

**Transcript of the Board of Commissioners
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd., Portland, Oregon
Tuesday, May 20, 2014**

BUDGET WORK SESSION #11

Chair Marissa Madrigal called the meeting to order at 9:09 a.m. with Vice-Chair Diane McKeel and Commissioners Liesl Wendt and Judy Shiprack present. Commissioner Loretta Smith joined the meeting at 9:13 a.m.

Also attending were Jenny M. Madkour, County Attorney, and Lynda Grow, Board Clerk.

[THE FOLLOWING TEXT IS THE BYPRODUCT OF THE CLOSED CAPTIONING OF THIS PROGRAM. THE TEXT HAS NOT BEEN PROOFREAD, AND SHOULD NOT BE CONSIDERED A FINAL TRANSCRIPT.]

>> GOOD MORNING, AND WELCOME TO THE MULTNOMAH COUNTY BUDGET COMMITTEE WORK SESSION. NUMBER 11. BEFORE WE BEGIN WITH THE PRESENTATION, COMMISSIONER MCKEEL?

>> Comm. McKeel: I NEED TO TAKE A MOMENT TODAY TO DECLARE THAT I HAVE A CONFLICT OF INTEREST IN ONE PORTION OF OUR BUDGET. AND SOME OF YOU MAY KNOW, MY DAUGHTER RECENTLY MOVED BACK TO OREGON AFTER COMPLETING GRADUATE SCHOOL, AND SHE CURRENTLY WORKS FOR YOUTH VILLAGES IN THE INTERCEPT PROGRAM, AN ORGANIZATION THAT WE AS A COUNTY FUND IN A PROGRAM. I'VE MADE THE COUNTY ATTORNEY AND THE BUDGET OFFICE AWARE OF THIS CONFLICT OF INTEREST, AND THEY'RE MAKING THE NECESSARY ADJUSTMENTS, AS I WILL RECUSE MYSELF FROM VOTING OR DELIBERATING ON DCJ PROGRAM OVER 0006.

>> Chair Madrigal: I WOULD LIKE TO PROPOSE AN AMENDMENT. I'D LIKE TO PROPOSE AN AMENDMENT TO ADD 1.5 MILLION ONE-TIME-ONLY REVENUE TO REFLECT THE CITY OF PORTLAND, PORTLAND DEVELOPMENT COMMISSION PROPOSED URBAN RENEWAL AREA MODIFICATION.

>> Comm. Shiprack: SINCE THE BOARD REMAINS CONCERNED ABOUT THE NUMBER OF PEOPLE WITH MENTAL HEALTH ISSUES BEING HOUSED IN COUNTY JAILS, AND IT SEEMS A QUESTIONABLE AND EXPENSIVE WAY TO ADDRESS THE MENTALLY ILL WHO COME IN CONTACT WITH THE PUBLIC SAFETY SYSTEM -- GENERAL FUND CONTINGENCY TO SUPPORT THE RESEARCH.

>> Chair Madrigal: ANY OTHER AMENDMENTS?

>> I HAVE TWO AMENDMENTS. ONE IS A -- ONE IS A CLARITY TO THE BUDGET NOTE THAT I HAD MADE EARLIER REGARDING THE MEDICAL EXAMINER'S OFFICE. I WANT TO KEEP THE DIRECTION TO REVIEW THE STAFFING AND MANAGEMENT OF THE MEDICAL EXAMINER'S OFFICE, BUT REMOVE HUMAN RESOURCE AND ADD THE DISTRICT ATTORNEY'S OFFICE SINCE THEY HAVE A MANDATED ROLE. AND I WANTED TO TAKE OUT THE SENTENCES AROUND THE STATE OF OREGON'S RESPONSIBILITY AND THE RECOMMENDATION ABOUT THE LEGISLATIVE AGENDA. AND I HAVE LANGUAGE ON THAT. THE SECOND IS AN AMENDMENT TO DHS PROGRAM OFFER 25139A FOR ANTIPOVERTY SERVICES. WHICH WOULD ALLOCATE \$10,000 FOR INTERMEDIATE PROCUREMENT TO SUPPORT CULTURALLY SPECIFIC DAY LABOR.

>> Chair Madrigal: ANY OTHER AMENDMENTS OR -- WE HAVE TIME. ALL DAY TODAY, REALLY. AND TOMORROW. OK. THANK YOU. KARYNE KIETA.

>> GOOD MORNING CHAIR MADRIGAL, MEMBERS OF THE BOARD, KARYNE KIETA BUDGET DIRECTOR. I WANTED TO ORIENT YOU WITH WHAT'S ON OUR AGENDA FOR TODAY. WE WILL KICK OFF IN JUST A MINUTE WITH THE DEPARTMENT OF COUNTY ASSETS, SHERRY SWACKHAMER, AND THEN WE MOVE INTO THE LIBRARY DEPARTMENT. ONCE WE COMPLETE THAT PRESENTATION AND CONVERSATION, THE BOARD WILL ADJOURN AS THE BOARD OF COMMISSIONERS AND THE BUDGET -- EXCUSE ME, THE BUDGET COMMITTEE, AND CONVENE AS THE LIBRARY DISTRICT. ONCE WE CONCLUDE THE SESSION ON THE LIBRARY DISTRICT, ON TUESDAY, THIS AFTERNOON, WE WILL COME BACK AND HEAR FROM NONDEPARTMENTAL. THURSDAY WE HAVE OUR TAX SUPERVISING CONSERVATION COMMISSION HEARING ON MULTNOMAH COUNTY AND THE LIBRARY DISTRICT. THAT IS -- STARTS AT 9:00 A.M. TIME CERTAIN TOMORROW MORNING. AND YOU ALL HAVE THE OPPORTUNITY TO SIT IN THE STAFF SEAT, BE ON THE HOT SEAT FOR THE TAX BOARD. ALSO ON THURSDAY, WE WILL BRING BACK ALL OF THE -- I GUESS THE FIRST REVIEW OF THE DEPARTMENT'S BUDGET AMENDMENTS. WE ARE GOING TO HEAR A BRIEF PRESENTATION FOR OUR FOLLOW-UP CONVERSATION ON THE FINANCIAL POLICIES AND WE ALSO HAVE ANOTHER FOLLOW-UP FROM COUNTY MANAGEMENT ON CHILD CARE. SO THAT KIND OF CONCLUDES WHAT WE'LL BE DOING THIS WEEK. NEXT WEEK IT'S REALLY JUST IN PREPARATION FOR ADOPTION AND ANY KIND OF CROSS OUR Ts AND DOTTING OUR Is. I DO WANT TO CALL YOUR ATTENTION, YOU HAVE THREE PIECES OF PAPER BEFORE YOU. ONE IS THE BUDGET NOTES THAT WERE AS OF LAST WEEK, WE WILL UPDATE THOSE WITH THE PROPOSED NEW BUDGET NOTES AND THE REVISED LANGUAGE FOR THE MEDICAL EXAMINER, AND WE'LL HAVE THAT READY FOR YOU FOR TOMORROW. YOU ALSO HAVE THE BOARD BUDGET AMENDMENTS ATTACHMENT A, AND WE WILL UPDATE THOSE WITH THE NEW AMENDMENTS THAT WE HEAR OVER THE COURSE OF TODAY AND TOMORROW. AND THURSDAY. AND THEN LASTLY YOU HAVE A NEW SHEET CALLED ATTACHMENT A, FISCAL YEAR 2015 PROGRAM OFFERS FOR INDIVIDUAL CONSIDERATION. THIS IS THE RESULT OF COMMISSIONER MCKEEL'S CONFLICT OF INTEREST. WE'RE CALLING THIS OUT. THERE'S NOTHING TO DO, IT'S IN THE APPROVED BUDGET RIGHT NOW, BUT WHEN WE

MOVE FORWARD FOR ADOPTION, WE'LL BE ASKING THE BOARD TO VOTE ON THIS INDIVIDUALLY, SO COMMISSIONER MCKEEL CAN RECUSE HERSELF FROM THAT PARTICULAR VOTE. SO WE COVER ALL OUR LEGAL BASES.

>> Comm. Smith: WHICH VOTE IS THAT?

>> WHEN WE ADOPT THE BUDGET ON THURSDAY.

>> Comm. Smith: WHICH VOTE IS COMMISSIONER MCKEEL BEING EXCUSED FROM?

>> IT'S ATTACHMENT A AND IT WOULD BE FOR PROGRAM OFFER 50066, THE JUVENILE COMMUNITY INTERFAITH SERVICES. AND SO COMMISSIONER SMITH, IT'S ON THIS PAGE WITH THE ONE PROGRAM OFFER.

>> Comm. Smith: BASED ON WHAT? WHAT IS SHE RECUSING HERSELF FROM?

>> Comm. McKeel: I HAVE A FAMILY MEMBER THAT WORKS FOR YOUTH VILLAGES IN THE INTERCEPT PROGRAM.

>> Comm. Smith: OH, OK. THANK YOU.

>> SO IF THE BOARD DOESN'T HAVE ANY QUESTIONS IN TERMS OF PROCESS AND TECHNICAL PIECES, I WILL REMOVE MYSELF AND TURN THIS OVER TO SHERRY.

>> GOOD MORNING.

>> GOOD MORNING CHAIR, COMMISSIONERS, I'M SHERRY SWACKHAMER, I'M HERE AS THE DIRECTOR OF THE DEPARTMENT OF COUNTY ASSETS, AND THE CHIEF INFORMATION OFFICER FOR MULTNOMAH COUNTY. I HAVE A FEW PEOPLE WITH ME. SEAN CALDWELL, OUR INTERIM BUDGET AND FINANCE MANAGER. YOU MIGHT REMEMBER HER, SHE'S HAD A FEW OTHER ROLES WITH THE COUNTY. WE'RE HAPPY TO HAVE HER BACK. ALSO IN THE AUDIENCE, POTENTIALLY FOR ANY QUESTIONS I HAVE MICHAEL BOWERS, OUR DIVISION DIRECTOR FOR FACILITIES AND PROPERTY MANAGEMENT, BOB LEEK, OUR DEPUTY CHIEF INFORMATION OFFICER, TONY DORNBUSCH OUR SENIOR FINANCE MANAGER FOR FLEET RECORDS, DISTRIBUTION AND STRATEGIC SOURCING AND CONTRACTS AND PROCUREMENTS, AND DORIAN, OUR INTERIM HUMAN RESOURCE MANAGER. SO THIS SLIDE PRESENTS OUR COUNTY ASSETS MISSION VISION AND VALUES. WE THINK IT'S SUMMED UP WELL BY OUR TAG LINE WITH OUR GOAL BEING WE HAVE CREATIVE SYNERGIES, INNOVATIVE TECHNOLOGIES, SUSTAINABLE PRACTICES, AND AN INCLUSIVE WORKPLACE. WE'RE CURRENTLY WORKING ON A STRATEGIC PLAN AND WE'LL BE CONTINUING THAT WORK IN FISCAL YEAR 2015 AND AT THAT TIME WE'LL REEVALUATE WHETHER THESE ARE STILL APPROPRIATE OR WHETHER WE WANT TO MAKE SHADJUSTMENTS. AND NOW I WOULD LIKE TO RECOGNIZE OUR CITIZEN BUDGET ADVISORY COMMITTEE. WE VERY MUCH LIKE TO THANK THEM FOR THEIR WORK ON

FISCAL YEAR 2015 BUDGET PROCESS, AND WE ENJOYED HAVING THE OPPORTUNITY TO WORK WITH THEM. RIGHT NOW BEN BRADY, ONE OF THE MEMBERS, IS GOING TO BE DISCUSSING THEIR RECOMMENDATIONS.

>> HELLO. MY NAME IS BEN BRADY, AND I'M GOING TO DO SOME RECOMMENDATIONS FOR THE COUNTY ASSETS. IT WAS A GROUP DECISION, AND YOU'RE PROBABLY FAMILIAR WITH THE BLUE TITLES THAT ARE ONE PAGE FOR EACH PROGRAM. THERE'S ANNUAL ONES, AND THERE'S ONES THAT ARE ONE-TIME-ONLY FOR THESE INDIVIDUAL PROGRAMS. AND WE'RE GOING TO FOCUS MOSTLY ON THE ONE-TIME-ONLIES. THERE'S GOING TO BE FIVE DIFFERENT ONES I'M GOING TO HIGHLIGHT. THEY -- THE TITLES ARE NETWORK CONVERSIONS, DOWNTOWN COURTHOUSE, ANIMAL SERVICE PREVENTIONS, COLUMBIA RIVER BOAT HOUSE AND PORTAGE BUILDING, AND COMMUNITY OF OPERATIONS UPGRADES. NOW I'M GOING TO GO INTO A LITTLE BIT ABOUT EACH ONE OF THEM STARTING WITH THE FIRST ONE, WHICH IS THE TECHNOLOGY ONE, WHICH DEALS WITH NETWORK CONVERSIONS. DESCRIPTION OF THIS PARTICULAR ONE, THIS PARTICULAR PROGRAM DEALS WITH UPGRADING THE CONVERSIONS OF PROJECT -- PHONE, DIGITTING NETWORKING, SWITCHES, NETWORKING. OUR RECOMMENDATION AS A COMMITTEE, WE SAID FUND THIS, AND IT WAS -- IN THE PAST THE COMMITTEE SEEMED UPGRADES HAPPENED ONLY WHEN NEEDED. THIS ONE IS TO FUND ALL OF THEM -- A BUNCH MORE TO UPGRADE IT TO THE PRESENT AND TO PREVENT FAILURE, BECAUSE WHEN IT DOES FAIL, THE ENTIRE SYSTEM KIND OF FAILS. THAT WAS OUR STANDING. FOR THE NEXT PROJECT, A BUILDING WHICH IS THE DOWNTOWN COURTHOUSE PROGRAM. AND DESCRIPTION OF THIS WOULD BE TO REPLACE THE EXISTING 100-YEAR-OLD COURTHOUSE, HAVE A NEW DESIGN OF THE COURTHOUSE TO CURRENT STANDARDS FOR CONSTRUCTION, ENERGY EFFICIENCY, AND OPERATION. OUR RECOMMENDATION WOULD BE TO FUND THIS TO KEEP THIS LARGE PROJECT GOING, LARGE MOMENTOUS PROJECT AND TO HAVE INSTRUCTION OF A LARGE COUNTY PROJECT, OR BUILDING. THIRD ONE INVOLVES ANIMALS. ANIMAL SERVICE RETENTION -- RENOVATION. THIS DESCRIPTION WOULD BE TO MANAGE AND -- FOR PROGRAMMING, DESIGN, CONSTRUCTION, RESULTING IN OPERATION EXPANSION OF THE OFFICE, OFFICE OPERATIONS. PART OF THIS WOULD BE FOR AN OPEN -- ANOTHER OPEN OPTION WOULD BE FOR SATELLITE ADOPTION FACILITY THAT THEY CAN HAVE, SOMEWHERE WITHIN THE REALMS OF THE CENTRAL POPULATION OF THE COUNTY. RECOMMENDATION IS TO FUND THIS. 5,000 TO 1 MILLION, DEPENDING ON FUND AVAILABILITY, AND IN FAVOR OF THE SATELLITE OPTION. AND THEY RECOMMENDED TO HAVE A PRIORITY PLAN FOR HOW THIS WOULD BE USED. 3rd ONE WOULD BE A DIFFERENT BUILDING, SMALLER BUILDING. IT WOULD BE THE COLUMBIA RIVER PORT HOUSE BUILDING. THIS ONE DESCRIBES -- THIS DESCRIPTION WOULD BE TO REPLACE AN EXISTING POOR CONDITION BUILDING THAT IS THE -- CURRENTLY IT HOUSED THE SHERIFF'S OFFICE COLUMBIA RIVER PATROL UNIT. ONE THING WE WOULD RECOMMEND ABOUT THIS, TO GET A LITTLE MORE INFORMATION, ONE THING IS THAT IT'S OWNED BY DIFFERENT PUBLIC AGENCIES, METRO AND NOT BY THE COUNTY. AND THIS WOULD MEAN THAT WE WOULD GET FREE RENT, BUT NOT SURE ABOUT THE

PAYBACK PERIOD. THAT'S ONE THING THEY'RE TALKING ABOUT. AND FOR THIS LAST ONE, IT'S ANOTHER TECHNOLOGY ONE, IT WOULD BE CONTINUITY OF OPERATIONS UPGRADE, AND THIS ONE WOULD -- IT SUPPORTS REMOTE ACCESS FOR ALTERNATE WORK LOCATIONS. THIS KIND OF WOULD BE TRUE SAY IF THERE'S A POWER OUTAGE IN ONE PARTICULAR AREA, AND PEOPLE COULD GO TO A DIFFERENT AREA AND THEY CAN WORK FROM THAT LOCATION. BUT IN ORDER TO DO THAT THEY NEED SOME SORT OF TECHNOLOGY STUFF. OUR GROUP KIND OF A RECOMMENDED TO GET LATER ON THIS, AND GET MORE RESEARCH FROM ABOUT HOW THIS WOULD BE HAPPENING AND THINGS. THEY'RE TALKING ABOUT V.P. AND THE BEST OPTION. OUR OTHER SOLUTIONS, WHAT SHOULD BE DONE FOR FULLY UNDERSTANDING THE OPTION AND THEIR BREAKDOWN. SO THAT WAS FIVE DIFFERENT PROGRAMS THAT THIS COUNTY ASSET FEEDBACK GROUP HIGHLIGHTED. THEY WERE NETWORKS CONVERSIONS, DOWNTOWN COURTHOUSE, ANIMAL SERVICE RENOVATIONS, AND COLUMBIA RIVER PORT HOUSE AND PORTAGE -- BOAT HOUSE AND PORTAGE BUILDING. AND COMMUNITY OPERATIONS UPGRADE.

>> Chair Madrigal: THANK YOU. THANK YOU FOR YOUR REPORT AND YOUR SERVICE. ANY QUESTIONS?

>> Comm. Smith: MADAM CHAIR, I HAVE A QUESTION. THANK YOU FOR THE REPORT. I JUST WANT A LITTLE BIT MORE INFORMATION ABOUT THE COURTHOUSE, AND IN TERMS OF -- AND THIS IS PROBABLY FOR YOU, SHERRY, IN TERMS OF HOW MUCH IS THE COURTHOUSE GOING TO COST? AND WHERE SETTING MONEY ASIDE?

>> Chair Madrigal: WE'RE GOING TO REVIEW A LITTLE BIT OF THAT IN THE PRESENTATION TODAY.

>> I THINK WE'RE STILL DETERMINING THE TOTAL COST OF THE COURTHOUSE, AND WE'RE ASKING IN THIS BUDGET FOR AN ADDITIONAL 2.3 MILLION IN CAPITAL FOR THE WORK THAT WE PROJECT TO BE DONE IN 2015.

>> Comm. Smith: SUSPECT IT CORRECT WE HAVE \$40 MILLION?

>> APPROPRIATED.

>> Comm. Smith: WHAT DO WE ACTUALLY HAVE? THE REASON WHY I'M ASKING THIS QUESTION, THE CBAC TALKED ABOUT IT.

>> THEY WERE TALKING ABOUT THE ONE-TIME-ONLY Q. 2.3 MILLION.

>> Comm. Smith: WHAT WILL THAT DO?

>> HELP US CONTINUE WITH SITE SELECTION AND THE ANALYSIS OF HOW TO FINANCE --

>> Comm. Smith: WE HAVE \$40 MILLION, DON'T WE HAVE ENOUGH?

>> Chair Madrigal: I WONDER COMMISSIONER SMITH IF WE COULD GO THROUGH THE DCA BUDGET PRESENTATION AND THEN HAVE SOME TIME TO REVIEW THE COURTHOUSE SPECIFICALLY.

>> I HAVE ONE FOLLOW-UP. 2.3 IS PART OF THE TOTAL DOLLARS THAT ARE IN -- PROPOSED IN THIS OVERALL BUDGET. IT'S NOT IN ADDITION TO. THIS IS THE HIGH LEVEL ORG CHART FOR THE DEPARTMENT OF COUNTY ASSETS. WE HAVE FIVE ORGANIZATIONAL UNITS, THE DIRECTOR'S OFFICE, THE DIVISION OF INFORMATION TECHNOLOGY, FLEET RECORDS, DISTRIBUTION, AND STRATEGIC SOURCING THAT PROVIDE COUNTYWIDE SERVICES. WE HAVE AN ADMINISTRATIVE HUB THAT PROVIDES SERVICE, H.R. BUDGET FINANCE, PROCUREMENT AND CONTRACTING FOR DCM, DCA AND THE NONDEPARTMENTAL ORGANIZATIONS. AND THEN WE HAVE THE DIVISION OF FACILITIES AND PROPERTY MANAGEMENT. WE HAVE OVERALL AN OVERALL BUDGET OF \$232 MILLION. TOTAL FTE OF ABOUT 321. AND A SPAN OF CONTROL OF ONE TO 10, WHICH IS ABOUT THE SAME AS LAST YEAR. OUR SYSTEM OF CARE IS A LITTLE DIFFERENT THAN EVERYONE ELSE'S. OUR SYSTEM OF CARE IS REALLY SUPPORTING ALL OF OUR DEPARTMENTS. WE HAVE AS YOU KNOW A VERY BROAD SPAN OF LINES OF SERVICE THAT WE PROVIDE, INTERNAL SERVICES AND INFRASTRUCTURE SUPPORT TOO. THIS IS THE DEPARTMENTAL OVERVIEW OF THE DEPARTMENT OF COUNTY ASSETS BUDGET. WE HAVE FUNDING THROUGH THREE DIFFERENT FUNDS, A RELATIVELY SMALL AMOUNT FROM THE GENERAL FUND THAT SUPPORTS STRATEGIC SOURCING AND OUR ADMINISTRATIVE HUB. THE MAJORITY OF OUR OPERATIONAL AND ONGOING FUNDING COMES FROM INTERNAL SERVICE REIMBURSEMENTS FROM THE DEPARTMENTS. AND THEN OUR CAPITAL FUND WHICH IS PRIMARILY FACILITIES AND I.T. THIS PRESENTS OUR BUDGET BY SPENDING CATEGORY. AS YOU CAN SEE, CURRENTLY THE CAPITAL SPENDING CATEGORY IS THE ALARMINGEST, ALMOST 50%. AGAIN, THAT'S MADE UP PRIMARILY OF THE TWO LARGE BUILDING PROJECTS, CONSTRUCTION PROJECTS THAT WE HAVE, HEALTH HEADQUARTERS AND THE DOWNTOWN COURTHOUSE. OTHER FACILITIES -- THE FACILITIES CIP AND ASSET PRESERVATION. THE FLEET REPLACEMENT FUND AND I.T.'S CAPITAL PROJECTS. THIS PRESENTS OUR BUDGET, OUR REVENUES BY CATEGORY. AS YOU CAN SEE, OUR INTERNAL SERVICE REIMBURSEMENTS MAKE UP THE LARGEST CATEGORY. THERE'S AN INTERGOVERNMENTAL -- THE 15 MILLION THAT WE ANTICIPATE FROM THE STATE, FOR THE DOWNTOWN COURTHOUSE. IN GRANTS AND CONTRIBUTIONS, THAT'S PRIMARILY THE MONEY FOR -- FROM PDC FOR THE HEALTH HEADQUARTERS. JUST A REMINDER ABOUT OUR BUDGET. OUR INTERNAL SERVICE REIMBURSEMENTS REALLY PAY FOR ALL OF OUR ONGOING OPERATING COSTS AND OUR PLANNED ASSET REPLACEMENTS. SO PLANNED ASSET REPLACEMENTS ARE THE SMALL REPLACEMENTS LIKE P.C.s AND SERVERS, AND CARS. WE DO -- WE CALCULATE THESE AND WE EVALUATE THE RATES ON AN ANNUAL BASIS. AND WE FOLLOW COUNTY POLICY FOR THE SMALL ASSET REPLACEMENTS. AND THEN LARGE ONE-TIME CAPITAL REPLACEMENTS ARE TYPICALLY PAID FOR WITH ONE-TIME REVENUE SOURCES, THESE ARE FROM ONE-TIME-ONLY FUNDS OR BONDS, PRIMARILY.

OUR NET FTE CHANGES ARE 9.8. THE MAJORITY OF THESE ARE IN FACILITIES AND THEY'RE IN SUPPORT OF OUR CAPITAL PROJECTS. AND INFORMATION TECHNOLOGY, CHANGES FROM LIMITED DURATION POSITIONS MAKING THEM FULL-TIME. AND THEN ONE IN THE FLEET RECORDS DISTRIBUTION AND STRATEGIC SOURCING. I NEED TO GET A SMALLER NAME FOR THAT. A MOVEMENT OF A POSITION FROM THAT AREA WITHIN ACTUALLY THAT AREA, BUT THROUGH CONTRACTING, OR TO THE ADMINISTRATIVE HUB FROM FLEET. KIND OF THE OLD ORGANIZATION TO THE ADMINISTRATIVE HUB. AS OF JANUARY 1st, 2014, WE HAD 13 VACANCIES. OF THOSE, EIGHT HAVE BEEN FILLED FOR -- IN RECRUITMENT, AND ONE IS BACKFILLED WITH A CONTRACTOR. AND WE HAVE A VERY LOW GIVEN 320 FTE, WE HAVE A VERY LOW VACANCY RATE OF ABOUT 5%. WE HAVE PROPOSED FOR FACILITIES FOR ONE-TIME-ONLY REQUESTS. 1 MILLION FOR THE HEALTH DEPARTMENT HEADQUARTERS, 2.3 MILLION FOR THE CENTRAL COURTHOUSE, 700,000 FOR THE RENOVATION OF THE ANIMAL SERVICES AND LOOKING AT A PILOT, OR A SATELLITE LOCATION, AND THEN THE COLUMBIA RIVER BOAT HOUSE PORTAGE BUILDING DESIGN WORK. WE DID DISCUSS THESE IN THE CAPITAL PRESENTATION. BUT I'M HAPPY TO ANSWER ANY OTHER QUESTIONS THAT YOU HAVE.

>> Comm. Smith: COULD WE GO BACK TO THE ORIGINAL QUESTION? AND WHAT WE'RE GOING TO USE THE \$2.3 MILLION FOR THE COURTHOUSE FOR?

>> THIS IS TO GIVE US ADDITIONAL FUNDING FROM LAST YEAR I BELIEVE WE HAD A MILLION DOLLARS, WHICH WE'RE SPENDING THIS YEAR. AND THIS WILL ALLOW US TO CONTINUE THAT WORK WITH THE OWNER'S REP AND THE PROJECT TEAM FOR SITE SELECTION AND THE ANALYSIS OF THE FINANCING STRUCTURE. AND THOSE ARE THE TWO PRIMARY.

>> Comm. Smith: IT'S MY UNDERSTANDING WE ALREADY HAVE \$40 MILLION IN THAT COURTHOUSE. WHY CAN'T WE USE THAT MONEY?

>> WE HAVE -- WHAT WE HAVE IN THE COURTHOUSE IS WHAT'S BEING APPROPRIATED IS THE CARRYOVER OF THE MONEY IN LAST YEAR, THE CARRYOVER OF THE MONEY FROM PDC --

>> Comm. Smith: HOW MUCH?

>> 9.2 MILLION.

>> Comm. Smith: OK.

>> THE ANTICIPATION OF THE STATE GRANT OF 15 MILLION. THE 2.3 MILLION THAT WE'RE ASKING FOR TO USE TO UTILIZE, AND THEN THE ANTICIPATION OF OUR FINANCING OF THE \$15 MILLION MATCH.

>> Comm. Smith: SO IT'S A MATCH, NOT A GRANT. THE 15 MILLION. I'M HERE.

Ms. Swackhamer: THEY ARE GIVING US 15 MILLION, AND WE HAVE TO MATCH THAT.

>> Comm. Smith: SO DO WE HAVE TO PUT UP \$15 MILLION? OR IS IT PAY AS YOU GO?

Ms. Swackhamer: WE DO NOT HAVE TO PUT UP \$15 MILLION IMMEDIATELY. WE HAVE TO IDENTIFY IT IN OUR BUDGET IN ORDER TO DO IT AT ALL. SO THAT'S WHAT WE'RE DOING, IS IDENTIFYING IT IN THE BUDGET. WE'RE NOT ANTICIPATING FINANCING IT IMMEDIATELY.

>> Comm. Smith: OK.

>> Chair Madrigal: WE CREATED THE SPACE FOR THE 15 MILLION THAT WOULD COME FROM THE STATE, AS WELL AS THE SPEIGHTS FOR THE \$15 MILLION MATCH WE WOULD BORROW, BUT WE HAVEN'T RECEIVED \$15 MILLION FROM THE STATE NOR HAVEH HAVE WE BORROWED \$15 MILLION.

>> Comm. Smith: SO, TO SHERRY, ARE WE GOING TO PUT \$15 MILLION IN THE BONDS TO DO THE MATCH?

Ms. Swackhamer: WE HAVEN'T DECIDED HOW WE'LL DO OUR MATCH.

>> Comm. Smith: SO WE HAVEN'T EVEN DECIDE FIRST DEGREE WE'RE GOING TO DO THE COURTHOUSE. SO THAT'S MY WHOLE ISSUE WITH THIS. I DON'T KNOW HOW MUCH IT'S GOING TO COST, SO I DON'T KNOW IF I'M PUTTING ASIDE ENOUGH MONEY TO BEGIN WITH.

Ms. Swackhamer: WE BELIEVE THE 2.3 IS WHAT WE NEED FOR 2015 ALONG WITH THE MONEY THAT WE'RE CARRYING OVER FROM LAST YEAR'S BOARD APPROVED BUDGET.

>> Comm. Smith: HOW MUCH DO WE HAVE LIQUID? FOR THE COURTHOUSE?

Ms. Swackhamer: THE CARRYOVER?

>> Comm. Smith: HOW MUCH IS THE CARRYOVER?

Ms. Swackhamer: 900,000.

>> Comm. Smith: SO WE DIDN'T SPEND ANY OF OUR MONEY FROM LAST YEAR.

Ms. Swackhamer: WE ARE SPENDING THAT, BUT WE ANTICIPATE -- I'M LOOKING AT THE SPREADSHEET, I'M SORRY. I MAY ASK MICHAEL FOR HELP. SORRY.

Mr. Bowers: MICHAEL BOWERS, FACILITIES DIRECTOR. WE HAD A MILLION DOLLARS BUDGETED IN FY-14, WE'VE BEEN SPENDING AGAINST THAT WITH

THE OWNER'S REPRESENTATIVE AND THE NATIONAL CENTER FOR STATE COURTS. AND PROJECT MANAGEMENT. I DON'T HAVE THE --

>> Comm. Smith: WE'VE ONLY SPENT 100K?

Mr. Bowers: NO, I THINK WE SPENT MORE THAN THAT. I DON'T HAVE THE BALANCE, BUT I WOULD EXPECT THAT IF WE GET BACK TO YOU WE'VE SPENT PROBABLY ABOUT HALF OF THAT.

>> Comm. Smith: OK.

Mr. Bowers: SO FAR IN FISCAL YEAR '14.

>> Comm. Smith: WHAT IS THE 900,000 CARRYOVER SHERRY IS TALKING ABOUT?

Mr. Bowers: THAT WAS \$900,000 SET ASIDE FOR LAST FISCAL YEAR.

>> Comm. Smith: RIGHT.

Mr. Bowers: WE HAVE SPENT AGAINST THAT. I DON'T HAVE THE BALANCE OF THE EXPENDED DOLLARS TODAY, BUT WE ANTICIPATE SPENDING MOST OF THAT BY THE END --

>> Comm. Smith: OR HALF OF IT.

Mr. Bowers: I THINK WE SPENT AT LEAST HALF OF THAT. I DON'T HAVE THE NUMBER IN FRONT OF ME. BUT WE'LL GET BACK TO YOU. THE NATIONAL CENTER FOR STATE COURTS CONTRACT WAS ABOUT \$300,000 AND THE OWNERS REP WE HIRED IN JANUARY, SO WE'VE BEEN SPENDING AGAINST THE OWNERS REP CONTRACT.

>> Comm. Smith: WHAT I'M TRYING TO GET DOWN SPECIFICALLY, WHERE ARE THE COSTS FOR FISCAL YEAR '15? WHAT IS THIS \$2.3 MILLION GOING TO TAKE UP? DO WE HAVE A BUDGET FOR THIS?

Mr. Bowers: YES, WE DO. SO THE OWNERS' REPRESENTATIVE CONTRACT WAS BROKEN OUT INTO TWO PHASES. PHASE ONE WAS CREATING THE PROJECT DEFINITION FOR THE COURTHOUSE, AND THE COST OF THE COURTHOUSE. WE SHOULD BE FINISHED WITH THAT BY THIS FALL. THE NEXT PHASE OF THE OWNER'S REP CONTRACT INCLUDED DOING A SITE SELECTION ANALYSIS TO ULTIMATELY PURCHASE A SITE. THE \$30 MILLION, THE TWO \$15 MILLION INCREMENTS THAT ARE IN NEXT FISCAL YEAR'S BUDGET, 15 FROM THE STATE, 15 FROM THE COUNTY, WHEN WE SELECT A SITE TO PURCHASE, AND PROCEED WITH THE BUILDING ON THAT SITE, THAT'S WHAT THOSE TWO FUNDING AMOUNTS ARE SET ASIDE FOR NEXT SPRING. WE'LL COME BACK BEFORE THE BOARD WITH A SELECTED SITE BEFORE WE ENTER INTO A NEGOTIATION, DO ANY REAL ESTATE SITE PURCHASES. SO LONG STORY MADE SHORT, THE \$2.3 MILLION FOR THIS COMING FISCAL YEAR IS FINISHING

DEFINING THE PROJECT, ITS COST, ITS COMPLETE COST, ITS TIME LINE, ITS OPERATING COST AFTER THE BUILDING IS OPEN, DOING SITE SELECTION ANALYSIS, AND CREATING AT THE END OF FY-15 A PROCUREMENT DOCUMENT TO BEGIN DOWN THE ROAD OF DESIGNING AND CONSTRUCTING A NEW COURTHOUSE.

>> Comm. Smith: CAN YOU GIVE ME AN ITEMIZED LIST FOR THE 2.3 MILLION DOLLARS? BECAUSE YOU'RE NOT GIVING ME NUMBERS. YOU'RE JUST SAYING THIS IS WHAT IT'S GOING TO PAY FOR, BUT YOU DON'T HAVE NUMBERS CONNECTED TO IT. I WANT TO KNOW WHERE THE 15 MILLION, OUR \$15 MILLION IS COMING FROM. BECAUSE IT'S NOT LIQUID MONEY. WHERE IS THAT MONEY COMING FROM?

>> Chair Madrigal: THAT WOULD BE A BOARD DECISION. A BOARD DECISION WHETHER TO APPROPRIATE ONE-TIME-ONLY FUNDS THIS YEAR OR NEXT YEAR, TO BORROW AGAINST --

>> Comm. Smith: BUT IT'S IN THIS YEAR'S BUDGET, CHAIR.

>> Chair Madrigal: THERE'S SPACE FOR IT, COMMISSIONER, BUT --

>> Comm. Smith: IT'S NOT ACTUAL MONEY.

>> Chair Madrigal: IT'S NOT ACTUAL MONEY. WE CREATED SPACE FOR IT IN THE EVENT THAT WE DO DECIDE TO BORROW OR WE HAVE A WINDFALL, TAX REVENUE, OR ANY OTHER SOURCE OF REVENUE, WE'VE CREATED SPACE SO WE CAN ACCEPT IT, BUT IT IS NOT YET THERE.

>> Comm. Smith: THAT'S WHAT I WANTED TO FIND OUT. SO IT'S NOT REAL MONEY.

Ms. Swackhamer: IT'S SPACE FOR THE REAL MONEY.

>> Comm. Smith: IT'S JUST WHEN THE REAL MONEY COMES IN. SO THERE'S NO 15 MILLION. SO HOW MUCH LIQUID MONEY DO WE HAVE IN THE COURTHOUSE?

Ms. Swackhamer: THE CARRYOVER, WHICH --

>> Comm. Smith: WE ONLY HAVE 900,000?

Ms. Swackhamer: LESS THAN 900,000.

>> Comm. Smith: AND THAT'S ALL. WE HAVE NO OTHER --

Chair Madrigal: THERE'S ALSO THE MONEY FROM PDC.

>> Comm. Smith: SO TELL ME ABOUT THE MONEY FROM PDC. ARE WE GOING TO LOSE IT?

Mr. Bowers: THE \$9 MILLION WE HAVE FROM PDC, BASED ON THE AGREEMENT WITH THE PORTLAND DEVELOPMENT COMMISSION, WAS CONTINGENT UPON USING THE MONEY FOR THE HAWTHORNE BRIDGE LOCATION. THE MONEY IS ALSO TECHNICALLY ELIGIBLE FOR THE DISTRICT, THE DEVELOPMENT DISTRICT OF WHICH THAT MONEY WAS ALLOCATED WITHIN. URBAN RENEWAL DISTRICT.

>> Comm. Smith: IF WE DON'T SPEND IT, IT'S FOR OTHER FOLKS?

>> I'M SORRY.

>> Comm. Smith: LET ME TRY THIS AGAIN. THE \$9 MILLION, IS THAT LIQUID? DO WE HAVE 90 OUR BANK ACCOUNT?

>> YES, WE DO.

>> Comm. Smith: SINCE WE'RE NOT GOING TO BUILD A COURTHOUSE AT THE FOOT OF THE BRIDGE, DO WE HAVE TO GIVE THE MONEY BACK?

>> RIGHT NOW MY UNDERSTANDING IS THAT IT'S STILL AVAILABLE TO BUILD A COURTHOUSE IN THAT URBAN RENEWAL.

>> Comm. Smith: THEY'RE GOING TO LET US USE THAT \$9 MILLION NO MATTER WHERE WE'RE AT.

>> I BELIEVE IT HAS TO FALL WITHIN THE CURRENT URBAN RENEWAL DISTRICT, BUT NOT NECESSARILY ON THE BRIDGE.

>> Comm. Smith: SO APPARENTLY IT EXPIRES IN NOVEMBER. SO WHAT DO WE HAVE TO DO TO KEEP THE \$9 MILLION?

>> WE HAVE TO GET -- WORK WITH PDC ON AN ARRANGEMENT TO EXTEND THAT. WHICH WE WERE ABLE TO DO BEFORE.

>> Comm. Smith: THAT'S SOMETHING THE BOARD HAS TO APPROVE, RIGHT?

>> I WOULD ASK THE CHAIR THAT QUESTION.

>> Chair Madrigal: WHICH PART?

>> Comm. Smith: THE \$9 MILLION. BECAUSE WHAT I UNDERSTAND IS, IF WE DON'T USE IT BY NOVEMBER, THAT WE LOSE IT. SO I'M TRYING TO GET SOME CLARITY ON THIS.

>> Chair Madrigal: LEADERSHIP AT PDC IS AWARE OF THE SITUATION WE'RE IN. AND THE TIME LINE OF OUR COURTHOUSE PLANNING. AND THEY HAVE BEEN ENGAGED IN CONVERSATIONS WITH US, AND WORKING WITH US, AND THE \$9 MILLION IS FROM THE DOWNTOWN WATERFRONT URBAN RENEWAL

AREA, SO IF WE WERE TO USE IT, IT WOULD NEED TO BE SPENT IN THAT AREA, THAT'S STATE LAW.

>> Comm. Smith: SO IS THAT MONEY THAT COULD BE USED FOR THE HEALTH DEPARTMENT? FOR THE HEALTH BUILDING?

>> Chair Madrigal: NO, THAT'S A DIFFERENT URBAN RENEWAL AREA.

>> Comm. Smith: OK. BUT DO WE HAVE ANY PROJECTS IN THAT URBAN RENEWAL AREA OTHER THAN A POSSIBLE COURTHOUSE?

>> WE DON'T AT THIS TIME, NO.

>> Comm. Smith: THAT MEANS WE'D HAVE TO GIVE THE MONEY UP. SO WE CAN'T DRAW DOWN ON THAT \$9 MILLION.

>> Chair Madrigal: IT DOESN'T MEAN WE NEED TO GIVE THE MONEY UP. IT MEANS IF WE WANT TO USE THAT FUNDING FOR THE COURTHOUSE, WE HAVE TO -- IT HAS TO BE IN THE DOWNTOWN WATERFRONT URBAN RENEWAL AREA, WHICH IS QUITE LARGE. AND IT WOULD DEFINITELY BE A POSSIBILITY.

>> COMMISSIONER SMITH, I DO NEED TO MAKE ONE CLARIFICATION. WE HAVEN'T SELECTED THE SITE FOR THE DOWNTOWN COURTHOUSE YET. NOR HAVE WE RULED ANY SITES OUT OF THE MIX.

>> Comm. Smith: AND WE HAVEN'T TAKEN A VOTE BY THIS BOARD TO SAY THAT WE'RE GOING TO DO THE COURTHOUSE EITHER. SO IT SEEMS LIKE WE'RE OUT OF ORDER ALL THE WAY AROUND.

>> CHAIR MADRIGAL: WE HAVE TAKEN SEVERAL VOTES TO MOVE THE PROCESS FORWARD. AND THERE WILL BE MANY VOTES IN THE FUTURE AT EACH STEP OF THE WAY.

>> Comm. Smith: THERE HAS NOT BEEN A PERMANENT VOTE. WE DON'T KNOW HOW MUCH THE COURTHOUSE IS GOING TO COST. NO ONE CAN GIVE ME A NUMBER. I JUST NEED A NUMBER.

>> EXCUSE ME, IF I COULD INTERCEDE. I BELIEVE COMMISSIONER SMITH YOU HAD STAFF REPRESENTATIVES, AT LEAST ONE AT THE COURTHOUSE EXECUTIVE TEAM MEETING LAST FRIDAY. BUT THIS IS AS YOU KNOW, PROBABLY THE MOST DELAYED COMPLEX, NECESSARY PROJECT THIS BOARD WILL HAVE THE OPPORTUNITY TO WORK ON. AND WE ARE -- HAVE ASSEMBLED A GROUP THAT HAS REALLY SOME PRETTY EXTRAORDINARY EXPERTISE, AND I'M VERY HOPEFUL THAT THE MOMENTUM THAT HAS BEEN ASSEMBLED TO ASSIST MULTNOMAH COUNTY IN GETTING A COURTHOUSE UP AND ROLLING. WE ARE COMING TO THE BOARD WITH -- AND "WE" BEING THE COURTHOUSE EXECUTIVE TEAM, I THINK YOUR STAFF MEMBER WAS THERE, WE HAVE --

>> Comm. Smith: WILL SOMEBODY TELL ME HOW MUCH THE COURTHOUSE COSTS RIGHT NOW?

>> WE DON'T KNOW. WE DON'T KNOW.

>> Comm. Smith: THAT'S WHAT I WANTED SOMEBODY TO TELL ME. YOU DON'T KNOW, BUT YOU WANT PEOPLE TO PUT MONEY ASIDE.

>> Chair Madrigal: COMMISSIONER SHIPRACK HAS THE FLOOR, COMMISSIONER SMITH.

>> Comm. Shiprack: CAN YOU SHARE WHAT THE CURRENT INDICATORS ARE AND WHERE THE DECISION POINTS ARE THAT ARE GOING TO IMPACT THE COST? BECAUSE THIS IS A REALLY IMPORTANT DISCUSSION THAT WE'RE HAVING RIGHT NOW.

>> SO THE FIRST ORDER OF BUSINESS IS DETERMINING THE SIZE OF THE BUILDING THAT WE NEED TO BUILD, HOW MANY COURTROOMS THAT REQUIRES IN BUILDING A COST POM OPPONENT AROUND THAT. SO OUR INTENT WITH THE EXECUTIVE TEAM IS TO COME BEFORE THE BOARD THIS FALL WITH THOSE ANSWERS. SO BY THIS FALL WITH THE USE OF THE EXPERT OWNER'S REP TEAM, WE'LL HAVE THAT ANSWER. IF THAT'S WHAT YOU ARE --

>> Comm. Smith: I JUST NEEDED A NUMBER. WHAT'S THE NUMBER THAT WE SENT TO THE GOVERNOR'S OFFICE A COUPLE WEEKS AGO?

>> WE GAVE THEM A RANGE BASED ON THE REPORT --

>> Comm. Smith: CAN YOU TELL ME WHAT THAT NUMBER WAS?

>> 240 TO \$250 MILLION. BASED ON A 2012 NUMBER. WHICH IS PART OF THE PUBLIC RECORD AND THE --

>> Comm. Smith: THAT'S ALL I WANT TO YOU DO, GIVE ME A NUMBER. YOU SAY YOU HAVE ONE, 240, 250. I JUST NEED TO KNOW A NUMBER AND WHERE THE ITEMIZED DOLLAR AMOUNT ARE GOING TO. THIS IS VERY FRUSTRATING FOR ME. SO FRUSTRATING. AND I WISH WE COULD SWITCH PLACES SO YOU CAN UNDERSTAND WHAT I'M TALKING ABOUT. THIS IS --

>> I THINK WHAT COMMISSIONER SHIPRACK IS ALLUDING TO, WE DON'T WANT TO PICK -- WE DON'T WANT TO BE IN THE POSITION WHERE WE PICK A NUMBER WITHOUT PROPER DUE DILIGENCE BASED ON THE SIZE, SCOPE, THE NEEDS OF THE FUTURE COURT, AND IN THAT PARTNERSHIP DISCUSSION WITH THE STATE, THE JUDGES AND CERTAINLY WITH THE COUNTY STAFF AT THE TABLE. THERE HAS BEEN SOME JURISDICTIONS THAT HAVE OVERBUILT A COURT, AND NOW THE JURISDICTIONS ARE HIGHLY CRITICIZED BECAUSE THERE'S 100,000 SQUARE FEET OF EMPTY SPACE

BECAUSE THE TEAM FAILED TO PREDICT WHAT THE EXPANSION NEEDS ARE IN THE FUTURE. LIKEWISE, THE DUE DILIGENCE WE'RE GOING THROUGH NOW, WHICH WAS NOT DONE IN 2012, IS WHAT'S THE MINIMUM LEVEL OF COURT THAT WE NEED TO CONSTRUCT, BASED ON CURRENT STANDARD AND CONSTRUCTING A COURTHOUSE. I THINK THE FRUSTRATION IS, IT DOES TAKE ABOUT SIX MONTHS TO A YEAR TO ASSESS ALL THESE DIFFERENT FACTORS AND MAKE SURE WE ARE NOT PUTTING TOO MUCH TAX MONEY AT RISK LIKEWISE WE'RE NOT UNDERBUILDING A COURT THAT NEEDS IMMEDIATELY RENOVATED THE DAY IT OPENS. THAT'S THE ABOUT ANSWER WE'RE TRYING TO FIND.

>> Comm. Smith: MY INDIVIDUAL FRUSTRATION IS BECAUSE YOU WON'T GIVE ME A NUMBER, I HAVE A TOUGH TIME KNOWING IF 2.3 MILLION DOLLARS IS ENOUGH, OR IT'S TOO MUCH, AND YOU WANT ME TO MAKE A DECISION ON THIS FISCAL YEAR '15 TO SET IT ASIDE, BUT I DON'T KNOW ANY CONCRETE NUMBERS. THAT'S MY FRUSTRATION. SO ANYONE CAN COME HERE FROM A DEPARTMENT AND SAY WE NEED X, Y, Z, DON'T GIVE ME A NUMBER, BUT I'M SUPPOSED TO SAY OK, I'LL PUT THAT MONEY ASIDE FOR YOU.

>> I WOULD BE HAPPY AS A STAFF MEMBER TO WRITE A BREAKDOWN OF THE \$2.3 MILLION. WE WENT THROUGH A FAIRLY RIGOROUS PROCESS TO COME UP WITH THAT WITH A TIME LINE. THAT PAYS FOR THE OWNER'S REPRESENTATIVE FOR ONE YEAR TO DO THE DUE DILIGENCE I JUST MENTIONED, IT PAYS FOR EVALUATING THE NATIONAL CENTER FOR STATE COURT'S RECOMMENDATIONS, WHICH WERE ON THE HIGH SIDE OF A 500,000 SQUARE-FOOT COURT WE NEED TO BUILD BY 2050. IT INVOLVES THE SITE SELECTION ANALYSIS, THE PUBLIC OUTREACH ASSOCIATED WITH THAT, AT LEAST THREE OR FOUR DIFFERENT CHECK-IN WAS THE BOARD WHICH WILL REQUIRE A VOTE DURING THE NEXT YEAR AND THE INTERGOVERNMENTAL AGREEMENT FOR A FINANCING PLAN WITH THE STATE TO DETERMINE HOW DO WE PAY FOR THE COURTHOUSE.

>> Comm. Smith: CAN YOU JUST PUT IT IN WRITING AND PUT SOME NUMBERS TO IT? THAT'S ALL I NEED. AND THEN I CAN GET THIS INDIGESTION OFF ME, BECAUSE IT'S HARD FOR ME TO WRAP MY ARMS AROUND THIS WHOLE THING. I AM JUST -- I'VE SO HAD WITNESS THIS PROCESS WITHOUT HAVING ANY NUMBERS. I AM SUPPOSED TO ON FAITH BELIEVE THAT WE'RE GOING TO NEED THE \$2.3 MILLION.

>> SURE.

>> WE'LL PROVIDE THE UPDATE.

>> Comm. Smith: THANK YOU. AND SECOND QUESTION. HOW MANY CARS HAVE WE BOUGHT WITH THE FLEET MONEY?

>> I'M GOING TO TALK ABOUT THAT IN A FEW MINUTES.

>> Comm. Smith: OK.

>> IF THAT'S OK.

>> Comm. Smith: CARRY ON.

>> JUST A COUPLE SLIDES DOWN. WE HAVE ONE-TIME-ONLY REQUESTS FOR INFORMATION TECHNOLOGY, 1.1 MILLION TO CONTINUE THE ROLLOUT OF OUR VOICEOVER I.P. PHONE SYSTEM REPLACEMENT. AND THE CONTINUITY OF OPERATIONS CAPACITY BUILDING THAT WE'VE REQUESTED \$600,000. AS FAR AS FEDERAL AND STATE IMPACTS, WE ARE REALLY INDIRECTLY IMPACTED AND WE'RE WAITING TO SEE HOW OUR OTHER COUNTY DEPARTMENTS ARE IMPACTED, AND THEN WE WILL EITHER INCREASE OR DECREASE CAPACITY ASSOCIATED WITH THAT. SO OUR ISSUES, RISKS, AND CHALLENGES. FOR FACILITIES WE'VE TALKED A LITTLE BIT ABOUT THE CAPITAL PROJECTS, WE ALSO HAVE A NUMBER OF DISPOSITIONS THAT WE'RE WORKING ON, AND AS MICHAEL MENTIONED DURING THE CAPITAL PRESENTATION, AS A PART OF HIS STRATEGIC PLANNING WE'RE CONTINUING TO LOOK AT LIFE CYCLE, LONG-TERM LIFE CYCLE PLANNING FOR OUR FACILITIES. AND I.T., I'VE ALREADY MENTIONED THE ROLLOUT OF OUR -- CONTINUING ROLLOUT OF OUR NEW PHONE SYSTEM, OUR CONTINUITY OF OPERATIONS PLAN. WE TOO ARE WORKING ON LIFE CYCLE PLANNING AND IN THE CAPITAL BUDGET PRESENTATION, I MENTIONED THE EVALUATION OF OUR SAP SYSTEM. AND THAT WILL BE A BIG PART OF LIFE CYCLE PLANNING FOR US NEXT YEAR. IN THE AREA OF FLEET RECORDS, DISTRIBUTION AND STRATEGIC SOURCING, WE HAVE THE REPLACEMENT OF A SMALL RECORDS AND ARCHIVING SYSTEM, WE HAVE MAIL EQUIPMENT THAT WILL BE REPLACING, AND DISTRIBUTION. AND WE'LL CONTINUE TO ROLL OUT OUR STRATEGIC SOURCING PLANS. I THINK FLEET IS OUR BIG AREA FOR THAT GROUP. AS YOU KNOW, WE ARE CONTINUING TO TALK TO THE CITY OF PORTLAND ABOUT POTENTIALLY MANAGING ALL OF OUR FLEET MAINTENANCE. WE HAVEN'T COMPLETED OUR NEGOTIATIONS WITH THEM ON THIS, BUT IN FISCAL YEAR 2015, WE'LL CONTINUE TO USE THEM AT THEIR CURB FACILITY. AND WE HAVE ABOUT 225ISH VEHICLES THAT ARE BEING SERVICED THERE, AND THAT'S WORKING VERY WELL. I -- AND THEN THE OTHER BIG PIECE THAT WE'RE WORKING ON IN FLEET ARE VEHICLE REPLACEMENTS THAT COMMISSIONER SMITH MENTIONED. WE HAVE REPLACED ABOUT 40 VEHICLES THIS YEAR. WE'RE CONTINUING OF -- OF THE GROUP. I THINK THAT OUR FLEET TEAM IS DOING SOME VERY INNOVATIVE THINGS IN THAT AREA. THEY'VE GONE -- STARTED -- I'VE LOST THE WORD HERE. SOME ROAD SHOWS, IF YOU WILL, TO LET OUR CUSTOMERS SEE WHAT THEIR ALTERNATIVES ARE, SO WE'RE NOT JUST BUYING THE KIND OF VEHICLE WE BOUGHT LAST YEAR, BUT WE'RE LOOKING AT WHAT ARE THEIR NEEDS AND SHOWING THEM OPTIONS. WE'RE ALSO LOOKING AT HOW TO BUY MORE LOCALLY. AND RATHER THAN JUST ON COOPERATIVE CONTRACTS WHICH WE HAD DONE IN THE PAST. AND SO WE'LL BE CONTINUING THEN TO REPLACE MORE CARS NEXT YEAR.

>> Comm. Smith: I HAVE A QUESTION. SO WE DON'T BUY LOCALLY RIGHT NOW?

>> WE DO, BUT WHEN YOU'RE BUYING OFF THE STATE CONTRACT, THERE'S A LIMITED NUMBER OF DEALERS THAT ARE ON THAT CONTRACT THAT ARE IN MULTNOMAH COUNTY, AND THERE ARE DEALERS OUTSIDE OF MULTNOMAH COUNTY. SO WE'RE LOOKING AT HOW CAN WE CONSOLIDATE OUR BUYING AND DO MORE TO BUY IN MULTNOMAH COUNTY THROUGH THEIR DEALERS, OUR LOCAL DEALERS.

>> Comm. Smith: IN KEEPING WITH THE STATE'S PROCUREMENT RULES AND REGULATIONS, ARE THERE WAYS THAT WE CAN ENSURE THAT WOMEN AND MINORITIES DEALERSHIPS ARE ABLE TO PARTICIPATE ANY DON'T KNOW IF THEY'RE GETTING -- INFORMATION ABOUT THIS OPPORTUNITY.

>> ONE THING THAT WE'RE DOING IN PARALLEL IS WE'RE CREATING A STRATEGIC SOURCING PLAN THAT ALLOWS JUST THAT LOCAL MINORITY AND WE'RE LOOKING AT ALSO TAKING KIND OF A LONG-RANGE VIEW TO SAY, GIVEN ALL OUR VALUES, ARE THERE WAYS THAT WE CAN DO CAPITAL PLANNING FOR FLEET REPLACEMENT BETTER, GET BETTER VALUE AND BUY LOCAL, AND --

>> Comm. Smith: AND STAY WITHIN OUR PROCUREMENT RULES.

>> YES.

>> Comm. McKeel: COULD YOU REMIND ME WHEN WE START -- WHEN IT WAS WE STARTED THE DECISION TO START NEGOTIATION WITH CITY OF PORTLAND?

>> IT WAS ABOUT A YEAR AND A HALF AGO, PROBABLY. IT'S BEEN QUITE A WHILE. WE STARTED TALKING TO THEM QUITE A WHILE. THE FIRST THING WE DID WAS IMPLEMENT THE PILOT PROGRAM. SO THAT TOOK A WHILE. OVER THIS LAST EIGHT MONTHS WE'VE BEEN WORKING WITH THEM ON LOOKING AT THE WHOLE FLEET, AND WE STILL REALLY HAVEN'T COME TO TERMS THAT WE -- THAT ARE GOOD FOR US. AND FRANKLY WE MAY NOT. BUT WE'RE GOING TO TAKE THIS YEAR TO LOOK AT CAN'T -- DO THEY WANT TO DO IT, DO THEY STILL WANT TO DO IT, CAN WE DO IT IN A WAY THAT WORKS FOR BOTH OF US, AND IF NOT, WHAT ARE OUR OPTIONS.

>> Comm. McKeel: COULD I PUT IN A BUDGET NOTE TO HAVE A BRIEFING ON THAT?

>> YES, WE WILL DO THAT.

>> Comm. McKeel: THANK YOU. IT DOES SEEM LIKE IT'S BEEN A WHILE.

>> IT HAS BEEN A WHILE. BUT WE ALSO WANT TO MAKE SURE WE'RE DOING THE RIGHT THING. AND I WOULD BE HAPPY TO DO A BRIEFING ON KIND OF THE WHOLE FLEET AREA, BECAUSE I THINK GARRETT'S BEEN DOING A GREAT JOB IN FLEET. AND IT'S TIME TO UPDATE THE BOARD ON THAT. AND

THEN LASTLY, ON THE ADMINISTRATIVE HUB, WE'LL BE LOOKING AT TRANSACTION PROCESSING, BETTER CAPITAL PLANNING, IN H.R., RECRUITMENT AND RETENTION IS STILL A BIG AREA FOR US. AND SUCCESSION PLANNING. AND WE'LL TALK A LITTLE BIT MORE ABOUT SUCCESSION PLANNING. I APOLOGIZE, THIS SLIDE NEEDS A LITTLE WORK. THE GIST OF IT IS, AS YOU CAN SEE, IN 2015, THE PEOPLE WHO ARE ELIGIBLE TO RETIRE VERSUS NONELIGIBLE, WE LOOK LIKE THE NONELIGIBLE IS THE BACK -- IS THE -- WE LOOK LIKE WE'RE IN PRETTY GOOD SHAPE. ABOUT 9% OF OUR NONREPRESENTED EMPLOYEES ARE ELIGIBLE TO RETIRE, AND 14% OF OUR REPRESENTED. BUT THEN WHEN YOU MOVE TO 2020, IT GETS A LITTLE BLEAKER. AND SO WE'RE PROACTIVELY WORKING ON THIS, WE'RE GOING TO BE WORKING NEXT YEAR, ALL OF OUR ORGANIZATION WILL BE WORKING ON SUCCESSION PLANNING WITH TALENT DEVELOPMENT AND SOME OF THE -- GO AHEAD, CHANGE -- AND SOME OF THE THINGS WE'RE CURRENTLY DOING TO BE PROACTIVE ARE, WE DO STAY INTERVIEWS WITH OUR EMPLOYEES, WE'RE ROLLING THEM OUT TO ALL OUR DIVISIONS. AND A STAY INTERVIEW IS RATHER THAN TALKING TO PEOPLE WHEN THEY LEAVE, AND HAVING AN EXIT INTERVIEW, WE'RE PROACTIVELY ASKING OUR MANAGERS TO TALK WITH THEIR EMPLOYEES WHILE THEY'RE HERE AND WORKING WITH US ABOUT WHAT MAKES THAT GOOD, WHERE ARE THEIR CHALLENGES AND WHAT CAN WE DO TO MAKE, YOU KNOW THIS, ENVIRONMENT ONE THAT PEOPLE WANT TO WORK IN AND WANT TO STAY. WE RECENTLY INITIATED HIRING BROWN BAGS AND SO PEOPLE THAT HAVE BEEN HIRED WITHIN THE LAST YEAR, WE WANT TO TALK TO THEM ABOUT WHY DID THEY COME TO THE COUNTY, AND HOW IS IT GOING, AND YOU KNOW, HOW CAN WE BETTER RECRUIT FOR PEOPLE. AND MAKE THIS A DESIRABLE PLACE. SO WHY WERE THEY DRAWN HERE AND HOW CAN WE DO BETTER ON THAT. AND THESE HAVE BEEN VERY BENEFICIAL TO OUR H.R. GROUP, AND THEY COME BACK AND SHARE WITH OUR SENIOR MANAGEMENT TEAM. WE HAVE A PROGRAM IN I.T. CALLED CAREER BRIDGE. AS YOU ALL KNOW, TECHNOLOGY IS CHANGING VERY RAPIDLY, AND WE WORKED WITH LOCAL 88 ON THIS. SO THAT IF WE HAVE EMPLOYEES THAT WOULD LIKE TO CHANGE CAREERS AND IT'S A CAREER THAT WE NEED, WE HAVE A WAY FOR THEM TO APPLY. AND GET EXPERIENCE AND TRAINING IN A NEW AREA. AND WE'VE HAD THREE PEOPLE PARTICIPATE, AND TWO OF THEM HAVE ACTUALLY CHANGED CAREERS I WOULD SAY. AND ONE OF THEM IS USING THE TRAINING AND THE EXPERIENCE THAT HE GOT IN HIS CURRENT JOB, BUT I THINK SO FAR IT'S BEEN SUCCESSFUL. WE'VE UPPED OUR INTERNET PRESENCE, WE HAVE SIX YOUTUBE VIDEOS IN OUR YOUTUBE CHANNEL, AND WE ARE ACTIVELY ON TWITTER, ESPECIALLY IN I.T. AND OUR RECORDS AND ARCHIVING GROUP HAS JUST OPENED A TWITTER ACCOUNT OF THEIR OWN. SO WE CONTINUE TO PARTICIPATE WITH THE LEADERSHIP ACADEMY TO GROW OUR LEADERS, AND WE'RE INVOLVED IN THREE DIFFERENT INTERNSHIP PROGRAMS, TWO OF COURSE THAT THE COUNTY SPONSORS, BUT WE'RE ALSO, OUR I.T. ORGANIZATION IS INVOLVED WITH AN INTERNSHIP PROGRAM WITH PSU THAT IS VERY UNIQUE AND WE'RE ACTUALLY THE ONLY GOVERNMENT THAT HAS SO FAR BEEN ALLOWED TO PARTICIPATE. SO WE THINK WE ARE BEING PROACTIVE, BUT WITH KNOW THAT THERE'S MORE WORK TO DO FROM A SUCCESSION PLANNING

PERSPECTIVE. AND YOU'LL REMEMBER ANNIE FROM OUR CAPITAL PRESENTATION. I'M HAPPY TO ANSWER ANY FURTHER QUESTIONS.

>> Comm. Smith: I HAVE A QUESTION. TELL ME A LITTLE BIT ABOUT YOUR INTERNSHIP PROGRAM AND HOW MANY STUDENTS DO YOU HAVE IN IT, AND ARE THEY PAID INTERNSHIPS, OR --

>> WE PARTICIPATE IN THE HIGH SCHOOL INTERNSHIP PROGRAM, THE SUMMER YOUTH. AND THEY ARE PAID.

>> Comm. Smith: THE SUMMER WORKS?

>> SUMMER WORKS, I'M SORRY. AND WE ALSO PARTICIPATE IN THE COLLEGE-TO-COUNTY PROGRAM THAT THE COUNTY SUPPORTS, AND THEY'RE PAID. I DON'T KNOW THE EXACT NUMBERS. WE USUALLY HAVE ANYWHERE FROM FIVE TO 10 INTERNS IN THE SUMMER. I CAN GET YOU THE EXACT NUMBERS THAT WERE PLANNED FOR THIS SUMMER. AND THEN THE PSU PROGRAM I DISCUSSED, YOU HAVE FOUR OVER THE -- OVER A YEAR. IT'S A COURT -- AND IT ROTATES QUARTERLY. SO WE GET ONE A YEAR IF YOU WILL, BUT IT'S ONE FTE A YEAR, BUT IT'S FOUR INTERNS.

>> Comm. Smith: THROUGH THE PSU PROGRAM? SO THE CAREER PROGRAM THAT GOES -- CAREER-TO-COLLEGE OUT OF ODE, HOW MANY STUDENTS DO YOU HAVE PARTICIPATING IN THAT PROGRAM?

>> OFF THE TOP OF MY -- I'LL HAVE TO GET FOR THIS SUMMER WHAT WE'RE PLANNING FOR BOTH THE SUMMER WORKS, SO THAT'S PAID FOR OUT OF THE I.T. BUDGET.

>> YES. IT MIGHT NOT BE I.T. WE HAVE INTERNS WORKING ACROSS DCA. BUT IT'S PAID FOR OUT OF OUR BUDGET.

>> Comm. Smith: OK.

>> I CAN GET YOU THE SPECIFICS FOR THIS YEAR. OFF THE TOP OF MY HEAD I CAN'T REMEMBER.

>> Comm. Smith: MADAM CHAIR, JUST FOR THE RECORD, IN TERMS OF THE BUDGET NOTE, I WANT TO GO BACK TO THE FLEET TO MAKE SURE THAT WE NOTE IN ADDITION TO HAVING THAT FLEET UPDATE, THAT IT INCLUDES WHAT WE PLAN TO DO FOR WOMEN AND MINORITIES GOING FORWARD.

>> Chair Madrigal: OK. ADDITIONAL QUESTIONS?

>> CHAIR, A QUESTION. I NOTED THE CBAC HAD CONCERNS ABOUT FUNDING THE VPN WORK. I WAS WONDERING WHAT THE THINKING WAS ON PROCEEDING WITH THAT.

>> I THINK THEY HAD QUESTIONS ABOUT WAS VPN THE RIGHT CHOICE FOR REMOTE ACCESS, BUT FROM OUR PERSPECTIVE WE HAVE A LARGE INVESTMENT IN VPN, AND IT IS AN APPROPRIATE AND SECURE WAY FOR OUR CUSTOMERS TO CONNECT TO OUR DEPARTMENT. AND FOR THE PURPOSE OF OUR CONTINUITY OF OPERATIONS, WE FEEL LIKE IT IS AT LEAST FOR THE SHORT TERM THE RIGHT THING TO DO. AND FOR THE PURPOSE OF OUR CONTINUITY OF OPERATIONS, WE FEEL IT IS AT LEAST FOR THE SHORT TERM, THE RIGHT THING TO DO. BECAUSE WE HAVE A CRITICAL PROBLEM. WE'RE ALWAYS LOOKING FOR A BETTER WAY TO DO THINGS, AND I'M HAPPY TO -- WE'RE HAPPY TO TALK TO THEM ABOUT OTHER OPTIONS THAT THEY KNOW ABOUT, BUT RIGHT NOW GIVEN THE INFRASTRUCTURE THAT WE HAVE IN PLACE, THAT IS THE MOST APPROPRIATE WAY FOR US TO PROCEED WE FEEL.

>> I JUST WANTED TO APPRECIATE YOUR STAFF, PARTICULARLY MICHAEL, THE TEAM'S TAKEN ON SOME COMPLEX PROJECTS AS WE TALKED ABOUT EARLIER, AND I HAVE APPRECIATED THE PROFESSIONALISM OF NOT GETTING AHEAD OF OURSELVES AND TAKING THIS ONE STEP AT A TIME, WHICH IS WHAT I THINK THE BUDGET REQUEST IS FOR THIS YEAR. SO I APPRECIATE YOUR ABILITY TO STEER MANY COMPLEX AND MOVING PARTS ON THIS. THANK YOU.

>> Chair Madrigal: ANY ADDITIONAL QUESTIONS FOR SHERRY? OK. THANK YOU. WE ARE GOING TO MOVE RIGHT INTO OUR NEXT BUDGET WORK SESSION WITH THE LIBRARY DEPARTMENT. WE'RE STILL MEETING AS THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS, JUST TO BE CLEAR. A BUDGET COMMITTEE FOR THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS. GOTTA KEEP THE ATTORNEYS HAPPY. ALWAYS MY GOAL.

>> GOOD MORNING CHAIR, COMMISSIONERS, I'M VAILEY OEHLKE, DIRECTOR OF LIBRARIES. HAPPY TO BE HERE FOR YOU TODAY TO TALK ABOUT THE LIBRARY'S FY-2015 BUDGET IN TWO FORMS. WE'LL START WITH THE MULTNOMAH COUNTY PRESENTATION. I'VE GOT WITH ME BECKY COBB, OUR DEPUTY DIRECTOR, AND SHAWN CUNNINGHAM, WHO IS MANNING THE EQUIPMENT OVER HERE. AND JOHN POTTER, WHO IS THE CHAIR OF OUR CBAC. SO JUST A QUICK REVIEW OF OUR MISSION, VISION, AND VALUES. I'VE TALKED TO YOU BEFORE ABOUT THE THREE PILLARS WE CONSIDER IMMUTABLE THROUGH ALL THE TECHNOLOGY AND THE CHANGING NATURE OF OUR COMMUNITY. THESE ARE FREE ACCESS FOR ALL, A TRUSTED GUIDE FOR LEARNING, AND THE LEADING ADVOCATE FOR READING. AND THESE REALLY ARE SORT OF OVERARCHING PRINCIPLES AND DRIVING GUIDELINES FOR US AS WE THINK ABOUT THE FUTURE OF THE LIBRARY AND WHERE WE EXPEND RESOURCES. OUR PRIORITIES THAT WE REVIEW EVERY TWO TO THREE YEARS ARE THE FIRST ONE IS WE THINK YES, WHICH IS OUR CUSTOMER SERVICE INITIATIVE, IT REALLY IS A PATRON-CENTERED APPROACH TO CUSTOMER SERVICE. WE CHAMPION READING FOR ALL, THAT'S ALL, FROM THE VERY BEGINNING STAGES TO TWILIGHT. WE HELP THE COMMUNITY FLOURISH, WHICH IS REALLY ABOUT SUPPORTING FOLKS IN OUR COMMUNITY WHO NEED EXTRA RESOURCES AND SUPPORT IN BEING

SUCCESSFUL MEMBERS OF THE COMMUNITY. WE PREPARE YOUNG MINDS FOR SUCCESS, AND THIS ONE TARGETS OUR SUPPORTIVE SCHOOLS, AND EARLY LEARNING. AND WE SPEAK YOUR LANGUAGE, WHICH IS OUR WORK IN TERMS OF ENSURING OUR SERVICES AND PROGRAMS AND MATERIALS ARE RESPONSIVE TO THE NEEDS OF OUR -- PEOPLE IN OUR COMMUNITY FOR WHOM ENGLISH IS NOT A FIRST LANGUAGE.

>> I WANT TO MAKE A COMMENT. I LOVE THE WORDING IN YOUR PRIORITIES. WE DON'T OFTEN SEE THAT WHEN PEOPLE BRING FORWARD PRIORITIES OR GOALS, AND I JUST THINK IT'S SO ACTIVE AND SO WONDERFUL. I JUST LOVE THAT WORDING. I JUST WANTED TO MAKE THAT COMMENT.

>> I APPRECIATE THAT. THAT EVOLVED. IT WAS ORIGINALLY THE DRY SORT OF LANGUAGE WE TEND TO COME UP WITH. SO THANK YOU. I APPRECIATE THAT ACKNOWLEDGMENT. AND I THINK NOW I'M GOING TO TURN IT OVER TO JOHN POTTER, WHO IS HERE ON BEHALF OF OUR CITIZEN BUDGET ADVISORY COMMITTEE.

>> GOOD MORNING EVERYBODY, CHAIR. COMMISSIONERS. I AGREE, I THINK THAT WORDING AND HOW VAILEY PICTURES THE WHOLE LIBRARY IS SOMETHING THAT REALLY WE'RE ABLE TO CONNECT WITH AS CITIZENS AND THAT'S ONE OF THE REASONS I'M HERE. I'M REALLY GRATEFUL FOR WHAT THE LIBRARY HAS TO OFFER US IN OUR COMMUNITY. SO I'M PLEASED TO HAVE A FEW MINUTES OF YOUR TIME TODAY TO JUST TALK TO YOU A LITTLE BIT ABOUT SOME OF THE THINGS THAT THE LIBRARY ADVISORY BOARD HAS BEEN DOING SERVING AS YOUR CBAC FOR THE REVIEWING THE LIBRARY'S FY-15 BUDGET. AND THE LIBRARY ADVISORY BOARD IS MADE UP OF 17 MEMBERS. THESE FOLKS HERE WHO ALL VOLUNTEER THEIR TIME AND COME OUT 7:30 ON A TUESDAY MORNING ONCE A MONTH, ALL THROUGHOUT THE YEAR. AND SO THAT -- COMMISSIONER MCKEEL, YOUR LIAISON WITH US IS IN ATTENDANCE AT VIRTUALLY EVERY ONE OF THOSE MEETING AND IS A GREAT ADDITION TO OUR BODY. THIS GROUP IS GREAT. THEY ASK WONDERFUL QUESTIONS, THEY STAY REALLY UP TO SPEED ON THE ISSUES SURROUNDING OUR LIBRARY AS WELL AS LIBRARY -- PUBLIC LIBRARIES IN GENERAL. THEY'RE VERY KNOWLEDGEABLE ABOUT THE BUDGET, ABOUT THE OPERATIONS, ABOUT ALL OF THE PROGRAMS IN THE LIBRARY. AND SO IN DECEMBER, JANUARY, WE PUT TOGETHER A FINANCE COMMITTEE WHICH IS KIND OF A SUBSET OF THIS GROUP TO REALLY DRILL DOWN AND REALLY UNDERSTAND WHAT THE LIBRARY'S PROPOSING. AND THIS GROUP TRIES TO PLAY THE DEVIL'S ADVOCATE. WE'RE REALLY LOOKING AT THIS BUDGET AND TRYING TO ACT ON YOUR BEHALF AND TRYING TO REALLY BE GOOD CIVIC RESPONSIBLE PEOPLE TO TRY TO MAKE SURE THAT WHAT THEY'RE PROPOSING IS SOMETHING THAT IS GOING TO WORK REALLY WELL FOR THE PATRONS AND THE COUNTY AS A WHOLE. SO WE LOOK AT A LOT OF THINGS. WE LOOK AT PROGRAM OFFERS, WE LOOK AT THE DIRECTOR'S PRIORITIES, WE LOOK AT THE BUDGET TO ACTUAL NUMBERS, WE ASK PEOPLE TO COME IN, SOME OF YOUR STAFF CAME IN AND MET WITH THE FINANCE COMMITTEE THIS YEAR AND WE'RE EXTREMELY HELPFUL. THE BUDGET ANALYST WAS THERE, MOST EVERY FINANCE COMMITTEE MEETING AND WAS ALWAYS

VERY HELPFUL WHEN WE DIDN'T UNDERSTAND SOMETHING. MICHAEL BOWERS FROM FACILITIES TALKED TO US ABOUT THE LIBRARY FACILITIES, WHICH IS AN ISSUE THE LIBRARY BOARD IS VERY CONCERNED ABOUT, AND LOOKING FORWARD ON. AND IS GLAD THAT THE LIBRARY STAFF ARE AS WELL. AND ALSO MICHAEL JASPIN FROM YOUR BUDGET OFFICE, EXTREMELY HELPFUL. HE CAME AND HAD A SESSION WITH US AND EXPLAINED ALL OF WHAT'S BEHIND THE PROJECTIONS IN THE LIBRARY'S BUDGET, AND WHERE IT'S HEADED. REALLY, REALLY HELPFUL. JUST -- YOU HAVE GREAT STAFF, AND THEY'RE VERY -- THEY COME FORWARD WITH LOTS OF GOOD INFORMATION AND SUPPORT TO US AS WE'RE TRYING TO GO THROUGH THIS PROCESS. SO WITH THE CREATION OF THE LIBRARY DISTRICT, OF COURSE, THE FUNDING WAS RESTORED, AND LAST YEAR WE SAW THE EFFECTS OF THAT, AND I THINK PEOPLE ARE EXTREMELY HAPPY WITH WHERE THE LIBRARY IS AT. AND BEING ABLE TO RESTORE THE HOURS AND A LOT OF THE SERVICES THAT WE FELT THE LACK OF IN THE PREVIOUS FISCAL YEAR. THAT CREATION OF THE LIBRARY DISTRICT HAS BEEN I THINK HAS BEEN A FANTASTIC THING FOR OUR COMMUNITY. AND ONE OF THE THINGS IT'S DONE IS PUT THE LIBRARY ON A SOLID FINANCIAL SITUATION. AND THAT'S REFLECTED IN THIS FY-15 BUDGET, WHERE NOT ONLY ARE THE SERVICES THAT WERE RESTORED IN LAST FISCAL YEAR GOING TO BE ABLE TO CONTINUE AS PROPOSED IN THIS BUDGET, BUT ALSO THE LIBRARY STAFF ARE ABLE TO BUILD UP THE RESERVE WHICH IS VERY IMPORTANT FOR THE LONG-TERM SUSTAINABILITY OF THE LIBRARY SYSTEM, AND THEY'VE ALSO BEEN ABLE TO INVEST IN SOME STRATEGIC SMALL STRATEGIC AREAS THAT ARE GOING TO HELP PROVIDE BETTER SERVICES TO THE COMMUNITY IN A NUMBER OF AREAS. I WANT TO POINT OUT SEVERAL OF THOSE AREAS. ONE IS CONTINUED EMPHASIS ON THE COLLECTION BUDGET. THAT'S WHAT IT'S ALL ABOUT. THE BOOKS AND MATERIALS, WHETHER WHETHER THEY'RE ELECTRONIC MATERIALS, or books, these are the things people are demanding and those are the areas they're investing in, which we think is fantastic. A second kind of strategic area that they are looking at and that library advisory board supports is reviewing the information services, kind of THE RESEARCH OR THE HELP SERVICES OR ACTIVITIES THE LIBRARY PROVIDES US. AND THAT IS AN AREA WITHIN THE LIBRARY SYSTEM THAT'S CHANGING RAPIDLY DUE TO JUST WHAT'S HAPPENING WITH THE INTERNET AND ALL OF THE DIGITAL SERVICES. WE'RE REALLY GLAD TO SEE THEM THINKING ABOUT THAT OVER THE LONG TERM, BECAUSE THAT'S WHAT'S GOING TO HELP KEEP THE LIBRARY RELEVANT AND USEFUL TO OUR CITIZENS. AND THEN TWO OTHERS STRATEGIC INVESTMENT AREAS THAT WE SUPPORT THAT THEY HAVE PROPOSED IN THIS BUDGET ARE AN ADDITIONAL INVESTMENT IN STAFF TRAINING, THAT'S KIND OF A RESTORATION THING. I THINK THAT TAILED DOWN OVER THE LAST SEVERAL FISCAL YEARS AND WE'RE REALLY GLAD TO SEE THAT BEING ABLE TO BE PROPOSED AT LEAST TO PICK THAT UP AGAIN TO SOME DEGREE. AND THEN FINALLY, LOOKING AT THAT ADMINISTRATIVE FACILITY ON NORTHEAST RUSSELL STREET, THAT'S -- THERE'S A LOT OF POTENTIAL THERE TO I THINK HAVE MUCH MORE EFFICIENT BETTER OPERATIONS, AND WE WERE GLAD TO SEE THEY'RE PROPOSING TO LOOK AT THAT FURTHER, I THINK THE RETURN ON INVESTMENT THERE WILL BE QUITE GOOD. SO WE SUPPORTED THAT AS WELL. BUT THE KEY THING, ONE THING

WE REALLY, REALLY LIKE TO SEE WAS THIS FURTHER BUILDING UP OF THE RESERVE FUND, WHICH IS IMPORTANT, BECAUSE THE -- AS TIMES ARE RELATIVELY GETTING BETTER, THERE IS A LITTLE BIT OF SURPLUS TO BE LOOKING AT HERE AND PUTTING THAT INTO RESERVE THAT CAN BE USED FOR THE LIBRARY DISTRICT INTO THE FUTURE, IS GOING TO HELP US KEEP THE RATE AT \$1.18 RATHER THAN GOING FURTHER UP TO THE ALLOWABLE \$1.24 RATE, WHICH THE VOTERS APPROVED. SO THE LONGER THAT WE CAN KEEP THAT DOWN, THE BETTER IT IS FOR ALL OF US AS TAXPAYERS, AND THAT'S REALLY ONE OF THE THINGS WE WANT, A REALLY GOOD LIBRARY, AND WE ALSO DON'T WANT TO PAY MORE THAN WE NEED TO. SO OVERALL THERE'S A LOT OF SUPPORT ON THE LIBRARY ADVISORY BOARD AND THE FINANCE COMMITTEE FOR THIS BUDGET FOR FISCAL YEAR '15, AND WE WOULD RECOMMEND THAT YOU -- WE RECOMMEND THAT YOU APPROVE THIS BUDGET. SOME OF THE -- I WANT TO POINT OUT THREE THINGS BEFORE I TURN THINGS BACK OVER TO VAILEY, THAT WE'VE ASKED -- WE'VE RECOMMENDED THAT THE LIBRARY STAFF AND THAT YOU LOOK AT FOR THE FUTURE BUDGETS, WE NOTE A NUMBER OF THINGS, BUT THREE I THINK ARE REALLY IMPORTANT ARE CONTINUING TO ADDRESS THE ISSUES RELATED TO THE LIBRARY DISTRICT TRANSITION, WHAT WE DO WITH THE ASSETS, HOW THAT'S MANAGED, HOW THAT'S HANDLED. THE ADVISORY BOARD ASKED ME TO PARTICULARLY BRING THAT TO YOUR ATTENTION AND REQUEST THAT THEY CONTINUE TO BE INVOLVED IN THOSE DECISIONS AND HELP ADVISE YOU ON ISSUES SURROUNDING THAT. THE SECOND THING IS THAT RESERVE FUND AND MAINTAINING AS CLOSE TO A 10% RESERVE AS POSSIBLE, AND THAT'S KIND OF A NUMBER PLUCKED OUT OF THE AIR A LITTLE BIT, BUT IT WAS INFORMED BY INFORMATION FROM MIKE JASPIN, AND WE THINK IT'S A GOOD TARGET. WE SHOULD LOOK AT THAT EVERY YEAR. BUT THAT'S WHAT IS GOING TO HELP US IN LEAN TIMES IN THE FUTURE. AND THEN FINALLY, WE HAD A GREAT SESSION WITH MICHAEL BOWERS FROM FACILITIES AND WE REALLY GOT TO UNDERSTAND SOME OF THE GROWING FACILITY ISSUES AROUND THE LIBRARIES, AND THE DIFFERENT BUILDINGS THAT LIBRARY SERVICES DEPEND ON. AND WE SEE THAT JUST I THINK LIKE OTHER COUNTY PROPERTIES, THAT'S GOING TO BE AN ISSUE FOR DEFERRED MAINTENANCE AND EVENTUAL RENOVATION OUT INTO THE FUTURE, AND JUST I THINK TAKING SOME GOOD, SOUND, STRATEGIC PLANNING AROUND THAT AREA IN FUTURE BUDGETS IS GOING TO PAY OFF IN THE LONG RUN. SO THOSE WERE SOME OF THE RECOMMENDATIONS THAT WE HAD. THE FINANCE COMMITTEE MEMBERS WERE SOLO WHITEHEAD, AARON COOPER, BERNADETTE, AND CAR LIEN WELDON. THEY WORKED REALLY, REALLY HARD ON PUTTING TOGETHER THIS REPORT, AS WELL AS ANALYZING ALL THE INFORMATION THAT'S IN HERE. AND I THINK THAT THE LIBRARY IS DOING A GREAT JOB, WE REALLY TRIED TO PUT IT TO THEM, AND EVERY TIME WE HAD A DIFFICULT QUESTION, BECKY AND VAILEY WERE EXCELLENT ABOUT EXPLAINING TO US WHY THEY'RE DOING ONE THING VERSUS ANOTHER, AND WE JUST REALLY -- WE SUPPORT -- WE THINK THEY'RE DOING A REALLY GREAT JOB, TOO. SO THAT'S MY REPORT TO YOU TODAY, AND APPRECIATE THAT -- YOUR TIME.

>> Chair Madrigal: THANK YOU. ANY QUESTIONS? THANK YOU FOR YOUR TIME AND YOUR SERVICE.

>> I WOULD JUST LIKE TO NOTE THIS IS THE THIRD OR FOURTH YEAR YOU'VE CHAIRED THE FINANCE --

>> THIRD YEAR.

>> IT'S A BIG-TIME INVESTMENT. ON HIS OWN TIME. THE REST OF LIFE SWIRLING AROUND. SO WE'RE GRATEFUL TO JOHN AND HIS LEADERSHIP IN THAT ROLE. THANK YOU, JOHN. JUST A QUICK OVERVIEW OF SOME KEY ACCOMPLISHMENTS, THERE ARE MANY OTHERS, BUT THESE WERE FUN TO HIGHLIGHT. WE LAUNCHED SORT OF QUIETLY A NEW PROGRAM THIS YEAR CALLED MY LIBRARY -- LIBRARIAN, WHICH IS -- AND I THINK I'VE SHARED IT WITH MOST OF YOU, IT'S OUR EFFORT TO BRING WHAT WE CALL READERS ADVISORY, BASICALLY HELPING YOU FIND YOUR NEXT GOOD READ, INTO THE 21st CENTURY, ACKNOWLEDGING THAT FOR A LOT OF FOLKS, THE WAY THEY LEARN WHAT TO READ NEXT HAPPENS THROUGH FRIENDS, AND PERM CONNECTIONS, AND INCREASINGLY ONLINE. SO MAKING SURE THE LIBRARY IS THERE AND MEETING PEOPLE, SORT OF AT THE SPEED OF THEIR LIVES AND IN THE ARENAS WHERE THEY LIKE TO ENGAGE. SO WE'RE REALLY EXCITED ABOUT THAT PROGRAM. WE WERE ABLE TO DO THAT AS A RESULT OF A GRANT FROM THE PAUL G. ALLEN FAMILY FOUNDATION THROUGH OUR LIBRARY FOUNDATION. AND WE'LL BE ADVERTISING THAT MORE AS OUR STAFF GETS UP TO SPEED AND WE FEEL LIKE THEY HAVE THE CAPACITY TO TAKE ON EVEN MORE QUESTIONS AROUND THAT. OF COURSE A BIG HIGHLIGHT FOR US THIS YEAR WAS THE EVERYBODY READS PROGRAM, AND I'M GOING TO SAY RIGHT NOW, DON'T EXPECT NEXT YEAR TO HAVE LIKE THE PRESIDENT OF THE UNITED STATES, I THINK WE HIT THE TOP OF THE MARK -- I THINK MOST OF YOU WERE ABLE TO ATTEND. IT WAS NOT JUST THE LECTURE PORTION BUT ALL OF THE CONVERSATION AND CONVERSATIONS IN ADVANCE THAT THE LIBRARY PROVIDED, LARGELY IN PARTNERSHIP WITH OTHER ORGANIZATIONS IN THE COMMUNITY, AND THEN THE JUSTICE'S VISIT TO THE HIGH SCHOOL THE DAY SHE WAS HERE WAS REMARKABLE. AND SEEING THOSE KIDS WHO WOULD NEVER -- WOULD NEVER DREAM OF MEETING A SUPREME COURT JUSTICE, HAVING THE OPPORTUNITY TO ASK HER DIRECT QUESTIONS, SHAKE HER HAND, SHE WAS SO WARM, AND ACCESSIBLE AND ENGAGING, IT WAS REALLY VERY REWARDING EXPERIENCE FOR ME, BOTH PERSONALLY AND PROFESSIONALLY.

>> SINCE YOU BROUGHT IT UP, I'M GOING TO PILE ON HERE. THE EXPERIENCE FOR ME AS A LATINA BEING IN THE ROOM WITH HUNDREDS OF OTHER LATINOS WATCHING A PERSONAL HERO LIVE AND IN PERSON, YOU KNOW LARKS TINOS IN THE NORTHWEST HAVE A REALLY STRONG SENSE OF CULTURAL ISOLATION, AND TO HAVE SUCH AN IMPORTANT PERSON IN OUR COUNTRY WHO ALSO HAPPENS TO BE LATINA, COME VISIT AND ENGAGE WITH US, THE LOVE IN THAT ROOM AND THE SPARKLY EYE AND JUST THE EXCITEMENT, IT'S SOMETHING I WILL NEVER FORGET THE REST OF MY LIFE, AND I KNOW THAT ON BEHALF OF MY COMMUNITY, THE LATINO COMMUNITY,

I WANT TO THANK YOU AND EVERYBODY WHO WAS INVOLVED IN THAT, BECAUSE IT WAS MOMENTOUS. IT WAS HUGE. SO THANK YOU.

>> THANK YOU VERY MUCH. WE REALLY -- WE'RE REALLY PROUD OF THAT PROJECT THIS YEAR. WE ALWAYS ARE, BUT THAT ONE WAS A HIGHLIGHT. I HAVE MANY STORIES ABOUT IT. IN FACT I GOT A PERSONAL NOTE FROM HER. THE WOMAN IS REMARKABLE -- THANKING ME FOR -- I'M LIKE, HAVE YOU TIME FOR THIS? AREN'T YOU BUSY? AND THEN ANOTHER BIG HIGHLIGHT FOR US WAS, WE -- A COUPLE YEARS BACK WE LAUNCHED OUR NEW WEBSITE, WHICH WAS A BIG DEAL FOR US, AND WE'RE VERY GRATEFUL TO COUNTY I.T. FOR MAKING THAT POSSIBLE. AS YOU KNOW, IT WAS ALL DONE IN HOUSE. WHAT'S REALLY GREAT, IT'S REALH TRULY ENHANCED THIS YEAR WITH THE FACT THAT WE ARE NOW TRANSLATING THAT WEBSITE INTO FIVE LANGUAGES. AND IT'S NOT GOOGLE TRANSLATES, THAT'S WHAT EVERYBODY ASKS ME. IT'S ACTUALLY RICH TRANSLATION, ACCURATE TRANSLATION BY HUMAN BEINGS. AND WE ALSO GET LOTS OF FEEDBACK FROM FOLKS WHO SAY, THIS ISN'T QUITE RIGHT, AND WE CHANGE IT, AND WE'RE REALLY PROUD OF THAT. SO IT'S NOW AVAILABLE IN ENGLISH, OBVIOUSLY, SPANISH, VIETNAMESE, SIMPLIFIED CHINESE, AND RUSSIAN. WE'RE VERY PROUD OF THAT. IT JUST MAKES THE LIBRARY EVEN THAT MUCH MORE RELEVANT AND ACCESSIBLE TO EVERYONE IN OUR COMMUNITY. OUR ORGANIZATION CHART AS OF THIS SNAPSHOT, WE HAVE 512 FTE WITH A CONTROL OF ABOUT ONE TO 10, ONE TO 11, THOSE ARE OUR VARIOUS DEPARTMENTS. WE'RE FAIRLY SIMPLE AND STRAIGHTFORWARD. ADMINISTRATION, WE BREAK OUT THE PUBLIC SERVICE LOCATIONS INTO THE CENTRAL LIBRARY, AND THEN TO OUR NEIGHBORHOOD LIBRARIES, THOSE 18 LOCATIONS IN THE COMMUNITIES. AND THEN A LOT OF SORT OF INTERNALLY FOCUSED SERVICES, COLLECTIONS, AND TECHNICAL SERVICES WHICH IS THE FOLKS WHO MANAGE OUR COLLECTION, BRING THINGS IN, PROCESS THEM, MAKE THEM AVAILABLE TO THE PUBLIC. SELECT THOSE MATERIALS, AND THEN SYSTEMATIC SERVICES, PARTLY THAT IS SORT OF ACCOUNTS SERVICES FOR PATRONS, MANAGING THEIR LIBRARY CARDS, I DON'T KNOW ABOUT YOU, I JUST PAID OFF A SIGNIFICANT FINE AT THE LIBRARY. AND THEY MANAGE ALL OF THAT FOR FOLKS. AND THEN WHAT WE CALL INFORMATION SERVICES. JOHN ALLUDED TO THIS IN HIS REMARKS. IT'S ESSENTIALLY SORT OF HISTORICALLY WHAT WE'VE CALLED REFERENCE. BUT IT'S BECOMING MUCH MORE COMPLEX, AND HAS A LOT MORE POTENTIAL IN THIS DAY AND AGE WITH THE ADVENT OF NEW TECHNOLOGIES AND THE DIFFERENT WAYS IN WHICH PEOPLE ARE SEEKING OUT INFORMATION AND ANSWERS TO THEIR QUESTIONS. AND THEN PROGRAMMING AND COMMUNITY OUTREACH IS AN IMPORTANT PART OF WHAT WE DO. YOU'LL SEE INCREASINGLY A FOCUS ON ENSURING THAT THE LIBRARY IS PROACTIVELY GETTING OUTSIDE OUR WALLS AND MEETING FOLKS WITH THE GREATEST NEED OUT WHERE THEY ARE, AND MAKING THE LIBRARY ACCESSIBLE AND IMPACTFUL AS WE CAN POSSIBLY DO, AND AS WE'RE SEEING POVERTY SHIFT TO EAST COUNTY, WE INCREASINGLY ARE OUTREACH SERVICES ARE BEING DELIVERED IN EAST COUNTY. OK. AND YOUTH SERVICES, HOW COULD I NEGLECT TO OUTLINE YOUTH SERVICES, WHICH IS AN ENORMOUS PART OF WHAT WE DO FOR THIS COMMUNITY.

THAT'S EVERYTHING FROM BIRTH TO HIGH SCHOOL. SO THE OVERVIEW OF OUR BUDGET FOR 2015, TOTAL OF 68.1 MILLION. THAT'S AN INCREASE OF ABOUT 1.4% FROM FY-14. WE HAVE SOME FUNDING THAT'S PENDING, AND YOU'LL SEE US COME FORWARD ON THURSDAY WITH A BUDGET AMENDMENT THAT INCLUDES THE FUNDING THAT WE ALWAYS GET FROM THE FOUNDATION EVERY YEAR. WE GIVE THEM A LITTLE EXTRA TIME TO FIGURE OUT THEIR DETAILS ON THEIR END. IT ALSO FOR US IS AN OPPORTUNITY TO HIGHLIGHT THE PRIVATE SUPPORT THAT WE GET FROM THE LIBRARY -- FOR THE LIBRARY, RATHER, APART FROM OUR GENERAL OPERATING FUND. AND AS JOHN MENTIONED, WE'RE REALLY COMMITTED TO MAINTAINING THAT TAX RATE OF \$1.18 FOR AS LONG INTO THE FUTURE AS POSSIBLE. SO THAT WILL DRIVE A LOT OF OUR RESOURCE DECISIONS TO ENSURE THAT WE'RE NOT COMING BEFORE ALL OF YOU WITH A REQUEST TO RAISE THAT UNTIL WE FIND IT ABSOLUTELY NECESSARY. AND YOU'LL HEAR FROM MIKE JASPIN THAT WE THINK WE MAY EVEN BE ABLE TO PUSH THAT FURTHER OUT THAN WE ORIGINALLY ANTICIPATED. SO WE'RE PRETTY EXCITED ABOUT THAT. THIS IS OUR BUDGET BY DIVISION WITH THE ATTENDANT FTE. THIS DOES NOT REFLECT -- DOES THIS REFLECT THE FOUNDATION FTE? IT DOES NOT REFLECT THE 4.75 FTE THAT THE FOUNDATION FUNDS. SO THAT WILL ALL BE ADJUSTED ONCE YOU ALL HAVE THE OPPORTUNITY TO HEAR AND APPROVE THE AMENDMENT THAT WE BRING FORWARD ON THURSDAY. IT'S NOT A SIGNIFICANT DIFFERENCE OVER THE LAST YEAR. AND BY SPENDING CATEGORY, AGAIN, AS ALWAYS, OUR BIGGEST EXPENSE IS PERSONNEL, AT ABOUT 63% OF THE BUDGET. WE ARE A SERVICE ORGANIZATION, THAT'S HOW WE DELIVER SERVICE, IS THROUGH OUR PEOPLE. ABOUT 20% OF OUR BUDGET GOES TO INTERNAL SERVICE REIMBURSEMENTS, AND THEN ABOUT 10% TO OUR COLLECTION, WHICH IS DOWN FROM YEARS PAST, BUT ALSO WE'RE COMFORTABLE WITH THAT PERCENTAGE GIVEN THE WAYS IN WHICH THE COLLECTION IS CHANGING. THE DIGITAL ACCESS. AND THEN ALSO SIMPLY OUR SPACE ISSUES. WE HAVE VERY SMALL FACILITIES AND WE'RE ALWAYS TRYING TO MANAGE THE NUMBER OF MATERIAL IN THE BUILDINGS THAT WE HAVE. AND THE OTHER THINGS WE WANT TO USE THAT SPACE FOR. A LITTLE BIT FOR MATERIALS AND SUPPLIES, CAPITAL, AND THEN CONTRACTUAL SERVICES, WHICH IS PRIMARILY WHAT WE CALL OUR ILS, WHICH IS SORT OF THE UNDERPINNING OF HOW WE DELIVER SERVICE ONLINE, YOUR OUR LIBRARY CATALOG, YOU'VE PROBABLY USED THAT, THAT KIND OF THING. AND BY SOURCE, THIS IS REALLY EASY. THERE'S AN IGA THAT ENSURES THAT THE MONEY COLLECTED VIA THE DISTRICT GETS TRANSFERRED, AND WE'LL TALK ABOUT THIS IN THE NEXT PRESENTATION, INTO THE LIBRARY FUND. SO THERE'S A LITTLE SLIVER THERE THAT IS OTHER SOURCES LIKE THOSE FEES SUCH AS I JUST PAID, AND INTERNAL SERVICE REIMBURSEMENT, INTEREST, THE LIBRARY LEVY AND INTEREST FROM PRIOR YEARS THAT WE SORT OF TRICKLE INTO, COLLECT, THAT KIND OF THING. IT'S PRETTY -- I'M JUST ABOUT TO CORRECT MY Z MY TYPES AREN'T REFLECTED IN THAT OTHER SOURCE, IT'S -- IT COMES IN AS PART OF THE TRANSFER. AND I'M ASHAMED TO SAY, I THINK IT WAS \$19 I HAD TO PAY. AND LET ME TELL YOU, AS A LIBRARY DIRECTOR, IT'S EMBARRASSING TO PAY THOSE FINES TO YOUR STAFF.

>> Chair Madrigal: CONSIDER IT YOUR DONATION.

>> I KEEP SELLING MYSELF THAT, CHAIR.

>> Chair Madrigal: THAT'S WHAT I TELL MYSELF.

>> A NICE DONATION TO THIS ORGANIZATION I LOVE. OUR VACANCIES, THIS IS TYPICAL FOR US. WE TEND TO HAVE A PRETTY LOW VACANCY RATE. AND THEY ALL GET FILLED. AS MUCH JANUARY 1, YOU'LL SEE ABOUT FIVE VACANCIES THERE. VERY NORMAL FOR US. AND WE ANTICIPATE THAT THEY'LL ALL BE FILLED. OFTEN WHAT WE DO WITH A VACANCY, WE HAVE A PRACTICE OF EVERY TIME THERE'S A VACANCY, REVIEWING THAT FOR, IS IT APPROPRIATE TO FILL IT AS IS, OR ARE THERE OTHER NEEDS IN THE ORGANIZATION THAT WE WANT TO USE THAT FTE FOR, AND SOMETIMES THAT HAPPENS, SOMETIMES IT'S CONVERTED, SOMETIMES WE ADD HOURS TO AN EXISTING PART-TIME POSITION JUST DEPENDING ON WHERE THE TARGETED NEEDS ARE FOR THE ORGANIZATION. BUT THIS IS THE VERY LOW RATE, IT'S VERY TYPICAL FOR US. AND THEN THE TARGETED ADDITIONS, JOHN MENTIONED SOME OF THESE IN HIS PRESENTATION TO YOU, WE REALLY ARE TRYING TO LOOK AT -- I FRAMED OUR PROPOSED BUDGET AS FUNDING THE FUTURE. AND REALLY TRYING TO SET THE LIBRARY UP TO DO A COUPLE OF THINGS. MAINTAIN THAT 1.18 RATE AS LONG AS POSSIBLE, BUT ALSO ENSURE THE LIBRARY'S RELEVANCE IN A WORLD THAT'S CHANGING PRETTY DARN QUICKLY. AND A LOT OF THAT RELEVANCE IS GOING TO REQUIRE TRAINING FOR OUR STAFF. THEY'RE HAVING TO LEARN NEW THINGS, HOW TO HELP PEOPLE WITH THEIR TABLETS AND THEIR E-READERS, HOW TO SERVE THE NEEDS OF SPECIFIC COMMUNITIES OR POPULATIONS IN OUR COMMUNITIES. SO WE'RE REALLY INVESTING IN SOME ADDITIONAL TRAINING RESOURCES TO HELP US MAKE SURE THAT WE'RE PROVIDING THE TRAINING OUR STAFF NEED TO BE SUCCESSFUL AS WE SORT OF CHANGE THOSE EXPECTATIONS FOR THEM. THE OUTREACH SERVICES PIECE IS AGAIN, I MENTIONED EARLIER, WE'RE REALLY TRYING TO MAKE SURE WE'RE NOT SIMPLY A RESPONSIVE ORGANIZATION, WE'RE ALSO PROACTIVE AND ENSURING OUR SERVICES ARE GETTING OUT AND TO FOLKS WHO REALLY NEED THEM THE MOST. I -- WE'RE INCREASING OUR BOOK BUDGET A LITTLE BIT, BUT WE'RE BEING VERY STRATEGIC ABOUT THAT, WE DID AN ANALYSIS OF THE COLLECTION TO DETERMINE WHAT PARTS OF THE COLLECTION ARE IN GREATEST DEMAND AND WHERE DO WE THINK THE COMMUNITY WOULD BENEFIT FROM HAVING SMALL INCREASES. AND SO WE ADDED \$300,000 THERE TO BUMP UP SOME MATERIALS IN OTHER LANGUAGES, AND DVDs WHICH ARE EXCEPTIONALLY POPULAR AT THE LIBRARY, WHICH WE CUT SIGNIFICANTLY THE YEAR BEFORE LAST. AND THEN JOHN ALSO MENTIONED THE RECONSIDERATION OF THE ADMINISTRATIVE SPACE, AND WE CAME TO YOU ALL ABOUT THIS LAST WEEK, I BELIEVE IT WAS. THAT BUILDING IS DOING MUCH MORE THAN ANYONE EXPECTED IT TO DO FOR US, AND REALLY -- AND WE'VE OUTGROWN THAT SPACE. SO REALLY TRYING TO FIGURE OUT HOW BEST TO USE THAT BUILDING AS IT IS AND WHAT WE MIGHT CONSIDER DOING DIFFERENTLY TO MAKE A BETTER USE

OF THAT SPACE. THERE'S THIS FUNNY THING THAT'S HARD TO DESCRIBE, BUT I'M GOING TO MAKE AN EFFORT. FOR ABOUT 10 YEARS NOW, THE LIBRARY HAS SERVED AS A FISCAL AGENT FOR A VIRTUAL REFERENCE SERVICE. SO PEOPLE FROM ALL OVER THE STATE, STATEWIDE, COULD CALL IN OR CHAT OR EMAIL AND ASK FOR HELP. IT ACTUALLY ENDED UP BEING THE CASE THAT MOST OF THE FOLKS WE SERVED FOR THAT SERVICE ARE STUDENTS ASKING FOR HOMEWORK HELP. BUT IT'S BEEN A COOPERATIVE RESOURCE, STAFF NOT JUST -- STAFFED NOT JUST BY OUR FOLKS BUT FOLKS IN LIBRARIES ALL OVER THE STATE, FUNDED BY AN LSDA GRANT FUNNELED THROUGH THE STATE LIBRARY. AS OF THIS YEAR, IT'S CLEAR THAT WE NEED TO COME UP WITH A DIFFERENT FUNDING MODEL, THAT WE CAN'T CONTINUE TO RELY ON THOSE FUNDS, SO THERE'S BEEN A LOT OF CONVERSATION ABOUT A NEW BUSINESS MODEL FOR THOSE SERVICES. WE HAVE AGREED TO SERVE AS THE FISCAL AGENT FOR ONE MORE YEAR. WE HOUSE THE PEOPLE WHO RUN IT AT THE CENTRAL LIBRARY. WITH THE EXPECTATION THAT IN THE COURSE OF THAT YEAR, THERE WILL BE A NEW FUNDING MODEL THAT'S SORT OF DETERMINED ACROSS THE BOARD, THE STATE LIBRARY IS INVOLVED, DIRECTORS AND FOLKS ASSOCIATED WITH LIBRARIES ACROSS THE STATE, INCLUDING PCC AND OTHER LIBRARIES WILL WORK TOGETHER TO FIGURE OUT A BETTER MODEL FOR FUNDING THAT SERVICE. SO IN THE MEANTIME, WE HAVE ONE MORE YEAR OF SERVING AS A FISCAL AGENT, AND THAT WILL BE REFLECTED IN THIS BUDGET.

>> ACTUALLY IT WILL BE REFLECTED IN THE AMENDMENT YOU'RE GOING TO SEE ON THURSDAY, BECAUSE WE HAD TAKEN THIS OUT OF THE BUDGET THINKING THAT ANOTHER -- SOMEONE ELSE WAS GOING TO STEP FORWARD AS THE FISCAL AGENT, AND THAT DID NOT WORK OUT. SO WE AGREED TO TAKE IT FOR ONE MORE YEAR.

>> Comm. Smith: I HAVE A QUESTION ABOUT THIS. HOW MUCH DO WE SPEND ON THIS PROGRAM?

>> WE DON'T SPEND ANYTHING. THE LSDA FUNDS -- WHAT --

>> IT'S ABOUT 300,000 A YEAR.

>> Comm. Smith: AND WE GET A PERCENTAGE BEING A FISCAL AGENT?

>> M-HMM.

>> Comm. Smith: FOR PASSING THROUGH THE DOLLARS?

>> IT FUNDS THE WHOLE SYSTEM. IT FUNDS THE TWO STAFF WHO RUN THE PROGRAM.

>> Comm. Smith: OK. SO WE DO HAVE STAFF PEOPLE WHO ARE ACTUALLY DOING THIS. SO THERE IS A COST TO IT.

>> YES, BUT THEY'RE COMPENSATION IS FUNDED THROUGH THAT GRANT.

>> Comm. Smith: THROUGH THE 300,000?

>> YEP. IT IS A LITTLE COMPLICATED. IT'S A GREAT SERVICE, AND IT'S ESPECIALLY IMPORTANT TO REALLY SMALL LIBRARIES ACROSS THE STATE THAT DON'T HAVE THE RESOURCES WE HAVE. SO WE'RE VERY SENSITIVE TO OUR PARTICIPATION AND ROLE IN ENSURING THAT EVERYBODY HAS THE QUALITY OF ACCESS THAT OUR COMMUNITY HAS. SO ISSUES, CHALLENGES, AND OPPORTUNITIES FOR US. YOU HEARD FROM JOHN, AND YOU ALL ARE VERY WELL AWARE THE ISSUE OF THE MOVING FORWARD WITH THE LIBRARY DISTRICT TRANSITION AND THE POLICY IMPLICATIONS OF THAT.

[CLOSED CAPTIONING TRANSCRIBER SWITCH]

>> YOU GET TO SEE WHAT'S COMING AND BRAND-NEW BEFORE IT'S OUT ON THE SHELVES. OUR LONG-TERM CONCERNS, OF COURSE THE PRIORITY FOR US IS CONTAINING COSTS IN ORDER TO MAINTAIN THAT \$1.18 RATE AS LONG AS POSSIBLE. AS I'VE SAID, I THINK EVERY YEAR I'VE COME BEFORE YOU, CONCERNS ABOUT I.T. AND TECHNOLOGY AND THE IMPACT ON OUR BUSINESS AND HOW WE DO IT CHANGES SO QUICKLY, AND THE NEEDS WE HAVE AROUND ACCESS TO EXPERTISE AND SUPPORT WILL ALWAYS BE THERE, THAT'S NOT UNIQUE TO YOU, IT'S THE CASE FOR EVERY LIBRARY ACROSS THE COUNTRY. GREATER AND GREATER IMPACT ON OUR SERVICES AS A RESULT OF TECHNOLOGY. OUR CAPITAL NEEDS, WE HAVE PULLED TOGETHER -- BECKY'S PULLED TOGETHER A GROUP OF FOLKS INTERNALLY TO START DEVELOPING A STRATEGIC PLAN TO OUR LONGER TERM CAPITAL NEEDS. YOU'LL SEE IF YOU LOOK AT A CHART, AS YOU'LL RECALL, OUR BUILDINGS WERE ALL RENOVATED OR BUILT AROUND THE SAME TIME. MAJOR RENOVATIONS ISSUES COME DUE IN A SIMILAR SPAN OF TIME. WE'RE TRYING TO PLAN FOR THAT, MAKE SURE WE HAVE THE RIGHT MONEY SET ASIDE TO MEET THOSE NEEDS. AND ADDITIONALLY, THE WAYS PEOPLE USE LIBRARIES ARE REALLY CHANGING AND DEFINITELY SHIFTING FROM BEING A WAREHOUSE FOR BOOKS TO BEING EVEN MORE OF A COMMUNITY SPACE. THINKING HOW TO RECONSIDER OUR SPACES TO ENSURE PEOPLE ARE ABLE TO EXPERIENCE OUR BUILDINGS IN A WAY THAT REALLY LENDS ITSELF TO THE NEEDS OF THE COMMUNITY, TAKING ADVANTAGE OF THE FACT THAT WE'RE FREE AND OPEN TO EVERYBODY, TAKING ADVANTAGE OF THE FACT THAT WE ARE SO NICELY EMBEDDED IN SO MANY DIFFERENT AND DISTINCT COMMUNITIES AROUND THE COUNTY. AND THINKING THROUGH HOW BEST TO USE THAT SPACE, IN THE INTERESTS OF OUR COMMUNITY AND WHERE IT'S GOING IN THE FUTURE. SO THAT'S IT FOR THIS PORTION OF OUR SHOW. DO YOU ALL HAVE QUESTIONS FOR ME?

>> Chair Madrigal: ANY QUESTIONS.

>> I HAVE A QUESTION AND A COMMENT. THE LIBRARIES ARE MY FAVORITE DEPARTMENT. YOU ALL ARE REALLY GREAT IN TERMS OF A TOUR I DID OF

ALL THE -- PRETTY MUCH ALL THE DISTRICT 2 LIBRARIES. IT WAS GREAT TO GO INTO THOSE LIBRARIES AND TO SEE HOW YOU'RE PARTNERING WITH THE NEIGHBORING CONCEALS HOW THE COMMUNITY JUST LOVED TO COME INTO THE LIBRARIES. LAST MONTH THERE WAS A READING GROUP OUTREACH. SO THE OUTREACH NOT -- IT'S NOT JUST MULTNOMAH COUNTY, IT'S GOES AS FAR AS CAMAS. THERE'S A COUPLE FROM CAMAS WHO COME FOR STORYTIME. THE MAYOR IS GOING COME BACK WITH ME, AND THEY SAID THEY DO THIS EVERY MONTH. AND THEY SING. NOT ONLY DO THEY READ, THEY SING, THEY DANCE. IT WAS GREAT. THESE LITTLE KIDS WERE SINGING AND DANCING. SO I GOT DOWN ON MY KNEES --

>> SOME GREAT PHOTOS OF YOU.

>> I DID INDIAN STYLE. THE KIDS WERE CRAWLING UP ON ME AND I WAS READING THE BOOKS. IT WAS FUN. I DID NOT WANT TO LEAVE, I HAD AN EVENT TO GO TO BUT I DIDN'T WANT TO LEAVE. FOR ME, THE MONEY YOU INPUT, THE \$543,000 FOR ADDITIONAL OUTREACH, I THINK THAT IS WELL SPENT DOLLARS.

>> THANK YOU.

>> BECAUSE WHAT IT DOES IS IT GIVES US AN OPPORTUNITY TO BRING THE COMMUNITY IN AND TO SHOW THEM ALL OF THE WONDERFUL PROGRAMS WE HAVE AT THE LIBRARIES. I LOVE IT. YOU COULD HAVE ASKED FOR A MILLION AND I WOULD HAVE BEEN FINE WITH THAT.

>> I'M GOING TO HOLD YOU TO THAT, YOU SHOULDN'T HAVE SAID THAT.

>> SO IT WAS REALLY GOOD AND I REALLY APPRECIATE IT. ALL THE FOLKS ARE VERY KNOWLEDGEABLE. I DON'T KNOW IF PEOPLE KNOW BUT FOR THE LIBRARIES THAT WE WENT TO, WE HAVE A LOT OF LONG TERM PEOPLE WHO HAVE BEEN WITH THE LIBRARIES FOR A LONG TIME.

>> ABSOLUTELY.

>> THEY ABSOLUTELY KNOW EVERYBODY IN THEIR COMMUNITY, THEY KNOW WHAT'S GOING ON. WE'RE TALKING ABOUT THE GRESHAM LIBRARY WHERE THEY WERE FEEDING KIDS FOR THE SUMMER, THEY DO THAT SAME KIND OF VERY KIND STUFF ALL OVER THROUGHOUT MULTNOMAH COUNTY. I WANT TO SAY KUDOS TO THE LIBRARY. WHATEVER YOUR DOING KEEP DOING IT, IT SPREADS SO MUCH LOVE IN THIS COMMUNITY, I LOVE IT.

>> THANK YOU, COMMISSIONER, I APPRECIATE THAT. YOUR REFERENCE TO THE STORYTIME YOU ATTENDED, PEOPLE THINK OF THOSE AS ENTERTAINMENT I THINK SOMETIMES. BUT THOSE ARE VERY DELIBERATE EFFORTS AT HELPING PARENTS UNDERSTAND HOW TO GET YOUR KIDS EXCITED ABOUT READING AND EARLY LITERACY. THE WHOLE SINGING AND PLAYING AND DANCING IS ALL PART OF THAT EFFORT. SO I WAS REALLY PLEASED TO SEE YOU HAVE SUCH A GOOD EXPERIENCE.

>> AND THE BUBBLE.

>> THEY SING A BUBBLE SONG AND HAVE A BUBBLE DANCE. IT MAKES ME LONG FOR MY DAYS AS A YOUTH LIBRARIAN. I DON'T DO ANY BUBBLE SONGS NOW.

>>> THANK YOU. I WANTED TO SHARE THE, WOW, THAT MUST BE REALLY EXCITING TO BE IN THE ROOM WITH ALL OF THOSE NEW BOOKS AND REALLY HARD TO KEEP YOUR HANDS OFF OF THEM.

>> SOME OF THEM ARE KIND OF BORING, ABOUT ECONOMICS AND STUFF.

>> YOU CAN KEEP YOUR HAND OFF OF THOSE EASILY. I WANTED TO COMMENT THAT JUST ON THE OPPOSITE SIDE OF THE SPECTRUM, MY STAFF AND I HAD A WONDERFUL TOUR OF THE CENTRAL LIBRARY'S RARE BOOK ROOM. I WANTED TO THANK YOU AGAIN. AND YOUR DELIGHTFUL STAFF AND SHAWN WAS THERE. I JUST WANT TO ALSO COMMENT THAT ON THE WAY IN TO SEEING THESE HAND-CALLIGRAPHED, BEFORE GUTENBERG ELIMINATED TEXTS, IN LATIN, YOU KNOW, BEFORE WE GOT TO ACTUALLY VIEW THAT ONE BOOK IN PARTICULAR, WE WALKED BY SORT OF OBVIOUS INDICATORS OF PEOPLE USING THE CENTRAL LIBRARY AS A REFUGE. THESE ARE JUST, FOR ME, THESE ARE TIMELESS IMAGES OF THE LIBRARY AND ITS PLACE IN THE COMMUNITY. AND TOGETHER WITH COMMISSIONER SMITH'S OBSERVATION OF THE FORWARD-LOOKING LIBRARY AND YOUR TESTIMONY ABOUT THE DIGITAL LIBRARY AND THE DVDs, HAVING THE OPPORTUNITY TO BE SURROUNDED BY THE HISTORY OF BOOKS, AND REALLY THE HISTORY OF LETTERS IN OUR COMMUNITY WITHIN THE CONTEXT OF THE COMMUNITY USING THE LIBRARY AS A SAFE PLACE TO GO AND KIND OF A HAVEN, THAT WOULD ALMOST SUM IT UP, THAT AND MY QUESTION. HAVE YOU READ ANY GOOD BOOKS LATELY?

>> I BELIEVE I ALREADY SUGGESTED THAT YOU READ THE BEST BOOK I READ THIS YEAR "A CONSTELLATION OF VITAL PHENOMENON," BRILLIANT, ESPECIALLY RELEVANT RIGHT NOW. IT'S SET IN RUSSIA OVER THE COURSE OF THE TWO CHECHIAN WARS IN THE LATE 1990S AND EARLY 2000s. IT'S BEAUTIFULLY WRITTEN. BEAUTIFUL, AMAZING BOOK, I WOULD TOTALLY RECOMMEND. I FOLLOWED THAT UP BECAUSE SUDDENLY I WAS IN THIS SORT OF RUSSIAN THEME WITH A BOOK CALLED "CITY OF THIEVES." IT'S A GREAT BOOK. BUT RIGHT NOW I AM CURRENTLY READING LOUISE ERDRITCH'S NEWEST BOOK, "THE ROUNDHOUSE." IT'S NARRATED BY A YOUNG BOY WHOSE MOTHER IS VIOLENTLY RAPED ON THE RESERVATION WHERE THEY LIVE. THE ENSUING FALLOUT OF THAT -- AND I DON'T KNOW HOW IT ENDS BECAUSE I'M ONLY ABOUT HALFWAY THROUGH. BUT SHE'S A FABULOUS WRITER, SHE'S PROLIFIC, SHE'S WRITTEN SO MANY BOOKS, ALL OBVIOUSLY FOCUSED ON THE NATIVE AMERICAN EXPERIENCE. SO FAR I WOULD RECOMMEND THAT BOOK, AS WELL. BUT DON'T MISS OUT ON "CONSTELLATION OF VITAL PHENOMENON."

>> THANK YOU.

>> THANKS FOR ASKING.

>> ANY OTHER QUESTIONS?

>> I THINK I'VE MENTIONED I HAVE TWO TEENAGERS SO I FEEL LIKE I LIVE WITH A FOCUS GROUP OF THAT GENERATION. MY DAUGHTER TOLD ME I DON'T GOOGLE AS WELL AS SHE DOES. I'M WORKING ON IT, I DIDN'T KNOW IT WAS A SKILL. [LAUGHTER]

>> IT MAKES ME REALIZE THIS GENERATION READS, BUT IN A REALLY DIFFERENT WAY. THEY VIEW LITERATURE IN A VERY DIFFERENT WAY. WHEN YOU LOOK AT YOUR JOB OPENINGS, DO YOU LOOK AT THOSE JOB DESCRIPTIONS, WHAT SORT OF THE WORKFORCE OF THE FUTURE, HOW DO WE GET THESE YOUNG MINDS AS FUTURE LIBRARIANS?

>> I THINK THAT'S AN EXCELLENT QUESTION, WE THINK AND TALK ABOUT THAT A LOT. NOT JUST IN THE LIBRARY OBVIOUSLY, BUT ACROSS THE SCOPE. MANY ARE GETTING OUT OF THE LIBRARY AT SCHOOL AND THEY WANT TO WORK IN THE LIBRARY. I TALK A LOT ABOUT CURIOSITY, HAVING A SENSE OF CURIOSITY MEANS YOU WILL BE COMPELLED TO LEARN MORE AND TRY NEW THINGS, WILLING TO TAKE A FEW RISKS. I THINK THAT'S A PERSON WHO IS GENERALLY CURIOUS ABOUT THE WORLD AROUND HIM OR HER, AND NOT TOO AVERSE TO CHANGE, YOU KNOW, WILLING TO TRY SOMETHING, MOVE ON TO THE NEXT, NOT AFRAID OF FAILURE AND WILLING TO LEARN FROM IT. THOSE ARE THE SORTS OF QUALITIES. I SAY WE CAN TEACH EVERYBODY THE RULES AND THE PROCEDURES AND -- BUT I THINK IN THE WORLD IN WHICH WE'RE ALL LIVING NOW, IT'S A KNOWLEDGE ECONOMY. IT'S SERVICE WORK ISN'T EVEN -- THOSE JOBS ARE STARTING TO GO AWAY. THINKING ABOUT THOSE SORTS OF QUALITIES IN A PERSON, IN TERMS OF NOT JUST WHAT THEY MIGHT CONTRIBUTE TO THE LIBRARY OR THE COUNTY, BUT ALSO THEIR OWN SUCCESS. I THINK IT'S REALLY IMPORTANT. AND YOU'RE RIGHT, FOR US READING IS READING, WHETHER YOU'RE READING A BOOK OR A NEW TABLET OR A GRAPHIC NOVEL. IT'S THAT YOU'RE READING THAT'S REALLY IMPORTANT. I'M LEARNING TO GET PAST THAT WHOLE THING, AND IT HAPPENS ALL THE TIME. WHEN SOMEBODY WHIPS OUT THEIR SMARTPHONE AND PUNCHES IT INTO GOOGLE, SOMEONE THIS WEEKEND PRONOUNCED IT GOOG-LAY. AND BE APPRECIATIVE OF THE FACT THAT PEOPLE ACTUALLY PURSUE THE ANSWER. THAT'S PRETTY COOL, THAT'S AGAIN ABOUT THAT SORT OF CURIOSITY AND THAT INTEREST IN KNOWING.

>> THANKS.

>> CHAIR.

>> COMMISSIONER McKEEL.

>> Comm. McKeel: WE WANT ONE OF THE STAFF PEOPLE TO JOIN US FROM WALKING. WHAT AN AMAZING BUNDLE OF ENERGY SHE WAS. WOW, WE HAVEN'T DONE --

>> WE SOMEHOW MANAGE TO HIRE THE PEOPLE WITH THE AMAZING BUNDLES OF ENERGY OUT THERE.

>> I'M GLAD. I WANT TO SAY, YOU'RE WORK IS AMAZING ON THE LIBRARY ADVISORY BOARD. WHAT TIME DOES YOUR FINANCE COMMITTEE MEET?

>> WE GENERALLY MEET AT THE END OF THE DAY.

>> I WAS THINKING YOU WERE EVEN EARLIER THAN THE LIBRARY ADVISORY BOARD.

>> NO, NO, THE OPPOSITE.

>> IT'S STILL A LOT, BUT THANK YOU SO MUCH AND ALL OF THE LIBRARY ADVISORY.

>> MOST WELCOME.

>> THANK YOU.

>> THANK YOU.

>> CHAIR MADRIGAL, I HAVE ONE LAST COMMENT. I REALLY WOULD LIKE TO TELL YOU HOW MUCH I APPRECIATE THE LIBRARY, AND IT'S BEEN A HUGE OPPORTUNITY FOR KIDS WHO -- THIS IS THEIR FIRST JOB SO IT GIVES THEM THE FIRST SKILLS THEY NEED TO GO FORWARD. SO THANK YOU FOR THAT.

>> AND WORKING WITH RAVIELLE IN YOUR OFFICE HAS BEEN A REALLY GREAT EXPERIENCE, THANK YOU FOR THAT.

>> IF THERE ARE NO FURTHER QUESTIONS WE WILL ADJOURN AS THE MULTNOMAH COUNTY BUDGET COMMITTEE AND RECONVENE AS THE LIBRARY DISTRICT BUDGET COMMITTEE.

>> I WANT TO COME UP WITH SOME FUNNY SEGUE FOR THIS, THINK ABOUT IT.

>> A LITTLE DANCE?

>> SOMETHING TO DISTINGUISH. SO THERE YOU GO, THERE YOU GO, WELL DONE.

>> I'M NOT GOING TO MESS MY HAIR UP TODAY.

>> A GOOD DAY TO HAVE GOOD HAIR, FOR SURE.

>> MAYBE YOU CAN DO THAT BUBBLE DANCE.

>> I'LL WORK ON MY TECHNIQUE. I MIGHT HAVE TO HAVE SOMEONE ELSE MORE EXPERIENCED COME IN AND DO IT FOR ME. GOOD MORNING, CHAIR MADRIGAL, COMMISSIONERS, I'M VALLEY OEHLKE. YOU'VE HEARD MUCH OF THE SORT OF SALIENT PIECES OF INFORMATION AROUND OUR BUDGET PROPOSAL. I WANT TO TALK A LITTLE BIT ABOUT WHAT'S SPECIFIC TO THE DISTRICT, BUT THEN REALLY THE BULK OF THIS PRESENTATION WILL COME FROM OUR GOOD AND COMPETENT FRONT MIKE JASPIN FROM THE BUDGET OFFICE. AS YOU KNOW, THE DISTRICT WAS CREATED BY VOTERS IN NOVEMBER OF 2012, AND THE FUNDING BEGAN JULY 1 OF 2013. THE DISTRICT IS GOVERNED BY THE BOARD OF COUNTY COMMISSIONERS SITTING AS THE MULTNOMAH COUNTY LIBRARY DISTRICT BOARD. AND OPERATED VIA THIS INTERGOVERNMENTAL AGREEMENT THAT WILL BE COMING BEFORE YOU IN JUNE. JUST A RENEWAL OF THE AGREEMENT AS IS. SO YOU'LL BE HEARING FROM US ABOUT THAT IN JUST A SHORT LITTLE WHILE. SO US A KNOW, WE'RE IN THE SECOND YEAR OF THE DISTRICT TAX. AGAIN, WE ARE MAINTAINING THAT RATE OF \$1.18, STRIKE TO STAY THERE FOR AS LONG AND POSSIBLE BEFORE WE BUMP UP TO THE CEILING OF \$1.24. THE GOAL IS REALLY ABOUT SUSTAINING HOURS AND SERVICES AS WE'VE EXPERIENCED THEM THIS YEAR, AND AS I DESCRIBED IN THE PREVIOUS BUDGET PRESENTATION. AND WITH THAT, I'M GOING TURN IT OVER TO MR. JASPIN. THANKS FOR BEING HERE, MIKE.

>> GOOD MORNING, MIKE JASPIN FROM THE BUDGET OFFICE. NEXT SLIDE. I WAS TRYING TO FIGURE OUT A NICE SEGUE INTO THIS PART OF THE PRESENTATION --

>> BUBBLE DANCE!

>> THAT'S UP TO MY DAUGHTER, ACTUALLY. SO THERE IS KIND OF TWO FINANCIAL CHAPTERS WE'RE LOOKING AT. IN SOME RESPECTS WE'RE MOVING FROM A TEMPORARY LEVY TO A PERMANENT LIBRARY -- OR A DISTRICT WITH A PERMANENT TAX RATE. BUT THE OTHER WAY TO LOOK AT THIS IS THAT WE'RE MOVING FROM YEAR ONE OF THE DISTRICT INTO PLANNING FOR NEXT YEAR IN THE FUTURE. IN THAT LIGHT WHAT I REALLY WANT TO DO IS CHECK IN ON OUR CURRENT YEAR REVENUES FOR THE DISTRICT, AND THEN KIND OF WALK THROUGH THREE MODELS OR SCENARIOS THAT LOOK OVER THE LONG TERM AS OPPOSED TO SOLELY FOLKING ON JUST NEXT YEAR'S FINANCES. WE'LL DO THAT BY KIND OF WALKING THROUGH THE COST DRIVERS, THE ASSUMPTIONS WHICH DRIVE MODELS, LOOKING AT RESULTS AND KIND OF COMPARING THEM. I THINK IT LEADS TO SOME GOOD POLICY CHOICES THAT FOLKS WILL HAVE TO MAKE OVER THE COMING YEARS. SO NEXT SLIDE. SO CURRENT YEAR PROBABLY TAX REVENUES MAKE UP THE VAST MAJORITY OF THE LIVE DISTRICT'S BUDGET THIS CURRENT YEAR. SO THE FIRST COLUMN OF NUMBERS REPRESENTED WHAT WAS IN OUR ORIGINAL FORECAST OR PLAN BEFORE THE DISTRICT WAS FORMED. SO ROUGHLY WE ASSUMED THE ASSESSED

VALUE IN THE COUNTY WOULD BE \$60 BILLION PLUS. WE WOULD EXTEND TAXES OF \$71.5 MILLION, COMPRESSION WOULD EAT UP \$5.2 MILLION, ACTUALLY A VAST IMPROVEMENT OVER THE LEVY. THAT MEANS WE WOULD IMPOSE TAXES OF ABOUT \$66 MILLION. AND WE WOULD LOSE ABOUT \$3.6 MILLION OF THAT TO DISCOUNT AND DELINQUENCY, MEANING THAT WE WOULD RAISE ABOUT \$62.5 MILLION IN A NETSHE WILL WHEN. ALL WAS SAID AND DONE -- WE HAVE ANOTHER MONTH TO GO, BUT IT LOOKS LIKE WE'LL COME IN AT ABOUT \$62.6 MILLION OR WITHIN ABOUT \$70,000 OF OUR ORIGINAL ESTIMATE, WHICH IS ABOUT .1 OF A PERCENT. WE WILL NEVER, EVER BE THIS CLOSE AGAIN. SOME OF THIS IS SHEER DUMB LUCK. THERE'S NO WAY WE CAN PROJECT THIS ACCURATELY. I DON'T WANT TO KIND OF GLOSS OVER THIS TOO MUCH, BECAUSE WHEN WE SHIFTED FROM A FIVE-YEAR LEVY TO THE PERMANENT RATE THERE'S A LOT OF EDUCATED GUESSWORK GOING ON. SO TO GET THIS CLOSE, ESPECIALLY WHEN YOU'RE SETTING A PERMANENT RATE IS RATHER IMPORTANT. I DID NOT WANT TO BE THE ONE THAT SET THE RATE TOO LOW OR WAY TOO HIGH AND BE CURSED FOR THE REST OF MY LIFE FOR THAT. AND TO GIVE YOU AN IDEA OF HOW KIND OF WIDELY VARIABLE THE ESTIMATES WERE, TAX SYRUP ADVISING ACTUALLY QUESTIONED -- ONE OF THE QUESTIONS WAS, WE THOUGHT THAT COMPRESSION WOULD BE ABOUT \$2.5 MILLION DIFFERENT THAN WHAT WE ESTIMATED. FORTUNATELY WE CAME OUT OKAY ON THAT BUT THAT GIVES YOU A SENSE OF HOW WIDELY THE ESTIMATES ACTUALLY VARIED. NEXT SLIDE. BEFORE LOOKING AT THE MODEL I WANT TO DO A QUICK REMINDER ABOUT WHAT DRIVES OUR COSTS. WE SHOWED THIS EXACT SLIDE WHEN WE DID THE FINANCIAL OVERVIEW FOR THE COUNTY. AS YOU'LL SEE IN A CUSTOM SLIDES IT STILL PLAY AS KEY ROLE. WE ARE TRYING TO TELL WITH THIS SLIDE THAT PERSONNEL COSTS MAKE UP THE LARGEST PORTION OF THE LIBRARY'S BUDGET. WHAT TENDS TO DRIVE THOSE COSTS BESIDES WAGES IS HEALTH CARE AND PERS. THESE TWO GRAPHS WERE BASICALLY SHOWING HOW THOSE COSTS HAVE GROWN AND DRIVEN COSTS GOING FORWARD. AND ON THE PLUS SIDE, GOING INTO 15, THEY ARE GOING DOWN EVER SO SLIGHTLY. SO JUST KEEP THAT IN THE BACK OF YOUR MIND WHEN WE LOOK AT THE MODELS GOING FORWARD. SO THREE MODELS OR SCENARIOS I'D LIKE TO WALK THROUGH. THE FIRST IS THE BASE MODEL, ESSENTIALLY THE PRE DISTRICT FORMATION MODELING. I THINK IT'S HELPFUL TO KEEP TRACK OF THAT GOING FORWARD FOR THE NEXT FIVE OR 10 YEARS. IT REALLY IS THE BASELINE. IT'LL TELL US IF THE EXPENDITURES ARE AHEAD OF WHAT WE FORECASTED, ARE THE REVENUES BETTER OR WORSE THAN WHAT WE FORECASTED. THE CURRENT FORECAST MODEL IS ESSENTIALLY THAT BASE MODEL UPDATED FOR NEW INFORMATION. WHAT DID ACTUAL ASSESSED VALUES LOOK LIKE, WHAT ARE LABOR COSTS ACTUALLY DOING. IT STILL ASSUMES THAT WE WOULD INCREASE TAXES IN YEAR SIX AND GOING THROUGH YEAR 10 TO GET UP TO THE \$1.24. ALL OF THESE ASSUMPTIONS WE USE IN THE COUNTY GENERAL FUND MODELING. IT'S GOING GROW REGARDLESS OF YOUR TAXING DISTRICT. AND THEN ONCE WE GET PAST THE FIVE-YEAR TIME HORIZON, WE REVERT BACK TO THE ORIGINAL PRE-DISTRICT FORMATION MODEL ASSUMPTIONS. YOU CAN THINK OF THAT AS A LONG TERM TREND. WHEN WE LOOKED AT THAT, NOT TO RUIN OF THE END OF THE STORY, BUT IT LOOKED PRETTY GOOD. SO WE

THEN ASKED THE NEXT QUESTION, BEING CURIOUS, AND THAT WAS WHAT IF WE DID NOT INCREASE THE TAX, WHAT WOULD THAT LOOK LIKE. THOSE ARE THE THREE MODELS WE'LL WALK THROUGH HERE. SO AS REMINDER, THESE RIGHT ASSUMPTIONS THAT ARE IN THE BASE MODEL OR WHAT WE DID PRIOR TO THE DISTRICT FORMING. ONE OF THE GOALS WAS TO CREATE A FINANCIAL MODEL OR A DISTRICT THAT WAS STABLE FOR 10 YEARS. WE SPENT A LOT OF TIMES FRETTING ABOUT THE FIRST THREE COLUMNS, LIKE WHAT SHOULD THE LIBRARY DISTRICT MODEL BE AND WHAT THE HECK WOULD HAPPEN TO COMPRESSION. AND WE ALSO SPENT A FAIR BIT OF TIME LOOKING AT THE COST CHANGE BUT THAT WAS RELYATIVELY TOES PREDICT. WE'VE BEEN USING THE SAME 5.5% THROUGH ALL OF THE LEVY RENEWALS. THAT'S WHAT WAS IN THE MODEL. GIVEN WE REALLY CAN'T RESET THE RATE AT THIS POINT, AND COMPRESSION A. V.A. RATE WILL BE WHAT IT'LL BE, WE SPENT A FAIR AMOUNT OF TIME LOOKING AT THE COST CHANGE. SO HERE'S THE THREE MODELS. THE BASE, THE CURRENT FORECAST AND THEN THE CURRENT WITH THE FLAT TAX. WHAT WE ASSUME ON THE COST CHANGE, YOU CAN SEE IN THE BASE MODEL, IT WAS ESSENTIALLY 4.5%, WHICH WAS THE LONG TERM TREND. PART OF THAT WAS DRIVEN BY PERSONNEL COSTS. THE CURRENT MODEL, THE SAME WHETHER YOU'RE USING A FLAT TAX OR NOT, COST GROWS SIGNIFICANTLY LESS THAN INITIALLY FORECAST. IN PARTICULAR, IN THE UPCOMING FISCAL YEARS RATHER THAN 4.5% IT'S ONLY A LITTLE OVER 2%. THAT IS IN PART DUE TO THE SHARP REDUCTION IN PERSONNEL COSTS, WITH LOWER PERS RATE AND FLAT MEDICAL-DENTAL RATES. EVEN AS WE MODEL OUT OVER THE NEXT FOUR OR FIVE YEARS IT'S ABOUT A HALF PERCENTAGE POINT GIVE OUR TAKE, BELOW WHAT WE INITIALLY ASSUMED. I THINK WE'VE BEEN HERE BEFORE AND KIND OF THROWN OUT, IF WE CAN GET COST GROWTH AT 4% RATHER THAN 4.5, THE LIBRARY BECOMES FINANCIALLY SUSTAINABLE FOR A MUCH LONGER TIME PERIOD AND WE MIGHT BE ABLE TO RAISE THAT RATE. WHEN YOU RUN THIS THROUGH THE MODEL AND SIMPLIFY IT, HERE'S WHAT THE BASE MODEL LOOKED LIKE. I'M NOT GOING TO SHOW IT FOR ALL THREE OF THESE BUT I WANTED TO GIVE YOU A SENSE OF WHAT IT LOOKED LIKE FOR THE DISTRICT FORMATION. BY THE YEAR IT ESSENTIALLY SHOWS THE LIBRARY EXPENDITURES, WHAT THEY ARE FORECAST TO BE. HOW MUCH PROPERTY TAX WE GET. OTHER REVENUES, THINK FINES. THE TWO IMPORTANT COLUMNS WERE THE OPERATING BALANCE. IN OTHER WORDS WHAT WAS YOUR PROFIT LOSS IN ANY GIVEN YEAR. AND THEN WHAT IS THE FUND BALANCE. WHEN YOU LOOK AT THOSE TWO COLUMNS WHAT YOU SEE IS THE LIBRARY ESSENTIALLY BROKE EVEN, THAT TAX RATE BEING INCREASED IN YEAR SIX. THE FUND BALANCE WAS RIGHT AROUND \$5 MILLION. AND OFF ON THE FAR RIGHT IS THE RESERVE. THAT'S THE FUND BALANCE RELATIVE TO PROPERTY TAXES, KIND OF LIKE WHAT WE DO FOR THE GENERAL FUND. YOUR KIND OF CORE CORPORATE REVENUE. IT DIDN'T GET TO 10%. I WILL TELL YOU THAT THE ENDING BALANCE RIGHT NOW PUSHES THE LIBRARY ABOVE 10% AND IT WON'T BE A SIGNIFICANT ISSUE IN TERMS OF BUILDING UP THAT INITIAL RESERVE, BECAUSE THE LIBRARY IN EFFECT STARTED AT ZERO. BUT YOU CAN SEE THAT WE'RE GOING FORWARD. NEXT SLIDE. SO LIKE I SAID, RATHER THAN TORTURING YOU WITH ALL THE MODELS, I JUST WANT TO LOOK AT THE TWO MOST IMPORTANT COLUMNS FROM EACH OF

THE MODELS. THE BASE MODEL THERE AGAIN, LOOKING AT THE OPERATING BALANCE AND THE FUND BALANCE AT THE END OF EACH YEAR. THE NEXT SET OF COLUMNS, YOU'LL SEE THAT THE OPERATING BALANCE FOR NEXT YEAR IS ABRUPTLY \$2.3 MILLION. THE LIBRARY WILL TAKE IN 2.3 MILLION OTHER THAN THAN IT'LL SPEND AS MODELED. AND THAT STAYS RELATIVELY FLAT IN GENERAL INCREASES. BECAUSE THEY ARE TAKING MORE THAN THEY ARE SPENDING, IT ADDS UP TO A NICE HEALTHY BALANCE. IT'S ONE WAY THE LIBRARY RETAINS THE 10% RESERVE BUT GIVES THE OPTION TO START CHIPPING AWAY AT WHATEVER CAPITAL NEEDS THEY HAVE, WHETHER IT'S I.T. OR FACILITY-RELATED. IT'S A GOOD PROBLEM TO HAVE. THE QUESTION THEN BECOMES AS YOU CAN SEE, THAT GROWS. COULD WE NOT INCREASE THE TAX RATE? IF YOU DON'T INCREASE THE TAX RATE AND LEAVE IT AS \$1.18 THROUGHOUT THE 10 YEARS, WHAT YOU'LL SEE IS THAT YOU GET A POSITIVE OPERATING BALANCE FOR THE NEXT FIVE OR SIX YEARS. AND THEN IT STARTS TO DECREASE. AND BY THE TIME YOU GET OUT TO 10 YEARS THE LIBRARY IS ACTUALLY OPERATING AT LOSS IN ANY ONE YEAR BUT YOU HAVE BUILT UP A SUBSTANTIAL BALANCE WHICH, NOT PRICILY, HAS BECOME VERY THISTLE STABLE. SO IF YOU FLIP OVER TO THE NEXT SLIDE. I THINK GRAPHICALLY THIS LOOK IS A LITTLE BIT MORE OBVIOUS. THE RED LINE IS THE BASE PADDLE MODEL AND THIS IS ESSENTIALLY THE PROFIT LOSS IN ANY GIVEN YEAR OR WHAT'S THE OPERATING BALANCE. IT HOVERS RIGHT AROUND ZERO, WHICH IS GOOD. THAT'S KIND OF THE WAY WE DESIGNED IT. THE NETWORKS TWO LINES SHOWED WITH AND WITHOUT THAT TAX RATE. IT'S IDENTICAL UNTIL YEAR SIX. THE BLUE LINE IS OFF THE GREEN LINE IN THE FIRST COUPLE YEARS THERE. WHAT YOU'LL SEE IS WE'RE GENERATING A POSITIVE BALANCE OF A LITTLE OVER 10 MILLION A YEAR. THAT IS ESSENTIALLY THE BENEFIT OF SLOWER COST GROWTH WE GOT LARGELY DUE THIS YEAR. IT KIND OF KEEPS GOING FOR FOUR OR FIVE YEARS UNTIL THE TAX RATE DROPS OR COSTS CATCH UP. IF YOU LOOK OUT TO YOUR SIXTH, YOU'LL SEE THE GREEN LINE WHAT HAPPENS IF THE START TO INCREASE THE TAX RAID. OR IT'S WHAT HAPPENS IF YOU DON'T INCREASE THE TAX RATE. YOU START TO GO INTO THE RED ON AN OPERATING BALANCE. WHAT THAT TELLS YOU IS WE CAN PROBABLY AVOID RAISING THE RATE FOR A COUPLE OF YEARS. BUT GETTING OUT TO YEAR 10 OF THE DISTRICT MIGHT BE A PUSH. BUT MIGHT STILL BE POSSIBLE, AS WELL. YOU'RE SOMEWHERE BETWEEN THOSE TWO LINES. NEXT. AND AGAIN, THIS IS A GRAPHICAL PRESENTATION OF WHAT HAPPENS WITH THE DISTRICT. THE RED LINE HOVERS, WITH THE GREEN LINE YOU SEE IT KEEPS INCREASING. IT WOULD START TO FLATTEN OUT IF YOU EXTENDED IT INTO YEARS 12 AND 13. IF YOU INCREASE THE TAXES, WHEREAS IF YOU DON'T INCREASE THE TAXES IT TOPPED OUT AROUND \$20 MILLION, AND THEN WE'LL START TO GRADUAL DECREASE. IT'S HELPFUL TO ALMOST PUT YOUR HAND OVER THAT RIGHT-HAND SIDE AND LOOK OUT ONLY FIVE YEARS. YOU START TO SEE BIG NUMBERS IN IDENTIFY AND 10. IT'S HELPFUL, THERE WILL BE SOME GOOD POLITICAL DECISIONS FOLKS WILL NEED TO MAKE. WE SHOULDN'T GET OVERLY EXCITED ABOUT YEAR 9 AND 10 UNTIL WE'RE A LITTLE BIT CLOSER. RIGHT NOW WE ESSENTIALLY HAVE A 10% RESERVE AND AN ABILITY TO START SETTING ASIDE MONEY.

>> DO WE HAVE PROJECTIONS FOR OUR CAPITAL NEEDS?

>> WE DON'T AT THIS TIME. THAT'S PARTLY WHAT WE WANT TO DO -- WELL, WE DO HAVE SOME FROM FACILITIES AND THEY ARE IN THE PROCESS OF GETTING THOSE FOR US. BUT WE REALLY WANT TO NAIL THOSE DOWN IN THE NEXT YEAR OR TWO, SO WE KNOW WHAT WE'RE GOING TO NEED OUT INTO THE FUTURE.

>> THAT'S A PRIORITY FOR US, GREAT.

>> AND WHAT IS THE LEAD TIME REQUIRED FOR INCREASING THE TAX RATE?

>> IT WOULD BE PART OF THE ANNUAL BUDGET PROCESS, JUST LIKE NEXT WEEK, THERE WILL BE A RESOLUTION WHERE YOU OFFICIALLY LEVY TAXES. THE ONLY DIFFERENCE IS RATHER THAN LEVYING \$1.18, IT WOULD BE \$1.19. IT'S JUST A MATTER OF CHANGING THAT REST.

>> GREAT, THANK YOU.

>> THANK YOU, MIKE. AS ALWAYS, I FEEL BRIEFLY ILLUMINATED. THEN I TRY TO REMEMBER EVERYTHING YOU SAID AND IT'S LIKE WOW. SO THANK YOU.

>> SO THIS IS THE STRUCTURE YOU SAW LAST YEAR WHEN WE CAME BEFORE, IT'S VERY, VERY SIMPLE. THE FUNDS COME IN THROUGH THE LIBRARY DISTRICT FUND. THEY ARE SIMPLY TRANSFERRED TO THE COUNTY LIBRARY FUND IN TOTALITY TO THEM TO ESSENTIALLY RUN THE LIBRARY. NOTHING NEW THERE THIS YEAR. AND AGAIN, THE BUDGET BY FUNDING STORKS THE LIBRARY FIRST TAX, THE VAST MAJORITY. THE GRANTS WE GET OVER THE COURSE OF THE YEAR THROUGH THE FOUNDATION AND OTHERS AND A FEW OTHER ADDITIONAL SOURCES.

>> SO HIGHLIGHTS, OTHER THAN THE ONE SHARED WITH YOU, SOME OF THESE ARE ACTUALLY THE SAME. FOR US, WITH THE DISTRICT, WHAT THAT MEANS IS REALLY THAT STABILITY OF FUNDING THAT IS GOING GIVE THE LIBRARY SOME GOOD SALT FOOTING WELL INTO THE FUTURE. AND HELP US DO SOME LONG TERM PLANNING MOVING FORWARD. IT ALSO ALLOWS US TO KEEP THOSE COSTS DOWN AS LONG AS POSSIBLE. SUSTAINABLE SERVICES, WE KNOW WE COULD OFFER 90 HOURS A WEEK AND PEOPLE WOULD USE THE LIVE. EVIL LIKE WHERE WE ARE RIGHT NOW, WELD REALLY SPENT TIME AND EFFORT THINKING ABOUT THE FUTURE OF THE ORGANIZATION AND HOW IT NEEDS TO EVOLVE IN RESPONSE TO HOW OUR COMMUNITY IS CHANGING. THAT'S IT, ANY QUESTIONS OR COMMENTS?

>> Comm. Smith: I HAVE A QUESTION.

>> CHAIR MADRIGAL: COMMISSIONER SMITH.

>> Comm. Smith: DO WE GET FEDERAL FUNDS FOR THE LIBRARY?

>> SOMETIMES WE GET THROUGH A FEDERAL AGENCY CALLED THE INSTITUTE FOR MUSEUM AND LIBRARY SERVICES. WE'LL GET AN OCCASION GRANT BUT REALLY NOTHING AND VERY LITTLE STATE MONEY, AS WELL.

>> Comm. Smith: OKAY.

>> Chair Madrigal: NO QUESTIONS, THANK YOU FOR BOTH PRESENTATIONS.

>> THANK YOU ALL FOR YOUR TIME. THERE BEING NO FURTHER BUSINESS, WE ARE ADJOURNED. WE WILL RETURN THIS AFTERNOON FOR BUDGET WORK SESSION NO. 12 FOR OUR NONDEPARTMENTAL DIVISIONS. THANK YOU. [GAVEL POUNDED]

ADJOURNMENT

The meeting was adjourned at 10:44 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

Submitted by:

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Board of County Commissioners
Multnomah County