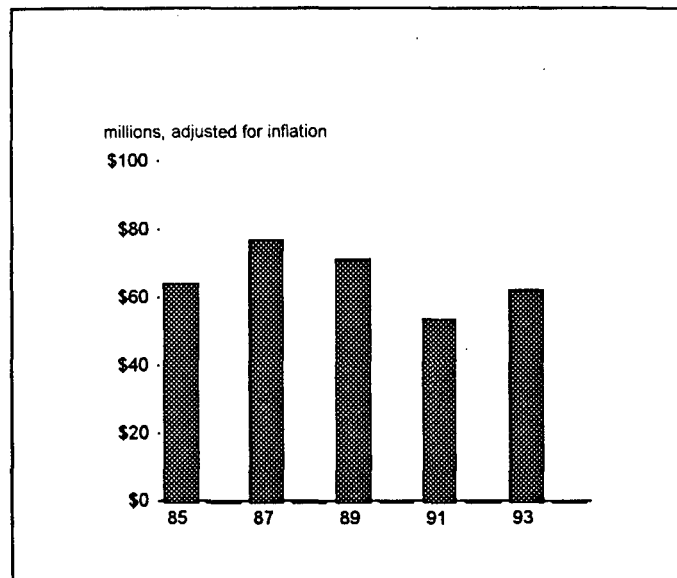
### Analysis

The County's fixed costs have declined in the past ten years, partly a result of facility purchases which reduced some operating lease liabilities. Fixed costs for these purchases are well below credit rating industry standards and will continue to decline for the next twenty years. In FY94, Multnomah County also issued \$22 million in general obligation bonds for major renovation of the County's main library. The County has used certificates of participation to finance many of its major capital projects. Under this arrangement, a facility is financed by an independent corporation which leases the facility to the County at a rate sufficient to pay off the debt. The County issued \$36 million in such certificates to finance the Juvenile Justice Complex in FY93. Outstanding obligations increased from \$25 million to \$134 million in the past ten years with the construction and purchase of eight facilities.

The County's financial and budget policy sets guidelines for short-term and long-term debt financing, as well as a limit of 5% of operating revenues for annual lease-purchase payments.

### Unfunded pension liability

The decline in unfunded pension liability is a favorable indicator.



The unfunded pension liability is an estimate of the cost of the future retirement payments of present employees for which the County does not have funds already set aside. Inadequate funding of retirement programs can cause large, long-term liabilities. Increasing unfunded pension liability or diminishing pension assets are both warning indicators.

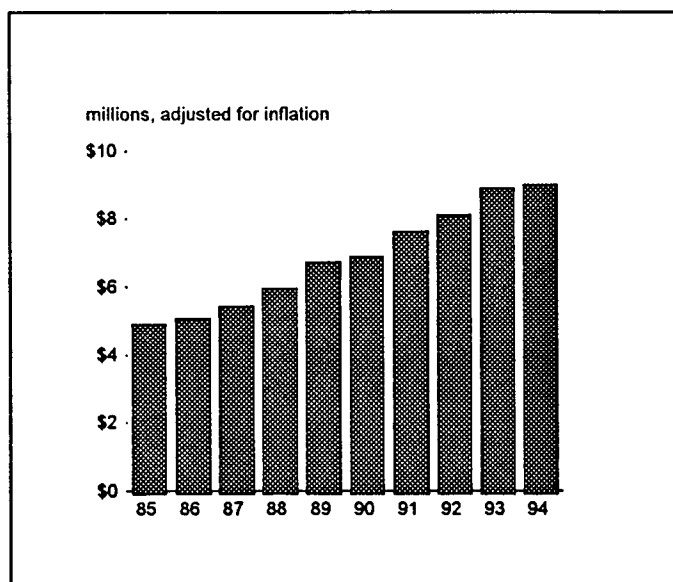
### Analysis

Employees in Multnomah County are covered by the Oregon Public Employee Retirement System (PERS). PERS is a defined-benefit pension plan funded by employer contributions, member contributions, and earnings from investments. Contribution rates are evaluated every two years by an actuary and adjusted to cover the expected costs of retirements.

County employees covered by the Employees Retirement System and the Sworn Law Enforcement Officers Retirement Plan were integrated into PERS on July 1, 1981. Unfunded liabilities were to be made up through adjusted PERS rates over a 30-year period. Current library employees are also covered by PERS, but retired library employees are covered by another pension system which is fully-funded.

### **Accumulated employee leave**

The increase in employee leave balances may be an unfavorable indicator.



Accumulated employee leave is the value of unused vacation leave accrued to County employees. For employees who retire or leave the employment of the County, the unused vacation leave represents an actual cost. 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. Increasing accumulated leave indicates growing unfunded liabilities or a growth in staff.

### **Analysis**

While liability for employee leave has increased in the last ten years, it has been fully funded since FY88. Most of the increases are due to increases in the number of employees as the County added employees for new jails, and took on the responsibility and employees of State probation and parole; and the Library Association. The amounts prior to FY94 have been restated to estimate the effects of a financial statement reporting change made in FY94.

### **Loss coverage**

The County's insurance liability is adequately funded, a favorable condition.

#### **Self insurance**

Employee health benefits  
Tort and general liability  
Workers' compensation  
Employee post-retirement benefits  
County assets  
Unemployment claims

Loss coverage is the level of funding available to manage claims against the County. Claims are generally for litigation, or for worker injuries or unemployment benefits. Insurance reserves are also maintained to cover unexpectedly high medical or dental benefits for employees. Inadequate reserve funds to cover these costs can require the diversion of operating revenues to meet unexpected losses or demands.

### **Analysis**

The County maintains adequate funding to cover liability, workers' compensation, post-retirement benefits, County assets, and unemployment claims. The County also purchases insurance coverage for claims in excess of its own coverage. Analyses conducted by independent actuaries indicate that each of the funds contain adequate reserves to cover ordinary losses and expenditures. These levels, combined with liability insurance purchased by the County for large liability claims, indicate a favorable condition.

# **Infrastructure**

## **Summary**

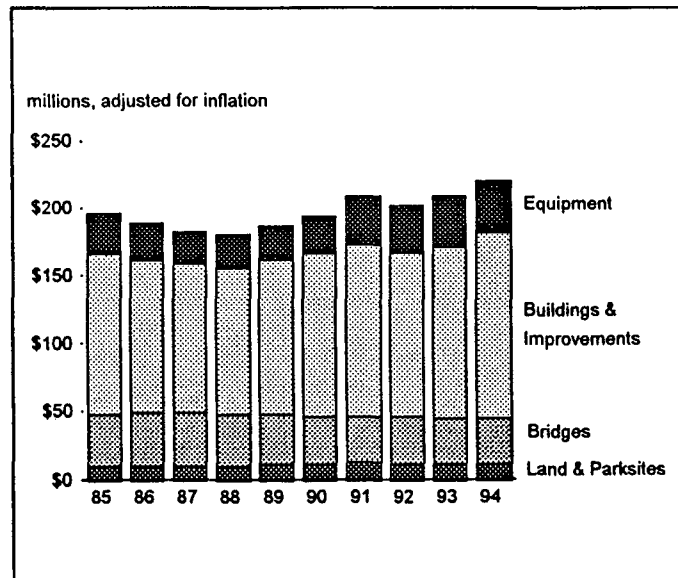
The County's largest valued assets are its buildings and improvements, which have shown further increases in recent years as a result of new acquisitions. Information on the County's roads and roadway improvements, possibly its most valuable assets, was not available for this analysis. Trends are generally favorable, with capital spending remaining relatively constant. The depreciation rates of County assets have remained relatively constant as well.

## **Indicators**

Assets  
Capital outlay  
Depreciation

## Assets

**Buildings are the highest valued category of County physical assets.**



The County owns land, buildings and other improvements, and equipment to provide cost-effective services. Regular maintenance efforts are necessary to ensure that the general condition of the assets does not deteriorate. Deferring expenditures for regular maintenance can create liabilities which far exceed the deferred expenditures. In addition, deteriorating physical assets can discourage business activity, reduce property values, and increase County operating expenses.

Accounting standards require that assets must be valued in the financial statements at their original purchase or construction costs. Replacement value for assets would be substantially more. Information on the County's roads and roadway improvements, possibly its most valuable assets, was not available for this analysis.

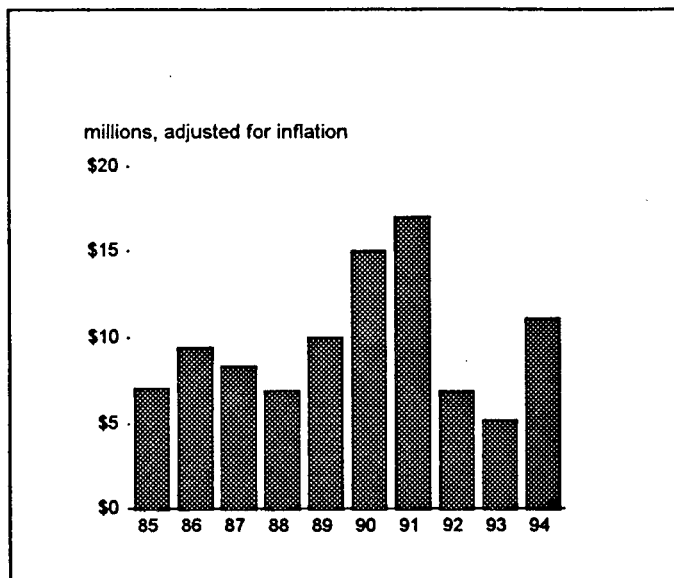
## Analysis

According to financial statements, the most valued category of County assets are its buildings. Facilities management has begun gathering data on maintenance needs and expenditures on County buildings. Other assets which could also be tracked include roads, signals, and street lighting.

The County's financial and budget policy sets a goal of funding capital maintenance at 2% of the historical cost of County buildings, toward accomplishment of the needs identified in its Capital Improvement Program Plan.

### Capital outlay

Capital spending fluctuated with additional outlays in FY90, FY91, and again in FY94.



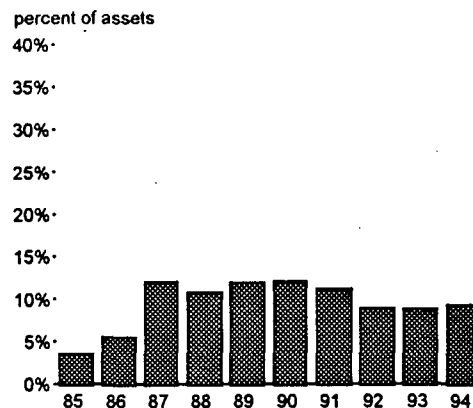
Capital outlay refers to expenditures for facility improvements and equipment such as desks and personal computers. During most of this period equipment costing \$500 was considered a capital purchase. In FY94 the amount was increased to \$1,000. Declining capital expenditures is a warning trend which may indicate the use of inefficient or obsolete equipment.

### Analysis

Capital spending has remained in the \$5 million to \$10 million range, except for FY90 and FY91 when the construction of two jails increased this category of spending, and again in FY94 with the construction of the Juvenile Justice complex. This pattern generally indicates a favorable trend.

### Depreciation

The general value of County fixed assets has remained stable in the past three years, a favorable trend.



Depreciation allocates the cost of enterprise and internal service fixed assets over their useful life. A declining percent occurs when the general value of these County assets declines, and is considered a warning trend.

### Analysis

The change in FY92 was due to accounting for parks and cemeteries in an enterprise fund in FY92. It was not possible to restate prior years to reflect this change. The ratio has remained steady over the last three years.



# **Revenue Base**

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## **Summary**

Multnomah County's revenue base shows favorable trends. In constant dollars, property values began increasing again in FY91, following a five-year decline. The ten-year period also includes nearly \$9 billion in new construction. The value of new residential construction generally showed increases, while non-residential construction showed less of a pattern with several years of large volume. Property tax delinquencies generally declined throughout most of this period.

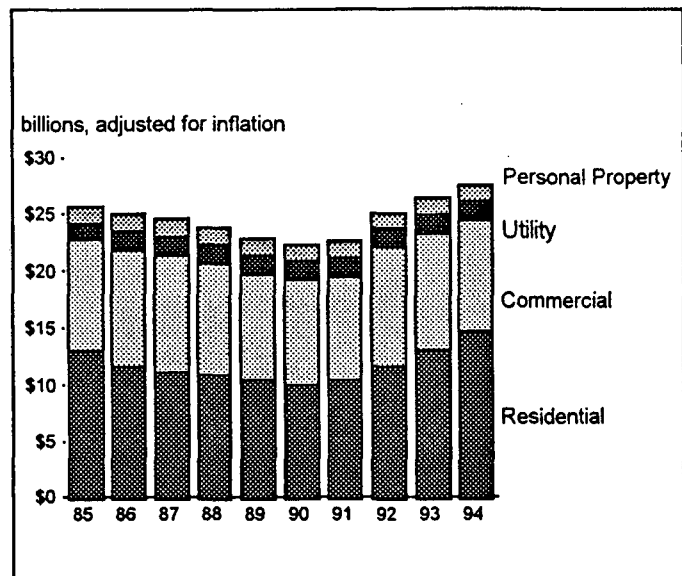
Business activity in Multnomah County showed a trend of improving economic conditions. The number of businesses grew steadily in the past ten years. Unemployment declined from 7% in FY85 to a low of about 4% in FY90, with a rate of 4.8% at June 30, 1994.

## **Indicators**

Assessed property values  
Uncollected property taxes  
New construction  
Business Activity

## Property value

Property values, adjusted for inflation have shown a growth after a cycle of decline in the late 80's.



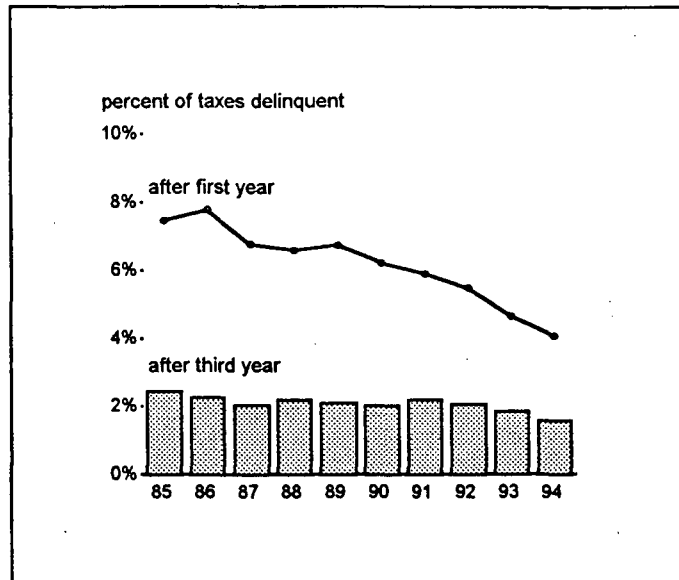
Assessed property value is a measure of the market value of taxable real, personal, and utility property in Multnomah County, based upon Tax Assessor records. It is expressed in constant FY94 dollars.

## Analysis

In constant dollars the assessed value of Multnomah County property shows a cycle of growth, after five years of decline. Beginning in FY86 both commercial and residential property values failed to keep pace with inflation. Values increased slightly in FY91 and continued to grow to FY94. Although property values have been increasing in the last four years, the tax rates and total taxes levied declined with the rate limitations approved by voters in 1990.

### Uncollected property taxes

Property tax collections show a favorable trend of declining first-year delinquencies and low delinquencies after three years.



Uncollected property taxes are affected by economic conditions, penalties for delinquency, and the owner's ability to pay. Increases over time may show a decline in local economic health. This indicator shows the delinquency rate one year and three years after the taxes were due. An increase in uncollected property taxes is considered a warning trend.

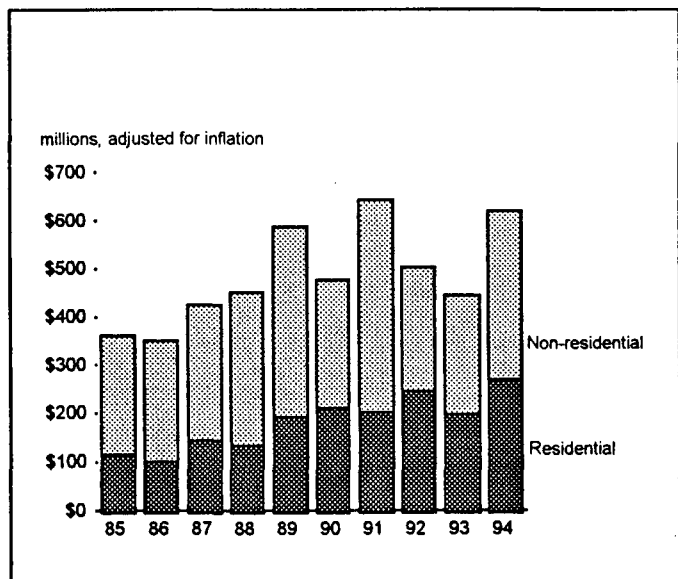
The credit rating industry reviews the delinquency rate after two to three years of collection efforts. A delinquency rate of 2 to 3 percent is normal but rates above 5 percent, or two consecutive years of increasing rates, are considered negative factors.

### Analysis

The delinquency rate for property taxes unpaid after the first year has continued to decrease from nearly 8% in FY86 to 4% in FY94. The rate of delinquency after the third year which has remained at around 2%, declined to 1.6% in FY94.

### New construction

The increasing residential construction rate is a favorable trend for the County.



The value of new construction is a measure of the growth in the property tax base and construction activity in the economy. Construction spending often fluctuates more widely than the overall economy. This information was gathered from a building permit report published by the Oregon Housing Agency. It is expressed on a fiscal year basis in constant FY94 dollars.

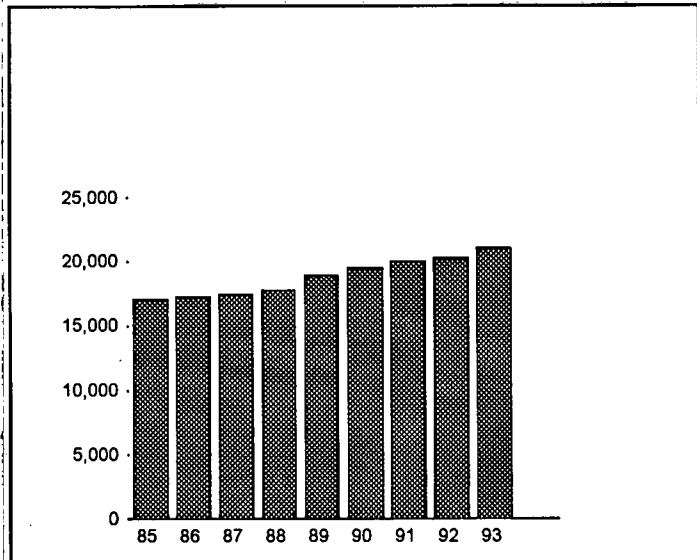
### Analysis

There has been a favorable trend since FY85 with substantial new residential development in the County. Residential building permit values in constant FY94 dollars increased from \$119 million to nearly \$275 million. Non-residential construction also increased over this period from \$242 to \$344 million in constant FY94 dollars.

## Business Activity

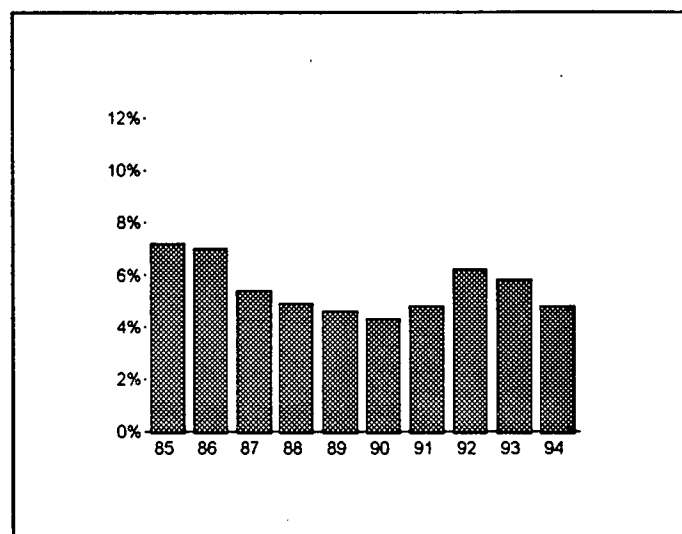
### Number of businesses

The growth in the number of businesses reflects a favorable trend.



### Unemployment

Unemployment shows a favorable decline from earlier years.



Business activity is indicated by the number of businesses in the County and the unemployment rate for the Portland Metropolitan statistical area as reported by the State of Oregon Employment Division. Declining unemployment and a growth in the number of businesses reflects a healthy economy. Unemployment represents the County rate for the month of June in each year.

### Analysis

Both indicators reflect a trend of improving economic conditions since the mid-80s. There are nearly 4,000 more employers in 1994 than there were in 1985, a 23% increase. Although unemployment rates climbed in 1992, the rate was less than 5% at June 30, 1994.

# **Service Populations**

## **Summary**

Statistics on the citizens of Multnomah County generally show favorable trends. The County has seen slow but steady growth in population, with a stable number of persons under 20 and over 60. The average income also grew steadily from 1985 through 1992, the most recent year for which data is available.

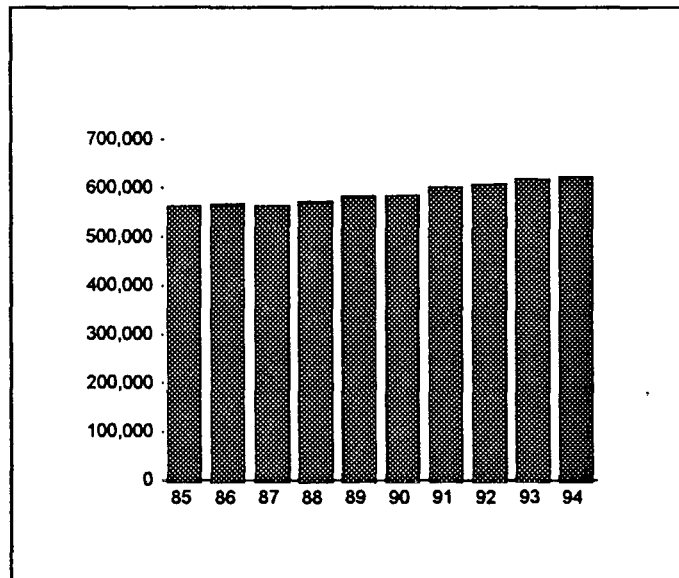
More recent data on low-income families reflect a slowing economy. The number of households qualifying for poverty-level federal assistance increased steadily with a small decline in FY94. Reported crimes increased slightly in 1994 after a three-year period of relatively constant rates.

## **Indicators**

Total population  
Population under 20 / Population over 60  
Average income  
Number of poverty households  
Reported crimes

### County population

Slow steady growth indicates a favorable trend for Multnomah County.



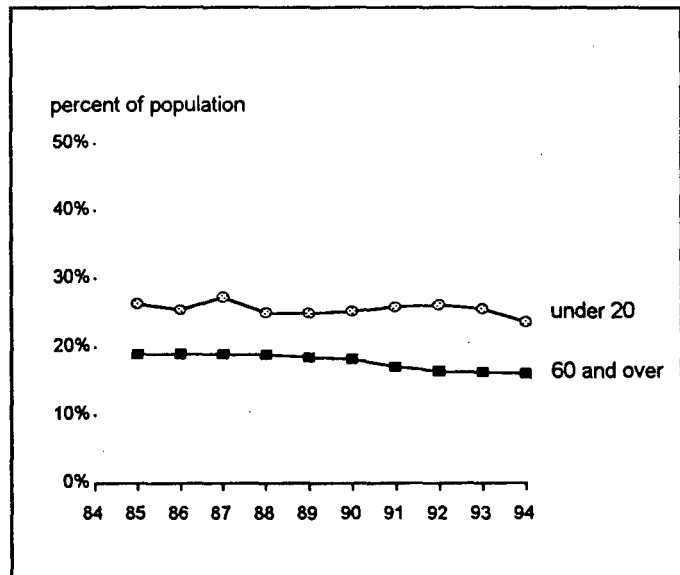
The population of Multnomah County is determined every ten years by the U.S. Census Bureau, with annual estimates prepared by the Center for Population Research and Census at Portland State University. Rapid change in population can increase service costs or reduce the County's revenue base.

### Analysis

The County population increased a total of 10% over the ten-year period, from 561,800 in 1985 to 620,000 in 1994.

### Age of population

The populations over 60 and under 20 have been relatively stable, a favorable trend.



Many of the County services are directed to youth and the elderly. Changes in the number of residents under 20 or over 60 years old can affect the demand for and cost of County services. These statistics were gathered from information on file with the Center for Population Research and Census at Portland State University.

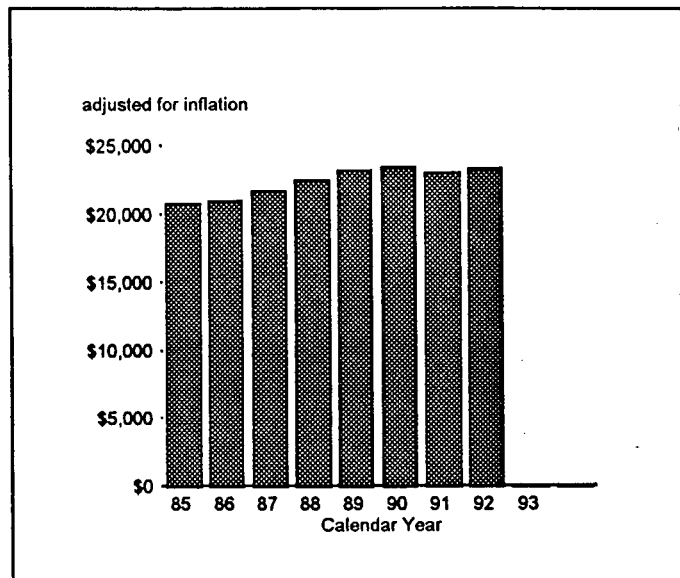
### Analysis

The relative size of populations in these age ranges has remained stable. The population under 20 comprised 26.3% of the County residents in 1985, varied slightly in the following years, ending at 25.6% in 1993. Residents over 60 comprised 19.0% of the County's population in 1985, declining to 16.1% in 1993.



### Average annual income

Average income has increased faster than inflation in Multnomah County over the past ten years, a favorable trend.



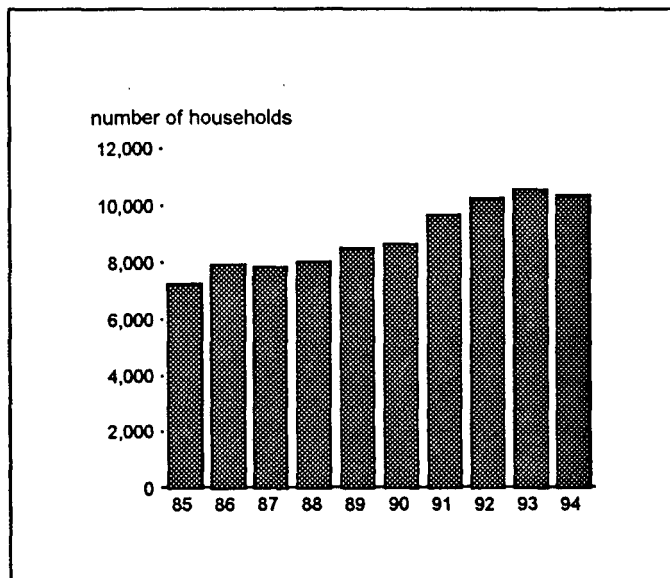
This indicator shows the average annual income of workers covered by unemployment insurance gathered by the State of Oregon Employment Division. The graph expresses income in constant 1994 dollars. Declines in income may affect consumer activity, reduce business incomes, and increase tax delinquencies. Information for 1993 and 1994 was not available.

### Analysis

Average income has shown a favorable growth over the period from 1985 to 1992. Expressed in 1994 dollars, average income rose from \$20,770 in 1985 to about \$23,280 in 1992.

### Poverty households

The number of households receiving poverty assistance has shown an unfavorable upward trend except for last year.



This indicator tracks the number of Multnomah County households qualifying for Aid to Families with Dependent Children (AFDC) in May of each year as reported by the State of Oregon Department of Human Resources.

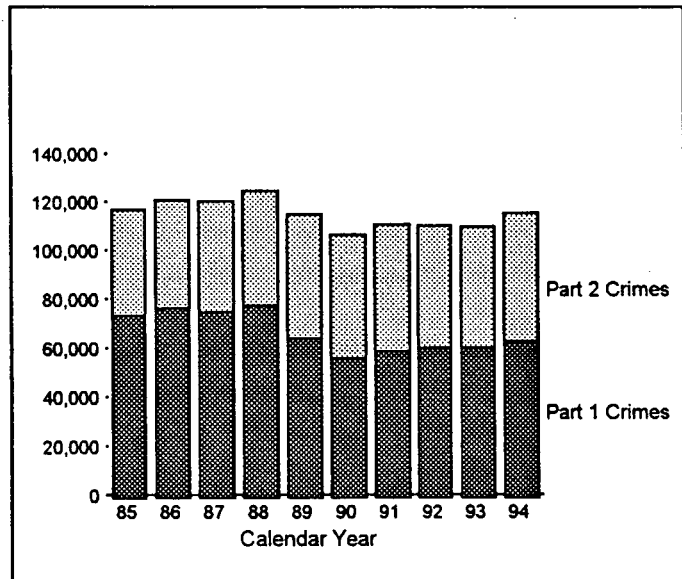
Many County health and social programs provide services for low-income clients. An increase in the number of low-income households can place greater demands on these services, resulting in higher costs.

### Analysis

The number of households requiring public assistance has increased in Multnomah County from about 7,000 to 10,000 in the ten year period.

### Reported crimes

The crime rate has declined and remained relatively constant since 1988.



Justice services represent a large and costly responsibility for the County. The number of reported crimes, gathered from the Oregon Executive Department's Law Enforcement Data System, is an indicator of the level of demand for County services. Actual crime rates are likely to be higher because some crimes are not reported. Part I crimes include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Part II crimes include drug possession or distribution, driving under the influence of intoxicants, vandalism, and others.

### Analysis

After four years of relatively constant crime levels, from FY90 to FY93, crime rates increased in FY94 to 115,000, although less than 124,000 in FY88.

# **Recommendations**

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To maintain and improve the County's financial condition, the Budget and Quality Division, Finance Division, and the Board of County Commissioners should act to:

- ▶ Continue building cash reserves in compliance with the financial and budget policy, in anticipation of emergencies, unanticipated expenses, revenue shortfalls, anticipated capital spending, or poor economic conditions.
- ▶ Discontinue County reliance on short-term serial levy revenues to fund on-going operations.
- ▶ Complete the development of a regular review process for user charges to comply with the County's financial and budget policy.
- ▶ Continue to refine the financial and budget policy and make it an integral part of decision-making.

To better contain employee costs, the Board of County Commissioners should advocate for changes to those elements of the collective bargaining statutes, such as binding arbitration, which tend to produce wage increases that exceed inflation.

# RESPONSES TO THE AUDIT



## Beverly Stein, Multnomah County Chair

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Portland, Oregon 97204

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FAX: (503) 248-3093  
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April 24, 1995

Gary Blackmer  
Multnomah County Auditor  
1120 S.W. Fifth Avenue, Room 1410  
Portland, Oregon 97204

Dear Gary,

I want to thank you and your staff for your thoughtful and thorough work in assessing the financial condition of Multnomah County. It is important to look periodically at this broader picture of our County's economic health and vitality. We welcome this work as the planned follow-up to your prior 1993 Financial Condition report.

There are many interesting findings in your ten year review of financial trends and conditions. I am particularly pleased to see that despite substantial increases in County program spending, administrative support expenditures have remained relatively constant.

This report provides information useful to the Board and our County leadership team in the development of financial and budget policies. It is as a result of your first report that Multnomah County has formally adopted financial and budget policies --- thank you for the impetus! These policies will be updated annually as part of our budgeting process. We expect that the clarification and routine updating of our policies, along with the data in the financial condition report, will also support our long-range financial planning and annual budgeting efforts.

I support your recommendations to maintain and improve the County's financial condition. I have requested that the Finance Division, the Budget and Quality Division and the Labor Relations Division take steps to implement your recommendations. As appropriate, we will provide the Board of County Commissioners with policy analysis and managerial reports to support them in implementing your recommendations.

Below are specific responses to the audit recommendations:

***Recommendation: Continue to build cash reserves.***

We are continuing to build cash reserves with the goal of setting aside \$1.5 million annually until we attain the 5% amount. The proposed 1995-96 budget reflects an additional \$ 1.5 million contribution for cash reserves, for a cumulative total of \$4.6 million by July 1, 1996.

***Recommendation: Discontinue reliance on short-term serial levy revenues.***

As stated in the adopted Financial and Budget Policies, it remains our intent to add the Library and Jail three year levies into the tax base and ask for voter approval.

***Recommendation: Complete a regular review process for user charges.***

We have modified the revenue budget forms to include information on when the last time the user fees were reviewed to determine if the total cost of the services was being recovered. We will use this to determine if the total cost of the services was being recovered. We will use this information to follow the financial and budget policy as it relates to user fees.

***Recommendation: Continue to refine the Financial and Budget Policy.***

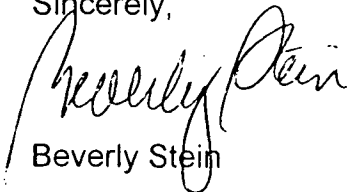
It is our goal to review and update the Financial and Budget Policy on an annual basis and present it to the Board for discussion and adoption. We believe that the annual review and adoption of the Financial and Budget Policy will be a constant reminder of the need to monitor and maintain the fiscal stability of the County.

***Recommendation: Advocate for changes in collective bargaining statutes.***

As part of our legislative program, we will inform the County Board of commissioners of potential changes in collective bargaining statutes and provide policy analysis support as appropriate.

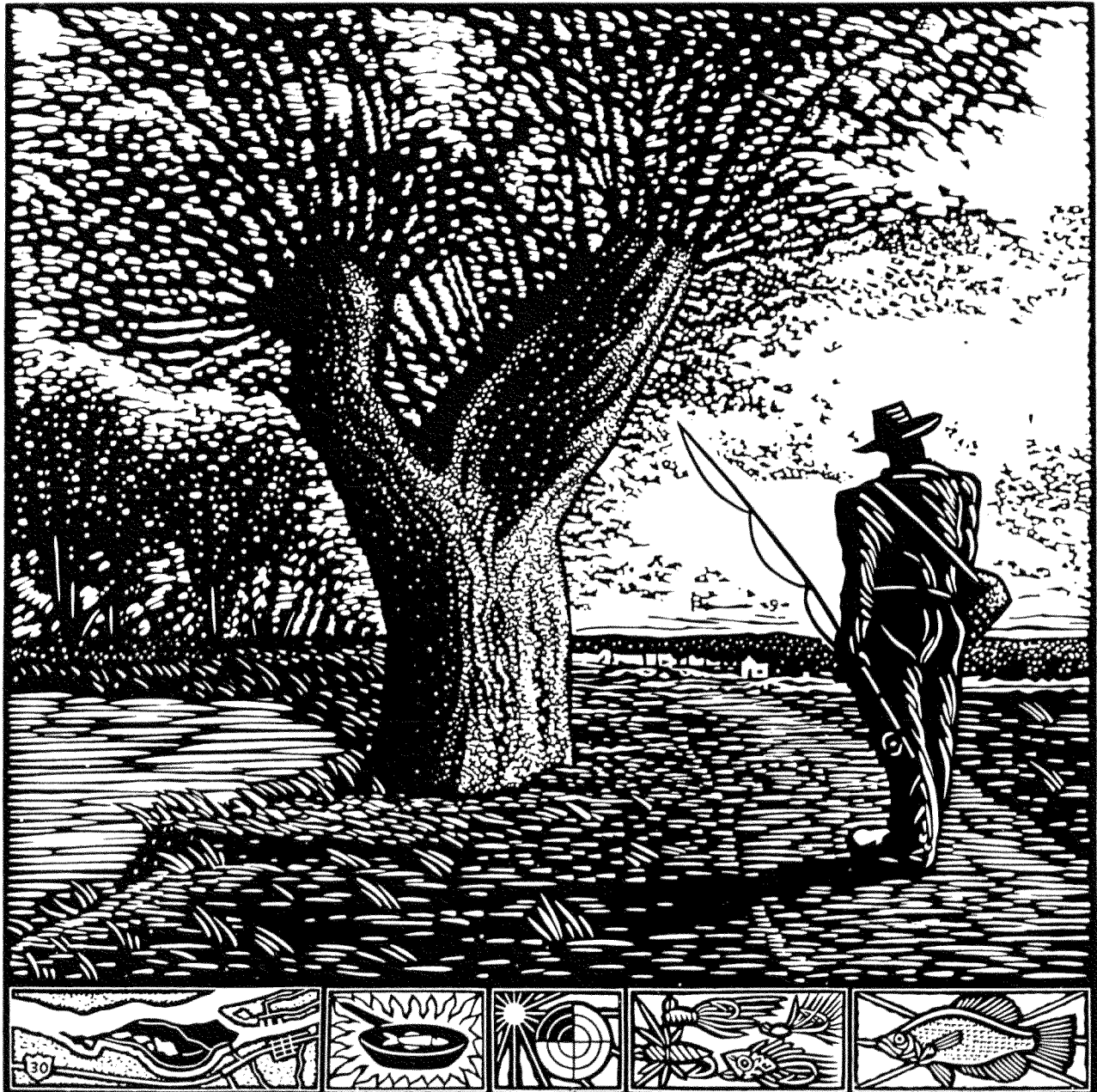
Thank you again for your work.

Sincerely,



Beverly Stein

# Multnomah County



PACKET #2

Revenue Overview  
Budget & Quality Office

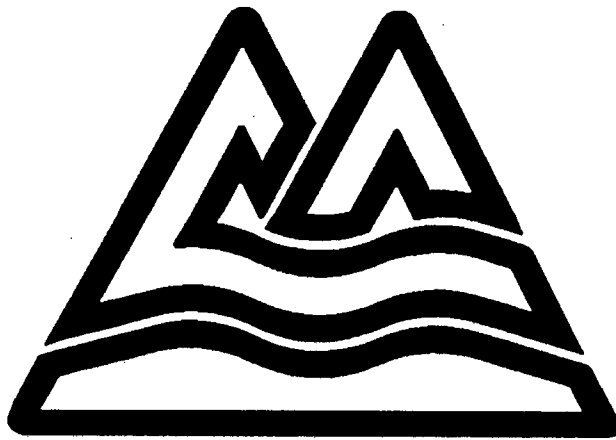
May 2, 1995

(distribution May 2, 1995)

1995-96



**Multnomah County, Oregon  
FY 95-96 Budget**



**GF Revenue Overview  
May 2, 1995**

# Five Year Financial Forecast

- Part of Budget Document
- Companion Piece to Financial Condition Audit Report
- Future Looks Affordable If:
  - No Inflation Spike
  - No Laws to Cap Assessments
  - No Great Backfill and/or Program Expansions

# Revenue Overview

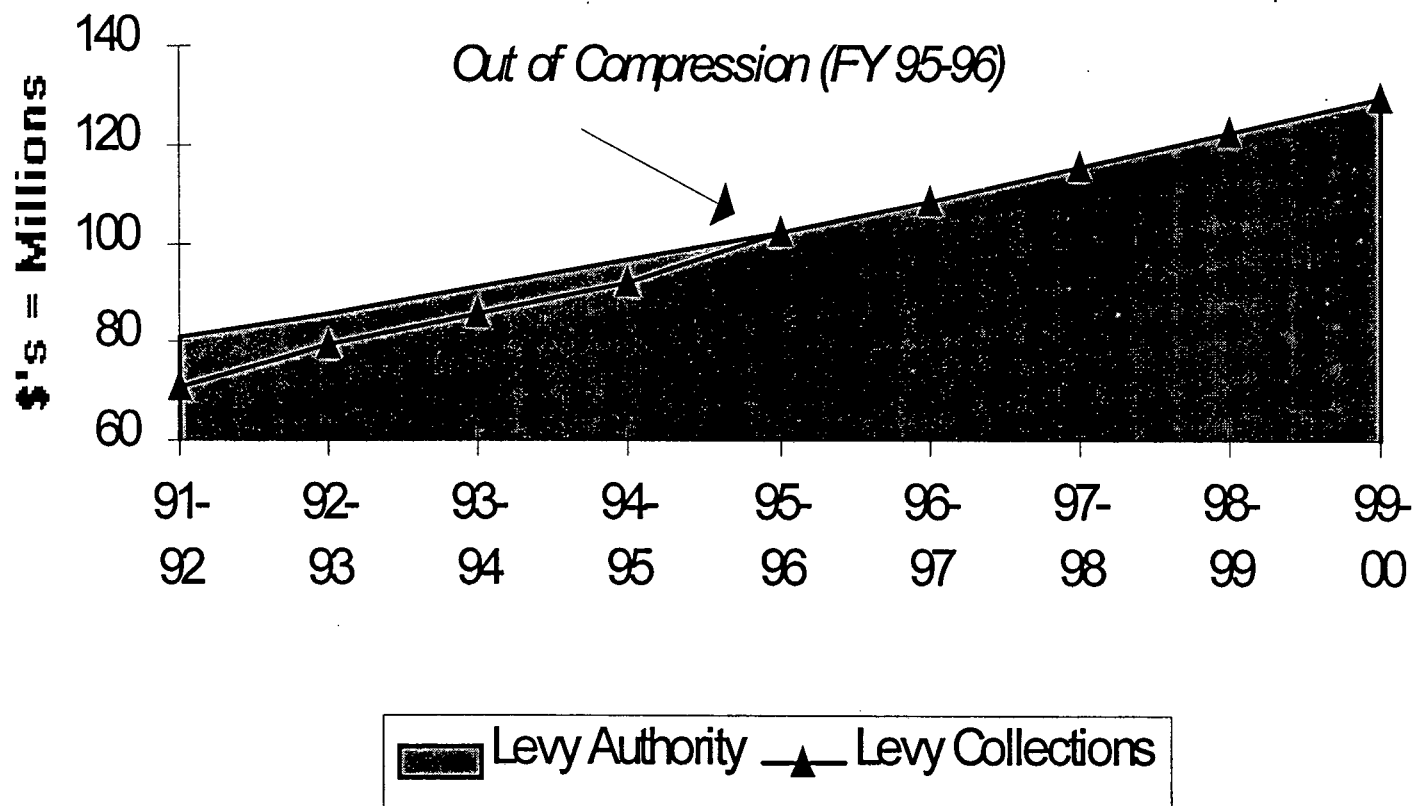
- **Out of Compression  
(at least for FY 95-96)**
- **Business Income Tax**
- **Fee Changes**
- **State Shared Revenues**

# Property Taxes

- Out of Compression
- Value Growth @ 8%
- Total Tax Collections = \$135 Million

– General Fund	=	\$102.0 Million
– Jail Levy Fund	=	16.5 Million
– Library Levy Fund	=	12.6 Million
– Library Bond Fund	=	3.3 Million

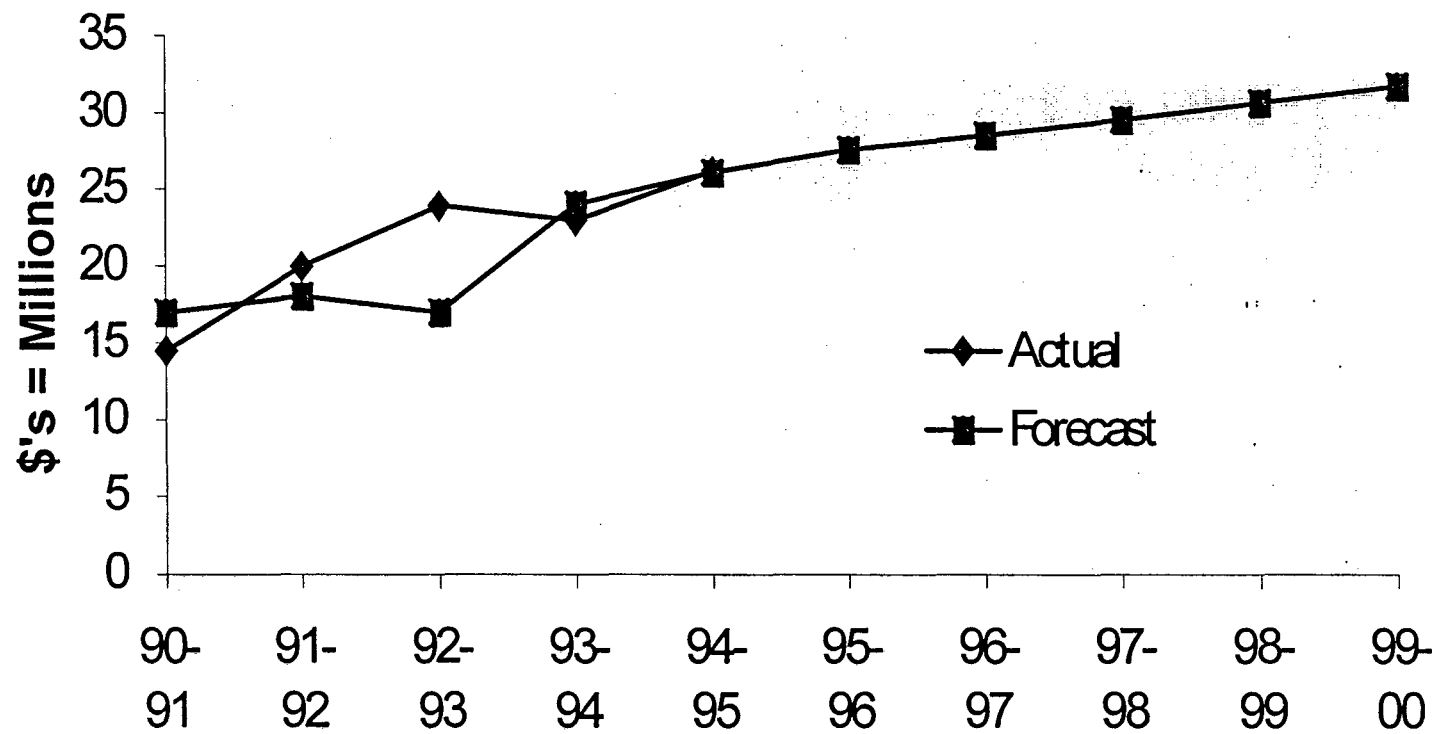
# General Fund Property Tax Levy and Collections (FY 91-92 to FY 99-00)



# Other Taxes

- **Estimated BIT Receipts = \$27.4 Million**
  - % Growth = 5.5% (Over FY 94-95 Forecasted)
- **Estimated MVR Tax = \$7.25 Million**
  - Reflects Continued Expansion of Airport and Increased Convention Activity in Portland

## Business Income Tax Forecast vs Actual Revenue



# Intergovernmental Revenues

- **US Marshal = \$3.7 Million**
  - Assumes Lease of 110 Beds
- **Video Lottery = \$2.5 Million**
- **Liquor Tax = \$1.4 Million**
- **Cigarette Tax = \$1.1 Million**



# **Licenses & Permits Service Charges**

- **Fee Increases in:**
  - Regulatory Health
  - Planning
  - Animal Control
- **Total License & Permit Revenue = \$1.6 M**
- **Total Service Charge Revenue = \$4.8 M**

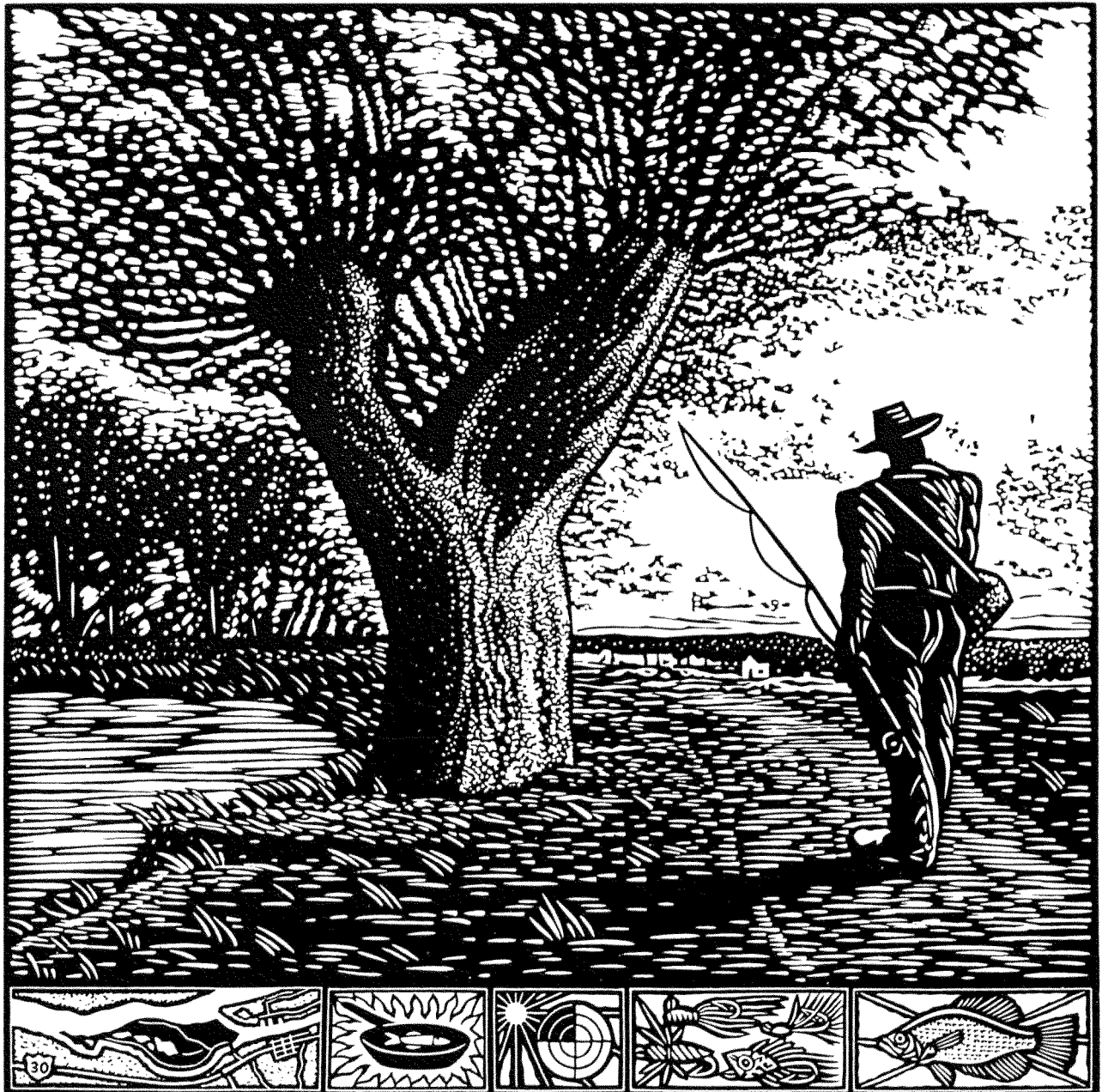
# Interest/Other

- **Total Revenue = \$2.3 Million**
- **Interest Rate Forecast = 5.5%**

# **Service Reimbursements/ Cash Transfers**

- **Total SR Revenue = \$15.3 Million**
  - Indirect Costs = \$12.9 Million
  - GF Paid Indirect = \$7.5 Milion
- **Cash Transfers = \$1.2 Million**
  - Fee Increases in Animal Control

# Multnomah County



## PACKET #7

Revenue Overview  
Budget & Quality Office

1995-96

Follow-up questions/packet

(distribution May 17, 1995)



# MULTNOMAH COUNTY OREGON

BEVERLY STEIN  
COUNTY CHAIR

EMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
PLANNING & BUDGET  
RISK MANAGEMENT

(503) 248-5015  
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PURCHASING, CONTRACTS  
& CENTRAL STORES

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2505 S.E. 11TH, 1ST FLOOR  
PORTLAND, OREGON 97202

## CONFIDENTIAL MEMORANDUM

TO: Bill Farver, Executive Assistant

FROM: Darrell Murray, Deputy Labor Relations Manager *DM*

DATE: May 9, 1995

SUBJECT: Corrections Officer Wage Rates

Responsive to your inquiry concerning the rate of increase in Corrections Officer wages, several factors must be kept in mind. First, the rate of increase relative to inflation will vary depending on the point in time at which one begins the comparison. The Auditor recently compared wage growth and inflation beginning in 1985 and reasonably concluded that the rate of wage increases exceeded inflation during that period. Had he selected a different period he could have reached a somewhat different conclusion.

Enclosed is an exhibit we submitted at the last MCCOA interest arbitration. As you will readily see, from 1980 through FY 92-93, MCCOA wage rates generally kept pace with the Consumer Price Index.<sup>1</sup> The MCCOA increases are understated by 1% since the interest arbitrator awarded MCCOA 5%, rather than 4% assumed by the exhibit, on July 1, 1992.

<sup>1</sup> We use the national index based on the U.S. Bureau of Labor Statistics' published warning that the Portland index is not sufficiently broad based to provide statistical reliability. B.L.S. cautions against using the local index for wage determination purposes.

Where one chooses to stop the comparison of wage increases to inflation also matters. With two fairly minor exceptions, the increase in Corrections Officer wage rates since 1988 have virtually matched the U.S. CPI-w.<sup>2</sup> This will continue through June 30, 1998 under the existing contract. That will be an entire decade of a virtual dead heat between inflation and wage rates.

What the Auditor captured with his data was, in part, a period of financial recovery in which we made up for prior losses to inflation. In 1980, for example, inflation was in the 13% range, but the MCCOA wage increase was just over one-half that amount. In 1981-82, inflation was 10.7% but MCCOA received only the 6% PERS pick-up. Increases in the mid-80's were in part a result of this early 80's erosion.

In addition, we were adversely affected throughout this period by City of Portland police wage increases, including an arbitration award in one year which exceeded inflation by approximately 6%. This was driven largely by adverse comparisons the City voluntarily made with California cities. These spawned pressure for increases for our college educated Deputy Sheriffs, who have consistently sought parity with Portland Police (who are not required to have a degree). MCCOA, in turn, argued for parity with Deputies, which the Board has historically resisted.<sup>3</sup>

Arbitrator Tom Levak said several years ago in an *Oregonian* article that interest arbitration generally produces higher wage adjustments than result from bargaining which culminates in the right to strike. Our experience and the attached data tends to support that view. Our public safety unit increases between 1984 and 1988, accounting for almost all of the increases above inflation noted by the Auditor, were generally the result of fact-finding recommendations and interest arbitration awards. They were not market responsive.

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<sup>2</sup> The arbitrator's award of a 5% increase in 1992 compared with a Portland CPI of 4.6% and a national index of 3.1%. Also, MCCOA will receive a 0.24% increase on July 1, 1995 which is in addition to the 3% CPI increase. This represents one half the savings we will accrue from their placement on the managed care health plans.

<sup>3</sup> The Corrections Officer classification was created in 1968 to take over jail operations from Deputy Sheriffs and for the express purpose of saving the difference between their salaries. In 1992, Budget estimated the savings between 1968 and 1992 at \$60,000,000.

The existence of compulsory binding arbitration limits the County's ability to compensate at the minimum level necessary to recruit and retain qualified employees. In 1992, for example, civil service data showed that without advertising we had hundreds of walk-in applicants who met our minimum qualifications for Corrections Officer jobs, many of them with college degrees. Yet, despite this evidence, the arbitrator awarded a percent more than any other group of employees had received. Thus, as arbitrator Levak would have predicted, arbitration generated higher wage levels than might have otherwise occurred.<sup>4</sup>

I trust the foregoing is responsive. If you or any recipient has any questions, please let me know. Thank you.

c: All Commissioners

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<sup>4</sup> This assumes, of course, that in the absence of arbitration the employer would hold out for lower rates that would more accurately reflect supply of and demand for qualified labor. Given the institutional power of public safety unions, I am not altogether convinced that larger public employers would have the fortitude to withstand a police, fire, or jail worker strike.

**MCCOA and MCDSA Wage Increases  
Compared with Those of Other County Employees  
and with the Consumer Price Index  
1980-81 through 1992-93**

<u>Fiscal Year</u>	<u>Annual Increases</u>					
	<u>MCDSA</u>	<u>MCCOA</u>	<u>AFSCME</u>	<u>Exempt</u>	<u>Portland CPI</u>	<u>National CPI</u>
July 1979					227.9	219.4
1980-81	8.0%	7.5%	10.0/6.0%	4.0%	252.2 10.7%	248.0 13.0%
* 1981-82	3.0%	0.0%	3.1%	3.1%	279.2 10.7%	274.6 10.7%
1982-83	6.0%	5.36%	3.0/2.0%	3.0/2.0%	290.6 4.1%	291.8 6.3%
1983-84	2.0%	0.0%	0.0%	0.0%	286.4 -1.4%	298.2 2.2%
1984-85	4.0%	5.0%	4.0%	4.0%	294.6 2.9%	307.5 3.1%
1985-86	5.0/2.5%	6.0/2.5%	4.0%	4.0%	303.2 2.9%	319.1 3.8%
1986-87	3.5%	3.0%	3.0%	3.0%	303.4 .1%	322.9 1.2%
1987-88	2.0/2.0%	4.0/4.0%	2.5%	2.5%	309.9 2.1%	335.6 4.0%
1988-89	3.7%	4.0%	3.2%	3.0%	319.7 3.2%	349.1 4.0%
1989-90	5.0%	4.8%	4.374%	4.7%	335.6 5.0%	366.8 5.1%
1990-91	5.2%	5.2%	4.5%	4.5%	351.0 4.6%	383.4 4.5%
1991-92	4.6%	4.6%	0.0%	0.0%	373.4 6.4%	400.0 4.4%
1992-93	4.0%	NA	4.0/3.0%	4.2/3.0%	390.5 4.6%	412.1 3.1%

<u>Compounded Increases</u>						
<u>Years</u>	<u>MCDSA</u>	<u>MCCOA</u>	<u>AFSCME</u>	<u>Exempt</u>	<u>Portland CPI</u>	<u>National CPI</u>
* Since 1980 (13 yrs.)	80.6%	72.6% 79.5%	73.6%	55.6%	71.3%	87.8%
Since 1983 (10 yrs.)	53.2%	52.4% 58.5%	37.7%	38.1%	34.4%	41.2%
Since 1989 (4 yrs.)	20.2%	15.3% 19.9%	16.8%	17.4%	22.1%	18.0%

\* If MCCOA receives a 4.0% increase in 1992-93

\* ~~THESE~~ THESE FIGURES DO NOT INCLUDE THE 6%  
PERS PICK UP ADOPTED 7/1/81.





# MULTNOMAH COUNTY OREGON

BEVERLY STEIN  
COUNTY CHAIR

EMPLOYEE SERVICES  
FINANCE  
LABOR RELATIONS  
PLANNING & BUDGET  
RISK MANAGEMENT

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PURCHASING, CONTRACTS  
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PORTLAND, OREGON 97202

## MEMORANDUM

To: Beverly Stein, Chair  
Tanya Collier, Commissioner  
Gary Hansen, Commissioner  
Sharron Kelley, Commissioner  
Dan Saltzman, Commissioner

From: Dave Boyer, Finance Director *DB*

Date: May 11, 1995

Subject: Multnomah County Business Income Tax

During the briefing on revenues, we were asked how Multnomah County's Business Income Tax Code was impacting small business as it relates to the owners compensation allowance deduction. Currently both the County and City codes allow for a \$50,000 deduction for owners compensation allowance. The estimated revenue loss impact if we increased the allowance to \$75,000 is about \$1.3 million and if it was increased to \$125,000 the revenue loss would be \$2.6 million. To recover this revenue loss, by increasing the tax rate to all businesses, it would require a rate increase from 1.45% to 1.75% or about a 20% increase.

One of the goals for consolidation was for the County and City to have similar codes and that both jurisdictions would work together to maintain similar codes. The estimated revenue loss to the city is \$1.7 to \$3.9 and would require a similar increase.

To ease the tax burden on the small business ventures we adopted administrative rules that gave sole proprietors and partnerships equitable treatment on health benefit and retirement benefit deductions. These rules have been in effect since the consolidation and the revenue impact for these changes is included in the forecast.

The specific changes are:

Sole proprietors only:

1. Grants deduction of 1/2 of self-employment tax.
2. Grants deduction for federally allowed health insurance expenses.

Partnerships only:

1. Allows partnership expenses paid or incurred by a partner to be deducted by the partnership. This is a new deduction.

Sole Proprietors & Partnerships:

1. Allows for a deduction made by employer to a Qualified Retirement Plan. This includes contributions to an IRA by a business owner. The maximum deduction allowed based on salary is \$30,000.

We discussed the owners compensation issue with City Bureau of Licenses staff at our joint meeting on May 3, 1995. We agreed to begin working this summer or fall to review the revenue analysis and look at alternative options that may be available to ease the burden while still maintaining our revenue base.

If you have any questions or would like any additional information on MCBIT please contact me.

CC: Bill Farver  
Meganne Steele  
Harry Morton



# MULTNOMAH COUNTY, OREGON

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BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN, CHAIR  
DAN SALTZMAN  
GARY HANSEN  
TANYA COLLIER  
SHARRON KELLEY

PLANNING & BUDGET  
PORTLAND BUILDING  
1120 S.W. FIFTH - ROOM 1400  
P. O. BOX 14700  
PORTLAND, OR 97214  
PHONE (503)248-3883

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TO: Board of County Commissioners  
FROM: Shaun Coldwell, Budget Analyst  
DATE: May 16, 1995  
SUBJECT: FEDERAL MARSHAL CONTRACT

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## ***Summary***

The Federal Marshal is currently leasing 172 jail beds from Multnomah County. Of these, 86 are on a long-term lease, due to expire in 2006, and 86 of them are leased on an annual basis. The per diem amount listed in the lease is \$89.96 per bed per day.

## ***Background***

From 1979 until 1988, the Federal Marshal leased 31 beds from Multnomah County. As a part of the construction plan for Phase I of the Inverness Jail, in 1988 the Federal Marshal contributed \$500,000 to fund operations of 20 beds on a 15 year lease. That long-term lease will expire in 2006.

When Phase II of Inverness was constructed, the Federal Marshal contributed \$1,550,000 for an additional 66 beds on the same 15 year lease. When that lease expires, the 86 beds will revert to Multnomah County.

## ***Current Agreement***

In addition to these 86 beds and outside of the construction agreements, the Federal Marshal is leasing up to 86 beds on an annual basis at the same per diem rate. For this fiscal year, the average has been 123 beds per day (86 on the long term lease and 37 on the short term lease), although that figure has been climbing since October 1994.

The current agreement provides a per diem rate of \$89.96 per bed per day, charged only against those beds that are being used by the Federal Marshal.

The Sheriff has given the Federal Marshal's office notice that he will cap their bed total at 115 for the short term until alternative supervised slots are in place for the County's matrix releases. The revenue estimates for next year include assumptions for leasing 110 beds. Reg Madsen, US Marshal, is looking for other bed space that would be appropriate given the federal restrictions on location. The Sheriff continues to work with them on other possibilities, including federal funding for 125 electronic bracelets and supervision of those bracelets, which would free up that number of hard beds.

Board of County Commissioners

May 16, 1995

Page 2

The US Attorney's Office has said that they need 200 pretrial beds at the present time. Analysis of the total number of required beds within the Multnomah County system are currently taking these additional needs into account.

Please call me if you have any questions.

cc: Barry Crook  
Sheriff John Bunnell