

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Tuesday, April 25, 2017**

**BUDGET WORK SESSION #1**

Chair Deborah Kafoury called the meeting to order at 9:36 a.m. with Vice-Chair Jessica Vega Pederson and Commissioners Sharon Meieran, Loretta Smith and Lori Stegmann present.

Also attending was Lynda Grow, Board Clerk.

Chair Kafoury: WELCOME TO MULTNOMAH COUNTY AND WELCOME TO FY18 WORK SESSION BUDGET KICKOFF.

**BWS-1a      Budget Kick Off & Financial Overview. Presenter: Michael Jaspin, Budget Director**

Mike Jaspin: WE HAVE A NUMBER OF PRESENTATIONS. I'M GOING TO SPEND FIVE OR 10 MINUTES ON THE CALENDAR AND HIGHLIGHTING MECHANICS. WE'LL BE SPENDING A LOT OF TIME DOWN HERE AND THEN I'LL PROVIDE ABOUT 45 MINUTES OF A HIGH-LEVEL FINANCIAL OVERVIEW TO HELP START SETTING THE CONTEXT FOR THE BUDGET AND THEN WE'LL HAVE THE CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE. DEPARTMENTS -- ESPECIALLY THE INTERNAL SERVICE PROVIDERS -- STARTED WORKING ON THEIR BUDGETS LAST YEAR. THE FIRST PUBLIC PRESENTATIONS WE DID WAS THE NOVEMBER 22 GENERAL FUND FORECAST, WHICH HELPS START SETTING THE PARAMETERS FOR OUR GENERAL FUND. DEPARTMENTS BATTLED THROUGH A NUMBER OF SNOW DAYS AND SUBMITTED THEIR BUDGETS ON FEBRUARY 13. WE PROVIDED AN UPDATED GENERAL FUND ON MARCH 9. THE BOARD APPROVED IT, ALLOWING US TO MOVE TO THE NEXT PROCESS. OVER THE NEXT FIVE WEEKS,

WE'LL HAVE DEPARTMENTAL PRESENTATIONS. AND THEN ON MARCH 16, WE'LL PROVIDE AN UPDATED GENERAL FUND FORECAST. THAT WOULD BE SEEING HOW OUR APRIL BETS CAME IN. THERE WILL BE A TSCC HEARING. THERE ARE THREE PUBLIC HEARINGS. THE FIRST ONE BEING TOMORROW NIGHT AND YOU ALREADY KNOW ABOUT MOST OF THOSE AND OUR TARGET DATE TO ADOPT THE BUDGET IS MAY 25. WITH THAT, THIS WEEK IS GENERAL GOVERNMENT WEEK. OUR INTENT IS TO PROVIDE YOU WITH A SOUND FOUNDATION OF OUR FINANCIAL SITUATION, OUR POLICIES, DEBT LEVELS AND THE GENERAL GOVERNMENT-LIKE DEPARTMENTS OF COMMUNITY MANAGEMENT. ON THURSDAY, WE'LL COVER THE VARIOUS NON-DEPARTMENTAL, WITH THE EXCEPTION OF THE JOINT OFFICE AND DUE TO SOME SCHEDULING CONFLICTS, WE'LL DO SUMMER WORKS THE FOLLOWING

WEEK. THE FOLLOWING WEEK IS PUBLIC SAFETY. WE'LL HAVE THE SHERIFF'S OFFICE, THE COUNTY ATTORNEY'S AND WE HAVE SOME TIME BLOCKED OUT JUST IN CASE WE NEED IT, AS WELL. AND THE THIRD WEEK, WE'LL COVER HEALTH AND HUMAN SERVICES, SO THE COUNTY OF HUMAN SERVICES, THE JOINT OFFICE AND WE'LL HAVE OUR FINAL PUBLIC HEARING. THE FOURTH WEEK IS RELATIVELY OPEN. WE'LL PROVIDE THE GENERAL FUND FORECAST UPDATE, THE LIBRARY WILL DO THEIR PRESENTATION AND IT WILL BE A TIME FOR US TO PRESENT DEPARTMENTAL PRESENTATIONS. THE FIFTH WEEK, WE'LL BE SCHEDULED TO ADOPT. WE HAVE A TIME BLOCKED OUT EARLIER THAT WEEK IN CASE WE NEED IT, OUR FINAL TIME TO GO OVER PROPOSED BOARD AMENDMENTS. AMEND ANY OUTSTANDING QUESTIONS.

Mike Jaspin: WHEN WE GET READY TO ADOPT THE BUDGET, THERE WILL BE SIX SEPARATE RESOLUTIONS. THE FIRST ONE WILL BE THE BUDGET ITSELF WITH VARIES AMENDMENTS AND BUDGET NOTES. THE SECOND ONE WILL BE AN ACTUAL RESOLUTION LEVYING THE TAXES TO PAY FOR WHAT'S IN THAT BUDGET. WE WILL HAVE A RESOLUTION TO DEFINE ALL THE COUNTY FUNDS, AS WELL AS ADOPTING OUR FINANCE AND BUDGET POLICY. WE WILL NEED TO PROVE THE COMPENSATION PLAN FOR EMPLOYEES NOT COVERED BY COLLECTIVE BARGAINING AGREEMENTS AND THAT GUIDES THE COUNTY'S OPERATIONS GOING INTO THE FOLLOWING FISCAL YEAR. SOME MECHANICS, DURING ANY WORK SESSION, THE BOARD MAY PROPOSE AN AMENDMENT TO THE BUDGET. THOSE AMENDMENTS DO NOT NECESSARILY NEED TO BE BALANCED, BUT BEFORE WE ADOPT, WE NEED TO FIGURE OUT HOW TO PAY FOR ANY AMENDMENTS. WE WILL WRITE THEM UP OVER THERE ON THE WHITEBOARD AND THEN WE WILL RECIRCULATE THOSE, DEPENDING ON HOW MANY WE HAVE AND THE TIMING OF THEM TO MAKE SURE WE CLEARLY ARTICULATE WHAT'S BEEN PROPOSED.

ANY BOARD MEMBER MAY PROPOSE A BUDGET NOTE. THEY NEED TO BE RELATED TO WHAT'S IN THE BUDGET. THE MOST COMMON USE IS TO DESCRIBE MONEY THAT IS BEING SET ASIDE IN CONTINGENCY, A GOOD EXAMPLE IS LAST YEAR, WE SET ASIDE FUNDS FOR THE LEAD PROGRAM AND IT DESCRIBED WHAT INFORMATION THE BOARD WANTED. DURING THE WORK SESSIONS, YOU CAN ALSO ASK FOR FOLLOW-UP QUESTIONS. WE'LL NOTE THOSE QUESTIONS ON THE BOARD, ON THE WHITEBOARD AND WE WILL GET DEPARTMENTS TO RESPOND TO THOSE AS FAST AS WE CAN AND WE'LL RECIRCULATE THOSE TO YOU. OUR GOAL IS TO GET EVERYBODY THE SAME INFORMATION SO EVERYBODY'S HEARING THE SAME INFORMATION. IF YOU HAVE QUESTIONS, IT WOULD BE MUCH-APPRECIATED IF WE CAN SEPARATE THEM INTO A COUPLE CATEGORIES. QUESTIONS WE NEED TO GET ANSWERED BEFORE WE ADOPT THE BUDGET AND THERE ARE QUESTIONS MORE RELATED TO BRIEFINGS OR HEARINGS THAT WE MAY WANT TO HAVE IN THE UPCOMING YEAR OR JUST GENERAL QUESTIONS THAT WE NEED TO GET YOU ANSWERS TO, BUT NOT NECESSARILY BEFORE WE ADOPT THE BUDGET. TO THE DEGREE THAT WE CAN SORT THOSE OUT, THAT WILL HELP EVERYONE. THERE ARE NO

VOTES UNTIL WE ADOPT. IN AN OUR OR SO, YOU'LL START THE DEPARTMENTAL PRESENTATIONS. WE'VE PROVIDED A STANDARD TEMPLATE. WE HAVE A LOT OF CREATIVE DEPARTMENTS. WE'VE ASKED THEM TO PROVIDE AN OVERVIEW AND WALK THROUGH KEY TRENDS. THERE ARE SUMMARY TABLES WE'VE ASKED THEM TO INCLUDE AT THE BACK OF THE PRESENTATION SO WE HAVE A NICE LIST RELATED TO EACH DEPARTMENT. WE'VE ALSO ASKED DEPARTMENTS TO COVER ANY LEGISLATIVE AND FUTURE POLICY ISSUES IN THEIR PRESENTATIONS. AND WE'VE ASKED ALL THE DEPARTMENTS TO SUBMIT THE CURRENT STATUS OF THEIR VACANCIES TO THE BUDGET OFFICE. WE'LL BE COMPILING THOSE AND GETTING THOSE BACK OUT TO YOU PROBABLY EARLY NEXT WEEK.

Mike Jaspin: A REMINDER THAT WE WILL BE TALKING ABOUT THE LIBRARY DEPARTMENT VERSUS THE LIBRARY DISTRICT. I THINK YOU ALL KNOW HOW THIS WORKS, BUT YOU'LL SEE A PARALLELED PROCESS FOR THE LIBRARY DISTRICT, AS WELL AS THE TWO SERVICE DISTRICTS, AS WELL. FINALLY, THERE'S A NUMBER OF BUDGET HEARINGS. THERE ARE THREE HEARINGS REQUIRED BY OREGON BUDGET LAW. ONE IS WHEN WE APPROVED THE BUDGET LAST WEEK, THERE WILL BE A TSCC HEARING AND THEN ALSO WHEN THE BOARD ADOPTS THE BUDGET, THERE WILL BE AN OPPORTUNITY FOR PUBLIC COMMENT. WE'VE ADDED THREE ADDITIONAL HEARINGS THAT WE'VE ALREADY TALKED ABOUT. THOSE ARE TO TAKE TESTIMONY. THERE WILL BE NO PRESENTATIONS OR VOTES REQUIRED. THERE'S BEEN A FAIR BIT OF TIME FOR THE PUBLIC TO OFFER INPUT, AS WELL, WHETHER THAT'S THROUGH THE COMMUNITY ADVISORY BOARDS OR VARIOUS LISTENING SESSIONS THAT HAVE BEEN HELD THROUGHOUT THE PROCESS ALREADY.

A QUESTION THAT MAY COME UP IS WHAT ABOUT FUNDING FROM THE STATE OF OREGON? WE'VE INSTRUCTED ALL DEPARTMENTS TO USE THE GOVERNOR'S BUDGET, OBVIOUSLY, THAT IS GOING TO BE WRONG BUT WE LIKE TO HAVE CONSISTENCY. WHERE WE THINK THE GOVERNOR'S BUDGET IS LIKELY TO BE CHANGED OR WE HAVE BETTER INFORMATION, WE'VE ALLOWED DEPARTMENTS TO DO THAT. WHEN YOU HEAR ABOUT POTENTIAL REDUCTIONS. IT'S HELPFUL TO KNOW WHERE IT IS FROM. WE'LL ADOPT OUR BUDGET BEFORE WE KNOW WHAT HAPPENS AT THE STATE LEVEL. DEPENDING ON WHAT HAPPENS AT THE STATE LEVEL, WE'LL DO A RE-BALANCE AND CALIBRATE THE PROCESS TO WHAT'S APPROPRIATE. WE'VE DONE EXTENSIVE REBALANCING AND IN OTHER YEARS, IT'S BEEN A SIMPLE BUDGET MODIFICATION OR TWO. WE ARE KEEPING TRACK OF WHAT'S GOING ON AT THE FEDERAL LEVEL. OBVIOUSLY, WHEN THEY'RE FIGURING OUT HOW TO PAY FOR THE GOVERNMENT NEXT WEEK, FIGURING OUT WHAT'S GOING TO HAPPEN NEXT YEAR CAN BE A BIT TOUGH. ANY QUESTIONS ON THAT, BEFORE WE JUMP INTO THE HIGHER-LEVEL FINANCIAL OVERVIEW.

Commissioner Smith: I HAVE A QUESTION -- I DON'T KNOW IF THIS IS NEW OR NOT. THERE'S A PROGRAM TYPE HERE THAT SAYS SUPPORT. IS THAT EXISTING OR ONGOING? IS THIS NEW?

Mike Jaspin: IN THE PROGRAM OFFERS, WE HAVE SEVEN TYPES OF PROGRAM OFFERS. YOU'LL SEE ADMINISTRATIVE SUPPORT AND EXISTING PROGRAM OFFER. THERE'S ONE FOR INTERNAL SERVICES AND THESE HAVE DATED BACK QUITE AWHILE. WHEN WE WERE DOING PRIORITY-BASED BUDGETING. THE DIFFERENCE BETWEEN A SUPPORT PROGRAM AND AN ADMINISTRATIVE OFFER, A PROGRAM SUPPORT IS GOING TO BE SOMETHING LIKE THE PHARMACY IN THE HEALTH DEPARTMENT THAT IS PROVIDING TRADITIONAL ADMINISTRATION. IT'S PROVIDING A CLEAR SUPPORT FUNCTION TO THE CLINICAL OPERATIONS AND SO WE CALL OUT THOSE TWO SEPARATE TYPES OF PROGRAMS.

Commissioner Smith: SO, I THINK MY STAFF WAS TOLD THAT THE SUPPORT-TYPE WAS ALWAYS CONSIDERED EXISTING ONGOING, BUT I'M LOOKING ON HERE. I SEE SUPPORT, ONE-TIME ONLY. SUGGESTED. SO, IS THERE A WAY YOU CAN PUT SUPPORT OF AN EXISTING PROGRAM VERSUS A NEW SUPPORT PROGRAM BECAUSE IT LOOKS LIKE THERE'S SEVERAL DIFFERENT TYPES OF SUPPORT. IT'S NOT AUTOMATIC THAT IT'S AN EXISTING PROGRAM.

Mike Jaspin: AFTER THE HEARING, IF I CAN LOOP BACK TO YOU.

Commissioner Smith: I'M LOOKING UNDER THE CRIMES REPLACEMENT, IT SAYS SUPPORT AND ONE-TIME ONLY MONEY. IT WAS MY UNDERSTANDING THAT A SUPPORT WAS AN EXISTING PROGRAM BUT IT APPEARS TO BE THAT IT'S A NEW PROGRAM THAT'S GETTING ONE-TIME ONLY MONEY.

Mike Jaspin: IT IS DEFINITELY A SUPPORT PROGRAM BUT IT IS ONE-TIME ONLY IN THAT ONCE THE DA AND DEPARTMENT OF COUNTY ASSETS IMPLEMENTS THAT PROGRAM, WE DON'T NEED TO -- IT'S A ONE-TIME ONLY COST.

Commissioner Smith: BUT WOULD IT BE CONSIDERED NEW, BECAUSE IT'S NEW?

Mike Jaspin; YES. THE NEED FOR THE SOFTWARE HAS BEEN ONGOING.

Commissioner Smith: OKAY. WE'LL TALK ABOUT IT LATER.

Chair Kafoury: ANY OTHER QUESTIONS? QUESTIONS?

Mike Jaspin: OKAY. I'D LIKE TO JUMP INTO OUR FINANCIAL OVERVIEW OF THE APPROVED BUDGET. WE'LL TAKE THE APPROACH THIS IS AT THE CORPORATE LEVEL, BY THAT VERY NATURE, WE'LL TEND TO TALK A LITTLE BIT MORE ABOUT THE GENERAL FUND THAN THE OTHER FUNDS. WE'LL WALK THROUGH THE IMPACTS ON OUR EMPLOYEES AND THE VARIOUS LABOR UNIONS, SOME

HIGHLIGHTS AND WALK THROUGH SOME OF THE GENERAL FUND BASICS, IT WILL SOUND FAMILIAR TO THE GENERAL FUND FORECAST AND THEN WE'LL MOVE INTO LONG-TERM FINANCIAL TRENDS. THIS IS OUR ONE TIME A YEAR WHERE WE LOOK AT WHERE WE'VE BEEN GOING OVER THE LAST 10 AND 20 YEARS AND WHERE WE'RE LIKELY TO GO. SO, REAL QUICKLY, PEOPLE LIKE TO KNOW HOW BIG OUR BUDGET IS. IT'S A LITTLE BIT MORE THAN \$2 BILLION, \$164 MILLION INCREASE FROM LAST YEAR. THE TOTAL SIZE OF OUR BUDGET IS ALWAYS A BIT DISTORTING AND MISLEADING. TWO GREAT EXAMPLES THIS YEAR ARE AN ADDITIONAL \$136 MILLION ASSOCIATED WITH THE FACT THAT WE'RE BUILDING A COURTHOUSE, THAT FUND HAS GONE UP QUITE DRAMATICALLY.

Mike Jaspin: WE PAID OFF OUR GENERAL OBLIGATIONS BOND, IT DROPPED 98%. THE COUNTY'S USING 36 FUNDS FOR THE UPCOMING FISCAL YEAR, WITH THE GENERAL FUND OVER \$600 MILLION. THE SMALLEST FUND IS THE SCHOOL FUND AT \$80, 000. WE'RE ADDING TWO NEW FUNDS FOR THIS YEAR, ONE IS THE ER REPLACEMENT FUND TO TRACK THE FUNDS AND THE OTHER IS WE'RE BREAKING THE SLEET FUND INTO TWO PARTS. ONE IS THE DAY-TO-DAY OPERATIONS OF THE FLEET AND ONE IS THE CAPITAL THAT WE SET ASIDE TO REPLACE CARS WHEN APPROPRIATE OR OTHER VEHICLES. OUR GENERAL FUND IS \$612 MILLION. 70% OF THAT COMES FROM TAXES, WITH THE LARGEST SOURCE BEING PROPERTY TAXES AT \$291 MILLION, FOLLOWED BY THE B.I.T. AT \$83 MILLION. THE MAJORITY OF THAT MONEY -- THE LARGEST PLACE WHERE THAT MONEY GOES IS INTO THE PUBLIC SAFETY SYSTEM. AS YOU CAN SEE WITH THE DISTRICT ATTORNEY, THE SHERIFF'S OFFICE AND COMMUNITY JUSTICE. THE HEALTH DEPARTMENT, FROM THE COUNTY PERSPECTIVE, HAS \$137 MILLION. THAT IS A LITTLE BIT MISLEADING BECAUSE \$45 MILLION OF THAT IS FQHS, ALTERNATIVE PAYMENT METHODOLOGY. IF YOU BACK THAT OUT, THEY HAVE ABOUT \$91 MILLION OF GENERAL FUND. EVEN THAT CAN BE -- MISREPRESENT WHAT THE FUNDS ARE FOR.

THE HEALTH DEPARTMENT PROVIDES HEALTHCARE IN OUR JAILS, ABOUT \$18 MILLION. IF YOU FLIP THAT INTO THE PUBLIC SAFETY, IT WOULD BE ABOUT \$73 MILLION. THE. THE FY2018 BUDGET HAS 57 FTE. THAT'S A DECLINE OF 112 FTE AND I'LL WALK THROUGH THAT LATER. ONE THING YOU SHOULD BE AWARE OF IS THAT IF YOU WERE TO LOOK AT THE NUMBER OF FTE REJECTIONS FROM OUR FEBRUARY LEVELS, IT'S ABOUT 145 FTE LOWER THAT WE'LL HAVE AND THAT'S SIMPLY BECAUSE WE'VE ADDED FTE DURING THE CURRENT FISCAL YEAR. JUST WANT TO MAKE ONE MORE POINT ON THIS SLIDE. THE REDUCTION IN FTE THAT WE'LL BE MAKING IS ACTUALLY ABOUT THE SAME SIZE WE MADE DURING THE GREAT RECESSION IN TERMS OF SCOPE. SO, THIS TABLE SHOWS FTE BY DEPARTMENT. I HAVE NO IDEA WHY IT'S IN ORANGE. LET ME GIVE YOU SOME NUMBERS HERE. THE HEALTH DEPARTMENT IS REDUCING 108, ALMOST 109 FTE. THIS IS ASSOCIATED WITH THE PROVIDER TEAMS -- WITH ELIMINATING SEVEN PROVIDER TEAMS, THAT IS ABOUT 17 FTE. MOST OTHER DEPARTMENTS ARE RELATIVELY FLAT. IF THE NUMBERS WERE THERE, YOU

WOULD NOTICE THAT THE SHERIFF'S OFFICE IS CUTTING ABOUT THREE FTE AND WHAT YOU'LL SEE IN THE NEXT SLIDE IS BECAUSE WE ARE RAMPING -- CLOSING AND RAMPING DOWN THE TWO DORMS THIS YEAR, THE TAIL-END OF THAT CUT SHOWS UP IN NEXT YEAR'S BUDGET AND LIKEWISE, YOU'LL SEE A DECLINE IN DCHS FTE ASSIGNED WITH THE LEARNING CENTER. OUR RATIO OF EXEMPT IS RELATIVELY STABLE, BUT HAS INCREASED SLIGHTLY. THERE IS NO SINGLE DRIVING REASON BEHIND THIS WHEN WE LOOKED AT IT. I DO WANT TO HIGHLIGHT WHY THIS CAN BE A LITTLE BIT DISTORTING. A GOOD EXAMPLE IS LOOKING AT THE HEALTH DEPARTMENT, THEY ARE PROPOSING TO CUT ABOUT EIGHT FTE POTIONS WHO HAPPEN TO BE REPRESENTED. AT THE SAME TIME, THEY'RE ADDING ABOUT THREE AND A HALF DENTISTS WHO ARE NOT REPRESENTED. THAT WOULD CAUSE A SHIFT IN THE REPRESENTED VERSUS THE NON REPRESENTED. IT DOESN'T NECESSARILY MEAN WE'VE ADDED A LARGE NUMBER OF MANAGEMENT FOLKS OR NON-LINE STAFF FOLKS. AND IN SOME CASES, YOU'LL REMEMBER FROM LAST WEEK WHEN BECKY COB, THE LIBRARY MENTIONED BECKY COB IS RETIRING. IT WILL TAKE TWO PEOPLE TO REPLACE HER.

Commissioner Smith: HOW CAN WE HAVE DENTISTS THAT ARE REPRESENTED AND NON-REPRESENTED. WHAT'S THE DISTINCTION?

Mike Jaspin: THE PHYSICIANS ARE REPRESENTED. THEY HAVE THEIR OWN UNION. DENTISTS ARE NON-REPRESENTED JUST LIKE A MANAGER WOULD.

Commissioner Smith: SO ALL THE DENTISTS ARE NON-REPRESENTED?

Mike Jaspin: YES.

Commissioner Smith: OKAY, GREAT.

Mike Jaspin: SO, THIS TABLE SHOWS OUR FTE BY LABOR GROUP FROM COMPARING THE ADOPTED BUDGET FROM LAST YEAR TO THE CURRENT APPROVED AND YOU CAN SEE THE 112.5 FTE REDUCTION, YOU'LL SEE THAT IT IS MEDICAL-RELATED AND ARE SEEING REDUCTIONS THE CUTS IN THE HEALTH DEPARTMENT. THE -- I ALSO WANT TO POINT OUT THAT ASK ME LOCAL 88, WHICH REPRESENTS ABOUT 60% OF OUR WORKFORCE, IS SEEING ABOUT 83, OR SO, FTE REDUCED. A GOOD CHUNK OF THAT IS ALSO IN THE HEALTH DEPARTMENT. THE CORRECTIONS DEPUTIES, THERE'S ABOUT FOUR FTE. THAT IS ACTUALLY THE REDUCTION FROM LAST YEAR, CARRYING OVER INTO THIS YEAR. SO, SOME QUICK BUDGET HIGHLIGHTS. THE GENERAL FUND APPROVED BUDGET IS BALANCED OR THREE-YEAR TIME HORIZON WE'RE DEVOTED \$30 MILLION TO CAPITAL INFRASTRUCTURE. WE ARE ADDRESSING A NUMBER OF COMMUNITY NEEDS, WHICH WE'LL WALK THROUGH IN MORE DETAIL IN THE COMING WEEKS. AN ADDITIONAL \$3.2 MILLION FOR HOMELESS AND HOUSING NEEDS, ON TOP OF THE \$10 MILLION WE ADDED LAST YEAR. \$750,000 FOR THE LEAD PROGRAM AND \$600,000 TO ADD STAFF TO THE JAIL.

YOU CAN THROW IN NEARLY \$200,000 TO THE SHERIFF'S OFFICE TO PROVIDE ESCORTS. WE SET ASIDE \$2.7 MILLION TO RAMP DOWN STATE AND FEDERAL PROGRAMS. THOSE ARE ONE-TIME ONLY FUNDS. WE ARE ADDRESSING, BUT NOT SOLVING THE P.E.R.S. FUNDS ISSUE. WE SET ASIDE \$25 MILLION FOR ANOTHER SIDE ACCOUNT. WE'VE RELIED ON SOUND BUDGET PRACTICES. WE AREN'T ASSUMING SALARY SAVINGS OR FUNDING, ONGOING PROGRAMS WITH ONE-TIME ONLY MONEY. IT ALLOWS FOR EMPLOYEE AND STEP AND C.O.L.A. I DO WANT TO USE THIS OPPORTUNITY TO MENTION THAT WE WILL HAVE A NUMBER OF OPEN LABOR CONTRACTS GOING INTO NEXT YEAR, INCLUDING LOCAL 88 AND WE'VE BASICALLY ASSUMED CENTRALLY A STATUS QUO CONTRACT FOR THE C.O.L.A. INCREASES. IF SOME THING WAS DIFFERENT THAN THAT, IT WOULD HAVE A FINANCIAL IMPACT THAT'S NOT INCLUDED IN THE BUDGET.

Commissioner Smith: I LOOKED AT THE \$3.2 MILLION THAT WAS ADDED TO HOMELESS AND THE JOINT OFFICE HAD AN INCREASE OF \$9.5 MILLION.

Mike Jaspin: EXCLUDED FROM THE \$3.2 MILLION IS THE TAX TITLE AFFORDABLE HOUSING PROGRAM THAT USED TO LIVE IN DCM AND ONE-TIME ONLY MILLION. WHEN I SAID \$3.2 MILLION, I DID NOT INCLUDE THAT BECAUSE THOSE ARE NOT REALLY NEW FUNDS.

Commissioner Smith: THEY WERE ONE-TIME ONLY FUNDS?

Mike Jaspin: YEAH.

Commissioner Smith: THEY'RE MADE TO BE ONGOING FUNDS NOW?

Mike Jaspin: NO. YOU'LL REMEMBER THAT THE TAX TITLE AFFORDABLE HOUSING IS ESSENTIALLY WHEN THE COUNTY FORECLOSES ON A PROPERTY AFTER A NUMBER OF YEARS AND WE SELL IT. THOSE PROCEEDS OF SELLING THAT FORECLOSED PROPERTY TO PAY TAXES ARE PUT INTO A BUCKET THAT, BY STATE LAW, IS DEDICATED TO ADDRESSING HOUSING ISSUES FOR FAMILIES WITH KIDS IN REAL ROUGH TERMS AND WE HAD A RELATIVELY LARGE SALE A YEAR AGO AND WE JUST HAD A SALE -- I THINK IT WAS ABOUT FOUR OR FIVE WEEKS AGO. HOPEFULLY, THAT NUMBER WILL ACTUALLY DROP BECAUSE WE WILL NOT BE FORECLOSING ON PROPERTIES.

Commissioner Smith: OKAY.

Mike Jaspin: SO, I'M SURE I'VE VIOLATED SOME GOOD PRESENTATION ETIQUETTE WITH THE SLIDE OF PUTTING TOO MUCH ON IT. BUT THIS IS TRYING TO GET OUR WHOLE FINANCIAL PICTURE ON ONE SLIDE.

Chair Kafoury: PICTURES, PICTURES, WE NEED PICTURES. [LAUGHTER]

Mike Jaspin: SO, IF YOU REMEMBER BACK TO OUR MARCH FORECAST, OUR ONGOING REVENUES EXCEEDED EXPENDITURES. HOWEVER, WHEN YOU ACCOUNT FOR AN ADDITIONAL \$14.4 MILLION OF ONGOING FUNDS WE NEED TO COVER THE COURTHOUSE, HEALTH DEPARTMENT HEAD QUARTER AND THE ERP PROJECT, IT REDUCES IT TO \$12.4 MILLION FOR THE UPCOMING YEAR. WE'VE BEEN KIND OF TAKING THAT OFF THE TOP IN THE FORECAST AND I THINK ONE OF THE NEGATIVE THINGS OF DOING THAT IS WE DON'T GET CREDIT FOR WHAT WE'VE ACCOMPLISHED AND THAT IS ACTUALLY CARVING OUT THE FUNDS TO PAY FOR THAT ON AN ONGOING BASIS. OUR SURPLUS BECOMES ALMOST A \$16 MILLION DEFICIT IN ABOUT FIVE YEARS, THAT'S 3%. SO IT'S REAL, BUT 3% OVER FIVE YEARS IS NOT -- NOT SOMETHING THAT WE CAN'T DEAL WITH IF WE WORK AT IT. THAT DEFICIT IS DRIVEN BY SLOWING REVENUE GROWTH AND INCREASED COST GROWTH AND WE'LL WALK THROUGH THAT MORE IN A MINUTE.

Mike Jaspin: IT'LL BE THE SAME STORY YOU HAVE HEARD BEFORE. WE DON'T HAVE THE ABILITY TO ADD ONGOING PROGRAMS WITH REVENUES, ALLOCATIONS, EXISTING FUNDS OR FINDING EFFICIENCY GAINS. WHAT YOU'LL SEE IN THE APPROVED BUDGET IS WE TREATED \$12.4 MILLION AS ONE-TIME ONLY RATHER THAN PROGRAM. THAT WOULD BE BALANCED OVER THREE YEARS. WE ASKED DEPARTMENTS TO PROPOSE 2% REDUCTIONS. SO FOR EXAMPLE, THE SHERIFF'S OFFICE PROPOSED REDUCING THE SIZE OF CLOSED STREET SUPERVISION OR THE TURN THE SELF PROGRAM IN, THOSE CUTS WERE NOT ACCEPTED. AT THE END OF THE DAY, WE ACCEPTED \$6.1 MILLION OF REDUCTIONS. AND THOSE FUNDS WERE REALLOCATED TO PAY FOR ONGOING PROGRAMS OR EXPANSIONS. AND WE'LL WALK THROUGH THAT IN A BIT MORE LATER. WE PUT ALMOST \$30 MILLION TO BE ALLOCATED TOWARD CAPITAL PROJECTS. FROM THE FORECAST, WE NEED TO DEDICATE 50% OF OUR ONE-TIME ONLY TO FACILITY CAPITAL PROJECTS AND WE WENT OVER THAT BY \$10 MILLION. THERE IS \$8.8 MILLION OF ONE-TIME ONLY FUNDS THAT WE USED FOR ONE-TIME ONLY-TYPE PROJECTS.

WE PROVIDED AN ADDITIONAL \$100,000 FOR THE SERVICE PLAN. AND, PROVIDING AN ADDITIONAL \$300,000-\$350,000 FOR AN ADDITIONAL BALLOTS ORDER FOR ELECTIONS SO THAT WE DON'T ONLY HAVE ONE. I WANT TO WALK THROUGH WHERE THE ONE-TIME ONLY FUNDS CAME FROM. WE HAD \$46.6 MILLION AFTER FUNDING OUR RESERVES. ABOUT \$20 MILLION OF THIS CAME FROM DEPARTMENTAL UNDERSPENDING IN FISCAL YEAR 2016. ALONG WITH SOME HIGHER REVENUES. AS YOU MAY "OREGON PROJECT INDEPENDENCE" OR MAY NOT REMEMBER, WE ASSUME DEPARTMENTS WILL FULLY-SPEND THEIR MONEY. WE HAVE AN EXTRA \$8.3 MILLION FROM HIGHER REVENUES IN THE CURRENT FISCAL YEAR. AND AS I PREVIOUSLY MENTIONED, WE HAVE \$12.4 MILLION AS ONGOING FUNDS. THERE'S ALSO \$7.9 MILLION OF FUNDS THAT ARE BEING CARRIED OVER OR ARE UNSPENT FROM THE CURRENT YEAR. A REALLY GOOD EXAMPLE IS THE BOARD PROVIDED \$1.8 MILLION FOR THE NORTH PORTLAND DENTAL CLINIC. THAT WON'T BE COMPLETED THIS



YEAR, SO WE'RE CARRYING THE FUNDS OVER INTO NEXT YEAR. I DID WANT TO REMIND YOU THAT WE'LL BE BACK ON MAY 16 TO UPDATE OUR GENERAL FUND FORECAST. FROM A FORECASTING PERSPECTIVE, WE HOPE WE WON'T HAVE ANY NEW MONEY BECAUSE WE GOT THE FORECAST JUST RIGHT.

Commissioner Smith: I HAVE A QUICK QUESTION, THE \$12.4 MILLION, I DID THOUGHT AT COME FROM?

Mike Jaspin: THAT IS TREATING OUR SURPLUS AS ONE-TIME ONLY MONEY.

Commissioner Smith: CAN YOU IDENTIFY THAT AS SURPLUS? IT'S NOT CLEAR WHERE IT CAME FROM. THE OTHER TWO GIVE AN EXAMPLE. THIS \$12.4, WE NEED TO IDENTIFY IT AS SURPLUS.

Mike Jaspin: I DID NOTE IT IN THE PREVIOUS SLIDE, BUT I CAN ADD --

Commissioner Smith: I'M NOT SURE YOU'RE TALKING ABOUT THE SAME \$12.4 MILLION SO WE CAN BE CONSISTENT AND WHEN WE GO BACK AND LOOK AT IT, WE CAN SEE WHERE THE MONEY IS.

Mike Jaspin: USE OF ONE-TIME ONLY FUNDS, ABOUT \$30 MILLION FOR CAPITAL INFRASTRUCTURE. THAT BREAKS OUT TO \$18 MILLION FOR THE NEW DOWNTOWN COURTHOUSE. \$7 MILLION FOR THE HEALTH DEPARTMENT QUARTERS AND \$4.2 MILLION FOR UPGRADING THERE ELECTRONICS AT THE MULTNOMAH COUNTY JUSTICE CENTER. I DO WANT TO MAKE A COUPLE QUICK NOTES, SETTING ASIDE \$25 MILLION FOR THE TWO FACILITY PROJECTS WILL SAVE US ROUGHLY \$1.5 MILLION OF ONGOING FUNDS FOR THE NEXT 30 YEARS. COLLECTIVELY, WE'VE SET ASIDE \$66 MILLION OF ONE-TIME ONLY MONEY FOR THE COURTHOUSE THAT WE DON'T HAVE TO -- TO BORROW AND DEPENDING ON WHAT INTEREST RATES WE END UP ISSUING THE BOND FOR, THAT ESSENTIALLY WILL SAVE US ALMOST \$118 MILLION. WE HAVE BE SETTING ASIDE ONE-TIME ONLY MONEY FOR THESE CAPITAL PROJECTS FOR THE LAST THREE YEARS AND THEY'LL BE FULLY-FINANCED AT THIS POINT. WE WON'T NEED TO DO THAT NEXT YEAR SO WE CAN MOVE ON TO THE NEXT PROJECT, LET'S SAY.

SO, THAT'S ACTUALLY A GOOD PLACE TO BE. THERE ARE A NUMBER OF OTHER SIGNIFICANT USES FOR ONE-TIME ONLY MONEY. A COUPLE OF EXAMPLES, WE HAVEN'T TALKED ABOUT, THERE'S \$326,000 FOR THE ADULT COMMUNITY HEALING INITIATIVE. IT IS TARGETED AT AFRICAN MALES, AGE 17 TO 25. WE SET ASIDE ABOUT \$700,000 OF ONE-TIME ONLY RELATED TO WHAT I WOULD CALL CAPITAL AND ASSET PLANNING. AN EXAMPLE IS WE ADDED \$400,000 FOR THE ROAD TRANSPORTATION CAPITAL IMPROVEMENT PLAN. THERE'S \$100,000 SET ASIDE FOR SEISMIC STUDIES ON THIS BUILDING AND OUR PARKING GARAGE AND \$100,000 FOR THE ADVANCE EON SITE ASSESSMENT. WE'VE SET ASIDE \$62 36,000 IN DCM TO HIRE LIMITED DURATION APPRAISERS

WHICH WILL, A, HELP THEM GET NEW PEOPLE IN THE DOOR SO THAT WE HAVE APPRAISERS. BUT ALSO TO MAKE SURE THAT WE'RE ACCURATELY CAPTURING THE VALUE OF ALL THE NEW CONSTRUCTION GOING FORWARD, WHICH SHOULD BRING US MORE REVENUES. AND WE'VE INCLUDED \$330,000 TO RAMP DOWN THE LAUNDER LEARNING CENTER. I THINK IT'S WORTH NOTICE THAT THE VAST MAJORITY OF THE PROGRAM ARE ACTUALLY MAINTAINED FROM THE CURRENT FISCAL YEAR. MAKING SURE THE 98% TO 99% WE'RE GOING TO DO. NEXT YEAR IS WORKING WELL, IT'S ALSO NOT WORTH LOSING TRACK OF. THERE A NUMBER OF REDUCTIONS AND REALLOCATIONS.

THE LARGEST ONE IS IN THE HEALTH DEPARTMENT, CUTTING SEVEN PROVIDER TEAMS. WHEN YOU LOOK THROUGH THE BUDGET, WE'VE CUT ROUGHLY \$3 MILLION IN ADMINISTRATIVE AND BACK-OFF REDUCTIONS ACROSS ALL DEPARTMENTS, WHICH WAS ACTUALLY A LITTLE BIT LARGER THAN I REALIZE WE HAD DONE UNTIL WE ADDED UP THE NUMBERS. A GOOD CHUNK OF THOSE ARE IN THE HEALTH DEPARTMENT AND ONE OF THE THINGS WE ALWAYS WORRY ABOUT IS CUTTING WHERE WE NEED TO, BUT NOT CUTTING TOO DEEP IN OTHER PLACES. THE WARRANT STRIKE TEAM AND THE SHERIFF'S OFFICE IS CUT, SAVING \$752,000 OF ON-GOING FUNDING. WE ARE RAMPING DOWN THE LAUNDER LEARNING CENTER. WE ARE USING \$330,000. THE COCOON PROGRAM IN THE HEALTH DEPARTMENT IS CUT AS WELL. WE CUT 112 FTE, ABOUT 2% OF OUR FTE. THESE ARE SPELLED OUT IN FAR MORE GORY DETAIL IN THE BUDGET DIRECTOR'S MESSAGE. JUST FOR LOGISTICS, THEY LIVE IN NON-D. IT'S OUR SECOND YEAR AND WE'VE HAD TIME TO BREAK IT OUT AND SHOW IT MORE THOROUGHLY WITHIN NON-D. A QUICK NOTE ON OUR GENERAL FUND RESERVES, THEY ARE FULLY-FUNDED AND THAT'S 10% OF OUR CORPORATE REVENUES AT ALMOST \$42 MILLION AND WE HAVE A 10% B.I.T. RESERVE ON TOP OF THAT AT \$8.3 MILLION.

CONTINGENCY IS \$12.3 MILLION. THAT IS THE \$1.2 MILLION WE PUT ASIDE. WE PUT THE B.I.T.S IN THERE AND THE \$2.7 MILLION FOR THE FED/STATE RAMP DOWN LIVES WITHIN THE GENERAL FUND CONTINGENCY. I'D LIKE TO JUMP THROUGH AND LOOK AT SOME OF OUR LONG-TERM TRENDS. THIS CHART SHOWS THE -- WHERE WE SPEND OUR MONEY, NOT BY DEPARTMENT, BUT BY TYPE OF CATEGORY. BLUE IS SERVICES. IT WILL INCREASE FROM \$601 MILLION TO NEARLY \$609 MILLION. THE ORANGE LINE IS OUR CAPITAL SPENDING, WHICH HAS INCREASED TO \$444 MILLION, THE LARGE CAPITAL PROJECTS DRIVE THAT. PERSONAL COSTS ARE OUR LARGEST COSTS SO I WANT TO DIVE INTO THAT. THE GREEN LINE SHOWS OUR FTE COUNTS, WHICH YOU SAW EARLIER. WE'VE OVERLAID THE BLUE LINE, WHICH IS OUR PERSONNEL COST SPENDING. IT USED TO BE IN THE MIDDLE OF THIS CHART, THE POINT WE WERE TRYING TO MAKE IS WE WERE SPENDING MORE ON PERSONNEL, BUT NOT GETTING MORE FTE. STARTING IN 14 AND 15, WE WERE ABLE TO ADD A FAIR NUMBER OF FTE. IN THE UPCOMING YEAR, WE WILL SPEND \$8 MILLION MORE ON PERSONNEL BUT END UP WITH 112 FEWER FTE.

AND SO I WANT TO DIVE INTO THAT A BIT MORE. SO, THIS IS DRIVEN LARGELY BY THE BENEFITS AND INSURANCE COSTS. SO, THIS IS THE AVERAGE BENEFITS AND INSURANCE COST PER FTE GOING BACK TO 2012 AND ALSO FORECASTING GOING FORWARD. THIS INCLUDES NOT ONLY P.E.R.S. AND OUR HEALTHCARE, BUT FICA AND OUR RETIREE MEDICAL AND DENTAL AND A FEW OTHER ITEMS. YOU CAN SEE IN 14 AND 15, IT FLATTENED OUT A LITTLE BIT, BUT HAS STARTED TO GROW AGAIN AND WE'LL WALK THROUGH WHY, A BIT MORE. OVERALL, IT'S ABOUT \$47,000 --

Chair Kafoury: YOU'RE GOING TO TALK ABOUT THE FLATTENING?

Mike Jaspin: YEAH. SO, ANOTHER WAY TO LOOK AT THIS RATHER THAN THE ABSOLUTE DOLLAR AMOUNT IS TO LOOK AT IT AS PERCENTAGE OF PAYROLL. AND SO YOU CAN SEE IN 2002, WE WERE AT 46% OF PAYROLL. AND IN THE UPCOMING FISCAL YEAR, WE'RE TO 56% AND WE'LL BE CLOSE TO 72%, WHICH IS DRIVEN LARGELY WITH P.E.R.S. WITH SOME AMOUNT BY HEALTHCARE. ALL TOLD, THAT'S A 22 PERCENTAGE POINT INCREASE. TO GIVE YOU SOME SENSE OF HOW MUCH THAT IS, IN TERMS OF DOLLAR TERMS, IF WE COULD GO BACK TO 2002, WE WOULD HAVE AN ADDITIONAL \$76 MILLION ACROSS ALL FUNDS OR \$38 MILLION MORE IN THE GENERAL FUND IF THE RATIOS WERE BACK WHERE THEY WERE IN 2002. SO, THE DRIVERS OF THIS WILL NOT BE A SURPRISE TO ANYBODY. THE BIGGEST DRIVER IS OUR P.E.R.S. RATES, WHICH, IN 2000, WAS ABOUT 17% OF PAYROLL AND THAT INCLUDED THE P.E.R.S. RATES THEMSELVES, THE 6% PICK-UP AND THE P.E.R.S. BOND. THOSE ARE STEADILY INCREASED OVER THE YEARS. YOU'LL NOTICE THAT IF YOU LOOK AT FROM 2012 TO 2016, THEY WERE RELATIVELY FLAT WITH A LITTLE BIT OF A SPIKE AND THAT'S ONE REASON WE WERE ACTUALLY ABLE TO ADD ADDITIONAL STAFF.

I ALSO WANT TO POINT OUT THAT THE BLUE LINES ARE THE CHAIR ONE. THE CHAIR TWO P.E.R.S. RATES, WHEREAS THE GREEN IS UNIFORM AND NON UNIFORM. YOU CAN SEE THE PROGRAM IS SIGNIFICANTLY LESS EXPENSIVE TO US. BUT IT IS STILL MORE EXPENSIVE -- IT IS STILL -- IT STILL IS INCREASING RELATIVE TO WHERE WE WERE IN 2002. JUST TO GIVE YOU SOME PERSPECTIVE, IF WE COULD FLIP EVERYBODY INTO THIS, WHICH ISN'T LOGISTICALLY POSSIBLE, IF THAT WERE TO HAPPEN, THE RATE DIFFERENCE WOULD GENERATE ABOUT \$24 MILLION ACROSS ALL OF OUR FUNDS AND \$12.2 MILLION IN THE GENERAL FUND. THE PLUS SIDE IS THAT IS WHAT WILL HAPPEN OVER TIME. AND, UNFORTUNATELY, THIS IS MORE OF A GENERATIONAL TIME FRAME WE'RE LOOKING AT SO THIS NEXT CHART SHOWS OUR CURRENT EMPLOYEES, AS OF JANUARY 1, BY TIER. YOU CAN SEE IN 2001, TIER 1 WAS OUR LARGEST AND NOW WE'RE UNDER 1,000 INDIVIDUALS. WHEREAS OPSERP HAS STEADILY GROWN AND IS LARGER THAN THE OTHER TWO TIERS COMBINED. I DO WANT TO MAKE A POINT THAT ONE OF THE THINGS WE STRUGGLE WITH IS THAT MOST OF OUR UNFUNDED LIABILITY IS ASSOCIATED WITH TIER 1. FOLKS THAT HAVE RETIRED OR WILL RETIRE. SO, THERE IS NOT

A LEGAL/EASY WAY TO REDUCE THE COST OF THOSE SO WE ARE ESSENTIALLY WAITING UNTIL ABOUT 2030, WHEN THOSE COSTS WILL START TO GO DOWN. TRYING TO REFORM THE SYSTEM ESSENTIALLY MEANS WEAKENING BENEFITS FOR THE TIER 3 GOING FORWARD WHICH, IN THE LONG-TERM, WILL CREATE A WEAKER PENSION SYSTEM, WHICH WILL PROBABLY END UP INTO RECRUITMENT ISSUES, WHICH WILL LOOK LIKE THE SYSTEM WAS IN THE 1970S, WHEN THEY STARTED CREATING THE PROBLEMS WITH THE HIGH INFLATION, THAT THEN CAME BACK TO BITE US 20 OR 30 YEARS LATER. SO, HEALTHCARE COSTS IS THE OTHER DRIVING FORCE IN OUR LABOR COST GROWTH, ASIDE FROM BASE WAGES. THESE LINES ARE REALLY SQUIGGLY, BUT WHAT THE TAKE-AWAY IS IF YOU LOOK AT 2002-2003, OUR YEAR OVER YEAR CHANGE IN HEALTHCARE COST WAS 12, 14, AS HIGH AS 16%. LET ME STEP BACK AND EXPLAIN THE BLUE LINE REPRESENTS, IF YOU TOOK OUR KAISER AND SELF-INSURED COST AND DIVIDED BY THE NUMBER OF FTE, THE YEAR OVER YEAR CHANGE IN THAT.

Mike Jaspin: FOR COMPARISON, THE GREEN LINE IS A SURVEY, THE KAISER FAMILY FOUNDATION DOES EVERY YEAR, AND ESSENTIALLY, IT'S WHAT IS THE CHANGE IN FAMILY COVERAGE, KIND OF NATIONWIDE AND YOU CAN SEE, WE FOLLOW THE PATTERN THAT OCCURS NATIONALLY. IN THE LAST COUPLE YEARS, WE'VE BEEN DOWN INTO THE NICE 2% TO 4% RANGE, WHICH IS CLOSER TO BE MANAGEABLE. AND, FOR ABOUT FOUR YEARS, WE WERE ABLE TO HOLD OUR INTERNAL RATES FLAT. BUT ALL GOOD THINGS MUST COME TO AN END AND SO GOING FORWARD, WE'RE PROJECTING, WE'LL BE GROWING 4% TO 6%, GOING FORWARD. SO, REAL QUICKLY, WHERE DO WE SPEND OUR GENERAL FUND BY AREA? PUBLIC SAFETY ACCOUNTS FOR 45% TO 46%, THAT PERCENTAGE HAS DRIFTED DOWN SLIGHTLY OVER THE LAST COUPLE OF YEARS. HEALTH AND HUMAN SERVICES HAS INCREASED SLIGHTLY TO 35% WHILE GENERAL GOVERNMENT HAS REMAINED RELATIVELY FLAT, BUT IS -- I GUESS -- TRENDING EVER SO GENTLY DOWN OVER TIME. SO, I WANTED TO WALK THROUGH HOW FAST IS OUR GENERAL FUND GROWING TO SUPPORT THESE SERVICES? OR, COVER THE COSTS.

SO, THE B.I.T. IS A ROLLER COASTER, IT WILL GO UP 40% AND FALL BY 36%. OVER THE TIME FRAME SHOWN IN THIS GRAPH GOING BACK TO 2002, IT'S ACTUALLY GROWN AT 6.2%, WHICH IS HEALTHY GROWTH, BUT IT HAPPENS TO BE -- WE'RE MEASURING FROM A TROUGH TO A PEAK, SO IT'S CLOSER TO 5%. BUT THIS IS ONE REASON WE CARRY THE EXTRA B.I.T. RESERVE TO ADDRESS THE VOLATILITY. THE MOTOR VEHICLE RENTAL TAX, ALSO EXHIBITS VOLATILITY, BUT NOT NEARLY AS MUCH. IT'S GROWN AT ABOUT 6% ON AN AVERAGE BASIS OVER THE SAME TIME PERIOD. I DO WANT TO POINT OUT, IN THIS GRAPH, WHAT'S BEEN AMAZING IS THE GROWTH IN THE MOTOR VEHICLE RENTAL TAX. IT HAS BEEN FAR MORE DRAMATIC THAN WE SAW COMING OUT OF THE 2000 RECESSION, BOTH IN LENGTH AND THE RATE OF GROWTH. YOU CAN SEE, WE HAD ABOUT FOUR -- ALMOST FIVE YEARS OF GROWTH. OUR PROPERTY TAXES ARE OUR LARGEST REVENUE SOURCE. THE PROPERTY TAX

SYSTEM IS RELATIVELY STABLE. IT DOESN'T GROW VERY QUICKLY. OVER THIS TIME PERIOD, IT'S GROWN AT 3.4%. IF YOU REMEMBER OUR PERSONNEL COST GRAPHS AND THEY WERE GROWING FASTER THAN 4% OR 5%, WHICH EXPLAINS WHY WE HAVE A HARD TIME COVERING THESE COSTS. IF YOU LOOK AT WHAT THE PROPERTY TAXES HAVE DONE OVER THE LAST COUPLE OF YEARS, WE'VE GOTTEN A HIGHER GROWTH RATE DURING THE HOUSING BUBBLE. COMPRESSION HAS DROPPED SIGNIFICANTLY AFTER WE FORMED THE LIBRARY DISTRICT, WHICH HAPPENED IN 2014. ALL TOLD, OUR REVENUES GROW AT ABOUT THIS RATE.

Mike Jaspin: THAT'S ABOUT 3.9%. OR, THAT'S WHAT IT LOOKS LIKE. SO, YOU THROW BOTH OUR REVENUE AND EXPENDITURE GROWTH ON TO A SINGLE GRAPH AND YOU GET SOMETHING THAT LOOKS LIKE THIS. THE DARK BLUE LINE IS OUR REVENUE GROWTH. WHEREAS THE LIGHT BLUE LINE IS OUR EXPENDITURE GROWTH. AND SO YOU CAN SEE IN THE OUT YEARS OUR EXPENDITURES ARE GROWING FASTER THAN OUR REVENUES. ONE REASON WE'VE BEEN DOING -- WE HAVE DONE RELATIVELY WELL OVER THE LAST COUPLE OF YEARS IS OUR REVENUES HAVE GROWN FASTER AND WE'VE HAD LOWER INFLATION AND OUR HEALTHCARE COSTS WERE RATHER MODERATE IN THEIR GROWTH. WE HAD BELOW AVERAGE GROWTH IN OUR PERSONNEL COST. ONE OF THE REASONS WE'VE BEEN ABLE TO CARVE OUT FUNDS FOR THE COURTHOUSE AND SET ASIDE ONE-TIME MONEY IS RATHER THAN TAKING THE SPIKE IN REVENUE AND STARTING NEW PROGRAMS, WHICH WE'D BE CUTTING NOW, WE TRIED TO STRIKE THAT BALANCE BETWEEN GROWING WISELY AND USING ONE-TIME FUNDS TO HELP REDUCE OUR COSTS GOING FORWARD.

Commissioner Vega Pederson: SO, MIKE, DOES THIS -- LOOKING OUT INTO THE FUTURE, FY2021-22, IS THERE ANY ASSUMPTION OF A RECESSION? OR A SLOWING OF THE ECONOMY WITH THE REVENUE FORECAST?

Mike Jaspin: YES. AND SO IF WE WENT BACK AND LOOKED AT THE B.I.T., WE HAVE ASSUMED THE B.I.T. PLATEAUS FOR NEXT YEAR AND IS FLAT ON A YEAR OVER YEAR BASIS. IF YOU THINK BACK TO THE WAY WE WERE PROJECTING THE B.I.T. IS TO DRAFT BACK TO THE LONG-TERM TREND. IF THERE'S A RECESSION, WE AREN'T CONSERVATIVE ENOUGH. IF THERE IS NO RECESSION, WE'RE BEING OVERLY CONSERVATIVE. BECAUSE THE PROPERTY TAX IS SO STABLE, WE WOULDN'T EXPECT IT TO COME BACK.

Commissioner Vega Pederson: THANK YOU.

Mike Jaspin: SO, IN A QUICK SUMMARY -- AND TO FINISH FIVE MINUTES EARLY OUR APPROVED BUDGET IS BALANCED OVER THREE YEARS, WE'VE USED ONE-TIME ONLY FUNDS FOR ONE-TIME ONLY PURPOSES, FOR THE MOST PART. WE ARE ADDRESSING OUR CAPITAL NEEDS, WHICH REDUCING FUTURE DEBT REQUIREMENTS AND OPERATING COST. IN THE DETENTION

ELECTRONICS PROJECT YOU SAW, IT WILL ALSO MEAN THAT ALL OF OUR DETENTION FACILITIES ARE USING THE SAME TYPE OF ELECTRONICS. WE ARE PLANNING FOR OUR P.E.R.S. LIABILITY. THIS BUDGET SETS ASIDE \$25 MILLION FOR A SIDE ACCOUNT. AND, THE ONE THING TO NOTE THAT SINCE WE ALREADY MADE THE FIRST \$25 MILLION TO DEPOSIT INTO THE SIDE ACCOUNT, RATHER THAN EARNING A LITTLE BIT MORE THAN.5%, IT HAS BEEN EARNING THE RATE THAN P.E.R.S. HAS BEEN DOING, WHICH IS FAR BETTER THAN THE.5%. WE ARE WELL-POSITIONED FOR STATE AND FEDERAL UNCERTAINTIES. WE CAN NEVER BUFFER OURSELVES BUT I DON'T THINK WE CAN PUT OURSELVES IN A BETTER POSITION WITHOUT BEING OVERLY CONSERVATIVE. MOST OF THIS IS DUE TO DIFFICULT, BUT SOUND CHOICES WE'VE MADE OVER THE LAST SEVERAL YEARS, WHILE BALANCING COMPETING NEEDS, HAVE CONTRIBUTED TO WHERE WE ARE TODAY. WITH THAT, UNLESS YOU HAVE QUESTIONS, I WILL LET THE CITIZEN -- THE COMMUNITY -- THE CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE.

Chair Kafoury: QUESTIONS OR COMMENTS FOR MIKE?

Commissioner Stegmann: MIKE, IS THERE ANY TYPE OF LAW OR -- I KNOW AT THE CITY LEVEL, WE COUNTED FULL-TIME EMPLOYEES PER CAPITA. IS THERE ANY, LIKE, MAXIMUM OR MINIMUM NUMBER OF EMPLOYEES THAT WE USE AS A GUIDELINE?

Mike Jaspin: THERE IS NO MAXIMUM OR MINIMUM. BUT DOING A CHART LIKE THAT IS ACTUALLY HARDER TO LIST BECAUSE I WOULD ACTUALLY LIKE TO SEE IT. THE ONE THING AT THE COUNTY, WHEN WE DO A GRAPH LIKE THAT, BECAUSE WE DO SO MANY SERVICES FOR OTHER GOVERNMENTS, SOMETIMES OUR COUNTS MAY GO UP OR DOWN THAT AREN'T REALLY REPRESENTATIVE OF WHAT WE'RE DOING LOCALLY.

Chair Kafoury: OTHER QUESTIONS OR COMMENTS?

Commissioner Smith: QUESTION, MIKE. IF I HAVE QUESTIONS ABOUT ANY OF THE DART PROGRAM OFFERS, WHO WOULD I ASK THAT QUESTION? I'M NOTICING SOMETHING THAT I WANTED TO FIND OUT ABOUT. IS THAT YOU OR DO I WAIT UNTIL THIS AFTERNOON?

Mike Jaspin: YOU DON'T HAVE TO WAIT UNTIL THIS AFTERNOON. DCM IS GOING TO DO THEIR PRESENTATION IN ABOUT A HALF-HOUR.

Chair Kafoury: BEFORE YOU LEAVE, I UNDERSTAND A LITTLE BIRD TOLD ME THAT TODAY IS YOUR BIRTHDAY. SO, HAPPY BIRTHDAY. [LAUGHTER] [APPLAUSE] [APPLAUSE] THE BEST BIRTHDAY, EVER. YOU GET TO COME BEFORE US AND TALK ABOUT THE BUDGET. MIKE JASPIN'S DREAM BIRTHDAY. BUDGET. [LAUGHTER] ALL RIGHT. COME ON DOWN.

**BWS-1b      CIC/Central Citizen Budget Advisory Committee. Presenter: Jean Trygstadt, Chair of Central CBAC**

Jean Trygstadt: GOOD MORNING, MADAM CHAIR AND COMMISSIONERS AND STAFF AND FELLOW VOLUNTEERS. MY NAME IS JEAN TRYGSTADT AND I'M SERVING AS THE CHAIR OF THE CENTRAL ARE CBAC. SO, LET ME BEGIN BY INTRODUCING TWO OF OUR CBAC, MARY AND DICK AND JIM. THANK YOU FOR COMING.

Chair Kafoury: THEY'RE ALL SPREAD OUT.

Jean Trygstadt: YES.

Chair Kafoury: WELCOME.

Jean Trygstadt: SO, I ALSO SERVE ON THE COMMUNITY INVOLVEMENT COMMITTEE AND JUST A COUPLE WORDS ABOUT THAT COMMITTEE, BECAUSE WE'RE CONNECTED. WE HAVE HAD A YEAR OF MAJOR GROWTH SOME POSITIVE CHANGE. WE'VE RECRUITED NEW MEMBERS, WHO ARE ENTHUSIASTICALLY ENGAGED IN CARRYING FORWARD THE MISSION OF THE CIC AND DEEPENED OUR PARTNERSHIP WITH THE COMMISSIONERS AND THE COUNTY STAFF. OUR CURRENT FOCUS IS IN THE AREA AROUND RECRUITMENT OF AN EXECUTIVE DIRECTOR AND WE'RE VERY CLOSE TO CHOOSING THAT INDIVIDUAL AND EXPECT AN ANNOUNCEMENT SOON. OKAY. SO, LET'S GO TO SLIDE THREE, MAYBE? SO, WE STARTED MEETING IN MID-FEBRUARY AND AT THAT FIRST MEETING, WE ESTABLISHED TWO CORNERSTONE VALUES. THE FIRST OF WHICH IS THAT WE HOLD IN ESTEEM THOSE PROGRAMS THAT IMPROVE THE PHYSICAL, EMOTIONAL, PSYCHOLOGICAL AND SOCIAL WELL-BEING OF THE PEOPLE THE COUNTY SERVES. AND SECONDLY, WE ARE SEEKING TO GAIN A BETTER UNDERSTANDING OF HOW THE COUNTY PROGRAMS IMPROVE THE WELL-BEING OF THOSE THAT ARE SERVED. SO, LEAPING FROM THE VALUES TO GOALS, WE SET A FEW GOALS OUT FOR OURSELVES IN 2018.

AND THE FIRST IS THAT WE SUPPORT UPGRADING DATABASES TO IMPROVE THE COUNTY'S ABILITY TO ASSESS THE PROGRAMS ON RESIDENTS WELL-BEING AND WE'RE LOOKING FORWARD TO RECEIVING KEY PERFORMANCE MEASURES FOR OUR DEPARTMENT DEPARTMENTS IN 2018. AND, WE THANK CHAIR KAFOURY FOR HER SUPPORT OF THAT GOAL. AND THE NEXT, WE'D LIKE TO EXPAND OUR PERSPECTIVE FROM THAT OF THE DEPARTMENT AND PROGRAMS THAT WE SERVE TO THAT OF THE COMMUNITY AND THE INDIVIDUALS SERVED. AND WE THINK THAT THIS SHIFT MAY TAKE THE FORM OF EVALUATING SERVICES AND RESOURCES THROUGH A VARIETY OF DIFFERENT EQUITY DIMENSIONS, AND WILL ALLOW US TO TRAVERSE ACROSS DEPARTMENTS, AS WE THINK ABOUT THOSE COMMUNITIES AND THOSE INDIVIDUALS. WE WILL CONTINUE TO ACTIVELY PARTNER WITH THE

COMMISSIONERS AND COUNTY STAFF TO OFFER OUR PERSPECTIVES, ESPECIALLY IN THE INSTANCE WHERE THE FORECAST FUNDING AND THE ACTUAL FUNDING DO NOT MATCH. AND, WE KNOW THAT THERE ARE -- THAT THE STATE'S SHORTFALL EXISTS AND THAT THE -- THE PRESIDENT'S BUDGET COULD PRODUCE SOME REDUCTIONS IN FUNDING. WE SUPPORT BOOSTING THE LEVELS OF COLLABORATION BETWEEN GOVERNMENT ENTITIES, NON-PROFITS, BUSINESSES AND INDIVIDUALS IN ORDER TO CONTINUE THE PROGRESS OF IMPROVING THE HEALTH AND WELL-BEING OF OUR COMMUNITY.

Jean Trygstad: WE APPLAUD THE SIGNIFICANT ACCOMPLISHMENTS THAT HAVE BEEN MADE IN THIS EFFORT, AS EVIDENCED BY A HOME FOR EVERYONE, HOUSING FOR VETERANS, LOTS OF POSITIVE BENEFITS HAVE ALREADY ACCRUED FROM YOUR COLLABORATIVE EFFORTS. OKAY. SO, THEN WE LOOKED AT -- YOU KNOW -- HOW DO WE APPLY OUR VALUES TO MAKING DECISIONS ON THE PROGRAM OFFERS THAT WERE IN FRONT OF US? AND SO, WE THINK ABOUT THE LENS OF HEALTHY COMMUNITIES AND BY THAT, WE'RE LOOKING AT MEETING BASIC NEEDS AND WE FEEL IF WE CAN MEET THOSE BASIC NEEDS, THEN PEOPLE CAN REALIZE THEIR POTENTIAL. SO, WE CHOSE -- WHILE THERE ARE MANY, WE CHOSE FIVE, MENTAL HEALTH, RACIAL EQUITY, HOMELESSNESS, HOUSING AND PUBLIC SAFETY. SO WE THEN THOSE FIVE ATTRIBUTES OF WELL-BEING OR BASIC NEEDS, MEETING BASIC NEEDS, AND WE APPLIED THOSE TO THE PROGRAMS THAT WERE IN FRONT OF US. SO, WE STARTED, IN FEBRUARY. I THINK WE HAD 61 OUT OF TARGET OFFERS AND THEN WHEN WE MET FOR THE LAST TIME, WHICH WAS THE END OF MARCH, WE HAD ABOUT 30. AND THEN WE TOOK THOSE 30 AND WE SPENT A FEW HOURS LOOKING AT OUR VALUES AND HOW -- AND THESE FIVE ATTRIBUTES. AND WE REDUCED THE 30 TO 10. NOW SINCE THAT TIME, SOME OF THE 10 HAVE BEEN INCLUDED IN THE CHAIR'S PROPOSED BUDGET.

SO, GIVEN THAT, YOU WON'T SEE -- LET'S GO A COUPLE SLIDES. YOU WON'T SEE OFFERS FOR HEALTH, DCJ, NON DEPARTMENT AND JOINT OFFICE OF HOMELESS SERVICES BECAUSE THEY'RE ALREADY INCLUDED. AND WE CONSIDERED, WHEN WE PICKED THE 10, THAT THEY WERE ALL EQUIVALENT. ONE WASN'T, YOU KNOW, HIGHER THAN ANOTHER. SO, THE PROGRAMS THAT WE FELT MET THOSE NEEDS AND MET -- FULFILLED THE VALUES, WE SEE IN FRONT -- OKAY. THIS SLIDE HAS THE DEPARTMENT OF COMMUNITY SERVICES AND I SHOULD SAY THAT THESE ARE INCLUDED IN THE CHAIR'S BUDGET. THE ONLY DIFFERENCE IS IN THE AMOUNT FOR THE ROAD CAPITAL IMPROVEMENT PLAN, WHICH, WHEN WE REVIEWED IT, WAS \$600,000. I THINK IT'S \$400,000 NOW IN THE BUDGET. SO, THANK YOU FOR INCLUDING THOSE. AND THEN THE SHERIFF'S OFFICE, WHAT YOU SEE HERE IS ABOUT \$900,000 \$900,000 IN EXPENSES THAT ARE NOT INCLUDED. I DON'T KNOW WHAT HAPPENED TO THE MICROPHONE. NOT INCLUDED IN THE CHAIR'S PROPOSED BUDGET. AND THE FIRST ONE IS MENTAL HEALTH AND THIS IS THE TRIAGE OF INDIVIDUALS INTO MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES OF CARE. SO, THIS IS



BUILDING ON, I THINK, OTHER PROGRAMS, INNOVATIVE PROGRAMS, THAT WERE PUT IN PLACE IN PREVIOUS YEARS. SO, AGAIN, THIS IS ONE THAT WE'RE VERY INTERESTED IN CONTINUING TO IMPROVE THE MENTAL HEALTH AND RECOVERY FROM SUBSTANCE ABUSE. AND THEN THE NEXT ONE IS THE SAFETY NET FROM HOMELESS OUTREACH AND THIS, I UNDERSTAND, IS TO TRAIN DEPUTIES TO -- WHEN THEY ENCOUNTER HOMELESS INDIVIDUALS, TO OFFER THEM THE OPPORTUNITY TO CONNECT WITH COMMUNITY SERVICES. SO, CLEARLY, THIS IS A BENEFICIAL PROTECTIVE SERVICE THAT WILL HOPEFULLY HELP HOMELESS PEOPLE RECEIVE THE TYPES OF SERVICES THAT ARE AVAILABLE TO THEM.

Jean Trygstad: AND THEN, THE DISTRICT'S ATTORNEY'S OFFICE -- THIS OFFER FOR \$195,000 IS DESIGNED TO -- AS WE UNDERSTAND IT -- EVALUATE THE EFFECTIVENESS OF PROGRAMS AND TO UNDERSTAND-BETTER WHAT'S HAPPENING IN THE COMMUNITY AND MAYBE ALLOW US TO PUT IN SOME PREVENTATIVE MEASURES AND TO IMPROVE UPON THE PROGRESS THAT'S ALREADY BEEN MADE AROUND STRUCTURAL, RACIAL INEQUALITY. SO, AGAIN, WE SUPPORT THIS AND HOPE THAT THERE CAN BE MORE CONVERSATION AROUND THAT. OKAY, COUNTY HUMAN SERVICES. LET'S SEE. I THINK THAT THESE ARE -- OKAY. THE FIRST ONE HAS BEEN INCLUDED. IN THE CHAIR'S BUDGET. THE SECOND ONE, THE BENNETT STAR SOCIAL SERVICES FOR THE CULLY AND NORTHEAST PORTLAND, THIS IS NOT IN THE PROPOSED BUDGET AND THIS, I THINK, CAME OUT OF THE RECENT CONCERNS IN THE IMMIGRANT COMMUNITY -- IMMIGRANTS, REFUGEES AND UNDOCUMENTED INDIVIDUALS, ABOUT SEEKING SERVE AND IT'S A FEAR OF BEING DEPORTED IS HINDERING PEOPLE FROM SEEKING SERVICES. SO, THIS IS FOR A COMMUNITY ENGAGEMENT SPECIALIST TO AMELIORATE THOSE CONCERNS OF THOSE INDIVIDUALS IN OUR COMMUNITY.

OKAY. SO, HOUSING, STABILIZING AND THE MSI ARE INCLUDED. I THINK THE MSI HAS A DIFFERENT BUDGET NUMBER NOW, IT'S \$200,000. JUST TO SPEAK TO THIS PROGRAM, I THINK THAT, IT MEETS BASIC NEEDS THAT ARE INSTRUMENTAL TO BREAKING THAT CYCLE OF POVERTY. SO OFTEN, PEOPLE IN POVERTY DO NOT HAVE INFORMATION OR ACCESS TO IMPORTANT ASPECTS THAT WILL IMPROVE THEIR WELL-BEING AND PARTICULARLY IN THE HEALTHY BIRTH INITIATIVE, I KNOW FROM PURSE PERSONAL EXPERIENCE, THAT THE LACK OF A BASIC NEED LIKE TRANSPORTATION CAN AFFECT THE OUT PP OUTCOME OF MATERNAL AND FETAL HEALTH. WE APPLAUD THIS PROGRAM TRYING TO CONNECT MORE DOTS TO PROVIDE SERVICES TO OUR CITIZENS. SO, THIS IS JUST A SUMMARY. WE HAD THE 10 PROGRAM OFFERS REPRESENT HUMAN SERVICES, COMMUNITY SERVICES, THE SHERIFF AND THE DISTRICT ATTORNEY AND YOU CAN SEE HOW THEY'RE PROPORTIONED. WE CAN GO TO THE NEXT ONE THAT HAS A PIE CHART, IN TERMS OF DOLLARS AND PERCENTAGES. AND SO, WE CAN GO TO THE NEXT SLIDE. SO, IN CONCLUSION, WE SALUTE THE PROGRESS THAT YOU HAVE ALL MADE TO ADDRESS THE HOMELESS, HOMELESSNESS, HOUSING, RACIAL EQUITY,

HEALTH AND PUBLIC SAFETY AND WE LOOK FORWARD TO CONTINUING THE PURSUIT OF IMPROVING THE WELL-BEING OF OUR COMMUNITY. SO, THANK YOU.

Chair Kafoury: THANK YOU. DO WE HAVE QUESTIONS OR COMMENTS FOR JEAN? COMMISSIONER STEGMANN?

Commissioner Stegmann: THANK YOU. I HAD THE OPPORTUNITY TO SERVE WITH YOU. IT'S FUN TO SEE BOTH SIDES OF HOW THIS WORKS. I KNOW THAT YOU GUYS WORK REALLY HARD. ON THE SHERIFF'S OFFICE, THE SAFETY NET, THE HOMELESS OUTREACH -- AND I DON'T KNOW IF YOU HAVE -- WE CAN CERTAINLY GO OVER IT WITH THE SHERIFF'S OFFICE WHEN THEY PRESENT. I'M WONDERING IF THE SHERIFF'S OUTREACH IS THE BEST MECHANISM TO HANDLE HOMELESS OUTREACH? I DIDN'T KNOW IF THAT'S SOMETHING THAT YOU GUYS DELVED INTO OR NOT?

Jean Trygstad: WELL, I'LL PUT JIM ON THE SPOT. WOULD YOU FEEL COMFORTABLE ADDRESSING THAT QUESTION?

Jim Lasher: I DIDN'T HEAR THE ENTIRE QUESTION.

Commissioner Stegmann: SO THE QUESTION WAS, ON THE SAFETY NET FOR THE HOMELESS OUTREACH FOR THE SHERIFF'S OFFICE, I'M JUST WONDERING IF THE SHERIFF'S OFFICE IS THE BEST MECHANISM TO DO OUTREACH FOR HOMELESS SERVICES? DID YOU LOOK AT WHO MIGHT BE THE MOST EFFICIENT ENTITY TO DO THAT OUTREACH? COMPARED TO -- I MEAN, LIKE, MAYBE JOIN OR ANOTHER NONPROFIT COMPARED TO THE SHERIFF'S OFFICE?

Chair Kafoury: CAN YOU COME DOWN TO THE FRONT HERE?

Jim Lasher; COMMISSIONER, THE WAY I WOULD RESPOND TO THAT IS YOU HAVE THE HOMELESS, ESPECIALLY IN THE AREA THAT THE SHERIFF IS SERVING, YOU KNOW, WITH THEIR LAW ENFORCEMENT PEOPLE. AND, THEY'RE DISCOVERING THE HOMELESS PEOPLE AND INSTEAD OF GOING AHEAD AND SAYING TO THEM, I'M SORRY, PACK UP, MOVE ON, ET CETERA, THEY'RE MORE -- YOU KNOW, SAYING, WELL, WAIT A MINUTE. WHAT HELP DO YOU NEED? DO YOU NEED SHELTER? WE CAN HELP YOU GET TO THAT SHELTER, WHETHER THEY CALL FOR SOMEBODY TO HELP THEM GET THERE. PLUS, THEIR BELONGINGS BECAUSE THE BELONGINGS BELONG TO THEM AND THAT IS ONE OF THE REASONS A LOT OF THE HOMELESS DO NOT WANT TO GO TO SHELTERS. IT IS THE SHERIFF'S DEPARTMENT WHO ARE ACTUALLY OUT IN THE FIELD AND THIS GIVES THEM TRAINING FOR THE OFFICES TO GO AHEAD AND PROVIDE THE REQUIRED ASSISTANCE TO THOSE, TO GET THEM THE HELP, WHETHER IT BE SUBSTANCE ABUSE, MENTAL HEALTH, GETTING OUT OF THE STREET -- GET OUT OF THE RAIN. YES, THE SHERIFF WOULD BE THE BEST -- THAT PARTICULAR DEPARTMENT WOULD BE BETTER, RATHER THAN HAVING

A DEPUTY SAY, OH, WAIT A MINUTE, HERE'S SOMETHING. AND TRY TO CALL A DIFFERENT DEPARTMENT TO COME OUT, WHICH MIGHT TAKE, YOU KNOW, 10 HOURS, 12 HOURS. HOPEFULLY THAT ANSWERED IT.

Chair Kafoury: JIM, CAN YOU STATE YOUR NAME FOR THE RECORD SO THE PEOPLE WHO ARE WATCHING TV --

Jim Lasher; MY NAME IS JIM LASHER AND I HAPPEN TO BE ON THE SHERIFF'S CBAC.

Commissioner Stegmann: I HAVE ANOTHER QUESTION. IS IT BIENSTAR? COMMUNITY ENGAGEMENT, YES. I DIDN'T SEE EAST COUNTY. IT ADDRESSES CULLY AND NORTH PORTLAND. WE HAVE A HUGE IMMIGRATION/REFUGEE POPULATION IN EAST COUNTY.

Jean Trygstad: WE DIDN'T DISCUSS THAT BUT I CAN COMMUNICATE BACK TO THE CBAC.

Chair Kafoury: THE PROGRAM IS IN THE CULLY.

Commissioner Stegmann: THAT HELPS EXPLAIN IT A LITTLE BIT MORE. THANK YOU.

Chair Kafoury: COMMISSIONER VEGA PEDERSON?

Commissioner Vega Pederson: JEAN, THANK YOU SO MUCH FOR THIS PRESENTATION AND EVERYONE WHO SERVED ON THIS CBAC. I HAD A QUESTION. ONE OF THE RECOMMENDATION WAS FOR DATABASE REPORTING TO, LIKE, TRACK A LITTLE BIT BETTER, THE OUTCOMES. WAS THERE ANY DISCUSSION TO THE NEW ERP SYSTEM? OR WERE YOU TALKING ABOUT DIFFERENT DATABASES BEYOND THAT?

Jean Trygstad: YOU HAVE TO ASSUME THAT WE HAVE VERY SUPERFICIAL KNOWLEDGE SO IT'S MORE OF A GENERAL SUPPORT STATEMENT AND, WE WOULD LOVE TO HAVE A CONVERSATION ABOUT HOW THE NEW UPGRADE WILL FACILITATE, YOU KNOW, DEEPER DIVES AND BETTER INFORMATION. THIS PARTICULAR REQUEST, THROUGH THE DA, AGAIN, DICK WAGNER IS HERE AND HE CAN SPEAK TO IT IN TERMS OF THE PARTICULAR BENEFITS OF THAT PROGRAM, IF THAT'S -- WOULD YOU LIKE TO HEAR FROM DICK?

Commissioner Vega Pederson: I THINK WE SHOULD CONTINUE TO KEEP THAT IN MIND AS WE'RE ROLLING OUT THE NEW ERP SYSTEM OF LOOKING AT HOW WE CAN BEST-IMPLEMENT IT.

Jean Trygstad: THANK YOU, THAT'S VERY USEFUL.

Commissioner Vega Pederson: JUST A COMMENT ON YOU, YOU KNOW, I LIKE THE FRAME YOU HAD OF THE HEALTHY COMMUNITIES AND THE FIVE THINGS YOU MENTIONED ARE VERY IMPORTANT, ECONOMIC DEVELOPMENT WASN'T ONE OF THE THING, OR EDUCATION, WHICH WE ALL KNOW ARE CRITICAL COMPONENTS FOR CREATING HEALTHY COMMUNITIES. AS A BOARD, THE WORK WE DO, MAKING SURE THAT WHILE WE MAY NOT BE ABLE TO INVEST AS MUCH AS OTHER ORGANIZATIONS DOING THOSE PARTNERSHIPS WITH GROUPS IS GOING TO BE VERY IMPORTANT.

Jean Trygstad: ABSOLUTELY AGREE.

Commissioner Vega Pederson: THANK YOU.

Commissioner Smith: THANK YOU, MADAM CHAIR. WHAT DO YOU SEE AS SOME OF THE MOST PRESSING CHALLENGES FOR US, AS A BOARD, TO DEAL WITH SOME OF OUR BUDGET -- FUTURE BUDGET NEEDS?

Jean Trygstad: I THINK IT DOES RESIDE IN THE FUNDING, THE CONCERN AROUND -- OVER TWO TO THREE YEARS, THE THINGS THAT WE'RE SEEING UP IN THE PREVIOUS PRESENTATION. SO, I THINK THAT CHALLENGE OF TRADITIONAL FUNDING LINES FROM THE FEDERAL AND STATE GOVERNMENT, PROBABLY IS THE BIGGEST CHALLENGE. AND, WE DISCUSSED -- AND HAVE AS ONE OF OUR GOALS -- IS TO THEREFORE, AS A POTENTIAL SOLUTION, IS TO INCREASE OR BOOST THE COLLABORATION BETWEEN NOT ONLY STATE, FEDERAL AND COUNTY, BUT TO LOOK AT NON-PROFITS, TO LOOK AT ALL THE PEOPLE WHO ARE -- AND ENTITIES WHO ARE ENGAGED IN SIMILAR MISSIONS. AND, BEGIN TO HAVE MORE DISCUSSIONS AROUND HOW WE DELIVER SERVICES.

Commissioner Smith: AND THE LAST QUESTION IS, WHAT DO YOU THINK WE SHOULD DO TO INCREASE PUBLIC PARTICIPATION?

Jean Trygstad: I THINK ONE OF THE AREAS IS TO UTILIZE OUR OFFICE OF COMMUNITY INVOLVEMENT IN A DIFFERENT WAY. AND I THINK THIS IS WHERE THE -- THE DATABASE-DRIVEN REPORTING AND THE CONVERSATIONS WITH COMMUNITY ORGANIZATIONS COMES INTO PLAY, IS -- IS TO REALLY BEGIN TO BE PURPOSEFUL IN OUR OUTREACH, NOT ONLY JUST TO RECRUIT NEW MEMBERS TO OUR CIC AND CBAC, BUT TO BRING BACK REAL INTELLIGENCE FROM THE COMMUNITIES ABOUT HOW THINGS ARE GOING. SO -- AND WE'VE HAD THOSE CONVERSATIONS AND I HOPE THAT THE NEW LEADERSHIP WILL IMPLEMENT AROUND THOSE TENANTS.

Commissioner Smith: THANK YOU.

Jean Trygstad: UH-HUH.

Chair Kafoury: THANK YOU. THANK YOU SO MUCH, JEAN, AND JIM AND DICK. I WANT TO THANK YOU FOR YOUR PATIENCE IN THIS PAST YEAR, AS THERE'S BEEN SOME CHANGES WITH THE CIC, NOT THE LEAST OF WHICH IS THE NEW NAME, BUT I KNOW THAT YOUR LEADERSHIP HAS BEEN CRUCIAL IN LOOKING AT THE BUDGET PIECES OF THIS AND I REALLY APPRECIATE THE WORK YOU'VE DONE FOR US. THANK YOU.

Jean Trygstad: YOU'RE WELCOME.

Chair Kafoury: ALL RIGHT. NOW, WE HAVE DCM. WE INVITED THE A STUDENTS TO COME FIRST, TO DO THEIR BUDGET PRESENTATION. [LAUGHTER]

**BWS-1c      Department of County Management. Presenters: Marissa Madrigal, COO & Director, DCM, Debra Anderson, and Invited Others**

Marissa Madrigal: GOOD MORNING, CHAIR AND COMMISSIONERS. I'M YOUR CHIEF OPERATING OFFICE AND THE DIRECTOR OF THE DEPARTMENT OF COUNTY MANAGEMENT. I'M DELIGHTED AND HONORED TO BE THE FIRST DEPARTMENT KICKING OFF THIS PROCESS FOR YOU AND AS WE WALK THROUGH OUR PRESENTATION, YOU -- AND SUBSEQUENT PRESENTATIONS FROM OTHER DEPARTMENTS, YOU'LL SEE THAT WE ALL SORT OF FOLLOW THE SAME FORMAT SO IF YOU HAVE QUESTIONS ABOUT THE FORMAT, DURING THIS PRESENTATION, FEEL FREE TO ASK SO THAT WE CAN CLARIFY SO THAT MOVING FORWARD, YOU HAVE AN UNDERSTANDING OF THE FRAMING OF THE NEXT ONES. I'M HERE WITH DEBORAH ANDERSON, OUR DCM BUSINESS SERVICES MANAGER, WHO IS A LIVING SAINT AND CORMSACK, OUR DCM/DCA -- CBAC REPRESENTATIVE. SO, I'LL GO OVER OUR AGENDA QUICKLY. WE'RE GOING TO DO A BRIEF INTRO INTRODUCTION ABOUT DCM'S MISSION, VISION AND VALUES AND WE'LL HAVE A CHANCE TO HEAR FROM OUR CITIZEN BUDGET COMMITTEE AND PROVIDE AN OVERVIEW OF THE DEPARTMENT, A DEPARTMENT-WIDE VIEW AND THEN WE'LL DELVE DOWN INTO DIVISIONS AND TRENDS WE SEE THAT INFORM OUR PLANNING.

WE'LL GO OVER OUR GENERAL FUND REDUCTIONS AND OUR NEW ONE-TIME ONLY REQUESTS. TALK A LITTLE BIT ABOUT LEGISLATIVE UPDATES AND SOME FUTURE POLICY ISSUES AND THEN ANSWER ANY QUESTIONS THAT YOU HAVE AND TO THE EXTENT THAT YOU HAVE QUESTIONS WHILE I'M PRESENTING, PLEASE FEEL FREE TO JUMP IN AND ASK. SO, I AM PRETTY NERDY EXCITED ABOUT THIS PIECE. THIS YEAR, DCM WORKED AT ALL LEVELS OF THE DEPARTMENT FROM MANAGEMENT TO LINE STAFF TO CREATE A NEW MISSION AND VISION. AND VALUE STATEMENT. OUR DEPARTMENT HAD NOT DONE THAT FOR AWHILE AND WE HAD ALSO NOT HAD AN ALL-STAFF MEETING, SO THAT'S ONE THING THAT WE DID THIS YEAR TO CREATE MORE OF A TEAM AND CONNECT OUR PEOPLE TO THE MISSION OF THE COUNTY. AND THAT'S ONE THING THAT I REALLY BELIEVE IS CRITICAL TO PROVIDING CUSTOMER SERVICE, NO MATTER WHAT IT IS, WE ARE, IN THE END, ALL OUR JOBS LEAD

BACK TO THE PEOPLE. EVERYTHING WE DO IS IN SERVICE OF THE COMMUNITY AND IN SERVICE OF THE PEOPLE AND OUR FAMILIES, YOUR FAMILIES. AND, I THINK WE MAKE BETTER DECISIONS, BOTH AS AN ORGANIZATION AND AS INDIVIDUALS, WHEN WE KEEP THAT IN MIND, WHEN WE REALIZE THAT WE DON'T DO PAYROLL FOR THE SAKE OF PAYROLL. WE DON'T DO TAX COLLECTION FOR THE SAKE OF TAX COLLECTION, IT ENDS UP BACK IN THE COMMUNITY. THE MORE MONEY YOU HAVE TO SET POLICY AND MAKE A DIFFERENCE IN THE COMMUNITY.

Marissa Madrigal: SO OUR MISSION AND VISION, THAT WAS A COLLECTIVE EFFORT, COMPASSIONATE AND RESPONSIBLE MANAGEMENT OF WHAT IS ENTRUSTED TO US. SAFEGUARDING OUR FINANCIAL AND CAPITAL AND OUR VISION IS AN ADAPTIVE GOVERNMENT SERVING A DYNAMIC COMMUNITY. WE ARE AT A TIME OF PROFOUND CHANGE ON MANY, MANY LEVELS AND WE ARE TRYING TO REACH AND GROW TO COME AROUND THE ORGANIZATION, ADAPT TO WHAT'S HAPPENING IN THE COMMUNITY, RATHER THAN JUST REMAINING KIND OF A STATIC BODY. I'M VERY PROUD OF THE VALUES THAT OUR TEAMS CAME UP WITH. OUR CORE VALUES INCLUDE COLLABORATION, RESPONSIBILITY, INTEGRITY, EQUITY, COMMUNITY AND ARE CAPTURED IN ONE MISSION CRITICAL CONCEPT, STEWARDSHIP, WHICH IS A DEEP COMMITMENT AND ACCOUNTABILITY TO GOVERNANCE OF WHAT IS ENTRUSTED TO US. SO, THANK YOU VERY MUCH TO ALL THE EMPLOYEES IN DCM WHO CONTRIBUTED THIS. EVERY STAFF MEMBER WAS ABLE TO WEIGH IN THROUGH A SURVEY AND MAKE SUGGESTIONS ABOUT WHAT WORDS WE SHOULD USE AND SAY. SO, THANK YOU.

Cormack Burke: WE REVIEWED ALL THE PROJECT OFFERS. THE BULK OF THE EFFORT WAS REALLY ON THE DCA PROJECT OFFERS AS THEY WERE SIGNIFICANT AND THE COUNTY HAS AN ENORMOUS -- A SIGNIFICANT NUMBER OF CRITICAL I.T. INFRASTRUCTURE ON THE PLATE. BEN BRADY WILL BE SPEAKING ON THOSE TOPICS IN THE DCA PRESENTATION TOMORROW. WE DID ASSESS THE PROGRAMS. WE DIDN'T HAVE TIME TO DO A REAL REVIEW OF A COUPLE OF THE LATE ARRIVALS, THE FRM COMPLIANCE AND DART RESIDENTIAL DEVELOPMENT PROGRAMS. GENERALLY, WE WERE GIVEN THE DRIVERS AND WHAT WE THINK WOULD BE THE PROJECTED OUTCOMES. I'D SAY THE HIGHLIGHT OF OUR DISCUSSIONS THIS YEAR IS THE OVERVIEW WE RECEIVED FROM PATTY YEATS AND THE OVERALL BUDGETING PROGRAM FOR CAPITAL PROJECTS. VERY HELPFUL PRESENTATION IN TERMS OF HOW THE COUNTY GETS AFTER THESE VERY SIGNIFICANT PROJECTS AND PEGGY WAS GREAT IN TERMS OF ANSWERING A NUMBER OF OUR QUESTIONS AND CONCERNS JUST AROUND HOW THE LONG-TERM CAPITAL IS MANAGED SO WE WERE DEFINITELY HAPPY TO SEE THIS FUNCTION AND STAFF AND FUNDED AND VERY IMPRESSED WITH PEGGY AND HER HANDLE AROUND THE BUDGETING AND FINANCING FOR THESE BIG ITEMS. AND, THE TEAM, AS A WHOLE, WOULD LIKE TO THANK THE BOARD FOR TAKING THE OPPORTUNITY TO TAKE A LOOK AT WHAT'S GOING ON IN THE COMMUNITY IN TERMS OF OUR

VIEWS. IT WAS INFORMATIVE AND I THINK EVERYONE ENJOYED THE EXPERIENCE. I WOULD LIKE TO THANK THE FOLKS WHO SUPPORTED US. SO, THANK YOU, ALL, VERY MUCH. KUDOS TO YOU ALL FOR WHAT YOU'RE DOING IN TERMS OF TAKING CARE OF THE PEOPLE OF THE COMMUNITY AND IT'S TOUGH TIMES OUT THERE AND WHAT YOU'RE DOING FROM A HOMELESS AND IMMIGRATION COMMUNITY IS NOTABLE. IT MAKES ME PROUD TO BE A CITIZEN OF THE COUNTY. THANKS.

Chair Kafoury: THANK YOU. ANY QUESTIONS FOR CORMACK. THANKS.

Cormack Burke: THANKS.

Chair Kafoury: THANK YOU FOR YOUR VOLUNTEER WORK.

Marissa Madrigal: OKAY. SO, I'M JUST GOING TO GO OVER SOME OF OUR BUDGET HIGHLIGHTS. THESE ARE SOME OF THE MAJOR THINGS THAT OUR BUDGET WILL BE SUPPORTING IN FY18. WHEN WE IMPROVE THE ACCURACY OF OUR RECORDS IT MEANS WE HAVE MORE VALUE ON A TAX ROLLS TO TAX. WE'RE BRINGING IN MORE REVENUE, NOT JUST FOR US BUT FOR ALL THE TAXING JURISDICTIONS WHO RECEIVE PROPERTY TAX REVENUE. I'LL TALK AGAIN MORE ABOUT THAT LATER. WE ADDED A POSITION TO HELP MANAGE MWESB COMPLIANCE ON OUR MAJOR CAPITAL PROJECTS TO MAKE SURE OUR CONTRACTORS ARE BEING HELD ACCOUNTABLE TO THE GOALS THAT THEY SET. WE WILL BE NEGOTIATING FIVE LABOR AGREEMENTS, ALWAYS A BIG INVESTMENT IN TIME ACROSS THE ORGANIZATION. OUR EXCELLENT RESEARCH AND EVALUATION UNIT WILL CONTINUE TO PROVIDE ANALYSIS AND INFORMATION ESPECIALLY IN THE AREA OF DIVERSITY AND INCLUSION IN THE WORK FORCE.

WE CONTINUE TO DEVELOP WITH EXPERTISE, A STRATEGIC FRAMEWORK FOR CAPITAL INFRASTRUCTURE. AS THE WORLD CHANGES AND THE LINE BETWEEN WHAT IS A BUILDING, WHAT IS TECHNOLOGY AND WHAT IS TRANSPORTATION START TO MELD WE HAVE DIFFERENT OPTIONS WHEN WE HAVE A NEW CAPITAL NEED. SO FOR EXAMPLE, IN THE PAST IF WE ADDED 50 EMPLOYEES IT WOULD HAVE BEEN CLEAR WE NEEDED TO ADD 50 CUBICLES. THAT MAY NOT BE THE ANSWER IN THE FUTURE. WE MAY NOT NEED 50 CUBICLES. WE MAY BE ABLE TO BUY A TECHNOLOGY SYSTEM TO ALLOW EMPLOYEES TO WORK AT HOME OR HAVE A MOBILE OUTREACH. THAT IS WHAT WE'RE GRAPPLING WITH. HOW DO WE POSITION THE COUNTY AND ALL OF YOU TO MAKE THE BEST POLICY DECISIONS ABOUT INFRASTRUCTURE INVESTMENT GIVEN THAT WE HAVE ACTUALLY MORE OPTIONS NOW. THAT WE CAN ADDRESS OUR NEEDS IN A MULTITUDE OF WAYS. HERE ARE SOME FUN NUMBERS ABOUT WHAT WE DO AND WHAT WE HAVE BEEN ABLE TO ACCOMPLISH IN THE LAST YEAR. ONE THAT WE'RE EXCITED ABOUT AND I WAS HAPPY, GOT AN APPLAUSE LINE, WAS OUR BOND RATING ALL OF OUR RATINGS ARE TRIPLE-A. WE HAD BEEN -- OUR GEO BONDS HAD BEEN RATED

AT THE HIGHEST RATING. TRIPLE-A. BUT THIS YEAR ALSO OUR FULL FAITH AND CREDIT BONDS WERE INCREASED TO BE TRIPLE BASED. KUDOS TO OUR FINANCIAL TEAM THAT IS LITERALLY AN ACE IN THAT. A-STUDENT IN THAT DIVISION. I WANT TO CALL ATTENTION TO THE NUMBER OF JOB APPLICATIONS THAT WE'RE TRACKING AS A COUNTY. 26,000. THAT'S A HUGE NUMBER. OUR H.R. TEAM AND FOLKS IN DEPARTMENTS AS WELL DO AN EXCELLENT JOB OF RECRUITING AND MANAGING ALL THAT. DART, IN OUR LOBBY, SERVED 56,000 WALK-IN CUSTOMERS. IF IT SEEMS BUSY OUT THERE IT IS. AND THEY DO IT WITH A SMILE.

Marissa Madrigal: I GET LOVELY NOTES ALL THE TIME ABOUT WHAT GREAT SERVICE PEOPLE GOT THERE. WE CAN BE PROUD OF THAT WORK AS WELL. THEN ONE LAST ONE I'LL CALL ATTENTION TO IS WE PROCESSED 136,000 VENDOR PAYMENTS, SO THOSE ARE CONTRACTS THAT WE HAVE RELATIONSHIPS WITH BUSINESSES IN THE COMMUNITY THAT WE MAINTAIN AND I THINK THAT REALLY DEMONSTRATES THAT NOT ONLY DO WE SERVE THE COMMUNITY BUT WE SUPPORT FINANCIALLY THROUGH OUR CONTRACTS A LOT OF BUSINESS IN MULTNOMAH COUNTY. EQUITY OFFICER AND CHIEF INFORMATION OFFICER WHO HAPPENS TO BE SHERRI, THE DIRECTOR OF THE DEPARTMENT OF COUNTY ASSETS. WE WOULD PULL IN A DEPARTMENT DIRECTOR AND THEIR FINANCIAL AND BUDGETARY H.R. COUNTERPARTS. TOGETHER THIS GROUP WOULD UNPACK THE ISSUE AND PROVIDE RECOMMENDATIONS TO THE CHAIR, TO THE BOARD ABOUT HOW TO MOVE FORWARD. SO IT'S NOT NECESSARILY A LINEAL PROCESS BUT I THINK IT ALLOWS US TO COVER ALL THE ANGLES AND MAKE SURE WE HAVEN'T LEFT ANY PERSPECTIVE OUT AND THAT WE'RE MANAGING THE RISK AND OPPORTUNITY.

THEN THIS IS SORT OF A REAL WORLD EXAMPLE OF THAT. THIS IS OUR ERP PROGRAM STRUCTURE, ALL THE TEAMS SET UP TO MANAGE THE VARIOUS ASPECTS OF THAT IMPLEMENTATION. WE HAVE HIGHLIGHTED IN YELLOW ALL THE PEOPLE SO THAT YOU CAN SEE HOW OUR COUNTY-WIDE CORPORATE FINGERPRINTS GET INTO EVERYTHING. HELP MANAGE ACROSS DEPARTMENTS, NOT JUST WITHIN THE DEPARTMENTS. NOW TO OUR NUMBERS. THIS SLIDE SHOWS YOU OUR BUDGET BY FUND, SO AGAIN THE TOTAL IS \$155 MILLION. OUR GENERAL FUND REDUCTION FROM LAST YEAR IS DUE TO A FEW THINGS. ONE, WE TOOK ABOUT A 3% CUT. WE SHAVED HERE AND THERE. KNOWING THAT THE BOARD AND THE CHAIR HAD SOME VERY CRITICAL PRIORITIES THAT NEEDED TO BE FUNDED WITH ONGOING FUNDS SO WE RETURNED SALARIES SAVINGS, WE RETURNED SEVERAL THINGS I'LL GO OVER LATER. BUT WE ALSO 5 MILLION OF THAT REDUCTION THAT YOU SEE THERE IS DUE TO THE EXPENDITURE OF \$5 MILLION SET ASIDE FOR AFFORDABLE HOUSING DEVELOPMENT THAT WILL BE SPENT THIS YEAR AND THAT WE WON'T HAVE NEXT YEAR. SO THERE'S A COMBINATION WHEN YOU SEE THAT DROP FROM 45.9 TO 40. ' IN THE RISK FUND THE TICK-UP IS REALLY JUST BECAUSE OF AN INCREASE, NORMAL INCREASE IN COST AND BENEFITS.



THE NEXT FUNDS THERE, FINANCE AND CAPITAL PROJECTS, THAT IS THE MONEY THAT WE HAVE SET ASIDE FOR THE DART SYSTEM THAT I REFERENCED EARLIER. WE'RE SLOWLY SPENDING THAT DOWN, SO WE HAVE HAD 4.1 LAST YEAR, WE BUDGETED 3.3 THIS YEAR. WE HAVE A TINY BIT OF MONEY IN THE VIDEO LOTTERY FUND. A TEENY, TINY BIT IN THE RECREATION FUND, WHICH IS A MARINE FUEL THANKS WE PASS THROUGH TO METRO, ONE OF THE WEIRD ONES I HAVE TO REMEMBER EVERY YEAR WHAT IT IS. THEN AGAIN OUR TOTAL BUDGET THERE YOU CAN SEE THE REDUCTION IS MOSTLY FROM THE GENERAL FUND REDUCTION THAT WE HAVE. OUR FTE BY FUND, IN THE GENERAL FUND PICKED UP SLIGHTLY DESPITE THE REDUCTIONS AND I'LL GO OVER THAT LATER.

Marissa Madrigal: OUR RISK FUND STAYED SLACK. OUR OTHER FUNDS ESSENTIALLY STAYED FLAT EXCEPT FOR THE CAPITAL PROJECT FUND, WHICH IS THE DART FUND, WE TOOK A POSITION THAT IS WORKING FULL-TIME ON THAT PROJECT AND WE'RE CHARGING IT TO THAT FUND. SO IT SHOWS UP HERE INSTEAD OF IN THE GENERAL FUND. AND THIS IS OUR BUDGET BY FUNDING SOURCE. THIS IS MONEY THAT WE'RE BRINGING IN. WE GENERATE IN DCM REVENUE WITH WE CHARGE RECORDING FEES AND OTHER THINGS IN DART THAT GOES INTO THE GENERAL FUND. THERE'S A LONG LIST OF THINGS THAT I CAN PROVIDE YOU THAT BRING REVENUE IN. OUR RISK FUND WHICH WE CHARGE OUT TO THE DEPARTMENT SHOWS HERE AS A REVENUE. THEN OUR FINANCE PROJECTS AGAIN, THAT'S THE DART PROJECT. AND RECREATION FUND. THIS IS OUR BUDGET BY CATEGORY. SO AS YOU CAN SEE WE HAVE A HUGE AMOUNT IN ALMOST 70% IN MATERIALS AND SUPPLIES. THAT'S NOT PENCILED. IT'S WHERE WE PAY -- BUDGET OUR INSURANCE PREMIUMS AND CLAIMS PAID. SO 90% OF THAT ALMOST 70% IS OUR INSURANCE AND BENEFITS COST. THEN 21% FOR PERSONNEL, 6% FOR CONTRACTS, 3% FOR INTERNAL SERVICES. BUDGET BUY DIVISION. MY DIVISION, THE DIRECTOR'S OFFICE, HAS A \$3.2 MILLION BUDGET.

THIS YEAR DOUG'S BUSINESS SERVICES GROUP IS BUDGETED WITH ME. THEY HAD BEEN BUDGETED AS PART OF DART AND WE MOVED HER INTO MY OFFICE TO REFLECT THE STRUCTURE THAT'S IN OTHER DEPARTMENTS AS WELL WHERE BUSINESS SERVICE IS TIED TO THE DIRECTOR. THE BUDGET OFFICE COMES IN AT 2.4 MILLION. CENTRAL HUMAN RESOURCES YOU CAN SEE THE BREAKOUT THERE. AGAIN OF THE RISK FUND VERSUS THE GENERAL FUND, RISK FUND IS IN GRAY. FINANCE AND RISK MANAGEMENT IS ABOUT HALF AND HALF. THEN ASSESSMENT, RECORDING AND TAXATION, 21 MILLION IN GENERAL FUND, 3.1 IS THAT PROJECT FUND AGAIN. OWSH GENERAL FUND DECREASED BY 5 MILLION, THAT'S ONE TIME ONLY FOR AFFORD KWR5B8 HOUSING THAT WAS SPENT THIS YEAR. WE WON'T HAVE THAT NEXT YEAR. WE ALSO HAD BUDGETED SOME HOME FOR EVERYONE CAPITAL EXPENSES IN DCM FROM THE SETTLEMENT SLOWLY BEING SPENT OUT. YOU'LL SEE THAT THOSE HAVE BEEN MOVED OUT ALTHOUGH WE DO HAVE SOME ONE TIME ONLY CARRY-OVER FOR THE GRESHAM WOMEN'S SHELTER THAT REMAINS.

AGAIN, WE TRANSFERRED BUSINESS SERVICES THEN WE DID CONVERT AND THE CAPITAL PLANNING UNIT ONE FTE TO PROFESSIONAL SERVICES. THAT PROGRAM IS WE HAVE TRIED TO KEEP PRETTY NIMBLE AND WE FEEL THAT IN THE NEXT YEAR THE CONSULTING SERVICES WILL BE THE BEST USE OF COUNTY DOLLARS TO HELP US PROVIDE YOU A PROFESSIONAL FRAMEWORK TO USE FOR DECISIONS. THE BUDGET OFFICE REMAINS ESSENTIALLY FLAT. THEY CONTINUE TO DO GOD'S WORK WITH A HANDFUL OF VERY, VERY SMART PEOPLE. THEY DID HAVE SOME REDUCTION IN COSTS AND POSITION COSTS BECAUSE OF TURNOVER AND PEOPLE'S POSITIONS BUDGETED AT THE VERY HIGH END AND THAT WILL BE HIRING OR WERE HIRED LOWER ON THE PAY SCALE. AGAIN, NO SIGNIFICANT CHANGES WITHIN HUMAN RESOURCES.

Marissa Madrigal: THE RISK FUND IS DUE TO BENEFIT COSTS. HERE ARE SOME HUMAN SERVICES TRENDS. CALL YOUR ATTENTION TO THE COLUMN ON THE RIGHT, WHICH IS THE TOTAL OF HIRES THAT WE HAD PER FISCAL YEAR. AS OF THE 14TH OF APRIL WE HAD HIRED IN THIS FISCAL YEAR 451 PEOPLE. WE DON'T THINK THAT WE'LL QUITE HIT OUR PREVIOUS YEAR'S NUMBER, 362, SO IT LOOKS LIKE WE PEAKED IN OUR HIRING LAST YEAR BUT THAT'S STILL QUITE A FEW PEOPLE. THAT'S NEW POSITIONS AS WELL AS ASSISTANT POSITIONS THAT WERE VACANT, ALL THE PEOPLE THAT WE HAVE HIRED. FINANCE AND RISK MANAGEMENT STAYED ESSENTIALLY FLAT AS WELL. WE DID INCREASE, WE HAD HALFTIME POSITION IN ACCOUNTS PAYABLE THAT WE INCREASED TO ONE FTE TO PROVIDE MORE OVERSIGHT AND AUDITING ON OUR PURCHASING CARD PROGRAM. BASICALLY MAKING SURE THAT PEOPLE ARE FOLLOWING THE RULES WHEN USING THE COUNTY CREDIT CARD, PROVIDING THE RIGHT DOCUMENTATION, ET CETERA. WE CONVERTED ONE EXISTING POSITION FROM A PROCUREMENT ANALYST TO FINANCE SUPERVISOR. WE ADDED A POSITION TO THAT I REFERENCED BEFORE TO MANAGE THE COMPLIANCE FOR MWDSB IN OUR CAPITAL PROJECTS.

SO HERE ARE SOME PRETTY INTERESTING TRENDS. THE TOP GRAPH IS OUR TRANSACTION VOLUME. YOU CAN SEE THAT NOT ONLY HAS OUR OVER ALL VOLUME GONE UP BUT WE HAVE LARGER PERCENTAGE OF PAYMENTS THAT ARE EPAYMENTS. THE REASON THAT THAT IS REALLY IMPORTANT IS BECAUSE EACH CHECK THAT WE CUT AT THE COUNTY COSTS FIVE BUCKS, SO THE MORE THAT WE CAN DRIVE TO EPAYMENTS AND THE GRAPH BELOW THE MORE DIRECT DEPOSITS FOR OUR EMPLOYEES' PAYCHECKS, THE MORE MONEY WE SAVE. IF WE HAD TO CUT CHECKS FOR ALL OUR EMPLOYEES IT WOULD COST US \$750,000 MORE A YEAR. SO KUDOS TO OUR TEAM FOR REALLY DRIVING THAT CHANGE AND CONTINUING TO INCREASE THE PERCENTAGE OF EPAYMENTS THAT WE HAVE. THIS IS A FUN ONE TOO, THIS GRAPH. THIS IS RP A PICTURE OF OUR INVESTMENT PORTFOLIO. SO THE MONEY THAT WE HAVE INVESTED IN BANKS AND BONDS AND EVERYTHING ELSE, THE DROP THAT YOU SEE THERE THIS YEAR IN OUR PORTFOLIO IS DUE TO MOVING 25 MILLION TO THE PERS ACCOUNT. THAT BLUE LINE IS OUR EARNINGS. OVER THE LAST COUPLE OF YEARS BECAUSE OF A CHANGE IN

OUR STRATEGY AND A CONSULTANT WE HIRED WE INCREASED OUR EARNINGS, OUR FORECAST THIS YEAR IS \$4 MILLION THAT WE HAVE EARNED. IT'S SO HAPPY! JUST WANT TO DRAW A LITTLE DOT FOR EYES. [LAUGHTER]

Commissioner Smith: I HAVE A QUESTION. IS THERE A GRAPH THAT SHOWS WHERE OUR MONEY IS INVESTED? BECAUSE ON BOTH SIDES OF THIS IT HAS MONEY BUT DOESN'T SAY WHERE IT IS, IF IT'S IN BONDS OR IF IT'S IN -- WHATEVER TOOLS WE USE, IT WOULD BE GREAT TO KNOW WHAT THAT IS.

Marissa Madrigal: WE HAVE A MONTHLY INVESTMENT REPORT, A WHOLE REPORT THAT LIST IT OUT IN DETAIL I'M HAPPY TO PROVIDE YOU.

Commissioner Smith: THANKS.

Marissa Madrigal: THESE ARE THE GUYS WHO BRING HOME THE BACON. ASSESSMENT RECORDING AND TAXATION. YOU CAN SEE THERE THE DROP IN GENERAL FUND THAT REFLECTS AGAIN THE MOVEMENT OF DEB'S BUSINESS GROUP OUT OF DART INTO MY GROUP. THE OTHER FUNDS AGAIN THE DROP DUE TO SPENDING DOWN OF THE CAPITAL FUND FOR THE NEW SYSTEM. WE ALSO FOR MANY YEARS ONE OF THE STRATEGIES IN DART HAD BEEN TO USE TEMPORARY HELP, TEMPORARY LIMITED DURATION EMPLOYEES TO DO APPRAISAL AND VARIOUS THINGS. A LOT OF TIMES IT WAS PEOPLE WHO HAD RETIRED AND WERE COMING BACK TO THE COUNTY WHICH GIVE US A NICE WAY TO MAINTAIN KNOWLEDGE AND TRANSFER KNOWLEDGE AS THE WORK FORCE SHIFTED. BUT OVER THE LAST COUPLE OF YEARS WE HAVE TAKEN THAT MONEY THAT WAS GOING TO PAY FOR TEMPORARY STAFF AND CONVERTED THOSE TO POSITIONS. IT'S A DIFFERENT STRATEGY AND WE FEEL THAT IT'S THE RIGHT TIME FOR THAT AND ALLOWS US TO CREATE PIPELINES OF ADVANCEMENT FOR PEOPLE WHO WANT TO COME INTO APPRAISAL AND HAVE A GREAT STABLE CAREER. SO IT ALSO PROVIDES STABILITY FOR US AS WELL. SO I WANT TO TALK A LITTLE BIT ABOUT THE NEW ONE TIME ONLY RESIDENTIAL PROGRAM. THE ONE TIME ONLY. OUR APPRAISERS ARE CONSTANTLY LOOKING FOR NEW TECHNICAL VALUE, BUT THERE ARE HUNDREDS OF THOUSANDS OF PROPERTIES. IT'S NOT AN EASY JOB. WHAT THIS PROGRAM WILL DO IS GET SOME OF THE HARDER TO FIND VALUES. NOT SUPER OBVIOUS LOW-HANGING FRUIT LIKE THERE'S A NEW BUILDING BUT MAYBE SOMEONE DID A REMODEL OR SOMEONE HAD THINGS THEY DIDN'T REPORT, SO REALLY GETTING OUR -- IN THE HOSPITAL THE LOW-HANGING FRUIT BUT HARDER THINGS ON TO THE ROLES TO GENERATE ONGOING REVENUE FOR ALL THE TAX. IT WILL PAY DIFFERENT DENTS INTO THE FUTURE.

Commissioner Smith: I HAVE A QUESTION. I LOOKED AT THAT, THAT'S UNDER PERSONNEL AND THERE'S NO FTE ASSOCIATED WITH THAT.

Marissa Madrigal: BECAUSE THEY WILL BE LIMITED DURATION, SO THEY WILL -- WE WILL TRAIN THEM. THEY WILL HAVE A LIMITED DURATION POSITION. OUR HOPE IS THAT THAT CAN BE A PIPELINE AND WE CAN THEN HIRE THOSE PEOPLE INTO PERMANENT POSITIONS AS VACANCIES OCCUR IN THE REGULAR FTE.

Commissioner Smith: CAN WE AT LEAST ACKNOWLEDGE THEM AS LIMITED DURATION? THAT'S A BIG JUMP. TO SEE NO% THEM UNDER THERE -- THE QUESTION IS, ARE THESE FOLKS GOING TO BE A LITTLE BIT MORE AGGRESSIVE IN HOW THEY WORK WITH THE PUBLIC AND THE HOMEOWNERS GOING INTO THE HOMES BECAUSE THE PURPOSE OF THIS NEW APPROPRIATION?

Marissa Madrigal: I DON'T KNOW IF I WOULD CHARACTERIZE THEM AS AGGRESSIVE. I THINK WE HAVE OUR APPRAISERS TRIED TO PROVIDE REALLY GOOD CUSTOMER SERVICE. IT'S NOT ALWAYS A COMFORTABLE THING FOR OUR COMMUNITY MEMBERS WHEN AN APPRAISER SHOWS UP AT THEIR DOOR. SO WE ALWAYS TRY TO EXPLAIN WHY WE'RE THERE, I KNOW FROM TALKING TO THEM THEY TRY TO TEACH OUR RESIDENTS ABOUT THE PROPERTY TAX SYSTEM AND HOW IT WORKS AND MAKE SURE THAT THEY HAVE CONTACTS HERE. SO I DON'T THINK IT'S ABOUT BEING AGGRESSIVE, JUST MORE GOING THROUGH THE PROPERTY TAX -- GOING THROUGH THE RECORDS AND PROPERTIES WITH A FINER TOOTHED COMB.

Commissioner Smith: DO WE NOT HAVE THE SAME DATA? WHERE ARE THEY GETTING NEW DATA TO FIND NEW RESIDENTS?

Marissa Madrigal: THERE ARE THINGS THAT WE HAVEN'T HAD TIME TO FOLLOW UP ON. MIKE VAUGHN PROBABLY HAS AN EXTENSIVE LIST.

Commissioner Smith: THE OTHER PIECE, I KNOW THEY ARE GOING TO BE DOING APPRAISALS. I WAS WONDERING, THIS IS CONSIDERED A NEW PROGRAM. WHY WOULDN'T WE PUT IT IN THE PROGRAM WHERE THE APPRAISALS ARE AND EXPANDED THAT PROGRAM? SO IT'S THE SAME THING. THIS IS NOT SOMETHING NEW THAT WE'RE DOING, IT'S WE'RE USING A DIFFERENT PERSONNEL CODE FROM PERMANENT TO LIMITED DURATION BUT WE ALREADY DO THIS SERVICE SO WHY ARE WE DOING A PILOT INSTEAD OF EXPANDING THE APPRAISALS LINE ITEM?

Marissa Madrigal: I WOULD CONSIDER IT EXPANSION OF AN APPRAISAL.

Commissioner Smith: EXACTLY.

Marissa Madrigal: WE CAN REPRESENT IT IN A CLEARER WAY, HAPPY TO GET YOUR THOUGHTS ON THAT. BUT IT IS AN EXTENSION OF APPRAISALS.

Commissioner Smith: ME AND MY STAFF WERE TALKING ABOUT THIS. WE ALREADY HAVE THIS LINE ITEM. WE SHOULD JUST EXPAND THE CURRENT PROGRAM THAT WE HAVE UNDER THE APPRAISAL SYSTEM INSTEAD OF MAKING IT SEEM LIKE WE'RE DOING SOMETHING NEW THAT WE DON'T ALREADY DO BECAUSE WE ALREADY DO THIS.

Marissa Madrigal: WE DO. I THINK WE WANTED TO BE CLEAR THIS WAS NEW CAPACITY. ADDITIONAL CAPACITY. IN TRANSPARENCY. NOT -- I WOULDN'T HAVE WANTED TO SHOW IT AS -- I WANT TO MAKE SURE IT'S CLEAR TO THE BOARD THAT IT'S A CHOICE, ADDITIONAL CAPACITY YOU CAN CHOOSE TO BUY, NOT BURY IT.

Commissioner Smith: AGAIN, EVEN WITH SOME OF THE EXISTING PROGRAMS WE SAY EXISTING WE ADD ADDITIONAL DOLLARS FROM THE PREVIOUS YEAR AND WE CAN SEE THAT AMOUNT, WE CAN SEE 635,000 WAS ADDED TO THIS LINE ITEM. I JUST THINK -- IN TERMS OF BEING TRANSPARENT THAT THE TRANSPARENCY MAKES IT SEEM LIKE WE'RE DOING SOMETHING NEW AND WE'RE NOT. DON'T CONFUSE US. THIS -- THAT THIS IS SOMETHING NEW AND DIFFERENT. THAT'S WHY I ASKED THE QUESTION ARE WE GOING TO BE MORE AGGRESSIVE. WHAT'S THE DIFFERENCE BETWEEN WHAT WE'RE DOING NOW - - THE BASIC THING THAT I THINK IT IS IF WE NEED MORE APPRAISALS WE JUST NEED TO SAY WE NEED MORE APPRAISALS AND MORE PEOPLE TO DO THEM BECAUSE HOUSING IS GOING THROUGH THE ROOF. I THINK THAT PIECE TO SAY COMMISSIONERS WE HAVE TO HAVE MORE APPRAISERS OUT THERE AND CAN WE EXPAND THE APPRAISAL BUDGET INSTEAD OF DOING IT LIKE THIS BECAUSE IT MAKES IT SEEM LIKE WE'RE DOING SOMETHING NEW AND DIFFERENT AND WE'RE USING A DIFFERENT APPROACH.

Marissa Madrigal: I WOULD SAY IT'S SLIGHTLY DIFFERENT. WE DID DESIGN THE PROGRAM TO ALLOW PEOPLE WHO DON'T HAVE APPRAISAL EXPERIENCE TO GAIN APPRAISAL EXPERIENCE. THEN BE ABLE TO APPLY FOR PERMANENT POSITIONS WITHIN THE COUNTY. SO --

Commissioner Smith: WE'RE SENDING UNTRAINED FOLKS OUT --

Marissa Madrigal: THEY WILL BE TRAINED. BUT THIS MUCH LIKE WE HAVE DONE IN COLLEGE TO COUNTY, WHERE WE BROUGHT IN COLLEGE STUDENTS AND TRAINED THEM TO DO APPRAISAL THEN THEY WERE EVENTUALLY ABLE TO TEST AND GET JOBS AS APPRAISERS IN THE COUNTY, THIS WOULD BE A SIMILAR STRUCTURE.

Mike Vaughn: GOOD MORNING, CHAIR, COMMISSIONERS. MIKE VAUGHN, DART DIRECTOR. I APOLOGIZE FORT LACK OF CLARITY IN THE PROGRAM OFFER. HOPEFULLY I CAN CLARIFY THAT TODAY. SO WHAT WE'RE LOOKING AT DOING, WE HAVE OUT OF 350,000 ACCOUNTS THAT WE MAINTAIN WE HAVE ROUGHLY 63,000 ACCOUNTS THAT WE HAVE NOT VISITED SINCE 2003. WHAT TARGETS OUR OFFICE GOING OUT TO A PROPERTY IS WHEN TYPICALLY A PERMIT IS

PULLED ON A PROPERTY. SO YOU GO TO THE -- BUILD A HOUSE, ADD A KITCHEN, YOU GET A PERMIT. THAT TRIGGERS OUR OFFICE TO SEND SOMEBODY OUT SAYING CLEARLY THERE'S SOME NEW PROPERTY BEING INSTALLED IN THIS HOUSE OR THIS OFFICE BUILDING. THAT'S THE TRIGGER THAT -- WE DID ROUGHLY 21,000 OF THOSE LAST YEAR TO GIVE YOU SOME PERSPECTIVE. WITH OUR GROWING COMMUNITY AND ECONOMY IT'S GREAT, WE KEEP OUR STAFF FULLY EMPLOYED, OUT THERE GETTING THE INFORMATION, BUT THE PROPERTIES THAT DON'T HAVE PERMITS PULLED THAT HAVEN'T OBVIOUSLY DONE ANYTHING IN THE LAST 15 OR 20 YEARS CAUSES US CONCERN. YOU WANT TO HAVE AN ACCURATE ASSESSMENT OFFICE YOU WANT TO MAKE SURE YOU HAVE CORRECT AND ACCURATE ASSESSMENT RECORDS.

Mike Vaughn: THAT'S THE BASIS FOR THE VALUES. THAT'S THE BASIS WHERE THE VALUES MOVE INTO THE TAX COLLECTIONS TO HELP THE DISTRICTS. SO WE WANT TO MAKE SURE AS AN ASSESSOR I HAVE THAT INFORMATION CORRECT. THIS PROGRAM IS MEANT TO HIRE AND TRAIN LIMITED DURATION STAFF THAT WILL BE GOING OUT AND INSPECTING THOSE 63,000 ACCOUNTS. NOW OBVIOUSLY WE CAN'T DO 63,000 IN ONE YEAR. TRAINING MAY TAKE THREE, FOUR MONTHS WORTH OF GETTING SOMEBODY WHO DOESN'T HAVE A PERSPECTIVE IN APPRAISAL OR ASSESSMENT TRAINED UP AND WE RECOGNIZE THAT. THAT'S GOING TO TAKE TIME AND EFFORT BUT WE HAVE STAFF THAT ARE VERY COMPETENT AND CAPABLE OF DOING. THAT WE FEEL VERY SURE OF OURSELVES IN BEING ABLE TO GET THAT. WE ALSO CREATE AN OPPORTUNITY WE THINK TO ATTRACT POTENTIALLY STAFF WHO WOULDN'T BE LOOKING AT DART AS AN EMPLOYMENT AVENUE LIKE THE COLLEGE TO COUNTY BUT WHEN THEY COME IN THEY SEE THE BENEFIT THAT WE ADD TO THE COMMUNITY THAT WE'RE HERE TO REALLY SERVE AND BENEFIT THE DISTRICTS THAT DEPEND ON THE REVENUES WE BRING IN TO SUPPORT THEIR CRITICAL FUNCTIONS. WE THINK THIS IS A WAY OF BRINGING THESE EIGHT STAFF WE THINK EIGHT STAFF THAT WILL GET THE JOB DONE, GETTING THEM TRAINED UP, OUT IN THE FIELD. IT'S NOT A NEW DATABASE IT'S EXISTING DATABASE OF HOUSES AND PROPERTIES WE HAVEN'T BEEN TO IN A LONG PERIOD OF TIME TO MAKE SURE WE HAVE THE CORRECT RECORDS.

Commissioner Smith: HOW MANY OF THOSE 21,000 ARE NEW ADUS?

Mike Vaughn: NONE. AN ADU WOULD HAVE HAD A PERMIT. IF IT WAS AN UNPERMITTED ADU, WHICH THERE'S A BUNCH OF OTHER LAWS I THINK -- BUT THEN THAT WOULD BE SOMETHING WE WOULD PICK UP BUT WE'RE NOT TARGETING PROPERTIES.

Commissioner Smith: THEY SEEM LIKE THEY ARE THE MOST DIFFICULT. YOU'RE GETTING NEW PEOPLE WHO DON'T HAVE A HISTORY OF BEING APPRAISERS AND YOU'RE GIVING THEM THE MOST DIFFICULT HOUSES TO APPRAISE. I WOULD THINK YOU WOULD GET THOSE WHO HAVE BEEN APPRAISERS MANY

YEARS TO DO THE MORE DIFFICULT CASES. THEY HAVE TEACHERS WHO THEY GO TO THE LOW INCOME, VULNERABLE SCHOOLS AND THE NEW TEACHERS GET PLACED IN THE MOST VULNERABLE SCHOOLS THAT WE HAVE INSTEAD OF GETTING THE TOP TEACHERS TO TEACH THE MOST VULNERABLE, YOU PUT THE LESS EXPERIENCED FOLKS TO DO THE MOST DIFFICULT APPRAISING.

Mike Vaughn: LET ME CLARIFY THE POINT. THESE FOLKS WOULD NOT BE ESSENTIALLY ENGAGING IN THE APPRAISAL PROCESS. IT TAKES MANY YEARS TO GET TRAINED UP TO BE AN APPRAISER. THEY WOULD BE IN YOUR DESCRIPTION THE TEACHER'S ASSISTANT WHO WOULD SAY, WE WENT OUT TO THIS PROPERTY AND WE NOTICED THAT THE RECORDS SHOW 2,000 SQUARE FOOT HOUSE BUT WHEN WE MEASURED IT IT'S 3,000 SQUARE FEET. SO I DON'T HAVE ALL THE PROCESS LAID OUT BUT THAT MAY EXPERIENCE THE MORE EXPERIENCED APPRAISER TO SAY OUR JOB IS TO IDENTIFY AND EVALUATE. SO THE MORE EXPERIENCED APPRAISER PROBABLY WILL BE WORKING IN A MENTORSHIP BUT WE'LL BE THE ONE RESPONSIBLE FOR VALUING THE PROPERTY.

Commissioner Smith: IF I HAD TO GUESS THIS IS HOME OWNERS WHO LIVED HERE MANY YEARS, THEY DIDN'T GET A PERMIT, THEY HAVE ADDED ON TO THEIR HOME AND IT'S UNDOCUMENTED. SO YOU'RE TRYING TO FIGURE OUT HOW DO WE GET THAT ON THE ROLLS SO WE GET THE APPROPRIATE DOLLARS INTO OUR COVERS.

Mike Vaughn: THAT'S CORRECT.

Commissioner Smith: OKAY.

Commissioner Stegmann: THANK YOU, CHAIR. WHILE YOU'RE UP, MIKE, I HAD A COUPLE QUESTIONS. YOU'RE SAYING THAT HOW WE KNOW IS WHEN A PERMIT IS APPLIED FOR. OUTSIDE OF THAT, WHAT OTHER TOOL OR DO WE HAVE ANY OTHER TOOLS TO TRACK THOSE HOUSES THAT NEED TO BE REASSESSED?

Mike Vaughn: COMMISSIONER, I THINK THIS IS ONE WAY WE DO THIS. TYPICALLY, WE RELY ON SLOWER TIME PERIODS WHERE WE'RE NOT CHASING 20 TO 30,000 PERMITS AND PRIORITIZING THOSE TO MAKE SURE WE HAVE DONE THE OBVIOUS STUFF FOR MAKING SURE THE TAX ROLLS CORRECT. THE LAST FIVE YEARS HAVE BEEN BUSY. GROWTH IS GOING. HOUSE PRICES ARE GOING UP. APARTMENTS ARE GOING UH UP LEFT AND RIGHT. ALL THESE THINGS ARE HAPPENING WHEN DOESN'T ALLOW US TO CIRCLE BACK AROUND AND DO INSPECTIONS OF NEIGHBORHOODS. HONESTLY, PROJECTING OUT, MY OFFICE DOESN'T SEE A SLOW-DOWN IN THE NEXT TWO, THREE YEARS. THAT WOULD PUT US OUT SEVEN TO EIGHT YEARS WITHOUT DOING THIS NORMAL REAPPRAISAL OR RE INSPECTION CYCLE APPROPRIATE FOR MAINTAINING AN ACCURATE ASSESSMENT ROLL.

Commissioner Stegmann: I THINK YOU'RE ON THE RIGHT TRACK. PERSONALLY, THERE'S A SHORTAGE OF APPRAISERS, SO JUST THE FACT THAT YOUR DIVISION RECOGNIZES AND IT COULD BE A GREAT OPPORTUNITY TO LIKE THE COLLEGE TO COUNTY PROGRAM OF THOSE ARE GOOD PAYING JOBS. SO MAYBE WE COULD HAVE AN OPPORTUNITY TO HIRE SOME MINORITY FOLKS, GIVE THEM A CAREER PATH AND KEEP SOME OF THEM AND THEN HAVE SOME GO OFF TO THE PRIVATE SECTOR. I THINK YOU'RE RIGHT ON. WE'RE LOSING REVENUE. EVERY YEAR THAT WE DON'T INVEST I DON'T KNOW WHAT THAT NUMBER IS, REVENUE, AND THEN IT'S LIKE THE BEST THING ABOUT SOME INDUSTRIES IS YOU HAVE THAT RECURRING REVENUE THAT WE'RE LOSING BECAUSE WE'RE BEHIND. I'M ALL FOR ANYTHING THAT CAN BRING IN SOME ADDITIONAL REVENUE. SO I LIKE IT. I LIKE THE IDEA OF A TRAINING PROGRAM. MAYBE WE COULD WORK WITH SOME MINORITIES AND WOMEN, GET THEM INTO SOME GOOD-PAYING JOBS.

Chair Kafoury: QUESTIONS OR COMMENTS? THANKS, MIKE.

Marissa Madrigal: JUST WANT TO SHARE WITH YOU SOME TRENDS HERE. THOSE PEOPLE YOU SEE IN THE LOBBY, A TON OF THOSE, ARE FOR PASSPORT APPLICATIONS. THAT'S THE RED LINE. WE HAVE BECOME A VERY POPULAR SPOT FOR THE APPLICATIONS AND ALSO THE PHOTOS. WE ALSO HAVE SEEN A BIG INCREASE IN MARRIAGE APPLICATIONS. AH, LOVE! [LAUGHTER] THOSE ARE SOME OF MY FAVORITE PEOPLE TO SEE VISITING DOWNSTAIRS. ALWAYS HAPPY. CARRYING OUT THAT MANILA ENVELOPE. THEN OUR RECORDINGS HAVE INCREASED. I GET SURPRISING NUMBER OF PEOPLE, FRIENDS AND ACQUAINTANCES, THAT CALL ME TO TELL ME THAT THEY LOVE COMING TO OUR DART OFFICE DOWN HERE.

Chair Kafoury: THEY ARE SO SURPRISED. THEY DON'T THINK IT'S GOING TO BE SO GREAT AND IT'S SUCH A WARM, WELCOMING EXPERIENCE.

Marissa Madrigal: OH, THAT'S GOOD TO HEAR. THIS SLIDE SHOWS SOME OF WHAT WE WERE TALKING ABOUT JUST NOW AND WHY GOING OUT AND CAPTURING OUR GROWTH IS IMPORTANT. IN 2016 WE ADDED \$3.7 BILLION IN TAXABLE VALUE TO THE ROLLS. THAT IS NEW CONSTRUCTION. THIS IS THE BUILDING BOOM IN MULTNOMAH COUNTY. ON A CHART. WHAT THAT TRANSLATED TO IN THE AMOUNT OF TAXES THE INCREASE FROM LAST YEAR WAS WE BOUGHT IN 82 MILLION MORE IN TAXES THAN THE PREVIOUS YEAR. SO A HUGE INCREASE. WANT TO POINT OUT THAT IN 2013 IF YOU WONDER WHY IT JUMPED UP SIGNIFICANTLY TO 114 YEAR OVER YEAR, THAT WAS A YEAR THAT WE PASSED SEVERAL DIFFERENT BONDS AND TAX MEASURES. SO IT INCREASED SIGNIFICANTLY THAT YEAR. THEN WE HAD SMALLER INCREASES FROM. ANY QUESTIONS ON THIS LINE? THIS ONE TAKES ME A LITTLE WHILE --



Commissioner Smith: THAT'S THE TOTAL INCREASE IN TAXES AND NOT JUST MULTNOMAH COUNTY'S PIECE OF THAT PIE?

Marissa Madrigal: YES.

Commissioner Smith: INCLUDES DISTRICTS AND CITIES?

Marissa Madrigal: THAT'S RIGHT. WE COLLECT -- THE ORANGE LINE THERE IS THE TOTAL AMOUNT OF TAXES THAT WE HAVE LEVIED AND COLLECTED. 1.6 BILLION IN PROPERTY TAXES WE RECEIVE AT MUSIC ABOUT A QUARTER OF THAT. THE REST OF IT GOES ACROSS THE COUNTY TO OTHER TAXING JURISDICTIONS.

Commissioner Smith: THE 12.4 MILLION IN SURPLUS CAME FROM THE PROPERTY TAXES?

Marissa Madrigal: OUR SURPLUS IS THE RESULT OF A COMBINATION OF DIFFERENT REVENUES, THE TOTAL AMOUNT OVER ALL THE DIFFERENT REVENUE STREAMS THAT COME INTO THE GENERAL FUND. WE ADD THEM UP AND SAY WE HAVE THIS MUCH EXTRA.

Commissioner Smith: THAT WAS A PIECE OF THE 82 MILLION YOU SAY WE HAD MORE THAN WE TOOK IN LAST YEAR.

Marissa Madrigal: YES. PROPERTY TAXES DEFINITELY CONTRIBUTED TO THE SURPLUS ALONG WITH OTHER REVENUES THAT MIKE WENT OVER. SO NOW FOR SOME WORDS. A FEW MORE NUMBERS. THIS IS A CHART, GRAPH OF OUR GENERAL FUND REDUCTIONS THAT WE TOOK. WE HAVE EXPERIENCED IN OUR DEPARTMENT QUITE A FEW RETIREMENTS, PEOPLE WHO WERE AT THE TOP OF RANGE THAT WE HIRED BELOW, SO WE WERE LUCKY IN BEING ABLE TO CAPTURE SALARY SAVINGS FROM THOSE POSITIONS TO MEET THE CONSTRAINTS AND THEN WE ALSO WERE ABLE TO PROVIDE -- WE TOOK A FURTHER REDUCTION OF AN FTE, CAPITAL ASSET STRATEGIC PLANNING, TO SWITCH IT OUT FOR CONSULTING WHICH WE'RE PAYING FOR WITH ONE TIME ONLY. OUR TOTAL REDUCTION FOR DCM OF ONGOING REVENUE WAS 3%. ONGOING EXPENDITURES IS 3%. ANY QUESTIONS ON THESE REDUCTIONS? OKAY. SO AFTER WE CUT 3% WE DID MAKE SOME REALLOCATIONS WITHIN SO THIS IS WHERE WE COMB THROUGH AND SAID, WHAT DO WE NEED TO KEEP DOING? WHAT DO WE NOT NEED TO KEEP DOING. ARE OUR DOLLARS WITHIN CONSTRAINT BETTER USED SOMEWHERE ELSE? AND WE MADE THESE CHANGES. YOU'LL SEE, I WON'T GO THROUGH LINE BY LINE UNLESS YOU HAVE QUESTIONS, BUT WE CONVERTED POSITIONS FROM TEMPORARY FUNDS IN DART, WE CONVERTED EXISTING POSITIONS AND FINANCE IT. WE HAD PERSONNEL COSTS THAT WERE LESS THAN BUDGETED. THESE ARE THE PUTS AND TAKES AND MOVEMENTS WITHIN OUR TARGET THAT WE MADE.

Commissioner Stegmann: ON THE SECOND LINE WHERE CONVERTED TEMP STAFFING TO PERMANENT, IS IT INHERENTLY MORE EXPENSIVE OR LESS EXPENSIVE FOR TEMP RATHER THAN FOR PERMANENT EMPLOYEES?

Marissa Madrigal: IT DEPENDS ON WHETHER WE'RE PAYING BENEFITS OR NOT. BUT IT'S GENERALLY LESS EXPENSIVE TO HAVE TEMPORARY STAFFING.

Commissioner Stegmann: THANK YOU.

Marissa Madrigal: OTHER QUESTIONS ON THIS SLIDE? OKAY. AND THEN THESE ARE OUR NEW ONE TIME ONLY BACK FILM AND REGISTRATIONS THAT WE REQUESTED. SO THE FIRST ONE THERE COUNTY CLERK CARRY-OVER, THOSE ARE RESTRICTED FUNDS WHICH WE DON'T BELIEVE WE'LL SPEND THIS YEAR THAT WE NEED TO CARRY OVER UNTIL NEXT YEAR. YOU'LL SEE THE PROGRAM WE WERE DISCUSSING, THE DART RESIDENTIAL DEVELOPMENT PROGRAM. THERE'S ONE TIME ONLY FOR 365,000. THE HOME FOR EVERYONE CAPITAL INVESTMENT CARRY OVER, THE 1.1, THAT'S FOR THE GRESHAM WOMEN'S SHELTER THAT HAS NOT BEEN SPENT YET. THE MWESB CONTRACT COMPLIANCE, YOU'LL SEE THE ZERO BECAUSE WE'RE CHARGING IT TO THE PROJECT. SO WHILE IT'S A NEW OFFER IN OUR DEPARTMENT, THE PROJECT FUND WILL BE PAYING FOR IT, NOT THE GENERAL FUND. THEN THAT LAST ITEM IS THE 100,000 FOR PROFESSIONAL SERVICES FOR EVERYONE COUNCIL PLANNING. OKAY. ON TO OUR LEGISLATIVE IMPACTS.

A LOT GOING ON IN THIS WEEK'S LEGISLATIVE SESSION. THERE HAVE BEEN A LOT OF DIFFERENT IDEAS HOW TO REFORM PERS. I WILL SHARE AND YOU MAY HAVE HEARS THIS FROM FOLKS YOU TALK TO, SOME OF THESE STRUCK FEAR IN EMPLOYEES CLOSE TO RETIREMENT. SO WE'RE WATCHING THAT VERY CLOSELY TO SEE IF ANY OF THOSE BILLS HAVE LEGS. SOME OF THEM IF THEY WERE PASSED EVEN IF THE ASSUMPTION IS THAT THE COURT WOULD STRIKE THEM DOWN OR IVAN DATE THEM WE HAVE A SET OF EMPLOYEES WHO WOULD BE RISKING A LOT IF THEY STAYED EMPLOYMENT WITH THE COUNTY AND THOSE REFORMS WENT THROUGH. THEY WOULD SEE SIGNIFICANT DECREASES IN THEIR BENEFITS POST RETIREMENT. SO WE'RE WATCHING THAT. KIND OF THE WORST CASE SCENARIO WHICH I DON'T THINK WOULD HAPPEN BUT FOR YOUR AWARENESS THE WORST CASE SCENARIO WOULD BE WE WOULD SEE A WAVE OF RETIREMENTS WHEN THOSE REFORMS TOOK PLACE, AND WHILE I HAVE CONFIDENCE THAT WE WOULD MANAGE, IT WOULD BE A HUGE ORGANIZATIONAL DRAIN TO MAKE SURE THAT WE'RE STILL COVERING ALL OUR BASES AND IT HIGHLIGHTS WHY SUCCESSION PLANNING IS SOB IMPORTANT AND THAT WE NEED TO CONTINUE TO DEVELOP THOSE PATHWAYS FOR PEOPLE TO LEARN FROM. THE JOB FROM THE LINE STAFF ALL THE WAY UP THROUGH THE DEPARTMENT HEADS SO THAT WE HAVE OPTIONS WHEN PEOPLE RETIRE AND WHEN PEOPLE LEAVE FOR OTHER REASONS. WE'LL BE BACK FOR A STATE BUDGET REBALANCE ONCE WE KNOW WHAT THE LEGISLATURE'S DECISIONS ARE. DCM CORPORATE TEAM STANDS READY TO

ASSIST IN WHATEVER WAY WE CAN TO MANAGE THOSE IMPACTS AND HELP THE DEPARTMENT MANAGE FOES IMPACTS IN THE BEST WAY POSSIBLE THERE ARE SOME PROPERTY TAX SYSTEM REFORM BILLS INCLUDING ONE I THINK CHAMPIONED BY THE CITY OF GRESHAM ON THE PROPERTY EXCHANGE RATIO WHICH I WON'T TRY TO EXPLAIN BUT WE COULD SEE IMPACTS THERE. WE'RE TRACKING THOSE CLOSELY. WE'RE ALSO MAKING SURE THAT THE COURTHOUSE MATCH FROM THE STATE COMES THROUGH ON TIME SO THAT WE AREN'T FLOATING THE STATE FOR TOO LONG. FEDERAL IMPACTS. WE DON'T KNOW WHAT THEY ARE GOING TO BE.

Marissa Madrigal: WE JUST KNOW THAT THEY WILL BE. AGAIN, WE'LL BE READY TO ASSESS AND PROVIDE ANALYSIS FOR YOU ON WHAT THOSE IMPACTS ARE AND THE BEST WAY TO MANAGE THOSE INCLUDING UNCERTAINTY ABOUT THE AFFORDABLE CARE ACT. IT SEEMS WE HAVE GOTTEN A TINY REPRIEVE FROM BIG CHANGES THERE FOR NOW. THEN THE OTHER BIG POLICY ISSUE THAT WE'RE GRAPPLING WITH IS CAPITAL. I TALKED A LITTLE BIT ABOUT HOW WE'RE TAKING A DIFFERENT APPROACH TRYING APPROACH OUR CAPITAL NEEDS IN A MULTIDISCIPLINARY WAY. A FEW QUICK DCM SUCCESSES BEFORE I SCOOP FOR LUNCH, LAST YEAR WE RESTRUCTURED A LOT OF THE COUNTY-WIDE GOVERNING, INTERNAL COMMITTEE MEETINGS. REALIZE THAT WE HAD A LOT OF THEM THAT WERE JUST HAPPENING BECAUSE THEY HAD HAPPENED FOREVER AND HAD LOST THEIR MEANING, LOST THEIR WAY, SO WE WENT THROUGH SYSTEMATICALLY AND WE GOT RID OF A FEW, CREATED SOME NEW, SMALLER TEAMS THAT ARE A LITTLE MORE FOCUSED ON SUBJECT MATTER. AND I THINK SO FAR IT'S BEEN WORKING PRETTY WELL. I THINK WE HAVE HAD A LOT MORE FOCUS AND A LOT MORE DIRECT CONNECTION BETWEEN CORPORATE LEADERS FOR EXAMPLE MARK CAMPBELL AT THE CFO NOW HAS ALL HIS COUNTERPARTS IN THE DEPARTMENT, ALL THE FINANCE MANAGE THERE'S MEET TOGETHER AS A GROUP.

SO THEY ARE MEETING, TALK BECOME INTERNAL POLICY, THEN MARK AS A REPRESENTATIVE OF THE CORPORATE TEAM SHARES WITH US WHAT THESE SUBJECT MATTER EXPERTS SAY. SO IT'S A NICE WAY TO COMMUNICATE AND ALSO MAKE SURE THAT WE'RE GETTING INPUT FROM ACROSS THE COUNTY, IN AND OUT JUST MAKING DECISIONS CENTRALLY IN A SILO. WE TALKED THE SUCCESS, OUR INVESTMENT PORTFOLIO EARNINGS HAVE GONE WAY UP. LET'S HOPE THAT THAT CONTINUES. WE HAVE HAD NO REPEAT AUDIT FINDINGS FOR THE LAST FOUR YEARS. BOND RAIDING IS UP. TRIPLE-A. PURCHASING DID A GREAT JOB NEGOTIATING, IT'S BEEN A HUGE DEAL FOR THE COMMUNITY AND OUR PROPERTY TAXES, TAXES LEVIED, HAVE GONE UP. PROUD OF THE TEAM. BRILLIANT, GOOD-HEARTED PEOPLE THAT ARE DEBT INDICATED AND TAKE THAT VALUE OF STEWARDSHIP SERIOUSLY. YOU CAN SEE THE IT IN THE RESULTS THAT THEY GENERATE SOME OF THE THANK YOU. CHALLENGES. WE ARE GOING TO BE HANDLING THE FINANCING FOR ALL OUR CAPITAL PROJECTS AND ISSUING DEBT LOOKS LIKE AT THE END OF THE SUMMER. THAT'S ALL IT'S ALWAYS A LOT OF WORK AND WE WANT TO GET THE

BEST WORK THAT WE CAN. THE ERP SYSTEM WE'LL HAVE OUR FINGERPRINTS ALL OVER. WE'LL BE CUTTING OVER TO OUR NEW DART APPRAISAL SYSTEM, IMPLEMENTING NEW RULES, GOVERNMENT ACCOUNTABILITY BOARD RULES. DID I GET THAT RIGHT? ON THE VERY DOWNSIDE, WE WILL BE HELPING FOR THE FIRST TIME IN A FEW YEARS MANAGING WHAT WILL LIKELY BE A COUNTY-WIDE LAYOFF PROCESS. WE HAVE A LOT OF FOLKS WHO ARE EXPERIENCED IN DOING THIS. WE HAVE STRONG RELATIONSHIPS WITH OUR LABOR UNIONS, BUT IT'S NEVER FUN.

Marissa Madrigal: IT DOESN'T EVER FEEL GOOD. AND WE BECAUSE OF THAT REALLY TRY TO DO OUR BEST TO SAVE AS MANY PEOPLE AS WE CAN SO MOVE AS MANY PEOPLE AS WE CAN INTO VACANT POSITIONS, COMMUNICATE CLEARLY ABOUT WHAT THE PROCESS IS AND WHAT THE TIMING IS. ALL OF US ARE ASKING PEOPLE WHO AREN'T AFFECTED TO BE AWARE AND BE SUPPORTIVE OF THEIR FELLOW EMPLOYEES THAT MAY BE TOUCHED BY THESE LAYOFFS. I KNOW THAT I'M CONFIDENT THAT YOU AS OUR COUNTY LEADERS WILL ALSO BE COMPASSIONATE AND HELP US IN THAT MESSAGING AND SUPPORT AND IT'S POSSIBLE MANY YEARS AGO WHEN WE HAD A BIG LAYOFF PROCESS WE WERE ABLE TO PLACE ALMOST EVERYBODY BACK INTO A JOB WITH THE COUNTY. THAT WHAT WOULD BE MY GOAL AND I THINK SHOULD BE OUR GOAL, TO KEEP AS MANY PEOPLE AS WE CAN IF IT'S POSSIBLE. RELATED TO THAT WE'LL BE NEGOTIATING FIVE LABOR AGREEMENTS AND AGAIN, ASSISTING YOU IN MAINTAINING RESILIENCY THROUGH THESE UNCERTAIN CUTS.

Commissioner Smith: I HAVE A QUICK QUESTION. I LOOK AT THE HEALTHY -- THE HEALTH DEPARTMENT. THEY HAVE ABOUT 108 FTES THEY ARE MOVING BUT THEY ARE ALSO INCREASING NEW PROGRAMS. HOW DO WE RECONCILE WITH WE SEE NEW PROGRAMS ADDED TO THE HEALTH DEPARTMENT YET THEY ARE GOING TO BE LOSING 108 FTES?

Marissa Madrigal: THE MAJORITY OF THEIR -- I KNOW JOANNE WILL GO INTO THIS IN ITCH GREATER DETAIL. THE MAJORITY OF THE FTE CUTS IN THE HEALTH DEPARTMENT ARE FROM THE CLINICAL SYSTEM WHERE WE'RE TRYING TO FIND THE RIGHT BALANCE OF STAFF TO CLIENT. TO KEEP OUR REVENUES AND EXPENDITURES IN BALANCE. SO THAT'S PRETTY SELF-CONTAINED SYSTEM. AND SO ADDITIONS IN OTHER AREAS AREN'T OR REDUCTIONS ARE NOT NECESSARILY RELATED TO THOSE.

Commissioner Smith: HOW MANY ARE WE EXPECTING TO LAY OFF?

Marissa Madrigal: I BELIEVE THE NUMBER IN MY HEAD IS 77 IN THE HEALTH DEPARTMENT. 73? 73.

Commissioner Smith: IN THE CLINIC.

Marissa Madrigal: YES.

Commissioner Smith: I'M TALKING ABOUT MANAGING COUNTY-WIDE LAYOFF PROCESS. WHAT'S THE NUMBER DO YOU THINK THAT WE'RE GOING TO LAY OFF?

Marissa Madrigal: THAT ACTUALLY GET LAID OFF, HARD TO SAY. WE WOULD TRY TO MANAGE THAT DOWN TO ZERO IF WE CAN.

Commissioner Smith: SO IT IS GOING TO HAPPEN. THIS IS THE FIRST I HAVE HEARD THAT WE WERE GOING TO LAY OFF SOME FOLKS.

Marissa Madrigal: YES. SO FROM LAST YEAR THE NUMBER OF POSITIONS CUT IS 144. 112 FOR LAST YEAR. WHAT'S THE 144? FROM FEBRUARY. SO IF YOU TOOK A SNAPSHOT IN FEBRUARY UNTIL AND IF WE DID TAKE ALL THESE POSITIONS WE WOULD BE CUTTING 144. THOSE POSITIONS ARE ACROSS MANY DIFFERENT CLASSIFICATIONS. WHERE YOU'LL SEE A COUNTY WIDE IMPACT IS IN THE CLASSIFICATIONS THAT WE HAVE EVERYWHERE. FOR EXAMPLE AN OFFICE ASSISTANT. BUT THAT ALSO ALLOWS US TO PLACE THEM IN OTHER -- WE'RE NOT DEPENDENT ON THE HEALTH DEPARTMENT HAVING A POSITION FOR THEM. WE CAN LOOK ELSEWHERE. TRAVIS AND MYSELF AND THE UNION REPRESENTATIVES ARE ALL -- WILL PROBABLY HAVE AND HAVE DONE IN THE PAST HAVE A COUNTY-WIDE LAYOFF COMMITTEE WHERE WE PUT THE PROBLEMS ON THE TABLE, LOOK AT THE CLASSIFICATIONS AND TRY TO FIND THE BEST PATH FORWARD AND MANAGE WITH THE VACANCIES THAT WE HAVE TO KEEP PEOPLE.

Commissioner Smith: ONE LAST QUESTION. THE 82 MILLION THAT WE HAD SURPLUS FROM PROPERTY TAXES FROM THE PREVIOUS YEAR, THAT'S NOT A DOLLAR FOR DOLLAR TRANSLATION INTO SURPLUS FOR US.

Marissa Madrigal: NO BECAUSE THE 82 MILLION IS WHAT WE COLLECT ON BEHALF OF ALL THE TAXING JURISDICTIONS INCLUDING CITIES, ALL THE OTHER LITTLE DISTRICTS. WE RECEIVE ABOUT A QUARTER OF THAT.

Commissioner Smith: OKAY. CAN WE FIND OUT THAT NUMBER?

Marissa Madrigal: ABSOLUTELY. YOU WANT JUST THE INCREASE IN PROPERTY TAX REVENUE?

Commissioner Smith: PROPERTY TAXES WHICH WOULD BE THE DOLLAR FOR DOLLAR SURPLUS. I'M TRYING TO THINK WHERE THAT 12.4 MILLION CAME FROM.

Marissa Madrigal: WE CAN BREAK THAT DOWN FOR YOU. ABSOLUTELY.

Commissioner Smith: THANK YOU.

Commissioner Stegmann: MARISSA, SO IF WE HAVE TO ACTUALLY LAY OFF FOLKS, ARE THERE SERVICES OR MECHANISMS THAT WE CAN HELP THOSE FOLKS LIKE RESUME WRITING, JOB SEARCH? WHAT DO WE DO IN THAT AREA?

Marissa Madrigal: WE ABSOLUTELY CAN AND HAVE DONE THINGS LIKE THAT. WE CALLED IT PROJECT SAVE IN THE PAST.

Travis graves: FOR THE RECORD, CHAIR, COMMISSIONERS, TRAVIS GRAVES, HUMAN RESOURCES. WE DO TWO THINGS. MARISSA TALKED ABOUT PROJECT SAVE. WE LOOK AT EVEN IF SOMEONE DOESN'T HAVE A RIGHT TO A JOB WE LOOK AT ALL THE OTHER VACANCIES TO SEE IF WE CAN PLACE THEM IN A SIMILAR POSITION. OUR TALENT DEVELOPMENT TEAM DOES THINGS LIKE RESUME WRITING CLASSES, HOW TO LEVERAGE LINKED IN, THAT KIND OF OFFERING WITHIN OUR TRAINING SYSTEM. WE BEEFED THEM UP. WE'RE ALSO OPEN TO SPECIFICALLY LIKE THE HEALTH DEPARTMENT. DOING SPECIFIC OUTREACH AND CLASSES WITH THEM.

Commissioner Stegmann: DO WE HAVE ANY EITHER FORMAL OR INFORMAL RELATIONSHIP LIKE WITH THE OTHER JURISDICTIONS LIKE CITY OF PORTLAND IN PLACING FOLKS?

Travis Graves: WE HAVEN'T. THEY ALL HAVE CIVIL SERVICE SYSTEMS JUST LIKE OURS, RIGHT, SO FOLKS WOULDN'T BE ABLE TO TRANSFER UNLESS WE HAD AN IGA THERE, AND WE HAVEN'T DONE THAT BECAUSE OF THE HIRING PROCESSES WE HAVE.

Chair Kafoury: USUALLY THEY DON'T WANT TO GO TO WORK FOR THEM.

Travis Graves: THEY WANT TO STAY HERE AND WE DO EVERYTHING WE CAN TO PLACE THOSE. YOU WERE ASKING HOW MANY FOLKS, IT'S TOO EARLY TO TELL AT THIS POINT. WE'RE JUST BEING ABLE TO LOOK AT THE CHAIR'S BUDGET AND ANALYZE THAT. THE BIGGEST PIECE OF THAT WORK IS HAPPENING IN THE HEALTH DEPARTMENT BECAUSE THAT'S WHERE THE LARGEST CUTS ARE. WE ARE GETTING TO A PLACE WHERE WE'RE REALLY SEEING THE NUMBER OF VACANCIES IN DIFFERENT PLACES AND CUTS AND PUTTING THOSE TOGETHER. BUT WE ALSO HAVE TO HAVE TO ANALYZE WHAT THE RIGHTS EACH INDIVIDUAL HAS TO BUMP INTO SENIORITY POSITIONS.

Commissioner Smith: WHEN YOU TALKED ABOUT OFFICE ASSISTANTS, ONE OF THE THINGS I THINK WE NEED TO BE VERY CONSCIOUS OF IN TERMS OF WHEN WE CREATE THIS GROUP OF FOLKS WHO ARE GOING TO DO THIS IS THAT WE USE AN EQUITY LENS SO THAT WE'RE JUST -- IF YOU'RE TALKING ABOUT THE LAST HIRED, FIRST FIRED, TALKING ABOUT THE LOWER KIND OF ENTRY LEVEL POSITIONS, REALLY THOSE POSITIONS COME FROM COMMUNITIES OF COLOR,

UNDER-SERVED COMMUNITIES AND THEY ARE USUALLY CUT FIRST. IF WE COULD FIGURE OUT AN EQUITY LENS SO THAT THEY ARE NOT THE ONES THAT ARE PICKING UP THE SLACK IN HOW WE MAINTAIN THE COUNTY, THAT WE HAVE SOME KIND OF FAIR SYSTEM FROM THE TOP ALL THE WAY TO THE BOTTOM.

Travis Graves: YOU BRING UP A REALLY GOOD POINT. WE HAVE TO FOLLOW EVERYONE THE CONTRACTS OF EACH OF OUR UNIONS. ONE OF THE DISCUSSIONS WE HAVE HAD WITH LOCAL 88 IN THE BARGAINING IS WANTING TO LOOK AT THE CONTRACT FROM AN EQUITY PERSPECTIVE. LOCAL 88 IS COMING TO THE TABLE SAYING THE SAME THING. I THINK THAT'S SOMETHING THAT AS AN ORGANIZATION WE WANT TO CONTINUE TO BE STEP INTO TO MAKE SURE THAT WE ARE LOOKING AT ANY OF THOSE BARRIERS THAT MIGHT BE IN OUR SYSTEM'S CONTRACTS, ALL THAT. THANKS FOR THAT.

Chair Kafoury: OTHER QUESTIONS OR COMMENTS?

Marissa Madrigal: SO WE'LL WRAP UP HERE, THESE ARE OUR HOPES AND OUR GOALS FOR THIS YEAR. WE STRIVE FOR EXCELLENCE AND HOPE TO MANAGE ALL OF THESE DIFFERENT ISSUES IN A WAY THAT THE PUBLIC CAN BE PROUD OF AND THAT YOU CAN BE PROUD OF, THAT MINIMIZES OUR RISK AND MAXIMIZES THE BENEFIT TO THE COUNTY AND TO OUR COMMUNITY. HAPPY TO TAKE ANY QUESTIONS.

Chair Kafoury: COMMISSIONER STEGMANN?

Commissioner Stegmann: THANK YOU. GOING BACK TO THE WESB COMPLIANCE THAT YOU'RE HIRING ONE PERSON, I KNOW WHEN THE AGREEMENT FOLKS CAME AND I HAD ASKED ABOUT IS THERE A MECHANISM TO MAKE SURE THAT MINORITIES AND WOMEN ARE GIVEN COMMENSURATE JOB RESPONSIBILITIES AND THE ANSWER WAS YES. THEY REFERENCED THE GREEN DOT PROGRAM. UPON FURTHER RESEARCH WITH ROBERTA HUNT WHO HAS AN EXTENSIVE BACKGROUND SHE DIDN'T SEEM TO AGREE THAT THAT WAS THE SAME THING. SO I WOULD JUST LIKE MORE INFORMATION ABOUT IF WE'RE HIRING SOMEBODY TO WATCH THESE CONTRACTS, THAT'S SOMETHING THAT I CARE ABOUT. I WOULD LIKE REPORTING ON.

Marissa Madrigal: I WOULD BE HAPPY TO CONNECT WITH ROBERTA OR HAVE SOMEONE IN THE PROGRAM CONNECT.

Commissioner Stegmann: ROBERTA WOULD BE PERFECT. GOING BACK TO HAVING EMPLOYEES WORK FROM HOME, WHICH IS A GREAT IDEA, DO WE GIVE THEM SOME TYPE OF INCENTIVE TO DO THAT? I'M ASSUMING IT'S MORE COST EFFECTIVE DEPENDING ON WHAT JOBS. WHAT DO WE DO TO HELP THAT?

Marissa Madrigal: I'M GLAD YOU BROUGHT THAT UP. WE DON'T CURRENTLY HAVE AN INCENTIVE. WE DO WORK CASE BY CASE WITH THE EMPLOYEE AND MANAGER. SOMETHING CHERRY AND I TALKED ABOUT IS COMING UP WITH A PROCESS WHERE IF WE KNOW WE'RE GOING TO BE ADDING SAY 50 EMPLOYEES, WHAT IS THE COST OF 50 CUBE CUBICLES, WHAT IS THE COST OF PEOPLE WORKING AT HOME. IF WE PROVIDED A SMALL SUPPORT OR INCENTIVE TO DO THAT WHAT IS THE DIFFERENCE IN COST AND COULD WE INCENTIVIZE THAT. THANK YOU.

Commissioner Stegmann: THE LAST QUESTION IS ABOUT DART. THE NUMBERS ARE CRAZY THE AMOUNT OF FOLKS THAT COME INTO THE OFFICE. I'M WONDERING, COULD IT BE HANDLED MORE THROUGH -- LIKE WHEN I PAY MY PROPERTY TAXES MY MORTGAGE COMPANY PAYS IT SO I DON'T HAVE TO GO. DO WE HAVE SOMETHING TO INCENTIVIZE PEOPLE TO DO THAT OR PAY ONLINE OR I'M WONDERING WHY WE HAVE SO MANY PEOPLE WHO PHYSICALLY WANT TO COME PAY THEIR TAXES HERE. I REALIZE THIS IS A CERTAIN POPULATION.

Marissa Madrigal: THERE'S A PSYCHOLOGY TO IT. MOST PEOPLE PAY THROUGH THEIR MORTGAGE COMPANY SO THEY ARE NOT COMING IN. BUT I HAVE HEARD STORIES YOU'RE PROBABLY THE BETTER ONE TO TALK ABOUT THIS, PEOPLE WANTING TO HAND US A CHECK, WANTING TO PAY MAYBE IN CASH. BUT THEN THE MAJORITY OF THE TRAFFIC THAT YOU SEE THERE IS NOT FOR TAXES, IT'S PASSPORTS AND APPLICATIONS, MARRIAGE APPLICATIONS, PASSPORT APPLICATIONS.

Mike Vaughn: COMMISSIONER, AGAIN, PUSHING THE ONLINE RESOURCE HAS BEEN A PRIORITY FOR DART THE LAST FEW YEARS. WE HAVE HAD EVERYTHING FROM ONLINE CHAT CAPABILITY TO EPAYMENT OF TAXES AND ALL KINDS OF SERVICES. YET IT SORT OF THE CUSTOMER BASE WHO WANTS TO COME INTO THE OFFICE AND TALK TO SOMEBODY OR EVEN DURING TAX SEASON I WAS STANDING OUT FRONT SAYING, DROP YOUR TAX PAYMENT HERE, NO, I WANT THE RECEIPT, WHICH YOU DON'T GET ONLINE IF YOU'RE PAYING YOUR TAXES. THERE'S ALWAYS GOING TO BE A CERTAIN DYNAMIC. WE BUILT OUT THIS SPACE A COUPLE YEARS AGO THINKING THIS WOULD BE THE FUTURE, IT'S MORE THAN ENOUGH SPACE.

WELL, NEXT THING YOU KNOW WE DOUBLE AND TRIPLE PASSPORT APPLICATIONS THAT WE PROCESS EACH YEAR. IT LITERALLY HAS DON'T GO UP 30, 40% THE LAST THREE YEARS. NOW WE'RE STUCK WITH DO WE ADD MORE SPACE TO DO THAT? YOU CAN'T DO THAT ONLINE. YOU CAN'T RECORD A DOCUMENT UNLESS YOU'RE A TITLE COMPANY ONLINE USUALLY. SO THERE'S ALWAYS GOING TO BE A CERTAIN SERVICE OR CUSTOMER BASE THAT'S GOING TO WANT TO COME IN BUT WE'RE CONTINUALLY RESHAPING OUR WEB PORTAL SO THAT WE FILTER MORE CUSTOMERS IN THAT AND HOPEFULLY THEY DON'T HAVE TO PAY FOR PARKING AND ALL THAT. IT'S A



GOAL. I DON'T KNOW HOW WELL WE'RE GETTING THERE. I THINK WE'RE HEARING FROM PEOPLE IN A POSITIVE WAY SO WE'RE HEADING IN THE RIGHT DIRECTION. I THINK IT'S SOMETHING WE'RE THINKING ABOUT.

Commissioner Stegmann: THE GOOD PART OF THAT IS THAT IT'S A TOUCH TO OUR COMMUNITY. A POSITIVE EXPERIENCE FOR US, SO I'M OKAY WITH THAT, BUT ALWAYS LOOKING AT COST SAVINGS.

Marissa Madrigal: THANK YOU.

Commissioner Vega Pederson: THANKS SO MUCH FOR THE PRESENTATION AND GOING THROUGH EVERYTHING. THE COMMENT ABOUT THE DART PROGRAM WHERE WE'RE LOOKING AT CREATING A PIPELINE FOR FOLKS TO GET EXPERIENCE IN A POSITION THEN HOPEFULLY HELP INTO THE FUTURE, I THINK IT'S A REALLY SMART IDEA AND I HOPE AS WE HAVE MORE OF THESE PRESENTATIONS FROM DIFFERENT DEPARTMENTS WE HEAR ABOUT SIMILAR PROGRAM. I THINK WHETHER IT'S CHANGES TO THE PERS SYSTEM OR GETTING CLOSE TO RETIREMENT AGE, ACROSS MANY INDUSTRIES BUT THAT WE NEED TO BE REALLY WORKING HARD TO MAKE SURE WE DON'T LOSE THE KNOWLEDGE AND EXPERIENCE AS MUCH AS POSSIBLE IN LOOKING AT THE CHANGES.

Marissa Madrigal: THANK YOU.

Chair Kafoury: ANY OTHER QUESTIONS OR COMMENTS? ALL RIGHT, THANK YOU SO MUCH. WE WILL SEE EVERYONE BACK HERE LOOKS LIKE 1:30 AGAIN TODAY. THANKS.

**ADJOURNMENT – 12:04 p.m.**

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