

<b>Department:</b>	County Management	<b>Program Contact:</b>	Eric Arellano
<b>Program Offer Type:</b>	Existing Operating Program	<b>Program Offer Stage:</b>	As Adopted
<b>Related Programs:</b>	72008B		
<b>Program Characteristics:</b>			

### Executive Summary

Treasury manages the County's cash assets, investment portfolio, debt, banking services and relationships and broker/dealer relationships. Treasury also manages the Excise Tax Administration program which includes management of revenue collections for Motor Vehicle Rental Tax (MVRT), Transient Lodging Tax (TLT) and Business Income Tax (BIT) in accordance with Multnomah County Code, the County's fiduciary responsibilities and revenue & taxation policies and procedures.

### Program Summary

Treasury invests the County's financial assets to ensure that funds are available to meet anticipated cash flow needs. Investment earnings are measured against specific benchmarks outlined in the Investment Policy. Treasury complies with all applicable laws, policies and best practices in the management of County funds.

Treasury supports the Chief Financial Officer in the issuance of debt, including opportunities to refinance existing debt and maintains contact with rating agencies. It ensures timely and accurate debt service payments and generates arbitrage rebate calculations and reports. Treasury regularly analyzes cash flow. From time to time it is necessary to issue short term Tax and Revenue Anticipation Notes (TRANs) to provide liquidity prior to the collection of property taxes in November.

The County collects and administers three excise taxes. A Business Income Tax (BIT) is assessed against businesses with income generated within the County. It is set at a rate of 1.45% of net income. BIT is the second largest revenue source in the General Fund, generating approximately 17% of General Fund revenues. A Motor Vehicle Rental Tax (MVRT) is charged on the rental of cars and light trucks within the County. It is currently set at a rate of 17% of rental fees. A portion of the tax (2.5%) is passed through to the Visitors Development Fund to support tourist activities. A Transient Lodging Tax (TLT) is charged on the rental of hotel/motel rooms within the county. It is currently set at a rate of 11.5% of rental fees. Most of the revenue generated by the TLT is passed through to other entities. Cities retain 6%, another 3% is dedicated to operating the Oregon Convention Center, and 2.5% is passed through to the Visitors Development Fund.

Treasury provides countywide accounts receivable oversight and management including AR aging monitoring, cash management, and collection activities. Treasury maintains effective banking relationships to keep pace with technology and adapt to the needs of County Departments to provide better service to County residents.

### Performance Measures

Measure Type	Primary Measure	FY19 Actual	FY20 Budgeted	FY20 Estimate	FY21 Offer
Output	Compliance with Investment Policy*	1	1	1	1
Outcome	Tax Returns Filed-Motor Vehicle and Transient Lodging**	778	854	2,270	2,300
Outcome	Ensure County's Cash Flow Needs are Met***	1	1	1	1
Output	Number of Active Business Accounts in County****	96,133	100,800	106,000	108,000

### Performance Measures Descriptions

\*Measurement Key: 1 = Goal Achieved, 0 = Not Achieved (ensures compliance to applicable ORS)

\*\*The number of tax returns filed is a measure of compliance with applicable code requirements.

\*\*\*Measurement Key: 1 = Goal Achieved, 0 = Not Achieved (ensures County meets its debt obligations)

\*\*\*\*The number of business accounts is used as a workload measure and serves as an indicator of economic activity within the County.

## Legal / Contractual Obligation

Oregon Revised Statutes ORS 294 and 295 (primarily ORS 294.035), Multnomah County Code Chapter 12 (BIT) and Chapter 11 (MVRT and TLT). The Business Income Tax is administered by the City of Portland through an intergovernmental agreement (IGA) that expires at the end of FY 2020.

## Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Adopted General Fund	Adopted Other Funds
Program Expenses	2020	2020	2021	2021
Personnel	\$584,739	\$0	\$566,412	\$0
Contractual Services	\$1,624,146	\$0	\$1,666,126	\$0
Materials & Supplies	\$13,450	\$0	\$13,950	\$0
<b>Total GF/non-GF</b>	<b>\$2,222,335</b>	<b>\$0</b>	<b>\$2,246,488</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$2,222,335</b>		<b>\$2,246,488</b>	
<b>Program FTE</b>	4.00	0.00	4.00	0.00

Program Revenues				
Interest	\$120,000	\$0	\$120,000	\$0
Service Charges	\$154,000	\$0	\$180,000	\$0
<b>Total Revenue</b>	<b>\$274,000</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$0</b>

## Explanation of Revenues

This program is supported by General Fund revenues.

External revenue is received through an agreement between the County and the Visitors Development Fund Board. Under terms of the IGA that created the Visitors Development Fund the County receives an administrative fee equal to 0.7% of MVRT and TLT revenues recorded in the fund.

Investment earnings from the investment portfolio are allocated to this program to cover administrative fees for non-discretionary investment advisory services.

## Significant Program Changes

Last Year this program was: FY 2020: 72008A-20 FRM Treasury and Tax Administration