

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 05-029

Authorizing the County to Make an Internal Loan from the Capital Acquisition Fund to the Facilities Management Fund in the Amount of \$75,260 to Purchase a Modular Trailer to be used for County Health Operations

The Multnomah County Board of Commissioners finds:

- a. The County Health Department's Vector Control program has operated since 1968 on City of Portland owned property. This site is rent free to the County, except for operations and maintenance costs paid to the City.
- b. The 1968 City/County IGA that transferred Vector Control from the City to the County allowed for the use of the City site perpetually.
- c. Vector Control's program responsibilities expanded recently to include county-wide prevention of West Nile Virus, SAR and hanta virus.
- d. Existing facilities at the city owned site were inadequate to accommodate the necessary office and laboratory space required for the new disease prevention program.
- e. In March 2004, Multnomah County entered into a one year lease for a triple wide modular trailer for the West Nile Virus program and had it installed at the City of Portland site, adjacent to existing Vector Control offices.
- f. The current one year lease has a 2% per year escalation increase with probable higher increases in the future.
- g. During the 1999 legislative session, Local Budget Law was changed to allow for internal loans between funds as long as the proceeds of the loan were being used for capital acquisitions, the loan was repaid within a 5 year time frame and the Governing body approves the loan.
- h. The total cost of purchasing the modular unit is \$75,620. The buyout of this lease saves the county about \$1,450 (current year dollars) in monthly lease costs after a five year period. The useful life of this unit is estimated at ten years and the total savings over a ten year period will be about \$100,000.
- i. The County's Capital Acquisition Fund serves two purposes: These are first, to be a source for internal loans for capital purchases and the second is for the administration of the County's PC replacement program (Flat Fee). As stated in the FY 2005 description of County Funds, Resolution 04-079, The Capital Acquisition Fund, "Accounts for capital purchases with economic payoffs of less than five years and the purchase of computer equipment. Expenditures will be

reimbursed over time by service reimbursements charged to the budgets of programs for which equipment is purchased and by service reimbursement charges for the computers funded by the flat fee program.”

- j. At the end of the five year payback period, the County will own the modular facility and will no longer have lease payments.
- k. Funding for the purchase of this modular trailer was anticipated and included within the Adopted FY 2005 Capital Acquisition Fund Budget.
- l. The Budget Office and Chief Financial Officer recommend that the Board authorize the loan of \$75,260 for a five year period at an annual interest rate of 5%. The annual loan repayment amount from the Facilities Management Fund budget will be \$17,400 per year for five years. The first payment will be due in fiscal year 2005/2006. The Health Department’s Vector Control program is the current tenant of this facility.

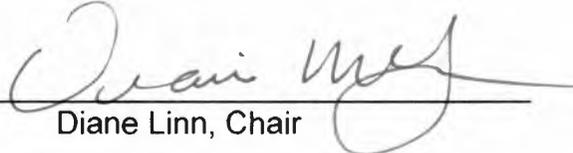
The Multnomah County Board of Commissioners Resolves:

- 1. The County authorizes the Chief Financial Officer to make the necessary accounting transactions this year to loan \$75,260 from the Capital Acquisition Fund to the Facilities Management Fund to acquire the modular trailer.
- 2. The Facilities & Property Management Division will reimburse the Capital Acquisition Fund including interest at 5% per annum in the amount of \$17,400 each year for five years beginning in fiscal year 2005-2006.
- 3. The Chief Financial Officer will include appropriate service reimbursements in future budgets to ensure the Capital Acquisition Fund is repaid.

ADOPTED this 10th day of February, 2005.

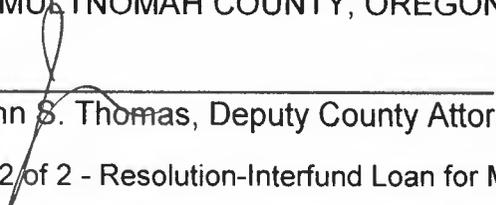


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney