

ANNOTATED MINUTES

Tuesday, March 2, 2004 - 11:00 AM
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

EXECUTIVE SESSION

Vice-Chair Serena Cruz convened the meeting at 11:03 a.m., with Commissioners Lonnie Roberts and Maria Rojo de Steffey present, and Commissioner Lisa Naito and Chair Diane Linn excused.

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(h). Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session. No Final Decision will be made in the Executive Session. Presented by Agnes Sowle.

EXECUTIVE SESSION HELD.

There being no further business, the meeting was adjourned at 11:15 a.m.

Thursday, March 4, 2004 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

Chair Diane Linn convened the meeting at 9:32 a.m., with Vice-Chair Serena Cruz and Commissioners Lisa Naito, Lonnie Roberts and Maria Rojo de Steffey present.

CONSENT CALENDAR

***UPON MOTION OF COMMISSIONER ROBERTS,
SECONDED BY COMMISSIONER CRUZ, THE
CONSENT CALENDAR (ITEMS C-1 THROUGH C-8)
WAS UNANIMOUSLY APPROVED.***

NON-DEPARTMENTAL

- C-1 Appointments of Bruce Farrer, Michele Biehler and Robert Marantz to the Multnomah County DEPARTMENT BUSINESS AND COMMUNITY SERVICES CITIZEN BUDGET ADVISORY COMMITTEE
- C-2 Appointments of Ken Carter and Alice Sigmund to the Multnomah County DEPARTMENT OF COMMUNITY JUSTICE CITIZEN BUDGET ADVISORY COMMITTEE
- C-3 Appointments of Ron Saroff, Michael Zokoych, Robert Ferguson and Ronald Schutz to the NON-DEPARTMENTAL CITIZEN BUDGET ADVISORY COMMITTEE
- C-4 Appointment of Alan Scally to the Multnomah County SHERIFF'S OFFICE CITIZEN BUDGET ADVISORY COMMITTEE

SHERIFF'S OFFICE

- C-5 Government Non-Expenditure Contract (190 Agreement) 0310505-1 with the City of Gresham, Providing for the Sheriff's Office to Operate the Temporary Hold Area Located at the City of Gresham Public Safety Building

DISTRICT ATTORNEY'S OFFICE

- C-6 Budget Modification DA 04-03 Appropriating Two \$40,000 Bureau of Justice Administration Gun Grants; Additional CAMI Revenue in the Amount of \$137,315; and a New Rockwood Weed and Seed Grant in the Amount of \$2,034

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- C-7 RESOLUTION Authorizing Private Sale of Certain Tax Foreclosed Property to the City of Gresham, Community and Economic Development Department

RESOLUTION 04-020.

- C-8 RESOLUTION Authorizing the Private Sale of a Tax Foreclosed Property to Rocco and Claire Catalusci

RESOLUTION 04-021.

REGULAR AGENDA
PUBLIC COMMENT

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

KATHLEEN WORMAN COMMENTED IN OPPOSITION TO THE MANNER IN WHICH FOUR COMMISSIONERS DETERMINED POLICY TO ISSUE MARRIAGE LICENSES FOR SAME SEX COUPLES.

COMMISSIONER ROBERTS REQUESTED THAT ALL REVENUE FROM SAME SEX MARRIAGE LICENSES BE PLACED IN A TRUST FUND PENDING THE OUTCOME OF ANY POTENTIAL CHALLENGES.

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- R-1 Presentation of Multnomah County's Comprehensive Annual Financial Report, Component Unit Financial Reports, and Schedule of Expenditures of Federal Awards for the year ending June 30, 2003. Presented by Dave Boyer, Chief Financial Officer; Mindy Harris, Accounting Manager; Ray Barlow, Senior Assurance Manager, Grant Thornton LLP and Jack Pessia, Citizen Representative, Audit Committee.

DAVE BOYER, MINDY HARRIS, RAY BARLOW AND JACK PESSIA PRESENTATIONS AND RESPONSE TO BOARD QUESTIONS AND COMMENTS IN APPRECIATION. MS. HARRIS INTRODUCED AND EXPRESSED APPRECIATION FOR THE EFFORTS OF TORY MITCHELL, LEEANN THOMPSON, ALICE STREET, SUSAN LUCE, CARA FITZPATRICK, MICHELLE BARWICK, MARSHA EHLERS, MIKE WADDELL AND BILL MORAVICS.

- R-2 Presentation of Certificate of Achievement for Excellence in Financial Reporting Award for the Comprehensive Annual Financial Report for June 30, 2002. Presented by Dave Boyer and Mindy Harris.

**DAVE BOYER AND MINDY HARRIS
EXPLANATION AND COMMENTS IN
APPRECIATION FOR THE GOOD WORK OF THE
GENERAL LEDGER STAFF, RESULTING IN
MULTNOMAH COUNTY RECEIVING THIS
AWARD FOR THE 19TH CONSECUTIVE YEAR.**

- R-3 Presentation of 2003 Leadership Recognition Award from the National Association of Government Defined Contribution Administrators. Presented by Dave Boyer, Deferred Compensation Committee Chair and Mindy Harris, Deferred Compensation Plan Administrator.

**DAVE BOYER AND MINDY HARRIS
EXPLANATION AND RESPONSE TO BOARD
COMMENTS IN APPRECIATION FOR THE
EFFORTS OF DAVE BOYER, MINDY HARRIS AND
ALL THE DEFERRED COMPENSATION
COMMITTEE MEMBERS.**

- R-4 Briefing about Changes to the Multnomah County Deferred Compensation Plan. Presented by Dave Boyer, Mindy Harris and Chuck Sklader, SST Benefits Consulting.

**DAVE BOYER, MINDY HARRIS, AND CHUCK
SKLADER PRESENTATIONS AND RESPONSE TO
BOARD QUESTIONS, DISCUSSION AND
COMMENTS IN APPRECIATION FOR THE GREAT
WORK OF THE DEFERRED COMPENSATION
COMMITTEE MEMBERS AND INVESTMENT
ADVISORS.**

NON-DEPARTMENTAL

- R-9 RESOLUTION Establishing a Task Force for the Disposition of the Morrison Building Property

**COMMISSIONER ROJO MOVED AND
COMMISSIONER ROBERTS SECONDED,
APPROVAL OF R-9. COMMISSIONER ROJO
EXPLANATION. CHRISTINA WALSH, STEVE
OSWALD, AND PATRICK MOXHER, PRESENTED
TESTIMONY URGING THAT THE MORRISON
BUILDING BE REMOVED AND THE LAND GIVEN**

TO LONE FIR CEMETERY. MARY GLENN TESTIMONY IN SUPPORT OF ESTABLISHMENT OF A TASK FORCE, WITH THE ADDITION OF REPRESENTATIVE FROM THE SUNNYSIDE AND BELMONT BUSINESS ASSOCIATION. SUSAN LINDSAY OF THE BUCKMAN NEIGHBORHOOD ASSOCIATION ASKED TO BE SELECTED TO SERVE ON THE TASK FORCE AND SUGGESTED THE ADDITION OF A REPRESENTATIVE FROM THE HISTORICAL SOCIETY. IN RESPONSE TO A REQUEST OF CHAIR LINN, FACILITIES AND PROPERTY MANAGEMENT DIRECTOR DOUG BUTLER REPORTED ON THE COUNTY'S DEED RECORDS RESEARCH; SAFETY HAZARD CONCERNS PERTAINING TO THE BUILDING, AND PROBLEMS WITH TWO UNDERGROUND TANKS ON THE PROPERTY. COMMISSIONER CRUZ ADVISED SHE SUPPORTS RESOLUTION BUT WANTS TO MAKE SURE THE TASK FORCE KNOWS SHE WILL WANT TO INSURE THAT THE COUNTY RECEIVES FAIR MARKET VALUE UPON DISPOSITION OF THE PROPERTY. COMMISSIONER ROBERTS AND CHAIR LINN ADVISED THEY GREW UP IN THE AREA AND WANTS TO MAKE SURE ANY PROPERTY DISPOSITION REFLECTS WHAT IS BEST FOR THE AREA. COMMISSIONER ROJO STATED THAT SHE WILL INCLUDE REPRESENTATIVES OF THE SUNNYSIDE AND BELMONT BUSINESS ASSOCIATION TO THE TASK FORCE AND THAT SHE WILL SEND THE LIST TO THE COMMISSIONERS FOR REVIEW AND ADDITIONAL INPUT. COMMISSIONER NAITO ADVISED SHE AGREES WITH COMMISSIONER CRUZ AND WILL WANT TO MAKE SURE THAT THE COUNTY RECEIVES FAIR MARKET VALUE UPON DISPOSITION OF THE PROPERTY IN THE INTEREST OF ALL COUNTY TAXPAYERS. RESOLUTION 04-022 UNANIMOUSLY ADOPTED.

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- R-5 First Reading and Possible Adoption of an ORDINANCE Amending County Land Use Code, Plans and Maps to Adopt Portland's Recent Land Use Code, Plan and Map Revisions in Compliance with Metro's Functional Plan and Declaring an Emergency

ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER CRUZ MOVED AND COMMISSIONER ROBERTS SECONDED, APPROVAL OF FIRST READING AND ADOPTION. GARY CLIFFORD EXPLANATION. NO ONE WISHED TO TESTIFY. ORDINANCE 1028 UNANIMOUSLY ADOPTED.

DEPARTMENT OF HEALTH

- R-6 NOTICE OF INTENT to Apply for Ryan White CARE Act Title III Expanding Capacity Funds

COMMISSIONER ROBERTS MOVED AND COMMISSIONER CRUZ SECONDED, APPROVAL OF R-6. JODI DAVICH EXPLANATION AND RESPONSE TO QUESTION OF COMMISSIONER CRUZ REGARDING DATA ON THE CURRENT NUMBER OF FOLKS LIVING WITH HIV. NOTICE OF INTENT UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

- R-7 BUDGET MODIFICATION NOND 02, Reducing Children's Levy Fund Appropriations

COMMISSIONER ROBERTS MOVED AND COMMISSIONER ROJO SECONDED, APPROVAL OF R-7. JULIE NEBURKA AND DAVE BOYER EXPLANATION AND RESPONSE TO QUESTION OF COMMISSIONER CRUZ REGARDING CITY ADMINISTRATION AND COUNTY COLLECTION. BUDGET MODIFICATION UNANIMOUSLY APPROVED.

- R-8 RESOLUTION Accepting the Report of the Courthouse Blue Ribbon Steering Committee and Creating Work Groups to Continue the Good Work of the Committee

***UPON MOTION OF COMMISSIONER NAITO,
SECONDED BY COMMISSIONER CRUZ,
RESOLUTION R-8 WAS UNANIMOUSLY
CONTINUED ONE WEEK, TO THURSDAY, MARCH
11, 2004.***

R-10 RESOLUTION Declaring the Property at 5252 NE Garfield as Surplus Property, Authorizing Sale of the Property to Portland Development Commission, and Authorizing County Chair to Execute Appropriate Documents to Complete the Sale

***COMMISSIONER ROBERTS MOVED AND
COMMISSIONER CRUZ SECONDED, APPROVAL
OF R-10. DOUG BUTLER EXPLANATION.
RESOLUTION 04-023 UNANIMOUSLY ADOPTED.***

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

R-11 RESOLUTION Declaring Certain Space within a County Facility Located at 10225 E Burnside Street, Portland, Oregon to be Surplus and Approving a Real Property Lease with the State of Oregon to Occupy that Space

***COMMISSIONER CRUZ MOVED AND
COMMISSIONER ROBERTS SECONDED,
APPROVAL OF R-11. GREG HERLEAN AND
PETER TRYON EXPLANATION AND RESPONSE
TO QUESTION OF COMMISSIONER ROBERTS
REGARDING LOCATION OF THE SPACE.
RESOLUTION 04-024 UNANIMOUSLY ADOPTED.***

R-12 RESOLUTION Approving a Real Property Lease Between Pacific Realty Associates, L.P., (PacTrust), and Multnomah County Leasing Property at 5622 NE Hassalo Street, Portland, Oregon, and Authorizing the County Chair to Execute the Lease Agreement and Other Instruments Required to Complete the Lease of Said Real Property

***COMMISSIONER NAITO MOVED AND
COMMISSIONER ROJO SECONDED, APPROVAL
OF R-12. GREG HERLEAN EXPLANATION.
RESOLUTION 04-025 UNANIMOUSLY ADOPTED.***

***CHAIR LINN ALLOWED THE FOLLOWING
ADDITIONAL PUBLIC COMMENT:***

PUBLIC COMMENT

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

BRANDI WOOD, MICHELLE HIZEY, ROBERT BOURASSA, KATHLEEN SHERIDAN, BARBARA FRYE AND KAREN CARLISLE COMMENTED IN APPRECIATION AND SUPPORT FOR THE COMMISSIONERS POLICY DETERMINATION TO ALLOW MARRIAGE LICENSES FOR SAME SEX COUPLES.

There being no further business, the meeting was adjourned at 11:17 a.m.

BOARD CLERK FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

BOARD OF COMMISSIONERS

Diane Linn, Chair

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

Phone: (503) 988-3308 FAX (503) 988-3093

Email: mult.chair@co.multnomah.or.us

Maria Rojo de Steffey, Commission Dist. 1

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

Phone: (503) 988-5220 FAX (503) 988-5440

Email: district1@co.multnomah.or.us

Serena Cruz, Commission Dist. 2

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

Phone: (503) 988-5219 FAX (503) 988-5440

Email: serena@co.multnomah.or.us

Lisa Naito, Commission Dist. 3

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

Phone: (503) 988-5217 FAX (503) 988-5262

Email: lisa.h.naito@co.multnomah.or.us

Lonnie Roberts, Commission Dist. 4

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

Phone: (503) 988-5213 FAX (503) 988-5262

Email: lonnie.j.roberts@co.multnomah.or.us

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www.co.multnomah.or.us/cc/agenda.shtml

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MARCH 2 & 4, 2004

BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	11:00 a.m. Tuesday Executive Session
Pg 3	9:30 a.m. Thursday Comprehensive Annual Financial Report for FY 2003
Pg 4	10:00 a.m. Thursday Briefing on Changes to the Deferred Compensation Plan
Pg 4	10:25 a.m. Thursday Ordinance Amending County Land Use Code, Plans and Maps to Adopt Portland's Code, Plan and Map Revisions in Compliance with Metro's Functional Plan
Pg 4	10:40 a.m. Thursday Resolution Accepting Courthouse Committee Report and Creating Work Groups
Pg 4	11:15 a.m. Thursday Resolution Declaring Property Surplus and Authorizing Sale
Pg 4	11:30 a.m. Thursday Lease Agreements

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 11:00 PM, Channel 30

Saturday, 10:00 AM, Channel 30

Sunday, 11:00 AM, Channel 30

Produced through Multnomah Community Television
(503) 491-7636, ext. 333 for further info

or: <http://www.mctv.org>

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-

Thursday, March 4, 2004 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM **NON-DEPARTMENTAL**

- C-1 Appointments of Bruce Farrer, Michele Biehler and Robert Marantz to the Multnomah County DEPARTMENT BUSINESS AND COMMUNITY SERVICES CITIZEN BUDGET ADVISORY COMMITTEE
- C-2 Appointments of Ken Carter and Alice Sigmund to the Multnomah County DEPARTMENT OF COMMUNITY JUSTICE CITIZEN BUDGET ADVISORY COMMITTEE
- C-3 Appointments of Ron Saroff, Michael Zokoych, Robert Ferguson and Ronald Schutz to the NON-DEPARTMENTAL CITIZEN BUDGET ADVISORY COMMITTEE
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DISTRICT ATTORNEY'S OFFICE

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- C-8 RESOLUTION Authorizing the Private Sale of a Tax Foreclosed Property to Rocco and Claire Catalusci

REGULAR AGENDA - 9:30 AM

PUBLIC COMMENT - 9:30 AM

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- R-5 First Reading and Possible Adoption of an ORDINANCE Amending County Land Use Code, Plans and Maps to Adopt Portland's Recent Land Use Code, Plan and Map Revisions in Compliance with Metro's Functional Plan and Declaring an Emergency

DEPARTMENT OF HEALTH - 10:30 AM

- R-6 NOTICE OF INTENT to Apply for Ryan White CARE Act Title III Expanding Capacity Funds

NON-DEPARTMENTAL - 10:35 AM

- R-7 BUDGET MODIFICATION NOND 02, Reducing Children's Levy Fund Appropriations
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DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 11:30 AM

- R-11 RESOLUTION Declaring Certain Space within a County Facility Located at 10225 E Burnside Street, Portland, Oregon to be Surplus and Approving a Real Property Lease with the State of Oregon to Occupy that Space

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AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-1

Est. Start Time: 9:30 AM

Date Submitted: 02/19/04

Requested Date: 3/4/2004

Time Requested: Consent Agenda

Department: Non-Departmental

Division: Chair's Office

Contact/s: Chair Linn, Delma Farrell

Phone: 503/988-3308

Ext.: 83953

I/O Address: 503/600

Presenters: N/A

Agenda Title: Appointments of Bruce Farrer, Michele Biehler and Robert Marantz to the Multnomah County Department Business and Community Services Citizen Budget Advisory Committee

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** Request approval of appointments of Bruce Farrer, Michele Biehler and Robert Marantz to the Multnomah County Department Business and Community Services Citizen Budget Advisory Committee.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** The Citizen Budget Advisory Committees (CBACs) act as advisory committees to all County Department Directors, Elected Officials and non-departmental programs; they participate in County budget development and review. The CBACs meet regularly during County budget process. Each CBAC is composed of seven members appointed by the County Chair upon approval of the Board of County Commissioners. Membership is as follows: Positions 1,2,3,4 and 6 are nominated by the Citizen Involvement Committee; Positions 5 & 7 are nominated by the department or elected official. Committees shall represent the County departments, the Multnomah County Sheriff, the Multnomah County District Attorney, the Office of School and Community Partnerships, and Multnomah County Nondepartmental Programs. The

Multnomah County Library Advisory Board shall function as the Library CBAC and the Community Health Council shall function as the Health Department CBAC. Appointed to 3-year terms with 2-term limitation. Kathleen Todd, Director of the Office of Citizen Involvement, is liaison to the County CBACs.

3. **Explain the fiscal impact (current year and ongoing). No current year and/or ongoing fiscal impact.**

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
 - ❖ **What budgets are increased/decreased?**
 - ❖ **What do the changes accomplish?**
 - ❖ **Do any personnel actions result from this budget modification? Explain.**

 - ❖ **Is the revenue one-time-only in nature?**
 - ❖ **If a grant, what period does the grant cover?**
 - ❖ **When the grant expires, what are funding plans?**
- NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**

- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved. No legal and/or policy issues involved.**

5. Explain any citizen and/or other government participation that has or will take place. N/A

Required Signatures:

Department/Agency Director: _____



Date: 2/18/2004

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-2

Est. Start Time: 9:30 AM

Date Submitted: 02/19/04

Requested Date: 3/4/2004

Time Requested: Consent Agenda

Department: Non-Departmental

Division: Chair's Office

Contact/s: Chair Linn, Delma Farrell

Phone: 503/988-3308

Ext.: 83953

I/O Address: 503/600

Presenters: N/A

Agenda Title: Appointment of Ken Carter and Alice Sigmund to the Multnomah County Department of Community Justice Citizen Budget Advisory Committee.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** Request approval of appointment of Ken Carter and Alice Sigmund to the Multnomah County Department of Community Justice Citizen Budget Advisory Committee.
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Community Health Council shall function as the Health Department CBAC. Appointed to 3-year terms with 2-term limitation. Kathleen Todd, Director of the Office of Citizen Involvement, is liaison to the County CBACs.

3. **Explain the fiscal impact (current year and ongoing). No current year and/or ongoing fiscal impact.**

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4. **Explain any legal and/or policy issues involved. No legal and/or policy issues involved.**
5. **Explain any citizen and/or other government participation that has or will take place. N/A**

Required Signatures:

Department/Agency Director: 

Date: 2/18/2004

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-3

Est. Start Time: 9:30 AM

Date Submitted: 02/19/04

Requested Date: 3/4/2004

Time Requested: Consent Agenda

Department: Non-Departmental

Division: Chair's Office

Contact/s: Chair Linn, Delma Farrell

Phone: 503/988-3308

Ext.: 83953

I/O Address: 503/600

Presenters: N/A

Agenda Title: Appointments of Ron Saroff, Michael Zokoych, Robert Ferguson and Ronald Schutz to the Nondepartmental Citizen Budget Advisory Committee.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Request approval of appointments of Ron Saroff, Michael Zokoych, Robert Ferguson and Ronald Schutz to the Nondepartmental Citizen Budget Advisory Committee.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** The Citizen Budget Advisory Committees (CBACs) act as advisory committees to all County Department Directors, Elected Officials and non-departmental programs; they participate in County budget development and review. The CBACs meet regularly during County budget process. Each CBAC is composed of seven members appointed by the County Chair upon approval of the Board of County Commissioners. Membership is as follows: Positions 1,2,3,4 and 6 are nominated by the Citizen Involvement Committee; Positions 5 & 7 are nominated by the department or elected official. Committees shall represent the County departments, the Multnomah County Sheriff, the Multnomah County District Attorney, the Office of School and Community Partnerships, and Multnomah County Nondepartmental Programs. The Multnomah County Library Advisory Board shall function as the Library CBAC and the

Community Health Council shall function as the Health Department CBAC. Appointed to 3-year terms with 2-term limitation. Kathleen Todd, Director of the Office of Citizen Involvement, is liaison to the County CBACs.

3. **Explain the fiscal impact (current year and ongoing). No current year and/or ongoing fiscal impact.**

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

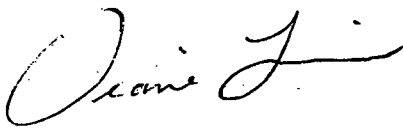
- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved. No legal and/or policy issues involved.**
5. **Explain any citizen and/or other government participation that has or will take place. N/A**

Required Signatures:

Department/Agency Director: 

Date: 2/18/2004

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-4

Est. Start Time: 9:30 AM

Date Submitted: 02/19/04

Requested Date: 3/4/2004

Time Requested: Consent Agenda

Department: Non-Departmental

Division: Chair's Office

Contact/s: Chair Linn, Delma Farrell

Phone: 503/988-3308

Ext.: 83953

I/O Address: 503/600

Presenters: N/A

Agenda Title: Appointment of Alan Scally to the Multnomah County Sheriff's Office
Citizen Budget Advisory Committee.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** Request approval of appointment of Alan Scally to the Multnomah County Sheriff's Office Citizen Budget Advisory Committee.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** The Citizen Budget Advisory Committees (CBACs) act as advisory committees to all County Department Directors, Elected Officials and non-departmental programs; they participate in County budget development and review. The CBACs meet regularly during County budget process. Each CBAC is composed of seven members appointed by the County Chair upon approval of the Board of County Commissioners. Membership is as follows: Positions 1,2,3,4 and 6 are nominated by the Citizen Involvement Committee; Positions 5 & 7 are nominated by the department or elected official. Committees shall represent the County departments, the Multnomah County Sheriff, the Multnomah County District Attorney, the Office of School and Community Partnerships, and Multnomah County Nondepartmental Programs. The Multnomah County Library Advisory Board shall function as the Library CBAC and the Community Health Council shall function as the Health Department CBAC. Appointed to

3-year terms with 2-term limitation. Kathleen Todd, Director of the Office of Citizen Involvement, is liaison to the County CBACs.

3. **Explain the fiscal impact (current year and ongoing). No current year and/or ongoing fiscal impact.**

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:


- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved. No legal and/or policy issues involved.**
5. **Explain any citizen and/or other government participation that has or will take place. N/A**

Required Signatures:

Department/Agency Director: 

Date: 2/18/2004

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-5

Est. Start Time: 9:30 AM

Date Submitted: 02/23/04

Requested Date: March 4, 2004

Time Requested: N/A

Department: Sheriff's Office

Division: Corrections

Contact/s: Brad Lynch

Phone: 503-988-4336

Ext.: 84336

I/O Address: 503/350

Presenters: Consent Calendar

Agenda Title: Government Non-Expenditure Contract (190 Agreement) 0310505-1 with the City of Gresham providing for the Sheriff's Office to operate the temporary hold area located at the City of Gresham Public Safety building

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approval of intergovernmental agreement.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** Under this agreement, Sheriff's Office corrections deputies will staff the temporary holding unit at the Gresham Public Safety building four days per week, eight hours each day. The Sheriff's Office will provide prisoner transportation between the temporary hold and the Justice Center jail using Sheriff's Office personnel. This will allow East County police officers a faster method of placing prisoners into jail custody; a trip to the downtown Justice Center will not always be necessary.
3. **Explain the fiscal impact (current year and ongoing).**
Funds to fulfill the Sheriff's Office obligations of this agreement will be provided for out of the Sheriff's Office existing budget.
NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

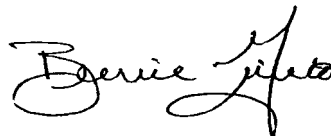
If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. **Explain any legal and/or policy issues.** This agreement has been reviewed by the County Attorney's Office. This agreement was originally before the Board and approved January 8, 2004. However, a word processing error omitted some language in section 4 of the agreement. That language has been added to section 4 of this amended agreement.
5. **Explain any citizen and/or other government participation that has or will take place.** None, other than above.

Required Signatures:

Department/Agency Director:



Date: 02/23/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Pre-approved Contract Boilerplate (with County Attorney signature) ☐ Attached ☐ Not Attached Contract #: 0310505
Amendment #: 1

CLASS I	CLASS II	CLASS III A
Contracts \$75,000 and less per 12 month period	Contracts over \$75,000 per 12 month period	<input checked="" type="checkbox"/> Government Contracts (190 Agreement)
<input type="checkbox"/> Professional Services Contracts <input type="checkbox"/> PCRB Contracts <input type="checkbox"/> Maintenance Agreements <input type="checkbox"/> Licensing Agreements <input type="checkbox"/> Public Works Construction Contracts <input type="checkbox"/> Architectural & Engineering Contracts <input type="checkbox"/> Revenue Contracts <input type="checkbox"/> Grant Contracts <input type="checkbox"/> Non-Expenditure Contracts	<input type="checkbox"/> Professional Services Contracts <input type="checkbox"/> PCRB Contracts <input type="checkbox"/> Maintenance Agreements <input type="checkbox"/> Licensing Agreements <input type="checkbox"/> Public Works Construction Contracts <input type="checkbox"/> Architectural & Engineering Contracts <input type="checkbox"/> Revenue Contracts <input type="checkbox"/> Grant Contracts <input type="checkbox"/> Non-Expenditure Contracts	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Non-Expenditure <input type="checkbox"/> Revenue <div style="text-align: center;">CLASS III B</div> <input type="checkbox"/> Government Contracts (Non-190 Agreement) <input type="checkbox"/> Expenditure <input type="checkbox"/> Non-Expenditure <input type="checkbox"/> Revenue <input type="checkbox"/> Interdepartmental Contracts

Department: Sheriff's Office Division: Corrections Date: 11/03/2003
 Originator: Captain James Turney Phone: 503-988-3051 Bldg/Rm: 119/307
 Contact: Brad Lynch Phone: 503-988-4336 Bldg/Rm: 503/350

Description of Contract: City of Gresham allows the Sheriff's Office to operate a temporary holding area for arrested individuals destined for the County jail. The Sheriff's Office will staff the holding area with Sheriff's Office personnel.

RENEWAL: ☐ PREVIOUS CONTRACT #(S): _____ RFP/BID DATE: _____
 RFP/BID: _____ EXEMPTION #: _____ ORS/AR #: _____
 Effective DATE: _____ EXPIRATION DATE: _____
 CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# _____ or ☐ Self Cert ☐ Non-Profit ☒ N/A (Check all boxes that apply)

Contractor <u>City of Gresham</u>				Remittance address _____	
Address <u>1333 NW Eastman Parkway</u>				(If different) _____	
City/State <u>Gresham OR</u>				Payment Schedule / Terms	
ZIP Code <u>97030</u>				<input type="checkbox"/> Lump Sum \$ _____	
Phone <u>503-618-2724 (Lt. Larry Leeman)</u>				<input type="checkbox"/> Monthly \$ _____	
Employer ID# or SS# _____				<input type="checkbox"/> Other \$ _____	
Contract Effective Date _____		when signed _____	Term _____	N/A	
Amendment Effect Date _____		New Term Date _____		<input type="checkbox"/> Requirements Funding Info:	
Original Contract Amount \$ _____		Original Requirements Amount \$ _____		<input type="checkbox"/> Due on Receipt	
Total Amt of Previous Amendments \$ _____		Total Amt of Previous Amendments \$ _____		<input type="checkbox"/> Net 30	
Amount of Amendment \$ _____		Requirements Amount Amendment: \$ _____		<input type="checkbox"/> Other	
Total Amount of Agreement \$ <u>\$0</u>		Total Amount of Requirements \$ _____			

REQUIRED SIGNATURES:

Department Manager _____	DATE _____
Purchasing Manager _____	DATE _____
County Attorney <u>S. R.</u>	DATE <u>11-18-03</u>
County Chair <u>Chari May</u>	DATE <u>3/5/04</u>
Sheriff <u>Sheriff Bernie Gustafson by Co. Note</u>	DATE <u>02-18-04</u>
Contract Administration _____	DATE _____

APPROVED: MULTNOMAH COUNTY

BOARD OF COMMISSIONERS

AGENDA # C-5 DATE 03-04-04

DEBORAH L. BOGSTAD, BOARD CLERK

COMMENTS:

INTERGOVERNMENTAL AGREEMENT

GRESHAM TEMPORARY HOLD

This Agreement is made and entered into pursuant to the authority found in ORS 190.010 et seq. and ORS 206.345 by and between Multnomah County Sheriff's Office (MCSO), jointly with and on behalf of Multnomah County (COUNTY), and City of Gresham (CITY).

RECITALS

WHEREAS, the CITY maintains in its police headquarters a temporary hold whereby prisoners may be detained while awaiting transportation to a local correctional facility; and

WHEREAS, MCSO desires to use the CITY's temporary hold as a place where local police officers may transfer custody of arrested persons to MCSO at the temporary hold in lieu of the police officers taking the prisoners to the Multnomah County Detention Center (MCDC), located in downtown Portland.

TEMPORARY HOLD OPERATION

1. The CITY agrees to permit MCSO to operate the temporary hold area located in the CITY Public Safety building at 1333 NW Eastman Parkway, Gresham. The CITY further agrees that it will provide such space to MCSO at no charge to MCSO or the COUNTY.
2. The parties agree that MCSO shall operate the temporary hold four days per week, 8 hours per day. The parties agree that the initial schedule shall be Wednesday through Saturday, 8:00 p.m. until 4:00 a.m. (subject to re-evaluation).
3. MCSO agrees to staff the temporary hold with at least one Corrections Deputy who is certified as a corrections officer by the Department of Public Safety Standards and Training (DPSST). MCSO further agrees to provide prisoner transportation between the temporary hold and MCDC using either Corrections Deputies or Deputy Sheriffs.

The deputies provided hereunder shall be referred to hereafter as ASSIGNED PERSONNEL. The parties further agree that prisoner transports may be performed by reserve police officers or reserve deputy sheriffs.

4. The parties agree that police officers from the cities of Gresham, Troutdale and Fairview; Portland Police Bureau and Oregon State Troopers working in East Multnomah County; and Multnomah County Deputy Sheriffs may take prisoners to the CITY's temporary hold and transfer custody of such prisoners to MCSO ASSIGNED PERSONNEL at the temporary hold. The parties further agree that before custody of a prisoner is completed, the arresting officer shall submit the required paperwork, including but not limited to reports, citations, warrant information and such other documents that would be required for a prisoner booking at MCDC.

5. The parties agree that once custody of a prisoner is transferred from a police officer to the MCSO Corrections Deputy assigned to the temporary hold, the MCSO Corrections Deputy shall have primary responsibility for care, custody, control, and safety of such prisoner at all times the prisoner is detained in the temporary hold.

6. The CITY agrees to install and maintain sufficient video cameras and monitors, and audio microphones and speakers, so as to permit sight and sound communication between the temporary hold area and an area of the police Public Safety building that is staffed at all times during which MCSO's ASSIGNED PERSONNEL operate the temporary hold.

7. The CITY agrees that in the event of an emergency situation in the temporary hold, including but not limited to a riot, fire, escape attempt or assault on staff, the CITY will respond by sending available police officers in or near the temporary hold to the emergency scene.

8. The parties further agree that if MCSO is unable to staff the temporary hold for a partial or entire shift, no person, other than a City of Gresham police officer, shall attempt to detain or transfer custody of a

prisoner at the temporary hold until such time as the temporary hold is staffed by corrections deputy as provided herein.

PERSONNEL MATTERS

9. MCSO agrees to provide the ASSIGNED PERSONEL assigned to the temporary hold with all uniforms, equipment and vehicles necessary to perform the deputies duties required hereunder.

10. The parties agree that the ASSIGNED PERSONNEL provided hereunder by MCSO shall be and remain employees of the COUNTY. The ASSIGNED PERSONNEL shall be supervised by MCSO and shall perform their duties in accordance with the administrative and operational procedures of MCSO. If MCSO operational procedures conflict with the CITY's operational procedures, MCSO and CITY agree to meet and confer to resolve and conflict in procedures.

11. The CITY does not assume any liability for the direct payment of any wages, salaries or other compensation to ASSIGNED PERSONNEL performing services pursuant to the terms of this Agreement or for any other liability not provided for in this Agreement.

12. The COUNTY shall maintain Workers' Compensation insurance coverage for their ASSIGNED PERSONNEL, either as a carrier insured employer or a self-insured employer as provided in ORS chapter 656.

13. The parties agree that matters concerning direct or indirect monetary benefits, hours, vacations, sick leave, grievance procedures and other conditions of employment regarding ASSIGNED PERSONNEL under this Agreement shall be governed by the provisions of existing collective bargaining agreements between the ASSIGNED PERSONNEL's bargaining unit and their public employer.

14. The parties agree that all labor disputes arising out of this Agreement shall be governed by the provisions of applicable collective bargaining agreements in effect during this Agreement, and the personnel rules of the COUNTY.

CRIMES STATION

15. MCSO and the COUNTY agree to install and maintain at or near the temporary hold a CRIMES video image station whereby a police officer may verify the identity of a suspect by searching the CRIMES system's data base. The CRIMES station provided hereunder shall include a monitor, keyboard or other input device and fiber optic transmission lines, or equivalent, required to render the system operative.

16. MCSO agrees to provide at no cost to CITY training on the CRIMES system for police officers and other personnel who are authorized to access the CRIMES system.

EFFECTIVE AND TERMINATION DATES

17. This Agreement shall be effective on the date it is signed by last party signing the Agreement, and shall remain in effect until terminated by either party as provided in section 18 hereunder.

18. This Agreement may be terminated by either party upon sixty (60) days written notice, delivered in writing to the contact person listed below.

CONTACT PERSON

19. For information concerning services to be performed under this Agreement, contact shall be made with:

If to the CITY:

Lieutenant Larry Leeman
Gresham Police Department
1333 NW Eastman Parkway
Gresham, Oregon 97030
Telephone: 503 618-2724

If to MCSO:

Captain Jim Turney
Facilities Division
1120 SW 3rd Avenue
Portland, Oregon 97204
Telephone: 503 988-3051

NOTICE

20. Any notice provided for under this Agreement shall be written and delivered personally to the following addressee or deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed as follows, or to such other address as the receiving party hereafter shall specify in writing:

If to the CITY:

Carla C. Piluso, Chief
Gresham Police Department
1333 NW Eastman Parkway
Gresham, Oregon 97030
Telephone: 503 618-2606

If to MCSO:

Bernie Giusto, Sheriff
Multnomah County Sheriff's Office
1120 SW 3rd Avenue
Portland, Oregon 97204
Telephone: 503 988-3600

INDEMNIFICATION

21. Subject to the limitations of the Oregon Torts Claims Act and the Oregon Constitution, MCSO and the COUNTY shall indemnify, defend and hold harmless CITY, its officers, employees and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of MCSO personnel acting pursuant to the terms of this Agreement.

22. Subject to the limitations of the Oregon Torts Claims Act and the Oregon Constitution, CITY shall indemnify, defend and hold harmless COUNTY and MCSO, their officers, employees and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of CITY personnel acting pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on the date written below.

CITY OF GRESHAM, OREGON

MULTNOMAH COUNTY, OREGON

Charles J. Becker, Mayor

DATE: _____

Rob Fussell, City Manager

DATE: _____

Bernie Giusto by me
Bernie Giusto, Sheriff

DATE: 02-18-04

Diane M. Linn
Diane M. Linn, County Chair

DATE: 3.9.04

APPROVED AS TO FORM:

REVIEWED:

By: _____

DATE: _____

S.A.
Agnes Sowle, County Attorney

DATE: 11-18-03

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-5 DATE 03.04.04
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #: DA 04-03

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-6 DATE 03.04.04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-6

Est. Start Time: 9:30 AM

Date Submitted: 02/23/04

Requested Date: March 4, 2004

Time Requested: N/A

Department: District Attorney

Division: Admin

Contact/s: D. Scott Marcy

Phone: 503-988-3863

Ext.: 83863

I/O Address: 101/600

Presenters: Consent Calendar

Agenda Title: Recognition of two \$40,000 Bureau of Justice Administration gun grants, additional CAMI revenue in the amount of \$137,315 and a new Rockwood Weed & Seed grant in the amount of \$2,034

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

Please answer all relevant questions; leave others blank. Please do not alter form.

1. What action are you requesting from the Board? What is the department/agency recommendation?

The District Attorney's Office requests acknowledgement of small Rockwood Weed and Seed Grant in the amount of \$2034 and related costs. It also requests acknowledgement of additional CAMI revenue and costs in the amount of \$137,314 and two new Bureau of Justice Administration gun grants totaling \$80,000.

2. Please provide sufficient background information for the Board and the public to understand this issue.

In October of 2003 the Police Activities League/Rockwood Weed & Seed agree to reimburse the District Attorney's Office for the costs associated with hiring a temporary Community Service Agency Placement Specialist to serve the Gresham Community Court. This temporary position and the grant period are for October 2003 thru December 2003. The costs associated with the position are \$2034.

During the FY04 budget process the state of Oregon Department of Justice projected a 25% reduction in available CAMI program dollars. The District Attorney's Office budgeted CAMI dollars according to these projections. After the States budget was adopted it was determined that additional CAMI funding would be provided to the Multnomah County program which requires the Office to seek recognition of \$137,314 in CAMI program funding. Most of these additional funds have been awarded to CAMI sub-grantees, with Cares Northwest receiving \$75,000 and the Children's Receiving Center Inc. receiving \$46,949.

The District Attorney's Office has accepted two additional Bureau of Justice Gun grants each of which provides \$40,000 per year for three years. Both grants will end on in June 2006. One of these grant positions, a DDA 3, has been assigned to do domestic Violence gun related prosecution, while the other position, a DDA1, concentrates on lower level (misdemeanor) gun crime.

3. Explain the fiscal impact (current year and ongoing).

increase in 50195 Fed thru Local \$2034

Increase in 50190 state direct \$137,314

Increase in 50170 Fed direct \$80,000

Increase in Insurance revenue of \$9741

Increase in central indirect revenue \$6865

The additional Weed & Seed revenue (\$2034) is a one time only addition for Gresham Community Court and is not an on-going revenue source.

The additional CAMI program funding will probably continue into the second year of the states biennium.

The new BJA gun grants (\$80,000) will be continued until June of 2006.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

What revenue is being changed and why?

Increase in 50195 Fed thru Local \$2034

Increase in 50190 state direct \$137,314

In Increase in central indirect revenue \$6865

Increase in 50170 Fed direct \$80,000

Increase in Insurance revenue of \$9741

The additional Weed & Seed revenue (\$2034) is a one time only addition for Gresham Community Court and is not an on-going revenue source.

The additional CAMI program funding will probably continue into the second year of the states biennium.

The new BJA gun grants (\$80,000) will be continued until June of 2006.

- ❖ **What budgets are increased/decreased?** The District Attorney's Family and Community Justice Division will be increased in the Misdemeanor Trial Unit, Domestic Violence Unit, CAMI program and Community Court.
- ❖ **What do the changes accomplish?** The changes in the CAMI budget will allow the DA Office to recognize additional revenue and pass through addition program dollars to the Children's Receiving Center and Cares Northwest. The additional gun grant revenue will pay for two additional partial Deputy DA positions.
- ❖ **Do any personnel actions result from this budget modification?** Adds a .40 FTE DDA 3 in the Domestic Violence Unit and adds .57 FTE DDA 1 in the Misdemeanor Trial unit.

- ❖ **Is the revenue one-time-only in nature?** The additional Weed & Seed grant funds should be considered one time only revenue increases. The BJA Gun grant revenue will continue for three years and the CAMI dollars should be continued in FY05.
- ❖ **If a grant, what period does the grant cover?** The grant period for both BJA gun grants is July 1, 2003 through June 30, 2006
- ❖ **When the grant expires, what are funding plans?** Options for continuing the programs will be evaluated at a later date.

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:


- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**


4. **Explain any legal and/or policy issues involved.**
N/A
5. **Explain any citizen and/or other government participation that has or will take place.**
N/A

Required Signatures:

Department/Agency Director: 

Date: 02/17/04

Budget Analyst

By: 

Date: 02/21/04

Dept/Countywide HR

By: _____

Date:

1. REQUEST FOR PLACEMENT ON THE AGENDA FOR: _____

(Date)

DEPARTMENT: District AttorneyDIVISION: Family JusticeCONTACT: D. Scott MarcyPHONE: 503-988-3863

* NAME(S) OF PERSON MAKING PRESENTATION TO BOARD: _____

SUGGESTED AGENDA TITLE (To assist in preparing a description for the printed agenda)

Recognition of two \$40,000 Bureau of Justice Administration gun grants, additional CAMI revenue in the amount of \$137,315 and a new Rockwood Weed & Seed grant in the amount of \$2,034.

2. DESCRIPTION OF MODIFICATION: [Explain the changes being made: What budget does it increase / decrease? What do the changes accomplish? Where does the money come from?]

[x] PERSONNEL CHANGES ARE SHOWN IN DETAIL ON THE ATTACHED SHEET

This budget modification adds Weed & Seed 50195 revenue of \$2034 and offsetting temp costs. It also adds \$137,314 in CAMI funding not previously budgeted and offsetting professional services costs. The budget modification adds a total of \$80,000 in new fed direct funding for two new BJA gun grants. It adds a .57 DDA 1 (\$40,000) into cost element group 15-20 WBS DA Gun Misd.grt and .40 DDA 3 (\$40,000) into cost element group 15-30 WBS DA Gun DV.grt. This modification increases central indirect by \$6865 from caml funding but no indirect is paid by the gun grant dollars.

3. REVENUE IMPACT: [Explain revenues being changed and reason for the change]

Increase in 50195 Fed thru Local \$2034
 Increase in 50190 state direct \$137,314
 Increase in 50170 Fed direct \$80,000
 Increase in Insurance revenue of \$9741
 Increase in central indirect 6865

TOTAL \$235,954

4. CONTINGENCY STATUS [To Be Completed by Budget]

_____ Fund Contingency BEFORE THIS MODIFICATION AS OF _____
 (Specify Fund) AFTER THIS MODIFICATION: _____

Originated By: <u>D. Scott Marcy</u>	Date: <u>2/17/04</u>	District Attorney: <u>Michael A. Sorenson</u>	Date: <u>02/17/04</u>
Plan / Budget Analyst: <u>[Signature]</u>	Date: <u>2/21/04</u>	Employee Services: <u>Susan Sutton</u>	Date: <u>2-17-04</u>
Board Approval: _____	Date: _____		

Budget Modification:

DA 04-03

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Line No.	Fund Center	Fund Code	Accounting Unit		WBS Element	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center							
1	15-20	1505			DA Gun Misd.grt	60000	-	27,646	27,646		Permanent
2	15-20	1505			DA Gun Misd.grt	60130		7,554	7,554		Salary related
3	15-20	1505			DA Gun Misd.grt	60140		4,800	4,800		Insurance
4	15-20	1505			DA Gun Misd.grt	50170	0	(40,000)	(40,000)		Fed direct
5	15-30	1505			DA Gun DV.grt	60000	0	27,365	27,365		Permanent
6	15-30	1505			DA Gun DV.grt	60130	0	7,694	7,694		Salary related
7	15-30	1505			DA Gun DV.grt	60140	0	4,941	4,941		Insurance
8	15-30	1505			DA Gun DV.grt	50170	0	(40,000)	(40,000)		Fed direct
9	70-01	3500		705210		50316		(9,741)	(9,741)		Insurance Fund revenue
10	70-01	3500		705210		60330	0	9,741	9,741		Insurance claim
11	15-30	1505			DA Cami	60170	157,697	288,146	130,449		professional services
12	15-30	1505			DA Cami	50180	(732,750)	(870,064)	(137,314)		state direct
13	15-20	1505			DA CCRW.SP	50195	0	(2,034)	(2,034)		fed thru local
14	15-20	1505			DA CCRW.SP	60100		2,034	2,034		temp
15	15-30	1505			DA Cami	60350		6,865	6,865		
16	19	1000			9500001000	50310		(6,865)	(6,865)		indirect rev
17	19	1000	0	0	9500001000	60470		6,865	6,865		cont. cost
18								0			
19								0			
20								0			
21								0			
22								0			
23								0			
24								0			
25								0			
26								0			
27								0			
28								0			
29								0			
									0	0	Total - Page 1
									0	0	GRAND TOTAL

5. ANNUALIZED PERSONNEL CHANGE

Change on a full year basis even though this action affects only a part of the fiscal year (FY).

						ANNUALIZED			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6251	64110	Deputy District Attorney I	711637	1.00	48,591	13,605	8,504	70,700
1505	6253	61099	Deputy District Attorney III	710286	1.00	68,412	19,235	12,495	100,142
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
TOTAL ANNUALIZED CHANGES					2.00	117,003	32,840	20,999	170,842

6. CURRENT YEAR PERSONNEL DOLLAR CHANGE

Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

						CURRENT YEAR			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6251	64110	Deputy District Attorney I	711637	0.57	27,646	7,554	4,800	40,000
1505	6253	61099	Deputy District Attorney III	710286	0.40	27,365	7,694	4,941	40,000
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
TOTAL CURRENT FY CHANGES					0.97	55,011	15,248	9,741	80,000

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-7

Est. Start Time: 9:30 AM

Date Submitted: 02/04/04

Requested Date: March 4, 2004

Time Requested: N/A

Department: DBCS

Division: Tax Title

Contact/s: Gary Thomas

Phone: 503-988-3590

Ext.: 22591

I/O Address: 503/4 Tax Title

Presenters: Consent Calendar

Agenda Title: Authorizing the Private Sale of a Tax Foreclosed Property to THE CITY OF GRESHAM, COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. What action are you requesting from the Board? What is the department/agency recommendation?

The Tax Title Section is requesting the Board to approve the private sale of one tax foreclosed property to THE CITY OF GRESHAM, COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT. The Department of Business and Community Services recommends that the private sale be approved.

2. Please provide sufficient background information for the Board and the public to understand this issue.

The subject property is a vacant lot approximately 50' x 90' that came into Multnomah County ownership through the foreclosure of delinquent tax liens on October 26, 1992. The party who was foreclosed on for nonpayment of taxes also owned the adjacent nursery at the time of foreclosure. The subject parcel included an easement for egress and ingress in the legal description so we were unable to do much with the property. The parcel is located between 1400 & 1402 NE 172nd and the attached photo shows that part

of it is in driveway area but the proposal by the City of Gresham should not affect the access to the adjacent property.

The City of Gresham came to Tax Title requesting to purchase the property because the adjacent Tax Lot #1200 (the nursery property) has been sold and plans call for it to be developed into a 10 lot subdivision. As part of the City of Gresham's Future Street Plan, NE Clackamas St, located to the east of the subject, is to be connected to NE 172nd Ave. The subject lot is the only reasonable place where NE Clackamas St can connect to NE 172nd Ave.

The attached plat map, Exhibit A, shows the location of the property with NE Clackamas St extending to the right beyond TL #1200. The attached Exhibit B is an aerial photo that shows the proximity of the strip to the adjacent properties and the nursery that is still there. Exhibit C is two photos showing the physical characteristics of the parcel and the driveway that provides access to the adjacent nursery.

Written confirmation was obtained from the City of Gresham stating that the subject property is unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.

3. Explain the fiscal impact (current year and ongoing).

The Private Sale will allow for a full recovery of the delinquent taxes, fees, and expenses as shown in Exhibit D. Depending on the City of Gresham proposal, a portion of the subject property may be reinstated on the tax roll.

4. Explain any legal and/or policy issues.

No legal issues are expected. The parcel will be sold "As Is" without guarantee of clear title.

5. Explain any citizen and/or other government participation that has or will take place.

No citizen or government participation is anticipated.

Required Signatures:



Department/Agency Director:

Date: 01/30/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

EXHIBIT A

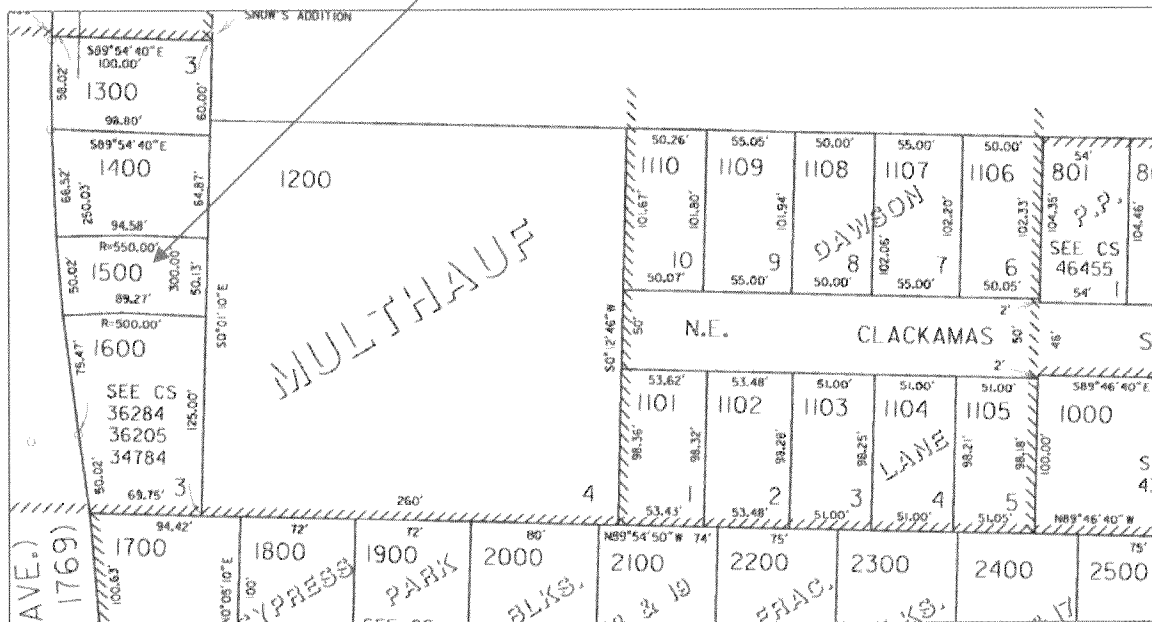
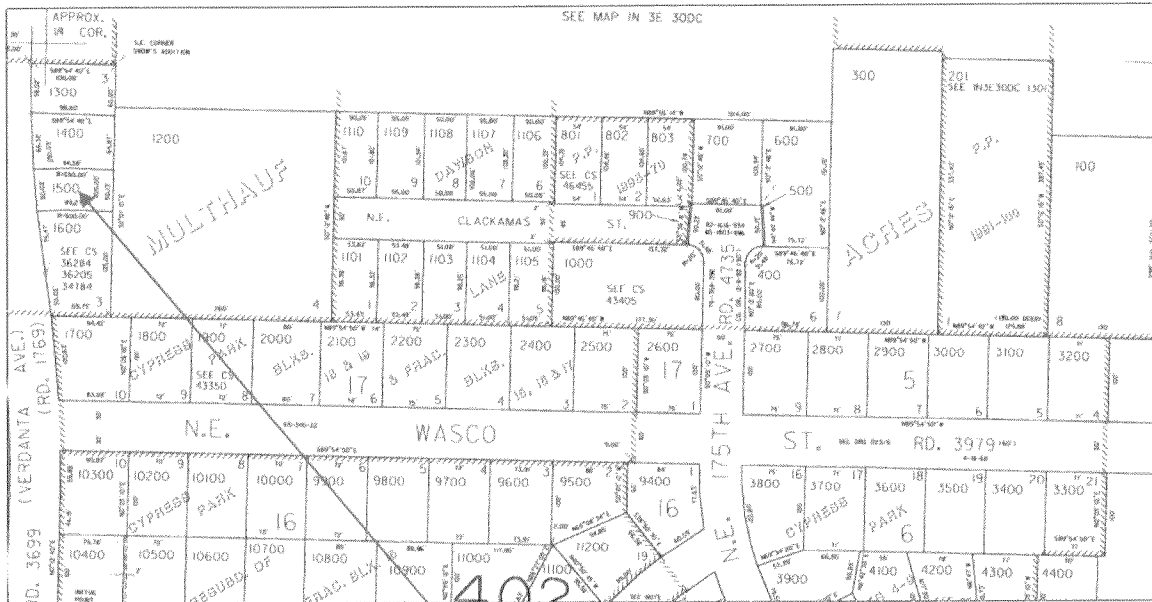
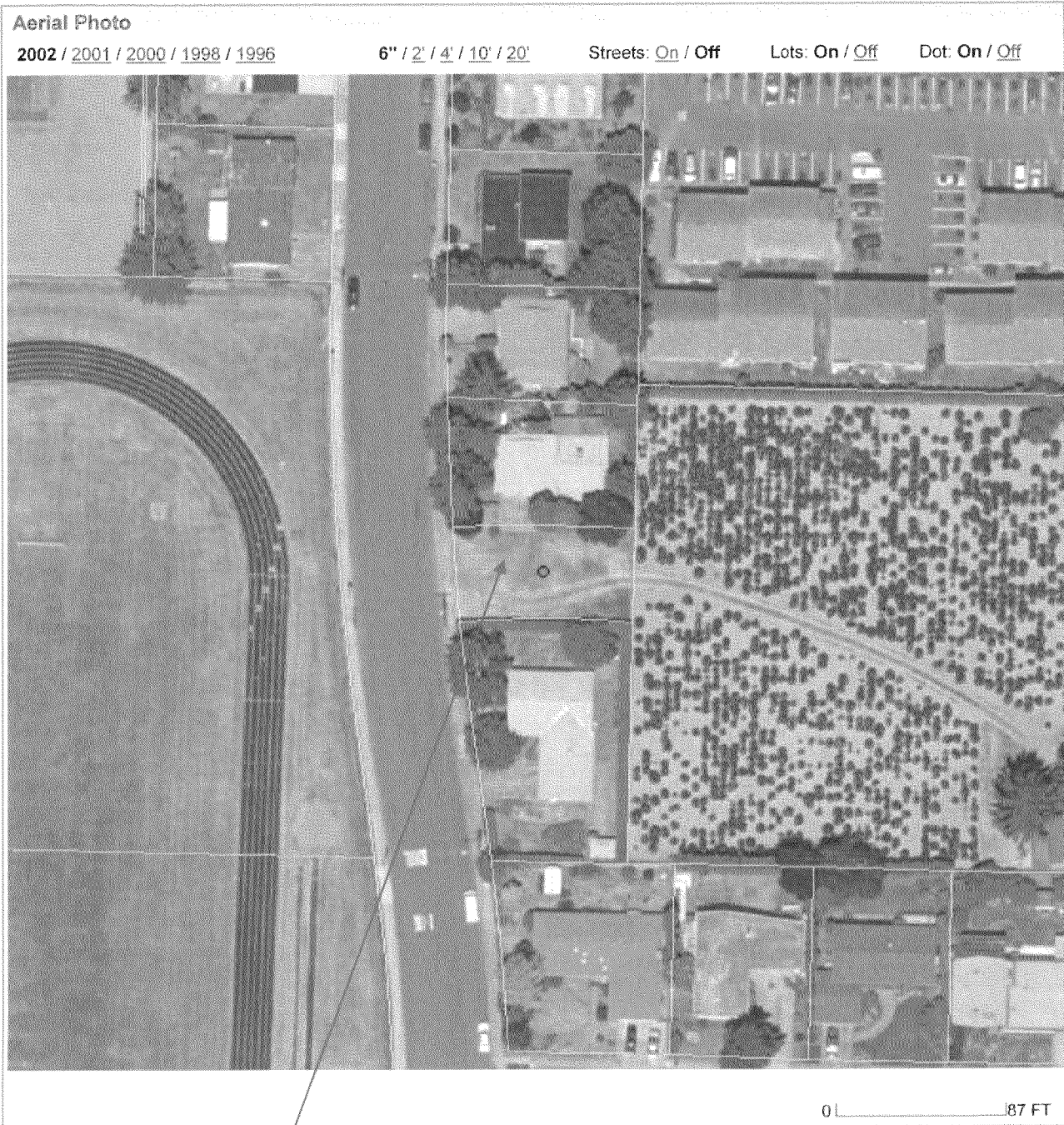


EXHIBIT B



Subject

EXHIBIT C



Subject looking east

Subject looking west



EXHIBIT D
PROPOSED PROPERTY LISTED FOR PRIVATE SALE
FISCAL YEAR 2003-04

LEGAL DESCRIPTION:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point of non-tangent curvature in the east line of said Lot 3 that bears N. 0° 01' 10" W. a distance of 125.00 feet from the southeast corner thereof; thence on the arc of a 500.00 foot radius curve to the left, through a central angle of 10° 13' 45" an arc distance 89.27 feet (the chord bears S. 89° 23' 00" W. 89.15 feet) to a point of non-tangent curvature in the east line of N. E. 172nd Avenue; thence on the arc of a 1402.40 foot radius curve to the right, through a central angle of 2° 02' 38" an arc distance of 50.02 feet (the chord bears N. 5° 55' 22" W. 50.01 feet) to a point of non-tangent curve; thence on the arc of a 550.00 foot radius curve to the right, through a central angle of 9° 51' 12", an arc distance of 94.58 feet (the chord bears N. 89° 10' 53" E. 94.47 feet) to a point in the east line of said Lot 3; thence S. 0° 01' 10" E. along said east line, a distance of 50.13 feet to the point of beginning.

ADJACENT PROPERTY ADDRESS:	1402 NE 172 nd Ave
TAX ACCOUNT NUMBER:	R223369
GREENSPACE DESIGNATION:	None
SIZE OF PARCEL:	Approximately 50' x 90' (approx. 4,500sf)
ASSESSED VALUE:	\$4,900.00

ITEMIZED EXPENSES FOR TOTAL PRICE OF PRIVATE SALE

BACK TAXES & INTEREST:	\$3,009.68
TAX TITLE MAINTENANCE COST & EXPENSES:	\$337.00
ADVERTISING COST:	-0-
RECORDING FEE:	\$26.00
CITY LIENS:	-0-
SUB-TOTAL	\$3,446.68
MINIMUM PRICE REQUEST OF PRIVATE SALE	\$3,450.00

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY

RESOLUTION NO. _____

Authorizing Private Sale of Certain Tax Foreclosed Property to the CITY OF GRESHAM,
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT.

The Multnomah County Board of Commissioners Finds:

- a) Multnomah County acquired the real property described in Exhibit A through the foreclosure of liens for delinquent taxes.
- b) The property has an assessed value of \$4,900.00 on the County's current tax roll.
- c) Written confirmation from the City of Gresham was obtained stating that the parcel is unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.
- d) The CITY OF GRESHAM, has agreed to pay \$3,450.00, an amount the Board finds to be a reasonable price for the property in conformity with ORS 275.225.

The Multnomah County Board of Commissioners Resolves:

- 1. Upon Tax Title's receipt of the payment of \$3,450.00, the Chair on behalf of Multnomah County, is authorized to execute a deed conveying to the CITY OF GRESHAM, the real property described in Exhibit A.

ADOPTED this 4th day of March 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Christopher D. Crean, Assistant County Attorney

EXHIBIT A (RESOLUTION)

Legal Description:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point of non-tangent curvature in the east line of said Lot 3 that bears N. 0° 01' 10" W. a distance of 125.00 feet from the southeast corner thereof; thence on the arc of a 500.00 foot radius curve to the left, through a central angle of 10° 13' 45" an arc distance 89.27 feet (the chord bears S. 89° 23' 00" W. 89.15 feet) to a point of non-tangent curvature in the east line of N. E. 172nd Avenue; thence on the arc of a 1402.40 foot radius curve to the right, through a central angle of 2° 02' 38" an arc distance of 50.02 feet (the chord bears N. 5° 55' 22" W. 50.01 feet) to a point of non-tangent curve; thence on the arc of a 550.00 foot radius curve to the right, through a central angle of 9° 51' 12", an arc distance of 94.58 feet (the chord bears N. 89° 10' 53" E. 94.47 feet) to a point in the east line of said Lot 3; thence S. 0° 01' 10" E. along said east line, a distance of 50.13 feet to the point of beginning.

Multnomah County Deed No.: D041944

Tax Account No.: R223369

THE CITY OF GRESHAM
C/O COMMUNITY & ECONOMIC DEVELOPMT
1333 NW EASTMAN PARKWAY
GRESHAM OR 97030-3818

Deed D041944

The true and actual consideration paid for this transfer; stated in the terms of dollars is \$3,450.00.

IN WITNESS WHEREOF, MULTNOMAH COUNTY has caused these presents to be executed by the Chair of the Multnomah County Board of Commissioners the 4th day of March 2004, by authority of a Resolution of the Board of County Commissioners heretofore entered of record.

Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By Christopher D. O'Leary
Christopher D. O'Leary, Assistant County Attorney

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

This Deed was acknowledged before me this 4th day of March 2004, by Diane M. Linn, to me personally known, as Chair of the Multnomah County Board of Commissioners, on behalf of the County by authority of the Multnomah County Board of Commissioners.

Page 3 of 4- Resolution and Deed Authorizing Private Sale

EXHIBIT A (DEED)

Legal Description:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

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Multnomah County Deed No.: D041944

Tax Account No.: R223369

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-020

Authorizing Private Sale of Certain Tax Foreclosed Property to the CITY OF GRESHAM,
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

The Multnomah County Board of Commissioners Finds:

- a) Multnomah County acquired the real property described in Exhibit A through the foreclosure of liens for delinquent taxes.
- b) The property has an assessed value of \$4,900.00 on the County's current tax roll.
- c) Written confirmation from the City of Gresham was obtained stating that the parcel is unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.
- d) The CITY OF GRESHAM, has agreed to pay \$3,450.00, an amount the Board finds to be a reasonable price for the property in conformity with ORS 275.225.

The Multnomah County Board of Commissioners Resolves:

- 1. Upon Tax Title's receipt of the payment of \$3,450.00, the Chair on behalf of Multnomah County is authorized to execute a deed conveying to the CITY OF GRESHAM, the real property described in Exhibit A.

ADOPTED this 4th day of March, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

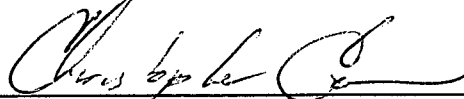
By 
Christopher D. Crean, Assistant County Attorney

EXHIBIT A (RESOLUTION)

Legal Description:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

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Multnomah County Deed No.: D041944

Tax Account No.: R223369

THE CITY OF GRESHAM
C/O COMMUNITY & ECONOMIC DEVELOPMT
1333 NW EASTMAN PARKWAY
GRESHAM OR 97030-3818

Deed D041944

The true and actual consideration paid for this transfer; stated in the terms of dollars is \$3,450.00.

IN WITNESS WHEREOF, MULTNOMAH COUNTY has caused these presents to be executed by the Chair of the Multnomah County Board of Commissioners the 4th day of March 2004, by authority of a Resolution of the Board of County Commissioners heretofore entered of record.

Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____

Christopher D. Crean, Assistant County Attorney

COUNTY OF MULTNOMAH

This Deed was acknowledged before me this 4th day of March 2004, by Diane M. Linn, to me personally known, as Chair of the Multnomah County Board of Commissioners, on behalf of the County by authority of the Multnomah County Board of Commissioners.

Page 3 of 4— Resolution and Deed Authorizing Private Sale

EXHIBIT A (DEED)

Legal Description:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point of non-tangent curvature in the east line of said Lot 3 that bears N. 0° 01' 10" W. a distance of 125.00 feet from the southeast corner thereof; thence on the arc of a 500.00 foot radius curve to the left, through a central angle of 10° 13' 45" an arc distance 89.27 feet (the chord bears S. 89° 23' 00" W. 89.15 feet) to a point of non-tangent curvature in the east line of N. E. 172nd Avenue; thence on the arc of a 1402.40 foot radius curve to the right, through a central angle of 2° 02' 38" an arc distance of 50.02 feet (the chord bears N. 5° 55' 22" W. 50.01 feet) to a point of non-tangent curve; thence on the arc of a 550.00 foot radius curve to the right, through a central angle of 9° 51' 12", an arc distance of 94.58 feet (the chord bears N. 89° 10' 53" E. 94.47 feet) to a point in the east line of said Lot 3; thence S. 0° 01' 10" E. along said east line, a distance of 50.13 feet to the point of beginning.

Multnomah County Deed No.: D041944

Tax Account No.: R223369

THE CITY OF GRESHAM
C/O COMMUNITY & ECONOMIC DEVELOPMT
1333 NW EASTMAN PARKWAY
GRESHAM OR 97030-3818

After recording, return to:
MULTNOMAH COUNTY
TAX TITLE DIVISION
503/4

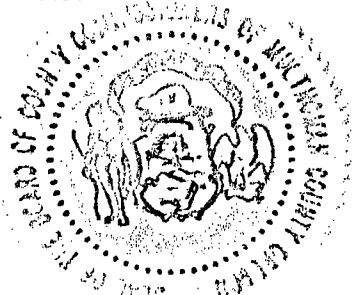
Deed D041944

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, conveys to The CITY OF GRESHAM, Grantee, that certain real property, located in the City of Gresham, Multnomah County, Oregon more particularly described in the attached Exhibit A.


The true and actual consideration paid for this transfer; stated in the terms of dollars is \$3,450.00.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, MULTNOMAH COUNTY has caused these presents to be executed by the Chair of the Multnomah County Board of Commissioners the 4th day of March 2004, by authority of a Resolution of the Board of County Commissioners heretofore entered of record.



**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**


Diane M. Linn, Chair

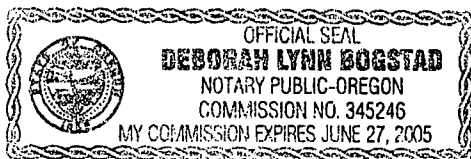
REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By Christopher D. Crean
Christopher D. Crean, Assistant County Attorney

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

This Deed was acknowledged before me this 4th day of March 2004, by Diane M. Linn, to me personally known, as Chair of the Multnomah County Board of Commissioners, on behalf of the County by authority of the Multnomah County Board of Commissioners.



Deborah Lynn Bogstad
Deborah Lynn Bogstad
Notary Public for Oregon
My Commission expires: 6/27/05

EXHIBIT A (DEED)

Legal Description:

A portion of Lot 3, in the duly recorded plat of "Multhauf Acres", situated in Section 31, Township 1 North, Range 3 East of the Willamette Meridian in the County of Multnomah and State of Oregon, more particularly described as follows:

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Multnomah County Deed No.: D041944

Tax Account No.: R223369

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: C-8

Est. Start Time: 9:30 AM

Date Submitted: 02/04/04

Requested Date: March 4, 2004

Time Requested: N/A

Department: DBCS

Division: Tax Title

Contact/s: Gary Thomas

Phone: 503-988-3590

Ext.: 22591

I/O Address: 503/4 Tax Title

Presenters: Consent Calendar Item

Agenda Title: RESOLUTION Authorizing the Private Sale of a Tax Foreclosed Property to ROCCO AND CLAIRE CATALUSCI

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

- 1. What action are you requesting from the Board? What is the department/agency recommendation?**

The Tax Title Section is requesting the Board to approve the private sale of one tax foreclosed property to ROCCO AND CLAIRE CATALUSCI. The Department of Business and Community Services recommends that the private sale be approved.

- 2. Please provide sufficient background information for the Board and the public to understand this issue.**

The subject property is a strip approximately 9' x 92' that came into Multnomah County ownership through the foreclosure of delinquent tax liens on October 26, 1992. The strip of property is located between 4559 and 4579 NE 68th Ave in Portland. The parcel is mostly in yard area between the two properties.

The attached plat map, Exhibit A, shows the location of the property. The party with whom we propose to enter into the private sale with owns 4579 NE 68th Ave. The attached Exhibit B is an aerial photo that shows the proximity of the strip to the adjacent properties.

Although no written confirmation from the City of Portland was obtained, the Tax Title Division is confident the shape and size of the property, i.e., approximately 9' x 92' strip make it unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.

3. Explain the fiscal impact (current year and ongoing).

The Private Sale will allow for a full recovery of the delinquent taxes, fees, and expenses. The sale will also reinstate the property on the tax roll (see Exhibit C).

4. Explain any legal and/or policy issues.

No legal issues are expected. The parcel will be sold "As Is" without guarantee of clear title.

5. Explain any citizen and/or other government participation that has or will take place.

No citizen or government participation is anticipated.

Required Signatures:

Department/Agency Director:

Robert A. Maestre

Date: 02/04/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

EXHIBIT A

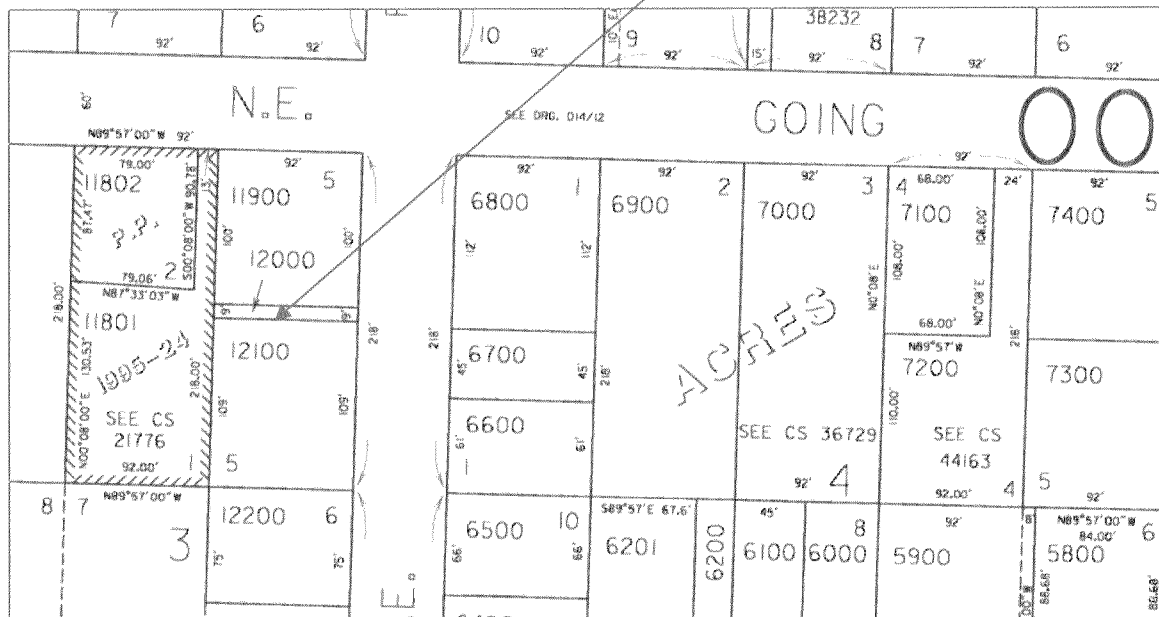


EXHIBIT B



Subject

**EXHIBIT C
PROPOSED PROPERTY LISTED FOR PRIVATE SALE
FISCAL YEAR 2003-04**

LEGAL DESCRIPTION:

S 9' OF N 109' OF LOT 5 BLOCK 3; PADDOCK AC

ADJACENT PROPERTY ADDRESS: 4559 & 4579 NE 68th Ave
TAX ACCOUNT NUMBER: R232403
GREENSPACE DESIGNATION: None
SIZE OF PARCEL: Approximately 9' x 92' (approx. 828sf)
ASSESSED VALUE: \$800.00

ITEMIZED EXPENSES FOR TOTAL PRICE OF PRIVATE SALE

BACK TAXES & INTEREST:	\$180.08
TAX TITLE MAINTENANCE COST & EXPENSES:	-0-
ADVERTISING COST:	-0-
RECORDING FEE:	\$26.00
CITY LIENS:	-0-
SUB-TOTAL	\$206.08
MINIMUM PRICE REQUEST OF PRIVATE SALE	\$800.00

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY

RESOLUTION NO. _____

Authorizing Private Sale of Certain Tax Foreclosed Property to ROCCO AND CLAIRE CATALUSCI, Husband and Wife.

The Multnomah County Board of Commissioners Finds:

- a) Multnomah County acquired the real property described below through the foreclosure of liens for delinquent taxes.
- b) The property has an assessed value of \$800.00 on the County's current tax roll.
- c) Although no written confirmation from the City of Portland was obtained, the Tax Title Division is confident the shape and size of the property, i.e., approximately 9' X 92' strip make it unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.
- d) ROCCO AND CLAIRE CATALUSCI have agreed to pay \$800.00, an amount the Board finds to be a reasonable price for the property in conformity with ORS 275.225.

The Multnomah County Board of Commissioners Resolves:

- 1. Upon Tax Title's receipt of the payment of \$800.00, the Chair on behalf of Multnomah County, is authorized to execute a deed conveying to ROCCO AND CLAIRE CATALUSCI, the following described real property:

South 9' of North 109' of Lot 5 Block 3; PADDOCK ACRES, in the City of Portland, Multnomah County, Oregon.

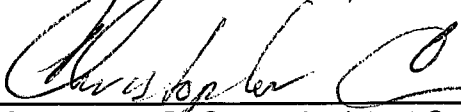
ADOPTED this 4th day of March 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Christopher D. Crean, Assistant County Attorney

After recording, return to:
MULTNOMAH COUNTY
TAX TITLE DIVISION
503/4

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, conveys to ROCCO AND CLAIRE CATALUSCI, Husband and Wife, Grantees, that certain real property, located in the City of Portland, Multnomah County, Oregon more particularly described as follows:

The true and actual consideration paid for this transfer; stated in the terms of dollars is \$800.00.

IN WITNESS WHEREOF, MULTNOMAH COUNTY has caused these presents to be executed by the Chair of the Multnomah County Board of Commissioners the 4th day of March 2004, by authority of a Resolution of the Board of County Commissioners heretofore entered of record.

Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

Deborah Lynn Bogstad
Notary Public for Oregon
My Commission expires: 6/27/05

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-021

Authorizing Private Sale of Certain Tax Foreclosed Property to ROCCO AND CLAIRE CATALUSCI, Husband and Wife

The Multnomah County Board of Commissioners Finds:

- a) Multnomah County acquired the real property described below through the foreclosure of liens for delinquent taxes.
- b) The property has an assessed value of \$800.00 on the County's current tax roll.
- c) Although no written confirmation from the City of Portland was obtained, the Tax Title Division is confident the shape and size of the property, i.e., approximately 9' X 92' strip make it unsuitable for construction or placement of a dwelling thereon under current zoning ordinances and building codes, as provided under ORS 275.225.
- d) ROCCO AND CLAIRE CATALUSCI have agreed to pay \$800.00, an amount the Board finds to be a reasonable price for the property in conformity with ORS 275.225.

The Multnomah County Board of Commissioners Resolves:

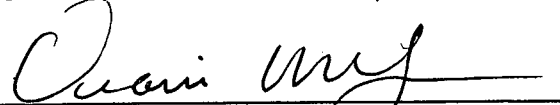
- 1. Upon Tax Title's receipt of the payment of \$800.00, the Chair on behalf of Multnomah County, is authorized to execute a deed conveying to ROCCO AND CLAIRE CATALUSCI, the following described real property:

South 9' of North 109' of Lot 5 Block 3; PADDOCK ACRES, in the City of Portland, Multnomah County, Oregon.

ADOPTED this 4th day of March, 2004.

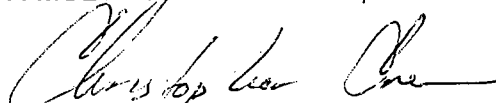


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Christopher D. Crean, Assistant County Attorney

Until a change is requested, all tax statements shall be sent to the following address:
ROCCO AND CLAIRE CATALUSCI
4579 NE 68TH AVE
PORTLAND OR 97218

After recording, return to:
MULTNOMAH COUNTY
TAX TITLE DIVISION
503/4

Deed D041938

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, conveys to ROCCO AND CLAIRE CATALUSCI, Husband and Wife, Grantees, that certain real property, located in the City of Portland, Multnomah County, Oregon more particularly described as follows:

South 9' of North 109' of Lot 5 Block 3; PADDOCK ACRES

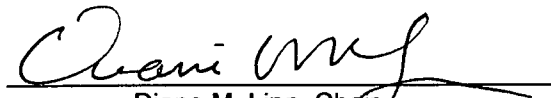
The true and actual consideration paid for this transfer; stated in the terms of dollars is \$800.00.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, MULTNOMAH COUNTY has caused these presents to be executed by the Chair of the Multnomah County Board of Commissioners the 4th day of March 2004, by authority of a Resolution of the Board of County Commissioners heretofore entered of record.

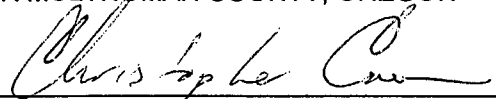


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

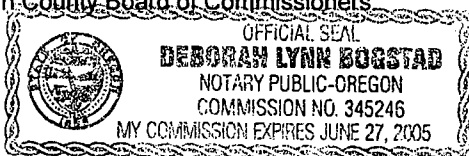
REVIEWED:

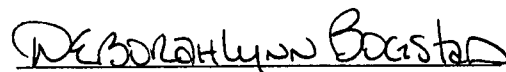
AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Christopher D. Crean, Assistant County Attorney

STATE OF OREGON)
COUNTY OF MULTNOMAH) ss

This Deed was acknowledged before me this 4th day of March 2004, by Diane M. Linn, to me personally known, as Chair of the Multnomah County Board of Commissioners, on behalf of the County by authority of the Multnomah County Board of Commissioners.




Deborah Lynn Bogstad
Notary Public for Oregon
My Commission expires: 6/27/05

#1

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3/5/03

SUBJECT: Reinventing Public Process

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Kathleen Worman

ADDRESS: 1510 SW Broadway Dr

CITY/STATE/ZIP: Portland 97201

PHONE: _____ DAYS: 223 5636 EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: see above

WRITTEN TESTIMONY: N/A

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#1 & #2

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3/4/04

SUBJECT: Gay Marriage

AGENDA NUMBER OR TOPIC: ADO'L Public Comment

FOR: X AGAINST: THE ABOVE AGENDA ITEM

NAME: Brandi Wood & Michelle Hizey

ADDRESS: 4620 S. 254th Place #D303 Kent WA 98032

CITY/STATE/ZIP: Kent WA 98032

PHONE: DAYS: (253)852-0576 EVES: Same

EMAIL: FAX:

SPECIFIC ISSUE: Gay Marriage

WRITTEN TESTIMONY: We believe gay people should have equal right to get married. We are active, law-abiding citizens of this country. Therefore we should have every right to marry the person whom we love and want to spend the rest of our lives with.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#3

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 03.04.04

SUBJECT: Same sex Marriage!

Married today! after a 37 yrs relationship!

AGENDA NUMBER OR TOPIC: Equal rights for all citizens

FOR: ☒ AGAINST: ☐ THE ABOVE AGENDA ITEM

NAME: Robert A. Bourassa

ADDRESS: 5509 Gresham St

CITY/STATE/ZIP: Astoria, Oregon 97103

PHONE: DAYS: EVES: 788-8362

EMAIL: FAX:

SPECIFIC ISSUE: Equal identity, privileges &

Gov. benefits as all other voters & taxpayers.

WRITTEN TESTIMONY: I would like to see

discrimination & hate dismantled

from our society for generations

to come. A better world aimed at

peace & justice for all Americans

living under the Constitution.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#4

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3-4-04

SUBJECT: Gay Marriage Rights

AGENDA NUMBER OR TOPIC: _____

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Kathleen Sheridan

ADDRESS: 5215 NE 52nd Ave.

CITY/STATE/ZIP: Portland OR 97218

PHONE: DAYS: 503-293-0011 EVES: 249-4033

EMAIL: Sheridan@oregonrn.org FAX: _____

SPECIFIC ISSUE: I support the Commissioner's decision to issue marriage licenses.

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#5

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE:

3/4/99

SUBJECT:

Public Comment

AGENDA NUMBER OR TOPIC:

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME:

BARBARA FRYE

ADDRESS:

10503 14th Ave

CITY/STATE/ZIP:

Seaside

PHONE:

DAYS: 206-575-7979

EVES:

EMAIL:

BFRYE@WSNA.ORG

FAX:

SPECIFIC ISSUE:

WRITTEN TESTIMONY:

In support of changes -
I'm proud of Mult Co Commissioners!

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#6

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 03.04.04

SUBJECT: Support of Multnomah County
saying yes to licensing of same sex marriage

AGENDA NUMBER OR TOPIC:

FOR: ☒ AGAINST: ☐ THE ABOVE AGENDA ITEM

NAME: Karen Tommce Carlisle

ADDRESS: 6221 SE Carlton

CITY/STATE/ZIP: Portland, OR 97206

PHONE: DAYS: ~~503.772.1122~~ EVES:

EMAIL: FAX:

SPECIFIC ISSUE: See above

WRITTEN TESTIMONY: I want to say thank
you to the leaders of Multnomah
County for committing a
courageous act of justice.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 03.04.04

SUBJECT: _____

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Gayle Wilson

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: DitchDyke1@aol.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: I am so pleased that the City of Portland is not afraid to draw the line and acknowledge that we are people too. We have rights, responsibilities and love, as do heterosexuals. We deserve to be included in the benefits as well as responsibilities of being a citizen of ManKind.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.



Diane M. Linn, Multnomah County Chair

STATEMENT FROM MULTNOMAH COUNTY CHAIR DIANE LINN March 3, 2004

As you may know, the County Attorney recently provided her legal opinion stating that it is a violation of the Oregon Constitution to discriminate against individuals who apply for marriage licenses on the basis of their gender or sexual orientation.

What this means is that this county will comply with the constitution and will issue marriage licenses to same sex couples who request them. I took an oath of office to uphold the constitution of the state of Oregon. I intend to do just that.

I recognize that this is a complex and controversial issue. I would hope that we will pull together as a community and not let the issue divide us.

Personally, I join my colleagues – Commissioners Maria Rojo de Steffey, Serena Cruz and Lisa Naito - in their support of our constitutional requirement to issue marriage licenses to all couples who apply. I intend to celebrate the unions this will make possible.



COMMISSIONER SERENA CRUZ, DISTRICT 2
MULTNOMAH COUNTY OREGON

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
(503) 988-5219 Phone
(503) 988-5440 Fax
e-mail: serena@co.multnomah.or.us
www.co.multnomah.or.us/cc/ds2/

**Statement of Commissioner Serena Cruz on Issuing Same Sex Marriage
Licenses in Multnomah County**
March 3, 2004

I am proud to join my colleagues today as we direct the County to issue marriage licenses to same sex couples.

Not too long ago, our leaders viewed race as a threat to marriage. In 1967 – the year I was born – the US Supreme Court overturned all state bans on interracial marriage, declaring that the “freedom to marry” belongs to all Americans.

Now it is our responsibility to legally recognize *all* of the families here in our community.

I want to express my appreciation to the leaders from Basic Rights Oregon and the ACLU who encouraged us to take this important step forward. I also want to thank the friends who sat in my office, or my home, and asked “Serena, if we come down and ask for a marriage license what will you say?”

I want to thank them for their help, and for their patience. We asked our attorney if our current practice was still legal. Based on her opinion, we would be violating the Oregon Constitution to deny same sex couples a marriage license. I have taken an oath to uphold Oregon’s constitution and that’s what I’m doing today.

I am also doing what I know is right. It is right to support all families.

Marriage supports families and it also supports married people. It is not always easy being married, but on life’s hardest days – if you are in the hospital, if you are in a funeral home, if you are in court – being married matters. It’s even truer on the some of the best days in life – the birth or adoption of a child, the purchase of your first home, the celebration of your vows. On good days, and on bad days, I’m glad I’m wearing a wedding ring.

Today, we grant legal recognition to gay and lesbian families and we welcome them to come to the Multnomah Building to get their marriage licenses.





OFFICE OF MULTNOMAH COUNTY ATTORNEY

AGNES SOWLE
County Attorney

501 S.E. HAWTHORNE, SUITE 500
PORTLAND, OREGON 97214

FAX 503.988.3377
503.988.3138

SCOTT ERIK ASPHAUG
Chief Assistant

MICHELLE A. BELLIA
DAVID N. BLANKFELD
CHRISTOPHER CREAN
SANDRA N. DUFFY
SUSAN DUNAWAY
PATRICK HENRY
KATIE A. LANE
JENNY M. MORF
MATTHEW O. RYAN
KATHRYN A. SHORT
JOHN S. THOMAS
JACQUELINE A. WEBER
Assistants

CONFIDENTIAL MEMORANDUM

TO: Chair Diane Linn
Commissioner Maria Rojo de Steffey
Commissioner Serena Cruz
Commissioner Lisa Naito
Commissioner Lonnie Roberts

FROM: Agnes Sowle, County Attorney

DATE: March 2, 2004

RE: Issuance of Marriage Licenses

Currently it is the policy and practice of Multnomah County's Marriage License Unit to refuse to issue a marriage license to a same sex couple. I have been asked whether Multnomah County's practice of denying marriage licenses to same sex couples is permissible under current law.

Short Answer: Refusal to issue marriage licenses to same sex couples violates Article I, section 20, of the Oregon Constitution.

Discussion:

ORS Chapter 106 dictates the procedures by which two individuals may marry in Oregon. Marriage is defined as "a civil contract entered into in person by males at least 17 years of age and females at least 17 years of age, who are otherwise capable, and solemnized in accordance with ORS 106.150."¹ The definition does not state specifically that the contract may only be entered into *between* partners of the opposite sex; it merely identifies the qualifications of those who may enter the marriage contract.²

¹ ORS 106.010.

² See, in contrast, Alaska law where a marriage may exist only *between* one man and one woman. Alaska Stat § 1.25. Additionally, unlike many other states and the federal government, Oregon has not passed a "Defense of Marriage Act" that strictly defines marriage as being only between one man and one woman.

On the other hand, ORS 106.150 requires that the two individuals declare that they take each other as “husband and wife.” The statute does not specifically define that only partners of the opposite sex can be “husband and wife.”³

The courts have assumed a traditional understanding of marriage as being between one man and one woman.⁴ Multnomah County has assumed that same traditional understanding by refusing to issue marriage licenses to same sex couples. It offers instead a domestic partnership registry that provides its registrants few of the privileges and immunities granted to married couples.

However, even assuming that ORS Chapter 106 only allows a marriage between a single man and a single woman, Multnomah County is nonetheless prohibited from denying a marriage license to a same sex couple by the Oregon Constitution.

I. MULTNOMAH COUNTY IS REQUIRED TO ACT IN ACCORDANCE WITH THE CONSTITUTION

As a government actor, Multnomah County may not violate either the federal or state constitutions. In fact, the County and its Commissioners may be held liable for engaging in activity that is in violation of either constitution.⁵ Each Multnomah County Commissioner is required by state law to take an oath to support both the federal and the state constitutions.⁶ The County’s duty to act in compliance with the Constitution applies even when a court has not yet found a particular statute or government action unconstitutional.⁷ Therefore, if the Oregon Constitution prohibits Multnomah County from denying marriage licenses to same sex couples, the County may not rely on the marriage statute to continue to do so.

II. ARTICLE I, SECTION 20, OF THE OREGON CONSTITUTION PROHIBITS FAVORITISM

Article I, section 20, of the Oregon Constitution prohibits favoritism in the law. It states that “[n]o law shall be passed granting to any citizen or class of citizens privileges, or immunities, which, upon the same terms, shall not equally belong to all citizens.” Both legislative

³ When interpreting statutes, words of common usage are given their “plain, natural and ordinary meanings.” Oregon courts generally turn to the dictionary to interpret common terms left undefined by statute. *PGE v. BOLI*, 317 Or 606, 610-12, 859 P2d 1143 (1993). It is likely that a court would find that the marriage statute only authorizes the issuance of marriage licenses to opposite-sex couples because the term “husband” has the common meaning of a male and “wife” has the common meaning of a female.

⁴ See e.g., *Tanner v. Oregon Health and Sciences University*, 157 Or App 502, 524, 971 P2d 435 (1998).

⁵ See 42 USC § 1983 (“section 1983”); ORS 30.265 (authorizing lawsuits against counties for violations of section 1983); *Pre-Hospital Medical Services, Inc. v. Malheur County*, 134 Or App 481, 492-94, 896 P2d 585 (1995) (analyzing claims that Malheur County violated Article I, section 20, of the Oregon Constitution).

⁶ See ORS 204.005; ORS 204.020.

⁷ See, *Cooper v. Eugene School District*, 4J, 301 Or 358, 364-65, 723 P2d 298 (1986), in which the Oregon Supreme Court explained that government actors have a duty to follow the Constitution regardless of whether a court has ruled on the constitutionality of a particular issue.

enactments of laws and the administration of those laws under delegated authority are evaluated under Article I, section 20.⁸ Because the state has delegated the authority to issue marriage licenses to the clerks of the counties of Oregon by statute,⁹ Multnomah County's policy must be analyzed under Article I, section 20.

Not only is civil marriage a privilege, it provides married individuals a number of privileges and immunities under state law. For example, married persons cannot be required to testify against their spouses in criminal trials.¹⁰ Married persons have statutory rights of inheritance of their spouses' estates. Married persons are also entitled to rights in intestate succession.¹¹ These are only a few examples; the list of both tangible and intangible benefits of marriage are extensive. These privileges and immunities are denied to unmarried individuals but are provided to married individuals without violating Article I, section 20, because the privileges are rationally justified by the unique nature of the relationship created by civil marriage.

Refusal to issue marriage licenses to same sex couples denies them the privileges and immunities granted to heterosexual couples. Although discrimination in providing privileges or immunities to certain citizens or groups of citizens is permissible when there are rational justifications for the disparate treatment,¹² when certain classes of citizens are affected by a discriminatory law, the Oregon courts require more than just a rational justification for the discrimination. Certain classes are considered "suspect classes" because the defining distinction of the class is or has caused the class to be the subject of adverse social or political stereotyping or prejudice.¹³ Examples of suspect classes include gender, ethnic background, legitimacy, past or present residency, and military service.¹⁴ Sexual orientation was found to be a suspect classification under the Oregon Constitution by the Oregon Court of Appeals in *Tanner v. OHSU*.¹⁵

In Oregon, when a suspect class suffers discrimination pursuant to a law or the administration of a law, the law or administration of law is considered "inherently suspect" as violating Article I, section 20.¹⁶ The discriminatory treatment may only be justified by "genuine differences between the disparately treated class and those to whom the privileges and immunities are granted."¹⁷ For instance, to overcome the inherent suspicion that a law discriminating on the basis of gender is in violation of Article I, section 20, the government must prove that the difference in treatment is based on the *biological* differences between men and women.¹⁸

⁸ See *Tanner*, 157 Or App at 519.

⁹ ORS 106.077.

¹⁰ ORS 40.255.

¹¹ ORS Chapters 112 and 114. Many more marital privileges and immunities exist in Oregon. A more complete list can be generated at your request.

¹² *Tanner*, 157 Or App at 523.

¹³ *Id.*

¹⁴ *Id.* at 521-524.

¹⁵ *Id.*

¹⁶ *Hewitt v. SAIF*, 294 Or 33, 46, 653 P2d 970 (1982).

¹⁷ *Tanner*, 157 Or App at 523-24.

¹⁸ *Hewitt*, 294 Or at 46.

In *Tanner v. OHSU*, the Oregon Court of Appeals applied Article I, section 20, to OHSU's policy of providing medical benefits to the spouses of its married employees while denying them to the domestic partners of its homosexual employees. In those circumstances, the court held that the class – unmarried homosexual couples – were members of a suspect class.¹⁹ Because it was faced with a suspect classification, the court analyzed whether the privileges and immunities denied to that class could be justified by genuine differences between the class and those to whom the privileges and immunities were made available – whether the denial of insurance benefits to domestic partners of homosexual OHSU employees could be justified by their homosexuality. The court found no such justification and ruled that the denial was impermissible under Article I, section 20.

Since the *Tanner* decision was issued, it has been cited numerous times for the proper way in which to determine if a true class exists for Article I, section 20, analysis.²⁰ The Oregon Attorney General followed *Tanner* and identified sexual orientation as a suspect class.²¹ Finally, and perhaps particularly significant in this context, the *Tanner* decision was cited by the Vermont Supreme Court when it determined that it was a violation of Vermont's Constitution to deny the privileges and immunities available in marriage to same sex couples.²² This dependence on and acceptance of *Tanner* influenced the Vermont court's determination that its previous opinion on the subject of providing marriage licenses to same sex couples was incorrect.

III. MULTNOMAH COUNTY'S CURRENT PRACTICE VIOLATES ARTICLE I, SECTION 20

The analysis of whether Multnomah County's denial of marriage licenses to same sex couples violates Article I, section 20, is similar to the analysis used by the court in *Tanner*, although the facts are not identical. Same sex couples desiring marriage are members of a "suspect class" based on sexual orientation.²³ Therefore, the question is whether the denial of the privileges and immunities of marriage is justified by their sexual orientation. Although the *Tanner* court did not offer any suggestion as to how to go about making the analysis,²⁴ the analyses in two recent cases from Massachusetts and Vermont are instructive.²⁵

¹⁹ *Tanner*, 157 Or App at 523.

²⁰ See *Voth v. State*, 190 Or App 154, 163, 78 P3d 565 (2003); *Gunn v. Lane County*, 173 Or App 97, 20 P3d 247 (2001); *Withers v. State*, 163 Or App 298, 307, 987 P2d 1247 (1999).

²¹ See 49 Or Op Att'y Gen 197 (1999).

²² See *Baker v. State*, 744 A2d 864, 892-93 (Vt 1999). However, Vermont created a separate statutory category of union for same sex couples – a "civil union," separate from its marriage statute.

²³ *Tanner*, 157 Or App at 523. Additionally, gender is a suspect classification in Article I, section 20, analysis. When discriminatory treatment is based upon gender, it must be proven that the discrimination is due to biological differences between females and males. *Hewitt*, 294 Or at 46.

²⁴ The *Tanner* court did not go through any analysis issue by issue, in part because neither party to the case argued that any such justification warrants different treatment. *Tanner*, 157 Or App at 524.

²⁵ *Baker*, 744 A2d 864 (Vt 1999); *Goodrich v. Dept. of Public Health*, 798 NE2d 941 (Mass 2003).

The most commonly cited justifications for the exclusion of same sex couples from the benefits and protections that flow from marriage involves the link between marriage, procreation and child rearing. However, as the court in Vermont pointed out, that justification no longer has merit. Many opposite sex couples marry for reasons unrelated to procreation. Many never intend to have children; others cannot conceive. Moreover, a growing number of children are being raised by same sex couples and increasing numbers are being conceived by same sex parents. Legal barriers to adoption by same sex couples have been and continue to be removed.²⁶ In short, "[t]he goal of promoting a commitment between married couples to promote the security of their children and the community as a whole provides no reasonable basis for denying the legal benefits and protections of marriage to same-sex couples, who are no differently situated with respect to this goal than their opposite-sex counterparts."²⁷

Additionally, Multnomah County currently provides a Domestic Partnership Registry which is available to same sex couples. It would be inconsistent for the County to cite any of the traditional justifications for different treatment of same sex couples when it condones same sex unions for other purposes.

No genuine difference between same sex couples and opposite sex couples justifies denial of marriage licenses to same sex couples. Therefore, Multnomah County's denial of marriage licenses to same sex couples is a violation of Article I, section 20, of the Oregon Constitution.

IV. MULTNOMAH COUNTY SHOULD ISSUE MARRIAGE LICENSES TO SAME SEX COUPLES TO COMPLY WITH ARTICLE I, SECTION 20

In satisfying its obligations under Article I, section 20, the County can either deny marriage licenses to all couples or grant marriage licenses to heterosexual and same sex couples on equal terms.²⁸ In determining how to remedy violations of Article I, section 20, a court will consider the legislative purpose of the challenged privilege or immunity and consider whether the legislature, faced with an unconstitutional statute, would choose to extend the benefit or deny the benefit to all.²⁹ It is inconceivable that the legislature, given the choice, would refuse to recognize all marriages rather than authorizing counties to issue marriage licenses to heterosexual as well as gay or lesbian couples. Thus, the appropriate remedy is extending marriage licenses to all couples regardless of sexual orientation.

V. CONCLUSION

Multnomah County's practice of denying marriage licenses to an individual who wishes to marry a same sex partner is a violation of Article I, section 20, of the Oregon Constitution.

²⁶ *Baker*, 744 A2d at 881-82.

²⁷ *Id.* at 884.

²⁸ *See Hewitt*, 294 Or at 50-54.

²⁹ *Id.* at 51-52.



900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204
main 503.224.3380
fax 503.220.2480
www.stoel.com

CHARLES F. HINKLE
Direct (503) 294-9266
cfhinkle@stoel.com

March 2, 2004

Ms. Agnes Sowle, County Attorney
Suite 500
501 SE Hawthorne Blvd.
Portland, OR 97214

Re: Issuance of Marriage Licenses

Dear Agnes:

At your request, I have reviewed your "Confidential Memorandum" dated March 2, 2004, to Chair Linn and Commissioners Rojo de Steffey, Cruz, Naito, and Roberts, regarding the obligations of Multnomah County with respect to the issuance of marriage licenses. In my opinion, the analysis and conclusions set out in that Memorandum are correct and accurate.

I fully concur with the conclusion set out in your Memorandum that Multnomah County, and all of its officials, are obligated to act in accordance with the Oregon Constitution. When a statute or regulation conflicts with the Constitution, public officials have not just the right, but the duty, to obey the Constitution. That is the very reason that public officials can be, and often are, sued for violation of a person's constitutional rights: the public officials may well have acted in accordance with a statute, regulation, or long-standing practice, but if that statute, regulation, or practice violates the Constitution, public officials must act in accordance with the higher authority. As the Oregon Supreme Court has squarely held, "a state legislative interest, no matter how important, cannot trump a state constitutional command." *State v. Stoneman*, 323 Or 536, 542, 920 P2d 535 (1996).

I also fully concur with your conclusion that the State of Oregon and its instrumentalities, including Multnomah County, may not deny marriage licenses to persons based solely on the gender of the persons whom they wish to marry. The ability to marry and to have one's marriage recognized by the State, with all the concomitant advantages that such recognition brings with it, is a privilege accorded to its citizens by the State of Oregon. Article I, section 20, of the Oregon Constitution prohibits the State from granting that privilege "to any citizen or class of citizens" unless it makes that privilege available "upon the same terms *** to all citizens."

Oregon
Washington
California
Utah
Idaho



Ms. Agnes Sowle, County Attorney

March 2, 2004

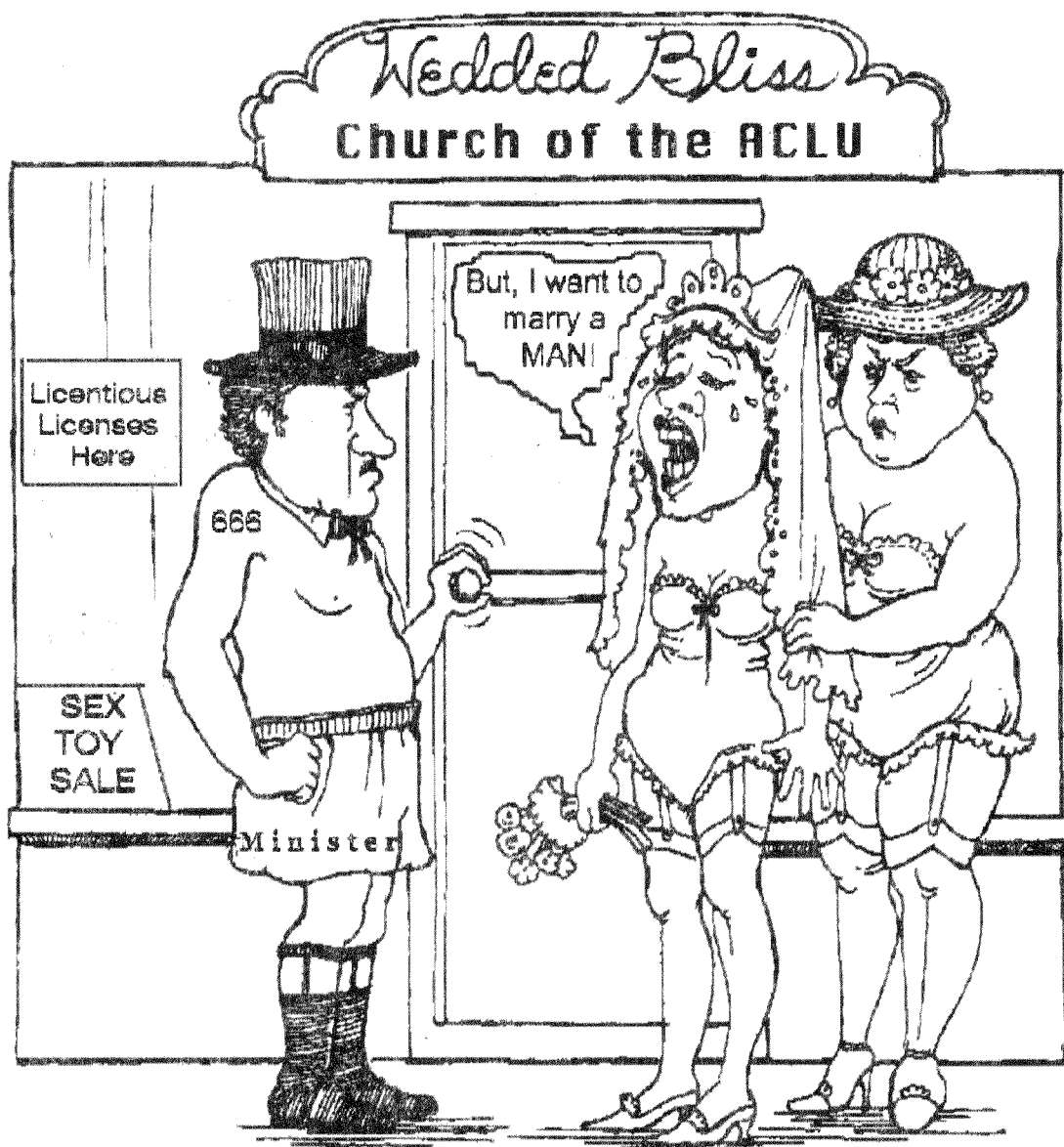
Page 2

As I said above, Multnomah County and its officials are required to act in accordance with the Oregon Constitution. No statute can shield them from that fundamental obligation. If Multnomah County issues marriage licenses to opposite sex couples, it must issue marriage licenses to same sex couples. To do otherwise would be to grant a "privilege" to one class of citizens that is denied to another class of citizens, in direct violation of the constitutional command of Article I, section 20.

Very truly yours,

Charles F. Hinkle

/cfh



Diane Linn, (Multnomah County Commission)

Everyone has the right to marry, including GAYS; however, spiritually and traditionally it means to marry man to woman or woman to man.

Why don't you quit trying to redefine man and GOD's history. Maybe you should re-read the Bible, or at least go see the Passion of the Christ to awaken your lost Christian faith.

Tony Valeri, 65 W1 Division Ave, PMB 305, Eugene, OR, 97404

Tel: 541 607-6305 (tvaov@earthlink.net)

BOGSTAD Deborah L

From: KINOSHITA Carol
Sent: Wednesday, March 03, 2004 8:03 AM
To: #ALL COUNTY ATTORNEY
Subject: FW: Thanks for taking a bold step towards marriage equality!

-----Original Message-----

From: JimSFCA [mailto:jimsfca@myway.com]
Sent: Tuesday, March 02, 2004 9:18 PM
To: KINOSHITA Carol
Subject: Thanks for taking a bold step towards marriage equality!

Dear Agnes Sowle and the Office of the Multnomah County Attorney:

I am so happy and so proud to have been raised in Oregon!

On behalf of the 800 members of the University of Notre Dame's Gay & Lesbian Alumni Association (as in "Fighting Irish"), and of its 82 San Francisco members, we applaud your actions to challenge the gender discrimination with respect to the granting of civil marriage licenses in Multnomah County. As you and now your County Commissioners have pointed out, both the Oregon and U.S. Constitutions forbid discrimination in any form, AND say nothing about marriage's gender. We are grateful to see you as leaders in the county where the City of Portland (my hometown!) resides now take the lead on this issue.

President Bush claims you are attempting to destroy the "sanctity" of marriage. In our collective Irish-Catholic opinion, divorce and adultery do more to challenge the "sanctity" of a marriage. What you are doing in Multnomah is challenging the "form" of a marriage - a form that has for years discriminated based on one's gender. Opponents of ours are screaming the words "sex" and "gay" when, what is at issue is actually gender discrimination (as you and our City Attorney DENNIS HERRERA have so eloquently pointed out). This pervasive denial of equal rights by the majority (mostly in "the South") is being fueled by homophobia against a minority.

What will likely become part of the coming debate over a national Constitutional Amendment is: once you codify a definition of "marriage", how then does one define "male" and "female" in this society? It all becomes so confusing and an invasion of one's privacy to prove one's gender to the government. You should simply have to prove your love and commitment - not whether you have certain body parts or a "Y" chromosome. And, not every U.S. citizen is born into one of the two genders. One must wonder how the government will prove or disprove "gender" should our Constitution be changed.

Bottom line is WE SUPPORT YOU! Please continue to stand up for what is right and just!

Sincerely,

Jim Gatteau '89

124 Eureka Street, San Francisco 94114

Gay And Lesbian Alumni of Notre Dame Bay Area Regional Coordinator

Scott Baird '88

Greg Barlow '90

3/3/2004

Derrick Benn '90

Steve Boness' 94

Surajit Bose '94MA

T. Patrick Bridenstine '70

Dr. Robert Cabaj, MD '70

Patrick Carroll '84

Dr. Mary Virginia Clemency '76

Gary Cooper '68

John "Jack" Cowan '64

John Culligan '88

Peter Cullinan '80

Dr. Doug Daher '71 '76phD

Fr. Rodney De Martini '74MA

David Dezern '97

Fr. William Dohar '78MA

George Dohrmann '95

Robert Dorton '98

Alisha Eisert '95

David Ellison '81

Dr. Christine Fahrenbach '77

Rebecca Fewkes '93MA

Stephen Finno '82

John Joseph Fitzgerald '65

Rick Foglia '76

Jim Gatteau '89

David Gentry-Akin '84MA

James Gibboney '84

3/3/2004

James Grimes '87

Dr. Tom Halligan '93

Dr. Tom Hansen '75

Paul Hastings '79

Ron Herman '94

Michael Hofman '86

Carol Jones '97 SMC

Mary Jordan '78

Karim Kahwaji '01 MA

Bill Kramer '83

Fr. Terry Linton '72MA

Mike Lonergan '68

Michael Lorenzo '94

William Lorie '94

Karen Mack '92

Bob Mackay '60

Maureen Maloney '77

John Mangold '66

Mark Massoud '99 '00MA

Mike McComb '00MBA

Patrick McCorry '00

Jeff McPherson '75

Frank Melleno '65

Joann Moschella '86

Alex Nicholas '96LAW

C. Miles O'Bryan '65 '68MA

Mary O'Shaugnessy '97

3/3/2004

Matthew O'Toole '86

Robert Patton Jr. '96

Kevin Paulson '80

David Randall '80

Courtenay Redis '94

Laurie Reynolds '83

Eileen Ridley '86

David Ristuccia '67

Albert Rocek '74

Sean Roherty '71

Peter Russell '87 '88

Vittorio Sciulli '85

Mike Shriver '85

Barry Shulock '90

Stephanie Snyder '99

Tim Sofo '79 '81

Allen Sowle '77 '92LAW

Tim Tedrick '80

Patrick Thomas '93

Tom Van Demark '66

Ron Walent '81MA

Dr. Jeffrey Walton '95

John Wasinda '92

Steve Wallace '74 '77LAW

James Weber '63

John Zaugg '66

Robert Zimmermann '82

3/3/2004

BOGSTAD Deborah L

From: Linda Ball [hightechmom@comcast.net]

Sent: Tuesday, March 02, 2004 11:28 PM

To: CHAIR Mult; District1; SERENA CRUZ; NAITO Lisa H; ROBERTS Lonnie J; BOGSTAD Deborah L

Subject: Your decision re: same sex marriage

To Multnomah County Commissioners...

I can no longer sit idly by while our elected officials continue to choose immorality over morality, choose sodomy over morality, choose to lead us in a path that defies public law and a group that thinks they are above and beyond the law.

I am incensed that a group of elected officials, such as you and other cavalier mayors and governors, have caved into public opinion, hopped onto the gay marriage band wagon and defied public law and twisted the present "marriage law" on the books saying that just because it does not say that marriage is between a man and woman, that it must mean everyone in any combination can marry as long as they are 17 years of age or older! You, as our elected officials are marching to a defiant anarchy where public law is no longer obeyed.

This is absolutely, positively not right, not good for our children to see our government leaders re-defining marriage, defying common public laws, redefining sodomy, homosexuality and purporting that it is normal, natural, acceptable, and a "natural evolution" of things as was quoted on TV this evening. I absolutely believe that gay people have the same rights as me to live without being harassed, have good employment, live where they want and practice whatever faith (or not) that they choose. I believe in individual rights for everyone, whether or not I personally would choose their life style. But, I do not and cannot support an open endorsement of immorality and defiance of public law. I would not support it if you as elected officials started to support "straight" people in adulterous affairs openly. That is just as wrong and harmful to our families and to the health of the nation.

Marriage is a bond between a man and a woman and cannot be redefined by a body such as yours.

I have never felt so moved to write to public officials as I have this evening. I cannot begin to tell you how profoundly aghast I am that you as a governing body have chosen to move in this direction on this public issue without a vote of the people. I do not know what else to say other than I am profoundly saddened at your decision and will do everything within my power and within my circle of influence to become politically involved to make sure that this legal travesty stops and that legal marriage, between a man and a woman, and abeyance to sodomy laws occurs.

Linda Ball

3/3/2004

BOGSTAD Deborah L

From: Alex Tamez@qwest.net ["lacasadelsol@qwest.net"@qwest.net]
Sent: Tuesday, March 02, 2004 11:15 PM
To: CHAIR Mult; sen.petercourtney@state.or.us; sen.katebrown@state.or.us;
sen.rogerbeyer@state.or.us; District1; SERENA CRUZ; NAITO Lisa H; ROBERTS Lonnie J;
BOGSTAD Deborah L
Subject: NO gay marriage in Oregon

To all your commissioners,

I strongly oppose to gay marriage, it is NOT about flaws on "legal" laws, it is about the quality of the moral of the people raising kids in such environment, is against the "Laws of nature" to be gay.

I do respect the person as a human been, there are productive people as any other person, BUT the moral and value of them is questionable because is a result of a distortion on their social interrelation.

Gay marriage attempts to the social stability and education in our kids, if this issue continue I will support any effort to remove you all board members from your office, as elected officials that have betray the trust of the people to make Portland a better place to live in.

Sincerely

Melinda Stutesman
PO Box 20094
Portland, OR 97294
Tel. (503) 644-2207

3/3/2004

BOGSTAD Deborah L

From: TravisKemb@aol.com
Sent: Tuesday, March 02, 2004 9:04 PM
To: BOGSTAD Deborah L
Subject: Have You All Lost Your Minds Down There?

You better pray for snow because if Diane Linn gets her way and the wedding chapel for same sex couples opens up you will all be taking a political fall!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

BOGSTAD Deborah L

From: Heather [heather.email@comcast.net]

Sent: Tuesday, March 02, 2004 8:54 PM

To: BOGSTAD Deborah L

Subject: Same Sex Marriages

I don't even know where to begin other than I am just outraged at Multnomah County for taking it upon themselves to allow same-sex marriages. I am just literally appalled.

I hope the offices are flooded with calls and emails and citizens that agree with me. I beg you to not do this. Marriage is something that should NOT be taken lightly. Marriage is a WONDERFUL thing between a MAN AND A WOMAN PERIOD, that you have just trampled on.

I was proud to be an Oregonian, but no longer. It is a very sad day in Oregon because of the decision. Thank you for your time.

Heather

3/3/2004

BOGSTAD Deborah L

From: WMF [wmf@teleport.com]
Sent: Tuesday, March 02, 2004 7:43 PM
To: BOGSTAD Deborah L
Subject: Marriage

Dear Madam,

I oppose the intention of Multnomah County to provide marriage licenses to same sex couples.

Please note my rejection of the opinion of the Mayor, the County Attorney, and the majority of the Board of County Commissioners on this issue.

My opposition to homosexual marriage is based on veracity of Theism and the overwhelming testimony of history.

My opposition to the intention of the Board of County Commissioners to provide same sex marriage licenses is grounded on the realization that heterosexual marriage is a foundational societal building block.

My opposition to the intention of City Hall to promote same sex marriage is based on the evidence of social science demonstrating the need for healthy heterosexual marriages to raise balanced children.

Marriage, as it has been defined throughout history, is good for Portland.

Our sexuality, our maleness, femaleness and our desire to marry are gifts from God.

The Natural Ideal in marriage is one man and one woman for life.

Marriage predates the Church and was given to all humanity as a gift at the Creation.

A loving marriage is the most effective anti-child poverty program known to humanity.

Because more social and personal problems (poverty, emotional disruptions, learning disabilities, drug abuse, welfare dependency...) trouble children born outside of marriage, we value, esteem and promote heterosexual marriage for the health of the couple and for the welfare of Portland's children.

Sincerely,
George Alexander Bradley

1616 SE 58th Avenue
Portland, OR 97215

3/3/2004

BOGSTAD Deborah L

From: Carol Gallagher [cginor3@comcast.net]
Sent: Tuesday, March 02, 2004 7:11 PM
To: BOGSTAD Deborah L
Subject: new licenses

Thank you for making so many happy on Wednesday.....YOU ROCK!!!!

3/3/2004

BOGSTAD Deborah L

From: Lance Watts [lwatts@comcast.net]
Sent: Tuesday, March 02, 2004 6:48 PM
To: BOGSTAD Deborah L
Subject: Multnomah County

First, we get a county income tax in the midst of an economic recession. Now you're sending us headlong into the legal firestorm of gay marriage. I pleased to discover all MY tax money is being wisely spent. And best of all, now your resume can include wrong-headed social tinkering AND fiscal irresponsibility. Multnomah County is a mess and your legacy is secure.

BOGSTAD Deborah L

From: LINN Diane M
Sent: Wednesday, March 03, 2004 8:07 AM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Marriage License Opinion
Importance: High

As you may know, the County Attorney recently provided her legal opinion that it is a violation of the Oregon Constitution for Multnomah County to deny marriage licenses to same sex couples.

What this means is that this county will comply with the constitution and will issue marriage licenses to same sex couples who request them. I took an oath of office to uphold the constitution of the state of Oregon. I intend to do just that.

I recognize that this is a complex and controversial issue. I would hope that we will pull together as a community and not let the issue divide us. I also trust that this will in no way adversely impact the important work we do here at the county.

Personally, I join my colleagues - Maria Rojo de Steffey, Serena Cruz and Lisa Naito - in their support of our legal requirement to issue marriage licenses to all couples who apply. I intend to celebrate the unions this will make possible for the couples in our community who deserve equal protection for their families.

If you are affected by this decision or would like to participate the larger national dialogue please feel free to contact our office.

Thank you,

Diane M. Linn
Chair

3/3/2004

BOGSTAD Deborah L

From: Eagle Fleet Services On-Site [eaglefleetsite@qwest.net]
Sent: Wednesday, March 03, 2004 12:46 PM
To: BOGSTAD Deborah L
Subject: Agenda for Board meeting.

I guess you can cancel your board meetings and inviting the public since you do your work without public representation these days. Where is the agenda and invitation regarding how you are going to change the law regarding marriage which has been understood very clearly as written for years. I hope you will change the big mistake that has been made regarding how you have conducted County business.

Ralph H. Mower
President
Eagle Fleet Services On-Site
4107 Fruit Valley Road Suite K
Vancouver, WA 98660
360-993-1900 fax
360-993-1900 office



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3/3/2004

BOGSTAD Deborah L

From: SALMONMAN@aol.com
Sent: Wednesday, March 03, 2004 4:11 PM
To: BOGSTAD Deborah L
Subject: Your Gay Law!

Hi Deb,

Great job! Your arrogance will do more harm in the long run. You think that you're above the law! You think that you have the power to decide what's law!?

Just when there was a great opportunity to have a national discussion on the issue - your arrogance shows up and shoves it down our throat! You and the rest of your lawbreakers should be removed. The Oregonian was right!

Don Fleming

3/3/2004

BOGSTAD Deborah L

From: Randy Kalmeta [rkalmeta@us.ibm.com]
Sent: Wednesday, March 03, 2004 4:55 PM
To: BOGSTAD Deborah L
Subject: Question for you

What's the process for starting a recall of the Board?

Randy Kalmeta
Portland, OR

3/3/2004

BOGSTAD Deborah L

From: HARRIS Mindy L
Sent: Thursday, March 04, 2004 1:29 PM
To: BOYER Dave A; TUNEBERG Kathleen A; FITZPATRICK Cara
Cc: BARTHOLOMEW Gary L; #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; BOGSTAD Deborah L; SOWLE Agnes; DARGAN Karyne A
Subject: RE: Marriage License Revenue

We will, and when we have the account coding established in SAP we will notify A&T to make sure the license fees are recorded there.

Mindy

-----Original Message-----

From: BOYER Dave A
Sent: Thursday, March 04, 2004 1:12 PM
To: TUNEBERG Kathleen A; HARRIS Mindy L; FITZPATRICK Cara
Cc: BARTHOLOMEW Gary L; #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; BOGSTAD Deborah L; SOWLE Agnes; DARGAN Karyne A
Subject: Marriage License Revenue

At this mornings Board meeting Commissioner Roberts requested that we place all revenue from the same sex marriage license in a trust fund pending the outcome of any potential challenges. John Ball and I agreed that we would place these funds in trust. Would you set up a new trust fund to account for the revenues received. Let me know if you have any questions. Thanks

Dave Boyer
Chief Financial Officer
501 SE Hawthorne Blvd 4th Floor
Portland, OR 97214
(503) 988-3903
e-mail dave.a.boyer@co.multnomah.or.us

3/4/2004

BOGSTAD Deborah L

From: Heather [hanrahanheather@comcast.net]
Sent: Thursday, March 04, 2004 5:00 PM
To: CHAIR Mult; District1; SERENA CRUZ; District3; ROBERTS Lonnie J; BOGSTAD Deborah L
Subject: Thank you for upholding the law

Hello all,

I am a Multnomah county resident and voter. I am a heterosexual female and I am very pleased that equal protection under the law is being upheld. Thank you for your wonderful job. This world needs more love and compassion. Your decision is a step toward improving human relations in this world.

Sincerely,

Heather Hanrahan

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-1

Est. Start Time: 9:30 AM

Date Submitted: 02/06/04

Requested Date: 03/04/2004

Time Requested: 20 minutes
9:30 time certain requested

Department: Finance, Budget & Tax

Division: Accounting

Contact/s: Mindy Harris

Phone: 988-3786

Ext.:

I/O Address: 503/4/Finance

Presenters: Dave Boyer, Chief Financial Officer
Mindy Harris, Accounting Manager
Ray Barlow, Senior Assurance Manager, Grant Thornton LLP
Jack Pessia, Citizen representative, Audit Committee

Agenda Title: Presentation of Multnomah County's Comprehensive Annual Financial Report, Component Unit Financial Reports, and Schedule of Expenditures of Federal Awards for the year ending June 30, 2003

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Board briefing of Comprehensive Annual Financial Report, Component Unit Financial Reports, and Schedule of Expenditures of Federal Awards for the year ending June 30, 2003. Reports can be accessed via the internet at the following URL: <http://www.co.multnomah.or.us/dbcs/finance/reports03.shtml>
2. **Please provide sufficient background information for the Board and the public to understand this issue.** The County's Comprehensive Annual Financial Report provides a summary of the County's overall financial condition, as well as the status of each fund managed by the County. The component unit reports summarize the financial activities of the Dunthorpe Riverdale and Mid County Service Districts. The Schedule of

Expenditures of Federal Awards describes the County's level of compliance with federal requirements for grant funded programs.

The highlights of the reports are:

- a. The County received an unqualified opinion from the auditors, indicating that the financial statements fairly represent the financial position of Multnomah County.
- b. The auditors and management did not encounter any disagreements.
- c. The financial reports were prepared according to generally accepted accounting principles.
- d. The auditors did not determine any audit adjustments.
- e. The County complied with:
 - i. The legal requirements related to debt.
 - ii. The appropriate laws pertaining to programs funded by other governmental agencies.
 - iii. ORS 279 regarding awarding of public contracts.
 - iv. Cost accounting guidelines
- f. The County had budgetary overexpenditures in three funds. All overexpenditures were either offset by additional revenues or were funded by available fund balances, and are identified and explained on pages 45-46 of the Comprehensive Annual Financial Report.
- g. The County did not have any instances of non-compliance with the Federal Government's OMB Circular A-133 relating to grant monies.
- h. In the Report to Management, certain deficiencies are noted and management's response addressing the resolution of the deficiencies is described.

3. Explain the fiscal impact (current year and ongoing). No fiscal impact.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- ❖ Has this request been made before? When? What was the outcome?

If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. Explain any legal and/or policy issues involved. None
5. Explain any citizen and/or other government participation that has or will take place. The County's Audit Committee met with Grant Thornton LLP and County finance staff prior to the audit, and has reviewed all financial reports that result from the audit.

Required Signatures:

Department/Agency Director:



Date: 2/2/04

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

February 4, 2004

The Board of County Commissioners
Multnomah County
501 SE Hawthorne Blvd, 4th Floor
Portland, Oregon 97214

Ladies and Gentlemen:

In connection with our audit of the financial statements of Multnomah County as of June 30, 2003, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations. The matters discussed herein are those that we have noted as of December 9, 2003 and we have not updated our observations regarding these matters since that date to the current date.

Capital Assets

During the audit of the County's capital assets we noted a number of discrepancies in the amounts capitalized in the general ledger. In addition, we noted the capital asset listing included various credit transactions as well as a large amount which was noted as "additional amount capitalized." It also appears the County does not maintain capital asset subsidiary ledgers, which has become increasingly important as the County has been in existence for many years and certain assets are now fully depreciated. A lack of supporting documentation made it difficult to choose specific capital assets for testing. We also noted that the detail listing included many items of small unit value (amounts less than \$5,000) which are below the County's capitalization policy threshold. Due to the nature of the capital asset listing, the testing of the County's capital asset additions took considerably longer than anticipated.

We recommend the County closely review the capital asset listing and prepare supporting documentation which consists solely of additions that are supported by external documentation. In addition, the County should maintain subsidiary ledgers, to properly track the cost of individual fixed asset costs and their related accumulated depreciation. To prevent time-consuming accounting activities unwarranted by the value of the items, we also recommend that the County strictly enforce its capitalization policy and expense items with a cost of less than the specified amount of \$5,000.

During our performance of audit procedures related to capital assets we also noted instances where there appeared to be a lack of either communication and /or review within the County which resulted in erroneously recorded transactions in the general ledger. In our testing, we determined there were transactions in the current year that related to prior year activity; there was a miscalculation in depreciation expense for the bridges; and, there was a transaction to record additions to the library books that was recorded as a net amount rather than two separate transactions to record additions and deletions. Each of these transactions was included on our listing of passed adjusting journal entries and ultimately did not have a material effect on

the County's financial statements. However, errors such as these could be avoided with appropriate review procedures and stronger communication between the County's departments and the central finance function.

We recommend the County closely review significant capital asset journal entries that are posted to the general ledger to ensure assets are recorded in the proper period and appropriately capitalized in accordance with Generally Accepted Accounting Principles. In addition, management should regularly communicate with departments about the reporting guidelines for capital additions in order to provide better compliance with the County's policies. Implementing these recommendations should result in accurate and supportable capital asset records.

Management's Response

We acknowledge that this year's audit of capital assets took considerably longer as compared to previous years and based on the number of passed adjusting journal entries related to capital assets we agree with the recommendation to implement additional levels of review and training within certain areas of the County. It should also be noted that the County is undergoing an accounting system upgrade which includes a capital asset application. This upgrade is scheduled for March of 2004 and it is anticipated that many of the issues noted above will be resolved with this upgrade. The County's capital assets will be maintained in a subsidiary ledger and the capital asset software will calculate and record depreciation expense as compared to existing manual entries and records in excel spreadsheets to maintain capital assets. There will be less opportunity for manual error with the capital asset upgrade and management will have greater ability to implement certain levels of review and supervision with respect to transactions and various capital asset reports.

Leases

The County leases various properties for its operations. During our review of the County's operating leases, we noted a number of errors in the computation of the future minimum lease obligations in the lease schedule prepared for the audit. In addition, there were questions regarding the completeness of the operating lease schedule. Furthermore, the County did not capitalize certain leases which were deemed to be capital leases by generally accepted accounting principles. The result of improperly recording these lease transactions was an understatement of the County's liabilities and capital assets, although there was not a material effect on the County's financial statements. Errors of this nature can be prevented if management implements review and evaluation procedures and better communication and training at the department level regarding capital leases.

Management's Response

County Finance is working with Facilities and Property Management in order to establish stronger communication and additional capital asset training between the departments and the central finance function. On a monthly basis, management intends to review the schedule of operating leases and perform analytical reviews as well as investigate and review new leases to ensure they are properly capitalized or expensed in the general ledger. The County is also taking steps to prevent unnecessary termination fees and other expenses related to its leases. During fiscal year 2003 the County experienced management turnover in

certain departments and also went through significant budget reductions. As a result of this the County downsized specific programs, thereby needing a reduced amount of leased space. In the future, the County will take necessary measures in order to avoid any penalty fees and other termination charges. In addition, Facilities and Property Management has begun a closer review of existing and new lease documents on a County-wide basis in order to prevent early terminations and or cancellations and ensure the most economic situation transpires.

Collateralization

According to Oregon Revised Statute 295, bank balances must not exceed the collateralization at any time during the year. In our testing of collateralization, we noted that three daily bank account balances exceeded the collateralization level in November 2002.

We recommend that County personnel closely monitor its collateralization levels and when necessary, increase the collateralization for that month to avoid under-collateralization. The most common time for collateralization exposure to occur is in November when the County receives significant property tax payments. It is particularly important to monitor collateralization levels during this time period.

Management's Response

The County typically has higher bank balances during the months when tax revenues are received and will take more precautionary measures to ensure the County's bank accounts are not under-collateralized at any point during the year.

Accounts Receivable

During the year-end audit of the County's accounts receivable, we selected certain significant Medicare receivables for testing. When examining individual patient transactions, we noted certain patient claims had been paid prior to year-end, yet remained in outstanding receivables. The County practice is to bill the State on a monthly basis using a cumulative approach. As a result of this accounting practice, the individual patient transaction detail does not correspond to the actual outstanding receivables, although the total receivable amounts are generally estimated to be within reason. The current accounting practice makes it difficult and time consuming to test year-end accounts receivable transactions in the Health Department. The Health Department implemented a new patient database system during the fall of 2003, which is anticipated to be a very powerful tracking and reporting system for all patient data. However, upon review of the new patient database system we noted customer account balances in the patient database system did not agree to the customer balances per the County's general ledger system by a significant difference.

In addition to encountering difficulties in auditing the Health Department's Medicare receivables, we also noted matters with accruals marked as Federally Qualified Health Center receivables (FQHC). The Health Department recorded FQHC accruals as a net amount, at approximately 95% of what the County had invoiced the state for these transactions. The Health Department historically has received approximately 90% to 95% of what is billed to the state for the FQHC transactions. However the accounting practice of

recording these accruals as a net amount rather than a gross dollar value with an allowance account is not a best practice, nor does it follow the County's financial policy for revenue write-offs. Also during our review of the FQHC receivables, it came to our attention that the Department of County Human Services had various FQHC accruals which had not been recorded in the general ledger at year-end. These particular amounts were not material to the audit, however the County should track and record transactions that are measurable and realizable in the general ledger.

Based on the issues noted above, we recommend the Health Department implement the following changes to ensure receivable transactions are properly recorded in the general ledger:

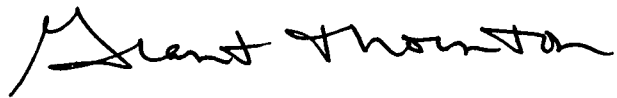
1. The Health Department's new patient database system should be reconciled to the County's general ledger accounting system on a monthly basis. Any discrepancies should be investigated and adjustments posted to the general ledger if needed.
2. The transactions for the FQHC accruals should be recorded at gross values with any portion deemed uncollectible recorded to the allowance for doubtful accounts and related bad debt expense. The allowance for doubtful accounts should reflect management's estimate of the amount of receivables that will not be collected.
3. Revenues that are measurable and realizable should be recorded to the general ledger. Hence the receivables related to the Department of County Human Services should be recorded at year-end.

Management's Response

The County recognizes the time, energy and difficulty spent by our auditors in reviewing certain year-end receivable transactions. In addition, the County concurs with our auditors' recommendations regarding the accounting for the Health Department's receivables. It is worth noting that the new patient database system the Health Department implemented in the fall of 2003 encountered numerous delays and obstacles in utilizing the new system at its full capacity due to various new laws and regulations regarding the confidentiality of patient data. Currently we are working to resolve these matters and ensure our patient database system meets all of the recent patient confidentiality laws and regulations in addition to managing the related accounting data. The department will reconcile the customer balances in the patient database system to the customer balances in the general ledger system on a monthly basis, and this reconciliation will be reviewed centrally. Once this reconciliation is in effect and the two systems agree, the year-end audit of the Health Department's receivables will go much more smoothly and efficiently. The practice of recording the FQHC receivable transactions as a net amount is currently being reviewed and in the future, the County will utilize an allowance for doubtful accounts and a bad debt expense account in order to meet generally accepted accounting principles and County financial policy. In addition, the FQHC transactions for the Department of County Human Services have been reviewed and the appropriate accounts have been adjusted to reflect any revenue due to this department.

Should you desire further information concerning these matters, we will be happy to meet with you at your convenience.

Very truly yours,

 UP

BOGSTAD Deborah L

From: HARRIS Mindy L
Sent: Friday, February 06, 2004 4:23 PM
To: BOGSTAD Deborah L; #AGENDA REVIEW TEAM
Cc: BOYER Dave A; FLYNN Suzanne J; THOMPSON, LeeAnn; Barwick, Michelle; FITZPATRICK, Cara; Luce, Susan; MITCHELL, Tory; MORAVICS, Bill; STREET, Alice
Subject: Board Agenda Request #1

<http://www.co.multnomah.or.us/dbcs/finance/reports03.shtml>

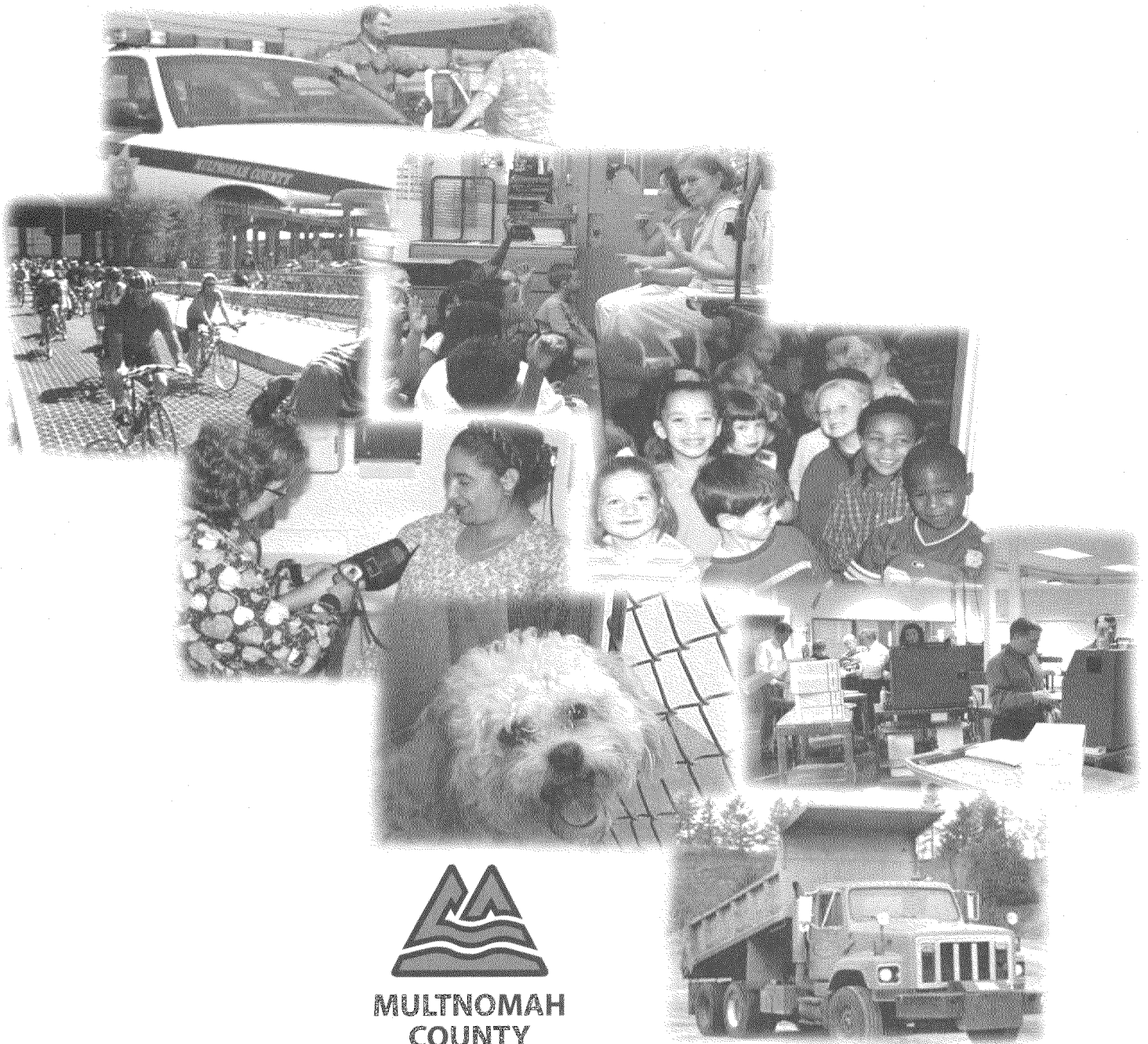
There are three financial reports we will present to the BCC, which can be viewed / downloaded by clicking on the link. In addition, the attached letter from our auditors summarizes their findings and recommendations.

Please advise if I missed any of the required pieces of information.

Deb, one full set of the documents is on its way to you via interoffice mail.

Thanks,
Mindy Harris

2/11/2004



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2003

About the Cover

Multnomah County is Oregon's smallest county geographically, yet it has the state's largest population. As the second largest local governmental entity in the state, Multnomah County is considered an integral community partner with the metropolitan region and throughout Oregon.

The county delivers a wide variety of programs that assists its partners in schools, social services and businesses. This year's cover visually demonstrates the many services the county provides, such as maintaining six Willamette River bridges and 376 miles of county roads, operating 17 libraries, ensuring the public's safety, securing affordable housing, protecting neglected animals, and offering safety net services to those most vulnerable in our community.

Multnomah County has made significant strides in working more efficiently within existing resources. Eliminating duplication of services, enhancing coordination among departments and across jurisdictions, and evaluating core services responsibilities have contributed to successful restructuring of the county's mental health, early childhood, and social services frameworks. The Board of County Commissioners continues to find ways to improve efficiencies, working with federal, state, local, educational, nonprofit, and business entities.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003



Prepared by:
Finance Division
David A. Boyer, Finance Director
501 SE Hawthorne Blvd., 4th Floor
PO Box 14700
Portland, Oregon 97293-0700

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



DIANE LINN
Chair



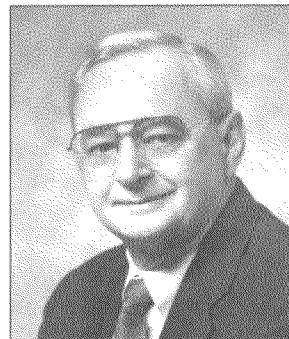
MARIA ROJO DE STEFFEY
Commissioner District 1



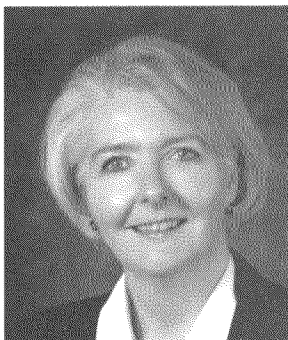
SERENA CRUZ
Commissioner District 2



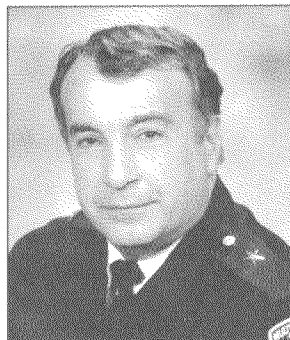
LISA NAITO
Commissioner District 3



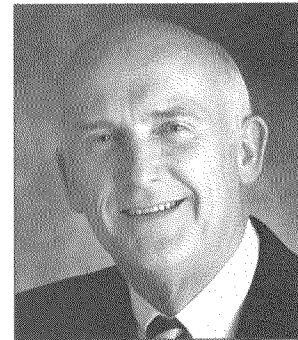
LONNIE ROBERTS
Commissioner District 4



SUZANNE FLYNN
Auditor



BERNIE GIUSTO
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2003
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INTRODUCTORY SECTION



Finance, Budget and Tax Office

MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

December 17, 2003

Honorable County Chair, Board of County Commissioners
and Citizens of Multnomah County, Oregon

INTRODUCTION

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 2003, together with the opinion thereon of our independent certified public accountants, Grant Thornton LLP. This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Finance, Budget and Tax Office. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act of 1984, OMB Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act of 1984 has been issued under separate cover.

In the previous statements for the period ending June 30, 2002, the County implemented the requirements of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. This statement established new financial reporting requirements. The format and purpose of these changes are addressed in Management's Discussion and Analysis.

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by GASB, including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County at June 30, 2003, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles in the United States of America (GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All dollar amounts, unless otherwise indicated, are expressed in thousands.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis

(MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Multnomah County's MD&A can be found immediately following the independent auditors' report.

PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County, incorporated in 1854, is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, and serves a population of 670,250 citizens. The cities of Portland and Gresham are the largest incorporated cities in the County.

Multnomah County is governed according to its Home Rule Charter, which became effective January 1967. The County's charter adopted in 1967 has had several subsequent amendments. The County is governed by a Board of County Commissioners consisting of four non-partisan members elected from designated districts within the County and the Chair of the Board, elected at large. The Board of County Commissioners conducts all legislative business of the County.

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore have been included as integral parts of the County's financial statements. Additional information on these legally separate entities can be found in note 1 of the notes to the financial statements.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, one supplemental budget was adopted.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Federal State Program Fund, this comparison is provided on pages 30-31 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 73.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: The Portland metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington State and the Columbia River basin. Its manufacturing base includes electronics, machinery, transportation equipment and fabricated metals.

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area) economy declined during fiscal year 2003. The area's unemployment rate was 8.9% at June 30, 2003, compared to a rate of 7.5% at June 30, 2002. The Portland-Vancouver Consumer Price Index (CPI) (1982-84 = 100) was 186 at June 30, 2003, and represents a 2.5% increase from June 30, 2002.

Financial outlook: The financial outlook for the County's General Fund over the next five years is expected to remain flat or slowly begin to recover. The regional economy is not expected to grow and

a recovery before 2004 is questionable. The State of Oregon's recent forecast also suggests a continued downturn of business activity.

The region's sluggish economy is impacting the County's revenue stream. Property taxes are expected to grow at between 2% to 3%. Business Income Tax collections suggest that we may finally see some growth after four years of declining revenues, but the Motor Vehicle Rental Tax is expected to remain flat. Voters in the County approved a three-year 1.25% personal income tax for residents in May 2003. The tax will primarily provide support to the schools in the County but will also provide support to the County's health, human services, and public safety programs. Preliminary estimates suggest that this will generate approximately \$128,000 annually during the next three years. Overall revenue growth, excluding the temporary income tax, is forecast between 3.25% to 4% over the next five years. Expenditures are expected to grow at roughly the normal rate of inflation, and the County is taking a conservative approach to department spending in order to manage the budget within existing resources.

Financial planning. The County Chair has created an Executive Committee that consists of the Board Chair's Chief Operating Officer and Chief of Staff, Department Directors, Chief Financial Officer and Director of the Business Services Unit. The Executive Committee holds ongoing planning sessions to develop short-term and long-term goals and to address the financial stability of the County. The County's Financial and Budget Officers also meet with City of Portland Financial and Budget Officers, with representatives from the City of Gresham and other East County cities to confer on financial issues that either overlap or impact each entity. Construction of the new Wapato jail and secure alcohol and drug treatment center is scheduled for completion in spring 2004, and operating funds will need to be identified during the 2004/2005 budget process. In fiscal year 2004/2005 the County will also begin planning for the end of the three year personal income tax.

Cash management policies and practices. To obtain maximum return on investments, the County pools some funds for investment purposes with the State Treasurer's investment pool. Other cash temporarily idle during the year was invested in government-sponsored enterprises, US Treasury notes, repurchase agreements, municipal bonds, bankers' acceptances, corporate debt, commercial paper, and certificates of deposits. Investment transactions are governed by a written Investment Policy, which regulates the County's investment objectives, diversification, limitations and reporting requirements, and which is reviewed and adopted annually by the Board of County Commissioners. The County also utilizes an independent Investment Advisory Board to review the County's investment plan and investment performance.

The maturities of the investments range from one day to three years with an average maturity of six to nine months. The average yield on investments was 2.29%. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County intends to hold to maturity.

Risk management. The County has established an internal service fund to account for risk management activities and to protect the human, physical, and financial assets of the County. As part of the County's plan for risk management, resources are accumulated in the Risk Management Fund to meet potential losses. In addition, various control techniques, including loss prevention training and consultation, have been implemented to minimize losses. The County is partially self-insured for employee health benefits, unemployment, workers' compensation, property, tort and general liability claims. Third party coverage is currently maintained for individual workers' compensation claims in excess of \$500, and for other medical claims in excess of \$250. The County also maintains property insurance covering all County owned facilities with varying levels of deductibles. Additional information on the County's risk management activity can be found in note 4.A of the notes to the financial statements, beginning on page 60.

Pension and other post-employment benefits. Substantially all County employees are participants in the State of Oregon Public Employees' Retirement System (PERS). Every other year, an independent actuary engaged by PERS calculates the amount of the annual contribution rate that member employers must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. Benefits for retirees, beneficiaries and terminated employees not yet receiving benefits are not presented, because PERS pools the risk related to these employees among all member employers and fully funds benefit obligations at time of separation from service. Accordingly, information presented in this report relates only to current employees, and shows that the retirement obligations are not fully funded.

During the 2003 legislative session, various laws were approved that changed PERS and created a new retirement system for public employees hired on or after August 29, 2003. Some of the provisions of the legislative changes have been challenged by individuals or other organizations and will be heard by the Oregon Supreme Court. It is expected that the outcome of these lawsuits will not be known for 18 to 24 months.

Multnomah County also provides postretirement health and dental benefits for retirees and their dependents. At the end of the current fiscal year, there were 467 retired employees receiving these benefits, which are financed by contribution rates charged to departments. These rates are based on an actuarial valuation that is performed every two to three years. A liability has been recorded in the Government wide financial statements in connection with our obligation to provide these benefits.

Additional information on the County's pension and post-employment benefits can be found in notes 4.E and 4.F of the notes to the financial statements, beginning on page 62.

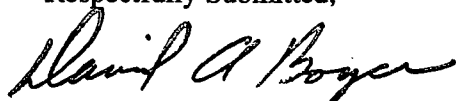
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2002. This was the nineteenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the employees in the Finance, Budget and Tax Office who maintained the records and assisted in the preparation of this report. Special thanks are extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, other Elected Officials, Department Managers, and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



David A. Boyer
Chief Financial Officer



Mindy Harris
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



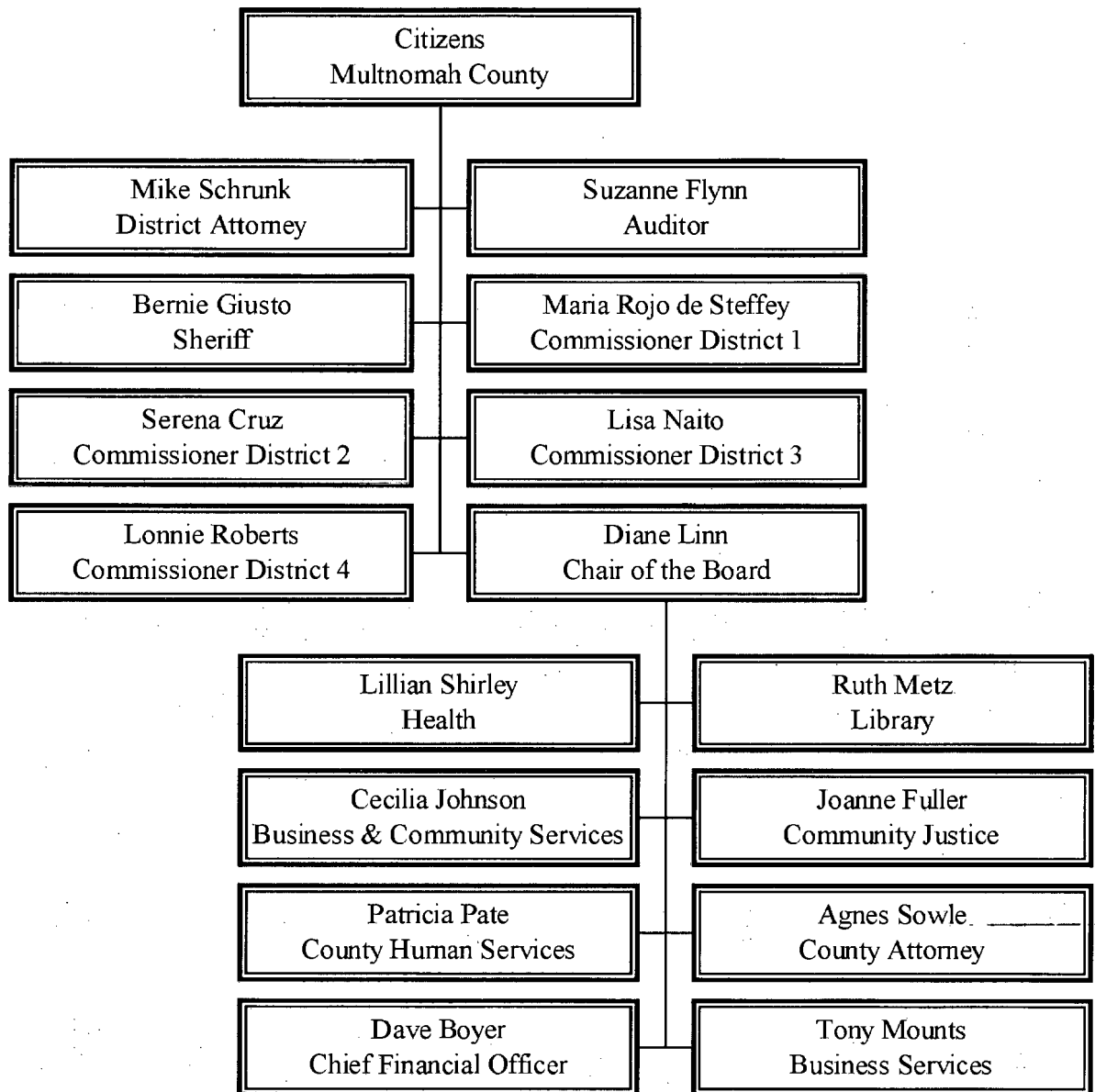
William Patrick Bate

President

Jeffrey R. Emer

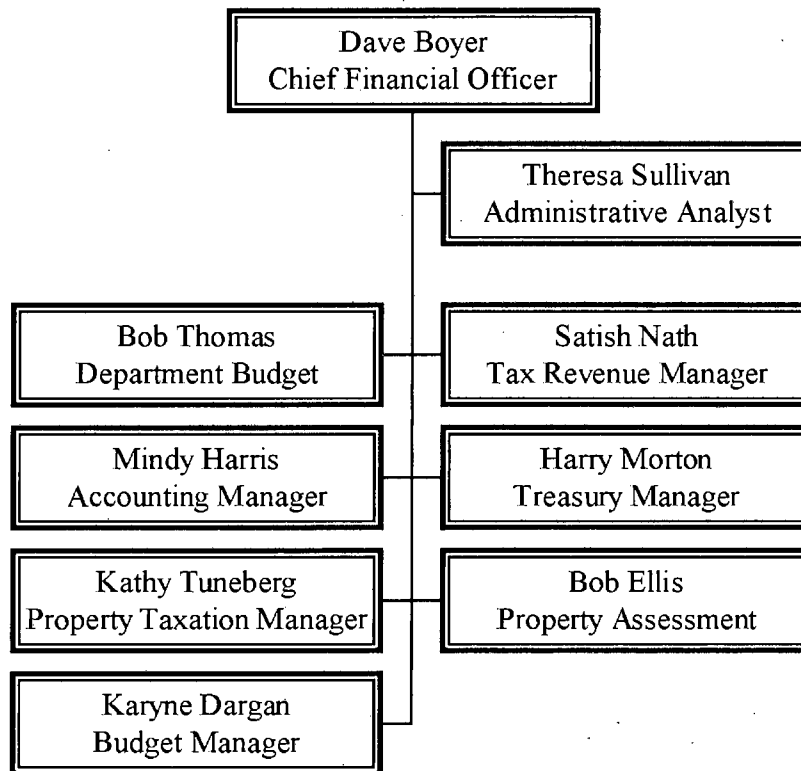
Executive Director

Multnomah County, Oregon

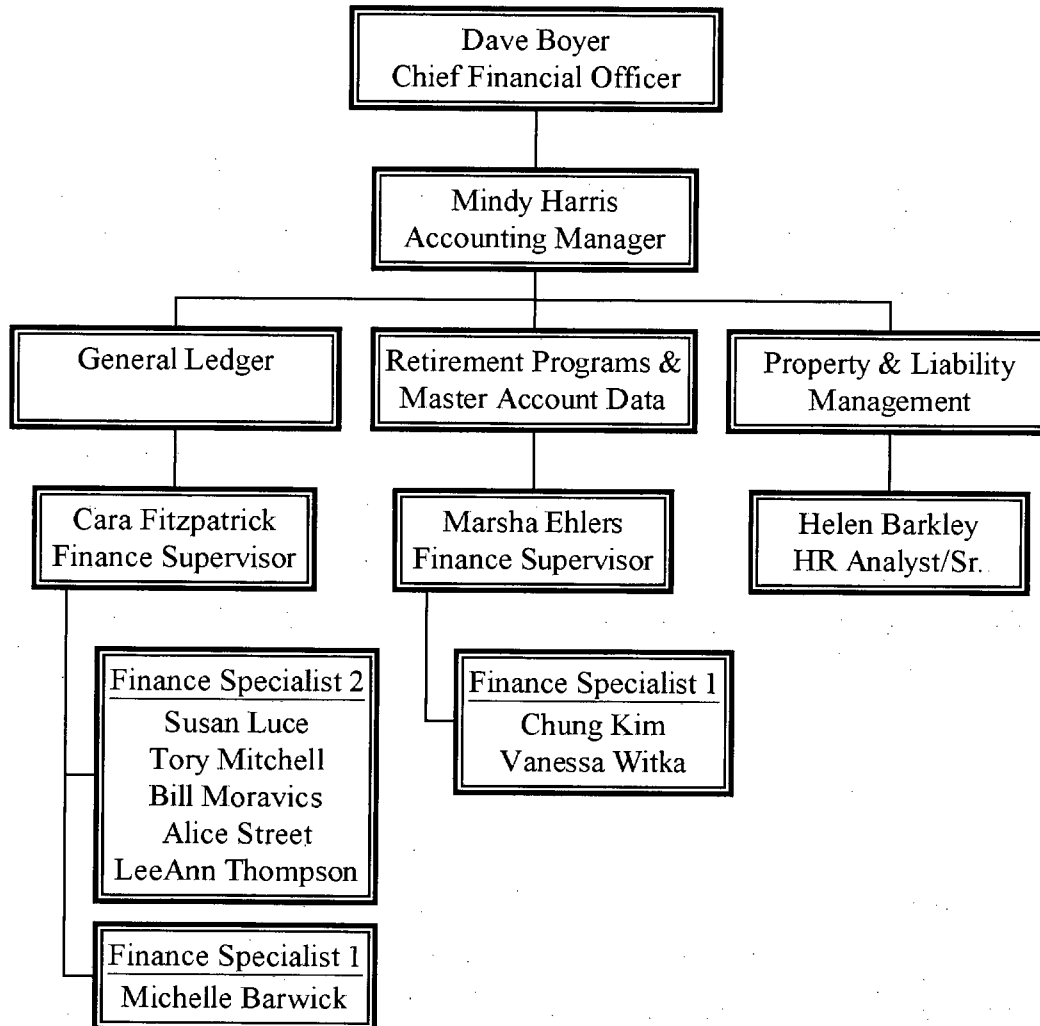


Multnomah County, Oregon

Finance Budget & Tax



Multnomah County, Oregon
Finance Budget & Tax
Accounting Operations



MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 2003

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Diane Linn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 1	Maria Rojo de Steffey 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 2	Serena Cruz 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 3	Lisa Naito 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 4	Lonnie Roberts 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
<u>Other Elected Officers</u>		
County Auditor	Suzanne Flynn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2007
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2004
County Sheriff	Bernie Giusto 501 SE Hawthorne, 3 rd Floor Portland, OR 97214	12/31/2007
<u>Other Appointed Officers</u>		
Chief Financial Officer	David A. Boyer	Not elected
Accounting Manager	Mindy Harris	Not elected
County Attorney	Agnes Sowle	Not elected

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FINANCIAL SECTION

Independent Auditor's Report

The Board of County Commissioners
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4B to the financial statements, the net assets of the County as of June 30, 2002, have been restated.

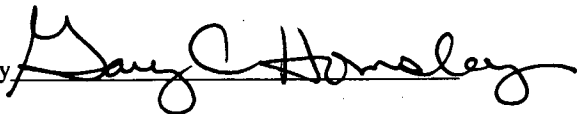
The management's discussion and analysis on pages 11 through 22 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Multnomah County, Oregon's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2003 on our consideration of Multnomah County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

GRANT THORNTON LLP

Portland, Oregon
December 9, 2003

By 

Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503.222.3562
F 503.295.0148
W www.grantthornton.com

Grant Thornton LLP
US Member of Grant Thornton International

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Finance, Budget and Tax Office

MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 14 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets exceeded its liabilities at June 30, 2003, by \$516,828 (*net assets*). Of this amount, \$37,048 is restricted for capital improvement projects and \$25,487 is restricted for future years' debt service.
- The total net assets decreased by \$(10,200) for fiscal year 2003 and total assets of the County decreased by \$(31,521). The County's cash and investments accounted for a majority of the decrease in total assets at June 30, 2003. The Justice Bond Capital Project Fund had a decrease of \$(20,818) in cash and investments from the prior year due to the construction of a new jail facility. The County capitalized the assets related to the construction of the new jail facility; however we also noted a larger number of disposals on capital assets in the current year to account for an overall \$2,850 increase in capital assets from fiscal year 2002. Other significant events contributing to the decrease in net assets were the declining interest earnings. Accounts payable was down by \$9,015 from 2002 as a result of eliminated or reduced Federal and State funded programs and in response to the County budget crisis.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$93,197, a decrease of \$(16,137) in comparison with the prior year. This was due to poor regional economy, lower interest rates and an overall reduction in revenues received from the State and Federal governments. Of this amount, \$28,426 or 31% is available for spending at the County's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$4,825, or 2% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Multnomah County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, health and social services, public safety and justice, community services, roads and bridges, and libraries. The business-type activities of the County include sanitary sewer and street lighting districts, and a behavioral health managed care operation.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate sanitary sewer district and a legally separate street lighting district, for which the County is financially accountable. Financial information for these two *blended component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 31 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Federal State Program Fund, and the Justice Bond Capital Project Fund, all of which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements and respective reconciliations can be found on pages 26-29 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its sewer and lighting operations, and for behavioral health capitated services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses *internal service funds* to account for its risk management activities, fleet operations, telephone and data processing systems, mail distribution and facilities management operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide aggregate information for the sewer and lighting districts and the behavioral health fund. The internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35-36 of this report. The combining balance sheet – agency funds and combining statement of changes in assets and liabilities – agency funds can be found on pages 129-130 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 67 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$516,828 at the close of the most recent fiscal year.

The largest portion of the County's net assets, approximately 93%, reflects investment in capital assets (land, work in progress, buildings, improvements, machinery and equipment, bridges and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Multnomah County's Net Assets
June 30, 2003

	Governmental Activities		Business- type Activities		Total	
	2003	2002 (Restated)	2003	2002	2003	2002 (Restated)
Current and other assets	\$ 381,203	\$ 411,331	\$3,766	\$8,009	\$384,969	\$ 419,340
Capital assets	711,535	708,754	2,474	2,405	714,009	711,159
Total assets	<u>1,092,738</u>	<u>1,120,085</u>	<u>6,240</u>	<u>10,414</u>	<u>1,098,978</u>	<u>1,130,499</u>
Long-term liabilities outstanding	459,457	472,427	4	73	459,461	472,500
Other liabilities	121,022	126,171	1,667	4,800	122,689	130,971
Total liabilities	<u>580,479</u>	<u>598,598</u>	<u>1,671</u>	<u>4,873</u>	<u>582,150</u>	<u>603,471</u>
Net assets:						
Invested in capital assets, net of related debt	475,949	472,133	2,474	2,405	478,423	474,538
Restricted	62,535	74,973	-	-	62,535	74,973
Unrestricted	(26,225)	(25,619)	2,095	3,136	(24,130)	(22,483)
Total net assets	<u>\$ 512,259</u>	<u>\$ 521,487</u>	<u>\$4,569</u>	<u>\$5,541</u>	<u>\$516,828</u>	<u>\$ 527,028</u>

Of the County's net assets, \$62,535 or 12% are restricted for capital projects and debt service. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is the unrestricted net assets or \$(24,130) or approximately (5)%. Unrestricted net assets had a negative balance primarily due to the outstanding long-term liabilities in the County's governmental activities with no offsetting asset. At the end of the current year, the County is able to report positive balances in two categories of net assets for the government as a whole; invested in capital assets, net of related debt and restricted net assets.

The County realizes the unrestricted net asset deficit provides for a negative outlook. However, considering the County's long-term obligations in the Statement of Net Assets, the County recognizes the necessity to be able to meet current financial obligations and has no reason to believe that liabilities will not be met in future periods.

Total net assets decreased by \$(10,200) during the current fiscal year. This decrease is primarily due to the expenditure of construction funds associated with the Wapato Jail facility. In addition, the County realized a decrease in accounts payable due to the reduction or elimination of federal and state funded programs, and a decrease in interest earnings due to the poor economy.

Governmental activities. Governmental activities decreased the County's net assets by \$9,228, thereby accounting for 90% of the total decline in the net assets of the County. Key elements of this decrease are as follows:

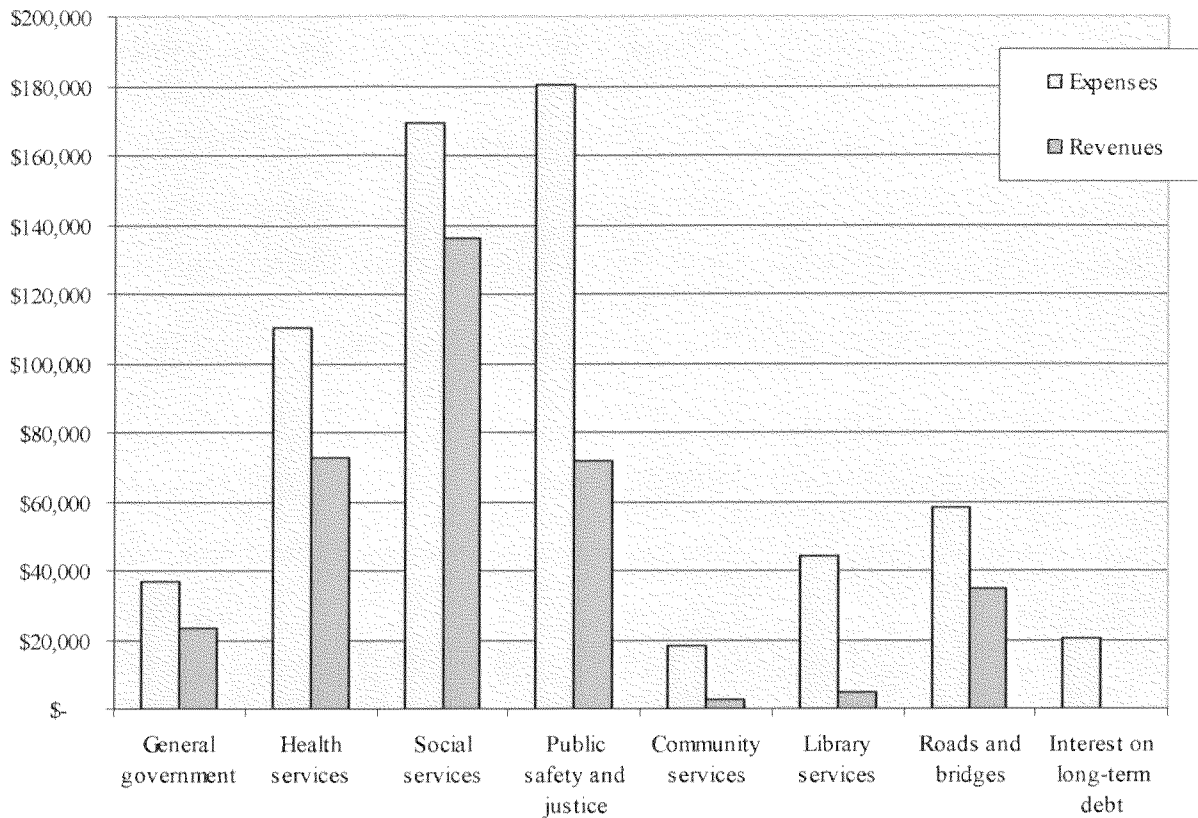
Multnomah County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2003	2002 (Restated)	2003	2002	2003	2002 (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 84,639	\$ 43,902	\$32,967	\$ 33,265	\$117,606	\$ 77,167
Operating grants and contributions	256,659	277,418	897	337	257,556	277,755
Capital grants and contributions	4,461	86	-	-	4,461	86
General revenues:						
Property taxes	203,611	206,244	-	-	203,611	206,244
Other taxes	62,589	61,544	-	-	62,589	61,544
Grants and contributions not restricted to specific programs	70	60	-	-	70	60
Interest and investment earnings	4,226	7,982	131	339	4,357	8,321
Other	10,834	4,496	(89)	(65)	10,745	4,431
Total revenues	<u>627,089</u>	<u>601,732</u>	<u>33,906</u>	<u>33,876</u>	<u>660,995</u>	<u>635,608</u>
Expenses:						
General government	36,374	23,825	-	-	36,374	23,825
Health services	110,322	92,109	-	-	110,322	92,109
Social services	169,218	188,043	-	-	169,218	188,043
Public safety and justice	180,503	184,213	-	-	180,503	184,213
Community services	17,925	23,877	-	-	17,925	23,877
Library services	43,934	39,529	-	-	43,934	39,529
Roads and bridges	58,354	57,478	-	-	58,354	57,478
Interest on long-term debt	20,127	21,139	-	-	20,127	21,139
Dunthorpe-Riverdale Service District Number 1	-	-	344	306	344	306
Mid County Service District Number 14	-	-	355	348	355	348
Behavioral Health Managed Care	-	-	33,739	34,951	33,739	34,951
Total expenses	<u>636,757</u>	<u>630,213</u>	<u>34,438</u>	<u>35,605</u>	<u>671,195</u>	<u>665,818</u>
Decrease in net assets before transfers	(9,668)	(28,481)	(532)	(1,729)	(10,200)	(30,210)
Transfers	440	(3)	(440)	3	-	-
Decrease in net assets	(9,228)	(28,484)	(972)	(1,726)	(10,200)	(30,210)
Beginning net assets, restated	521,487	549,971	5,541	7,267	527,028	557,238
Ending net assets	<u>\$512,259</u>	<u>\$ 521,487</u>	<u>\$ 4,569</u>	<u>\$ 5,541</u>	<u>\$516,828</u>	<u>\$ 527,028</u>

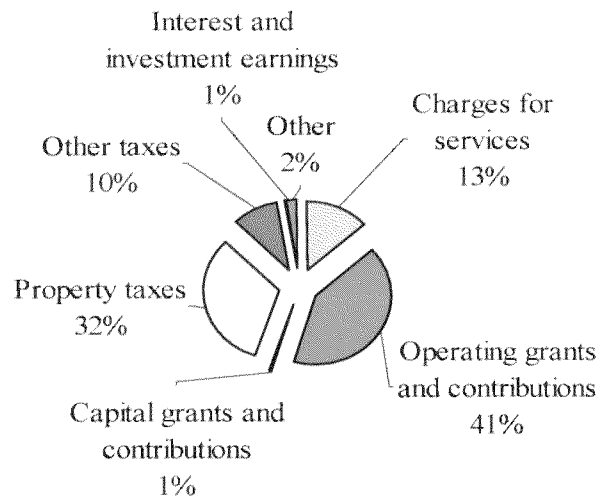
- Operating grants and contributions consist primarily of federal and state revenues. Due to the lagging economy in the region and at the national level, intergovernmental revenues declined from the prior year by \$20,199, or 7%.
- Due to market conditions and lower cash balances, interest and investment earnings were down by \$3,964, or 48%, from the prior year, contributing to the County's decrease in net assets.
- Charges for services increased by \$40,439 or 52% due to reclassification of State Medicaid grants from operating grants and contributions to fees, fines and charges for services in the statement of activities. In addition the County's Health Department was able to increase state Medicaid revenues as result of the department's designation as a federally qualified health center. The County also recognized almost twice the revenue in recording fees due to low interest rates in fiscal year 2003 and homeowners taking advantage of the low interest rates to refinance properties.
- Capital grants and contributions include state donated revenues for work performed on County bridges and roads. Amounts previously reported as operating grants were reclassified to capital grants in the current year.
- General Government expenses increased by \$12,549 or 53% as a result of a change in the County's practice of recovering administrative costs from an indirect cost allocation method to a practice that directly charges programs for the administrative services. This provides a more accurate depiction of the level of general government support provided to these various grant programs in fiscal year 2003.
- Expenditures for Health services increased by \$18,213 or 20%, due in part to new contracts for federal Medicaid revenues which required local match payments. The remainder of the difference can be attributed to the increase in health services' building occupancy from the previous year.

The following graphs show the County's Governmental Activities expenses and revenues by program area and revenue by sources.

Expenses and Program Revenues - Governmental Activities



Revenues by Source, Governmental Activities

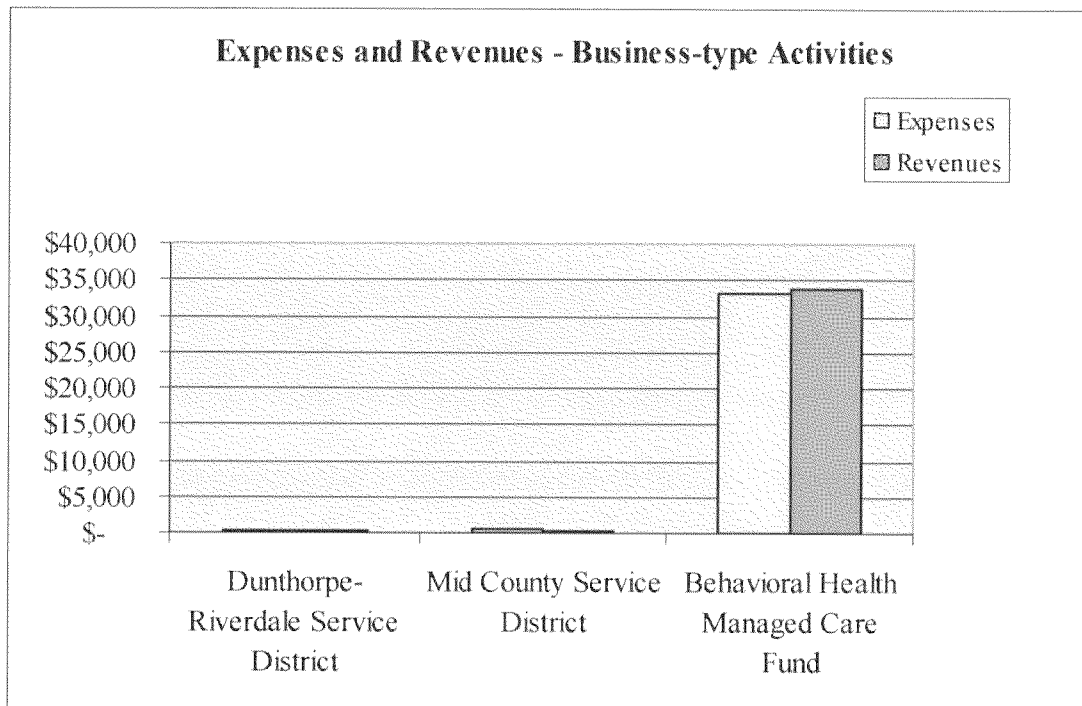


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Additionally, where expenses decreased from prior years, this can be directly attributed to the decrease in revenues in the governmental activities.

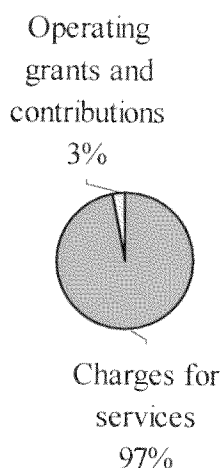
Business-type activities. Business-type activities decreased the County's net assets by \$972, accounting for 10% of the total decline in the government's net assets. The primary reasons for this decrease are:

- A transfer of funds in the amount of \$440 from the Behavioral Health Fund to the Federal State Program Fund was required to properly record childrens' mental health revenue received in prior years.
- Interest revenue in the enterprise funds declined by \$208, or 61% from the prior year, as a result of poor market conditions.
- A loss of \$113 on disposal of capital assets was recorded in the Mid County Service District.

The following graphs show the County's Business-type Activities expenses and revenues by program area and revenue by sources.



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$93,197, a decrease of \$(16,137) in comparison with the prior year. Approximately 31% or \$28,426 of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for inventories and prepaid items which will not provide spendable resources (\$2,163), 2) to pay debt service (\$25,613), or 3) to pay for ongoing capital projects (\$36,995).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,825 and the total fund balance was \$5,786. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund decreased by \$3,358 during the current fiscal year. Key factors in this reduction are due to poor economic conditions in the region. The most notable changes contributing to the reduction are:

- A decrease in Intergovernmental revenues of \$4,427 from the previous year.
- A decrease in interest income of \$1,378 from the previous year.

The Justice Bond Capital Project Fund has a total fund balance of \$9,971, all of which is reserved for capital projects. The fund balance decreased from the prior year by \$20,447, due to the continued construction of the new Wapato Jail facility.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at year end amounted to:

- Dunthorpe-Riverdale Service District Fund, \$348;
- Mid County Service District Fund, \$834; and
- Behavioral Health Managed Care Fund, \$913.

The total change in net assets for all proprietary funds was a decrease of \$(972). Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were primarily due to the mid-year budget reduction. In order to answer the problems that arose as a result of major revenue shortfalls, the County implemented various cost saving measures resulting in a total savings of approximately \$15,600. The budget shortfall was addressed by reducing appropriations in the following areas:

- The budgeted transfer from the General Fund to the Data Processing Internal Service fund, in the amount of \$447, was eliminated;
- Vacant positions were not filled and other personnel and administrative reductions were implemented, resulting in savings of \$8,514;
- Various health and social service programs were reduced or eliminated, which resulted in savings of \$5,722;
- Various public safety programs were reduced or eliminated, which resulted in savings of \$876.

Capital Projects and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2003, amounts to \$714,009 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, sewer and street lighting systems, and motor vehicles. The total increase in the County's investment in capital assets for the current fiscal year was \$2,850.

Major capital asset events during the current fiscal year included the following:

- Construction continued on the Wapato Jail site in NE Portland. Construction in progress at the close of the fiscal year had reached \$18,932.
- The County sold the Ford Building for \$2,100, and will be moving operations from the Ford Building to smaller leased space in fiscal year 2004.
- Construction began on the Hillsdale Library in SW Portland. Construction in progress at the close of the fiscal year had reached \$3,973.

Multnomah County's Capital Assets
(net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 13,987	\$ -	\$ 13,987
Buildings and systems	255,959	-	255,959
Improvements other than buildings	291	2,474	2,765
Machinery and equipment	19,881	-	19,881
Roads	366,728	-	366,728
Work in progress	37,986	-	37,986
Bridges	16,703	-	16,703
Total	<u>\$ 711,535</u>	<u>\$ 2,474</u>	<u>\$ 714,009</u>

Additional information on the County's capital assets can be found in note 3.C on pages 50-52 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$418,482. Of this amount, \$91,610 comprises debt backed by the general obligation bonds; \$276,763 represents debt backed by the full faith and credit bonds; \$718 comprises long term lease obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (e.g., revenue bonds, capitalized leases). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Multnomah County's Outstanding Debt
General Obligation, Revenue and Full Faith and Credit Bonds
Capital Leases, and Loans

	Governmental activities	Business-type activities	Total
General Obligation Bonds	\$ 91,610	\$ -	\$ 91,610
Revenue Bonds	7,890	-	7,890
Full Faith and Credit Bonds	276,763	-	276,763
Capital Leases	41,501	-	41,501
Loans	718	-	718
Total	<u>\$ 418,482</u>	<u>\$ -</u>	<u>\$ 418,482</u>

The County's total debt decreased by \$6,631, or 2% during the current fiscal year. This change consists of principal debt payments made during the year of \$16,246 and \$9,615 of full faith and credit obligations issued in May 2003.

The County maintains an "Aa1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the

County for general obligation debt is \$1,267,727, which is significantly in excess of the County's outstanding general obligation debt.

State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$633,863, which is in excess of the County's outstanding full faith and credit debt.

Additional information on the County's long-term debt can be found in note 3.E on pages 53-60 of this report.

Key Economic Factors and Budget Information

- The unemployment rate for the Portland-metropolitan area at the close of the fiscal year was 8.9%. At the time of preparation of this report, the unemployment rate had dropped to 7.5%. The rate is not expected to significantly improve before the end of the next fiscal year.
- It is anticipated that the costs of providing medical insurance coverage to employees will continue to rise, by approximately 10-12% in the next fiscal year.
- Voters in the County approved a three year temporary income tax increase which took effect January 1, 2003. The tax is expected to generate approximately \$128,000 for each of the three calendar years the tax is in effect.
- During the 2003 legislative process, the state of Oregon enacted major reforms to the PERS system. However, the reforms have been challenged by various labor groups and the economic effect of the legislation will not be known for 18 to 24 months.

All of these factors were considered in preparing the County's budget for fiscal year 2003-2004.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$4,825. This amount will not be available for program resources in fiscal year 2003-2004.

Requests for Information

This financial report is designed to provide a general overview of Multnomah County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

Multnomah County Finance
PO Box 14700
Portland, OR 97293-0700

BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON

Statement of Net Assets

June 30, 2003

(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$ 131,058	\$ 3,333	\$ 134,391
Receivables (net of allowance for uncollectibles):			
Taxes	15,928	-	15,928
Accounts	52,222	62	52,284
Loans	943	-	943
Interest	793	-	793
Special assessments	10	24	34
Contracts	13,718	-	13,718
Inventories	2,857	-	2,857
Prepaid items	1,169	347	1,516
Capital assets:			
Land and construction in progress	51,973	-	51,973
Other capital assets (net of accumulated depreciation)	659,562	2,474	662,036
Unamortized pension asset	162,505	-	162,505
Total assets	<u>1,092,738</u>	<u>6,240</u>	<u>1,098,978</u>
LIABILITIES			
Accounts payable	64,465	1,653	66,118
Accrued salaries and benefits	6,321	7	6,328
Deferred revenue	19,966	-	19,966
Noncurrent liabilities:			
Due within one year:			
Compensated absences	5,090	7	5,097
Bonds payable	12,190	-	12,190
Capital leases payable	12,905	-	12,905
Loans payable	85	-	85
Due in more than one year:			
Compensated absences	10,965	4	10,969
Bonds payable	364,073	-	364,073
Capital leases payable	28,596	-	28,596
Loans payable	633	-	633
Post retirement medical benefits payable	55,190	-	55,190
Total liabilities	<u>580,479</u>	<u>1,671</u>	<u>582,150</u>
NET ASSETS			
Invested in capital assets, net of related debt	475,949	2,474	478,423
Restricted for:			
Capital projects	37,048	-	37,048
Debt service	25,487	-	25,487
Unrestricted	(26,225)	2,095	(24,130)
Total net assets	<u>\$ 512,259</u>	<u>\$ 4,569</u>	<u>\$ 516,828</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Activities
For the Year Ended June 30, 2003
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 36,374	\$ 15,976	\$ 5,534	\$ 1,953
Health services	110,322	40,901	31,829	-
Social services	169,218	759	135,286	-
Public safety and justice	180,503	23,216	48,167	135
Community services	17,925	-	2,604	126
Library	43,934	2,537	2,035	-
Roads and bridges	58,354	1,250	31,204	2,247
Interest on long-term debt	20,127	-	-	-
Total governmental activities	<u>636,757</u>	<u>84,639</u>	<u>256,659</u>	<u>4,461</u>
Business-type activities:				
Dunthorpe-Riverdale service				
District Number 1	344	248	8	-
Mid County service				
District Number 14	355	233	251	-
Behavioral health managed care	33,739	32,486	638	-
Total business-type activities	<u>34,438</u>	<u>32,967</u>	<u>897</u>	<u>-</u>
Total primary government	<u><u>\$ 671,195</u></u>	<u><u>\$ 117,606</u></u>	<u><u>\$ 257,556</u></u>	<u><u>\$ 4,461</u></u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Business income taxes

Selective excise and use taxes

Payments in lieu of taxes

State government shared revenues

Grants and contributions not restricted to specific programs

Interest and investment earnings

Miscellaneous

Gain (loss) on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets, as previously reported

Adjustment for net pension asset

Adjustment for post retiree medical benefits payable

Net assets - beginning, restated

Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expenses) Revenues and
Changes in Net Assets**

Governmental Activities	Business-type Activities	Total
\$ (12,911)	\$ -	\$ (12,911)
(37,592)	-	(37,592)
(33,173)	-	(33,173)
(108,985)	-	(108,985)
(15,195)	-	(15,195)
(39,362)	-	(39,362)
(23,653)	-	(23,653)
(20,127)	-	(20,127)
<u>(290,998)</u>	<u>-</u>	<u>(290,998)</u>
-	(88)	(88)
-	129	129
-	<u>(615)</u>	<u>(615)</u>
-	<u>(574)</u>	<u>(574)</u>
<u>\$ (290,998)</u>	<u>\$ (574)</u>	<u>\$ (291,572)</u>
\$ 193,912	\$ -	\$ 193,912
9,699	-	9,699
26,491	-	26,491
33,199	-	33,199
2,899	-	2,899
6,206	-	6,206
70	-	70
4,226	131	4,357
2,917	24	2,941
1,711	(113)	1,598
440	<u>(440)</u>	<u>-</u>
<u>281,770</u>	<u>(398)</u>	<u>281,372</u>
(9,228)	(972)	(10,200)
408,020	5,541	413,561
168,657	-	168,657
<u>(55,190)</u>	<u>-</u>	<u>(55,190)</u>
<u>521,487</u>	<u>5,541</u>	<u>527,028</u>
<u>\$ 512,259</u>	<u>\$ 4,569</u>	<u>\$ 516,828</u>

MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2003
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 14,190	\$ 80	\$ 11,629	\$ 80,092	\$ 105,991
Receivables:					
Taxes	12,963	-	-	2,965	15,928
Accounts	5,935	36,769	574	8,132	51,410
Loans	-	943	-	-	943
Interest	793	-	-	-	793
Special assessments	10	-	-	-	10
Contracts	2,151	-	-	11,567	13,718
Inventories	864	381	-	995	2,240
Prepays and deposits	97	289	-	208	594
Total assets	<u>\$ 37,003</u>	<u>\$ 38,462</u>	<u>\$ 12,203</u>	<u>\$ 103,959</u>	<u>\$ 191,627</u>
LIABILITIES					
Accounts payable	17,465	18,647	2,226	11,723	50,061
Payroll payable	2,777	2,164	6	810	5,757
Due to other funds	-	12,333	-	17	12,350
Deferred revenue	10,975	5,318	-	13,969	30,262
Total liabilities	<u>31,217</u>	<u>38,462</u>	<u>2,232</u>	<u>26,519</u>	<u>98,430</u>
FUND BALANCES					
Reserved for capital projects	-	-	9,971	27,024	36,995
Reserved for debt service	-	-	-	25,613	25,613
Reserved for inventories	864	-	-	995	1,859
Reserved for prepaid items	97	-	-	207	304
Unreserved, reported in:					
General fund	4,825	-	-	-	4,825
Special revenue funds	-	-	-	23,601	23,601
Total fund balances	<u>5,786</u>	<u>-</u>	<u>9,971</u>	<u>77,440</u>	<u>93,197</u>
Total liabilities and fund balances	<u>\$ 37,003</u>	<u>\$ 38,462</u>	<u>\$ 12,203</u>	<u>\$ 103,959</u>	<u>\$ 191,627</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Balance Sheet
to the Statement of Net Assets
As of June 30, 2003
(amounts expressed in thousands)

Fund Balances - Governmental Funds		\$ 93,197
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,358,936	
Less accumulated depreciation	<u>(651,527)</u>	707,409
Other long-term assets, net pension asset		162,505
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable	(376,263)	
Capital leases payable	(41,501)	
Loans payable	<u>(718)</u>	(418,482)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(14,356)
Net post employment benefit obligation		(55,190)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		10,296
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities.		26,880
Net Assets of Governmental Activities		<u><u>\$ 512,259</u></u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 213,681	\$ -	\$ -	\$ 54,544	\$ 268,225
Intergovernmental	14,027	204,798	-	42,195	261,020
Licenses and permits	10,333	1,526	-	2,637	14,496
Charges for services	18,631	38,414	38	9,242	66,325
Interest	225	33	1,215	2,026	3,499
Other	7,322	2,132	-	28,041	37,495
Total revenues	<u>264,219</u>	<u>246,903</u>	<u>1,253</u>	<u>138,685</u>	<u>651,060</u>
EXPENDITURES					
Current:					
General government	45,453	22	1	6,899	52,375
Health services	41,534	64,874	-	-	106,408
Social services	30,920	137,071	-	338	168,329
Public safety and justice	136,750	38,109	21,107	4,148	200,114
Community services	-	2,248	-	17,150	19,398
Library services	-	-	-	40,741	40,741
Roads and bridges	-	-	-	39,497	39,497
Capital outlay	193	85	592	16,900	17,770
Debt service:					
Principal	-	-	-	15,186	15,186
Interest	499	-	-	19,583	20,082
Total expenditures	<u>255,349</u>	<u>242,409</u>	<u>21,700</u>	<u>160,442</u>	<u>679,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,870</u>	<u>4,494</u>	<u>(20,447)</u>	<u>(21,757)</u>	<u>(28,840)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of refunding bonds	-	-	-	9,615	9,615
Transfers in	6,518	562	-	32,739	39,819
Transfers out	(18,746)	(5,056)	-	(12,929)	(36,731)
Total other financing sources (uses)	<u>(12,228)</u>	<u>(4,494)</u>	<u>-</u>	<u>29,425</u>	<u>12,703</u>
Net change in fund balances	(3,358)	-	(20,447)	7,668	(16,137)
Fund balances - beginning	9,144	-	30,418	69,772	109,334
Fund balances - ending	<u>\$ 5,786</u>	<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ 77,440</u>	<u>\$ 93,197</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year ended June 30, 2003
(amounts expressed in thousands)

Net change in fund balances - Governmental Funds	\$	(16,137)
--------------------------------------------------	----	----------

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives

Expenditures for capital assets	36,793	
Less current year depreciation	<u>(32,602)</u>	4,191

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Decrease in deferred revenues	(838)
-------------------------------	-------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments

Principal payments (including capital leases)	15,186
-----------------------------------------------	--------

Proceeds on issuance of long-term debt	(9,615)
----------------------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Decrease in long-term compensated absences	114
--------------------------------------------	-----

Amortization expense on the net pension asset	(6,152)
-----------------------------------------------	---------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds is reported with governmental activities.

	4,023
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Change in Net Assets of Governmental Activities	\$	<u>(9,228)</u>
-------------------------------------------------	----	----------------

The notes to the financial statements are an integral part of this statement.

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MAJOR GOVERNMENTAL FUNDS

Major governmental funds are defined as those funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds for the same item. The general fund is always classified as a major fund.

- **General Fund** – accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services. The modified accrual basis of accounting is used to record revenues and expenditures.
- **Federal and State Program Fund** – a special revenue fund that accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.

MULTNOMAH COUNTY, OREGON

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes				
Property:				
Current	\$ 175,818	\$ 169,209	\$ 168,996	\$ (213)
Prior	4,362	4,362	4,298	(64)
Penalties and interest	2,294	2,294	1,690	(604)
Payments in lieu of taxes	85	85	1,461	1,376
Transient lodging	3	3	1	(2)
Business income	29,635	25,190	26,491	1,301
Motor vehicle rental	12,547	11,523	10,744	(779)
Intergovernmental:				
Federal	1,897	1,653	610	(1,043)
State	22,315	12,464	11,702	(762)
Local	2,491	2,353	1,715	(638)
Licenses and permits	7,874	8,498	10,333	1,835
Charges for services	7,953	18,138	18,631	493
Interest	4,658	4,508	225	(4,283)
Other:				
Miscellaneous	1,223	1,437	1,907	470
Service reimbursements	14,115	14,095	5,415	(8,680)
Total revenues	287,270	275,812	264,219	(11,593)
EXPENDITURES				
Human services	20,863	20,124	17,164	2,960
Community justice services	41,482	39,096	38,724	372
Health services	41,446	37,730	41,563	(3,833)
District attorney	14,785	14,173	13,819	354
Sheriff	88,337	86,365	84,339	2,026
Business and community services	35,862	34,387	34,099	288
Nondepartmental	25,245	23,558	11,885	11,673
School and community	16,746	14,466	13,756	710
Total expenditures	284,766	269,899	255,349	14,550
Excess of revenues				
over expenditures	2,504	5,913	8,870	2,957
OTHER FINANCING SOURCES (USES)				
Transfers in	1,663	1,827	6,518	4,691
Transfers out	(19,648)	(18,890)	(18,746)	144
Total other financing sources (uses)	(17,985)	(17,063)	(12,228)	4,835
Net change in fund balances	(15,481)	(11,150)	(3,358)	7,792
Fund balances - beginning	15,481	11,150	9,144	(2,006)
Fund balances - ending	\$ -	\$ -	\$ 5,786	\$ 5,786

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Federal and State Program Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 242,810	\$ 255,545	\$ 204,798	\$ (50,747)
Licenses and permits	1,841	1,841	1,526	(315)
Charges for services	2,963	3,056	38,414	35,358
Interest	13	13	33	20
Other:				
Miscellaneous	359	404	637	233
Non-governmental grants	3,447	3,413	1,407	(2,006)
Service reimbursements	292	292	88	(204)
Total revenues	<u>251,725</u>	<u>264,564</u>	<u>246,903</u>	<u>(17,661)</u>
EXPENDITURES				
Human services	131,935	134,522	121,170	13,352
Community justice services	31,957	36,646	33,502	3,144
Health services	66,187	69,266	64,875	4,391
District attorney	4,972	5,162	4,363	799
Sheriff	81	335	328	7
Business and community services	549	724	297	427
Nondepartmental	1,888	2,199	1,973	226
School and community	15,689	17,243	15,901	1,342
Total expenditures	<u>253,258</u>	<u>266,097</u>	<u>242,409</u>	<u>23,688</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(1,533)</u>	<u>(1,533)</u>	<u>4,494</u>	<u>6,027</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	607	607	562	(45)
Transfers out	-	-	(5,056)	(5,056)
Total other financing sources (uses)	<u>607</u>	<u>607</u>	<u>(4,494)</u>	<u>(5,101)</u>
Net change in fund balances	(926)	(926)	-	926
Fund balances - beginning	926	926	-	(926)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

The County utilizes nine Proprietary Funds made up of three Enterprise Funds and six Internal Service Funds. Internal Service Funds' statements are noted at pages 114-128.

Enterprise Funds:

These funds are used to finance and account for the acquisition, operation and maintenance of sewage treatment facilities, street lighting facilities and children's mental health claims administration, which are supported by user charges. The County accounts for certain expenditures of the enterprise funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes the accrual basis of accounting is used. The difference in the accounting basis used relates primarily to the methods of accounting for depreciation, debt and capital outlay. Funds included are:

- **Dunthorpe-Riverdale Service District No. 1 Fund** - accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- **Mid County Service District No. 14 Fund** - accounts for the operation of street lights throughout unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- **Behavioral Health Managed Care Fund** - accounts for all financial activity associated with the State required behavioral health capitated services.

MULTNOMAH COUNTY, OREGON

Statement of Net Assets

Proprietary Funds

June 30, 2003

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe- Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 402	\$ 840	\$ 2,091	\$ 3,333	\$ 25,067
Receivables (net of allowances for uncollectibles):					
Accounts	1	-	61	62	812
Special assessments	12	12	-	24	-
Inventories	-	-	-	-	617
Due from other funds	-	-	-	-	12,350
Prepaid items	-	-	347	347	573
Total current assets	415	852	2,499	3,766	39,419
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	1,058	1,416	-	2,474	4,126
Total assets	1,473	2,268	2,499	6,240	43,545
LIABILITIES					
Current liabilities:					
Accounts payable	67	18	1,568	1,653	14,404
Payroll payable	-	-	7	7	562
Compensated absences	-	-	7	7	526
Total current liabilities	67	18	1,582	1,667	15,492
Noncurrent liabilities:					
Compensated absences	-	-	4	4	1,173
Total liabilities	67	18	1,586	1,671	16,665
NET ASSETS					
Invested in capital assests, net of related debt	1,058	1,416	-	2,474	4,126
Unrestricted	348	834	913	2,095	22,754
Total net assets	\$ 1,406	\$ 2,250	\$ 913	\$ 4,569	\$ 26,880

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>				
	<u>Dunthorpe Riverdale Service District</u>	<u>Mid County Service District</u>	<u>Behavioral Health Managed Care</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES					
Charges for sales and services	\$ 256	\$ 233	\$ 33,124	\$ 33,613	\$ 119,032
Insurance premiums	-	-	-	-	1,839
Experience ratings and other	-	-	24	24	846
Total operating revenues	<u>256</u>	<u>233</u>	<u>33,148</u>	<u>33,637</u>	<u>121,717</u>
OPERATING EXPENSES					
Cost of sales and services	274	235	30,076	30,585	109,643
Administration	30	27	3,657	3,714	3,438
Depreciation	40	93	6	139	3,025
Total operating expenses	<u>344</u>	<u>355</u>	<u>33,739</u>	<u>34,438</u>	<u>116,106</u>
Operating income (loss)	<u>(88)</u>	<u>(122)</u>	<u>(591)</u>	<u>(801)</u>	<u>5,611</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	12	21	98	131	727
Interest expense	-	-	-	-	(45)
Gain (loss) on disposal of capital assets	-	(113)	-	(113)	122
Total nonoperating revenues (expenses)	<u>12</u>	<u>(92)</u>	<u>98</u>	<u>18</u>	<u>804</u>
Income (loss) before contributions and transfers	(76)	(214)	(493)	(783)	6,415
Capital contributions	-	251	-	251	256
Transfers in	-	-	-	-	2,400
Transfers out	-	-	(440)	(440)	(5,048)
Change in net assets	<u>(76)</u>	<u>37</u>	<u>(933)</u>	<u>(972)</u>	<u>4,023</u>
Total net assets - beginning	<u>1,482</u>	<u>2,213</u>	<u>1,846</u>	<u>5,541</u>	<u>22,857</u>
Total net assets - ending	<u>\$ 1,406</u>	<u>\$ 2,250</u>	<u>\$ 913</u>	<u>\$ 4,569</u>	<u>\$ 26,880</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 257	\$ 233	\$ 33,199	\$ 33,689	\$ 121,311
Payments to suppliers	(314)	(243)	(32,149)	(32,706)	(79,352)
Payments to employees	(18)	(20)	(3,657)	(3,695)	(27,565)
Internal activity - payments to other funds	-	-	(412)	(412)	(16,497)
Other receipts (payments)	-	-	-	-	394
Net cash used in operating activities	(75)	(30)	(3,019)	(3,124)	(1,709)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	-	2,401
Transfers to other funds	-	-	(440)	(440)	(5,048)
Net cash used in noncapital and related financing activities	-	-	(440)	(440)	(2,647)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(70)	-	-	(70)	(1,436)
Principal paid on capital debt	-	-	-	-	(1,060)
Proceeds on sales of capital assets	-	-	-	-	200
Interest paid on capital debt	-	-	-	-	(45)
Net cash used in capital and related financing activities	(70)	-	-	(70)	(2,341)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	12	21	98	131	727
Net cash provided by investing activities	12	21	98	131	727
Net decrease in cash and cash equivalents	(133)	(9)	(3,361)	(3,503)	(5,970)
Balances at beginning of the year	535	849	5,452	6,836	31,037
Balances at end of the year	\$ 402	\$ 840	\$ 2,091	\$ 3,333	\$ 25,067
Reconciliation of operating income to net cash used in operating activities:					
Operating income (loss)	\$ (88)	\$ (122)	\$ (591)	\$ (801)	\$ 5,611
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation	40	93	6	139	3,025
Changes in assets and liabilities:					
Receivables, net	3	2	51	56	(13)
Inventories	-	-	-	-	220
Due from other funds	-	-	-	-	(11,390)
Prepaid items	-	-	684	684	(328)
Accounts payable	(30)	(3)	(2,984)	(3,017)	1,132
Compensated absences	-	-	(76)	(76)	7
Payroll payable	-	-	(109)	(109)	27
Total adjustments	13	92	(2,428)	(2,323)	(7,320)
Net cash used in operating activities	\$ (75)	\$ (30)	\$ (3,019)	\$ (3,124)	\$ (1,709)
Noncash financing activities:					
Contributions of capital assets from government	\$ -	\$ 251	\$ -	\$ 251	\$ 256

The notes to the financial statements are an integral part of this statement.

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FIDUCIARY FUNDS

These funds account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. The modified accrual basis of accounting is used to record transactions in the agency funds. The accrual basis of accounting is used in the Library Retirement Fund (Pension Trust). The funds included are:

- **Agency Funds** –account for resources held by the County in a purely custodial capacity (assets equal liabilities).
- **Library Retirement Fund** – provides pension benefits for former employees of the Library Association of Portland.

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003
(amounts expressed in thousands)

	<u>Agency Funds</u>	<u>Library Retirement Pension Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 11,165	\$ -	\$ 11,165
Investments, at fair value:			
Guaranteed interest account	-	4,692	4,692
Bond/mortgage account	-	7,624	7,624
High quality long term bond account	-	2,350	2,350
Total investments	-	14,666	14,666
Taxes receivable	40,306	-	40,306
Accounts	5,491	-	5,491
Total assets	<u>56,962</u>	<u>14,666</u>	<u>71,628</u>
LIABILITIES			
Accounts payable	2,097	-	2,097
Due to other governmental units	38,367	-	38,367
Amounts held in trust	16,498	-	16,498
Total liabilities	<u>56,962</u>	<u>-</u>	<u>56,962</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 14,666</u>	<u>\$ 14,666</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2003
(amounts expressed in thousands)

	Library Retirement Pension Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 331
Net increase in the fair value of investments	1,252
Total investment earnings	<u>1,583</u>
Total additions	<u>1,583</u>
DEDUCTIONS	
Benefits	680
Administrative expenses	<u>27</u>
Total deductions	<u>707</u>
Change in net assets	876
Net assets - beginning	13,790
Net assets - ending	<u>\$ 14,666</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Multnomah County (County) is a municipal corporation governed by an elected Board of Commissioners, comprised of a Board Chair and four commissioners. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Blended component units. The Dunthorpe-Riverdale Sanitary Service District and the Mid County Street Lighting District serve residents within each district's geographical boundaries and are governed by a board comprised of the County's elected Board. The rates for user charges for both districts are approved by the Board. Each District is reported as an enterprise fund.

The County also maintains a Hospital Facilities Authority (Authority). The Authority only issues conduit debt for health facilities and the County has no assets or liabilities recorded for the Authority.

Complete financial statements for each of the individual component units may be obtained at the County's administrative offices.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement preparation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excise taxes, business income taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

The *Federal State Program Fund* accounts for the majority of revenues and expenditures related to federal and state financial assistance programs.

The *Justice Bond Capital Project Fund* accounts for revenues and expenditures related to construction projects which upgrade or expand existing jail facilities, construct new jail facilities, and pay for data processing linkages in the corrections system.

The County reports the following major proprietary funds:

Proprietary Funds account for the operations of predominantly self-supporting activities. Proprietary funds are classified as either enterprise or internal service. *Enterprise Funds* account for services rendered to the public on a user charge basis. The following are the County's major enterprise funds:

The *Dunthorpe-Riverdale Service District No. 1 Fund* accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County.

The *Mid County Service District No. 14 Fund* accounts for the operation of the street lighting system throughout unincorporated Multnomah County.

The *Behavioral Health Managed Care Fund* accounts for all financial activity associated with the State required behavioral health capitated services.

Additionally, the County reports the following fund types:

Special revenue funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital projects funds account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

acquisitions, proceeds from the sale of County owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

Internal Service funds account for activities and services performed primarily for other organizational units within the County. The County reports six internal service funds: Risk Management Fund, Fleet Management Fund, Telephone Fund, Data Processing Fund, Mail/Distribution Fund and Facilities Management Fund.

Fiduciary Funds account for assets held by the County for other governmental units. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. For example, the County holds deposits and investments for the benefit of the participants in the County Library Retirement Pension Trust Fund. Fiduciary funds are custodial in nature (ie. assets equal liabilities) and do not measure the results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer and lighting functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and lighting districts, of the Behavioral Health fund, and of the County's internal service funds are charges to customers for sales and services. The sewer district also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

1. *Deposits and investments*

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). Investments for the County, as well as for its component units, are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations.

2. *Receivables and payables*

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectibles.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

payment schedule, the first one-third of taxes are due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

3. *Inventories and prepaid items*

Inventories of materials and supplies in the governmental funds are valued at average cost and are offset by a reservation of fund balance. Inventories of materials and supplies in the internal service funds are valued at the lower of average cost or market. All inventories are recorded as expenditures when consumed rather than when purchased.

Payments in excess of \$10 to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted amounts*

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, state gas tax, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligations bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Such net assets are classified as restricted on the Statement of Net Assets and they are recorded in separate funds supporting the specific function or operation.

5. *Capital assets*

Capital assets, which includes property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not in thousands) and an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, the County incurred no interest expense for capital assets for business-type activities.

Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

- | | |
|---------------------------------|----------------|
| • Motor vehicles | 3 years |
| • Sewer systems | 50 years |
| • Street lighting | 10 to 30 years |
| • Equipment, including software | 3 to 10 years |
| • Buildings and improvements | 40 years |

6. *Other assets – unamortized pension asset*

The County recognized a net pension asset in the Statement of Net Assets in connection with the debt the County issued in 1999 to fund the County's Public Employees Retirement System (PERS) unfunded accrued actuarial liability (UAAL). The pension asset is amortized over thirty years, the life of the debt, resulting in \$6,152 of amortization expense annually. Amortization expense on the pension asset is included in the general government line item on the Statement of Activities.

7. *Compensated absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide statements and proprietary funds statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30. Liabilities for compensated absences are liquidated as employees separate from service and receive payment for accumulated leave benefits. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects and Internal Service Funds.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

8. *Long-term obligations*

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Post employment health care benefits considered to be special termination benefits are recognized as a liability in the government-wide financial statements. The liability reflects both the lump sum payments to employees and the present value of expected future payments. When incurred, bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The post employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year.

9. *Fund equity*

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. *Estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

Note 2. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the trust funds. All annual appropriations lapse at fiscal year end.

During the month of February each year, all agencies of the County submit requests for appropriations to the County Chair so that a budget may be prepared. By May 15, the proposed budget is presented to the County Board of Commissioners for approval. The Board holds public hearings and a final budget must be prepared and adopted no later than June 30.

The adopted budget is prepared by fund and department. The County's department managers may make transfers of appropriations within a department and fund. Transfers of appropriations between departments or funds require the approval of the Board. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. The Board approved several supplemental budgetary appropriations throughout the year, none of which were material.

B. Excess of expenditures over appropriations

For the year ended June 30, 2003, expenditures exceeded appropriations in three areas:

<u>Fund</u>	<u>Agency</u>	<u>Amount</u>
General	Health Services	\$3,833
Revenue Bond Project	Business & Community Services	173
Dunthorpe-Riverdale Service District	Business & Community Services	53

In the General Fund, the Health Department exceeded its appropriation as a result of a new revenue contract with the Oregon Office of Medical Assistance Programs (OMAP) which was not finalized until after the year ended. Under the terms of the contract, the Health Department received \$7,322 in Medicaid revenue to reimburse expenditures incurred in fiscal years 2002 and 2003 but was required to pay the 50% local match required by the federal Medicaid program, in the amount of \$3,661, which was not budgeted. While this transaction was the primary reason the Health Department over expended its appropriation, it also resulted in \$3,661 net revenue to the County.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

The Department of Business and Community Services exceeded its appropriation in two areas. The Revenue Bond Project fund, which supports the Port City Development Project, incurred an over expenditure as a result of environmental and construction problems that were required to be corrected before the building could be approved for occupancy. The Dunthorpe-Riverdale Service District's over expenditure was due to unscheduled emergency maintenance to repair the sewer system owned by the District.

All over expenditures were funded by available fund balances.

Note 3. Detailed notes on all funds

A. Deposits and investments

Multnomah County pools virtually all funds for investment purposes. All appropriate funds are allocated interest based on the average daily cash balance of the fund and the average monthly yield of the County's investment portfolio. Each fund type's portion of this pool is displayed on the Combined Balance Sheet as "Cash and investments."

At year-end, the carrying amount of the County's deposits was \$24,577 and the bank balance was \$24,544. The bank balance was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$33 represents petty cash accounts that were uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds.

Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool, and various interest-bearing bonds of Oregon municipalities.

The County's investment policy requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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market value of the securities. Daily marking-to-market also protects the County against declines in market value. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

The County's investments are governed by a written investment policy that is reviewed annually by both the Oregon Short-Term Fund Board and the Multnomah County Investment Advisory Board, and is adopted annually by the Board of County Commissioners. The policy specifies the County's investment objectives, benchmarks, required diversification by security type and by maturity, and the reporting requirements.

The County is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value and are the same as the value of the pool shares. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

Investments are categorized into these three categories of credit risk:

- 1) Insured or registered, or securities held by the County or its agent in the County's name.
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

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At year end, the County's investment balances were as follows:

	Category			Reported Amount / Fair Value
	1	2	3	
US Government Agencies	\$ 40,152	\$ 279	\$ -	\$ 40,431
US Government Treasuries	9,963	-	-	9,963
Repurchase Agreements	-	-	-	-
Bankers' Acceptances	2,582	-	-	2,582
Corporate Debt / Commercial Paper	24,914	-	-	24,914
Pension Trust Investments:				
Guaranteed Interest Account	-	-	4,692	4,692
Fixed Income Account	-	-	9,974	9,974
Total	<u>\$ 77,611</u>	<u>\$ 279</u>	<u>\$14,666</u>	<u>92,556</u>
Investments not subject to categorization:				
Local Government Investment Pool				43,090
Cash Deposits and Certificates of Deposit				24,576
Total Cash and Investments				<u>\$ 160,222</u>

Due to higher cash flows at certain times during the year, the government's investment in overnight repurchase agreements for which the underlying securities were held by the dealer increased significantly. As a result, the amounts that were in category 3 at those times were substantially higher than at year-end.

B. Receivables

Receivables as of year-end for the County's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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MULTNOMAH COUNTY
Accounts Receivable

	<u>General</u>	<u>Federal State Program</u>	<u>Justice Bond Project</u>	<u>Dunthorpe Riverdale Service District</u>	<u>Mid County Service District</u>	<u>Behavioral Health Managed Care</u>	<u>Internal Service Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:									
Taxes	\$12,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,965	\$15,928
Accounts	5,935	36,769	574	1	-	61	812	8,132	52,284
Loans	-	943	-	-	-	-	-	-	943
Interest	793	-	-	-	-	-	-	-	793
Special assessments	10	-	-	14	14	-	-	-	38
Contracts	<u>2,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,567</u>	<u>13,718</u>
Gross receivables	21,852	37,712	574	15	14	61	812	22,664	83,704
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
Net total receivables	<u>\$21,852</u>	<u>\$37,712</u>	<u>\$574</u>	<u>\$13</u>	<u>\$12</u>	<u>\$61</u>	<u>\$812</u>	<u>\$22,664</u>	<u>\$83,700</u>

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Revenues of Dunthorpe Riverdale and Mid County Service Districts are reported net of uncollectible amounts. Total uncollectible amounts related to revenues are all for prior periods.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	\$ 8,757
Delinquent property taxes receivable (other governmental funds)	1,539
Grant draw downs prior to meeting all eligibility requirements	4,431
Contracts receivable	13,718
Contract revenue received in advance	588
Loans receivable	943
Tax title land sales inventory	276
Special assessments receivable	10
Total deferred revenue for governmental funds	<u>\$ 30,262</u>

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C. Capital assets

Capital asset activity for the year ended June 30, 2003 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,219	\$ -	\$ (232)	\$ 13,987
Work in progress	16,866	21,120	-	37,986
Total capital assets, not being depreciated	<u>31,085</u>	<u>21,120</u>	<u>(232)</u>	<u>51,973</u>
Capital assets, being depreciated:				
Buildings	330,789	10,102	(1,874)	339,017
Improvements other than buildings	433	-	-	433
Machinery and equipment	116,316	5,062	(6,688)	114,690
Bridges	69,335	3,281	-	72,616
Infrastructure	807,682	2,907	-	810,589
Total capital assets being depreciated	<u>1,324,555</u>	<u>21,352</u>	<u>(8,562)</u>	<u>1,337,345</u>
Less accumulated depreciation for:				
Buildings	(75,942)	(8,038)	922	(83,058)
Improvements other than buildings	(131)	(11)	-	(142)
Machinery and equipment	(91,328)	(10,092)	6,611	(94,809)
Bridges	(55,852)	(61)	-	(55,913)
Infrastructure	(423,633)	(20,228)	-	(443,861)
Total accumulated depreciation	<u>(646,886)</u>	<u>(38,430)</u>	<u>7,533</u>	<u>(677,783)</u>
Total capital assets being depreciated, net	<u>677,669</u>	<u>(17,078)</u>	<u>(1,029)</u>	<u>659,562</u>
Governmental activities capital assets, net	<u>\$ 708,754</u>	<u>\$ 4,042</u>	<u>\$ (1,261)</u>	<u>\$ 711,535</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 4,086	\$322	\$ (136)	\$ 4,272
Machinery and equipment	50	-	(9)	41
Total capital assets being depreciated	<u>4,136</u>	<u>322</u>	<u>(145)</u>	<u>4,313</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,686)	(134)	22	(1,798)
Machinery and equipment	(45)	(5)	9	(41)
Total accumulated depreciation	<u>(1,731)</u>	<u>(139)</u>	<u>31</u>	<u>(1,839)</u>
Business-type activities capital assets, net	<u>\$ 2,405</u>	<u>\$ 183</u>	<u>\$ (114)</u>	<u>\$ 2,474</u>

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Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:	
General government	\$ 5,583
Health services	786
Social services	1,900
Public safety & justice	3,664
Community services	35
Library	5,681
Roads and bridges	20,781
Total depreciation expense – governmental activities	<u>\$38,430</u>
Business-type activities:	
Sewer	\$ 40
Lighting	93
Behavioral Health Managed Care	6
Total depreciation expense – business-type activities	<u>\$ 139</u>

D. Interfund receivables, payables, and transfers

The County records “due to” and “due from” transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The composition of interfund balances as of June 30, 2003 is as follows:

Due to / from other funds:

Receivable Fund (Internal Service fund)	Payable Funds (Governmental funds)	Amount
Risk Management	Emergency Communications	\$ 15
Risk Management	Recreation	1
Risk Management	Animal Control	1
Risk Management	Federal and State	12,333
		<u>\$ 12,350</u>

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Interfund Transfers:

Following are the County's interfund transfers for the year ended June 30, 2003. The general fund transfers to the major and nonmajor governmental funds were made to meet the local match on Federal and State grant expenditures or to provide additional resources for current operations.

	Transfers In:				Total
	General Fund	Federal State Program Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers Out:					
General Fund	\$ -	\$ 122	\$17,309	\$ 1,315	\$18,746
Federal State					
Program Fund	5,056	-	-	-	5,056
Nonmajor					
Governmental					
Funds	1,462	-	11,467	-	12,929
Enterprise Funds	-	440	-	-	440
Internal Service					
Funds	-	-	3,963	1,085	5,048
Total transfers out	<u>\$ 6,518</u>	<u>\$ 562</u>	<u>\$32,739</u>	<u>\$ 2,400</u>	<u>\$42,219</u>

E. Long-term debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the rehabilitation, construction and acquisition of various library and public safety facilities and related equipment. General obligation bonds have been issued for both governmental activities. The original amount of general obligation bonds issued in prior years was \$139,700. In February 1999, the County advance refunded a portion of the above general obligation bonds by issuing \$66,115 in new general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the County and are backed by the County's authority to levy property taxes. These bonds are generally issued as 20-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding are as follows:

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<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.70-6.00%	\$ 29,430
Governmental activities - refunding	3.90-5.65%	62,180
		<u>\$ 91,610</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 5,165	\$ 4,033
2005	5,420	3,787
2006	5,685	3,525
2007	5,960	3,256
2008	6,255	2,972
2009-2013	35,535	10,388
2014-2017	27,590	2,503
Total	<u>\$ 91,610</u>	<u>\$ 30,464</u>

Revenue Bonds

The County also issues bonds where the government pledges specific revenue sources or income derived from the acquired or constructed assets to pay debt service. In October 1998, the County issued \$3,155 of revenue bonds to finance constructing, renovating, improving and equipping County-owned facilities, and entered into a public / private partnership with the Regional Children's Campus (RCC), a 501(c)(3) non profit agency. In November 2000, the County issued \$2,000 of revenue bonds to finance the costs of acquiring land and constructing, renovating, improving and equipping certain facilities to be used as a vocational training center for developmentally disabled residents of Multnomah County. The County entered into a public / private partnership with Port City Development, a 501(c)(3) non profit agency. Also in November 2000, the County issued \$3,500 of revenue bonds to re-finance the costs of acquiring real property and constructing facility improvements related to the Oregon Food Bank. The total original amount of bonds issued in prior years was \$8,655. Revenue bonds outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-5.20%	\$ 7,890

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Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 465	\$ 357
2005	490	337
2006	515	314
2007	540	291
2008	560	267
2009-2013	3,245	921
2014-2016	2,075	147
Total	<u>\$ 7,890</u>	<u>\$ 2,634</u>

Full Faith and Credit Bonds

On April 1, 1999, the County issued \$36,125 in Certificates of Participation at a net interest cost of 4.71% to finance the costs of acquiring land and facilities. Certificates of Participation are direct obligations and pledge the full faith and credit of the County. At June 30, 2003, \$32,480 of these bonds were outstanding.

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. The total interest cost is 7.67%. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. At June 30, 2003, \$182,893 of these bonds were outstanding.

On April 1, 2000, the County issued \$61,215 in full faith and credit bonds to finance the costs of acquiring and installing the integrated enterprise computer system, acquire land, acquire facilities and construct other County facilities and structures. Full faith and credit bonds are direct obligations and pledge the full faith and credit of the County. At June 30, 2003, \$51,775 of these bonds were outstanding.

On May 15, 2003, the County issued \$9,615 in Full Faith and Credit Refunding Obligations, Series 2003 with an average interest rate of 1.50% to 3.25%. This issue was used to refund \$10,470 of outstanding Certificates of Participation, Series 1993 with an average interest rate of 2.75% to 7.50%. On May 15, 2003 net proceeds of \$9,558 were deposited into a bank account along with other County funds to retire the 1993 Series Certificates. On July 1, 2003 the County paid off the outstanding balance on the certificates. The transaction resulted in a net economic gain of \$1,316. The advance refunding of the 1993 Series Certificates will

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decrease debt service payments over the next ten years by \$615. At June 30, 2003 the outstanding balance of these certificates was \$10,470.

Full faith and credit bond obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-7.74%	\$ 276,763

Annual debt service requirements to maturity for full faith and credit bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 6,560	\$ 12,400
2005	8,375	12,339
2006	9,230	11,780
2007	10,420	11,286
2008	11,725	10,738
2009-2013	67,274	50,425
2014-2018	78,216	54,939
2019-2023	52,984	91,293
2024-2028	23,355	151,525
2029-2030	8,624	75,450
Total	<u>\$ 276,763</u>	<u>\$ 482,175</u>

Capital Leases

The County has entered into various lease/purchase agreements to acquire property and equipment. The County also has capital lease obligations recorded in the Data Processing Fund, an Internal Service Fund. These lease agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with generally accepted accounting principles.

Assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Buildings	\$ 71,927
Less: Accumulated depreciation	(22,244)
Total	<u>\$ 49,683</u>

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Capital lease obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.75-7.25%	\$ 31,031
Governmental activities – refunding	2.75-7.50%	10,470
Total		<u>\$ 41,501</u>

Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 12,905	\$ 1,860
2005	2,554	1,350
2006	2,699	1,217
2007	2,836	1,072
2008	2,996	917
2009-2013	15,540	2,358
2014-2018	1,971	250
Total	<u>\$ 41,501</u>	<u>\$ 9,024</u>

Loans Payable

The County has entered into several loans with other governmental agencies for the purpose of making capital improvements. The loan obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	5.65-7.20%	\$ 718

Annual debt service requirements to maturity for long term loans outstanding at year-end are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 85	\$ 44
2005	92	38
2006	95	35
2007	87	27
2008	83	22
2009-2013	251	37
2014-2016	25	1
Total	<u>\$ 718</u>	<u>\$ 204</u>

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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2003 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
General Obligation Bonds	\$ 96,535	\$ -	\$ 4,925	\$ 91,610	\$ 5,165
Revenue Bonds	8,335	-	445	7,890	465
Full Faith and Credit Bonds	272,833	9,615	5,685	276,763	6,560
Capital Leases	46,613	-	5,112	41,501	12,905
Loans Payable	797	-	79	718	85
Compensated Absences	16,161	20,452	20,558	16,055	5,090
Governmental activity long-term liabilities:	<u>\$ 441,274</u>	<u>\$ 30,067</u>	<u>\$ 36,804</u>	<u>\$ 434,537</u>	<u>\$ 30,270</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 87</u>	<u>\$ 18</u>	<u>\$ 94</u>	<u>\$ 11</u>	<u>\$ 7</u>

Defeased General Obligation Bonds

In prior years, the County defeased certain general obligation bond issues by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. At June 30, 2003, the amount of these bonds outstanding totaled \$62,180.

Defeased Certificates of Participation

In prior years, the County defeased certain certificates of participation issues by placing the proceeds of the new certificates in irrevocable trusts to provide for all future debt service on the old certificates. Accordingly, the trust account assets and related liability for the defeased certificates are not included in the County's financial statements. At June 30, 2003, the amount of these certificates outstanding totaled \$22,840.

Conduit Financing

On November 1, 1997, the County issued \$31,600 in Educational Facilities Revenue Bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to the University of Portland (the University) to finance capital improvements to the University, pay issue costs and advance refund \$17,750 of the Series 1994 issue. On April 1, 2000, the County issued an additional \$17,160 in Conduit Educational Revenue Bonds for the University to finance the construction of a student housing facility, parking garage

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and street lighting. These bonds are not recorded on the books of the County but are assigned to the University. The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of monies received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds. Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2003, \$41,505 of Educational Facilities Revenue Bonds were outstanding.

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza), which have not been recorded as a liability for purposes of compliance with generally accepted accounting principles. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds. The Hospital Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facilities. Terwilliger Plaza has pledged the gross revenues of the health care facility making up Terwilliger Plaza to secure payment of the bonds. The bonds shall not be payable from a charge upon any funds, assets, nor shall the County be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza. Since the County does not own any of the assets or assume any of the liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. As of June 30, 2003, \$25,200 of these bonds were outstanding.

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of the University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds. The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the University. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's

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financial statements. As of June 30, 2003, \$9,230 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

Note 4. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability and workers' compensation, whereby premiums are calculated on payroll expenses in all funds and are paid into the risk management fund. The funds are available to pay claims, claim reserves, and reduce administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2003, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual workers' compensation claims in excess of \$500. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal year ended 6/30/03	Fiscal year ended 6/30/02
Unpaid claims, beginning of fiscal year	\$ 9,263	\$ 8,712
Incurred claims (including IBNRs)	14,852	15,775
Claim payments	(14,109)	(15,224)
Unpaid claims, end of fiscal year	<u>\$ 10,006</u>	<u>\$ 9,263</u>

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B. Restatement of prior year net assets

In fiscal year 2002, the County implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In preparing the current year's financial statements, the County noted two prior period adjustments related to the implementation of GASB No. 34. These transactions are noted below along with the restated net asset number:

Governmental funds net assets as previously reported	\$ 408,020
Unamortized net pension asset related to the 1999 pension obligation bond issue	168,657
Post employment medical benefits payable	<u>(55,190)</u>
Net assets, Governmental activities, June 30, 2002, restated	<u>\$ 521,487</u>

The effect of this restatement on fiscal year 2002 would have increased expenses for the general government activities line item by \$6,152 resulting in a total decrease in net assets of \$28,484 for the governmental activities in the Statement of Activities.

C. Subsequent events

On July 1, 2003, the County issued \$40,000 in Tax and Revenue Anticipation Notes to meet current cash flow needs of the County, prior to the receipt of property tax revenues in November. The interest rate on the notes is 1.75% and the yield is .85%. The notes mature on June 30, 2004.

In May of 2003, the voters of Multnomah County approved a personal income tax effective January 1, 2003. The tax is a three-year measure that raises local funds to prevent further cuts to Multnomah County's public schools and programs that help the County's most vulnerable residents. During the period of July 1, 2003 to the date of this report, the County has been working on implementing this tax. It is intended to be a temporary, local answer to recent state budget cuts and a poor economy. The tax is a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The tax will generate an estimated \$128,000 for each of the three calendar years the tax is in effect. The majority of the money will be divided equally on a per-pupil basis to all County school districts. The remainder will be spent on public safety and programs that serve the elderly, disabled and mentally ill.

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D. Commitments and contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2003:

<u>Year ended June 30</u>	
2004	\$ 3,329
2005	2,594
2006	1,077
2007	693
2008	485
2009 - 2013	1,306
2014 - 2018	590
2019 - 2023	590
2024 - 2028	590
2029 - 2033	418
Total minimum payments	<u>\$ 11,672</u>

The County had \$4,783 in rent expense for the year ended June 30, 2003.

E. Other post employment benefits

The County provides postretirement health care benefits, as per the requirements of collective bargaining agreements, for certain retirees and their dependents. The benefits vary by agreement, and depend upon a retiree's years of service. In general, the County pays 50% of the premiums of health care coverage for retirees from age 58 to age 65. The County's regular health care benefit providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

At June 30, 2003, there were 467 retirees that were receiving the post employment health care benefit. The County finances the plan by creating a reserve account that meets the actuarially determined amount of benefits that will be payable in the future. For the year ended June 30, 2003, the County paid \$1,177 for these benefits, which was net of \$1,839 of retiree contributions. In fiscal year 2003, the County recognized a liability on the Statement of Net Assets for these post employment benefits in the amount of \$55,190.

F. Employee retirement systems, pension plans and deferred compensation plan

Pension plans

The County participates in the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee pension plan that covers substantially all employees; maintains a single employer defined benefit plan for employees transferred to the County from the former Library Association of Portland; and maintains a defined contribution plan for substantially all County employees for the purpose of individual retirement savings.

Oregon Public Employees Retirement System (PERS)

Plan description. The County participates in PERS, a cost-sharing, multiple-employer defined benefit pension plan administered by the PERS Pension board. PERS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the State to establish and amend all plan provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The reports may be obtained by writing:

PERS
PO Box 23700
Tigard, OR 97281-3700

Summary of significant accounting policies – basis of accounting and valuation of investments. The financial statements of PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair market value.

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is required by collective bargaining

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

agreements to contribute the required 6.0% of annual covered payroll. The County is also required to contribute at an actuarially determined rate; the current rate is 7.94% of annual covered payroll.

Annual pension cost. For 2003, the County's annual pension cost of \$31,419 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 3.5% per year, and (c) projected wage growth, excluding seniority / merit raises, of 4.25% per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2001, was 26 years.

Three-Year Trend Information for PERS

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/01	\$ 31,607	100%	\$ -
6/30/02	30,344	100%	-
6/30/03	31,419	100%	-

Following is a Schedule of Funding Progress for PERS:

Public Employees Retirement System Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded (Funded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
12/31/93	\$147,577	\$249,433	\$101,856	59%	\$122,873	83%
12/31/95	201,614	330,154	128,540	61%	142,614	90%
12/31/97	291,095	449,588	158,493	65%	155,915	102%
12/31/99	935,746	859,337	(76,409)	109%	191,152	(40)%
12/31/01	Pooled	Pooled	(203,703)	Pooled	207,148	(98)%

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

Local government member employers had an opportunity to elect to participate in the state and local Government Rate Pool as of January 1, 2002. The County elected to participate in this pool. Therefore, the actuarial value of assets and the actuarial accrued liability for the County are blended with other employers participating in the pool, and are not available for the County exclusively.

The actuarial information included in the above table was prepared using the recently enacted amendments to PERS. There is current litigation involving PERS benefits, and there will likely be litigation over PERS benefits in the future. The most widespread of the current actions involves the sustainability of the 2003 legislation, which will be reviewed by the Oregon Supreme Court. If the Supreme Court voids all or part of the 2003 legislation, it could have a significant impact on the actuarial information reported above.

Multnomah County Library Retirement Plan

Plan description, summary of significant accounting policies, and funding requirements. The Multnomah County Library Retirement Plan is a single employer defined contribution plan. Prior to July 1, 1990, the Plan was administered by the Library Association of Portland (the Association), a not-for-profit association. Effective July 1, 1990, the Association was transferred to the County, and the County Board of Commissioners became responsible for amending Plan provisions. The Principal Financial Group is contracted by the County to be the trustee of the Plan, and the County Finance Director is the Plan administrator. The Plan is now closed and all employees transferred are covered by PERS. The Plan does not issue a stand alone financial report. All related financial data is contained in this report, and is prepared using the accrual basis of accounting.

All former Association employees who were 21 years of age and had completed two years of service were eligible to participate in the Plan. Retirement benefits are based on salary and length of service, are calculated using a formula, and are payable in a lump sum or monthly using several payment options. The Plan also provides death benefits.

At June 30, 2003, there were 273 plan members. Current employees have an annual covered payroll of \$4,946. The total payroll and covered payroll are the same because the Plan is frozen. There are 118 participants currently receiving benefits. The assets of the Plan consist of unallocated insurance contracts and therefore are appropriately valued at contract value. Employer contributions to the Plan, participant benefits, and participant refunds are recognized using the accrual basis of accounting. The costs of administering the Plan are deducted from the earnings. The annual required contribution, or annual pension cost, of the County was \$0, due to the plan being fully funded.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003
(amounts expressed in thousands)

Following is a Schedule of Funding Progress for the Plan:

Multnomah County Library Retirement Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/98	\$ 5,655	\$ 6,715	\$ 1,060	84.2%	\$ 5,433	19.5%
1/1/99	10,750	11,445	695	93.9%	5,422	12.8%
1/1/00	10,998	11,321	323	97.1%	5,056	6.4%
1/1/01	11,197	11,240	43	99.6%	5,008	0.9%
1/1/02	13,273	11,552	(1,721)	114.9%	5,255	(32.7%)
1/1/03	14,739	13,014	(1,725)	113.3%	4,946	(34.9%)

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the Plan) administered by the County. The Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all represented and non-represented County employees, and permits them to defer a portion of their salary until future years. Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No Plan assets have been used for purposes other than the payment of benefits.

At June 30, 2003, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$85,395. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Strategic Investment Program Fund
- Road Fund
- Emergency Communications Fund
- Bicycle Path Construction Fund
- County School Fund
- General Reserve Fund
- Land Corner Preservation Fund
- Tax Title Land Sales Fund
- Animal Control Fund
- Willamette River Bridges Fund
- Recreation Fund
- Library Fund
- Justice Services Special Operations Fund
- Inmate Welfare Fund
- Special Excise Tax Fund

Debt Service Funds

- Capital Debt Retirement Fund
- General Obligation Bond Fund
- PERS Pension Bond Fund
- Revenue Bond Fund

Capital Projects Funds

- Revenue Bond Project Fund
- SB 1145 Fund
- Building Project Fund
- Library Construction / 1996 Bonds Fund
- Capital Improvement Fund
- Capital Acquisition Fund
- Deferred Maintenance Fund
- Asset Preservation Fund
- Library Property Fund

MULTNOMAH COUNTY, OREGON

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 26,458	\$ 25,414	\$ 28,220	\$ 80,092
Receivables:				
Taxes	2,301	664	-	2,965
Accounts	6,391	112	1,629	8,132
Contracts	3,513	6,203	1,851	11,567
Inventories	995	-	-	995
Prepaid items	208	-	-	208
Total assets and other debits	<u>\$ 39,866</u>	<u>\$ 32,393</u>	<u>\$ 31,700</u>	<u>\$ 103,959</u>
LIABILITIES				
Accounts payable	\$ 9,243	\$ 32	\$ 2,448	\$ 11,723
Payrolls payable	808	-	2	810
Due to other funds	17	-	-	17
Deferred revenue	4,995	6,748	2,226	13,969
Total liabilities	<u>15,063</u>	<u>6,780</u>	<u>4,676</u>	<u>26,519</u>
FUND BALANCES				
Reserved for capital projects	-	-	27,024	27,024
Reserved for debt service	-	25,613	-	25,613
Reserved for inventories	995	-	-	995
Reserved for prepaid items	207	-	-	207
Unreserved, undesignated	23,601	-	-	23,601
Total fund balances	<u>24,803</u>	<u>25,613</u>	<u>27,024</u>	<u>77,440</u>
Total liabilities and fund balances	<u>\$ 39,866</u>	<u>\$ 32,393</u>	<u>\$ 31,700</u>	<u>\$ 103,959</u>

MULTNOMAH COUNTY, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 44,716	\$ 9,828	\$ -	\$ 54,544
Intergovernmental	31,706	-	10,489	42,195
Licenses and permits	2,637	-	-	2,637
Charges for services	5,964	2,389	889	9,242
Interest	722	374	930	2,026
Other	1,819	22,786	3,436	28,041
Total revenues	<u>87,564</u>	<u>35,377</u>	<u>15,744</u>	<u>138,685</u>
EXPENDITURES				
Current:				
General government	1,703	369	4,827	6,899
Health services	-	-	-	-
Social services	338	-	-	338
Public safety and justice	4,148	-	-	4,148
Community services	15,491	-	1,659	17,150
Library services	40,646	-	95	40,741
Roads and bridges	39,497	-	-	39,497
Capital outlay	2,898	-	14,002	16,900
Debt service:				
Principal	-	15,186	-	15,186
Interest	-	19,583	-	19,583
Total expenditures	<u>104,721</u>	<u>35,138</u>	<u>20,583</u>	<u>160,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,157)</u>	<u>239</u>	<u>(4,839)</u>	<u>(21,757)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of refunding bonds	-	9,615	-	9,615
Transfers in	21,316	2,233	9,190	32,739
Transfers out	(5,234)	-	(7,695)	(12,929)
Total other financing sources (uses)	<u>16,082</u>	<u>11,848</u>	<u>1,495</u>	<u>29,425</u>
Net change in fund balances	(1,075)	12,087	(3,344)	7,668
Fund balances - beginning	25,878	13,526	30,368	69,772
Fund balances - ending	<u>\$ 24,803</u>	<u>\$ 25,613</u>	<u>\$ 27,024</u>	<u>\$ 77,440</u>

NONMAJOR SPECIAL REVENUE FUNDS

These funds account for revenue derived from specific taxes or other earmarked revenue sources, including state gas tax, grants, and charges for services which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make the expenditures. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- **Strategic Investment Program Fund** - accounts primarily for monies received from corporations receiving property tax abatements and paying fees for specific purposes as a part of the reduced tax agreement to be used for community service.
- **Road Fund** - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- **Emergency Communications Fund** - accounts for monies received from the State which are designated for an emergency communication network in conjunction with the City of Portland.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **General Reserve Fund** - accounts for a reserve maintained separate from the General Fund at approximately 5% of the total budgeted revenues of the General Fund, to be used only for extreme emergencies related to disaster relief or public life and safety issues.
- **Land Corner Preservation Fund** - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- **Tax Title Land Sales Fund** - accounts for the receipt and sale of real property foreclosed upon by the County because of unpaid property taxes. Proceeds are subsequently distributed to all taxing districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for motor vehicle fees and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Recreation Fund** - accounts for the collection and disbursement of park revenues from various funding sources on a pass through basis.
- **Library Fund** - accounts for the public library operations.
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community corrections department, district attorney's office, and sheriff's office.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Special Excise Tax Fund** - accounts for a transient lodging tax and motor vehicle tax collection to be used for convention center expenditures.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Special Revenue Funds
June 30, 2003
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Bicycle Path Construction	County School	General Reserve
ASSETS						
Cash and investments	\$ 1,759	\$ 6,520	\$ -	\$ 213	\$ -	\$ 9,609
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	4,181	14	-	-	-
Contracts	-	-	-	-	-	3,218
Inventories	-	719	-	-	-	-
Prepaid items	-	-	1	-	-	-
Total assets	<u>\$ 1,759</u>	<u>\$ 11,420</u>	<u>\$ 15</u>	<u>\$ 213</u>	<u>\$ -</u>	<u>\$ 12,827</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 102	\$ 5,738	\$ -	\$ -	\$ -	\$ -
Payroll Payable	1	177	-	-	-	-
Due to other funds	-	-	15	-	-	-
Deferred revenue	-	213	-	-	-	3,218
Total liabilities	<u>103</u>	<u>6,128</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>3,218</u>
Fund balances:						
Reserved for inventories	-	719	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	1,656	4,573	-	213	-	9,609
Total fund balances	<u>1,656</u>	<u>5,292</u>	<u>-</u>	<u>213</u>	<u>-</u>	<u>9,609</u>
Total liabilities and fund balances	<u>\$ 1,759</u>	<u>\$ 11,420</u>	<u>\$ 15</u>	<u>\$ 213</u>	<u>\$ -</u>	<u>\$ 12,827</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ 330	\$ 622	\$ -	\$ 2,967	\$ -	\$ 3,416	\$ 400	\$ 210	\$ 412	\$ 26,458
-	-	-	-	-	1,201	-	-	1,100	2,301
-	-	1	967	20	169	375	39	625	6,391
-	295	-	-	-	-	-	-	-	3,513
-	276	-	-	-	-	-	-	-	995
-	-	-	-	-	207	-	-	-	208
<u>\$ 330</u>	<u>\$ 1,193</u>	<u>\$ 1</u>	<u>\$ 3,934</u>	<u>\$ 20</u>	<u>\$ 4,993</u>	<u>\$ 775</u>	<u>\$ 249</u>	<u>\$ 2,137</u>	<u>\$ 39,866</u>
\$ 2	\$ 319	\$ -	\$ 345	\$ 19	\$ 829	\$ 47	\$ 25	\$ 1,817	\$ 9,243
-	3	-	69	-	506	48	4	-	808
-	-	1	-	1	-	-	-	-	17
-	571	-	-	-	993	-	-	-	4,995
<u>2</u>	<u>893</u>	<u>1</u>	<u>414</u>	<u>20</u>	<u>2,328</u>	<u>95</u>	<u>29</u>	<u>1,817</u>	<u>15,063</u>
-	276	-	-	-	-	-	-	-	995
-	-	-	-	-	207	-	-	-	207
<u>328</u>	<u>24</u>	<u>-</u>	<u>3,520</u>	<u>-</u>	<u>2,458</u>	<u>680</u>	<u>220</u>	<u>320</u>	<u>23,601</u>
<u>328</u>	<u>300</u>	<u>-</u>	<u>3,520</u>	<u>-</u>	<u>2,665</u>	<u>680</u>	<u>220</u>	<u>320</u>	<u>24,803</u>
<u>\$ 330</u>	<u>\$ 1,193</u>	<u>\$ 1</u>	<u>\$ 3,934</u>	<u>\$ 20</u>	<u>\$ 4,993</u>	<u>\$ 775</u>	<u>\$ 249</u>	<u>\$ 2,137</u>	<u>\$ 39,866</u>

MULTNOMAH COUNTY, OREGON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the year ended June 30, 2003
(amounts expressed in thousands)

	Strategic Investment Program	Roads	Emergency Communications	Bicycle Path Construction	County School	General Reserve
REVENUES						
Taxes	\$ 1,375	\$ 8,038	\$ -	\$ -	\$ 202	\$ -
Intergovernmental	-	29,419	153	-	15	-
Licenses and permits	-	60	-	-	-	-
Charges for services	30	492	-	-	-	251
Interest	-	270	2	5	-	221
Other	150	60	-	-	-	-
Total revenues	<u>1,555</u>	<u>38,339</u>	<u>155</u>	<u>5</u>	<u>217</u>	<u>472</u>
EXPENDITURES						
Current:						
General government	853	1	-	-	-	-
Social services	338	-	-	-	-	-
Public safety and justice	-	-	-	-	-	-
Community services	-	-	154	4	231	-
Library services	-	-	-	-	-	-
Roads and bridges	-	34,350	-	-	-	-
Capital outlay	163	1,952	-	181	-	-
Total expenditures	<u>1,354</u>	<u>36,303</u>	<u>154</u>	<u>185</u>	<u>231</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>201</u>	<u>2,036</u>	<u>1</u>	<u>(180)</u>	<u>(14)</u>	<u>472</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	300	-	56	-	-
Transfers out	(400)	(3,772)	-	-	-	-
Total other financing sources (uses)	<u>(400)</u>	<u>(3,472)</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(199)	(1,436)	1	(124)	(14)	472
Fund balance - beginning	1,855	6,728	(1)	337	14	9,137
Fund balance - ending	<u>\$ 1,656</u>	<u>\$ 5,292</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ -</u>	<u>\$ 9,609</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ -	\$ 435	\$ -	\$ -	\$ 111	\$ 19,643	\$ -	\$ -	\$ 14,912	\$ 44,716
-	-	2	1,180	-	768	169	-	-	31,706
-	1	930	6	-	93	1,547	-	-	2,637
692	191	128	-	-	1,713	1,056	1,411	-	5,964
-	40	-	-	-	158	11	1	14	722
-	-	-	36	-	1,439	102	32	-	1,819
<u>692</u>	<u>667</u>	<u>1,060</u>	<u>1,222</u>	<u>111</u>	<u>23,814</u>	<u>2,885</u>	<u>1,444</u>	<u>14,926</u>	<u>87,564</u>
-	667	-	43	-	-	-	139	-	1,703
-	-	-	-	-	-	-	-	-	338
-	-	-	-	-	-	3,036	1,112	-	4,148
-	-	-	-	121	-	-	-	14,981	15,491
-	-	-	-	-	40,646	-	-	-	40,646
696	-	-	4,451	-	-	-	-	-	39,497
2	-	-	600	-	-	-	-	-	2,898
<u>698</u>	<u>667</u>	<u>-</u>	<u>5,094</u>	<u>121</u>	<u>40,646</u>	<u>3,036</u>	<u>1,251</u>	<u>14,981</u>	<u>104,721</u>
(6)	-	1,060	(3,872)	(10)	(16,832)	(151)	193	(55)	(17,157)
-	-	-	3,716	10	17,234	-	-	-	21,316
-	-	(1,062)	-	-	-	-	-	-	(5,234)
-	-	(1,062)	3,716	10	17,234	-	-	-	16,082
(6)	-	(2)	(156)	-	402	(151)	193	(55)	(1,075)
334	300	2	3,676	-	2,263	831	27	375	25,878
<u>\$ 328</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 3,520</u>	<u>\$ -</u>	<u>\$ 2,665</u>	<u>\$ 680</u>	<u>\$ 220</u>	<u>\$ 320</u>	<u>\$ 24,803</u>

MULTNOMAH COUNTY, OREGON
Strategic Investment Program Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ 1,375	\$ 1,375
Charges for services	-	-	30	30
Other:				
Miscellaneous	1,147	1,147	150	(997)
Total revenues	1,147	1,147	1,555	408
EXPENDITURES				
Business and community services	2,328	1,928	1,017	911
School and community	568	568	337	231
Total expenditures	2,896	2,496	1,354	1,142
Excess (deficiency) of revenues over (under) expenditures	(1,749)	(1,349)	201	1,550
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(400)	(400)	-
Net change in fund balances	(1,749)	(1,749)	(199)	1,550
Fund balances - beginning	1,749	1,749	1,855	106
Fund balances - ending	\$ -	\$ -	\$ 1,656	\$ 1,656

MULTNOMAH COUNTY, OREGON

Road Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes:				
Gasoline	\$ 7,375	\$ 7,375	\$ 7,432	\$ 57
Forest reserve yield	601	601	-	(601)
Taxes	-	-	606	606
Intergovernmental	26,714	26,714	29,419	2,705
Licenses and permits	45	45	60	15
Charges for services	305	305	492	187
Interest	375	375	270	(105)
Other:				
Miscellaneous	202	202	33	(169)
Non-governmental grants	-	-	27	27
Service reimbursements	92	92	-	(92)
Total revenues	<u>35,709</u>	<u>35,709</u>	<u>38,339</u>	<u>2,630</u>
EXPENDITURES				
Business and community services	36,884	36,884	36,303	581
Nondepartmental	360	360	-	360
Total expenditures	<u>37,244</u>	<u>37,244</u>	<u>36,303</u>	<u>941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,535)</u>	<u>(1,535)</u>	<u>2,036</u>	<u>3,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300	300	300	-
Transfers out	(3,768)	(3,768)	(3,772)	(4)
Total other financing sources (uses)	<u>(3,468)</u>	<u>(3,468)</u>	<u>(3,472)</u>	<u>(4)</u>
Net change in fund balances	<u>(5,003)</u>	<u>(5,003)</u>	<u>(1,436)</u>	<u>3,567</u>
Fund balances - beginning	5,003	5,003	6,728	1,725
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,292</u>	<u>\$ 5,292</u>

MULTNOMAH COUNTY, OREGON
Emergency Communications Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 185	\$ 185	\$ 153	\$ (32)
Interest	7	7	2	(5)
Total revenues	<u>192</u>	<u>192</u>	<u>155</u>	<u>(37)</u>
EXPENDITURES				
Sheriff	<u>192</u>	<u>192</u>	<u>154</u>	<u>38</u>
Excess of revenues over expenditures	-	-	1	1
Fund balances - beginning	-	-	(1)	(1)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Bicycle Path Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 2	\$ 2	\$ 5	\$ 3
EXPENDITURES				
Business and community services	175	202	185	17
Deficiency of revenues under expenditures	(173)	(200)	(180)	20
OTHER FINANCING SOURCES (USES)				
Transfers in	52	52	56	4
Net change in fund balances	(121)	(148)	(124)	24
Fund balances - beginning	121	148	337	189
Fund balances - ending	\$ -	\$ -	\$ 213	\$ 213

MULTNOMAH COUNTY, OREGON

County School Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Forest reserve yield	\$ 230	\$ 230	\$ 202	\$ (28)
Intergovernmental	-	-	15	15
Interest	4	4	-	(4)
Total revenues	<u>234</u>	<u>234</u>	<u>217</u>	<u>(17)</u>
EXPENDITURES				
Nondepartmental	<u>299</u>	<u>299</u>	<u>231</u>	<u>68</u>
Deficiency of revenues				
under expenditures	(65)	(65)	(14)	51
Fund balances - beginning	<u>65</u>	<u>65</u>	<u>14</u>	<u>(51)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
General Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 251	\$ 251
Interest	345	345	221	(124)
Total revenues	345	345	472	127
EXPENDITURES				
Nondepartmental	9,470	9,470	-	9,470
Excess (deficiency) of revenues				
over (under) expenditures	(9,125)	(9,125)	472	9,597
Fund balances - beginning	9,125	9,125	9,137	12
Fund balances - ending	\$ -	\$ -	\$ 9,609	\$ 9,609

MULTNOMAH COUNTY, OREGON
Land Corner Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 400	\$ 400	\$ 692	\$ 292
EXPENDITURES				
Business and community services	710	710	698	12
Nondepartmental	42	42	-	42
Total expenditures	752	752	698	54
Deficiency of revenues under expenditures	(352)	(352)	(6)	346
Fund balances - beginning	352	352	334	(18)
Fund balances - ending	\$ -	\$ -	\$ 328	\$ 328

MULTNOMAH COUNTY, OREGON
Tax Title Land Sales Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Sales on foreclosures	\$ 320	\$ 435	\$ 435	\$ -
Licenses and permits	-	-	1	1
Charges for services	-	-	191	191
Interest	31	31	40	9
Total revenues	351	466	667	201
EXPENDITURES				
Business and community services	651	766	667	99
Deficiency of revenues under expenditures	(300)	(300)	-	300
Fund balances - beginning	300	300	300	-
Fund balances - ending	\$ -	\$ -	\$ 300	\$ 300

MULTNOMAH COUNTY, OREGON
Animal Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2	\$ 2
Licenses and permits	1,012	885	930	45
Charges for services	321	167	128	(39)
Service reimbursements	-	45	-	(45)
Total revenues	<u>1,333</u>	<u>1,097</u>	<u>1,060</u>	<u>(37)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,333)</u>	<u>(1,097)</u>	<u>(1,062)</u>	<u>35</u>
Net change in fund balances	-	-	(2)	(2)
Fund balances - beginning	-	-	2	2
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Willamette River Bridges Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 705	\$ 705	\$ 1,180	\$ 475
Licenses and permits	-	-	6	6
Other:				
Miscellaneous	10	10	36	26
Total revenues	<u>715</u>	<u>715</u>	<u>1,222</u>	<u>507</u>
EXPENDITURES				
Business and community services	7,350	7,350	5,094	2,256
Nondepartmental	79	79	-	79
Total expenditures	<u>7,429</u>	<u>7,429</u>	<u>5,094</u>	<u>2,335</u>
Deficiency of revenues under expenditures	<u>(6,714)</u>	<u>(6,714)</u>	<u>(3,872)</u>	<u>2,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,716	3,716	3,716	-
Net change in fund balances	(2,998)	(2,998)	(156)	2,842
Fund balances - beginning	2,998	2,998	3,676	678
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,520</u>	<u>\$ 3,520</u>

MULTNOMAH COUNTY, OREGON
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Gasoline	\$ 110	\$ 113	\$ 111	\$ (2)
EXPENDITURES				
Business and community services	120	123	121	2
Deficiency of revenues under expenditures	(10)	(10)	(10)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	10	10	10	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON

Library Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
REVENUES				
Taxes - property	\$ 20,728	\$ 20,728	\$ 19,643	\$ (1,085)
Intergovernmental	710	710	768	58
Licenses and permits	154	154	93	(61)
Charges for services	1,500	1,500	1,713	213
Interest	300	300	158	(142)
Other:				
Miscellaneous	143	143	114	(29)
Non-governmental grants	924	924	1,267	343
Service reimbursements	85	85	58	(27)
Total revenues	<u>24,544</u>	<u>24,544</u>	<u>23,814</u>	<u>(730)</u>
EXPENDITURES				
Library	<u>43,526</u>	<u>43,236</u>	<u>40,646</u>	<u>2,590</u>
Deficiency of revenues under expenditures	<u>(18,982)</u>	<u>(18,692)</u>	<u>(16,832)</u>	<u>1,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>18,182</u>	<u>17,234</u>	<u>17,234</u>	<u>-</u>
Net change in fund balances	<u>(800)</u>	<u>(1,458)</u>	<u>402</u>	<u>1,860</u>
Fund balances - beginning	<u>800</u>	<u>1,458</u>	<u>2,263</u>	<u>805</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,665</u>	<u>\$ 2,665</u>

MULTNOMAH COUNTY, OREGON
Justice Services Special Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 758	\$ 156	\$ 169	\$ 13
Licenses and permits	1,535	1,535	1,547	12
Charges for services	146	930	1,056	126
Interest	5	5	11	6
Other:				
Miscellaneous	-	-	(1)	(1)
Service reimbursements	182	182	103	(79)
Total revenues	<u>2,626</u>	<u>2,808</u>	<u>2,885</u>	<u>77</u>
EXPENDITURES				
Community justice services	908	907	778	129
District attorney	454	454	294	160
Sheriff	1,956	2,139	1,964	175
Total expenditures	<u>3,318</u>	<u>3,500</u>	<u>3,036</u>	<u>464</u>
Deficiency of revenues under expenditures	<u>(692)</u>	<u>(692)</u>	<u>(151)</u>	<u>541</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	158	158	-	(158)
Net change in fund balances	(534)	(534)	(151)	383
Fund balances - beginning	534	534	831	297
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680</u>	<u>\$ 680</u>

MULTNOMAH COUNTY, OREGON
Inmate Welfare Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Charges for services	\$ 1,203	\$ 1,203	\$ 1,411	\$ 208
Interest	-	-	1	1
Other:				
Miscellaneous	39	39	32	(7)
Total revenues	<u>1,242</u>	<u>1,242</u>	<u>1,444</u>	<u>202</u>
EXPENDITURES				
Community justice services	34	34	13	21
Sheriff	<u>1,238</u>	<u>1,238</u>	<u>1,238</u>	-
Total expenditures	<u>1,272</u>	<u>1,272</u>	<u>1,251</u>	<u>21</u>
Excess (deficiency) of revenues				
over (under) expenditures	(30)	(30)	193	223
Fund balances - beginning	<u>30</u>	<u>30</u>	<u>27</u>	<u>(3)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 220</u>

MULTNOMAH COUNTY, OREGON
Special Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ 16,165	\$ 16,165	\$ 14,912	\$ (1,253)
Interest	15	15	14	(1)
Total revenues	16,180	16,180	14,926	(1,254)
EXPENDITURES				
Nondepartmental	18,180	18,180	14,981	3,199
Deficiency of revenues				
under expenditures	(2,000)	(2,000)	(55)	1,945
Fund balances - beginning	2,000	2,000	375	(1,625)
Fund balances - ending	\$ -	\$ -	\$ 320	\$ 320

NONMAJOR DEBT SERVICE FUNDS

These funds account for the retirement of general obligation bonds, certificates of participation (capitalized leases) and other lease-purchase arrangements. The modified accrual basis of accounting is used. Funds included are:

- **Capital Debt Retirement Fund** – accounts for lease-purchase and full faith and credit principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation, lease-purchase arrangements and full faith and credit bonds. Revenues consist of certificates of participation proceeds, bond proceeds, service reimbursements and cash transfers from other County funds.
- **General Obligation Bond Fund** – accounts for payment of principal and interest on general obligation bonds. Revenue is derived from property taxes.
- **PERS Pension Bond Fund** – accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest.
- **Revenue Bond Fund** – accounts for payment of principal and interest on bonds to be issued to construct various facilities. The revenues are derived from the lease payments on the facilities.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2003
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
ASSETS					
Cash and investments	\$ 11,491	\$ 10,216	\$ 827	\$ 2,880	\$ 25,414
Receivables:					
Taxes	-	664	-	-	664
Accounts	-	-	-	112	112
Contracts	-	-	-	6,203	6,203
Total assets	<u>\$ 11,491</u>	<u>\$ 10,880</u>	<u>\$ 827</u>	<u>\$ 9,195</u>	<u>\$ 32,393</u>
LIABILITIES					
Accounts payable	\$ 24	\$ -	\$ 8	\$ -	\$ 32
Deferred revenue	-	545	-	6,203	6,748
Total liabilities	<u>24</u>	<u>545</u>	<u>8</u>	<u>6,203</u>	<u>6,780</u>
FUND BALANCES					
Reserved for debt service	11,467	10,335	819	2,992	25,613
Total liabilities and fund balances	<u>\$ 11,491</u>	<u>\$ 10,880</u>	<u>\$ 827</u>	<u>\$ 9,195</u>	<u>\$ 32,393</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
REVENUES					
Taxes	\$ -	\$ 9,828	\$ -	\$ -	\$ 9,828
Charges for services	-	-	-	2,389	2,389
Interest	38	214	74	48	374
Other	13,863	-	8,923	-	22,786
Total revenues	<u>13,901</u>	<u>10,042</u>	<u>8,997</u>	<u>2,437</u>	<u>35,377</u>
EXPENDITURES					
Current:					
General government	138	3	222	7	370
Debt service:					
Principal	8,691	4,925	1,125	445	15,186
Interest	6,584	4,263	8,359	376	19,582
Total expenditures	<u>15,413</u>	<u>9,191</u>	<u>9,706</u>	<u>828</u>	<u>35,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,512)</u>	<u>851</u>	<u>(709)</u>	<u>1,609</u>	<u>239</u>
OTHER FINANCING SOURCES					
Proceeds of refunding bonds	9,615	-	-	-	9,615
Transfers in	1,445	-	-	788	2,233
Total other financing sources (uses)	<u>11,060</u>	<u>-</u>	<u>-</u>	<u>788</u>	<u>11,848</u>
Net change in fund balances	9,548	851	(709)	2,397	12,087
Fund balances - beginning	1,919	9,484	1,528	595	13,526
Fund balances - ending	<u>\$ 11,467</u>	<u>\$ 10,335</u>	<u>\$ 819</u>	<u>\$ 2,992</u>	<u>\$ 25,613</u>

MULTNOMAH COUNTY, OREGON
Capital Debt Retirement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 49	\$ 49	\$ 38	\$ (11)
Other - service reimbursements	13,833	13,833	13,863	30
Total revenues	13,882	13,882	13,901	19
EXPENDITURES				
Nondepartmental	17,177	17,177	15,413	1,764
Deficiency of revenues under expenditures	(3,295)	(3,295)	(1,512)	1,783
OTHER FINANCING SOURCES				
Proceeds of refunding bonds	-	-	9,615	9,615
Transfers in	1,445	1,445	1,445	-
Total other financing sources	1,445	1,445	11,060	9,615
Net change in fund balances	(1,850)	(1,850)	9,548	11,398
Fund balances - beginning	1,850	1,850	1,919	69
Fund balances - ending	\$ -	\$ -	\$ 11,467	\$ 11,467

MULTNOMAH COUNTY, OREGON
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Taxes:				
Property:				
Current year	\$ 9,399	\$ 9,399	\$ 9,467	\$ 68
Prior years'	112	112	289	177
Penalties and interest	-	-	69	69
Sales on foreclosures	-	-	3	3
Interest	280	280	214	(66)
Total revenues	<u>9,791</u>	<u>9,791</u>	<u>10,042</u>	<u>251</u>
EXPENDITURES				
Nondepartmental	<u>18,120</u>	<u>18,120</u>	<u>9,191</u>	<u>8,929</u>
Excess (deficiency) of revenues				
over (under) expenditures	(8,329)	(8,329)	851	9,180
Fund balances - beginning	8,329	8,329	9,484	1,155
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,335</u>	<u>\$ 10,335</u>

MULTNOMAH COUNTY, OREGON
PERS Pension Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 300	\$ 300	\$ 74	\$ (226)
Other - service reimbursements	9,660	9,660	8,923	(737)
Total revenues	9,960	9,960	8,997	(963)
EXPENDITURES				
Nondepartmental	11,660	11,860	9,706	2,154
Excess of revenues over expenditures	(1,700)	(1,900)	(709)	1,191
Fund balances - beginning	1,700	1,900	1,528	(372)
Fund balances - ending	\$ -	\$ -	\$ 819	\$ 819

MULTNOMAH COUNTY, OREGON
Revenue Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 640	\$ 640	\$ 2,389	\$ 1,749
Interest	35	35	48	13
Total revenues	675	675	2,437	1,762
EXPENDITURES				
Nondepartmental	2,534	2,534	828	1,706
Excess (deficiency) of revenues over (under) expenditures	(1,859)	(1,859)	1,609	3,468
OTHER FINANCING SOURCES				
Transfers in	1,564	1,564	788	(776)
Net change in fund balances	(295)	(295)	2,397	2,692
Fund balances - beginning	295	295	595	300
Fund balances - ending	\$ -	\$ -	\$ 2,992	\$ 2,992

CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects, proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County property, revenue bond proceeds and library and public safety general obligation bond proceeds. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- **Revenue Bond Project Fund** - accounts for the construction of facilities in partnership with non-profit agencies. The proceeds will be from the issue of revenue bonds. All projects were completed in fiscal year 2003.
- **SB1145 Fund** - accounts for State revenue to build jail beds to house convicted felons with sentences less than twelve months.
- **Building Project Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Library Construction Fund / 1996 Bonds** - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Capital Acquisition Fund** - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.
- **Deferred Maintenance Fund** - accounts for expenditures for building deferred maintenance projects. Resources are derived from certificates of participation or other financing projects. This fund was closed during fiscal year 2003.
- **Asset Preservation Fund** - accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.
- **Library Property Fund** - accounts for the proceeds on sales of certain library branch properties and other related library transactions.
- **Justice Bond Project Fund (Major Fund)** - accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003
(amounts expressed in thousands)

	<u>Revenue Bond Project</u>	<u>SB 1145</u>	<u>Building Project</u>	<u>Library Construction / 1996 Bonds</u>
ASSETS				
Cash and investments	\$ -	\$ 6,569	\$ 2,718	\$ 2,278
Receivables:				
Accounts	-	1,291	-	181
Contracts	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 7,860</u>	<u>\$ 2,718</u>	<u>\$ 2,459</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 358	\$ 24
Payroll payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>358</u>	<u>24</u>
FUND BALANCES				
Reserved for capital projects	-	7,860	2,360	2,435
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 7,860</u>	<u>\$ 2,718</u>	<u>\$ 2,459</u>

<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Deferred Maintenance</u>	<u>Asset Preservation</u>	<u>Library Property</u>	<u>Total</u>
\$ 9,237	\$ 2,520	\$ -	\$ 4,225	\$ 673	\$ 28,220
18	13	-	126	-	1,629
1,508	343	-	-	-	1,851
<u>\$ 10,763</u>	<u>\$ 2,876</u>	<u>\$ -</u>	<u>\$ 4,351</u>	<u>\$ 673</u>	<u>\$ 31,700</u>
\$ 1,042	\$ 827	\$ -	\$ 197	\$ -	2,448
-	1	-	1	-	2
1,883	343	-	-	-	2,226
<u>2,925</u>	<u>1,171</u>	<u>-</u>	<u>198</u>	<u>-</u>	<u>4,676</u>
7,838	1,705	-	4,153	673	27,024
<u>\$ 10,763</u>	<u>\$ 2,876</u>	<u>\$ -</u>	<u>\$ 4,351</u>	<u>\$ 673</u>	<u>\$ 31,700</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Revenue Bond Project	SB 1145	Building Project	Library Construction / 1996 Bonds
REVENUES				
Intergovernmental	\$ -	\$ 7,860	\$ -	\$ -
Charges for services	-	-	-	-
Interest	7	-	110	297
Other:				
Miscellaneous	2	-	40	6
Service reimbursements	-	-	-	-
Total revenues	9	7,860	150	303
EXPENDITURES				
Current:				
General government	-	-	-	-
Community services	9	-	1,143	-
Library services	-	-	-	95
Capital outlay	664	-	2,463	2,681
Total expenditures	673	-	3,606	2,776
Excess (deficiency) of revenues over (under) expenditures	(664)	7,860	(3,456)	(2,473)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(723)	-	-	-
Total other financing sources (uses)	(723)	-	-	-
Net change in fund balances	(1,387)	7,860	(3,456)	(2,473)
Fund balances - beginning	1,387	-	5,816	4,908
Fund balances - ending	\$ -	\$ 7,860	\$ 2,360	\$ 2,435

<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Deferred Maintenance</u>	<u>Asset Preservation</u>	<u>Library Property</u>	<u>Total</u>
\$ 2,503	\$ -	\$ -	\$ 126	\$ -	\$ 10,489
193	23	-	-	673	889
309	69	-	138	-	930
20	-	-	-	-	68
-	3,368	-	-	-	3,368
<u>3,025</u>	<u>3,460</u>	<u>-</u>	<u>264</u>	<u>673</u>	<u>15,744</u>
1,330	3,497	-	-	-	4,827
-	-	-	507	-	1,659
-	-	-	-	-	95
7,109	-	-	1,085	-	14,002
<u>8,439</u>	<u>3,497</u>	<u>-</u>	<u>1,592</u>	<u>-</u>	<u>20,583</u>
<u>(5,414)</u>	<u>(37)</u>	<u>-</u>	<u>(1,328)</u>	<u>673</u>	<u>(4,839)</u>
8,000	-	-	1,190	-	9,190
-	-	(5,527)	(1,445)	-	(7,695)
<u>8,000</u>	<u>-</u>	<u>(5,527)</u>	<u>(255)</u>	<u>-</u>	<u>1,495</u>
2,586	(37)	(5,527)	(1,583)	673	(3,344)
5,252	1,742	5,527	5,736	-	30,368
<u>\$ 7,838</u>	<u>\$ 1,705</u>	<u>\$ -</u>	<u>\$ 4,153</u>	<u>\$ 673</u>	<u>\$ 27,024</u>

MULTNOMAH COUNTY, OREGON
Revenue Bond Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ -	\$ -	\$ 7	\$ 7
Other - miscellaneous	-	-	2	2
Total revenues	-	-	9	9
EXPENDITURES				
Business and community services	500	500	673	(173)
Deficiency of revenues under expenditures	(500)	(500)	(664)	(164)
OTHER FINANCING SOURCES				
Transfers out	(1,500)	(1,500)	(723)	777
Net change in fund balances	(2,000)	(2,000)	(1,387)	613
Fund balances - beginning	2,000	2,000	1,387	(613)
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON

SB 1145 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - State	\$ 11,720	\$ 11,720	\$ 7,860	\$ (3,860)
EXPENDITURES				
Sheriff	11,720	11,720	-	11,720
Excess of revenues over expenditures	-	-	7,860	7,860
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 7,860	\$ 7,860

MULTNOMAH COUNTY, OREGON
Building Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 140	\$ 140	\$ 110	\$ (30)
Other - miscellaneous	-	-	40	40
Total revenues	140	140	150	10
EXPENDITURES				
Business and community services	11,660	11,760	3,543	8,217
Nondepartmental	569	569	63	506
Total expenditures	12,229	12,329	3,606	8,723
Deficiency of revenues under expenditures	(12,089)	(12,189)	(3,456)	8,733
OTHER FINANCING SOURCES				
Financing proceeds	4,775	4,775	-	(4,775)
Transfers in	-	100	-	(100)
Total other financing sources	4,775	4,875	-	(4,875)
Net change in fund balances	(7,314)	(7,314)	(3,456)	3,858
Fund balances - beginning	7,314	7,314	5,816	(1,498)
Fund balances - ending	\$ -	\$ -	\$ 2,360	\$ 2,360

MULTNOMAH COUNTY, OREGON
Library Construction / 1996 Bonds Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ -	\$ -	\$ 297	\$ 297
Other - miscellaneous	-	-	6	6
Total revenues	-	-	303	303
EXPENDITURES				
Library	6,770	6,770	2,776	3,994
Deficiency of revenues under expenditures	(6,770)	(6,770)	(2,473)	4,297
Fund balances - beginning	6,770	6,770	4,908	(1,862)
Fund balances - ending	\$ -	\$ -	\$ 2,435	\$ 2,435

MULTNOMAH COUNTY, OREGON
Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 2,161	\$ 2,161	\$ 2,503	\$ 342
Charges for services	-	-	193	193
Interest	280	280	309	29
Other - miscellaneous	-	-	20	20
Total revenues	<u>2,441</u>	<u>2,441</u>	<u>3,025</u>	<u>584</u>
EXPENDITURES				
Business and community services	<u>16,686</u>	<u>16,686</u>	<u>8,439</u>	<u>8,247</u>
Deficiency of revenues under expenditures	<u>(14,245)</u>	<u>(14,245)</u>	<u>(5,414)</u>	<u>8,831</u>
OTHER FINANCING SOURCES				
Transfers in	<u>8,075</u>	<u>8,075</u>	<u>8,000</u>	<u>(75)</u>
Net change in fund balances	<u>(6,170)</u>	<u>(6,170)</u>	<u>2,586</u>	<u>8,756</u>
Fund balances - beginning	<u>6,170</u>	<u>6,170</u>	<u>5,252</u>	<u>(918)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,838</u>	<u>\$ 7,838</u>

MULTNOMAH COUNTY, OREGON

Capital Acquisition Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 31	\$ 31	\$ 23	\$ (8)
Interest	95	95	69	(26)
Other - Service reimbursements	3,353	3,353	3,368	15
Total revenues	<u>3,479</u>	<u>3,479</u>	<u>3,460</u>	<u>(19)</u>
EXPENDITURES				
Nondepartmental	701	701	247	454
Business and community services	<u>4,770</u>	<u>4,770</u>	<u>3,250</u>	<u>1,520</u>
Total expenditures	<u>5,471</u>	<u>5,471</u>	<u>3,497</u>	<u>1,974</u>
Deficiency of revenues under expenditures	(1,992)	(1,992)	(37)	1,955
Fund balances - beginning	<u>1,992</u>	<u>1,992</u>	<u>1,742</u>	<u>(250)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,705</u>	<u>\$ 1,705</u>

MULTNOMAH COUNTY, OREGON
Deferred Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
OTHER FINANCING USES:				
Transfers out	(5,602)	(5,602)	(5,527)	75
Total other financing uses	(5,602)	(5,602)	(5,527)	75
Fund balances - beginning	5,602	5,602	5,527	(75)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Asset Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 126	\$ 126
Interest	150	150	138	(12)
Total revenues	150	150	264	114
EXPENDITURES				
Nondepartmental	1,818	1,818	-	1,818
Business and community services	4,467	4,467	1,592	2,875
Total expenditures	6,285	6,285	1,592	4,693
Deficiency of revenues under expenditures	(6,135)	(6,135)	(1,328)	4,807
OTHER FINANCING SOURCES (USES)				
Transfers in	1,386	1,386	1,190	(196)
Transfers out	(1,445)	(1,445)	(1,445)	-
Total other financing uses	(59)	(59)	(255)	(196)
Net change in fund balances	(6,194)	(6,194)	(1,583)	4,611
Fund balances - beginning	6,194	6,194	5,736	(458)
Fund balances - ending	\$ -	\$ -	\$ 4,153	\$ 4,153

MULTNOMAH COUNTY, OREGON
Library Property Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Other - service reimbursements	\$ -	\$ -	\$ 673	\$ 673
Excess of revenues over expenditures	-	-	673	673
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 673</u>	<u>\$ 673</u>

MULTNOMAH COUNTY, OREGON
Justice Bond Capital Project Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 180	\$ 180	\$ -	\$ (180)
Charges for services	-	-	38	38
Interest	600	600	1,215	615
Total revenues	<u>780</u>	<u>780</u>	<u>1,253</u>	<u>473</u>
EXPENDITURES				
Business and community services	9,831	9,831	2,623	7,208
Sheriff	31,986	31,986	18,953	13,033
Nondepartmental	124	124	124	-
Total expenditures	<u>41,941</u>	<u>41,941</u>	<u>21,700</u>	<u>20,241</u>
Deficiency of revenues				
under expenditures	(41,161)	(41,161)	(20,447)	20,714
Fund balances - beginning	41,161	41,161	30,418	(10,743)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ 9,971</u>

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ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

- **Dunthorpe-Riverdale Service District No. 1 Fund**
- **Mid County Service District No. 14 Fund**
- **Behavioral Health Managed Care Fund**

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MULTNOMAH COUNTY, OREGON
Dunthorpe-Riverdale Service District No. 1 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - sewer	\$ 248	\$ 248	\$ 250	\$ 2
Charges for services	10	10	7	(3)
Interest	37	37	12	(25)
Total revenues	<u>295</u>	<u>295</u>	<u>269</u>	<u>(26)</u>
EXPENDITURES				
Business and community services	320	320	373	(53)
Nondepartmental	454	454	-	454
Total expenditures	<u>774</u>	<u>774</u>	<u>373</u>	<u>401</u>
Deficiency of revenues				
under expenditures	(479)	(479)	(104)	375
Fund balances - beginning	479	479	441	(38)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337</u>	<u>\$ 337</u>

MULTNOMAH COUNTY, OREGON
Dunthorpe Riverdale Service District No. 1
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Dunthorpe Riverdale Operating Fund	\$ 269	\$ 373
Deferred revenue current year	12	-
Deferred revenue prior year	(13)	-
Depreciation expense	-	40
Capital outlay	-	(70)
Uncollectible prior year	-	(1)
Uncollectible current year	-	2
	<u> </u>	<u> </u>
Revenues and expenses - page 33	<u>\$ 268</u>	<u>\$ 344</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Assessments - street lighting				
Current year	\$ 203	\$ 203	\$ 228	\$ 25
Prior year	-	-	5	5
Interest	46	46	21	(25)
Total revenues	<u>249</u>	<u>249</u>	<u>254</u>	<u>5</u>
EXPENDITURES				
Business and community services	765	765	260	505
Nondepartmental	288	288	-	288
Total expenditures	<u>1,053</u>	<u>1,053</u>	<u>260</u>	<u>793</u>
Deficiency of revenues				
under expenditures	(804)	(804)	(6)	798
Fund balances - beginning	804	804	830	26
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824</u>	<u>\$ 824</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mid County Operating Fund	\$ 254	\$ 260
Deferred revenue current year	12	-
Deferred revenue prior year	(12)	-
Depreciation expense	-	93
Loss on disposal of capital assets	-	113
Uncollectible prior year	-	(1)
Uncollectible current year	-	3
	<u> </u>	<u> </u>
Revenues and expenses - page 33	<u>\$ 254</u>	<u>\$ 468</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state and local	\$ 34,979	\$ 34,979	\$ 33,124	\$ (1,855)
Interest	200	200	98	(102)
Other - miscellaneous	-	-	24	24
Total revenues	<u>35,179</u>	<u>35,179</u>	<u>33,246</u>	<u>(1,933)</u>
EXPENDITURES				
Human services	35,747	35,747	33,733	2,014
Nondepartmental	1,544	1,544	-	1,544
Total expenditures	<u>37,291</u>	<u>37,291</u>	<u>33,733</u>	<u>3,558</u>
Deficiency of revenues				
under expenditures	<u>(2,112)</u>	<u>(2,112)</u>	<u>(487)</u>	<u>1,625</u>
OTHER FINANCING USES				
Transfers out	(440)	(440)	(440)	-
Net change in fund balances	(2,552)	(2,552)	(927)	1,625
Fund balances - beginning	2,552	2,552	1,840	(712)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913</u>	<u>\$ 913</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Behavioral Health Operating Fund	\$ 33,246	\$ 33,733
Depreciation expense	-	6
	<u> </u>	<u> </u>
Revenues and expenses - page 33	<u>\$ 33,246</u>	<u>\$ 33,739</u>

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INTERNAL SERVICE FUNDS

These funds account for activities and services performed primarily for other organizational units within the County. Charges to the County agencies are calculated to recover costs and maintain capital. The County accounts for certain expenditures of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes the accrual basis of accounting is used. Such differences relate primarily to the methods of accounting for depreciation and capital outlay. Funds included are:

- **Risk Management Fund** - accounts for the County's risk management activities including insurance coverage.
- **Fleet Management Fund** - accounts for the County's motor vehicle fleet operations.
- **Telephone Fund** - accounts for the County's telephone operations.
- **Data Processing Fund** - accounts for the County's data processing operations.
- **Mail / Distribution Fund** - accounts for the County's mail / distribution operations.
- **Facilities Management Fund** - accounts for the management of all County owned and leased property.

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2003
(amounts expressed in thousands)

Government Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 13,068	\$ 4,575	\$ 1,126	\$ 4,419	\$ 195	\$ 1,684	\$ 25,067
Accounts receivable	2	161	99	75	4	471	812
Inventories	-	504	-	-	37	76	617
Due from other funds	12,350	-	-	-	-	-	12,350
Prepaid items	300	-	-	273	-	-	573
Total current assets	<u>25,720</u>	<u>5,240</u>	<u>1,225</u>	<u>4,767</u>	<u>236</u>	<u>2,231</u>	<u>39,419</u>
Noncurrent assets:							
Capital assets (net of accumulated depreciation)	2	2,171	982	943	-	28	4,126
Total assets	<u>\$ 25,722</u>	<u>\$ 7,411</u>	<u>\$ 2,207</u>	<u>\$ 5,710</u>	<u>\$ 236</u>	<u>\$ 2,259</u>	<u>\$ 43,545</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 11,476	\$ 142	\$ 236	\$ 891	\$ 8	\$ 1,651	\$ 14,404
Payroll payable	68	49	14	271	10	150	562
Compensated absences	62	37	11	291	4	121	526
Total current liabilities	<u>11,606</u>	<u>228</u>	<u>261</u>	<u>1,453</u>	<u>22</u>	<u>1,922</u>	<u>15,492</u>
Noncurrent liabilities:							
Compensated absences	129	75	18	645	11	295	1,173
Total liabilities	<u>11,735</u>	<u>303</u>	<u>279</u>	<u>2,098</u>	<u>33</u>	<u>2,217</u>	<u>16,665</u>
NET ASSETS							
Invested in capital assets, net of related debt	2	2,171	982	943	-	28	4,126
Unrestricted	13,985	4,937	946	2,669	203	14	22,754
Total net assets	<u>\$ 13,987</u>	<u>\$ 7,108</u>	<u>\$ 1,928</u>	<u>\$ 3,612</u>	<u>\$ 203</u>	<u>\$ 42</u>	<u>\$ 26,880</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Government Activities - Internal Service Funds						Total Internal Service Funds
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	
OPERATING REVENUES							
Charges for sales and services	\$ 47,384	\$ 4,982	\$ 4,534	\$ 23,196	\$ 1,480	\$ 37,456	\$ 119,032
Insurance premiums	1,839	-	-	-	-	-	1,839
Experience ratings and other	647	76	-	25	-	98	846
Total operating revenues	<u>49,870</u>	<u>5,058</u>	<u>4,534</u>	<u>23,221</u>	<u>1,480</u>	<u>37,554</u>	<u>121,717</u>
OPERATING EXPENSES							
Cost of sales and services	46,386	3,882	3,525	20,659	940	34,251	109,643
Administration	749	326	657	856	440	410	3,438
Depreciation	16	1,224	976	801	-	8	3,025
Total operating expenses	<u>47,151</u>	<u>5,432</u>	<u>5,158</u>	<u>22,316</u>	<u>1,380</u>	<u>34,669</u>	<u>116,106</u>
Operating income (loss)	<u>2,719</u>	<u>(374)</u>	<u>(624)</u>	<u>905</u>	<u>100</u>	<u>2,885</u>	<u>5,611</u>
NONOPERATING REVENUES							
(EXPENSES)							
Interest revenue	528	96	56	45	2	-	727
Interest expense	-	-	-	(45)	-	-	(45)
Gain (loss) on disposal of capital assets	-	183	(61)	-	-	-	122
Total nonoperating revenues (expenses)	<u>528</u>	<u>279</u>	<u>(5)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>804</u>
Income (loss) before contributions and transfers	3,247	(95)	(629)	905	102	2,885	6,415
Capital contributions	-	50	-	206	-	-	256
Transfers in	75	-	-	1,604	-	721	2,400
Transfers out	-	(300)	(1,085)	-	-	(3,663)	(5,048)
Change in net assets	<u>3,322</u>	<u>(345)</u>	<u>(1,714)</u>	<u>2,715</u>	<u>102</u>	<u>(57)</u>	<u>4,023</u>
Total net assets - beginning	<u>10,665</u>	<u>7,453</u>	<u>3,642</u>	<u>897</u>	<u>101</u>	<u>99</u>	<u>22,857</u>
Total net assets - ending	<u>\$ 13,987</u>	<u>\$ 7,108</u>	<u>\$ 1,928</u>	<u>\$ 3,612</u>	<u>\$ 203</u>	<u>\$ 42</u>	<u>\$ 26,880</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2003
(amounts expressed in thousands)

Government Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 49,678	\$ 5,005	\$ 4,473	\$ 23,192	\$ 1,484	\$ 37,479	\$ 121,311
Payments to suppliers	(52,577)	(1,612)	(3,386)	(5,339)	(802)	(15,636)	(79,352)
Payments to employees	(3,910)	(2,335)	(861)	(13,870)	(435)	(6,154)	(27,565)
Internal activity - payments to other funds	(1,048)	(392)	(247)	(2,258)	(133)	(12,419)	(16,497)
Other receipts (payments)	190	69	7	26	-	102	394
Net cash provided by (used in) operating activities	(7,667)	735	(14)	1,751	114	3,372	(1,709)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	75	-	-	1,604	-	722	2,401
Transfers out	-	(300)	(1,085)	-	-	(3,663)	(5,048)
Net cash provided by (used in) noncapital and related financing activities	75	(300)	(1,085)	1,604	-	(2,941)	(2,647)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets	-	(565)	(452)	(388)	-	(31)	(1,436)
Principal paid on capital debt	-	-	-	(1,060)	-	-	(1,060)
Proceeds on sales of capital assets	-	200	-	-	-	-	200
Interest paid on capital debt	-	-	-	(45)	-	-	(45)
Net cash used in capital and related financing activities	-	(365)	(452)	(1,493)	-	(31)	(2,341)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	528	96	56	45	2	-	727
Net cash provided by investing activities	528	96	56	45	2	-	727
Net increase in cash and cash equivalents	(7,064)	166	(1,495)	1,907	116	400	(5,970)
Balances at beginning of the year	20,132	4,409	2,621	2,512	79	1,284	31,037
Balances at the end of the year	\$ 13,068	\$ 4,575	\$ 1,126	\$ 4,419	\$ 195	\$ 1,684	\$ 25,067
Reconciliation of operation income to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 2,719	\$ (374)	\$ (624)	\$ 905	\$ 100	\$ 2,885	\$ 5,611
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Cash flows reported in other categories:							
Depreciation	16	1,224	976	801	-	8	3,025
Changes in assets and liabilities							
Receivables	(2)	15	(55)	(2)	4	27	(13)
Inventories	-	22	-	-	15	183	220
Due from other funds	(11,390)	-	-	-	-	-	(11,390)
Prepaid items	(208)	-	-	(120)	-	-	(328)
Accounts payable	1,190	(151)	(316)	92	(2)	319	1,132
Compensated absences	(4)	(3)	4	61	(5)	(46)	7
Payroll payable	12	2	1	14	2	(4)	27
Net cash provided by (used in) operating activities	\$ (7,667)	\$ 735	\$ (14)	\$ 1,751	\$ 114	\$ 3,372	\$ (1,709)
Noncash financing activities:							
Contributions of capital assets	\$ -	\$ 50	\$ -	\$ 206	\$ -	\$ -	\$ 256

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,930	\$ 1,930
Interest	500	500	528	28
Other:				
Service reimbursements	49,294	48,422	47,383	(1,039)
Experience ratings and other	2,616	2,616	557	(2,059)
Total revenues	<u>52,410</u>	<u>51,538</u>	<u>50,398</u>	<u>(1,140)</u>
EXPENDITURES				
Business and community services	50,229	49,357	44,898	4,459
Nondepartmental	9,359	9,434	2,237	7,197
Total expenditures	<u>59,588</u>	<u>58,791</u>	<u>47,135</u>	<u>11,656</u>
Excess (deficiency) of revenues over (under) expenditures	(7,178)	(7,253)	3,263	10,516
OTHER FINANCING SOURCES				
Transfers in	-	75	75	-
Net change in fund balances	(7,178)	(7,178)	3,338	10,516
Fund balances - beginning	7,178	7,178	10,648	3,470
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,986</u>	<u>\$ 13,986</u>

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Risk Management Operating Fund	\$ 50,398	\$ 47,135
Depreciation expense	-	16
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 50,398</u>	<u>\$ 47,151</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - local	\$ 795	\$ 795	\$ -	\$ (795)
Charges for services	76	76	942	866
Interest	175	175	96	(79)
Other:				
Miscellaneous	41	41	76	35
Service reimbursements	4,558	4,519	4,240	(279)
Total revenues	<u>5,645</u>	<u>5,606</u>	<u>5,354</u>	<u>(252)</u>
EXPENDITURES				
Business and community services	8,365	8,326	4,773	3,553
Nondepartmental	1,929	1,929	-	1,929
Total expenditures	<u>10,294</u>	<u>10,255</u>	<u>4,773</u>	<u>5,482</u>
Excess (deficiency) of revenues over (under) expenditures	(4,649)	(4,649)	581	5,230
OTHER FINANCING USES				
Transfers out	<u>(300)</u>	<u>(300)</u>	<u>(300)</u>	<u>-</u>
Net change in fund balances	(4,949)	(4,949)	281	5,230
Fund balances - beginning	4,949	4,949	4,656	(293)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,937</u>	<u>\$ 4,937</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Fleet Management Operating Fund	\$ 5,354	\$ 4,773
Depreciation expense	-	1,224
Loss on disposal of capital assets	-	17
Capital outlay	-	(565)
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 5,354</u>	<u>\$ 5,449</u>

MULTNOMAH COUNTY, OREGON

Telephone Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 617	\$ 617	\$ 517	\$ (100)
Interest	35	35	56	21
Other - service reimbursements	3,862	3,772	4,017	245
Total revenues	<u>4,514</u>	<u>4,424</u>	<u>4,590</u>	<u>166</u>
EXPENDITURES				
Business and community services	5,506	5,416	4,636	780
Nondepartmental	-	-	-	-
Total expenditures	<u>5,506</u>	<u>5,416</u>	<u>4,636</u>	<u>780</u>
Deficiency of revenues under expenditures	(992)	(992)	(46)	946
OTHER FINANCING USES				
Transfers out	-	(1,085)	(1,085)	-
Net change in fund balances	(992)	(2,077)	(1,131)	946
Fund balances - beginning	992	2,077	2,077	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 946</u>

MULTNOMAH COUNTY, OREGON

Telephone Fund

Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses

For the year ended June 30, 2003

(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Telephone Operating Fund	\$ 4,590	\$ 4,636
Depreciation expense	-	976
Capital outlay	-	(452)
Expenditures capitalized	-	(2)
Loss on disposal of capital assets	-	61
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 4,590</u>	<u>\$ 5,219</u>

MULTNOMAH COUNTY, OREGON
Data Processing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for sales and services	\$ 23,900	\$ 23,585	\$ 23,171	\$ (414)
Interest	50	50	45	(5)
Other - miscellaneous	358	378	50	(328)
Total revenues	<u>24,308</u>	<u>24,013</u>	<u>23,266</u>	<u>(747)</u>
EXPENDITURES				
Business and community services	26,720	26,425	23,008	3,417
Nondepartmental	-	-	-	-
Total expenditures	<u>26,720</u>	<u>26,425</u>	<u>23,008</u>	<u>3,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,412)</u>	<u>(2,412)</u>	<u>258</u>	<u>2,670</u>
OTHER FINANCING SOURCES				
Transfers in	965	1,604	1,604	-
Net change in fund balances	(1,447)	(808)	1,862	2,670
Fund balances - beginning	1,447	808	808	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,670</u>	<u>\$ 2,670</u>

MULTNOMAH COUNTY, OREGON

Data Processing Fund

Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses

For the year ended June 30, 2003

(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Data Processing Operating Fund	\$ 23,266	\$ 23,008
Depreciation expense	-	801
Debt principal payments	-	(1,060)
Capital Outlay	-	(388)
Revenues and expenses - page 115	<u>\$ 23,266</u>	<u>\$ 22,361</u>

MULTNOMAH COUNTY, OREGON
Mail/Distribution Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state, and local	\$ 51	\$ 51	\$ 56	\$ 5
Interest	2	2	2	-
Other - service reimbursements	1,453	1,438	1,424	(14)
Total revenues	<u>1,506</u>	<u>1,491</u>	<u>1,482</u>	<u>(9)</u>
EXPENDITURES				
Business and community services	1,525	1,510	1,380	130
Nondepartmental	64	64	-	64
Total expenditures	<u>1,589</u>	<u>1,574</u>	<u>1,380</u>	<u>194</u>
Excess (deficiency) of revenues over (under) expenditures	(83)	(83)	102	185
Fund balances - beginning	83	83	101	18
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 203</u>

MULTNOMAH COUNTY, OREGON
Mail / Distribution Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mail / Distribution Operating Fund	\$ 1,482	\$ 1,380
Revenues and expenses - page 115	<u>\$ 1,482</u>	<u>\$ 1,380</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				favorable
				(unfavorable)
REVENUES				
Intergovernmental - local	\$ 536	\$ 536	\$ -	\$ (536)
Charges for services	1,109	1,109	1,544	435
Miscellaneous	2,826	2,826	98	(2,728)
Other - service reimbursements	37,646	36,264	35,912	(352)
Total revenues	<u>42,117</u>	<u>40,735</u>	<u>37,554</u>	<u>(3,181)</u>
EXPENDITURES				
Business and community services	<u>38,434</u>	<u>37,515</u>	<u>34,692</u>	<u>2,823</u>
Excess of revenues over expenditures	<u>3,683</u>	<u>3,220</u>	<u>2,862</u>	<u>(358)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	258	721	721	-
Transfers out	(3,859)	(3,859)	(3,663)	196
Total other financing uses	<u>(3,601)</u>	<u>(3,138)</u>	<u>(2,942)</u>	<u>196</u>
Net change in fund balances	82	82	(80)	(162)
Fund balances - beginning	250	250	94	(156)
Fund balances - ending	<u>\$ 332</u>	<u>\$ 332</u>	<u>\$ 14</u>	<u>\$ (318)</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year ended June 30, 2003
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Facilities Management Operating Fund	\$ 37,554	\$ 34,692
Depreciation expense	-	8
Capital outlay	-	(31)
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 37,554</u>	<u>\$ 34,669</u>

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AGENCY FUNDS

These funds account for resources received and held by the County in a purely custodial capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. The modified accrual basis of accounting is used to record transactions in the agency funds. The funds included are:

- **Sundry Taxing Bodies Fund** – accounts for the collection of property taxes for all governmental entities located in Multnomah County and the disbursement of the collections to such entities.
- **Department and Offices Agency Fund** – accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- **Public Guardian Fund** – accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Visitors' Facilities Trust Fund** – accounts for collection and disbursement of Motor Vehicle Rental Tax and Transient Lodging Tax used for visitor facilities.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2003
(amounts expressed in thousands)

	<u>Sundry Taxing Bodies</u>	<u>Department & Offices Agency</u>	<u>Public Guardian</u>	<u>Visitors' Facilities</u>	<u>Total</u>
ASSETS:					
Cash and Investments	\$ 5,421	\$ 4,985	\$ 745	\$ 14	\$ 11,165
Receivables:					
Taxes	38,604	267	-	1,435	40,306
Accounts	-	5,037	-	454	5,491
Total assets	<u>44,025</u>	<u>10,289</u>	<u>745</u>	<u>1,903</u>	<u>56,962</u>
LIABILITIES:					
Accounts payable	\$ -	\$ 584	\$ 79	\$ 1,434	\$ 2,097
Due to other governmental units	38,367	-	-	-	38,367
Amounts held in trust	5,658	9,705	666	469	16,498
Total liabilities	<u>44,025</u>	<u>10,289</u>	<u>745</u>	<u>1,903</u>	<u>56,962</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2003
(amounts expressed in thousands)

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
SUNDRY TAXING BODIES:				
Assets:				
Cash and investments	\$ 3,696	\$ 649,985	\$ 648,260	\$ 5,421
Taxes receivable	39,353	695,089	695,838	38,604
Total assets	<u>\$ 43,049</u>	<u>\$ 1,345,074</u>	<u>\$ 1,344,098</u>	<u>\$ 44,025</u>
Liabilities:				
Accounts payable	\$ -	\$ 236	\$ 236	\$ -
Due to other governmental units	39,227	672,232	673,092	38,367
Amounts held in trust	3,822	650,152	648,316	5,658
Total liabilities	<u>\$ 43,049</u>	<u>\$ 1,322,620</u>	<u>\$ 1,321,644</u>	<u>\$ 44,025</u>
DEPARTMENT AND OFFICES AGENCY:				
Assets:				
Cash and investments	\$ 7,421	\$ 929,437	\$ 931,873	\$ 4,985
Taxes receivable	110	867,620	867,463	267
Accounts receivable	-	95,127	90,090	5,037
Total assets	<u>\$ 7,531</u>	<u>\$ 1,892,184</u>	<u>\$ 1,889,426</u>	<u>\$ 10,289</u>
Liabilities:				
Accounts payable	\$ 797	\$ 54,828	\$ 55,041	\$ 584
Amounts held in trust	6,734	901,480	898,509	9,705
Total liabilities	<u>\$ 7,531</u>	<u>\$ 956,308</u>	<u>\$ 953,550</u>	<u>\$ 10,289</u>
PUBLIC GUARDIAN:				
Assets:				
Cash and investments	\$ 947	\$ 2,538	\$ 2,740	\$ 745
Accounts receivable	-	1,259	1,259	-
Total assets	<u>\$ 947</u>	<u>\$ 3,797</u>	<u>\$ 3,999</u>	<u>\$ 745</u>
Liabilities:				
Accounts payable	\$ 98	\$ 2,957	\$ 2,976	\$ 79
Amounts held in trust	849	2,138	2,321	666
Total liabilities	<u>\$ 947</u>	<u>\$ 5,095</u>	<u>\$ 5,297</u>	<u>\$ 745</u>
VISITORS FACILITIES:				
Assets:				
Cash and investments	\$ 1,251	\$ 10,959	\$ 12,196	\$ 14
Taxes receivable	662	3,565	2,792	1,435
Accounts receivable	-	465	11	454
Total assets	<u>\$ 1,913</u>	<u>\$ 14,989</u>	<u>\$ 14,999</u>	<u>\$ 1,903</u>
Liabilities:				
Accounts payable	\$ 498	\$ 2,738	\$ 1,802	\$ 1,434
Amounts held in trust	\$ 1,415	\$ 10,983	\$ 11,929	\$ 469
Total liabilities	<u>\$ 1,913</u>	<u>\$ 13,721</u>	<u>\$ 13,731</u>	<u>\$ 1,903</u>
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 13,315	\$ 1,592,919	\$ 1,595,069	\$ 11,165
Taxes receivable	40,125	1,566,274	1,566,093	40,306
Accounts receivable	-	96,851	91,360	5,491
Total assets	<u>\$ 53,440</u>	<u>\$ 3,256,044</u>	<u>\$ 3,252,522</u>	<u>\$ 56,962</u>
Liabilities:				
Accounts payable	\$ 1,393	\$ 60,759	\$ 60,055	\$ 2,097
Due to other governmental units	39,227	672,232	673,092	38,367
Amounts held in trust	12,820	1,564,753	1,561,075	16,498
Total liabilities	<u>\$ 53,440</u>	<u>\$ 2,297,744</u>	<u>\$ 2,294,222</u>	<u>\$ 56,962</u>

**CAPITAL ASSETS USED
IN THE OPERATION OF
GOVERNMENTAL FUNDS**

- **Schedule by Source**
- **Schedule by Function and Activity**
- **Schedule of Changes by Function and Activity**

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2003
(amounts expressed in thousands)

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 13,987	\$ 14,219
Work in progress	37,986	16,866
Buildings	339,017	330,789
Improvements other than buildings	433	433
Machinery and equipment	114,690	116,316
Bridges	72,616	69,335
Infrastructure	810,589	807,682
Total governmental funds capital assets	<u>\$ 1,389,318</u>	<u>\$ 1,355,640</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
Investments in governmental funds capital assets by source at June 30	\$ 1,355,640	\$ 1,312,801
General fund	\$ 24,894	\$ 22,226
Road fund	2,888	822
Bicycle path construction fund	-	75
Federal and state program fund	(165)	(171)
Animal control fund	-	(17)
Library fund	3,978	7,978
Assessment and taxation fund	(57)	(43)
Justice services special operations	-	63
Justice bond capital project fund	2,657	3,621
Revenue bond project fund	684	112
Equipment acquisition fund	(6)	6,347
Building project fund	985	(6)
Library construction fund/1993	(503)	3,490
Library construction fund/1996	137	106
Capital improvement fund	1,300	(8)
Capital acquisition fund	-	35
Asset preservation fund	-	24
Risk management fund	-	(5)
Fleet management fund	(844)	861
Telephone fund	(1,572)	(146)
Data processing fund	(707)	(2,460)
Mail distribution fund	-	(65)
Facilities management fund	9	-
Total governmental funds capital assets	<u>\$ 1,389,318</u>	<u>\$ 1,355,640</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
By Function and Activity
For the Year Ended June 30, 2003
(amounts expressed in thousands)

	<u>Land</u>	<u>Work in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
FUNCTION AND ACTIVITY								
General government:								
Legislative	\$ 203	\$ -	\$ 5,941	\$ -	\$ -	\$ -	\$ -	\$ 6,144
Administrative	834	-	27,689	-	38,146	-	-	66,669
	<u>1,037</u>	<u>-</u>	<u>33,630</u>	<u>-</u>	<u>38,146</u>	<u>-</u>	<u>-</u>	<u>72,813</u>
Health and social services:								
Health	2,158	-	28,980	-	390	-	-	31,528
Social	3,615	-	68,515	-	1,388	-	-	73,518
	<u>5,773</u>	<u>-</u>	<u>97,495</u>	<u>-</u>	<u>1,778</u>	<u>-</u>	<u>-</u>	<u>105,046</u>
Public safety:								
Law enforcement	1,868	34,013	115,793	37	3,621	-	-	155,332
Justice services	51	-	5,554	-	364	-	-	5,969
	<u>1,919</u>	<u>34,013</u>	<u>121,347</u>	<u>37</u>	<u>3,985</u>	<u>-</u>	<u>-</u>	<u>161,301</u>
Community services:								
Community service development	-	-	1,404	108	6	-	-	1,518
Recreation	203	-	-	-	-	-	-	203
Library	2,972	3,973	52,626	140	69,511	-	-	129,222
	<u>3,175</u>	<u>3,973</u>	<u>54,030</u>	<u>248</u>	<u>69,517</u>	<u>-</u>	<u>-</u>	<u>130,943</u>
Roads and bridges:								
Roads and bridges	512	-	-	-	1,264	72,616	810,589	884,981
Bridge shops	39	-	330	-	-	-	-	369
Road shops	7	-	10,325	58	-	-	-	10,390
Administration	-	-	-	-	-	-	-	-
	<u>558</u>	<u>-</u>	<u>10,655</u>	<u>58</u>	<u>1,264</u>	<u>72,616</u>	<u>810,589</u>	<u>895,740</u>
External organizations:								
External use	1,525	-	21,860	90	-	-	-	23,475
	<u>\$ 13,987</u>	<u>\$ 37,986</u>	<u>\$ 339,017</u>	<u>\$ 433</u>	<u>\$ 114,690</u>	<u>\$ 72,616</u>	<u>\$ 810,589</u>	<u>\$ 1,389,318</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes
For the Year Ended June 30, 2003
(amounts expressed in thousands)

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets June 30, 2002	Additions	Deductions & Reclassifications	Governmental Funds Capital Assets June 30, 2003
General government:				
Legislative	\$ 7,091	\$ 76	\$ (1,023)	\$ 6,144
Administrative	69,771	3,267	(6,369)	66,669
	<u>76,862</u>	<u>3,343</u>	<u>(7,392)</u>	<u>72,813</u>
Health and social services:				
Health	30,871	1,106	(449)	31,528
Social	68,956	5,088	(526)	73,518
	<u>99,827</u>	<u>6,194</u>	<u>(975)</u>	<u>105,046</u>
Public safety:				
Law enforcement	133,984	21,199	149	155,332
Justice services	4,585	96	1,288	5,969
	<u>138,569</u>	<u>21,295</u>	<u>1,437</u>	<u>161,301</u>
Community services:				
Community service development	1,382	136	-	1,518
Recreation	203	-	-	203
Library	125,591	4,710	(1,079)	129,222
	<u>127,176</u>	<u>4,846</u>	<u>(1,079)</u>	<u>130,943</u>
Roads and bridges:				
Roads and bridges	878,812	6,188	(19)	884,981
Bridge shops	369	-	-	369
Road shops	9,974	416	-	10,390
	<u>889,155</u>	<u>6,604</u>	<u>(19)</u>	<u>895,740</u>
External organizations:				
External use	24,051	190	(766)	23,475
	<u>\$ 1,355,640</u>	<u>\$ 42,472</u>	<u>\$ (8,794)</u>	<u>\$ 1,389,318</u>

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OTHER SCHEDULES

- Schedule of Property Tax Collections and Outstanding Balances
- Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
- Schedule of Revenue Bonds Outstanding
- Schedule of General Obligation Bonds Outstanding
- Schedule of Loans Outstanding
- Schedule of Full Faith and Credit Bonds Outstanding
- Schedule of Capitalized Lease Purchases Outstanding
- Schedule of Receipts and Deposits – Elected Officials

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2003
(amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2002	Current Levy	Add (Deduct) Corrections and Adjustments	Add Interest on Delinquent Taxes	Deduct Discounts Allowed	Deduct Collections Including Interest on Delinquent Taxes	Taxes Receivable June 30, 2003
2002-03	\$ -	\$ 875,383	\$ (4,724)	\$ 474	\$ (20,606)	\$ (820,475)	30,052
2001-02	30,158	-	(5,193)	833	-	(14,266)	11,532
2000-01	12,816	-	(1,101)	933	-	(6,599)	6,049
1999-00 and prior	9,528	-	(1,787)	1,249	-	(5,782)	3,208
	<u>\$ 52,502</u>	<u>\$ 875,383</u>	<u>\$ (12,805)</u>	<u>\$ 3,489</u>	<u>\$ (20,606)</u>	<u>\$ (847,122)</u>	<u>\$ 50,841</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2003

	Current Levy	Prior years' Levy	Total Property Taxes	Other Taxes	Total
General fund	\$ 6,186	\$ 4,398	\$ 10,584	\$ 2,379	\$ 12,963
Special revenue funds:					
Library fund	693	508	1,201	-	1,201
Special excise tax fund	-	-	-	1,100	1,100
Total special revenue funds	693	508	1,201	1,100	2,301
General obligation bond fund	345	315	660	4	664
Agency funds	22,812	15,555	38,367	1,939	40,306
Sub-total taxes receivable	30,036	20,776	50,812	5,422	56,234
Special assessments collected through taxes	17	12	29	10	39
Total receivables	<u>\$ 30,053</u>	<u>\$ 20,788</u>	<u>\$ 50,841</u>	<u>\$ 5,432</u>	<u>\$ 56,273</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2003
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

	Outstanding June 30, 2002		2002-03 Transactions			Outstanding June 30, 2003	
	Matured	Unmatured	Issued	Matured	Refunded or Paid	Matured	Unmatured
Dated March 1, 1994	\$ -	\$ 4,190	\$ -	\$ 975	\$ 975	\$ -	\$ 3,215
Dated October 1, 1994	-	1,160	-	365	365	-	795
Dated October 1, 1996	-	25,745	-	3,245	3,245	-	22,500
Dated February 1, 1999	-	65,440	-	340	340	-	65,100
	<u>\$ -</u>	<u>\$ 96,535</u>	<u>\$ -</u>	<u>\$ 4,925</u>	<u>\$ 4,925</u>	<u>\$ -</u>	<u>\$ 91,610</u>

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 1, 1994	\$ 177
Dated October 1, 1994	53
Dated October 1, 1996	1,162
Dated February 1, 1999	2,872
	<u>\$ 4,264</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenue Bonds Outstanding
June 30, 2003
(amounts expressed in thousands)

REVENUE BONDS

Fiscal Year of Maturity	Series 1998 Dated 10/01/98 4.00 to 4.75%		Series 2000A Dated 11/01/00 4.45 to 5.20%		Series 2000B Dated 11/01/00 4.45 to 5.20%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 175	\$ 111	\$ 105	\$ 89	\$ 185	\$ 157	\$ 465	\$ 357
2005	185	104	110	85	195	148	490	337
2006	190	96	120	79	205	139	515	314
2007	200	88	125	74	215	129	540	291
2008	205	80	130	68	225	119	560	267
2009	215	72	135	62	235	109	585	243
2010	225	63	145	55	250	97	620	215
2011	230	53	150	48	265	85	645	186
2012	245	42	160	41	275	72	680	155
2013	255	31	165	33	295	58	715	122
2014	265	19	175	24	310	42	750	85
2015	275	7	185	15	325	26	785	48
2016	-	-	195	5	345	9	540	14
	<u>\$ 2,665</u>	<u>\$ 766</u>	<u>\$ 1,900</u>	<u>\$ 678</u>	<u>\$ 3,325</u>	<u>\$ 1,190</u>	<u>\$ 7,890</u>	<u>\$ 2,634</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2003
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

Fiscal Year of Maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 1,020	\$ 130	\$ 385	\$ 33	\$ 535	\$ 130
2005	1,070	81	410	11	565	105
2006	1,125	28	-	-	590	77
2007	-	-	-	-	620	48
2008	-	-	-	-	655	16
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
	<u>\$ 3,215</u>	<u>\$ 239</u>	<u>\$ 795</u>	<u>\$ 44</u>	<u>\$ 2,965</u>	<u>\$ 376</u>

Series 1996B Dated 10/01/96 3.90 to 5.65%		Series 1999 Dated 2/01/99 3.90 to 5.65%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,870	\$ 881	\$ 355	\$ 2,859	\$ 5,165	\$ 4,033
3,010	744	365	2,846	5,420	3,787
3,160	597	810	2,823	5,685	3,525
3,320	440	2,020	2,768	5,960	3,256
3,495	271	2,105	2,685	6,255	2,972
3,680	92	2,875	2,585	6,555	2,677
-	-	6,860	2,387	6,860	2,387
-	-	7,160	2,093	7,160	2,093
-	-	7,470	1,780	7,470	1,780
-	-	7,490	1,451	7,490	1,451
-	-	7,835	1,106	7,835	1,106
-	-	6,780	773	6,780	773
-	-	6,330	466	6,330	466
-	-	6,645	158	6,645	158
<u>\$ 19,535</u>	<u>\$ 3,025</u>	<u>\$ 65,100</u>	<u>\$ 26,780</u>	<u>\$ 91,610</u>	<u>\$ 30,464</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2003
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS

Fiscal Year of Maturity	Dated 02/15/96 7.2%		Dated 07/05/96 5.65%		Dated 10/01/96 7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 34	\$ 24	\$ 2	\$ 2	\$ 9	\$ 2
2005	36	21	2	2	11	1
2006	39	19	2	2	11	1
2007	42	16	2	2	3	-
2008	45	13	2	1	-	-
2009	48	9	2	1	-	-
2010	52	6	2	1	-	-
2011	52	3	3	1	-	-
2012	-	-	3	1	-	-
2013	-	-	3	1	-	-
2014	-	-	3	-	-	-
2015	-	-	3	-	-	-
2016	-	-	3	-	-	-
	\$ 348	\$ 111	\$ 32	\$ 14	\$ 34	\$ 4

Dated 12/01/96 7.2%		Dated 01/15/97 5.9%		Dated 02/08/99 5.9%		Dated 10/26/99 5.9%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 4	\$ -	\$ 7	\$ 1	\$ 15	\$ 6	\$ 14	\$ 9	\$ 85	\$ 44
4	-	7	1	16	5	16	8	92	38
4	-	7	1	17	4	15	8	95	35
2	-	4	-	18	3	16	6	87	27
-	-	-	-	19	2	17	6	83	22
-	-	-	-	21	1	19	4	90	15
-	-	-	-	-	-	13	3	67	10
-	-	-	-	-	-	11	3	66	7
-	-	-	-	-	-	10	2	13	3
-	-	-	-	-	-	12	1	15	2
-	-	-	-	-	-	13	1	16	1
-	-	-	-	-	-	3	-	6	-
-	-	-	-	-	-	-	-	3	-
<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 3</u>	<u>\$ 106</u>	<u>\$ 21</u>	<u>\$ 159</u>	<u>\$ 51</u>	<u>\$ 718</u>	<u>\$ 204</u>

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2003
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

Fiscal Year of Maturity	Series 1999 Dated 04/01/99 4.00 to 4.75%		Series 2000A Dated 04/01/00 5.00 to 5.50%		Series 1999 Dated 12/01/99 6.49 to 7.74%		Series 2003 Dated 05/15/03 1.50 to 3.25%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 1,320	\$ 1,424	\$ 3,450	\$ 2,692	\$ 1,790	\$ 8,284	-	-	\$ 6,560	\$ 12,400
2005	1,375	1,368	3,625	2,520	2,535	8,163	840	288	8,375	12,339
2006	1,430	1,312	3,550	2,348	3,365	7,988	885	132	9,230	11,780
2007	1,490	1,254	3,735	2,161	4,295	7,753	900	118	10,420	11,286
2008	1,550	1,192	3,935	1,965	5,325	7,450	915	131	11,725	10,738
2009	1,615	1,126	2,675	1,759	6,470	7,072	940	129	11,700	10,086
2010	1,685	1,057	2,820	1,611	7,740	6,609	960	122	13,205	9,399
2011	1,760	982	2,975	1,470	9,150	6,052	990	115	14,875	8,619
2012	1,840	902	3,140	1,322	10,710	5,388	1,025	96	16,715	7,708
2013	1,925	817	3,315	1,165	4,479	12,563	1,060	68	10,779	14,613
2014	2,125	722	3,505	995	4,472	13,565	1,100	36	11,202	15,318
2015	2,120	624	3,705	811	4,469	14,618	-	-	10,294	16,053
2016	2,250	525	2,015	616	6,845	13,341	-	-	11,110	14,482
2017	2,325	420	2,135	510	16,985	4,358	-	-	21,445	5,288
2018	2,435	306	2,260	396	19,470	3,096	-	-	24,165	3,798
2019	2,555	188	2,395	271	22,200	1,649	-	-	27,150	2,108
2020	2,680	64	2,540	140	5,319	19,876	-	-	10,539	20,080
2021	-	-	-	-	5,208	21,407	-	-	5,208	21,407
2022	-	-	-	-	5,098	23,012	-	-	5,098	23,012
2023	-	-	-	-	4,989	24,686	-	-	4,989	24,686
2024	-	-	-	-	4,881	26,444	-	-	4,881	26,444
2025	-	-	-	-	4,775	28,285	-	-	4,775	28,285
2026	-	-	-	-	4,670	30,215	-	-	4,670	30,215
2027	-	-	-	-	4,566	32,234	-	-	4,566	32,234
2028	-	-	-	-	4,463	34,347	-	-	4,463	34,347
2029	-	-	-	-	4,362	36,563	-	-	4,362	36,563
2030	-	-	-	-	4,262	38,887	-	-	4,262	38,887
	<u>\$ 32,480</u>	<u>\$ 14,283</u>	<u>\$ 51,775</u>	<u>\$ 22,752</u>	<u>\$182,893</u>	<u>\$443,905</u>	<u>\$ 9,615</u>	<u>\$ 1,235</u>	<u>\$276,763</u>	<u>\$482,175</u>

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Purchases Outstanding
June 30, 2003
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS

Fiscal Year of Maturity	Dated 01/22/81 6.00% to 7.25%		Dated 05/01/93 2.75% to 7.50%		Dated 02/01/98 3.75 to 4.90%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 220	\$ 112	\$ 10,470	\$ 383	\$ 2,215	\$ 1,365	\$ 12,905	\$ 1,860
2005	239	93	-	-	2,315	1,257	2,554	1,350
2006	259	73	-	-	2,440	1,144	2,699	1,217
2007	281	50	-	-	2,555	1,022	2,836	1,072
2008	306	26	-	-	2,690	891	2,996	917
2009	-	-	-	-	2,825	753	2,825	753
2010	-	-	-	-	2,960	617	2,960	617
2011	-	-	-	-	3,100	480	3,100	480
2012	-	-	-	-	3,250	333	3,250	333
2013	-	-	-	-	3,405	175	3,405	175
2014	-	-	-	-	355	87	355	87
2015	-	-	-	-	375	70	375	70
2016	-	-	-	-	395	51	395	51
2017	-	-	-	-	410	31	410	31
2018	-	-	-	-	436	11	436	11
	<u>\$ 1,305</u>	<u>\$ 354</u>	<u>\$ 10,470</u>	<u>\$ 383</u>	<u>\$ 29,726</u>	<u>\$ 8,287</u>	<u>\$ 41,501</u>	<u>\$ 9,024</u>

MULTNOMAH COUNTY, OREGON
Schedule of Receipts and Deposits - Elected Officials
For the year ended June 30, 2003
(amounts expressed in thousands)

	Receipts Deposited with Treasurer
Sheriff's office	<u>\$ 28,906</u>

Summary of receipts: Civil process serving fees, record sales, patrolling contracts, room and board for prisoners from other agencies and miscellaneous reimbursements.

STATISTICAL INFORMATION SECTION (UNAUDITED)

This section contains the following tables and information:

- General Governmental Expenditures by Function
- General Governmental Revenues by Source
- General Governmental Tax Revenues by Source
- Property Tax Levies and Collections
- Real Market Value of Taxable Property
- Consolidated Tax Rates
- Consolidated Tax Levies
- Principal Taxpayers
- Special Assessment Billings and Collections
- Computation of Legal Debt Margin
- Construction, Property Value, and Bank Deposits
- Ratio of Net General Obligation Bonded Debt to Real Market Value and Net General Obligation Bonded Debt per Capita
- Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures
- Computation of Direct and Overlapping Debt
- Insurance In Force
- Population, Per Capita Income and Unemployment
- Major Employers in Metropolitan Area
- Miscellaneous Statistical Data

MULTNOMAH COUNTY, OREGON
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	General Government	Health and Social Services	Public Safety and Justice	Community Services	Roads and Bridges	Capital Outlay	Debt Service	Total
1994	\$ 45,648	\$ 147,372	\$ 82,938	\$ 27,481	\$ 28,220	\$ 25,081	\$ 4,472	\$ 361,212
1995	36,108	165,239	93,059	32,765	30,200	24,539	9,849	391,759
1996	35,086	181,526	96,519	35,707	32,596	33,069	8,648	423,151
1997	28,298	190,540	113,263	56,913	34,052	33,717	18,363	475,146
1998	28,474	190,941	140,510	47,764	35,197	36,773	21,242	500,901
1999	35,786	209,788	165,792	75,996	37,604	59,425	21,493	605,884
2000	219,323 (2)	237,566	179,799	72,429	35,969	37,141	28,552	810,779
2001	36,612	285,999	183,897	85,143	35,110	30,517	39,932	697,210
2002	53,134	282,127	190,122	64,258	36,829	31,822	39,761	698,053
2003	52,375	274,737	200,114	60,139	39,497	17,770	35,268	679,900

(1) All Governmental Fund Types (Budgetary basis)

(2) Increase in General Government expenditures due to one time only funding of PERS unfunded liability.

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Taxes	Inter- Governmental	Licenses and Permits	Charges for Services	Interest	Special Assessments	Other	Total
1994	\$151,617	\$ 149,009	\$ 2,591	\$ 11,280	\$ 4,143	\$ 21	\$ 29,975	\$348,636
1995	171,068	162,133	2,683	8,880	5,676	-	28,549 (2)	378,989
1996	185,008	172,031	2,703	12,864	5,476	-	29,888 (3)	407,970
1997	217,295	184,697	2,751	14,882	9,691	-	37,244 (4)	466,560
1998	215,100	223,962	2,934	14,471	12,080	-	37,190 (5)	505,737
1999	250,416	232,715	3,026	15,515	11,688	-	42,337	555,697
2000	254,514	242,966	2,734	15,008	12,201	-	49,575	576,998
2001	266,466	308,993	5,037	20,234	14,760	-	51,994	667,484
2002	267,641	290,077	8,134	18,586	6,972	-	58,415	649,825
2003	268,225	261,020	14,496	66,352	3,499	-	37,468	651,060

(1) All Governmental Fund Types (Budgetary basis).

(2) Includes \$12 of special assessments revenue.

(3) Includes \$7 of special assessments revenue.

(4) Includes \$14 of special assessments revenue.

(5) Includes \$3 of special assessments revenue.

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
General Governmental Tax Revenues by Source (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Property	Transient Lodging	Business Income	Gasoline	Motor Vehicle Rental	Other	Total
1994	\$ 110,239	\$ 3,553	\$ 22,912	\$ 6,926	\$ 6,389	\$ 1,598	\$ 151,617
1995	122,259	4,538	27,048	7,838	7,410	1,975	171,068
1996	131,620	5,032	30,040	7,770	8,694	1,852	185,008
1997	158,878	6,162	33,255	7,411	9,589	2,000	217,295
1998	157,885	5,841	32,524	7,393	10,205	1,252	215,100
1999	183,155	6,192	40,904	7,470	10,782	1,913	250,416
2000	187,256	5,956	39,934	7,221	12,445	1,702	254,514
2001	197,732	15,228	30,377	7,372	14,593	1,164	266,466
2002	206,143	11,131	26,935	7,951	13,718	1,763	267,641
2003	204,452	12,227	26,491	7,543	13,430	4,082	268,225

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Tax Levy	Current Collections	Collections as a % of Levy	Prior Year Collections	Total Collections	Total Collections as a % of Levy	Uncollected Taxes	Uncollected Taxes as a % of Levy
1994	\$110,598	\$ 105,430	95 %	\$ 4,809	\$110,239	99.68 %	\$ 10,035	9.07 %
1995	123,672	117,051	94.65	5,208	122,259	98.86	8,258	6.68
1996	135,104	128,020	94.76	3,600	131,620	97.42	8,152	6.03
1997	162,985	154,723	94.93	4,155	158,878	97.48	8,924	5.48
1998 (2)	158,856	153,321	96.52	4,564	157,885	99.39	8,925	5.62
1999	188,837	179,029	94.81	4,128	183,157	96.99	9,859	5.22
2000	193,076	181,741	94.13	5,514	187,255	96.99	11,294	5.85
2001	205,468	193,397	94.13	4,327	197,724	96.23	12,750	6.21
2002	212,329	199,819	94.11	6,283	206,102	97.07	13,245	6.24
2003	210,411	198,385	94.28	6,063	204,448	97.17	12,445	5.91

(1) All Governmental Fund Types (Budgetary basis).

(2) Property tax limitation Measure #50 went into effect.

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Real Market Value of Taxable Property (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Personal Property	Public Utility Property	Commercial Property	Residential Property	Total
1994	\$ 1,203,111	\$ 1,628,475	\$ 9,941,135	\$ 14,727,420	\$ 27,500,141
1995	1,218,157	1,576,140	10,740,016	17,177,183	30,711,496
1996	1,330,246	1,647,640	11,938,742	19,766,868	34,683,496
1997	1,517,728	1,794,013	12,768,546	22,380,651	38,460,938
1998 (2)	1,812,064	2,000,951	14,123,977	24,330,799	42,267,791
1999	2,032,070	2,222,076	N/A	41,278,093 (3)	45,532,239
2000 (4)	2,531,489	2,723,488	N/A	47,072,873	52,327,850
2001	2,626,683	3,106,617	N/A	50,581,943	56,315,243
2002	2,869,911	3,019,095	N/A	55,332,307	61,221,313
2003	2,646,059	2,745,238	21,954,409	36,040,639	63,386,345

(1) Prior to the passage of Measure # 50 in 1997, assessed value equaled real market value.

(2) Under Measure #50, assessed value is used for computation of taxes.

(3) As of June 30, 1999, the breakdown of residential and commercial property values are not available.

(4) Prior to 2000 amounts did not include urban renewal excess in taxable real market value.

Source: Multnomah County Division of Assessment and Taxation

MULTNOMAH COUNTY, OREGON
Consolidated Tax Rates (1)
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1994	\$ 4.02	\$ 5.92	\$ 0.62	\$ 10.76	\$ 0.01	\$ 0.19	\$ -	\$ 21.52
1995	4.03	5.92	0.49	8.12	0.01	0.07	-	18.64
1996	3.90	5.79	0.68	5.58	-	0.08	0.07	16.10
1997	4.24	5.47	0.55	6.20	-	0.07	0.47	17.00
1998 (2)	4.86	6.03	0.68	7.27	-	0.07	1.08	19.99
1999	5.28	5.98	0.67	6.95	-	0.07	1.00	19.95
2000	5.13	5.97	0.61	6.93	-	0.07	0.97	19.68
2001	5.19	6.06	0.62	7.21	0.01	0.07	1.06	20.22
2002	5.09	5.91	0.60	7.58	0.01	0.07	1.15	20.41
2003	4.97	6.04	0.55	7.77	0.01	0.08	1.26	20.68

(1) These are average rates and are stated in dollar and cents per \$1,000 of assessed value.

(2) Measure #50 went into effect which decreases the assessed valuation and results in an increase in tax rates.

Source: Multnomah County Division of Assessment and Taxation current and prior years' annual reports

MULTNOMAH COUNTY, OREGON
Consolidated Tax Levies
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1994	\$ 110,598	\$162,870	\$ 17,068	\$295,852	\$ 290	\$ 5,298	\$ 21	\$591,997
1995	123,672	181,848	15,110	249,441	307	2,145	25	572,548
1996	135,104	200,896	23,515	193,685	155	2,633	2,520	558,508
1997	162,985	210,568	20,970	238,347	169	2,763	18,020	653,822
1998 (1)	158,856	196,846	22,318	237,275	154	2,323	35,347	653,119
1999	188,837	214,148	23,798	248,622	159	2,422	35,911	713,897
2000	193,076	224,449	23,106	260,605	169	2,657	36,426	740,488
2001	205,468	239,905	24,569	285,341	239	2,725	42,052	800,299
2002	212,329	246,579	25,104	316,282	246	3,086	47,801	851,427
2003	210,411	255,827	23,290	328,861	248	3,260	53,485	875,382

(1) Property tax limitation Measure #50 went into effect.

Source: Multnomah County Division of Assessment and Taxation current and prior years' annual reports

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
June 30, 2003
(amounts expressed in thousands)
(unaudited)

<u>Taxpayer Account</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
QWest Communications	Telephone utility	\$ 475,715	1.12 %
Portland General Electric	Electric utility	308,621	0.73
PacifiCorp (Pacific Power and Light) (2)	Electric utility	252,030	0.60
Wacker Siltronic Corp	Silicon wafers	204,816	0.48
Boeing Company	Aircraft parts	190,771	0.45
Microchip Technology Inc.	Computers and electronics	176,086	0.42
Alaska Airlines, Inc.	Airline	164,000	0.39
Oregon Steel	Steel	149,337	0.35
Fred Meyers Stores	Grocery and variety stores	147,487	0.35
Northwest Natural Gas	Gas Utility	142,913	0.34
		<u>\$ 2,211,776</u>	<u>5.23 %</u>

(1) The 2002-03 Assessed Valuation is \$42,349,119; the Real Market Valuation is \$63,386,345.

(2) Pacific Power and Light is a subsidiary of PacifiCorp.

Source: Multnomah County Division of Assessment and Taxation

MULTNOMAH COUNTY, OREGON
Special Assessment Billings and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Assessments Outstanding July 1	Assessments Billed	Assessments Collected	Assessments Outstanding June 30
1994	\$ 84	\$ -	\$ 36	\$ 48
1995	48	-	12	36
1996	36	-	7	29
1997	29	-	14	15
1998	15	-	3	12
1999	12	-	-	12
2000	12	-	-	12
2001	12	-	1	11
2002	11	-	-	11
2003	11	-	1	10

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Computation of Legal Debt Margin
June 30, 2003
(amounts expressed in thousands)
(unaudited)

ORS 287.054 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries.

Real market value (2002-03)	\$ 63,386,345
Debt limit rate	2.00%
Debt limit	<u>1,267,727</u>
Less bonded debt at June 30	91,610
Legal debt margin	<u><u>\$ 1,176,117</u></u>

ORS 287.053 provides a debt limit on full faith & credit bonds of 1% of the real market value of all taxable property within the County's boundaries.

Real market value (2002-03)	\$ 63,386,345
Debt limit rate	1.00%
Debt limit	<u>633,863</u>
Less bonded debt at June 30	276,763
Legal debt margin	<u><u>\$ 357,100</u></u>

MULTNOMAH COUNTY, OREGON
Construction, Property Value, and Bank Deposits
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Commercial		Residential		Total		Bank Deposits in \$(000) (2)
	Number of Units (1)	Value in \$(000)	Number of Units (1)	Value in \$(000)	Number of Units	Value in \$(000)	
1994 (3)	1,106	\$228,787	2,757	\$117,655	3,863	\$346,442	\$ 9,536,224
1995	920	323,947	2,273	115,317	3,193	439,264	11,552,255
1996	-	- (4)	4,453	320,871	4,453	320,871	11,414,176
1997	-	-	4,331	350,666	4,331	350,666	14,543,385
1998	-	-	3,984	353,060	3,984	353,060	13,045,877
1999	-	-	3,641	315,125	3,641	315,125	14,673,872
2000	-	-	2,591	266,445	2,591	266,445	15,837,718
2001	-	-	2,896	352,975	2,896	352,975	13,126,825
2002	-	-	3,282	389,127	3,282	389,127	16,310,440
2003 (5)	-	-	N/A	N/A	N/A	N/A	18,359,918

(1) Information maintained on a calendar year basis.

(2) June 30, each year.

(3) January through June.

(4) Information on commercial properties no longer available as of January 1996.

(5) Information is not yet available.

Sources: Center for Population Research & Census, Portland State University and State of Oregon Banking Commission

MULTNOMAH COUNTY, OREGON
Ratio of Net General Obligation Bonded Debt to
Real Market Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Population (1)	Real Market Value (2)	Gross Bonded Debt	Less Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt per Capita (4)
1994	620,000	\$ 27,500,141	\$ 22,000	\$ 1,935	\$ 20,065	0.07 %	\$ 32
1995	626,500	30,711,496	29,705	7,021	22,684	0.07	36
1996	636,000	34,683,496	28,710	7,905	20,805	0.06	33
1997	639,000	38,460,938	136,375	14,977	121,398	0.32	190
1998	642,000	42,267,791	128,470	16,240	112,230	0.27	175
1999	646,850	45,532,239	124,170	14,014	110,156	0.24	170
2000	662,400	52,327,850	115,555	11,774	103,781	0.20	157
2001	666,350	56,315,243	106,260	12,223	94,037	0.17	141
2002	670,250	61,221,313	96,535	9,484	87,051	0.14	130
2003	670,250 (5)	63,386,345	91,610	10,335	81,275	0.13	121

(1) Population not expressed in thousands.

(2) Prior to 1998, Real Market Value approximated Assessed Value.

(3) Amount available for repayment of general obligation bonds.

(4) Net Bonded Debt stated in dollars.

(5) Population data for 2002 is the most recent data available.

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years (1)
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Government Expenditures
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.67 %
1996	995	1,474	2,469	423,151	0.58
1997	1,035	2,911	3,946	475,146	0.83
1998	7,905	6,740	14,645	500,901	2.92
1999	8,235	6,347	14,582	605,884	2.41
2000	8,615	5,934	14,549	810,779	1.79
2001	9,295	5,002	14,297	697,210	2.05
2002	9,725	4,589	14,314	698,053	2.05
2003	4,925	4,263	9,188	679,900	1.35

(1) 1995 was the first year that Multnomah County began retiring general obligation bonded debt in the last ten fiscal years.

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
June 30, 2003
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Sunrise Water Authority	0.50 %	\$ 7	\$ 7
Clackamas County RFPD #1	0.04	4	4
Clackamas County School District 7J	0.36	342	342
City of Lake Oswego	6.21	2,292	2,292
City of Milwaukie	0.42	14	14
Columbia County School District 1J	23.69	721	721
Port of Portland	45.40	24,858	24,858
Metro	49.18	127,914	127,914
Tri-County Metropolitan Transp. Service District	48.93	49,297	49,297
Sauvie Island RFPD 30	96.46	231	231
Multnomah County School District 1J	99.31	155,825	155,825
Multnomah County School District 3	100.00	24,580	24,580
Multnomah County School District 7	100.00	68,540	68,540
Multnomah County School District 10J	85.80	68,767	68,767
Multnomah County School District 28J	93.10	33,835	33,835
Multnomah County School District 39	100.00	6,030	6,030
Multnomah County School District 40	100.00	54,435	54,435
Multnomah County School District 51J	96.34	9,418	9,418
Orient School District 6 Bonds	58.43	820	820
Mount Hood Community College	84.88	395	395
Portland Community College	45.25	87,629	87,629
City of Fairview	100.00	5,075	2,385
City of Gresham	100.00	5,959	5,850
City of Portland	99.60	273,443	231,948
City of Troutdale	100.00	14,935	14,935
City of Wood Village	100.00	765	320
Tualatin Valley Fire and Rescue	2.02	151	151
Washington County School District 48J	0.48	1,323	1,323
Hillsboro 1J	0.01	10	10
North Plains School District 1J	0.22	1	1
		<u>\$ 1,017,616</u>	<u>\$ 972,877</u>

(1) Gross Direct Debt includes all Unlimited General Obligation bonds and Limited Tax General Obligation bonds.

(2) Net Direct Debt includes Gross Direct Debt less self-supporting General Obligation and Limited Tax debt.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

MULTNOMAH COUNTY, OREGON
Insurance in Force
June 30, 2003
(unaudited)

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
Affiliated FM Policy #TY200	Buildings & Equipment	10/2/2003
Affiliated FM Policy #TY200	Comprehensive Boiler and Machinery	10/2/2003
St. Paul Insurance Policy #384PH8367	Hull and Machinery Marine Policy	10/2/2003
Affiliated FM Policy #TY200	County Vehicles and Equipment	10/2/2003
Affiliated FM Policy #TY201	Justice Center Equipment & 57.8% of Building Usage	10/2/2003
Midwest Employers Policy #3454-SO-OR	Excess Workers' Compensation	7/1/2003
Hartford Insurance Co. Policy #52BPEAD4206	Blanket Faithful Performance Bond & Misc. Crime Coverage	1/1/2004
Hartford Insurance Co. Bond #5088331	Faithful Performance Bond-Public Official Tax Collector	1/1/2004
Bond #5088332	Finance Director	1/1/2004
Bond #5091060	Treasury Manager	1/1/2004
Hartford Insurance Co. Bond #5088334	Faithful Performance Bond-Public Guardian	1/1/2004
Hartford Insurance Co. Bond #SUN404213	DEQ License Bond (Multnomah County)	1/1/2004
Hartford Insurance Co. Bond #52RN087364	DEQ License Bond (Mechanic/Equipment Operator)	1/1/2005
Hartford Insurance Co. Bond #SUN404214	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	1/1/2004
Hartford Insurance Co. Bond #52BSBBK3064	DEQ License Bond (Fleet Inspector)	1/1/2005
Hartford Insurance Co. Bond #52BSBAL9783	DEQ License Bond (Mechanic/Equipment Operator)	6/20/2006
Hartford Insurance Co. Bond #52BSBAA9079	DEQ License Bond (Mechanic/Equipment Operator)	1/24/2004

Source: County Insurance Agent

MULTNOMAH COUNTY, OREGON
Population, per Capita Income and Unemployment
Last Ten Fiscal Years
(unaudited)

Fiscal Year	County Population	County Per Capita Income (1)	County Median Household Effective Buying Income (1)	Portland Unemployment Rate (3)
1994	620,000	\$ 25	\$ 39	4.30%
1995	626,500	26	34	3.70%
1996	636,000	27	35 (2)	4.50%
1997	639,000	28	37	4.30%
1998	642,000	30	39	4.30%
1999	646,850	31	41	4.50%
2000	662,400	33	40	3.90%
2001	666,350	34	41	5.90%
2002	670,250	N/A	40	7.80%
2003	670,250 (4)	N/A	N/A	N/A

(1) Amounts expressed in thousands.

(2) The definition of effective buying income changed in 1995 and is not comparable with previous years.

(3) Portland Metropolitan Statistical Area.

(4) Population data for July 1, 2003 is not available at this time.

N/A means not available at current time.

Source: Employment Division, Oregon State Department of Human Resources, US Department of Commerce

MULTNOMAH COUNTY, OREGON
Major Employers in Metropolitan Area
June 30, 2003
(unaudited)

Employer	Product or Service	Employment
MANUFACTURING EMPLOYERS		
Intel Corporation	Semiconductor integrated circuits	14,890
Nike, Incorporated	Sports footwear and apparel	5,742
Freightliner Corporation	Medium and heavy-duty trucks	2,878
Precision Castparts	Steel castings	2,110
Tektronix, Incorporated	Electronic testing instruments	2,000
Hewlett-Packard Co.	Computer printers	1,900
NON-MANUFACTURING EMPLOYERS		
Providence Health Care System	Health care & health insurance	13,496
Fred Meyer, Inc. (Krogers, Inc.)	Grocery and retail variety chain	10,500
Kaiser Foundation Health Plan of the NW	Hospitals and clinics	8,000
Legacy Health System	Hospital and health services	7,972
Safeway Stores	Grocery chain stores	6,000
Albertson's	Retail Grocery Chain	5,600
U. S. Bancorp	Bank and holding company	4,138
Wells Fargo & Co.	Bank	3,813
Regal Cinemas	Movie theatres and concessions	3,100
Southwest Washington Medical Center	Hospital medical care	3,009
McDonalds Corporation	Restaurants	3,000
United Parcel Service	Small package transport	2,800
Portland General Corp.	Electric utility	2,781
Volt Services	Temporary Employment	2,500
Regence Blue Cross & Blue Shield of Oregon	Health insurance & HMO	2,176
Home Depot	Home Improvement	2,000
Portland Trail Blazers/Oregon Arena Corp.	National Basketball Association team, operator of Rose Quarter	2,000
Adventist Medical	Hospital medical Care	1,907
Hollywood Entertainment	Video rental and sales	1,869
Standard Insurance	Insurance	1,857
Horizon Air	Airline	1,800
PacifiCorp	Electric & energy services	1,759
Nordstrom	Retail specialty stores	1,700
Target Stores	Retail stores	1,700
The Holland Inc.	Restaurants	1,700
PUBLIC EMPLOYERS		
Federal Government	Government	18,700
Oregon Health Sciences University	Health care & education	11,400
City of Portland	Government	8,485
State of Oregon	Government	6,883
Portland Public Schools	Education	5,600
Multnomah County	Government	4,570
Portland Community College	Education	4,123
Portland State University	Education	3,800
Beaverton School District	Education	3,439
Tri Met	Transportation	2,636
Bonneville Power	Power utility	2,500

Source: Portland Chamber of Commerce, State of Oregon Employment Division and Regional Financial Advisors, Inc.

MULTNOMAH COUNTY, OREGON**Miscellaneous Statistical Data****June 30, 2003****(unaudited)****GENERAL**

Date of incorporation	1854
Date present charter adopted	1967
Date present charter amended	2001
Form of government	Home Rule Charter
Area - square miles	465

MULTNOMAH COUNTY EMPLOYEES

Management and exempt	668
Bargaining units:	
General employees (Local 88)	2,792
Electricians (Local 48)	22
Operating engineers (Local 701)	12
Paint makers (Local 1094)	3
Corrections (Teamsters 223)	467
Deputy sheriffs association	93
Oregon nurses association	269
Juvenile group workers (Local 86)	65
Prosecuting attorneys association	79
Total bargaining units	3,802
Temporary County employees	100
Total County employees	4,570

MILES OF STREETS**(MAINTAINED BY MULTNOMAH COUNTY)**

Paved	326
Unpaved	24

ELECTIONS

Number of registered voters	363,843
Number of votes cast in last general election	245,238
Percentage of registered voters voting in last general election	67.4%

SEWAGE DISPOSAL

Number of accounts	528
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FIRE PROTECTION

Number of stations	29
Number of employees:	
Sworn	675
Non-sworn	76

SHERIFF PROTECTION

Number of arrests (Parts 1, 2 & 3 crimes)	2,986
Vehicular patrol units	35
Number of employees (sworn and civilian)	835
Jails:	
Facilities	3
Population	1,531

RECREATION

Parks:	
Number of acres	10,940
Number of facilities	560
Number of playgrounds	148
Number of golf courses	6

EDUCATION

Number of schools:	
Elementary	138
Secondary	28
Employees:	
Instructional	(1) 5,396
Administrative and support	(1) 4,123
Number of students (estimated)	93,921

STREET LIGHTING

Number of Lights	2,338
------------------	-------

(1) Most recent data available is from 2002

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REQUIRED BY STATUTES

- Report of Independent Certified Public Accountants on the County's Compliance and Certain Items Based on an Audit of Basic Financial Statements Performed in Accordance with Federal and Oregon Audit Standards
- Report of Independent Certified Public Accountants on the County's Compliance and Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with Government Audit Standards

Report of Independent Certified Public Accountants on the County's
Compliance and Certain Items Based on an Audit of Basic
Financial Statements Performed in Accordance
with Federal and Oregon Auditing Standards

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Multnomah County, Oregon is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320 included, but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources - Our report related to such programs is presented separately under this cover.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements

Accounting Records – Pertaining to the condition and adequacy of accounting records.

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Indebtedness - Relating to debt and the limitation on the debt amount, liquidation of debt within the prescribed period of time, and compliance with provisions of indentures or agreements, including restrictions on the use of monies available to retire indebtedness.

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

Taxes on Motor Vehicle Use and Fuel and use of a Road Fund - Pertaining to (as contained in Article IX, section 3a of the Oregon Constitution) the use of revenue from taxes on motor vehicle use and fuel and use of a road fund (as contained in ORS 294 and 373).

The results of our tests indicate that, with respect to the items tested, Multnomah County, Oregon complied, in all material respects, with the provisions referred to above except the County had overexpenditures as listed in Note 2B of Notes to the Basic Financial Statements and one bank account exceeded its collateralization amount for three days. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

This report is intended solely for the use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Stuart Houston" followed by a stylized "UP" or similar mark.

Portland, Oregon
December 9, 2003

Report of Independent Certified Public Accountants on
Compliance and on Internal Control Over Financial Reporting
Based on an Audit of the Basic Financial Statements Performed in
Accordance with Government Auditing Standards

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Multnomah County, Oregon's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Multnomah County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

Grant Thornton LLP

Grant Thornton 

Financial Statements and Reports of
Independent Certified Public Accountants

**Dunthorpe-Riverdale Service
District No. 1 – A Component Unit of
Multnomah County, Oregon**

June 30, 2003 and 2002

INTRODUCTORY SECTION

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

**A Component Unit of
Multnomah County, Oregon**

BOARD OF COUNTY COMMISSIONERS* AS OF JUNE 30, 2003
501 SE Hawthorne, 6th floor
Portland, Oregon 97214

Term Expires

Diane Linn, Chair of the Board	December 31, 2006
Serena Cruz, Commissioner	December 31, 2006
Lisa Naito, Commissioner	December 31, 2004
Lonnie Roberts, Commissioner	December 31, 2004
Maria Rojo de Steffey, Commissioner	December 31, 2004

REGISTERED AGENT

David A. Boyer

REGISTERED OFFICE

501 SE Hawthorne, 4th floor
PO Box 14700
Portland, Oregon 97293-0700

* Governing body of Dunthorpe-Riverdale Service District No. 1 reported on herein.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

A Component Unit of Multnomah County, Oregon Table of Contents

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Reports of Independent Certified Public Accountants Required by Statutes

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Finance, Budget and Tax Office
MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

December 10, 2003

Honorable County Chair and
Board of County Commissioners
Multnomah County, Portland, Oregon

We are pleased to submit the Basic Financial Statements for Dunthorpe-Riverdale Service District No. 1, Portland, Oregon (the District), for the fiscal years ended June 30, 2003 and 2002. This report includes the opinion of our independent auditors, Grant Thornton LLP, Certified Public Accountants.

We prepared this report for the Secretary of the State of Oregon as required under ORS 297.425. The District's financial statements are also included in the Comprehensive Annual Financial Report of Multnomah County (the County) as a blended component unit. This is necessary because the Board of County Commissioners of Multnomah County maintains overall financial accountability for the District.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Dunthorpe-Riverdale's MD&A can be found immediately following the independent auditors' report.

Dunthorpe-Riverdale Service District No. 1 was organized in 1964 under the provisions of ORS 451. The District's purpose was to finance the construction and operation of sanitary sewer systems in the southwest areas of the County, bordering the Willamette River and a small portion of northern Clackamas County. By 1970 the District had eliminated a major source of pollution in the Willamette River.

The District is accounted for as an enterprise fund. Enterprise funds generate revenue for operations by charging user fees to recover all costs of providing goods and services to the public. The measurement focus is on a flow of economic resources and the accrual basis of accounting is used. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred.

Oregon Budget Law requires the use of budgetary control. See pages 13-15 for the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual and the Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses.

The District consists of approximately 561 households at June 30, 2003, which is a slight increase over the prior year of 560. In recent years slowed sub-division growth has contributed to the District's operating losses. Slower growth combined with decreases in interest income and increased utility costs have resulted in an overall decrease in the District's net assets at June 30, 2003. The District continues to maintain a strong working capital position. Following is a summary of some key financial data which is summarized from current and prior years' financial statements:

	Year ended June 30,				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating revenue	\$ 256,103	\$ 251,508	\$ 251,649	\$ 254,791	\$ 244,209
Depreciation expense	40,274	39,070	33,474	28,374	28,374
Operating loss	(87,835)	(54,674)	(34,380)	12,642	20,252
Change in net assets	(75,599)	(29,592)	29,415	71,052	74,090
Net working capital	347,869	454,016	494,122	941,233	841,807
Total assets	1,473,489	1,578,629	2,081,995	1,585,289	1,457,743
Total net assets	1,406,185	1,481,784	1,511,376	1,481,961	1,410,909

I would like to acknowledge the help of the Finance Division staff, especially Bill Moravics, Financial Specialist II, who aided me in the preparation of this report. I appreciate their excellent work. I also want to thank the staff in the Department of Business and Community Services for their contributions during the year.

Respectfully submitted,



David A. Boyer
Chief Financial Officer

FINANCIAL SECTION

Independent Auditor's Report

The Board of County Commissioners
Dunthorpe-Riverdale Service District No. 1

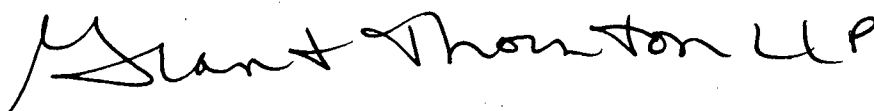
We have audited the accompanying basic financial statements of Dunthorpe-Riverdale Service District No. 1, a component unit of Multnomah County, Oregon, as of and for the years ended June 30, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of Dunthorpe-Riverdale Service District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dunthorpe-Riverdale Service District No. 1 as of June 30, 2003 and 2002, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Dunthorpe-Riverdale Service District No. 1's basic financial statements. The introductory section and supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Portland, Oregon
December 9, 2003

Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503.222.3562
F 503.295.0148
W www.grantthornton.com

Grant Thornton LLP
US Member of Grant Thornton International



Finance, Budget and Tax Office
MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

MANAGEMENT DISCUSSION AND ANALYSIS

As management of Dunthorpe-Riverdale Service District No. 1, we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages iii-iv of this report.

Financial Highlights

- Dunthorpe Riverdale's assets exceeded its liabilities at June 30, 2003, by \$1,406,185. Of this amount, \$347,869 may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$75,599. The primary reason for this decrease is increased utility costs without a corresponding increase in service charges.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Dunthorpe-Riverdale's basic financial statements. The District's basic financial statements are: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. Of the two types of proprietary funds, Dunthorpe-Riverdale is accounted for as an enterprise fund.

Enterprise Funds. Enterprise funds are used to account for operations (a) where the intent of the government is to fully recover costs of providing goods or services to the general public through user charges; or (b) where the governing body has decided that periodic determination of net

income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

The District operates like a business receiving user charges for services rendered. It does not receive any funds from the state. The District's statute anticipates that it collects fees necessary to prudently operate.

The main source of revenue, sewer assessments, is collected through property taxes. The fees are \$39 per month per household and generate approximately \$250,000 per year.

The basic enterprise fund financial statements can be found on pages 5-7 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 8-12 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Supplementary information can be found on page 13-17 of this report.

Financial Analysis of the District

Net assets may serve over time as a useful indicator of a government's financial position. As noted earlier, Dunthorpe-Riverdale's total assets exceeded liabilities by \$1,406,185 at the close of the most recent fiscal year.

At June 30, 2003, the District had \$1,058,316 or 75% of total net assets invested in capital assets. The investment in capital assets is the district's sanitary sewer system, with no related debt. The District uses these capital assets to provide services to its member households; consequently, these assets are not available for future spending.

Dunthorpe-Riverdale's Net Assets June 30, 2003

Current Assets	\$ 415,173
Capital assets	1,058,316
Total assets	<u>1,473,489</u>
Current liabilities	<u>67,304</u>
Net assets:	
Invested in capital assets	1,058,316
Unrestricted	347,869
Total net assets	<u>\$ 1,406,185</u>

At the end of the current fiscal year, the District is able to report positive balances in the above categories of net assets. The same situation held true for the prior fiscal year.

Dunthorpe-Riverdale's Changes in Net Assets
June 30, 2003

Charges for services	\$ 256,103
Depreciation expense	(40,274)
Other operating expenses	(303,664)
Operating loss	(87,835)
Investment earnings	12,236
Changes in net assets	(75,599)
Beginning net assets	1,481,784
Ending net assets	<u>\$ 1,406,185</u>

The District's net assets decreased by \$75,599 during the current fiscal year. The primary reasons for the decrease in net assets are:

- Utility expenses increased \$23,183 from \$246,352 to \$269,535 in fiscal years 2002 and 2003, respectively, due to increased utility rates.
- Investment earnings decreased \$12,846 from \$25,082 to \$12,236, as a result of declining interest rates and a lower amount of cash and interest bearing investments.
- Depreciation expense increased \$1,204 from \$39,070 to \$40,274 due to new sewer system improvements.

Capital assets. The District's investment in capital assets as of June 30, 2003, amounts to \$1,058,316 (net of accumulated depreciation). This entire investment in capital assets is the sanitary sewer system. The net increase in the District's investment in capital assets for the current fiscal year was 3% (\$30,548). Additional information on the District's capital assets can be found in note A.7 on page 10 of this report.

Cash and investments. The District's cash is primarily pooled with the State Treasurer's investment pool, in order to obtain maximum return on investments.

Requests for Information

This financial report is designed to provide a general overview of Dunthorpe-Riverdale's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

Multnomah County Finance
PO Box 14700
Portland, OR 97293-0700

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1**A Component Unit of
Multnomah County, Oregon
Statements of Net Assets**

	June 30,	
	2003	2002
ASSETS		
Current assets:		
Cash and investments	\$ 401,831	\$ 535,071
Receivables (net of allowance for uncollectibles):		
Accounts	909	854
Special assessments	12,433	14,936
Total current assets	415,173	550,861
Noncurrent assets:		
Capital assets	2,049,104	1,978,282
Less: accumulated depreciation	(990,788)	(950,514)
Total noncurrent assets	1,058,316	1,027,768
Total assets	1,473,489	1,578,629
LIABILITIES		
Current liabilities:		
Accounts payable	67,304	96,845
Total current liabilities	67,304	96,845
NET ASSETS		
Invested in capital assets	1,058,316	1,027,768
Unrestricted	347,869	454,016
Total net assets	\$ 1,406,185	\$ 1,481,784

The notes to the financial statements are an integral part of these statements.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
A Component Unit of
Multnomah County, Oregon
Statements of Revenues, Expenses and Changes in Net Assets

	<u>Years Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
OPERATING REVENUES		
Sewer user assessments	\$ <u>256,103</u>	\$ <u>251,508</u>
OPERATING EXPENSES		
Cost of sales and services	274,057	245,102
Administration	29,607	22,010
Depreciation	<u>40,274</u>	<u>39,070</u>
Total operating expenses	<u>343,938</u>	<u>306,182</u>
Operating loss	<u>(87,835)</u>	<u>(54,674)</u>
NONOPERATING REVENUES		
Interest revenue	<u>12,236</u>	<u>25,082</u>
Change in net assets	(75,599)	(29,592)
Total net assets - beginning	<u>1,481,784</u>	<u>1,511,376</u>
Total net assets - ending	\$ <u><u>1,406,185</u></u>	\$ <u><u>1,481,784</u></u>

The notes to the financial statements are an integral part of these statements.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1**A Component Unit of
Multnomah County, Oregon
Statements of Cash Flows**

	Years ended June 30,	
	2003	2002
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 257,226	\$ 251,201
Payments to suppliers	(314,371)	(729,449)
Payments to employees	(17,509)	(13,183)
Internal activity - payments to other funds	-	(17)
Net cash used in operating activities	(74,654)	(491,448)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(70,822)	(49,584)
Net cash used in capital and related financing activities	(70,822)	(49,584)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	12,236	25,082
Net cash provided by investing activities	12,236	25,082
Net decrease in cash and cash equivalents	(133,240)	(515,950)
Balances at beginning of the year	535,071	1,051,021
Balances at end of the year	\$ 401,831	\$ 535,071
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (87,835)	\$ (54,674)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	40,274	39,070
Changes in assets and liabilities:		
Receivables, net	2,448	(2,070)
Accounts payable	(29,541)	(473,774)
Total adjustments	13,181	(436,774)
Net cash used in operating activities	\$ (74,654)	\$ (491,448)

The notes to the financial statements are an integral part of these statements.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

A Component Unit of Multnomah County, Oregon Notes to Basic Financial Statements June 30, 2003 and 2002

Note A – Summary of Significant Accounting Policies

1. Nature of Business

Dunthorpe-Riverdale Service District No. 1 (the District) was organized in 1964 under the provisions of Oregon Revised Statutes (ORS) Chapter 451 to finance the construction and operation of sanitary sewer systems in the southwest unincorporated area of Multnomah County (the County), bordering the Willamette River and a small portion of northern Clackamas County. The Multnomah County Board of Commissioners is the governing body of the District, as provided for by ORS 451.485.

Dunthorpe-Riverdale is a component unit of Multnomah County and its financial activities are included in the basic financial statements of the County.

2. Basis of Accounting

The basic financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred. The measurement focus is on the flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets.

The financial statements of the District have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

3. Fund Accounting

The accompanying basic financial statements have been prepared for purposes of Oregon statutory reporting requirements. The accompanying financial statements are structured into the fund type as described below.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

**A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002**

Note A – Summary of Significant Accounting Policies - continued

4. Enterprise Fund

Enterprise funds are used to account for revenues and expenses generally resulting from providing services for fees in connection with the fund's principal ongoing operations. Since the Multnomah County Board of Commissioners maintains overall financial accountability for the District, the financial statements of the District are included in the Comprehensive Annual Financial Report (CAFR) of the County, as an enterprise fund.

5. Cash and Investments

Cash is held by the County Finance Division and is commingled with the cash, time deposits and investment accounts of the County. The District is allocated investment earnings based on its proportionate cash balance monthly. See the Multnomah County June 30, 2003 CAFR for: basis of investments, types of investments and information regarding the risk categories of investments held.

6. Receivables

	June 30,	
	2003	2002
Sewer user assessments	\$ 14,808	\$ 15,986
Less: allowance for doubtful accounts	(2,375)	(1,050)
Subtotal	12,433	14,936
Receivables from pump maintenance	821	781
Receivables from foreclosures	88	73
Receivables, net	\$ 13,342	\$ 15,790

The allowance for doubtful accounts represents the District's best estimate of receivable amounts that will not be collected. In determining the allowance, the District considers historical write offs as well as current economic factors.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

**A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002**

Note A – Summary of Significant Accounting Policies - continued

7. Capital Assets

Capital assets are summarized as follows:

	June 30,	
	2003	2002
Sewer system at beginning of year	\$ 1,978,282	\$ 1,928,698
Additions	70,822	49,584
Total capital assets at end of year	2,049,104	1,978,282
Less accumulated depreciation	(990,788)	(950,514)
Investment in capital assets	<u>\$ 1,058,316</u>	<u>\$ 1,027,768</u>

Capital assets consist of sewer lines and pumping facilities and are stated at historical cost or estimated historical cost at time of acquisition, or fair value on date donated for donated assets. Capital assets valued at estimated historical costs are minor. Normal maintenance and repairs are expensed as incurred. Expenditures for major additions, improvements and replacements are capitalized. Gain or loss on retirement or disposal is reflected in income.

Depreciation on property and equipment is provided on the straight-line method at rates based on the estimated lives of the related assets, which are 50 years for sewer lines and pumping facilities. Depreciation on capital assets is charged to net assets.

8. Budgets

The District's budget is prepared in accordance with Oregon local budget law. All annual appropriations lapse at fiscal year end. During the month of February each year, the District submits requests for appropriations to the County Chair so that a budget may be prepared. By May 15, the proposed budget is presented to the County Board of Commissioners for approval. The Board holds public hearings and a final budget must be prepared and adopted no later than June 30.

9. Cash Flows

For purposes of the statements of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

**A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002**

Note A – Summary of Significant Accounting Policies – continued

10. Transactions with Multnomah County

The County Department of Business and Community Services provides operating management and planning for the District. General administrative functions are performed by other units of the County. All services are performed on a cost reimbursement basis. Reimbursements to the County were \$12,080 and \$8,599 for fiscal 2003 and 2002, respectively, and are included in Administrative support on the Statement of Revenues, Expenses and Changes in Net Assets.

11. Annexations and Intergovernmental Agreements

The City of Portland provides sewer line and pump maintenance, transportation and sewage treatment for the District.

12. Risk Management

See note 4.A. - Risk Management in Multnomah County's June 30, 2003 Comprehensive Annual Financial Report for information pertaining to risk management activities.

13. Use of Estimates

In preparing the basic financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Reclassifications

Certain reclassifications were made to the 2002 financial statements to conform to the current year presentation.

Note B – Pension Plans

See note 4.F. – Employee retirement systems, pension plans and deferred compensation plan in Multnomah County's June 30, 2003 Comprehensive Annual Financial Report for information pertaining to pension plans.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

**A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002**

Note C – Excess of expenditures over appropriations

During the fiscal year ended June 30, 2003, Dunthorpe-Riverdale Service District had an over expenditure in the Department of Business and Community Services in the amount of \$53,161. This over expenditure was due to unscheduled emergency maintenance to repair the sewer system owned by the District.

SUPPLEMENTARY INFORMATION

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
A Component Unit of
Multnomah County, Oregon

The following Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the District is prepared on a budgetary basis which differs from generally accepted accounting principles and the accompanying component unit financial statements in the following respects:

- Special assessment and property tax revenue is recognized as it becomes measurable and available;
- Capital outlay is reflected as an expenditure;
- Contributed capital, other than non-current assets, is reflected as revenue;
- Depreciation is not recorded; and,
- Expenses related to uncollectible accounts receivable are not recorded.

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

A Component Unit of

Multnomah County, Oregon

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Assessments - sewer				
Current year	\$ 248,000	\$ 248,000	\$ 241,542	\$ (6,458)
Prior year	-	-	5,760	5,760
Assessments - other	-	-	2,426	2,426
Charges for services	10,000	10,000	7,500	(2,500)
Interest	37,500	37,500	12,236	(25,264)
Other	-	-	88	88
Total revenues	<u>295,500</u>	<u>295,500</u>	<u>269,552</u>	<u>(25,948)</u>
EXPENDITURES				
Business and Community services	320,000	320,000	373,161	(53,161)
Nondepartmental	<u>454,396</u>	<u>454,396</u>	<u>-</u>	<u>454,396</u>
Total expenditures	<u>774,396</u>	<u>774,396</u>	<u>373,161</u>	<u>401,235</u>
Excess (deficiency) of revenues over (under) expenditures	(478,896)	(478,896)	(103,609)	375,287
Fund balances - beginning	478,896	478,896	441,644	(37,252)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,035</u>	<u>\$ 338,035</u>

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

A Component Unit of

Multnomah County, Oregon

**Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2003**

	<u>Revenues</u>	<u>Expenditures</u>
Dunthorpe Riverdale Operating Fund	\$ 269,552	\$ 373,161
Deferred revenue current year	12,210	-
Deferred revenue prior year	(13,423)	-
Depreciation expense	-	40,274
Capital outlay	-	(70,822)
Uncollectible prior year	-	(1,050)
Uncollectible current year	-	2,375
Revenues and expenses - page 6	<u>\$ 268,339</u>	<u>343,938</u>

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1

A Component Unit of

Multnomah County, Oregon

Schedules of Special Assessment Transactions

For the years ended June 30, 2002 and 2003

Fiscal Year 2003

	Amounts Uncollected June 30, 2002	Levy/ Assessments as Extended by Assessor	Discounts Allowed	Interest Received	Cancellations and Adjustments	Interest and Tax/ Assessment Collections	Amounts Uncollected June 30, 2003
General Fund Special Assessment							
2002-2003	\$ -	\$ 254,598	\$ (6,036)	\$ 157	\$ (1,338)	\$ (238,866)	\$ 8,515
2001-2002	8,786	-	-	303	(1,512)	(4,217)	3,360
2000-2001	4,036	-	-	352	(347)	(2,136)	1,905
1999-2000 and prior years	3,164	-	-	519	(608)	(2,047)	1,028
	<u>\$ 15,986</u>	<u>\$ 254,598</u>	<u>\$ (6,036)</u>	<u>\$ 1,331</u>	<u>\$ (3,805)</u>	<u>\$ (247,266)</u>	<u>\$ 14,808</u>

Fiscal Year 2002

	Amounts Uncollected June 30, 2001	Levy/ Assessments as Extended by Assessor	Discounts Allowed	Interest Received	Cancellations and Adjustments	Interest and Tax/ Assessment Collections	Amounts Uncollected June 30, 2002
General Fund Special Assessment							
2001-2002	\$ -	\$ 253,231	\$ (5,895)	\$ 146	\$ (1,327)	\$ (237,369)	\$ 8,786
2000-2001	9,194	-	-	326	(696)	(4,788)	4,036
1999-2000	3,930	-	-	294	(295)	(1,895)	2,034
1998-1999 and prior years	2,947	-	-	467	(60)	(2,224)	1,130
	<u>\$ 16,071</u>	<u>\$ 253,231</u>	<u>\$ (5,895)</u>	<u>\$ 1,233</u>	<u>\$ (2,378)</u>	<u>\$ (246,276)</u>	<u>\$ 15,986</u>

DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
A Component Unit of
Multnomah County, Oregon
Reconciliation of Budgetary Revenues to Interest and Tax/Assessment Collections
For the Years Ended June 30, 2003 and 2002

	Years ended June 30,	
	2003	2002
Revenues, per Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Current year assessments - sewer	\$ 241,542	\$ 238,708
Prior year assessments - sewer	5,760	7,847
Subtract:		
Sixty day tax/assessment accrual, net	<u>(36)</u>	<u>(279)</u>
Interest and Tax/Assessment Collections, per Schedule of Special Assessment Transactions	\$ <u>247,266</u>	\$ <u>246,276</u>

**REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
REQUIRED BY STATUTES**

Report of Independent Certified Public Accountants on the District's
Compliance and Certain Items Based on an Audit of Basic
Financial Statements Performed in Accordance
with Oregon Auditing Standards

The Board of County Commissioners
Dunthorpe-Riverdale Service District No. 1

We have audited the basic financial statements of Dunthorpe-Riverdale Service District No. 1 as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Dunthorpe-Riverdale Service District No. 1 is the responsibility of District's management. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320, included but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources - Pertaining to programs funded with state and federal revenues, if any.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements

Accounting Records - Pertaining to the condition and adequacy of accounting records.

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

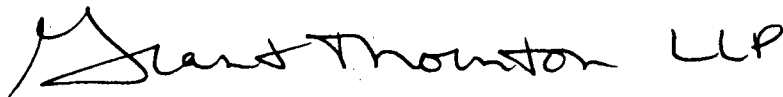
Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

The results of our tests indicate that, with respect to the items tested, Dunthorpe-Riverdale Service District No. 1 complied, in all material respects, with the provisions referred to above except the District had an overexpenditure as listed in Note C of Notes to Basic Financial Statements. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended solely for the use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

 Grant Thornton LLP

Report of Independent Certified Public Accountants
on the District's Internal Control Structure Based on
an Audit of Basic Financial Statements

The Board of County Commissioners
Dunthorpe-Riverdale Service District No. 1

We have audited the basic financial statements of the Dunthorpe-Riverdale Service District No. 1 as of and for the year ended June 30, 2003 and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

The management of the Dunthorpe-Riverdale Service District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the basic financial statements of Dunthorpe-Riverdale Service District No. 1, for the year ended June 30, 2003, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. Those standards define a material weakness as a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

A handwritten signature in black ink, appearing to read "David Thornton LLP". The signature is written in a cursive, flowing style.

Grant Thornton

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Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503-222-3562
F 503-295-0148
W www.grantthornton.com

Grant Thornton 

Financial Statements and Reports of
Independent Certified Public Accountants

Mid County Service District No. 14
A Component Unit of
Multnomah County, Oregon

June 30, 2003 and 2002

INTRODUCTORY SECTION

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon

BOARD OF COUNTY COMMISSIONERS* AS OF JUNE 30, 2003
501 SE Hawthorne, 6th floor
Portland, Oregon 97214

	<u>Term Expires</u>
Diane Linn, Chair of the Board	December 31, 2006
Serena Cruz, Commissioner	December 31, 2006
Lisa Naito, Commissioner	December 31, 2004
Lonnie Roberts, Commissioner	December 31, 2004
Maria Rojo de Steffey, Commissioner	December 31, 2004

REGISTERED AGENT

David A. Boyer

REGISTERED OFFICE

501 SE Hawthorne, 4th floor
PO Box 14700
Portland, Oregon 97293-0700

* Governing body of Mid County Service District No. 14 reported on herein.

MID COUNTY SERVICE DISTRICT NO. 14

**A Component Unit of
Multnomah County, Oregon
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Finance, Budget and Tax Office
MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

December 10, 2003

Honorable County Chair and
Board of County Commissioners
Multnomah County, Portland, Oregon

We are pleased to submit the Basic Financial Statements for Mid County Service District No. 14, Portland, Oregon (the District), for the fiscal years ended June 30, 2003 and 2002. This report includes the opinion of our independent auditors, Grant Thornton LLP, Certified Public Accountants.

We prepared this report for the Secretary of the State of Oregon as required under ORS 297.425. The District's financial statements are also included in the Comprehensive Annual Financial Report of Multnomah County (the County) as a blended component unit. This is necessary because the Board of County Commissioners of Multnomah County maintains overall financial accountability for the District.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Mid County's MD&A can be found immediately following the independent auditors' report.

Mid County Service District No. 14 was organized in 1968 as Tulip Acres Lighting District under the provisions of ORS Chapter 451. The District now provides street lighting to the unincorporated urban areas of the County, and the cities of Maywood Park, Troutdale and Fairview.

The District is accounted for as an enterprise fund. Enterprise funds generate revenue for operations by charging user fees to recover all costs of providing goods and services to the public. The measurement focus is on a flow of economic resources and the accrual basis of accounting is used. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred.

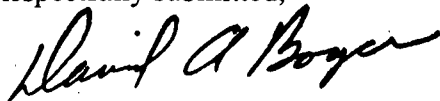
Oregon Budget Law requires the use of budgetary control. See pages 12-14 for the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual and the Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses.

Operating revenues, consisting primarily of \$35 per household user assessments, have generally followed the population. Historically operating revenues have increased approximately 6.1% annually and operating expenses have increased approximately 5.2% over the same time period. During fiscal year 2003, operating revenues decreased 1% from the prior year. In fiscal year 2001, the County adopted GASB No. 33, Accounting for Financial Reporting for Nonexchange Transactions. Accordingly, the County began recognizing capital contributions to proprietary funds as revenues instead of contributed capital. The effect of this pronouncement is evident by the large change in capital contributions from 2000 to 2001 as noted below. The District continues to maintain a strong working capital position and has no long-term debt. Following is a summary of some key financial data which is summarized from current and prior years' financial statements:

	Year ended June 30,				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating revenue	\$ 232,777	\$ 234,731	\$ 188,369	\$ 189,116	\$ 182,251
Depreciation expense	93,413	90,083	95,224	85,750	76,984
Operating loss	(122,132)	(113,189)	(160,761)	(108,996)	(118,597)
Change in net assets	37,063	183,701	309,705	(42,850)	290,650
Capital contributions	251,677	335,404	420,894	28,948	371,233
Net working capital	833,639	841,762	832,215	847,621	836,376
Total assets	2,268,709	2,233,728	2,048,869	1,734,649	1,806,696
Total net assets	2,250,076	2,213,013	2,029,312	1,719,607	1,762,457

I would like to acknowledge the help of the Finance Division staff, especially Bill Moravics, Financial Specialist II, who aided me in the preparation of this report. I appreciate their excellent work. I also want to thank the staff in the Department of Business and Community Services for their contributions during the year.

Respectfully submitted,



David A. Boyer
Chief Financial Officer

FINANCIAL SECTION

Independent Auditor's Report

The Board of County Commissioners
Mid County Service District No. 14

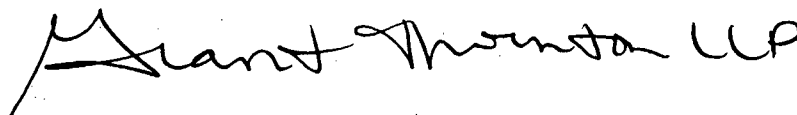
We have audited the accompanying basic financial statements of Mid County Service District No. 14, a component unit of Multnomah County, Oregon, as of and for the years ended June 30, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of Mid County Service District No. 14's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid County Service District No.14 as of June 30, 2003 and 2002, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Mid County Service District No.14's basic financial statements. The introductory section and supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Portland, Oregon
December 9, 2003

Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503.222.3562
F 503.295.0148
W www.grantthornton.com



Finance, Budget and Tax Office
MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 400
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

MANAGEMENT DISCUSSION AND ANALYSIS

As management of Mid County Service District No. 14, we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages iii-iv of this report.

Financial Highlights

- Mid County's assets exceeded its liabilities at June 30, 2003, by \$2,250,076. Of this amount, \$833,639 is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$37,063. The majority of the increase is due to capital contributions from annexations of new unincorporated areas of the County.
- Disposal of capital assets, with a cost of \$135,968, resulted in a loss of \$113,078, due to current year street lighting replacements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Mid County's basic financial statements. The District's basic financial statements are: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. Of the two types of proprietary funds, Mid County is accounted for as an enterprise fund.

Enterprise Funds. Enterprise funds are used to account for operations (a) where the intent of the government is to fully recover costs of providing goods or services to the general public through user charges; or (b) where the governing body has decided that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

The District operates like a business receiving user charges for services rendered. It does not receive any funds from the state. The District's statute anticipates that it collects fees necessary to prudently operate.

The main source of revenue, street lighting assessments, is collected through property taxes. The fees are \$35 per month per household and generate approximately \$230,000 per year.

The basic enterprise fund financial statements can be found on pages 5-7 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 8-11 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Supplementary information can be found on page 12-16 of this report.

Financial Analysis of the District

Net assets may serve over time as a useful indicator of a government's financial position. As noted earlier, Mid County's total assets exceeded liabilities by \$2,250,076 at the close of the most recent fiscal year.

At June 30, 2003, the District had \$1,416,437 or 63% of total net assets invested in capital assets. The investment in capital assets is the district's street lighting system, with no related debt. The District uses these capital assets to provide services to its member households; consequently, these assets are not available for future spending.

Mid County's Net Assets June 30, 2003

Current Assets	\$ 852,272
Capital assets	1,416,437
Total assets	<u>2,268,709</u>
Current liabilities	<u>18,633</u>
Net assets:	
Invested in capital assets	1,416,437
Unrestricted	833,639
Total net assets	<u>\$ 2,250,076</u>

At the end of the current fiscal year, the District is able to report positive balances in the above categories of net assets. The same situation held true for the prior fiscal year.

Mid County's Changes in Net Assets
June 30, 2003

Operating revenues	\$ 232,777
Depreciation expense	(93,413)
Other operating expenses	(261,496)
Operating loss	(122,132)
Investment earnings	20,596
Loss on disposal of capital assets	(113,078)
Capital contributions	251,677
Changes in net assets	37,063
Beginning net assets	2,213,013
Ending net assets	<u>\$ 2,250,076</u>

The District's net assets increased by \$37,063 during the current fiscal year.

The primary reasons for the increase in net assets are:

- Capital contributions of \$251,677 resulting from property annexations.
- Disposal of capital assets due to street lighting replacements resulting in a loss of \$113,078.
- Investment earnings went down from \$32,653 to \$20,596, in fiscal years 2002 and 2003, respectively, as a result of declining interest rates.

Capital assets. The District's investment in capital assets as of June 30, 2003, amounts to \$1,416,437 (net of accumulated depreciation). This entire investment in capital assets is the street lighting system. The total increase in the District's investment in capital assets for the current fiscal year was \$45,186 or 3.3%.

Additional information on the District's capital assets can be found in note A.7 on page 10 of this report.

Cash and investments. The District's cash is primarily pooled with the State Treasurer's investment pool, in order to obtain maximum return on investments.

Requests for Information

This financial report is designed to provide a general overview of Mid County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

Multnomah County Finance
PO Box 14700
Portland, OR 97293-0700

MID COUNTY SERVICE DISTRICT NO. 14

**A Component Unit of
Multnomah County, Oregon
Statements of Net Assets**

	June 30,	
	2003	2002
ASSETS		
Current assets:		
Cash and investments	\$ 840,206	\$ 848,715
Receivables (net of allowance for uncollectibles):		
Accounts	85	71
Special assessments	11,981	13,691
Total current assets	852,272	862,477
Noncurrent assets:		
Capital assets	2,223,026	2,107,317
Less: accumulated depreciation	(806,589)	(736,066)
Total noncurrent assets	1,416,437	1,371,251
Total assets	2,268,709	2,233,728
LIABILITIES		
Current liabilities:		
Accounts payable	18,633	20,715
Total current liabilities	18,633	20,715
NET ASSETS		
Invested in capital assets	1,416,437	1,371,251
Unrestricted	833,639	841,762
Total net assets	\$ 2,250,076	\$ 2,213,013

The notes to the financial statements are an integral part of these statements.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Statements of Revenues, Expenses and Changes in Net Assets

	<u>Years Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
OPERATING REVENUES		
Street lighting assessments	\$ <u>232,777</u>	\$ <u>234,731</u>
OPERATING EXPENSES		
Cost of sales and services	235,064	238,289
Administration	26,432	19,548
Depreciation	<u>93,413</u>	<u>90,083</u>
Total operating expenses	<u>354,909</u>	<u>347,920</u>
Operating loss	<u>(122,132)</u>	<u>(113,189)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	20,596	32,653
Loss on disposal of capital assets	<u>(113,078)</u>	<u>(71,167)</u>
Total nonoperating expenses	<u>(92,482)</u>	<u>(38,514)</u>
Loss before contributions and transfers	(214,614)	(151,703)
Capital contributions	<u>251,677</u>	<u>335,404</u>
Change in net assets	37,063	183,701
Total net assets - beginning	<u>2,213,013</u>	<u>2,029,312</u>
Total net assets - ending	\$ <u><u>2,250,076</u></u>	\$ <u><u>2,213,013</u></u>

The notes to the financial statements are an integral part of these statements.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Statements of Cash Flows

	Years ended June 30,	
	2003	2002
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 233,123	\$ 232,056
Payments to suppliers	(242,037)	(245,668)
Payments to employees	(20,185)	(11,075)
Internal activity - payments to other funds	(6)	-
Net cash used in operating activities	(29,105)	(24,687)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20,596	32,653
Net cash provided by investing activities	20,596	32,653
Net increase (decrease) in cash and cash equivalents	(8,509)	7,966
Balances at beginning of the year	848,715	840,749
Balances at end of the year	\$ 840,206	\$ 848,715
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (122,132)	\$ (113,189)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	93,413	90,083
Changes in assets and liabilities:		
Receivables, net	1,696	(2,739)
Accounts payable	(2,082)	1,158
Total adjustments	93,027	88,502
Net cash used in operating activities	\$ (29,105)	\$ (24,687)
Noncash financing activities		
Contributions of capital assets	\$ 251,677	\$ 335,404

The notes to the financial statements are an integral part of these statements.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002

Note A – Summary of Significant Accounting Policies

1. Nature of Business

Mid County Service District No. 14 (the District) was organized in 1968 under the provisions of Oregon Revised Statutes (ORS) Chapter 451 to provide street lighting in unincorporated urban areas of Multnomah County (the County) and the cities of Maywood Park, Troutdale and Fairview. The Multnomah County Board of Commissioners is the governing body of the Service District, as provided for by ORS 451.485.

Mid County is a component unit of Multnomah County and its financial activities are included in the basic financial statements of the County.

2. Basis of Accounting

The basic financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred. The measurement focus is on the flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets.

The financial statements of the District have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

3. Fund Accounting

The accompanying basic financial statements have been prepared for purposes of Oregon statutory reporting requirements. The accompanying financial statements are structured into the fund type as described below.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002

Note A – Summary of Significant Accounting Policies - continued

4. Enterprise Fund

Enterprise funds are used to account for revenues and expenses generally resulting from providing services for fees in connection with the fund's principal ongoing operations. Since the Multnomah County Board of Commissioners maintains overall financial accountability for the District, the financial statements of the District are included in the Comprehensive Annual Financial Report (CAFR) of the County, as an enterprise fund.

5. Cash and Investments

Cash is held by the County Finance Division and is commingled with the cash, time deposits and investment accounts of the County. The District is allocated investment earnings based on its proportionate cash balance monthly. See the Multnomah County June 30, 2003 CAFR for: basis of investments, types of investments and information regarding the risk categories of investments held.

6. Receivables

	June 30,	
	2003	2002
Street lighting assessments	\$ 14,181	\$ 14,541
Less: allowance for doubtful accounts	(2,200)	(850)
Subtotal	11,981	13,691
Receivables from foreclosures	85	71
Receivables, net	\$ 12,066	\$ 13,762

The allowance for doubtful accounts represents the District's best estimate of receivable amounts that will not be collected. In determining the allowance, the District considers historical write offs as well as current economic factors.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002

Note A – Summary of Significant Accounting Policies - continued

7. Capital Assets

Capital assets are summarized as follows:

	June 30,	
	2003	2002
Street lights and poles at beginning of year	\$ 2,107,317	\$ 1,913,678
Additions	251,677	335,404
Disposals	(135,968)	(141,765)
Total capital assets at end of year	2,223,026	2,107,317
Less accumulated depreciation	(806,589)	(736,066)
Investment in capital assets	<u>\$ 1,416,437</u>	<u>\$ 1,371,251</u>

Capital assets are stated at historical cost or estimated historical cost at time of acquisition, or fair value for donated assets. Capital assets valued at estimated historical costs are minor. Normal maintenance and repairs are expensed as incurred. Expenditures for major additions, improvements and replacements are capitalized. Gain or loss on retirement or disposal is reflected in income.

Depreciation on property and equipment is provided on the straight-line method at rates based on the estimated lives of the related assets, which are 10 to 30 years for street lighting systems and equipment. Depreciation on assets acquired through contributions is charged to net assets.

8. Budgets

The District's budget is prepared in accordance with Oregon local budget law. All annual appropriations lapse at fiscal year end. During the month of February each year, the District submits requests for appropriations to the County Chair so that a budget may be prepared. By May 15, the proposed budget is presented to the County Board of Commissioners for approval. The Board holds public hearings and a final budget must be prepared and adopted no later than June 30.

9. Cash Flows

For purposes of the statements of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Notes to Basic Financial Statements
June 30, 2003 and 2002

Note A – Summary of Significant Accounting Policies – continued

10. Transactions with Multnomah County

The County Department of Business and Community Services provides operating management and planning for the District. General administrative functions are performed by other units of the County. All services are performed on a cost reimbursement basis. Reimbursements to the County were \$11,788 and \$8,940 for fiscal 2003 and 2002, respectively, and are included in Administrative support on the Statement of Revenues, Expenses and Changes in Net Assets.

11. Annexations and Intergovernmental Agreements

In 1983 the Board of County Commissioners passed Resolution A which stated the County's intention to phase out municipal services provided to urbanized unincorporated areas of the County. As a result, large areas of the District have been annexed by other jurisdictions and further annexations are expected. The District periodically records the transfer of street lights to the cities of Gresham, Troutdale and Portland.

At the ultimate dissolution of the District, its remaining assets will be distributed to the successors in proportion to the number of customers absorbed by each entity.

12. Risk Management

See note 4.A. - Risk Management in Multnomah County's June 30, 2003 Comprehensive Annual Financial Report for information pertaining to risk management activities.

13. Use of Estimates

In preparing the basic financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B – Pension Plans

See note 4.F. – Employee retirement systems, pension plans and deferred compensation plan in Multnomah County's June 30, 2003 Comprehensive Annual Financial Report for information pertaining to pension plans.



SUPPLEMENTARY INFORMATION

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon

The following Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the District is prepared on a budgetary basis which differs from generally accepted accounting principles and the accompanying component unit financial statements in the following respects:

- Street lighting assessment revenue is recognized as it becomes measurable and available;
- Capital outlay is reflected as an expenditure;
- Contributed capital, other than non-current assets, is reflected as revenue;
- Depreciation is not recorded; and,
- Expenses related to uncollectible accounts receivable are not recorded.

MID COUNTY SERVICE DISTRICT NO. 14

**A Component Unit of
Multnomah County, Oregon**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - street lighting:				
Current year	\$ 203,000	\$ 203,000	\$ 228,107	\$ 25,107
Prior year	-	-	5,075	5,075
Interest	45,500	45,500	20,596	(24,904)
Other	-	-	86	86
Total revenues	<u>248,500</u>	<u>248,500</u>	<u>253,864</u>	<u>5,364</u>
EXPENDITURES				
Environmental services	765,000	765,000	260,146	504,854
Nondepartmental	<u>287,515</u>	<u>287,515</u>	-	<u>287,515</u>
Total expenditures	<u>1,052,515</u>	<u>1,052,515</u>	<u>260,146</u>	<u>792,369</u>
Excess (deficiency) of revenues				
over (under) expenditures	(804,015)	(804,015)	(6,282)	797,733
Fund balances - beginning	804,015	804,015	830,376	26,361
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,094</u>	<u>\$ 824,094</u>

MID COUNTY SERVICE DISTRICT NO. 14

A Component Unit of

Multnomah County, Oregon

Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses

For the Year Ended June 30, 2003

	<u>Revenues</u>	<u>Expenditures</u>
Mid County Operating Fund	\$ 253,864	\$ 260,146
Deferred revenue current year	11,745	-
Deferred revenue prior year	(12,236)	-
Depreciation expense	-	93,413
Loss on disposal of capital assets	-	113,078
Uncollectible prior year	-	(850)
Uncollectible current year	-	2,200
	<hr/>	<hr/>
Revenues and expenses - page 7	<u>\$ 253,373</u>	<u>\$ 467,987</u>

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Schedules of Special Assessment Transactions
For the years ended June 30, 2002 and 2003

Fiscal Year 2003

	<u>Amounts Uncollected June 30, 2002</u>	<u>Levy/ Assessments as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest Received</u>	<u>Cancellations and Adjustments</u>	<u>Interest and Tax/ Assessment Collections</u>	<u>Amounts Uncollected June 30, 2003</u>
General Fund Special Assessment							
2002-2003	\$ -	\$ 240,692	\$ (5,666)	\$ 153	\$ (1,299)	\$ (225,617)	\$ 8,263
2001-2002	8,542	-	-	294	(1,471)	(4,099)	3,266
2000-2001	3,114	-	-	272	(268)	(1,648)	1,470
2000-2001 and prior years	2,885	-	-	468	(483)	(1,688)	1,182
	<u>\$ 14,541</u>	<u>\$ 240,692</u>	<u>\$ (5,666)</u>	<u>\$ 1,187</u>	<u>\$ (3,521)</u>	<u>\$ (233,052)</u>	<u>\$ 14,181</u>

Fiscal Year 2002

	<u>Amounts Uncollected June 30, 2001</u>	<u>Levy/ Assessments as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest Received</u>	<u>Cancellations and Adjustments</u>	<u>Interest and Tax/ Assessment Collections</u>	<u>Amounts Uncollected June 30, 2002</u>
General Fund Special Assessment							
2001-2002	\$ -	\$ 241,160	\$ (5,580)	\$ 142	\$ (1,290)	\$ (225,890)	\$ 8,542
2000-2001	7,094	-	-	251	(537)	(3,694)	3,114
1999-2000	3,018	-	-	226	(227)	(1,455)	1,562
1998-1999 and prior years	2,835	-	-	428	(28)	(1,912)	1,323
	<u>\$ 12,947</u>	<u>\$ 241,160</u>	<u>\$ (5,580)</u>	<u>\$ 1,047</u>	<u>\$ (2,082)</u>	<u>\$ (232,951)</u>	<u>\$ 14,541</u>

MID COUNTY SERVICE DISTRICT NO. 14
A Component Unit of
Multnomah County, Oregon
Reconciliation of Budgetary Revenues to Interest and Tax/Assessment Collections
For the Years Ended June 30, 2003 and 2002

	<u>Years ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
Revenues, per Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Current year special assessments	\$ 228,107	\$ 227,192
Prior years' special assessments	5,075	6,268
Subtract:		
Sixty day tax/assessment accrual, net	<u>(130)</u>	<u>(509)</u>
Interest and Tax/Assessment Collections, per Schedule of Special Assessment Transactions	<u>\$ 233,052</u>	<u>\$ 232,951</u>

**REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
REQUIRED BY STATUTES**

Report of Independent Certified Public Accountants on the District's
Compliance and Certain Items Based on an Audit of Basic
Financial Statements Performed in Accordance
with Oregon Auditing Standards

The Board of County Commissioners
Mid County Service District No. 14

We have audited the basic financial statements of Mid County Service District No. 14 as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Mid County Service District No.14 is the responsibility of District's management. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320, included but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources - Pertaining to programs funded with state and federal revenues, if any.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements

Accounting Records - Pertaining to the condition and adequacy of accounting records.

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

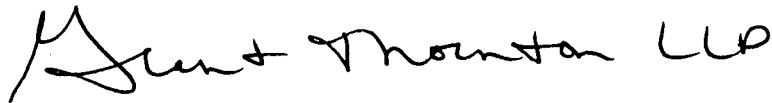
Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

The results of our tests indicate that, with respect to the items tested, Mid County Service District No. 14 complied, in all material respects, with the provisions referred to above. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended solely for the use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

A handwritten signature in black ink, appearing to read "Kent Thornton LLP". The signature is fluid and cursive, with the letters "LLP" written in a slightly larger, more distinct font at the end.

Report of Independent Certified Public Accountants
on the District's Internal Control Structure Based on
an Audit of Basic Financial Statements

The Board of County Commissioners
Mid County Service District No. 14

We have audited the basic financial statements of the Mid County Service District No. 14 as of and for the year ended June 30, 2003 and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

The management of the Mid County Service District No. 14 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the basic financial statements of Mid County Service District No. 14, for the year ended June 30, 2003, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. Those standards define a material weakness as a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

Grant Thornton LLP

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US Member of
Grant Thornton International
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Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503-222-3562
F 503-295-0148
W www.grantthornton.com

Grant Thornton 

Schedule of Expenditures of Federal
Awards and Reports of Independent
Certified Public Accountants

Multnomah County, Oregon

Year ended June 30, 2003

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Report of Independent Certified Public Accountants
on the County's Compliance and Internal Control Over
Financial Reporting Based on an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Multnomah County, Oregon's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Multnomah County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
December 9, 2003

Glenn Thornton LLP

Report of Independent Certified Public Accountants
on the County's Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133

The Board of County Commissioners
Multnomah County, Oregon

Compliance

We have audited the compliance of Multnomah County, Oregon with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2003. Multnomah County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Multnomah County, Oregon's management. Our responsibility is to express an opinion on Multnomah County, Oregon's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Multnomah County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Multnomah County, Oregon's compliance with those requirements.

In our opinion, Multnomah County, Oregon complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

The management of Multnomah County, Oregon is responsible for establishing and maintaining effective internal control over the compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Multnomah County, Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Multnomah County, Oregon as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Multnomah County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Portland, Oregon
December 9, 2003

MULTNOMAH COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Administrative Services:			
Schools and Roads_Grants to States	10.665	PL 106-393	\$ 1,009,097
Passed Through State Department of Education:			
School Breakfast Program	10.553	2613007	48,346
National School Lunch Program	10.555	2613007	80,273
Child and Adult Care Food Program	10.558	2613007	3,598
Summer Food Service Program for Children	10.559	3195	15,000
Passed Through State Department of Human Services/Health Division:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1936002309	2,088,420
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	92598	40,260
Passed through State Department of Human Services/Senior & Disabled Services Division			
Nutrition Services Incentive	10.570	85087-9	313,112
Total Department of Agriculture			<u>3,598,106</u>
<u>U.S. Department of Commerce</u>			
Direct Programs:			
Technology Opportunities	11.552		100,842
Total Department of Commerce			<u>100,842</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		291,149
Supportive Housing Program	14.235		2,336,681
Passed Through City of Portland-Bureau of Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	0210215	288,641
Supportive Housing Program	14.235	0210215	14,975
HOME Investment Partnerships Program	14.239	0210215	46,195
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	34990	62,953
Passed Through Housing Authority of Portland:			
Public Housing Capital Fund	14.872	MULTN002	103,610
Total Department of Housing and Urban Development			<u>3,144,204</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Payment in Lieu of Taxes	15.226		12,405
Distribution of Receipts to State and Local Governments	15.227		1,194,660
Total Department of Interior			<u>1,207,065</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Supervised Visitation, Safe Havens for Children	16.527		28,504
Local Law Enforcement Block Grants Program	16.592		704,278
Executive Office for Weed and Seed	16.595		101,804
State Criminal Alien Assistance Program	16.606		415,679
Bulletproof Vest Partnership Program	16.607		21,755
Community Prosecution and Project Safe Neighborhoods	16.609		189,273
Passed Through Oregon Department of Corrections:			
Offender Reentry Program	16.202	0310517	36,307

* Indicates a major program

MULTNOMAH COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through State Department of Justice:			
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	0410467	134,871
Title V_Delinquency Prevention Programs	16.548	TV2002-05	11,023
Crime Victim Assistance	16.575	00-1410	29,402
Crime Victim Assistance	16.575	02-01858	113,367
Passed Through State Police:			
Juvenile Accountability Incentive Block Grants	16.523	01-624	880,127
Violence Against Women Formula Grants	16.588	00-765/02-759	60,504
Byrne Formula Grant Program	16.579	01-046/00-42	112,324
Byrne Formula Grant Program	16.579	00-024	126,103
Byrne Formula Grant Program	16.579	00-032	78,485
Byrne Formula Grant Program	16.579	01-05/10-02	132,367
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	LAO2001-85	7,200
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	96-316/96-323	550,000
Passed Through City of Portland:			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	0210286	8,994
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	51746	42,254
Passed Through City of Portland North East Coalition of Neighborhoods:			
Executive Office for Weed and Seed	16.595	LOA 080901	641
Total Department of Justice			3,785,262
<u>U.S. Department of Labor Employment and Training Administration</u>			
Direct Programs:			
Youth Opportunity Grants	17.263		69,750
Total Department of Labor Employment and Training Administration			69,750
<u>U.S. Department of Transportation</u>			
Passed Through Oregon Sheriff's Association, Inc.:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	Multnomah County	37,082
Boating Safety Financial Assistance	20.005	1936002309	216,972
Passed Through State Department of Transportation:			
Highway Planning and Construction	* 20.205	0000132900-55	1,440,804
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	1936002309	47,926
Total Department of Transportation			1,742,784
<u>National Foundation on the Arts and Humanities</u>			
Direct Programs:			
Promotion of the Humanities_Public Programs	45.164		1,000
Passed Through Oregon State Library:			
State Library Program	45.310	01-5-3.3	14,621
State Library Program	45.310	02-10-3.1	74,053
State Library Program	45.310	03-6-3.1	13,462
State Library Program	45.310	02-9-2.7	54,996
State Library Program	45.310	03-5-2.7	15,841
State Library Program	45.310	02-L-4	21,637
State Library Program	45.310	03-L-4	12,063
State Library Program	45.310	03-E-S-1	17,817
Total National Foundation on the Arts and Humanities			225,490

* Indicates a major program

MULTNOMAH COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Energy</u>			
Passed Through Oregon Housing and Community Services: Weatherization Assistance for Low-Income Persons	81.042	210009	379,350
Total Department of Energy			<u>379,350</u>
<u>Federal Emergency Management Agency</u>			
Passed Through Oregon Emergency Management: Emergency Management Performance Grants	83.552	1936002309	60,473
Passed Through United Way: Emergency Food and Shelter National Board Program	83.523	19-7080	578,604
Total Federal Emergency Management Agency			<u>639,077</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Twenty-First Century Community Learning Centers	84.287		128,640
Passed Through Oregon Department of Education: Twenty-First Century Community Learning Centers	84.287	02-21CCLC	32,772
Passed Through Oregon Department of Human Resources: Safe and Drug Free Schools and Communities_State Grants	84.186	926001	103,288
Passed Through Portland Public Schools:			
Title I Grants to Local Educational Agencies	84.010	310489	11,126
Safe and Drug Free Schools and Communities_National Programs	84.184	0310403	161,398
Safe and Drug Free Schools and Communities_State Grants	84.186	0010703	611,243
Total Department of Education			<u>1,048,467</u>
<u>U.S. Department of Health & Human Services</u>			
Direct Programs:			
Medical Reserve Corps Small Grants Plan	93.008		4,409
Health Center Grants for Homeless Populations	* 93.151		1,184,070
Community Health Centers	* 93.224		3,654,171
Consolidated Knowledge Development and Application (KD&A) Program	93.230		1,079,129
Innovative Food Safety Projects	93.245		46,489
Drug Abuse Research Programs	93.279		905,603
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283		312,164
Early Learning Fund	93.577		706,182
Refugee and Entrant Assistance_Discretionary Grant	93.576		211,357
HIV Emergency Relief Project Grants	* 93.914		3,474,400
Grants to Provide Outpatient Early Intervention Services With respect to HIV Disease	93.918		962,922
Healthy Start Initiative	93.926		918,744
Special Projects of National Significance	93.928		454,348
Passed Through National Association of City and County Health Officers:			
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	6630	4,821
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	3670	750
Passed Through Oregon Department of Business and Consumer Services:			
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	44199-20	15,300

* Indicates a major program

MULTNOMAH COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through Oregon Commission on Children And Families:			
Promoting Safe and Stable Families	93.556	1936002309	189,948
Child Care and Development Block Grant	93.575	1936002309	299,331
Social Services Block Grant	93.667	1936002309	655,672
Medical Assistance Program	93.778	1936002309	29,479
Passed Through Oregon Housing and Community Services:			
Temporary Assistance for Needy Families	93.558	210009	138,419
Low-Income Home Energy Assistance	* 93.568	210009	3,842,629
Community Services Block Grant	93.569	210009	931,533
Community Services Block Grant_Discretionary Awards	93.570	210009	373
Passed Through Oregon Health Sciences University:			
Health Education and Training Centers	93.189	GALEHE008AC	12,788
Child Care and Development Block Grant	93.575	C-2002-0025	46,968
Passed Through State Department of Human Resources:			
State and Territorial and Technical Assistance Capacity Development			
Minority HIV/AIDS Demonstration Program	93.006	1936002309	11,512
Special Programs for the Aging_Title VII, Chapter 3_Programs for			
Prevention of Elder Abuse, Neglect and Exploitation	93.041	85087-9	11,429
Special Programs for the Aging_Title III, Part D_Disease Prevention and			
Health Promotion Services	93.043	85087-9	51,916
Special Programs for the Aging_Title III, Part B_Supportive Services &			
Senior Centers	93.044	85087-9	789,348
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	85087-9	1,017,434
National Family Caregiver Support	93.052	85087-9	147,952
Project Grants & Cooperative Agreements for Tuberculosis Control			
Programs	93.116	1936002309	157,860
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	1936002309	457,702
Projects for Assistance in Transition From Homelessness (PATH)	93.150	926001	231,250
Health Program for Toxic Substances and Disease Registry	93.161	1936002309	3,067
Childhood Lead Poisoning Prevention Projects_State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood			
Levels in Children	93.197	1936002309	14,931
Family Planning_Services	93.217	1936002309	333,148
Occupational Safety and Health Research Grants	93.262	1936002309	3,067
Immunization Grants	93.268	1936002309	1,036,741
Centers for Disease Control and Prevention_Investigations and			
Technical Assistance	93.283	1936002309	787,790
Centers for Disease Control and Prevention_Investigations and			
Technical Assistance	93.283	101451	17,987
Temporary Assistance for Needy Families	93.558	103006	14,227
Temporary Assistance for Needy Families	93.558	926001	458,365
Child Support Enforcement	93.563	102324	1,404,778
Community_Based Family Resource and Support Grants	93.590	9801ORFRPG/277038	46,662
Child Abuse and Neglect State Grants	93.669	104743	20,615
Medical Assistance Program	93.778	92598	211,237
Medical Assistance Program	93.778	926001	5,456,279
Medical Assistance Program	93.778	111369	342,929
Medical Assistance Program	93.778	26-001	1,065,440
Medical Assistance Program	93.778	85087-9	13,669,721
Medical Assistance Program	93.778	111369	430,762
HIV Care Formula Grants	93.917	1936002309	84,537
Cooperative Agreements for State_Based Comprehensive Breast and			
Cervical Cancer Early Detection Programs	93.919	1936002309	280,419
Human Immunodeficiency Virus (HIV/Acquired Immunodeficiency Virus			
Syndrome (AIDS) Surveillance	93.944	1936002309	85,908
Block Grants for Community Mental Health Services	93.958	926001	465,085
Block Grants for Prevention and Treatment of Substance Abuse	* 93.959	936002309/99186	136,283
Block Grants for Prevention and Treatment of Substance Abuse	* 93.959	926001	4,972,106
Maternal and Child Health Services Block Grant to the States	93.994	1936002309	612,975

* Indicates a major program

MULTNOMAH COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through State of Oregon Judicial Department:			
Alcohol Research Programs	93.273	0210273	44,185
Passed Through Oregon Research Institute			
Alcohol Research Programs	93.273	R01AA11510	235,810
Passed Through Oregon State University:			
Population Research	93.864	211231B	12,742
Passed Through University of Washington:			
AIDS Education and Training Centers	93.145	0210068/0210069	73,282
Total Department of Health and Human Services			<u>55,279,480</u>
<u>Other Federal Assistance (No CFDA)</u>			
<u>Department of Agriculture</u>			
Direct Programs:			
U.S. Forest Service Patrol Contract	10-01-LE-110600-498		21,814
U.S. Forest Service Patrol Contract	10.0210313		37,120
Total Department of Agriculture			<u>58,934</u>
<u>U.S. Department of Energy</u>			
Direct Programs:			
Youth Employment Project/Bonneville Power Administration	81.00001101		4,996
Total Department of Energy			<u>4,996</u>
<u>Department of Veteran Affairs</u>			
Direct Programs:			
Willamette National Cemetery	64.900137		16,000
Total Department of Veteran Affairs			<u>16,000</u>
Total Other Federal Assistance			<u>79,930</u>
Total Federal Assistance			<u>\$ 71,299,807</u>

Multnomah County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Multnomah County, Oregon (the County) for the year ended June 30, 2003. The County's reporting entity is defined in Note 1 to the County's June 30, 2003 basic financial statements.

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using a basis of accounting which is consistent with the basic financial statements, as described in Note 1 to the County's basic financial statements.

NOTE C – RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

As described in Note 2 to the County's basic financial statements, federal financial assistance revenues reported in the County's basic financial statements are included with intergovernmental revenues.

NOTE D – NONCASH AWARDS

The accompanying Schedule of Expenditures of Federal Awards includes a noncash award from the Department of Health and Human Resources in the form of vaccines (CFDA #93.268 – Childhood Immunization Grants). The value of the Childhood Immunization Grant award was determined by the granting agency. The amount expended and advanced at June 30, 2003 is calculated on a proportionate basis.

Multnomah County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

NOTE E – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Multnomah County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 588,542
Supportive Housing Program	14.235	2,165,457
Youth Opportunity Grants	17.263	69,750
Juvenile Accountability Incentive Block Grants	16.523	318,030
Supervised Visitation, Safe Havens for Children	16.527	4,622
Byrne Formula Grant Program	16.579	42,325
Weatherization Assistance for Low Income Persons	81.042	266,144
Emergency Food and Shelter National Board Grant	83.523	128,170
Title I Grants to Local Educational Agencies	84.010	6,449
Safe and Drug Free Schools and Communities – State Grants	84.186	253,781
Twenty-First Century Community Learning Centers	84.287	156,041
Special Programs for the Aging – Title VII, Chapter 3 – Programs for Prevention for Elder Abuse, Neglect and Exploitation	93.041	1,625
Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	93.043	37,888
Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	280,243
National Family Caregiver Support	93.052	5,414
Projects for Assistance in Transition From Homelessness (PATH)	93.150	206,795
Health Center Grants for Homeless Populations	93.151	27,324
Consolidated Knowledge Development and Application Program	93.230	170,664
Community Health Centers	93.224	45,333
Promoting Safe and Stable Families	93.556	135,548
Temporary Assistance for Needy Families	93.558	458,365
Low-Income Home Energy Assistance Program	93.568	914,607
Community Services Block Grant	93.569	737,087
Child Care and Development Block Grant (Discretionary Fund of the Child Care and Development Fund)	93.575	299,331
Social Services Block Grant	93.667	356,325
Medicaid Assistance Program (Medicaid, Title XIX)	93.778	164,215
HIV Emergency Relief Project Grants	93.914	1,933,994
Special Projects of National Significance	93.928	34,845
Block Grant for Community Mental Health Services	93.958	465,085
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	3,939,151
Total subrecipient pass through		<u>\$14,213,150</u>

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor’s report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☒ yes ☐ no

Identification of major programs:

CFDA Number	<u>Name of Federal Program</u>
93.151	Department of Health and Human Services, Health Center Grants for Homeless Populations
93.914	Department of Health and Human Services, HIV Emergency Relief Project Grants
93.224	Department of Health and Human Services, Community Health Centers
20.205	Department of Transportation, Highway, Planning and Construction
93.568	Department of Health and Human Services, Low-Income Home Energy Assistance
93.959	Department of Health and Human Services, Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs:

\$2,139,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs are listed on the following pages.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

FINDING 03-1

Program:	CFDA #93.959, Prevention and Treatment of Substance Abuse
Federal Agency:	Department of Health and Human Services
Award Year:	2002-2003
Requirement:	Grantee must receive and reconcile invoices from agencies receiving funding.
Finding:	The County did not receive invoices or any other form of documentation from the agencies providing the services.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The County should discontinue funding to agencies until invoices are received.
County Response:	Upon further review of this comment, the County noted there are various agreements with agencies where the County and the agency have entered into a signed annual contract. The signed contract has been the sole source of supporting documentation for monthly payments to the agencies. Currently the contracts the County has entered into for fiscal year 2004 do not require agencies to submit invoices, rather rely on information submitted to the State and the signed annual agreement as supporting documentation. The County recognizes the importance of documenting the services provided by the agency in the form of an invoice or other external documentation. To address this issue in the future, the County will request external invoice documentation be submitted. However to modify existing annual contracts at this point during the fiscal year would be a lengthy and difficult task and a costly undertaking. The County will look to revising annual contracts for the fiscal year 2005 to require external invoice documentation be submitted in order for reimbursement.



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Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503-222-3562
F 503-295-0148
W www.grantthornton.com

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-2

Est. Start Time: 9:50 AM

Date Submitted: 02/06/04

Requested Date: 3/04/2004

Time Requested: 5 minutes
Time certain 9:50 requested

Department: Finance, Budget and Tax

Division: Accounting

Contact/s: Mindy Harris

Phone: 503.988.3786

Ext.: 83786

I/O Address: 503/4

Presenters: Dave Boyer, Finance Director
Mindy Harris, Accounting Manager

Agenda Title: Presentation of Certificate of Achievement for Excellence in Financial Reporting Award for the Comprehensive Annual Financial Report for June 30, 2002

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Presentation of the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting for the year ending June 30, 2002.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** Multnomah County's June 30, 2002 Comprehensive Annual Financial Report meets the national standards of excellence to receive the Certificate of Achievement for Excellence in Financial Reporting from the National Government Finance Officers Association. The Certificate of Achievement is the highest form of national recognition in governmental accounting and financial reporting. The County has

received this prestigious award for 19 consecutive years. Nationally, approximately 2,500 of 82,000 (3%) governments receive this award.

In order to earn this award, a 10 page application form listing all the criteria that the County must meet had to be completed and an impartial panel of CPA's, government finance officers and educators evaluated the report. The evaluators must unanimously determine that the report meets all criteria, and effectively and accurately communicates information about the County's financial status and activities.

3. Explain the fiscal impact (current year and ongoing). No fiscal impact.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**
- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. Explain any legal and/or policy issues. None.

5. Explain any citizen and/or other government participation that has or will take place. None.

Required Signatures:

Department/Agency Director:



Date: 02/06/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

BOGSTAD Deborah L

From: HARRIS Mindy L
Sent: Tuesday, March 02, 2004 11:00 AM
To: BOGSTAD Deborah L
Subject: BCC presentation

Hi Deb, I thought I would provide the names & phonetic pronunciations of the Accounting staff that we'd like Diane to introduce on Thursday, after item R-2.

Cara Fitzpatrick
LeeAnn Thompson
Bill Moravics (more-AH-viss)
Tory Mitchell
Susan Luce (loose)
Alice Street
Michelle Barwick (absent, on maternity leave)

Thanks much, and if you have any questions please let me know.

Mindy

3/2/2004

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-3

Est. Start Time: 9:55 AM

Date Submitted: 02/06/04

Requested Date: 03/04/2004

Time Requested: 5 minutes
Time certain of 9:55 am requested

Department: Finance, Budget and Tax

Division: Accounting

Contact/s: Mindy Harris

Phone: 988-3786

Ext.:

I/O Address: 503/4/Finance

Presenters: Dave Boyer, Chief Financial Officer, Deferred Compensation Committee Chair
Mindy Harris, Accounting Manager, Deferred Compensation Plan Administrator

Agenda Title: Presentation of 2003 Leadership Recognition Award from the National Association of Government Defined Contribution Administrators

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Presentation of the National Association of Government Defined Contribution Administrators award to the Multnomah County Deferred Compensation Plan for Leadership Recognition and outstanding achievement in the field of government defined contribution administration for 2003.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** Multnomah County was one of 19 governmental entities in the nation to receive this award for 2003. The award honors excellence and innovation in retirement plan design, administration and/or effective communication methods in government defined contribution plans.
3. **Explain the fiscal impact (current year and ongoing).** No fiscal impact.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.

- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. Explain any legal and/or policy issues involved.
5. Explain any citizen and/or other government participation that has or will take place.

Required Signatures:

Department/Agency Director:



Date: 2/2/04

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-4

Est. Start Time: 10:00 AM

Date Submitted: 02/06/04

Requested Date: March 4, 2004

Time Requested: 30 minutes

Department: Finance, Budget and Tax

Division: Accounting

Contact/s: Mindy Harris

Phone: 503 988-3786

Ext.: 83786

I/O Address: 503/4/Finance

Presenters: Dave Boyer, Chief Financial Officer, Deferred Compensation Committee Chair
Mindy Harris, Accounting Manager, Deferred Compensation Plan Administrator
Chuck Sklader, SST Benefits Consulting

Agenda Title: Briefing about changes to the Multnomah County Deferred Compensation Plan

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** Informal briefing only, no action required.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** The Multnomah County Deferred Compensation Plan is undergoing significant changes, primarily as a result of changes in the financial investment industry and also to address feedback received in an employee survey in March 2003.
 3. **Explain the fiscal impact (current year and ongoing).** No fiscal impact.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
 - ❖ **What budgets are increased/decreased?**
 - ❖ **What do the changes accomplish?**
 - ❖ **Do any personnel actions result from this budget modification? Explain.**

 - ❖ **Is the revenue one-time-only in nature?**
 - ❖ **If a grant, what period does the grant cover?**
 - ❖ **When the grant expires, what are funding plans?**
- NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**

- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

- 4. Explain any legal and/or policy issues involved. Plan Sponsors are required to carry out certain fiduciary responsibilities, acting for the exclusive benefit of participants. Such responsibilities include developing an investment policy statement, implementing a structured process to evaluate investment options, defraying participant expenses, and providing opportunities for Plan and investment education.**

- 5. Explain any citizen and/or other government participation that has or will take place. n/a**

Required Signatures:

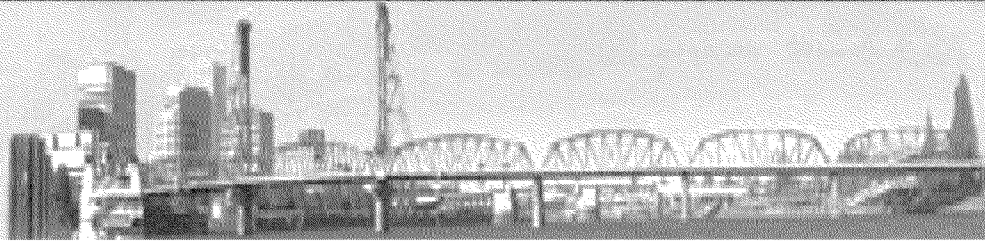
Department/Agency Director:



Date: 2/6/04



MULTNOMAH COUNTY
OREGON



Multnomah County

March 4, 2004

§457 Deferred Compensation Plan Overview

457 Plan Committee Members

- Dave Boyer, Committee Chair
- Mindy Harris, Plan Administrator
- Kathleen Martinez, Deputy Sheriffs Association Representative
- Kathy Short, County Attorney's Office
- Cal Smith, Local 88 Representative

457 Plan Partners

- SST Benefits Consulting
 - Chuck Sklader
- Investment Providers
 - Hartford Life
 - ING Financial Advisers
 - PACE Credit Union

External Influences



- Small Business Job Protection Act of 1996
- Economic Growth & Tax Relief Reconciliation Act of 2001 (EGTRAA)
- Portability of Retirement Accounts
- Employee Survey
- Increased Fiduciary Focus

Deferred Compensation Committee Goals



- Comply with Small Business Job Protection Act
- Exercise Due Diligence / Fiduciary Responsibility
- Eliminate Deferred Sales / Contingent Fees
- Reduce Overall Fees
- Improve Options / Fund Performance
- Evaluate Ongoing Fund Performance
- Enhance Service
- Improve Participation
- Improve Education

SST Benefits Consulting & Insurance
Services, Inc.

Request for Disclosure

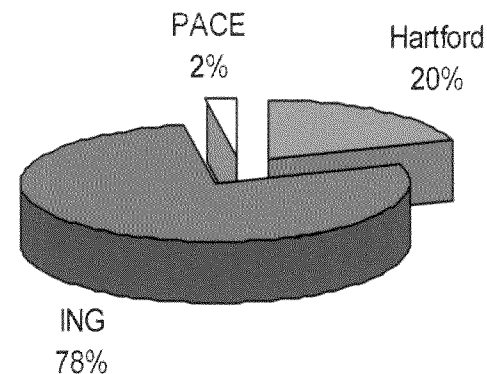


- Current Asset Allocation
- Current Fund Data
- Current Fee Structure
- Contingent Deferred Sales Charges
- Request for Repricing

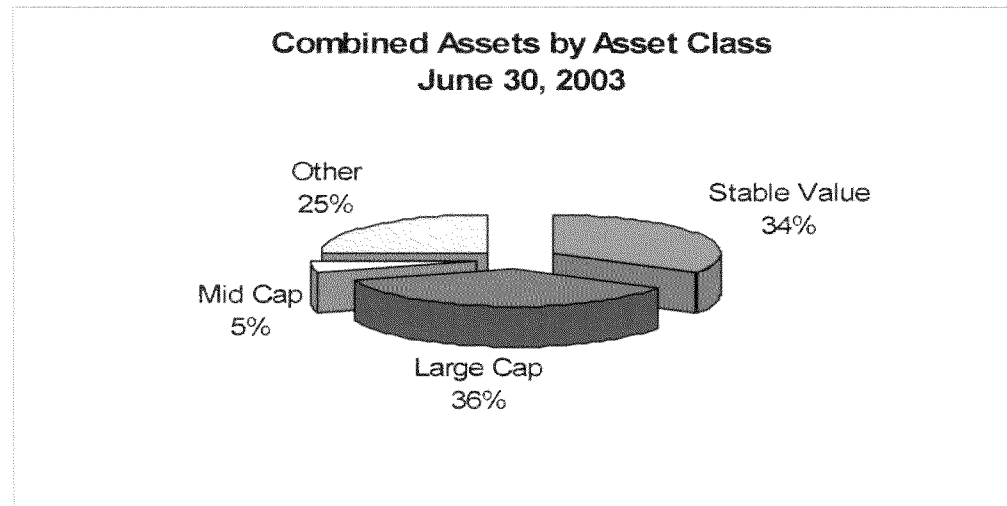
Current Landscape

- ING
\$ 67,676,800
- Hartford
\$ 17,006,900
- PACE
\$ 2,094,900
- TOTAL
\$ 86,778,600

Total Assets by Provider June 30, 2003



Combined Assets by Asset Class



Stable Value	\$	29,222,500
Large Cap	\$	31,545,800
Mid Cap	\$	4,088,300
Other	\$	21,922,000
Total Assets	\$	86,778,600

Stable Value is a guarantee of principal with a stated interest rate.

Large Cap are equity mutual funds that invest in stocks of companies with over \$8.7 billion in market capitalization

Mid Cap same as large cap, but with a market cap of \$1.5 – 8.7 b

SST Benefits Consulting & Insurance
Services, Inc.

Fund Data

Number of Funds Available

- ING
 - 65 Total Funds
 - 25 Large Cap Funds
- Hartford
 - 52 Total Funds
 - 13 Large Cap Funds
- PACE
 - 1 Fund
- **Total of 118 Fund Options**



Fund Data

Analysis & Ratings

- ING
 - 4 One Star Funds
 - 1 Two Star Fund
 - 23% 1 or 2 Star Funds
- Hartford
 - 3 One Star Funds
 - 8 Two Star Funds
 - 21% 1 or 2 Star Funds

Morningstar Rating Legend

5 Star = Top 10% of mutual funds

4 Star = Next 22.5%

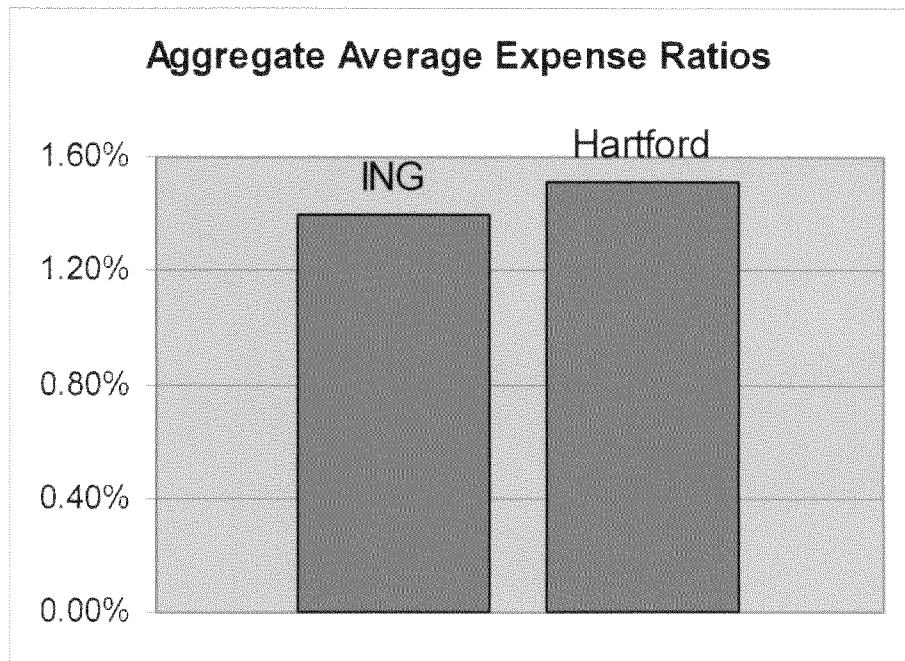
3 Star = Next 35%

2 Star = Next 22.5%

1 Star = Last 10%

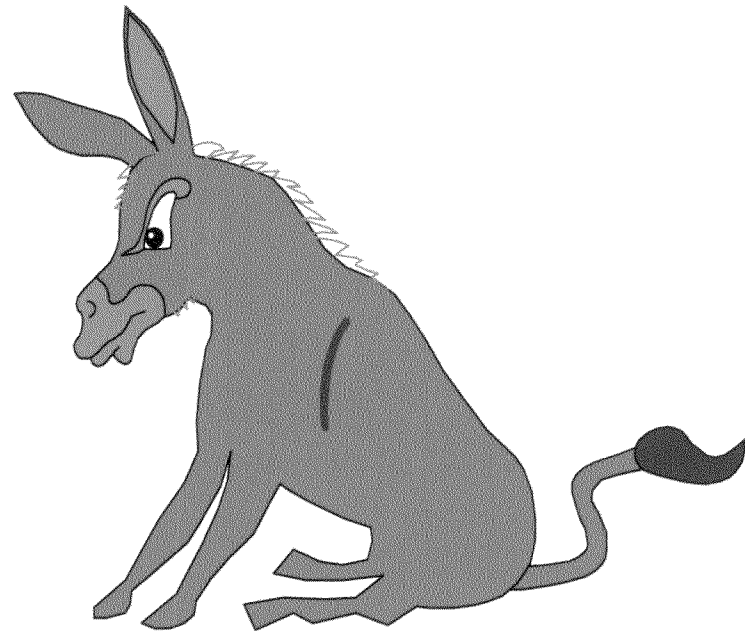
Expense Ratios

- ING Fund Expense Average Was 1.41%
- Hartford Fund Expense Average Was 1.50%



Deferred Sales Charges / Fees

- ING
 - No Contingent Deferred Sales Charges (CDSC)
 - 5 year Market Value Adjustment (MVA)
- Hartford
 - 7 year declining CDSC
 - \$130,000 CDSC
 - 5 year MVA
- PACE
 - None



Fiduciary Education



- Stakeholder Education
- Established Investment Policy & Procedures Statement

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Services, Inc.

Goals for Renegotiation Process

- Improved Investment Lineup
- Fee Reductions
- Improved Participant & Committee Education
- Service Enhancements
- Reimbursement of County Administrative Expenses
- Improved Employee Participation



Fund Analysis and Ratings

Before & After

- **ING**

- Total Funds = 65

- 5 Star Funds = 6 (9%)

- 4 Star Funds = 10 (15%)

- Total Funds = 27

- 12 in Current Portfolio

- 5 Star Funds = 11 (41%)

- 4 Star Funds = 10 (37%)

- **Hartford**

- Total Funds = 52

- 5 Star Funds = 5 (10%)

- 4 Star Funds = 12 (23.5%)

- Total Funds = 28

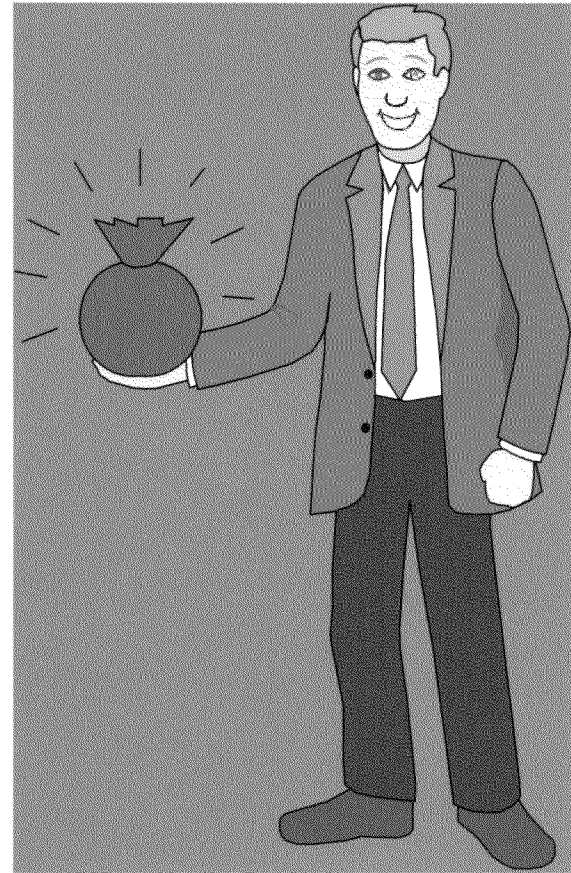
- 7 in Current Portfolio

- 5 Star Funds = 10 (36%)

- 4 Star Funds = 14 (50%)

Significant Savings to Participants

- Elimination of ING .50% administration charge to zero
- Reduction of Hartford .50% administration charge to .15%, with future reduction to zero
- Elimination of Hartford Deferred Sales Charges



Significant Savings to Participants (cont.)

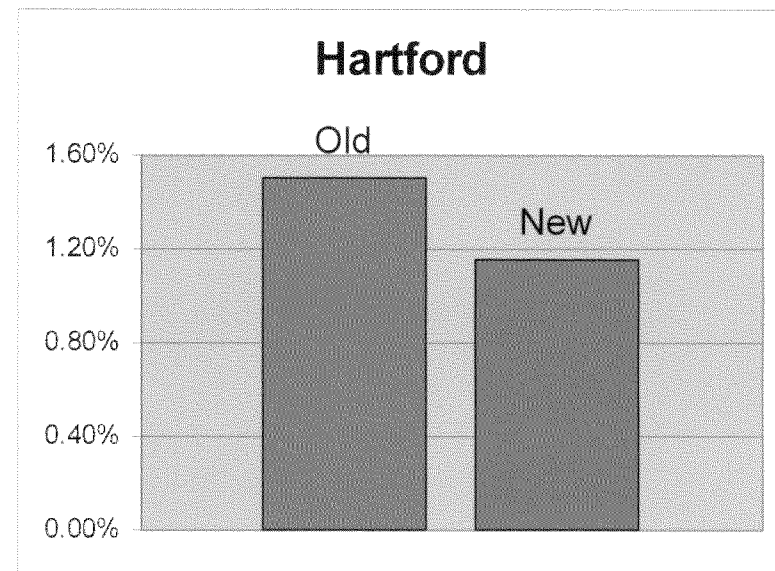
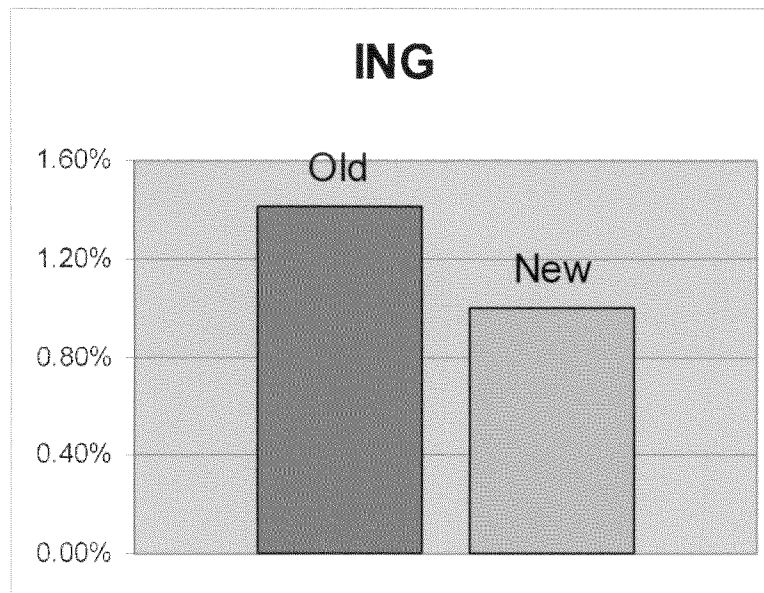
- Average Reduction in Participant Fees, Charges and Expenses of 28%
- Elimination of Participant Deferred Sales Charges of \$130,000
- Savings to Participants of \$199,000 Annually
- Estimated \$1.35 million savings to Participants over 5 Year Contract Period



Expense Ratios

ING Fund Expense Average Reduced
from 1.41% to 1.00%

Hartford Fund Expense Average Reduced
from 1.50% to 1.16%



SST Benefits Consulting & Insurance
Services, Inc.

Service Enhancements

- Free, comprehensive financial planning (\$500 value)
- PERS retirement counseling & assistance with applications of retirement benefits
- Regularly scheduled availability of provider representatives at County locations
- Increased and expanded participant education
- Investment advice and guidance, online and in person
- Increased frequency of one-on-one meetings for new enrollees, current participants and retirees
- Portability of all retirement accounts

Multnomah County 457 Plan Enhancements

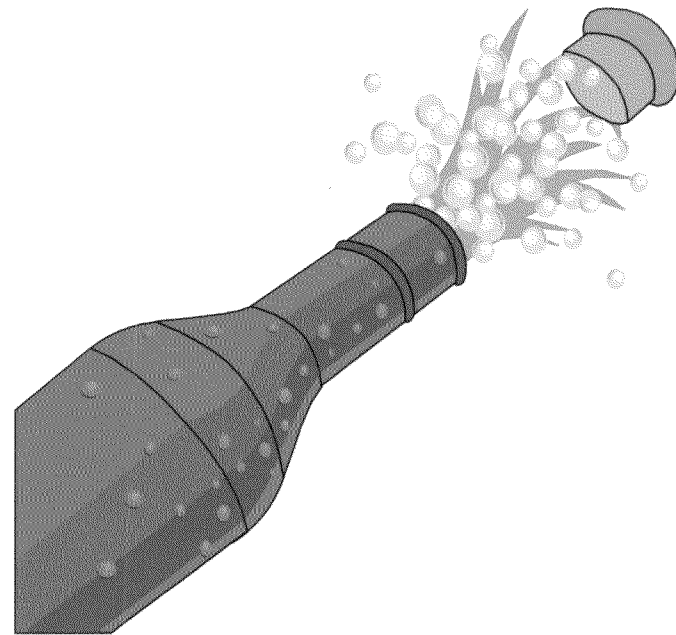


- Improved Investment Lineup
- Fewer Number of Investment Options
- Simplified Administration
- Increased Participant Communications
- Investment Advice Services
- Improved Education
- 5 Year Administrative Expense Reimbursement Agreement
- Retain PACE Adding Enrollment from Other Providers

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Services, Inc.

Multnomah County 457 Plan Enhancements (cont.)

- Providers agree to Standards of Performance
- Due Diligence & Fiduciary Responsibility
- Significant Reductions of Fund Expense & Charges
- Plan Document Compliance



AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-5

Est. Start Time: 10:25 AM

Date Submitted: 02/10/04

Requested Date: March 4, 2004

Time Requested: 5 Minutes

Department: Business and Community Services **Division:** Land Use & Transportation

Contact/s: Gary Clifford / Karen Schilling

Phone: 503-988-3043

Ext.: 26782

I/O Address: 455/116

Presenters: Gary Clifford

Agenda Title: An Ordinance Amending County Land Use Code, Plans And Maps To Adopt Portland's Recent Land Use Code, Plan And Map Revisions In Compliance With Metro's Functional Plan And Declaring An Emergency

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Adopt the ordinance as recommended by the Portland Planning Commission and Portland City Council.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** On October 11, 2001 the Board adopted Ordinance 967 (effective date January 1, 2002) adopting, in summary, the Portland Comprehensive Plan and zoning ordinance. The County and the City of Portland have been engaged in agreements enabling the City of Portland to provide planning services to achieve compliance with the Metro Functional Plan for those areas outside the City limits, but within the urban growth boundary and urban service boundary of Portland. Since the adoption of Ordinance 967 and subsequently Ordinance 997, the attached ordinances have been passed by the City Council and therefore the County must adopt them pursuant to our intergovernmental agreement

to keep the code up to date. Multnomah County and the City of Portland entered into an Intergovernmental Agreement (IGA) to transfer land use planning responsibilities on January 1, 2002. The IGA lays out a process requiring the County to ensure that any City Council adopted amendments to the City comprehensive plan, zoning code and other regulations adopted by the County Board of Commissioners will be considered by the County Board of Commissioners at the earliest possible meeting. It also states "The County Board of Commissioners shall enact all comprehensive plan and code amendments so that they take effect on the same date specified by the City's enacting ordinance" (unless adopted by emergency). The City will have taken action on all of the above items by the hearing date of this ordinance. If the County does not adopt these amendments, the IGA will be void and the County will be required to resume responsibility for planning and zoning administration within the affected areas.

3. **Explain the fiscal impact (current year and ongoing).** NA
4. **Explain any legal and/or policy issues.** State law requires a notice be placed in a newspaper of general circulation 10 days prior (02/23/04) to the BCC hearing. We request adoption of this ordinance by emergency to coincide with the City of Portland adoption date (03/05/2004) as stated in the IGA. The County Attorney's office was involved in the drafting of the original IGA and has been involved in coordinating our compliance effort through adoption of these code amendments.
5. **Explain any citizen and/or other government participation that has or will take place.** The City included the County affected property owners in their noticing for these code revisions when required pursuant to the IGA and directed them to the City legislative process.

Required Signatures:

Department/Agency Director:

Robert A. Maestre

Date: 02/10/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. ____

Amending County Land Use Code, Plans And Maps To Adopt Portland's Recent Land Use Code, Plan And Map Revisions In Compliance With Metro's Functional Plan And Declaring An Emergency

The Multnomah County Board of Commissioners Finds:

- a. The Board of County Commissioners (Board) adopted Resolution A in 1983 which directed the County services towards rural services rather than urban.
- b. In 1996, Metro adopted the Functional Plan for the region, mandating that jurisdictions comply with the goals and policies adopted by the Metro Council.
- c. In 1998, the County and the City of Portland (City) amended the Urban Planning Area Agreement to include an agreement that the City would provide planning services to achieve compliance with the Functional Plan for those areas outside the City limits, but within the Urban Growth Boundary and Portland's Urban Services Boundary.
- d. It is impracticable to have the County Planning Commission conduct hearings and make recommendations on land use legislative actions pursuant to MCC 37.0710, within unincorporated areas inside the Urban Growth Boundary for which the City provides urban planning and permitting services. The Board intends to exempt these areas from the requirements of MCC 37.0710, and will instead consider the recommendations of the Portland Planning Commission and City Council when legislative matters for these areas are brought before the Board for action as required by intergovernmental agreement (County Contract #4600002792) (IGA).
- e. On December 4, 2003, the Board amended County land use codes, plans and maps to adopt the City's land use codes, plans and map amendments in compliance with Metro's Functional Plan by Ordinance 1021.
- f. Since the adoption of Ordinance 1021, the City's Planning Commission recommended land use code, plan and map amendments to the City Council through duly noticed public hearings.
- g. The City notified affected County property owners as required by the IGA.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 1028

Amending County Land Use Code, Plans and Maps to Adopt Portland's Recent Land Use Code, Plan and Map Revisions in Compliance with Metro's Functional Plan and Declaring an Emergency

The Multnomah County Board of Commissioners Finds:

- a. The Board of County Commissioners (Board) adopted Resolution A in 1983 which directed the County services towards rural services rather than urban.
- b. In 1996, Metro adopted the Functional Plan for the region, mandating that jurisdictions comply with the goals and policies adopted by the Metro Council.
- c. In 1998, the County and the City of Portland (City) amended the Urban Planning Area Agreement to include an agreement that the City would provide planning services to achieve compliance with the Functional Plan for those areas outside the City limits, but within the Urban Growth Boundary and Portland's Urban Services Boundary.
- d. It is impracticable to have the County Planning Commission conduct hearings and make recommendations on land use legislative actions pursuant to MCC 37.0710, within unincorporated areas inside the Urban Growth Boundary for which the City provides urban planning and permitting services. The Board intends to exempt these areas from the requirements of MCC 37.0710, and will instead consider the recommendations of the Portland Planning Commission and City Council when legislative matters for these areas are brought before the Board for action as required by intergovernmental agreement (County Contract #4600002792) (IGA).
- e. On December 4, 2003, the Board amended County land use codes, plans and maps to adopt the City's land use codes, plans and map amendments in compliance with Metro's Functional Plan by Ordinance 1021.
- f. Since the adoption of Ordinance 1021, the City's Planning Commission recommended land use code, plan and map amendments to the City Council through duly noticed public hearings.
- g. The City notified affected County property owners as required by the IGA.

- h. The City Council adopted the land use code, plan and map amendments, set out in Section 1 below and attached as Exhibits 1 through 3. The IGA requires that the County adopt these amendments for the City planning and zoning administration within the affected areas.

Multnomah County Ordains as follows:

Section 1. The County Comprehensive Framework Plan, community plans, rural area plans, sectional zoning maps and land use code chapters are amended to include the City land use code, plan and map amendments, attached as Exhibits 1 through 3 and effective on the same date as the respective Portland ordinance:

Exhibit No.	Description	Effective / Hearing Date
1	Ordinance amending Title 33 to amend the Sign and Related Regulations that are hindering desirable development. (PDX Ord. #178172)	3/5/04
2	Ordinance amending Title 17, Public Improvements and various City Transportation regulations that are hindering desirable development. (PDX Ord. #178173)	3/5/04
3	Planning Commission recommended Draft of Policy Package 2-B; Regulatory Improvement Workplan	12/30/03

Section 2. In accordance with ORS 215.427(3), the changes resulting from Sections 1 of this ordinance shall not apply to any decision on an application that is submitted before the applicable effective date of this ordinance and that is made complete prior to the applicable effective date of this ordinance or within 180 days of the initial submission of the application.

Section 3. In accordance with ORS 92.040(2), for any subdivisions for which the initial application is submitted before the applicable effective date of this ordinance, the subdivision application and any subsequent application for construction shall be governed by the County's land use regulations in effect as of the date the subdivision application is first submitted.

Section 4. Any future amendments to the legislative matters listed in Section 1 above, are exempt from the requirements of MCC 37.0710. The Board acknowledges, authorizes and agrees that the Portland Planning Commission will act instead of the Multnomah Planning Commission in the subject unincorporated areas using the City's own procedures, to include notice to and participation by County citizens. The Board will consider the recommendations of the Portland Planning Commission when legislative matters for County unincorporated areas are before the Board for action.

Section 5. An emergency is declared in that it is necessary for the health, safety and general welfare of the people of Multnomah County for this ordinance to take effect concurrent with the City code, plan and map amendments. Under section 5.50 of the Charter of Multnomah County, this ordinance will take effect in accordance with Section 1.

FIRST READING AND ADOPTION: March 04, 2004



BOARD OF COUNTY COMMISSIONERS,
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Sandra N. Duffy, Assistant County Attorney

EXHIBIT LIST FOR ORDINANCE

1. Ordinance amending Title 33, to amend the Sign and Related Regulations that are hindering desirable development. (PDX Ord. #178172)
2. Ordinance amending Title 17, Public Improvements and various City Transportation regulations that are hindering desirable development. (PDX Ord. #178173)
3. Planning Commission recommended Draft of Policy Package 2-B; Regulatory Improvement Workplan

Prior to adoption, this information is available electronically or for viewing at the Multnomah County Board of Commissioners and Agenda website (www.co.multnomah.or.us/cc/WeeklyAgendaPacket/). To obtain the adopted ordinance and exhibits electronically, please contact the Board Clerk at 503-988-3277. These documents may also be purchased on CD-Rom from the Land Use and Transportation Program. Contact the Planning Program at 503-988-3043 for further information.

EXHIBIT 1

Ordinance No. 178172

Amend Title 33, Planning and Zoning and Title 32, Signs and Related Regulations, to update and improve various City building and land use regulations and procedures that are hindering desirable development. (Ordinance; amend Titles 32 and 33)

The City of Portland Ordains:

Section 1. The Council finds:

General Findings

1. On June 26th, 2002, the City Council adopted Resolution 36080, which authorized the Mayor to develop a process to streamline and update the City's building and land use regulations and to improve regulatory-related procedures and customer services.
2. This process, the Regulatory Improvement Workplan, includes several phases, and a number of projects assigned to several bureaus.
3. On August 14, 2002, Council adopted the FY 2002-2003 Initial Regulatory Improvement Work Plan.
4. On August 13, 2003, Council adopted the FY 2003-2004 Regulatory Improvement Work Plan.
5. These workplans have been divided into several projects. The current proposal is part of Policy Package 2 and is referred to as Policy Package 2-B. It includes items from both the 2002-2003 and the 2003-2004 Regulatory Improvement Workplans. It also includes items that City Council directed staff to consider through their resolution adopted on September 10, 2003. These changes affect Title 17, Public Improvements, Title 32, Signs and Related Regulations and Title 33, Planning and Zoning.
6. The changes to Title 33 affecting short-term bicycle parking are to be implemented in conjunction with the parallel Ordinance authorizing changes to Title 17, Public Improvements.
7. On September 9, 2003, notice of the proposed action was mailed to the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-18-020.
8. On October 28, 2003, the Planning Commission held a hearing on the proposal. Staff from the Bureau of Planning presented the proposal, and public testimony was received. The Planning Commission split up their discussion of the package and made a recommendation on the proposal for development on vacant lots, known as Policy Package 2-A. City Council adopted Policy Package 2-A on November 195, 2003.
9. On December 9, 2003 the Planning Commission held a work session to discuss the remaining items under the proposal and consider public testimony. The Commission voted to forward Policy Package 2-B to City Council.

10. On January 29, 2004, City Council held a hearing on the Planning Commission recommendation for Policy Package 2-B. Staff from the Bureau of Planning presented the proposal, and public testimony was received.
11. On February 4, 2004 City Council voted to adopt the changes in Policy Package 2-B, with an effective date of March 5, 2004.

Statewide Planning Goals Findings

12. State planning statutes require cities to adopt and amend comprehensive plans and land use regulations in compliance with the state land use goals. The following goals and policies are relevant and applicable to Policy Package 2-B.
13. **Goal 1, Citizen Involvement**, requires provision of opportunities for citizens to be involved in all phases of the planning process. The preparation of these amendments has provided numerous opportunities for public involvement:
 - On September 26, 2003, the Bureau of Planning sent notice to all neighborhood associations and coalitions, and business associations in the City of Portland, as well as other interested persons, to inform them of a Community Open House on October 8, 2003. The purpose of the open house was to allow the public the opportunity to review the proposed recommendations, and ask questions of staff.
 - Also on September 26, 2003, the Bureau of Planning sent notice to all neighborhood association and coalitions, and business associations in the City of Portland, as well as other interested persons, to inform them of a Planning Commission public hearing on Policy Package 2. The hearing was also advertised in the Oregonian.
 - On September 30, 2003, the Bureau of Planning published a document titled, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2 Proposed Draft*. The report was made available to the public and mailed to all those requesting a copy. An electronic copy was posted to the Bureau's website for Regulatory Improvement.
 - On October 2, 2003, the Bureau of Planning sent a notice to 35 owners of CS and RX zoned properties in the Kenton Plan District informing them of the potential changes in allowed uses. This notice was sent to meet the requirements of ORS 227.186.
 - On October 8, 2003, the Bureau of Planning held a Community Open House at which bureau staff from the Bureau of Planning and the Office of Transportation were available to answer questions and copies of the Proposed Draft were available. Ten members of the community attended the open house.
 - On October 28, 2003, the Planning Commission held a public hearing during which citizens commented on Policy Package 2.
 - On January 29, 2004, the City Council held a public hearing on this proposal, during which citizens provided oral and written testimony.

14. **Goal 2, Land Use Planning**, requires the development of a process and policy framework that acts as a basis for all land use decisions, and ensures that decisions and actions are based on an understanding of the facts relevant to the decision. The amendments are supportive of this goal because development of the recommendations followed established city procedures for legislative actions.
15. **Goal 6, Air, Water and Land Resource Quality**, requires the maintenance and improvement of the quality of air, water, and land resources, including the handling of solid wastes. Most of the amendments are consistent with this goal because they do not change policy or intent of any of the existing regulations pertaining to air, water and land resource quality.

One of the amendments in Policy Package 2-B is particularly supportive of Goal 6. The amendment will allow applicants to bring their sites into conformance with the City's Wellhead Protection regulations, (PCC 21.35) without having to upgrade nonconforming development on the site. This will help property owners to undertake the protection improvements that have a significant public benefit of protecting the City's backup and summer water supply.

16. **Goal 9, Economic Development**, requires provision of adequate opportunities for a variety of economic activities vital to public health, welfare, and prosperity.

All of the amendments support Goal 9 because they update and improve City land use regulations and procedures that hinder desirable development. Improving land use regulations to make them clear and easily implemented has positive effects on economic development.

The following amendments are directly supportive of Goal 9:

- Exempt groundwater wellfield improvements from triggering nonconforming upgrades. This amendment allows property owners to make improvements to protect groundwater in certain areas of the city without having to also upgrade nonconforming development on their sites. It allows businesses to make changes that have a public benefit while eliminating any additional costs.
- Short-Term Bicycle Parking. These amendments provide an option for developers to pay into a fund to provide bicycle parking off-site instead of requiring the parking on-site. This allows for more flexibility in the design of buildings and the provision of short-term bicycle parking, especially in the case of developments built to the lot line.
- Changes to the 'a' overlay zone and city-wide R2 and R2.5 zones, including regulations for accessory dwelling units, duplexes and houses on small lots. The amendment to the accessory dwelling unit provision eliminates duplicative and confusing language for accessory dwelling units to help promote development of these units city-wide. Allowing duplexes by right in the R2.5 zone and allowing houses on small lots in more zones allows for the opportunity to develop a wider variety of housing in the city, while maintaining overall density goals.
- Awnings in Design Overlay zones. This amendment exempts simple awnings in the design overlay zones from Design Review. This allows businesses to avoid the time and expense of a Land Use Review.
- Required residential development in the Central City plan district. The current code requires that large additions to existing development must include a significant amount of residential

units. This amendment eliminates this requirement for additions to existing development, and applies it only to new development. The change eliminates a disincentive for existing businesses to expand and allows them to continue to operate and grow without an excessive burden.

- **Kenton plan district and vehicle sales.** This amendment allows some vehicle sales or leasing in the Kenton Plan District, by allowing up to 3,000 square feet of floor area to be dedicated to this use. Current provisions prohibit vehicle sales and leasing in the plan district. Adoption of the provision will allow a wider variety of businesses to operate in the plan district.
- **Type IIx Land Use Reviews and pre-application conferences.** This provision eliminates the requirement for Pre-application conferences for Type IIx Land Use Reviews, eliminating significant costs and time delays for these types of reviews, including many land divisions and planned developments.

17. **Goal 10, Housing,** requires provision for the housing needs of citizens of the state. The amendments are consistent with this goal as they foster the provision of housing in the City of Portland and therefore support Goal 10 and its policies:

- **Changes to the 'a' overlay zone and citywide R2 and R2.5 zones,** including regulations for accessory dwelling units, duplexes and houses on small lots. The amendment to the accessory dwelling unit provisions eliminates duplicative and confusing language for accessory dwelling units and allows greater flexibility for a variety of accessory dwelling units including detached units city-wide. The duplex provision provides for additional housing choice in the R2.5 zone. Allowing houses on small lots in more zones allows for the provision of a wider variety of detached housing options in the city, while maintaining overall density goals.
- **Type IIx Land Use Reviews and pre application conferences.** This amendment eliminates the requirement for Type IIx Land Use Reviews -- including Land Divisions and Planned Developments -- to have a pre-application conference. This removes a disincentive for many smaller land divisions, and helps to simplify the process for these land divisions to allow for increased housing.

One amendment will delete a housing requirement in portions of the Central City plan district when large additions are made to existing development. Housing will still be required as part of new development. Since implementation of this requirement in 1996, there has been no housing built as part of an addition. However, many new developments have included housing to the point where the City is on target to meet its 20 year housing goal in this area. Since this regulation has had no effect on the provision of housing in the area, and since it has been a disincentive to existing development to expand in the area, its elimination will not result in the reduction of housing units.

18. **Goal 11, Public Facilities and Services,** requires planning and development of timely, orderly and efficient public service facilities that serve as a framework for urban and rural development. In general, the amendments are consistent with this goal because they do not change policy or intent of any of the existing regulations pertaining to public facilities and services.

One amendment fosters protection of the City's public wells for drinking water in Northeast

Portland, by exempting improvements made to protect groundwater from triggering upgrades to nonconforming development.

19. **Goal 12, Transportation**, requires provision of a safe, convenient and economic transportation system. In general the amendments are consistent with this goal because, other than the amendments to the bicycle parking regulations, they do not change policy or intent of any of the existing regulations pertaining to transportation.

One amendment that is directly supportive of this goal is the amendment that offers developers in certain situations the option of paying into a short-term bicycle parking fund which will be used to place bicycle racks off-site rather than requiring it be on-site. In addition, the new provision no longer allows short-term bicycle parking to be placed in a building, which ensures that short-term bicycle parking is located to be visible to pedestrians and bicyclists, thus encouraging bicycle use for short trips.

Metro Urban Growth Management Functional Plan Findings

20. The following elements of the Metro Urban Growth Management Functional Plan are relevant and applicable to Policy Package 2-B.
21. **Title 1, Requirements for Housing and Employment Accommodation**, requires that each jurisdiction contribute its fair share to increasing the development capacity of land within the Urban Growth Boundary. This requirement is to be generally implemented through city-wide analysis based on calculated capacities from land use designations. As detailed above in addressing compliance with Statewide Goal 9 (Economic Development) and Goal 10 (Housing), several of the amendments in Policy Package 2-B foster economic growth, and facilitate the development of housing within the City, in compliance with this Title.
22. **Title 2, Regional Parking Policy**, regulates the amount of parking permitted by use for jurisdictions in the region. Generally, the amendments are consistent with this title because they do not change policy or intent of existing regulations relating to the amount of parking allowed. One amendment, however is specifically supportive of this title because it eliminates requirements for on-site parking for accessory dwelling units citywide.
23. **Title 7, Affordable Housing**, recommends that local jurisdictions implement tools to facilitate development of affordable housing. Generally the amendments are consistent with this title because they do not change policy or intent of existing regulations relating to affordable housing. One amendment specifically supports this amendment by changing the 'a' overlay zone and citywide R2 and R2.5 zones, including regulations for accessory dwelling units, duplexes, and small lot development. These standardize the requirements for accessory dwelling units citywide, which will encourage their development as an affordable housing option. Other changes allow duplexes and detached houses on small lots in more zones citywide. This allows greater opportunities for a variety of housing types while still maintaining overall density standards.

Portland Comprehensive Plan Goals Findings

24. The City's Comprehensive Plan was adopted by the Portland City Council on October 16, 1980, and was acknowledged as being in conformance with the statewide planning goals by the Land Conservation and Development Commission on May 1, 1981. On May 26, 1995, the LCDRC completed its review of the City's final local periodic review order and periodic review work program, and reaffirmed the plan's compliance with statewide planning goals.

25. The following goals, policies, and objectives of the Portland Comprehensive Plan are relevant and applicable to Policy Package 2-B.
26. **Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to metropolitan coordination.
27. **Goal 2, Urban Development**, calls for maintenance of Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

The amendments support this goal because they are aimed at updating and improving the City's land use regulations and procedures that hinder desirable development. By improving regulations that hinder desirable development, the City's land use regulations will better facilitate the development of housing and employment uses. The following amendments specifically support Goal 2 and its relevant policies by facilitating the development of housing and employment uses at appropriate locations and intensities:

- Changes to the 'a' overlay zone and citywide R2 and R2.5 zones, including regulations for accessory dwelling units, duplexes, and small lot development. These standardize the requirements for accessory dwelling units citywide, which will encourage their development as an affordable housing option. Other changes allow duplexes and detached houses on small lots in more zones citywide. This allows greater opportunities for a variety of housing types while still maintaining overall density standards.
 - Awnings in the Design Overlay zone. This amendment exempts certain simple awnings from design review. This will be of greatest advantage to small business owners. In many design zones including those in the Central City plan district, any exterior alteration is subject to design review, which creates time delays and expense for businesses. The exemption allows these businesses to create awnings meeting certain design standards and avoid a land use review.
 - Type IIX Land Use Reviews and pre application conferences. This amendment eliminates the requirement for Type IIX Land Use Reviews -- including Land Divisions and Planned Developments -- to have a pre-application conference. This removes a disincentive for many smaller land divisions, and helps to simplify the process for these land divisions to allow for increased housing.
28. **Goal 3, Neighborhoods**, calls for preservation and reinforcement of the stability and diversity of the city's neighborhoods while allowing for increased density. In general, the amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to the stability and diversity of neighborhoods.

The amendment: changing the 'a' overlay zone and citywide R2 and R2.5 zones, including regulations for accessory dwelling units, duplexes, and small lot development directly supports this goal. These changes clarify when accessory dwelling units are allowed in existing neighborhoods, while providing an option to increase overall housing units. Other changes allow duplexes in the R2.5 zone citywide; development standards of the R2.5 zone will apply to the duplexes ensuring their compatibility with adjoining single dwellings. These changes also allow

detached houses on small lots in more zones to greater situations citywide. This allows greater opportunities for a variety of housing types, while still maintaining overall density standards.

29. **Goal 4, Housing**, calls for enhancing Portland's vitality as a community at the center of the region's housing market by providing housing of different types, tenures, density, sizes, costs and locations that accommodates the needs, preferences, and financial capabilities of current and future households. The following amendments are consistent with this goal since they foster the provision of housing in the City of Portland and therefore support Goal 10 and its relevant policies.

- Changes to the 'a' overlay zone and citywide R2 and R2.5 zones, including regulations for accessory dwelling units, duplexes, and small lot development. These standardize the requirements for accessory dwelling units citywide, which will encourage their development as an affordable housing option. Other changes allow duplexes and detached houses on small lots in more zones citywide. This allows greater opportunities for a variety of housing types while still maintaining overall density standards. The increase in housing variety will provide increasing affordability by reducing land costs for houses developed on small lots as well as by allowing duplexes in more situations.
- Type IIX Land Use Reviews and pre application conferences. This amendment eliminates the requirement for Type IIX Land Use Reviews -- including Land Divisions and Planned Developments -- to have a pre-application conference. This removes a disincentive for many smaller land divisions, and helps to simplify the process for these land divisions to allow for increased housing.

One amendment deletes a requirement from the Central City plan district that housing be included when there is a large addition to an existing building. Housing is still required as part of new development. Since implementation of this regulation in 1996, there has been no housing built as part of an addition. However, many new developments have incorporated housing to the point where the City is on target to meet 20 year housing goals in this area. Since this regulation has had no effect on the provision of housing in the area, and since it has been a disincentive to existing development expanding in the area, it's elimination will not result in the reduction of housing units.

30. **Goal 5, Economic Development**, calls for promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the City. The amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to economic development.

In general, all of the amendments support Goal 5 because they update and improve City building and land use regulations and procedures that hinder desirable development. Improving land use regulations to make them clear and easily implemented has positive effects on economic development.

Specifically, the following amendments support of Goal 5:

- Exempt groundwater wellfield improvements from triggering nonconforming upgrades. This amendment allows property owners to make improvements to protect groundwater in certain areas of the city without having to also upgrade nonconforming development on their sites. It allows businesses to make changes that have a public benefit while eliminating any additional costs.

- **Short-Term Bicycle Parking.** These amendments provide an option for developers to pay into a fund to provide bicycle parking off-site instead of requiring the parking on-site. This allows for more flexibility in the design of buildings and the provision of short-term bicycle parking, especially in the case of developments built to the lot line.
- **Changes to the 'a' overlay zone and corresponding base zone changes citywide,** including accessory dwelling units, duplexes and small lot development. These amendments allow for some regulations that were previously available only under the 'a' overlay zone to be applied city-wide. This allows alternative development such as duplexes and detached houses on small lots in the R2.5 and R2 zones. This provides flexibility to housing developers to meet a variety of market housing demands. This also eliminates duplicative and confusing regulations that currently apply to accessory dwelling units.
- **Awnings in Design Overlay zones.** This amendment exempts simple awnings in the design overlay zones from Design Review. This allows businesses to avoid the time and expense of a Land Use Review.
- **Required residential development in the Central City plan district.** The current code requires that large additions to existing development must include a significant amount of residential units. This amendment eliminates this requirement for additions to existing development, and applies it only to new development. The change eliminates a disincentive for existing businesses to expand and allows them to continue to operate and grow without an excessive burden.
- **Kenton plan district and vehicle sales.** This amendment allows some vehicle sales or leasing in the Kenton Plan District, by allowing up to 3,000 square feet of floor area to be dedicated to this use.. Current provisions prohibit vehicle sales and leasing in the plan district. Adoption of the provision will allow a wider variety of businesses to operate in the plan district.
- **Type IIX Land Use Reviews and pre application conferences.** This amendment eliminates the requirement for Type IIX Land Use Reviews -- including Land Divisions and Planned Developments -- to have a pre-application conference. This removes a disincentive for many smaller land divisions, and helps to simplify the process for these land divisions to allow for increased housing.

31. **Goal 6, Transportation,** calls for the development of a balanced, equitable, and efficient transportation system that provides a range or transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise and water pollution; and lessens reliance on the automobile while maintaining accessibility.

The amendments are consistent with this goal due to the following:

- **Short-Term Bicycle Parking.** This amendment offers developers in certain situations the option of paying into a short-term bicycle parking fund which will be used to place bicycle racks off-site rather than requiring it be on-site. In addition, the new provision no longer allows short-term bicycle parking to be placed in a building, which ensures that short-term bicycle parking is located to be visible to pedestrians and bicyclists, thus encouraging bicycle use for short trips.

- Changes to the 'a' overlay zone and corresponding base zone changes citywide, including accessory dwelling units, duplexes and small lot development. One provision of this amendment has eliminated additional parking spaces for accessory dwelling units. This establishes a consistent parking policy for these accessory units city-wide and will reduce excessive driveways and curbcuts.

32. **Goal 8, Environment**, calls for maintenance and improvement of the quality of Portland's air, water, and land resources, as well as protection of neighborhoods and business centers from noise pollution. Generally, the amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to environment.

Exempting improvements to protect the Columbia Southshore groundwater wellfields from triggering the requirements to upgrade nonconforming development meets the Water Quality Policies for Interagency Cooperation (8.5) and Groundwater Protection (8.8). This change aids in the application of the Water Bureau's program to protect city groundwater resources. Property owners who make improvements to meet the new Water Bureau requirements will not also have to provide additional upgrades to meet zoning code requirements. This amendment is consistent with the City's policy to exempt certain types of improvements that contain a substantial public benefit..

33. **Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process. The amendments are consistent with this goal because the process provided opportunities for public input and followed adopted procedures for notification and involvement of citizens in the planning process.

34. **Goal 10, Plan Review and Administration**, is broken down into several policies and objectives. Policy 10.10, Amendments to the Zoning and Subdivision Regulations, directs that amendments to the zoning and subdivision regulations should be clear, concise, and applicable to the broad range of development situations faced by a growing, urban city. These amendments are supportive of Policy 10.10 because they clarify and streamline many of the regulations in the Zoning Code. They also respond to identified current and anticipated problems, including barriers to desirable development, and will help ensure that Portland remains competitive with other jurisdictions as a location in which to live, invest, and do business.

35. **Goal 12, Urban Design**, calls for the enhancement of Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. Generally, the amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to urban design.

The following amendments support Goal 12.

- Awnings in Design Overlay Zones. This amendment will support the provision of awnings that match previously approved design review on existing buildings without forcing the new awnings through an additional design review. This provision will help to insure consistent design for small awnings within the design overlay zone while eliminating the time and expense of subsequent design reviews which can often be an excessive burden to small businesses.
- Changes to the 'a' overlay and expansion of housing types allowed in the R2.5 and R2 zones. These amendments, such as the allowance for detached accessory dwelling units in the single

dwelling zones citywide, and the allowance for small lot detached houses in additional zones allows for the enhancement of design variety in neighborhoods while helping to protect the existing housing stock.

NOW, THEREFORE, the Council directs:

- a. Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003 is hereby adopted;
- b. Title 33, Planning and Zoning, is hereby amended as shown in Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003;
- c. Title 32, Signs and Related Regulations, is hereby amended as shown in Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003; and
- d. The commentary and discussion in Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003 are hereby adopted as legislative intent and further findings.

Passed by the Council, February 04, 2004

Mayor Vera Katz

Phil Nameny, Bureau of Planning
January 15, 2004

GARY BLACKMER
Auditor of the City of Portland

By /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 90 98-2004

ACTION TAKEN: JANUARY 29, 2004 PASSED TO SECOND READING
FEBRUARY 04, 2004 9:30 AM

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 178172

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
FRANCESCONI	X	
LEONARD	===	===
SALTZMAN	X	
STEN	===	===
KATZ	X	

EXHIBIT 2

Ordinance No. 178173

Amend Title 17, Public Improvements, to update and improve various City transportation regulations and procedures that are hindering desirable development. (Ordinance; Amend Title 17)

The City of Portland Ordains:

Section 1. The Council finds:

General Findings

1. On June 26th, 2002, the City Council adopted Resolution 36080, which authorized the Mayor to develop a process to streamline and update the City's building and land use regulations and to improve regulatory-related procedures and customer services.
2. This process, the Regulatory Improvement Workplan, includes several phases, and a number of projects assigned to several bureaus.
3. On August 14, 2002, Council adopted the FY 2002-2003 Initial Regulatory Improvement Work Plan.
4. On August 13, 2003, Council adopted the FY 2003-2004 Regulatory Improvement Work Plan.
5. These workplans have been divided into several projects. The current proposal is part of Policy Package 2 and is referred to as Policy Package 2-B. It includes items from both the 2002-2003 and the 2003-2004 Regulatory Improvement Workplans. It also includes items that City Council directed staff to consider through their resolution adopted on September 10, 2003. These changes affect Title 17, Public Improvements, Title 32, Signs and Related Regulations and Title 33, Planning And Zoning.
6. The changes to Title 17 are to be implemented in conjunction with the parallel Ordinance authorizing changes to Title 33, Planning & Zoning and Title 32, Signs and Related Regulations.

NOW, THEREFORE, the Council directs:

- a. Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003 is hereby adopted;
- b. Title 17, Public Improvements, is hereby amended as shown in Exhibit A, *2002-2003 and 2003-2004 Regulatory Improvement Workplan: Policy Package 2-B Recommended Draft*, dated December 30, 2003; and
- c. The Office of Transportation is hereby authorized to prepare an Administrative Procedures Guide for the Bicycle Parking Fund to forward to the City Auditor for inclusion in the Portland Policy Documents as an Administrative Rule.

Passed by the Council, February 04, 2004

Mayor Vera Katz

Phil Nameny, Bureau of Planning
January 15, 2004

GARY BLACKMER
Auditor of the City of Portland

By /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 91 99-2004

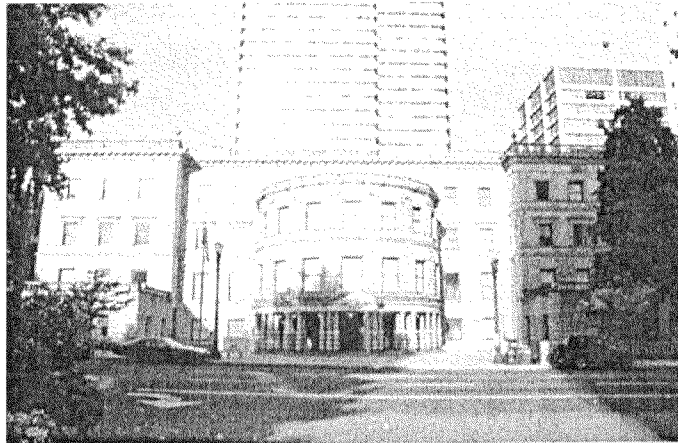
ACTION TAKEN: JANUARY 29, 2004 PASSED TO SECOND
READING FEBRUARY 04, 2004 9:30 AM

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO.

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
FRANCESCONI	X	
LEONARD	===	===
SALTZMAN	X	
STEN	===	===
KATZ	X	

EXHIBIT 3

***2002-2003 and 2003-2004
Regulatory Improvement Workplan:***



Policy Package 2-B

Recommended Draft

Planning Commission Recommendation to City Council

December 30, 2003



CITY OF PORTLAND, OREGON
BUREAU OF
Planning

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-6

Est. Start Time: 10:30 AM

Date Submitted: 02/17/04

Requested Date: March 4, 2004

Time Requested: 5 minutes

Department: Health

Division: Integrated Clinical Services

Contact/s: Jodi Davich

Phone: 503-988-3663

Ext.: 26561

I/O Address: 106/14/1410

Presenters: Drue Waible

Agenda Title: Notice of Intent to Apply for Ryan White CARE Act Title III Expanding Capacity Funds

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** The Multnomah County Health Department is requesting approval to submit a proposal to the federal Health Resources and Services Administration's Ryan White CARE Act Title III Expanding Capacity grant competition. If funded, this project will enhance the HIV Health Services Center. The Health Department recommends that this request be approved.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** As of 12/31/02, 4,250 persons were estimated as living with HIV in the six-county Portland Eligible Metropolitan Area (EMA) which represents a 5.4% increase over the prior year. The EMA is a six-county area that includes Multnomah, Washington, Clackamas, Columbia, Yamhill and Clark counties. Although HIV is still primarily a disease of white men in the EMA, the proportion of new HIV positive cases in people of color and women is increasing.

Multnomah County Health Department (MCHD) has operated Section 330 Primary Care Clinics for underinsured and low-income county residents since 1977. MCHD has

provided medical care to HIV infected individuals from the onset of HIV disease, through its primary care clinics. To respond to the growing number of HIV/AIDS clients, and the demand for specialized care from "expert" providers, MCHD applied for and was awarded Ryan White Title III Early Intervention funds in 1990. MCHD is the only agency in Oregon with Ryan White Title III Early Intervention funds. These funds established the HIV Health Services Center in 1990, and the clinic has been in operation since that time. This Center serves a six-county area that includes Multnomah, Washington, Clackamas, Columbia, Yamhill and Clark counties.

The HIV Health Services Center (HHSC) is the largest single provider of HIV-specific care in the state of Oregon. The Center has existing linkages and partnerships with many community-based-agencies. All clinical providers at HHSC have a minimum of 5 years experience in HIV care and treatment, and support staff have specialized in HIV services. All clinic staff have chosen to work in the HIV service field, and bring great passion and commitment to their work. HHSC is recognized locally and nationally as a center of excellence.

The Multnomah County Health Department HIV Health Services Clinic (HHSC) has a commitment and an obligation to monitor the quality of HIV/AIDS care in the clinic and to assure that appropriate, effective clinical practice protocols and quality of care standards are in place and measured. The clinic is currently participating in HIVQual and the HIV Research Network through John Hopkins University. Both of these efforts require the reporting of outcome measures, which, up until the recent acquisition of the LabTracker system, were tabulated by hand from chart reviews. Additionally, data collection and analyses of data on measurable outcomes is needed for Ryan White Title I and Title III reporting, for evaluating the overall system of care, for providing information to providers to enable self-evaluation, and, most importantly, for optimizing the individual client's care and clinical outcomes.

As the demand for services increases and the medical care becomes more complex, staff find themselves stretched to the limit. The proposed Expanding Capacity project will enable the HHSC to have additional staff to address management information and continuous quality improvement deficits. The project will enhance the entire program and ultimately improve the care of the client

3. Explain the fiscal impact (current year and ongoing).

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain: NA

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

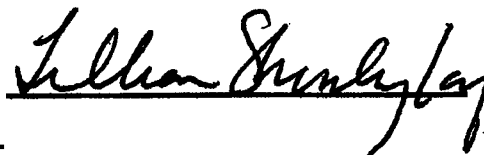
- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?** Health Resources and Services Administration
- ❖ **Specify grant requirements and goals.** The purpose of the Ryan White CARE Act Title III Expanding Capacity grant program is to improve infrastructure of HIV service providers. Specifically the grant will support: 1) improvements in HHSC management information system (Lab Tracker); 2) improvement of systems for tracking insurance, collection of co-pays and billings; 3) improvement of protocols for the HHSC quality team; and 4) planning for service delivery in the current funding environment.
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?** This is a one-time funding opportunity of \$50,000 per year for a period of three years. The maximum grant award is \$150,000. This project does not require any local matching funds.
- ❖ **What are the estimated filing timelines?** March 5, 2004
- ❖ **If a grant, what period does the grant cover?** 8/1/04 - 7/31/07
- ❖ **When the grant expires, what are funding plans?** The project will improve current systems using existing resources. If continued support is needed, additional grant funds will be sought.
- ❖ **How will the county indirect and departmental overhead costs be covered?** These costs will be built into the project budget.

4. **Explain any legal and/or policy issues involved.** There are not legal and/or policy issues involved.
5. **Explain any citizen and/or other government participation that has or will take place.** Citizen stakeholders are represented on the MCHD's Community Health Council, the HIV Planning Council and the HIV Health Services Center's Client Advisory Board.

Required Signatures:



Department/Agency Director:

Date: 02/17/04

Budget Analyst

By:



Date: 02/17/04

Dept/Countywide HR

By:



Date: 02/17/04

AGENDA PLACEMENT REQUEST

BUD MOD #: NOND 02

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-7 DATE 03.04.04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-7

Est. Start Time: 10:35 AM

Date Submitted: 02/09/04

Requested Date: March 4, 2004

Time Requested: 5 minutes

Department: Non-Departmental

Division:

Contact/s: Julie Neburka

Phone: 503-988-5015

Ext.: 27351

I/O Address: 503/4

Presenters: Julie Neburka

Agenda Title: Budget Modification Non-Departmental 02, reduces Children's Levy Fund Appropriations

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. What action are you requesting from the Board? What is the department/agency recommendation?

The Budget Office recommends approval of Bud Mod Nond 02, which reduces appropriations to zero in the Children's Levy Fund (Fund 1518). This fund is not being used in the current fiscal year and will not be used in the future.

2. Please provide sufficient background information for the Board and the public to understand this issue.

The Children's Levy Fund is a new fund as of FY 2004. It was created to account for the proceeds of the Portland Children's local option levy, approved by the voters in November, 2002. This is a five-year levy on property taxes, and when the levy was passed, it was expected that Multnomah County would collect the tax and account for related expenditures of about \$10 million annually. Therefore, we created a new fund in order to segregate the Children's Levy proceeds, and appropriated \$9.2 million in it in FY 2004.

Subsequent negotiations with the City of Portland, however, resulted in the decision that the City would administer and account for funds related to the Children's Levy.

Therefore, the County's new fund and \$9.2 million appropriation are not needed, and the appropriation should be reduced accordingly. It should be noted that some County departments have received grants from the Children's Levy. A grant fund has been created to account for these Children's Levy-funded programs within the Federal-State Fund.

3. Explain the fiscal impact (current year and ongoing).

This action will reduce appropriations in the Children's Levy Fund from \$9,210,000 to zero in the current year. We do not anticipate using this fund in the future. This action will also reduce budgeted indirect revenue of \$276,000 to the General Fund. This reduction has been accounted for in the General Fund Forecast and will have no material impact on General Fund operations.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?** Local option levy revenue of \$9.2 million is being reduced.
 - ❖ **What budgets are increased/decreased?** The Children's Levy Fund appropriations of \$9.2 million are being reduced to zero. Note that there are no program costs associated with this fund.
 - ❖ **What do the changes accomplish?** These changes take a large and unnecessary appropriation out of the County's FY 2004 budget. They will have no program or fiscal impact.
 - ❖ **Do any personnel actions result from this budget modification? Explain.**
N/A
 - ❖ **Is the revenue one-time-only in nature?** N/A
 - ❖ **If a grant, what period does the grant cover?** N/A
 - ❖ **When the grant expires, what are funding plans?** N/A
- NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

4. Explain any legal and/or policy issues.

We are not aware of any legal issues related to this action. Prudent fiscal policy suggests that we omit from the budget revenues we do not expect to collect.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signatures:

Department/Agency Director:



Date: 02/09/04

Budget Analyst



By:

Date: 02/09/04

Budget Modification:

Nond 02

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Line No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
1	10-02	1518		108315		50200	(9,210,000)	0	9,210,000		Reduce Children's Levy revenues
2	10-02	1518		108315		60170	8,933,700	0	(8,933,700)		Reduce Children's Levy expenditures
3	10-02	1518		108315		60350	276,300	0	(276,300)		Reduce Indirect expense
4								0			
5	19	1000		9500001000		50310	(5,408,467)	(5,132,167)	276,300		Reduce indirect revenue to GF
6	19	1000		9500001000		60470	1,640,152	1,363,852	(276,300)		Reduce contingency
7								0			
8								0			
9								0			
10								0			
11								0			
12								0			
13								0			
14								0			
15								0			
16								0			
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24								0			
25								0			
26								0			
27								0			
28								0			
29								0			
									0	0	Total - Page 1
									0	0	GRAND TOTAL

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-8

Est. Start Time: 10:40 AM

Date Submitted: 02/25/04

Requested Date: March 4, 2004

Time Requested: 15 mins

Department: Non-Departmental

Divisions: Commission Dist. 3, 4, 1 & Chair

Contact/s: Terri Naito, Gary Walker, Shelli Romero & Kathy Turner

Phone: 503-988-4105

Ext.: 84105

I/O Address: 503/600

Presenters: Commissioners Lisa Naito and Maria Rojo de Steffey, Chair Diane Linn,
Doug Butler and Invited Others

Agenda Title: RESOLUTION Accepting the Report of the Courthouse Blue Ribbon Steering Committee and Creating Work Groups to Continue the Good Work of the Committee

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title.
For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?**

Approval of resolution.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

ORS 1.185 requires Counties to provide courtrooms, offices and jury rooms. Multnomah County provides the Circuit Court of Multnomah County with several court facilities including the historic Multnomah County Courthouse, spaces in the downtown Justice Center, and a leased courts facility in Gresham. Two thorough examinations of the Multnomah County Courthouse and Court needs by Multnomah County in the past three years conclude that the current facilities do not meet the present and future needs of the Court, may pose potential life safety risks, and requires deferred maintenance and seismic work.

This resolution first thanks the most recent group to explore the issues, the Courthouse Blue Ribbon Steering Committee, for their good work. Secondly, this resolution establishes three working groups to make specific recommendations regarding land acquisition and financing strategies for a new downtown court facility, a new East County justice facility, financial strategies for constructing, renovating and upgrading current and future downtown-area court facilities, and other Court-related issues.

3. Explain the fiscal impact (current year and ongoing).

None. Staffing to be provided within existing resources. Implementation funding to be discussed when work groups' recommendations are brought back for Board consideration in the future.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**
- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. Explain any legal and/or policy issues involved.

Multnomah County Resolution 01-114 directed "the Chair [to] convene another process to evaluate alternative court facilities including an East County courts facility and renovation of the Courthouse for alternative purposes." The Chair's Courthouse Blue

Ribbon Steering Committee recommendations are embraced by this resolution with the establishment of these three new working groups.

5. Explain any citizen and/or other government participation that has or will take place.

It is expected that each work group, in order to make recommendations, will consult and solicit input from citizen stakeholders, community professionals and prospective private and public partners. For example, in anticipation, Commissioner Roberts' office has already initiated conversations with Gresham City officials, local architects, and other East County stakeholders.

Required Signatures:

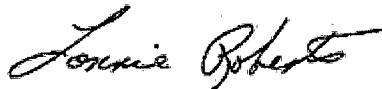
Department/Agency Director:



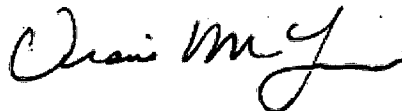
Date: 02/25/04



Date: 02/25/04



Date: 02/25/04



Date: 02/25/04

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Accepting the Report of the Courthouse Blue Ribbon Steering Committee and Creating Work Groups to Continue the Good Work of the Committee

The Multnomah County Board of Commissioners Finds:

- a. Resolution 01-114 commissioned a study to determine whether to proceed with renovating the Multnomah County Courthouse. The resulting report, issued June 2002, concluded that the Multnomah County Courthouse "is an historic and handsome building that should and can be preserved through an aggressive renovation program...renovation of the building would be feasible and should be pursued."
- b. The June 2002 report also concluded, "As part of the long-term court space strategy, establishing some limited-service courts in Gresham would increase convenience to East County residents."
- c. A Courthouse Blue Ribbon Steering Committee was convened in August 2002 with the mission of "developing a comprehensive, clear, sustainable, and cost-effective strategy for meeting Multnomah County's court facilities needs for the next 40 years."
- d. The Blue Ribbon Committee's Courthouse Recommendations, issued December 2003, include:
 - 1) A new courts facility within the existing downtown Portland Government Center to accommodate the Multnomah County court and supporting County functions for the next 25 years.
 - 2) Renovation of the vacated historic courthouse. Addressing the structural and seismic issues, and remodeling the facility to accommodate other County functions.
 - 3) Creation of a consolidation plan for existing downtown County facilities such as the Portland, Mead, McCoy, Commonwealth and Multnomah Buildings, and Justice Center plus additional 40 year needs.
 - 4) A four courtroom facility with expansion capability to six courtrooms in East County/Gresham.
 - 5) Address the structural, seismic, and deferred maintenance issues at the Justice Center.

- e. Both Courthouse reports agree that delaying renovation of the courthouse would be costly and risky, posing significant potential liabilities on Multnomah County's judicial operations, as well as all users of the Courthouse; and that Multnomah County can no longer continue to ignore the courthouse issue simply because it involves an expensive and complicated long range solution.
- f. Almost 70% of Facilities & Properties Management Division's deferred maintenance and seismic needs result from the historic Courthouse and the Justice Center.

The Multnomah County Board of Commissioners Resolves:

- 1. The work of the Courthouse Blue Ribbon Steering Committee is commended, and the attached report of the Committee is accepted with thanks and gratitude for the many, many hours of work the members of the Committee have contributed and for the creative solutions the Committee members have devised towards resolving the courthouse issue.
- 2. The leadership of Chair Diane Linn and Commissioner Maria Rojo de Steffey, Chairman and Vice Chair respectively, of the Courthouse Blue Ribbon Steering Committee, is also commended.
- 3. The County will build upon and continue the good work of the Committee by creating a work group to be chaired by Commissioner Maria Rojo de Steffey and Chair Diane Linn to make specific recommendations regarding land acquisition for a new downtown Portland court facility. The work group's recommendations will include a detailed site proposal, and a viable financing strategy for land acquisition.
- 4. The County will build upon and continue the good work of the Committee by creating a work group to be chaired by Commissioner Lonnie Roberts to make specific recommendations regarding a new East County justice facility. The recommendations will include a site proposal, partnership potentials, and a viable financing strategy for land acquisition, facility construction and related costs.
- 5. The County will build upon and continue the good work of the Committee by creating a work group to be chaired by Chair Diane Linn to:
 - a) Recommend viable financing strategies for:
 - i) the construction of a new downtown facility
 - ii) the renovation of the historic Courthouse
 - iii) necessary upgrades to the downtown Justice Center; and

- b) Examine the potential of:
 - i) relocating the County Seat into a renovated historic Courthouse; and
 - ii) conveying to the State the obligation to provide courtrooms, jury rooms and offices for the Multnomah County Circuit Court.
- 6. The Chair is requested to direct staff to assist in developing project plans as necessary to aid the work groups in determining financing strategies.
- 7. The work groups shall report back to the Board of County Commissioners for further consideration within twelve months.

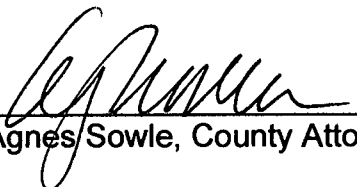
ADOPTED this 4th day of March, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Agnes Sowle, County Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-9

Est. Start Time: 11:00 AM

Date Submitted: 02/25/04

Requested Date: March 4, 2004

Time Requested: 15 Minutes

Department: Non-Departmental

Division: N/A

Contact/s: Maria Rojo de Steffey

Phone: 503 988 5220

Ext.: 85220

I/O Address: 503/600

Presenters: Maria Rojo de Steffey; others

Agenda Title: Resolution Establishing a Task Force for the Disposition of the Morrison Building

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

-
1. **What action are you requesting from the Board? What is the department/agency recommendation?** Requesting approval of the formation of a Morrison Building Task Force.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** The County is working toward disposition of the Morrison building, having declared it surplus in 2002. The building has created public interest due to its close proximity to the Lone Fir Cemetery. A Task Force is needed to explore all possible options for the disposition of said property and report its findings and recommendations to the Board of County Commissioners.
 3. **Explain the fiscal impact (current year and ongoing).** No financial impact at this time.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.

- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. **Explain any legal and/or policy issues involved.** There are prior cemetery designation, historical, and easement issues surrounding the building and property that require resolution. The Board of County Commissioners must decide how the property is to be disposed of before these issues can be resolved.
5. **Explain any citizen and/or other government participation that has or will take place.** Citizen involvement will be an essential part of the decision making process for this property. The Task Force will be comprised of community members from the Buckman Neighborhood Association, Friends of the Lone Fir Cemetery as well as business partners such as Metro, the City of Portland and other business leaders.

Required Signatures:

Department/Agency Director: _____



Date: 02/25/04

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Establishing A Task Force For The Disposition Of The Morrison Building Property

The Multnomah County Board of Commissioners Finds:

- a. On March 7, 2002, by Resolution No. 02-032, the Division of Facilities & Property Management was directed to sell the Morrison Building Property at 2115 SE Morrison in Portland.
- b. Commissioner Rojo de Steffey held a public hearing on January 21, 2004 to invite the community to learn more about the disposition of the Morrison Building Property and Lone Fir Cemetery and to invite provide public comment on disposition of the site.
- c. The community response to the sale of the Morrison Building Property for future development raised many concerns.
- d. Multnomah County has a responsibility to future generations to preserve historical places and landmarks while enhancing livability in its communities.
- e. It is in the best interest of Multnomah County's to assure appropriate future use of the Morrison Building Property and to receive appropriate compensation upon disposition of the property.
- f. It is in the best interest of Multnomah County to explore possible disposition options for the Morrison Building Property other than sale for development.

The Multnomah County Board of Commissioners Resolves:

1. That a Morrison Building Property Task Force be convened to assess the feasibility of all disposition options and devise a plan for disposition of the Morrison Building Property that will enhance the Buckman neighborhood and be in the best interest of the County.
2. Commissioner Rojo de Steffey will lead the Task Force. The Task Force members will be appointed by Commissioner Rojo de Steffey and will include representatives from Metro, the City of Portland, Friends of the Lone Fir Cemetery, the Buckman Neighborhood Association and business leaders. The Division of Facilities & Property Management will work with the Task Force in developing the disposition plan.

#1

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3-4-04

SUBJECT: DISPOSITION OF MORRISON BUILDING IN
LONE FIR CEMETERY

AGENDA NUMBER OR TOPIC: R-9

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: CHRISTINA WALSH

ADDRESS: 2920 S.E. 17TH AVE

CITY/STATE/ZIP: PORTLAND, OR 97202

PHONE: DAYS: 503-284-5085 EVES: 503-284-5085

EMAIL: christina.whiskers@comcast.net FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: The morrison building should be
removed and the land ceded to Lone Fir Cemetery.
IT WAS AN ILLEGAL EASEMENT TO BUILD THAT
BUILDING AND THE COUNTY NEEDS TO DO THE RIGHT
THING AND REMOVE IT. NOT COMPOUND ONE ILLEGAL
ACT WITH ANOTHER BY TRYING TO KEEP POSSESSION OF
THE PROPERTY

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#2

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3/4/4

SUBJECT: Morrison Building

AGENDA NUMBER OR TOPIC: 13-9

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Steve Oswald

ADDRESS: 5905 SE 62nd Ave

CITY/STATE/ZIP: Portland OR 97206

PHONE: DAYS: 503-823-5179 EVES: 503/775-6278

EMAIL: steveoswald1@vuno.com FAX: _____

SPECIFIC ISSUE: removing the building

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#3

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3/4/04

SUBJECT: Morrison

AGENDA NUMBER OR TOPIC: R-9

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Mary Glenn

ADDRESS: 3317 SE Morrison

CITY/STATE/ZIP: Portland, OR 97214

PHONE: DAYS: 503-236-5057 EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: Lone Fir Cemetery

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#4

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: MARCH 4, 2004

SUBJECT: MORRISON BLDG DISPOSITION

AGENDA NUMBER OR TOPIC: R-9

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: PATRICK B. MOXHEE

ADDRESS: 5415 N. ALBINA #204

CITY/STATE/ZIP: PORTLAND, OR.

PHONE: DAYS: 503-285-5805 EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: CONCERNED WITH THE BUSINESS OF THE
DISPOSITION OF THE MORRISON BLDG.

WRITTEN TESTIMONY: I AM COMPLETELY AGAINST A SALE FOR
COMMERCIAL DEVELOPMENT. THE BUILDING MUST BE
DISPOSED BUT THE LAND MUST REVERT BACK TO
LONGFIRE PIONEER CEMETERY AS SPECIFIED IN EARLY
DEEDS.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#5

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

*****This form is a public record*****

MEETING DATE: 03.04.04

SUBJECT: Morrison

AGENDA NUMBER OR TOPIC: R-9

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Susan Lindsay

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 3.4.04

SUBJECT: LONG FIRE CEMETERY PROPERTY

AGENDA NUMBER OR TOPIC: R-9

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: DON MCGILLIVRAY

ADDRESS: 2339 SE YAMHILL

CITY/STATE/ZIP: PTLD OR 97214

PHONE: _____ DAYS: 503.234.6358 EVES: _____

EMAIL: mcgill@teleport.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: SEE ATTACHED

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

The two acres of property adjoining Lone Fir Cemetery is a public resource and the needs of the cemetery should be fully considered.

The cemetery is in the Buckman neighborhood and we have had to absorb too many of the problematic needs of the regional because of the greater good.

Lone Fir Cemetery is a regional historic resource in the geographic center of Portland. It is the equal of Riverview Cemetery in its historic significance. Unfortunately it is on the wrong side of the river and is almost unknown to most people in Portland. But it is 30 acres of naturalized open space that provides many opportunities for passive recreation. Too often in the past it has been vandalized and abused creating a reputation of being unsafe.

The Buckman Neighborhood Plan adopted by the City of Portland in 1991 states in Objective 3.7, "Advocate the restoration, maintenance, and use of Lone Fir Cemetery as an historic resource." In Objective 6.13 it states; "Encourage the development of Lone Fir Cemetery as a cultural, educational, and recreational resource. This property is part of Lone Fir Cemetery."

The County property being sold provides an opportunity to improve the Cemetery by making an inviting entrance and interface between the city and the site. A well designed building with equivalent landscaping would invite the public to the site. Providing the public with information about the value and character of the cemetery would seem a natural use that would serve the entire community. These uses would provide support for the

volunteer group that has organized itself over the last three years and others curious about one of Portland's little known landmarks. A related idea would be to add other uses that relate to the cemetery use building thereby expanding the capacity of the cemetery.

Logically the western quarter of the site should be developed as a mixed use building with commercial on the first floor and perhaps some market rate apartments above. More of the site could be developed in a similar manner, but leaving as much as possible for naturalized open space and uses related to the cemetery would be most desirable.

But whatever is done don't use this site for social service uses or special needs housing. It is well documented that Buckman has much more than its fair share of these land uses related to the problems of region.

A thorough public process of the options for the use of this property needs to be undertaken. This should result in finding the best use of the property and the best options for implementation.

In closing, please do not ignore the opportunity to enhance the cemetery with the future development of this two-acre parcel. This opportunity will be lost if the entire property is sold and developed privately. While public or philanthropic funding may not be available today don't foreclose the opportunity for this to happen in the future. Lone Fir Cemetery will be with us for many, many years. Shouldn't our city honor the founders of this city and the many diverse community members buried here by using this property to enhance their memory for the benefit of the people alive today.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-022

Establishing a Task Force for the Disposition of the Morrison Building Property

The Multnomah County Board of Commissioners Finds:

- a. On March 7, 2002, by Resolution No. 02-032, the Division of Facilities & Property Management was directed to sell the Morrison Building Property at 2115 SE Morrison in Portland.
- b. Commissioner Rojo de Steffey held a public hearing on January 21, 2004 to invite the community to learn more about the disposition of the Morrison Building Property and Lone Fir Cemetery and to invite provide public comment on disposition of the site.
- c. The community response to the sale of the Morrison Building Property for future development raised many concerns.
- d. Multnomah County has a responsibility to future generations to preserve historical places and landmarks while enhancing livability in its communities.
- e. It is in the best interest of Multnomah County's to assure appropriate future use of the Morrison Building Property and to receive appropriate compensation upon disposition of the property.
- f. It is in the best interest of Multnomah County to explore possible disposition options for the Morrison Building Property other than sale for development.

The Multnomah County Board of Commissioners Resolves:


1. That a Morrison Building Property Task Force be convened to assess the feasibility of all disposition options and devise a plan for disposition of the Morrison Building Property that will enhance the Buckman neighborhood and be in the best interest of the County.
2. Commissioner Rojo de Steffey will lead the Task Force. The Task Force members will be appointed by Commissioner Rojo de Steffey and will include representatives from Metro, the City of Portland, Friends of the Lone Fir Cemetery, the Buckman Neighborhood Association and business leaders. The Division of Facilities & Property Management will work with the Task Force in developing the disposition plan.

3. The Task Force will report to the Board by September 2004 with a list of options for disposition of the Morrison Building Property and a recommendation to the Board of the preferred option.

ADOPTED this 4th day of March 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Assistant County Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-10

Est. Start Time: 11:15 AM

Date Submitted: 02/25/04

Requested Date: 3/4/04

Time Requested: 15 Minutes

Department: Non-Department, County Chair
and Commission Cruz

Division: N/A

Contact/s: Doug Butler

Phone: 503-988-6294

Ext.: 86294

I/O Address: 274

Presenters: Doug Butler

Agenda Title: DECLARING THE PROPERTY AT 5252 NE GARFIELD AS SURPLUS PROPERTY, AUTHORIZING SALE OF THE PROPERTY TO PORTLAND DEVELOPMENT COMMISSION, AND AUTHORIZING COUNTY CHAIR TO APPROVE THE TERMS OF SALE AND EXECUTE APPROPRIATE DOCUMENTS TO COMPLETE THE SALE

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** That the property be declared surplus, approval to proceed with a sale of property to PDC, and that the Chair be authorized to approve terms and execute sale. Having been a prominent neighbor in the area for over 50 years, the County is aware of both the revitalization needs and the benefits economic development brings to this NE neighborhood.
2. **Please provide sufficient background information for the Board and the public to understand this issue.** The County owns the 10,000 square foot plot located at 5252 NE Garfield. The 27 space surface parking lot was purchased to provide overflow parking for the adjacent Walnut Park Facility. The Portland Development Commission (PDC) is actively engaged in a revitalization of the area and is creating plans to develop the two city blocks directly south of the Walnut Park complex. Development of these two blocks would include the County's parking lot. PDC has acquired two of the five plots on the block and has approached the County regarding acquisition of the parking lot. This

resolution would declare the property surplus and approve the sale of the property to PDC.

3. **Explain the fiscal impact (current year and ongoing).** The one time, lump sum proceeds will be deposited in the Capital Improvement Fund to assist with addressing Facilities existing deferred maintenance backlog.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?**

- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

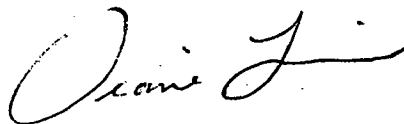
- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved.** None
5. **Explain any citizen and/or other government participation that has or will take place.** PDC has been actively involved with the City and the neighborhood association in

regards to their revitalization efforts. They will continue their efforts as the project moves forward.

Required Signatures:

Department/Agency Director:



Date: 2/25/2004

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Declaring the Property at 5252 NE Garfield as Surplus Property, Authorizing Sale of the Property to Portland Development Commission, and Authorizing County Chair to Execute Appropriate Documents to Complete the Sale

The Multnomah County Board of Commissioners Finds:

- a. The County owns the following described property located at 5252 NE Garfield, in the City of Portland, Multnomah County, Oregon ("the Property"):

Lots 1 and 2, Block 10 WALNUT PARK, in the City of Portland,
Multnomah County, Oregon

- b. The Property is a 27 space surface parking lot. It was purchased in 1993 to provide overflow parking for the adjacent the County Walnut Park Facility.
- c. The Property is within the Convention Center Urban Renewal District and is zoned for central employment.
- d. The Portland Development Commission (PDC) is actively engaged in a revitalization of the area and is creating plans to develop the two city blocks directly south of the Walnut Park Facility. The proposed development of these two blocks includes the Property.
- e. PDC has already acquired two of the five parcels on the block where the Property is located and wishes to purchase the Property to use in its redevelopment project.
- f. The County supports revitalization of the neighborhood and recognizes the benefits redevelopment will bring to the neighborhood.
- g. While the parking needs for the Walnut Park facility will continue to require at least 20 additional parking spaces within close proximity to the Walnut Park facility, this need can be met elsewhere.

The Multnomah County Board of Commissioners Resolves:

1. The Property described above is surplus to any County use.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-023

Declaring the Property at 5252 NE Garfield as Surplus Property, Authorizing Sale of the Property to Portland Development Commission, and Authorizing County Chair to Execute Appropriate Documents to Complete the Sale

The Multnomah County Board of Commissioners Finds:

- a. The County owns the following described property located at 5252 NE Garfield, in the City of Portland, Multnomah County, Oregon ("the Property"):

Lots 1 and 2, Block 10 WALNUT PARK, in the City of Portland,
Multnomah County, Oregon

- b. The Property is a 27 space surface parking lot. It was purchased in 1993 to provide overflow parking for the adjacent the County Walnut Park Facility.
- c. The Property is within the Convention Center Urban Renewal District and is zoned for central employment.
- d. The Portland Development Commission (PDC) is actively engaged in a revitalization of the area and is creating plans to develop the two city blocks directly south of the Walnut Park Facility. The proposed development of these two blocks includes the Property.
- e. PDC has already acquired two of the five parcels on the block where the Property is located and wishes to purchase the Property to use in its redevelopment project.
- f. The County supports revitalization of the neighborhood and recognizes the benefits redevelopment will bring to the neighborhood.
- g. While the parking needs for the Walnut Park facility will continue to require at least 20 additional parking spaces within close proximity to the Walnut Park facility, this need can be met elsewhere.

The Multnomah County Board of Commissioners Resolves:

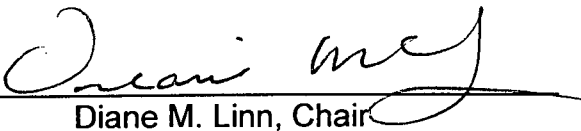
1. The Property described above is surplus to any County use.

2. Facilities and Property Management shall arrange for sale of the Property to the Portland Development Commission for market value as determined by a current independent appraisal of the Property.
3. The County Chair is authorized to execute all appropriate documents necessary to close the sale.
4. All net proceeds derived from the sale shall be deposited in the County Capital Improvement Fund #2507 to be used for deferred maintenance on County owned properties.

ADOPTED this 4th day of March, 2004.



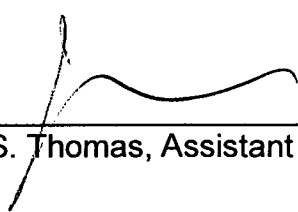
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By


John S. Thomas, Assistant County Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-11

Est. Start Time: 11:30 AM

Date Submitted: 02/23/04

Requested Date: March 4, 2004

Time Requested: 10 minutes

Department: DBCS

Division: Facilities and Property Mgmt

Contact/s: Doug Butler, Greg Herlean

Phone: 503-988-4216

Ext.: 84216

I/O Address: 274 / FPM

Presenters: Doug Butler, Greg Herlean

Agenda Title: RESOLUTION: DECLARING CERTAIN SPACE WITHIN A COUNTY FACILITY LOCATED AT 10225 E. BURNSIDE STREET, PORTLAND, OREGON TO BE SURPLUS AND APPROVING A REAL PROPERTY LEASE WITH THE STATE OF OREGON TO OCCUPY THAT SPACE.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. What action are you requesting from the Board? What is the department/agency recommendation?

The Department of Business and Community Services requests this Resolution be considered under an "expedited process" and allow an exception to the normal Agenda Placement Request timeline. An exception is requested because: 1) The process for negotiating and preparing this Lease has been extensive because the State of Oregon has controlled the Lease preparation process; 2) The State of Oregon took occupancy of this space in October, 2003; and 3) The State of Oregon has constraints which currently limit the State to a lease with a seven month term. This Agenda Placement Request, the Resolution, and the prepared Lease are being submitted to the Agenda Review Team requesting an exception to the normal Agenda Placement Request timeline and an expedited review process. The Department of Business and Community Services requests this Resolution be adopted by the Board giving authority to the County Chair to execute a lease agreement with the State of Oregon. The Department of

Business and Community Services, Facilities and Property Management Division, recommends adoption of the Resolution.

2. Please provide sufficient background information for the Board and the public to understand this issue.

By Oregon State Statute, ORS 418.747, et seq, each County's District Attorney's Office is responsible for establishing a Multi-Disciplinary Team to investigate child abuse cases. Multnomah County's D.A.'s Office has been operating a Child Abuse Multi-Disciplinary Team since the late 1980's co-located with non-county agencies, including the State of Oregon Department of Human Services. The Morrison Building has been in poor condition for some years, and the County searched for a new site for the Multi-Disciplinary Team. By County Resolution 99-225, the Board directed the Facilities and Property Management Division to secure the property at 102nd and East Burnside for the co-location of the future Child Receiving Center and the Child Abuse Multi-Disciplinary Team. The site was purchased and has been developed for the Children's Receiving Center, the Child Abuse Multi-Disciplinary Team, and related social services.

By County Resolution 01-041, the Board approved the Project Charter for the Children's Receiving Center which designated the building located at 10225 East Burnside to be the "MDT Building" to house the Multi-Disciplinary Team which is comprised of County and non-County agencies, including the County District Attorney's Office and the State of Oregon Department of Human Services. By Resolution 02-032, March 7, 2002, the Board directed Facilities and Property Management, (FPM), to dispose of four buildings, including the Morrison Building. Therefore, all Multi-Disciplinary Team members must relocate to the newly renovated MDT Building at 10225 East Burnside Street.

The County District Attorney's Office has directed the Multi-Disciplinary Team for many years with the participation of the State of Oregon Department of Human Services, and the County District Attorney's Office needs and requests the State of Oregon Department of Human Services co-location as a Tenant at the new MDT Building. The Multi-Disciplinary Team, and County Facilities and Property Management have determined the space needed in the MDT Building for the State of Oregon Department of Human Services is not needed for other County uses and is eligible to be designated surplus so the space may be leased to the State of Oregon Department of Human Services.

The State of Oregon Department of Human Services is committed to supporting the Multi-Disciplinary Team and the Children's Receiving Center Program and it is in the County's and public's interest to lease space in the MDT Building to the State of Oregon Department of Human Services. The State Department of Administrative Services has constraints which currently limit the State to a lease with a seven month term. The State of Oregon Department of Administrative Services has expressed its interest to execute a longer-term lease, and the County is proposing a 5 year lease with the State to bring the State's lease term more in-line with other MDT members' leases.

3. Explain the fiscal impact (current year and ongoing).

The costs of relocating the non-County Multi-Disciplinary Team members is borne by each team member. Lease and expense recovery payments made by Multi-Disciplinary Team tenants at the MDT Building are expected to cover the County's costs to operate the MDT Building and a portion of the GCC Campus, and to provide funds to the Children's Receiving Center Program located on the GCC Campus.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain: NONE REQUIRED

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain: NONE REQUIRED

- ❖ **Why was the expenditure not included in the annual budget process?**

- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**
- ❖ **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- ❖ **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain: NONE REQUIRED

- ❖ **Who is the granting agency?**
- ❖ **Specify grant requirements and goals.**
- ❖ **Explain grant funding detail – is this a one time only or long term commitment?**
- ❖ **What are the estimated filing timelines?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**
- ❖ **How will the county indirect and departmental overhead costs be covered?**

4. Explain any legal and/or policy issues involved.

Passage of this Resolution and execution of this Lease supports the Board's Resolutions 99-225 and 01-041 and allows the mandated Child Abuse Multi-Disciplinary Team members to continue to co-locate in a County owned facility.

5. Explain any citizen and/or other government participation that has or will take place.

A public siting process was completed at the Board's direction in Resolution 99-225. None has been required for this resolution.

Required Signatures:

DBCS Department:

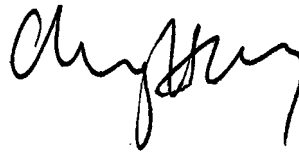
By:



Date: 02/23/04

Budget Analyst:

By:



Date: 02/23/04

Dept/Countywide HR:

By: Not Required for this Resolution

Date:

BOGSTAD Deborah L

From: BOGSTAD Deborah L
Sent: Monday, February 23, 2004 3:40 PM
To: BOGSTAD Deborah L
Subject: FW: Request for Expedited Agenda Placement, GCC-MDT/State of Oregon/DHS, Lease R-04F

Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
(503) 988-3277 phone
(503) 988-3013 fax
deborah.l.bogstad@co.multnomah.or.us
<http://www.co.multnomah.or.us/cc/index.shtml>

-----Original Message-----

From: HERLEAN Gregory B
Sent: Monday, February 23, 2004 11:52 AM
To: #AGENDA REVIEW TEAM
Cc: BOGSTAD Deborah L; RAND Lisa; TRYON Peter
Subject: Request for Expedited Agenda Placement, GCC-MDT/State of Oregon/DHS, Lease R-04F

Overview

Facilities and Property Management (FPM) requests an expedited agenda placement for this lease to be placed on March 4, 2004, per BCC-1.
The reasons are presented in the APR form item #1.

This is a revenue lease for the State of Oregon, DHS, to occupy space in the County's GCC-MDT Building. This package is very similar to the Lease, R-04E, for the City of Portland Police to also occupy space in the County's GCC-MDT Building. That Lease was approved by the BCC in early December, 2003.

Approvals

1. The Lease and the Resolution have been reviewed and signed by Matthew Ryan for the County Attorney Office.
2. The APR has been reviewed and signed by Doug Butler for Tony Mounts and by Ching Hay for the Budget Office.

LEASE:
REQUEST:

RESOLUTION:

AGENDA PLACEMENT

If you have any questions, please contact me at #84216.

Thanks,

2/23/2004

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

DECLARING CERTAIN SPACE WITHIN A COUNTY FACILITY LOCATED AT 10225 E. BURNSIDE STREET, PORTLAND, OREGON TO BE SURPLUS AND APPROVING A REAL PROPERTY LEASE WITH THE STATE OF OREGON TO OCCUPY THAT SPACE.

The Multnomah County Board of Commissioners Finds:

- a. By County Resolution 99-225, the Board directed the Facilities and Property Management Division to secure the property at 102nd and East Burnside for the co-location of the future Child Receiving Center and the Child Abuse Multi-Disciplinary Team (MDT). The site was purchased and has been developed for the Children's Receiving Center, the MDT, and related social services.
- b. By County Resolution 01-041, the Board approved the Project Charter for the Children's Receiving Center which designated the building located at 10225 East Burnside to be the "MDT Building" to house the MDT which is comprised of County and non-County agencies, including the County District Attorney's Office and the State Department of Human Services.
- c. The County District Attorney's Office has directed the MDT program for many years with the participation of the State Department of Human Services.
- d. The County's Facilities and Property Management Division has determined the space in the MDT Building for the proposed State Department of Human Services office is not needed for other County uses and is eligible to be designated surplus.
- e. The State of Oregon Department of Human Services is committed to supporting the Multi-Disciplinary Team and the Children's Receiving Center Program and it is in the County's and public's interest to lease space in the MDT Building to the State of Oregon. The State Department of Administrative Services has constraints which currently limit the State to a lease with a seven month term. The State of Oregon Department of Administrative Services has expressed its interest to execute a longer-term lease.

The Multnomah County Board of Commissioners Resolves:

1. Multnomah County hereby declares that certain space as more particularly described in the attached lease to be surplus and not needed for the County's use at this time.

2. The County Chair is hereby authorized to execute the attached lease on behalf of County with the State of Oregon for that space as more particularly described in the attached lease.

3. The County Chair is hereby authorized to execute any other instruments required to complete or extend the attached lease, including any subsequent renewals or amendments.


ADOPTED this 4th day of March, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan
Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-024

Declaring Certain Space within a County Facility Located at 10225 E Burnside Street, Portland, Oregon to be Surplus and Approving a Real Property Lease with the State of Oregon to Occupy that Space

The Multnomah County Board of Commissioners Finds:

- a. By County Resolution 99-225, the Board directed the Facilities and Property Management Division to secure the property at 102nd and East Burnside for the co-location of the future Child Receiving Center and the Child Abuse Multi-Disciplinary Team (MDT). The site was purchased and has been developed for the Children's Receiving Center, the MDT, and related social services.
- b. By County Resolution 01-041, the Board approved the Project Charter for the Children's Receiving Center which designated the building located at 10225 East Burnside to be the "MDT Building" to house the MDT which is comprised of County and non-County agencies, including the County District Attorney's Office and the State Department of Human Services.
- c. The County District Attorney's Office has directed the MDT program for many years with the participation of the State Department of Human Services.
- d. The County's Facilities and Property Management Division has determined the space in the MDT Building for the proposed State Department of Human Services office is not needed for other County uses and is eligible to be designated surplus.
- e. The State of Oregon Department of Human Services is committed to supporting the Multi-Disciplinary Team and the Children's Receiving Center Program and it is in the County's and public's interest to lease space in the MDT Building to the State of Oregon. The State Department of Administrative Services has constraints which currently limit the State to a lease with a seven month term. The State of Oregon Department of Administrative Services has expressed its interest to execute a longer-term lease.

The Multnomah County Board of Commissioners Resolves:

1. Multnomah County hereby declares that certain space as more particularly described in the attached lease to be surplus and not needed for the County's use at this time.

2. The County Chair is hereby authorized to execute the attached lease on behalf of County with the State of Oregon for that space as more particularly described in the attached lease.
3. The County Chair is hereby authorized to execute any other instruments required to complete or extend the attached lease, including any subsequent renewals or amendments.

ADOPTED this 4th day of March, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan, Assistant County Attorney



STATE OF OREGON
INTERGOVERNMENTAL OFFICE SPACE LEASE AGREEMENT

THIS LEASE AGREEMENT, dated February 20, 2004, is by and between MULTNOMAH COUNTY, a political subdivision of the State of Oregon (Lessor), and the STATE OF OREGON, acting through its Department of Human Services (Lessee).

The parties acknowledge and agree that time is of the essence with respect to all the terms, conditions and provisions of this lease; therefore, MULTNOMAH COUNTY hereby leases to the State and the State leases from MULTNOMAH COUNTY the Premises described below under the following terms and conditions:

1. Premises. A total of approximately **8,173 rentable square feet** (subject to confirmation of CAD drawings) on the second floor, as shown on the attached Exhibit A, which by this reference is made a part hereof, in the MDT Building located at the Gateway Children's Center, also known as the Children's Receiving Center, located at 10225 East Burnside Street, Portland, Multnomah County, Oregon 97216.

2. Term. The original term of this Lease shall commence **October 1, 2003** and shall continue through **April 30, 2004**. This is a short term Lease, pending further negotiations between the parties.

3. Rent. Lessee shall pay Base Rent in advance at the address for Lessor stated at Paragraph 20 - "Notices" by the 10th day of each month for the current month. The Base Rent for any partial month shall be prorated on a per diem basis. The monthly Base Rent for this Full Service lease shall be **\$13,621.67** (\$20.00 per square foot per year).

4. Use

4.1 Lessee may use the Premises for business offices, storage, and other lawful purposes including but not limited to functions related to the conduct of its business as a state agency, except where such conduct would include agency activities providing services to individuals or groups whose presence is or could be detrimental or harmful to the safety of the youth being served by the Gateway Children's Center.

4.2 Restrictions on Use. In connection with the use of the Premises, Tenant shall:

(a) Conform to all applicable laws, ordinances and regulations of any public authority affecting the premises and the use, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's use, but Tenant shall not be required to make any structural changes to effect such compliance.

(b) Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successor, allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional cost of the insurance.

(c) Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the premises.

(d) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by Landlord.

(e) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the written consent of Landlord, which shall not be unreasonably withheld.

5. Parking. Lessee, its employees, and clientele shall have the exclusive right to park in five (5) spaces at the MDT Building (subject to later confirmation of parking allocation by Lessor), which shall be marked as such by Lessor. Lessor's parking lot guidelines are as shown on the attached Exhibit B. In addition, Lessee

shall have the same right as other Tenants of Lessor to park in the facility's common parking areas, if common area parking is provided or exists during the term of this Lease.

6. Lessor Covenants.

(a) Lessor covenants that it has the right to make this Lease and to lease the Premises to Lessee; that possession of the Premises will be delivered to Lessee free of other tenants and of conflicting claims; and that on paying the rent and performing its covenants of this Lease, Lessee may enjoy the rights granted by this Lease free from rightful interference by any third party.

(b) Lessor covenants that the Premises, including any common areas in the building to be used by Lessee, and meet the requirements of the Americans with Disabilities Act (ADA) for accessibility known to Lessor at the date of execution of this Lease in accordance with the standards provided in the ADA Accessibility Guidelines for Buildings and Facilities (ADAAG), to the extent, at the minimum, the Premises including the common areas have: (1) an accessible entrance and an accessible route therefrom to those areas in which the principal activities of Lessee as a state agency will be conducted; (2) accessible restroom facilities; and (3) to the extent required at the execution of this Lease, accessible parking for the disabled in compliance with Oregon Revised Statutes (ORS) 447.233, if parking is provided within the lease.

(c) Lessor hereby discloses that the building was constructed **before January 1, 1978**, when the building industry had not generally refrained from using materials containing asbestos containing materials (ACM), and covenants that all known and accessible ACM in the Premises have been removed or abated and the Premises have been inspected by a competent inspector qualified to perform such inspection under applicable law and regulations and certified as safe from all friable ACM.

7. Improvements and Alterations. Lessor has furnished the Premises with standardized systems furniture, as described on the attached drawing 'Furniture included in Lease', page 1, marked Exhibit C, which shall remain the property of Lessor. Lessee may place fixtures, partitions, personal property, and the like in the Premises and may make nonstructural improvements and alterations to the Premises, subject to Lessor's written consent, which shall not be unreasonably withheld. Alterations requested by Lessee shall be performed by Lessor at the expense of Lessee. Lessee agrees that any such improvements and alterations made by Lessee with Lessor's consent shall become the property of the Lessor. At Lessor's written request, Lessee may be required to remove such items at the end of the Lease term. In the event such Lessor's request is received, Lessee agrees to restore the Premises to its original condition, subject to reasonable wear and tear.

8. Maintenance and Repair

(a) Lessor shall perform at Lessor's sole cost and expense all necessary maintenance and repairs of: (1) the structure, foundation, exterior walls, roof, doors and windows, elevators, emergency lighting, and Lessor-provided fire extinguishers, Lessor provided window coverings, sidewalks, and parking area which are located in or serve the Premises, maintaining the Premises and the common areas in a hazard free condition; (2) the heating, air conditioning, plumbing, electrical, and lighting systems in the Premises, replacing parts or the system as necessary, obtaining required permits and inspections from Codes enforcement authorities; (3) the Premises, improvements, grounds, and landscaping, keeping them in good repair and appearance, replacing dead, damaged or diseased plant materials when Lessor determines necessary; (4) interior walls, performing touch-up and repainting as necessary when it is due to normal wear or deterioration; (5) Lessor supplied systems furniture, performing touch-up, recovering, maintenance and repair as necessary when it is due to normal wear or deterioration; and (6) carpets and other floor coverings. Carpets and other floor coverings shall be repaired and replaced as necessary by Lessor at Lessor's sole cost and expense when it is due to premature wear/deterioration or due to normal and expected wear and tear. Lessor understands and agrees that the carpets and other floor coverings provided or installed in the Premises at the commencement of this Lease shall be of the type and quality to last at least through the original term of the Lease; and that the

areas identified by Lessee as the high traffic areas such as public/client waiting areas shall be maintained as necessitated by excess use. Carpets and floor coverings which fail to last through the original term of the Lease under normal and expected wear shall be considered "premature wear" for the purposes of this paragraph. Lessor shall at Lessor's sole cost and expense provide, furnish, install, and replace all exterior and interior light fixtures, including ballasts, bulbs, and fluorescent tubes, except when Lessor is NOT responsible for providing the janitorial services under this Lease, in which case Lessee shall be responsible for replacing the interior bulbs and interior fluorescent tubes. The parties acknowledge that energy conservation to the extent feasible is in the best interest to both parties, and agree to make best efforts to contribute toward gaining energy efficiency wherever possible.

(b) Should Lessor fail to maintain the Premises in accordance with above requirements, and after reasonable prior notification to Lessor to remedy the problems, Lessee may contract for necessary labor, equipment and material to bring Premises within those requirements and shall deduct related costs plus reasonable administrative costs from future rent payments.

(c) Lessee shall take good care of the interior of the Premises and at the expiration of the term surrender the Premises in as good condition as at the commencement of this Lease, excepting only reasonable and expected wear and tear, permitted alterations, and damage by fire or other casualty.

9. Heating, Ventilation and Air-conditioning (HVAC) Standards.

(a) The HVAC system shall operate so as to satisfy all of the factors contributing to the comfortable conditions with respect to cooling, heating and fresh air intakes, per the applicable building codes and the standards applicable to similar office buildings in the area.

(b) System Maintenance: Lessor shall be responsible for maintaining the system in proper operating condition.

10. Utilities and Services.

(a) Lessor will cause the utilities and services listed below to be furnished to the Premises. Charges shall be paid as indicated:

Utility or Service

Monthly Charges Paid By:

Lessor / Lessee

Water	<u>X</u>	_____
Sewer	<u>X</u>	_____
Electricity	<u>X</u>	_____
Gas	<u>X</u>	_____
Fuel Oil	<u>X</u>	_____
Trash Removal	<u>X</u>	_____
Janitorial Service	<u>X</u>	_____
Recyclables Removal (State Recycle Program)	<u>X</u>	_____
Window Washing	<u>X</u>	_____
Snow and Ice Removal	<u>X</u>	_____
Building Security (If required)	<u>X</u>	_____

(b) Lessor shall arrange for janitorial services that comply with the specifications contained in the attached Exhibit D. In doing so, Lessor shall make best effort to support the policy of the State of Oregon, as provided in Oregon Revised Statutes 279.015 and 279.835 to 279.855, by contracting with a qualified nonprofit agency for disabled individuals, otherwise referred to as Qualified Rehabilitation Facility (QRF), whenever such is locally available and feasible. If Lessor no longer provides janitorial service, Lessee may choose to contract directly with QRF for janitorial services and the rent shall be reduced by an amount equal to the cost of janitorial services specified at the time Lessee chooses to contract with a QRF. The Lessor

hereby agrees to provide to Lessee the Lessor's most recent invoice for payment of such services. The Lease shall be amended to reflect the reduction in rent.

(c) **Recycling Materials:** Lessor shall support the policy of the State of Oregon for recycling materials as provided in Oregon Revised Statutes ORS 279.560 and 279.635. In case Lessee as a state agency is required to participate in the State Recycle Program, which may be operated by a state contracted QRF service provider, Lessor will cooperate with the State Recycle Program.

(d) **Telephone Cable and Wire:** Lessor shall be responsible for providing and maintaining all telephone cable and wire to the telephone/computer room/closet in the Premises, and from there to the individual telephone/computer jacks in each room, including bringing sufficient number of lines to the telephone closet(s) on the floor or in the area where the Premises are located for Lessee's use. Installation of any new station wire and maintenance of all station wire shall be Lessee's responsibility. Station wire means that wire or cable which runs between the station jack(s) and the telephone closet(s), and those which run between and among station jacks.

(e) Should Lessor fail to provide the janitorial and other services at the levels specified hereinabove, including applicable Exhibits or attachments to this Lease, and after reasonable written notification to Lessor, Lessee may contract for necessary labor, equipment and material to correct the deficiencies and shall deduct the related costs plus reasonable administrative costs from future rent payments.

11. Insurance. Lessee shall provide for its own personal property damage coverage and liability insurance, within the limits as provided under ORS 30.260 to 30.300, and as limited by Oregon Constitution, Article XI, Section 7. Lessor shall provide for its own liability coverage and real property damage coverage for the building structure and the building systems, subject to the same limitations as provided under the law.

12. Statement of Self-Insurance. The Lessor, Multnomah County, and the Lessee, State of Oregon, are each individually self-insured for its property and liability exposures, as subject to the Oregon Tort Claims Act, ORS 30.260 through 30.300. A Certificate of Self-Insurance will be provided, upon request of the other party.

13. Limited Indemnities of the Parties.

(a) To the extent permitted by Article XI, Section 7 of the Oregon Constitution and subject to the limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Lessee shall defend, indemnify and hold Lessor harmless from any claim, loss or liability arising out of or related to the negligent activity of Lessee on the Premises or any condition of the Premises of which Lessee has knowledge or reasonably ought to have knowledge or which is under the control of Lessee.

(b) To the extent permitted by Article XI, Section 10 of the Oregon Constitution and subject to the limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Lessor shall defend, indemnify and hold Lessee harmless from any claim, loss or liability arising out of or related to the negligent activity of Lessor or Lessor's breach of duty under the Lease.

14. Default. Neither party shall be in default under this Lease until written notice of the unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of a payment or for thirty (30) days in the case of other obligations. If the obligation, other than a payment, cannot be performed within the thirty-day period, there shall be no default if the responsible party commences a good faith effort to perform the obligation within such period and continues diligently to complete the performance. In case of a default the nondefaulting party may terminate this Lease with thirty (30) days prior written notice to the defaulting party, and it shall be entitled to recover damages or any other

remedy provided by applicable law, or it may elect to perform the defaulting party's obligation and recover from the defaulting party the costs plus interest at the legal rate for judgment. If Lessee makes such expenditures as the nondefaulting party, those expenditures may be deducted from the rent.

15. Confidentiality of Business Information. Lessor and Lessee acknowledge that Lessor's use of the Property and Lessee's permitted use of the Premises may include the creation, management and retention of business information of a personal or confidential nature, and that the unauthorized acquisition or disclosure of such information may be grounds for civil and/or criminal liability. Lessor and Lessee, for themselves, their agents, employees and contractors, agree that, subject to the Oregon Public Records Law, ORS chapter 192, they will refrain from any action that reasonable would be deemed to jeopardize the confidentiality of business information of the other party or to expose such information to disclosure, whether such information has been identified to the other party as confidential or otherwise, and will reasonably cooperate with each other to affirmatively protect the confidentiality of all information so designated as confidential or otherwise of a sensitive nature. Lessor and Lessee acknowledge and agree that violation of the provisions of this section, except when required under the Public Records Law, may constitute a material breach of the Lease, for which the non-violating party may terminate the Lease and for which additional remedies may also be available.

16. Waiver of Subrogation. Neither Lessor nor Lessee shall be liable to the other for any loss arising out of damage to or destruction of the Leased Premises or the Facility or the contents thereof, when such loss is caused by any of the perils which are or could be included within or insured against by a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims against one another for any and all loss, however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Lessor or Lessee or by any of its respective agents, servants or employees. Each party shall fully provide its own property damage insurance protection at its own expense, and each party shall look to its respective insurance carriers for reimbursement of any such loss, and further, the insurance carriers involved shall not be entitled to subrogation under any circumstance.

17. Casualty Damage. If the Premises or improvements thereon are damaged or destroyed by fire or other casualty to such a degree that the Premises are unsuitable for the purpose leased, and if repairs cannot reasonably be made within ninety (90) days, Lessee may elect to cancel this Lease. Lessor shall in all cases promptly repair the damage or ascertain whether repairs can be made within ninety (90) days, and shall promptly notify Lessee of the time required to complete the necessary repairs or reconstruction. If Lessor's estimate for repair is greater than ninety (90) days, then Lessee, upon receiving said estimate will have twenty (20) days to determine if it wishes to cancel this Lease. Following damage, and including any period of repair, Lessee's rental obligation shall be reduced to the extent the Premises cannot reasonably be used by Lessee.

18. Taxes

(a) **Property Taxes.** Tenant shall pay as due all taxes on its personal property located on the Premises. Tenant shall, upon invoice from landlord, reimburse Landlord for all real property taxes levied against the Premises. As used herein, real property taxes include any fee or charge relating to the ownership, use or rental of the Premises, other than taxes on net income of Landlord. If Tenant intends to seek exemption from real property taxes Tenant shall apply for exemption through Multnomah County Assessment and Taxation pursuant to ORS 307.112.

(b) **Special Assessments.** If an assessment for a public improvement is made against the Premises, Landlord may elect to cause such assessment to be paid in the maximum number of installments allowed by law, in which case all of the installments payable with respect to the lease term shall be treated the same as general real property taxes for purposes of Section 7.1.

(c) **Contest of Taxes.** Tenant shall be permitted to contest the amount of any tax or assessment as long as such contest is conducted in a manner that does not cause any risk that Landlord's interest in the Premises will be foreclosed for nonpayment. Landlord shall cooperate in any reasonable manner with such contest by Tenant.

(d) **Proration of Taxes.** Tenant's share of real property taxes and assessments for the years in which this lease commences or terminates shall be prorated based on the portion of the tax year that this lease is in effect.

19. Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the Permitted Use specified in Section 3.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this Lease, Tenant shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

20. Notices. Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective seventy two (72) hours following mailing to the address for such party specified below or such other address as either party may specify by notice to the other:

LESSOR: Multnomah County
Facilities and Property Management
401 N Dixon Street
Portland, OR 97227
Telephone: 503-988-3322 ext. 28773; Fax: 503-988-5082

LESSEE: Department of Human Services
500 Summer St NE
Salem, OR 97310-1012
Kathy Majcher, or successor
Telephone: (503) 945-5668; Fax: (503) 947-5316

21. Merger.

THIS LEASE CONSTITUTES THE ENTIRE LEASE BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS LEASE SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS LEASE. THE PARTIES, BY THE SIGNATURE BELOW OF THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES, HEREBY ACKNOWLEDGES THAT THE PARTIES HAVE READ THIS LEASE, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

This Lease shall not become effective and shall not be binding upon the State of Oregon or any agency thereof until it has been executed, in the signature spaces provided below, by all parties to this Agreement, including those whose approval is required.

The parties have executed this Lease the _____ day of _____, 2004.

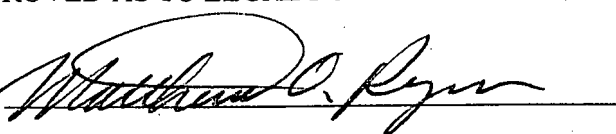
LESSOR:

MULTNOMAH COUNTY

A political subdivision of the State of Oregon

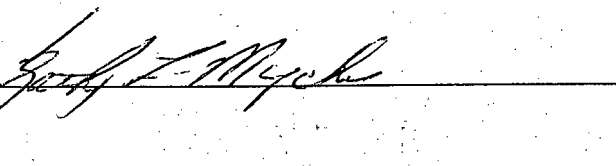
By: 
Multnomah County Chair Diane M. Linn

APPROVED AS TO LEGAL FORM

By: 

LESSEE:

STATE OF OREGON, acting by and through its
Department of Human Services

By: 

APPROVAL:

STATE OF OREGON, acting by and through the
Department of Administrative Services

By: _____
Facilities Division

Exhibits

1. Exhibit A – MDT Building floor plans (attached)
2. Exhibit B – Parking Assignments and Guidelines (attached)
3. Exhibit C – Systems Furniture list supplied in MDT Building (attached)
4. Exhibit D - Enhanced Janitorial Services Co-wide (attached)

DHS-CRCLse-MDTBldg-MultCty-2517
FJK26Nov03

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS

AGENDA # R-11 DATE 03.04.04
DEBORAH L. BOGSTAD, BOARD CLERK

Occupant Information

① Non-County
State DHS
General Use
6424

Gateway Children's Center Multi-Disciplinary Team Building - 439

10225 E Burnside Street
Portland, Oregon 97216

Floor Information

GBA
7167

GMA
6950

MVP
526

FCA
0

BCA
0

TCS
0

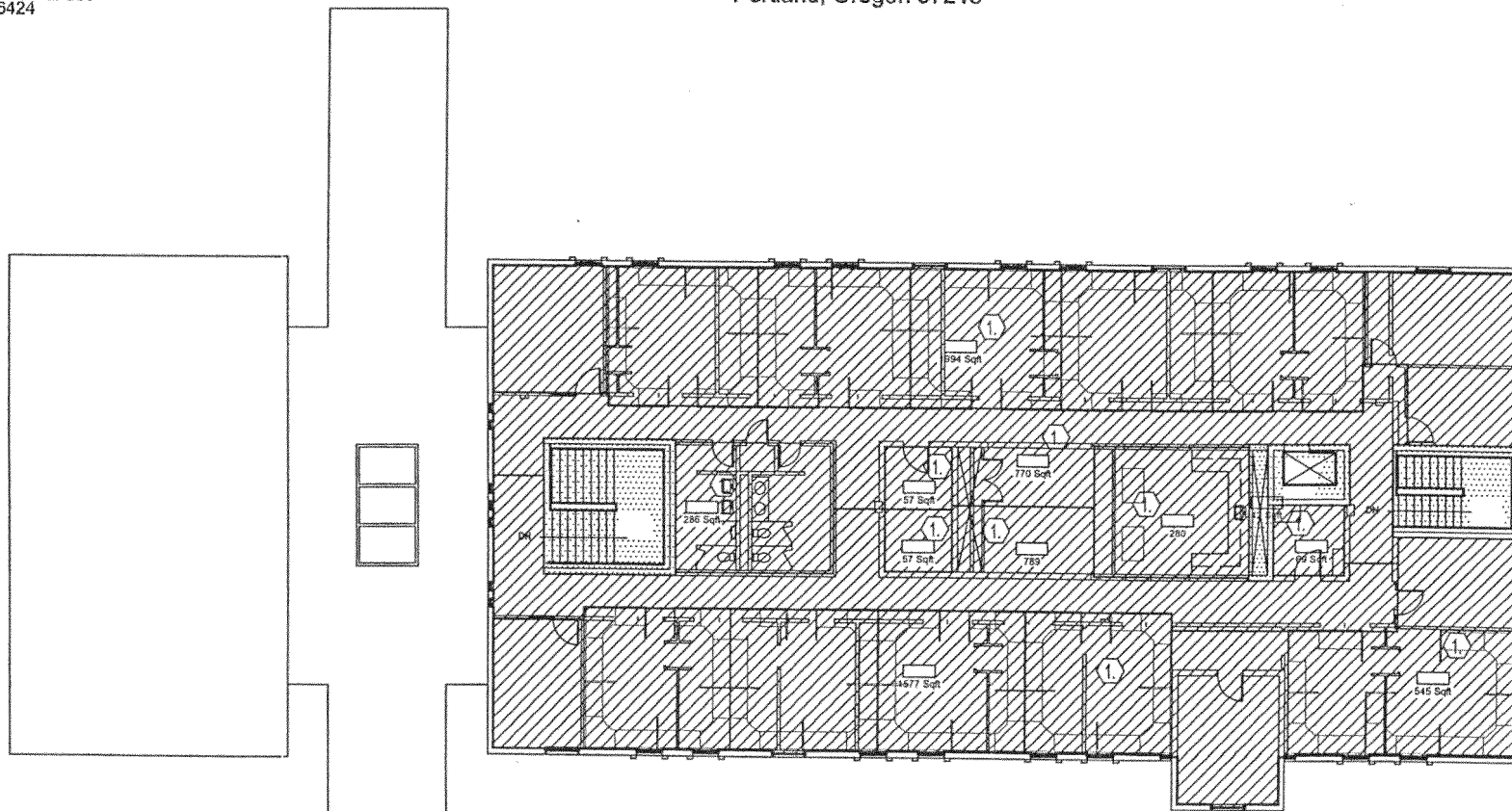


EXHIBIT A

Second Floor

Figures above do not include common areas or lease adjustments.
For further information contact the Property Manager.

December 2003
Bob Lilly

Measured by: Brett Taute
Date: 04 December 2003



For BDMC Use Only

Rentable Area
6424

(0.1% variance allowance)
2 in MVP

Control # 624

EXHIBIT B
GATEWAY CHILDREN'S CENTER
(GCC)

PARKING GUIDELINES

1. Twenty spaces will be reserved for visitors. Visitor spaces will be marked. Social Services building receptionist will provide visitor passes. Accommodation will be made for visitors with children to conveniently pick up passes.
2. Staff who must have a car due to disability will get a space. There are four designated handicap spaces.
3. Staff who must have their own vehicle for work purposes will get a space; if possible. Staff who can "Park-and-Ride" should, and employers who provide Tri-Met passes should expect employees to use them.
4. Publicly owned (government) vehicles will be identified as such.
5. Visitor spaces will be marked. All other spaces will be marked as reserved and numbered.
6. Employers should encourage staff to park on street (102nd Avenue) whenever possible.
7. Itinerant staff who use the building occasionally will follow Guideline #3. Tri-Met Park & Ride lots at Gateway Transit Center or 122nd Avenue can be used for the brief commute to the Gateway Children's Center.
8. Remaining spaces will be allocated by the County Facilities & Property Management based on number of staff assigned to the Gateway Children's Center.

Occupant Information

① Non-County
State DHS
General Use
6424

Gateway Children's Center Multi-Disciplinary Team Building - 439

10225 E Burnside Street
Portland, Oregon 97216

Floor Information

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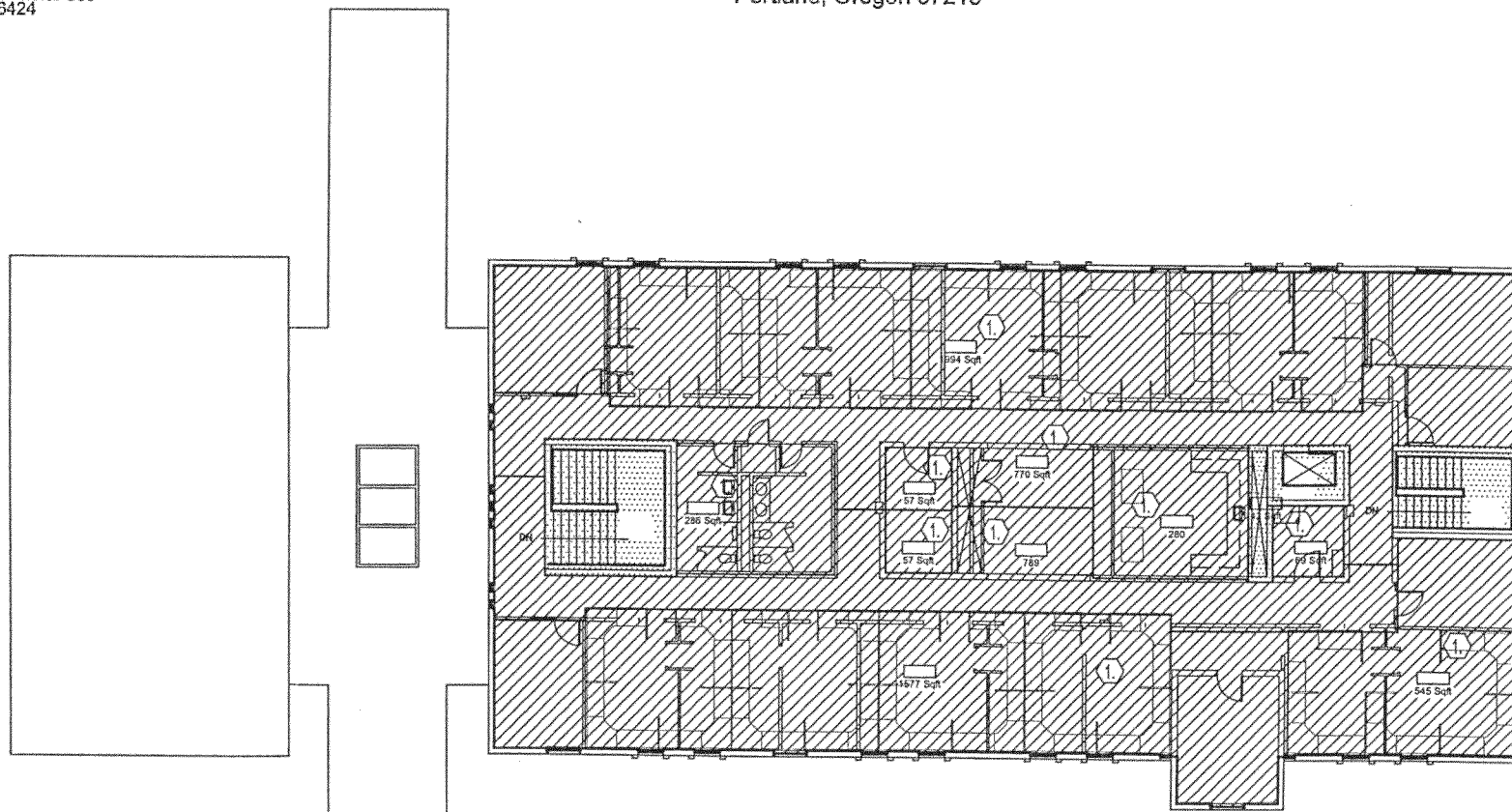


EXHIBIT C

Second Floor

Figures above do not include common areas or lease adjustments.
For further information contact the Property Manager.

December 2003
Bob Lilly

Measured by: Brett Taute
Date: 04 December 2003



For BDMC Use Only

Rentable Area
6424

(0.1% variance allowance)
2 in MVP

Control # 624

NON-DEPT.
BASELINE

Description of Services	One Day Week	Five Days Week	Monthly	Quarterly	Semi- Annual	Annual
NIGHT CUSTODIAL SERVICE, General Building Space						
Dust mop all areas using a treated mop	X					
Empty and damp wipe all waste receptacles, replace liners as needed	X					
Spot clean all vertical surfaces	X					
Sanitize and polish all drinking fountains	X					
Clean and polish all metal bright work	X					
Spot clean all walls, control panels, thresholds and elevators	X					
Clean elevator door tracks on each floor	X					
Detail Vacuum all carpeted areas	X					
Collect recycle from collection points	X					
Complete mop all resilient floor surfaces	X					
Spot clean with extractor or spotting agent all carpet spots and spills	X					
Clean door glass and relite glass	X					
Clean non-glass transparent materials using plexiglass cleaner & cloth	X					
Sanitize public phone receivers	X					
Clean all horizontal surfaces within 72" in height			X			
Dust all high reach areas			X			
Vacuum all upholstered furniture			X			
Dust all low reach areas including baseboards and ledges			X			
Vacuum all ceiling and wall air grills			X			
Spot clean all upholstered furniture and fabric partitions			X			
Dust all office furniture and equipment within 72" height			X			
Dust around and behind public computer and DYNA terminals			X			
Clean window sills and ledges			X			
Clean public washable furniture and equipment with disinfectant cleaner			X			
Clean and polish wood furniture and surfaces with wood cleaner/preservative			X			
Wash all ceiling and wall air grills				X		
Dust blinds and drapes				X		
REST ROOMS, LOCKER ROOMS AND LUNCH ROOMS						
Clean, disinfect all restroom partitions	X					
Polish all metal bright work	X					
Empty trash, replace liners and clean outside of containers		X				
Vacuum all carpeted areas		X				
Clean, disinfect all rest room, locker room fixtures (ie. toilet, urinals sinks)		X				

EXHIBIT D

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: March 4, 2004

Agenda Item #: R-12

Est. Start Time: 11:40 AM

Date Submitted: 02/23/04

Requested Date: March 4, 2004

Time Requested: 5 minutes

Department: DBCS

Division: Facilities and Property Mgmt

Contact/s: Doug Butler, Greg Herlean

Phone: 503-988-4216

Ext.: 84216

I/O Address: 274 / FPM

Presenters: Doug Butler, Greg Herlean

Agenda Title: RESOLUTION: Approving a Real Property Lease between Pacific Realty Associates, L.P., (PacTrust), and Multnomah County leasing property at 5622 NE Hassalo Street, Portland, Oregon, and Authorizing the County Chair to execute the Lease Agreement and other Instruments required to complete the lease of said real property.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

1. **What action are you requesting from the Board? What is the department/agency recommendation?** The Department of Business and Community Services requests this Resolution be considered under an "expedited process" and allow an exception to the normal Agenda Placement Request timeline. An exception is requested because: 1) The process for preparing and negotiating this lease has been extensive; 2) The County's lease of these premises has expired. This Agenda Placement Request, the Resolution, and the prepared Lease are being submitted to the Agenda Review Team via e-mail requesting an exception to the normal Agenda Placement Request timeline and an expedited review process.

The Department of Business and Community Services, Facilities and Property Management Division, recommends adoption of the Resolution.

2. **Please provide sufficient background information for the Board and the public to understand this issue.** The County first executed a Lease for the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park), Portland,

Oregon, in 1995 to meet the warehousing and distribution needs of the County Sheriff. The Lease was renewed by amendments in 1998 and 2000. The second Lease Amendment expired on September 30, 2003.

By County Resolution 03-093, the Board resolved and directed Facilities and Property Management to evaluate efficiency and cost-savings of co-location or merger of Central Stores and the Sheriff's warehouse. The County Sheriff's Office has consistently stated its position that its warehouse should be independent. Facilities and Property Management identified a potential warehouse space for Materiel Management/Central Stores and Distribution in the same industrial park with the Sheriff's warehouse that may offer some efficiencies and cost-savings of co-location.

Pacific Realty Associates, L.P., (PacTrust), Landlord of the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park), Portland, Oregon, wishes to continue to lease to Multnomah County, as Tenant, space for the County Sheriff's warehouse, distribution, and office uses. Facilities and Property Management has negotiated Lease terms for warehouse space which meets the needs of the County Sheriff. PacTrust and the County have negotiated a new Lease which will supercede the 1995 Lease and its Amendments of 1998 and 2000

3. **Explain the fiscal impact (current year and ongoing).** Due to the proposed Lease rent payment structure, the County Sheriff's current facility budget should be sufficient for the remainder of FY03-04. The Sheriff's Office for FY05 has requested a budget sufficient to accommodate the needs of the new lease for the period 7/1/04 to 6/30/05 and will submit the appropriate amount for FY06 & FY07, when necessary, for the new lease period 7/1/05 to 6/30/07.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain: NONE REQUIRED

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**

- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain: NONE REQUIRED

- ❖ **Why was the expenditure not included in the annual budget process?**

- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- ❖ **Why are no other department/agency fund sources available?**

- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

If grant application/notice of intent, explain: NONE REQUIRED

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. Explain any legal and/or policy issues involved. NONE.
5. Explain any citizen and/or other government participation that has or will take place. None has been required.

Required Signatures:

DBCS Department:

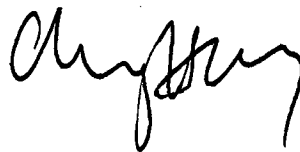
By:



Date: 02/19/04

Budget Analyst:

By:



Date: 02/23/04

Dept/Countywide HR:

By: Not Required for this Resolution

Date:

BOGSTAD Deborah L

From: BOGSTAD Deborah L
Sent: Monday, February 23, 2004 3:40 PM
To: BOGSTAD Deborah L
Subject: FW: Request for Expedited Agenda Placement, MCSO Warehouse PacTrust, Lease L-49

Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
(503) 988-3277 phone
(503) 988-3013 fax
deborah.l.bogstad@co.multnomah.or.us
<http://www.co.multnomah.or.us/cc/index.shtml>

-----Original Message-----

From: HERLEAN Gregory B
Sent: Monday, February 23, 2004 12:39 PM
To: #AGENDA REVIEW TEAM
Cc: TRYON Peter; RAND Lisa; BOGSTAD Deborah L
Subject: Request for Expedited Agenda Placement, MCSO Warehouse PacTrust, Lease L-49

Facilities and Property Management (FPM) requests an expedited agenda placement for this lease to be placed on March 4, 2004, per BCC-1.
The reasons are presented in the APR form item #1.

This is a lease renewal for the Sheriff's Office to maintain its warehouse in space leased by PacTrust. This package is similar to the Lease, L-100, for the County's new main Materiel/Central Stores and Distribution space also leased by PacTrust. That Lease was approved by the BCC in early November, 2003.

Approvals

1. The Lease and the Resolution have been reviewed and signed by Matthew Ryan for the County Attorney Office.
2. The APR has been reviewed and signed by Doug Butler for Tony Mounts and by Ching Hay for the Budget Office.

LEASE:

RESOLUTION:

AGENDA PLACEMENT REQUEST:

If you have any questions, please contact me at #84216.

Thanks,
Greg Herlean

2/23/2004

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving A Real Property Lease Between Pacific Realty Associates, L.P., (PacTrust), And Multnomah County Leasing Property At 5622 Ne Hassalo Street, Portland, Oregon, And Authorizing The County Chair To Execute The Lease Agreement And Other Instruments Required To Complete The Lease Of Said Real Property

The Multnomah County Board of Commissioners Finds:

- a. The County first executed a Lease with Pacific Realty Associates, L.P., (PacTrust) for the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park), Portland, Oregon, in 1995 to meet the warehousing and distribution needs of the County Sheriff. The Lease was renewed by amendments in 1998 and 2000. The second Lease Amendment expired on September 30, 2003.
- b. By County Resolution 03-093, the Board resolved and directed Facilities and Property Management (FPM) to evaluate efficiency and cost-savings of co-location or merger of Central Stores and the Sheriff's warehouse. The Sheriff's Office requested its warehouse facility be independent from the general County facility. Late last year, FPM negotiated for the County's Materiel Management/Central Stores and Distribution a lease for its warehouse needs at a separate facility within the Banfield Industrial Park, which now provides for Central Stores space to be in close proximity to the Sheriff's facility.
- c. FPM has negotiated lease terms for warehouse space which meets the needs of the County Sheriff. PacTrust, the Landlord, has agreed to the terms and conditions in the attached proposed lease with the County, as Tenant, to continue the use of this space for the County Sheriff's warehouse, distribution, and office uses.

The Multnomah County Board of Commissioners Resolves:

1. Multnomah County, as tenant shall enter into and execute the attached real property lease between Pacific Realty Associates, L.P., (PacTrust), and the County for the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park as more particularly described in the attached lease), Portland, Oregon.

2. The County Chair is authorized to execute the attached lease between PacTrust, and the County for the property described therein and other instruments required to complete the lease of said real property, including future renewals and amendments to the lease.

ADOPTED this 4th day of March, 2004.

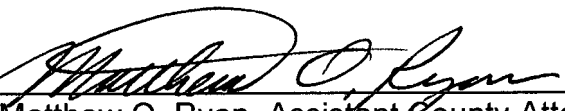
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By



Matthew O. Ryan, Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-025

Approving a Real Property Lease Between Pacific Realty Associates, L.P., (PacTrust), and Multnomah County Leasing Property at 5622 NE Hassalo Street, Portland, Oregon, and Authorizing the County Chair to Execute the Lease Agreement and Other Instruments Required to Complete the Lease of Said Real Property

The Multnomah County Board of Commissioners Finds:

- a. The County first executed a Lease with Pacific Realty Associates, L.P., (PacTrust) for the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park), Portland, Oregon, in 1995 to meet the warehousing and distribution needs of the County Sheriff. The Lease was renewed by amendments in 1998 and 2000. The second Lease Amendment expired on September 30, 2003.
- b. By County Resolution 03-093, the Board resolved and directed Facilities and Property Management (FPM) to evaluate efficiency and cost-savings of co-location or merger of Central Stores and the Sheriff's warehouse. The Sheriff's Office requested its warehouse facility be independent from the general County facility. Late last year, FPM negotiated for the County's Materiel Management/Central Stores and Distribution a lease for its warehouse needs at a separate facility within the Banfield Industrial Park, which now provides for Central Stores space to be in close proximity to the Sheriff's facility.
- c. FPM has negotiated lease terms for warehouse space which meets the needs of the County Sheriff. PacTrust, the Landlord, has agreed to the terms and conditions in the attached proposed lease with the County, as Tenant, to continue the use of this space for the County Sheriff's warehouse, distribution, and office uses.

The Multnomah County Board of Commissioners Resolves:

1. Multnomah County, as tenant shall enter into and execute the attached real property lease between Pacific Realty Associates, L.P., (PacTrust), and the County for the property known as 5622 NE Hassalo Street, (A portion of Building "B" of Banfield Industrial Park as more particularly described in the attached lease), Portland, Oregon.

2. The County Chair is authorized to execute the attached lease between PacTrust, and the County for the property described therein and other instruments required to complete the lease of said real property, including future renewals and amendments to the lease.

ADOPTED this 4th day of March, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan, Assistant County Attorney

1
2
3
4
5 **LEASE**

6
7 **DATED:** February __, 2004

8
9 **BETWEEN:** PACIFIC REALTY ASSOCIATES, L.P.,
a Delaware limited partnership

LANDLORD

10 **AND:** MULTNOMAH COUNTY OREGON,
a public entity

TENANT

11
12
13
14 **PRELIMINARY**
15

16 This Lease is made with reference to the following facts, intentions and objectives:

17 A. On August 4, 1995, Landlord and Tenant entered into a lease (as amended, the "Prior
18 Lease") for approximately 8,400 square feet of warehouse and office space located in Building B,
19 Banfield Industrial Park, 5622 NE Hassalo Street, Portland, Oregon 97213 and as further described
20 on Exhibits A and B attached to this Lease and incorporated herein (hereinafter referred to as the
21 "Premises").

22 B. The term of the Prior Lease expired on September 30, 2003; thereafter, Tenant has
23 continued to occupy and use the Premises on a month-to-month basis under the terms and conditions
24 of the Prior Lease.

25 C. Landlord and Tenant have agreed to execute a new lease for the Premises all as more
26 particularly set forth below.

27 D. If the Premises consist of a portion but not all of a building, the building housing the
28 Premises is hereinafter referred to as "the Building."

29 E. Landlord hereby leases the Premises to Tenant for a term of thirty-three (33) months
30 commencing January 1, 2004 and continuing through September 30, 2006 (the "Initial Term").
31 During the Initial Term, Tenant shall pay to Landlord a monthly base rent ("Base Rent" or "base
32 rent") of \$2,847.00 per month.

33 F. All rent, including base rent together with the charges, taxes and expenses to be paid to
34 Landlord specified in Paragraphs 3 and 4 of this Lease, is payable in advance on the first day of each
35 calendar month without deduction or offset except to the extent specifically provided in this Lease.

36 G. Tenant agrees to accept the Premises in "as-is" condition on the date hereof. Tenant
37 acknowledges that Tenant has been occupying and operating in and on the Premises since on or
38 about October 1, 1995 pursuant to the Prior Lease and that, under this Lease, Tenant is continuing to
39 occupy and operate in and on the Premises in its "as is" and present condition, without, except to the
40 extent provided in the Prior Lease, any representation or warranty by or from Landlord as to the
41 condition of the Premises, the habitability of the Premises, the fitness of the Premises for Tenant's
42 use, or the zoning of the Premises.

43 H. This Lease is subject to the following additional terms to which the parties agree:

44 **1. Use of the Premises.**

45 1.1. Tenant shall use the Premises only for the purpose of conducting the following
46 business:

47 Storage and office use by Multnomah County Sheriff.

48 If such use is prevented by any law or governmental regulation, Tenant may use
49 the Premises for other reasonable uses or terminate this Lease, subject to Landlord's prior written
50 consent, which consent shall not be unreasonably withheld or delayed.

1 1.2. In connection with its use, Tenant shall at its expense comply with all applicable
2 laws, ordinances, and regulations of any public authority, including those requiring alteration of the
3 Premises because of Tenant's specific use; shall create no nuisance nor allow any objectionable
4 liquid, odor, or noise to be emitted from the Premises; shall store no gasoline or other highly
5 combustible materials on the Premises, except small quantities as used by Tenant in its operations,
6 which would violate any applicable fire code or regulation nor conduct any operation that will
7 increase Landlord's fire insurance rates for the Premises; and shall not overload the floors or
8 electrical circuits of the Premises. Landlord shall have the right to approve the installation of any
9 power-driven machinery by Tenant and may select a qualified electrician whose opinion will control
10 regarding electrical circuits and a qualified engineer or architect whose opinion will control
11 regarding floor loads. Allowable ground floor load shall be 500 pounds per square foot.

12 1.3. Without limiting the foregoing and subject to Paragraph 1.5 herein, Tenant shall,
13 at Tenant's sole cost and expense, make such alterations and additions to the Premises and the
14 Building required due to Tenant's racking configuration and storage of products within the Premises.
15 Such alterations and additions to the Premises may be required for compliance with applicable
16 building and fire codes, and may include, without limitation, installation of fire rated separation
17 walls, fire sprinkler system upgrades, racking sprinklers, smoke vents, curtain boards, small hose
18 stations and firefighter entrances.

19 1.4. Tenant may erect a sign stating its name, business, and product after first securing
20 Landlord's written approval of the size, color, design, wording, and location, and all necessary
21 governmental approvals. No signs shall be painted on the Building or exceed the height of the
22 Building. All signs installed by Tenant shall be removed upon termination of this Lease with the
23 sign location restored to its former state.

24 1.5. Tenant shall make no alterations, additions, or improvements to the Premises or
25 change the color of the exterior without Landlord's prior written consent and without a valid building
26 permit issued by the appropriate governmental agency. Upon termination of this Lease, any such
27 alterations, additions, or improvements (including without limitation all electrical, lighting,
28 plumbing, heating and air-conditioning equipment, doors, windows, partitions, drapery, carpeting,
29 counters, and physically attached fixtures), except Tenant's trade fixtures, shall at once become part
30 of the realty and belong to Landlord unless the terms of the applicable consent provide otherwise, or
31 Landlord requests that part or all of the additions, alterations, or improvements be removed. In such
32 case, Tenant shall at its sole cost and expense promptly remove the specified additions, alterations,
33 or improvements and repair and restore the Premises to its original condition.

34 **2. Security Deposit.** None required.

35 **3. Utility Charges; Maintenance.**

36 3.1. Tenant shall pay when due all charges for electricity, natural gas, water, garbage
37 collection, janitorial service, sewer, and all other utilities of any kind furnished to the Premises
38 during the Lease term. If charges are not separately metered or stated, Landlord shall apportion the
39 utility charges on an equitable basis. Landlord shall have no liability resulting from any interruption
40 of utility services caused by fire or other casualty, strike, riot, vandalism, the making of necessary
41 repairs or improvements, or any other cause beyond Landlord's reasonable control. Tenant shall
42 control the temperature in the Premises to prevent freezing of any sprinkler system.

43 3.2. Landlord shall repair and maintain the roof, gutters, downspouts, drainpipes to
44 sewers, exterior walls, building structure, foundation, exterior paved areas, curbs, sidewalks, and
45 landscaping, of the Premises in good condition. Except for such obligations of Landlord, Tenant
46 shall keep the Premises neatly maintained and in good order and repair. Tenant's responsibility shall
47 include maintenance and repair of the exposed electrical system, above-slab plumbing,
48 air-conditioning and heating systems, overhead and personnel doors, and the replacement of all
49 broken or cracked glass with glass of the same quality. Tenant shall refrain from any discharge that
50 will damage the septic tank or sewers serving the Premises.

51 3.3. If the Premises have a separate entrance, Tenant shall keep, during normal
52 operating hours, the sidewalks abutting the Premises or the separate entrance free and clear of snow,
53 ice, debris, and obstructions of every kind.

1 3.4. Tenant shall properly maintain the heating, ventilating, and air conditioning
2 system (the "System"), at its sole cost and expense. Tenant has represented to Landlord that its staff
3 are trained mechanical systems service technicians. Tenant shall maintain the System in accordance
4 with standards set forth in a reputable service contractor's standard contract.

5 3.5. Landlord shall maintain the structural elements of the Building, including the
6 roof, and Tenant shall be responsible for the System as provided above.

7 3.6. Landlord shall use its best efforts to provide a one day response by return call to
8 inquiries or requests for maintenance and shall initiate maintenance work within five (5) days of any
9 requests.

10 **4. Taxes, Assessments, and Operating Expenses.**

11 4.1. In conjunction with monthly rent payments, Tenant shall each month pay a sum
12 representing Tenant's proportionate share of operating expenses for the Premises. Tenant's
13 proportionate share of operating expenses for the Building shall be computed by dividing the
14 rentable area of the Premises by the total rentable area of the Building. If in Landlord's reasonable
15 judgment this method of allocation results in an inappropriate allocation to Tenant, Landlord shall
16 select some other reasonable method of determining Tenant's proportionate share. Such amount
17 shall be estimated annually by Landlord in good faith to reflect actual or anticipated costs. Upon
18 termination of this Lease or at periodic intervals during the term hereof, Landlord shall compute its
19 actual costs for such expenses during such period. Any overpayment by Tenant shall be credited to
20 Tenant, and any deficiency shall be paid by Tenant within thirty (30) days after receipt of Landlord's
21 statement. Landlord's records of expenses for operating expenses may be inspected by Tenant at
22 reasonable times and intervals. Tenant shall not retain any third party auditor on a contingency fee
23 basis to perform any audit or inspection of Landlord's records.

24 4.2. To the extent Tenant has not maintained an exemption from real property taxes as
25 provided in Paragraph 4.5, in conjunction with monthly rent payments, Tenant shall pay Tenant's
26 proportionate share of real property taxes for the Premises. Tenant's proportionate share of real
27 property taxes shall mean that percentage of the total assessment affecting the Premises which is the
28 same as the percentage which the rentable area of the Premises bears to the total rentable area of all
29 buildings covered by the tax statement. Such amount shall be estimated annually by Landlord in
30 good faith to reflect actual or anticipated real property taxes. Upon termination of this Lease or at
31 periodic intervals during the term hereof, Landlord shall compute the real property taxes during such
32 period. Subject to any exemption obtained by Tenant pursuant to Paragraph 4.5, any actual
33 overpayment by Tenant shall be credited to Tenant, and any actual deficiency shall be paid by
34 Tenant within thirty (30) days after receipt of Landlord's statement.

35 4.3. Real property taxes charged to Tenant hereunder shall include all general real
36 property taxes assessed against the Premises or payable during the Lease term, installment payments
37 on Bancrofted special assessments, whether or not any such tax is now in effect. Tenant shall not,
38 however, be obligated to pay any tax based upon Landlord's net income.

39 4.4. Operating expenses charged to Tenant hereunder shall include all usual and
40 necessary costs of operating and maintaining the Premises, Building, and any surrounding common
41 areas including, but not limited to, the cost of all utilities or services not paid directly by Tenant,
42 property insurance, property management, maintenance and repair of landscaping, parking areas, and
43 any other common facilities. Operating expenses shall not include roof replacement or correction of
44 structural deficiencies of the Building.

45 4.5. Under the provisions of ORS 307.112, Multnomah County Oregon, a public entity
46 ("Multnomah County") is entitled to claim an exemption from real property taxes for the Premises,
47 which the County has obtained. To the extent Multnomah County maintains such an exemption,
48 Multnomah County shall not be liable for payment of any additional sum for real property taxes, but
49 shall remain liable for payment of Bancrofted special assessments and any other real property taxes
50 described in this Paragraph 4 for which Multnomah County does not receive an exemption. The
51 total compensation paid by Multnomah County under this Lease has been established to reflect the
52 savings below market rent resulting from the exemption from taxation as provided in this
53 Paragraph 4.5.

1 **5. Parking and Storage Areas.**

2 5.1. Tenant, its employees, and customers shall have the exclusive right to use any
3 private parking spaces immediately adjacent to the Premises. Tenant shall have access to all parking
4 stalls immediately adjacent to the Premises. Tenant shall control the use of such parking spaces so
5 that there will be no unreasonable interference with the normal traffic flow, and shall permit no
6 parking on any landscaped or unpaved surface. Under no circumstances shall trucks serving the
7 Premises be permitted to block streets.

8 5.2. Tenant shall not store any materials, supplies, or equipment outside in any
9 unapproved or unscreened area. If Tenant erects any visual barriers for storage areas, Landlord shall
10 have the right to approve the design and location. Trash and garbage receptacles shall be kept
11 covered at all times.

12 **6. Tenant's Indemnification; Liability Insurance.**

13 6.1. Tenant shall not allow any liens to attach to the Premises as a result of its
14 activities. Tenant shall indemnify and defend Landlord from any claim, liability, damage, or loss
15 arising out of any activity on the Premises or within the Building or the common areas serving the
16 Building, by Tenant, its agents, or invitees or resulting from Tenant's failure to comply with any
17 term of this Lease.

18 6.2. Subject to Paragraph 7, Tenant shall carry general liability insurance on an
19 occurrence basis with combined single limits of not less than \$2,000,000.00. Such insurance shall
20 be provided by an insurance carrier reasonably acceptable to Landlord and shall be evidenced by a
21 certificate delivered to Landlord stating that the coverage will not be canceled or materially altered
22 without thirty (30) days' advance written notice to Landlord. Landlord shall be named as an
23 additional insured on such policy.

24 **7. Multnomah County's Right to Self-Insure.**

25 So long as Multnomah County is the Tenant under this Lease, in lieu of the provisions of
26 Paragraph 6.2, Multnomah County may provide the liability insurance required under Paragraph 6.2
27 either by a self insurance fund established pursuant to ORS 30.282 or, to the extent Multnomah
28 County has so elected, by the Insurance Fund created pursuant to ORS 278.425 and administered by
29 the Oregon Department of Administrative Services. A certificate of Self-Insurance or of Insurance
30 under ORS 278.425 in form specified by applicable provisions of the Oregon Revised Statutes will
31 be provided to Landlord immediately following execution of this Lease and such certificate shall be
32 kept current or reissued as required by Landlord.

33 **8. Property Damage; Subrogation Waiver.**

34 8.1. If fire or other casualty causes damage to the Building or the Premises in an
35 amount exceeding thirty percent (30%) of the full construction-replacement cost of the Building or
36 Premises, respectively, either party may elect to terminate this Lease as of the date of the damage by
37 notice in writing to either party within thirty (30) days after such date. Otherwise, Landlord shall
38 promptly repair the damage and restore the Premises to their former condition as soon as practicable.
39 Rent shall be reduced during the period to the extent the Premises are not reasonably usable for the
40 use permitted by this Lease because of such damage and required repairs.

41 8.2. Landlord shall be responsible for insuring the Building, and Tenant shall be
42 responsible for insuring its personal property and trade fixtures located on the Premises.

43 8.3. Landlord and Tenant each hereby releases the other, and the other's partners,
44 officers, directors, agents and employees, from any and all liability and responsibility to the
45 releasing party and to anyone claiming by or through it or under it, by way of subrogation or
46 otherwise, for all claims, or demands whatsoever which arise out of damage or destruction of
47 property occasioned by perils which can be insured by an All Risk Property Insurance Coverage
48 Form, including endorsements extending coverage to the perils of earthquake and flood. Landlord
49 and Tenant grant this release on behalf of themselves and their respective insurance companies and
50 each represents and warrants to the other that it is authorized by its respective insurance company to
51 grant the waiver of subrogation contained in this Paragraph 8.3. This release and waiver shall be

1 binding upon the parties whether or not insurance coverage is in force at the time of the loss or
2 destruction of property referred to in this Paragraph 8.3.

3 **9. Condemnation.**

4 9.1. If a condemning authority takes the entire Premises or a portion sufficient to
5 render the remainder unsuitable for Tenant's use, then either party may elect to terminate this Lease
6 effective on the date that possession passes to the condemning authority. Otherwise, Landlord shall
7 proceed as soon as practicable to restore the remaining Premises to a condition comparable to that
8 existing at the time of the taking. Rent shall be abated during the period of restoration to the extent
9 the Premises are not reasonably usable by Tenant, and rent shall be reduced for the remainder of the
10 term in an amount equal to the reduction in rental value of the Premises caused by the taking. All
11 condemnation proceeds shall belong to Landlord as set forth in Paragraph 9.2.

12 9.2. Except as provided in Paragraph 9.1 above, any and all awards payable by the
13 condemning authority or other governmental agency in connection with a taking under the right of
14 eminent domain shall be the sole property of Landlord; provided, however, that nothing contained
15 herein shall prevent Landlord and Tenant from prosecuting separate claims in any condemnation
16 proceeding for the values of their respective interests, provided that the award which would
17 otherwise be payable to Landlord is not diminished by Tenant's prosecution of a separate claim.
18 Any sums specifically awarded to Tenant for relocation expenses shall not be payable to Landlord in
19 any event.

20 **10. Assignment and Subletting.**

21 10.1. Tenant shall not assign its interest under this Lease nor sublet the Premises
22 without first obtaining Landlord's consent in writing. This provision shall apply to all transfers by
23 operation of law or through mergers and changes in control of Tenant. No assignment shall relieve
24 Tenant of its obligation to pay rent or perform other obligations required by this Lease and no one
25 assignment or subletting shall be a consent to any further assignment or subletting. If Tenant assigns
26 this Lease or sublets the Premises for an amount in excess of the rent called for by this Lease, such
27 excess shall be paid to Landlord promptly as it is received by Tenant.

28 10.2. Subject to the above limitations on transfer of Tenant's interest, this Lease shall
29 bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

30 **11. Default.**

31 Any of the following shall constitute a default by Tenant under this Lease:

32 11.1. Tenant's failure to pay rent or any other charge under this Lease within ten (10)
33 days after it is due (provided, however, that the first time in any twelve (12) month period that
34 Tenant fails to pay rent or any other charge under this Lease within ten (10) days after it is due,
35 Tenant shall not be in default under this Lease unless such failure continues for ten (10) days after
36 receipt by Tenant of notice of such failure), or failure to comply with any other term or condition
37 within twenty (20) days following written notice from Landlord specifying the noncompliance. If
38 such non-monetary noncompliance cannot be cured within the twenty (20) day period, this provision
39 shall be satisfied if Tenant commences correction within such period and thereafter proceeds in good
40 faith and with reasonable diligence to effect compliance as soon as possible.

41 11.2. Tenant's insolvency; assignment for the benefit of its creditors; Tenant's voluntary
42 petition in bankruptcy or adjudication as bankrupt, or the appointment of a receiver for Tenant's
43 properties.

44 **12. Remedies for Default.**

45 In case of default as described in Paragraph 11 above, Landlord shall have the right to the
46 following remedies which are intended to be cumulative and in addition to any other remedies
47 provided under applicable law:

48 12.1. Terminate this Lease without relieving Tenant from its obligation to pay damages.

1 12.2. Retake possession of the Premises by summary proceedings or otherwise, in
2 which case Tenant's liability to Landlord for damages shall survive the tenancy. Landlord may, after
3 such retaking of possession, relet the Premises upon any reasonable terms. No such reletting shall be
4 construed as an acceptance of a surrender of Tenant's leasehold interest.

5 12.3. Recover damages caused by Tenant's default which shall include reasonable
6 attorneys' fees at trial and on any appeal therefrom. Landlord may sue periodically to recover
7 damages as they occur throughout the Lease term, and no action for accrued damages shall bar a
8 later action for damages subsequently accruing. Landlord may elect in any one action to recover
9 accrued damages plus damages attributable to the remaining term of the Lease equal to the
10 difference between the rent under this Lease and the reasonable rental value of the Premises for the
11 remainder of the term, discounted to the time of judgment at the rate of six (6%) percent per annum.

12 12.4. Make any payment or perform any obligation required of Tenant so as to cure
13 Tenant's default, in which case Landlord shall be entitled to recover all amounts so expended from
14 Tenant, plus interest at the rate of ten percent (10%) per annum from the date of the expenditure.

15 **13. Surrender on Termination.**

16 13.1. On expiration or early termination of this Lease, Tenant shall deliver all keys to
17 Landlord, have final utility readings made on the date of move out, and surrender the Premises clean
18 and free of debris inside and out, with all mechanical, electrical, and plumbing systems in good
19 operating condition, all signing removed and defacement corrected, and all repairs called for under
20 this Lease completed. The Premises shall be delivered in the same condition as at the
21 commencement of the term, subject only to depreciation and wear from ordinary use. Tenant shall
22 remove all of its furnishings and trade fixtures that remain its property and restore all damage
23 resulting from such removal. Failure to remove said property shall be an abandonment of same, and
24 Landlord may dispose of it in any manner without liability.

25 13.2. If Tenant fails to vacate the Premises when required, subject to the provisions of
26 Paragraph 14, Landlord may elect either to treat Tenant as a tenant from month to month, subject to
27 all provisions of this Lease except the provision for term, or to eject Tenant from the Premises and
28 recover damages caused by wrongful holdover.

29 **14. Holdover Provision.**

30 Upon sixty (60) days notice to Landlord, Tenant shall be allowed to holdover in the
31 Premises upon expiration of the initial Lease term, or any extension thereof, for a period not to
32 exceed three (3) months at a monthly Base Rent rate of one hundred twenty-five percent (125%) of
33 the immediately preceding monthly Base Rent rate. Tenant shall provide ninety (90) days advance
34 written notice to Landlord of its intent to holdover. The provisions of this Paragraph 14 are personal
35 to Multnomah County Oregon. Upon any assignment by Multnomah County of all or any portion of
36 its interest in and to this Lease, the provisions of this Paragraph 14 shall be null and void and of no
37 further force or effect.

38 **15. Landlord's Liability.**

39 15.1. Landlord warrants that so long as Tenant complies with all terms of this Lease it
40 shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or
41 disturbance by Landlord or persons claiming through Landlord.

42 15.2. All persons dealing with Pacific Realty Associates, L.P. ("Partnership") must look
43 solely to the property and assets of Partnership for the payment of any claim against Partnership or
44 for the performance of any obligation of Partnership as neither the general partner, limited partners,
45 employees, nor agents of Partnership assume any personal liability for obligations entered into on
46 behalf of Partnership (or its predecessors in interest) and their respective properties shall not be
47 subject to the claims of any person in respect of any such liability or obligation. As used herein, the
48 words "property and assets of partnership" exclude any rights of Partnership for the payment of
49 capital contributions or other obligations to it by the general partner or any limited partner in such
50 capacity.

1 **16. Mortgage or Sale by Landlord; Estoppel Certificates.**

2 16.1. This Lease is and shall be prior to any mortgage or deed of trust ("Encumbrance")
3 recorded after the date of this Lease and affecting the Building and the land upon which the Building
4 is located. However, if any lender holding an Encumbrance secured by the Building and the land
5 underlying the Building requires that this Lease be subordinate to the Encumbrance, then Tenant
6 agrees that this Lease shall be subordinate to the Encumbrance if the holder thereof agrees in writing
7 with Tenant that so long as Tenant performs its obligations under this Lease no foreclosure, deed
8 given in lieu of the foreclosure, or sale pursuant to the terms of the Encumbrance, or other steps or
9 procedures taken under the Encumbrance shall affect Tenant's rights under this Lease. If the
10 foregoing condition is met, Tenant shall execute the written agreement and any other documents
11 required by the holder of the Encumbrance to accomplish the purposes of this Paragraph.

12 16.2. If the Building is sold as a result of foreclosure of any Encumbrance thereon or
13 otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or
14 transferee, and the transferor shall have no further liability hereunder.

15 16.3. Either party shall within twenty (20) days after notice from the other execute and
16 deliver to the other party a certificate stating whether or not this Lease has been modified and is in
17 full force and effect and specifying any modifications or alleged breaches by the other party. The
18 certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in
19 advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate
20 within the specified time shall be conclusive upon the party of whom the certificate was requested
21 that the Lease is in full force and effect and has not been modified except as may be represented by
22 the party requesting the certificate.

23 **17. Governing Laws; Disputes - Attorneys' Fees.**

24 This Agreement is governed by and subject to interpretation to the laws of the State of
25 Oregon. In the event of any litigation arising out of this Lease, the prevailing party shall be entitled
26 to recover from the other party, in addition to all other relief provided by law or judgment, its
27 reasonable costs and attorneys' fees incurred both at and in preparation for trial and any appeal or
28 review, such amount to be as determined by the court(s) before which the matter is heard. Disputes
29 between the parties which are to be litigated shall be tried before a judge without a jury.

30 **18. Severability.**

31 If any provision of this Lease is held to be invalid, unenforceable or illegal the remaining
32 provisions shall not be affected and shall be enforced to the fullest extent permitted by law.

33 **19. Interest and Late Charges.**

34 Rent not paid within ten (10) days of when due shall bear interest from the date due until
35 paid at the rate of ten percent (10%) per annum. Landlord may at its option impose a late charge of
36 \$.05 for each \$1.00 of rent for rent payments made more than ten (10) days late in addition to
37 interest and other remedies available for default.

38 **20. General Provisions.**

39 20.1. Waiver by either party of strict performance of any provision of this Lease shall
40 not be a waiver of nor prejudice the party's right otherwise to require performance of the same
41 provision or any other provision.

42 20.2. Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and
43 inure to the benefit of the parties, their respective heirs, successors, and assigns.

44 20.3. Landlord shall have the right to enter upon the Premises after giving Tenant
45 twenty-four (24) hour verbal notice, excepting that Landlord shall not be required to give such notice
46 in times of emergency, to determine Tenant's compliance with this Lease, to make necessary repairs
47 to the Building or the Premises, or to show the Premises to any prospective tenant or purchasers.
48 During the last two months of the term, Landlord may place and maintain upon the Premises notices
49 for leasing or sale of the Premises.

20.4. If this Lease commences or terminates at a time other than the beginning or end of one of the specified rental periods, then the rent (including Tenant's share of real property taxes, if any) shall be prorated as of such date, and in the event of termination for reasons other than default all prepaid rent shall be refunded to Tenant or paid on its account.

20.5. Tenant shall within ten (10) days following Landlord's written request deliver to Landlord a written statement specifying the dates to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested by Landlord.

20.6. Notices between the parties relating to this Lease shall be in writing, effective when delivered, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this Lease or to such other address as either party may specify by notice to the other. Rent shall be payable to Landlord at the same address and in the same manner.

20.7. This Lease is the entire agreement between the parties, and there are no agreements or representations between the parties except as expressed herein.

20.8. All provisions of this Lease have been negotiated by Landlord and Tenant at arm's length and neither party shall be deemed the scrivener of this Lease. This Lease shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties as Landlord or Tenant.

21. Environmental.

21.1. Definitions. The term "Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

21.2. Use of Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the Premises. Tenant may use and sell on the Premises only those Hazardous Substances typically used and sold in the prudent and safe operation of the business permitted by Paragraph 1 of this Lease. Tenant may store such Hazardous Substances on the Premises, but only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled or stored on the Premises.

21.3. Notices. Tenant shall immediately notify Landlord upon becoming aware of the following: (a) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Premises; (b) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Premises; or (c) any violation of any Environmental Law with respect to the Premises or Tenant's activities on or in connection with the Premises.

21.4. Spills and Releases. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Premises caused by Tenant or any of its contractors, agents or employees or invitees, or the suspicion or threat of the same, Tenant shall (i) immediately undertake all emergency response necessary to contain, cleanup and remove the released Hazardous Substance, (ii) promptly undertake all investigatory, remedial, removal and other response action necessary or appropriate to ensure that any Hazardous Substances contamination is eliminated to Landlord's reasonable satisfaction, and (iii) provide Landlord copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant reasonably acceptable to Landlord.

1 21.5. Condition Upon Termination. Upon expiration of this Lease or sooner
2 termination of this Lease for any reason, Tenant shall remove all Hazardous Substances and facilities
3 used for the storage or handling of Hazardous Substances from the Premises and restore the affected
4 areas by repairing any damage caused by the installation or removal of the facilities. Following such
5 removal, Tenant shall certify in writing to Landlord that all such removal is complete.

6 21.6. Assignment and Subletting. Notwithstanding the provisions of Paragraph 10 of
7 this Lease, it shall not be unreasonable for Landlord to withhold its consent to any assignment,
8 sublease or other transfer of the Tenant's interest in this Lease if a proposed transferee's anticipated
9 use of the Premises involves the generation, storage, use, sale, treatment, release or disposal of any
10 Hazardous Substance.

11 21.7. Indemnity.

12 21.7.1. By Tenant. Tenant shall indemnify, defend and hold harmless Landlord,
13 its employees and agents, any persons holding a security interest in the Premises, and the respective
14 successors and assigns of each of them from and against any and all claims, demands, liabilities,
15 damages, fines, losses, costs (including without limitation the cost of any investigation, remedial,
16 removal or other response action required by Environmental Law) and expenses (including without
17 limitation attorneys' fees and expert fees in connection with any trial, appeal, petition for review or
18 administrative proceeding) arising out of or in any way relating to the use, treatment, storage,
19 generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on the
20 Premises by Tenant or any of its contractors, agents or employees or invitees. Tenant's obligations
21 under this Paragraph shall survive the expiration or termination of this Lease for any reason.
22 Landlord's rights under this Paragraph are in addition to and not in lieu of any other rights or
23 remedies to which Landlord may be entitled under this agreement or otherwise.

24 21.7.2. By Landlord. Landlord shall indemnify, defend and hold harmless
25 Tenant and its employees and agents and the respective successors and assigns of each of them from
26 and against any and all claims, demands, liabilities, damages, fines, losses, costs (including without
27 limitation the cost of any investigation, remedial, removal or other response action required by
28 Environmental Law) and expenses (including without limitation attorneys' fees and expert fees in
29 connection with any trial, appeal, petition for review or administrative proceeding) arising out of or
30 in any way relating to the actual or alleged use, treatment, storage, generation, transport, release,
31 leak, spill, disposal or other handling of Hazardous Substances on the Premises by Landlord, or any
32 of its contractors, agents or employees or by Landlord's previous tenants of the Premises. Landlord's
33 obligations under this Paragraph shall survive the expiration or termination of this Lease for any
34 reason. Tenant's rights under this Paragraph are in addition to and not in lieu of any other rights or
35 remedies to which Tenant may be entitled under this Agreement or otherwise.

36 21.8. Landlord shall remove contamination by Hazardous Substances, if any is found
37 during the term of this Lease, or undertake to have the party or parties responsible for contamination
38 by Hazardous Substances remove such contamination (or otherwise deal with Hazardous Substances
39 in a manner which is in conformance with Environmental Laws) in or about the Premises and the
40 Building other than Hazardous Substances introduced by Tenant, its agents, employees or
41 contractors or invitees. Landlord represents that to its actual knowledge, Landlord has received no
42 notice of and has no knowledge of any violation of Laws relating to Hazardous Substances or the
43 existence of Hazardous Substances at the Premises or Building.

44 22. Renewal Option.

45 If not then in default, Tenant shall have the option to renew this Lease for one (1)
46 additional two (2)-year term (the "Renewal Term") by giving Landlord written notice of its intent to
47 extend at least ninety (90) days prior to expiration of the Initial Term. All provisions of this Lease
48 shall apply during the Renewal Term, except that the monthly Base Rent for the Renewal Term shall
49 be equal to the monthly Base Rent then in effect as of the expiration of the Initial Term multiplied by
50 a fraction, the numerator of which shall equal the CPI (as defined below) published for the month
51 which is closest to the month prior to the month in which the Renewal Term commences and the
52 denominator of which shall equal the CPI published for the month which is closest to the month
53 prior to the month in which the Initial Term commences; provided, however, in no event shall the
54 monthly Base Rent payable by Tenant following any such adjustment be less than the monthly Base
55 Rent payable by Tenant immediately preceding the commencement of the Renewal Term. The

1 "CPI" shall mean the Consumer Price Index-Urban for Portland-Salem, OR-WA, known as the
2 Portland CPI-U published by the Bureau of Labor Statistics of the United States Department of
3 Labor. If such index is no longer published, the nearest comparable data on changes in the cost of
4 living shall be used.

5 **23. Early Termination Right.**

6 23.1. If sufficient funds have not been provided in the budget approved by the Board of
7 County Commissioners for the functions which will operate in the Premises to permit Tenant, in the
8 exercise of its reasonable administrative discretion, to continue this Lease, Tenant shall have the
9 right to terminate this Lease strictly in accordance with, and subject to, the terms and conditions
10 contained in this Paragraph 23 ("Tenant's Termination Right"). Tenant shall exercise Tenant's
11 Termination Right, if at all, by giving notice thereof to Landlord (the "Termination Notice"), which
12 Termination Notice must be received by Landlord not less than one hundred twenty (120) days prior
13 to the date Tenant desires to terminate this Lease (the "Termination Date") and which Termination
14 Notice must specify the Termination Date. During the period of time following receipt by Landlord
15 of the Termination Notice, Tenant may negotiate with Landlord for continued occupancy of a
16 portion of the Premises at a reduced rent; however, neither party shall be obligated to the other to
17 conclude an agreement with respect to such reduction of space and/or reduction of rent. Either party
18 may terminate such negotiations with ten (10) days written notice to the other, and upon such notice,
19 Landlord shall be free to commit the Premises to other parties for occupancy at any time following
20 the Termination Date. If Tenant delivers the Termination Notice to Landlord and Landlord and
21 Tenant do not, for any reason whatsoever, negotiate a reduction of space and/or reduction of rent as
22 provided above, the Lease shall terminate on the Termination Date as if such date were the original
23 expiration date of this Lease. All obligations under this Lease shall continue up to and including the
24 Termination Date, and upon the Termination Date, Tenant shall surrender possession of the Premises
25 and deliver the same to Landlord in the condition required under this Lease.

26 23.2. The Termination Right specified in this Paragraph 23 is personal to Multnomah
27 County. Upon any assignment by Multnomah County of all or any portion of its interest in and to
28 this Lease, the Termination Right shall be null and void and of no further force or effect.

29 **24. Brokers.**

30 Each party warrants that it has had no dealings with any real estate broker or agent in
31 connection with the negotiation or execution of this Lease. Landlord hereby agrees to indemnify and
32 hold Tenant harmless from and against any and all costs, expenses and liabilities for commissions
33 and other compensation claimed by any broker or agent acting on Landlord's behalf in connection
34 herewith. Tenant hereby agrees to indemnify and hold Landlord harmless from and against any and
35 all costs, expenses and liabilities for commissions and other compensation claimed by any broker or
36 agent acting on Tenant's behalf.

37 **25. Oregon Tort Claims Act.**

38 Any covenant herein by Tenant to defend, indemnify or hold harmless the Landlord shall
39 be limited to the extent of the applicable provisions of the Oregon Tort Claims Act, ORS 30.260-
40 30.300, and required notice of claim shall be subject to the provisions of ORS 30.275 as applicable.

41 **26. Agreement.**

42 This Lease represents the entire and integrated written agreement between the parties and
43 supersedes all prior communication, negotiations, representations or agreements either oral or
44 written between the parties.
45

1
2 IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the
3 respective dates set opposite their signatures below, but this Agreement on behalf of such party shall
4 be deemed to have been dated as of the date first above written.

5 **LANDLORD:**
6 **PACIFIC REALTY ASSOCIATES, L.P.,**
7 a Delaware limited partnership

8
9 By: PacTrust Realty, Inc.,
10 a Delaware corporation,
11 its General Partner

12
13 Date: _____, 2004

14 By: _____
15 David G. Hicks
16 Vice President

17 Address for Rent Payments to Landlord:
18 PacTrust
19 Unit 80
20 P.O. Box 5000
21 Portland, OR 97208-5000

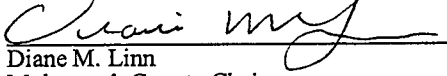
22 Note: The unit number (Unit 80) must be listed on
23 a line separate from the P.O. Box line.

24 Address for Notices to Landlord:
25 Pacific Realty Associates, L.P.
26 Attn: Legal Dept.
27 15350 S.W. Sequoia Parkway, Suite 300
28 Portland, OR 97224

29 **TENANT:**
30 **MULTNOMAH COUNTY OREGON,**
31 a public entity

32 By: BOARD OF COUNTY COMMISSIONERS
33 FOR MULTNOMAH COUNTY, OREGON

34
35
36
37
38 Date: MARCH 4, 2004

39 By: 
40 Diane M. Linn
41 Multnomah County Chair

42 APPROVED: MULTNOMAH COUNTY
43 BOARD OF COMMISSIONERS
44 AGENDA # R-12 DATE 03-04-04
45 DEBORAH L. BOGSTAD, BOARD CLERK

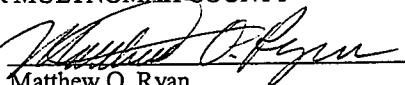
46 Address for Legal Notices to Tenant:
47 Multnomah County
48 Facilities and Property Management
49 401 N. Dixon
50 Portland, OR 97227-1865

51 With a copy to:
52 Multnomah County Attorney
53 501 SE Hawthorne
54 Portland, OR 97214

55 Address for Invoices to Tenant
56 Multnomah County
57 Facilities and Property Management
58 401 N. Dixon
59 Portland, OR 97227-1865

60 Tenant Employer Identification Number:
61 93-6002309

62 Reviewed:
63 AGNES SOWLE, COUNTY ATTORNEY
64 FOR MULTNOMAH COUNTY

65
66 By: 
67 Matthew O. Ryan
68 Assistant County Attorney

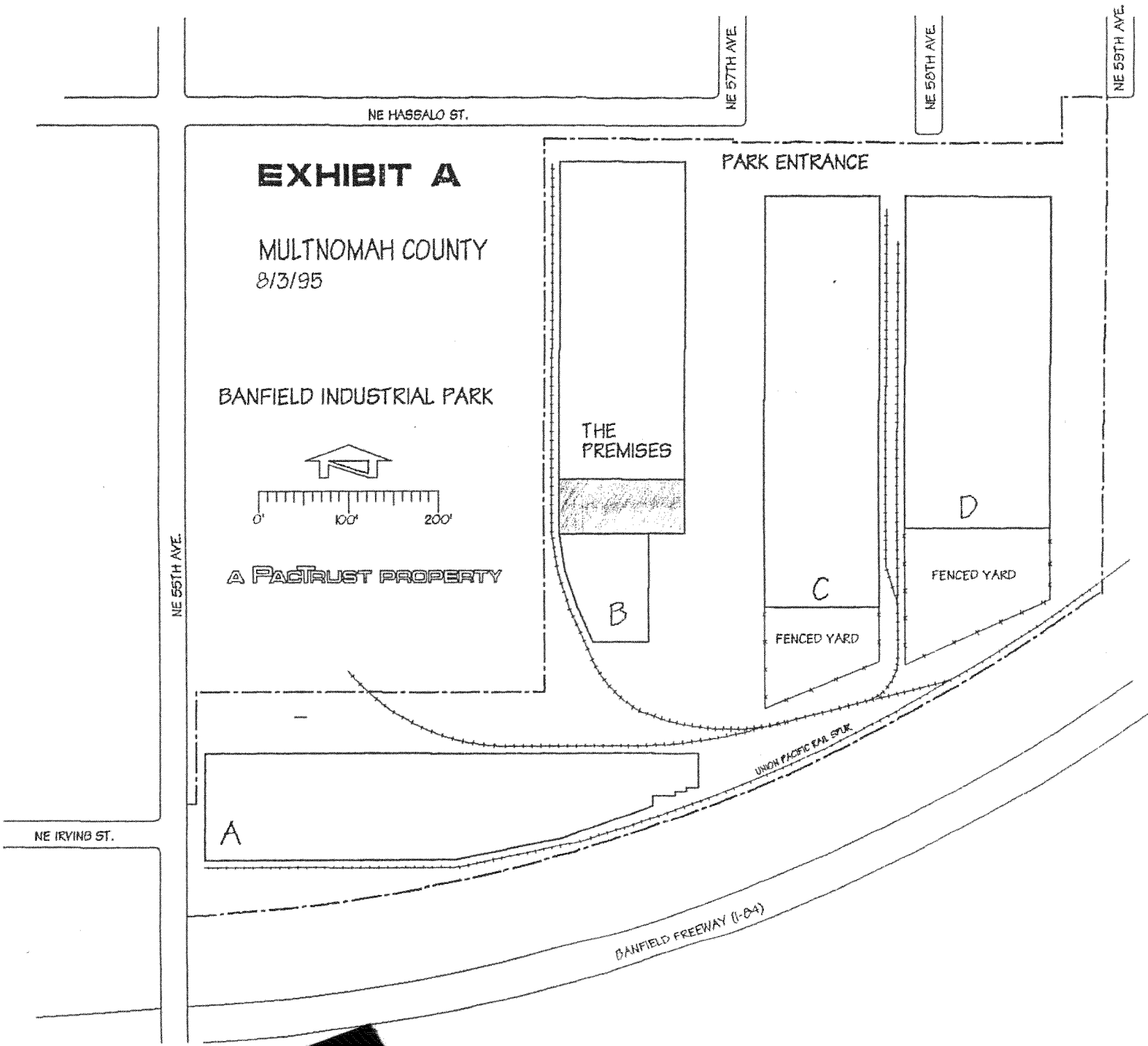


EXHIBIT A

MULTNOMAH COUNTY
8/3/95

BANFIELD INDUSTRIAL PARK



A FACTRUST PROPERTY

PARK ENTRANCE

THE PREMISES

B

C

D

FENCED YARD

FENCED YARD

A

UNION PACIFIC RAIL SPUR

BANFIELD FREEWAY (I-84)

NE HASSALO ST.

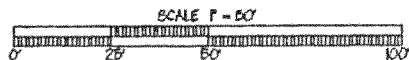
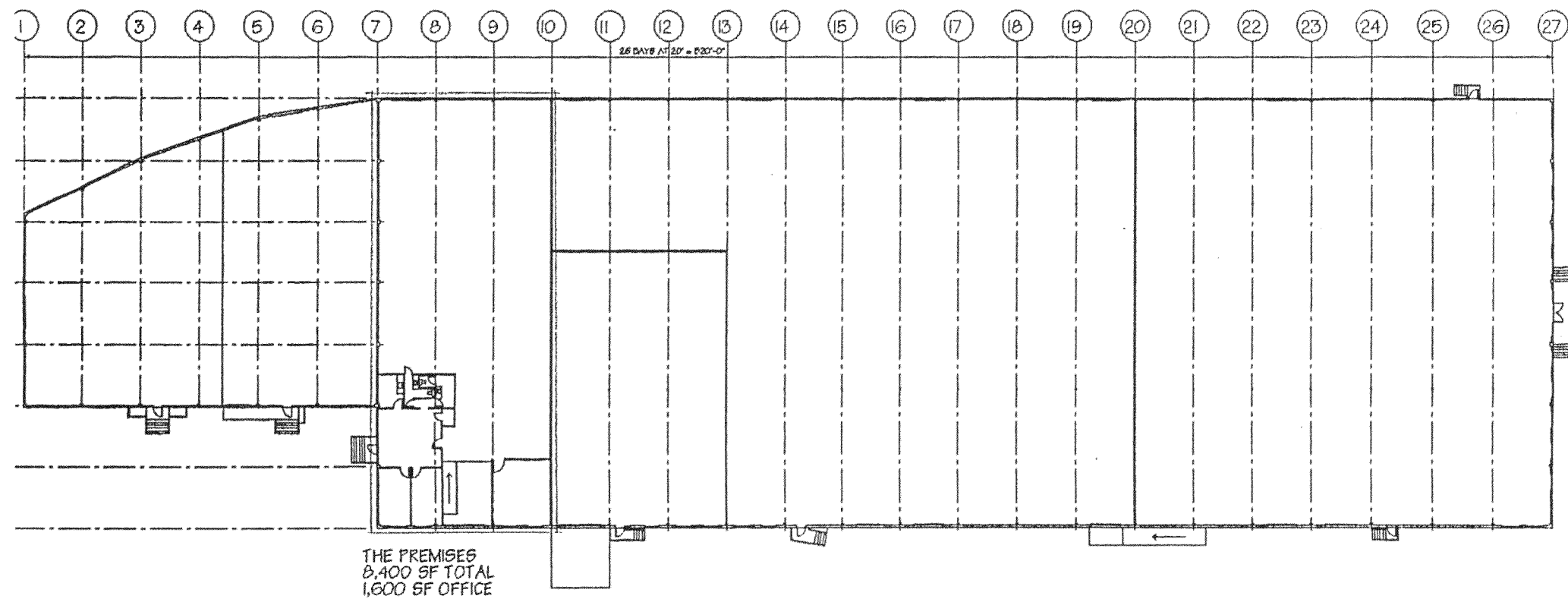
NE 57TH AVE.

NE 58TH AVE.

NE 59TH AVE.

NE 55TH AVE.

NE IRVING ST.



A **FACTRUST** PROPERTY

MULTNOMAH COUNTY

EXHIBIT B

BANFIELD INDUSTRIAL PARK

BUILDING B (PTR #61)
5622 NE HASSALO ST.
PORTLAND, OR 97213

8/3/95