

# Budget Review 2024-25

## Multnomah County

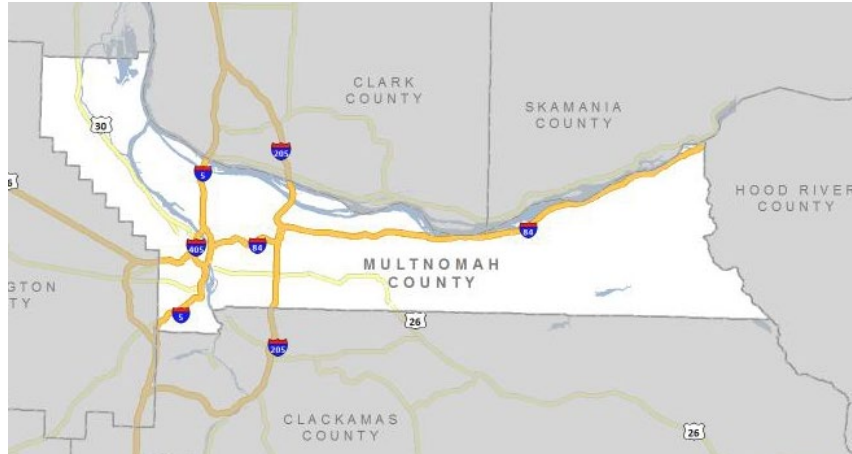


### BUDGET HIGHLIGHTS

- Total FY 2024-25 Approved budget is \$3.96 billion, an increase of \$408 million (12%) from the FY 24 Adopted.
- In a continuation of last year's trends, increases are driven by growth in beginning fund balance in the Preschool for All fund and the Supportive Housing (SHS) fund.
- Metro Supportive Housing fund and Preschool for All fund increase by 119% and 58% respectively from the FY 24 Adopted budget as unspent dollars carryover and revenue continues to grow:
  - Metro Supportive Housing funds - \$105 million in carryover dollars, \$60 million in new revenue growth; total FY 25 budget of \$305 million including transfers and fund balance.
  - Preschool for All - \$199 million in carryover dollars, \$10 million in new revenue growth; total FY 25 budget of \$572 million including transfers and fund balance.
- Revenue assumptions for Business Income Tax (BIT), property tax and interest see slower growth this year than last year but continue to increase.
- The COVID-10 Response Fund decreases by \$27 million as American Rescue Plan (ARP) dollars are spent down. Overall intergovernmental revenue sees growth due to SHS dollars increasing and additional state and federal dollars for various projects.
- Capital Outlay decreases as Library bond projects progress, resulting in a \$103 million decrease in the Library Capital fund.
- Most expenditure increases occur in support of homeless services, with a 24% increase for housing placements, rental assistance and support services. The budget also includes \$18.5 million of capital costs for expanding emergency shelters. A sampling of other notable new and increasing investments in this budget include:
  - \$28.9 million for new Deflection and Addiction Recovery Package
  - \$20 million in state funding for the Burnside Bridge replacement
  - \$4.8 million in animal service division to improve services and to begin the design phase for a new Animal Service Facility.
  - \$2.5 million and 10 FTE increase in the TriMet Transit Police program.
  - \$2.2 million and 8 FTE for restructure of Chief Operating Officer office.
  - \$1 million+ for Elections budget to address ranked choice voting and the November presidential election.
- The budget also includes reallocations and some cuts to programs as the county faces fiscal pressures and works to focus on core priorities.

## INTRODUCTION & BACKGROUND

Multnomah County is located in the northwestern section of the state. The Columbia River is the northern border of the county.



The county operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Board Chair. A five-member salaried board governs the county. All are elected to four-year terms on non-partisan ballots: The Board Chair is elected at large and four board members are elected from districts.

Of the 36 counties in Oregon, Multnomah County is both the state’s smallest (in area) and largest (in population). It covers 457 square miles and, as of Portland State’s University’s December 2023 estimates, has a population of just over 800,000.

<b>Multnomah County</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Assessed Value in Billions	\$81.143	\$85.289	\$89.181	\$96.475
Real Market Value (M-5) in Billions	\$184.074	\$194.226	\$208.981	\$210.677
Property Tax Rate Extended:				
Operations	\$4.3434	\$4.3434	\$4.3434	\$4.3434
Historical Society Local Option	\$0.0500	\$0.0500	\$0.0050	\$0.0050
Debt Service	\$0.0000	\$0.5951	\$0.5913	\$0.5758
Total Property Tax Rate	\$4.8434	\$4.9885	\$3.9397	\$3.9242
Measure 5 Impact	\$-15,294,711	\$-15,414,896	\$-14,430,999	\$-14,783,094
Number of Employees (FTE’s)	5,185	5,279	5,732	5,774

## BUDGET OVERVIEW

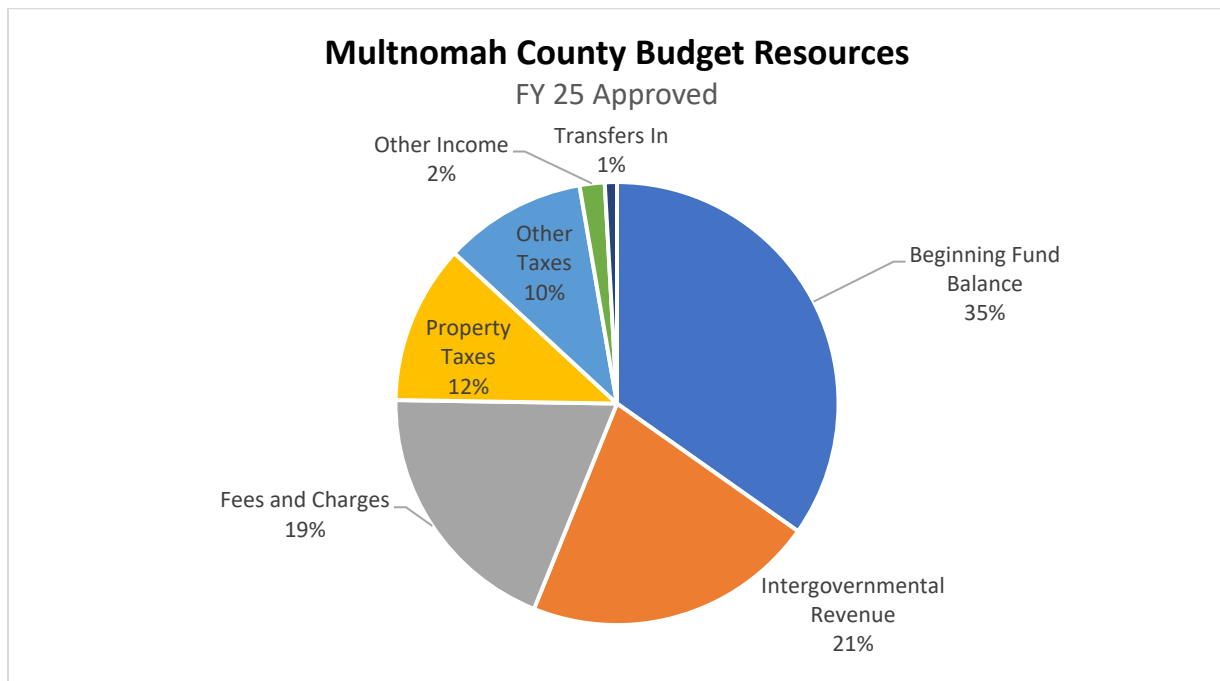
The county’s budget increases by 11.5% to \$3.96 billion from FY 24 Adopted, an increase of \$408 million. Increases are driven by growth in the beginning fund balance as taxes for Preschool for All and Metro Supportive Housing dollars carry over from last year. This is the second year these funds have seen large amounts of carryover.

As is true for many taxing districts, the county is facing fiscal pressures as one-time federal dollars expire, property tax revenue slows, and inflation drives up personnel costs. A structural deficit is anticipated in the General Fund beginning in FY 2025. The county attempts to focus on core priorities in this budget in response to this constraint. Departments were asked to consider a 3% reduction in current service level as a starting point, although restorations were made through the budget process for some departments. For an overview of additions, reduction, and reallocations, see p. 14 of [the Budget Director’s Message](#). The overview focuses on General Fund changes, as it is the largest source of discretionary revenue for the county.

The county budgets by program offer, with county services broken down into individual “programs” with assigned performance measures and descriptions. The budget distinguishes between one-time and ongoing resources and strives to match expenditures accordingly. The county is budgeting a \$91.4 million in one-time-only funds, with \$82.6 million of that in the General Fund. \$37 million of total one-time funds are for capital projects. [The Budget Director’s Message](#) (p.33) lists all one-time programs.

This budget includes a number of new and enhanced investments, including further expansion of the Homelessness Response System, a new deflection and addition recovery package, large capital projects, and ongoing funding for a variety of services.

## RESOURCES



Revenues by Category	FY 24 Adopted	FY 25 Approved	Change
Property Taxes	446,474,549	460,485,961	3%
Other Taxes	389,372,016	411,798,814	6%
Intergovernmental Revenue	768,573,949	844,685,879	10%
Fees and Charges	687,357,093	757,535,931	10%
Debt Proceeds	2,742,123	-	-100%
Other Income	59,327,297	72,350,459	22%
<i>Subtotal Revenues</i>	<i>2,353,847,027</i>	<i>2,546,857,044</i>	<i>8%</i>
Beginning Fund Balance	1,177,581,428	1,376,706,555	17%
Transfers In	19,584,942	35,013,502	79%
<b>Total Requirements</b>	<b>3,551,013,397</b>	<b>3,958,577,101</b>	<b>11.5%</b>

The five largest resource categories are Beginning Fund Balance, Intergovernmental Revenue, Fees & Charges, Property Taxes, and Other Taxes. Details on year over year changes:

#### **Beginning Fund Balance - \$1.4 billion, 17% increase**

The Beginning fund balance net increase is \$199 million from the Adopted FY 24 budget. The largest portion of this increase is growth of \$199 million in the Preschool for All Program Fund. The Supportive Housing fund beginning fund balance grows by \$105 million. The balance also includes carryover from various capital funds and risk management funds. The Library Capital Construction (GO Bond) fund sees the largest decrease (\$108 million) in beginning fund balance as dollars are spent on planned projects.

#### **Intergovernmental Revenue - \$845 million, 10% increase**

The CARES Act Local Government fund, which once made up a large share of intergovernmental revenue, decreases by \$27 million as American Rescue Plan (ARP) funds wind down. Metro Supportive Housing (SHS) dollars drive the increase (\$156 million in local revenue anticipated for FY 25, an increase of \$60 million). The other largest driver of growth in this fund is an increase of \$30 million in the Federal/State Program fund as the state provides \$25 million for the new deflection program (see Health and Human Services section on p.8 of this review).

#### **Fees & Charges - \$758 million, 10% increase**

The majority of fees and charges are budgeted in the Health Department FQHC (federally qualified health center) Fund and the Risk Management Fund, where internal service charges for the county's self-funded medical and dental plan are budgeted. These funds grow by \$19 million and \$14 million respectively.

**Property Taxes - \$460 million, 3% higher than the current year.** The county has three property tax levies:

- A Permanent Rate Levy (\$4.3434) which is receipted into the General Fund to be used for any lawful purpose.
- A Local Option Levy (\$0.0500) which is dedicated to the Oregon Historical Society and is receipted in that special revenue fund.
- A General Obligation Bond Levy for paying the debt service on the Library Facility bonds.

The county provides the following breakdown of estimated property tax levies (note that the table does not include taxes received in FY 25 from prior years, or payments received in lieu of property taxes - the addition of these brings total tax revenue to \$461 million). The rate of growth for the county's local option levy is estimated at a slower pace than the permanent rate. Constitutional state tax limits cause "compression" and impact local option levies first.

<b>TAX LEVY ANALYSIS</b>				
	<b>ACTUAL 2021-22</b>	<b>ACTUAL 2022-23</b>	<b>BUDGET 2023-24</b>	<b>BUDGET 2024-25</b>
Permanent Rate Levy - Subject to \$10 Limit	\$370,485,625	\$387,399,967	\$417,525,982	\$433,600,031
OHS Local Option Levy - Subject to \$10 Limit	4,626,904	4,817,391	4,988,317	5,125,496
General Obligation Bond Levy	52,860,304	54,959,047	56,102,738	54,549,675
<b>Total Proposed Levy</b>	<b>427,972,832</b>	<b>447,176,405</b>	<b>478,617,037</b>	<b>493,275,202</b>
Loss due to 1% limitation	(15,414,896)	(14,430,999)	(18,116,229)	(18,356,286)
Loss in appropriation due to discounts and delinquencies	<u>(15,819,323)</u>	<u>(18,295,305)</u>	<u>(20,722,536)</u>	<u>(21,371,351)</u>
<b>Total Proposed Levy Less Loss</b>	<b>\$396,738,613</b>	<b>\$414,450,101</b>	<b>\$439,778,272</b>	<b>\$453,547,565</b>

#### NOTES

Average property tax discount	2.25%
Property tax delinquency rate	2.25%
Average valuation change (Based on July - January Value Growth)	3.47%
Assumed compression percentage	4.00%

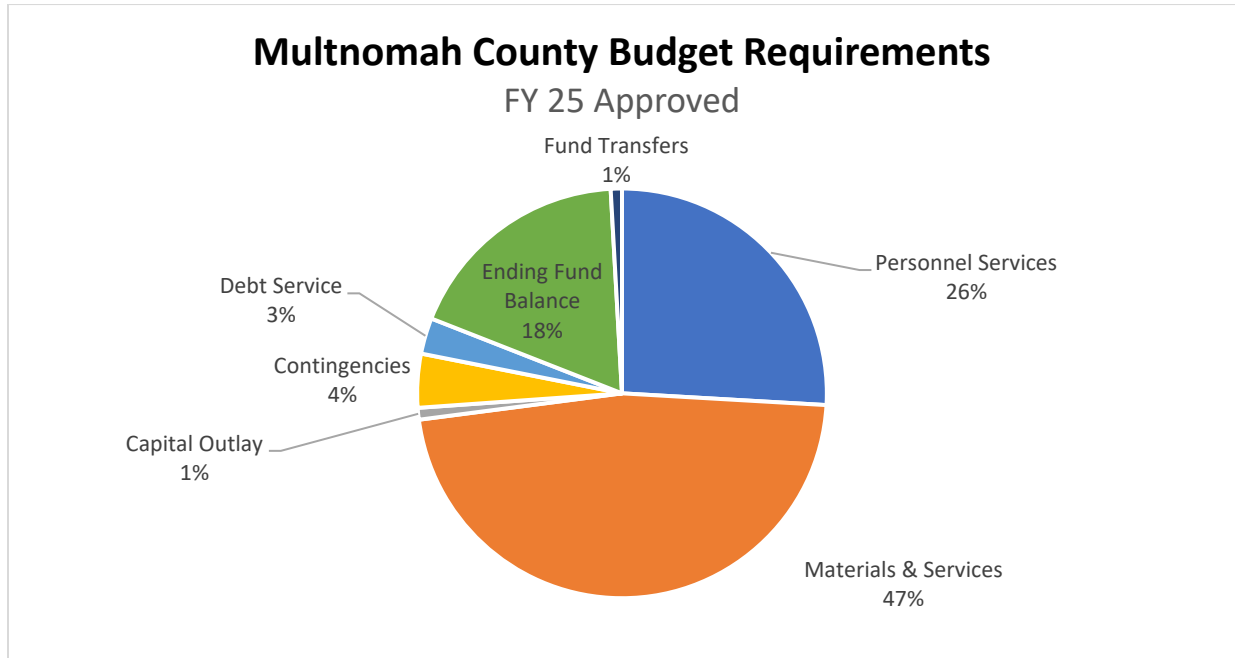
For FY 25, the county expects to see property tax revenue growth slow. New development has driven property tax growth above the constitutional limit of 3% growth in years past. The county anticipates a sharp reduction in new development and declining values in property tax revenue in downtown Portland. This is somewhat offset by returning assessed value from the last portion of the Interstate Corridor TIF (tax increment financing district) now that the area is closed.

#### Other Taxes - \$411 million, 6% higher than the current year

The total of the county's five other taxes continues to increase, primarily due to Preschool for All (PFA) and Business Income Tax (BIT) collection growth. Transient lodging taxes see only minor growth as tourism stabilizes post-pandemic.

<b>OTHER TAXES</b>	<b>FY 24 Adopted</b>	<b>FY 25 Approved</b>	<b>Change</b>
Business Income Tax	155,071,186	162,953,555	5%
PFA Personal Income Tax	152,592,000	163,000,000	7%
Rental Car Tax	39,889,972	43,706,375	10%
Transient Lodging Tax	35,378,858	35,698,884	1%
Local Gas Tax	6,440,000	6,440,000	0%
<b>Total</b>	<b>389,372,016</b>	<b>411,798,814</b>	<b>6%</b>

**REQUIREMENTS**



Expenditures by Category	FY 24 Adopted	FY 25 Approved	change	% change
Personnel Services	957,428,027	1,025,801,562	68,373,535	7.14%
Materials & Services	1,752,020,468	1,861,803,011	109,782,543	6.27%
Capital Outlay	42,637,050	36,711,998	-5,925,052	-13.90%
Debt Service	115,837,045	112,379,479	-3,457,566	-2.98%
<b>Subtotal Expenditures</b>	<b>2,867,922,590</b>	<b>3,036,696,050</b>	<b>168,773,460</b>	<b>5.88%</b>
Transfers Out	19,584,942	35,013,502	15,428,560	78.78%
Contingencies	140,870,001	167,928,278	27,058,277	19.21%
Ending Fund Balance	522,635,864	718,989,271	196,353,407	37.57%
<b>Total Requirements</b>	<b>3,551,013,397</b>	<b>3,958,627,101</b>	<b>407,613,704</b>	<b>11.48%</b>

The largest year over year increase is in **ending fund balance**, a 38% increase. This is driven by carryover dollars in the Preschool for All and Supportive Housing Services funds. **Transfers out** are a budgetary mechanism to show money moving between funds and will vary depending on business needs each year. The year over year increase for FY 25 is driven by a \$18.5 million transfer from the General Fund to the Joint Office of Homeless Services to pay for Shelter Capital Projects. **Contingencies** rise 19%, with the largest increases in the Supportive Housing Fund and the Willamette River Bridge Fund.

**Personnel Services** increase over 7%, driven by a 3.3% cost of living adjustment (COLA) and medical/dental growth of 7%. The county is budgeting for 5,965.88 positions in FY 24-25, an increase of roughly 216 FTE from the current year adopted budget. The Health Department makes up the majority of the increase, with 99.61 FTE added across various divisions, mostly in integrated clinical health.

The largest expenditure category for the county is **materials and services** (total of \$1.7 billion) which includes contracted services, the primary mechanism the district uses to fund many of the services they provide. Contracted services make up \$1.2 billion of budget requirements, with the largest amounts budgeted in County Assets (\$400 million, mostly due to Library Bond funded projects), the Joint Office of Homeless Services (\$280 million, for services to address homelessness), and County Human Services (\$194 million, for services to community members, including Preschool for All). The budget gives a 3.3% General Fund cost of living increase for all Health and Human Services contracts.

**Capital Outlay** spending decreases as library bond projects are completed, and **debt service** decreases as debt is paid off.

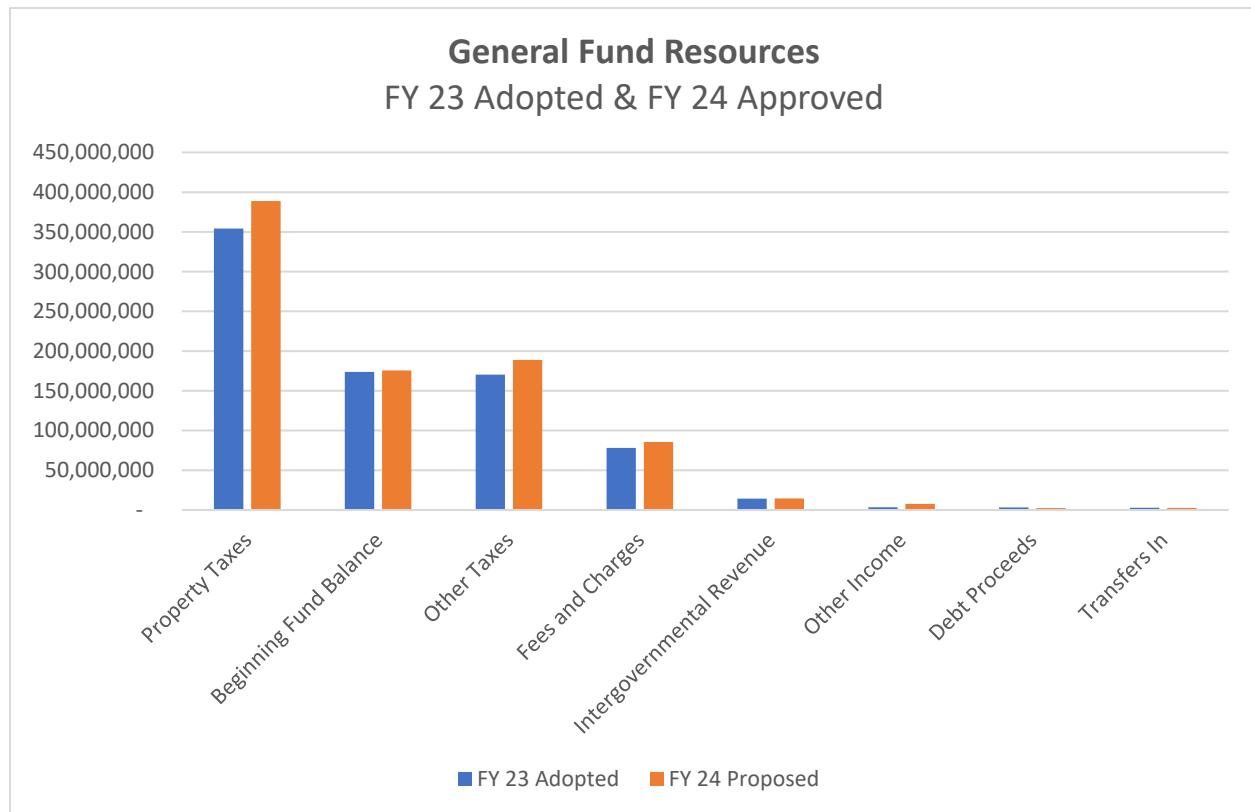
## SIGNIFICANT BUDGET AREAS

### General Fund

The FY 2024-25 General Fund budget is \$866 million, a \$14 million (2%) increase from the FY 24 adopted budget. The General Fund comprises 22% of the County’s budget and is the largest pool of discretionary funds for the district.

Departments were given an initial 3% constraint for their General Fund allocations, although they were able to request additional funds to be “added back”.

#### General Fund Resources



For FY 25, overall resources are estimated to increase over the current year. Various revenue streams see different rates of growth:

- Property Tax – \$403 million total, 4% increase from prior year
- Business Income Tax – \$163 million, 5% increase from prior year
- Motor Vehicle Rental Tax – \$38 million, 9% increase from prior year

**General Fund Requirements**

The County has ten departments that can be categorized into three service areas: Health and Human Services, Public Safety, and General Government. Public Safety (the majority of which is the Sheriff’s Office) has the largest share of General Fund expenses, followed by Health and Human Services and General Government.

REQUIREMENTS BY FUNCTION	2024 Adopted	2025 Approved	Change
Public Safety	302,558,801	319,713,458	6%
Health & Human Services	274,504,385	269,713,124	-2%
General Government	170,121,763	167,593,251	-1%
<i>Subtotal Expenditures</i>	<i>747,184,949</i>	<i>757,019,833</i>	<i>1%</i>
Transfers Out	16,585,285	30,483,321	84%
Contingencies	37,613,763	23,399,032	-38%
Ending Fund Balance	71,132,495	75,073,406	6%
<b>Total Requirements</b>	<b>872,516,492</b>	<b>885,975,592</b>	<b>2%</b>

In FY 2022-23, the county began a multi-year process of increasing both its General Fund and Business Income Tax (BIT) reserves to 15%, these reserves are budgeted at 12% this year, the same as last year.

**Highlights from Service Areas**

**Public Safety – Increase driven by personnel cost increases. Expansion of TriMet Transit Police.**

- The budget maintains full funding for jails, adult parole, probation, and specialty courts.
- Budget includes an added \$2.5 million and 10.00 FTE for TriMet Transit Police program.

**Health and Human Services – New Deflection Program**

- The Health Department will add a new deflection and addiction recovery program to coordinate implementation of HB 4002, passed by the legislature in 2024. HB 4002 and related appropriation bill HB 5204 made changes to Measure 110, the voter-approved measure that decriminalized the possession of some drugs. The county will receive \$25 million from the state and \$1.9 million for the City of Portland, which will supplement with \$2 million in General Fund dollars to implement this new program. Additional details are available in the county’s program offers 10000C and 40000C.



- The Behavioral Health Resource Center (BHRC) that opened in mid-FY 2023 increases from \$8.9 million to \$9.3 million (\$4.1 million from the General Fund).
- Youth and Family Services adds \$11.9 million for emergency rent assistance, eviction prevention, and family resource navigators. These are budgeted as one-time only dollars.
- \$1.3 million for Newcomer Support Services Pilot to augment short-term humanitarian transition services for asylum-seekers. This is emergency housing support for folks who have newly arrived to the county while they await connection to other resources, a service formerly provided by the state.

*Additional Health and Human Services updates are covered in the Joint Office section below.*

**General Government – COO, Elections, and Animal Services See Additional Funding; Response to Budget Process Audit.**

- COO: Based on a consultant study to assess roles and organizational structure, the Office of the Chief Operating Officer (COO) sees an over-haul in this budget. \$2.2 million and 8.0 FTE are added for three new assistant chief operating officers and a new SPARK (Strategic Planning, Performance, Agility, Reinvention, and Knowledge) unit.
- Elections: The budget includes over \$1 million in new ongoing (\$184K) and one-time-only (829K) dollars to address ranked choice voting and the November presidential election.
- Animal Services: The animal services division completed a strategic plan to inform changes to the current sheltering model and processes. A total of \$921K and 4.00 FTE will be added in FY 2025 to better serve the community through education and support public safety functions by allowing seven-day week coverage of Animal Control Officers across the County. The design phase for a new Animal Service Facility is budgeted at \$3.9 million. Site planning and design were originally anticipated for this current fiscal year with \$485,000 budgeted, \$60,000 of that was spent in FY 24 and the rest carries forward to FY 25.
- Budget Process: In October 2023 the Auditor's office published a report on the budget process with identified areas of concern. Although there is no specific budget tied to recommendation responses, [the Budget Director's Message](#) (p.51) does specifically address the recommendations and how they are planning to proceed, including developing a policy to require departments to report to the Board when spending changes materially from what was approved in program offers, and early engagement with community budget advisory committees.

## **OTHER AREAS OF INTEREST**

### **Housing and Homelessness - Joint Office of Homeless Services (JOHS)**

The Joint Office was formed in 2016 by Multnomah County and the City of Portland to streamline the region's response to homelessness. The administrative functions are housed within Multnomah County, and partially funded by the City of Portland. The department also receives funds from state and federal

resources, and a large portion of income from the regional supportive housing services (SHS) income tax, passed by voters in 2020.

The total JOHS budget is \$395.1 million (including transfers, contingencies, and fund balance), an increase of \$100 million (34%) from last fiscal year. Personnel grows by 21 FTE, reflecting growth in operations and expansion of services provided by JOHS.

New this year, the budget spreads \$36.1 million of SHS funding allocated across various county departments to support related services, such as community justice and health services (\$3,293,721) human services (\$9,419,948), health services (\$17,895,778) and more. There is also an increase of \$9.5 million in strategies to provide safety on and off the streets.

#### Supportive Housing Services (SHS)

JOHS is budgeting to receive \$157 million (their portion of the regional collection) in new SHS funds; additionally, they have \$148 million in carryover SHS funds from FY 24 budget. This is an increase of nearly \$100 million in carryover funds from last year. This growing balance have been a point of contention, with Metro proposing to spend some of the accumulated funds on affordable housing ([Metro Council Ponders Shifting Some Supportive Housing Services Funds to Building More Affordable Housing \(wweek.com\)](https://www.wweek.com/news/metro-council-ponders-shifting-some-supportive-housing-services-funds-to-building-more-affordable-housing/)).

This year the budget includes funds directly to East County cities, with \$300,000 ear-marked for outreach and rental assistance in Fairview, Wood Village, and Troutdale. Gresham has received General Fund and SHS dollars from the county to support their Women’s Shelter in the past. In this budget the city will receive \$600,000 for expanded staffing and rent assistance.

#### City of Portland

The county is budgeted to receive \$50.7 million from the City of Portland, with the majority budgeted to fund emergency shelter and outreach, an increase of \$10 million from last year. These dollars are budgeted in the Federal/State fund.

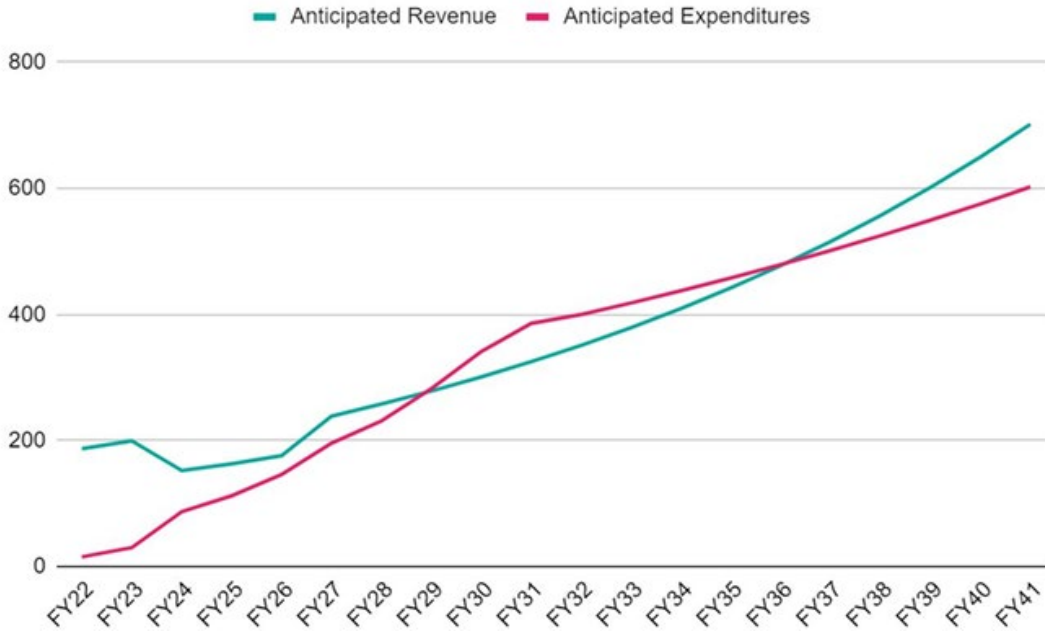
#### Capital

The budget includes \$31.5 million set aside for strategic housing related capital investments in the acquisition and renovation of buildings and other real property for emergency shelter capacity as well as to support additional temporary/seasonal shelters. There is a one-time-only program of \$18.5 million for Safety off the Streets, an emergency shelter strategic investment expansion.

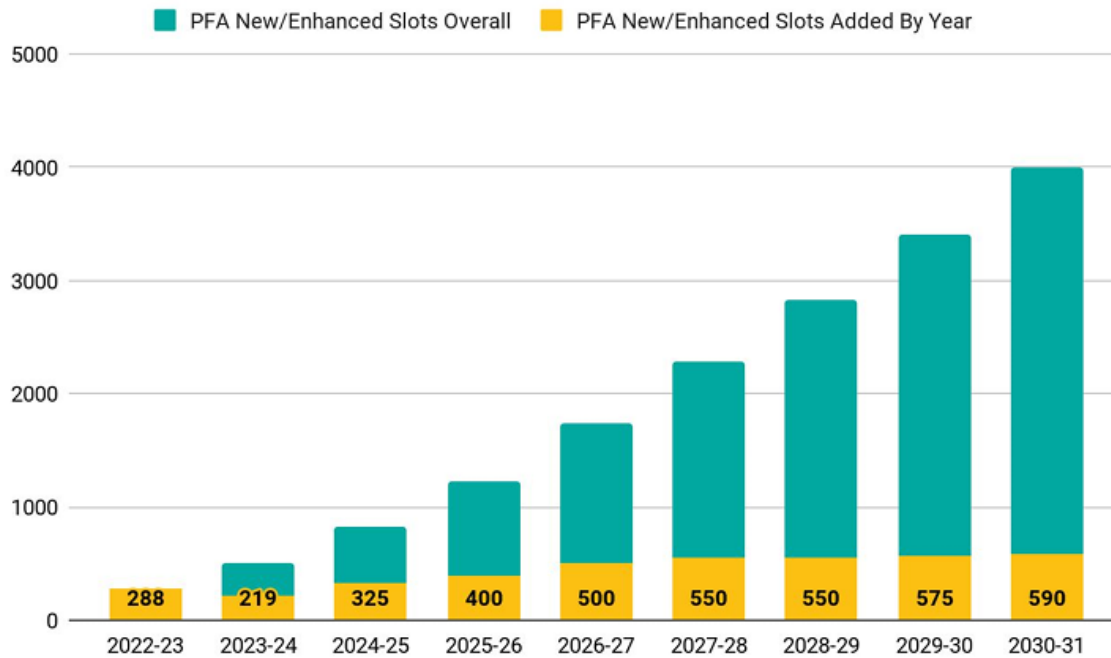
#### **Preschool for All Implementation**

On November 3, 2020, Multnomah County voters approved a measure to establish a tuition-free preschool program, funded by a personal income tax, which went into effect in 2021. The Preschool for All Program Fund is \$572 million for FY 2025, an increase of \$210 million (58%) from the prior year adopted budget.

Beginning fund balance accounts for \$199 million of the year over year increase as funds from previous years remain unspent. Total anticipated tax revenue for 2025 is \$163 million. The budget document cites projected shortfalls in future years as the reason for building a substantial fund balance (see graph next page from a February 2024 presentation to the county board). They plan to save money during the early years to have available when the gap appears.



The scenario in the graph above assumes a 0.8% tax increase in 2026 that was included in the ballot measure. The board could choose not to do the increase.



Per a spring 2024 report, Preschool for All provided 1,400 seats in its second year, nearly double the first year numbers and in-line with planned funding. The county anticipates having publicly funded preschool slots available for every interested family in 2030, and to do so, they will need to more than double the number of slots created in the first two years each year in future years (graph above from the [February 2024 presentation to the board](#)).

Yearly goals have been revised from when the measure was passed in November 2020, (initially 12,000 slots, now 11,000) although the county still expects to meet the initial timeline of full implementation by 2030-31.

### **Library Capital Bond**

In November of 2020, county voters approved a \$387 million bond measure for new and remodeled library facilities. The library system will experience multiple bond-related closures and re-openings. During closures, staff time will be redirected to support other library services, including outreach, additional capacity at spillover locations, and other temporary services. A list of library closures is available on the MultCo library website.

Earlier this fiscal year the new Library Operations Center opened. Located in East Portland, it is the first project in the bond program. In FY 25, the library system expects to reopen four libraries that are currently closed for major expansion or renovation: Holgate Library: a brand new two-story building, triple the size of the current space; Midland Library: an additional 6,000 square feet added to a redesigned structure; North Portland Library: expanded to feature 1,500 sq ft of new space, including a Black Cultural Center; and Albina Library: offering 30,000 square feet of total space including space for library administration. Construction will continue on the East County Library and begin on expanded and new buildings for Belmont and St. Johns libraries, among other projects. The TSCC FY 24-25 Multnomah County Library Budget Review also includes information on the library bond.

### **Capital Projects**

#### **Earthquake Ready Burnside Bridge project**

Major capital projects with budgeted allocations in the FY 25 budget are as follows:

#### Transportation

- *Roads & Pathways*: \$35.1 million for projects to maintain and enhance county-owned bridges, roads, and bicycle and pedestrian pathways (down from \$47 million in current year)
- *Burnside Bridge*: \$51 million to create a seismically resilient Burnside Bridge (similar to current year's budget for this project, although funding of \$20 million is now expected from the state)

#### Facilities

- *Facilities Capital Improvement and Asset Preservation Programs*: \$71 million for projects to maintain buildings designated for long-term retention.
- *Library Capital Bond Construction*: \$226 million to update seven branch libraries and build a library in East County, add gigabit speed internet to all libraries, and create a central materials handling and distribution center (operations center). Reduced from budget of \$348 million current year as projects are completed.

## DEBT STATUS

The following table from the budget document summarizes the county’s debt portfolio. The majority of debt is for the Library Projects general obligation bonds. Amounts are shown in thousands of dollars. Budgeted GO bond debt payments match the debt schedule reported by the county (table below).

Debt Description	Dated	Maturity Date	Avg Annual Interest	Amount Issued	Principal Outstanding 6/30/2024	Principal Outstanding 6/30/2025	2024-25 Interest	2024-25 Principal
<b>PERS Pension Revenue Bonds:</b>								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	\$184,548,000	\$27,098,142	\$22,323,616	\$28,285,474	\$4,774,526
<b>General Obligation Bonds:</b>								
Series 2021 A&B - Library Projects GO Bonds	01/26/21	06/15/29	3.14%	\$387,000,000	\$261,090,000	\$214,120,000	\$8,454,940	\$46,970,000
<b>Full Faith and Credit Obligations:</b>								
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	15,000,000	9,420,000	7,945,000	470,548	1,475,000
Series 2017 - Full Faith and Credit	12/14/17	06/01/47	3.09%	164,110,000	106,405,000	102,530,000	4,305,481	3,875,000
Series 2019 - Full Faith and Credit	09/12/19	06/01/29	1.74%	16,075,000	8,604,244	6,942,248	149,714	1,661,996
Series 2021 - Full Faith and Credit	01/21/21	06/01/33	1.33%	89,580,000	72,160,000	64,495,000	919,173	7,665,000
Series 2022 - Full Faith and Credit	09/20/22	06/01/32	3.13%	<u>25,095,000</u>	<u>21,508,129</u>	<u>19,100,538</u>	<u>673,204</u>	<u>2,407,591</u>
<b>Total Full Faith and Credit</b>				<b>\$309,860,000</b>	<b>\$218,097,373</b>	<b>\$201,012,786</b>	<b>\$6,518,120</b>	<b>\$17,084,587</b>
<b>Loans</b>								
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3.98%	\$3,200,000	\$550,580	\$280,661	\$21,913	\$269,919

## BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Does the G.O. Debt Service Fund show only principal and interest payments?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the budget?
X		Did the budget committee set the levy?
	X	Does the audit show the district was in compliance with budget law? – <i>over expenditure in FY23</i>

### LOCAL BUDGET LAW COMPLIANCE

The FY 2024-25 budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purposes shown.

The FY 22-23 audit gave the following exception: “Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year ended June 30, 2023 there was one fund, the Facilities Management Fund, that had expenditures in excess of appropriations of \$1,372,000 for the Department of County Assets.”

MultCo also had a budget over expenditure in FY 2020-21, but has not had more than two overages in the last five years. TSCC policy is to make a recommendation on over expenditures if they occur more than three times within five years. If the county has another violation next year, the repeated occurrences would warrant a recommendation for over expenditures.

**CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS**

TSSC staff notes no deficiencies in the district's FY 2024-25 budget development process and recommends that the Certification Letter contain no recommendations or objections.

## Multnomah County

### Budget Summary

	2021 - 2022	2022 - 2023	2023-24	2024 - 2025	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Adopted	Approved	Change
<b>PROPERTY TAX BREAKDOWN:</b>					
Permanent Rate Property Taxes	342,461,268	358,122,877	382,389,083	397,524,509	4.0%
Local Option Levy Property Taxes	3,515,413	3,763,797	3,811,074	3,928,116	3.1%
GO Debt Property Taxes	50,761,932	52,563,427	53,578,115	52,094,940	-2.8%
Prior Years Property Taxes	6,928,827	5,269,900	6,577,477	6,724,452	2.2%
Payments in Lieu of Property Taxes	411,363	359,548	118,800	213,944	80.1%
<b>TOTAL PROPERTY TAX</b>	<b>404,078,803</b>	<b>420,079,548</b>	<b>446,474,549</b>	<b>460,485,961</b>	<b>3.1%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	876,305,202	1,202,578,226	1,177,581,428	1,376,706,555	16.9%
Property Taxes	404,078,803	420,079,548	446,474,549	460,485,961	3.1%
Other Taxes	426,607,605	441,842,849	389,372,016	411,798,814	5.8%
Intergovernmental Revenue	743,240,467	825,013,168	768,573,949	844,685,879	9.9%
Fees and Charges	638,167,197	687,159,591	687,357,093	757,535,931	10.2%
Other Income	11,725,486	48,875,635	59,327,297	72,350,459	22.0%
Debt Proceeds	5,786,944	28,292,732	2,742,123	0	-100.0%
Transfers In	28,971,920	48,757,594	19,584,942	35,013,502	78.8%
<b>TOTAL RESOURCES</b>	<b>3,134,883,623</b>	<b>3,702,599,343</b>	<b>3,551,013,397</b>	<b>3,958,577,101</b>	<b>11.5%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Personnel Services	749,391,590	827,052,519	957,428,027	1,025,801,562	7.1%
Materials & Services	1,010,916,708	1,200,319,197	1,752,020,468	1,861,803,011	6.3%
Capital Outlay	22,141,607	22,071,282	42,637,050	36,711,998	-13.9%
Debt Service	120,877,610	118,229,586	115,837,045	112,379,479	-3.0%
Fund Transfers	28,971,920	48,757,594	19,584,942	35,013,502	78.8%
Contingencies	0	0	140,870,001	167,928,278	19.2%
Ending Fund Balance	1,202,584,188	1,486,169,168	522,635,864	718,939,271	37.6%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>3,134,883,623</b>	<b>3,702,599,346</b>	<b>3,551,013,397</b>	<b>3,958,577,101</b>	<b>11.5%</b>
<b>SUMMARY OF BUDGET - BY FUND</b>					
General Fund	826,314,241	918,575,048	872,516,492	885,975,592	1.5%
Road Fund	72,518,992	72,297,896	83,644,327	78,685,092	-5.9%
Bicycle Path Construction Fund	697,575	122,070	229,603	342,398	49.1%

Recreation Fund	34,863	36,067	40,000	40,000	0.0%
Federal/State Program Fund	321,394,890	358,668,835	417,533,837	445,899,758	6.8%
County School Fund	52,338	51,506	80,125	70,025	-12.6%
Animal Control Fund	4,150,784	3,924,730	3,257,307	3,525,800	8.2%
Willamette River Bridge Fund	40,013,831	39,604,540	57,837,695	67,553,007	16.8%
Library Fund	86,732,262	95,324,810	110,549,127	116,383,589	5.3%
Special Excise Taxes Fund	31,280,681	39,314,902	41,576,080	42,811,008	3.0%
Land Corner Preservation Fund	5,067,830	5,087,999	5,061,368	4,287,000	-15.3%
Inmate Welfare Fund	1,345,087	1,613,944	1,486,311	1,719,355	15.7%
CARES Act Local Government Fund	158,523,622	127,260,237	48,878,009	22,081,980	-54.8%
Justice Services Special Operations Fund	6,388,272	7,492,332	8,630,614	10,910,722	26.4%
Oregon Historical Soc Local Option Fund	3,648,990	3,857,350	3,902,074	4,004,337	2.6%
Video Lottery Fund	6,654,666	7,287,557	7,380,994	7,678,022	4.0%
Supportive Housing Fund	102,681,190	214,482,591	139,120,341	304,809,539	119.1%
Preschool for All Program Fund	192,769,041	374,189,325	362,612,210	572,272,919	57.8%
Capital Debt Retirement Fund	31,346,021	31,622,931	31,878,630	24,673,729	-22.6%
General Obligation Bond Sinking Fund	50,968,890	54,824,716	55,702,015	57,378,147	3.0%
PERS Bond Sinking Fund	63,032,053	96,114,531	76,137,162	83,689,165	9.9%
Downtown Courthouse Capital Fund	7,044,963	6,258,483	300,000	65,000	-78.3%
Asset Replacement Revolving Fund	522,327	535,874	535,219	556,886	4.0%
Financed Projects Fund	3,617	0	0	0	n/a
Library Capital Construction Fund	7,010,487	11,334,486	10,737,239	10,118,171	-5.8%
Capital Improvement Fund	21,640,838	26,204,815	29,706,392	38,078,446	28.2%
Information Technology Capital Fund	4,859,055	13,356,003	14,089,997	16,940,262	20.2%
Asset Preservation Fund	30,049,980	38,432,359	44,313,098	42,614,974	-3.8%
Health Headquarters Capital Fund	1,736,923	319,571	528,366	0	-100.0%
Sellwood Bridge Replacement Fund	8,880,179	8,830,453	8,636,052	8,585,173	-0.6%
Hansen Building Replacement Fund	2,365,748	998,913	0	0	n/a
Burnside Bridge	13,521,925	48,754,917	0	51,269,398	n/a
Behavioral Health Resource Ctr Capital Fund	23,812,103	19,320,784	50,988,712	800,000	-98.4%
Multnomah County Library Capital Const Fund	437,420,524	412,740,384	1,200,000	253,425,980	21018%
Justice Ctr Capital Fund	0	1,954,544	356,052,325	10,699,169	-97.0%
JOHS Capital Fund	0	8,618,170	4,400,000	23,033,611	423.5%
Animal Services Capital Fund	0	0	9,275,000	3,535,421	-61.9%
Behavioral Health Managed Care Fund	5,539,132	3,800,547	1,497,964	0	-100.0%
Health Dept FQHC Fund	170,398,976	220,595,973	226,861,803	264,945,071	16.8%
Risk Management Fund	235,373,441	253,010,662	279,178,437	302,820,819	8.5%
Fleet Management Fund	6,810,773	8,368,587	8,301,775	8,791,591	5.9%
Fleet Asset Replacement Fund	9,963,618	11,116,102	11,508,887	13,935,093	21.1%
Information Technology Fund	71,184,028	74,171,900	77,600,258	79,691,253	2.7%
Mail Distribution Fund	4,474,103	4,630,101	4,936,085	5,324,911	7.9%
Facilities Management Fund	66,654,764	77,491,796	82,311,467	88,554,688	7.6%
<b>GRAND TOTAL ALL FUNDS</b>	<b>3,134,883,623</b>	<b>3,702,599,345</b>	<b>3,551,013,397</b>	<b>3,958,577,101</b>	<b>11.5%</b>



**DETAIL OF GENERAL FUND**

**RESOURCES:**

Beginning Fund Balance	182,726,126	246,847,109	180,711,621	153,084,799	-15.3%
Property Tax	349,563,927	363,191,276	388,746,560	403,928,961	3.9%
Other Taxes	201,929,069	197,046,537	188,909,686	199,689,130	5.7%
Federal Revenue	(171,926)	(706,955)	213,905	58,066	-72.9%
State Revenue	11,078,985	9,762,196	10,371,792	10,330,035	-0.4%
Local Revenue	3,205,978	3,703,754	4,521,548	4,351,122	-3.8%
Fees and Charges	72,230,649	74,884,259	86,286,340	99,237,934	15.0%
Other Income	3,345,206	18,268,169	7,678,678	13,759,600	79.2%
Debt Proceeds	234,744	3,197,732	2,442,123	0	-100.0%
Transfers In	2,171,484	2,380,968	2,634,239	1,535,945	-41.7%
<b>TOTAL FUND RESOURCES</b>	<b>826,314,242</b>	<b>918,575,047</b>	<b>872,516,492</b>	<b>885,975,592</b>	<b>1.5%</b>

**REQUIREMENTS:**

Administrative Services	107,342,908	122,417,630	144,051,677	136,636,572	-5.1%
Community Development	17,423,125	20,991,922	26,070,086	30,956,679	18.7%
Social Services	155,494,437	184,256,187	210,949,275	234,769,647	11.3%
Housing	24,681,384	36,507,483	63,555,110	34,943,477	-45.0%
Public Safety	249,106,848	271,960,608	302,558,801	319,713,458	5.7%
Transfers Out	25,470,874	42,668,621	16,585,285	30,483,321	83.8%
Contingencies	0	0	37,613,763	23,399,032	-37.8%
Ending Fund Balance	246,794,666	239,772,598	71,132,495	75,073,406	5.5%
<b>TOTAL FUND REQUIREMENTS</b>	<b>826,314,241</b>	<b>918,575,048</b>	<b>872,516,492</b>	<b>885,975,592</b>	<b>1.5%</b>

**DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND**

**RESOURCES:**

Beginning Fund Balance	0	977,295	1,718,900	4,653,207	170.7%
GO Debt Property Taxes	50,761,932	52,563,427	53,578,115	52,094,940	-2.8%
Prior Years Property Taxes	17,572	373,873	230,000	330,000	43.5%
Interest on Investments	147,229	853,047	175,000	300,000	71.4%
<b>TOTAL FUND RESOURCES</b>	<b>50,926,733</b>	<b>54,767,641</b>	<b>55,702,015</b>	<b>57,378,147</b>	<b>3.0%</b>

**REQUIREMENTS:**

Debt Services	49,935,797	51,974,193	53,808,115	55,424,940	3.0%
Ending Fund Balance	1,033,093	2,850,524	1,893,900	1,953,207	3.1%
<b>TOTAL FUND RESOURCES</b>	<b>50,968,890</b>	<b>54,824,716</b>	<b>55,702,015</b>	<b>57,378,147</b>	<b>3.0%</b>