

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Tuesday, April 26, 2016**

**BUDGET WORK SESSION #1**

Chair Deborah Kafoury called the meeting to order at 9:35 a.m. with Vice-Chair Loretta Smith and Commissioners Jules Bailey, Judy Shiprack, and Diane McKeel present.

Also attending were Jenny Madkour, County Attorney, and Lynda Grow, Board Clerk.

Chair Kafoury: GOOD MORNING. WELCOME TO THE BOARD OF COMMISSIONERS BUDGET WORK SESSION #1.

**BWS-1.a Budget Kick Off Session. Presenter: Michael Jaspin, Interim Budget Director and County Economist.**

Mr. Jaspin: GOOD MORNING, MIKE JASPIN FROM THE BUDGET OFFICE. WHEN WE STARTED TODAY, I THINK IT'S HELPFUL TO REMEMBER THAT SOME OF OUR DEPARTMENTS STARTED WORKING ON THEIR BUDGETS WAY BACK IN SEPTEMBER OF LAST YEAR. THE BUDGET PROCESS BECAME A LITTLE BIT MORE PUBLIC IN EARLY DECEMBER WHEN WE DID THE GENERAL FUND FORECAST WHICH HELPS SET THE PARAMETERS FOR THE UPCOMING YEAR. IN THE MIDDLE OF FEBRUARY DEPARTMENTS SUBMITTED THEIR BUDGETS. WE DID A FORECAST IN MARCH WHICH PROVIDED YOU WITH A LITTLE BIT OF GOOD NEWS. THEN LAST WEEK THE CHAIR FORMALLY PROPOSED HER BUDGET AND THE BOARD APPROVED IT SO WE COULD START PUBLIC DELIBERATIONS. FOR THE ENDS OF APRIL AND THROUGH MOST OF MAY WE'LL HAVE DEPARTMENTAL PRESENTATIONS. WE WILL BE BEFORE YOU ON MARCH 17TH WITH AN UPDATED FORECAST.

THE FOLLOWING DAY WE HAVE A TAX SUPERVISING AND CONSERVATION COMMISSION HEARING. THERE WILL BE THREE PUBLIC HEARINGS SPREAD OUT THROUGHOUT THE COUNTY OVER THE NEXT THREE WEEKS. THEN WE ARE TARGETED TO ADOPT THE BUDGET ON MAY 26TH. SOME SPECIFICS THIS WEEK IS CALLED GENERAL GOVERNMENT WEEK. WE WILL DO THE FINANCIAL OVERVIEW TO SET UP THE WORK SESSIONS TODAY ALONG WITH CBAC PRESENTATION. WE WILL ALSO REVIEW OUR DEBT LEVELS, FINANCIAL AND BUDGET POLICY AND THEN START CAPITAL BRIEFINGS. WE WILL HEAR FROM THE DEPARTMENT OF COUNTY ASSETS AND COMMUNITY SERVICES, ASIDE FROM THE SERVICES THEY PROVIDE ARE THE DEPARTMENTS WHERE WE SPEND MOST OF OUR CAPITAL. WE'LL ALSO COVER THE DEPARTMENT OF COUNTY MANAGEMENT AS WELL AS THE LIBRARY AND WE HAVE ONE PUBLIC HEARING ON WEDNESDAY FROM 6:00 TO 8:00.

Mr. Jaspin: IF THAT'S NOT ENOUGH TO KEEP YOU BUSY YOU WILL ALSO BE ACTING AS THE SANITATION DISTRICT AS WELL AS MID COUNTY STREET LIGHTING DISTRICT THURSDAY DURING YOUR REGULAR BOARD SCHEDULE. NEXT WEEK WILL BE PUBLIC SAFETY. WE'LL COVER THE THREE PUBLIC SAFETY DEPARTMENTS AND OFFICES ALONG WITH ANOTHER HEARING IN EAST COUNTY. WE ALSO HAVE TIME THROUGHOUT THE COUNTY FOR ANY POLL-UP QUESTIONS OR WORK SESSIONS THAT WE NEED TO SCHEDULE. WE THREE AT HEALTH AND 11-NEWS MIDDAY SERVICES SO WE'LL COVER THE HEALTH DEPARTMENT AND HUMAN SERVICES ALONG WITH TIME FOR FOLLOW UP. OUR THIRD AND FINAL HEARING WHICH WILL BE IN THIS BUILDING. WE FOUR WILL BE THE GENERAL FORECAST UPDATE. WE'LL COVER NONDEPARTMENTAL AREAS WHICH WILL COVER THE JOINT OFFICE FOR HOMELESS SERVICES.

AS I SAID BEFORE WE'LL HAVE THE TAX SUPERVISING AND CONSERVATION HEARING THAT WEEK AND REVIEW ANY DEPARTMENTAL AMENDMENTS THAT WEEK. FINALLY, ON WEEK 5 WE'LL ADOPT THE BUDGET. THIS WILL BE THE FINAL CHANCE FOR ANY AMENDMENTS FROM THE BOARD, BUDGET NOTES AND WE'LL HAVE A FOLLOW-UP WORK SESSION. WHEN WE ADOPT THE BUDGET, WE WILL NOT ONLY ADOPT THE BUDGET BUT WE WILL ALSO YOU'LL SEE OUR RESOLUTION TO REFI PROPERTY TAXES, DEFINE COUNTY FUNDS, TO ADOPT OUR POLICIES FOR THE UPCOMING YEAR AS WELL AS THE COMPENSATION PLANS FOR EMPLOYEES NOT COVERED BY COLLECTIVE BARGAINING. THESE ONE I LEFT OFF, ASK TO APPROVE OUR INVESTMENT POLICIES FOR THE FOLLOWING YEAR. SOME BASIC MECHANICS. DURING ANY WORK SESSION, A BOARD MEMBER MAY PROPOSE A BUDGET AMENDMENT. WE'LL WRITE IT UP ON OUR PIECE OF PAPER LIKE WE DO EVERY YEAR AND SHOOT THOSE BACK TO YOU TO MAKE SURE WE CAPTURED THE INTENT OF YOUR AMENDMENT.

LIKEWISE, YOU MAY PROPOSE A BUDGET NOTE AT ANY TIME DURING THE PROCESS AND WE'LL DO THE EXACT SAME THING. AND YOU CAN ALSO ASK FOR ANY FOLLOW-UP INFORMATION AND WE WILL TIE TO RECORD THAT INFORMATION AND GET RESPONSES BACK TO YOU AS FAST AS WE CAN. AS A REMINDER THERE ARE NO VOTES DURING THE BUDGET WORK SESSIONS. WE'LL JUST HAVE A LOT OF VOTING ON THE 26TH. YOU'LL SEE A NUMBER OF DEPARTMENTAL PRESENTATIONS. WE PROVIDED A STANDARD TEMPLATE FOR ALL DEPARTMENTS BUT ONE SIZE NEVER FITS ALL SO I'M SURE YOU'LL SEE SOME CREATIVITY IN DISPLAYING THEIR BUDGETS. I WANT TO POINT OUT A COUPLE OF THINGS ABOUT THOSE PRESENTATIONS. WE HAVE ASKED DEPARTMENTS TO INCLUDE FIVE OR SIX SLIDES THAT PROVIDE FINANCIAL OVERVIEW OF THE DEPARTMENT. YOU HAVE TO DO THAT FOR ANY BUDGET TO UNDERSTAND IT BUT SINCE MOST OF YOU HAVE BEEN THROUGH SEVERAL BUDGETS WE HAVE ALSO TOLD THEM TO KIND OF GO THROUGH THOSE QUICKLY BECAUSE THEY PROVIDE CONTEXT BUT WON'T OUTLINE A LOT OF POLICY DECISIONS THE DEPARTMENTS FACED.

Mr. Jaspin: WE HAVE ASKED DEPARTMENTS TO PROVIDE TRENDS AND POLICY CHANGES BY DIVISION FOR YOUR REFERENCE, AND THE PRESENTATIONS WILL ALSO INCLUDE SUMMARY TABLES OF REDUCTIONS, THINGS THAT WERE ADDED, ONE TIME ONLYS, BACK FILLS, ET CETERA, TOWARD THE ENDS OF THE PRESENTATIONS. THOSE ARE MORE FOR YOUR REFERENCE, IF THEY HAVE DONE A GOOD JOB BY THE TIME THEY GET TO THE TABLES YOU WILL HAVE CROSSED THOSE HURTTLES BUT IT'S NICE TO HAVE A COMPREHENSIVE LIST WITH EACH DEPARTMENT.

FINALLY INVARIABLY WE GET A QUESTION ABOUT NUMBER OF VACANT POSITIONS IN THE COUNTY SO WE HAVE ASKED ALL THE DEPARTMENTS TO PROVIDE US WITH A LIST OF ALL VACANT POSITIONS WHETHER THEY ARE UNDER RECRUITMENT OR ELIMINATED AS OF MARCH 31ST AND WE'LL HAVE THAT FOR YOU NEXT WEEK. A QUICK REMINDER, WE HAVE A LIBRARY DEPARTMENT THAT IS PART OF THE COUNTY, BUT WE ALSO HAVE A LIBRARY DISTRICT. WE HAVE BEEN THROUGH THIS A NUMBER OF TIMES. LATER TODAY YOU'LL HAVE TO ADJOURN AS THE BOARD AND RECONVENE AS THE LIBRARY DISTRICT. JUST AS A REMINDER WE'LL WALK THROUGH THAT.

BUDGET HEARINGS. THERE'S THREE HEARINGS THAT ARE REQUIRED BY BUDGET LAW. WE HAVE DONE WON, APPROVING THE BUDGET. YOU ALSO HAVE THE TSCC HEARING AS WELL AS THE ONE TO ADOPT THE BUDGET. THERE ARE THREE BUDGETS WE HAVE TALKED ABOUT ALREADY. THESE ARE SOLELY TO TAKE TESTIMONY. THERE WON'T BE ANY STAFF PRESENTATIONS. NOR WILL YOU TAKE ANY VOTES DURING THOSE. SO WITH THAT ANY QUESTIONS ON THE MECHANICS BEFORE WE JUMP INTO THE FINANCIAL OVERVIEW?

Vice-Chair Smith: THANK YOU FOR PRESENTING THIS MORNING. COULD YOU ADD THE LITTLE NOTE TO THE POWER POINT ABOUT THE INVESTMENT POLICIES? IT WASN'T INCLUDED IN THE POWERPOINT. CAN YOU ADD IT TO THE POWER POINT?

Mr. Jaspin: YES. WE WILL DO THAT WHEN WE POST THESE ONLINE.

**BWS-1.b Financial Overview Session. Presenter: Michael Jaspin, Interim Budget Director and County Economist.**

Mr. Jaspin: NOW ON TO THE FINANCIAL OVERVIEW. WE BASICALLY WANT TO DO TWO THINGS. THE FIRST IS TO PROVIDE A GENERAL CORPORATE OVERVIEW OF THE BUDGET. WE'LL WALK THROUGH SOME BASIC INFORMATION ON THE GENERAL FUND AND OTHER FUNDS, SOME FTE AND LABOR UNIT INFORMATION AS WELL AS GENERAL FUND BASICS. I WANT TO TALK ABOUT THE LONGER TERM FINANCIAL TRENDS. THIS IS OUR ONE CHANCE EACH YEAR TO SIT BACK AND LOOK AT TRENDS THAT ARE FIVE, 10, 15 YEARS AS OPPOSED TO JUST FOCUSED ON ONE YEAR. SO WITH THAT, I WANT TO START WITH THE NUMBER EVERYBODY ASKS FOR, HOW BIG IS OUR BUDGET. FOR NEXT YEAR IT'S \$1.87

BILLION. THOSE EXPENDITURES RESIDE IN 34 FUNDS, THE LARGEST BEING THE GENERAL FUND AT 583 MILLION. IT'S AN INCREASE OF ABOUT \$137 MILLION. ORDINARILY 8%. THAT IS ENTIRELY MISLEADING.

Mr. Jaspin: THERE ARE A NUMBER OF DOUBLE COUNTS AND UPS AND DOWNS IN THE CAPITAL FUNDS. FOR EXAMPLE THE SELLWOOD BRIDGE FUND WILL GO DOWN 24 MILLION AS WE COMPLETE THE BRIDGE, BUT THE COURTHOUSE FUND WILL GO UP BY NEARLY 44 MILLION AS WE ADD ADDITIONAL FUNDS AND HAVE A PLACEHOLDER IN THERE IN CASE WE NEED TO BORROW FUNDS EARLIER IN CASE THE PROJECT GOES FASTER THAN CURRENTLY PLANNED. AS I JUST MENTIONED THE GENERAL FUND IS \$583 MILLION INCLUDING ALL RESERVES AND CONTINGENCIES. THE PIE CHART SHOWS WHERE THE MONEY COMES FROM. THE BULK OF THE DISCRETIONARY FUNDS COMES FROM TAXES AND THERE'S THREE BASIC SOURCES. PROPERTY TAXES, INCOME TAX AND THE MOTOR VEHICLE RENTAL TAX.

WHERE THE MONEY GOES IS RELATIVELY STRAIGHTFORWARD. ABOUT HALF OF IT GOES TO THE PUBLIC SAFETY AREA AND IN PARTICULAR THE SHERIFF'S OFFICE. YOU'LL NOTICE THE HEALTH DEPARTMENT IS ACTUALLY THE LARGEST CONSUMER OF GENERAL FUND AT NEARLY \$140 MILLION. THAT'S A LITTLE BIT MISLEADING BECAUSE 53 MILLION OF THAT IS ASSOCIATED WITH QUALIFIED HEALTH CENTERS, WHICH IF WE DID NOT SPENDS THAT MONEY, THE GENERAL FUND ON THOSE SERVICES WE WOULD NOT GET REIMBURSEMENT SO ESSENTIALLY THAT WOULD GO AWAY. A COUPLE OF NOTES, YOU'LL SEE COUNTY MANAGEMENT AND NOND LOOK RELATIVELY LARGE COMPARED TO PRIOR YEARS. NOND CONTAINS THE JOINT OFFICE SO THAT MAKES THE NOND LOOK BIGGER. IT'S ALSO WHERE WE PASS THROUGH THE BAT FUNDS TO THE EAST COUNTY CITIES. SO THERE ARE A NUMBER OF GENERAL FUND ACCOUNTING ENTITIES IN THERE.

Vice-Chair Smith: IF THE \$53 MILLION DOESN'T COUNT TOWARD GENERAL FUND WHERE ARE WE INCLUDING IT IN THE OVERVIEW?

Mr. Jaspin: OUR ACCOUNTANTS TELL US THAT WE HAVE TO INCLUDE THE FQHC AS GENERAL FUND REVENUES. IT LIVES IN THE GENERAL FUND, SHOWS UP IN THE GENERAL FUND BUT YOU COULD NOT TAKE THAT \$53 MILLION AND SPEND IT ELSEWHERE.

Vice-Chair Smith: WHY CAN'T YOU JUST PUT IT IN THE FEDERAL PIECE?

Mr. Jaspin: BECAUSE LEGALLY IT HAS TO SHOW UP IN THE GENERAL FUND BECAUSE THE BOARD HAS DISCRETION ON HOW TO SPEND IT WITHIN A VERY NARROWLY DEFINED HEALTH CARE ARENA.

Vice-Chair Smith: OKAY.

Mr. Jaspin: WHEN YOU LOOK AT ALL EVER OUR FUNDS THEY TOTAL 1.87 BILLION. YOU'LL SEE THE PATTERN OF WHERE THE MONEY COMES FROM CHANGES SIGNIFICANTLY. OUR LARGEST SOURCE OF FUNDS IS ACTUALLY FROM OTHER GOVERNMENTS. SOME FROM THE LIBRARY DISTRICT, FEDERAL AND STATE GOVERNMENTS AS WELL AS THE CITY OF PORTLAND. TAXES MAKE UP ROUGHLY A THIRD OF ALL OF OUR FUNDS AND WHAT YOU'LL ALSO NOTICE IS THAT BEGINNING WORKING CAPITAL MAKES UP NEARLY A QUARTER OF THOSE FUNDS SO THAT INCLUDES OUR RESERVES, ROLLING OVER FUNDS IN CAPITAL PROJECTS, AND THE PERS BOND FUND. YOU'LL NOTICE A MUCH LARGER PROPORTION OF THE FUNDS GO TO COUNTY ASSETS AS THEY CONSTRUCT BUILDINGS OR IF YOU LOOKED AT THE DEPARTMENT OF COUNTY MANAGEMENT, THE SPENDING IS ALMOST \$153 MILLION, DRIVEN ALMOST ENTIRELY BY THE FACT THAT COUNTY MANAGEMENT IS THE DEPARTMENT THAT CUTS THE CHECK TO PAY FOR OUR HEALTH CARE. SO THERE'S A SOLID 60 OR \$70 MILLION OF EXPENDITURES THAT COME OUT OF THAT.

FOR 2017, WE ANTICIPATE HAVING 5147 FTE, AN INCREASE OF ABOUT 165 FTE. YOU CAN SEE WE HAVE ACTUALLY GROWN SIGNIFICANTLY OVER THE LAST COUPLE OF YEARS AS THE ECONOMY HAS IMPROVED AND WE HAVE GOT ADDITIONAL FUNDS, ESPECIALLY IN THE HEALTH CARE ARENA. WE ACTUALLY HAVE MORE FTE FOR THE FIRST TIME IN ABOUT 15 YEARS THAN WE HAD IN 2001. I THINK THIS IS GOING TO BE ONE OF MY FAVORITE CHARTS OF THE DAY. IT SHOWS OUR FULL-TIME EQUIVALENTS BY DEPARTMENT. ON A YEAR OVER YEAR BASIS. YOU CAN ACTUALLY SEE MOST OF WHAT'S GOING ON IN THE BUDGET BY LOOKING AT THIS. SO YOU'LL NOTICE THAT NONDEPARTMENTAL GOES UP BY 11.6 FTE, NINE OF THESE FTE ARE ASSOCIATED WITH JOINT OFFICE ON HOMELESS SERVICES. THAT REFLECTS FOUR FTE FROM THE CITY, MOVING THREE FTE FROM THE DEPARTMENT OF HUMAN SERVICES AND LAST YEAR THE TWO FOLKS IN HOME FOR EVERYONE DID NOT SHOW UP AS FTE.

THAT ACCOUNTS FOR NINE OF THE FTE. IF YOU LOOK AT DCHS, THEY ARE ADDING 45 FTE. MOST ARE CASE WORK THERE'S WERE ACTUALLY ADDED IN THE CURRENT FISCAL YEAR AS PART OF A BUDGET MODIFICATION BACK IN OCTOBER DUE TO ADDITIONAL STATE FUNDS IN DEVELOPMENTAL DISABILITY AS WELL AS AGING DISABILITY AND VETERANS SERVICES. YOU WILL NOTICE THAT THE HEALTH DEPARTMENT HAS OVER ALMOST 1400 FTE, AND ARE GOING UP ALMOST 110 POSITIONS. THE MAJORITY OF THESE ARE IN THE CLINICAL SYSTEM. THESE REFLECT INCREASED FEDERAL FUNDING ASSOCIATED WITH HEALTH CARE REFORM FOR THE MOST PART. THE DEPARTMENT OF COMMUNITY JUSTICE SEES ALMOST A 19 FTE DROP AS COMPARED TO LAST YEAR'S ADOPTED BUDGET. THIS IS A LITTLE BIT DECEIVING FOR TWO REASONS. FIRST, 13 OF THOSE FTE WERE ASSOCIATED WITH THE SENDEROS PROGRAM CUT DURING THE CURRENT FISCAL YEAR DUE TO MORRISON CENTER NO LONGER HAVING THE CONTRACT AND SOME OF THE KIDS SERVED WERE NOT RESIDENTS.

Mr. Jaspin: ALREADY WERE NOT MULTNOMAH COUNTY RESIDENTS. THE OTHER REASON FOR THE DROP IS THE ADOPTED BUDGET FOR FISCAL YEAR 2016 ASSUMED SIX FTE THAT WOULD BE FUNDED BY HB 3194 INCREASES AS ASSUMED IN THE GOVERNOR'S BUDGET WHICH NEVER MATERIALIZED. ESSENTIALLY IT ASSUMED SIX POSITIONS THAT WE NEVER GOT FUNDING FOR SO DOES NOT REFLECT AN ACTUAL CUT FROM CURRENT SERVICE LEVELS. THE SHERIFF'S OFFICE SEES A REDUCTION OF NINE FTE, LARGELY ASSOCIATED WITH REDUCTION IN JAIL BEDS. THE LAST CHANGE I WANT TO HIGHLIGHT IS IN THE DEPARTMENT OF COUNTY ASSETS. THEY ARE INCREASING BY 16.7 FTE ON A YEAR OVER YEAR BASIS. NINE OF THOSE FTE ARE ASSOCIATED WITH FACILITIES.

THAT IS THE CASE OF THEM RATHER THAN CONTRACTING OUT FOR SERVICES ARE BRINGING THOSE SERVICES IN-HOUSE SO ARE ESSENTIALLY HIRING MORE ELECTRICIANS, CARPENTERS, ET CETERA. THEY HAVE ALSO ADDED THREE FTE IN THE I.T. AREA BASED ON INCREASED DEMAND FROM DEPARTMENTS THAT ARE PAYING FOR INCREASED SERVICES. DESPITE ADDING ABOUT 165 FTE, THE RATIO BETWEEN REPRESENTED AND NONREPRESENTED HAS STAYED THE SAME. IT'S ABOUT 16% TO 84%. THIS SHOWS A BREAKOUT OF FTE BY UNION ON A YEAR OVER YEAR BASIS. NOT SURPRISINGLY THE CHANGES FOLLOW A LINE OF BUSINESSES. SO IF YOU WORK YOUR WAY DOWN YOU'LL SEE THERE'S AN ADDITIONAL FOUR FTE IN THE ELECTRICAL WORKERS. THAT IS ESSENTIALLY US BRINGING WORK IN-HOUSE. YOU'LL NOTICE THAT THE PHYSICIANS AS WELL AS NURSES INCREASED. THAT GENRE REFLECTS THE HEALTH DEPARTMENT'S INCREASE IN CLINICAL SERVICES. THE TWO REDUCTIONS ON THE JUVENILE CUSTODY SERVICE SPECIALIST, THAT IS TIED TO SENDEROS.

THE CORRECTIONS DEPUTY IS AGAIN TIED TO THE JAIL REDUCTIONS. YOU'LL SEE A RATHER LARGE INCREASE IN LOCAL 88, THAT IS DRIVEN BY THE CHANGES ACROSS ALL DEPARTMENTS BUT ESPECIALLY IN DCHS WITH THE ADDITIONAL CASE WORKERS THAT WERE ADDED. SO SOME QUICK HIGHLIGHTS. THE APPROVED BUDGET BEFORE YOU IS BALANCED OVER A THREE-YEAR TIME HORIZON. OUR RESERVES ARE FULLY FUNDED AND IT ALSO MAINTAINS THE BIT STABILIZATION RESERVE. IT DEVOTES \$34 MILLION OF ONE TIME ONLY GENERAL FUND RESOURCES TO CAPITAL INFRASTRUCTURE. IT ALSO ADDRESSES PRESSING COMMUNITY NEEDS. ONE OF THE MOST NOTICEABLE IS ADDING OVER \$10 MILLION FOR HOMELESS AND HOUSING NEEDS BUT THERE'S A NUMBER OF OTHER, SMALLER ADDITIONS THROUGHOUT MOST OF THE COUNTY DEPARTMENTS. FOR EXAMPLE, WE REPLACED THE EXPIRING STRETCH GRANT FUNDS WITH \$450,000 OF GENERAL FUND.

THE BUDGET ALSO ADDRESSES BUT DOES NOT COMPLETELY SOLVE OUR UNFUNDED PERS LIABILITY, WHICH IS NEARLY \$380 MILLION. IT RELIES ON SOUND BUDGET PRACTICES AND I THINK IT'S IMPORTANT TO MENTION THAT IT PROVIDES FOR ALL OF OUR EMPLOYEE WAGE INCREASES WHETHER THAT'S

COLA OR SEP OR MERIT. SO SOME QUICK GENERAL FUND BASICS. OUR CURRENT GENERAL FUND FINANCIAL PICTURE IS ACTUALLY RELATIVELY GOOD. IF YOU TAKE THE MYOPIC VIEW OUR ONGOING REVENUES EXCEED EXPENDITURES BY NEARLY \$22 MILLION OR 5% IN THE UPCOMING YEAR, HOWEVER THAT SURPLUS BECOMES A 12.2 MILLION DEFICIT WHICH IS ABOUT 2.3% IN YEAR FIVE OF THE FORECAST WE PRESENTED TO YOU IN MARCH. THIS DOES ASSUME THE COUNTY GENERAL FUND COVERS DEBT REQUIREMENTS FOR THE DOWNTOWN COURTHOUSE AND WES AS HEALTH DEPARTMENT HEADQUARTERS.

Mr. Jaspin: THIS IS DRIVEN BY SLOWING REVENUE GROWTH AND YOU'LL SEE IN A MINUTE HOW STRONG OUR REVENUE GROWTH HAS BEEN OVER THE PAST COUPLE OF YEARS AND INCREASING COST GROWTH. WE WILL NOT HAVE LOW INFLATION. WE HAVE HAD GREAT PERFORMANCE ON THE COST OF HEALTH CARE AND PERS WILL INCREASE GOING FORWARD. THAT LEADS TO A SIMPLE FACT THAT WE WILL NOT BE ABLE TO ADD ONGOING PROGRAMS OVER THE LONG TERM ABSENT NEW REVENUE SOURCES, REALLOCATION OF EXISTING FUNDS OR EFFICIENCY GAINS. IN PUTTING TOGETHER THE PROPOSED BUDGET, DEPARTMENTS WERE ASKED FOR 2% GENERAL FUND REDUCTION FROM CURRENT SERVICE LEVELS. THAT GENERATED ROUGHLY \$7.5 MILLION OF ONGOING REDUCTION. HOWEVER, NOT ALL OF THOSE REDUCTIONS WERE ACCEPTED. FOR EXAMPLE, THE SHERIFF'S OFFICE HAD PROPOSED CLOSING TSI WHICH WOULD HAVE SAVED \$273,000 AND THAT CUT WAS NOT ACCEPTED.

WHEN THE DUST SETTLED WE CUT ROUGHLY 6.7 MILLION OF ONGOING FUNDS AS WELL AS SHIFTED COSTS TO OTHER FUNDS. CONSEQUENTLY THAT 6.7 IS PROBABLY CLOSER TO 5.5 MILLION WHEN YOU ACCOUNT FOR SHIFTING FUNDS AND AS TO GIVE YOU AN EXAMPLE OF THAT, THE HEALTH DEPARTMENT WAS ABLE TO SHIFT SOME OF THEIR QUALITY ASSURANCE ACTIVITIES THAT WERE PAID FOR BY THE GENERAL FUND TO SOME OF THE ADDITIONAL FUNDS WE GET FROM THE FEDERAL GOVERNMENT ASSOCIATED WITH HEALTH CARE EXPANSION. WE TREATED THE \$22 MILLION SURPLUS IN 2017 AS ONE TIME ONLY. THAT'S HOW WE BALANCED THE BUDGET FOR THE NEXT THREE YEARS. THE BUDGET ALSO USED 7.5 MILLION OF ONGOING AND ONE TIME ONLY FUNDS TO EITHER RESTORE PROPOSED REDUCTIONS, FUND EXPANSIONS SUCH AS ADDING A PUBLIC GUARDIAN IN DCHS, BACKFILLING OF EXPIRING GRANTS SUCH AS THE STRIFE GRANT I MENTIONED EARLIER OR BACKFILLING STATE FUNDS FOR EMERGENCY MANAGEMENT.

THAT IS BEYOND THE ADDITIONAL FUNDS FOR CAPITAL AND HOMELESS AND HOUSING RELATED PROGRAMS. A QUICK INFORMATION ON OUR ONE TIME ONLY FUNDS. AFTER FUNDING OUR GENERAL FUND RESERVE AND BIT RESERVE WE HAVE ROUGHLY 48.8 MILLION OF ONE TIME ONLY FUNDS. THIS COMES FROM THE \$22 MILLION OF ONGOING FUNDS THAT WERE TREATED AS ONE TIME ONLY TO BALANCE THE BUDGET OVER THREE YEARS. AS WE TALKED ABOUT IN THE GENERAL FUND FORECAST, \$15 MILLION CAME FROM

ADDITIONAL BWC IN 2016 THAT WAS REALLY DEPARTMENTAL UNDER-SPENDING IN 2015. WE ALSO HAVE NEARLY \$13 MILLION FROM ADDITIONAL RESOURCES WE RECEIVED IN THE CURRENT FISCAL YEAR THAT REFLECT HIGHER THAN BUDGETED PROPERTY TAXES, BUSINESS INCOME TAX, TAX TITLE PROPERTY SALES, AND LEGAL SETTLEMENTS. WE ALSO HAVE ABOUT \$1 MILLION OF FUNDS CARRIED OVER FROM 2016, AND A GOOD EXAMPLE OF THAT IS THE BOARD APPROVED A \$500,000 CONTINGENCY REQUEST FOR THE LEVEE READY PROJECTS.

Mr. Jaspin: NOT ALL THOSE WILL BE SPEND IN THE CURRENT FISCAL YEAR. WE'RE ROLLING THEM OVER INTO 2017. A WALK THROUGH WHERE WE USED THE ONE TIME ONLY ON THE NEXT SLIDE, BUT I DO WANT TO POINT OUT THAT WE'LL BE BACK ON MAY 17 WITH AN UPDATED FORECAST. A CAUTIONARY NOTE, WE DON'T HAVE ALL OF THE INFORMATION IN HAND YET BUT LAST YEAR AS WE SAT HERE WE WERE FAIRLY CONFIDENT WE WOULD HAVE SOME ADDITIONAL FUNDS FOR YOU. THE BIT RUNWAYS WE HAVE SEEN TO DATE ARE NOT AS ROSY AS LAST YEAR, SO I WOULD NOT EXPECT US TO COME BACK ON THE 17TH WITH ADDITIONAL FUNDS AT THIS POINT BUT WE'LL WAIT TO GET THE REST OF THE APRIL WORK CURRENT INFORMATION. SO OF THE \$48.8 MILLION OF ONE TIME ONLY MONEY 34 MILLION WENT TO CAPITAL INFRASTRUCTURE.

IT BREAKS DOWN AS FOLLOWS: 19.9 MILLION WAS ADDED FOR THE DOWNTOWN COURTHOUSE. THAT'S IN ADDITION TO THE 28.1 MILLION WE PROVIDED IN THE CURRENT FISCAL YEAR. LIKEWISE WE ADDED \$3 MILLION FOR REPLACEMENT OF THE SHERIFF'S HANSON BUILDING IN EAST MULTNOMAH COUNTY. THAT IN ADDITION TO THE 2.7 MILLION WE ADDED FOR THAT PROJECT IN PRIOR YEARS. THERE'S 1.8 MILLION FOR THE NORTH PORTLAND DENTAL CLINIC AS WELL AS 1.85 MILLION FOR REPLACEMENT OF THE DISTRICT ATTORNEY'S CRIMES SOFTWARE. WE HAVE ALSO SET ASIDE \$7.5 MILLION TO ASSIST WITH CONSOLIDATING THE DEPARTMENT OF COMMUNITY JUSTICE FACILITIES INTO A MID COUNTY CAMPUS. OTHER SIGNIFICANCE USES 6 ONE TIME ONLY. THERE'S \$6.1 MILLION DEVOTED TO HOUSING AND HOMELESS SERVICES. THERE'S \$1 MILLION SET ASIDE FOR THE DSSJ EVALUATION AND SYSTEM UPGRADE.

WE USED \$786,000 TO DOUBLE THE NUMBER OF SLOTS IN SUMMER WORK. THERE'S A 2.5 MILLION PLACEHOLDER FOR TAX TITLE HOUSING. THIS REFLECTS THE HB 2195 LEGISLATION THAT PASSED THAT ALLOWS WHEN WE SELL FORECLOSED PROPERTIES RATHER THAN DISTRIBUTE THE MONEY TO TAXING JURISDICTIONS THE COUNTY IS ABLE TO USE THE NET PROCEEDS FOR PLACEMENT AND RETENTION, RENT ASSISTANCE AND TO DEVELOP HOUSING FOR FAMILIES WITH KIDS ESSENTIALLY. WE HAVE ALSO SET ASIDE \$335,000 OF ONE TIME ONLY MONEY IN THE DEPARTMENT OF COMMUNITY SERVICES ASSOCIATED WITH PRESIDENTIAL ELECTIONS THIS NOVEMBER. PAGE 20 OF THE BUDGET DIRECTORS HAS A COMPLETE LIST OF ALL THESE BUT I THINK THAT GIVES YOU A PRETTY GOOD FLAVOR OF HOW THE RESOURCES WERE



ALLOCATED. A COUPLE OF NOTES, THE JOINT OFFICE OF HOMELESS SERVICES LIVES IN NONDEPARTMENTAL.

Mr. Jaspin: IT'S CURRENTLY STRUCTURED IN EIGHT TO TEN PROGRAM OFFERS, I BELIEVE, AND WE STRUCTURED IT SO THAT EXISTING COUNTY AND CITY SERVICES ARE ORGANIZED BY SPENDING AREA. LIKEWISE WE HAVE SEPARATE PROGRAM OFFERS TO BREAK OUT THE EXPANDED COUNTY AND CITY FUNDING SO YOU CAN SEE WHERE THAT IS ALLOCATED. I HAVE LISTED THE PROGRAM OFFERS IF YOU WANT TO READ THEM. WE WILL BE INCLUDING A BRIEFING AS PART OF NONDEPARTMENTAL TO WALK THROUGH ALL THAT IN MORE DETAIL. BUT AS A QUICK FYI, THERE'S ABOUT 44.5 MILLION IN THAT OFFICE MADE UP OF EXISTING FUNDS FROM BOTH THE CITY, COUNTY AND FEDERAL SOURCES AS WELL AS ADDITIONAL FUNDS THAT WERE ADDED FROM COUNTY GENERAL FUND AND ASSUMED DIGITAL FUNDS FROM THE CITY OF PORTLAND. THERE ARE A NUMBER OF UPS AND DOWNS IN THIS BUDGET AND PAGES 9 THROUGH 13 OF THE BUDGET DIRECTOR'S MESSAGE PROVIDES AN ACCOUNTING OF THOSE.

I'M NOT GOING TO WALK THROUGH THEM ALL. THE DEPARTMENTS WILL ALSO BE WALKING THROUGH THOSE IN THEIR PRESENTATIONS. I THINK IT'S WORTHWHILE TO NOTE THAT THE VAST MAJORITY OF ALL OF OUR PROGRAMS ARE MEANT TO MAINTAIN FROM THE PRIOR YEAR. AS WE PREVIOUSLY NOTED THERE WERE REDUCTIONS AND REALLOCATIONS AND THE TWO BIGGEST AREAS WHERE ADMINISTRATIVE AND BACK OFFICE REDUCTIONS ACROSS DEPARTMENTS. IT'S ALWAYS GOOD WHEN WE CAN KEEP ADMINISTRATION IN BACK OFFICE AT REASONABLE LEVELS BUT AT THE SAME TIME WE HAVE TO BE CONSCIOUS THAT WE NEED SOME OF THOSE TO TWO OUR WORK ON A DAY-TO-DAY BASIS. THERE IS THE CLOSURE OF THE TWO JAIL DORMS. I WANT TO POINT OUT THAT THE APPROVED BUDGET BEFORE YOU STARTS TO ADDRESS THE AUDITOR'S REPORT ON ANIMAL SERVICES AND THERE'S THREE SEPARATE OFFERS IN DCS THAT HELP TO ADDRESS THE FINDINGS.

THAT'S A MIX OF ONGOING AND ONE TIME ONLY FUNDS. AS I MENTIONED BEFORE OUR GENERAL FUND RESERVES ARE FULLY FUNDED AND SO HERE'S A QUICK BREAKOUT OF THE NUMBERS. THE GENERAL FUND RESERVE IS 10% OF OUR CORPORATE REVENUES, WHICH IS JUST UNDER \$40 MILLION. OUR BIT STABILIZATION RESERVE IS 10% OR ROUGHLY \$88 MILLION. THE GENERAL FUND CONTINGENCY STANDS AT \$9.8 MILLION MADE UP OF THREE SPECIFIC ITEMS. THE FIRST IS 1.25 MILLION REGULAR CONTINGENCY WE START EACH YEAR WITH. IT ALSO CONTAINS THE BIT RESERVE IN CASE WE WANT TO USE THAT FOR OTHER PURPOSES DURING THE YEAR. IT ALSO CONTAINS ONE SET ASIDE OF ROUGHLY \$630,000 FOR MENTAL HEALTH CRISIS SERVICES. ONE OF THE REDUCTIONS THAT WE MADE IN ONGOING FUNDS WAS IN THE MENTAL HEALTH CRISIS SERVICE AREAS BUSY BASED ON OPENING OF THE UNITY LATER THIS YEAR. AND ON THE OFF CHANCE THAT THAT DOES NOT HAPPEN AS

PLANNED, WE SET ASIDE ONE TIME ONLY MONIES IN CONTINGENCY TO ADDRESS IT IF SOMETHING DOESN'T GO ACCORDING TO PLAN.

Mr. Jaspin: SO THAT DID FREE UP ONGOING MONEY BUT WE USED SOME ONE TIME ONLY MONEY AS A BUFFER JUST IN CASE. WE WILL PROBABLY WANT TO INCLUDE A BUDGET NOTE TO EXPLICITLY STATE THAT BEFORE WE ADOPT THE BUDGET. SO WITH THAT I WANT TO BRIEFLY TALK ABOUT SOME OF OUR LONG TERM TRENDS. THIS WILL LOOK VERY FAMILIAR FROM LAST YEAR. SO THIS GRAPH SHOWS WHAT WE SPEND OUR RESOURCES ON BROKEN OUT BY PERSONNEL SERVICES, CAPITAL, CONTRACTS RATHER THAN BY SPECIFIC DEPARTMENT OR SERVICE AREA. THE ONE THING THAT IS NOTICEABLE IN THIS GRAPH IS THE ORANGE LINE WHICH REPRESENTS CAPITAL. WE SPENT VERY LITTLE ON CAPITAL FROM FISCAL YEAR '04 THROUGH FISCAL YEAR '11, BUT IT HAS STEADILY RAMPED UP.

PART OF THAT IS DUE TO THE SELLWOOD BRIDGE BUT INCREASINGLY IT'S DUE TO THE MONEY WE SET ASIDE FOR THE DOWNTOWN COURTHOUSE AS WELL AS THE HEALTH DEPARTMENT HEADQUARTERS. THE MOST NOTICEABLE THING OTHER THAN THAT ON THIS GRAPH IS THE BLUE LINE AT THE TOP WHICH IS PERSONNEL SERVICES. IT GENERALLY IS THE FASTEST GROWING AND HIGHEST LEVEL WE'LL SPEND NEARLY \$600 MILLION ON PERSONNEL SERVICES FOR NEXT YEAR. WHICH IS ONE REASON WE WANT TO DIVE IN AND SEE WHAT DRIVES THOSE COSTS. WE FIRST STARTED SHOWING THIS CHART SEVERAL YEARS AGO, THE POINT WAS TO ESSENTIALLY SAY THE GREEN LINE WHICH IS OUR FTE WAS REMAINING ESSENTIALLY FLAT WHILE WE SPENT INCREASING AMOUNTS ON PERSONNEL. THE GOOD NEWS IS IN THE RECENT YEARS WE HAVE ACTUALLY BEEN ABLE TO INCREASE FTE DUE TO ADDITIONAL FUNDS AND FLATTENING OF SOME OF OUR PERSONNEL COSTS.

YOU CAN SEE AS I MENTIONED BEFORE OUR FTE LEVELS ARE ABOVE WHERE WE WERE IN FISCAL YEAR '02. ONE OF THE THINGS THAT DRIVES OUR PERSONNEL COSTS OTHER THAN BASE PAY IS THE AMOUNT WE SPEND ON MEDICAL-DENTAL COVERAGE, PERS AND SOCIAL SECURITY. SO THIS LINE SHOWS HOW MUCH WE SPENDS ON AN AVERAGE FTE OVER THE LAST 15 YEARS OR SO. YOU CAN SEE IT'S GROWN FROM ROUGHLY 19,000 TO NEARLY 44,400 IN THE UP, COMING FISCAL YEAR. THAT REPRESENTS A 6.4% INCREASE FROM LAST YEAR AND THIS IS LARGELY DRIVEN BY OUR PERS INCREASE THAT WE WILL BE IMPLEMENTING NEXT YEAR AS WELL AS MEDICAL-DENTAL RATES THAT WE CHARGE DEPARTMENTS INCREASING FOR THE FIRST TIME IN FOUR OR FIVE YEARS. I THINK A BETTER WAY TO LOOK AT THIS CHART IS TO TAKE BENEFITS INSURANCE AS A PERCENT OF PAYROLL.

THIS HAS BEEN RELATIVELY FLAT. IT PEAKED IN 2014 AT 67% AND FOR NEXT YEAR IT WILL ACTUALLY BE AT 66%. THE NOT SO FUN FACT TO PASS ALONG IS THAT IN FISCAL YEAR '02 WE SPENT ROUGHLY 46% OF PAYROLL ON BENEFITS AND INSURANCE COMPARED TO THE 66% NEXT YEAR. IF WE COULD EVER GET

BACK TO 2002 LEVELS OF 46% THAT WOULD SAVE THE GENERAL FUND 36.5 MILLION, AND ALL FUNDS NEARLY 69 MILLION. WE DO EXPECT THIS LINE TO INCREASE IN THE UPCOMING YEARS AS WE DEAL WITH THE PERS ISSUE. THIS CHART SHOWS THE FOUR INTERNAL PERS RATES FOR OUR DEPARTMENTS. TIER ONE, TIER TWO, WHETHER THEY ARE UNIFORMED OR NOT UNIFORMED. BESIDES THE OVER ALL INCREASE IN THE LONG TERM YOU'LL NOTICE THAT TIER THREE HAS A LOWER RATE THAN TIER ONE OR TIER TWO BY ROUGHLY 5% OF PAYROLL.

Mr. Jaspin: THAT IS ONE OF THE THINGS THAT WILL HELP LOWER COSTS OVER THE LONG TERM. THIS NEXT CHART SHOWS OUR FTE BY PERS TIER. ACTUALLY BASED ON PEOPLE. WHAT YOU CAN PRESIDENTS IS A DRAMATIC SLIPPING OF THE TYPE OF PERS COVERAGE WE HAVE. AS OF JANUARY 1 WE HAD ROUGHLY 3500 FOLKS ON THE TIER 3 WHILE OUR TIER 1 AND TIER 2 LEVELS CONTINUE TO GO DOWN OVER TIME. THE OTHER BIG DRIVER OF PERSONNEL COSTS IS HEALTH CARE. WE SHOWED THIS CHART THE LAST COUPLE OF YEARS AND I JUST WANT TO WALK YOU THROUGH IT BRIEFLY. THE BLUE LINE SHOWS OUR ACTUAL SPENDING ON KAISER AND SELF-INSURANCE PER FTE AS A PERCENT AND CHANGE IN THAT. SO YOU CAN SEE IN 2003-2004 WE WERE IN SOLID MID DIGIT INCREASES EVERY SINGLE YEAR. IT HAS DECLINED TO THE FOUR TO 5% RANGE. FOR SOME PERSPECTIVE THE GREEN LINE IS THE AVERAGE TOTAL PREMIUM FOR FAMILY COVERAGE THAT BASED ON A SURVEY THAT KAISER DOES EVERY YEAR.

SO THIS TELLS YOU THAT WE'RE LIKE EVERYBODY ELSE DEALING WITH THE INCREASE IN HEALTH CARE COSTS, BUT OUR TRENDS ALSO MIRROR THE NATIONAL TRENDS IN THAT WE HAVE BEEN HOVERING AROUND 4 TO 5%, WHICH AT THAT RANGE IS A RANGE WE CAN DEAL WITH, WHEREAS WHEN IT WAS UP IN 14, 15% RANGE, THAT IS SOMETHING THAT WE DON'T HAVE A LOT OF ABILITY TO ADDRESS ON AN ANNUAL BASIS. A QUESTION WE GET QUITE OFTEN IS WHERE DO WE SEND THE GENERAL FUND BY AREA. THIS TABLE SHOWS OVER THE LAST 10 OR 11 YEARS WHERE WE SPENT IT. ROUGHLY HALF GOES TO PUBLIC SAFETY. ROUGHLY A THIRD TO HEALTH AND HUMAN SERVICES. ABOUT 20% TO GENERAL GOVERNMENT. FOR NEXT YEAR, 46.6% OF DISCRETIONARY WILL BE IN THE PUBLIC SAFETY ARENA.

THE GRAPH ACTUALLY MAKES THE PUBLIC SAFETY CHANGE LOOK MORE DRAMATIC THAN IT IS. IT HAS ESSENTIALLY HOVERED BETWEEN 47 AND 49% FOR THE LAST TEN YEARS. THE INCREASE THAT YOU SEE IN HEALTH AND HUMAN SERVICES IS DRIVEN ESSENTIALLY BY OUR INCREASED SPENDING IN-HOUSING AND HOMELESS SERVICES AND THE VARIOUS SOCIAL PROGRAMS WE HAVE ADDED OVER THE LAST SEVERAL YEARS. SOME OF THE NET HAS BEEN AN INCREASE RATHER THAN DECREASE IN OTHER AREAS FOR THE MOST PART. THAT'S HOW WE SPEND OUR GENERAL FUNDS. THE NEXT LOGICAL QUESTION IS HOW FAST IS THE GENERAL FUND GROWING TO SUPPORT THESE SERVICES.

Mr. Jaspin: SO THE RED LINE SHOWS OUR ANNUAL GROWTH IN THE BIT. IT'S A BIT OF A ROLLER COASTER RIDE, GOING UP 40%, FALLING BY 36%. YOU'LL NOTICE IN 2015, WE HAD 19.5% GROWTH. OUR NEXT SOURCE IS MOTOR VEHICLE RENTAL TAX. YOU CAN SEE FROM 2012 THROUGH 2016 WE HAVE HAD VERY SOLID GROWTH RANGING AROUND 10% PER YEAR. PROPERTY TAX, WHICH IS OUR LARGEST REVENUE SOURCE, IS ALSO THE MOST STABLE AND HAS CHUGGED ALONG AT ROUGHLY 3.33% FOR THE LAST 15 YEARS. THE 2014 WHERE IT LOOKS LIKE IT SHRANK IS A MISNOMER BECAUSE THAT WAS THE FIRST YEAR OF THE LIBRARY DISTRICT, SO WE EXPERIENCED INCREASED COMPRESSION BUT WE ALSO NO LONGER SPENT NEARLY \$16 MILLION A YEAR SUPPORTING THE LIBRARY.

TAKEN TOGETHER, THE PURPLE LINE SHOWS THE AVERAGE RATE, NOT AVERAGE, ANNUAL CHANGE IN OUR REVENUE GROWTH. IF YOU TAKE THE AVERAGE IT WORKS OUT TO ROUGHLY 3.87% PER YEAR. OVER THE LONG TERM OUR COSTS CAN'T GROW FASTER THAN 3.87% AND STILL SUPPORT CURRENT SERVICES. SO I THINK THIS CHART SHOWS OUR SITUATION THE BEST. WHAT THIS CHART DOES IS THE DARK BLUE LINE OR SOLID BLUE LINE SHOWS THE ANNUAL CHANGE IN REVENUE GROWTH FOR OUR THREE CORE GENERAL FUND REVENUES, THE PROPERTY TAX, INCOME TAX AND MOTOR VEHICLE RENTAL TAX. YOU CAN SEE THE GREAT RECESSION, THE IMPACT IN FISCAL YEAR '09 BUT YOU CAN ALSO SEE IN FISCAL YEAR 2015 THE DRAMATIC GROWTH THAT WE HAD IN OUR GENERAL REVENUES TOPPING OUT AT NEARLY 10%. UNTIL YOU SEE THAT ON THE GRAPH YOU DON'T FULLY APPRECIATE WHAT THAT MEANS COMPARED TO OUR HISTORICAL AVERAGE.

THE LIGHT BLUE LINE SHOWS OUR CORE COST GROWTH IN LABOR AND AS WE MENTIONED BEFORE LABOR IS OUR LARGEST COST AND ULTIMATELY WHAT DRIVES WHETHER WE'RE ABLE TO ADD PROGRAMS OR CUT PROGRAMS. THE MOST NOTICEABLE FEATURE THERE IS FROM ESSENTIALLY 2009, ALL THE WAY THROUGH INTO NEXT YEAR, 2017. IT HAS GROWN AT A RATE SLOWER THAN OUR AVERAGE REVENUE GROWTH AND IN 2015 IT ACTUALLY GREW REMARKABLY SLOW ON A PER UNIT BASIS. COMBINED YOU TAKE THE ABOVE AVERAGE REVENUE GROWTH AND SLOWER COST GROWTH AND THAT IS ONE REASON WE HAVE BEEN ABLE TO ADD PROGRAMS OR SET MONEY ASIDE FOR CAPITAL PROJECTS OVER THE LAST FOUR, FIVE YEARS AGO WE HAVE RECOVERED FROM THE RECESSION. BUT WHAT YOU'LL NOTICE IS IN THE FUTURE THAT'S WHAT WE EXPECT OUR REVENUE GROW TO SLOW AND LABOR COSTS WILL PICK UP IN PART DUE TO PERS.

THAT IS ULTIMATELY WHAT DRIVES OUR FORECAST IN YEARS THREE, FOUR AND FIVE. IT'S THE ISSUE WE HAVE TO ADDRESS GOING FORWARD. IN QUICK SUMMARY OUR BUDGET IS BALANCED OVER THE NEXT THREE YEARS, RESERVES ARE FULLY FUNDED. WE HAVE USED ONE TIME ONLY FOR ONE TIME ONLY PURPOSES. WE'RE PROACTIVELY ADDRESSING OUR CAPITAL NEEDS WHICH REDUCES OUR FUTURE DEBT REQUIREMENTS AND OPERATING COSTS.

IF YOU JUST TOOK THAT 34 MILLION AND RATHER THAN SPENDING IT ON THE ONE TIME ONLY PROJECTS AND HAD TO PAY FOR BORROWING COSTS THAT WOULD BE ABOUT 1.9 MILLION IN ANNUAL COST FOR THE NEXT 30 YEARS THAT WE HAVE AVOIDED. WE ARE PLANNING FOR OUR PERS LIABILITY THERE ARE TWO DISTINCT THINGS WE'RE DOING IN THE UPCOMING BUDGET, ONE, SETTING ASIDE \$25 MILLION FOR A SIDE ACCOUNT AND WE'RE WELL PREPARED FOR THE NEXT RECESSION WHILE STILL PROVIDING SERVICES TODAY. LIKE ANY BUDGET, YOU HAVE TO MAKE DIFFICULT CHOICES BUT THOSE SOUND FINANCIAL CHOICES THAT WE HAVE MADE HAVE ALLOWED US TO BALANCE COMPETING NEEDS AND STILL MAINTAIN OUR STRONG FINANCIAL POSITION GOING FORWARD.

Commissioner Shiprack: THANK YOU, MIKE. I HAVE A COUPLE QUESTIONS. ONE IS THAT YOUR CHARTS ARE JUST SUGGESTIVE TO ME OF OTHER CHARTS THAT I WOULD REALLY LIKE TO SEE. WHILE WE'RE REALLY GOOD AT CHARTING THE COST OF THINGS, THERE ARE NOT A LOT OF CHARTS IN YOUR PRESENTATION THAT SHOW COMPARATIVE BENEFITS. SO FOR EXAMPLE, SPECIFICALLY I'M REALLY INTERESTED IN WHAT IS HAPPENING TO RETIREMENT BENEFITS AS WE TRANSITION FROM TIER 1 TO THE OPSRP PROGRAM. I WOULD LIKE TO SEE THAT LAID OUT. I'M ALSO INTERESTED IN WHAT HAS HAPPENED TO HEALTH CARE BENEFITS IF ANYTHING, IF THE QUALITY OF HEALTH CARE HAS CHANGED TOGETHER WITH THE COST OVER THOSE YEARS THAT ARE CHARTED. AGAIN, IT'S JUST MY CURIOSITY WATCHING US MEASURE KIND OF THE COST OF EVERYTHING. I THINK WE'RE ALSO VERY INTERESTED IN THE VALUE OF EVERYTHING.

I'M CURIOUS IF WE ARE MONITORING ATTRITION. JUST THE WAY THE FTE CHART FITS TOGETHER WITH OUR BENEFITS CHART AT LEAST RETIREMENT, BECAUSE I THINK LET ME SORT OF SKIP TO THE CHASE ON THAT ONE, I WANT TO MAKE SURE THAT AS WE PREPARE FOR A DECLINE IN AVAILABLE REVENUE TO PAY FOR OUR EXPENSES IN THE UPCOMING HORIZON THAT WE ARE TAKING CARE THAT WE'RE NOT GOING TO HAVE SUDDEN INSTABILITY FOR OUR LABOR FORCE. JUST WHILE I'M ASKING MY I AM CURIOUS QUESTIONS, I'M VERY CURIOUS ABOUT WHAT HAPPENED WITH \$3 MILLION ALLOCATION WE MADE LAST YEAR TO UNITY. YOU BROUGHT IT UP. I'M CURIOUS ABOUT WHAT PERCENTAGE OF THE CONTINGENCY THAT YOU HAD ON ONE OF YOUR SLIDES REMAINS UNALLOCATED. LOTS OF QUESTIONS.

Mr. Jaspin: WE WILL START WORKING ON THOSE QUESTIONS AND WE WILL COVER THE CONTINGENCY BALANCE DURING THE MAY 17 FORECAST.

Commissioner McKeel: THANK YOU. I GUESS THIS IS AN I AM CURIOUS QUESTION TOO. WE TALKED ABOUT OUR CAPITAL EXPENSES FOR THE NEW COURTHOUSE, NEW HEALTH CARE HEADQUARTERS, AND SO I'M JUST CURIOUS AND IT MAY BE IN THE CAPITAL PRESENTATION, I DON'T KNOW. WHERE DO WE CAPTURE THE BUILDINGS WE'RE VACATING AND WHAT WILL BE HAPPENING

WITH THOSE PROPERTIES? I THINK WE NEED TO HAVE THAT AS WELL AS OUR EXPENDITURES FOR THE NEW BUILDINGS. BECAUSE WE WILL HAVE AN INVENTORY OF VACANT PROPERTIES ONCE WE COMPLETE THESE PROJECTS.

Chair Kafoury: I THINK COMMISSIONER SHIPRACK HAS ONE MORE.

Commissioner Shiprack: NO, NO. NOT AT ALL. I WAS TAKING NOTES WHILE YOU PRESENTED AND IT'S KIND OF EXISTENTIAL EXERCISE. YOU'RE PRESENTING SO MUCH. WHAT AREN'T YOU PRESENTING, MIKE? IT'S HARD TO KEEP UP WITH YOU SOMETIMES. I AM VERY INTERESTED IN OUR LABOR EXPENSE AND I ALSO THINK THAT WE HAVE TO STAY IN BALANCE WITH THE QUALITY OF OUR LABOR FORCE AND HOW WE CONTINUE TO ATTRACT THE MOST SKILLED, MOST DEDICATED LABOR FORCE AS WE MOVE FORWARD. WE HAVE BEEN VERY SUCCESSFUL AT THAT AND AT RETAINING THEM. I THINK IT'S IMPORTANT TO CALCULATE -- I'M INTERESTED JUST FOR MY OWN SAKE -- PROPORTIONATELY THE ADDITIONAL COSTS THAT WE HAVE TAKEN ON WITH FAMILY LEAVE AND MINIMUM WAGE. BECAUSE WE HAVE REALLY LED THE COMMUNITY IN THOSE EXPRESSIONS OF HOWEVER SUPPORT FOR THE QUALITY OF LIFE OF OUR WORK FORCE. I THINK THAT WE NEED TO SEE PROPORTIONATELY HOW THEY SHOW UP AGAINST A \$1.8 BILLION BUDGET.

Vice-Chair Smith: THANK YOU, MADAME CHAIR. MIKE, THAT WAS AN INCREDIBLE LOT OF INFORMATION. THANK YOU FOR DOING THAT. COULD YOU TELL ME WHAT OUR OPAD LIABILITY WILL BE?

Mr. Jaspin: I DON'T HAVE THAT IN FRONT OF ME BUT WE HAVE THAT AND I'LL GET THAT TO YOU.

Vice-Chair Smith: CAN YOU TELL ME WHAT IS THE ADDITIONAL CHARGES FOR FAMILY LEAVE FOR THE SHERIFF'S DEPARTMENT?

Mr. Jaspin: SINCE THERE'S BEEN TWO QUESTIONS RELATED TO THE PAID PARENTAL LEAVE, WE CAN TRY TO GET SOME OF THE ANSWERS BUT ONE OF THE TRICKY THINGS ABOUT PAID PARENTAL LEAVE IS A LOT OF THE COST THAT THE COUNTY INCURS ISN'T A DOLLAR VALUE IN TERMS OF BACKFILLING A POSITION. THE MAJORITY OF THE COSTS ARE ACTUALLY LOST WORK WHILE PEOPLE ARE AWAY. I CAN SAY THAT FIRSTHAND GIVEN THE BUDGET OFFICE HAS A LOT OF YOUNG CHILDREN RELATED TO OUR STAFF, AND ESSENTIALLY IT HASN'T COST US ANY MORE IN TERMS OF FINANCIAL OUT LAY, BUT WHAT IT DOES MEAN IS THERE'S QUESTIONS THAT WE CAN'T ANSWER QUITE AS QUICKLY OR THINGS THAT WE WOULD HAVE LIKED TO DO THAT WE HAVEN'T DONE. SO WHEN WE RESPOND TO THE COST OF PAID PARENTAL LEAVE I THINK IT'S WORTHWHILE KEEPING TRACK.

A LOT OF THE COST IS IN LOST WORK, WHICH IS REALLY HARD TO MEASURE SOMETIMES. WHAT'S THE VALUE OF THE QUESTIONS THAT IT TOOK US AN

EXTRA WEEK TO ANSWER OR INFORMATION WE DIDN'T PRESENT BUT WOULD HAVE LIKED TO BUT DIDN'T QUITE GET TO T. CONVERSELY, WHAT IS THE BENEFIT OF BEING ABLE TO RETAIN SOME OF OUR AWESOME FOLKS BECAUSE THEY CAN HAVE THAT WORK-LIFE BALANCE. NOT -- TO THE POINT, SOMETIMES THERE'S VALUES THAT ARE NOT NECESSARILY MONETARY BUT LET US RETAIN TALENT AND A SOLID WORK FORCE GOING FORWARD. JUMPED IN ON THE BENEFITS PART AS WELL. RETAINING A TRAINED AND QUALIFIED WORK FORCE AND HAVE A STAFF MOTIVATED AND READY TO WORK.

Vice-Chair Smith: MIKE, THE SHERIFF'S DEPARTMENT IS A LITTLE BIT DIFFERENT. IF YOU'RE RUNNING A JAIL 24 HOURS IF PEOPLE ARE GONE THEY ARE GOING TO HAVE TO PAY EXTRA FOR THAT, SO IT'S NOT JUST LOST TIME IN THE OFFICE. IF YOU COULD ACTUALLY FIND THAT OUT THAT WOULD BE GREAT.

Mr. Jaspin: WE WILL.

Chair Kafoury: WE WILL HAVE PLENTY OF TIME OVER THE NEXT FEW WEEKS IF FOLKS HAVE QUESTIONS. I KNOW THAT OUR BUDGET OFFICE IS ALWAYS OPEN.

Mr. Jaspin: SO WITH THAT I THINK IT'S ABOUT 10:29. OUR NEXT PRESENTATION IS ACTUALLY SCHEDULED FOR 10:30, SO WE'RE MANAGING TO STAY ON TIME. THAT IS GOING TO BE FROM THE CIC CENTRAL CITIZEN BUDGET ADVISORY COMMITTEE. SO I WILL STOP CHATTING AND LET THEM COME FORWARD.

**BWS-1.c      CIC/Central Citizen Budget Advisory Committee. Presenters: Gary Marschke, Director, OCI; Brenda Morgan, Program Mgr., OCI; and Teresa Walton, Chair of Central CBAC**

Mr. Marschke: THANK YOU, MADAME CHAIR, COMMISSIONERS, FOR THIS OPPORTUNITY. I AM GARY MARSCHKE. STILL THE NEW EXECUTIVE DIRECTOR OF THE OFFICE OF CITIZEN INVOLVEMENT. I'M HERE WITH OUR VOLUNTEER CHAIR FROM OUR CENTRAL BUDGET ADVISORY CHIT COMMITTEE TERESA WILSON AND WITH BRENDA MORGAN HERE TO PRESENT TWO PARTICULARLY IMPORTANT PIECES OF PUBLIC INPUT. YOU SHOULD HAVE IN FRONT OF YOU AT SOME POINT IN TIME, YOU WILL HAVE, THREE PIECES OF INFORMATION. ONE IS THE TWO PIECES FROM THE BUDGET SURVEY, THE OTHER FROM THE CBAC SPEAK WHICH IS THE COMPILED REPORTS FROM THE BUDGET ADVISORY COMMITTEES. SO I WILL BE COVERING THE FIRST TWO PIECES, THAT'S TWO, DURING MY BUDGET SURVEY. THEN TERESA WILL HANDLE THE OTHERS. SO THIS YEAR WE POSTED OUR ONLINE SURVEY FOR TWO MONTHS BEGINNING FEBRUARY 1 AND CLOSING ON MARCH 31.

WE COLLECTED, TABULATED AND ANALYZED 510 RESPONSES THIS YEAR, WHICH WAS SLIGHTLY UP FROM THE 2014 TOTAL OF 485. WE GOT THE MOST OF OUR \$510 FROM DISTRICT 1, 17%. THE LEAST FROM DISTRICT 4, WHICH WAS 5%, AND UNFORTUNATELY IN DISTRICT 4 WE ALSO HAD THREE CIPS, ONLY THREE

CIPS THAT SHOWED ZERO RESPONDENTS SO THERE'S A PLAN TO GET MORE RESPONSES TO ADD TO THIS TOTAL. SPEAKING OF THAT, WE ALSO HAVE SURVEYS FROM 2011 AND 2012 THAT WERE HANDWRITTEN THEN MANUALLY ENTERED TO GIVE US AN AGGREGATE TOTAL OF JUST OVER 1700 SURVEYS DATING BACK TO 2011, SO WHEN YOU SEE THE AGGREGATE TOTALS ON THE BAR CHARTS, THAT'S WHAT THOSE ARE GOING BACK TO 2011. SO THIS YEAR WE COLLABORATED WITH BOTH THE BUDGET OFFICE AND CHAIR'S OFFICE TO ENSURE THAT WE WERE ASKING RELEVANT QUESTIONS AND HAD THE RESOURCES TO REACH THE MULTI-CULTURAL AUDIENCES THAT WE WANTED TO. LOOKS LIKE I'M MISSING A PAGE HERE. GETTING RIGHT INTO THE CONTEXT WHEN YOU LOOK AT THE CONTEXT HERE -- REALLY, I AM MISSING A SIGNIFICANT PORTION OF THIS.

Mr. Marschke: IN ANY CASE THE CONTEXT WAS THAT THE BUDGET OVERVIEW, WHICH WAS SAYING WHAT WE HAVE FOR THE GENERAL FUND TO SPEND AND WHAT WE DON'T, THAT WAS THE CONTEXT FOR THE SURVEY. THERE WERE FIVE QUESTIONS ON THE SURVEY FOR THIS YEAR. THAT WAS THE FIRST ONE WAS ABOUT RANKING YOUR TOP THREE SERVICES. THEN WHY WERE THOSE SERVICES IMPORTANT, IF YOU USE ANY SERVICES TELL US ABOUT YOUR EXPERIENCE, IF THE COUNTY WAS ABLE TO MINIMALLY EXPAND SOME SERVICES WHICH WOULD YOU CHOOSE, AND WHY DID YOU MAKE THAT CHOICE. THEN THERE'S AN OPEN AREA FOR OTHER COMMENTS. SO IN THE SUBSEQUENT PRESENTATION WE'LL BE SHOWING COMPARING THE QUANTITATIVE RESULTS OF 2016, 2014 AND PREVIOUS IN THE AGGREGATE.

THAT'S THE CONTEXT OF THE FIVE SURVEY QUESTIONS WERE POSTED AND THE ENTIRE SURVEY IS ONLINE. RANK YOUR TOP THREE SERVICES. THE MOST COMPELLING RESULT OF THIS QUESTION IS THE DRAMATIC SHIFTS IN THE RANKINGS FROM PAST SURVEYS IN 2016. FOR EXAMPLE MENTAL HEALTH SERVICES ROSE FROM NUMBER 8 IN PREVIOUS YEARS TO NUMBER ONE AND HOMELESS SERVICES FROM NUMBER 14 TO NUMBER TWO. CONVERSELY AND MALL SERVICES IS STILL NUMBER ONE IN THE AGGREGATE COUNT. BUT IT ALSO DROPPED FROM NUMBER 1 TO NUMBER 9 IN THE 2016 SURVEY. THE D.A. DROPPED FROM 2 TO 13. WE BELIEVE THAT THIS REFLECTS A SIGNIFICANT SHIFT IN BOTH AWARENESS AND PERCEIVED NEED. WORTHY OF NOTE IS THE CONSISTENT SUPPORT OF ROADS AND BRIDGES AND HEALTH DEPARTMENT. BOTH HAVE CONSISTENTLY GENERATED 28% SUPPORT IN TERMS OF THEIR IMPORTANCE OF THE RANKINGS IN THE FINAL ALWAYS IN REGARDLESS. IN COMPARISON TO PREVIOUS BUDGET SURVEYS SUPPORT FOR HEALTH AND HUMAN SERVICES PARTICULARLY MENTAL HEALTH INCREASED SIGNIFICANTLY WHILE ROADS AND BRIDGES AND PUBLIC SAFETY SERVICES HAVE DROPPED PRECIPITOUSLY FROM PREVIOUS YEARS YET THEY REMAIN 1 AND 2 IN THE AGGREGATE WITH HEALTH, DENTAL AND MENTAL HEALTH CLOSING FAST.

QUESTION 2 IS WHY WHERE THESE SERVICES IMPORTANT. WE GOT A VARIETY OF DIFFERENT ANSWERS TO THIS QUESTION. THE 386 RESPONDENTS



DESCRIBED WHY THE SERVICES THEY SELECTED WERE IMPORTANT TO THEM. THE PREVAILING THEME IS ONE OF SUPPORT FOR OUR COMMUNITY'S MOST VULNERABLE AND AT RISK POPULATIONS. EXAMPLE COMMENTS ARE UP ON SLIDES. EXCUSE ME. ALSO INCLUDED THINGS LIKE SUPPORT HELPS SOME OF THE MOST VULNERABLE HAVE HOPE FOR A BRIGHT FUTURE. POPULATIONS ARE FREQUENTLY UNABLE TO CARE FOR THEMSELVES. OUR COMMUNITY ISN'T LIKELY OR IS LIKELY TO BE LESS SAFE AND FUNCTIONAL IF SUPPORT ISN'T PROVIDED, AND IT'S A GOOD INVESTMENT AND THE RIGHT THING TO DO. SOME OTHER RESULTS FROM QUESTION 3, IF YOU USE ANY OF THESE SERVICES TELL US ABOUT YOUR EXPERIENCE. WE HAVE 266 RESPONDENTS DESCRIBE THEIR EXPERIENCES WITH THE COUNTY SERVICES THEY RANKED.

Mr. Marschke: THE PREVAILING THEMES WERE I HAVE USED HEALTH SERVICES. IT'S ENCOURAGING BUT STILL A LOT OF ROOM FOR IMPROVEMENT. I LOVE HOW EASY IT IS WE MAKE IT FOR PEOPLE TO VOTE. I SEE THE EFFECTS OF LIMITED MENTAL HEALTH TREATMENT SERVICES ON OUR STREETS EVERY DAY. AND THIS ONE KIND OF IS A BIT OF A SAMPLE OF THE WRAP-AROUND IN SERVICES. THE OPPORTUNITIES PRESENTED THROUGH THE SUN PROGRAM BROADENED MY CHILD'S HORIZONS, HELPING ENSURE SHE HAD A SAFE SPACE TO GO WHICH HELPED ME MAINTAIN EMPLOYMENT. NOW, QUESTION 4, IF THE COUNTY IS ABLE TO MINIMALLY EXPAND SOME SERVICES OR IMPROVE CRITICAL INFRASTRUCTURE PLEASE SELECT ONE ITEM FROM BELOW ON WHICH YOU WOULD SPEND ADDITIONAL FUNDS.

YOU CAN SEE RESPONDENTS SELECTED ONE CHOICE FROM NINE OPTIONS FOR ALLOCATING POTENTIAL ADDITIONAL FUNDING. THE SAME THREE WERE SELECTED NEARLY 74% OF THE TIME UP FROM 65% IN PREVIOUS YEARS. THOSE WERE EXPANDING MENTAL HEALTH PROGRAMS, EXPANDING HOMELESS SHELTERS AND SERVICES, INCREASING SUN SCHOOL COMMUNITY SCHOOL SERVICES OR SITES. WHILE EXPAND MENTAL HEALTH PROGRAMS WAS SELECTED AT NEARLY DOUBLE THE RATE OF THE SECOND HIGHEST OPTION IT REMAINED CONSISTENT CHOSEN BY A THIRD OF RESPONDENTS EACH TIME REGARDLESS OF THE YEAR WE DID THE SURVEY. WORTHY OF NOTE IS EXPAND HOMELESS SERVICES IS TRENDING EVER UPWARD. THIS IS THE LARGEST JUMP FROM 18% IN 2014 AND PRIOR TO 25% THIS YEAR. BUT STILL CAME IN AND UP SLIGHTLY 19% IN THE AGGREGATE. DOWN 16% FROM ITS PEAK THE SUN SCHOOL SUPPORT IS STILL STRONG BUT CAME IN AT ONE IN TEN AND DIPPED TO 14% IN THE AGGREGATE.

SAVING MONEY FOR THE FUTURE SEEMS TO HAVE BECOME A LITTLE BIT LESS IMPORTANT FROM THE PAST DROPPING FROM FOURTH TO NINTH IN 2016 BUT REMAINING A STRONG NUMBER 4 IN THE AGGREGATE. QUESTION 5, WHICH WAS PLEASE DESCRIBE WHY YOU SELECTED THE CHOICE IN QUESTION 4 TO SPEND THE EXTRA MONEY ON, RESPONDENTS WERE ASKED TO DESCRIBE THAT PROGRAM A TOTAL OF 373 COMMENTS WERE SUBMITTED HERE AND THE COMMENTS WERE VERY CONSISTENT WITH THE RANKING. FEW EXAMPLES,

EXPANSION OF HOMELESS SERVICES WITHOUT INCLUDING MENTAL HEALTH TREATMENT AS WAREHOUSING, NOT PROBLEM SOLVING. SAVING MINORITY YOUTH FROM THE CORRECTIONAL SYSTEM. IF WE DON'T CATCH THEM NOW WE'RE IN FOR A WORLD OF HURT AND COSTS. THERE ARE THOUSANDS OF PEOPLE WITH CHILDREN LIVING OUTSIDE. PROTECTING CHILDREN IS HUGE.

Mr. Marschke: I WOULD EXPAND EDUCATION AND SELF-DEFENSE FOR KIDS, NOT FOCUS ON JUST PROSECUTION OF PERPETRATORS. THE COUNTY DOES GOOD WORK WITH JUVENILE VICTIMS. MY DAUGHTER WAS ONE. OUR IMMIGRANT FAMILIES ARE GRATEFUL, SUPPORTING NEWCOMER PROGRAMS IS WHERE I WOULD PUT ADDITIONAL FUNDS. BACK TO THE SOMETIME REIGNING NUMBER ONE ANIMAL SERVICES, I LOVE ANIMALS. WAS ACTUALLY THE MOST POPULAR ONE MENTIONED INDEPENDENTLY. THE ONE ABOUT WAPATO THAT PROBABLY SEEMS TO SPEAK FOR ALL SAYS THE COUNTY SEEMS TO HAVE REJECTED USING THE JAIL AS A FACILITY TO TEMPORARILY HOUSE PEOPLE EXPERIENCING HOMELESSNESS. THIS FACILITY HAS MEDICAL AND DENTAL FACILITIES, BEDS, BATHROOMS, SHOWERS AND KITCHEN. ANIMAL SERVICES WAS IMPORTANT. ANIMAL SERVICES HAS ALWAYS FALLEN TO THE END OF THE PRIORITY LIST. LIBRARIES ARE FOR BOOKS, NOT COMPUTERS.

THE PREVAILING FAVORITE LET'S SAY GOOD RIDDANCE TO THE STATUS QUO AND NOT BE AFRAID TO MAKE THE CHANGES WHERE NECESSARY. THE FINAL SLIDE SHOWS THE PRINTED SURVEY WHICH IS CURRENTLY IN CIRCULATION AND WILL BE ADDED TO THESE TOTALS AND ANALYZED AS RECEIVED THROUGHOUT THE BUDGET PROCESS. ANY SIGNIFICANT CHANGES WILL BE COMMUNITY INDICATED TO THE BOARD AS THEY BECOME EVIDENT. ANY QUESTIONS?

Commissioner McKeel: EM. DO YOU NEED ANY HELP WITH OUTREACH IN EAST COUNTY?

Mr. Marschke: YES, WE COULD USE ALL THE HELP ON SURVEYS THAT WE COULD GET. WE HAVE THREE ZIP CODES WHERE WE GOT ZERO. THANK YOU.

Vice-Chair Smith: MADAME CHAIR, I HAVE A QUESTION. HOW DO WE DETERMINE WHO GOT A SURVEY?

Mr. Marschke: THE SURVEYS WERE POSTED ONLINE VIRTUALLY EXCLUSIVELY WITH THE EXCEPTION OF THE PRINTED ONES BEING CIRCULATED DURING OUTREACH. WE TOOK THE LIST OF ALL THE PEOPLE THAT HAVE RESPONDED IN THE PAST, TOOK OUT ALL THE PEOPLE WE KNEW PERSONALLY SO WE TOOK OUR OWN PERSONAL DATABASES, OUTREACH CONTACTS, ALL THE PEOPLE IN OUR DEPARTMENT DATABASE INCLUDING OUR MEMBERS' SPHERE OF INFLUENCES. WE POSTED ON OUR WEB PAGE, ON OUR FACEBOOK PAGE, AND LET PEOPLE KNOW AT THE OUTREACH EVENTS THAT WE DID THROUGHOUT

FEBRUARY AND MARCH THAT WE HAD AN ONLINE SURVEY AND GAVE THEM THE LINK.

Vice-Chair Smith: SO WE GOT 363 RESPONSES?

Mr. Marschke: NO, 510 RESPONSES TOTAL THIS YEAR, UP SLIGHTLY FROM LAST YEAR, TWO YEARS AGO. THE 300 NUMBER YOU MENTIONED IS PROBABLY ONE OF COMMENTS WE GOT. THE COMMENTS WE GOT WERE OBVIOUSLY LOWER, THE NARRATIVES, THAN THE ACTUAL MULTIPLE CHOICE QUESTION. WE SENT OUT LINKS TO ALL THE NEIGHBORHOOD ASSOCIATIONS, TO THE COMMUNITY NEWSPAPERS, COMMUNITY RADIO STATIONS LIKE KBOO, ETC. WE DID THE BEST WE COULD.

Vice-Chair Smith: GREAT OUTREACH JOB ON THIS.

Mr. Marschke: THANK YOU. 510 WAS A PRETTY STRONG RESPONSE WE FELT IN THAT PERIOD OF TIME.

Vice-Chair Smith: I THINK WE DID ONE LAST YEAR, DIDN'T WE?

Mr. Marschke: TWO YEARS AGO. 485. IT WAS SLIGHTLY LOWER BUT WE FELT WE GOT A BETTER RESPONSE RATE. WE TARGETED SPECIFICALLY SOME OF THE UNDER-SERVED AND UNDER-REPRESENTED COMMUNITIES FROM LAST TIME. UP NEXT IS TERESA WALTON, CENTRAL BUDGET ADVISORY COMMITTEE CHAIR.

Ms. Walton: I'M TERESA WALTON. I'M CHAIR OF THE CENTRAL CBAC. I WOULD LIKE TO START BY USING THE CBAC SPEAK REPORT. YOU SHOULD HAVE A COPY IN FRONT OF YOU. THIS WILL BE OUR REFERENCE MAYBE YOU CAN TAKE A MOMENT IN YOUR LEISURE TO REVIEW IT. THESE ARE COMPILATION OF ALL THE CBACS. I WOULD LIKE TO BEGIN BY THANKING MADAME CHAIR AND THE COMMISSIONERS FOR THIS OPPORTUNITY TO SHARE OUR BUDGET PRIORITY RECOMMENDATIONS WITH YOU. THE CENTRAL BUDGET ADVISORY COMMITTEE HAS MEMBERS FROM EACH OF THE EIGHT DEPARTMENTS BUDGETED ADVISORY COMMITTEES AND IS CHAIRED BY A MEMBER OF THE MULTNOMAH COUNTY CITIZENS INVOLVEMENT COMMITTEE WHICH WOULD BE MOI.

WE MEET REGULARLY DURING THE BUDGET SEASON TO PROVIDE EACH OTHER AND THE BOARD OF COMMISSIONERS INPUT. THIS ALLOWS US TO ESCAPE OUR SILENCE AND LOOK AT THE BUDGET COLLECTIVELY MUCH THE WAY WE COUNT ON THE BOARD CHAIRS TO DO FROM A BROAD COMMUNITY PERSPECTIVE. AS A BODY, WE RECOGNIZE THE NECESSITY FOR A SIZABLE INVESTMENT IN HOMELESS SERVICES AND HOUSING AND THE MAJOR SHIFT THAT REPRESENTS FOR ALL COUNTY DEPARTMENTS AND SERVICES. COMING AT A TIME WHEN SHORT-LIVED SURPLUSES ARE GOING AWAY AND WE'RE AGAIN FACING THE PROSPECT OF CONTINUAL CONSTRAINTS AND CUTS MAKES IT NO PICNIC IN THE PARK FOR ANYONE. WE REALIZE THAT. ESPECIALLY THE

POPULATIONS THAT WE SERVE. THE CENTRAL CBAC ALSO UNDERSTANDS ALL TOO WELL THE SCARCITY OF THOSE 12 YEARS OF VERY PAINFUL BUDGET CUTS.

Ms. Walton: I HAVE BEEN INVOLVED WITH THIS FOR 12 YEARS AND I DO TOTALLY UNDERSTAND. I DO REMEMBER. LIKE A MILLION PAPER CUTS. WE ALONG WITH THE REST OF THE COUNTY ALSO THOROUGHLY ENJOYED LAST YEAR'S BUDGET PROCESS AND ITS OUT COMES. THIS YEAR IS THE UNUSUAL TRANSITION YEAR AWAY FROM A ABUNDANCE. WE KNOW THAT. THAT REQUIRES PRUDENT AND PRAGMATIC PLANNING AND COMMUNITY PRIORITIES AT THE FOREFRONT TO ENSURE THAT THE MOST VULNERABLE DON'T GET FORGOTTEN WHILE THE REST OF THE POPULATION SURVIVES. FACED WITH THE INITIAL SHOCK OF A 2% CONSTRAINT, OUR CBACS AND THEIR DEPARTMENTS WORKED OVER THE PAST SEVERAL MONTHS TO SHORE UP THEIR BUDGETS AND TAKE HARD LOOKS AT WHAT COULD BE CUT WITH A MINIMUM OF PAIN TO CONSTITUENTS AND STAFF WHILE NOT COMPROMISING ESSENTIAL LONG TERM OUT COMES. WITH THAT IN MIND, WE FIND THAT OVER ALL, THE CHAIR'S BUDGET ACCURATELY REFLECTS THE VALUES AND PRIORITIES OF OUR COMMUNITY AT LARGE. IT DOES. AND AS YOU MIGHT EXPECT, THERE ARE A FEW POINTS OF CONTENTION. BUT FIRST WE THOUGHT WE WOULD BEGIN WITH A FEW SPECIFIC THANK YOUS.

FROM THE BRAND NEW HEALTH DEPARTMENT, CBAC, FOR STRIFE AND STD PREVENTION PROGRAMS, ESPECIALLY IN LIGHT OF THE CUTS TO THE PUBLIC SAFETY BUDGET. DCHS CBAC FOR INCLUDING THE PUBLIC GUARDIAN AND HUNGER INITIATIVES AS WELL AS SUN STAFF RESTORATION AND PROJECT INDEPENDENCE AMONG OTHERS. THE NOND CBAC FOR FUNDING TO FILL THE UNFORTUNATE GAP IN STATE FUNDING FOR THE OFFICE OF EMERGENCY MANAGEMENT. THIS WAS VERY CRITICAL SO THIS WAS A BIG ONE THIS YEAR. THE COMMUNITY JUSTICE CBAC FOR INCLUDING TWO OF THEIR THREE PRIORITY RECOMMENDATIONS, ASD RECOVERY, THE FORENSIC LAB, AND THE FAMILY COURT SERVICES. AND THE D.A. FOR SIMPLY HEARING THEIR PRIORITIES AND CLEARLY ACTING ACCORDINGLY.

SO ON TO THE REST OF THE REPORT. A SURPRISE TO ALMOST NO ONE AT THE TOP OF THE LIST WAS CENTRAL CBAC ISSUES IS THE SHERIFF'S DEPARTMENT. SURPRISE. SHERIFF'S DEPARTMENT CBAC APPLAUDS THE INVESTMENT IN HOMELESS SERVICES AND HOUSING. THE CLEAR CONNECTION BETWEEN INCARCERATION AND HOMELESSNESS AS WELL AS CONSISTENT MISUSES OF JAILS AS A REVOLVING DOOR WAREHOUSE FOR THE MENTALLY ILL MAKES SUCH AN INVESTMENT ESSENTIAL. HOWEVER, THE SHERIFF'S CBAC FEELS STRONGLY THAT REMOVING JAIL BEDS AT THIS TIME WITHOUT A CLEAR AND CAREFUL TRANSITION PLAN INCLUDING READY SPACE FOR THOSE THAT WOULD OTHERWISE OCCUPY A JAIL BED IS PREMATURE. ONCE THERE ARE APPROPRIATE PLACES AND SERVICES AVAILABLE, THE CBAC WOULD FEEL MUCH MORE COMFORTABLE WITH THE TRANSFER OF FUNDS BUT UNTIL THAT

TIME, THEY FEEL STRONGLY THAT THIS IS A PUBLIC SAFETY ISSUE OF THE UTMOST IMPORTANCE THAT REQUIRES CONTINUED FUNDING.

Ms. Walton: THE CENTRAL CBAC STRONGLY SUPPORTS THE POSITION OF THE SHERIFF'S CBAC AND WE STRONGLY RECOMMEND AMENDING THE CHAIR'S BUDGET TO INCLUDE BUDGET OFFER 641-I, AND J. THE DEPARTMENT OF COMMUNITY JUSTICES HAS RECOMMENDED ADDITION OF A MARRIAGE AND FAMILY COUNSELOR FUNDED BY DIVERTING FUNDS FROM THE LIBRARY. THE LAW LIBRARY. FAMILY COURT SERVICES AS YOU KNOW ARE IMPORTANT IN STABILIZING A FAMILY. YOU'RE BUILDING A NEW COURTHOUSE YOU'RE GOING TO BE MOVING BOOKS. WE THINK THAT AS A CBAC WE BELIEVE STRONGLY THAT OUR FAMILIES SHOULD COME TAKE A PRIORITY OVER LAW BOOKS AT THIS TIME. THE CENTRAL CBAC STRONGLY SUPPORTS AND YOU'LL BE HEARING MORE ABOUT THIS WHEN THE DCJ TESTIFIES, THE CENTRAL CBAC STRONGLY SUPPORTS THE POSITION OF THE DCJ CBAC AND WE STRONGLY RECOMMEND AMENDING THE CHAIR'S BUDGET TO INCLUDE BUDGET OFFER 552-B.

WE ALSO WANT TO BRING BACK AN ISSUE THAT SEEMS TO HAVE RECEIVED LESS SUPPORT THAN IN PAST YEARS. CULTURALLY SPECIFIC ISSUES. THERE IS A DISPROPORTIONATE REPRESENTATION, ALMOST IN REVERSE OF NEWCOMERS TO THIS COUNTY WHO ACCESS SERVICES AND WHO ARE THERE OR REPRESENTED WHEN DECISIONS GET MADE ABOUT BUDGET POLICY AND SERVICES. PROVIDING CULTURALLY SPECIFIC SERVICES EXTENDS FAR BEYOND THE OCCASIONAL TRANSLATION OR INTERPRETATION. IT GOES DEEPLY INTO THE CULTURE OF THE COUNTY REGARDING CONTINUING INVESTMENTS IN THOSE SERVICES AS WELL AS RATHER THAN, INSTEAD OF, OTHER SERVICES THAT AFFECT THOSE COMMUNITIES. EQUITABLE ACCESS TO SERVICES MUST BE CONSISTENT. THE MONEY IN KIND INVESTED IN BUILDING RELATIONSHIPS AND TRUST MUST BE SUPPORTED ON AN ONGOING RATHER THAN SPORADIC BASIS IF WE ARE TO SPEND THOSE RESOURCES WELL AND WISELY.

THEREFORE WE SPECIFICALLY AGAIN RECOMMEND THE FOLLOWING. DCS ELECTIONS BUDGET OFFER 91008-C, THE DCS CBAC STRONGLY SUPPORTED THE ADDITION LAST YEAR OF AN ELECTIONS VOTER OUTREACH POSITION TO EXAMINE POTENTIAL INSTITUTIONAL BARRIERS AND ROADBLOCKS TO VOTING IN OUR COMMUNITY. THE RESULTS OF THE FIVE-YEAR REPRESENT A GOOD START AND CLEARLY DEMONSTRATE THE NEED FOR CONTINUED WORK ON THIS ISSUE. BARRIERS AND ROADBLOCKS SHOULD NOT EXIST IN ANY FORM WHEN EXERCISING THIS SACRED RIGHT TO VOTE. THE CENTRAL CBAC STRONGLY SUPPORTS THE POSITION OF DCS CBAC AND WE STRONGLY RECOMMEND AMENDING THE CHAIR'S BUDGET TO INCLUDE BUDGET OFFER 91001-C. DCHS, DB SERVICES. WHILE BIG CONCERNS PUBLIC GUARDIAN AND SENIOR HUNGER INITIATIVE OF THE DCHS CBAC WERE FUNDED. ITEMS NOT IN THE CHAIR'S BUDGET THIS YEAR INCLUDE THREE CRITICAL SERVICES ESSENTIAL TO DOMESTIC VIOLENCE SURVIVORS.

Ms. Walton: ESPECIALLY THOSE MOST VULNERABLE AND MEMBERS OF TYPICALLY UNDER-SERVED POPULATIONS. SPECIFICALLY HOMELESS FAMILIES. I'M AN EMERGENCY ROOM NURSE. I TREAT THESE PEOPLE. EVERY DAY. EVERY DAY. THREE, FOUR TIMES A DAY. PEOPLE THAT DON'T SPEAK ENGLISH, WOMEN THAT ARE HOMELESS, I SEE THIS EVERY SINGLE DAY OF MY LIFE. THIS NEEDS TO GO IN YOUR BUDGET. ABSOLUTELY. THEY ARE UNDER-SERVED AND I'M OVERWHELMED. RESEARCH SHOWS THAT THE LONG TERM SAFETY OF DOMESTIC VIOLENCE SURVIVORS IS STRONGLY ASSOCIATED WITH ACCESS TO CULTURALLY SPECIFIC PEER-BASED SERVICES, AND THE CENTRAL CBAC STRONGLY SUPPORTS AMENDING THE CHAIR'S BUDGET TO INCLUDE DCHS BUDGET OFFER 25048-B. RESEARCH ALSO SHOWS THAT ACCESS TO LEGAL SERVICES IS IMPERATIVE TO PROVIDING A SAFE AND SUSTAINABLE FUTURE FOR DOMESTIC VIOLENCE SURVIVORS.

GIVEN THE GAP THAT NOW EXISTS AS A RESULT OF CLOSURES AND CONSOLIDATIONS, THE CENTRAL CBAC ALSO STRONGLY RECOMMENDS AMENDING THE CHAIR'S BUDGET TO INCLUDE DCHS BUDGET OFFER 25046-B. OCI BUDGET OFFER. HERE WE GO. FINALLY THERE'S A TINY PROPOSAL BURIED IN THE VOLUMES OF BUDGET FROM THE OFFICE OF CITIZEN INVOLVEMENT, WHICH WOULD BE US, THAT DESERVES YOUR RECOGNITION AND SUPPORT. IT'S CALLED THE COMMUNITY OUTREACH PILOT. I THINK GARY AND BRENDA SO FAR YOU LOOK AT WHERE WE WERE LAST YEAR, YOU LOOK AT WHAT THEY HAVE DONE IN A YEAR'S TIME, HAS BEEN OUTRAGEOUS. IT'S JUST BEEN PHENOMENAL. WE'RE NOW RENAMING IT THE PLACES OF RESILIENCE.

IT'S A ONE-TIME OPPORTUNITY TO BEGIN THE BALANCE DISPROPORTIONATE REPRESENTATION OF SERVICE USERS FROM NEWCOMER POPULATIONS CURRENTLY AT THE POLICY AND BUDGET DECISION LINKING TABLE. WE STRONGLY, STRONGLY RECOMMEND GARY AND BRENDA'S WONDERFUL EFFORTS AND ASK FOR ADDITIONAL FUNDING BY RECOMMENDING THAT YOU AMEND YOUR BUDGET TO INCLUDE THE OFFICE OF CITIZEN INVOLVEMENT, 10010-B. WE ALSO JOIN THE NOND CBAC. IT ENCOURAGES THE DIRECTOR TO CONTINUE. WE NEED THAT. THIS IS AN IMPORTANT AND PIVOTAL BUDGET YEAR AS WE PREPARE FOR LESS ABUNDANCE IN BUDGET YEARS TO COME. WE'RE ALL USED TO BEING ASKED TO DO MORE WITH LESS. AND WE UNDERSTAND THE DELICATE BALANCE BETWEEN BUDGET CONSTRAINTS AND COMMUNITY NEEDS. WE DO. ALL OF THIS HAS BEEN AROUND FOREVER. HOWEVER, WE MUST STRESS THE NEED TO USE THE EQUITY FUTURE WHENEVER APPROACHING BUDGET DECISIONS REGARDING THE STATE OF THE BUDGET. THANK YOU, MADAME CHAIR AND COMMISSIONERS, FOR THE OPPORTUNITY TO SHARE OUR GRATITUDE AS WELL AS OUR CONCERNS. ANYONE HAVE ANY QUESTIONS?

Vice-Chair Smith: THANK YOU FOR THE REPORT. THANK YOU FOR GOING INTO GREAT DETAIL. I AGREE WITH YOU ON A COUPLE OF INSTANCES. I HAD A

CONVERSATION WITH THE SHERIFF YESTERDAY AND ASKED WHY HE ASKED FOR THOSE TWO DORMS TO BE ELIMINATED. I WASN'T PLEASED WITH THAT AND IT WAS FROM A PUBLIC SAFETY STANDPOINT. I TOTALLY AGREE WITH THAT. I'M GOING TO PUT AN AMENDMENT IN TO RESTORE THOSE TWO DORMS.

Commissioner McKeel: I JUST WANT TO SAY THANK YOU SO MUCH. I LOVE WHEN THE CBACS COME FORWARD AND PRESENT. IT REALLY HELPS US WITH OUR ABILITY TO DO OUR BUSINESS. WE APPRECIATE THE WORK OF ALL THE CBACS. SO THANK YOU VERY MUCH.

Chair Kafoury: THANK YOU. DO YOU HAVE ANYTHING ELSE ON YOUR PRESENTATION?

Mr. Marschke: WE HAVE TAKEN UP ALL OUR TIME IT LOOKS LIKE.

THANK YOU. I'M SURE WE WILL SEE MORE OF YOU THROUGHOUT THIS NEXT FIVE WEEKS.

**BWS-1.d     Multnomah County Library Budget Session. Presenters: Vailey Oehlke, Library Director and Becky Cobb, Library Deputy Director.**

Ms. Oehlke: I CAN'T SAY I'M RESISTANT, BECAUSE I'M GOING TO SAY IT. DEAR COMMISSIONERS WE'RE GATHERED HERE TODAY IN HONOR OF THE RECENT PASSING OF ONE OF THE MOST AMAZING MUSICIANS OF MY GENERATION. GOOD MORNING, CHAIR KAFOURY, COMMISSIONERS, I'M DIRECTOR OF LIBRARIES. WITH ME IS SEAN CUNNINGHAM, COMMUNICATIONS DIRECTOR, BECKY COBB, DEPUTY DIRECTOR, AND JACK NICHOL, THE CHAIR OF OUR CBAC. I WILL ALSO WELCOME IN OUR AUDIENCE OUR EMPLOYEE BUDGET COHORT HERE TO WITNESS THIS PRESENTATION AND THE MEETING AFTERWARDS TO HAVE FURTHER CONVERSATION ABOUT THE BUDGET. I WELCOME THEM AND THANK THEM FOR BEING HERE TODAY. SO THIS IS WHAT WE'RE GOING TO TALK ABOUT. IT'S A FAMILIAR AGENDA. OUR MISSION, OVERVIEW, ANY ADDITIONS, SUMMARY THEN AN OPPORTUNITY FOR YOU TO ASK US QUESTION. OUR MISSION AND VISION, I THINK YOU'RE FAMILIAR WITH OUR THREE PILLARS. WE CALL THEM PILLARS BECAUSE WE CONSIDER THEM CONSTANT.

THEY TRANSCEND TIME, CHANGE. FREE ACCESS FOR ALL, A TRUSTED GUIDE FOR LEARNING AND THE LEADING ADVOCATE FOR READING. ON TOP OF THOSE WE BUILD OUR THREE-YEAR STRATEGIC PRIORITIES. THOSE ARE YOU'LL SEE THESE PRIORITIES REFLECTED IN NEXT YEAR'S BUDGET PROPOSAL. SO AS YOU ALL KNOW, WE HAVE A LIBRARY ADVISORY BOARD AND SUBCOMMITTEE THAT SERVES AS OUR CBAC. IT'S THE FINANCE SUBCOMMITTEE. THAT COMMITTEE IS CHAIRED THIS YEAR BY JACK MCNICHOL. I WANT TO SAY BIG CHANG YOU TO JACK FOR HIS TIME AND ATTENTION AS WELL AS ALL THE OTHER VOLUNTEERS WHO HAVE BUSY LIVES AND GIVE OF THEIR TIME ON BEHALF OF THE LIBRARY AND THIS COUNTY. THANK YOU.

Mr. McNichol: GOOD MORNING, EVERYBODY. THANK YOU FOR THE INTRODUCTION. I'M VERY PLEASED TO BE HERE TODAY TO PRESENT OUR CBAC REPORT. I WORKED WITH A COMMITTEE OF SIX MEMBERS TO DEVELOP THIS REPORT AND IT WAS APPROVED LAST MONTH. THE SUMMARY IS THAT WE TOTALLY SUPPORT EVERYTHING THAT LIBRARY STAFF IS PROPOSING. WE THINK THIS STAFF HAS BEEN SO DILIGENT AND THOUGHTFUL ABOUT THE ADDITIONS TO THE BUDGET THIS YEAR. COMPARED TO PREVIOUS BUDGETS IN THE LAST THREE YEARS OF THE LIBRARY HISTORY THIS IS A VERY MODEST INCREASE. THERE ARE SOME MODEST, THOUGHTFUL ADDITIONS BUT IT'S NOT THE BIG SHIFT WE SAW WITH THE COMING OF THE DISTRICT AND THE CHANGE OF THE BUDGET LAST YEAR. THE LIBRARY ADVISORY BOARD IS MOST EXCITED ABOUT SOME OF THE NEW INVESTMENTS IN EQUITY AND INCLUSION, IN CUSTOMER SERVICE WITH A SYSTEM WIDE CALL CENTER, WE'RE ALSO VERY EXCITED ABOUT CREATION OF THE LIBRARY SAFETY OFFICER POSITION AND BRINGING SOME OF THE SECURITY SERVICES THE LIBRARY USES IN-HOUSE.

THE OTHER THING THAT'S INCLUDED IN THE BUDGET THAT WE'RE EXCITED ABOUT IS FUNDING TO BEGIN A CAPITAL PLANNING PROCESS FOR THE LIBRARY THAT WE THINK IS CRITICAL. SPACE AND THE AVAILABILITY OF SPACE IS AN ONGOING ISSUE FOR OUR LIBRARY. WE HAVE A VERY SMALL FOOTPRINT GIVEN THE SIZE OF THE POPULATION WE SERVE AND THE SPACES THAT LIBRARIES NEED TO FUNCTION ARE CHANGING. WE DON'T NEED HUGE ROOMS FULL OF BOOKS. WE NEED BIG ROOMS TO PROGRAM IN AND WE'RE VERY INTERESTED IN WORKING TO DEVELOP A PLAN FOR WHERE THE LIBRARY WILL GO WITH SPACE IN THE NEXT 20, 30, 40 YEARS. SO WE HAVE BEEN TALKING ABOUT THAT FOR SEVERAL YEARS. THIS IS THE FIRST BUDGET WHERE WE'RE ACTUALLY ALLOCATING FUNDS TO BEGIN THE WORK TO CREATE THE PLAN WITH THE BOARD. THE OTHER THING THAT I WOULD JUST BRIEFLY MENTION IS THAT, MIKE TALKED ABOUT THE PROJECTIONS FOR THE FUTURE. THE ADVISORY BOARD FEELS IT'S IMPORTANT TO KEEP THE TAX RATES AT 118 AS LONG AS POSSIBLE. THAT SEEMS TO BE FEASIBLE FOR THE NEXT COUPLE OF YEARS BUT WE'RE ALSO WORKING WITH MIKE IN TRACKING THAT. THAT'S ALL I'VE GOT.

Ms. Oehlke: THANK YOU. APPRECIATE THAT. SO WHO WE SERVE AND WHAT WE DO, SOME HIGHLIGHTS FROM THIS YEAR, WE WELCOMED 28,000 PEOPLE DAILY IN PERSON AND ONLINE. WE PROVIDED 1.1 MILLION WI-FI SESSIONS. WE ALSO PROVIDED ABOUT 1 MILLION DESKTOP SESSIONS OF INTERNET ACCESS. WE'RE THE LARGEST PROVIDER OF FREE BROADBAND ACCESS IN OUR REGION. I WOULD POSIT POSSIBLY IN THE STATE. WE SHARED 5900 STORY TIMES WITH 137,000 EAGER PARTICIPANTS. WE INCREASED OUR DIGITAL CHECKOUTS TO 1.2 MILLION. THAT NUMBER CONTINUES TO CLIMB. WE CONTINUE TO PAY ATTENTION TO THAT IN TERMS OF WHAT WE PROVIDE TO THE PUBLIC AND HOW THEY WANT TO EXPERIENCE THE DIGITAL LANDSCAPE THROUGH THE LIBRARY. WE SHARED THE LOVE OF SUMMER READING WITH 11,000 CHILDREN,



PROVIDED LEARNING SUPPORT AND READING TO 85 THOUSAND DOLLARS STUDENTS.

Ms. Oehlke: THAT'S A LOT OF THAT DONE THROUGH OUR OUTREACH, TARGETING THE STUDENTS IN NEED IN LOCATIONS AROUND THE COUNTY. WE HOSTED 23,000 PROGRAMS AND JUST FOR KICKS THE OTHER DAY I LOOKED UP I TRIED TO FIGURE OUT HOW MANY PROGRAMS THEY HOSTED FOR EVENTS AT MODA. I CAN TELL YOU AT MADISON SQUARE GARDEN THEY HOST 320 EVENTS A YEAR AND AT MULTNOMAH COUNTY LIBRARY WE HOSTED 23,000 WITH 329,000 ATTENDEES. WE ISSUE ABOUT 67,000 NEW LIBRARY CARDS. THAT'S ABOUT THE POPULATION OF SPRINGFIELD, OREGON. WE ENGAGED 1935 VOLUNTEERS WHO GAVE 67,000 HOURS TO THE LIBRARY. A LOT OF THOSE FOLKS VOLUNTEER WITH OUR SUMMER READING PROGRAM WHO ARE ALSO YOUNG PEOPLE, SO IT'S A NICE OPPORTUNITY TO GET YOUNGER FOLKS INTO THE LIBRARY INTO A WORK SITUATION ALONG WITH OTHER OPPORTUNITIES SUCH AS THE SUMMER WORKS PROGRAM.

OUR ORGANIZATIONAL CHART IS THE SAME AS WHAT IT'S BEEN. DEPARTMENT ADMINISTRATION IS MY OFFICE. THEN WE ARE BROKEN UP INTO MAJOR AREAS, CENTRAL LIBRARY, NEIGHBORHOOD LIBRARIES, WHICH ARE ALL OF THE LIBRARIES BEYOND CENTRAL, OF COURSE. SERVICES DIVISION, PROGRAMMING AND COMMUNITY OUTREACH, COLLECTIONS AND TECH SERVICES AND SYSTEM-WIDE ACCESS AND INFORMATION SERVICES. BECKY WILL TALK A LITTLE BIT ABOUT EACH OF THOSE IN MORE DETAIL. ON THAT NOTE HERE'S BECKY.

Ms. Cobb: TO THE BUDGET NUMBERS. OVER ALL FOR FY-17 ARE THE LIBRARY BUDGET INCREASED BY ABOUT 2%, 1.5 MILLION, SO A MORE MODEST INCREASE THAN THE PREVIOUS YEAR. BY ABOUT 4.5 FTE. JUST AS A REMINDER, THE REVENUES FOR THE LIBRARY COUNTY BUDGET IS LARGELY AN IJA TRANSFER FROM THE DISTRICT, 99.5%. YOU'LL SEE MORE DETAIL IN THE LIBRARY DISTRICT PRESENTATION. THERE'S ONE INTERNAL SERVICE REIMBURSEMENT THAT COMES INTO THE LIBRARY FUND AND THAT'S FROM THE SHERIFF'S OFFICE FOR LIBRARY SERVICES PROVIDED TO JAILS. JUST AS A REMINDER THE FUND SERVICE NO COUNTY GENERAL FUND. SO HERE'S THE BREAKDOWN OF THE BUDGET BY CATEGORY. JUST AS MIKE TALKED ABOUT WITH THE OVER ALL COUNTY BUDGET THAT CERTAINLY HOLDS TRUE AT THE LIBRARY, THE LARGEST PERCENTAGE OF OUR BUDGET IS FOR PERSONNEL, ABOUT TWO-THIRDS. NEXT IS INTERNAL SERVICES AND THE BIGGEST PIECE IS FOR I.T. AND FACILITIES. THEN WE CALL OUT SEPARATELY THE 7.4 MILLION FOR THE BOOKS AND MATERIALS BUDGET BECAUSE THAT IS SUCH A BIG PIECE OF OUR BUDGET WE LIKE TO HIGHLIGHT THAT AND SHOW THAT THAT IS GOING FOR THE COLLECTION OF MATERIALS THAT PEOPLE ARE THEN ABLE TO ACCESS THROUGHOUT THE YEAR. 5% FOR MATERIALS AND FLIES AND 3% FOR CONTRACTUAL SERVICES.

Ms. Cobb: THEN WE'RE GOING TO GO INTO MORE DETAIL FOR EACH DIVISION BUT FIRST TO SEE THEN THE BUDGET BY DIVISION BREAKOUT, AS YOU CAN SEE THE LARGEST SHARE GOES FOR THE 18 NEIGHBOR LIBRARIES. THIS IS LARGELY FOR STAFF AND BUILDINGS, THE NEXT LARGEST FOR CENTRAL LIBRARY. WE DO NOT SPREAD THE OTHER COSTS TO ALL THE LIBRARIES. SO LARGELY WHAT YOU SEE FOR THE NEIGHBORHOOD LIBRARIES AND CENTRAL LIBRARY, ABOUT 54% OF OUR BUDGET BY THIS BREAKDOWN, IS FOR STAFF AND FOR THE COST OF THE BUILDINGS, SOME SUPPLIES, SOME TRAINING. THOSE ARE THE COSTS REFLECTED THERE. THEN YOU'LL SEE AGAIN ABOUT 15% IS FOR COLLECTIONS AND TECHNICAL SERVICES AND THIS INCLUDES THE 7.4 MILLION FOR THE BOOK BUDGET THAT IS SHARED BY ALL THOSE PUBLIC LOCATIONS. DEPARTMENT ADMINISTRATION IS A VARIETY OF OPERATIONAL AND ADMINISTRATIVE FUNCTIONS AND WE'LL GO INTO THOSE IN MORE DETAIL WHEN WE GET TO THAT DIVISION. IN OUR SYSTEM ACCESS AND INFORMATION SERVICES THAT ALSO INCLUDES MONEY WE PAY TO COUNTY I.T. FOR I.T. SUPPORT, ABOUT 5.8 MILLION. THEN 3% FOR EACH OF OUR YOUTH SERVICES OUTREACH AND PROGRAMMING AND COMMUNITY OUTREACH.

THE THOUSANDS OF PROGRAMS MOST ARE FUNDED HERE AT PROGRAMMING AND COMMUNITY OUTREACH. THIS NEXT CHART SHOWS THE YEAR OVER YEAR CHANGE BY DIVISION. WE'LL GET INTO THAT IN MORE DETAIL FOR EACH. MOST ARE FAIRLY FLAT EXCEPT INCREASES IN DEPARTMENT ADMINISTRATION THAT WE'LL TALK ABOUT, THEN A DECREASE IN THE YOUTH SERVICES AND THAT IS LARGELY DUE TO THE LIBRARY FOUNDATION AMENDMENT THAT WILL BE ADDED LATER IN THE BUDGET PROCESS. YOU SEE THIS EVERY YEAR. WE'LL TALK ABOUT DEPARTMENT ADMINISTRATION, WHICH ACTUALLY AGAIN INCLUDES A NUMBER OF ADMINISTRATIVE AND SYSTEM WIDE OPERATIONAL PROGRAMS INCLUDING THE LIBRARY DIRECTOR'S OFFICE AND I WANT TO HIGHLIGHT A COUPLE OF THE NEW PROGRAM OFFERS IN THIS DIVISION.

THE FIRST ONE IS THE DIVERSITY INITIATIVE WHICH IS THE ADDITION OF AN EQUITY AND INCLUSION MANAGER FOR THE LIBRARY WHICH WE'RE REALLY EXCITED ABOUT. THEN A LITTLE BIT FURTHER DOWN THE PAGE UNDER 80020, THE SAFETY AND SECURITY PROGRAM OFFER AND WE'RE FINALLY PULLING TOGETHER ALL THE RESOURCES THAT WE HAVE BEEN SPENDING ON SAFETY AND SECURITY INTO ONE PROGRAM OFFER. YOU WILL SEE THAT IN THE APPROVED BUDGET. AS WAS NOTED EARLIER BY JACK, WE ARE ALSO INCREASING THE FTE THERE. INSTEAD OF CONTRACTING FOR SOME OF THOSE SERVICES WE'RE CREATING OUR OWN LIBRARY SAFETY OFFICER AND YOU SEE THAT REFLECTED IN THE FTE NUMBERS THERE. SO THOSE ARE THE DIFFERENT AREAS THAT ARE COVERED IN THIS DIVISION. THEN SOME OF THE MAJOR CHANGES IN THIS AREA BETWEEN THIS YEAR'S BUDGET AND NEXT YEAR PROPOSED BUDGET IT'S INCREASED BY 1.3 MILLION AND 7.75 FTE.

SO WE'RE ADDING LIBRARY SAFETY OFFICERS, DIVERSITY AND INCLUSION MANAGER, HALFTIME PROCUREMENT ASSISTANT THEN ANOTHER INCREASE

AT THE LAST BULLET TRANSFERRING TWO LIBRARIAN POSITION INTO OUR LEARNING SYSTEMS BUDGET FROM ANOTHER DIVISION IN THE LIBRARY. THAT'S PART OF THE INCREASE THERE. WE ARE ALSO IN THE DIRECTOR'S OFFICE BUDGET INCLUDING THE FUNDING FOR CAPITAL PLANNING PROCESS. THAT'S PART OF THE INCREASE AS WELL. THE NEXT DIVISION IS THE CENTRAL LIBRARY. THIS INCLUDES TWO PROGRAM OFFERS AND THAT DIVISION IS INCREASING BY ALMOST HALF A MILLION DOLLARS. WE ARE ADDING THERE THE MAJOR CHANGE IN FTE, WE'RE ADDING A PERSON IN CHARGE COORDINATOR TO HELP WITH THE SAFETY AND SECURITY EFFORTS AT THE CENTRAL LIBRARY. WE'RE THINKING IT WILL BE REALLY USEFUL TO HAVE SOMEONE WHO IS COORDINATING OVER ALL EFFORTS OF OUR PERSON IN CHARGE, WHICH IS STAFF PEOPLE WHO ARE TRAINED TO BE PICKED AND WHO ARE DEALING WITH MORE URGENT ISSUES AT THE CENTRAL LIBRARY ON A DAY-TO-DAY BASIS.

Ms. Cobb: PART OF THE OTHER INCREASE IS WE HAVE ALSO INCREASED FUNDING FOR THE SOCIAL WORKER POSITION ADDED THIS YEAR. WE'RE INCREASING THE FTE ON THAT. THAT'S A CONTRACTED POSITION. WE HOPE TO INCREASE THE NUMBER OF HOURS AT THE CENTRAL LIBRARY WITH THAT POSITION. WE'RE ALSO INCLUDING FUNDING TO REWORK SOME SPACE AND TO START SOME REPLACEMENT OF FURNITURE AT THE CENTRAL LIBRARY. HARD TO BELIEVE BUT NEXT YEAR'S BUDGET IT WILL BE 20 YEARS SINCE THAT FACILITY OPENED AS A RENOVATED LIBRARY SO OF COURSE WE NEED TO START PLANNING FOR SOME UPGRADES AND REPLACEMENTS THERE ALREADY. THE NEXT DIVISION IS OUR NEIGHBORHOOD LIBRARIES. YOU CAN SEE THAT'S REMAINING FLAT FOR NEXT YEAR. JUST A SMALL FTE INCREASE THERE LARGELY DUE TO ADDING A FULL-TIME LIBRARY ASSISTANT FOR THE ROCKWOOD MAKER SPACE TO MAKE SURE THAT SPACE IS AS SUCCESSFUL AS IT CAN BE THIS NEXT YEAR.

OTHER WERE ALLOCATED AMONG VARIOUS LIBRARIES DEPENDING ON NEEDS. THAT IS DECREASING BY A HALF MILLION DOLLARS IN THE PROPOSED BUDGET BUT WE'LL BE BRINGING FORWARD AN AMENDMENT TO ADD THE FUNDING FROM THE LIBRARY FOUNDATION. WE'RE JUST IN THE PROCESS OF PUTTING THAT TOGETHER. THE NEXT ONE IS STAYING RELATIVELY FLAT AGAIN AND NO FTE CHANGES IN OUR PROGRAMMING AND COMMUNITY OUTREACH. WE ARE ADDING HERE THE INITIAL IMPLEMENTATION OF THE SYSTEM-WIDE CONTACT CENTER WHICH WE HOPE WILL BE AN IMPROVEMENT IN CUSTOMER SERVICE. INSTEAD OF PEOPLE BEING TRANSFERRED AROUND A LOT WHEN TRYING TO GET ANSWERS OR RENEW THEIR BOOKS, THEY CAN DO THAT IN ONE PHONE CALL. WE ALSO PROVIDED MORE RESOURCES FOR I.T. CONTRACT SUPPORT AS THIS IS ONE AREA WHERE LACK OF CAPACITY HAS BEEN AN ISSUE IN MOVING INITIATIVES FORWARD.

Ms. Oehlke: THE NEXT SLIDE IS JUST THE HIGHLIGHTS WHICH YOU HEARD ABOUT FROM BECKY. IT'S NOT EXHAUSTIVE BUT THOSE ARE THE NOTABLE

ADDITIONS SO I'M HAPPY TO TAKE QUESTIONS. AS I BELIEVE YOU'RE AWARE WE HAVE NO EXPERIENCE, NO REAL STATE IMPACTS. WE GET A LITTLE BIT OF MONEY FROM THE STATE, ACTUALLY IT'S FEDERAL FUNDS THAT COME THROUGH THE STATE FOR GRANT PROJECTS BUT NOTHING SIGNIFICANT. NO REAL FEDERAL IMPACTS ON OUR BUDGET. IN SUMMARY, THIS IS A BIG BUCKET THAT THE LIBRARY IS FOCUSING ON CREATIVE LEARNING SPACES, MOST OF YOU WERE AT THE ROCKWOOD MAKER SPACE OPENING AND SAW HOW EXCITED THAT COMMUNITY IS ABOUT THAT SPACE. THAT'S ONE OF WHAT WE HOPE WILL BE A SERIES OF SIMILAR SORTS OF SPACES THAT REALLY FOCUS ON AND EMPHASIZE LIBRARY'S ROLE IN CREATION AND LEARNING.

Ms. Oehlke: WE ARE REALLY EXCITED ABOUT THAT AND EXPECT TO SEE SOME PRETTY COOL THINGS COMING UP AROUND THOSE SORTS OF INITIATIVES IN THE FUTURE. SAFE AND WELCOMING LIBRARIES YOU KNOW IT'S VITAL THAT OUR LOCATIONS REMAIN SAFE AND WELCOMING BOTH FOR THE PATRONS AND FOR OUR STAFF. RECENT BUDGETS HAVE PRIORITIZED IN THE PAST ADDITION OF OUR SAFETY AND SECURITY MANAGER AND THE CRISIS WORKER SO THIS PROPOSAL EXTENDS THOSE EFFORTS BY INCORPORATING THAT NEW LIBRARY SECURITY OFFICER CLASSIFICATION AND THEN ADDING THAT PIT CORE THAT BECKY MENTIONED IN HER REMARKS. YOU HEAR ME TALKING ABOUT THE WAYS IN WHICH TECHNOLOGY IS IMPACTING LIBRARIES AND THE INFORMATION LANDSCAPE AND WHAT PEOPLE EXPECT FROM THE LIBRARY AND HOW THEY EXPECT TO INTERFACE WITH INFORMATION. IN THE PAST WE HAVE MADE INVESTMENTS IN DIGITAL STRATEGY IN DEVELOPMENT RESOURCES.

WE'RE ADDING SOME ADDITIONAL FUNDING FOR I.T. CONTRACTING PURPOSES. SO MUCH OF WHAT WE HAVE WITH THE COMMUNITY DEPENDS ON CONTRACTS, PLATFORMS THAT WE THEN MAKE AVAILABLE TO THE PUBLIC. DIGITAL INCLUSION CONTINUES TO BE A SIGNIFICANT PRIORITY FOR US AND I WANT TO THANK YOU ALL FOR YOUR SUPPORT OF THE DIGITAL EQUITY ACTION PLAN. THAT'S JUST A REFLECTION OF WHAT WE BELIEVE IS A CRITICAL ROLE FOR THE LIBRARY, ENSURING EVERYONE HAS ACCESS TO THE RESOURCES AND SKILLS THEY NEED TO BE SUCCESSFUL IN THAT ENVIRONMENT. WE'RE REALLY PLEASED WE JUST LEARNED THAT WE WILL BE GETTING A DIGITAL INCLUSION FELLOW FROM THE NONPROFIT TECHNOLOGY NETWORK AND 10 WITH FUNDING THROUGH GOOGLE FIBER. THAT'S A GREAT OPPORTUNITY FOR US AND THAT PERSON WE HELP WILL HELP US LEADING TO THE DIGITAL ACTION PLAN. EQUITY INCLUSION A STRONG PRIORITY. WE'RE EXCITED ABOUT BRINGING SOMEONE ON UNIQUELY FOCUSED ON INCLUSION FOR THE LIBRARY AND COMPELLING US AND ENCOURAGING US TO CONTINUE A PATH TOWARD CREATING AN INSTITUTION THAT IS RESPONSIVE TO AND REFLECTS THE DIVERSE TEASE OF OUR COMMUNITY.

LASTLY THE CAPITAL PLANNING PROCESS THAT I HAVE SPOKEN WITH ALL OF YOU ABOUT IN THE PAST, RENOVATIONS IN THE LIBRARY'S 19 PUBLIC

BUILDINGS. MOSTLY PRECEDED A LOT OF THE CHANGES DRIVEN BY TECHNOLOGY AND SPACE NEEDS. SO WE'RE REALLY HAVING TO LOOK AT HOW TO UPDATE THOSE SPACES AND HOW TO EMPHASIZE THOSE SPACES AS COMMUNITY SPACES WHERE PEOPLE CAN ENGAGE IN NEW AND DIFFERENT WAYS BUT IN WAYS STILL IN KEEPING WITH THE MISSION OF THE PUBLIC LIBRARY. WE'RE REALLY EXCITED ABOUT THAT PROCESS. WE'LL BE CONTINUING TO UPDATE YOU ALL AS THAT MOVES FORWARD. WITH THAT, I WOULD ASK IF YOU HAVE ANY QUESTIONS.

Vice-Chair Smith: I HAVE A QUESTION AND A COMMENT. THANK YOU SO MUCH FOR THE PRESENTATION. I HAD A GREAT TIME IN GRESHAM WITH THE MAKER'S SPACE AND WOULD LOVE TO SEE THAT EXPANDED COUNTY-WIDE. IT WAS SO INCREDIBLE THE TECHNOLOGY YOUNG PEOPLE ARE ABLE TO USE. I THINK THIS IS A GREAT TOOL FOR US TO GIVE BACK TO THE COMMUNITY. THANK YOU FOR YOUR EFFORTS ON THAT. THEN THE DIGITAL INCLUSION STRATEGIES I THOUGHT WERE GREAT. SO KEEP UP THE GOOD WORK.

Commissioner McKeel: THANK YOU. JUST MY THANKS AS WELL. YOU DIDN'T EVEN GET TO MY FAVORITE PROGRAM. EVERYBODY READS.

Ms. Oehlke: WELL, YOU KNOW, WE TRY TO MIX IT UP A LITTLE BIT.

Commissioner McKeel: YOU KNOW I'LL BRING THAT UP. OF COURSE WE'RE VERY EXCITED ABOUT THE MAKER SPACE IN THE ROCKWOOD AREA. SO NEEDED FOR THAT COMMUNITY. WE'LL LOOK FORWARD TO MORE OF THOSE GOING TO MORE LIBRARIES BECAUSE THAT CREATIVE SPACE OF LEARNING IS REALLY THE WAY OF THE WORLD NOW AS WE LOOK AT OUR CHILDREN AND GRANDCHILDREN. HOW THEY LEARN. IT'S WONDERFUL THAT OUR LIBRARIES CAN STEP UP AND DO THAT FOR OUR POPULATION. EXCITED ABOUT YOUR DIGITAL INCLUSION. CONGRATULATIONS ON THAT. THANK YOU VERY MUCH.

Commissioner Shiprack: THANK YOU. I FEEL LIKE I'M THE BACK TO BASICS COMMISSIONER. I FEEL BADLY THAT I MISSED THE MAKER SPACE OPENING. I THINK I WAS FLYING SOMEWHERE. IT HAD TO BE A REALLY GOOD REASON TO MISS THAT. WHEN I SAY BACK TO BASICS I REALLY HAVE TWO COMMENTS, MORE THAN TWO, FOR YOU GUYS. THIS IS SUCH A MAINSTAY OF MULTNOMAH COUNTY. I'M SO GLAD THAT THERE'S A LIBRARY SPECIAL DISTRICT. I WANT TO SAY THAT I WAS VERY IMPRESSED BY A PRESENTATION THAT THE CHILDREN'S INSTITUTE GAVE WHICH TALKED ABOUT THE WORD GAPS BETWEEN THE WEALTHIEST AND POOREST FAMILIES, WHICH IS. IT PRETTY MUCH I THINK POINTS US IN THE DIRECTION OF EARLY LEARNING, EARLY CHILDHOOD PROGRAMS AT THE LIBRARY IS SO CAPABLE OF MODELING AND THAT YOU ARE MODELING, JUST THE IMPORTANCE OF READING TO OUR CHILDREN, READING TO OUR GRANDCHILDREN. READING TO OTHER PEOPLE'S CHILDREN AND OTHER PEOPLE'S GRANDCHILDREN.

Commissioner Shiprack: BECAUSE THAT GAP IN WORDS THEN EXPRESSES ITSELF THROUGHOUT THE COMMUNITY AND MIGHT SAY JUST ONE FRUSTRATION, WHEN I GOOGLE WHAT ARE CHRISTINA HENRIQUEZ'S FAVORITE BOOKS I COME UP WITH A LIST OF BOOKS THAT SHE'S WRITTEN AND THAT'S NOT WHAT I WAS INTENDING TO FIND AT ALL. THIS IS INFORMATION THAT WE GOT FROM THIS AMAZING AUTHOR WHEN SHE WAS HERE THANKS TO EVERYBODY READS WAS WHAT WERE HER FAVORITE BOOKS. I BOUGHT ONE OF THEM FOR MY GRANDDAUGHTER. IT WAS TUCK EVERLASTING, A WONDERFUL READ. I RECOMMEND IT, AND SHE A HAD ALREADY READ IT IN SCHOOL. ACTUALLY JUST DELIGHTED ME BECAUSE IT HAD BEEN RECOMMENDED TO ME BEFORE BY ANOTHER GRANDDAUGHTER. SO I DO THINK THAT THAT IS MY REQUEST, THAT ALL OF THE AUTHORS WHO COME FOR EVERYBODY READS NEED TO GIVE US THEIR LISTS. SO IF I COULD JUST CONCLUDE MY FLYBY. SO I BAILEY, HAVE YOU READ ANYTHING GOOD LATELY?

Ms. Oehlke: JUST A COMMENT, I THINK THAT'S A GREAT IDEA. AS ANN SIDE WE HAVE A WONDERFUL PROGRAM AVAILABLE CALLED MY LIBRARIAN THAT'S A VIRTUAL SERVICE. YOU CAN GO ONLINE AND IF YOU WERE TO CONTACT ONE OF THOSE, THEY ARE REAL PEOPLE, I THINK SOME ARE ACTUALLY IN THE AUDIENCE WHO YOU CAN CONNECT WITH AND SAY I WOULD LIKE TO READ MORE BOOKS LIKE THE BOOK OF UNKNOWN AMERICANS. THEY CAN HELP YOU WITH THE LIST. ANY OTHER SORT OF INTEREST THAT YOU HAVE. JUST AS AN ASIDE THERE. WE'RE HAPPY TO HELP YOU WITH THAT. I WILL ALSO ADD HAVING JUST COME FROM THE PUBLIC LIBRARY ASSOCIATION CONFERENCE WHERE THOSE FOLKS PRESENTED IT'S A MODEL. OUR FOLKS ARE DOING A GREAT JOB OF HELPING OTHER LIBRARIES START SUCH A PROGRAM IN THEIR OWN COMMUNITIES.

SO I AM CURRENTLY READING, I MUST CONFESS THAT I HAVE LIKE SIX BOOKS ON MY BEDSIDE TABLE, NONE OF WHICH I HAVE ACTUALLY COMPLETED. [LAUGHTER] SOME OF WHICH HAVE BEEN THERE FAR TOO LONG. COLLECTING DUST. I'M RIGHT NOW FINISHING OFF A BOOK CALLED EVICTED BY MATTHEW DESMOND THAT I BELIEVE I RECOMMENDED TO SOME OF YOU AT OTHER TIMES IF YOU HAVEN'T READ IT IT'S VERY WELL WRITTEN. IT'S INCREDIBLY TIMELY. AS I WAS SITTING HERE WATCHING THE PRESENTATION BY THE CIC ON THE ISSUES THAT OUR COMMUNITY CARES ABOUT, HOMELESSNESS, AFFORDABLE HOUSING, THAT'S WHAT THAT BOOK IS ABOUT. IT'S NONFICTION FOR THOSE OF YOU WHO ARE NONFICTION READERS AND IT'S HEARTBREAKING BUT WORTH THE READ. THAT'S WHAT I'M FINISHING UP. THEN MOVING ON I HOPE TO ARIANNA HUFFINGTON'S BOOK ON SLEEP. [LAUGHTER]

Commissioner Bailey: I HAVE A BOOK RECOMMENDATION. IN FACT IT WAS A BOOK GIVEN OUT AT THE LIBRARY TO CHILDREN THAT COME IN AND WE'RE VERY THANKFUL THE PROGRAMS FOR STARTING CHILDREN YOUNG, LEARNING TO READ. MY SON, WE TAKE HIM TO THE HILLSDALE LIBRARY TO PARTICIPATE IN

THOSE READING PROGRAMS. HE WHAT WAS GIVEN A FREE BOOK CALLED BUNNIES. IF YOU LIKE I CAN PROBABLY RECITE IT FROM MEMORY.

Commissioner Bailey: I'LL SPARE YOU. IT'S A THRILLING TALE OF BUNNIES THAT HOP AROUND AND NIBBLE SOMETHING. THE EFFORT TO GET KIDS READING AND FAMILIES READING TOGETHER EARLY IS REALLY IMPORTANT. I'M GLAD YOU'VE INCLUDED IN YOUR PROGRAMS A SIGNIFICANT AMOUNT OF OUTREACH ACCESS AND FOCUS ON EQUITY. NOT EVERY CHILD GETS TO GROW UP IN A FAMILY THAT IS COMMITTED TO TAKING HIM OR HER TO THE LIBRARY TO PARTICIPATE IN THESE THINGS. SO YOUR OUTREACH INTO THE COMMUNITY AND YOUR FLAMS HELP GET BOOKS IN THE HANDS OF FAMILIES ARE EXTREMELY IMPORTANT IN BUILDING LIFELONG LEARNERS AND READERS.

Ms. Oehlke: THANK YOU, COMMISSIONER. WE TAKE THAT RESPONSIBILITY VERY SERIOUSLY. WE OFTEN TALK ABOUT PARENTS BEING A CHILD'S FIRST AND BEST TEACHER. WE REALLY FOCUS ON PARENTS AND CARE-GIVERS AS RESOURCES FOR HELPING INSTILL THE BUILDING BLOCKS OF READING, THE PASSION FOR READING. A LOT OF OUR FOCUS IS ON PARENTS AND CARE-GIVERS TO ENCOURAGE THEM AND GIVE THEM RESOURCES TO HELP THEIR CHILDREN BE SUCCESSFUL.

Vice-Chair Smith: THIS WEEKEND I WAS IN CHICAGO FOR THE NATIONAL ASSOCIATION OF BLACK COUNTY OFFICIALS. ONE OF THE ISSUES THAT CAME UP WAS THEIR LIBRARIES WERE BEING ASKED FOR BOOKS ABOUT HARRIET TUBMAN.

Ms. Oehlke: OH, YES.

Vice-Chair Smith: WE HAVE THIS NEW \$20 BILL CHANGE. HAVE WE RECEIVED MORE REQUESTS FOR BOOKS ABOUT HARRIET TUBMAN?

Ms. Oehlke: I DON'T KNOW BUT I CAN CERTAINLY CHECK INTO THAT. THAT'S A GREAT SUGGESTION. ONE OF THE THINGS WE DO ON OUR WEB PAGE IS TRY TO FEATURE TOPICS OF INTEREST AS THEY RELATE TO READING. THAT WOULD DEFINITELY BE AN INTERESTING ONE TO FOCUS ON. CHICAGO HAS A GREAT LIBRARY SYSTEM. ANY OTHER QUESTIONS?

**BWS-1.e      Acting as the Library District Board for the Multnomah County Library District Budget Session. Presenters: Mike Jaspin, Budget Office; and Vailey Oehlke, Library Director and Becky Cobb, Library Deputy Director.**

Chair Kafoury: WE ARE GOING TO ADJOURN NOW AS MULTNOMAH COUNTY BOARD OF COMMISSIONERS AND CONVENE AS MULTNOMAH COUNTY LIBRARY DISTRICT.

Ms. Oehlke: THANK YOU. THANKS. SO JUST QUICKLY AND THEN WE'LL GET TO THE MEAT OF THE PRESENTATION, AS YOU ALL KNOW, THE LIBRARY DISTRICT IS GOVERNED BY ALL OF YOU SITTING AS A MULTNOMAH COUNTY LIBRARY DISTRICT BOARD AND IS OPERATED WITHIN THE IGA BETWEEN THE LIBRARY DISTRICT AND THE COUNTY. THIS IS THE FOURTH YEAR OF THE DISTRICT TAX. IT'S CONTINUING AT A RATE OF \$1.18 PER THOUSAND ASSESSED. OUR COMMITMENT IS TO TRY TO SUSTAIN THAT FOR AS LONG AS IS REASONABLE. OUR GOAL IS TO CONTINUE TO SUSTAIN HOURS AND SERVICES AS OUTLINED IN THE COUNTY LIBRARY BUDGET WHICH YOU JUST HEARD. AT THIS POINT I'LL TURN IT OVER TO THE VERY BRILLIANT MR. MIKE JASPIN.

Mr. Jaspin: GOOD MORNING. PRESENTATION WE HAVE GIVEN THE LAST COUPLE OF YEARS. I WANTED TO COVER TWO FINANCIAL CHAPTERS OF THE LIBRARY DISTRICT. THE FIRST IS THE CURRENT FISCAL YEAR. THE SECOND IS LOOKING TOWARDS THE FUTURE WHICH WE'LL GO THROUGH TWO MODELS. ONE IS THE FINANCIAL MODEL THAT WE BUILT WHEN WE WERE CONSIDERING FORMING THE LIBRARY DISTRICT, THEN UPDATE THAT FOR CURRENT CONDITIONS. THE COST DRIVERS FOR THE LIBRARY ARE ESSENTIALLY THE SAME AS THE COUNTY SO WE'RE NOT GOING TO WALK THROUGH THOSE. I WANT TO WALK THROUGH SOME OF THE ASSUMPTIONS THAT'S KIND OF A YEARLY REMINDER OF WHAT WE ASSUMED WHEN THE LIBRARY DISTRICT WAS FORMED AND THEN COMPARE THE TWO MODELS TO SEE HOW WE'RE DOING GOING FORWARD. SO FOR THE CURRENT YEAR PROPERTY TAXES THIS HAS A LOT OF DETAIL ABOUT HOW WE CAME UP WITH THE CALCULATION. BOTTOM LINE IN THE RED CIRCLE. THE LIBRARY RECEIVES THREE-QUARTERS OF A MILLION DOLLARS MORE THAN WE BUDGETED, ABOUT 1%. THAT'S DUE LARGELY TO PROPERTY TAX COMPRESSION COMING DOWN FASTER THAN WE HAD ASSUMED.

IT WAS ABOUT 4.5% VERSUS 5 MONEY 5% THAT WE ASSUMED WHEN WE ADOPTED THE BUDGET. SO THIS LAYS OUT THE ASSUMPTIONS FOR THE LIBRARY DISTRICT FINANCIALS BEFORE WE FORMED THE LIBRARY DISTRICT. THERE'S REALLY FOUR BASIC VARIABLES. THE FIRST IS WHAT TAX RATE AS REMINDER WE ASSUMED THAT WE WOULD LEVY \$1.18 PER THOUSAND ASSESSED VALUE FOR THE FIRST TIME YEARS -- FIVE YEARS THEN BUMPED IT UP A PENNY A YEAR UNTIL WE TOPPED THE LEGAL AMOUNT. THEN HOW MUCH COMPRESSION WILL WE SUFFER. THEN THE FOURTH KEY ASSUMPTION IS HOW FAST WILL OUR COSTS GROW. WE ASSUME 4.5%. THAT LOOKS LIKE A NICE, ROUND NUMBER. WE SPENT A LOT OF TIME TRYING TO FIGURE OUT WHAT THAT WOULD BE LOOKING A THE HAD IS TORE CAL COST GROWTH IN THE LIBRARY SYSTEM. SO THERE ARE OF THE TWO ASSUMPTIONS THEY HAVE GENERALLY FOLLOWED WHAT WE MOTTLED WITH THE EXCEPTION OF TWO. THAT EXPLAINS WHY THE LIBRARY DISTRICT IS IN A SLIGHTLY BETTER POSITION THAN WE INITIALLY ASSUMED. THE FIRST IS ON COST GROWTH. WE ASSUMED IT WOULD GROW ABOUT 4.5%. THAT WAS ROUGHLY TRUE FOR THE FIRST YEAR BUT THE LAST TWO YEARS AND INTO NEXT YEAR THE COST GROWTH HAS BEEN ABOUT TWO TO 1% LOWER THAN WE HAD ASSUMED.



Mr. Jaspin: THAT IS DUE TO THE EXACT SAME THING WE SAW WITH THE COUNTY GENERAL FUND IN TERMS OF LOWER LABOR COST GROWTH DUE TO LOWER INFLATION, LOWER COLA INCREASES, RELATIVELY FLAT MEDICAL/DENTAL RATES AND UNTIL THIS YEAR RELATIVELY STABLE PERS RATE. THE OTHER SIDE, AS YOU HAVE CERTAINLY NOTICED HOME PRICES HAVE GROWN VERY STRONGLY THE LAST YEAR OR TWO. THAT HAS DRIVEN DOWN COMPRESSION LOWER THAN WHAT WE HAD ASSUMED. ASSUMED COMPRESSION WILL REMAIN LOW GOING INTO THE FUTURE. YOU TAKE THESE ASSUMPTIONS AND RUN IT THROUGH A MODEL, I'M NOT GOING TO WALK THROUGH THIS TABLE IN GORY DETAIL EXCEPT TO JUST HIGHLIGHT THAT THE LIBRARY EXPENDITURES IN YEAR 10 WILL BE ROUGHLY \$100 MILLION. 95% OF THE FUNDING WILL COME FROM THE PROPERTY TAXES. THE THREE CATEGORIES TO LOOK AT ARE OPERATING BALANCE, I.E. DO WE HAVE ENOUGH TO COVER OUR COSTS OR ARE WE NOT COVERING OUR COSTS EACH YEAR. FUND BALANCE AT THE END OF THE YEAR AND THEN THE RESERVE. THE RESERVE IS HOW MUCH MONEY DO WE HAVE LEFT AT THE END OF THE YEAR VERSUS THE TOTAL REVENUE.

THESE NUMBERS REFLECT THE FINANCIAL MODEL BEFORE THE DISTRICT WAS FORMED. IF WE FLIP OVER TO THE NEXT SLIDE THIS COMPARES THE BASE MODEL WITH THE CURRENT FORECAST. COUPLE OF KEY POINTS, YOU'LL NOTICE ON THE BLUE SIDE THE PRE-LIBRARY DISTRICT FORMATION. THE LIBRARY ESSENTIALLY WOULD BREAK EVEN FOR THE FIRST TEN YEARS. WOULD HAVE AN AVERAGE BALANCE OF IN THE FOUR TO \$5 MILLION RANGE REFLECTING A 6 TO 7% RESERVE. WE WEREN'T WORRIED ABOUT THE RESERVE BECAUSE TYPICALLY THE LIBRARY UNDERSPENDS BY A COUPLE PERCENTAGE POINTS. THE CURRENT FORECAST FOR NEXT UPCOMING YEAR BEFORE ANY OF THE ADDITIONS THE LIBRARY DID WAS FOR AN OPERATING BALANCE OF NEARLY \$3 MILLION. THE FUND BALANCE WILL JUMP TO ALMOST 18.4 MILLION WHICH REPRESENTS A RESERVE OF NEARLY 24%. AGAIN, THAT'S BEING DRIVEN BY COST GROWING SLOWER THAN ANTICIPATED AND THE REVENUES COMING IN ABOUT 2% HIGHER.

SO I THINK IT'S A LOT EASIER TO SEE THIS IN A GRAPH. THIS GRAPH SHOWS THE DISTRICT OPERATING BALANCE. THE RED LINE IS THE BASE MODEL WHICH YOU SEE ESSENTIALLY A BREAK EVEN OPERATION. THE GREEN LINE IS THE CURRENT FORECAST WHICH SHOWS REVENUES EXCEEDING BASELINE EXPENDITURES BY ABOUT \$3 MILLION A YEAR. THE LIBRARY DISTRICT MODELING WE ARE CHARGED WITH PROVIDING STABLE FUNDING FOR TEN YEARS. THE MODELS SUGGESTED WE COULD DO THAT, BUT BASED ON THE CURRENT SPENDING AND REVENUE PATTERNS IT LOOKS LIKE THE LIBRARY WILL MAKE IT TO ABOUT 2013. YOU CAN SEE THE FUND BALANCE SLOWLY GROWS UNTIL YEAR 10. IF WE EXTENDED THIS OUT BEYOND YEAR 13 THAT BALANCE WOULD START DECLINING.

Mr. Jaspin: THE IMPORTANT THING WHEN WE DID LOOK AT THE FUND BALANCE IS THINKING ABOUT THE CAPITAL PLANNING PROCESS AND HOW THE LIBRARY UTILIZES THE SURPLUS TO ADDRESS CAPITAL NEEDS. THEN FINALLY, THESE TWO CHARTS SHOW THE FIRST SHOWS PROPERTY TAXES AND JUST ALLOWS US TO BASICALLY SEE THAT THE FORECAST IS EVER SO SLIGHTLY ABOVE THE BASE MODEL. THAT'S THE 2%. THEN THE EXPENDITURES ASK KIND OF THE BASIC QUESTION IS THE LIBRARY DOING WHAT WE ASSUMED THEY WOULD DO WHEN WE BUILT THE MODEL AND THE SHORT ANSWER IS YES. THE BASE MODEL AND THE CURRENT FORECASTS ARE NEARLY IDENTICAL AND AS THE REVENUES COME IN SLIGHTLY BETTER AND EXPENDITURES HAVE BEEN SLIGHTLY LOWER THAT'S ALLOWED THEM TO ADD A COUPLE OF KEY POSITIONS AROUND THE MARGINS. THAT'S ALL I GOT.

Ms. Cobb: OKAY. SO JUST A REMINDER OF HOW THIS WORKS BETWEEN THE COUNTY LIBRARY FUND AND THE LIBRARY DISTRICT FUND. THE REVENUES FOR EACH YEAR ARE COMING INTO THE DISTRICT FUND AND AS YOU CAN SEE UNDER THE EXPENDITURES. WE ARE SPENDING MONEY THROUGHOUT THE YEAR. ALL THE EXPENDITURES SIT IN THAT COUNTY LIBRARY FUND BUT THE REVENUES COMING INTO THE DISTRICT FUND TRANSFERRED AS NEEDED TO THE LIBRARY FUND. SO JUST TO HIGHLIGHT AGAIN AT THE BOTTOM THE TOTAL DISTRICT BUDGET IS 88.7 MILLION BUT THE TOTAL LIKE RATHER BUDGET SITTING ON THE EXPENDITURE SIDE IN THE LIBRARY FUND IS 75.6 MILLION BECAUSE THAT'S WHAT WE ANTICIPATE NEEDING NEXT YEAR TO MAINTAIN SERVICES. JUST TO LOOK AT THAT FOR THE DISTRICT THEN IN THIS PIE CHART YOU SEE THE LIBRARY DISTRICT TAX THEN SOME OF THE NONTAX REVENUES COMING IN EACH YEAR. WE'LL ADD THE LIBRARY FOUNDATION REVENUE TO THAT LATER IN THE PROCESS. THEN YOU'LL SEE A NICE, HEALTHY CHUNK FOR BEGINNING WORKING CAPITAL IS 13.1 MILLION INCLUDING THE CURRENT BWC OF 10.7 MILLION AND AN ADDITIONAL 2.6 MILLION ON OF CONTINGENCY THAT WE WON'T NEED TO TRANSFER TO THE COUNTY FUND. DOES THAT MAKE SENSE? THAT'S IT FOR THE NUMBERS.

Ms. Oehlke: JUST AGAIN TO REITERATE THE HIGHLIGHTS OF CONTINUED FOCUS ON SUSTAINABLE SERVICES ENSURING THAT WE CAN CONTINUE TO PROVIDE THE LEFT OF SERVICES WE PROMISED THE LEVEL OF SERVICES WE PROMISED THE PUBLIC FOR AS LONG AS POSSIBLE, THE STABLE DEDICATED FUNDING WE WORKED SO HARD TO GET AND HOPED HAS MADE A DIFFERENCE FOR THE LIBRARY SYSTEM. WE WILL ALWAYS CONTINUE TO FOCUS ON THE FUTURE AND WHERE THE LIBRARY HAS A POTENTIAL TO MAKE THE GREATEST IMPACT ON THIS COMMUNITY AS THOSE NEEDS SHIFT AND CHANGE. ANY QUESTIONS?

Vice-Chair Smith: I HAVE A QUESTION FOR MIKE. WILL THE LIBRARY DO THE 2% OF INTERNAL SERVICES OF THEIR PAYROLL TO HELP WITH THE PERS?

Mr. Jaspin: YES.

Vice-Chair: THAT'S OVER THE ENTIRE PAYROLL, ADDITIONAL 2% FOR INTERNAL COSTS?

Mr. Jaspin: YES.

Commissioner McKeel: I JUST HAD A COMMENT. I CAN'T BELIEVE WE'RE IN OUR FOURTH YEAR.

Ms. Oehlke: I KNOW. I WAS THINKING THAT TOO.

Commissioner McKeel: AMAZING FROM THE BEGINNING. I THINK THAT THE DISTRICT CERTAINLY HAS ACCOMPLISHED WHAT WE ALL KNEW THAT WOULD HAPPEN WITH A STABLE SOURCE OF FUNDING FOR OUR LIBRARIES, WHICH OUR COMMUNITY LOVES AND SERVES OUR COMMUNITY SO WELL. THAT YOU HAVE BEEN ABLE TO STICK TO THAT RATE, WHICH IS PART OF WHAT WE TALKED ABOUT IN THE BEGINNING TOO, STICKING TO THAT RATE FOR AS LONG AS POSSIBLE. SO THANK YOU. I THINK THIS HAS JUST BEEN GREAT.

Ms. Oehlke: THANK YOU, COMMISSIONER. JUST A POINT, SEEING MIKE'S PROJECTIONS AROUND COMPRESSION AROUND 6% REMEMBERING AT ONE POINT AT ITS HEIGHT I THINK IT WAS 36%. I CAN'T EVEN CONCEIVE OF THAT NOW. IT'S BEEN AN AMAZING CHANGE. SO THANK YOU ALL FOR YOUR SUPPORT OF THAT.

Mr. Jaspin: SO THAT CONCLUDES OUR MORNING BUDGET ACTIVITIES. WE'RE SCHEDULED TO BE BACK HERE AT 1:30 FOR THE DEPARTMENT OF COMMUNITY SERVICES.

Chair Kafoury: THANK YOU. WE'RE OFF TO A ROARING START THIS MORNING. TUNE BACK IN AT 1:30. THANKS.

#### **ADJOURNMENT – 11:45 a.m.**

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

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