



FINANCIAL AND BUDGET POLICIES INVESTMENT POLICY

**PRESENTED TO THE
BOARD OF COUNTY
COMMISSIONERS**

Multnomah County
April 22, 2026

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DCM

AGENDA

- What Are Policies and Why Do We Have Them?
 - *“Policies are Principles, Rules, and Guidelines Adopted by the Legislative Body to Reach Long-Term Goals”*
 - Effective policies preserve or enhance the fiscal health of government
 - Follow Best Practices in Financial Management
- Review Current Financial & Budget Policies
 - One New Policy Proposal – **Grant Making**
 - Other revisions are mostly cosmetic (e.g. reference and fiscal year updates)
- Overview of Investment Policy
- Other Financial Management Tools
 - Internal/External Audits
 - Accounting Standards
 - Administrative Procedures



POLICIES REFLECT BOARD DIRECTION

- Policy Goals
 - Preserve Capital Through Prudent Budgeting and Financial Management
 - Most Productive Use of Funds to Meet Goals Established by Board
 - Achieve Stable Balance Between Ongoing Commitments and Revenues
 - Leverage Local Funds w/ Federal and State Funds
 - Support Government Accountability
 - Board intends to comply with federal/state requirements, GAAP, and GASB
- Subject to Annual Review
 - Update Board on Status of Compliance w/ Adopted Policies
 - GFOA Budget Award (Policies) – Received 2/3 top scores
- **20 Policy Statements**, Developed and Refined Over Time
 - Annual Review to Report on Status, Identify Changes
 - Recommend New Policy Statements When Desired or Necessary



POLICIES REFLECT BEST PRACTICES

Policy Approach

Policies Follow GFOA Best Practices

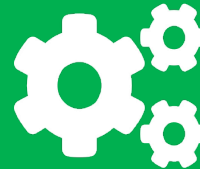
- Tailored to Suit Needs of the Organization
- Promote Stability and Continuity
- Provide Strategic Intent
- Define Limits
- Support a Good Bond Rating

Policy Framework

- Establish Broad Goals to Guide Decision Making
- Develop Approach to Achieve Goals
- Develop a Budget Consistent w/Those Approaches
- Evaluate Performance and Adjust When Necessary

Features of Effective Policies

- Exist in Written Form
- Reviewed on Regular Basis
- Establish Clear Goals



Policy Control v. Flexibility

- Comply with Applicable Laws
- Maintain Flexibility to Changing Needs



CURRENT POLICY STATEMENTS

General Fund Forecast	Tax Revenues	Federal/State Grant and Foundation Revenue	Recovery of Indirect Costs
Use of One-Time Only Resources	User Fees, Sales, and Service Charges	Budgeted General Fund Reserves	Budgeted Other Fund Reserves
General Fund Contingency	Budget Monitoring	Contract Administration	Grant Making
Capital Asset and Transportation Planning	Long Term Liabilities	Other Fund Balances	Internal Service Funds
Investments, Banking Services, and Cash Management	Short-Term and Long-Term Debt Financings	Conduit Debt	Interfund Loans



GRANT MAKING POLICY - PROPOSED

New Policy Statement:

- Grant Making is the process of soliciting, evaluating, and awarding grant funds that accurately reflects Board intent and an approved budget.
- Grant Making includes: developing and posting grant solicitation; eligibility review of applications; review/scoring of applications by review team; selection of awardees; initiating contracting process according to contracting standards, and; monitoring grant through close-out/reporting.

Purpose:

- County Departments shall develop and administer grant making utilizing the guidance contained in the Multnomah County Grant Framework.
- All County staff who initiate and administer Grant Making events work in coordination with an assigned Department of County Management Grant Advisor to support departmental efforts and align with the Framework while training is developed.



GRANT MAKING POLICY – BACKGROUND & TIMELINE

Background:

- History of “Ad Hoc” grant making
- No existing policy authority
- Lack of consistency and within and across departments
- Inconsistent implementation increases risk

Project timeline

- Launched in 2024
- Researched grant making internally and across jurisdictions
- Draft of Framework document: early 2025
- Pilots using Draft Framework: 2025-26
- Framework finalized: 2026



GRANT MAKING POLICY – PILOT PROJECT OVERVIEW

Community Vitality 2025 DCM - \$250,000	Elections Project 2025-26 DCS/DCM support \$100,000	Multnomah Sanctuary Fund 2026 DCM - \$75,000
<ul style="list-style-type: none">• 51 applications• 9 awards across all 4 Commission Districts• Approximately 8,460 individuals served• 100% met grant reporting requirements• Final report available	<ul style="list-style-type: none">• 17 applications• 5 awards• Extended funding period through 11/2026 election• Final report and outcomes available December 2026	<ul style="list-style-type: none">• 40 applications• 8 awards• Final Report and outcomes available August, 2026



CONTRACT ADMINISTRATION – PROJECT UPDATE

Project Background

- 2022 Hired Civic Initiatives
- 2024 Team Hired
- 2024 Project Initiated

Project Developments

- Developed Administrative Policy
- Developed Standards Manual
- Developed Training Curriculum

Implementation

- Pilot Implementation
- Countywide Implementation

Next Steps

- Contract Deliverable Reporting & Advising
- Develop Supplier Technical Assistance
- Supplier Registration Support



RESERVE POLICY – GENERAL FUND AND OTHER FUNDS

- Reserves Benchmarks:
 - General Fund
 - County General Fund 12% (\$81 million)
 - Business Income Tax Stabilization 12% (\$22.2 million)
 - Other Funds
 - Preschool for All Fund 15% (\$28.35 million)
 - Supportive Housing Services Fund 10% (\$3.3 million)
 - \$15.65m reserve appropriated in FY 2025, reserve will be replenished within 3 fiscal years
- Purpose:
 - To protect the County against temporary fluctuations in revenues
 - Can be used when actual revenues fall below budgeted estimates “Forecasted”
- In FY 2023, the Board set a multi-year commitment to incrementally raise General Fund reserve benchmark from 10% to 15% to align with GFOA best practices



EXTERNAL AND INTERNAL DEBT LIMITS

- Statutory Limits
 - General Obligation Bonds - 2% of Real Market Value = \$4.0 Billion
 - Revenue and FFC Bonds - 1% of Real Market Value = \$1.9 Billion
 - Pension Obligation Bonds - 5% of Real Market Value = \$10.4 Billion
- County Policy
 - Annual Debt Service Can Not Exceed 5% of Ongoing General Fund Revenue
 - County Well Within Limits Established in ORS
 - Match Debt Amortization to Expected Asset Life
 - Use of One-Time-Only GF Revenue to “Buy Down” Debt
 - Refinance Debt when Net Present Value Savings Exceed 3%
- Interfund Loans (ORS 294.468)
 - Operating Cash Flow or Capital



INTERNAL DEBT CAPACITY LIMIT

FY 2027 County General Fund Debt Capacity Limit		
	As of 6/30/2026 Principal Outstanding	2026-27 Debt Service
Total Debt Subject to Financial Policy	\$183,523,922	\$23,526,077
Less Non General Fund Supported Debt		
Sellwood Bridge (Series 2021 FFCO)	(56,755,000)	(8,585,123)
Burnside Bridge National Environmental Policy Act phase (Series 2019 FFCO)	(5,251,333)	(1,811,710)
Burnside Bridge Design & Right-of-Way (Series 2022 FFCO)	(16,617,589)	(3,080,796)
Total General Fund Obligation	\$104,900,000	\$10,048,450
(Less) Annual Payment From Other Sources		(889,736)
Net FY 2026 General Fund Obligation		\$9,158,714
REMAINING BORROWING CAPACITY		
Debt Capacity (Supported by General Government Fund Types Only)		
FY 2027 General Fund Revenues ¹		\$782,925,636
Policy Limitation (5% of General Fund Revenues)		x 5.00%
Maximum Debt Service per Policy		\$39,146,282
(Less) Current General Fund Commitment		(9,158,714)
Annual Debt Service Payment Available		\$29,987,568
Estimated Principal Value Available²		\$355,000,000

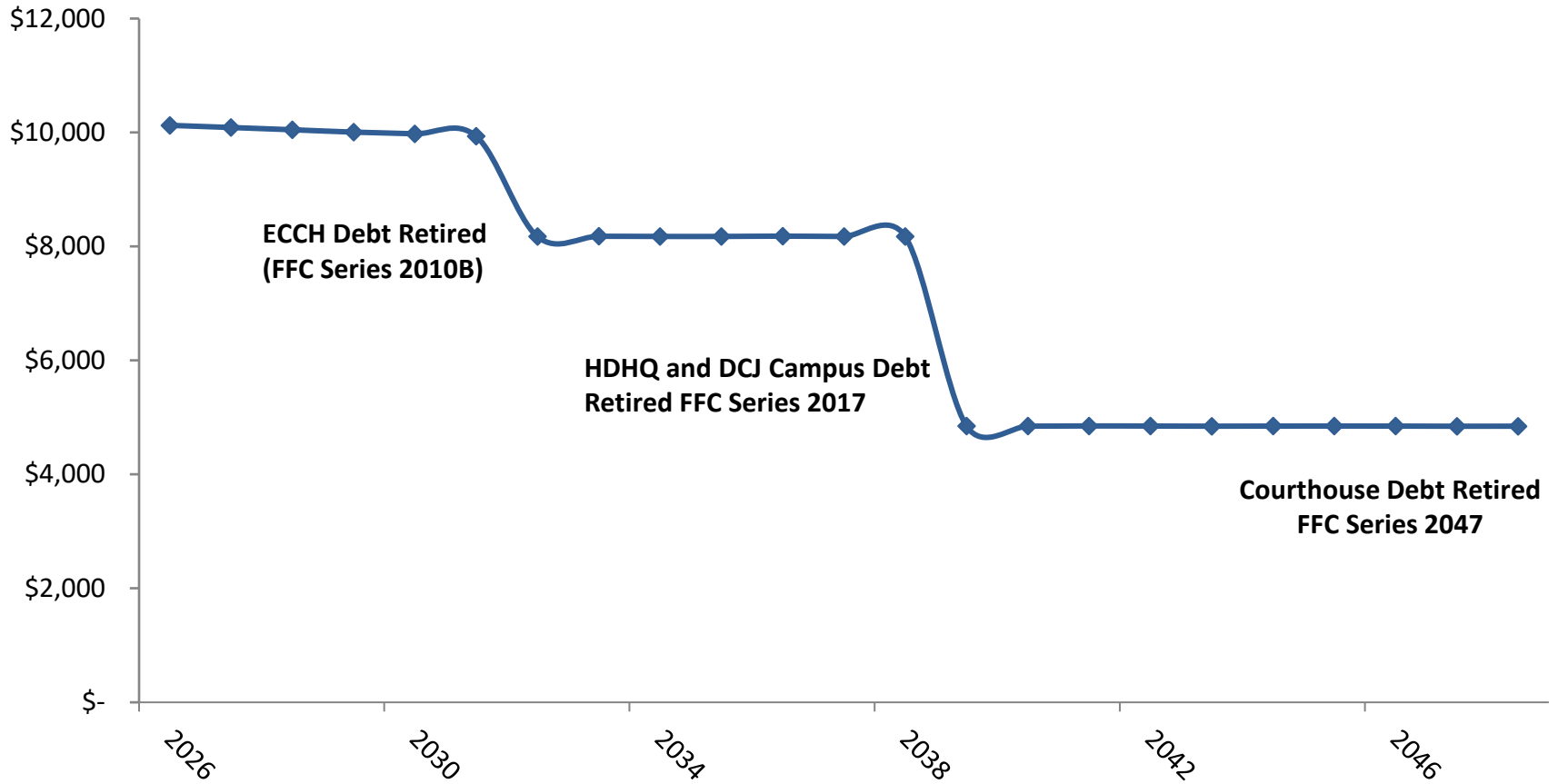
¹ General Fund Revenues for this calculation do not include Beginning Working Capital

² Estimated Principal calculated at 5.70% annual interest rate amortized over 20 years



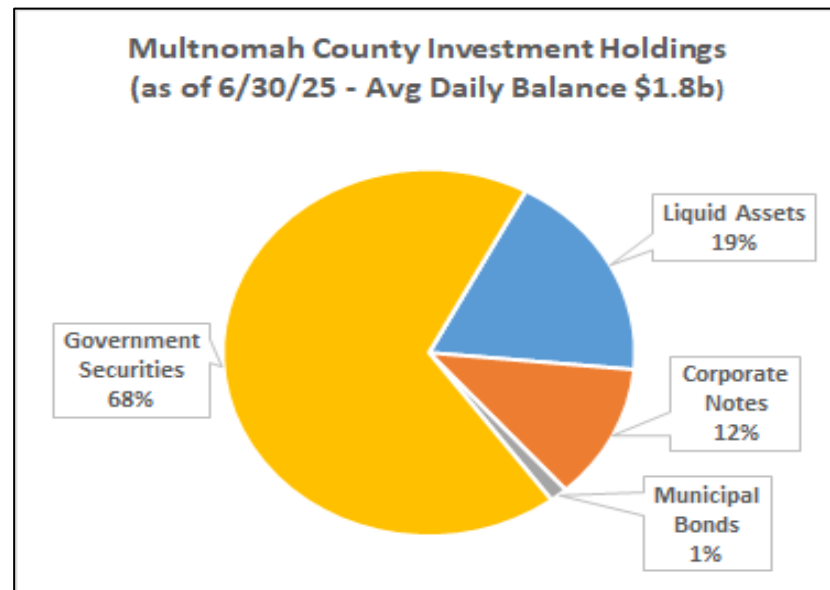
INTERNAL DEBT CAPACITY LIMIT - CONTINUED

County Debt (GF) Subject to Financial Policies (\$'s = 1,000's)



INVESTMENT POLICY OVERVIEW

- Follows State Statute
 - Portfolio Cannot Hold Equities
 - Establishes Investment Parameters
- **S**(afety), **L**(iquidity), **Y**(ield)
 - How We Evaluate Investments
 - Do Not Invest in Fossil Fuels
- Establishes Benchmarks
 - BofA Merrill 0-5 Treasury Benchmark
- Investment Strategy
 - Work w/ Investment Advisor
 - Liquidity v. Core Fund
 - Maturity Constraints
 - Up to 5.25 Years
 - Weighted Average Maturity 2.5 Years

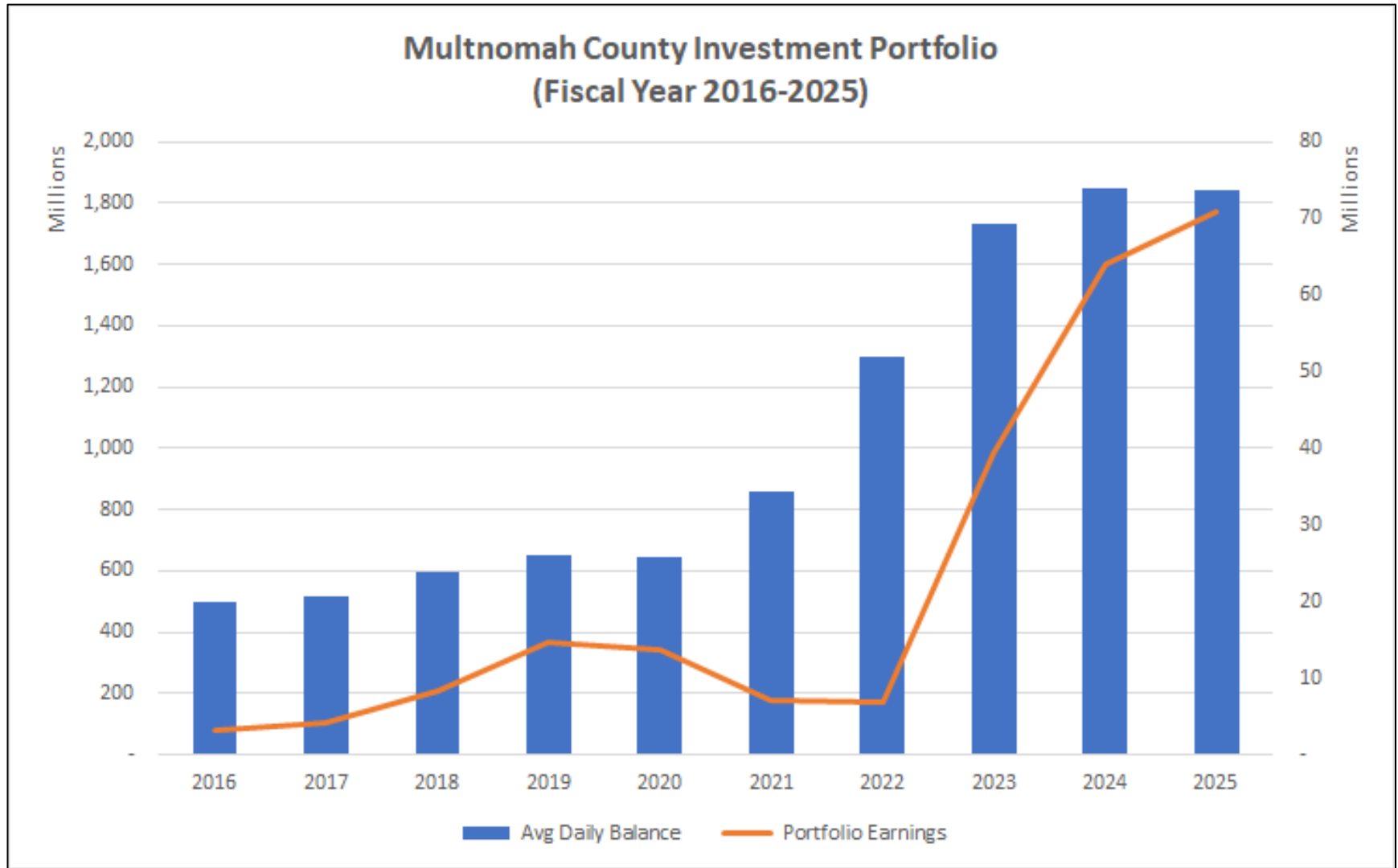


LIQUID ASSET HOLDINGS - As of 6/30/2025

Investment Type	Amount
Demand Deposits	6,667,137
Money Market Accounts	226,066,708
LGIP	59,790,575
Certificates of Deposit	13,715,000
	306,239,421



INVESTMENT POLICY - CONTINUED



OTHER FINANCIAL MANAGEMENT TOOL

- Audits – Internal & External Audit Recommendations
 - Review Both Central and Departmental Processes
 - Evaluation of Financial Systems and Internal Controls
- Pronouncements – Requirement Established in Statute or Set by Standard (i.e., GASB)
 - May Lead to Development of Policy
- Procedures – Operational Directives Designed to Standardize Processes
 - FAC's, FIN's, PUR's, and RSK's
- Best Practices – Informal, Does Not Imply Same Level of Commitment
 - May Lead to Development of Policy



FUTURE POLICY ANALYSIS AND DEVELOPMENT

- Review Existing Policies
 - What Can We Learn From Comparable Jurisdictions?
 - Are They Still Relevant?
 - Changes from new accounting pronouncement
- Topics For Future Consideration
 - Contract Administration, Contract Obligations
 - General Policy Refinement
- Anything the Board Would Like Us to Consider?
- What Do Rating Agencies Want to See?
 - Multnomah County is currently rated by Moody's (Aaa) and Standard & Poor's (AAA)
 - Rating Maintenance Review, May 2025



SUMMARY AND QUESTIONS

- Policies Establish Framework for Financial and Budgetary Decision Making
 - Reflect Direction of the Board
 - Align with GFOA Best Practices
 - Policies work in conjunction w/Other Financial Management Tools
 - Policy Review and Development is a Continuous Process Improvement
- Proposed Policy Changes
 - New Policy Statement – Grant Making Policy
 - Other cosmetic and reference updates
- Questions?



APPENDIX: OUTSTANDING COUNTY DEBT

Debt Description	Dated	Maturity Date	Avg Annual Interest	Amount Issued	Principal	Principal	2026-27 Interest	2026-27 Principal
					Outstanding 6/30/2026	Outstanding 6/30/2027		
PERS Pension Revenue Bonds:								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	\$ 184,548,160	\$ 17,653,909	\$ 13,088,133	\$ 32,234,224	\$ 4,565,776
General Obligation Bonds:								
Series 2021 A&B - Library Projects GO Bonds	01/26/21	06/15/29	3.14%	\$ 387,000,000	\$ 165,250,000	\$ 114,275,000	\$ 7,829,130	\$ 50,975,000
Full Faith and Credit Obligations:								
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	15,000,000	6,435,000	4,890,000	324,968	1,545,000
Series 2017 - Full Faith and Credit	12/14/17	06/01/47	3.09%	164,110,000	98,465,000	94,195,000	3,908,481	4,270,000
Series 2019 - Full Faith and Credit	09/12/19	06/01/29	1.74%	16,075,000	5,251,333	3,530,996	91,373	1,720,337
Series 2021 - Full Faith and Credit	01/21/21	06/01/33	1.33%	89,580,000	56,755,000	48,935,000	765,123	7,820,000
Series 2022 - Full Faith and Credit	09/20/22	06/01/32	3.13%	25,095,000	16,617,589	14,056,924	520,131	2,560,665
Total Full Faith and Credit				\$ 309,860,000	\$ 183,523,922	\$ 165,607,920	\$ 5,610,075	\$ 17,916,002
Loans:								
No current outstanding Loan obligations								

