

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Tuesday, May 7, 2013**

**FY 2014 Budget Work Session #1**

Chair Jeff Cogen called the meeting to order at 9:37 a.m. with Vice-Chair Judy Shiprack and Commissioner Deborah Kafoury, Loretta Smith and Diane McKeel present.

Also in attendance were Jenny M. Madkour, County Attorney and Marina Baker, Assistant Board Clerk.

**BWS 1-a     Budget Schedule and Process; Central Citizen Budget Advisory Committee Recommendations.     Presenters: Karyne Kieta, Deputy Director, County Management.**

**Chair Cogen:** GOOD MORNING, EVERYONE. WELCOME TO THIS MORNING'S BOARD BRIEFING. TODAY, WE BEGIN THE SLIGHTLY MORE THAN A MONTH-LONG PROCESS OF HEARING PRESENTATIONS AND PUBLIC HEARINGS ABOUT THE BUDGET. AND I'M GOING TO TURN IT OVER TO KARYNE TO HELP KICK US OFF.

**Ms. Kieta** GOOD MORNING CHAIRMAN COGEN AND MEMBERS OF THE BOARD, KARYNE KIETA BUDGET DIRECTOR. TYPICALLY AT THIS POINT IN THE PROCESS, WE THE BUDGET OFFICE WOULD BE PRESENTING TO YOU THE FINANCIAL OVERVIEW WHICH WOULD COVER THE CALENDAR, THE PROCESS AND SET THE FINANCIAL CONTEXT FOR THESE UPCOMING CONVERSATIONS. HOWEVER DUE TO SOME SCHEDULING ISSUES WE HAD TO MOVE THAT PRESENTATION TO NEXT TUESDAY SO I'M GOING TO HOLD OFF ON COVERING THE LONGER CALENDAR, TALKING TO YOU A LITTLE BIT ABOUT THE PROCESS AND OUR FACTS UNTIL THEN SO I REALLY JUST WANT TO COVER WHAT'S GOING TO BE HAPPENING FOR THIS WEEK. TODAY, YOU WILL BE HEARING FROM KATHLEEN TODD, THE EXECUTIVE DIRECTOR OF OUR CITIZEN INVOLVEMENT COMMITTEE AND JIM LASHER WHO IS THE CHAIR OF THE CITIZENS BUDGET ADVISORY COMMITTEE AND THEY WILL BE PRESENTING THEIR RECOMMENDATIONS OF THE OVERALL BUDGET TO YOU. NEXT, WE'LL MOVE ONTO OUR ANNUAL CAPITAL PRESENTATION WHERE YOU'LL HEAR FROM OUR FOLKS AT DCA, DCS, AND THE CFO, SO THAT'S A LITTLE BIT OF ALPHABET SOUP FOR YOU. THEY'RE GOING TO TALK ABOUT OUR CAPITAL NEEDS, THE ISSUES ASSOCIATED WITH THOSE AND FINANCING REQUIREMENTS FOR TRANSPORTATION, BRIDGES, FACILITIES AND INFORMATION TECHNOLOGY. THEY'RE ALSO GOING TO COVER INFORMATION ABOUT THE POTENTIAL SEISMIC HAZARDS TO OUR COUNTY-OWNED STRUCTURES AS REQUIRED BY BOARD RESOLUTION. WEDNESDAY EVENING, WE HAVE OUR FIRST PUBLIC HEARING HERE IN THE MOMENTUM BUILDING

FROM 6:00 TO 8:00 A.M. AND WE'LL BE TAKING PUBLIC TESTIMONY AS CHAIR COGEN ANNOUNCED EARLIER WE'LL HAVE TWO MORE SESSIONS WHERE WE'LL BE TAKING PUBLIC TESTIMONY. AND THAT'S REALLY IT FOR THIS FIRST WEEK. IT'S FAIRLY LIGHT AND NEXT WEEK, WE WILL START OFF WITH THE FINANCIAL OVERVIEW ON TUESDAY AND ROLL RIGHT INTO THE HEALTH AND HUMAN SERVICES DEPARTMENTS. SO IF THERE ARE NO QUESTIONS, I WILL TURN THIS OVER TO KATHLEEN TODD AND JIM.

**Chair Cogen:** GREAT. THANKS, KARYNE.

**BWS 1-b      Budget Schedule and Process; Central Citizen Budget Advisory Committee Recommendations. Presenters: Kathleen Todd, Director, Office of Citizen Involvement; Jim Lasher, Chair of Central CBAC and Karyne Kieta, Deputy Director, County Management.**

**Chair Cogen:** GOOD MORNING.

**Ms. Todd:** GOOD MORNING. IT'S A BEAUTIFUL DAY, IS IT NOT? GREAT DAY TO START THE MONTH OFF OF BUDGET INFORMATION. AS KARYNE MENTIONED, I'M KATHLEEN TODD. I'M THE DIRECTOR OF THE OFFICE OF CITIZEN INVOLVEMENT FOR MULTNOMAH AND WITH ME IS JIM LASHER. HOW WE'RE GOING TO DO THIS THIS MORNING, I'M GOING TO GIVE YOU A VERY SHORT SNAP SHOT OF CBACERS, WHO THEY ARE AND WHERE WE FIND THEM. AND BECAUSE YOU WILL BE HEARING FROM THEM OVER THE NEXT MONTH AS THEY PRESENT THEIR RECOMMENDATIONS. JIM WILL FILL YOU IN ON THE CENTRAL CBAC REPORT. YOU HAVE A WRITTEN COMMENT, I MEAN A WRITTEN REPORT BECAUSE HE'S GOING TO FILL THAT IN. FIRST OFF, WE HAVE ABOUT 70 COMMUNITY MEMBERS WHO WERE INVOLVED IN THE CBAC PROGRAM EACH YEAR. ABOUT HALF ARE NEW BECAUSE WE DO HAVE TERM LIMITS. CBACERS HAVE VERY DIVERSE BACKGROUNDS, LIFE EXPERIENCES. THEY COME FROM VARIOUS AGE GROUPS. THE AVERAGE AGE IS LATE 30s, EARLY 40s. THEY HAVE VARYING EMPLOYMENT STATUSES AND PROFESSIONS, EDUCATION BACKGROUNDS, POLITICAL PERSUASIONS, VERY, VERY FEW ARE RETIREES. VERY FEW HAVE HAD ANY CONTACT PREVIOUSLY WITH THE COUNTY. FOR EXAMPLE, THE NONDEPARTMENTAL CBAC WE HAVE A RETIRED TEACHER WHO'S NOW A TECHNICAL WRITER, A NONPROFIT CONSULTANT, AN ADMINISTRATIVE ASSISTANT FOR PORTLAND STATE WHO HAS IMMIGRATED FROM IRELAND, WE HAVE A CANCER NAVIGATOR FOR PATIENTS AT OHSU, WE HAVE A GEOGRAPHER WHO WORKS FOR BONNEVILLE POWER, A COLLEGE STUDENT, A CALIFORNIA TRANSPLANT LOOKING FOR A POSITION IN HEALTHCARE ADMINISTRATION, AND SELF-EMPLOYED BUSINESS CONSULTANT.

SO AS YOU CAN SEE WE HAVE A GROUP OF VERY DIVERSE PEOPLE WITH BACKGROUNDS THAT MAY NOT HAVE INTERSECTED EACH OTHER BEFORE THEY CAME TO THE COUNTY AND SERVED ON A BUDGET COMMITTEE. WE'RE

NOT LOOKING FOR PEOPLE WITH ACCOUNTING BACKGROUND. WE'RE LOOKING FOR PEOPLE TO GIVE US ADVICE ON PROGRAM DELIVERY, HOW WE'RE DOING THINGS, AND TO PROVIDE US A FRESH PERSPECTIVE. THEY NEED TO BE ABLE TO ATTEND MEETINGS AND LIVE OR WORK IN MULTNOMAH COUNTY. THEY CANNOT HAVE A CONFLICT OF INTEREST. IN OTHER WORDS, FOR THE PARTICULAR DEPARTMENT THEY'RE PROVIDING ADVICE, FAMILY MEMBERS, FRIENDS, ETC. CANNOT BE EMPLOYED BY THE COUNTY OR THEY CANNOT BE WORKING FOR ANYONE THAT WE HAVE CONTACT WITH AS FAR AS PROVIDING FUNDING. HOW DO WE FIND THEM? WE USE A LIVE EDUCATION AND RECRUITMENT CAMPAIGN DURING THE SUMMER AND FALL, MEANING WE GO TO FARMERS MARKETS AND ALL KINDS OF OTHER EVENTS AROUND THE COMMUNITY. WE'VE DONE THAT FOR THE LAST THREE YEARS. WE ALSO USE WORD OF MOUTH, LISTSERV, SOCIAL AND PRINT MEDIA, WE'RE VISIBLE IN THE BUILDING. PEOPLE JUST DROP IN, FIND OUT WHAT WE DO AND WHAT THE OPPORTUNITIES ARE. WE HAVE REFERRALS FROM YOUR OFFICES AND OTHER VARIOUS COMMUNITY GROUPS. JIM WILL NOW PROVIDE YOU WITH THE CENTRAL CBAC REPORT.

**Mr. Lasher:** THANK YOU, KATHLEEN. AGAIN, MY NAME IS JIM LASHER. AND I'M A MEMBER OF THE CITIZEN INVOLVEMENT COMMITTEE AND BEING ON THAT I'M ALSO THE CHAIR OF THE CENTRAL CITIZENS BUDGET ADVISORY COMMITTEE OR THE CENTRAL CBAC AS WE'RE KNOWN. THE CENTRAL CBAC IS MADE UP OF THE CHAIRS OF EACH OF THE CBACs OR THEIR DESIGNATED REPRESENTATIVE. AND YOU HAVE RECEIVED OUR WRITTEN REPORT ALREADY. THE CENTRAL CBAC, WE FOCUS ON PROVIDING THE COUNTY A WIDE RECOMMENDATION ON AREAS THAT OVERLAP THE DIFFERENT DEPARTMENTS. SO IF IT IS WITHIN A DEPARTMENT, THE CENTRAL CBAC REALLY GOES AHEAD AND DEFERS THAT TO THE REGULAR CBAC. IF THERE'S OVERLAPPING, THAT'S WHERE THE CENTRAL CBAC COMES IN AND WE TRY TO MAKE OUR RECOMMENDATIONS BASED ON THAT. AND YOU HAVE RECEIVED ALREADY THE CBAC REPORTS AND WHERE THEY'RE FOCUSING RIGHT ON THEIR DEPARTMENT. WE USED A OUR LAST YEAR THAT WE WOULD LIKE TO USE AGAIN THIS YEAR AND THIS IS COLLABORATION. AND WE FELT THAT THE DEPARTMENTS WITHIN THE COUNTY DID A VERY, VERY GOOD JOB AT COLLABORATING THIS PAST YEAR AND AGAIN, WE RECOMMEND THAT EMPHASIS BE PLACED ON HAVING COLLABORATION BETWEEN THE DEPARTMENTS OR WITHIN THE DEPARTMENTS, AND I THINK THIS IS A VERY GOOD GOAL THAT THE COUNTY IS DOING RIGHT NOW. WITH THE DIMINISHED DOLLARS, THE COUNTY MUST FUND THE CRITICAL MANDATED PROGRAMS FIRST. THIS MEANS THAT SOME PROGRAMS, ALTHOUGH THEY ARE EXTREMELY IMPORTANT MUST BE CUT OR UNDERFUNDED. OTHER PROGRAMS SURFACE AS VERY IMPORTANT THIS YEAR WHILE 10, 12 YEARS AGO, THEY WEREN'T IMPORTANT AT ALL.

SO WE APPRECIATE HOW THE COUNTY AND THE COMMISSIONERS HAVE TO JUGGLE WHAT IS IMPORTANT TODAY AND TRY TO FUND THAT, EVEN THOUGH

THERE MIGHT BE A PROGRAM THAT FIVE YEARS AGO WAS VERY IMPORTANT, WE HAVE TO CUT BACK SOME OF THE FUNDING ON THAT. SOME OF THE AREAS THAT WE MENTIONED WERE MENTAL HEALTH SERVICES, HEALTHCARE TRANSFORMATION, HUMAN TRAFFICKING, SUPPORT DEPARTMENTS, WE WOULD LIKE TO HAVE YOU SUPPORT THE DEPARTMENTS THAT ARE REALLY USING INNOVATIVE IDEAS TO TRY TO COME UP AND SAVE THE COUNTY MONEY. AND WE HAVE SEEN THAT AND WE REALLY APPRECIATE THE DEPARTMENTS DOING THAT AND AGAIN, WE GO AHEAD AND SAY PROPER FACILITY UTILIZATION. I GUESS WE'VE SAID THIS OVER THE LAST NUMBER OF YEARS BECAUSE THERE ARE SOME PROPERTIES THAT PROBABLY THE HIGHEST AND BEST USE WOULD BE TO SELL IT. THERE'S ANOTHER PROPERTY OUT IN NORTH PORTLAND THAT I'M NOT GOING TO GIVE YOU A RECOMMENDATION ON HOW TO SOLVE THAT PROBLEM. YOU GUYS HAVE TRIED THAT IN THE PAST. SO WE ALL KNOW THAT WE'VE GOT A WHITE ELEPHANT OUT THERE. ONE THING THAT WE WOULD LIKE TO DO IS SAY THAT THE COUNTY CHAIR AND YOU COMMISSIONERS HAVE BEEN VERY PROACTIVE WITH THE BUDGETS IN THE PAST IN WHICH THIS IS PAYING TREMENDOUS DIVIDENDS TODAY AND FOR THIS WE AS THE CENTRAL CBAC GO AHEAD AND COMPLIMENT YOU AND COMMEND YOU FOR YOUR EFFORTS TO GO AHEAD AND, YOU KNOW, CONTROL THE SPENDING AND EVERYTHING, WE APPRECIATE THIS YEAR WITH ALL THE OTHER BUDGETS COMING IN, YOU KNOW, WHERE I CLOSE MY EYES AND SAY OH, HOW COULD WE HAVE THIS GET -- WE APPRECIATE THAT THE PAST WORK THAT THE COUNTY AND THE COUNTY COMMISSIONERS HAVE DONE ARE PAYING REALLY BIG DIVIDENDS TODAY. AND YOU'RE ALL TO BE LIKE I SAY COMMENDED FOR YOUR EFFORTS. AND I THANK YOU VERY MUCH.

**Chair Cogen:** THANKS, JIM, AND THANKS FOR ALL THE GREAT WORK YOU DO FOR THE COUNTY. ANY QUESTIONS OR COMMENTS FOR JIM WHILE HE'S UP HERE?

**Commissioner Smith:** I HAVE A QUICK QUESTION. I WOULD LIKE YOU TO BE A LITTLE MORE SPECIFIC. I'M READING YOUR REPORT. IT SAYS FUND CRITICAL COUNTY PROGRAMS FIRST, MANDATED PROGRAMS AND SERVICES. COULD YOU BE MORE SPECIFIC IN WHAT YOU'RE TALKING ABOUT?

**Mr. Lasher:** WELL, BEING UP THROUGH THE CBACs, AND THEN EVENTUALLY TO HERE, THE BIGGEST QUESTION THAT ONE OF THE VOLUNTEERS HAS HAD, WHAT IS THE, YOU KNOW, CRITICAL OR MANDATED PROGRAM? WE HAVE NEVER REALLY SEEN A LIST. HERE ARE THE THINGS THAT THE COUNTY HAS TO DO. BUT I GUESS YOU MIGHT SAY I'M DANCING AROUND IT BUT I'M TRYING TO GO AHEAD. I CAN'T SAY EXACTLY WHICH ONES ARE CRITICAL. I KNOW IF YOU TAKE A LOOK AT THE WORD SEX TRAFFICKING, 10, 12 YEARS AGO, I MEAN IT WAS HAPPENING BUT IT WAS NOT TO THE FOREFRONT OF TODAY. SO THIS IS WHAT WE'RE SAYING, WE'VE GOT TO TAKE A LOOK AT WHAT WE FEEL REALLY MUST BE DONE. I KNOW THE CORRECTIONS, THE JAILS, THAT IS

A MANDATED PROGRAM. BUT WITHIN THE SHERIFF'S DEPARTMENT OR THE DCJ, THERE MIGHT BE AREAS THAT YOU SAY WELL, WE CAN SLOW DOWN THERE. SO THIS IS WHAT WE WERE SAYING IS I'M GOING TO SAY IN THE PAST YOU'VE DONE A PRETTY GOOD JOB AT DOING THAT. IT MIGHT BE THAT YOU SAY NO, I'M GOING TO PICK ON MAYBE ANIMAL SERVICES, THAT IS A VERY IMPORTANT THING, BUT, YOU KNOW, IF YOU'VE GOT TO TRADE DOLLARS FOR TAKING CARE OF ONE THING VERSUS ANOTHER, THAT'S WHAT YOU PEOPLE HAVE TO MAKE THAT DECISION ON.

**Commissioner Smith:** I GUESS I WAS TRYING TO GET -- WHEN YOU MADE THIS STATEMENT, I WAS WONDERING IF THERE WERE ANY PROGRAMS THAT YOU THOUGHT THAT WE SHOULD FUND FIRST BEFORE OTHERS. I THOUGHT YOU HAD IDENTIFIED SOME OF THOSE AND THAT'S WHAT I WAS LOOKING FOR BUT THIS IS -- YOU'RE JUST SAYING GENERALLY FUND MANDATED PROGRAMS?

**Mr. Lasher:** YES.

**Commissioner Smith:** OKAY.

**Mr. Lasher:** AND IT'S KIND OF HARD FOR US TO SAY WHICH ARE REALLY, YOU KNOW, I KNOW THAT THE INCARCERATION IS A MANDATED PROGRAM. HOWEVER, I WOULD SAY WE'VE GOT TO OFFSET THAT WITH THE MENTAL HEALTH BECAUSE I'VE LEARNED THAT THE INVERNESS JAIL IS THE SECOND LARGEST MENTAL HEALTH FACILITY IN THE COUNTY OR IN THE STATE, EXCUSE ME, AND SO WE'VE GOT TO GO AHEAD AND IN SOME WAY TREAT THOSE PEOPLE IF WE CAN TREAT THEM IN A MANNER, THEN WE MAYBE SAVE WITH THE NUMBER OF JAIL BEDS THAT WE NEED. WE DON'T HAVE TO RELEASE THAT MANY PEOPLE.

**Commissioner Smith:** ARE YOU TALKING ABOUT CORRECTION REFORM? [LAUGHTER] THANK YOU FOR YOUR THOUGHTS.

**Mr. Lasher:** THANK YOU.

**Chair Cogen:** COMMISSIONER McKEEL.

**Commissioner McKeel:** I JUST WANT TO SAY THANK YOU FOR THE CBACs ARE SUCH AN IMPORTANT PIECE OF HOW WE TAKE A LOOK AT WHAT WE'RE DOING HERE SO WE ALWAYS APPRECIATE THAT THE CBACs COME FORWARD WITH THE DEPARTMENTS OR SOMETIMES NOT. IT REALLY HELPS INFORM US FROM MANY POINTS OF VIEW SO WE REALLY APPRECIATE YOUR WORK VERY MUCH.

**Mr. Lasher:** THANK YOU.

**Commissioner McKeel:** THANK YOU.

**Chair Cogen:** COMMISSIONER SHIPRACK.

**Vice-Chair Shiprack:** I WANTED TO ECHO THAT. I DON'T WANT YOU TO LEAVE THE DAIS FEELING AT ALL LIKE OR UNDERESTIMATING HOW MUCH WE REALLY APPRECIATE THE WORK THAT YOU DO AND ALSO THE FACT THAT WE ARE CONSTANTLY WORKING TO INTEGRATE THE COMMUNITY AND THE CBACs ARE A GREAT EXAMPLE OF THAT INTO THE WORK THAT WE DO AND ALSO TO LET YOU KNOW THAT I REALLY APPRECIATE, AND I THINK ALL OF US APPRECIATE THE RECOGNITION THAT OUR EFFORT AND OUR ABILITY TO LEARN HOW TO WORK BETTER TOGETHER AND HOW TO WORK BETTER TOGETHER WITH THE COMMUNITY HAS HAD REAL RETURNS TO MULTNOMAH COUNTY AND NOT JUST IN TERMS OF OUR RELATIONSHIPS WHICH ARE GREAT AND WE ALL REALLY ENJOY THEM BUT ALSO IN TERMS OF WORK WE'RE ABLE TO ACCOMPLISH IN OUR COMMUNITY AND FOR THAT I REALLY THANK YOU FOR YOUR VOLUNTEERISM AND YOUR WORK FOR US.

**Mr. Lasher:** THANK YOU VERY MUCH AND I WOULD LIKE TO THANK ALL OF YOU AND ALL OF THE DEPARTMENT HEADS AND PEOPLE WHO TAKE THE TIME TO COME TO THE CBACs AND MOST OF THE CBACs MEET, OF COURSE, IN THE EVENING AND SO YOU'VE ALREADY PUT IN A GOOD EIGHT-HOUR DAY AND YOU TAKE YOUR TIME TO MEET WITH THEM AND THEY REALLY APPRECIATE THAT.

**Chair Cogen:** THANK YOU. NEXT? INTO THE CAPITAL BUDGETS.

**BWS 1-c**      **Capital Budget for Transportation, Bridges, Facilities and Information Technology. Presenters: Julie Neburka, Budget & Finance Manager, County Assets; Mark Campbell, Chief Financial Officer; Kim Peoples, Interim Director, Community Services; Brian Vincent, County Engineer; Michael Bowers, Director, Facilities & Property Management Division; Sherry Swackhamer, Director of County Assets & Chief Information Officer; Joanne Fuller, Director of County Human Services & Chief Operating Officer; Tracey Massey, Snr. IT Manager;**

**Ms. Neburka:** GOOD MORNING, CHAIR COGEN AND COMMISSIONERS, I'M JULIE NEBURKA FROM THE DEPARTMENT OF COUNTY ASSETS AND WITH ME HERE IS MARK CAMPBELL, THE CHIEF FINANCIAL OFFICER, AND SHORTLY WE WILL HAVE SOME OTHER PEOPLE JOINING US TO TALK ABOUT THE COUNTY'S CAPITAL PROGRAM.

**Mr. Campbell:** GOOD MORNING, WHAT WE'RE GOING TO TALK ABOUT TODAY IS WE'RE GOING TO PROVIDE AN OVERVIEW OF THE COUNTY'S FINANCIAL POLICIES AS THEY RATE CAPITAL PROJECTS. WE'RE GOING TO REVIEW THE CAPITAL DEBT POLICIES AND THE MANAGEMENT OF OUR DEBT. THEN WE'LL TAKE THE PROGRAMS, THE SPECIFIC CAPITAL PROGRAMS IN ORDER SO

WE'LL BE HAVING TRANSPORTATION COME UP, WE'LL BE HAVING FACILITIES COME UP, AND WE'LL ALSO HAVE REVIEW OF I.T. PROJECTS, AND THEN WE LEFT SOME TIME AT THE END OF THIS PRESENTATION FOR QUESTIONS AND ANY FOLLOW-UP THAT YOU MIGHT HAVE. SO THE COUNTY FINANCIAL POLICIES AS THEY RELATE TO CAPITAL PROJECTS ARE LISTED OUT HERE. THERE ARE FOUR OF THEM. AND AS YOU WILL RECALL, LAST YEAR, WE DID A RATHER SUBSTANTIAL REDRAFT OF THE COUNTY'S FINANCIAL POLICIES AND I DON'T BELIEVE THAT UP UNTIL LAST YEAR, WE HAD A FORMAL POLICY ON INFORMATION TECHNOLOGY BUT THE POLICIES THAT WE HAVE ADDRESS HOW WE FINANCE TRANSPORTATION PROJECTS, HOW WE LOOK AT CAPITAL ASSET MANAGEMENT, PRIMARILY AROUND FACILITIES, AND ALSO INFORMATION TECHNOLOGY, AND THEN WE ALSO HAVE POLICIES ON SHORT AND LONG-TERM DEBT FINANCINGS THAT THE COUNTY CAN ENTER INTO AND ONE THING THAT'S COMMON TO ALL THREE OF THE ASSET MANAGEMENT THINGS IS THEY ALL DICTATE THE PREPARATION OF THE FIVE-YEAR CAPITAL PLAN. SO IN THE TRANSPORTATION FINANCING POLICIES, THE POLICY STATES READ THAT ONGOING MAINTENANCE OF ROADS AND BRIDGE INFRASTRUCTURE IS NECESSARY FOR ECONOMIC GROWTH TO ALLEVIATE EXISTING TRANSPORTATION PROBLEMS AROUND CONGESTION OR JUST SUBSTANDARD CONDITIONS AND THEN TO MAINTAIN THE LIVABILITY OF THE REGION. AGAIN, AS I MENTIONED, THE POLICY SAYS THAT THE DCS WILL PREPARE A FIVE-YEAR CAPITAL IMPROVEMENT PLAN THAT'S UPDATED ANNUALLY. AND THEN FINALLY, IT'S YOUR POLICY TO SUPPORT AND SECURE STATE AND REGIONAL FINANCING FOR OUR TRANSPORTATION PROJECTS.

**Mr. Campbell:** AS REGARDS TO FACILITIES CAPITAL ASSET MANAGEMENT, AGAIN THE POLICY SAYS THAT WE'LL PREPARE A FIVE-YEAR PLAN AND UPDATE THAT ANNUALLY. THE GOAL IS TO FUND CAPITAL LEVEL NECESSARY TO SUPPORT A 50 YEAR DEPRECIATION SCHEDULE SO IN OTHER WORDS, WE SHOULD BE PUTTING ABOUT 2% OF THE VALUE OF OUR CAPITAL ASSETS TOWARDS CAPITAL PROJECTS ON AN ANNUAL BASIS. THE POLICY ALSO STATES THAT WE'LL MAINTAIN AN INVENTORY OF CAPITAL NEEDS AND DEVELOP AN EVALUATION PROCESS AND RATING SYSTEM TO PRIORITIZE THOSE AND IT ALSO PROVIDES GUIDELINES FOR ASSET ACQUISITION, DISPOSITION AND THE USE OF SALE PROCEEDS. WITH REGARDS TO INFORMATION TECHNOLOGY, AGAIN THE WE HAVE A FIVE-YEAR ASSET REPLACEMENT PLAN THAT GETS UPDATED ANNUALLY. THE POLICY ESSENTIALLY DIRECTS THAT THE DEPARTMENT OF COUNTY ASSETS PRIORITIZE MAJOR SOFTWARE PROJECTS AND IDENTIFY A REPLACEMENT SCHEDULE FOR I.T. ASSETS. AND THEN IT ALSO CREATES A MECHANISM WHERE THAT PLAN IS REVIEWED BY AN INTERNAL GROUP OF STAKEHOLDERS. THE COUNTY'S POLICIES ON SHORT AND LONG-TERM DEBT FINANCING AND AS YOU'LL RECALL THIS POLICY WAS REWRITTEN LAST YEAR TO PROVIDE FOR A LITTLE BIT GREATER FLEXIBILITY IN NOT ONLY OUR INTERNAL POLICY BUT ESSENTIALLY THEY DESCRIBED THE VARIOUS FINANCING MECHANISMS THAT ARE AVAILABLE TO THE COUNTY. IT STATES A

PREFERENCE FOR PAY AS YOU GO VERSUS PAY AS YOU USE. IN OTHER WORDS, TO THE EXTENT POSSIBLE WE WILL TRY TO FIND EXISTING RESOURCES AND ONLY RESERVE DEBT ISSUANCE FOR PROJECTS THAT ARE OF A SUFFICIENT SCOPE OR NATURE THAT THEY CANNOT BE FUNDED WITH ONGOING DOLLARS. THERE ARE A NUMBER OF RESTRICTIONS ON DEBT ISSUANCE. THERE ARE A COUPLE THAT ARE IN STATE STATUTE. THE COUNTY'S OWN INTERNAL POLICY IS MORE RESTRICTIVE THAN THE STATE STATUTES WOULD PROVIDE FOR. AND FINALLY, FINALLY, WE HAVE A STATED PREFERENCE THAT WE WILL NOT ISSUE DEBT TO SUPPORT OPERATIONS.

**Mr. Campbell:** SO HERE'S THE COUNTY'S DEBT OVERVIEW FOR FISCAL YEAR 2013-14. AND I HAVE PREPARED A CAPITAL DEBT MEMO THAT WAS NOT INCLUDED IN YOUR PACKETS BUT I WILL GET THAT OUT AS SOON AS THIS MEETING IS OVER. BUT I'M GOING TO BASICALLY COVER THE KEY ELEMENTS IN THAT MEMO. THE TYPES OF CAPITAL DEBT THAT WE CAN ENTER INTO IF YOU WANT TO BREAK THEM INTO CATEGORIES, ON THE SHORT-TERM SIDE, WE HAVE INTERNAL LOANS. INTERNAL LOANS ARE WHERE WE MAKE A LOAN FROM A COUNTY FUND TO ANOTHER FUND. FOR EXAMPLE, A FEW YEARS BACK, WE DID AN INTERNAL LOAN TO SUPPORT CASH FLOW NEEDS FOR THE SELLWOOD BRIDGE PROJECT. AND THOSE CAN BE OBLIGATED FOR UP TO 10 YEARS. AND THE GOOD THING ABOUT INTERNAL LOANS IS WHEN YOU DO HAVE THE WHEREWITHAL TO USE THEM, WE CAN SET THE RATE OF BORROWING AND GENERALLY, WHAT WE'VE DONE IT IS SET IT AT THE RATE WE EARN IN THE LOCAL GOVERNMENT INVESTMENT POOL.

THE STIMULUS PROGRAM GREATLY EXPANDED THE ABILITY OF GOVERNMENTS TO USE LINES OF CREDIT AND BANK PLACEMENTS. THAT LIMIT WENT UP FOR BANK PLACEMENTS I BELIEVE IT'S \$30 MILLION. AND WE DID USE A LINE OF CREDIT AGAIN TO SUPPORT CASH FLOW NEEDS FOR THE SELLWOOD BRIDGE PROJECT AND I WANT TO JUST MENTION THAT BOTH THE LINE OF CREDIT AND THE INTERNAL LOAN WERE PAID OFF WHEN WE TOOK OUT THE LARGER DEBT ISSUE LAST YEAR. AND THEN TO COVER SHORT-TERM CASH FLOW NEEDS THAT YOU EXPECT TO BE REPAID WITHIN A YEAR WE CAN ALSO ISSUE TAX REVENUE ANTICIPATION NOTES AND THE PURPOSE OF THOSE IS PRIMARILY FOR PROPERTY TAXES, YOU KNOW. PROPERTY TAXES ALL COME IN GENERALLY MOSTLY IN NOVEMBER. AND SO BETWEEN SAY JULY AND OCTOBER, OUR CASH IS BEING DEPLETED. SO WE KIND OF LOOK AT THAT AND SAY WHAT ARE THE OPTIONS AVAILABLE TO FINANCE THAT? WELL, ONE WAY IS TO DO AN INTERNAL LOAN. ANOTHER WAY IS TO DO THE SHORT-TERM BORROWING WHICH ALLOWS US -- WHICH WOULD ALLOW US TO ISSUE I THINK WE COULD FINANCE UP TO 80% OF OUR ESTIMATED CASH SHORTFALL. THE GOOD NEWS IS WE HAVEN'T HAD TO DO THAT OVER THE LAST FEW YEARS BECAUSE WE'VE HAD SUFFICIENT CASH AVAILABLE THAT WE HAVE NOT EXPERIENCED A CASH SHORTFALL. BUT IT IS A TOOL THAT'S OUT THERE. AND, YOU KNOW, GIVEN THAT SHORT-TERM INTEREST RATES ARE REALLY FAVORABLE, IF WE NEEDED TO DO IT, IT WOULDN'T COST A WHOLE LOT.



LONG-TERM, GENERALLY THOSE ARE CATEGORIZED INTO FULL FAITH AND CREDIT REVENUE BONDS AND GENERAL OBLIGATION BONDS. FULL FAITH AND CREDIT AND REVENUE BONDS DO NOT NEED VOTER APPROVAL. GENERAL OBLIGATION BONDS DO NEED VOTER APPROVAL AND FOR BOTH OF THOSE TYPES OF DEBT INSTRUMENTS, THERE ARE STATE STATUTES THAT SET LIMITS ON HOW MUCH CAN BE ISSUED. AND ALSO WE HAVE ENTERED INTO A COUPLE OF CAPITAL LEASE PURCHASE AGREEMENTS. ONE WAS FOR THE SELLWOOD LIBRARY AND THE OTHER ONE IS FOR THE SHERIFF'S OFFICE WAREHOUSE.

**Mr. Campbell:** SO THE CAPITAL BOND MEMO WHICH YOU WILL RECEIVE TALKS ABOUT THE PROJECTS THAT ARE SUPPORTED WITH DEBT PROCEEDS AND ESTIMATED FOR FISCAL YEAR 2014. THERE'S ONLY ONE THAT WE'VE INCLUDED IN THE BUDGET THIS YEAR AND THAT'S TO SUPPORT THE HEALTH DEPARTMENT HEADQUARTERS BUILDING. WE HAVE ALLOCATED OR WE'VE BUDGETED FOR UP TO \$13.7 MILLION OF DEBT PROCEEDS AND JUST AS A REMINDER, THAT PROJECT IS BEING FUNDED PRIMARILY THROUGH A GRANT FROM THE PDC THAT WILL PROVIDE WITH US \$27 MILLION, WHICH IS SCHEDULED TO BE PAID NO LATER THAN JUNE 30th OF 2014. SO WE MAY NOT ACTUALLY NEED TO ISSUE DEBT THIS YEAR. BUT THE PLACEHOLDER IS IN THERE IN CASE WE DO AND WE'LL ACTUALLY ONLY ISSUE UP TO AS MUCH AS WE NEED TO COMPLETE THE PROJECT. THE MEMO HIGHLIGHTS THE LEGALLY AND INTERNALLY IMPOSED DEBT LIMITS. FOR GENERAL OBLIGATION BONDS, THE STATUTORY LIMIT PROVIDES THAT 2% OF THE REAL MARKET VALUE AS THE MAXIMUM THAT YOU CAN ISSUE, THE REAL MARKET VALUE IN FISCAL YEAR 2012-2013 WAS JUST SHORT OF \$94 BILLION. SO THAT WOULD IMPLY THAT OUR CAPACITY IS ROUGHLY \$1.9 BILLION. YOU KNOW, WITH BOTH OF THESE THINGS I ALWAYS REMIND FOLKS THAT YOUR CAPACITY IS REALLY WHAT YOU CAN AFFORD TO PAY BACK SO I DON'T EXPECT THAT WE WILL EVER GET THERE. BUT THAT'S WHAT STATE STATUTES PROVIDE. FOR REVENUE BONDS AND FULL FAITH AND CREDIT IS 1% OF THE REAL MARKET VALUE.

SO THAT WOULD GIVE US A DEBT CAPACITY UNDER STATE STATUTE THAT'S ABOUT \$938 MILLION. BUT THE COUNTY, WE'VE LIMITED IT FURTHER AND WHAT OUR POLICY SAYS IS THAT WE WILL HAVE PRINCIPAL AND INTEREST PAYMENTS THAT ARE NO MORE THAN 5% OF GENERAL FUND REVENUES. AND THE SUBTLE CHANGE THAT WE MADE LAST YEAR TO THIS POLICY WAS THAT WE SAID WE WILL LIMIT PRINCIPAL AND INTEREST PAYMENTS TO 5% OF GENERAL FUND REVENUES FOR DEBT THAT IS SUPPORTED BY THE GENERAL FUND. WE HAVE APPROXIMATELY \$190 MILLION OF FULL FAITH AND CREDIT CAPITAL LEASES AND AN OREGON TRANSPORTATION INFRASTRUCTURE BANK LOAN THAT WOULD BE UNDER THE 5% POLICY. HOWEVER WHEN YOU STRIP OUT THE SELLWOOD BRIDGE APPROXIMATELY IS \$128 MILLION OF THAT, WHEN YOU STRIP THOSE THINGS OUT, THE AMOUNT OF GENERAL FUND SUPPORTED DEBT IS REALLY ONLY ABOUT \$37 MILLION. SO UNDER OUR

EXISTING POLICY, WE WOULD HAVE CAPACITY TO GO UP TO ABOUT \$220 MILLION. SO THE REMAINING CAPACITY AFTER TAKING OUT THE \$37 MILLION IS ROUGHLY 184 TO \$185 MILLION.

**Chair Cogen:** JUST TO HIGHLIGHT A POINT THOUGH, ALTHOUGH THAT CAPACITY EXISTS, IF WE WERE TO ISSUE THAT DEBT, IT WOULD REQUIRE USING GENERAL FUNDS SO THEY WOULDN'T BE AVAILABLE TO PAY FOR THE PROGRAMS THAT ARE CURRENTLY --

**Mr. Campbell:** CORRECT AND THAT AMOUNT BASED ON THE GENERAL FUND REVENUES THIS YEAR WOULD BE -- WE WOULD HAVE ROUGHLY \$13 MILLION, \$13.5 MILLION OF EXTRA CAPACITY BUT AS YOU POINT OUT, THAT WOULD REQUIRE US TO MAKE OTHER TRADE-OFFS.

**Vice-Chair Shiprack:** I WANT TO BE REALLY CLEAR. THAT'S \$184 MILLION A YEAR.

**Mr. Campbell:** THAT'S \$184 MILLION IN TOTAL PRINCIPAL.

**Vice-Chair Shiprack:** IN TOTAL -- OH, OKAY. I'M JUST CURIOUS BECAUSE WHAT WE'RE REALLY TALKING ABOUT IS PRINCIPAL AND INTEREST PAYMENTS ON HYPOTHETICAL LOAN AMOUNTS. \$184 MILLION A YEAR WOULD SUPPORT 1.9 --

**Mr. Campbell:** ABOUT \$13.5 MILLION A YEAR WOULD SUPPORT UP TO \$184 MILLION OF PRINCIPAL.

**Vice-Chair Shiprack:** I SEE, THANK YOU.

**Mr. Campbell:** SO WE CHANGED THAT AND TECHNICALLY THOSE ARE -- BECAUSE THEY'RE FULL FAITH AND CREDIT, THEY ARE ALL ULTIMATELY OBLIGATIONS TO THE GENERAL FUND BUT, YOU KNOW, AS YOU KNOW WITH THE SELLWOOD BRIDGE PROJECT WE HAVE THE DEDICATED REVENUE SOURCE AND WE SIZED THE ISSUANCE SO THAT WE'RE NOT MAXING OUT THE VEHICLE REGISTRATION FEES. SO WE'VE GOT ADEQUATE COVERAGE THERE. I FEEL THAT THE CHANGE, THE CHANGE GIVES US THAT FLEXIBILITY AND ALSO I THINK THE DIFFERENCE IN THE CAPACITY BASED ON THAT CHANGE WAS ABOUT \$55 OR \$60 MILLION. THE NEXT SLIDE IS THE CHART THAT JUST SHOWS HOW MUCH -- IT KIND OF BREAKS OUT WHAT I DESCRIBE, WE HAVE ABOUT \$190 MILLION OF DEBT THAT WOULD BE UNDER THE STATE STATUTE. IT BREAKS OUT WHAT THOSE ARE. AND THEN WE ALSO HAVE GENERAL OBLIGATION BONDS THAT ARE OUTSTANDING. THE GENERAL OBLIGATION BONDS WERE RELATED TO THE PUBLIC SAFETY BOND AND THE LIBRARY CONSTRUCTION BOND. AND SUBSEQUENTLY THOSE HAVE BEEN REFINANCED A COUPLE OF TIMES. AND THERE'S ONLY ABOUT \$25 MILLION REMAINING OUTSTANDING ON THOSE AND THEY WILL ALL BE PAID OFF IN OCTOBER OF 2016. AND WE ALSO HAVE AS WE'VE DISCUSSED ON OTHER OCCASIONS, WE

ALSO HAVE THE PERS PENSION BONDS AND THOSE ARE OUTSIDE OF THE STATE STATUTORY LIMITS BUT THE STATE STATUTORY LIMITS ON THE PENSION BONDS ARE ACTUALLY EVEN MORE. I DON'T KNOW WHAT THE RIGHT WORD IS BUT THEY HAVE A HIGHER THRESHOLD. SO FOR PENSION BONDS YOU COULD GO UP TO 5% OF REAL MARKET VALUE. SO WE'RE CERTAINLY WELL UNDER THAT LIMITATION. AND THEN THIS LISTS OUT THE PRINCIPAL AND INTEREST PAYMENTS THAT WOULD BE DUE IN THE COMING YEAR.

**Mr. Campbell:** THE NEXT SLIDE IS JUST AN OVERVIEW OF HOW THOSE BREAK OUT OVER THE NEXT 20 YEARS OR SO. AND WHAT I'VE DONE IN THE COLUMN OFF TO THE RIGHT, I'VE KIND OF NOTED WHEN THE VARIOUS BOND ISSUES MATURE. SO, FOR EXAMPLE, AT THE END OF 2014, WE WILL NO LONGER HAVE OBLIGATIONS RELATED TO THE SERIES 2003 FULL FAITH AND CREDIT BONDS AND THAT IS CURRENTLY ABOUT \$1.2 MILLION A YEAR. IN 2016, THE GENERAL OBLIGATION BONDS COME OFF AS WELL AS THE SERIES 2010 -- YOU CAN SEE HOW THOSE ARE STRUCTURED OVER TIME TO FREE UP DEBT CAPACITY. AND THE LAST SLIDE THAT I HAVE TO TALK ABOUT IS MY FAVORITE CHART OF OUR DECLINING DEBT LOAD -- [ LAUGHTER ] AND SO AS YOU CAN SEE, THIS IS ALL THE DEBT THAT'S SUBJECT TO THE POLICY THAT WOULD BE THE STATE STATUTORY LIMITATION ON FULL FAITH AND CREDIT BONDS ETC. IN FISCAL YEAR 2014, THAT NUMBER IS ABOUT \$11 MILLION. BY 2021, IT'S DOWN AROUND \$2 MILLION. AND, AS YOU CAN SEE, AS THINGS DROP OFF, WE INCREASE OUR CAPACITY TO ISSUE ADDITIONAL DEBT. AND THAT'S ABOUT ALL I HAD TO TALK ABOUT. IF THERE'S ANY QUESTIONS RELATED TO THAT.

**Chair Cogen:** THANKS, MARK. QUESTIONS FOR MARK?

**Commissioner Smith:** I HAVE A QUESTION, MARK AND THIS MAY NOT BE SPECIFICALLY FOR YOU BUT YOU MENTIONED SOMETHING EARLIER WHEN YOU SAID WE WILL NOT ISSUE DEBT TO PAY FOR OPERATIONS. AND SO I WAS LOOKING AT THE SHERIFF'S BUDGET TO MOVE AND THERE'S MONEY IN THE BUDGET TO HAVE THE SHERIFF'S OFFICE, THE HANSEN BUILDING, TO MOVE BUT THERE IS NO MONEY FOR ACTUAL OPERATIONS AND PROGRAMMING. DO THEY GIVE YOU AN IDEA OF HOW THEY EXPECT TO PAY FOR THAT? ONCE THEY MOVE?

**Mr. Campbell:** I THINK THE IDEA IS THAT THE FUNDING THAT'S ALLOCATED IN THE BUDGET IS TO BASICALLY IDENTIFY WHAT THE OPTIONS ARE AND NOT TO ACTUALLY MAKE THE PHYSICAL MOVE.

**Chair Cogen:** THE IDEA IS IF THERE IS A MOVE, THE SHERIFF'S OFFICE, ONCE THEY MOVE INTO A NEW FACILITY, THEIR ONGOING OPERATING COSTS WOULD BE THE SAME OR LOWER THAN THEY CURRENTLY ARE.

**Mr. Campbell:** RIGHT, RIGHT.

**Commissioner Smith:** IF THEY MOVED INTO A BUILDING THAT THEY HAD TO PAY FOR.

**Chair Cogen:** AND THERE'S COSTS ASSOCIATED WITH THE CAPITAL MOVE AND WE DON'T KNOW WHAT THAT IS IT YET BECAUSE THEY DON'T HAVE A BUILDING, IT'S SOMETHING THEY'VE BEEN WANTING TO DO AND WE'VE BEEN ASSISTING THEM BECAUSE THE HANSEN BUILDING IS A BAD BUILDING BUT IT'S BEEN PRETTY CLEAR THAT WE COULDN'T USE ANY OF THE DEBT IF WE DID USE DEBT THAT GOT US INTO THE NEW BUILDING TO FUND OPERATING COSTS SO THE ASSUMPTION HAS BEEN THE OPERATING COSTS HAVE TO BE ABOUT THE SAME WHAT THEY ARE OR LOWER.

**Commissioner Smith:** WHICH IS ZERO RIGHT NOW BECAUSE WE OWN THE BUILDING RIGHT?

**Chair Cogen:** NO, THERE'S OPERATING COSTS ASSOCIATED WITH THE BUILDING --

**Commissioner Smith:** IF YOU HAVE TO PAY RENT SOMEWHERE, IF WE MOVE INTO A BUILDING THAT WE HAVE TO LEASE, BECAUSE WE'RE NOT CURRENTLY PAYING LEASE.

**Chair Cogen:** THAT'S ONE OF THE THINGS, IF A BUILDING IS IDENTIFIED, THAT KIND OF ANALYSIS IS WHAT WILL GO ON, IN TERMS OF FIGURING OUT WHETHER IT'S A GOOD IDEA TO DO IT OR NOT AND WHAT THE COSTS WOULD BE BUT SINCE THERE IS NO BUILDING YET, YOU'RE RIGHT, THAT'S ONE OF THE ISSUES ABSOLUTELY.

**Commissioner Smith:** BECAUSE YOU SAID THIS MORNING AND I THOUGHT OKAY, HOW WOULD THAT BE PAID FOR? THANK YOU.

**Chair Cogen:** OTHER QUESTIONS? NOPE. GREAT, THANK YOU.

**Ms. Neburka:** THANKS, MARK. I WOULD LIKE TO INVITE UP KIM PEOPLES AND HIS GUESTS TO TALK ABOUT THE TRANSPORTATION PROGRAM FOR NEXT YEAR.

**Mr. Peoples:** GOOD MORNING CHAIR COGEN AND COMMISSIONERS. I WOULD LIKE TO INTRODUCE BRIAN VINCENT, COUNTY ENGINEER THIS MORNING TO PRESENT THE TRANSPORTATION CAPITAL PROGRAM FOR BOTH THE BRIDGE SIDE AND THE ROAD SIDE OF THINGS.

**Mr. Vincent:** GOOD MORNING. IT'S MY PLEASURE TO DISCUSS THE FY 14 CAPITAL BUDGET. JUST A BROAD BRUSH OVERVIEW. WE START WITH THE 20 YEAR FORECAST, AND THEN NARROW THAT DOWN TO A FIVE-YEAR

PROJECTION AND THEN LASTLY, WE FOCUS ON THE YEAR AHEAD. THE CRITERIA WE HAVE USED FOREMOST FOR SAFETY. WE SUPPORT LAND USE, JUST SOME PROJECT EVALUATION, CURRENTLY COMMUNITY SUPPORT AND LASTLY THE EQUITY LENS WE'VE APPLIED TO SEVERAL PROJECTS. AS MARK ELABORATED, OUR FIRST OBLIGATION IS TAKING CARE OF DEBT SO WE HAVE THREE DEBT OBLIGATIONS. THE GOOD NEWS IS THE FIRST ONE WILL BE EXPIRING IN FY 14. THE 233<sup>rd</sup> UNDERCROSSING, THAT'S A 10 YEAR EFFORT WHICH WILL EXPIRE IN 2025, AND THEN LASTLY, THE SELLWOOD IS A NEW ISSUANCE.

**Commissioner McKeel:** CAN I ASK A QUESTION? COULD YOU EXPLAIN THE 257<sup>TH</sup> AT ORIENT DRIVE LOAN? WHAT WAS THAT LOAN?

**Mr. Vincent:** COMMISSIONER, I'LL HAVE TO GET BACK TO YOU. THAT WAS A PROJECT SEVERAL YEARS AGO, A SMALL INTERSECTION IMPROVEMENT OUT.

**Commissioner McKeel:** THAT'S FINE. I KNOW THE PROJECT AND I KNOW THE CITY OF GRESHAM IS INVOLVED IN ODOT, I THINK AND WHATEVER, BUT YEAH, OKAY. THANK YOU.

**Mr. Vincent:** SO AFTER TAKING CARE OF DEBT, WE LOOK AT TAKING CARE OF WHAT WE ALREADY BUILT, A LARGE PORTION OF THE BUDGET GOES TOWARDS SYSTEM PRESERVATION AND MAINTENANCE AND LASTLY WHATEVER'S LEFT WE ALLOCATE TOWARD THE CAPITAL PROGRAM. WELL, AWARE THE SELLWOOD BRIDGE PROJECT IS THE LION'S SHARE OF THE EFFORT THIS YEAR AND FOR THE NEXT COUPLE OF YEARS. TWO IMPORTANT ROAD PROJECTS ARE THE IMPROVEMENTS TO ARATA ROAD AND LASTLY THE SAFETY IMPROVEMENTS OUT ON CORNELIUS PASS ROAD. JUST A REMINDER OF THE SOURCING FOR THE REVENUE, THE PRIMARY SOURCE IS THE STATE HIGHWAY FUND, THAT'S AN ALLOCATION TO CITY'S COUNTIES' DOT ON A ESTABLISHED FORMULA. COUNTY GAS TAX CONTRIBUTES. THE LAST THREE ARE REALLY GRANT OPPORTUNITIES, A LOT OF GRANTS VIA FHWA (FEDERAL HIGHWAY ADMINISTRATION), THE ODOT DOES HAVE SPECIAL PROGRAMS THAT THEY ADMINISTER. THE LAST ONE IS SPECIFICALLY FOR THE SELLWOOD BRIDGE. THIS IS JUST AN EXAMPLE, YOU CAN SEE HOW LARGE THE FOCUS ON SELLWOOD IS. THE OTHER TWO SLICES OF THE CHART THERE REPRESENT WHAT'S MORE TRADITIONAL OF OUR CAPITAL EXPENDITURES, THESE REFLECT OTHER PROJECTS OTHER THAN SELLWOOD. SO BREAKING SELLWOOD DOWN, YOU'VE SEEN THIS MANY TIMES BUT THE COUNTY'S CONTRIBUTION CURRENTLY AT \$67 MILLION, THE CITY'S CONTRIBUTION AT \$50 MILLION AND STATE AND FEDERAL AT \$16 AND \$8 MILLION RESPECTIVELY. FOR THE ROAD REVENUE, THESE REPRESENT WHAT OUR CAPITAL CONTRIBUTION IS FROM OUR RESULTING ROAD FUND AND THEN THIS IS THE FEDERAL GRANT OPPORTUNITIES THAT WE'VE BEEN ABLE TO MATCH.

**Chair Cogen:** AND AM I RIGHT THAT THE COUNTY COMMISSION IS GAS TAX DOLLARS RATHER THAN GENERAL FUND DOLLARS?

**Mr. Vincent:** THAT'S CORRECT, YES. SO VERY SIMILARLY, SAME STRUCTURE ON THE BRIDGE FUND SIDE. ROAD AND BRIDGE COMES FROM THE SALE SOURCE, JUST AN ALLOCATION TO THE BRIDGE FUND ANNUALLY. THESE ARE JUST GOING TO BE SOME PHOTOS OVERLAID WITH TEXT OF TYPICAL PROJECTS. THIS IS REPRESENTATIVE OF SYSTEM PRESERVATION. THIS IS A SLIDE REPAIR WE WERE PERFORMING OUT IN NORTHWEST AREA. THIS IS NEWBURY ROAD SLIDE REPAIR. THESE UNFORTUNATELY HAPPEN MORE FREQUENTLY THAN WE WOULD LIKE BUT WE HAVE THE TAKE CARE OF THEM FIRST. PAVEMENT MAINTENANCE IS THE TYPICAL POT HOLE REPAIR, CRACKED CEILING, THAT SORT OF THING. OUR FOCUS THIS YEAR IS PRETTY MODEST ON THE ROAD SIDE. WE'RE GOING TO BE DOING SOME PEDESTRIAN SIDEWALK INFILL OUT IN CITY OF TROUTDALE. WE DO HAVE ONE SMALL ROAD PROJECT TO COMPLETE IN WOOD VILLAGE. AGAIN, THAT'S COMPLETING SOME WORK THAT HAS ALREADY BEEN STARTED AND LASTLY, WE HAVE A VERY MODEST OVERLAY PROGRAM TRYING TO KEEP UP WITH KEEPING THINGS IN PLACE. SO THAT'S A VERY MODEST HALF A MILLION DOLLAR PROGRAM. IN PART ON A FEDERAL REQUIREMENT BUT ALSO IT'S A GREAT THING TO DO IS WE SET ASIDE 1% OF THE ANNUAL CAPITAL OUTLAY AND ATTRIBUTE IT TO A BIKE AND PEDESTRIAN FUND. TYPICALLY, WE AGGREGATE THOSE FUNDS UNTIL WE CAN HAVE AN APPROPRIATE MATCH OPPORTUNITY FOR A GRANT AND CURRENTLY WE HAVE A COUPLE OF CANDIDATES IDENTIFIED FOR THAT. NONE THIS CURRENT YEAR BUT HOPEFUL IN THE NEXT ONE TO TWO YEARS.

WE DO HAVE A SMALL PROJECT THAT WE'RE ENGAGING IN LARGE PART IN RECOGNITION OF THE BOARD'S SUPPORT IN FY 13 (FISCAL YEAR 2013). A ONE TIME ONLY FUNDING TO PROVIDE SOME SAFE ROUTES TO SCHOOL, OPPORTUNITIES WHERE WE'RE GOING TO DO THAT IS OUT IN THE CITY OF TROUTDALE. WE'LL BE PROVIDING TWO OF THE NEWER STYLE PEDESTRIAN CROSSINGS WHERE THE FLASHING LIGHTS ARE PLACED. SO THAT WILL BE A GREAT IMPROVEMENT OUT THERE. TALK ABOUT THE ROAD PROJECTS THAT WE HAVE. FY 14 (FISCAL YEAR 2014) IS GOING TO BE PREDOMINANTLY A DESIGN YEAR. I MENTIONED ARATA ROAD BEFORE, A GREAT IMPROVEMENT FOR PEDESTRIAN AND BICYCLE SAFETY. CORNELIUS PASS ROAD, AGAIN SOME SAFETY IMPROVEMENTS, STILL WORKING THOSE ISSUES, JUST NOW STARTING DESIGN. WOOD VILLAGE BOULEVARD IS CORRELATED WITH ARATA ROAD. THAT'S PROVIDING A CONNECTION BETWEEN ARATA AND HALSEY WHERE THERE ARE TRANSIT OPPORTUNITIES UP ON HALSEY. LAST ONE IS WE HAVE THE FISH BARRIER REMOVAL OUT ON BEAVERCREEK IN TROUTDALE AT STARK STREET. THAT'S SIGNIFICANT BECAUSE WE'VE BEEN TRYING TO LEVERAGE OUR CAPITAL FUNDS WITH SOME U.S. ARMY CORPS OF ENGINEER FUNDS BUT WE'RE FINALLY GOING TO EXECUTE THIS. AND THEN LASTLY, THIS

ONE IS ALREADY FUNDED BUT SOME MINOR IMPROVEMENTS OUT IN THE WOOD VILLAGE AREA ON SANDY BOULEVARD FROM THE TOWNSEND BUSINESS CENTER TO 228. THIS WILL BE AN EXCELLENT OPPORTUNITY FOR THAT AREA. SO BEYOND THIS YEAR IN 2015, PREDOMINANTLY THE CONSTRUCTION YEAR OF THOSE PROJECTS WE JUST TALKED ABOUT. ALL FOUR OF THOSE HOPEFULLY WILL MOVE INTO CONSTRUCTION.

**Vice-Chair Shiprack:** IF WE COULD GO BACK FOR A SECOND. I WAS WAITING TO SEE THE PIE CHART AND IT NEVER APPEARED IN YOUR PRESENTATION OF GAS TAX REVENUE. SO HOW IS THE REVENUE DISTRIBUTED? BECAUSE I KNOW THAT THERE'S A FORMULA, I KNOW THERE'S A STATE GAS TAX REVENUE DISTRIBUTION FORMULA, I ALSO KNOW THAT THERE'S A COUNTY GAS TAX DISTRIBUTION FORMULA AND I WOULD BE INTERESTED IN SEEING BOTH OF THOSE CHARTS.

**Mr. Vincent:** COMMISSIONER, WE'LL PROVIDE THOSE, I'M NOT PREPARED TO PRESENT THOSE EXACT NUMBERS.

**Vice-Chair Shiprack:** I UNDERSTAND.

**Mr. Vincent:** FROM THAT, WE RECEIVE AN APPORTIONMENT AND FROM THERE WE ALLOCATE IT INTERNALLY THROUGH SOME COMPLICATED FORMULAS WITH THE CITIES, WE'LL GET THOSE NUMBERS.

**Chair Cogen:** IN TERMS OF THE COUNTY GAS TAX, ALTHOUGH THERE WASN'T A CHAT THAT IDENTIFIED IT, IT IS THE CASE I THINK THAT WHEN YOU LOOKED AT THE COUNTY'S SHARE OF THE ROAD MAINTENANCE AND THE COUNTY'S SHARE WITH THE BRIDGE MAINTENANCE, THAT'S THE COUNTY GAS TAX AND HOW IT'S ALLOCATED RIGHT?

**Mr. Peoples:** THAT IS CORRECT. AND THE OUTSTANDING FUNDS AFTER WE AS A COUNTY RECEIVE THE COUNTY'S PORTION AND THROUGH AN AGREEMENT WITH THE CITY OF PORTLAND AND PASS-THROUGH AGREEMENTS WITH OTHER CITIES IN THE EAST COUNTY, THEN THE REMAINDER OF THE GAS FUNDS ARE SPLIT BETWEEN THE BRIDGE SIDE AND ALSO THE ROAD SIDE FOR OPERATIONS, PARTICULARLY AND WITH THE RESULTING AMOUNT TO HOLD BACK FOR LEVERAGING GRANTED FUNDS AS BRIAN WAS ALLUDING TO.

**Vice-Chair Shiprack:** I APPRECIATE THAT. I WANT TO UNDERSTAND MORE CLEARLY THE REVENUE SIDE OF THE TAXES THAT ARE COLLECTED AND THE EXPENDITURES SIDE OF HOW THE TAXES ARE SPENT BECAUSE I KNOW THAT BETWEEN THOSE TWO SIDES, THERE EXISTS A REALLY COMPLICATED MEMBRANE OF TAX HISTORY.

**Mr. Peoples:** WE'LL ALSO BE PRESENTING SOME OF THIS INFORMATION IN OUR BUDGET PRESENTATION LATER IN THE MONTH.

**Vice-Chair Shiprack:** GREAT, THANKS, KIM.

**Commissioner Smith:** I HAVE A COUPLE OF QUESTIONS BEFORE YOU LEAVE ALONG THE SAME LINES AS COMMISSIONER SHIPRACK BUT I'M MORE CONCERNED ABOUT GEOGRAPHY WHEN WE'RE SPENDING THE SAFE ROUTES TO SCHOOL DOLLARS AND THE GAS TAX MONEY. IN MULTNOMAH COUNTY GIVE ME A CLEAR LINE WHERE THOSE DOLLARS CAN BE SPENT BECAUSE WE HAVE THE CITY OF PORTLAND WHO DOES THE CITY'S SAFE ROUTES TO SCHOOL, AND THEN WE HAVE MULTNOMAH COUNTY WHO DOES THE UNINCORPORATED AREAS, IS THAT THE ONLY PLACE WE CAN SPEND OUR TRANSPORTATION DOLLARS?

**Mr. Vincent:** THERE'S TWO PORTIONS WHERE -- ANYTHING OUTSIDE GENERALLY THE CITY LIMITS OF PORTLAND AND GRESHAM, SO THE SMALLER EAST COUNTY CITIES WHERE WE STILL HAVE OWNERSHIP OF THE ARTERIAL SYSTEM, WE CAN SPEND THOSE FUNDS ON THOSE ARTERIALS AND THEN OTHER THAN THAT OUTSIDE OF THE CITY LIMITS OF PORTLAND AND GRESHAM.

**Commissioner Smith:** OUTSIDE THE CITY LIMITS, OKAY, GREAT. I'M ALWAYS GOING TO THE SOUTHWEST CORRIDOR MEETINGS, WHERE'S KAREN SCHILLING AT? AND I'M ALWAYS TRYING TO FIGURE OUT HOW I CAN BE HELPFUL AND IT DOESN'T SEEM I CAN BE HELPFUL WITH THE SAFE ROUTES TO SCHOOL DOLLARS IN MULTNOMAH COUNTY AND TRYING TO HELP THEM STREAMLINE THEIR TRANSPORTATION LINES IN SOUTHWEST AS WE GO INTO WASHINGTON COUNTY. I'M TRYING TO FIGURE OUT SOME POCKETS WHERE WE HAVE SOME DISCRETION.

**Mr. Vincent:** COMMISSIONER SMITH, WE STILL DO HAVE A FEW ROADS IN THE SOUTHWEST AREA. IT'S PROBABLY EASIER TO SHOW YOU ON A MAP WHERE THOSE ARE.

**Commissioner Smith:** COULD WE FOLLOW UP WITH THAT PLEASE? THANK YOU. AND THE SECOND QUESTION WAS, HOW IS THE PROSPECTIVE COUNTY PAYMENT DOLLARS FROM THE FEDERAL GOVERNMENT, HOW IS THE GOING TO IMPACT OUR BUDGET, THE TIMBER PAYMENTS?

**Mr. Vincent:** THE GOOD NEWS IS WE ARE A MUCH LESSER DEGREE AFFECTED THAN SOME OF THE OTHER COUNTIES. OUR RECEIPTS THIS YEAR WERE SOMEWHERE ON THE ORDER OF \$180,000. SO WE WILL RECEIVE A SMALL IMPACT, BUT IT'S NOT SIGNIFICANT. WE CAN -- IT JUST MEANS WE HAVE TO DO LESS.

**Commissioner Smith:** DO WE KNOW WHERE WE'RE GOING TO SPEND THOSE DOLLARS AT?



**Mr. Peoples:** THOSE FUNDS ARE GENERALLY ROLLED INTO OUR OPERATING BUDGET AND THE IMPACT THAT BRIAN WAS SPEAKING TO, THERE IS A POTENTIAL FOR A 5.1% REIMBURSEMENT IF THE DEPARTMENT OF AGRICULTURE WILL THROUGH THE STATE WANTS TO RECOUP SOME OF THOSE FUNDS THROUGH SEQUESTRATION AND THAT WOULD IMPACT THE PROGRAM OF ROUGHLY \$8,000.

**Commissioner Smith:** OKAY, THANK YOU.

**Mr. Vincent:** OKAY. WE'LL MOVE INTO THE BRIDGE SIDE OF THINGS, NEXT SLIDE. JUST A REMINDER YOU'VE HEARD THIS MANY TIMES BUT SELLWOOD IS GOING QUITE WELL. THE HOPE IS TRAFFIC IS PLACED SOMETIME IN 2015 IN THE SUMMER TIME FRAME AND ANOTHER YEAR TO COMPLETE THE FINAL CONSTRUCTION OF THAT. OTHER PROJECTS THAT ARE SIGNIFICANT, THE FIRST ONE IS PROBABLY THE MOST SIGNIFICANT. THE 20-YEAR PLAN FOR CAPITAL IMPROVEMENTS ON THE WILLAMETTE RIVER BRIDGE IS IN ITS 28th YEAR, A LOT OF THE ASSUMPTIONS NEED TO BE UPDATED BUT MOST IMPORTANTLY THE COST SUBMITS FOR -- ESTIMATES FOR THOSE REPAIRS. WE'LL BE ENGAGING THAT EFFORT HERE IN FY14.

**Chair Cogen:** SEISMIC ISSUES?

**Mr. Vincent:** AS A COMPONENT OF THAT, SEISMIC WILL BE EVALUATED. ANOTHER SIGNIFICANT PIECE, THE MORRISON, EVEN THOUGH WE JUST COMPLETED THE DECK REPAIR, PART OF THE MECHANICS ARE HAVING SOME ISSUES. SO THE ACTUAL LOCKING MECHANISM THAT HOLDS THE TWO LEAVES TOGETHER WILL BE LOOKED AT AND WORKED ON. LAST ITEM WE HAVE IS THE SAUVIE ISLAND BRIDGE THAT IS ONLY A COUPLE OF YEARS OLD, WE HAVE TO PROVIDE A MECHANISM FOR INSPECTION. SO WE'LL BE BUILDING A MOVABLE PLATFORM TO ENABLE THAT. SO GOOD NEWS IS THAT WE'VE BEEN SUCCESSFUL WITH LEVERAGING THOSE FEDERAL GRANT OPPORTUNITIES TO THREE PROJECTS, CURRENTLY ALL WILL BE ENGAGED IN DESIGN HERE THIS SUMMER. THE BROADWAY PAINT THAT WE DISCUSSED LAST WEEK, THE WHEEL REPAIR, ACTUALLY THE MOVEMENT MECHANISM THAT IS SLATED FOR LATER THIS SUMMER BUT THEN FY15 (FISCAL YEAR 2015) FOR CONSTRUCTION, AND THEN THE BURNSIDE BRIDGE, WE'VE COBBLED SOME MISCELLANEOUS REPAIRS. WE'LL START DESIGN LATE THIS MONTH.

**Chair Cogen:** BURNSIDE OR ALL THREE OF THOSE KIND?

**Mr. Vincent:** YES, BURNSIDE IS \$32.5M. BROADWAY RALL IS \$10 MILLION AND THE PAINT IS \$10.5 MILLION. SO GOOD QUESTION ON SEISMIC. THESE REFLECT WHAT THE CURRENT LIABILITY IS. JOHN HENRICKSON PRESENTED THESE LAST YEAR SO THE NUMBERS ARE VERY SIMILAR. COLLECTIVELY THIS

IS A \$219 MILLION LIABILITY. AS PART OF THAT CAPITAL NEEDS STUDY, CHAIR COGEN, THAT ONE WE'LL UPDATE THE COST ESTIMATE BUT MORE IMPORTANTLY LOOK AT IF THERE'S ANY CHANGE TO THE THOUGHTS ON WHAT NEEDS TO BE DONE. WE HAVE PERFORMED SOME SEISMIC WORK, BURNSIDE AS IT'S A LIFE ROUTE HAS RECEIVED PHASE ONE IMPROVEMENTS. PHASE ONE MEANS IT WILL GENERALLY SURVIVE AN EARTHQUAKE AS FAR AS LIFE SAFETY. UNSURE WHAT THE FINAL DAMAGE WOULD BE. THE OTHERS HAVE NOT RECEIVED A PHASE ONE UPGRADE. SO PHASE TWO IS A MUCH MORE SIGNIFICANT IMPROVEMENT. THE CONCEPT IS BETTER SURVIVABILITY IN AN EARTHQUAKE AND OBVIOUSLY, THAT'S A MUCH HIGHER COST. THE GOOD NEWS IS ON THE NEW BRIDGES, SAUVIE'S AND THEN SELLWOOD, THEY ARE BUILT TO CURRENT SEISMIC STANDARDS. WITH THAT JUST A SUMMARY. THE MINIMAL FUNDING WE DO RECEIVE, WE NEED TO LEVERAGE THAT AND LOOK FOR THOSE GRANT OPPORTUNITIES TO AFFORD PROJECTS. WE CERTAINLY RELY ON SUPPORT FROM THIS BOARD AND OUR OTHER PARTNERS, ODOT, FHWA, THE LOCAL CITIES AND ALWAYS ARE LOOKING FOR OPPORTUNITIES TO COMBINE RESOURCES AND LOOK FOR IMPROVEMENTS IN THE INDUSTRY ON BETTER WAYS TO DO THINGS OR MORE ECONOMICAL WAYS TO DO THINGS. THAT'S ALL I HAVE, I WOULD BE HAPPY TO ANSWER ANY MORE QUESTIONS.

**Commissioner Smith:** I HAVE A QUESTION.

**Chair Cogen:** COMMISSIONER SMITH.

**Commissioner Smith:** WHEN WE WERE TALKING ABOUT THE BURNSIDE BRIDGE AND YOU SAID IT HAS PHASE ONE UPGRADES, COULD YOU GIVE ME A NUMBER IN TERMS OF EARTHQUAKE SIZE THAT IT WOULD WITHSTAND?

**Mr. Vincent:** THAT'S A DIFFICULT QUESTION, I CAN'T ANSWER THAT, COMMISSIONER SMITH. IT DEPENDS ON THE STYLE OF EARTHQUAKE AND AS FAR AS A MAGNITUDE WHAT IT COULD STAND, I DON'T KNOW. BUT --

**Commissioner Smith:** WHEN WE'RE GOING FORWARD, IS THERE A GOAL FOR US TO TRY TO FIGURE OUT WHICH, YOU KNOW -- HOW SEVERE OF AN EARTHQUAKE IT COULD WITHSTAND? DO WE HAVE A GOAL TO SAY OKAY, WE CAN -- WE'LL UPGRADE THIS TO SAY A NINE.

**Mr. Vincent:** YES, IT'S A SLIDING SCALE. GREAT QUESTION. THERE'S A CERTAIN NUMBER WHERE, YOU KNOW, YOU CAN DESIGN AT A 5.0 SEISMIC EVENT, YOU CAN DESIGN AT A 7.5, YOU CAN DESIGN AT A 9.0. EACH OF THESE COMES WITH A DIFFERENT COST NUMBER. THERE IS A CERTAIN REQUIREMENT. I DON'T HAVE THE NUMBER OFF THE TOP OF MY HEAD BUT THAT IS WHAT WE WILL DESIGN TO.

**Commissioner Smith:** CAN YOU GO BACK AND FIND OUT THE PHASE ONE OF

BURNSIDE TO SEE WHAT IT WOULD WITHSTAND RIGHT NOW? ONE OF THE THINGS -- A COUPLE OF THINGS THAT I'M REALLY CONCERNED ABOUT AND I'VE BEEN CONCERNED ABOUT SINCE I ARRIVED HERE A COUPLE OF YEARS AGO IS OUR ABILITY TO WITHSTAND ANY SIGNIFICANT EARTHQUAKE BECAUSE IF ALL FOUR OF THOSE BRIDGES GO DOWN, WE'RE TALKING ABOUT A LOT OF COMMERCE NOT COMING IN AND OUT OF THE CITY OF PORTLAND AND DOWN TOWARDS CALIFORNIA. SO I'M JUST TRYING TO GET THE SENSE OF URGENCY ON THIS.

**Mr. Peoples:** WE WILL.

**Commissioner Smith:** OKAY, THANK YOU.

**Chair Cogen:** OTHER QUESTIONS? GREAT. THANK YOU VERY MUCH.

**Ms. Neburka:** THANKS. I WOULD LIKE TO INVITE SHERRY SWACKHAMER, AND MICHAEL BOWERS, AND TRACEY MASSEY UP TO TALK ABOUT THE TWO CAPITAL PROGRAMS WE'LL DISCUSS THIS MORNING IN THE DEPARTMENT OF COUNTY ASSETS.

**Ms. Swackhamer:** HELLO CHAIR AND COMMISSIONERS. I'M SHERRY SWACKHAMER, THE DIRECTOR OF THE DEPARTMENT OF COUNTY ASSETS AND THE CHIEF INFORMATION OFFICER FOR MULTNOMAH COUNTY. AND I AM HERE TODAY -- I WOULD LIKE TO LET MY TWO COLLEAGUES INTRODUCE THEMSELVES REAL QUICK.

**Ms. Massey:** I'M TRACEY MASSEY, SENIOR MANAGER OVER THE PROJECT PORTFOLIO MANAGEMENT TEAM WITHIN THE DEPARTMENT OF COUNTY ASSETS I.T.

**Mr. Bowers:** MICHAEL BOWERS, FACILITIES DIRECTOR FOR THE COUNTY, GOOD MORNING.

**Ms. Swackhamer:** SO REAL QUICKLY I'LL JUST REMIND YOU A FEW THINGS BEFORE WE GET INTO THE DETAILS OF OUR CAPITAL PRESENTATION. THE DEPARTMENT OF COUNTY ASSETS FROM A FUNCTIONAL STRUCTURE PERSPECTIVE ON MY LEFT-HAND SIDE HAS I.T., FACILITIES AND PROPERTY MANAGEMENT, FLEET RECORDS, DISTRIBUTION AND STRATEGIC SOURCING. THOSE GROUPS PROVIDE SERVICES TO ALL COUNTY DEPARTMENTS. ON MY RIGHT-HAND SIDE, WE HAVE PROCUREMENT AND CONTRACTING, FINANCE AND BUDGET AND HUMAN RESOURCES. THOSE GROUPS PROVIDE SERVICES TO THE DEPARTMENT OF COUNTY ASSETS, THE DEPARTMENT OF COUNTY MANAGEMENT, THE CHAIR'S OFFICE, THE BOARD OF COUNTY COMMISSIONERS AND THEIR STAFFS AND THE NON-D ORGANIZATIONS. THAT'S HOW WE'RE BROKEN UP FUNCTIONALLY.

**Vice-Chair Shiprack:** WHICH CURRENT FUNCTIONS ARE NOT INCLUDED ON THAT SHORT ON THE RIGHT?

**Ms. Swackhamer:** WHICH COUNTY FUNCTIONS?

**Vice-Chair Shiprack:** ARE THERE ANY COUNTY FUNCTIONS THAT YOU DO NOT PROVIDE THOSE SERVICES TO, THAT ARE LISTED ON THE RIGHT? DCA, DCM, CHAIR'S OFFICE, BCC --

**Ms. Swackhamer:** WE DON'T PROVIDE THOSE SERVICES TO ANY OTHER DEPARTMENTS, EXCEPT THE ONES THAT ARE LISTED THERE. SO THE HEALTH DEPARTMENT HAS THEIR OWN H.R., ETC.

**Vice-Chair Shiprack:** THAT WAS THE LIST THAT I WAS LOOKING FOR, THAT ETC. WHO'S IN ETC.?

**Ms. Swackhamer:** ALL OTHER COUNTY DEPARTMENTS, THE HEALTH DEPARTMENT, DEPARTMENT OF COMMUNITY SERVICES, THE DEPARTMENT OF COMMUNITY JUSTICE, THE DEPARTMENT OF COMMUNITY SERVICES --

**Ms. Fuller:** STEPPING IN TO RESCUE YOU.

**Ms. Swackhamer:** FROM MEMORY HERE.

**Ms. Fuller:** SO COMMISSIONER, JOANNE FULLER, CHIEF OPERATING OFFICER. SO AS YOU RECALL WHEN WE DID ONE OF THE FIRST MULTNOMAH EVOLVES EFFORTS, WE CREATED THE ADMINISTRATIVE SERVICES HUB. AND THAT WAS AN EXPERIMENT TO SERVE SMALL GROUPS INSTEAD OF EACH OF THE SMALL DEPARTMENTS AND THE NON-D'S, INSTEAD OF EACH OF THEM HAVING PEOPLE WHO PROVIDED THIS SERVICE SEPARATELY, TO POOL THEM INTO AN ADMINISTRATIVE STRUCTURE TO PROVIDE SERVICES FOR THOSE GROUPS. IN LARGER DEPARTMENTS LIKE THE HEALTH DEPARTMENT WITH 1,000 EMPLOYEES, THEY HAVE THEIR OWN BUSINESS SERVICES INFRASTRUCTURE AND DCHS AND OTHER FOLKS HAVE BUSINESS INFRASTRUCTURES THAT PROVIDE THOSE SERVICES FOR THEM. SO THAT'S WHY YOU SEE THESE SERVICES PROVIDED TO THIS GROUP OF CUSTOMERS AND THOSE OTHER DEPARTMENTS HAVING THEIR OWN INFRASTRUCTURE.

**Vice-Chair Shiprack:** I APPRECIATE THAT AND I REMEMBER IN GENERAL THE EXERCISE BUT I HAD FORGOTTEN THE SPECIFICS, WHICH IS WHY I ASKED THE QUESTION BECAUSE I'M SO FOND OF THIS NET THAT WE'VE THROWN THAT I'M WONDERING IF THERE IS ANYTHING ELSE THAT IS SCHEDULED TO COME INTO IT OR IF THAT IS THE EXTENT.

**Ms. Fuller:** AT THIS POINT, THIS IS THE -- SO THOSE SERVICES, EXCEPT FOR

SOME OF SHERRY'S STAFF WITH FACILITIES, IN GENERAL, THIS IS A GROUP THAT PROVIDES SERVICES TO PEOPLE IN THIS BUILDING AND, YOU KNOW, IT KIND OF CREATES A NATURAL NEXUS FOR SERVICES. IF WE WERE TO DO THIS HUB MODEL OTHER PLACES, IT WOULDN'T NECESSARILY BE HAVING THIS GROUP ADDING MORE TO THIS GROUP. IT MIGHT BE CREATING OTHER HUBS THAT PROVIDED SERVICES SO THAT THE PEOPLE WHO PROVIDED THE SERVICES COULD BE CLOSE TO THEIR CUSTOMERS.

**Vice-Chair Shiprack:** THANK YOU. THAT WAS HELPFUL. SORRY, SHERRY.

**Ms. Swackhamer:** THAT'S OKAY. AND ALSO JUST A REMINDER LAST YEAR WHEN WE WERE HERE, WE HAD JUST STARTED THE ADVENTURE OF THE DEPARTMENT OF COUNTY ASSETS, CREATING OUR MISSION, VISION AND VALUES AND THEY WERE IN DRAFT LAST YEAR AND THEY ARE COMPLETE THIS YEAR AND POSTED AT MANY OF OUR SITES IN LARGE PRINT, LARGER PRINT. I THINK THE TAG LINE IS REALLY KEY. WE LOOK FOR CREATIVE SYNERGIES, INNOVATIVE TECHNOLOGIES, WE BUILD SUSTAINABLE PROJECTS AND WE'RE CREATING AN INCLUSIVE WORKPLACE. AND NOW I WOULD LIKE TO INTRODUCE MICHAEL BOWERS, THE DIVISION DIRECTOR FOR FACILITIES AND PROPERTY MANAGEMENT, EXCUSE ME, TO TALK ABOUT THE FY2014 CAPITAL PROGRAM FOR FACILITIES.

**Mr. Bowers:** GOOD MORNING, CHAIR AND COMMISSIONERS. WHAT I WOULD LIKE TO DO IS START STRATEGIC AND THEN WEAVE INTO OUR TACTICAL MISSION. WHEN WE START MAPPING OUT A 20 SOME ODD YEAR PLAN FOR REPLACING FACILITIES, OBVIOUSLY THAT BEGINS TO IMPACT OUR NEAR-TERM DECISIONS AS WE START TALKING ABOUT OUR ASSETS IN TERMS OF BUILDINGS WE WANT TO KEEP AND RETAIN VERSUS THOSE WE MAY WANT TO REPLACE. SO I'LL JUST DO A QUICK REFRESHER OVER THE FACILITIES, ASSETS STRATEGIC PLAN THAT WE COMPLETED AT THE END OF FISCAL YEAR -- ACTUALLY, THIS FISCAL YEAR, AT THE END OF CALENDAR YEAR 12. SO SOME OF THE LARGER GOALS THAT WE CAME UP WITH AS STRATEGIC VISION FOR OUR DIVISION IS THAT WE SHOULD BEGIN DOWN THE PATH OF REPLACING OUR AGING INVENTORY USING SOME LIFE CYCLE ANALYSIS TOOLS. WE SHOULD OPTIMIZE OUR LOCATIONS OF FUTURE BUILDINGS BASED ON PARTNERSHIPS WITH THE PUBLIC AND THE PRIVATE SECTOR AS WELL AS TAKING A GOOD LOOK WITH OUR INTERNAL DEPARTMENTS AS TO WHERE THE DEMOGRAPHICS ARE SHIFTING IN TERMS OF OUR TAXPAYERS, OUR CONSTITUENTS, OUR CLIENT BASE AND HOW WE NEED TO SHIFT OUR FUNCTIONS TO SERVE THEM. LIKEWISE WE HAVE 3.1 MILLION SQUARE FEET OF COUNTY-OWNED OR AT LEAST FACILITIES. WE COULD LOOK AT REDUCING THAT OVERALL FOOTPRINT WHICH WOULD POSSIBLY RETURN BACK TO THE COUNTY IN TERMS OF REINVESTMENTS OVER \$2 MILLION PER YEAR IN TERMS OF REPLACING THOSE FACILITIES AND MAKING SOME RECAPITALIZATION OPPORTUNITIES TO BUILD MORE EFFICIENT NEW STRUCTURES. INCREASING SPACE FLEXIBILITY WAS AN IMPORTANT THEME. IN OUR FUTURE BUILDINGS

AND REMODELING PROJECTS AS OPPOSED TO CREATING A SINGLE USE, SINGLE FUNCTION SINGLE DEPARTMENT OR DIVISION TYPE NONFLEXIBLE FACILITY. AND FINALLY INCREASING THE WORK ENVIRONMENT AND CREATING OUTSTANDING SERVICE TO OUR CITIZENS AND OUR INTERNAL CLIENTS.

**Mr. Bowers:** NOW, I'LL TURN TO SOME TACTICAL OBJECTIVES. AS WE LOOK AT HOW THAT PRACTICALLY TRANSLATES INTO THIS YEAR'S PROJECTS AND THE COMING YEAR'S PROJECTS. WE CREATE A FIVE-YEAR IMPLEMENTATION PLAN THAT BACKS INTO WHAT WE PLAN ON INVESTIGATING IN OVER THIS FISCAL YEAR. LARGELY OUR CRITERIA MIRRORS OUR PEERS OVER IN TRANSPORTATION. WE LOOK AT THE AGE, THE CONDITION, THE SAFETY AND HEALTH ASPECTS THAT WE NEED TO CORRECT, IMPROVING OUR WORKPLACE AND, OF COURSE, SEISMIC CONSIDERATIONS. I WILL BRIEFLY TALK ABOUT LATER ON IF THE PRESENTATION. OUR CATEGORY OF FACILITIES ARE BROKEN DOWN INTO TIERS, TIER ONE IS THE HIGHEST CATEGORY OF FACILITIES THAT NEEDS THE MINIMUM REPAIR AND REPLACEMENT FACILITIES, TIER TWO AND TIER THREE ARE THE LOWER CATEGORIES, TIER THREE ARE THOSE THAT WE PLAN ON REPLACING AND DISPOSING OF. WE ALSO SEEK TO RETURN INVESTMENT ON ALL THE INVESTMENTS WE PLAN TO DO, WHETHER THAT BE REPAIR MAINTENANCE OR UPGRADE, THAT INCLUDES ENERGY AND SUSTAINABILITY AND I'M PLEASED TO REPORT THAT WE HAVE AN OUTSTANDING TRACK RECORD ON OUR MAINTENANCE AND OPERATIONS STAFF OF KEEPING OUR UTILITY EXPENSES VERY STABLE OVER THE LAST FIVE YEARS AND I THINK OUR TEAM HAS WON SOME INTERNAL AND EXTERNAL AWARDS IN RECOGNITION RELATED TO THAT. IN MAINTENANCE AND OPERATION, WE TRY TO DO THE SAME THING IN STABILIZING OUR WORK LOAD AND COSTS. CREATING AN INCREASING QUALITY OF SPACE. AND AS WE INVEST AND REPLACE EQUIPMENT, WE NEED TO INVEST IN HIGHER QUALITY MATERIALS AND EQUIPMENT THAT'S MORE DURABLE, DECREASING THE FREQUENCY THAT WE NEED TO GO IN AND DO SOME REPAIR AND REPLACEMENT. THIS IS A VERY INTERESTING SLIDE THAT PAINTS A LARGE DEMOGRAPHIC PICTURE OF WHERE WE ARE WITH OUR CAPITAL PLAN OF OWNED BUILDINGS. 44% OF OUR BUILDINGS ARE 50 YEARS OLD AND OLDER, WHICH MEANS IF WE GO BACK TO MARK CAMPBELL'S PRESENTATION ABOUT SETTING ASIDE 2% OF THE VALUE OF THOSE BUILDINGS FOR REPLACEMENT PER YEAR, WE HAVE AN INCREASING AGE CONDITIONAL ISSUE WHICH I'LL QUANTIFY LATER IN THE SLIDE PRESENTATION WHERE WE HAVE MANY BUILDINGS THAT ARE REACHING THE END OF THEIR USEFUL LIFE CYCLE IN THE NEXT 25 YEARS. LIKewise WHEN WE LOOK AT THE PIE CHART ON THE RIGHT, THE BUILDING CONDITION INDEX, HALF OF OUR FACILITIES OR MORE ARE CONDITION TWO AND THREE, ONLY 49% ARE TIER ONE MEANING THEY'RE KIND OF IN THAT HIGHEST CATEGORY OF CONDITIONAL INDEX. SO THIS DOES PRESENT A DILEMMA IN TERMS OF REVENUE AND EXPENSES IN HOW WE CAPITALIZE AND GET AHEAD OF THIS CHALLENGE.

NEXT, I'LL TALK ABOUT OUR FY14 REVENUE. SO AS WE LOOK AT THE RECURRING REVENUE SOURCES THAT PRIMARILY COME FROM INTERNAL BUSINESS SERVICES THAT WE PROVIDE TO THE VARIOUS DEPARTMENTS, WE RECEIVE \$3.45 PER OWNED SQUARE FOOT FOR EITHER ASSET PRESERVATION OR FOR CAPITAL IMPROVEMENT TO OUR LOWER TIER BUILDINGS. I'VE BROKEN THAT DOWN INTO TWO CATEGORIES. ONE IS ALL THE CATEGORIES THAT WE OWN, EXCEPT FOR LIBRARIES AND BECAUSE OF THE LIBRARIES DISTRICT CREATION, I THOUGHT IT WOULD BE GOOD TO REFLECT THE CATEGORY OF MONEY WE HAVE SET ASIDE FOR LIBRARIES. SO WE HAVE A TOTAL OF \$6.7 MILLION FOR ALL COUNTY OWNED FACILITIES FOR TIER ONE, TWO, THREE, FOR REPAIR AND REPLACEMENT INVESTMENT, EXCEPT FOR LIBRARIES, AND THEN WE HAVE SLIGHTLY LESS THAN \$1 MILLION AVAILABLE FOR LIBRARIES IN FY14. IT'S ALSO IMPORTANT TO POINT OUT THAT 400,000 SQUARE FEET OF COUNTY-OCCUPIED FACILITIES ARE LEASED. THIS MONEY IS NOT SET ASIDE TO INVEST IN THOSE FACILITIES AND IT VARIES BY LEASE WHETHER WE HAVE INCLUDED IN THAT LEASE SOME NOMINAL AMOUNT OF ASSET PRESERVATION IN THAT LEASE OR WE'RE PAYING STRICTLY AS A PAY TO GO OPERATION MAINTENANCE UTILITY. FOR THE LEASES THAT WE'VE BEEN IN FOR 10 YEARS OR LONGER, THAT DOES PRESENT A CHALLENGE IN THAT SOME OF THE CONDITIONS HAVE KIND OF DEGRADED. SO I THINK WE HAVE SOME STRATEGIC DISCUSSIONS TO EITHER CONTINUE THOSE LEASES AND REINVESTMENT AND UPGRADE THE COST OF THOSE LEASES OR CONSIDER REPLACING SOME OF THAT BUILDINGS INTO A BETTER ASSET. THAT IS A PART OF THE NEXT FIVE YEARS OF OUR EVALUATION.

**Mr. Bowers:** I WANTED TO HIGHLIGHT SOME SPECIFIC LARGER PROJECTS THAT WE HAVE REQUESTED, SOME ONE TIME ONLY FUNDS FOR. SOME OF THESE ARE FACILITIES DIVISION INITIATIVES AND SOME OF THESE ARE INITIATIVES THAT WE ARE CARRYING ON FROM THE LAST COUPLE OF YEARS OF DECISIONS THAT THE COMMISSION HAS MADE. THE HEALTH DEPARTMENT HEADQUARTERS FACILITY, WHICH IS THE REPLACEMENT FOR THE McCOY BUILDING, IS RIGHT NEXT TO BUD CLARK COMMONS, ON THE OTHER SIDE OF THE BROADWAY BRIDGE. WE'RE ENTERING NOW A PHASE OF DESIGN WORK ON THAT PROJECT, HOPING TO BREAK GROUND BY ABOUT THIS TIME NEXT YEAR, A LITTLE BIT AFTER THAT. THE \$5.4 MILLION SET ASIDE FOR THAT SITE PLANNING, THAT EARLY START AND THE COMPLETION OF THAT DESIGN WORK THAT WE HAVE NEGOTIATED AND WE'RE WORKING ON WITH HOME FORWARD AND ZGF ARCHITECTS AT THE TABLE. THE SECOND PROJECT I'LL HIGHLIGHT IS A REPLACEMENT FOR THE MCSO SHERIFF'S OFFICE OUT OF THE HANSEN COMPLEX. WE'RE CURRENTLY EVALUATING ABOUT 11 OR 12 DIFFERENT SITES IN WHICH TO RELOCATE THE SHERIFF'S OFFICE. MY PLAN IS TO COME BACK TO THE BOARD AND THE SHERIFF BY THE END OF MAY OR EARLY JUNE WITH THE TOP THREE OPTIONS SO THAT WE CAN LOOK AT REPLACING HANSEN BY FIRST MOVING OUT THE SHERIFF'S OFFICE INTO A MORE SATISFACTORY FACILITY, AND THEN LOOKING AT WHAT'S THE HIGHEST AND BEST USE OF THAT 4.3 ACRES TO CANDIDATE COUNTY FACILITIES IN

THAT PRIOR SPACE AT HANSEN AFTER WE CERTAINLY DO SOME DEMOLITION AND REBUILDING AT THAT SITE, WHICH IS THE NEXT LAYER DOWN IS MONEY SET ASIDE FOR CONCEPT PLANNING AND REBUILDING AT THAT HANSEN SITE GETTING IT READY FOR THE NEXT COUNTY FACILITY AT THAT LOCATION. I ALSO WANT TO HIGHLIGHT --

**Commissioner Smith:** I'M SORRY, I THOUGHT THERE WAS \$3.2 MILLION SET ASIDE FOR MULTNOMAH COUNTY SHERIFF'S OFFICE?

**Mr. Bowers:** THERE'S \$1.2 MILLION SET ASIDE FOR RELOCATING THE SHERIFF'S OFFICE INTO A NEW LOCATION, IN ADDITION, THERE'S \$1 MILLION SET ASIDE FOR REBUILDING THE HANSEN SITE, THAT'S WHAT I HAVE FROM OUR BUDGET SUBMISSION.

**Commissioner Smith:** OKAY.

**Mr. Bowers:** WE'LL CHECK ON THAT WITH OUR STAFF JUST IN CASE WE HAVE THAT INCORRECT. FINALLY, THERE'S SOME SPECIFIC PROJECTS BASED ON A BUDGET NOTE THAT WAS DISCUSSED LAST YEAR THAT WE'VE TEED UP FOR FY14. PROJECTS THAT ARE EITHER SERIOUS DEFERRED MAINTENANCE OR RETURN ON INVESTMENT IN TERMS OF ENERGY AND THOSE TYPE OF REPAIRS. THOSE INCLUDE THE BOILER AND HVAC AT JUVENILE JUSTICE. THAT ALSO INCLUDES SOME MECHANICAL UPGRADES AT WALNUT PARK, INCLUDING THE KITCHEN AREA WHERE LOAVES AND FISHES CURRENTLY OCCUPIES OUT OF AND WE HAVE SOME SERIOUS VENTILATION REPLACEMENT WE'RE GOING TO BE DOING PROBABLY THIS SUMMER. FINALLY, I'M PLEASED TO SAY AFTER WE'VE DONE ALL OF THOSE DUE DILIGENCE PROJECTS WE HAVE A LITTLE BIT SET ASIDE FOR STUDYING THE NEXT ROUND OF FACILITIES THAT WE NEED TO INVEST AND REPLACE IN AS THE HIGHEST TIER THAT PROVIDE THE BEST OPPORTUNITY. SO ABOUT -- TIME AND EFFORT STUDYING THE NEXT HIGHEST CATEGORY OF REPLACEMENTS OR THE LOWEST TIER IN THE WORST CONDITION. FINALLY, THESE SHORT-TERM STRATEGIC RECAPITALIZATION OPPORTUNITIES DO PROVIDE LONG-TERM EFFICIENCY FOR THE COUNTY IN TERMS OF RETURN ON INVESTMENT, EITHER ENERGY, SUSTAINABILITY OR LOWER OPERATION AND MAINTENANCE COSTS.

**Commissioner Kafoury:** AND I JUST WANT TO MAKE SOMETHING CLEAR BECAUSE IT WASN'T CLEAR TO ME THIS MORNING SO WE ASKED THE FABULOUS JULIE NEBURKA. THERE IS ALSO MONEY, ONE TIME ONLY, SET ASIDE FROM LAST YEAR FOR THE DOWNTOWN COURTHOUSE PROJECT AND SO THAT WHILE THAT'S NOT REFLECTED IN THIS BECAUSE IT WAS SET ASIDE IN LAST YEAR'S BUDGET, IT'S STILL THERE, IT DIDN'T GO AWAY. I WANTED TO MAKE SURE EVERYBODY KNOWS.

**Ms. Neburka:** THANK YOU.



**Mr. Bowers:** ON THE NEXT SLIDE, ONE THING THAT'S VERY INTERESTING IS THAT THE AVERAGE LIFE CYCLE OF OUR BUILDINGS AND STRUCTURES APPROACHES 75 YEARS. MANY OF OUR COUNTY BUILDINGS ARE OLDER THAN 75 YEARS. THE COURTHOUSE BEING ONE OF THOSE. UNLIKE OTHER ASSETS REPLACEMENT WHERE THERE'S CLOSER TERM OPPORTUNITIES TO REPLACE THOSE AGING ASSETS, THIS REALLY MEANS THAT WE NEED TO BE EXTREMELY DELIBERATE IN LOCATING, REPLACING AND DOING OUR DUE DILIGENCE IS UP FRONT BECAUSE WE'RE GOING TO BE THE CARE TAKER OF THESE FACILITIES FOR 50 TO 75 YEARS, SO THE QUALITY THAT WE CONSTRUCT, THE SUSTAINABILITY, THE LOWER MAINTENANCE ASPECTS TO IT ARE EXTREMELY IMPORTANT AS WELL AS THE FLEXIBLE NATURE OF THOSE BUILDINGS BECAUSE WE MAY NOT HAVE THE SAME FUNCTION OR DEPARTMENT RESIDING IN THAT BUILDING FOR 75 YEARS. CHANCES ARE EVERY 10 OR 12 YEARS THERE MAY BE A DIFFERENT FUNCTION AS WE ADAPT TO OUR DEMOGRAPHICS. OKAY.

RATHER THAN PRESENT TO THE BOARD THE ENTIRE LIST OF PROJECTS, WHICH IS ACTUALLY IN THE BOARD PACKET, WHAT I THOUGHT I WOULD DO IS LIST THE HIGHLIGHTS OF THE TOP 11 PROJECTS IN TERMS OF SIZE AND DOLLAR VALUE. JUST AS A QUICK SNAP SHOT. SO WE'RE GOING TO BE DOING JUSTICE CENTER PLUMBING AND REPAIRS, PROJECTS THAT CANNOT BE DEFERRED VERY MUCH LONGER AS WE SEEK TO REPLACE THE COURTHOUSE. FIRE PANEL CODE REQUIREMENTS IN MANY BUILDINGS, ALONG WITH SOME SPRINKLER WORK, THE MEAD BUILDING INTERIOR UPGRADES ARE PLANNED FOR THIS UPCOMING YEAR. THE LARGE ROOF ON THE LIBRARY IS DUE FOR REPLACEMENT. WALNUT PARK MECHANICAL, I MENTIONED THAT EARLIER, WE'RE ADDING SOME EXTRA MONEY TO THE ONE TIME ONLY MONEY TO CONTINUE TO REPLACE WALNUT PARK MECHANICAL. WE HAVE TWO LIBRARIES WITH SOME INTERIOR AND EXTERIOR REPAIRS, CENTRAL LIBRARY AND GRESHAM LIBRARY. THIS BUILDING, MULTNOMAH BUILDING HAS SOME LEAKS WE WANT TO GET ON TOP OF BEFORE THEY BECOME SERIOUS LEAKS ON THE OUTSIDE OF THE BUILDING. THE ROOF REPLACEMENT AND THE E SIDE EXTERIOR REQUIRES SOME WORK, WHICH WILL INVOLVE SOME SCAFFOLDING ON THE OUTSIDE OF THE BUILDING. WE HAVE A DETENTION ELECTRONICS PROJECTS THAT'S CARRIED OVER FROM LAST FISCAL YEAR, JUVENILE JUSTICE AND MCIJ, THIS IS ABOUT A \$1.7 MILLION LIFE CYCLE COMPLETE DETENTION ELECTRONICS UPGRADE AND IN THIS BUILDING AGAIN WE HAVE AIR CONDITIONING AND MECHANICAL WORK WE'LL BE DOING ON TOP OF THE ELEVATOR WORK WE'RE ABOUT TO WRAP UP THIS SUMMER. AND IF THERE'S ANY QUESTIONS ON THESE PROJECTS OR WHAT'S IN THE PACKET I WOULD BE HAPPY TO ANSWER THEM. OTHERWISE, I'LL CONTINUE. OKAY. AND QUICKLY I WILL KIND OF END WITH A HANDFUL OF OUR LARGER PROJECTS, INCLUDING THE COURTHOUSE AND OUR SEISMIC RESPONSIBILITY, PER THE BOARD RESOLUTION THAT WAS REFERENCED EARLIER.

MY DIVISION AND TRANSPORTATION ARE REQUIRED TO DISCUSS OUR SEISMIC RISK IN TERMS OF OUR STRUCTURES AND THE NEXT SLIDE WILL KIND OF GIVE YOU A SNAP SHOT. ON A GOOD NOTE ALSO, OUR SEISMIC LIABILITY HAS BEEN REDUCED FROM \$204 MILLION DOWN TO ABOUT TWO -- I'M SORRY FROM \$209 MILLION TO \$204 MILLION BECAUSE WE REPLACED THE EAST -- WE ADDED THE EAST COUNTY COURTHOUSE AND REPLACED OF THE KENNEDY BUILDING. LIKEWISE WE HAVE A GREAT OPPORTUNITY OVER THE NEXT FIVE YEARS TO DECREASE THIS LIABILITY EVEN FURTHER IF WE REPLACE THE DOWNTOWN COURTHOUSE AND WE CONTINUE DOWN THE PATH OF REPLACING THE McCOY BUILDING THAT PROVIDES US \$70 MILLION APPROXIMATE REDUCTION IN THE OVERALL LIABILITY FIGURE BY THOSE TWO BUILDINGS ALONE. SO I THINK THE GOOD NEWS IS WE'RE HEADED DOWN THE RIGHT PATH AND WE HAVE NOT COMMISSIONER SMITH IN RESPONSE TO YOUR QUESTION AS A TRANSPORTATION DIVISION, WE HAVEN'T DONE A SUPER DETAILED SEISMIC EVALUATION OF ANY SPECIFIC BUILDING. THE WAY WE'RE APPROACHING IT AS WE ELECT TO DO A COMPLETE REHABILITATION OF SOME OF THESE BUILDINGS AT THE RIGHT TIME, WE'LL GO IN AND DO A VERY SEISMIC STRUCTURAL EVALUATION TO DETERMINE WHETHER WE REHABILITATE THAT TO A 9.0, 8.0 OR 7.0. THESE ARE BASED ON A 2009 EVALUATION, WHICH IS VERY GLOBAL, VERY PARAMETRIC WITHOUT ANY DETAILED STRUCTURAL ENGINEERING INVOLVED. WITH RESPECT --

**Vice-Chair Shiprack:** EXCUSE ME. JUMPING IN, I REALLY AM CURIOUS ABOUT HOW YOU QUANTIFY WHAT THE FORMULA IS TO QUANTIFY SEISMIC LIABILITY AND SO I GUESS THE NUMBER, THERE ARE TWO NUMBERS THAT JUMP OUT AT ME HERE. ONE OF THEM IS THE MULTNOMAH BUILDING, TIER ONE BUILDING THAT HAS A RELATIVELY HIGH SEISMIC LIABILITY SEEMS TO ME FOR A TIER ONE BUILDING AND THE OTHER IS THE JUSTICE CENTER WHICH SEEMS TO HAVE A VERY HIGH SEISMIC LIABILITY TO MULTNOMAH COUNTY CONSIDERING THAT WE ONLY OWN BY THAT CONDO COMPLEX CONDO AGREEMENT AT THE JUSTICE CENTER A PORTION OF THE ENTIRE BUILDING. CAN YOU ELABORATE ON THAT FORMULA? IS THIS LIFE? THE RISK OF LOSS OF LIFE OR THE RISK OF PROPERTY?

**Mr. Bowers:** HOW THESE ESTIMATES ARE CREATED IS SEISMIC EXPERTS HAVE A REPERTOIRE OF INFORMATION BASED ON HOW MUCH IT COST TO REPAIR OR SEISMICALLY UPGRADE A SIMILAR FACILITY IN ANOTHER LOCATION, IT COULD BE CALIFORNIA, IT COULD BE WASHINGTON, IT COULD BE SOMEWHERE ELSE IN OREGON SO THEY COME UP WITH AN ESTIMATE OF THE SQUARE FOOT COST BASED ON AN AGE AND CONDITION OF A SIMILAR BUILDING BASED ON A NATIONAL DATABASE. IT COULD BE \$5 PER SQUARE FOOT ALL THE WAY UP TO \$100 PER SQUARE FOOT IF IT'S A REALLY OLD POORLY CONSTRUCTED BUILDING BASED ON CURRENT CODE STANDARDS. USUALLY, WHAT THAT MEANS IS THE OLDER BUILDING IS VERY EXPENSIVE, THE NEWER BUILDINGS, 1980s AND NEWER, BASED ON SOME SEISMIC CODES

IN PLACE IN THE '80s ARE GOING TO BE LESS EXPENSIVE. SO THE EXPERTS WE HAD IN 2009 DID THAT KIND OF EVALUATION. WHEN IT GETS TO THE JUSTICE CENTER, THAT'S A SERIOUS QUESTION WE NEED TO TACKLE WITH THE CITY OF PORTLAND IS THERE AN OPPORTUNITY IN THE NEXT, YOU KNOW, FIVE YEARS OR SO WHERE WE COULD PARTNER WITH THE CITY OF PORTLAND AND DO A COMPLETE UPGRADE OF THAT STRUCTURE TOGETHER WITH THE CITY OF PORTLAND, THAT DEGREE OF AN UPGRADE WOULD REQUIRE SOME PARTIAL OCCUPANCY, WE WOULD HAVE TO WORK WITH THE SHERIFF'S OFFICE AND CAN WE FLEX WITH ANOTHER JAIL OR CORRECTIONAL FACILITY SOMEWHERE OR DO WE CONSIDER REPLACING THAT BUILDING BECAUSE THE --

**Chair Cogen:** IS THAT \$40 MILLION OUR PORTION OF IT OR THE TOTAL LIABILITY FOR THE BUILDING?

**Mr. Bowers:** I BELIEVE THAT'S THE TOTAL LIABILITY FOR THE BUILDING BUT LET'S CHECK THAT. YES, THAT IS THE TOTAL LIABILITY.

**Vice-Chair Shiprack:** AND THIS IS A CONSTRUCTION COST TO UPGRADE LIABILITY? YES, THANK YOU.

**Mr. Bowers:** OKAY. PERFECT. NEXT SIDE --

**Commissioner Kafoury:** I HAVE A QUESTION, SORRY. ON THIS SLIDE AND ON ANOTHER SLIDE FURTHER BACK, WE HAVE SOME LIBRARY BUILDINGS ON HERE AS WE'VE JUST PASSED THE LIBRARY DISTRICT SO I'M WONDERING HOW THAT PLAYS OUT, I KNOW THERE'S PROBABLY DISCUSSIONS DOWN THE LINE, ARE WE PLANNING ON MAINTAINING THESE BUILDINGS FOR THE TIME BEING?

**Mr. Bowers:** FOR THE TIME BEING, TYPICALLY IT DOESN'T MAKE MUCH SENSE TO GO IN AND JUST DO A SEISMIC CONSTRUCTION PROJECT ALONE. USUALLY IN OUR BUSINESS WE TRY TO COME IN AND DO A COMPLETE REHABILITATION OF THE BUILDING BECAUSE THE SEISMIC IS QUITE DISRUPTIVE TO THE BUILDING. WE WOULD DISCUSS IS THERE AN OPPORTUNITY TO GO BACK AND REHABILITATE THAT BUILDING, DO SOME SEISMIC EVALUATION AT THE SAME TIME WE'RE DOING OTHER WORK? THE OTHER RISK DECISION IS TO WHAT DEGREE DO WE DO A SEISMIC RENOVATION? DO WE THINK OUR RISK IN THE LIBRARY NEEDS TO BE A 9.0 EARTHQUAKE, AN 8.0, A 7.0 EARTHQUAKE, TO SOME DEGREE THAT BECOMES AN AFFORDABILITY RISK FACTOR. AS BRIAN VINCENT MENTIONED, THE COST COULD BE INCREDIBLY DIFFERENT BETWEEN AN SEVEN OUT PEER EARTHQUAKE STANDARD OR MAYBE A 9.0. TYPICALLY THAT IS PRETTY EXPONENTIAL.

**Commissioner Kafoury:** I GUESS MY QUESTION IS SINCE LIBRARY DISTRICT IS

IN EFFECT NOW, HOW THAT IMPACTS OUR -- THE DIFFERENT BUILDINGS BEING LISTED ON THIS LIST AND ON OTHER --

**Chair Cogen:** ONE THING I WOULD SAY IS THAT THERE IS A CONVERSATION THAT IS JUST GETTING UNDERWAY. IF YOU REMEMBER WHEN WE DID THE IGA TO SET UP THE LIBRARY DISTRICT, WE PUT ASIDE SOME QUESTIONS THAT WE WOULD NEED TO ADDRESS, ONE OF WHICH IS WHO EVENTUALLY OWNS THE BUILDINGS? AND THAT'S BEING STUDIED. AND THERE'S NO ANSWER BUT I KNOW THERE ARE SOME WHO THINK IT MAKES SENSE FOR THE LIBRARY DISTRICT TO OWN THE BUILDINGS AND IF THAT IS THE CONCLUSION, THEN THE LIBRARY DISTRICT WOULD OWN THAT PART OF THE LIABILITY, AS WELL. BUT MY UNDERSTANDING IS THAT QUESTION IS SUPPOSED TO BE PART OF AN ONGOING CONVERSATION THAT WILL BE ANSWERED SOMETIME IN THE NEXT YEAR OR SO.

**Commissioner Kafoury:** SO I GUESS SOMETHING FOR THE CENTRAL LIBRARY BUT WE HAVE LIBRARIES LOCATED ON A DIFFERENT -- THE MIDLAND LIBRARY ROOF, ARE WE GOING TO SAVE OUR RECEIPTS SO THAT SHOULD THEY TAKE OVER NEXT YEAR AND WE GIVE THEM THE BUILDINGS?

**Chair Cogen:** I LIKE THAT IDEA. [ LAUGHTER ]

**Commissioner Kafoury:** I SEE THE CONVERSATION CONTINUING. THANK YOU. I'LL ANSWER MY OWN QUESTION.

**Mr. Bowers:** THE NEXT SLIDE KIND OF QUANTIFIES THE LIFE CYCLE CHALLENGE WE'RE GOING TO FACE FROM 2017 TO 2036 IN THAT WE HAVE MANY BUILDINGS AND SYSTEMS THAT ARE REACHING THE END OF THEIR USEFUL LIFE. THE RED LINE I HAVE HIGHLIGHTED ON THAT SCREEN REPRESENTS THE RECURRING REVENUE STREAM ABSENT ONE TIME ONLY MONEY AND ABSENT PERHAPS SOME NEGOTIATED AGREEMENTS WITH PRIVATE SECTOR OR A DEVELOPER AND A OR THE PORTLAND DEVELOPMENT COMMISSION OR OTHER JURISDICTIONS SO WE HAVE A FACTOR OF TWO TO THREE DIFFERENCE BETWEEN THE REVENUE STREAM THAT'S RECURRING EVERY YEAR VERSUS WHAT SOME OF THE POTENTIAL NEEDS ARE IN THE NEXT DECADE. SO HOW WE STRUCTURE OUR STRATEGIC PLAN TO TACKLE SOME OF THESE AND GET INTO MORE EFFICIENT BUILDINGS IS GOING TO BE EXTREMELY IMPORTANT. I'LL PROBABLY LEAVE IT AT THAT NOTE THERE.

**Commissioner Smith:** MIKE.

**Mr. Bowers:** PRB, THE LITTLE RED LINE ANNOTATION MEANS PLANT REPLACEMENT VALUE. SO OUR CURRENT FUNDING STREAM IS .7% PLANT REPLACEMENT VALUE, THE POLICY MARK CAMPBELL ARTICULATED IS WE SHOULD BE ABOUT 2% SET ASIDE FOR OUR PLANT REPLACEMENT VALUE.

**Chair Cogen:** I WOULD BE INTERESTED IN -- BECAUSE THE COURTHOUSE, THE DOWNTOWN COURTHOUSE IS A HUGE REQUIREMENT FOR US IN TERMS OF ONGOING MAINTENANCE AND ALSO EXISTING LIABILITIES AND IF WE ARE SUCCESSFUL IN REPLACING THAT, IT WILL BE OVERWHELMINGLY WITH ONE TIME ONLY FUNDS THAT WE'VE BEEN PUTTING TOGETHER HOPEFULLY, WITH OUR PARTNERS AT THE STATE. I'M WONDERING WHAT THESE NUMBERS WOULD LOOK LIKE IF THAT BUILDING WAS TAKEN CARE OF.

**Mr. Bowers:** THIS REPRESENTS ABOUT A \$500 MILLION LIABILITY ACROSS THAT CURVE, THE COURTHOUSE IS ABOUT A \$200 MILLION REPLACEMENT LIABILITY. SO THAT WOULD TAKE CARE OF ABOUT 40% OF THAT ISSUE OVER THE NEXT 25 YEARS.

**Chair Cogen:** IF YOU COULD ASK SOMEONE TO REDO THIS WITH THAT IN MIND, IT WOULD BE VERY INFORMATIVE FOR US ABOUT HOW IMPORTANT THAT CENTRAL COURTHOUSE IS TO OUR OVERALL FACILITIES NEEDS.

**Commissioner Smith:** RIGHT AND MICHAEL, GOING BACK TO THAT RED LINE, DO WE HAVE A LIST OF THE BUILDINGS THAT ARE BELOW THAT RED LINE SO WE CAN SEE WHAT IT LOOKS LIKE?

**Mr. Bowers:** WE DO. IT'S INTERESTING, COMMISSIONER SMITH, THAT YOU MENTIONED THAT. OVER THE NEXT SIX MONTHS WE'RE GOING TO DO A BUSINESS CASE ANALYSIS OF EVERY BUILDING THAT THE COUNTY OWNS AND WE'LL MAKE A LINE DETERMINATION OF WHICH ONES WE SHOULD CONSIDER AS POTENTIAL REPLACEMENTS AND SERIOUS LIFE CYCLE ISSUES VERSUS ONES THAT FIT BELOW THE LINE AND WE'RE KIND OF OKAY WITH THOSE BUILDINGS.

**Commissioner Smith:** YOU HAVE SOME KIND OF IDEA OF WHO'S BELOW THAT LINE RIGHT NOW RIGHT?

**Mr. Bowers:** I HAVE A VERY GLOBAL IDEA. I COULD PROVIDE YOU THAT LIST BASED ON MR. JOHN LINDENTHAL'S CAPITAL FORECAST IF YOU WOULD LIKE.

**Commissioner Smith:** CAN YOU MAKE SURE YOU WRITE THAT DOWN ABOUT GETTING THE BUILDINGS BELOW THE RED LINE? UNDER THE EXISTING PORTFOLIO REQUIREMENTS.

**Mr. Bowers:** SURE. OKAY. FINALLY, I WOULD LIKE TO MENTION ON THE NEXT SLIDE, SOME OF THE LARGEST CAPITAL PROJECTS THAT WILL INCLUDE THE DOWNTOWN COURTHOUSE AS COMMISSIONER KAFOURY MENTIONED EARLIER. WE HAVE THE HEALTH DEPARTMENT HEADQUARTERS UNDERWAY RIGHT NOW. THE DOWNTOWN COURTHOUSE WE'RE IN THE PROCESS EARLY THIS SUMMER OF SELECTING AN OWNER'S REPRESENTATIVE WILL HELP US

DEFINE THE SIZE, THE SCOPE, THE CONFIGURATION OF THE DOWNTOWN COURTHOUSE SO WE CAN START SOME EARLY DESIGNS NEXT YEAR THIS TIME AND SELECT THE BEST DESIGN. THE MORRISON BRIDGEHEAD AT THE WEST END OF MORRISON IS STILL ONGOING WITH THE DEVELOPMENT PARTNER. HANSEN REDEVELOPMENT I MENTIONED EARLIER AS WELL AS THE NEXT GROUP OF FACILITIES THAT WE'RE WORKING ON TRYING TO DETERMINE FOR RECAPITALIZATION. THE FINAL GOOD NEWS STORY IS THAT THE STAFF LEVEL WE'VE BEEN WORKING WITH THE CITY OF PORTLAND TO DEVELOP A JOINT SPACE EVALUATION AND A JOINT DEVELOPMENT OPPORTUNITY ANALYSIS, WHAT THAT MEANS IS THAT WE MAY HAVE A 5% VACANCY RATE IN OUR EXISTING SPACE. THE CITY OF PORTLAND MAY HAVE THE SAME THING. SOME OF THE CITY OF PORTLAND'S SITES AND LOCATIONS MAY BE PERFECT FOR THE COUNTY TO EXPAND IN AND REDUCE OUR FOOTPRINT. THE OTHER WAY MAY WORK FOR THE CITY.

**Mr. Bowers:** AS WE LOOK AT OUR PORTFOLIO AND DIVIDE UP AN ENTIRE MAP OF THE COUNTY IN TERMS OF THE CITY-OWNED REAL ESTATE, THE CITY-OWNED BUILDINGS, THE COUNTY-OWNED BUILDINGS AND REAL ESTATE WE'RE GOING TO DO AN OPPORTUNITY ANALYSIS THIS YEAR, AT LEAST THIS IS WHAT WE'VE PLANNED AT THE STAFF LEVEL TO LOOK WHERE IF WE WANT TO REPLACE ONE OF OUR BUILDINGS TEST HANSEN STATE OR ANOTHER SITE, MAYBE WE HAVE AN OPPORTUNITY TO BUILD 100,000-SQUARE-FOOT ONE STOP SHOP CAMPUS FOR OUR CONSTITUENTS VERSUS THREE OR FOUR SMALL 10,000-SQUARE-FOOT BUILDINGS. SO THAT'S THE OPPORTUNITY WE WANT TO ANALYSIS IS IN THE INTEREST OF THE TAXPAYER, CAN WE MUTUALLY PRODUCE OUR FOOTPRINT AS TWO OF THE LARGEST JURISDICTIONS IN THE METRO AREA, CREATE ECONOMIES OF SCALE AND STABILIZE OUR COST GROWTH AS WE SEE IN THE PREVIOUS SLIDE FOR BOTH JURISDICTIONS? NOT NECESSARILY LINKING UP AND JOINING FUNCTIONS BUT LOOKING AT CO-LOCATED FACILITIES AND COMPATIBLE FUNCTIONS SO THAT WE CAN KIND OF LOOK AT OPPORTUNITIES. THAT WOULD INCLUDE PERHAPS FLEET LOCATIONS, THAT WOULD INCLUDE PERHAPS, YOU KNOW, FUELING STATIONS AND SUPPORT FACILITIES.

THE CITY STAFF AND THE COUNTY STAFF ARE QUITE EXCITED THAT THIS TIME NEXT YEAR WE MAY DETERMINE SOME OPPORTUNITIES JUST WITHIN GOVERNMENT TO CONSOLIDATE AND DO THINGS MORE EFFICIENTLY. IT'S INTERESTING THAT AS WE STARTED LOOKING FOR THE SHERIFF'S OFFICE NEW LOCATION, WE HAVE OTHER JURISDICTIONS AROUND THE AREA THAT ARE INTERESTED IN DISCUSSING THESE OPPORTUNITIES LIKE GRESHAM, TROUTDALE, FAIRVIEW, THERE MAY BE SOME MULTIGOVERNMENT OPPORTUNITIES THAT PRESENT THEMSELVES, MAYBE AT THE EDGE OF AN ASPIRATIONAL GROWTH PATTERN FOR ONE OF OUR SMALL CITIES. SO WE'RE PRETTY EXCITED. THE CITY OF PORTLAND HAS EVEN NOTICED THEIR DEMOGRAPHIC SHIFT IN THE POPULATION THAT THEY NEED TO SERVE HAS ALSO SHIFTED EASTWARD. WE'RE GOING TO BE LOOKING HEAVILY AT SOME

GOOD OPPORTUNITIES HERE. I'M PRETTY EXCITED ABOUT THAT ONE IN PARTICULAR.

**Mr. Bowers:** AND THE FINAL SLIDE, SO IN SUMMARY, WE HAVE A STRATEGIC VISION THAT'S DRIVING OUR NEAR-TERM DECISIONS AND STUDIES SO THAT WE ARE KEEPING THE END IN MIND MORE OR LESS. WE HAVE A FIVE-YEAR PLAN, WHICH IS PRETTY ASSURED WHAT WE NEED TO DO, AT LEAST FOR SHORT-TERM ASSET REPAIR AND REPLACEMENT. WE'RE ALSO PACKAGING WORK AT THE STAFF LEVEL TO MAKE SURE THAT RATHER THAN SMALL PROJECTS, WE'RE TRYING TO DO LARGER PACKAGES OF WORK AND REDUCE THE WORK LOAD IN TERMS OF CONTRACTING AND FINANCING AND KIND OF LOOKING AT PROCESS EFFICIENCY IF YOU WILL. FINALLY, WE'RE SEEKING PARTNERSHIPS EVEN WITHIN THE COUNTY DEPARTMENTS WHEN WE COMPLETE THAT STUDY WITH THE CITY, EVEN IF THERE'S FEW OPPORTUNITIES BETWEEN THE CITY AND THE COUNTY THERE ARE GOING TO BE MANY MULTIDEPARTMENT OPPORTUNITIES I THINK JUST WITHIN THE COUNTY SO THERE'S A COUPLE OF DIFFERENT BENEFITS WE'LL SEE OUT OF THAT EVALUATION. AND WITH THAT I'LL ASK IF THERE'S ANY FURTHER QUESTIONS.

**Chair Cogen:** ADDITIONAL QUESTIONS?

**Commissioner Smith:** I HAVE A QUESTION. HOW IS THE PARTNERSHIP GOING WITH THE COUNTY AND THE CITY WITH THE FLEET?

**Mr. Bowers:** MY BOSS IS THERE.

**Ms. Swackhamer:** I CAN ADDRESS THAT. WE ARE IN OUR FIFTH HON AND FROM WHAT WE HAVE ENCOUNTERED, IT'S GOING VERY WELL. WE'RE LOOKING RIGHT NOW AT COST COMPARISONS. SO WE HAD ABOUT 125 OR SO CARS THAT WERE IDENTIFIED TO UTILIZE THE CITY FLEET ENVIRONMENT. SO WE'RE LOOKING AT WHAT WERE THE CHARGES OVER THAT TIME, WHAT WERE THE COMPARISONS OF WHAT THEY WOULD HAVE BEEN IN OUR ENVIRONMENT. BUT IT'S GOING VERY WELL. I RECENTLY MET WITH THE CITY AND THEY ARE INTERESTED IN CONTINUING OUR ALLIANCE. THEY'RE ACTUALLY INTERESTED IN LOOKING AT A BROADER, MORE -- BROADER GOVERNMENTAL ALLIANCE, REGIONAL IS THE WORD I'M LOOKING FOR, THAT POTENTIALLY BROADENING THEIR FLEET ORGANIZATION TO BE A REGIONAL HUB OF EXCELLENCE FOR FLEET MAINTENANCE AND SO WE'RE TALKING ABOUT WHAT THAT MIGHT MEAN.

**Commissioner Smith:** SO WITH THE NEW STREAMLINING, I NOTICED YOU HAD \$1.2 MILLION IN ONE TIME ONLY MONEY FOR NEW FLEET CARS OVER THE NEXT 30 YEARS. SO WITH THAT NEW STREAMLINING DO YOU THINK THAT WE NEED TO SPEND THAT AMOUNT OF MONEY ON NEW CARS IF WE'RE GOING IN ONE DIRECTION?

**Ms. Swackhamer:** SO THAT ONE TIME ONLY MONEY WHICH WE WILL TALK SPECIFICALLY ABOUT IN OUR NEXT BUDGET PRESENTATION IS REALLY ABOUT GETTING OUR FLEET TO THE RIGHT PLACE. WE HAVE 90 CARS THAT ARE VERY OLD THAT ARE STILL IN USE, THAT FOR VARIOUS REASONS WERE NOT REPLACED AT THE RIGHT TIMES. SO NO MATTER WHO'S DOING OUR FLEET MAINTENANCE WE NEED THOSE CARS TO BE UPGRADED AND THIS GIVES US THE OPPORTUNITY TO CONTINUE OUR ONGOING REPLACEMENT BUT ADD OVER THREE YEARS 30 CARS EACH YEAR THAT ARE WAY OVERDUE.

**Commissioner Smith:** SO WE WON'T TAKE OVER ANY OF THE CITY OF PORTLAND'S CARS AT ALL? WE WON'T USE THOSE?

**Ms. Swackhamer:** NO, BECAUSE THESE ARE FLEET CARS, NOT NECESSARILY MOTOR POOL CARS, ALTHOUGH THEY ARE SERVICING OUR MOTOR POOL. AS WE LOOK AT WHAT WILL HAPPEN TO THE DOWNTOWN MOTOR POOL SITE, WITH THE SALE OF THE MORRISON BRIDGEHEAD, WE HAVE A PROJECT AGAIN THAT WE'LL TALK ABOUT IN A COUPLE OF WEEKS BUT WE HAVE A PROJECT LOOKING AT WHAT ARE OUR DOWNTOWN TRANSPORTATION NEEDS, NOT HOW DO WE REPLACE THE SPACE AT THE BRIDGEHEAD BUT WHAT DO WE REALLY NEED, HOW MANY CARS DO WE NEED, WHERE DO THEY NEED TO BE LOCATED WITH THE MOVEMENT OF McCOY TO THE STAFF AT McCOY TO THE BLOCK AND THE NEW HEADQUARTERS BUILDING, THAT HAS SOME IMPACT. SO WE'RE REALLY TRYING TO TAKE A STEP BACK AND LOOK AT WHAT REALLY ARE OUR TRANSPORTATION NEEDS, AND THEN WE'LL BE TALKING TO THE CITY ABOUT ARE THERE SYNERGIES AROUND THOSE NEEDS.

**Commissioner Smith:** AND THAT'S THE POINT I'M TRYING TO MAKE IS WE'RE GOING TO BE MAKING SOME MOVES, THAT PIECE IN THE BUDGET STUCK OUT TO ME. THANK YOU.

**Ms. Swackhamer:** OKAY. SHERRY SWACKHAMER AGAIN. AND I'LL BE TALKING TO YOU ALONG WITH TRACEY MASSEY ABOUT THE CAPITAL PLAN FOR INFORMATION TECHNOLOGY FOR FY2013. BRIEFLY A REMINDER OF OUR MISSION AND VISION. WE USE THESE TO GUIDE THE WORK THAT WE DO EVERY DAY. ALSO, WE WANT TO TALK ABOUT THE SOURCES OF REVENUE FOR I.T. CAPITAL. WE HAVE IN THE PAST HAD REVENUE FROM FULL FAITH AND CREDIT OBLIGATIONS. WE RECEIVED ONE TIME ONLY FUNDING. WE GET REVENUE FROM INTERNAL SERVICE RATES, AND THEN EXTERNAL SOURCES SUCH AS GRANTS. PREVIOUSLY WE DID HAVE FULL FAITH AND CREDIT OBLIGATIONS FUNDING TWO LARGE PROJECTS. THE PROCEEDS FROM THOSE HAVE BEEN SPENT 100% WITHIN THE GUIDELINES OF THE BONDS. FY14 WILL BE OUR FOURTH YEAR OF REPLACEMENT IN A SEVEN-YEAR REPLACEMENT CYCLE AND THEY'RE BEING REPAID THROUGH INTERNAL SERVICE RATES. WE ARE PROPOSING THREE PROGRAM OFFERS FOR I.T. CAPITAL. THE FIRST IS A RECONSIDERING PROGRAM OFFER I.T. INNOVATION AND INVESTMENT



FUNDING. WE HAVE A NEW PROGRAM OFFER, I.T. CAPITAL REPLACEMENT FOR \$1 MILLION, AND THEN A RECURRING PROGRAM OFFER FOR ASSET REPLACEMENT OF \$2.5 MILLION. FOR A TOTAL OF \$8.6 MILLION, IF I DID MY MATH CORRECTLY, AND WE'LL TALK MORE ABOUT THAT. THIS PIE CHART BREAKS OUT THOSE PROGRAM OFFERS IN MORE DETAIL. AGAIN, THE I.T. CAPITAL REPLACEMENT OF \$1 MILLION, ASSET REPLACEMENT OF \$2.5 MILLION. THE REMAINING PROGRAM OFFER IS BROKEN UP INTO \$2.2 MILLION FOR WHAT HAS PREVIOUSLY BEEN REFERRED TO AS ONE OF OUR MODERNIZATION PROJECTS BUT THE ONE THAT'S LEFT IS OUR NETWORK CONVERGENCE PROJECT AND WE'LL TALK ABOUT THAT IN MORE DETAIL. WE HAVE ABOUT \$700,000 IN NEW PROJECTS THAT WE HOPE TO START IN 2014, AND THEN WE HAVE \$2.7 MILLION IN PROJECTS THAT WILL CONTINUE ON INTO 2014. AND THEN I'LL ALSO IDENTIFY HERE THE SAP LIFE CYCLE ANALYSIS PROJECT OF \$500,000.

**Ms. Swackhamer:** AS WE START LOOKING AT I.T. FROM A CAPITAL PLANNING PERSPECTIVE AND DOING IT MORE IN LINE WITH HOW WE LOOK AT TRANSPORTATION AND FACILITIES, SAP IS ONE OF OUR MOST IMPORTANT SYSTEMS, ONE OF OUR MOST COMPLEX AND EXPENSIVE SYSTEMS AND WE FEEL WITH ALL THE CHANGES IN TECHNOLOGY AND SOME OF THE ISSUES WE'RE HAVING IN RECRUITMENT, IN RECRUITING SUPPORT FOR THAT SYSTEM, AND BECAUSE OF THE AGE OF THAT SYSTEM, IT'S TIME REALLY FOR US TO TAKE A STEP BACK AND LOOK AT WHAT IT IS RIGHT THING FOR US TO DO FROM A LIFE CYCLE PERSPECTIVE? SO FIRST I'LL START WITH A FEW OF THE PROJECTS THAT HAVE BEEN COMPLETED IN 2013 OR ARE SCHEDULED TO BE COMPLETED BY THE END OF 2013. TWO IMPORTANT PROJECTS FOR THE HEALTH DEPARTMENT, WE'VE IMPLEMENTED ELECTRONIC HEALTH RECORDS FOR CORRECTIONS HEALTH. THIS IS THE PEOPLE ON THE BOTTOM WITH THEIR ARMS UP CHEERING ARE OUR CORRECTIONS HEALTH STAFF ACTUALLY. VERY HAPPY TO FINALLY BE FINISHED WITH ALL THEIR PAPER AND HAVE A SYSTEM THAT CAN SUPPORT THE WORK THEY DO IN AN EFFECTIVE WAY.

WE'VE ALSO IMPLEMENTED AN ELECTRIC DENTAL HEALTH RECORD. THE PICTURE ON THE RIGHT IS ACTUALLY THAT SYSTEM IN ONE OF OUR DENTAL CLINICS. YOU MAY HAVE HEARD ABOUT OUR NEW LIBRARY WEBSITE THAT'S GETTING RAVE REVIEWS FROM OUR CITIZENS AND NATIONALLY. THIS WAS THE FIRST SYSTEM THAT WE IMPLEMENTED REALLY WITH MOBILITY IN MIND. SO IT IS, IN FACT, A MOBILE APP. WE'LL BE IN 2014 REDESIGNING OUR ENTIRE EXTERNAL WEBSITE USING THE SAME TECHNOLOGY TO BE MOBILE OR MORE MOBILE FRIENDLY. AND WITH THAT WEBSITE REDESIGN, WE WILL BE USING THE EQUITY LENS REALLY FOR THE FIRST TIME IN A LARGE I.T. PROJECT. SO THAT'S ALSO EXCITING. THE LAST TWO PROJECTS WERE PUBLIC SAFETY RELATED, IMPLEMENTING WHAT WE TERM ISOLATED ENVIRONMENTS THAT FOR DCJ AND FOR THE SHERIFF SO THAT THEY ARE MORE SECURE IN AND LINE WITH THE FEDERAL REQUIREMENTS FOR SECURITY FOR THEM. AND

YOU'LL BE HEARING TOMORROW ABOUT THE TEAM THAT IMPLEMENTED THE SHERIFF'S OFFICE BECAUSE I BELIEVE THEY WON AN AWARD. SO WE TALKED ABOUT THE PROJECTS YOU SAW ON THE PIE CHART, AN AMOUNT FOR PROJECTS THAT WILL BE MOVING FORWARD FROM 2013 TO 2014. I BELIEVE YOU ARE ALL AWARE OF THE NEW COUNTYWIDE BUDGET SYSTEM THAT WE'RE IMPLEMENTING AND THAT WILL BE USED FOR THE FIRST TIME IN 2015.

**Commissioner Kafoury:** SO THESE PROJECTS BECAUSE THEY'RE IN PROCESS ARE NOT ON THAT PRIOR SLIDE WHERE IT SAID I.T. PROGRAM OFFERS?

**Ms. Swackhamer:** NO, THEY ARE.

**Commissioner Kafoury:** THEY ARE?

**Ms. Swackhamer:** IN THE FIRST PROGRAM OFFER.

**Commissioner Kafoury:** I.T. INNOVATION AND INVESTMENT FUNDING?

**Ms. Swackhamer:** YES. EXCUSE ME. WE'RE IMPLEMENTING A CONTENT MANAGEMENT SYSTEM, A PILOT FOR DCJ TO ALLOW THEIR MOBILITY PROJECT. THE PEOPLE WHO ARE INVOLVED IN THEIR MOBILITY PROJECT TO HAVE ACCESS TO THE SYSTEMS THAT THEY NEED IN A MORE SECURE WAY. WE ALSO HAVE A NUMBER OF PROJECTS THAT WE HAVE LINED UP FOR SAP ENHANCEMENTS. WE'VE TALKED ABOUT SOME OF THEM IN THE PAST, BUT SOME OF THEM ARE NOW UNDERWAY. UP IN THE RIGHT-HAND CORNER YOU WILL SEE A TIME SHEET AND THAT IS THE E-TIMESHEET PROGRAM. THE PILOT IS UNDERWAY. WE EXPECT THE DCA AND DCM MANAGEMENT TEAM TO BE USING THAT SYSTEM THIS SUMMER AND THEN AS THAT PILOT IS STABILIZED, WE'LL HAVE A PLAN TO ROLL OUT FIRST TO MANAGEMENT, AND THEN A MORE COMPLEX PLAN TO HOPEFULLY ROLL OUT TO ALL THE STAFF. AS MICHAEL IS LOOKING AT HOW TO ENHANCE PROCESSES AND PROCEDURES WITHIN THE FACILITIES REALM, HE WILL BE WORKING WITH HIS I.T. COUNTERPART TO REALLY LOOK AT WHAT SYSTEMS DO WE NEED TO MAKE THOSE NEW PROCESSES WORK?

AND THEN FINALLY A PROJECT AGAIN THAT'S BEEN UNDERWAY FOR SOME TIME BUT WE'LL START IMPLEMENTATION THIS SUMMER IS OUR NETWORK CONVERGENCE PROJECT OR THE REPLACEMENT OF ALL OUR OLD PHONE SYSTEMS. WE HOPE TO HAVE THE FIRST PILOT IMPLEMENTED IN JULY OF THIS YEAR, 2013. AND THAT WILL BE I.T., WE'LL BE THE GUINEA PIGS. THE FIRST BUILDING TO GO LIVE ON THE PLATFORM WILL BE THE MULTNOMAH BUILDING, AND THEN WE HAVE OTHERS LINED UP AFTER THAT. THE FIRST FOUR ARE MULTNOMAH, THE MEAD BUILDING, THE LINCOLN BUILDING, AND THE WOODSTOCK LIBRARY. AND THE PICTURE ON THE RIGHT IS WHAT YOUR IPHONE WILL LOOK LIKE USING THE NEW SYSTEM. SHOULD YOU CHOOSE TO HAVE YOUR CALLS ROUTED THERE. WE ALSO HAVE SOME OTHER STRATEGIC

PROJECTS IN PROCESS. AND I WANT TO HIGHLIGHT THEM BECAUSE YOU'LL SEE IN TRACEY'S PRESENTATION THAT WE DO HUNDREDS OF PROJECTS EVERY YEAR. AND WE'RE REALLY WORKING WITH WHAT WE TERM THE I.T. ADVISORY BOARD OR THE OPS COUNCIL TO REALLY LOOK AT ALL THE PROJECTS THAT ARE GOING ON AND HOW THEY IMPACT EACH OTHER, BOTH THE CAPITAL PROJECTS THAT ARE BIG AND REQUIRE ADDITIONAL FUNDING AND THE PROJECTS THAT ARE FUNDED THROUGH INTERNAL SERVICE RATES. SO FOUR THAT I WOULD LIKE TO JUST HIGHLIGHT ARE OUR MOBILE DEVICE MANAGEMENT PILOT WITH THE DEPARTMENT OF COMMUNITY JUSTICE. YOU HEARD ABOUT THE NEED FOR THIS IN OUR RECENT CELL PHONE AUDIT. WE HAVE, IN FACT, SELECTED A SYSTEM AND THAT PILOT IS UNDERWAY TO IMPLEMENT THE SYSTEM. IT WILL BE USED TO SECURE ALL OF OUR MOBILE DEVICES, BOTH SMART PHONES AND TABLETS.

**Ms. Swackhamer:** IF YOU'VE BEEN READING THE WEDNESDAY WIRE, YOU'VE SEEN PERIODIC UPDATES ABOUT OUR WINDOWS AND OFFICE 2007 UPGRADES. THAT IS UNDER WAY IN THE LIBRARIES RIGHT NOW AND SHOULD BE COMPLETED BY THE END OF THIS CALENDAR YEAR. ALSO, A NEW CASE MANAGEMENT SYSTEM FOR THE DEPARTMENT OF HUMAN SERVICES, COUNTY HUMAN SERVICES. IT'S A SYSTEM THAT WE'RE DEVELOPING INTERNALLY TO REALLY CONSOLIDATE OVER 10 OF THEIR CASE MANAGEMENT TYPE SYSTEMS INTO ONE INTEGRATED SYSTEM, WHICH WILL BE A MAJOR IMPROVEMENT FOR THEM. AND THEN FINALLY, WE'RE DOING -- WE'LL BE COMPLETING A BIG UPGRADE FOR SAP ON THE WEEKEND OF JUNE 7th, WHICH WILL ALLOW US TO DO SOME OF THE OTHER PROJECTS THAT WE HAVE LINED UP. SO WE TALKED ABOUT AGAIN IN THE PIE CHART THE NEW PROJECTS THAT WE HOPE TO START IN 2014. THE FIRST ONE IS AN EXTENSION OF THE NEW MENTAL HEALTH SYSTEM THAT WAS IMPLEMENTED IN 2013. AND WE'VE IDENTIFIED \$175,000 IN ADDITIONAL FUNDING TO PROVIDE ADDITIONAL REPORTING FOR THEM AND ALSO TO ALLOW US TO DO SOME CUSTOMIZATION OF FORMS THAT WILL ALLOW ONE OF THEIR OTHER PROGRAMS TO GO LIVE ON THIS SYSTEM. AND THEN THE HEALTH DEPARTMENT IS IN NEED OF A SYSTEM TO HELP THEM BETTER MANAGE ALL OF THE APPROVALS AND MAINTENANCE OF THEIR POLICIES AND PROCEDURES WHICH ARE QUITE EXTENSIVE BUT WE FEEL THAT THE SYSTEM WILL ALSO ONCE IMPLEMENTED FOR THE HEALTH DEPARTMENT WILL BE USEFUL COUNTYWIDE. AND THERE ARE OTHER COUNTIES IN OREGON AND ACROSS THE COUNTRY WHO ARE USING THIS TO REALLY MANAGE THE APPROVAL AND MAINTENANCE OF THEIR POLICIES AND PROCEDURES. AND THEN WE'VE TALKED ABOUT LAST WEEK OR THE WEEK BEFORE HEALTHCARE TRANSFORMATION. WE ARE WORKING WITH HEALTH SHARE OREGON ON WHAT SYSTEMS NEED TO BE IMPLEMENTED AND WHAT TIMELINES, WE DON'T GET TO MAKE THOSE CHOICES BUT WE ARE WORKING CLOSELY WITH THEM.

THE NEW PROGRAM OFFER THAT I MENTIONED IS REALLY AGAIN OUR FIRST STEP IN LOOKING AT I.T. CAPITAL A LITTLE DIFFERENTLY AND MORE IN LINE

WITH HOW CAPITAL PLANNING OCCURS IN FACILITIES AND IN TRANSPORTATION, REALLY TAKING A LONG-TERM VIEW OF TECHNOLOGY. THE REASON THAT YOU MIGHT DO THAT FOR TECHNOLOGY IS A LITTLE BIT DIFFERENT THAN THE -- MOST SYSTEMS WILL NOT BE 75 YEARS OLD I HOPE, AT LEAST NOT IN THE FUTURE, IT FEELS LIKE SOME OF THE ONES WE RIGHT NOW MIGHT HAVE BEEN BUT I DON'T THINK THAT WILL BE THAT WAY IN THE FUTURE. BUT, YOU KNOW, A VENDOR MIGHT GO BANKRUPT AND WE MIGHT HAVE TO REPLACE A LARGE SYSTEM. TECHNOLOGY COULD BECOME OBSOLETE PROBABLY FASTER THAN 75 YEARS BUT IT CERTAINLY COULD BECOME OBSOLETE OR THE TECHNOLOGY NO LONGER MEETS YOUR BUSINESS NEEDS FOR FEDERAL LEGISLATION OR STATE LEGISLATIVE REASONS, YOUR BUSINESS IS CHANGING. SO THERE ARE A NUMBER OF REASONS WHY WE NEED TO TAKE A LONGER-TERM VIEW. WE ARE PROPOSING THAT ON AN ONGOING BASIS MUCH LIKE WE DO AGAIN FOR FACILITIES, CAPITAL, THAT WE HAVE A FUNDING SOURCE, WHAT WE'RE PROPOSING IS THAT WE FUND AT A MINIMUM A MILLION DOLLARS ANNUALLY FROM ONE TIME ONLY FUNDS TO SET UP THE CAPITAL PROGRAM FOR TECHNOLOGY. AND THEN WE'RE WORKING WITH THE OPS COUNCIL TO REALLY LOOK AT WHAT'S THE ROAD MAP FOR THAT, HOW MANY SYSTEMS DO WE HAVE, WHICH WE DO KNOW THAT, BUT WHICH ONES ARE MOST IMPORTANT FOR US TO LOOK AT? AND HOW OLD ARE THEY AND WHAT DO WE THINK, WHEN DO WE THINK THEY'RE NEXT IN LINE FOR REPLACEMENT? SO WE HOPE TO HAVE SOME SIMILAR SLIDES AS YOU SEE FROM MICHAEL TO LOOK AT OUR SYSTEMS THAT WAY.

**Vice-Chair Shiprack:** SO THERE'S AN IRONY FLAG THAT JUST WENT UP IN MY HEAD WHEN YOU SAID YOU WANT A MILLION DOLLARS ANNUALLY FROM ONE TIME ONLY FUNDS. COULD YOU JUST SORT OF DIAGRAM THAT SENTENCE FOR ME? BECAUSE THAT DOESN'T WORK.

**Ms. Swackhamer:** IF WE HAVE ONE TIME ONLY FUNDS AVAILABLE, WE WOULD REQUEST AT A MINIMUM A MILLION DOLLARS A YEAR TO GO INTO A FUNDING SOURCE FOR REPLACING TECHNOLOGY.

**Vice-Chair Shiprack:** WELL, AGAIN, YEAH, THAT SORT OF EXPLAINS WHY THAT RINGS OFF AN ALARM BUZZER IN MY HEAD BECAUSE ONE TIME ONLY IS A CATEGORY, I'M LOOKING AT KARYNE, HELP ME WITH THIS, ONE TIME ONLY TO ME SEEMS TO BE A CATEGORY THAT DEFIES THE EXPECTATION THAT YOU'RE PUTTING ON IT. AND I THINK THAT THERE IS A POLICY LURKING HERE SOMEWHERE THAT IS BEING GONE AROUND FOR LACK OF A BETTER VOCABULARY, SORRY, I'VE BEEN SITTING UP HERE FOR A LONG TIME, IN THIS MINIMUM FUNDING REQUEST OF \$1 MILLION ANNUALLY FROM ONE TIME ONLY FUNDS. SO I WOULD JUST SAY I DON'T WANT TO QUIBBLE -- I REALIZE IT SOUNDS QUIBBLE-Y, BUT I UNDERSTAND WHAT IT IS THAT YOU'RE REQUESTING, AND I THINK THAT IT IS A POOR FIT INTO WHAT WE CALL ONE TIME ONLY FUNDS AND I THINK THAT SOMEWHERE IN THAT QUIBBLE-Y

SOUNDING THING THAT I'M DOING TO YOU, POKE, POKE, POKE, IS A REAL POLICY STATEMENT ABOUT HOW WE CONDUCT OUR BUSINESS AS A BOARD.

**Chair Cogen:** I ACTUALLY COMPLETELY AGREE WITH COMMISSIONER SHIPRACK ABOUT THAT. AND I HAVE RECOMMENDED IN THE CONTEXT OF AN INDIVIDUAL BUDGET USING MONEY TO MAKE ONE TIME ONLY INVESTMENTS IN I.T. BUT I DON'T THINK IT'S A GOOD POLICY TO BE COUNTING ON ONE TIME ONLY DOLLARS ON AN ANNUAL BASIS. I THINK THAT RUNS COUNTER TO WHAT WE'VE BEEN TRYING TO DO WITH ONE TIME ONLY. I THINK THAT PARTICULAR PIECE OF IT REALLY NEEDS TO BE REENVISIONED.

**Commissioner Kafoury:** OKAY. MY QUESTION ABOUT IT IS -- I GUESS I'M A LITTLE CONFUSED ABOUT HOW IT'S DIFFERENT THAN ASSET REPLACEMENT. WHAT'S THE DIFFERENCE --

**Ms. Swackhamer:** SO ASSET REPLACEMENT AND WE CAN LOOK AT THAT SLIDE IF WE WANT TO, IS REALLY ONGOING UPGRADES TO SMALL ASSETS LIKE SERVERS AND LAPTOPS AND P.C.s AND IT'S A RECURRING REPLACEMENT PROCESS. AND ON THE SOFTWARE SIDE, IT'S THE ANNUAL LICENSE THAT WE PAY FOR DESKTOP SOFTWARE LIKE GOOGLE AND OFFICE AND THOSE KIND OF THINGS. SO WHAT WE'RE TRYING TO BUILD AND I'M HAPPY TO CONSIDER A DIFFERENT FUNDING SOURCE FOR IT IS THE REPLACEMENT OF LARGE SYSTEMS LIKE SAP.

**Chair Cogen:** AND I THINK -- MY 2 CENTS IS GIVEN THAT IS AN ONGOING NEED AND I DO THINK WE NEED TO IDENTIFY RESOURCES FOR IT, I THINK WE NEED TO IDENTIFY AN ONGOING RESOURCE FOR IT BECAUSE FRANKLY, WE'VE SPENT A LOT OF TIME GETTING AWAY FROM USING ONE-TIME ONLY DOLLARS AS A BACK DOOR WAY OF FUNDING ONGOING PROGRAMS. I'M NOT SUGGESTING WE SHOULDN'T BE INVESTING IN IT. I JUST FEEL LIKE GIVEN THE NATURE OF WHAT YOU'RE IDENTIFYING AS THE NEED, I DON'T THINK ONE-TIME ONLY DOLLARS IS THE WAY TO GO ABOUT IT.

**Vice-Chair Shiprack:** YOU SEE WHAT HAPPENS WHEN YOU TRY TO THINK CREATIVELY? [LAUGHTER]

**Ms. Swackhamer:** FEEDBACK IS A GIFT. SOMEONE TOLD ME THAT ONCE. [LAUGHTER] AND I BELIEVE IT. NO, I APPRECIATE YOUR INPUT.

**Commissioner Kafoury:** THE CAPITAL REPLACEMENT \$1 MILLION, IS IT -- HOW IS IT -- HOW DO YOU CHOOSE? DOES IT GO THROUGH ITAB TO FIGURE OUT WHICH PROJECT GETS FUNDED?

**Ms. Swackhamer:** YES. BUT IT WOULD -- YEAH, I BELIEVE, YOU KNOW, WHAT WE WOULD CONSIDER AS THE NORMAL GOVERNANCE PROCESS. I THINK WE'VE BEEN TALKING ABOUT OTHER WAYS TO UPDATE THE BOARD AND I

THINK, YOU KNOW, RIGHT NOW, WE DO IT ANNUALLY BUT WE COULD ALSO DO A BOARD BRIEFING MID-YEAR TO TELL YOU WHERE WE ARE AND WHAT PROJECTS ARE COMING UP. THAT WOULD GET YOU IN THE LOOP, TOO, KEEP YOU IN THE LOOP, TOO.

**Commissioner Smith:** JUST A COMMENT AND I'M NOT TRYING TO PILE ON, BUT MY SENSE WAS THAT THE INTERNAL SERVICES THAT WE PAY ARE SUPPOSED TO BE USED FOR THE UPKEEP OF SOFTWARE AND THOSE KINDS OF THINGS, THAT'S WHY WE'RE PAYING INTERNAL SERVICES ON AN ONGOING BASIS EVERY MONTH. SO I'M TRYING TO FIGURE OUT WHAT'S NEW AND DIFFERENT? WE'VE ALWAYS HAD SOFTWARE AND WE'VE ALWAYS HAD IT PAID FOR. I'M TRYING TO FIGURE OUT WHAT'S COME THROUGH THE PIKE. BUT WE CAN TALK ABOUT THIS LATER, BUT THE OTHER PIECE THAT'S MORE STRIKING TO ME IS KUDOS TO THE SAP PROGRAM. I KNOW IN THE PAST THAT WE'VE HAD BUDGET MODIFICATIONS TO INCREASE SALARIES BECAUSE SOME UNNAMED MUNICIPALITY ACROSS THE RIVER HAS TAKEN ALL OF OUR SAP WORKERS. AND JUST WONDERING IF WE'RE GOING TO HAVE ANOTHER BUD MOD IN THE FUTURE TO MAKE SURE THAT WE MAINTAIN OUR GOOD EMPLOYEES HERE BECAUSE I HEARD THROUGH A LITTLE BIRDIE THAT SAID WE HAD GREAT EMPLOYEES FROM SAP AND THEY JUST LOVE TAKING THEM FROM US.

**Ms. Swackhamer:** WELL, WE ARE RIGHT NOW CLASS COMP IS LOOKING OVERALL AT OUR SAP CLASSIFICATIONS AND SOME OTHER HARD TO RECRUIT CLASSIFICATIONS. SO THE ANSWER IS POSSIBLY. YOU MAY SEE ANOTHER BUD MOD. WE ARE -- WHEN WE COME BACK IN A COUPLE OF WEEKS WE'LL BE TALKING ABOUT WHAT OUR RECRUITMENT CHALLENGES ARE. SO I'LL BRING YOU UP TO DATE, THEN. BUT WE ARE EVALUATING AND IT'S NOT JUST OUR FRIENDS ACROSS THE RIVER. IT'S REALLY A NATIONAL ISSUE. THERE'S A SHORTAGE REALLY OF TALENT IN THAT AREA AND THEY'RE PAID VERY WELL. AND SO WE HAVE TO COMPETE AT REALLY A DIFFERENT LEVEL FOR THOSE RESOURCES. THAT'S ALSO ANOTHER REASON THAT WE WANT TO DO A LIFE CYCLE ASSESSMENT OF THAT PRODUCT. YOU KNOW, REALLY WE NEED TO LOOK AT WHERE ARE WE WITH IT, WHAT ARE OUR ISSUES AND RECRUITMENT IS ONE. AND THEN WHAT HAS HAPPENED IN THE TECHNOLOGY WORLD RELATIVE TO THAT KIND OF A BUSINESS APPLICATION AND SHOULD WE BE LOOKING FIVE YEARS FROM NOW AT A DIFFERENT PLATFORM? SO IT'S KIND OF A COMBINATION OF THINGS.

**Chair Cogen:** THAT'S GOOD.

**Commissioner Smith:** SUMMERWORKS! [LAUGHTER]

**Ms. Swackhamer:** OKAY. I'M GOING TO TURN THE PRESENTATION OVER TO TRACEY MASSEY AND ASK HER TO TALK TO YOU ABOUT SOME OF THE NEW THINGS WE'VE BEEN DOING RELATIVE TO PROJECT MANAGEMENT, BETTER MANAGING OUR PROJECTS AND PROVIDING MORE TRANSPARENCY.

**Ms. Massey:** AND I'M TRACEY MASSEY. I'M GOING TO GO THROUGH THIS SLIDE PRETTY QUICKLY AND THEN JULIE I DON'T KNOW IF YOU'LL BE ABLE TO LINK OUT TO COMMONS FROM THAT OR NOT. YOU CAN TRY IT AND SEE. OKAY, SO YOU DON'T WANT ME TO GO THERE JUST YET BUT HAVE IT READY. SO LIKE SHERRY MENTIONED EARLIER, OUR I.T. TEAM CONDUCTS ANYWHERE FROM ABOUT 125 TO 150 PROJECTS A YEAR. AND IN THE PAST YEAR WE'VE REALLY FOCUSED ON DEVELOPING SOME PROCESSES TO ENSURE THAT WE'RE FOCUSING ON THE MOST STRATEGIC PROJECTS, WE'RE CONSISTENT IN OUR PROJECT MANAGEMENT PROCESSES AND THAT WE ARE PROVIDING MORE INFORMATION AND BEING MORE TRANSPARENT WITH CUSTOMERS. SO WE HAVE A QUARTERLY PLANNING PROCESS WHERE ALL OF THE I.T. MANAGERS AND PROJECT MANAGERS COME TOGETHER AND DO A COUPLE OF THINGS. WE LOOK AT THE EXISTING PROJECTS THAT ARE IN OUR STRATEGIC PROJECT PORTFOLIO TO MAKE SURE WE HAVE THE RIGHT RESOURCES, THAT ISSUES ARE GETTING ESCALATED TIMELY AND THAT WE'RE MEETING TIMELINES, AND THEN WE LOOK AT NEW PROJECTS AND EVALUATE WHETHER THEY SHOULD BELONG IN THE STRATEGIC PROJECT PORTFOLIO.

THE STRATEGIC PROJECT PORTFOLIO IS REALLY THE TOP 20 TO 30 PROJECTS. THEY ARE PROJECTS THAT RECEIVE SPECIAL FUNDING, THEY MIGHT BE ENTERPRISE-WIDE, MOST ALL OF THE PROJECTS THAT SHERRY REFERENCED EARLIER FIT WITHIN THIS PORTFOLIO. THEY MIGHT BE THE TOP COUPLE OF PROJECTS FOR EACH DEPARTMENT OR THEY MIGHT BE VERY VISIBLE TO THE COMMUNITY OR COUNTY LEADERSHIP. AND THOSE ARE THE ONES WE REALLY FOCUS ON. WE'VE DEVELOPED A STANDARDIZED MONTHLY REPORTING THAT IS NOW AVAILABLE ON COMMONS FOR ALL OF THE REPORTS. IT'S PRODUCED OUT OF OUR PROJECT PORTFOLIO MANAGEMENT SYSTEM. AND JUST RECENTLY WE PUT UP A COMMONS PAGE WHICH YOU CAN GO TO JULIE. AND THIS IS AVAILABLE TO ANYBODY IN THE COUNTY TO LOOK AT, IT'S UPDATED AT THE BEGINNING OF THE MONTH AND IT'S PRETTY SIMPLE RIGHT NOW BUT WE'LL BE ADDING TO IT, UNDER THE HOME MENU IF YOU SELECT THE TOP LINK. THERE IS A QUICK SUMMARY REPORT OF THE TOP PROJECTS IN THE PORTFOLIO AND A QUICK SNAP SHOT OF THE STATUS AND A BRIEF MANAGER ASSESSMENT. AND THEN IF YOU GO BACK, YOU DON'T NEED TO COLLECT IT BUT UNDER INDIVIDUAL PROJECT STATUS REPORTS, THAT'S WHERE YOU COULD FIND ALL OF THE STATUS REPORTS FOR EACH OF THOSE PROJECTS, AND THEN THERE'S THE LIST THERE. AND THEN FOR BIGGER PROJECTS, WE HAVE A COMMONS PAGE SO MAYBE SELECT THE WINDOW SEVEN. THIS ONE ISN'T CENTERED AT ALL. LET'S GO BACK. THE WINDOW SEVEN PROJECT. I THINK IT'S BEEN MENTIONED A COUPLE OF TIMES IN WEDNESDAY WIRE AND OTHER PLACES AND GIVES SPECIFIC PROJECT INFORMATION, KEY DATES, THAT SORT OF THING. SO ALL OF THIS HAS BEEN PUT TOGETHER REALLY, AS SHERRY MENTIONED, TO INCREASE OUR TRANSPARENCY AND SHOW WE'RE FOCUSING ON THE RIGHT WORK, THAT IT'S TIED TO OUR MISSION AND VISION AND REALLY ACHIEVING THE GOALS.

**Ms. Swackhamer:** OKAY. AND THEN QUICKLY IN SUMMARY AS YOU CAN TELL WE HAVE MAJOR PROJECT ACTIVITIES MOVING FORWARD INTO FY14. I THINK THE CONVERGENCE PROJECT AGAIN IS PROBABLY THE MOST DIFFICULT BECAUSE IT'S A COMPLEX TECHNOLOGY, IT TOUCHES EVERYONE AND WE HAVE TO KEEP THE OLD PHONE SYSTEMS INTACT WHILE WE IMPLEMENT AT EVERY SITE. SO THAT ADDS TO THE LEVEL OF COMPLEXITY THERE. WE'LL BE CONTINUALLY EVALUATING RESOURCE ALLOCATIONS TO ENSURE THAT OUR PROJECT REQUIREMENTS ARE MET, AND THEN WE'LL CONTINUE TO LOOK AT PROCESS ENHANCEMENTS SIMILAR TO THOSE THAT TRACEY TALKED ABOUT IN PROJECT MANAGEMENT TO ENSURE THAT WE'RE DOING THINGS IN THE MOST EFFICIENT MANNER. ANY OTHER I.T.-RELATED QUESTIONS BEFORE WE CLOSE ON CAPITAL?

**Commissioner Kafoury:** I HAVE SOME QUESTIONS, SORRY. BACK ON SLIDE 54, KIND OF THE OVERVIEW OF THE CAPITAL BUDGET I.T. PROGRAM OFFERS, SO THE FIRST ONE, THE I.T. FUNDING, HOW MUCH OF THOSE DOLLARS ARE DIRECTED DOLLARS THAT WERE DIRECTED BY THE BOARD FOR SPECIFIC PROJECTS AND HOW MUCH OF THOSE WERE ITAB AND HOW --

**Ms. Swackhamer:** THE TWO -- I'M THINKING ABOUT IT IN THE WAY YOU JUST ASKED IT SO THAT I ANSWER.

**Commissioner Kafoury:** SORRY, YOU GO AND THERE'S SO MANY DIFFERENT CATEGORIES, IT'S HARD TO FIGURE OUT WHICH PROGRAM GOES INTO WHICH CATEGORY.

**Ms. Swackhamer:** I THINK --

**Commissioner Kafoury:** IF YOU WANT ME --

**Ms. Swackhamer:** CAN I GET BACK TO YOU BECAUSE I'LL DO IT IN A LITTLE BIT EASIER WAY, AND THEN I'LL DISTRIBUTE IT.

**Commissioner Kafoury:** AND THEN ON PAGE 58, THE OTHER STRATEGIC PROJECTS AND PROCESSES. DO THOSE HAVE DOLLAR FIGURES ASSOCIATED WITH THEM?

**Ms. Swackhamer:** YES. YEAH, YES. WE CAN GET BACK TO YOU.

**Commissioner Kafoury:** OKAY. AND ARE THOSE IN THAT SAME PROGRAM?

**Ms. Swackhamer:** NO, THESE ARE PROJECTS THAT ARE FUNDED THROUGH INTERNAL SERVICE RATES. IT KIND OF GOES BACK TO COMMISSIONER SMITH'S QUESTION ABOUT YOU COLLECT INTERNAL SERVICE RATES, WHAT YOU DO WITH THEM. WE DO PROJECTS LIKE THESE. SO LIKE THE SAP



UPGRADE, THE RESOURCES TO DO THAT ARE FUNDED THROUGH INTERNAL SERVICE RATES. THE MOBILE DEVICE MANAGEMENT PILOT WAS FUNDED THROUGH INTERNAL SERVICE RATES.

**Commissioner Kafoury:** OKAY. SO I THINK -- AND ARE THERE -- HOW DO YOU FIGURE OUT WHICH PROGRAMS ARE FUNDED BY INTERNAL SERVICE RATES AND WHICH PROJECTS ARE NOT?

**Ms. Swackhamer:** PRIMARILY WHETHER OR NOT A PROJECT CAN BE FUNDED THROUGH INTERNAL SERVICE RATES, IF WE KNOW THE COST OF IT IS TOO HIGH TO BE FUNDED THROUGH INTERNAL SERVICE RATES, IT MIGHT GO TO ITAB, TO ASK, YOU KNOW, FOR APPROVAL. AND IF IT IS MORE COUNTYWIDE BENEFIT, IF THERE'S POTENTIAL COUNTYWIDE BENEFIT IT WOULD GO. WE HAVE SOME SPECIFIC CRITERIA THAT WE'VE TALKED ABOUT IN THE PAST AND I CAN GET THAT TO YOU AGAIN. YOU KNOW, OR REITERATE IT.

**Chair Cogen:** JUST FOOD FOR THOUGHT, PROBABLY DEPARTMENTS WILL CRINGE TO HEAR ME SAY THAT BUT MAYBE OUR INTERNAL SERVICE RATES ARE TOO LOW IF THEY'RE NOT ABLE TO GENERATE THE RESOURCES WE NEED TO MAKE THESE I.T. INVESTMENTS.

**Ms. Swackhamer:** THEY WILL CRINGE. [ LAUGHTER ]

**Vice-Chair Shiprack:** I'M SURE THAT'S EXACTLY WHERE COMMISSIONER KAFOURY WAS GOING WITH HER QUESTIONS.

**Commissioner Kafoury:** ARE PEOPLE MAKING DECISIONS WITH THE WHOLE OF IT IN ITS ENTIRETY AND ARE SOME OF THESE THINGS REALLY COOL AND NICE BUT YOU KNOW WHAT, THE REALITY IS WE DON'T HAVE THE MONEY IT DO IT ALL AND IF WE HAVE TO UPGRADE SAP, THAT SHOULD PROBABLY TAKE PRIORITY OVER THE REST OF THESE, IT KIND OF GOES BACK TO THAT. I UNDERSTAND YOUR DESIRE TO HAVE THIS \$1 MILLION FUND BUT IF THAT'S WHAT THE REST OF THIS IS SUPPOSED TO BE, THEN WHICH GETS ME TO WHO IS ON ITAB AND HOW ARE THEY MAKING THE DECISIONS AND HAVE WE EVER HAD BOARD STAFF ON ITAB?

**Ms. Swackhamer:** THEY HAVE BEEN INVITED TO ITAB. AND WE CAN, YOU KNOW, ARE HAPPY TO CONTINUE TO HAVE THEM. THE OPERATIONS COUNTY - THE OPERATIONS COUNCIL IS THE I.T. ADVISORY BOARD NOW. IN THE PAST IT WAS A SUBSET BUT IN FY13 WE MADE IT THE BROADER GROUP. PARTLY SO WE COULD ELIMINATE A SET OF MEETINGS BUT ALSO SO WE HAVE A BROADER PERSPECTIVE AND MORE PEOPLE INVOLVED IN THE DECISION MAKING PROCESS AND, IN FACT, WE DO HAVE CRITERIA. THERE ARE MANY PROJECTS THAT DON'T GET FUNDED. AND I THINK TRYING TO FUND EVERYTHING THROUGH INTERNAL SERVICE RATES IN THE PAST IS WHY WE GOT SO FAR BEHIND BECAUSE SOME OF THESE PROJECTS ARE, YOU KNOW,

SOME OF THESE SYSTEMS ARE VERY EXPENSIVE AND TO TRY TO FUND THEM THROUGH INTERNAL SERVICE RATES IS PROBLEMATIC.

**Commissioner Kafoury:** AND IT SEEMS TO ME WE'VE HAD THIS CONVERSATION BEFORE AND YOU HAVE BEEN ABLE TO JUSTIFY WHY SOME PROJECTS ARE TOO BIG AND NEED TO COME FOR DIRECT -- AND AT LEAST SINCE I'VE BEEN HERE, WE HAVEN'T TURNED THINGS DOWN.

**Ms. Swackhamer:** WE HAVE TURNED THINGS DOWN --

**Commissioner Kafoury:** THE BOARD HAS NOT VOTED "NO" ON SOMETHING THAT WAS OF A HUGE SIGNIFICANCE TO THE COUNTY LIKE, FOR EXAMPLE, AN SAP, IF THAT WERE -- SO THAT'S -- JUST FOOD FOR THOUGHT, I HAVEN'T SEEN US BE REALLY -- WITH A HEAVY HAMMER ABOUT, NO, WE AREN'T GOING TO FUND THOSE REALLY IMPORTANT NEW BUDGET SOFTWARE OR WHATEVER IT IS. WE'VE BEEN PRETTY OPEN IF IT'S A VALID PROJECT.

**Ms. Swackhamer:** WHEN I SAY WE'VE TURNED THINGS DOWN, I MEAN THE OPS COUNCIL THINGS HAVE TURNED DOWN, I WASN'T REFERRING TO THE BOARD.

**Vice-Chair Shiprack:** AND I THINK THIS ALSO KIND OF GETS TO THE POINT ABOUT HOW COME IT IS THAT PEOPLE WHO UNDERSTAND SAP ARE SO WELL PAID, BECAUSE IT'S SUCH A DIFFICULT AREA TO UNDERSTAND. I MEAN, REALLY THIS ENTIRE ARCHITECTURE, I UNDERSTAND MICHAEL'S KIND OF ARCHITECTURE A LITTLE BIT, BECAUSE I CAN SEE IT AND THIS ARCHITECTURE IS VIRTUAL AND SO YEAH, IT'S REALLY DIFFICULT FOR US TO FEEL THAT WE HAVE A HANDLE ON THE JUDGMENT THAT'S BEING CALLED INTO -- WE'RE USED TO BEING CALLED FOR TO MAKE GOOD JUDGMENT DECISIONS HERE, SHERRY, AND IT'S REALLY DIFFICULT TO DO THAT WITH SOMETHING THAT A) YOU CAN'T SEE AND B) YOU ONLY UNDERSTAND marginally SO HELP US WITH THIS. BECAUSE, YOU KNOW, IT'S A LOT OF MONEY.

**Chair Cogen:** OKAY. THANKS.

**Vice-Chair Shiprack:** A LITTLE RANT. [LAUGHTER]

**Ms. Swackhamer:** OKAY, I THINK I AM JUST GOING TO WRAP THIS UP. THE CAPITAL PRESENTATION, WE HAVE A LOT OF EXCITING COUNTY INFRASTRUCTURE PROJECTS MOVING FORWARD, THE SELLWOOD BRIDGE, THE HEALTH DEPARTMENT HEADQUARTERS, AND A LOT OF OPPORTUNITY REALLY TO LEVERAGE OUR ASSETS AND FORM STRATEGIC PARTNERSHIPS MUCH LIKE MICHAEL TALKED ABOUT IN SPACE OPTIMIZATION WITH THE CITY AND REDEVELOPING UNDERUSED REAL ESTATE ASSETS. ARE THERE ANY OVERALL QUESTIONS?

**Chair Cogen:** ANY FINAL COMMENTS OR QUESTIONS? COMMISSIONER SMITH?

THANK YOU, ABSOLUTELY, AND JUST A REMINDER THAT THE NEXT PART OF OUR BUDGET PROCESS WILL BE HERE TOMORROW NIGHT WHEN WE HAVE OUR FIRST PUBLIC HEARING ON THE BUDGET AT 6:00 PM HERE IN THIS COUNTY BOARD ROOM. THANKS, EVERYONE, THERE BEING NO FURTHER BUSINESS WE ARE ADJOURNED. [GAVEL]

### **ADJOURNMENT**

The meeting was adjourned at 11:43 a.m.

*This transcript was prepared by LNS Captioning and edited by the Board Clerk's office. For access to the video and/or board packet materials, please view at: [http://multnomah.granicus.com/ViewPublisher.php?view\\_id=3](http://multnomah.granicus.com/ViewPublisher.php?view_id=3)*

Submitted by:  
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