

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Thursday, June 6, 2013**

REGULAR MEETING

Chair Jeff Cogen called the meeting to order at 9:35 a.m. with Vice-Chair Judy Shiprack and Commissioners Deborah Kafoury, Loretta Smith and Diane McKeel present.

The meeting was also attended by Jenny M. Morf, County Attorney, and Lynda Grow, Board Clerk.

CONSENT AGENDA

- C.1 Appointment of David Torrey to the AUDIT COMMITTEE.
- C.2 Appointments of Ruby Ramirez, Judy Hadley, Dara Snyder, and Teresa Walton to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE (CIC).
- C.3 BUDGET MODIFICATION # LIB-03 Reclassifying 1.00 Program Coordinator and 2.00 Librarian Positions.

Upon motion made by Commissioner Smith and seconded by Vice-Chair Shiprack, the consent calendar was unanimously approved.

PUBLIC COMMENT

Opportunity for Public Comment on non-agenda matters. Testimony limited to three minutes per person unless otherwise designated by the presiding officer.

Testimony was given and received for the record.

REGULAR AGENDA

- R.1 PUBLIC HEARING and Consideration of a RESOLUTION Adopting the Fiscal Year 2014 Budget for Multnomah County and Making Appropriations Thereunder, Pursuant to ORS 294.456. Presenter: Karyne Kieta, Deputy Director, County Management and Budget Director.**

Vice-Chair Shiprack moved and Commissioner Smith, seconded, approval of R.1.

Ms. Kieta provided the explanation. She said that today they are sitting in their capacity as the Budget Committee. She said the Board had before them a Resolution with four attachments and several sections within Attachment A to adopt the FY 2014 budget. Adopting the budget sets the upper limit on departmental spending during the year. The Board can incorporate amendments that can decrease the budget by any amount or increase the amount up to 10%. She said she would be asking the Board to vote on each Attachment separately, and in some cases there may be an exception vote on an individual item. Any

exceptions can be considered during the appropriate Attachment. She said she would walk them through each step and each vote.

Attachment A – Board and Department Amendment – Section 1 – Board Amendments

Commissioner Smith moved and Vice-Chair Shiprack seconded, approval of the Board amendments.

Ms. Kieta said all the Amendments presented here were approved at previous Board Sessions. She asked if the Board wanted to request an exception on any of them and vote on any of them separately, and they did not.

Attachment A – Section 1 - Board Amendments were unanimously approved.

Attachment A – Board and Department Amendments – Section 2 – Departmental Amendments

Vice-Chair Shiprack moved and Commissioner Smith seconded, approval of the Departmental amendments.

Ms. Kieta said all of these Amendments presented here were approved at previous Board Sessions. She asked if the Board wanted to request an exception on any of them and vote on any of them separately, and they did not.

Attachment A – Section 2 - Departmental Amendments were unanimously approved.

Amendment B – Appropriations Schedule

Commissioner Smith moved and Commissioner McKeel seconded, approval of Attachment B, Appropriations schedule totaling \$2,427,462.

Ms. Kieta said this outlines the spending limit by department by fund and the numbers in this schedule reflect the approved budget. They will be updated to reflect Attachment A.

Attachment B as amended by Attachment A was unanimously approved.

Amendment C – FY 2014 Budget Notes

Vice-Chair Shiprack moved and Commissioner Smith seconded, approval of Attachment C, Budget Notes.

Ms. Kieta said that the Budget Notes were approved at previous Board Sessions. She asked if the Board wanted to request an exception on any of them and vote on any of them separately, and they did not.

Attachment C FY 2014 Budget Notes were unanimously approved.

Attachment D – FY 2014 TSCC Recommendation & Response

Mr. Jaspin reviewed the three recommendations from TSCC with the Board which included:

1. Property Tax Levy Higher Than Allowed by Law:

The Board has approved amendment 14_NOND_PA_01 to address TSCC's recommendation and will approve a reduced General Obligation Debt Levy. While lower than in the Approved Budget, the debt levy is higher than recommended by TSCC due to a lower estimated beginning balance for FY 2014. The ending balance does match TSCC's recommendation and complies with ORS 294.368(3)(a)(A).

2. Budget Committee Meeting Not Properly Noticed; and,

The County agrees that public participation is essential, and adequate public notice is important to ensuring such participation. For the sake of efficiency, the website notice was timed to appear on the same day as the newspaper publication. For newspapers, the law requires that notice be published no more than 30 days before and not less than 5 days before the public meeting. There is, however, different timing required under the law for website notice, which must appear at least 10 days before the meeting date. In the future, the Central Budget Office will target an earlier publication date, so that posting the website notice at the same time as newspaper publication will meet both legal timelines.

3. Expenditures Exceeded Appropriations

The Board formally acknowledged receipt of the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012 on January 17, 2013, via Resolution 2013-005, finding:

- Expenditures in the Behavioral Health Managed Care Fund exceeded appropriations by \$148,000.
- The over expenditure was due, in part, to changes made to the Oregon Health Plan at the State level which impacted the mental health services provided by County Human Services. Higher year-end liabilities for claims incurred but not reported for these services resulted in higher expenditures in the Behavioral Health Managed Care Fund.
- The over expenditure was funded by available fund balance.

In order to prevent future instances of noncompliance, DCHS management will perform a quarterly analysis to review and evaluate expenditures incurred to date compared to the total final adopted DCHS budget. Any over expenditures will be further analyzed and if necessary discussed with the Central Budget Office.

Attachment D – FY 2014 TSCC Recommendations and Response were unanimously approved.

This concluded the adoption of the Fiscal Year 2014 Budget for Multnomah County, pursuant to ORS 294.456.

Chair Cogen gave Board Comments about how this is the first time in 13 years the Board does not have to cut the budget. That is significant for the community because services the County provides are so important to the quality of life in our community. He acknowledged those changes and thanked the individuals involved. He said the changes that have been made, such as focusing strategically on operating more efficiently through the Multnomah Evolves process, the shared sacrifices made by all employees, and collectively, how these actions have lowered the County's cost of doing business, are all significant. Also, partnering with nonprofits and the private sector in the way services are delivered in a more innovative and cost effective way has made a positive impact. Additionally, the approval of the Library District has had a huge impact and offered a stable source of funding for the Library. He thanked the Board of County Commissioners for pulling together and changing the course of Multnomah County's fiscal destiny and its leadership. He thanked the employees and commended them for the good job they are doing as public servants and how they have positively responded to requests for innovation and partnership. He also thanked the voters of Multnomah County. He thanked his staff, and Ms. Kieta and her team in the budget office for their great work and the advice and guidance they've provided in how to operate in a fiscally responsible way while maintaining our core services. All of this has put Multnomah County in the position to make critical investments and mitigate the services cut by the City of Portland, and Federal sequestration. He congratulated everyone for their part.

Resolution No. 2013-067 was unanimously adopted.

R.2 RESOLUTION Levying Ad Valorem Property Taxes for Multnomah County, Oregon, for Fiscal Year 2014. Presenter: Karyne Kieta, Deputy Director, County Management.

Vice-Chair Shiprack moved and Commissioner Kafoury seconded, approval of R.2.

Ms. Kieta provided the explanation. She said the adopted budget provides for Ad Valorem Property Taxes to be levied on all properties. Adopting this Resolution authorizes rate levies to the General Fund of \$4.34 for \$1K assessed valuation and 5 cents per assessed valuation for the historical option levy. This also levies \$7.1 mil. for bonded debt payments.

Resolution No. 2013-068 was unanimously adopted.

R.3 RESOLUTION Adopting and Defining the Various Funds to be Used in Fiscal Year 2014 and Repealing Resolution 2012-062. Presenters: Mark Campbell, Chief Financial Officer and Karyne Kieta, Deputy Director, County Management.

Commissioner Kafoury moved and Vice-Chair Shiprack seconded, approval of R.3.

Mr. Campbell provided the explanation. He said this resolution defines all the funds included within the budget for FY2014. He said there are two new funds in the fund definition list. The first is the asset replacement revolving fund that Ms. Neburka described and the Library District Fund which accounts for proceeds of revenue that come into the Library District. Also one change in definition related to the library operating fund to remove references to local option taxes. He added that those are only changes from the previous fiscal year.

Resolution No. 2013-069 was unanimously adopted.

R.4 RESOLUTION Adopting the Financial and Budget Policies to be Used in Fiscal Year 2014 and Repealing Resolution 2012-063. Presenters: Karyne Kieta, Deputy Director, County Management and Mark Campbell, Chief Financial Officer.

Vice-Chair Shiprack moved and Commissioner McKeel seconded, approval of R.4.

Mr. Campbell provided the explanation. He said the Resolution adopts revised Financial and Budget Policies to be used in FY 2014 that the Board has tasked staff to carry out to guide the financial management of the organization. In FY 2013, there were rather substantial changes to those policies. For FY 2014, no substantive changes are recommended; language was edited to reflect the updated status of policies.

Resolution No. 2013-070 was unanimously adopted.

R.5 RESOLUTION Authorizing Salary Adjustments for Employees Not Covered by Collective Bargaining Agreements for Fiscal Year 2013-2014. Presenter: Steve Herron, Labor Relations Director.

Vice-Chair Shiprack moved and Commissioner McKeel seconded, approval of R-5.

Mr. Herron provided the explanation. He said they were submitting a Classification and Compensation Plan, including a salary table, for non-represented employees. Each year that table is brought to the Board for their review and adoption. This year, a few new classifications have been added to the table, but no revisions were made other than the COLA that is reflective of the CPIW for this year.

Resolution No. 2013-071 was unanimously adopted.

(Recess as the Multnomah County Board of Commissioners and convene as the Multnomah County Library District.)

R.6 PUBLIC HEARING and Consideration of a RESOLUTION Adopting the Fiscal Year 2014 Budget for Multnomah County Library District and Making Appropriations Thereunder, Pursuant to ORS 294.456. Presenters: Becky Cobb, Library Deputy Director and Karyne Kieta, Deputy Director, County Management

Vice-Chair Shiprack moved and Commissioner Kafoury seconded, approval of R-6.

Ms. Cobb provided the explanation.

Chair Cogen said it is so exciting to be in this position and to be passing the first budget of the new Library District and what it means in terms of stability and adequate resourcing for the Library and the positive impact it has on the rest of Multnomah County.

Ms. Cobb walked through the steps identified for the adoption of the First Library District budget. She said the Board has before them a resolution with one attachment to adopt the FY2014 Library District budget. The resolution itself contains the appropriation of \$66.28M.

Adopting the budget sets the upper limit for spending during the year, and allows the Library District Board to incorporate amendments that can decrease the budget by any amount or increase the fund up to 10%.

She said Attachment A is the only proposed amendment. It is the revenue amendment representing funding provided by the Library Foundation for enhancements and collections.

Chair Cogen requested clarification on whether votes were needed separately for the Resolution and Attachment. Ms. Madkour affirmed that since there is only one attachment, there would only be one vote needed.

Time was made for public testimony, but no one chose to testify.

Vice-Chair Shiprack stated that this represents such a step forward for the Library, for this Board, and not only stabilizes the Library's Budget as the Chair commented, it helps to stabilize the County's budget and it is wonderful for the County library can be responsive to the needs of its community. Commissioner McKeel said she had worked hard to see this day arrive, and she knew all the staff worked hard, and that work was being rewarded by the validation of the voters which has made such a significant impact on the future of the Library.

Resolution No. 2013-072 was unanimously adopted.

R.7 RESOLUTION Levying Ad Valorem Property Taxes for the Multnomah County Library District, Oregon, for Fiscal Year 2014. Presenters: Becky Cobb, Library Deputy Director and Karyne Kieta, Deputy Director, County Management

Commissioner Smith moved and Commissioner Kafoury seconded, approval of R-7.

Ms. Cobb provided the explanation. She said this Resolution is the next important step. The adopted budget allows for Ad Valorem Taxes to be levied on all property. This action authorizes the Library District to impose the rate of \$1.18 per \$1,000 of assessed valuation, which is below the voter approved rate of \$1.24.

Resolution No. 2013-073 was unanimously adopted.

R.8 RESOLUTION Adopting and Defining the Fund to be used in Fiscal Year 2014. Presenters: Becky Cobb, Library Deputy Director and Karyne Kieta, Deputy Director, County Management

Commissioner Kafoury moved and Vice-Chair Shiprack seconded, approval of R-8.

Ms. Cobb provided the explanation. She said the Budget Office and Multnomah Library District recommend approval of this Resolution adopting and defining the general fund to be used by the Library District in FY2014

Resolution No. 2013-074 was unanimously adopted.

R.9 RESOLUTION Adopting the Financial and Budget Policies to be Used in Fiscal Year 2014 by the Multnomah County Library District. Presenters: Becky Cobb, Library Deputy Director and Karyne Kieta, Deputy Director, County Management

Vice-Chair Shiprack moved and Commissioner Smith seconded, approval of R-9.

Ms. Cobb said that the Budget Office and Library District recommend approval of this Resolution adopting the county's financial and budget policies for FY2014. March 14th, 2013, the Library District Board approved Res. 2013-23, which states in part that the Board resolves to adopt and abide by the Multnomah County Charter and Code and all county policies as they pertain to the library operations. Based on that Resolution, she asked that they adopt the FY 2014 financial and budget policies as they pertain to library operations.

Resolution No. 2013-075 was unanimously adopted.

(Adjourn as the Multnomah County Library District and reconvene as the Multnomah County Board of Commissioners.)

BOARD COMMENT

BC.1 Opportunity as time allows, for the Commissioners to provide comment on non-agenda items.

Comments pertaining to non-agenda items were made by the Board and noted in the record.

ADJOURNMENT – 10:55 am

There being no further business, the meeting was adjourned at 10:10 a.m.

The minutes reflect the actions of the Board. For more detail, you are welcome to view the presentation material and/or

video at: http://multnomah.granicus.com/ViewPublisher.php?view_id=3

Submitted by:

Lynda J. Grow, Board Clerk and
Marina Baker, Assistant Board Clerk
Board of County Commissioners
Multnomah County, Oregon