

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2011-073

Adopting an Updated Definition of the Various County Funds to be Used in Fiscal Year 2012 and Repealing Resolution 2011-073.

The Multnomah County Board of Commissioners Finds:

- a. The Board has the responsibility to ensure that the County's financial records are maintained.
- b. The Department of County Management is responsible under MCC 7.001 for the fiscal operations of the County.
- c. The Board has established various funds in the County's 2012 Budget;

The Multnomah County Board of Commissioners Resolves:

1. This Resolution replaces Resolution No. 2011-073, which is repealed.
2. The following policies and fund structure are the guidelines for the financial accounting of County resources and expenditures.

GOVERNMENTAL FUNDS

Basis of Accounting

The County maintains all Governmental Fund Types including: the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available, and expenditures are recorded at the time liabilities are incurred.

GENERAL FUND

General Fund (1000) - To account for and report all financial operations of the County which are not accounted for and reported in another fund. The primary sources of revenue are property taxes, business income taxes, motor vehicle rental taxes, intergovernmental revenue, and interest income. The majority of expenditures in the General Fund are made for general government, public safety, health services, aging services, and youth and family services.

The General Fund also accounts for the repayment of short-term debt interest expenses incurred through the sale of short-term promissory notes.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. A special revenue fund can be used if a substantial portion of the resources recorded in the fund are either restricted or committed, as defined in the adopted Financial and Budget Policies.

Strategic Investment Program Fund (1500) - In accordance with ORS 285C.609, accounts for revenues from projects receiving temporary partial property tax exemptions. These Community Service Fees, equal to 25% of the property taxes abated, are shared with the city in which the project is located and are for community services support that relates to the direct impact of the eligible project on public services. In accordance with GASB 54, these funds have been rolled into the General Fund.

Road Fund (1501) - In accordance with ORS 366.524 - 366.542 and ORS 368.705, accounts for revenues primarily received from the State of Oregon motor vehicle fee apportionment, County gasoline taxes, Federal Reserve yield, and interest income. Expenditures are restricted by Article IX, Section 3A of the Constitution of the State of Oregon and consist of construction, repair, maintenance, and operations of public highways and roads.

Emergency Communications Fund (1502) - Accounts for revenues received from the State Telephone Excise Tax. Expenditures are restricted for the Emergency Communication Network in conjunction with the City of Portland, pursuant to County Ordinance 214.

Bicycle Path Construction Fund (1503) - Accounts for one percent of State of Oregon Motor Vehicle fees collected pursuant to ORS 366.514. Expenditures are restricted by ORS for bicycle path construction and maintenance.

Recreation Fund (1504) - Accounts for State revenue paid to counties to supplement their parks programs. The revenues are from the County Marine Fuel Tax. Under an intergovernmental agreement with Metro entered into in 1994, transferred revenues to Metro are restricted to be used for the purposes of development, administration, operation and maintenance of those County facilities transferred to Metro pursuant to this agreement.

Federal/State Program Fund (1505) - Accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. The fund also includes some non-restricted operational revenues in the form of fees and licenses

County School Fund (1506) - Accounts for Forest Reserve yield revenues received from the State pursuant to ORS 293.360 & 294.060. Expenditures are restricted per ORS 328.005 - 328.035 for distribution to County School districts.

Animal Control Fund (1508) - Accounts for revenues from dog and cat licenses and animal control fees per ORS 609.060(3). Cash transfers are made to the General Fund for animal control activities. The fund also contains donations that are restricted by the donors to be used for particular programs or projects related to Animal Services.

Bridge Fund (1509) - Accounts for State of Oregon Motor Vehicle fees and County gasoline taxes. These revenues are collected in the Road Fund and transferred to the Bridge Fund. Restricted Federal and State revenue sharing funding is also recorded in the bridge fund. Expenditures are for inspections and maintenance of County bridges.

Library Fund (1510) - Accounts for the Multnomah County Public Library operations. Property taxes from a five-year special serial levy and transfers from the General Fund are the principal sources of revenue. The serial levy restricts the use of these revenues to Library operations. The Multnomah County Public Library was established by Ordinance 649 pursuant to ORS 357.400 - 375.610.

Special Excise Tax Fund (1511) - Accounts for a portion of the County's transient lodging taxes collected from all hotels and motels in the County and motor vehicle rental tax collected from rental agencies. Expenditures are restricted to the Convention Center, visitor development purposes, regional arts and culture purposes and other uses pursuant to Multnomah County Code 11.300 and 11.400.

Land Corner Preservation Fund (1512) - Accounts for the collection of recording fees on real property transactions and surveying activities. Expenditures are made for the establishment, re-establishment, and maintenance of public corners of government surveys pursuant to ORS 203.148.

Inmate Welfare Fund (1513) - Accounts for the proceeds from the sale of jail commissary items. Expenditures are made for food and supplies for inmates in County jails. Excess funds are used on inmate amenities such as recreation equipment for the institutions.

Justice Services Special Operations Fund (1516) - Accounts for revenues and expenditures that are dedicated to Justice Services and Operations. Revenues are primarily from various fees and fines, including probation fees, criminal processing assessment fees, conciliation court fees, marriage license fees, ambulance franchise fees, forfeitures, video lottery, alarm permits, concealed weapon permits, gun ordinance fees and liquor license fees collected for civil processing inspection.

Oregon Historical Society Local Option Levy Fund (1518) - Accounts for the 5 year local option levy revenues collected on behalf of the Oregon Historical Society and four east county Historical Societies. The funding is passed through to support the history library, museum and educational programs.

Video Lottery Fund (1519) – Accounts for revenues received from the Oregon State Lottery. Expenditures are restricted to furthering economic development per House Bill 3188 passed during the 2011 Regular Session of the 76th Oregon Legislative Assembly.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and fees associated with servicing debt if appropriate. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. Upon the repayment of principal and interest, any receipts remaining in the fund are returned to the originating jurisdiction or County General Fund.

Revenue Bond Fund (2001) - Accounts for the principal and interest payments on bonds issued to acquire and construct non-profit facilities that are being financed in partnership with the County. The revenues are derived from lease of the facilities constructed with bond proceeds and from the pledge of the Motor Vehicle Rental Tax, a General Fund revenue.

Capital Debt Retirement Fund (2002) - Accounts for lease/purchase and full faith and credit obligation principal and interest payments for buildings and major pieces of equipment acquired by the issuance of Certificates of Participation or other financing arrangements. Revenues consist of service reimbursements and cash transfers from other County funds.

General Obligation Bond Fund - (2003) - This fund accounts for the payment of principal and interest on General Obligation (G.O.) Bonds. The G.O. bond fund accounts for the Series 1999 advance refunding that refunded the 1994 G.O. Library Bonds and the 1996 G.O. Public Safety and Library Bonds. Also included in the G.O. bond fund are the 2010 Full Faith and Credit Obligations and the G.O. Refunding Bonds, Series 2010. Proceeds are derived from property taxes and interest earned on the cash balances.

PERS Pension Bond Fund (2004) - Accounts for the principal and interest payments on pension obligation revenue bonds issued to retire the County's PERS unfunded actuarial accrued liability. The revenues are derived from charge backs to departments based on their departmental payroll costs.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital outlays financed from general obligation bond proceeds should be accounted for through a capital project fund. Upon completion of a capital project that required financing, any remaining cash is transferred to the Debt Service Fund to retire debt associated with the construction or acquisition of designated capital assets or to the originating source of the funds.

Financed Projects Fund (2504) - Accounts for expenditures for acquiring, remodeling, or construction of County facilities, information technology capital investments, and other capital projects. Resources are derived from full faith and credit bonds or other financing proceeds and General Fund service reimbursements.

Capital Improvement Fund (2507) - Accounts for the proceeds derived from the sale of unrestricted property, interest income, and any service reimbursement or operating revenue from leased facilities. Expenditures are made for capital acquisitions or for the retirement of lease/purchases. Authorized by Resolution 99-144.

Capital Acquisition Fund (2508) - Accounts for internal service reimbursement revenues and debt proceeds that support the acquisition and replacement of computer equipment.

Asset Preservation Projects Fund (2509) - Accounts for expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement etc. This fund was established and is being maintained to provide prospective maintenance and not deferred maintenance. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

Sellwood Bridge Replacement Fund (2511) - *New for this year.* Accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fee, City of Portland, Clackamas County, State of Oregon and a request for federal funds, debt issuance or other financing proceeds.

PROPRIETARY FUNDS

Basis of Accounting

The County maintains all Proprietary Fund Types including: Enterprise Funds and Internal Service Funds using the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded at the time they are earned, and expenses are recorded at the time liabilities are incurred.

Internal Service Funds are entirely or predominantly self-supporting through user charges, operating earnings, or transfers from other funds. These funds, authorized under ORS 294.470, are considered to have indefinite life. In the event the fund is discontinued, any excess funds would be returned to the originating jurisdictions or County Funds.

ENTERPRISE FUNDS

Dunthorpe-Riverdale Service District No.1 (3000) - Accounts for the operations of the sanitary sewer system in southwest unincorporated Multnomah County. (Also included as a component unit)

Mid County Service District No. 14 Fund (3001) - Accounts for the operations of street lights throughout unincorporated Multnomah County. (Also included as a component unit)

Behavioral Health Managed Care Fund (3002) - Accounts for all financial activity associated with the State required behavioral health capitated services. This includes payments to providers with whom the County contracts for services. Revenues are fee for service payments from the State to the County.

INTERNAL SERVICE FUNDS

Risk Management Fund (3500) - Accounts for all internal service reimbursements, revenues, and expenses associated with the County's insurance requirements and administration of workers' compensation, general liability, tort, auto, property, employee medical, dental, vision, life and long-term disability claims and insurance, employee benefits, health promotion, post-retirement benefits, and unemployment insured and self-insured programs pursuant to Multnomah County Code 7.101.

Fleet Management Fund (3501) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the County's motor vehicle fleet and electronics.

Information Technology Fund (3503) - Accounts for internal service reimbursements, revenues and expenses. associated with the administration and operation of the County's data processing and telephone services operations. This fund includes replacement and upgrade of personal computers, standard software suite common to all County users and telephone equipment.

Mail Distribution Fund (3504) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the County's U.S. Mail, internal distribution and delivery, central stores and records management.

Facilities Management Fund (3505) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the County's property management, custodial, maintenance and leasing of all County-owned and leased property.

FIDUCIARY (AGENCY) FUNDS

These agency funds account for resources received and held by the County in a fiduciary capacity. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund. The agency funds are as follows:

Public Guardian Fund (4000) -Accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.

Property Tax Funds (Series 4501 to 5502) - Accounts for the collection and disbursement of various property tax accounts for governmental entities located in Multnomah County.

Department Trust Funds (Series 6000 to 6536) - Accounts for the collection and disbursement of various receipts held. Multnomah County maintains several sub-funds which are used to account for the receipt of resources held by the County in a fiduciary capacity. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund.

MCSO Forfeitures (7000 to 7002) - Accounts for cash transactions subject to forfeiture under 1989 Oregon Law, Chapter 791.

Law Enforcement, Regional Organized Crime Network, and Others (Series 7501 to 8001)-
Accounts for various law enforcement trust funds.

ADOPTED this 6th day of October, 2011.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

HENRY LAZENBY JR., COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Henry H. Lazenby, Jr., County Attorney

SUBMITTED BY:
Mindy Harris, Chief Financial Officer