

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Wednesday, May 2, 2018**

**BUDGET WORK SESSION #4**

Chair Deborah Kafoury called the meeting to order at 1:37 P.m. with Vice-Chair Lori Stegmann and Commissioner Loretta Smith and Commissioner Jessica Vega Pederson present. Commissioner Sharon Meieran arrived at 1:38 p.m..

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

Chair Kafoury: WELCOME BACK, EVERYONE. THANK YOU FOR RETURNING. WE'RE JUST SO EXCITED TO HAVE YOU BACK, MARK CAMPBELL. THIS AFTERNOON WE HAVE FINANCIAL AND BUDGET POLICIES AND THEN DEPARTMENT OF COUNTY ASSETS.

**BWS-4a      Financial & Budget Policies**

Mark Campbell: YES. GOOD AFTERNOON, CHAIR AND COMMISSIONERS. MARK CAMPBELL, CFO. AND I AM HERE TODAY TO TALK ABOUT FINANCIAL AND BUDGET POLICIES WHICH YOU WILL BE ADOPTING WITH A BUDGET AT THE END OF THE MONTH. AND, YOU KNOW, I WILL PROBABLY BE EVEN MORE BRIEF WITH THIS PRESENTATION THAN I WAS WITH THE ONE THIS MORNING BECAUSE THE THEME FOR ME THIS YEAR IS NOT MUCH IS CHANGING. SO WHAT I WANTED TO DO IS JUST KIND OF, AGAIN, SOME OF THIS IS GOING TO BE -- SOME OF THIS IS GOING TO BE AN OVERVIEW OF THINGS THAT WE'VE COVERED IN THE PAST. BUT I THINK IT'S GOOD THAT COMMISSIONER STEGMANN POINTED OUT THIS MORNING TO GET A REFRESH ON THAT AND THEN FOR FOLKS WHO MIGHT BE IN THE AUDIENCE, AS WELL. SO WHY WANT TO TALK WHAT I WANT TO TALK ABOUT TODAY ARE A FEW THINGS. ONE IS WHAT ARE POLICIES AND WHY DO WE HAVE THEM. I FOUND THE DEFINITION A FEW YEARS AGO WHEN WE WERE RESEARCHING THIS,

AND I THOUGHT THAT IT WAS KIND OF REALLY NICE, SIMPLE WAY OF THINKING ABOUT THIS. AND POLICIES ARE GENERALLY PRINCIPLES, RULES, AND GUIDELINES ADOPTED BY THE LEGISLATIVE BODY TO ACHIEVE LONG-TERM GOALS. I THINK AT A HIGH LEVEL THAT'S WHAT WE'RE TALKING ABOUT. GENERALLY WHEN WE ESTABLISH POLICIES WE ARE TRYING TO FOLLOW BEST PRACTICES AND FINANCIAL MANAGEMENT. I WANT TO REVIEW THE CURRENT FINANCIAL AND BUDGET POLICIES AND THE STAFF IS NOT PROPOSING THE ADDITION OF NEW POLICIES THIS YEAR. LAST YEAR WE CAME TO YOU WITH A FEW MINOR ADJUSTMENTS TO A COUPLE OF OUR POLICIES. WE DON'T EVEN HAVE ANY OF THOSE THIS YEAR. AND PART OF THAT IS DUE

TO THE FACT THAT WE ARE IMPLEMENTING THE NEW ERP SYSTEM. AND MY EXPECTATION IS THAT SIMILARLY WHEN WE IMPLEMENTED SAP SOME OF THESE THINGS ARE GOING TO CHANGE BECAUSE OF THE WAY WE DO BUSINESS. SO WE WANTED TO KIND OF TAKE A STEP BACK AND GET THE ERP IMPLEMENTED AND THEN FIGURE OUT HOW WE'RE GOING TO OPERATIONALIZE THINGS. I WANT TO TALK A LITTLE BIT ABOUT WHAT OTHER FINANCIAL MANAGEMENT TOOLS WE USE.

Mark Campbell: THOSE CONSIST OF AUDITING STANDARDS THAT ARE HANDED DOWN FROM THE GOVERNMENT ACCOUNTING STANDARDS BOARD AND ADMINISTRATOR PROCEDURES UNDER THE AUTHORITY OF THE COUNTY CHAIR. AND THEN THIS IS A LITTLE BIT OF A WEIRD ONE BUT I'M GOING TO PROVIDE AN OVERVIEW OF INVESTMENT POLICY. I'LL TALK ABOUT THIS ONE AND GET TO IT, BUT THE INVESTMENT POLICY IS ONE OF THOSE THINGS THAT THE STATE TREASURER'S OFFICE SAYS WE NEED TO HAVE THE BOARD SIGN OFF ON THE INVESTMENT POLICY.

WE REFERENCE THE INVESTMENT POLICY IN THE FINANCE AND BUDGET POLICY DOCUMENT BUT YOU ALSO WERE ASKED WHEN WE ADOPT TO FORMALLY ADOPT THE INVESTMENT POLICY. AND I'LL TALK -- LIKE I SAID, I'LL TALK A LITTLE BIT ABOUT WHAT THEN WE GET THERE. AS I MENTIONED POLICIES ARE DESIGNED TO BE A GUIDELINE. THE GOALS THAT WE HAVE OUTLINED ARE TO PRESERVE CAPITAL THROUGH PRUDENT BUDGETING AND FINANCIAL MANAGEMENT, TO MAKE THE MOST PRODUCTIVE USE OF FUNDS TO MEET THE GOALS ESTABLISHED BY THE BOARD, TO ACHIEVE A STABLE BALANCE BETWEEN ON GOING COMMITMENTS AND REVENUES. THIS IS A BIG ONE FOR US. THE ABILITY TO LEVERAGE LOCAL FUNDS WITH FEDERAL AND STATE FUNDS BECAUSE SO MUCH OF OUR BUDGET IS PASSED DOWN THROUGH FEDERAL AND STATE GOVERNMENTS. FINALLY, I THINK THAT POLICIES HELP TO SUPPORT GOVERNMENT ACCOUNTABILITY.

THESE ARE SUBJECT TO ANNUAL REVIEW AND I BRING THEM TO YOU AT THIS TIME EACH YEAR TO UPDATE ON THE STATUS OF OUR COMPLIANCE WITH THEM. WE HAVE 15 POLICIES STATEMENTS. THEY HAVE BEEN DEVELOPED AND REFINED OVER TIME. WE OFTEN -- WE HAVEN'T DONE THIS IN A WHILE BUT WHEN SITUATIONS WARRANT WE DO RECOMMEND NEW POLICY STATEMENTS. AND I THINK I MENTIONED THIS THIS MORNING WHEN WE CAME UP IN THE CAPITAL BRIEFING AS WELL, IS THAT THERE'S A SECTION WE HAVE IN THE CURRENT FINANCIAL AND BUDGET POLICIES THAT TALKS ABOUT CAPITAL AND LONG-RANGE PLANNING. AND SO THAT'S AN EXAMPLE OF AN AREA WHERE I THINK THAT WE COULD USE A LITTLE BIT MORE ROBUSTNESS IN THE POLICIES. SO THAT'S AN AREA WE WILL BE SPECIFICALLY LOOKING AT GOING FORWARD. THE POLICIES THAT WE HAVE REFLECT THE GOVERNMENT FINANCE OFFICER'S ASSOCIATION BEST PRACTICES. WE DO REVIEW THOSE ON A REGULAR BASIS. GFOA PRODUCES A NUMBER OF MODEL POLICIES AND

SOME OF THOSE WE USE AND SOME OF THOSE WE TAILOR TO MEET THE NEEDS OF THE COUNTY.

Mark Campbell: THE FRAMEWORK THAT WE HAVE IS ORGANIZED AROUND FOUR BASIC PRINCIPLES OF THE BUDGET PROCESS AND THAT IS TO ESTABLISH BROAD GOALS TO HELP YOU WITH THEIR DECISION MAKING. TO DEVELOP APPROACHES TO ACHIEVE THOSE GOALS, TO DEVELOP A BUDGET THAT'S CONSISTENT WITH THOSE POLICIES, AND TO EVALUATE THE PERFORMANCE AND ADJUST THEM WHEN NECESSARY. SO FOR EXAMPLE, IF THE BOARD WERE TO DECIDE THAT THEY WANTED A HIGHER LEVEL OF RESERVES, THEN 10% THAT IN THE CURRENT POLICY WE WOULD HAVE A DISCUSSION ABOUT WHAT THAT LOOKS LIKE AND WHAT THE TRADEOFFS WOULD BE IF YOU WERE TO GO FROM 10% TO 12%. AND FROM WHERE I SIT, THE THINGS THAT MAKE A POLICY EFFECTIVE ARE THEY EXIST IN WRITTEN FORM, THAT THEY'RE REVIEWED ON A REGULAR BASIS AND THAT THEY ESTABLISH CLEAR DIRECTION.

THE FOURTH ONE I WOULD ADD IS THAT THEY'RE WRITTEN IN PLAIN ENGLISH. I HAVE SEEN IN A NUMBER OF GOVERNMENTAL POLICIES WHERE YOU GET TO THE END OF THE THING AND YOU'RE LIKE, WHAT ARE THEY TRYING TO DO? SO WE TRY TO MAKE SURE THAT WHEN WE DRAFT SOMETHING IT'S EASILY UNDERSTANDABLE AND WE TRY NOT TO USE JARGON TO ANY EXTENT POSSIBLE. SO THAT'S ONE OF OUR GUIDING PRINCIPLES. AND THEN THE OTHER ASPECT OF POLICIES THAT I THINK IS KIND OF LOST A LITTLE BIT IS THERE'S THIS IDEA OF CONTROL VERSUS HAVING FLEXIBILITY. YOU DON'T WANT TO WRITE A POLICY THAT'S SO TIGHT THAT IT PREVENTS YOU FROM DOING SOMETHING THAT PRESENTS ITSELF AS REAL OPPORTUNITY. BUT WE ALSO WANT TO MAKE SURE THAT WHEN WE'RE DRAFTING THESE POLICIES THAT THERE'S ANY APPLICABLE LAWS AND REGULATIONS WE NEED TO FOLLOW THAT WE'VE CHECKED THAT BOX. SO OUR POLICY STATEMENTS. AS I MENTIONED, WE HAVE 15 OF THEM. I'M NOT GOING TO GO THROUGH EVERY ONE OF THESE. THEY'VE BEEN CONSISTENT FOR A NUMBER OF YEARS.

WHAT I WOULD OFFER IS THAT BETWEEN NOW AND THE TIME THAT THE BUDGET IS ADOPTED I WOULD BE MORE THAN HAPPY TO COME AND TALK TO YOU AND YOUR STAFF ABOUT ANY OF THE POLICIES THAT YOU SEE HERE OR IF THERE'S ANYTHING THAT YOU WOULD LIKE US TO CONSIDER GOING FORWARD. BUT SOME OF THESE I THINK, YOU KNOW, ARE -- A COUPLE OF THESE ARE MORE LIKELY TO CHANGE AS A RESULT OF THE ERP THAN NOT. FOR INSTANCE, THE POLICY ON RECOVERY OF INDIRECT COSTS. WE ARE GOING TO HAVE A LOT MORE INFORMATION ON GRANTS WHEN WE IMPLEMENT WORKDAY. AND SO THERE'S PROBABLY A LOT MORE INFORMATION THAT WE WILL BE ABLE TO GLEAN FROM THOSE GRANTS IN TERMS OF WHAT THE GRANT SAYS ABOUT HOW MUCH OVERHEAD WE CAN RECOVER. IN FACT, THERE'S A FEATURE IN WORKDAY. LAST YEAR WE DID A CHANGE TO THIS POLICY WHERE WE MADE IT CLEAR IF THERE WAS A

CONFLICT BETWEEN GRANT NOT PROVIDING FULL COST RECOVERY AND THE COUNTY'S PUBLISHED RATE, THAT WE WOULD FIRST APPLY THE INDIRECT COST TO THE CENTRAL INDIRECT PIECE WHICH FUNDS ALL OF THE HR FINANCE BUDGET FUNCTIONS. AND WORK DAY WE'RE ABLE NOW TO HAVE THAT BE PROPORTIONAL. SO IT WILL MAKE A SHIFT IN THE WAY THAT WE ALLOCATE THOSE COSTS TO PROGRAMS. AND SO THAT MAY HAVE AN IMPACT ON HOW THAT POLICY IS DRAFTED. AGAIN, ON THE CAPITAL ASSET AND TRANSPORTATION PLANNING, I THINK THERE'S A LOT OF WORK TO BE DONE THERE AROUND SOME OF THE THINGS THAT PEGGY AND THEIR FOLKS TALKED ABOUT THIS MORNING. OTHER FINANCIAL MANAGEMENT TOOLS THAT WE HAVE, AUDITS, BUT WITH INTERNAL AND EXTERNAL.

Mark Campbell: WE HAVE IN THE RECENT PAST MADE SOME ADJUSTMENTS TO OUR POLICIES BASED ON BOTH EXTERNAL AND INTERNAL AUDITS. THE MOST RECENT ONE I CAN THINK OF IS LAST YEAR I BELIEVE WE CHANGED THE POLICY ON DONATIONS. THAT WAS CONSISTENT WITH THE AUDIT OF ANIMAL SERVICES. ANOTHER WAY THAT WE ESTABLISH POLICIES IS THROUGH PRONOUNCEMENTS THAT ARE ISSUED BY GOVERNMENT ACCOUNTING STANDARDS BOARD. A GOOD EXAMPLE OF THIS IS I BELIEVE GASBY 77 TALKS ABOUT MONEY THAT IS WAIVED IN SUPPORT OF ECONOMICS, TAX INCENT IS. WE CURRENTLY DON'T HAVE A POLICY ON TAX INCENTIVES. IF WE WERE TO DEVELOP SOMETHING LIKE THAT WE WOULD WANT TO MAKE SURE THAT IT FOLLOWS THE LANGUAGE IN THAT PARTICULAR ACCOUNTING STANDARD. AGAIN, I MENTIONED THAT WE HAVE ADMINISTRATIVE PROCEDURES THAT ARE UNDER THE AUTHORITY OF THE CHAIR.

AND THOSE ARE THE FACTS, FINS, PERS AND RISKS THAT ALL DEPARTMENTS OPERATE UNDER. I AM RESPONSIBLE FOR THE FINS, THE PERS, AND THE RISKS. SO SOMETIMES THE WAY THAT WE DEVELOP THINGS FROM THE WAY WE OPERATE INTERNALLY, SOMETIMES THOSE THINGS GET ELEVATED TO A POLICY LEVEL DEPENDING ON THE INTEREST OF THE BOARD. AND THEN FINALLY, PRACTICE. PRACTICE IS INFORMAL. I THINK THAT IT DOESN'T APPLY THE SAME LEVEL OF COMMITMENT AS A POLICY SEED PROCEDURE OR POLICY BUT SOMETIMES THE PRACTICE WE LOOK AT WE SAY, YOU KNOW, WE'VE BEEN DOING THIS ENOUGH TIMES, MAYBE WE OUGHT TO PUT THAT INTO WRITTEN FORM. SO GOING FORWARD, AS I MENTIONED, THE STAFF IS NOT PROPOSING ANY CHANGES THIS YEAR. SO FOR THE WORK PLAN FOR NEXT YEAR I THINK PRIMARILY MY STAFF IS GOING TO BE TASKED WITH GETTING WORK DAY AND ERP UP AND RUNNING. SO LIKE I MENTIONED, WE WILL PROBABLY BE LOOKING AT AFTER THE FACT, BUT THERE WILL BE SOME CHANGES THAT COME ABOUT BECAUSE OF THAT.

I THINK THAT IT'S MORE LIKELY THAT THE CHANGES THAT WE WOULD BE IMPLEMENTING WOULD FALL MORE UNDER THE ADMINISTRATIVE PROCEDURES THAN POLICIES BUT WE'RE GOING TO BE LOOKING AT THE WHOLE SPECTRUM. WE WANT TO MAINTAIN CURRENCY WITH GF WAY BEST

PRACTICES. ONE OF THE THINGS THAT CAME UP IN THE RATING REVIEWS THAT WE DID FOR THE BOND ISSUE IN DECEMBER WAS THEY FELT LIKE -- STANDARD & POOR'S IN PARTICULAR FELT LIKE WE HIT ALL THE KEY THINGS THAT GOVERNMENT OUR SIZE SHOULD HAVE AS POLICIES. AND I THINK THAT THEY LABELED THEM AS ADEQUATE. I DIDN'T NECESSARILY TAKE OFFENSE WITH THAT BUT I THINK WE LIKE TO BE A LITTLE BIT BETTER THAN ADEQUATE. AND THEN WHAT ARE THINGS THAT WE CAN LEARN FROM COMPARABLE JURISDICTIONS, BOTH LANE COUNTY AND PORTLAND HAVE VERY EXTENSIVE AND DETAILED FINANCIAL POLICIES THAT WE LOOK TO FROM TIME TO TIME AND SHARE INFORMATION WITH -- NOT JUST THEM, BUT THEY SEEM TO HAVE THE MOST WELL-ROUNDED, I GUESS, OF THE ONES THAT I'VE LOOKED AT.

Mark Campbell: SO THINGS FOR FUTURE CONSIDERATION. I MENTIONED CAPITAL PLANNING AND GASBY PRONOUNCEMENTS. ANOTHER ONE THAT WE WANT TO TAKE A LOOK AT IS IN THE LEVEL OF SELF INSURANCE RESERVES, AS YOU KNOW WE'RE SELF-INSURED FOR WORKERS' COMPENSATION AND LIABILITY INSURANCE. AND WE RIGHT NOW HAVE A SELF-INSURE RETENTION OF A MILLION DOLLARS. AND WE HAVE ADEQUATE RESERVES TO MEET OUR ACTUAL COMMITMENTS BUT I THINK WHAT WOULD BE BENEFICIAL WOULD BE IF WE HAD THE BOARD AFFIRM THAT THERE'S A LEVEL THAT THEY FEEL COMFORTABLE WITH. AND YOU KNOW, FOR EXAMPLE, DO WE WANT TO FUND 100% OF THOSE ACTUARIAL LIABILITIES OR 80%? THAT'S SOMETHING WE WILL BE LOOKING AT AND BRINGING BACK ARIZONA A POTENTIAL NEW POLICY.

AND ONE THAT I TALKED TO -- I THINK I'VE TALKED TO ALL OF YOU ABOUT OVER THE LAST MONTH, IS THIS IDEA AROUND CONTRACT OVERSIGHT. AND HOW WE WOULD PROPOSE TO WORK WITH HUMAN SERVICE PROVIDERS WHO ARE IN SOME LEVEL OF FINANCIAL DISTRESS. AND FINALLY, WHAT DO RATING AGENCIES WANT TO SEE? IF MOODY'S OR STANDARD & POOR'S SAID THAT THERE WAS SOMETHING THAT WE WERE MISSING WE WOULD CERTAINLY WANT TO ADDRESS THAT. LIKE I SAID, THEY DID SAY THAT WE HIT ALMOST ALL OF THE KEY POLICIES. SO NOW I'M GOING TO JUST TALK BRIEFLY ABOUT INVESTMENT POLICY. THE INVESTMENT POLICY IS REFERENCED IN FINANCE AND BUDGET POLICIES BUT IT'S STAND ALONE. AND WE DO HAVE A COUPLE OTHERS, LIKE THIS THAT I THINK THAT WE'LL WANT TO FIGURE OUT HOW IF WE WANT TO DEAL WITH THEM GOING FORWARD. THE INVESTMENT POLICY, THE STATE TREASURER'S OFFICE RECOMMENDS THAT THE GOVERNING BODY SIGN OFF ON THOSE EVERY YEAR. AND SO WE HAVE AN INVESTMENT POLICY THAT'S MUCH MORE DETAILED THAN THE ONE THAT'S IN THE FINANCIAL AND BUDGET POLICY SECTION, BUDGET DOCUMENT.

Mark Campbell: AND LIKE I SAID, WE'LL BE ADOPTING THAT AS WELL WHEN WE ADOPT BUDGET. WHAT I WANT TO JUST POINT OUT ABOUT THAT IS THAT OUR INVESTMENT POLICY DOES FOLLOW STATE STATUTE. I THINK THIS IS WELL-KNOWN BUT WE CAN'T PULL ANY EQUITIES IN OUR INVESTMENT PORTFOLIO. AND THE STATE ALSO SETS PARAMETERS ON THE TYPE OF INVESTMENTS. IF

YOU'RE GOING TO INVEST IN CORPORATE DEBT, FOR EXAMPLE, IT HAS TO BE RATED AA OR AA PLUS, I BELIEVE, OR BETTER. AND IT ALSO SAYS HOW MUCH YOU CAN HAVE IN ANY TYPE OF PARTICULAR INVESTMENT.

SO WHAT OUR POLICY DOES IS IT MIRRORS THE STATE STATUTES IN THAT REGARD AND AS YOU WILL SEE BY THE CHART ON THE SLIDE THERE, WE HAVE AVERAGE BALANCE AT THE END OF MARCH OF \$652 MILLION. AND THE LION'S SHARE OF THAT IS IN THE SAFEST TYPE OF INVESTMENT. SO GOVERNMENT SECURITIES, TREASURY BONDS, GOVERNMENT PAPER. AND WE HAVE VERY LITTLE ANYMORE IN THE CORPORATE SPACE. BUT WE COULD UNDER STATE STATUTE, WE COULD GO UP -- I WANT TO SAY THAT'S ABOUT 35% OF OUR PORTFOLIO COULD BE IN CORPORATES, BUT OUR OWN POLICY SAYS THAT WE CAN ONLY HAVE 25%. AND THEN THE POLICY ALSO ESTABLISHES BLEND MARKS IN TERMS OF YIELD AND DURATION.

SO OUR DURATION RIGHT NOW IS A LITTLE OVER A YEAR AND A HALF. BY STATE LAW WE CAN'T GO OUT MORE THAN FIVE YEARS. AND THE OTHER THING THAT WE'VE DONE OVER THE PAST FEW YEARS IS WE WORKED WITH AN INVESTMENT ADVISER. IN ORDER TO GET OUR YIELDS UP WE'VE SPLIT OUR PORTFOLIO INTO A LIQUID AND CORE. AND THE CORE IS STUFF THAT WE CAN INVEST IN FURTHER OUT. SO WE CAN PUT UP TO \$250 MILLION IN THAT CORE AND WE CAN INVEST IT UP TO FIVE YEARS SO IT HELPS US TO BUMP THE YIELD A LITTLE BIT. I BELIEVE AS OF APRIL WE'RE GOING TO BE AROUND 1.5% YIELD ON OUR PORTFOLIO WHICH IS A PRETTY SIGNIFICANT JUMP FROM THIS TIME LAST YEAR. SO THAT'S ABOUT ALL I WANTED TO TALK ABOUT TODAY. IN SUMMARY, WE HAVE POLICIES THAT SET THE FRAMEWORK FOR FINANCE AND BUDGET DECISION MAKING THAT THEY REFLECT YOUR DIRECTION, THAT THEY ALIGN WITH BEST PRACTICES, AND WE USE THESE POLICIES SORT OF AS LEVER WITH OTHER FINANCIAL MANAGEMENT TOOLS. I WOULD ALSO GENERALLY SAY THAT THIS IS A CONTINUOUS IMPROVEMENT PROCESS AND THAT WE WANT TO ENSURE THAT THE POLICIES REMAIN RELEVANT AND THEY CONTINUE TO REFLECT THE BOARD'S DIRECTION. AND I CAN PRETTY MUCH SAY WITH CERTAINTY THAT THIS NEXT YEAR WE WILL BE DOING A MORE WHOLESALE REVIEW OF THESE THAN WE HAVE IN THE PAST. I WILL TAKE ANY QUESTIONS.

Chair Kafoury: QUESTIONS, COMMENTS? THANK YOU.

Mark Campbell: PLEASE LET ME KNOW IF YOU WOULD LIKE TO HAVE A SEPARATE BRIEFING ON ANY OF THIS STUFF.

Chair Kafoury: GREAT. WHEN YOU'RE DONE WITH THE ERP IMPLEMENTATION WE CAN GET TO WORK ON THOSE OTHER ITEMS. BACK AGAIN.

**BWS-4b      Dept. of County Assets**

Sherry Swackhamer: BACK AGAIN.

Chair Kafoury: WITH YOUR BRAND NEW FRIEND.

Sherry Swackhamer: YES. GOOD AFTERNOON, CHAIR KAFOURY, COMMISSIONERS. AGAIN, I'M THE DIRECTOR OF THE DEPARTMENT OF COUNTY ASSETS AND THE CHIEF INFORMATION OFFICER. I AM HERE THIS AFTERNOON WITH BOB LEAK, OUR DEPUTY DEPARTMENT DIRECTOR AND CHIEF INFORMATION OFFICER AND HENRY ALAMAN. LET ME GO TO THE NEXT SLIDE. SO THIS IS OUR AGENDA FOR TODAY. AND WE ALSO, AS YOU NOTICED, HAVE A GUEST. AND OUR GUEST IS CORMAC BURKE, THE COMMITTEE CHAIR FOR OUR CITIZENS BUDGET ADVISORY COMMITTEE. SO WE ARE GOING TO KICK OFF OUR AGENDA WITH CORMAC. AND WE DO WANT TO REALLY ACKNOWLEDGE THE WORK OF THE COMMITTEE AND APPRECIATE THEIR SUPPORT, THEIR IDEAS, AND RECOMMENDATIONS.

Cormac Burke: THANKS. GOOD TO SEE YOU ALL AGAIN.

Chair Kafoury: GOOD AFTERNOON.

Cormac Burke: SO THE MAJORITY OF THE FOCUS OF THE DCA, CBAC HAS BEEN A ONE-TIME REQUEST. WHILE THE REQUEST REVIEWED A NUMBER OF REQUESTS AND WE'RE SUPPORTIVE OF ALL OF THEM THEY SEEM WELL THOUGHT OUT, WELL JUSTIFIED, GOOD BUSINESS DRIVERS AND TARGETS WERE ESTABLISHED. I'M JUST GOING TO TOUCH ON A COUPLE EFFORTS JUST TO MAKE A COUPLE COMMENTS. THE CONTINUE EYES OF THE EAST COUNTY CAMPUS REALLY LOOKS LIKE A NO BRAINER. CONTINUING TO IMPROVE ACCESS TO COMMUNITY SERVICES AND IMPROVE BUSINESS EFFICIENCY. IN THE I.T. SPACE, I.T. INNOVATION PROJECTS MAKES GOOD SENSE TO US. THEY'VE DONE A GOOD JOB OF MANAGING THE ASSETS EFFECTIVELY AND HAS BEEN SUCCESSFUL MOVING INTO A LOT OF COST EFFECTIVE TECHNOLOGIES WHERE POSSIBLE. OPEN SOURCE TECHNOLOGIES, GOOGLE, ET CETERA.

BUT THERE'S STILL AN ONGOING COST TO MAINTAINING THE I.T. STRUCTURE. THE ONE COMMENT WE HAD ON THIS IS THAT SEEING THIS AS -- TREAT IT AS A ONE-TIME COST IS CONFUSING AS AN I.T. GUY AND STAKEHOLDER. WE SEE THESE AS ASSETS. THEY'VE GOT TO BE UPDATED REGULARLY. IT IS A CYCLE. AND I KNOW YOU WRESTLE BETWEEN CAPITAL EXPENSE BUT IT IS, IT'S THE COST OF DOING BUSINESS. THESE AREN'T ONE-TIME EXPENSES, PER SE. WE WOULD SUGGEST CONSIDERING HOW YOU BUDGET FOR THAT SORT OF THING. WE'RE REAL SUPPORTIVE OF THE ONGOING FUNDING FOR YOUR I.T. CYBER SECURITY PROGRAM. CYBER SECURITY THREATS ARE DOING NOTHING BUT GROWING AND GETTING WORSE. AND GIVEN THE COUNTY'S MANAGEMENT OF PERSONAL FINANCIAL DATA, IT'S ABSOLUTELY ESSENTIAL THAT YOU CONTINUE TO MAINTAIN THE STRONG FOCUS ON DATA

PROTECTION IN CYBER SECURITY. MUCH LIKE THE TECHNOLOGY INNOVATION INVESTMENTS.

Cormac Burke: THIS IS AN ONGOING EXPENSE. IT'S NEVER GOING TO CEASE. AND SO LOOKING AT IT AS ONE-TIME TYPE OF THING, I MEAN, I UNDERSTAND THE BUDGET MECHANICS, BUT THIS PROBLEM WILL NOT GO AWAY AND IT WILL CONTINUE TO HIT THE BUDGET ON AN ANNUAL BASIS. THE LAST THING, I WANTED TO COMMEND THE COUNTY ON SAP WORKDAY. THESE PROJECTS ARE A BEAR. THEY'RE CHALLENGING, THEY'RE COSTLY, LIKELY THEY WILL PRESENT CHALLENGES AND DISRUPTIONS TO THE BUSINESS. FROM WHAT WE UNDERSTAND THE COUNTY IS WELL-PREPARED FOR THE MIGRATION. WE FEEL IT'S GOING TO BE BENEFICIAL TO YOUR EMPLOYEES AND STAKEHOLDERS, MORE COST EFFECTIVE SOLUTION ULTIMATELY TO RUNNING THE BUSINESS. WE'RE VERY SUPPORTIVE AND GLAD TO SEE THAT. IT WILL BE AN EXCITING JULY, I SUSPECT. BUT WE'RE HOPEFUL -- I THINK AS A FORMER S.A.P. CUSTOMER AND WORK DAY USER YOU GUYS ARE DOING THE RIGHT THING.

Chair Kafoury: THAT'S GOOD TO HEAR.

Cormac Burke: YOU'LL BE HAPPY YOU DID. THANK YOU VERY MUCH FOR YOUR TIME. EVERYBODY ON THE COMMITTEE ENJOYED AND APPRECIATED THE OPPORTUNITY TO MEET WITH THE STAKEHOLDERS AND VARIOUS PARTIES. IT WAS A REAL GOOD EXPERIENCE.

Chair Kafoury: WELL, THANK YOU. THANKS SO MUCH FOR YOUR CONTINUED INVOLVEMENT IN THE COMMITTEE AND WE DO APPRECIATE HEARING OUTSIDE VALIDATION OF DECISIONS THAT WE'VE MADE THAT WERE HEADED IN THE RIGHT DIRECTION.

Cormac Burke: GOOD DECISIONS.

Chair Kafoury: THANK YOU.

Cormac Burke: THANK YOU, CHAIR.

Sherry Swackhamer: WE'LL GET STARTED. YOU HAVE SEEN THIS SLIDE BEFORE. IT'S OUR MISSION, VISION, AND VALUES. I'LL HIGHLIGHT A LITTLE BIT AROUND OUR TAG LINE BECAUSE I THINK THAT SUMMARIZES OUR PERSPECTIVE. WE REALLY STRIVE TO PROVIDE INCLUSIVE WORKPLACE, IMPLEMENT INNOVATIVE TECHNOLOGIES, PROMOTE SUSTAINABLE PRACTICES AND CREATIVE SYNERGIES THROUGHOUT OUR DIVISIONS. AGAIN, THIS SLIDE YOU'VE SEEN BEFORE. THIS IS WHO WE ARE AND I WON'T GO OVER THIS IN DETAIL. I CAN'T FLIP FAST ENOUGH. WE HAVE A COUPLE OF AREAS FOR GUIDES PRINCIPLES THAT WE LOOK AT AS WE DO OUR WORK. IN RECOGNITION OF THE BOARD'S ADOPTION OF THE WORKFORCE EQUITIES



STRATEGIC PLAN AND THE WORK THAT WE ARE ALREADY DOING IN OUR DEPARTMENT, WORKFORCE EQUITY WILL BE A SIGNIFICANT FOCUS FOR US IN THE COMING YEAR. ANOTHER GUIDING PRINCIPLE THAT WE TALKED ABOUT IN THE PAST IS REALLY HOW WE VIEW SUSTAINABILITY AND THE TRIPLE BOTTOM LINE OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL.

Sherry Swackhamer: I THINK THIS ALIGNS WITH OUR WORKFORCE EQUITY STATUS, TOO. WE VIEW ECONOMIC AS PRODUCTIVITY AND EFFICIENCY AND WE'LL BE CONDUCTING BENCHMARKING STUDY OF OUR INTERNAL SERVICE RATES IN THE COMING YEAR. IN FACT, WE'RE HAVING OUR FIRST MEETING WITH THE CONSULTANT THAT WE HAVE ALREADY PROCURED IN MID MAY. WE VIEW ENVIRONMENT THROUGH THE LENS OF OUR CARBON FOOTPRINT. WE ARE ACCOUNTING STANDARDS WE ARE ACTUALLY THE ONLY DEPARTMENT WHO HAS ATTEMPTED TO MEASURE OUR CARBON FOOTPRINT AND SET A REDUCTION GOAL. AND THEN FINALLY, AS I SAID, SOCIAL EQUITY -- SOCIAL MEAN, SOCIAL EQUITY AND OUR FOCUS ALIGN -- AND THAT FOCUS ALIGNS WITH OUR WORKFORCE EQUITY WORK.

FROM A THEMES PERSPECTIVE AS YOU CAN IMAGINE WE HAVE A NUMBER OF LARGE CAPITAL PROJECTS THAT WE TALKED ABOUT EARLIER THIS MORNING. WE'RE WORKING ON CAPITAL PLANNING. I THINK OUR BIG FOCUS IN THE COMING YEAR IS GOING TO BE IN A NUMBER OF DISPOSITIONS. WE HAVE FIVE PROPERTIES THAT WE'LL BE DISPOSING OF OVER THE NEXT SIX MONTHS OR SO. AND THEN ALSO FROM A STRATEGIC PLANNING STANDPOINT I THINK AS HENRY AND BOB MENTIONED WE'LL BE UPDATING THE FACILITIES AND I.T. STRATEGIC PLANS BUT ALSO EMBARKING ON A STRATEGIC PLAN FOR SUITE REPLACEMENT. AND THEN ONE OTHER THING IS WE DO HAVE -- WHEN I LOOK UP THERE I SOMETIMES CAN'T SEE THINGS. SORRY. OUR DEPARTMENT DEVELOPED A DEPARTMENT WIDE CUSTOMER SERVICE INITIATIVE CALLED THINK YES MUCH LIKE THE LIBRARY AND DCHS AND OTHER DEPARTMENTS.

OURS FOCUSES ON REALLY THREE AREAS, WHAT WE CALL THE THREE CS, MAKE A CONNECTION, HAVE A CONVERSATION, AND CREATE CHOICES AND OPTIONS. AND THIS WORKS WELL FROM A CUSTOMER PERSPECTIVE BUT WE HAVE ALSO STRUCTURED IT AROUND INCLUSION. AND SO IT WORKS WELL FROM A CUSTOMER BUT ALSO A COLLEAGUE PERSPECTIVE TO REALLY MAKE CONNECTIONS WITH PEOPLE. FROM A WORKFORCE EQUITY PERSPECTIVE WE HAVE BEEN WORKING ON THIS FOR A NUMBER OF YEARS. WE HAVE DEDICATED RESOURCES AND PROVIDE DEPARTMENT WIDE SUPPORT, CONSULTATIONS WITH MANAGER, TEAMS, AND INDIVIDUALS. I THINK GIVEN THE NEW WORKFORCE EQUITIES STRATEGIC PLAN WE'LL BE FOCUSING THIS YEAR ON A GAP ANALYSIS TO LOOK AT WHERE ARE WE AND WHAT DO WE NEED TO DO TO REALLY MEET THE REQUIREMENT OR EXCEED THOSE REQUIREMENTS GOING FORWARD.

Sherry Swackhamer: WE DO VERY MUCH ENCOURAGE OUR EMPLOYEES TO PARTICIPATE IN ERGS AND HOST AN ANNUAL ERG OPEN HOUSE. AND THEN ALSO TO REALLY PROMOTE AN INCLUSIVE WORKPLACE. WE HAVE REGULAR EMPLOYEE EVENTS LIKE ON MARCH 14TH WE HAVE PIE DAY AND WE HAVE CHILI COOK OFFS. WE ALSO HAVE QUARTERLY COMMUNITY EVENTS AND THINGS LIKE VOLUNTEERING AT THE OREGON FOOD BANK. SO THESE ARE EXAMPLES OF WHO WE SERVE AND WHAT WE DO. AS I PROMISED THIS MORNING, I'M GOING TO TALK ABOUT A FEW OF THESE. I WON'T GO OVER THEM ALL BUT LET'S TALK ABOUT CYBER SECURITY AND THE VOLUME. WE BLOCKED OVER 94 MILLION SUSPECT E-MAILS. THAT'S A LOT OF E-MAILS. THOSE ARE THE BAD ONES. WE GET A LOT OF E-MAIL, LET'S JUST SAY. WE PREVENTED 85,000 ATTACK EVENTS. SO I THINK OUR MONEY IS BEING WELL SPENT IN CYBER SECURITY, BUT AS BOB SAID EARLIER, THERE'S LOTS MORE TO DO. WE ARE -- THE OTHER ONE I'LL TALK ABOUT IS WE HAVE INSTALLED NEW ABOVE GROUND FUEL TANKS AT THE YEON SITE. THIS PROVIDES US SOME OFF-SITE FUEL THAT IS OUTSIDE OF DOWNTOWN IN CASE THE BIG ONE DOES HIT AND WE NEED ACCESS TO FUEL. AND WE HAVE NOT HAD THAT IN THE PAST, FOR A VERY LONG TIME. SINCE THE FUEL TANKS AT YEON WERE DECOMMISSIONED QUITE A FEW YEARS AGO. THIS HAS ALSO ALLOWED US TO ADDRESS A FEW ISSUES IN AN AUDIT ON FUEL MANAGEMENT AND WE'RE IMPLEMENTING TECHNOLOGY IN ALL OF OUR FLEET CARS SO THEY CAN BE FILLED UP AT THAT SITE BUT ALSO SO WE CAN COLLECT INFORMATION ON THE CARS, ELECTRONICALLY. SO THIS HAS BEEN A GOOD THING.

Chair Kafoury: I HEAR THE ICE CREAM MAN. WE'RE BUYING.

Sherry Swackhamer: SO THIS IS OUR ORG CHART. IT HASN'T CHANGED MUCH SINCE LAST YEAR. OUR TOTAL BUDGET IS \$429.7 MILLION. WE HAVE A TOTAL OF 346.65 FTE AND SPAN OF CONTROL IS 1 TO 10. A LITTLE BIT HIGHER THAN BEFORE BUT IT'S ABOUT THE SAME. IT'S NOT MUCH OF A CHANGE. THIS SLIDE PRESENTS OUR FTE BY FUND. AND WE HAVE A NET INCREASE OF ZERO. WE HAVE SOME INS AND OUTS IN DIFFERENT PLACES BUT IN GENERAL WE'VE STAYED THE SAME FROM AN FTE PERSPECTIVE OVERALL. THESE NEXT TWO SLIDES PRESENT OUR EXPENDITURES BUDGET OF \$429.7 MILLION. BECAUSE OF THE LARGE CAPITAL PROJECTS WE'VE HAD TO SPLIT IT UP INTO TWO SLIDES. THIS FIRST SLIDE IS OPERATION -- PRESENTS THE OPERATIONS SIDE. OVERALL THE BUDGET CONSISTS OF \$7.8 MILLION IN GENERAL FUND, \$1.25 MILLION IN INTERNAL SERVICE FUNDS AND \$92.9 MILLION IN CAPITAL FUNDS. THIS IS A YEAR OVER YEAR DECREASE OF \$107 MILLION AND A MAJORITY OF THAT IS SPEND DOWN ON LARGE CAPITAL PROJECTS. INFERNAL SERVICE REVENUE 12.5% OVER FY 2018 AND THIS IS DUE TO SIGNIFICANT INCREASES IN LABOR, DEBT FOR THE DOWNTOWN COURTHOUSE, HEALTH HEADQUARTERS, DCJ EAST CAMPUS AND A LEASE RENEWAL AT WHAT USED TO BE CALLED THE LINCOLN BUILDING BUT NOW IS CALLED SY FOLKS. THIS SLIDE REPRESENTS THE CAPITAL SIDE OF OUR EXPENDITURES.

Sherry Swackhamer: AND AS I MENTIONED ALL OF OUR CAPITAL PROJECTS ARE UNDER WAY AND OUR SPENDING DOWN. THOSE FUNDS. THESE NEXT TWO SLIDES PRESENT OUR REVENUE OF \$430.1 MILLION. AGAIN, WE HAVE IT BROKEN UP INTO TWO SLIDES. THIS IS OPERATIONS. THIS IS AN OVERALL DECREASE OF 19.6% OR \$104.8 MILLION FROM THE FY TO 18 2018 ADOPTED BUDGET AND THE MAJORITY IS SPEND DOWN ON THE BIG PROJECTS. I'M REPEATING MYSELF. SORRY. THOSE PROJECTS IMPACT EVERYTHING. AND THEN THIS JUST PRESENTS THE CAPITAL SIDE. AS YOU CAN SEE, THE DOWNTOWN COURTHOUSE IS THE MAJORITY OF THAT CAPITAL. THIS NEXT -- THIS SLIDE IS OUR EXPENDITURE BUDGET BY CATEGORY. THE WHAT MAJORITY IS CONTRACTUAL SERVICES AND FOLLOWED BY PERSONNEL COST AND MATERIALS AND SUPPLIES.

THE OTHER CATEGORY IS MADE UP OF CASH TRANSFER, DEBT SERVICE, UNAPPROPRIATED AND CONTINGENCY DOLLARS. PERSONNEL COSTS INCREASED YEAR OVER YEAR BY -- FROM 9.8% TO 13% OF THE BUDGET DUE TO INCREASES IN LABOR CONTRACTS. CONTRACT ACTUAL SERVICES IS OUR LARGEST CATEGORY DUE TO THE THREE LARGE CAPITAL PROJECTS. BUT HAS DECREASED YEAR OVER YEAR FROM 75.8% TO 68%, AGAIN DUE TO SPEND DOWN. OUR INTERNAL SERVICE INCREASED FROM 4.3% TO 7% DUE TO INCREASES IN LABOR AND MATERIAL COSTS AND OUR PORTION OF LONG-TERM DEBT. SO NEXT WE'LL TALKING ABOUT OUR PROPOSED BUDGET BY DIVISION. THIS SHOWS THAT.

AND YOU WILL NOTICE ONLY THE DIRECTOR'S OFFICE AND OUR ADMINISTRATIVE SERVICES HUB RECEIVED GENERAL FUNDS IF OTHER DIVISIONS RECOVERED COSTS VIA INTERNAL SERVICE CHARGES, OR AT LEAST DIRECT GENERAL FUNDS AND THEN THE OTHER DIVISIONS RECOVER VIA INTERNAL SERVICE CHARGES. THIS REPRESENTS THE DIRECTOR'S OFFICE. THERE'S A GENERAL FUND INCREASE OF ABOUT \$80,000. NO CHANGE IN FTE. IT'S ALL RECOVERED BY INTERNAL SERVICES. THE INCREASE THAT I MENTIONED IS IN PROFESSIONAL SERVICES SO THAT WE CAN DO OUR INTERNAL SERVICE BENCHMARKING PROJECT. FROM A STRATEGIC DIRECTION, AGAIN, WORKING ON GETTING STRATEGIC PROJECTS FINISHED, WORKFORCE EQUITY, OUR THINK YES PROGRAM AND BENCHMARKING, THE CHALLENGE THAT I'LL MENTION IS THAT AGAIN AROUND CYBER SECURITY AND THEN IN FACILITIES LOOKING AT HOW WE HANDLE SOME OF THE SECURITY-RELATED INCIDENTS THAT WE'RE SEEING THERE, MUCH LIKE IN OUR LIBRARIES AND IN OTHER FACILITIES. THOSE ARE INCREASING AND WE'RE LOOKING AT WHAT THAT MEANS AND HOW WE CAN RESPOND EFFECTIVELY. NEXT WE'LL TALK ABOUT THE ADMINISTRATIVE SERVICES HUB. THE GENERAL FUND INCREASED ABOUT \$400,000 DUE TO INCREASES IN LABOR AND BENEFITS, CONTRACTS AND COUNTY WIDE -- AND THE COUNTY WIDE MARKET STUDY FOR SOME POSITIONS.

Sherry Swackhamer: WE HAVE A DECREASE OF.8 FTE DUE TO SMALL REORGANIZATION AND MOVING AN FTE THAT WAS IN OUR CONTRACTING GROUP DOING HEALTH DEPARTMENT WORK BACK TO THE HEALTH DEPARTMENT. WE'RE WITHIN CURRENT SERVICE LEVELS AND CONSTRAINT. WE DID TAKE THE 2% GENERAL FUND BUT AS I MENTIONED, WE GET VERY LITTLE DIRECT GENERAL FUND. SO THIS SLIDE IS JUST A SERVICE TREND SLIDE FOR THE MULL MULTCO MARKETPLACE TO GIVE YOU AN IDEA OF HOW MANY TRANSACTIONS WE HAVE THROUGH THE MARKETPLACE. IN 2017 WE PROCESSED ALMOST \$16 PURCHASE ORDERS. YOU CAN SEE THE SPIKE IN 2016 AND THAT WAS DUE TO A BACKLOG IN REPLACING PCS THAT COME UP EVERY YEAR TO BE REPLACED. WE HAD A BACKLOG SO WE HAD A BIG SPEND TO CATCH UP. BUT I THINK THIS SLIDE SHOWS US REALLY WHY THE MARKETPLACE IS IMPORTANT.

IT DOES ALLOW US TO GET VOLUME DISCOUNTS WHEN WE'RE SPENDING OUR DOLLARS AND IT ALSO LET'S US HAVE A BETTER VIEW OF WHAT WE'RE DOING, WHAT WE'RE SPENDING ON. FROM A PRIORITY STANDPOINT WE HAVE A PRETTY COMPLEX INTERNAL SERVICE RATE ENVIRONMENT AND SO WE'RE FOCUSING ON CROSS TRAINING AND DOCUMENTING. AND THEN AGAIN, THE BENCHMARK THAT I MENTIONED. AND I THINK OTHER DEPARTMENTS, AND MARK EARLIER HAVE MENTIONED REALLY THE CHANGE TO MULTCO ALIGN OR HOWEVER YOU WANT TO TALK ABOUT IT BUT I THINK THE NEW FINANCE MODULE, CHANGE IS HARD NO MATTER WHAT. THE NEW FINANCE MODULE IS GOING TO BRING SOME CHANGES AND WE'RE WORKING WITH OUR DEPARTMENT. WE'RE VOLUNTEERING TO BE TESTERS DOING EVERYTHING TO GET OUR PEOPLE PREPARED AND MAKE THAT EFFECTIVE TRANSITION. WE'RE EXCITED ABOUT IT. AND NOW I'M GOING TO TURN IT OVER TO HENRY SO HE CAN TALK ABOUT PROPERTIES -- FACILITIES AND PROPERTY MANAGEMENT.

Henry Alaman: THANK YOU, SHARON. GOOD AFTERNOON, EVERYBODY. FOR THE RECORD, HENRY ALAMAN AGAIN AND I'M THE FPM DIRECTOR. I'M HERE TO PROVIDE AN OVERVIEW OF THE FPM BUDGET. YOU CAN SEE ON THIS SLIDE HERE THE FPM BUDGET DECREASED BY \$86 MILLION AND A LOT OF THAT IS WHAT SHERRY MENTIONED EARLIER, THE LARGE CAPITAL PROJECTS SPEND-DOWN. OUR DIVISION ACTUALLY INCREASED BY 1 FTE AND THAT WAS IN LOCK SMITH POSITION. WE HAVE BUILDING, 142 BUILDINGS, WE ONLY HAVE TWO LOCK SMITHS FOR ALL THE DETENTION OF ELECTRONICS, ALL THE ACCESS CONTROL, ALL OF THAT STUFF THAT WE KIND OF TAKE FOR GRANTED. WE'VE GOT TWO LOCKSMITHS. ADDING ONE HAS HELPED NEWS PLANNING AND GETTING THAT INSTITUTIONAL KNOWLEDGE TRANSFERRED. WITH REGARD TO OPERATIONAL BUDGET, THAT INCREASED 11.1. AS SHERRY MENTIONED EARLIER IT'S DUE TO INCREASED DEBT TO LARGE CAPITAL PROJECTS. RENEWAL AT FIVE OAK, THE OLD LINCOLN, AND THEN INCREASED COSTS FOR LABOR AND MATERIALS.

Henry Alaman: THIS BUDGET DOES INCLUDE THE CAPITAL PROGRAMS BOARD-APPROVED 8% INCREASE FOR CIP FUNDING. AS WE DISCUSSED EARLIER, IN THE CAPITAL PRESENTATION, THERE ARE TWO ONE-TIME ONLY PROJECTS THAT I MENTIONED WHERE THE SHERIFF'S RIVER PATROL BOATHOUSE WORK AND LIGHTING PROJECT. TWO OTHERS THAT ARE NEW PROGRAM OFFERS ARE THE VANCE PROPERTY MASTER PLANNING PROGRAM AND REALLY OUR FOCUS IS OPTIMIZE THAT ASSET, NOT ONLY FOR DCS OPERATIONS BUT FOR THE CITY OF GRESHAM AND THE COMMUNITY. THE OTHER ONE-TIME ONLY REQUEST WAS FOR AN FPM SPECIALIST AND THAT'S DEDICATED TO SHELTER OPERATIONS AND TRANSITIONS. ALL THESE PRETTY LINES REPRESENT THE NUMBER OF WORK ORDERS AND THE VARIETY OF WORK THAT WE DO. IF YOU SEE THE LITTLE GUIDE ON THE SIDE WE'VE GOT ROUTINE, PREVENTIVE, WE'VE GOT CLIENT REQUEST, AND ALSO CAPITAL. ONE NOTE WORTH LOOKING AT IS ON THE BLUE LINE, ON THE ROUTINE. YOU'LL SEE THAT IN THE LAST TWO YEARS IT'S BEEN A SLIGHT DECREASE.

A LOT OF THAT WAS THROUGH BUDGET CONSTRAINTS FROM PAST YEARS WHICH REALLY EQUATES TO A KIND OF REDUCTION IN SERVICE LEVELS TO THE DIFFERENT DEPARTMENTS. NEXT SLIDE, PLEASE. SO WHAT ARE OUR PRIORITIES? WAS TALKED ABOUT EARLIER THE EXECUTION OF OUR MAJOR CONSTRUCTION PROJECTS AND REDEVELOPMENT. MODERNIZING OUR FACILITIES. AND THEN OUR THINK YES PROGRAM, WHICH IS REALLY FOCUSED ON ENHANCE THAT CUSTOMER SERVICE AND REALLY FOCUSED ON PROCESS IMPROVEMENTS. OUR CHALLENGES. AS YOU'VE BEEN GIVEN UPDATES ON DIFFERENT PROJECTS YOU KNOW THAT MITIGATING THE MARKET AND ECONOMIC CONDITIONS HAS BEEN A REAL TASK FOR US. MANAGING DEPARTMENTAL AND POLITICAL EXPECTATIONS AND RISKS, AND THEN BALANCING -- AS PEGGY MENTIONED EARLIER IN THE CAPITAL PRESENTATION, BALANCING OUT THE OPERATIONAL NEEDS WITH THE PROJECT DEMANDS IS REALLY A CRUCIAL -- TRYING TO FIND THAT SWEET SPOT FOR DOING THAT. BEFORE I PASS THIS ON TO MY COLLEAGUE BOB LEAK, ANY QUESTIONS AT THIS POINT? BOB?

Commissioner Smith: MADAM CHAIR, I HAVE A QUESTION. CAN YOU EXPLAIN TO ME WHAT THE THINK YES PROGRAM IS?

Sherry Swackhamer: I CAN DO THAT. WE MENTIONED IT EARLIER. BUT IT'S A CUSTOMER SERVICE PROGRAM THAT WE HAVE IMPLEMENTED DEPARTMENT WIDE FOR OUR EMPLOYEES. AND IT'S FASHIONED AFTER A THINK YES PROGRAM THAT WAS DESIGNED BY THE LIBRARY FIRST AND THEN OTHER DEPARTMENTS HAVE PICKED UP ON THE IDEA AND CREATED SOMETHING THAT WORKS FOR THEM. OURS IS FOCUSED ON WHAT WE CALL THE THREE CS AND I HOPE I CAN REMEMBER WHAT THAT IS. MAKE A CONNECTION, START A CONVERSATION, AND CREATE CHOICES FOR PEOPLE. SO IT'S REALLY A WAY TO PROVIDE BETTER CUSTOMER SERVICE AND MORE VALUE FOR WHAT --

Commissioner Smith: INSIDE OR OUTSIDE THE COUNTY?

Sherry Swackhamer: THIS IS INTERNAL SERVICES, SO INSIDE.

Commissioner Smith: OKAY.

Chair Kafoury: ANY OTHER QUESTIONS OR COMMENTS? THANK YOU, HENRY.

Bob Leek: OKAY. GOOD AFTERNOON, CHAIR, AND COMMISSIONERS. I'M BOB LEAK, DEPUTY DIRECTOR FOR THE DEPARTMENT OF COUNTY ASSETS AND DEPUTY CHIEF INFORMATION OFFICER. I'M GOING TO GO THROUGH TWO AREAS, INFORMATION TECHNOLOGY FIRST AND THEN ABOUT A YEAR AGO I WAS ASKED TO TAKE ON THE RESPONSIBILITY FOR FLEET DISTRIBUTION, MOTOR POOL, AND RECORDS AND ARCHIVES. AND I'LL TALK THROUGH THAT, AS WELL. AS YOU CAN SEE HERE FROM OUR INFORMATION TECHNOLOGY BUDGET YEAR OVER YEAR, OUR OVERALL FUNDS ARE DECREASING BY \$23 MILLION. THERE'S A SMALL DECREASE IN FTE RELATED TO MY ROLE IN TAKING ON THE ADDITIONAL OVERSIGHT OF THE FLEET RECORDS MOTOR POOL AND DISTRIBUTION GROUP.

OUR OPERATIONAL COSTS ARE INCREASING BY \$2.8 MILLION OR ABOUT 5%. THE BULK OF THAT IS THE IMPACT OF THE TRANSITION OF COST RELATED TO ERP FROM THE PROJECT TO ONGOING OPERATING COSTS WITH OUR SOFTWARE LICENSE COST. OF THAT \$2.8 MILLION, \$1.8 MILLION IS PAYING FOR THE SOFTWARE LICENSE FOR THE WORKDAY AND OF OTHER SOFTWARE PACKAGES THAT HIT THE OPERATING BUDGETS BEGINNING IN 2019. AND THEN OUR ONE REQUEST FOR NEW ONE-TIME ONLY DOLLARS I TALKED THROUGH DURING THE CAPITAL PRESENTATION AND THAT'S RELATED TO THE CRIMES CASE MANAGEMENT SYSTEM REPLACEMENT AND SOME EXPECTED COSTS POST-GO LIVE SCHEDULED LATER THIS SUMMER. WE ANTICIPATE SOME ADDITIONAL WORK THAT NEEDS TO HAPPEN IN THE FALL AND THAT'S PART OF OUR ONE-TIME ONLY REQUEST. IN TERMS OF OUR TRENDS, WE'VE SPENT QUITE A BIT OF TIME TALKING ABOUT ALL OF THE INVESTMENTS THAT WE MAKE BUT FRANKLY MOST PEOPLE INTERACT WITH US IN INFORMATION TECHNOLOGY THROUGH OUR HELP DESK. TYPICALLY THAT STARTS WITH I HAVE A PROBLEM OR I NEED TO LEARN HOW TO DO SOMETHING. AND WE RECORD THOSE THROUGH A SYSTEM CALLED SERVICE NOW. THOSE BECOME TICKETS. AND OUR TICKET VOLUME TELLS US HOW MUCH HELP FOLKS AROUND THE COUNTY NEED FROM THE FOLKS, THE STAFF AT THE HELP DESK. 24 X 7 OPERATION COMBINED WITH OUR OPERATIONS TEAM OUT AT THE EAST COUNTY DATA CENTER. THESE NUMBERS WHEN YOU TRANSLATE THEM ARE REFLECTIVE THAT ABOUT ONE TIME EVERY TEN MINUTES WE'VE HELPED SOMEONE SOLVE A PROBLEM OR GOT THEM SOMETHING NEW.

Bob Leek: AND SO IT'S QUITE A BIT OF VOLUME OF WORK THAT WE DO THROUGH THE HELP DESK. WE'RE VERY APPRECIATIVE OF THE STAFF THAT

DOES THAT WORK. IT TENDS TO BE NOT THANKLESS WORK. WE DO IS A CUSTOMER SERVICE SURVEY AFTER EACH INTERACTION. WE GET ABOUT A 20% RESPONSE RATE TO THAT SURVEY. AND I'M HAPPY TO SAY THAT OUR AVERAGE SCORE ON A ONE TO FIVE SCALE IS 4.8. EVERY ONE OR TWO OR THREE WE DEBRIEF THOSE TO FIND OUT AS PART OF OUR THINK YES PROGRAM TO FIND OUT WHERE THOSE OPPORTUNITIES FOR IMPROVEMENT COULD BE. SOMETIMES WE MAKE MID TAKES, SOMETIMES WE HAVEN'T SET GOOD EXPECTATIONS AND SOMETIMES IT'S JUST IMPOSSIBLE TO FIGURE OUT A SOLUTION TO A PARTICULAR PROBLEM BUT WE USE EVERY ONE OF THOSE AS LEARNING OPPORTUNITIES AS WE WORK TO IMPROVE OUR SERVICES. YOU WILL SEE A SPIKE IN 2014. THAT WAS DUE TO THE WINDOWS 7UP GRADE PROJECT. THAT WAS A PRETTY IMPACTFUL PROJECT TO FOLKS AS WE CHANGED THE OPERATING SYSTEM ON EVERY COMPUTER AROUND THE COUNTY. IF I WERE TO DRAW A FUTURE TREND LINE YOU WILL SEE A BIG SPIKE WHEN WE IMPLEMENT WORKDAY. WE THINK THERE WILL BE HUNDREDS, MAYBE THOUSANDS OF PHONE CALLS AS PEOPLE LEARN TO USE THE NEW SYSTEMS AND WE'RE GEARING UP AND WORKING WITH THE DEPARTMENTS TO MAKE SURE THAT WE'RE READY TO HANDLE THE INFLUX OF ALL OF THOSE CALLS AS PEOPLE HAVE QUESTIONS AND LEARN HOW TO USE THE NEW SYSTEMS.

Sherry Swackhamer: AND THEN YOU WILL SEE IT GO DOWN.

Bob Leek: AND THEN IT WILL GO DOWN AGAIN, YEAH. SO WITH THAT, I WANTED TO JUST MENTION WHERE OUR PRIORITIES ARE. WE'VE EACH TALKED ABOUT THE THINK YES PROGRAM. IT'S EXPECTED TO BE A VERY IMPACTFUL, POSITIVE OUTCOME AS WE DELIVER SERVICES TO MAINLY THE INTERNAL CLIENTS THAT WE WORK WITH. WE DO WORK WITH THE PUBLIC DIRECTLY IN SOME AREAS. AND THIS APPROACH TO THINKING YES, IT'S NOT SAYING YES, IT'S THINKING YES. AND TRYING TO FIND AND CREATE THOSE CHOICES THAT HELP US NAVIGATE, WHETHER IT'S AN IMPROVEMENT OPPORTUNITY OR FIXING A PROBLEM. WE WILL CONTINUE TO WORK THROUGH THE ASPECTS OF INCREASING CYBER SECURITY AND PRIVACY RISKS. THE REGULATORY ENVIRONMENT AROUND THE PROTECTION AND SAFETY AND SECURITY OF OUR DATA CONTINUES TO INCREASE. THAT'S A VERY LARGE PART OF OUR PROGRAM. I'M WORKING WITH THE COUNTY'S ATTORNEY OFFICE AND DEPARTMENTS TO MAKE SURE THAT WE ARE BEING GOOD STEWARDS OF THE DATA THAT WE DO GET IN QUALITY SYSTEMS. AND THEN THE RESILIENCY AND REDUNDANCY REQUIREMENTS. THERE ISN'T AN ASPECT OF COUNTY OPERATIONS THAT DOESN'T REQUIRE SOME COMPONENT OF TECHNOLOGY. WHEN THE TECHNOLOGY INTERRUPTIONS HAPPEN IT'S VERY IMPACTFUL TO THE AT THE PRESENT DEPARTMENTS.

Bob Leek: SO INVESTING IN BACKUP CAPABILITIES AND ALTERNATIVES, BACKUP PLANS, DOWNTIME PROCEDURES ARE NOT INITIALLY I.T. RELATED WORK BECAUSE WE TEND TO FOCUS ON WE'LL SOLVE IT WITH TECHNOLOGY

BUT WE HAVE TO WORK TOGETHER WITH THE DEPARTMENTS TO FIGURE OUT IF THE TECHNOLOGY ISN'T AVAILABLE, HOW DO WE CONTINUE TO PROVIDE SERVICES TO THE PUBLIC. THAT'S A BIG COMPONENT FOR US. WITH THAT I'LL TRANSITION TO FLEET, MOTOR POOL, DISTRIBUTION, AND RECORDS. YOU CAN SEE HERE OVERALL INCREASE IN THE FUNDS FOR THIS PROGRAM BY \$1.2 MILLION. SOME OF THAT INCREASE IS RELATED TO THE CONTINUED EXPANSION OF THE USE OF ELECTRONICS, RECORDS, MANAGEMENT SYSTEMS. WE HAVE A VERY ROBUST INDUSTRY LEADING CONTENT MANAGEMENT SYSTEM. AND THE TEAM INVOLVED IN THAT WORK ARE REACHING OUT TO PROGRAMS AND WE ARE DIGITIZING PAPER RECORDS. YOU CAN PICTURE MAYBE 20 YEARS AGO BIG WAREHOUSES FILLED WITH BANKERS BOXES WITH LOTS OF PAPER IN THEM. WE ARE SYSTEMATICALLY MAKING OUR WAY THROUGH WITH THE DEPARTMENTS THAT ARE READY TO DO THAT WORK, TO DIGITIZE ALL OF THOSE RECORDS. MAKES IT EASIER TO ACCESS, EASIER TO RETRIEVE, EASIER TO SUPPORT REQUEST FOR THAT INFORMATION, AND SO SOME OF THE EXPENSE INCREASE ASSOCIATED IN THIS YEAR OVER YEAR CHANGE IS RELATED TO SUPPORT THAT PROGRAM.

Commissioner Smith: MADAM CHAIR, I HAVE A QUESTION. WILL THAT HELP TO CREATE JOBS WITH THIS TRANSFORMATION FROM HARD COPY TO DIGITIZING OR DO YOU HAVE CURRENT STAFF WHO IS ABLE TO DO THAT?

Sherry Swackhamer: WE HAVE A SMALL GROUP. NOW, IN OUR STAFF THAT DOES THAT WORK TO SUPPORT THE DEPARTMENTS. THE WORK IS MAINLY TO WORK WITH THE DEPARTMENTS SO THAT THEY CAN LEARN HOW TO USE THE SYSTEM AND THE SOFTWARE WE'RE PROVIDING TO THEM.

Commissioner Smith: SO IT WILL NOT HELP TO CREATE JOBS?

Sherry Swackhamer: CURRENTLY WE THINK WE CAN DO IT WITH OUR EXISTING STAFF. IT WOULD DEPEND ON THE DEPARTMENT AND HOW BIG OF A PROJECT IT WAS, TOO. MIGHT BE SHORT TERM.

Commissioner Smith: I IMAGINE A DEPARTMENT LIKE THE HEALTH DEPARTMENT HAVE SO MANY RECORDS AND YOU HAVE TO BE SO CAREFUL ABOUT THOSE RECORDS AND I WOULD THINK YOU WOULD NEED A SPECIALTY GROUP TO DO THAT BECAUSE EVERYONE IS SO BUSY IN THE HEALTH DEPARTMENT.

Sherry Swackhamer: THE HEALTH DEPARTMENT HAS A NUMBER OF ELECTRONIC RECORDS SYSTEMS SO THEY USE ON A DAY-TO-DAY BASIS. THEY'VE ALREADY KIND OF BEEN THROUGH THAT PROCESS WHEN THEY MOVED TO AN ELECTRONIC MEDICAL RECORDS SYSTEM CALLED EPIC, QUITE A FEW YEARS AGO. SO THEY STILL MAY HAVE PAPER BUT THEY --

Commissioner Smith: BUT THE NON --



Sherry Swackhamer: NON-CLINICAL, YES.

Commissioner Smith: THAT'S WHAT I'M TALKING ABOUT. I JUST WANTED TO PUT IT IN YOUR MIND THAT YOU MIGHT HAVE THE NEED FOR SOME MORE STAFF TO DO ALL THIS EXTRA WORK. I IMAGINE THE DEPARTMENTS DON'T HAVE TIME TO TAKE TO DO THIS. THIS IS A BIG DEAL. THIS IS A HUGE DEAL. I KNOW IN OUR SMALL OFFICE WE'VE CREATED A LOT OF DATA AND IT WOULD TAKE -- I COULDN'T SPARE A STAFFER TO DO THIS.

Sherry Swackhamer: WE'LL CONTINUE TO WORK WITH THEM AROUND THAT.

Commissioner Smith: OKAY.

Bob Leek: ALL RIGHT. THANK YOU. WITH THAT, THEN THE PRIORITIES AND THE CHALLENGES ARE OUTLINED --

Chair Kafoury: WILL YOU GO BACK TO THAT SLIDE?

Bob Leek: YES.

Chair Kafoury: O THE ENTERPRISE CARSHARE USAGE IS INCREASING AS I READ ON THE LAST BULLET POINT THERE?

Bob Leek: YES. SO THE CAR SHARE PROGRAM WAS INTRODUCED AS AN ALTERNATIVE TO THE DOWNTOWN MOTOR POOL. AND THAT PROGRAM -- I THINK WE REFLECTED IT EARLIER, 63,000 HOURS OF SHORT-TERM CAR RENTALS. WE HAVE A NEED TO MOVE STAFF AROUND THE COUNTY, CLIENT VISITS, MOVING MATERIALS TO LOCATIONS AND TO SUPPORT THOSE ACTIVITIES SO THAT ENTERPRISE CAR SHARE USE USAGE, WE'RE SEEING THE PICK-UP IN THE USE OF THAT PROGRAM.

Sherry Swackhamer: IT'S BEEN VERY SUCCESSFUL. FROM THE TRANSITION. AND SO WE'RE SEEING IT USED MORE AND MORE. AND IT PREVENTS THE COUNTY FROM BUYING, FROM USING CAPITAL TO BUY FLEET CARS. AND WE HAVE NEWER CARS BECAUSE WE WOULD KEEP A CAR SEVEN YEARS, ENTERPRISE WOULD NEVER KEEP A CAR THAT LONG. SO OUR PEOPLE HAVE, I THINK, QUICKER ACCESS TO BETTER VEHICLES.

Chair Kafoury: HOW IS THE COST COMPARISON?

Sherry Swackhamer: IT WAS PRETTY SIMILAR. WE JUST RECEIVED A RATE INCREASE DUE TO ACCIDENTS IN OUR CARS. SO I WAS JUST E-MAILING WITH GARRETT ABOUT THIS -- NOT GARRETT. I'M SORRY. ANDRES. AND WE HAVE BEEN WORKING WITH THE DEPARTMENTS BUT WE'RE REALLY GOING TO INCREASE OUR FOCUS WITH WORKING WITH THE DEPARTMENTS ON HOW TO PREVENT ACCIDENTS AND ALSO LOOK AT REPEAT ACCIDENTS, THOSE KINDS

OF THINGS. BUT OVERALL IT'S VERY COMPETITIVE, ESPECIALLY WHEN YOU LOOK AT HOW MUCH CAPITAL IT PREVENTS US FROM SPENDING.

Commissioner Smith: DOES IT COST MORE OR LESS?

Sherry Swackhamer: IT COST -- WELL, WE DON'T KNOW WHAT IT WOULD COST US NOW BECAUSE WE ARE OUT OF THAT BUSINESS. BUT WHEN WE STARTED FOUR YEARS AGO -- THREE YEARS AGO, IT WAS ABOUT THE SAME. AND IT'S INCREASED SLIGHTLY BUT I THINK OURS WOULD HAVE INCREASED SLIGHTLY, TOO

Commissioner Stegmann; THANK YOU. A QUESTION ON THE INSURANCE. SO WE HAVE TO PURCHASE THE INSURANCE THROUGH ENTERPRISE? LIKE ON OUR COUNTY-OWNED VEHICLE, WE'RE SELF-INSURED. IS THAT NOT AN OPTION WITH ENTERPRISE TO BE SELF-INSURED? OKAY. THANK YOU.

Bob Leek: THEN WITH THIS AREA, THESE FOUR PROGRAMS, WORKING THROUGH OUR THINK YES PROGRAM ASPECTS AND THEN WE'RE WORKING ON IN A SIMILAR VEIN WHERE WE SPENT SOME TIME AND ENERGY ON BUILDING STRATEGIC PLAN AND THEN FOLLOWED THAT ON WITH THE TECHNOLOGIES STRATEGIC PLAN AND LONG TERM FLEET STRATEGIC PLAN WE'VE BEGUN TO WORK ON THAT AND WILL BE PROVIDING OPPORTUNITIES FOR PEOPLE TO WEIGH IN FROM THE DEPARTMENT LEVEL FROM AN OVERALL COUNTY PERSPECTIVE, WHAT IS OUR LONG-TERM FLEET STRATEGY? WE HAVE OVER 700 VEHICLES OF ALL TYPES AND MAKES AND MODELS AND SPECIALIZED EQUIPMENT AND SO FORTH. AND SO I THINK IT'S TIMELY FOR US TO THINK IN CONJUNCTION OF LONG-TERM EFFORT THAT WE'RE PARTICIPATING IN WHAT DOES OUR LONG-TERM FLEET STRATEGY NEED TO LOOK LIKE. AND SO WE WILL BE WORKING ON THAT MORE TO COME ON THAT. AND WITH THAT, I'LL TURN THINGS BACK OVER TO SHERRY.

Chair Kafoury: EVERY YEAR WHEN WE TALK ABOUT FLEET, REMEMBER MY FAVORITE CAR, THE MYSTIQUE, WITH THE CARPET ON THE DASH.

Sherry Swackhamer: WE STILL HAVE THAT FOR YOU.

Chair Kafoury: OKAY, GOOD.

Sherry Swackhamer: I THINK IT'S IN THE JUNKYARD. LET'S TALK ABOUT GENERAL FUND REDUCTIONS. SO AS I MENTIONED EARLIER, WE DON'T RECEIVE A SIGNIFICANT AMOUNT OF DIRECT GENERAL FUND ALTHOUGH WE DO APPRECIATE IT AND WE DID TAKE A 2% REDUCTION. I THINK WE CAN -- WE KIND OF TALKED ABOUT THAT. AND THEN THIS IS THE LIST OF OUR ONE-TIME ONLY REQUESTS. SOME OF THESE ARE NEW, SOME OF THESE ARE CARRIED FORWARDS. WEAPON TALKED ABOUT MOST WE TALKED ABOUT MOST OF THEM ALREADY OR IN THE PRESENTATION THIS MORNING. I'M HAPPY TO

ANSWER ANY QUESTION IT IS YOU HAVE SPECIFIC QUESTIONS ABOUT ANY OF THEM BUT I WASN'T GOING TO GO OVER THEM IN DETAIL AGAIN.

Chair Kafoury: DOES ANYBODY HAVE ANY QUESTIONS ABOUT THESE ITEMS HERE? GREAT.

Sherry Swackhamer: USUALLY WE DON'T HAVE ANYTHING ON LEGISLATIVE IMPACTS EXCEPT INDIRECT IMPACTS FROM OTHER DEPARTMENTS BUT THAT'S NOT TRUE THIS YEAR. HOUSE BILL 4023C RELATED TO BROADBAND TECHNOLOGY PASSED. THIS BILL WILL OPEN UP OPPORTUNITIES TO BRIDGE THE DIGITAL DIVIDE FOR UNSERVED AND UNDERSERVED COUNTIES. AND ENTITIES. WE THINK THE STATE'S FIRST FOCUS WILL BE IN THE RURAL AREAS WHERE THERE'S LIMITED CAPABILITY IES. SO WE'RE KIND OF WAITING TO SEE WHAT THE IMPACT MIGHT BE FOR US. AND THEN SENATE BILL 155 REQUIRES SOME DIFFERENT BREACH NOTIFICATION FOR INDIVIDUALS WHOSE PERSONAL INFORMATION HAS BEEN BREACHED. SO WE WILL ALSO BE WATCHING THAT BILL AND BETTER UNDERSTANDING WHAT THE IMPACTS ARE TO US.

Commissioner Smith: MADAM CHAIR, I HAVE A QUESTION. WOULD THAT BE FOR OUR CLIENTS OR OUR EMPLOYEES?

Sherry Swackhamer: BOTH. ANYBODY, ANYONE'S PERSONAL INFORMATION THAT WE'RE RESPONSIBLE FOR OR THAT WE POSSESS. IT COULD BE EITHER ONE. GOOD QUESTION. OKAY. AND THEN IN SUMMARY, AS HENRY SAID EARLIER THIS MORNING, WE ARE LOOKING FORWARD TO OPENING AND OCCUPYING THE NEW DEPARTMENT HEADQUARTERS. EXCITED ABOUT MULTICO ALIGN GOING LIVE. WE WILL BE WORKING WITH THE JOINT OFFICE ON OPENING SHELTERS AND TRANSITIONAL HOUSING SITES. WE TALKED ABOUT THE DISPOSITIONS AND WORKFORCE EQUITY AND OUR BENCHMARKING STUDIES. I THINK WE HAVE QUITE A NUMBER OF THINGS ON OUR PLATE AND WE'RE EXCITED TO MOVE FORWARD INTO THE NEXT FISCAL YEAR. AND WE'RE HAPPY TO ANSWER ANY OTHER QUESTIONS THAT YOU HAVE.

Commissioner Stegmann: I DID THINK OF A COUPLE OF QUESTIONS DURING YOUR PRESENTATION, SHERRY. AND I DON'T SEE SUSTAINABILITY HERE BUT YOU HAD MENTIONED THAT WE'RE DOING OUR CARBON FOOTPRINT MEASUREMENT. SO I MIGHT BE INTERESTED IN LIKE HAVING MORE INFORMATION ABOUT THAT.

Sherry Swackhamer: WE WORKED WITH THE OFFICE OF SUSTAINABILITY. VERY INVOLVED. WE'RE HAPPY TO --

Commissioner Stegmann: I'M CURIOUS, WHAT ARE THOSE MEASUREMENTS, WHAT ARE WE MEASURING, HOW ARE WE MEASURING. IF I CAN GET THAT INFORMATION LATER, THAT'S FINE. AND THEN THE OTHER THING I NOTICED I

THINK IT WAS ON SLIDE 15 THAT TALKED ABOUT PERSONNEL COSTS ARE GOING UP DUE TO OUR LABOR CONTRACTS BUT YET OUR CONTRACTUAL SERVICES WERE GOING DOWN. AND I WAS JUST WONDERING LIKE WHAT WE THOUGHT THAT'S ATTRIBUTED TO. IS IT THAT OUR NON-PROFIT PROVIDERS ARE NOT UNION OR -- I DON'T KNOW. I'M JUST KIND OF WONDERING LIKE IT SEEMS LIKE -- OR MAYBE IT'S JUST BECAUSE WE'RE AWARDED CONTRACTS. I THINK IT WAS ON SLIDE 15. AND YOU DON'T HAVE TO ANSWER RIGHT NOW. BUT I WAS JUST KIND OF WONDERING WHAT THE RELATIONSHIP WAS BETWEEN RISING PERSONNEL COSTS AND OUR CONTRACTED SERVICES.

Sherry Swackhamer: I DON'T THINK THEY'RE CONNECTED. I THINK WE HAVE RISING PERSONNEL COSTS BECAUSE OF INCREASES IN OUR LABOR CONTRACTING. OUR CONTRACTING DOLLARS BY CATEGORY IS, AS A PERCENTAGE, IS GOING DOWN BECAUSE OF SPEND-DOWN. OUR CONTRACTUAL SERVICES AS A PERCENTAGE OF OUR TOTAL EXPENDITURES IS GOING DOWN BECAUSE OF SPEND-DOWN IN THE BIG PROJECTS. SO I MAY HAVE MISSTATED IT.

Commissioner Stegmann: THAT MAKES SENSE. THANK YOU.

Commissioner Vega Pederson: THANK YOU FOR THIS PRESENTATION. I THINK IT WAS A GOOD FOLLOW UP THIS MORNING ON THE CAPITAL PROJECTS. I THINK IT'S LOOKING AT THE SUMMARY LIED SLIDE. I LOOKED AT HOW THE COUNTY ALL FOR THEM. THANK YOU FOR YOUR WORK ON THOSE THINGS. AND GOING FORWARD. AND I THINK THAT, YOU KNOW, WHAT YOU'RE TALKING ABOUT EVEN THOUGH IT MIGHT BE THE LEAST KIND OF LIKE BIG THING BUT THE INTERNAL BENCHMARK STUDY IS INTERESTING BECAUSE EVEN CONSIDERING WHAT WE WERE TALKING ABOUT EARLIER TODAY ABOUT I.T. IS FUNDED AND LOOKING AT THE ERP AND THE IMPACT ON THAT, THAT'S GOING TO BE AN INTERESTING CONVERSATION TO HAVE. LOOKING FORWARD TO HEARING MORE ABOUT THAT TO COME. THANK YOU.

Chair Kafoury: CAN YOU TALK MORE ABOUT THAT, WHERE ARE WE IN THAT?

Sherry Swackhamer: SO WE JUST FINISHED THE CONTRACT AND WITH WE WILL BE KICKING THE PROJECT OFF -- HAVING OUR FIRST MEETING, MAYBE NOT THE KICKOFF, BUT HAVING OUR FIRST MEETING IN MID MAY. I THINK IT'S SCHEDULED FOR THE 17TH, LISA WHEDON OUR BUDGET MANAGER WILL BE RESPONSIBLE FOR THIS PROJECT AND SHE'S MEETING WITH THE CONSULTANT IN MID MAY TO KICK OFF THE PROJECT. WE WENT THROUGH A PROCUREMENT PROCESS AND SELECTED A CONSULTANT THAT HAD ACTUALLY DONE A SIMILAR PROJECT FOR THE CITY OF PORTLAND. AND WE FELT LIKE THAT SHE HAD A REALLY GOOD BACKGROUND IN WHAT WE'RE LOOKING FOR AND WHO TO TALK TO COMPARE US TO BECAUSE WE WILL BE COMPARING OURSELVES TO OTHER GOVERNMENT ENTITIES BUT ALSO TO THE PRIVATE WORLD, TOO, BECAUSE, YOU KNOW. SO WE WILL BE -- WE FELT

REALLY GOOD ABOUT HER EXPERTISE AND ABOUT HER PERSPECTIVE AND WHAT SHE COULD BRING TO US. WE'RE EXCITED.

Chair Kafoury: WONDERFUL. THANK YOU. ANY QUESTIONS OR COMMENTS? ALL RIGHT. THANK YOU.

Sherry Swackhamer: THANK YOU.

Chair Kafoury: WELL, WE ARE FINISHED WITH OUR AFTERNOON BRIEFINGS HOWEVER WE DO HAVE OUR FIRST PUBLIC HEARING TONIGHT 6:00 AT IRCO LOCATED AT 10301 NORTHEAST GLEASON. SO PLEASE COME JOIN US THERE AND LISTEN TO THE PUBLIC TALK ABOUT OUR BUDGET.

**ADJOURNMENT –2:39 p.m.**

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

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