

Multnomah County 2012-13 Hearing Minutes

Wednesday, May 30, 2012

1:30 p.m.

Multnomah Building
501 SE Hawthorne Blvd.
Portland, Oregon

Present:

TSCC:

Chair Javier Fernandez, Commissioner Steven Nance, Commissioner Terry McCall, Executive Director Tom Linhares and Budget Analyst Tunie Betschart.

Absent:

Commissioner Susan Schneider and Commissioner Roslyn Elms Sutherland

Multnomah County:

Multnomah County Board of Commissioners: Chair Jeff Cogen, Commissioner Deborah Kafoury, Commissioner Judy Shiprack, Commissioner Loretta Smith and Commissioner Diane McKeel.

Chair Javier Fernandez opened the hearing by stating the duties of TSCC with regard to Multnomah County's 2012-13 budget hearing followed by introductions of Commissioners. He asked the district to introduce themselves and then the Commission had questions they would like to have addressed.

Multnomah County Chair Jeff Cogen gave an overview of the budget stating this is the twelfth consecutive year of not having adequate resources to fund necessary services. There is a \$3.5 million shortfall in the General Fund. If ASFCME had not accepted a COLA freeze the shortfall would have been even more severe. The County will close the gap through Span of Control and other measures. He went on to say that the real challenge was not in the General Fund but rather in funding the library. Even with the passage of the local option levy for operations cuts will have to be made to staff, hours, and service. There is \$10 million in one-time-only money included in the budget for library funding. Even with this, 47 FTE will be cut. The Community Justice Department will cut 30 FTE. The community is still suffering from the economic collapse. He added that these are challenging times.

TSCC questions:

Commissioner Steven Nance asked the following questions:

Operations

This budget includes reductions from the span of control review that was part of the Multnomah Evolves Initiative. Can you summarize all of the positions impacted? How has the transition to new duties been implemented?

Chair Cogen responded saying Span of Control, or the ratio of supervisors to employees, was reviewed for all departments. Management costs were reduced by \$3.3 million and the Countywide span of control increased from 10.83 to 1 in fiscal year 2012 to 11.34 to 1 in fiscal year 2013. Roughly 30 management positions were eliminated, downgraded, or converted to represented positions. While this is not all savings, it does serve to maximize staff providing direct services. Savings realized by departments was used to help meet the 1.5% General Fund reduction target. The County's span of control work also generated \$714,540 savings in fiscal year 2012.

He went on to say that departments have been working on this initiative since the fall of 2011 with the understanding that the changes would be effective as of July 1st, with the adoption of the fiscal year 2013 budget. This long lead time has allowed departments to take advantage of naturally occurring transition opportunities, such as retirements and attrition.

People are the most important asset. The Proposed Budget mentions succession planning, as well as talent development through the Leadership Academy. There is also additional funding provided to help with the rapid hiring of employees in the Sheriff's Department because of the number of recent retirements. How many executive-level and management, as well as field position, retirements is the county forecasting in the next five years and what steps are you taking to ensure staff is ready to lead and that institutional memory is not lost?

County Commissioner Loretta Smith answered stating since fiscal year 2009 Multnomah County has seen a gradual uptick in retirements after a lull due to the slow economy. The highest numbers of retirements have been in the health and human services areas, followed closely by public safety. Although specific retirement plans are not known, demographic information shows that generally executive-level employees tend to be closer to retirement age than represented employees, which suggests greater losses in those ranks in the next few years.

As the economy continues to improve, Multnomah County anticipates an even more dramatic increase in the number of retirees as eligible employees who delayed retiring due to the economy decide they can now make that change. At the end of 2011, 41% of the Multnomah County workforce was 50 years or older including 11% that was 60+. In the Countywide Employee Survey conducted in November 2011, which over half the workforce completed, 19% of respondents said they plan to retire within the next 5 to 10 years, and 62% of respondents are expecting to retire in over 10 years.

Multnomah County strives to be a learning organization; investing strategically and judiciously in the development of all employees as well as it specific cultivation of the next generation of County leaders. In the last Countywide Employee Survey, for example, there was a 13% increase from 2009 to 2011 in the percentage of respondents agreeing with the statement, "My supervisor and I have discussed how to best meet my training needs." There was a 9% increase during the same period in the percentage of respondents agreeing that they receive sufficient training and education to do their job effectively.

In addition to a range of training classes on topics as diverse as new technologies, effective communication, and working within diverse communities, since January 2010

Multnomah County has run an award-winning leadership development program for employees identified by their departments as emerging leaders. Over seventy employees have completed this program and continue to be engaged as alumni in leadership growth activities. A key component of this leadership development involves mentoring, in which seasoned employees near retirement meet regularly with these emerging leaders to share institutional knowledge and organizational savvy. Leadership experts consider this kind of one-on-one knowledge sharing to be one of the most potent leadership development strategies. In addition to leadership development that is offered centrally through in-house mechanisms, many departments—in particular health and Community Justice—invest heavily in national leadership development programs to ensure Multnomah County has the leadership capacity to move into the future.

Last year we noted that the State is investigating potential reforms to the health care delivery system. Can you provide us with an update of the process and explain the benefits the County can expect from a new health care delivery system? How active has the County been in the development of the new system?

County Commissioner Judy Shiprack said Oregon leads the country in health care reform and Multnomah County leads Oregon. In Multnomah County, Oregon, and across the country, health care has become increasingly unaffordable for individuals, businesses, and government. At the same time, it is known that a lack of coordination of care results in worse outcomes at higher costs. This is what the Oregon Legislature has been working to address.

Following the TSCC hearing last year, the Oregon Legislature finalized legislation to implement health system reform, and continued that work in the 2012 legislative session. As a result of those efforts, the Legislature has created a new system in which services will be delivered by coordinated care organizations or CCOs. Those CCOs will replace the current managed care organizations, mental health organizations, and dental care organizations serving the Medicaid/Oregon Health Plan populations.

Late in 2011, a group of public and private organizations in the tri-county region began working to form a CCO. This unique partnership, the Tri-County Medicaid Collaborative, is working to build a unified regional system of care for the metro-area's 212,000 people who receive services through the Oregon Health Plan.

Multnomah County has been extensively involved at every step of the process, having met regularly with legislators, the Oregon Health Authority, and local and statewide stakeholders. Health Department Director Lillian Shirley serves on the Oregon Health Policy Board, which provides policy direction and oversight on reform. In 2011, County employees – including Commissioner Loretta Smith – served on statewide workgroups to develop recommendations on CCO criteria, standards, and implementation. County employees have worked hundreds of hours to help establish the Tri-County Medicaid Collaborative's structure, governance and communications.

The Collaborative now has a board of directors as well as an executive transition team that will remain in place through September 2012. Lillian Shirley serves on that Board of Directors.

As to benefits from the new system, with the implementation of CCOs, a person on Medicaid will no longer be faced with navigating numerous unconnected providers for physical, behavioral and oral health. Instead, that person will enter one coordinated

network operating under a fixed budget. Health organizations from across the community will have incentives to work together to improve the health of their clients at a cost the state can afford.

She went on to say that while much is still unknown about how Oregon's health reform will impact Multnomah County and its residents, it is known that Oregon Health Plan benefits will not change, and that the network in which the County provides care, prevention, and information will change. But the County is working to ensure those changes improve the health of individuals, provide a better care experience, and increase overall population health – at a cost that everyone can all better afford.

This budget includes funding for Strategic Sourcing as an outcome of the Multnomah Evolves Initiative. Can you tell us about this new division in the Department of County Assets? How does it work and what do you hope to gain from its creation?

Chair Cogen fielded this question stating Strategic Sourcing is a procurement best practice that uses the following business principles:

- “Just in time” delivery
- Consolidation of spending across the whole County
- Working with a small number of vendors to obtain the best volume pricing on the goods used by County programs
- Leveraging technology to reduce operating costs, increase efficiency, and gather data to manage spending.

Implementing strategic sourcing practices will allow the County to close its warehouse operation which consisted of 26,000 sq. ft. of leased space. The county will also implement a new software package (Multco Marketplace) allowing County employees to use an on-line purchasing tool to shop from various pre-negotiated catalogues and have their purchases direct-shipped to their work locations.

He said they expect Strategic Sourcing to considerably streamline the County's operations. Eliminating the warehouse operation eliminates holding an inventory of goods, both physically and on the books. Distribution Services workload will be considerably reduced. This is more effective, saving half a million dollars in this budget.

Chair Fernandez asked the following questions:

Sellwood Bridge Replacement

This budget includes funding for construction of the Sellwood Bridge replacement. It is noted that the project is on schedule and expected to open in 2015. Can you update us on this exciting project?

County Commissioner Deborah Kafoury responded stating construction of a detour bridge began in December 2011 and they are getting ready to move the top deck to the detour bridge. This is called a “Shoe-Fly”. One of the goals was to have as little down time as possible. The project is now in the final design phase for the new bridge. The final design for the new bridge is expected to be completed in June 2012, with construction starting this summer.

Clackamas County voters rejected a vehicle registration fee to fund a portion of the Sellwood Bridget project which created a funding gap. Has that gap been filled and if so how?

Commissioner Kafoury said the Clackamas County portion would have been approximately \$20 million and the gap has been filled with a \$17.7 million federal Transportation Investment Generating Economic Recovery (TIGER) program grant awarded in December 2011 and \$5 million allocated by the Oregon Legislature in February 2012. She said she felt that because Clackamas County rejected the vehicle registration fee legislators around the State were willing to allocate the \$5 million which more than closed the gap.

Library

Congratulations on the overwhelming success of the Library local option levy. Have any of the plans to put a Library District before voters been solidified? What is the structure envisioned by the Library District – a completely separate taxing entity or the County Commissioners serving as District Directors with a contract with the County for support services?

County Commissioner Diane McKeel said they were pleased with the overwhelming support of the library but they also know the passage of the local option levy did not solve the problems. There will be cuts in hours, service and staff even with the revenue from the levy. The County started working on next steps two weeks ago as soon as the results of the election were known. Conversations have begun with stakeholders about placing a library district measure before the voters in November, but final plans have not been solidified.

She explained that the Home Rule Charter provides that the Library District will be established as a municipal corporation, with the Board of County Commissioners serving as the governing body of the District. This means that the county would provide legislative and final budget authority. With that structure in mind, they continue to explore the best approach toward issues such as support services currently provided by the County.

Has the city of Portland indicated its support for or opposition to the creation of a Library District given that it will reduce property tax collections for city levies due to Measure 5 compression?

Commissioner McKeel responded stating to date the City has neither opposed nor supported creation of a Library District, although they have noted the value of the Library system to the Portland Community. Whether they support or oppose a district would be a question better answered by them.

Commissioner Terry McCall asked the following questions:

Public Safety

A recent news article reported on the partnership between the Sheriff's Department and the County Chair to "go green". This sounds like an innovative and progressive approach to corrections. Can you tell us more about the initiative and how the changed practices are reflected in this budget? (Source: County jail breaks bad habits to go green, The Portland Tribune, April 19, 2012)

Commissioner Shiprack replied explaining that the initiative is named the "Sustainable Jail Project," and is the first of its kind for county jails across the country. The project's focus is to consider the jail system as one would think of a mini-city in terms of resource use and management, and to develop practices that are sustainable with the guidance of the Office of Sustainability. Some things that have already been accomplished include the conversion from Styrofoam cups to reusable containers in the jails, the reuse of cleaning product containers by mixing solutions on-site, the increase in local food purchases through food contractor and energy return upgrades recently made to the jail laundry facilities.

She continued by stating in terms of budget impact, a combination of one-time investment, energy upgrades, and change in practice, reusable containers and composting, allows the jail system to avoid an estimated \$400,000 per year in operating costs over previous practices. These costs are identified primarily in the material and supply budgets but also reflects that these practices allow the county to avoid costs and do more with less.

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 is hoped this will reduce fines and provide increased access to necessary services. This sounds like an innovative and progressive approach. A recent news article suggested the usage was not very high. Is this a correct assumption? What are the impacts to this budget? Are there any financial benefits to having a successful Community Court program, or are the benefits primarily social? (Source: New court connects homeless services, The Portland Tribune, April 19, 2012)

Commissioner Shiprack said she had seen the article referred to but was not sure why usage would be low unless it is because it is taking time to develop the program. She went on to explain that the Community at the Bud Clark Commons in Old Town was established as an off-shoot of the Community Courts in the Justice Center. It is believed that when homelessness is a factor in a criminal act, the goals of a Community Court can better deal with the whole problem if the Court has immediate access to the services that seek to effectively deal with homelessness and, in the way, possibly interrupt any apparent need on the part of the offender to commit misdemeanor non-violent or property crimes. It has been suggested that the failure to appear rate for this demographic of offender is higher than normal. There is a clear cost to the criminal justice system when a person fails to appear on a citation or after an arrest. The courts have the expense of processing the warrant to have the person arrested and law enforcement suffers the expense of processing the warrant, arresting the defendant on that warrant and transporting to jail for booking. The jail books those arrested on these warrants but, because of established "recog" policies in place within the jail, this misdemeanor, non-violent or property crime offender will be immediately recogged from jail and released. This process will happen 3 times before the offender will be held in custody on that original offense for a court appearance the next day. The expense in handling this demographic of offender is obvious.

Additionally, some of this demographic population suffer from chronic substance abuse that periodically puts them in need of Hooper Detox and/or emergency mental health services. It is also hoped that by connecting offenders to the proper services at the Community Court, it will decrease the need for regular service from emergency medical, substance abuse or mental health providers. In addition to those offenses that are crimes for which, upon a failure to appear, a warrant will issue for the defendant's arrest, there

are also an array of non-criminal violations which are now also being assigned for appearance at the Community Court.

Normally, if a defendant does not appear, the court issues a default guilty finding and a monetary fine as a sentence. It is hoped that the RAC Community Court will encourage more individuals who are charged with those violations who are also homeless, to come to court (since the court is in a social service facility and not the courthouse), and, thus, reduce the number of default judgments being entered with a fine that could prevent that person from gaining housing in the future because they would have to pay those fines prior to getting housing.

There is no impact on the budget of the District Attorney's Office for Fiscal Year 2013 as the Office will be staffing this new court out of existing resources. There are both economical and social benefits to the program.

Commissioner McCall said he hopes it works as it sounds like a great program.

Commissioner McCall continued with the following questions:

The Access to Recovery (ATR) pilot program initiated in 2011-12 in the Community Justice Department is not funded in this budget. Were you able to determine that the program would not be sustainable? What lessons were learned from the pilot project?

Commissioner Smith responded by saying yes, the ATR Recovery Management Center was not financially sustainable. The financials were reviewed on a regular basis, marketing of the program was increased and there were not enough referrals to get the money needed to keep the staff that had been hired. The lessons learned from the program are that many individuals on probation and post prison supervision are not yet ready to voluntarily get the treatment and wraparound services they need to stop using drugs and alcohol. They are not at the right "stage of change" to follow through with suggestions from officers, which is why treatment is usually mandated.

At the "eleventh and 3/4 hour" Portland Mayor Sam Adams eliminated \$480,000 and a number of positions in his proposed budget that provided technical services to county jails. I know \$400,000 was restored. Have you had conversations with him and others with the city to lessen the impact of this last minute decision?

Chair Cogen said the timing of this decision was difficult to deal with and it is difficult to determine the full impact of this decision.

He went on to say that the sheriff's office has had initial discussions with the City of Portland regarding the Jail ID Technician program, and funding concerns moving into the future. What was agreed upon is that state statute requires the identification of individuals booked into jail, and the City and County have worked collaboratively for nearly three decades to accomplish this with a unique and highly efficient system operated by the City, where expense has been borne by both parties; the City supports the jail ID function with \$1.2 million dollars, the County contracts services by paying \$250,000 per year, and provides the jail mug shot function.

It is not yet clear how the additional \$80,000 reduction will be dealt with; possibly through staff reduction, reallocation of resources or alternative funding. In the end, the Sheriff's

Office operates the booking function for the County and will have to ensure the ID function continues as part of booking. The full impact is not yet known.

Did you talk with the Mayor about the long term implications of this decision?

Chair Cogen stated that this is the Mayor's last year in office. He went on to say that he and the Mayor did agree to start discussions about the public safety budget earlier in the budget process in the fall and he has discussed this with the all mayoral candidates. Each is in support of having the discussion.

This issue coincides with discussions from last year about revisiting the shared service agreement between the county and the City of Portland. Has a process begun to formally review that agreement?

Chair Cogen responded saying Resolution A was passed jointly to delineate what service each provides. The County would provide "human" services while the City would provide "urban" service. It would certainly make sense to have the City take over bridges over the Willamette River since they have responsibility for the roads on either end of the bridge. The difficulty is the huge (maintenance) liability that would come along with the bridges. At this time, there has been no formal committee or workgroup established to review Resolution A. He said there have been calls to revisit it but said he does not know if there is time left in the Mayor's term or interest on the part of the City Council do so.

Chair Fernandez said that was the end of the formal questions and asked staff if there were any citizens signed up who wished to speak. There were none. He asked if Commissioners or any one present had any questions or comments. There were none.

Chair Fernandez closed the public hearing and opened the meeting of the Commissioners to consider Multnomah County 2012-13 budget.

Chair Fernandez thanked the Multnomah County staff their outstanding job putting the budget together. He asked staff to review recommendations presented in the Certification letter.

Mr. Linhares explained the over-expenditure in the Risk Management fund and the recommendation that the County track expenditures closely and ask the board to approve increase allocations if necessary prior to over-spending appropriations.

Commissioner Nance moved to certify that the Commissioners had one recommendation, as presented by staff, with regard to Multnomah County's 2012-13 budget. Commissioner McCall seconded the motion. Motion passed with a unanimous vote.

Commissioner Nance moved the meeting be close. Commissioner Sutherland seconded. All were in favor.