

**Minutes for the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Tuesday, May 24, 2011**

BUDGET WORK SESSION # 6

Vice-Chair Deborah Kafoury convened the meeting at 1:02 p.m. with Commissioners Diane McKeel, Loretta Smith and Judy Shiprack present and Chair Jeff Cogen arriving at 2:30 p.m.

Also in attendance: Henry H. Lazenby, Jr., County Attorney, and Lynda Grow, Board Clerk.

BWS-6.A FY 2012 Budget Work Session on the General Government Departments – County Assets (DCA). Presenters: Sherry Swackhamer, Director, County Assets; Bob Thomas, Director, Facilities & Property Management; Richard Swift, Director, FREDs; Mike Waddell, Business Services Manager, Department of Community Management (DCM).

Ms. Swackhamer provided the introduction and gave the departmental overview. DCA consists of Business Services; Human Resources; Facilities and Property Management; Fleet, Records, Electronics, Distribution, and Stores (FREDs); and the Office of Information Technology. Their mission is to integrate primary assets, create financial accountability and efficiency, and implement best practices. DCA procure and deploy and maintain assets, provide administrative services including Human Resources and manage contracts and procurement. DCA consists of approximately 308.7 FTE with a FY 2012 budget of \$155.7 million. They serve the County but also provide services to the State, Cities of Portland and Gresham, Portland Public Schools, Oregon Community Health Information Network, and non-profits.

Ms. Swackhamer spoke about DCA's key performance measures, accomplishments, values and guiding principles, and provided a program offer overview. She discussed the impact of State cuts, program constraints, and issues, risks and challenges facing DCA. Some challenges include the organizational and cultural change, high priority and high risk projects, retention and recruitment, and long-term capital funding.

The Commissioners asked questions requiring follow-up by the department after the meeting. The following inquiries were made: Commissioner Smith asked for follow up on why program 78026 IT Planning, Projects and Portfolio Management increased in funding and FTEs.

Regarding Program 78029 Telecommunication Services, Commissioner Smith asked to be provided with a description of the budget changes from FY 2011 to FY 2012 and a description of the new telecomm platform. She also requested a detailed account of

how the County funds videoconferencing and how costs are/aren't recovered from outside agencies and/or partners.

Vice-Chair Deborah Kafoury requested a comprehensive list of all IT projects and their status, plus funding sources and budget amounts.

The presenters responded to other Board questions and comments. The Board thanked them for the presentation.

BWS-6.B FY 2012 Budget Work Session on the General Government Departments – Capital. Presenters: Sherry Swackhamer; Bob Thomas; John Lindenthal, Capital Improvements; Jane McFarland, Principal Transportation Planner; Kim Peoples, Transportation; John Hendrichsen, Bridge Division.

Ms. McFarland provided the overview of General Government - Capital's financial policy and planning process, including funding priorities for Transportation, Capital Asset management, and short and long-term debt financing. She discussed the Capital Bond Memo FY 2012 projects supported with debt proceeds (Sellwood Bridge Replacement); legal and internally-imposed debt limits; and remaining debt capacity under existing policy. She discussed their funding priorities and budget.

Mr. Peoples discussed the Bike and Pedestrian program and Road design plans, which include lane configurations and improving road sight distance. The Beaver Creek Culverts Fish Passage project will improve fish passages and extends beyond the FY 2012 budget. They are currently working on securing additional funding.

Mr. Hendrichsen spoke about FY 2012 bridge projects including the Sellwood Bridge Replacement project for a total estimated cost of \$290 million, of which \$248 million is already secured. The design and the contractor firms have been selected and construction is scheduled to begin in 2012. Additionally, the Morrison Bridge Main Spans Rehabilitation project will address safety and structural issues. The construction contract has been awarded and construction should be completed by late 2011 with a budget of \$10 million. He described seismic upgrades currently under way and provided a summary of the Transportation Capital.

Mr. Lindenthal spoke about Facilities' mission to extend the life of County-owned buildings, optimize the performance of building systems, and create accessible, functional, and energy efficient facilities that meet County program needs. He spoke about the County's three tiers of buildings, including Tier I - "good" buildings maintained by Asset Preservation (AP) Fund 2509 and retained for long-term use; Tier II - "fair" buildings requiring improvements to bring up to Tier I status from the Capital Improvement (CIP) Fund 2507; and, Tier III buildings that are maintained for functionality pending disposition.

Mr. Lindenthal reviewed the Downtown Courthouse project, which has \$9.2 million in dedicated funds, and the East County Courts/Data Center, which is budgeted for \$19.6 million. He spoke about the prioritization project rating order and said that deferred maintenance is \$21.9 million; a slight increase from last year. He provided a summary of seismic evaluations of County owned buildings. Unfunded seismic needs currently total more than \$209 million and can be difficult to address in occupied buildings due to the invasive nature of upgrade work. He also spoke about other challenges Facilities faces, such as the ongoing funding gap. A Facilities Strategic Plan is in development that will identify County facilities and make recommendations.

Ms. Swackhamer spoke about IT's revenue sources, including full faith and credit obligations; one-time-only funding; internal service rates; and external sources. She discussed the IT Advisory Board's (ITAB) projects and budget, IT modernization projects, and hardware and software upgrades. She provided closing remarks and the presenters responded to Board questions and comments.

The Commissioners asked questions requiring follow-up by the department after the meeting. The following inquiries were made. Commissioner Shiprack asked how square foot costs for County-owned buildings are calculated (i.e. market rate vs. County costs/debt/improvements). She also asked which buildings charge their tenants for the building debt and which building debt is spread to all facilities customers. She requested a budget note to explore ways that the County can look at future resources for Capital needs to make bridges safer for users. She requested a budget note to address capital processes and needs.

Commissioner McKeel proposed several amendments: 25135 Commercial Sexual Exploitation of Children – Victim System of Care, \$258,420 to fund the County beds portion of the program; East County SUN \$130,000 to fund one SUN School in the Gresham Barlow District and two SUN Schools in the Reynolds District; 60050 In-Jail Human Trafficking Sergeant, for 1.00 FTE at \$160,683; and, 60083 Child Abuse Detective for 1.00 FTE totaling \$118,000.

BWS-6.C FY 2012 Budget Work Session on the General Government Departments – Library. Presenters: Vailey Oehlke, Library Director; Becky Cobb, Library Deputy Director; John Potter, Library CBAC Finance Committee Chair; Marian Creamer, Library CBAC Chair.

Ms. Oehlke provided the introduction. Mr. Potter and Ms. Creamer spoke on behalf of the Library CBAC and discussed their work, major changes, and recommendations. Ms. Oehlke explained that the Multnomah Library is the largest public library in Oregon, with 19 locations open seven days a week and 489.25 FTEs. According to FY 2011 estimates, circulation and usage has increased. The library has 20,000 downloadable audiobooks and videos, 24,000 ebooks, and a multitude of downloadable music titles. Other accomplishments include the completion of the Radio Frequency Identification tracking system and Security Gate project.

Ms. Oehlke spoke about their FY 2012 budget approach to sustain library services throughout the fifth and final year of the Library's Levy and to meet important community needs. She explained that their priorities are to provide exceptional customer service and materials movement; be a resource during the economic crisis; promote early literacy; support K-12 student learning; be a resource for immigrants; and facilitate civic engagement. The FY 2012 proposed budget is \$62.5 million, which is an increase of 0.9% from FY 2011. She spoke about issues, risks and challenges facing the library, such as changes in technology, digitization, the library's role in providing user access, changes in the community, and funding constraints. She responded to Board questions and comments. The Board thanked the presenters for their briefing.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:56 p.m.

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