

FINANCE & TAXATION MEETING

Thursday, January 22, 1976

Noon

CRAG CONFERENCE ROOM D

A G E N D A

1. Call to order
2. Speaker: Director, Office of County Management, Multnomah County - - Dennis West
3. Task Force recommendations
4. Discussion

Committee -

seek input from officials - key to problem seeking rather than data collection

West -

*Mult Co - labor services
no capital investment*

1. Revenue growth - to cover inflation
(given: basic set services)
Way to finance additional services
purchasing power stayed stable - 1969 &
2. Equity - pay for services received
3. Ratio: cost collection vs revenue received
Mult Co bus license tax - hidden costs
for taxpayer - separate accounting

Not much data: admin costs local tax collection

"present system performs poorly
exam: prop. tax inequitable
6% problem/elasticity

"local govt hasn't evaluated on these 3 issues -
groom like topsy

Mult.
Co.
41% - prop. tax
26% - fed + state (12 fed)
11% - fees
12% - cash carry over
3% - fines 3% - intergov + catch all

human services - "pay it you can concept"

collection

prop tax efficient - less than 2%

feds - pick up costs on prgms when die
categorical grants - \$6 mil, down
to

need to identify match funds + have way to control

To solve short term problems:

1. Counties perform mandated prgms state - elections, assessments
maybe by statute - = way to finance
2. Collective bargaining - one of the causes of prob.
3. Management finance - use 5yr projections
management problems toughest at middle levels

What's
to
happen

1. Reductions services
2. Small additional revenue
2. Relief from state
3. Long term tax reform

MINUTES OF THE FINANCE & TAXATION COMMITTEE MEETING

F 1

Held: January 22, 1976

PRESENT: Robert Simpson, Chairman, Kirkpatrick, Landauer, Roberts,
Telfer
Staff: Rich, Bukowsky, Cross, Garbutt, Raimondi

EXCUSED: Stahl

INTRODUCTIONS: Chuck Bukowsky, Research Associate
Bill Cross, Public Information Officer
Douglas Montgomery, Student Projects Coordinator
Connie Fitzgerald, Student
Rajani Devi, Student
Pete Pendleton, Student

Guest Speaker, Dennis West, Director, Office of County Management, Multnomah County, discussed the following points:

Problems in local government financing:

1. There is a need for a financing system which will produce enough revenue growth to cover inflation and enable financing of new services when the need arises. The drain on property taxes is very heavy, and we are now back to the purchasing power of 1969. Growth must be elastic relative to economic trends.
2. Equity issue: must be resolved with respect to income and property valuation.
3. Ratio of cost of collecting tax to the revenue received.

Multnomah County levied \$210 million in property taxes, of which only 2% goes to the cost of collection; this is considered an efficient ratio. Multnomah County collects for other jurisdiction for which they are not reimbursed.

Rather than ask the local citizens for more money, the legislators have been going to the City and State governments. City and State governments provide 26% of revenue. Property tax provides 41% of revenue.

The revenue sharing problem will not be resolved until after this year's budget is completed.

West feels three main things will happen:

1. There will be some significant reduction in services, as well as additional taxes levied.
2. There will have to be some kind of help from the State in the next legislative session.
 - a. collect revenue through State income tax
 - b. offer incentives to local government to straighten out their own tax structure
3. Local government will have to look at some form of tax reform.

The County has a daily investment program, and pools investments with the State.

The Inn at Otter Crest is being considered as a location for the Commission Retreat in April. The cost is \$25 per head; it is planned that the Commission will pay \$15, and the individual will pay \$10.

Guest speakers will be arranged for future meetings. Staff has been asked to prepare reports on funding, etc.

NEXT MEETING: JANUARY 29, NOON, at CRAG

Meeting adjourned 1:30