

ANNOTATED MINUTES

Tuesday, February 3, 2004 - 7:30 AM to 9:00 AM
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

LOCAL PUBLIC SAFETY COORDINATING COUNCIL EXECUTIVE COMMITTEE MEETING

A quorum of the Multnomah County Board of Commissioners may be attending the Local Public Safety Coordinating Council Executive Committee meeting. This meeting is open to the public. Agenda topics include Gang Overview. For further information, contact Judith Bauman at (503) 988-5894.

Tuesday, February 3, 2004 - 9:30 AM
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

EXECUTIVE SESSION

Chair Diane Linn convened the meeting at 9:34 a.m., with Vice-Chair Serena Cruz and Commissioners Lisa Naito, Lonnie Roberts and Maria Rojo de Steffey present.

- 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 9:56 a.m.

Tuesday, February 3, 2004 - 10:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFINGS

Chair Diane Linn convened the meeting at 10:08 a.m., with Vice-Chair Serena Cruz and Commissioners Lonnie Roberts and Maria Rojo de Steffey present, and Commissioner Lisa Naito arriving at 10:15 a.m.

B-1 Public Safety Briefing and Update on System Impacts. Presented by John Ball, Karyne Dargan, Joanne Fuller, Mike Schrunk and Bernie Giusto.

JOHN BALL, MATT NICE, MIKE SCHRUNK, JOANNE FULLER, BERNIE GIUSTO AND GAYLE BURROWS PRESENTATIONS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION ON TOPICS INCLUDING: CURRENT CRIME TRENDS; OFFENDER STREAM AND SUBSETS; OFFENDER STREAM FRAMEWORK; POTENTIAL FUNDING IMPACTS OF GENERAL FUND; STATE BALLOT MEASURE 30 AND THE MULTNOMAH COUNTY PERSONAL INCOME TAX ON THE DEPARTMENT OF COMMUNITY JUSTICE, ADULT JUSTICE, DISTRICT ATTORNEY'S OFFICE, SHERIFF'S OFFICE, CORRECTIONS HEALTH AND JUVENILE JUSTICE; AND JAIL BED MANAGEMENT CONTINUUM OPTIONS IN A REDUCED RESOURCE ENVIRONMENT. ADDITIONAL INFORMATION AND DISCUSSION TO TAKE PLACE DURING THE GENERAL FUND FORECAST BRIEFING ON THURSDAY, FEBRUARY 5, 2004. COMMISSIONER NAITO SUGGESTED PUBLIC SAFETY LEADERS PROVIDE A JOINT COMMUNICATION FOR PUBLIC DISTRIBUTION. JOHN BALL REPORTED THAT A BRIEFING UPDATE ON THE WAPATO FACILITY IS SCHEDULED FOR THURSDAY, FEBRUARY 17, 2004.

Chair Diane Linn recessed the meeting at 11:20 a.m. and reconvened the meeting at 11:23 a.m., with Commissioners Serena Cruz and Maria Rojo present, Commissioner Lonnie Roberts excused, and Commissioner Lisa Naito returning at 11:31 a.m.

- B-2 Review of Winter Storm Impacts on Multnomah County. Presented by Tom Simpson and Kathy Turner.

**TOM SIMPSON AND KATHY TURNER
PRESENTATION AND RESPONSE TO BOARD
QUESTIONS AND DISCUSSION. MS. TURNER TO
COORDINATE BOARD AND BOARD STAFF INPUT
DRAFTING WRITTEN INCLEMENT WEATHER
AND OTHER EMERGENCY POLICY DOCUMENTS,
INCLUDING LEVELS OF COUNTY SERVICES
OPERATION AND NOTIFICATION POLICY, FOR
BOARD CONSIDERATION AND VOTE AT A
FUTURE MEETING.**

There being no further business, the meeting was adjourned at 12:01 p.m.

Thursday, February 5, 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 9:35 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-2)
WAS UNANIMOUSLY APPROVED.**

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- C-1 RESOLUTION Authorizing Execution of Deed D041939 for Repurchase of Tax Foreclosed Properties to the Former Owner, JOHN F. BURRIS III

RESOLUTION 04-013.

SHERIFF'S OFFICE

- C-2 Government Revenue Contract (190 Agreement) 0210308 to Provide Law Enforcement Services and Patrols within the City of Maywood Park

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.

NO ONE WISHED TO COMMENT.

NON-DEPARTMENTAL

- R-1 PROCLAMATION Proclaiming February, 2004 as American Heart Month and February 6, 2004, as "Wear Red for Women Day" in Multnomah County, Oregon

COMMISSIONER ROJO MOVED AND COMMISSIONER NAITO SECONDED, APPROVAL OF R-1. COMMISSIONER ROJO PRESENTATION AND INTRODUCTION. HALLIE HACKENBERGER, LOCAL AMERICAN HEART ASSOCIATION BOARD CHAIR, EXPLANATION AND RESPONSE TO BOARD QUESTIONS AND COMMENTS IN SUPPORT. COMMISSIONER ROJO READ PROCLAMATION. PROCLAMATION 04-014 UNANIMOUSLY APPROVED.

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- R-2 Recommended Changes to Multnomah County Classification and Compensation Plans

COMMISSIONER CRUZ MOVED AND COMMISSIONER NAITO SECONDED TO POSTPONE R-2 INDEFINITELY. IN RESPONSE TO A QUESTION OF CHAIR LINN, COUNTY ATTORNEY AGNES SOWLE ADVISED THIS ISSUE WILL COME BACK BEFORE THE BOARD IN A DIFFERENT FORM. R-2 WAS UNANIMOUSLY POSTPONED INDEFINITELY.

R-3 RESOLUTION Approving an Addition to the Prescription Drug Benefit Plan

COMMISSIONER CRUZ MOVED AND COMMISSIONER NAITO SECONDED, APPROVAL OF R-3. GAIL PARNELL AND CAREN COX EXPLANATION AND RESPONSE TO BOARD QUESTIONS. COMMISSIONER ROJO ADVISED SHE FELT IT UNNECESSARY FOR THE BOARD TO VOTE ON MEDICALLY NECESSARY ADDITIONS TO THE COUNTY PRESCRIPTION DRUG BENEFIT PLAN. FOLLOWING DISCUSSION, BOARD CONSENSUS DIRECTING THE WORK GROUP REPRESENTATIVES FROM EACH ELECTED OFFICIAL'S OFFICE AND THE COUNTY ATTORNEY'S OFFICE [WHO ARE RESEARCHING DELEGATION OF AUTHORITY ISSUES AND MAKING RECOMMENDATIONS TO THE BOARD ON POSSIBLE ADDITIONAL DELEGATION OF AUTHORITY ISSUES CONCERNING THE RISK FUND AND COUNTY LITIGATION,] TO ALSO LOOK INTO WHETHER THE COMMISSIONERS SHOULD CONTINUE TO PROVIDE SPECIFIC APPROVAL AS REQUIRED BY ORDINANCE 1022 REGARDING FUTURE ADDITIONS TO THE COUNTY PRESCRIPTION DRUG BENEFIT PLAN. RESOLUTION 04-015 ADOPTED, WITH COMMISSIONERS NAITO, CRUZ, ROBERTS AND LINN VOTING AYE, AND COMMISSIONER ROJO VOTING NO.

R-4 Approval of a Settlement between Multnomah County and the State of Oregon Public Employees Retirement Board

COMMISSIONER CRUZ MOVED AND COMMISSIONER NAITO SECONDED, APPROVAL OF R-4. DAVE BOYER EXPLANATION AND RESPONSE TO BOARD QUESTIONS AND COMMENTS IN APPRECIATION FOR HIS EFFORTS. SETTLEMENT UNANIMOUSLY APPROVED.

There being no further business, the regular meeting was adjourned at 10:00 a.m. and the briefing was convened at 10:01 a.m.

Thursday, February 5, 2004 - 10:00 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFING

B-3 Second Quarter General Fund Forecast. Presented by Mark Campbell.

**JOHN BALL, MARK CAMPBELL, DAVE BOYER
AND KATHY TURNER PRESENTATIONS AND
RESPONSE TO BOARD QUESTIONS AND
DISCUSSION ON ISSUES INCLUDING: GENERAL
FUND REVENUE ESTIMATES; ESTIMATED
COLLECTIONS; ESTIMATED SAVINGS;
ASSESSMENT TRENDS; NEW CONSTRUCTION
ASSESSMENTS; FORECAST ASSUMPTIONS;
CONSTRAINT CALCULATIONS; LIBRARY LOCAL
OPTION LEVY AND LIBRARY FOSSIL LEVY;
COURTHOUSE SITE ACQUISITION; COUNTY
PERSONAL INCOME TAX; WAPATO FACILITY;
BOARD INVOLVEMENT IN EXECUTIVE BUDGET
PREPARATION; GENERAL FUND RESERVES;
PUBLIC EMPLOYEE RETIREMENT SYSTEM
RESERVES; RISK MANAGEMENT FUND; AND
INSURANCE FUND.**

There being no further business, the meeting was adjourned at 10:51 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

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FEBRUARY 3 & 5, 2004-REV

BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday Executive Session
Pg 2	10:00 a.m. Tuesday Public Safety Briefing and Update on System Impacts
Pg 2	11:30 a.m. Tuesday Review of Winter Storm Impacts on Multnomah County
Pg 3	9:30 a.m. Thursday Opportunity for Public Comment on Non-Agenda Matters
Pg 3	9:30 a.m. Thursday Proclaiming February as American Heart Month and February 6th as "Wear Red for Women Day"
Pg 3	9:45 a.m. Thursday Recommended Changes to Multnomah County Classification and Compensation Plans
Pg 3	10:00 a.m. Thursday PERS Settlement
Pg 4	10:00 a.m. Thursday General Fund Forecast

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- B-2 Review of Winter Storm Impacts on Multnomah County. Presented by Tom Simpson and Kathy Turner. 30 MINUTES REQUESTED.

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REGULAR MEETING

CONSENT CALENDAR - 9:30 AM

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

- C-1 RESOLUTION Authorizing Execution of Deed D041939 for Repurchase of Tax Foreclosed Properties to the Former Owner, JOHN F. BURRIS III

SHERIFF'S OFFICE

- C-2 Government Revenue Contract (190 Agreement) 0210308 to Provide Law Enforcement Services and Patrols within the City of Maywood Park

REGULAR AGENDA - 9:30 AM

PUBLIC COMMENT - 9:30 AM

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NON-DEPARTMENTAL - 9:30 AM

- R-1 PROCLAMATION Proclaiming February, 2004 as American Heart Month and February 6, 2004, as "Wear Red for Women Day" in Multnomah County, Oregon

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 9:45 AM

- R-2 Recommended Changes to Multnomah County Classification and Compensation Plans
- R-3 RESOLUTION Approving an Addition to the Prescription Drug Benefit Plan
- R-4 Approval of a Settlement between Multnomah County and the State of Oregon Public Employees Retirement Board

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HOUR REQUESTED.



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DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 9:45 AM

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Thursday, February 5, 2004 - 10:00 AM
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BOARD BRIEFING

B-3 Second Quarter General Fund Forecast. Presented by Mark Campbell. 1
HOUR REQUESTED.

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: C-1

Est. Start Time: 9:30 AM

Date Submitted: 01/12/04

Requested Date: February 5, 2004

Time Requested: Consent Item

Department: DBCS

Division: Tax Title

Contact/s: Gary Thomas

Phone: 503.988.3590

Ext.: 22591

I/O Address: 503/4/Tax Title

Presenters: Gary Thomas

Agenda Title: Resolution Authorizing Approval to Allow Repurchase of a Tax Foreclosed Property to the Former Owner, John F. Burris III.

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 repurchase of a tax foreclosed property to the former owner, John F. Burris. The Department of Business & Community Services recommends that the repurchase be approved.

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

The subject property (as shown in Exhibit A) was foreclosed on for delinquent property taxes and came into County ownership on September 23, 2003. A letter dated October 24, 2003 was sent to the former owner of record, John F. Burris III, providing the opportunity to repurchase the property. On December 31, 2003 the former owner sent a payment to the Tax Title Section for the property in the amount of \$9,078.63.

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

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

4. Explain any legal and/or policy issues.

Multnomah County Code Section 7.402 provides for 30 days notice to the former owner of record to repurchase a property foreclosed on for delinquent property taxes. John F. Burris III made contact with us within the 30 day time limit to notify Multnomah County of his intention to repurchase.

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

The City of Portland Nuisance Lien in the amount of \$895.96 against this property was paid in full on December 31, 2003.

Required Signatures:



Department/Agency Director:

Date: 01/12/04

Budget Analyst

By:

Date:

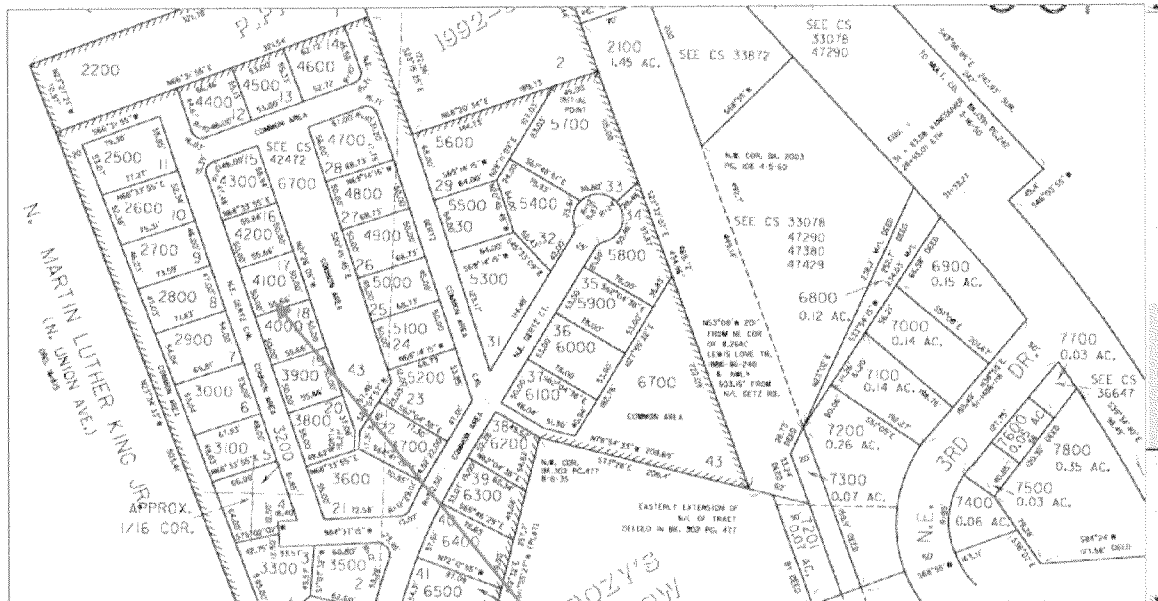
Dept/Countywide HR

By:

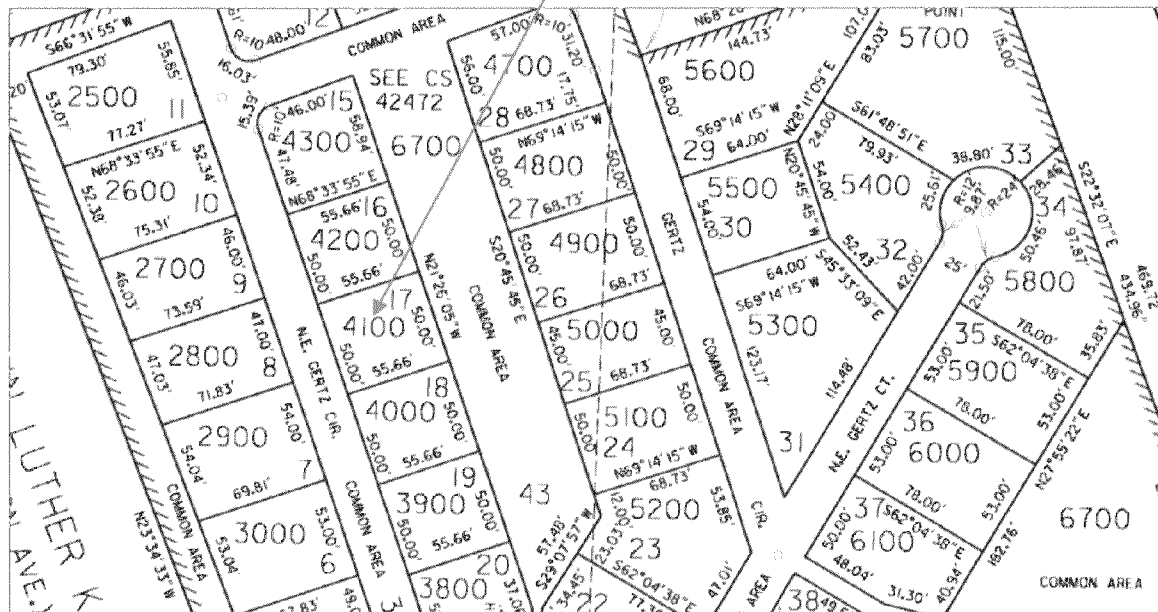
Date:

EXHIBIT "A"

R271812



Subject



R271812



Subject

"EXHIBIT B"

**PROPOSED PROPERTY LISTED FOR REPURCHASE
FISCAL YEAR 2003-04**

LEGAL DESCRIPTION:

LOT 17, SNOOZY'S HOLLOW.

PROPERTY ADDRESS:	9512 NE GERTZ CIRCLE
TAX ACCOUNT NUMBERS:	R271812
GREENSPACE DESIGNATION:	None
SIZE OF PARCEL:	2794 SF
ASSESSED VALUE:	\$57,600

ITEMIZED EXPENSES FOR TOTAL PRICE OF REPURCHASE
--

BACK TAXES & INTEREST:	\$7,746.77
2003 TAXES	\$954.90
ACCRUED INTEREST:	\$335.96
RECORDING FEE:	26.00
CITY LIENS:	-0-
MISC	\$15.00
MINIMUM PRICE REQUEST OF REPURCHASE	\$9,078.63

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Authorizing Execution of Deed D041939 for Repurchase of Tax Foreclosed Properties to the Former Owner, JOHN F. BURRIS III.

The Multnomah County Board of Commissioners Finds:

- a) Multnomah County acquired the real property hereinafter described through foreclosure of liens for delinquent taxes, and JOHN F. BURRIS III is the former owner of record.
- b) JOHN F. BURRIS III has applied to the County to repurchase the property for \$9,078.63, which amount is not less than that required by ORS 275.180; and it is in the best interest of the County that the property be sold to the former owner.
- c) The Tax Title Section has received payment in the amount of \$9,078.63 from JOHN F. BURRIS III.

The Multnomah County Board of Commissioners Resolves:

- 1. The Chair is authorized to execute Deed D041939 as attached, conveying to the former owner the following described real property:

LOT 17, SNOOZY'S HOLLOW, in the City of Portland, Multnomah County, Oregon

ADOPTED this 5th day of February 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

~~THOMAS SPONSLER~~, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____

Christopher D. Crean, Assistant County Attorney

JOHN F. BURRIS III
9512 NE GERTZ CIRCLE
PORTLAND OR 97211-1270

Deed D041939

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, conveys to JOHN F. BURRIS III, Grantee, the following described real property:

LOT 17, SNOOZY'S HOLLOW, In the City of Portland, Multnomah County, Oregon.

The true and actual consideration paid for this transfer, stated in the terms of dollars is \$9,078.63.

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 5th day of February 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:

THOMAS SPONSEL, COUNTY ATTORNEY
MULTNOMAH COUNTY, OREGON

By _____

Christopher D. Crean, Assistant County Attorney

STATE OF OREGON

COUNTY OF MULTNOMAH

Diane M. Linn, acknowledged this Deed before me this 5th day of February 2004, 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

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-013

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- b) JOHN F. BURRIS III has applied to the County to repurchase the property for \$9,078.63, which amount is not less than that required by ORS 275.180; and it is in the best interest of the County that the property be sold to the former owner.
- c) The Tax Title Section has received payment in the amount of \$9,078.63 from JOHN F. BURRIS III.

The Multnomah County Board of Commissioners Resolves:

- 1. The Chair is authorized to execute Deed D041939 as attached, conveying to the former owner the following described real property:

LOT 17, SNOOZY'S HOLLOW, in the City of Portland, Multnomah County, Oregon

ADOPTED this 5th day of February, 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

JOHN F. BURRIS III
9512 NE GERTZ CIRCLE
PORTLAND OR 97211-1270

Deed D041939

LOT 17, SNOOZY'S HOLLOW, In the City of Portland, Multnomah County, Oregon.

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.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

REVIEWED:

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

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

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

JOHN F. BURRIS III
9512 NE GERTZ CIRCLE
PORTLAND OR 97211-1270

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

Deed D041939

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, conveys to JOHN F. BURRIS III, Grantee, the following described real property:

LOT 17, SNOOZY'S HOLLOW, In the City of Portland, Multnomah County, Oregon.

The true and actual consideration paid for this transfer, stated in the terms of dollars is \$9,078.63.

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 5th day of February 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

AGNES SOWLE, COUNTY ATTORNEY
MULTNOMAH COUNTY, OREGON

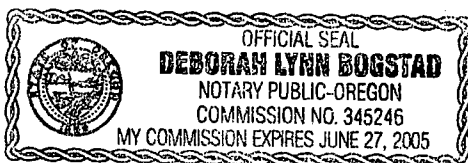
By Christopher D. Crean
Christopher D. Crean, Assistant County Attorney

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

Diane M. Linn, acknowledged this Deed before me this 5th day of February 2004, 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.

Wesley Lynn Bogstad

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



AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: C-2

Est. Start Time: 9:30 AM

Date Submitted: 01/27/04

Requested Date: February 5, 2004

Time Requested: N/A

Department: Sheriff's Office

Division: Enforcement

Contact/s: Brad Lynch

Phone: 503-988-4336

Ext.: 84336

I/O Address: 503/350

Presenters: Consent Calendar

Agenda Title: Government Contract (190 Agreement) 0210308 to provide law enforcement services and patrols within the City of Maywood Park

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 Government Contract.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.** The Sheriff's Office provides patrols within the city limits of Maywood Park. In turn, Maywood Park reimburses the Sheriff's Office for the cost of a patrol deputy for eight hours a week for the fiscal year. This agreement has been in place at least since 1988.
 3. **Explain the fiscal impact (current year and ongoing).** Maywood Park will pay \$20,795.84 for this service.

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.
5. **Explain any citizen and/or other government participation that has or will take place.** None other than stated above.

Required Signatures:

Department/Agency Director:



Date: 01/27/04

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 #: 0210308
Amendment #: _____

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 type="checkbox"/> Non-Expenditure <input checked="" 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 Division: Enforcement Date: 01/21/04
 Originator: Chief Deputy Lee Graham Phone: 503-988-4308 Bldg/Rm: 503/350
 Contact: Brad Lynch Phone: 503-988-4336 Bldg/Rm: 503/350
 Description of Contract: Provide general law enforcement services and additional patrol within the corporate city limits of Maywood Park.

RENEWAL: ☐ PREVIOUS CONTRACT #(S): 0010307, 0010307-1, 0111024, 0210045
 RFP/BID: _____ RFP/BID DATE: _____
 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 City of Maywood Park		Remittance address _____	
Address 10100 NE Prescott St., Suite 147		(If different) _____	
City/State Maywood Park, OR		Payment Schedule / Terms	
ZIP Code 97220		<input type="checkbox"/> Lump Sum \$ _____ <input type="checkbox"/> Due on Receipt	
Phone 503-255-9805 ATTN: Mark Hardie, Mayor		<input type="checkbox"/> Monthly \$ _____ <input type="checkbox"/> Net 30	
Employer ID# or SS# _____		<input checked="" type="checkbox"/> Other \$ _____ <input type="checkbox"/> Other	
Contract Effective Date 07/01/03	Term Date 06/30/04	<input type="checkbox"/> Requirements Funding Info:	
Amendment Effect Date _____	New Term Date _____	Original Requirements Amount \$ _____	
Original Contract Amount \$20,795.84		Total Amt of Previous Amendments \$ _____	
Total Amt of Previous Amendments \$ _____		Requirements Amount Amendment: \$ _____	
Amount of Amendment \$ _____		Total Amount of Requirements \$ _____	
Total Amount of Agreement \$ \$20,795.84			

REQUIRED SIGNATURES:

Department Manager _____	DATE _____
Purchasing Manager _____	DATE _____
County Attorney <i>S. A.</i>	DATE 01-26-04
County Chair <i>Dean</i>	DATE _____
Sheriff <i>Bernie Givato by LAG</i>	DATE 1-22-04
Contract Administration _____	DATE _____

COMMENTS:

APPROVED: MULTNOMAH COUNTY
 BOARD OF COMMISSIONERS
 AGENDA # C-2 DATE 02-05-04
 DEBORAH L. BOGSTAD, BOARD CLERK



MULTNOMAH COUNTY SHERIFF'S OFFICE

501 SE HAWTHORNE BLVD., SUITE 350 • PORTLAND, OR 97214

Exemplary service for a safe, livable community

BERNIE GIUSTO
SHERIFF

(503) 988-4300 PHONE
(503) 988-4500 TTY
www.sheriff-mcso.org

MEMORANDUM

TO: Central Procurement / Contract Administration

FROM: Brad Lynch, MCSO Contract Administrator

DATE: January 27, 2004

RE: Retroactive Contract Processing / Contract Number 0210308

As more than 30 days have passed since the initial execution date of the contract with the City of Maywood Park, this is a request that the contract be considered and processed as retroactive.

Timely processing of this contract was inadvertently delayed due to personnel changes in the Sheriff's Office fiscal/contract administration unit.

Therefore, we request that this contract be processed as retroactive.

LYNCH Brad B

From: ASPHAUG Scott E [Scott.E.Asphaug@co.multnomah.or.us]
Sent: Monday, January 26, 2004 11:11 AM
To: LYNCH Brad B
Subject: RE: Contract Review Request

Thanks for the update Brad.

Scott

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

From: LYNCH Brad B
Sent: Monday, January 26, 2004 11:10 AM
To: ASPHAUG Scott E
Subject: RE: Contract Review Request

Scott, yes we are halfway through the contract period. Timely processing of this contract was inadvertently delayed due to our personnel changes down here. As per admin. procedures, a retro memo explaining the delay will accompany the contract when it goes to the Board for approval.

I will change the dates for payment as follows:

d) Payment of such services is to be made on a semi-annual basis.
MCSO
will bill the CITY on March 1, 2004 with payment due by March 31, 2004;
and
MCSO will bill the CITY on June 1, 2004 with payment due June 30, 2004.

Thank you for catching that. Brad.

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

From: ASPHAUG Scott E [mailto:Scott.E.Asphaug@co.multnomah.or.us]
Sent: Monday, January 26, 2004 10:54 AM
To: LYNCH Brad B
Subject: RE: Contract Review Request

Brad

I've reviewed the IGA and have the following concerns:

1. We are already halfway through the contract period. (see para. 1 of the agreement) Is this accurate?
2. The payment dates are incorrect. See para 3d. of the contract.

Apart from those issues, the agreement looks OK.

Scott

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

From: LYNCH Brad B
Sent: Thursday, January 22, 2004 11:31 AM
To: ASPHAUG Scott E
Cc: DUNAWAY Susan M

Subject: Contract Review Request

Scott, attached are the proposed contract, CAF, and agenda placement request

for the City of Maywood Park for patrol services.

<<Maywood Park APR 2003-2004.doc>> <<Maywood Park CAF 2003-2004.doc>>

<<Maywood Park Agreement 2003-2004.doc>>

Thank you,

Brad Lynch

Multnomah County Sheriff's Office

Fiscal Unit

501 SE Hawthorne Blvd, STE 350

Portland, OR 97214

Phone (503) 988-4336

Fax (503) 988-4317

<http://www.co.multnomah.or.us/sheriff/>

GOVERNMENT CONTRACT (190 AGREEMENT)

This is an Agreement between the City of Maywood Park (City) and the Multnomah County Sheriff's Office (MCSO or County), pursuant to authority granted in ORS Chapter 190.

PURPOSE:

The purpose of this agreement is for MCSO to provide Enforcement Patrols within the city limits of Maywood Park.

The parties agree as follows:

1. **TERM** The term of this agreement shall be from July 1, 2003 to June 30, 2004 unless terminated as outlined in section 4 below. This agreement may be renewed Annually by mutual agreement of both parties within 90 days of expiration.
2. **RESPONSIBILITIES OF MCSO .**
 - a) MCSO agrees to provide police service within the corporate limits of the CITY. The police services shall include the duties and enforcement functions customarily rendered by the MCSO under the statutes of the State of Oregon and the CITY. These services shall include response to emergency situations Where life and property are in danger, criminal law enforcement, traffic enforcement, and similar law enforcement activities within the legal authority of the MCSO to provide. The MCSO and CITY agree to meet and discuss which CITY ordinances the MCSO will enforce. The parties agree that ORS 206.345(2), which provides, *"During the existence of the contract, the Sheriff and the deputies of the Sheriff shall exercise such authority as may be vested in them by terms of the contract, including full power and authority to arrest for violation of all duly enacted ordinances of the contracting city,"* shall prevail and both parties shall perform accordingly.
 - b) All personnel provided by the MCSO in the performance of this contract shall be MCSO officers and employees. The CITY shall have no liability for any salaries, wages, workmen's compensation, or incidental personal expenses to any MCSO officers and employees engaged in such performance.
 - c) MCSO agrees to provide all necessary labor, supervision, equipment, communication facilities, and supplies necessary to provide the services described herein.
 - d) MCSO shall make available for the performance of the services described herein, properly supervised deputy sheriffs, certified as police officers by the Oregon Board on Police Standards and Training. The MCSO shall assign armed, uniformed deputy sheriffs to the CITY consistent with the MCSO'S scheduling and districting for other areas of Multnomah County. Subject to the MCSO's scheduling needs, the MCSO agrees to assign the same deputy sheriffs to patrol the CITY, to ensure that the CITY receives consistent service.
 - e) The MCSO agrees to provide patrols, and will respond to calls for service seven days per week, within the CITY limits. The total patrol time, including response to calls for service, in a given week shall be eight hours. The hours per week can be adjusted up or down by two (2) hours by the CITY. The parties agree that a portion of the aggregate weekly total hours will be devoted to traffic enforcement, including the use of radar and other traditional traffic enforcement methods, on the main state, county and city streets within the CITY. The parties agree that the CITY may identify special traffic problems for targeted traffic enforcement within the CITY.

- f) MCSO agrees to provide follow-up investigation of reported criminal activities at a level not less than the follow-up investigation level provided to the unincorporated areas of Multnomah County.
 - g) MCSO shall designate a representative of the Sheriff's Office to address special requests from the CITY. The name of such representative will be provided to the Mayor of Maywood Park.
 - h) MCSO agrees that non-criminal records generated under this contract shall be made available to the CITY to audit and examine. The CITY agrees that any audit shall be arranged by contacting the Sheriff or his representative at least 10 working days prior to the commencement of the audit and shall be conducted at any time during normal working hours.
 - i) MCSO shall provide to CITY a monthly report that includes summary reports on criminal occurrences, a synopsis of enforcement and other activities related to community policing. The report will continue to document and report numbers of incidents to which MCSO responded and the amount of time spent on incidents, neighborhood patrol and investigations.
 - j) MCSO shall provide to CITY a copy of an enforcement report whose form, content and duration shall be mutually determined and delivered to the "Liaison to Law Enforcement" 10106 N.E. Shaver, Maywood Park, OR 97220.
 - k) MCSO will provide an officer at the regular monthly City Council meetings to orally inform the Council of service demands and any identified areas of concern.
3. **RESPONSIBILITIES OF CITY.** The CITY agrees to:
- a) The CITY agrees that all matters incident to the performance of the services provided hereunder, including standards of performance, and supervision and discipline of assigned personnel, shall be and remain the responsibility of the MCSO. The CITY further agrees that the assigned personnel provide 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 the MCSO.
 - b) The CITY shall designate in writing a representative who shall be authorized to request special emergency patrols or responses from the MCSO.
 - c) The CITY shall pay to the MCSO for patrol services as provided at Section 2 above at a rate of \$49.99 per hour. This rate includes \$38.50 per hour for a patrol officer (based on the salary and benefits for an average Deputy Sheriff in Fiscal year 2003-04) for eight (8) hours a week, 52 weeks of the fiscal year. Also included in this rate is the hourly cost of a marked vehicle of \$10.50 per hour, plus an indirect cost rate of \$.99 per hour or \$411.84 annually (based on an indirect cost of 2.03%). The yearly total for 416 hours of patrol shall be \$20,795.84 for the term of this Agreement.

- d) Payment of such services is to be made on a semi-annual basis. MCSO will bill the CITY on March 1, 2004 with payment due by March 31, 2004; and MCSO will bill the CITY on June 1, 2004 with payment due June 30, 2004. Payments will be mailed to:

Sharon Lowell
Multnomah County Sheriff's Office
501 SE Hawthorne, Suite 350
Portland, OR 97214

- e) Scheduling, payment of salary, benefits, and all other employee rights shall be in compliance with the negotiated contract between the Multnomah County Deputy Sheriff's Association and Multnomah County.

4. **TERMINATION** This agreement may be terminated by either party upon 90 days written notice.

5. **INDEMNIFICATION** Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall indemnify, defend and hold harmless CITY from and against all liability, loss and costs arising out of or resulting from the acts of County, its officers, employees and agents in the performance of this agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300 shall indemnify, defend and hold harmless County from and against all liability, loss and costs arising out of or resulting from the acts of CITY, its officers, employees and agents in the performance of this agreement.

6. **INSURANCE** Each party shall each be responsible for providing worker's compensation insurance as required by law. Neither party shall be required to provide or show proof of any other insurance coverage.

7. **ADHERENCE TO LAW** Each party shall comply with all federal, state and local laws and ordinances applicable to this agreement.

8. **NON-DISCRIMINATION** Each party shall comply with all requirements of federal and state civil rights and rehabilitation statutes and local non-discrimination ordinances.

9. **ACCESS TO RECORDS** Each party shall have access to the books, documents and other records of the other which are related to this agreement for the purpose of examination, copying and audit, unless otherwise limited by law.

10. **SUBCONTRACTS AND ASSIGNMENT** Neither party will subcontract or assign any part of this agreement without the written consent of the other party.

11. **THIS IS THE ENTIRE AGREEMENT** This Agreement constitutes the entire Agreement between the parties. The MCSO and CITY agree that this Agreement may be modified or amended by mutual agreement of the parties. Any modification to this Agreement shall be effective only when incorporated herein by written amendments and signed by both CITY and the Multnomah County Sheriff, and approved by the Multnomah County Board of Commissioners.

12. **CONTRACT ADMINISTRATION**

- a) The Sheriff or his designated representative will represent the MCSO in all matters pertaining to this Agreement.
- b) The City will designate a person as "Liaison to Law Enforcement" from the Mayor's Office to represent the city.
- c) Any notice or notices provided for by this Agreement or by law to be given or served upon the MCSO shall be given or served by letter deposited in the United States mail, postage prepaid, and addressed:

Chief Deputy Lee Graham
Multnomah County Sheriff's Office
501 SE Hawthorne Blvd., Suite 350
Portland, Oregon 97214

- d) Any notice or notices provided for by this agreement or by law to be given or served upon City may be given or served by letter deposited in United States mail, postage prepaid and addressed:

City of Maywood Park
10100 NE Prescott
#147
Maywood Park OR 97220

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

CITY OF MAYWOOD PARK


By: _____
Mark Hardie, Mayor

Date: _____

MULTNOMAH COUNTY

By: Bernie Giusto by LAG
Bernie Giusto, Sheriff

Date: 1-22-04

By: 
Diane M. Linn, County Chair

Date: 2.5.04

By: _____
City Recorder

Date: _____

REVIEWED:
County Counsel
for Multnomah County, Oregon

By: S.A.
Assistant Counsel

Date: 01-26-04

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-2 DATE 02.05.04
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: R-1

Est. Start Time: 9:30 AM

Date Submitted: 01/28/04

Requested Date: February 5, 2004

Time Requested: 15 mins

Department: Non-Departmental

Division: District 1
Commissioner Maria Rojo de Steffey

Contact/s: Jennifer Scheehle, American Heart Association
David Martinez, District 1

Phone: 503 233-0100 & 503 988-5220 **Ext.:** 86796 **I/O Address:** 503/600

Presenters: Commissioner Maria Rojo de Steffey and Hallie Hackenberger, American Heart Association Board Chair (Local Chapter)

Agenda Title: PROCLAMATION Proclaiming February, 2004 as American Heart Month and February 6, 2004, as "Wear Red for Women Day" in Multnomah County, Oregon

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 Proclamation.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
The American Heart Association is declaring the Month of February as American Heart Month and celebrating by launching a new campaign – "Go Red For Women". The goal of the campaign is to empower women with the knowledge and tools they need to make positive lifestyle changes that will help reduce their risk of heart disease. Cardiovascular disease is the No. 1 killer of American women. Heart attack, stroke and other cardiovascular diseases claim ten times more lives than breast cancer here in Oregon. February 6 has been designated as "Wear Red for Women Day" and will be the official kick-off of this national campaign.

3. Explain the fiscal impact (current year and ongoing).
No current year 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.
None.
5. Explain any citizen and/or other government participation that has or will take place.
N/A

Required Signatures:

Department/Agency Director:



Date: 01/28/04-

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

PROCLAMATION NO. _____

Proclaiming the Month of February, 2004 as American Heart Month and February 6, 2004 as "Wear Red for Women Day" in Multnomah County, Oregon

The Multnomah County Board of Commissioners Finds:

- a. Diseases of the heart are the nation's leading cause of death and stroke is the third leading cause of death.
- b. Cardiovascular diseases (CVD) are the leading cause of death among women.
- c. Heart attack, stroke and other cardiovascular diseases claim ten times the lives of Oregon women than breast cancer.
- d. The cost of cardiovascular diseases and stroke in the US is estimated at \$352 billion.
- e. One in five females in the United States has some form of cardiovascular disease.
- f. Sixty-three percent of women who died suddenly of coronary heart disease had no previous symptoms of this disease.
- g. Increasing awareness of the risk factors and taking actions to reduce them can save thousands of lives each year.
- h. February has been designated as National American Heart Month.
- i. The American Heart Association is launching a new campaign, "Go Red for Women"; to encourage women to pay attention to their hearts and help they live longer, stronger lives by reducing their risk for cardiovascular disease.
- j. The Go Red for Women kickoff will be held February 6th, from 11:00 a.m. to 1:00 p.m., at Pioneer Place Shopping Center and is open to the public.

The Multnomah County Board of Commissioners Proclaims:

The month of February 2004 as American Heart Month and Friday, February 6th as "Wear Red for Women Day" in Multnomah County, Oregon. We urge everyone to wear red in recognition of family, friends and neighbors who have suffered from cardiovascular disease and as a show of support to fight Oregon's number one killer.

ADOPTED this 5th day of February, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

BOGSTAD Deborah L

From: MARKS Carolyn R
Sent: Friday, January 30, 2004 1:50 PM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Feb. 6, Go Red for Women Day - American Heart Assoc.

Did you know that women are ten times more likely to die from heart disease than from breast cancer? Multnomah County, along with The American Heart Association, wants women to pay more attention to their hearts!

This February women across America will **Go Red for Women** to raise awareness of cardiovascular disease, the No. 1 killer of women. The American Heart Association invites women to take charge of their heart health, make it a top priority and live stronger, longer lives.

Friday, February 6, 2004 has been designated "**National Go Red for Women Day.**" Red is the American Heart Association's color for women and heart disease. The association is encouraging everyone to wear red - such as a red dress, shirt, hat or other item - on February 6 in support of all women who have been touched by heart disease or stroke.

At the County Board Meeting on February 5, Multnomah County Commissioner Rojo de Steffey will introduce a resolution proclaiming February 6 "**Wear Red for Women Day**" and encouraging all Multnomah County employees and residents to participate and raise public awareness about the leading killer of women in Oregon - heart disease.

Also on February 6, women and men are invited to come to Pioneer Place Shopping Center for the **Go Red for Women kickoff**. Pick up health information, Red Dress Pins, and other educational materials from 11:00 a.m. until 1:00 p.m. CURVES will be offering body fat analysis.

By calling 1-888-MY-HEART or visiting americanheart.org/women beginning February 1, women will receive a Heart Health Tool Kit with tips and information, including:

- * A comprehensive brochure with information on heart disease and stroke risk factors and warning signs
- * A bookmark with information on how women can reduce their risk for heart disease and stroke

* A wallet card with questions to ask a doctor and a chart to track blood pressure, cholesterol and weight

* An American Heart Association Red Dress Pin to wear to show support for the women and heart disease cause.

The website is user friendly and offers comprehensive information and a link to the local AHA office.

Carolyn Marks

Employee Health Promotion Mgr.

(503) 988-5015 ext.24319

503/4/HP

P.O. Box 14700

Portland, OR 97293-0700



American Heart
Association

Learn and Live...

for women

Go red for women's hearts!

Did you know heart disease is the No. 1 killer of women? Do something good for your heart... take charge of your health for a longer, stronger life.

•Know your risk

Call 1-888-MY-HEART for a comprehensive brochure about women and heart disease, and our free awareness pin, the Red Dress Pin.

•Wear red on Feb 6

On national Wear Red Day For Women, put on something scarlet to show your support. Then come to Pioneer Place Shopping Center for the Go Red kickoff.

•New health guidelines

Visit americanheart.org for the new women's health prevention guidelines starting February 4.

National Sponsors:

BON-macy's



Foundation Grant:

PacifiCare®

Regional Sponsors:

Fred Meyer®



Portland General Electric



Portland Tribune

Special Thanks to:

Columbia Sportswear, JohnsonSheen Advertising, Pioneer Place Shopping Center

a red letter day:

Go Red kickoff

Friday, February 6
Pioneer Place Shopping Center,
Downtown Portland
Atrium Concourse Level
11 a.m. - 1 p.m.

Featuring:

- The Go Red ambassadors
 - Health information
 - Health screenings
- and County Commissioner
- Maria Rojo de Steffey

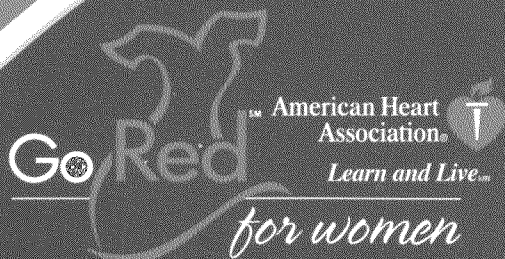
1200 NW Naito Parkway
Suite 220
Portland, OR 97209

American Heart
Association



Learn and Live...

Non-Profit Org.
U.S. Postage
PAID
Portland, Oregon
Permit No. 609



American Heart
Association®



Kickoff Event

Friday, February 6

11 am – 1 pm

Pioneer Place Shopping Center

Atrium Concourse Level

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

PROCLAMATION NO. 04-014

Proclaiming the Month of February, 2004 as American Heart Month and February 6, 2004 as "Wear Red for Women Day" in Multnomah County, Oregon

The Multnomah County Board of Commissioners Finds:

- a. Diseases of the heart are the nation's leading cause of death and stroke is the third leading cause of death.
- b. Cardiovascular diseases (CVD) are the leading cause of death among women.
- c. Heart attack, stroke and other cardiovascular diseases claim ten times the lives of Oregon women than breast cancer.
- d. The cost of cardiovascular diseases and stroke in the US is estimated at \$352 billion.
- e. One in five females in the United States has some form of cardiovascular disease.
- f. Sixty-three percent of women who died suddenly of coronary heart disease had no previous symptoms of this disease.
- g. Increasing awareness of the risk factors and taking actions to reduce them can save thousands of lives each year.
- h. February has been designated as National American Heart Month.
- i. The American Heart Association is launching a new campaign, "Go Red for Women"; to encourage women to pay attention to their hearts and help they live longer, stronger lives by reducing their risk for cardiovascular disease.
- j. The Go Red for Women kickoff will be held February 6th, from 11:00 a.m. to 1:00 p.m., at Pioneer Place Shopping Center and is open to the public.

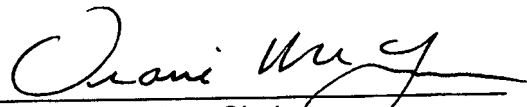
The Multnomah County Board of Commissioners Proclaims:

The month of February 2004 as American Heart Month and Friday, February 6th as "Wear Red for Women Day" in Multnomah County, Oregon. We urge everyone to wear red in recognition of family, friends and neighbors who have suffered from cardiovascular disease and as a show of support to fight Oregon's number one killer.

ADOPTED this 5th day of February, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: R-2

Est. Start Time: 9:45 AM

Date Submitted: 01/16/04

Requested Date: February 5, 2004

Time Requested: 10 minutes

Department: SSO

Division: Central HR – Class/Comp

Contact/s: David Bower, Sr. Analyst; Carol Brown, Class/Comp-Recruitment Unit Manager

Phone: (503)988-5015 **Ext.:** 24827 **I/O Address:** 503/4

Presenters: David Bower, Carol Brown

Agenda Title: Reviews and Approvals of changes to compensation plan required by Ordinance#: 1022

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 Classification/Compensation Program is requesting (and recommending) Board Approval for the following changes to the County's Classification and Compensation Plans:

ACTION	CLASS	JOB CODE	PAY SCALE GROUP	Pay Range	# EEs AFPEC -TED	COST	COMMENTS
Delimit (Abolish)	Program Development Specialist, Sr. (Management)	9115	124	\$43,587 - \$61,021 / YR	4	NA	The Classification is duplicated by Program Supervisor 1.
Delimit (Abolish)	CFS Specialist	6313	6313	\$21.18 - \$26.02 / HR	3	0	The classification is duplicated by Program

							Development Specialist
Establish	Contract Specialist, Sr.		31	\$23.92 - \$29.45 / HR	1	0	No Budget Impact – Negotiated Study. Employees lateral from PDS, Sr.
Establish	Contract Specialist		25	\$20.05 - \$24.65 / HR	11		1% cost per employee to implement. No Budget Impact – Negotiated Study
Establish	Contract Technician		15	\$14.90 - \$18.35 / HR	3		Average 2% cost per employee to implement. No Budget Impact – Negotiated Study
Establish	Vector Control Specialist		25	\$20.05 - \$24.65 / HR	2		Average 3.5% per employee to implement. No Budget Impact – Negotiated Study
Revise Pay Scale Group	Program Development Specialist	6021	From Range 6021 to Range 25	\$20.05 - \$24.65 / HR	61		Average 1% cost per employee to implement. No Budget Impact – Negotiated Study
Revise Pay Scale Group	Program Development Technician	6020	From Range 6020 to Range 15	\$14.90 - \$18.35 / HR	22		Average 2% cost per employee to implement. No Budget Impact – Negotiated Study

Revise Pay Scale Group	Program Coordinator	6022	From Range 6022 to Range 19	\$16.79 - \$20.63 / HR	9	Average 1% cost per employee to implement No Budget Impact – Negotiated Study
Revise Pay Scale Group	Planner, Sr.	6078	From Range 6078 to Range 32	\$24.65 - \$30.32 / HR	2	Average 1% cost per employee to implement
Revise Pay Scale Group	Transportation Planning Specialist	6076	From Range 6076 to Range 29	\$22.56 - \$27.75 / HR	4	Average less than 1% per employee to implement This will have some Budget Impact, because the Program is paying for this activity. The total cost to the program this Fiscal Year is \$201.00 This is not part of a negotiated study.
Revise Pay Scale Group	Planner	6075	From Range 6075 to Range 28	\$21.90 - \$26.94 / HR	8	About 2% per employee (average) Employees above step 4 see a raise of less than 1%
Revise Pay Scale Group	Represented Classes not on standard pay Scale Structure	Four digit class specific pay scale group to standardized 8 step structure.		Most represented classifications Typical impact is 1 – 2 % per employee as classifications are moved on to the standardized grid.		Implementation is least cost to the higher adjacent pay level in the new range.

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

With the passage of Ordinance 1022, board approval is required to take actions that are necessary to maintain the county's compensation and classification structures. Generally, these changes fall into four broad categories: Revision of a class Title, Duties, or Minimum Qualification; Abolishment (Delimiting) of a classification; Establishment of a classification; or, changing the Pay Scale Group a Classification is assigned to. These changes are driven by factors in the business environment such as: the services the County is providing; changing labor costs, changes in laws and rules affecting FLSA and/or Union representation status; considerations of internal equity; and, others.

The requested establishment and abolishment actions are necessary to implement the results of a classification/compensation study of the Program Development Specialist job group. The changes requested to the pay ranges of these classifications are needed to

implement the recommendations of the Program Development Specialist Study, and the compensation study of the Planners, Senior Planners and Transportation Planning Specialists. The requested changes also place the classifications' compensation onto the County's standardized pay grid.

Revising the pay of the majority of represented classifications to a standardized pay structure has a number of benefits. The present structure contains pay ranges tied to individual class numbers, with no direct relationship to other classifications' pay ranges. These groups are typically 6 step pay ranges with variation in the range and step levels of different classifications. This causes difficulty by making promotion costs variable. Salary ranges are distributed around midpoints. A six step range can cause a higher than necessary initial offer because of the increased distance between steps.

The standardized pay structure is a 3-by-3 grid. Pay Scale groups are 3% different at their mid-points and each pay scale group spans a 24% pay range with 8 steps. This makes promotion costs more predictable and manageable. Wider pay bands allow for hiring offers at a lower rate and extend the number of years needed to reach the top step in a pay range, and enhance the county's ability to set pay ranges that support internal equity among classifications.

3. **Explain the fiscal impact (current year and ongoing).** Negotiated class studies have no impact on the budget in the year in which they are implemented. The funds needed to implement study findings are set aside in the current budget. Subsequent budgets must include funds needed to maintain the compensation plan at the new levels.

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.**

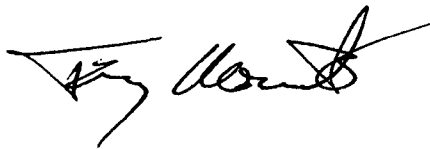
- ❖ Has this request been made before? When? What was the outcome?

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. AFSCME Local 88 members will vote to accept or reject the changes to the negotiated compensation plan if the Board approves the recommended actions.

Required Signatures:



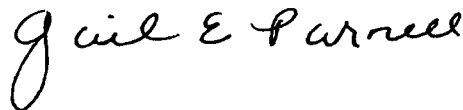
Department/Agency Director: _____ Date: 01/16/04

Budget Analyst



By: _____ Date: 01/16/04

Dept/Countywide HR



By: _____ Date: 01/16/04

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		1000				60000		11,441	11,441	15,333	DBCS
2		1000				60130		3,280	3,280		
3		1000				60140		612	612		
4		1000				60000		40,965	40,965	54,901	DCHS
5		1000				60130		11,745	11,745		
6		1000				60140		2,192	2,192		
7		1000				60000		4,705	4,705	6,353	DCJ
8		1000				60130		1,349	1,349		
9		1000				60140		299	299		
10		1000				60000		16,602	16,602	22,416	HD
11		1000				60130		4,760	4,760		
12		1000				60140		1,054	1,054		
13		1000				60000		5,493	5,493	7,362	Lib
14		1000				60130		1,575	1,575		
15		1000				60140		294	294		
16		1000				60000		795	795	1,081	MCSO
17		1000				60130		228	228		
18		1000				60140		58	58		
19		1000				60000		1,050	1,050	1,407	NOND
20		1000				60130		301	301		
21		1000				60140		56	56		
22		1000				60000		16,760	16,760	22,462	OSCP
23		1000				60130		4,805	4,805		
24		1000				60140		897	897		
25	70-01	3500		705210		50316		(5,462)	(5,462)		Risk Fund
26	70-01	3500		705210		60330		5,462	5,462		
27	19	1000		9500001000		60470		(131,316)	(131,316)		GF Contingency
28								0			
29								0			
								0		131,316	Total - Page 1
								0		131,316	GRAND TOTAL

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 1022

Amending MCC Sections 9.160 and 9.170 Relating to County Compensation Plan

(Stricken language is ~~noted~~; double underlined language is new.)

Multnomah County Ordains as follows:

Section 1. MCC Section 9.160 is amended as follows:

§ 9.160 Compensation Plan.

(A) The Chair must maintain a compensation plan. The compensation plan ~~revisions are subject to approval of~~ must be approved by the Board resolution prior to adoption of the annual County budget ~~if costs of the revision exceed department or county budgets, or if the revisions are subject to negotiation with appropriate bargaining agents under state law.~~

(B) It is county policy to establish a compensation plan that provides pay and benefits necessary for the county to recruit, select, and retain qualified employees who are not part of a bargaining unit; recognizes employee performance, growth, and development; maintains an appropriate internal relationship among classification and employees based on job responsibilities, qualifications, and authority, and that maintains parity between equivalent nonrepresented and represented positions.

(C) The compensation plan includes the following benefits defined by Board resolution and implemented by Chair executive rule:

- (1) Paid holidays;
- (2) Paid leaves;
- (3) Leaves of absence without pay;
- (4) Leave-sharing programs;
- (5) Health and welfare benefits;
- (6) Educational assistance programs;
- (7) Deferred compensation programs;
- (8) Flexible spending accounts;
- (9) Pension programs;
- (10) Workers' compensation and supplemental benefits;
- (11) Other benefits to implement subsection (B); and
- (12) Other benefits approved by the Board.

Section 2. MCC Section 9.170 is amended as follows:

§ 9.170 Plan Maintenance.

The Chair ~~willis responsible for developing and presenting~~ annual compensation plan adjustments ~~for review and approval by Board resolution recommendations to the Board.~~ These ~~recommendations adjustments~~ must be based on periodic surveys of comparable employers, internal classification relationships, financial constraints, and actual or anticipated pay adjustments for nonrepresented employees.

Section 3. This ordinance is effective January 11, 2004.

FIRST READING:

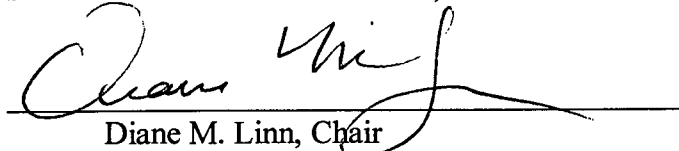
December 4, 2003

SECOND READING AND ADOPTION:

December 11, 2003



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

BOGSTAD Deborah L

From: BOGSTAD Deborah L
Sent: Wednesday, February 04, 2004 5:30 PM
To: PARNELL Gail E; BOWER David C; BROWN Carol L
Cc: SOWLE Agnes; DARGAN Karyne A; HAY Ching L; TURNER Kathy G; BELL Iris D; CARROLL Mary P; ROMERO Shelli D; WALKER Gary R; MARTIN Chuck T; COMITO Charlotte A; NAITO Terri W; WESSINGER Carol M; TARBET Timshel L; SMITH Andy J; #AGENDA REVIEW TEAM; Diane Linn; Lisa Naito; Lonnie Roberts; Maria ROJO DE STEFFEY; Serena Cruz
Subject: Compensation Plan and General Fund Contingency Budget Modification
Importance: High

As per our conversation a bit ago, Gail, this is to let you know that I was able to speak to Kathy Turner and the Chair and they are both fine with Commissioners Naito, Cruz and Roberts postponing R-2 on tomorrow's agenda to next Thursday in order to allow you to present a one hour Board briefing as requested by the Commissioners. As per our conversation, the Thursday briefing will be followed by an opportunity for the Board to vote on changes to the compensation plan for non-represented employees and the budget modification transferring \$131,316 set aside from General Fund Contingency to cover approved Classification and Compensation Plan costs from July 1, 2003 through June 30, 2004, including implementation of the class/comp study.

David, I am returning the agenda placement request you revised earlier today, the spread sheet and Ching's required budget memo, and would ask that you make the appropriate changes to this document for next week's agenda and return it to me. I have held off on publishing next week's agenda until after the Board meeting tomorrow in order to allow the Commissioners to respond to this proposal and to give you time to prepare the new document. If I could have it by 1:00 p.m. that would be excellent.

Commissioners Naito, Cruz and Roberts, if this is an acceptable proposal, would you please respond to all on this email letting us know? If it is acceptable, would you be so kind as to move and second postponement of R-2 to Thursday, February 12, 2004 in the Boardroom tomorrow? If you need Gail, David or Carol to be in the Boardroom tomorrow, please respond to all on this email and they will be there, otherwise they will see you next week.

Thank you all.

**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>**

2/4/2004

AGENDA PLACEMENT REQUEST - REVISED

BUD MOD #: BCS 04-04

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: R-2

Est. Start Time: 9:45 AM

Date Submitted: 02/04/04

Requested Date: February 5, 2004

Time Requested: 10 minutes

Department: SSO

Division: Central HR – Class/Comp

Contact/s: David Bower, Sr. Analyst; Carol Brown, Class/Comp-Recruitment Unit Manager

Phone: (503)988-5015

Ext.: 24827

I/O Address: 503/4

Presenters: David Bower, Carol Brown

Agenda Title: Reviews and Approval of Changes to Compensation Plan Required by Ordinance No. 1022 and Approval of Budget Modification BCS 04-04 Transferring \$131,316 Set Aside from General Fund Contingency to the Departments

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 Classification/Compensation Program is requesting (and recommending) Board Approval for the following changes to the County's Classification and Compensation Plans:

ACTION	CLASS	JOB CODE	PAY SCALE GROUP	Pay Range	# EEs AFPEC -TED	COST	COMMENTS
Delimit (Abolish)	Program Development Specialist, Sr. (Management)	9115	124	\$43,587 - \$61,021 / YR	4	NA	The Classification is duplicated by Program Supervisor 1.
Delimit	CFS	6313	6313	\$21.18	3	0	The classification

(Abolish)	Specialist			- \$26.02 / HR			is duplicated by Program Development Specialist
Establish	Contract Specialist, Sr.		31	\$23.92 - \$29.45 / HR	1	0	No Budget Impact – Negotiated Study. Employees lateral from PDS, Sr.
Establish	Contract Specialist		25	\$20.05 - \$24.65 /HR	11		1% cost per employee to implement. No Budget Impact – Negotiated Study
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Revise Pay Scale Group	Planner	6075	From Range 6075 to Range 28	\$21.90 - \$26.94 / HR	8	About 2% per employee (average) Employees above step 4 see a raise of less than 1%
Revise Pay Scale Group	Represented Classes not on standard pay Scale Structure	Four digit class specific pay scale group to standardized 8 step structure.		Most represented classifications Typical impact is 1 – 2 % per employee as classifications are moved on to the standardized grid.		Implementation is least cost to the higher adjacent pay level in the new range.

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

With the passage of Ordinance 1022, board approval is required to take actions that are necessary to maintain the county's compensation and classification structures. Generally, these changes fall into four broad categories: Revision of a class Title, Duties, or Minimum Qualification; Abolishment (Delimiting) of a classification; Establishment of a classification; or, changing the Pay Scale Group a Classification is assigned to. These changes are driven by factors in the business environment such as: the services the County is providing; changing labor costs, changes in laws and rules affecting FLSA and/or Union representation status; considerations of internal equity; and, others.

The requested establishment and abolishment actions are necessary to implement the results of a classification/compensation study of the Program Development Specialist job group. The changes requested to the pay ranges of these classifications are needed to implement the recommendations of the Program Development Specialist Study, and the

compensation study of the Planners, Senior Planners and Transportation Planning Specialists. The requested changes also place the classifications' compensation onto the County's standardized pay grid.

Revising the pay of the majority of represented classifications to a standardized pay structure has a number of benefits. The present structure contains pay ranges tied to individual class numbers, with no direct relationship to other classifications' pay ranges. These groups are typically 6 step pay ranges with variation in the range and step levels of different classifications. This causes difficulty by making promotion costs variable. Salary ranges are distributed around midpoints. A six step range can cause a higher than necessary initial offer because of the increased distance between steps.

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3. **Explain the fiscal impact (current year and ongoing).** Negotiated class studies have no impact on the budget in the year in which they are implemented. The funds needed to implement study findings are set aside in the current budget. We are moving \$131,316.00 from a negotiated General Fund Contingency Set-Aside to the Departments affected by implementation. Subsequent budgets must include funds needed to maintain the compensation plan at the new levels.

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?** Risk Fund Revenue is being increased by \$5,462.00, because of higher wages.
 - ❖ **What budgets are increased/decreased?** See Attached Spreadsheet.
 - ❖ **What do the changes accomplish?** The changes pay for the implementation costs from July 1, 2003, through June 30, 2004.
 - ❖ **Do any personnel actions result from this budget modification? Explain.** See Table Above.
 - ❖ **Is the revenue one-time-only in nature?** NA
 - ❖ **If a grant, what period does the grant cover?** NA
 - ❖ **When the grant expires, what are funding plans?** NA
- NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

If a contingency request, explain:

- ❖ **Why was the expenditure not included in the annual budget process?** The total cost of class/comp study implementation was negotiated and included in the 03/04 Budget in contingency.
- ❖ **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?** NA
- ❖ **Why are no other department/agency fund sources available?** NA

- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.

NA

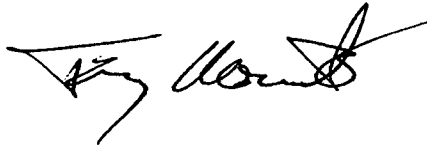
- ❖ Has this request been made before? When? What was the outcome? No

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. AFSCME Local 88 members will vote to accept or reject the changes to the negotiated compensation plan if the Board approves the recommended actions.

Required Signatures:



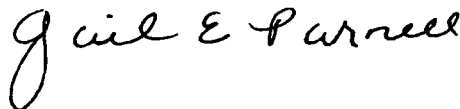
Department/Agency Director: _____ Date: 01/16/04

Budget Analyst



By: _____ Date: 01/16/04

Dept/Countywide HR



By: _____ Date: 01/16/04

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		1000				60000		11,441	11,441	15,333	DBCS
2		1000				60130		3,280	3,280		
3		1000				60140		612	612		
4		1000				60000		40,965	40,965	54,901	DCHS
5		1000				60130		11,745	11,745		
6		1000				60140		2,192	2,192		
7		1000				60000		4,705	4,705	6,353	DCJ
8		1000				60130		1,349	1,349		
9		1000				60140		299	299		
10		1000				60000		16,602	16,602	22,416	HD
11		1000				60130		4,760	4,760		
12		1000				60140		1,054	1,054		
13		1000				60000		5,493	5,493	7,362	Lib
14		1000				60130		1,575	1,575		
15		1000				60140		294	294		
16		1000				60000		795	795	1,081	MCSO
17		1000				60130		228	228		
18		1000				60140		58	58		
19		1000				60000		1,050	1,050	1,407	NOND
20		1000				60130		301	301		
21		1000				60140		56	56		
22		1000				60000		16,760	16,760	22,462	OSCP
23		1000				60130		4,805	4,805		
24		1000				60140		897	897		
25	70-01	3500		705210		50316		(5,462)	(5,462)		Risk Fund
26	70-01	3500		705210		60330		5,462	5,462		
27	19	1000		9500001000		60470		(131,316)	(131,316)		GF Contingency
28								0			
29								0			
								0		131,316	Total - Page 1
								0		131,316	GRAND TOTAL



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
DIANE LINN
MARIA ROJO DE STEFFEY
SERENA CRUZ
LISA NAITO
LONNIE ROBERTS

BUDGET & QUALITY
MULTNOMAH BUILDING
501 SE HAWTHORNE BLVD, 4TH FLOOR
P. O. BOX 14700
PORTLAND, OR 97214
PHONE (503) 988-3883

SUPPLEMENTAL STAFF REPORT

TO: Board of County Commissioners
FROM: Ching Hay, Budget & Quality Office
DATE: February 4, 2004
RE: Bud Mod BCS 04-04

The Classification and Compensation Program has requested Board Approval of changes to the County's Classification and Compensation Plan.

The County sets aside in General Fund contingency an amount needed to cover approved Classification and Compensation Plan changes. If the change is approved, \$131,316 will be moved from the General Fund constraint to the Departments to help fund the cost of the change.

The Budget Office recommends approval of this bud mod, with the caveat that while this is a one-time request, the organizations involved in this action would experience an ongoing funding gap. This bud mod will reduce the General Fund contingency by \$131,316.

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: R-3

Est. Start Time: 9:55 AM

Date Submitted: 01/20/04

Requested Date: February 5, 2004

Time Requested: 5 mins

Department: DBCS

Division: Human Resources

Contact/s: Caren Cox / Gail Parnell

Phone: 503.988.5135

Ext.: 22595

I/O Address: 504/4

Presenters: Gail Parnell

Agenda Title: RESOLUTION Approving an Addition to the Prescription Drug Benefit 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?**
Approval to add coverage of prescription recently released by the Food and Drug Administration (FDA) to the Multnomah County prescription program.
 2. **Please provide sufficient background information for the Board and the public to understand this issue.**
The Food and Drug Administration released a new injectable prescription, for treatment of plaque psoriasis. When such a release occurs, medication is added to the Multnomah County prescription formulary with Advance PCS, the County's provider of member services.
 3. **Explain the fiscal impact (current year and ongoing).**
This medication is considered a bio-engineered drug. It has an expensive price tag. In order to manage the cost, and insure that the treatment and prescribing protocols established by the FDA are followed, such medications are dispensed by our pharmacy manager's Specialty Drug program. This insures that only qualified patients use the medication. The increased cost is to the health fund to pay claims.

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?

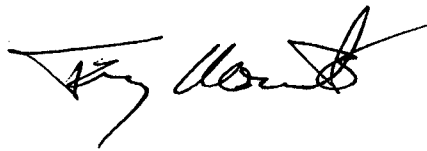
4. Explain any legal and/or policy issues involved.

None.

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


None.

Required Signatures:

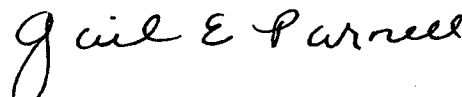


Department/Agency Director: _____ Date: 01/20/04

Budget Analyst


By: _____ Date: 01/20/04

Dept/Countywide HR


By: _____ Date: 01/20/04

Background

COX Caren S

From: sonia.gates@advancepcs.com
Sent: Sunday, December 07, 2003 6:55 PM
To: sonia.gates@advancepcs.com
Subject: New Drug - Raptiva



Raptiva - Advisor
Update.doc (...)

Hello-

Recently, the FDA approved the drug Raptiva, an injectable product for the treatment of moderate-to-severe plaque psoriasis. This drug is indicated for adults age 18 and older who are candidates for systemic therapy or phototherapy. Raptiva will be available in mid-December and the costs are estimated to range from \$15,000 - \$18,000 per member per year. I have attached AdvancePCS Advisor Update that you should have received last week by fax for your reference.

Most biotech drugs, such as Raptiva, are often associated with rare conditions. However, Raptiva is one of the first injectables offered for a common chronic condition with the potential to be used for hundreds of thousands of individuals. It is expected that out of the 4.5 million Americans with psoriasis, that about 500,000 are potential candidates for this therapy.

The AdvancePCS' specialty pharmacy can now provide Raptiva to patients with plaque psoriasis. Since this drug is subject to limited distribution, effective January 1, 2004, any prescription submitted through the retail or mail benefit will be directed to AdvancePCS' specialty pharmacy for fulfillment. This will ensure that our clients get the full benefit of the management services our specialty pharmacy offers.

If you would like more stringent controls surrounding Raptiva, prior authorization can be implemented on this drug. Please let me know if you would like to implement prior authorization and I will forward you the necessary forms.

(See attached file Raptiva - Advisor Update.doc)

Thank you

Sonia
Sonia Gates
AdvancePCS, Clinical Manager
(480) 627-0646
Sonia.Gates@AdvancePCS.com

The information contained in this message may be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Thank you.
AdvancePCS

Utilization Management Implementation Form (RxClaim)



Client Detail

Client Name: Multnomah County		State (eg. AZ, TX): OR
Client Contact: Caren Cox		
CM/CD/: Sonia Gates		
Client Specialist: Brian Hendricks		
Check all that apply:		
<input type="checkbox"/> New Plan Sponsor	<input checked="" type="checkbox"/> Employer	<input type="checkbox"/> Taft-Hartley
<input checked="" type="checkbox"/> Existing Plan Sponsor	<input type="checkbox"/> TPA	<input type="checkbox"/> Comm HP
		<input type="checkbox"/> Govt
		<input type="checkbox"/> BCBS
		<input type="checkbox"/> AdvanceRx.com™
		<input type="checkbox"/> Other Mail Service
Effective Date:	Establish effective date with PA Manager. (Standard lead time is maximum 60 days from receipt of signed documentation.)	
Carrier(s): 3040	Member Services provided by: <input checked="" type="checkbox"/> AdvancePCS <input type="checkbox"/> Client	
Phone number:		
If this does not apply to ALL Accounts, Groups and Plans, please specify who it should apply to:		
Total Members:	5000	Please provide. Used to project call volume in PA pkg.

Program Options & Pricing (Check all that apply)

See UM Fee Schedule for current pricing

<input checked="" type="checkbox"/>	Prior Authorization	Attach PA product sheet and criteria (p.2)	Provide approved price: \$ 12
<input type="checkbox"/>	Drug Limitations (QVT/MDL)	Attach Drug Limitations product sheet (p.4-5)	No Charge (Client's PA fee applies to post-limit PA requests)
<input type="checkbox"/>	Step Therapy	Attach Step Therapy product sheet (p.6-8)	No Charge (Client's PA fee applies to post-Step PA requests)
<input type="checkbox"/>	Prescription Claim Appeals	Attach Appeals product sheet (p.9)	\$_____/Benefit Reconsideration Medical Necessity: see Addendum

Client Signature

This document contains proprietary information of AdvancePCS, Inc., and may not be used for any purpose other than to evaluate or establish a relationship with AdvancePCS, nor may it be duplicated or disclosed for any other purpose without prior written authorization from AdvancePCS. By executing and delivering this document, the Plan Sponsor agrees that it has received AdvancePCS' Standard Managed Pharmaceutical Benefit Agreement or Addendum, as appropriate, and acknowledges that AdvancePCS shall provide services in accordance with the terms and conditions of such Agreement or Addendum, including without limitation its terms regarding payment for such services, until a final Agreement/Addendum is executed by the parties. While Plan Sponsor shall have final approval over prior authorization or formulary exception ("PA/FE") criteria, AdvancePCS may from time to time propose revisions to the criteria. If Plan Sponsor does not approve of such proposed revisions, it may terminate the Agreement of the PA/FE services or adopt a customized criteria for a mutually agreed upon fee. Plan Sponsor shall be deemed to have approved any proposed revisions to the criteria unless it notifies AdvancePCS in writing of its objections.

I have reviewed the attached documentation and conclude all information to be correct. (All signatures required)

Client Signature Multnomah County - Caren Cox Date 12-31-03
 Print Name CAREN COX
 CM/CD/AM Signature _____ Date _____
 Print Name _____

Attn: Clinical Managers:

Forward all signed UM Implementation forms and all signed PA criteria to:

UM Receiving
 Mail Code 512, 2nd Floor (PA Area)
 Fax 469-524-7141
 UMForm@Advancepcs.com

Utilization Management



Prior Authorization Attach to Implementation Form

AdvancePCS Recommended † (Signed criteria required)

Action	Drug Class	Drugs In Class
Tier 1 – Low member Impact; low savings potential (Tier 1 drugs are No Charge)		
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Anabolic Steroids	Anadrol-50, Oxandrin, Winstrol
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Gaucher Disease	Ceredase, Cerezyme, Zavesca
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Growth Hormones	Genotropin, Geref, Humatrope, Norditropin, Nutropin, Nutropin AQ, Nutropin Depot, Protropin, Serostim, Saizen
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Interferons (Select)	Copegus, Infergen, Intron-A, Pegasys, Peg-Intron, Rebetol, Rebetrone, Roferon A
Tier 2 – More clinically aggressive; higher member Impact; high potential for misuse or abuse; higher savings potential		
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Antiobesity	benzphetamine, diethylpropion, Meridia, phendimetrazine, phentermine, Xenical
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Antiemetics	Emend
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Diabetic Ulcer	Regranex
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Erectile Dysfunction	Caverject, Cialis, Edex, Levitra, Muse, Viagra
<input type="checkbox"/> Add <input type="checkbox"/> Delete	MS Drugs	Avonex, Betaseron, Copaxone, Novantrone, Rebif
<input type="checkbox"/> Add <input type="checkbox"/> Delete	ADHD/Narcolepsy Agents (Age ≥19)	Adderall, Adderall XR, Concerta, Cylert, Desoxyn, Dexedrine, Dextrostat, Focalin, Metadate CD, Metadate ER Provigil, Ritalin, Ritalin LA, Strattera
<input type="checkbox"/> Add <input type="checkbox"/> Delete	AIDs Therapy	Fuzeon
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Alzheimer's	Aricept, Cognex, Exelon, Namenda, Reminyl
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Anemia Agents	Aranesp, Epogen, Procrit
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Arthritis	Arava, Enbrel, Humira, Kineret, Remicade
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Asthma	Xolair
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Botulinum Toxin	Botox, Myobloc
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Irritable Bowel Syn	Lotronex, Zelnorm
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Oral Acne Agents	Accutane, Sotret
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Oral Antifungal	Diffucan (all strengths except 150mg), Lamisil, Sporanox
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Osteoporosis	Forteo
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Psoriasis	Soriatane
<input type="checkbox"/> Add <input type="checkbox"/> Delete	Topical Acne Agents (Age ≥25*)	Altinac, Avita, Differin, Retin-A, Tazorac (*PA for all ages on Tazorac)

Prior Authorization (Client Specific or Custom):

*****Add Raptiva*****

Pre-Implementation Letters (Mailing charge Add'l) (Mail no sooner than 10 business days prior to Eff. Date)

☐ Member ☐ Provider ☐ Both ☒ N/A Produced by: ☐ AdvancePCS or ☐ Client (attach copy to this form)

Prior Authorization Appeal Process (Required for every plan – PA cannot go live without)

Processed by:	<input type="checkbox"/> AdvancePCS (complete Prescription Claim Appeals page)
	<input checked="" type="checkbox"/> Client <input type="checkbox"/> Other Contracted Agent -- Provide the following information:
Appeals Contact:	Caren Cox
Method of Contact:	<input type="checkbox"/> Fax _____ <input checked="" type="checkbox"/> Letter
Contact Allowed From:	<input checked="" type="checkbox"/> Provider <input checked="" type="checkbox"/> Member Required Appeals Info:
PA Msg: Prior Authorization Required-MD Call 1-800-xxx-xxxx Post-Limit Msg: Prior Authorization Required – limit exceeded-MD call 1-800-xxx-xxxx	



AdvancePCS PRIOR AUTHORIZATION CRITERIA

BRAND NAME
(Generic)

Raptiva
(efalizumab)

PA Status: *Client Requested/AdvancePCS Recommended*
PA Type: *Initial PA*

FDA-APPROVED INDICATION

Raptiva (efalizumab) is indicated for the treatment of adult patients (18 years or older) with chronic moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

PA CRITERIA FOR APPROVAL

- | | | |
|--|-----|----|
| 1. Is the patient ≥ 18 years of age? | Yes | No |
| 2. Does the patient have a diagnosis of chronic moderate to severe plaque psoriasis? | Yes | No |
| 3. Is the patient a candidate for systemic therapy or phototherapy? | Yes | No |
| 4. Does the patient have a clinically important infection? | Yes | No |
| 5. Will the physician monitor platelet levels regularly during treatment with Raptiva? | Yes | No |
| 6. Is the patient currently receiving other immunosuppressive therapy or phototherapy?
[Tech Only: If the answer to this question is no, then no further questions are required.] | Yes | No |
| 7. Will the immunosuppressive therapy or phototherapy be discontinued? | Yes | No |

Guidelines for Approval				
Duration of Approval		12 months		
Set		Set		
Yes to Question(s)	No to question(s)	Yes to Question(s)	No to question(s)	
1	4	1	4	
2	6	2		
3		3		
5		5		
		6		
		7		

BLACK BOX WARNINGS

None

RATIONALE

The intent of the criteria is to ensure that patients follow selection elements noted in labeling. Raptiva is indicated for the treatment of adult patients (18 years or older) with chronic moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy. Raptiva is an immunosuppressive agent and has the potential to increase the risk of infection and reactivate latent, chronic infections. Raptiva should not be administered to patients with clinically important infections. Assessment of platelet counts is recommended upon initiating and periodically while receiving Raptiva treatment. It is recommended that platelet count assessments be more frequent when initiating therapy and may decrease in frequency with continued treatment. The safety and efficacy of Raptiva in combination with other immunosuppressive agents or phototherapy have not been evaluated. Patients receiving other immunosuppressive agents should not receive concurrent therapy with Raptiva because of the possibility of increased risk of infections and malignancies.

ADDITIONAL INFORMATION

Raptiva (efalizumab) is an immunosuppressive recombinant humanized IgG1 kappa isotype monoclonal antibody that binds to human 6CD11a. RAPTIVA binds to CD11a, the α subunit of leukocyte function antigen-1 (LFA-1), which is expressed on all leukocytes, and decreases cell surface expression of CD11a. RAPTIVA inhibits the binding of LFA-1 to intercellular adhesion molecule-1 (ICAM-1), thereby inhibiting the adhesion of leukocytes to other cell types. Interaction between LFA-1 and ICAM-1 contributes to the initiation and maintenance of multiple processes, including activation of T lymphocytes, adhesion of T lymphocytes to endothelial cells, and migration of T lymphocytes to sites of inflammation including psoriatic skin.

Dosage and Administration:

The recommended dose of RAPTIVA is a single 0.7 mg/kg SC conditioning dose followed by weekly SC doses of 1 mg/kg (maximum single dose not to exceed a total of 200 mg). RAPTIVA is intended for use under the guidance and supervision of a physician. If it is determined to be appropriate, patients may self-inject RAPTIVA after proper training in the preparation and injection technique and with medical follow-up.

CONTRAINDICATIONS/WARNINGS/PRECAUTIONS

Warnings:

Serious Infections

Raptiva is an immunosuppressive agent and has the potential to increase the risk of infection and reactivate latent, chronic infections. Raptiva should not be administered to patients with clinically important infections. Caution should be exercised when considering the use of Raptiva in patients with a chronic infection or history of recurrent infections. If a patient develops a serious infection, Raptiva should be discontinued. Serious infections requiring hospitalization included cellulitis, pneumonia, abscess, sepsis, bronchitis, gastroenteritis, aseptic meningitis, Legionnaire's disease, and vertebral osteomyelitis.

Malignancies

Raptiva is an immunosuppressive agent. Many immunosuppressive agents have the potential to increase the risk of malignancy. The role of Raptiva in the development of malignancies is not known. Caution should be exercised when considering the use of RAPTIVA in patients at high risk for malignancy or with a history of malignancy. If a patient develops a malignancy, RAPTIVA should be discontinued.

Thrombocytopenia

Platelet counts at or below 52,000 cells per μ L were observed in 8 (0.3%) Raptiva-treated patients during clinical trials compared with none among the placebo-treated patients. Assessment of platelet counts is recommended during treatment with Raptiva. Raptiva should be discontinued if thrombocytopenia develops.

Psoriasis Worsening and Variants

Worsening of psoriasis can occur during or after discontinuation of Raptiva. In some patients these events took the form of psoriatic erythroderma or pustular psoriasis. Some patients required hospitalization and alternative antipsoriatic therapy to manage the psoriasis worsening. Patients, including those not responding to Raptiva treatment, should be closely observed following discontinuation of Raptiva, and appropriate psoriasis treatment instituted as necessary.

Precautions:

Immunosuppression

The safety and efficacy of Raptiva in combination with other immunosuppressive agents or phototherapy have not been evaluated. Patients receiving other immunosuppressive agents should not receive concurrent therapy with Raptiva because of the possibility of increased risk of infections and malignancies.

Immunizations

The safety and efficacy of vaccines, administered to patients being treated with Raptiva have not been studied. Acellular, live and live-attenuated vaccines should not be administered during Raptiva treatment.

First Dose Reactions

First dose reactions including headache, fever, nausea, and vomiting are associated with Raptiva treatment and are dose-level related in incidence and severity. Therefore, a conditioning dose of 0.7 mg/kg is recommended to reduce the incidence and severity of reactions associated with initial dosing.

Laboratory Tests

Assessment of platelet counts is recommended upon initiating and periodically while receiving Raptiva treatment. It is recommended that assessments be more frequent when initiating therapy (e.g., monthly) and may decrease in frequency with continued treatment (e.g., every 3 months).

Pregnancy Category C

Since the effects of RAPTIVA on pregnant women and fetal development, including immune system development are not known, healthcare providers are encouraged to enroll patients who become pregnant while taking Raptiva (or within 6 weeks of discontinuing Raptiva) in the Raptiva Pregnancy Registry.

Pediatric Use

The safety and efficacy of RAPTIVA in pediatric patients have not been studied.

Geriatric Use

Because the incidence of infections is higher in the elderly population, in general, caution should be used in treating the elderly.

REFERENCES

1. Raptiva product information. Genentech, Inc. October 2003.

Written by: Jacque Griffith, Pharm.D.
Date Written: 10/2003
Revised:
Reviewed: CRC ##/2000
External Review:

This Health Plan hereby accepts and adopts as their own the criteria for use with Prior Authorization, as administered by AdvancePCS.

CSly

Signature

12-31-03

Date

Multnomah County

Health Plan

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving an Addition to the Prescription Drug Benefit Plan

The Multnomah County Board of Commissioners Finds:

- a. On December 11, 2003, the Board adopted Ordinance No. 1022 requiring Board approval of the compensation plan by resolution prior to adoption of the annual County budget.
- b. The FDA has released a new prescription drug, Raptiva. When that occurs, the medication is added to the prescription formulary with our prescription drug vendor.
- c. The addition of this prescription drug to the County drug benefit plan will increase compensation plan costs.

The Multnomah County Board of Commissioners Resolves:

1. This addition of Raptiva to the County's prescription drug plan is approved.

ADOPTED this 5th day of February, 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

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-015

Approving an Addition to the Prescription Drug Benefit Plan

The Multnomah County Board of Commissioners Finds:

- a. On December 11, 2003, the Board adopted Ordinance No. 1022 requiring Board approval of the compensation plan by resolution prior to adoption of the annual County budget.
- b. The FDA has released a new prescription drug, Raptiva. When that occurs, the medication is added to the prescription formulary with our prescription drug vendor.
- c. The addition of this prescription drug to the County drug benefit plan will increase compensation plan costs.

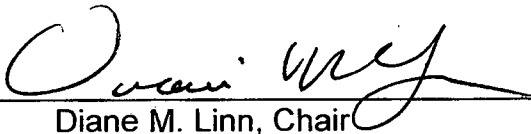
The Multnomah County Board of Commissioners Resolves:

1. This addition of Raptiva to the County's prescription drug plan is approved.

ADOPTED this 5th day of February, 2004.

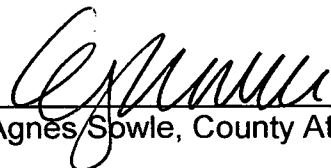


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Agnes Sowle, County Attorney

REVISED

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: R-4

Est. Start Time: 10:00 AM

Date Submitted: 01/29/04

Requested Date: February 5, 2004

Time Requested: 5 to 10 min

Department: Chair's Office, DBCS

Division: Finance, Budget and Tax

Contact/s: Dave Boyer

Phone: 988-3903 **Ext.:** 83903

I/O Address: 503/4

Presenters: Dave Boyer and Agnes Sowle

Agenda Title: Approval of Settlement between Multnomah County and the State of Oregon Public Retirement Board

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 a Settlement between the litigants (Multnomah County, City of Eugene, Lane County, City of Portland, City of Roseburg, City of Huntington, Canby Utility Board, Rogue Valley Irrigation District) and the State of Oregon Public Retirement Board.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
 - Multnomah County, City of Eugene, Lane County, City of Portland, City of Roseburg, City of Huntington, Canby Utility Board and Rogue Valley Irrigation District, are parties to consolidated lawsuits against the State of Oregon Public Employees Retirement Board (Marion County Circuit Case Nos. 99C12794, 99C12838 and 00C16173).

- After trial, the Court issued a judgment in favor of Multnomah County and the other petitioners. The Public Employees Retirement Board appealed the judgment to the Oregon Court of Appeals.
- After the circuit court decision, the 2003 Legislative Assembly enacted legislation reforming PERS. The reform legislation addresses and corrects some of the legal errors decided by the cases. The settlement agreement is consistent with the legislative changes.
- The parties desire to settle this matter on terms set forth in a written settlement agreement. The following is a summary of the draft Settlement Agreement that is attached.
 1. Rates for the City of Eugene and Lane County will be recalculated for 1998 and 2000, because these two governments filed timely rate order challenges in 1999. Rates for the other petitioning employers (Portland, Roseburg, Huntington, Multnomah County, Canby Utility Board, Rogue River Valley Irrigation District) will be recalculated for 2000 and 2003.
 2. The recalculated rates will reflect the changes made to the variable match, mortality tables and employer-in-variable practices, consistent with Judge Lipscomb's interpretation and the reform legislation. The recalculated rates also will be based on 11.33% earnings to Tier One regular accounts, rather than 20% earnings, in 1999.
 3. These changes will result in the dismissal of the 2003 rate order challenges filed on behalf of numerous local government employers because the Public Employees Retirement Board has agreed to abide by the Lipscomb decision. For all other local government employers, new rate orders will be issued (no later than July 1, 2004) and calculated to implement all of these provisions on a going-forward basis.
- This settlement does not impact the various legal challenges filed against the 2003 legislative changes.
- 3. **Explain the fiscal impact (current year and ongoing).** The County will receive a refund of approximately \$250,000 in attorney fees. This represents the County's share of the total amount of \$750,000 that was agreed to in the settlement agreement. In addition the County will receive a one time PERS rate reduction as a result of PERS needing to recalculate the PERS rates the County should have paid in 2000, 2001, 2002 and 2003 if the rates had been calculated under the provisions of the settlement agreement. This rate reduction will be for effective July 1, 2004 through June 30, 2005 only and we are currently estimating the rate reduction to be between .5% and 1% of payroll. This represents an impact of approximately \$1 million to \$2 million savings to the County. About 40% of these savings will be realized by the General Fund.

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:

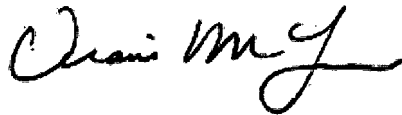
- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**

- ❖ 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)

4. **Explain any legal and/or policy issues.** Meets the County's legal requirements and is consistent with County policies
5. **Explain any citizen and/or other government participation that has or will take place.** The City of Portland, Eugene, Huntington, Roseburg, the County of Lane, Canby Utility District and Rogue River Valley Irrigation District are also a party to the settlement agreement.

Required Signatures:



Department/Agency Director:

Date: 01/29/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:

BOGSTAD Deborah L

From: BOYER Dave A
Sent: Friday, January 30, 2004 10:33 AM
To: #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; SOWLE Agnes
Cc: BOGSTAD Deborah L; DARGAN Karyne A; HARRIS Mindy L
Subject: RE: PERS agreement

Attached is the Agenda Placement Form for the PERS Settlement and Draft Settlement Agreement

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

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

From: BOGSTAD Deborah L
Sent: Thursday, January 29, 2004 5:53 PM
To: BOYER Dave A; SOWLE Agnes
Cc: TURNER Kathy G
Subject: PERS agreement

Dave, here is the APR Agnes put together on the fly this evening – perhaps you would like to fill in the fiscal information? If you would be so kind as to make any additions to the APR and if you have time to get the agreement together on Friday when I'm not here, could you please send them to Board and Board staff, with a cc to me? Then on Monday I'll post them to the web and make sure the Board has copies in their packets. Thank you so much!!

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>

BOGSTAD Deborah L

From: SOWLE Agnes
Sent: Thursday, January 29, 2004 5:07 PM
To: #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 2; #ALL DISTRICT 4
Cc: BOGSTAD Deborah L; BOYER Dave A
Subject: Approval of PERS settlement

Chair Linn, Commissioners Cruz, Commissioner Naito, Commissioner Rojo de Steffey and Commissioner Roberts:

I have asked Deb Bogstad to put the PERS settlement on the agenda for Thursday, February 5. I did not realize when we met in executive session that the settlement would be ready for approval so soon, but we need to get your formal authorization to execute the settlement next week. Please let me or Dave know if you have any questions.

Agnes Sowle
Multnomah County Attorney
501 SE Hawthorne Blvd., Ste. 500
Portland, OR 97214
(503)988-3138

1/29/2004

SETTLEMENT AGREEMENT

DRAFT

BETWEEN: CITY OF EUGENE, LANE COUNTY, MULTNOMAH COUNTY, CITY OF PORTLAND, CITY OF ROSEBURG, CITY OF HUNTINGTON, CANBY UTILITY BOARD and ROGUE RIVER VALLEY IRRIGATION DISTRICT (Collectively "Petitioners")

AND: STATE OF OREGON, PUBLIC EMPLOYEES RETIREMENT BOARD ("PERB")

RECITALS:

- A. Petitioners filed petitions for judicial review in Marion County Circuit Court (Case Nos. 99C12794; 99C12838; and 00C16173). The cases, which were consolidated for trial, sought review of various petitioners' 1998 and 2000 employer contribution rate orders (a total of 12 separate rate orders) and of the March, 2000 earnings allocation order. The State of Oregon, Public Employees Retirement Board was named as defendant. A group of individuals representing the interests of PERS members and retirees intervened (collectively "Intervenors"). The consolidated cases are commonly referred to as *City of Eugene v. State of Oregon, Public Employees Retirement Board*.
- B. The Eugene Water and Electric Board ("EWEB") also filed petitions for judicial review of its 1998 and 2000 employer contribution rate orders (Case No. 99C20235). Prior to trial, the Court dismissed EWEB's petitions on the ground that EWEB was already represented in the proceedings by the City of Eugene.
- C. After trial, the Marion Circuit Court issued a judgment in favor of Petitioners, which is attached to this Agreement as Attachment 1 and incorporated herein by reference. In that judgment the Court reversed each of the challenged orders and remanded them to PERB for issuance of new orders consistent with the Court's findings. The Court found that the former PERB misapplied the law and abused its discretion in administering PERS. As a result, the Court found that the former PERB was improperly charging Petitioners for the cost of its unlawful actions. The Court further found that the former PERB had abused its discretion by allocating 20% earnings to Tier 1 member accounts for 1999. The Court also upheld Intervenors' challenge to the implementation date of the "employer-in-variable" rule. The Court ordered PERB to pay the Petitioners' reasonable costs and attorney fees for the litigation. PERB, EWEB and Intervenors filed notices of appeal of the judgment to the Oregon Court of Appeals. After the appeal was filed, PERB moved to stay enforcement of the judgment. That motion was denied both by the circuit court and by the Court of Appeals. PERB is under a present obligation to implement the judgment entered in *City of Eugene v. State of Oregon, Public Employees Retirement*

Board.

- D. After the circuit court decision, the 2003 Legislative Assembly enacted legislation reforming PERS ("reform legislation"). The reform legislation addresses and corrects some of the legal errors of the former PERB identified in the *City of Eugene v. State of Oregon, Public Employees Retirement Board* judgment.
- E. The parties desire to settle this matter on the following terms.

AGREEMENTS:

- 1. PERB will implement the judgment entered in *City of Eugene v. State of Oregon, Public Employees Retirement Board* ("the judgment") as follows:
 - 1.1. PERB will implement the judgment that the statutes governing the Public Employees Retirement System do not require employers to match the amount by which an employee's variable account exceeds what the employee contributions to the variable account would have earned if they had been invested in the regular account by adopting a rule governing calculation of money match benefits for members participating in the variable account program. This rule will be adopted no later than July 1, 2004.
 - 1.2. PERB will implement the judgment upholding Intervenors' challenge to the implementation date of the "employer-in-variable" rule by transferring from employer accounts to the contingency reserve established by ORS 238.670(1) the amount determined by the PERS actuary to have been improperly credited to employer accounts according to the judgment. This transfer will be accomplished by means of a new order allocating 1999 earnings. The new 1999 earnings allocation order will be entered no later than March 31, 2004.
 - 1.3. The new 1999 earnings allocation order described in paragraph 1.3 above will provide that the appropriate earnings allocation to Tier 1 regular member accounts is 11.33%, that 7.5% of the 1999 earnings should have been allocated to the contingency reserve established by ORS 238.670(1), and that the gain-loss reserve created by ORS 238.670(3) should have been funded to the full extent of the former PERB's policy to maintain a gain-loss reserve sufficient to credit the assumed interest rate to Tier 1 regular member accounts during a period of 30 months of 0% earnings. However, except as provided in paragraph 1.2 above, the order shall also provide that member accounts, the contingency reserve and the gain-loss reserve will not be adjusted to reflect the reallocation described in this paragraph so long as PERB follows the income allocation provisions of 2003 Or Laws c. 67, sections 5 and 10. The order shall provide that if sections 5 or 10 of Or Laws c. 67 are declared to be invalid or unconstitutional by a final judgment

entered by a court of competent jurisdiction or are repealed, or if PERB otherwise fails to implement those provisions, then PERB will, within 30 days, adjust member accounts, the contingency reserve and the gain-loss reserve as described in this paragraph.

- 1.4. PERB will comply with the statutory directives concerning reserving practices and mortality tables, as interpreted in the judgment and as amended by the reform legislation.
- 1.5. PERB will direct its actuary to recalculate employer contribution rates for Petitioners City of Eugene (including EWEB) and Lane County for 1998, 2000 and 2003, and for all other Petitioners for 2000 and 2003. The actuary will be directed to calculate those contribution rates as if PERB's practices and actuarial assumptions with respect to employer match of variable accounts, actuarial equivalency factors, reserving practices and the "employer-in-variable" rule had been consistent with the law as interpreted in the judgment and as if PERB had, for 1999, originally allocated earnings of 11.33% to Tier 1 regular member accounts, allocated 7.5% of earnings to the contingency reserve and had fully funded the gain-loss reserve pursuant to its policy described above in paragraph 1.3. PERB will issue new contribution rate orders for the City of Eugene (including EWEB) for 1998, 2000 and 2003, and for all other Petitioners for 2000 and 2003, consistent with the actuary's recalculations. PERB will treat the difference between the Petitioners' contributions made pursuant to the former contribution rate orders and the corrected contribution rate orders as excess employer contributions. Each Petitioner may apply the excess contributions to reduce its unfunded actuarial liability or to reduce future contribution rates. PERB will enter the revised employer contribution rate orders no later than July 1, 2004. PERB will not under any circumstances, now or in the future, charge any Petitioner, directly or indirectly, for costs incurred as a result of the rate reductions provided for in this paragraph.
- 1.6. PERB will issue new employer contribution rate orders for all participating employers for 2003, no later than July 1, 2004, calculated to implement paragraphs 1.1, 1.2, 1.3 and 1.4 above.
- 1.7. Within ten (10) business days of the effective date of this Agreement, PERB will pay Petitioners \$750,000.00 as partial reimbursement of the attorney fees Petitioners paid to litigate the *City of Eugene v. State of Oregon, Public Employees Retirement Board* cases.
2. Immediately upon the effective date of this Agreement, PERB will dismiss its appeal of the judgment in *City of Eugene v. State of Oregon, Public Employees Retirement Board*. If Intervenors' appeal of the judgment is not dismissed, Petitioners will defend that appeal.

at their own expense.

3. Immediately upon the effective date of this Agreement, Petitioners will dismiss their petitions for judicial review of PERB's 2003 contribution rate orders.
4. The parties acknowledge that they have been represented by independent counsel throughout the negotiation of this Agreement; that each has authority to enter into this Agreement; that they understand the terms of this Agreement; and that they have entered into this Agreement voluntarily. The parties further acknowledge that the complete terms of the Agreement are set forth in this written document, and that they have not relied on any other representations or promises except those contained in this Agreement.
5. This Settlement Agreement shall become effective on the date when all parties have signed the Agreement.

Public Employees Retirement Board

By: _____

Date: _____

Lane County

By: _____

Date: _____

City of Eugene

By: _____

Date: _____

Multnomah County

By: _____

Date: _____

City of Portland

By: _____

Date: _____

City of Roseburg

By: _____

Date: _____

City of Huntington
By: _____
Date: _____

Canby Utility District
By: _____
Date: _____

Rogue River Valley Irrigation District
By: _____
Date: _____

00072222.WPD

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: February 5, 2004

Agenda Item #: B-3

Est. Start Time: 10:10 AM

Date Submitted: 12/30/03

Requested Date: February 5, 2004

Time Requested: 1 hour

Department: Business & Community Services **Division:** Budget Office

Contact/s: Karyne Dargan/Mark Campbell

Phone: 503-988-5000 **Ext.:** x24213 **I/O Address:** 503/4

Presenters: Mark Campbell

Agenda Title: Second Quarter General Fund Forecast

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?**
This is a briefing on the status of the General Fund and an overview of financial issues facing the County. No action is required of the Board.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
As specified in the Financial & Budget Policies, the Budget Office prepares a five year forecast of the General Fund. The forecast is monitored and periodically updated to reflect changes in economic conditions. This forecast will focus on revenue collections and spending trends through the second quarter of FY 03-04. We will also provide an update on some of the key financial assumptions being used in developing the FY 04-05 budget.
3. **Explain the fiscal impact (current year and ongoing).** N/A

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

Required Signatures:

Department/Agency Director: David G. Boyer Date: 12/30/03

Budget Analyst

By: J. Mark Campbell Date: 12/30/03

Dept/Countywide HR

By: _____ Date: _____

BOGSTAD Deborah L

From: LINN Diane M
Sent: Wednesday, February 04, 2004 5:13 PM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Measure 30 Impact

As you know, Oregon voters decidedly declined to support Ballot Measure 30 yesterday. The measure was intended to balance the state's budget and prevent painful cuts across the state and here in Multnomah County in a broad array of services and support to public education, public safety and human services.

The impact on Multnomah County, compounded by our local general fund shortfall, will mean significant changes in the way we deliver services and what services we ultimately deliver. While there is still some uncertainty in how the cuts from Ballot Measure 30 will be distributed in health and human services, we can be certain that the loss of these revenues to the County and our partner community agencies will be serious and difficult.

I will continue to strongly urge the legislature and Governor to find ways to mitigate these cuts and fund the critical public services that the community - especially those most vulnerable - depend upon. Unfortunately, regardless of what the state does to lessen the impact, we will inevitably have to reduce our service levels here locally.

I am deeply concerned by this prospect and can only imagine the cumulative impact employees may feel facing the third year of serious revenue reductions in Multnomah County, despite the community's successful effort last year through Measure 26-48 and developing a temporary local income tax.

The Board and I will work diligently with Departments, employees, consumers and community providers to adjust to our new budget realities and service levels.

Thank you all for continuing to provide excellent service to the community and I know, together, we can manage through this ongoing challenge.

Diane Linn

BOGSTAD Deborah L

From: ROBERTS Robin
Sent: Wednesday, February 04, 2004 2:50 PM
To: BOGSTAD Deborah L
Subject: FW: Remarks at Press Conference

fyi

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

From: GOVERNORS Press * Governor's Office [mailto:Governors.Press@state.or.us]
Sent: Wednesday, February 04, 2004 12:26 PM
Subject: Remarks at Press Conference

Measure 30 Press Conference
REMARKS BY GOVERNOR TED KULONGOSKI
Wednesday, February 4, 2004

Yesterday, the people of Oregon were forced to pick between two difficult choices: pay more in taxes at a time when many families are having trouble making ends meet, or face cuts in essential services like education, health care, and law enforcement.

Given the state of the economy, the fact that a majority of voters decided not to take on a higher tax burden isn't surprising.

But now it's time to move forward. The voters have spoken, and it's our job in Salem to follow their direction and reduce spending.

As you know, when the Legislature passed the budget last summer, they also passed a disappropriation bill that would go into effect if Measure 30 were defeated. It was the Legislature's bipartisan consensus on the best way to cut nearly \$800 million in spending if that became necessary.

Many people have asked me whether I would call the Legislature into special session if Measure 30 were voted down, and my answer has always been the same: I am not inclined to call a special session unless it will bring certainty, stability and resolution to the issues, both in the short term and into the future, rather than political posturing.

We have reached a stage in Oregon where 95 percent of our general fund budget is spent on education, public safety and health and human services, in large part because of mandates from the federal government or from Oregon voters. Because that is where the spending is, that is also where the reductions in spending will be felt. In order to comply with the voters' wishes, I have directed our state agencies to absorb the cuts to the greatest extent possible without affecting programs.

There are some executive actions I can take to establish a set of values and priorities to preserve programs for kids, seniors and people with disabilities - those in our society who are least able to fend for themselves, those with the least political power. I intend to set those values and priorities and to work with a bipartisan legislature to minimize the impact of these cuts.

First, as I said in my inaugural address last year, during tough times, children go to the head of the line. That still applies today. So while we must reduce spending on health services, we should make it a

2/4/2004

priority to keep the Children's Health Insurance Program, so that needy kids will at least be assured of a minimum level of health care. This costs very little for the state, but saves quite a few children for our future. In addition, we should make it a priority to continue prenatal health programs for pregnant women, so that every child has a healthy start in life.

Second, we cannot abandon our seniors. It is my priority to continue to supply coverage of prescription drugs for our low income seniors. And we will continue prioritizing other programs for our seniors and people with disabilities.

Third, we must protect public safety. The disappropriation bill cuts \$58 million from the public safety budget. There is no way to avoid most of those cuts. But I will not let hardened criminals out of the state penitentiary before their time. I have directed our public safety agencies to absorb as many cuts as possible within their administrative overhead first.

And, because the state crime labs are so important in helping our cops prosecute criminals, I intend to ask the Emergency Board of the Legislature to use their discretionary dollars to protect those labs from the cuts they are currently scheduled to take. We will work with our partners, the sheriffs and counties, to minimize the impact on our community corrections programs.

Finally, we must do everything possible to protect our schools from more damage. K-12 schools will see a cut of \$284.6 million. Many of these cuts have already been felt: with the threat that Measure 30 would be on the ballot, the 198 school districts, where spending decisions are made, reacted in similar ways. They have simply not hired back the teachers they need. They have cut back on subjects, and they have increased class sizes. Ultimately, this is not helpful to our children or our economy.

I will continue to be an advocate for more school funding for our kids, as well as cost savers, such as pooling health insurance for teachers. I urge the citizens to get involved in their local school districts where these spending decisions are made, so that they can have some control over how school dollars are spent.

As for higher education, access remains my #1 priority. Though higher education faces a cut of \$7.5 million, we will look for additional operational and administrative reductions in the chancellor's office and campus by campus, and we will take those reductions before we resort to tuition increases.

Let me say one thing about efficiency and accountability in government. Together, we have already saved the taxpayers millions of dollars - in fact, billions, with a B - by reforming PERS, streamlining regulations and cutting jobs in government. We are consolidating computer data centers, leveraging our purchasing power to reduce procurement costs, and altering our budgeting process to focus on core priorities. Moving forward, we will continue to make progress. In the coming months, my staff and I will be working overtime to preserve essential programs, save money and prove that government can be accountable to people.

I have consistently said that I am very optimistic about Oregon's future. Unemployment is coming down -although much too slowly. New businesses are moving to Oregon and Oregon businesses are expanding. Revenue forecasts are holding steady - or even going up a little. I think the worst is behind us. But there is a great deal of work ahead of us. I have tried very hard to set a new tone in Salem - to make it clear that this Administration will work with legislators of both parties to improve the lives of Oregon families.

I have always believed Oregon's greatest strength is its people. We are blessed with a strong spirit and a

hardy constitution. Together, we'll create a better future for our state.

###

BOGSTAD Deborah L

From: CAMPBELL Mark
Sent: Wednesday, February 04, 2004 7:05 PM
To: #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; BOGSTAD Deborah L
Cc: #BUDGET
Subject: GF Forecast Presentation

Attached are the handouts I have prepared for the General Fund forecast presentation that is scheduled for tomorrow. Some of you have seen these already. I plan to go over these charts/graphs in numerical order.

Thanks,
Mark

2/5/2004

General Fund Revenue Estimates

FY 03-04 Budget, YTD Collections, and Forecast Year-End

	Budget	FY 03-04 YTD (Thru 1/30)	Forecast	Notes
Property Taxes	\$ 180,525,000	\$ 156,506,000	\$ 178,800,000	Value Growth Estimated @ 2.9%; Actual @ 2.5% (\$1.7 Million Less)
Business Income Tax	25,075,000	10,631,000	26,858,000	Quarterly Returns About 2% Higher Than Same Period Last Year
Motor Vehicle Rental	12,214,000	4,546,000	10,950,000	Revenues Continue to Be Flat; Revised Estimate in Future Years
A&T - Grant/Recording Fees	8,774,000	6,393,000	9,900,000	Refinancing "Boom" Over; Expect Return to Normal Levels
State Shared	7,113,000	2,826,000	7,000,000	
Video Lottery	4,053,000	1,456,000	4,000,000	
Cigarette Tax	1,377,000	445,000	1,200,000	
Liquor Tax	1,683,000	925,000	1,800,000	
US Marshal Per Diem	5,288,000	2,826,000	5,500,000	Average About 130 Beds Per Month Over First Half of Year
Central Indirect Costs	5,443,000	2,238,000	5,167,000	
	\$ 244,432,000	\$ 185,966,000	\$ 244,175,000	
% of General Fund (Exclusive of ITAX Revenue)	91.00%	92.00%	91.00%	

Estimated FY 03-04 Savings Based on Department CYE

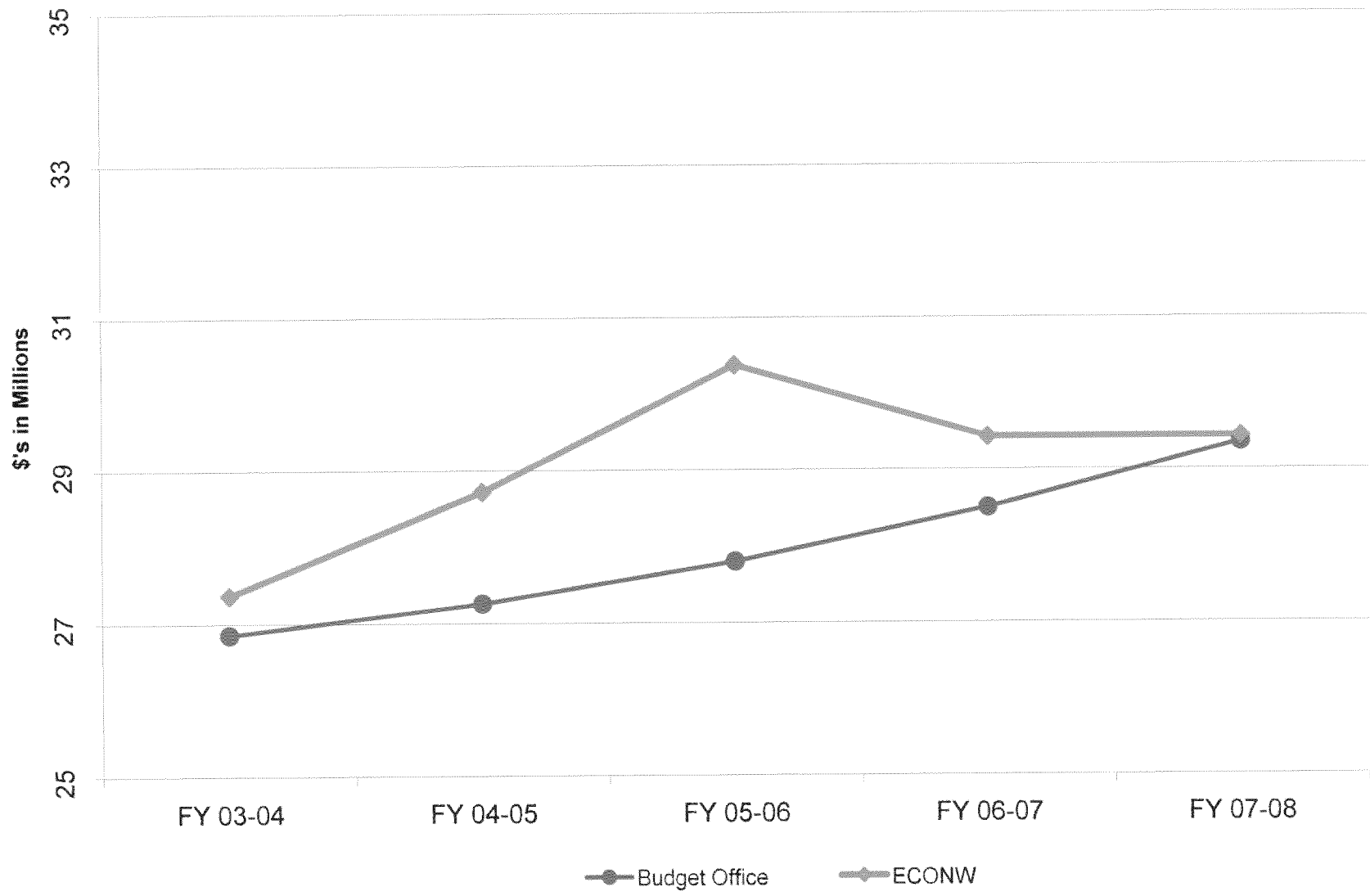
Department CYE Submitted 1/23/04

	Budget Office	Department
Nondepartmental		\$ 1,000,000
District Attorney		450,000
OSCP		80,000
Human Services		
Health		870,000
Community Justice		480,000
Sheriff's Office		445,000
DBCS		225,000
Total	\$ 4,575,000	\$ 3,550,000
Savings as % of Budget	1.75%	1.35%

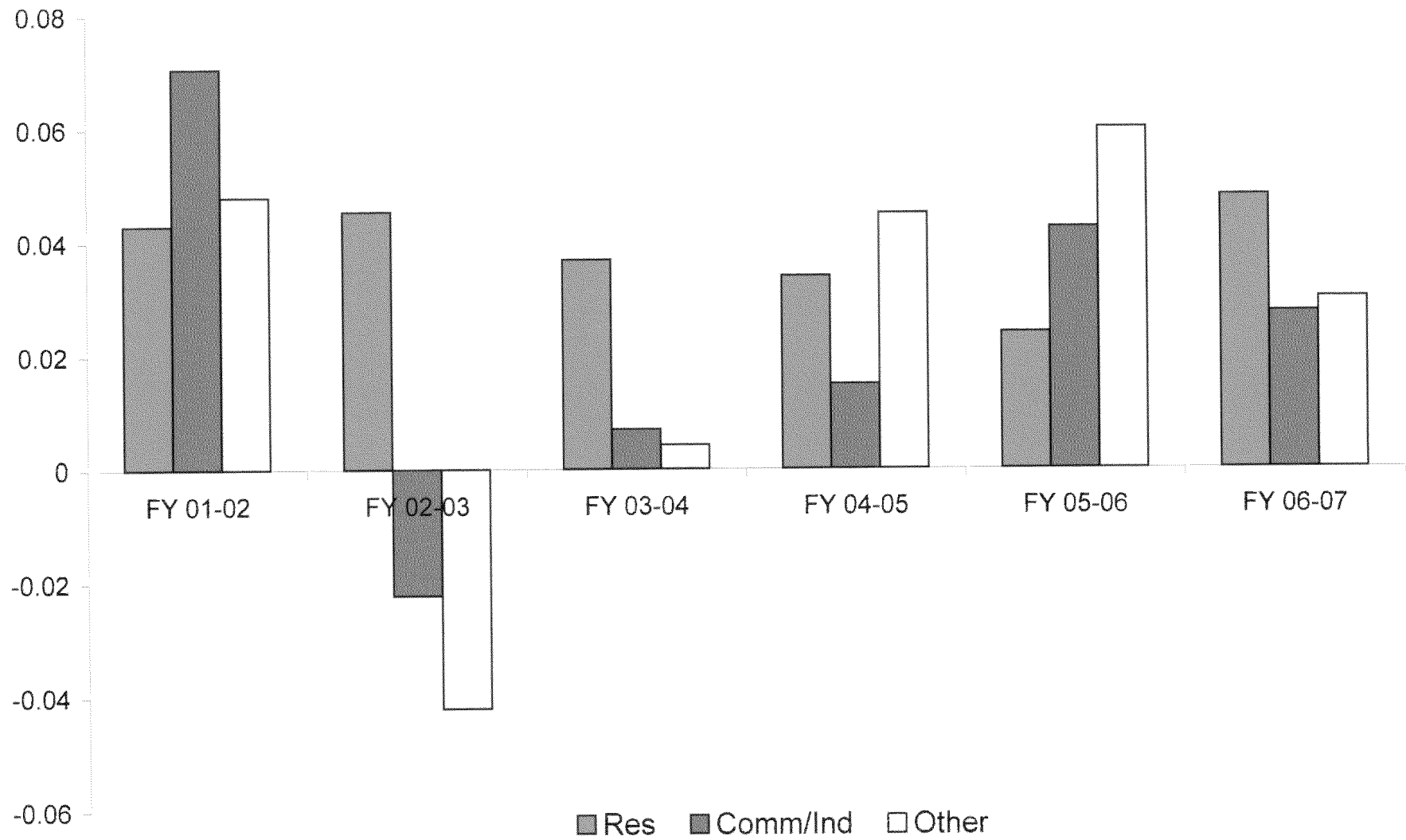
Notes:

- Budget Office Estimate Based on Historical Overall Trend
- Estimates Do Not Include Forecast ITAX Savings
- Savings in NonD Include Unallocated GF Contingency

Comparison of BIT Forecasts



Assessed Value Growth by Type
FY 01-02 to FY 03-04 Actual; FY 04-05 to FY 06-07 Forecast



Summary of Forecast Assumptions

Preliminary Forecast Developed 10/1/03

<u>Expenditures</u>	<u>Assumptions</u>	<u>Notes</u>
Change in CPI	2.50% to 3.50%	
Overall Change in Labor Costs	5.50% to 6.00%	
Increase Reserve to 5%	\$ 1,500,000	Annual Contribution Necessary for 3 Years
Operating Costs @ Wapato	\$ -	Unknown at Current Time, MCSO Developing Estimates
ITAX Programs	\$ 35,000,000	Estimated Cost of Continuing Programs After Tax Expires These Programs are <u>Not Included</u> in GF Expenditure Forecast
General Fund "Fixed Costs"	25%	Established by Policy and/or Contractual Obligation
<u>Revenue</u>	<u>Assumptions</u>	<u>Notes</u>
Property Tax	3.00% to 4.00%	Moderate Growth, Reflects Continued Sluggishness of Regional Economy
Business Income Tax	1.50% to 3.50%	Believe Collections Have Troughed, Slow to Moderate Growth
Motor Vehicle Rental Tax	3.50% to 5.00%	Return to Historical Growth as Travel/Tourism Returns to Pre - 9/11/01 Levels
State Shared Revenue	2.50% to 3.00%	Forecast to Grow at Approximately the Same Rate as CPI
US Marshal	No Change	Estimate Revenue From 125 Beds @ \$115.90 Per Day
Indirect Costs	2.00% to 3.00%	Administrative Costs Associated w/ Fed and State Revenue Conservative Estimate Subject to State Budget Deliberations
Assessment & Taxation	2.00% to 3.00%	Increases Driven by Low Interest Rates, Expect Return to "Normal" Growth

Summary of Constraint Calculations

\$'s Rounded to Nearest \$1,000

	Forecast Budget FY 04-05	Amount to Cut @ 5.8%
Department		
Nondepartmental	\$ 14,652,000	\$ 301,000
District Attorney	14,673,000	785,000
OSCP	14,932,000	806,000
Human Services	16,827,000	827,000
Health	41,723,000	1,819,000
Community Justice	39,280,000	1,947,000
Sheriff	77,127,000	4,261,000
FBAT	18,029,000	103,000
Community Services	9,107,000	338,000
Business Services	152,000	2,000
Library	18,185,000	1,500,000
Business Services Reallocation		(1,514,000)
Subtotal	\$ 264,687,000	\$ 11,175,000
Countywide		
Contingency	\$ 7,300,000	
Reserve	11,640,000	
Subtotal	\$ 18,940,000	
Forecast Expenditures	\$ 283,627,000	
Forecast Revenue	273,952,000	
Forecast Shortfall	\$ 9,675,000	\$ 9,675,000
Additional \$'s From Constraint		1,500,000
		\$ 11,175,000

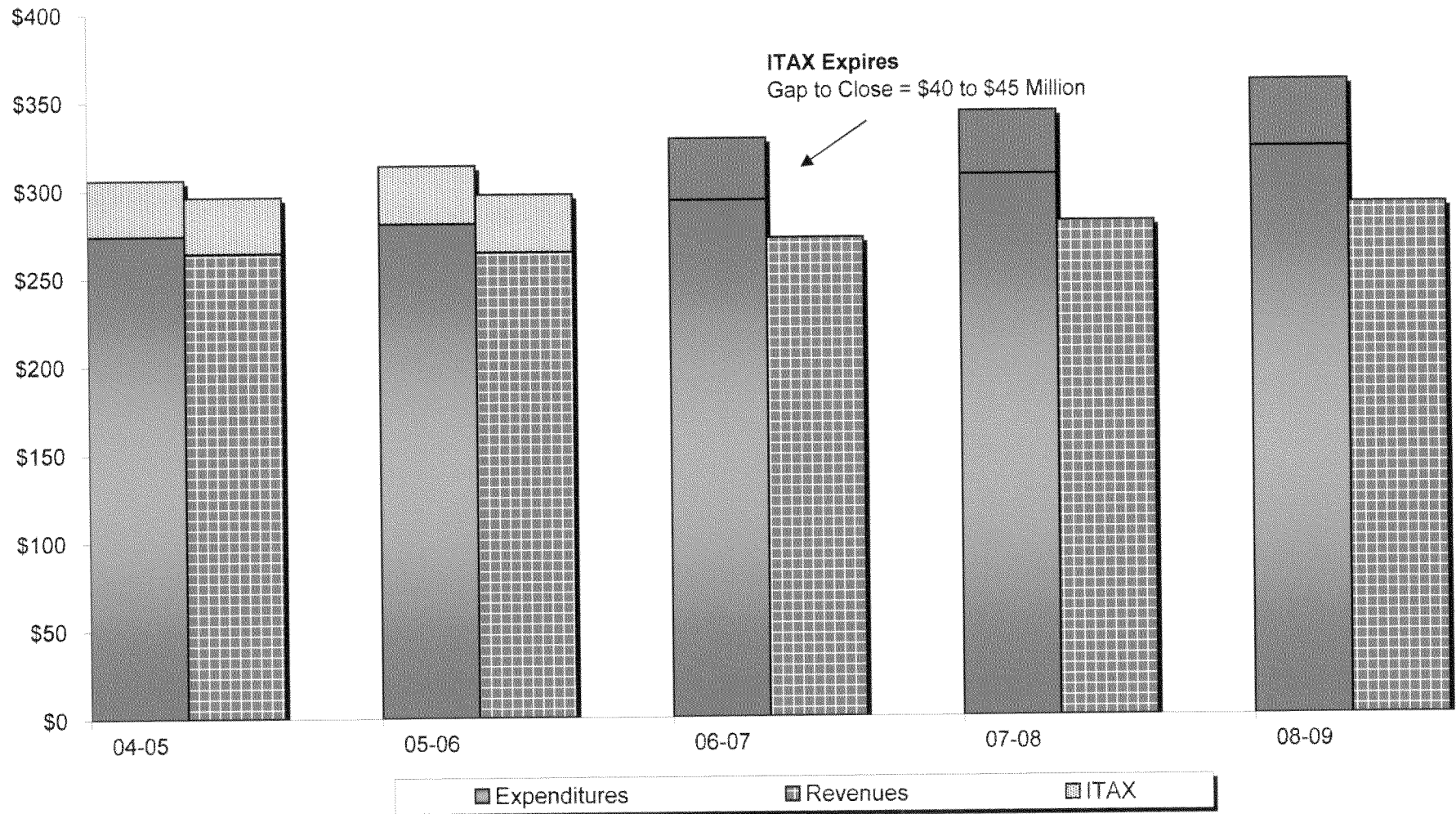
Notes:

MCSO Forecast Budget Does Not Include Operating \$ for Wapato Jail

Contingency Includes Following Amounts:

Estimated Cost of Wage Settlements	\$ 4,250,000
"Normal" Contingency	1,250,000
Policy Direction/Flexibility	3,300,000
	\$ 8,800,000

General Fund Forecast Expenditure v. Revenue Growth



BOGSTAD Deborah L

From: BOYER Dave A

Sent: Wednesday, February 04, 2004 2:42 PM

To: #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; BOGSTAD Deborah L

Cc: BALL John; TURNER Kathy G; SOWLE Agnes; BOYER Mary L; DARGAN Karyne A; CAMPBELL Mark; ASPHAUG Scott E; PARNELL Gail E; MOUNTS Tony D; NEBURKA Julie Z; HARRIS Mindy L; COX Caren S; BARKLEY Helen E; BOYER Dave A

Subject: Risk Management Fund Annual Statement

Attached is the Annual Risk Management Fund report that I prepare each year. Also attached is the Balance Sheet and Profit and loss statement that supports the report. I will be going over the report tomorrow with the Board and would be happy to answer any questions you have. Thank you.

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2/4/2004



Finance, Budget and Tax Office

MULTNOMAH COUNTY OREGON

David Boyer, Chief Financial Officer

501 SE Hawthorne, Suite 400

Portland, Oregon 97214

(503) 988-3903 phone

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MEMORANDUM

TO: Diane Linn, County Chair
Board of County Commissioners

FROM: Dave Boyer, Chief Financial Officer

DATE: February 5, 2004

SUBJECT: Risk Management Fund Statements for the Fiscal Year Ended June 30, 2003

The Risk Management Fund centrally accounts for all revenues and expenditures associated with the County's insurance, benefits and related administration. The Risk Management Fund includes employee medical/dental benefits, life/disability insurance, employee assistance program, health promotion, benefits administration, self-insurance administration, unemployment claims, liability/tort claims, property insurance, workers' compensation claims, County Attorney expenses and post-retirement benefits (retiree medical insurance).

The financial condition of the Risk Management Fund is monitored during the year, and if it is determined that action needs to be taken to increase rates, we will make the appropriate recommendations to the Chair. Prior to making any program specific recommendations to the Chair we determine if any transfers can be made internally to fund any shortfall within a program. As of December 31, 2003, the Risk Management Fund is in good financial condition and no immediate action is needed.

MCC 7.100 requires an annual report on the Risk Management Fund operations. Attached are the Risk Management Fund Balance Sheet and Revenue and Expense Statement for the fiscal year ended June 30, 2003. The following is a brief description of each component part of the Insurance Fund.

Health Medical/Dental:

The County's medical/dental claims expenditures for FY 2003/2004 are expected to increase from the expenditures incurred in FY 2002/2003. However, the rates being charged to the departments in FY 2003 and in prior years are producing significant reserves and we are expecting the reserves to be over \$10 million by the end of fiscal year 2004. The rates being charged to employees and the County are governed by the Employees Benefit Board (EBB) agreement with the County and the agreement should be reviewed to determine if the rates can be adjusted in the future so that the reserves could be used to offset departmental and employee charges. The EBB was created for the years beginning in FY 2001. All liabilities associated with medical/dental claims are

fully funded. The following is the trend in the expenses and reserves related to the medical dental program.

	Medical Dental		
	2001	2002	2003
Expenses	\$ 26,963,151	\$ 29,192,063	\$ 31,945,651
Reserves	\$ -	\$ 4,406,622	\$ 8,041,994

Life and Long-Term Disability Insurance:

Life and Long-Term Disability insurance rates are based on premiums charged to departments and are set each year by our insurance carriers. No substantial increases in rates are expected in FY 2004/2005. The expenses are based on premiums charged to the County so there is no need for reserves. The following is the trend in the expenses related to this program.

	Life and LTD Insurance		
	2001	2002	2003
Expenses	\$ 1,104,877	\$ 1,173,420	\$ 1,193,968

Unemployment:

The unemployment rate of .45% being charged to departments is based on their payroll expenses and is not adequate to meet current needs due to the extension of unemployment benefits and the increased number of former County employees eligible for unemployment benefits due to County budget reductions over the last few years. The rates will be increased to .75% in FY 2004/2005. This rate increase is anticipated to recover the deficit reserve created in FY 2003 and cover the expenses incurred in FY 2004 and 2005. The following is the trend in the expenses and reserves related to this program.

	Unemployment		
	2001	2002	2003
Expenses	\$ 457,094	\$ 893,432	\$ 1,553,553
Reserves	\$ 45,824	\$ -	\$ (991,578)

Liability:

Liability rates being charged to departments is based on their past experience and will provide for adequate funding in FY 2003/2004. Except for the Sheriff and Health Department increases in FY 2002/2003, the liability rates have remained fairly constant over the last five fiscal years. The rates for FY 2004/2005 will not change from FY 2003/2004. All liabilities associated with liability claims are fully funded and therefore there is no need for large reserves. The following is the trend in the expenses and reserves related to this program.

	Liability Insurance		
	2001	2002	2003
Expenses	\$ 2,257,741	\$ 1,941,113	\$ 1,254,691
Reserves	\$ 1,728	\$ 3,384	\$ 6,893

Property:

Insurance rates increased by about 50% from FY 2001 to FY 2002 and again in FY 2003 due to the September 11, 2001 event and other major catastrophic losses from fires and floods etc. These events have resulted in several large insurance companies to fail which in turn has driven up insurance costs. These rate increases were incorporated into the budget. The expenses are based on premiums charged to the County so there is no need for reserves. The following is the trend in the expenses related to this program.

	Property Insurance		
	2001	2002	2003
Expenses	\$ 161,114	\$ 372,622	\$ 602,943

Workers' Compensation:

Workers' compensation rates being charged to departments is based on their past experience and will provide for adequate funding. The rates have remained fairly constant over the last ten fiscal years and actually decreased in FY 2002/2003. The reduced rates will continue to be used in FY 2004/2005. All liabilities associated with workers' compensation claims are fully funded and therefore there is no need for large reserves. The following is the trend in the expenses and reserves related to this program.

	Worker's Comp Insurance		
	2001	2002	2003
Expenses	\$ 2,350,640	\$ 2,176,219	\$ 1,988,910
Reserves	\$ 3,813	\$ 4,470	\$ 7,746

Risk Management Administration and County Attorney:

Accounts for central Risk Management Administration for the Risk Management Fund. These administration costs include the County Attorney's Office, The County Safety Program and overhead charges for Finance, Budget, Human Resources, etc. Rates being charged to departmental budgets include administration costs and are adequate to cover expenditures. No reserves are needed for these programs. The following is the trend in the expenses related to these programs.

	County Attorney Office		
	2001	2002	2003
Expenses	\$ 2,028,582	\$ 2,175,050	\$ 2,176,157

	Risk Management Admin & Safety		
	2001	2002	2003
Expenses	\$ 966,990	\$ 906,239	\$ 924,076

Benefits Administration, Health Promotion and Employee Assistance:

The Benefit administration rate of .95% is charged to departments to cover these costs in FY 2003/2004. This rate needs to be increased to 1% in FY 2004/2005 to cover the expenditures. No reserves are needed for these programs. The following is the trend in the expenses related to this program.

Benefits Admin and EAP			
	2001	2002	2003
Expenses	\$ 1,890,979	\$ 1,550,718	\$ 1,724,014

Note: The 2003 expenses were adjusted downward by \$613,354 for the bus program charges paid out of this area in 2003 that were previously paid directly by departments.

Retiree Insurance Reserves:

Ordinance No. 631 requires the County to fund post-retirement benefits. A rate of .75% is s charged to departments and is based on an actuarial valuation performed every two years. The retiree insurance costs have increased due to the increase in retirements. The following is the trend in the expenses and reserves related to this program.

Retiree Insurance			
	2001	2002	2003
Expenses	\$ 2,316,153	\$ 2,361,957	\$ 3,185,352
Reserves	\$ 6,398,420	\$ 6,232,839	\$ 6,908,885

Combined Insurance Fund:

The combined Risk Management Fund equity at June 30, 2003 is \$13,987,000 compared to \$10,664,552 at June 30, 2002. Total assets are \$21,202,000. The Risk Management Fund assets increased by about \$4,500,000 and were primarily due to increased reserves in medical/dental benefits program. Based on the current financial condition of the Risk Management Fund and the projected revenues and expenses for FY 20031/2004, we believe the fund is financially sound to provide employee safety and preserve County assets.

If you have any questions please call me at ext. 83903.

c: John Ball
Kathy Turner
Agnes Sowle
Mary Boyer
Scott Asphaug
Helen Barkley
Karyne Dargan
Caren Cox
Mindy Harris
Gail Parnell
Tony Mounts
Mark Campbell
Julie Neburka

MULTNOMAH COUNTY, OREGON
INSURANCE FUND
BALANCE SHEET
June 30, 2003

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
ASSETS:		
CASH & INVESTMENTS	\$ 13,068,000	\$ 20,132,000
ACCOUNTS RECEIVABLE	2,000	0
DUE FROM OTHER FUNDS	12,350,000	960,000
PREPAID INSURANCE	300,000	93,000
FIXED ASSETS NET		
(ACCUMULATED DEPRECIATION)	2,000	17,000
TOTAL ASSETS	\$ <u>25,722,000</u>	\$ <u>21,202,000</u>
LIABILITIES:		
VACATION LIABILITY	\$ 191,000	\$ 195,000
PAYROLL PAYABLE	68,000	56,000
ACCOUNTS PAYABLE	11,476,000	10,259,000
TOTAL LIABILITIES	<u>11,735,000</u>	<u>10,510,000</u>
FUND EQUITY		
CAPITAL	2,000	17,000
RETAINED EARNINGS	13,985,000	10,648,000
TOTAL EQUITY	<u>13,987,000</u>	<u>10,665,000</u>
TOTAL LIABILITIES & FUND EQUITY	\$ <u>25,722,000</u>	\$ <u>21,175,000</u>

PREPARED BY: Dave Boyer

MULTNOMAH COUNTY, OREGON
RISK MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND EQUITY
FOR THE PERIOD ENDED JUNE 30, 2003

	70-58 HEALTH MEDICAL/ DENTAL	LIFE AND LTD INS	705220 UNEMPLOY- MENT	708300 LIABILITY	708200 PROPERTY	708400 WORKERS' COMP	107001 COUNTY ATTORNEY	RISK MGMT ADMIN	BENEFITS& HEALTH PROMOTION	705245 RETIREE INSURANCE	TOTAL
OPERATING REVENUES:											
CHARGES FOR SERVICES	\$ 35,196,919	\$ 1,188,697	\$ 561,975	\$ 1,253,569	\$ 602,943	\$ 2,124,574	2,099,194	\$ 908,396	\$ 1,915,509	\$ 1,531,142	\$ 47,382,918.00
INSURANCE PREMIUMS		0	0		0					1,838,897	1,838,897.00
EXPERIENCE RATINGS, REFUNDS AND OTHER	296,932	0	0	4,631	0	232,612	1,963		35,661	76,443	648,242.00
TOTAL OPERATING REVENUES	<u>35,493,851</u>	<u>1,188,697</u>	<u>561,975</u>	<u>1,258,200</u>	<u>602,943</u>	<u>2,357,186</u>	<u>2,101,157</u>	<u>908,396</u>	<u>1,951,170</u>	<u>3,446,482</u>	<u>49,870,057.00</u>
OPERATING EXPENSES:											
SALARY AND WAGES				117,188		169,253	1,851,596	348,106	1,003,673	74,666	3,564,482.00
OPERATING EXPENSES	781,918		1,017	385,567	57,085	576,605	324,561	575,970	1,038,685	94,810	3,836,218.00
INSURANCE CLAIMS AND PREMIUMS	31,163,733	1,193,968	1,552,536	751,936	545,858	1,243,052			295,010	3,015,876	39,761,969.00
DEPRECIATION								0			-
TOTAL OPERATING EXPENSES	<u>31,945,651</u>	<u>1,193,968</u>	<u>1,553,553</u>	<u>1,254,691</u>	<u>602,943</u>	<u>1,988,910</u>	<u>2,176,157</u>	<u>924,076</u>	<u>2,337,368</u>	<u>3,185,352</u>	<u>47,162,669.00</u>
OPERATING INCOME (LOSS)	<u>3,548,200</u>	<u>(5,271)</u>	<u>(991,578)</u>	<u>3,509</u>	<u>0</u>	<u>368,276</u>	<u>(75,000)</u>	<u>(15,680)</u>	<u>(386,198)</u>	<u>261,130</u>	<u>2,707,388.00</u>
NONOPERATING REVENUES (EXPENSES):											
INTEREST REVENUE	87,172							0		441,385	528,557.00
LOSS ON DISPOSAL OF ASSETS											-
TOTAL NONOP REVENUES	<u>87,172</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>441,385</u>	<u>528,557.00</u>
OPERATING TRANSFERS IN (OUT)		5,271				(365,000)	75,000		386,198	(26,469)	75,000
NET INCOME (LOSS)	3,635,372	-	(991,578)	3,509	-	3,276	-	(15,680)	-	676,046	3,310,945
RETAINED EARNINGS JUNE 30, 2002	4,406,622	-		3,384		4,470	-	29,237	-	6,232,839	10,676,552
RETAINED EARNINGS JUNE 30, 2003	<u>\$ 8,041,994</u>	<u>\$ -</u>	<u>\$ (991,578)</u>	<u>\$ 6,893</u>	<u>\$ -</u>	<u>\$ 7,746</u>	<u>\$ -</u>	<u>\$ 13,557</u>	<u>\$ -</u>	<u>\$ 6,908,885</u>	<u>\$ 13,987,497</u>

PREPARED BY: Dave Boyer

BOGSTAD Deborah L

From: BOYER Dave A

Sent: Wednesday, February 04, 2004 2:50 PM

To: BOYER Dave A; #ALL CHAIR'S OFFICE; #ALL DISTRICT 1; #ALL DISTRICT 2; #ALL DISTRICT 3; #ALL DISTRICT 4; BOGSTAD Deborah L

Cc: BALL John; TURNER Kathy G; SOWLE Agnes; DARGAN Karyne A; CAMPBELL Mark; NEBURKA Julie Z; HARRIS Mindy L; MOUNTS Tony D

Subject: General Fund Reserves and PERS Reserves

Attached is the presentation on General Fund Reserves and PERS Reserves that I will go over tomorrow after Mark has finished the General Fund Financial Condition Report.

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2/4/2004

MULTNOMAH COUNTY GENERAL FUND RESERVE POLICY

BACKGROUND:

Annually using all available ongoing revenue to pay for ongoing programs can result in fluctuations in program levels as revenues vary from one year to the next. Programs added in one year based on positive short term receipts can cause programs of equivalent cost being cut in the next year if economic factors cause those revenues not to grow as fast as costs. This has a detrimental effect on service delivery over time. It reduces efficiency. It also sets up difficult budget problems that could be avoided if program decisions were made in the context of the County's long-term financial capacity rather than on the basis of revenue available from one year to the next.

Maintaining an appropriate reserve assists the County in maintaining its favorable General Obligation Bond rating, which is currently Aa1 from Moody's Investors Service. Moody's generally established benchmark for the General Fund Balance or reserve is a dollar amount equal to at least 10% of actual General Fund revenues. This reserve level is also recommended as a best practice by the Government Finance Officers Association.

The County's bond rating was upgraded in 1993 to Aa1. The difference in interest rates between each Moody's rating is about .25%. The County has issued over \$450 million in bonds and because of the high bond rating we estimate that the higher rating will save the County about \$15.5 million over a 20 year period. In addition the County issues short term notes in the amount of between \$20 and \$40 million per year. The higher bond rating has an impact on our short term notes and we estimate that it has a positive impact of .10% on our short term interest rates. Over the last ten years this savings is approximately \$220,000.

RESERVES POLICY STATEMENT:

The Board understands that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to fund and fund and maintain two General Fund Reserves designated as unappropriated fund balance, funded at approximately 5% each of the total budgeted revenues of the General Fund. The Public Safety Fund is primarily supported by the General Fund and for purposes of calculating these reserves, revenues and actual ending fund balances reported in the Public Safety Fund will be included.

The first 5% is a reserve account in the General Fund, designated as unappropriated fund balance. This reserve account is to be used when basic revenue growth falls below the rate of basic revenue change achieved during the prior ten years.* In years when basic revenue growth falls below long term average growth, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is so used, to maintain fiscal integrity, the Board will seek to restore the account as soon as possible.

The second 5% is a reserve maintained separate from the General Fund in the General Reserve Fund. This reserve fund is to be used for non-reoccurring extreme emergencies. Extreme Emergencies is defined as uses for disaster relief, expenditures related to essential

* "Basic revenue" is defined as the sum of General Fund property tax, business income tax, motor vehicle rental tax, cigarette tax, and liquor tax and interest income. "Growth" is defined as total increase in fiscal year compared to the amount in the prior fiscal year, adjusted for changes in collection method, accrual method, or legislation defining the rate or terms under which the revenue is to be collected.

services or expenditures that are related to public life and safety issues. If the reserve account is so used, to maintain fiscal integrity, the Board will seek to restore the account as soon as possible.

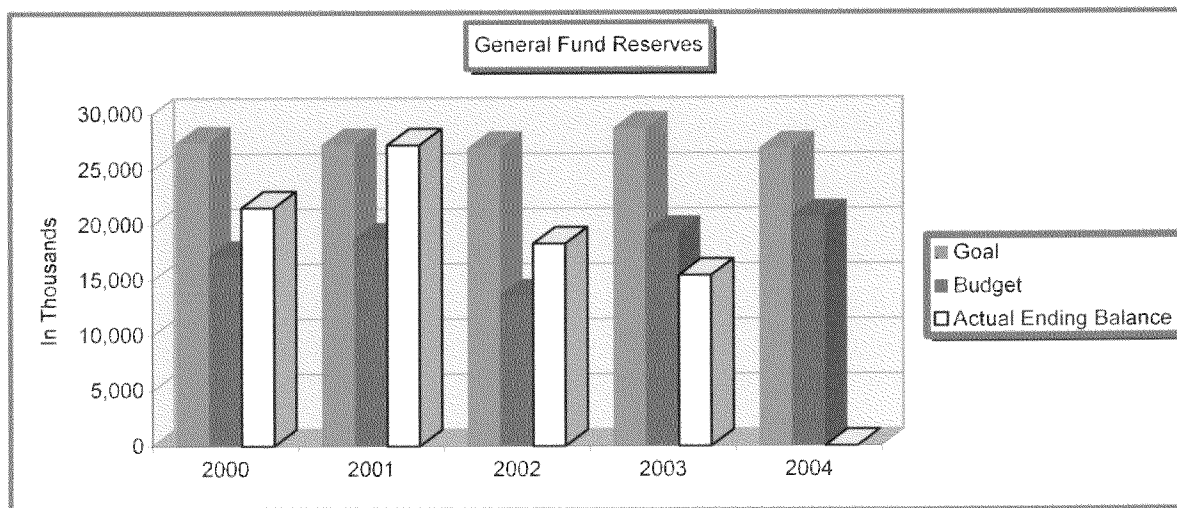
The Board will replenish the General Fund Reserve to approximately 5% of General Fund revenues over the next three years. The anticipated plan to accomplish this is as follows:

	Amount	Source
FY04	\$1,000,000	Reserves currently held for COPs issued in 1993. This issue was refunded July 2003 backed by full faith and credit of County. Reserves are no longer needed.
FY05	\$1,500,000	1. Restructured 1993 COP will allow an additional \$1,500,000 of second year savings be placed in reserves
FY06 FY07 FY08	\$1,300,000	Options Include: 2. Proceeds from asset sales 3. Year end surplus identified through the audit. 4. Service reductions

STATUS:

In Fiscal Year 2002 and FY 2003 the basic revenue growth fell below the long term average growth. To continue funding priority services, the Board used \$5.7million of the General Fund Reserve account. In Fiscal Year 2002 the Board established a separate General Reserve Fund and funded it with approximately \$9.1 million from the General Fund. In the fiscal year 2004 budget, the Board budgeted the reserves at \$10.1 million in the General Fund and \$10.6 million in the General Reserve Fund and has outlined a plan to fund the reserves over the next 5 years.

The following graph shows the reserve goal, budget and actual reserve since FY 1999. The budgeted reserves do not include funds budgeted in contingency. Actual for 2003 is estimated.



	2000	2001	2002	2003	2004
Goal	27,437	27,265	26,958	28,721	26,859
Budget	17,084	18,685	13,587	19,277	20,727
Actual Ending Balance	21,542	27,207	18,281	15,395	N/A

PERS RESERVES

BACKGROUND:

In July 1998 PERS informed us that our employer costs would increase from 10.66 to 12.55% of payroll. In October 1998 we were notified that instead of the rate increasing to 12.55%, it would increase 15.48%. This increase was required by PERS after an actuarial study was performed and over the most recent five year period, the County's unfunded liability for retirement grew from \$50.9 million to \$158.5 million and PERS estimated the unfunded liability at December 1999 would be \$180 million. In response to this unfunded liability the County issued \$180 million in pension obligation bonds which allowed the County to reduce the PERS rate increase to 13.51% instead of 15.48%. In order to retire the PERS bonds the County charges departments a PERS charge which was established at 4.3% of payroll. This rate was to increase each year until the PERS Bond rate would reach 7.25% of payroll. Because of interest earnings and changes made to PERS administrative rules the County's PERS rate declined to 7.94% and the County did not need to increase the PERS Bond rate. In April of 2003 PERS informed local governments that our PERS rates were going to increase again by about 4% of payroll. The County included the 4% increase in our adopted 2003/2004 budget. In response to this unsustainable increase the 2003 Legislature adopted several PERS packages which resulted in significant PERS reductions. These legislative changes resulted in the County's rate being decreased from the projected increase of 11.94% (7.94% + 4% = 11.94%) to 7.13% of payroll. However, the majority of these bills were challenged and the County adopted a policy to retain approximately 2.60% of the reduction in reserves in the PERS Bond Fund until the challenges have been settled. These reserves provide a means to pay down any liabilities if the legislative changes are overturned by the courts. It is anticipated that these challenges will not be settled for another 18 to 24 months.

In addition, when the County issued the pension bonds in December 1999 we established a stabilization reserve of \$1.5 million and have been able to keep rates stable over the last several years because of this reserve.

The chart and graph below reflects how PERS rates have or were projected to increase if the County had not issued PERS Pension Bonds or the Legislature had not enacted the PERS reforms. We project that the County will be able to stabilize these rates over the next several years by reducing the Bond rates when we receive PERS increases thereby maintaining the overall rate at about the same rate.

FY		PERS Rate	Bond Rate	Total Actual PERS Rate	Est PERS Rate without Bonds/Legislative	Rate Difference	Covered Payroll on a fiscal year basis	PERS Savings	Reserves
2007	1-Jul-05 est	7.35%	6.70% *	14.05%	21.09%	-7.04%	\$ 220,000,000 **	\$ 15,488,000 est	\$ 5,000,000
2006	1-Jul-05 est	7.35%	6.70% *	14.05%	21.09%	-7.04%	\$ 218,000,000 **	\$ 15,347,200 est	\$ 8,000,000
2005	1-Jul-04 est	6.65%	7.25% *	13.90%	21.09%	-7.19%	\$ 216,000,000 **	\$ 15,530,400 est	\$ 11,000,000
2004	1-Jul-03	7.13%	7.25% *	14.38%	15.48%	-1.10%	\$ 215,000,000 **	\$ 2,365,000 est	\$ 5,850,000
2003	1-Jul-02	7.94%	4.50%	12.44%	15.48%	-3.04%	\$ 209,898,000	\$ 6,380,899	\$ 820,000
2002	1-Jul-01	7.94%	4.30%	12.24%	15.48%	-3.24%	\$ 205,604,000	\$ 6,661,570	\$ 2,075,000
2001	1-Jul-00	9.21%	4.30%	13.51%	15.48%	-1.97%	\$ 200,956,000	\$ 3,958,833	\$ 1,712,000
2000	1-Jul-99	11.33%	0.00%	11.33%	11.33%	0.00%	\$ 187,702,000	\$ -	
1999	1-Jul-98	10.66%	0.00%	10.66%	10.66%	0.00%	\$ 191,152,200	\$ -	
Estimated annual savings								\$ 65,731,902	
Reserves to smooth out total PERS rates								\$ 5,000,000	
Total Savings								\$ 70,731,902	

