



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

BOARD OF COMMISSIONERS

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ANY QUESTIONS? CALL BOARD

CLERK DEB BOGSTAD @ (503) 988-3277

Email: deborah.l.bogstad@co.multnomah.or.us

INDIVIDUALS WITH DISABILITIES PLEASE
CALL THE BOARD CLERK AT (503) 988-3277,
OR MULTNOMAH COUNTY TDD PHONE
(503) 988-5040, FOR INFORMATION ON
AVAILABLE SERVICES AND ACCESSIBILITY.

OCTOBER 15, 16 & 17, 2001 BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Monday County Budget Retreat
Pg 2	9:30 a.m. Tuesday Overview and Discussion of Financial Information Relevant to the Mid- year Budget Adjustment to the Multnomah County General Fund
Pg 2	9:30 a.m. Thursday Presentation on Library's Teen Internship Initiative
Pg 3	9:50 a.m. Thursday Proclamation Proclaiming Hands and Words Are Not for Hurting Week and Week Without Violence
Board and Agenda Web Site: http://www.co.multnomah.or.us/cc/index.html	

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, 11:00 PM, Channel 30
Saturday, 10:00 AM, Channel 30
(Saturday Playback for East County Only)
Sunday, 11:00 AM, Channel 30
Produced through Multnomah Community
Television

(503) 491-7636, ext. 333 for further info
or: <http://www.mctv.org>

Monday, October 15, 2001 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET RETREAT

B-1 The Board of Commissioners, Auditor, District Attorney, Sheriff and Department Directors Will Meet in a Day Long Session to Discuss and Deliberate on the Multnomah County Budget. Facilitated by Chuck Palmer.

Tuesday, October 16, 2001 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFING

B-2 Overview and Discussion of Financial Information Relevant to the Mid-year Budget Adjustment to the Multnomah County General Fund. Presented by Dave Warren, Dave Boyer and Gina Mattioda. 2.5 HOURS REQUESTED.

Thursday, October 18, 2001 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

REGULAR AGENDA - 9:30 AM

PUBLIC COMMENT - 9:30 AM

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

DEPARTMENT OF LIBRARY SERVICES - 9:30 AM

R-1 Presentation on Library's Teen Internship Initiative. Presented by Laural Winter, Jim Harper and Connie Christopher. 20 MINUTES REQUESTED.

DEPARTMENT OF HEALTH - 9:50 AM

R-2 PROCLAMATION Proclaiming the Week of October 14 to October 20, 2001 as Hands and Words Are Not For Hurting Week and Week Without Violence in Multnomah County, Oregon. Presented by Lisa Hansell and Marcia Dennis. 30 MINUTES REQUESTED.

MEETING DATE: October 15, 2001
AGENDA NO: B-1
ESTIMATED START TIME: 9:30 AM
LOCATION: Boardroom 100

(Above Space for Board Clerk's use only)

AGENDA PLACEMENT FORM

SUBJECT: County Budget Retreat

BOARD BRIEFING: DATE REQUESTED: Monday, October 15, 2001
REQUESTED BY: Chair Diane Linn
AMOUNT OF TIME NEEDED: All Day

REGULAR MEETING: DATE REQUESTED: _____
AMOUNT OF TIME NEEDED: _____

DEPARTMENT: Non-Departmental DIVISION: Chair's Office
CONTACT: John Rakowitz TELEPHONE #: (503) 988-5137
BLDG/ROOM #: 503/600

PERSON(S) MAKING PRESENTATION: Elected Officials, Department Directors, County Staff and Facilitator Chuck Palmer

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☒ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUGGESTED AGENDA TITLE:

The Board of Commissioners, Auditor, District Attorney, Sheriff and Department Directors Will Meet in a Day Long Session to Discuss and Deliberate on the Multnomah County Budget

SIGNATURES REQUIRED:

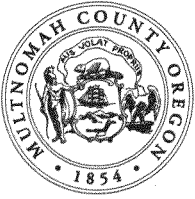
ELECTED OFFICIAL: Diane M. Linn
(OR)

DEPARTMENT MANAGER: _____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ (503) 988-3277 or email
deborah.l.bogstad@co.multnomah.or.us

BOARD OF
COUNTY COMMISSIONERS
01 OCT 10 PM 2:45
MULTNOMAH COUNTY
OREGON



Diane M. Linn, Multnomah County Chair

MULTNOMAH COUNTY BOARD AND LEADERSHIP RETREAT

October 15, 2001

Multnomah Building, 501 SE Hawthorne, 1st Floor Boardroom, Portland OR 97214
9:30AM – 3:30PM

Kathy Turner, Facilitator

- | | | | |
|---------|------|---|------------------|
| 9:30AM | I. | Convene and Welcome | Chair Diane Linn |
| | | Budget Development Approach | |
| 9:45AM | II. | Goals for the Day & Budget Development Process Overview | Chair Diane Linn |
| | a. | Goals | Chair Diane Linn |
| | | ➤ Agreements on the Process | |
| | | ➤ Agreements on Fiscal Policies | |
| | | ➤ Provide Policy Direction to Staff | |
| | b. | Agenda Overview | Chair Diane Linn |
| | c. | Process Overview | John Ball, COO |
| | d. | Questions/Comments | Kathy Turner |
| | e. | Agreement | Chair Diane Linn |
| 11:00AM | III. | Financial Context & Agreement on Fiscal Policies | |
| | a. | Overview of Financial Situation | Dave Warren |
| | b. | Overview & Agreement on Fiscal Policies | Dave Boyer |
| | c. | Agreements | Chair Diane Linn |
| NOON | IV. | Lunch Break (30 Minutes) | |
| 12:30PM | V. | Development of Budget Options | Chair Diane Linn |
| | a. | Guiding Principles/Policy Drivers | Kathy Turner |
| | | ➤ Agreement on Overall Goals | Chair Diane Linn |
| | b. | Framework – Overview | Chair Diane Linn |
| | | ➤ Basic/Core Services & Obligations | |
| | | ➤ Policy Initiatives/Key Partnerships/ Innovative Practice Systems Development (Benchmarks & Key Results) | |
| | | ➤ Operational Effectiveness & Efficiencies | |



- c. Each Board member shares for 5 Minutes
 - Priorities-overall, on a policy level, what Is important to them (4-5 areas)
 - 4-5 areas for which they would like options and information
- d. Discussion

3:15PM	VI	Summary of Issues	Kathy Turner
3:30PM	VII.	Adjourn	

Draft Board Budget Calendar

Tuesday, October 23 Work Session 9:30 to Noon

- ◆ Review priorities, issues and ideas
- ◆ Public Hearing opportunity

Tuesday, October 30 Work Session 9:30 to Noon

- ◆ Further development of issues and ideas
- ◆ Public Hearing opportunity

Tuesday, November 6 Work Session 9:30 to Noon

- ◆ Draft budget framework, 75% test
- ◆ Public Hearing opportunity

Tuesday, November 13 Work Session 9:30 to Noon

- ◆ Draft budget and decision packages
- ◆ Public Hearing opportunity

Tuesday, November 20 Work Session 9:30 to Noon

- ◆ Executive Budget presentation
- ◆ Public Hearing opportunity

Tuesday, November 27 Work Session 9:30 to Noon

- ◆ Budget discussion
- ◆ Public Hearing opportunity

Thursday, November 29 Board Meeting

- ◆ Adoption of modified budget
- ◆ Public Hearing opportunity

BUDGET COMMUNICATIONS PROCESS

Draft

October 15, 2001

Directly following October 15, 2001, the Chair's office will send out an internal message and a public release outlining the budget process determined and next steps.

Communications Team Members:

Becca Uherbelau	Gina Mattioda
Stephanie Soden	Shery Stump
Trink Morimitsu	

I. Internal

A. MINT Site

1. The Segue/Core Group will develop a template for weekly reports to be posted on the MINT
2. There will be an application on the MINT that will allow employees to send correspondence and comment regarding the budget (also a means via inter-office mail is being identified).
3. Staff has been identified to collect and code comment received from employees. He will also send a generic response to a contributing employee acknowledging receipt and thanking them for comment.
4. The budget participation link on the MINT will have links to services for employees (e.g. job seeking, counseling, etc.).

B. Direct Reports & Operating Counsel

1. COO & OC meet weekly with representatives from Segue/Core Team to update and dialogue about potential cost reductions. All Board members and elected officials are welcome and encouraged to attend (or send a staff representative).
2. Directly following the COO & OC meeting on Mondays, the communications team (listed above) will debrief and craft a sample summary message (in the form of an e-mail) that will be sent to all COO & OC members. COO & OC members are encouraged to share the sample message (or a variation thereof) with their employees.
3. Direct Reports will receive daily updates from the Segue/Core Team.

C. Direct Employee Interaction

1. The Chair will schedule large group meeting times for each department. All Board members, Direct Reports and Division Managers are encouraged to attend. All department staff will be invited. This will be an informal meeting that will serve as a briefing for concerned employees and an opportunity for them to provide face-to-face input to the Board.

D. Unions

1. The Chair's office will meet and dialogue with the county's employee union representatives on a regularly scheduled basis.

II. EXTERNAL

A. Communication with and from the Board

1. The Board is scheduled for weekly dialogues with representatives from the Segue/Core Group, COO, and the OC to discuss the budget.
2. During the Board's weekly meetings there will be a scheduled time for public involvement. The Board will make a concerted effort to solicit information and feedback from all stakeholders.
3. The Board's meetings will also serve as a forum for local media to receive updates on what is happening with the budget rebalance.

B. Public Meetings

1. Again, the public will have the opportunity to provide live input to the Board every Tuesday.
2. **An electronic townhall system will be developed (or a contract provider will be identified) whereby residents can share their opinion with the Board via the Internet and phone. The bilingual system, once setup, will be available to the public throughout the budget decision making process. This will serve the same function as a series of public meetings.

C. General External Communication

1. The Chair and PAO offices' will, on a regular basis, provide written updates to be sent to stakeholders, other government and public entities as well as the press about the budget process.

D. Public Website

Yet To Be Determined

Where General Fund is in Departments

Department	Total Expense	GF Support
Nondepartmental	77.2	16.0
District Attorney	18.6	14.1
Community and Family	206.7	37.3
Aging and Disability	36.3	6.8
Health	101.9	38.8
Community Justice	71.9	43.7
Sheriff	145.5	87.7
Support Services	106.4	27.5
Library	44.7	15.7
Sustainable Community Development	179.1	3.2
Subtotal Expenditures	988.3	290.9
Contingency for bargained COLA and other		4.0
"Regular" Contingency		1.3
Unappropriated balance		4.5
Total General Fund		300.7

\$ in millions

Midyear Financial Problem

Major Revenues

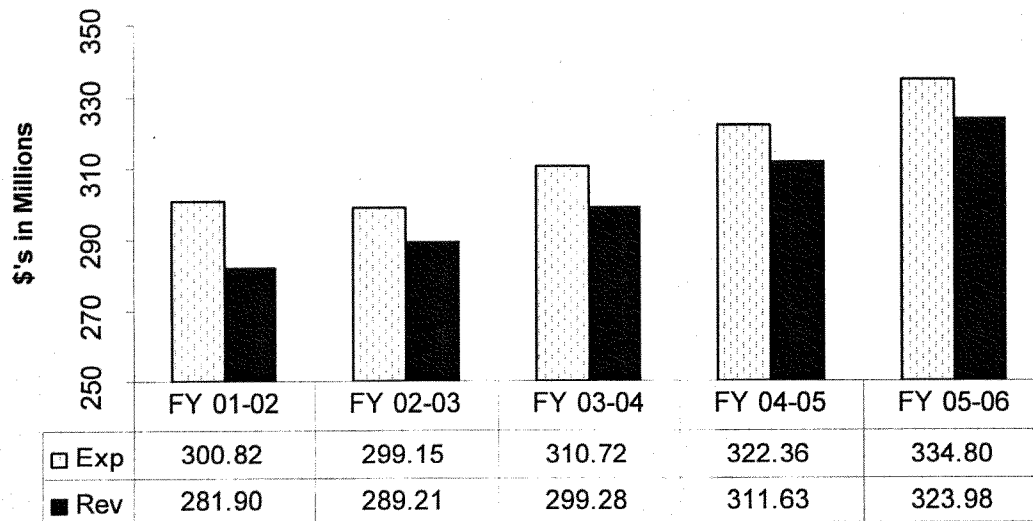
Revenue	Shortfall
BWC	\$7.2
BIT	7.0
Jail revenues	3.9
Motor Vehicle Rental Tax	<u>1.3</u>
Subtotal	\$19.4

Major Revenue Problems

- **BWC** – beginning balance - will be about \$7.2 below budget. This results mostly from lower BIT receipts last year
- **BIT** – Business Income Tax - last year's estimate was \$36 million; the actual receipts were \$30 million. This year's estimate was \$37 million. We expect actual receipts to be no more than \$30.2 million, roughly \$7 million below budget.
- **Jail revenues** are expected to fall below the budgeted estimates. We expect to receive \$3.9 million less than estimated for beds leased to the Federal government. We also expect the Pay to Stay program to bring in almost \$1 million less than budgeted.
- **Motor Vehicle Rental Tax** comes mostly from cars rented at the Portland Airport. We now expect this revenue to be \$1.3 million below the budget given traffic estimates at the airport..

Longer Term Estimate

Forecast Expenditures vs. Ongoing Revenue



- If someone gave us \$20 million, we would still need to make a cut next year.
- Revenues fall about \$12 million short of ongoing costs.
- The problem is that cutting \$20 million at midyear will be deeper than needed to balance revenues and expenditures.

MULTNOMAH COUNTY, OREGON

DISCUSSION PAPER ON:

FINANCIAL AND BUDGET POLICIES REGARDING FUND BALANCES, RESERVES AND LIABILITY ACCOUNTS AVAILABLE TO THE GENERAL FUND

Multnomah County has adopted a Financial and Budget Policy that incorporates establishing reserves, contingencies and long-term liabilities. These policies were adopted to:

- Preserve capital
- Achieve the most productive use of County funds
- Meet generally accepted accounting principles
- Achieve a stable balance between ongoing financial commitments and continuing revenues
- Provide an accountable form of Government to its citizens

The following is a brief discussion on the various fund balances, reserves and liability accounts that have been established by the Board of County Commissioners and available to the General Fund.

FUND BALANCES AND CONTINGENCIES AVAILABLE TO THE GENERAL FUND

The use of all of the fund balances and other reserves in the General and Public Safety Funds are at the discretion of the Board of County Commissioners.

Budgeted General Fund Balances are budgeted amounts prepared during the adoption of the budget. They are adopted to ensure that the County has a portion of the budget available for emergencies and to maintain reserves. These include:

- Unappropriated Fund Balances and
- Contingency Account

The Actual General Fund Balance is the ending fund balance and is based on operations during the fiscal year.

The Other General Fund Supported Fund Balances (formerly, Serial Levies) reflect the incorporation of prior serial levies into one tax base as required by Measure 50. These include:

- Public Safety Fund and
- Library Fund

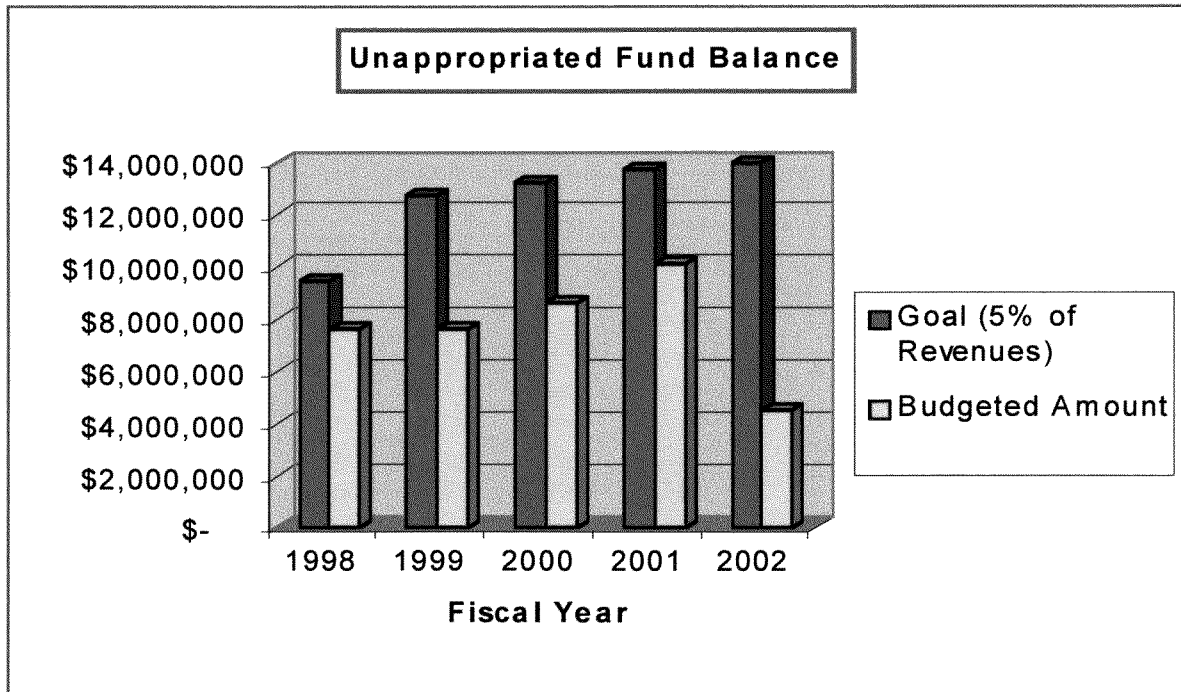
There are also Other Accounts and Reserves whose balances are available for emergency use. These include:

- Funds Available to the General Fund and
- Funds Available in Extreme Emergencies

Each of these is discussed on the pages that follow.

1. BUDGETED GENERAL FUND BALANCES :

- Unappropriated Fund Balance Account:** The unappropriated fund balance account was established by a Board of County Commissioners Resolution and the goal is to maintain the budgeted unappropriated fund balance at 5% of General Fund revenues. The County established this policy in 1994 and had been increasing the funding of this reserve until fiscal year 2001/02 when it transferred \$5.7 million in bridge financing for fiscal year 2002 operations leaving a balance of \$4.5 million, which is 1.6% of revenues. The following table reflects the 5% goal and the budgeted unappropriated balance:



Fiscal Year	General Fund Revenues	Unapprop. Fund Balance Goal 5% of Gen Fund Revenues	Unapprop. Fund Balance Budgeted Amount	Percent Change
1998	\$ 188,846,000	\$ 9,442,300	\$ 7,650,000	N/A
1999	255,008,000	12,750,400	7,650,000	0.0%
2000	264,155,000	13,207,750	8,650,000	13.1%
2001	275,000,000	13,750,000	10,150,000	17.3%
2002	279,603,343	13,980,167	4,500,000	-55.7%

- Contingency Account:** The Contingency Account is also established by Board Policy and is to be used for emergency situations or unanticipated expenditures that are necessary to keep previous public commitments or fulfill legislative or contractual mandates. This account is budgeted at about 1.9% of general fund revenues (in addition to the Unappropriated Fund Balance amount).

For fiscal year 2001/02, the total Contingency Account is budgeted at \$5.2 million. Approximately \$4 million of these funds are set aside for labor settlements. The balance of \$1.2 million is consistent with previous years.

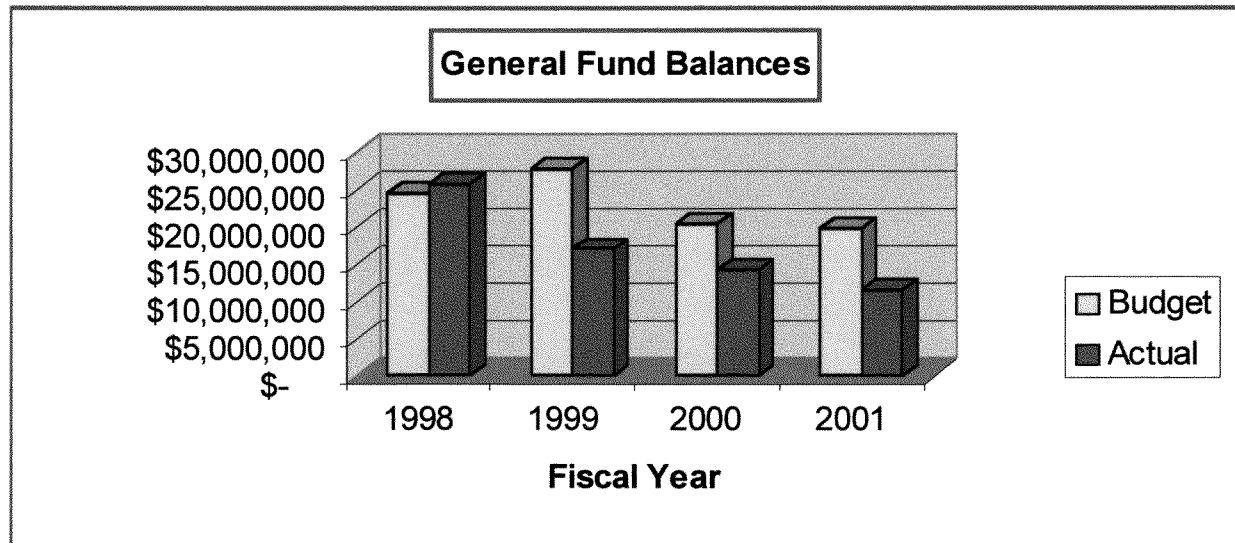
2. ACTUAL GENERAL FUND BALANCE:

The actual General Fund Balance has historically been between 10 and 13% of general fund revenues. In fiscal year 1999/00 this fund balance declined to 5.4% of General Fund revenues due primarily to:

- the change in recording property tax revenues for the property tax special levies and
- a decrease in the collection of business income tax revenues.

Including the fund balance and revenues associated with the public safety levy (see later discussion of this), the FY 2000 fund balance was 7.9% of General Fund revenues (which include the public safety levy revenues).

Due to a 96% spending limitation requirement imposed during FY01, the General Fund Balance is estimated to increase to about 8.0% of revenues for the fiscal year ended June 30 2001.



In the following table, the Beginning Balance in the budget corresponds to the Actual Ending Fund Balance of the prior fiscal year, therefore the years reflect this comparison. The Actual Ending Fund Balance for FY01 demonstrates the County's return to conservatively underestimating the beginning balance for the following fiscal year's budget, enabling replenishment of the fund balance.

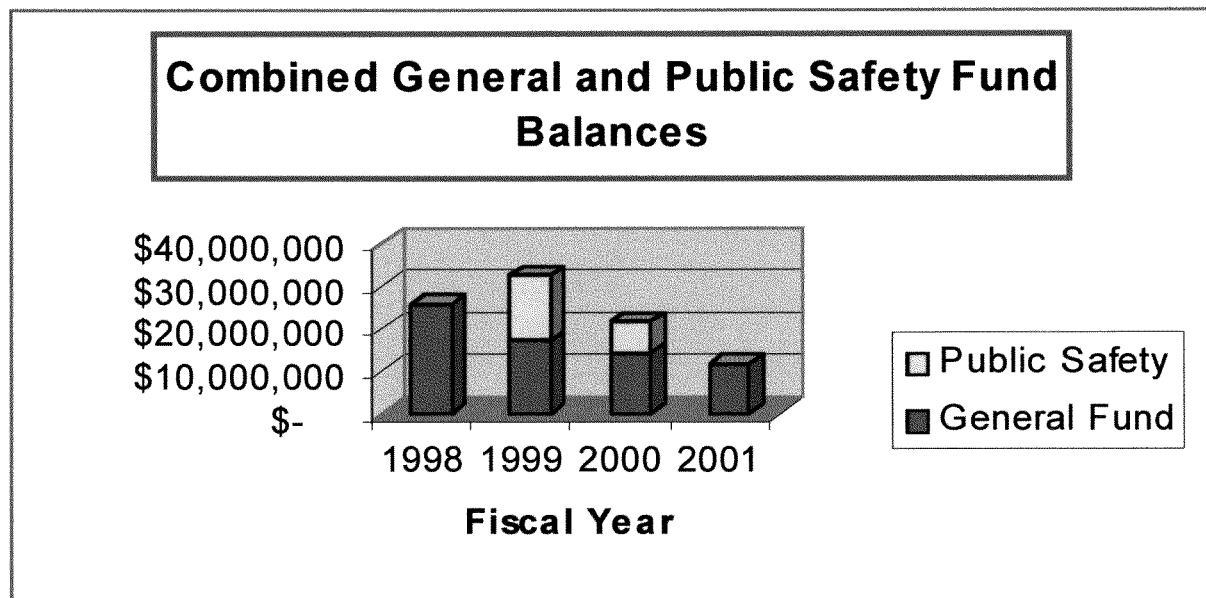
General Fund Revenues		Beginning Balance Budget Fiscal Year		Actual Ending Fund Balance Fiscal Year End	Percent of Revenues
\$ 188,846,000	1999	\$ 24,729,804	1998	\$ 25,873,000	13.7%
255,008,000	2000	27,987,772	1999	17,074,000	6.7%
264,155,000	2001	20,390,573	2000	14,292,000	5.4%
275,000,000	2002	19,995,165	2001	11,674,000	4.2%

3. OTHER GENERAL FUND SUPPORTED FUND BALANCES (SERIAL LEVIES):

Prior to the passage of Ballot Measure 50 in 1997, two County special levies, the Public Safety Levy and Library levy were supported by property tax serial levies. Measure 50 eliminated the need for the levies and these levies were combined with the County's tax base creating a single General Fund Levy. However, the County continues to use separate funds to account for these programs.

- **Public Safety Fund:** The County continues to account for certain other public safety revenues and expenditures in a Public Safety Fund. Beginning in fiscal year 1998/1999 the property tax revenues were recorded in the General Fund and cash transfers were made to the Public Safety Fund. This fund is solely supported by the General Fund and is used for General Fund public safety programs.

The following is the actual Combined General and Public Safety Fund Balances:



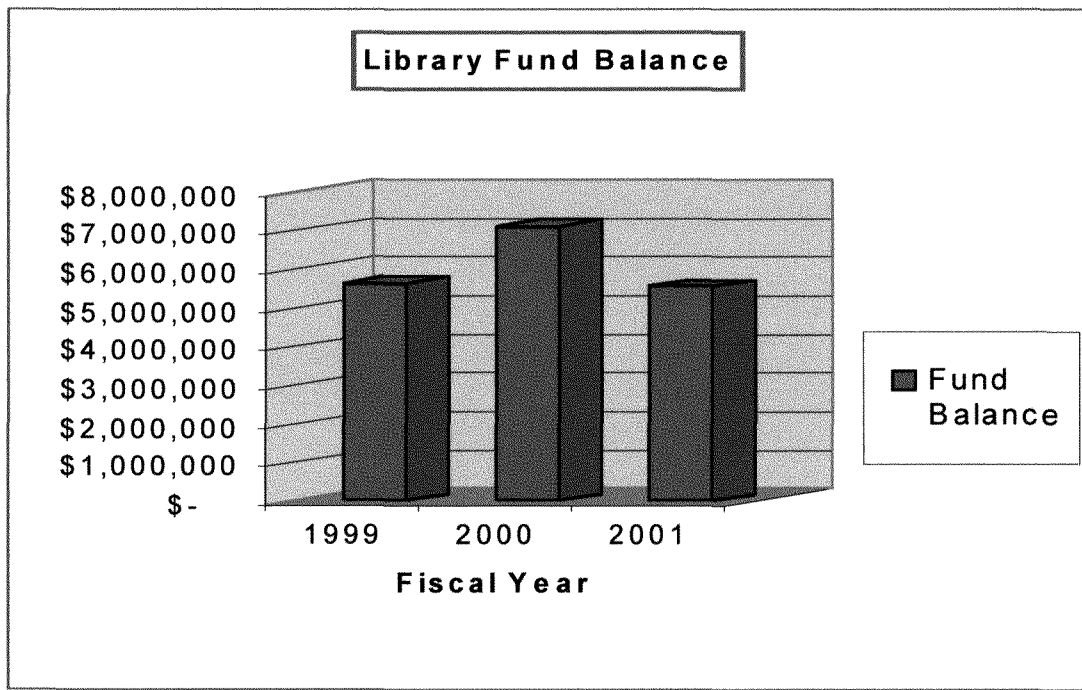
Fiscal Year	Revenues	General Fund	Public Safety	Total Actual Fund Balance	Percent of Revenues
1998	\$ 188,846,000	\$ 25,873,000	\$ -	\$ 25,873,000	13.7%
1999	263,300,000	17,074,000	15,385,000	32,459,002	12.3%
2000	274,371,000	14,292,000	7,250,000	21,542,001	7.9%
2001 (1)	275,234,000	11,674,000	71,000	11,745,000	4.3%
(1) Estimated					

- **Library Fund:** The Library Levy is also accounted for in a separate fund and for fiscal year 2001/02 is supported by a five year local option levy at an annual rate of 59 cents per thousand of assessed value, other revenues and by the General Fund. The fiscal year 2001/02 Library Fund budget is \$44.7 million. \$19.8 million is local option property tax revenues, \$4 million other revenues, \$15.7 million General Fund cash transfer resources and a \$5.2 million fund balance.

The Board of County Commissioners does have discretion on the use of the \$15.7 million General Fund cash transfers. The \$15.7 million represents the approximate amount of the serial levy that was incorporated into the General Fund tax base as a result of Ballot Measure #50. Because a portion of the Library Fund is supported by a local option levy, the County has taken the position to not rely on using the fund balances or other reserves for General Fund programs.

The \$15.7 million General Fund support is included in the overall General Fund revenues but the fund balance of the Library fund is not included as available to the General Fund.

The following is the historical actual fund balances:



Fiscal Year		Revenues	Actual Fund Balance	Percent of Revenues
1999		\$ 21,524,000	\$ 5,624,000	26.1%
2000		22,581,000	7,109,000	31.5%
2001	(1)	23,491,000	5,549,000	23.6%
(1) Estimated				

OTHER ACCOUNTS AND RESERVES ALSO AVAILABLE

The following reserves and accounts were established by the County to provide funding for future obligations and to stabilize expenditures between fiscal years.

The **Compensated Absences Account** is available to be used for emergencies on a similar basis with the unappropriated fund balance account.

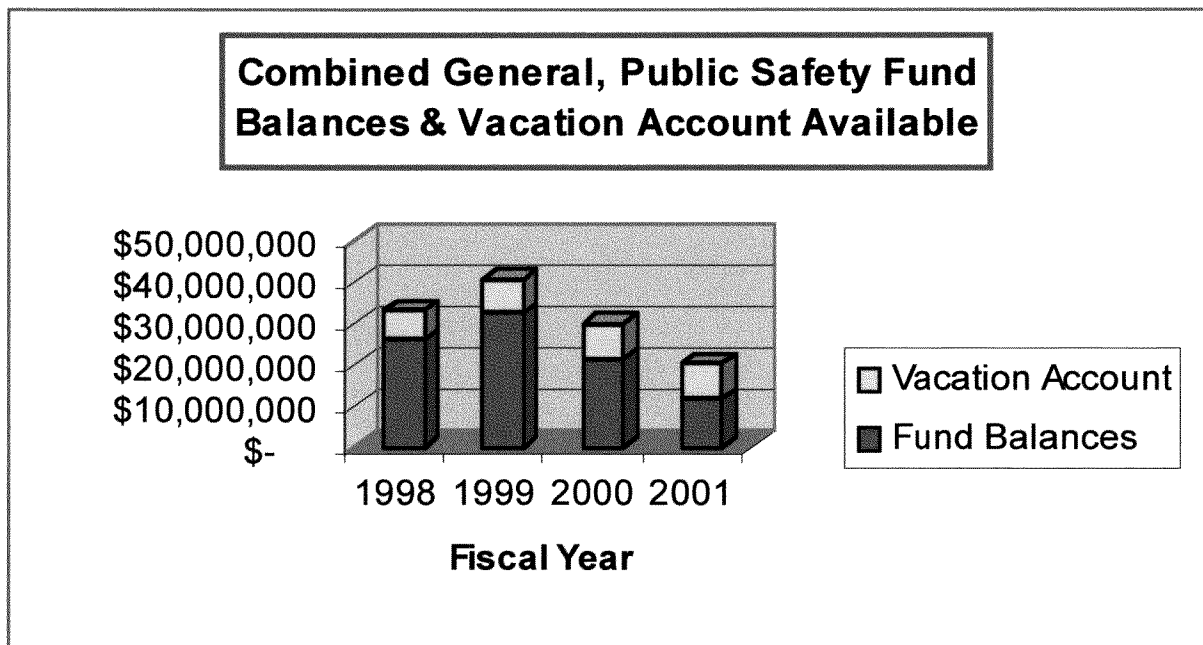
The remaining funds identified are available to be used for extreme emergencies. It is our intent that "**Extreme Emergencies**" is defined as uses for disaster relief, essential services or expenditures that are related to public life and safety issues.

FUNDS AVAILABLE TO THE GENERAL FUND: Compensated Absences (Vacation Account).

The use of the compensated absences accounts in the General, Public Safety, Grant and Assessment and Taxation Funds are at the discretion of the Board of County Commissioners.

The Governmental Accounting Standards Board (GASB) requires that a portion of the vacation that will be liquidated with available resources be recorded as a liability on the balance sheet. All of an employee's salary is budgeted in each fiscal year so there is no true liability until the employee terminates employment. In the early 1990's the County began expending and recording a larger percentage of its vacation liability in the Comprehensive Annual Financial Report (CAFR). This was done in anticipation of GASB pronouncements that would require local governments to record the total vacation liabilities in its CAFR. GASB 34, which is effective for the County for fiscal year ended June 30, 2002, will require the County to record this liability on our combined balance sheet but not on our governmental fund type balance sheets.

The following represents the combined fund balances and vacation account available for use by the General Fund:



Fiscal Year	Revenues	Fund Balances	Vacation Account	Total	Percent of Revenues
1998	\$ 188,846,000	\$ 25,873,000	\$ 7,206,000	\$ 33,079,000	17.5%
1999	263,300,000	32,459,002	8,285,000	40,744,002	15.5%
2000	274,371,000	21,542,001	8,434,000	29,976,001	10.9%
2001 (1)	275,234,000	12,745,000	8,535,000	21,280,000	7.7%
(1) Estimated					

FUNDS AVAILABLE IN EXTREME EMERGENCIES.

The Board of County Commissioners has discretion over the use of all of the following funds.

- **Post Retirement Benefits.**

The Governmental Accounting Standards Board (GASB) requires that post retirement benefits be disclosed in the notes to financial statement. This liability represents the medical insurance provided by the County to employees after retirement. In the early 1990's the County began funding this unfunded liability and it is approximately 85% funded.

About 56% of the funds are earmarked for the General and Public Safety Funds.

- **Capital Acquisition Fund Balance.**

This separate fund is maintained for the purpose of replacing personal computers on a four year cycle.

About 58% of the funds are earmarked for the General and Public Safety Funds.

- **Asset Preservation Fund Balance.**

This separate fund is maintained for the purpose of maintaining County facilities based on life cycle replacements of building systems and maintenance.

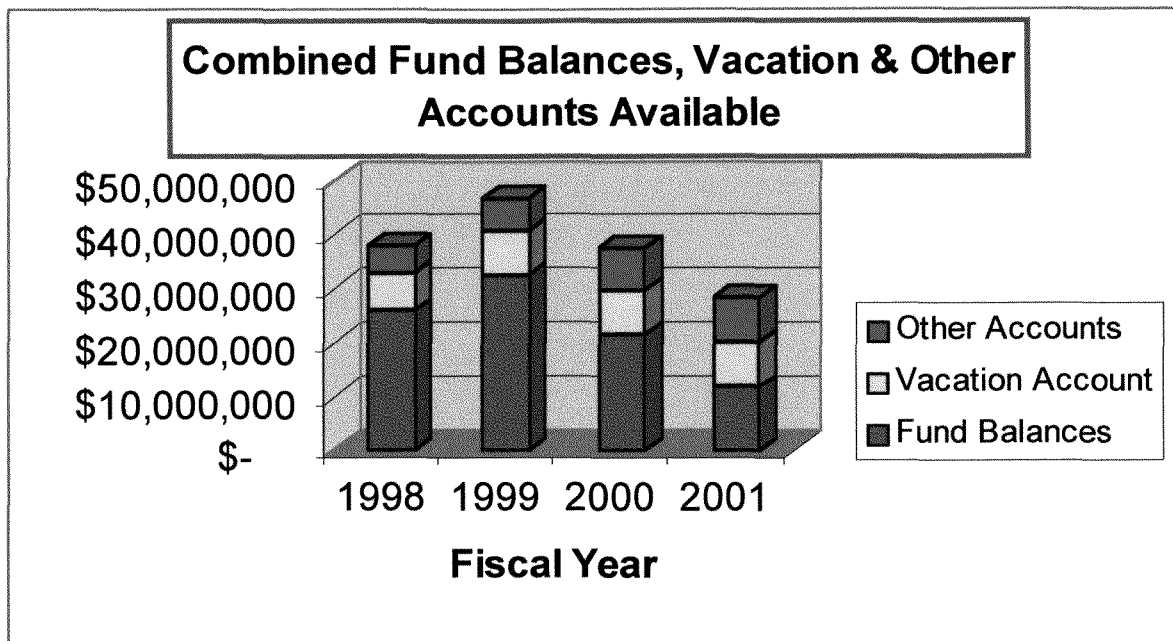
About 55% of the funds are earmarked for the General and Public Safety Funds.

- **PERS Pension Fund Balance.**

This separate fund is maintained for the purpose of repaying the debt on the PERS Bonds issued to eliminate the County's unfunded pension obligation. The PERS Pension Obligation Revenue Bond issue does not require the County to have a reserve but the County has established the reserve to ensure that programs that are charged do not have rates fluctuating from one year to the next. The Pension Revenue Bond issue is secured by the full faith and credit of the County. The County has not pledged reserves or specific revenues from the PERS Pension Fund.

About 56% of the funds are earmarked for the General and Public Safety Funds.

The following represents the combined fund balances, vacation and Other Account available for use by the General Fund:



Fiscal Year	Revenues	Fund Balances	Vacation Account	Other Accounts	Total
1998	\$ 188,846,000	\$ 25,873,000	\$ 7,206,000	\$ 5,052,880	\$38,131,880
1999	263,300,000	32,459,002	8,285,000	6,148,040	46,892,042
2000	274,371,000	21,542,001	8,434,000	7,475,780	37,451,781
2001 (1)	275,234,000	11,745,000	8,535,000	8,131,790	28,411,790
(1) Estimated					

BOGSTAD Deborah L

From: JOHNSON Cecilia
Sent: Wednesday, October 10, 2001 6:14 PM
To: ROJO DE STEFFEY Maria; CRUZ Serena M; NAITO Lisa H; ROBERTS Lonnie J; ROMERO Shelli D; #OPERATING COUNCIL; MOUNTS Tony D; DEVILLIERS Judith M; MARTINEZ David; CARROLL Mary P; DAHLSTROM Marie E; COMITO Charlotte A; NAITO Terri W; WALKER Gary R; PAINE Robert E; YEO Lisa; #OPERATING COUNCIL; BALL John; CAMPBELL Mark; CLAWSON Elyse; COLEMAN Monique; CONNOLLY Priscilla L; COOPER Ginnie; DISCIASCIO Barbara A; FARRELL Delma D; FLYNN Suzanne J; FORD Carol M; FULLER Joanne; HAY Ching L; JASPIN Michael D; JOPLIN Lore A; LE Van T; LENNON Karolin; LEWIS Sue E; MARTIN Lyne R; MATTIODA Gina M; MCCONNELL Jim; MOSMEIER Vicki L; MOYER Catherine M; NEBURKA Julie Z; O'BRIEN Cathy L; OSWALD Michael L; POE Lorenzo T; RAKOWITZ John A; ROSENBERGER Judy K; SCHRUNK Michael D; SHAW Jodi K; SHERIFF; SHIRLEY Lillian M; SMITH Dianne; SPONSLER Thomas; STEWART MaryAnn; STUMP Sheryl M; TINKLE Kathy M; TURNER April M; WARREN Dave C; YAGER Chris D; YANTIS Wanda
Cc: LINN Diane M; RAKOWITZ John A; BALL John; BOGSTAD Deborah L
Subject: Monday October 15 Mid Year Budget Workshop

REMINDER: You are invited to attend:

MID YEAR BUDGET WORKSHOP

Monday, October 15, 2001 - 9:30 AM

Multnomah Building, First Floor Commissioners Boardroom 100

501 SE Hawthorne Boulevard, Portland

The Board of Commissioners, Auditor, District Attorney, Sheriff, Department Directors and invited guests will meet in a day long session to discuss and deliberate the Multnomah County Budget. The session will be facilitated by Chuck Palmer.

Seating is arranged as follows:

- Board, Elected Officials and Department Directors will be seated in the circle of tables at the front of the auditorium
- All other invited participants will be seated in the first two rows of the auditorium
- Public will be seated in remaining rows of seats.

Lunch will be provided

BOGŠTAD Deborah L

From: LINN Diane M
Sent: Friday, September 28, 2001 2:45 PM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Our Budget Challenge

As I'm sure you are aware, our country is facing a new and challenging economic time. Oregon is no exception. From the school district, to the County, to the state, revenues are declining.

We have all felt the pressure and concern about the future. We see it in our jobs - with more folks in need of services and less resources to provide them. We see it in our community, our neighborhoods and even in our own families.

Multnomah County is not immune to this economic downturn. We made some difficult fiscal decisions in the spring and now, again, we are compelled to revisit the budget if we are to maintain our financial stability.

The locally assessed Business Income Tax (BIT), which is a significant part of the County's general fund budget, has seen a record decline in revenues. As a result of two years of compounded shortfalls in the BIT, combined with other adverse fiscal events, we are facing up to a \$20 million shortfall in the current 2001-2002 budget.

The amount may seem daunting, but it's not impossible for the County to tackle and produce a rebalanced budget that maintains a strong organization, capable of providing the vital services so important to our community. The Board of County Commissioners and other County elected officials will immediately begin the process of balancing the 2001-2002 budget. It is my intention to have these budget decisions in place by January 1, 2002.

It WILL NOT be an across-the-board, percentage cut. There will be no hiring freeze but every new hire will be reviewed by my administration. We haven't made any decisions, proposed any cuts, suggested any layoffs AND we won't until we establish a disciplined process by which all stakeholders can provide input. The process will allow the Board to take a look at the budget and potential reductions and realignments as a whole - based on our policy values.

The fundamental principle that we must always keep in mind when making difficult budget choices, is our responsibility and obligation to provide essential and quality service to our community. ***That's why we're here.***

We will tap the remarkable talent among employees in Multnomah County in the budget deliberation process. You are the experts in the field and we hope you will share your ideas for improvement, efficiency, and innovation.

The Board, other County elected officials and department representatives will meet on October 15 to determine the budget rebalance process and undertake the policy deliberations. Directly following that meeting you will receive information on what the next 90 days will look like and how you can participate in the process.

I know that the next few months and any final budget decisions will test all of us. I also know that you appreciate the situation we are in. Although the County, like the rest of the state, is experiencing tough economic times, this presents a unique opportunity for us. We must now take a closer look at how we do business and identify cost savings and ways to improve, with an emphasis on value, policy and programming. This process sets a good precedent for the County's future delivery of services and the sustainability of these services.

I have also recently committed to a community partnership with the City of Portland and the private sector to analyze our region's economic competitiveness. One of the expected results of this partnership will provide a means for the County to be able to better predict future revenue.

This is a time of global uncertainty. We all continue to worry about the future of our families, local community, our

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nation, and our world. Please know that I recognize our collective grief and know that, united, we can emerge stronger from all of this.

Thank you for your continued service to the County and the people we serve.

Diane M. Linn
Chair