

**Lead Agency:** County Management

**Program Contact:** Mark Campbell

**Program Offer Type:** Existing Operating

**Related Programs:**

**Program Characteristics:**

**Executive Summary**

Treasury manages the County's cash assets, investment portfolio, debt, banking services and relationships, and broker/dealer relationships. Treasury also provides responsive and pro-active customer support, training, and advice to department staff who handle cash in the course of providing services to county residents.

In FY 2011 the Treasury program includes the functions formerly budgeted in the Excise Tax Administration program. This includes the management of revenue collections for Motor Vehicle Rental Tax (MVRT), Transient Lodgings 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 Description**

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 CFO 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 15% 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. In 2009, the Board of County Commissioners increased the tax from 12.5% to 17% to help offset revenue losses due to the downturn in the regional economy. A portion of the tax (2.5%) is passed through to the Visitor's 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 5%, another 3% is dedicated to operating the Oregon Convention Center, and 2.5% is passed through to the Visitor's Development Fund.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Compliance w/ Investment Policy	1	1	1	1
Outcome	Tax Returns Filed	96.0%	98.0%	96.0%	97.0%
Output	Ensure County's Cash Flow Needs Are Met	1	1	1	1
Output	# of Business Accounts in Multnomah County	60,000	60,000	61,250	61,500

**Performance Measure - Description**

Measurement Key: 1 = Goal Achieved  
0 = Not Achieved

The % of tax returns filed is a measure of compliance with applicable code requirements. Compliance has remained high despite the impacts of the recession.

The # 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 (primarily ORS 294.035), Multnomah County Code Chapter 11 (BIT) and Chapter 12 (MVRT and TLT), the Business Income Tax is administered by the City of Portland through an intergovernmental agreement (IGA) that expires in FY 2013.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2010	2010	2011	2011
Personnel	\$469,345	\$0	\$444,480	\$0
Contracts	\$870,660	\$0	\$951,000	\$0
Materials & Supplies	\$5,760	\$0	\$7,300	\$0
Internal Services	\$43,796	\$0	\$46,687	\$0
Total GF/non-GF:	<b>\$1,389,561</b>	<b>\$0</b>	<b>\$1,449,467</b>	<b>\$0</b>
Program Total:	<b>\$1,389,561</b>		<b>\$1,449,467</b>	
Program FTE	4.50	0.00	4.50	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$70,000	\$0	\$70,000	\$0
Other / Miscellaneous	\$70,000	\$0	\$0	\$0
Total Revenue:	<b>\$140,000</b>	<b>\$0</b>	<b>\$70,000</b>	<b>\$0</b>

## Explanation of Revenues

This program is supported largely by General Fund revenues with the exception of:

Administrative Fee from Visitor's Development Fund - \$70,000

Under terms of the IGA that created the Visitor's Development Fund the County receives an administrative fee equal to .7% of MVRT and TLT revenues recorded in the fund.

## Significant Program Changes

✔ Significantly Changed

Last year this program was: #72023A, FRM - Treasury

Excise Tax Administration (72022) has been incorporated into the Treasury program. The staffing levels for the combined program are the same as they were in FY 2010.