



MULTNOMAH COUNTY, OREGON

BOARD OF COMMISSIONERS

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**ANY QUESTIONS? CALL BOARD
 CLERK DEB BOGSTAD @ 248-3277**
 Email: deborah.l.bogstad@co.multnomah.or.us

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

MAY 25 & 27, 1999 BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday Tax Supervising and Conservation Commission Hearing
Pg 2	11:00 a.m. Tuesday Community and Family Services Budget Session
Pg 2	1:30 p.m. Tuesday Budget Policy Review Work Session and Discussion
Pg 3	9:30 a.m. Thursday Honoring Community Peacemakers Presentation
Pg 6	10:15 a.m. Thursday Lease and Intergovernmental Agreement with Washington County
Pg 6	10:35 a.m. Thursday Resolution Adopting 1999-2000 County Budget
★	Check the County Web Site: http://www.multnomah.lib.or.us

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30
 Friday, 10:00 PM, Channel 30
 Sunday, 1:00 PM, Channel 30
 Produced through Multnomah Community
 Television

Tuesday, May 25, 1999 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET HEARING

PH-1 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the 1998-99 Multnomah County Supplemental Budget and the Approved 1999-00 Multnomah County Budget. Multnomah County Board and Dave Warren Response to TSCC Questions. 1.5 HOURS REQUESTED.

Tuesday, May 25, 1999 - 11:00 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET/POLICY WORK SESSION

WS-1 Department of Community and Family Services Citizen Budget Advisory Committee Report by Susan Oliver Followed by Department of Community and Family Services Issues, Opportunities and Board Discussion. Presented by Lorenzo Poe, Department Staff and Invited Others. 1 HOUR REQUESTED.

Tuesday, May 25, 1999 - 1:30 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET/POLICY WORK SESSION

WS-2 Public Affairs Office Budget - Gina Mattioda (10 minutes)
Strategic Investment Program Budget - John Rakowitz (10 minutes)
Issues Raised by the Board:
1. Borrowing Capacity and Building Plans
2. Levy Capacity Issues
3. State and Federal Legislative Concerns and Possibilities
4. General Budget Discussion
Presented by Department Staff and Invited Others. 2.5 HOURS REQUESTED.

Thursday, May 27, 1999 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM

NON-DEPARTMENTAL

C-1 Appointment of Alyce Ross to the ELDERS IN ACTION COMMISSION

SHERIFF'S OFFICE

C-2 RESOLUTION Approving Annual Authorization for Designation of a Portion of Compensation as a Housing Allowance for Chaplains Serving Inmates and Employees at the Multnomah County Jails

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

C-3 Budget Modification DCJ 99-01 Correcting an Indirect Cost Calculation Error in the Substance Abuse Services Program FY 1999 Budget

C-4 Budget Modification DCJ 99-15 Transferring Pre-Trial Release Supervision Staff from the State of Oregon Judicial Department to Multnomah County Department of Juvenile and Adult Community Justice Per Intergovernmental Agreement Approved September 17, 1998

C-5 Intergovernmental Revenue Agreement 700839 with the City of Portland Police Bureau, Providing Funding for the S.T.O.P. Drug Diversion Program for Defendants Charged with Drug Possessions

C-6 Budget Modification DCJ 99-54 Adding \$243,000 Local Law Enforcement Block Grant Revenue to Support the S.T.O.P. Drug Division Program

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-7 RESOLUTION Authorizing Execution of Deed D991632 Upon Complete Performance of Contract 15781 with Mahlon K. Evans, Jr. and Belle V. Evans

C-8 RESOLUTION Authorizing Execution of Deed D991633 Upon Complete Performance of Contract 15792 with Pauline Empey, John Rector, and Rosie Rector

- C-9 RESOLUTION Authorizing Execution of Deed D991634 for Repurchase of Tax Foreclosed Property to Former Owner Earl J. Fletcher
- C-10 Budget Modification DES 99-15 Adding 1.0 FTE Facilities Services Coordinator to the Multnomah Building, Beginning May, 1999
- C-11 Report the Hearings Officer Decision Regarding Approval of Three Administrative Decisions on PRE 16-98, 17-98 and 18-98 for Dwelling Approval Validations for Three Contiguous EFU Zoned Parcels and Implementation of Approved Farm Management Plans on Property Located at 14180, 13950 and 13695 NW SKYLINE BOULEVARD, PORTLAND
- C-12 Report the Hearings Officer Decision Regarding Denial of E 1-99, a Request for a Retroactive Exception to the Secondary Fire and Safety Zones and Forest Practices Setbacks for an Illegal Structure in the Commercial Forest Use Zoning District on Property Located at 11272 NW SKYLINE BOULEVARD, PORTLAND

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- C-13 ORDER Authorizing Designees of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody
- C-14 Amendment 1 to Intergovernmental Agreement 9910156 with Oregon Health Sciences University Providing Additional Funding for Psychiatric Consultation Services
- C-15 Amendment 1 to Intergovernmental Revenue Agreement 9910352 with Centennial School District, 28J Funding Mental Health Services for Children
- C-16 Intergovernmental Revenue Agreement 9910675 with the U.S. Department of Housing and Urban Development Funding Turning Point Transitional Housing Project Supportive Services, Operating Costs, and Administrative Costs
- C-17 Intergovernmental Revenue Agreement 9910676 with the Oregon Department of Human Resources (Annie E. Casey Foundation Grant) to Support the Schools Uniting Neighborhoods Project and Southeast Community Building Efforts

REGULAR AGENDA

PUBLIC COMMENT - 9:30 AM

R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

NON-DEPARTMENTAL - 9:30 AM

R-2 Honoring Multnomah County's Community Peacemakers: Thousand Crane Student Peace Awards and Health Department Violence Prevention Program's Community Peacemaker and Peace Action Zone Awards. Presentations by Commissioner Sharron Kelley, Linda Jaramillo and Carolyn Marks Bax. 15 MINUTES REQUESTED.

R-3 PROCLAIMING June 5, 1999 STAND FOR CHILDREN DAY in Multnomah County, Oregon

SHERIFF'S OFFICE - 9:50 AM

R-4 RESOLUTION Establishing Fees and Charges for Chapter 15, Sheriff, of the Multnomah County Code and Repealing Resolution No. 98-86

DEPARTMENT OF LIBRARY SERVICES - 9:55 AM

R-5 Intergovernmental Agreement 9910811 with Corbett School District No. 39 Providing Community Hours at the High School/Middle School Library and the Grade School Library with Access for Adults; Purchase of Books and Other Materials for Children and Adults; and Purchase of Computers and Other Equipment for Public Use, Including Access to Multnomah County Library's Materials through Connection to the Library's Online Catalog and Web Page

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES - 10:00 AM

R-6 NOTICE OF INTENT to Apply for Stewart B. McKinney Act, U.S. Department of Housing and Urban Development Continuum of Care Supportive Housing Program Funds for the Homeless

R-7 NOTICE OF INTENT to Apply for U. S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention Funding for the Safe Start Initiative Project

DEPARTMENT OF ENVIRONMENTAL SERVICES - 10:10 AM

R-8 Report the Planning Commission Decision Regarding Denial of ZC 1-98/PR 1-98; a Request for a Zone Change and Plan Revision to Change the Existing

Zoning from Exclusive Farm Use to Rural Residential on Property Located at 4046 SE 302nd AVENUE, TROUTDALE and Request that a De Novo Hearing be Scheduled for 10:30 a.m., Tuesday, June 1, 1999, with Testimony Limited to 20 Minutes Per Side.

R-9 RESOLUTION to Initiate Proceedings to Vacate a Portion of S.E. Burnside Road and Set a Public Hearing Date for 9:30 a.m., Thursday, July 1, 1999

R-10 Intergovernmental Agreement 9910769 with Washington County for Lease of Real Property for Use as an Alcohol and Drug Treatment Facility

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE - 10:25 AM

R-11 Intergovernmental Agreement 0010595 with Washington County Providing a Facility, Staff Support, and Supplies for a Secure Residential Alcohol and Drug Treatment Center Administered by the Multnomah County Adult Community Justice

R-12 NOTICE OF INTENT to Apply for a U.S. Department of Justice, Office of Justice Programs Comprehensive Approaches to Sex Offender Management Grant

DEPARTMENT OF SUPPORT SERVICES - 10:35 AM

R-13 Budget Modification DSS 99-13 Reducing General Fund Cash Transfer to the Library Fund in 98-99 by \$1,291,220 to Reflect Increase in Property Tax Levy Revenue and Decrease in Need for General Fund Support. Increases General Fund Cash Transfer to the Public Safety Levy Fund in 98-99 by \$738,842 to Reflect Increase in "Fossil" Public Safety Levy Receipts in the General Fund

R-14 RESOLUTION Adopting the 1999-2000 Budget for Multnomah County and Making Appropriations Thereunder, Pursuant to ORS 294.435

R-15 RESOLUTION Levying Ad Valorem Property Taxes for Multnomah County, Oregon for Fiscal Year 1999-2000

COMMISSIONER COMMENT/LEGISLATIVE ISSUES - 11:15 AM

R-16 Opportunity (as Time Allows) for Commissioners to Comment on Non-Agenda Items or to Discuss Legislative Issues.

MEETING DATE: MAY 25 1999

AGENDA #: PH-1
ESTIMATED START TIME: 9:30

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Tax Supervising and Conservation Commission Hearing

BOARD BRIEFING: DATE REQUESTED: May 25, 1999

REQUESTED BY: Dave Warren

TIME NEEDED: 1.5 hours, 9:30 Time Certain

REGULAR MEETING: DATE REQUESTED: _____

AMOUNT OF TIME NEEDED: _____

DEPARTMENT: Support Services DIVISION: Budget and Quality

CONTACT: Dave Warren TELEPHONE #: 248-3822

BLDG/ROOM #: _____

PERSON(S) MAKING PRESENTATION: Dave Warren, Commissioners

ACTION REQUESTED:

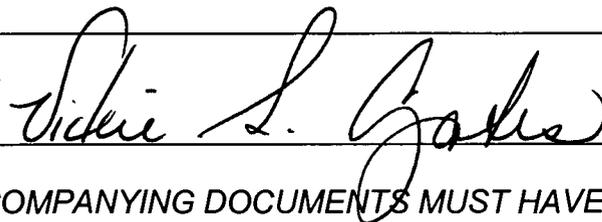
INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the 1998-99 Supplemental Budget and the Approved 1999-00 Multnomah County Budget.

SIGNATURES REQUIRED:

ELECTED
OFFICIAL:
(OR)
DEPARTMENT
MANAGER:



BOARD OF
COUNTY COMMISSIONERS
99 MAY 18 PM 6:23
MULTNOMAH COUNTY
OREGON

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN
DIANE LINN
SERENA CRUZ
LISA NAITO
SHARRON KELLEY

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

TO: Board of County Commissioners

FROM: Dave Warren

TODAY'S DATE: May 17, 1999

REQUESTED PLACEMENT DATE: May 25, 1999

SUBJECT: Tax Supervising Hearing on the 1999-00 Budget

I. Recommendation / Action Requested:

Attend the hearing. Answer policy questions.

II. Background / Analysis:

Tax Supervising is required by law to hold a hearing on the Multnomah County budget. This hearing gives the Tax Supervising Commission an opportunity to satisfy themselves as to the legality of the budget and to explore policy questions with the County Board. After the hearing, TSCC can certify the budget and the tax levies and the County can adopt the budget.

Linda Burtlehaus has provided us with the analysis and questions she produced for the Tax Supervising Commission. They are attached.

Note that the first part of the hearing will be devoted to the 98-99 Supplemental Budget. That budget contains some technical fixes of debt and capital funds that were not budgeted correctly, some big carryover amounts in Transportation, movement of the PC Flat Fee program to the Capital Acquisition Fund, and COPs to purchase the Multnomah Building.

III. Financial Impact:

None

IV. Legal Issues:

The hearing is required and a quorum of the Board should attend

V. Controversial Issues:

None that I know of

VI. Link to Current County Policies:

N/A

VII. Citizen Participation:

The Tax Supervising Commission is a formal institution intended to guarantee budget review by a citizen body.

VIII. Other Government Participation:

N/A



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN
DIANE LINN
SERENA CRUZ
LISA NAITO
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BUDGET & QUALITY
PORTLAND BUILDING
1120 S.W. FIFTH - ROOM 1400
P. O. BOX 14700
PORTLAND, OR 97214
PHONE (503) 248-3883

TO: Board of County Commissioners
FROM: Dave Warren *DEW*
DATE: May 18, 1999
SUBJECT: Tax Supervising Questions

Linda Burglehaus has sent me copies of the staff report, including possible questions, that she has prepared for the Tax Supervising Commission. I am passing them on to you so that you, too, will not be surprised when and if the TSCC commissioners ask them next Tuesday at their hearing.

c. Bill Farver
Carol Ford
Board Staff

BOARD OF
COUNTY COMMISSIONERS
99 MAY 18 PM 6:24
MULTNOMAH COUNTY
OREGON



**Tax Supervising
& Conservation
Commission**

724 Mead Building
421 S.W. Fifth Avenue
Portland, Oregon
97204-2189

TELEPHONE (503) 248-3054
FAX (503) 248-3053

E-Mail
TSCC@co.multnomah.or.us

Web Site
www.multnomah.lib.or.us/tsccl

DATE: May 14, 1999
TO: All Commissioners
FROM: Linda Burtlehaus & Tony Barnes
SUBJECT: Multnomah County 1999-00 Budget Hearing
Multnomah County Courthouse
1021 SW 4th Ave, Room 602
Tuesday, May 25
Pre-Meeting 8:30 a.m.
Hearing 10 a.m.

In addition to the standard packet a summary of the budget is attached for your review.

Overview:

Multnomah County is a general purpose municipal corporation. Administrative functions are organized as follows:

- 1. Community/Family Services \$139.8m – 422 FTE**
Mental health, alcohol and drug, community action, family centers, prevention of domestic violence, developmental disabilities related programs, children's services and anti-poverty programs.
- 2. Health \$85.5m – 853 FTE**
Regulatory health, primary care, specialty care, dental services, HIV and sexually transmitted disease, neighborhood health and school based health clinics.
- 3. Sheriff \$91.9m – 996 FTE**
Law enforcement, corrections, and the functions that support the rest of the justice system in Multnomah County.
- 4. Library \$40.9m – 461 FTE**
Operation of the region's major research library, a net of branch libraries in Multnomah County and targeted services to specific populations.
- 5. Environmental Services \$276.9m – 566 FTE**
Land use planning, animal control, real property assessment and tax collection, elections, and a number of internal support functions for the County including managing & maintaining County property, County roads and bridges.
- 6. Aging and Disability Services \$29.5m – 369 FTE**
Services to the elderly: community access, long term care, adult care home regulation, and public guardian – disability services.
- 7. District Attorney \$19.1m – 224 FTE**
Criminal prosecution, civil forfeitures of property, involved in drug related crimes, family justice services (child support enforcement, victims' assistance, child and domestic abuse teams).

Commissioners
Richard Anderson
Nancy Conrath
Anthony Jankans
Charles Rosenthal
Carol Samuels

8. Community Justice \$67m – 666 FTE

Supervision of adult and juvenile offenders outside of prison, evaluation supporting sentencing decisions and substance abuse and mental health treatments, sanctions that provide structured alternatives to prison, intake and court services.

9. Non-Departmental/Independent Organizations \$64.6m – 77 FTE

Non-departmental: Board of County Commissioners and County Auditor, Debt Service Payments. Independent Organizations: Citizens Involvement Committee, Tax Supervising Commission, Multnomah Commission on Children & Families, Public Safety Coordinating Counsel and Charter Commission.

10. Support Services \$61.6m – 197 FTE

Accounting, payroll, accounts payable and receivable, purchasing, budgeting, labor relations, risk management.

With property tax revenues climbing as a result of strong assessed value growth and the second year of the Library Local Option Levy, Multnomah County's uncertainties regarding property tax revenue, for the time being, are not the issue that they were in the past. However, other revenue uncertainties remain, particularly dealing with State Felon funding. Also, if and when the new medium security prison is built, Multnomah County will possibly need a new source of revenue to help operate it. Right now, it is uncertain when this project will be completed, but there is the possibility that it might be open before the County has the means of financing operations. Currently, it looks like the County may be asking voters for a Public Safety Local Option Levy in the fall of 2000.

Generally for next year, programs across the board are increasing their budgets slightly as a result of personal services growth while more significant growth is budgeted for in the Community and Family Services Department and the Sheriff Department.

Various new initiatives include:

- SUN (Schools Uniting Neighborhoods) program – a multi-partner program involving Multnomah ESD and Portland Public Schools to support four schools that will offer afternoon and evening activities.
- Expand Headstart-based mental health programs using potential funds from the state.
- Homeless youth, in conjunction with the City of Portland, adding about \$1 million to current funding of four programs, expansion of Domestic Violence services – primarily culturally specific.
- School funding continues even though the one-year McBIT program is coming to a close. In total, the County will continue the School Attendance Initiative with Portland Public Schools and Multnomah ESD (\$2.7 million). This is largely the Transitional program that takes at-risk students/dropouts and puts them in a specific program to get transitioned back into the regular curriculum.
- Infrastructure development continues throughout the county with the renovation of branch libraries, construction of east county facilities, and the consolidation of some County facilities as the County transitions into more County-owned buildings such as the Multnomah Building on the east side of the Willamette. The County also is aggressively becoming Y2K compliant with a new assessment and taxation system (supplemental budget FY 98-99), and the implementation of the Integrated Enterprise System – a new complete integrated financial and management information system.

Revenues:

When netting out balances and transfers, total direct resources of the entire County budget equal \$776.3 million this year. That is \$20.8 million more than last year and represents a 2.8% increase. However, some revenues distort this figure. For example, this year does not include the last year's McBIT surcharge for schools. Also, the County since 1996 has received various portions of \$43 million from the State to construct jail and alcohol and drug treatment facilities for felons sentenced for less than one year (Senate Bill 1145 funds). When correcting for these revenues and netting out planned debt proceeds, comparable revenues total \$614.8 million, which is a 5.4% increase over last year.

Part of the increase is property tax revenue growth driven by increases in assessed value both from the 3% limit on existing properties and new growth in the region. Multnomah County is budgeting 4% total AV growth for next year which might be slightly conservative. Also, compression is down for their permanent rate tax revenue next year, using the assumption that the gap between Market Value and Assessed Value on existing properties grows. General Fund property tax revenues are split between the general fund (69.7%), public safety levy fund (19.9%) and library levy fund (10.4%) as a matter of policy. This allocation, while not required by law, was made when the previous separate Library and Public Safety serial levies were rolled into the permanent rate and in effect (although limited through the calculation) became permanent. Note that the beginning fund balances in the Public Safety Fund and Library Levy Fund have increased significantly.

Outside of property taxes, there are some other new revenues. With support of regional tourism businesses, the Transient Lodging Tax and Motor Vehicle Tax are slated for an increase to support the expansion/completion of the Oregon Convention Center. Currently, the majority of Multnomah County's Transient Lodging Tax is passed through to Metro to operate various MERC facilities. Last year \$7.25 million in revenue was budgeted. Next year, \$16.4 million in revenue is budgeted. The Motor Vehicle tax is currently used as General Fund discretionary revenue. The revenues from the increase in the Motor Vehicle tax is budgeted as part of the Transient Lodging tax fund at \$2.9 million and will be passed through to MERC for the Convention Center project in addition to the transient lodging tax.

Uncertainties exist with the vast amount of various dedicated State revenues Multnomah County receives. Gas tax revenue is uncertain but budgeted at the same level as last year (\$7.8m). State Motor Vehicle Licenses are budgeted up from last year (from \$26.1 million to \$28.1 million). The most challenging topic however is operating revenues associated with SB 1145 for state felon probation supervision. The state funding formula is driven by caseload and Multnomah County has been "energetically working to divert as many low-risk offenders as possible out of the caseload." As a result state funding for the next biennium is expected to decrease \$2.3 million annually from the 1997-99 biennium level. The reduction in demand is not a perfect correlation to dollars required to operate. In addition, the County is increasing their domestic violence program, mental health housing, sex offender treatment, and data integrity programs within Community Justice. To balance the budget, the County is reducing the number of beds it rents for alcohol and drug cases in neighboring counties, delaying the opening of the new Washington County facility, closing part of the restitution center and cutting some Community Justice programs. Also, part of the void will be covered by funding the STOP drug diversion program with new Federal INS one-time funding and an increase in the amount the US Marshals are charged for renting beds.

The County receives many State Mental Health grants and Title XIX Medicaid reimbursements for Community and Family Services and the Health Department programs. While Mental Health Care initiative funding is still an uncertainty at the state, total Mental Health grants are budgeted about equal to this year. Medicaid reimbursements are budgeted slightly higher than from last year.

Also new is about \$300,000 in revenue from an anticipated Pet Food License Tax to increase funding for Animal Control activities.

Expenditures

Overall, total budgeted departmental direct expenditures plus service reimbursements (excluding cash transfers), increased from \$839.7 million to \$876.8 million, an increase of about 4.4%. Personal Services increased from \$235.5 million to \$253.2 million (7.5%). Part of the increase is due to higher PERS contribution requirements. The total rate is 12.28%, compared to last year's rate of 10.66%. The County selected a phased in PERS rate increase that will close the gap of their unfunded liability over the next few years, requiring similar increases until FY 2003.

In addition to contract changes, total budgeted FTE's will increase from 4,669 to 4,831 (3.4%), with the largest FTE increases in Community and Family Services (40 FTE, 10% growth) and Community Justice (33 FTE, 5% growth). Contracted Services remained stable while Materials and Services increased 7.7%. Capital expenditures increased 10%. Some projects planned to start in 1998-99 did not occur, such as the new Jail. It appears that capital expenditures for both the new Jail and adjoining alcohol and drug treatment facility will go forward for next year with the Sheriff Department, Community Justice Department and the County Commissioners in agreement. The land purchase from the Port will take place this year. (See article).

Below is a list of some of the service changes by Department. Following this review is a worksheet that details budget changes by Department and Fund and exact FTE.

Environmental Services

Animal Control:

Enhanced Animal Control services in anticipation of pet food fee (+\$.3m).

Facilities:

Lower capital expenditures associated with SB 1145 program (-\$6.3m), increased lease-purchase projects including improvements to Multnomah Building and branch libraries (+\$20.2 m).

Fleet/Records:

Equipment purchases/contingency (+\$1.8m)

Transportation:

Increase to supplements to Multnomah County cities from increase in Motor Vehicle Sharing Revenue (+\$1.1m).

Property Appraisal:

Data processing efficiencies (-\$.4m), personnel reclassifications (+.2m)

Tax Collection:

Data processing efficiencies (-\$.2m)

Library

FY 1998-99 and the implementation of the Library Levy brought 136 new FTE to the Library system (about a 43% increase). Overall the budget increases 5%, resulting mostly from salary increases and the PERS increase. Last year hiring and training staff was a priority and hours of operation increased by 70 in July of 1998. Operational changes for 1999-00 include opening the Fairview-Columbia Library in December of 1999, opening the new Woodstock Library in January 2000, and opening the renovated Rockwood and North Portland Libraries in August 1999 and March 2000, respectively. Outreach services, which provides services to homeless shelters, senior citizens, people with disabilities, jail inmates, and various youth programs are set to expand next year as well with various school programs and outreach specialists.

Health

Neighborhood Health:

Small decreases to School Based Clinic and the Breast & Cervical Cancer programs.
Substantial increases to Field Teams (+\$1.1m) – consulting/coordinating teams for targeted at-risk populations.

Primary Care:

Primary Care Clinics – seven around the County (-\$.4m) due to loss of State Safety Net grant.

Corrections Health:

Cost of drugs increase (\$+.4m)

Other:

Small increases in staff/funding through other programs that are included in the Disease Control/Prevention, Dental Services, and Department Support.

Sheriff

FY 1999-00 marks the first year of full operation of 2,000 jail beds in the jail system. The heaviest growing demand on the system is in the area of mental health and the special needs associated with it. The number of mentally ill bookings have increased 41% since 1994. The Sheriff's office states, through an add-package, that they need another \$700,000, and 10 FTE for increased health/security staff for housing mentally ill inmates. By the year 2000, the Office estimates that with 1,100 new beds in the system they will need about 300 FTE. For next year, some budget changes include the following:

Law Enforcement:

Personal Services (+\$1m) Patrol, facility security

Corrections:

Program changes minimal – funding switch loss of State Felon Impact Revenue matched by General Fund transfer ("public safety levy") dollar for dollar (\$1.4m).

Corrections Programs:

Alcohol and Drug Intervention – (+12 FTE, +\$.8m), resulting from an end to the "Target Cities Grant."

Community and Family Services

Developmental Disabilities: Increases \$4m (11%)

Specific increases in the Residential Services (+\$2.1m, 9%) for increased residential assistance and community integration activities. Also, increases in Specialized Services (+.9m, 36%) for activities in support and training disabled individuals, their families and service providers for living at home. These increases are supported by increases in State Mental Health revenue.

Behavioral Health: Increases \$4m (9%).

Strong increases in Community Mental Health, Alcohol and Drug and Adult Mental Health Contracts programs – programs that assist in assessment and community/residential treatment – funding through increases in State Mental Health revenue.

Community Programs and Partnerships: Increases \$4m (15%).

Majority of increase in Housing & Public Works contracts for various shelters. Significant increases also in Domestic Violence and Delinquency Prevention programs.

Community Justice

Juvenile Justice:

Cut 5.9 FTE while expenditures increase \$.8 million. Primary cut are from Residential Programs – a program to treat high-risk violent youth offenders. More resources are being applied in the School Attendance Initiative in PPS and in partnership with MESD.

Adult Justice:

Increased FTE 36.9 while expenditures decreased \$1.2 million. Most of the increases include 30 FTE for a secure alcohol and drug treatment facility and 8 FTE at the Day Reporting Center. The primary decrease is in the Local control program from 23 to 8 FTE (and a \$2.3 million drop).

District Attorney

Family Justice:

Increased +8.4 FTE, \$1.1m or 20% increase to "strengthen services for children and families in Multnomah County." In support of domestic violence, juvenile section, child support enforcement and victims assistance.

Aging & Disability Services

Aging:

Slight increases in various Aging programs – mostly personal service adjustments – other changes include increased case management capacity and in-home provider improvements as a result of increased Title XIX funding and GF support.

Disability:

Increased quality assurance to improve accuracy in food stamp program error (+8.5 FTE, \$.5m) through increased Title XIX funding.

Capital

The County recognizes that it has significant deferred maintenance issues. Last year's estimates range from \$25 million to \$50 million in deferred maintenance excluding the Courthouse. Work started on some of the problems through the issuance of a \$15 million COP last year. This year \$40 million in financing is planned for completion of East County facilities, property for future Courthouse and deferred maintenance. For 1999-00, facilities maintenance increases \$3.6 million, or almost 50%, however, part of the increase will be for higher debt service payments to the Capital Lease Retirement Fund for increased COP issues. The Capital Improvement program budget is \$9.4 million higher, an increase of 5.6% including \$6.3m decrease in SB 1145 projects. The CIP budget includes library branch renovation, improvements to the recently acquired Multnomah Building, and various lease-purchase projects for other County facilities. Also included are new projects at the Edgefield Children's center for a net project increase of \$2.7m.

Possible Questions:

Library

1. Even though three libraries (North Portland, Rockwood, and Woodstock) are reopening and four others (Belmont, Holgate, Sellwood, and St. Johns) are closing in 1999-00, the Library is fully staffed and operating costs are probably more certain than last year. The budgeted Beginning Fund Balance for next year jumped from \$680,000 to \$3.45m. Meanwhile, the total combined revenue from the Local Option Levy and General Fund transfer remains fairly constant. Approximately \$2.2m is budgeted in contingency.
 - A) What is the target for the fund balance in this fund?
 - B) Please describe some of the unknowns regarding project design and timing/opening and closing of the seven libraries? How might this impact operations?
 - C) Will the General Fund transfer be decreased next year and in future years if the revenues continue to outpace expenditures?
 - D) Is the Board actively involved in deciding the amount to transfer from the General Fund and mid-year alterations to that amount?

Sheriff/Community Justice Departments

2. The growth in the beginning fund balance of Jail Levy Fund budget is outpacing growth in total expenditures (14% vs. 4%). Also, the transfer from the General Fund is budgeted to grow from \$31 million to \$33 million.
 - A) What is the reason behind the disproportional increase in the Beginning Fund Balance? It appears that revenues are outpacing expenditures. What's the target fund balance for the Jail Levy Fund?
 - B) How much of the General Fund contribution above and beyond the "fossil levy" requirement is being transferred and why?
3. State felon funding is expected to drop \$2.3 million annually as a result of decreasing caseload. How is the caseload measured? What is the primary reason for the caseload drop?

4. While state felon impact payments are decreasing additional costs are expected for inmate pharmacy (\$.5 million) and support is being added to various programs such as Domestic Violence Probation Officers, Mental Health Transitioning, Community Justice Data Integrity (\$.4 million). In total, \$3.2 million in resource/cuts are needed. To balance, rental agreements have been reduced, one floor of the restitution center will be closed, some community justice programs will be cut, and the opening of the Washington County Alcohol and Drug facility will be delayed. (\$2.3 million). The remaining balance is largely made up by funding the STOP drug diversion program with one-time INS dollars.

A) What's the current status of State Felon Impact Payment estimates?

B) With various programs being increased that are not covered by state or general fund dollars, but rather one-time dollars, what's the long-term outlook of providing these programs?

5. SB 1145 capital is planned to be spent on a secure alcohol and drug facility. Currently \$21 million is budgeted for construction next year. Recent decisions have been made to place the facility with the new jail at the Rivergate site.

A) How will this decision affect project costs? By placing the facility with the jail will construction costs be less, the same or greater than the discussed alternatives such as having several facilities throughout the County?

B) If efficiencies are realized, what will be done with the extra capital?

C) Were any SB 1145 funds used to purchase the new jail site or was the purchase made solely out of the jail fund?

6. There has been talk of a new Public Safety Levy in 2000.

A) What expected costs will the levy cover that are not currently covered by the "fossil levy" that is now rolled in as part of the permanent rate?

B) What is the expected shortfall if the facility opens before a new levy is authorized?

C) What are the alternatives to such a levy? Since collections from the Library local option levy are increasing, could general fund dollars be redirected from the library to public safety?

7. The Governor has proposed a \$30 million dollar Juvenile High Risk Crime Prevention plan. Multnomah County would receive \$5.7 million for the next two years.

- A) What's the status of this proposal?
- B) If not funded, how will the Juvenile Justice budget be affected?
- C) How will the detention unit and shelter beds be funded?

Community and Family Services/Health/Aging

8. In 1998-99 the behavioral health managed care fund was significantly overspent. The majority of the revenues represent Medicaid reimbursements.

- A) What caused the overexpenditure? Were Medicaid revenues not reimbursed?
- B) Overall, Medicaid revenues in the Federal/State Program Fund and Behavioral Health Managed Care Fund in the Community and Family Services, Health and Aging departments are up from \$46 million to \$53. Please describe the program changes that drive the increase in these budgeted revenues. Is there the likelihood that these revenues are overbudgeted?
- C) What controls are in place to avoid such overexpenditures?

9. In the Federal/State Fund, General Fund Transfers are on the rise to Community and Family Services and Health Departments. These appear to be directly related to initiatives including SUN community schools, Homeless families, Touchstone Expansion and support to Early Childhood Mental Health Headstart. To what degree will this level of funding be included in future budgets? What priority do these service expansions have over other discretionary funding needs?

10. Approximately \$300,000 in one-time funding is being included for expanded Domestic Violence programs. What are the options to make these expanded services on-going?

11. The new clinic in Rockwood includes six months of funding. What will happen for the following six months? How will future funding be handled?

Environmental Services

12. The County is doing an outstanding job of addressing deferred maintenance projects and funding them. However, funding is secured mostly by issuing new COPs, with the exception of the Library Bonds. With \$40 million in debt being issued next year, how is the County doing in its policy of limiting debt payments to 5% of the supporting fund?

13. One of the "action plans" described by facilities and property management is to analyze joint use possibilities with Portland Public Schools. What progress has been made in this area? Have there been any viable options?

14. Transportation Financing: The five year Capital Improvement Plan has identified \$111.6 million in transportation projects for the road system and anticipated revenues of \$20 million. Has the County discussed future financing options regarding this issue? Is there any chance of putting more discretionary dollars to work for transportation projects?

15. Note that approximately \$300,000 is budgeted from a new pet food license fee. This will complement existing funding to expand services. Please describe the current status of bringing this to voters. If approved, how will services be increased?

General

16. General Fund property tax revenue is budgeted to grow at 4%. This might be quite conservative if construction in 1998 was anything like 1997. Last year's value growth was closer to 8%. This indicates that the County could very well wind up with more tax dollars than budgeted. What are the County's policies regarding extra revenue? What programs will benefit? Is there any chance that extra revenue will be used to address more capital maintenance issues?

17. Flow through dollars are budgeted to reflect a proposed increase in the Transient Lodging Tax and Motor Vehicle Rental Tax. The budget document assumes the increase but the board at the time did not take action. What is the Board's status on this proposal?

Thanks to staff. As usual, they've been very cooperative and have done an outstanding job!



**Tax Supervising
& Conservation
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DATE: May 14, 1999

TO: Dave Warren, Multnomah County Budget Director

FROM:  Tony Barnes / Linda Burglehaus 

SUBJECT: Multnomah County's 1999-00 Budget

We've completed the initial staff review of the Multnomah County 1999-00 budget. Enclosed is the review we prepared for our Commissioners and our suggested hearing questions. We'll forward the certification letter after the hearing. The following is a listing of informal "staff to staff" comments for your future reference. Some of the comments are included as objections and recommendations on the certification letter.

1. Interest Revenue

Interest revenue is not budgeted in the following funds: Revenue Bond Sinking Fund, Justice Bond Project Fund, Edgefield Bond Project Fund, Lease/Purchase Project Fund, Library Construction Fund 236, and the Library Construction Fund 237. An appropriate amount of interest should be allocated to these funds.

2. Contingency in Debt Service

The approved budget includes \$496,414 as contingency. Since this is a non-operating fund, contingency should not be included. If necessary, budget debt service higher by this amount or do not include the amount at all. Unanticipated bond payments may be made without a supplemental budget.

3. GO Bond Fund Underbudgeted

The fund is underbudgeted for the early bond payment for the fiscal year 2000-01. It is our understanding that this payment will be handled with a short-term interfund loan.

4. Prior Year's Taxes

From our calculation, you might be receiving quite a bit more in prior years' taxes than budgeted for the General Fund and General Obligation Debt Service Fund. We've attached a worksheet with our numbers. Our calculation assumes that 50% of the total outstanding amount will be collected in FY 2000. Note that by year end 1998, approximately 56% of all outstanding prior year unpaid levies were collected. Please compare our estimates – if your collection estimates are underestimated, the General Fund and GO Bond Debt Service Fund will collect much more revenue than anticipated. Furthermore, the GO Bond Debt Service Fund could require less of a tax levy to balance.

Commissioners
Richard Anderson
Nancy Conrath
Anthony Jankans
Charles Rosenthal
Carol Samuels

5. History Numbers

We noticed that the Revenue/Expenditure totals do not match in the 1996-97 column of the Library Levy Fund in the "Financial Detail" section. Also in the "Financial Detail" section, in the 1997-98 column, various revenue and expenditure fund totals match, but the detail included in them do not add to the total. I suspect that various lines were inadvertently excluded. Finally, indirect service reimbursements on the Summary of Resources do not match the total on the Summary of Department Requirements. Please try to fix these problems in the coming months.

6. Fund Structure

As we mentioned previously, a single fund for Sheriff operations would bring us great joy. It would be helpful in identifying all revenues and expenditures associated with Sheriff operations.

7. Personal Services Break-Out

Throughout the budget PERS, worker's compensation, Tri-Met, FICA and other expenses are lumped together as a "salary related expenses" line item. We recommend that you add a summary sheet displaying the factors that make up this line item – perhaps a summary sheet that compares total personal services budget to personal services history regarding these expense factors.

Overall, this is an extremely nice budget. The narratives and summaries are excellent resources for the reader. Again, thanks for all the help.

**Calculations for Prior Year Tax Collections
For Use In FY 1999-00 Budget Estimates**

District: Multnomah County

Completed by: Tony

		General Fund	Debt Service	Library Levy
Unpaid Prior Years Taxes	50.00%			
Tax Receivable - 6-30-98 Audit Balance		8,142,000	782,000	0
Less prior year tax collections		4,071,000	391,000	0
Estimated Receivable 6-30-99		4,071,000	391,000	0
Unpaid Current Levy	3.26%			
Imposed Taxes - FY 98-99		152,983,703	16,277,848	17,919,593
(Be sure to pick up imposed tax for other counties on joint districts)				
Total Unpaid Current Levy		4,987,269	530,658	584,179
Total Tax Receivable Estimate 6-30-99		9,058,269	921,658	584,179
TSCC Estimate of FY 99-00 Collections	50.00%	4,529,134	460,829	292,089
District Estimate of FY 99-00 Collections		3,361,166	322,161	250,000
Difference		1,167,968	138,668	42,089



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Date: May 14, 1999

To: All Commissioners

From: Linda Burglehaus/ Tony Barnes

Subject: **Multnomah County 98/99 Supplemental Budget Hearing
Tuesday, May 25, 1999
Pre-Meeting 8:30 am
Hearing 9:30 am**

Attached for your review is the Multnomah County Supplemental Budget Message

Summary:

Multnomah County is proposing a spring supplemental primarily for recording extra beginning fund balances for 1998-99 that will be used to fund projects in the Transportation Department as well as various computer projects such as the new Assessment and Taxation System. New revenues and projects associated with the Edgefield Regional Children's Center are budgeted. Also, debt proceeds and projects associated with the acquisition of the U.S. Bank building and the East County facilities are budgeted.

3. Strategic Investment Fund

Recognize the first Strategic Investment program Community Fee Payment from LSI Logic as part of their property tax abatement program. The fee revenue is shared under an agreement with the City of Gresham. Additional beginning working capital will be used to partially fund the "School to Public Service Careers Program."

+\$236,256 in beginning working capital

+\$180,002 in Service Fees

All budgeted as Materials and Services (19% increase in SIP fund)

4. Transportation Department (Various Funds)

Recognize additional beginning working capital and authorize Transportation Division Program carryover construction projects from 1997-98.

+ \$1,209,523 in beginning working capital.

All budgeted as Capital Outlay (23% increase in Road Fund)

+\$182,954 increase in beginning working capital.

All budgeted as Capital Outlay (88% increase in Bike Fund)

+\$2,036,248 increase in beginning working capital.

All budgeted as Capital Outlay (38% increase in Bridge Fund)

Commissioners
Richard Anderson
Nancy Conrath
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Carol Samuels

3. **Edgefield Project Fund.** Recognize fund raising revenues and corresponding capital outlay for Edgefield Regional Children's campus.

+2,360,000 increase in bequests/estates. (74% increase in **Edgefield Fund**)
\$2,060,000 budgeted as Capital Outlay
\$300,000 as Materials and Services

4. **Equipment Lease Purchase Fund.** The County issued COPs last year to fund the acquisition of a new Assessment and Taxation computer and Health Department Computer Equipment. The purchases were delayed and not budgeted for 1998-99.

+3,500,000 increase in beginning working capital.
All budgeted as Capital Outlay and Project Contingency.

5. **Lease Purchase Fund.** The County issued COP proceeds recently for acquisition of the U.S. Bank Building and construction of East County Facilities. Also, a transfer incorrectly budgeted to the Capital Improvement Fund is correctly budgeted in the Lease Purchase Fund.

+\$37,000,000 increase in certificate proceeds.
+\$485,357 increase in Transfers
Budgeted \$36,985,357 as Capital Outlay, and \$500,000 as Materials and Services.

6. **Capital Improvement Fund**

Decrease in Transfers in and corresponding Capital Outlay to make the correction mentioned in 5 above.

7. **Capital Acquisition Fund**

- a) The County is selling Edgefield property to the Regional Children's Campus. Half of the down payment will be deposited into the Capital Acquisition Fund. (+\$147,500)
- b) The Library is requesting a Loan from the Capital Acquisition Fund to pay for tenant improvements at the Albina Library and Fairview Library branches. (\$379,000)
- c) Recognizes \$2,377,710 transfer from the Data Processing Fund. Represents PC flat fee amounts accumulated in the Capital Acquisition Fund. Transfer is being made to prevent balances from being commingled with other data processing funds.

+\$147,500 increase in sale of real property
+\$2,377,710 increase in transfers.
Budgeted as \$1,909,710 in Materials and Services, \$230,165 in Capital Outlay, and \$385,335 in Contingency.

8. **Data Processing Fund**

Represents \$1,499,706 in COP proceeds for acquisition of IBM Mainframe Server. Increase transfers out as mentioned in 7 above to Capital Acquisition Fund. Difference is being funded by decreases in Materials and Services and Capital Outlay amounts for the Data processing Fund.

Possible Questions:

- 1) This supplemental budget includes numerous carryover projects for the Transportation project. Noted in the supplemental budget that various projects lag behind the County's budgeting process. What are these projects, by fund, and why do they lag behind the County's budgeting process?

- 2) It was noted that one half of the down payment from the sale of Edgefield property to the Regional Children's Center is deposited in the Capital Acquisition Fund. Where does the other one half of the down payment go?

- 3) A loan of \$379,000 is budgeted in the Capital Acquisition Fund to pay for construction of tenant improvements at the Albina and Fairview libraries. The agreement is that the Library will pay back with 5% interest the amount to the Capital Acquisition Fund. With pending legislation allowing multi-year loans, is this planned to be a one-year or multi-year loan? What funds will the Library use to payback the loan? What type of projects are included in "tenant improvements?"

- 4) The budget includes \$276,000 for a new IBM Enterprise Mainframe Server and \$1.2 million for associated software. The budget states that the new server will be 50% faster and have various improvements. What is the useful life of the new server?

- 5) In the Lease Purchase Project Fund, \$10 million of the \$40 million in COP proceeds will be used for "a potential increase in the construction costs of the East County Facilities." What are the potential increases and how will the proceeds be used if the potential increases do not materialize?