

BEFORE THE MULTNOMAH COUNTY LIBRARY DISTRICT BOARD

RESOLUTION NO. 2023-048

Adopting Financial and Budget Policies for the Multnomah County Library District (MCLD) for Fiscal Year 2024 and Repealing Resolution 2022-059.

The Multnomah County Library District (MCLD) Board Finds:

- a. The MCLD Board is the fiscal authority for the Multnomah County Library District.
- b. The MCLD Director/Budget Officer is responsible for the preparation and management of the budget and for the management of the financial operations of the MCLD.
- c. Financial and budget policies provide a framework for prudent financial management.

The Multnomah County Library District Board Resolves:

1. The Multnomah County Library District Financial and Budget Policies set forth in Exhibit A are adopted as the policies of the Multnomah County Library District, per Resolution No. 2013-023.
2. The MCLD Director/Budget Officer is directed to administer these Financial and Budget Policies as they pertain to library operations.
3. Resolution No. 2022-059 is repealed.


ADOPTED this 8th day of June, 2023.



MULTNOMAH COUNTY LIBRARY
DISTRICT BOARD

Jessica Vega Pederson, Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Katherine Thomas, Assistant County Attorney

SUBMITTED BY: Katie Shifley, Library Director Finance & Facilities

Exhibit A

FY 2024 Multnomah County Library District Financial Policies

Goals

The goals of the Multnomah County Library District's financial policies are:

1. To preserve capital through prudent budgeting and financial management.
2. To achieve the most productive use of district funds that meets the goals of the Multnomah County Library District Board.
3. To achieve a stable balance between the Library's ongoing financial commitments and the continuing revenues available to the Library.
4. To leverage local dollars with federal and state funding/grants.
5. To support accountability to the residents of Multnomah County.

It is the intention of the Multnomah County Library District Board to comply with all federal and statutory requirements, Generally Accepted Accounting Principles (GAAP), and Governmental Accounting Standards Board (GASB) directives (see Multnomah County's Ordinance No. 1101). The Library also intends to propose and adopt a balanced budget, defined as an estimate of expenditures and resources whereby total resources in a fund equal the total expenditures and requirements for that fund, and the total of all resources equal the total of all expenditures and all requirements for all funds of the jurisdiction.

Financial Forecasts for the General Fund

Governments at all levels should forecast major revenues and expenditures. The forecast should extend at least three to five years beyond the budget period and be regularly monitored and updated. It should be clearly stated and available to participants in the budget process, as should its underlying assumptions and methodology. The forecast should also be referenced in the final budget document. To improve future forecasting, the variances between previous forecasts and actual amounts should be analyzed. The variance analysis should identify all factors that influence revenue collections, expenditure levels, and forecast assumptions.

Policy Statement

Multnomah County Library District Board recognizes the importance of developing a combined revenue and expenditure forecast. The Budget Office will prepare a five-year financial forecast for the library district to assess the long-term financial implications of current, as well as proposed, policies and programs. The forecast will detail assumptions regarding both short-term and long-term financial issues facing the Library. Those assumptions will guide the development of appropriate financial strategies to achieve the goals outlined above. The library district revenue and expenditure forecast will:

1. Provide an understanding of available funding;
2. Evaluate financial risk;
3. Assess the likelihood that services can be sustained;
4. Assess the level at which capital investment can be made;
5. Identify future commitments and resource demands;
6. Identify the key variables that might change the level of revenue; and
7. Identify one-time-only resources and recommend appropriate uses.

Status

The Budget Office presented the Library District Forecast to the Multnomah County Library District Board on May 25, 2023.

The Library District budget fully complies with applicable financial policies

Tax Revenues

The Oregon Constitution, State statutes and the County Code provide Multnomah County with the ability to raise revenue through taxation. The County currently collects the following taxes in support of the Library:

1. Property Taxes are governed by state statute and the Oregon Constitution and are levied for the following purposes:
 - A “Permanent Rate” is available for library uses, that is set at \$1.24 per \$1,000 of assessed value;

Policy Statement

The Board recognizes that taxation is necessary to provide library services to the residents of the County. When considering changes to the library’s tax structure, the Board will consider:

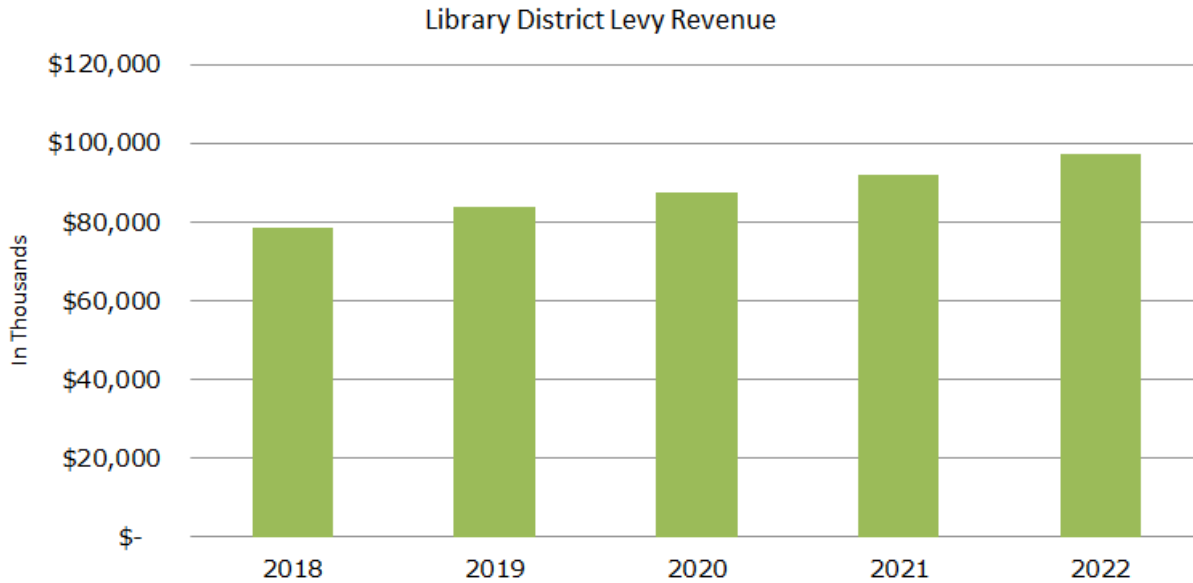
- The ability of taxpayers to pay the taxes;
- The impact of taxes imposed by the County on other local governments;
- The effect of taxes on the County economy;
- The administrative and collection costs of the taxes; and
- The ease with which the taxes can be understood by taxpayers.

State statutes allow the County to levy “local option” taxes that are not allowed to exceed five years. It is the intent of the Board to use this short-term revenue source to fund priority service programs only after all other sources of revenue have been analyzed and have been determined not to be feasible.

All decisions to levy taxes are made in an atmosphere of intense public and internal debate, particularly with regard to the progressivity of the tax, its administrative cost, its impact on the

regional economy, its effect on other local governments, and the degree to which the tax might be acceptable to the public.

The following graph depicts actual Library tax revenues (\$ in thousands)



	2018	2019	2020	2021	2022
Permanent Rate	\$ 78,327	\$ 83,877	\$ 87,445	\$ 92,097	\$ 97,252

Federal/State Grant and Foundation Revenues

Grants and foundation funds are used, and provide leverage, to support an array of Library services. All of these revenues are restricted to a specific purpose, such as collection or programming. Reimbursements made to the Library as a result of leveraging outside resources are considered to be unrestricted library district revenue unless the spending is specifically detailed by Grantor or Foundation.

Policy Statement

The Board understands that grants and private sources present opportunities and risks. They allow the Library to provide basic or enhanced levels of service and to cover gaps in services, but they may also commit the Library to serving larger or different groups of clients which would put pressure on Library generated revenues if the grant were withdrawn. When applying for a grant, the Board will consider:

1. Whether the funds are aligned with the Library’s mission and goals.
2. Opportunities for leveraging other funds to continue the program.
3. The amount of locally generated revenue required to supplement the revenue source.

4. Whether the revenue will cover the full cost of the proposed program, or whether the Library is expected to provide program support and administrative overhead. It is the intent of the Library to recover all costs related to grant and foundation revenues.
5. The degree of stability of the funding source.
6. Whether decline or withdrawal of the revenue creates an expectation that the Library will continue the program.
7. How Library programs can maximize revenue support from state or federal sources.
8. Whether the funds are used for pilot or model programs and will result in a more efficient and/or effective way of doing business.

The Library Director's Office will provide the Board with a notice of intent (NOI) before applying for grant funding (see Administrative Procedure BCC-1). The Board requires the resources to be used in accordance with any stipulated restrictions and prior to using unrestricted revenues including library district appropriations for the same program or purpose. Money (or goods) donated to the Library for a specific program or purpose are considered to be restricted resources and not subject to this policy.

Federal grants will be governed by a written Grant Management Manual. The Manual will cover all the items addressed in the Uniform Administrative Guidelines (Chapters I and II, Part 200 Uniform Guidance, Cost Principles and Audit Requirements for Federal Awards). The Manual will be approved annually by the County Chief Financial Officer and will include any applicable updates resulting from changes in federal standards.

Status

The Library is in compliance with this policy.

Use of One-Time-Only Funds

Unrestricted one-time-only resources present organizations with temptations that are hard to resist. In the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict them to costs associated with one-time needs and those that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crises. Sustaining an ongoing program level by deferring necessary expenditures or by incurring future obligations also inevitably produces shortfalls and crises.

Policy Statement

It is the policy of the Board that the Library will fund ongoing programs with ongoing revenues, and to restrict the allocation of one-time revenues to non-recurring expenditures.

Examples of one time revenues include:

- Proceeds on the sale of capital assets
- Property Taxes collected in excess of budgeted revenues

When the Library budgets unrestricted one-time-only resources, the Board will first set these funds aside for reserves. If reserve requirements have been met, one-time only resources can be allocated to projects or programs that will not require future financial commitments. The Board will consider the following when allocating these one-time-only resources:

- Bond-Adjacent Needs and Opportunities
The Library Capital Bond Program, and related operational work, is core to the Library's plan for evolving to meet changing community needs. The Library and the County have a desire to make the most of bond-adjacent opportunities as they arise.
- Maintaining Buildings and Physical Infrastructure
The maintenance of the Library's physical infrastructure is critical to providing stable levels of service to the community over time. The Library currently contracts with the County Department of Assets (DCA) for building maintenance and capital improvement projects, and Library buildings are generally in good condition. However, pay-as-you-go spending via County contract may require augmentation from time to time, and some physical infrastructure like systems furniture replacement is not captured in the Capital Improvement Plan. Available fund balance may be utilized to ensure District assets are in good condition, and meet relevant benchmarks for (re)investment in the asset base.
- Exploring Innovation and Evolution through Pilot Projects
As funds allow, the District may utilize one-time resources to invest in projects or pilot programs, particularly investments that may result in innovative ideas or technology, long-term efficiencies or savings that do not require ongoing support.
- Bridge or gap financing for existing programs for a finite period of time.

Status

During budget deliberations, the Library's budget officer is responsible for providing a list of sources and uses of one-time-only funds and informing the Chair and the Board on the recommended use of the funds received. With this information, the Board is able to appropriate and direct one-time-only resources to infrequent and unique expenditures in an effort to achieve compliance with this policy.

User Fees, Sales, and Service Charges

State and local governments use charges and fees to fund the provision of goods and services. Charges are voluntary payments that are used to finance traditional governmental services. A

fee is imposed as a result of a public need to regulate activities, typically related to health, safety or other protective purposes. Fees result in the purchase of a privilege or authorization and are applied to such activities as restaurant inspections, building permits and marriage licenses.

User fees are generally intended to cover all the costs or an agreed upon portion of the costs for providing services. Inflation or increased service delivery can erode the established user fees if the cost of service increases faster than revenue from fee increases.

Policy Statement

It is the general policy of the Board that user fees and service charges be established at a level to recover 100% of the costs to provide services. Exceptions to this policy will be made depending on the benefit to the user of the service, the ability of the user to pay for the service, the benefit to County residents, and the type of service provided.

User fees and service charges collected by the Library will be periodically reviewed. Based on this review, the Chair will make recommendations to the Board regarding proposed changes to fee or service charge schedules.

Revenues generated from sales (and commissions on sales) of goods and services sold in Library-owned or leased facilities are to be credited to the Library District Fund unless the Library District Board grants an exception.

Status

The Budget Office provides an annual comprehensive review of fees and charges (more information can be found at <https://multco.us/budget/master-fee-schedule>). The library district is generally responsible for ongoing review of fees and charges associated with their operations during the year.

Budgeted Library District Fund Reserves

Using all available ongoing revenue each year to pay for ongoing programs can result in fluctuations in program levels as revenues vary from one year to the next. Adding programs in one year (based on positive short term receipts) can cause the same or other programs to be cut in the next year if costs outpace revenues. This has a detrimental effect on service delivery over time, reducing efficiency and causing budgetary and political problems that can be avoided if program decisions are made in the context of the Library's long-term financial capacity. The Library District Fund is supported by property tax revenue that makes up more than 90% of total resources. Because the revenue stream is not very diverse, and the major source of Library District Fund revenue is limited by the Oregon Constitution, it is critical that the Library maintain an appropriate level of reserves.

A generally accepted benchmark for the unrestricted fund balance is a dollar amount equal to 10%-15% of actual revenues. In light of the known structural operating deficit the District will eventually face, the Board understands that holding higher reserves will help aid future decision-makers in addressing this fiscal concern.

Policy Statement

The Board understands that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to fund and maintain a Library District Fund budgeted reserve, designated as unappropriated fund balance and funded at an amount equivalent to four years of forecasted expense increases. The purpose of this reserve is to serve as a revenue-smoothing buffer to address future structural operating deficit issues. For fiscal year 2024, the reserve amount is set at \$18.7 million, and is budgeted as unappropriated fund balance.

The budgeted reserve account in the Library District Fund may also be used when annual actual revenues fall below budgeted estimates. In years when revenues fall below budgeted estimates, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is so used, to maintain fiscal integrity, a reserve restoration plan will be included in the adopted budget following the fiscal year in which the reserve fell below the policy level.

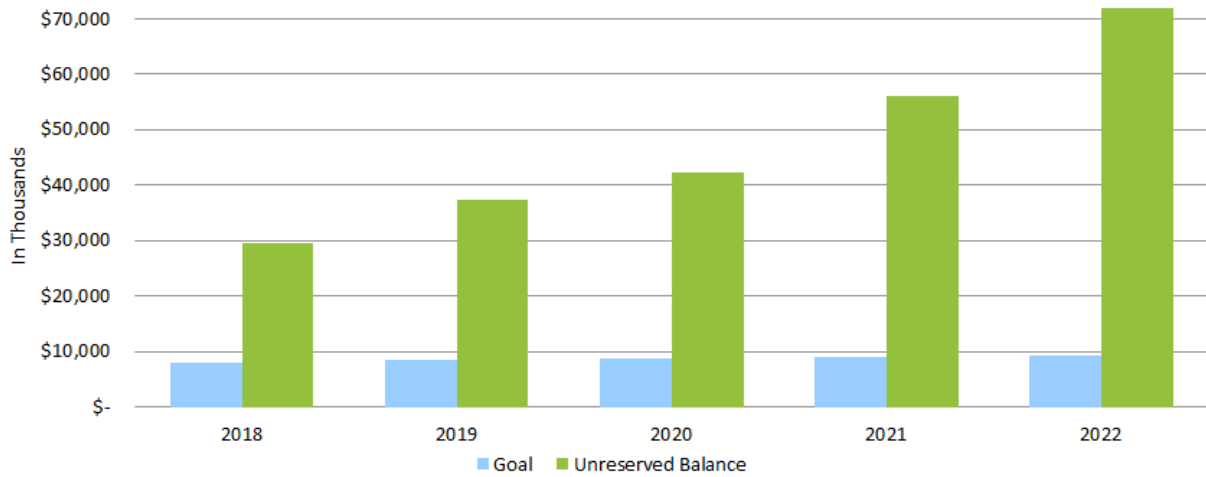
Where relevant, the Board will also retain 'reserves for future expenditure' to align with known one-time spending commitments in outyears. These reserves will align with five year project plans.

Status

FY 2022 Library District Fund reserves exceeded the established policy goal. Prior to fiscal year 2024, Library District reserves were set at 10% of budget Library property tax revenues.

The following graph shows the reserve goal, budget and actual unreserved fund balance (\$ in thousands). The budgeted reserves do not include annual operating contingency.

Library District - Unreserved Fund Balance



Library District Reserves

	2018	2019	2020	2021	2022
Goal	\$ 7,918	\$ 8,387	\$ 8,700	\$ 9,090	\$ 9,372
Unreserved Balance	\$ 29,654	\$ 37,396	\$ 42,266	\$ 56,065	\$ 71,942

Library District Fund Contingency

Library District Fund contingency transfers have a significant effect on the annual budget process by reducing the amount of ending fund balance that is carried over to the subsequent fiscal year as beginning working capital. Contingency transfers should be reviewed in the context of other budget decisions so that high priority programs and projects are not jeopardized.

Policy Statement

The Board understands that in order to avoid financial instability, continuing obligations cannot increase faster than continuing revenues. It is the policy of the Board to establish an emergency contingency account in the Library District Fund, as authorized by ORS 294.388, each fiscal year during the budget process. The account will be funded at \$1,000,000.

To maintain financial stability, the following guidelines should be used by the Board in considering requests for transfers from the General Fund Contingency Account:

1. One-time-only allocations.
2. Contingency funding limited to the following:
 - Emergency situations which, if left unattended, will jeopardize the health and safety of the community.

- Unanticipated expenditures necessary to keep a public commitment or fulfill a legislative or contractual mandate, or which have been demonstrated to result in significant administrative or programmatic efficiencies that cannot be covered by existing appropriations.
3. The Board may, when it adopts the budget for a fiscal year, specify programs it wishes to review during the year and increase the Contingency account to provide funding to support those programs if it chooses. Contingency funding of such programs complies with this policy.

Status

The County Budget Director is responsible for informing the Board if contingency requests submitted for Board approval meet the criteria of this policy. In addition, each year the County Budget Director will provide an annual report to the Board detailing the prior fiscal year's contingency actions if any actions were taken. This report will include the total dollar amount of contingency requests, dollar amount approved, and dollar amount that did not meet the criteria of this policy.

Capital Asset Policies

Capital Improvement Plan – Facilities and Property Management

It is the policy of the Board that the Library will attempt to meet its capital maintenance, replacement or acquisition requirements on a pay-as-you-go basis. If the dollar amount of the capital requirement cannot be met on a pay-as-you-go basis, if it is financially beneficial to issue bonds or other debt instruments, and if the project has been determined to benefit future residents, the County will evaluate the feasibility of issuing a long term debt financing instrument.

At the end of fiscal year 2022, Multnomah County Library District owned 17 buildings with a historical cost of approximately \$86.9 million. Structural and systems replacement in the Library's capital plan is largely a non-discretionary activity. That is, the question is not whether such expenditures are necessary but in what year to schedule the expenditure on particular projects. Deferral of capital improvements and maintenance creates an unacceptable unfunded liability and contributes to further deterioration of properties. It is the goal of the Board to fund the Library's capital needs through a dedicated fund managed collaboratively between the Library and the Department of County Assets. This fund will focus on structural and system replacement. The board may also direct spending towards additional capital needs through the Library District Capital Fund.

The Facilities and Property Management Division shall maintain an inventory of the capital needs in all Library managed facilities. The Library will collaborate with Facilities and Property

Management to establish a 5-year list of capital improvements and to prioritize projects for the benefit and safety of library users.

Any remaining balance of the Fund shall be maintained as a long-term reserve. During the annual budget development process the Director of the Facilities and Property Management (FPM) division is directed to update the five-year Library Department Capital Fund. The Plan shall provide for and prioritize maintenance projects, anticipated major improvements to Library capital assets and any additional replacement of capital assets. The Plan shall include major construction to be undertaken by the County on behalf of the library, regardless of funding source. The Plan will be reviewed and updated annually, and submitted to the Board of County Commissioners as part of the annual budget (see Five Year Capital Improvement Plan).

Status

The five year CIP is updated and presented to the Board annually. The Library is in compliance with the policy goal to fund capital needs at a rate of 2% of the replacement cost of buildings.

Best Use or Disposition of Surplus Property

The Board will make the final determination on the best use or disposition of the property identified. When deciding on the best use or disposition of surplus property, the Board will consider that the proceeds from the sale of unrestricted property may be allocated in the following prioritized manner:

1. Credited to the Library District Capital Fund
2. Retire outstanding debt related to the disposed of or surplus property.
3. Used to increase Library District Fund reserves to achieve full funding according to these policies.

In addition property may be traded for other properties or may be leased to other agencies in order to provide services or carry out the mission of the Library.

Insurance Coverage for Large Capital Projects

In planning for large capital construction projects the County will consider and evaluate all options for providing insurance coverage on the project. Projects that are estimated to cost more than \$50 million may be insured through an Owner Controlled Insurance Program (OCIP). In those cases, the County will conduct an analysis of insurance options in advance of contract negotiations in order to determine whether an OCIP would be beneficial to the project.

Long-Term Liabilities

Governments are required to account for and report on long-term and other liabilities per Governmental Accounting Standards Board (GASB) pronouncements. Long-term liabilities reflect future obligations that have been incurred as a result of required or contractually obligated payments. The Library recognizes the need to account for unfunded long-term liabilities and to develop a plan to manage them prudently.

Policy Statement

The Library has two long-term liabilities related to the cost of personnel. There are additional long-term liabilities associated with the County's self-insurance programs for liability and worker's compensation.

The Library participates in the Public Employees Retirement System (PERS) as a department of the County, a cost-sharing, multiple-employer defined benefit pension plan administered by the PERS Pension board. PERS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes (ORS 238 and 238A) authorize the State to establish and amend all plan provisions.

The PERS contribution requirements of the County are established and may be amended by the State. It is the policy and practice of the County to pay PERS obligations on an annual, pay-as-you-go basis. The rates assessed by the PERS Board also include an actuarial estimate of the amount required to provide for any unfunded liability that may exist.

The County also has incurred a liability associated with contractually obligated retiree healthcare benefits. This liability, commonly known as Other Post-Employment Benefits (OPEB) is the sole responsibility of the County.

Status

As of a June 30, 2021 measurement date (using December 31, 2019 actuarial valuation), the County's net unfunded PERS liability is approximately \$396.7 million. If it is determined that the County could realize a present value savings from pre-funding the liability, the Chief Financial Officer may recommend the sale of Pension Obligation Bonds (POBs).

The County established five side accounts with Oregon PERS over six years (\$25 million annually from FY 2017-20 and \$25 million in FY 2023). The County has invested a total of \$125 million into side accounts. These funds are invested by PERS and earn the same rate of return as the overall PERS portfolio. The creation of side accounts allows the County to more effectively mitigate anticipated increases in PERS rates. Reserves, which were restricted for this purpose have been used to fund side accounts.

In FY 2020 the County participated in the PERS Employer Incentive Fund (EIF) match program created by Senate Bill 1049. The PERS EIF provided a 25% match on qualifying side accounts made after June 2, 2018. The County received full match on two side accounts, total match of \$12.5 million.

As of January 1, 2022, the County's unfunded OPEB liability is approximately \$123.2 million. The County set a goal to achieve a funding level of 30% of the OPEB liability by the end of FY 2019. The Chief Financial Officer developed recommendations for funding the liability beyond FY 2018 and presented those for the Board's consideration. Funding to meet the OPEB liability, insurance, and worker's compensation liabilities is held in the form of reserves in the Risk Management Fund. The reserves are allocated, and reported to the State, by the Chief Financial Officer based on actuarial analysis. Reserves in the fund are considered set asides for the exclusive use of meeting these liabilities. As of June 30, 2022, the County has funded approximately 58% of the actuarial liability.

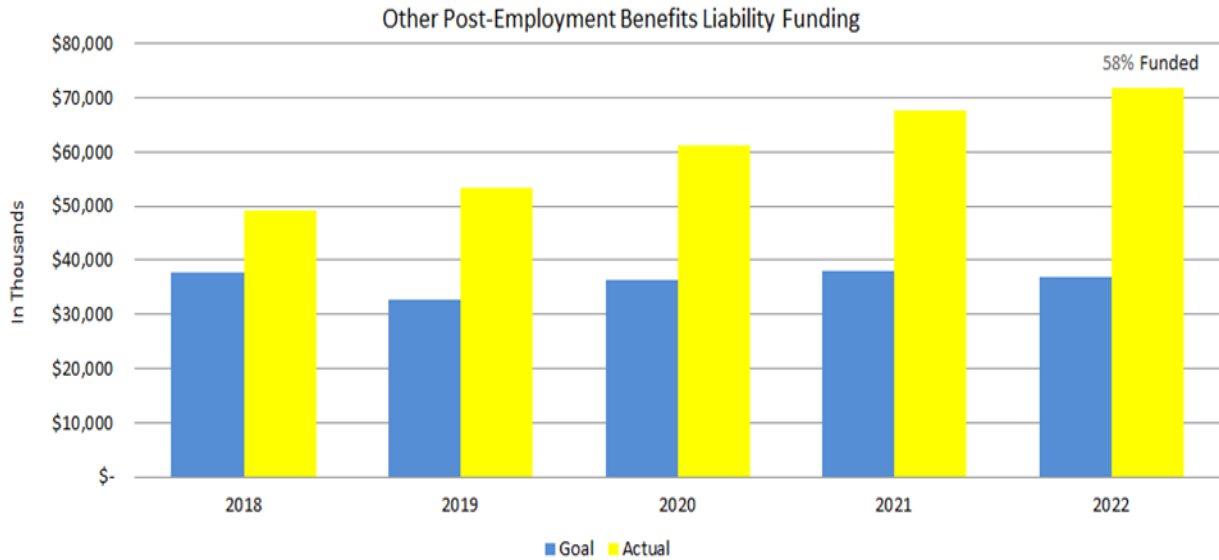
The County receives actuarial valuations for PERS and OPEB liabilities every two years. In connection with the County's OPEB actuarial valuations, the Chief Financial Officer and the County's actuaries will present the actuarial valuation on OPEB liabilities to the Board along with the Annual Comprehensive Financial Report. The Chief Financial Officer may recommend OPEB funding structures to the Board based on the actuarial valuations and the County's Risk Management Fund. This will allow the Board to be better informed when considering funding options such as establishing a trust fund for the County's OPEB obligations. The County's next actuarial valuation will be as of January 1, 2023.

The following is the June 30, 2022 funding level of each liability (\$ in thousands):

Liability Description	Total Liability	Amount Funded	Percent Funded
Self Insurance (1)	\$ 9,352	\$ 21,565	231%
Other Post Employment (2)	\$ 123,162	\$ 71,788	58%

(1) GASB requires self-insurance claims be recorded as a liability in the financial statements. Funding amount includes Health Plan self insured claims reserve of 15 percent.

(2) GASB requires employer paid benefits extended to retirees be disclosed in the financial statements. Liability reflects the most recent unfunded actuarial accrued liability amount per Chevron actuarial report.



OPEB Liability Funding

(in thousands)	2018	2019	2020	2021	2022
Goal	\$ 37,642	\$ 32,775	\$ 36,327	\$ 37,990	\$ 36,949
Actual	\$ 49,249	\$ 53,256	\$ 61,153	\$ 67,569	\$ 71,788

Other Fund Balances

Balances also exist in funds other than the Library District Fund. These fund balances are held for a variety of purposes. For example, balances in the Library District Capital Fund may represent the additional reserve funds for the long term fiscal health of the district.

Policy Statement

The Government Accounting Standards Board (GASB) has developed a statement – known as GASB 54 – that clarifies how fund balances are accounted for financial reporting purposes. The standard aims to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied.

It is the policy of the library district to adhere to the GASB 54 guidelines and the following fund balance classifications that have been established.

- Restricted – for resources constrained on use by externally imposed creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Committed – for resources constrained on use authorized by the Board of County Commissioners via resolution or ordinance. For the purposes of the GASB statement, resolutions and ordinances are considered to be equally binding. Resources will be committed prior to June 30th and the amount may be determined at a subsequent date.
- Assigned – for resources reported in the governmental funds outside of the General Fund that are not otherwise restricted or committed. Assigned balances represent the residual balance in funds other than the General Fund and are approved as part of the annual budget process.
- Unassigned – for fund balances not reported in any other category. Unassigned fund balances will only be reported in funds other than the General Fund. An unassigned fund balance occurs when restrictions and commitments of resources are greater than the fund balance in total.

The board requires restricted resources be used prior to unrestricted (unassigned) resources unless external constraints exist. When committed, assigned, and unassigned resources are available for an expenditure, committed resources should be spent first, assigned resources second, and unassigned resources last.

Status

Accounting for resources in these categories is reported on the Combining Balance Sheet for each governmental fund type in the County's Annual Comprehensive Financial Report.

The chart below provides the balances in the governmental funds as of June 30, 2022. The County is in compliance with this policy.

Governmental Funds	Balances at June 30, 2022	
Nonspendable	\$	4,536
Restricted	\$	758,215
Committed	\$	94,055
Assigned	\$	13,420
Unassigned (GF)	\$	205,200
Total fund balances	\$	1,075,426

Investments Banking, Services and Cash Management

Policy Statement

Multnomah County maintains an active investment program. In accordance with ORS 294.135, investment transactions are governed by a written investment policy, which specifies objectives, diversification goals, limitations, and reporting requirements. The investment policy sets guidelines for diversification that are more stringent than those allowed by State statute, reflecting the County's strategic preference for a conservative investment approach. The investment policy is ratified annually by the Board of County Commissioners and includes any applicable updates resulting from changes in State statutes (ORS 294 and 295).

In addition, the County uses an independent Investment Advisory Board to review the County's policy and investment performance and contracts with an investment advisor to provide non-discretionary advisor services. The investment advisor assists in developing investment strategies, assists in the execution of trades, prepares monthly and quarterly investment portfolio performance reports, and monitors portfolio compliance to applicable rules and regulations. The current policy can be found at the following link: <https://multco.us/finance/investments>

Banking services shall be solicited at least every five years on a competitive basis. The Chief Financial Officer (or their designee) is authorized to act as the County's "Custodial Officer" responsible for performing the treasury functions of the County under state statute and the County's Home Rule Charter.

Treasury regularly analyzes and monitors the County's cash flow. Cash balances are reported in the monthly Investment Report prepared by Treasury. Historically, the County's low point for cash occurs prior to the time that Property Tax revenue is received in November. If necessary, and when there is a financial benefit to the County, the Chief Financial Officer may recommend the issuance of short-term, Tax and Revenue Anticipation Notes (TRAN). It is the policy of the County to issue TRANs only when there is a favorable interest rate environment or when internal sources will not cover the projected cash flow shortfall.

As a general best practice, Multnomah County will not prepay for services or for the purchase of goods. If certain emergency or high priority operational circumstances exist that, require the County consider a prepayment for services or goods, written approval from Chief Financial Officer will be required before prepayment is processed. The County will consider general liability, liquidity needs, interest earnings, and other external funding constraints when evaluating a prepayment request.

Status

The County is in compliance with this policy.