



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

BOARD OF COMMISSIONERS

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NOVEMBER 2 & 4, 2004

BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday Metro Goal 5 Proposal
Pg 2	8:45 a.m. Thursday Update on County Business Services
Pg 3	9:30 a.m. Thursday Employee Service Awards
Pg 3	9:50 a.m. Thursday Human Resources Audit
Pg 3	10:00 a.m. Thursday Directing Sale Funds to Help Fund Possible East County Justice Facility
Pg 3	10:35 a.m. Thursday Resolution Establishing NE Wood Village Blvd as County Road No. 5020
Pg 3	10:40 a.m. Thursday Authorizing Amendment to Lease Agreement with Children's Land Trust
Pg 4	10:55 a.m. Thursday 1st Reading Food Service License and Vector Control Ordinances
Thursday November 11 Board Meeting Cancelled due to Veteran's Day Holiday	

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Saturday, 10:00 AM, Channel 30

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Tuesday, November 2, 2004 - **9:30 AM**
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFING

B-1 Briefing on Metro Resolution No. 04-3506; Goal 5 Proposal. Presented by Commissioner Lisa Naito, Gary Clifford and Invited Guests. 1 HOUR REQUESTED.

Thursday, November 4, 2004 - **8:45 AM**
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFING

B-2 Update on County Business Services. Presented by Tony Mounts. 45 MINUTES REQUESTED.

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

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM **DEPARTMENT OF COMMUNITY JUSTICE**

C-1 Budget Modification DCJ-06 Adding \$20,687 in Portland Community College Grant Carryover Revenue to the Department of Community Justice Federal/State budget

REGULAR AGENDA - 9:30 AM **PUBLIC COMMENT - 9:30 AM**

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.

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 9:30 AM

R-1 **9:30 AM TIME CERTAIN:** Presentation of Employee Service Awards Honoring Multnomah County Employees with 5 to 40 Years of Service

NON-DEPARTMENTAL - 9:50 AM

R-2 Human Resources Audit: Define Services and Continue Improvements. Presented by Suzanne Flynn, Judith DeVilliers and Mark Ulanowicz. 10 MINUTES REQUESTED.

R-3 **10:00 AM TIME CERTAIN:** RESOLUTION Directing Funds from the Sale of the Hansen Building and Multnomah County Correctional Facility (MCCF) to Help Fund a Possible New East County Justice Facility

OFFICE OF SCHOOL AND COMMUNITY PARTNERSHIPS - 10:30 AM

R-4 Budget Modification OSCP_1 Restoring 1.5 FTE in County Business Services to Provide Support to the Office of School and Community Partnerships and to the Commission on Children, Families, and Community (Continued from October 7, 2004)

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 10:35 AM

R-5 RESOLUTION Establishing NE Wood Village Boulevard as County Road No. 5020

R-6 RESOLUTION Authorizing a Second Amendment to Lease Agreement with the Children's Land Trust, formerly known as Regional Children's Campus

DEPARTMENT OF HEALTH - 10:45 AM

R-7 NOTICE OF INTENT to Request Grant Funding from the National Institute of Environmental Health Sciences' "Environmental Justice: Partnerships for Communication" Grants Program to Support an Environmental Health Education Initiative in Northeast Portland

R-8 NOTICE OF INTENT to Submit a Proposal to the Health Resources and Services Administration's Ryan White CARE Act Title I HIV Emergency Relief Grant Competition

R-9 First Reading of a Proposed ORDINANCE Amending MCC § 21.612
Relating to Food Service License and Other Fees

R-10 First Reading of a Proposed ORDINANCE Establishing a Vector Control
and Enforcement Advisory Committee



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 11/04/04
 Agenda Item #: B-2
 Est. Start Time: 8:45 AM
 Date Submitted: 10/26/04

BUDGET MODIFICATION: -

Agenda Title: Update on County Business Services

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

Date Requested: November 4, 2004 **Time Requested:** 45 min
Department: Business and Community Services **Division:** County Business Services
Contact(s): Dan Kaplan
Phone: (503) 988-4185 **Ext.** 22203 **I/O Address:** 503/4
Presenter(s): Tony Mounts

General Information

1. **What action are you requesting from the Board?**
 This is an update on the progress of County Business Services, being brought at the request of the Board.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
 County Business Services was formed during Fiscal Year 2003-4 to provide support services for County Departments. The Board has asked for periodic updates.
3. **Explain the fiscal impact (current year and ongoing).**
 None.
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.

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- 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.
- How will the county indirect, central finance and human resources and departmental overhead costs be covered?
- Is the revenue one-time-only in nature?
- If a grant, what period does the grant cover?
- If a grant, when the grant expires, what are funding plans?

Contingency Request

If the request is a **Contingency Request**, please answer all of the following in detail:

- 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?

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

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- 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, central finance and human resources and departmental overhead costs be covered?

ATTACHMENT B

BUDGET MODIFICATION: -

Required Signatures

**Department/
Agency Director:**

David B. Kay

Date: 10/25/04

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

BOGSTAD Deborah L

From: KAPLAN Daniel
Sent: Wednesday, October 27, 2004 8:48 AM
To: BOGSTAD Deborah L
Cc: MOUNTS Tony D; SMITH Andy J; KAPLAN Daniel; MORIMITSU Kathryn A
Subject: RE: Agenda Placement Request -- Update on Business Services -- Novemeber 4th

Deb,

Thanks for calling. You are right of course -- I sent you two copies of the same attachment. I had meant to send you our agenda placement request form and a copy of the board staff's questions to us (attached to this email). Board staff asked that this be submitted as a reference for the commissioners.

In addition, here is an early draft of our power-point presentation. It will change significantly over the next few days. As you and I agreed, we will get you a final presentation file on Monday.

Dan

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

From: KAPLAN Daniel
Sent: Tuesday, October 26, 2004 5:46 PM
To: BOGSTAD Deborah L
Cc: KAPLAN Daniel; MOUNTS Tony D; SMITH Andy J
Subject: Agenda Placement Request -- Update on Business Services -- Novemeber 4th

Deb,

Attached is an agenda placement request form for a November 4th update on County Business Services. In addition, here is an attachment which Shelli Romero has asked that we include as a reference when we submit this request.

Dan

10/27/2004

Shared Services Content Briefing Outline

At the September 27th Board staff meeting Board staff learned of an OSCP/CCFC budget modification that the BCC would be deliberating to restore 1.5 positions for purposes of grant accounting and payroll. Dan Kaplan of BCS offered to work with Board staff to identify the points of information that the Board is interested in knowing about pertaining to Shared Services. Shelli Romero and Steve March agreed to work with Dan Kaplan to develop an outline so that a Shared Services Updated Briefing for the Board can happen in November.

The following outline represents input from D1, D2, D3 and D4. We will briefly touch on this at the October 11th Board staff meeting before presenting it formally to the Chair's Office and Dan Kaplan.

The Shared Services Briefing should include questions and information under the following themes:

- Accenture Report – Presentation and Response
 - Organizational Chart of Shared Services (as it was proposed originally and how it looks today – what's in and what's out?)
 - Cost of Shared Services and Realized savings in the immediate and over time
 - The efficiency of Shared Services
1. Accenture Report
 - a) Summarize the findings in the Accenture Report
 - b) Response to findings – specifically those that related to lack of a clear vision/reason articulated to move forward and lack of communication
 - c) Based on response to findings of Accenture report, what changes have been made to Shared Services?
 2. Shared Services Model (Would prefer visual organizational charts)
 - a) Model of Shared Services when originally proposed
 - b) Model of Shared Services and how it looks now
 - c) What functions are centralized vs. decentralized
 - d) Are there plans to move forward with setting up the Centers and what is the timeline and impact to departments?
 3. Cost of Shared Services and Realized Savings in the immediate and over time (visuals, charts with figures are helpful)
 - a) Did any of the departments that participate in shared services have their rates reduced?
 - b) How are positions (H.R., Facilities, Grant accounting) currently doing the jobs funded and where are they located physically and fiscally (in the budget?)
 - c) Given the Budget Priority Setting process the County is engaging in, how do the shared services functions in program areas break down? How are they categorized and being discussed? - As "County Overhead" or a departmental expense?
 - d) Have any fees/charges or contracts assessed by the county to the public increased as a result of shared services?
 - e) Is the new model cost effective? What if any studies have been conducted?
 4. Efficiency
 - a) How is Shared Services working for its internal customers (departments)?
 - b) How are those functions that are centralized working for departments?

**Presentation
to the
Board of County
Commissioners**

**Tony Mounts
County Business Services
November 4, 2004**

DRAFT

County Business Services Goals

- **Maximize tax dollars available for direct services.**
- **Working with line departments, balance service, cost and risk considerations.**
- **Achieve measurable performance goals based on department needs.**
- **Develop a common culture regarding customer service, learning & innovation.**



County Business Services support programs to employees and citizens.

- **IT:** Applications that support our work with library patrons, clinic patients, DJC clients, property tax payers, Website users and many more. Also email, networks, PCs, Mint site, Help Desk, and telecommunications systems.
- **FREDS:** Fleet Services; Records management; Electronics/Security Systems; Distribution/mail services to all facilities; Materials Management
- **Facilities:** Maintenance/management for 140+ county properties, which shelter employees, customers, and clients; manage new projects (Courthouse)
- **HR:** Payroll, Benefits, Labor Relations, Maintenance of the Class/Compensation system, Diversity, Equity & Affirmative Action, Wellness, Safety, and Recruitment
- **Finance Operations:** Accounts Payable, Non-Medical Accounts Receivable, Procurement and Contracts processing



Why we began this journey

- **Fiscal pressures**
 - After years of reductions, the County could no longer afford duplicative business services units.
- **Need for standard processes**
 - To improve service to customers
 - To capture savings from efficiencies
 - To capitalize on the full value for investments like SAP

CBS FTE as a Percentage of County FTE

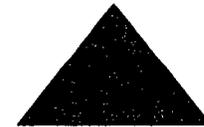
- CBS goal: Maximize tax dollars available for direct services.

	<u>FY03-4</u>	<u>FY 04-5</u>	<u>Change</u>
CBS FTE*	505.6	476.4	- 5.8%
County FTE	<u>4,552.1</u>	<u>4,437.5</u>	- 2.5%
CBS Percentage	11.11%	10.74%	

* Includes Transfers in FY 03-4.

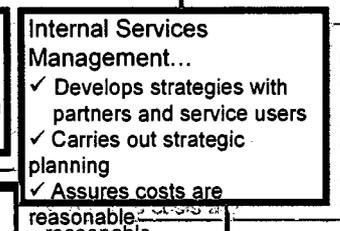
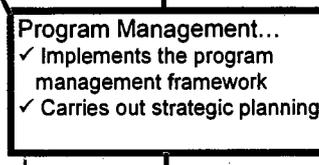
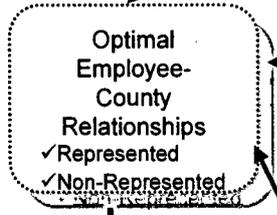
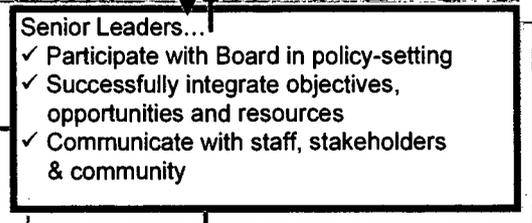
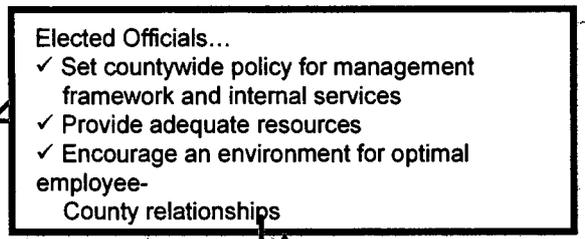
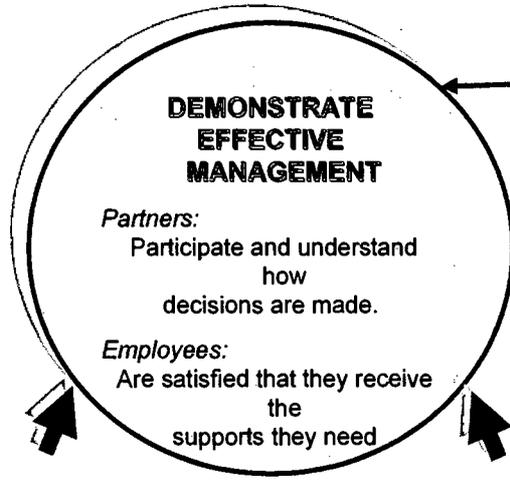
What sharing services provides:

- **Collective management of five business operations**
 - Understand what all the costs are
 - Share the costs
 - Share the governance
- **Balance between service demand, performance, risks, and cost**
- **Accountability**
 - Validated by Accountability Team

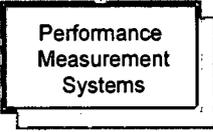
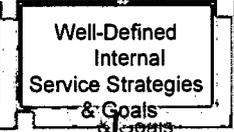
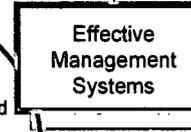


INDICATORS

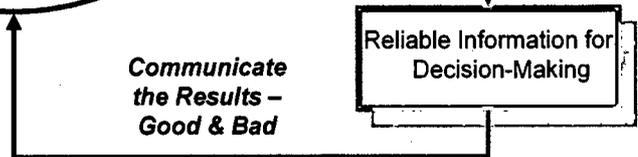
1. Internal perception of trust and confidence
2. Internal satisfaction with service quality, effectiveness and price
3. Amount spent on Internal Services as a % of total budget (specific measures TBD and benchmarked against comparable counties)



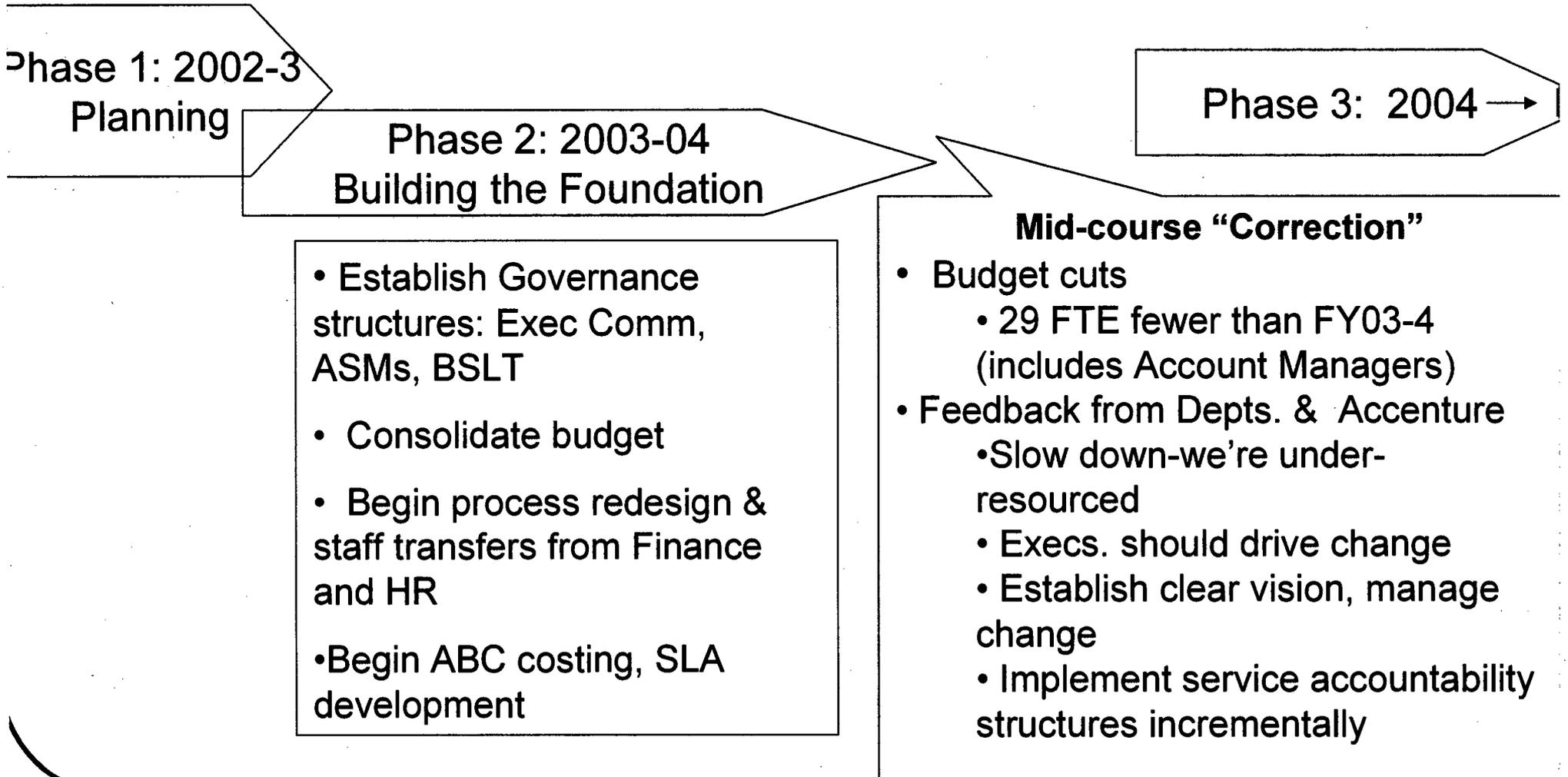
Accountable to the County



- Exercise Strong Internal Controls
- Maintain a Highly Qualified Staff
- Comply with Internal & External Standards and Regulations
- Value, Improve, Streamline & Change Internal & External Regulations



County Business Services Timeline



County Business Services Timeline

Phase 3: 2004 → Phased Implementation

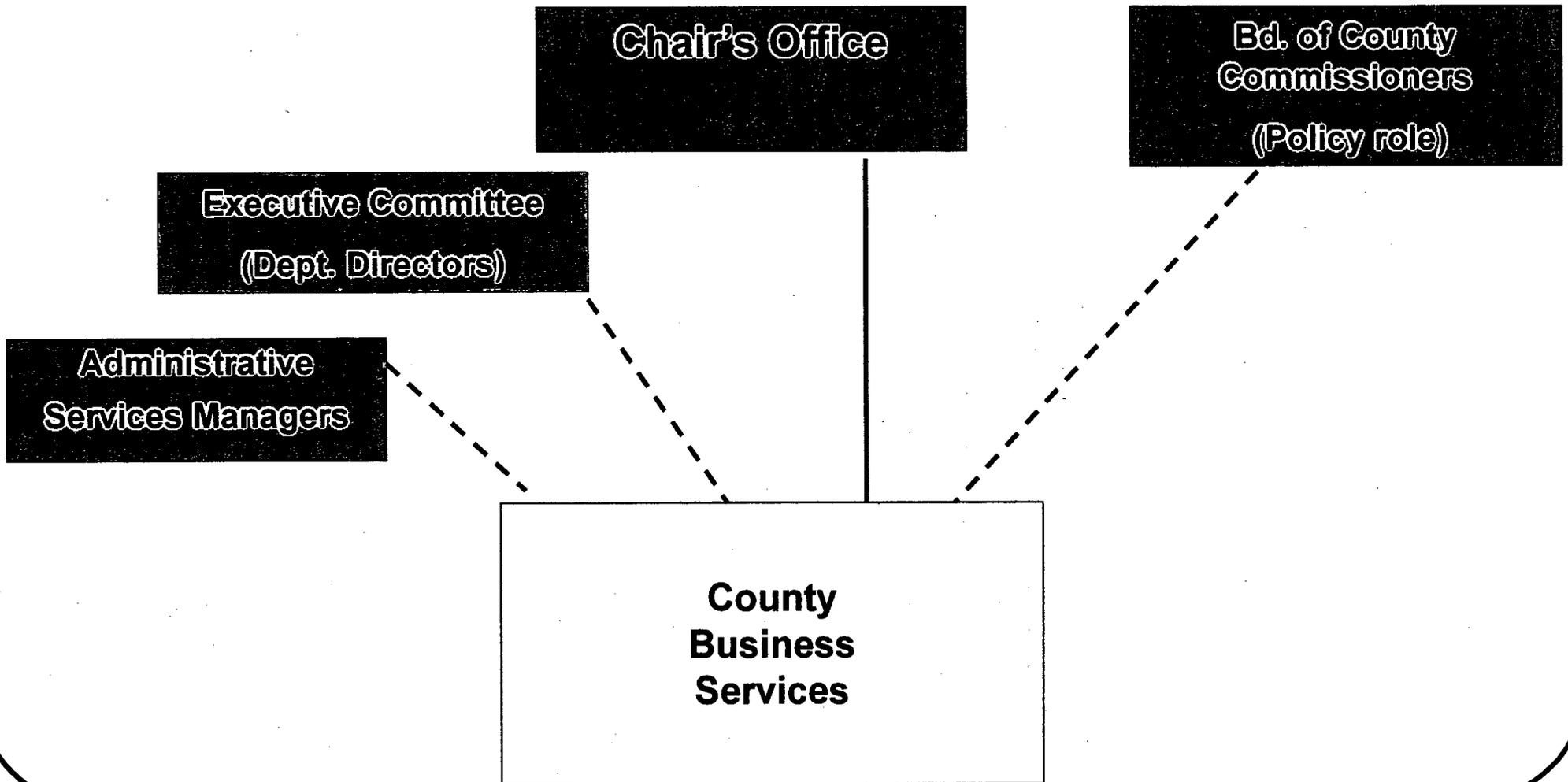
- **Governance structures actively manage business services**
 - **Executive Committee & ASMs drive the change**
 - **Slow down HR and Finance Operations consolidations**
 - Continue Finance Operations process redesign
 - **Implement ABC cost modeling and SLAs where capacity allows**
 - Rate setting decisions
 - IT Portfolio Management
 - Facilities Disposition Plan
 - **Cost reductions**
 - Thru economies of scale and standardized processes
 - IT Portfolio Management savings
 - Facilities Disposition process



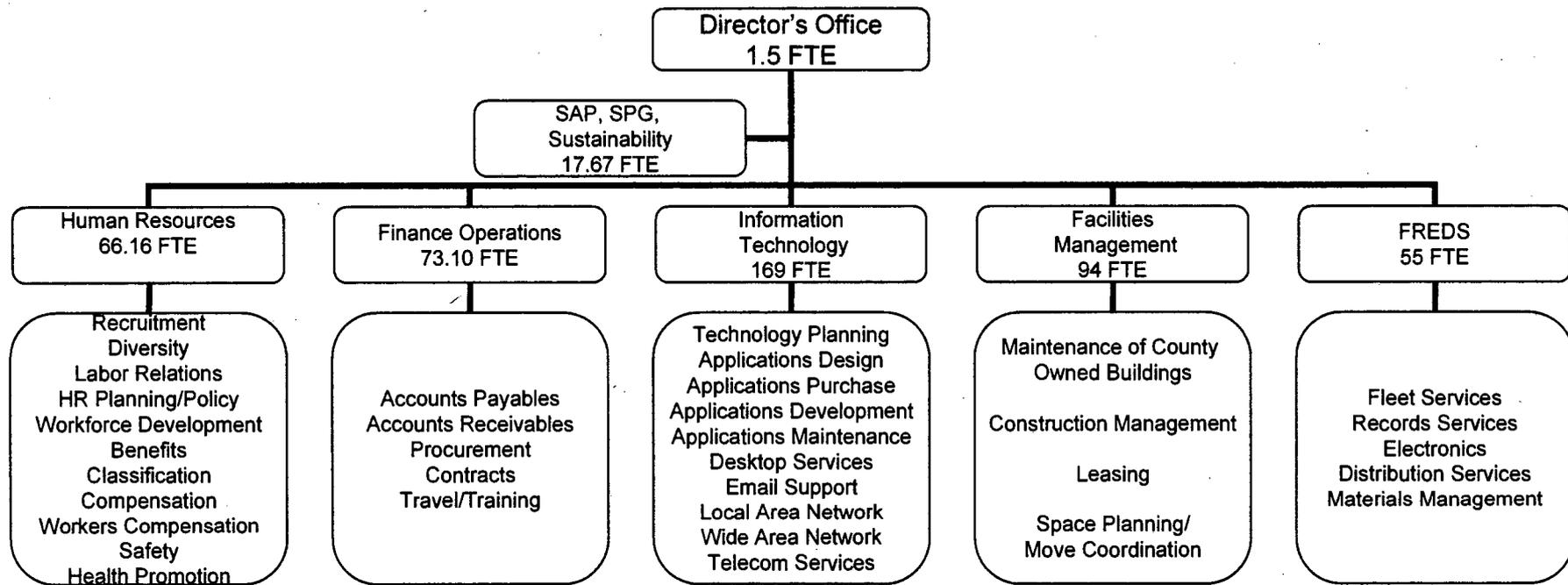
Current Status of County Business Services



Governance diagram



Current CBS Organization Chart (Based on FY 05 Budget)



Business Services Charges

Methods of paying for support services changed in FY 05.

- + New rates for HR, Finance Operations, SAP, Records Management, Central Stores, and parts of IT increased charges.
- Central indirect rate; department personnel costs (due to transfers); and PC flat fee charges were reduced.
- Creating rates for units previously in the General Fund, freed up GF which was added to the pool allocated to departments through the constraint setting process.



Business Services Charges

(\$000,000)	<u>New or Changed Internal Services Charges</u>	<u>Reduced Costs</u>	<u>Increased Resource Available</u>	<u>Net Change In Business Services Costs To Departments</u>
Non-Departmental	+0.42	-0.31	-0.62	-0.52
Health	+5.35	-3.25	-3.13	-1.03
DCJ	+2.42	-1.77	-1.29	-0.64
DCHS	+2.65	-1.60	-1.28	-0.23
Sheriff	+1.57	-0.25	-1.42	-0.09
District Attorney	+0.54	-0.05	-0.37	+0.11
OSCP	+0.70	-0.41	-0.26	+0.03
Library	+1.90	-1.27	-0.55	+0.07



Major Accomplishments

- Governance Structure
 - Executive Committee
 - Administrative Services Managers
 - Business Services Leadership Team
- Performance management
 - Taking Stock reports
 - ABC costing
 - Service Level Agreements



Example of Taking Stock Report

FREDS		September Report DATE 10-12-2004			
Area		Data captured	Performance	Trend	Comments
Fleet		Customer Satisfaction Report	97% YTD Good to Excellent – Target 95%	Consist.	115 responses YTD – Response Rate improving
	TG				
	JR	External Revenue	14.26% of Budget – Target 16.6%	Consist.	\$103868. received - FY05 \$728,490 budget (Billing on 1 month lag)
	JR	Repair Turnaround Time	56% in 24hrs – Target. 70%	Needs Improvement	August report – 1 month lag - 79% in 72hrs - Target 90%, 56% in 24 hrs - Target 70%
		Other			
Records		Retrieval Turnaround Time	91% within 24 hours – Target 95%	Improving	Continued heavy record actions related to Aging Services accessioning project.
	DW				
	DW	Capacity of Record Center	84% – Target <97%	Consistent	
	DW	Unsigned Destruction Notices		Improving	610 c.f. Information on unsigned destruction notices by department was sent to the Administrative Services Managers.
	DW	Unsuccessful Retrieval Requests	10.8% – Target <10%	Improving	
	DW	Other			
Electronics		External Revenue	18.74% of Budget – Target 16.6%	Consist.	Preparations underway for Archives Week \$17,990.14 received of FY05 \$95,979 budget (Billing on 1 month lag)
	JR				
	TG	Customer Satisfaction Report	100% YTD Good to Excellent – Target 95%	Consist.	45 responses YTD – Working on improved response rate
	JR	Repair Turnaround Time	93% in 48hrs – Target 90%	Improving	August report – 1 month lag - 93% in 48hrs
	AW	Other Info to Share			Animal Services would like to discuss a replacement fund charge for their portable and mobile radios
Distribution		Missed Delivery Stops	0% Target 0%	Stable	
	DW				
	TG	Presort Discount		Stable	14.45% Discount from full postage – Need to further develop measure
	DW	US Mail Not to USPS-same day	0% Target 0%	Stable	
	DW	Other Info to Share			Multnomah Building USPS stop percentages changed Staff shortages and heavy freight volumes creating a concern
Stores		Order Turnaround Report	97.87% – Target 90%	Consist.	97.87% of stock item orders are filled within 1 day.
	BL				
	JR	External Revenue	23.14% of budget – Target 25%	Improving	\$43,716 received of FY05 \$188,900 budget.
	BL	Internal Sales	Minus 6% - Target >0% (more sales than last year)	Stable	1 st quarter FY05 sales = \$622,207 compared with 1 st quarter FY04 = \$664,875. Partially due to facilities closing and a redistribution of supplies to other facilities.
	BL	Inventory Turns	6.9% - Target >5%	Consist.	(Based on Inventory Value using revolving year) Inventory will fluctuate a few % points from month to month depending on requirement adjustments.
	BL	New Customers			Sauvie Island Fire Department
	BL	Other Info to Share			66% of flu immunizations received – remainder will not be filled.



Major Accomplishments: Line Divisions

- **FPM:** Facilities Disposition Plan, Courthouse Strategy, Improved Customer Service
- **IT:**
- **FREDS:**
- **HR:** Recruitment Unit; consistent layoff processes
- **Finance Operations:** process improvements to streamline payment processes and share payables work.



Savings: 2004-06

- **Facilities**
 - **Facilities Disposition Plan: will ultimately save \$2,500,000/yr in operating expenses**
 - **Redesigned contracts/compliance testing saves \$250,000/yr**

- **FREDS**
 - **Increase overall revenue from outside agencies**
 - **New private vehicle mileage policy saves \$60,000/yr**

- **IT**
 - **Reduce IT spending (-30FTE) while services increase**
 - **Portfolio management holds promise of future savings**



Savings: 2004-06

- **Human Resources**
 - **Centralizing advertising for recruitments saves \$118,334/year**
 - **New Prescription Plan saved \$150,000/yr**

- **Finance Operations/SAP**
 - **Staff reductions accommodated by redesigning processes and sharing work differently saved \$195,000/yr.**
 - **Process of redesigning work for greater efficiency will continue in the future.**



Goals for Next Year

- **Implement Full Performance Monitoring System**

- **Continued Cost Reduction**
 - **Facilities Disposition**
 - **IT Portfolio Management**
 - **Central Stores Market Expansion**
 - **FO Operations Process Improvement and re-organization of work (with ASMs)**

CBS Changes: Governance Structure

From the Perspectives of:

- Executive Committee
- Administrative Services Managers
- Business Services Leadership

In Conclusion

- **Questions?**
- **Check assumptions regarding:**
 - **Role of the BCC and policy-making**
 - **Agreement regarding CBS mission**

**Presentation
to the
Board of County
Commissioners**

**Tony Mounts
County Business Services
November 4, 2004**

Topics

- Current status of County Business Services
 - Purpose/Goals and Objectives
 - Current Structure
 - Accomplishments
- Options and Alternatives
- Questions & Comments



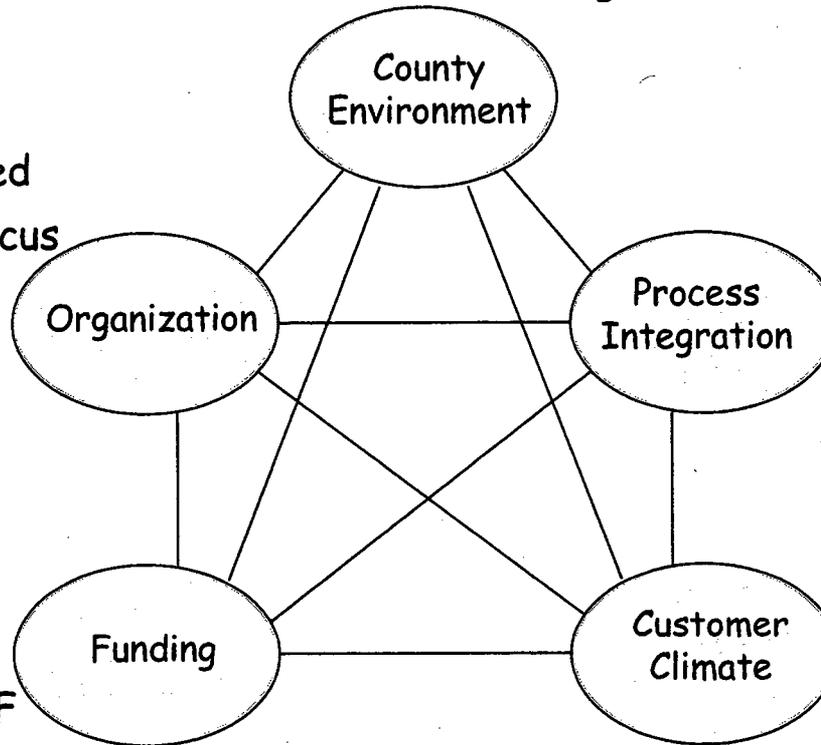
Purpose & Objectives

- Provide internal services as efficiently as possible with little or no adverse impact on the services delivered to external or internal customers.
- Objectives:
 - Maximize resources available for direct services
 - Support collective decision-making to balance service, costs and risks to customers and the County
 - Achieve measurable performance goals based on business needs
 - Develop a common culture of customer service, learning and innovation

Where We Started

- Autonomous Dept Groups
- Administration Change
- Budget Reductions

- FinOps & HR distributed
- Lack of coordinated focus
- Diluted accountability



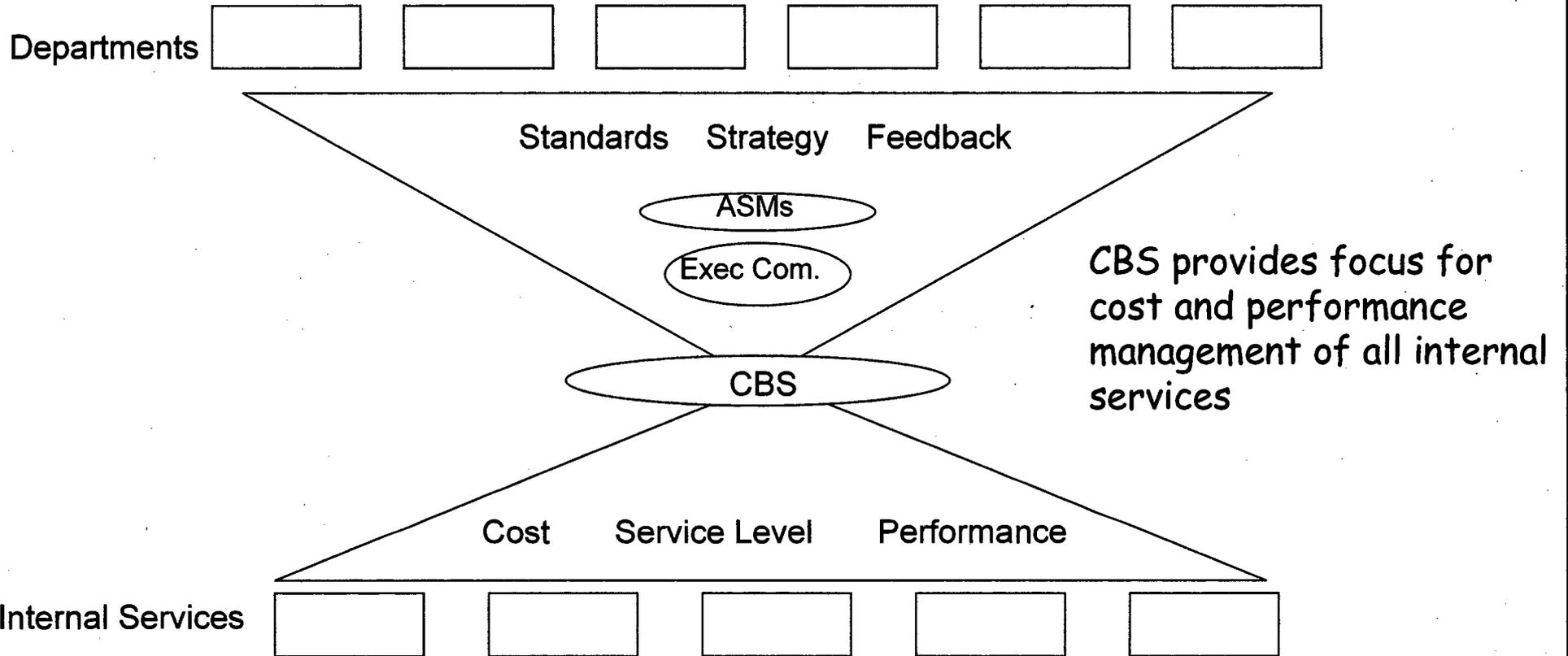
- Non-Standard Processes
- Redundant steps
- No cost data for FI, HR
- Few svc level or performance stds

- Mix of Internal Svc & GF
- Direct & Indirect Charges
- Uncoordinated cuts

Want

- Lower cost, higher value
- Responsiveness
- Reliability

Value of CBS



INDICATORS

1. Internal perception of trust and confidence
2. Internal satisfaction with service quality, effectiveness and price
3. Amount spent on Internal Services as a % of total budget (specific measures TBD and benchmarked against comparable counties)

DEMONSTRATE EFFECTIVE MANAGEMENT

Partners:
Participate and understand how decisions are made.

Employees:
Are satisfied that they receive the supports they need

Elected Officials...

- ✓ Set countywide policy for management framework and internal services
- ✓ Provide adequate resources
- ✓ Encourage an environment for optimal employee-County relationships

Senior Leaders...

- ✓ Participate with Board in policy-setting
- ✓ Successfully integrate objectives, opportunities and resources
- ✓ Communicate with staff, stakeholders & community

Optimal Employee-County Relationships

- ✓ Represented
- ✓ Non-Represented

Program Management...

- ✓ Implements the program management framework
- ✓ Carries out strategic planning

Internal Services Management...

- ✓ Develops strategies with partners and service users
- ✓ Carries out strategic planning
- ✓ Assures costs are reasonable

Accountable to the County

- Exercise Strong Internal Controls
- Maintain a Highly Qualified Staff
- Comply with Internal & External Standards and Regulations
- Evaluate, Improve, Streamline & Change Internal & External Regulations

MANAGE RISKS TO EMPLOYEES & THE COUNTY

Employees conduct themselves appropriately.
County is protected from liability.

ACHIEVE MEASURABLE PERFORMANCE

Employees have clear:

- ✓ Expectations, direction & understand priorities & goals
- ✓ Roles & responsibilities

Internals Services:

- ✓ Are cost-effective
- ✓ Ensure employees can do their work effectively

Effective Management Systems

Well-Defined Internal Service Strategies & Goals

Performance Measurement Systems

Reliable Information for Decision-Making

Communicate the Results - Good & Bad

Timeline of Activities

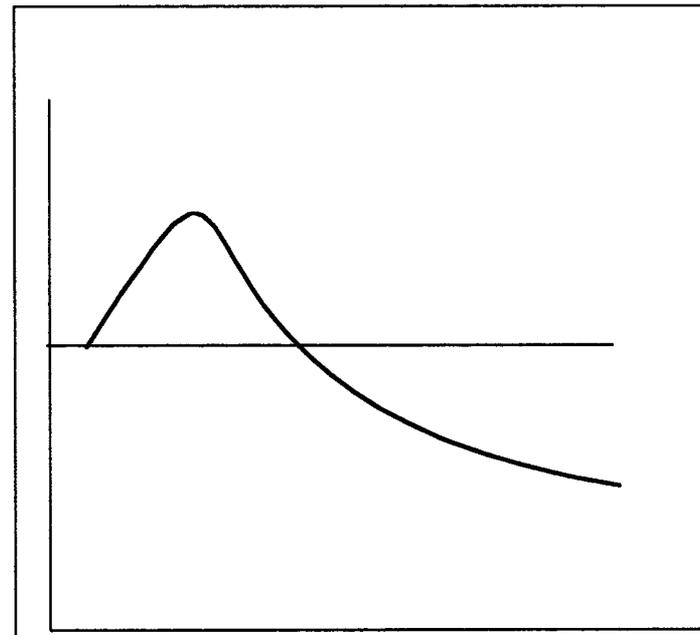
- Phase 1, 2002-03: Planning
- Phase 2, 2003-04: Begin Foundation
- Phase 3, April, 2004 (and forward): Mid-course Adjustment



- **Feedback from Departments & Accenture**
 - Slow down - we're under-resourced.
 - Departmental leadership should drive change.
 - Establish clear vision, manage change, communicate.
 - Implement service management incrementally.
- **Budget Process**
 - Board Decision on Account Managers

Typical Investment Curve

- **Generic cost curve illustrates that investments precede savings in typical shared services implementations***
- **Lack of resources required modification of the original model, adopting a phased implementation.**



*Accenture



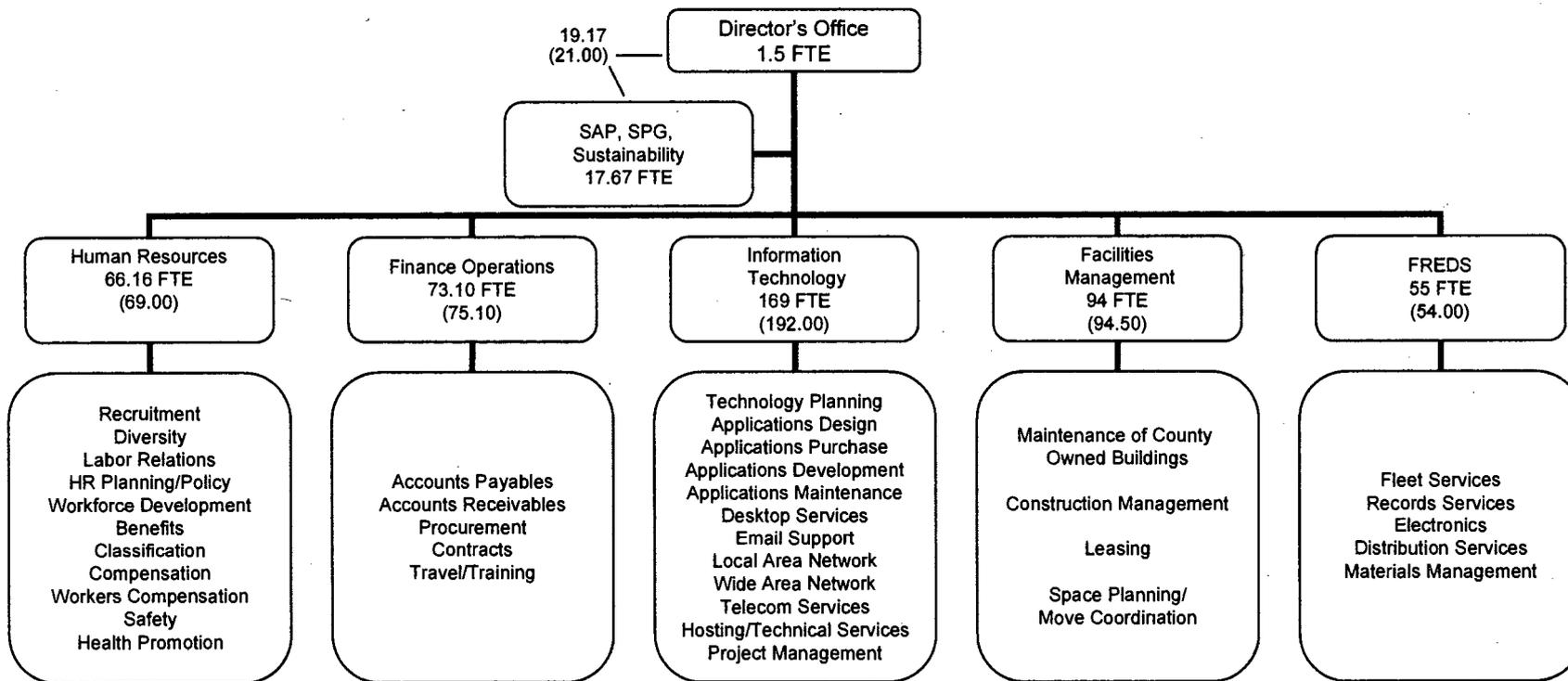
Response to Feedback

- **Phase 3: Phased Implementation**
 - **Exec. Committee & Administrative Services Managers actively drive change thru collective decision-making**
 - **Slowed HR, Finance Operations consolidations**
 - **Continuing to redesign processes to capture efficiencies**
 - **Reviewed costs, made decisions about rates**
 - **Clarifying mission, goals, objectives**
 - **Continuing to develop measurable performance goals in phases**
 - **Continuing to reduce costs to maximize resources for direct services**



Current Status of County Business Services

Current CBS Organization Chart (Based on FY 05 Budget)



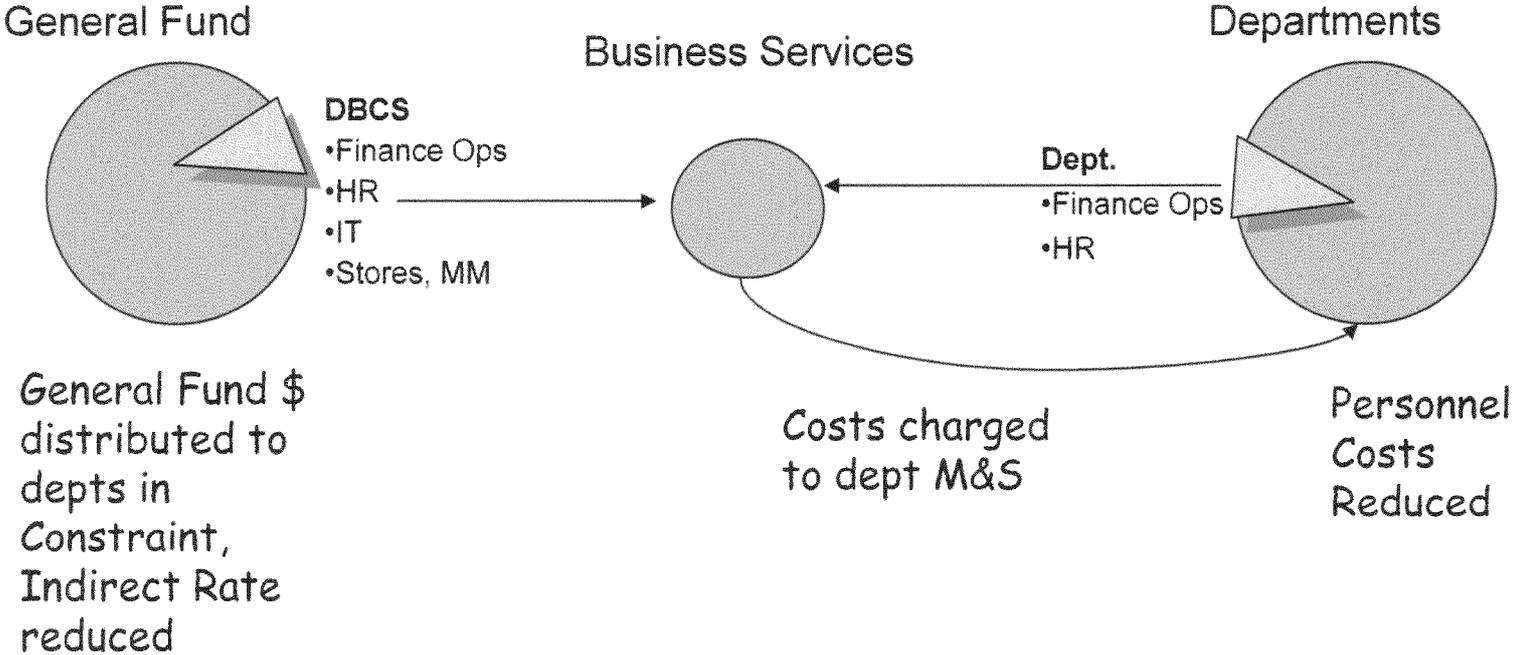
() = FY04 FTE

CBS FTE as a Percentage of County FTE

	FY03-4 <u>Adopted</u>	FY 04-5 <u>Adopted</u>	<u>Change</u>
CBS FTE*	505.6	476.4	- 5.8%
County FTE	<u>4,552.1</u>	<u>4,437.5</u>	- 2.5%
CBS FTE %	11.11%	10.74%	

* Includes Transfers in FY 03-4.

CBS Budget Changes



Financial Impacts to Departments

- **Departments with a “net benefit” :**

<u>Department</u>	<u>Net Benefit</u>
Non-Departmental Budgets	\$ 521,918
DCHS	\$ 233,079
Health	\$1,031,577
DCJ	\$ 635,218
Sheriff	\$ 93,904

- **Departments with a “net loss”**

<u>Department</u>	<u>Net Loss</u>
DA	\$ 110,671
OSCP	\$ 30,154
Library	\$ 70,099



Accomplishments

- **Maximize tax dollars available for direct services.**
 - **Facilities**
 - Facilities Disposition Plan: will ultimately save \$2,500,000/yr in operating expenses
 - Redesigned contracts/compliance testing saves \$250,000/yr
 - **FREDS**
 - Increase overall revenue from outside agencies (covers 12% of FREDS operating revenue)
 - New private vehicle mileage policy saves \$60,000/yr
 - **IT**
 - Reduced IT spending (-30FTE, other efficiencies) while services increased
 - Reorganized management team: saved \$115,000
 - **Human Resources**
 - Centralizing advertising for recruitments saves \$118,000/year
 - New Prescription Plan saved \$150,000/yr
 - **Finance Operations/SAP**
 - Staff reductions accommodated by redesigning processes and sharing work differently saved \$195,000/yr.



Example of Taking Stock Report

FREDS	September Report DATE 10-12-2004			
Area	Data captured	Performance	Trend	Comments
Fleet	Customer Satisfaction Report	97% YTD Good to Excellent – Target 95%	Consist.	115 responses YTD – Response Rate improving
TG				
JR	External Revenue	14.26% of Budget – Target 16.6%	Consist.	\$103868. received - FY05 \$728,490 budget (Billing on 1 month lag)
JR	Repair Turnaround Time	56% in 24hrs – Target 70%	Needs Improvement	August report – 1 month lag - 79% in 72hrs - Target 90%, 56% in 24 hrs - Target 70%
	Other			
Records	Retrieval Turnaround Time	91% within 24 hours – Target 95%	Improving	Continued heavy record actions related to Aging Services accessioning project.
DW				
DW	Capacity of Record Center	84% - Target <97%	Consistent	
DW	Unsigned Destruction Notices		Improving	610 c.f. Information on unsigned destruction notices by department was sent to the Administrative Services Managers.
DW	Unsuccessful Retrieval Requests	10.8% - Target <10%	Improving	
DW	Other			Preparations underway for Archives Week
Electronics	External Revenue	18.74% of Budget – Target 16.6%	Consist.	\$17,990.14 received of FY05 \$95,979 budget (Billing on 1 month lag)
JR				
	Customer Satisfaction Report	100% YTD Good to Excellent – Target 95%	Consist.	45 responses YTD – Working on improved response rate
TG				
JR	Repair Turnaround Time	93% in 48hrs – Target 90%	Improving	August report – 1 month lag - 93% in 48hrs
AW	Other Info to Share			Animal Services would like to discuss a replacement fund charge for their portable and mobile radios
Distribution	Missed Delivery Stops	0% Target 0%	Stable	
DW				
TG	Presort Discount		Stable	14.45% Discount from full postage – Need to further develop measure
DW	US Mail Not to USPS-same day	0% Target 0%	Stable	
DW	Other Info to Share			Multnomah Building USPS stop percentages changed



Goals for Next Year

- **Continue to maximize tax dollars available for direct services**
 - **Facilities Disposition Strategy: will save \$750,000 FY05; \$2.5m total**
 - **IT: Implement methods to scale IT capacity & costs to changing business needs (benchmark externally first, set \$ targets by Jan 05)**
 - **FREDS Market Expansion to external organizations: will save \$100,000/yr**
 - **Financial Operations: Reduce costs per payment**
- **Utilize governance structures to balance service, costs, risks through collective decision-making**
 - **Continue to build collective county-wide decision-making capacity**
- **Continue to develop performance measures**
 - **SLAs to define customer needs; Taking Stock reports to monitor CBS performance**
- **Position County Business Services to respond quickly and effectively to changes in departmental programs**
 - **Through governance structures**
 - **Through coordinated business services systems**



Alternatives: Sample Criteria

- **Cost**
 - Administrative
 - Service
- **Accountability**
 - Governance
 - Service Level/Performance
- **Risk Management**



Alternatives: Basic Set

- Current Approach
 - CBS, CS, FBAT as separate groups
- “Re-Unify” DBCS
- Establish Independent Groups
 - FPM/FREDS, HR, IT
 - Finance Ops as part of FBAT

In Conclusion

- **Questions & Comments**
- **Status reports to the Board:**
 - **Quarterly?**



Methods of paying for support services changed in FY 05.

FY 03-04	FY 04-05	Change For Departments
General Funds paid for Central HR, AP, CPCA, SAP, Stores, Records Management and parts of IT. Departments paid directly for "department-based" Finance Operations and HR staff.	Business Service Fund established. Internal Service Charges pay for these services.	Increased Materials & Service Expenditures
Personnel costs of "department-based" Finance Operations and HR staff were in department budgets.	Personnel costs of "department-based" Finance Operations and HR staff are in CBS budget.	Decreased Personal Services Expenditures
Central Indirect rate was set at 2.03% (applied only to non General Fund programs)	Central Indirect Rate is set at 0.27%.	Decreased Expenditures
PC flat fee charge was \$645/PC	PC flat fee charge was \$575/PC	Decreased Expenditures
General Fund resources were used to pay for Central HR, AP, CPCA, SAP, Stores, Records Management and parts of IT.	These General Funds were allocated to departments as part of the Constraint Setting Process.	Overall impact to the County General Fund was revenue/expenditure neutral

**Shared Services Briefing
November 4, 2004**

In addition to the questions posed in the briefing outline complied by Board Staff, Commissioner Cruz would like to have the following questions addressed in the Shared Services briefing:

What is the current Shared Services budget now (budget/actual) three months in FY05? Projected FY05 ending balance? (broken down by fund: Business Services, fleet, IT, etc)

<u>Fund</u>	<u>1st Quarter Actuals</u>	<u>Budget</u>	<u>CYE</u>
Risk			
Revenues ¹	(13,626,255)	(56,683,796)	(64,001,821)
Expenditures	13,641,815	56,852,674	52,810,972
Balance	15,560	168,878	(11,190,847)
Fleet			
Revenues	(1,019,482)	(9,144,060)	(8,908,101)
Expenditures	1,234,099	8,266,813	7,984,629
Balance	214,617	(877,247)	(923,473)
Information Technology Fund			
Revenues	(6,891,908)	(28,405,931)	(30,347,698)
Expenditures	6,801,488	28,405,931	27,812,571
Balance	(90,420)	0	(2,535,127)
Mail Distribution Fund			
Revenues	(717,126)	(3,756,486)	(3,422,213)
Expenditures	721,443	3,558,177	3,250,233
Balance	4,317	(198,309)	(171,980)
Facilities Fund			
Revenues	(8,655,453)	(39,337,451)	(36,146,706)
Expenditures	14,967,291	39,397,453	36,125,341
Balance	6,311,838	2	(21,367)
Business Services Fund²			
Revenues	(2,898,103)	(17,191,310)	(16,940,494)
Expenditures	3,623,340	17,191,310	16,880,245
Balance	725,237	0	(60,214)

¹Note: The CYE for the Risk Fund contains Beginning Working Capital for all parts of the risk fund; the budget contained BWC for only portion of the Risk Fund relating to retiree insurance.

² The Business Services Fund includes HR, Finance Operations, and the Director's Office (Director/0.5 Deputy, SPG, Sustainability, SAP). See the answer on the top of the next page relating to challenges in re-projecting the Business Services Fund at this time.

Will the revenues in Business Services Fund meet the projected expenditures for FY05?

We do not currently have all the data needed to fully re-project the Business Services fund. Roughly two-thirds of the fund's revenues come from the SAP/Finance Operations revenues. These revenues are based on actual M&S expenditures made by the line departments and the Facilities, IT, FREDS divisions. Until all departments submit current year estimates (CYEs) to the budget office, we will not have good estimates of departmental M&S expenditures.

The adjustments to the budgeted numbers reported on the previous page are based on changes in our estimate of HR revenues. HR revenues are based on rates tied to compensation of employees in the County's line departments and the Facilities, IT and FREDS divisions. These expenditures are much more regular than are M&S expenditures, and so, we feel relatively confident re-forecasting them without CYEs from the line departments.

A full re-projection of the Business Services Fund will be done when we are able to get Departmental CYEs.

What was Business Services (General Fund) final year-end budget/actual in FY04?

The FY 04 budget in the general fund for CBS functions was \$10,712,202. CBS spent \$10,788,583 creating a shortfall of \$76,381. At the time CBS was formed, the line departments had agreed to cover the incremental costs associated with the account managers (who worked roughly three-quarters of the year). However, CBS never actually requested this money from the line departments, because under-spending in other parts of DCBS made it unnecessary.

How many budgeted positions in Shared Services by fund? How many actual FTE and temporary employees by fund?

<u>Fund</u>	<u>Budgeted FTE</u>	<u>Actual FTE</u>	<u>Temporaries³</u>
Risk	17.5	15.0	1
Fleet	30.0	27.0	0
Distribution	25.0	24.0	0
DP	169.0	157.0	6
Facilities	94.0	87.5	2
Business Services	140.9	134.4	5
Total	476.4	444.9	14

³ In this column we have reported temporary FTE as of November 3, 2004. Temporaries include both individuals who will be working for several months and those who are in for much shorter assignments. For example, of the 5.5 temps paid for by the Business Services Fund, 2.0 are spending two week's collecting data for a study. Then they will be gone.

How much have the recent moves on the 4th floor cost? How are they being paid for?

These moves were done to bring the units of Central HR together and to allow the members of the new recruitment unit to sit together and better function as a team. The move also gave the Payroll Unit access to counter space, which is helpful in serving its customers. For the most part, the moves made use of existing cubicles and wiring. The estimated costs of the moves were \$26,695, and have been charged to the Central Labor Relations budget. The money will come from a combination of salary savings (generated already) and savings in professional services.

/communications/Shared Services Briefing – Commissioner Cruz’s Budget Questions

**Impact of Changes in Business Services Charges
on the Budgets of Line Departments
(Supporting Data)**

Increased Charges

	<u>FO/SAP</u>	<u>HR</u>	<u>Mail/Dist</u>	<u>IT</u>	<u>Total</u>
Non-Departmental	\$80,641	\$101,192	(\$430)	\$234,173	\$415,576
District Attorney	\$171,979	\$169,328	\$85,462	\$109,222	\$535,991
OSCP	\$589,306	\$100,201	\$7,835	\$4,657	\$701,999
DCHS	\$1,846,147	\$629,810	\$69,445	\$102,232	\$2,647,634
Health	\$2,465,982	\$1,094,645	\$546,744	\$1,245,939	\$5,353,310
DCJ	\$1,392,461	\$675,738	\$99,875	\$250,666	\$2,418,740
Sheriff	\$190,625	\$380,066	\$121,463	\$880,122	\$1,572,276
Library	\$467,219	\$663,745	\$52,522	\$713,481	\$1,896,967

Reduced Costs

	<u>Indirect</u>	<u>Staff costs</u>	<u>PC Flat Fee</u>	<u>Total</u>
Non-Departmental	(\$303,961)	\$0	(\$8,975)	(\$312,936)
District Attorney	(\$44,475)	\$0	(\$7,411)	(\$51,886)
OSCP	(\$128,828)	(\$277,801)	(\$2,420)	(\$409,049)
DCHS	(\$352,311)	(\$1,291,201)	\$39,156	(\$1,604,356)
Health	(\$1,009,444)	(\$2,142,534)	(\$100,201)	(\$3,252,179)
DCJ	(\$404,408)	(\$1,244,456)	(\$117,465)	(\$1,766,329)
Sheriff	(\$181,183)	\$0	(\$65,250)	(\$246,433)
Library	(\$671,898)	(\$551,012)	(\$51,540)	(\$1,274,450)

Increase Resources Available

	<u>Reallocated HR and Finance Dollars</u>	<u>Reallocated IT Dollars</u>	<u>Total</u>
Non-Departmental	(\$239,924)	(\$384,634)	(\$624,558)
District Attorney	(\$264,212)	(\$109,222)	(\$373,434)
OSCP	(\$315,302)	\$52,506	(\$262,796)
DCHS	(\$1,174,125)	(\$102,232)	(\$1,276,357)
Health	(\$1,885,527)	(\$1,247,181)	(\$3,132,708)
DCJ	(\$1,039,749)	(\$247,880)	(\$1,287,629)
Sheriff	(\$539,625)	(\$880,122)	(\$1,419,747)
Library	(\$552,418)	\$0	(\$552,418)

**Answers to Board Staff Questions About
County Business Services
November 4, 2004**

Board staff asked a number of questions about County Business Services (CBS).

1. Accenture Report

- a) **Summarize the findings in the Accenture Report**
- b) **Response to findings – specifically those that related to lack of a clear vision/reason articulated to move forward and lack of communication.**
- c) **Based on response to findings of Accenture report, what changes have been made to Shared Services?**

- i. CBS should clarify objectives and align its strategy with County/departmental missions.*

Clarifying discussions on CBS objectives began right after the Accenture study. CBS is now striving to:

- Maximize resources available for direct services.
- Support collective decision-making to balance service, cost, and risks to customers and the County.
- Achieve measurable performance goals based on business needs.
- Develop a common culture of customer service, learning and innovation.

Objectives will be revisited after the Board has completed its priority budget work.

- ii. More frequent communication is needed.*

Work on re-vamping communication efforts began shortly after the Accenture team left town . Additional staff forums were conducted, and an expanded system of written and face-to-face communications were put in place to share information and to promote understanding about CBS.

Direct, face-to-face communication occurs through regular meetings with Executive Committee and ASM members, the Business Services Leadership Team and Service Performance Group. Meetings take place weekly or biweekly; agendas focus on information-sharing about business services, enterprise-wide issues, and discussions that enable collective decision-making.

A Communication Plan developed by SPG staff focuses on communication with internal CBS staff. In addition to meetings, Brown

Bags and other face-to-face opportunities, the Plan includes written communications in the form of monthly Updates, Quarterly Newsletters, a Mint site and special communication from the CBS Director.

All the communications are designed to build awareness about the goals and objectives for County Business Services, to keep employees apprised of progress and developments regarding the service management framework, budget process and work with the governance structures. Communication vehicles also provide a forum to share information about specific plans and accomplishments from the line divisions, to promote awareness, coordinate services, and to provide recognition for staff's efforts. Sample communications are included and can be viewed at the CBS Mint Site.

- iii. *Departments must specify needs and set priorities. The Executive Committee should be a decision making body.*

Enhancements to the governance structure were implemented right after the Accenture consulting team left town. Since then, the Executive Committee has played a far stronger direction-setting role for County Business Services. In addition, the ASM group has been re-tooled, and its function has been redefined. The ASMs have taken on two major tasks: developing recommendations for CBS's FY06 budget; and revising CBS's cost allocation/charge system.

- iv. *Implementation should occur in manageable pieces. A "more surgical approach" is needed for reassigning staff. CBS should focus more on change management re organization/technology.*

The Executive Committee has redefined CBS's scope and slowed down implementation efforts for Finance Operations and Human Resources. With regard to Finance Operations it reduced the functions to be included to only those that were truly "shared--"

- accounts payables,
- procurement and contracting, and
- non-medical accounts receivables.

In three planning sessions, it agreed to an implementation framework for these services. At the same time, a judgment was made to bring medical accounts receivables and grants management back to the line departments.¹

¹ From a supervisory point of view, this decision was implemented immediately. From a budgetary point of view, some staff have been shifted back to departments; other shifts will be proposed in the FY 06 budget.

The Executive Committee also discussed HR. It affirmed the mix of services to be handled by CBS's HR division, but directed that the pace of implementation be slowed. Specifically, it directed that establishment of a shared Recruitment Unit be completed before HR began implementing any further shared functions.

Both the Finance Operations and the HR discussions represent an attempt to carry out implementation efforts in manageable pieces.

- v. *This implementation effort is under-resourced. Normally, when doing a shared services implementation, an organization makes a substantial investment up front in process re-design and new technology.*

The creation of a shared services organization in Multnomah County was an attempt to deal with substantial reductions in support services staff over the past few years, and the belief that further reductions would be called for in the future. It was also an attempt to create a support services organization that would be more accountable to the customer agencies than what had come before.

After the Accenture team left, the executive team began the efforts of scaling back the project and slowing it down, so that it would be possible to successfully build a shared business services organization over a more gradual time horizon.

Adjusting what services are in an out of a shared services agency is not unusual. Both Bonneville and PacifiCorps report having gone through such adjustments.

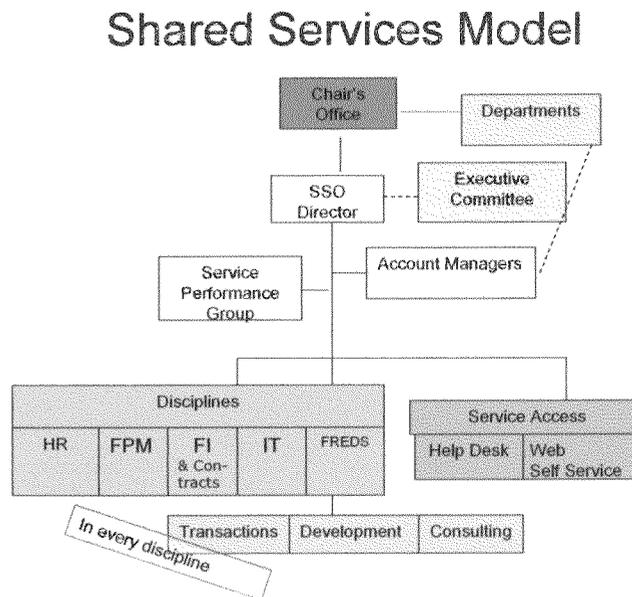
2. Shared Services Model (Would prefer visual organizational charts)

a) Model of Shared Services when originally proposed

In the planning phases we envisioned:

- A substantial restructuring of work, that would allow staff in each of the service disciplines to focus on either transactional, developmental or consulting functions.
- Account managers, who would work with line departments to plan for support services needs and resolve problems.
- A service access function that change the way “customers” requested service and interacted with service providers, and would also provide us with substantial statistical information on what services were being demanded and how quickly and successfully we were delivering them.
- And a substantial Service Performance Group, that would track and analyze performance, and do regular reporting.

We used a picture like this to describe the model.

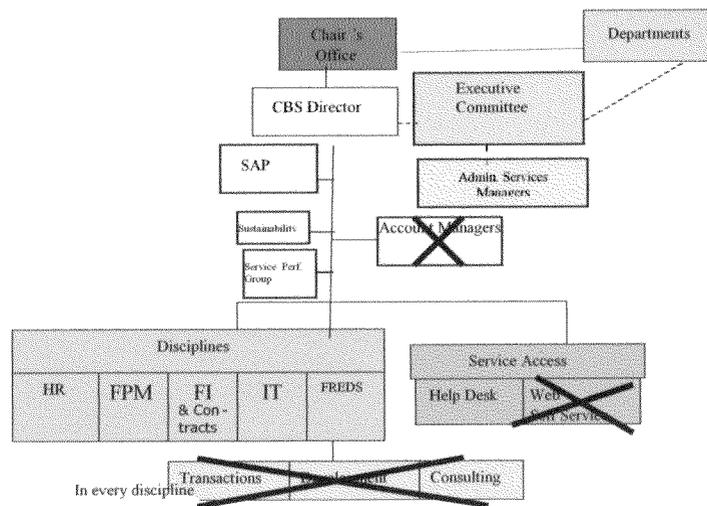


B) Model of Shared Services and how it looks now.

The original model has been scaled back appreciably.

- The massive restructuring of work has not been scaled back. Instead, staff have focused on much more targeted process improvements. Furthermore, a significant emphasis has been placed on generating efficiencies. Some representative efforts include:
 - Centralized recruitment process.
 - Use of procurement cards.
 - Use of travel cards.
 - Shifting purchasing receiving work to Materials Management.
- Account manager positions were eliminated. ASMs and division-level managers have attempted to share this communications/planning role.
- A centralized service access function has not been pursued. Instead, we have made small improvements in the help desk/dispatch functions used by IT/Facilities, as well as making some improvements on information that is available on the MINT.
- A scaled back Service Performance group has focused primarily on process improvement, communication, fiscal coordination, and enabling the divisions to build activity based cost models and to report on performance in a consistent manner.

Shared Services Model



b) What functions are centralized vs. decentralized

Of CBS's five divisions two are centralized:

- Facilities
- FREDS

Three provide some services through central units and some services through decentralized units located with the line agencies. These are:

- HR
- Finance Operations
- Information Technology

c) Are there plans to move forward with setting up the Centers and what is the timeline and impact to departments?

The Executive Committee directed that CBS not move forward with the center concept at this time.

3. Cost of Shared Services and Realized Savings in the immediate and over time (visuals, charts with figures are helpful)

a) Did any of the departments that participated in shared services have their rates reduced?

In FY 05, there were substantial changes in the way County departments paid for support services. We describe these changes below. In addition, a spreadsheet attached to this document provides more detail and computations on the net effect of the changes on each of the County's departments.

In FY 05 new rates were created for a number of functions:

- HR,
- SAP/Finance Operations,
- Records Management,
- Materials Management, and
- parts of IT that had previously been funded in the General Fund.

At the same time, certain costs departments paid in the past were significantly reduced. These included:

- Central indirect rate
- Department direct personnel expenses for transferred staff, and
- PC flat fee charges.

Finally, General Funds previously used to pay for Central HR, Central AP, CPCA, SAP and the parts of IT were allocated to departments through the constraint setting process. This increased the money departments were given to pay internal service charges.

These changes were made with the goal of allowing the County to recover a larger share of support services costs from grant funded activities in the future.

Data showing the effect of these changes on departments are attached to this package.

- b) How are positions (H.R., Facilities, Grant accounting) currently doing the jobs funded and where are they located physically and fiscally (in the budget?)**

These positions are budgeted within the CBS divisions and are funded through internal service rates/charges.

Facilities staff are located in Facilities Offices. HR staff are located both in the Central HR office in the Multnomah Building and with line departments. Grant accountants are located with the line departments.

- c) Given the Budget Priority Setting process the County is engaging in, how do the shared services functions in program areas break down? How are they categorized and being discussed? - As "County Overhead" or a departmental expense?**

They were discussed by the Accountability Team. The one exception is the Sustainability Program, which was discussed by the Vibrant Communities Team.

These are essential support services, not overhead. Because they are funded through rates/charges, their costs do appear as internal services charges in departmental budgets.

- d) Have any fees/charges or contracts assessed by the county to the public increased as a result of shared services?**

No.

- e) Is the new model cost effective? What if any studies have been conducted?**

We would like to answer this question by comparing our costs to the costs of other similar organizations for specific services. Unfortunately, this sort of bench-marking is complicated to do well. With our scaled back service performance group, we have not been able to take it on.

Nevertheless, we have been taking actions to increase efficiency. Examples include:

- Finance Operations/SAP have been redesigning processes and have reduced staffing costs by \$195,000 this year.
- HR has centralized recruitment advertising and saved \$118,000 this year.
- New private vehicle mileage policy, developed by FREDS' staff, saves \$60,000 annually.
- New prescription drug plan saved \$150,000.

The Facilities Division, with the participation of the Executive Committee and the ASMs, has developed a "disposition plan" that should generate savings of \$2.5 million when fully implemented.

IT is beginning work on a applications portfolio management plan, one of the key goals of which is to control IT applications costs in the future.

CBS's goal is to reduce the percentage of the County's budget going to support services. We are now in CBS's first budget year, and are delivering the same services that were delivered in the past with significantly fewer staff resources:

	Change in FTE		
	<u>FY03-4</u>	<u>FY 04-5</u>	<u>Change</u>
CBS FTE	505.6	476.4	- 5.78%
County FTE	<u>4,552.1</u>	<u>4,437.5</u>	- 2.51%
CBS Percentage	11.11%	10.74%	

These examples all indicate that CBS is improving organizational cost effectiveness.

4. Efficiency

- a) **How is Shared Services working for its internal customers (departments)?**
- b) **How are those functions that are centralized working for departments?**

CBS has sought to develop a more customer focused approach among its staff. Our communication efforts have improved, and we believe we have been able to maintain service levels with fewer resources (e.g., 5.78% fewer budgeted FTE than in FY03-4).

CBS evaluates how well it is providing services on a regular basis. It does this now through what it calls its "taking stock" process. "Taking stock" is itself a

work in progress. Different parts of CBS have different amounts of data and are at different stages of organizational development. Nevertheless, each month, each division's management team evaluates (both the quantitative and anecdotal) data it has to identify where services are working well and where the trouble spots are. Management then focuses on the trouble spots to attempt to improve service.

Taking stock reports are available on the Mint, and have been discussed with the executive team.

It is CBS's goal to move from this process to a more heavily quantifiable process over the next year.

CBS leaders are also in regular contact with department directors and administrative managers. These contacts create opportunities to discuss possibilities and to identify problems needing to be fixed.

AGENDA PLACEMENT REQUEST

BUD MOD #: DCJ-06

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-1 DATE 11-04-04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: C-1

Est. Start Time: 9:30 AM

Date Submitted: 10/12/04

Requested Date: November 4, 2004

Time Requested: N/A

Department: Community Justice

Division: Adult Services Division

Contact/s: Shaun Coldwell

Phone: 503 988-3961

Ext.: 83961

I/O Address: 503/250

Presenters: Consent Calendar

Agenda Title: Budget Modification DCJ-06 Adding \$20,687 in Portland Community College Grant Carryover Revenue to the Department of Community Justice Federal/State budget

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

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

The Department of Community Justice (DCJ) requests approval of a budget modification to increase the FY 2005 Federal/State budget by \$20,687 in unspent grant funds from the Portland Community College (PCC) in FY 2004.

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

The Portland Community College Grant was awarded to the Department of Community Justice to provide Adult Basic Education and GED preparation services to adult offenders. Two programs within the Department of Community Justice offer those services:

- River Rock Secure Alcohol and Drug Treatment Facility provides services to medium and high-risk adult offenders on formal supervision; and
- The Londer Learning Center offers education assessment services, regularly scheduled instruction to students in reading, writing, and/or math, GED preparation and testing.

Due to the delay in notification of the grant award in FY 2004, approximately half of the funds were not spent during the fiscal year. In September 2004, PCC notified DCJ they would increase the FY 2005 grant award by the amount unspent in FY 2004.

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

The grant increases the Department's Federal/State fund by \$20,687, and increases Central Indirect Cost by \$50, Department Indirect by \$790 and Finance Operation Cost by \$1,443.

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?** The Federal/State Revenue for FY05 is being increased by \$20,687 in carryover funds from FY04.
- ❖ **What budgets are increased/decreased?** The Federal/State budget for FY05 Adult Services Division is being increased by \$20,687. The Portland Community College Grant covers central indirect, department indirect, and Finance Operations Costs.
- ❖ **What do the changes accomplish?** The Portland Community College Grant carryover funds will be used for instructional materials, bus tickets for clients and education and training for staff.
- ❖ **Do any personnel actions result from this budget modification? Explain.**
N/A
- ❖ **Is the revenue one-time-only in nature?** Yes
- ❖ **If a grant, what period does the grant cover?** July 1, 2004 – June 30, 2005
- ❖ **When the grant expires, what are funding plans?** Upon termination of the Grant from Portland Community College, The Department of Community Justice will terminate the program.

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

Required Signatures:

*Sharon [unclear] for
Joanne Ruler*

Department/Agency Director: _____

Date: 10/07/04

Budget Analyst

[Signature]

By: _____

Date: 10/12/04

Dept/Countywide HR

By:

Date:

Budget Modification or Amendment ID: **DCJ-06**

EXPENDITURES & REVENUES

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

Budget/Fiscal Year: **05**

Line No.	Fund Center	Fund Code	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Cost Center	WBS Element						
1	50-10	27041				CJ030.DOE.PCC	50195	(50,000)	(70,687)	(20,687)		Incr Revenue to include carryover from FY04 \$20,687
2	50-10	27041				CJ030.DOE.PCC.LONDER	60240	11,670	20,844	9,174		Incr Supplies
3	50-10	27041				CJ030.DOE.PCC.LONDER	60260	0	9,230	9,230		Incr Education & Training
4	50-10	27041				CJ030.DOE.PCC.LONDER	60350	126	176	50		Incr Central Indirect \$18,404 x .27% rate
5	50-10	27041				CJ030.DOE.PCC.LONDER	60355	2,000	2,790	790		Incr Dept Indirect \$18,404 x 4.29% rate
6	50-10	27041				CJ030.DOE.PCC.LONDER	60360	915	2,358	1,443		Incr Fin Ops \$18,404 x 7.84% rate
7									0			
8	19	1000	20		9500001000		50310		(50)	(50)		Indirect reimb revenue to GF
9	19	1000	20		9500001000		60470		50	50		CGF Contingency expenditure
10									0			
11	50-00	1000			509600		50370	(944,520)	(945,310)	(790)		Dept Indirect reimb rev in GF
12	50-00	1000			509600		60170	1,009	1,799	790		Incr Prof Svc by Dept Indirect
13									0			
14	71-10	3506	20		711100		50310		(1,443)	(1,443)		Fin Ops Svc Reimbursement
15	71-10	3506	20		711100		60240		1,443	1,443		Fin Ops Offsetting expenditure
16									0			
17									0			
18									0			
19									0			
20									0			
21									0			
22									0			
23									0			
24									0			
25									0			
26									0			
27									0			
28									0			
29									0			
									0	0		Total - Page 1
									0	0		GRAND TOTAL

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-1

Est. Start Time: 9:30 AM

Date Submitted: 10/18/04

Requested Date: November 4, 2004

Time Requested: 20 minutes

Department: Dept of Business & Com Svcs.

Division: HR

Contact/s: Gail Parnell/Jeanie Staino

Phone: 503-988-5015 Ext.: 26488

I/O Address: #503/4

Presenters: Gail Parnell/Jeanie Staino

Agenda Title: Service Award Ceremony – January 1, 2004 through June 30, 2004

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

- 1. What action are you requesting from the Board? What is the department/agency recommendation? The department recommends the Board recognize and appreciate employees' dedicated tenure with Multnomah County.**
- 2. Please provide sufficient background information for the Board and the public to understand this issue. Employee service, with awards and certificates, are acknowledged twice a year. Award ceremony usually occurs in the Spring and in the Fall. Employees and family are invited to come to the award ceremony at the Board meeting.**
- 3. Explain the fiscal impact (current year and ongoing).**

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

If a budget modification, explain:

- ❖ 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: *Guil E Parrell*

Date: 10/18/04

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

Service Awards Attendees - November 4, 2004 BCC Meeting
9:30 am, Multnomah Building Board Room
Honoring Employees Whose Hire Dates Fall between Jan. 1, 2004 – June 30, 2004
(Of the **305** employees who received letters, **92** indicated they would attend.)

Five Years

DBCS- John Bartlett
Matthew Brooks
Stephanie Collingsworth
Gary Henderson
Albert Jinkins
Gregory Loux
Rodney Martin
Susan Pettis
Shawn Purdy

DCHS- Sara Carter
Markley Drake
Donna George
Mary Lockyear
Linda Lund
Flor Matias
Jeanne Metternich
Dora Montgomery

DA- R. Darlene Mihaljcic

DCJ - Charles Adler
Rita T. Alonzo

HD - Robert Arellano
Christine Bernsten
Catherine Earp
Ole Ersson
Florinda Farias
Nomika Gibson
Renee James
Sara Kersey
Maria Steele
Christina Trieu

LIB – Craig Capling
Glenn Holmes
Haley Isleib
Dan Jugariu
Sean O'Brien
Patrick Provant

OSCP- Dana Schnell

NON – Serena Cruz

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Vicki Mosmeier
Charles Tilden

DCHS- Seng Fo Chao
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Judy Fowler
Kimberly Goldman
Valorie Lopez
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Paula Ripke
Bruce Spilde
Linda Tetzloff
Judith Wick

DCJ- Gregory Carver
Erika Preuitt

DA- Deborah Kor

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Mark Gustafson
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Judy Mecham
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William Moravics
Carolyn Zwaschka

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Karl Johnson
Clyde Waymire

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Debbie Tichy

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Cheryl Strubb

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OSCP- Kathleen Tinkle

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Patty Bowser
Franna Hathaway
Russell Henderson
Deanna Meyer
Donald Newell

HD - Kenneth Yee

Forty Years

HD- Larrie Noble

GAIL PARNELL, HR OPERATIONS MANAGER, MULTNOMAH COUNTY

We are here today to honor our Multnomah County employees, by recognizing the years of personal commitment and professional contributions, which they have given to the County.

I would like to start by saying thank you to County Chair Diane Linn, and to each of the Commissioners, for your support of our employees and for sponsoring this recognition ceremony here today.

[Chair Linn will acknowledge a few employees who have made major accomplishments to the County at this point]

These Multnomah County service awards represent one way of thanking our employees for making Multnomah County an excellent place to work, as well as an outstanding service provider. Every employee that is here today has played an equally essential role in making that happen. You have all been KEY to our success.

Gail Parnell:

In a moment, I will be reading the names of those employees who have reached the 5, 10, 15, 20, 25, 30, 35 and 40 year milestones as employees of Multnomah County between January 1, 2004 and June 30, 2004. If we add up the years that are represented here today in the **92** individuals receiving their awards, we have **1,025** years of service and dedication to Multnomah County.

Finally, before we recognize each of you individually, to ALL of you receiving a service award – on behalf of all of us here today, we say a collective THANK YOU and congratulations on a job well done. We will start with the 5 year service awards and move onward from there. When I read your name, please come up to the front to receive your award from Chair Linn and our Commissioners. If you are here for an award and I do not read your name, please come forward to be recognized.

There will be a reception in the General Training Room in the basement. Please join us.

Chair Linn will acknowledge these employees –

Larrie Noble – 40 years – Health Department

Larrie's career with Multnomah County began in 1964 as a medicine nurse at County North hospital.

Her dedication to serve extended beyond her job to her country. In 1974 she began a career in the U.S. Army and, after graduating with honors from the U.S. Command and General Staff College in 1984, achieved the rank of Colonel in 1987. In 1990 she was deployed as part of Operation Desert Storm and in 1994 received the Commander in Chief award for installation excellence signed by President Clinton and Secretary of Defense William Perry.

Larrie has received many recognitions and awards for her excellence of practice in her Nursing profession. In 1985 she was listed in the Who's Who in American Nursing. In 1986 received the Meritorious Service award from the Oregon Nurses Association for outstanding practice. In 1988 she was appointed to serve on Governor Neil Goldschmidt's advisory committee on medical assistance for the under privileged. In 1991 she was the only member from Oregon to be appointed to a national committee to look at nursing practice. In 2001 she was recognized as a public health hero and most recently was honored by the Health Department for outstanding Nursing practice.

Stephanie Collingsworth - 5 years – Business & Community Services

Stephanie Collingsworth has been a member of the Animal Care Team at Animal Services since she started working for the County. During that time, she has been certified by the San Francisco Society for the Prevention of Cruelty to Animals as an animal behavior consultant. She helped develop a training program for dogs at the County's animal shelter. This program is modeled on the "Open Paw" concept which involves enriching the lives of shelter animals while they wait for placement into new loving homes. Stephanie also heads up the division's program working with many animal rescue partners to help place dogs and cats into rescue and foster homes. Stephanie is also a foster pet parent for Animal Services, always having one or two dogs at home that need some special attention and care before being adopted. Stephanie is a tireless advocate for animals and makes a difference in the lives of shelter animals everyday.

Terry Howard – 15 years – Business & Community Services

Terry has been a head and assistant track and cross country for various high schools in the region, currently with Central Catholic High School. He has sponsored young athletes to participate in running schools and events. His enthusiasm for sports is reflected in the community and his daily work for Multnomah County.

Don Newell – 25 years – Business & Community Services

Don has been awarded two Oregon Association of County Engineers and Surveyors Awards of Merit, as well as the National Association of Counties Achievement Award for developing Engineering and Environmental solutions in Public Works.

Cheryl Strubb – 20 years – Business & Community Services

Cheryl is one of two "charter members" of the County's Bridge Engineering section still with the County. She is the lead drafter at the bridge section. As the lead, she continues to be the primary drafter for County designed bridge projects, but she also sets our standards for drawings and trains junior drafters. In her years at the County she has been a leader in adopting new technology to streamline the drafting process, moving from hand drafting to computer technology. She also has acted the part of drawing archivist for the bridge section. She rescued historic design drawings of the County's bridges from various locations and consolidated them into one organized archive. The archive currently contains over 7000 drawings. Some are almost 100 years old. In order to save wear on the very old sheets, Cheryl has used technology to preserve our drawings - first using microfilm and now computer scanning. All the drawings are catalogued in a database and are available to computer users at the Bridge Shop. This preserves the irreplaceable drawings, saves copying, and gives instant desktop access to users at the bridge shop.

Loreen Nichols – 15 years – Health Department

Loreen went to work for Norma Jaeger on an HIV grant in the County's Alcohol and Drug program in 1989. She later moved, with the grant, to the Health Department where she worked for Jeanne Gould, an early leader and visionary for HIV prevention and treatment in Multnomah County. Loreen has worked with HIV throughout her Health Department career. She has been an educator, supervisor of HIV testing services in community settings and project coordinator for several HIV related research grants. In all of those endeavors, Loreen has demonstrated her passion and unique sense of humor while advocating for those living with, and at risk for, HIV and Hepatitis C. Loreen helped develop syringe exchange in Multnomah County over a decade ago, leading Multnomah County to achieve among the lowest West Coast rates of HIV tested prevalence in injection drug users. Currently, Loreen is the program manager for HIV and Hepatitis C Community Programs and the Chair of the Conference of Local Health Officials HIV Subcommittee.

Service Awards Attendees - November 4, 2004 BCC Meeting
9:30 am, Multnomah Building Board Room
Honoring Employees Whose Hire Dates Fall between Jan. 1, 2004 – June 30, 2004
(Of the **305** employees who received letters, **91** indicated they would attend.)

Five Years

DBCS- John Bartlett
Matthew Brooks
Stephanie Collingsworth
Gary Henderson
Albert Jinkins
Gregory Loux
Rodney Martin
Susan Pettis
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HD - Robert Arellano
Christine Bernsten
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Florinda Farias
Nomika Gibson
Renee James
Sara Kersey
Christina Trieu

LIB – Craig Capling
Glenn Holmes
Haley Isleib
Dan Jugariu
Sean O'Brien
Patrick Provant

OSCP- Dana Schnell

NON – Serena Cruz

Ten Years

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Forty Years

HD- Larrie Noble

Revised 11/02/04

GAIL PARNELL, HR OPERATIONS MANAGER, MULTNOMAH COUNTY

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I would like to start by saying thank you to County Chair Diane Linn, and to each of the Commissioners, for your support of our employees and for sponsoring this recognition ceremony here today.

[Chair Linn will acknowledge a few employees who have made major accomplishments to the County at this point]

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Gail Parnell:

In a moment, I will be reading the names of those employees who have reached the 5, 10, 15, 20, 25, 30, 35 and 40 year milestones as employees of Multnomah County between January 1, 2004 and June 30, 2004. If we add up the years that are represented here today in the **89** individuals receiving their awards, we have **1,000** years of service and dedication to Multnomah County.

Finally, before we recognize each of you individually, to ALL of you receiving a service award – on behalf of all of us here today, we say a collective THANK YOU and congratulations on a job well done. We will start with the 5 year service awards and move onward from there. When I read your name, please come up to the front to receive your award from Chair Linn and our Commissioners. If you are here for an award and I do not read your name, please come forward to be recognized.

There will be a reception in the General Training Room in the basement. Please join us.

Service Awards Attendees - November 4, 2004 BCC Meeting
9:30 am, Multnomah Building Board Room
Honoring Employees Whose Hire Dates Fall between Jan. 1, 2004 – June 30, 2004
(Of the **305** employees who received letters, **89** indicated they would attend.)
Revised 11/02/04

Five Years

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Matthew Brooks
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Forty Years

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Revised 11/03/04

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Gail Parnell:

In a moment, I will be reading the names of those employees who have reached the 5, 10, 15, 20, 25, 30, 35 and 40 year milestones as employees of Multnomah County between January 1, 2004 and June 30, 2004. If we add up the years that are represented here today in the **88** individuals receiving their awards, we have **1,015** years of service and dedication to Multnomah County.

Finally, before we recognize each of you individually, to ALL of you receiving a service award – on behalf of all of us here today, we say a collective THANK YOU and congratulations on a job well done. We will start with the 5 year service awards and move onward from there. When I read your name, please come up to the front to receive your award from Chair Linn and our Commissioners. If you are here for an award and I do not read your name, please come forward to be recognized.

There will be a reception in the General Training Room in the basement. Please join us.

Service Awards Attendees - November 4, 2004 BCC Meeting
9:30 am, Multnomah Building Board Room
Honoring Employees Whose Hire Dates Fall between Jan. 1, 2004 – June 30, 2004
(Of the 305 employees who received letters, 88 indicated they would attend.)

Revised 11/03/04

Five Years

DBCS- John Bartlett
Matthew Brooks
Stephanie Collingsworth
Gary Henderson
Albert Jinkins
Gregory Loux
Rodney Martin
Susan Pettis
Shawn Purdy

DCHS- Sara Carter
Markley Drake
Donna George
Mary Lockyear
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HD - Kenneth Yee

Forty Years

HD- Larrie Noble

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-2

Est. Start Time: 9:50 AM

Date Submitted: 10/27/04

Requested Date: November 4, 2004

Time Requested: 10 mins

Department: Non-Departmental

Division: Auditor

Contact/s: Judy Rosenberger

Phone: 503/988-3320

Ext.: 83220

I/O Address: 503/601

Presenters: Suzanne Flynn, Judith DeVilliers, Mark Ulanowicz

Agenda Title: Human Resources Audit: Define Services and Continue Improvements

**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?**
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
3. **Explain the fiscal impact (current year and ongoing).**

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

If a budget modification, explain:

- ❖ **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?

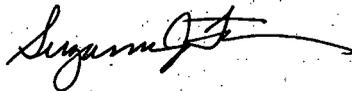
If grant application/notice of intent, explain:

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

Required Signatures:

Department/Agency Director:



Date: October 27, 2004

Budget Analyst

By:

Date:

Dept/Countywide HR

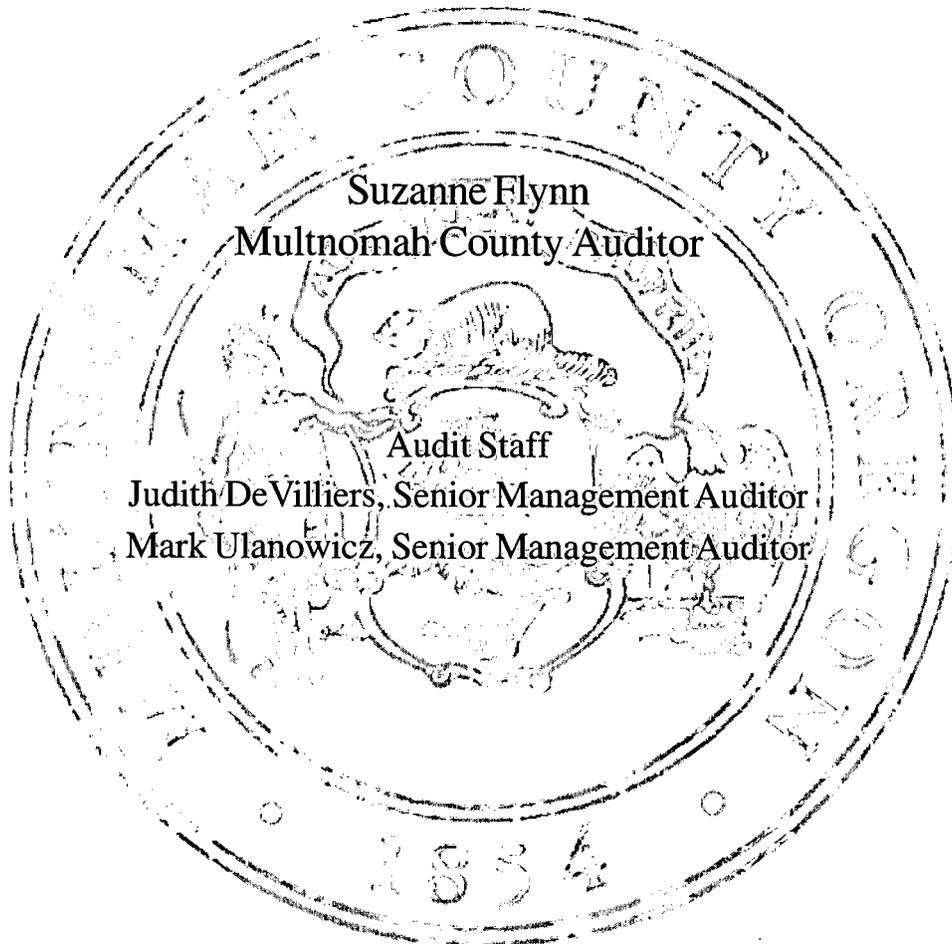
By:

Date:

Human Resources Audit

Define services and continue improvements

October 2004



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MEMORANDUM

Date: October 28, 2004

To: Diane Linn, Multnomah County Chair
Maria Rojo de Steffey, Commissioner, District 1
Serena Cruz, Commissioner, District 2
Lisa Naito, Commissioner, District 3
Lonnie Roberts, Commissioner, District 4

From: Suzanne Flynn, Multnomah County Auditor

Subject: Human Resources Audit

The attached report covers our audit of the County's human resources function. This audit was included in our FY03-04 Audit Schedule.

This audit examined three areas, the reorganization of human resources (HR), the application of findings in our previous internal services audit to the reorganized HR Unit, and the reorganization of County internal services into a different business model. In each of the areas we found some promising improvements, but also found additional work was needed.

Attempting the reorganization of HR functions in a time of revenue shortfalls and employee layoffs was a challenging undertaking. It is not surprising the County was not able to consistently apply best practices or that it diverged from its initial plan. However, recruiting and retaining skilled County employees is central to the effectiveness of the organization. We hope that our recommendations will assist the HR Unit and County Business Services in improving its efforts.

We have discussed our findings and recommendations with management in the Department of Business Services and the HR Unit. A formal follow-up to this audit will be scheduled within 1-2 years.

We would like to acknowledge and thank the management and staff in County Business Services for the cooperation and assistance extended to us.

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Summary

Multnomah County employees provide a range of services to the citizens of the County and represent about 49% of the FY03 County operating budget. The Human Resources Unit (HR) is responsible for hiring and retaining County employees to provide these services. These functions have recently been reorganized from a partially decentralized system with human resources staff as part of each department to a centralized system.

We found that Multnomah County was constrained in its ability to implement HR improvements. While some constraints, such as declining revenues, cannot be changed, others could be addressed by County leaders and management. Not addressing some of these problems may cause inefficiencies and could eventually put the County's ability to deliver services at risk.

To be most effective, the HR Unit needs to fit its efforts into a broader County-wide strategic plan. Such a plan does not currently exist. Without clearly articulated goals, there is a risk that HR will not be able to build and maintain the right workforce for the future. Further, the management of employee performance has lost its connection to any County-wide goals that still exist.

Some elements of the human resource system also need improvement. County departments have not been sufficiently involved in the development of performance measures. Without performance measures, the HR Unit or departments cannot evaluate success and make improvements in services. A newly created centralized recruiting function is not always meeting departmental needs and budget reductions have limited the HR Unit's ability to train and maintain a quality workforce. The system would also benefit from a review of the classification system, especially the relationship across classifications.

We also examined HR in light of a previously completed audit on County internal services. Since that audit, HR has been changed to an internal service and as such should meet the criteria established in the earlier audit. Not unlike other County internal services, HR has not yet adequately defined its services so that they can be compared to industry equivalents or allow a business-like approach. We believe the County's move to shared services

as a business model for its internal service functions is a good move and could accomplish this change.

Because of this, we examined the implementation of the shared services model and found that it could be improved. The County has diverged from recommended best practices and its original business plan.

To improve the County's HR functions we recommend that the County's leadership develop and articulate a strategic plan for the organization that can guide the HR Unit's efforts in developing workforce plans and evaluate HR systems. We also make recommendations that will improve the implementation of HR functions into a business model of a shared services organization.

Background

Multnomah County employees provide a range of services to the citizens of the County, including medical care and other professional services for vulnerable citizens; library operation; maintenance of bridges and roads; and public safety. Hiring and retaining qualified employees is the major purpose of the human resource functions in the County.

Human resource functions generally include the following areas of responsibility: (1) staffing, (2) training and development, (3) compensation and benefits, (4) employee and labor relations and (5) health, safety & security. Human resource units develop systems designed to make the most effective and efficient use of any government's primary asset – its employees. In FY 2004, Multnomah County had 4,582 employees. Salaries and benefits for these employees averaged nearly 49% of the County's FY03 operating budget. As with most governments, the ability to deliver quality services to its citizens depends on the quality of the workforce.

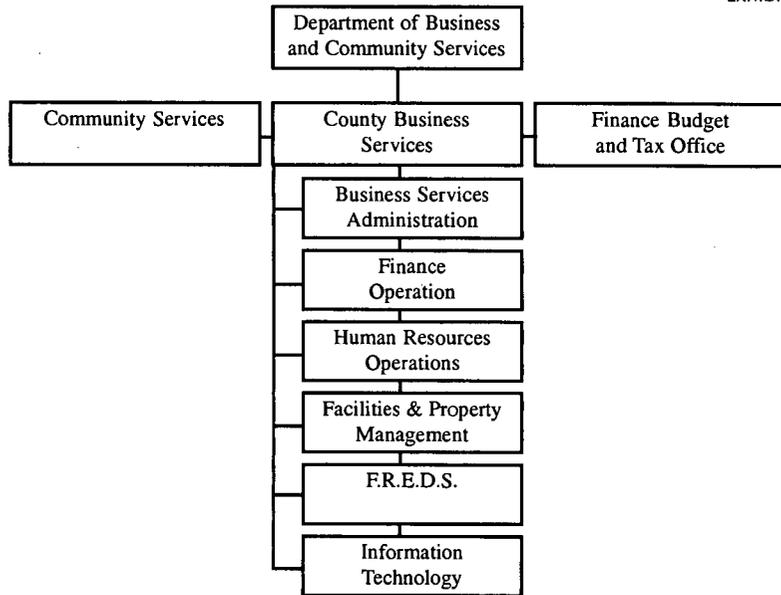
Human resource functions in the County have recently been reorganized from a partially decentralized system with human resources staff as part of department administration to a centralized Human Resource Unit (HR) located within the Department of Business and Community Services (DBCS) to be shared by all County departments. The FY05 budget for consolidated functions of human resources including the costs of payroll; recruitment; diversity, equity and affirmative action; labor relations, classification/compensation; HR consulting and HR maintaining; record keeping, wellness; and benefits administration was \$6,787,005. The cost of health and welfare benefits provided to all County employees and retirees in FY05 was budgeted at \$50,297,982

Most human resource functions including recruitment, administration and record keeping, labor relations, and consulting, were transferred to DBCS. However, some training and development functions and positions within departments remained a department responsibility. The new HR Unit became responsible for payroll processing, which was formerly a part of financial operations.

Some human resources responsibilities did not change. These formerly were centralized and continued as part of the HR Unit in DBCS. They include labor relations, compensation and benefits, diversity and affirmative action, personnel rules, merit system management, and safety and health programs.

Human Resources Organizational Chart

Exhibit 1



These organizational changes have been made in an unstable environment for the County which has recently experienced significant funding cuts. The number of County employees has decreased over the last five years from 4,803 in FY00 to 4,582 in FY04, and additional budgeted cuts of 115 FTE are planned for FY05. The additional workload for HR staff related to the downsizing of county personnel combined with extensive organizational changes have put a strain on both staff and dollars devoted to HR functions in the last year.

County employees
FY00 to FY04

Exhibit 2

	FY00	FY01	FY02	FY03	FY04
Management & exempt	735	794	735	668	663
Represented	4,068	4,033	4,053	3,802	3,919
Total County employees	4,803	4,827	4,788	4,470	4,582

Source: County Comprehensive Annual Financial Report

**Scope and
Methodology**

The purpose of this audit was to determine whether the County would be able to evaluate the success of moving HR operations into the shared services organization. The scope was adjusted to include identifying the type of measures necessary to evaluate performance of the HR unit and identifying barriers to developing measures.

We looked at all programs normally considered part of the HR function, with the exception of workers' compensation and safety programs which were recently included in the Workplace Safety audit. We interviewed all managers in the "central" HR office; all department HR managers, and a number of department managers (as HR customers). We also talked with the County Attorney and Director of Business Services.

We looked at union contracts, administrative rules, County policy, and ordinances related to human resources. We identified current HR data and reporting systems. We reviewed audits from other jurisdictions and the 2001 Hayhurst report on the County's human services. We reviewed best practices and performance measures for human resources. We reviewed HR position descriptions, HR work plans, and other documents. We met with consultants from Accenture, who were in process of looking at the County's Shared Services model and implementation.

The audit of the Multnomah County Human Resources function was on the FY03-04 Audit Schedule and was conducted in accordance with generally accepted governmental auditing standards.

Audit Results

Human resource management is a critical component of any government and refers to the policies, systems, and practices that influence employees' behaviors, attitudes, and performance, and subsequently the performance of the organization. Good government human resource systems:

- Are active in strategic and workforce planning and performance measurement
- Find ways to recruit and hire high quality employees
- Maintain a high quality workforce through training and development
- Motivate the workforce by effectively managing employee performance and rewards and being consistent and fair with discipline
- Oversee a sound workforce structuring by managing the classification and compensation systems as well as personnel policies

Because HR units are also frequently responsible for monitoring compliance with state and federal laws, variations in the structure and constraints of different governments affect the way HR units do their jobs and affect the extent to which they can or do follow best practices.

We found that Multnomah County was constrained in its ability to implement HR improvements. While some constraints, such as declining revenues, cannot be changed, others could be addressed by County leaders and management. Not addressing some of these problems may cause inefficiencies and could eventually put the County's ability to deliver services at risk.

County not prepared for long-term challenges

Long-term planning for an organization's workforce is important because it determines how the organization will attract, retain, and motivate its employees to achieve the organization's goals in the years to come. Top performing government HR units are assuming a larger role in organization-wide strategic planning. These units also develop long-term plans and implement performance measurement programs to document progress toward meeting HR goals as well as those of the larger organization. Multnomah

County's HR unit has not filled this role largely because County leadership and management have not developed an organization-wide strategic plan to guide HR efforts.

Multnomah County does not have a clearly articulated strategic plan and instead addresses problems in an ad-hoc fashion as they arise. While this approach may be successful, it makes it difficult for individual County units to plan and increase effectiveness. In the past, the County used strategic objectives like the County Benchmarks that were tied to the planning and budget requests of departments and units.

Strategic plans guide organizations toward specific goals and objectives. These plans dictate the sort of activities the organization will engage in and how these activities fit together. Strong organizations begin by defining what they want to accomplish and what kind of organization they want to be. The vision, core values, goals, and strategies for the organization provide the standard for assessing the appropriateness and effectiveness of everything the agency does. These organizations align their human resource systems with their strategic and program planning and HR should be an integral part of the top management team. Without this strategic direction, the County's ability to adapt to the changing workforce environment is limited and could eventually put County services at risk. For example, without strategic direction:

- workforce planning cannot be explicitly linked to the organization's "shared vision;"
- succession planning – planning to cope with the retirement of key personnel — must be done without direction as to what services County leaders envision providing;
- labor negotiations must be conducted without long-term objectives regarding the composition or structure of the workforce.

The County also has not had a process by which department and internal service unit managers meet to decide on common goals and objectives for internal services like HR. In many cases, departments do not have a strategic vision for HR needs, which severely limits HR's ability to plan to meet those needs.

Finally, competing priorities have impacted the HR unit's efforts in planning. More than two years ago, HR geared up for a succession planning effort. HR management collected data on expected employee retirements and made presentations to department executives regarding plans for addressing the loss. This planning effort ended soon when HR shifted its focus to processing a series

Performance
measurements are
undeveloped

of budget shortfall related layoffs and then its own reorganization into shared services. While the problem posed by the prospect of large numbers of retirements in the near future has not gone away – if anything it has become more acute – the County has not actively restarted its succession planning efforts.

Best practices for internal services units generally, and for HR specifically, call for the use of performance measures that are related to customers concerns. To date, there has been little interaction between HR and its customers (departments) regarding performance measures. We contacted department management and asked for input on a sample of possible performance measures for HR. We drew the sample measures from other jurisdictions that addressed performance in the major areas of government human resource management identified above.

Department managers we interviewed were interested in a combination of broad satisfaction measures as well as measures that were based on data. They were most concerned with measuring:

- the extent to which HR assists with department strategic workforce planning;
- timeliness and quality in the recruiting and hiring process;
- the timeliness and quality of HR consulting, especially consulting about labor relations issues;
- the time allocation of HR staff

Some department managers stated that they were not prepared for working on strategic planning with HR, even though they recognized that it is important. Instead, departments tended to focus their workforce related planning efforts and interactions with HR in individual areas of their operations. For example, Health Department management stated they have put energy into planning for how to maintain their nursing staff in the current tight labor market for nurses because it is an area of immediate concern, but have not done similar planning for the rest of the department.

The timeliness and quality of the recruiting and hiring process was also very important to department managers. The new recruiting data system HR is implementing should address the need for data to measure recruiting and hiring timeliness. Measuring the quality of candidate pools is more difficult and will require some effort for departments and HR to come to agreement on measurement.

Measuring the timeliness and quality of human resource consulting services is also difficult. Department managers agreed that using a software tracking system similar to the one used by the information

technology help desk could help to track the time it takes to get a response to requests and could even measure satisfaction with the outcome to some degree. However, the nature of consulting is often more dynamic than a single question and answer and requires a sustained level of effort on the part of both the HR and department staffs.

Using a proxy measure for consulting quality, such as the number and disposition of grievances, may shed some light on the quality of advice given by the HR Unit. HR management stated that it tracks grievances and other similar personnel actions. In FY03, employees filed 33 grievances and, according to management, all were settled before going to arbitration. However, grievances may offer an incomplete picture of labor relations at the County and the HR Unit should continue to explore other measures.

Department managers were interested in having information on how the HR Unit allocates its staff's time. These managers were not necessarily consistent in their views as to where it was best for the HR Unit to put its staff resources. For example, some wanted more and some wanted fewer resources devoted to wellness programs, but they did want to know where the resources were going. As performance measures go, this "level of effort" type measure should be relatively easy to report.

Mixed results for centralized recruiting

In order to obtain the workforce it needs, a government must be able to conduct effective recruiting efforts and to hire appropriately skilled and qualified employees in a timely manner. In an attempt to make County recruiting more responsive to department needs, the County decentralized recruiting in 1998. Recently, County recruiting and hiring was re-centralized with the intent to improve the efficiency and effectiveness of the recruiting process. Best practices literature says the large volume of recruitments going through a centralized unit allows the organization to take advantage of economies of scale in routine processes, such as using the Internet to post announcements and process applications.

To date, department managers have reported mixed success with centralized recruiting. Those managers that have been satisfied with recruitments handled by the HR Unit credited a specific person within the Unit that understood the needs of that particular department because he or she had come from that department's HR Unit prior to the re-centralization. Other managers found the process to be difficult, either because the recruitment unit appeared to be overworked or because the unit did not understand the department's needs. Further, some department managers believe

there are positions, such as physicians or deputies, that only they can effectively recruit. HR management noted that 100% of recruitments for assigned departments have been processed since March 31, 2004.

HR Unit has limited ability to maintain quality workforce

Budget reductions and staff turnover within the HR Unit have impacted its ability to maintain an appropriately skilled workforce. HR units maintain the workforce by facilitating training to develop employee skills, retaining experienced employees, disciplining poor performers, and managing labor and employee relations.

Best practice literature stresses the importance of developing the current workforce through training both as a way of improving performance and retaining staff. Continuing budget shortfalls have prompted County leadership to significantly reduce the level of resources allocated to County-wide training and employee development. Individual departments still maintain training budgets to varying degrees, but these tend to be targeted at a specific skill, rather than more general training.

County-wide training is now funded out of the County's Risk Fund and is designed to reduce the organization's exposure to risk rather than to development of the workforce. For example, the training classes made available to employees in August and September 2004 included: new employee orientation, grievance handling, drug and alcohol policy, diversity, and defensive driving.

Dealing with problem employees in a consistent and appropriate manner is also a key component in maintaining a quality workforce. The consistent and fair application of discipline is important to all employees. It is important for the employee being disciplined to know that he/she is being treated fairly and it is important for other employees to see that management is addressing problems as they arise. The HR Unit monitors grievance and disciplinary actions using an internal database. According to the County Attorney's Office, keeping track of personnel actions in this way has improved the manner in which the County deals with discipline issues. The County should continue to look for ways to build consistency into its HR systems.

Theoretically, one of the strengths of a centralized human resource function is that labor relations problems will be addressed more consistently and appropriately, because the same people will be making the recommendations and they will be the most familiar with the contracts. Several department managers voiced concerns about the quality of the labor relations advice they received from the HR Unit. According to these managers, at times there has been

confusion as to where to address labor relations questions and several instances when they felt the advice received was neither consistent nor correct. As a result, management sometimes bypassed the HR Unit and went directly to the County Attorney's Office for labor relations advice. Department managers suggested that the relative lack of County experience of some senior managers within the HR Unit was at least partially responsible for these difficulties.

Performance management
system outdated

Effective motivation encourages employees to perform effectively in support of the government's goals and typically results from the use of appropriate rewards and incentives, an effective performance appraisal system, and sound mechanisms that facilitate employee feedback. The lack of an organization-wide set of goals and objectives and the lack of a systematic feedback mechanism make it difficult for the HR Unit to follow best practices in motivating the County workforce.

A good performance management system encourages good performance from employees by providing feedback regarding the degree to which their performance helps the County make progress toward its common goals. Department managers told us that the performance management system at the County has lost its connection to County-wide goals and objectives. For example, the County evaluation form for non-represented employees ties performance to County-wide benchmarks. The County no longer tracks progress towards these benchmarks. Some departments have abandoned the standard evaluation forms, which reduces consistency in evaluation among County employees.

The HR Unit provides a class for managers, "Performance Expectations and Evaluation," which includes County policy and how to use the County's evaluation form. Like other County-wide training classes, this class is oriented toward reducing the risk of accidents and lawsuits, which means that neither the HR Unit nor the class instructors have much latitude in modifying the class to the changing environment at the County. Moreover, there has been little continuity in instruction. Because there is no budget for instructors, the class is taught by volunteers who must find time away from their existing job to develop and teach the course.

There is also an inconsistent system of processing employee suggestions and feedback at the County. Some departments have their own programs, but there is no County-wide suggestion and feedback program.

Classification system needs
to be re-evaluated

Managing a workforce structure to support a government's goals is another role of human resources. Best practices suggest that a classification system should be coherent, appropriately sized, and reinforced by personnel policies that are flexible in terms of promotion and compensation. A classification and compensation system is important for attracting and retaining skilled employees.

Classification and compensation work together, to ensure that employees are paid a level that is commensurate with their skills and the market place by ensuring that employees of varying skill and responsibility levels are treated consistently. A good system also allows for employee development and advancement. Multnomah County is not out of the ordinary, compared to other cities and counties, in terms of the number of classifications and the type of compensation system. However, these systems would benefit from an evaluation to check to see that the relationships across classifications are appropriate, particularly between represented and non-represented classes.

A good classification system also helps to ensure that job titles that are similar in responsibility and skill requirements receive similar pay. Current trends in human resource management show that governments are trying to reduce the number of classifications and broaden the range within classifications in order to gain flexibility in pay and movement of employees. This trend is much stronger among state governments than among cities and counties. HR management stated that they have reduced the number of non-represented classifications from 169 in FY00 to 140 in FY05.

Department managers we surveyed were less concerned about the number of classifications at Multnomah County being a problem than they were with the relationship between classifications. Some managers told us that the classification system had ceased to be a system at all, with nearly all adjustments being made on an ad hoc basis for non-represented employees or as the result of collective bargaining. And, any adjustments made were limited to a few individual classifications. The difficulty with this, according to one department executive, was that there was no longer any consideration of how the various classifications compare to each other. For example, a department manager stated that they have a difficult time promoting employees into supervisory positions because employees do not feel that the relatively small increase in pay is fair compensation for the amount of additional responsibility. As a result, the County must look outside the organization to fill these positions. Those hired are likely to have less experience and may be less qualified for the position than some of the employees they supervise.

Previous audit
recommendations
still apply

In December 2000 we completed the audit *Internal Services - Clearly defined business operations* (Internal Services Audit). At that time, we found the County did not have the ability to measure the effectiveness and efficiency of its internal services and as a result decision-making that might control costs was limited. We recommended that the County clearly define services using commercial equivalents, establish written service agreements, and measure the results for both quality and cost based on industry standards and service descriptions.

In an audit follow-up issued June 2002 we found that little progress had been made in what we considered the most critical element: identifying and measuring services using commercial equivalent or industry standards. We did note that the shared services initiative might address some of our concerns because it is based on a business-like model.

The County's HR function was not included in the Internal Services Audit because it was not operated as an internal service. Prior to the recent reorganization in FY04, the human resources function was funded by the general fund as were many other administrative functions. The general fund was partially reimbursed through the indirect cost allocation formula to other funding sources.

The County has now changed the HR function to an internal services organization located in the Department of Business and Community Service. As an internal service organization the costs for providing HR services will be directly charged through interdepartmental billings from the County's Business Services Division to other departments.

Identify services and
compare to industry
standards

Similar to findings in the Internal Services Audit, we found that the model the County is currently using for HR internal billings is focused on costing the services that are already provided (recovering costs) rather than clearly defining the services so that departments can understand service charges and make choices.

Cost control for internal services is achieved in two ways (1) by the necessity to be competitive with external sources and (2) by providing only services the internal customers want. According to Quinn et al¹, prices must be comparable to what can be purchased outside the organization. "Corporate and functional people have trouble understanding the difference between running a cost center and running a business. The shift in mindset is from a billing to a pricing mentality." These experts also noted that "Focusing on what clients want means that no work is undertaken unless there is an identified and paying client."

¹ Shared Services - Mining for Corporate Gold: Barbara Quinn, Robert Cooke, Andrew Kris, Prentice Hall: page 21

Currently the County has not defined HR services to allow it to be compared to industry standards and commercial equivalents. Internal customers cannot control costs if they do not understand what they are buying, how much it costs, and have services to meet their business needs.

To manage interdepartmental charges the County has implemented a new activity based costing system. The goal of this system is to provide costing information on a business-like basis. However, because few resources have been allocated to implementation, the costing system is based on job descriptions. As a result, the County has determined the activity costs to provide HR functions as they now exist and then allocated those costs rather than defining services based on industry and commercial equivalents.

Costing and billings based on percentage of usage or other allocations does not hold the internal service provider accountable for managing costs because (1) they know by default all their costs will be recovered, (2) they may be providing services their internal customers do not want and (3) they are not truly aware of areas of inefficiency. Also, the County will be unable to make responsible choices because the true cost for services is not understood and it does not have options to increase or decrease levels of services similar to options if these services were purchased in the open market. Without choices the only way management can control human resource costs is to reduce the number of employees.

Philosophical change and effort needed

In our Internal Services Audit we noted that moving towards a business model required both effort and a philosophical change. The philosophical change is one of considering internal services as "services sold by the internal service unit, and purchased by the user department" versus looking at "allocating the internal service unit's operating costs." We believe the County's move to shared services as a business model for its internal service functions is a good move and could accomplish this philosophical change. The ability to compare business service costs and performance to industry standards is one goal of the model. However, a variety of problems have hurt efforts to implement the shared services model and endangered the County's cost control and service improvement goals for the HR Unit.

Implementation of shared services flawed

The County began implementing a shared services model for internal business services in 2003. It developed a business case to guide implementation. In the early stages there was a high level of involvement by County departments and resources were available to assist with the project. Over time, the shared services

implementation departed from its best practice-based goals and from the original business case. These departures have hindered the efficient and effective implementation of shared services because:

- The departments or business unit clients do not have control or accountability.
- Implementation planning was not well documented or communicated.
- Scope of what was to be included was too large.
- Cultural change was undertaken without the benefit of change management expertise.
- County did not allocate adequate resources.

Departments are only in an advisory role

The recommended shared services business model gives more control to clients (departments) than currently exists in the County's model. According to best practices, one of the cornerstones of shared services is the shift in control and accountability from the centralized functional group to the business unit client.

The County's model for shared services places the control and accountability in the central shared service department's administrative function with departments in an advisory role. Consultants who recently reviewed the County's shared services implementation also observed that the "executive committee (department representation) is not seen as, and isn't, a decision making body." Management stated that since the consultant's report was received some of these problems have been addressed.

In order to be successful, internal business services must provide the services that the departments need. In the County's model, internal service managers are determining the services that will be provided, not necessarily those that are needed. Departments need to be placed in a decision-making role.

Implementation planning was incomplete

The County did not follow-up the business case with a clearly communicated and comprehensive plan. According to best practice literature, shared service implementation begins by assessing the feasibility for successful implementation. In this stage, the scope of services to be included is determined and commitment from top management is obtained. The second step is analysis of the current state of the services related to costs, benchmarking, and customer satisfaction. These steps provide the information necessary to create an implementation plan.

The early planning and feasibility studies for developing shared services for the County included a high level of involvement by

	<p>County departments, provided some funding for consultants, and was well documented. However, we do not believe there was adequate understanding or commitment from the department managers.</p>
<p>Change management expertise needed</p>	<p>The County embarked on a project involving tremendous organizational change without the benefit of change management expertise or the resources to obtain the expertise. The scope of implementation for shared services was large and involved transfer of employees from multiple departments as well as changes in processes for doing their work. Staff in departments who did HR work sometimes had additional duties, which had to be reassigned to other staff when the HR staff were transferred to DBCS. In addition some of the HR functions in departments, such as training, were not transferred to shared services and departments had to reassign this work to other department staff. These staffing transfers and reassignments created a climate of confusion and uncertainty not only for HR staff but for many other County employees. The County did not provide time or resources for handling the concerns of its employees or the workload issues involved in such a large undertaking.</p>
<p>Implementation scope too large</p>	<p>We also found that the scope for integrating HR services into shared services was all inclusive and did not fit suggested best practice models. Best practices suggest shared services be implemented on an incremental basis. Rather than start slowly and small, with one business service, the County started very large, with all internal services and with a very ambitious time line.</p> <p>The basic model to implement HR as a shared service should include consolidation of transactional and administrative work with a focus on economies of scale. However, the scope for the County's reorganization also included HR consulting, professional and advisory services, and the governance functions, such as setting policy and monitoring compliance with rules and regulations. These services are usually not included until the implementation has progressed and would only be undertaken after successful consolidation of transactional and administrative tasks has been completed.</p>
<p>Effort not supported with resources</p>	<p>Implementing shared services during stressful economic times has been an additional hindrance. According to best practices, cost savings resulting from shared services may not occur for 12-18 months; but until then, additional resources are usually required.</p>

Management noted that the County reduced the Business Services budget by \$7 million last year.

The County did not have the personnel, time, or funding for the major undertaking of implementing shared services. Such a change involves careful planning which requires resources with additional staff, and perhaps outside consulting services for evaluations, planning, implementation, and change management.

Additional costs during implementation will be incurred as County staff is involved in changing processes. Also, essential evaluations and analysis are preliminary basics which require additional resources for such a large undertaking.

Quality of communication declined

Both departmental involvement and overall communication regarding the implementation appear to have declined over time. As a result, departments were directed on how to implement shared services but not involved in the decision making.

When we talked to staff in November and December of 2003, both HR staff and department staff reported to us that they knew very little about the implementation of shared services; although they all seemed to strongly support the concepts and changes. The Consultants for the County also observed a lack of communication. Communication is essential not only in the planning and implementation changes, but also in the daily operations of the HR functions.

Success will be difficult to calculate

One of the compelling reasons for deciding to implement a shared service model is that services which fit into the model such as HR should already have performance measures and commercial equivalents. In our research we found many performance measures for HR functions including those used by other governments. We also found that all HR functions for an organization can be outsourced thereby providing commercial equivalents to use in identifying or describing HR services for costing and evaluation.

We found that the HR Unit collected data describing various workloads, however, there was little data related to performance or outcomes. Performance and cost measures for HR benchmarking are necessary to evaluate the success of the move from department controlled HR functions to a shared service model for providing those services.

Recommendations

1. To more effectively deploy human resource activities, we recommend that:
 - a. County leadership develop and articulate a County strategic plan that can guide these activities.
 - b. HR and Department executives should work together to:
 - i. Improve communications
 - ii. Develop comprehensive workforce and succession plans and
 - iii. Evaluate the various HR systems – performance management, classification, compensation, and performance measurement
2. To successfully implement HR functions into the business model of shared services and to be able to measure the success of that implementation the County needs to:
 - a. Complete a comprehensive baseline study of HR services to include cost analysis and performance measurements
 - b. Identify services based on commercial equivalents, industry standards and customer needs
 - c. Reduce the scope of HR functions to be included in shared services
 - d. Reconsider whether consulting and governance functions should be included in this next stage of shared services implementation
 - e. Provide the resources needed for the studies and implementation of HR as a shared service

Responses



Diane M. Linn, Multnomah County Chair

October 25, 2004

Suzanne Flynn

Multnomah County Auditor

501 SE Hawthorne, Room 601

Portland OR 97214

Dear Suzanne,

I have received and reviewed your audit of the County's Human Resources unit and would like to thank you and your staff for your valuable work. Audits always provide us with the opportunity to do a better job serving the community.

Our workforce delivers the healthcare, mental healthcare, senior assistance, public safety, library and other services that are vital to our community. I am very pleased that more than 89 percent of our total workforce either directly provides these services or supervises those who do. The ability to attract, train, and maintain these service providers is central to our mission and I appreciate your efforts to help us improve wherever possible.

At Multnomah County, this is an especially appropriate time to examine our human resources operation as the Board of County Commissioners embarks to ensure County services stay aligned with citizen and Board priorities. It is critical that our workforce compliment these goals and help us operate as efficiently as we can.

I fully embrace your recommendation that the County articulate and follow a long-term strategic plan. The Board of County Commissioners already has moved decisively in this direction by adopting priority-based, rather than department and program-based budgeting. This will give our human resources unit a very clear picture of the County's direction and help them manage the County workforce accordingly.



"Printed on recycled paper"

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Suzanne Flynn
Multnomah County Auditor
October 25, 2004
Page Two

I also accept your conclusion that there is room for improvement as we continue to implement our shared services approach. As we have worked within reduced budgets over the past three years, it has been difficult to devote the resources to administrative functions at levels that would have allowed us to best make this transition.

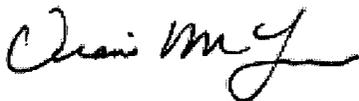
During the past three years, the County's General Fund has been reduced by \$61 million. The budget for Business Services – which is charged with implementing our move to shared services – has been cut by \$7 million during that time, as you noted in the audit.

During this time, all departments, including Human Resources, have been strongly advised to manage their needs through attrition, transfers and promotions to avoid adding personnel. As resources allow, I will direct Human Resources to resume work started last year on the countywide migration toward our shared services system, as well as the performance measures and service agreements with departments you call for in the audit.

I am pleased that you believe the County's move to shared services for its internal functions is a good one. I strongly believe we could no longer afford to replicate information technology, procurement and other functions, including human resources, in each or several departments and that combining these functions into a central unit is a more efficient and effective method for the administrative functions that serve this jurisdiction.

Once again, I appreciate your efforts to help us identify ways to improve the operations of Multnomah County.

Sincerely,



Diane Linn
Multnomah County Chair

c: Board of County Commissioners
Gail Parnell, Director of Human Resources / Labor Relations

* Revised *

Human Resources Audit

Define services and continue improvements

October 2004



Suzanne Flynn
Multnomah County Auditor

Audit Staff

Judith DeVilliers, Senior Management Auditor

Mark Ulanowicz, Senior Management Auditor



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MEMORANDUM

Date: October 28, 2004

To: Diane Linn, Multnomah County Chair
Maria Rojo de Steffey, Commissioner, District 1
Serena Cruz, Commissioner, District 2
Lisa Naito, Commissioner, District 3
Lonnie Roberts, Commissioner, District 4

From: Suzanne Flynn, Multnomah County Auditor

Subject: Human Resources Audit

The attached report covers our audit of the County's human resources function. This audit was included in our FY03-04 Audit Schedule.

This audit examined three areas, the reorganization of human resources (HR), the application of findings in our previous internal services audit to the reorganized HR Unit, and the reorganization of County internal services into a different business model. In each of the areas we found some promising improvements, but also found additional work was needed.

Attempting the reorganization of HR functions in a time of revenue shortfalls and employee layoffs was a challenging undertaking. It is not surprising the County was not able to consistently apply best practices or that it diverged from its initial plan. However, recruiting and retaining skilled County employees is central to the effectiveness of the organization. We hope that our recommendations will assist the HR Unit and County Business Services in improving its efforts.

We have discussed our findings and recommendations with management in the Department of Business Services and the HR Unit. A formal follow-up to this audit will be scheduled within 1-2 years.

We would like to acknowledge and thank the management and staff in County Business Services for the cooperation and assistance extended to us.

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Summary

Multnomah County employees provide a range of services to the citizens of the County and represent about 49% of the FY03 County operating budget. The Human Resources Unit (HR) is responsible for hiring and retaining County employees to provide these services. These functions have recently been reorganized from a partially decentralized system with human resources staff as part of each department to a centralized system.

We found that Multnomah County was constrained in its ability to implement HR improvements. While some constraints, such as declining revenues, cannot be changed, others could be addressed by County leaders and management. Not addressing some of these problems may cause inefficiencies and could eventually put the County's ability to deliver services at risk.

To be most effective, the HR Unit needs to fit its efforts into a broader County-wide strategic plan. Such a plan does not currently exist. Without clearly articulated goals, there is a risk that HR will not be able to build and maintain the right workforce for the future. Further, the management of employee performance has lost its connection to any County-wide goals that still exist.

Some elements of the human resource system also need improvement. County departments have not been sufficiently involved in the development of performance measures. Without performance measures, the HR Unit or departments cannot evaluate success and make improvements in services. A newly created centralized recruiting function is not always meeting departmental needs and budget reductions have limited the HR Unit's ability to train and maintain a quality workforce. The system would also benefit from a review of the classification system, especially the relationship across classifications.

We also examined HR in light of a previously completed audit on County internal services. Since that audit, HR has been changed to an internal service and as such should meet the criteria established in the earlier audit. Not unlike other County internal services, HR has not yet adequately defined its services so that they can be compared to industry equivalents or allow a business-like approach. We believe the County's move to shared services

as a business model for its internal service functions is a good move and could accomplish this change.

Because of this, we examined the implementation of the shared services model and found that it could be improved. The County has diverged from recommended best practices and its original business plan.

To improve the County's HR functions we recommend that the County's leadership develop and articulate a strategic plan for the organization that can guide the HR Unit's efforts in developing workforce plans and evaluate HR systems. We also make recommendations that will improve the implementation of HR functions into a business model of a shared services organization.

Background

Multnomah County employees provide a range of services to the citizens of the County, including medical care and other professional services for vulnerable citizens; library operation; maintenance of bridges and roads; and public safety. Hiring and retaining qualified employees is the major purpose of the human resource functions in the County.

Human resource functions generally include the following areas of responsibility: (1) staffing, (2) training and development, (3) compensation and benefits, (4) employee and labor relations and (5) health, safety & security. Human resource units develop systems designed to make the most effective and efficient use of any government's primary asset – its employees. In FY03, Multnomah County had 4,470 employees. Salaries and benefits for these employees was nearly 49% of the County's FY03 operating budget. As with most governments, the ability to deliver quality services to its citizens depends on the quality of the workforce.

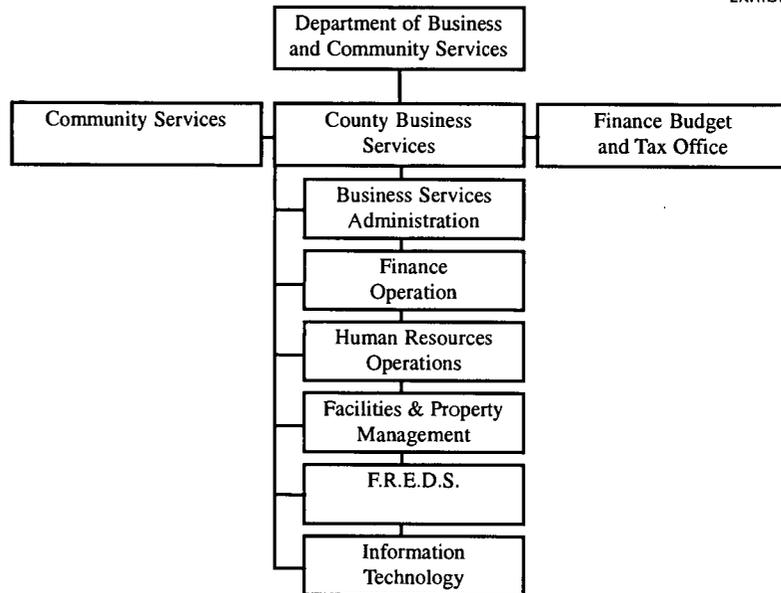
Human resource functions in the County have recently been reorganized from a partially decentralized system with human resources staff as part of department administration to a centralized Human Resource Unit (HR) located within the Department of Business and Community Services (DBCS) to be shared by all County departments. The FY05 budget for consolidated functions of human resources including the costs of payroll; recruitment; diversity, equity and affirmative action; labor relations, classification/compensation; HR consulting and HR maintaining; record keeping, wellness; and benefits administration was \$6,787,005. The cost of health and welfare benefits provided to all County employees and retirees in FY05 was budgeted at \$50,297,982

Most human resource functions including recruitment, administration and record keeping, labor relations, and consulting, were transferred to DBCS. However, some training and development functions and positions within departments remained a department responsibility. The new HR Unit became responsible for payroll processing, which was formerly a part of financial operations.

Some human resources responsibilities did not change. These formerly were centralized and continued as part of the HR Unit in DBCS. They include labor relations, compensation and benefits, diversity and affirmative action, personnel rules, merit system management, and safety and health programs.

Human Resources Organizational Chart

Exhibit 1



These organizational changes have been made in an unstable environment for the County which has recently experienced significant funding cuts. The number of County employees has decreased over the last five years from 4,803 in FY00 to 4,582 in FY04, and additional budgeted cuts of 115 FTE are planned for FY05. The additional workload for HR staff related to the downsizing of county personnel combined with extensive organizational changes have put a strain on both staff and dollars devoted to HR functions in the last year.

County employees
FY00 to FY04

Exhibit 2

	FY00	FY01	FY02	FY03	FY04
Management & exempt	735	794	735	668	663
Represented	4,068	4,033	4,053	3,802	3,919
Total County employees	4,803	4,827	4,788	4,470	4,582

Source: County Comprehensive Annual Financial Report

**Scope and
Methodology**

The purpose of this audit was to determine whether the County would be able to evaluate the success of moving HR operations into the shared services organization. The scope was adjusted to include identifying the type of measures necessary to evaluate performance of the HR unit and identifying barriers to developing measures.

We looked at all programs normally considered part of the HR function, with the exception of workers' compensation and safety programs which were recently included in the Workplace Safety audit. We interviewed all managers in the "central" HR office; all department HR managers, and a number of department managers (as HR customers). We also talked with the County Attorney and Director of Business Services.

We looked at union contracts, administrative rules, County policy, and ordinances related to human resources. We identified current HR data and reporting systems. We reviewed audits from other jurisdictions and the 2001 Hayhurst report on the County's human services. We reviewed best practices and performance measures for human resources. We reviewed HR position descriptions, HR work plans, and other documents. We met with consultants from Accenture, who were in process of looking at the County's Shared Services model and implementation.

The audit of the Multnomah County Human Resources function was on the FY03-04 Audit Schedule and was conducted in accordance with generally accepted governmental auditing standards.

Audit Results

Human resource management is a critical component of any government and refers to the policies, systems, and practices that influence employees' behaviors, attitudes, and performance, and subsequently the performance of the organization. Good government human resource systems:

- Are active in strategic and workforce planning and performance measurement
- Find ways to recruit and hire high quality employees
- Maintain a high quality workforce through training and development
- Motivate the workforce by effectively managing employee performance and rewards and being consistent and fair with discipline
- Oversee a sound workforce structuring by managing the classification and compensation systems as well as personnel policies

Because HR units are also frequently responsible for monitoring compliance with state and federal laws, variations in the structure and constraints of different governments affect the way HR units do their jobs and affect the extent to which they can or do follow best practices.

We found that Multnomah County was constrained in its ability to implement HR improvements. While some constraints, such as declining revenues, cannot be changed, others could be addressed by County leaders and management. Not addressing some of these problems may cause inefficiencies and could eventually put the County's ability to deliver services at risk.

County not prepared for long-term challenges

Long-term planning for an organization's workforce is important because it determines how the organization will attract, retain, and motivate its employees to achieve the organization's goals in the years to come. Top performing government HR units are assuming a larger role in organization-wide strategic planning. These units also develop long-term plans and implement performance measurement programs to document progress toward meeting HR goals as well as those of the larger organization. Multnomah

County's HR unit has not filled this role largely because County leadership and management have not developed an organization-wide strategic plan to guide HR efforts.

Multnomah County does not have a clearly articulated strategic plan and instead addresses problems in an ad-hoc fashion as they arise. While this approach may be successful, it makes it difficult for individual County units to plan and increase effectiveness. In the past, the County used strategic objectives like the County Benchmarks that were tied to the planning and budget requests of departments and units.

Strategic plans guide organizations toward specific goals and objectives. These plans dictate the sort of activities the organization will engage in and how these activities fit together. Strong organizations begin by defining what they want to accomplish and what kind of organization they want to be. The vision, core values, goals, and strategies for the organization provide the standard for assessing the appropriateness and effectiveness of everything the agency does. These organizations align their human resource systems with their strategic and program planning and HR should be an integral part of the top management team. Without this strategic direction, the County's ability to adapt to the changing workforce environment is limited and could eventually put County services at risk. For example, without strategic direction:

- workforce planning cannot be explicitly linked to the organization's "shared vision;"
- succession planning – planning to cope with the retirement of key personnel — must be done without direction as to what services County leaders envision providing;
- labor negotiations must be conducted without long-term objectives regarding the composition or structure of the workforce.

The County also has not had a process by which department and internal service unit managers meet to decide on common goals and objectives for internal services like HR. In many cases, departments do not have a strategic vision for HR needs, which severely limits HR's ability to plan to meet those needs.

Finally, competing priorities have impacted the HR unit's efforts in planning. More than two years ago, HR geared up for a succession planning effort. HR management collected data on expected employee retirements and made presentations to department executives regarding plans for addressing the loss. This planning effort ended soon when HR shifted its focus to processing a series

of budget shortfall related layoffs and then its own reorganization into shared services. While the problem posed by the prospect of large numbers of retirements in the near future has not gone away – if anything it has become more acute – the County has not actively restarted its succession planning efforts.

Performance
measurements are
undeveloped

Best practices for internal services units generally, and for HR specifically, call for the use of performance measures that are related to customers concerns. To date, there has been little interaction between HR and its customers (departments) regarding performance measures. We contacted department management and asked for input on a sample of possible performance measures for HR. We drew the sample measures from other jurisdictions that addressed performance in the major areas of government human resource management identified above.

Department managers we interviewed were interested in a combination of broad satisfaction measures as well as measures that were based on data. They were most concerned with measuring:

- the extent to which HR assists with department strategic workforce planning;
- timeliness and quality in the recruiting and hiring process;
- the timeliness and quality of HR consulting, especially consulting about labor relations issues;
- the time allocation of HR staff

Some department managers stated that they were not prepared for working on strategic planning with HR, even though they recognized that it is important. Instead, departments tended to focus their workforce related planning efforts and interactions with HR in individual areas of their operations. For example, Health Department management stated they have put energy into planning for how to maintain their nursing staff in the current tight labor market for nurses because it is an area of immediate concern, but have not done similar planning for the rest of the department.

The timeliness and quality of the recruiting and hiring process was also very important to department managers. The new recruiting data system HR is implementing should address the need for data to measure recruiting and hiring timeliness. Measuring the quality of candidate pools is more difficult and will require some effort for departments and HR to come to agreement on measurement.

Measuring the timeliness and quality of human resource consulting services is also difficult. Department managers agreed that using a software tracking system similar to the one used by the information

technology help desk could help to track the time it takes to get a response to requests and could even measure satisfaction with the outcome to some degree. However, the nature of consulting is often more dynamic than a single question and answer and requires a sustained level of effort on the part of both the HR and department staffs.

Using a proxy measure for consulting quality, such as the number and disposition of grievances, may shed some light on the quality of advice given by the HR Unit. HR management stated that it tracks grievances and other similar personnel actions. In FY03, employees filed 33 grievances and, according to management, all were settled before going to arbitration. However, grievances may offer an incomplete picture of labor relations at the County and the HR Unit should continue to explore other measures.

Department managers were interested in having information on how the HR Unit allocates its staff's time. These managers were not necessarily consistent in their views as to where it was best for the HR Unit to put its staff resources. For example, some wanted more and some wanted fewer resources devoted to wellness programs, but they did want to know where the resources were going. As performance measures go, this "level of effort" type measure should be relatively easy to report.

Mixed results for centralized recruiting

In order to obtain the workforce it needs, a government must be able to conduct effective recruiting efforts and to hire appropriately skilled and qualified employees in a timely manner. In an attempt to make County recruiting more responsive to department needs, the County decentralized recruiting in 1998. Recently, County recruiting and hiring was re-centralized with the intent to improve the efficiency and effectiveness of the recruiting process. Best practices literature says the large volume of recruitments going through a centralized unit allows the organization to take advantage of economies of scale in routine processes, such as using the Internet to post announcements and process applications.

To date, department managers have reported mixed success with centralized recruiting. Those managers that have been satisfied with recruitments handled by the HR Unit credited a specific person within the Unit that understood the needs of that particular department because he or she had come from that department's HR Unit prior to the re-centralization. Other managers found the process to be difficult, either because the recruitment unit appeared to be overworked or because the unit did not understand the department's needs. Further, some department managers believe

there are positions, such as physicians or deputies, that only they can effectively recruit. HR management noted that 100% of recruitments for assigned departments have been processed since March 31, 2004.

HR Unit has limited ability to maintain quality workforce

Budget reductions and staff turnover within the HR Unit have impacted its ability to maintain an appropriately skilled workforce. HR units maintain the workforce by facilitating training to develop employee skills, retaining experienced employees, disciplining poor performers, and managing labor and employee relations.

Best practice literature stresses the importance of developing the current workforce through training both as a way of improving performance and retaining staff. Continuing budget shortfalls have prompted County leadership to significantly reduce the level of resources allocated to County-wide training and employee development. Individual departments still maintain training budgets to varying degrees, but these tend to be targeted at a specific skill, rather than more general training.

County-wide training is now funded out of the County's Risk Fund and is designed to reduce the organization's exposure to risk rather than to development of the workforce. For example, the training classes made available to employees in August and September 2004 included: new employee orientation, grievance handling, drug and alcohol policy, diversity, and defensive driving.

Dealing with problem employees in a consistent and appropriate manner is also a key component in maintaining a quality workforce. The consistent and fair application of discipline is important to all employees. It is important for the employee being disciplined to know that he/she is being treated fairly and it is important for other employees to see that management is addressing problems as they arise. The HR Unit monitors grievance and disciplinary actions using an internal database. According to the County Attorney's Office, keeping track of personnel actions in this way has improved the manner in which the County deals with discipline issues. The County should continue to look for ways to build consistency into its HR systems.

Theoretically, one of the strengths of a centralized human resource function is that labor relations problems will be addressed more consistently and appropriately, because the same people will be making the recommendations and they will be the most familiar with the contracts. Several department managers voiced concerns about the quality of the labor relations advice they received from the HR Unit. According to these managers, at times there has been

confusion as to where to address labor relations questions and several instances when they felt the advice received was neither consistent nor correct. As a result, management sometimes bypassed the HR Unit and went directly to the County Attorney's Office for labor relations advice. Department managers suggested that the relative lack of County experience of some senior managers within the HR Unit was at least partially responsible for these difficulties.

Performance management
system outdated

Effective motivation encourages employees to perform effectively in support of the government's goals and typically results from the use of appropriate rewards and incentives, an effective performance appraisal system, and sound mechanisms that facilitate employee feedback. The lack of an organization-wide set of goals and objectives and the lack of a systematic feedback mechanism make it difficult for the HR Unit to follow best practices in motivating the County workforce.

A good performance management system encourages good performance from employees by providing feedback regarding the degree to which their performance helps the County make progress toward its common goals. Department managers told us that the performance management system at the County has lost its connection to County-wide goals and objectives. For example, the County evaluation form for non-represented employees ties performance to County-wide benchmarks. The County no longer tracks progress towards these benchmarks. Some departments have abandoned the standard evaluation forms, which reduces consistency in evaluation among County employees.

The HR Unit provides a class for managers, "Performance Expectations and Evaluation," which includes County policy and how to use the County's evaluation form. Like other County-wide training classes, this class is oriented toward reducing the risk of accidents and lawsuits, which means that neither the HR Unit nor the class instructors have much latitude in modifying the class to the changing environment at the County. Moreover, there has been little continuity in instruction. Because there is no budget for instructors, the class is taught by volunteers who must find time away from their existing job to develop and teach the course.

There is also an inconsistent system of processing employee suggestions and feedback at the County. Some departments have their own programs, but there is no County-wide suggestion and feedback program.

Classification system needs
to be re-evaluated

Managing a workforce structure to support a government's goals is another role of human resources. Best practices suggest that a classification system should be coherent, appropriately sized, and reinforced by personnel policies that are flexible in terms of promotion and compensation. A classification and compensation system is important for attracting and retaining skilled employees.

Classification and compensation work together, to ensure that employees are paid a level that is commensurate with their skills and the market place by ensuring that employees of varying skill and responsibility levels are treated consistently. A good system also allows for employee development and advancement. Multnomah County is not out of the ordinary, compared to other cities and counties, in terms of the number of classifications and the type of compensation system. However, these systems would benefit from an evaluation to check to see that the relationships across classifications are appropriate, particularly between represented and non-represented classes.

A good classification system also helps to ensure that job titles that are similar in responsibility and skill requirements receive similar pay. Current trends in human resource management show that governments are trying to reduce the number of classifications and broaden the range within classifications in order to gain flexibility in pay and movement of employees. This trend is much stronger among state governments than among cities and counties. HR management stated that they have reduced the number of non-represented classifications from 169 in FY00 to 140 in FY05.

Department managers we surveyed were less concerned about the number of classifications at Multnomah County being a problem than they were with the relationship between classifications. Some managers told us that the classification system had ceased to be a system at all, with nearly all adjustments being made on an ad hoc basis for non-represented employees or as the result of collective bargaining. And, any adjustments made were limited to a few individual classifications. The difficulty with this, according to one department executive, was that there was no longer any consideration of how the various classifications compare to each other. For example, a department manager stated that they have a difficult time promoting employees into supervisory positions because employees do not feel that the relatively small increase in pay is fair compensation for the amount of additional responsibility. As a result, the County must look outside the organization to fill these positions. Those hired are likely to have less experience and may be less qualified for the position than some of the employees they supervise.

Previous audit
recommendations
still apply

In December 2000 we completed the audit *Internal Services - Clearly defined business operations* (Internal Services Audit). At that time, we found the County did not have the ability to measure the effectiveness and efficiency of its internal services and as a result decision-making that might control costs was limited. We recommended that the County clearly define services using commercial equivalents, establish written service agreements, and measure the results for both quality and cost based on industry standards and service descriptions.

In an audit follow-up issued June 2002 we found that little progress had been made in what we considered the most critical element: identifying and measuring services using commercial equivalent or industry standards. We did note that the shared services initiative might address some of our concerns because it is based on a business-like model.

The County's HR function was not included in the Internal Services Audit because it was not operated as an internal service. Prior to the recent reorganization in FY04, the human resources function was funded by the general fund as were many other administrative functions. The general fund was partially reimbursed through the indirect cost allocation formula to other funding sources.

The County has now changed the HR function to an internal services organization located in the Department of Business and Community Service. As an internal service organization the costs for providing HR services will be directly charged through interdepartmental billings from the County's Business Services Division to other departments.

Identify services and
compare to industry
standards

Similar to findings in the Internal Services Audit, we found that the model the County is currently using for HR internal billings is focused on costing the services that are already provided (recovering costs) rather than clearly defining the services so that departments can understand service charges and make choices.

Cost control for internal services is achieved in two ways (1) by the necessity to be competitive with external sources and (2) by providing only services the internal customers want. According to Quinn et al¹, prices must be comparable to what can be purchased outside the organization. "Corporate and functional people have trouble understanding the difference between running a cost center and running a business. The shift in mindset is from a billing to a pricing mentality." These experts also noted that "Focusing on what clients want means that no work is undertaken unless there is an identified and paying client."

¹ Shared Services - Mining for Corporate Gold: Barbara Quinn, Robert Cooke, Andrew Kris, Prentice Hall: page 21

Currently the County has not defined HR services to allow it to be compared to industry standards and commercial equivalents. Internal customers cannot control costs if they do not understand what they are buying, how much it costs, and have services to meet their business needs.

To manage interdepartmental charges the County has implemented a new activity based costing system. The goal of this system is to provide costing information on a business-like basis. However, because few resources have been allocated to implementation, the costing system is based on job descriptions. As a result, the County has determined the activity costs to provide HR functions as they now exist and then allocated those costs rather than defining services based on industry and commercial equivalents.

Costing and billings based on percentage of usage or other allocations does not hold the internal service provider accountable for managing costs because (1) they know by default all their costs will be recovered, (2) they may be providing services their internal customers do not want and (3) they are not truly aware of areas of inefficiency. Also, the County will be unable to make responsible choices because the true cost for services is not understood and it does not have options to increase or decrease levels of services similar to options if these services were purchased in the open market. Without choices the only way management can control human resource costs is to reduce the number of employees.

Philosophical change and effort needed

In our Internal Services Audit we noted that moving towards a business model required both effort and a philosophical change. The philosophical change is one of considering internal services as "services sold by the internal service unit, and purchased by the user department" versus looking at "allocating the internal service unit's operating costs." We believe the County's move to shared services as a business model for its internal service functions is a good move and could accomplish this philosophical change. The ability to compare business service costs and performance to industry standards is one goal of the model. However, a variety of problems have hurt efforts to implement the shared services model and endangered the County's cost control and service improvement goals for the HR Unit.

Implementation of shared services flawed

The County began implementing a shared services model for internal business services in 2003. It developed a business case to guide implementation. In the early stages there was a high level of involvement by County departments and resources were available to assist with the project. Over time, the shared services

implementation departed from its best practice-based goals and from the original business case. These departures have hindered the efficient and effective implementation of shared services because:

- The departments or business unit clients do not have control or accountability.
- Implementation planning was not well documented or communicated.
- Scope of what was to be included was too large.
- Cultural change was undertaken without the benefit of change management expertise.
- County did not allocate adequate resources.

Departments are only in an advisory role

The recommended shared services business model gives more control to clients (departments) than currently exists in the County's model. According to best practices, one of the cornerstones of shared services is the shift in control and accountability from the centralized functional group to the business unit client.

The County's model for shared services places the control and accountability in the central shared service department's administrative function with departments in an advisory role. Consultants who recently reviewed the County's shared services implementation also observed that the "executive committee (department representation) is not seen as, and isn't, a decision making body." Management stated that since the consultant's report was received some of these problems have been addressed.

In order to be successful, internal business services must provide the services that the departments need. In the County's model, internal service managers are determining the services that will be provided, not necessarily those that are needed. Departments need to be placed in a decision-making role.

Implementation planning was incomplete

The County did not follow-up the business case with a clearly communicated and comprehensive plan. According to best practice literature, shared service implementation begins by assessing the feasibility for successful implementation. In this stage, the scope of services to be included is determined and commitment from top management is obtained. The second step is analysis of the current state of the services related to costs, benchmarking, and customer satisfaction. These steps provide the information necessary to create an implementation plan.

The early planning and feasibility studies for developing shared services for the County included a high level of involvement by

	<p>County departments, provided some funding for consultants, and was well documented. However, we do not believe there was adequate understanding or commitment from the department managers.</p>
<p>Change management expertise needed</p>	<p>The County embarked on a project involving tremendous organizational change without the benefit of change management expertise or the resources to obtain the expertise. The scope of implementation for shared services was large and involved transfer of employees from multiple departments as well as changes in processes for doing their work. Staff in departments who did HR work sometimes had additional duties, which had to be reassigned to other staff when the HR staff were transferred to DBCS. In addition some of the HR functions in departments, such as training, were not transferred to shared services and departments had to reassign this work to other department staff. These staffing transfers and reassignments created a climate of confusion and uncertainty not only for HR staff but for many other County employees. The County did not provide time or resources for handling the concerns of its employees or the workload issues involved in such a large undertaking.</p>
<p>Implementation scope too large</p>	<p>We also found that the scope for integrating HR services into shared services was all inclusive and did not fit suggested best practice models. Best practices suggest shared services be implemented on an incremental basis. Rather than start slowly and small, with one business service, the County started very large, with all internal services and with a very ambitious time line.</p> <p>The basic model to implement HR as a shared service should include consolidation of transactional and administrative work with a focus on economies of scale. However, the scope for the County's reorganization also included HR consulting, professional and advisory services, and the governance functions, such as setting policy and monitoring compliance with rules and regulations. These services are usually not included until the implementation has progressed and would only be undertaken after successful consolidation of transactional and administrative tasks has been completed.</p>
<p>Effort not supported with resources</p>	<p>Implementing shared services during stressful economic times has been an additional hindrance. According to best practices, cost savings resulting from shared services may not occur for 12-18 months; but until then, additional resources are usually required.</p>

Management noted that the County reduced the Business Services budget by \$7 million last year.

The County did not have the personnel, time, or funding for the major undertaking of implementing shared services. Such a change involves careful planning which requires resources with additional staff, and perhaps outside consulting services for evaluations, planning, implementation, and change management.

Additional costs during implementation will be incurred as County staff is involved in changing processes. Also, essential evaluations and analysis are preliminary basics which require additional resources for such a large undertaking.

Quality of communication declined

Both departmental involvement and overall communication regarding the implementation appear to have declined over time. As a result, departments were directed on how to implement shared services but not involved in the decision making.

When we talked to staff in November and December of 2003, both HR staff and department staff reported to us that they knew very little about the implementation of shared services; although they all seemed to strongly support the concepts and changes. The Consultants for the County also observed a lack of communication. Communication is essential not only in the planning and implementation changes, but also in the daily operations of the HR functions.

Success will be difficult to calculate

One of the compelling reasons for deciding to implement a shared service model is that services which fit into the model such as HR should already have performance measures and commercial equivalents. In our research we found many performance measures for HR functions including those used by other governments. We also found that all HR functions for an organization can be outsourced thereby providing commercial equivalents to use in identifying or describing HR services for costing and evaluation.

We found that the HR Unit collected data describing various workloads, however, there was little data related to performance or outcomes. Performance and cost measures for HR benchmarking are necessary to evaluate the success of the move from department controlled HR functions to a shared service model for providing those services.

Recommendations

1. To more effectively deploy human resource activities, we recommend that:
 - a. County leadership develop and articulate a County strategic plan that can guide these activities.
 - b. HR and Department executives should work together to:
 - i. Improve communications
 - ii. Develop comprehensive workforce and succession plans and
 - iii. Evaluate the various HR systems – performance management, classification, compensation, and performance measurement
2. To successfully implement HR functions into the business model of shared services and to be able to measure the success of that implementation the County needs to:
 - a. Complete a comprehensive baseline study of HR services to include cost analysis and performance measurements
 - b. Identify services based on commercial equivalents, industry standards and customer needs
 - c. Reduce the scope of HR functions to be included in shared services
 - d. Reconsider whether consulting and governance functions should be included in this next stage of shared services implementation
 - e. Provide the resources needed for the studies and implementation of HR as a shared service

Responses



Diane M. Linn, Multnomah County Chair

October 25, 2004

Suzanne Flynn

Multnomah County Auditor

501 SE Hawthorne, Room 601

Portland OR 97214

Dear Suzanne,

I have received and reviewed your audit of the County's Human Resources unit and would like to thank you and your staff for your valuable work. Audits always provide us with the opportunity to do a better job serving the community.

Our workforce delivers the healthcare, mental healthcare, senior assistance, public safety, library and other services that are vital to our community. I am very pleased that more than 89 percent of our total workforce either directly provides these services or supervises those who do. The ability to attract, train, and maintain these service providers is central to our mission and I appreciate your efforts to help us improve wherever possible.

At Multnomah County, this is an especially appropriate time to examine our human resources operation as the Board of County Commissioners embarks to ensure County services stay aligned with citizen and Board priorities. It is critical that our workforce compliment these goals and help us operate as efficiently as we can.

I fully embrace your recommendation that the County articulate and follow a long-term strategic plan. The Board of County Commissioners already has moved decisively in this direction by adopting priority-based, rather than department and program-based budgeting. This will give our human resources unit a very clear picture of the County's direction and help them manage the County workforce accordingly.



"Printed on recycled paper"

501 SE Hawthorne Blvd., Suite 600, Portland, Oregon 97214
Phone: (503) 988-3308, FAX: (503) 988-3093, E-Mail: mult.chair@co.multnomah.or.us



Suzanne Flynn
Multnomah County Auditor
October 25, 2004
Page Two

I also accept your conclusion that there is room for improvement as we continue to implement our shared services approach. As we have worked within reduced budgets over the past three years, it has been difficult to devote the resources to administrative functions at levels that would have allowed us to best make this transition.

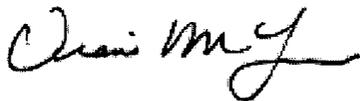
During the past three years, the County's General Fund has been reduced by \$61 million. The budget for Business Services – which is charged with implementing our move to shared services – has been cut by \$7 million during that time, as you noted in the audit.

During this time, all departments, including Human Resources, have been strongly advised to manage their needs through attrition, transfers and promotions to avoid adding personnel. As resources allow, I will direct Human Resources to resume work started last year on the countywide migration toward our shared services system, as well as the performance measures and service agreements with departments you call for in the audit.

I am pleased that you believe the County's move to shared services for its internal functions is a good one. I strongly believe we could no longer afford to replicate information technology, procurement and other functions, including human resources, in each or several departments and that combining these functions into a central unit is a more efficient and effective method for the administrative functions that serve this jurisdiction.

Once again, I appreciate your efforts to help us identify ways to improve the operations of Multnomah County.

Sincerely,



Diane Linn
Multnomah County Chair

c: Board of County Commissioners
Gail Parnell, Director of Human Resources / Labor Relations



MULTNOMAH COUNTY Auditor's Office

www.co.multnomah.or.us/auditor

503-988-3320

Audit Report

Summary

October
2004

Suzanne Flynn, Multnomah County Auditor

Judith DeVilliers, Senior Management Auditor
Mark Ulanowicz, Senior Management Auditor

Human Resources Audit

Define services and continue improvements

PURPOSE

The purpose of this audit was to determine whether the County would be able to evaluate the success of moving human resource operations into a shared services organization. The scope was expanded to include the identification of measures that would be necessary to evaluate performance of the Human Resources (HR) Unit and to identify any barriers to developing these measures.

SUMMARY OF FINDINGS

We found that Multnomah County had a limited ability to adapt to workforce requirements because the County has not developed an organizational-wide strategic plan to guide HR efforts. Several human resource functions also needed strengthening including the ability to measure successful performance. Because the HR Unit was reorganized as an internal service, the County needs to address the recommendations of a previous audit on internal services. We also found that the implementation of the new business model, shared services, could be improved.

BACKGROUND

Multnomah County employees provide a range of services to the citizens of the County, including medical care and other professional services for vulnerable citizens; library operation; maintenance of bridges and roads; and public safety. Hiring and retaining qualified employees is the primary purpose of human resource functions in the County. In FY03, salaries and benefits for 4,582 employees were nearly 49% of the County's operating budget.

Human resource functions in the County were recently reorganized from a partially decentralized system with human resources staff as part of department administration to a centralized Human Resource (HR) Unit located within the Department of

This report is a summarized version of the complete audit and is the result of a policy intended to reduce printing and distributions costs. If you are interested in reading the full report it is available on our web site www.co.multnomah.or.us/auditor or we will gladly mail you a copy.

Business and Community Services to be shared by all County departments. The FY05 budget for consolidated functions of human resources was \$6.8 million. The cost of health and welfare benefits provided to all County employees and retirees in FY05 was budgeted at \$50 million.

These organizational changes were made in an unstable County environment which recently experienced severe funding cuts. The number of employees decreased over the last five years from 4,803 in FY00 to 4,582 in FY04. Budget cuts of 115 FTE are also planned for FY05. The additional workload for HR staff related to the downsizing of county personnel combined with extensive organizational changes have put a strain on both staff and dollars devoted to HR functions in the last year.

RESULTS

To be most effective, the HR Unit needs to fit its efforts into a broader County-wide strategic plan. Such a plan does not currently exist. Without clearly articulated goals, there is a risk that HR will not be able to build and maintain the right workforce for the future. Without a strategic direction, for example, workforce planning cannot be connected to a "shared vision," any planning designed to adjust to the retirement of key personnel cannot be linked to the services the County plans providing in the future, and labor negotiations must be conducted without long-term objectives regarding the composition or structure of the workforce.

Some elements of the human resource system also need improvement. County departments were not sufficiently involved in the development of performance measures. Without performance measures, the HR Unit or departments cannot evaluate success and make improvements in services. A newly created centralized recruiting function did not always meet departmental needs and budget reductions limited the HR Unit's ability to train and maintain a quality workforce. The system would also benefit from a review of the classification system, especially the relationship across classifications.

We also examined the HR Unit in light of an audit of County internal business services completed in 2000. In that audit we found that the County did not have the ability to measure the effectiveness and efficiency of its internal services. We recommended that the County clearly define services using commercial equivalents, establish written service agreements, and measure the results for both quality and cost based on industry standards. Similar to findings in the previous audit, we found that the model the County used for HR internal billings is focused on costing the services that are already provided (recovering costs) rather than clearly defining the services so that departments can understand service charges and make choices. Costing and billings based on percentage of usage or other allocation methods does not hold the internal service provider accountable for managing costs.

In addition, we reviewed the County's adoption of a new business model. We believe the County's move to "shared services," a more centralized system of providing internal business services, could accomplish some of our recommended changes for internal services generally and HR specifically. However, we are concerned that the County has diverged from recommended best practices for implementing such a model.

The recommended shared services model gives more control to clients (departments) than currently exists in the County's model. We also found that the scope for integrating HR services into shared services was all inclusive and did not fit best practice models that suggest shared services be implemented on an incremental basis. Implementing shared services during poor economic times has been an additional hindrance. Cost savings resulting from going to a shared services model may not occur for 12-18 months and until then additional resources are usually required. According to management, the Business Services budget was cut by \$7 million last year. Finally, the County has not collected performance and cost measures necessary to evaluate the success of the move from department controlled HR functions to the current model for providing these services.

RESPONSE TO THE REPORT

Multnomah County Chair Diane Linn stated that it is an especially appropriate time to examine human resource operation as the Board of County Commissioners embarks to ensure County services stay aligned with citizen and Board priorities. She stated it was critical that the workforce compliment these goals and help the County to operate as efficiently as it can. Chair Linn fully embraced the recommendation that the County articulate and follow a long-term strategic plan. She stated that the Board of County Commissioners already had moved decisively in that direction by adopting priority-based, rather than department and program-based budgeting. She believes that this will give the human resources unit a very clear picture of the County's direction and help them manage the workforce accordingly.

(The full response can be viewed on the Auditor's Office website or call 503/988-3320 for a hard copy)

RECOMMENDATIONS

1. To more effectively deploy human resource activities, we recommend that:
 - a. County leadership develop and articulate a County strategic plan that can guide these activities.
 - b. HR and Department executives should work together to:
 - i. Improve communications
 - ii. Develop comprehensive workforce and succession plans and
 - iii. Evaluate the various HR systems – performance management, classification, compensation, and performance measurement
2. To successfully implement HR functions into the business model of shared services and to be able to measure the success of that implementation the County needs to:
 - a. Complete a comprehensive baseline study of HR services to include cost analysis and performance measurements
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 - c. Reduce the scope of HR functions to be included in shared services
 - d. Reconsider whether consulting and governance functions should be included in this next stage of shared services implementation
 - e. Provide the resources needed for the studies and implementation of HR as a shared service



M902
MULTNOMAH COUNTY
AUDITOR'S OFFICE
501 SE Hawthorne Blvd., Room 601
Portland, OR 97214-3588

Audit Report Summary
Human Resources Audit

For the complete report visit our web site
www.co.multnomah.or.us/aud/

Audit Report Summary
Human Resources Audit



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 11/04/04
Agenda Item #: R-3
Est. Start Time: 10:00 AM
Date Submitted: 10/27/04

BUDGET MODIFICATION: -

**Resolution Directing Funds from the Sale of the Hansen Building and
Multnomah County Correctional Facility to Help Fund a Possible New
Agenda Title: East County Justice Facility**

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

Date Requested:	<u>November 4, 2004</u>	Time Requested:	<u>30 min</u>
Department:	<u>Non-Departmental</u>	Division:	<u>Commissioner Roberts</u>
Contact(s):	<u>Gary Walker</u>		
Phone:	<u>503-988-5213</u>	Ext. <u>26234</u>	I/O Address: <u>503/6</u>
Presenter(s):	<u>Gary Walker, Doug Butler, and Dave Boyer</u>		

General Information

1. What action are you requesting from the Board?

Adoption of the resolution earmarking any net proceeds from the sale of the Hansen Building, MCCF and other Edgefield property to be used to help fund a new East County justice facility.

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

Resolution 04-028 created a work group to be chaired by Commissioner Lonnie Roberts to make specific recommendations with options and a cost benefit analysis regarding a new East County justice facility. The recommendations will include site proposals, partnerships potentials, and viable financing strategies for land acquisition, facility construction and related costs. The proposal will come before the board in March of 2005 and will be in full compliance with Administrative Procedure FAC-1.

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

None

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

There are two policy issues involved with this resolution. The first deals with ongoing court needs and the replacement of the antiquated Sheriff's building. The second policy issue is the earmarking of funds from the sale of surplus property for the purpose of construction funding.

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

The workgroup chaired by Commissioner Lonnie Roberts consists of Delegates from the City of Gresham, Gresham Police Department, Multnomah County District Attorney's Office, Multnomah County Sheriff's Office, Multnomah County Judges, Local Area Business Owners, and Community members.

The proposed plan is supported by this workgroup as well as the four cities (Fairview, Troutdale, Gresham, and Wood Village) the Gresham Chamber of Commerce, the West Columbia Gorge Chamber of Commerce, the East Multnomah Economic Alliance and many others.

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- 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.
- How will the county indirect, central finance and human resources and departmental overhead costs be covered?
- Is the revenue one-time-only in nature?
- If a grant, what period does the grant cover?
- If a grant, when the grant expires, what are funding plans?

Contingency Request

If the request is a Contingency Request, please answer all of the following in detail:

- 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?

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

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- 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, central finance and human resources and departmental overhead costs be covered?

ATTACHMENT B

BUDGET MODIFICATION: -

Required Signatures

**Department/
Agency Director:**

Lonnie Roberts

Date: 10/27/04

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Directing Funds from the Sale of the Hansen Building and Multnomah County Correctional Facility (MCCF) to Help Fund a Possible New East County Justice Facility

The Multnomah County Board of Commissioners Finds:

- a. Oregon Revised Statute 1.185 requires counties in which a circuit court is located to provide "suitable and sufficient courtrooms, office and jury rooms."
- b. Oregon Revised Statute 3.014(2) further requires Multnomah County to "provide facilities in the City of Gresham for a court judge to hold court..."
- c. The 2002 Multnomah County Courthouse Renovation Study by HOK Consulting and the 2003 Courthouse Recommendation by the Courthouse Blue Ribbon Steering Committee found the existing courthouse to be past its functional lifespan and insufficient to accommodate the County's court system. The groups recommend additional court facilities in East County as a key part to solving the County's inadequate courtroom facilities and overall public safety building dilemma.
- d. Resolution 04-028 created a work group chaired by Commissioner Lonnie Roberts. The work group is currently working toward completion of a detailed preliminary planning proposal which will contain project scope, site proposals, construction estimates, partnership potentials, and other pertinent details. The proposal will be presented to the Board no later than March 2005.
- e. The work group is also charged with creating a viable financing strategy for land acquisition, facility construction, and related costs.
- f. Resolution 02-032 directed Facilities and Property Management to work with the Chair's Office and the Multnomah County Sheriff's Office (MCSO) to:
 - 1) Develop a replacement strategy for the Hansen Building;
 - 2) Bring the strategy to the Board for approval; and
 - 3) Proceed with a phased sale and/or lease of the Hansen Building once suitable alternative Multnomah County Sheriff's Office facilities are identified and made ready.
- g. Since the passage of Resolution 02-032 suitable alternative MCSO facilities have not been identified nor made ready.
- h. It is in the interest of both the County and Sheriff's Office to explore the cost saving potential and the desirability of moving the Sheriff's enforcement operations now located at the Hansen Building into a new East County justice facility.
- i. The Multnomah County Correctional Facility (MCCF) is a County-owned property located in Troutdale that currently houses MCSO work crews that were formerly located at the Multnomah County Inverness Jail (MCIJ).

- j. There is sufficient bed capacity in the Multnomah County Jail System to house work crews from MCCF. Therefore, MCCF and other undeveloped Edgefield property should be considered for surplus disposition.

The Multnomah County Board of Commissioners Resolves:

1. It is the intent of the Board that funds from the sale of the Hansen Building be earmarked for use toward a new East County Justice Facility. Should MCCF and other Edgefield properties be declared surplus, it is the intent of the Board that the funds from the sale of those properties also be earmarked for use toward a new East County Justice Facility.
2. Following presentation and adoption of Commissioner Roberts' work group proposal, it is the intent of the Board that construction of an East County Justice Facility will be in full compliance with Administrative Procedure FAC-1.
3. If construction of the East County Justice Facility does not occur, the revenue from the Hansen Building sale shall be used to create permanent facilities for MCSO law enforcement. As required by Administrative Procedure FIN-15, any alternative use of the proceeds must be authorized by the Board of County Commissioners.
4. Commissioner Lonnie Roberts shall present this Resolution to the work group so that these resources are considered as they finalize their preliminary planning proposal.

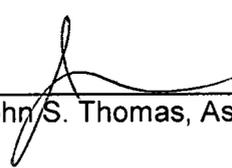
ADOPTED this day 4th of November, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By  _____
John S. Thomas, Assistant County Attorney



INVESTING IN OREGON'S FUTURE

October 27, 2004

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Maryann Potter
Executive Assistant

Paulina Morgali
Business Development
Coordinator

Jonath Colón
Business Development
Coordinator

Lonnie Roberts
County Commissioner, District 4
Multnomah County
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214

Dear Commissioner Roberts,

The Hispanic Metropolitan Chamber (Hispanic Chamber) is following with interest your deliberations regarding the establishment of a **Court House/Justice Center in East Multnomah County**. As an organization that is dedicated to the economic advancement of Latino owned businesses, we want to encourage you to do what ever you can to build such a facility, especially in the Rockwood neighborhood. As you know, there is an increasing number of Latino businesses and families in the Rockwood area. By establishing this court house and justice center in Rockwood it would accomplish a variety of outcomes. First, it would increase services to Latino businesses and families that reside in Rockwood. Second it would encourage attorneys and other professionals to establish their offices near the courthouse. Third, it would establish a police precinct that would allow community policing efforts to be reengaged.

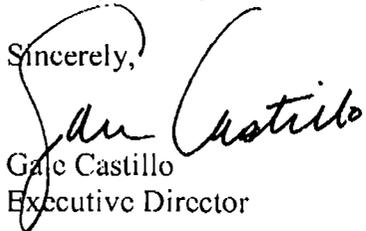
The greater Gresham community and the Latino community in particular, that reside in the Rockwood area, need the economic development and the related justice system services that this project provides. **We strongly encourage your planners to include community policing to compliment the community court portion of the court system.**

As business people we know that nothing ever happens without funding, therefore, we strongly encourage you to make the funds available now from the sale of the surplus County property. The construction activity needs to start as soon as possible. The commencement of this construction project will send a message to other investors to return to the Rockwood neighborhood and reverse the economic declines of the past few years.

Please call me if there is anything the Hispanic Chamber can do assist in this project. We plan to continue to work with the Gresham Chamber of Commerce, members of the Gresham City Council and the justice community to accomplish this worthy project.

Thank you for your attention to this matter.

Sincerely,


Gale Castillo
Executive Director

333 SW 5th Avenue, Suite 100 Portland, OR 97204 • 503.222.0280 • fax 503/243-5597

Mailing Address: P. O. Box 1837, Portland, OR 97207 • hmcc@qwest.net • www.hmccoregon.com



The Voice of Business in the East Metro Area!

November 1, 2004

Diane Linn
Multnomah County
501 S.E. Hawthorne Blvd. Suite 600
Portland, Or. 97214

Dear Chair Linn:

The Gresham Area Chamber of Commerce, Governmental Affairs Council, has studied the idea of locating a Justice Center/Court House in Gresham. After the presentation and much discussion it was passed that the Council completely supports the concept of a center in Gresham. We do understand that it is a Statue 3.014(2) that mandates a facility in Gresham for the purpose of holding court. This is not in support of a specific location although Rockwood seemed to be the consensus of the Council.

Over the past ten or so years Rockwood has become inundated with apartments mainly occupied with many diverse families. Unfortunately, the crime and gang rate has also risen. We believe that the combining of the Multnomah County Sheriff's Office and Gresham Police presence would greatly deter that activity. If we are to rebuild the business section in Rockwood and also enhance the businesses that are there, we need to make it a healthy community in which to live.

The other aspect of putting the Justice Center in Rockwood is that a clustering effect would most likely take place with much support for the Justice Center and Court House. Support businesses like attorney office, cleaners, food, etc. would then build around because of the permanent influx of new businesses that would need these services.

We support the sale of County property to help facilitate this endeavor. We simply cannot put this off and have to wait another twenty or more years for this subject to come up again. The existing buildings are old, decrepit and extremely close to be condemned and certainly not a healthy facility for people to work it.

If you have further questions of the Chamber or we can assist with this project in any way please feel free to call me.

Regards,

A handwritten signature in cursive script that reads "Carol Nielsen-Hood".

Carol Nielsen-Hood
Executive Director

MULTNOMAH BAR ASSOCIATION
1906

President
Sylvia E. Stevens

November 2, 2004

President-Elect
Kelly T. Hagan

Lonnie Roberts
District Four Commissioner
501 SE Hawthorne Blvd Ste 600
Portland OR 97214

Secretary
Agnes Sowle

Treasurer
Peter H. Glade

Re: New Multnomah County Courthouses
Draft Resolution directing proceeds from sale of certain county
properties for new East County Justice facility

Past President
Robert J. Neuberger

Dear Commissioner Roberts:

Directors

W. Todd Cleck
CHAIRPERSON

Lori E. Deveny
VICE CHAIRPERSON

Jeffrey S. Matthews

Kathryn L. Villa Smith

Simeon D. Rapoport

Helen T. Smith

Diana I. Stuart

Michael H. Bloom

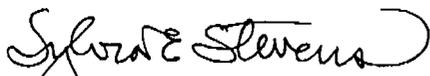
Thomas W. Brown

Nancie K. Potter

The Multnomah Bar Association, a voluntary professional organization with 4,000 lawyer members, has previously expressed its support for new court facilities in Multnomah County. We were honored to have participated in the Courthouse Blue Ribbon Steering Committee, which issued its report in December of 2003. We previously sent you our written comments and testified in support of Resolution Number 04-028, which the Commission adopted earlier this year.

The Multnomah Bar Association continues to support additional and new courthouse facilities in East Multnomah County and downtown Portland. We support the resolution the Commission is scheduled to consider on November 4, 2004. We view this as an important part of the development of new courthouse facilities in Multnomah County. We hope that the Commission will continue to move forward on both the east county and downtown facilities.

Very truly yours,



Sylvia E. Stevens
President, Multnomah Bar Association

Executive Director
Judy A. C. Edwards

xc: Doug Bray
Judy Edwards
Hon. Dale Koch
Bernie Giusto, Multnomah County Sheriff
Mike Schrunk, Multnomah County District Attorney

*Lawyers associated
for Justice, Service,
Professionalism,
Education and
Leadership for our
members and our
community.*

Post Office Box 245



Troutdale, Oregon 97060

October 27, 2004

To: The Multnomah County Board of Commissioners

From: The West Columbia Gorge Chamber of Commerce

The West Columbia Gorge Chamber of Commerce which represents the communities of Fairview, Wood Village, Troutdale, Springdale, Corbett and Cascade Locks supports the resolution directing funds from the sale of the Hansen Building and the Multnomah County Correctional Facilities to help fund construction of an East County Justice Center. We feel that from a business perspective this plan makes good sense.

We believe that using the funds from the sale of these two properties for a capital building project makes better business sense than putting the funds into one-year operating expenses. The construction of a new East County Justice Center would better serve over 200,000 people in the county, reduce crime rate, save time spent on the road by police officers, and allow the courts to function more efficiently. In addition, putting the properties back on the tax rolls would be a benefit to the cities involved.

The sale of the two properties would give the county the ability to pay for the facility as it is being constructed. We support this long-term visionary approach. We believe that is good business. We also believe the citizens would support this approach.

We understand that you have difficult budget decisions to make and we appreciate the work that you all do. We thank you for your consideration in this matter.

Connecting Commerce and Communities to Create Economic Vitality

Phone: (503) 669-7473 • Fax: (503) 492-3613

troutdale@westcolumbiagorgechamber.com • www.columbiagorgechamber.com

RESOLUTION

(28-2004)

A RESOLUTION BY THE FAIRVIEW CITY COUNCIL SUPPORTING THE ALLOCATION OF FUNDING RECEIVED FROM THE SALE OF SURPLUS PROPERTY BY MULTNOMAH COUNTY TO CONSTRUCTION OF EAST COUNTY JUSTICE CENTER.

WHEREAS, the City of Fairview is aware that a suitable alternative for the Multnomah County Sheriff's Office facilities have not been identified nor made ready since the passage of Multnomah County Resolution 02-032; and

WHEREAS, the City supports public interest of the County and its residents that the Sheriff's Office operation now located at the Hansen Building are included in any proposal for a new East County justice facility; and

WHEREAS, the City is aware that there is sufficient bed capacity in the Multnomah County Jail System to house work crews from the Multnomah County Correctional Facility in Troutdale and therefore, MCCF and the other undeveloped Edgefield property are not needed for public use and are deemed County-owned surplus property that should be sold; and

WHEREAS, the Council supports the allocation of any net proceeds from the sale of the Hansen Building, MCCF and other County surplus property to fund a new East County justice facility; and

WHEREAS, the City Council believes that the funding resulting from the sale of County surplus property is better used for long-term County capital programs, such as the East County justice facility,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FAIRVIEW THAT:

Section 1 The Fairview City Council along supports the deposit of funds from the sale of County surplus property into the Capital Improvement Fund to be used for a new East County justice facility that shall include replacement facilities for MCSO.

Section 2 This resolution shall take effect immediately upon the passage by the Council and approval by the Mayor.

Motion moved by Darrell Cornelius and seconded by

Jim Raze and adopted by the City Council

of the City of Fairview, this 20th day of October, 2004,

by the following vote:

YEAS: 4 NAYS: 0

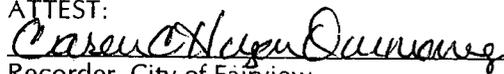


Council President
Steve Owen

10-20-04

Date of Signing

ATTEST:



Recorder, City of Fairview
Caren C. Huson Quiniones

RESOLUTION NO. 1725

A RESOLUTION SUPPORTING THE ALLOCATION OF FUNDING RECEIVED FROM THE SALE OF THE HANSEN BUILDING AND THE MULTNOMAH COUNTY CORRECTIONAL FACILITY (MCCF) BY MULTNOMAH COUNTY TO THE CONSTRUCTION OF AN EAST COUNTY JUSTICE CENTER.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The City of Troutdale is aware that a suitable alternative for the Multnomah County Sheriff's Office facilities has not been identified since the passage of Multnomah County Resolution 02-032.
2. The City believes it is in the interest of all County residents that the Sheriff's Office operations, now located at the Hansen Building, be included in any proposal for a new East County justice facility.
3. The City understands there is sufficient bed capacity in the Multnomah County Jail System to house work crews from the Multnomah County Correctional Facility (MCCF) in Troutdale and therefore, the MCCF and the other undeveloped Edgefield property are not needed for public use and can be deemed County-owned surplus property that should be sold.
4. The City supports the allocation of any net proceeds from the sale of the Hansen Building, MCCF and other East County surplus property to fund a new East County justice facility.
5. The City Council believes that the one time funding resulting from the sale of this County surplus property is better used for long-term County capital programs, such as the East County justice facility than for one year operating expenses.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. The Troutdale City Council supports the deposit of funds from the sale of County surplus property into the Capital Improvement Fund to be used for a new East County justice facility that will include replacement facilities for MCSO.

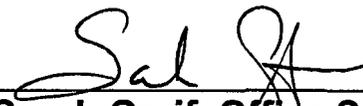
Section 2. This resolution takes effect immediately upon adoption.

YEAS: 7
NAYS: 0
ABSTAINED: 0



Paul Thalhofer, Mayor
October 27, 2004

Date



Sarah Greif, Office Support Specialist

Adopted: October 26, 2004

RESOLUTION 18-2004

A RESOLUTION REQUESTING MULTNOMAH COUNTY BOARD OF COMMISSIONERS TO DIRECT PROCEEDS FROM THE SALE OF THE HANSEN BUILDING AND MULTNOMAH COUNTY CORRECTIONAL FACILITY (MCCF) TO HELP FUND A NEW EAST COUNTY JUSTICE FACILITY

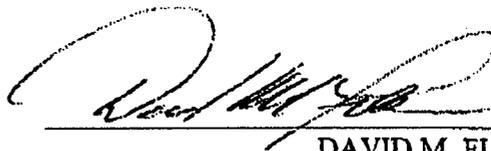
WHEREAS, the Multnomah County Board of Commissioners will soon consider a resolution declaring the Hansen Building (122nd & Glisan) and the Edgefield properties in Troutdale (including the Multnomah County Correctional Facility) as surplus and directing the sale thereof.

NOW, THEREFORE, BE IT RESOLVED, the Wood Village City Council requests that the funds from the sale of the Hansen and Edgefield Properties be deposited in the Capital Improvement Fund to be used for a new East County justice facility and replacement facilities for Multnomah County Sheriff's Office Law Enforcement.

Motion to approve by MINTER; seconded by STONE

and adopted this 20th day of October 2004.

YEAS: 4 NAYS: 0



DAVID M. FULLER
MAYOR

ATTEST:

Wyatt Parno
WYATT PARNO, Finance Director/City Recorder

Lonnie Roberts
Multnomah County Commissioner
District 4



501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214
(503) 988-5213 phone
(503) 988-5262 fax
Email: lonnie.j.roberts@co.multnomah.or.us
www.co.multnomah.or.us/cc/ds4/

MEMORANDUM

DATE: November 1, 2004

TO: Chair Diane Linn
Commissioner Maria Rojo de Steffey, District 1
Commissioner Serena Cruz, District 2
Commissioner Lisa Naito, District 3
Board Clerk Deb Bogstad

FROM: Kristen West
Staff Assistant to Commissioner Lonnie Roberts

RE: Clarification on the City of Gresham Resolution

The City of Gresham will be adopting the attached resolution within the next few weeks. Our office has had contact with Dave Shields from their City Council and we have been informed that it will be approved.

DRAFT -- DRAFT -- DRAFT -- DRAFT

RESOLUTION NO. _____

A RESOLUTION TO SUPPORT THE ACTION AND EFFORTS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS TO FUND A NEW EAST COUNTY JUSTICE CENTER AND ENDORSING MULTNOMAH COUNTY RESOLUTION NO. _____

The City of Gresham Finds:

A. Multnomah County Resolution 01-114 commissioned a study to determine whether to proceed with renovating the Multnomah County Courthouse. The resulting report was issued June 2002 and concluded, in part, that as part of the long-term court space strategy, establishing a court in Gresham would enhance service and increase convenience to East County residents.

B. A Courthouse Blue Ribbon Steering Committee was convened in August 2002 with the mission of "developing a comprehensive, clear, sustainable, and cost-effective strategy for meeting Multnomah County's court facilities needs for the next 40 years." The Blue Ribbon Committee's Courthouse Recommendations, issued December 2003, included a recommendation for establishment of a four-courtroom facility, with expansion capability to six courtrooms, in East County/Gresham.

C. Multnomah County Resolution 04-028 created a work group to be charged by Commissioner Lonnie Roberts to make specific recommendations and a cost analysis regarding a new East County justice facility.

D. City of Gresham Resolution No. 2693 endorsed the Blue Ribbon Steering Committee's conclusion regarding siting a courthouse in East County and the creation of a work group to study the topic and make recommendations regarding an East County Justice Facility, including site proposals, partnership potentials, and viable financing strategies for land acquisition, facility construction and related costs. This work group has been meeting regularly since April 2004.

E. Multnomah County Resolution No. _____, adopted on October _____, 2004, designated the Hansen Building, the Multnomah County Correctional Facility (MCCF) located in Troutdale, and the Edgefield/Pig farm properties currently owned by the county as surplus property and directed that the properties be sold. The net proceeds from the sale of these properties (estimated at \$10 to \$12 million) are to be utilized to help fund a new East County Justice Facility.

F. The East County Justice Facility work group envisions that the new justice center will be a shared governmental facility and include full service civil and criminal court facilities, county sheriff personnel and operations, booking and fingerprinting facilities, holding cells, investigation rooms, and various other law enforcement related amenities. To enhance regional law enforcement efforts, it is also anticipated that the facility will house a Gresham Police Department precinct office. The work group identified the Rockwood - West Gresham Urban Renewal Area as an area that would benefit significantly from the presence of a justice center, and that the presence of such a facility in that area, especially the Rockwood Town Center area, would help reduce the crime rate and create a more positive perception of safety which are critical factors for attracting investment in the renewal area.

THE CITY OF GRESHAM RESOLVES:

1. The City of Gresham supports the County Board of Commissioners' action to sell the surplus county property identified above and dedicate the net proceeds to partially fund a new justice and courthouse facility in East County.

2. The City of Gresham desires to partner with the County to establish an East County Justice Facility. The city shall explore the availability of resources to contribute to the success of this important East County project, including the possible use of urban renewal financing, and also explore means to assist in the acquisition of property for the project.

3. The East County Justice Facility work group under the continued guidance of Commissioner Lonnie Roberts and Mayor Charles Becker shall continue its study and planning efforts, and finalize its recommendations for presentation to the County Board of Commissioners and the Gresham City Council.

Yes: _____

No: _____

Absent: _____

Abstain: _____

Passed by the Gresham City Council and effective on _____.

City Manager

Mayor

Approved as to Form:

City Attorney

COMMISSIONERS CRUZ AND ROJO PROPOSED SUBSTITUTION

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

RESOLUTION NO. _____

Directing The East County Justice Facility Work Group to Develop a Preliminary Planning Proposal for a New East County Justice Facility

The Multnomah County Board of Commissioners Finds:

- a. Resolution 04-028 accepted the Report of the Courthouse Blue Ribbon Steering Committee and created a work group to be chaired by Commissioner Lonnie Roberts to make specific recommendations with options and a cost benefit analysis regarding a new East County justice facility. The recommendations will include site proposals, partnerships potentials, and viable financing strategies for land acquisition, facility construction and related costs.
- b. The East County Justice Facility Work Group has been meeting since April, 2004 to develop data and recommendations for a Justice Facility.
- c. A Capital Construction Audit, prepared by the County Auditor's Office and released in September 2002, found weaknesses and deficiencies in a number of areas including upfront planning controls, decision-making responsibilities and authority, and technical skills and tools. The Audit contained recommendations for improvement in internal administrative procedures and found the need for improved lines of responsibility and authority.
- d. Resolution 02-136 established a policy for major facilities capital projects, and outlines specific steps for County review and approval for the development of capital projects including preliminary planning proposals, project proposals, project plans and project design and construction.
- e. In July 2004, Chair Linn signed Revised Administrative Procedure FAC-1, entitled "Construction of Major Facilities Capital Projects included in the Capital Improvement Program," which defines major facilities capital projects; identifies participant's roles and responsibilities and designates key milestones for project control and authorization.

The Multnomah County Board of Commissioners Resolves:

1. Commissioner Lonnie Roberts and the East County Justice Facility Work Group will work with Facilities Management to develop a Preliminary Planning Proposal that meets all of the requirements of Resolution 02-136 and FAC-1. The Proposal should be brought back to the Board of County Commissioners by March 2005.

ADOPTED this day 4th of November, 2004.

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

Diane M. Linn, Chair

REVIEWED:

**AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON**

COMMISSIONERS CRUZ AND ROJO PROPOSED SUBSTITUTION

By _____
John S. Thomas, Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Directing Funds from the Sale of the Hansen Building and Multnomah County Correctional Facility (MCCF) to Help Fund a Possible New East County Justice Facility

The Multnomah County Board of Commissioners Finds:

- a. Oregon Revised Statute 1.185 requires counties in which a circuit court is located to provide "suitable and sufficient courtrooms, office and jury rooms."
- b. Oregon Revised Statute 3.014(2) further requires Multnomah County to "provide facilities in the City of Gresham for a court judge to hold court..."
- c. The 2002 Multnomah County Courthouse Renovation Study by HOK Consulting and the 2003 Courthouse Recommendation by the Courthouse Blue Ribbon Steering Committee found the existing courthouse to be past its functional lifespan and insufficient to accommodate the County's court system. The groups recommend additional court facilities in East County as a key part to solving the County's inadequate courtroom facilities and overall public safety building dilemma.
- d. Resolution 04-028 created a work group chaired by Commissioner Lonnie Roberts. The work group is currently working toward completion of a detailed preliminary planning proposal which will contain project scope, site proposals, construction estimates, partnership potentials, and other pertinent details. The proposal will be presented to the Board no later than March 2005.
- e. The work group is also charged with creating a viable financing strategy for land acquisition, facility construction, and related costs.
- f. Resolution 02-032 directed Facilities and Property Management to work with the Chair's Office and the Multnomah County Sheriff's Office (MCSO) to:
 - 1) Develop a replacement strategy for the Hansen Building;
 - 2) Bring the strategy to the Board for approval; and
 - 3) Proceed with a phased sale and/or lease of the Hansen Building once suitable alternative Multnomah County Sheriff's Office facilities are identified and made ready.
- g. Since the passage of Resolution 02-032 suitable alternative MCSO facilities have not been identified nor made ready.
- h. It is in the interest of both the County and Sheriff's Office to explore the cost saving potential and the desirability of moving the Sheriff's enforcement operations now located at the Hansen Building into a new East County justice facility.
- i. The Multnomah County Correctional Facility (MCCF) is a County-owned property located in Troutdale that currently houses MCSO work crews that were formerly located at the Multnomah County Inverness Jail (MCIJ).

- j. There is sufficient bed capacity in the Multnomah County Jail System to house work crews from MCCF. Therefore, MCCF and other undeveloped Edgefield property should be considered for surplus disposition.

The Multnomah County Board of Commissioners Resolves:

1. It is the intent of the Board that funds from the sale of the Hansen Building be earmarked for use toward a new East County Justice Facility. Should MCCF and other Edgefield properties be declared surplus, it is the intent of the Board that the funds from the sale of those properties also be earmarked for use toward a new East County Justice Facility.
2. Following presentation and adoption of Commissioner Roberts' work group proposal, it is the intent of the Board that construction of an East County Justice Facility will be in full compliance with Administrative Procedure FAC-1.
3. If construction of the East County Justice Facility does not occur, the revenue from the Hansen Building sale shall be *earmarked* used to create permanent facilities for MCSO law enforcement. As required by Administrative Procedure FIN-15, any alternative use of the proceeds must be authorized by the Board of County Commissioners.
4. Commissioner Lonnie Roberts shall present this Resolution to the work group so that these resources are considered as they finalize their preliminary planning proposal.

ADOPTED this day 4th of November, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John S. Thomas, Assistant County Attorney



City of Gresham

Mayor Charles J. Becker

1333 N.W. Eastman Parkway
Gresham, Oregon 97030-3813
(503) 618-2306
Fax (503) 665-7692

November 4, 2004

The Honorable Diane Linn, Chair
Multnomah County Commissioners
501 SE Hawthorne Blvd.
Portland, OR 97214

Dear Chair Linn and County Commissioners:

The City of Gresham is pleased to be a participant in the discussion and progress of the East County Justice Facility work group chaired by Commissioner Lonnie Roberts. The topics for discussion have touched upon many service areas and have been respectful, factual, thoughtful and productive. Although there are many issues and concerns that still need to be resolved, the most critical of these is that of funding.

As the work group moves forward, it would like assurance that there is a funding mechanism available for construction of the facility.

The City of Gresham concurs and supports the intent of the proposed County Resolution, that: the proceeds from a phased sale and/or lease of the Hansen Building, Multnomah County Correction facility in Troutdale, and funds from other county properties found to be surplus and sold, be earmarked for use toward construction of a new East county Justice facility. This facility would serve a growing population of 250,000 residents of Multnomah County. We believe this to be a wise and optimal investment of one-time money.

We are especially pleased to see our sister cities of Fairview and Troutdale have approved their own resolutions in support of the facility to be built in Gresham. The East Metro Economic Alliance, a nonprofit organization serving the communities and businesses of East County, has also submitted a letter in support of the resolution.

We ask that you consider these thoughts and approve the resolution before you this morning.

Yours truly,

Charles J. Becker
Mayor

CJB:mac

#1

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 11-4-04

SUBJECT: East Multnomah County's Justice Center

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Jacquellie McIntire, Councilor

ADDRESS: City of Gresham

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: Non

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#2

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 11-4-04

SUBJECT: Court house Building in Gresham
Rockwood District

AGENDA NUMBER OR TOPIC: _____

FOR: AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Ricardo Fonseca

ADDRESS: 1275 SE Barnes Rd

CITY/STATE/ZIP: Gresham OR 97080

PHONE: DAYS: 503-969-6004 EVES: 503-969-6004

EMAIL: fonseca@gte.net FAX: _____

SPECIFIC ISSUE: Court ~~house~~ house in the
Rockwood Dist of Gresham

WRITTEN TESTIMONY: I believe that this
issue is a very necessary project
that needs to happen for the
reason of public safety and bringing
stability for the area.

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#3

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 11/4/04

SUBJECT: JUSTICE FACILITY

AGENDA NUMBER OR TOPIC: R3

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: BILL WILLMES

ADDRESS: 1825 SW ROYAL AVE

CITY/STATE/ZIP: GRESHAM OR 97080

PHONE: DAYS: 503-667-7809 EVES: 503-667-7809

EMAIL: WILLMES@KEVANET.COM FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#4

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: November 4, 2004

SUBJECT: East County Justice Center

AGENDA NUMBER OR TOPIC: R-3 Scheduled 9:50 AM

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Roger N. Meyer

ADDRESS: 18162 East Burnside

CITY/STATE/ZIP: Portland, OR 97233 (Gresham)

PHONE: DAYS: 503-358-6463 EVES: 503-666-2776

EMAIL: rogermeyer@earthlink.net FAX: SAME-CALL FIRST

SPECIFIC ISSUE: CONCERN ABOUT Public Participation Process For

EAST COUNTY TASK FORCE AND ~~RIGHTS~~ DISTRIBUTION OF CITY OF GRESHAM'S URBAN
RENEWAL PLAN AND PROCESS

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#5

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 11.4.11

SUBJECT: Selling of Hansen Property for Justice Center

AGENDA NUMBER OR TOPIC: Justice Center East

FOR: X AGAINST: X THE ABOVE AGENDA ITEM

NAME: Theresa Kumanski

ADDRESS: ~~117 SE 165~~ P.O. Box 56175

CITY/STATE/ZIP: Portland, OR 97238

PHONE: DAYS: 503-256-2395 EVES: 971-222-6196

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: about TIF money to supplement Justice Center

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

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City Projects

Home > Cityprojects > Rockwood : Rockwood Plans and Projects

Rockwood Plans and Projects

Many things are happening in Rockwood-West Gresham. You can find links to plans and additional information below:

Plans:

- Burnside/Stark Mixed-Use Concept Plan (2002)
- PSU Industrial Lands Study (2002)
- Sandy/181st Street Study (2002)
- Rockwood Commons (2001)
- Rockwood Action Plan (1998)
- Central Rockwood Mixed-Use Plan (1995)

Projects:

- Gresham Homeownership Program
- Stark Street Boulevard
- Weed & Seed
- West Gresham Activities Update (11/02)
- City-Managed Initiatives in Rockwood-West Gresham (11/03)

Additional Information:

- Neighborhood Associations
- Rockwood Business Assistance Program
- Rockwood Demographics: A Microanalysis of Rockwood (January 2003)
- Rockwood Entrepreneurial Business Center
- OECDD Distressed Area designation
- Trends Newsletter

News:

Rockwood West Gresham News (Newsletter)

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Russian
Spanish
Springwater Community

City Projects

Home > Cityprojects > Rockwood : Rockwood Redevelopment Commission Advisory Committee
Rockwood Redevelopment Commission Advisory Committee

Gresham Redevelopment Commission (GRDC) Advisory Committee

The Gresham Redevelopment Commission established the Advisory Committee in A with the following direction:

The purpose of the GRDCAC is to advise the GRDC on the implementation of Urban plans, including but not limited to the following:

- The timing, final design, and funding for projects and activities listed in the I
- The annual or periodic work plans related to implementation of the Plan.
- Minor or major amendments to the Plan.
- The sponsoring of public events and other activities to gather input and com with the community regarding the Plan.

Members of the Advisory Committee include:

- | | |
|------------------|--------------------|
| Richard Anderson | Theresa Kuminski |
| Sue Bridwell | Mike Miller |
| Fred Bruning | Kathie Minden |
| Lorena Campbell | Cathy Olsen-Dennis |
| Jean DeMaster | Drake Snodgrass |
| Barry DeSemple | Gloria Wiggins |
| Ernie Drapela | Bill Willmes |
| Keith Flewelling | |

Advisory Committee meetings will take place from 7:00 to 9:00 p.m. The next mee scheduled for August 25th at City Hall. Tentative dates are:

- September 22
- October 13
- November 10

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Home > Departments > Cedd > Cp : Rockwood Action Plan
Rockwood Action Plan

The Rockwood Action Plan (RAP) serves as a blueprint for revitalizing the Rockwood Gresham, supporting its evolution toward a thriving, live/work community. The act builds on the Central Rockwood Land Use Plan (1998), and was accepted by the Cit December 1998. The scope of the RAP is much broader than land use, since many issues facing Rockwood have to do with matters that touch the daily lives of those work in the area. In creating the RAP, it was the task of the Rockwood Action Plan working with the City's long-range planning staff, to gather input from those who li in Rockwood and to use that input as the basis for a coherent program to respond t which concern them most.

Following completion of the RAP, the City Council re-affirmed its commitment to the implementation by creating the Rockwood Action Plan Implementation Committee (1999. Upon formation, RAPIC identified several issues of concern that will require tl of the City Council. Those issues are found below.

RAPIC meets monthly (3rd Thursday of the month, 7:00 p.m., Gresham City Hall), its work on revitalizing the Rockwood Community.

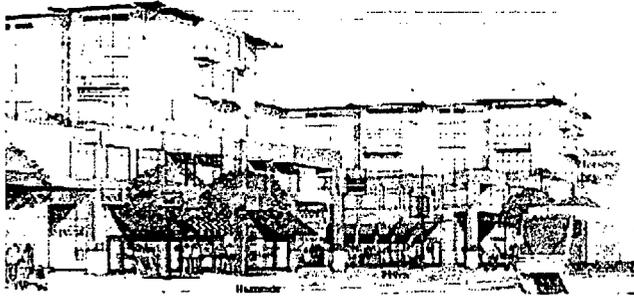
Major Accomplishments

1. **Housing Maintenance Code** Exterior Code created and adopted by City Cc 2002.
2. **Rockwood Commons/Joint Use Community Center** A joint-use commur to provide services and to function as a gathering place and focal point for C Rockwood is needed. A study is underway to consider the preliminary feasit developing such a community center on the site of the Tri-Met park and ride east of 181st Ave.
3. **Urban Renewal Feasibility** Urban renewal is a very effective revitalization has been used successfully in a number of Oregon cities. In addition to prov detailed plan for specific improvements, urban renewal could provide an imp source of funding for a wide variety of public and private improvements that to occur in a timely manner otherwise.
4. **Effective Housing Strategy** The RAPIC supports development of an effecti comprehensive housing strategy for Rockwood to help improve housing con

ROCKWOOD COMMONS

A Mixed-Use Community Development Proposal
185th and Burnside
Gresham, Oregon

Preliminary Feasibility Study



Sponsored by:
Multnomah County
City of Gresham
Tri-Met
September 2001



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EXECUTIVE SUMMARY

The Rockwood Commons Project is currently a vision, with the potential for becoming a significant project. The subject of this report is an early feasibility study that will determine whether moving toward pre-development is justified.

Rockwood Commons is envisioned to be a mixed-use project, developed on Tri-Met's Park and Ride lot in the Rockwood "Triangle" at 182nd and East Burnside in Gresham. The project's public partners are the City of Gresham, Tri-Met, Multnomah County, and Mount Hood Community College.

Gresham would bring the Gresham Police, who are interested in locating a small but complete precinct in the Rockwood Triangle. In addition, Gresham Parks and Recreation would like to have a multi-purpose recreation facility in the neighborhood, with a possible linkage to the Boys and Girls Club.

Tri-Met supports this mixed-use, transit-oriented project by providing the land. As part of a solution, though, parking spaces for Tri-Met's current users would need to be replaced.

Multnomah County would bring the Neighborhood Access Clinic, along with Wallace Medical Concern and, possibly, the School of Naturopathic Medicine.

Mount Hood Community College offers programs such as Head Start, English as a Second Language, Development Education and Job Skills Training that would be appropriate. Specific programs would be delineated in an Educational Needs Assessment to be completed in the next phase of this project.

Childcare is identified as an unmet need, and a model could be developed with the Community College and Morrison Center/Eastwind. Eldercare or Adult Daycare has also been identified as a critical need, and would be compatible with the Rockwood Commons project.

A Public Market is envisioned to provide entrepreneurial-minded neighborhood residents an opportunity and a space to develop small businesses, thereby supporting the vision of a neighborhood gathering space. The Public Market would focus on imported goods, food service, and locally produced products.

Senior Housing is a significant component of the project, using Congregate Care as a model.

The common thread throughout the Rockwood Commons project is building community. The activities that are taking place now should develop a mix of services, housing, and retail that would support this goal.

Currently, this is an unfunded project. The City of Gresham is the lead agency, and views Rockwood Commons in the context of the Rockwood Action Plan, as a catalyst for the

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formulation of an Urban Renewal District. An Urban Renewal Feasibility Study has already been initiated.

The urban planning process in Rockwood is similar to the City of Portland's Opportunity Gateway. Success for Rockwood needs the focused planning effort that PDC has applied in Gateway. Competition for services and partnerships are real as well, and Gateway is ahead of Rockwood by at least two years. Rockwood is not as well placed to transportation corridors as the more developed Gateway, nor does it have as strong a commercial base. However, Rockwood does exceed Gateway in need in almost every category, and it argues for the multi-agency effort required for the project to be successful.

A significant amount of work has been done on this project, initially with the Steffey Group and then with Victor Smeltz (originally from Oregon Housing and Community Services, and now as Development Director for the Housing Authority of Portland), with the support of Gresham's Community Planning Division, Multnomah County's Long Range Planning Section, and a diverse Steering Committee and Technical Advisory Committee. The project would be eligible for various development resources from the state of Oregon, and the public partners intend to aggressively look to the Federal system for additional dollars.

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BACKGROUND

Stakeholders

In September of 2000, the City of Gresham, Multnomah County, and Tri-Met came together to examine the feasibility of a high-quality, mixed-use development that would serve as a catalyst for revitalization of the Rockwood neighborhood of Gresham. The City of Gresham and Multnomah County jointly provided funding for this preliminary feasibility report. Tri-Met agreed to provide an underutilized Park and Ride station at 183rd and Burnside as the site for the development. A Project Steering Committee (SC) was formed, including representatives from the three partners, to oversee the effort. The SC typically held meetings monthly.

In addition, a Technical Advisory Committee (TAC) was formed to provide specific user and stakeholder feedback throughout the feasibility study process. Members of the TAC included representatives from the City of Gresham's Facilities, Parks and Recreation, Citizen Involvement, and Police Departments; Multnomah County's Facilities, Health Department, and Community and Family Services Department; Mount Hood Community College; Fred Meyer; and Human Solutions, a neighborhood non-profit developer. The TAC typically held meetings once monthly, in conjunction with the SC.

Throughout the study process, the SC and TAC provided valuable input and direction. A number of discussions focused on community needs for the Rockwood area. A vision statement was formulated to capture the spirit of the committees' intentions for the project. A building program was developed, and architectural concept drawings were prepared for additional feedback from, and refinement by, the committees. Preliminary development and financing pro-formas were also prepared. Community feedback was solicited from the community during a "Building Community" forum held in April 2001. In addition, a group of developer & brokers were invited to comment on the project's feasibility, and public finance representatives were invited to explore funding opportunities.

Rockwood Action Plan

This study was undertaken consistent with objectives stated in the Rockwood Action Plan (RAP.) The RAP serves as a blueprint for revitalizing the Rockwood district of Gresham, supporting its evolution toward a thriving, live-work community. The action plan builds on the Central Rockwood Land Use Plan, and was accepted by the Gresham City Council in December 1998. The scope of the RAP is broader than land use, since many of the issues facing Rockwood have to do with matters that touch the daily lives of those who live and work in the area. In creating the RAP, it was the task of the Rockwood Action Plan Task Force, working with the city's comprehensive planning staff, to gather input from those who live and work in Rockwood, and to use that input as the basis for a coherent program to respond to the issues that concern them most.

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Major recent accomplishments consistent with the RAP include:

- 1) Expanded home ownership opportunities for low- and moderate- income households.
- 2) Adoption of multi-family design standards.
- 3) The Mayor's Economic Development Forum, with involvement by business and community leaders.
- 4) Use of Community Development Block Grant funds to upgrade selected substandard neighborhood streets.
- 5) Securing federal funds to improve pedestrian safety and appearance of Stark Street in the Rockwood Town Center District.
- 6) Development of a new neighborhood-park.
- 7) The Police Latino Forum to engage the Latino community in crime prevention and community awareness
- 8) The Enhanced Safety Property Program for training apartment owners and managers in crime prevention.

In January 2001, the RAP Implementation Committee (RAPIC), charged with following the progress of the RAP, brought four specific issues to the attention of the Gresham City Council for action this year. A summary of these issues and the Council's directives follows:

- **Urban Renewal Feasibility Study:** The Council directed the Community Planning Division to work with the RAPIC and other stakeholders to develop a work scope and select a consultant to prepare a feasibility study. Based on the results of the study, the Council will then decide whether or not to proceed with creation of a complete Urban Renewal Plan and establishment of an Urban Renewal District. As of this date, the consultant has been selected, and the feasibility study will be completed by December 2001.
- **Property Maintenance Code:** This code is needed to respond to deteriorating housing conditions that are found in Rockwood, as well as elsewhere in the city. Council established a diverse citizen advisory committee to examine housing code options and make recommendations. If accepted by the Council, a citywide maintenance code would then be adopted.
- **Rockwood Housing Mix Plan:** Within the last decade almost all new housing development in the general Rockwood area has been apartments. In 1998, in response to citizen concerns, a previous Gresham City Council established a limit within the area on the construction of new multi-family rental housing. This was done to address the geographical imbalance of rental housing construction within the City. While "community-service" rental housing is exempt from the limit, it

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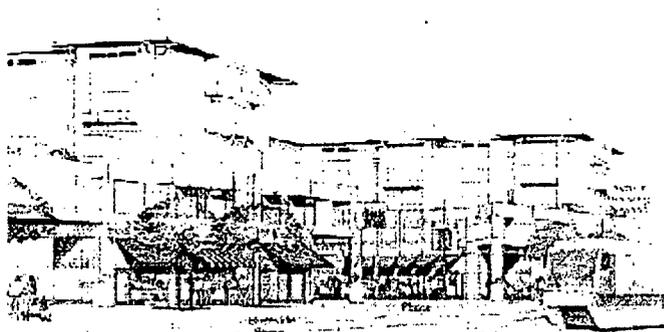
does prohibit potential mixed use or mixed-tenant developments that might include rentals.

Recently, the current City Council directed Gresham's staff to develop a "Rockwood Housing Mix Plan" which would replace the rental housing limitation. The objective of the Housing Mix Plan is to:

- ✓ Ensure the opportunity for development of a range of housing types in West Gresham to meet the diverse needs of Gresham's citizens. This would include mixed-use and mixed tenant rental housing.
- ✓ Encourage home-ownership, and
- ✓ Promote a more balanced distribution of needed multi-family housing in Gresham.

It is anticipated that the City Council will adopt the Housing Mix Plan to replace the rental housing limitation by early 2002.

- **Rockwood Commons:** Action Item 2-B under the Transportation, Traffic, and Parking section of the RAP calls for a feasibility study to consider the redevelopment of the Tri-Met park-and-ride lot on Burnside, east of 181st Avenue. The Council, in conjunction with Multnomah County, had previously authorized the study, which is the subject of this report.



View from Burnside looking Southwest

PROJECT SUMMARY

Vision and Goals

The Vision Statement for the project, as crafted by the Steering and Technical Advisory Committees, is as follows:

Rockwood Commons will create a high-quality community-gathering place that will recognize, serve and support the educational, recreational, commercial, residential, and health needs of the Rockwood neighborhood residents. It will bring together the diverse populations and generations that make up the neighborhood, and provide the tools necessary for the community residents to achieve their full potential. Rockwood Commons will be a safe and sustainable development that will promote the use of mass transit and provide a catalyst for future mixed-use development.

Goals for the project as expressed by the committees are:

- Provide a catalyst for redevelopment of the Rockwood neighborhood.
- Demonstrate efficient site utilization for quality higher density infill development.
- Create a place where people want to be, in order to foster community building.
- Provide opportunities for the development of additional neighborhood-based businesses.
- Add retail services that would benefit the neighborhood.
- Recognize and celebrate the diversity of the neighborhood residents.
- Connect the project, its people, and the neighborhood to transit – boost transit usage.
- Provide local access for Mount Hood Community College education programs for all ages.
- Provide a neighborhood health clinic.

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Key components of the program, as developed by the committees, are as follows:

Community Gathering Space

A public market area that will provide different-sized spaces for rent by independent vendors offering a variety of goods and services, including food. This is envisioned to be a neighborhood gathering place, open daily, that would appeal to the diversity of the community and generate a huge amount of foot traffic. It should be a combination of indoor-outdoor space, such as an outdoor piazza for entertainment and activities that would tie into an indoor multi-purpose space.

Outdoor Plaza	5000 SF
Indoor Vendors – 24 at 100 SF avg., plus circulation	4800 SF

Approximately 5000 square feet of flexible space will be provided as an opportunity to grow new businesses among entrepreneurial-minded neighborhood residents who simply need a space and some assistance to get started. Mount Hood Community College has small business representatives to coach people starting their businesses for the first time. There are also possible linkages with HUD, State Economic Development, and the Small Business Administration (SBA).

Special Retail	5000 SF
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Recreation

Gresham Parks and Recreation will occupy a large space, similar to a gymnasium or cafeteria, that will accommodate a variety of programs, such as an indoor play park, indoor sports (basketball, volleyball, gymnastics), dance classes, family nights, back to school fairs, craft sales. With the inclusion of a kitchen, it will be used for banquets and awards dinners as well. A greenhouse would be a good extension of the community gardens program as well as a botanical learning center for all ages. This should be a place where teens are encouraged to meet and hang out, without recreating the PAL Center model. There is a possible linkage with the Boys and Girls Club.

Parks and Recreation Multi-Purpose Space	5000 SF
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Education

Mount Hood Community College will prepare an educational needs assessment of the Rockwood area during the next development phase in order to finalize a specific program mix to be offered at Rockwood Commons. Potential programs include English as a Second Language (ESL), General Educational Development (GED), Development Education, Job Skills Training, Steps to Success and Head Start. Assume 15,000 SF for MHCC programs pending further needs assessment refinement.

Multnomah County Education Service District will occupy two classrooms, approximately 2000 square feet total, to serve pre-school and special education children in the east county area. There should also be approximately 1000 SF available to accommodate homework clubs and computer labs.

Morrison Center/Eastwind will offer a parent-child development program including mental health and outreach staff offices with access to a larger room for occasional group meetings. They will occupy approximately 2000 square feet.

Total Education Space **20,000 SF**

Public Safety

Gresham Police will occupy a full neighborhood precinct, including offices, interview rooms, holding cells and parking for up to 25 cars, 15 of which would be secured. Care must be taken that access to the prisoner processing room be located in a discreet area away from public view. The precinct would likely offer a community service component including code enforcement, nuisance response and mediation.

Gresham Police Precinct **5000 SF**

Daycare

Service providers and neighborhood residents report an additional need for childcare in the Rockwood area. Specific space needs will be refined upon the selection of a childcare provider. Assume 5000 SF.

Census information supports the need for adult daycare in east Multnomah County. This program will serve working families who are also caring for a senior family member, but who need assistance and oversight during the day. Potential providers are the Volunteers of America and Providence Eldercare. There is also the possibility of a partnership with Multnomah County Aging Services Division. Specific space needs will be refined as the program develops. Assume 5000 SF.

Total Daycare Space **10,000 SF**

Neighborhood Health Services

The Multnomah County Neighborhood Access Health Clinic will provide the services and create the partnerships to promote healthy people in healthy communities. In Rockwood it will facilitate access to health care services for uninsured and underinsured residents. The space will include a reception area, waiting room, exam rooms, offices, and a lab.

Clinic Total **5000 SF**

Senior Housing

The Rockwood Triangle is an excellent location for senior housing, where shopping, services and light rail are within a convenient walking distance. The early market demographic reports suggest a significant need for affordable senior housing in the area. Senior service providers have made a similar observation. The presence of senior housing in the project also offers the prospect of inter-generational activities, possibly in childcare or educational-based mentoring programs. The housing model is contemplated to include congregate care, where meals and housekeeping services are offered to the residents in addition to a rental apartment. Assume 80 units.

Congregate Care Apartments & Dining **68,300 SF**

Live/Work Housing

A small amount of program area should be allowed to test this concept in the Rockwood neighborhood. Approximately eight units will have ground floor space for a small business that could have a neighborhood or citywide market. Examples are small one-person professional offices such as for architects, attorneys, or accountants. Above the ground floor commercial space would be living and sleeping space for the individual practitioners. These work/dwelling units could be rented, or sold as condominiums.

Live/Work Housing **6750 SF**

TOTAL BUILDING AREA (NET) **128,900 SF**

(GROSS) **154,510 SF**

Structured Parking

Structured parking will need to be provided to serve the new commercial and residential areas. Parking for commercial areas has been allowed at the rate of 2.5 cars per 1000 SF of net area. Parking for congregate housing has been provided at a ratio of one car for each four dwelling units. There may also be some opportunities for shared parking, since commercial uses will be heaviest during the day, while residential uses will tend to be more intensive in the evening.

Structured Parking (170 Cars Total) **62,000 SF**

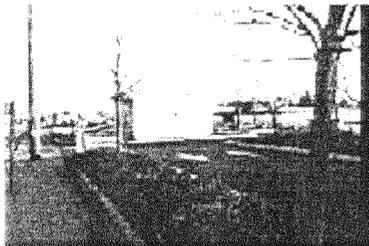
CONTEXT AND DEMOGRAPHICS



Aerial view looking west

Neighborhood Description

Rockwood Commons is located in the "Triangle" of the Rockwood neighborhood, which is bounded by Burnside on the north, Stark Street on the south, and 181st Avenue on the east. The Rockwood Triangle is the geographic center of the Rockwood neighborhood. The site is currently used as a Park and Ride parking lot serving the MAX light rail transit station at 181st Ave. and Burnside. The Rockwood/East 188th Ave. MAX station and Transit Center is nearby as well.



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Existing Park & Ride,
looking east along E. Burnside

Existing Park & Ride,
looking west along E. Burnside

The immediate area contains a variety of uses, including neighborhood commercial, as well as single and multi-family housing. Fred Meyer maintains a full supermarket and variety store less than two blocks east of the site. A number of restaurants are located along Burnside and Stark Street. Additional neighborhood commercial and retail are located along 181st Avenue in mini-shopping centers as well as stand-alone properties.



View along SE Pine Street, looking east



View along SE Stark, looking northeast at 188th

The area is well served by public transit. As mentioned above, MAX service is provided along East Burnside with a station at 181st and 188th. These stations are the most heavily used stations east of Gateway. In addition to the two stations in the area, five bus lines connect to both stations. Bus line #20 travels Burnside-Stark. Bus line #25 travels Glisan-



Rockwood. Bus line #27 travels Market-Main. Bus line #82 travels Eastman-182nd Ave. Also, Bus line #87S travels Airport Way-181st during rush hour.

Demographic Analysis

Gresham has grown significantly faster than the Multnomah County average over the past 20 years. The city population increased 106.8% from 1980 to 1990, and 32.2% from 1990 to 2000, as compared to the County as a whole, which increased 3.8% and 13.1% in each respective period. It is important to note that much of the population increase from 1980 to 1990 is due to the annexation of unincorporated County census tracts into the City of Gresham in the mid 1980's.

According to the 2000 Census, the Rockwood area (2000 census tracts 96.03, 96.04, portion of 96.05, 96.06, portion of 97.02, and 98.01) has seen the population grow from 19,976 in 1990 to 24,921 in 2000, a 24.8% increase. The total population growth in Rockwood is reflected in the increase of household size, meaning the average number of people living per dwelling unit, and a growing change in the cultural and racial diversity of the area.

The 2000 Census reports that the Hispanic or Latino population within Gresham's Rockwood census tracts grew from approximately 4% in 1990 to around 22% in 2000. Similarly, the Asian or Pacific Islander population within Rockwood grew from around 2% to 4% from 1990 to 2000, the Black or African American population edged up from approximately 2% to 3%, while the American Indian and Native Alaskan population decreased by about one-half percent representing roughly 1% of the Rockwood population in the same period. The Census Bureau does not track the population by origin of country, but according to local community groups, there is a notable presence of Eastern Europeans and Russians in the Gresham area.

The City of Gresham as a whole has also seen increases in racial and ethnic diversity. In 2000, it was estimated that Gresham had a population composed of approximately 12% Hispanic or Latino (all races), 4% Asian or Pacific Islander, 2% Black or African American, and 1% American Indian or Native Alaskan. These data begin to show the increasing cultural diversity in the city and specifically within the Rockwood community. According to the census numbers, the racial and ethnic populations in Rockwood grew at about the same rate as the city on the whole, with the exception of Hispanics or Latinos. This ethnic group grew significantly more rapidly in Rockwood than in the rest of Gresham and now represents a larger proportion within the neighborhood than in the city as a whole.

The average household and family size in Gresham have also increased over the past decade. In 1990, households in Gresham had an average of 2.62 people per dwelling, whereas in 2000 households had an average of 2.67 people per dwelling. By comparison, average household size for Hispanic or Latino households averaged 4.25 people per dwelling in 2000. Census tracts for Rockwood Hispanic or Latino households range between 2.95 and 4.96 people per dwelling. Additionally, family size in Gresham increased from 3.10 persons per family in 1990 to 3.17 per family in 2000. While the household and family sizes have not yet

been reported by census tract from the 2000 Census, it is estimated that Rockwood will largely reflect the size growth.

Tenure in the general Rockwood area (2000 census tracts 96.03, 96.04, 96.05¹, 96.06, 97.02, and 98.01) in 2000 was more or less divided evenly between owner-occupied housing and renter-occupied housing. The city as a whole had a slightly greater proportion of owner-occupied housing at 55% of total dwellings, down slightly from 58% in 1990. Moreover, the overall housing vacancy rate in the general Rockwood area at around 6% of total dwellings was slightly higher than that of the city as a whole with a rate of approximately 5.5%. The 2000 Census reports that the large majority of the vacant units in the general Rockwood area were rental units.

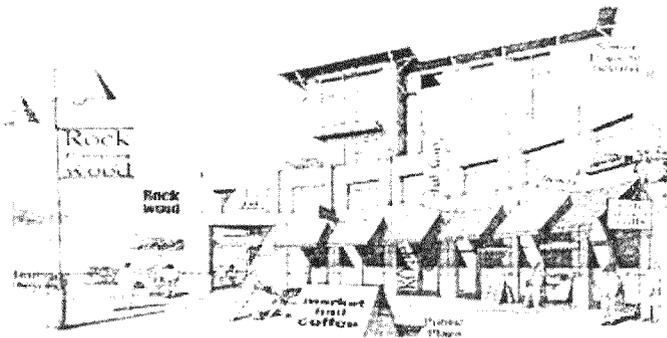
Detailed Census 2000 data are not yet available for income and poverty. However, 1999 census estimates indicate that there has been an income shift in Gresham. While the median household income for the city grew from \$35,810 in 1990 to approximately \$41,054 in 1999, the number of persons in poverty increased from 8.3% in 1990 to an estimated 14.2% in 1999. The data indicate that there is a polarization of economic status within the city. This information will be further studied upon release of the 2000 Census numbers.

¹Portions of census tracts 96.05 and 97.02 are within the Portland city limits. Tenure data are not yet available at the block level, which would enable analysis of only the Gresham portions of these tracts.

DEVELOPMENT CONCEPT

Using program information developed with the Steering and Advisory Committees, a development concept was prepared for the site consistent with City Planning and Development standards for the Rockwood neighborhood.

The design features a five-story structure facing Burnside consisting of commercial and community uses on the ground and second floors, with three floors of senior housing above. The building is built out to the property line along Burnside on the ground and second floors in order to establish the "street wall". A variety of small-scale neighborhood retail spaces can be located here, which should increase pedestrian activity along Burnside.



Sketch view looking east toward the 185th Street Station

In order to provide additional exterior-facing retail space, and to provide an outdoor gathering space, a circular plaza has been introduced midway along the Burnside street

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frontage. Tenant spaces facing the plaza connect to the Market Hall, which leads inside the building. In this way, the indoor/outdoor market concept is achieved. Once inside the building, the user also has access to Multnomah County's Educational Service District activities, Neighborhood Health Services, and childcare. Since the space is largely contained, a series of landscaped courtyards have been included to offer protected outdoor use/play space, while bringing additional daylight into the interior spaces.



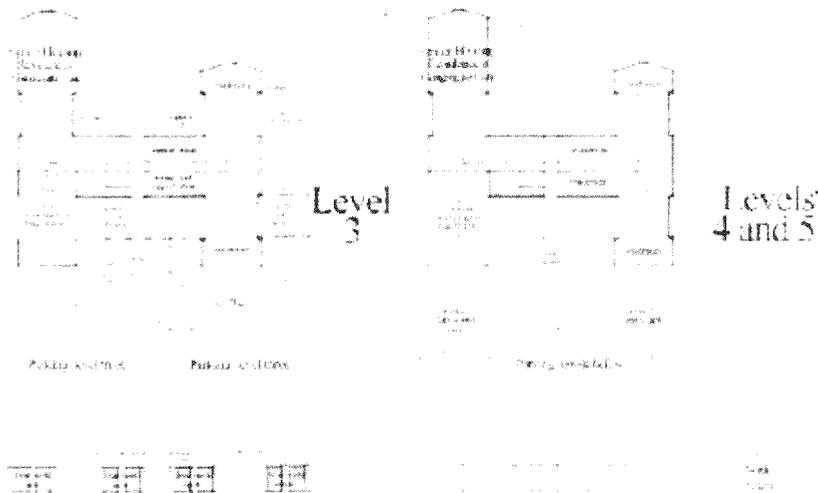
On the opposite side of the Public Market Hall is the Gresham Neighborhood Police Precinct. There is a small public access to the Precinct near the south end of the Market Hall for a distinct recognition of police presence. Police vehicular access is discreetly provided from SE Ash Street and a new proposed public street that would connect Burnside to SE Pine Street. In this way, the secured police vehicles and prisoner processing room can be located out of public view. Service and mechanical functions are also located on this side, with vehicular access from the new connecting street.

The various education programs to be offered by Mount Hood Community College are on the second floor facing Burnside. On the east side is the Adult Daycare Program with views to the landscaped court below, and the Morrison Center/Eastwind Parent-Child Development Program.

The main access corridors on the second floor are open to the Public Market and interior courts below. Gresham Parks and Recreation's "Recreation Hall" is located on the west side of the second floor. In addition to access from the main building interior, this space also has direct access from SE Ash Street below.



Elevators at the central point of the Public Market Hall provide public access to the second floor, and with the aid of a security key system, also afford private access to the senior housing on the third, fourth, and fifth floors. The third floor includes the main lobby, administration, dining rooms, and some private apartments. A south facing outdoor terrace is easily accessible from both the main lobby and the dining room.

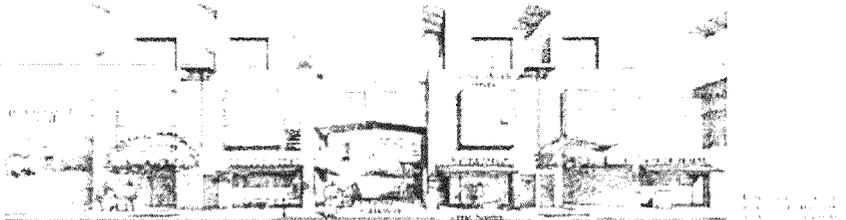


Private residences are located throughout the fourth and fifth floors, along with basic service spaces. The residential floors are configured in a modified 'H' shape, which integrates with



the structure below by framing the circular plaza facing Burnside, as well as the south-facing resident terrace on the third floor.

Three levels of structured parking to serve the new development are located toward the south of the site, with access from SE Pine Street. A pedestrian walkway provides access from SE Pine to the Public Market Hall and Burnside beyond, effectively creating a pedestrian spine throughout the entire building. As stated earlier, 150 parking spaces have been allowed for commercial uses, and 20 parking spaces have been provided for the senior housing. There may also be some opportunities for shared parking, since commercial activity will be heaviest during the day, while residential uses will tend to be more intensive in the evening.



Live/Work Units

Finally, a series of three story live/work units are located facing SE Pine Street. These units reach a different housing market and most likely appeal to small home-occupied businesses – either rented or sold to owner/occupants as condominiums. The units create a safer, more interesting street edge.

FINANCIAL DESCRIPTION

The attached preliminary Development Summary gives an overview of the basic financial assumptions one would consider in implementing this project concept. This form of analysis is useful in seeing which components of the project create greater proportional gaps in the overall project feasibility. A comparison of the market value of the development to the actual cost of the development provides a rough idea of how much subsidy would be needed to attract a private market-driven developer to take on a project of this scale and type.

Methodology

All of the program components described in this study have been listed, along with their respective net square footages. Interior connecting corridors, stairs, elevators and mechanical spaces can be accommodated by assuming an increase of 20% over the net figures. Overall project development costs for each of the spaces have been established and tabulated to come up with an idea of the total cost for the project. Spaces with more intensive and specialty capital needs, such as the police precinct and the health clinic, would have higher development costs. Conversely, the structured parking has the lowest development cost due to its limited technical and finish requirements.

The next step is to establish a market lease rate per square foot that each of these users would likely encounter in the Gresham market. The potential users have indicated they would be willing to pay anywhere from \$5 to \$24 per square foot per year. Most expressed a keen desire to find space below market lease rates. This analysis has attempted to use lease rate assumptions close to the market, but on a somewhat sliding scale based on the tenant's ability to pay. Note that the actual payment by the tenant is increased by some amount (\$3 per square foot here) to cover the tenant's pro-rata share of building expenses. With the above assumptions, annual income to the development can be projected. The market value of the development can then be determined by applying a capitalization rate to the total annual income.

Comparing the market value derived to the actual cost of the development provides a rough estimate of the subsidy required to attract a private, market-driven developer to take on a project of this scale and type.

This form of analysis is useful in determining which components of the project create greater proportional gaps in the overall project feasibility, meaning, the difference between project costs and project income. For example, it can quickly be seen that the structured parking creates the greatest gap between capital investment and revenue, since it would likely generate no rental income in the Rockwood market. It can also be seen that small changes in the lease rate assumptions can have dramatic results in either increasing or decreasing the gap or surplus created by any of the program elements.

9/25/2001
ROCKWOOD COMMONS DEVELOPMENT SUMMARY

ITEM	HSF	GSF	FSP	COST	MIHI RATE	ANNUAL	CAP RATE	VALUATION	(GAP), SURPLUS
Site Acquisition	07,630	07,600	\$0	\$0	\$0	\$0	0	\$0	\$0
Public Street	4,270	5,700	\$115	\$653,400	\$15	\$72,000	0.11	\$654,515	(\$1,055)
Public Street Retention	5,000	6,000	\$115	\$690,000	\$15	\$75,000	0.11	\$691,518	(\$3,182)
Education	20,000	24,000	\$115	\$2760,000	\$12	\$340,000	0.11	\$2,781,618	(\$570,822)
Police Precinct	5,000	6,000	\$125	\$750,000	\$15	\$75,000	0.11	\$761,818	(\$68,782)
Daycare	10,000	12,000	\$115	\$1,380,000	\$12	\$150,000	0.11	\$1,396,579	(\$16,991)
Neighborhood Health Clinic	5,000	6,000	\$125	\$750,000	\$15	\$75,000	0.11	\$761,818	(\$68,782)
Urinals Retail	5,000	6,000	\$115	\$690,000	\$15	\$75,000	0.11	\$691,518	(\$1,055)
Congregate housing (80 units)	65,330	62,000	\$115	\$9,580,000	\$12	\$819,936	0.10	\$9,799,960	(\$1,200,040)
Live/Work Housing	6,750	6,750	\$165	\$1,123,750	\$12	\$81,950	0.09	\$900,000	\$151,250
Structure Parking (170 spaces)	6,750	62,000	1:5	\$2,730,000	\$0	\$0	0.00	\$0	(\$2,730,000)
Subtotal Building Area		216,516						\$15,527,231	\$15,016,064
Total Development Cost				\$20,861,150					
Total Valuation									
Total Gap									

PUBLIC OUTREACH AND FEEDBACK

Three separate forums were held through the course of this project in order to provide public awareness and to solicit specific feedback. In March 2001, a group of developers and commercial brokers were invited to comment on the project and its feasibility. In April, a

September 2001
 Page 21



public forum was held to introduce the project concept to the community. In June, a group of public finance officials was assembled to brainstorm funding opportunities for development of the project. Following is a summary of comments and insights gleaned from these sessions.

Developer/Broker Forum

Participants in this session were introduced to the development concept and asked the following questions:

- What mixed-use development models have you seen to be most successful?
- What is your experience working in collaboration with public agencies? How can the process be improved?
- What are the major risks in mixed-use development and how can they be mitigated?
- What are your perceptions of the Rockwood area? What trends do you see?
- What combination of uses would seem to be most appropriate for the market?
- What incentives would be necessary for you to consider developing in Rockwood?

The Hazelwood, a congregate senior housing development located at 122nd and NE Glisan, was generally viewed as a good model of mixed-use development. Located between a Target and Safeway store, as well as a variety of smaller scale retail shops, it affords direct access to shopping that appeals to the senior residents. The apartments were leased rather quickly, and most of the residents came from the immediate neighborhood. This housing concept is the model for Rockwood Commons.

It was felt that the Rockwood neighborhood needs to build commercial mass before a major residential project would have the same appeal. Fred Meyer is the only visible retail presence in the "Triangle" area. The neighborhood needs more basic retail, such as services (laundry, shoe repair, daycare), clothing, sundries, etc. There was some concern expressed that all the effort and capital invested in the Gresham Civic Neighborhood project would divert retail life from the Rockwood neighborhood.

As to working in collaboration with public agencies, it was agreed that it takes a very patient person to be able to work with multiple funding sources, and the individual requirements each program may have. Often the regulations from one funding program can conflict with another. It was felt that consensus is needed among the various public funders. Agency representatives are prone to changing their positions after the developer has made significant progress using previous assumptions. Ideally, there would be one point person who could represent and coordinate with all the public agencies involved.

As to the risks involved in mixed-use development, it was agreed that commercial development is more volatile in a down market. Residential development tends to be more stable. On the positive side, commercial tenants tend to be less emotional than residential tenants. Commercial tenants look at their space from a business perspective, while residential tenants are personally invested in their space as their "home." Rockwood's

September 2001
Page 22



commercial market is difficult for pedestrian-friendly uses because the major arterials generally appear to be highways.

Lack of sufficient parking is a potential problem with mixed- use developments, even adjacent to light rail. Often there is conflict between residential and commercial users. This problem should not be as significant with senior residents, since few own cars, particularly where they have access to mass transit.

The Rockwood neighborhood was generally perceived to be static, with no trends of any kind occurring. If anything, the area seems to be in a holding pattern. A new development that could generate enough commercial mass was thought to be a good way to begin to revitalize the neighborhood.

Uses appropriate for the market were difficult to propose, given the area's perceived static nature. One participant mentioned that there is no real Class A office space in the neighborhood, and no owner/developers would be willing to pioneer it. There may be some demand; however, it is difficult to know without actually testing it in the marketplace. County and city offices were viewed as a good fit for this area.

Everyone wants to see a grocery store on the corner, but often the immediate population base will not support it. Parking is a huge issue for grocery stores, where five or six parking spaces per 1000 SF of floor area are typically required. Plus, the Fred Meyer store in the Rockwood Triangle would make it difficult for a new entrant.

Although margins are too low for a for-profit daycare, a training program could be established for area residents who would like to provide daycare. Consider a Model Daycare Training Facility. Perhaps Multnomah Education Services District could help set it up. Kindercare could offer training, but does not do it.

As to incentives needed to attract developers to Rockwood, the answer was "patient money." That is to say, public dollars without major strings that could afford to be invested without an immediate need for re-payment. Securing private capital for mixed-use developments is very difficult, given the relative newness of the concept. As with the office space example, you need to build it before they will come. A subsidy of patient dollars that would mitigate the risk would likely attract a private developer to pioneer the project.

Other incentives listed were tax abatement, and having anchor tenants committed before closing project financing. An example is the Bookmark project in Hollywood, where Multnomah County Library committed to be a major ground floor tenant of a 47- unit apartment building. Everyone agreed that urban renewal is essential, and that it is a very good idea to drive the formulation of the district with a catalyst project like Rockwood Commons.

Public Forum

September 2001
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A "Building Community" open house was held on the evening of April 19, 2001 at the Rockwood United Methodist Church. Here the Rockwood Commons project was displayed, along with other area initiatives including the Stark Street "Safe Streets" project, the Neighborhood Health Access Clinic, and the proposal of implementing an Urban Renewal Plan in Rockwood. Congressman Earl Blumenauer, Gresham Mayor Charles Becker and Multnomah County Commissioner Lonnie Roberts attended and spoke to indicate their support. Translators were available to make comments understood to Spanish- and Russian - speaking area residents.

The intent of the forum was to provide information and invite residents to participate in building community in the Rockwood neighborhood. Attendees were invited to vote with adhesive dots on a chart listing various needs and development objectives in Rockwood. By far the most votes received were for the creation of an Urban Renewal District for the revitalization of the neighborhood. Other initiatives that received significant support were the Stark Street Boulevard and Rockwood Commons.

Funder Forum

A roundtable discussion was held on June 8, 2001. The meeting was attended by finance representatives from the City of Gresham, Multnomah County, Commissioner Lonnie Roberts' office, Tri-Met, Oregon Economic Development Department (OEDD) and Oregon Housing and Community Services Department (OHCS). There was general discussion about urban renewal as an effective funding tool, especially for the funding of the parking structure, which would generate no offsetting revenue. The city of Gresham will be embarking on an Urban Renewal feasibility study to be complete by the end of this year. The city expressed its desire that this project to proceed in coordination with an Urban Renewal Plan. Commissioner Roberts' representative also expressed a desire for the project to move forward as quickly as possible.

OHCS suggested bringing the project before the Community Solutions Team (CST). Established by Governor Kitzhaber in 1997, the CST is made up of representatives of OHCS, OEDD, Oregon Department of Transportation, Oregon Department of Environmental Quality, and the Oregon Department of Land Conservation and Development. It was conceived to bring the five agencies together to solve community problems involving a multiplicity of agencies and disciplines. Often the team members can suggest alternate funding programs that may fit the project, or assist with facilitating regulatory approvals needed for the project to proceed.

OHCS advised the group of the availability of the Community Incentive Fund, a statewide subsidy program to assist with the development of local mixed-use, transit-supported developments. Five million dollars was allocated and awarded in the spring of 2001. There may be an additional \$18 million available in 2002 and 2003. While the Incentive Fund is part of the state's 2001-2003 biennial budget, a lawsuit challenging the constitutionality of lottery bonds has placed a hold on awarding these funds until at least the Spring of 2002. Rockwood Commons would likely be a good candidate for this fund.

For the financing of the housing, OHCS offers a low- interest permanent loan program for senior housing. For the housing units that are targeted as affordable, or below 60% of median family income, housing tax credits are available, which can provide additional equity to offset the cost of development.

Multnomah County inquired whether the Housing Authority of Portland (HAP) would be interested in acting as the master developer of a project like Rockwood Commons. HAP's Affordable Housing Development Group has an established history of successfully financing and completing large-scale, neighborhood-based, transit-supported, mixed-use developments.

OEDD described its Community Facilities Loan Program. For city facilities like parks and recreation areas, the state issues tax-exempt bonds to provide low interest financing. The bonds are guaranteed by a general obligation of the credit of the city. The state pays for the costs of bond issuance, and the loan to the city is amortized over a 20 to 25 year period.

Multnomah County mentioned its Strategic Investment Program (SIP), which could be considered for Rockwood Commons. It provides subsidies of up to \$125,000 per year for selected projects. The total SIP fund is \$650,000.

Tri-Met described the regionally-allocated Congestion Mitigation Air Quality (CMAQ) Program, which provides Federal grants for infrastructure improvements as part of transit related developments. Metro's Transit-Oriented Development program is another possible source of assistance. According to OEDD, some infrastructure costs may also be offset by an award of Community Development Block Grants. While OEDD administers this program for smaller communities throughout the state, the city of Gresham receives its own Federal allocation of CDBG funds.

KEY DEVELOPMENT ISSUES TO BE RESOLVED

Tri-Met Parking

The Rockwood Commons development concept on this site assumes that existing Tri-Met parking spaces that are used by its customers will be replaced or relocated to another site.

Currently, the site is underutilized as a Park and Ride lot. Although there are 247 parking spaces, on average the lot is only 50-55% full. As part of the Rockwood Commons project, Tri-Met would require replacement parking spaces for those spaces currently used – preferably spaces closer to the station.

Because the land was purchased with federal funds for the Banfield light rail project, Rockwood Commons could be developed as a Joint Development project, as described in the FTA 'Appendix B' & the March 14, 1997 Federal Register.

Alternatively, the land could be conveyed to the City of Gresham if there is some public benefit to be derived. One precedent was an earlier transfer of rail line right of way property (between Division and Powell) from Tri-Met to the City.

Another recent precedent was the transaction at the Gateway Transit Center at NE 99th and Pacific Street. Tri-Met is selling a one acre site with 140 parking spaces to the Portland Development Commission in order to enable the construction of a mixed-use project. With the sale proceeds, Tri-Met is developing an equivalent number of spaces on another site it owns at NE 122nd and Burnside.

Finally, city code allows very limited new surface parking for Max Park and Rides. The public partners will need to work on a solution to this concurrent with the next phase of project development for the Commons. A component of the pre-development phase should be a parking replacement study that would identify alternate sites for Tri-Met parking.

Structured Parking Funding

As can be quickly seen upon reviewing the financial analysis, the most difficult component of the project to finance is the parking structure, since there is no income to be derived from it. Comparing land costs in the Rockwood area ranging from \$10 to \$15 per square foot, and structured parking costs of \$45 per square foot, it is actually more financially feasible to purchase a larger site and provide on-grade parking. However, this approach would fail to achieve the higher efficiency site utilization of the concept presented. As this is to be a catalyst project, it is important to present a concrete example of the vision of what the community can become. Effective land utilization generally creates more active, pedestrian friendly, and successful neighborhoods.

Two potential funding sources were identified for the structured parking. One is tax increment funding that would be generated from the formation of an Urban Renewal District.

September 2001

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As mentioned earlier, the city of Gresham has begun the process by initiating a contract for an Urban Renewal Feasibility Plan, which should be complete by the end of 2001. This is a medium term effort overall, though. Assuming a district is established in 2002/2003, it will take at least another year or two to begin to generate tax increment funding to be invested in re-development efforts.

The other potential funding source, as described earlier, is the Community Incentive Fund, which is administered by Oregon Housing and Community Services (OHCS). This fund is designed to facilitate mixed-use, transit supported, central city and neighborhood re-developments. Additional funding may be available in December 2001.

Unique Retail Corporation

The Steering Committee feels that in order for this concept to work, some form of oversight board will need to be established. The management of small-scale vendors is much more labor intensive than general commercial/retail leasing. Often, tenant cooperation is essential to create an overall market feel that will be distinctly appealing to the public.

The form of the oversight board would likely be a non-profit corporation. The board will be responsible for locating and maintaining the right tenant mix to keep the Market Hall well occupied, vital and attractive. It will also provide technical assistance to the small businesses just starting, in order to position them for maximum opportunity. Examples of oversight boards already in existence are the Beaverton Farmers Market, the Portland Saturday Market, and the Pike Market in Seattle.

A possible funding source for this corporation could be the "New Markets Tax Credit." Part of the Community Renewal Tax Relief Act of 2000, this tax incentive is designed to encourage new investment in businesses, economic development and community facilities in low-income neighborhoods. The Treasury Department will allocate tax credits to qualified "Community Development Entities" (CDE), who will sell the credits to private investors who can claim the credits. The CDE will use the credit proceeds to provide financial assistance (loans, grants, services) to active low-income community businesses in low-income communities. Detailed federal regulations are currently being finalized. This program should be investigated in greater detail during the subsequent pre-development phase.

Ownership Options

A variety of ownership scenarios were discussed by the Steering Committee, including:

- 1) public ownership with public and private tenants.
- 2) public ownership of the ground and second floors, with private senior housing ownership through a "condominium with air rights" agreement.
- 3) public land ownership, leased to private owners of all the improvements.
- 4) all private ownership, with public and private tenants.

September 2001

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The recommended scenario is number 3 above. The land would remain in the control of a public entity, such as the City of Gresham or Multnomah County. This would more easily satisfy Tri-Met's need to demonstrate a compelling public benefit to transferring the land. Due to likely funding agreements, the parking structure would also be owned and controlled by public agency. The public agency could enter into a long-term land lease (99 years) with a private developer, who would develop and own all of the other improvements. The private owner would, in turn, enter into long-term tenant space leases with the city of Gresham and Multnomah County for their respective uses. The private owner/developer would also manage leases with the private tenants. Ideally, the developer would also own the senior housing, which would be rented to individuals. If the live/work housing is deemed to be more marketable as for-sale housing, it could be easily partitioned from the rest of the development for fee simple ownership.

Other Neighborhood Development Initiatives

Hacienda Community Development Corporation (CDC) is pursuing the re-development of a parcel directly to the south of the Rockwood Commons site. According to Hacienda, they have entered into a purchase agreement for a partially occupied 11,000 SF building at 18449 SE Stark. They plan to provide office space for Multnomah County's Aging and Disabilities Services Division to serve the Rockwood community. On the adjacent vacant property, they are planning to develop 32 units of senior housing beginning in 2002, using housing tax credit financing. The Rockwood Commons Steering Committee will remain in communication with Hacienda as both projects proceed.

PROJECT FEASIBILITY CONCLUSIONS/RECOMMENDATIONS

Small Retail Viability

Viability of small retail tenants in this location is one of the central concerns of the feasibility of the project. Retail needs a certain critical mass in order to attract enough pedestrian or destination traffic to be successful. This is precisely why most shopping malls are developed with "anchor" tenants, between which are located a variety of smaller tenants. The only major commercial "attractor" in Rockwood today is the Fred Meyer marketplace, two blocks to the east of the subject site. It is doubtful that the activity generated there would be enough to support the small retail spaces offered at Rockwood Commons.

The Public Market Hall was conceived as a generator of destination foot traffic on its own. If properly organized and marketed, it could be viewed as a special shopping experience that would entice neighborhood and city shoppers to make the trip to this location. The presence of major city and county functions such as Parks and Recreation, Health Access Clinic, and Mount Hood Community College education programs should generate additional retail traffic.

Any opportunity to site a major retail tenant, or a major public service, would greatly enhance viability of the small retail spaces. Examples are a major bookstore, restaurant, toy store, or even a public facility such as a library.

Commercial Income Assumptions

The development cost and income assumptions delineated on page 21 indicate a gap of just over \$5 million needed to make this \$20 million project feasible. This scenario has attempted to make a prudent estimate of achievable rents for Class A commercial space in the Rockwood neighborhood. This is somewhat complicated by the fact that there are really no comparables in the existing market for such a product. Most existing space is of an older vintage. The pro-forma rents have been tempered, knowing that most of the tenants would have a difficult time paying full market rents.

It is important to note that small adjustments, either up or down, in the lease rates will make significant differences in the resultant values required. For example, lease rates averaging \$16 per square foot would virtually eliminate the commercial financing gap, except the portion caused by the parking structure. Conversely, average rates at \$10 per square foot would increase the total gap by at least \$1.5 million. Actual leasing rates and project costs should be carefully studied in the pre-development phase of this project.

Senior Housing Market

A preliminary view of the demographics indicates there would be a good demand for senior housing at this location. According to updated 1990 census data projected by "The Right Site" for ZIP Code areas 97230 and 97233, over 20% of neighborhood households are headed by an individual over the age of 55. (By comparison, in 2000, approximately 17% of Gresham's overall population is over the age of 55.) Of these age-qualified neighborhood households, approximately 37% have annual incomes below \$25,000. This suggests a project profile that would serve seniors at a mix of area median family incomes (MFI), such as from 50% MFI to 100% MFI. For example, the current 2001 60% MFI annual income levels for Multnomah County are \$23,460 for a one-person household and \$26,820 for a two-person household. Tax-exempt bond financing for senior housing offered by Oregon Housing and Community Services is targeted to serving seniors at these income levels.

Prior to finalization of the housing development program, a complete market study will need to be prepared by a qualified consultant, as described in the following section entitled "Implementation Strategy."

Urban Renewal

As stated earlier, urban renewal will be a critical component to financing projects such as Rockwood Commons. The city of Gresham will complete an Urban Renewal Feasibility Study by the end of 2001. If approved by Council and the voters in 2002, the city will then begin the process of forming a District Plan for the Rockwood neighborhood. Once the boundaries are established, baseline property tax revenue is set at the current amount. Then, as assessments rise in the future, any revenue amounts above the baseline are dedicated to finance improvements to the district that would generate additional private investment. Urban Renewal Districts typically have a life of 15 years.

Urban Renewal funds would be most helpful in financing the parking structure as part of Rockwood Commons. There is a strong feeling among the public partners that, if possible, this project should proceed in advance of urban renewal, if alternate funding can be secured.

IMPLEMENTATION STRATEGY

Pre-Development Phase

If the parties agree to proceed to the next phase, approximately \$50,000 should be set aside to engage a consultant team to perform the following work:

- Refine retail program through market research.
- Perform Educational Needs Assessment for Mount Hood Community College.
- Solicit interest of prospective retail tenants.
- Delineate establishment of Public Market Corporation.
- Perform market study for senior/congregate housing.
- Determine replacement plan for Tri-Met parking.
- Review environmental conditions of site.
- Refine architectural concept.
- Develop complete financial pro- forma, including development cost, operating income/expenses and financing methods.
- Make application for initial funding commitments.
- Prepare Request for Proposal to solicit developer.

Initial Funding Commitments

The ability of the city and county to attract a private developer to implement the project will be greatly enhanced if some funding commitments can be made and attached to the request for proposals. Any committed source that offsets development cost or mitigates market risk of a pioneering project like this should be considered. Capital grant commitments, such as the State Incentive Fund, or local Community Development Block Grants could offset the cost of the parking structure. Pre- leases, or commitments from the agency tenants to lease major portions of the commercial space would greatly increase the developer's ability to arrange private financing.

Request for Proposals (RFP)

When the pre-development phase is complete, the city, county and Tri-Met should solicit proposals to select a qualified developer to complete the project. Development criteria and initial funding arrangements should be clearly delineated in the RFP. The parties should assemble a review team, establish ranking criteria, and make the selection of a project developer. A complete RFP should contain the following information:

- Name, address and form of organization.
- Resume of the organization's principals.
- A statement of relative experience.
- A listing of successfully completed mixed-use projects.
- Identification of development team members and their relative expertise.
- A current financial statement.

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Proposals should be evaluated according to criteria such as:

- Proven ability of the development team to successfully develop high quality mixed-use projects in urban settings.
- Experience in developing housing projects serving populations as described in the final program.
- Ability to secure the necessary construction and permanent financing for the project.
- Expertise of the development team in real estate development management, design, engineering and property management of similar projects.

Once selected, the city or county should enter into a development agreement with the developer. This document would specify all the business and legal points involved in completing the project. The development agreement should describe the responsibilities of the parties, including performance expectations, timing, financial commitments, completion requirements, and remedies for non-performance.

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MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 11.04.04

SUBJECT: _____

AGENDA NUMBER OR TOPIC: E. Co. Justice Facility

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Dina D'Nucci

ADDRESS: 17934 SE Clay

CITY/STATE/ZIP: Portland, OR 97233

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

7

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 11-9-04

SUBJECT: _____

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Kathie Mindes

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: Resolution - East Co Justice Facility
re: selling properties

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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The Oregonian
10-28-04

Mayor's plan tackles array of social ills in Old Town

The city will experiment with a trio of programs aimed at the crime, substance abuse and homelessness plaguing the area

By **AMY HSUAN**
THE OREGONIAN

Mayor Vera Katz says she will give the green light to three pilot projects aimed at combating drug dealing, homelessness and substance abuse in Portland's urban core.

The projects will make the neighborhood the testing ground for a nontraditional approach that extends beyond the police. The initiative includes a police street beat and extensive outreach to mentally ill and homeless people.

The mayor's proposal attempts to close a revolving door of drug-related crime in Old Town Chinatown by tackling social problems that tie up police resources.

Several initiatives are under way, and Katz says they all will be in place by January and will run for a year. If they are successful, Katz would like to see them extended citywide.

The criminal justice system has broken down with the county's inability to pay for the operation of jail beds, Katz said this week. "That's not the way to run a criminal justice system. You have to be blind not to see it."

The pilot projects will use a three-pronged approach, creating:

◆ A Neighborhood Livability Crime En-

Please see **OLD TOWN FIX**, Page D3



KATZ

Programs will expand if successful

Old Town fix: Police intend to start walking beats in area

Continued from Page D1

forcement program that will put officers on walking beats and launch missions against common social crimes such as drug dealing and property theft. A database will be used to track repeat offenders and, with cooperation from the district attorney's office and sheriff's department, keep them from being released early.

◆ An Access pilot project, an intensive street-intervention program to help those who suffer from chronic mental health issues or substance abuse. The program will be run by Samantha Kennedy, a retired psychologist who formerly was a crime prevention coordinator for the Portland Business Alliance. Kennedy, known in the Old Town Chinatown neighborhood for her success in helping drug addicts, will be the police and neighborhood's liaison to various social service agencies.

◆ A First Response program, which will coordinate the services of multiple agencies to find long-term housing for the chronically homeless and establish a primary contact point for reporting homeless individuals and camps. It will set aside about \$20,000 for rent assistance and move-in deposits for people to move off the streets and will contract the services of JOIN, a Southeast Portland nonprofit that finds housing for the homeless.

The projects are aimed at the problems that use most of the resources reserved for crime enforcement and social services, said Charlie Makinney, the mayor's liaison to the Police Bureau.

"The whole concept is that it's not just a police problem," Makinney said. "The criminal justice system now is not equipped to deal with social problems like drug abuse and homelessness."

The city is naving for the proi-

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
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MEETING DATE: 11.04.04

SUBJECT: Surplus Property Proceeds
for East County Justice Center

AGENDA NUMBER OR TOPIC: _____

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Paul Thalhofer

ADDRESS: _____

CITY/STATE/ZIP: Troutdale

PHONE: DAYS: 503-665-5175 EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
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#9

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 11-4-04

SUBJECT: Rockwood

AGENDA NUMBER OR TOPIC: Justice Center

FOR: AGAINST: THE ABOVE AGENDA ITEM

NAME: MARK Joseph - LYDIA S.

ADDRESS: 18330 E. Burnsidge

CITY/STATE/ZIP: Seaside OR 97233

PHONE: DAYS: 666-2516 EVES: 618-9790

EMAIL: _____ FAX: 661-1101

SPECIFIC ISSUE: We need Justice Center In Rockwood.

WRITTEN TESTIMONY: We need to clean up the crime in Rockwood.

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 11/4/04

SUBJECT: Rockwood

AGENDA NUMBER OR TOPIC: Rockwood Courthouse

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Trena Ostrom

ADDRESS: 2603 NE Roberts

CITY/STATE/ZIP: Gresham, OR 97030

PHONE: _____ DAYS: 503 661 360 EVES: 503 666 8684

EMAIL: ttrgrl@hotmail.com FAX: _____

SPECIFIC ISSUE: Would like courthouse in Rockwood.

WRITTEN TESTIMONY: I would like to see the courthouse
to go into fred meyer Building.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
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MEETING DATE: 11/4/04

SUBJECT: Rockwood

AGENDA NUMBER OR TOPIC: Rockwood Courthouse

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Joe Panza

ADDRESS: 17937 SE Stark St

CITY/STATE/ZIP: Portland OR 97233

PHONE: DAYS: 503 10668684 EVES: 503 6586243

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: Rockwood Courthouse

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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#12

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
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MEETING DATE: 11/4/04

SUBJECT: ROCKWOOD

AGENDA NUMBER OR TOPIC: _____

FOR: AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: MARK ELLINGSON

ADDRESS: 305 NB 181st AVE

CITY/STATE/ZIP: PONTIAC OR 97230

PHONE: DAYS: 503 492-2092 EVES: 503-667-1986

EMAIL: mark.ellingson@ostank.com FAX: 503 665-3001

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#13

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 11-4-04

SUBJECT: JUSTICE CENTER

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: ROBERT PUNG

ADDRESS: 727 NE 8TH ST

CITY/STATE/ZIP: Mesham Oregon

PHONE: DAYS: 503-421-9600

EVES: _____

EMAIL: _____

FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-159

Directing Funds from the Sale of the Hansen Building and Multnomah County Correctional Facility (MCCF) to Help Fund a Possible New East County Justice Facility

The Multnomah County Board of Commissioners Finds:

- a. Oregon Revised Statute 1.185 requires counties in which a circuit court is located to provide "suitable and sufficient courtrooms, office and jury rooms."
- b. Oregon Revised Statute 3.014(2) further requires Multnomah County to "provide facilities in the City of Gresham for a court judge to hold court . . .".
- c. The 2002 Multnomah County Courthouse Renovation Study by HOK Consulting and the 2003 Courthouse Recommendation by the Courthouse Blue Ribbon Steering Committee found the existing courthouse to be past its functional lifespan and insufficient to accommodate the County's court system. The groups recommend additional court facilities in East County as a key part to solving the County's inadequate courtroom facilities and overall public safety building dilemma.
- d. Resolution 04-028 created a work group chaired by Commissioner Lonnie Roberts. The work group is currently working toward completion of a detailed preliminary planning proposal which will contain project scope, site proposals, construction estimates, partnership potentials, and other pertinent details. The proposal will be presented to the Board no later than March 2005.
- e. The work group is also charged with creating a viable financing strategy for land acquisition, facility construction, and related costs.
- f. Resolution 02-032 directed Facilities and Property Management to work with the Chair's Office and the Multnomah County Sheriff's Office (MCSO) to:
 - 1) Develop a replacement strategy for the Hansen Building;
 - 2) Bring the strategy to the Board for approval; and
 - 3) Proceed with a phased sale and/or lease of the Hansen Building once suitable alternative Multnomah County Sheriff's Office facilities are identified and made ready.
- g. Since the passage of Resolution 02-032 suitable alternative MCSO facilities have not been identified nor made ready.
- h. It is in the interest of both the County and Sheriff's Office to explore the cost saving potential and the desirability of moving the Sheriff's enforcement operations now located at the Hansen Building into a new East County justice facility.
- i. The Multnomah County Correctional Facility (MCCF) is a County-owned property located in Troutdale that currently houses MCSO work crews that were formerly located at the Multnomah County Inverness Jail (MCIJ).

- j. There is sufficient bed capacity in the Multnomah County Jail System to house work crews from MCCF. Therefore, MCCF and other undeveloped Edgefield property should be considered for surplus disposition.

The Multnomah County Board of Commissioners Resolves:

1. It is the intent of the Board that funds from the sale of the Hansen Building be earmarked for use toward a new East County Justice Facility. Should MCCF and other Edgefield properties be declared surplus, it is the intent of the Board that the funds from the sale of those properties also be earmarked for use toward a new East County Justice Facility.
2. Following presentation and adoption of Commissioner Roberts' work group proposal, it is the intent of the Board that construction of an East County Justice Facility will be in full compliance with Administrative Procedure FAC-1.
3. If construction of the East County Justice Facility does not occur, the revenue from the Hansen Building sale shall be earmarked to create permanent facilities for MCSO law enforcement. As required by Administrative Procedure FIN-15, any alternative use of the proceeds must be authorized by the Board of County Commissioners.
4. Commissioner Lonnie Roberts shall present this Resolution to the work group so that these resources are considered as they finalize their preliminary planning proposal which will be brought back to the Board in compliance with Administrative Procedure FAC-1.

ADOPTED this day 4th of November, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Assistant County Attorney



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Form Instructions

- For **HELP** on some of the form fields Press the **F1** key.
- Tab from each field for efficiency and to allow automatic formatting.
- To enable Spell Check go to View/Toolbars and select "Spell-Check". A button will appear titled "Spell Check the Form". This will spell check the APR. *Note: Macros must be enabled.*

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-4 DATE 11-04-04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only	
Meeting Date:	<u>11/04/04</u>
Agenda Item #:	<u>R-4</u>
Est. Start Time:	<u>10:30 AM</u>
Date Submitted:	<u>09/23/04</u>

BUDGET MODIFICATION: OSCP - 01

Agenda Title: Budget Modification OSCP_1 Restoring 1.5 FTE in County Business Services to Provide Support to the Office of School and Community Partnerships and to the Commission on Children, Families, & Community (Continued from October 7, 2004)

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

Date Requested:	<u>November 4, 2004</u>	Time Requested:	<u>5 minutes</u>
Department:	<u>OSCP and CBS</u>	Division:	<u></u>
Contact(s):	<u>Kathy Tinkle (OSCP) Dan Kaplan (CBS)</u>		
Phone:	<u>988-3691</u>	Ext.:	<u>26858</u>
Presenter(s):	<u>Kathy Tinkle and Dan Kaplan</u>		

General Information

1. What action are you requesting from the Board?

The Office of School and Community Partnerships requests the approval of Budget Modification OSCP_1. This budget modification restores 1.5 FTE in County Business Services to provide fiscal and technical support to the Office of Schools and Community Partnerships and to the Commission on Children, Families, & Community.

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

In December 2003, fiscal positions from line departments, including OSCP, were transferred to County Business Services. In June 2004, the Executive Committee re-examined the implementation plan for the finance operations functions within Business Services and decided that the grant accounting function, originally planned for transfer to the Finance Operations group, should in fact remain in the line departments.

The Executive Committee also decided not to move forward with the establishment of three Finance Operations service centers. In the Finance Operations budget proposal, the service centers were envisioned as a tool for combining the workloads of multiple departments, and accomplishing those workloads with fewer FTE. Without the services centers, it was not possible to generate the full savings.

This decision was made too late in the FY05 budget approval process to be incorporated in the Adopted Budget.

One and a half of the Finance Operations FTEs that were eliminated in the budget making process were positions transferred in from OSCP. This budget modification re-establishes a 1.0 FTE Fiscal Specialist 2 to handle the grant accounting workload for OSCP and MCCF. In addition, it re-establishes a 0.50 FTE Office Assistant Senior, who will provide critical technical fiscal support for the Office of School and Community Partnerships in the area of timekeeping. This function is one that was also decided should stay within program departments.

For FY2005, the positions will remain in the County Business Services budget, but will work at OSCP. For FY 06, these positions will appear in the OSCP budget.

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

In the current fiscal year, the cost of these positions is estimated to be \$67,904. They will be funded with \$35,000 from the budget of the MCCF that was earmarked for grants management support and by savings generated by holding open another position in CBS.

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

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- What revenue is being changed and why?
There are no revenue changes. In Fiscal Year 05 the cost of these positions is estimated to be \$67,904. They will be funded with \$35,000 from the MCCF budget that was earmarked for grants management support and by saving generated by holding open another position in CBS.
- What budgets are increased/decreased?
The dollars in the FY05 CBS budget are not changed. However, money will shift between two cost centers within the Business Services Fund.
- What do the changes accomplish?
A 1.0 FTE Finance Specialist 2 position will be restored to provide grant accounting support to the Office of School and Community Partnerships and to the Commission on Children, Families and Community. A 0.5 FTE Senior Office Assistant will be restored to provide timekeeping and other technical fiscal support not provided by CBS for the Office of School and Community Partnerships.
- Do any personnel actions result from this budget modification? Explain.
This budget modification requests to restore a 1.0 FTE Finance Specialist 2 position and .5 FTE Office Assistant Senior.
- How will the county indirect, central finance and human resources and departmental overhead costs be covered?
These costs will be covered from the \$35,000 from MCCF and the salary savings in CBS.
- Is the revenue one-time-only in nature?
No.
- If a grant, what period does the grant cover?
n/a
- If a grant, when the grant expires, what are funding plans?
n/a

Contingency Request

If the request is a Contingency Request, please answer all of the following in detail:

- 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?

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

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- 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, central finance and human resources and departmental overhead costs be covered?

ATTACHMENT B

BUDGET MODIFICATION: OSCP - 01

Required Signatures

**Department/
Agency Director:**

Salvatore J. Bevilacqua

Date: 09/22/04

David B. Kap...

09/23/04

Budget Analyst:

Michael D. Gaspin

Date:

09/23/04

Department HR:

Richard J. St...

Date:

09/23/04

Countywide HR:

Date:

Budget Modification or Amendment ID: OSCP_01

EXPENDITURES & REVENUES

Budget/Fiscal Year: 05

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	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Cost Center	WBS Element						
1	71-10	3506	20		711503		60000	127,602	171,024	43,422		Base for 1.5 FTE for 9 months
2	71-10	3506	20		711503		60130	36,663	49,177	12,514		
3	71-10	3506	20		711503		60140	30,774	42,742	11,968		
4	71-00	3506	20		710003		60000	758,310	690,406	(67,904)		Vacancy in SAP salary savings
5	71-20	3500	20		705210		50316		(11,968)	(11,968)		
6	71-20	3500	20		705210		60330		11,968	11,968		
7									0			
8									0			
9									0			
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24									0			
25									0			
26									0			
27									0			
28									0			
29									0			
										0	0	Total - Page 1
										0	0	GRAND TOTAL

Using existing funds in DCBS to restore 1.5 FTE to provide fiscal support to the Office of School and Community Partnerships and the Commission.

BOGSTAD Deborah L

From: TINKLE Kathy M
Sent: Thursday, September 23, 2004 2:59 PM
To: #AGENDA REVIEW TEAM
Cc: BOGSTAD Deborah L; KAPLAN Daniel; JASPIN Michael D
Subject: FW: Bud Mod
Importance: High

With this email I am requesting that the attached budget modification be scheduled for the October 7th BCC agenda, which would be an exception to the agenda process timeline. The reason for this request is to assist in expediting the hiring process to fill these critical positions, which provide grants management for OSCP and CCFC and other technical fiscal support to OSCP. The decision to keep these functions in the line departments was made too late in the FY05 budget process to allow the OSCP and CBS budgets to be adjusted prior to adoption.

Both OSCP and CBS will present the bud mod request to the BCC when it is scheduled. Please see the attached APR for details or give either Dan Kaplan or myself a call should you have questions.

Thank you for your consideration of this request.

Kathy Tinkle
Operations Manager
Office of School and Community Partnerships
Ext. 26858

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

From: BOGSTAD Deborah L
Sent: Thursday, September 23, 2004 1:58 PM
To: JASPIN Michael D; TINKLE Kathy M
Subject: RE: Bud Mod
Importance: High

Kathy – here is the APR with the scanned signatures. Mike and Kathy, I have a feeling the Commissioners are going to want to have this on the regular agenda, not the consent calendar in order to have staff explanation and Board questions/discussion . . . at any rate, here is the info on what you have to do to get an expedited Board meeting date:

6. **Requests for exceptions to the agenda submission process and timeline, including emergency requests, must be made by sending a complete agenda packet via email directly to the Agenda Review Team and to the Board Clerk (#Agenda Review Team in the Global Directory). The reason for the exception request must be thoroughly detailed in Item #1 on the Agenda Placement Form (What action are you requesting from the Board? What is the department/agency recommendation?) Only the Agenda Review Team can grant exceptions to the agenda submission process.**
 - a. Exceptions could include:
 - ❖ Notice of Intents (NOIS)
 - ❖ Intergovernmental Agreements
 - ❖ Leases
 - ❖ Comp Plan and Zoning Code Amendments

10/27/2004

❖ Land Use Matters Involving Legislative Action

Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
(503) 988-3277 phone
(503) 988-3013 fax
deborah.l.bogstad@co.multnomah.or.us
<http://www.co.multnomah.or.us/cc/index.shtml>

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

From: JASPIN Michael D
Sent: Thursday, September 23, 2004 12:53 PM
To: BOGSTAD Deborah L; TINKLE Kathy M
Cc: KAPLAN Daniel; NEBURKA Julie Z; HAY Ching L
Subject: FW: Bud Mod
Importance: High

Attached is budget modification OSCP 01 for the consent agenda. Signed copies are on their way.
Thanks. -mdj

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

From: TINKLE Kathy M
Sent: Wednesday, September 22, 2004 12:46 PM
To: JASPIN Michael D
Cc: McGILLIVARY Heather C; KAPLAN Daniel
Subject: FW: Bud Mod
Importance: High

Mike, attached is the electronic copy of this bud mod. I've printed off a copy so that we can sign and then get it to Dan for the CBS signature. I'll have Heather bring the hard copy to the Multnomah Building this afternoon. Please let me know when this gets sent to the agenda review team so that we can schedule our time to brief board staff (so that we follow the new process). Thanks. KT

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-5

Est. Start Time: 10:35 AM

Date Submitted: 10/11/04

Requested Date: November 4, 2004

Time Requested: 5 minutes

Department: DBCS

Division: Land Use & Transportation Program

Contact/s: Mike Phillips, P.E., Interim County Engineer

Phone: 503-988-5050

Ext.: 29628

I/O Address: 455/2nd Floor

Presenters: Mike Phillips, P.E., Interim County Engineer

Agenda Title: RESOLUTION Establishing NE Wood Village Boulevard as County Road No. 5020

**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?

Enact Resolution to Establish NE Wood Village Blvd. as County Road No. 5020. The Interim County Engineer recommends that the Board establish NE Wood Village Blvd. as a county road.

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

Multnomah County supervised the construction of NE Wood Village Blvd. in 2001. The Resolution to Establish NE Wood Village Blvd. as a County Road fulfills the County's requirements in accordance with ORS 368.106.

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

As a county road, NE Wood Village Blvd. is eligible for Gas Tax revenue expenditures for ongoing maintenance and repair.

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.**
ORS 368.106 requires that the County enact an Order or Resolution to Establish a road as a County Road. This Resolution satisfies this requirement.
- 5. Explain any citizen and/or other government participation that has or will take place.**
None.

Required Signatures:

Department/Agency Director: _____



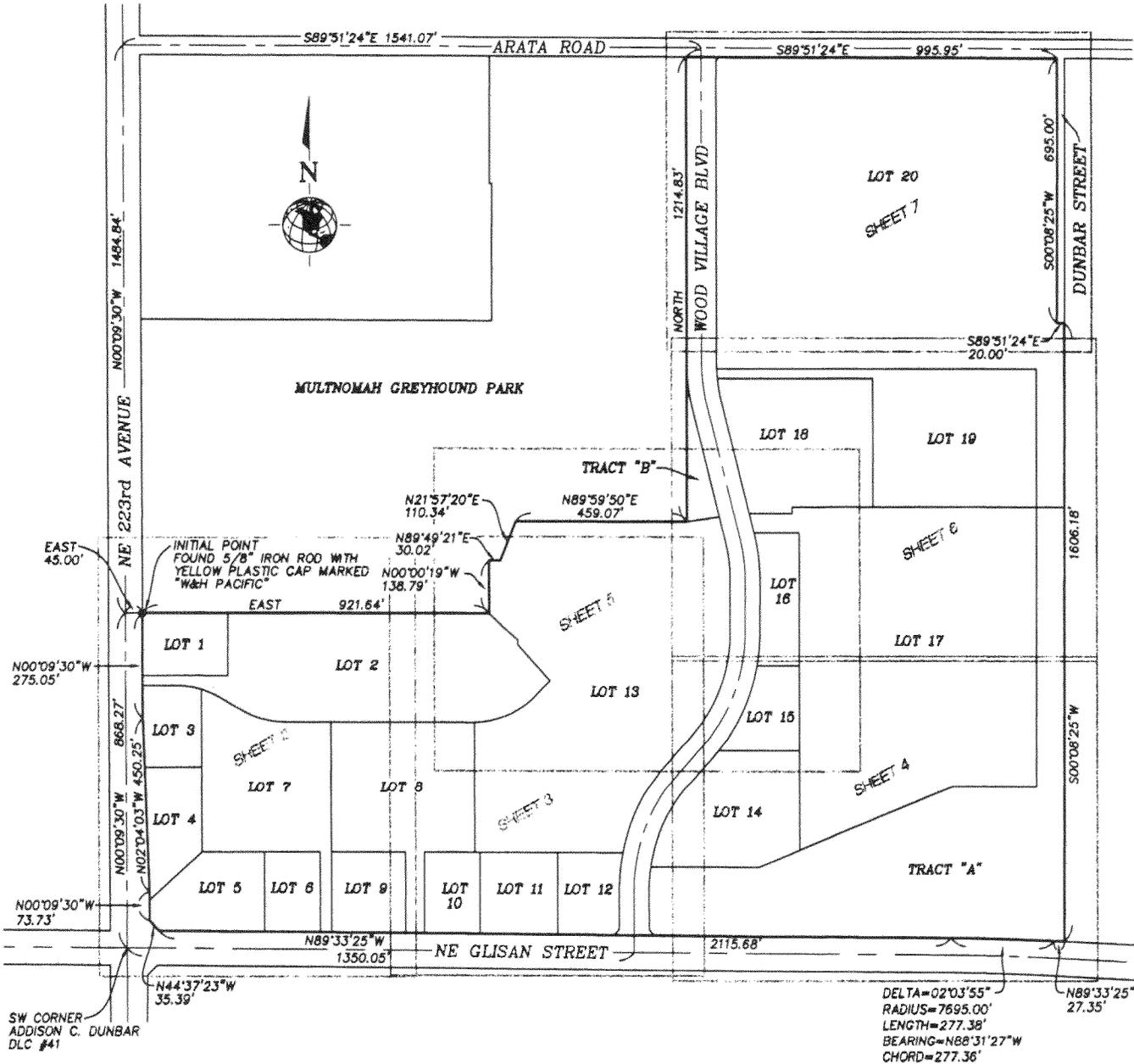
Date: 10/08/04

WOOD VILLAGE TOWN CENTER

LOCATED IN THE N.W., AND N.E. QUARTERS OF SECTION 34
 AND THE S.W., AND S.E. QUARTERS OF SECTION 27
 IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
 IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
 SCALE: 1" = 200' NOVEMBER 30, 1999

OWNER: MULTNOMAH KENNEL CLUB INC.
 73-405 EL PASEO, SUITE 320
 PALM DESERT, CA 92260

THIS SURVEY PREPARED AT THE REQUEST OF
 R.D. HUBBARD ENTERPRISES
 73-405 EL PASEO, SUITE 320
 PALM DESERT, CA 92260



NARRATIVE:

THE PURPOSE OF THIS SURVEY IS TO SUBDIVIDE THE SUBJECT TRACT INTO LOTS AS SHOWN AND TO DEDICATE NECESSARY STREET RIGHT OF WAY AND EASEMENTS.

THE BOUNDARY LINES SHOWN AND THE BASIS OF BEARINGS FOR THIS SURVEY ARE THAT BOUNDARY RESOLVED IN S.N. 55,945.

NOTES:

1. THERE IS A 1 FOOT WIDE NON-ACCESS RESERVE STRIP ALONG THE PUBLIC STREET SIDE OF LOTS 1, 3, 4, 5, 6, 8, 9, 10, 11 AND 12. THESE LOTS SHALL BE EXCLUDED FROM DIRECT VEHICULAR ACCESS TO NE 223RD AVENUE AND NE GLISAN STREET.

2. THE LOTS IN THIS SUBDIVISION ARE SUBJECT TO A DECLARATION OF RESTRICTIONS RECORDED AS DOCUMENT NO. _____

3. THIS SUBDIVISION IS SUBJECT TO THE CONDITIONS OF APPROVAL AS NOTED IN A CITY OF WOOD VILLAGE DOCUMENT ENTITLED "NOTICE OF PLANNING COMMISSION DECISION" DATED OCTOBER 28, 1999 IN THE MATTER OF: TENTATIVE SUBDIVISION APPLICATION, NE 223rd & GLISAN STREET.

SHEET INDEX

SHEET	INDEX MAP, AND NOTES
SHEET 1	INDEX MAP, AND NOTES
SHEET 2	LOTS 1, 3-7, LOT 9 AND THE WESTERLY PORTIONS OF LOTS 2 AND 8
SHEET 3	EASTERLY PORTION LOT 2 & 8, LOTS 10-12, SOUTHERLY PORTION LOT 13 & WESTERLY PORTION OF TRACT "A" AND LOT 14 AND SOUTHERLY PORTION WOOD VILLAGE BOULEVARD
SHEET 4	EASTERLY PORTION OF LOT 14, SOUTHERLY PORTION OF LOT 17, AND EASTERLY PORTION OF TRACT "A"
SHEET 5	NORTHERLY PORTION OF LOT 13, LOT 15, 16, CENTER PORTION OF WOOD VILLAGE BOULEVARD
SHEET 6	NORTHERLY PORTION TRACT "A" & LOT 17, LOT 18 & 19, TRACT "B", SOUTHERLY PORTION OF LOT 20, AND WOOD VILLAGE BOULEVARD
SHEET 7	NORTHERLY PORTION OF LOT 20 AND NORTHERLY PORTION OF WOOD VILLAGE BOULEVARD
SHEET 8	ACKNOWLEDGMENTS, APPROVAL, DECLARATION, INTERIOR CORNER MONUMENTATION, AND SURVEYOR'S CERTIFICATE

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

 OREGON
 JULY 26, 1988
 WILLIAM L. FARRIER
 2717
 EXPIRES 12-31-99

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

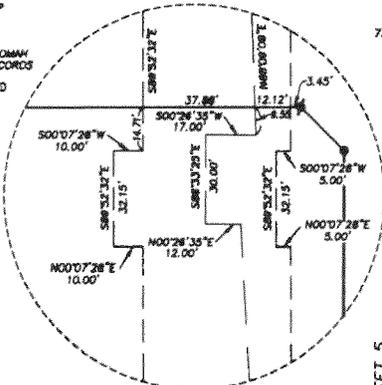
WOOD VILLAGE TOWN CENTER

LOCATED IN THE N.W., AND N.E. QUARTERS OF SECTION 34
AND THE S.W., AND S.E. QUARTERS OF SECTION 27
IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
NOVEMBER 30, 1999

SCALE: 1" = 80'

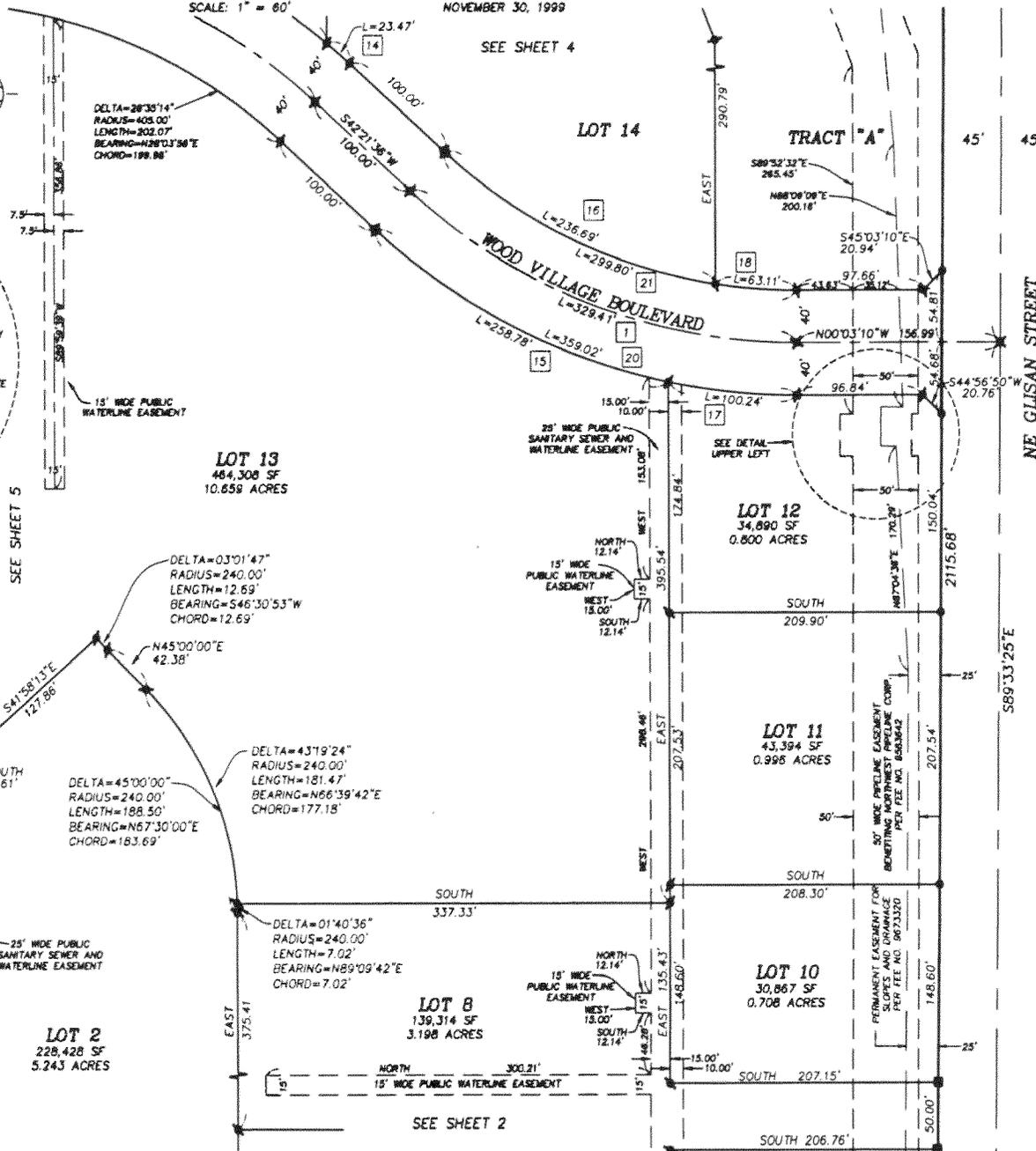
LEGEND

- FOUND 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC", SET IN SH 55848 UNLESS OTHERWISE NOTED.
- SET 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC" SET ON NOVEMBER 30, 1999.
- # 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC", TO BE SET DURING INTERIOR MONUMENTATION. SET ON 11-01-01.
- ✕ 5/8" X 30" IRON ROD WITH A 1-1/2" ALLIUMUM CAP MARKED "WHPACIFIC", TO BE SET DURING INTERIOR MONUMENTATION. SET ON 11-01-01.
- YPC IR FOUND SQUARE FEET SURVEY NO. MULTNOMAH COUNTY SURVEY RECORDS
- 1" BRASS DISK MARKED "WHPACIFIC" SET DURING REMAINING MONUMENTATION ON APRIL 11, 2001



EASEMENT DETAIL 1"=30'

CURVE	DELTA	RADIUS	LENGTH	CHORD	BEARING
1	42°24'46"	445.00'	329.41'	321.94'	S21°09'13"W
14	02°46'22"	485.00'	23.47'	23.47'	N40°38'25"E
15	30°34'17"	485.00'	258.78'	255.72'	S27°04'28"W
16	33°29'03"	405.00'	236.69'	233.33'	S25°37'05"W
17	11°50'29"	485.00'	100.24'	100.06'	S05°52'05"W
18	08°55'43"	405.00'	83.11'	83.05'	S04°24'42"W
20	42°24'46"	485.00'	359.02'	350.88'	S21°09'13"W
21	42°24'46"	405.00'	299.80'	293.00'	S21°09'13"W

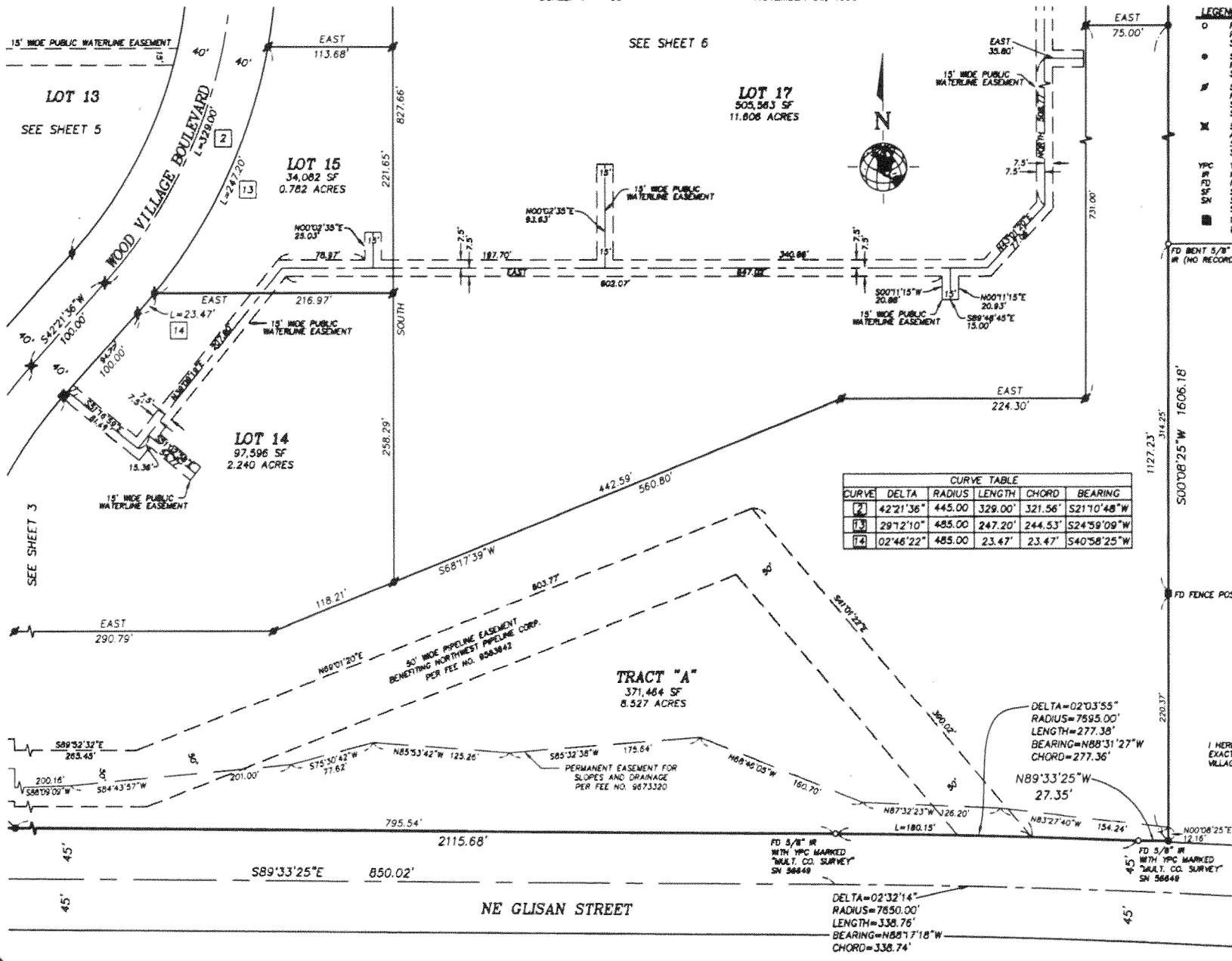


REGISTERED PROFESSIONAL LAND SURVEYOR
William J. Farrier
OREGON
JULY 25, 1988
WILLIAM J. FARRIER
2717

EXPIRES 12-31-99
I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

WOOD VILLAGE TOWN CENTER

LOCATED IN THE N.W., AND N.E. QUARTERS OF SECTION 34
 AND THE S.W., AND S.E. QUARTERS OF SECTION 27
 IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
 IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
 SCALE: 1" = 80'
 NOVEMBER 30, 1999



CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	BEARING
2	42°21'36"	445.00	329.00'	321.56'	S21°10'48"W
13	29°12'10"	485.00	247.20'	244.53'	S24°59'09"W
14	02°46'22"	485.00	23.47'	23.47'	S40°58'25"W

- LEGEND**
- FOUND 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC". SET IN SN 55845 UNLESS OTHERWISE NOTED.
 - SET 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC" SET ON NOVEMBER 30, 1999.
 - # 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC" TO BE SET DURING INTERIOR MONUMENTATION. SET ON 11-11-01.
 - ⊠ 5/8" X 30" IRON ROD WITH A 1-1/2" ALUMINUM CAP MARKED "WHPACIFIC" TO BE SET DURING INTERIOR MONUMENTATION. SET ON 11-11-01.
 - YPC YELLOW PLASTIC CAP
 - IR IRON ROD
 - FD FOUND
 - SF SQUARE FEET
 - SN SURVEY NO., MULTNOMAH COUNTY SURVEY RECORDS
 - ⊠ IRON DISK MARKED "WHPACIFIC" SET DURING REMAINING MONUMENTATION ON APRIL 11, 2001

REGISTERED PROFESSIONAL LAND SURVEYOR

William J. Farrier

OREGON
 JULY 20, 1988
 WILLIAM J. FARRIER
 2717

EXPIRES 12-31-99

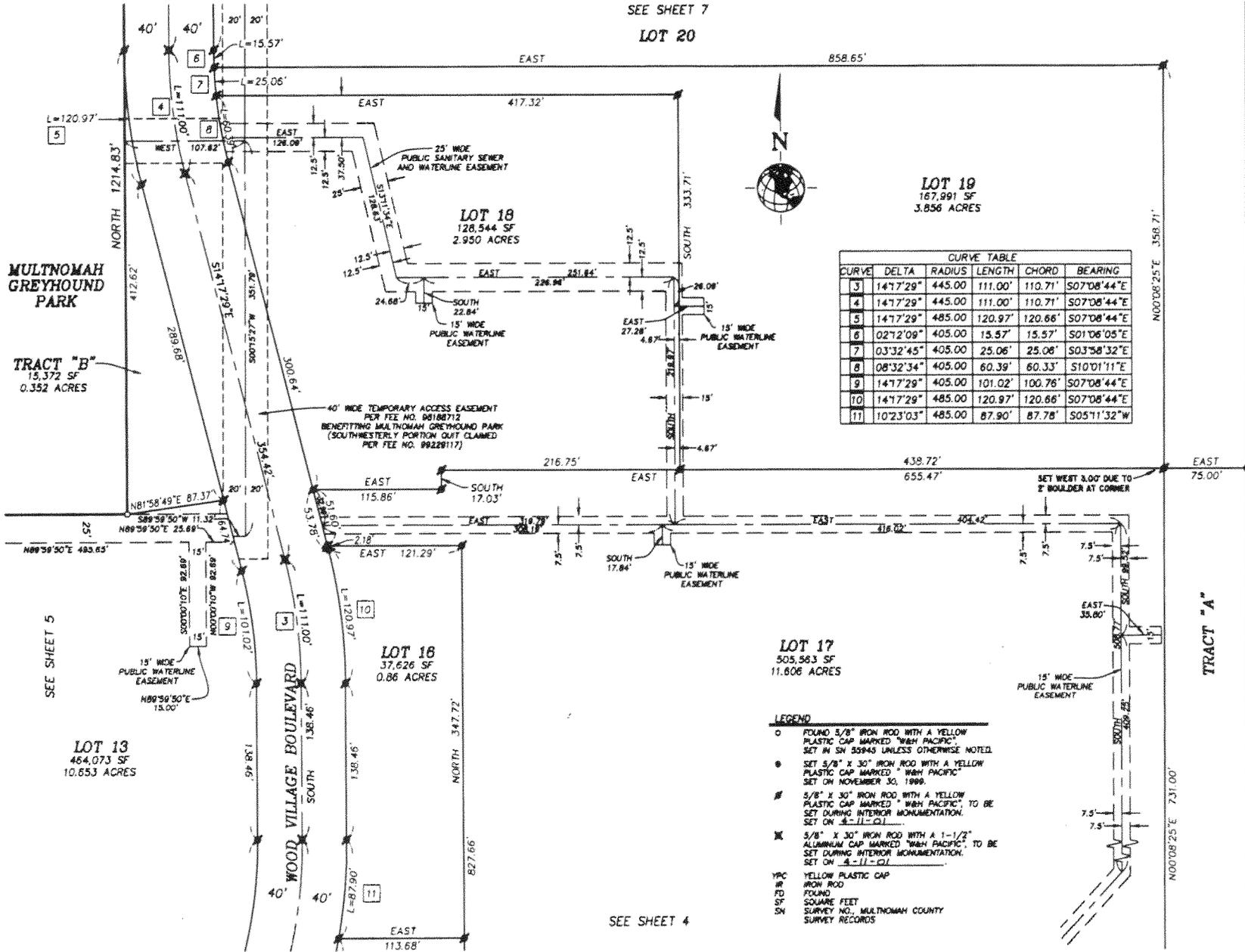
I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

WOOD VILLAGE TOWN CENTER

LOCATED IN THE N.W. AND N.E. QUARTERS OF SECTION 34
 AND THE S.W. AND S.E. QUARTERS OF SECTION 27
 IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
 IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
 SCALE: 1" = 80'
 NOVEMBER 30, 1999

SEE SHEET 7

LOT 20



CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	BEARING
3	147°29'	445.00	111.00'	110.71'	S07°08'44"E
4	147°29'	445.00	111.00'	110.71'	S07°08'44"E
5	147°29'	485.00	120.97'	120.66'	S07°08'44"E
6	02°12'09"	405.00	15.57'	15.57'	S01°06'05"E
7	03°32'45"	405.00	25.06'	25.06'	S03°58'32"E
8	08°32'34"	405.00	60.39'	60.33'	S10°01'11"E
9	147°29'	405.00	101.02'	100.76'	S07°08'44"E
10	147°29'	485.00	120.97'	120.66'	S07°08'44"E
11	10°23'03"	485.00	87.90'	87.76'	S05°11'32"W

LOT 17
 505,563 SF
 11.606 ACRES

LEGEND

- FOUND 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WH PACIFIC", SET IN SN 35943 UNLESS OTHERWISE NOTED.
- SET 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WH PACIFIC" SET ON NOVEMBER 30, 1999.
- # 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WH PACIFIC", TO BE SET DURING INTERIOR MONUMENTATION, SET ON 4-11-01.
- ⊕ 5/8" X 30" IRON ROD WITH A 1-1/2" ALUMINUM CAP MARKED "WH PACIFIC", TO BE SET DURING INTERIOR MONUMENTATION, SET ON 4-11-01.
- YPC YELLOW PLASTIC CAP
- IR IRON ROD
- FD FOUND
- SF SQUARE FEET
- SN SURVEY NO., MULTNOMAH COUNTY SURVEY RECORDS

SEE SHEET 4

TRACT "A"

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

William J. Farris
 OREGON
 JULY 25, 1988
 WILLIAM J. FARRIS
 2717

EXPIRES 12-31-99

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

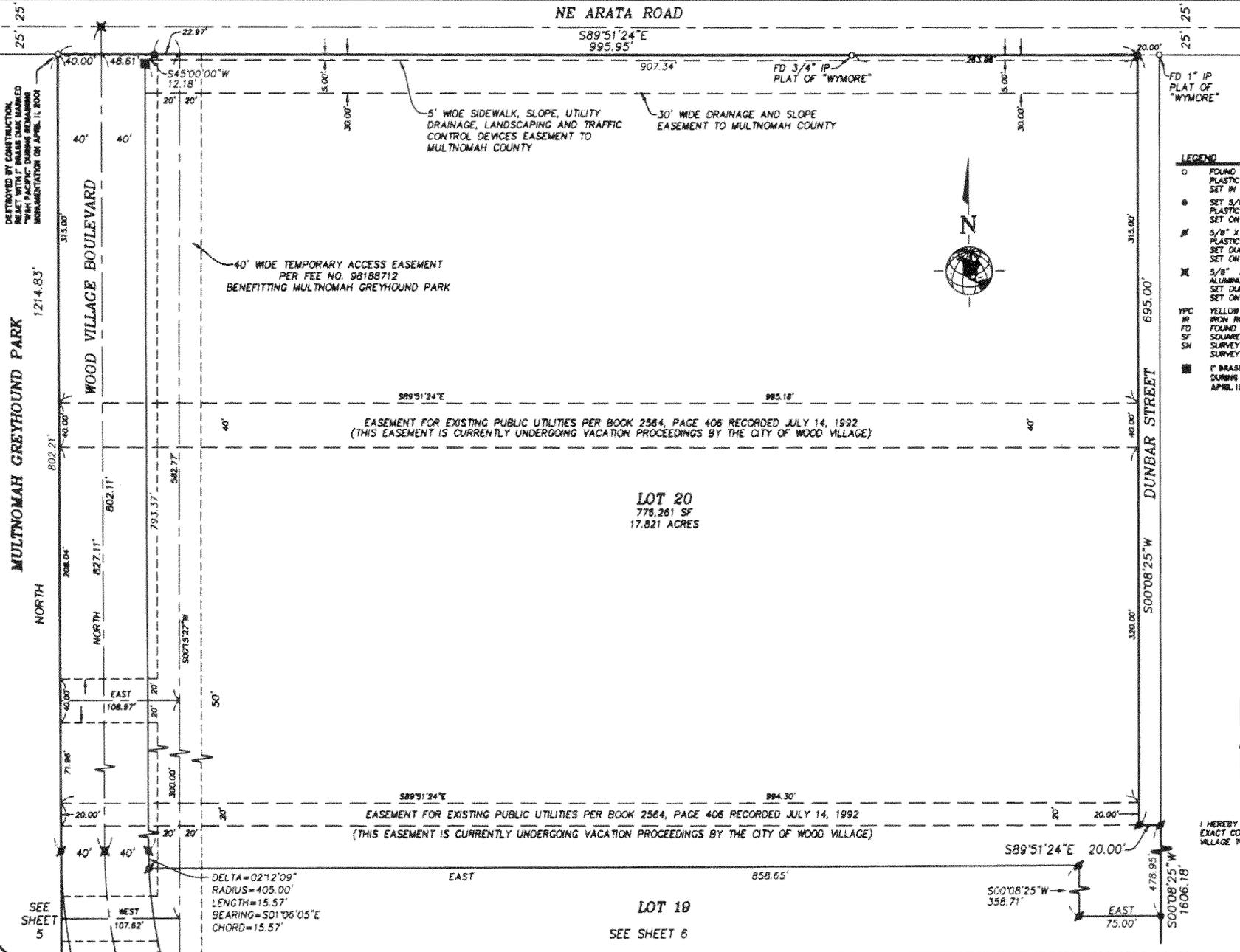
SHEET 6 OF 8

JOB 04.3388.0002
 SWVTP108.DWG

WOOD VILLAGE TOWN CENTER

LOCATED IN THE N.W., AND N.E. QUARTERS OF SECTION 34
 AND THE S.W., AND S.E. QUARTERS OF SECTION 27
 IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
 IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
 SCALE: 1" = 60'
 NOVEMBER 30, 1999

NE ARATA ROAD



- LEGEND**
- FOUND 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC", SET IN SW 58845 UNLESS OTHERWISE NOTED.
 - SET 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC", SET ON NOVEMBER 30, 1998.
 - # 5/8" X 30" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC", TO BE SET DURING INTERIOR MONUMENTATION, SET ON 11-30-99.
 - ✕ 5/8" X 30" IRON ROD WITH A 1-1/2" ALUMINUM CAP MARKED "WHPACIFIC", TO BE SET DURING INTERIOR MONUMENTATION, SET ON 11-30-99.
 - YPC YELLOW PLASTIC CAP
 - IR IRON ROD
 - FD FOUND
 - SF SQUARE FEET
 - SN SURVEY NO., MULTNOMAH COUNTY SURVEY RECORDS
 - 1" BRASS DISK MARKED "WHPACIFIC" SET DURING RE-ORIENTATION MONUMENTATION ON APRIL 11, 2001

REGISTERED PROFESSIONAL LAND SURVEYOR
William J. Farrier
 OREGON
 JULY 25, 1988
 WILLIAM J. FARRIER
 2717
 EXPIRES 12-31-99

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

WOOD VILLAGE TOWN CENTER

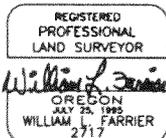
LOCATED IN THE N.W., AND N.E. QUARTERS OF SECTION 34
 AND THE S.W., AND S.E. QUARTERS OF SECTION 27
 IN TOWNSHIP 1 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN
 IN THE CITY OF WOOD VILLAGE, MULTNOMAH COUNTY, OREGON
 NO SCALE NOVEMBER 30, 1999

SURVEYOR'S CERTIFICATE

I, WILLIAM L. FARRIER, DO HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS THE LAND REPRESENTED ON THE ATTACHED SUBDIVISION PLAT MAP, "WOOD VILLAGE TOWN CENTER" AND THAT AT THE INITIAL POINT I FOUND A 3/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "WHPACIFIC". SAID ROD BEING NORTH 00°00'30" WEST, ALONG THE CENTER LINE OF NE 22ND AVENUE, A DISTANCE OF 868.27 FEET AND EAST, A DISTANCE OF 45.00 FEET FROM THE SOUTHWEST CORNER OF THE ADDISON C. DUMBAR OLG NO. 41. BEGINNING AT SAID INITIAL POINT; THENCE EAST, A DISTANCE OF 821.84 FEET; THENCE NORTH 00°00'19" WEST, A DISTANCE OF 138.79 FEET; THENCE NORTH 88°49'21" EAST, A DISTANCE OF 30.02 FEET; THENCE NORTH 21°57'20" EAST, A DISTANCE OF 110.34 FEET; THENCE NORTH 89°58'50" EAST, A DISTANCE OF 458.07 FEET; THENCE NORTH, A DISTANCE OF 1214.83 FEET TO THE SOUTH RIGHT OF WAY LINE OF ARATA ROAD, 25.00 FEET FROM THE CENTER LINE THEREOF, MEASURED PERPENDICULAR THERETO; THENCE SOUTH 89°51'24" EAST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 898.98 FEET TO THE WEST LINE OF DUMBAR STREET AS DEDICATED IN THE PLAT OF "WYMORE"; THENCE SOUTH 00°00'25" WEST, ALONG THE SOUTH LINE OF SAID DUMBAR STREET, A DISTANCE OF 888.00 FEET TO THE SOUTH LINE OF THE PLAT OF "WYMORE"; THENCE SOUTH 89°51'24" EAST ALONG THE SOUTH LINE OF SAID PLAT, A DISTANCE OF 20.00 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 00°00'25" WEST ALONG THE SOUTHERLY EXTENSION OF THE EAST LINE OF SAID PLAT, A DISTANCE OF 1808.18 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF NE GLISAH STREET; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING 3 COURSES, NORTH 89°33'25" WEST, A DISTANCE OF 273.38 FEET TO A POINT OF NON-TANGENT CURVATURE; THENCE 273.38 FEET ALONG THE ARC OF A 7885.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTH, THROUGH A CENTRAL ANGLE OF 2°03'55", SAID CURVE HAVING A CHORD BEARING NORTH 88°31'27" WEST, A DISTANCE OF 273.38 FEET TO A POINT OF TANGENCY 45.00 FEET FROM THE CENTER LINE OF NE GLISAH STREET, MEASURED PERPENDICULAR THERETO; THENCE PARALLEL TO SAID CENTER LINE NORTH 89°33'25" WEST, A DISTANCE OF 2115.68 FEET TO A POINT ON THE EAST LINE OF NE 22ND AVENUE; THENCE FOLLOWING SAID EAST LINE THE FOLLOWING 4 COURSES, NORTH 44°37'23" WEST, A DISTANCE OF 38.38 FEET TO A POINT 80.00 FEET FROM THE CENTER LINE THEREOF, MEASURED PERPENDICULAR THERETO; THENCE PARALLEL TO SAID CENTER LINE NORTH 00°00'30" WEST, A DISTANCE OF 73.73 FEET; THENCE LEAVING SAID 80.00 FOOT RIGHT OF WAY LINE NORTH 02°04'03" WEST, A DISTANCE OF 450.25 FEET TO A POINT 45.00 FEET FROM THE CENTER LINE THEREOF, MEASURED PERPENDICULAR THERETO; THENCE NORTH 00°00'30" WEST, PARALLEL TO SAID CENTER LINE, A DISTANCE OF 275.05 FEET TO THE POINT OF BEGINNING.

THE TRACT HEREBY DESCRIBED CONTAINS 3,631,014 SQUARE FEET, 83.357 ACRES MORE OR LESS.

AS PER ORS 92.080(5) AND 92.070(2), I HEREBY CERTIFY THAT THE INTERIOR MONUMENTS IN THIS SUBDIVISION PLAT WILL BE SET AFTER COMPLETION OF IMPROVEMENTS AND PRIOR TO 12-30-2000.



EXPIRES 12-31-99

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF WOOD VILLAGE TOWN CENTER.

APPROVALS

APPROVED THIS 29 DAY OF DECEMBER, 1999
 CITY OF WOOD VILLAGE PLANNING COMMISSION

BY: [Signature]
 PRESIDENT

APPROVED THIS 27 DAY OF DECEMBER, 1999
 CITY OF WOOD VILLAGE, CITY ENGINEER

BY: [Signature], P.E.

APPROVED THIS 29th DAY OF DECEMBER, 1999
 MULTNOMAH COUNTY SURVEYOR

BY: [Signature]

APPROVED THIS 29TH DAY OF DECEMBER, 1999
 CHAIR, MULTNOMAH COUNTY BOARD OF COMMISSIONERS

BY: [Signature]

ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY O.R.S. 92.095 HAVE BEEN PAID THROUGH Dec 29, 1999.

DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION MULTNOMAH COUNTY, OREGON

BY: [Signature]
 DEPUTY

STATE OF OREGON } S.S.
 COUNTY OF MULTNOMAH

I DO HEREBY CERTIFY THAT THE ATTACHED SUBDIVISION PLAT WAS RECEIVED FOR RECORD AND RECORDED December 29th 1999 AT 3:31 O'CLOCK P.M. IN BOOK 1245, PAGES 95-95 MULTNOMAH COUNTY RECORDING OFFICE

BY: [Signature]
 DEPUTY

DOCUMENT NO. 99-232254

INTERIOR CORNER MONUMENTATION

IN ACCORDANCE WITH O.R.S. 92.070, THE INTERIOR CORNERS OF THIS SUBDIVISION HAVE BEEN CORRECTLY SET WITH THE PROPER MONUMENTS. AN AFFIDAVIT HAS BEEN PREPARED REGARDING THE SETTING OF SAID MONUMENTS AND WAS RECORDED AS DOCUMENT NO. 2001-134908, MULTNOMAH COUNTY DEED RECORDS.

BY: [Signature]
 MULTNOMAH COUNTY SURVEYOR

DATE: March 6, 2002

DECLARATION

KNOW ALL MEN BY THESE PRESENTS THAT MULTNOMAH KENNEL CLUB INC., AN OREGON CORPORATION, DOES HEREBY ESTABLISH AND DECLARE THE ANNEXED MAP "WOOD VILLAGE TOWN CENTER" AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATION TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, ALL LOTS BEING OF THE DIMENSIONS SHOWN AND ALL STREETS AND EASEMENTS OF THE WIDTHS THEREOF SET FORTH AND HAS CAUSED THE SUBDIVISION TO BE PREPARED AND THE PROPERTY SUBDIVIDED IN ACCORDANCE WITH THE PROVISIONS OF ORS CHAPTER 92 AND WE DO HEREBY DEDICATE TO THE USE OF THE PUBLIC AS PUBLICWAYS, FOREVER ALL STREETS AS SHOWN ON SAID MAP, AND WE DO HEREBY CREATE ALL EASEMENTS NOT PREVIOUSLY GRANTED OR CONVEYED AS SHOWN OR DESCRIBED IN THIS PLAT.

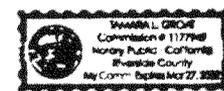
[Signature]
 EDWARD A. BURGER
 TREASURER

ACKNOWLEDGEMENT

STATE OF CALIFORNIA }
 STATE OF OREGON } S.S.
 COUNTY OF RIVERSIDE }
 COUNTY OF MULTNOMAH }

THIS IS TO CERTIFY THAT ON THIS 17 DAY OF DECEMBER, 1999, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED EDWARD A. BURGER, WHO BEING FIRST DULY SWORN DID SAY THAT HE IS THE TREASURER OF THE MULTNOMAH KENNEL CLUB INC., AND THAT HE DOES HEREBY ACKNOWLEDGE SAID INSTRUMENT AND HIS SIGNATURE THEREON TO BE OF HIS OWN FREE ACT AND DEED, ON BEHALF OF MULTNOMAH KENNEL CLUB, INC.

[Signature]
 NOTARY PUBLIC



Comm. # 117798
 Expires Mar 27, 2000

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Establishing N. E. Wood Village Blvd. as County Road No. 5020.

The Multnomah County Board of Commissioners Finds:

- a. ORS 368.106 provides that upon the acquisition of property for road purposes the County is required to survey and monument the property.
- b. That "NE Wood Village Blvd." was dedicated to the County as public right-of-way by an approved subdivision plat for the "Wood Village Town Center Subdivision" and accepted for road purposes having been properly surveyed and monumented as required by State law and County Code.
- c. NE Wood Village Blvd. is described as follows:

From NE Glisan Street, County Road No. 2326, to NE Arata Road, County Road No. 730, as more particularly described in the Wood Village Town Center Subdivision Plat recorded in Multnomah County Plat Book No. 1245, at Pages 48 through 55.
- d. The Plat having been duly recorded and the right-of-way dedication accepted by the County for road purposes, the construction of NE Wood Village Blvd. has been completed consistent with County specifications and requirements.
- e. The County Engineer finds it is in the public's interest and therefore recommends that the above-described NE Wood Village Blvd. be established as a county road as authorized pursuant to ORS Chapter 368.

The Multnomah County Board of Commissioners Resolves:

1. That "NE Wood Village Blvd.," as more particularly described in the Wood Village Town Center Subdivision Plat recorded in Multnomah County Plat Book No. 1245, at Pages 48 through 55 is established as County Road No. 5020, in accordance with ORS Chapter 368.
2. Pursuant to ORS 368.106, this Resolution establishing County Road No. 5020 will be recorded in the Deed Records of Multnomah County, Oregon.

ADOPTED this 4th day of November, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By



Matthew O. Ryan, Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-160

Establishing NE Wood Village Boulevard as County Road No. 5020

The Multnomah County Board of Commissioners Finds:

- a. ORS 368.106 provides that upon the acquisition of property for road purposes the County is required to survey and monument the property.
- b. That "NE Wood Village Boulevard" was dedicated to the County as public right-of-way by an approved subdivision plat for the "Wood Village Town Center Subdivision" and accepted for road purposes having been properly surveyed and monumented as required by State law and County Code.
- c. NE Wood Village Boulevard. is described as follows:

From NE Glisan Street, County Road No. 2326, to NE Arata Road, County Road No. 730, as more particularly described in the Wood Village Town Center Subdivision Plat recorded in Multnomah County Plat Book No. 1245, at Pages 48 through 55.
- d. The Plat having been duly recorded and the right-of-way dedication accepted by the County for road purposes, the construction of NE Wood Village Boulevard has been completed consistent with County specifications and requirements.
- e. The County Engineer finds it is in the public's interest and therefore recommends that the above-described NE Wood Village Boulevard be established as a county road as authorized pursuant to ORS Chapter 368.

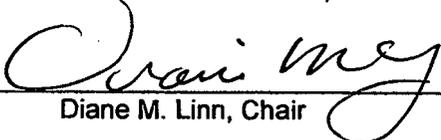
The Multnomah County Board of Commissioners Resolves:

1. That "NE Wood Village Boulevard", as more particularly described in the Wood Village Town Center Subdivision Plat recorded in Multnomah County Plat Book No. 1245, at Pages 48 through 55 is established as County Road No. 5020, in accordance with ORS Chapter 368.
2. Pursuant to ORS 368.106, this Resolution establishing County Road No. 5020 will be recorded in the Deed Records of Multnomah County, Oregon.

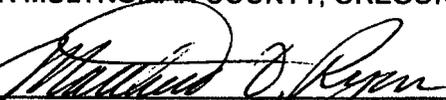
ADOPTED this 4th day of November, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan, Assistant County Attorney



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 11/04/04
Agenda Item #: R-6
Est. Start Time: 10:40 AM
Date Submitted: 10/20/04

BUDGET MODIFICATION: -

Agenda Title: **RESOLUTION Authorizing a Second Amendment to Lease Agreement with the Children's Land Trust, formerly known as Regional Children's Campus, Inc.**

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

Date Requested:	<u>November 4, 2004</u>	Time Requested:	<u>5 min</u>
Department:	<u>Business and Community Services</u>	Division:	<u>Finance, Budget & Tax</u>
Contact(s):	<u>Dave Boyer, John Thomas</u>		
Phone:	<u>(503) 988-3903</u>	Ext.	<u>83903</u>
		I/O Address:	<u>501532</u>
Presenter(s):	<u>Dave Boyer</u>		

General Information

1. What action are you requesting from the Board?

Finance recommends approving the resolution to amend the Lease Agreement dated October 1, 1998 between Multnomah County and Regional Children's Campus.

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

In 1995 the Board Of County Commissioners adopted Resolution 95-219 which provided for development of a regional children's campus on County land at Edgefield. In 1998 in accordance with a plan for development of the campus, the County leased property at Edgefield to the Regional Children's Campus, Inc. (RCC) for 15 years. The purpose of the lease was to establish a campus at Edgefield where various non-profit agencies would provide services to children. RCC was formed for the sole purpose of leasing the property from the County and then subleasing it to non-profit agencies providing services to children. At the same time, the county issued bonds to fund the project. Part of the bond funds were used to build infrastructure (roads, sewers and other campus improvements). The remainder of the funds were used to build buildings for Edgefield Children's

Center, Inc. (ECC) on land leased by RCC to ECC on the campus. The lease payments from RCC were set so that they were sufficient to recover for the County over the term of the lease 1) the value of the land leased to RCC, 2) funds to service the bonds for the 15 year bond term, and 3) an additional sum to establish a bond reserve fund which will be approximately \$293,000 at the end of the lease. If RCC is not in default, RCC keeps the reserve fund. The RCC lease provides that when the bonds are paid off, RCC has an option to purchase the property from the County for \$1.00.

After the lease was signed, RCC encountered problems with the site relating to wetlands and water entering on to the site from the subdivision adjacent to the property. The County agreed to loan RCC the money to do the necessary work and to amortize the loan plus interest in a payment over the remaining term of the lease. The loan amount was \$277,857. An amendment to the lease increased the monthly lease payment by \$2,543 per month to repay the loan over the term of the lease.

The Regional Children's Campus approached the County because they were unable to pay the Lease Amounts included in the Lease Agreement that was amended on May 21, 2001. Over the last year the County has been working with them to restructure the lease.

We are recommending that the County restructure the lease to defer a portion of the lease payments until July 1, 2005. In exchange for deferring a portion of the lease payments, RCC affirms that they have no rights to the \$293,000 reserve funds and interest earnings of funds held for the bond payment and if the County refinances the bonds, the County will retain any savings as a result of the refinancing.

The Rental Amounts due under the Lease Agreement require an adjustment through an amendment to the schedule of Rental Amounts. The Second Amendment to the Lease Agreement is attached.

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

The County will forgive RCC the past due payments of about \$150,000 and reduce the next two years payments by about \$200,000 in exchange for RCC affirming that the Bond Reserves of \$293,000 plus interest earnings on those funds are County assets. If the County refinances the bond issue the County realizes the entire savings. If RCC leases the property to another tenant the County will be repaid the estimated \$57,000, which is the difference between the reserve funds and the amount the County is forgiving.

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

The County Attorney, Bond Counsel, Bond Trust Agent and legal advisors for RCC have all approved the amendment.

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

Regional Children's Campus, Children's Land Trust and Morrison Center have all been involved in restructuring the lease.

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- 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.
- How will the county indirect, central finance and human resources and departmental overhead costs be covered?
- Is the revenue one-time-only in nature?
- If a grant, what period does the grant cover?
- If a grant, when the grant expires, what are funding plans?

Contingency Request

If the request is a **Contingency Request**, please answer all of the following in detail:

- 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?

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

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- 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, central finance and human resources and departmental overhead costs be covered?

ATTACHMENT B

BUDGET MODIFICATION: -

Required Signatures

**Department/
Agency Director:**

David G Boyer

Date: 10/19/04

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

BOGSTAD Deborah L

From: BOYER Dave A
Sent: Tuesday, October 19, 2004 1:09 PM
To: CARROLL Mary, P; #AGENDA REVIEW TEAM; BOGSTAD Deborah L; BALL John
Cc: THOMAS John S; PATE Patricia; 'dmorrow@jyp.org'
Subject: Regional Childrens Campus Lease Amendment

Attached is a Second Amendment to the Regional Children's Campus Lease that we have been negotiating with the parties. The Chairs Office has been involved in the discussions and I have briefed each of the Board Members. The lease amendment has been reviewed by The County's Bond Attorney and County Attorney. As required by the Revenue Bond covenants, the lease amendment has also been approved by the Bond Paying Agent and Trustee. The lease is being amended to restructure the payment terms to meet the changing financial situation of the Regional Children's Campus Tenants. I believe the financial risk to the County has been minimized as much as possible. We have been working on this for quite some time and would like this approved as soon as possible. I would be happy to answer any questions and attend the Board Staff meeting. Thanks

Dave Boyer
Chief Financial Officer
501 SE Hawthorne Blvd Suite 531
Portland, OR 97214
(503) 988-3903
e-mail dave.a.boyer@co.multnomah.or.us

10/19/2004

November 4, 2004

Multnomah County, Oregon
501 S.E. Hawthorne Blvd., 4th Floor
Portland, OR 97214

U.S. Bank National Association
555 S.W. Oak Street PD-OR-P6TD
Portland, OR 97204

**Re: \$3,155,000 Multnomah County, Oregon
 Revenue Bonds, Series 1998
 (Regional Children's Campus, Inc.)**

Ladies and Gentlemen:

We have been appointed as Bond Counsel to Multnomah County, Oregon, (the "Issuer") in connection with the Issuer's Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) (the "Bonds"), which are dated October 1, 1998, and which are in the aggregate principal amount of Three Million One Hundred Fifty-Five Thousand Dollars (\$3,155,000). The Bonds were issued pursuant to a Trust Indenture by and between the Issuer and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee (the "Trustee"), dated as of October 1, 1998 (the "Trust Indenture").

The Bonds were issued to finance the construction, acquisition and equipping of certain children's services facilities located on real property owned by the Issuer as more fully described in the Lease Agreement by and between the Issuer, as Lessor, and Regional Children's Campus, Inc., as Lessee (the "Lessee") dated as of October 1, 1998, as amended by a First Amendment to Lease Agreement dated as of May 21, 2001 (collectively, the "Lease Agreement").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Indenture.

Certain requirements and procedures contained or referred to in the Trust Indenture and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice, or with the approving opinion of nationally recognized bond counsel. We express no opinion about any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Preston Gates & Ellis LLP.

The Issuer and the Lessee have executed a Second Amendment to Lease Agreement dated as of November 4, 2004, which amendment is authorized pursuant to Section 7.1(e) of the Trust Indenture and Section 11.5 of the Lease Agreement. In connection with such amendment, as Bond Counsel to the Issuer, we have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions set forth below.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions given in connection with the issuance of the Bonds. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Indenture and the Tax Regulatory Agreement and Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any opinion we rendered on the date of or in connection with issuance of the Bonds. Further, we have not undertaken to advise in the future whether any events after the execution of the Second Amendment to Lease Agreement may affect the tax status of the interest on the Bonds.

On the basis of the foregoing examination, and in reliance thereon, as of the date hereof and subject to the limitations expressed herein, we are of the opinion that the execution of the Second Amendment to Lease Agreement is permitted by the Trust Indenture and the Lease Agreement and will not, in and of itself, adversely affect any exclusion of interest on the Bonds from gross income for purposes of federal income taxation. We note that pursuant to Section 7.3 of the Trust Indenture, no amendment to the Lease Agreement will be effective without the prior written consent of the Trustee.

Our opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility for the applicability of laws of other jurisdictions.

This opinion is furnished by us as Bond Counsel to the Issuer solely for purposes of Section 7.3 of the Trust Indenture. No attorney-client relationship has existed or exists between our firm and the Trustee in connection with the Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addresses hereof pursuant to Section 7.3 of the Trust Indenture and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any person. This opinion is not intended

Legal Opinion
November 4, 2004
Page 3

to, and may not, be relied upon by owners of Bonds or any other party to whom it is not specifically addressed. This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed. This opinion speaks as of its date only, and we disclaim any undertaking or obligation to advise you of any changes that hereafter may be brought to your attention.

Respectfully submitted,

PRESTON GATES & ELLIS LLP

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

RESOLUTION No. 04 - ____

Authorizing a Second Amendment to the Lease Agreement dated October 1, 1998 executed by Multnomah County, Oregon (the "County"), a political subdivision of the State of Oregon, as lessor, and Children's Land Trust, ("CLT") formerly known as Regional Children's Campus, Inc., an Oregon not for profit corporation, as lessee, in connection with the issuance of the County's \$3,155,000 Revenue Bonds, Series 1998 (501(c)(3)) (the "Bonds").

The Multnomah County Board of Commissioners finds:

- a. The Bonds were issued pursuant to a Trust Indenture (the "Trust Indenture"), dated as of October 1, 1998, between the County, as issuer, and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee.
- b. The County and CLT entered into a Lease Agreement (the "Lease Agreement") relating to the Bonds on October 1, 1998 with Lessee regarding certain real property and improvements located in the County of Multnomah, State of Oregon as described more fully in the Lease Agreement (the "Property").
- c. The Lease Amounts (as defined in the Trust Indenture) made by Children's Land Trust to the County are being used to repay the Bonds.
- d. On May 21, 2001, County and CLT amended the Lease Agreement by the First Amendment to Lease Agreement to include payments due from CLT to the County for infrastructure improvements paid for by the County.
- e. In January 2003 the Children's Land Trust requested that the County agree to restructure the payments due under the Lease Agreement.
- f. The County is willing to restructure the payment terms of the Lease Agreement as provided in the Second Amendment to Lease Agreement.
- g. In consideration of the County agreeing to restructure the payment terms, CLT is willing to assign all rights it may have in Reserve Fund to the County and to allow the County to retain savings that will accrue if the County decides to refinance the Bonds.

The Multnomah County Board of Commissioners Resolves:

1. The Chief Financial Officer, or his designee, is authorized to sign the Second Amendment to Lease Agreement substantially in the form attached to this Resolution.

ADOPTED this day of November, 2004.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:
AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By  _____
John Thomas, Assistant County Attorney

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-161

Authorizing a Second Amendment to Lease Agreement with the Children's Land Trust, formerly known as Regional Children's Campus, Inc.

The Multnomah County Board of Commissioners Finds:

- a. Multnomah County Revenue Bonds Series 1998 (Regional Children's Campus, Inc.) (Bonds) were issued pursuant to a Trust Indenture (the "Trust Indenture"), dated as of October 1, 1998, between the County, as issuer, and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee.
- b. The County and Children's Land Trust (CLT), formerly known as Regional Children's Campus, Inc., an Oregon not for profit corporation, as Lessee, entered into a Lease Agreement (Lease Agreement) relating to the Bonds on October 1, 1998 regarding certain real property and improvements located in Multnomah County, Oregon, (Property) as described more fully in the Lease Agreement.
- c. The Lease amounts (as defined in the Trust Indenture) made by CLT to the County are being used to repay the Bonds.
- d. On May 21, 2001, County and CLT amended the Lease Agreement (First Amendment to Lease Agreement) to include payments due from CLT to the County for infrastructure improvements paid for by the County.
- e. In January 2003 CLT requested that the County agree to restructure the payments due under the Lease Agreement.
- f. The County is willing to restructure the payment terms of the Lease Agreement as provided in the Second Amendment to Lease Agreement.
- g. In consideration of the County agreeing to restructure the payment terms, CLT is willing to assign all rights it may have in Reserve Fund to the County and to allow the County to retain savings that will accrue if the County decides to refinance the Bonds.

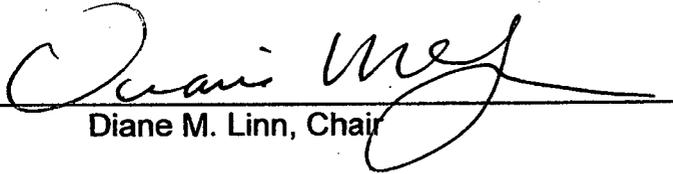
The Multnomah County Board of Commissioners Resolves:

1. The Chief Financial Officer, or designee, is authorized to sign the Second Amendment to Lease Agreement substantially in the form attached to this Resolution.

ADOPTED this 4th day of November, 2004.



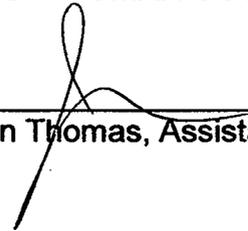
**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**



Diane M. Linn, Chair

REVIEWED:

**AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON**

By 

John Thomas, Assistant County Attorney

SECOND AMENDMENT TO LEASE AGREEMENT

by and between

Multnomah County, Oregon

as Lessor

and

Regional Children's Campus, Inc.

as Lessee

Relating To The Issuance Of

\$3,155,000

**Multnomah County, Oregon
Revenue Bonds
Series 1998
(Regional Children's Campus, Inc.)**

Dated as of November 4, 2004

PRESTON GATES & ELLIS LLP

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (the "Second Amendment"), dated as of November 4, 2004 by and between Multnomah County, Oregon (the "Lessor"), a municipal corporation organized and existing under the laws of the State of Oregon, and Regional Children's Campus, Inc. (the "Lessee"), a nonprofit corporation organized under the laws of the State of Oregon.

WITNESSETH:

WHEREAS, on October 29, 1998, the Lessor issued its \$3,155,000 Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) (the "Bonds") pursuant to a Trust Indenture (the "Trust Indenture"), dated as of October 1, 1998, between the Lessor and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee (the "Trustee"); and

WHEREAS, on October 1, 1998, the Lessor and the Lessee entered into a Lease Agreement relating to the Bonds (the "Lease Agreement"); and

WHEREAS, on May 1, 2001, the Lessor and the Lessee entered into a First Amendment to the Lease Agreement relating to the Bonds; and

WHEREAS, the Lessor and the Lessee desire to amend and supplement the Lease Agreement by the execution and delivery of this Second Amendment; and

WHEREAS, Section 11.5 of the Lease Agreement allows the Lease Agreement to be amended and supplemented without the prior written consent of the Trustee if such amendment does not materially affect the rights of the Bondholders and provided any other relevant provisions in the Lease Agreement and the Trust Indenture have been complied with; and

WHEREAS, Section 7.1(e) of the Trust Indenture allows the Lease Agreement to be amended and supplemented without the consent of or notice to any of the Owners of the Bonds to make any change which, in the judgment of the Trustee, acting in reliance upon an opinion of Counsel, does not have a material adverse affect on the rights of or security granted to the Owners of the Bonds affected thereby;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, for in consideration of the premises and the mutual covenants and agreements set forth herein, the Lessor and the Lessee hereby agree as follows:

ARTICLE 1.
DEFINITIONS AND FINDINGS

Section 1.1. Terms Defined in the Trust Indenture or Lease Agreement. Except as modified herein, or unless the context shall clearly indicate some other meaning, all words and terms used in this Second Amendment that are defined in the Trust Indenture or Lease Agreement shall, for all purposes of this Second Amendment, have the respective meanings given to them in the Trust Indenture or Lease Agreement.

Section 1.2. Findings. The amendments and supplements to the Lease Agreement made by Sections 2.1 and 2.2 of this Second Amendment are authorized by Section 11.5 of the Lease Agreement and Section 7.1 (e) of the Trust Indenture as described in the fifth and sixth "Whereas" paragraphs above.

ARTICLE 2.
AMENDMENT AND RESTATEMENT OF LEASE AGREEMENT

Section 2.1. Amendment and Restatement of Lease Term and Possession. Section 4.2 of the Lease Agreement is hereby amended to read as follows:

(a) The Lease Term commences on October 1, 1998 and, subject to earlier termination as provided herein, shall end on the earlier of the (i) the day following the day on which all Bonds are no longer Outstanding pursuant to an optional redemption from Seasoned Funds of the Lessee or pursuant to extraordinary redemption or (ii) the day following the final maturity date of the Bonds. In both cases the termination of this Lease Agreement and the conveyance under Section 10.2 hereof shall occur only if all , Rental Amounts, Land Rentals and Infrastructure Rental Amounts, in Exhibit B-4 have been paid and all expenses of the Trustee and the Lessor to have been paid and discharged under the provisions of the Indenture and this Lease Agreement.

(b) With the execution of this Second Lease Amendment, Lessor acknowledges that all prior lease payments are considered to be current.

Section 2.2. Addition of Exhibit B-4. The schedule of payments for Lessee's obligations to Lessor under a promissory note are incorporated in Exhibit B-4 attached hereto. Such Exhibit B-4 hereby becomes a part of the Lease Agreement and replaces Exhibits B-1, B-2 and B-3.

Section 2.3. Additional Rents. Section 4.1 of the Lease Agreement is hereby amended to add the following: Lessee agrees that if at any time Lessee receives Additional Rent from any sub-leases, that exceeds \$24,115 per month, the Lessee shall pay the Additional Rents as follows:

(a) The first \$6,100 per month will be paid to the Lessor.

(b) Any Additional Rents that exceed \$6,100 per month will be divided equally between Lessee and Lessor.

(c) If the sum of the Additional Rents received by Lessor in Section 2.3 (b) equals \$157,000, any Additional Rents over \$157,000 shall be retained by Lessee.

Section 2.3. Addition of Definitions. Section 1.2 of the Lease Agreement is hereby amended to add the following definitions:

(a) "Infrastructure Rental Amounts" means amounts payable by Lessee on behalf of The Children's Land Trust as infrastructure rental payments pursuant to the terms of a promissory note dated May 24th, 2001 as it may be amended.

(b) "Additional Rents" means any sub-lease rental amounts received by Lessee from a Sub-Lessee, that exceeds \$24,115 per month.

**ARTICLE 3.
MISCELLANEOUS**

Section 3.1. Effect of Lease Agreement. Except as expressly amended herein, the Lease Agreement shall remain in full force and effect.

Section 3.2. Execution in Counterparts. This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.3. Captions. The captions or headings in this Second Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Second Amendment.

Section 3.4. Reserve Fund. Lessee affirms it has no rights to the Reserve Fund established under Section 4.6 of the Trust Indenture dated as of October 1, 1998, to which the Lessor is a party.

Section 3.5. Refinancing of the Revenue Bonds. Lessee affirms it has no rights to any savings realized if Lessor refinances the Revenue Bonds. Lessor shall pay for all costs of such refinancing.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of this day of November, 4 2004.

LESSOR:

LESSEE:

MULTNOMAH COUNTY, OREGON

REGIONAL CHILDREN'S CAMPUS,
INC.

By: _____

By: _____

**EXHIBIT B-4
CHILDREN'S LAND TRUST
LEASE SCHEDULE
AMMENDED November 2004**

Beginning Payment Date	Ending Payment Date	Number of Months	Monthly Payments	Period Total
November 1, 2004	June 30, 2005	8	\$17,815.00	\$ 142,520.00
July 1, 2005 (1)	September 1, 2014	111	24,115.00	3,403,260.00
TOTAL				\$3,545,780.00

(1) Monthly lease payment is subject to increase based on Second Amendment to Lease Agreement Article 2, Section 2.3.

AGENDA PLACEMENT REQUEST

BUD MOD #:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-7 DATE 11-04-04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-7

Est. Start Time: 10:45 AM

Date Submitted: 10/06/04

Requested Date: November 4, 2004

Time Requested: 5 minutes

Department: Health

Division: Director's Office

Contact/s: John Dougherty, Ph.D., Principal Investigator

Phone: 503-988-3674

Ext.: 22290

I/O Address: 160/6

Presenters: John Dougherty

Agenda Title: Notice of Intent to Request Grant Funding from the National Institute of Environmental Health Sciences' "Environmental Justice: Partnerships for Communication" Grants Program to Support an Environmental Health Education Initiative in Northeast Portland

**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?**

Authorize the Director of the Health Department to seek grant funding from the National Institute of Environmental Health Sciences.

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

People who are economically disadvantaged and/or who live or work in areas and occupations where conditions result in greater exposure to hazardous substances are less likely to live long healthy lives.¹ At every stage of life, these persons suffer disproportionate levels of morbidity and mortality. Research evidence suggests that certain groups, especially minorities and low-income communities, bear an uneven burden of hazardous environmental or occupational stressors. These socioeconomically disadvantaged people suffer the lowest life expectancy and the highest adverse health

¹National Institute of Environmental Health Sciences, 2004

consequences of inadequate access to high quality health care. Additionally, they most often experience the highest degree of exposure to environmental hazards, and they frequently have little information about the health consequences of exposure to these agents.

The community's recent work in Northeast Portland to implement PACE EH (Protocol for Assessing Community Excellence in Environmental Health) indicates that certain populations in Multnomah County are exposed to disproportionately higher levels of toxic substances and environmental degradation than is the general population. For example, breathing contaminated air can aggravate asthma conditions (in fact asthma affects children throughout Portland); and exposure to lead-based paints can cause learning disabilities in young children (in 1999 more than 70 percent of the homes in Portland had composite lead dust levels that exceeded federal standards, and the blood lead levels of 5 out of every 100 children screened are high enough to cause health problems. This project will use the findings obtained from a data-driven analysis of environmental health conditions, combined with the values and perceptions of local communities, in order to implement a comprehensive environmental health education initiative.

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

The proposed grant funding would enable the Health Department to initiate work to extend the environmental health education activities previously initiated through the PACE EH assessment process.

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?**
National Institute of Environmental Health Sciences.

❖ **Specify grant requirements and goals.**

The primary goal of this grant program is to support education aimed at achieving environmental justice for socioeconomically disadvantaged and minority populations.²

Key activities that will be associated with this initiative include:

- Environmental health education and communications at multiple sites in the disproportionately exposed community.
- Environmental health and justice training to: (1) enable the community to address issues of the environment (Brownfield sites, air quality, etc.); (2) provide mentoring to better equip community leaders to respond to environmental issues; and (3) to inform the community about methods to address environmental health disparities.
- Environmental and community self-assessment to establish community-based capacity to conduct an ongoing self-assessment of environmental health needs.

❖ **Explain grant funding detail – is this a one time only or long term commitment?**

The Health Department will request approximately \$225,000 per year for a period of four years.

❖ **What are the estimated filing timelines?**

Applications must be received by November 17, 2004.

❖ **If a grant, what period does the grant cover?**

Four years beginning July 2005.

❖ **When the grant expires, what are funding plans?**

This grant is part a strategy to support the implementation of environmental health education as identified through the PACE EH process.

❖ **How will the county indirect and departmental overhead costs be covered?**

Indirect can be charged as a grant expense.

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

No obvious legal or policy issues have been identified.

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

The project is being developed within the context of a community-based participatory process in which the partners collaboratively identify concerns, develop project goals, and propose project activities. The Health Department is taking the lead in developing the proposal and has received input from the community to ensure that the project's design is responsive to local concerns, and to assure its accountability to the populations vulnerable to environmental degradation. The community partners include the following:

- PACE EH Steering Committee
- Portland State University faculty and students
- Environmental Justice Action Group
- City of Portland
- Oregon Department of Environmental Quality
- Clinicians who have provided services to the community
- Others

²Environmental justice refers to the unequal burden of exposure and disease borne by socioeconomically disadvantaged persons in terms of residential exposure to greater than acceptable levels of environmental pollution, and exposure to occupational hazards.

Required Signatures:

Department/Agency Director: Lillian Shirley

Date: 10/06/04

Budget Analyst

By: 

Date: 10/07/04

Dept/Countywide HR

By: NA

Date:

AGENDA PLACEMENT REQUEST

BUD MOD #:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-8 DATE 11-04-04
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-8

Est. Start Time: 10:50 AM

Date Submitted: 10/13/04

Requested Date: November 4, 2004

Time Requested: 5 minutes

Department: Health

Division: Community Health Services

Contact/s: Jodi Davich

Phone: 503-988-3636

Ext.: 26561

I/O Address: 160/9

Presenters: Loreen Nichols and Linda Jaramillo

Agenda Title: Notice of Intent to Submit a Proposal to the Health Resources and Services Administration's Ryan White CARE Act Title I HIV Emergency Relief Grant Competition

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

- 1. What action are you requesting from the Board? What is the department/agency recommendation?** The Multnomah County Health Department (MCHD) requests approval to submit a proposal to the Health Resources and Services Administration's Ryan White CARE Act Title I HIV Emergency Relief grant competition to secure funding for the 2005/2006 program year. The Health Department recommends that this request be approved.
- 2. Please provide sufficient background information for the Board and the public to understand this issue** As of 12/31/03, 3,640 persons were estimated as living with HIV in the six-county Portland Eligible Metropolitan Area (EMA). The EMA is a six-county area that includes Multnomah, Washington, Clackamas, Columbia, Yamhill and Clark counties. Although HIV is still primarily a disease of white men in the EMA, the proportion of new HIV positive cases in people of color and women is increasing.

The Health Department has administered the EMA's Ryan White Title I Program since 1995. The federal government provides Title I funds to EMAs that have been the most severely affected by the HIV epidemic. These funds help to enhance access to a

comprehensive continuum of high quality, community-based care for low-income individuals and families with HIV disease.

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

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

If a budget modification, explain:

- ❖ **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? Yes**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans? NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

If a contingency request, explain:

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

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

If grant application/notice of intent, explain:

- ❖ **Who is the granting agency? Health Resources and Services Administration Specify grant requirements and goals.**

Title I of the Ryan White CARE Act provides emergency assistance to Eligible Metropolitan Areas (EMAs) that are most severely affected by the HIV/AIDS epidemic. Title I funds may be used to provide a continuum of care for persons living with HIV disease.

As federally mandated, the prioritization of services and subsequent allocation of Title I funds is determined by the Ryan White Title I HIV Planning Council. The Planning Council has allocated funding for these priority services for the 20052006 Title I program year:

- Outpatient Medical Care
- Health Insurance
- Case Management
- Dental Care
- Housing Assistance
- Housing Related Services
- Mental Health Therapy

- Substance Abuse Treatment
- Psychosocial Support
- Outreach
- Complementary Care
- Transportation
- Food/Home Delivered Meals
- Council Support

While the County directly provides some Ryan White Title I funded services, most of the above services will be provided through contracts with a diverse group of community-based organizations.

- ❖ **Explain grant funding detail – is this a one time only or long term commitment?** Multnomah County Health Department will request approximately \$3,700,000 from the Health Resources and Services Administration for the period of March 2005 through February 2006. No new county funds are needed to support this proposal.
 - ❖ **What are the estimated filing timelines?** Proposals must be received by November 10, 2004.
 - ❖ **If a grant, what period does the grant cover?** March 2005 through February 2006.
 - ❖ **When the grant expires, what are funding plans?** We will reapply for additional Title I funds.
 - ❖ **How will the county indirect and departmental overhead costs be covered?** Indirect and departmental overhead costs will be covered by the grant.
4. **Explain any legal and/or policy issues involved.** There are no legal or policy issues involved.
5. **Explain any citizen and/or other government participation that has or will take place.** Citizen stakeholders are represented on the MCHD's Community Health Council, the HIV Planning Council and the HIV Health Services Center's Client Advisory Board.

Required Signatures:



Department/Agency Director: _____ Date: 10/13/04

Budget Analyst



By: _____ Date: 10/13/04

Dept/Countywide HR

By: _____ Date: _____

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-9

Est. Start Time: 10:55 AM

Date Submitted: 10/25/04

Requested Date: November 4, 2004

Time Requested: 5 minutes

Department: Health

Division: Environmental Health

Contact/s: Lila Wickham

Phone: 988-3400

Ext.: 22404

I/O Address: 245

Presenters: Lila Wickham, Judy Craine

Agenda Title: First Reading of a Proposed Ordinance Amending MCC § 21.612 Relating to Food Service License and Other Fees

**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?

Approve the first reading of an Ordinance Amending MCC § 21.612 Relating to Food Service License and Other Fees.

An exception to the agenda submission process is requested so that operators can be notified when renewal notices are sent out. The new fees would not be effective until January 1, 2005.

The new fees would be effective January 1, 2005. The revisions to ORS 624 and the Division 12 rules have only been recently finalized.

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

Chapter 309 of Oregon laws created new provisions and amended state laws relating to food service facilities. 1) The number of different categories of license fees for Multnomah County need to be reduced to be consistent with the statewide license fee categories. This results in the elimination of subcategories that were designed to reflect

differences in the cost of inspections based upon efficiencies. Example: Each restaurant in a large hotel must be inspected but can be inspected during the same visit to the location. 2) The inclusion of an administrative fee for review of benevolent operations to assure food safety principals are practiced is included to allow for cost recovery of all activities.

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

None anticipated. Will allow for recovery of costs associated with the provision of inspections, monitoring and licensing of food, pool, tourist and traveler facilities in Multnomah County.

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

If a budget modification, explain: N/A

- ❖ **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: N/A

- ❖ **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: N/A

- ❖ **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.

Complies with ORS Chapter 624 and Division 12 rules.

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

Citizens may comment at the Board meeting. Notice of any fee changes will be given with renewal notices in mid-September.

Required Signatures:

Department/Agency Director: Carl M Ford Date: 10/26/04

Budget Analyst

By: _____

Date:

Dept/Countywide HR

By: _____

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. _____

Amending MCC § 21.612 Relating to Food Service License and Other Fees

(Language ~~stricken~~ is deleted; double-underlined language is new.)

The Multnomah County Board of Commissioners Finds:

- a. Chapter 309 Oregon Laws 2003 created new provisions and amended state laws relating to food service facilities.
- b. It is necessary to amend MCC Chapter 21, Health, to update license and other fee provisions and conform with state law.

Multnomah County Ordains as follows:

Section 1. MCC § 21.612 is amended as follows:

**§ 21.612 Payment Of License Fees and Other Fees and Penalties, ~~Reinspection Fees;~~
~~Delinquency.~~**

(A) Licenses issued under this subchapter expire annually on December 31. The annual license fee imposed under this subchapter must be paid in advance or postmarked to the department on or before midnight December 31 of the preceding license year.

(B) Except as provided in subsection (C), to any fee not paid as required in subsections (A), (D) and ~~(H)~~, there will be added a reinstatement or late fee as set by Board resolution.

(C) If the department determines that the delinquency was due to reasonable cause and without any intent to avoid compliance, the reinstatement ~~or late fee~~ provided by subsections (B) and ~~(H)~~ will be waived.

(D) When a license fee is due at any time other than December 31, the license fee is payable to the department within 30 days of application. If the license fee is not paid as provided in this subsection, then subsection (B) applies.

(E) The license fee for a seasonal facility, which operates six or fewer consecutive months, is payable within 30 days of the first day of operation for the current year. If the fee is not paid as provided in this subsection, then subsection (B) applies.

(F) The license fee for a temporary restaurant operating on an intermittent basis at the same specific location will be as set by Board resolution.

(G) The application and license fee for any temporary restaurant must be received in the environmental health office by noon two working days before the event begins.

~~(H) Except as provided in subsection (C) and for benevolent organizations as defined in ORS 624.015, for any temporary restaurant license not applied and paid for as required in subsection (G), a late fee will be added in an amount set by Board resolution.~~

~~(H) Benevolent organizations are exempt from any temporary restaurant license or inspection related fees. An administrative processing fee will be set by Board resolution.~~

~~(I) For the services of the department in providing an increased frequency inspection as mandated under ORS 624.085 and OAR 333-157-0027, the department will collect a fee for each additional inspection in an amount set by Board resolution. Reinspections for the sole purpose of checking the number of food handler cards are not be subject to this fee.~~

~~(K) The department may charge a relocation fee in lieu of a full fee under certain circumstances such as, but not limited to, no change in business name, ownership, menu served or type of equipment used. The relocation fee will be in an amount set by Board resolution. Plan review fees may apply.~~

~~(L) The department will charge an inspection fee for a mobile unit licensed in another jurisdiction providing services in Multnomah County in an amount set by Board resolution.~~

FIRST READING:

November 4, 2004

SECOND READING AND ADOPTION:

November 18, 2004

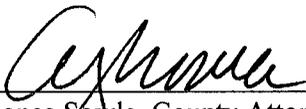
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By



Agnes Sowle, County Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: November 4, 2004

Agenda Item #: R-10

Est. Start Time: 11:00 AM

Date Submitted: 10/25/04

Requested Date: November 4, 2004

Time Requested: 5 minutes

Department: Health

Division: Environmental Health

Contact/s: Lila Wickham

Phone: 503 988-3400

Ext.: 22404

I/O Address: 245

Presenters: Lila Wickham

Agenda Title: First Reading of a Proposed ORDINANCE Establishing a Vector Control and Enforcement Advisory Committee

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

- 1. What action are you requesting from the Board? What is the department/agency recommendation?**
Approve the first reading of an Ordinance establishing a Vector Control and Enforcement Advisory Committee.
- 2. Please provide sufficient background information for the Board and the public to understand this issue.**
The Vector and Nuisance Control Program within the Multnomah County Health Department is seeking a formal mechanism to acquire diverse community perspectives and recommendations on desired services that address vector borne disease issues and community livability issues.

Multnomah County Code Chapter 3, Board of County Commissioners, provides a mechanism for provision of advice to the Multnomah Board of County Commissioners and the Health Department related to potential policy or ordinance revisions.
- 3. Explain the fiscal impact (current year and ongoing).**
None anticipated.

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

If a budget modification, explain: N/A

- ❖ **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.**
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- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain: N/A

- ❖ **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?**
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If grant application/notice of intent, explain: N/A

- ❖ **Who is the granting agency?**
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- ❖ **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.
Complies with Multnomah County Code Chapter 3.

5. Explain any citizen and/or other government participation that has or will take place.
Citizens may comment at the Board meeting. Desired membership of the Vector Control and Enforcement Advisory Committee should consist of nine members representing diverse perspectives, geographic areas and occupations.

Required Signatures:

Department/Agency Director: _____

Carl M Ford

Date: 10/26/04

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. _____

Establishing a Vector Control and Enforcement Advisory Committee

Multnomah County Ordains as follows:

MCC Chapter 3, Board of Commissioners, is amended to add the following:

§ 3.360* *VECTOR CONTROL AND ENFORCEMENT ADVISORY COMMITTEE*

§ 3.360- *Duties.*

(A) The Vector Control and Enforcement Advisory Committee (the Committee) advises the Board and the Environmental Health Section or Director of Health on matters involving the county vector control program. The Committee assists in evaluating current and future plans and practices of vector control services, including strategic direction related to public health prevention, surveillance, intervention, education and enforcement.

(B) The Committee provides information regarding the environmental health needs and wants of the community.

(C) The Committee adopts bylaws consistent with this code and all state and federal laws for its operation.

§ 3.361 *Membership.*

(A) The Committee is composed of nine members appointed by the Chair upon the approval of the Board.

(B) The Committee represents citizens of Multnomah County interested in vector control issues from diverse geographical and occupational interests.

(C) Each member is appointed for a term of two years, except the Chair retains discretion to stagger terms of appointment as necessary to ensure rotating terms.

(D) Members receive no compensation.

§ 3.362 Conflict of Interest.

Any member of the Committee who has a monetary or investment interest in any matter before the Committee must inform the membership of the Committee.

§ 3.363 Staff.

The Environmental Health Section provides clerical support for the Committee.

FIRST READING: November 4, 2004

SECOND READING AND ADOPTION: November 18, 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