

Department of County Assets & Department of County Management CBAC

TO: Chair Jessica Vega Pederson and Board of County Commissioners (6) pages

FROM: Department of County Assets (DCA) and Department of County Management (DCM) Community Budget Advisory Committee

DATE: March 14, 2025

SUBJECT: Department of County Assets and Department of County Management Community Budget Advisory Committee Report & Recommendations

The Dept. of County Management/Dept. of County Assets Community Budget Advisory Committee (CBAC) members appreciate the opportunity to review and comment on the Fiscal Year 2026 budget priorities of these two departments. The perspectives we bring come from our lived experience, professions, education, and community work. This year's members' professional backgrounds include legal services, organizational leadership, retail, advanced studies, and government contracting. We share common desires to give back to our community and to ensure fiscally responsible use of our tax dollars.

EXECUTIVE SUMMARY - The DCA/DCM CBAC has completed its review of the proposed departmental budgets, and we are pleased to present our recommendations for the Board's consideration. In conducting our review, we incorporated the following core values:

- Being good stewards of public funds
- Holding government institutions accountable for providing cost-effective, efficient services with measurable outcomes
- Viewing budgets as moral documents and commitments to the most vulnerable members of our community
- Supporting continual improvements toward County workforce equity, including employee health, safety and well-being
- Supporting transparency by making information about DCA and DCM budgets accessible and understandable to the general public.

Through interviews with County leadership, we obtained a broad picture of the County's financial health and priorities, as well as emerging issues—chief among them were declining tax

DCA & DCM CBAC

revenue and the anticipated General Fund shortfall. This knowledge informed our review of proposed programs and reductions, group discussions, and ultimately the recommendations contained herein. Our recommendations prioritize the continued provision of essential services, particularly for marginalized community members, improvements to organizational and operational efficiency, and increased strategic planning. Our hope is that these programs help support the County's continued growth and service to the public despite challenging fiscal conditions ahead.

PROCESS - To develop our recommendations, we conducted interviews with county leaders from both the County Assets and County Management Departments. As a group, we engaged in discussions by asking both prepared and spontaneous questions. The meetings were conducted in a hybrid format, with some committee members attending in person and others joining virtually. Each meeting included at least two speakers who were present in person.

Most interviews took place before the release of the FY26 proposed department budgets, meaning specific program offers for the upcoming year were not yet available for review. As a result, managers were unable to discuss specific program details during our meetings.

Additional questions were submitted after our group reviewed this year's program offers. The committee received written responses to these questions, and that information was also considered while drafting this report.

Below is a list of meetings, including their dates and the names and titles of the county officials interviewed.

- January 13, 2025
 - Tracey Massey, DCA Director and Chief Information Officer
 - Mike Vaughn, DCM Deputy Director
 - Travis Graves, Interim Chief Operating Officer, DCM Director
- January 27, 2025
 - Sophie Wilson, DCA Equity Manager
 - Estelle Norris, DCM Equity Manager
- February 4, 2025
 - Travis Graves, Interim Chief Operating Officer and DCM Director
 - Eric Arellano, Chief Financial Officer
 - Christian Elkin, Chief Budget Officer
- February 10, 2025
 - Sara Ryan, Chair's Office Director of Budget and Strategic Projects
 - Dan Zalkow, Facilities and Property Management Director
 - Sim Ogle, Deputy Chief Information Officer

Members: Ben Brady, Jenna Lewis, Chuck Woods, T.J. Anderson, Terry Harris, Cormac Burke

Staff: Mike Vaughn and Beverly Ford (DCM) Nancy Artmann and Lisa Whedon (DCA)

DCA & DCM CBAC

Although the CBAC was presented with a large volume of information to consider, the short time between the release of the proposed budgets and the deadline for submitting this report prevented us from engaging in much of the substantive discussion that would have been required to provide comprehensive feedback on all aspects of the departments' budgets. Therefore, our group chose to focus on one-time-only program offers as a matter of practicality. Any lack of attention to other elements of the budgets, except where specifically mentioned in the following sections, does not indicate our tacit support of or objection to such elements.

EMERGING ISSUES & CHANGES - Given emerging financial challenges, we have carefully evaluated how to allocate our available funds while maintaining fiscal responsibility. The reduction of ARP funding and the growing public scrutiny of government spending require a more strategic approach to budgeting. Balancing these constraints, we have assessed our priorities to ensure that our recommendations align with both immediate operational needs and long-term financial sustainability.

Understanding the difficulty of maximizing impact without appearing fiscally irresponsible, we have grounded our recommendations in a thorough analysis of our core values, evolving federal funding landscapes, and local financial conditions. This approach ensures that every dollar spent is optimized for the greatest benefit, positioning us to responsibly manage resources while still being honest to our mission promoting values and to making sure the budget while maintaining public trust during a planned 12% reduction throughout the county.

BUDGET FEEDBACK - The DCA/DCM CBAC acknowledges the significant budget constraints facing Multnomah County this fiscal year. As a general proposition, and subject to more specific discussion below, the CBAC does not recommend that any broad programs or services be "held harmless" from cuts. We would certainly expect that programs and services in the Department of County Assets and Department of County Management take their share of budget cuts. Unfortunately, the brief window of time for our CBAC consideration and deliberation doesn't allow for a deep dive into the specifics of reductions, but we respect the difficult choices and impossible prioritizations made by Department leadership, and we appreciate that the requested budget is well-considered.

But also, as a general matter, the CBAC would note that much of the Departments' work on constraints occurred as part of the internal services rate setting in the fall, well before the CBAC was even assembled. Because this rate-setting exercise is so crucial to the entire County budget, the County should consider whether this particular CBAC should be established much earlier in the budget cycle, to be able to provide at least some community review and input into the internal rates that can significantly impact budgets across all departments.

DCA & DCM CBAC

In terms of budgetary priorities, we recommend focusing on preserving core services of the county as a general priority. This is why we have only prioritized a limited number of program offers. We believe that when core services fail to deliver, the marginalized population suffers more than those who can manage around those issues. The program offers that we did prioritize appear to be investments in maintaining essential services, reducing county costs moving forward, and ensuring public safety. We are also concerned about the economic vitality of the area, taking seriously the potential for further economic downturn. While some of the prioritized items aim to capitalize on current real estate market conditions, we would have favored proposals geared toward revitalizing local business and economic conditions had such proposals been presented. We encourage the chair to consider and propose initiatives that stimulate economic growth.

We additionally have not raised objections to the proposed budget reductions by DCM and DCA. We believe there may be further opportunities to streamline administration, management, and assets in alignment with the available budget. We remain concerned about significant shortcomings in critical services and commitments from Multnomah County in areas beyond DCA and DCM. Therefore, our program recommendations are guided by a focus on critical needs or initiatives that could help mitigate future costs and liabilities.

In conclusion, the CBAC emphasizes the importance of strategic budget allocations that preserve essential services, promote economic recovery, and enhance public safety. We commend the inclusion of success metrics in many of this year's program offers and advocate for further transparency and earlier involvement in future budgets. Ideally, program proposals should encompass comprehensive cost benefit analyses, detailing both initial and ongoing expenses alongside anticipated benefits. Multiple program offers only presented first year costs of design or purchase. The proposed holistic approach ensures a thorough understanding of each program's long-term value vs cost and aligns with best practices in budget prioritization. Implementing such methodologies would enhance the county's ability to make informed, evidence based decisions, ultimately leading to more effective and efficient use of resources.

PROGRAM OFFER RECOMMENDATIONS - *As stated above, our recommendations broadly prioritize maintaining essential services; however, we did not feel we had sufficient information to prioritize any one program offer over another. Consequently, Our specific recommendations are as follows, in no particular order of priority:*

Department of County Assets

1. 78245 Facilities Capital Improvement Program (CIP) \$419,208
This program is designed to ensure the quality of services provided by the county through the buildings that house them. It focuses on maintaining, upgrading, and improving the functionality, accessibility, and upkeep of these facilities. Over a five-year period, the program will implement preventive maintenance

Members: Ben Brady, Jenna Lewis, Chuck Woods, T.J. Anderson, Terry Harris, Cormac Burke

Staff: Mike Vaughn and Beverly Ford (DCM) Nancy Artmann and Lisa Whedon (DCA)

DCA & DCM CBAC

and necessary upgrades. The CBAC thinks the quality of services offered by the county could be negatively impacted if this program is not adopted.

2. 78233 Justice Center Electrical System Upgrade - Bus Duct - Replacement Ph2 \$3,300,000

The CBAC thinks that without this program, occupants would have to move to other locations which would make the Justice Center not operational. This would not be cost-effective, especially considering this project is in-flight.

3. N/A Complete Facilities Real Estate Plan \$200,000

The CBAC recognizes that the County is due for an updated strategic plan to help guide the County's complex real estate decision-making over the next decade. Such planning will be especially necessary in order to implement projects to advance the County's long-term vision in a much-changed real estate environment.

4. 78234 New Animal Services Building Project \$6,670,000

The CBAC strongly supports the design-phase funding for the long-delayed, much-needed New Animal Services Facility. The current facility is badly undersized, out of date, and simply unable to provide the level of services to the community, and the level of care to the animals in its charge that County residents need and should expect.

5. FPM Prophet Center Relocation/Vector Control Relocation/Downtown Real Estate... \$22,000,000

The CBAC recognizes these three projects might be important based on how they have been presented. As we have said, we are prioritizing opportunities for the county to invest in reducing future costs as well as ensuring that they preserve core services. These three projects appear to check some of those boxes. We unfortunately do not have enough of the information needed to make an informed recommendation. These are very significant investments totaling over \$22M and based on answers to some of our questions, it would appear there might be other options for these expiring leases beyond just purchasing property. It is also not clear what the full cost of these projects are projected to be. Additionally, we don't know where the "break-even" might be as compared to continuing leases or attaining new leases. We want to avoid the county from getting into a sunk cost situation where significant capital is invested in year one, therefore being trapped in future year costs. We would caution the chair moving forward with these one-time "first year" investments, without having a full projection on costs, a cost comparison to other viable options, and confidence in cost savings. Again, we are very aligned with the "intent" of these programs because they would continue critical services and potentially save the county future costs. We just don't have enough conclusive evidence to support whether these statements are true and therefore prioritize appropriately.

6. N/A Downtown Real Estate Acquisition and Renovation \$15,000,000

The CBAC concurs with the plan outlined in the recently completed Downtown Real Estate Study and supports the effort to implement the plan. The project's plan to acquire and renovate a building in downtown Portland, which would accommodate DCJ and DCHS programs, would also create an ability to sell the Mead Building and exit the Five Oak lease, all of which seems to make good business sense.

Members: Ben Brady, Jenna Lewis, Chuck Woods, T.J. Anderson, Terry Harris, Cormac Burke

Staff: Mike Vaughn and Beverly Ford (DCM) Nancy Artmann and Lisa Whedon (DCA)

DCA & DCM CBAC

7. 78244 DCJ Juvenile Justice Center (JJC) Security Foyer Project \$1,500,000
The CBAC supports the program offer. There will be safety enhancements that will increase security measures to the lobby area that are not there now.

Department of County Management

8. 72059 Finance & Risk-Purchasing Contract Redesign/Process Improvement \$161,421
The CBAC acknowledges the results of the County's prior assessment of its procurement and contracting functions and endorses the County's further steps to implement those recommended changes. Without a robust system for administering contracts in place, and the requisite training for such systems, there is the potential for significant cost overruns and project delays. The County may very well recoup the cost of this additional FTE through small improvements to contract oversight alone. This program also supports the standardization of training for the entire procurement lifecycle, an essential for any public organization engaged in considerable contracting activities.

9. 72063 Common Application Enhancement \$126,000
Common Application, which allows the public to apply for multiple programs and services within a single application, may have significant equity impacts, including reducing barriers to access, streamlining assistance to vulnerable populations, increasing awareness of available services, and centralizing data to identify and reduce service gaps. The CBAC supports the County's efforts to further study the operational efficiencies that may emerge through the adoption of this program.

10. 72033 DART - Commercial and Industrial Appraisal \$100,000
The CBAC concurs with the need for assistance in property tax appeals for downtown properties, particularly as the number of appeals has significantly increased. With this year's constrained budget, it is more important than ever to preserve taxable value downtown, and to resolve appeals fairly and efficiently.

ACKNOWLEDGEMENTS – The Committee would like to give special thanks to Lisa Whedon, Nancy Artmann, Mike Vaughn, Beverly Ford, and others for their support, coordination, facilitation, responsiveness, and enthusiasm. They were essential to the organization and scheduling of our discussions and provided excellent perspective on all of the budget requests discussed. We would also like to acknowledge and extend our gratitude to the guests/presenters for their time, informative presentations, and responsiveness to our questions. County leadership was particularly diligent in providing us with comprehensive responses to our final written questions in a very short timespan, and those efforts were greatly appreciated.