

FY 2007 Third Quarter

General Fund Report and Status of Contingency

Multnomah County Budget Office

April 12, 2007

Introduction

- Purpose of This Report
 - Provide BCC w/ Most Recent Forecast Update

- Revenue Forecast
 - Changes to Forecast Since FY07_Q2 Update
 - Impact on FY 2008 Revenue Assumed in Executive Budget

- Expenditure Forecast
 - Comparison of Current Year Estimates
 - Assumptions – Impact on Year End
 - Program Areas We Are Monitoring Closely

- Status of General Fund Contingency



FY 2007 Revenues

Revenue Forecast Comparison

Adopted Compared to Q2 and Q3 Forecast

	Adopted Budget	Second Quarter Estimate	Third Quarter Estimate
Property Taxes	\$ 196,783,515	\$ 197,339,107	\$ 197,339,107
Business Income Tax	40,500,000	51,750,000	56,275,000
Motor Vehicle Rental	11,750,000	12,207,113	12,176,091
A&T Sources (1)	9,426,000	9,697,904	9,581,603
State Shared Sources (2)	7,848,524	8,341,543	8,341,543
Interest Earnings	2,200,000	2,849,646	2,849,646
Subtotal	\$ 268,508,039	\$ 282,185,313	\$ 286,562,990
Beginning Working Capital	47,200,000	54,963,630	54,963,630
All Other GF (3)	49,691,121	46,207,748	46,229,346
Total General Fund	\$ 365,399,160	\$ 383,356,692	\$ 387,755,966

Notes:

1. A&T Sources = State "CAFFA" Grant and Recording Fees
2. State Shared Sources = Video Lottery, Cigarette, Liquor, and Amusement Device Taxes
3. All Other GF = Department Specific Revenues and Prior Year ITAX Collections



Changes to Forecast

- Overall Revenue Forecast – Approximately 6.25% Higher Than Adopted Budget
- BIT – FY 2007 Another Growth Year - Estimate Revenue to Increase 10% to 11% on a Year-Over-Year Basis
- Motor Vehicle Rental and A&T Sources Revised Slightly Downward - Indicator That Economic Growth Has Slowed
- All Other General Fund Revenues Consistent w/ FY07_Q2 Forecast Update

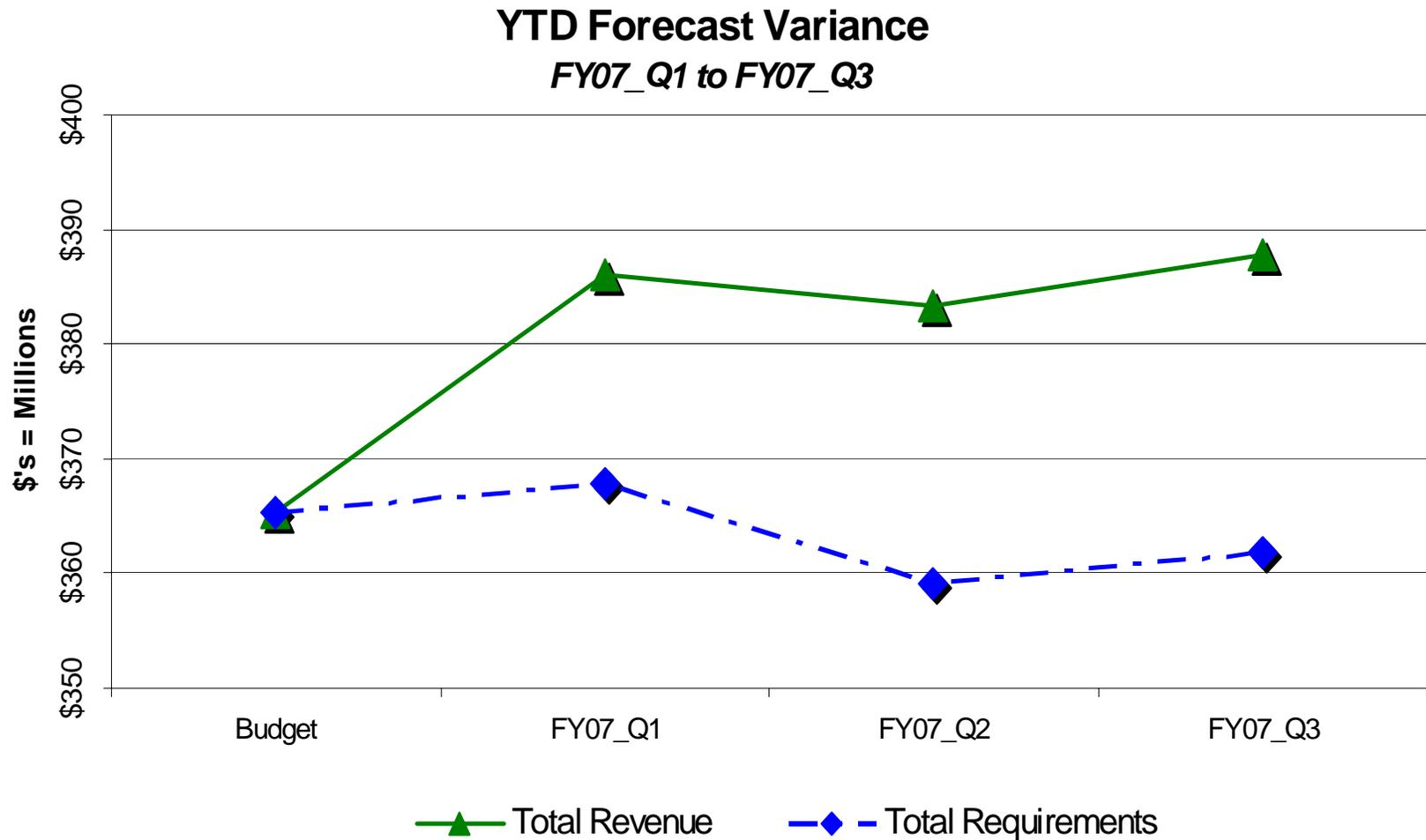


Adjustments to FY 2008 Revenue

- Revised Amount Available to Purchase Program Offers in Chair's Proposed Budget
- BIT – Increased to \$52.2 Million – Assume About a Third of Revised BIT Growth is Ongoing **(\$1.5M Additional)**
- Increased Jail and Juvenile Detention Revenue From Other Jurisdictions to More Fully Cover Costs **(\$1.4M Additional)**
- Assumed Reauthorization of Federal “County Payments” Program – Add Back O&C Revenue **(\$0.8M Additional)**
- Reduced Assumed Level of State Department of Corrections Revenue per Co-Chair's Budget **(\$2.0M Reduction)**



Current Year Trends



Current Year Spending

- Third Quarter Spending Estimate Based on Department CYEs Submitted in February
- Overall Spending Forecast @ 98% to 99% of Budget - Slightly Higher Than Historical Averages
- Forecast Reflects Potential Overspending in The Following Areas:
 - Health Department
 - Sheriff's Office
- Contingency Requests Pending for Both Departments (**\$2 Million**)
- May Need Additional Resources to Balance @ Year-End



Status of Contingency

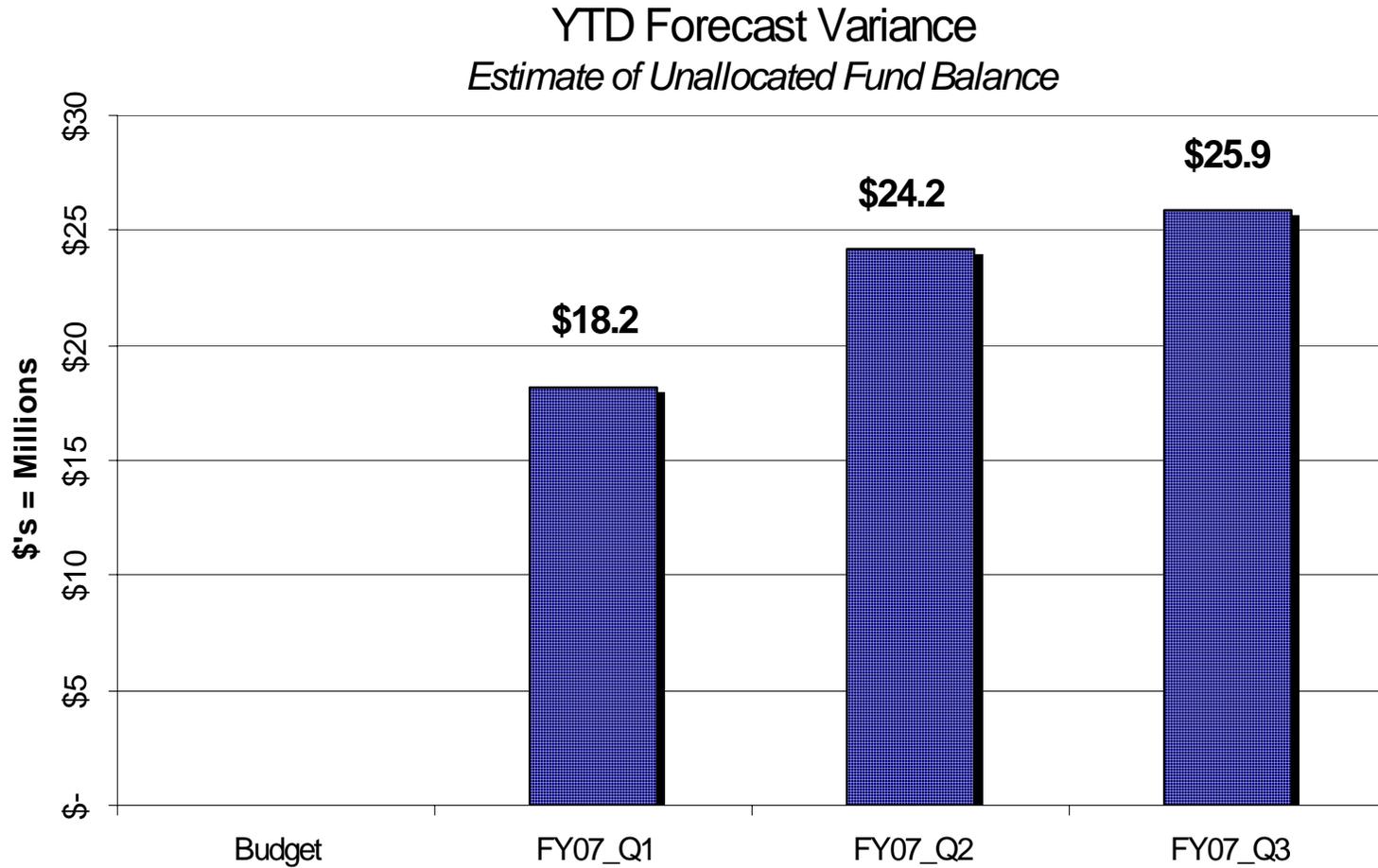
	<u>Amount</u>
"Regular" Contingency	\$ 1,335,706
BIT Stabilization Reserve	3,500,000
<i>MCSO Corrections Overtime</i>	<i>1,000,000</i>
<i>Corrections Health</i>	<i>1,000,000</i>
Class/Comp Studies	918,034
Total - GF Contingency	\$ 7,753,740

Contingency Allocated to Date (Through 3/31/07)

OSCP-01	\$ 384,841
DCHS-04	57,882
NOND-03	108,988
MCSO-01	50,000
DA-03	61,852
MCSO-05	62,912
OSCP-09	327,030
Total Spent to Date	\$ 1,053,505
Remaining Balance	\$ 6,700,235
"Regular" Contingency Remaining	282,201



Forecast Change in Unallocated Fund Balance



Summary

- Revenue Increased by **\$4.4 Million** Since FY07_Q2 Forecast – Mostly Attributable to BIT
- Updated FY 2008 Fiscal Parameters for Chair’s Executive Budget Based on This Revenue Forecast
- Reasons For Caution in Allocating Additional FY 2007 Revenue
 - Potential Needs in Health/MCSO (**Up To \$3.5M in Total**)
 - Unknowns Surrounding State Budget – Briefing Scheduled on 4/17
 - Reauthorization of Federal “County Payments” Not Certain
- Next Steps
 - State “Close of Session” Revenue Forecast Due on 5/15
 - Return to Board in June to Address Potential Budget Actions
- Questions, Comments, Information Requests?

