

**Informal Notes from the Board Retreat of the
Multnomah County Board of Commissioners
World Forestry Center
January 25, 10 am – 2 pm**

Convened: 10:11 am

Attendees:

Chair Deborah Kafoury, Vice-Chair Loretta Smith, Commissioners Jules Bailey, Judy Shiprack, and Diane McKeel

Guest Facilitator: Beverly Stein

Staff Present: Jenny Madkour, Nancy Bennett, David Blair, Megan Beyer, Matthew Lashua, Eric Zimmerman, Marissa Madrigal, Marco Circosta, Lynda Grow and Marina Baker

Goals – Ms. Stein

- **Discuss key budget issues and priorities within the context of the 2016-17 financial situation**
- **Identify the key challenges the next Board will face and advice to help them be effective**

II. 2016-2017 BUDGET – Chair Kafoury

A. Background information: update current financial forecast

B. Chair's current thinking on budget process and priorities

Kafoury: Benefits of listing priorities at last year's retreat: Funding for Mental Health, Schools, the Unity Center; Burnside Bridge project, Hanson building and the Courthouse replacement put in Chair's budget. Plus, funds for Departments to hire analytical help to do data analysis and tracking.

Costs increasing due to inflation, labor health care, PERS; proceed with caution.

Budget Office recommends moving funds from ongoing to one-time-only (OTO). \$34 M moved into one-time-only plus the MERS settlement and online travel settlement of \$7.8 million.

Departments to look at a 2% constraint to provide monies for ongoing programs.

Chair is committed to housing and homelessness. Approaching the budget:

- 1) Invest wisely using OTO money for OTO projects. Need large capital investment in Courthouse, Health Department Headquarters, Hanson Building, etc. Review projects to be addressed over next 5-10 years; e.g.: Bridges.

- 2) Reallocate wisely by evaluating effectiveness of pilot programs and adjusting future funding.
- 3) Strategic ongoing Educational investments; e.g.: Sun Schools; ensure investments are providing services intended and ensuring they're coordinated with other services provided.
- 4) Continue focus on equity and reducing disparities.
- 5) Focus on prevention services including serving kids who haven't committed a crime or been in trouble but are at risk to do so; e.g.: CHI, pre-CHI

II. 2016-2017 BUDGET – Chair Kafoury and Commissioners

C. What was learned from last budget session that can help in the current budget process?

Shiprack: Unified message to the nonprofit community how they get in the budget. How public contracting works. Redirecting them to work with departments and intersect with department priorities instead of going through elected officials.

McKeel: unified message from the Commissioners.

Smith: how a Commissioner deals with constituents is personal.

Bailey: Communication on both process and priorities with a consistent line of communication from the Board to constituencies. Board should be well informed of the Charter's constructs.

Kafoury: Clear messaging with constituents that their program must align with work of County; talk to and segue into Departmental goals. Contracting appropriately.

Smith: The Executive Budget should include items for each District. A method of Districts communicating their priorities to the Chair. The right to bring Amendments forward.

Stein: clarifying –

- 1) The issues of nonprofits coming forward at the end of the process and wanting to be put in the budget outside the contracting process
- 2) The right of the Commissioners to bring amendments forward if the item isn't in the Chair's Budget
- 3) How Nonprofits get their programs funded through the Departments and get into the Budget

Kafoury: Also think asking Nonprofits to start early in the process

Bailey: Self-imposed deadline for new requests for money. An agreement among Commissioners of what that is. What are the budget deadlines?

Stein: clarifying – Informal agreement to tell constituents I'm willing to entertain amendments as long as they are submitted before the due date.

Shiprack: Communicate a framework of priorities, e.g.: housing and homelessness, education, Sun schools, infrastructure, prevention programs like the Community Health Initiatives; help drive Service providers towards services being provided. Priority-based budgeting.

Smith: A gap between taxpayer dollars spent, and the District(s) in which that is paid. In past 5 years, not one infrastructure project in District Two has been included. Requesting the Northeast Health Department be included. Equal number of says about where the dollars go in each District.

Stein: clarifying – a tension between Countywide and individual District priorities. What is the intersection when you have overall priorities for a County, and what's the relationship with the individuals.

Smith: Conceptualize public-private partnership to redevelop the NE Health Clinic with businesses and housing.

Bennett: Recommend an update from Departments about the strategic framework they are developing for some of their work, and how it intersects with Commissioner priorities and budgets in general.

Shiprack: The investments of capital projects benefit all Districts, regardless of their physical location.

Stein: How do individual plans in each District factor into the idea of developing a budget.

Bailey: Maybe not an expectation that spending has to be equal in every District but that there are particular needs each District has and the Commissioner is in a unique position to understand those needs.

Kafoury: Applying strategic thinking about who from the County Board sits on various committees has proven beneficial; e.g.: JPAC.

Madrigal: We're taking the DRM's through the process, which is rooted in your Mission, Vision and Values. Goal is to harness talents of people in departments to set goals and tactics to lead through the next 5 to 10 years; that could be another filter for the Board to use; Pivot the Departments/County towards a Strategic Plan, also for capital planning, to have a long-term vision and definition of what the community needs are, and determine internally what is needed to

provide those services to respond to the community. Also, breaking down silos between the departments and have them think more countywide.

Important Budget Dates: Feb. 12 – Program Offers are due; Feb. 29th – posted to the Web; March. 18th – Executive decisions are finalized; April 21st – Budget released, May 26th – Budget adopted. Additionally, 3 public budget hearings: Wed. April 27 @ 6:00 pm @ IRCO; Wed. May 4 @ 6:00 pm @ East County Bldg.; and, Wed. May 11th @ 6:00 pm @ Multnomah Building.

D. Discussion: What are the issues we will have to grapple with in the upcoming budget discussions and how to address?

1. Affordable housing and homelessness

Ms. Stein: What priorities do you want the Chair to know about?

Kafoury: Where do we see changes happening and what's on the horizon.

Stein: Affordable housing and homelessness – the Chair has made a commitment for the County up to \$10 million which will probably be in the Chair's budget; Portland has made a commitment up to \$20 million. Home for Everyone is developing a list of data-driven priorities by greatest need, and the most financially effective to fund. Marc Jolin is coordinating. Their goal is to cut homelessness by half by 12/31/17.

Madkour: Reminded the Board as a point of procedure, they can talk about goal setting and priorities but not specifics in particular budget proposals. Goal setting would be that it's a goal of the Commissioners to reduce homelessness by a certain amount in a certain amount of time, but not the dollars that are allocated, under Oregon Budget Law.

Shiprack: Important to have a vision attached to those goals; not lead with money, but rather, leading with a vision for a better community. Example: looking at people in the jail population suffering mental illness, addressing their needs cohesively through a community partnership in a setting such the one that will be offered in Unity Center for Behavioral Health.

Smith: proposes joint meeting with the City to discuss homeless and affordable housing.

Stein: clarifying – Joint Board discussion on homelessness within a larger framework of affordable housing.

Kafoury: One goal of Home for Everyone is reducing homelessness; another is to keep people in their housing.

McKeel: important to build on successful programs we have such as housing Homeless Veterans.

D2. Capital requests from non-county entities in view of policy of no money to external organizations

Stein: the policy is that you don't spend capital money on non-county facilities, correct?

Kafoury: In cases where we are providing staff and services in a facility owned by our community partners, such as Unity, we can entertain capital requests. If a community entity approaches us for capital for something that's not our program, we decline.

Shiprack: there is a public contracting process that should be followed. There are programs in place that enable the County to lend our bond rate for hospitals and facilities, etc.

McKeel: Good entities we've had to turn down, but if we have services in a building, the Board should be able to consider that funding.

Stein: clarifying – Conclude the Board doesn't want to re-look at this policy.

D3. Consider priority based budget as way to address political pressure

Shiprack: Getting back to priority-based budget helps us legitimately put our money where we can measure performance, data collecting capacity.

Bailey: a process by which we set our clear goals, and budget to those goals, have outcomes we've identified that we hold ourselves accountable to; not sure how to institutionalize that from year to year.

Shiprack: that was done after Wheeler was elected and determined a great method for spending money but not well for cutting; very difficult to put together.

Smith: Our vision and Values around Equity may not match the dollars we're spending on the priority-based budgeting; you can't have some will be done this way and others won't.

Stein: not an issue for this year; it would be

D.4 What to do if don't get the \$100M from the State for the Courthouse

Kafoury: I'm operating on the position the State is going to provide \$93 million as their share. We have a proposal in this Session allowing communities/counties involved in a cost sharing arrangement with the State. Raising the filing fee with the direction of the Chief Justice with the fee to go to the State's half of the

funding; the other would allow Counties to receive funding towards their share from parking and moving violations; other Counties support this as they consider rebuilding their courthouses.

D.5 Additional priorities: Mental health, Seniors, Re-Entry

D.6 Animal Shelter Replacement

D.7 Burnside Bridge Upgrade

Stein: General issues to discuss during the budget process.

McKeel: New Animal Shelter is significant capital project. They have a new Director and unique opportunities for fund raising. Burnside Bridge flagged because it is a regionally designated lifeline in the case of an earthquake.

Shiprack: Public Safety because it represents a tremendous amount of the County's general fund expenditures; utilizing the measures of racial disparity; holding people in the system; and, inappropriate use of the resources of the system.

McKeel: Keeping it in the lens of a system; what touch points along each of that system could make a difference in that issue.

Shiprack: Requesting that LPSCC give a Briefing in terms of how the system responds to the information feeding the system.

Stein: clarifying – How do you approach the budget systemically and overcome the silo thinking/budgeting.

McKeel: We've laid the ground work for the Departments to address how they work across departments; they need to keep making that a priority.

Shiprack: working with our departments that have distinct cultures, e.g.: MCSO and the DA's office to impact their traditional thinking and budgeting in silos and challenge them to think systemically.

Kafoury: Not just silos - all jurisdictions, including the police of Portland, Gresham, and Health Care, and Transportation - and how we are intertwined with them - and the surrounding counties - in providing services.

Stein: clarifying – Expand discussions related to the Health Care, Public Safety, Transportation and Housing systems.

Shiprack: Bridging out and coordinating with departments and partners to continually evolve methods of data collection, retrieval, interpretation and sharing.

Lunch Recess: 12:00 pm
Reconvened: 12:17 pm

3. What are the long-term priorities/challenges (next 3-5 years) that need to be addressed?

3a. Major capital commitments have been made that essentially bind future Boards

Stein: The Board has made a lot of major capital commitments that will continue for an extended period of time. Theoretically, they are binding on future Boards. Elaborate?

Bailey: Proposed a communication of why those projects were chosen.

Kafoury: The actions taken in the budget process reflect that.

Shiprack: We now have a capital plan; something that wasn't in place when we started.

McKeel: We have a strategic plan now that allows the Board to move forward and be proactive.

Stein: clarifying – a Briefing on the capital plan so they understand how and why those decisions were made.

3b. How to take advantage of the opportunities of health care reform

Bailey: Develop information through this budget cycle and creating Budget Notes for the next Board to review.

Stein: Use the budget note process as a way of signaling to the new Board some of your thinking about future things that may not be budget items, but that they should be tracking.

3c. City county consolidation

Kafoury: some of the press have expressed renewed interest in this recently, because of the discussions around the Mayor's race. East County Municipalities may not agree with this concept. It's a big issue and would consume tremendous energy, time and resources to investigate.

3d. Eliminate tax exemptions for other governments.

Stein: consensus is to discuss further.

3e. Affordable Housing

Kafoury: have a Briefing with the Board. They are trying to expand the definition; the HUD number doesn't adequately describe the number. The difference with this plan is that it is data driven and the dollars represent actual people being housed.

Smith: see if we are making progress

McKeel: We've housed our Veterans, but how do we know next year how many are without housing; did we keep them housed.

3f. Northeast Health Clinic

Smith: think in terms of developing the site into a multi-use center.

3g. Animal Shelter Replacement

3h. Burnside Bridge Upgrade as a Regional Lifeline

Shiprack: Bridges – how to fund future Bridges rebuilding for seismic activity.

Smith: Oil being transported on rail lines 100 feet away. Knowing the location of the oil lines, and understanding the potential for disaster and how these issues can put the County in a real state of Federal Emergency.

McKeel: the smaller bridges too

Stein: - clarifying – Emergency Preparedness

Bailey: Disparities with communities of color

McKeel: Early Childhood Education

Kafoury: the backdrop of all this is our budget health and thinking 4-5 years out as to the impacts you have when you make budget decisions.

4. What advice do you have for the next BCC from your combined many years of experience as Board members?

4a. How to deal with future of being in the red

McKeel: keeping the budget healthy

Shiprack: Term limits and how that empowers department directors. Keeping within the scope of the County's business and not expanding.

4b.Importance of Relationships

McKeel: Board 101 when new Commissioners come in.

Kafoury: agreed - like new employee orientation.

4c.Keep an eye on progress of capital projects

McKeel: important to have regular Briefings and review capital projects; are we on time, and on budget

Kafoury: Team meetings with monthly updates on each project where you have legal, facilities, the owners rep, county staff together; ensuring goals set for diversity and enduring public contracting is followed.

Shiprack: Staying cognizant of the difference in the County's mission driven organization versus profit driven private sector and the pitfalls that can occur.

5b.All the different hats Board members wear (various Districts, etc.)

Stein: Understanding the budget timing process and the Board's role for County and Special District business.

5c.Need to function as a team and build trust

Stein: immediately start building as a team and build trust.

Bailey: Media training in Board 101. Helps new Commissioners regardless of their backgrounds, and provides a uniform platform of messaging.

McKeel: a meeting with Department heads to understand responsibilities for each.

Kafoury: meet with the Board Clerk: how to get things on the agenda, understanding the Snapshot, timelines, forms, and what information and support the BC provides.

Shiprack: Staff orientation; dynamics of Board Staff, of the Greater County as a teaching organization and the value of training so staff may have opportunities to build their expertise.

McKeel: Instructional meeting between staff and the County Attorney

Bailey: Review the stages of the budget process and calendar; how it is structured, how one-time-only funds are used, how ongoing programs work, what

Amendments and program offers look like; and, a copy of the previous year's budget.

ADJOURNMENT – 11:01 a.m.

Submitted by:

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