



Multnomah County Oregon

Board of Commissioners & Agenda

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BOARD OF COMMISSIONERS

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FEBRUARY 24 & 26, 2009

BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. Tuesday Options for Reducing Employee Costs and Saving Jobs
Pg 2	10:30 a.m. Tuesday Capital and Infrastructure Needs
Pg 3	9:30 a.m. Thursday Public Comment
Pg 3	9:30 a.m. Thursday Briefing Follow Up of the 2006 Jail Personnel Costs Audit
Pg 3	9:50 a.m. Thursday Library Briefing to Recap the 2009 Everybody Reads Program and a Look Forward to 2010 Program and Beyond
Pg 4	10:20 a.m. Thursday Multnomah County Action Regarding Cable Franchise Agreement with Verizon POSTPONED INDEFINITELY
Pg 4	10:25 a.m. Thursday Hospital Facilities Authority of Multnomah County Action on Request by Oregon Baptist Retirement Homes

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

- Thursday, 9:30 AM, (LIVE) Channel 30
- Saturday, 10:00 AM, Channel 29
- Sunday, 11:00 AM, Channel 30
- Tuesday, 8:15 PM, Channel 29

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Tuesday, February 24, 2009 - 9:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD WORK SESSION

9:00 AM New Board Orientation: Options for Reducing Employee Costs and Saving Jobs. Presented by Travis Graves and Invited Others. 90 MINUTES REQUESTED.

10:30 AM Budget Overview: Capital and Infrastructure Needs. Presented by Bob Thomas, John Lindenthal, Kim Peoples, Ian Cannon and Mark Campbell. 90 MINUTES REQUESTED.

CABLE PLAYBACK INFO:

Tuesday, February 24 – 9:00 AM LIVE Channel 29

Friday, February 27 – 8:00 PM Channel 29

Saturday, February 28 – 2:00 PM Channel 29

Sunday, March 1 – 11:00 AM Channel 29

Thursday, February 26, 2009 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

REGULAR AGENDA

PUBLIC COMMENT - 9:30 AM

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

AUDITOR'S OFFICE – 9:30 AM

R-1 Briefing Follow Up of the 2006 Jail Personnel Costs Audit. Presented by LaVonne Griffin-Valade, Multnomah County Auditor and Mark Ulanowicz, Principal Auditor. 15 MINUTES REQUESTED.

NON-DEPARTMENTAL - 9:45 AM

R-2 Appointment of David Kunkel and David Sester to the Multnomah County AGRICULTURAL BOARD OF REVIEW

R-3 Briefing by Library Staff and Others to Recap of the 2009 Everybody Reads Program and a Look Forward to 2010 Program and Beyond. Presented by Molly Raphael, Library Director and Terrilyn Chun. 15 MINUTES REQUESTED.

DEPARTMENT OF COMMUNITY JUSTICE – 10:05 AM

R-4 NOTICE OF INTENT to Apply for the Office of Juvenile Justice and Delinquency Prevention “Gang Prevention Coordination Assistance Program”

DEPARTMENT OF HEALTH – 10:10 AM

R-5 NOTICE OF INTENT to Submit a Grant Application to the Portland Children’s Investment Fund

R-6 NOTICE OF INTENT to Submit a Grant Application to the Oregon Public Health Emergency Preparedness Mini-Grant Program

COUNTY ATTORNEY'S OFFICE – 10:20 AM

- R-7 Multnomah County Board Action on a Resolution Approving Cable Franchise Agreement with Verizon Northwest, Inc. will be **POSTPONED INDEFINITELY**

DEPARTMENT OF COUNTY MANAGEMENT – 10:21 AM

- R-8 RESOLUTION Authorizing Approval of a First Supplemental Bond Trust Indenture between the County and U.S. Bank National Association, as Bond Trustee, Pertaining to the County's Higher Education Variable Rate Demand Revenue Bonds (Concordia University Portland Project) Series 1999; Designating Authorized Representatives; and Related Matters

HOSPITAL FACILITIES AUTHORITY – 10:25 AM

(Recess as the Multnomah County Board of Commissioners and convene as the Hospital Facilities Authority of Multnomah County, Oregon)

- R-9 Inducement RESOLUTION by the Hospital Facilities Authority of Multnomah County Regarding the Request by Oregon Baptist Retirement Homes for the Issuance by the Authority of Revenue and Refunding Bonds, Series 1999 (Oregon Baptist Retirement Homes Project) in an Aggregate Principal Amount not to Exceed \$7,500,000

(Adjourn as the Hospital Facilities Authority of Multnomah County, Oregon and reconvene as Multnomah County Board of Commissioners)

BOARD COMMENT

Opportunity (as time allows) for Commissioners to provide informational comments to Board and public on non-agenda items of interest or to discuss legislative issues.



MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 02/24/09
 Agenda Item #: WS-1
 Est. Start Time: 9:00 AM
 Date Submitted: 02/10/09

Agenda Title: Work Session, New Board Orientation: Options for Reducing Employee Costs and Saving Jobs

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: February 24, 2009 Amount of Time Needed: 90 minutes
 Department: County Management Division: Central Human Resources
 Contact(s): Travis Graves
 Phone: 503-988-6134 Ext. 86134 I/O Address: 503/4
 Presenter(s): Travis Graves and invited others

General Information

1. What action are you requesting from the Board?

Attend a briefing session and hear options for reducing employee costs and saving jobs. No decisions will be made; this is an information briefing only.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Employee costs make up a significant part of the County's annual budget. This briefing will provide an overview of the County's current contractual obligations for employee costs as well as options the Board could explore to reduce costs in the near term. Presenters will discuss budgetary, legal, and practical implications of workforce furloughs, reduced work hours, and/or salary freezes.

3. Explain the fiscal impact (current year and ongoing).

N/A—briefing only.

4. Explain any legal and/or policy issues involved.

N/A—briefing only.

5. Explain any citizen and/or other government participation that has or will take place.

N/A—briefing only.

Required Signature

Department/
Agency Director:

Carol M. Ford

Date: 02/10/09

“Options for Reducing Employee Costs and Saving Jobs”

Multnomah County Board Briefing

February 24, 2009

9:00 am – 10:30 am

AGENDA

9:00 am – 9:10 am <i>(10 minutes)</i>	Overview and Desired Outcomes	Travis Graves, HR Director
9:10 am – 9:40 am <i>(30 minutes)</i>	Workforce Options in Multnomah County <ul style="list-style-type: none">◆ Cost Of Living Adjustment & Merit / Step Freeze◆ Reduction in Work Hours◆ Furloughs	Julie Neburka, Principle Budget Analyst
9:40 am – 9:45 am <i>(5 minutes)</i>	Labor Relations Perspective	Carol Brown, Sr Labor Relations Manager
9:45 am – 10:00 am <i>(15 minutes)</i>	Union Perspective – AFSCME Local 88	Becky Steward, Local 88 President
10:00 am – 10:30 am <i>(30 minutes)</i>	Department Perspectives <ul style="list-style-type: none">◆ Fixed Post Operations◆ Service Delivery / Revenue Issues◆ Library	Larry Aab, MCSO Business Manager Lillian Shirley, Health Department Director Molly Raphael, Library Director

Handout for Workforce Options Board Briefing, 2-24-09

1. Introduction: how much would the County save in FY 2010 by freezing or otherwise changing employee pay? How much would the County save by reducing work hours or implementing furlough options? This briefing will describe the factors that make this question hard to answer with confidence.
2. The answers to these questions change due to a great number of variables, all of which are in play for any answer.
3. Statistics.

FY 2009 Adopted Positions & Base Pay						
Bargaining Unit Name	General Fund Positions	General Fund Base Pay	All Other Funds Positions	All Other Funds Base Pay	Total: Positions	Total: Base Pay
AFSCME Local 88	1,074.26	49,926,505	1,698.18	81,272,712	2,772.44	131,199,217
Corr Officers Assoc	369.61	25,651,171	67.00	4,598,101	436.61	30,249,272
Dep Sheriff's Assoc	82.20	5,672,923	11.95	833,714	94.15	6,506,637
FOPPO	42.00	2,637,431	93.00	6,013,715	135.00	8,651,146
IBEW Local 48	0.00	0	19.00	1,198,191	19.00	1,198,191
IUOE Local 701	0.00	0	14.00	743,032	14.00	743,032
Juv Cust Local 88	51.30	2,606,745	9.70	470,490	61.00	3,077,235
Mgmt/Exec Employee	315.09	25,789,320	359.47	30,539,833	674.56	56,329,153
Oregon Nurses Assoc	93.87	6,524,465	114.60	7,949,458	208.47	14,473,923
Pros Atty's Assoc	65.94	5,828,535	18.86	1,747,163	84.80	7,575,698
Sign Painters	0.00	0	2.00	99,306	2.00	99,306
Tax/Elect Off/El Stf	<u>51.15</u>	<u>3,896,221</u>	<u>3.50</u>	<u>292,705</u>	<u>54.65</u>	<u>4,188,926</u>
Total:	2,145.42	128,533,316	2411.26	135,758,419	4,556.68	264,291,736

FY 09 Adopted Positions by Bargaining Unit by Department										
Bargaining Unit Name	DA	DCHS	DCJ	DCM	DCS	HD	Library	MCSO	Nond	Grand Total
AFSCME Local 88	119.50	606.04	296.13	415.15	176.50	515.61	413.50	211.10	18.91	2,772.44
Corr Officers Assoc								436.61		436.61
Dep Sheriff's Assoc								94.15		94.15
FOPPO			135.00							135.00
IBEW Local 48				17.00	2.00					19.00
IUOE Local 701				14.00						14.00
Juv Cust Local 88			61.00							61.00
Mgmt/Exec Employee	13.00	81.01	74.13	129.00	37.00	204.09	64.00	53.33	19.00	674.56
Oregon Nurses Assoc		7.00				201.47				208.47
Pros Atty's Assoc	84.80									84.80
Sign Painters					2.00					2.00
Tax/Elect Off/El Stf	<u>8.00</u>							<u>2.00</u>	<u>44.65</u>	<u>54.65</u>
Grand Total	225.30	694.05	566.26	575.15	217.50	921.17	477.50	797.19	82.56	4,556.68
	Number	Percent								
Represented Positions:	3,827.47	84%								
Exempt Positions:	<u>729.21</u>	<u>16%</u>								
	4,556.68	100%								

4. Options.

- a. Reduce **wages**: freeze merit/step increases, or freeze cost of living adjustments (COLAs)
 - i. Reducing wages can only be done unilaterally for management/exempt employees. The FY 09 budget contains 729 positions in this category.
 - ii. Reducing wages for represented employees must be bargained, and unions are under no obligation to consider it.
- b. Reduce **hours of work**: require furloughs (unpaid time off), shorten workdays, or shorten work weeks.
 - i. Reducing hours of work requires choices about service levels, as it leaves current workload "on the table." Savings can quickly evaporate if workloads are maintained by hiring additional staff or the use of overtime.
 - ii. Relatedly: some County operations can't be closed (jails, etc.), so savings could be offset by use of additional staff or overtime.
 - iii. Some County funding is tied to hours of operation (libraries) or by maintenance of effort clauses, or by fee revenue reimbursements (such as Medicaid) predicated on service hours delivered.
 - iv. Some labor agreements specify the number of hours in a "normal work week," or guarantee employees a right to compensation if directed not to report to work.
 - v. **Furloughs** offer the greatest flexibility to the organization and preserve employee pay to the greatest extent.



MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 02/24/09
Agenda Item #: WS-1
Est. Start Time: 10:30 AM
Date Submitted: 01/23/09

Agenda Title: Budget Overview: Capital and Infrastructure Needs

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: February 24, 2009 **Amount of Time Needed:** 1.5 hrs
Department: County Management **Division:** Budget/Finance
Contact(s): Karyne Kieta
Phone: 503-988-3312 **Ext.** 22457 **I/O Address:** 503/5/531
Presenter(s): Bob Thomas, John Lindenthal, Kim Peoples, Ian Cannon and Mark Campbell

General Information

1. What action are you requesting from the Board?

We are requesting to brief the Board regarding the Capital Improvement Program, process, financing and challenges.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

This is a briefing to orient the Board about the County's Capital Improvement Program. The presentation will include information from Budget, Finance, Transportation and Facilities. The Capital Program for IT and Fleet will be addressed at a different time.

3. Explain the fiscal impact (current year and ongoing).

NA, this is a briefing only.

4. Explain any legal and/or policy issues involved.

NA, this is a briefing only.

5. Explain any citizen and/or other government participation that has or will take place.

NA, this is a briefing only.

Required Signature

**Elected Official or
Department/
Agency Director:**

M. Cecilia Johnson

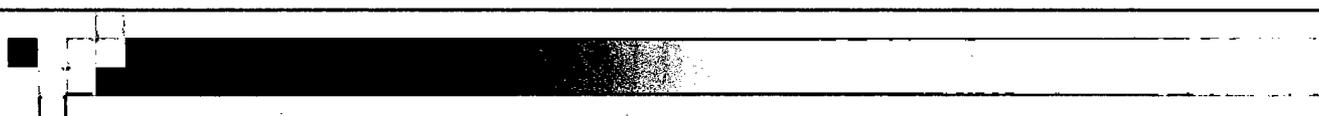
Date: 01/23/09

Board Briefing

Capital & Infrastructure Overview

February 26, 2009





Agenda

- **Capital Overview (FTE & Dollars)**
- **Capital Strategy (Funding Priorities & Long Term Revenue)**
- **Challenges (Current & Future)**
- **Financial Policies**

Presenters

- **Facilities & Property Management Division – Bob Thomas & John Lindenthal**
- **Transportation Division – Kim Peoples & Ian Cannon**
- **Financial Policies – Mark Campbell**

CAPITAL OVERVIEW (FTE & DOLLARS)

Facilities & Property Management Division

Multnomah County's Building Portfolio

- 3.2 Million sq ft 132 buildings
- Owned space, 2.8 Million sq ft
- \$1.0 Billion estimated replacement value for major buildings only
- Leased space, 400 K sq ft

FY 2009 Budget

- \$41 M Facilities Management, \$58 M Capital Program
- \$ 14.26 per sq ft, \$2.35 capital per sq ft investment
- 96.5 FTE

CAPITAL STRATEGY

Funding Priorities & Long Term Revenue

Managing Short Term and Long Term Risk:

- Balancing maintenance & capital
- Preventative maintenance reduces deferred maintenance
- Reduction in deferred maintenance reduces capital needs

Likewise:

- Reducing maintenance increases deferred maintenance
- Increasing deferred maintenance increases capital needs

CAPITAL STRATEGY

Funding Priorities & Long Term Revenue

Facilities Strategic Plan – (Adopted 2005)

1. Plan called for migrating the County's real estate portfolio to include only well sited, high-performance, affordable, and sustainable facilities by 2015.
2. Strategic Plan called to fully fund the operating costs of owned Tier 1 facilities including compliance and preventative maintenance. In addition, the County will stay completely current on its non-seismic capital maintenance program.
 - Tier System to manage assets
 - Disposition Plan to reduce portfolio size
3. Ensure that FPM is utilizing the best practices for buildings and operations.

CAPITAL STRATEGY

Funding Priorities & Long Term Revenue

Capital Improvement Program (CIP) 5-yr plan – Process

- Input for projects – Departments, Operations and Maintenance, Project Managers, Property Managers, Facility Asset Management Evaluation (FAME)
- Funding Priority* – Projects are evaluated and ranked.

*Priorities are fire/life safety, roofs, building envelope, plumbing, HVAC, electrical, etc.

CHALLENGES (Current & Future)

FY2009 Challenges

- Current – BCC direction needed
 - East County Justice Center
 - Downtown Courthouse repairs
 - McCoy Building urgent repairs

CHALLENGES (Current & Future)

Future Challenges - Attaining Goals of Strategic Plan

- long range revenues
- Note: need \$4.58/sq.ft./yr for 30 yrs to meet current projected needs excluding seismic

Managing the risk – Facilities Alternatives/choices –

- status quo – not recommended
- change portfolio, i.e. size or configuration
- sustainable funding

CAPITAL OVERVIEW (FTE & DOLLARS)

Transportation Division

Capital Assets

- 300 Miles of Roads** – 10% Urban (in the cities of Fairview, Troutdale, Wood Village), 90% Rural
- 6 Willamette River Bridges** - 5 in City of Portland, 1 Rural (Sauvie Island)

FY09 Budget

- Roads**
 - 12 FTE
 - \$10.0M
- Bridges**
 - 19 FTE
 - \$11.6M
- Transportation Planning**
 - 3 FTE

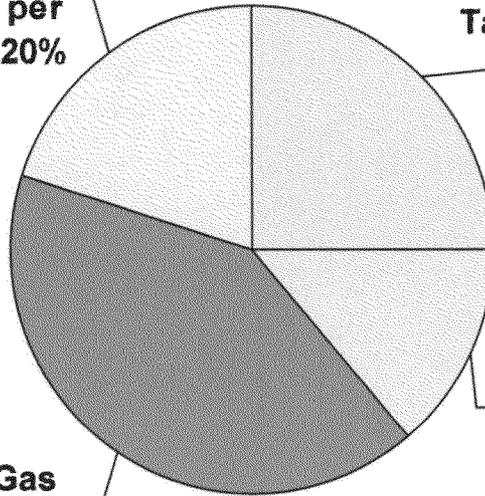
CAPITAL STRATEGY

Revenue



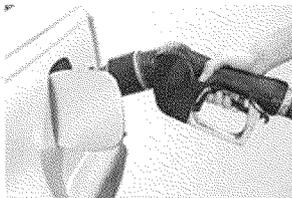
Multnomah
County Gas
Tax (3¢ per
gallon), 20%

Weight Mile
Tax, 25%



State Gas
Tax (24¢ per
gallon), 41%

Vehicle
Registration,
14%



Percentages are rounded.



CAPITAL STRATEGY

Capital Improvement Plan and Program (CIPP)

- Developed through work with the communities, the City of Portland and East County cities, the Bicycle and Pedestrian Advisory Committee, and Engineering and Transportation Planning staff.
- The Plan identifies and sets priorities for bridge, road, bicycle, pedestrian, and preservation projects that support communities and a thriving economy.
- The Program assigns available funds to the highest ranked projects, based on: Safety, Support of Land Use Goals, Engineering Evaluation, Community Support.

CAPITAL STRATEGY

Priorities – Current Debt Obligations

- 257th Avenue @ Orient Drive Loan
- Sauvie Island Bridge Loan
- 223rd RR Undercrossing

Priorities – Funded Projects

- Morrison Bridge Bicycle/Pedestrian Facility
- 238th Avenue Safety

CAPITAL STRATEGY

Priorities - Pending Funding

- Sellwood Bridge
- Cornelius Pass Road Safety
- Beaver Creek Culvert Replacements (partially funded - \$1M of \$7M)
- Morrison Bridge Deck Replacement (partially funded - \$6.6M of \$10M)
- Broadway Bridge Painting

CHALLENGES (Current & Future)

- Declining Revenues: Since 1993, the number of vehicle miles traveled has risen by 19%, while gas tax revenues have increased 3%. Vehicles are more fuel efficient.
- Since 1993 inflation is up more than 50%.
- County has backlog of deferred maintenance, particularly for roads, that is growing at an alarming rate. (20 year funding gaps; Roads \$355M, Bridges \$490M).
- County's core responsibility to provide a safe environment for the traveling public is seriously compromised by lack of funds.
- County is currently unable to fund an adequate transportation capital improvement program.

REVENUE OPPORTUNITIES

- Federal Economic Stimulus Package
- Governor's Transportation Package
- Federal Transportation Reauthorization Legislation

FINANCIAL POLICIES

General Obligation Bonds

- require vote approval
- secured by property tax levy
- not subject to Measure 5 limits
- current rating (Moody's) – AA1

Full Faith & Credit Obligations

- do not require voter approval
- secured by any County revenue source(s)
- current rating (Moody's) – AA2

FINANCIAL POLICIES

■ Policy Statement – Short Term and Long Term Debt Financings

“The County will attempt to meet its capital maintenance, replacement, or acquisition requirements on a pay-as-you-go basis. If the amount of the capital requirement cannot be met on a pay-as-you-go basis, if it is financially beneficial to issue debt, and if the project has been determined to benefit future citizens, the County will evaluate the feasibility of issuing a long-term debt financing instrument.”

FINANCIAL POLICIES

■ Statutory debt limits

- State of Oregon – GO Bonds
- 2% of real market value = \$2 Billion
- State of Oregon – Full Faith & Credit Bonds
- 1% of real market value = \$1 Billion

■ BUT, practically speaking

- debt limit = what we can afford to support in annual debt payments

FINANCIAL POLICIES

■ Internal County Policy

- more restrictive than statutory limits
- linked to ability to pay
- limits impact of debt on ongoing programs

- Non-voter approved debt limited to annual payments that do not exceed 5% of General Fund Revenues (*Financial & Budget Policies, pp. 22-23*)

FINANCIAL POLICIES

Current Outstanding Debt by Type

	Principal Balance	Annual Debt Service	# Years to Payoff
General Obligation Bonds	\$ 63,125,000	\$ 9,232,000	9
Revenue Bonds	5,320,000	827,000	8
Pension Obligation Bonds	165,583,000	13,542,000	22
Full Faith & Credit Obligations	75,505,000	6,993,000	12
Certificates of Participation	12,550,000	1,851,000	5
Capital Leases	1,043,000	118,000	24
Total Debt	\$ 323,126,000	\$ 32,563,000	
(Less) GO Bonds	(63,125,000)	(9,232,000)	
(Less) Pension Obligation Bonds	(165,583,000)	(13,542,000)	
(Less) Revenue Bonds	(5,320,000)	(827,000)	
Debt Subject to County Policy	\$ 89,098,000	\$ 8,962,000	
General Fund Revenues (FY 2009)		\$ 343,000,000	
Current GF Supported Debt as % of Revenue		2.61%	
Available Annual Debt Service per Policy		\$ 8,188,000	