

Meeting Minutes

Multnomah County Library Bond Oversight Committee

June 17, 2025

4:00 - 6:00 pm | Holgate Library

Committee Members Present

Alexia Wellons, Ana Brophy, Courtney Rosenthal, David Hoang, Michael Armstrong, Nicole Pexton, Randall Edwards, Rosie McGown, Susan Aldrich

Staff Present

Annie Lewis, Library Director; Eric Arellano, CFO, Multnomah County; Jayde Delano, Budget Analyst, Multnomah County; Kate Vance, PMO Deputy Director-DCA; Maddelyn High, Library Director's Assistant / Committee Staff Support; Maggie Chavez, Supplier Diversity Office, Multnomah County; Mike Day, Bond Program Management Office (PMO) Director; and Tracey Massey, Director, Multnomah County Department of County Assets (DCA)

Four auditors from Moss Adams were also in attendance.

Welcome

Library Director Annie Lewis welcomed attendees. Meeting attendees and guests introduced themselves.

Public Comment

Public comment was requested for submission via email ahead of the meeting. No known emails came in for public comment, and no members of the public submitted comments during the meeting.

Fiscal Year 2024 Audit

Committee liaison Maddelyn High informed new members that the audit is a section of the committee's annual report, noting that the bond ballot measure includes an audit requirement. Multnomah County CFO Eric Arellano and guests from the audit firm Moss Adams shared results of a recently-completed agreed-upon procedure audit and enhanced scope audit for Fiscal Year 2024 ending June 30, 2024 (going back to bond inception).

Auditors highlighted several strong practices, including leveraging other revenue sources, staff collaboration, effective documentation management, and contract records management; also noting that inflationary challenges were addressed effectively early on.

Revenues in the library capital construction fund were deemed reasonable and review of 25 randomly-selected expenditures from the construction fund found nothing outside the scope of the bond measure.

Auditors spotlighted two projects in particular – the Operations Center, which closed under budget and ahead of schedule, and the East County Library, which is on schedule. The full audit report includes details for every project, vendor information, budget adjustments, and more. There were no findings or recommendations for the agreed-upon procedures financial audit.

For the enhanced scope audit, Baker Tilly examined the D3 (decision tracking matrix) process for evaluating project changes, comparing it to best practices. The D3 process is in good shape, with strong documented approvals and checks and balances. This was a one-time review, and recommended process improvements include options analysis and identifying restricted/unrestricted funds and taking minutes at the library executive steering committee meetings to document the review and approval of quarterly budget actuals.

PMO staff explained that changes to the D3 form were implemented mid-year based on the previous audit's recommendations, and that not every decision requires a full options analysis. Executive steering committee meetings are for report-out only, so minutes are not taken – but all content for these meetings is available.

A question arose regarding allowable administrative overhead within the bond. Kate Vance clarified that program management office (PMO) overhead is allocated to individual projects through a methodology approved in 2021, and as of the last fiscal year, overhead was approximately 5% of the total spent. Project managers are charged to specific projects, and third-party consultants are categorized under professional services. The auditors indicated that the overhead percentage is considered in line with other large bond programs.

Arellano encouraged committee members to review the detailed audit report and to reach out with any questions, and thanked the auditors and staff team for their thoughtful approach.

Committee Business

Committee liaison Maddelyn High welcomed new committee members: Alexia Wellons, Courtney Rosenthal, David Hoang, Michael Armstrong, and Susan Aldrich.

There were no edits to the minutes for the March 18, 2025 meeting.

Library Systemwide Updates

Lewis highlighted several recent systemwide updates for the library, including:

- A budget constraint and staffing changes in MCL's FY26 budget to meet needs in larger bond-funded spaces, requiring realignment of existing resources. Layoffs were avoided, but the library faced its first constraint year since 2012, necessitating \$1.4 million in reductions. This is primarily due to flat rates and decreased property values, compounded by pandemic impacts. Lewis also addressed questions about the library's tax rate (currently set at \$1.22 per thousand dollars of assessed value); and cost models for digital materials.
- Launch of the library's Summer Reading program on June 16th for both youth and adults
- The public opening of Albina Library on July 19; the upcoming closure of Hollywood Library for bond upgrades; and several summer library events related to Pride and Juneteenth

Bond Implementation Update

Bond Program Management Office (PMO) Director Mike Day offered an overview of bond project sequencing, noting that with the upcoming opening of Albina Library, all Chapter One projects (which also includes Operations Center, Midland, and Holgate) will be complete.

Day then shared an update on the overall bond budget summary, noting an increase from \$456 million to \$459 million, primarily due to interest earnings. Day reminded that contingency funds are carefully tracked at both the portfolio and at project levels, with \$30 million (approximately 27% of unspent funds) currently available. Interest income in particular contributes to a healthy contingency, allowing for release of funds (restricted to bond work) as part of a contingency savings strategy and maximizing value.

Day also reviewed recent budget changes since the last meeting in March, including \$150,000 from interest earnings for unforeseen sewer repairs at North Portland Library; \$120,000 for Northwest Library for enhancements; \$150.5k for St. John's Library for improvements to lighting, flooring, and roofing; as well as approval of the second wave of project contingency savings totaling \$4.2 million. Day responded to a few questions about contingency release plans and timeline, factoring in projects yet to be completed and related risk.

Supplier Diversity Office Maggie Chavez provided updates on workforce diversity, including an overview of the Regional Workforce Equity Agreement (RWEA) multi-agency project labor agreement – which sets consistent workforce goals for diverse worker recruitment and retention – for the benefit of new committee members.

Chavez explained that the RWEA sets increasing participation targets of 20% apprentices, 9% women, and 22% minorities. Current apprentice utilization is near 24%, with approximately 40% being women and 51% people of color. Apprenticeship brings in new, historically-excluded individuals to the trades to address an aging demographic and labor shortages. Journey-level utilization is at nearly 9% for women and 38% for minorities. RWEA partners are still tracking and working to address lower participation rates from women at journey levels.

In response to a question about interpreting data, Chavez clarified that total labor hours presented include all trade hours on the project; and apprentice utilization percentages are based on the total apprentice hours out of the total project hours. Demographic percentages (women, minority) are based on the apprentice pool. Chavez also noted that participation rates often decrease as projects progress from early work by apprentices to finishing work by journey-level workers; and that smaller projects tend to show higher percentages due to crew size. However, projects scheduled later in the bond program are benefitting from lessons learned from earlier projects like the Operations Center, particularly in targeted outreach and making connections to workers.

Chavez construction COVID-certified participation is ~31%, representing \$59 million going to local certified contractors in Oregon. This exceeds the county's general goal of 20% and the bond program's initial goal of 25%. For professional services, the COVID-certified participation rate is over 36% (\$11M).

PMO Deputy Director Kate Vance shared several project photos and celebrated substantial completion and receipt of the final certificate of occupancy for Albina Library. This project includes a remodel of the original Carnegie Library building (which now houses a children's collection) and a large addition. The project also includes creation of an administrative space to house library administrative functions (previously housed in a leased facility) and a new automated materials handling unit.

The goal is to achieve LEED Platinum certification for this building, exceeding the initial LEED Gold ambition. COBID participation rates will also likely surpass initial goals.

Vance also reviewed Albina Library project budget contingencies in detail.

Moving on to Belmont Library, Vance reminded that this project entails an expansion of the library to three times its current size on the existing site, with opening estimated for late spring or early summer 2026. Vance noted that a one-lane closure on Caesar Chavez is now planned for 6-8 weeks from mid-June through July. Vance reported no overall budget changes for this project in the last quarter; and provided updates on contingency spending.

Addressing overall bond program risks, Vance noted that due to progress toward completion (with most projects at or near substantial completion), projects are expected to be minimally impacted by risks like escalation related to federal policies and tariffs, but these and other factors continue to be closely monitored. Vance closed by noting that the Bond Team is looking forward to a strong construction year for the remaining 4 major projects, as well as delivery of the majority of the refresh projects.

Action Items + Closing

High reminded folks of an upcoming opportunity to tour the new East County Library project site; and that new members have an onboarding orientation later this month.

The meeting adjourned at 6:06 pm.