



Elizabeth Comfort
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TO: Clackamas County Board of County Commissioners (BCC)
FROM: Elizabeth Comfort, Finance Director
SUBJECT: Budget Committee Motion on 30-Year Forecast in County Code
DATE: July 22, 2025

REQUEST:

During the May 2025 budget hearings on the FY 25-26 budget, the Budget Committee approved the following motion:

“to require staff to codify a 30-year forecast as a requirement of County Code and that an annual outside audit of the 30-year forecast be required under County Code.”

As the governing body, staff are seeking direction from the Board of Commissioners for next steps.

BACKGROUND:

Financial forecast timeframes vary across jurisdictions; however, they typically cover a one-to-five-year horizon, and some extend as far as ten years. Long-term forecasts are challenging to produce accurately due to many unknowns, especially in predicting cash flows.

The current 30-year General Fund forecast was created by the Finance Department for one reason, to analyze the impacts of financial decisions on future Courthouse payments which span a 30-year period. The intent was to align the number of years of the forecast with the last payment year. That is, next year's forecast would be for 29 years and decrease each subsequent year until it ended FY2054-2055 with the last Courthouse payment. Once that happened, the intent was to end the 30-year forecast.

In December 2024, the Board requested, and subsequently approved, a Budget Development Policy requiring the Finance Department to maintain a General Fund 5-year forecast.

In order to codify the motion, new chapter can be created under County Code Title 2 – Government Administration. Adding this language to the County code would also necessitate amending the Budget Development policy.

OPTIONS:

30-year Forecast

1. Direct staff to draft new code language requiring a 30-year financial forecast and update the Budget Development Policy.
2. Direct staff to update only the Budget Development Policy to require a 30-year forecast.
3. Take no further action and maintain the existing Budget Development Policy.

Annual Outside Audit

1. Create a new chapter in County Code to require an annual outside audit of the 30-year financial forecast.
2. Do not create a new chapter in County Code to require an annual outside audit of the 30-year financial forecast.