



Multnomah County Oregon

Board of Commissioners & Agenda

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BOARD OF COMMISSIONERS

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ANY QUESTIONS? CALL BOARD CLERK DEB BOGSTAD @ 248-3277

Email: deborah.l.bogstad@co.multnomah.or.us

INDIVIDUALS WITH DISABILITIES PLEASE CALL THE BOARD CLERK AT 248-3277, OR MULTNOMAH COUNTY TDD PHONE 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

NOVEMBER 23, 1999

BOARD MEETING

FASTLOOK AGENDA ITEMS OF INTEREST

Pg. 2	9:30 a.m. Tuesday Budget Work Session
Pg. 2	10:30 a.m. Tuesday Board Briefing
	Thursday, November 25, 1999 Thanksgiving - Offices Closed
	Board Meets: November 29, 30, 1999, December 2, 7, 9, 14, 15, 16 1999
	Tuesday, December 21, 1999 Briefing Meeting Cancelled
	Thursday, December 23, 1999 Regular Meeting Cancelled
	Tuesday, December 28, 1999 No Meeting Scheduled
	Thursday, December 30, 1999 Regular Meeting Cancelled

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 10:00 PM, Channel 30

Sunday, 1:00 PM, Channel 30

Produced through Multnomah Community Television

Tuesday, November 23, 1999 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

WS-1 Emerging Budget Issues: Financial Update. Presented by Beverly Stein, Bill Farver, Carol Ford, Karyne Dargan and Mark Campbell. 1 HOUR REQUESTED.

Tuesday, November 23, 1999 - 10:30 AM
(OR IMMEDIATELY FOLLOWING WORK SESSION)
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BOARD BRIEFING

B-1 Slide Show Presentation on Behalf of the Victim's Impact Panel of the DUII Advisory Committee. Presented by Trauma Nurse Joanne Fairchild. 30 MINUTES REQUESTED.



Beverly Stein, Multnomah County Chair

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November 23, 1999

To: Board of County Commissioners

From: Beverly Stein, Chair

Re: Financial Issues for 2000-2001 Budget

This year as we begin the process of preparing an Executive Budget, I would like to highlight the major financial issues I see coming to the Chair and Board. As I mentioned to the Board in October, the County is facing both relatively flat revenues and a few fairly substantial financial commitments.

I anticipate asking Departments to make selective reductions to current service levels, and to not bring add packages for consideration. The levy will be the major opportunity to discuss new programming, but the outcome of that will be months away.

PRINCIPLES FOR BUDGET PLANNING

I plan to use the following principles to guide planning for the Executive Budget:

1. Continue to follow the three long term benchmarks:
 - reducing the number of children in poverty
 - increase school success
 - reducing crime. This focus will be seen in our executive budget and levy planning.
2. Cutting expenditures or identifying new revenue to cover the estimated \$11,800,000 deficit in the public safety system; this is the \$8.6 million levy shortfall plus the \$3.2 million federal Marshal bed revenue shortfall. Contrary to previous assumptions, this reduction will need to take place for the 2000-2001 budget year, rather than over a three year period. Actions and reduction in services that we take this year should allow us not to have to make more cuts next year to deal with the public safety shortfall.
3. In making these reductions, we will look for opportunities to discontinue lower priority programs, rather than taking a small amount from every area. Our goal is to maintain excellence in what we do, not reduce quality everywhere. We will also look at best practices and protect areas that are giving us the best return on investment including maintaining our commitment to evaluation.



4. Maintain the advances in infrastructure, including the asset preservation fee, progress on the Strategic Space plan, and installation of the Integrated Business Enterprise system.

ANNUALIZATION OF CURRENT PROGRAMS

Below are some programmatic highlights of the annual additional General Fund cost of current Board commitments.

1. **Community Based Clinics - Rockwood and LaClinica \$400,000**
Both were funded for mid year start-ups. Rockwood needs an additional \$55,000 for acquisition and remodel of a site.
2. **Mental Health services for children in Headstarts - \$230,000**
3. **Domestic violence - culturally competent services \$100,000**
4. **Single RFP for Family and Community Action Centers \$200,000**
The Board approved additional funding provided to each center for community engagement activities to directly support SUN School co-management. Because most of the activities the funding aims to support are ones that should also be linked with SUN Schools, there is an opportunity to meld funds and directly support additional co-managers.
5. **Homeless Families - vouchers \$100,000** (annualizing OTO amount to begin to deal with homeless families strategic plan)
6. **Integrated Enterprise system – additional annual debt service \$850,000** Implementation is going very well.

INFRASTRUCTURE

1. **Increased PERS cost from State.**
This is the second year that the County is absorbing the impact of the state shifting burden of federal taxation of PERS to counties and increased benefit payouts because of investment gains. Until late last calendar year, Multnomah County was misinformed about the size of the actuarial liability incurred by County employees in PERS. In October the Board approved issuance of \$200,000,000 in bonds to address the unfunded liability. Issuing the bonds and repaying them at current interest rates will substantially reduce the overall cost to the County over 30 years. But initially, the County has to increase the payments formerly budgeted to be made to PERS and divert them into bond payments. The total increase next year in PERS is \$4.2 million. The General Fund share is about \$2.4.
2. **Facilities - First year COP costs for the following projects (exact amounts are being developed.)**

- East County Aging, Health Facility
- Multnomah Building
- Blanchard Building
- Child Receiving Center (non Bond funded portion, if necessary)
- Santana's records at Justice Center
- Library Capital Projects (in excess of Bond)

Several County agencies are moving into new space to accommodate growing operations or to replace outmoded facilities. I will ask Departments and Agencies to absorb these additional costs within their constraint budgets.

3. **Employee Costs.** Labor agreements are in place with agreed upon increases. However, increased personnel costs reflect **rising medical and dental costs**. The composite increase is 15% but exact amounts are still being determined. The County's Employee Benefits Board is at an early stage in its review. This increase will likely trigger the provision in most of our labor agreements in which employees will share the cost of these benefit increases.

PUBLIC SAFETY

1. Ongoing Deficit

As discussed previously, the County will begin the process of absorbing the \$11,800,000 of annualized costs of the current public safety system. My current plan is to use the new state 1145 money and the new Assessment and Taxation funding to fund approximately \$2,500,000 million of this ongoing amount. Other reductions from the Public safety area and throughout the county will be needed. Given this approach, we anticipate abandoning the "fossil levy" concept in this year's budget presentation. The "levy" money is all general fund since the passage of Measure 50.

2. Use of Federal Marshal/INS beds

Last year, the Board discussed the level of Marshal and INS bed rentals. You decided to budget for 225 beds and instructed the Sheriff in a budget note to try to average that amount. Increasing jail bed pressure and the desire to avoid matrix releases led the Sheriff to rent fewer beds (an average of 145 per month). At that rate, the general fund will experience a shortfall of \$3,200,000. Assuming that becomes the ongoing practice, our \$8.6 million problem will grow to \$11.8 and we will experience a drain from our reserves this year. (See Current Year Shortfall below) Negotiations are continuing on increasing the bed rental to \$103 per day. I need to know if the Board is comfortable with these assumptions.

UNMET NEEDS AND THE LEVY

The Board and the Sheriff have identified a number of ongoing unmet needs. I believe the only way that we will make additional progress will be through including fundable packages on the levy. It will not be possible to cover all of these:

1. Transitional Housing, including declining McKinney funds for homeless families, victims of domestic violence, and alcohol and drug free housing.
2. Domestic Violence Services
3. Early Childhood Services
4. Community based judicial alternatives (Community and Mental health courts)
5. Mental Health services
6. Juvenile alcohol and drug services
7. Transitional services for offenders leaving jail and secure treatment
8. Child Receiving Center operations and support services
9. School Resource Officers
10. Other

POTENTIAL PARTNERSHIPS WITH CITIES

We will focus on levy priorities and SUN School expansion.

We will be scheduling a session with the Portland City Council in January to discuss these issues. Individual City Council members have expressed support for many of the items on the previous list and also public safety needs most often funded by the City. I will visit the City Councils of Gresham, Troutdale, Wood Village, and Fairview in December to solicit their input on these issues.

OTHER PRESSURES

- Schools: Our primary continuing support role will be through SUN Schools and the Student Attendance Initiative. A major policy question for the Board will be whether to continue the support for alternatives within the schools. For the past two years the County has provided \$1,500,000 OTO to County schools for these programs. Several districts will be considering local option measures, possibly as early as this May.
- Oregon Food Bank. We will be receiving a request for \$500,000 to assist in capital campaign for their new warehouse.
- Reduction in McKinney Grant funds: The declining federal assistance will impact a number of key housing support programs over the next three years. Estimates run as high as \$8,000,000 in city and county supported efforts.

- Homeless family issues. The Homeless Family Plan: Five Year Roadmap is in draft form. It identifies the need for \$3,843,040 annually as the minimum estimated operational funding increase to support a well functioning system.
- Living Wage issues.
- Transportation. In the absence of additional funding, this program will begin to experience ever increasing deficits.

CURRENT YEAR SHORTFALL

After evaluating the property tax and business income tax revenues and departmental spending during 1998-99, it appears that we would need to draw down reserves approximately \$2,000,000 to meet this year's adopted budget (assuming all appropriated funds were completely spent). This is less than 1% off from our estimates and would ordinarily not be an issue I would bring to you.

However, when combined with the estimated \$3.2 million shortfall in the federal Marshal bed revenue, we are facing a current year shortfall of over \$5 million. In an effort to deal with this deficit, I will ask the following:

1. Departments and Agencies plan on controlling their spending this year. Our assumed spending is approximately 97%. Last year, the County departments spent in excess of 98% of their approved budgets. The Chair's and Budget Offices will work with Departments and Agencies in setting spending goals and issuing projections to Departments so they can monitor their progress. I will encourage Departments to hold open positions that may need to be eliminated or combined with other services to meet next year's tight constraint.
2. The Board to avoid additional appropriations from the "designated contingency" account. We have already postponed indefinitely IDAP. By not appropriating funds for the remaining items this year (School to Work; SPIRIT bus pass program; Early Childhood system improvements; the balance of behavioral health services; Space for Sheriff's Records), we can "save" almost \$500,000. I will also ask that we be especially cautious with the regular contingency fund. Because of previous Board discussion, I assume that the Health Department can still return with their safety net request, if needed. General agreement on moving cautiously here would be helpful in guiding the rest of our planning.
3. Do not program the new state revenue from 1145 and Assessment and Taxation.
4. Approve any actions suggested by the Budget office to recapture funds in current budgets that do not appear to be required (example: first year COP payment for East County Public Safety facility).

With these actions, we can restore the reserve amount to the beginning of this fiscal year.

- c. Direct Report Managers c. Budget Office c. Sheriff, District Attorney, Auditor
- c Board Staff c CBACS c. Mayors and City Managers c. Operating Council

MEETING DATE: NOV 23 1999
AGENDA NO: B-1
ESTIMATED START TIME: 10:30

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: _____

BOARD BRIEFING: DATE REQUESTED: Thursday, November 17, 1999
REQUESTED BY: Commissioner Lisa Naito
AMOUNT OF TIME NEEDED: 30 Minutes requested

REGULAR MEETING: DATE REQUESTED: Tuesday, November 23, 1999
AMOUNT OF TIME NEEDED: 30 minutes requested

DEPARTMENT: _____ DIVISION: _____

CONTACT: Charlotte Comito TELEPHONE #: 248-5217
BLDG/ROOM #: _____

PERSON(S) MAKING PRESENTATION: Joanne Fairchild, Trauma Nurse

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

*Slide show presentation on behalf of the Victim's Impact Panel of the Multnomah County
DUII Advisory Committee*

SIGNATURES REQUIRED:

ELECTED OFFICIAL: Lisa Naito, C.L.
(OR)
DEPARTMENT
MANAGER: _____

CLERK OF COUNTY
COMMISSIONERS
69 NOV 17 PM 5:01
MULTNOMAH COUNTY
OREGON

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277