

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Tuesday, May 1, 2018**

BUDGET WORK SESSION #1

Chair Deborah Kafoury called the meeting to order at 9:39 a.m. with Vice-Chair Lori Stegmann and Commissioners Sharon Meieran, Loretta Smith and Jessica Vega Pederson present.

Also attending were Jenny M. Madkour, County Attorney, and Marina Baker, Board Clerk.

Chair Kafoury: GOOD MORNING WELCOME TO THE MULTNOMAH COUNTY BUDGET FY19 BEGINS. AND WE HAVE OUR WON MIKE JASPIN TO KICK IT OFF.

BWS-1a Kick Off & Financial Overview

[Missing data, first 6 min]

Mike Jaspin: GOOD MORNING MIKE JASPIN FROM THE BUDGET OFFICE. TODAY MARKS THE BEGINNING OF FIVE WEEKS OF WORK SESSIONS AND BOARD DELIBERATIONS ON OUR FY2019 BUDGET. I'LL BE DOING TWO PRESENTATIONS THIS MORNING, THE FIRST WILL BE JUST FIVE OR TEN MINUTES, LAYING THE GROUND WORK FOR WHAT WE WILL GO THROUGH FOR THE NEXT FIVE WEEKS AND THEN PROVIDE A FINANCIAL OVERVIEW. SO A COUPLE KEY MILESTONE DATES IN PROCESS, BACK IN NOVEMBER WE PROVIDED YOU WITH A GENERAL FUND FORECAST WHICH HELPED TO OUTLINE OUR FINANCIAL PARAMETERS FOR THE UPCOMING YEARS. IN FEBRUARY DEPARTMENTS SUBMITTED THEIR BUDGETS. IN MARCH WE PROVIDED AN UPDATED FORECAST.

AND IN APRIL LAST WEEK THE CHAIR PROPOSED AND YOU APPROVED THE BUDGET TO START THE DELIBERATIVE PROCESS. FROM THE MONTH OF MAY WE'LL HEAR FROM THE VARIOUS DEPARTMENTS ABOUT THEIR BUDGETS. TOWARDS THE END OF MAY WE'LL UPDATE THE GENERAL FUND FORECAST, BUT I WILL GIVE YOU A SPOILER ALERT TODAY. AND THEN ON MAY 23RD WE'LL HAVE OUR TSCC HEARING, AND THERE IS ALSO THREE PUBLIC HEARINGS, WHICH START TOMORROW AND THEY'LL BE WEDNESDAY NIGHTS FORM 6 TO 8 FOR THE NEXT 3 WEEKS. AND THEN WE ARE CURRENTLY SCHEDULED TO ADOPT THE BUDGET ON MAY 31ST. SO A BRIEF OUTLINE OF OUR HEARING SCHEDULE AND WORK SESSIONS. THIS WEEKS WILL BE GENERAL GOVERNMENT, WE'LL TRY TO PROVIDE SOME FINANCIAL CONTEXT AND FOUNDATIONAL WORK WITH OUR DEBT AND FINANCIAL POLICIES. WE'LL COVER THE CAPITOL AREA. COUNTY ASSETS COMMUNITY SERVICES AND

THEN ON THURSDAY WE'LL HAVE SOME OF THE NON D UNITS PRESENT, THAT'S A REALLY FULL AGENDA SO WE'RE ACTUALLY GOING TO END UP MOVING ABOUT HALF OF THE NOND FOLKS TO THE FOLLOWING WEEK. WEEK TWO IS A PUBLIC SAFETY WEEK. WEEK THREE WE'LL COVER HEALTH AND HUMAN SERVICES AND PICK UP THE LIBRARY AS WELL THAT WEEK. AND THEN WEEK 4 WE'LL PICK UP THE JOINT OFFICE, WE'LL UPDATE YOU ON THE GENERAL FUND FORECAST, WE'LL BE BACK WITH DEPARTMENTAL AMENDMENTS. AND WE HAVE SOME FOLLOW UP WORK SESSION PLACE HOLDERS IF WE NEED THEM. THEN FINALLY WEEK FIVE WE ARE SCHEDULED TO ADOPT THE BUDGET. JUST AS A REMINDER, WHEN WE GET CLOSER TO WHEN WE ACTUALLY ADOPT, WE WILL BE ADOPTING BOTH THE BUDGET AND THEN THERE WILL BE SERIES OF RESOLUTIONS THAT FOLLOWS, LEVYING TAXES, DEFINING COUNTY FUNDS, THE COMPENSATION PLAN FOR EMPLOYEES NOT COVERED BY COLLECTIVE BARGAINING, ETC.

Mike Jaspin: SOME BRIEF MECHANICS. JUST LIKE LAST YEAR AS WE GO THROUGH THIS PROCESS IN ANY PUBLIC WORK SESSION YOU CAN PROPOSE AND AMENDMENT TO THE BUDGET, IN AN IDEAL WORLD THEY WOULD BE EITHER OFFSET WITH REVENUE OR A CUT BUT THAT'S NOT REQUIRED. WE JUST WANT TO GET A LIST, WE'LL WRITE IT UP ON THE BOARD AND GET THOSE SENT BACK OUT TO YOU SO YOU HAVE AN UPDATED LIST. THE SAME HOLD WITH BUDGET NOTES, PLEASE KEEP IN MIND WE TRY TO LIMIT THE BUDGET NOTES TO THINGS RELATED SPECIFICALLY TO THE BUDGET. THE MOST COMMON OF THOSE ARE BUDGET NOTES THAT DESCRIBE SOMETHING WE'VE PLACED IN CONTINGENCY OR A PARTICULAR FINANCIAL POLICY WE WANT TO WORK ON NEXT YEAR.

WE WILL ALSO KEEP TRACK OF YOUR FOLLOW UP QUESTIONS. FOR THE SAKE OF EFFICIENCY SOMETIMES WE ASK RHETORICAL QUESTIONS, OR QUESTION WE DON'T NECESSARILY EXPECT A DEPARTMENT TO FOLLOW UP ON, SO TRY TO DECIPHER AS BEST AS POSSIBLE, SO WE'RE NOT WRITING THE QUESTION UP THAT YOU WANT ANSWERED, LET US KNOW AND WE'LL MAKE SURE WE GET IT ANSWERED. WE'LL TRY TO TURN THOSE AROUND AS FAST AS WE CAN. AND AS A REMINDER THERE IS NO VOTES UNTIL THE DAY THAT WE ACTUALLY ADOPT. THE DEPARTMENT PRESENTATIONS YOU'LL SEE ARE THE SAME FORMAT AS LAST YEAR, WE TRY TO HAVE DEPARTMENTS FOLLOW A STANDARD TEMPLATE BUT OBVIOUSLY EACH DEPARTMENT HAS THEIR UNIQUE NEEDS, SO THEY TEND TO CUSTOMIZE AS WE GO THROUGH. IF YOU NEEDED A DEPARTMENT TO SPEED UP THROUGH SOME OF THE BACKGROUND INFORMATION GIVEN THAT ALL OF YOU HAVE BEEN THROUGH THIS BEFORE PLEASE FEEL FREE TO ASK US, OR IF WE NEED TO ADD SOMETHING INTO THE PRESENTATIONS AS WE GO THROUGH LET US KNOW. AS A REMINDER YOU WILL SEE THE LIBRARY DISTRICT INTERMINGLED. THIS WILL BE THE SIXTH YEAR FOR THE LIBRARY DISTRICT, SO DURING YOU'LL NEED TO ADJOURN AND RECONVENE AS THE LIBRARY DISTRICT BOARD. THE LIBRARY WILL BE BEFORE YOU ON WEEK THREE OF OUR PROCESS. PUBLIC

HEARINGS, THERE ARE SEVERAL THAT ARE REQUIRED ACCORDING TO OREGON BUDGET LAW, ONE OF THEM WAS LAST WEEK WHEN YOU APPROVED THE BUDGET. THERE IS ALSO THE TSCC, WHICH AS I MENTIONED BEFORE IS SCHEDULED FOR MAY 3RD. AND THEN WHEN THE BOARD ACTUALLY ADOPTS THE BUDGET. WE THROW IN THREE ADDITIONAL PUBLIC HEARINGS, WHICH I'VE ALREADY MENTIONED AND THOSE ARE THE DATES AND LOCATIONS. DURING THOSE HEARING YOU TAKE TESTIMONY THERE ARE NO PRESENTATIONS OR NO VOTES DURING THOSE HEARINGS. ON BUDGET INFORMATION. THE BUDGET IS POSTED ONLINE.

Mike Jaspin: WE ALSO PROVIDED HARD COPIES. WE'VE PROVIDED YOU WITH SUPPLEMENTAL INFORMATION. TO MAKE MANIPULATION A LITTLE BIT EASIER. A SIMPLE LIST OF PROGRAM OFFERS A YEAR OVER YEAR COMPARISON BY PROGRAM OFFER. ONE OF THE BITS OF FEEDBACK WE GOT FROM LAST YEAR IS IT WOULD BE NICE TO VEEY ONE-PAGE OVERVIEW OF DEPARTMENTAL BUDGET. WE TRIED A PILOT WITH FOUR OFFICES. THE SHERIFF'S OFFICE AND CRITERIA IT HAD TO FIT ON SINGLE 8 1/2 BY 11 PIECE OF PAPER. WE WANTED THEM STANDARD ACROSS DEPARTMENTS. JUST THE GENERAL LAYOUT OF THOSE IS THE BASIC FINANCIAL INFORMATION. SOME SERVICE AND OPERATIONAL TRENDS. AND THEN, REDUCTIONS OR REALLOCATIONS OR THINGS THAT HAVE BEEN ADDED, WE WOULD APPRECIATE YOUR FEEDBACK ABOUT HOW I LIKE THOSE, IF THEY ARE HELPFUL. CAN WE MODIFY THEM. WE WILL ALSO BE PROVIDING YOU VACANCY REPORTS AS DEPARTMENTS FINISH THOSE. ALL OF THE DEPARTMENT PRESENTATIONS WILL BE POSTED ON OUR WEBSITE AS WELL AS THE BOARD CLERKS. WE ALREADY TALKED ABOUT FOLLOW-UP QUESTIONS, AND BUDGET NOTES. SO, IF YOU NEED IN MORE INFORMATION, JUST PLEASE LET US KNOW. SO, ANY QUESTIONS ON THE BASIC MECHANICS, BEFORE WE JUMP IN?

Commissioner Vega Pederson: THANKS SO MUCH FOR KICKING US OFF, MIKE. ARE THOSE ONE-PAGERS AVAILABLE ON THE BUDGET WEBSITE?

Mike Jaspin: NO. WE HAVE NOT MADE THEM PUBLIC. WE WOULD BE MORE THAN HAPPY TO DO THAT. I THINK THAT'S A GREAT IDEA. ANY OTHER QUESTIONS? SO TO WALK THROUGH THE BUDGET. THIS IS FRAMED AS CORPORATE OVERVIEW. SO WE'LL TOUCH ON GENERAL FUND AND OTHER FUNDS, FTE. LABOR UNIT INFORMATION. WE'LL SPEND A BIT OF TIME, PROBABLY TOO MUCH TIME, DWELLING ON THE GENERAL FUND BUT THAT'S WHERE YOUR DISCRETIONARY FUNDS ARE. AND THEN IT WILL TAKE A BIT OF TIME TO LOOK OVER LONG-TERM FINANCIAL TRENDS. THIS IS THE ONE TIME OF YEAR WE GET TO DO THAT. SO, TO START OUR BUDGETS A LITTLE BIT OVER 2 BILLION, THAT'S A DECREASE OF 35.5 MILLION OR 1.7% FROM LAST YEAR. WHEN YOU LOOK AT THE COUNTY'S TOTAL BUDGET. IT'S ALWAYS DISTORTED BY OUR CAPITAL PROJECT, SO ONE OF THE REASONS OUR BUDGET IS DECREASING, AS WE SPEND THROUGH THE CAPITAL PROJECT. SO, FOR EXAMPLE, THE COURTHOUSE BUDGET IS \$48 MILLION LOWER, AND THE HEALTH

DEPARTMENT HEADQUARTERS NEARLY \$50 MILLION LOWER AS WE WORK OUR WAY THROUGH THOSE PROJECTS. THE BUDGET HAS 37 FUNDS THIS YEAR, WITH RESOURCES RANGING FROM ALMOST \$640 MILLION IN THE GENERAL FUND TO \$51,000 IN THE RECREATION FUND.

Mike Jaspin: WE'VE ADDED TWO MORE FUNDS ONE IS BURNSIDE BRIDGE FUND TO KEEP TRACK OF SPENDING ON THAT PROJECT ESPECIALLY MINUTES HB-4064 PASSED WHICH ALLOWS US TO HAVE A REVENUE SOURCE TO START WORKING ON THAT PROJECT. INTERNALLY WE HAVE A COUPLE OTHER ALLOCATIONS WE CREATED. ONE IS CONSTRUCTION DIVERSITY AND EQUITY FUND AS WELL. AS THE FUND IMBEDDED IN YOUR GENERAL FUND. SO THE GENERAL FUND IS \$640 MILLION. AS THE GRAPH IN THE UPPER LEFT-HAND CORNER SHOWS, THE MAJORITY OF MONEY THERE COMES FROM TAXES. IF YOU BACKED OUT THE BWC AND SERVICE CHARGES ACCOUNTS FOR ALL OF YOUR DISCRETIONARY FUNDS. THE LARGEST IS PROPRIETARY TAXES FOLLOWED BY 585 MILLION AND \$31 MILLION. THE LOWER RIGHT CORNER SHOWS WHERE THE MONEY GOES. THE LARGEST CONSUMER OF GENERAL FUND IS THE SHERIFF'S OFFICE AT \$103 MILLION. THE HEALTH DEPARTMENT LOOKS LARGER.

THAT'S BECAUSE WE RECORD FQHC AND WRAP-UP AROUND PAYMENTS AND IF YOU BACKED OUT SOME FEE REVENUE THAT SUPPORTS ACTIVITY FROM RESTAURANT INSPECTIONS. THEY GET CLOSER TO DISCRETIONARY FUND. FROM THE FEDERAL GOVERNMENT. STATE GOVERNMENT AND ALSO THE LIBRARY DISTRICT. THE LARGEST DEPARTMENT BY SPENDING IS COUNTY ASSETS AT NEARLY \$428 MILLION. AGAIN, THAT'S BECAUSE OF OUR CAPITAL PROJECTS. THAT'S DOWN FROM 520 MILLION LAST YEAR. ALSO, TO NOTE, COUNTY MANAGEMENT AT \$166 MILLION, THE REASON THAT IS SO LARGE, IS THAT IS WHERE WE MAKE OUR HEALTH CARE PAYMENTS FOR US. WE CUT THE CHUCK TO KAISER. THAT'S WHERE IT'S BEING PAID OUT OF. AND LASTLY, YOU'LL NOTICE NONE "D" IS 243 MILLION AND A BIG CHUNK OF THAT IS OUR BOND FUND AS WELL AS SPECIAL EXCISE TAXES AND VARIOUS OTHER ACCOUNTING WE HAVE TO DO. SO, WITH THAT, JUMPING TO OUR FTES. THEY INCREASED BY ROUGHLY 95FTE TO 5,174. THAT'S ROUGHLY FLAT FROM WHERE WE WERE TWO YEARS AGO.

THIS CHART SHOWS THE FTE BY DEPARTMENT ON A YEAR OVER YEAR BASIS. THERE'S FOUR DEPARTMENTS THAT HAVE SEEN CHANGES. THE FIRST IS ADDING ROUGHLY 30FTE. MOST OF THOSE, YOU REMEMBER, ARE ACTUALLY FROM WHEN WE RECONCILE TO THE STATE ADOPTED BUDGET FOR BACK IN SEPTEMBER. THERE'S ABOUT 21, ALMOST 22FTES RELATED TO THAT AND MOST ARE IN THE DEVELOPMENTAL DISABILITIES AREA. HEALTH IS INCREASING THEIR FTE BY RILELY 30. THIS IS FROM A VARIETY OF SOURCES. ONE OF THEM IS THEY INCREASED THEIR RESTAURANT INSPECTIONS, THAT'S ABOUT 5, ALMOST FTE. AND BECAUSE OF THE CLOSURE OF FAMILY CARE AND US PICKING UP BOTH MENTAL HEALTH AND SOME ON THE FISCAL HEALTH

SIDE, THAT ADDS ALMOST ANOTHER 30FTE. THE SHERIFF'S OFFICE, YOU'LL SEE IS GOING UP BY ALMOST 14FTE. THE MAP IS RELATIVELY STRAIGHTFORWARD. THIS CHART SHOWS OUR YEAR OVER YEAR LABOR GROUP. YOU CAN SEE THE FIRST HALF OF THE TABLE, THERE'S VERY LITTLE CHANGE BY BARGAINING UNIT. THE FIRST CHANGE YOU'LL SEE IS SHERIFF'S OFFICE, DEPUTY SHERIFF'S WHICH GO UP BY 11.6 FTE. THAT'S ATTRIBUTABLE TO LESS A FEW REDUCTIONS WE MADE. OREGON NURSES FALL BY 13.6%.

Mike Jaspin: THIS IS SPREAD THROUGHOUT THE HEALTH DEPARTMENT A GOOD CHUNK IS IN THEIR CLINICAL SYSTEM AS THEY HAVE BEEN RIGHT SIZING THAT TO THEIR WORK LOADS. OF THAT, 13.6, ABOUT 6 1/4 WERE RECLASSIFIED TO OUR MEDICAL ASSISTANCE. WHICH ARE NOT IN OUR FTE AND SHIFTED DUTIES AND THEN FINALLY, YOU NOTICE THAT THE MANAGEMENT ELECTED OFFICIALS GO UP BY ABOUT 25 AND HALF OF THAT IS ATTRIBUTABLE TO THE WORK DAY "H" "R" FOLKS. SO, REAL QUICK, BUDGET HIGHLIGHTS, SO OUR GENERAL FUND IT IS BALANCED FOR THE UPCOMING YEAR. THIS IS THE FIRST YEAR WE HAVE NOT BEEN ABLE TO BALANCE OVER TWO OR THREE YEARS, WHICH IS NOT UNEXPECTED THE BUDGET FULLY FUNDS RESERVES AND MAINTAINS STABILIZATION RESERVES. THERE'S \$21 MILLION DEVOTED TO CAPITAL INFRASTRUCTURE. AS LAID OUT LAST WEEK. WE ARE ADDRESSING A NUMBER OF COMMUNITY NEEDS, AS WELL AS ADDING FUNDS FOR THINGS SUCH AS 600,000 FOR ADDITIONAL SUPPORTIVE HOUSING FOR FAMILIES.

WE ARE FUNDING THE HOPE TEAM FOR THE SECOND YEAR. BUDGET MAINTAINS 1,192 JAIL BEDS. JUST AS A POINT OF REFERENCE. IF YOU INCLUDE THE SHERIFF'S OFFICE OF COMBINING THOSE JAIL BEDS WITH CORRECTIONS HEALTH THOSE EAT UP 22 TO 23% OF DISCRETIONARY GENERAL FUND. MAINTAINING THOSE WILL BE A HEAVY LIFT GOING FORWARD. YOU NOTICE THERE'S A NUMBER OF REALLOCATIONS THROUGHOUT THE BUDGET. A GOOD EXAMPLE OF THAT IS A BUDGET PROVIDES FOR ONGOING FUNDING FOR DCJ'S COMMUNITY HEALTH HEALING INITIATIVE PROJECT. AND THAT WAS ONE-TIME ONLY FUNDING LAST YEAR THAT'S BEEN CONVERTED. WE CONTINUE TO CHIP AWAY AT OUR UNFUNDED LIABILITY. I WOULD NOT SAY WE ARE SOLVING BY ANY STRETCH OF THE IMAGINATION OUR CURRENT UNFUNDED LIABILITY IS ABOUT \$660 MILLION BEFORE SIDE ACCOUNTS. OF THE '19 BUDGET INCLUDES OUR THIRD PLANNED \$25 MILLION INSTALLMENT TO A SIDE ACCOUNT TO HELP MANAGE THAT UNFUNDED LIABILITY. THE BUDGET RELIES ON SOUND PRACTICES AND ALSO APPLIES TO EMPLOYEE STEP MERIT AND C.O.L.A. INCREASES AND OTHER LABOR CONTRACT PROVISIONS. KEEP IN MIND WE HAVE SEVERAL OPEN LABOR CONTRACTS INCLUDING THE PROSECUTING ATTORNEYS AND DEPUTY SHERIFF IS AND OUR NURSES. JUST FOR A BIT OF CONTEXT THAT I THINK SOMETIMES GETS LOST, WE NEEDED TO COME UP WITH ROUGHLY 21 TO \$23 MILLION JUST TO COVER THE COST OF LABOR INCREASES AND OTHER INFLATIONARY INCREASES IN THE GENERAL FUND THIS YEAR, WHETHER THAT BE INTERNAL SERVICES, BUYING PENCILS, PAPER, ALL THAT GOOD STUFF. QUICK GENERAL FUND BASICS FOR YOU. AS

A REMINDER, WE HAD A \$3.1 MILLION SURPLUS PER OUR MARCH FORECAST. THAT SURPLUS BECOMES AN \$11 MILLION DEFICIT IN THE FOLLOWING YEAR, AND BY THE TIME WE GET OUT FIVE YEARS, IT'S NEARLY \$31 MILLION.

Mike Jaspin: WE'VE TALKED ABOUT THIS A NUMBER OF TIMES, BUT IT'S DRIVEN BY SLOWING REVENUE GROWTH AND INCREASING COST GROWTH WHICH I'LL SHOW YOU A GRAPH OF TOWARDS THE END. ABSENT NEW REVENUES, WE'LL START TO MAKE MORE SUBSTANTIAL PROGRAM REDUCTIONS GOING INTO 2020. THIS SLIDE IS BASICALLY HOW WE BALANCED THE GENERAL FUND. THE APPROVED BUDGET BEFORE YOU USES THE \$3.1 MILLION SURPLUS, AND I PUT THAT IN QUOTES. WE TREATED THAT AS ONE TIME ONLY. THE CHAIR ASKED FOR DEPARTMENTS TO SUBMIT 2% REDUCTIONS. WE TOOK ABOUT \$5.8 MILLION OF THOSE REDUCTIONS. I DO WANT TO NOTE THAT SOME OF THESE REDUCTIONS WERE NOT ACTUALLY CUTS IN SERVICES, BUT REALLOCATIONS TO OTHER FUNDS.

YOU'LL SEE THAT LATER TODAY WHEN YOU SEE COMMUNITY SERVICES. THEY WERE ABLE TO SHIFT NEARLY ALL OF THE REDUCTIONS TO OTHER FUNDS. OR FIND FUNDS OTHER FUNDS TO PAY FOR IT. AS WE ARE PUTTING TOGETHER THE BUDGET, WE WERE ABLE TO COME UP WITH ANOTHER \$2 MILLION OF ONGOING FUNDS. A GOOD CHUNK OF THAT IS DUE TO REDUCING THE AMOUNT OF DEBT WE NEED TO ISSUE AS WE CONTRIBUTE MORE TOWARDS THE COURTHOUSE PROJECT. AND THEN AS WE'RE GOING THROUGH BUDGETS, A LITTLE \$10,000 OF REVENUE HERE AND THERE STARTS TO ADD UP. THE ONE THING I DO WANT TO NOTE IS, THAT WE TREATED \$3.6 MILLION OF THE ONGOING FUNDS AS ONE-TIME ONLY, WHICH HELPS TO LOWER OUR PROJECTED DEFICIT FROM \$11 MILLION TO \$7.4 MILLION IN 2020. SO WE'VE MANAGED TO KNOCK OUT ABOUT A THIRD OF THAT GAP. AND 7.4 LOOKS A LOT BETTER THAN 11 MILLION.

IT'S LIKE, A LITTLE MORE REVENUE, AND IF WE CAN FIND SOME OF THE EFFICIENCIES, WE'RE A LITTLE CLOSER TO ADDRESS THAT GAP. AS YOU'LL SEE IN A MINUTE, WE HAVE 21.5 MILLION OF WITHIN-TIME ONLY FUNDS ALLOCATED TOWARDS CAPITAL PROJECTS AND LEAVES 3. THE MILLION WE ALSO INDICATED TO NON-CAPITAL PROJECTS. OUR ONE-TIME ONLY FUNDS ARE A LITTLE MORE COMMONLY INDICATED THIS YEAR. THERE'S ABOUT \$35.5 MILLION OF ONE-TIME ONLY AFTER WE FUND OUR RESERVE, SO THAT CAME FROM FIVE PLACES. THE FIRST IS \$18.7 MILLION OF ADDITIONAL BWC AND HIGHER REVENUES. AND MOST OF BWC IS FROM DEPARTMENTAL UNDERSPENDING IN 2017 AND HIGHER REVENUES WE'RE SEEING IN OUR CURRENT FISCAL YEAR AND THAT'S WHAT YOU'VE SEEN IN THE GENERAL FORECAST BACK IN MARCH. ALSO, WE'VE TALKED ABOUT THE \$3.1 MILLION OF SURPLUS, THAT WE'RE TREATING AT ONE-TIME ONLY, AND THEN THE THIRD ITEM IS A \$3.6 MILLION OF ONGOING, WE TREATED AS ONE-TIME ONLY TO HELP REDUCE THE DEFICIT IN 2020.

Mike Jaspin: THAT TOTALS ABOUT \$25 MILLION. THERE'S TWO OTHER COURSES OF ONE-TIME ONLY MONEY. THERE'S \$5 MILLION OF FUNDS BEING CARED OVER IN THE TAX TITLE FUNDS. A GOOD EXAMPLE OF THAT OUTSIDE OF THE TAX TITLE FUND IS THE SHERIFF'S DETENTION ELECTRONIC PROJECT. THEY HAVE \$390,000 THEY'RE NOT GOING TO SPEND IN THE CURRENT YEAR BECAUSE OF THE TIMING OF THE PROJECT SO THAT WILL A YEAR IN THE '19 BUDGET AND \$5 MILLION OF PROCEEDS WHICH WE ARE TRANSFERRING TO THE SUPPORTIVE HOUSING FUND AND PLACING IN CONTINGENCY PENDING THE BOARD'S DECISION HOW BEST TO SPEND THOSE FUNDS. I'LL WALK THROUGH THE ONE-TIME ONLY ON THE NEXT SLIDE. AS I MENTIONED EARLIER, WE'LL BE BACK IN ABOUT THREE WEEKS TO UPDATE YOU ON THE GENERAL FUND FORECAST. WE'VE ALREADY LOOKED THROUGH ALL OF OUR REVENUES AND THEY ARE GENERALLY COMING IN EXACTLY AS WE THOUGHT. THE EXCEPTION IS THE B.A.T. WHICH WE'RE AWAITING FOR THE APRIL RETURNS, AS IT IS MAY 1ST. WE SHOULD GET THAT LITERALLY AT ANY MOMENT.

BUT WHAT WE HAVE SEEN SO FAR IS NOT LOOKING LIKE THERE'S ANY UPSIDE IN ANY OF THOSE. OUR MARCH B.A.T. CAME IN WEAK AND WHAT WE'VE SEEN OF APRIL LOOKS LIKE IT'S GOING TO BE FLAT. SO, WE'RE MORE LIKELY TO BE COMING BACK AND TAKING ABOUT 1 MILLION OR \$2 MILLION OUT OF THE CURRENT YEAR BUDGET. WE DON'T EXPECT THAT WE'LL CHANGE THE '19 BUDGET, GIVEN THE WAY OUR FORECAST IS AND WHAT WE'VE SEEN, SO WE'LL BE BACK WITH MORE INFORMATION ON THAT. OUR WITHIN-TIME ONLY FUNDS, THERE'S ABOUT 14 -- THERE IS 14 MILLION THAT WE CONTRIBUTED TO THE DOWNTOWN COURTHOUSE WHICH REDUCES OUR DEBT OBLIGATIONS. THERE'S \$5 MILLION SET ASIDE FOR EMERGENCY SHELTER CAPITAL, AND THEN THERE'S ANOTHER \$2 MILLION FOR CAPITAL PROJECTS RELATED TO THE SHERIFF'S OFFICE.

AND THOSE ARE REPAIRING THE BOAT HOUSES AND THEN CELL LIGHTING AND WINDOW COVERS TO HELP REDUCE SUICIDE RISKS IN OUR JAIL AND ANOTHER HALF MILLION DOLLARS TO FINISH THE DISTRICT ATTORNEY'S CRIMES REPLACEMENT PROJECT. OTHER SIGNIFICANT USES OF ONE-TIME ONLY IS THE SECOND YEAR OF THE D.A.R.T. RESIDENTIAL APPRAISAL DEVELOPMENT PROGRAM. WE'RE FUNDING FOR THE SECOND OR THIRD YEAR ON ONE-TIME ONLY. YOU'LL SEE THE SHERIFF'S HELP PROGRAM FOR ABOUT 315,000. THE SECOND YEAR OF TWO FOR THE ROAD CAPITAL IMPROVEMENT PLAN UPDATE. THERE'S A FULL LIST OF THESE IN THE BUDGET DIRECTORS. I'M NOT GOING TO WALK THROUGH ALL OF THEM. IT IS IMPORTANT TO KEEP IN MIND THAT MOST OF OUR -- OR, THE MAJORITY OF OUR PROGRAMS ARE MAINTAINED FROM LAST YEAR. THERE ARE A NUMBER OF REDUCTIONS AND REALLOCATIONS. I WANTED TO TOUCH ON THEM BRIEFLY. YOU'LL SEE MUCH MORE FROM THE DEPARTMENTS IN THE COMING WEEKS. THE BIGGEST REDUCTION IS WE TOOK ABOUT \$2.1 MILLION AND 13.5FTE OF ADMINISTRATIVE AND BACK OFFICE REDUCTIONS ACROSS THE

ORGANIZATION. YOU'LL SEE THAT ABOUT 8 OF THOSE FTE ARE IN DHFS ALONE. WE'VE MADE A NUMBER OF REALLOCATIONS.

Mike Jaspin: A GOOD EXAMPLE OF THAT IS WE REDUCED JAIL AND PRISON RE-ENTRY PROGRAMS BY 457,000. MOST OF THOSE FUNDS WERE REALLOCATED IN THE SAME AREA. THIS HELPS TO FUND THE DCJ PROGRAM ON AN ONGOING BASIS. WE'RE CUTTING TWO RIVER PATROL DEPUTIES. ONE STREET OFFICER AND IN JAIL HUMAN TRAFFICKING DEPUTY IN THE SHERIFF'S OFFICE. THERE'S SEVEN OR EIGHT PAGES DETAILING MOST OF THIS IN THE BUDGET DIRECTOR'S MESSAGE. THERE'S A NUMBER OF TRANSITIONS THAT YOU'LL SEE AS WELL. A GOOD EXAMPLE OF THIS IS ECJ SUPERVISING PARENTING TIME WHICH WE'RE SHIFTING FROM ONGOING FUNDING TO ONE TIME ONLY. THEREFORE WHEN WE MODEL THE 2020 BUDGET THAT IS ASSUMED TO GO AWAY IN 2020. IN THE HEALTH DEPARTMENT, YOU'LL SEE THAT A PORTION OF THE COMMUNICABLE DISEASE AND IMMUNIZATION RESPONSIBILITY WE'RE LOOKING TO TRANSFER TO A THIRD PARTY THAT SHOULD BE ABLE TO USE MEDICAID FUNDS TO PAY FOR SOME OF THOSE SERVICES SO IT WON'T BE ACTUAL REDUCTION SERVICES, BUT THAT WOULD SAVE THE COUNTY NEARLY \$200,000 IN THE CURRENT YEAR AND NEARLY 350,000 IN 2020. IF THESE TRANSITIONS DON'T TAKE PLACE OR SOME OF THOSE REDUCTIONS DON'T TAKE PLACE WE GET CLOSER TO THAT \$11 MILLION, AS OPPOSED TO \$7.4 MILLION THAT I MENTIONED.

Commissioner Smith: MADAM CHAIR, I HAVE A QUESTION. CAN WE GO BACK TO THE COUNTY SLIDE. DCJ SUPERVISED PARENTING TIME. THAT IS NOT INCOME-BASED. THAT'S NOT AN INCOME-BASED PROGRAM. WE CAN'T JUST ASSUME THEY WILL BE ABLE TO GET ON MEDICAID OR MEDICARE FOR IT.

Mike Jaspin: THAT ONE WE'RE NOT SAYING IS MEDICARE BASED. THE MEDICAID REIMBURSEMENT ELIGIBLE ONE IS COMMUNICABLE DISEASE IMMUNIZATION.

Commissioner Smith: WE'RE NOT TALKING ABOUT IT AS GOING TO WAY?

Mike Jaspin: WE SHIFTED IT TO ONE-TIME ONLY FUNDING. THE WAY WE MODELED EVERYTHING IS THAT IT WOULD GO AWAY IN 2020. SO, WE HAVE A YEAR TO FIGURE OUT WHO MIGHT BE WILLING TO PAY FOR THAT IN THE FUTURE.

Commissioner Smith: OKAY. I THOUGHT YOU SAID THEY CAN GO ON MEDICARE AND MEDICAID. THAT'S WHAT I THOUGHT YOU SAID.

Mike Jaspin: YEAH. IF YOU LOOK DOWN TO THE COMMUNICABLE DISEASE AND IMMUNIZATION RESPONSIBILITY, THAT, WE ARE LOOKING TO TRANSFER TO ANOTHER PARTY THAT HAS MEDICAID FUNDS TO PAY FOR THOSE.

Commissioner Smith: SO, THINK HEALTH SHARE OR ONE OF THE COORDINATED CARE ORGANIZATIONS. SO WE ARE ASSUMING THAT'S INCOME BASED. I'M WORRIED ABOUT SOME PEOPLE FALLING THROUGH THE CRACK WHO ARE NOT INCOME BASED WHO DON'T QUALIFY FOR MEDICAID. THAT'S WHAT I'M SAYING. DON'T ASSUME ALL OF THESE PEOPLE ARE MEDICAID ELIGIBLE.

Commissioner Smith: SO, WHEN THE HEALTH DEPARTMENT WILL BE ABLE TO WALK THROUGH THE COMMUNICABLE DISEASE AND IMMUNIZATION. THE WHOLE REASON THEY'RE WILLING TO TRANSFER IT, IS BECAUSE ALL OF THOSE FOLKS WOULD BE ELIGIBLE, AND IT'S A SMALL PART --

Commissioner Smith: ALL OF THEM WOULD BE? YOU'RE SURE?

Mike Jaspin: YEAH. THAT'S WHY WE'RE AT TRANSFERRING IT. JUST A QUICK NOTE ON GENERAL FUND RESERVES. AS MENTIONED BEFORE, THEY ARE FULLY FUNDED AT 10% OF OUR CORPORATE REVENUES THAT'S \$43.4 MILLION. THE B.I.T. RESERVE IS \$8.5 MILLION, AND THEN THE GENERAL FUND CONTINGENCY FUND IS \$10 MILLION. AND THAT INCLUDES 8 \$0.5 MILLION FOR THE B.I.T. RESERVE. WE PUT IT THERE SO IF YOU WANTED TO SPEND IT ON SOMETHING ELSE, YOU TECHNICALLY COULD, AND OUR REGULAR CONTINGENCY IS SET ASIDE AT \$1.5 MILLION AND AS A REMINDER WE BUMPED THAT UP TO 1 \$1/4 BILLION FOR THE FISCAL YEAR. THAT'S RELATIVELY SMALL CONTINGENCY GIVEN THE SIZE OF OUR GENERAL FUND. SO I WANTED TO SHIFT THE FOCUS AND LOOK AT SOME OF OUR LONG-TERM TRENDS.

THIS CHART SHOWS WHAT WE SPEND OUR RESOURCES ONGOING BACK TO FISCAL YEAR 2002. YOU CAN SEE THE BLUE LINE IS PERSONAL SERVICES, WHICH MAKES UP THE VAST MAJORITY OF OUR SPENDING FOR THE UPCOMING YEAR, WE'LL SPEND ABOUT \$652 MILLION ON OUR PERSONNEL. I DO WANT TO HIGHLIGHT THE ORANGE LINE THERE, WHICH IS OUR CAPITAL SPENDING, AND YOU CAN SEE THAT STARTING AT ABOUT 2012, OUR CAPITAL SPENDING RAMPED UP AS WE REPLACED THE SELLWOOD BRIDGE AND CONTINUES TO REMAIN ON A TRACK OF \$90 MILLION A YEAR AS WE START BUILDING THE COURTHOUSE AND HEADQUARTERS AND IT WILL SPIKE IN THE NEXT YEAR OR TWO AS WE WORK ON THOSE PROJECTS. GIVEN THAT PERSONNEL COSTS ARE THE LARGEST COSTS BY FAR, I WANT TO DIVE IN A LITTLE MORE DETAIL. SO, THIS CHART SHOWS BOTH FTE AND SPENDING ON FTE GOING BACK TO 2002. THE BLUE LINE IS THE SPENDING, AND THE GREEN LINE IS THE FTE. THE STORY WE TOLD BEFORE WAS THAT WE DID A FAIRLY RADICAL RATE SIZING IN 2004.

Mike Jaspin: AND THEN OUR PERSONNEL COSTS WENT UP WHILE WE WERE UNABLE TO HIRE ANY MORE FTE. THAT CHANGED AS WE CAME OUT OF RECESSION IN 2014-2014. BUT IF YOU LOOK AT THE LAST THREE YEARS OUR FTE ARE ACTUALLY RELATIVELY FLAT. BUT OUR LABOR COVERS ARE GOING UP SIGNIFICANTLY. TO GIVE YOU A LITTLE BIT OF CONTEXT, WE WILL SPEND

NEARLY \$74 MILLION MORE ON OUR PERSONNEL COSTS, COMPARED TO 2017. BUT ESSENTIALLY ONLY END UP WITH FIVE OR SIX MORE ACTUAL FTE. ONE OF THE THINGS THAT DRIVES THAT EQUATION IS OUR BENEFITS AND INSURANCE COSTS. THIS CHART SHOWS OUR AVERAGE BENEFITS AND INSURANCE COST PER FTE. BOOK IN 2002, THAT WAS ABOUT \$19,000 PER FTE. FOR NEXT YEAR, THAT NUMBER WILL BE ABOUT \$49,000 PER FTE.

IT'S PROBABLY MORE APPROPRIATE TO LOOK AT THIS AS A PERCENT OF PAYROLL, SO WE, GOING BACK TO 2002 AGAIN, IT WAS ABOUT 46% OF SOMETHING'S BASE PAY. AND FOR NEXT YEAR, IT WILL BE ABOUT 69%, AND WE EXPECT THAT TO CONTINUE TO DRIFT UP TO ABOUT 75% OVER THE NEXT FIVE YEARS, LARGELY DUE TO PERCENT. TO GIVE YOU AN IDEA WHAT THAT MEANS IF WE CAN GO BACK TO 2002 AND SPEND THE SAME LEVEL. THAT WOULD WORK OUT TO \$85 MILLION OF ADDITIONAL FUNDS ACROSS THE ENTIRE ORGANIZATION AND \$43 MILLION IN THE GENERAL FUND ALONE. AS I MENTIONED, PERS IS A BIG DRIVER OF THIS. THIS CHART SHOWS THE PERS RATES WE CHARGE THE DEPARTMENTS TO COVER PERS.

THE 6% PICKUP AND PERS BOND. BACK IN 2000, OUR RATES WERE ROUGHLY 17%. TODAY FOR CHAIR ONE OR TWO UNIFORMED IT'S 36.7% OF OUR BASE PAY AND YOU CAN SEE THE STEADY INCREASE IN THOSE RATES I DO WANT TO HIGHLIGHT THE GREEN LINES REPRESENT TIER 3, WHICH WAS CREATED 2003, AS PART OF THE PERS REFORMED. THAT IS NOTABLY LESS EXPENSIVE. GIVE YOU CONTEXT IN GENERAL, IF YOU LOOK AT NON-UNIFORM RATES THEY OF 6.6% LOWER. IT WENT FROM EVERYBODY DOING TIER ONE TO TIER TWO, THAT WOULD SAVE THE COMPANY \$25 MILLION OR \$12.5 MILLION IN THE GENERAL FUND. SOME OF THE REFORMS THAT ARE ALREADY IN PLACE WILL EVENTUALLY HELP REDUCE OUR COSTS BUT AS THE NEXT CHART SHOWS IT'S A GENERATIONAL SHIFT. THIS CHART SHOWS THE THREE TIERS AND THE NUMBER OF COUNTY EMPLOYEES IN EACH TIER. YOU CAN SEE TIER 1 IS STEADILY DECLINING AND WE'RE DOWN TO 800 ACTIVE EMPLOYEES IN TIER 1. MOST OF THOSE FOLKS RETIRED. TIER 2 IS AT 1100 RIGHT NOW AND YOU CAN SEE IN 2003 THE STEADY INCREASE IN OPCERP. WE HAVE 3,830 FOLKS IN OPCERPS. FROM 2013 TO 2018. THAT'S NOT TRUE. THE WAY WE PULLED THIS GRAPH WE SIMPLY ASKED FOR ACTIVE COUNTY EMPLOYEES ON JANUARY 1ST, WHAT TIER THEY'RE IN SO WE PICK UP ON CALL FOLKS AND TEMP FOLKS AS WELL. AS PART OF THE WORK DAY PROJECT, WE'RE GOING THROUGH AND CLEANING UP WHO IS LIFTED AS ACTIVE AND ACTIVE EMPLOYEE E. WHEN WE DID THAT, THERE WERE 94 ONCALL ELECTIONS FOLKS WHO HAVE NOT WORKED IN THE LAST YEAR AND ANOTHER 76 ON CALL FOLKS IN THE HEALTH DEPARTMENT WHO HAD NOT WORKED IN THE LAST YEAR. SO WE PULLED THOSE OUT. THAT'S HOW COME IT PLATENS OUT.

Commissioner Smith: I HAVE A QUESTION. WHEN DO YOU THINK THE TWO OF THEM WILL FLATTEN OUT? YOU HAVE TO MAKE SOME CALCULATION.

Mike Jaspin: THE MATH IS PRETTY SIMPLE. I CAN DO IT AND SEND IT. IT'S A PRETTY STEADY DECLINE IN TIER 1 AND TIER 2. I SUSPECT PROBABLY 2030 IS WHEN WE WILL BE LARGELY IN OPCERP ORGANIZATION. BUT KEEP IN MIND IT'S REALLY ABOUT WHEN DO PEOPLE AGE OUT OF THE SYSTEM.

Commissioner Smith: RIGHT.

Mike Jaspin: AND TIER 2 IS STILL PRETTY STRONG. THAT TAKES INTO ACCOUNT A LOT OF DOLLARS, TOO. AS A TIER 2 FOLKS, I UNFORTUNATELY STILL HAVE QUITE A NUMBER OF YEARS TO WORK. [LAUGHTER]

Chair Kafoury: DID YOU SAY UNFORTUNATELY? I THINK FORTUNATELY. [LAUGHTER]

Mike Jaspin: SO, HEALTH CARE COSTS, FORTUNATELY HEALTH CARE HOSPITALS HAVE IN THE BEEN THE STORY THEY WERE SEVERAL DECADES AGO. THIS CHART SHOWS TWO KEY LINES. THE GREEN LINE IS THE REFERENCE POINT. IT'S THE ANNUAL AVERAGE CHANGE IN THE TOTAL PREMIUM FOR FAMILY COVERAGE AND IT'S A SURVEY KAISER DOES EVERY YEAR. IT'S A NICE DATA POINT. YOU CAN SEE IN 2002, 2003 WE'RE GROWING AT 12, 13% EVERY YEAR AND NOW IT'S RIGHT AROUND 4%. THE BLUE LINE IS OUR ACTUAL SPENDING ON KAISER, PLUS OUR SELF INSURANCE PLANS PER FTE. IT'S A LITTLE BIT OF AN OVERSIMPLIFICATION, BUT YOU SEE WE GENERALLY FOLLOW THE NATIONAL TRENDS THAT ARE REFLECTED IN THE KAISER SURVEY. IT'S FLATTENED OUT AND WE'VE BEEN AT 5 OR 6% FOR NEXT YEAR. WE'RE INCREASING OUR INTERNAL INSURANCE RATES BY 6.5% AND WE EXPECT IT TO STAY IN THE 5 TO 6% RANGE FOR THE NEXT FIVE YEARS. YOU WILL NOTICE IN 2017, WEED HAD A BIG SPIKE. OUR SELF INSURED PLANS WE HAD A RELATIVELY POOR EXPERIENCE YEAR, SO WE ENDED UP SPENDING A FAIR BIT MORE THERE. ONE QUESTION WE GET ASKED IS WHERE DO WE SPEND OUR GENERAL FUND? THIS CHART BREAKS IT OUT BETWEEN PUBLIC SAFETY, HEALTH AND HUMAN SERVICES AND GENERAL GOVERNMENT. ON A YEAR OVER YEAR BASIS, IT'S RELATIVELY STABLE. WE'RE STILL SPENDING ABOUT 45% OF OUR GENERAL FUND ON PUBLIC SAFETY. HEALTH AND HUMAN SERVICES AND THE JOINT OFFICE ACCOUNT FOR 35%. WE'VE DRIFTED A LITTLE BIT WITH HIGHER SPENDING INTO HEALTH AND HUMAN SERVICES AS WE'VE PUT MORE MONEY INTO HOMELESS SERVICES.

Mike Jaspin: THIS GRAPH, FOR THIS PARTICULAR YEAR, AND I THINK NEXT YEAR, IS A LITTLE BIT DISTORTED. IN PART BECAUSE YOU'RE GOING TO SEE GENERAL GOVERNMENT INCREASE SOMEWHAT AS WE PAY DEBT SERVICE. THAT COMES AS RECORDED IN THE GENERAL FUND. THE OTHER DISTORTING FACTOR IS THAT WE PUT CORRECTIONS HEALTH INTO HEALTH AND HUMAN SERVICES, BECAUSE WE ROLL OUT THE HEALTH DEPARTMENT. THE REALITY IS, THAT IS PART OF THE PUBLIC SAFETY SYSTEM. CORRECTIONS HEALTH IS ONE OF OUR FASTEST GROWING COSTS. SO IF YOU FLIP THAT AND DID SOME

ARRANGING AND BACKED OUT THE \$5 MILLION OF SHELTER CAPITAL, YOU WOULD ACTUALLY SEE AN INCREASE IN THE PUBLIC SAFETY SYSTEM, AND THIS DOES NOT INCLUDE THE LABOR CONTRACT FOR EITHER THE PROSECUTING ATTORNEYS OR DSA. SO, THOSE LABOR CONTRACTS ARE GOING TO PULL PUBLIC SAFETY PROBABLY UP A PERCENT OR TWO. SO, I'VE SHOWN THIS GRAPH BEFORE BUT I THINK IT'S HELPFUL TO HAVE SOME PERSPECTIVE AND THIS IS TRYING TO ASK THE QUESTION OF HOW FAST DOES YOUR GENERAL FUND GROW TO SUPPORT SERVICES.

SO, OUR B.I.T., AS YOU KNOW, IS A LITTLE BIT OF A ROLLER COASTER. OVER THIS TIME PERIOD HAS GROWN ABOUT 5.95%, IF YOU TAKE OUT ALL OF THE BUMPS. OUR MOTOR VEHICLE RENTAL TAX IS ALSO CYCLICAL LIKE THE B.I.T. IT'S GROWN ABOUT 3.5%. YOU CAN SEE IN THE LAST COUPLE YEARS, IT'S STILL GROWING AT A REASONABLE CLIP BUT NOT THE 10% THAT WE SAW FOR SEVERAL YEARS. PROPERTY TAX IS NICE AND STABLE. BUT NOT GROWING FAST ENOUGH. YOU CAN SEE THAT FROM 2015 THROUGH 2018, EVEN INTO 2019, HAD A FAIRLY STRONG GROWTH, BUT THAT GROWTH IS STILL ON LONG TERM, ONLY 3.5%. SO, YOU TAKE ALL OF THOSE TOGETHER, AND THAT SHOWS YOU WHAT HAPPENS WITH THEM TOGETHER THEY GROW AT ROUGHLY 3.9%, NEVER FALLING TOO MUCH, BUT NEVER GROWING TOO MUCH EITHER.

Commissioner Vega Pederson: I HAVE A QUESTION. SO, JUST THE B.I.T., DOES THAT FACTOR IN THE STABILIZATION FUND AT ALL FOR THAT, OR --

Mike Jaspin: IT DOES NOT.

Commissioner Vega Pederson: OKAY.

Mike Jaspin: SO, THAT LINE RIGHT THERE IS WHAT 3.9% LOOKS LIKE. SO, THE NEXT LOGICAL QUESTION IS, HOW FAST DO OUR COSTS GROW RELATIVE TO OUR REVENUE GROWTH, AND THAT'S WHAT THIS GRAPH SHOWS. SO, THE DARK BLUE LINE IS OUR REVENUE GROWTH. YOU CAN SEE IN 2015, 2016 AND EVEN 2017, WE HAD ABOVE TREND REVENUE GROWTH. IF YOU LOOK AT THE LIGHT BLUE LINE, THAT IS OUR COST GROWTH. AS INFLATION WAS LOW, I MEAN, WE HAD FEWER WAGE PRESSURES, OUR LABOR COSTS GREW SLOWER, AND THEN YOU CAN SEE THAT FROM ABOUT 2012, ALL OF THE WAY THROUGH 2016 INTO 2016. BUT THEN IF YOU LOOK BACK TO 2016 THROUGH 2020, YOU CAN SEE OUR COST STRUCTURE GROW AT A FASTER RATE. SO, THE WAY I LOOK AT IT, THERE'S AN "X" THERE, IF YOU KIND OF SQUINT A LITTLE BIT. THE DARK BLUE LINE GOING DOWN, THAT'S A REVENUE GROWTH AND LIGHT BLUE LINE GOING UP, AND THAT IS OUR COST GROWTH. AND THEN IF YOU LOOK OUT INTO 2020, ALL OF THE WAY TO 2023, YOU CAN SEE OUR COSTS GROW FASTER THAN OUR REVENUE AND THAT IS OUR INHERENT STRUCTURAL DEFICIT.

SO, IN SUMMARY, WE HAVE A BALANCED BUDGET FOR NEXT YEAR. I DON'T WANT TO BE TOO GLOOMY. OUR RESERVES FULLY FUNDED. WE'VE USED ONE-TIME ONLY LARGELY FOR ONE TIME ONLY PURPOSES. WE'RE PROACTIVELY ADDRESSING OUR CAPITAL NEEDS, WHICH REDUCES OUR FUTURE DEBT REQUIREMENTS AND OPERATING COST. WE'RE PLANNING AS BEST WE CAN FOR OUR PERS LIABILITY. AS I MENTIONED BEFORE THE BUDGET INCLUDES A \$25 MILLION SIDE ACCOUNT TO HELP REDUCE OUR LIABILITY. THE BUDGET PREPARES FOR 2020 AND HOPEFULLY NOT A RECESSION TOO SOON, WHILE TRYING YOU TO PROVIDE FOR SERVICES TODAY. AND, OVER THE LAST FOUR, FIVE YEARS, WE'VE MADE DIFFICULT BUT SOUND FINANCIAL CHOICES THAT HAVE HELPED US BALANCE OUR COMPETING NEEDS, PROVIDING SERVICES TODAY, WHILE TRYING TO PROVIDE FOR FINANCIAL RESILIENCY GOING FORWARD AND I THINK, AS YOU ALL KNOW, BOTH MOODY'S AND STANDARD & PERS RATED US. THAT REFLECTS ALL OF OUR HARD WORK. SO, WITH THAT, I'LL BE HAPPY TO ANSWER ANY QUESTIONS. QUESTIONS FROM THE BOARD.

Vice-Chair Stegmann: THANK YOU. YOU ALWAYS GIVE US DIFFERENT PERSPECTIVES HOW TO ANALYZE AND LOOK AT THE BUDGET. THIS IS GREAT INFORMATION. IT'S REALLY STARTING TO SINK IN. I APPRECIATE THE SIMPLICITY YOU BRING TO MAKE THE BUDGET AS EASILY UNDERSTOOD AS POSSIBLE. SO THANK YOU.

Commissioner Vega Pederson: I HAVE A COUPLE QUESTIONS. YOU MENTIONED THERE WILL BE TEMPORARY 12 POSITIONS FOR THE WORK DAY PROJECT. IS THAT TEMPORARY POSITIONS OR JUST WHAT IS REQUIRED TO MANAGE THE SYSTEM GOING FORWARD?

Mike Jaspin: I'LL GIVE THE READER'S DIGEST AND DCM YOU'LL HEAR FROM IN A HALF HOUR. THOSE ARE POSITIONS TO HELP MANAGE ON THE CENTRAL SIDE GOING FORWARD AS WE GAIN HEALTHFUL INFORMATION WE NEED GOING FORWARD TO 2020. THE TYPE OF PEOPLE WE NEED FOR TIME ENTRY AND MANAGE THAT. MAY BE THE CASE WE NEED TWO MORE FOLKS CENTRALLY LOCATED BUT WE CAN CUT VARIOUS FOLKS OUT IN DEPARTMENTS AS WORK LOADS GET READJUSTED. ONE THING TO LOOK AT IT. IT'S A PLACE HOLDER UNTIL WE GO THROUGH THE METHODOICAL PROCESS LOOKING AT WHAT POSITIONS WE NEED GOING FORWARD.

Commissioner Vega Pederson: AND ON SLIDE 6, THANK YOU FOR THAT. WHEN DCM COMES UP I'LL BE HAPPY TO HEAR MORE FROM THEM. ON SLIDE 16, WHERE IT LOOKED AT WHAT WE SPEND OUR RESOURCES ON, IT HAD PERSONNEL SERVICES, OBVIOUSLY WE TALKED ABOUT THAT. AND CONTRACTS LOOK LIKE IT'S GONE UP SINCE IT COME OUT OF THE RECEPTION. DO YOU HAVE ANY BREAKDOWN ON HOW THAT WORKED ACROSS DEPARTMENTS ON THE CONTRACTS AND WHERE SOME OF THE BIG COST DRIVERS WERE FOR THOSE?

Mike Jaspin: YEAH, LET ME GET YOU THAT INFORMATION. THE BIG DRIVER IS IN SOCIAL SERVICES AND THE HEALTH DEPARTMENT. WHEN YOU LOOK AT GOING FROM 18 TO 19, EVEN GOING BACK FROM 17 TO 18, FOR THEM CONTRACTING OUT, MENTAL HEALTH SERVICES, FOR, FOR EXAMPLE, IS A BIG PLACE THAT DRIVES OUR CONTRACTS.

Commissioner Vega Pederson: OKAY. ALL RIGHT. THANK YOU.

Mike Jaspin: ANY OTHER QUESTION, COMMENTS?

Commissioner Smith: I WANT TO THANK YOU FOR ALWAYS BRINGING THIS BUDGET TO US AND KICKING OFF THE BEGINNING OF OUR BUDGET DEVELOPMENT PROCESS. IT IS SOMEWHAT BITTERSWEET FOR ME. I PROBABLY SIT HERE WITH MY COLLEAGUES READY TO REVIEW AND HELP AND EVENTUALLY APPROVE THE LAST BUDGET OF MY TENURE. I HAVE PARTICIPATED IN TWO TERMS OF THESE PROCESSES. I'VE WATCHED MY COLLEAGUES OVER THE YEARS WRESTLE WITH ALLOCATIONS OF RESOURCES THAT BEST CONNECT WITH OUR MOST VULNERABLE MEMBERS OF THE COMMUNITY AND I'VE WATCHED THE WONDERFUL PROGRAMS THAT HAVE BEEN CREATED TO PROVIDE SERVICES ACROSS THE WIDTH AND BREADTH OF MULTNOMAH COUNTY. AND I'VE HEARD YOU TALK ABOUT THE SERVICES OUR DOLLARS PRODUCE AND PROGRAMS PROVIDED ON OUR BEHALF. IT'S NOT BEEN EASY IN SOME YEARS BUT ME AND MY COLLEAGUES HAVE FOCUSED ON ONE THING, ENSURING THAT THE BEST SERVICES, THE BEST PROGRAMS ARE FUNDED TO SECURE BETTER FUTURES FOR THE RESIDENTS OF MULTNOMAH COUNTY. I WANT TO THANK YOU NOT JUST TODAY BUT IN YOUR ROLE IN THE LAST SEVEN YEARS. THIS IS, AS USUAL, THIS IS A VERY GOOD DOCUMENT TO JUMP START FROM.

Mike Jaspin: THANKS. ALL RIGHT. THANK YOU VERY MUCH. SO, WITH THAT, WE ARE THREE MINUTES AHEAD OF SCHEDULE AND WE HAVE C.I.C. NEXT.

Chair Kafoury: DURING THAT THREE MINUTES AS THE C.I.C. FOLKS COME UP, I WOULD LIKE TO MAKE AN ANNOUNCEMENT BECAUSE WE HAVE NOT FORMALLY RECOGNIZED OUR NEW BOARD CLERK, MARINA BAKER. [APPLAUSE] MARINA, YOU SERVED AS ASSISTANT BOARD CLERK FOR HOW MANY YEARS?

Marina Baker: EIGHT YEARS.

Chair Kafoury: EIGHT YEAR NOW THE GLORY AND FAME IS YOURS. WELCOME, MARINA.

Marina Baker: THANK YOU.

**BWS-1b Community Involvement Committee & Central Citizen Budget
Advisory Committee.**

Dani Bernstein: GOOD MORNING, CHAIR AND COMMISSIONERS MY NAME IS DANI BERNSTEIN I'M DIRECTOR FOR THE OFFICE OF COMMUNITY DEVELOPMENT AND JOINED BY THE CHAIR OF CENTRAL BUDGET ADVISORY COMMITTEE AND MEMBER OF THE COMMUNITY INVOLVEMENT COMMITTEE. SHERRY WILLMSCHEN WILL PRESENT RECOMMENDATIONS FROM THIS YEAR'S HE BUDGET ADVISORY COMMITTEE AND BEFORE I TURN IT OVER TO HER I WANT TO SHARE SOME GENERAL INFORMATION ABOUT THIS YEAR'S BUDGET ADVISORY COMMITTEES OR CBACS. THIS YEAR YOU'LL HEAR FROM NINE CBACS. IN ADDITION TO SHERRY'S RECOMMENDATIONS. THIS REFLECTS WORK OVER 50 DEDICATED VOLUNTEERS WHO MET REGULARLY OVER THE LAST YEAR AND DEVOTED MANY HOURS TO STUDYING OUR BUDGET AND WORKING WITHIN THE COMMUNITIES TO CONDUCT RECOMMENDATIONS FOR YOU ALL TO CONSIDER.

WE'RE GRATEFUL THERE'S SO MANY VOLUNTEERS WILLING TO DEDICATE THEIR TIME TO BRING A COMMUNITY VOICE INTO OUR BUDGETING PROCESS. I ALSO WANT TO TAKE A MOMENT TO THANK THE STAFF AND DEPARTMENTS WHO SUPPORT THE CBACS. THEY ENSURE THEY RECEIVE THE INFORMATION THEY NEED TO MAKE INFORMED RECOMMENDATIONS, TAKE THEM ON TOURS AND SITE VISITS TO COUNTY FACILITIES AND MAKE SURE VOLUNTEERS WELL FED WHICH IS IMPORTANT. I WANT TO THANK MY COLLEAGUE BRENDA MORGAN WHO CONDUCTS OUTREACH TO RECRUIT NEW MEMBERS AND FINALLY BEFORE SHERRY GETS STARTED I WANT TO GIVE SPECIAL THANKS TO CENTRAL CBAC MEMBERS. THEY NOT ONLY ATTEND CENTRAL CBAC AND SHERRY AND COMMUNITY INVOLVEMENT MEETINGS. THAT'S A LOT OF HOURS IN COMMITTEE MEETINGS. SO, WITH THAT, I'LL TURN IT OVER TO SHERRY

Sherry Willmschen: GOOD MORNING CHAIR KAFOURY AND COMMISSIONERS. WE VALUE THE OPPORTUNITY TO PROVIDE PERSPECTIVE BY AVERAGE INPUT AND CENTRAL FEEDBACK INCLUDES MEMBERS FROM EACH OF THE NINE DEPARTMENT CBACS AND I'M THE CHAIR THIS YEAR. I APPRECIATE THE THIS YEAR'S CENTRAL CBAC MEETING TO INFORM SINCE I DO NOT SIT ON A CBAC AT ALL BUT HAVE BEEN ON A NON-DEPARTMENT FOR YEARS. THANK YOU FOR THE LIST YOU HAVE IN FRONT OF YOU. ALL OF THE CBACS WORK HARD TO COMPLETE THIS ASSIGNMENT. WE ACKNOWLEDGE ASSISTANCE OF ALL OF THE DEPARTMENT STAFF INCLUDING IN SOME CASES ONSITE VISITS. ALTHOUGH MANY C B A C S HAD NEW MEMBERS, THEY WERE THOROUGH IN THEIR RESPECTIVE BUDGETS.

Sherry Willmschen: OUR DISCUSSIONS LED TO THE FOLLOWING RECOMMENDATIONS. NUMBER ONE, WHICH IS REALLY KEY ALL OVER THE COUNTY. HOMELESS AND LACK OF HOUSING. WE ARE AWARE THE COUNTY HAS MEETING FAMILY AND SINGLE AND COUPLES WITHOUT HOMES. THE

IMPACT IS FELT BY THE ENTIRE COMMUNITY WHO HAVE CONCERNS ABOUT SAFETY OF THE RESIDENTS IN THE COMMUNITY. THE CARE AND SAFETY OF HOMELESS PEOPLE CROSS ALL OF OUR CBAC RESPONSIBILITY. THE HOMELESS PEOPLE SERVED BY THE COUNTY, INCLUDING DCJ, CLIENT, FAMILIES SERVED BY MULTIPLE DEPARTMENTS, PEOPLE WITH ADDICTIONS AND PEOPLE WITH MENTAL HEALTH ISSUE, THEY INCLUDE THE WORKING POOR AS WELL WHO CANNOT AFFORD RENT. WE ARE CONCERNED ABOUT THE IMPACT HOMELESSNESS HAS ON CHILDREN. WE ENCOURAGE PROGRAMS TO HELP CHILDREN WHO ARE HOMELESS, IN THE PAST AT THE HUMAN SOLUTION SHELTER. WE URGE THE BOARD OF COUNTY COMMISSIONERS TO CONTINUE EFFORTS TO PROVIDE SAFETY IN HOMELESS SHELTERS AND TO NATIVE PROGRAMS SUCH AS NORTHWEST PILOT PROJECT VOUCHERS TO MOVE PEOPLE FROM SHELTERS TO HOUSING. EFFORTS TO PRESENT HOMELESSNESS WITH RENT ASSISTANCE AND INCREASE IN HOUSING DEVELOPMENT,

INCLUDING SUPPORTIVE HOUSING, MUST BE A PRIORITY. THE NEXT IS MENTAL HEALTH. OUR CONCERNS ABOUT MENTAL HEALTH NEEDS FOR OUR RESIDENTS PROVIDED BY THE HEALTH DEPARTMENT, THE SHERIFF'S OFFICE, THE LIBRARY AND CORRECTIONS, MUST CONTINUE TO BE A PRIORITY. DATA. WE ADDRESSED THE CORNERS ABOUT THE NEED FOR GOOD, SCIENTIFIC DATA ACROSS DEPARTMENTS. AN EXAMPLE IS DASHBOARD WHICH IS AVAILABLE IN SOME DEPARTMENTS. MEMBERS OF CBACS DID NOT SEE CONSISTENT MEASURES SHARED BY THE DEPARTMENTS. WE ALSO DID NOT SEE INFORMATION REGARDING ETHNICITY, GEOGRAPHY AND EQUITY. WE KNOW FROM SOME CBACS THAT THIS INFORMATION IS AVAILABLE UPON REQUEST. WE BELIEVE IT MUST BE SHARED ACROSS DEPARTMENTS AND WITH THE COMMUNITY. COLLABORATION FOR DATA OUTCOMES. WE URGE COLLABORATION ACROSS DEPARTMENTS TO SHARE THE CAPACITY ON GATHERING OUTCOME DATA. THIS INCLUDES OUTCOMES THAT ARE MEASURABLY AND GOALS THAT MAY REQUIRE MORE THAN ONE YEAR TO COMPLETE.

Sherry Willmschen: COMMON OUTCOMES MUST BE SHARED ACROSS DIVISIONS AND DEPARTMENTS TO ALLOW FOR MORE EFFICIENT SERVICE TO THE COMMUNITY. ONE EXAMPLE OF DATA NEEDS IS SERVICE PROVISION THROUGH THE JOHS FOR TRANSPARENCY AND COMMUNICATION REGARDING HOMELESS PROGRAM RESULTS. POSSIBLE USEFUL DATA IS THE NUMBER OF BEDS PROVIDED IN SHELTERS, INFORMATION ON THE WAIT LIST AND LONG-TERM TRACKING AND WE SUPPORT FUNDING TO COMPLETE THE NEPA STUDY AS WELL AS PURSUING SOURS OF FUNDING, 500 MILLION, FOR THE ENVIRONMENTAL REVIEW DESIGN, AND CONSTRUCTION PHASES OF THE REBUILD, REFURBISHMENT OF THE BURNSIDE BRIDGE. INVESTMENT IN EAST COUNTY. THIS IS WHERE I LIVE. AS IN THE PAST,

ALL CBACS URGE THE COUNTY COMMISSIONERS TO CONTINUE INVESTMENT IN EAST PORTLAND, GRESHAM, WOOD VILLAGE AND TROUTDALE AND FAIRVIEW. THE POPULATION HAS SHIFTED TO THESE AREAS AND SERVICES NEED TO SHIFT WITH THE CHANGE. CYBER SECURITY. DEPARTMENT OF COUNTY ASSETS LOOK THE ADD THE I.T. INNOVATIONS AND CYBER SECURITY THAT ARE IMPORTANT ACROSS DEPARTMENTS. WE SUPPORT THEIR RECOMMENDATIONS INCLUDING MOVEMENT TO MANAGED OR ONGOING FUNDING. ALL CBACS ARE AWARE THAT CYBER SECURITY WITH ALL OF THE PEOPLE WE SUPPORT IS EXTREMELY IMPORTANT. AND LAST UNIVERSAL REPRESENTATION. WE WOULD LIKE TO SUPPORT UNIVERSAL REPRESENTATION, THE CITY OF PORTLAND IS CONSIDERING FUNDING FOR THIS EFFORT AND WE RECOMMEND MULTNOMAH COUNTY DO SO AS WELL. I WOULD LIKE THE THANK THE MEMBERS ON EACH CBAC AND LOOK FORWARD TO INDIVIDUAL PRESENTATION BICE OUR CBAC ORGANIZATIONS. THANK YOU. ARE ANY QUESTIONS?

Chair Kafoury: THANK YOU, SHERRY ARE THERE QUESTIONS OR COMMENTS FOR SHERRY?

Commissioner Stegmann: THANK YOU, SHERRY FOR ALL OF YOUR VOLUNTEERISM, YEARS AND YEARS. AND TO ALL OF THE CBAC MEMBERS. I HAVE TO HIGHLIGHT. I REALLY LIKE NUMBER 7, INVESTMENT IN EAST COUNTY. YEAH. IT'S REALLY GREAT FOR ME TO HEAR WHAT THE PRIORITIES ARE FROM OUR COMMUNITY, AND I JUST WANT TO THANK ALL OF THE CBAC MEMBERS. I'VE BEEN A PAST CBAC MEMBER AND JUST REALLY APPRECIATE THE ENGAGEMENT THAT YOUR OFFICE HAS DONE, DANI. IT'S A LOT OF VOLUNTEER WORK AND, WE JUST APPRECIATE IT. I KNOW HOW TIME CONSUMING AND YOU GIVE UP A LOT TO PARTICIPATE BUT WE DO APPRECIATE IT.

Commissioner Meieran: I ALSO JUST WANTED TO SAY THANK YOU, SHERRY, TO YOU, DANI, TOO, AND TO THE TEAM OF VOLUNTEERS WHO HAVE DEDICATED SO MUCH TIME AND COMMITMENT TO THE ISSUES THAT ARE SO IMPORTANT TO THE COMMUNITY AND THOSE MOST VULNERABLE. I REALLY COMMEND YOUR COMMITMENT TO EQUITY, THROUGHOUT ALL OF THESE RECOMMENDATIONS, AND ALSO, I HEAR YOU LOUD AND CLEAR, CLB RACIAL ACROSS DEPARTMENTS JUST IS SO SO IMPORTANT TO THE WORK THAT WE DO. AND AS COMMISSIONER STEGMANN APPRECIATED THE RECOMMENDATION ABOUT EAST COUNTY I APPRECIATED THAT AND PRIORITIZATION OF MENTAL HEALTH CARE. THANK YOU, AGAIN, FOR ALL OF YOUR HARD WORK.

Commissioner Smith: THANK YOU, MADAM CHAIR. I WANT TO THANK THE MEMBERS OF CIC AND CBAC FOR TAKING THE TIME FROM THEIR BUSY SCHEDULES BECAUSE THIS IS A HUGE COMMITMENT. THANK YOU FOR ALL OF THE WORK THAT YOU'VE DONE OVER THE YEARS. I JUST WANT TO ADD MY THANKS TO YOU AND ALL MEMBERS OF THE CBAC FOR YOU AND YOUR TEAM

TO COORDINATE THESE MEETINGS CONTRIBUTES AND DISCUSSIONS. Commissioner Vega Pederson; I'M GETTING TO THIS LIST OF RECOMMENDATIONS. I THINK COMMISSIONER STEGMANN SAID, WHAT AN UNDERTAKING IT IS TO APPRECIATE THE NEEDS OF THE DIFFERENT DEPARTMENT WAYS WE CAN SPEND OUR MONEY AND HOW TO BE MORE EFFECTIVE. AND I REALLY APPRECIATE THE NEED, THE STRESS FOR THAT COLLABORATION FOR REALLY ADDRESSING THINGS OF THE WHOLE SYSTEM OF MULTNOMAH COUNTY. THAT'S SOMETHING WE CAN TAKE ON. ESPECIALLY HAVING NEW VOLUNTEERS ON THE CBACS THIS YEAR, ALL OF THE WORK FOR THEM TO GET UP TO SPEED, FEELING COMFORTABLE TALKING ABOUT THESE ISSUES AND MAKING THESE RECOMMENDATION, SO KUDOS TO THEM. SO, THANK YOU.

Chair Kafoury: THANKS FROM ME AS WELL. I APPRECIATE THE OVERARCHING OVERVIEW THAT YOU'VE GIVEN US TODAY HOW THE CBAC MEMBER, GUIDING PRINCIPLES AS THEY LOOKED AT IT, OUR BUDGET IN ITS ENTIRETY. I LOOK FORWARD TO HEARING INDIVIDUALLY FROM THE VARIOUS DEPARTMENTS, DIFFERENT CBACS. I WAS REALLY IMPRESSED DURING THE PRE BUDGET TIME, TALKING WITH ALL OF THE NEW MEMBERS AND HOW, JUST SO INTERESTING TO GET NEW PEOPLE ON BOARD AND WE HAVE DIFFERENT WAYS OF LOOKING AT THE ISSUES, SO THAT WAS REALLY GREAT. I LOOKED FORWARD TO HEARING FROM THE DEPARTMENT.

Sherry Willmschen: IT WAS ENLIGHTENING TO ME, TOO, WHEN I MET WITH THE CHAIRS. IT WAS VERY GOOD.

Chair Kafoury: WE APPRECIATE YOUR STEADY HAND, SHERRY, IN ALL OF YEARS YOU'VE BEEN INVOLVED. THANKS, DANI.

Dani Bernstein: THANK YOU.

Chair Kafoury: ALL RIGHT. DO WE WANT TO JUST GO RIGHT INTO DCM, IS EVERYONE HERE? OKAY. EXCELLENT. EXCELLENT. NEXT UP WE HAVE DCM.

BWS-1c Dept. of County Management

Marissa Madrigal: GOOD MORNING, CHAIR AND COMMISSIONERS, I'M YOUR CHIEF OPERATING OFFICER JOINED BY DEB ANDERSON, OUR WONDERFUL SAINTLY BUDGET MANAGER. BUSINESS MANAGER FOR THE DEPARTMENT OF COUNTY MANAGEMENT. AS WELL AS BRENDA, FROM THE OFFICE OF COMMUNITY INVOLVEMENT. I'LL JUST REVIEW OUR AGENDA QUICKLY. WE'LL GO OVER OUR MISSION VISION VALUES AND HAVE A PRESENTATION FROM BRENDA. FROM OUR CITIZEN BUDGET ADVISORY COMMITTEE. SHE'S HERE ON THEIR BEHALF TODAY. WE'LL DO A DEPARTMENT BUDGET OVERVIEW, OVERVIEW BY DIVISION. REVIEW OUR GENERAL FUND REDUCTIONS. WE'LL SPEND THE BULK OF TIME ON THE NEW ONE TIME ONLY AND GENERAL FUND ADDITIONS.

TALK ABOUT OUR FUTURE POLICY ISSUES, WHICH YOU ARE INTIMATELY FAMILIAR WITH, BUT WE WILL TALK ABOUT THEM IN THE CONTEXT OF THE BUDGET AND THEN I'D BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU HAVE. SO, THE MISSION OF THE DEPARTMENT OF COUNTY MANAGEMENT IS COMPASSIONATE AND RESPONSIBLE MANAGEMENT OF WHAT IS ENTRUSTED TO US, SAFEGUARDING OUR COUNTY'S FINANCIAL FOUNDATION AND HUMAN CAPITAL. WE WANT TO BE AN ADAPTIVE GOVERNMENT, SERVING A DYNAMIC COMMUNITY, AND THAT LITTLE PHRASE REALLY IS THE PERFECT CALL TO ACTION FOR OUR DEPARTMENT IN THESE TIMES OF CHANGE. WE HAVE SEEN, AND DCM HAS FOUND ITSELF AT THE CENTER OF FUNDAMENTAL SHIFTS IN THE WAY THAT WE TREAT EMPLOYEE COMPLAINTS OF DISCRIMINATION, BASED ON PROTECTED CLASS. WE ARE AT THE CENTER OF MASSIVE TECHNOLOGICAL CHANGE WITH THE MULTIPLE LINE AND WORK DAY TRANSITION FROM SAP.

AND ALL OF THOSE CHALLENGES REALLY REQUIRE US TO COME TO THE TABLE WITH CRITICAL THINKING SKILLS, WITH IMAGINATION, AND LESS OF A RELIANCE ON HOW THINGS HAVE ALWAYS BEEN DONE, AND MORE OF A VISION FOR HOW THINGS SHOULD BE IN THE FUTURE. OUR CORE VALUES INCLUDE COLLABORATION, RESPONSIBILITY, INTEGRITY, EQUITY, COMMUNITY AND ARE CAPTURED IN ONE MISSION CRITICAL CONCEPT, STEWARDSHIP WHICH WE DEFINE AS DEEP COMMITMENT AND ACCOUNTANT OF GOVERNANCE OF WHAT'S ENTRUSTED TO US. OUR CITIZEN BUDGET ADVISORY COMMITTEE MEMBERS ARE CORMAC BURKE. BEN BRADY, SAM CALDWELL, BRANDON HARRIS, NICK PRELOSKY AND TRENT WILSON. WHILE THEY'RE NOT HERE I HK THEM FOR THE NERDY AND INTERESTING CONVERSATIONS WE HAVE ALL YEAR. WE'RE LUCKY TO HAVE THE CALIBER OF PEOPLE WE HAVE ON THE CITIZEN BUDGET ADVISORY COMMITTEE. IT'S WONDERFUL TO HEAR THEIR PERSPECTIVES AND IT DOES IMPROVE OUR WORK. WITH THAT, BRENDA?

Brenda Morgan: GOOD MORNING, CHAIR AND COMMISSIONERS, I'M BRENDA MORGAN THE PROGRAM MANAGER FOR COMMUNITY ENGAGEMENT IN THE OFFICE OF COMMUNITY INVOLVEMENT. I'M PRESENTING THE DEPARTMENT OF COUNTY MANAGEMENT REPRESENTATIONS ON BEHALF OF THE DEPARTMENT OF COUNTY MANAGEMENT AND DEPARTMENT OF COUNTY ASSETS, CBAC. THANKS. IS THAT OKAY? IS THAT BETTER? SINCE NOBODY WAS AVAILABLE TO COME AND DO THIS TODAY. SO, WHEN YOU HEAR ME SAY "WE" IN THE RECORD, KNOW THAT I MEAN "THEY." I TAKE NO CREDIT FOR THEIR HARD WORK. SO THE DEPARTMENT OF COUNTY ASSETS AND DEPARTMENT OF COUNTY MANAGEMENT CBAC ALSO KNOWN AS DCA/DCM AND COMBINED CBAC HAS ONE-TIME ONLY FUNDING REQUESTS OUT OF TARGET OFFERS AND NEW PROGRAMS.

ADDITIONALLY WE REVIEW THE MAJOR PROJECTS TO PROVIDE THOUGHTS AND INPUT ON THE ONGOING MANAGEMENT, SUPPORT AND MONITORING OF THESE PROJECTS. THIS YEAR, WE REVIEWED PROGRAM OFFERS FROM BOTH DCA AND DCM AND PROVIDED OUR INPUT ON THOSE THAT STOOD OUT IN TERMS OF COST, IMPACT OR RELATIVE MERITS. THE DCA AND DCM CBAC MET EIGHT TIMES, FOCUSED ON ONE HEIM TIME ONLY REQUESTS AND MET WITH LEADERS OF THOSE ORGANIZATIONS THAT SUBMITTED ONE TIME ONLY REQUESTS. THE DISCUSSIONS INCLUDED AN OVERVIEW OF THE ORGANIZATION ITSELF. PARTICULAR CONCERNS AND THEMES AND SPECIFIC REQUESTS THAT WERE ANTICIPATED. THE MAJORITY OF DISCUSSIONS OCCURRED PRIOR TO THE ACTUAL BUDGET SUBMISSIONS. THE TEAM MET WITH THE FOLLOWING COUNTY LEADERS. MARIE, SHERRY, CHIEF INFORMATION OFFICER AND BOB LEEK, DEPUTY CHIEF INFORMATION OFFICER. TRAVIS GRAVES.

CHIEF HUMAN RESOURCE OFFICER AND DCM DEPUTY DIRECTOR. RICK TEAGUE, AND HENRY, DIRECTOR OF FACILITIES AND PROPERTY MANAGEMENT TWO KEY THEMES THAT EMERGED FROM OUR DISCUSSIONS WITH VARIOUS COUNTY LEADERS INCLUDED THE FOLLOWING. THE COUNTY CONTINUES TO BE UNDER SERIOUS FINANCIAL PRESSURES AS A RESULT OF THE PROPERTY TAX CAP IMPOSED BY STATE LEGISLATION. THE CBAC DID NOT SEE ANY CLEAR PATH TO ADDRESSING THE SHORT COMING OF LEGISLATION AT THE STATE LEVEL AND SHARE THE FRUSTRATION THAT COUNTY ADMINISTRATORS MUST FEEL. WE'RE IMPRESSED HOW THE COUNTY DEALT WITH THIS ONGOING ISSUE AND BEING DILIGENT IN TERMS OF ONGOING EXPENDITURES. THAT SAID IT FEELS LIKE DECREASED PUSH AT THE STATE LEVEL AND FOR LONG-TERM FUNDING MODEL. NUMBER TWO THE HOUSING AND HOMELESSNESS CRISIS IS NOT GETTING BETTER AND IMPACTED VIRTUALLY ALL COUNTY STAKEHOLDERS. WE BELIEVE THE COUNTY IS DOING A INCREDIBLE JOB GETTING OFF IT WITH THE RESOURCES THEY HAVE AND ENCOURAGING THE CITY OF PORTLAND AND OTHER ORGANIZATIONS TO DO WHAT THEY CAN ON THIS ISSUE.

Sherry Willmschen: OUR THREE SPECIFIC RECOMMENDATIONS SUPPORT THE FOLLOWING REQUESTS. 7200B-19. ORGANIZATIONAL DEVELOPMENT. THE GOAL OF CREATING A FAIR AND SUPPORTIVE WORK ENVIRONMENT FOR STAFF SHOULD BE STANDARD PRACTICE FOR ANY BUSINESS. EXAMINING AND REVIEWING COUNTY HUMAN RESOURCE POLICIES AND PRACTICES ARE IMPORTANT STEPS FOR DETAINING THIS GOAL FOR COUNTY WORKERS. DCA AND DCM CBACS SUPPORT THIS AND HOPE TO DEMONSTRATE TO EMPLOYEES THAT V VIEWS ARE HEARD AND ACTION TAKEN TO ADDRESS THEIR CONCERNS. 72022-19, DCM WORK DAY MANAGEMENT TEAM. WE UNDERSTAND THE ADDITIONAL 12FTE ARE A PART OF THE ORIGINAL SCOPE OF THE PROJECT. AND BASED ON RECOMMENDATIONS FROM DELOITTE, IT'S OUR UNDERSTANDING THAT THESE FTE WILL BE INCORPORATED INTO THE NORMAL BUDGET PROCESS IN FY-2020 AND ONGOING COSTS ASSOCIATED

WITH THESE POSITIONS WILL BE ASSESSED AS YOU LEARN MORE ABOUT THE NEEDS OF NEW SYSTEM US. WITH THIS UNDERSTANDING, WE'RE SUPPORTIVE OF THIS PROGRAM OFFER AS WE REALIZE THE FIRST YEAR OF IMPLEMENTATION WILL BE A TRANSFORMATIVE YEAR AND THE THIRD IS 72036-19, D.A.R.T. RESIDENTIAL DEVELOPMENT PROGRAM.

THE D.A.R.T. RESIDENTIAL APPRAISAL PROGRAM HAS DEMONSTRATED IN ITS FIRST YEAR THE VALUE OF THIS NEW AVENUE OF PROPERTY EVALUATION. WE'RE ENCOURAGED BY THE UPWARD REVISION AND ACCOUNTS AND REVIEW THIS AS EVIDENCE THAT THE ASSESSORS ARE QUICKLY BECOMING COMFORTABLE WITH THIS NEW METHOD. IT'S OUR HOPE THAT ACCURATE RMV WILL LEAD TO AN INCREASE IN REVENUE FOR THE COUNTY. THIS PROGRAM HAS ALREADY IDENTIFIED APPROXIMATELY \$155,000 OF ADDITIONAL PROPERTY TAXES DUE TO INCREASED PROPERTY VALUATION. THESE NEW TAXES, PLUS TAXES THAT HAVE YET TO BE IDENTIFIED, WILL PROVIDE A COMPOUNDING RETURN. THEY'LL BE COLLECTED OFTEN AN ANNUAL BASIS AND WILL CONTINUE TO INCREASE EACH YEAR. AND THERE ARE TWO EQUITY COMPONENT WAS THIS PROGRAM OFFER. THE FIRST, THE PROGRAM WILL HIRE AND TRAIN INDIVIDUALS FROM GROUPS THAT HAVE NOT HISTORICALLY PARTICIPATED IN THE PROPERTY APPRAISAL INDUSTRY. THIS WILL INCREASE THE REPRESENT SENSATION OF THESE GROUPS IN THE FIELD. AND, NUMBER TWO, IDENTIFYING PROPERTY FROM NEW ADDITIONS AND DEVELOPMENTS INCREASES EQUALITY IN THE TAX MARKET E. AS IT IDENTIFIES PROPERTIES THAT AREN'T PAYING THEIR FAIR SHARE OF TAXES BASED ON PROPERTY TAX LAW. THE COMMITTEE WOULD LIKE TO GIVE SPECIAL THANKS TO LISA WHEDON, DEB ANDERSON AND MATT MOLINE FOR THEIR SUPPORT, COORDINATION AND HELPFUL AND POSITIVE ATTITUDES. THEY WERE ESSENTIAL TO THE ORGANIZATION AND DISCUSSIONS AND PROVIDED EXCELLENT PERSPECTIVE ON VIRTUALLY ALL OF THE BUDGET REQUESTS DISCUSSED. ADDITIONALLY WE LIKE TO THANK OUR GUESTS AND PRESENTERS FOR THE TIME AND EXCELLENT PRESENTATIONS. IF YOU HAVE ANY QUESTION, THEY GO OVER THERE. [LAUGHTER]

Chair Kafoury: THANK YOU, VERY THOROUGH.

Commissioner Vega Pederson: I WAS WONDERING, DO YOU HAVE A WRITTEN COPY OF THAT?

Brenda Morgan: I DO, YEAH.

Commissioner Vega Pederson: CAN I GET A WRITTEN COPY OF THAT? I WOULD LOVE TO SEE THAT.

Brenda Morgan: SURE. MOST OF IT IS RIGHT IN THE CBAC SPEAKS. I JUST TWEAKED IT A LITTLE BIT. BUT, YEAH. YOU SHOULD RECEIVE COPIES OF EACH CBAC RECOMMENDATIONS, WRITTEN. THANK YOU SO MUCH.

Chair Kafoury: THANKS, BRENDA.

Marissa Madrigal: OKAY. A FEW OF OUR BUDGET HIGHLIGHTS, REALLY WHERE ALL OF THIS MONEY THAT WE ARE REQUESTING GO, WE WILL BE FOCUSING ON MANAGING ORGANIZATIONAL CHANGE. WE HAVE, FROM TOP TO BOTTOM. NEW SYSTEMS, NEW PROCESS. NEW APPRAISAL AND TAXATION SYSTEM, ORION, AS WELL AS MULTIPLE ALIGNED ERP SOFTWARE. WE'RE STRIVING TO INCLUDE THE EXPERIENCE OF EMPLOYEES IN PROTECTED CLASSES. IN FY19 WE'LL BEGIN IMPLEMENTATION OF THE PLAN WITH 8. WE FILLED 5500 SEATS IN TRAINING AND LEARNING EVENTS. WE PROCESSED 135,000 VENDOR PAYMENTS. ENGAGED EMPLOYEES IN ALMOST 10,000 WELLNESS ACTIVITIES. MAINTAINED 335,500 PROPERTY TAX ACCOUNTS. D.A.R.T. SERVED OVER 56,000 WALK-IN CUSTOMERS. SEEMS BUSY -- IT'S EVEN BUSIER THAN EVER BEFORE.

Chair Kafoury: IT IS FUNNY HOW MANY COMPLIMENTS I GET FROM, I THINK PEOPLE JUST USE THIS OBVIOUSLY. NOW I KNOW WHY. PEOPLE JUST TEXT ME AND SAY, I WAS JUST IN YOUR BUILDING AND GETTING A PASSPORT OR MARRIAGE LICENSE. AND IT WAS SO EASY AND EVERYBODY IS SO FRIENDLY.

Marissa Madrigal: THAT IS SO GOOD TO HEAR, THOSE ARE ALSO MY FAVORITE NOTES. WE HAVE A GREAT TEAM ON THE FIRST FLOOR AND THEY REALLY DO AN INCREDIBLE JOB MANAGING THE TRAFFIC, AND WE NOW KNOW WHEN PPS DOESN'T HAVE SCHOOL, OR MULTNOMAH SCHOOLS HAVE A DAY OFF. EVERYBODY COMES TO GET THEIR PASSPORTS. THEY DO A WONDERFUL JOB. THIS IS OUR MOST EXCITING SLIDE OF THE DAY. FOR 33 YEARS IN A ROW, WE HAVE BEEN AWARDED A CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE AND FINANCIAL REPORTING. [APPLAUSE] SO, I DON'T HAVE FUZZY KITTENS OR CUTE CHILDREN READING LIBRARY BOOKS. OH, WE DO HAVE A CAT. AND WE HAVE EXCELLENCE IN FINANCIAL REPORTING.

Marissa Madrigal: I WON'T GO OVER THIS IN DETAIL, BUT THIS IS OUR ORGANIZATIONAL CHART, JUST TO REMIND YOU OF BOTH THE CORPORATE FUNCTIONS THAT WE HAVE AND COUNTYWIDE REACH THROUGH MY ROLE AS BOTH THE DCM DIRECTOR AND CHIEF OPERATING OFFICER. DCM HAS A BUDGET OF \$166 MILLION, TOTAL FTE OF 260. AND A SPAN OF CONTROL OF 1 TO ABOUT 7. ABOUT 6.9. ONE OF THE ACTIVITIES THAT I ENGAGE IN AND OTHER CORPORATE LEADERS ENGAGE IN ARE COUNTY-WIDE GOVERNANCE BODIES. WE'RE REALLY A HUB FOR COUNTY WIDE COMMUNICATION AROUND SPECIFIC ISSUES. AND THESE REALLY REPRESENT A TEAM OF TEAMS APPROACH. SO WE HAVE OUR ORGANIZATIONAL STRUCTURE THAT'S A HIERARCHY AND RATHER THAN JUST HAVING THAN HAVING DECISIONS FLOW UP AND DOWN THOSE CHAINS OF COMMAND WITHOUT MOVING ACROSS,

WE TRY TO CREATE MULTI DISCIPLINARY TEAMS, CROSS DEPARTMENTAL TEAMS, SPECIALIZED TEAMS TO ALLOW US TO BE MORE NIMBLE, AND MAKE SURE WE'RE EXAMINING ISSUES FROM ALL ANGLES. SO THESE ARE JUST A FEW EXAMPLES OF COUNCILS THAT I CONVENED INTERNALLY, MARK CAMPBELL OUR CFO LEADS THE FINANCE MANAGE FORUM WHICH IS ALL THE FINANCE DIRECTORS OF EACH DEPARTMENT THAT MEET REGULARLY. TRAVIS GRAVES MEETS REGULARLY WITH THE H.R. DEPARTMENTAL MANAGERS IN SOMETHING CALLED H.R. EXECs. THESE ARE REALLY KEY ACTIVITIES TO OUR BUSINESS MAKING SURE THAT WE ARE REACHING ACROSS THE COUNTY NOT JUST STAYING COMFORTABLE IN OUR SILOS. HERE'S ANOTHER WAY TO LOOK AT THE COUNTY-WIDE CORPORATE MANAGEMENT ROLE. FIRST USED THIS SLIDE LAST YEAR. BUT IT REALLY SHOWS THAT IT TAKES A VILLAGE TO PROBLEM SOLVE AND WORK THROUGH ISSUES COLLECTIVELY AT MULTNOMAH COUNTY.

SO WE OFTEN PULL TOGETHER A CROSS-SECTION OF PEOPLE TO ENSURE WE ARE PROVIDING THE BEST RECOMMENDATIONS TO THE CHAIR AND TO YOU. THIS IS A GRAPH OF OUR BUDGET BY FUND. I WANT TO CALL ATTENTION TO THE FINANCE CAPITAL PROJECTS. YOU SEE THAT THAT WENT UP A LITTLE BIT BUT THERE'S ACTUALLY BEEN SOME PUTS AND TAKES. WE HAD A DID CREASE AS THE DART ORION IMPLEMENTATION HAS MET MILESTONES. WE HAVE MADE PAYMENTS TO THE VENDOR THAT'S REDUCED THOSE FUNDS BUT THEN THE PROPOSED BUDGET ALSO INCLUDES THE 2.2 MILLION FOR WORKDAY. SO THAT'S WHERE BOTH THOSE PROJECTS ARE FUNDED IN THAT FINANCE AND CAPITAL PROJECT FUND. OUR RISK FUND INCREASED BY ABOUT \$8 MILLION. THE EXPENDITURES THERE ARE PRIMARILY FOR INCREASED MEDICAL AND DENTAL INSURANCE COSTS. SO HARKENING BACK TO MIKE'S SLIDES ABOUT BENEFIT COST YOU SEE IT UP HERE IN OUR RISK BUDGET. HOLDING PRETTY STEADY FTE OVER ALL WITH THE EXCEPTION THE WORKDAY POSITIONS. I'M GOING TO TALK ABOUT THAT IN DEPTH A LITTLE BIT LATER BECAUSE THERE ARE SOME CHANGES THERE. THEN THIS IS OUR BUDGET BY FUNDING SOURCE. THIS IS THE FUNDING THAT DCM BRINGS IN INCLUDING \$121 MILLION FOR THE RISK FUND.

Marissa Madrigal: JUST A REMINDER, I HAD TO ASK THEM EVEN THOUGH I REPORT ON THIS EVERY YEAR THE RECREATION FUND I ALWAYS FORGET WHAT THAT IS. IN CASE YOU TOO HAVE GORE GOTTEN IT'S THE MARINE FIELD TAX THAT WE PASS THROUGH TO METRO, AN OLD-TIME HANGER ON FROM WHEN WE TRANSFERRED THE PARKS TO THEM. HERE IS OUR BUDGET BY CATEGORY. A HUGE CHUNK OF THAT IS MATERIALS AND SUPPLIES. BUT THAT IS ACTUALLY FOR INSURANCE PREMIUMS AND CLAIMS THAT WE PAY OUT IN THE RISK FUND. SO THIS SLIDE REALLY ALLIANCE WITH THE OTHERS THAT YOU HAVE SEEN. THE RISK FUND IS A HUGE PORTION OF OUR BUDGET. PERSONNEL IS AT 22%. CONTRACTUAL SERVICES AT FOUR.

INTERNAL SERVICES AT FOUR. WE DID SEE AN INCREASE IN OUR INTERNAL SERVICES RATES THAT WE ABSORBED ALONG WITH THE 2% CONSTRAINT. NOW WE'RE GOING TO REVIEW OUR BUDGET BY DIVISION. SO JUST A QUICK REFRESHER, WE HAVE FIVE DIVISIONS IN DCM. MY OFFICE, THE BUDGET OFFICE, CENTRAL HUMAN RESOURCES, FINANCE AND RISK MANAGEMENT AND ASSESSMENT AND RECORDING AND TAXATION. CENTRAL HUMAN RESOURCES HAS THE LARGEST BUDGET AGAIN INCLUDING THE RISK FUND. FOLLOWED BY ASSESSMENT AND TAXATION. THE DCM DIRECTOR'S OFFICE HAS SHIFTED A LITTLE. WE DECREASED BY ABOUT HALF A MILLION DOLLARS, HOWEVER, THERE WERE SOME PUTS AND TAKES AGAIN. WE ADDED TWO NEW SCALED OFFICERS THAT I'LL TALK ABOUT LATER, ORGANIZATIONAL DEVELOPMENT YOU HEARD FROM CBAC ABOUT AND THE IMPLEMENTATION OFFICER.

WORKFORCE EQUITY STRATEGIC PLAN OFFICE IS 250,000 IN ONGOING FUNDS AND 250 ONE TIME ONLY FUNDS TO ADDRESS THE IMPLEMENTATION. AND IT INCLUDES ONE FTE FOR PROJECT MANAGEMENT. THE BUDGET OFFICE HOLDS STEADY. HOLDING DOWN THE FORT IN MORE WAYS THAN ONE. NO SIGNIFICANT CHANGE BUT A SLIGHT INCREASE OF \$110,000. THERE IS LAST YEAR THE MENTAL HEALTH MAPPING PROJECT THAT WAS CHAMPIONED BY COMMISSIONER MEIERAN WAS BUDGETED IN OUR RETLE AND EVALUATION UNIT. THE BUDGET OFFICE INCLUDES ANALYSTS MIKE JASPIN AND RESEARCH AND EVALUATION UNIT. CENTRAL HUMAN RESOURCES, THE GENERAL FUND DECREASED A TINY BIT BUT THE OTHER FUNDS INCREASED AGAIN DUE TO PREMIUMS FOR MEDICAL AND DENTAL INSURANCE. THE 12 FTE INCREASE IS DUE TO THE WORK TO MANAGE THE PROGRAM. WE PLUGGED THAT OFFER INTO CENTRAL H.R.. IT'S NOT GENERAL FUND PROGRAM BUT WE'LL DISCUSS THAT A LITTLE BIT LATER. HERE ARE A FEW CENTRAL H.R. SERVICE TRENDS. YOU CAN SEE THAT HIRING HAS SLOWED A LITTLE BIT BUT WE'RE STILL DOING QUITE A BIT WITH 431 IN FY-18 SO FAR. BUT OUR PEAK WAS BACK IN 2016 FOR 682. FINANCE AND RISK MANAGEMENT THE GENERAL FUND INCREASED BY 292,000, AND DECREASED BY HALF AN FTE.

Marissa Madrigal: WE ALSO ADDED HALF A POSITION IN WORKERS' COMP AND HEALTH AND SAFETY. THERE'S ALSO A NEW PROGRAM, THE CONSTRUCTION DIVERSITY AND EQUITY FUND, WHICH STRENGTHENS THE COUNTY COMMITMENT TO INCREASING DIVERSITY EQUITY AND OPPORTUNITY IN OUR WORK FORCE AND BUSINESS COMMUNITY. THE PROGRAM WILL INCREASE THE COST OF CONSTRUCTION BY 1% WHEN CONSTRUCTION COSTS EXCEED \$1 MILLION FOR NEW BUILDINGS OR 200,000 FOR REHABILITATION OR RENOVATION, WHICH IS AN EXCITING THING. THEN WE ARE ALSO PARTICIPATING CENTRAL PURCHASING IS PARTICIPATING IN THE METRO WORK FORCE EQUITY REGIONAL INITIATIVE THROUGH METRO. WE ARE PAYING \$25,000 FOR THAT. HERE'S A LITTLE GRAPH OF OUR SERVICE TRENDS. YOU CAN SEE OUR E-PAYMENTS CONTINUE TO INCREASE. YOU'LL ALSO SEE

WE HAVE BEEN WORKING HARD TO GET PEOPLE ON TO E-PAYMENTS ON TO CHECKS.

CHECKS BUMPED UP A LITTLE BIT ALMOST ENTIRELY DUE TO THE \$4 RE FUND THAT WE GAVE PEOPLE FOR OVERCHARGING ON THE SURVEY FEES. I DON'T KNOW IF YOU REMEMBER THAT FUN THING. BUT WE ACTUALLY REFUNDED QUITE A BIT OF MONEY. IT SHOWS UP HERE IN THE NUMBER OF CHECKS THAT 5426 CHECKS TO BE EXACT. SO JUST A LITTLE NERDY TIDBIT FOR YOU THERE. THE ASSESSMENT RECORDING AND TAXATION, DART, INCREASED BY \$310,000. OTHER FUNDS DECREASED BY 1.1 MILLION, AGAIN A REFLECTION OF MAKING PAYMENTS TO THE VENDOR FOR THE ORION SOFTWARE, SO WE DON'T HAVE THOSE FUNDS BUDGETED ANY MORE. THEIR BUDGET IS HOLDING STEADY AND MAINTAINING EXISTING SERVICE LEVELS. THE DART RESIDENTIAL DEVELOPMENT PROGRAM, THE THAT WE DISCUSSED LAST YEAR IS PROPOSED TO BE FUNDED FOR YEAR 2. IT WAS A TWO-YEAR PROGRAM WITH ONE TIME ONLY MONEY AND NINE LIMITED DURATION POSITIONS. I HAVE A FUN UPDATE FOR YOU.

WE HAVE AUDITED 11,650 ACCOUNTS. THE ESTIMATED REVENUE FOR US IS \$78,000, BUT WE'RE ACTUALLY COLLECTING FAR MORE THAN THAT FOR OTHER TAXING JURISDICTIONS. WE EXPECT TO SEE CLOSE TO \$100,000 JUST FOR MULTNOMAH COUNTY BY THE END OF THIS YEAR. THIS MEANS THAT WE'LL BE PAYING BACK THIS FUNDING IN ABOUT SIX YEARS BASED ON THE CLIP THAT WE'RE GOING. THAT'S JUST THE MONEY TO US. THAT DOES NOT INCLUDE THE MONEY THAT ALL OUR PARTNERS WILL RECEIVE AS A RESULT OF THIS. WE TALKED ABOUT THIS PROGRAM AS THE PIPELINE BUILDER FOR NEW APPRAISERS. WE HAVE ALWAYS HAD DIFFICULTY RECRUITING MICRO PORTS. FOUR OF THE NINE TECHS HAVE RECENTLY PASSED THE STATE REGISTRATION EXAM. THEY ARE GREAT JOBS, STABLE, FUN JOBS IF I DO SAY SO MYSELF. THEY ARE IN OUR DEPARTMENT. IT'S WONDERFUL THAT MICAH'S TEAM CREATED THIS PROGRAM AND ARE BRINGING NEW PEOPLE INTO THE COUNTY THAT WOULDN'T OTHERWISE HAVE HAD AN OPPORTUNITY. HERE'S A LITTLE VISUAL OF OUR SERVICE TRENDS. WE'RE HOLDING PRETTY STEADY EXCEPT FOR THE PASSPORTS THAT KEEP CONTINUING.

Marissa Madrigal: THIS IS INTERESTING. THE STATE DEPARTMENT DOESN'T AUDIT A PASSPORT ISSUER. THEY HAVE GIVEN US A SATISFACTORY REPORT DESCRIBING US AS A HIGH VOLUME ENVIRONMENT. THAT'S A PIECE OF PRAYS FOR THE STATE DEPARTMENT. THIS IS A VERY EXCITING SLIDE. THIS IS THE TAXABLE PROPERTY VALUE IN MULTNOMAH COUNTY. WE REACHED IN 2017 \$79.6 BILLION IN TAXABLE PROPERTY VALUE. AN INCREASE OF OVER 5%. THAT MEANS THAT WE BRING IN FROM MULTNOMAH COUNTY AND OUR PARTNER JURISDICTIONS 1.8 BILLION IN PROPERTY TAXES EVERY YEAR. MULTNOMAH COUNTY'S SHARE OF THAT IF YOU'RE CURIOUS IS \$304 MILLION, OR ABOUT 17%. IF YOU INCLUDE THE LIBRARY DISTRICT AND PROPERTY TAXES THAT WE COLLECT FOR THEM IT'S \$386 MILLION.

OR 21.86% OF TOTAL PROPERTY TAXES COLLECTED. THEN WE DO ALSO GET 8 MILLION IN SPECIAL ASSESSMENTS FOR OUR SPECIAL DISTRICTS, RIVERDALE, MID COUNTY STREET LIGHTING, ET CETERA. ANY QUESTIONS ON THIS ONE? GREAT. NOW WE'RE GOING TO RUN THROUGH OUR GENERAL FUND REDUCTIONS AND OUR ADDS. SO DCM, WE TOOK THE APPROACH THIS YEAR OF TRYING TO KIND OF SHAVE ACROSS THE DEPARTMENT RATHER THAN TO CUT FTE. AS A DEPARTMENT WE ARE AT CAPACITY WITH ALL THE H.R. PROJECTS AND MULTICO ALINE AND FELT WE NEEDED OUR HUMANS TO STAY INTACT AS MUCH AS POSSIBLE. WE TOOK A LITTLE FROM A LOT OF PLACES AS YOU CAN SEE. THIS APPROACH, WHILE I THINK OKAY THIS YEAR, ISN'T SUPER SUSTAINABLE IN FUTURE YEARS WE WILL NEED TO LOOK MORE DEEPLY OR TRY TO FIND NEW REVENUE.

Commissioner Smith: I KNOW THERE WAS ONE OF THE PLACES THAT WE SPECIFICALLY IDENTIFIED AS AN OPPORTUNITY TO HAVE EQUITY PUT INTO THIS SYSTEM WHERE WE WERE NOT WORKING WITH FOLKS WHO HAD FIRMS THAT WERE MINORITY OWNED TO DO BONDS. SO WITH THE BOND PIECE WE WERE ATTEMPTING TO USE THIS AS AN OPPORTUNITY TO SEEK OUT MORE DIVERSE VOICES AS IT RELATES TO OUR FINANCES. IS THAT GOING TO HAVE AN IMPACT ON WHAT WE DO SINCE WE REDUCED IT?

Marissa Madrigal: I DON'T BELIEVE THAT WE HAVE CHANGED OUR BOND COUNCIL. MY UNDERSTANDING IS THAT THE AVAILABLE BOND COUNCIL IN OREGON IS VERY LIMITED. I'M HAPPY TO FOLLOW UP.

Commissioner Smith: TO BOND COUNCILS ACROSS THE COUNTRY BECAUSE WE DON'T HAVE MINORITY OWNED BOND COUNCILS HERE. I HAVE WORKED WITH THEM IN OTHER PLACES. I'M JUST CONCERNED IF WE TAKE THOSE DOLLARS OUT THAT'S JUST A SMALLER POT TO HAVE THOSE CONNECTIONS WITH THOSE FIRMS.

Marissa Madrigal: I DO BELIEVE THAT AT THE LEVEL THAT WE HAVE CUT THIS AT \$19,000 WE'LL STILL BE ENGAGING OUR BOND COUNCIL AS NEEDED. I WILL FOLLOW UP WITH OUR CFO TO FIND THE RESULTS OF THAT. WE DID HAVE A FEW GENERAL FUND REALLOCATIONS WITHIN TARGET. WE SHIFTED SOME RESOURCES IN CENTRAL H.R. TO PROVIDE MORE CAPACITY IN LABOR RELATIONS. LABOR RELATIONS MANAGES 11 CONTRACTS WITH OUR REPRESENTED EMPLOYEES AND IN FY19 WE'LL BE NEGOTIATING AT LEAST THREE. JUVENILE CUSTODY, DEPUTY SHERIFFS AND OREGON NURSES ASSOCIATION. WE HAVE A GREAT TEAM DOWN THERE. THEY ARE VERY BUSY, SO WE DECIDED THAT WE NEEDED TO GET THEM A LITTLE MORE HELP SO THEY CAN CONTINUE TO BALANCE THE NEEDS OF THE COUNTY AND OUR EMPLOYEES. I THINK THIS SLIDE IS WHERE WE WILL SPEND THE MOST TIME. SETTLE IN.

I'LL JUST GO THROUGH THESE ONE BY ONE BECAUSE THERE'S QUITE A BIT OF MEAT ON THE BONE HERE. THE FIRST PROGRAM OFFER ORGANIZATIONAL DEVELOPMENT IS WHERE THE FUNDING FOR CONTINUED FUNDING FOR FRAN RAWLINS. WE EXPECT THAT TO CONTINUE INTO FY19. THERE'S ALSO FUNDING THERE FOR LIMBED DURATION PROJECT MANAGER CURRENTLY HELPING THE PROTECTED CLASS COMPLAINT PROCESS. WE EXPECT THAT PROCESS TO CHANGE SOMETIME IN FY19, BUT IN THE MEANTIME IT REALLY DOES TAKE PRETTY SERIOUS WRANGLING TO MAKE SURE WE'RE TRACKING AND RESPONDING TO COMPLAINTS. AND WE ALSO I THINK PLUGGED SOME FUNDING IN THERE FOR TRAINING IF NECESSARY. THE SECOND PROGRAM OFFER THERE WORK FORCE EQUITY STRATEGIC PLAN, 7200 C, HAS \$250,000 OF ONGOING FUNDING FOR PROJECT MANAGER, HIGH LEVEL PROJECT MANAGER. THE PLAN THAT YOU ADOPTED WILL REQUIRE, AND WE DISCUSSED THIS AT THE WORK FORCE EQUITY PRESENTATION WILL REQUIRE ACTIVE PROJECT MANAGEMENT TO ENSURE THAT EACH DEPARTMENT IS IDENTIFYING THE GAPS IN THEIR ABILITY TO IMPLEMENT AND THAT WE ARE TRACKING AND FOLLOWING UP AND APPLYING THE OBJECTIVES OF THE PLAN IN A CONSISTENT FASHION ACROSS THE COUNTY.

THERE IS ALSO \$250,000 OF ONE-TIME-ONLY FUNDING FOR TRAINING OR OTHER GAPS THAT WE IDENTIFY. RIGHT NOW DEPARTMENTS ARE WORKING ON PUTTING TOGETHER THEIR DEPARTMENT LEVEL PLANS TO IMPLEMENT WORK FORCE EQUITY. I EXPECT THAT WE'LL HAVE A PROCESS IN FY-19 INTERNALLY TO REVIEW THE GAPS THAT THEY HAVE AND REVIEW ANY REQUESTS THEY HAVE FOR SUPPORT FOR TRAINING OR ADDITIONAL RESOURCES AND WILL BE DISTRIBUTING THOSE AS NEEDED. WE ALSO PLAN, OF COURSE, TO LEVERAGE OUR EXISTING RESOURCES SO WE HAVE A TALENT DEVELOPMENT GROUP IN H.R., WE HAVE VERY TALENTED PEOPLE ALREADY DOING WONDERFUL WORK IN DEPARTMENTS ON EQUITY AND WE ARE TRYING TO DESIGN A PROCESS WITH THE HELP OF JAMOT RAWLINS TO STEER THIS WORK AND INCLUDE ALL THE STAKEHOLDERS ACROSS THE COUNTY. ANY QUESTIONS ON EITHER OF THOSE WHILE IT'S FRESH?

Chair Kafoury; JUST REMIND PEOPLE THIS IS OBVIOUSLY THE FIRST OF MANY WEEKS OF CONVERSATIONS SO IF PEOPLE HAVE QUESTIONS WE CAN TALK ABOUT IT LATER AND IT'S A LOT OF INFORMATION IN OUR BRAINS AND WE'RE ALWAYS HAPPY TO HAVE YOU COME BACK AND EXPLAIN.

Marissa Madrigal: HAPPY TO. ALREADY MENTIONED THE METRO WORK FORCE EQUITY, 25,000. THE DCM WORKDAY MANAGEMENT TEAM. SO THIS PROGRAM OFFER IS PROPOSED TO BE FUNDED WITH OTHER FUNDS WITH CAPITAL PROJECT FUNDS. HOWEVER, WE SUBMITTED THIS OFFER PRIOR TO THE DECISION TO CHANGE THE GO LIVE DATE FOR WORKDAY FROM JULY 1 TO JANUARY 1ST OF 2019. SO WE ARE PLANNING TO WORK WITH THE BUDGET OFFICE TO SUBMIT A PROGRAM AMENDMENT TO SHIFT SOME OF THESE PROJECTS FUNDS FROM DCM BACK TO DCA, TO THE I.T. SIDE OF THE

EQUATION. BUT WE DO ANTICIPATE NEEDING SOME FTE WORKING ON THE PROJECT ON THE RECEIVING END. SO LET ME EXPLAIN WHAT I MEAN BY THAT. RIGHT NOW WE HAVE A HUGE TEAM OF PEOPLE WORKING ON BUILDING THE PRODUCT. BUILDING THE PROCESSES. TESTING EVERYTHING. THEY ARE ALL ON THE I.T. SIDE, ON THE DCA SIDE. WE HAVE LENT CENTRAL SOME OF OUR EXPERT OVER TO I.T.. THIS PROGRAM OFFER IS FOR THE TEAM OF PEOPLE THAT WILL BE ON THE RECEIVING END OF THAT PROJECT AND RESPONSIBLE FOR THE TRANSITION AND THE INSTALLATION IF YOU WILL OF THE PROJECT ON THE CENTRAL SIDE.

SO LIKE ANY INSTALLATION, THE WORK THAT YOU DO WHEN YOU RECEIVE IT AND TEST IT AND WORK OUT THE KINKS IS VERY DIFFERENT THAN THE BUILDING OF IT AND IT'S VERY DIFFERENT THAN THE MAINTENANCE OF THE PROJECT AND THE ONGOING SUPPORT. SO THAT IS HOPEFULLY A HELPFUL EXPLANATION FOR WHY WE HAVE FTE INSTEAD OF LIMITED DURATION POSITIONS BUDGETED. BUT ARE USING PROJECT FUNDS. THOSE FTE THAT WE HAVE PROPOSED TO FUND WILL BE WORKING IN FY-19 ON THE PROJECT. GOING FORWARD WE WILL NEED TO IDENTIFY ONGOING RESOURCES FOR FTE TO SUPPORT AND MAINTAIN WORKDAY ON THE CENTRAL SIDE, BUT THEIR WORK IN FY-20 WILL BE VERY DIFFERENT. I'M HAPPY TO ANSWER ANY QUESTIONS ABOUT THIS. I HOPE THAT THAT WAS MODERATELY HELPFUL. COMMISSIONER?

Commissioner Vega Pederson: THANK YOU. I WOULD BE INTERESTED IN HEARING A LITTLE BIT MORE ABOUT WHAT THE TRANSITION PLAN FOR THOSE 12 PEOPLE ARE AND HOW THEIR TRANSITION -- IT'S GOING TO BE A PROCESS OF IDENTIFYING WHERE IS THE RIGHT PLACE FOR THEM TO GO IN TERMS OF THE WAY IT'S IMPACTING OUR WORKDAYS THROUGHOUT THE DEPARTMENTS. I'M CURIOUS ABOUT THE PLAN FOR IDENTIFYING WHERE THEY SHOULD GO AND HOW THAT WILL BE BALANCED WITH WORK THAT'S CURRENTLY HAPPENING AT DEPARTMENTS THAT MAY CHANGE.

Marissa Madrigal: ABSOLUTELY.

Commissioner Vega Pederson: I'M INTERESTED IN THAT KIND OF STUFF.

Marissa Madrigal: YES. THANK YOU. WE APPRECIATE YOUR INTEREST. ANY OTHER QUESTIONS ON WORKDAY? OKAY. EVERY YEAR WE HAVE SOME COUNTY CLERK RESTRICTED FUNDS THAT WE NEED TO CARRY OVER AND HERE IT IS AGAIN, \$150,000. THE DART RESIDENTIAL PROGRAM, THE SECOND YEAR FUNDING THAT WAS 760 ONE TIME ONLY IS REPRESENTED HERE. WE HAVE INCLUDED A PROGRAM OFFER FOR \$100,000 FOR THE NEXT STEPS IN THE MENTAL HEALTH SYSTEM MAPPING ANALYSIS.

Chair Kafoury: I THOUGHT WE SAID NO TO THAT ONE. [LAUGHTER]

Marissa Madrigal: THEN THE 100,000 FOR CONSTRUCTION, DIVERSITY AND EQUITY. THAT'S THE 1% THAT I MENTIONED BEFORE. ANY QUESTIONS ON THAT SLIDE?

Commissioner Stegmann: THANK YOU, CHAIR. YOU SAY THE DART COUNTY CLERK CARRYOVER WE DO THAT EVERY YEAR? HOW DOES THAT WORK? WHY DO WE ALWAYS HAVE A CARRYOVER?

Marissa Madrigal: THEY ARE RESTRICTED FUNDS THAT CAN'T BE SPENT ON ANYTHING BUT CLERK FUNCTIONS AND SO IF WE HAVE UNDERSPENDING WE NEED TO MOVE THEM OVER. DID I GET THAT RIGHT?

Commissioner Stegmann: THANK YOU.

Marissa Madrigal: SO OUR FUTURE POLICY ISSUES AS WE BATTLE THROUGH SOME OF THESE CHANGES AND TRY TO REORIENT OURSELVES TO MORE EQUITABLE PROCESS AND WORKPLACE, WE WILL BE DISCUSSING POLICY CHANGES AND SOME OF THOSE WILL BE ADMINISTRATIVE PROCEDURES, SOME MAY BE INITIATIVES THAT WE NEED YOUR SUPPORT FOR BUT I FULLY EXPECT THAT CHANGE WILL REQUIRE POLICY CHANGE. I LOOK FORWARD TO YOUR PARTNERSHIP AND INPUT ON THOSE CHANGES. IN SUMMARY, THIS IS WHAT WE'RE GOING TO BE WORKING ON. [LAUGHTER] A LOT OF TECHNOLOGY INCLUDING ACTUALLY ONE THING THAT I DIDN'T MENTION ORIGAMI, A NEW SYSTEM THAT TRACKS AND ANALYZES OUR RISK INCIDENTS ACROSS THE COUNTY. SO KIND OF BIT BY BIT BOTH THE LARGE ORGANIZATION AND LITTLE SMALLER SLICES OF OUR ADMINISTRATION IS GETTING NEW TECHNOLOGY, NEW FUNCTIONALITY. SO IT'S AN EXCITING TIME TO BE INTERNAL SERVICE. [LAUGHTER] I THINK THAT THAT'S IT. BEFORE I TAKE QUESTIONS I WANT TO THANK DEB AND MATT AND KATE AND KARLA AND THE BUDGET TEAM FOR THEIR SUPPORT IN PUTTING THIS TOGETHER IN WHAT HAS BEEN LIKE A VERY, VERY BUSY YEAR. I AM THE HARDEST ONE OF ALL TO CHASE DOWN AND FIND AND THEY ALWAYS DO A GREAT JOB. SO THANK YOU. HAPPY TO TAKE ANY QUESTIONS.

Chair Kafoury: VERY SPECIAL DAY FOR THIS VERY BUSY WOMAN. HAPPY BIRTHDAY, MARISSA!

Marissa Madrigal: THANK YOU. [APPLAUSE] THANK YOU FOR INDULGING ME IN GOING A LITTLE EXTRA TODAY.

Chair Kafoury: WE LIKE IT. ANY OTHER QUESTIONS OR COMMENTS?

Commissioner Stegmann: THANK YOU, CHAIR. I JUST WANTED TO THANK YOUR DEPARTMENT AND THE CHAIR'S OFFICE. WE HAVE TALKED A LOT ABOUT THE WORK FORCE EQUITY STRATEGIC PLAN AND IT'S JUST REALLY GREAT TO SEE US PUTTING OUR MONEY WHERE OUR MOUTH IS AND THAT'S IN LARGE PART

DUE TO YOUR LEADERSHIP AND THE CHAIR'S. I WANTED TO CALL THAT OUT. THERE'S A LOT OF REALLY EXCITING THINGS. I'M SO HAPPY ABOUT THE CONSTRUCTION DIVERSITY AND EQUITY FUND. THERE'S A LOT OF WORK FOR YOU ALL TO BE DOING, SO IT IS GREAT AND EXCITING TO SEE US MOVING FORWARD EVEN THOUGH WE'RE IN A CONSTRAINT. WE KNOW WE HAVE TO KEEP MARCHING FORWARD, AHEAD, AND YOUR DEPARTMENT DOES A GREAT JOB OF DOING THAT AND I APPRECIATE THAT VISION. THANK YOU.

Chair Kafoury: AND, MIKE, ARE YOU COMING BACK UP? I THINK WE ARE DONE FOR OUR MORNING ACTIVITIES. DON'T GO FAR BECAUSE WE WILL BE BACK THIS AFTERNOON AT 1:30 FOR DEPARTMENT OF COMMUNITY SERVICES. SEE YOU THEN.

ADJOURNMENT – 11:27 a.m.

[CAPTIONS PROVIDED BY LNS CAPTIONING AND MAY INCLUDE INACCURATE WORDS OR PHRASES DUE TO SOUND QUALITY, OTHER TECHNICAL DIFFICULTIES AND/OR SOFTWARE ERRORS.]

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Submitted by:
Marina Baker, Board Clerk
Board of County Commissioners
Multnomah County, Oregon