



MEMORANDUM

TO: Board of County Commissioners
FROM: Gary Schmidt, County Administrator
RE: Potential County Budget Development Code Amendment
DATE: October 7, 2025

REQUEST: Board direction on a potential County Code amendment to include a new section on budget development, as listed in Attachment A.

BACKGROUND:

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.

On July 22, 2025, the Board discussed adding a 30-year financial forecast to the County Code but there was not a Board majority to move forward. Instead, staff was directed to create a budget policy reflecting these items.

I am asking the Board to reconsider this issue and consider codifying all the existing budget development policies into a single County Code amendment. This would provide consistent, clear and ongoing direction to current and future staff on the importance of solid budget development.

OPTIONS:

1. Direct staff to schedule the first required public hearing for approval of the Code amendment outlined in Attachment A.
2. Revise the Code amendment outlined in Attachment A and direct staff to schedule the first required public hearing for approval.
3. Do not proceed with a Code Amendment and pursue a policy approach instead.

RECOMMENDATION: Option #1: Direct staff to schedule the first required public hearing for approval of the Code amendment outlined in Attachment A.

ATTACHMENTS:

Attachment A: Proposed Code Amendment Language

Attachment B: County Budget Development Framework Policy

Attachment A

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 any 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.

[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 principals and procedures necessary to implement the above requirements.

[Adopted by Ord.]

Attachment B



☒ Administrative Policy
☐ Operational Policy

Clackamas County Policy

Name of Policy	County Budget Development Framework	Policy #	FIN- 1.103
Policy Owner Name	Elizabeth Comfort	Effective Date	January 1, 2025
Policy Owner Position	Finance Director	Approved Date	Dec. 4, 2024
Approved By	Gary Schmidt, County Administrator	Next Review Date	Dec. 1, 2027

I. PURPOSE AND SCOPE

To establish the framework for development of the County's annual budget.

II. AUTHORITY

ORS 203.035 authorizes the Board of County Commissioners to promulgate policies for the management and operation of Clackamas County Government.

III. GENERAL POLICY

The County will adopt an annual budget that is balanced, structurally sound and sustainable. The Finance department will maintain a General Fund 5-Year forecast which will provide a long term budget assessment based on annual projections of revenues and expenses..

IV. DEFINITIONS

Balanced means that total planned revenues match or exceed expenses each budget year.

Structurally sound means ongoing programs are funded with ongoing revenues and restricts the allocation of one-time revenues to one-time expenditures.

Sustainable means a budget that manages finances for short and long term financial health.

V. POLICY GUIDELINES N/A

VI. PROCESS and PROCEDURES N/A

VII. ACCESS TO POLICY

This policy is located on Power DMS

VI. ADDENDA (N/A)

Actions on this Policy:

Original Policy effective date: January 1, 2025

Amended Policy effective dates: