

**Minutes of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Wednesday, June 1, 2011**

BUDGET WORK SESSION #8

Chair Jeff Cogen convened the meeting at 9:35 a.m. with Vice-Chair Deborah Kafoury and Commissioners Loretta Smith, Judy Shiprack, and Diane McKeel present.

1. Agenda Review – Karyne Kieta

Ms. Kieta provided introductions and reviewed today's agenda. She summarized actions taken so far by saying that the Board had completed department presentations, heard from the Citizens Involvement Committee (CIC), and the Citizens Budget Advisory Committee (CBAC) and heard public testimony at three public hearings. She said today they have the opportunity to propose, deliberate and review amendments to the budget notes. There is the potential for two more budget work sessions if needed, and that can be decided at the end of the meeting.

2. Follow-Up and New Information

a. ORR (Office of Refugee Resettlement) Secure Residential Beds – DCJ, Dave Koch, Deputy Director, Juvenile Service Division joined by Drew McWilliams, CEO, Morrison Child & Family Services.

Mr. Koch gave a presentation of secure residential beds. He said the proposed contract between Morrison and the Department of Community Justice (DCJ) will provide exclusive access to a 16-bed secure custody unit at the Donald E. Long Home for placement of youth referred to Morrison by the Division of Unaccompanied Children's Services (DUCS) within the Office of Refugee Resettlement (ORR), U.S. Department of Health and Human Services. DUCS is responsible for the care and placement of unaccompanied and undocumented children and youth. ORR is responsible for providing a safe and appropriate environment for children and youth from custody until reunification with family or placement with sponsors.

Services provided include education, health care, socialization and recreation, vocational training, mental health and drug abuse services, family reunification, access to legal assistance, and case management.

This partnership will allow Morrison to lease space for youth under jurisdiction of DUCS. The contract begins July 1, 2011 and runs for a year. It totals \$857,298 with approximately \$727,000 to DCJ and \$129,000 for Corrections Health and adds 6.7 total FTEs. These secure custody beds will serve males ages 13 to 17 and limited to those youth in the custody of ORR, with Morrison as gatekeeper, determining which youth to accept.

The Board thanked them for their report.

b. US Marshal Beds. Christian Elkin, Budget Office, and MCSO Captains Linda Yankee & Ray Adgers.

Captains Yankee, Adgers and Christian Elkin gave an overview of the US Marshal (USM) beds changes.

Ms. Elkins said that the USM is responsible for housing and transporting all federal prisoners. They decided to use local resources rather than build more prisons. The formal agreement established in 1985 is for 31 beds; and includes cost-of-living increases. The nationwide reimbursement rate \$70.56; Multnomah receives \$128.27 per day per bed, which is higher than the other four Oregon counties that have a USM contract. USM uses space at Sheridan, a federal facility, when available, because it is free to them, but it is not maximum security and is not always available to them; they prefer to lease beds as close to federal Courthouses as possible to increase security and safety. USM reimbursement is budgeted in the General Fund. Over the last 5 years, revenue has come in at 2% above budget. The USM asked for an increase in beds to 200, which was granted and the FY 2010 budget was based on that increase. Shortly after budget adoption, they notified us of an anticipated drop to 150 beds. The budget was smoothed out over the year to reflect that adjustment. For FY 2011 and FY 2012, the monthly average has dropped down to 139 beds per day, which is more consistent with our ten-year trend. Rates increased from \$89 in 2001 to \$128 currently, but usage has dropped steadily since December 2010 to 113 beds for May and 95 beds for June, resulting in a cumulative total loss of \$600K in revenues for this fiscal year. She said they will continue to monitor these trends closely.

The Commissioners asked questions pertaining to our per-diem rate, transports, and the medical-needs patients, the various types of inmates received and the role the Bureau of Prisons plays in this. They discussed costs, the downward trends, and the possibility of adjusting the forecasts for FY 2012. The Board requested a Briefing to follow up on the concerns they raised during the Budget Work Session.

The Board thanked them for their report.

c. Master Fee Schedule – Shannon Busby, Sr. Budget Analyst, Budget Office

Ms. Busby gave an overview of the Master Fee Schedule. This is the first time it has been presented as part of the Budget Work Sessions. The schedule captures a significant portion of the fees that the County charges to the general public and gives better management tools. She reviewed the fee schedule for FY 2012 by department, and by County code and Oregon statute, etc. Some fees are determined by other jurisdictions, but the County's fees are governed by the cost of offering those services. The CAC reviews these and makes their recommendations. The Operations Council has been involved to ensure full County engagement. All fees have been analyzed thoroughly and adjusted to reflect true costs for those services. The fee schedule will be available on the budget office's website and provide general information on the fees and helpful links. Board approval will be a continued requirement for any changes in fees. Revising and publishing the Master Fee Schedule will be part of the annual budget adoption process.

The Board had no questions about her presentation and thanked her for her report.

3. Amendments – Karyne Kieta

a. Board Amendments (proposed to date) - NEW

Commissioner Smith proposed an amendment to add \$75,000 to the microlending program in collaboration with nonprofit partner(s). On May 25 she held a summit with young entrepreneurs in Oregon as part of the White House 100 Roundtables Across the United States. It became clear the biggest challenge that faces them, is access to small capital loans. She recommended that nonprofit partner(s) who benefited from the amendment provide access to loan capital, financial education, training and support services. If these young entrepreneurs succeed, it will create jobs and help people rise from poverty. She requested that this be funded utilizing the unused portion of contingency funds in 2011 identified in the general fund forecast.

Commissioner Smith proposed a second amendment to earmark \$50,000 in contingency from unused portion of the general fund contingency monies in the 2011 identified in the updated General Fund Forecast. Black Women for Peace have many years of experience working with youth against gang violence; she's committed to continuing to support the work started by Commissioner Willer. They work closely with PSU's School of Social Work on researching potential solutions. She proposed a budget note requesting the COO coordinate with the appropriate department to confer about the best way to further the work of Black Women for Peace and suggested grant funding. She asked that the COO come to a Board Briefing in August with a proposal how to use money set aside in contingency including timeline and specific outcomes.

Commissioner Smith proposed a third amendment for a Food System Economic Cluster proposed to work jointly with partners to keep more of our food expenditures in our local food system in order to create jobs, improve sustainability, and increase better access to local food. Increasing regional food purchases by 5% would result in \$100 million to the local economy. She proposed using funds in contingency for a total of \$52,000.

Ms. Keita reviewed the individual Board amendments. She said they would try to find a funding source for the new items proposed by Commissioner Smith as quickly as possible.

Amendment #1 Kafoury - East County Homeless Outreach - \$75,000

Amendment #2 Kafoury - Action for Prosperity - \$195,000

Vice-Chair Kafoury proposed that funding for this item is for employment readiness services and she recommended that both Amendments #1 and 2, be taken from unused funds in the 2011 General Fund contingency.

Amendment # 3 McKeel - Commercial Sexual Exploitation of Children - 6 County Beds - \$258,420

Commissioner McKeel said this funding would go directly to services for the victims, not staffing. She said she is looking to see this funded with unused funds in the 2011 General Fund contingency.

Amendment # 4 McKeel - East County SUN Sites - 1 in Gresham Barlow District and 2 in Reynolds School District - \$130,000

Commissioner McKeel said that the schools have committed to the difference in funds needed and emphasized how much these SUN school sites are needed. She said she is looking to see this funded with unused funds in the 2011 General Fund contingency.

Amendment # 5 McKeel - In-Jail Human Trafficking - \$160,683

Commissioner McKeel said this funding will allow the Sheriff's office to intervene with victims while in their custody. She said she is looking to see this funded with unused funds in the 2011 General Fund contingency.

Amendment # 6 McKeel - Child Abuse Team Detective - \$118,000

Commissioner McKeel said this one funds the detective to investigate child abuse crimes. She said she is looking to see this funded with unused funds in the 2011 General Fund contingency.

Commissioner McKeel proposed another item; Program offer 25033 - Veteran Services Officer. This would fund a .5 position to work with incarcerated veterans and see that they are getting all of the services to which they are entitled. The cost would be \$46,182. She said she is looking to see this funded with unused funds in the 2011 General Fund contingency.

Commissioner Shiprack expressed her concerns with all these great submittals, primarily because the County adopts its budget on June 9th, while the cuts expected from the State Legislature will not be passed until later. The shortfall from the State will require the County to realign its budget.

Chair Cogen concurred that it is tough to decide to invest in these before knowing the full extent of the cuts in funding from the State. Additionally, the Board went through an elaborate process last year and decided not to use one-time funding.

The Commissioners discussed their concerns about one-time money, contingency funds, some of the programs being put in contingency, and the need to review some of these programs further.

Ms. Kieta stated that the total for these 11 proposed amendments is \$1.6M.

b. Department Amendments

- i. Technical
- ii. Staffing
- iii. Revenue
- iv. Carryover
- v. Program

Ms. Kieta reviewed the Department Amendments by program number, name, department, description and purpose.

4. Budget Notes (proposed to date) – Karyne Kieta

Ms. Kieta reviewed the budget notes to date, outlined in Attachment C. Commissioner Shiprack proposed reports of transportation deferred maintenance calculations. These reports are consistent in predicting shortfalls of \$200M over a 20 year horizon.

Commissioner Shiprack proposed two budget notes pertaining to Bridge Funding and Capital Planning and Infrastructure Needs, with specific language to be determined. She said the Board has expressed concerns and requested insights into how the budget shortfalls for these projects will be addressed. She said there will be a briefing presented by December 2011 to address bridge funding.

Ms. Smith proposed a budget note pertaining to financial policies pertaining to unfunded liability policy. She suggested a briefing for the Board sometime after January but before next budget cycle to talk about that policy and whether to maintain it at 20% or higher based on what the Legislature is doing. She offered to work with the budget office to develop the precise language for this budget note.

5. Financial Policy Review – DCM- Mindy Harris, Karyne Kieta

6. Next Steps – Karyne Kieta

Ms. Kieta reminded the Commissioners that there would be a 9th Budget Work Session on Tuesday, June 7, 2011.

The Board thanked the presenters for their reports in this Budget Work Session.

ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

Submitted by:

Lynda Grow, Board Clerk and
Marina Baker, Assistant Board Clerk
Multnomah County
Board of Commissioners