



A word cloud on a teal background featuring various community values and goals. The words are arranged in a circular pattern, with some appearing more frequently or in larger fonts than others. The words include: measurable outcomes, vibrant communities, community vision, safety, prevention, education, sustainability, effectiveness, thriving economy, efficiency, eco friendly, accountability, protecting citizens, community engagement, quality of life, and opportunities.

One-Time-Only Resources: Policy & Practice

One-Time-Only Resources

- Definition - resources that will not be recurring. Multnomah County has five main sources of one-time-only resources:
 1. Fluctuations from the budgeted levels of ongoing revenues, i.e. Business Income Tax
 2. Departments underspending prior year General Fund
 3. Unbudgeted ending balances from the prior year
 4. Unspent BIT Reserve, and
 5. True one-time events, i.e. proceeds from selling a building (these revenues tend to be rare).

One-Time Only Expenditures

- Definition - expenditures requested to be made only one-time such as:
 - Capital projects – Assessment and Taxation System
 - Pilot projects – East County Homeless Outreach
 - Ramp-down or start-up costs for programs – Rockwood Health Clinic
 - Countywide programs – ITAX payments to schools or BIT Reserve
 - Covering one-time revenue reductions – decrease in Lottery payments

FY 2011 One-Time Resources & Expenditures

Resources (in millions)	Amount
True One-time Events	\$3.6
Fluctuations in Ongoing Revenues	-\$0.9
Planned Departmental Underspensing	\$1.2
Unbudgeted Ending Balance from Prior Year	\$8.2
Unspent BIT Reserve	\$6.0
Total Resources	\$18.0
Expenditures (in millions)	Amount
One Time Only Programs:	\$13.8
– <i>BIT Reserve</i>	\$4.0
– <i>Assessment and Taxation System</i>	\$4.5
– <i>Other One-Time Programs</i>	\$5.3
One Time Resources spent on Ongoing Programs	\$4.2
Total Expenditures	\$18.0

FY 2007-11 One-Time Resources

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
One-Time Resources	\$31.0	\$24.5	\$43.2	\$11.6	\$18.0
-- BIT Reserve	\$3.5	\$4.9	\$3.0	\$6.0	\$4.0
Total General Fund Resources	\$365.3	\$362.9	\$407.6	\$380.8	\$393.2
One-Time Resources % of General Fund	8.5%	6.8%	10.6%	3.0%	4.6%
-- Excluding the BIT Reserve	7.5%	5.4%	9.9%	1.5%	3.6%

- One-time resources have been declining for the last two fiscal years.
- They are relatively small as a percentage of the General Fund.
- One-time resources have been used to fund capital projects, buy down debt, and for the BIT reserve.

Policies and GFOA Best Practices

- Current policies are aligned with GFOA best practices:
 - **One-Time-Only Policy:** Set aside one-time resources as reserves or allocate them to programs that will not require future commitments.
 - **Reserves Policy:** Budget 10% of General Fund corporate revenues as General Fund reserves.

Neighbors' Use of One-Time-Only Resources

	Multnomah County	Washington County	City of Portland	City of Gresham	Clackamas County
What Counts as OTO Resources?					
-- True One-Time Items	Yes	N/A	Yes	Yes	Yes
-- Fluctuations in Ongoing Revenues	Yes	N/A	Yes	Yes	Yes
-- Departmental Underspensing	Yes	N/A	No	Yes	No
-- Unbudgeted Ending Balance from Prior Year	Yes	N/A	Yes	Yes	Yes
Assumed Departmental Underspensing When Budgeting	0%	5%	Varies*	Varies*	3%
Reserves as a Percentage of General Fund Corporate Revenues	10%	15-20%***	10%	12.5%**	N/A

*Based on detailed analysis of department's budgets

**Reserves as a percentage of General Fund expenditures

***Based on a broader definition of General Fund revenues that includes some restricted revenues

Policy Trade-offs

- **Riskiness:** how the policy affects the long-term financial stability of the county.
- **Responsiveness:** how the policy allows us to respond to citizen's needs and the economic climate.
- **Uncertainty:** how policy affects staffing and planning programs.
- **Ratings Agencies Perception:** how policy could affect our cost of borrowing.

Policy Options

- **Buckets:** prioritizes one-time resources in different 'buckets' of spending, generally starting funding reserves and working down in order of priority to spending one-time resources on ongoing programs. We currently use this policy.
- **Smoothing:** smoothes some level of one-time resources out over 5 years to turn it into ongoing resource.
- **Hybrid Buckets:** similar to the Buckets policy, except instead of spending one-time resources on ongoing programs, it smoothes those resources out over five years to convert them into ongoing resources.
- **It's All OTO:** treats all expenditures as one-time-only eliminating the need to plan separately for one-time versus ongoing.

Policy Options and Trade-offs

- There are a series of trade-offs to consider when implementing any of the policies.

Characteristic	Buckets	Smoothing	Hybrid: Buckets & Smoothing	It's All OTO
Riskiness	Low	Medium	Low	High
Responsiveness	Medium	Medium	Medium	High
Creating Uncertainty	Low	Low	Low	High
Rating Agency Perception	High	High	High	Low