



Library Operations Center

Multnomah County Library Bond Oversight Committee Report

Fiscal Year 2024 (Ending June 30, 2024)

Presented to Multnomah County Board of County Commissioners

January 28, 2025



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Dear Multnomah County Board of County Commissioners:

In November 2020, the Multnomah County Board of Commissioners asked voters of the County to approve Measure 26-211 to update, renovate, construct and refresh library facilities throughout the County. Voters overwhelmingly approved the Measure, authorizing the County to issue an unprecedented \$387 million in general obligation bonds to finance these capital costs.

The Measure also required oversight by an independent bond committee and annual audits to ensure the activities of the measure are being carried out in accordance with the language communicated to voters. Our Bond Oversight Committee of community members — with broad-based experiences in construction, architecture, public finance, business equity for Minority, Women-owned, or Emerging small business in public works, and civic infrastructure — was created to provide independent oversight.

Our committee meets quarterly to receive information from those overseeing these library investments as required by the Measure. This report covers the progress of the investment of library bonds through June 30, 2024. We have organized the report to cover four major categories: budget management; schedule and project progress; diversity, equity, and inclusion; and community engagement.

We look forward to presenting our report to you and answering any questions you may have.

Sincerely,

The Multnomah County Library Bond Oversight Committee

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Executive summary

In November 2020, Multnomah County voters overwhelmingly approved Measure 26-211 for transformational upgrades to library facilities throughout the County. This authorized the County to issue \$387 million in general obligation bonds to finance library modernization.

The Measure requires independent oversight and audits to ensure promises made to voters are kept. The Multnomah County Library Bond Oversight Committee (“the Committee”) was created at the end of 2021. Together, committee members bring a depth of experience in construction, public finance and civic infrastructure, and public works.

This is the Committee’s second report, covering progress of the investment of library bonds through June 30, 2024 as well as an independent audit finding.

Budget management

The initial years of bond program management involved creative, intentional strategies to mitigate pandemic-related impacts and historic market volatility, including supply chain delays, labor shortages, and hyperinflation. While some impacts remain, (escalation¹ and supply chain lead time, in particular), conditions have in large part stabilized, allowing for strong budget alignment. The bond team has successfully completed Guaranteed Maximum Price (GMP) (an agreement on what provides best value and quality under a not-to-exceed value) negotiations for six of the nine major projects. Locking down GMP controls cost escalation by fixing the overall cost of each project with contractors, and is critically important in effectively managing project budgets. The bond premium reserve, established at the time of bond sale, also continues to serve as a critical safeguard against cost-related risks.

The reserve, along with earned interest income and outside funding sources, resulted in \$445.7 million to invest in library bond projects. In addition, careful planning and budget management resulted in savings for the Operations Center, completed on time and under-budget. Savings from this project in the amount of ~\$6 million have been applied to other projects, allowing for enhancements and betterments.

¹ The Rider Levett Bucknall (RNB) economic forecast through Q2 2024 continues to reflect inflation in the range of 6.31% in the NW region.

FINDINGS

\$218.1 million of bond funds are spent and \$31.5 million in uncommitted contingency funds remain as of June 30, 2024. The spend-down target for tax-exempt bonds (85% or \$174.25 million) was met March 2024.

Financial Audit

Per Measure 26-211, annual external audits of the library bond program are conducted and shared with the Bond Oversight Committee. The Committee, working with the County's Chief Financial Officer, chose an independent procedural audit, conducted by Moss Adams. The audit examined the oversight and transparency of the Library Construction Project Fund (bond proceeds, interest income, other revenues, and capital expenditures on projects) and the General Obligation Bond Fund Debt Service Fund (property tax revenues levied to cover bonds obligations). The County contracted with Moss Adams to complete this audit for Fiscal Year 2023 (July 1, 2022 to June 30, 2023). An enhanced audit scope, supplementary to the procedural audit, is in progress and will be made public when available.

FINDINGS

Overall, Moss Adams found no significant issues. Bond revenues and expenditures were recorded accurately and used for allowable purposes. The audit also confirmed the Board of County Commissioners received budget-to-actual reports. Some procedures were not performed because documentation was not available. See Appendix B for full audit results.

Schedule and project progress

The project schedule and the related program budget are influenced by several things:

1. Bond sale spend-down requirements required an accelerated schedule
2. Construction market and labor conditions
3. Pandemic and other related global factors
4. External market factors like inflation and extraordinary supply-chain restrictions
5. Historic renovations and extensive seismic upgrades on existing buildings
6. Any unforeseen construction issues (related to permits, site conditions, etc.)

To meet spend-down requirements, bond leadership made a strategic decision to compress the overall bond program schedule from eight to five years. This decision reduced the negative impact of inflation and escalation. Additional schedule impacts were created by longer-than-expected times for project review and permitting. To address this, the Bond PMO worked with the City of Portland’s Bureau of Development Services (BDS) to assign a BDS manager specifically to library projects to aid in the processing of permits.

As of the close Fiscal Year 2024, all major public bond projects are active.

FINDINGS

The overall bond program is on-schedule to be completed as planned. One major bond project is complete (the Operations Center), and Holgate and Midland libraries are scheduled to open shortly. Three of ten refresh projects are also complete (Gregory Heights, Capitol Hill, and Central libraries), with two others (Hillsdale and Fairview libraries) opening soon. All other major bond projects are in progress.

Diversity, equity, and inclusion

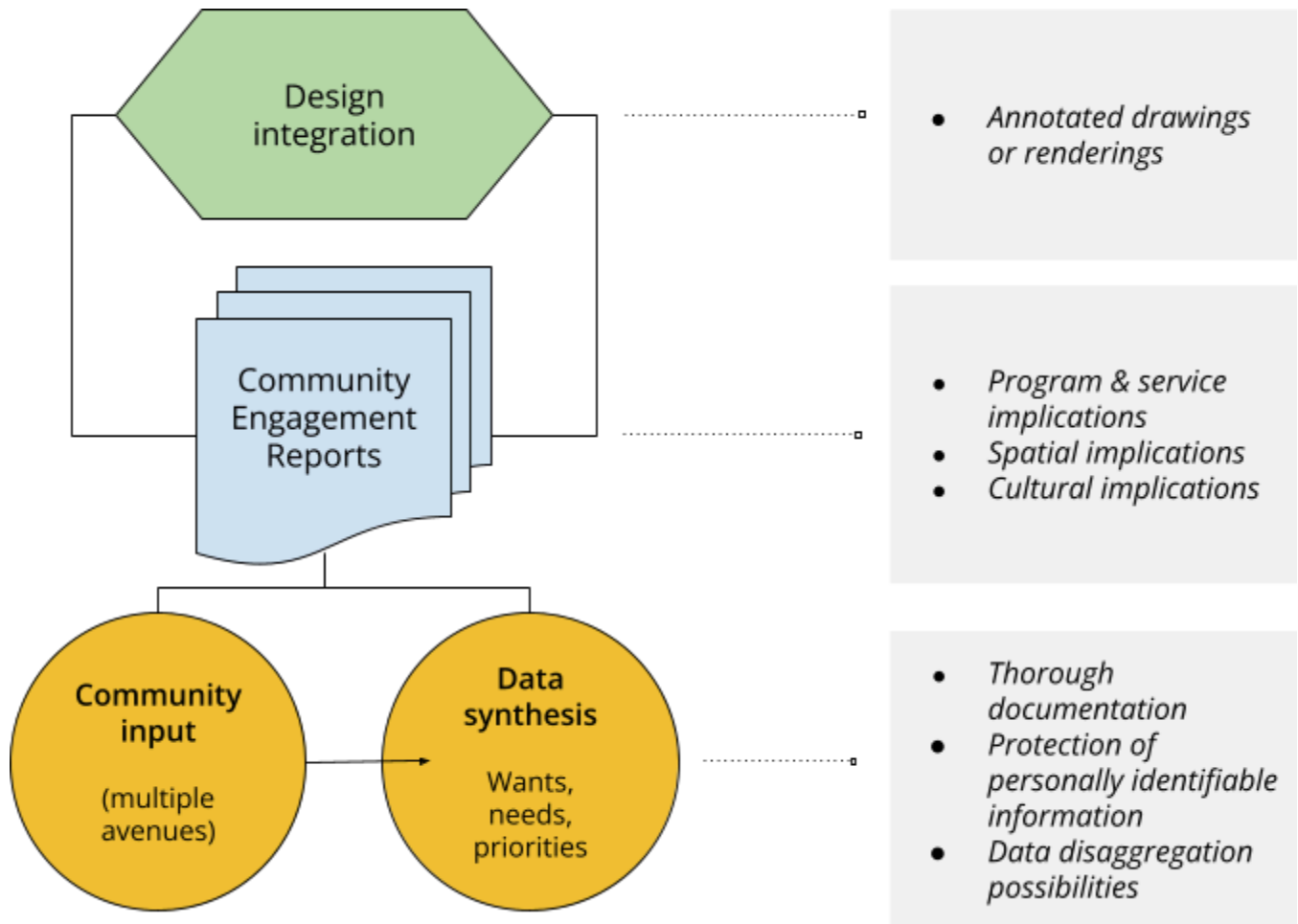
The Bond PMO prioritizes diverse contracting, with aspirational Certification Office for Business Inclusion and Diversity (COBID) participation goals for each project, setting a baseline goal of 25% COBID-certified participation. The [Regional Workforce Equity Agreement \(RWEA\)](#), a project labor agreement between Multnomah County, Metro, the City of Portland, and Portland Community College. The RWEA sets regional hiring standards requiring contractors to prioritize workforce diversity on large public projects and governs all major library bond projects. A Labor Management Community Oversight Committee (LMCOC) supports compliance monitoring and oversight and advancement of workforce diversity goals. The bond team also partners closely with and benefits from the leadership of the county’s Supplier Diversity Officer, a position solely focused on outreach to and engagement and inclusion of COBID-certified firms in contracting and workforce.

FINDINGS

Multnomah County is the first entity among RWEA partners to complete a project since RWEA implementation. Overall COBID participation targets are being met or exceeded. Some projects are still in the early phases and close-out will offer more information.

Community engagement

Community engagement is a central component of library bond work, factored into each project’s scope and timeline. This work is led by a full time Community Engagement Coordinator, who synthesizes community input across multiple feedback methods for integration into project designs.



FINDINGS

Community input informs building design, from exterior and interior design themes to the creation of unique (culturally-specific, age-specific, and needs-specific) building features and spaces. Community touchpoints by methodology is shown on page 21.

Multnomah County Library

Bond Oversight Committee Report

Fiscal Year 2024 (June 30, 2024)

Introduction

The people of Multnomah County approved Measure 26-211 in November 2020 to expand, modernize, rebuild, and refresh library facilities, issuing a general obligation bond to finance capital costs in the amount of \$387,000,000. Efforts include:

- Expand, renovate, or construct seven branch libraries, including Albina, Belmont, Holgate, Midland, North Portland, Northwest, and St. Johns
- Build a flagship library in East County, similar in capacity to downtown’s Central Library.
- Add gigabit speed internet to all libraries
- Create a central materials handling and distribution center to increase efficiency and cost effectiveness (“Operations Center”)
- Pay for furnishings, equipment, site improvements, land acquisition, and bond issuance costs

Measure 26-211 stipulates the creation of an independent [Bond Oversight Committee](#), as well as annual audits, to help ensure bond funds are used as intended. Governed by a [charter](#) adopted by the Committee in January 2022, committee members provide independent oversight of and accountability for progress on Measure 26-211. The Committee meets virtually on a quarterly basis and has received quarterly updates since November 2021 from the Multnomah County Library Bond Program Management Office (“Bond PMO”) and other staff members. Additionally, committee members receive information via emails, in an online dashboard, and on the [Multnomah County Library website](#).

Committee members

Ana Brophy, Jason Green, Jeffrey Scherer (Co-Chair), Kourtney Strong, Maralea Lutino, Nicole Pexton, Randall Edwards (Chair), Rosie McGown, Sophia Suhu

Guiding principles

In its due diligence, the Committee applies eight guiding principles to the oversight of library bond projects:

Accountability: Library buildings will be built to create maximum value for taxpayers by making sure projects are on time and on budget. Staff work with oversight entities to ensure transparent processes and expose problems with projects.

Equity: Library buildings will reflect equity through community input, design and project decisions. The project will center race and culture in design, implementation, and procurement processes.

Accessibility for all: Library buildings will incorporate universal design principles and other strategies to make them usable by everyone.

Flexibility today and for the future: Library buildings will be models of flexible space, adaptable to changing needs and uses throughout the day and over the course of many years as community needs, technology and library service models evolve.

Community partnership: Library buildings will reflect the cultures and priorities of our communities and focus on fulfilling patron needs. Staff prioritize community and patron-focused input.

Innovative and inspirational design: Library buildings will have innovative and inspirational design. Staff will work with our stakeholders to achieve unique designs for our buildings and spaces.

Sustainability: Library buildings will be sustainably built. Staff will use sustainable techniques, tools, materials, and practices throughout and after construction.

Public safety: Library buildings will be built to support community resilience in response to emergencies.

The Committee receives information in four major bond and project categories (budget

management; schedule and project progress; diversity, equity, and inclusion; and community engagement), as well as audit information.

Timeline

This report covers library bond progress since November 2020 through Fiscal Year 2024, ending June 30, 2024. Fiscal Years 2021 and 2022 were focused on establishing the bond program, launching community engagement and initial project design, and recruiting and orienting inaugural committee members. One major bond project (the Operations Center) and three refreshes (Gregory Heights, Capitol Hill, and Central libraries) are now complete, with all other major projects now in the construction phase.

Assessment

Committee members evaluated library bond progress in terms of the following categories: budget management; independent audit; schedule and project progress; and diversity, equity, and inclusion. A green/yellow/red status is a widely-used tool for a fast and simple understanding of the current state of a project. A colored indicator is used to show performance or risk level of different aspects of the overall portfolio of projects. Yellow here is used to indicate that potential risk is being monitored and could escalate if not addressed. Mitigation strategies are in place for both project components marked yellow below, and are described further in the body of the report.

Bond Oversight Committee assessment

Project Components	Ending Fiscal Year 2024
Budget management	Yellow
Independent audit	Green
Schedule and project progress	Yellow
Diversity, equity, and inclusion	Green
Community engagement	Green
Key Green = On-target Yellow = Some risk Red = Serious risk or a critical issue	

Budget management

Measure 26-211, to update, renovate, construct and refresh library facilities throughout the County, directed issuing \$387 million in general obligation bonds to finance these capital costs. The bond sale took place in early 2021 and through a bond sales technique with favorable interest rates, the County was able to raise \$387 million plus a bond premium reserve of \$50.7 million. This reserve, along with interest income earnings (\$8.1 million) from bond proceeds, has resulted in \$445.7 million to invest in library bond projects and address conditions around pandemic-era inflation and unforeseen market conditions. The Library Bond program has also received other outside funding sources such as grants, donations, and other Library District funds as summarized in the budget summary table on the following page. These funds provide additional funding to cover unforeseen expenses, market conditions, and inflation.

The bond portfolio budget was validated in June 2021 by the Bond PMO, and approved by the Board of County Commissioners in October 2021. Individual project budgets within the bond portfolio are finalized at the establishment of the Guaranteed Maximum Price (GMP) construction contract amendments and authorized through the defined County approval process. GMPs have been established for the majority of projects, reducing budget uncertainty. The Bond PMO oversees the portfolio budget, which includes detailed project-level budgets for all bond sites. Each project budget includes hard and soft construction costs as well as contingencies. As projects near completion, the Bond PMO plans to review project contingencies across the board and release funds as appropriate.

Project teams monitor budgets, including contingency usage, frequently. To manage budget risks, project teams provide monthly updates to Bond PMO leadership, executive sponsors, Bond Finance Leadership, and other key executives at the County and library and board staff. Any funds added to a project follow a defined decision approval process.

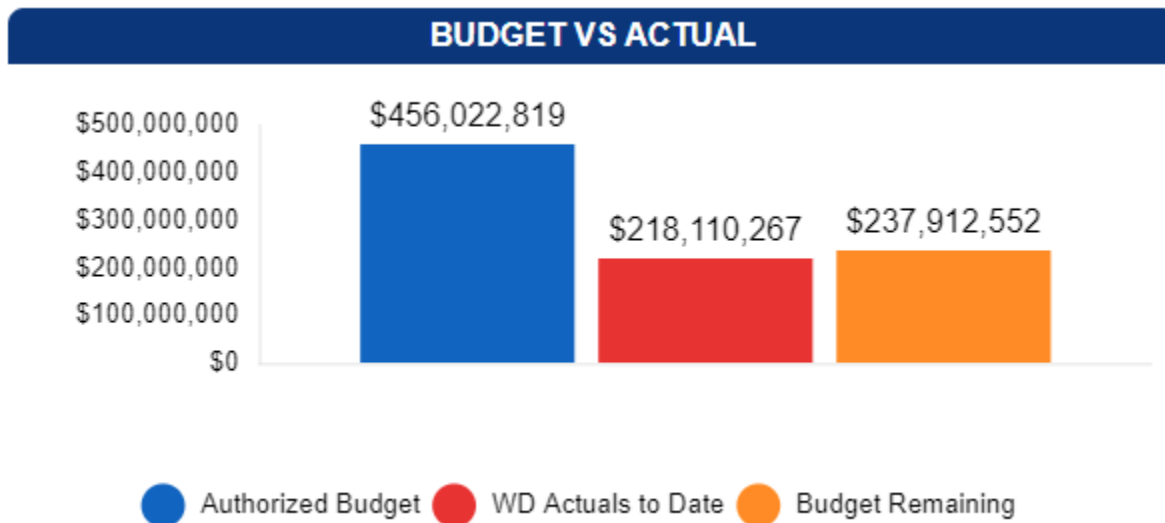
Committee members receive quarterly updates on overall bond spending, including progress toward federally-required spend-down for taxable bonds, as well as updates on individual project budgets and actual spending. The program achieved the bond spend down goal in March 2024. As of June 30, 2024, \$218.1 million of bond funds have been spent and \$31.5 million in uncommitted contingency funds (approximately 14.5% of unspent funds) remain. Information on specific project budgets is available at the end of this report.

Bond budget summary

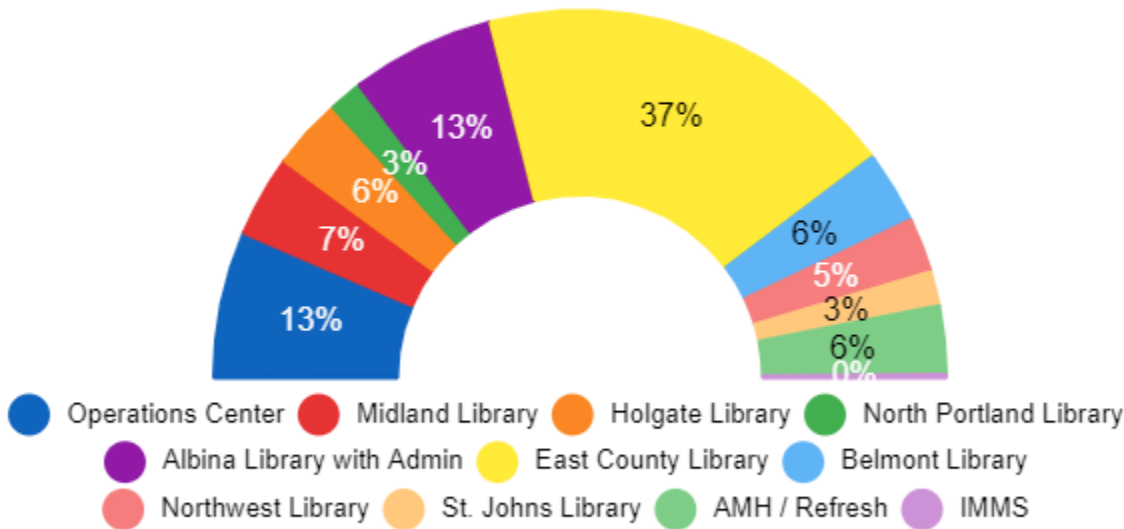
Total program budget	\$456.0 million
General obligation bonds Issued in two series: • Tax-Exempt: \$154,680,000 / Taxable: \$232,320,000	\$387 million
Bond premium reserve Issued in two series: • Tax-Exempt: \$50,506,726.20 / Taxable: \$231,909.90	\$50.7 million
Interest income earnings	\$8.1 million
Outside funds	\$10.2 million

*Outside funds include grants, donations, Energy Trust incentives, Library District funds for scope outside the bond program, etc.

Bond funds spent through June 30, 2024

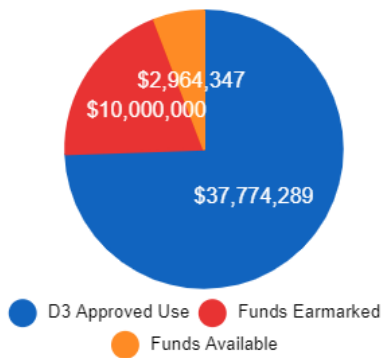


LCBP | Bond Portfolio Budget Metrics

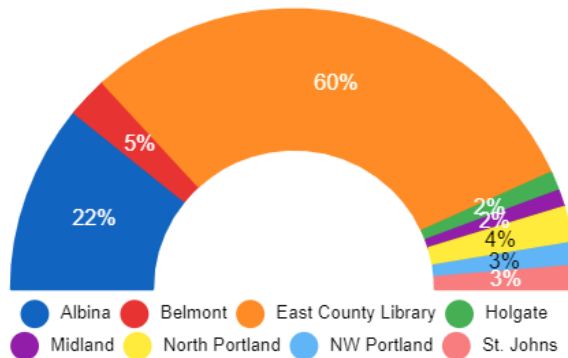


Bond Premium Reserve Funds Spent through June 30, 2024

BOND PREMIUM RESERVE



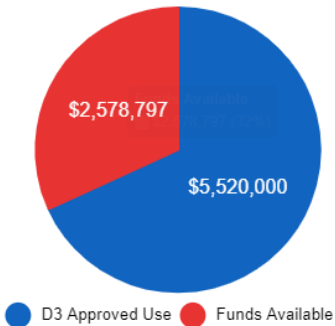
Reserve Use Split by Project



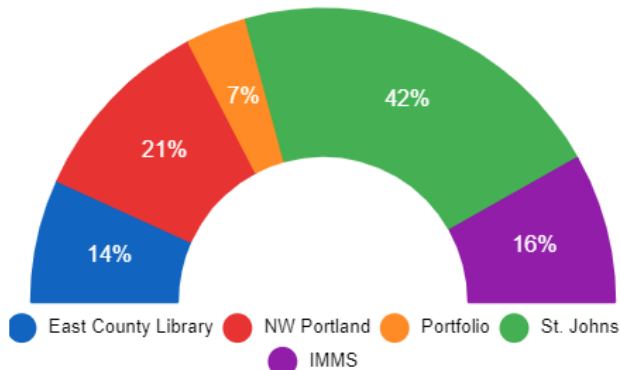
*D3 refers to an internal decision tracking process

Interest Income Earnings Spent through June 30, 2024

INTEREST INCOME EARNINGS



Interest Income Earnings Use Split by Project



Audit findings

As part of the Measure, an annual financial audit is required. The County contracted with Moss Adams LLP to complete two audits for Fiscal Year 2023 (July 1, 2022 to June 30, 2023): an independent procedural audit and an enhanced scope audit focused on project-level budgets and the change management process. This is the second year of audit engagement and it will continue annually through project substantial completion. The enhanced audit scope, supplementary to the procedural audit, is still in progress.

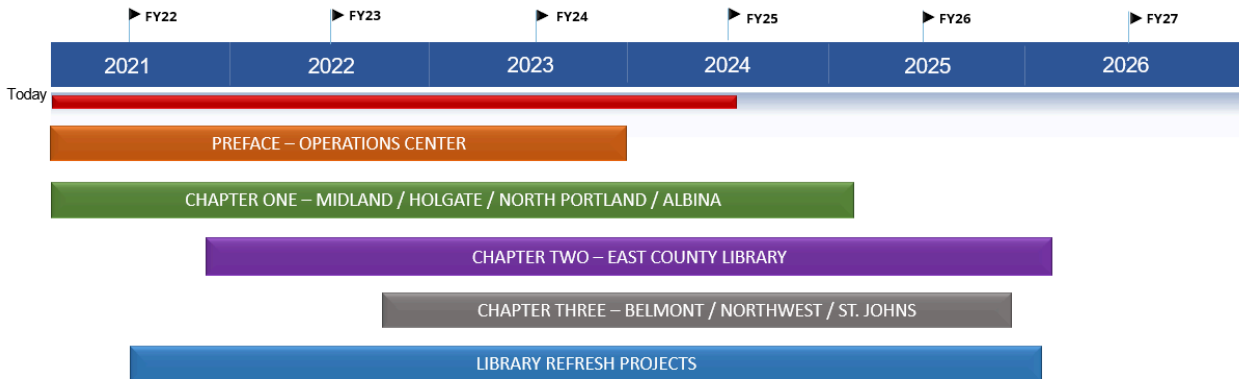
Audits provide greater oversight and transparency over project funds. The audits use sampling to ensure accuracy of the account ledger for Library Bond Capital Project financial activities; expenditure allowability; restricted usage; budget authority; project change management and authority; and timeliness of budget-to-actual reporting to leadership (see Appendix A and B).

FINDINGS

Overall, Moss Adams found no significant issues. Bond revenues and expenditures were recorded accurately and used for allowable purposes. The audit also confirmed the Board of County Commissioners received budget-to-actual reports. Two areas for improvement were identified regarding the project change process. See Appendix B for full audit results.

Schedule and project progress

Overall Bond Program Schedule



The overall program schedule is not at risk of exceeding the voter-approved bond term of approximately eight years. However, the risks associated with national and global market escalation and inflation, labor shortages, and supply chain issues have created challenges. Key building infrastructure equipment (electrical switchgear and mechanical units, in particular) are seeing lead times in excess of a year and have impacted project timelines. For example, electrical switchgear for East County Library is an 80-week lead time. In response to bond spend-down requirements, the overall project schedules and the sequencing of construction activities are putting pressure on limited regional labor and material resources.

To mitigate market conditions and to meet the required bond sale spend-down, it was necessary for the Bond PMO to compress the overall bond schedule. While this compression added some stress, this strategic decision enabled the capture of savings through not having to include additional market escalation and inflation indexing.

The bond PMO has made adjustments within the overall bond portfolio sequencing due to factors highlighted on Page 5 of this report, to address schedule impacts related to construction market conditions, extended permit review timelines, supply chain impacts, and development of scope related to historic buildings and more extensive renovation requirements for seismic upgrades and deferred maintenance. Schedule refinements at the portfolio level are managed within the overall timeline of the bond program, minimizing

schedule slippage at the portfolio level. Original bond planning projected an eight-year schedule. *The overall bond program is ahead of schedule by ~2+ years.*

Per the Bond Oversight Committee Report ending Fiscal Year 2023, the tax-exempt portion of the bond sales required the County to draw down and use 85% of the bond funds in a three-year period after the sale. Project teams used the compressed schedule and are projected to meet the March 2024 spend down deadline.

Sustainability

Sustainability is a guiding principle of the library bond program, reflecting Multnomah County's commitment of demonstrating fiscal responsibilities to taxpayers with durable spaces, materials, and systems focused on efficiency and flexibility — new County facilities are designed to last 80 years, and to meet [regional sustainability goals](#) and LEED Gold certification status. See project detail pages for specific sustainability information.

Diversity, equity, and inclusion

Diversity, equity, and inclusion (DEI) is centered through bond work by prioritizing diverse contracting, workforce equity, and community engagement (detailed later). This section will focus on a key component of the bond's DEI values: setting aspirational goals for the percentage of Certification Office for Business Inclusion and Diversity (COBID) certified firms who participate in each project, and for improving the diversity of the construction workforce.

Multnomah County committed to providing COBID firms with bidding opportunities, and encourages entities bidding to maximize efforts to solicit bids from COBID subcontractors, vendors, and material suppliers. For the library capital bond, a baseline aspirational goal of 25% COBID-certified participation was set for each bond project, and all in-progress projects are currently meeting or exceeding this goal.

The County also plays a leadership role in region-wide efforts to improve diversity of the construction workforce, through implementation of the [Regional Workforce Equity Agreement \(RWEA\)](#) and establishment of a Labor Management Community Oversight Committee (LMCOC). Workforce diversity utilization goals are tracked and updated monthly, and reviewed at LMCOC meetings with CM/GC primes and union and community partners.

CM/GC	Project	Project Completion	Apprentice Utilization	Women Utilization	Minority Utilization	Total Craft Employees
Andersen	CMGC Services for Albina Library Bond Projects	34.2%	22.1%	8.3%	40.6%	296
Fortis	CMGC Services for East County Flagship Library	26.3%	19.9%	13.0%	37.3%	207
Swinerton	CMGC Services for Holgate Library Bond Project	91.8%	23.5%	15.4%	36.4%	535
Fortis	CMGC Services for Library Sort Center	89.3%	26.9%	20.1%	44.0%	730
Swinerton	CMGC Services for Midland Library Bond Projects	77.0%	27.3%	10.7%	34.8%	517
Andersen	CMGC Services for North Portland Library	52.2%	26.4%	9.0%	31.2%	152
Major Location Average			25.2%	15.0%	39.4%	2437
Swinerton	Capitol Hill Library Refresh	95.0%	13.2%	1.4%	30.9%	40
Swinerton	Central Library Refresh	87.9%	18.0%	14.1%	43.1%	173
Swinerton	Fairview Columbia Library Refresh	89.2%	23.8%	5.4%	19.7%	24
Swinerton	Gregory Heights Library Refresh	80.4%	17.0%	0.0%	46.7%	31
Swinerton	Hillsdale Library Refresh	18.1%	18.7%	0.0%	35.0%	21
Portfolio Total			24.7%	15.1%	39.5%	2726

RWEA Goals 2024: Apprentice 20% / Women 10% / Minority 23%

Equity contracting requirements are also established through implementation of the County’s [Supplier Diversity Programs](#). The County has aspirational goals for apprenticeship diversity and equity, with 14% women and 25% minority metrics. The LMCOG reviews workforce diversity goals monthly for projects under construction. The Library Bond Oversight Committee monitors adherence to these values by reviewing and raising questions about information provided on these efforts.

In accordance with the RWEA, the County commits technical assistance funds to COBID-certified firms through its [Construction Diversity & Equity Fund \(CDEF\) program](#) dedicating 1% of direct construction costs of construction projects — with the goal of promoting development of a skilled, diverse workforce and contracting community.

CDEF Spotlight

CDEF apprentice retention services supported Ophelia, a trade laborer and single mom of two just starting out in a new career. Holgate Library was her first dispatch. Prior to CDEF support, Ophelia was borrowing tools and wearing boots that were too large and hurt her feet. She now has the required tools and properly-fitting gear to conduct her work safely. Ophelia shares: “I am very grateful for this program helping me get the things that will help me be able to learn and be more successful for my family.”

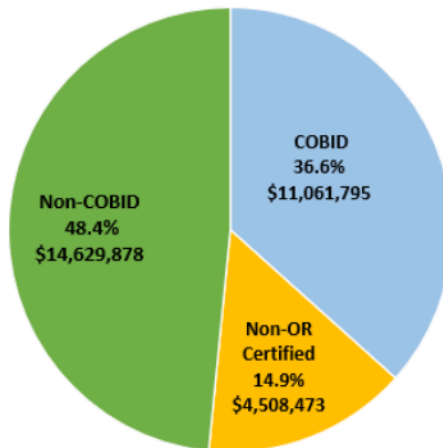
Project teams set projections for COBID participation by project, although several library building bond projects were in the planning and design phases until late Fiscal Year 2023. Projections from Construction Manager/General Contractor (CM/GC) on each bond project

for Fiscal Year 2024 are included below and in the project updates section. Howard S. Wright construction firm is now onboarding and has developed their Equity Participation Plan (EPP) for procurement of CM/GC services for the remaining projects (Belmont, Northwest, and St. Johns libraries).

One area of focus for future growth is engagement of women workers at the journeyman level. Although the overall participation rate for women journeyman-level workers is performing lower than targeted (10% goal), women apprenticeship participation is high, signaling good progress in addressing the lack of journeyman-level woman workers and the need to build the pipeline to meet future goals. The RWEA brings together relevant partners to address these challenges and to foster constructive conversations and accountability in our region’s collective effort to cultivate a diverse construction workforce.

Professional services portfolio summary

- Forecast - Oregon COBID Certified **36.6% - \$11.1M**
(This is the County recognized metric for equity reporting)
- Forecast - Including non-Oregon COBID Certified **51.6% - \$15.5M**
(This is primarily national library design experts that are certified in their own states)



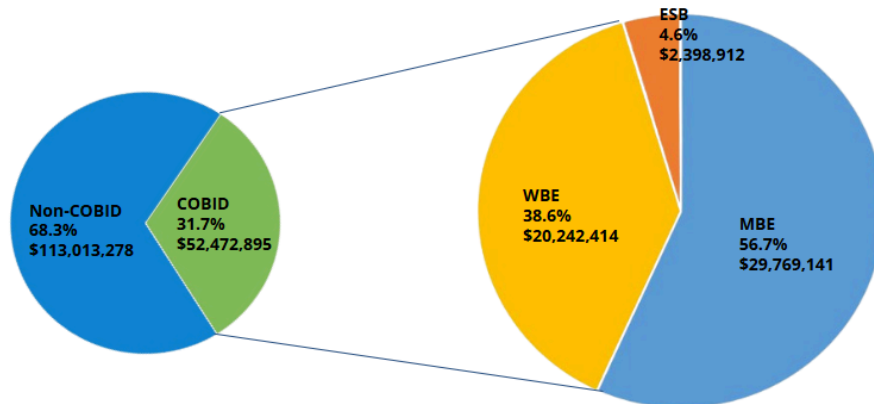
Multnomah County officially tracks and reports on metrics on Oregon COBID-certified firms. The yellow slice represents historically disadvantaged firms that aren't Oregon certified (primarily national library designers) – in most cases certified in their home states. The Bond PMO tracks this metric in addition to required metrics because it represents adherence to the broader value of DEI.

COBID contracting metrics for CM/GCs in construction phase

Portfolio Summary of CM/GC Projects in Construction

- **Forecast - Oregon COBID Certified 31.71% - \$52.5M**

Report Includes: Operations Center, Holgate, Midland, Albina, North Portland, East County Library, Central, Gregory Heights, and Capitol Hill



Note: Does not include metrics for Belmont, Northwest, St. Johns, and some Refresh projects

ESB = Emerging Small Business MBE = Minority Business Enterprise WBE = Women Business Enterprise

Community engagement

Community engagement and partnership are values at the forefront of the Library Capital Bond Program. Community engagement is built into each project's scope and schedule so that what is developed can meet community needs. The Bond PMO employs a full time Community Engagement Coordinator, creates paid community advocate programs, ensures that historically underrepresented communities are heard, and verifies that community input is incorporated into building designs. Project teams also work closely with the [Regional Arts and Culture Council](#) (RACC) to select artists to design public art pieces, using an intensive approach that includes community member panelists.



Value of community engagement

- Includes community in the engagement process
- Brings unique history and culture to each specific library
- Informs the design of spaces for folks to thrive
- Shapes the diversity of art installations

Engagement Opportunities

- Community meetings open to the public
- One-on-one discussions with community members
- Smaller group discussions
- Hosting booths at existing community events
- Multiple paid sessions with community
- Online and print questionnaires
- Used various modes of communication from YELP, DJC Daily News, KGW 8, Instagram, Regional Arts and Cultural Council, to Contractor's efforts
- Centered youth input in the library design process via the paid Youth Opportunity Design Approach (YODA) and Community Design Advocates (CDA) program

Community engagement efforts by project

Albina Library

Efforts to center community input included public meetings, tabling at community events, interviews, and paid focus groups with Black Portlanders, immigrants and refugees, Indigenous communities, Latinx communities and disability communities. Community members provided input on the building's courtyard, large community and meeting rooms, expanded study spaces, updated technology, and art.

Teens helped shape teen spaces through a paid program called Youth Opportunity Design Approach. In sessions led by architects and youth librarians, teens who use Albina and North Portland libraries shared what makes them feel welcome, and this input was incorporated into design.

Midland Library

Based on input from community members, an interior Gathering Circle and exterior Conversation Circle were designed with insights from Indigenous communities, symbolizing

connection to the world around them and offering space to foster conversations with others. In addition, community input also informed design of a new exterior entryway canopy, murals, and three sculptures along the entry plaza. The library design team worked with Latinx families, and members from Chinese, Vietnamese, Slavic, and Indigenous communities; as well as Black parents and youth, people experiencing houselessness, the disability community, Your Street Your Voice teen, and seniors.



Exterior patterns reflect community stories, and represent hopes, prosperity, strength, and community.

St. Johns Library

Engagement opportunities were offered via community workshops at the library; and American Sign Language, Chinese, Russian, Spanish and Vietnamese interpretation was available. Free books and snacks were offered. Additional engagement included focus groups, surveys, and more.



East County Library

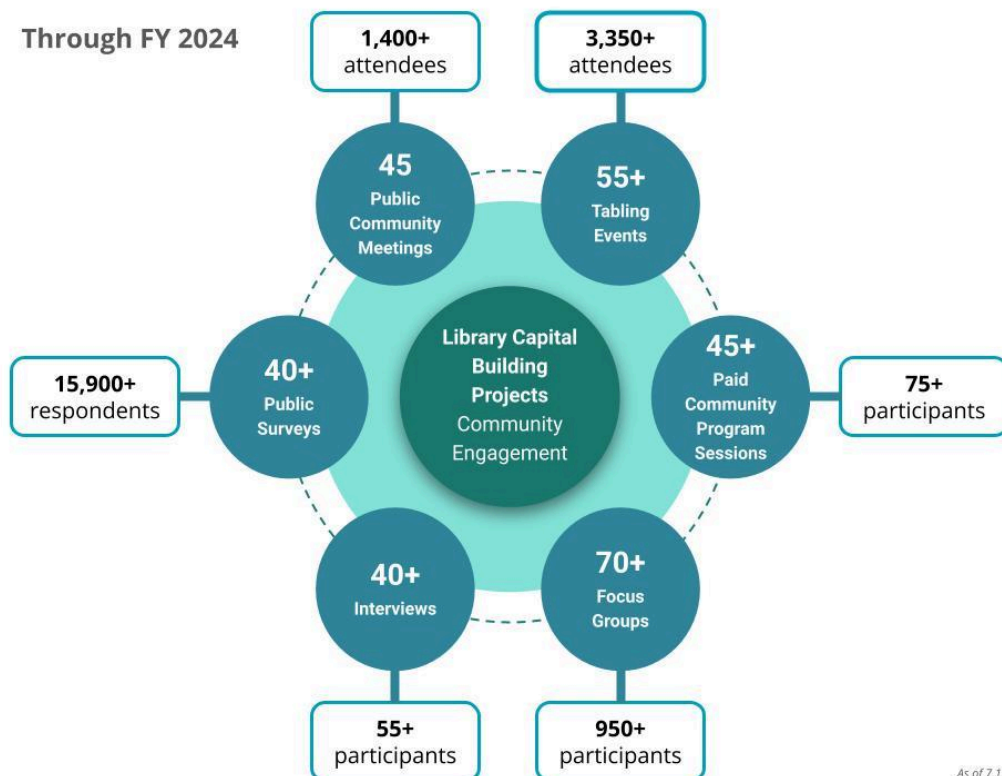
Many communities, including MultiCultural Collaborative (MCC), Black Economic Collective, El Programa Hispano Católico, Rockwood Library, Rosemary Anderson HS, Alba Collaborative, the Black Economic Collective, and Gresham Youth Advisory Council provided feedback on building amenities. This inclusive collaboration resulted in thoughtfully

considering the input during the design including: a large auditorium with flexible seating; a makerspace for classes to explore everything from construction to 3D printing; an audio visual studio with technology that provides users a professional studio experience; a teen room with technology for homework and creative expression; family spaces with indoor and outdoor children's play and learning areas; an outdoor theater and plaza for music; and new art that represents the community.



The project team gathered additional feedback via summer community events, community meetings, and through a public survey that received ~2,000 responses.

Community Engagement Across the Bond Portfolio through FY24



As of 7.1.2024

Looking forward

Looking forward into Fiscal Year 2025 (July 1, 2024 to June 30, 2025), the Committee expects to see the completion of several other projects, including:

- Holgate Library (open to the public as of report release)
- Midland Library (open to the public as of report release)
- North Portland Library
- Albina Library
- Refreshed Fairview-Columbia Library (open to the public as of report release)
- Refreshed Hillsdale Library (open to the public as of report release)
- Refreshed Troutdale Library (open to the public as of report release)
- Refreshed Kenton Library
- Refreshed Woodstock Library

As project completions ramp up, the Committee looks forward to conversations on lessons learned based on project close-out data and analysis, and evaluation of the RWEA. In particular, the committee is interested in close-out data related to community engagement input and impact. As they open, committee members also look forward to touring new library spaces. To replace outgoing members whose terms have ended, the committee will also recruit a minimum of three new members in 2025.

The Committee would like to thank and acknowledge Bond PMO and other library and County staff for their work to implement the bond vision approved by voters, and for their direct support of and responsiveness to the committee:

- Vailey Oehlke, former Director of Libraries
- Annie Lewis, Director of Libraries
- Tracey Massey, Director - Department of County Assets
- Mike Day, Library Bond PMO Director
- Katie O'Dell, Library Bond Deputy Director
- Kate Vance, PMO Bond Deputy Director
- Eric Arellano, Multnomah County Chief Financial Officer
- Maddelyn High, Library Management Analyst and Committee Liaison

Project updates as of June 30, 2024

Operations Center



Project goal

Purchase, renovate, and expand a new building for use as a distribution center

Project status summary

Building fully operational. Construction complete. Project close-out activities underway.

Community & Staff Engagement

An internal-facing building, design engagement focused on staff input, with over 200 touch points. Direct business neighbors were also contacted throughout the project.

Diversity, Equity, and Inclusion

COBID (actual) : 36.7%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 19%	Apprentice Utilization: Goal 20%; Actual 26.9%
Women Business Enterprise (WBE): 17.6%	Women Utilization: Goal 10%; Actual 20.1%
Emerging Small Business (ESB): 0.1%	Minority Utilization: Goal 23%; Actual 43.9%

Budget

95% spent of \$56,585,347 authorized budget as of June 30, 2024 | Received \$1.3M in Green Energy Technology funds | Project had limited contingency use; returned \$6M to other bond projects

Schedule

Site Acquisition 9/28/2021 | Substantial Completion 10/25/2023 | Staff Move-In 11/13/2023

Sustainability

Targeting LEED Gold | Designed to Energy Trust of Oregon (ETO) Path to Net Zero Energy | 600+ Photovoltaic Panels | 15 electric vehicle (EV) charging stations

Holgate Library



Project goal

Build a new library on the existing site

Project status summary

Construction complete. Library open to the public. Project close-out activities underway.

Community & Staff Engagement

Community voices were centered through the paid Community Design Advocates (CDA) program. Fourteen CDAs from a diverse range of cultures, ethnicities, ages, and abilities engaged communities for five months during design. Input shaped building design, and was gathered through online and in-person workshops, tabling at events, an online survey, public voting on and interior and exterior color themes. Portland Street Art Alliance artist, Jax Ko, held a workshop with local teens to gather inspiration for a teen room mural. The project had ~200 library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID (actual) : 34.0%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 17%	Apprentice Utilization: Goal 20%; Actual 22.7%
Women Business Enterprise (WBE): 22%	Women Utilization: Goal 10%; Actual 15.5%
Emerging Small Business (ESB): 5%	Minority Utilization: Goal 23%; Actual 36.7%

Budget

89% spent of \$27,541,066 authorized budget as of June 30, 2024 | \$1.3M added from Bond Premium Reserve & Specialty Items contingency for unforeseen market conditions and to maintain special features

Schedule

Public Closure 12/5/2022 | Construction Mobilization 1/25/2023 | Substantial Completion 4/25/2024 | Public Opening on 7/13/2024

Sustainability Targeting LEED Gold | 4 EV charging stations | 18 Photovoltaic Panels

Midland Library



Project goal

Renovate existing library and build an addition on existing site

Project status summary

Construction in progress. Mass Timber structure and shell core completed fall 2023. Roof dry-in substantially complete March 2024. Electrical switchgear installed June 2024.

Community & Staff Engagement

Community voices were centered through the paid CDA program. Fourteen CDAs from a diverse range of cultures, ethnicities, ages, and abilities engaged their communities for five months during the design process. Input shaped building design, and was gathered through online and in-person workshops, tabling at events, an online survey, and public voting on interior and exterior color themes. Portland Street Art Alliance artist, Jax Ko, held a workshop with local teens to gather inspiration for a teen room mural. The project had ~200 library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID (actual) : 28.0%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 19%	Apprentice Utilization: Goal 20%; Actual 27.1%
Women Business Enterprise (WBE): 8.9%	Women Utilization: Goal 10%; Actual 10.8%
Emerging Small Business (ESB): 0.1%	Minority Utilization: Goal 23%; Actual 35.2%

Budget

82% spent of \$31,428,470 authorized budget as of June 30, 2024 | \$1.1M funds added from Bond Premium Reserve & Specialty Items contingency for unforeseen market conditions and to maintain special features | The Library Foundation contributed \$50K for children’s space enhancements

Schedule

Public Closure 12/23/2022 | Substantial Completion (Interior) 8/23/2024 | Public Opening 10/26/2024

Sustainability Targeting LEED Gold | 7 EV Charging Stations

North Portland Library



Project goal

Renovate the existing historic library and build an addition on existing site

Project status summary

Construction in progress. Concrete foundation complete. Roofing and parapet complete. Exterior envelope & interior finishes underway.

Community & Staff Engagement

Three Youth Opportunities Design Approach (YODA) cohorts were held during design, centering voices of local teens in shaping the space and introducing participants to architecture as a career. Local Black, Indigenous, Latinx, immigrant and disability community voices were centered through paid focus groups. Interviews with Black elders, community members, and Black Student Union members from Jefferson and Benson high schools shaped the Black Cultural Center. The project team held public community meetings, tabled at community events, and held a public vote on the interior color palette. Construction site tours were held for focus groups and YODA participants to see the new designs come to life. The project had 145 library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID (actual) : 51.0%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 7%	Apprentice Utilization: Goal 20%; Actual 26.7%
Women Business Enterprise (WBE): 27%	Women Utilization: Goal 10%; Actual 9.2%
Emerging Small Business (ESB): 16%	Minority Utilization: Goal 23%; Actual 31.7%

Budget

63% spent of \$13,215,748 authorized budget as of June 30, 2024 | \$1.2M added from Bond Premium Reserve for seismic upgrades; \$600k added for unforeseen escalation and historic window restoration; \$400k added from Operations Center surplus for unforeseen conditions and soft costs

Schedule Public Library Closure 4/4/2023 | Construction Mobilization 8/21/2023 | Substantial Completion Scheduled for Fall 2024 | Opening Targeted for Winter 2024/25

Sustainability Targeting LEED Gold

Albina Library



Project goal

Build an addition to the historic library building on the existing site

Project status summary

Construction in progress. Demolition complete. Timber structure complete. Exterior envelope in process.

Community & Staff Engagement

Three Youth Opportunities Design Approach (YODA) cohorts were held over a year and a half during design, centering the voices of local teens in shaping the future of the library space and introducing participants to architecture as a career. Local Black, Indigenous, Latinx, immigrant and disability community voices were also centered through paid focus groups. The team also held public community meetings, tabled at many community events, and held a public vote on the interior color palette. The project had 145 library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID (actual) : 38.3%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 16%	Apprentice Utilization: Goal 20%; Actual 23.1%
Women Business Enterprise (WBE): 20%	Women Utilization: Goal 10%; Actual 9.4%
Emerging Small Business (ESB): 2%	Minority Utilization: Goal 23%; Actual 38.7%

Budget

46% of \$55,370,591 authorized budget spent as of June 30, 2024 | \$4.5M added from Bond Premium Reserve for seismic upgrade and program alignment; \$1.0M added to purchase adjacent Annex property | \$3.2M added from Bond Premium Reserve, Specialty Items, & Broadband Contingency for market conditions, historic window preservation, mass timber, AV, and final design

Schedule Public Closure 3/18/2023 | Construction Mobilization 5/24/2023 | Substantial Completion March 2025 | Opening spring 2025

Sustainability Targeting LEED Gold | 80 KVA PV array | 4 EV charging stations

East County Library



Project goal

Build a new library on a new site, comparable in size to Central Library

Project status summary

Construction in progress. Completed mass excavation, deep soil mixing, & foundations. Vertical construction started.

Community & Staff Engagement

El Programa Hispano Católico & Black Economic Collective partners served as Community Library Champions and provided feedback on library design and organized focus groups with community members to give additional design input. Input was sought and information shared at many cultural community events and meetings, and through public surveys on accessible design, art, and teen space color palette. The project included 270+ library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID (actual) : 27%	Subject to Regional Workforce Equity Agreement
Minority-Owned Business Enterprise (MBE): 20%	Apprentice Utilization: Goal 20%; Actual 20.2%
Women Business Enterprise (WBE): 7%	Women Utilization: Goal 10%; Actual 13.3%
Emerging Small Business (ESB): 0%	Minority Utilization: Goal 23%; Actual 39.6%

Budget 30.1% spent of \$163,210,808 authorized budget as of June 30, 2024 | \$20.5M added from Bond Premium Reserve to address unique site requirements, poor soils, structured parking, market conditions | \$1.1M added for mechanical upgrades | \$9.0M added from Operations Center Contingency Surplus, Interest Income, & outside funding (includes \$200k from Friends of the Library) for program & scope development, auditorium, specialty spaces, bird friendly glazing, rooftop terrace, unforeseen site conditions, & mass timber | \$3.3M added from Bond Premium Reserve & Operations Center Contingency Surplus to Final Design GMP Alignment (includes \$160k from The Library Foundation | \$2.6M additional revenue from TriMet & City of Gresham for South Civic Hub

Schedule Design Complete | Groundbreaking July 2023 | Opening Targeted for Spring 2026

Sustainability Targeting LEED Gold, expansive PV based on roof availability | 4 EV Charging stations

Belmont Library



Project goal

Renovate the existing historic library and build an addition on the existing site

Project status summary

100% Construction Documents received and building permit application submitted. Subcontractor procurement underway.

Community & Staff Engagement

Public survey launched for feedback on building site options. Diverse community voices were centered through the paid Community Design Advocates (CDA) program and five CDAs were hired to engage communities for 10 months during the design process. Additional community members were compensated for their time. CDAs were a part of or worked with a range of diverse communities. Input helped shape building design, including a furniture sit-test. The project team also gathered input through open houses and interactive workshops, a paid focus group with unhoused community service providers, tabling at events, and public voting on interior color themes. The project had nearly 68 library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID Goal: 25% | Project subject to RWEA. Metrics will be provided when project reaches construction.

Budget

10.8% of \$27,999,295 authorized budget spent as of June 30, 2024 | \$1.77M from Bond Premium Reserve for program alignment

Schedule

Final Design & Permitting in review with City of Portland | Construction Mobilization targeted for late fall 2024 | Substantial completion targeted for winter 2025/26 | Opening targeted for early 2026

Sustainability

Targeting LEED Gold

Northwest Library



Project goal

Purchase a new building on a new site and renovate

Project status summary

100% Construction Documents received and building permit application submitted. Subcontractor procurement underway.

Community & Staff Engagement

The project team focused on hosting focus groups to reach centered communities. Public meetings, tabling, and surveys were also utilized. Five focus groups were held with elders, folks experiencing housing insecurity and housing service providers, Lincoln High School freshmen, local families, and immediate neighbors. Public voting on interior and exterior color themes was conducted with over 1,000 votes received. The project had nearly 70 unique library staff design engagement touchpoints.

Diversity, Equity, and Inclusion

COBID Goal: 25% | Project subject to RWEA. Metrics provided when the project reaches construction.

Budget

43.2% spent of \$21,031,244 authorized budget as of June 30, 2024, primarily toward building purchase | \$2.83M added from Bond Premium Reserve, Interest Income, and Specialty Items contingencies for structural seismic improvements, electrical and mechanical upgrades, sustainability certification, and design improvements

Schedule

Site Acquisition November 2021 | Construction Mobilization August 2024 | Substantial Completion targeted for fall 2025 | Opening targeted for fall 2025

Sustainability

Targeting LEED Silver (due to use of an existing building, which cannot meet LEED Gold standards)

St. Johns Library



Project goal

Renovate the existing historic building and build an addition on the existing site

Project status summary

100% construction documents received and building permit application submitted. Subcontractor procurement underway.

Community & Staff Engagement

Diverse community voices were centered through the paid CDA program. Five CDAs engaged communities for ten months during design, and additional community members were compensated for their time. CDAs were a part of or worked with a range of diverse communities, including Latinx, Black, teen, Indigenous, and unhoused communities. Input from CDAs and their communities shaped building design. Input was also gathered via in-person open houses and interactive workshops, tabling at events, asynchronous surveys, and public voting on interior color themes.

Diversity, Equity, and Inclusion

COBID Goal: 25% | Project is subject to the RWEA. Metrics will be provided when the project reaches the construction phase.

Budget

11.4% of \$12,566,910 authorized budget spent as of June 30, 2024 | Budget will be finalized with the GMP Amendment | \$1.65M added from Interest Income contingency to overall project budget for seismic resilience | \$1.75M added from Bond Premium Reserve and OPS contingency surplus to overall project budget for program alignment, market conditions and escalation | \$900k added from Interest Income and Specialty Items contingencies to overall project budget for right sizing of soft costs, site development, interior acoustic baffling, and woodwork betterments

Schedule

Construction mobilization and groundbreaking scheduled for late fall / early winter 2024 | Substantial completion targeted for late 2025 | Opening targeted for early 2026

Sustainability Targeting LEED Gold

Refresh projects

Project goal

Update and improve efficiencies of public areas

Project status summary

Refresh projects are currently underway to provide upgrades to 11 libraries not undergoing major renovations. These projects will ensure libraries are able to take advantage of system-wide changes and provide safe, modern, and welcoming spaces for patrons.



Gregory Heights Library reopened in December 2023, Capitol Hill Library reopened in January 2024, and Central Library reopened in February 2024.

Construction started for Fairview Library in February 2024, and Hillsdale Library in April 2024.

Diversity, Equity, and Inclusion

Status: Central Library Contractor COBID forecast: 51%.

Small Refreshes Contractor COBID goal: 25%.

CM/GC COBID partners as GCs for the small Refresh portfolio: Zana Construction, GSI Builders, and Buildskape

Budget

59.8% of \$26,409,216 authorized budget spent as of June 30, 2024

Schedule

Status: Gregory Heights, Capitol Hill, and Central libraries are all completed.

Fairview and Hillsdale libraries completed in late summer 2024.

Troutdale library completed in fall 2024.

All of the remaining branches will be in procurement or design by June 2024.

Technology upgrades across bond portfolio

Project goal

Provide an enhanced patron experience and more efficient systems through implementation of modern technologies. Technology upgrades will provide gigabit speed internet to all libraries, automated materials handling (AMH) systems to most locations, and self-check kiosks at all locations.



Project status summary

Modernizing Library Spaces with Technology

- ❖ **Audio/Visual Solutions:** State-of-the-art audio-visual and conferencing systems were implemented at the Operations Center. A/V installations began at Midland and designs for North Portland, Albina, and East County libraries were finalized. Design and planning of the auditorium and recording studio at East County Library is moving forward, highlighting a commitment to providing cutting-edge facilities for creative expression.
- ❖ **Intelligent Material Management System (IMMS):** A core team of library staff prepared and configured the Library's new IMMS. IMMS will provide MCL with enhanced controls over collections, space, and materials management, and allow for full transparency when tracking materials through the system.

Streamlining Operations and Enhancing User Experience

- ❖ **Automated Materials Handling (AMH):** AMH was successfully installed and is operational at four locations: Central, Capitol Hill, and Gregory Heights libraries, and the Operations Center. AMH streamlines processing and delivery of materials for efficiency and better resource allocation.
- ❖ **Radio Frequency Identification (RFID) & Patron Self Service:** Self-checkout stations equipped with RFID technology were deployed at three libraries: Gregory Heights, Capitol Hill, and Central libraries. This technology empowers patrons with self-service options, reduces wait times, and allows staff to focus on other vital tasks.

Expanding Access to Technology and Creative Resources

- ❖ **Broadband:** Fiber line construction was completed at 18 locations, ensuring high-speed internet for patrons and supporting growing demand for digital resources and services.
- ❖ **Creative Learning Kits:** Creative Learning kits, which will provide patrons with hands-on learning experiences and opportunities to explore new technologies and creative skills, are in development and will be deployed to public locations as they open.

Glossary

A/E - Architect/Engineering. The primary design architect firm

AMH - [Automated Materials Handling](#). A system that sorts and packs library materials

Bond - A loan to a company or government that pays back a fixed rate of return (NerdWallet)

Bond Executive Sponsors - The Library Capital Bond Program's Executive Sponsors include the Department of County Assets Director (DCA Director) and the Multnomah County Library Director (Library Director). These two positions are responsible to the Board of County Commissioners for delivery of the project and have oversight of the PMO.

Bond premium reserve - A contingency reserve created through the sale of general obligation bonds. *Note: At the time of debt issuance, interest rates were at historical lows and the County issued its bonds through a competitive market sale. During times of low interest rates, many municipal bond issues are sold with premiums. In this case the financial institution that buys bonds provides the issuer a premium (proceeds above par value) in exchange to sell bonds in the open market at a higher coupon rate.*

Bond rating - A grade given to a bond by a rating service that indicates its credit quality. The rating takes into consideration a bond issuer's financial strength or its ability to pay a bond's principal and interest in a timely fashion. Generally, a "AAA" high-grade rated bond offers more security and lower profit potential (lower yield) than a "B-" rated speculative bond. (Investopedia)

C2P2: [Construction Career Pathways Project](#). Public agencies in the Portland Metro region are working together to grow and diversify the construction workforce by: Setting consistent workforce diversity goals & thresholds; Building accountability through tracking and workforce agreements; Invest in recruitment & retention of diverse workers; Implement culture change strategies; and Ongoing regional collaboration.

CM - Construction manager. Construction managers are companies hired during the design process to provide constructability input including cost estimating. Construction Managers are frequently retained past design to have responsibility for all construction and hire General Contractors (GC) to build the buildings.

CM/GC - Construction Manager/General Contractor. A project delivery method where the construction manager serves as the general contractor providing pre-construction and construction services, while the designer completes design under a separate contract, with the intent of promoting enhanced collaboration between all parties during design development.

COBID - [Certification Office for Business Inclusion and Diversity](#). The primary goal of certification is to level the playing field by providing certified firms a fair opportunity to compete for government contracts regardless of owner ethnicity, gender, disability, or firm size.

COBID-certified - Collective term used to ensure that contracts provide employment opportunities for businesses certified with the State of Oregon as Emerging Small Business (ESB), Minority/Women Business Enterprise (M/WBE), Service Disabled Veteran (SDV), and Disadvantaged Business Enterprises (DBE) (collectively COBID-Certified Subcontractors) in order to address historical underutilization.

DBE - Disadvantaged Business Enterprise. One of the types of COBID certification

DCA - Department of County Assets

Designer of Record - The individual designer or firm whose name and stamp will go on the drawings

ESB - Emerging Small Business. One of the types of COBID certification

FFE - FF&E - Furniture, Fixtures, and Equipment. Internal items that need to be designed but are not part of the built environment

General Contractor (GC) - Main contractor who is responsible for the day-to-day oversight of a construction site and hiring of the subcontractors and suppliers for a project

GMP - Guaranteed Maximum Price

HVAC - Heating, Ventilating and Air Conditioning

IGA - Intergovernmental agreement. Agreement between two or more public agencies that seek to foster efficiency and economy by promoting the use of existing resources

ILS - Integrated Library System. The library's database for patrons and collections

IMMS - [Intelligent Material Management System](#). System that includes batch handling and intelligent distribution, chaotic storage, and paperless work processes to reduce staff time on the holds process and other materials movement duties

LCBP - Library Capital Bond Projects

LMCOC - Labor Management Community Oversight Committee. The LMCOC provides oversight and guidance on implementation of the Regional Workforce Equity Agreement (RWEA) and reviews workforce compliance issues regarding this agreement. The purpose of this committee is to provide a forum for communications and collective strategizing aimed at advancing the RWEA through early identification of compliance, challenges and overall guidance and problem solving.

Market value (or Real Market Value) - The value the assessor has estimated a property would sell for on the open market as of the assessment date. The assessment date for all Real and Personal Property in Multnomah County is January 1st.

MBE - Minority Business Enterprise. One of the types of COBID certification

MCL - Multnomah County Library

MEP - Mechanical, Electrical, Plumbing. Typically refers to the mechanical (HVAC), electrical and plumbing engineering on a building project or the infrastructure necessary to make a building work. Based on rigorous industry standards and regulatory codes.

MWESB - Minority-owned, woman-owned, or emerging small business (see also [Supplier Diversity Program](#)) All M/W/ESB and SDVBE firms are now known as COBID-certified firms in County documentation.

NAMC or NAMCO - [National Association of Minority Contractors Oregon](#)

OAC - Owner, Architect, Contractor

OEA - Operations and Easement Agreement. Agreement in place for the property owners at NE Glisan St. & 122nd Ave.

Owner's Rep - Hired by a project owner to represent them throughout the entire process of a development, including site selection, design, entitlements, permitting, and construction. The owner's representative serves as a liaison and ensures that the owner's best interests are carried out. (

PLA - Project Labor Agreement, also known as a Community Workforce Agreement. A pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project

PMO - Program Management Office. The PMO oversees the execution of the multiple projects under the Library Capital Bond Program; establishing community and staff engagement protocols for projects, as well as guidelines and standards for project delivery, documentation, compliance, and communication. The PMO is also responsible for program health, status reporting, timeline management, resource management, issue management, cross-functional guidance and approval, quality assurance, and risk management. It is led by the PMO Director, and two PMO deputy directors -- one each from the Library and the Department of County Assets.

Programming (Building) - An exercise by architects to establish a list of the project's requirements and functional building blocks. Typically occurs at the beginning of the building design process, before Schematic Design.

Programming (Library) - Events that help people learn, create, have fun, and understand the world. Library programs positively impact our diverse community by revealing shared values from our unique experiences.

PSA - Purchase & Sales Agreement. A legal contract between a buyer and a seller of real estate property, company stock, or other assets. This document includes the sale cost.

RACC - [Regional Arts and Culture Council](#)

REQUEST FOR PROPOSAL – (RFP, RFQ) Formal proposal request issued by Owner to solicit qualifications based proposals from Contractors, Designers, Engineers, Consultants and Vendors.

RWEA - The [Regional Workforce Equity Agreement](#) is a project labor agreement and partnership between Multnomah County, Metro, the City of Portland, and Portland Community College to set regional hiring standards that require contractors to prioritize workforce diversity on large public projects (including the library bond)

SDVBE - Service-Disabled Veteran Business Enterprise (see also [Supplier Diversity Program](#)) All M/W/ESB and SDVBE firms are now known as COBID certified firms in County documentation.

SOJ - [Shiels | Obletz | Johnsen](#) - a firm we have hired as an [owner's representative](#) for the Holgate, Midland, and East County library projects

Target Value Design (TVD) - Target Value Design is intended to make explicit that value, cost, schedule, and constructability (including work structuring) are basic components of the design criteria and that the goal is for the actual project costs for each line item in the project budget not to exceed the target values established for such items in the project budget. This method assures continuous cost analysis and reporting procedures within the cross-functional teams for monitoring estimated costs against target costs.

VALUE ENGINEERING – A systematic evaluation of project design by carefully investigating costs, availability of materials, construction methods, shipping costs or physical limitations, planning and organizing, cost/benefit values, and similar cost-influencing items to obtain the most value for every dollar of cost without impacting the function of the facility.

WBE - Women Business Enterprise. One of the types of COBID certification

YODA - Youth Opportunity Design Approach - program to engage youth in the design and construction of a project. Implemented by the team for Albina and North Portland.

APPENDIX A: CFO AUDIT LETTER



Department of County Management
Finance and Risk Management

Office of the Chief Financial Officer
501 SE Hawthorne Blvd. Suite 531
Portland, Oregon 97214

December 4, 2024

On the January 26, 2021 Multnomah County issued General Obligations Bonds in the amount of \$387 million for the Multnomah County Library Capital Construction as approved by the County voters on Ballot Measure 26-211 (approved on November 3, 2021). The Bonds were issued in two series:

- [General Obligation Bonds, Series 2021A \(Tax Exempt\)](#) – Par amount \$154,680,000
- [General Obligations Bonds, Series 2021B \(Federally Taxable\)](#) – Par amount \$232,320,000

Bonds were issued with a premium of \$50,738,636 (\$50,503,726 - Series 2021A and \$231,910 Series 2021B). Bonds are scheduled to fully mature in June of 2029 (Series 2021B maturing in June 2027). General Obligation Bonds are secured by the full faith and credit and tax authority of issuing jurisdiction. The issuer pledges to use all unrestricted public revenues and levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of debt obligation. Below is a debt service schedule for Library General Obligation Bonds:

**General Obligation Bonds
Projected Debt Service Requirements**

Year	2021A Bonds		2021B Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2021	\$ -	\$ -	\$ -	\$ -	\$ -
2022	-	10,720,183	37,595,000	1,620,613	49,935,797
2023	-	7,734,000	43,165,000	1,075,193	51,974,193
2024	-	7,734,000	45,150,000	924,115	53,808,115
2025	-	7,734,000	46,970,000	720,940	55,424,940
2026	-	7,734,000	48,870,000	486,090	57,090,090
2027	40,405,000	7,734,000	10,570,000	95,130	58,804,130
2028	54,855,000	5,713,750	-	-	60,568,750
2029	59,420,000	2,971,000	-	-	62,391,000
	<u>\$ 154,680,000</u>	<u>\$ 58,074,933</u>	<u>\$ 232,320,000</u>	<u>\$ 4,922,081</u>	<u>\$ 449,997,014</u>

Library Capital Construction bonds were issued to finance the capital costs to expand, modernize, rebuild and acquire land for the library facilities and to pay for costs of issuance of the Bonds. The capital projects include:

- **Enlarge and modernize eight County libraries, some in each part of the County including Albina, Belmont, Holgate, Midland, North Portland, Northwest, and St. Johns.**
- **Build a flagship Library in East County similar in capacity to the Central Library in downtown Portland.**
- **Add gigabit speed internet to all library facilities.**
- **Create a central materials handling and distribution center to increase efficiency and cost effectiveness.**
- **Pay for furnishing, equipment, site improvements, land acquisition, and bond issuance costs.**

Multnomah County accounts for Library Bond Capital Construction Project in two dedicated accounting funds. Fund 2517 “*Multnomah County Library Capital Construction Project Fund*” accounts for all project revenues (including bond proceeds, interest income, and other revenues) and capital expenditures for the projects. Fund 3003 “*General Obligation Bond Fund*” accounts for property tax revenues levied to cover debt service obligations and debt service expenditures (principal and interest). The bond title approved by the voters included a commitment to maintain financial oversight over the project by performing an annual audit. The County contracted with Moss Adams LLP to complete an annual “Agreed Upon Procedures” Library project specific audit engagement. The engagement included the following procedures:

For the Fiscal Year Ending June 30, 2023 (second year of engagement):

1. **Fund 3003** – perform procedures to confirm levied property taxes and interest income were accurately recorded to accounting ledger to be used for restricted purposes.
2. **Fund 3003** – perform procedures to confirm expenditures incurred in dedicated General Obligation Bond Debt Service Fund were allowable and agree total expenditures incurred to accounting ledger.
3. **Fund 2517** – perform procedures to confirm revenues (bond proceeds, interest income, dividends and rebates, and miscellaneous income) were accurately recorded to accounting ledger to be used for restricted purposes.
4. **Fund 2517** – perform procedures to confirm project capital expenditures incurred in dedicated Library Capital Construction Fund were allowable (as detailed in ballot title of measure) and agree total expenditures incurred to accounting ledger.
5. **Budget Monitoring** – perform procedure to confirm if annual budget for project was approved by the Multnomah County Board of County Commissioners as evidenced by Board minutes and resolution.
6. The Project Management Team (PMO) established Supplemental Funding Procedure to track any request(s) and decision(s) to modify the overall project budget within a fiscal year. The Supplemental Funding Procedure provides request, background for request, detailed reason for request, proposed change amount, fiscal option analysis (as application), fund source to be used (e.g. bond premium, interest income, or other), and recommendation. All requests must be approved by the Library Director, Director of County Assets, and Chief Financial Officer. All approved project budget changes that require an appropriation increase will be reviewed and approved the Board of County Commissioners.

Budget Monitoring – perform procedure to identify instances in which project budget changed, confirm if change followed the established Supplemental Funding Procedure as established by PMO.

7. **Budget Monitoring** – perform procedures to confirm if budget to actual reports for project were prepared and shared monthly with Library Capital Planning Executive Stakeholder Committee and quarterly with the County Board of County Commissioners as evidenced by reports and minutes from meetings.

The audit procedures aimed to provide greater oversight and transparency over the Library Bond Capital Project. The engagement procedures (through sampling) reviewed the accuracy of accounting ledger for Library Bond Capital Project financial activities, reviewed for expenditure allowability, reviewed for restricted revenue usage, budget authority, project budget change management and authority, and timeliness of budget to actual reporting to County Library Project Leadership. This “Agreed Upon Procedures” process will be performed annually (after close of the fiscal year) through substantial completion of the project. Audit procedures may be modified over time if necessary to enhance oversight and transparency over capital project.

The attached report (period July 1, 2022-June 30, 2023) from Moss Adams LLP provides results of each audit procedure. Procedure 3.1(a) identified 4 instances in which the D3 decision tracking matrix did not document if funding source to pay for project change was restricted or unrestricted. The project team has enhanced the process to include restriction consideration on D3 decision matrix. Procedure 3.1(b & c) identified that the County did not notice to the Board of County Commissioners of D3 project budget changes that did not require a budget action in the current fiscal year. The project team has enhanced its quarterly reporting materials to board to include this notice. All other audit procedures were completed without issue.

Multnomah County has annual audit in which Library Bond Capital Project financial activities can be further audited, see pages 28 and page 274 for audit reports from Multnomah County's [Annual Comprehensive Financial Report](#), ending June 30, 2023 for details.

Please let me know if questions, Thank you

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Arellano", written in a cursive style.

Eric Arellano

APPENDIX B: PROCEDURAL AUDIT

Report of Independent Accountants

To Multnomah County, Oregon

We have performed the procedures enumerated below on the Multnomah County, Oregon (the County)'s Library Debt Service and Capital Construction funds revenue and expenditures and the County's budget (the "Subject Matter") for the year ended June 30, 2023. The County is responsible for the Library Debt Service and Capital Construction funds revenue and expenditures and the County's budget for the year ended June 30, 2023.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the County's Library Debt Service and Capital Construction funds revenue and expenditures as well as the County's budget specific to the Library for specific items as outlined in the procedures below. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtain a listing of the monies for the Library General Obligation Bond debt service fund as of and for the fiscal year ended June 30, 2023. Include types of monies received (i.e., property taxes, interest earnings, etc.) in your report on the application of agreed-upon procedures.

Response: We obtained the listing of the monies received for the Library General Obligation Bond debt service fund as of and for the year ended June 30, 2023, noting the types of monies received included property taxes, heavy equipment rental tax, and interest earnings.

- a. Obtain a listing of the property taxes collected. Agree funds received to the general ledger detail and include the fund these amounts were recorded to in your report on the application of agreed-upon procedures.

Response: We obtained a listing of the property taxes collected and agreed funds received to the general ledger detail without exception. We noted all amounts were recorded to the General Obligation Bond Fund.

- b. Obtain a listing of expenditures, which includes the types of expenditures, incurred for the fiscal year ended June 30, 2023, and agree the total amount of expenditures incurred to the general ledger. Obtain from management the types of expenditures that are allowable as debt service charges to the Library Debt Service Fund. Compare the types of all expenditures included in the listing to the types of allowable debt service charges to the Library Debt Service Fund and identify any differences in your report on the application of agreed-upon procedures.

Response: We obtained a listing of expenditures, which included the types of expenditures, incurred for the fiscal year ended June 30, 2023 and agreed to the general ledger without exception. We compared the types of all expenditures included in the listing to the types of expenditures that are allowable as debt service charges to the Library Debt Service Fund noting no differences.

2. Obtain a listing of the monies for the Library Capital Construction Fund as of and for the fiscal year ended June 30, 2023. Include types of monies received (i.e., bond proceeds, interest earnings, intergovernmental revenues, etc.) in your report on the application of agreed-upon procedures.

Response: We obtained a listing of the monies received for the Library Capital Construction Fund as of and for the fiscal year ended June 30, 2023, noting the types of monies received included interest earnings, dividends, and rebates.

- a. Obtain a listing of the revenues. Agree funds received to the general ledger detail and include the fund these amounts were recorded to in your report on the application of agreed-upon procedures.

Response: We obtained a listing of revenues and agreed funds received to the general ledger without exception. We noted all amounts were recorded to the Multnomah County Library Capital Construction Fund.

- b. Obtain a listing of project expenditures, which includes the types of expenditures, incurred for the fiscal year ended June 30, 2023, and agree the total amount of expenditures incurred to the general ledger. Obtain from management the general usages detailed in the Library Bond ballot language. Randomly select 25 expenditures from the listing for testing. Agree selected items to source documentation including invoices, contracts, payroll, and evidence of payment. Compare the types of selected expenditures to the types of expenditure allowed within the general usages detailed in the Library Bond ballot language and identify any differences in your report on the application of agreed-upon procedures.

Response: We obtained the listing of project expenditures, which includes the types of expenditures, incurred for the fiscal year ended June 30, 2023, and agreed the total amount of expenditures incurred to the general ledger without exception. We obtained from management the general usages detailed in the Library Bond ballot language. We randomly selected 25 expenditures from the listing for testing. We agreed 14 selected items to source documentation including invoices, contracts, payroll, and evidence of payment, noting that the other 11 selected items were related to interdepartmental charges for employees completing facilities tasks. All of the items tested were allowed within the general usages detailed in the Library Bond ballot language.

3. Obtain the budget for the fiscal year and note if the budget has been approved by evidence of approval included in the Board minutes or other supporting documentation.

Response: We obtained the minutes of the Multnomah County Board of Commissioners from June 16, 2022 noting the budget was approved.

1. Project Budget: Obtain the original project budget (beginning of the fiscal year) for the Library Capital Construction project. Inquire with management if the project budget changed during the year ended June 30, 2023. If the project budget was changed, note if the change followed the "Library Construction Bond Project (LCBP) Supplemental Funding Procedures" as follows:

Response: We obtained the original project budget for the Library Capital Construction project. Based on our inquiry with management, the project budget changed ten times during the year ended June 30, 2023.

- a. Obtain the D3 decision tracking matrix document and inquire of management if the document was drafted by Project Management Office (PMO) Leadership. Review the document and note whether the following are included:
 - i. Fund source (Bond Premium, Interest Income earnings, other subsequent funding source)
 - ii. Amount of transfer proposed
 - iii. Background and Justification
 - iv. Options Analysis
 - v. Identify if the funds are restricted or unrestricted
 - vi. Recommendation

Response: We obtained ten D3 decision tracking matrix documents. Based on our inquiry with management, we noted the documents were drafted by Project Management Leadership. We reviewed the D3 decision tracking matrix documents noting all documents included the fund source, amount of transfer proposed, background and justification, and recommendation. We noted four of the ten D3 decision tracking matrix documents included an options analysis and no documents identified whether the funds were restricted or unrestricted.

- b. Obtain the commitment notice that is included in the Board of County Commissioners meeting materials and review to determine if the allocation of funds is not needed in the current fiscal year or needed in the current fiscal year.

Response: Management was unable to provide commitment notices that indicated whether the allocation of funds was not needed in the current fiscal year or needed in the current fiscal year. As such, we were unable to perform this procedure.

- c. If funds are needed in the current fiscal year, obtain the Agenda Placement Request (APR).

Response: Management was unable to provide commitment notices that indicated whether the allocation of funds was not needed in the current fiscal year or needed in the current fiscal year. As such, we were unable to perform this procedure.

4. Haphazardly select budget-to-actual reports for the fiscal year. Note if budget-to-actual report was shared/presented to the Library Capital Planning Executive Stakeholder Committee and the Multnomah County Board of County Commissioners (BCC) as evidenced in executed committee minutes.
 - a. Library Planning Executive Stakeholder Committee: Haphazardly select three monthly budget-to-actual reports for the fiscal year. Include in your report the months selected and if the meeting minutes include evidence of budget-to-actual reports being discussed.

Response: We haphazardly selected three monthly budget-to-actual reports for the months of September 2022, February 2023, and May 2023. We inquired with management who noted that there are no formal minutes taken at the Library Planning Executive Stakeholder Committee meetings. As such, this procedure was unable to be performed.

- b. Board of County Commissioners: The Library Project Team presents quarterly to the Multnomah County Board. Haphazardly select one quarterly budget-to-actual report for the fiscal year. Include in your report the quarter selected and if the meeting minutes include evidence of budget-to-actual reports being discussed.

Response: We haphazardly selected one quarterly budget-to-actual report for the quarter ended September 2022. Per review of the Board of County Commissioners minutes from Tuesday, November 29, 2022, agenda item B.2 – Informational Board Briefing on Library Capital Bond Program 4th Quarterly, the minutes indicated discussions of the September 2022 budget-to-actual report.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's Library Debt Service and Capital Construction funds revenue and expenditures and the County's budget for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

We are required to be independent of Multnomah County, Oregon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Multnomah County, Oregon and is not intended to be, and should not be, used by anyone other than this specified party.



Portland, Oregon
June 14, 2024