

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Wednesday, April 26, 2017**

BUDGET WORK SESSION #4

Chair Deborah Kafoury called the meeting to order at 1:49 p.m. with Vice-Chair Jessica Vega Pederson and Commissioners Sharon Meieran and Lori Stegmann present. Commissioner Loretta Smith was excused.

Also attending was Lynda Grow, Board Clerk.

Chair Kafoury: GOOD AFTERNOON. WE ARE HERE TO TALK ABOUT FINANCIAL AND BUDGET POLICIES. AND JUST TO LET FOLKS KNOW, COMMISSIONER SMITH IS ILL, SO SHE WON'T BE WITH US THIS AFTERNOON. HOPEFULLY SHE'LL BE FEELING BETTER SOON.

BWS-4a Financial & Budget Policies and Investment Policy. Presenters: Mark Campbell, Chief Financial Officer.

Mr. Campbell: GOOD AFTERNOON. MARK CAMPBELL CFO. I AM BACK TO BRIEF YOU ON THE FINANCIAL AND BUDGET POLICIES THAT ARE INCORPORATED AS PART OF THE BUDGET. THEY GIVE ME ALL THE REAL SHOW STOPPERS. SO WHAT I WANT TO TALK ABOUT TODAY ARE OUR POLICIES AND WHY DO WE HAVE THEM. I WANT TO GO OVER OUR CURRENT FINANCIAL BUDGET POLICIES AND GIVE YOU AN UPDATE ON WHERE WE'RE RECOMMENDING CHANGES. AND THEN I WANT TO TALK ABOUT WHAT OTHER FINANCIAL TOOLS THAT WE USE IN ADDITION TO POLICIES TO KIND OF SERVE AS A FRAMEWORK FOR OUR BUDGETING AND FINANCIAL TRANSACTIONS. I PUT A DEAF IN THIS UP THERE AND I THINK IT'S AN APT DESCRIPTION POLICIES ARE GUIDELINES ADOPTED BY THE LEGISLATIVE BODY TO REACH LONG-TERM GOALS. AND I THINK THAT ALL THE POLICIES HAVE WE HAVE KIND OF KEEP THAT IN MIND. AND OUR GOALS FOR POLICY, THEY REFLECT BOARD DIRECTION, AND WE HAVE SEVERAL GOALS THAT WE TRY TO ACHIEVE. PREDOMINANTLY IT'S TO PRESERVE CAPITAL THROUGH BUDGETING FINANCIAL MANAGEMENT, MAKING USE OF FUNDS TO MEET ESTABLISHED GOALS OF THE BOARD, ACHIEVING A STABLE BALANCE BETWEEN ONGOING COMMITMENTS AND REVENUES. LEVERAGING LOCAL FUNDS WITH FEDERAL AND STATE FUND, AND FINALLY OUR POLICY SUPPORT GOVERNMENT ACCOUNTABILITY.

THESE POLICIES ARE SUBJECT TO ANNUAL REVIEW AND THEY ARE ADOPTED BY RESOLUTION AS PART OF THE BUDGET WHEN YOU ADOPT A BUDGET NEXT MONTH. WE HAVE 15 POLICY STATEMENTS, THEY'VE BEEN DEVELOPED AND REFINED OVER TIME. WE GO THROUGH A PROCESS TO REVIEW THEM ANNUALLY, AND REPORT TO YOU ON ANY RECOMMENDED CHANGES AND THE

STATUS OF THOSE POLICIES. AND THEN WE ALSO RECOMMEND NEW POLICY STATEMENTS WHEN IT'S EITHER NECESSARY OR IT'S SOMETHING THAT COMES TO OUR ATTENTION THAT WE WANT TO HIGHLIGHT OR ELEVATE TO A POLICY LEVEL. AS I MENTIONED, OUR POLICIES REFLECT OR FOLLOW BEST PRACTICES. OUR POLICIES BY AND LARGE FOLLOW THE GOVERNMENT FINANCIAL OFFICER'S ASSOCIATION RECOMMENDED BEST PRACTICES. WE HAVE TAILORED THESE STATEMENTS TO THE ORGANIZATION AND THE FRAMEWORKS ORGANIZED AROUND FOUR BASIC PRINCIPLES OF BUDGET PROCESS.

Mr. Campbell: ONE OF THE EFFECTIVE POLICIES HAVE SEVERAL FEATURES AND I THINK THAT IDENTIFIED THEM, BUT I THINK IT'S IMPORTANT THAT NOT ONLY THEY EXIST IN WRITTEN FORM AND BE REVIEWED ON A REGULAR BASIS BUT I THINK THEY SHOULD ALSO BE WRITTEN IN A WAY THAT IS EASILY UNDERSTANDABLE FOR IT WILL AVERAGE PERSON WHO PICKS THESE UP AND SAYS WE HAVE A POLICY THAT SAYS WE HAVE A CERTAIN AMOUNT OF RESERVES. WE DON'T GO INTO A LOT OF TECHNICAL JARGON BUT SAY WE HAVE A TEN PERCENT RESERVE AND THEY ALSO GIVE US A BALANCE BETWEEN CONTROL AND FLEXIBILITY. IT'S IMPORTANT THAT POLICIES WE ESTABLISH COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS BUT IT'S ALSO IMPORTANT THAT WE HAVE FLEXIBILITY THAT ENABLES YOU TO RESPOND TO CHANGING NEEDS. SO HERE'S OUR CURRENT POLICY STATEMENTS. I'M NOT GOING TO GO THROUGH THESE ALL IN DETAIL. I WANT TO CALL OUT A COUPLE. THE ONES THAT ARE HIGHLIGHTED AND ITALICIZED ARE THE ONES THAT HAVE CHANGED AND I WILL GET TO THOSE IN A MINUTE. THE ONES I WANT TO HIGHLIGHT ARE ON A GENERAL FUND RESERVE. THAT IS ONE OF THE THOSE THINGS WHERE WE TALKED THIS MORNING ABOUT IS THE FACT WE RECEIVED A CREDIT RATING UPGRADE AND THAT CREDIT RATING AGENCIES REALLY LIKE TO SEE IS A HEALTHY LEVEL OF RESERVES.

SO IN THAT VEIN WE HAVE A POLICY THAT SAYS WE WILL RESERVE 10% OF GENERAL FUND CORPORATE REVENUES. AS MIKE ALSO MENTIONED YESTERDAY, WE HAVE ANOTHER RESERVE THAT'S THE 10% RESERVE IS ON APPROPRIATED BALANCE. WE HAVE ANOTHER RESERVE TO OFFSET THE COUNTER-CYCLICAL EFFECTS OF THE BUSINESS INCOME TAX, AND I WANT TO SAY IT WAS ABOUT 10 OR 12 YEARS AGO, BUT WHEN WE ESTABLISHED THAT THAT WAS ONE OF THE THINGS THAT WHEN WE HAD SUBSEQUENT RATING REGULATIONS THAT THE RATING AGENCIES REALLY LIKED TO SEE THAT NOT ONLY WERE WE ACCOUNTING FOR WHAT WE NEEDED TO HAVE BUT WE WERE ALSO RECOGNIZING THAT WE HAD THIS ONE REVENUE SOURCE THAT WAS SUBJECT TO BUSINESS CYCLES.

THE OTHER ONE I WANT TO CALL OUT IS THE POLICY WITHIN ONE TIME USE REPORTS WHICH WE HAVE PROPOSED A CHANGE TO FOR THIS CYCLE. ONE OF THE THINGS THAT WE ALSO HAD FACED, I'VE BEEN HERE 28 YEARS, SO IN THE EARLY PART OF MY CAREER, IS WE HAD A STRONG TEMPTATION TO

SPEND ONE TIME ONLY REVENUES ON RECURRING PROGRAMS. AND THE RATING AGENCIES REALLY LIKED TO SEE THAT THERE'S AN ALIGNMENT BETWEEN ONGOING REVENUES AND ONGOING COMMITMENTS, SO WE HAVE MODIFIED THAT PROCEDURE.

Mr. Campbell: OUR POLICY OR TIME TO AGAIN, PROVIDE THE BOARD WITH FLEXIBILITY TO USE THOSE RESOURCES TO MEET NEEDS AS THEY SEE FIT BUT IN GENERAL IT'S BEEN OUR PRACTICE SINCE THIS POLICY HAS BEEN IN PLACE THAT WE DO ALIGN ONGOING COMMITMENTS WITH ONGOING REVENUES AND THAT WE RESERVE ONE-TIME ONLY REVENUES FOR OTHER USES. A COUPLE OF DAYS AGO I SENT AROUND A RED LINE VERSION OF ALL THESE AND SO THAT YOU CAN TRACK THE SPECIFICS OF THE POLICY STATEMENTS ALONG WITH THE UPDATES THAT WE MADE AND THE HIGHLIGHTED LANGUAGE CHANGES. SO FOR OUR THREE POLICIES THAT WE'RE PROPOSING FOR UPDATE THIS YEAR, THE FIRST ONE IS ON THE POLICY ON FEDERAL STATE GRANT AND FOUNDATION REVENUES, AND LAST YEAR THERE WAS AN AUDIT OF ANIMAL SERVICES AND ONE OF THE RECOMMENDATIONS MADE IN THAT AUDIT WAS THAT ANIMAL SERVICES RECEIVES A NUMBER OF DONATIONS FOR SPECIFIC PROGRAMS AND ONE OF THE RECOMMENDATIONS THAT WAS IN THE AUDIT IS THAT WE LOOK AT THE POLICIES THAT SAYS THAT WE ESSENTIAL SPENDS OTHER PEOPLE'S MONEY FIRST BEFORE WE SPEND GENERAL FUND MONEY FOR THE SAME PROGRAM.

IT SEEMED TO US THAT WHEN PEOPLE GIVE DONATIONS TO THE COUNTY THAT THEY REALLY WANT THEM TO GO TO THE PURPOSE THAT THEY WERE DONATED FOR SO THE LANGUAGE HAS BEEN CHANGED IN HERE TO BASICALLY SAY THAT DONATIONS AREN'T SUBJECT TO THAT SPEND IT FIRST POLICY. AND THE ONE TIME ONLY RESOURCES, SO THAT'S AN EXAMPLE OF A POLICY CHANGE THAT WAS BROUGHT ABOUT BY AN AUDIT RECOMMENDATION. THE POLICY ON USE OF ONE TIME ONLY RESOURCES WE ADDED LANGUAGE TO SAY THAT DEPARTMENTS MAY NOT PROPOSE TO CARRY OVER GENERAL FUND APPROPRIATIONS. THIS IS A PRACTICE THAT WE HAVE HAD FOR A NUMBER OF YEARS AND IT OUTLINES IN THE BUDGET MANUAL THE DEPARTMENT USES TO PREPARE THEIR BUDGETS. THIS JUST PUTS IN THE LANGUAGE OF THE POLICY SO IT GIVES YOU THE DISCRETION TO USE THOSE RESOURCES. AND FINALLY, ON OUR INVESTMENT BANKING SERVICES CASH MANAGEMENT POLICY WE HAVE AN INVESTMENT POLICY AND IT PRETTY MUCH FOLLOWS STATE STATUTE. FROM TIME TO TIME WE DO LOOK AT IT TO TRY TO FIGURE OUT IF THERE'S WAYS THAT IT CAN BE IMPROVED, ARE THERE THINGS THAT WE CAN BE DOING WHERE WE MIGHT BE ABLE TO MAKE OUR MONEY GO FURTHER AND THIS IS ONE OF THOSE. WE ARE PROPOSING A CHANGE TO THE WAY THAT AVERAGE MATURITY OF OUR PORTFOLIO HOLDINGS TO MAKE IT SO THAT WE CAN HAVE A WEIGHTED AVERAGE MATURITY UP TO TWO YEARS.

Mr. Campbell: OUR PREFERENCE RIGHT NOW IS FOR ONE AND A HALF YEARS AND WE INTEND TO KEEP IT CLOSE TO ONE AND A HALF YEARS BUT BY PUTTING IT OUT TO TWO YEARS WHAT IT ALLOWS US TO DO IS INVEST FUNDS THAT WE MAYBE DON'T NEED IMMEDIATELY, OUT INTO LONGER TIME FRAME. AND THE OTHER CHANGE IN THE INVESTMENT POLICY THAT WE ARE ADDING THIS, THIS ISN'T A CHANGE, THIS WAS SOMETHING THE BOARD ADOPTED BY RESOLUTION IN 2015. BUT THE COUNTY HAS STATED THAT WE HAVE A PREFERENCE TO NOT INVEST IN FOSSIL FUEL COMPANIES SO THE POLICY ACTUALLY READS THAT WE WILL NOT INVEST IN ANY OF THE COMPANIES THAT ARE IN THE CARBON UNDERGROUND REPORT. THE BOARD ADOPTED THAT RESOLUTION IN 2015 AND WE'RE NOW INCORPORATING IT INTO THE INVESTMENT POLICY SO THAT IT'S IN THERE FOR DOCUMENTATION. AND SPEAKING OF THE INVESTMENT POLICY, SINCE IT'S ONE OF THOSE THINGS THAT WE SEND THIS DOWN TO THE STATE WHEN THERE'S CHANGES, THE OREGON SHORT-TERM FUND BOARD GETS A COPY OF OUR INVESTMENT POLICY ANYTIME WE MAKE CHANGES OR ARE PROPOSING DIFFERENT LANGUAGE THAN WE HAD IN THE PAST. WE DO FOLLOW STATE STATUTE.

A QUESTION CAME UP YESTERDAY ABOUT THE HOLDINGS IN OUR FUND AND I THINK IT'S IMPORTANT TO STATE UP FRONT THAT UNDER STATE LAW, LOCAL GOVERNMENTS ARE NOT ALLOWED TO INVEST IN STOCKS AND EQUITIES SO WE ARE ONLY ALLOWED TO INVEST IN THE SAFEST TYPE OF INVESTMENTS THAT ARE OFFERED AND WE USE THE ACRONYM SLY, WHICH STANDS FOR SAFETY, LIQUIDITY AND YIELD IN GUIDING OUR INVESTMENT DECISIONS, AND THE ACRONYM IS OUR STATE PREFERENCE. IT'S OF UTMOST IMPORTANCE THAT WE GUARANTEE THE SAFEKEEPING OF PUBLIC FUNDS. WE WANT TO MAKE SURE THAT WE PROVIDE FOR OUR LIQUIDITY NEEDS AND YIELD IS KIND OF A TERTIARY BENEFIT OF THIS. WE TRY TO MAXIMIZE YIELD BUT WE HAVE TO DO IT WITHIN THE NARROW CONFINES OF THE STATE STATUTES. AND ON THE RIGHT THERE IS A CHART THAT SHOWS WHERE WE'RE AT TODAY. THIS IS FROM THE MARCH INVESTMENT REPORT AND WE HAVE ROUGHLY 77 PERCENT OF OUR \$500 MILLION ARE INVESTED IN TREASURY BILLS, TREASURY NOTES AND GOVERNMENT AGENCY BACKED SECURITIES. SO LIKE FANNIE MAE, FEDERAL HOME OWNER BOARD AND THOSE KIND OF THINGS.

WE HAVE ANOTHER 14 THAT'S IN LIQUID ASSETS AND MOST OF THAT IS IN THE STATE'S LOCAL GOVERNMENT INVESTMENT POOL. AND THAT IS USED TO IF WE HAVE PAYMENTS THAT WE MAKE TO OTHER COUNTIES OR WE RECEIVE PAYMENTS FROM OTHER JURISDICTIONS WE USE THE POOL TO MAKE THOSE TRANSFERS AND BY STATUTE, WE CAN HOLD UP TO ABOUT \$47 MILLION IN THE POOL. THE POOL IS PAYING AN INCREDIBLE RATE OF RETURN RIGHT NOW. IT'S AT 1.3 PERCENT. OUR PORTFOLIO FOR EXAMPLE IS EARNING ABOUT EIGHT BASE POINTS SO THEY DISCLOSURE BUT THEY ARE ALLOWED TO INVEST IN THINGS THAT WE'RE NOT ALLOWED TO INVEST IN. THEY CAN INVEST IN STOCKS AND EQUITY AND REAL ESTATE SO THAT'S HOW THEY GET A BETTER YIELD THAN YOU'LL EVER SEE A LOCAL GOVERNMENT EARN FOR A

SIMILAR SIZED PORTFOLIO. THE THING THAT I THINK IS ALSO INTERESTING ABOUT THE LOCAL GOVERNMENT INVESTMENT POOL IT BASICALLY IS CASH THAT WE CAN TAP AT ANY POINT, AND THERE IS NO OTHER INVESTMENT I KNOW OF TODAY WHERE YOU CAN GET 1.3 PERCENT FOR MONEY THAT YOU CAN JUST PULL OUT AT ANY GIVEN POINT IN TIME.

Mr. Campbell: THEN FINALLY, WE HAVE NINE PERCENT OF OUR PORTFOLIO WAS INVESTED IN CORPORATE DEBT, COMMERCIAL PAPER, OR CORPORATE BONDS, AND KEEPING WITH THE SAFETY THEME, WE'RE ONLY ALLOWED TO INVEST IN THE MOST SECURE TYPE OF COMPANIES. I WANT TO SAY THERE'S ONLY ABOUT 15 COMPANIES THAT WE CAN EVEN INVEST IN, AND THERE'S ONLY A HANDFUL ANYMORE, I THINK THERE'S ONLY TWO ANYMORE, I THINK JOHNSON AND JOHNSON AND MICROSOFT ARE THE ONLY TWO TRIPLE RATED COMPANIES THAT WE CAN BUY. SO NOT A VERY LARGE SHARE OF OUR PORTFOLIO. THE INVESTMENT POLICY ALSO ESTABLISHES A BENCHMARK, SO THE WEIGHING AVERAGE MATURITY BENCH MARK THAT I DISCUSSED EARLIER IS PART OF THAT. WE ALSO BENCH MARK AGAINST OTHER INDEXES ABOUT HOW OUR YIELD COMPARES TO OTHER INDEXES.

I ALSO WANTED TO TALK JUST A LITTLE BIT ABOUT THE STRATEGY CHANGE THAT WE EMPLOYED BEGINNING IN 2015. WE DID A UPDATE TO OUR CASH FLOW FORECASTING AND WHAT WE REALIZED IS THAT THERE WAS A VERY LARGE CHUNK OF OUR PORTFOLIO THAT WE DIDN'T NEED FOR LIQUIDITY PURPOSES SO WHAT WE DID IS WE SPLIT THE ENTIRE PORTFOLIO OUT INTO TWO BUCKETS, A LIQUIDITY BUCKET AND A CORE BUCKET. THE CORE BUCKET IS ESTABLISHED FOR UP TO 250 MILLION DOLLARS AND IT CAN BE FOR INVESTMENTS THAT CAN GO OUT UP TO FIVE YEARS SO THINK ABOUT THINGS LIKE THAT WOULD BE OUR RESERVES. IT WOULD BE PROCEEDS THAT WERE NOT ANTICIPATING SPENDING DOWN FOR A WHILE, SO IT'S THINGS THAT ARE NOT NECESSARY LIKE TO PAY PAYROLL AND TO PAY OUR CONTRACTORS. THAT'S WHAT THE LIQUIDITY BUDGET IS FOR. SO RIGHT NOW THE LIQUIDITY BUCKET AND THE CORE ARE ROUGHLY ABOUT THE SAME SIZE. BUT BY ADDING THAT CORE, BUT PULLING THE CORE IN AND SEPARATING AND SPLITTING THE INVESTMENT PORTFOLIO IN THAT WAY, WE HAVE IMPROVED THE PERFORMANCE AND WE ARE SEEING HIGHER RETURNS ON OUR PORTFOLIO THAN WE OTHERWISE WOULD HAVE.

I WANT TO SAY THAT WE'VE SEEN ABOUT A 25 TO 30 BUSINESS POINT UP TICK IN OUR YIELD BECAUSE OF THIS. SO I THINK IT'S DONE WHAT WE WANT IT TO DO. WE HAVE A FEW OTHER FINANCIAL MANAGEMENT TOOLS. WE HAVE AUDITS BUT WITH INTERNAL AND EXTERNAL THAT WE REVIEW FROM TIME TO TIME TO SEE IF THEY'RE RECOMMENDATIONS. SO FOR EXAMPLE, THE RECOMMENDATION ON THE POLICY CHANGE FOR ANIMAL SERVICES DONATIONS CAME ABOUT AS A RESULT OF THE AUDIT. WE HAVE PRONOUNCEMENTS, THE GOVERNMENT ACCOUNTING STANDARDS BOARD IS MAKES PRONOUNCEMENTS FROM TIME TO TIME ON THINGS THAT THEY

WANTED TO FOR FINANCIAL REPORTING. ONE OF THE ONES THAT IS GOING TO COME UP THIS YEAR AND I THINK MARISSA MENTIONED THIS YESTERDAY IS GASBY 75 WHICH IS GOING TO REQUIRE US TO REPORT THE VALUE OF OUR RETIREE MEDICAL BENEFIT AS A LIABILITY. SO THAT MAY LEAD US TO THINK ABOUT HOW WE WANT THE FUND THAT LIABILITY AND COME BACK WITH A PROPOSAL ON WHAT A RECOMMENDATION WOULD BE TO DO THAT.

Mr. Campbell: WE HAVE ADMINISTRATIVE PROCEDURES THAT ARE DESIGNED TO STANDARDIZE PROCESSES ACROSS THE COUNTY, THAT ARE ALL UNDER THE AUTHORITY OF THE CHAIR. AND WE ALSO HAVE PRACTICES THAT ARE INFORMAL AND DOESN'T IMPLY THE SAME LEVEL OF LIMIT BUT LIKE THE POLICY THAT WE HAVE ON THE USE OF ONE TIME ONLY RESOURCES AND PUTTING IN THE LANGUAGE DEPARTMENTS NOT BEING ABLE TO CARRY OVER APPROPRIATIONS THAT WOULD BE AN EXAMPLE OF WHERE WE HAD A PRACTICE FOR A WHILE AND NOW WE'RE BRINGING IT AS A POLICY RECOMMENDATION. GOING FORWARD, WE WANT TO REVIEW OUR EXISTING POLICIES. WE ESTABLISHED A WORK GROUP IN 2016 TO LOOK AT CHANGES AND ONE OF THE THINGS I NEED TO SAY JUST OFF THE TOP IS THAT THAT TURNED OUT TO DO A WHOLESALE REVIEW OF THESE TURNED OUT TO BE A MUCH LARGER PROJECT THAN I WOULD HAVE IMAGINED AND CERTAINLY NOT SOMETHING THAT WE'RE GOING TO DO OVER A THREE MONTH TIME FRAME SO WE'RE GOING TO HAVE TO TAKE ANOTHER SWING AT THAT. BUT THE OTHER THING WE WANTED TO LOOK AT IS WE'RE GOING TO BE CHANGING OUR ERP OVER ANOTHER YEAR AND THAT COULD ALSO HAVE IMPLICATIONS FOR HOW THESE POLICIES ARE WRITTEN, SO I GUESS WHAT I'M SAYING IS THAT WE PROBABLY WON'T TAKE A FULL WHOLESALE LOOK AT THIS FOR ANOTHER YEAR OR SO.

WE WANT TO MAKE SURE THAT THESE POLICIES MAINTAIN CURRENCY WITH BEST PRACTICES AND THEN I AM NOT OPPOSED TO STEALING GOOD IDEAS FROM OTHER JURISDICTIONS. SO BUT TO GIVE YOU AN IDEA OF WHAT MIGHT HAVE AS POLICIES FOR THE COMING YEARS, WE DO NEED TO UPDATE THE POLICIES ON CAPITAL PLANNING. THOSE REFLECT THE TIME BEFORE WE HAD THE STRATEGIC CAPITAL PLANNING PROGRAM, AND SO AS THAT EVOLVES WE WILL BE BRINGING THOSE BACK FOR YOUR REVIEW. AGAIN, ISSUES THAT GET IDENTIFIED AS PART OF THE ERP CONVERSION MIGHT LEAD TO POLICY REVISIONS, UPCOMING GASBY PROMISE PRONOUNCEMENTS AND THEN WHAT I WAS THINKING ABOUT EARLIER TODAY IS SELF-INSURANCE RESERVES. THE COUNTY'S SELF-INSURED FOR WORKERS COMP AND PROPERTY LIABILITY INSURANCE. AND WE HAVE SET THOSE RESERVES AT A CERTAIN LEVEL, BUT WE MAY WANT TO COME BACK AND SAY, BY POLICY, I THINK WE'RE FUNDED ABOUT 75 PERCENT COMPETENCE LEVEL WE MAY DECIDE WE WANT TO FUND AT A HIGHER COMPETENCE LEVEL OR MAY DECIDE THAT 75 PERCENT IS WHAT WE WANT, BUT WE CURRENTLY DON'T HAVE ANYTHING THAT SAYS WHAT IT SHOULD BE.

Mr. Campbell: THEN FINALLY, WHEN WE'RE THINKING ABOUT THIS, WE ALWAYS THINK ABOUT WHAT ARE MOODIES AND STANDARD AND POORS WANT TO SEE. SO IN SUMMARY, POLICIES ESTABLISH THE FRAMEWORK FOR FINANCIAL AND BUDGETARY DECISION MAKING. IT KIND OF HELPS TO SET THE SIZE OF THE BOX WHEN YOU'RE MAKING DECISIONS ON HOW TO ALLOCATE FUNDS. THEY REFLECT THE DIRECTION OF THE BOARD AND WE TRY TO ALIGN WITH BEST PRACTICES. WE REVIEWED THOSE PROPOSED POLICY CHANGES AND WHAT I WOULD LIKE TO SUGGEST IS THAT MIKE AND I WOULD BE AVAILABLE TO COME AND TALK TO YOU BETWEEN NOW AND NEXT FEW WEEKS. IF YOU HAVE ANY SPECIFIC QUESTIONS ON THE CHANGES OR ON ANYTHING THAT'S NOT POLICIES THAT I DIDN'T COVER TODAY, I KIND OF MENTIONED HOW POLICIES WORK IN CONJUNCTION WITH OTHER FINANCIAL MANAGEMENT TOOLS AND I LIKE TO THINK OF POLICY REVIEW AND DEVELOPMENT AS A CONTINUOUS IMPROVEMENT PROCESS, AND THAT'S SORT OF THE WAY WE REVIEW THIS, AND SO WE DO TAKE A LOOK EVERY YEAR, ARE WE KEEPING CURRENT AND ARE WE STILL FOLLOWING BELLES BEST PRACTICES AND THAT IS MY STORY ABOUT FINANCIAL AND BUDGET POLICIES.

Commissioner Stegmann: THANK YOU, CHAIR. SO JUST A COUPLE QUESTIONS. I GET IT AND IT'S GOOD THAT WE'RE NOT INVESTING IN EQUITIES BUT MY QUESTION IS MAYBE WE CAN FIND THIS OUT SO WHAT BANKS --

Mr. Campbell: OUR COMMERCIAL BANKING RELATIONSHIP IS WEATHER HEADLINE BANK OF AMERICA. WE ALSO HAVE MONEY INVESTED IN UMPQUA AND U.S. BANK, BUT THOSE ARE JUST SOME DEPOSITS. BANK OF AMERICA IS OUR MAIN BANK.

Commissioner Stegmann: THAT'S GREAT. AND THEN, OF COURSE MY PERSONAL BACKGROUND ABOUT BEING SELF-INSURED. SO MAYBE OFFLINE IS I WOULD LIKE TO GET A LITTLE MORE AS ABOUT WHAT ARE RESERVES AND ARE WE PROPERLY COVERED, AND I KNOW THAT'S REALLY REPRESENTATIVE RIVETING AND EXCITING STUFF SO WE CAN SHARE IT LATER. THANK YOU.

Commissioner Meieran: THANK YOU, YOU MENTIONED THAT 14% OF THOSE LIQUID ASSETS OF LOCAL PUBLIC THAT CAN INVEST. WHO IS OVERSIGHT?

Mr. Campbell: THROUGH OREGON INVESTMENT COUNCIL. WE DON'T REALLY HAVE A SPECIFIC SAY, IT'S A POOL.

Chair Kafoury: ALL RIGHT, THANK YOU.

BWS-4b Dept. of County Assets. Presenters: Sherry Swackhamer, Director, DCA and Invited Others.

Ms. Swackhamer: GOOD AFTERNOON. I AM THE BUDGET AND PLANNING MANAGER. I WILL MAKE THE INTRODUCTION OF BEN IN JUST A MINUTE. WE

ARE HERE TODAY THIS AFTERNOON TO TALK TO YOU ABOUT THE FISCAL YEAR 2018 COUNTY ASSETS BUDGET. THIS IS THE AGENDA WE WILL BE FOLLOWING. WE WILL GO OVER IT IN DETAIL, BUT WE WILL JUST GET TO OUR FIRST ITEM. HERE REPRESENTING OUR BUDGET ADVISORY COMMITTEE IS BEN BRADY. WE WILL LIKE TO TAKE THE OPPORTUNITY TO THANK THEM FOR WHAT THEY'VE DONE THIS YEAR. WE CAN APPRECIATE WORKING WITH THEM AND HE WILL BE PRESENTING THEIR RECOMMENDATIONS.

Mr. Brady: HELLO, MY NAME IS BEN BRADY, PART OF THE ASSETS AND MANAGEMENT BUDGET ADVISORY COMMITTEE, AND TODAY THE DEPARTMENT ASSETS REPORT AND RECOMMENDATIONS THAT WE COMPOSED. I WANT TO THANK OUR STAFF AND THEN THERE WAS SEVEN OTHER PRESENTERS THAT WERE PRESENTING IN OUR COMMITTEE. TODAY WE HAVE FIVE PROGRAMS, FOUR AROUND INFORMATION TECHNOLOGY AND ONE DEALING WITH THE BUILDING. I WILL GET STARTED WITH THE FIRST ONE HERE. PROGRAM OFFER 78320, ITERP, ENTERPRISE RESOURCE PLANNING. AND THIS PROGRAM REPLACES SAP WITH A DIFFERENT ENTERPRISE RESOURCE PLANNER CALLED WORKDAY. WE FEEL THAT THE COUNTY HAS A GOOD JOB OF EXPLORING OPINIONS AND THINKING OF OPTIONS AND OPINIONS ABOUT STRATEGIC THINGS, ABOUT HOW TO PROVIDE HR CRITICAL SERVICES. WORKDAY SHOULD MEET THE COUNTY'S GROWING NEEDS AND MORE EFFICIENTLY THAN SAP. WORK AID CAN REDUCE LONG-TERM OPERATING COSTS AND ENABLE, IMPROVE COLLABORATION AND USABILITY.

WE'RE PLEASE THOUGHT CLOSE THE CONSULTING FIRM ASSIST IN THIS TRANSFER BETWEEN THE TWO PROGRAMS. WE HOPE THE BOARD OF COMMISSIONERS STAYS CLOSE TO THE PROJECT. IT IS HIGH BUDGET DUE COST AND COMPLEXITY AND ANY DEVIATIONS FROM THIS PLAN SHOULD BE CAREFULLY MONITORED. NEXT PROGRAM O'ER IS 78318, I.T., CYBERSECURITY. CYBERSECURITY AND WILL BE A CRUCIAL THING FOR ANY I.T. ORGANIZATION. WE ARE PLEASED TO SEE THE PROGRESS IS BEING MADE AND SUPPORTS THE ON GOING INVESTMENT. THE COUNTY MANAGES A LARGE VOLUME OF HIGH INCIDENT SENSITIVITY PERSONNEL DATA AND IT WILL BE PARAMOUNT IT CONTINUES TO ENSURE IT MANAGES THIS SAFELY AND SECURELY. WE EXPECT TO CONTINUE TO MANAGE INVESTMENTS IN THIS STATE AND STAY AHEAD FOR CYBERSECURITY. NEXT, 78319, I.T. CRIME REST PLACEMENT. 9 CURRENT CRIMES SOFTWARE THAT SERVES BOTH THE JUVENILE AND ADULT CASES IS OBSOLETE AND SHOULD BE REPLACED TO CONTINUE TO MANAGE THESE FUNCTIONS.

Mr. Brady: THE CURRENT SYSTEM IS MINIMALLY SUPPORTED DUE OUTDATED AND DIMINISHING CLIENT USAGE. SUPPORT FOR THIS WILL LIKELY BE DROPPED AND THE COUNTY'S NEED TO BE IN POSITION TO UPGRADE AND REPLACE THIS BEFORE IT HAPPENS. THE FOURTH PROGRAM OFFER IS 78301, I.T. INNOVATIONS AND INVESTMENT PROJECTS. THIS OFFER PROVIDES FUNDING AND GOVERNMENTS, FOR INNOVATIONS IN UPGRADES TO I.T.

PROJECTS. GIVEN THE VOLUME AND DIVERSITY OF THE COUNTY'S I.T. ASSETS, AND THE CRUCIAL FUNCTION THEY SUPPORT, IT IS ESSENTIAL THAT THE COUNTY MAINTAINS A REASONABLE LEVEL OF CURRENCY FOR ITS TECHNOLOGY.

THE COUNTY HAS THE MADE A NUMBER OF GOOD MOVES TO MANAGE THEIR PORTFOLIOS, ESPECIALLY MOVING TO CLOUD-BASED TYPE SYSTEMS BEING A KEY COMPONENT, BUT IT STILL NEEDS TO CONTINUE TO MAINTAIN THE REALISTIC LEVEL OF UPDATES FOR THOSE ASSETS THAT IT RETAINS. AND, THE FINAL ONE IS A PROGRAM OFFER 78218, IT IS A BUILDING, ENHANCING BUILDING REPLACEMENT. WE SUPPORT THIS PROGRAM AND THE ASSESSMENTS OF RELOCATION. IF HANSON IS CONTINUED TO BE USED AS HOMELESS SHELTER, WE WOULD LIKE TO RECOMMEND THIS LOCATION BE REVIEWED AND ASSESSED FOR HEALTH AND LOGISTIC ISSUES. USES. SO THEY ARE A TOTAL OF FIVE DIFFERENT PROGRAMS FOR THE DEPARTMENT OF ASSETS, FOUR IN I.T. AND ONE AROUND A BUILDING. I WOULD LIKE TO THANK MULTNOMAH COUNTY BOARD FOR SUPPORTING CBAC AND ALLOWING CITIZENS TO PARTICIPATE IN THIS BUDGET PROCESS MATTER IN THIS WAY.

Chair Kafoury: WE KNOW YOU PUT A LOT OF TIME IN THIS AND WE APPRECIATE YOUR VOLUNTEER HOURS. THANK YOU.

Ms. Swackhamer: THIS SLIDE TELLS YOU THE INTERNAL SERVICES THAT WHICH PROVIDE. YOU HEAR A LOT ABOUT INFORMATION TECHNOLOGY AND FACILITIES AND PROPERTY MANAGEMENT THIS MORNING. WE ALSO PROVIDE DISTRIBUTION SERVICES, FLEET AND MOTOR POOL AND RECORDS MANAGEMENT AND ARCHIVING. AND THEN WE ALSO AN ADMINISTRATIVE SERVICES GROUP THAT PROVIDES HR, BUDGET, FINANCE AND PROCUREMENT AND CONTRACTING FOR DCA, BUT SOME OF THOSE SERVICES ALSO PROVIDED FOR THE BOARD AND THE COMMISSIONERS, OR THE CHAIR AND THE COMMISSIONERS, EXCUSE ME, AND OTHER NONDEPARTMENTALS AT THIS TIME. THIS SHOWS THE VISION AND VALUES. I WON'T GO THROUGH THEM IN DETAIL BUT I WILL HIGHLIGHT THE TAG LINE WHICH I THINK SUMMARIZES OUR OBJECTIVES AND THAT IS CREATING AN INCLUSIVE WORK PLACE, CREATING INNOVATIVE TECHNOLOGIES, DEVELOPING AND MAINTAINING SUSTAINABLE PRACTICES AND CREATING SYNERGIES WITHIN OUR DIVISION, OUR CUSTOMERS AND OUR COMMUNITY. OUR VISION IS AROUND SUSTAINABILITY. WE HAVE A ADVISORY COMMITTEE MADE UP OF EMPLOYEES AND THEY DEVELOPED SOME GUIDING VALUES. AND THOSE ARE WE CAN BELIEVE IN A SUSTAINABLE FUTURE AND THE TRIPLE BOTTOM LINE OF EQUITY, ECONOMY AND ENVIRONMENT.

WE CHAMPION SUSTAINABLE PRACTICES IN ALL OF OUR WORK. ONE OF THE PROJECTS THAT GROUP WORKED ON WAS AROUND OR CARBON EMISSIONS. WE ACTUALLY MEASURED OUR CARBON EMISSIONS WE PRODUCE IN OUR DEPARTMENT WHICH EQUAL ABOUT, THIS WAS IN 2014, 47,221 METROTON

EQUIVALENT OF CO-2, WE DO THAT WITH ALTERNATIVE FUELS AND HOW WE PURCHASE AND OUR CONSUMPTION, AND THEN ALSO THROUGH BEHAVIORS AND WE'VE DONE A SIGNIFICANT AMOUNT OF TRAINING WITH OUR EMPLOYEES AROUND BEHAVIORS AND HOW TO CHANGE BEHAVIORS AND HAVE ASKED TEAMS AND INDIVIDUALS TO TELL US WHAT CHANGES THEY WILL MAKE IN ORDER TO LOWER OUR CARBON EMISSIONS. THE THEMES, I THINK YOU'VE HEARD SOME TODAY BUT WILL CONTINUE TO HEAR IS OUR FOCUS ON DELIVERING OUR LARGE CAPITAL PROJECTS, CENTRAL COURT HOUSE, HEALTH DEPARTMENT HEADQUARTERS AND PLANNING SYSTEM. WE WILL CONTINUE TO FOCUS ON REALLY MAINTAINING OUR EXISTING ASSETS, WHICH ARE JUST AS IMPORTANT.

Ms. Swackhamer: AS YOU HEARD, WE'RE WORKING ON CAPITAL PLANNING WITH THE STEERING COMMITTEE, STRATEGIC PLANNING IN I.T. AND FACILITIES AND WE'RE FOCUSING ON PROVIDING SECURE AND ENSURING OUR ASSETS ARE SECURE AND RESILIENT. PART OF THE WORK WE WILL BE DOING IN THE FISCAL YEAR 2018 WILL BE WORKING MORE WITH EMERGENCY MANAGEMENT ON OUR RESPONSIBILITIES FROM AN INCIDENT COMMAND INITIATIVE, AND WE'RE ASKING ALL OUR MANAGERS TO GO THROUGH AT LEAST THE FIRST LEVEL OF INCIDENT COMMAND TRAINING. ALSO A FOCUS IS THE APPROACH WE TAKE TO EQUITY. WE HAVE DEDICATED RESOURCES AND EQUITY AND DIVERSITY MANAGER AND WE ALSO HAVE A GROUP OF INTERESTED EMPLOYEES WHO ARE PART OF OUR EQUITY AND SUSTAINABILITY ADVISORY TEAM. OUR MANAGER PROVIDES CONSULTATIONS WITH OTHER MANAGERS, WITH TEAMS AND INDIVIDUALS. HE ACTUALLY MEETS AND HELPS A NUMBER OF OTHER DEPARTMENTS WHEN NEEDED. WE PROMOTE THE PARTICIPATION IN EMPLOYEE RESOURCE GROUPS.

WE REALLY ENCOURAGE OUR EMPLOYEES TO UNDERSTAND WHAT THE GROUPS ARE AND TO PARTICIPATE WHERE THEY FEEL APPROPRIATE. WE HELD THIS YEAR THE FIRST DEPARTMENTAL EMPLOYEE ERG OPEN HOUSE, AND I DON'T JUST MEAN THE FIRST DCA OPEN HOUSE BUT THE FIRST TIME THAT A DEPARTMENT HAD ACTUALLY ASKED ALL OF THE ERGS TO COME AND PRESENT WHO THEY ARE WHAT THEIR ERG IS ABOUT. WE HAD ABOUT 70 EMPLOYEES ATTEND. OF COURSE, WE DID OFFER PIZZA, BUT I DON'T THINK THAT WAS THE ONLY REASON. WE DID A SURVEY AFTERWARDS AND 90% OF THEM WERE INTERESTED IN FINDING OUT MORE ABOUT THE DIFFERENT ERGS. IT WAS VERY SUCCESSFUL AND WE WILL PROBABLY MAKE IT AN ANNUAL EVENT AND HOPE OTHER DON'T'S DO THE SAME. WE FOCUSED ON BLOCK CONNECTIONS IN AN EFFORT TO WORK TOWARDS AN INCLUSIVE WORK PLACE, WE ARE PLANNING THE NEXT ANNUAL EMPLOYEE ALL-STAFF EVENT AT THE END OF MAY AND WE HAVE A GROUP OF VOLUNTEERS AND EMPLOYEES WORKING ON THAT.

HENRY IS THEIR RESPONDER FROM AN EXECUTIVE LEVEL. AND WE HAVE A COMMUNITY SERVICES TEAM THAT, ON A REGULAR BASIS, HOSTS

COMMUNITY SERVICE EVENTS. WE VOLUNTEERED RECENTLY AT THE FOOD BANK, WE CELEBRATED THE MATHEMATICAL PIE DAY BY EATING LOTS OF PIES AND WE COLLECTED TOILETRIES FOR THE WOMEN'S SHELTERS.

Ms. Swackhamer: THESE ARE SOME EXAMPLES. THE FACILITY PROCESSES 27,000 FACILITY WORK ORDERS EVERY YEAR FOR VARIOUS DEPARTMENTS. WE MAINTAIN 62 MILLION FILES AND ABOUT 1,000 DATABASES. WE ARE PLANNING IN FISCAL YEAR 2018 TO OFF SET 100% OF OUR CARBON EMISSIONS VIA RENEWABLE ENERGY CREDITS FOR THE EMISSIONS CAUSED BY ELECTRICITY USE IN COUNTY FACILITIES MUCH WE ADDED 24,000-GALLONS OF ON-SITE FUEL OUT AT YEON SITE WHICH I THINK KIM MENTIONED EARLIER TODAY. THIS IS NOT ONLY SOMETHING WE CAN USE ON A DAY-TO-DAY BASIS, BUT IN THE EVENT OF AN EMERGENCY, THIS IS FUEL AVAILABLE TO THE COUNTY WHICH IS NOT IN A DOWNTOWN LOCATION, WHICH I HAVE FELT A NEED TO HAVE, MORE RECENTLY. WE HELPED THE JOINT OFFICE OPEN AND HELPED THEM MAINTAIN THREE NEW HOMELESS SHELTERS. AFTER MY SLIDE WAS FINALIZED, THERE IS ANOTHER ONE, SO FOUR. AND WE'VE DONATED OVER 1800 ITEMS: THIS IS AN ORGANIZATIONAL CHART THAT GIVES YOU THE BUDGET AND FTE COUNT BY DIVISION IT ALSO SHOWS WE ALSO HAVE NOTED OUR CONTROL, WHICH IS ABOUT ONE TO 10, AND THAT'S PRETTY CONSISTENT FROM AN AREA TO YEAR BASIS. WE DON'T GO UP AND DOWN VERY MUCH.

THIS GRAPH SHOWS OUR FTE BY FUND. WE HAVE A TOTAL OF 346 FTE. WE HAVE A NET INCREASE OF THREE FTE ALL WITHIN OUR CONSTRAINT THIS YEAR. IN GENERAL, WE HAVE AN INCREASE FOR A BUDGET ANALYST SENIOR. IN FLEET, A NET INCREASE OF ONE FTE, A DATA ANALYST SENIOR, AND BOTH OF THESE ARE ALLOWING US TO DO ADDITIONAL REPORTING AND ANALYSIS. WE HAVE A LOT OF DATA AND WE DON'T HAVE A LOT OF TIME OR RESOURCES TO REALLY FOCUS ON HOW TO MAKE BETTER DECISIONS IN THAT DATA. AND IN BOTH CASES THESE POSITIONS WILL HELP US WITH THAT. IN THE FACILITIES MANAGEMENT FUND, WE HAD AN INCREASE OF ONE. WE ELIMINATED A VACANT PROPERTY MANAGER POSITION THAT THE HEALTH DEPARTMENT DID NOT WANT TO FUND ON AN ON-GOING BASIS. AND WE ADDED THESE TWO POSITIONS DUE TO DEMAND FOR SERVICES. WE ALSO MOVED 11.5 FTE THAT WERE IN THE OPERATIONS FUND FOR FACILITY TO SPLIT THEM BETWEEN THE CIP FUND OR THE CAPITAL IMPROVEMENT FUND AND ASSET PRESERVATION FOUND BETTER ALIGN THE WORK WITH THE PROGRAMS.

Ms. Swackhamer: SO THE NEXT TWO SLIDES WILL BE BUDGET BY FUND WITH AN EXPENDITURE PERSPECTIVE. SO THE TOTAL EXPENDITURES ARE 521.8 MILLION. SIDE BY SIDE, YOU WILL ONLY SEE THE COURTHOUSE, SO WE'VE SPLIT THEM UP. WE'RE NOT COMPLAINING, THAT'S JUST HOW IT WORKS. SO AGAIN, THE BUDGET IS 521.8 MILLION IT CONSISTS OF ABOUT 7.3 MILLION IN GENERAL FUNDS, ALL BUT ABOUT 1.8 MILLION OF THAT IS RECOVERED

THROUGH INTERNAL SERVICE RATES. 114.9 MILLION IN INTERNAL SERVICE FUNDS. 398.4 UNTIL CAPITAL FUNDS AND 1.3 MILLION IN CASH TRANSFERS, CONTINGENCY.

Ms. Swackhamer: THE BUDGET INCREASED BY 190.2 MILLION FROM OUR FISCAL YEAR 2017 ADOPTED BUDGET, AND THE INCREASE WAS REALLY DUE TO OUR THREE MAJOR PROJECTS. 136 MILLION, PRESIDENTIALLY, APPROXIMATELY THE DOWNTOWN COURTHOUSE, 41.3 FOR THE ERP PROJECT AND 6.4 FOR DEBT SERVICES. OKAY. AND THIS IS, AGAIN, OUR EXPENDITURE BUT FROM A CAPITAL PERSPECTIVE. WE'VE ALREADY TALKED ABOUT THE MAJORITY OF THOSE NUMBERS, BUT THIS JUST SHOWS THE CAPITAL. THE ONLY THING I WILL HIGHLIGHT IS THE CAPITAL IMPROVEMENT FUND AND ASSET PRESERVATION FUND INCREASED A PERCENT PER BOARD POLICY AND ALSO INCREASED PERSONAL COST DUE TO MOVING THE FTE'S I MENTIONED PREVIOUSLY. SORRY, TURN THE RIGHT WAY HERE. AGAIN, THIS IS OUR BUDGET BY FUNDING SOURCE SO A LITTLE BIT DIFFERENT PERSPECTIVE. PREVIOUSLY, WE TALKED ABOUT EXPENDITURES.

NOW WE'RE TALKING ABOUT REVENUES AND THE NUMBER IS A LITTLE BIT DIFFERENCE BECAUSE THE REVENUES DON'T INCLUDE CASH TRANSFERS, UNAPPROPRIATED DOLLARS AND CONTINGENCIES. WE SPLIT IT WITH CAPITAL. OVER ALL IT INCREASED 57-POINT 57.6% OR 190 MILLION FROM THE 2017 ADOPTED BUDGET AND THE MAJORITY IS BECAUSE OF THE THREE BIG PROJECTS. OUR INTERNAL SERVICE REVENUE INCREASED 6.4% OVER OUR 2017 BUNK, AND THIS WAS PRIMARILY DUE TO THE ERP PROJECT DEBT SERVICE AND A FEW CLIENT REQUESTS. THIS IS THE SECOND SLIDE AND AGAIN SHOWING OUR REVENUES BY EACH CAPITAL FUND.

THE ONLY THING DIFFERENT THAT I WILL POINT OUT HERE IS THAT WE ARE ADDING A NEW FUND FOR FLEET ASSET REPLACEMENT IN FISCAL YEAR 2017 TO SPLIT THE ASSET REPLACEMENT PART OF FLEET FROM OPERATIONS SO THAT WE HAVE MORE TRANSPARENCY AND THEY'RE EASIER TO MANAGE. THIS SLIDE PROVIDES ANOTHER PERSPECTIVE OF OUR EXPENDITURE BUDGET. THE MAJORITY OF OUR EXPENDITURES ARE FOR CONTRACTUAL SERVICES. AGAIN, YOU'RE HEARING A TREND, OUR THREE LARGE PROJECTS. [LAUGHTER] I NEED A FLASHING THING. FOLLOWED BUSINESS PERSONAL COSTS AND MATERIALS AND SUPPLIES. EVERYTHING IS OVERSHADOWED RIGHT NOW BY CONTRACTUAL SERVICES. BY THE THREE BIG PROJECTS.

NEXT WE'RE GOING TO LOOK AT OUR BUDGET FROM A DIVISION PERSPECTIVE. YOU CAN SEE IN THIS SLIDE WHAT I WAS TALKING ABOUT WITH FACILITIES. WHEN THE REST OF OUR DIVISIONS ARE OVER SHADOWS THIS YEAR, BUT THAT'S GOOD. AND I WILL ALSO SAY THAT I'LL APOLOGIZE BECAUSE I REALIZED, WHEN PRACTICING THIS AFTER WE HAD SENT EVERYTHING TO LINDA, NOWHERE DO WE DEFINE THE ACRONYM OF FMDRSS. AND IT IS FLEET MOTOR POOL DISTRIBUTION RECORDS AND STRATEGIC

SOURCING, JUST FOR THE RECORD. DON'T MAKE ME SAY IT AGAIN. SOMETIMES I CAN'T REMEMBER ALL OF THEM. LET'S SEE IF THERE IS ANYTHING DIFFERENT. ASIDE FROM CAPITAL, THE MAJORITY OF OUR FUNDS COME FROM INTERNAL SERVICE RATES. AND WE DO GET A LITTLE BIT OF GENERAL FUND FOR STRATEGIC SOURCING AND THE ADMINISTRATIVE SERVICES HUB. THERE IS NO HUGE CHANGES IN THE DIRECTOR'S OFFICE THIS YEAR.

Ms. Swackhamer: THERE WAS AN INCREASE IN SERVICE LEVELS AND CONSTRAINTS. NO CHANGE IN FTE. 100% OF THESE COSTS ARE RECOVERED THROUGH INTERNAL SERVICE CHARGES. WE ARE STARTING TO BUY RENEWABLE ENERGY CREDITS TO OFF SET THE ELECTRICITY USED IN OUR FACILITIES. THE FACILITIES AND PROPERTY MANAGEMENT DIVISION HAVE PREVIOUSLY PURCHASED ABOUT 20,000 EVERY YEAR. AFTER WE SET OUR RATES, WE REALIZED WE COULD OFF SET 100% BY 30,000 IN ADDITIONAL CREDITS SO WE ARE DOING THAT THIS YEAR IN THE DIRECTOR'S OFFICE BE, BUT THAT WILL BE ROLL INTO THE RATES NEXT YEAR. FROM A STRATEGIC DIRECTION, YOU'VE HEARD WHAT OUR PRIORITIES ARE AND OUR STRATEGIC PROJECTS, MAINTAINING OUR OVER ALL SERVICE DELIVERY, SECURITY, BOTH PHYSICAL AND CYBER, AND ALSO SUCCESS PLANNING, ESPECIALLY IN KEY FUNCTIONS AND IN LIGHT OF POTENTIAL PERS. CHANGES WE ARE LOOKING AT WHAT OUR RISK MIGHT BE.

SOME OF OUR CHALLENGES ARE EVERY YEAR RECRUITING AND RETAINING TALENT WHICH IS WHY WE HAVE SUCH A BUG EFFORT AND FOCUS ON BUILDING AN INCLUSIVE WORK PLACE. WE DO WANT TORY TAKEN THE EXCELLENT TALENT WE HAVE AND WE WANT TO BE ABLE TO RECRUIT NEW TALENT. MINIMIZING OUR SECURITY RISKS, BUT ESPECIALLY FROM A CYBERSECURITY PERSPECTIVE, BUILDING RESILIENCE AROUND REDUNDANCY, WHICH WE TALKED ABOUT, AND SOME THINGS WHICH TALKED ABOUT EARLIER THIS MORNING IS REALLY MODERNIZING FOR THE FUTURE, BOTH TECHNOLOGY FACILITIES, FLEET, JUST ALL OF OUR INTERNAL --

Chair Kafoury: YOU GOING TO BUY SOME FLYING CARS FOR FLEET?

Ms. Swackhamer: WE'RE LOOKING INTO THAT. [LAUGHTER] NOW I'M GOING TO TURN IT OVER TO HENRY AND HE IS GOING TO TALK ABOUT FACILITIES.

Mr. Alaman: OUR FUND INCREASES BY 142 MILLION WITH A NET CHANGE OF ONE FTE. ABOUT 6 MILLION IS FROM HEALTH DEPARTMENT HEADQUARTERS. THAT ONE FTE, I KNOW IT LOOKS LIKE WE ADDED A ENGINEER AND CARPENTER BUT WE ALSO REDUCED BY ONE PROPERTY MANAGER THAT WAS REQUESTED BY A CLIENT, SO THAT'S WHY WE GET THE NET CHANGE. WE TALKED EARLIER ABOUT THE LARGE CAPITAL PROJECTS BEING FUNDED PRIMARILY THROUGH A COMBINATION OF FUNDING, ONE-TIME ONLY GENERAL FUND DEBT. ADMINISTRATION COSTS THAT MOVES FROM CIP

OPERATIONS TO CIP, AP THIS WAS LOT OF IT'S JUST KIND OF CLEANING UP OUR ACCOUNTING. WE HAVE A SITUATION WHERE WE HAD SOME CAPITAL FUNDS THAT ABOUT IN OPERATING BUDGET AND SOME OPERATING BUDGETS IN CAPITAL FUNDS SO WE CLEANED THAT UP AND GOT IT SQUARED AWAY.

Mr. Alaman: AS WE TALKED ABOUT THIS MORNING, WE HAVE THREE ONE-TIME ONLY OFFERS THAT ARE BEING LOOKED AT IN 2018. THE DETENTION CENTER EYE ELECTRONICS, MULTNOMAH BUILDING SEISMIC ASSESSMENT. THIS NEXT PAGE, AID CHANCE TO BRIEF THE TREE NEW COMMISSIONERS AND THEY WERE KIND OF ASTOUNDED WE DID 27,000 WORK ORDERS. THAT IS LIKE 80 A DAY. THAT IS CLIENT REQUESTS AND CAPITAL WORK ORDERS, THAT IS TRADES IN SUPPORT OF THE CAPITAL PROJECTS ON GOING. SO OUR PRIORITIES FROM THE FACILITIES AND PROPERTY MANAGEMENT PERSPECTIVE ARE, SURPRISE, SURPRISE, MAJOR CONSTRUCTION AND REDEVELOPMENT, THAT'S WHERE OUR FOCUS SYSTEM ALSO IMPLEMENT THE PROJECT INITIATIVES TO BUILD RESILIENCY AND IMPROVE SAFETY, SECURITY AND MODERNIZE THE FACILITY.

SO THE EXAMPLE WE GAVE EARLIER WAS MTDC, ADDED SECURITY, THE STUDY FOR RESILIENCY AND MODERNIZE FACILITIES THROUGH WORK PLACE MODERNIZATION INITIATIVE. AND ALIGNING OUR DEPARTMENTAL PROGRAM, NEEDS THROUGH UPDATING THE FACILITY ASSETS. OUR CHALLENGES AS THE CHAIR MENTIONS EARLIER TODAY, ESCALATING MARKET IS REALLY UNPRECEDENTED. WE'RE SEEING SOME BIDS COMING IN AT 30% OVER WHAT WE EXPECTED, WHICH IS THE HIGHEST I HAD EVER SEEN BEFORE THAT. LIKE 15. THIS IS A UNIQUE MARKET WE'RE IN. MANAGING POLITICAL EXPECTATIONS AND RISKS AND BALANCING THE ON GOING OPERATIONAL NEEDS ABOUT PROJECT DEMANDS. I THINK WITH THAT, BOB IS GOING TO TALK ABOUT INFORMATION TECHNOLOGY.

Mr. Leek: GOOD AFTERNOON. AS WE'VE SHARED, OUR FUNDS HAVE ALSO INCREASED. THE MAJORITY OF THAT INCREASES ASSOCIATED WITH THE ENTERPRISE RESOURCE PLAN PROJECT, THE ERP PROJECT. WE'VE HAD NO CHANGE IN FTE FROM CURRENT FISCAL YEAR PROJECTED IN NEXT FISCAL YEAR. WE ARE ATTEMPTING TO USE ALL THE SERVICES THAT WE HAVE AND MAKE SURE THAT WE'RE DOING THE RIGHT WORK AND I THINK, AS I MENTIONED THIS MORNING, THE FOCUS AROUND ERP THAT'S WHERE WE'RE GOING TO BE FOCUSED ON. SO ALL THE OTHER WORK WE DO IN I.T. WE EXPECT TO CONTINUE ALONG, AS WELL. WE DID ADD THE NEW PROGRAM OFFER FOR THE ERP PROGRAM ITSELF.

THERE IS THE FIRST YEAR OF THE DEBT REPAYMENT FOR THE ERP PROJECT BEGINS IN FISCAL 18, THAT'S \$6.4 MILLION. AND, THEN, THE PROGRAM OFFER FOR CRIMES THAT WE HAVE SHARED, A SMALL INCREASE DUE TO THE UPDATED PLANS ON THE REPLACEMENT OF THAT CASE MANAGEMENT SYSTEM FOR THE DISTRICT ATTORNEY'S OFFICE. THAT INCREASE WAS 300-K.

HENRY AND I ARE COMPETITIVE, SO WHILE HE IS DOING 27,000 WORK ORDER OTHERS, WE ARE DOING 31,000 TICKETS AND REQUESTS. [LAUGHTER] SORRY.

Mr. Leek: THIS IS A KEY SERVICE WE PROVIDE, PEOPLE CAN CALL A FIVE-DIGIT NUMBER AND GET HELP WITH SUPPORT OF THEIR TECHNOLOGY QUESTIONS AND NEEDS. WE SERVE AS A HELP DESK, NOT A CALL CENTER, SO OUR ATTEMPT IS TO DO FIRST CALL IT RESOLUTION. WHEN SOMEONE CALLS IN, WE WANT TO SOLVE THEIR PROBLEM. WE HAVE TWO TYPES OF CALLS THAT COME IN. INCIDENTS, WHICH EQUATES WITH I HAVE A PROBLEM, AND SERVICE REQUESTS, WHICH IS I WANT TO HAVE SOMETHING NEW AND ENHANCED. THIS SHOWS TRENDS IN THE PAST FEW YEARS OF THE ACTIVITY IN OUR HELP DESK AND IT IS THE PLACE IN ADDITION TO OUR FIELD PERSONNEL WE ARE TOUCH PEEL ON A DAY-TO-DAY BASIS, SO IT IS A MEASURE DO WE TRACK. WE'RE HAPPY TO SEE THE INCIDENT TICKETS GO DOWN, SOME OF THAT IS JUST RELATED TO THE FACT THAT PEOPLE HAVE BECOME MORE TECH SAVVY, THERE IS A LOT OF SELF SERVICE HELP WE'RE TRYING TO PUT IN PLAY SO ALL PART OF OUR STRATEGY AND WE WANTED TO SHARE THIS SLIDE SO I COULD TAKE A LITTLE BIT OF CREDIT OVER THE FACILITIES GROUP.

THEN, LASTLY, TO SHARE FROM THE INFORMATION TECHNOLOGY GROUP, OUR PRIORITIES AND CHALLENGES, THE SOLUTIONS THAT WE'RE GOING TO BUILD TO INCREASE ACCESS TO ALL COUNTY SERVICES IS AN OVER ALL PART OF OUR DIGITAL STRATEGY, AND IT IS ALL ABOUT THE FACT THAT WE KNOW THAT WE DON'T TOUCH THE PUBLIC DIRECTLY WITH OUR TECHNOLOGY, THE I.T. ORGANIZATION, BUT WE CREATE THE CAPABILITIES FOR TEAMS TO CREATE SERVICES TO THE PUBLIC AND OUR FOCUS AROUND INCREASING THE ACCESS AND AVAILABILITY OF THAT DATA AND THOSE SYSTEMS IS A KEY PRIORITY FOR US. ALSO IN OUR DIGITAL STRATEGY IS RISK, MITIGATING THE RISK OF SERVICE INTERRUPTIONS AND THAT IS PRIMARILY THREE AREAS. TECHNOLOGY ON OBSOLESCENCE, AND DISASTER READINESS. DCA WILL WORK CLOSELY WITH EMERGENCY MANAGEMENT TO TAKE NEXT STEPS IN THE PLANS THAT HAVE BEEN SHARED FROM THE EMERGENCY MANAGEMENT GROUP AROUND THE CONTINUITY OF OUR OPERATIONS AND READINESS TO RESPOND IN THE FACE OF A DISASTER.

WE DO HAVE A SET OF CHALLENGES, I THINK THE ONE THAT WE KEEP CIRCLING AROUND TO AND IS CAUSING US TO DO PERPETUAL RECRUITING, ESPECIALLY IN THIS MARKET IS GAINING AND RETAINING THE TALENT THAT WE NEED PULL OFF ALL THESE PLANS THAT WE HAVE SO WORKING VERY CLOSELY WITH THE CENTRAL HR GROUP, WITH OUR DIVERSITY AND EQUITY SUPPORT THAT WE HAVE TO CREATE AN INCLUSIVE WORK PLACE, WE'RE SPENDING A TREMENDOUS AMOUNT OF TIME AND ATTENTION ON HAVING THE COUNTY BE AN EMPLOYER OF CHOICE OR A DESTINATION FOR FOLKS TO COME TO. ABOUT SOME PARTICULAR EMPHASIS ON OUR GROUPS THAT MIGHT TRADITIONALLY NOT BE THOUGHT OF AS I.T. PERSONNEL, SO WE'RE

LOOKING AT A KEY FOCUS AROUND MINORITIES AND VETERANS AND PEOPLE THAT ARE RE-CAREERING-ABLE. I WAS IN ONE CAREER FOR MOST OF MY LIFE AND NOW I WANT TO LEARN I.T. WE WANT TO CREATE OPPORTUNITIES.

Mr. Leek: ON BEHALF OF MY PEERS, I WAS PRACTICING HOW TO SAY THIS ACRONYM BUT I'M NOT GOING TO. FLEET MOTOR POOL RECORDS AND STRATEGIC SOURCING, AROUND THE FISCAL '18 BUDGET. THIS IS ONE AREA WE HAVE A SMALL AMOUNT OF GENERAL FUND. YOU CAN SEE THE SMALL SLIVER AT THE BOTTOM OF THE TWO BARS. THAT'S ASSOCIATED WITH OUR STRATEGIC SOURCING ACTIVITIES THAT ARE A PART OF THIS DIVISION. OVER ALL, THE FUNDS INCREASE BY A MILLION DOLLARS AND ONE FTE. THAT FTE IS ASSOCIATED WITH HELPING TO MANAGE SOME NEW TECHNOLOGY THAT WE'RE PUTTING IN PLACE AROUND OUR FLEET AND ASSET MANAGEMENT ACTIVITIES, AND THEN PROVIDING DATA AND ACTIVITY BACK TO THE DEPARTMENTS ON THE USAGE OF THE FLEET AND HOW TO OPTIMIZE THOSE ASSETS OUT OF WHAT WE PROVIDE OUT TO THE COUNTY. AND, THEN, LASTLY, WE ALSO IN THIS AREA WE DID SOME WORK WITH THE FLEET ASSET FUND, THAT WAS EXISTING MONEY BUT WE MOVED IT INTO ITS OWN FUND TO BE CONSISTENT SO WE'RE ABLE TO REPORT ON THE USE OF THOSE FUNDS IN A CONSISTENT WAY.

THIS IS A TREND SLIDE WE THOUGHT WE WOULD SHARE AROUND MUTLCO MARKETPLACE. AND MULTCO MARKETPLACE IS A SET OF CAPABILITIES THAT WENT LIVE UNDER THAT MONIKER IN 2012. WHAT IT PROVIDES IS, THINK OF GOING OUT TO AMAZON AND YOU WANT TO BUY SOMETHING BUT YOU DON'T REALLY HAVE TO WORRY ABOUT WHICH ORGANIZATION YOU'RE GOING TO BUY THAT FROM. AMAZON DOES A LOT OF WORK BEHIND THE SCENES TO GET TO ADVANTAGEOUS PRICING. SO I WANT TO BUY THIS PEN AND BY TO THE SITE AND I WANT TO BUY A PEN AND IT PRESENTS ME WITH OPTIONS. MULTCO MARKETPLACE IS THAT FOR US. THAT CONTINUES TO BE LEVERAGES. THERE ARE TWO LINES HERE. ON THE RIGHT-HAND SIDE YOU SEE THE NUMBER OF PURCHASE ORDERS. THAT SYSTEM AND THE TEAM THAT SUPPORTS THAT PROCESSED ALMOST 21,000 PURCHASE ORDERS IN FISCAL '16 AND THAT WAS OVER 58,000 ITEMS THAT THEY PROCESSED THROUGH THAT. AND, THEN, THE BLUE LINE REFLECTS THE AMOUNT OF SPEND THAT IS GOING THROUGH THAT SYSTEM SO A LITTLE BIT BETWEEN 6 AND \$7 MILLION WORTH OF PRODUCTS ARE BEING PURCHASED THROUGH THAT.

WHAT IS GREAT ABOUT THAT SERVICE IS, IF IT IS IN MULTCO MARKETPLACE, IT IS PREAUTHORIZED TO BUY. PROCUREMENT AUTHORITY HAS BEEN GRANTED. YOU DON'T HAVE TO WORRY ABOUT WHETHER WE CAN BUY FROM THAT COMPANY OR THIS COMPANY, ALL THAT IS HAPPENING UNDER THE HOOD AND MULTCO MARKETPLACE PROVIDES THE TECHNOLOGY CAPABILITY TO DO THAT FOR EVERYONE ACROSS THE COUNTY. THEN, OUR LAST SLIDE CONSISTENT WITH THE OTHERS WE SHARED TODAY AROUND THE PRIORS

AND CHALLENGES SHALL WE DO HAVE A JOB ORDER CONTRACTING PILOT THAT IS GOING ON. I ASKED WHAT IS JOB ORDER CONTRACTING, AND THE ANALOGY I GOT A COUPLE YEARS AGO, MY WIFE AND I DECIDED TO DO SOME REMODELING IN MY HOUSE. RATHER THAN WRITE A CONTRACT WITH A SHEET WALLER, A PAINTER, A PLUMBER, ELECTRICIAN AND MAYBE OTHER RESOURCES, END UP WITH FIVE OR SIX CONTRACTS I WOULD HAVE TO NEGOTIATE, I WORK WITH AN ORGANIZATION, A GENERAL CONTRACTOR WHO THEN DOES ALL THE CONTRACTING FOR THOSE SUB SERVICES.

Mr. Leek: SO WE ARE PERFORMING A PILOT WITHIN DCA TO ALLOW US TO PUT IN PLACE AN EQUIVALENT FUNCTION FOR THE COUNTY, FOR WORK THAT DCA DOES. THERE ARE MANY PROCESSES THAT WOULD LEAD TO A SUCCESSFUL CONTRACT EXECUTION. WE HAVE TO SOURCE POTENTIAL PARTNERS AND SUPPLIERS, TO NEGOTIATE CONTRACTS AND TO DO THE INDIVIDUALIZED OVERSIGHT AND COMPLIANCE TRACKING FOR EACH ONE OF THOSE. IF WE HAVE JOB ORDER CONTRACTING, THEN WE WOULD FEEL THAT WE HAVE ONE PERSON TO WORK WITH WHO WILL TAKE CARE OF SOME OF THOSE DETAILS. ONE POINT OF ACCOUNTABILITY, IT IS GOING TO REDUCE OUR COSTS AND COMPLEXITY AND SPEED OUR PROJECTS. THAT PILOT IS FOCUSED ON PROJECT THAT ARE \$150K OR SMALLER. IT IS A TWO-YEAR PROOF OF CONCEPT, AND WE'RE LOOKING FOR PARTNERS TO WORK WITH THAT PROVIDE A BROAD RANGE OF SERVICES, KIND OF WHAT I DESCRIBED EARLIER. THAT IS A KEY PRIORITY IN THE UPCOMING FISCAL YEAR.

OUR CHALLENGES, THERE IS A THEME AROUND RECRUITING AND RETAINING OUR FOLKS. THIS GROUP ALSO FACES THE POTENTIAL FOR KEY PERSONNEL RETIRING IN THE NEXT COUPLE YEARS TIED TO DECISION AROUND PERS AND THEIR OWN CHOICES, OF COURSE. AND, THEN, WE HAVE A LOT OF MODERNIZATION GOING ON IN THIS GROUP. THE ENTERPRISE RESOURCE PLAN PROJECT IS GOING TO HAVE A KEY AND PRIMARY IMPACT ON THIS GROUP IN TERMS OF CARRYING THAT WORK FORWARD. THANK YOU. I'M GOING TO TURN THINGS OVER TO LISA.

Ms. Whedon: I HAVE THE PRIVILEGE TO TALK ABOUT THE ADMINISTRATIVE SERVICE HUB, THE TINY LINE NEXT TO THE DIRECTOR'S OFFICE IN THE BUDGET. WE HAVE TO WORK WITH THAT TINY LINE SO WE PROVIDE HUMAN RESOURCES, PROCUREMENT, CONTRACTING, FINANCING, BUDGETING, INTERNAL SERVICE RATE SETTING, CAPITAL PLANNING, ACCOUNTS PAYABLE, ACCOUNTS RECEIVABLE, TRAVEL ARRANGEMENTS AND OTHER ADMIN SERVICES. THESE SERVICES ARE PROVIDED TO THE DEPARTMENT OF COUNTY ASSETS AND MANY TO THE DEPARTMENT OF COUNTY MANAGEMENT AND NONDEPARTMENTAL AGENCIES. YOU CAN SEE ON THE GRAPH, OUR GENERAL FUND INCREASED BY \$.4 MILLION. THIS IS PRIMARILY BY INTERNAL SERVICE CHARGES AND PERSONNEL. THE MAJORITY OF OUR COSTS ARE RECOVERED VIA INTERNAL SERVICE CHARGES, AND WE TOOK OUR 2% REDUCTION IN TEMPORARY SALARY-RELATED AND TRAVEL EXPENSES.

Ms. Whedon: WE'RE ADDING ONE FTE BUDGET ANALYST SENIOR TO MY GROUP, THE BUDGET AND PLANNING TO PROVIDE HIGHER ANALYSIS AND MODELING FOR INTERNAL SERVICE RATES AND TO HELP WITH THE CAPITAL PROJECTS. OTHER PRIORITIES ARE SIMILAR TO THOSE ALREADY DISCUSSED WITH SUCCESS PLANNING, CROSS TRAINING AND DOCUMENTATION IS GOING TO BE A PRIORITY, WHICH GOES HAND IN HAND WITH THE SUCCESSION PLANNING AND CONTINUED PROCESS IMPROVEMENT. ABOUT A YEAR AND A HALF AGO, WE STARTED A LEAN PROCESS FOR SERVICES AND INTERNAL SERVICE RATES AND WOULD LIKE TO CONTINUE THAT PROCESS AND WORK ACROSS OUR INTERNAL SERVICE DIVISIONS TO PROVIDE MORE EFFICIENCIES. SOME OF OUR CHALLENGES WILL BE SIMILAR AS MANAGING THE CHANGE RELATED TO THE ERP IMPLEMENTATION AND THEN BUILDING THE INFRASTRUCTURE AND BENCH STRENGTH AND SUCCESS.

LASTLY, JUST MANAGING EXPECTATIONS AND UNPREDICTABLE VOLUMES OF THE WORK. WHAT WE WOULD LIKE TO DO IS CONTINUE TO WORK AND BUILD RELATIONSHIPS WITH OUR CUSTOMERS TO SET REALISTIC EXPECTATIONS, WHICH MEET THEIR NEEDS IN A HELPFUL AND MEANINGFUL WAY. AND, THEN, THIS NEXT SECTION WE'LL BE COVERING THE GENERAL FUND REDUCTIONS, NEW AND ONE-TIME ONLY OFFERS AND LEGISLATIVE IMPACTS AND FUTURE POLICY ISSUES. THIS SLIDE DEMONSTRATIONS WHERE WE TOOK OUR 2% IN TOTAL IT WAS 37, ALMOST \$38,000. WE HAD THREE PROGRAM OFFERS, ADMINISTRATIVE HUB PROCUREMENT CONTRACTING AND THEN THE HUMAN RESOURCES GROUP, AND COUNTY WIDE STRATEGIC SOURCING. AND AGAIN, THEY TOOK IT IN TEMPORARY PERSONNEL, SALARY-RELATED EXPENSES AND TRAVEL. AND I WILL TURN IT OVER BACK TO SHERRY.

Ms. Swackhamer: SO THIS SLIDE REPRESENTS OUR NEW AND ONE-TIME ONLY REQUESTS. THE ONES THAT ARE HIGHLIGHTED, THESE PROGRAM OFFERS RECEIVED NEW FISCAL YEAR 2018 GENERAL FUNDS, AS A PART OF THE PROPOSED BUDGET. THREE OF THOSE ARE NEW AND YOU HEARD ABOUT ALL THREE OF THEM THIS MORNING. THE MCDC INTENTIONAL ELECTRONICS, MULTNOMAH BUILDING SEISMIC AND THE ADVANTAGES SITE ASSESSMENT. ONE OTHER NEW OFFER WHICH WILL BE DEBT FUNDED IS THE ERP PROGRAM TOWARD THE BOTTOM THERE. FROM THE LEGISLATIVE IMPACTS AND FUTURE POLICY ISSUES WE CAN DON'T RECEIVE FROM THE STATE OR FEDERAL GOVERNMENT SO WE WON'T HAVE DIRECT IMPACTS BUT WE COULD HAVE DIRECT IMPACTS BASED ON WHAT HAPPENS WITH OTHER DEPARTMENTAL BUDGETS AND WE'RE PREPARED TO WORK WITH THEM TO ADJUST OUR BUDGET AS NECESSARY ONCE WE KNOW THE RESULTS.

IN SUMMARY, THINGS WE'LL BE LOOKING FORWARD TO THIS YEAR ARE GETTING OUR GUARANTEED MAXIMUM PRICE FOR OUR TWO BIG CONSTRUCTION PROJECTS; UNDERSTANDING BETTER THE SEISMIC LIABILITY FOR THE MULTNOMAH BUILDING; STRENGTHENING OUR CYBERSECURITY

OVERSITE; AND CONTINUING TO FOCUS ON AN INCLUSIVE WORKPLACE TO MAINTAIN AND RETAIN EMPLOYEES AND RECRUIT NEW ONES. I THINK WE'RE EXCITED AND READY TO CONTINUE TO MAKE PROGRESS THIS YEAR. WE KNOW THAT YOU'RE AWARE, AS EVERYONE ELSE, THAT WE DON'T REALLY KNOW WHAT IS GOING TO HAPPEN THIS YEAR, SO THERE ARE A LOT OF UNCERTAINTIES BUT WE LOOK FORWARD TO COLLABORATING WITH DEPARTMENTS AND THE BOARD TO MAKE ADJUSTMENTS WHERE NEEDED AND TO MOVE OUR DEPARTMENT FORWARD. THANK YOU, AND WE'RE AVAILABLE TO ANSWER ANY QUESTIONS YOU HAVE.

Commissioner Stegmann: SINCE I REPRESENT EAST COUNTY, I'M EXCITED THAT YEON IS GOING TO HAVE SOME EMERGENCY FUEL. IT IS OBVIOUSLY GOOD TO HAVE SOMETHING IN EAST COUNTY, IF SOMETHING HAPPENS ON THE WEST SIDE. SO AGAIN, THERE IS SO MUCH INFORMATION HERE. I KNOW THE EARLIER WE TALK ABOUT THE PRIVACY AND I GUESS I'M KIND OF ALLUDING TO, LIKE, WHETHER PEOPLE ARE DOCUMENTED OR UNDOCUMENTED AND HOW WE MANAGE THAT INFORMATION WITH OUR CONTRACTORS AND THINGS LIKE THAT, AND I NOW THAT YOU'RE LOOKING AT THAT SO WHEN IT STARTS FILTERING IT DOWN, I THINK COMMISSIONER PETERSON HAS MENTIONED WHEN WE'RE DEALING WITH SUBCONTRACTORS, WHAT IS THEIR WORLD LIKE AND WHAT DO THEY HAVE TO REPORT. AND IF WE'RE WORKING WITH THEM. SO I WANT TO MAKE SURE WE'RE ON TOP OF THAT AND MAKING SURE THAT WE'RE ABLE TO PROTECT PEOPLE'S INFORMATION. I KNOW YOU'RE WORKING ON IT AND THANK YOU FOR THE INFORMATION.

Chair Kafoury: THANK YOU. IT IS WEDNESDAY, WE WILL SEE YOU ALL, I'M SURE, TONIGHT AT 6:00 P.M. FOR OUR FIRST PUBLIC HEARING. IT IS GOING TO BE EXCITING. [GAVEL]

ADJOURNMENT – 3:00 p.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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