

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Thursday, May 26, 2011**

BUDGET WORK SESSION # 7

Chair Jeff Cogen convened the meeting at 1:35 p.m. with Vice-Chair Deborah Kafoury and Commissioners Diane McKeel, Loretta Smith and Judy Shiprack present.

BWS-7.1 FY 2012 Budget Work Session on County Management. Presenters: Mindy Harris, Department of County Management (DCM) Interim Director; Helen Williams, CBAC Chair; Joanne Fuller, Chief Operating Officer.

Ms. Harris provided the introductions. Ms. Williams spoke on behalf of CBAC and relayed their recommendations on the FY 2012 budget. She gave division and program-specific recommendations in the areas of Finance and Risk Management; Facilities and Property Management; and the Division of Assessment, Recording and Taxation.

Ms. Harris spoke about DCM's guiding budget principles and the organizational structure of DCM. In FY11, the adopted budget was \$120 million and in FY12, the proposed budget is \$122 million, with an overall budget change of \$2 million. DCM has a total of 227.30 FTE.

Ms. Harris spoke about the FY12 DCM Risk Fund Programs, which include active employee benefits, liability & property, worker's comp, unemployment, retiree benefits, and others. The total Risk Fund budget will equal \$90 million. Organizational changes made to DCM include the transfer of Business Services (6.0 FTE), Department HR (4.0 FTE), Facilities (4.0 FTE) and FREDs (48.0 FTE) to the Department of County Assets (DCA). Staffing changes include an increase in the Span of Control from 1:5.7 to 1:8.5. Seven management positions have been eliminated and four management positions were converted to represented. These changes resulted in \$700k in savings. She explained the challenges these staffing changes could cause and what measures they're undertaking to prevent them, such as employee succession planning and leadership development.

Ms. Harris discussed why the County has a PERS Reserve, how the County has effectively managed the increase in PERS rates, and provided a PERS Reserves analysis. PERS forecasts rate increase for the next several biennia and allows the County to absorb rate increases, maintain budget stability, and minimize volatility for direct service. A high level of reserves is also a plus to the County's bond rating.

Ms. Fuller spoke about the challenges DCM could face, including the implementation of a Property Tax System; collective bargaining; impact of Health Care Reform; Contracts System redesign; succession planning; NACo; workforce development; continued investment in community banking; Morrison bridgehead; Library district discussions, etc. She discussed changes the Multnomah Evolves project will implement, including: identifying, purchasing and implementing improved budget system software to create more transparency in budgeting and improve the overall fiscal planning process; increasing the management span of control to create a more streamlined organization; and working with DCA to develop the County's first Administrative Services Hub.

Ms. Harris provided the closing thoughts. She noted that the DCM budget is largely driven by other departments' budgets and she anticipates an approximate 10% DCM General Fund reduction this FY. She said that DCM will keep a progressive eye toward FY12 with future reductions and challenges and seek opportunities for internal and external partnerships.

The Commissioners asked questions requiring follow-up by the departments after the meeting. The following inquiries were made:

Commissioner Shiprack asked for a break out of ODS claims from Kaiser premiums to show their relative growth compared with each other.

The Board thanked the presenters for their briefing.

BWS-7.2 FY 2012 Budget Work Session on Community Services (DCS). Presenters: Cecilia Johnson, DCS Director and Helen Williams, CBAC Chair.

Ms. Johnson provided the introductions. Ms. Williams spoke on behalf of CBAC and provided their recommendations on the FY12 budget. She stated that CBAC feels it is important to maintain the service level increases provided to Animal Services (MCAS) in FY11; additionally, they believe that MCAS' decision to free up \$70k in contingency dollars for a temporary adoption facility in Portland in FY11 demonstrates good stewardship of taxpayer dollars. CBAC is glad to see the increases in Transportation dollars provided by the State House Bill 2001 and urges the Board to oppose any reallocation of State Transportation dollars that would have a detrimental effect on Transportation funds. Ms. Williams stated that CBAC would like to commend Bridge Services for their extensive public involvement in the Sellwood Bridge project and would like to encourage this level of public involvement throughout the remainder of this project.

Ms. Johnson gave the departmental overview and their vision and values, which focus on staying ahead of the curve to provide the services the community relies on. DCS consists of 202.0 FTE, which is a reduction of 2.0 FTE from FY11.

Ms. Johnson described the mission of MCAS as protecting the health, safety and welfare of pets and people in the County. The primary programs for MCAS are shelter, field services, and client and community outreach. The shelter provides care for the community's lost, homeless and stray animals; field services provide 24-hour response to public safety emergencies involving animals and animal rescue; and client services and community outreach provides customer service support for shelter operations and field services, volunteer program and fundraising. She explained that MCAS takes the issues of euthanasia very serious and has been working hard to dramatically reduce that number.

Ms. Johnson stated the Elections office mission is to uphold a reputation for transparent, fair and accountable election in the County and to maintain the public's confidence and trust in the elections process by running a smooth election. She listed the Elections office customers as the 412k registered voters in the 136 districts in the County. The department used their new high-speed ballot sorting machine for the Special District Election and found that it is very efficient. Elections staff consists of 11.0 FTE, but hires temporary staff during elections.

Land Use and Transportation Planning (LUT) focuses on land use/regional planning in rural and urban areas and code compliance for land use and right-of-way violations. Ms. Johnson commended the code compliance team for being very effective with seeking and obtaining voluntary compliance. Road Services strives to maintain roads at a safe level for the traveling public by focusing on three areas: engineering and operations, maintenance and operations, and survey. The three major components of Bridge Services are engineering, maintenance and operations. Engineering includes the planning, designing and managing capital projects; engineering support; and construction quality assurance. Bridge Services maintenance and operations includes emergency/accident response; repairs and preventative maintenance; minor improvements; and raising and lowering the lift spans.

Ms. Johnson discussed the DCS FY10 performance measures results and FY11 accomplishments. DCS' guiding values and principles for the FY12 proposed budget are to focus on balancing impact on service delivery to public and/or animals and infrastructure and to prioritize mandated services, public safety issues, Board policy and public confidence. She spoke of the State/Federal impacts on the DCS budget and issues and challenges they will face.

In FY12, MCAS will strive to sustain current service levels, continue planning for a new shelter in Portland, develop a comprehensive fund-raising strategy, and seek ways to reduce the need for euthanasia. Elections will focus on potential unfunded mandates and LUT will conduct process assessments and Best Practice comparisons to improve efficiency. Road Services will work to balance customer expectation and satisfaction; obtain funds to leverage competitive grants; etc. Bridge Services will work to find means to fund the Sellwood Bridge project and obtain funding for other capital repairs.

The Commissioners asked questions requiring follow-up by the departments after the meeting. The following inquiries were made:

Commissioner Kafoury requested MCAS to provide the Board with a plan, goals and deadlines for a fundraising strategy for a new Animals Services Shelter.

The Board thanked Ms. Johnson for her presentation.

Karyne Kieta, Budget Director, notified that Board that the Work Session on Tuesday, May 31 is cancelled.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:46 p.m.

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