

To: Chair Deborah Kafoury
Kim Melton, Chief of Staff
Christian Elkin, Budget Director

From: Travis Graves, Interim DCM Department Director & CHRO

Date: February 12th, 2021

RE: FY 2022 Budget Submission Transmittal Letter

Department Overview

The Department of County Management (DCM) is proud to submit our FY 2022 requested budget of \$195,878,224 and 286.75 FTE.

DCM is responsible for collecting, protecting, and investing Multnomah County's human and financial capital. DCM maintains the systems to hire and train the County's workforce, pays the County's bills and safeguards its funds. Finance and Risk Management, Central Human Resources, and the Central Budget Office work with the Chair, Chief Operating Officer (COO), and departments to set countywide corporate policies that protect County assets, reduce financial risk, and ensure the County's ability to serve the community. The Division of Assessment, Recording and Taxation maintains property records and assessments and collects property taxes, the primary source of General Fund revenue.

The County is almost one year into its response to the COVID-19 pandemic, and I do not think anyone would have predicted how transformational and all-consuming this work is. While DCM's services are not directly supporting this effort, our divisions are working tirelessly behind the scenes to ensure the County can accomplish its public health mission. As is the case with much of the County, we quickly shifted to working from home and continued to provide the same level of productivity (if not more) to ensure continuity of services.

The Department's corporate functions -- Human Resources, Budget and Finance -- have tirelessly and continuously shifted priorities, learned new skills and led in different ways. Whether that was creating childcare programs, managing new leave rules and laws, tracking CARES funding and expenditures, supplementing the budget process with new COVID-19 related activities, updating people and financial rules and policies, building testing resources or even managing and staffing vaccination clinics -- the DCM team leaned in. This was done while

maintaining the core DCM services relied on by our customers and community including maintaining our commitments to the Workforce Equity Strategic Plan (WESP) and meeting our tax collection obligations. While this past year was unprecedented, we do not believe this next year will be significantly different.

This next fiscal year, with the hiring of the new Chief Operating Officer (COO) who will serve as DCM's director, we hope to move into a place of increased leadership stability. Currently, I serve as the interim DCM Director, the CHRO and have taken on additional responsibilities since the former COO retired. In addition, we have other key interim placements within our department and across the County. Once the new COO is identified, they will have the opportunity to hire a deputy and work with the Chair to make other strategic staffing decisions across the County.

In addition, DCM is poised to support a number of new countywide initiatives; as well as, continue with the COVID-19 response. In 2020, three new initiatives were passed by Multnomah County voters that require significant support from DCM to ensure their success. These measures include:

- The Preschool for All tax was approved by voters to provide preschool free for every 3- and 4-year-old and guaranteeing preschool workers a living wage. Since its passage, our Finance and Risk Management Division has prepared new tax laws and is ramping up to support its implementation.
- The tax measure 26-210 provides funding for regional homeless and supportive housing services. DCM will support the expansion of the Joint Office of Homeless Services as they begin to create programs and services with the increased revenue through our partner Metro.
- The Library Capital Bond which will require significant support through finance, budget, contracts and procurement, was approved by voters to help the Library expand and modernize library spaces and balance library services more fairly across Multnomah County.

Diversity, Equity, and Inclusion Efforts

DCM's unique role in the corporate ecosystem requires that we support countywide Diversity, Equity and Inclusion efforts while still implementing department strategies to support our workforce. In FY 2022 we will continue the implementation of our department's Workforce Equity Strategic Plan (WESP), which includes both DCM specific and countywide goals.

Countywide Efforts

We are the cultivators of many centralized equity initiatives. Over the past year, the Central Human Resources (CHR) division has developed and launched new programs to serve those initiatives, especially those guided by the Workforce Equity Strategic Plan (WESP).

CHR played a pivotal role in developing resources, processes, and tools that support the departments countywide to meet the minimum standards of the WESP. Throughout 2020, CHR made progress and delivered on the development of key equity resources, including a revised performance review process, sharing and developing equity-informed interview questions, and interview panelist training. In the Fall, CHR launched the Workforce Equity Strategic Plan Resources page on Commons, a "one stop shop" that all departments can access as a reference to support their WESP implementation commitments.

The significant impacts of COVID-19, which caused increased teleworking for employees countywide, created new opportunities for the teams of CHR to reimagine services and programming. For example:

- Organizational Learning was able to shift their core programming to live virtual and digital formats that could easily be accessed through Commons, such as the new Inclusion and Equity Resources learning page and virtual New Manager Orientation.
- Coaching Circles, a cohort style learning program designed for managers, which began its first pilot in the fall of 2020, was successfully adapted to a virtual environment as an opportunity for managers to connect, share and practice new behaviors centered around the County's Core Competencies.
- Countywide New Employee Orientation shifted to a virtual format, now known as New Employee Welcome (NEW).
- College to County supported 30 summer interns by adapting all programming and engagement to a virtual space

With the additional resources approved by the Chair and the Board in FY 2020, Organizational Learning has been able to revise the leadership development framework to support ongoing manager learning and provide direct conflict resolution support to employees and teams.

Overall, despite impacts to regular programs and services and contributing significant staff efforts to countywide COVID-19 response, central teams adapted to follow through on our commitments to advancing workforce equity.

DCM Efforts

In DCM, we strive to apply a proactive, inclusive approach and utilize equity lens tools and cultural humility in our day to day work. Some of the focus areas where we have implemented strategies to support our commitment to equity include, but are not limited to, our budget process, employee onboarding, manager feedback, professional development and communication.

This year, we expanded our budget equity review process to include an intentional equity scan of every program offer. The goal of the process was to share information cross departmentally about what we do as a larger organization, increase communication about the budget process, and move our department closer to aligning our budget with our stated equity values. This was a three step process where program offers were evaluated at the beginning using five specific equity focused and thought provoking questions. The program offers were then sent to a neutral observer for review and sent back to the original author for a final revision. In the end, any changes that could not be made right away were noted for further evaluation throughout the coming year.

This year, in accordance with the Workforce Equity Strategic Plan (WESP) our senior leaders, in partnership with the DCM Equity Committee, developed a new employee mentoring program that matches all new employees with an Onboarding Liaison. This program contributes to the new employee's professional growth and assists with orientation and onboarding. This program is intended to help enhance a culture of communication and increase a sense of connection for new employees.

We also launched a manager feedback program by piloting a strength based 360 review of all our managers with the intended goal of moving towards a culture of two way communication. In addition, a cohort of College 2 County Interns built a culturally responsive Interview Question Repository that was shared with the countywide Employment Committee.

Overall, we support awareness building and equity education programs in multiple spaces across our department. The DCM Equity Committee holds monthly large group learning sessions where guest speakers share insights on specific equity topics. Participants engage with presenters both in the live sessions and on a virtual discussion board. Our department director leads conversations with the senior management team focused on the video series, "Race: The Power of an Illusion." Individual divisions have yearlong inclusive culture building learning plans that include topics such as conflict resolution, listening skills, understanding bias, gender equity, and our countywide core competencies.

One of the most important strategies we have enhanced over the past year is information sharing. Information is power. Our individual divisions have long championed events such as DART's Coffee House Chat. Employees come and have discussions about important division, department and County issues. A casual coffee house vibe is encouraged. As a result of the success of The Coffee House Chat, we implemented Real Talk with Travis, a department wide virtual all staff meeting. The agendas are flexible and allow employees to submit topics of interest and questions anonymously for the department director or other leaders to answer.

Although this is not a full menu of all of our department equity efforts, it is a representative sample of how we have committed to the work. More examples of this work are outlined in the department narrative and program offers.

FY 2022 Budget Priorities and Key Issues

As noted above, COVID-19 continues to be a key driver of our work. The addition of Preschool for All, the regional tax to combat homelessness and the Library Bond will also require concerted efforts within our divisions. While we may not be responsible for the front-facing work for these new initiatives, it requires the corporate functions time and effort behind the scenes to ensure the work is supported. You will see requests to fund and support this work in our budget.

As a department (and as a county) we are experiencing change at a pace that is often stunning. Our emergency response, need for continual communications, new revenue and expenditure tracking, changes to policies and practices continues to shift, sometimes by the minute. I am particularly proud of the leadership team of DCM who have shown steadfast commitment to County values and their work. Their resiliency does not go unnoticed.

In addition, the resilience of all DCM and County employees is something to pay particular attention to this next year. The pandemic has tested our leaders and staff in ways that we could not have imagined -- whether that is in the sheer numbers of hours they are working, the new skills they are acquiring and using, or their continual ability to adapt and show flexibility as the figurative ground beneath their feet shakes -- we need to keep in mind we all need a break and time to decompress.

Encouraging team members to take that break, take a day or a week off, practice self-care or mindfulness, exercise or even just simply go for a walk needs to become the norm. Also, offering praise and appreciation needs to be at the forefront of our minds. Modeling these behaviors and showing staff that leaders care will go a long way during these difficult times.

These behaviors also help to instill a sense of safety, trust and belonging which is a county value and goal.

The future of work post pandemic will be a topic for discussion and planning over this next year. DCM and the County will need to evaluate what “returning to work” looks like. Will we still have a large number of employees teleworking? Will we be open to a hybrid approach or will we expect a return to the status quo pre-pandemic? DCM has not experienced a drop in productivity since instituting working from home across the organization. If anything, we are finding that many staff are more productive. We also hear from employees, particularly those with disabilities or family obligations, that teleworking has been immensely appreciated and satisfying. And on the other side of the spectrum, we have staff who are missing the social connection and face-to-face contact that comes with being in the worksite. Decisions on the future of telework also have the potential to have significant budget implications moving forward.

DCM’s commitment to the WESP is unwavering. As you read above, we are leveraging the strategic investments made by the Chair and the Board to not just meet the expectations and milestones in the WESP but to also challenge ourselves to go further. This is true both for the work we are doing as a department and countywide.

Budget Overview

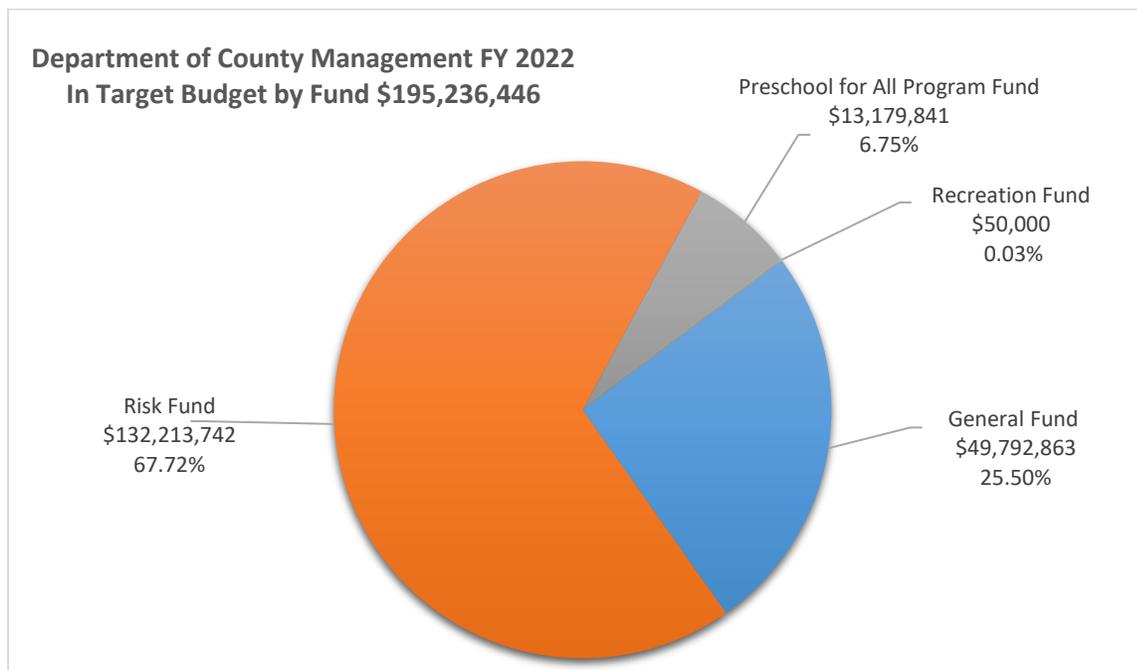
The Department of County Management budget submission totals \$195,878,224 and 286.75 FTE for FY 2022 for both in and out of target programs. The submission is detailed in the table below showing the total allocation.

FY 2022 Dept. of County Management Budget Submission				
	FY 2022 General Funds*	FY 2022 Other Funds	Total Funds	Total FTE
In Target Programs	\$49,792,863	\$145,443,583	\$195,236,446	284.75
Out of Target Programs	\$641,778	\$0	\$641,778	2.00
Total FY 2022 Submission	\$50,434,641	\$145,443,583	\$195,878,224	286.75

*includes both General Funds and Video Lottery Funds

The Department of County Management is primarily funded by a combination of Risk Funds and General Funds, with \$145.4 million in the Risk Fund for employee benefits and general liability / workers compensation insurance premiums and claims paid, and \$50.4 million in General Fund for remaining operations and staffing.

The pie chart below shows the In Target Budget by fund for the Department.



This budget maintains and supports the core DCM services as described below:

- The DCM Director's Office is home to the County's COO who also serves as the DCM Director, the Deputy COO, the Business Services program and the newly formed DCM / Nondepartmental Human Resources Unit. The COO is responsible for the administrative infrastructure and financial health of the County and provides strategic direction for countywide projects and ensures that complex decisions are informed by a countywide perspective.
- The Division of Assessment, Recording and Taxation (DART) is responsible for property tax administration and maintaining vital and essential records for the county. On behalf of 65 taxing districts, DART maintains an accurate inventory and statutory value of approximately 310,000 property tax accounts for the purpose of generating correct property tax bills that fund these districts including critical services and programs. DART is also responsible for issuing marriage licenses and recording and indexing documents, which make up both vital and essential records under Oregon law.
- The Budget Office guides the development of the annual budget process resulting in the publication of the County's largest policy document. Through the budget process, the County aligns over \$2.0 billion in funding with its priorities, ensuring that the County's values are incorporated into this essential process. The Budget Office also provides a variety of resources and analyses to help inform decision makers and to guide departments through the budget process.
- The Central Human Resources Division (CHR) provides strategic leadership, recommends policy, and partners with the department HR units to guide consistent, efficient and solutions-oriented HR processes and practices necessary to achieve results across the

organization. CHR serves as an integral support of the Workforce Equity Strategic Plan (WESP) with a majority of the minimum standards requiring implementation capacity from CHR. CHR manages collective bargaining and labor contract interpretation for 12 contracts, personnel rules and County HR policy development, job profile and compensation plans, recruitment and retention systems and processes, employee benefits and wellness, and oversight of HR systems.

- The Finance and Risk Management Division provides a wide variety of services to ensure the county's financial transactions are managed in a timely and accurate manner, and establishes policies and procedures that guide how those transactions are made by County departments. The Division pays the county's bills, maintains and records accounting transactions, manages the County's investment portfolio and issues payroll checks; is responsible for managing the County's debt obligations, ensuring that vendors who receive federal funding are in compliance with applicable rules, and provides oversight and sets policy for the County's contracting process; and is responsible for preparing the county's Comprehensive Annual Financial Report. Risk Management negotiates insurance coverage for the county's buildings, manages claims associated with work-related injuries, consults on workplace safety and health, and manages claims for the county's self-insured liability program.

General Fund Target Allocation

DCM's total General Fund target is \$49,792,863. The General Fund makes up 25.5% of DCM's total in Target budget submission for FY 2022.

DCM's requested budget meets the 2% constraint through a combination of reductions across the organization. In previous years, we were able to leverage decreases in internal services and salaries due to turnover to bridge much of the gap. While this year these means provided some relief, it was not enough to meet our constraint. Using an equity lens as our guide, we held harmless the strategic investments made by the Chair and the Board to increase DCM's capacity to support workforce equity and were mindful of ensuring continued capacity to support the COVID-19 response. Therefore, you will see reductions in one vacant Management Analyst position in the COO/Director's Office and cuts within each division's materials and services budgets.

General Fund Reductions

Proposal For Meeting 2% Reduction in General Fund Target Allocation				
Offer Number	Program Name	General Fund	FTE Reduction	% of GF Reduced
72000A	DCM Director's Office	(198,416)	1.00	14%
72015	DCM Business Services	(5,000)	0.00	0%
72001	Budget Office	(55,350)	0.00	2%
72017A	Central HR Services	(3,589)	0.00	0%
72022	Workday Support Central HR	(18,000)	0.00	1%
72027	DART Tax Revenue Management	(11,000)	0.00	0%
72023	DART Administration	(7,500)	0.00	1%
All DCM	Salary reductions due to staff turnover	(95,457)	0.00	NA
All DCM	Internal Services GF savings and reduced discretionary work orders	(76,598)	0.00	NA
Totals		(470,910)	1.00	N/A

- Program 72000A: Reduced a 1.00 FTE Management Analyst \$168,416. This key position supports the COO for both DCM and countywide activities, and supports strategic work that impacts both department and countywide programs due to DCM's centralized and executive functions. \$30,000 reduction to professional services for Executive Learning Series.
- Program 72001: \$17,600 reduction in temporary staffing in the Budget Office does not impact core work of the program; used to increase the diversity of the office and create a connection with the community through the College to County program; \$37,750 reduction in professional services, materials and services with minimal impacts;
- \$45,089 reduction in materials and services across several DCM Programs, with minimal impact to core program services;
- \$95,457 department wide salary savings are due to staffing turnover;
- \$76,598 Internal Services (IS) GF savings and reduction of discretionary Facilities work orders.

Reallocations

Significant Departmental Changes (Reallocations)				
Offer Number	Program Name	General Fund	Other Funds	% of GF Changed
72007	FRM Payroll/Retirement Services	(111,452)	-	-9%
72046	FRM Workday Support - Finance	(25,000)		-3%
72017A	Central HR Services	(16,411)	-	-1%
72022	Workday Support - Central Human Resources	152,863	-	8%
Totals		-	-	N/A

This reallocation is a shift of a 1.00 FTE position from our Payroll group (Program Offer 72007) to the Workday Support – Central Human Resources team (Program Offer 72022) to align the budget with how the work is being managed.

State, Federal, Large Grant Funds

The County Assessment Function Funding Assistance (CAFFA) grant from the State pays for assessment and taxation costs. The goal of the grant is to maintain an adequate level of operation in the counties to ensure equity and uniformity in the assessment and taxation system. Funding for the grants comes from document recording fees and a portion of the interest from delinquent property taxes deposited by counties into the statewide CAFFA Fund. The grant is based on the county's proportional share of the State of Oregon Department of Revenue (DOR) approved Assessment and Taxation budget for all participating counties and the forecast of statewide CAFFA deposits.

For FY 2022, Multnomah County's estimated share is \$3,004,161. This funding is trending down from the prior 5 year average, due to a decline in the county proportional share and total amount of grant funds available. For FY 2021 revenue is estimated to be \$2.9 million, whereas in FY 2020 the County received \$3.6 million. Although, housing activity has rebounded significantly during the pandemic and should reverse the recent trend. This grant supports approximately 15% of the DART programs.

Other Significant Program Changes

In FY 2022, we are recommending the transfer of a Management Analyst position which historically supported the COO from the Nondepartmental Complaints Investigation Unit (CIU) (Program 10040) to the DCM Director's Office (Program 72000).

Ongoing Out of Target Requests

We are requesting two out-of-target ongoing offers to assist us in building capacity to meet County expectations. We are also requesting a restoration of a couple targeted cuts within the Director's Office in the amount of \$198,416. The table below and following descriptions highlight the request.

Out of Target Program Requests (Ongoing)					
Offer Number	Program Name	General Fund	Other Funds	FTE	New or Existing
72017C	Central HR - Communications Specialist	179,701	-	1.00	New
72049B	DCM / NonD Human Resources - Add Facilities	52,000	-	0.00	New
72000B	DCM Director's Office	168,416	-	1.00	Restoration
72000B	DCM Director's Office	30,000	-	0.00	Restoration
Totals		430,117	-	2.00	N/A

Program 72017C - Central HR Communications Specialist, 1.00 FTE, \$179,701

We know from the employee survey, our staff are hungry for additional communication from County leaders. In our budget, we asked for additional funding to maintain a regular position dedicated to countywide internal communications in Central Human Resources. This position will support our ability to have regular countywide messages in the Wednesday Wire, Multco Matters and County emails to staff on topics of importance.

Program 72049B - DCM/Non-D Human Resources - Add Facilities, \$52,000

This last year DCM partnered with the Nondepartmental Offices to create its own department human resources unit. This unit includes staff from the previous Department of County Assets HR hub plus additional resources. When the unit was created, we did not have space allocated to them as the team is all teleworking. This program requests to fund additional space for DCM in the Multnomah Building to provide the team a place to land once we reopen the building.

One-Time-Only Out of Target Requests

Out of Target Program Requests (One-Time-Only)					
Offer Number	Program Name	General Fund	Other Funds	FTE	New or Existing
72017B	College to County Interns	211,611	-	0.00	New
Totals		211,611	-	0.00	N/A

Program 72017B - College to County Interns – \$211,611

DCM requests one-time-only funding to enhance the College to County Program. Historically the County averages 30 interns through this program each year. In FY 2022 our countywide WESP goal increases to 50 interns. Through an evaluation conducted by previous College to County interns, we learned that one barrier to increased participation is the cost of the internship which is roughly \$10,000 per person. While this is not the only barrier, some departments / units without the means to fund this program have not been able to fully participate. If this offer is funded, Central Human Resources will create a program to offer internal grants to fund 20 additional slots to ensure the County meets its FY 2022 WESP commitment.

Risks and Other Issues

DCM continues to monitor and plan for the implementation of State Paid Family and Medical Leave. This has the potential to have a significant impact on the County from both a budget and leave management perspective. The new benefits will be effective in FY 2023 and will require changes in coordination with all other leave benefits, such as Paid Parental Leave, sick and vacation leave.

COVID-19 Impacts

The Department of County Management adapted quickly to almost universal remote work at the beginning of the COVID-19 pandemic. Some employees are still required to come into the office to process payments, receive the mail, and do other in-person only services but this is minimized as much as possible. Closure of the office required new ways of delivering customer service in DART, such as issuing marriage licenses through the mail, new phone systems for the DART call center routed to staff through computers, and moving tax payments support to a

virtual and remote environment. Once the building is reopened, DART will restore acceptance of passport applications.

In addition, Central Human Resources worked diligently to provide information, resources and updates to programs / policies to support County employees. This includes regular countywide communication, managing testing and vaccine programs, and implementing new federal laws. Labor Relations identified and resolved an unprecedented number of issues arising out of the COVID-19 pandemic and provided increased support for atypical County operations. Organizational Learning developed COVID-19 OR-OSHA mandatory training to educate employees about workplace safety guidance and expectations.

The Finance and Risk Management Division continues to manage COVID-19 related revenues and expenditures, executed 124 COVID-19 related contracts, and maintains compliance with new OR-OSHA regulations. The Budget Office quickly pivoted to include \$100 million in additional services to accommodate the County's response to COVID-19 during FY 2021. Finally, a number of DCM employees support the County's emergency response through logistics support, roles in the emergency operations center leadership, shelter staffing among others.

DCM's budget includes two positions in the Risk Fund to enhance Risk Management's capacity to comply with new COVID-19 OR-OSHA policy and procedural requirements and to respond to increased workload due to COVID-19. In addition, the out of target communications position requested by Central Human Resources is dedicated to countywide communications on topics of importance, and will initially continue the focus on COVID-19 internal communication.

Span of Control

DCM's span of control for FY 2022 is 1: 6:42 which is a moderate increase from FY 2021 at 1:6.3

Division Level Organization Chart

