

**Minutes of the TSCC Hearing for
Multnomah County, Oregon
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
May 17, 2017 @ 9:30 am**

**PH.1 MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION
COMMISSION HEARING.**

Present:

TSCC:

Chair David Barringer, Commissioner Brendan Watkins, Commissioner James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Executive Director Craig Gibons and Budget Analyst Tunie Betschart.

Multnomah County:

Chair Deborah Kafoury, Commissioner Loretta Smith, Commissioner Sharon Meieran, Vice-Chair Jessica Vega Pederson and Commissioner Lori Stegmann

Chair Barringer opened the hearing with introductions of the Commissioners and TSCC Staff. He asked if any of the Commissioners have business relationships with the County that could be perceived as a conflict of interest. Commissioners each declared they had no conflict of interest with the exception of Commissioner Watkins who said the firm he works for is a financial advisor to Multnomah County, but he does not believe there is a conflict of interest.

Chair Barringer then stated the reason for conducting the public hearing was as a service to the County and the public. The purpose of this hearing is to promote public discussion of the budget. The Commission wants this discussion to promote thoughtful consideration of current and future budget issues. The Commission is responsible for evaluating the County's budget process. He explained the process saying at the conclusion of this meeting the Commissioners will certify the degree to which the County's process conformed to Oregon Local Budget Law. The County will make the first presentation this morning. Then the Commission will ask several questions and discuss the budget with the County Commissioners or staff. Following discussion we will take testimony from the public. There is a sign-up sheet in the back of the room for speakers.

Following the process description, Chair Barringer asked the District officials to introduce themselves and then he turned the floor over to Chair Kafoury to make any comments regarding the budget prior to the Commissioners questions.

Chair Kafoury said that the County's 2017-18 reflects the Board's and her commitment to provide services to those in the County. She said the County like many other districts is facing great uncertainty both from state funding and federal funding levels. Even while facing this uncertainty they will continue to provide necessary services to the

community. She gave many statistics as to the numbers served by various services through county offices. She said this year's budget maintains the majority of services provided in the current year, and addresses critical community needs by adding \$3.2 million new General Fund Resources to address homelessness above what was done last year. It provides \$7.5 million more in ongoing funding rather than one-time-only funds. This budget has \$211,000 for opioid overdose response training to address emerging crisis. It adds \$750,000 for the LEAD (Law Enforcement Assisted Diversion) and \$589,000 additional funding in the jails to continue to address the community's mental health care needs. She said there is \$30 million one-time-only dollars devoted to capital infrastructure. This will reduce the ongoing borrowing needs in the future. This budget reflects some hard decisions and reductions. The health department has cut 7 provider teams and the associated support staff due to expenditures exceeding revenue generated by the clinical system. The budget cuts the Warrant Strike Team in the Sheriff's office, saving \$752,000. There is a reduction of about 112 FTE or 2.2% across all funds. She went on to say the budget is not recession proof and they face much uncertainty at both state and federal levels. She said it is balanced over a three year period and they will be contributing \$25 million to a PERS side account to address the county's unfunded liability. She concluded the overview by saying one-time-only funds are spent only on one-time-only expenses.

TSCC questions:

Commissioner Norton asked the following questions:

This is the second year of the Joint Office of Homeless Services. How is it going? What has been your biggest win and your biggest disappointment?

Chair Kafoury explained that the Joint Office has been in operation for about 10 months now and they're doing a remarkable job. Despite significant challenges, they have met and exceeded their goals. They launched with high community expectations, 5 vacant positions, and needing to get 40% more funding out to providers than in the previous year. She said among their impressive achievements, they:

- Created an office with a talented, diverse, committed team and established strong, collaborative planning relationships with county departments, city bureaus and AHFE partners
- Transferred contracted services to their office without disrupting funding for essential services and made strategic investments of new general fund resources to achieve expansion goals
- Helped the community become the first on the west coast to receive federal certification for ending Veteran homelessness, with 1,365 veterans housed in 2 years
- Kept hundreds of unsheltered homeless people safe during unprecedented severe weather, by opening public buildings: (Multnomah County East, Portland Building, and the Mt. Scott & Charles Jordan Community Centers), and mobilizing unprecedented outreach and transportation support

- (volunteers, PF&R, Parks, PPB, Sheriff)
- And conducted the February Point-In-Time Street and Shelter Count

Chair Kafoury said the biggest disappointment for her has been the persistent external drivers of homelessness -- waning federal support for affordable housing and safety net services, ongoing wage stagnation and rising rents, and the impact of racism that makes housing and financial stability beyond the reach for most African Americans, Hispanic/Latinos, Native Americans and other people of color. People with permanent disabling conditions or major health problems comprise almost half of people experiencing homelessness, but the county doesn't have sufficient supportive housing, mental health services, addictions treatment or health care for all who need it.

Chair Barringer asked this follow-up question:

Do you have an update on the City of Portland funding of for homelessness?

Chair Kafoury stated they would get there. She added that she thought this would be covered in later questions.

Commissioner Ofsink asked the following questions:

At our hearing last year you said you were developing outcome measures for this effort. Have you settled on those measures and are they reflected in this budget?

Chair Kafoury stated that Affordable Housing For Everyone (AHFE) sets annual outcome targets in three primary areas that the County uses to measure programmatic success. For FY 2017-18, those goals are to maintain system expansions achieved in FY 2016-17:

- Maintain expanded shelter capacity (additional 650 year-round beds)
- Maintain increased permanent housing placement capacity (4,350 people per year)
- Maintain increased homelessness prevention capacity (5,000 people per year)

This year's budget is written to achieve these system capacity goals and a number of second-level goals, including: reducing the number of unsheltered adult women through a combination of emergency shelter and permanent housing placement, reducing the overrepresentation of people of color, and African Americans in particular, in the unsheltered population, and increasing shelter and permanent housing options for those with severe and persistent mental illness.

In addition to these system outcomes, Multnomah County has adopted a dashboard of performance indicators for the effort to end homelessness. The dashboard includes placements into housing, but also tracks the rate at which

people are retaining their housing once they move inside, the length of time they remain homeless, and shelter utilization. All of these outcomes are tracked by race and ethnicity to ensure that access and outcomes are equitable.

With the development of the tracking system, will you be developing targets or goals for where you want to be in two years or three years?

Chair Kafoury said they have set the goals and assigned dollar amounts, and now they want to see what happens when they push this button or that button, what goes up or down. They use a "Point in Time" count. These numbers will help to see if they are reaching their targeted goals and what is paying off.

Commissioner Wubbold asked the following questions:

When do you think you will have the "Point in Time" data?

Chair Kafoury answered saying it was supposed to be done by the end of May but it looks like it will be the middle of June before it is available.

In the budget message Chair Kafoury said that this budget adds resources to expand services in the family system to help more homeless kids and their parents. What is the source and amount of the added resources and what services are provided?

Chair Kafoury explained that the FY 2018 Proposed Budget includes many investments aimed at helping more homeless kids and families. Specific investments include funding for the family shelter in East County, the Mobile Housing Team, and the Homeless Youth Continuum, all of which were part of the \$3.2 million of ongoing and one-time-only General Fund resources added to the Joint Office for FY 2018. Additionally, the Joint Office budget now contains \$4.7 million in one-time-only Tax Title Affordable Housing resources. The Tax Title funding is restricted by state statute to uses that serve families with children. The funding can be used for things like housing placement and retention, flexible rent assistance, and development of new low income housing. The Joint Office is working on a plan for how best to use the Tax Title funding that includes these options and will report back to the board with a formal proposal.

Is this budget and its planned successors big enough to get on top of the homeless problem and sustain the effort?

Chair Kafoury said that the shared investment -- in eviction prevention, moving people back into housing as quickly as possible, and increasing safety off the streets -- is making a significant impact. And that's what "A Home for Everyone" is all about. She said they don't want to just maintain the status quo or hold the line.

Chair Kafoury said this housing market is killing us. The State of Housing Report shows that there's nowhere in the City of Portland where an average family of color

can afford rental housing. The estimated 18,000 disabled people on SSI haven't been able to afford rental housing in this community since about 2010. They get about \$733/month, which means they can afford a rent of about \$220. Those units simply do not exist in the private market.

She described a new local voucher program that will bridge the gap so people can stay in their housing. She said the pilot project would start with about 50 people for this year. She also talked about a project working with the courts so that when eviction notices are filed the eviction prevention staff mobilized to connect with these families. The Eviction Prevention Staff have resources and can work with landlords to try to keep them housed so they do not end up homeless.

She concluded by saying the problem did not occur overnight and it will not be solved overnight. It will take sustained and increasing commitment every year.

Commissioner Norton asked this follow-up question:

As you look across the joint responsibilities with the City of Portland, who has the lead on permanent housing issue?

Chair Kafoury said it is really the City of Portland. They have the Portland Housing Bureau which develops and contracts through PDC with urban renewal dollars. Now they have the Portland Housing Bond which was just passed in November. It is incumbent that the two jurisdictions work closely together. She said they have added the Federal Agency to this mix so they are all working off of one plan and in one direction.

Commissioner Ofsink asked this follow-up question:

Can you add a little more color to the strategies the County is using for the area outside of the City of Portland and even to leverage partnership between the County and City of Portland to do more on affordable housing?

Chair Kafoury said since they have no authority and that it is really relationship based. She said part of the resources include resources for the City of Gresham. Homelessness is an even bigger question than Multnomah County. The other counties are suffering the same problems as Multnomah County. It is a very fluid environment. So working with the various counties is high on her list for the upcoming year.

She said they are working with state legislation for control over rent stabilization and implementing "just cause" eviction.

Commissioner Watkins asked the following question:

Tell us about the impact of the opioid epidemic in Multnomah County. How is the county combating it and what is the County spending on it? How does an organization measure success in this area?

Commissioner Meieran answered saying misuse of opioids is a local, state, and national issue that kills individuals, destroys families, and damages communities. While opioid-related deaths have decreased in the Portland metro area since the peak in 2011, the number has remained flat for the last three years. Each year, the use of heroin and prescription opioids leads to more than 100 fatal overdoses in Multnomah County and more than 500 EMS responses for non-fatal overdoses. Approximately half of all opioid overdoses are caused by prescription pain pills, the prescribing of which remains persistently high, with one in five people in the region receiving an opioid prescription every year.

Multnomah County spends millions of dollars every year on prevention, intervention and treatment of opioid and other forms of addiction. County clinicians are trained and monitored on prescribing practices. According to Health Share of Oregon, Multnomah County clinicians prescribe opioids at less than half the rate of other regional Federally Qualified Health Centers. The County coordinates a large regional group for opioid safety, with a focus on safe and effective treatment for chronic pain and high quality treatment for opioid substance abuse disorders, and partners with local health systems and Lines for Life to promote drug disposal sites for unused medications. The County also provides naloxone training and supplies to reverse overdoses and has trained more than 1,700 people since 2014. Over 700 naloxone-related rescues have been reported.

Commissioner Ofsink asked this follow-up question:

Are the statistics you have just related for the Tri-County area?

Commissioner Meieran said it is just the Tri-County area.

Chair Barringer asked the following questions:

The Sellwood Bridge replacement project is complete. Thank you for replacing that bridge. The Burnside Bridge is the next in line for rehabilitation. Please tell us what is planned for the bridge, what it will cost, and what the schedule is for the project

Commissioner Vega Pederson explained that in 2015 the County completed a major update of the Willamette River Bridges Capital Improvement Plan. The plan recognizes an increased awareness of the threat posed by a major Cascadia Subduction Zone Earthquake by calling for seismic upgrades to the County's downtown bridges. The first focus is on the Earthquake Ready Burnside Bridge (ERBB) project. Burnside Street has been identified as a regional lifeline in the event

of a major disaster. The first phase of the ERBB project is a feasibility study, scheduled to be complete in the fall of 2018. The purpose of the study is to identify feasible replacement and rehabilitation alternatives to provide a seismically resilient crossing to serve multiple travel modes with a one hundred year service life. The small range of feasible alternatives will be further developed and studied in an Environmental Impact Study (EIS). An EIS would take approximately four years to complete. Depending on the outcome of the feasibility study and EIS, a selected alternative might take two years or so to design, followed by a four to five year construction period. This would result in a seismically resilient upgraded multi-modal crossing in about 2029. The total cost of this long-term project is estimated at \$515 million.

The County is also taking near term steps to keep the Burnside Bridge in service while the long term Earthquake Ready Burnside Bridge project develops. The near term Burnside Maintenance project is currently underway and is scheduled to be complete in fall of 2019 at a total cost of about \$25 million. This project includes repairs to sidewalks, the roadway surface, failing concrete, corroded steel, and the piers.

Commissioner Watkins asked this follow-up question:

Will the Burnside Bridge be just cars or will it be multi-model which would include streetcar and light rail?

Commissioner Vega Pederson said it is still in the discussion stages.

Commissioner Norton asked the following question:

The state does not have a budget yet and federal funding is in jeopardy. Other than the \$2.7 million set aside mentioned in the budge, what defenses are in this budget, should usually reliable revenues get curtailed this year?

Commissioner Smith answered saying the County, like other local jurisdictions, doesn't have the resources to backstop the State and Federal governments not funding services that are their responsibility. So while the County will thoughtfully manage any State or Federal reductions, there isn't a practical budget "defense" for the County to employ.

Could you give us more information on the Health Department reductions?

Chair Kafoury fielded this question saying clinical funding is generated by the clinics. There are not General Fund dollars that support this activity. If they are not meeting their goals financially the County is forced to cut providers. The County is trying many avenues to get people into these clinics and served with the care they need. Not knowing if people will be losing health care insurance, the County will provide the care. This will be out of General Fund dollars. So the County is in a holding

pattern waiting to see what is going to happen in this area. Currently trying to “right-size”.

Commissioner Watkins asked the following questions:

The County Assessor’s 2017-18 budget includes a one-time-only expenditure for a “residential development program.” This appears to be an effort to catch up a backlog of residential assessment work. If so, that backlog affects every taxing district in the County. What is the situation with these appraisals and this program and, presumably, permanent financing to prevent the office from falling behind again?

Commissioner Stegmann explained saying the DART Residential Development program offer does two things: 1) it funds a program to improve accuracy of assessment records to ensure continued statutory compliance, and 2) it funds a related workforce development and appraiser training program. To ensure fair and accurate appraisal of residential property as required by statute, assessors perform periodic audits of appraisal records for accuracy, consistency, and uniformity. In typical times, such audits are performed by staff during slower seasons, but the robust economic conditions of the last decade have kept appraisal staff busy with higher priority tasks, such as appeals and new accounts.

This program offer funds limited duration staff who will be tasked with inspecting property, some of which has not been inspected since 2003, and then auditing appraisal records. In the process, these limited duration staff members, some of whom may have little or no direct experience, will be trained in appraisal methodology, effectively making this project a training ground for the next generation of property appraisers. DART has had difficulty in recruiting experienced appraisers, in part because many applicants fail to meet the minimum qualifications. After one year in this program, the limited duration staff will meet the minimum requirements for the Appraiser 1 position. This program will allow DART to audit and update internal assessments records while providing a pipeline of capable appraisers for the future.

Is it safe to say we may see a bump greater than the 3% statutory limit in assessed value coming out of the county in the next few years as a result of the appraisal backlog catch up or are you not prepared to make any forecast yet?

Chair Kafoury said that while they cannot make any forecast they hope that the increase in revenue will at the very least pay for the positions funded in the budget. Since the revenue is ongoing and the positions are a limited duration there will be a gain from this action.

Chair Barringer asked the following questions:

The County will implement a new Enterprise Resources Planning system, a \$41 million budget item next year. What lessons have you learned from previous county (and other organizations') work on similar systems and what safeguards are you incorporating in this project?

Commissioner Vega Pederson explained that given the size and scope of the ERP replacement project, the County has devoted considerable resources over the last three years to ensuring a successful transition. They have gained knowledge from similar organizations, such as Pierce County, the City of Orlando, and the City and County of Denver, each of which has transitioned to Workday from another ERP. The County has also received guidance and consulting from Gartner, Inc., the world's leading information and technology research and advisory company. Gartner participated throughout the initial systems analysis and procurement effort, and assisted in establishing the overall project structure. In addition, the County has contracted with Deloitte Consulting as the Systems Integrator, which, given their tested implementation methodology and skilled and knowledgeable resources, gives them a partner experienced in implementing ERP solutions. When paired with the considerable internal resources, these partnerships will ensure a successful transition to Workday.

Here are some of the key components of the process and project structure:

- Strong project governance, including clear roles and responsibilities, project principles, and risk management and processes
- Vision and leadership from the very top of the organization, buy-in from departmental leadership, and a dedicated team
- Strong vendor contracts and a realistic budget, with contingency to account for unknowns
- A robust change management and training effort to support county staff

When you turn it on will you do a phase turn on with both systems operating or will you turn one off and switch to the other?

Commissioner Vega Pederson said she thought they would just switch over the entire system.

Commissioner Ofsink asked this question.

The county has many programs in place to support vulnerable residents. But Oregon's boom and bust cycles guarantee that funding for the programs will decrease and that will reduce client services. What is the funding backstop for when the next recession hits?

Commissioner. Smith fielded this question saying the County can never completely escape the impacts of a recession, but can mitigate the impacts and provide for financial resiliency and stability. Here are several examples:

- The County's budget is balanced for 3-years and forecast out to 5-years, which helps to plan for and mitigate the amount needing to be cut.
- The County's reserves are fully funded – a 10% General Fund Reserve plus another 10% BIT reserve to address the volatility of that revenue source.
- The County uses sound budgeting practices –use one-time-only funds for one-time-only purpose, realistically forecast for revenues, and do NOT assume salary savings or underspending.
- The County has kept its debt, which becomes an inescapable fixed cost over spending on direct services, low and the bond ratings high.
- The County used one-time-only funds to address capital needs and intentionally invested in the infrastructure in good times.
- The County is proactively addressing our PERS and OPEB liability.

Taken together, these actions help to take some of the 'boom and bust' out of the service provision and prepares the County for a recession when the demands on services only increase.

With there being no other comments, questions or testimony, Chair Barringer closed the public hearing and opened the meeting of the Commissioners to consider Multnomah County 2017-18 budget.

Chair Barringer thanked the Multnomah County staff for their outstanding job putting the budget together and for their answers to all the questions.

He asked if the Commissioners had any additional questions or comments. There were none.

He asked Mr. Gibons to review the budget from the staff perspective. Mr. Gibons said that even with the staff transition within the budget office this year, the budget was seamless from TSCC Staff perspective. The Certification Letter dated May 17, 2017 contained no objections to the budget or the budget process. He said there is one recommendation having to do with an over-expenditure noted in the June 30, 2016 audit. The amount was \$9,000 due to budget law and accounting practices. The recommendation is to follow the process previously stated.

Commissioner Ofsink moved to certify that the Commissioners have one recommendation as presented by staff, with regard to Multnomah County's 2017-18 budget. Commissioner Norton seconded the motion. Motion passed with a unanimous vote.

ADJOURNMENT – 10:30 am

There being no further business the regular meeting was adjourned.

Reviewed and Submitted by:
Lynda J. Grow, Board Clerk and
Marina Baker, Assistant Board Clerk
Board of County Commissioners
Multnomah County

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**PH.2 MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION
COMMISSION HEARING.**

Present:

TSCC:

Chair David Barringer, Commissioner Brendan Watkins, Commissioner James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Executive Director Craig Gibons and Budget Analyst Tunie Betschart.

Multnomah County:

Chair Deborah Kafoury, Commissioner Loretta Smith, Commissioner Sharon Meieran, Vice-Chair Jessica Vega Pederson and Commissioner Lori Stegmann

Staff: Library Director Vailey Oehlke

Chair David Barringer opened the hearing with introductions of TSCC Commissioners and Staff. He then asked the Commissioners if they have any business relationship with the district that could be perceived as a conflict of interest. Each Commissioner said they did not. Chair Barringer stated the duties of TSCC and the procedure for the hearing saying this hearing is a service to the District and the public. The purpose of this hearing is to promote public discussion of the budget. The Commission wants this discussion to promote thoughtful consideration of current and future budget issues. The Commission is responsible for evaluating the District's budget process. At the conclusion of this hearing the Commissioners will certify the degree to which the District's process conformed to Oregon Local Budget Law.

The District will make the first presentation this morning. Then the Commissioners will ask several questions and discuss the budget with the district. Following discussion there will be time to take testimony from the public. He stated that there is a sign-up sheet in the back of the room for speakers.

Following this description of the process he asked the County Commissioners and Library staff to introduce themselves, and make any comments regarding the budget.

Following introductions Multnomah County Library Director Vailey Oehlke gave a brief overview saying that it's a pleasure to present the fifth annual Approved Budget for the Multnomah County Library District to the TSCC. The District is winding down the fourth year of operation as the library district and the transition to the library district funding model has delivered the library service voters approved in November, 2012.

The Fiscal Year 2017 library district budget continues the FY 2017 tax rate of \$1.18 rather than the voter approved full rate of \$1.24. Based on projections from the County Budget Office, the \$1.18 rate will generate adequate revenue to maintain current service levels and allow for some targeted additions. The district tax is expected to bring in \$79.2 million; combined with other revenues such as fines, fees, grants, and interest, the district's total revenues are projected at \$81.2 million. Of that amount, \$79.2 million is budgeted for transfer to the County Library Fund, leaving \$.5 million in contingency.

This budget continues a practice of maintaining the library department budget in the current County Library Fund and utilizing the Library District General Fund to receive the library district tax as well as any non-tax revenues for FY 2018. This will ensure that the district's taxes and revenues are received and accounted for separately.

An Intergovernmental Agreement between Multnomah County and Multnomah County Library District provides contractual structure for the District and County to provide library services. Multnomah County Library District's Fiscal Year 2018 will be a time of evolution for the library as a reflection of the community it serves. The community libraries are places of learning and creation. They are an incubation place for new ideas where skilled guides connect people with tools and strategies to fulfill their goals. Multnomah County Library is prouder than ever to serve this community. Thanks to the community's support and stabilized funding, the library is able to offer services that will contribute to its sustained health and vitality, now and for generations to come.

TSCC questions:

Chair Barringer asked the following questions:

This appears to have been a year of internal reorganization for the library. Tell us about that reorganization and how it affects patron services and the budget. What are the advantages to this reorganization?

Chair Kafoury said public libraries everywhere are in a state of transformation and evolution. To meet changing community needs, Multnomah County Library is reorganizing its executive team and streamlining its organizational structure. With the current Deputy Director, Becky Cobb, retiring at the end of this fiscal year, the library will adopt a new executive management structure with four operational divisions instead of the current seven divisions. These divisions are Department Administration, Operations, Content Strategy, and Public Services.

Here's how it will work in FY 2018:

- The Library Director will manage the Department Administration division that handles policy and strategic initiatives, including the library's work around equity and inclusion.
- The Deputy Director will oversee the public services division, which will include all of the library locations, outreach, and programming work.

- The Operations Director will work on internal services, including human resources, library facilities, security, finance and evaluation.
- The Director of Content Strategy will direct the library's work to provide physical and digital content along with the effort to communicate with and serve patrons who use the library online.

Chair Kafoury went on to say the creation of the Content Strategy division addresses the changing ways people are using physical and digital content by combining these important elements under one division. She concluded by saying the impact on the FY 2018 budget is minimal. The reorganization reflects a shift of existing positions rather than the addition of new positions.

Will there be any effect on the patrons?

No these changes will not have an impact on the patrons.

Commissioner Ofsink asked the following question:

The Library has consolidated many services in a Contact Center this year. What services does the center provide and where is it? What does it cost and how has it improved patron experience?

Commissioner Meieran fielded this question saying the library's new Contact Center is located at Central Library where the account services and information services phone lines have been located for many years. This service provides a single point of service for patrons whether they contact the library by phone, chat, text or email. The goal is for patrons to receive seamless customer service with fewer handoffs to other staff. Typical questions include assistance with holds, renewals, and overdue or lost materials charges. This service also provides help with downloading e-content, signing up for library programs, or helping older adults get tax preparation help. Their motto is: "We can help with anything!"

Spanish language speakers are available during all Contact Center hours, with telephone translation service easily available through IRCO for other languages. The library mostly reallocated vacant positions to create this workgroup. The budget for FY 2018 is \$1.2 million with 14.00 FTE. The Contact Center's work has significantly improved average response time for all patron email questions. The service just launched in January, so the library will do a more detailed analysis in the coming months.

Commissioner Meieran added that the patrons like the fast, friendly service and the simplicity of the system for contacting the library.

Commissioner Norton asked the following questions:

Tell us about this year's start of the Facilities Master Planning process. How did it work and how does it inform this budget?

Commissioner Stegmann answered saying that Multnomah County Library engaged in a planning process to determine community needs related to library facilities. This process is in its first year, which is devoted to information gathering, analysis, community engagement, and creating a vision.

The capital planning process takes a look at how libraries are distributed; where patrons live and which libraries they use; how well the library serves them based on demographic factors (using county GIS data); and population growth projections. A guiding principle is applying equity to the analytical process. This process also looks at the state of library spaces and services in other communities and uses best practices to establish a planning baseline, now and into the future.

The library will present the result of this year's work to the library district board in June. It will be a framework for future library spaces without specific details of projects or funding. The next phase will involve sharing the framework and working with stakeholders to identify next steps.

She concluded by saying that the creation of the proposed library capital fund is the outcome of this work from a budget perspective.

Could you tell us a little more about the activities that occurred over the past year?

Ms. Oehlke answered saying they made a priority about talking to the community this year, especially the ones they normally do not hear from. They held 13 focus groups that were arranged through various non-profit groups in the community in order to hear from underserved communities. It also engages staff to be out in the community at places such as farmers market or where people gather and ask not just "What do you want from the library?" but also what do you want from the community, and how can the library contribute to make that a reality. She added that they have done a survey online as well. They also have a citizen action committee that has held several meetings in various places. These conversations will continue.

Commissioner Ofsink asked this follow-up question:

Do you have an example of what those communities asked for that have effected what we see in the budget?

Ms. Oehlke said there were themes that emerged, and space was one of the big concerns. She said all the square footage in all the Multnomah County libraries is less than the square footage in the main library in Seattle. Considering the fact that two bus-loads of people are moving to the area daily, the library is way underdeveloped as far as space. This was the resounding theme heard. Also patrons reported want programs relevant to them and how they live their lives and culture in the community and services for kids; so just the things the County expected to hear.

Commissioner Watkins asked the following questions:

A significant development in next year's budget is a new capital projects fund. Tell us about that fund. What are the current and future revenue sources? What about future expenditures? The district has budgeted \$1 million of expenditures in the fund for next year. What is that for?

Commissioner Vega Pederson answered this question by stating that the library is proposing the creation of a reserve fund in the FY 2018 district budget that will be dedicated to capital projects. The library has worked with the county Budget Office to propose a financial policy for this fund that is in alignment with county policy. The policy proposes that, once the library district has met its contingency and operating reserve requirements, any additional revenue will be transferred to the library capital fund.

The \$1 million budgeted for FY 2018 will allow for a potential upgrade to the integrated library system that supports all patron accounts and the library catalog.

Commissioner Vega Pederson added that over time, the district will use the capital fund to help address capital projects as determined through the implementation of the capital planning framework.

Chair Barringer asked this follow-up question

Are you talking about new buildings?

Commissioner Vega Pederson said that is what was talked about in the framework, which potentially could be some new buildings or renovating existing buildings. There are a number of things being considered.

Commissioner Ofsink asked the following questions:

How is the district measuring the payoff from the investment in library Security and safety? Have you developed the measurement factors you talked about last year and are your efforts effective? How is this plan evolving?

Commissioner Smith fielded these saying Multnomah County Library continues to evolve the strategy for maintaining safe and welcoming environments for library patrons. One element of that effort is security. Libraries are perhaps the most public spaces available to a community. They're like a community's living room. Challenges and issues that manifest where people work and live inevitably present themselves in libraries. The library is using Library Safety Officers (LSOs) in five locations. These officers are library employees that are trained to support positive use of library services by enforcing behavior rules and maintaining a welcoming environment.

The Library's FY 18 budget requests a sixth LSO position. The library is also continuing to use Facilities Security Officers from the Sheriff's Office at four additional locations, including Central Library. The presence of LSOs has resulted in positive feedback from staff. These officers support staff responses to problematic behaviors in some of the library's busiest locations.

The Library's Safety and Security Manager conducts regular reviews and follow up of security incidents. He also works with the library's Training & Development manager to coordinate regular training opportunities for staff.

The Library continues to partner with Facilities & Property Management on physical improvements within library locations. This includes installing doors to staff work areas, upgrading security cameras, and making landscaping improvements.

In the year ahead, the library's Operations Division will begin an annual survey of manager satisfaction with security efforts. In partnership with County IT, the library will soon roll out a new incident reporting system that will make it easier to analyze data trends related to security incidents.

Commissioner Smith added that while challenges do exist, the library has maintained a consistently high patron satisfaction rating of about 97%.

Has there been any segmented feedback from patrons of the libraries on their feelings about the Security?

Ms. Oehlke said she had not received anything formal. No quantifiable analysis has been done by staff either. The Library District will be tracking the incidents more thoroughly in the future.

Ms. Oehlke explained that with the new tracking tool this will be much easier and more reliable.

Chair Kafoury added that by having internal staff you have a consistent person, so patrons know the security officer and the officer knows the patrons, thus creating a different dynamic than if you have a different officer moving in and out all the time.

Do you have a sense of the top issues that security officers are dealing with?

Ms. Oehlke said it is hard to say. Sometimes they deal with patrons having a hard day, sometimes they help with directions for places in the area, sometimes they deal with those who are acting in less desirable ways. It is basically the same kind of behavior that all people deal with on a daily basis.

Commissioner Smith added that she had spent 2 hours in the library recently and noticed the security creates a safe and welcoming environment. She went on to say she had thanked Ms. Oehlke for the partnership with OSU extension where they offer a healthy eating spot there, and show the community how to prepare low fat high energy protein foods.

She concluded by saying the libraries continue to contend with issues related to mental health and addiction. The library has the support of the security officer to provide a safe environment for both staff and patrons.

Commissioner Watkins asked the following questions:

Are the security and patron discomfort issues we discussed at last year's hearing abating?

Commissioner Smith answered saying the library strives to create a positive environment for lifelong learning in library buildings. That effort includes creating a safe and welcoming environment for library staff and patrons. Libraries experience all of the issues that happen in our communities. The library continues to contend with issues related to mental health and addiction. As these issues are not abating in the communities, they are not abating in the libraries.

She went on to say that the library has a robust program for supporting staff and patrons when issues arise. The support includes the presence of Library Safety Officers and Facilities Safety Officers, intensive training for persons in charge of locations, and a defined response system for major incidents.

Commissioner Norton asked the following question:

We have talked about the clinical social worker embedded at the Central Library. Is that working and with the County's focus on vulnerable population is there some synergy connection between that and the activities of the library?

Commissioner Meieran said the short answer is yes. She went on to explain that Multnomah County Library conducted a pilot project to assess the feasibility and impact of professional crisis intervention services at MCL, beginning in January of 2016. The library engaged the services of Cascadia Behavioral Healthcare based on existing Project Respond services.

The library Crisis Worker assists the public with obtaining short-term solutions related to shelter, food, clothing, medical treatment, or emergency hospitalization. The services offered by library Crisis Workers are intended to meet the urgent mental health and day-to-day concerns regularly presented by existing library patrons that are outside of the library's expertise or ability to resolve. Library Crisis workers are not intended to take on long-term caseloads, but rather are intended to resolve immediate crises and introduce patrons into existing support systems in the area.

During the 12 month pilot project, the Crisis Workers conducted more than 1,100 sessions with over 700 individual patrons. The library's Crisis Workers are available to anyone in the MCL system, but nearly 91% of patron contacts were made at Central Library during the pilot. This is likely due largely to the clientele base at Central Library and the proximity of that location to other human services.

Commissioner Meieran added that with numerous clear successes and a relatively low overall cost for the program, the library has contracted with Cascadia Behavioral Healthcare for ongoing service. Hours of coverage were slightly extended to cover a full 40 hours of direct client availability.

Chair Barringer asked the following questions:

The district budgeted for and hired a new equity manager position this year. Does the district have quantifiable goals for that effort and what progress has been made on them this year?

Commissioner Vega Pederson said Multnomah County Library is strongly committed to ensuring that diversity, equity and inclusion are foundational to the library environment, patrons, staff and the larger community. The library continues to work to connect with communities of color and vulnerable populations to develop community driven programs that will better engage those who may not normally seek out library services.

The library recently demonstrated further commitment to this work with the addition of a position that focuses specifically on equity and inclusion. This position reports to the library director and is a key part of the executive management team, working across the organization to engage staff in developing and implementing equity and inclusion strategies. This position has been filled for just under 6 months and the work to date has focused on staff engagement and evaluating strengths and gaps.

During the initial year, baseline information/data is being gathered on staff recruitment, hiring, and retention.

The library is also evaluating the equitable distribution of resources to non-English-speaking and African-American patrons. A training series is being developed that will support staff in working with patrons, communities and each other in ways that are culturally sensitive and responsive.

The Equity & Inclusion Manager is engaging staff from across the organization to participate on an equity and inclusion committee. This group will work to identify strengths, challenges and opportunities, and develop recommendations for improvement. This Equity & Inclusion Manager will help the library better coordinate these efforts with the County's Office of Diversity and Equity as well as Talent Development.

Commissioner Norton asked these follow-up questions:

How will you know that this is helping? How will you measure the success?

Ms. Oehlke said it is multifaceted. They have done some assessment of staff training. She said they followed up by looking at what is effective. Once the Inclusion Manager gets her feet under her and gets the committees and the plan into place she will look at the cultural needs of the community and make sure they are met with programs and services necessary. She mentioned a program called "We speak your language" which evolved over time to meet the needs of those in the community that speak a language other than English. This has helped with the gap between patrons and staff. The Library staff now consists of people who speak a variety of languages.

Commissioner Ofsink asked the following question:

The district's expenditures are growing faster than revenues by about 1.5% annually and expenditures as a percent of revenue are nearing 100%. How will the district address this problem?

Chair Kafoury said when the Library District was initially formed, the goal was to create financial stability for 10 years. The County has been fortunate that cost growth has been slightly less than the assumptions while revenue growth has been slightly higher, meaning the District will enter next year (the fifth for the District) in a better financial situation than had been modeled.

Costs are now trending back towards the initial modeling and are therefore growing faster than revenues, but remain at levels that were initially planned for. With revenues still slightly higher than planned, the expectation is that the financial stability to extend through the first 13 years of the District, as opposed to the original 10 years.

The Library Board has kept the District property tax rate below the \$1.24 per \$1,000 of assessed value allowed by the voters as planned. The intent is to keep the rate low for as long as possible to preserve flexibility in the future. Given this flexibility and the District's positive fund balance, the Library District is well placed to accommodate rising costs in the future, and remains in a stronger financial condition than many other jurisdictions.

Commissioner Watkins asked this follow-up question:

I want to make sure I am understanding you correctly. Is it fair to assume you will continue to levy under the permanent rate of \$1.24 through the 13th year of the Library operating as a separate district?

Chair Kafoury said the life of the \$1.24 rate was originally to go through the first 10 years of operation and now it is expected to carry the district through the first 13 years of operation. She said at some point, not this year but sometime, the rate will be raised from the \$1.18.

Commissioner Norton asked this follow-up question:

I anticipate that at the time necessary the district will increase the rate levied to the fully authorized of the permanent rate. It is now a permanent rate unlike the previous local option levies. So the question is, once you reach "build-out" when levying the maximum rate of \$1.24, what then?

Chair Kafoury Kafoury answered saying the community will have to look at this and decide if they want to increase that rate or keep it at the current rate. It will definitely be a conversation with the voters going forward.

There being no other comments, questions or testimony, Chair Barringer closed the public hearing and opened the meeting of the TSCC Commissioners to consider Multnomah County Library District's 2017-18 budget.

Chair Barringer thanked the Multnomah County Commissioners and the Library District staff for their outstanding job putting the budget together and for their answers to the questions.

He asked if the Commissioners had any additional questions or comments. There were none.

He asked Mr. Gibons to review the budget from the staff perspective. Mr. Gibons said the budget went together very well. He recognized Becky Cobb who will be retiring soon. He said she has she has always done a great job putting the budget together and will be missed.

He then said there are no recommendations or objections with regard to the budget process. Commissioner Watkins moved to certify that the Commissioners have no recommendation or objections with regard to Multnomah County Library District's 2017-18 budget. Commissioner Norton seconded the motion. Motion passed with a unanimous vote.

There being no further business the regular meeting was adjourned.

ADJOURNMENT – 10:03 am

There being no further business the regular meeting was adjourned.

Reviewed and Submitted by:
Lynda J. Grow, Board Clerk and
Marina Baker, Assistant Board Clerk
Board of County Commissioners
Multnomah County