



November 13, 2025

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
Clackamas County

**First Reading of Ordinance to adopt Clackamas County Code Chapter 2.16 Budget Development.  
No County General Funds are involved.**

<b>Previous Board Action/Review</b>	Discussed at Issues: July 22, 2025, October 7, 2024, and November 4, 2025		
<b>Performance Clackamas</b>	1. Which indicator of success does this item affect? Public Trust in Good Government.		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	No
<b>Contact Person</b>	Gary Schmidt	<b>Contact Phone</b>	503-

**EXECUTIVE SUMMARY:**

During the May 2025 Budget Committee meetings, the Budget Committee made several motions regarding budget development, including requiring a 30-year financial forecast, hiring an external vendor to audit that 30-year financial forecast, and requiring the Board to preauthorize any budget variations that are not previously appropriated. Subsequent to these meetings, the Board discussed and approved creation of a section in the County Code specific to Budget Development. The addition of this language in Code provides a transparent framework for developing the annual budget, continuation of a 30-year forecast, and actions related to department appropriations.

**RECOMMENDATION:** Staff recommend that the Board hold this public hearing, read the attached ordinance by title only and adopt the attached ordinance.

Respectfully submitted,

Gary Schmidt  
County Administrator

**ATTACHMENT:**  
Ordinance

For Filing Use Only

Ordinance No. \_\_\_\_\_

**An Ordinance Adopting Clackamas County Code  
Chapter 2.16 Budget Development**

**WHEREAS**, the 2025 Clackamas County Budget Committee approved a motion to require the County to complete a 30-year forecast and have an external auditor review forecast assumptions

**WHEREAS**, the Board of County Commissioners approved a Budget Development policy in 2025

**WHEREAS**, the Board of County Commissioners approved a Contingency and Reserves policy in 2012

**WHEREAS**, the Board of County Commissioners adopted a Strategic Plan that includes “Public Trust in Good Government” in 2025

Now, therefore, the Board of Commissioners of Clackamas County ordains as follows:

- Chapter 2.16**            Budget Development
- Section 2.16.010**    Forecast
- Section 2.16.020**    Appropriations Limits
- Section 2.16.030**    Budget Policy
- Section 2.16.040**    Budgeted Contingency and Reserves

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20XX.

BOARD OF COUNTY COMMISSIONERS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

**Chapter 2.16**

**2.16 BUDGET DEVELOPMENT**

**2.16.010 Forecast**

The Finance department shall maintain a General Fund 30-Year forecast to provide long-term budget assessment based on annual projections of revenues and expenses. The assumptions used to build the forecast shall be reviewed annually by an external party with expertise in forecasting.

[Adopted by Ord. ]

**2.16.020 Appropriations Limits**

Departments and offices shall notify the County Administrator if they have identified a specific need for general fund revenue that has not been budgeted or if they anticipate they will over-expend their budget appropriations. The County Administrator shall inform the Board of such notifications. The Board may take actions necessary to bring a department or office's expenditures within the appropriations limit.

The process for Board consideration of any supplemental budget requests shall comply with ORS 294.471 and 294.473 and the Local Budgeting Manual produced by the Department of Revenue.

[Adopted by Ord.]

**2.16.030 Budget Policy**

The County Administrator/Budget Officer shall propose an annual budget, and the County shall adopt an annual budget, that is balanced, structurally sound and sustainable defined as:

- a. Balanced means that total planned revenues match or exceed expenses each budget year.
- b. Structurally sound means ongoing programs are funded with ongoing revenues and restricts the allocation of one-time revenues to one-time expenditures.
- c. Sustainable means a budget that manages finances for short- and long-term financial health.

The County Administrator shall develop and implement a budget framework policy including:

- Budget principles and procedures necessary to implement the above requirements and
- A 30-year forecast that has a positive ending fund balance

**2.16.040 Budgeted Contingency and Reserves**

The County shall maintain adequate reserves in the General Fund in order to provide for future resources needs as follows:

- The amount to be budgeted in Contingency shall be 5% of the overall County General Fund operating budget. Contingency funds may be accessed during the fiscal year to transfer appropriations to a spendable account when the need for such appropriations is approved by the Board.
- The amount to be budgeted Reserves shall be 10% of taxes, fees, fines, and permits. Reserve funds may not be accessed in the year they are budgeted. They may be allocated in a subsequent year through the budget process to a spendable category account in whole or in part.

[Adopted by Ord. ]