

TSCC Questions for FY 2014 Approved Budget:

Operations

1. For the first time in recent memory, the County won't need to reduce services because of revenue shortfalls. Some say that it is more difficult to budget when there is enough revenue than to budget for reductions. What was the process that you used to prioritize services and restore, if not add, funding to programs?

Chair Cogen

My approach to creating the proposed budget was to align with our county's values of caring for vulnerable people, nurturing diversity and equity, and keeping people safe. I also focused on reducing costs and spending taxpayer dollars wisely, investing in the future, increasing sustainability, and working with our community partners.

For the FY 2014 budget, I directed all departments to make a 1% reduction from current service levels in their general fund budget requests and asked internal service providers to build status quo budgets using current service levels.

At the same time, I asked departments to bring forward their ideas for new and innovative programs that would either help us work more efficiently or provide better service to our community. You will see new or expanded funding for some of these in the budget for next year.

To ensure that we are prepared to mitigate the worst impact of the federal sequester and potential for state cuts, I included \$2.1 million in set-aside funds in my Proposed Budget.

I worked closely with our cities and school districts to ensure that some of the gaps in services to our community were addressed.

In building my Proposed Budget, I worked with my Board colleagues, the District Attorney and the Sheriff, and County staff on a plan for making our community a better place for all our residents.

2. You have budgeted for the full increase in PERS employer rates. If Senate Bill 822 is the sole reform bill out of the 2013 Session, how much will those lower rates save the County and what would you propose doing with those savings?

Commissioner Shiprack

The County did not assume any savings from SB 822 (PERS reform). The savings to the General Fund would be \$1.6 million for each percentage point reduction in our rates, or roughly \$6.5 million. We would experience about the same amount of savings in our Non-County General Funds as well. It is important to note that the "savings" are temporary, as rates are projected to return to pre SB 822 levels and then increase in future bienniums. The reforms are also subject to legal challenge and the County would still have an unfunded liability (\$291.8 million as of December 2011).

It will be an upcoming Board policy decision about how aggressively or conservatively to assume one-time-only PERS savings and how to use those funds.

3. Congratulations on the creation of the Library District. This new taxing district allows for increased hours and services at the county's libraries and brings long sought stability to library funding; unfortunately, creation of the district also increases compression for local governments. This budget includes \$986,000 for eight high-poverty Schools Uniting Neighborhoods (SUN) community schools. These sites were previously funded by the City of Portland through its Children's Levy but the amount available from the levy will be affected by compression from the Library District. What other services affected by reduced property taxes due to compression will you be funding?

Commissioner McKeel

In addition to the \$986,000 you mentioned, the Board will be voting tomorrow on covering another \$900,000 of program costs previously covered by the City. These include:

- Support for an additional 3 SUN schools (\$135,380),
- Senior Centers (\$353,635),
- The one-stop domestic violence center at Gateway (\$64,300),
- A DA victims advocate position (\$82,346),
- Needle exchange (\$65,000), and
- Additional BIT collection costs (\$200,000).

Possible additional comments:

- *While the City will be impacted by additional compression, it is worth noting that the formation of the Library District is responsible for only about a third of their budget gap.*
- *This also illustrates the dysfunction of the property tax where approval of a tax for one district also equals a vote to reduce taxes for other districts.*

4. This issue coincides with discussions about revisiting the shared service agreement between the county and the City of Portland. Can you update us on a plan, if any, to formally review that agreement?

Chair Cogen

At this time, there has been no formal committee/workgroup established to review Resolution A. Multnomah County strives to serve its constituents in the most effective and efficient manner possible, which necessitates working closely with all of our partners, including the City of Portland. We strongly value and appreciate the relationships we have with other jurisdictions and look forward to continuing to coordinate our efforts with them.

I was pleased to see Mayor Hales' remarks on this topic when responding to the City Audit report from March 2013 where he stated his commitment to "working collaboratively with Multnomah County to ensure that our efforts are delivered with maximum efficiency and effectiveness."

Further evidence of our commitment to working together can be seen in our recent joint "budget agreement to preserve key community services that include SUN schools, the needle exchange program, the one-stop domestic violence center, our senior centers and the Crisis Assessment Treatment Center... Both of us appreciate the collaborative spirit of our discussions to help the city deal with the budget shortfall it faces this year. We are optimistic this spirit will be a model for our future discussions." – Joint Statement from Chair Cogen and Mayor Hales, May 16, 2013.

5. The Budget Message notes that you are actively seeking alternative service delivery options. Can you explain to us what this will look like and how you expect it will benefit services to the community?

Chair Cogen

We have a number of projects underway throughout the County that we expect will change and improve the way public services are delivered in our community. It's hard to know where to start describing these initiatives, but here are a few that we're excited about.

In addition to the Health Department Headquarters project, we have a number of other Facilities initiatives that we think will significantly reshape our service delivery expectations and our cost curve over time. We have recently contracted with an ESCO (Energy Services Company) to evaluate additional energy savings opportunities in five of our County buildings. We're working with our city partners in Portland, Gresham, Troutdale, Wood Village, and Fairview—and with Metro and the State—on options for co-locating services in shared facilities, creating “one-stop” locations for a variety of government services.

Our pilot project for Fleet Maintenance with the City of Portland has the potential to benefit the City as well as the County, by providing an option for the City's fleet maintenance operation to extend into existing County-owned shop space. And we're working with the State on our largest Facilities challenge, the Downtown Courthouse, to explore the ways in which public-private partnerships might allow us to replace aging assets like the Downtown Courthouse more quickly, thereby improving court services delivery and replacing a significant liability—both seismic and financial—with a community asset.

Improving our infrastructure only goes so far, though, to improve service delivery to our citizens. Our programs, services, and the employees who provide them in the community drive innovation every day. Animal Services, in partnership with the Animal Shelter Alliance of Portland, recently received a \$1 million grant to continue increasing its animal adoption rate. Our Domestic Violence Enhanced Response Team established the County's first nighttime and weekend emergency response program for victims of domestic violence crimes. In light of the new Health Department Headquarters building and a nearby community clinic, the County relocated primary health care services from its Westside Clinic to the newly-opened Southeast Health Center, thereby shifting health care resources to a community badly in need of them. Our Parole & Probation Officers have begun offering field-based cognitive behavioral therapy groups in the communities where offenders live. Finally, we will rely on the dedication and creativity of our employees and managers alike to maximize the positive changes we expect from health care transformation efforts currently underway.

These and the dozens of other program innovations implemented each year best demonstrate the way the County drives innovation in providing public service.

6. It is noted that departments were asked to review and report on their span of control during budget development. How are you doing in reaching the 11:1 staffing to management ratio? Have you found this ratio to be an accurate representation of what is needed or have there been instances when a greater or lesser ratio is warranted?

Commissioner Shiprack

The County continues to examine its span of control ratios each year. As in the past, Department Directors reviewed and justified spans of control that fell below 1:7 during the budget process. Unlike the State of Oregon, which set a goal of 1:11 for their management to employee ratio, the County has taken a more individualized approach to take into account the differences in work units. We found that differences in the types of work affect the most efficient span of control ratio. For example, units with one location performing similar and routine work may be able to operate with a relatively high span of control. In contrast, in places like Finance, where a separation of duties is necessary to ensure fiscal controls, a smaller span of control may be most appropriate. After the beginning of the fiscal year, the County will again report on its overall and department spans of control to measure its progress.

7. This budget includes \$1.2 million to fund replacement of the county's fleet of vehicles. It is estimated that this funding level will allow replacement of about 30 vehicles a year over the next three years. Replacement will allow for greater fuel efficiency and reduced maintenance costs. What percentage of the fleet will be replaced at the end of three years? How much ongoing savings do you expect? What are your plans to update the replacement schedule so that investments can be spread out over time?

Commissioner McKeel

The 30 vehicles per year over three years (or 90 vehicles) represent 13 percent of approximately 700 vehicles that the County owns. Savings are expected from having more fuel efficient vehicles with new service warranties. However, these savings will be highly dependent on unknown factors such as future fuel costs and specific warranty terms, which means that the amount of the expected cost reductions is unknown at this time.

This investment is designed to update the replacement for an isolated group of vehicles that were not replaced on schedule for various reasons. The remaining vehicle replacements are on schedule and funded on a "pay as you go" basis, where each year Fleet Services collects a percentage of vehicle replacement costs from user departments. Replacement of these vehicles will constitute one of the Department of County Assets' first comprehensive Strategic Sourcing plans and will incorporate County values of sustainability or "buying locally," in addition to the use of alternative fuel vehicles.

Sellwood Bridge Replacement

8. This budget transitions funding from design to construction of the Sellwood Bridge replacement. Can you update us on this project?

Commissioner Kafoury

The Sellwood Bridge project is an ongoing effort by Multnomah County to replace this 87-year old Willamette River crossing with a new, seismically-sound structure that offers upgraded facilities for all users. A detour bridge opened on January 23, 2013, and will remain in use until the new bridge opens in 2015.

The focus of the work has shifted from planning and design to construction. We are currently drilling shafts for the east approach to the bridge. In addition, we are working on the first shaft of Bent 5 (one of the two main in-water piers), and continuing to work on the retaining wall for the landslide mitigation work.

Main work next year will include construction of the main bridge piers, erection of the steel for the arches, and continuing work on the structures in the interchange at OR43.

Some additional milestones:

June 2013 – Landslide mitigation work complete
 December 2013 – Bent 5 (Eastern in-river pier) Complete
 December 2013 – Bent 6 (East bank main pier) Complete
 January 2014 – West OR43 Retaining walls complete
 Late Summer 2014 – Steel delivery, arch construction begins
 Summer 2015 – New bridge opens to traffic
 Summer 2015 – Interchange work complete
 Summer 2016 – East approach work complete

9. There have been adjustments to funding sources since the project began. Can you update us on these as well?

Commissioner Kafoury

Two of our original funding sources (Federal Transportation Authorization and Clackamas County VRF) have not been realized. In addition, the City of Portland's funding has decreased as a result of the lower project cost and a new agreement between Multnomah County and City of Portland.

The County was able to recover from the loss of these funds in the following ways:

- A decreased project cost of \$22.5 million.
- Collection of \$22.7 million in Multnomah County VRF fees prior to the bonds being issued.
- The award of the Tiger III Grant for \$17.7 million.
- An increase in bond revenues of \$14.7 million due to favorable market conditions.
- An additional \$5 million of federal funds for use on the Hwy-43 Interchange
- \$4.6 million additional carryover funds than the original projections.

Below is a cheat sheet for your reference, detailing the original and current funding plans:

Source	Original Plan	Current Plan
Carryover from EIS Phase	\$11 million	\$15.6 million
JTA for Hwy 43 Interchange	\$30 million	\$30 million
2012 Oregon Legislature		\$5 million
Federal Transportation Authorization	\$40 million	
Multnomah County VRF (collected)		\$22.7 million
Multnomah County VRF Bonds	\$127 million	\$141.7 million
Clackamas County VRF Bonds	\$22 million	
City of Portland (JTA increase)	\$100 million	\$74.8 million
Federal TIGER III Grant		\$17.7 million
Total Funding	\$330 million	\$307.5 million

Health Department

10. This budget includes multiple investments in the services provided through the Health Department, from funding expanded operations at the Southeast Health Clinic to construction of the new Health Department headquarters building in partnership with Home Forward. The department anticipates additional need in the community. How are reforms to the health care delivery system at the state and federal levels driving this need?

Commissioner Smith

State and Federal healthcare reform aims to reduce costs, expand healthcare coverage, and increase access to quality primary care, dental, and behavioral health services. These reforms are driving the needs by increasing demand for services because more individuals will become eligible for coverage. Additionally, there are State and Federal expectations that we will improve the community's overall health. These expectations will drive the need to increase outreach to harder-to-reach populations that are in need of care.

As a result of Federal Medicaid expansion, 240,000 people are expected to become eligible for Medicaid coverage in Oregon. The State is developing an outreach and enrollment plan to reach this newly eligible population. In the Multnomah County geographic area, an estimated 53,000 newly eligible adults are expected to be enrolled in Medicaid by 2016. Some of these newly-eligible individuals will be people we already see in our clinics as part of the uninsured population, but a significant number will be people who have not accessed services before, either at our health clinics or other clinics within the Multnomah County geographic area.

Multnomah County's Health Department makes up the largest safety-net clinical system in the State and serves more than 70,000 patients each year. Our clinics are certified patient-centered primary care health homes and have electronic health and dental records at all sites. Both elements are required by State and Federal health reform and are key drivers to lowering the cost and improving the quality of healthcare. Our Health Department's efforts are expected to play an important role in the success of State and Federal health transformation and reform in the region.

11. This budget includes \$8.9 million for a new Health Department Headquarters building.

- What is the total cost of the project and what other funding sources will be used?
- What is the expected completion date?
- Can you provide us with more details about how many employees the new building accommodate and whether any direct services will be provided?

Commissioner Smith

Just to clarify, the FY 2014 budget includes \$5.4 million for the new Health Department Headquarters that is part of \$8.9 million in one-time-only funding for multiple Capital projects.

- What is the total cost of the project and what other funding sources will be used?

The Health Department Headquarters project is expected to cost \$38.6 million. In addition to the \$5.4 million from FY 2014, it will use \$26.9 million in Tax Increment Financing from the Portland Development Commission at the end of FY 2014, and the balance will come from the County in FY 2015. Whether the balance comes from one-time-only funds, financing proceeds, or another source is still to be determined.

- What is the expected completion date?

The project is expected to be completed in April 2016.

- Can you provide us with more details about how many employees the new building accommodate and whether any direct services will be provided?

The new building is expected to accommodate approximately 250 employees. This includes the individuals who report to work daily at the McCoy Building, as well as Health Department employees located in the Lincoln Building. These employees include health care personnel; the office of the Health Officer; and administrators and staff who oversee Multnomah County's health clinics, services for children and families, and public health emergency preparedness. The new building will house some clinic and pharmacy services. The Health Department anticipates over 140 daily visits by clients.

Possible additional comments if asked about the specific clinic services in HDHQ:

At this point in time, the Health Department plans to include three clinics: STD, HIV, and communicable diseases (including TB). The Department's goal is to build in such a way that it can accommodate additional clinic space if needed in the future.

With the opening of the Southeast Health Clinic, the Department's downtown proximity to the Central City Concern clinic, and our clients moving east, the Health Department has no immediate plans for a primary care clinic downtown.

Public Safety

12. It is noted in the budget that the County is actively looking for alternative space for the Sheriff's Office and potential uses for the Hansen Building site. What is driving the need to move from that facility? Do you have a new area or location in mind for staff? What do you envision at the Hansen Building site after it is vacated?

Commissioner McKeel

The Hansen Building, located at 12240 NE Glisan in Portland, was built in 1956 for the Health Department. The building was repurposed for the Sheriff's Office in the mid-70's. Facilities placed the building on the disposition list in 1998. Then, in 2004, the Multnomah Board of County Commissioners declared the Hansen site surplus. In 2006, the County Hansen Action Plan Committee, consisting of community leaders in public safety, recommended that continued occupancy of the Hansen Building not exceed three years and efforts should be made to locate a long-term replacement.

Sheriff Staton requested a plan be developed to relocate the Sheriff's Office operations at Hansen to East County. The purpose of the move is to:

- Increase Service Delivery,
- Improve Public Accessibility,
- Reduce Building Operating and Capital Expenses,
- Lower Vehicle Commuting Costs,
- Eliminate Lost Productivity, and
- Take Action in Vacating a building that has been on the County Surplus Property List for 9 years.

Project Goals *(THIS COULD BE DELETED FOR BREVITY REPEAT OF ABOVE)*

- *Locate all enforcement operations to be more strategically centered where enforcement activities occur.*
- *Facilitate community interaction with enforcement programs,*
- *Reduce response times,*
- *Reduce the environmental footprint for enforcement operations (increased energy efficiencies, fewer road miles traveled and significantly fewer ongoing maintenance costs).*
- *Support the County's Climate Action Plan's goal of reducing CO2 emissions to 80% below 1990 levels by 2050 in reducing our impact on the environment as the result of driving fewer miles from a more centralized location.*
- *Provide an accessible location for community access*
- *Conform to high structural standards to support Incident Command system use as a command center for the agency.*
- *Reduce the ongoing building operation and maintenance cost in an inherently inefficient Hansen building thru innovative environmental management energy and environmental design solutions including potential upgrade of LEED for an alternative existing building.*
- *Provide for a secure environment for the physical plant and parking lot.*

The Sheriff, working with Facilities and an Architectural and Engineering firm, commenced a programming effort in 2011 to identify critical operational requirements that would be necessary for an alternative Sheriff's facility. In addition to the factors mentioned previously, these requirements were aligned with the objectives of the County's Facilities Asset Strategic Plan.

Sites currently being evaluated for the replacement are east of 122nd, west of the Sandy River, north of NE Stark, accessible to I-84 and close proximity to public transit.

When the Sheriff's Office has been moved from the Hansen site, Facilities staff will work with real estate professionals to identify the highest and best use of the 4.2 acres. This mid-county site is in a strategic location for numerous internal County operations such as the Departments of Community Justice, Health, County Human Services, and Animal. During the process, the options will be brought to us, the Board of County Commissioners, for review and approval. We will receive updates at multiple points during the development of the options and will provide strategic and policy direction to Facilities. The final decision regarding the best use for the Hansen site will be made by the Board of County Commissioners.

13. A Community Court at the Bud Clark Commons in Old Town has opened as a way to get more people through the judicial system that would normally not be seen before a judge. It was hoped this will reduce fines and provide increased access to necessary services. It has recently been reported that about a third of the defendants in a case are seen in court. What have you learned in the past year? What changes, if any, do you plan to make at the community court? (Source: A New Home for the Court, *The Portland Tribune*, March 28, 2013)

Commissioner Shiprack

First, it is important to correct a misperception: defendants cited into the Community Court at Bud Clark Commons would normally appear before a judge just like anyone else cited into court. There is nothing different about this population except that they are homeless and often mentally ill and/or drug- or alcohol-addicted.

The goal is to make it simpler for the justice system to get homeless criminal defendants into court and to provide access to social services such as drug or alcohol treatment, mental health services, and housing or job placement services, by combining these services in the same building as the court. This new approach allows these homeless criminal defendants to go from court directly to a social service provider without re-offending or missing their appointment. Multnomah County maintains the court as a unique attempt—it is the only such court in our country—to address a chronic and hard-to-reach population of homeless individuals who commit misdemeanor-level offenses.

While it is true that only 30% of homeless defendants appear, one has to keep in mind that the homeless population typically fails to appear in court on citations at high rates. In addition, the court is funded for one afternoon court session per week; that's a single, half-day, giving it a narrow window within which to work. Nonetheless, the appearance rate has improved by approximately 10% in the last six months, and it is our hope it will continue to improve as more defendants in the targeted population become aware of the court's services and use them as a way to address their underlying, personal issues that drive criminal behavior and, ultimately, give them a way out of homelessness.

Community Services

14. Recent news articles have reported on the “reset” that both the City of Portland and the County have made in their efforts to end homelessness. This budget includes \$1.5 million one-time funding to provide assistance for those at-risk of becoming homeless and \$1.0 million for enhanced coordination for immediate temporary housing. Can you provide us more detail on the services that you will be providing and what gains you will be making with this investment? (Source: Unified Reset on Homelessness, *The Oregonian*, April 15, 2013)

Commissioner Kafoury

The \$1.5 million has two pieces. \$1.0 million is for rent assistance and housing placement through the Short-Term Rent Assistance system, or STRA. 80% or more of households that receive this assistance maintain stable housing at six months following that assistance. \$500,000 is for rent assistance through Action for Prosperity, which is a County, Home Forward and WorkSystems Inc. collaboration. 75% of the clients served under this model have increased their income at service exit.

The \$1.0 million for enhanced service coordination and immediate temporary housing for homeless families implements a new system of care model. The old model assumed families would first spend time on a shelter wait list and in a shelter before receiving housing placement services, whereas the new model contains steps to place families immediately into temporary mobile housing and by-pass the shelter placement. This new model will bring the system into compliance with the federal Homeless Emergency Assistance and Rapid Transition to Housing (or HEARTH) Act, which is a requirement for programs receiving certain federal funds. Based on the FY 2013 pilot, it's expected that 90% of those placed will remain in stable housing six months after exit from service.