

**Minutes of the Board of Commissioners
Multnomah Building, Commissioners Conference Room 635
501 SE Hawthorne Blvd. Portland, Oregon
Tuesday, September 6, 2011**

EXECUTIVE SESSION

Chair Jeff Cogen convened the meeting at 11:30 a.m. with Vice-Chair Deborah Kafoury and Commissioners Loretta Smith, Judy Shiprack and Diane McKeel present.

- E.1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2) (d) and (e) to conduct deliberations regarding the Sellwood Bridge acquisitions. Only representatives of the news media and designated staff are allowed to attend. Representatives of the news media and all other attendees are specifically directed not to disclose information that is the subject of the Executive Session. Session is also to discuss pending labor negotiations. News media may be excluded from discussions of labor negotiations in accordance with ORS 192.660(4). Final decisions are decided in public Board meetings. Contact: Jenny Morf, Deputy County Attorney. Presenters: John Thomas, Ian Cannon and Travis Graves.**

Executive Session was held.

The meeting was adjourned at 12:07 p.m.

**Minutes of the Board of Commissioners
Multnomah County, Oregon
Multnomah Building, Board Room 100
Tuesday, September 6, 2011**

MID-YEAR BUDGET WORK SESSION #4

Chair Jeff Cogen convened the meeting at 9:40 a.m. with Vice-Chair Deborah Kafoury and Commissioners Loretta Smith, Judy Shiprack and Diane McKeel present.

Also attending were Jenny M. Morf, Deputy County Attorney, and Marina Baker, Assistant Board Clerk.

BWS-4 FY 2012 State Rebalance Mitigation Proposal.

- 1. Session Overview – Joanne Fuller, County Chief Operating Officer.**
- 2. DCHS – Additional State Cuts to Program – Kathy Tinkle, Interim Director, County Human Services.**

Ms. Fuller provided the introductions. Ms. Tinkle explained that the County just found out about additional cuts coming from the State Housing and Community Services equaling about \$154k over and above the cuts outlined in the FY 2012 State Rebalance Mitigation Proposal. She provided a summary of possible Federal reductions, including possible cuts to Energy Assistance, Weatherization, and Anti-Poverty Services.

3. CBAC Survey Results – Kathleen Todd & Robb Wolfson, Citizen Involvement.

Ms. Todd explained that the Citizen Involvement Committee (CIC) has traditionally facilitated live public budget forums as one means for County residents to provide input to the Board about the budget, but over the last two years, they have expanded public input by creating online surveys with similar questions to those used at the forums. The CIC received 485 completed surveys, including ten in Spanish. The survey consisted of two questions: a quantitative one, where out of 18 County service categories, respondents were asked to rank the six in order of importance to them, and a qualitative one, where respondents were asked to describe which features they value most about the service categories they selected.

Mr. Wolfson stated that seven of the 18 categories were distinctly ranked more often than the rest, including the Library, and various Human Services, such as Mental Health Services, Aging and Senior Services, Health Clinics, Homeless Services, SUN Schools and Early Childhood Services. A number of services that did not fall within the top seven still demonstrated some of the strongest feelings of support among their proponents, including the departments of the District Attorney, Public Prosecutor, and County Jails.

Ms. Todd said the question asking respondents to describe which features of the services they selected were most important to them was very useful to gain insight into the qualities that County residents feel are most valuable with regard to County services and programs. This question received over 1,260 comments, which were analyzed and categorized based on similarity. Comments varied greatly and fell into more than 75 different categories. About 15 comments remarked on how difficult the survey was to complete, which might suggest that this exercise led respondents to realize how hard the Board's job is during these difficult economic times. She provided examples of comments they received and responded to Board questions and comments. The Board thanked them for their report.

4. FY 2011 Year End Status & Contingency Review– Mike Jaspin, Budget Office.

Mr. Jaspin explained that the FY11 ending balance will be approximately \$65.4M and the FY12 budgeted beginning working capital (BWC) is \$51.2M, making the additional FY 2012 BWC One-Time-Only (OTO) funds approximately \$14.1M. Factors that resulted in the additional ending balance/BWC include the unused FY11 County General Fund (GF) Contingency of \$2.7M; additional FY11 revenue of \$90k; and departmental underspending of \$11.3M. He provided and reviewed the FY11 ongoing GF revenue review as of August 31, 2011. Next, he spoke about the FY12 adopted GF Contingency, which totals approximately \$15M.

5. State August 2011 Forecast – Mike Jaspin.

Mr. Jaspin explained that on August 26, the State gave its September forecast which shows that the State is down \$192.6M from close of session, due to a fall in the stock market and personal income. He discussed reasoning behind this forecast and how it affects their ending balance. The Board thanked him for his briefing.

6. Comcast Ruling and Impact to County – Randy Walruff, County Assessor.

Mr. Walruff explained that in December 2009, the State sent the County a letter saying that Comcast had appealed their property taxes. Comcast had previously been locally accessed, but in 2009 the State made the determination to centrally access Comcast, which is the same procedure used for electric companies, airlines, railroads, etc.

Mr. Walruff spoke about the implementation of HB 2569, which allows for an assessor to issue a refundable tax credit, instead of subjecting taxing districts to potentially large accruals of interest. Prior to HB 2569, counties could only create reserve accounts in the event that a property owner won an appeal and were owed back previously paid property taxes and interest. This HB becomes effective on September 29, 2011 and Mr. Walruff it will be implemented in early October. This will require him to return to the Board and request that Order No. 2010-129 be rescinded and have the Comcast Tax Appeal Reserve Account cancelled. By cancelling the reserve, those funds will be released for use in issuing a deferred billing credit refund to Comcast and will eliminate the ongoing accrual of interest, should the State not prevail in the Comcast appeal.

He responded to Board questions and comments. The Board thanked him for the update.

7. Changes to Senior Property Tax Deferral Program – Randy Walruff.

Mr. Walruff explained that the Oregon's Senior Citizens Deferral program pays taxes for qualified homeowners through small loans. In recent years, there hasn't been enough money flowing into the State fund to pay the millions of dollars owed to counties. The poor housing market and economy has meant a drop in repayments and a heavy financial burden on the State. In response to this, the 2011 Legislature enforced new rules that cuts the number of people enrolled in the program. The new rules include stricter asset limits and income criteria; a change to interest terms from 6% simple to 6% compound interest; homeowners have to live in the house for at least five years; and properties with reverse mortgages no longer qualify. Following these changes, about 1,700 homeowners who qualified for the program previously no longer qualify because of their reverse mortgages and about 300 new applicants were denied.

Mr. Walruff responded to Board questions and comments. The Board thanked him for his presentation.

8. Mitigation Proposal – Joanne Fuller.

Ms. Fuller provided the introduction. She explained that the mitigation proposal is designed to address the State cuts in a very conservative way. She advised that these cuts may become the new norm of funding from the State, and that the chances of getting money back may be very slim. The County is using a total of \$738 million from General Funds and OTO money to mitigate the State cuts. This proposal won't restore funding to all programs, but will focus on funding critical services. This will give DCHS time to consider how to provide services more effectively, and in a worst case scenario, the services will be funded for one year and then eliminated.

Ms. Fuller reviewed the Chair's summary of State reductions and strategies for mitigating or cutting them. She responded to Board questions and comments. The Chair and Commissioners thanked her for the update.

9. Next Steps – Joanne Fuller and Karyne Kieta.

10. Wrap Up – Joanne Fuller and Karyne Kieta.

Ms. Kieta said there is one more tentative budget work session scheduled on September 13, 2011, if needed. On September 15, 2011, the Board is scheduled to vote on the FY 2012 rebalanced budget to bring it into line with the State allocations.

Commissioner Smith asked to be provided with the number of FTE cuts this rebalance will result in. Ms. Fuller said she will provide those numbers to her.

The Board thanked them for their update.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:18 a.m.

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