



Multnomah County Oregon

Board of Commissioners & Agenda

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MAY 19, 20 & 22, 2008 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	6:00 p.m. Monday Public Budget Hearing
Pg 2	10:00 a.m. Tuesday Budget Work Session
Pg 3	9:30 a.m. Thursday Public Comment
Pg 4	9:30 a.m. Thursday Plan Regarding Use of Deadly Physical Force (Senate Bill 111)
Pg 4	9:55 a.m. Thursday FY 2009 Mt. Hood Cable Regulatory Commission Budget Approval
Pg 4	10:10 a.m. Thursday Establishing Building and Land Use and Other Fees and Charges
Pg 5	10:35 a.m. Thursday Order of Determination Denying Ballot Measure 49 Claim
Pg 5	10:45 a.m. Thursday Ordinance Amending Multnomah County Code & Framework Plan
Pg 5	1:00 p.m. Thursday Budget Work Session

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

Saturday, 10:00 AM, Channel 29

Sunday, 11:00 AM, Channel 30

Tuesday, 8:15 PM, Channel 29

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Monday, May 19, 2008 - 6:00 PM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET HEARING

PH-1 Public Hearing on the 2008-2009 Multnomah County Budget. Testimony is limited to three minutes per person. Fill out a speaker form available in the conference room and turn it into the Board Clerk. The conference room will be open one hour prior to the hearing.

CABLE PLAYBACK INFO:

Monday, May 19 - 6:00 PM LIVE Channel 29
Friday, May 23 - 8:00 PM Channel 22
Saturday, May 24 - 2:00 PM Channel 29
Sunday, May 25 - 4:00 PM Channel 29
Tuesday, May 27 - 12:30 PM Channel 30

Tuesday, May 20, 2008 - 10:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

WS-1 Multnomah County 2008-2009 Budget Work Session for Follow Up, Updated Revenue Forecast, General Questions and Amendments. This meeting is open to the public however no public testimony will be taken. 2 HOURS REQUESTED.

CABLE PLAYBACK INFO:

Tuesday, May 20 - 10:00 AM LIVE Channel 29
Saturday, May 24 - 7:00 PM Channel 29
Sunday, May 25 - 11:00 AM Channel 29
Monday, May 26 - 8:00 PM Channel 29

Thursday, May 22, 2008 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM **NON-DEPARTMENTAL**

- C-1 Appointment of Lenore Bijan, Augusta Hayter, Lorraine Griffey, and Jane Gillespie to the Elders in Action Commission
- C-2 Appointment of Carlene Weldon to the Multnomah County Library Advisory Board

DEPARTMENT OF LIBRARY SERVICES

- C-3 Budget Modification LIB-06 Reclassifying Two 1.0 FTE Library Positions in Outreach Services Division, as Determined by the Class/Comp Unit of Central Human Resources

DEPARTMENT OF COUNTY MANAGEMENT

- C-4 Budget Modification DCM-15 Reclassifying Three Positions in Information Technology and Fleet Services as Determined by the Class/Comp Unit of Central Human Resources

DEPARTMENT OF COUNTY HUMAN SERVICES

- C-5 Budget Modification DCHS-34 Reclassifying a Program Manager 2 to a Public Relations Coordinator as Determined by the Class/Comp Unit of Central Human Resources

REGULAR AGENDA **PUBLIC COMMENT - 9:30 AM**

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

DISTRICT ATTORNEY'S OFFICE / SHERIFF'S OFFICE - 9:30 AM

- R-1 Approval of the Multnomah County Plan Regarding Use of Deadly Physical Force (Senate Bill 111). Presented by Sheriff Bernie Giusto and District Attorney Michael Schrunk. 15 MINUTES REQUESTED.

NON-DEPARTMENTAL - 9:45 AM

- R-2 Introducing the 2008 Rose Festival Court and Highlighting Rose Festival Activities in and Around Multnomah County. Presented by Jeff Curtis, Executive Director Portland Rose Festival and Members of the Rose Festival Court. 10 MINUTES REQUESTED.
- R-3 RESOLUTION Approving the Mt. Hood Cable Regulatory Commission Budget for Fiscal Year 2008-2009. Presented by Andrea Cano and David C. Olson.
- R-4 PUBLIC HEARING and Consideration of a RESOLUTION Establishing Fees and Charges for Chapter 27, Community Services, of the Multnomah County Code and Repealing Resolution No. 07-110
- R-5 PUBLIC HEARING and Consideration of a RESOLUTION Establishing Fees and Charges for Chapter 29, Building Regulations, of the Multnomah County Code and Repealing Resolution No. 08-026
- R-6 PUBLIC HEARING and Consideration of a RESOLUTION Establishing Fees and Charges for MCC 11.05 Land Use General Provisions, 11.15 Zoning, 11.45 Land Divisions, 37 Administration and Procedures, 38 Columbia River Gorge National Scenic Area, and Repealing Resolutions 07-112 and 07-142

DEPARTMENT OF COUNTY HUMAN SERVICES – 10:20 AM

- R-7 Budget Modification DCHS-36 Increasing the Domestic Violence Coordinator's Office Federal/State Appropriation by \$19,957 from a Grant Renewal with the Department of Justice, Office of Juvenile Justice and Delinquency Prevention
- R-8 Budget Modification DCHS-38 Increasing Mental Health and Addiction Services Federal/State Appropriation by \$3,579,896 to Reflect State of Oregon Funding Revisions

- R-9 Budget Modification DCHS-39 Increasing SUN Services Federal/State Appropriation by \$20,000 in Federal Youth Investment Grant Funding

DEPARTMENT OF COMMUNITY SERVICES – 10:35 AM

- R-10 ORDER of Tentative Determination Denying the Ballot Measure 49 Claim Filed by Ray and Virginia Hausler for Property Located at 5514 SW Hewett Boulevard, Multnomah County, Oregon
- R-11 First Reading of a Proposed ORDINANCE Amending the Multnomah County Code and Framework Plan Relating to: Alternative Uses of Public School Buildings; Lot of Record Requirements to Correct Unlawfully Divided Parcels; Easement Placement During Land Divisions; Permit Processing Timelines; Biofuel Facilities; and Substandard Lot Size for Public Parks or Conservation

NON-DEPARTMENTAL - 11:00 AM

- R-12 2008 Meaningful Care Conference Recap and Committee Members Award of Appreciation. Presented by Commissioner Maria Rojo de Steffey.

Thursday, May 22, 2008 - 1:00 PM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

- WS-2 Fiscal Year 2009 Capital Budget Work Session for Multnomah County Facilities and Transportation Programs. This meeting is open to the public however no public testimony will be taken. 2 HOURS REQUESTED.

CABLE PLAYBACK INFO:

Thursday, May 22 - 1:00 PM LIVE Channel 22
Sunday, May 25 - 1:00 PM Channel 29
Tuesday, May 27 - 3:00 PM Channel 30
Friday, May 30 - 9:30 AM Channel 30
Saturday, May 31 - 1:30 PM Channel 29



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 05/20/08
Agenda Item #: WS-1
Est. Start Time: 10:00 AM
Date Submitted: 05/15/08

Agenda Title: Multnomah County 2008-2009 Budget Work Session for Follow Up, Updated Revenue Forecast, General Questions and Amendments

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 20, 2008 Amount of Time Needed: 2 hours
Department: Division:
Contact(s):
Phone: Ext. I/O Address:
Presenter(s):

General Information

1. What action are you requesting from the Board?
2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.
3. Explain the fiscal impact (current year and ongoing).
4. Explain any legal and/or policy issues involved.
5. Explain any citizen and/or other government participation that has or will take place.

Required Signature

Elected Official or
Department/
Agency Director:

Date:

2008 – 2009 Budget Process Highlights

On Thursday, June 5, 2008 the Multnomah County Board of County Commissioners will adopt a final budget for the fiscal year that begins on July 1, 2008 and ends on June 30, 2009. Between now and then, you can share your opinions about the proposed budget by letter, email, phone call or by testifying at a budget hearing. Opportunities for testimony include:

Tuesday, May 6

6:00 p.m. to 8:00 p.m.

Multnomah County East Building, Sharron Kelley Conference Room
600 NE 8th, Gresham 97030

Monday, May 12

6:00 p.m. to 8:00 p.m.

Communities of Color Coalition Budget Forum with the Multnomah County Commissioners
Immigrant and Refugee Community Organization (IRCO) Gymnasium
10301 NE Glisan, Portland 97220

Tuesday, May 13

6:00 p.m. to 8:00 p.m.

Center for Self Enhancement (SEI, Inc.) Auditorium
3920 N Kerby, Portland 97227

Monday, May 19

6:00 p.m. to 8:00 p.m.

Multnomah Building (Commissioners Boardroom 100)
501 SE Hawthorne Blvd, Portland 97214

Thursday, June 5

9:30 a.m. to Noon

Multnomah Building (Commissioners Boardroom 100)
501 SE Hawthorne Blvd, Portland 97214

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Mailing Address (for all Commissioners):

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Portland, OR 97214-3587

Questions about the budget hearings?

Deborah Bogstad, Board Clerk, deborah.l.bogstad@co.multnomah.or.us

501 SE Hawthorne, Suite 600, Portland, OR 97214

(503)988-3277, fax (503)988-3013



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
501 S.E. HAWTHORNE BLVD, Suite 600
PORTLAND, OREGON 97204
(503) 988-5217

LISA NAITO • DISTRICT 3 COMMISSIONER

May 7, 2008

TO: Ted Wheeler, Chair
Maria Rojo de Steffey, Commissioner, District 1
Jeff Cogen, Commissioner, District 2
Lonnie Roberts, Commissioner, District 4

RE: BUDGET AMENDMENT Homeless Youth Service Continuum

I support the recommendations of the Homeless Youth Oversight Committee (HYOC) to redesign Multnomah County's Homeless Youth Service Continuum. However, as we transition to new philosophies and replace our current agency-based case management with a community-based team approach, I do not want to lose the effective system and excellent services we currently have. As we open the Continuum to new service providers, we will certainly increase the positive influences that will make today's homeless youth tomorrow's productive citizens. However, there are inherent risks as we make this transition. Looking to the lessons we are regrettably learning from the Cascadia Behavioral Healthcare crisis, I want to be absolutely certain that Multnomah County provides adequate staff training and transition support for these services.

In order to insure the continued success of our Homeless Youth Service Continuum during this transition, I am proposing a one-time-only Budget Amendment for \$358,400 to provide for a mediator/negotiator (12 weeks, \$8,400); System staff training and assertive team preparation (\$100,000); and maintenance of current System operation during transition including 24-hour access, shelter, service coordination, day programs and transitional housing (one month, \$250,000).

BACKGROUND

Ten years ago the Citizens Crime Commission and Association for Portland Progress issued *Services to Homeless Youth in Portland*, a scathing report on the status of street youth. As our own LPSCC 10 Year Report noted, "services for homeless youth [were found] to be inadequate in scope and quantity, woefully under-funded, poorly coordinated, and undermined by a lack of government leadership."

In response to the *Homeless Youth* report, Multnomah County and the City of Portland funded an ambitious plan to revamp services by creating a "continuum of care" based on research and best practices,

maximizing the use of public and private dollars in order to best provide services to these very vulnerable youngsters. The plan is known as the Downtown Homeless Youth Service Continuum. At the same time a permanent group, the Homeless Youth Advisory Committee, was formed to provide community accountability, evaluate data, develop policy, and advise on long-term system planning. Members consist of representatives from Portland's downtown business community, youth representatives, staff from services associated with the Continuum, and other interested stakeholders including Carol Wessinger of LPSCC.

Undoubtedly, our partners in providing services to homeless youth over the past decade have built what I believe to be one of the top service systems in the country. However, as the Board learned last month in the briefing presented by Mary Li, Department of County Human Services and Aaron Babbie, Co-Chairs of the Homeless Youth Oversight Committee, the time has come once again to improve, expand and redesign our homeless youth system in order to ensure that Multnomah County's homeless youth have the best possible prospects of ending their homelessness and establishing safe and stable lives.

As the Board learned, the redesigned homeless youth system will include older youth up to age 24. New research into adolescent brain development clearly shows that it is not until their mid-20s that young adult brains are fully developed. Behaviors such as self-control, judgment, organization and emotions are not yet fully formed and may result in poor decision making, recklessness and emotional outbursts. Just as a parent may continue to guide their twenty-something children, young adults emerging from the homeless youth system continue to need healthy relationships with adults.

In addition, homeless youth services need to reach beyond downtown Portland and to youth in communities of color. As Mary Li has stated, "The current model of agency-based services located in downtown Portland has had the unintended consequence of limiting access to services for youth who cannot or will not access downtown."

Finally, as we well know, youth graduating from the foster care system are in danger of turning to street life. We must not fail them. It is our collective responsibility to ensure that these young people, who have endured so many upheavals in their short lives, are provided a secure foundation upon which to build for their futures.

BOGSTAD Deborah L

From: WESSINGER Carol M
Sent: Friday, May 09, 2008 9:43 AM
Subject: Budget amendments

Greetings!

I support a one-time-only appropriation of \$30,000 for the safe supervised visitation in domestic violence (Program offer #25040D. These funds will maintain these services while the YWCA secures additional fund to make up for the loss of this highly success grant. This is a project of collaboration among the Family Court, the YWCA, the Family Violence Coordinating Council and the DV Coordinator's office.

I will also support the restoration of the Neighborhood DA Program. This has been a nationally recognized model program for crime prevention and works with neighborhoods and businesses on early identification of criminal activity. The earlier we intervene and maintain safety in a community, the better. Once a neighborhood starts to decline with gangs, graffiti and other criminal activity, neighbors can lose control of the community and safety is sacrificed.

Thanks!

Lisa

5/9/2008

BOGSTAD Deborah L

From: DARGAN Karyne A**Sent:** Monday, May 19, 2008 4:21 PM**To:** ROJO DE STEFFEY Maria; NAITO Lisa H; COGEN Jeff; ROBERTS Lonnie J; WHEELER Ted; SCHRUNK Michael D; GRIFFIN-VALADE LaVonne L; SHERIFF**Cc:** LASHUA Matthew; MARTINEZ David; WESSINGER Carol M; FALKENBERG Keith E; MADRIGAL Marissa D; WEST Kristen; MACK Thomas M; MARCY Scott; AAB Larry A; YANTIS Wanda; KIRK Christine A; NEBURKA Julie Z; HAY Ching L; JASPIN Michael D; ELKIN Christian; CAMPBELL Mark; BURDINE Angela L; DURANT Sarah; WU Liang; FARVER Bill; MCLELLAN Jana E; #DRM; THOMAS Bob C; COBB Becky; TINKLE Kathy M; ELLIOTT Gerald T; COLDWELL Shaun M; LEAR Wendy R; DARGAN Karyne A; BOGSTAD Deborah L**Subject:** 5-20-08 Budget Worksession (Year End Forecast, Board & Department Amendments, Budget Notes)

Dear Commissioners –

Attached are several files that we will be reviewing during tomorrow's budget worksession. They are:

- Year End General Fund Forecast
- FY 2009 Multnomah County Budget (power point)
- Board Amendments (proposed to date) and Department Amendments
- Budget Notes (proposed to date)

Below is the proposed agenda. Department staff will be available to answer questions.

Agenda

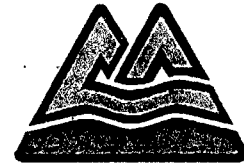
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|--|-------------|
| 1. Introduction | Bill Farver |
| 2. Year End General Fund Forecast / FY 2009 Budget
Campbell/Bill Farver | Mark |
| 3. BCC Proposed Amendments and Budget Notes | Karyne |
| 4. Review Department Amendments | Karyne |
| a. Technical | |
| b. Staffing | |
| c. Revenue | |
| d. Carryover | |
| 5. Next Steps | Karyne |
| 6. June 5 Budget Adoption Items on Agenda | Karyne |
| 7. Questions? | |

MULTNOMAH COUNTY OREGON

Multnomah Building – Boardroom

10:00am – noon

May 20, 2008



FY 2009 Budget Worksession

Agenda

- | | |
|---|---------------|
| 1. Introduction | Bill Farver |
| a. Why we are here | |
| 2. Year End General Fund Forecast | Mark Campbell |
| 3. FY 2009 Budget Overview | Bill Farver |
| 4. BCC Proposed Amendments & Budget Notes | Karyne Dargan |
| 5. Review Department Amendments | Karyne Dargan |
| a. Technical | |
| b. Staffing | |
| c. Revenue | |
| d. Carryover | |
| 6. Next Steps | Karyne Dargan |
| 7. Outline June 5 Budget Adoption items on Agenda | Karyne Dargan |
| 8. Questions | |



Department of County Management
MULTNOMAH COUNTY OREGON

Budget and Evaluation Office

501 SE Hawthorne Blvd., Suite 531
Portland, Oregon 97214
(503) 988-3312 Phone
(503) 988-4570 Fax

TO: Bill Farver, Chief Operating Officer
FROM: Mark Campbell, Deputy Budget Manager
DATE: May 15, 2008
SUBJECT: Year End General Fund Forecast

I have completed a review of General Fund revenues and department spending through the third quarter of the current fiscal year. Based on this review I estimate that the final fund balance could be higher than forecast for the FY 2009 budget. There are a number of factors that contribute to this analysis and we will need to earmark some of the additional revenue to provide for unbudgeted commitments.

Overall revenue growth has continued to outpace the budget estimates to this point in the year. It appears likely that General Fund revenue will slightly exceed the level forecast in October. Expenditure patterns are a little bit more difficult to forecast with as high a degree of accuracy. Department spending through March is well below the threshold level we would expect at this point in the year. A closer review suggests that, after accounting for budget appropriations reserved for open labor contracts, overall expenditures will end up close to historical levels. Historically, departments spend about 98% of their appropriations.

Revenue Forecast

The economic landscape has changed quite a bit since the initial General Fund forecast was developed. However, the factors contributing to a softening of the national economy have, until recently, been largely unrealized in Portland and the region. Business Income Tax (BIT) collections, for example, continue to exceed expectations and may reach \$60 million for the current fiscal year.

The following table highlights the change in the General Fund revenue forecast from October to April:

FY 2008, Q3 (April)	\$403,410,000
FY 2008, Q1 (October)	<u>399,735,000</u>
Variance Over/(Under)	\$ 3,675,000

This represents a positive variance of slightly more than one percent of General Fund revenues. Although net revenues are up from the previous forecast there are a few sources that will need to be monitored closely as they may have a negative impact on the FY 2009 budget.

May 15, 2008

As has been the case over the past few years, BIT revenues will likely exceed both the budget and the first quarter forecast. BIT revenue has been up in every quarterly forecast for the past three years. This trend is likely to be reversed in the coming quarters. Here is an overview of the BIT for FY 2008 as well as the budget estimate for FY 2009:

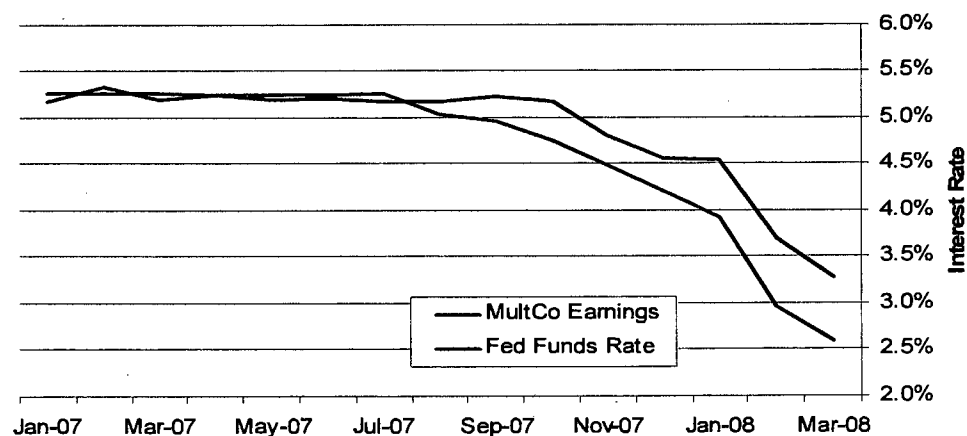
FY 2008 Budget	\$52,215,000
FY 2008 Q1 Forecast	\$56,251,000
FY 2008 Q3 Forecast	\$60,000,000
FY 2009 Budget	\$54,845,000

Should BIT revenue reach \$60 million it would represent a **4.5% increase** over collections in the previous fiscal year. The first quarter forecast assumed BIT revenues would decline by 2% to reflect slowing economic conditions.

The increase in the BIT accounts for virtually all of the additional revenue in this forecast. There are a handful of other revenue sources that net to the balance. These include Recording Fees, Interest Earnings, US Marshal reimbursements, and Indirect Costs. Overall these sources are down by less than \$100,000 from the first quarter forecast but the decline is most pronounced in two sources that have implications as we head into the new fiscal year.

Interest earnings could be down more than half a million dollars from the first quarter forecast. It should be noted that the previous forecast was developed prior to the latest round of interest rate cuts by the Federal Reserve Bank. As late as November, we were earning over 5% on our investment portfolio. The current yield annualizes to a rate of 3.7% and, as a rule of thumb, each percent change in the interest rate translates to about a million dollars of General Fund earnings.

The first quarter forecast assumed that our investment portfolio would yield an annualized 4.5% rate of return. As the following chart highlights, earnings have declined along with recent changes in the federal funds rate.



Likewise, we are seeing the first glimpse of a housing slowdown in our Recording Fee revenues. This will be the first year in the past five that Recording Fee revenue will fall below \$5 million. The estimate for the current year is now \$4.4 million, down about \$300,000 from the first quarter forecast and more than a million dollars lower than the budget for FY 2008.

US Marshal reimbursements are forecast to generate about \$5.7 million in General Fund revenue this year. That is up about \$300,000 from the first quarter forecast. The increase is reflective of two things. The Sheriff's Office negotiated a new per diem rate with the Marshal's Service that became effective in March. Although the budget for FY 2008 was developed on the basis of a higher rate the Marshal's Service is also using between six and ten beds more per day than was assumed in the budget. The combination of the new rate and higher bed day usage is the basis for the increase in the forecast.

Other miscellaneous departmental revenues and indirect costs are estimated to be about \$425,000 higher than originally forecast. This largely represents changes in volume (e.g; number of food handler licenses, restaurant inspections) and the addition of dedicated grant revenues throughout the year.

The following table highlights the change in estimated FY 2008 revenues since the Q1 forecast was developed last fall.

Increase in BIT	\$3,750,000
Reduction in Interest Earnings	(500,000)
Reduction in Recording Fees	(300,000)
Increase in US Marshal Reimbursement	300,000
Increase in Other Misc/Indirect Costs	<u>425,000</u>
Total - Net Change in Revenues	\$3,675,000

Department Spending

In an average year departments spend about 98% of budgeted appropriations. I have done a straight line spending projection based on year-to-date (YTD) actuals through March. The benchmark spending should be at 75% - representing three-quarters of the year. Total YTD spending is currently tracking at about 67%, which annualizes to approximately 92% of appropriations.

This represents such an aberration from historical spending patterns that there are certainly factors to explain the wide variance. The first quarter forecast used the 98% historical figure to estimate the FY 2009 carryover. Department current year estimates (CYE) submitted with program offers generally validated this estimate.

Estimated Savings @ 98%	\$6,615,000
Department CYE Submitted 2/14	\$6,879,000

The updated forecast indicates a slightly lower overall level of spending that could translate to additional savings. It is also unlikely that the entire General Fund contingency will be allocated before the end of the year and, as of May 1st, that balance is estimated to be \$1.4 million.

A closer examination of spending patterns suggests that most of the additional forecast savings are related to Personal Services costs. Much of this has to do with the status of labor contracts with the Multnomah County Corrections Deputies Association (MCCDA), the Fraternal Order of Parole and Probation Officers (FOPPO), and the Juvenile Custody Services Specialists (JCSS). When the FY 2008 budget was prepared it assumed a 2.7% cost of living adjustment (COLA) for all employees. Contract negotiations with these three groups have yet to be completed and, therefore, the COLA budgeted for them will not be allocated this year.

Another factor that impacts the forecast for Personal Services has to do with the way that PERS costs were estimated in the FY 2008 budget. The rate charged to non-uniformed employees in the Oregon Public Services Retirement Plan (OPSRP) are about a percent higher than the rates charged to "regular" PERS employees. The opposite is true for uniformed employees. The first quarter forecast assumed that all employees would be charged at a weighted average of the higher rates.

This would tend to produce a more conservative – higher level of spending – Personal Services costs. A more thorough analysis of the County's demographics indicates that only about 20% of the workforce is covered under the OPSRP program. Most departments will, thus, realize some savings from the effect of having lower PERS costs. I estimate this additional savings to be slightly less than \$1 million. These savings should be viewed as a one-time-only resource because the FY 2009 budget was built using the correct, updated PERS rates.

When I account for these two factors General Fund expenditures are forecast to be about 97.5% of appropriations, which is much closer to historical spending patterns.

Impact on Ending Fund Balance

The Approved Budget assumed that the General Fund balance would be \$53 million. This is the source of one-time-only (OTO) funds in the FY 2009 budget.

Forecast FY 2009 BWC	\$53,109,000
(Less) General Fund Reserve	<u>(14,000,000)</u>
Available for OTO Uses	\$37,109,000

Based on the revised forecast I estimate that the General Fund balance available for use in FY 2009 will be higher than budgeted. Given the sources that generated the additional forecast carryover it is virtually certain that this should be treated as OTO revenue.

However, we will need to reserve a portion of the additional carryover in order to provide for labor contract settlements that I previously described. There are also a few risks to the FY 2009 budget that have been identified and we will want to be prepared to address them.

I have estimated that we will need to hold approximately \$2.1 million aside to provide an FY 2008 COLA to the three labor unions who have open contracts. This is based on the assumption that the COLA will mirror the increase provided for other bargaining units. That amount would be split between the Sheriff's Office (about 75% of the total) and DCJ (25% of the total.) This represents the total estimated liability, including overtime and premium pay, although it is likely that some of the costs will be incurred in funds other than the General Fund.

We will need to allocate an additional \$500,000 to provide funding for Class/Comp studies based on the contract between the County and AFSCME/Local 88. This is in addition to approximately \$750,000 that I expect we will carry over into next year.

As a result of the Employee Relations Board (ERB) ruling in the case of MCCDA v. Multnomah County we will need to bargain with the union over issues related to the integration of a number of positions into the Pretrial Supervision continuum of services. At this time we have not made provision for any costs that might be incurred as a result of these negotiations.

I expect we will begin to feel the impact of the softening economy during the upcoming fiscal year. I believe the revenue forecast for FY 2009 was fairly conservative based on the economic conditions at the time it was developed. The economic slump has accelerated at a pace that, frankly, neither I nor other economic analysts anticipated. This can best be illustrated by the various interest rate reductions made by the Federal Reserve over the past several months. In November the federal funds rate was still hovering around 4.5%. Today it is at 2%.

The specific revenues that may be impacted by an economic downturn are Property Tax, BIT, Recording Fees, and Interest Earnings. I am certain that Interest Earnings are budgeted too high based on the recent actions of the Federal Reserve. It is also likely that Recording Fees will need to be revised downward based on recent trends. Although it is not linked to the economy the revenue we have received from the City of Portland for the P57 program is likely to be reduced in FY 2009.

The table below highlights my preliminary reduction estimates for those sources:

Interest Earnings	\$(1,800,000)
City of Portland	(915,000)
Recording Fees/A&T Grant	<u>(460,000)</u>
Total - Net Change in Revenues	\$(3,175,000)

I have modeled a downturn in the BIT that assumes a recession similar to the most recent one. BIT revenues declined in FY 2001 by 12% - a similar reduction would take nearly \$7 million out of our revenue stream. I am not inclined to adjust the BIT revenue at this point because the amount budgeted for FY 2009 is already about \$5.2 million lower than estimated FY 2008 collections. We will want to revisit this assumption in the fall.

Summary and Recommendations

Based on a YTD review (through March) it is likely that the General Fund ending balance will exceed the previous forecast. FY 2008 revenue growth will provide about \$3.6 million more than is estimated for FY 2009 Beginning Working Capital. Year end spending forecasts are a little more difficult to predict but overall spending should be lower than estimated in the first quarter forecast.

At a minimum, we will also need to reserve funds to cover labor contract obligations. I estimate that we will need to add approximately \$2.6 million to contingency to cover retroactive wages and Local 88 Class/Comp studies. I would also recommend that we weigh any decisions regarding additional spending against the potential outcome of ongoing contract negotiations.

There are a number of risks to the forecast for FY 2009 and we will need to address those in some way. The softening economy presents the single biggest risk in the short term. I would, therefore, encourage you to devote \$3 million to a "Rainy Day Fund" which would be in addition to budgeted reserves and contingency. This fund could be accessed if economic conditions have a more negative impact on our revenues than I assumed in the previous forecast.

If applied in this way we would allocate all of the forecast additional BWC to ensure the maintenance of core programs and provide funding to meet contractual obligations. Any additional departmental savings above this forecast could be considered as a source to fund OTO projects. I have attached the estimated savings we might expect from each department for your consideration. The revised projection also provides a comparison to the current year estimate provided by the departments in February.

Estimate Underspending by Department

Comparison of Forecast Used for Executive Budget to Department CYE Submitted w/ Program Offers

	October (Budget) Forecast	Dep't CYE (as of 2/15)	Revised Forecast	Wage Settlement Estimates	Other FY08 Uses	Net Revised CYE (as of 5/1)	% of Budget
NonDepartmental	\$ 336,348	\$ 200,000	\$ (3,282)			\$ (3,282)	
District Attorney	393,953	358,738	561,321			561,321	2.85%
County Human Services	907,181	1,151,952	2,258,259		(1,500,000)	758,259	1.67%
Health	1,073,510	(414,929)	864,528			864,528	1.61%
Community Justice	1,072,446	1,749,657	2,106,743	(500,000)	(125,000)	1,481,743	2.76%
Sheriff's Office	1,971,926	2,271,863	2,637,971	(1,600,000)	(110,000)	927,971	0.94%
County Management	635,960	1,072,666	1,758,057		(150,000)	1,608,057	4.82%
Community Services	224,307	489,756	610,259			610,259	5.44%
Total - All Departments	\$ 6,615,630	\$ 6,879,703	\$ 10,793,856	\$ (2,100,000)	\$ (1,885,000)	\$ 6,808,856	2.03%
Overall Forecast Savings	2.00%	2.05%	3.22%				

Notes:

Wage Settlement Estimates = MCCDA, FOPPO, and JCSS Contracts Still Being Bargained, Carryover Assumed FY 2008 COLA

FY09 County Budget

May 20, 2008

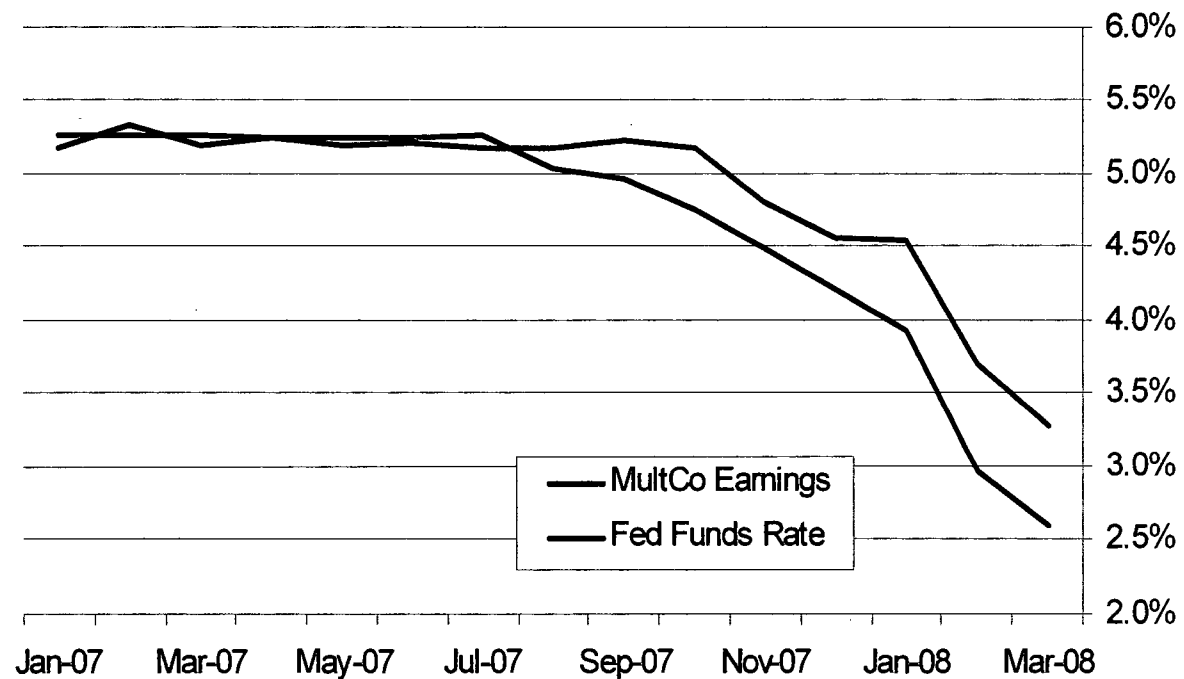
Updates

- FY08 Revenues - up
- FY09 Revenues – down
- FY08 Projected Expenditures 98% - on target – departmental purchases
- SB 400 – known this week
- FY08 Contingency - hold
- Available for Board priorities

FY 08 Revenues +\$3.675

- BIT +\$3,750,000#
- Interest Earnings - \$ 500,000
- Recording Fees - \$ 300,000
- US Marshall Beds + 300,000
- Misc + 425,000
- Balance + \$3,675,000
- # Does not include an additional \$654,000 to East County cities

Lower Interest Rates

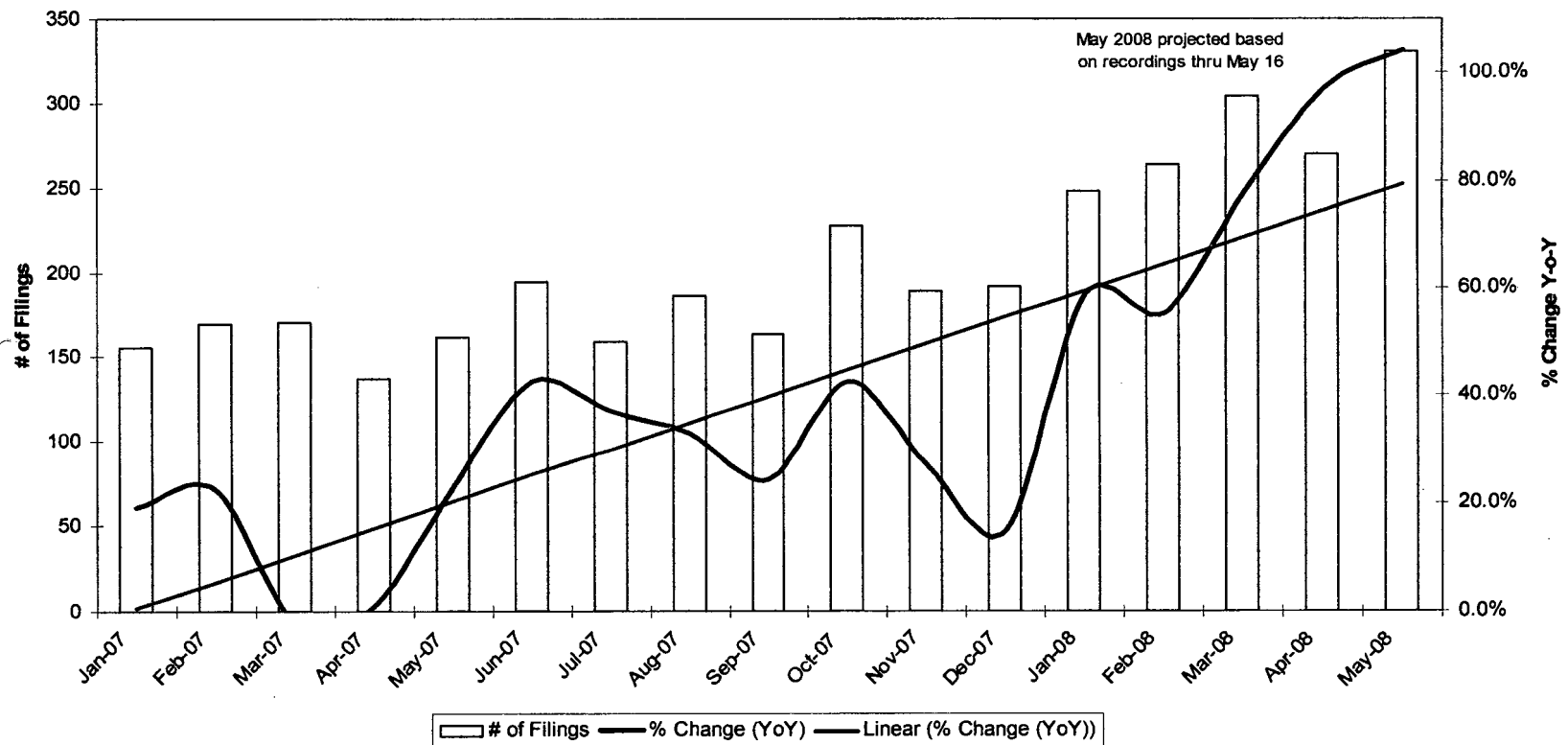


FY09 Revenues - \$3.175

- Interest earnings - \$1,800,000
- City of Portland P57 - \$ 915,000
- A & T Revenues - \$ 460,000
- Total - \$3,175,000

Default Filings Increasing

Default Filings in Multnomah County & Year-Over-Year % Change

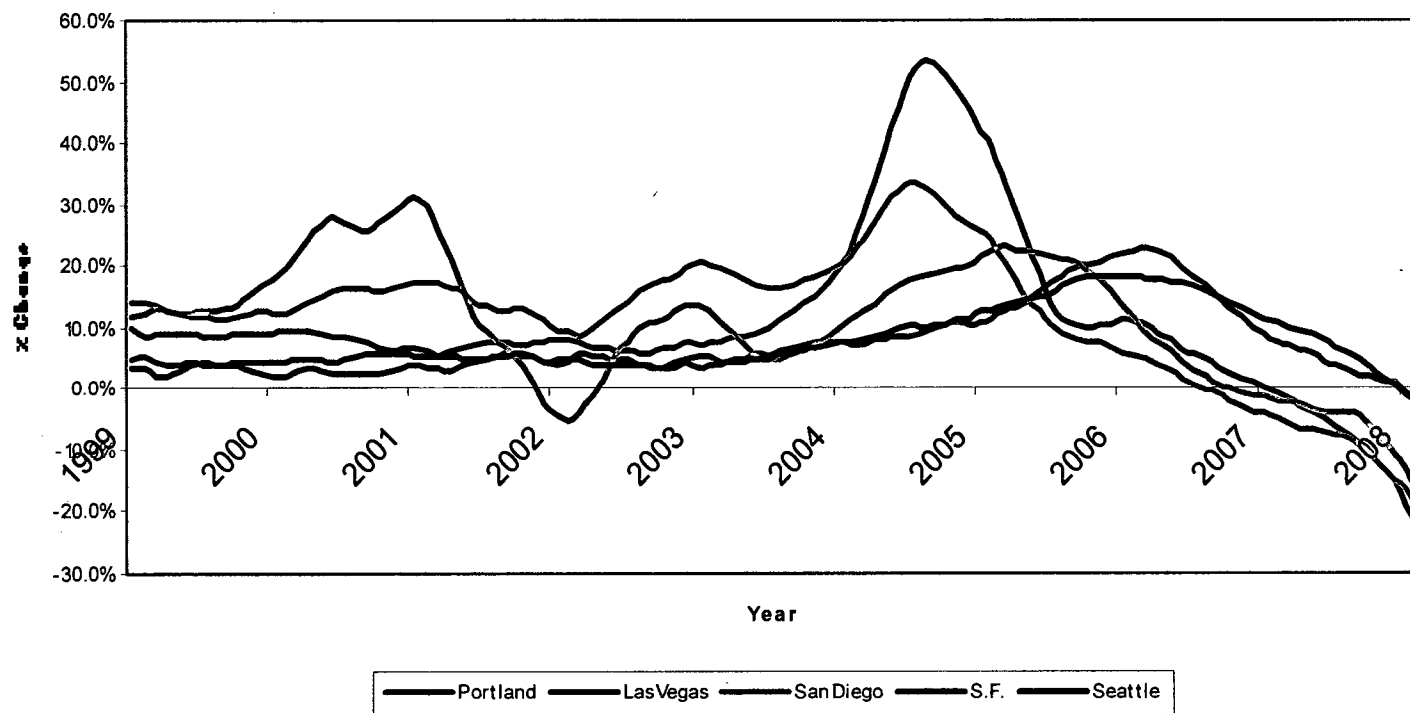


Revenue Rec. - Revenue Reserve

- Place \$3.175 million in Revenue reserve to deal with “known” revenue reductions in FY09.
- Leaves BIT estimate at \$54,845,000 (down approximately \$5 million from FY08 estimated actual)
- Leaves \$500,000 OTO revenue to allocate now, if desired

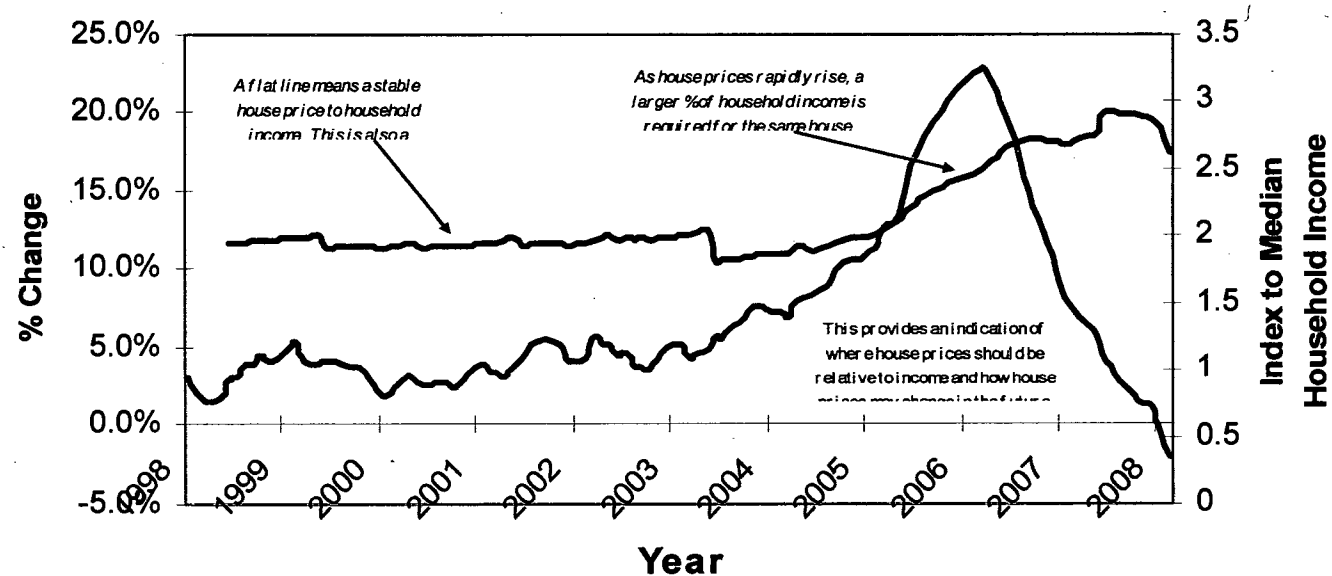
PDX Housing Prices v. West Coast

Monthly Year-Over-Year % Change
Based on S&P/Case-Shiller Home Price Index Thru February 2008



Housing Affordability

% Change in Portland S&P/Case-Shiller House Price Index and Index to Median Household Income



— % Change in Portland S&P/Case-Shiller Index

— Price Index/Median Income

FY08 Projected Expenditures

- Model projected at expenditures at 98%
- Actual expenditures projected at 98%
- Assumes set asides for
 - Cascadia (\$1,500,000 from DCHS)
 - Wages settlements carried forward (\$2,100,000)
 - Class/Comp carried forward (\$500,000)
 - Selected purchases in MCSO (\$110), DCJ (\$125), DCS (\$175), DCHS (\$53) (see next slide)

Selected OTO Dept. purchases

- Current year budget actions from departments - \$463 (above projected underexpenditures)
- MCSO – boat motor
- DCJ – detention radios; King Facility Locks
- DCM – Animal Control trailer
- DCHS – Domestic violence 6 month extension of grant

Contingency FY08

- Retain for possible action on pretrial supervision continuum proposal with MCSO and DCJ
- Further discussions in executive session

SB 400 - Unknown

- County will know later this week what issues the unions will request to bargain
- Unknown budget impact at this time

Available for Priorities - OTO

- FY08 Revenue \$ 500,000
- Chair's office consulting with each office

Other issues

- Hooper sobering and detox program – negotiations ongoing with partners
- Wapato

Questions

- Content of revenue and expenditure projections – Mark
- Process today and Thursday in work sessions - Karyne

(Based on Proposals Made During May Worksessions)

Proposed By	Program	PO #	Exec Budget	Proposed	Available Revenue
Subtotal - Reduced Expenditures					\$0
Subtotal - Additional Revenue					\$0
TOTAL AVAILABLE TO BALANCE BUDGET					\$0

Proposed By	Program	PO #	Exec Budget	Proposed	Additional Expenditure
Naito	Homeless Youth Amendment	New	\$0	\$358,400	\$358,400
Naito	Courthouse Project Manager	New	\$0	\$50,000	\$50,000
Wheeler	Wapato Plan Appropriation	New	(\$6,900,000)	\$6,900,000	\$0
Rojo	Communities of Color: Participatory Research	25141	\$0	\$150,000	\$150,000
Naito	Height Adjustment DT Courthouse Project	New	\$0	\$100,000	\$100,000
Naito	4.00 Corrections Health Nurses	New	\$0	TBD	TBD
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
TOTAL NEW EXPENDITURES					\$658,400

TOTAL NEW EXPENDITURES

\$658,400

TOTAL AVAILABLE REVENUE	\$0
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TOTAL NEW EXPENDITURES	\$658,400
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BALANCE	(\$658,400)
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NET REDUCTION TO COUNTY GENERAL FUND IF ALL AMENDMENTS ADOPTED

FY 2009 Budget Notes DRAFT

May 20, 2008

SCAAP Grant

The Sheriff's Office applies for the State Criminal Alien Assistance Program (SCAAP) each year through the Bureau of Justice Administration (BJA). Typically the Sheriff's Office does not receive notice of award or grant amount until at least the 3rd quarter of the fiscal year. Historically, award amounts have ranged from \$250,000 - \$700,000, with an average of about \$450,000. Uses of the funds are restricted to Corrections activities and the BJA provides criteria defining appropriate use. In past years, due to the uncertainty of the grant, we have not budgeted for this potential revenue. However, by not estimating the potential grant revenue during budget adoption, when an award is made Oregon Budget Law requires a supplemental budget to appropriate the funds.

By earmarking the potential grant award in contingency the funds can be appropriated by a simple budget modification. The Sheriff's Office has requested the earmark of \$500,000 for FY 2009.

Flash Money

The County understands that, on occasion, the use of large sums of money known as "flash money" is a necessary element to the successful investigation of drug, property, and other types of crimes by the Sheriff's Office. In order to further an investigation, the use of flash money is an important tool to the infiltration of the criminal enterprise and in gaining the acceptance and confidence of an alleged criminal. The County also understands that there is a risk of loss when flash money is used during these types of investigations. The County acknowledges the sum of \$100,000 as an acceptable risk when using flash money in a criminal investigation.

Wapato

Prior to any request to appropriate funds for Wapato operations, the Board desires a policy briefing reporting on the data, analysis and resolution of the following issues:

- SB 400 implementation impact and risk
- Financial sustainability
- IP 40/SB 1087 outcome planning; active state partnership
- Evaluation of proposal with recommendation by professionals outside of the County
- Jail - Clarification staffing levels at the jails
- Treatment – programs relationship to community and other partners and different populations?
- Treatment – Compare this program to River Rock and Interchange; what are the expected outcomes?
- Treatment – Compare costs of providing program in-house vs. contracted out.
- Treatment – screening criteria
- Treatment – why is A&D not operated by DCHS?

FY 2009 Budget Notes DRAFT

May 20, 2008

- Treatment – How is the program designed on evidence based results
- Treatment – more information on EMS response time

FY 2009 Departmental Amendments

Program #	Program Title	Dept(s)	GF Change	Other Funds Change	Total Change	FTE Change	Amendment Description	Amendment #
Technical Amendments								
Various	Internal Service Placeholder	DCM					Internal Service Cleanup - Placeholder to adjust various internal service programs based on programs that are funded. Funds impacted include those for Facilities, IT, FREDs, Debt, Capital Acquisition and the Risk Fund. The balancing of 'other internal services' may impact funds besides internal service funds.	09_DCM_TA_01
72022	Tax Administration Accounting Adjustment	DCM	820,000		820,000		- Changes our payment to the City of Portland for BIT collection to an expense rather than a reduction from the revenue distribution. This is a change in accounting practice that has no net effect on revenues or expenses.	09_DCM_TA_02
72050, 72051	BWC adjustments to capital funds	DCM		(3,227,169)	(3,227,169)		- Revises capital program budgets to adjust for capital program changes. Corrects cost elements, makes other technical adjustments.	09_DCM_TA_03
Various	Various Internal Service Fund BWC adjustments	DCM					- BWC adjustments - due to better information about the status of the internal service funds.	09_DCM_TA_04
72015	\$62,000 BWC to the Wellness program	DCM		62,000	62,000		- Adds \$62,000 in BWC for one-time maintenance and equipment improvements to the County's fitness centers.	09_DCM_TA_06
Various	Corrects coding for debt buy-down in the Health Department	HD					Corrects SAP coding for the debt buy-down transaction as it affects the Health Department.	09_HD_TA_01
Staffing Amendments								
Various	Job class updates	Countywide					- Updates the job class of 29.61 positions that the Board has approved for reclassification in FY 2008 but are not shown with the updated job class in the Approved budget.	09_Overall_SA_01
60040D	MCSO MCDC	MCSO				(1.00)	Converts 3 Corrections Sergeants to 2 Lieutenants.	09_MCSO_SA_60040D
60040A & 60041A	MCSO MCDC and MCIJ	MCSO				10.00	Adds 10 FTE Corrections Deputies to allow for over-staffing due to ongoing attrition and the length of time it takes to hire replacements. No additional cost.	09_MCSO_SA_60064A
60064A	MCSO Civil Process	MCSO					- Convert Sr Civil Deputy to Sergeant	09_MCSO_SA_01

FY 2009 Departmental Amendments

Program #	Program Title	Dept(s)	GF Change	Other Funds Change	Total Change	FTE Change	Amendment Description	Amendment #
Revenue Amendments								
10001	Sauvie Island Bridge Opening Celebration	Nond	10,000	-	10,000		Adds \$10,000 in private donations for Sauvie Island Bridge Opening Celebration	09_Nond_RA_01
50022	State of Oregon Youth Authority Funds for Juvenile Gang Intervention Services	DCJ	27,560	463,305	490,865	4.50	Appropriates \$400,000 from the Oregon Youth Authority (OYA) for juvenile gang intervention services and will fund the After School Intensive Supervision Program (ASIS). This includes 4.50 FTE \$27,560 for indirect expenses and \$63,305 for the Risk Fund insurance reimbursement.	09_DCJ_RA_01
80007	Life by Design NW Grant	LIB	-	50,000	50,000		Appropriates \$50,000 for the Life by Design NW grant for limited duration staff. The grant will allow the library to work collaboratively with other partners (PSU, Hands on Portland, PCC and others) to develop programs and opportunities to engage older adults in helping them discover their passion and purpose in life through programs, workshops, etc. so that they will in turn give back to the community.	09_LIB_RA_01
72005	\$5,000 donations for Sustainability Film Series	DCM	5,000	-	5,000	-	Adds \$5,000 donation revenue for the Sustainability Film Series to be held in July of 2008;	09_DCM_RA_01
40031	Oregon Primary Care Assoc Pharmacy Drug Assistance Grant	HD	-	81,230	81,230		Adds \$81,230 grant revenue to purchase prescription medications for low income Oregon residents.	09_HD_RA_01
40035A	Gates Foundation Grant for Tobacco Evaluation	HD	-	100,000	100,000		Adds \$100,000 from the Gates Foundation from grant extension to fund permanent and temporary personnel to complete the evaluation report on international tobacco control.	09_HD_RA_02
40035A	Federal Public Health Services Grant to conduct evaluation of the Oregon Asthma Program	HD	-	17,500	17,500		Adds \$17,500 from the federal Public Health Services to fund permanent and temporary personnel costs to conduct an evaluation of the Oregon Asthma Program.	09_HD_RA_03
40035A	Additional Revenue from the Alaska Tobacco Evaluation Grant to continue evaluation of effects of Tobacco Use	HD	-	100,000	100,000		Adds \$100,000 from the Alaska Tobacco Evaluation Grant for permanent and temporary personnel costs for the assessment of: tobacco use, exposure to second hand smoke and attitudes, social norms and policy implications for the state of Alaska	09_HD_RA_04
40035A	Additional Revenue from the Federal Morbidity Monitoring Grant to continue data collection on persons with HIV	HD	-	85,000	85,000		Adds \$85,000 from the Federal Morbidity Monitoring Grant for permanent and temporary personnel costs for continued collection of data on persons in Oregon infected with HIV on quality of care and the severity of need for care and support	09_HD_RA_05

FY 2009 Departmental Amendments

Program #	Program Title	Dept(s)	GF Change	Other Funds Change	Total Change	FTE Change	Amendment Description	Amendment #
40012	Additional Revenue from Ryan White Grants to provide medical case management for persons with HIV	HD	-	153,571	153,571	0.25	Adds \$144,681 from Ryan White Part A Service and Quality Mgmt and \$8,890 from Ryan White Part A Minority Aids Initiative Grant to be distributed through current contracts with community based organizations for medical case management services to low income persons with HIV. This also adds .25 FTE operations supervisor	09_HD_RA_06
40007	Additional Revenue from Environmental Health Inspections rate increase	HD	163,329		163,329		Adds \$163,329 to Environmental Health Inspections Program to cover personnel costs to perform restaurant inspections. This is a result of the Boards approval in April 2008 to increase current Permit & Licenses fees.	09_HD_RA_07
40005	Emergency Health Preparedness Grant Funding	HD	-	44,200	44,200		Adds \$34,200 from Health Preparedness Organization, \$5,000 from WA County - Citizen's Readiness Initiative, and \$5,200 from NACCHO Medical Reserve Corp to support costs related to emergency preparedness exercises and provide opportunity for health professionals to become an effective part of health response to an emergency.	09_HD_RA_08
60066A	MCSO Detectives & Child Abuse Team	MCSO	-	53,135	53,135	0.40	Adds DVERT Grant - Domestic Violence Enhanced Response Team. 0.40 FTE Deputy Sheriff \$53,135.	09_MCSO_RA_60066A
60010	MCSO Business Services Admin	MCSO	500,000	-	500,000	-	Budgets FY 2009 estimated SCAAP revenue - \$500,000 into General Fund contingency. There is a budget note earmarking this in contingency	09_MCSO_RA_60010

FY 2009 Departmental Amendments

Program #	Program Title	Dept(s)	GF Change	Other Funds Change	Total Change	FTE Change	Amendment Description	Amendment #
Carryover Amendments								
50035	King Facility Improvements - Carryover	DCJ	33,736	-	33,736		Funds will be used to complete the King Facility improvements located at 4815 NE 7th in Portland. Improvements began in FY 2008 using DCJ's budgeted appropriation, but not all will be completed by June 30, 2008. The following is the estimated costs of facility improvements: \$1,000 to change locks, \$2,036 for a new transaction window, \$1,200 for new door installation and \$29,500 for new card readers.	09_DCJ_CA_01
25114	Bridges to Housing - Carryover	DCHS	195,992	-	195,992		Requesting an increase to spend out the balance of \$1,000,000 OTO originally appropriated in FY 2007. This action allows (1) administration of service contracts to shift from DCHS to the regional administration, The Neighborhood Partnership Fund (NPF). This allows County funds to be spent first and reserves the privately donated B2H funds for services in 2010 and beyond and (2) construction on two projects will be completed earlier in FY 2009 than originally anticipated and will increase the required case management funding needed in FY 2009.	09_DCHS_CA_01
72069	Carryover amendment for Executive Class-Comp Study	DCM	300,000	-	300,000		Carries over \$300,000 for executive class-comp study currently under contract but not to be completed by 6-30-08.	09_DCM_CA_04
60010	MCSO Business Services Admin	MCSO	200,000	-	200,000		SCAAP revenue for FY08 - estimated carryover of items anticipated to be received in FY09	09_MCSO_CA_60010
95000	Fund Level Transactions	DCM	1,275,000	-	1,275,000		Local 88 class comp reserve. This is required per local 88 contract. .25% of budgeted payroll plus \$75,000 for consultants. The .25% amount translates to about \$450,000 while the carryover sits at roughly \$750,000	09_DCM_CA_01
	TOTAL		3,530,617	(2,017,228)	1,513,389	14.15		