

ANNOTATED AGENDA

Tuesday, June 26, 1990 - 1:30 PM
Multnomah County Courthouse, Room 602

INFORMAL BRIEFINGS

Chair Gladys McCoy convened the meeting at 1:30 p.m., with Vice-Chair Gretchen Kafoury, Commissioners Pauline Anderson, Rick Bauman and Sharron Kelley present.

1. Board Discussion to Determine How to Proceed on the Options Presented in the Alternative Revenue Source Evaluation as Presented by the Planning and Budget Division. Presented by Merlin Reynolds and Ben Buisman

FOLLOWING BOARD DISCUSSION, BOARD CONSENSUS THAT DISCUSSION BE CONTINUED IN STRATEGIC PLANNING PROCESS FOUR TO SIX WEEKS FROM NOW. BOARD TO SUBMIT QUESTIONS TO JACK HORNER AT PLANNING AND BUDGET WITHIN ONE WEEK.

2. Report and Follow up Discussion on the Concept of Funding Multnomah County's Emergency Medical Services Regulation Through User Fees. Presented by Joe Acker and Dr. Gary Oxman

JOE ACKER, DUANE ZUSSY AND GARY OXMAN DISCUSSION AND RESPONSE TO BOARD QUESTIONS ON WHETHER TO PROCEED WITH PROPOSED ORDINANCE OR FINANCE THROUGH COUNTY GENERAL FUND.

3. Briefing by Metropolitan Community Board of Directors on Proposed Organization of the community Action System for 1990-91. Presented by Duane Zussy and Carole Murdock

CAROLE MURDOCK AND DUANE ZUSSY PRESENTATIONS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION.

4. Informal Review of Formal Agenda of June 28, 1990

- R-5 COMMISSIONER ANDERSON ADVISED BUDGET MODIFICATION AMOUNT SHOULD BE \$4,800, NOT \$5,000.**
- R-8 CHAIR McCOY SUBMITTED A REVISED BALANCED BUDGET FOR BOARD CONSIDERATION AND DISCUSSION THURSDAY.**
- R-40 CHAIR McCOY ADVISED R-40 WILL BE PULLED FROM AGENDA.**

There being no further business, the meeting was adjourned at 3:30 p.m.

Tuesday, June 26, 1990 - 4:00 PM
Multnomah County Courthouse, Room 602

MULTNOMAH COUNTY/PORTLAND PUBLIC SCHOOL
DISTRICT #1 JOINT MEETING

Chair Gladys McCoy convened the meeting at 4:15 p.m., with Vice-Chair Gretchen Kafoury, Commissioners Pauline Anderson and Sharron Kelley present, and Commissioner Rick Bauman excused.

Follow up on Portland Public School District's Drug Policy

COUNTY BOARD AND SCHOOL BOARD MEMBERS MATTHEW PROFFIT, CAROL TURNER, STEVEN GRIFFITH AND FRANK McNAMARA DISCUSSED PORTLAND PUBLIC SCHOOL'S ALCOHOL AND DRUG POLICY ISSUES; YOUTH GANG DEMONSTRATION PROGRAM; JUVENILE DETENTION POPULATION CRISIS; JDH FUNDING ISSUES; AND EMERGENCY BOARD LEGISLATIVE UPDATE. NEXT JOINT MEETING TO BE HELD IN THREE MONTHS. HOWARD KLINK, HAL OGBURN AND NORMA JAEGER RESPONSE TO BOARD QUESTIONS AND DISUSSION.

There being no further business, the meeting was adjourned at 5:50 p.m.

Tuesday, June 26, 1990 - 7:00 PM
King Facility, Room 142
4815 NE 7th Avenue, Portland

PUBLIC HEARING

Chair Gladys McCoy convened the meeting, with Vice-Chair Gretchen Kafoury, Commissioners, Pauline Anderson, Rick Bauman and Sharron Kelley present.

Public Hearing Before the Multnomah County Board of Commissioners
for the Purpose of Discussing Justice Facilities Proposals

**BOARD HEARD TESTIMONY FROM CHUCK
WILSON, GIL WHITFIELD, LYNN TRAVIS, LINDA
HUGHES AND NAN WALLER.**

There being no further business, the meeting was adjourned.

Thursday, June 28, 1990 - 9:30 AM
Multnomah County Courthouse, Room 602

FORMAL MEETING

Chair Gladys McCoy convened the meeting at 9:35 a.m., with Vice-Chair Gretchen Kafoury, Commissioners, Pauline Anderson, Rick Bauman and Sharron Kelley present.

DEPARTMENT OF GENERAL SERVICES

R-1 Employee Recognition 10 Year Service Awards

**WITH THE ASSISTANCE OF LINDA ALEXANDER
AND SARA MARTIN, THE BOARD GREETED,
ACKNOWLEDGED AND PRESENTED 10 YEAR
AWARDS TO DALE ANDERSON, JAMES BERRY,
GARY CLIFFORD, PHIL CLIFFORD, JOAN
CONRAD, RAY COUTURE, LARRY CRABB, CRAIG
FLOWER, WILLIAM GLENN, GARY HALL,
BERNICE HART, SPENCER LYONS AND DONALD
NEWELL OF DES; GAIL ANDERSON, DEBORAH
ATWOOD, PATTY BOWSER, DAVID BOYER,
ALFRED DION, KAREN GOODWIN, NANCY JONES,**

MARGUERITE LANDSTROM, DEANNA MEYER, DOROTHY OLSON, MARLA ROSENBERGER AND JEANIE STAINO OF DGS; MARY LOU JACOBS OF DHS; AND JAMES ANDERSON, SUE DOCTOR AND RICHARD LUCAS OF JJD.

CONSENT CALENDAR

- C-1 In the Matter of the Appointment of Ginnie Cooper as Multnomah County Representative to the Library Art Committee

UPON MOTION OF COMMISSIONER BAUMAN, SECONDED BY COMMISSIONER KELLEY, RESOLUTION 90-104 APPOINTING GINNIE COOPER TO THE LIBRARY ART COMMITTEE WAS UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

- R-2 Public Hearing Before the Multnomah County Board of Commissioners for the Purpose of Discussing Justice Facilities Proposals

DUANE ZUSSY AND LINDA ALEXANDER PRESENTATIONS. JANIE TILLMAN TESTIMONY ON BEHALF OF CASA BOARD OF DIRECTORS IN SUPPORT OF JUVENILE JUSTICE FACILITY EXPANSION.

- R-3 Budget Modification Non #14 Authorizing Transfer of \$48,000 From General Fund Contingency to External Organizations for Cost of Administration of the Food Stamp Program

UPON MOTION OF COMMISSIONER KAFOURY, SECONDED BY COMMISSIONER KELLEY, R-3 WAS UNANIMOUSLY APPROVED.

- R-4 Budget Modification Non #15 Authorizing Increased Expenditure Amount for Business Income Tax Payments to East County Cities

UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, R-4 WAS UNANIMOUSLY APPROVED.

- R-5 Budget Modification Non #16 Authorizing Transfer of \$4,800 from 1989-90 Personnel Savings to 1989-90 Materials and Services within Commission District No. 1 Division

UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KAFOURY, R-5 TRANSFERRING \$4,800 WAS UNANIMOUSLY APPROVED, AS CORRECTED.

- R-6 Budget Modification Non #17 Authorizing Transfer of \$4,400 from Materials and Services to Capital Outlay within the Citizen Involvement Committee

UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KAFOURY, R-6 WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF GENERAL SERVICES

- R-7 Resolution in the Matter of the Adoption of a Supplemental Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1989, to June 30, 1990, and Making the Appropriations Thereunder, Pursuant to ORS 294.480

UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, RESOLUTION 90-94 WAS UNANIMOUSLY APPROVED.

- R-8 Resolution in the Matter of the Adoption of the 1990-91 Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1990, to June 30, 1991, and Making the Appropriations Thereunder, Pursuant to ORS 294.435

CHAIR McCOY PASSED THE GAVEL TO VICE-CHAIR KAFOURY AND MOVED, SECONDED BY COMMISSIONER KELLEY, APPROVAL OF R-8. UPON MOTION OF COMMISSIONER McCOY, SECONDED BY COMMISSIONER KELLEY, THE JUNE 25, 1990 TECHNICAL AMENDMENTS WERE UNANIMOUSLY APPROVED. UPON MOTION OF COMMISSIONER McCOY, SECONDED BY COMMISSIONER ANDERSON, THE REVENUE AMENDMENTS WERE UNANIMOUSLY

APPROVED. GRANT NELSON RESPONSE TO BOARD QUESTIONS REGARDING DCC 12. UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, PROGRAM AMENDMENT DCC 12 WAS UNANIMOUSLY PULLED. DAVE WARREN AND PAUL YARBOROUGH RESPONSE TO BOARD QUESTIONS. FOLLOWING DISCUSSION AND DUANE ZUSSY RESPONSE TO BOARD QUESTION, COMMISSIONER BAUMAN MOVED AND COMMISSIONER ANDERSON SECONDED, APPROVAL OF PROGRAM AMENDMENT DHS 55 AND DELETION OF PROGRAM AMENDMENT NOND 16.. MOTION APPROVED, WITH COMMISSIONERS KAFOURY, ANDERSON AND BAUMAN VOTING AYE, AND COMMISSIONERS KELLEY AND McCOY VOTING NO. MR. WARREN EXPLANATION OF DCC 7 CORRECTION AND MCSO 9c NEW INFORMATION. COMMISSIONER McCOY MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF THE JUNE 25, 1990 TECHNICAL AND PROGRAM AMENDMENTS LIST. FOLLOWING DISCUSSION AND UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER BAUMAN, THE ADDITION OF \$80,000 TO THE A & D PROGRAM BUDGET WAS APPROVED, WITH COMMISSIONERS KAFOURY, ANDERSON, BAUMAN AND KELLEY VOTING AYE, AND COMMISSIONER McCOY VOTING NO. COMMISSIONER KELLEY MOTION FOR ADDITIONAL MCRC AND DA BUDGET FUNDING DIED FOR LACK OF A SECOND. COMMISSIONER BAUMAN MOVED, SECONDED BY COMMISSIONER ANDERSON, THE ADDITION OF \$5,000 FOR THE EAST COUNTY DENTAL CLINIC PROGRAM. BOARD DISCUSSION. MR. ZUSSY COMMENTS. MOTION APPROVED WITH COMMISSIONERS KAFOURY, ANDERSON, BAUMAN AND KELLEY VOTING AYE, AND COMMISSIONER McCOY VOTING NO. COMMISSIONER ANDERSON MOVED, SECONDED BY COMMISSIONER BAUMAN, THE ADDITION OF \$50,000 FOR THE HOOPER DETOX

PROGRAM. DEBBIE WOOD EXPLANATION. BOARD COMMENTS. MOTION APPROVED, WITH COMMISSIONERS KAFOURY, ANDERSON, BAUMAN AND KELLEY VOTING AYE, AND COMMISSIONER McCOY VOTING NO. COMMISSIONER ANDERSON MOVED AND COMMISSIONER BAUMAN SECONDED, APPROVAL AMENDMENT OF \$12,224 (DHS 86b) FOR EMS. MR. WARREN RESPONSE TO BOARD DISCUSSION. MOTION UNANIMOUSLY APPROVED. UPON MOTION OF COMMISSIONER BAUMAN, SECONDED BY COMMISSIONER ANDERSON, AMENDMENT ADDING \$109,000 FROM DPMC SPECIAL APPROPRIATIONS FUND APPROVED, WITH COMMISSIONERS KAFOURY, ANDERSON, BAUMAN AND KELLEY VOTING AYE, AND COMMISSIONER McCOY VOTING NO. COMMISSIONER ANDERSON MOTION TO DELETE \$13,000 FROM EMERGENCY MANAGEMENT BUDGET DIED FOR LACK OF A SECOND. MR. WARREN AND MR. ZUSSY RESPONSE TO BOARD DISCUSSION. UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER BAUMAN, IT WAS APPROVED TO DELAY DCC INTENSIVE SUPERVISION START UP, WITH COMMISSIONERS KAFOURY, ANDERSON, BAUMAN AND KELLEY VOTING AYE, AND COMMISSIONER McCOY VOTING NO. FOLLOWING BILL FARVER EXPLANATION AND UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, THE CARRYOVER AMENDMENTS WERE UNANIMOUSLY APPROVED. RESOLUTION 90-95 UNANIMOUSLY APPROVED, AS AMENDED.

Following a five minute recess, the Chair McCoy reconvened the Board with Vice-Chair Kafoury and Commissioner Sharron Kelley present.

R-9 Resolution in the Matter of Levying Ad Valorem Property Taxes for Multnomah County, Oregon, for Fiscal Year 1990-91

UPON MOTION OF COMMISSIONER KAFOURY, SECONDED BY COMMISSIONER KELLEY,

**RESOLUTION 90-96 WAS UNANIMOUSLY
APPROVED.**

- R-10 Budget Modification DGS #22 Authorizing Transfer of \$94,750 from Personal Services to Materials and Services in the Data Processing Fund of the Information Services Division

**UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER KELLEY, R-10
WAS UNANIMOUSLY APPROVED.**

- R-11 Budget Modification DGS #24 Authorizing Transfer of \$2,974 within the Planning and Budget Division from General Fund Contingency to District Attorney Professional Services, to Cover Court Ordered Costs

**UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER KELLEY, R-11
WAS UNANIMOUSLY APPROVED.**

Commissioner Pauline Anderson returned.

- R-12 First Reading of an ORDINANCE in the Matter of Adoption of Salary Ranges for Fiscal Year 1990-91 for Employees Covered by the Exempt Classification/Compensation Plan and Repealing Ordinance No. 639

**ORDINANCE READ BY TITLE ONLY. COPIES
AVAILABLE. COMMISSIONER KELLEY MOVED
AND COMMISSIONER KAFOURY SECONDED,
APPROVAL OF FIRST READING. NO ONE WISHED
TO TESTIFY. FIRST READING UNANIMOUSLY
APPROVED. SECOND READING THURSDAY, JULY
5, 1990.**

SERVICE DISTRICTS

**UPON MOTION OF COMMISSIONER ANDERSON,
SECONDED BY COMMISSIONER KAFOURY,
ITEMS R-13 THROUGH R-17 WERE
UNANIMOUSLY APPROVED.**

(Recess as the Board of County Commissioners and convene as the Governing Body of Dunthorpe Riverdale Service District No. 1)

- R-13 Resolution in the Matter of Adopting the 1990-91 Budget of Dunthorpe Riverdale Service District No. 1, Multnomah County, Oregon

RESOLUTION 90-97.

- R-14 Resolution in the Matter of Levying Taxes for Dunthorpe Riverdale Service District No. 1, Multnomah County, Oregon, for the Fiscal Year July 1, 1990 to June 30, 1991

RESOLUTION 90-98.

(Recess as the Governing Body of Dunthorpe Riverdale Service District No. 1 and convene as the Governing Body of West Hills Service District No. 2)

- R-15 Resolution in the Matter of Adopting the 1990-91 Budget of West Hills Service District No. 2, Multnomah County, Oregon

RESOLUTION 90-99.

(Recess as the Governing Body of West Hills Service District No. 2 and convene as the Governing Body of Central County Service District No. 3)

- R-16 Resolution in the Matter of Adopting the 1990-91 Budget of Central County Service District No. 3, Multnomah County, Oregon

RESOLUTION 90-100.

(Recess as the Governing Body of Central County Service District No. 3 and convene as the Governing Body of Mid County Service District No. 14)

- R-17 Resolution in the Matter of Adopting the 1990-91 Budget of Mid County Service District No. 14, Multnomah County, Oregon

RESOLUTION 90-101.

(Recess as the Governing Body of Mid County Service District No. 14 and reconvene as the Board of County Commissioners)

DEPARTMENT OF HUMAN SERVICES

- R-18 Ratification of Intergovernmental Agreement Modification #2 Between the State of Oregon, Senior and Disabled Services Division and Multnomah County Aging Services Division for Fiscal Year 1989-90

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER ANDERSON, R-18
WAS UNANIMOUSLY APPROVED.***

Commissioner Rick Bauman returned.

- R-19 Resolution in the Matter of the Organization of the Community Action System for Fiscal Year 1990-91

***COMMISSIONER BAUMAN MOVED AND
COMMISSIONER ANDERSON SECONDED,
APPROVAL OF R-19. CAROLE MURDOCK,
LUANNA SHIPP AND MARILYN MILLER
TESTIMONY IN SUPPORT. RESOLUTION 90-102
APPROVED.***

- R-20 Ratification of an Intergovernmental Agreement Between the State of Oregon, Children's Services Division and Multnomah County Social Services Division for Day Treatment Services for Young Children

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER KAFOURY, R-20
WAS UNANIMOUSLY APPROVED.***

- R-21 Ratification of an Intergovernmental Agreement Between the Oregon Health Sciences University and Multnomah County Social Services Division for Funding a Capitation Payment System Research Project

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER ANDERSON, R-21
WAS UNANIMOUSLY APPROVED.***

- R-26 Budget Modification DHS #60 Authorizing Transfer of Accumulated Personnel Savings to Materials and Services within the Health Division

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER ANDERSON, R-26
WAS UNANIMOUSLY APPROVED.***

- R-28 Budget Modification DHS #62 Authorizing Appropriation of Funds within the Social Services Division DD Program, MED Program and A&D Program Resulting from Mental Health Grant Amendments #13, and #18 through #32

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER ANDERSON, R-28
WAS UNANIMOUSLY APPROVED.***

- R-29 Budget Modification DHS #63 Authorizing Appropriate Housekeeping and Technical Changes in the Social Services Division, Various Programs, Which Results in a Net Increase of \$1,500

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER KAFOURY, R-29
WAS UNANIMOUSLY APPROVED.***

- R-31 Budget Modification DHS #65 Authorizing Transfer of \$202,737 From General Fund Contingency to the Social Services Division Budget to Cover the Projected Costs Over Current Budget of the Involuntary Hospital Stays (Emergency Hold) in the MED Program

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER ANDERSON, R-31
WAS UNANIMOUSLY APPROVED.***

- R-32 First Reading of an ORDINANCE Amending MCC 6.32.010, 6.32.040 and 6.32.120 to Permit Creation of an Ambulance User Fee to Fund the Cost of Multnomah County Emergency Medical Services Administration

***UPON MOTION OF COMMISSIONER BAUMAN,
SECONDED BY COMMISSIONER KAFOURY, R-32
WAS UNANIMOUSLY TABLED.***

- R-22 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Department of Energy Funds for the Period April 1, 1990 through June 30, 1990

- R-23 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Community

Service Block Grant Funds for the Period July 1, 1989 through June 30, 1990

- R-24 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Department of Energy Training and Technical Assistance Funds for the Period April 1, 1990 through June 30, 1990

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER KAFOURY, ITEMS
R-22 THROUGH R-24 WERE UNANIMOUSLY
APPROVED.***

- R-25 Budget Modification DHS #59 Authorizing Increase of Aging Services Division, Community Action Program Office Fiscal Year 1989-90 Materials and Services Budget by \$181,461

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER ANDERSON, R-25
WAS UNANIMOUSLY APPROVED.***

- R-27 Budget Modification DHS #61 Authorizing Transfer from Personnel Services to Materials and Services and Capital Expense and Releasing Unexpended Revenue from One-time Linking Networks Grant within the Aging Services Division

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER BAUMAN, R-27
WAS UNANIMOUSLY APPROVED.***

- R-30 Budget Modification DHS #64 Authorizing Additional \$13,468 Federal/State Funding From State Revenue Contract Modification #2 and Shifting County Funding for Preliminary Adult Transfer From Social Services to Aging Services to Facilitate Title XIX Match in Fiscal Year 1989-90

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER ANDERSON, R-30
WAS UNANIMOUSLY APPROVED.***

JUSTICE SERVICES

SHERIFF'S OFFICE

- R-33 Ratification of an Intergovernmental Agreement Between Multnomah County and the City of Wood Village for the Provision of Law Enforcement Services and Additional Patrols within the Corporate Limits of Wood Village

***UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER KELLEY, R-33
WAS UNANIMOUSLY APPROVED.***

- R-34 Budget Modification MSCO #6 Authorizing Transfer of \$21,000 From Contingency to the Buildings Line Item to Pay for a Concrete Floor at the Hansen Building Warehouse

***UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER BAUMAN, R-34
WAS UNANIMOUSLY APPROVED.***

DISTRICT ATTORNEY

- R-35 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Services to All Victims of Juvenile Felony Crime
- R-36 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Victim Advocate Services to Victims of Gang Violence
- R-37 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Victim Advocate Services to Child Victims Ages 16 and Under

***UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER BAUMAN, ITEMS
R-35 THROUGH R-37 WERE UNANIMOUSLY
APPROVED.***

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-38 Order in the Matter of Final Vacation of NE 123rd Place from NE Halsey Street to NE Wasco Street, Vacation No. 4973

***UPON MOTION OF COMMISSIONER ANDERSON,
SECONDED BY COMMISSIONER KAFOURY,
ORDER 90-103 WAS UNANIMOUSLY APPROVED.***

R-39

In the Matter of Approval of Probation Services Office Acquisition

***UPON MOTION OF COMMISSIONER ANDERSON,
SECONDED BY COMMISSIONER BAUMAN, R-39
WAS UNANIMOUSLY APPROVED.***

PUBLIC CONTRACT REVIEW BOARD

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

R-40

Order in the Matter of an Exemption from Public Bidding to Exceed the 20% Limitation for the Mead Building 6th Floor Renovation Project

***UPON MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER KELLEY, R-40
WAS UNANIMOUSLY TABLED.***

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

***AT THE REQUEST OF CHAIR McCOY AND UPON
MOTION OF COMMISSIONER KAFOURY,
SECONDED BY COMMISSIONER KELLEY,
CONSIDERATION OF THE FOLLOWING ITEM WAS
UNANIMOUSLY APPROVED.***

UC-1

Budget Modification Non #13 Authorizing Adjusting Appropriations Within the Information Services Division's Special Appropriations Division to Reflect Actual Project Costs

***FOLLOWING EXPLANATION AND UPON MOTION
OF COMMISSIONER KAFOURY, SECONDED BY
COMMISSIONER BAUMAN, BUDGET
MODIFICATION UNANIMOUSLY APPROVED.***

*There being no further business, the meeting was adjourned at 12:05
p.m.*

OFFICE OF THE BOARD CLERK
FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GRETCHEN KAFOURY • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

JUNE 25 - 29, 1990

Tuesday, June 26, 1990 - 1:30 PM - Informal Briefings . . Page 2
Tuesday, June 26, 1990 - 4:00 PM - Joint Meeting Page 2
Tuesday, June 26, 1990 - 7:00 PM - Public Hearing Page 2
Thursday, June 28, 1990 - 9:30 AM - Formal Meeting. . . . Page 3

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

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

Tuesday, June 26, 1990 - 1:30 PM

Multnomah County Courthouse, Room 602

INFORMAL BRIEFINGS

1. Board Discussion to Determine How to Proceed on the Options Presented in the Alternative Revenue Source Evaluation as Presented by the Planning and Budget Division. Presented by Merlin Reynolds and Ben Buisman
2. Report and Follow up Discussion on the Concept of Funding Multnomah County's Emergency Medical Services Regulation Through User Fees. Presented by Joe Acker and Dr. Gary Oxman
3. Briefing by Metropolitan Community Board of Directors on Proposed Organization of the community Action System for 1990-91. Presented by Duane Zussy and Carole Murdock
4. Informal Review of Formal Agenda of June 28, 1990

PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

Tuesday, June 26, 1990 - 4:00 PM

Multnomah County Courthouse, Room 602

MULTNOMAH COUNTY/PORTLAND PUBLIC SCHOOL DISTRICT #1
JOINT MEETING

Follow up on Portland Public School District's Drug Policy

Tuesday, June 26, 1990 - 7:00 PM

King Facility, Room 142
4815 NE 7th Avenue, Portland

PUBLIC HEARING

Public Hearing Before the Multnomah County Board of Commissioners for the Purpose of Discussing Justice Facilities Proposals

Thursday, June 28, 1990 - 9:30 AM

Multnomah County Courthouse, Room 602

FORMAL MEETING

CONSENT CALENDAR

- C-1 In the Matter of the Appointment of Ginnie Cooper as Multnomah County Representative to the Library Art Committee

DEPARTMENT OF GENERAL SERVICES

- R-1 Employee Recognition 10 Year Service Awards - (TIME CERTAIN 9:30 AM)

NON-DEPARTMENTAL

- R-2 Public Hearing Before the Multnomah County Board of Commissioners for the Purpose of Discussing Justice Facilities Proposals - (TIME CERTAIN 9:45 AM - 10:45 AM)
- R-3 Budget Modification Non #14 Authorizing Transfer of \$48,000 From General Fund Contingency to External Organizations for Cost of Administration of the Food Stamp Program
- R-4 Budget Modification Non #15 Authorizing Increased Expenditure Amount for Business Income Tax Payments to East County Cities
- R-5 Budget Modification Non #16 Authorizing Transfer of \$5,000 from 1989-90 Personnel Savings to 1989-90 Materials and Services within Commission District No. 1 Division
- R-6 Budget Modification Non #17 Authorizing Transfer of \$4,400 from Materials and Services to Capital Outlay within the Citizen Involvement Committee

DEPARTMENT OF GENERAL SERVICES

- R-7 Resolution in the Matter of the Adoption of a Supplemental Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1989, to June 30, 1990, and Making the Appropriations Thereunder, Pursuant to ORS 294.480
- R-8 Resolution in the Matter of the Adoption of the 1990-91 Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1990, to June 30, 1991, and Making the Appropriations Thereunder, Pursuant to ORS 294.435
- R-9 Resolution in the Matter of Levying Ad Valorem Property Taxes for Multnomah County, Oregon, for Fiscal Year 1990-91
- R-10 Budget Modification DGS #22 Authorizing Transfer of \$94,750 from Personal Services to Materials and Services in the Data Processing Fund of the Information Services Division

DEPARTMENT OF GENERAL SERVICES - continued

- R-11 Budget Modification DGS #24 Authorizing Transfer of \$2,974 within the Planning and Budget Division from General Fund Contingency to District Attorney Professional Services, to Cover Court Ordered Costs
- R-12 First Reading of an ORDINANCE in the Matter of Adoption of Salary Ranges for Fiscal Year 1990-91 for Employees Covered by the Exempt Classification/Compensation Plan and Repealing Ordinance No. 639

SERVICE DISTRICTS

(Recess as the Board of County Commissioners and convene as the Governing Body of Dunthorpe Riverdale Service District No. 1)

- R-13 Resolution in the Matter of Adopting the 1990-91 Budget of Dunthorpe Riverdale Service District No. 1, Multnomah County, Oregon
- R-14 Resolution in the Matter of Levying Taxes for Dunthorpe Riverdale Service District No. 1, Multnomah County, Oregon, for the Fiscal Year July 1, 1990 to June 30, 1991

(Recess as the Governing Body of Dunthorpe Riverdale Service District No. 1 and convene as the Governing Body of West Hills Service District No. 2)

- R-15 Resolution in the Matter of Adopting the 1990-91 Budget of West Hills Service District No. 2, Multnomah County, Oregon

(Recess as the Governing Body of West Hills Service District No. 2 and convene as the Governing Body of Central County Service District No. 3)

- R-16 Resolution in the Matter of Adopting the 1990-91 Budget of Central County Service District No. 3, Multnomah County, Oregon

(Recess as the Governing Body of Central County Service District No. 3 and convene as the Governing Body of Mid County Service District No. 14)

- R-17 Resolution in the Matter of Adopting the 1990-91 Budget of Mid County Service District No. 14, Multnomah County, Oregon

(Recess as the Governing Body of Mid County Service District No. 14 and reconvene as the Board of County Commissioners)

DEPARTMENT OF HUMAN SERVICES

- R-18 Ratification of Intergovernmental Agreement Modification #2 Between the State of Oregon, Senior and Disabled Services Division and Multnomah County Aging Services Division for Fiscal Year 1989-90

DEPARTMENT OF HUMAN SERVICES - continued

- R-19 Resolution in the Matter of the Organization of the Community Action System for Fiscal Year 1990-91
- R-20 Ratification of an Intergovernmental Agreement Between the State of Oregon, Children's Services Division and Multnomah County Social Services Division for Day Treatment Services for Young Children
- R-21 Ratification of an Intergovernmental Agreement Between the Oregon Health Sciences University and Multnomah County Social Services Division for Funding a Capitation Payment System Research Project
- R-22 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Department of Energy Funds for the Period April 1, 1990 through June 30, 1990
- R-23 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Community Service Block Grant Funds for the Period July 1, 1989 through June 30, 1990
- R-24 Ratification of an Amendment to the Intergovernmental Agreement Between State of Oregon, Community Services Department and Multnomah County, Aging Services Division Increasing Department of Energy Training and Technical Assistance Funds for the Period April 1, 1990 through June 30, 1990
- R-25 Budget Modification DHS #59 Authorizing Increase of Aging Services Division, Community Action Program Office Fiscal Year 1989-90 Materials and Services Budget by \$181,461
- R-26 Budget Modification DHS #60 Authorizing Transfer of Accumulated Personnel Savings to Materials and Services within the Health Division
- R-27 Budget Modification DHS #61 Authorizing Transfer from Personnel Services to Materials and Services and Capital Expense and Releasing Unexpended Revenue from One-time Linking Networks Grant within the Aging Services Division
- R-28 Budget Modification DHS #62 Authorizing Appropriation of Funds within the Social Services Division DD Program, MED Program and A&D Program Resulting from Mental Health Grant Amendments #13, and #18 through #32
- R-29 Budget Modification DHS #63 Authorizing Appropriate Housekeeping and Technical Changes in the Social Services Division, Various Programs, Which Results in a Net Increase of \$1,500

DEPARTMENT OF HUMAN SERVICES - continued

- R-30 Budget Modification DHS #64 Authorizing Additional \$13,468 Federal/State Funding From State Revenue Contract Modification #2 and Shifting County Funding for Preliminary Adult Transfer From Social Services to Aging Services to Facilitate Title XIX Match in Fiscal Year 1989-90
- R-31 Budget Modification DHS #65 Authorizing Transfer of \$202,737 From General Fund Contingency to the Social Services Division Budget to Cover the Projected Costs Over Current Budget of the Involuntary Hospital Stays (Emergency Hold) in the MED Program
- R-32 First Reading of an ORDINANCE Amending MCC 6.32.010 and 6.32.120 to Permit Creation of an Ambulance User Fee to Fund the Cost of Multnomah County Emergency Medical Services Administration

JUSTICE SERVICES

SHERIFF'S OFFICE

- R-33 Ratification of an Intergovernmental Agreement Between Multnomah County and the City of Wood Village for the Provision of Law Enforcement Services and Additional Patrols within the Corporate Limits of Wood Village
- R-34 Budget Modification MSCO #6 Authorizing Transfer of \$21,000 From Contingency to the Buildings Line Item to Pay for a Concrete Floor at the Hansen Building Warehouse

DISTRICT ATTORNEY

- R-35 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Services to All Victims of Juvenile Felony Crime
- R-36 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Victim Advocate Services to Victims of Gang Violence
- R-37 Request for Approval of Notice of Intent to Apply for Victims of Crime Act Grant Funds to Provide Victim Advocate Services to Child Victims Ages 16 and Under

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-38 Order in the Matter of Final Vacation of NE 123rd Place from NE Halsey Street to NE Wasco Street, Vacation No. 4973
- R-39 In the Matter of Approval of Probation Services Office Acquisition

PUBLIC CONTRACT REVIEW BOARD

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

R-40 Order in the Matter of an Exemption from Public Bidding to Exceed the 20% Limitation for the Mead Building 6th Floor Renovation Project

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

0701C/72-78/dr
6/21/90

Meeting Date: JUN 26 1990

Agenda No.: Inf #1

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: Board Direction Concerning Alternative Revenue Evaluation

BCC Informal 26 June 1990 BCC Formal _____
(date) (date)

DEPARTMENT County Chair DIVISION _____

CONTACT Merlin Reynolds TELEPHONE 248-3308

PERSON(S) MAKING PRESENTATION Merlin Reynolds/Ben Buisman

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 20 Minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

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

Board discussion to determine how to proceed on the options presented in the Alternative Revenue Source Evaluation as presented by the Planning and Budget Division

CLERK OF COUNTY
JUN 26 1990
CLERK OF COUNTY

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL [Signature]

Or

DEPARTMENT MANAGER [Signature]

(All accompanying documents must have required signatures)

PAULINE ANDERSON
Multnomah County Commissioner
District 1



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

6/26/90
MTC Handout

June 25, 1990

To: Board of County Commissioners
From: Pauline Anderson
Re: Alternative Revenue Study

Here is my preference concerning how the Board should deal with the Alternative Revenue Study.

1. Make a preliminary decision to adopt an individual payroll tax (a tax collected on individual employees at their place of work in Multnomah County). Adopt a resolution to that effect.
2. Hire the consultant to do follow up research with specific questions we have. I've attached a list of questions I have appropriate for further investigation.
3. Use Strategic Planning meetings in July, August and September to determine strategic priorities for possible funding through the individual payroll tax.
4. Have the CIC convene public hearings in September concerning our overall plan (i.e. we propose to adopt this tax and use the money for the following things)
5. At the same time, conduct a public opinion survey to test the overall plan.
6. Adopt the tax and financial plan in late September or October.

One plan that I am very interested in pursuing is adopting a Individual Payroll Tax and use it to do the following:

- a. Fold in serial levy and provide stable funding for MICJ I and II
- b. Fold in serial levy and provide stable library funding
- c. A new Juvenile Home
- d. A major effort on Child Abuse
- e. Other strategic initiatives identified through strategic planning (e.g. Alcohol and Drug, Sanctions in Justice System, Teen Clinics)

A 1/2 of 1% tax should raise sufficient funds to achieve all of these goals.

This approach has several advantages.

- a. No more serial levies
- b. No need for a new tax base
- c. Slight shift from property taxes to income tax
- d. Relatively easy to administer
- e. Potential to further shift away from our reliance on property tax.
- f. Ability to tax the 30% of workers in our county who benefit from our services and quality of life, but who do not live here.

I don't think we need a citizen task force to help us with this decision, because I feel our options are rather limited. I don't believe further increases in the property tax are possible or warranted. Adoption of either sales tax would be very difficult to administer, place our businesses at a competitive disadvantage with neighboring counties, and possibly run counter to a state wide effort. Finally, a tax on employers would be an additional tax on the same community that is paying the business income tax.

The individual income tax on payroll is progressive, reasonable, and fair. I am very excited that it offers us finally the potential for stable funding for several of our priority services.

As a distant second choice, I would ask the consultant to pursue further study with the individual payroll tax and the selective sales tax and make a decision in September about which to implement.

MULTNOMAH COUNTY

ALTERNATE REVENUE SOURCE EVALUATION

Prepared
for

Planning and Budget Division
Department of General Services
Multnomah County, Oregon

May 1990

by

Western Economic Services
P.O. Box 13671
Portland, OR 97213
(503) 228-6325

Western Economic Services

May 26, 1990

MULTNOMAH COUNTY

ALTERNATE REVENUE SOURCE EVALUATION

ABSTRACT

This study investigates several alternate Multnomah County general fund revenue sources and presents inferences about *who pays* and *what happens* in the economy with a change in the tax structure. The County can select from three tax base options, an income, sales, or property tax base. A target revenue level of \$24 million was selected as this equals the sum of the current jail and library serial levies.

If the county were to select a new property tax base, the current jail and library serial levies would be deleted and that same amount would be included with the property tax base. Initially, there would be no change in property taxes, no change in *who pays* or *what happens*. However, the \$24 million target could grow at 6% per year, unlike the fixed and voter approved levies; and, unfortunately, the voter's tolerance for rising property taxes is being pressed and a property tax limitation measure is an attendant risk.

As an alternate revenue source, the County could select a sales tax, either as a general sales tax on many goods and services or a selective tax on such things as eating establishments. A general sales tax of 3/4 of 1% would raise \$24 million if the taxable categories were similar to those in Washington State. If a selective sales tax was assessed, for example, on eating establishments, a 5% tax would be sufficient to raise \$24 million. The consumer would bear the burden of the tax in most cases. Further, non residents that spend money in the county would bear a portion of the tax burden. However, there are two complications. Businesses at County boundaries would have difficulty competing with business in nearby out-of-county areas; and, the Advisory Commission on Intergovernmental Relations strongly recommends against unilateral taxing by local jurisdictions, it causes market imperfections and encourages business relocation.

Another alternate revenue source the County could select is an income tax. There are two types, income by place-of-residence or income by place-of-work. An income tax by place-of-residence, a tax on the adjusted gross income of residents, would average about \$100. The burden of the tax would fall on individual households of the County's residents. However, this may cause higher income households to locate in other areas. A tax levied on place-of-work income would take two forms; the tax could be levied as a payroll excise tax or on individual employee wages, as a withholding tax. For these latter mechanisms, 30% of the tax revenues would be derived from non-residents of the County. Commuters who work here and use the County's services, but do not live here, would be required to pay. This option would export a large portion of the tax burden and would diversify the County's tax base beyond the current dependence on property taxes. However, these two latter income tax methods have different economic impacts. A tax on wages would fall on individual wage earners; but, an excise tax on payrolls would, over time, be born by consumers, employees, and enterprise operators; it would interfere with the market place. Furthermore, it would discourage business location in the County.

Administrative and collection costs for these options vary widely. While there are no additional costs from a new property tax base, a sales tax with no State collection mechanism would require a large start-up cost and ongoing cost equalling 1.8% to 4½% of revenues. Income taxes administered through the State Department of Revenue might cost up to \$500,000 for any revenue level.

Lastly, while property tax receipts are very stable in the face of changes in the local economy, they grow the slowest of all options. Sales taxes are the least stable, fluctuating with the up-turns and down-turns in the economy. Yet, income taxes have the better of both; they are stable and grow at a fast rate. They present an opportunity for the County to gain greater revenues during economic boom times and fund increasing demands for County services.

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Western Economic Services

May 26, 1990

ALTERNATE REVENUE SOURCE EVALUATION

EXECUTIVE SUMMARY

Multnomah County has three tax options; each can offset elimination of the Jail and Library levies, a total of \$23.8 million. The tax options are an income, property, and sales tax. Each has a different set of advantages and disadvantages; some provide a faster growing stream of revenues, others increase the certainty of predicting the revenues. As with all the options, though, some people will experience a reduction in taxes and others an increase. A better understanding of the impacts of such change is the goal of the Alternate Revenue Source (ARS) Evaluation.

If the County were to reduce property taxes, homeowners would have an increase in their disposable incomes; and, business enterprises would pass on their reduced property tax savings as lower prices for goods and services, higher wages for employees, and greater returns to the business owners. However, if the County were to choose this path, an alternate revenue source would need to be found. The objective of the ARS is to review the three revenue options: income, property, and sales.

INCOME TAX

The income tax base has two definitions, income by place-of-work, and income by place-of-residence. The former is a much larger and broader income concept, as it relates to incomes of workers who reside in surrounding areas. In 1987, workers earned nearly \$9 billion in Multnomah County, but even after adjusting for all dividends, interest, and rent there remained a net export of \$1.6 billion. In fact, after exemptions, and deductions, and credits, Multnomah County adjusted gross taxable income dropped to \$4.3 billion, less than ½ its place-of-work counterpart and about \$17,500 per household.

An income tax assessed on income by place-of-work would export 30% of the tax revenue requirement to outlying areas. A ¼ of 1% rate would only cost a worker earning \$25,000 per year about \$60. This would be more than enough to displace \$24 million in property taxes. However, an income tax placed on the County's residents would increase income taxes for the average household, with net earnings of only \$17,500, about \$100. The administrative cost of an income by place-of-work tax would run only \$500,000 a year.

Income by place-of-work is relatively insensitive to fluctuations in the economy. During the 1981-1983 recession, Multnomah County income by place-of-work continued to increase. However, income by place-of-residence declined. Further, if implemented as a flat rate, an income by place-of-work tax would have an elasticity equal to one; or, if

incomes changed 1%, so would tax revenues. As well, implementing a new tax option would increase the diversity of the tax system and spread the tax liabilities among a larger population, increasing overall tax equity, and increasing the potential for future returns.

PROPERTY TAX

If the County asked voters to move the serial levies into a new property tax base, there would be effectively no change in tax revenues. However, in ten years, Multnomah County's property tax revenues would be much greater than continually relying on fixed serial levies. Too, the property tax base is a most dependable and stable tax base. Administrative procedures are already in place and no perceptible change in administrative or compliance costs would occur. The County would be securely funded.

Yet, if a new property tax base were placed into service, residents of the County would agree to continue paying for services used by others, even though others are able to help pay for the services. And, if the voters gave broad approval to the new tax base, all equity concerns could be dismissed. But this favorable vote, even with continuing approval of serial levies, is not too certain. Multnomah County has the fifth highest County tax in the State; and, Oregon has the second highest property taxes in the Nation. Multnomah County's tax rates are therefore already extremely high.

Still, as the total burden rises, current impacts would be compounded. Some people would escape paying their fair share. The property tax burden would not be shifted away from residential housing; tenants of rental housing would bear that burden; and, business would continue to attempt shifting the burden to employees, customers, and the owners of the business. Lastly, an increasing tax burden will apply pressure on businesses to relocate to lower taxing jurisdictions, such as Washington, Clackamas, or Clark Counties.

SALES TAX

The sales tax can take two forms, as a general sales tax or selective taxes on particular activities. Both types of tax are very popular and used widely around the United States. The average general sales tax rate for local jurisdictions is about 1%. In Multnomah County, the 1987 general sales tax base represented the larger base of the two, \$3.2 billion versus only \$687 million.

The general sales tax option exempts food and drugs, automobiles, and liquor sales; the selected sales taxes include only sales by eating establishments, recreational facilities (i.e., sporting events, video rentals, public golf courses), and auto rentals. Either option would shift a large portion of the tax from those who pay property taxes to all those who shop or play in the County. This would be particularly true for tourism, business and convention traffic, and commuters. In this regard, much of the tax burden could be shifted outside of the County.

Further, sales tax revenues are elastic; as economic activity increases, so do revenues. Revenues from this source can decline in periods of economic dislocation; the tax base is therefore less predictable and stable than the above options. Nevertheless, by including an alternate method of taxation, the County is able to increase the diversity of its taxing portfolio, spreading the burden to others, many of whom would have been able to escape payment for services consumed. By properly structuring the taxes to exempt goods and service categories that are considered necessities, considerable equity can be obtained.

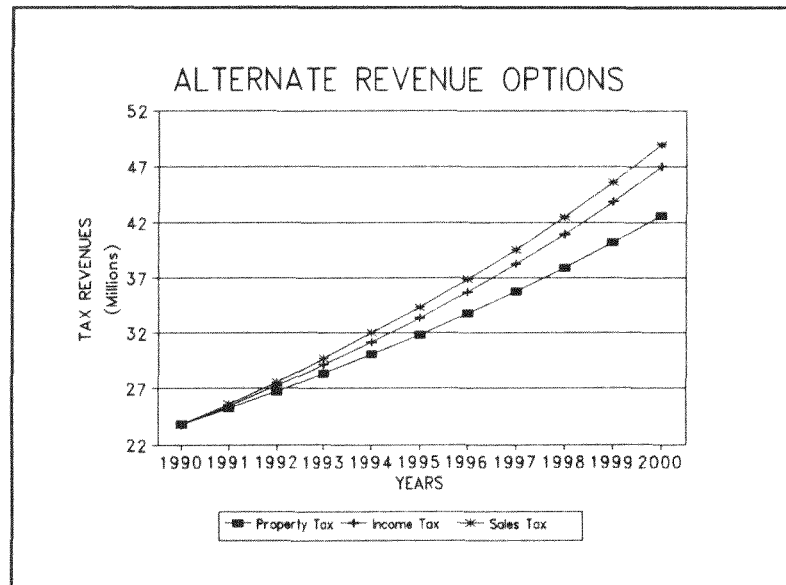
Still, businesses will attempt to shift all the sales tax directly onto the consumer. However, market inefficiencies would be created by the County. Consumers may choose lower cost areas to shop. Businesses in adjoining Oregon counties would not have the added cost burden and would be able to compete more effectively. Interjurisdictional competition may result, with businesses at County boundaries experiencing difficulties. This will encourage businesses to relocate in areas lacking the tax.

As well, implementation and administration of a local sales tax can be an administrative nightmare. Costs can range upwards toward 5% of the revenue stream. It would tend to be much higher during the implementation phase of the tax system. Lastly, the ACIR has recommended that local jurisdictions implement sales taxes after the lead of the State. The State would then act as the collection agency, streamlining reporting procedures, minimizing market interferences, and decreasing the costs of collection.

COMPARISON OF THE REVENUE OPTIONS

Forecasts of collections from the three revenue options, an income base, a property base, and a sales base, are presented in the Diagram Box on the following page. The sales tax revenues rise the greatest, but have the highest risk, least dependability, and most administrative complexity. The income tax revenues rise the next quickest. These have

a solid degree of dependability, grow quickly, are stable, export large amounts of the tax burden, and are administratively simple to implement. While a new property tax base possesses the greatest predictability, it is the slowest growing revenue stream, does not ask others to contribute their fare share to the cost of the County's services, and will contribute the County's already high cost property tax base.



INTRODUCTION

The Multnomah County Board of County Commissioners (the Board) is interested in reviewing new ways to collect current levels of tax revenue. This study, the Alternate Revenue Source (ARS) Evaluation, springs from that concern. It inspects a number of prospective revenue options; but, it does not recommend one for the Board to accept.

Instead, the primary purpose has been in assisting the Planning and Budget Division with the research, analysis, and presentation of revenue options. Six prospective choices are offered in terms of three alternate tax bases available to the County. Each tax base is in turn evaluated for its structural and performance characteristics; and, the research continues by interpreting the effects of the prospective revenue options for the County and then forecasting revenue streams from the tax bases. This report weighs options in terms of economic viability and economic impact for the County, not the political viability or any associated political ramifications.

The economic impacts caused by making a choice have political implications, though, as either desirable or objectionable results can occur. Concerns here relate to the administrative desirability of each tax base, the dependability and growth of the revenue stream, *who pays* the burden, and *what happens* in the economy. These are issues born for policy choice. So, considering all these issues together will help define what is best for the County; i.e., who should pay, what should happen, which revenue option has the best performance, and which tax structure is the least painful to administer.

In assessing these perspectives, a number of activities were involved. First, considerable data was gathered, analyzed, and interpreted regarding technical issues; second, prospective shifts in tax burden as well as induced economic impacts were evaluated; and, third, the structural advantages and disadvantages of each alternate tax base to the County were reviewed. Each of the discussions are presented herein.

STRUCTURE OF THIS REPORT

This report is presented in three parts. **Overview of a Revenue System** presents a review of potential taxing options and the concept of economic incidence. The next section, **Revenue Options**, begins with a discussion of the economic and demographic characteristics of the citizens in Multnomah County. It then details the characteristics of each selected revenue option as well as its advantages and disadvantages for the County. It also compares Multnomah County tax levels with other jurisdictions around the State and country. The **Conclusion** succinctly reviews the content of the report; and it closes with comments about additional analysis that may be required.

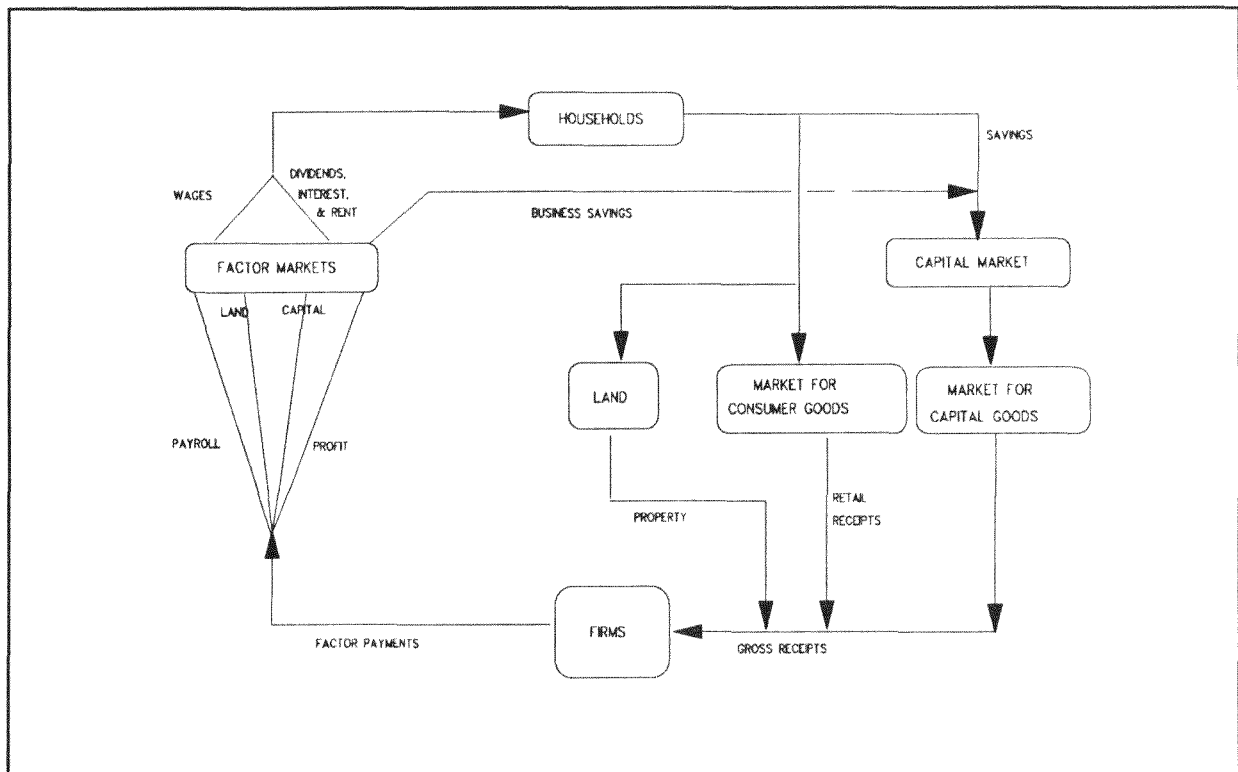
Lastly, a more technical discussion of tax incidence analysis is presented in Appendix A; and, Appendix B enumerates the methodology, assumptions, and background data used to develop the tax base and revenue forecasts.

OVERVIEW OF A REVENUE SYSTEM

Developing a good tax system has been a concern of public administration officials for many centuries. Adam Smith popularized the notion that those who pay taxes should pay according to how much the individual consumes public services. John Stuart Mill advocated a taxing system based solely on one's ability to pay. Our modern societies have evolved to draw upon both these principles, benefits and ability-to-pay, in attempting to develop equitable tax structures.

Most of the ways these principles are applied can be represented in an income flow diagram. This is a diagram that shows how money travels in an economy, how it is spent and how income is paid. The flow diagram is presented in Diagram 1, below. Households are paid income and either save (making money available for borrowers) or

DIAGRAM 1
POTENTIAL TAX MECHANISMS



spend their earnings on land or consumer goods and services. Firms receive these monies, through sales revenues or from borrowing for the capital market. The firms then either

purchase equipment or distribute the money in the form of factor payments to stockholders, employees, or other factors of production. The County has the option to collect revenues at eight points within the income flow. The county can receive revenues from individual income taxes, sales and excise taxes, residential property taxes, gross receipts taxes, business property tax, payroll taxes on employers, business income taxes, or employment taxes on employee wages.

However, the range of options reviewed in the ARS Evaluation was narrowed in light of one specific revenue goal. The goal was to evaluate replacing the current Jail and Library Levies with an alternate form of revenue. A secondary goal is also occasionally referenced, this was replacing the serial levies as well as a portion of the existing Multnomah County Business Income Tax. Therefore, the alternatives are revenue replacement options comprising two revenue levels, \$24 or \$40 million in fiscal year 1990-91. But, to make the comparisons of the forecast results more easily understood only the former target, \$24 million, is presented.

The set of revenue options reviewed herein can be grouped into three tax base categories, income, property, or sales. Income and sales taxes both have more than one alternative. But, just one property tax option exists, replacement of the levies with a new property tax base.

In each tax base category, different economic impacts will occur; a change in the distribution of income occurs when altering *who pays* the taxes. Depending on the revision, there can also be employment and output changes. Both individuals and firms can modify their economic behavior, and can also relocate to avoid taxation. Considering the impacts of policy choice is key to a well structured tax plan. These types of impacts, and subsequent adjustments, are best described by the concept of tax incidence.

TAX INCIDENCE

There are two types of tax incidence, statutory incidence and economic incidence. Statutory incidence indicates the party upon whom the tax is legally assessed, on employers in the case of a payroll tax. However, economic incidence is more complicated; it begins

with the statutory incidence as the initial economic stimulus but includes the after tax redistribution of incomes. This is known as "tax shifting" or moving the tax burden to others. An example of a shift in the tax burden would be if an employer charged more for the product or service in response to an employer payroll tax, shifting the burden of the payroll tax forward to consumers. Analysis of economic incidence is concerned with *who pays* after an alteration in the tax structure.

Yet, looking at only this aspect is incomplete; the employer that experiences additional payroll costs due to a payroll tax can shift the burden to other resources (factor inputs) used in the business activity. Resource reallocation decisions are made in relation to changes in market costs. So, employment and output changes can occur with a change in tax structure because the cost of production has changed. Hence, economic incidence is also concerned with *what happens* in the economy.

The degree of tax shifting is a product of the structure of the respective markets. A tax on a good with few or no substitutes, like cigarettes, will be shifted almost exclusively onto the consumer. On the other hand, goods with many substitutes would force producers to absorb the reduced revenues. Further clouding the incidence picture is that shifts in the tax burden are time dependent; it may take awhile for the shift to fully occur. For example, for an increase in property taxes, renters would probably see a rise in rents very soon. However, with a decrease in property taxes, renters would likely see nothing, only a slower rate of increase in rates over time.

Identifying the *precise* shift in household incomes is beyond the scope of this analysis. However, a set of incidence assumptions prepared from other secondary resources and presented in Exhibit 1 on the following page. One can deduce incidence effects from Multnomah County alternate revenue options.

A personal income tax can not be shifted, it rests completely on the individual. One quarter of a business income tax is shifted forward to consumers of the goods or services, one quarter to employees, and the other half back to stockholders. Sales taxes are passed directly onto the consumer of the good. Residential property tax falls on the owners, taxes on rental housing fall on the renter, and property taxes on businesses are split just as business income taxes, $\frac{1}{4}$, $\frac{1}{4}$ and $\frac{1}{2}$ to stockholders. Payroll taxes placed on

businesses are shifted in an identical fashion; but taxes placed on employees stays on the employee.

EXHIBIT 1 INCIDENCE ASSUMPTIONS

<u>Type of Tax</u>	<u>Tax Shift</u>	<u>Allocated According To:</u>
Individual Income Tax	Stays put on individual	Tax Payments
Business Income Tax	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Sales Taxes	On consumers	Type of Consumption
Property Tax		
Residences	Homeowners	Ownership
Rental Housing	Tenants	Rental Payments
Business	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Payroll Tax		
Employer	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Employee	Employees	Covered Earnings

Yet, these are just general guidelines for how incomes are shifted; exceptions will occur in nearly every specific case. A particular market may be highly competitive and shifting a tax forward to consumers would not be possible. In this case a change in employment or output could occur. Further, both residents and businesses can elect to relocate, shifting their earlier share of the tax burden to all others in Multnomah County. Regardless, using the above incidence assumptions along with economic reasoning will help to explore the advantages and disadvantages of each revenue option, and assist in identifying a better and more equitable revenue structure.

REVENUE STRUCTURE

A well designed revenue structure exhibits fairness and equity in taxation. But, it possesses other attributes as well. The characteristics relate to longer term revenue and

funding needs; that is, measuring the performance of the revenue structure in relation to changes in economic activity. The performance measures can be grouped three ways: stability, elasticity, and diversity.

Stability relates to the degree to which the tax base, and subsequent tax revenues, can be predicted. A stable tax base will help to ensure a higher bond rating, increase the accuracy of budget activities, and help ensure better financial management.

Elasticity refers to the change in revenue flow associated with a change in another economic measure, such as income. The greater the elasticity, the greater that revenues change with a change in income. The revenue stream can expand much more rapidly during economic growth, allowing government jurisdictions more revenue to pay for increasing demands for services and infrastructure development.

Diversity relates to the degree that a taxing jurisdiction depends on a number of tax resources, rather than being dependent predominantly upon a single source. It can be considered analogous to an investment portfolio in which one has a set of investment objectives: conservative and modest with dependable returns, or more risky with the potential for far greater returns. It also enables the local jurisdictions to spread the tax burden across a much larger set of prospective tax bases. An individual's requirement to pay any one tax form would be reduced, increasing overall tax equity.

Determining the best tax structure for a particular jurisdiction is highly subjective. One must identify the preferred structure characteristics; i.e., stable versus fast growth, or simple and inexpensive to administer. Each type of characteristic, along with pertinent advantages and disadvantages, need to be considered.

Therefore, reviewing a tax structure, even if only to maintain the current system, is paramount to determining *who pays, what happens, and the performance* of the selected tax structure.

REVENUE OPTIONS

There are a number of revenue options available to the county; each has the potential to greatly relieve tax burdens for some while shifting the burden to others. The options spring from three types of tax base: an income tax base, a new property tax base, or a sales tax base. The latter includes both general sales taxes and selected sales taxes. But before proceeding to review the options, a few comments about the County's population is in order.

ECONOMIC AND DEMOGRAPHIC BACKGROUND

Viewing tax equity concerns in the proper light required comparisons of Multnomah, Clackamas, and Washington Counties in terms of income per household and the age groups of the respective populations. Table 1 presents 1988 Multnomah County income stratified by income bracket per household. Multnomah County has more households; but, the average household income is considerably lower than either Washington or Clackamas counties.

TABLE 1
TRI-COUNTY HOUSEHOLD INCOME 1988

1,000's \$	< 7.5	7.5 TO 15	15 TO 22.5	22.5 TO 30	30 TO 37.5	37.5 TO 52.5	52.5 TO 75	75 AND OVER	AVERAGE INCOME
NUMBER OF HOUSEHOLDS									
MULTNOMAH	32,247	41,560	37,201	34,678	30,469	39,109	20,373	10,180	29.7
CLACKAMAS	8,112	12,189	13,019	13,244	14,134	19,888	12,657	6,952	36.3
WASHINGTON	7,750	12,691	14,713	15,989	16,144	25,300	16,311	8,215	37.7

SOURCE: METRO

Diagram 2 displays this data graphically and demonstrates that the county has a considerably higher portion of households in the under \$15,000 range than either Washington or Clackamas Counties. In fact, over 30% of Multnomah County households are below a \$15,000 annual income, and 45% are below \$22,500 per year. Only 17% and 20% of the households in Washington and Clackamas counties, respectively, earn less than \$15,000 per year.

DIAGRAM 2
TRI-COUNTY HOUSEHOLD INCOME

Furthermore, Multnomah County has only 12% of the households having incomes over \$52,500, rather than 21% for Washington and 20% for Clackamas counties. Therefore, households in Multnomah County have lower incomes than those in neighboring urban Oregon Counties.

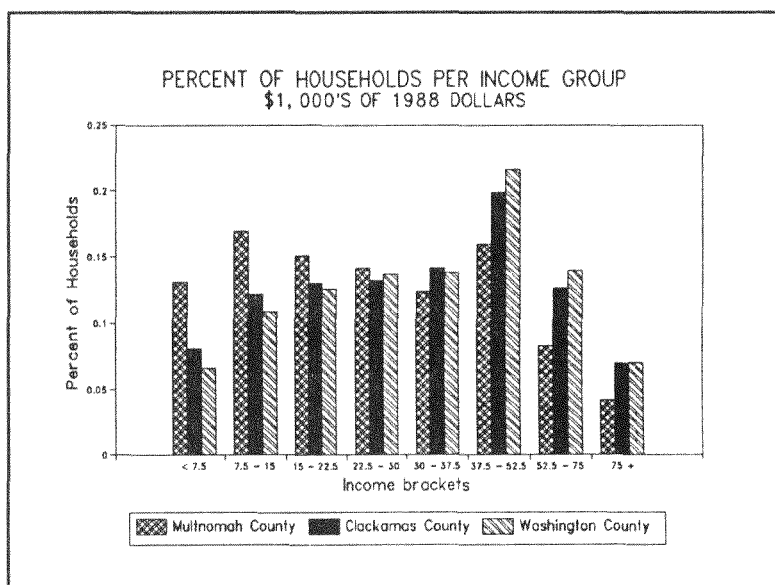


Table 2 presents the number of people in each age group, from the 0-4 through 75+ years of age. Certainly, Multnomah County has a larger population in all age groups.

TABLE 2
TRI-COUNTY AGE DISTRIBUTION
1989

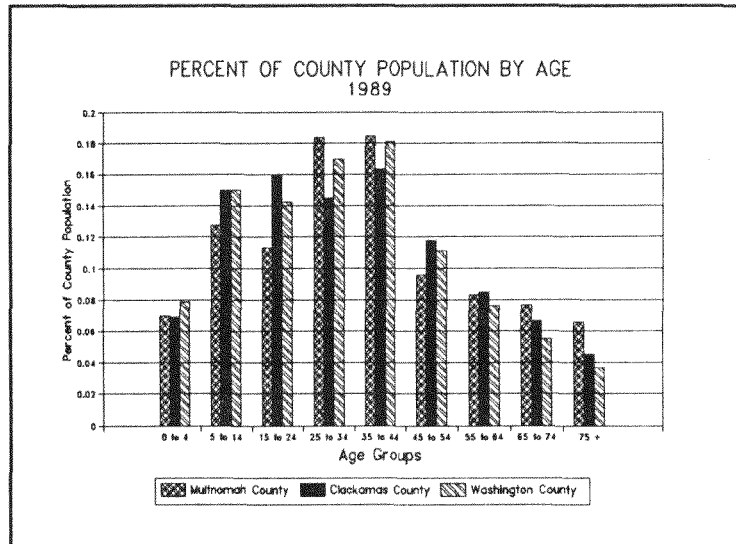
AGE	0-4	5-14	15-24	25-34	35-44	45-54	55-64	65-74	75+	TOTAL
MULTNOMAH	40,248	73,249	65,124	105,500	106,103	55,020	47,903	43,894	37,845	574,886
CLACKAMAS	18,416	39,979	42,535	38,657	43,581	31,422	22,664	17,808	12,046	267,108
WASHINGTON	23,643	45,121	42,786	51,167	54,359	33,414	22,824	16,605	11,070	300,989

SOURCE: METRO

But, as Diagram 3 demonstrates, the County has a different distribution of age groups. A larger percent of those over 64, 14%, reside in the County. Washington and Clackamas Counties have only 9% and 11%, respectively. Further, Multnomah County has fewer children, teenagers, and young adults, 2-3% less; but, the county has a slightly larger proportion of the age brackets of 25 to 44, the prime earning years. Therefore, Multnomah County has a relatively older population, but with a higher portion of prime age workers available for the labor force. Hence, the County has a population that has lower earnings and is more elderly than neighboring urban Oregon counties.

**DIAGRAM 3
TRI-COUNTY AGE GROUPS**

These facts bare witness to the importance of tax shifting; incidence effects need to be kept in mind, as each option will offset, or counteract, the income benefits obtained from the reduced property and business tax goals. The same revenue level will be gathered in a different way, possibly from entirely different people. Each of the three tax bases possess specific revenue options for the County; the following presents each of the options.



INCOME TAX BASE

The prospective income tax base offers the most alterations, three. Significant efforts have been devoted to properly defining and estimating a tax base that represents local income. There are a number of ways to compute the base, each with different implications and outcomes.

First, income has two designations, place-of-work or place-of-residence. Income by place-of-work comprises wages, salaries, and proprietor's incomes from the respective employment site. On the other hand, income by place-of-residence includes 'place-of-work' income plus all dividends, interest, and rent. Taxable income is computed from this later residence basis, with associated deductions and adjustments. This is the income definition that is used by the State and Federal authorities in assessing and collecting taxes. One would think, too, that 'place-of-residence', or the sum of all income sources would be greater than just earnings by place-of-work. However, for Multnomah County that is not true, place-of-work income is greater.

The 1987 Multnomah County place-of-work income totaled \$9 billion while place-of-residence was \$7.4 billion, nearly 20% less. Further, Table 3 displays both income concepts for a ten year period, 1978 through 1987. Note that income by place-of-work has grown from \$5.3 billion to nearly \$9 billion. Income by place-of-residence has grown from \$4.5 billion in 1978 to \$7.4 billion in 1987. Income by place-of-work has grown faster than total income by place-of-residence, 6.0% instead of the 5.7% annual growth rate.

Income by place-of-work pertains to all earnings in Multnomah County. Income by place-of-residence is all income of *residents*. Many people who work inside the county do not live here. These people carry the income earned within the County to their own place of residence. The concept 'residence adjustment' attests to the fact that employees and proprietor's exported nearly \$3 billion dollars in 1987 alone, swamping unearned income by place-of-residence, for a net loss of \$1.6 billion in income. Furthermore, the growth rate of exported earnings is rising at a faster rate than growth in total earnings. The share of income escaping the county increased from 25% of earnings in 1978 to over 30% today; and, this trend can be expected to continue.

Therefore, Multnomah County has two alternate income tax bases, earnings by place-of-work and income by place-of-residence. The former is a larger, broader tax base, the latter is smaller and more narrowly defined. Too, the values represented by income by place-of-residence vastly overstate taxable income. Actual taxable income can be considered as a gross adjusted income, after accounting for all exemptions, deductions, and credits. That value, for Multnomah County and reported by the Oregon Department of Revenue, comprised only \$4.3 billion in 1987, or \$3.1 billion less than the "place-of-residence" income presented above, and fully \$5.7 billion less than income by place-of-work.

TABLE 3
MULTNOMAH COUNTY PERSONAL INCOME
1978-87
(Thousands of Nominal Dollars)

YEAR	1978	1979	1980	1981	1982
Wages and Salaries	4,487,847	5,031,711	5,486,258	5,804,673	5,818,111
Other Labor Income	408,119	454,330	506,530	535,663	590,210
Proprietors' Income	439,795	480,029	456,886	391,276	458,739
TOTAL EARNINGS BY PLACE OF WORK	5,335,761	5,966,070	6,449,674	6,731,612	6,867,060
Less: Personal Contributions for Social Insurance	306,737	358,503	394,055	445,718	450,275
Less: Adjustment for Residence	1,318,735	1,472,085	1,608,705	1,703,178	2,094,778
NET EARNINGS BY PLACE OF RESIDENCE	3,710,289	4,135,482	4,446,914	4,582,716	4,322,007
Plus: Dividends, Interest, and Rent	750,739	877,671	1,040,563	1,298,097	1,316,712
TOTAL PERSONAL INCOME BY PLACE OF RESIDENCE*	4,461,028	5,013,153	5,487,477	5,880,813	5,638,719
YEAR	1983	1984	1985	1986	1987
Wages and Salaries	5,891,245	6,363,832	6,666,508	7,035,929	7,520,528
Other Labor Income	588,988	614,748	738,743	660,715	706,715
Proprietors' Income	509,535	592,130	643,906	704,000	768,171
TOTAL EARNINGS BY PLACE OF WORK	6,989,768	7,570,710	8,049,157	8,400,644	8,995,414
Less: Personal Contributions for Social Insurance	455,066	496,427	544,943	581,668	617,806
Less: Adjustment for Residence	2,081,377	2,248,857	2,404,949	2,468,117	2,709,886
NET EARNINGS BY PLACE OF RESIDENCE	4,453,325	4,825,426	5,099,265	5,350,859	5,667,722
Plus: Dividends, Interest, and Rent	1,371,645	1,501,386	1,559,464	1,612,463	1,709,388
TOTAL PERSONAL INCOME BY PLACE OF RESIDENCE*	5,824,970	6,326,812	6,658,729	6,963,322	7,377,110

Source: Bureau of Economic Analysis, Local Area Personal Income, Table 5

* Excludes non-taxable transfer payments.

Before presenting specific revenue options, though, it is useful to note one hypothesized revenue option, taxing the adjusted gross income of all Multnomah county workers, regardless of place of residence. Unfortunately, administration and compliance issues make this option unworkable. There is no way to learn of the place of residence from existing filing procedures. It is unclear as to what authority Multnomah County may have for compliance by non-residents; and, further, few, if any U.S. local jurisdictions attempt to tax non-residents for both earned and unearned income. Multnomah County would be alone in experimenting with this. Therefore, the County's only income tax base choices pertain to earned income by place-of-work or income by place-of-residence. The County has the statutory authority to tax on either basis.

TAXES ON EARNINGS

If using the place-of-work tax base, up to 30% of the tax burden could be shifted to non residents of Multnomah County. In accordance with the benefits principle, non-residents use the County's services. They desire safe and clean streets, use the library system, and work and shop in the county, using its other available services. Also, in accordance with the ability-to-pay principle, the surrounding counties have higher household incomes and can better afford to carry their fair share.

An assessment on about $\frac{1}{4}$ of 1% of 1987 earnings would have raised revenues sufficient for the \$24 million requirement. This would have amounted to about a \$60 annual payment for a worker earning \$25,000 per year. In terms of administrative and compliance costs to the County, an excise tax on employer payrolls or a withholding on employee wages would be very inexpensive to administer. The State anticipates the cost for collection and administration to run approximately \$500,000 in 1990.

In terms of *who pays*, an assessment on employee wages is born by the individual. Yet, the employee may have some ability to shift the reduced income back to the employer, especially those workers with strong bargaining units. However, a tax placed directly on the employer is shifted partially to employees, forward to consumers, and backwards to stockholders. Such a change would also cause the business owner to review the mix of resources used and encourages altering that resource mix, decreasing employment levels in favor of other factors of production that will provide better returns with the new mix of operation costs.

The firm may also be forced to reduce output in order to trim costs and maintain its costs at the prevailing market price. Too, because there would be interjurisdictional tax differences facing the business firm, firms having high employment expenses may consider moving to non-taxing jurisdictions. In this case, the burden would be shifted back to the county and all others still paying the required revenues. Furthermore, the business owner who chooses not to leave experiences additional administrative expenses in complying with the regulations. These costs have, for now, been assumed equal to the prospective decline in business property taxes.

TAXES ON ALL PERSONAL INCOME

If using a place-of-residence tax base, the local income tax would fall on individuals and would not be shifted. Residents would be asked to continue to fund all services, even though some individuals using the services do not pay; but residents would then be asked to pay more. Generating the same level of revenues would cost the average Multnomah County household about \$100 per year. Recall the Multnomah County households earn less than their counterparts in adjoining counties and, hence, the value of the \$100 is higher to Multnomah County residents. Residents would be burdened with inequities for the benefits and ability-to-pay principles.

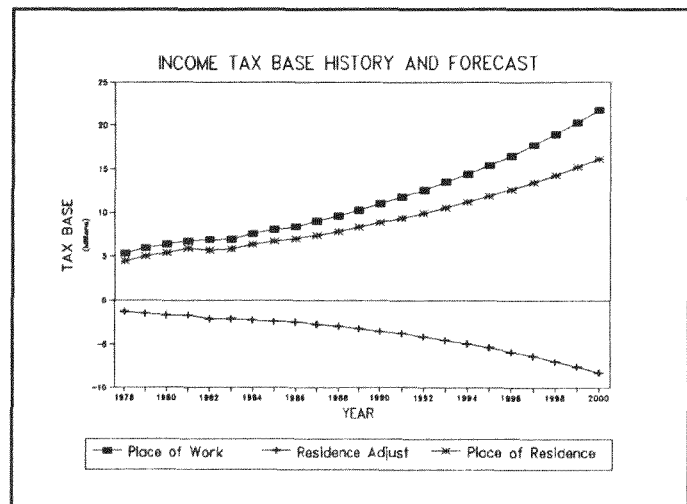
In terms of administration and compliance costs, a tax on income by place of residence, implemented as a "piggy backed" mechanism in the State forms, would entail a number of processing changes at the Oregon Department of Revenue. Consequently, expenses are much more difficult to calculate, but are anticipated to run two to three times higher than the income by place-of-work tax base.

FUTURE PERFORMANCE OF THE TAX BASE

Diagram 4 presents a graph of both income tax base classifications 1978 through the year 2000. An in-depth discussion of the assumptions supporting the 1989-2000 forecast is contained in Appendix B.

Note that total earnings by place-of-work will rise from \$9 billion in 1987 to about \$22 billion by the year 2000, a 7.1 % annual growth rate. However, income by place of residence will rise from \$7.4 to about \$16 billion, a slower growth rate. A $\frac{1}{4}$ of 1% rate assessed against earnings by place-of-

DIAGRAM 4
FUTURE INCOME TAX BASES



work, raising \$23.7 million dollars in 1988, would generate \$55 million dollars by the year 2000; over \$20 million of that will be from non-resident workers in the county.

Both types of tax base offer a significant increase in the diversity of the total local tax structure. Individuals who may currently escape paying for services would be more likely to pay. As well, during periods of economic growth, the county would have greater benefits by being partially tied to economic performance. Both forms of income tax are also income elastic; as incomes rise, so will the revenues. And if implemented as a flat rate tax, the elasticity would be equal to 1; in other words, a 1% change income would result in a 1% change in tax revenues. Yet, as seen in Diagram 4, one revenue stream is more stable than the other.

Income by place-of-residence actually declined in 1982 and 1983 while income by place of work continued to rise throughout the recessionary period. This is due to the fact that dividend, interest, and rental payments stayed flat over the 1981-1983 period while the residence adjustment, or the income being exported, accelerated. One can infer that incomes of the County's residents suffered more than non-county resident incomes. Therefore, earnings by place-of-work represent a larger, broader tax base. And, while increasing the diversity of funding sources, it is also a more stable and quickly growing income tax base.

PROPERTY TAX BASE

Another option available for the county, while contrary to the study guidelines, is to place before the voters a revised property tax base. Such an action is allowed in either May or November of even numbered election years. The revised tax base would entail rolling into the current property tax base the sum of the Jail and Library levies, or approximately \$24 million dollars in additional tax base revenues in fiscal year 1990-1991.

While a revised tax base was successfully completed in 1953, it is now felt that significant pressure exists against such a proposal. Regardless, Table 4 explores the impact of a new tax base. The general fund tax base revenue would grow at a 6% per year annual rate, and if voters maintained serial levies at constant levels, the County would receive \$160 million in funding by the close of the century.

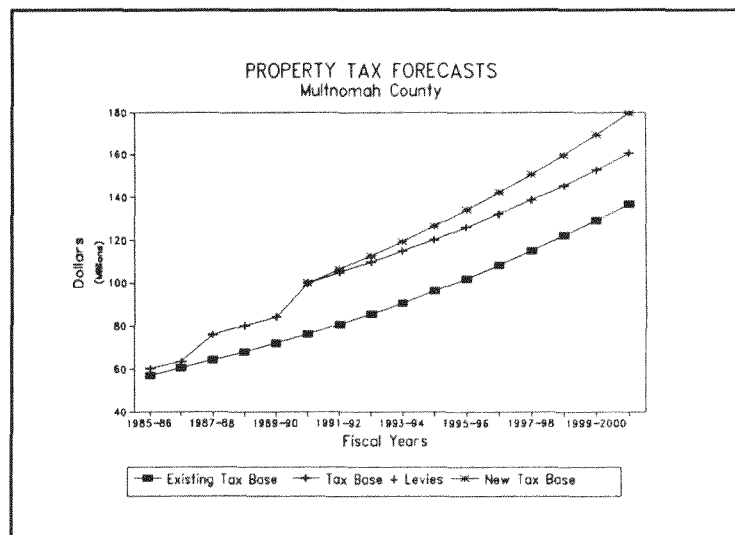
Western Economic Services

TABLE 4
PROPERTY TAX BASE REVENUES

	Nominal Dollars				
	1985-86	1989-90	1990-91	1995-96	2000-2001
General Fund-Tax Base	\$57,106,246	\$72,095,320	\$76,421,039	\$102,268,589	\$136,858,442
Library Levy	3,000,000	7,500,000	10,300,000	10,300,000	10,300,000
Corrections Fund Levy		4,700,000	13,500,000	13,500,000	13,500,000
TOTAL TAX LEVY	\$60,106,246	\$84,295,320	\$100,221,039	\$126,068,589	\$160,658,442
NEW TAX BASE REVENUES			\$100,221,039	\$134,118,358	\$179,480,617
DIFFERENCE IN REVENUES					\$ 18,822,175

However, if the levies were included in the tax base, the new tax base revenues would grow at the same rate, resulting in almost \$180 million dollars in revenues. The \$18.8 million dollar difference is a lost opportunity due to the lack of a single tax base structure. Growing a larger tax base at the same rate will yield a greater total revenue stream. This is graphically displayed in Diagram 5, Future Property Tax Revenues. Furthermore, the property tax base is extremely stable, it expands at a constant growth rate regardless of what else happens in the economy; and, administration and compliance costs of a property tax are low with all administrative procedures already in place. As well, such dependability helps to maintain a quality bond rating. From an administration and compliance standpoint, it is the easiest revenue option to implement.

DIAGRAM 5
FUTURE PROPERTY TAX REVENUES



However, the county would continue to increase its dependance upon the property tax, thereby reducing the diversity of the current tax system. Under a tax system that depends heavily on one source for its revenues, some individuals are able to avoid their fair share of funding local government. Residential property owners would bare the burden, just as is done today; renters would be passed the new tax revenue amounts; and business would attempt to pass the tax on the employees, consumers, and stockholders. Still, business would face a reallocation of resources and be encouraged to migrate to lower taxing jurisdictions, especially Vancouver, Washington. Yet, if the voters were to approve the new tax base, a discussion of the *who pays* or *what happens* is mute. The issue is whether residents would be willing to increase the general fund in Multnomah County. To illustrate the enormity of that achievement, the following presents some current statistics comparing Multnomah County to other jurisdictions.

Table 5 presents a list of Oregon property tax rates for all the counties in the state, by tax code area. The consolidated rate comprises all property taxes placed on residents in the code area. These would include taxes levied by City, County, School, Fire District, and other agencies (if applicable). Multnomah County has the fifth highest consolidated rate and the sixth highest county rate in the state; the latter is best seen on Table 6. However, it is recognized that the lions' share of the levies are from cities and schools, rarely the county.

TABLE 5
OREGON PROPERTY TAX RATES BY CONSOLIDATED TAX RATE¹
FISCAL YEAR 1988-89

<u>COUNTY</u>	<u>CITY</u>	<u>CODE AREA</u>	<u>CONS</u>	<u>COUN</u>	<u>CITY</u>	<u>SCHOOL</u>
GILLIAM	CONDON	1	44.99	5.54	11.70	22.90
UMATILLA	ATHENA	29-1	40.98	2.89	10.59	22.98
WASCO	THE DALLES	12-7	40.60	7.17	8.19	19.74
LANE	EUGENE	4-48	36.94	1.53	10.92	17.90
MULTNOMAH	PORTLAND	068	35.96	4.38	7.41	20.13
SHERMAN	GRASS VALLEY	17-03	35.10	10.99	3.26	18.24
MARION	SALEM	924-30-00-3	34.80	4.66	10.20	15.98
BENTON	CORVALLIS	9-32	33.76	3.77	7.16	18.64
UNION	LA GRANDE	1-1	33.05	3.68	9.69	16.73
POLK	MONMOUTH	13-2	32.53	2.63	5.46	19.01
CLATSOP	ASTORIA	1-00	31.45	2.29	9.96	14.90
LINN	ALBANY	8-1	30.42	2.93	8.77	15.72
WALLOWA	ENTERPRISE	21-1	30.38	3.43	5.97	7.82
COOS	COOS BAY	9-00	29.46	1.79	8.01	14.95
LAKE	LAKEVIEW	07-01	28.33	2.66	9.30	12.83
WASHINGTON	BEAVERTON	51-51	28.08	2.95	4.41	16.48
MORROW	BOARDMAN	25-1	27.03	5.47	9.01	9.69
TILLAMOOK	TILLAMOOK	9	26.91	2.66	3.53	17.92
MALHEUR	ONTARIO	1	26.55	2.46	6.07	12.37
DOUGLAS	ROSEBURG	4-33	26.51	1.15	7.56	13.42
BAKER	BAKER	5-36	26.32	3.66	7.47	11.64
CROOK	PRINEVILLE	5	26.24	4.15	3.94	13.09
WHEELER	FOSSIL	1	26.11	2.16	7.69	0.07
CLACKAMAS	LAKE OSWEGO	0-002	25.99	2.17	4.60	16.08
YAMHILL	MCMINNVILLE	40	25.88	3.80	5.79	13.33
JEFFERSON	MADRAS	1	25.11	3.66	5.94	10.60
KLAMATH	KLAMATH FALLS	63	24.86	2.82	7.10	14.37
COLUMBIA	CLATSKANIE	5-12	24.13	1.17	7.07	13.34
DESCHUTES	BEND	1-1	23.96	2.25	5.27	12.87
LINCOLN	LINCOLN CITY	408	23.58	2.86	7.69	9.95
HOOD RIVER	HOOD RIVER	1	23.35	1.91	4.53	16.86
HARNEY	BURNS	1-1	22.99	3.95	4.68	1.74
GRANT	JOHN DAY	3-1	22.46	3.78	7.87	3.67
JOSEPHINE	GRANTS PASS	1	21.96	0.31	4.85	15.34
CURRY	GOLD BEACH	3-1	20.57	0.76	2.68	13.85
JACKSON	ASHLAND	5-1	20.07	0.23	2.47	15.25
MEAN VALUES			28.82	3.19	6.86	14.18

SOURCE: Oregon Property Tax Statistics, Oregon Department of Revenue

¹The property tax rates shown represent the highest consolidated rate for the code are in the city chosen for each county.

TABLE 6
OREGON PROPERTY TAX RATES BY COUNTY
FISCAL YEAR 1988-89

<u>COUNTY</u>	<u>CITY</u>	<u>CODE AREA</u>	<u>COUN</u>	<u>CITY</u>	<u>SCH</u>	<u>CONSOL</u>
SHERMAN	GRASS VALLEY	17-03	10.99	3.26	18.24	35.10
WASCO	THE DALLES	12-7	7.17	8.19	19.74	40.60
GILLIAM	CONDON	1	5.54	11.70	22.90	44.99
MORROW	BOARDMAN	25-1	5.47	9.01	9.69	27.03
MARION	SALEM	924-30-00-3	4.66	10.20	15.98	34.80
MULTNOMAH	PORTLAND	068	4.38	7.41	20.13	35.96
CROOK	PRINEVILLE	5	4.15	3.94	13.09	26.24
HARNEY	BURNS	1-1	3.95	4.68	1.74	22.99
YAMHILL	MCMINNVILLE	40	3.80	5.79	13.33	25.88
GRANT	JOHN DAY	3-1	3.78	7.87	3.67	22.46
BENTON	CORVALLIS	9-32	3.77	7.16	18.64	33.76
UNION	LA GRANDE	1-1	3.68	9.69	16.73	33.05
JEFFERSON	MADRAS	1	3.66	5.94	10.60	25.11
BAKER	BAKER	5-36	3.66	7.47	11.64	26.32
WALLOWA	ENTERPRISE	21-1	3.43	5.97	7.82	30.38
WASHINGTON	BEAVERTON	51-51	2.95	4.41	16.48	28.08
LINN	ALBANY	8-1	2.93	8.77	15.72	30.42
UMATILLA	ATHENA	29-1	2.89	10.59	22.98	40.98
LINCOLN	LINCOLN CITY	408	2.86	7.69	9.95	23.58
KLAMATH	KLAMATH FALLS	63	2.82	7.10	14.37	24.86
TILLAMOOK	TILLAMOOK	9	2.66	3.53	17.92	26.91
LAKE	LAKEVIEW	07-01	2.66	9.30	12.83	28.33
POLK	MONMOUTH	13-2	2.63	5.46	19.01	32.53
MALHEUR	ONTARIO	1	2.46	6.07	12.37	26.55
CLATSOP	ASTORIA	1-00	2.29	9.96	14.90	31.45
DESCHUTES	BEND	1-1	2.25	5.27	12.87	23.96
CLACKAMAS	LAKE OSWEGO	0-002	2.17	4.60	16.08	25.99
WHEELER	FOSSIL	1	2.16	7.69	0.07	26.11
HOOD RIVER	HOOD RIVER	1	1.91	4.53	16.86	23.35
COOS	COOS BAY	9-00	1.79	8.01	14.95	29.46
LANE	EUGENE	4-48	1.53	10.92	17.90	36.94
COLUMBIA	CLATSKANIE	5-12	1.17	7.07	13.34	24.13
DOUGLAS	ROSEBURG	4-33	1.15	7.56	13.42	26.51
CURRY	GOLD BEACH	3-1	0.76	2.68	13.85	20.57
JOSEPHINE	GRANTS PASS	1	0.31	4.85	15.34	21.96
JACKSON	ASHLAND	5-1	0.23	2.47	15.25	20.07

SOURCE: Oregon Property Tax Statistics, Oregon Department of Revenue

Table 7 presents an alphabetic and a descending rank comparing 1987 state average property tax rates. Oregon has the second highest in the nation. One can reasonably infer from this that Multnomah County tax rates are very high in the state and hence among the highest in the nation. The implication is that the capacity to tax property for General Fund purposes may be poorly viewed by the electorate.

TABLE 7
AVERAGE EFFECTIVE PROPERTY TAX RATES BY STATE
SINGLE FAMILY HOMES WITH FHA-INSURED MORTGAGES
1987

ALPHABETICAL LIST			RANKING LIST		
STATE	RATE	RANK	STATE	RATE	RANK
ALABAMA	0.39	48	NEW JERSEY	2.38	1
ALASKA	0.81	37	OREGON	2.26	2
ARIZONA	0.66	44	SOUTH DAKOTA	2.17	3
ARKANSAS	0.64	45	MICHIGAN	2.10	4
CALIFORNIA	1.05	23	NEW YORK	2.07	5
COLORADO	0.93	29	WISCONSIN	2.03	6
CONNECTICUT	1.46	12	NEBRASKA	2.01	7
DELAWARE	0.68	43	IOWA	1.96	8
FLORIDA	0.92	30	NEW HAMPSHIRE	1.55	9
GEORGIA	1.03	24	ILLINOIS	1.55	10
HAWAII	0.51	47	RHODE ISLAND	1.49	11
IDAHO	0.87	34	CONNECTICUT	1.46	12
ILLINOIS	1.55	10	TEXAS	1.41	13
INDIANA	1.25	17	PENNSYLVANIA	1.40	14
IOWA	1.96	8	NORTH DAKOTA	1.38	15
KANSAS	1.11	20	MONTANA	1.34	16
KENTUCKY	0.87	33	INDIANA	1.25	17
LOUISIANA	0.22	49	MARYLAND	1.22	18
MAINE	1.22	19	MAINE	1.22	19
MARYLAND	1.22	18	KANSAS	1.11	20
MASSACHUSETTS	0.84	35	WASHINGTON	1.10	21
MICHIGAN	2.10	4	OHIO	1.06	22
MINNESOTA	1.00	26	CALIFORNIA	1.05	23
MISSISSIPPI	0.76	39	GEORGIA	1.03	24
MISSOURI	0.83	36	NORTH CAROLINA	1.01	25
MONTANA	1.34	16	MINNESOTA	1.00	26
NEBRASKA	2.01	7	VIRGINIA	0.98	27
NEVADA	0.69	42	UTAH	0.97	28
NEW HAMPSHIRE	1.55	9	COLORADO	0.93	29
NEW JERSEY	2.38	1	FLORIDA	0.92	30
NEW MEXICO	0.88	32	TENNESSEE	0.89	31
NEW YORK	2.07	5	NEW MEXICO	0.88	32
NORTH CAROLINA	1.01	25	KENTUCKY	0.87	33
NORTH DAKOTA	1.38	15	IDAHO	0.87	34
OHIO	1.06	22	MASSACHUSETTS	0.84	35
OKLAHOMA	0.76	38	MISSOURI	0.83	36
OREGON	2.26	2	ALASKA	0.81	37
PENNSYLVANIA	1.40	14	OKLAHOMA	0.76	38
RHODE ISLAND	1.49	11	MISSISSIPPI	0.76	39
SOUTH CAROLINA	0.72	40	SOUTH CAROLINA	0.72	40
SOUTH DAKOTA	2.17	3	WEST VIRGINIA	0.69	41
TENNESSEE	0.89	31	NEVADA	0.69	42
TEXAS	1.41	13	DELAWARE	0.68	43
UTAH	0.97	28	ARIZONA	0.66	44
VERMONT	NA	NA	ARKANSAS	0.64	45
VIRGINIA	0.98	27	WYOMING	0.57	46
WASHINGTON	1.10	21	HAWAII	0.51	47
WEST VIRGINIA	0.69	41	ALABAMA	0.39	48
WISCONSIN	2.03	6	LOUISIANA	0.22	49
WYOMING	0.57	46	VERMONT	NA	NA

SOURCE: Significant Features of Fiscal Federalism, 1989, Advisory Commission on Intergovernmental Relations

SALES TAX BASE

The sales tax base considered here takes two forms, a general sales tax or selective sales taxes. Both types of taxes are very popular and common as tax revenue methods. They are assessed in small increments and are perceived to have small individual impacts upon the consumer of the goods or services.

GENERAL SALES TAXES

Many jurisdictions have local sales taxes; these are administrated by either the state or local government, depending upon the circumstances of the local jurisdiction. As well, the range of rates assessed within other states is wide.

Table 8 presents a list of States that have local sales taxes, and the rates that are encountered. These range from as low as .13% to up to 5%, but average about 1%. Note that those with higher sales taxes have lower property tax rates. For example, Louisiana, with the lowest property tax rate, has one of the highest local sales tax rates in the nation.

Applying an estimate of a general sales tax base for Multnomah County involved analysis of a number of details. The 1987 Census of Retail and Service Trade was used to first identify total expenditures on goods and services in Multnomah County. Next, Washington State's tax method was approximated; hence, sales from food and drug stores, and a variety of personal services were exempted. Further, Oregon statute does not allow sales taxes on automobiles or liquor, and these amounts were also subtracted from the prospective tax base. Table 9 presents the results of this set of calculations. Given these assumptions, the Multnomah County general sales tax base would have comprised over \$3.2 billion dollars in 1987. As noted on the table, very small tax rates would allow the County to generate the two desired revenue levels. A .75% would have generated \$24.6 million, and a 1.25% rate would have generated \$41 million in 1987. These cluster around the national average local general sales tax rate of 1%.

TABLE 8
COUNTY SALES TAXES BY STATE
1988

	STATE	RANGE IN TAX RATES (%)
All counties levy tax	California	1.25
	Illinois	1.00-1.25
	Louisiana	0.50-5.00
	Missouri	0.25-0.50
	North Carolina	1.50-2.00
	Tennessee	1.00-2.25
	Utah	0.75-0.91
	Virginia	1.00
	Washington	0.50-1.00
Most counties levy tax	Alabama (84% levy tax)	0.50-3.00
	Arkansas (47%)	1.00
	Colorado (50%)	0.25-3.00
	Georgia (91%)	1.00
	Kansas (57%)	0.50-1.00
	New Mexico (85%)	0.13-0.63
	New York (93%)	1.00-4.25
	Ohio (90%)	0.50-1.00
	Wyoming (65%)	2.00

SOURCE: A Revenue Guide for Local Government, International City Management Association, 1989.

However, a critical concern in the development of a general sales tax option is the attendant costs associated with administration and compliance. These can be significant if the tax is wholly administered at the local level. The cost of a locally administered sales tax can be expected to range from 1.8% of total revenues up to 4.5% of total revenues, or from \$440,000 to \$1.5 million annually. These costs would likely soar even higher during the first few years of implementation of the tax. Yet, a local sales tax is considerably less expensive when administered at the State level. For example, Washington state encounters a .71% cost of collections, or about \$200,000 if allocated to Multnomah County.

This form of tax base is also elastic; and, it will track the performance of the local economy very closely. As the County gains additional retail investment, its prospective general sales tax base will swell accordingly. However, the structure of this tax base lends itself to mimic both the ups and downs of the local economy. Therefore, while

TABLE 9
MULTNOMAH COUNTY SALES TAX REVENUES
 1987 NOMINAL DOLLARS

TOTAL RETAIL SALES	\$4,055,587,000
Less Food Stores	(632,123,000)
Less Auto Sales	(651,756,000)
Less Drug Stores	(63,459,000)
Less Drinking Establishments	(54,153,000)
Less Liquor Stores	(49,059,000)
TAXABLE RETAIL SALES	\$2,605,037,000
TOTAL SALE OF SERVICES	\$2,607,334,000
Less Beauty and Barber Shops	(21,717,000)
Less Business Services	(609,311,000)
Less Health Services	(562,704,000)
Less Legal Services	(346,888,000)
Less Educational Services	(20,314,000)
Less Social Services	(34,304,000)
Less Misc Professional Services	(338,834,000)
TAXABLE SALES OF SERVICES	\$673,262,000
TOTAL TAXABLE SALES	\$3,278,299,000

TAX RATE	REVENUE	COST (A)	COST (B)	COST (C)
0.50%	\$16,391,495	116,380	295,047	737,617
0.75%	\$24,587,243	174,569	442,570	1,106,426
1.00%	\$32,782,990	232,759	590,094	1,475,235
1.10%	\$36,061,289	256,035	649,103	1,622,758
1.25%	\$40,978,738	290,949	737,617	1,844,043

A Washington State administrative cost for sales tax collection (.71% of Revenue).

B Estimate of City administrative costs for local sales tax collection by Steve Hutt, Denver City Treasurer (1.8%).

C Local Income Taxes: Economic Effects and Equity, Institute of Government Studies, UC Berkeley, 1972, page 28, (4.5%).

* County does not have the authority to tax automobile or liquor sales.

* Total drug store sales; prescription drug sales data not available.

* Retail and Service exclusions modeled as per State of Washington.

* Retail and service establishments bear total private administrative cost.

SOURCE: 1987 Census of Retail and Service Industries; State of Washington Department of Revenue

following boom times, it will follow the bust too. Tax revenues could decline in a recessionary period similar to that experienced during the early 1980's. Yet with proper revenue planning, the local sales tax can help to diversify the tax base, bringing in many who might escape paying for use of the county's services, such as commuters, convention traffic, and tourists.

Unfortunately, what happens to the local economy is important. Granted, many purchases would be relatively unaffected by a 1% sales tax; but, unilateral taxing by jurisdictions has seen some difficulties. Firms at the boundaries may have difficulty competing with lower cost competitors who are out of the tax jurisdiction. Furthermore, business location decisions would be directly impacted - especially for the larger ticket items, such as durable goods. Consumers would be able to shop in non-taxing jurisdictions, forcing businesses to locate where business traffic is greater. The greatest difficulties appear with local jurisdictions unilaterally implementing a sales tax.

However, the Advisory Commission on Intergovernmental Relations (ACIR) strongly recommends that local jurisdictions implement sales taxes only after the lead of the State. This is due to a number of reasons. A universal rate and tax base will help prevent local jurisdictions from competing with one another for retail sales. As well, if administered by the state, there will be simplified compliance procedures, economies of scale in collection costs, and many marketplace inefficiencies can be eliminated.

SELECTIVE SALES TAXES

The county also has the option of focussing its sales tax efforts on selective goods or services groups. Selective sales and excise taxes are very widely used. Even Multnomah County currently uses a form of these in its' automobile rental tax; and, the county has broad authority to assess these via ordinance. Yet, while the family of prospective taxes is as big as one's imagination, efforts were devoted to identify one or two that have the potential to generate the \$24 and \$40 million revenue levels required for the ARS Evaluation.

Table 10 displays some options regarding the selective sales taxes. If the County were to implement entertainment and amusement taxes, sufficient revenues could be

TABLE 10
MULTNOMAH COUNTY SELECTED SALES TAXES

CURRENT SOURCES	REVENUE	PERCENT	ESTIMATED TAX BASE
CAR RENTAL TAX	4,300,000	4.00%	107,500,000
TOTAL CURRENT REVENUE	\$4,300,000		
ALTERNATE SOURCES	ESTIMATED REVENUE	PERCENT	ESTIMATED TAX BASE
CAR RENTAL TAX	4,568,750	4.25%	107,500,000
ENTERTAINMENT TAX	19,776,228	4.25%	465,323,000 ¹
AMUSEMENT TAX	4,832,122	4.25%	113,697,000 ²
REVENUE	\$29,177,100		
CHANGE IN TOTAL REVENUE	\$24,877,100		

CHANGE IN ADMINISTRATIVE COSTS

	REVENUE	PERCENT	COST	NET REVENUE
CAR RENTAL TAX	\$ 4,568,750	0%	\$ 0	\$ 268,750
ENTERTAINMENT TAX	\$19,776,228	1.80% ³	\$355,972	\$19,420,256
AMUSEMENT TAX	\$ 4,832,122	1.80%	\$ 86,978	\$ 4,745,144
CHANGE			\$442,950	\$24,434,150

generated. The entertainment tax would apply to all sales at eating establishments and the amusement tax would apply to all sales at establishments such as movie theaters, video rental establishments, commercial sporting events, public golf courses, and amusement parks. A tax rate of 4¼% would allow the County enough revenues to replace the current \$24 million in serial levies. Further, over the future, the selective sales tax revenues would track along with all retail sales activity. Therefore, these types of selective sales taxes have similar characteristics to that of the general sales taxes.

¹ 1987 Annual sales in Multnomah County for SIC code 5813, Eating Establishments, 1987 Census of Retail Trade.

² 1987 Annual Sales in Multnomah County for the 2 digit SIC Codes 78, 79, and 84, Amusement and Recreation Services, 1987 Census of Service Industries.

³ This percentage is an estimate given by Steve Hutt, City Treasurer, Denver, CO. Denver collects their own local sales tax. The figure is an estimate because the property tax is collected by the same unit.

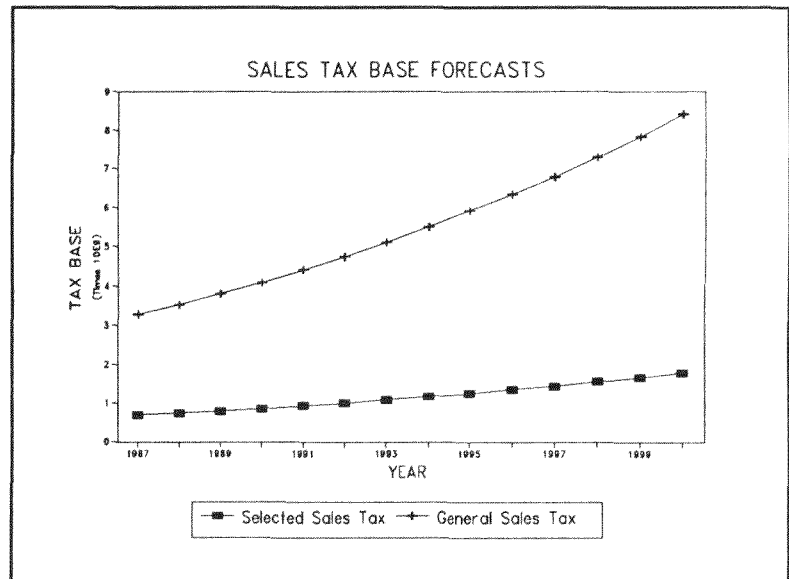
The performance of the tax structure, when in a sales tax form, is highly elastic; it will keep up with the pace of retail and service sales. However, because it is elastic, revenues can also turn down during times of economic recession. Regardless, this type of revenue mechanism promotes significant diversity in the tax structure of Multnomah County. These options would help to spread the burden of the tax to non residents, whether workers or visitors, who shop and play in the county. Further, for each sales tax option, there are border problems and, if unilaterally implemented, the tax options may cause some reallocation of business resources. In summary, it is best to follow the lead of the state, if it were to implement a tax structure.

FUTURE PERFORMANCE OF TAX BASE

Diagram 6 presents a graph of both sales tax base classifications, the general and selected sales, for the period 1987 through the year 2000. For a detailed discussion of the forecast methodology, refer to Appendix B.

Both will grow at similar rates and have similar structural characteristics. The general sales tax base is anticipated to rise from the \$3.2 billion to over \$8 billion by the year 2000. The selective sales tax will rise from \$687 million to close to \$2 billion during the same period. However, the general sales base is significantly broader increasing the diversity of the revenue base.

**DIAGRAM 6
SALES TAX BASES**



COMPARISONS OF TAX BURDENS

Before concluding the discussion of the implications of the tax base and revenue source options, step back to see how Multnomah County and Oregon fit in the general tax structure picture. Table 11 displays a set of sources of revenue for a number of Oregon Counties; these are Multnomah, Clackamas, Jackson, Lane, Marion, and Washington Counties. As seen, the counties have large differences in population, ranging from 566,990 to as few as 139,966. They also differ greatly in total revenues, from \$161 million down to \$33 million.

TABLE 11
COMPARISON OF PER CAPITA TAXES -- OREGON COUNTIES
1986-87 REVENUE SOURCES AND AMOUNTS
 (Thousands of Dollars)

	MULTNOMAH	CLACKAMAS	JACKSON	LANE	MARION	WASHINGTON
POPULATION, 1986	566,990	256,917	139,966	263,179	215,379	271,367
TOTAL INTERGOVERNMENTAL REVENUE	64,568	36,414	24,795	60,149	23,463	81,155
Property Tax	57,682	20,078	2,794	8,672	13,837	29,730
General Sales Tax	0	0	0	0	0	0
Selective Sales Taxes	10,477	626	40	1,030	137	4,296
Income Taxes	0	0	0	0	0	0
Other Taxes	11,861	1,958	638	1,033	849	5,258
TAX REVENUE, OWN GENERAL SOURCES	80,020	22,662	3,472	10,735	14,823	39,284
CHARGES AND MISC REVENUE, OWN OTHER SOURCES	16,433	26,424	5,380	13,359	9,830	25,366
TOTAL REVENUE FROM OWN SOURCES	96,453	49,086	8,852	24,094	24,653	64,650
TOTAL COUNTY REVENUE	161,021	85,500	33,647	84,243	48,116	145,805
PER CAPITA TAX ESTIMATES:						
PER CAPITA INCOME, 1986	\$14,824	\$15,002	\$11,805	\$12,311	\$12,352	\$15,525
Per Capita Taxes, Own General Sources	\$141.13	\$88.21	\$24.81	\$40.79	\$68.82	\$144.76
Per Capita Taxes, Charges and Misc Revenue	\$28.98	\$102.85	\$38.44	\$50.76	\$45.64	\$93.47
AMOUNT PAID PER CAPITA	\$170.11	\$191.06	\$63.24	\$91.55	\$114.46	\$238.24
Per Capita Intergovernmental Revenue	\$113.88	\$141.73	\$177.15	\$228.55	\$108.94	\$299.06
TOTAL PER CAPITA TAX REVENUE	\$283.99	\$332.79	\$240.39	\$320.10	\$223.40	\$537.30
% OF PER CAPITA INCOME PAID TO COUNTY,						
OWN GENERAL SOURCES	0.95%	0.59%	0.21%	0.33%	0.56%	0.93%

SOURCE: US Census Bureau, 1987 County Government Finances

The tax burden placed on each citizen varies significantly, depending upon the local jurisdiction's circumstances. Clackamas County gets a larger portion of its funding from the Oregon & California Land Grant Fund; Washington County gets a large portion of its revenues from user charges and miscellaneous revenue sources. But of concern is the amount of revenue generated from each county's own general fund sources. The per capita amounts of tax assessed from each county's own sources ranges from a high of \$144.76 to a low of \$24.81. Yet, Multnomah County has the highest percent of per capita income paid in taxes.

An alternate view is presented in Table 12; it reflects upon various tax rates from a number of larger Western cities. These are Denver, Seattle, San Francisco, Los Angeles, and Portland. The state income tax rates are roughly comparable, peaking at about 9%, except Washington which does not have an income tax. Furthermore, while Portland is the only jurisdiction without a sales tax, it is over twice as high as any other in terms of property taxes. This illustrates the fact that Oregon is in a less advantageous position if competing for business and population on a property tax basis.

TABLE 12
TAX RATES FOR SELECTED WESTERN U.S. CITIES
1988

	<u>DENVER</u>	<u>SEATTLE</u>	<u>SAN FRAN</u>	<u>LA</u>	<u>PORTLAND</u>
STATE INCOME TAX:	5.00%	NA	1-9.3%	1-9.3%	5-9.0%
State Sales Tax:	3.00%	6.50%	4.75%	4.75%	NA
City/County Sales Tax:	3.50%	1.60%	1.25%	1.25%	NA
Transit District Sales Tax:	0.60%	NA	0.50%	0.50%	NA
TOTAL SALES TAX:	7.10%	8.10%	6.50%	6.50%	NA
PAYROLL/INCOME TAX:	NA	NA	1.50%	0.75%	0.60%
PROPERTY TAX:	0.93%	1.10%	1.05%	1.05%	2.26%

SOURCE: Significant Features of Fiscal Federalism, Volume II, Advisory Commission on Intergovernmental Relations, 1989.

Table 13 presents the results of a study of tax burden on larger cities throughout the United States. The tax burden is broken down into income, property, sales, and auto taxes. Note that, for a family of four on a \$25,000 annual income, Portland is rated as the second highest taxing jurisdiction in the Nation. This is due to the high levels of income and property taxes already assessed on citizens. Portland has the dubious position of being the highest taxing jurisdiction for a family of four on a \$100,000 annual income. Note that if the tax burden were spread to include those that currently escape payment for services used in the county (via a sales tax, for example), Portland's position would drop accordingly.

TABLE 13
COMPARISON OF TAX BURDEN BY STATE'S MAJOR CITIES
\$25,000 INCOME, FAMILY OF FOUR
MAJOR TAXES 1988

RANK	CITY	STATE	TAXES				BURDEN	
			INCOME	PROP	SALES	AUTO	TOTAL	PERCENT
01.	MILWAUKEE	WI	\$633	\$2227	\$358	\$207	\$3,425	13.7%
02.	PORTLAND	OR	982	2208	N/A	142	\$3,332	13.3%
03.	PHILADELPHIA	PA	1775	894	274	130	\$3,073	12.3%
04.	DETROIT	MI	1178	1319	336	169	\$3,002	12.0%
05.	BALTIMORE	MD	1076	1265	278	190	\$2,809	11.2%
06.	NEWARK	NJ	358	2022	275	96	\$2,751	11.0%
07.	DES MOINES	IA	675	1385	340	240	\$2,640	10.6%
08.	PROVIDENCE	RI	420	1594	284	316	\$2,614	10.5%
09.	HONOLULU	HI	1051	716	530	225	\$2,522	10.1%
10.	WASHINGTON	DC	1060	840	432	182	\$2,514	10.1%
11.	CLEVELAND	OH	870	1048	434	156	\$2,508	10.0%
12.	NEW YORK	NY	773	917	664	111	\$2,465	9.9%
13.	SIOUX FALLS	SD	N/A	1481	706	150	\$2,337	9.3%
14.	NORFOLK	VA	626	849	388	464	\$2,327	9.3%
15.	SALT LAKE	UT	782	656	589	258	\$2,285	9.1%
16.	CHARLOTTE	NC	776	745	484	250	\$2,255	9.0%
17.	OMAHA	NE	454	1013	409	365	\$2,241	9.0%
18.	INDIANAPOLIS	IN	830	559	439	411	\$2,239	9.0%
19.	LOUISVILLE	KY	1056	589	306	242	\$2,193	8.8%
20.	BRIDGEPORT	CT	0	1353	347	488	\$2,188	8.8%
21.	COLUMBIA	SC	547	779	447	358	\$2,131	8.5%
22.	MINNEAPOLIS	MN	735	753	320	307	\$2,115	8.5%
23.	ATLANTA	GA	631	664	593	219	\$2,107	8.4%
24.	CHARLESTON	WV	582	715	432	368	\$2,097	8.4%
25.	ST. LOUIS	MO	720	523	556	277	\$2,076	8.3%
26.	CHICAGO	IL	508	682	643	198	\$2,031	8.1%
27.	WICHITA	KS	495	599	499	433	\$2,026	8.1%
28.	BURLINGTON	VT	421	1270	173	151	\$2,015	8.1%
29.	DENVER	CO	608	785	315	296	\$2,004	8.0%
30.	BOISE	ID	582	756	447	188	\$1,973	7.9%
31.	PORTLAND	ME	290	1025	305	346	\$1,966	7.9%
32.	JACKSON	MS	292	524	657	448	\$1,921	7.7%
33.	ALBUQUERQUE	NM	369	727	636	166	\$1,898	7.6%
34.	MEMPHIS	TN	0	968	737	185	\$1,890	7.6%
35.	LITTLE ROCK	AR	514	590	524	250	\$1,878	7.5%
36.	FARGO	ND	256	1043	352	219	\$1,870	7.5%
37.	SEATTLE	WA	N/A	960	543	340	\$1,843	7.4%
38.	BILLINGS	MT	608	892	N/A	333	\$1,833	7.3%
39.	OKLAHOMA CITY	OK	630	361	567	270	\$1,828	7.3%
40.	BOSTON	MA	829	510	202	278	\$1,819	7.3%
41.	BIRMINGHAM	AL	593	303	632	200	\$1,728	6.9%
42.	WILMINGTON	DE	804	763	N/A	135	\$1,702	6.8%
43.	LOS ANGELES	CA	198	750	469	246	\$1,663	6.7%
44.	HOUSTON	TX	N/A	920	528	191	\$1,639	6.6%
45.	PHOENIX	AZ	292	472	451	359	\$1,574	6.3%
46.	LAS VEGAS	NV	N/A	703	340	339	\$1,382	5.5%
47.	MANCHESTER	NH	0	1082	N/A	253	\$1,335	5.3%
48.	CASPER	WY	N/A	488	420	254	\$1,162	4.6%
49.	NEW ORLEANS	LA	305	0	619	236	\$1,160	4.6%
50.	JACKSONVILLE	FL	N/A	422	491	65	\$978	3.9%
51.	ANCHORAGE	AK	N/A	867	N/A	106	\$973	3.9%
AVERAGE			\$632	\$894	\$452	\$251	\$2,085	8.3%
MEDIAN			\$608	\$779	\$447	\$242	\$2,031	8.1%

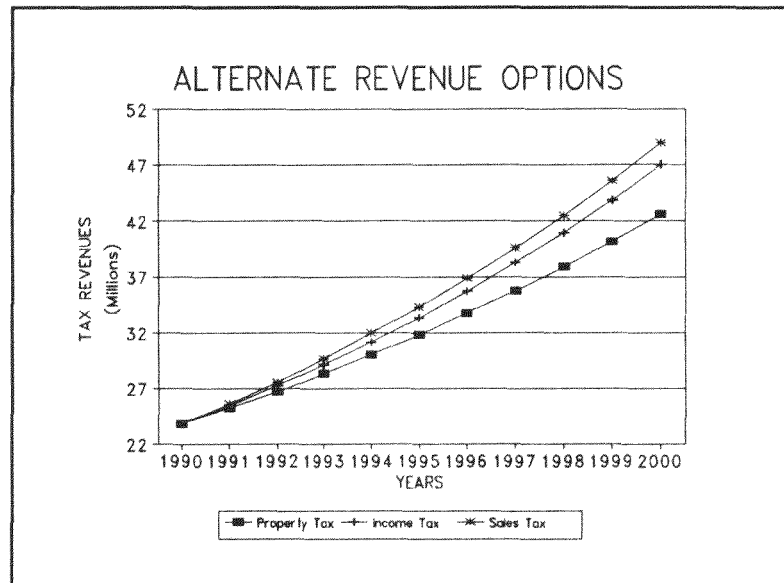
SOURCE: Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, Government of the District of Columbia, Department of Finance and Revenue, Table T, Page 10, 1989.

FUTURE REVENUES FROM TAX BASE OPTIONS

While each of the six revenue options possess differing implications for *who pays* and *what happens* in the economy due to tax shifting, one revenue stream is presented for each tax base option. All are shown in Diagram 7.

Sales taxes provide the greatest potential for revenue returns; income tax forms the second largest revenue option; and, the property tax base is the slowest growing of the three tax base options. While all three would have generated \$24 million in 1990, sales tax revenues would rise to close to \$49 million in the year 2000, with income tax revenues at \$47 million, and property tax revenues at \$42 million.

**DIAGRAM 7
REVENUE FORECASTS**



CONCLUSION

While it has been recognized for a very long time that no one tax form is perfect, that to best cover the principles of benefits and ability-to-pay guidelines, a blend of taxes require implementing. Herein, three tax bases were reviewed along side six revenue options. The tax bases are income, property, and sales. The revenue options comprise an income tax placed on personal income of residents, earnings by place-of-work, payrolls of all county businesses, a new property tax base, a general sales tax, and selective taxes on amusement and entertainment.

The three tax bases each have different performance characteristics. The property tax base is the most stable and dependable but is the slowest to grow. Rather than being 'inelastic', the growth in the County's property tax base is only related to unrealized capital gains. Further, a property tax is extremely difficult to avoid, but increasing dependence on one tax source reduces the diversity of the tax structure. This means that some individuals can escape paying their fair share of the tax burden.

The 'place-of-work' income tax base can be the broadest and exports from 30% to 38% of the tax burden to neighboring areas. The income tax base, while less stable than the property tax, did not decline in nominal terms during the 1981 through 1983 recessionary period. Hence, it is also considered stable. It promotes diversity in the tax base by including many who use the county's services, but have not been required to pay for them. The elasticity of this tax base, when assessed as a flat rate, has an elasticity equal to one. In other words, a 1% change in income will cause a 1 % change in tax revenues.

One of the revenue options pertaining to income is to place a tax on adjusted gross income on the County's residents. In this case, there is no shifting of the tax burden, it rests on the individual. However, some individuals may leave the county to avoid this tax. The administrative costs associated with this type of tax could be significant, even if 'piggy-backed' on the State tax form, perhaps as high as \$1 million annually.

Another revenue option pertaining to income is to place a tax on the payrolls of employers in Multnomah County. The shifting of this tax burden will be spread between employees, stockholders, and consumers of the good or service. However, the increased

cost of operating a business may cause employment and output impacts as the businesses adjust to a new market equilibrium for both market price and factor inputs. In other words, the firm may reduce employment and output to return to market prices. Furthermore, businesses would have the option of deciding to relocate capital to areas with higher returns -- outside of the County. Partially offsetting these impacts will be the fact that business property taxes would decline. Administrative costs for the County would be extremely low for this option, running approximately \$500,000 per year. The collection would be handled by the State Department of Revenue.

The other form of income tax that can be placed into service is a tax on employee wages. The tax shifting, being on an individual, is very small. Some shifting may occur by employee bargaining units that are able to negotiate with the firm. In this case, the firm would shift their share of that burden onto both consumers and stockholders. Nevertheless, this form of tax exports at least 30% of the tax burden to persons employed here, using the county services, but residing in other jurisdictions. No measurable employment or output effects are anticipated. Administration and compliance costs in this case would also be handled by the State Department of Revenue and are analogous to the immediately preceding example; it will cost the County about \$500,000 per year. The firms' compliance costs, in the way of a periodic withholding tax, is assumed to be offset by the prospective reduction in property taxes, or property taxes and the reduced Business Income Tax.

The property tax option is more an evaluation of the marginal change in prospective tax revenues if a new tax base is allowed by the voters. Here, the residential owner would be unable to shift the tax burden; but, the rental property owner would shift the burden to renters; and, the business property owner would attempt to shift the burden to consumers, employees, and stockholders. Such an action would also encourage migration of business to lower taxing jurisdictions.

Both a general sales or selective sales tax are very popular mechanisms for collecting tax revenues in the United States. While the consumer of the good or service typically is considered to bear the burden of the tax, the consumer does not perceive the expense as an undue burden due to the small, yet periodic nature of the expense. However, there are extreme problems for a local jurisdiction to unilaterally implement a

sales tax. The action will introduce inefficiencies in the marketplace and cause jurisdictions to compete for retail and service trade. As well, there will be border problems for businesses. Those who will be required to place a tax on their products will experience increased costs of doing business while competitors do not have the same pressures. This may cause business to choose reallocation of resources; either employment, output, or location of capital equipment. Furthermore, administration and compliance costs for the county could be very high, rising up to \$1.5 million dollars. This would be much higher during implementation of the tax mechanism. The ACIR strongly recommends that a local jurisdiction follow the lead of their respective State in the implementation and collection of sales tax revenues.

In conclusion, the sales tax base would generate the greatest revenues over time, with the greatest risk of fluctuation during economic cycles. The property tax base is the slowest growing, but has extremely high dependability. Yet, the County's composite tax rate is already among the highest in the nation. Lastly, an income tax placed on earnings is a stable, faster growing revenue base that can add diversity and security to the county's future revenue picture.

FURTHER ANALYSIS

As in many studies that review a set of options, the results here raise additional questions, specific questions on individual aspects of the revenue options. For example, in terms of the revenues derived from income by place-or-work, one may wish to evaluate the effects of exempting certain levels of wages. Recall that about 30% of the households in the County take home less than \$15,000 per year. Exempting a portion of wages would increase the elasticity of the revenue stream, increase the export of the revenue requirement, and better serve income equity concerns.

Another example would entail a more exactly quantified study of the administrative and compliance costs. A formal request can be placed before the Oregon Department of Revenue to estimate their costs; and, the County would need to develop a set of implementation guidelines pertinent to a specific option.

Further, while the reduced property tax (or property and prospective reduction in the BIT) would decrease the costs of doing business in the County, estimates of the cost to business of complying with the new tax laws would be necessary. The current cost of doing business should be compared with the prospective alternative costs. As well, additional quantification of the type of tax option would be especially necessary, such as a withholding on employee wages or a tax on employer payrolls. Questions pertaining to when the payments should be sent and what are sorts of anticipated compliance difficulties will all contribute to refining the initial costs.

Another aspect of needed analysis relates to predicting the revenue stream. While the forecasts presented herein are not scientific, being designed to illustrate the advantages and disadvantages of the options, choosing an option entails analyzing anticipated tax revenues. Planning and budgeting efforts will be enhanced with a more scientific evaluation of employment and income and it will help to better weigh and compare the options with the current tax structure. Furthermore, a more detailed analysis of the second revenue goal, the \$40 million level, would be appropriate if an option were selected. This latter task would entail specific quantitative analysis, who would benefit and by how much, with a change in the BIT.

Lastly, depending upon the options selected, it could be very important to consider what would have happened if the County had the option in place for a number of years; i.e., what kinds of revenue stream would the county have experienced over history. Each of these concerns will help the Board to better choose the right course of action.

APPENDIX A

INCIDENCE ANALYSIS

The following presents a more technical discussion of tax incidence. First, statutory incidence must be distinguished from economic incidence. The former designates the party who is responsible for paying the tax; the latter relates to how the tax burden is shifted to others. This discussion will be specific to economic incidence.

Most analysis of economic incidence is designed to estimate the change in the distribution of income brought about by a change in the tax structure. Yet, to better understand the "shifting process", other aspects to incidence analysis must be kept in mind. These relate to the concept of economic burden and there are four types of effects: excess burden, employment impacts, output effects, and the shifting of household income.

Excess burden is analogous to the concept of externalities; it is very difficult to empirically measure because it is not in the marketplace. Excess burden addresses the degree to which a tax interferes with market choice. What is observable is only the choice, but what is of concern is the choice that was forsaken due to altered markets and market prices. An example of excess burden would involve a tax on automobiles. If the consumer were to purchase an auto other than the one they desired because of a higher price due to a tax, this places an excess burden on the individual. The individual would have to accept something less than they might otherwise consume, their purchasing power declined.

Employment impacts associated with a change in tax are those that alter the mix of factor inputs used by the firm. With a change in tax structure, the returns from each type of factor input (land, labor, capital, etc.) may have changed. The business is a profit maximizing enterprise and therefore reallocated the mix of input factors to minimize cost and maximize revenues. For example, a fee placed on employers for each employee, a head count tax, increases the cost of employees, decreases their overall returns and encourages the business to use more profitable inputs, shifting to more capital or land.

Output impacts are similar to the employment effects. However, instead of altering the input mix, the business reduces output (hence reducing cost and price). For example, the firm that experiences a rise in unit cost due to a tax while facing price competitive

markets will lower its use of input factors, incurring less cost per unit, and therefore produce less. The business can not pass the costs forward onto the consumer due to the competitive markets. The above two aspects relate to revenue decisions of the firm.

The shifting of household income encompasses all the effects of how the tax burden, moves through the economy. The way the shift occurs depends on the structure of the markets involved. Nevertheless, some general assumptions were chosen. The basic set of incidence assumptions are presented below.

EXHIBIT A.1 INCIDENCE ASSUMPTIONS

Type of Tax	Tax Shift	Allocated According To:
Individual Income Tax	Stays put on individual	Tax Payments
Business Income Tax	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Sales Taxes	On consumers	Type of Consumption
Property Tax		
Residences	Homeowners	Ownership
Rental Housing	Tenants	Rental Payments
Business	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Payroll Tax		
Employer	1/4 on to employees	Covered Earnings
	1/4 forward to Consumers	Consumption
	1/2 backwards to stockholders	Capital Income
Employee	Employees	Covered Earnings

INCIDENCE MEASUREMENT

The quantifiable effects of incidence are estimated in two separate fashions, partial equilibrium analysis or general equilibrium analysis. The former attempts to measure changes to one aspect of the economy, *ceteris paribus* -- all other things held constant; and, then allocate changes in income to the directly effected parties. This type of analysis

assumes constant and unchanged government expenditures. It is also known as differential analysis.

One the other hand, general equilibrium analysis attempts to analyze the total economic change. In this regard, the analysis attempts to capture all incidence effects, from the shifts in income to the changes in resource decisions of the firms; and, it can include changes in either government revenues or expenditures. It can also be used to assess tax reform with no changes in revenues or expenditures. This is called budget incidence; and, it is especially useful for the analysis of changes in revenue when the change effects large portion of the prospective revenue stream.

Unfortunately, measurement of differential analysis is occasionally successful and the measurement of budget incidence is rarely successful. While there are many empirical problems with the estimation techniques, the degree that the income shifting process occurs is related to the elasticities of supply and demand in each respective market; or, it is related to the structure of the market and the types of transactions in each market. Further, the type of incidence will depend on how the tax is implemented, how the tax is imposed, how large an area the tax covers, and the time period that is used in the adjustment process. Regardless of the precise measurement complications, though, incidence follows the above logical guidelines.

THE SHIFTING PROCESS

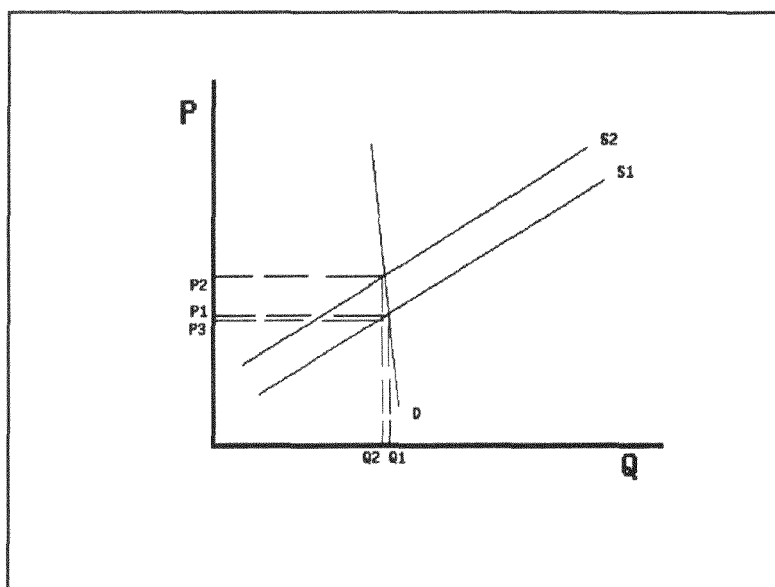
Two examples will now be presented, in graphical form, to assist in exploring how the shifting process of differential incidence works. The first is an imposition of a cigarette tax and the second an employer tax on payrolls. The first helps explain how a tax burden is shifted forward to consumers, the latter shifted to many markets (to labor, forward to consumers, and backwards to the business owner).

In Diagram A.1, the demand for cigarettes is represented by the line D. It is the amount of cigarettes people will purchase at various prices. The slope of the line represents its 'elasticity'. The lines designated as S1 and S2 represent the supply of cigarettes. These lines are also known as the producer's cost functions; S2 represents a higher cost of supply than S1. If there is a tax assessed on cigarettes, there is an increase

in the cost of doing business. Therefore the cost function, that is the supply curve, will move upwards and to the left. In the Diagram, S1 represents supply before the tax and S2 after the tax.

However, because the demand for cigarettes is price *inelastic* (the demand curve runs nearly up and down), consumption declines very little with an increase in price, only from Q1 to Q2. The area of the rectangle, P1 to P2 represents the new costs that consumers bear. However, there is a slight decline in the amount of cigarettes sold. The underlying market price the vendor receives has declined to P3, where Q2 intersects the original supply function. The vendor's revenues decline. Nevertheless, it is the consumer that bears nearly all of the burden of a tax on goods with little price elasticity. This is also true for other 'sin' taxes.

DIAGRAM A.1
EFFECT OF CIGARETTE TAX

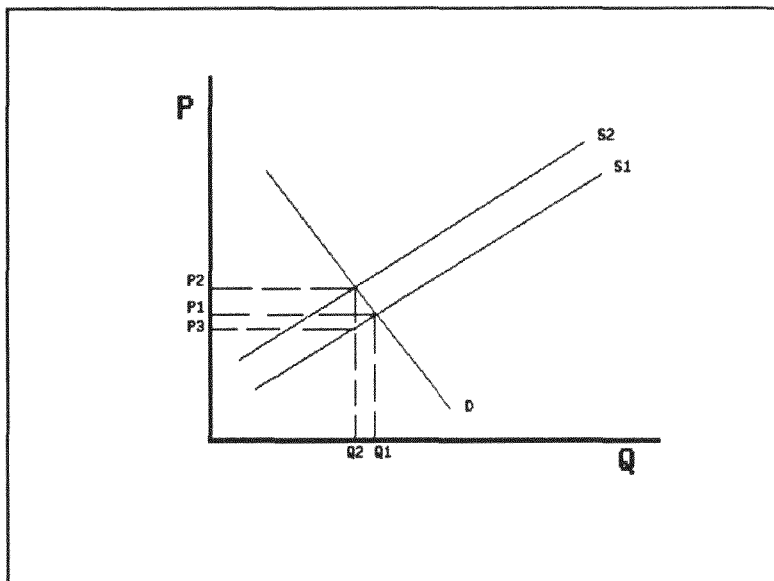


On the other hand, Diagram A.2 displays how an employer tax on payrolls will influence the markets. The line D represents the quantity of labor demanded at various prices. The lines S1 and S2 represent alternate supply curves for labor, or alternate cost functions. With the imposition of the tax, the cost of labor will have increased from S1 to S2, raising its cost function accordingly. However the labor markets are more elastic than the previous example. The demand curve for labor, D, is not straight up-and-down. This means that business will make choices to reallocate resources and attempt to push the new costs onto labor, forward to consumers, or backwards to shareholders.

With a shift in S, from S1 to S2, the price of labor increases. Yet, the quantity of labor demanded drops from Q1 to Q2. This means that there has been a reduction in labor use. While the rate paid to employees was originally P1, the new cost to the firm is P2; but the underlying value of the labor to the firm is only P3, the price that

DIAGRAM A.2
EFFECT OF EMPLOYER TAX

corresponds with the P_3Q_2 supply level. Therefore, the P_1P_3 cost will be passed forward to consumers. The employer will at first absorb the entire costs of P_1P_2 , but will later attempt to shift a portion of that burden to employees in the form of lower wages and to shareholders in the form of lower returns to equity.



While the above two examples illustrate how the shifting process works, it is incomplete. The diagrams portray just one shift. Yet, other shifts will occur in response to the initial stimulus. By adopting a set of incidence assumptions, developing detailed income characteristics for each income category, and identifying the revenue option and its structure, estimates of the final shift can be made. However, these specific structures are beyond the scope of the present report.

APPENDIX B

DATA AND FORECAST METHODOLOGY

The following discussion presents the data, methodology, and assumptions used in the development of the tax base and revenue forecasts for each of the Options. The forecasts are not scientifically derived; statistical procedures or other sets of systematic forecasting methods have not been applied. The data is designed to *illustrate* the advantages and disadvantages of each revenue option. Hence, the methodology builds upon an incomplete set of data, makes sets of assumptions, and results in a number of forecasts. The revenue streams and their comparison are herein presented. First, all data is presented in nominal terms; in other words, inflation is included. The inflation rate is assumed to be 4.5% per year over the 1987 through 2000 forecast period.

INCOME TAX BASE FORECAST

There are five components that comprise the income forecast. Income by place-of-work, contributions to social security, residence adjustment, dividends, interest, and rent payments, and net income by place-of-residence. Each will be described here.

Income by place-of-work is derived from employment and earnings per employee. The employment forecast has been trended from the Metropolitan Service District June 1989 Regional Forecast, which is through the year 2010. This means that Multnomah County employment changes at the same rate as that of the Multnomah County portion of the Metro Regional forecast. Employment grows at .9339% per year from 1987 through 1995, and 1.0137% per year from 1995 through the year 2000. Earnings per employee is a product of inflation and increases in productivity in the area's workforce. Here, inflation has been assumed to increase at 4.5% per year and increasing productivity changes comprise an additional 1.5% per year in productivity increases. Therefore, nominal income per worker increases at 6% per year. The product of these two components is income by place-of-work.

Contributions to social insurance have been held at a constant percent of the total income-by-place of work, 6.868% for all years. Even though minor increases in the contributions to social security are rising over the period, the flat percent was chosen to

simplify the forecast illustration. Dividends, interest, and rental payments are similarly treated, maintained at 19.0029% of total income by place-of-work. Fluctuations in the economy are not predicted here, just a steady stream of income. Note that dividends, interest, and rental payments are by place-of-residence. This implies that the returns that the residents of the county receive are increasing at a faster rate than those outside of the county. This anomaly was allowed as it also contributes to simplification of the forecast system.

The residence adjustment is computed as a share of income by place-of-work. From 1978 through 1987, the residence adjustment expanded from 24.715% of income by place-of-work, to 30.1752% of the income. The percent that the residence adjustment comprises of income by place-of-work is incremented by the annual average change, .6011% over the forecast period. This results in the residence adjustment increasing from 30% in 1987 to almost 38% by the year 2000.

Net income by place of residence is the sum of the income by place-of-work minus contributions to social insurance minus the residence adjustment (an outflow of income from the county) plus the dividends, interest, and rental payments. The complete forecast is presented in Table B.1.

TABLE B.1
MULTNOMAH COUNTY INCOME TAX BASE FORECAST
(Thousand of Nominal Dollars)

Year	Income by Workplace	(-) Soc Sec Payment	(-) Residence Adjustment	(+) Div, Int and Rent	(=) Income by Residence*
1987	8,995,414	(617,806)	(2,709,886)	1,709,388	7,377,110
1988	9,623,987	(660,976)	(2,957,095)	1,828,835	7,834,750
1989	10,296,697	(707,178)	(3,225,687)	1,956,669	8,320,500
1990	11,016,429	(756,610)	(3,517,381)	2,093,439	8,835,878
1991	11,786,470	(809,496)	(3,834,092)	2,239,769	9,382,652
1992	12,610,337	(866,079)	(4,177,893)	2,396,328	9,962,692
1993	13,491,791	(926,618)	(4,551,024)	2,563,829	10,577,979
1994	14,434,858	(991,388)	(4,955,905)	2,743,039	11,230,604
1995	15,443,845	(1,060,685)	(5,395,153)	2,934,776	11,922,783
1996	16,536,424	(1,135,723)	(5,876,235)	3,142,397	12,666,863
1997	17,706,297	(1,216,070)	(6,398,383)	3,364,707	13,456,550
1998	18,958,932	(1,302,102)	(6,965,000)	3,602,744	14,294,575
1999	20,300,186	(1,394,219)	(7,579,765)	3,857,621	15,183,823
2000	21,736,327	(1,492,853)	(8,246,654)	4,130,529	16,127,349

* Excludes non-taxable transfer payments

Note that transfer payments, while a component of income, is not presented here. This is due to the fact that most

transfer payments are non-taxable forms of income. The definition of transfer payments is presented as a list of transfer types in Exhibit B.1, below.

EXHIBIT B.1 TRANSFER PAYMENTS

Total Transfer Payments

Government Payments to Individuals

Ret. and Disab. Insurance Benefit Payments

Old-Age, Survivor, and Disability Insurance Payments

Railroad Retirement and Disability Payments

Federal Civil. Employee Retirement Payments

Military Retirement Payments

State and Local Government Employee Retirement Payments

Worker's Compensation Payments (Federal and State)

Other Government Disability Insurance and Ret. Payments

Medical Payments

Income Maintenance Benefit Payments

Social Security Income Payments

Aid to Families with Dep. Child

Food Stamps

Other Income Maintenance

Unemployment Insurance Benefit Payments

State Unemployment Insurance Compensation

Unemployment Compensation for Federal Civ. Employees

Unemployment Compensation for Railroad Employees

Unemployment Compensation for Veterans

Other Unemployment Compensation

Veterans Benefit Payments

Vets Pensions and Company Payments

Education Assistance to Vets, Dependents and Survivors

Veterans Life Insurance Benefit Payments

Other Assistance to Veterans

Federal Education and Training Assistance Payments

Other Payments to Individuals

Payments to Nonprofit Institutions

Federal Government Payments

State and Local Government Payments

Business Payments

Business Payments to Individuals

SALES TAX BASE FORECAST

The sales tax base forecast is computed in a fashion similar to that of the income forecast; however, it is employment and sales per employee that determine total sales. First, the 1987 BEA employment figures for the retail and service sectors are based upon

Western Economic Services

the percent changes in Multnomah County's portion of both retail and non-retail employment presented in the METRO Regional forecast. The 1987 Census of Retail and Service Industries annual sales figures (less those items and services which would not be subject to sales tax) divided by the employment levels provides a proxy value of the sales per employee. The sales per employee and employment forecasts result in an estimate of future sales.

The employment figures trended from the METRO forecast change at the rates of:

Retail Employment	1988-94	1.69%
	1995-20	1.23%
Non-retail Employment	1988-94	.79%
	1995-20	.97%

However, the Retail and Service sector sales per employee figures are trended at the US historic average of 6.0774% per year, 1972 through 1982. This value comprises both the changes in employee productivity and the changes in inflation. This means that the 4.5% inflation assumption is augmented by a 1.5774% annual change in productivity of the labor force.

The 1978-1987 Multnomah County employment data is presented in Table B.2. Total earnings by employment group is presented in Table B.3. The companion report, earnings per employee, from 1978-1987, is presented in Table B.4. The data pertaining to the regional employment forecast is presented in Table B.5. The sales tax base forecast for the period 1987 thorough 2000 is presented in Table B.6.

TABLE B.2
MULTNOMAH COUNTY EMPLOYMENT BY INDUSTRY
1978-87

YEAR	1978	1979	1980	1981	1982
FARM EMPLOYMENT	2,261	1,945	1,988	1,804	1,705
Agricultural Services, Forestry, Fisheries, and Other	1,601	1,576	1,684	1,682	1,687
Mining	523	396	510	677	680
Construction	17,168	18,071	16,839	14,937	12,544
Manufacturing	56,215	56,891	54,516	50,950	45,269
Transportation and Public Utilities	28,708	30,658	31,137	30,990	29,709
Wholesale Trade	34,515	35,747	35,467	34,377	30,927
Retail Trade	62,695	64,948	64,045	63,179	60,573
Finance, Insurance, and Real Estate	36,167	38,699	40,084	39,791	39,131
Services	92,240	96,310	98,660	97,790	97,801
TOTAL PRIVATE INDUSTRY EMPLOYMENT	329,832	343,296	342,942	334,373	318,321
Federal, Civilian	12,192	12,275	12,293	12,303	12,183
Federal, Military	3,921	3,402	3,461	2,220	2,481
State and Local	40,281	40,360	41,886	38,123	37,091
TOTAL GOVERNMENT AND GOVERNMENT ENTERPRISES	56,394	56,037	57,640	52,646	51,755
TOTAL EMPLOYMENT BY PLACE OF WORK	388,487	401,278	402,570	388,823	371,781

YEAR	1983	1984	1985	1986	1987
FARM EMPLOYMENT	1,746	1,715	1,659	1,655	1,677
Agricultural Services, Forestry, Fisheries, and Other	1,826	1,893	1,886	2,120	2,197
Mining	690	572	551	522	556
Construction	11,897	13,262	13,858	14,411	14,672
Manufacturing	40,926	44,731	45,344	44,920	47,636
Transportation and Public Utilities	29,052	29,920	29,735	29,110	29,988
Wholesale Trade	30,601	30,808	31,165	31,433	31,345
Retail Trade	61,548	64,262	64,251	65,198	66,000
Finance, Insurance, and Real Estate	38,713	39,267	39,788	41,324	42,578
Services	101,342	108,157	112,555	118,090	124,307
TOTAL PRIVATE INDUSTRY EMPLOYMENT	316,595	332,872	339,133	347,128	359,279
Federal, Civilian	12,206	12,498	12,731	12,802	13,090
Federal, Military	2,624	2,450	2,791	3,192	3,159
State and Local	36,682	37,099	38,363	39,687	41,236
TOTAL GOVERNMENT AND GOVERNMENT ENTERPRISES	51,512	52,047	53,885	55,681	57,485
TOTAL EMPLOYMENT BY PLACE OF WORK	369,853	386,634	394,677	404,464	418,441

SOURCE: Bureau of Economic Analysis, Table CA25, 1978-87

Western Economic Services

TABLE B.3

MULTNOMAH COUNTY EARNINGS BY PLACE OF WORK
1978-87
(Thousands of Nominal Dollars)

YEAR	1978	1979	1980	1981	1982
TOTAL FARM EARNINGS	16,913	18,973	25,128	27,231	9,716
Agricultural Services, Forestry, Fisheries, and Other	(D)	10,411	11,897	12,269	15,862
Mining	(D)	6,127	9,290	12,914	29,681
Construction	332,556	387,395	393,099	353,809	324,808
Manufacturing	1,016,033	1,137,375	1,216,287	1,248,935	1,172,758
Transportation and Public Utilities	593,294	680,239	759,481	825,398	823,080
Wholesale Trade	620,882	694,814	745,018	766,422	730,025
Retail Trade	554,250	611,168	638,201	654,452	684,415
Finance, Insurance, and Real Estate Services	469,148	522,379	553,131	577,523	575,957
	968,146	1,092,268	1,230,140	1,308,632	1,494,653
TOTAL PRIVATE EARNINGS	4,572,715	5,142,176	5,556,544	5,760,354	5,851,239
Federal, Civilian	231,209	247,832	266,984	293,716	308,353
Federal, Military	19,796	19,852	21,067	14,811	18,386
State and Local	495,128	537,237	579,951	635,500	679,366
TOTAL GOVERNMENT EARNINGS	746,133	804,921	868,002	944,027	1,006,105
TOTAL EARNINGS BY PLACE OF WORK	5,335,761	5,966,070	6,449,674	6,731,612	6,867,060

YEAR	1983	1984	1985	1986	1987
TOTAL FARM EARNINGS	8,615	14,024	14,003	17,776	22,152
Agricultural Services, Forestry, Fisheries, and Other	18,333	16,634	16,318	17,221	18,444
Mining	24,635	25,000	30,161	14,634	17,602
Construction	290,332	324,222	343,669	361,037	367,275
Manufacturing	1,073,121	1,208,723	1,233,115	1,299,313	1,398,353
Transportation and Public Utilities	841,989	900,812	911,734	910,157	978,539
Wholesale Trade	744,777	786,723	824,280	847,932	877,643
Retail Trade	726,553	767,425	766,905	810,946	834,947
Finance, Insurance, and Real Estate Services	617,351	637,930	683,993	750,454	814,503
	1,596,512	1,782,969	1,951,142	2,134,199	2,344,479
TOTAL PRIVATE EARNINGS	5,933,603	6,450,438	6,761,317	7,145,893	7,651,785
Federal, Civilian	329,349	356,433	371,382	375,813	403,181
Federal, Military	19,242	17,213	22,694	28,713	30,695
State and Local	698,959	732,602	879,761	832,449	887,601
TOTAL GOVERNMENT EARNINGS	1,047,550	1,106,248	1,273,837	1,236,975	1,321,477
TOTAL EARNINGS BY PLACE OF WORK	6,989,768	7,570,710	8,049,157	8,400,644	8,995,414

SOURCE: Bureau of Economic Analysis, Local Area Personal Income, Table 5

TABLE B.4
MULTNOMAH COUNTY
EARNINGS PER WORKER BY PLACE OF WORK
1978-87

(Nominal Dollars)

YEAR	1978	1979	1980	1981	1982
TOTAL FARM EARNINGS PER WORKER	7,480	9,755	12,640	15,095	5,699
Agricultural Services, Forestry, Fisheries, and Other	(D)	6,606	7,065	7,294	9,402
Mining	(D)	15,472	18,216	19,075	43,649
Construction	19,371	21,437	23,345	23,687	25,893
Manufacturing	18,074	19,992	22,311	24,513	25,906
Transportation and Public Utilities	20,667	22,188	24,392	26,634	27,705
Wholesale Trade	17,989	19,437	21,006	22,295	23,605
Retail Trade	8,840	9,410	9,965	10,359	11,299
Finance, Insurance, and Real Estate	12,972	13,499	13,799	14,514	14,719
Services	10,496	11,341	12,468	13,382	15,283
TOTAL PRIVATE EARNINGS PER WORKER	13,864	14,979	16,203	17,227	18,382
Federal, Civilian	18,964	20,190	21,718	23,874	25,310
Federal, Military	5,049	5,835	6,087	6,672	7,411
State and Local	12,292	13,311	13,846	16,670	18,316
TOTAL GOVERNMENT EARNINGS PER WORKER	13,231	14,364	15,059	17,932	19,440
TOTAL EARNINGS PER WORKER BY PLACE OF WORK	13,735	14,868	16,021	17,313	18,471

YEAR	1983	1984	1985	1986	1987
TOTAL FARM EARNINGS PER WORKER	4,934	8,177	8,441	10,741	13,209
Agricultural Services, Forestry, Fisheries, and Other	10,040	8,787	8,652	8,123	8,395
Mining	35,703	43,706	54,739	28,034	31,658
Construction	24,404	24,447	24,799	25,053	25,032
Manufacturing	26,221	27,022	27,195	28,925	29,355
Transportation and Public Utilities	28,982	30,107	30,662	31,266	32,631
Wholesale Trade	24,338	25,536	26,449	26,976	27,999
Retail Trade	11,805	11,942	11,936	12,438	12,651
Finance, Insurance, and Real Estate	15,947	16,246	17,191	18,160	19,130
Services	15,754	16,485	17,335	18,073	18,860
TOTAL PRIVATE EARNINGS PER WORKER	18,742	19,378	19,937	20,586	21,298
Federal, Civilian	26,983	28,519	29,171	29,356	30,801
Federal, Military	7,333	7,026	8,131	8,995	9,717
State and Local	19,055	19,747	22,933	20,975	21,525
TOTAL GOVERNMENT EARNINGS PER WORKER	20,336	21,255	23,640	22,215	22,988
TOTAL EARNINGS BY PLACE OF WORK PER WORKER	18,899	19,581	20,394	20,770	21,497

**TABLE B.5
MULTNOMAH COUNTY
RETAIL AND SERVICE EMPLOYMENT**

Year	<—EMPLOYMENT—>	
	Retail	Service
1987	66,000	124,307
1988	67,114	125,292
1989	68,247	126,285
1990	69,399	127,285
1991	70,570	128,294
1992	71,761	129,310
1993	72,972	130,335
1994	74,204	131,367
1995	75,115	132,643
1996	76,038	133,931
1997	76,971	135,232
1998	77,916	136,545
1999	78,873	137,871
2000	79,842	139,210

**TABLE B.6
MULTNOMAH COUNTY
GENERAL SALES TAX BASE**

Year	(Nominal Dollars)		
	Retail	Service	Total
1987	2,605,037	673,262	3,278,299
1988	2,809,997	719,837	3,529,834
1989	3,031,083	769,635	3,800,717
1990	3,269,563	822,877	4,092,440
1991	3,526,806	879,803	4,406,609
1992	3,804,289	940,666	4,744,956
1993	4,103,604	1,005,741	5,109,345
1994	4,426,469	1,075,316	5,501,785
1995	4,753,139	1,151,744	5,904,884
1996	5,103,918	1,233,604	6,337,522
1997	5,480,584	1,321,283	6,801,867
1998	5,885,047	1,415,193	7,300,240
1999	6,319,360	1,515,777	7,835,137
2000	6,785,725	1,623,511	8,409,236

SELECTIVE SALES TAX BASE

The selective sales tax base is comprised of those sales made from the car rental tax, the entertainment tax (a tax on eating establishment sales), and the amusement tax. The latter is a tax on forms of entertainment such as video rentals, movie theaters, or sporting events. Here, the employment and sales forecast assumptions are similar to the general sales tax base forecast. The employment forecast is multiplied by a proxy value that estimates sales per employee. The proxy value also increases at the national average of 6.0774% per year. The future tax base estimate is presented in Table B.7.

**TABLE B.7
MULTNOMAH COUNTY
SELECTIVE SALES TAX BASE
(Nominal Dollars)**

Year	Taxable Sales
1987	686,520,000
1988	740,534,210
1989	798,798,165
1990	861,646,227
1991	929,439,066
1992	1,002,565,729
1993	1,081,445,872
1994	1,166,532,168
1995	1,252,621,480
1996	1,345,064,126
1997	1,444,328,979
1998	1,550,919,513
1999	1,665,376,359
2000	1,788,280,046

REVENUE OPTIONS COMPARED

In order to accurately compare the future revenues derived from the three basic tax base options available to the county, a number of assumptions were implemented. The tax base options have been presented according to the year of the most available data, hence, the base year has varied. However, a 'level playing field' was created upon which the options could be more easily compared. The first forecast year is 1990 and the prediction continues through the year 2000. To simplify the comparison of the options, each was scaled to collect only the revenues required to replace the Jail and Library levies in the year 1990-91. This value is \$23,800,000. Next, for the property tax option, it was easy, no changes were assumed. However, for both the income and the sales options, a tax rate and administrative and compliance cost rates were developed.

The administrative cost assumptions are: the new property tax base would require no added administration or compliance costs, the income tax rate was estimate at 2.0664% of total income tax revenues, and the sales tax costs would comprise 4.0312% of the revenue stream. The income tax cost rate is an approximation of the Oregon Department of Revenue estimate of \$500,000 per year for collection of an employment tax. The sales tax rate represents a best guess of the cost of local administration of a sales tax. It is a very conservative estimate, as costs will tend to be higher.

The revenue tax rate assumptions are .2206% on income by place-of-work, and just over ½ of 1%, .606%, for the general sales tax. In this fashion, each of the options begins by collecting the same number of net revenues in 1990-91, or \$23,800,000. The set of assumptions outlined is applied to the base values and each revenue stream grows over time. But, each grow at different rates due to their respective structural characteristics. Lastly, the results are displayed in Table B.8.

TABLE B.8
MULTNOMAH COUNTY
REVENUE OPTIONS
(Nominal Dollars)

Year	Property Tax	Income Tax	Sales Tax
1990	23,800,000	23,800,061	23,800,049
1991	25,228,000	25,463,670	25,627,135
1992	26,741,680	27,243,563	27,594,829
1993	28,346,181	29,147,871	29,713,975
1994	30,046,952	31,185,288	31,996,256
1995	31,849,769	33,365,119	34,340,521
1996	33,760,755	35,725,541	36,856,580
1997	35,786,400	38,252,952	39,557,026
1998	37,933,584	40,959,166	42,455,373
1999	40,209,599	43,856,831	45,566,129
2000	42,622,175	46,959,492	48,904,863

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Meeting Date: June 26, 1990

Agenda No.: Inf #2

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: Emergency Medical Services, User Fee

BCC Informal 6/26/90

(date)

BCC Formal ~~6/28/90~~

(date)

DEPARTMENT DHS

DIVISION EMS

CONTACT Joe Acker

TELEPHONE 3674

PERSON(S) MAKING PRESENTATION Joe Acker, Gary Oxman

ACTION REQUESTED:

☐ INFORMATIONAL ONLY

☒ POLICY DIRECTION

☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 20 minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

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

Report and follow up discussion on the concept of funding Multnomah County's Emergency Medical Services regulation through user fees.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL

Or

DEPARTMENT MANAGER

(All accompanying documents must have required signatures)

1990 JUN 29 11 3:05
MULTNOMAH COUNTY
OREGON

EXHIBIT A

Meeting Date: _____

JUN 26 1990

Agenda No.: _____

Inf # 3

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

Briefing by Metropolitan Community Board of Directors (MCA)

SUBJECT: on Organization of the Community Action System For FY90-91

BCC Informal June 26, 1990
(date)

BCC Formal _____
(date)

DEPARTMENT HUMAN SERVICES

DIVISION AGING SERVICES

CONTACT BILL THOMAS

TELEPHONE 248-5464

PERSON(S) MAKING PRESENTATION Duane Zussy / Carole Murdock, MCA Chair

ACTION REQUESTED:

☒ INFORMATIONAL ONLY

☐ POLICY DIRECTION

☐ APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 20 minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

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

The MCA Board of Directors has made the following recommendations to the County:

1) that MCA no longer be involved in planning and advocacy for the Community Action system after June 30, 1990; 2) that the Aging Services Division (ASD) assume direct responsibility for ensuring citizen involvement, advocacy and planning in the Community Action system in FY90-91; 3) that a Community Action Commission be established; and 4) that staff be added to the ASD Community Action Program Office, to adequately support the work of the Community Action Commission. (See attached "Proposal for Organization of Community Action System in FY90-91). A Resolution and Budget Amendment are scheduled for consideration on June 28 to implement these recommendations.

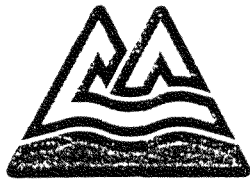
SIGNATURES:

ELECTED OFFICIAL _____

Or

DEPARTMENT MANAGER _____

(All accompanying documents must have required signatures)



MULTNOMAH COUNTY OREGON

DEPARTMENT OF HUMAN SERVICES
AGING SERVICES DIVISION — (503) 248-3646
COMMUNITY ACTION PROGRAM OFFICE — (503) 248-5464
421 S.W. 5TH, 2ND FLOOR
PORTLAND, OREGON 97204
FAX # (503) 248-3332

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY • CHAIR OF THE BOARD
PAULINE ANDERSON • DISTRICT 1 COMMISSIONER
GRETCHEN KAFOURY • DISTRICT 2 COMMISSIONER
RICK BAUMAN • DISTRICT 3 COMMISSIONER
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

TO: Gladys McCoy, Chair
Board of County Commissioners

VIA: Duane Zussy, Director *Duane Zussy*
Department of Human Services

FROM: Jim McConnell, Director *Jim McConnell*
Aging Services Division

DATE: June 12, 1990

SUBJECT: Briefing Paper on Proposed Organization of
Community Action System for FY 90-91

On May 30, 1990, the Board of Directors of Metropolitan Community Action (MCA), unanimously adopted the following recommendations to the Aging Services Division and the Board of County Commissioners:

1. MCA no longer be involved in Community (Action) Services planning and advocacy beyond 6/30/90, and that these functions be assumed by Multnomah County
2. The transition to a new administrative model would be conducted jointly between the County and MCA. Issues to be addressed include, but will not be limited to:
 - A. Community (Action) Services Organizational Model
 - B. Appointing authority and representation on the new community action board or commission
 - C. Respective roles of FAC (Funders Advisory Committee), BCC (Board of County Commissioners), CSCA (Community Services Contractors Association), CSAC (Community Services Advisory Committee, DHS (Department of Human Services), and the new community action board or commission
 - D. Clarification of advocacy roles
3. The MCA Board serve as the Multnomah County Community Action Board through the transition period.

This recommendation was developed by the MCA Executive Committee on May 15. Between May 15 and May 30, in order to review and refine the initial recommendation, the MCA Executive Committee met a number of times, the MCA Board had a special meeting, and both the CSCA Executive Committee and the full CSCA membership met to comment on the Executive Committee's recommendation.

Page 2
Proposed Reorganization

During the May 30 Board meeting, I proposed that the MCA Board organize a transition committee, involving interested board members, CSCA members, and County representatives, to address the issues identified in the recommendations. That transition committee met on June 6 and 8 to review and revise a draft proposal for the post-MCA organization of the community action system, which had been developed jointly between the MCA Executive Committee and ASD.

The result of the transition committee's effort will be considered by the MCA Board on June 13. At the Executive Committee's request, the revised draft "Proposed Organization of the Community Action System for FY 90-91", as distributed to the MCA Board, is attached for your information.

On the basis of this proposed reorganization, ASD has prepared an amendment to the FY 90-91 Approved Budget for your consideration on June 28. On June 26, the MCA Executive Committee has requested an opportunity to brief the BCC concerning this proposed reorganization. In addition, a resolution is being prepared for your consideration on June 28 which would establish the new Community Action Commission. This resolution will be forwarded for review by you and your staff as soon as a draft is available.

cc: Commissioner Pauline Anderson
Commissioner Rick Bauman
Commissioner Gretchen Kafoury
Commissioner Sharron Kelley

6/08/90

PROPOSED ORGANIZATION OF COMMUNITY ACTION SYSTEM FOR FY 90-91
IN MULTNOMAH COUNTY

Responsibility

Multnomah County will assume direct responsibility for ensuring citizen involvement, advocacy, and planning in the community action system for FY 90-91, through establishing a Community Action Commission and through staffing by the Aging Services Division's Community Action Program Office (CAPO).

Citizen Involvement

Citizen involvement will be provided for through establishing a Community Action Commission: 1) to be the focal point for the community action system, and 2) to advise the Community Action Program Office and the Board of County Commissioners.

A. Functions of the Community Action Commission

As pertains to the needs of low income citizens in Multnomah County:

- Provide citizen leadership to the community action system in partnership with funders, providers, and constituents.
- Voice the needs of low income citizens
- Educate the community on issues of poverty, hunger and homelessness
- Maintain and provide information on low income issues
- Advocate for resources, policies and system changes
- Mobilize public support for advocacy efforts
- Help assess and prioritize community needs
- Help formulate policies
- Help monitor and evaluate system effectiveness
- Insure the effectiveness of community involvement in the planning process for the community action system
- Advise the Community Action Program Office and the Board of County Commissioners on the structure and operations of the County's Community Action Program, and on issues and policies effecting the needs of low income individuals and families.
- Act as the community action board for Multnomah County, as required by federal and state statutes, in performing the functions specified in ORS 184.802.

B. Structure of Community Action Commission

- Sanctioned by Board of County Commissioners
- Appointed by the Multnomah County Chair and ratified by the Board of County Commissioners
- Membership of 24: one-third elected public officials or their designees (recommended County officials: Chair of Board, Liaison Commissioner for Community Action, and Commissioner for District 4; recommended City of Portland officials: Mayor and one City Commissioner; recommended City of Gresham official: Mayor; recommended State officials: State Senator, State Representative);

Proposed Organization of Community Action System

at least one-third be low-income citizens of Multnomah County (at the time of appointment); the balance representing business, industry, labor, religious welfare, education, neighborhood associations or other major groups and interests in the community; membership should reflect community diversity (age, disabilities, economic, ethnic, geographic, racial, sexual); alternates may be designated for low income and private sector Commission members (alternates should be encouraged to serve on subcommittees)

- Establish subcommittee structure, as determined by the Community Action Commission, to involve other members of the community and to develop a volunteer base; subcommittees should be established on major issue areas and on the Community Action Program
- Establish liaisons from the Community Action Commission: designate liaisons to each geographic multi-service center area, and to each special needs population (disabled; domestic and sexual violence; and ethnic minorities: hispanics, native americans, refugees; and homeless youth) in the community action system; designate liaison to the Funders Advisory Committee (ex-officio); and designate liaisons, as possible, to constitute, neighborhood and advocacy groups. The designation process, as well as roles and responsibilities of liaisons should be clarified in the by-laws of the Commission.

C. Support for the Community Action Commission

- In order to maintain the integrity of the community action system, the County's Community Action Program should be maintained as a cohesive organizational unit which is adequately staffed to ensure continued citizen involvement, advocacy, planning, and service delivery.
- Primary staffing support by the Director of the Aging Services Division and the Manager of the Community Action Program Office (in order to maximize the availability of the CAPO Manager to support the development and effective functioning of the Community Action Commission, as well as the functioning of the Funders Advisory Committee, CAPO would add one FTE Program Services Specialist position to assume day to day responsibility for managing CAPO's administrative and contract operations in community services and weatherization services); additional support for the development and functioning of the Commission's subcommittees and liaison roles would be provided by CAPO planning, advocacy, and clerical staff (2.5 new FTE) under the supervision of the CAPO Manager.
- Resources would be set aside for training Community Action Commission members to carry out identified functions.
- Resources would be set aside to assist with childcare and transportation and related expenses for low income Community Action Commission members to ensure their active participation.

Proposed Organization of Community Action System

Advocacy and Planning

The Community Action Commission and its subcommittees would be the central focus for citizens advocacy. Advocacy activities could involve a broad range of strategies (e.g. system resource development, public education, coalition-building, community organizing), but the advocacy agenda established by the Community Action Commission should reflect "ownership" and participation on the part of the various elements of the community action system. The role of CAPO staff would be to focus and support the advocacy work of the Commission and its subcommittees. During the one to three month transition period, a committee representing the MCA Board, service providers, and ASD staff should clarify the basic concepts of advocacy and how the various actors and staff will be involved in carrying out this function. This should occur prior to the development of a work program for advocacy.

The Community Action Program Office will take the lead role in development and planning for the County's community action system, to support the work of both the Community Action Commission and the Funders Advisory Committee. However, this will need to involve a collaborative effort with the key funders of this system, as well as with service providers. The City of Portland, the Housing Authority of Portland, and United Way will be asked to designate planning staff to support this collaborative effort.

Two FTE Program Development Specialists would be added to CAPO to support the functions of advocacy and planning within the community action system. One FTE should not be hired until the completion of the transition period, and during this period funds should be provided to MCA to ensure continuity of support for current advocacy activities. Planning activities would include the provision of technical assistance to service providers in resource and program development.

Cost

County resources of \$95,000 and City resources of \$50,000 are available to support this restructuring of the community action system for FY 90-91. United Way has deferred action on a request to continue its \$36,000 commitment to these functions, but has indicated an interest in reviewing alternatives to funding MCA, including the strengthening of planning capacity at United Way in support of collaborative efforts.

In addition to the costs identified above for 3.0 FTE professional staff and other support costs for the Community Action Commission, CAPO has identified the need for 0.5 FTE clerical staff. Further, Metropolitan Community Action has requested funding to support closeout of fiscal responsibilities for FY 89-90, including performance of the audit for FY 89-90.

While the cost of direct County responsibility to ensure citizen involvement, advocacy and planning will be less than the MCA's projected budget of \$181,000 for these functions, the costs identified above would not be less than the available resources of \$145,000. All proposed expenditures will be subject to approval by the Board of County Commissioners.

Proposed Organization of Community Action System

Timeline

Decision Phase May - June

- May 15 MCA Executive Committee recommends to MCA Board that County assume direct responsibility for citizen involvement, advocacy and planning for FY 90-91
- May 17 County ASD and MCA Executive Committee develop model for organization of community action system in FY 90-91
- May 22 MCA Executive Committee reviews draft MCA-ASD Proposal for Organization of Community Action System
- May 23 MCA Board considers recommendation of MCA Executive Committee and MCA-ASD Proposal
- May 30 Community Services Contractors Association (CSCA) reviews ASD-MCA Proposal
- MCA Board adopts Executive Committee recommendation, incorporating comments from CSCA, and establishes Committee of MCA Board, CSCA representatives, and ASD staff to plan transition to a new administrative model
- June 6&8 Transition Committee meets to revise MCA-ASD Proposal
- June 8 ASD prepares a program amendment for FY 90-91 Approved Budget for submission to Board of County Commissioners (BBC)
- June 13 MCA Board reviews revised Proposal, and (if possible) draft resolution establishing a Community Action Commission, for submission to BCC
- June 19 BCC is briefed on Proposal for Organization of Community
or 26 Action System for FY 90-91 (tentative)
- June 28 BCC acts on program amendment to consider inclusion in FY 90-91 Adopted Budget, and (if possible), acts on resolution establishing Community Action Commission.

Page 5

Proposed Organization of Community Action System

Transition Phase July - September

MCA Board continues as Community Action Board with support of CAPO staff;
MCA's Community Services Advisory Committee continues under same auspices

MCA advocacy staff carry out transition activities

MCA staff complete fiscal closeout for FY 89-90;

County Chair's Office advertises, recruits, and appoints members for new Community Action/Commission; BCC ratifies appointments

Implementation Phase September - October and on

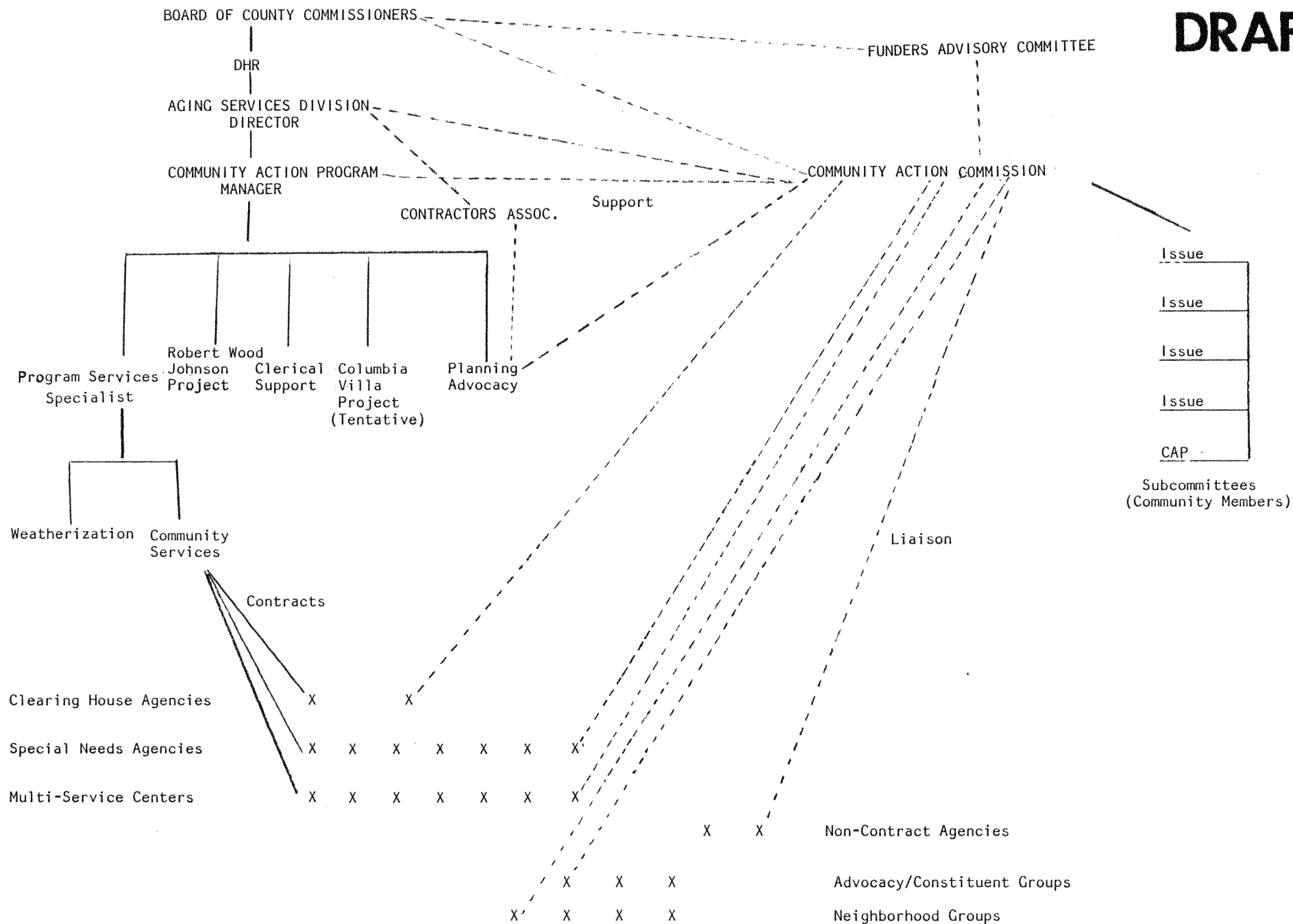
New Community Action Commission has organizational meetings and retreat for training

Community Action Commission officers elected; subcommittees and liaisons established

CAPO provides ongoing staff support to Commission

ORGANIZATION OF COMMUNITY ACTION SYSTEM FOR FY 90-91

DRAFT





GLADYS McCOY, Multnomah County Chair

Room 134, County Courthouse
1021 S.W. Fourth Avenue
Portland, Oregon 97204
(503) 248-3308

M E M O R A N D U M

TO: Board of County Commissioners
Sheriff Skipper

THROUGH: Gladys McCoy

FROM: Fred R. Neal *[Signature]*

DATE: June 11, 1990

RE: Mount Hood National Forest Tour
Joint School Board/BCC Meeting

1990 JUN 11 PM 3:18
MULTNOMAH COUNTY
OREGON

Due to rampant unavailability of nearly every single elected official, the proposed tour of the Mount Hood National Forest has been postponed, from June 22 to Friday, August 3. This will be a full-day tour with the itinerary nearly identical to the original. (Copy enclosed.) Please let me know by July 27 if you and one of your staff can attend.

The next biannual Board of County Commissioners/School District #1 Board meeting is scheduled for Tuesday, June 26, 4 p.m., in Room 602 of the Courthouse. The agenda will be follow up on the District's drug policy.

Reminder: Decision Makers Forum is June 29, noon to 1:30, at the Gresham Regional Library. Details to follow.

PROPOSED AGENDA

PORTLAND SCHOOL BOARD/BOARD OF COUNTY COMMISSIONERS
JOINT MEETING

TUESDAY, JUNE 26, 1990
4 to 6 p.m.

Room 602, County Courthouse
1024 SW. 4th Avenue

- I. Continued Discussion of Portland Public Schools
Drug Policy (Harold Ogburn, Norma Jaeger)

- II. Juvenile Justice Issues:
 - 1. Youth Gang Demonstration
Program
 - 2. Juvenile Detention Popu
lation Crisis
 - 3. JDH Funding Issues

1990 JUN 26 PM 3:15
CLERK OF COUNTY
OREGON



PORTLAND PUBLIC SCHOOLS

505 NE Oregon Street, Portland, Oregon 97232
Phone: 503-251-5714

STUDENT SERVICES DEPARTMENT

Curriculum Services

Marjorie L. Richey

June 4, 1990

MEMORANDUM

TO: Dr. Matthew Prophet

FROM: Marilyn Richen

Marilyn

Frank McNamara suggested that I advise you that the County Commission met in informal session to discuss the impact of the district's new drug policies and to review its response to the requests and questions the Board raised in its joint meeting with the County February 13, 1990. The Commissioners who were present (McCoy, Anderson and Kelley) appeared to agree with the County staff's policy analysis (attached).

I understand a second County Commission/Board of Education meeting will be scheduled early this summer to further discuss this issue.

c: Frank McNamara
John Lashley

DRAFT

DRAFT

DRAFT APR 25 1990

* DZ, Gary Smith, Hal Ogburn, Norma Jaeger
For your review

MEMORANDUM

TO: BCC

FROM: Duane Zussy, Director
Department of Human Services

DATE: April 25, 1990

SUBJECT: DHS Analysis of Portland Public School's Alcohol and Drug Policy

This memorandum is in response to the Portland School Board's request that Multnomah County allocate funding to support changes in the District's policy concerning students found under the influence or in possession of drugs or alcohol. This request was made in February at a joint meeting of the School Board and Board of County Commissioners (BCC).

It was agreed that following a thorough analysis of the District's policy by DHS staff, and presentation of that analysis to the BCC, another joint meeting would be scheduled in late April or early May. The analysis is attached for your perusal and is scheduled for an informal board review on _____.

POLICY ANALYSIS: PORTLAND PUBLIC SCHOOLS ALCOHOL AND DRUG POLICY

I. Background

Portland Public Schools (PPS) has made significant changes in its approach to students involved in substance abuse. This revision was the result of a year long planning effort that is likely to have an impact on the County's Juvenile Justice Division and contract service providers. The District's new policy involves an aggressive approach to the identification and referral of students who are in possession or under the influence of drugs and alcohol. Following identification of students in possession or under the influence an immediate assessment is ordered. In addition, the student is referred to the Juvenile Court. The assessments are to be conducted by private agencies under contract to PPS. Drug education for the offender and family, also to be provided by the District, is required for first time offenders. Subsequent offenses will result in referral to a District-funded alternative school for substance abusers. This program will go into effect in September, 1990. The School Board has allocated \$500,000 for this program to fund the costs of the alternative school, additional staff, and staff training.

Multnomah County currently operates three youth alcohol and drug treatment programs that provide residential and outpatient services to 1,168 clients each year. The annual program cost is \$492,000, of which \$296,000 is County General Fund. All residential and outpatient programs are operating at capacity and have waiting lists.

Additionally, the County is responsible for a broad range of alcohol and drug prevention and counseling services through community health programs, the Youth Service Centers, Student Retention Initiative, alternative schools, Mainstream Youth Programs, Harry's Mother, Outside In, and Burnside Projects. These programs are supported by a mix of state and local funds. Approximately \$1.3 million in County General Funds supports programs that include some level of substance abuse services to about 8,000 children and youth each year.

II. Policy Issues

A significant number of policy questions have been raised regarding the efficacy of this approach toward the goal of prevention of alcohol and drug use in Portland Public Schools. These questions have focused primarily on philosophy, civil liberties, concern about premature intervention by the juvenile justice system, and to what degree this policy is a shift from a commitment to prevention to an emphasis on punishment. A discussion of those issues is outlined below.

Concerns have been raised as to whether the new policy takes a punitive approach instead of a rehabilitative approach and which is a more appropriate response to teenage youth. While any policy is subject to inconsistent implementation, the recently adopted policy is more accurately viewed as a policy of consistent and progressive consequences rather than punishment. As such, it is a very major, positive contribution to the rehabilitative process. Virtually no one experiencing

alcohol or other drug problems initially seeks services until the consequences of their use become of more concern than the perceived benefits of that use. Inconsistent policy, or policy which lacks serious and inevitable consequences, rather than being humane, only enables the continuation of the alcohol or other drug use.

In addition to the interventive role of clear, consistently applied consequences, such an approach creates strong support for those students (the majority) who make healthy and positive choices about alcohol and other drug use. Clear non-use messages, backed up by equally clear and unequivocal policy about the consequences of use (or possession or dealing) create an environment which supports non-use. In such an environment, students make choices and their choices have consequences. Failure to link the choice with the consequence is, in the addiction field jargon, enabling.

Another significant change is the proposed Innerchange program, which would place students having a second use or possession offense or a first delivery offense at a separate "campus". It is important to view this in the context of being an alternative to suspension or expulsion. Clearly, suspension from the presumed benefits of ongoing contact with the educational process would fail the rehabilitative focus test. Separation from the rest of the school system for a period of time for repeated disregard of the policy or that disregard which interferes with the education of others does not seem inappropriate. Its effectiveness, of course, remains an open question but expulsion seems clearly a worse choice.

III. Program Impact

The Portland Public School alcohol and drug policy includes 5 elements that are likely to have an impact on the Juvenile Justice Division (JJD) and contract services administered by the County's Alcohol and Drug Program office. Those elements and projected impacts are outlined as follows.

- 1) PPS has proposed that all District 1 students found to be in possession of or under the influence of drugs or alcohol be referred to JJD.

Impact on County Operations:

PPS has estimated an initial 10-15% increase in referrals to JJD. This increase will put pressure on an already overburdened staff, and to some degree compromise efficient and timely referral processing. JJD and PPS are jointly pursuing grant funding to provide additional staff to minimize the impact of this increase. Should these grant funds not become available, JJD would place a low priority on processing these referrals to neutralize the fiscal impact on County operations.

- 2) PPS has proposed that JJD notify the District when PPS students are processed for drug or alcohol violations off school grounds and provide information concerning actions taken and outcomes of cases referred by PPS.

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ORS 419.456 clearly prohibits sharing information regarding juvenile court referrals prior to the point a petition has been filed with the Juvenile Court. When a petition has been filed, the statute allows notification of the legal charge, the date and time of judicial proceedings, and case disposition.

As JJD moves toward automation of its tracking system, timely notification to District 1 concerning alcohol and drug offense petitions and case outcomes involving PPS students could occur with no fiscal impact on County operations.

- 3) PPS has proposed that Multnomah County fund an increased number of treatment slots to accommodate the demand that will be generated by the increase in referrals.

Impact on County Programs

PPS has estimated a need for 114 additional outpatient and 90 residential treatment slots to meet the demand that will be generated by the planned policy change. The cost of adding these treatment resources would be \$450,000 for residential and \$84,000 for outpatient services. These projections are based on expansion of existing services. If fewer students needed residential treatment, this number could be reduced significantly.

- 4) PPS has proposed that Multnomah County provide onsite alcohol and drug services in the schools.

Impact on County Operations:

It is not possible to assess the impact of this proposal on County operations as no specific program models have been put forth. Cost estimates would be based on the numbers of additional direct service staff proposed and County administrative responsibilities.

- 5) PPS has proposed that Multnomah County fund urinalysis testing of students referred under this policy.

Impact on County Operations:

It is not possible to assess the impact of this request on County operations as no specific proposals have been made. Urinalysis testing of students referred to JJD under this policy would cost _____ a year.

**Norma, please fill in.*

4. Recommendations

- 1) Multnomah County should support the School Board's policy initiative as a legitimate experiment toward the goals of prevention, early intervention, and treatment for substance abuse problems among PPS students.
- 2) Multnomah County should provide statutorily allowed information to PPS regarding alcohol and drug violation involving PPS students once a petition has been filed with the Juvenile Court. Additionally, JJD should notify the District of actions taken and outcomes of cases referred by PPS. This recommendation should be implemented when JJD information system is automated.

- 3) Multnomah County should collaborate with PPS and contract service providers to develop a program model(s) for onsite provision of alcohol and drug services in Portland Public Schools. This model should include onsite services at the Innerchange alternative school.
- 4) Multnomah County should decline provision of urinalysis testing for drug use prevalence for those students referred by PPS. Such testing is already begin done on juveniles brought into detention, though not by referral services, so some prevalence data is becoming available.

Such testing, however, is not useful in determining the nature or severity of an individual's use and there may be legal and resource problems with such a testing program.

- 5) Multnomah County should continue to work with PPS, existing services providers and the state to develop funding strategies. Some options are:
 - a. A coordinated lobbying and public education effort to support inclusion of funding for alcohol adolescent treatment programs in the 1991-92 Governor's budget.
 - b. Further exploration of providing low cost group health insurance packages to students and families through school districts. This approach which is under discussion in some states and at the federal level and envisions coverage for primary care, alcohol and drug, and mental health services for students and families.
 - c. Development of a plan to fully utilize federal welfare reform mandates scheduled to be implemented in 1990. These changes will expand the number of eligible clients and the potential for Medicaid reimbursement to certified providers of alcohol and drug services.

MULTNOMAH COUNTY POLICY DEVELOPMENT COMMITTEE

PROPOSED PLAN
FOR
ESSENTIAL JUSTICE SYSTEM FACILITIES

FINAL

EXPLANATION OF CAPITAL IMPROVEMENTS COMMITTEE RECOMMENDATIONS

I. BACKGROUND

During the past four years it has become increasingly apparent that Multnomah County would run out of space to house essential County services and functions early in the 1990s. Accordingly, the Board of County Commissioners ordered a comprehensive study to address this facility crisis.

A five-year space needs study was completed in 1989. This study addressed problems related to public access, the efficiency of County operations, and the need for major expenditures related to the deterioration of certain facilities. In partial response to this report, the Board of County Commissioners has purchased the downtown J.K. Gill and Mead Buildings, funded the construction of two new community-based health clinics, and a 210-bed addition to the Inverness Jail.

The study also included a detailed architectural analysis of the Donald E. Long Juvenile Justice Complex, an analysis of the need for additional courtrooms, and an assessment of the current condition of the historic County Courthouse. This document will present proposals for solutions to these remaining unaddressed problems, related space needs of the District Attorney, and outline financing options to accommodate the costs of needed construction.

II. JUVENILE JUSTICE COMPLEX

The current Juvenile Justice Complex at NE 68th Avenue houses all assigned Juvenile Court Judges and Referees, Prosecuting Attorneys, the Juvenile Probation staff, and the tri-county regional Juvenile Detention Center. In 1989, 15,818 cases were heard and decided in this facility.

In 1988 the County Commission appropriated over \$250,000 from Capital Improvement funds to remodel the courtrooms and related spaces at the Juvenile Justice Complex. This project was put on hold following an audit released by then County Auditor Ann Kelley Feeney. That audit, which identified numerous serious deficiencies in the detention facility at the Juvenile Justice Complex, was performed to follow up on the findings of earlier Grand Jury Reports which were critical of conditions at this facility.

The Board of Commissioners and the presiding Juvenile Judge agreed that a thorough architectural analysis of the whole complex--especially the detention areas criticized in the Audit and Grand Jury Reports--had to take precedence over interim improvements for the courtrooms.

Using the same architectural firm that designed the highly successful Inverness Jail project, the County made an extensive study of the entire complex including the detention facility, courtrooms and related areas, prosecutor's offices, and juvenile probation space, to determine needs, construction options and associated costs.

While that study was in progress, the Board received a letter from the Juvenile Rights Project (a group of lawyers who successfully sued the State of Oregon on conditions of confinement for juveniles held at the

State Training Schools) which also identified numerous deficiencies with our Juvenile Justice facility and strongly requested the Board's cooperation in pursuing appropriate and timely action to rectify the situation.

The architectural study concluded that the most cost effective solution to the many problems that were discovered and documented by the study would be to demolish the present facility and build a new complex on the present site.

III. THREE NEW COURTROOMS AT THE COURTHOUSE

State statute requires Multnomah County to provide and maintain facilities adequate to the needs of the State Court. The Courts have, for several years, indicated a growing need for additional courtrooms (with associated judges' chambers, jury rooms, clerk's offices, restrooms, etc.). In June 1989, the legislature approved two additional judges for Multnomah County. Since one of the currently authorized judges has no assigned courtroom, the Chief Presiding Judge and State Court Administrator have now requested that the County provide the three additional rooms they require for occupancy no later than July 1, 1991.

In response to suggestions from the Board of County Commissioners, the Courts considered alternative locations for the new courtrooms. In November 1989, the Courts reiterated that the downtown County Courthouse is the only satisfactory location. Key considerations in this decision included administrative and operational efficiencies for the Courts, the Sheriff, and the District Attorney, access to the Court by Police agencies and by the Defense Bar. Critical improvements in the Courthouse such as heating, ventilation, air conditioning, plumbing, and electrical system replacement, will be made.

The space for these three courtrooms will require vacating more than half of the sixth floor of the Courthouse. This will displace the District Attorney and, eventually, the Board of County Commissioners. The D.A. will displace both County offices on the 14th and 15th floors of the Portland Building in order to gain the needed space and still maintain the proximity to the Courts.

IV. FINANCING STRATEGY

The downtown Courthouse as well as the Juvenile Justice Complex are major public investments and enduring public symbols, which will be in County ownership for the foreseeable future. As such, it seems most appropriate to pay for the cost of these long-term improvements through a long-term financing strategy. Such an approach would allow future generations to participate proportionately in the cost of these major public facilities from which they will derive benefit. Various other alternative approaches to financing these essential improvements have been considered and are discussed in page four (4) of this document. The Board of County Commissioners has decided to seek input from other elected officials, business and community leaders, and citizens before making their final decisions in this regard.

SUMMARY OF TOPICS FOR DECISIONS BY FINANCING METHOD

On Tuesday, February 20, the Chair and the Board of County Commissioners completed their deliberations on the scope of the new Juvenile Justice Complex to replace the present Donald E. Long Home. On Wednesday, March 28, the Policy Development Committee decided in general terms upon the sequence and composition of other essential Justice Services improvement to be financed at the same time as those for the Juvenile complex. Guided by their policy direction, the staff and the architects have updated the estimated project cost as follows:

* JUVENILE DETENTION FACILITY	
o CENTRAL INTAKE/PROCESSING/COMMON AREAS	\$ 5.5m
o MEDICAL/GYM/FOOD SERVICE	
o DETENTION AREA	<u>3.0m</u>
	\$ 8.5m
JUVENILE PROBATION OFFICERS SPACE	\$ 1.6m
NEW COURTROOMS	
o JUVENILE (5)	\$ 3.1m
o DOWNTOWN (3)	<u>1.3m</u>
o DOWNTOWN COURTHOUSE REPAIRS	<u>3.4m</u>
	\$ 7.8m
DISTRICT ATTORNEY	
o JUVENILE PROSECUTORS SPACE	\$.7m
o PORTLAND BUILDING REMODEL	<u>1.1m</u>
for DISTRICT ATTORNEY SPACE	\$1.8m
DIRECT PROJECT COSTS	
(Demolition, Architectural/Engineering, Permits, Furnishings, Contingencies, etc.)	
o JUVENILE COMPLEX	\$ 9.7m
o DOWNTOWN COURTHOUSE COMPLEX	<u>2.2m</u>
	\$11.9m
TOTAL	<u>\$31.6m</u>

* Of the \$8.5 million required for detention facilities and related costs, Washington and Clackamas Counties will pay \$1.6 million - the proportion of these costs attributable to the space occupied by their detainees. In addition, these partners have agreed to pay their share of the overall operating costs, including staffing, food, utilities, etc. over and above their contribution to capital costs. This revenue effectively reduces the cost Multnomah County taxpayers will bear for constructing and operating this facility regardless of which financing strategy is ultimately selected.

** These costs include all of the necessary furnishings and equipment and allow for realistic contingencies. If construction proceeds in a timely fashion, the whole package of improvements should be completed at or below this total price.

EXPLANATION OF FINANCING FOR JUVENILE JUSTICE/
COURTROOM/DISTRICT ATTORNEY EXPANSION

The total financial costs for the replacement of the Juvenile Justice Complex, the three courtrooms in the downtown Courthouse, and the expansion of the District Attorney's office space on the 14th and 15th floors of the Portland Building is \$31,600,000. These improvements can be funded by General Fund allocation, by Serial Levies, by Certificates of Participation, and General Obligation Bond financing. For a number of reasons, General Obligation Bonds appears to be the preferred option at this time. Of the County's \$135 million annual General Fund budget, approximately \$100 million pays for services that are mandated by the state and federal government. If all County discretionary programs were eliminated, not enough would remain to fund this project. Second, while the County has recently used three-year Serial Levies to fund jail expansion and other construction projects, the cost of these projects was small enough to maintain property taxes at a reasonable level. Financing a \$31.6 million project (almost six times the cost of the Inverness Jail) through this process would cause astronomical increases in property tax rates. Third, Certificate of Participation would require Multnomah County to put up the real estate title to the historic Courthouse as collateral for financing the improvements at the Courthouse and pay a higher interest rate than those available through General Obligation Bonds. At an approximate cost of \$3,109,000 per year for the next twenty years, General Obligation Bond financing would involve the lowest overall cost to current and future County taxpayers.

The total financial impact to the citizens of Multnomah County will be reduced by \$157,000 per year due to the cost-sharing agreements for the Juvenile Justice facility with Clackamas and Washington counties. These agreements will result in a lower tax rate to Multnomah County citizens.

The following is a breakdown of the estimated financial impact to the County and to the citizens of the County based on a \$31,600,000 General Obligation Bond issue over 20 years.

<u>Description</u>	<u>Cost</u>	<u>Annual Payment</u>	<u>Tax Rate Per \$1,000</u>	<u>Tax on a \$60,000 Home</u>
GO Bond Issue	*\$31,600,000	\$3,109,000	\$0.170	\$10.21
Washington/Clackamas	<u>\$(1,600,000)</u>	<u>\$ (157,000)</u>	<u>(\$0.009)</u>	<u>(\$ 0.52)</u>
NET BOND IMPACT	\$30,000,000	\$2,952,000	\$0.161	\$ 9.69

* The General Obligation Bond Issue must include the full cost of the project even though the actual amount of taxes levied will be received by Washington and Clackamas Counties' participation.

Attached for your reference is a one-page summary of the dates by which the Board would have to initiate action in order to meet the legal requirements for the election that will be held on either August 14, September 18, or November 6, 1990.

GENERAL OBLIGATION BOND ISSUE FOR DONALD E. LONG HOME REPLACEMENT

<u>STEPS</u>	<u>AUGUST ELECTION</u>	<u>SEPTEMBER ELECTION</u>	<u>NOVEMBER ELECTION</u>
1. BOARD CALLS FOR PUBLIC HEARING	MAY 31	JULY 12	AUGUST 2
2. FIRST PUBLISHED NOTICE	JUNE 7	JULY 19	AUGUST 9
3. SECOND PUBLISHED NOTICE	JUNE 14	JULY 26	AUGUST 16
4. PUBLIC HEARING	JUNE 21	AUGUST 2	AUGUST 23
5. BALLOT FILING	JULY 2	AUGUST 2	SEPTEMBER 6
6. ELECTION	AUGUST 4	SEPTEMBER 18	NOVEMBER 6

JUVENILE JUSTICE COMPLEX

I. JUVENILE DETENTION FACILITY

- o Administration Areas
Central security control, intake, processing,
visiting, medical, food preparation, gym \$5,487,000
- o Detention Areas
Unit security control, cells, education,
eating areas, secure outdoor area \$3,068,000

II. JUVENILE COURT AND SUPPORT SERVICES

- o Juvenile Probation Officers Spaces
Probation/counseling areas \$1,652,000
- o Courtrooms
Five courtroom suites including chambers,
secretary offices, separated public waiting
areas, security circulation, and support services . . . \$3,127,000
- o District Attorney
Juvenile Prosecutors office space \$ 708,000

III. DIRECT OWNER COSTS RELATED TO JUVENILE JUSTICE COMPLEX

- o Architectural, engineering costs, project
management, permits and fees, furnishings and
equipment, telecommunications, moving costs,
off-site utilities, computer system, temporary
space leasing, relocate facilities shops and
storage, asbestos abatement, percent for art,
building contingency and escalation \$9,758,000

TOTAL JUVENILE JUSTICE COMPLEX PROJECT COST \$23,800,000

Budget Detail: Attachment 2

I. DOWNTOWN COURTHOUSE RENNOVATION AND DISTRICT ATTORNEY SPACE NEEDS

- o Three New Courtrooms
Construction and remodeling work in the downtown courthouse on the 6th floor which would include chambers, jury rooms, secretary offices, court reporters, and restrooms. \$1,286,000
 - o District Attorney
Repair and make way for courtroom space in D.A. occupied space in the courthouse by remodeling the 14th and 15th floors of the nearby Portland Building for the D.A. \$1,071,000
 - o Related Heating, Cooling (HVAC) and Electrical Work
Replace old failing chillers, remodel code deficient HVAC systems, mechanical systems, asbestos abatement, and related remodeling of electrical system for current computer systems requirements \$1,293,000
 - o Mechanical Piping Work
Repair, make accessible, replace brown water piping and revise code deficient sewer system \$ 186,000
 - o Jail Elevators
Modernize elevators to prevent frequent breakdowns and repairs \$ 75,000
 - o Security/Life Safety
Add security at building entry points, add metal detectors, secure public counters and copy room, complete fire detection system, and repair and complete existing fire sprinkler system \$ 353,000
 - o Building Envelope
Repair water leaks into records storage areas under sidewalks, reroof 30 year old annex roof system, replace wooden (some dry rot) windows in light well, and weather protect historical exterior of the courthouse \$ 670,000
 - o Ancillary Work
Remodel probate holding area, expand computer room, modernize jury boxes, renovation of historic main lobby, building carpet, drapery and painting maintenance work \$ 636,000
 - o Direct Owner Costs Related to Court and D.A. Space
Architectural, engineering costs, project management, permits and fees, furnishings and equipment, telecommunications costs, moving costs, percent for art, building contingency and escalation \$2,230,000
- TOTAL COURTHOUSE AND DISTRICT ATTORNEY PROJECT COST \$7,800,000

POLICY ANALYSIS: PORTLAND PUBLIC SCHOOLS ALCOHOL AND DRUG POLICY

I. Background

Portland Public Schools (PPS) has made significant changes in its approach to students involved in substance abuse. This revision was the result of a year long planning effort that is likely to have an impact on the County's Juvenile Justice Division and contract service providers. The District's new policy involves an aggressive approach to the identification and referral of students who are in possession or under the influence of drugs and alcohol. Following identification of students in possession or under the influence an immediate assessment is ordered. In addition, the student is referred to the Juvenile Court. The assessments are to be conducted by private agencies under contract to PPS. Drug education for the offender and family, also to be provided by the District, is required for first time offenders. Subsequent offenses will result in referral to a District-funded alternative school for substance abusers. This program will go into effect in September, 1990. The School Board has allocated \$500,000 for this program to fund the costs of the alternative school, additional staff, and staff training.

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- 5) PPS has proposed that Multnomah County fund urinalysis testing of students referred under this policy.

Impact on County Operations:

It is not possible to assess the impact of this request on County operations as no specific proposals have been made. Urinalysis testing of students referred to JJD under this policy would cost \$2.00 per drug per test.

4. Recommendations

- 1) Multnomah County should support the School Board's policy initiative as a legitimate experiment toward the goals of prevention, early intervention, and treatment for substance abuse problems among PPS students.
- 2) Multnomah County should provide statutorily allowed information to PPS regarding alcohol and drug violation involving PPS students once a petition has been filed with the Juvenile Court. Additionally, JJD should notify the District of actions taken and outcomes of cases referred by PPS. This recommendation should be implemented when JJD's information system is fully automated.

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- 5) Multnomah County should continue to work with PPS, existing services providers and the state to develop funding strategies. Some options are:
 - a. A coordinated lobbying and public education effort to support inclusion of funding for alcohol adolescent treatment programs in the 1991-92 Governor's budget.
 - b. A coordinated lobbying and planning effort to take full advantage of the Governor's \$15.1 million Drug Control Package recently approved by the Legislative Emergency Board. It is not yet clear what percentage of this amount will be available to Multnomah County and Portland Public Schools.
 - c. Further exploration of providing low cost group health insurance packages to students and families through school districts. This approach which is under discussion in some states and at the federal level and envisions coverage for primary care, alcohol and drug, and mental health services for students and families.
 - d. Development of a plan to fully utilize federal welfare reform mandates scheduled to be implemented in 1990. These changes will expand the number of eligible clients and the potential for Medicaid reimbursement to certified providers of alcohol and drug services. Multnomah County is currently working on such a plan.

PAULINE ANDERSON
Multnomah County Commissioner
District 1



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

June 26, 1990

To: Steve Kafoury
Matt Prophet
From: Pauline Anderson
Re: Teen Clinic Siting

The Board of County Commissioners will be adding funding for two additional teen clinics for the 1990-91 school year.

It appears that there is general agreement among the BCC and the School District that the next site should be Franklin High School. In my view, there are strong arguments that favor consideration of funding teen health services at Vocational Village and expansion of already available services at the Continuing Education for Girls / PIVOT program and the Grant High Evening school.

These arguments are based on recommendations of the Health Division and my perception of how best to reach high risk youth, how to achieve the greatest impact with a limited funding base, and where our teen pregnancy prevention efforts can be most successful.

There are a number of policy questions to address - that neither of our Boards have discussed:

1. Should all high schools have clinics before middle schools or alternative school clinics are funded?
2. Which high schools after Franklin are priorities?
3. Should an alternative school clinic be funded before a middle school clinic?

I would propose that our respective bodies meet with staff and discuss the options. Then, staff from the Health Division and the Portland Schools can jointly develop a long range plan and policy framework to make rational decisions about placement of school based clinics.

I believe the Board is committed to continuing to expand health clinics in the schools through state and county funding. What we need to discuss is how to do this in sequence to serve those schools with the greatest need.

c. Portland School Board
c. Board of County Commissioners
2009



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GRETCHEN KAFOURY • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

MULTNOMAH COUNTY

BOARD OF COUNTY COMMISSIONERS

Will hold public hearings
on the following dates & locations as listed:

Day: Thursday, June 14, 1990
Time: 7:00 PM
Place: Multnomah County Hansen Building,
Auditorium
12240 NE Glisan Street, Portland, Oregon

Day: Monday, June 18, 1990
Time: 7:00 PM
Place: Multnomah Center, Room 14
7688 SW Capitol Highway, Portland, Oregon

Day: Thursday, June 21, 1990
Time: 7:00 PM
Place: Multnomah County
Donald E. Long Home, Main Lobby
1401 NE 68th Avenue, Portland, Oregon

Day: Tuesday, June 26, 1990
Time: 7:00 PM
Place: King Facility, Room 142
4815 NE 7th Avenue, Portland, Oregon 97204

Day: Thursday, June 28, 1990
Time: 9:45 AM to 10:45 AM
Place: Multnomah County Courthouse, Room 602,
1021 SW 4th Avenue, Portland, Oregon 97204

Public Hearing to discuss Justice Facilities Proposals

for further information contact
the Clerk of the Board's Office
at 248-3277
1021 SW 4th, Room 606
Portland, Oregon 97204

1
NAME CHUCK WILSON Date 6/26/0
ADDRESS 4426 N.E. PRESCOTT
Street
City PORTLAND ORE Zip 97218

I wish to speak on Agenda Item # 142
Subject DON LONG-COURT
____ FOR ____ AGAINST

PLEASE WRITE LEGIBLY!

2
NAME Gil A Whitfield Date _____
ADDRESS 2906 N. Farragut
Street
City Portland ORE Zip 97217

I wish to speak on Agenda Item # _____
Subject _____
____ FOR ____ AGAINST

PLEASE WRITE LEGIBLY!

3
NAME TRAVIS Lynn Travis Date _____
ADDRESS 2325 E. Burnside
Street
City _____ Zip _____

I wish to speak on Agenda Item # _____
Subject _____
☒ FOR ____ AGAINST

4

Date 6-26NAME LINDA HUGHESADDRESS 630 SW FifthStreet
PORTLAND 97204
City ZipI wish to speak on Agenda Item # _____
Subject _____☒ FOR ☐ AGAINST
new facility at JSH

5

Date 6-26NAME Nan WallerADDRESS 1401 NE 68thStreet
Portland _____
City ZipI wish to speak on Agenda Item # _____
Subject _____☐ FOR ☐ AGAINST

PLEASE SIGN IN

NAME:

Patsy & Chuck Wilson
Gill A Whiffen
Sy Kornbroelt
Nan Waller
Linda Hughes
Lynn Travis
Douglas A Tracy
Judy Thelan
Ollie SMITH

ADDRESS:

4426 N.E. PRESCOTT
2906 N/ Farragot
3810 NE Fremont
1401 NE 68th
630 SW 5th
2325 E. Burnside
115 NE 73rd Ave 97213
2146 NE Rodney AVE.



GLADYS McCOY, Multnomah County Chair

Room 134, County Courthouse
1021 S.W. Fourth Avenue
Portland, Oregon 97204
(503) 248-3308

M E M O R A N D U M

TO: Board of County Commissioners
Department Managers
District Attorney
Sheriff

FROM: Gladys McCoy *G. McCoy*
County Chair

DATE; June 25, 1990

RE: Budget Balancing to Meet JDH Crisis

This Thursday the Board needs to make decisions concerning adopting the 90-91 County Budget, how and what technical and program amendments to fund, and how and to what level to fund the JDH crisis.

Friday afternoon I learned that there is \$324,000 available due to City Aging Services revenue.

By using these additional funds, the Board is able to meet the JDH crisis, fund the technical and program amendments, and adopt the Boards approved 90-91 Budget with a minimum of change.

I recommend the following two step approach.

Step 1.

Funds Needed

Fund minimum for second Boys Unit	\$354,000
Fund Accountability Work Project	39,000
Fund Technical and Program Amendments (See Attached)	<u>186,220</u>
<u>Total Funds Needed</u>	<u>\$579,220</u>

Budget Balancing/JDH Crisis
June 25, 1990
Page 2

<u>Revenue Sources</u> (See Attached)	
Aging Services & Liquor Revenue	\$404,000
Delay Start-up of DCC Intensive Supervision	15,000
Delay hiring Position from OJP	11,000
Reduce DPMC Special Appropriations Fund	50,000
Additional Aging Services Long Term Care	25,000
Rec. Fac.-Land Acquisition Fund	<u>75,000</u>
 <u>Revenue Sources Total</u>	 \$580,000

Step 2.

In September the Board will have a complete fiscal picture of the impact of class comp., the library transfer, and possible federal money for gang related programs. If money is available, I recommend reevaluation of the following programs and possible start up in the second quarter: the A & D Assessment and Services (\$40,000), the Mental Health Services for Juveniles (\$37,966), and the Female Gang Associates and Children program (\$139,515).

I am seeking your support in this two step approach. I believe this approach is both a reasonable and fiscally prudent plan that would allow the Board to keep the approved budget whole, and at the same time, deals with the JDH crisis, and starts up new juvenile programs this fiscal year as funding becomes available.

Technical and Program Amendments

Columbia Villa Coordinator	\$ 51,196
Sheriff Food Service	49,000
MCRC Drug Testing	26,000
Emergency Management Clerical	13,000
OTA	8,500
Auditors Salary	16,000
Sheriff Parks Patrol	20,118
Soil & Water Conservation District	<u>2,406</u>
TOTAL	\$186,220

Descriptions of Revenue Sources

DCC

Delay start-up of Intensive Supervision Probation (\$15,000). Delaying the start-up of this new program until September would not negatively impact existing programs.

Delay hiring new positions in DCC (\$11,000). New positions were included in the DCC budget that were transferred from the Office of Justice Planning. Delay the hiring of these positions until September.

NON DEPARTMENTAL

Reduce non-departmental special appropriation (\$50,000). This reduction in the DPMC special appropriation fund would not have severe impact because of expected phase-in and cash flow adjustments that could be made by the DMPC.

DHS

Reduce Aging Services Long Term Care (\$25,000). Aging Services will have an additional \$25,000 in carryover funds in long term care that could reduce the \$198,000 added to that program in the approved budget.

DES

Reduce Recreational Facilities Funds (\$75,000). A reduction in the allocation of the Recreational Facilities-Land Acquisition Fund for the Toombs property will not have a negative impact on the department because ~~third~~ party financing can structure repayment into future budgets.