



**Multnomah County Oregon**

## **Board of Commissioners & Agenda**

*connecting citizens with information and services*

### **BOARD OF COMMISSIONERS**

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**JUNE 3, 4 & 5, 2003**

### **BOARD MEETINGS**

#### **FASTLOOK AGENDA ITEMS OF INTEREST**

Pg 2	10:00 a.m. Tuesday Continued Public Hearing on Boundaries of the Proposed People's Utility District
Pg 2	2:00 p.m. Tuesday Executive Session
Pg 3	1:00 p.m. Wednesday Budget Work Session
Pg 3	9:30 a.m. Thursday Tax Supervising and Conservation Commission Public Hearings on Multnomah County Budget
Pg 4	10:15 a.m. Thursday Regular Board Meeting
Pg 5	10:20 a.m. Thursday Mental Health Audit Presentation and Departmental Response to Mental Health Audit 11:20 a.m. Thursday Eastside Streetcar Alignment Study

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Tuesday, June 3, 2003 - 10:00 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **CONTINUED PUBLIC HEARING**

PH-1 The Multnomah County Board of Commissioners will conduct a Continued Public Hearing to Consider the Boundaries of the Proposed Multnomah County People's Utility District. The electors' petition describes the proposed boundaries as: All of Multnomah County, except the areas within the boundaries of: the Interlachen People's Utility District and the Rockwood Water People's Utility District. The electors' petition describes the purposes of the levy as: To finance an engineer's report and the election under ORS 261.355(1). **Testimony will be limited to discussion of potential exclusions from the district boundaries.** Public Testimony will be Limited to 3 Minutes per Person. **Written Testimony is Encouraged.**

*Submit Written Testimony to:*  
*Deborah Bogstad, Board Clerk*  
*[deborah.l.bogstad@co.multnomah.or.us](mailto:deborah.l.bogstad@co.multnomah.or.us)*  
*501 SE Hawthorne Blvd., Suite 600*  
*Portland, OR 97214*  
*fax (503) 988-3013*

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Tuesday, June 3, 2003 - 2:00 PM  
Multnomah Building, Sixth Floor Commissioners Conference Room 635  
501 SE Hawthorne Boulevard, Portland

## **EXECUTIVE SESSION**

E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(h) for Consultation with Counsel Concerning Current Litigation or Litigation Likely to be Filed. Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session. No Final Decision will be made in the Executive Session.

Wednesday, June 4, 2003 - **1:00 PM**  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **BUDGET WORK SESSION**

WS-1 Revenue Forecast Update  
Multnomah County Temporary Personal Income Tax Measure Discussion  
Amendments  
Shared Services Briefing

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Thursday, June 5, 2003 - **9:30 AM**  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **TSCC PUBLIC HEARINGS**

- PH-2 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2002-2003 Supplemental Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.
- PH-3 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2003-2004 Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.

Thursday, June 5, 2003 - 10:15 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING**

### **CONSENT CALENDAR - 10:15 AM**

#### **OFFICE OF SCHOOL AND COMMUNITY PARTNERSHIPS**

- C-1 Revenue Agreement 0310559 with the State of Oregon Housing and Community Services, Providing Grant Funding from Federal, State and Private Grants for Reimbursement of Allowable Costs to be Incurred by Subgrantees of the Weatherization; Energy Assistance; Homeless Assistance; Emergency Food; and Housing Stabilization Programs

#### **PUBLIC CONTRACT REVIEW BOARD**

- C-2 ORDER Approving an Exemption from the Formal Competitive Bid Process for Vendors of Insulation and Weatherization Related Services for Multi-Unit Dwellings

#### **DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES**

- C-3 Revenue Agreement 0310557 with the City of Portland, Bureau of Environmental Services, Willamette Stormwater Control Program, Providing Funds for the Multnomah Building Green Roof

#### **DEPARTMENT OF COUNTY HUMAN SERVICES**

- C-4 Budget Modification CHS 14 Increasing the Department's Domestic Violence Appropriation by \$158,502 to Reflect the U.S. Department of Justice Safe Havens and HUD Family Wages Grants

#### **DISTRICT ATTORNEY'S OFFICE**

- C-5 Budget Modification DA 03-05 Allocating Weed and Seed Revenue Grants in the Amount of \$65,117 for the Support of Community Court Operations in Fiscal Year 2003

#### **SHERIFF'S OFFICE**

- C-6 Government Revenue Contract (190 Agreement) 0310502 with the Oregon Department of Transportation, Providing Reimbursement for Performing Commercial Motor Carrier Inspections

**REGULAR AGENDA - 10:15 AM**

**PUBLIC COMMENT - 10:15 AM**

Opportunity for Public Comment on Non-Agenda Matters. Testimony is Limited to Three Minutes per Person.

**DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 10:15 AM**

- R-1 First Reading and Possible Adoption of an ORDINANCE Amending County Land Use Code, Plans and Maps to Adopt Portland's Recent Land Use Code, Plan and Map Revisions in Compliance with Metro's Functional Plan and Declaring an Emergency

**NON-DEPARTMENTAL - 10:20 AM**

- R-2 Mental Health System Audit. Presented by Suzanne Flynn, LaVonne Griffin-Valade and Mark Ulanowicz. 30 MINUTES REQUESTED.
- R-3 Department Response to the Mental Health System Audit. Presented by Patricia Pate and Invited Others. 30 MINUTES REQUESTED.
- R-4 Briefing and Consideration of a RESOLUTION Supporting the Eastside Streetcar Alignment Study. Presented by Commissioner Maria Rojo de Steffey, Hank Ashforth, Rick Gustafson and Matthew Larsen. 40 MINUTES REQUESTED.

# **MULTNOMAH COUNTY 2003-2004 BUDGET WORK SESSIONS AND HEARINGS**

**(Unless otherwise noted, all sessions will be held in the Multnomah Building  
Commissioners Boardroom 100, 501 SE Hawthorne, Portland)**

Cable coverage of the May 6 through June 11 budget work sessions, hearings and Thursday Board meetings are produced through Multnomah Community Television. Call (503) 491-7636, ext. 332 for further info or log onto <http://www.mctv.org> for the program guide/playback schedule. The sessions, hearings and Board meetings are available via media streaming at [http://www.co.multnomah.or.us/cc/live\\_broadcast.shtml](http://www.co.multnomah.or.us/cc/live_broadcast.shtml). Contact Board Clerk Deb Bogstad (503) 988-3277 for further information.

## **Wed, June 4**

**1:00 - 4:00 p.m.**

Revenue Forecast Update  
Multnomah County Temporary Personal Income Tax  
Measure Discussion  
Amendments  
Shared Services

## **Thu, June 5**

**9:30 - 10:15 a.m.**

**Tax Supervising and Conservation Commission  
Public Hearings on the Multnomah County 2002-  
2003 Supplemental Budget; and the 2003-2004  
Budget - Multnomah Building, Commissioners  
Boardroom 100, 501 SE Hawthorne, Portland**

## **Tue, June 10**

**9:00 - 12:00 p.m.**

Amendments

## **Tue, June 10**

**2:00 - 4:00 p.m.**

Amendments

## **Wed, June 11**

**9:00 - 12:00 p.m.**

Amendments

## **Wed, June 11**

**2:30 - 4:00 p.m.**

Amendments

## **Thu, June 12**

**9:30 - 12:00 p.m.**

**Public Hearing and Resolution Adopting the 2003-  
2004 Budget for Multnomah County Pursuant to  
ORS 294  
Public Hearing and Resolution Adopting the 2003-  
2004 Budget for Dunthorpe Riverdale Sanitary  
Service District No. 1**

# **MULTNOMAH COUNTY 2003-2004 BUDGET WORK SESSIONS AND HEARINGS**

**(Unless otherwise noted, all sessions will be held in the Multnomah Building  
Commissioners Boardroom 100, 501 SE Hawthorne, Portland)**

**Public Hearing and Resolution Adopting the 2003-  
2004 Budget for Mid County Street Lighting  
Service District No. 14 and Making Appropriations  
Public Hearing and Resolution Adopting the 2003-  
2004 Mt. Hood Cable Regulatory Commission  
Budget**

# PH-2 & PH-3

Thursday, June 5, 2003 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## TSCC PUBLIC HEARINGS

- PH-2 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2002-2003 Supplemental Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.
- PH-3 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2003-2004 Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.



**BOGSTAD Deborah L**

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**From:** DARGAN Karyne A  
**Sent:** Tuesday, June 03, 2003 7:55 AM  
**To:** SHIRLEY Lillian M; SHERIFF; FULLER Joanne; POE Lorenzo T; PATE Patricia; JOHNSON Cecilia; METZ Ruth; SCHRUNK Michael D; BUTLER Douglas E.; NAITO Lisa H; CRUZ Serena M; ROBERTS Lonnie J; ROJO DE STEFFEY Maria; LINN Diane M  
**Cc:** KAPLAN Daniel B; KIRK Christine A; TREB Kathleen A; FREDA-COWIE Robb; COLDWELL Shaun M; TINKLE Kathy M; WILTON Nancy L; SHORTALL Mary E; THOMAS Bob C; BOYER Dave A; COBB Becky; MARCY Scott; NEBURKA Julie Z; HAY Ching L; JASPIN Michael D; YEAGER Christian M; CAMPBELL Mark; MOUNTS Tony D; BOGSTAD Deborah L; ROMERO Shelli D; WALKER Gary R; CARROLL Mary P; COMITO Charlotte A; BALL John; TURNER Kathy G  
**Subject:** TSCC Report and Response to Questions for June 5th Hearing on FY 2003 Supplemental Budget and FY 2004 Budget  
**Importance:** High

Attached please find TSCC's Budget Review for the FY 2003 Supplemental Budget and the FY 2004 Budget. Included in that review, is a list of questions posed by TSCC and Multnomah County's responses. The TSCC hearing is scheduled for June 5<sup>th</sup> at 9:30 am in the Multnomah County Board Room. Typically, these hearings do not last more than ½ hr.

Either the Budget Office or Chair Linn will respond to the initial questions. We have requested that departments have representatives attend this hearing to respond to any additional questions the Commission may have.

Questions directed at specific departments/programs include:

- Budget (Forecasting)
- Finance (PERS, ITAX, BIT)
- Aging Services (Elders in Action)
- Facilities (new Courthouse, sale of properties)
- Sheriff (Wapato, Settlement offer check)
- Bridges (funding shortfall)
- County Human Services (Gateway Campus)

Please let me know if need any clarification on the material, or regarding the hearing  
 Thanks,  
 Karyne

6/3/2003

# TSCC Budget Review 2003-04

## Multnomah County

### Location:

Multnomah County is located in the northwestern section of the state. The north border is the Columbia River that separates Oregon from Washington.

### District Background:

A five member salaried board governs the County. All are elected to four-year terms on non-partisan ballots: the Board Chair is elected at large and four board members are elected from districts. The Territorial Legislature established Multnomah County in 1854 five years before Oregon was granted statehood because citizens found it inconvenient to travel to Hillsboro to conduct business. Portland was designated as the county seat.

Of the 36 counties in Oregon Multnomah County is Oregon's smallest in area, covering 457 square miles, but has the largest population, 646,850.

Approximately 96.5% of the population of the County resides within the boundaries of one of six cities, 79.5% within the largest city in the state, Portland. Multnomah County is also home to the Oregon's largest: Community College, School District, ESD, Port, Mass Transit District, Regional Government, and Urban Renewal Agency.

The County operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Chair of the Board.

In November 2002, the voters passed a five-year Library Local Option Levy to replace the expiring levy. The last year of this local option levy will be 2007-08. In May 2003 voters passed a three year 1.25% personal income tax. This is the first tax of its type in Oregon and about 75% of the proceeds will go to Multnomah County Schools.

### General Information:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Assessed Value in Billions	\$39.6	\$41.7	\$42.3	
Real Market Value in Billions	\$56.3	\$61.2	\$63.4	
Property Tax Rate Extended:				
Operations	\$4.3433	\$4.3434	\$4.3434	
Library Local Option	\$0.5947	\$0.5947	\$0.5947	
Debt Service	<u>\$0.3670</u>	<u>\$0.2729</u>	<u>\$0.2361</u>	
Total Property Tax Rate	\$5.3050	\$5.2110	\$5.1742	
Measure 5 Loss / Urban Renewal Gain	\$-6,951,230	\$-7,319,197	\$-10,189,782	
Number of Employees (FTE's)	5,036	4,983	4,934	4,542

**Overview:**

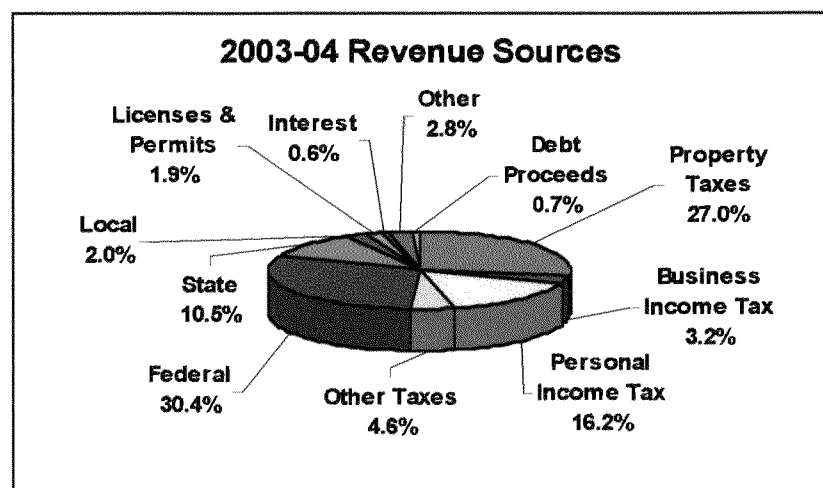
Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Total Budget All Funds	1,124,070,000	1,104,665,000	1,032,291,884	1,095,538,596
Percent of Change from Prior Year		-1.73%	-6.55%	+6.13%
Total Beginning Fund Balance All Funds	205,194,967	176,378,000	146,837,002	120,405,250
Percent of Change from Prior Year		-14.04%	-16.75%	-18.00%

The County is seeing a steady decrease in overall beginning fund balances. Without the new personal income tax of \$128.2 million and the City of Portland Children's Levy of \$9.21 million the overall budget would be down 7.2%.

**Revenues:**

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Property Taxes - Operations	165,718,201	176,420,000	183,709,595	181,769,178
Property Taxes - Library Local Option	19,077,000	20,253,000	20,727,770	24,140,847
Property Taxes - Debt	14,100,000	11,216,000	9,511,576	7,180,069
Gasoline Tax	7,262,000	7,832,000	7,375,000	7,700,000
Motor Vehicle Rental Tax	14,592,608	13,718,000	15,687,190	15,454,041
Business Income Tax	30,377,000	26,935,000	29,635,200	25,075,000
Personal Income Tax	0	0	0	128,200,000
Other Taxes	15,228,111	11,131,000	13,027,750	13,425,000
Service Charges	21,605,622	23,102,000	20,131,450	12,800,448
Licenses, Permits & Fines	6,173,540	8,321,000	14,711,524	15,200,577
Federal	281,378,059	269,013,000	248,705,325	240,178,487
State	39,899,400	40,620,000	88,568,910	83,054,194
Local	16,255,801	15,428,000	11,588,541	16,168,450
Other	27,363,343	22,174,000	21,271,622	19,101,718

This budget includes \$128.2 million in personal income taxes approved by voters in May 2003. Business Income Tax continues to decline - this year by 15%. Federal and state revenues show decreases of 3% and 6% respectively. Local sources are up 40% due to \$9.2 million from the Portland Children's Levy that Multnomah County will administer.

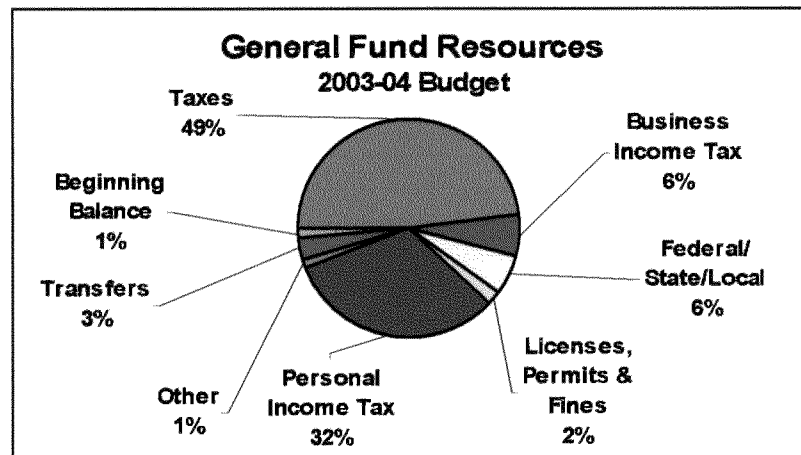
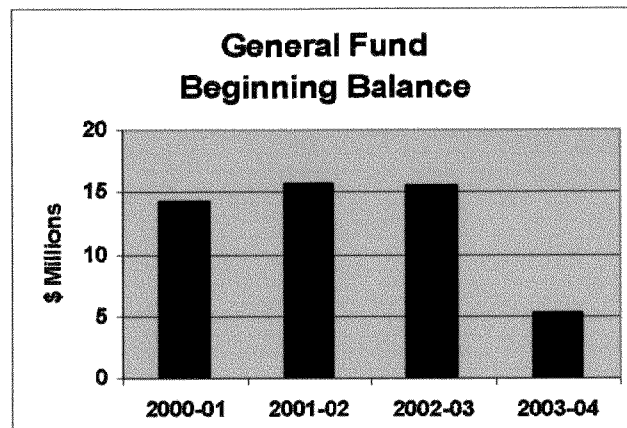


### General Fund:

The General Fund shows an overall increase of 32%. Without the new Personal Income Taxes of \$128.2 million that are being budgeted in the General Fund the fund would have decreased by 10%.

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
General Fund Beginning Balance	14,262,000	15,759,000	15,480,679	5,345,718
General Reserve Fund		9,137,000	9,470,000	10,587,000

The General Fund Beginning Fund Balance is down 65% this year from \$15,480,679 to \$5,345,718. However the General Fund Reserve continues to build with an increase of 12% this year. The County's goal is to have the total reserves funded at a 10% of total revenues level. Within the Service Charges category Health is down from \$6.7 million to \$543,804.



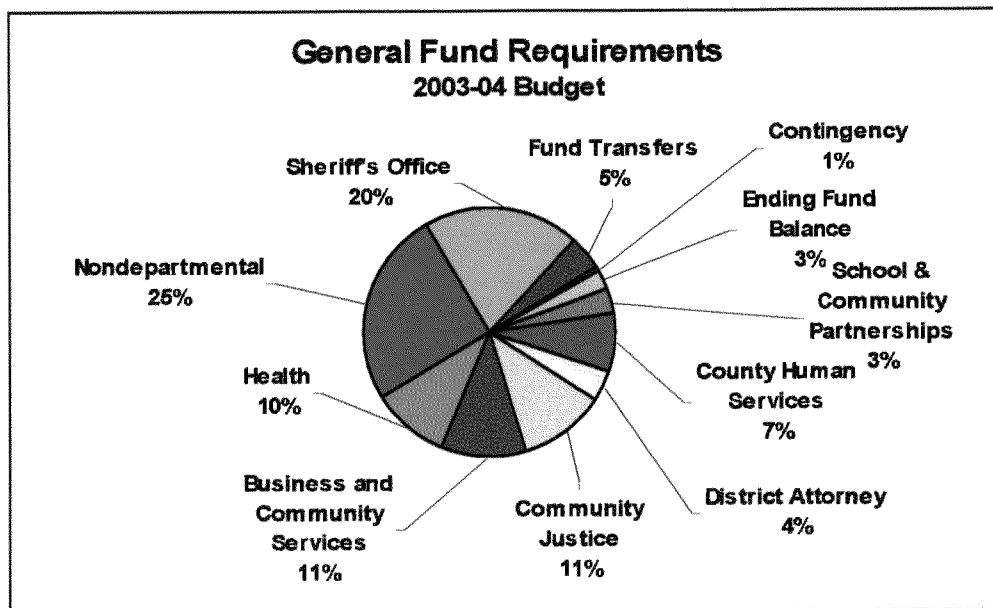
### Expenditures:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Personal Services	295,407,033	320,548,467	343,223,140	282,122,829
Materials & Services	448,137,951	489,557,850	468,810,380	621,060,303

The above figures for 2001-02 will be updated with the adopted document.

### Personal Services:

Overall, the staffing for 2003-04 is down 392 full time employees. Health Insurance costs for the County as well as the employee contribution portion are stable for 2003-04.



**Contingencies, Transfers, Unappropriated:**

It is the policy of the Board to establish an emergency contingency account in the General Fund each fiscal year. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years. This year the contingency is budgeted at \$2.2 million.

The Unappropriated Ending Fund Balance is up 22% for 2003-04 from \$26.6 million to \$32.4 million. All transfers balance.

**Department Programs and Services:**

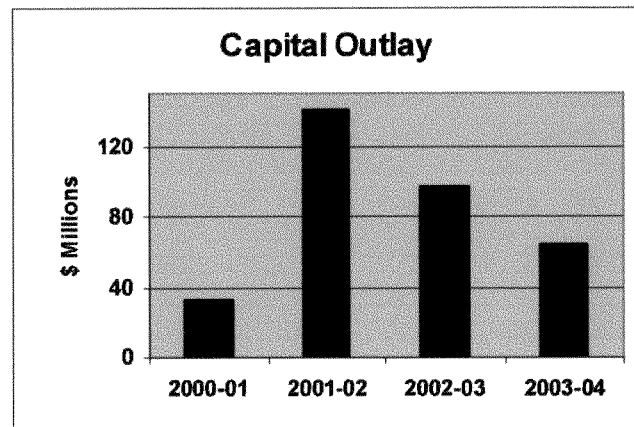
- The Office of School and Community Partnerships was created in January of 2002, and shows an approved budget for 2003-04 of \$29,593,932 down 10%. This department contracts with over 72 community-based organizations to provide services such as anti-poverty programs, juvenile justice diversion, temporary housing, the SUN Schools initiative and many other programs.
- Approximately \$171.4 million, which is down 9%, is budgeted for 2003-04 in the County Human Services Department which provides direct services to the elderly of Multnomah County and to those who have serious physical, emotional, or developmental disabilities.
- In 2003-04 the Health Department, which deals with regulatory health issues, totals \$110.4 million, up 3%.
- Approximately \$214 million is budgeted for 2003-04 for three departments that deal with the justice system: the Multnomah County Sheriff's office which provides support for the rest of the justice system within the County, law enforcement and corrections at \$117.7 million; the Community Justice Department which provides supervision of offenders and court services for juveniles at \$75 million; and the District Attorney's office at \$21 million.

- The approved budget of the Department of Business and Community Services is \$260,266,885, down 1%. It includes the information technology, finance and direct community services, such as elections, emergency management and animal control, for Multnomah County.
- The Library decreases from \$50,296,140 in 2002-03 to \$48,442,294 in 2003-04. The new Local Option Levy of \$.755 per thousand as compared to the old rate of \$.5947. The Chairs executive budget shows a \$1.365 million reduction in General Fund allocation to the Library.
- The Non-departmental area consists of Elected Officials, non-County agencies and independent organizations. The portion of new Personal Income Tax that goes to schools and the City of Portland Children's Levy are budgeted in this area which results in a significant increase over past years.

### Capital Outlay:

Wapato Jail is the largest capital outlay project and is expected to be complete in May 2004.

The County has identified a deferred maintenance and seismic liability of approximately \$100 million, and over the next fifteen years this is expected to grow to an estimated \$220 million for County buildings now in operation.



Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Capital Outlay	33,100,606	140,626,149	96,669,427	64,325,790

The above figure for 2001-02 will be updated with the adopted document.

Some of the major capital outlay projects planned for 2003-04 by the County include:

Wapato Jail	\$ 18,876,000
Justice Center Detention/Fire	3,608,007
Library – Library Technology	2,100,000
IBM Mainframe Migration	3,890,000
Children's Receiving Center Phase 2	2,800,000
SAP Information System Upgrade	1,300,000

### Debt History:

Multnomah County	6-30-2000	6-30-2001	6-30-2002	6-30-2003 est.
General Obligation	115,555,000	106,260,000	96,535,000	91,610,000
Revenue Bonds	3,155,000	8,500,000	8,335,000	7,890,000
PERS Pension Revenue Bonds	184,548,160	184,548,160	184,018,160	182,893,160
COPs	54,780,000	49,805,000	45,105,000	40,195,000
Full Faith & Credit	97,340,000	93,165,000	88,815,000	93,870,000
Lease Purchase	2,924,951	2,145,805	1,507,783	1,305,220
Long Term Loans	596,767	869,212	795,746	717,169
<b>Total Debt Outstanding</b>	<b>458,899,878</b>	<b>445,293,177</b>	<b>425,111,689</b>	<b>418,480,549</b>

The County was able to maintain its GO bond rating of Aa1 and received an Aa2 rating on recent full faith and credit bond refinance despite hard economic times.

### Highlights of the 2003-04 Budget to be published in TSCC Annual Report:

- The total budget increased \$63.2 million or 6%.
- The General Fund increased by 32% from \$304,414,319 to \$401,336,954 due to the passage of a Personal Income Tax ballot measure.
- Capital projects of \$64.3 million include completion of the Wapato Jail in May 2004.
- A three year personal income tax of 1.25% for Multnomah County residents was passed in May 2003.
- County will administer the City of Portland Children's Levy local option tax.
- This budget includes a decrease of 392 FTE positions.
- Employee health insurance rates remained stable. Employees contribute a small portion of the monthly cost.
- The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie island Bridge.

### Local Budget Law Compliance:

The county is in substantial compliance.

The June 30, 2002 audit noted the following funds had over expenditures.

<u>Fund</u>	<u>Agency</u>	<u>Amount</u>
General Fund	Sheriff's Office	\$53,000
Emergency Communications Fund	Sheriff's Office	10,000
Animal Control Fund	Environmental Services	<u>1,000</u>
<b>Total Over expenditures</b>		<b>\$64,000</b>

**Questions:**

**Revenue Forecasts**

1. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?

**Income Tax**

2. Regarding the new Income Tax ballot measure that passed in May:
  - Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?
  - In estimating collections for the new income tax what non-filer factor was used?
  - How will non filers be identified?
  - What steps will be taken to ensure the correct amount of tax has been paid?
3. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?
4. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?



### **City of Portland Children's Levy**

5. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?

### **Business Income Tax**

6. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?

### **Facilities & Property Management**

7. Has the operation of the Gateway Children's Center been as successful as expected?
  - What is Phase 2 renovation?
  - Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?
8. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?
9. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?

### **Wapato Jail**

10. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.

- What is the anticipated date for occupancy?
  
  
  
  
  
  
  
  
  
  
- What are the plans for funding the new facility operations?
  
  
  
  
  
  
  
  
  
  
- Will the new income tax provide any temporary monies for operations?

### **Bridges**

11. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?

12. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?

# **TSCC Budget Review Multnomah County Hearing Questions and Responses FY 2003 and FY 2004**

Hearing Date: June 5<sup>th</sup>, 9:30 a.m.  
Multnomah County Boardroom

## **FY 2003 SUPPLEMENTAL BUDGET**

- 1. How much more do you anticipate will be needed for the appeals process in the PERS case?**

*The County does not expect to spend more than the \$200,000 budgeted.*

- 2. Do you anticipate that the PERS case will continue through the court system or will the focus now switch to the new Legislation and the Supreme Court challenge?**

*The PERS case will continue through the court system on the issues identified in the ruling. It is anticipated that the new legislation will be challenged and that court case will be on a different timeline. Some of the issues will be the same and at this time we are unsure of how they will be brought together.*

- 3. The Sheriff's Office is recording an additional \$150,000 in appropriations as a result of a settlement offer check being returned to the county from a former employee. Has this case been finalized or will the amount or more be needed in the future?**

*The settlement offer was made on a one-time-only basis. Since it was rejected by the plaintiff the offer has been rescinded and will not be re-offered. While the case has not yet been resolved, the Sheriff's Office believes they have a very good chance of prevailing in a law suit. In the event that there is an award against the County, it is likely the settlement amount would come from within the Sheriff's Office authorized appropriation.*

## **FY 2004 BUDGET REVENUE FORECASTS**

- 4. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?**

*Government budgeting continues to be a challenge for state and local government officials across the nation as they continue to experience deficits and major service reductions. The Budget Office develops General Fund revenue forecasts that serve to establish targets for the annual budget process. The forecast primarily focuses on a handful of revenue sources – Property Tax, BIT, Motor Vehicle Rental Tax, Video Lottery, Cigarette Tax, and Liquor Tax – that constitute a majority of the revenue in the General Fund. These "corporate" revenue sources account for nearly 80% of General Fund revenue.*

*As a result of the economic downturn that has plagued the region it has been necessary to reduce General Fund appropriations in each of the past two years. In response to the most recent mid-year rebalance the Budget Office solicited bids from local economic consulting firms to assist in development of the General Fund forecast. In December the County entered into a contract with ECONorthwest to*

provide economic consulting services. Specifically, ECONorthwest will assist the Budget Office in the development of forecasting techniques and models to more reliably predict revenue from the BIT. They will also serve as a consultant and data resource on issues related to state and regional economic conditions.

In preparation for the current budget process ECONorthwest undertook a review of Multnomah County's current forecasting process and determined that "... your forecasting methods and the qualitative direction of your recent forecasts represent good, agency forecasting practice." That review also suggested three areas where the forecast process could be improved:

- Formalization of a model(s) to identify core revenue trends;
- Make use of additional information sources to chart business trends;
- Development of a peer review process

Multnomah County currently follows most of the "best practices" recommended by the National Advisory Council on State and Local Budgeting (NACSLB) with regard to revenue forecasting. We concur that the forecast process can be improved and will be working on incorporating the three areas recommended by ECONorthwest over the next year.

## **INCOME TAX**

### **5. Regarding the new Income Tax ballot measure that passed in May:**

- **Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?**

The County will enter into an Intergovernmental Agreement with each school. The agreement will include the following provisions:

- Payments to the schools will be made as the revenues are collected
- Payments to the schools will be made based on their pro rata share of the expenditure breakdown based on the revenue estimates

Schools will be responsible for ensuring they have the necessary cash flow in place. Schools are authorized to issue short-term notes to provide the needed cash flow. The County has increased its short-term notes by \$20 million to meet its needs.

- **In estimating collections for the new income tax what non-filer factor was used?**

The County received the data to develop the revenue estimates from the State Legislative Fiscal Office and Oregon Department of Revenue. The County used conservative estimates as we have no track record of the data. We have allowed about an 18% discount factor in the revenue assumptions for FY 04. Based on the 1.25% rate the County expects to collect about \$128 million. Receipts will come in late so we will not know how the estimates compare to actual until the end of May 2004. The resource will be used as follows:

- \$89 million to all County Schools
- \$16 million to Public Safety Programs
- \$16 million to Health and Human Service Programs
- \$7 million Collection, administration and auditing

- **How will non filers be identified?**

The County will be adopting ORS and Oregon Department of Revenue Administrative Rules that apply to Oregon Personal Income Tax. This will allow the County to use similar enforcement methods to ensure

that the tax is paid. Furthermore, the County has requested an amendment to SB228 to allow the County to have access to tax collection data that the Department of Revenue maintains. This bill is still going through the legislative process. Access to this data will allow Multnomah County to identify non-filers.

- **What steps will be taken to ensure the correct amount of tax has been paid?**

The County is currently developing a comprehensive education and marketing campaign. Part of this communication strategy will be to help people determine how much they must pay. A website will be developed to provide additional instruction and a referral number where people can call to get direct help. Multnomah County will also be providing assistance to other local governments and corporations to assist in setting up automatic payroll deductions. The taxes paid will be reconciled with the Tax collection data maintained by the State Department of Revenue.

**6. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?**

Elders in Action (EIA) will not receive any additional funds from the Personal Income Tax. The following outlines the government funding EIA receives, but they also have received several grants and do fundraising for their services. Before they became a not for profit, five years ago, they were the Portland-Multnomah Commission on Aging, the official advisory group to the county and the city.

Funds are provided to EIA from the County's Non-Departmental/Non-County Agencies budget, as they serve as the formal advisory group to the County. For FY 04, the budget is \$132,509 as compared to \$144,345 for FY 03. The City of Portland also provides funding because EIA is the formal advisory group to the City. The Aging and Disability Services (ADS) division of the Department of County Human Services also provides funding to EIA. This funding was cut by \$48,984 on an annualized basis as part of the FY 03 mid-year budget rebalance. In particular, ADS had been subsidizing rent when EIA was located in the same building as ADS. ADS was able to justify using county matched funds and Medicaid dollars because ADS was using an EIA conference room. When ADS relocated, the rent subsidy could not be justified.

The EIA Ombudsman program was funded through a grant EIA received a few years back. It was not renewed by the original funder. ADS has never paid for the service nor have they purchased those services as they are done by volunteers. EIA Ombudsman is a worthy program that provides a short term service through elderly volunteers to do short term peer support for seniors who need a friend. It was purposely designed not to duplicate what the government programs do.

**7. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?**

The loss of 392 FTE, includes the \$32 million of additional funding provided by the temporary income tax measure (ITAX). The ITAX supports approximately 225 FTE. If the ITAX measure had failed, the County would have had to cut 616 FTE.

**CITY OF PORTLAND CHILDREN'S LEVY**

**8. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?**

The County expects that there will likely be two ways in which distributions will be made prior to November 2003. First, the Allocation Committee may try to "fast track" some funds through the process in order to get programs started quickly. Second, it is anticipated that the contracting process itself will require the expenditure of some funds.

## **BUSINESS INCOME TAX**

- 9. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?**

The BIT forecast for FY 04 was developed based on the assumption that the current tax structure would remain in place. A **Community Partnership Agreement** was entered into in November, 2001 to study the impacts of business taxes in Portland and Multnomah County. That committee was charged with developing recommendations to reform the existing tax structure if the members believed it was necessary. It was also a goal of the committee that any recommended changes be "revenue neutral" to both the city and county. The FY 04 BIT estimate is conservative and it reflects the concept of revenue neutrality. Collections are forecast to be about even with the FY 03 revised estimate.

On March 13, 2003, the Board of County Commissioners adopted Resolution 03-036 accepting the recommendations of the committee formed by the Community Partnership Agreement. A steering committee consisting of all parties to the agreement and representatives of other private sector industries and non-profit organizations was appointed to guide the process. That review process has been completed and the following specific recommendations have been made:

*Portland's Business License Fee (BLF) and Multnomah County's BIT should be replaced with a two-source business revenue mix.*

*Approximately 60% of current revenue would be generated from a city BLF measured by payroll and a county payroll tax.*

*Approximately 40% of current revenue would be generated from a city BLF and the county's BIT based on net income.*

The committee further recommended that the individual liability for any business be limited for each of the two component pieces. Under this proposal no business would pay more than \$50,000 to the city and \$50,000 to the county from the payroll based tax. Likewise, no business would pay more than \$15,000 to the city and \$15,000 to the county for the net income based tax.

These recommendations will be tested during the summer to determine the potential impact to businesses within the city and county. The Chair will report those results to the Board of County Commissioners by September 1, 2003. The Board will consider that report, in addition to other relevant information, and take action as it deems appropriate.

## **FACILITIES & PROPERTY MANAGEMENT**

- 10. Has the operation of the Gateway Children's Center been as successful as expected?**

Yes. The Gateway Children's Center is a campus of three buildings. The residential portion of the campus, the Children's Receiving Center, began operating in January 27, 2003. It is operated by Christie

*School. Abused and neglected children are brought here by law enforcement and Children's Protective Services to be assessed and await appropriate foster care placements. The facility has been especially valuable for accommodating sibling groups, which are the most difficult to place on an emergency basis.*

*The Services Building currently houses the Children's Assessment Services, jointly provided by the County Health Department and Morrison Center. Children entering foster care from all over the county receive health and mental health assessments and services.*

*The MDT, Multi-Disciplinary Building is currently being renovated to accommodate the law enforcement component of the campus. The Child Abuse Team, which includes the Portland and Gresham Police, the Multnomah County Sheriff's Office, the District Attorney and State Services to Children and Families will be located here to investigate child abuse. In addition the Child Abuse Hotline will be located here. The building will be ready to be occupied in the fall of 2003. (See attached snapshot of program evaluation report and daily population report).*

- **What is Phase 2 renovation?**

*Phase 2 is the Multi-Disciplinary Team (MDT) Building (Corner building on the site) and the Mt Hood Head Start (MHHS) renovation (previously warehouse portion of Services Building) which is in construction right now. MHHS will move-in August 2003 and MDT Programs will be in and operating on October 1, 2003.*

- **Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?**

*PDC purchased a portion of the Gateway Children's Center site for about \$953,000. Gateway Urban Renewal funds were used to purchase it. This money is a part of the total funding for the renovation of the MDT building Phase 2. The rest is funded through the Capital Program.*

**11. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?**

*This Committee was convened by Chair Linn nearly a year ago and began regular meetings last October. It has carefully considered all options for the potential renovation of the existing Courthouse, potential strategies and locations for a new courthouse, opportunities for the reuse of the existing courthouse if not renovated for court purposes, the needs and opportunities for court facilities outside of the downtown area, and various financing alternatives.*

*In discussions to date, the Committee has concluded that:*

- *A new downtown courthouse is required and has tentatively identified three potential sites for that facility. Specific phasing, design, and financing strategies for each site are in discussion.*
- *A new East County court facility is required in Gresham. Specific design/location criteria are in discussion as well as a financing strategy.*
- *The current historic Courthouse is a significant community asset and requires a strategy for reuse and preservation. Strategies for achieving that objective are in discussion.*

*Recommendations are scheduled to be finalized at the June 2003 meeting of the Committee. A detailed report will be drafted over the course of the summer and the Committee will reconvene in September to finalize the report and recommendations. They will then be presented for consideration and action by the County Board of Commissioners in September/October. The Board will determine at that time whether it*

agrees with the recommendations of the Committee and whether it feels it is appropriate to propose a General Obligation Bond (or other appropriate strategies) to provide the required funding.

**12. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?**

*Five properties were identified as surplus at the time of last year's TSCC hearing. As outlined below, sales have closed on one, sales are approved but not yet closed on three and the last of the five will be offered for sale next week:*

**Ford Building:**

*Sale closed at full appraised value.*

**Old Hollywood Library:**

*Sale negotiated (at full appraised value) and approved by Board. All documentation is nearly complete and the sale should close within a week.*

**Old Sellwood Library:**

*Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining a conditional use permit. Expected to close in June or July.*

**Gresham Neighborhood Center:**

*Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining financing within 90 days.*

**Morrison Building:**

*A Request For Offers is drafted and undergoing legal review. It should be released within 10 days. (NOTE: The sale of this property was delayed due to several title and easement issues which surfaced during the due diligence work to prepare the property for sale. These issues have now been addressed.)*

**WAPATO JAIL**

**13. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.**

- **What is the anticipated date for occupancy?**

*The Wapato Facility is anticipated to be open for occupancy June, 2004.*

- **What are the plans for funding the new facility operations?**

*The initial plans for operation were to continue the public safety operating levy. The public safety levy has not yet gone on the ballot and it is unknown when or if it will go out for a vote. Also, if it did go out for a vote, it appears there may not be enough room under the M5 cap to fund the facility.*

*The immediate need is for when the building is done - the warranty period will start. The cost to the County of not utilizing the building during this period could be rather high. If no other option is available, MCSO will need to empty portions of existing facilities, up to 150 inmates, and cycle them through the new jail. While this is not the ideal way to run a system, financially it is the best option as the cost of paying for manufacturer error, after the warranty is up, could be very high. Over the next six months, the public safety system players will develop a plan to redesign the system, reallocating existing resources and finding potential new resources in order to fund the operation of the new jail facility.*



- **Will the new income tax provide any temporary monies for operations?**

*No, the new income tax will not provide any money for the new facility. However, having the current system closer to capacity will provide less harsh options for the future. This means that if we are more fully utilizing the three buildings that we currently have, the ability to thinly spread what we have across four buildings is greater. This would however mean that we have four partially running buildings in order to thin out resources.*

## **BRIDGES**

- 14. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?**

*Assuming the County receives only federal funds, we will need \$6 million as local match. Transportation is looking to secure partial or total funds for the Sauvie Island Bridge replacement through the currently proposed State transportation bill. Funds secured through the State would be used as match for federal funds. If funding for the bridge replacement is solely federal funds, the County will either need to identify a new source of revenue, reprogram funds from the Road Fund capital program, or borrow money to provide the local match. The Sauvie Island project will be ready to construct, assuming funds are available, the latter part of 2005.*

- 15. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?**

*The proposed State legislation provides two sources for additional funds for bridge needs. New revenues would provide bonding for \$300 million of county and city bridges throughout the State. The bill states that ODOT will work with local jurisdictions to address local priorities. The County, through AOC, has been involved in these conversations. The County has identified the Sauvie Island Bridge as its highest priority for funding needs.*

*Additional new revenues will be distributed to counties and cities for discretionary transportation funding. The proposed bill includes language that states Multnomah County will spend a majority of these revenues on bridges in the County. The amount of revenue is unknown at this time.*

# **PH-2 & PH-3**

Thursday, June 5, 2003 - 9:30 AM  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **TSCC PUBLIC HEARINGS**

- PH-2 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2002-2003 Supplemental Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.
- PH-3 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Multnomah County 2003-2004 Budget in Accordance with ORS 294.480. A Quorum of the Multnomah County Board of Commissioners Will Attend.

# TSCC Budget Review 2003-04

## Multnomah County

### Location:

Multnomah County is located in the northwestern section of the state. The north border is the Columbia River that separates Oregon from Washington.

### District Background:

A five member salaried board governs the County. All are elected to four-year terms on non-partisan ballots: the Board Chair is elected at large and four board members are elected from districts. The Territorial Legislature established Multnomah County in 1854 five years before Oregon was granted statehood because citizens found it inconvenient to travel to Hillsboro to conduct business. Portland was designated as the county seat.

Of the 36 counties in Oregon Multnomah County is Oregon's smallest in area, covering 457 square miles, but has the largest population, 646,850.

Approximately 96.5% of the population of the County resides within the boundaries of one of six cities, 79.5% within the largest city in the state, Portland. Multnomah County is also home to the Oregon's largest: Community College, School District, ESD, Port, Mass Transit District, Regional Government, and Urban Renewal Agency.

The County operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Chair of the Board.

In November 2002, the voters passed a five-year Library Local Option Levy to replace the expiring levy. The last year of this local option levy will be 2007-08. In May 2003 voters passed a three year 1.25% personal income tax. This is the first tax of its type in Oregon and about 75% of the proceeds will go to Multnomah County Schools.

### General Information:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Assessed Value in Billions	\$39.6	\$41.7	\$42.3	
Real Market Value in Billions	\$56.3	\$61.2	\$63.4	
Property Tax Rate Extended:				
Operations	\$4.3433	\$4.3434	\$4.3434	
Library Local Option	\$0.5947	\$0.5947	\$0.5947	
Debt Service	<u>\$0.3670</u>	<u>\$0.2729</u>	<u>\$0.2361</u>	
Total Property Tax Rate	\$5.3050	\$5.2110	\$5.1742	
Measure 5 Loss / Urban Renewal Gain	\$-6,951,230	\$-7,319,197	\$-10,189,782	
Number of Employees (FTE's)	5,036	4,983	4,934	4,542

**Overview:**

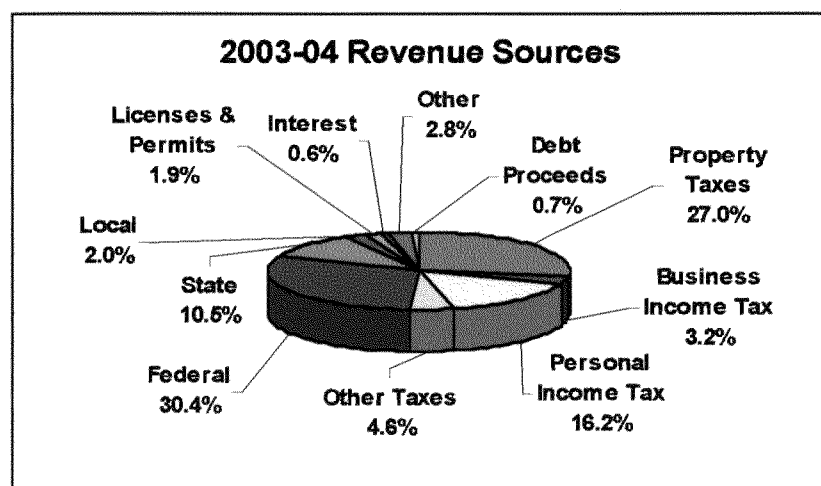
Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Total Budget All Funds	1,124,070,000	1,104,665,000	1,032,291,884	1,095,538,596
Percent of Change from Prior Year		-1.73%	-6.55%	+6.13%
Total Beginning Fund Balance All Funds	205,194,967	176,378,000	146,837,002	120,405,250
Percent of Change from Prior Year		-14.04%	-16.75%	-18.00%

The County is seeing a steady decrease in overall beginning fund balances. Without the new personal income tax of \$128.2 million and the City of Portland Children's Levy of \$9.21 million the overall budget would be down 7.2%.

**Revenues:**

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Property Taxes - Operations	165,718,201	176,420,000	183,709,595	181,769,178
Property Taxes - Library Local Option	19,077,000	20,253,000	20,727,770	24,140,847
Property Taxes - Debt	14,100,000	11,216,000	9,511,576	7,180,069
Gasoline Tax	7,262,000	7,832,000	7,375,000	7,700,000
Motor Vehicle Rental Tax	14,592,608	13,718,000	15,687,190	15,454,041
Business Income Tax	30,377,000	26,935,000	29,635,200	25,075,000
Personal Income Tax	0	0	0	128,200,000
Other Taxes	15,228,111	11,131,000	13,027,750	13,425,000
Service Charges	21,605,622	23,102,000	20,131,450	12,800,448
Licenses, Permits & Fines	6,173,540	8,321,000	14,711,524	15,200,577
Federal	281,378,059	269,013,000	248,705,325	240,178,487
State	39,899,400	40,620,000	88,568,910	83,054,194
Local	16,255,801	15,428,000	11,588,541	16,168,450
Other	27,363,343	22,174,000	21,271,622	19,101,718

This budget includes \$128.2 million in personal income taxes approved by voters in May 2003. Business Income Tax continues to decline - this year by 15%. Federal and state revenues show decreases of 3% and 6% respectively. Local sources are up 40% due to \$9.2 million from the Portland Children's Levy that Multnomah County will administer.

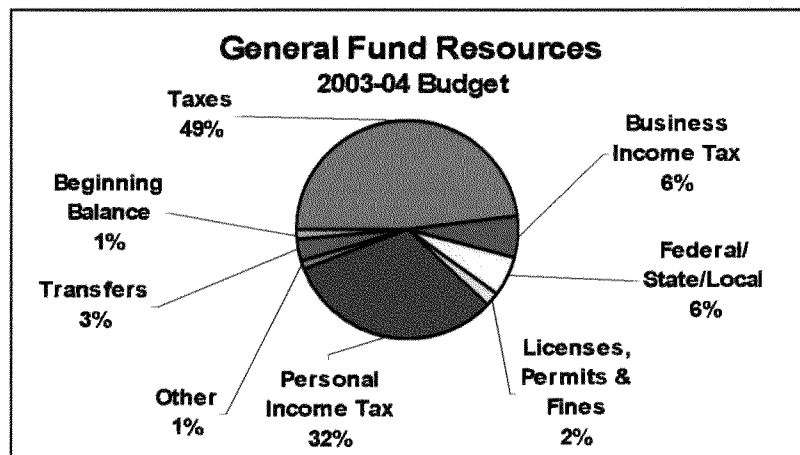
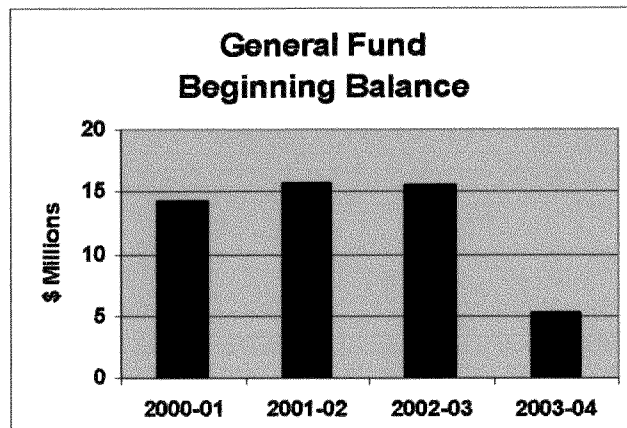


### General Fund:

The General Fund shows an overall increase of 32%. Without the new Personal Income Taxes of \$128.2 million that are being budgeted in the General Fund the fund would have decreased by 10%.

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
General Fund Beginning Balance	14,262,000	15,759,000	15,480,679	5,345,718
General Reserve Fund		9,137,000	9,470,000	10,587,000

The General Fund Beginning Fund Balance is down 65% this year from \$15,480,679 to \$5,345,718. However the General Fund Reserve continues to build with an increase of 12% this year. The County's goal is to have the total reserves funded at a 10% of total revenues level. Within the Service Charges category Health is down from \$6.7 million to \$543,804.



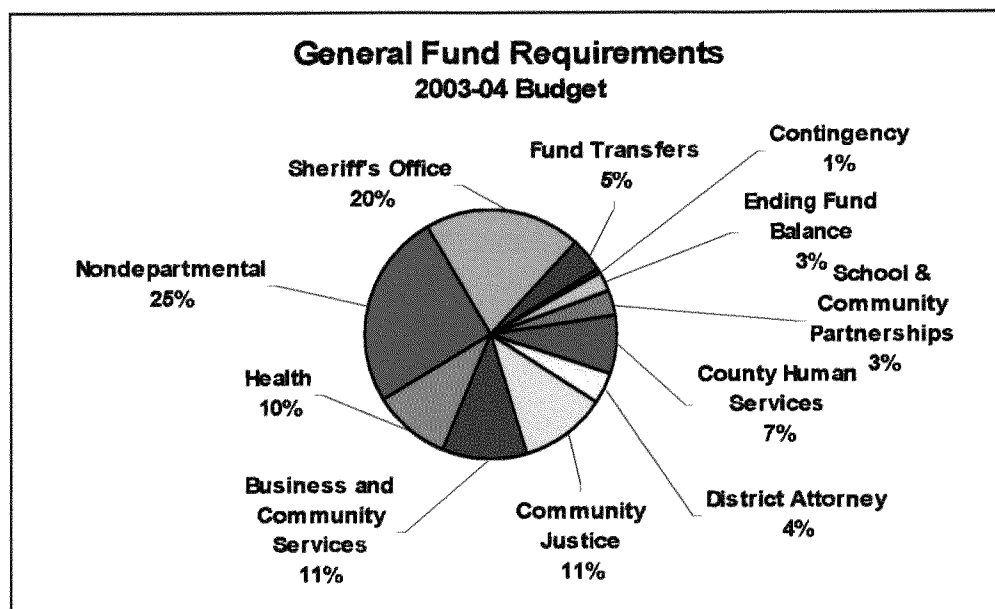
### Expenditures:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Personal Services	295,407,033	320,548,467	343,223,140	282,122,829
Materials & Services	448,137,951	489,557,850	468,810,380	621,060,303

The above figures for 2001-02 will be updated with the adopted document.

### Personal Services:

Overall, the staffing for 2003-04 is down 392 full time employees. Health Insurance costs for the County as well as the employee contribution portion are stable for 2003-04.



**Contingencies, Transfers, Unappropriated:**

It is the policy of the Board to establish an emergency contingency account in the General Fund each fiscal year. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years. This year the contingency is budgeted at \$2.2 million.

The Unappropriated Ending Fund Balance is up 22% for 2003-04 from \$26.6 million to \$32.4 million. All transfers balance.

**Department Programs and Services:**

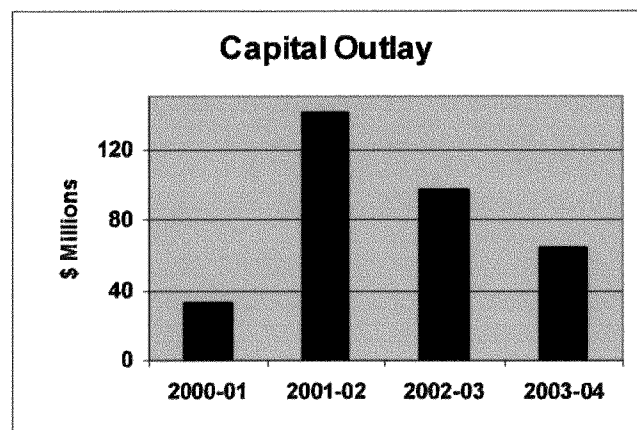
- The Office of School and Community Partnerships was created in January of 2002, and shows an approved budget for 2003-04 of \$29,593,932 down 10%. This department contracts with over 72 community-based organizations to provide services such as anti-poverty programs, juvenile justice diversion, temporary housing, the SUN Schools initiative and many other programs.
- Approximately \$171.4 million, which is down 9%, is budgeted for 2003-04 in the County Human Services Department which provides direct services to the elderly of Multnomah County and to those who have serious physical, emotional, or developmental disabilities.
- In 2003-04 the Health Department, which deals with regulatory health issues, totals \$110.4 million, up 3%.
- Approximately \$214 million is budgeted for 2003-04 for three departments that deal with the justice system: the Multnomah County Sheriff's office which provides support for the rest of the justice system within the County, law enforcement and corrections at \$117.7 million; the Community Justice Department which provides supervision of offenders and court services for juveniles at \$75 million; and the District Attorney's office at \$21 million.

- The approved budget of the Department of Business and Community Services is \$260,266,885, down 1%. It includes the information technology, finance and direct community services, such as elections, emergency management and animal control, for Multnomah County.
- The Library decreases from \$50,296,140 in 2002-03 to \$48,442,294 in 2003-04. The new Local Option Levy of \$.755 per thousand as compared to the old rate of \$.5947. The Chairs executive budget shows a \$1.365 million reduction in General Fund allocation to the Library.
- The Non-departmental area consists of Elected Officials, non-County agencies and independent organizations. The portion of new Personal Income Tax that goes to schools and the City of Portland Children's Levy are budgeted in this area which results in a significant increase over past years.

### Capital Outlay:

Wapato Jail is the largest capital outlay project and is expected to be complete in May 2004.

The County has identified a deferred maintenance and seismic liability of approximately \$100 million, and over the next fifteen years this is expected to grow to an estimated \$220 million for County buildings now in operation.



Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Capital Outlay	33,100,606	140,626,149	96,669,427	64,325,790

The above figure for 2001-02 will be updated with the adopted document.

Some of the major capital outlay projects planned for 2003-04 by the County include:

Wapato Jail	\$ 18,876,000
Justice Center Detention/Fire	3,608,007
Library – Library Technology	2,100,000
IBM Mainframe Migration	3,890,000
Children's Receiving Center Phase 2	2,800,000
SAP Information System Upgrade	1,300,000

### Debt History:

Multnomah County	6-30-2000	6-30-2001	6-30-2002	6-30-2003 est.
General Obligation	115,555,000	106,260,000	96,535,000	91,610,000
Revenue Bonds	3,155,000	8,500,000	8,335,000	7,890,000
PERS Pension Revenue Bonds	184,548,160	184,548,160	184,018,160	182,893,160
COPs	54,780,000	49,805,000	45,105,000	40,195,000
Full Faith & Credit	97,340,000	93,165,000	88,815,000	93,870,000
Lease Purchase	2,924,951	2,145,805	1,507,783	1,305,220
Long Term Loans	596,767	869,212	795,746	717,169
<b>Total Debt Outstanding</b>	<b>458,899,878</b>	<b>445,293,177</b>	<b>425,111,689</b>	<b>418,480,549</b>

The County was able to maintain its GO bond rating of Aa1 and received an Aa2 rating on recent full faith and credit bond refinance despite hard economic times.

### Highlights of the 2003-04 Budget to be published in TSCC Annual Report:

- The total budget increased \$63.2 million or 6%.
- The General Fund increased by 32% from \$304,414,319 to \$401,336,954 due to the passage of a Personal Income Tax ballot measure.
- Capital projects of \$64.3 million include completion of the Wapato Jail in May 2004.
- A three year personal income tax of 1.25% for Multnomah County residents was passed in May 2003.
- County will administer the City of Portland Children's Levy local option tax.
- This budget includes a decrease of 392 FTE positions.
- Employee health insurance rates remained stable. Employees contribute a small portion of the monthly cost.
- The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie island Bridge.

### Local Budget Law Compliance:

The county is in substantial compliance.

The June 30, 2002 audit noted the following funds had over expenditures.

<u>Fund</u>	<u>Agency</u>	<u>Amount</u>
General Fund	Sheriff's Office	\$53,000
Emergency Communications Fund	Sheriff's Office	10,000
Animal Control Fund	Environmental Services	<u>1,000</u>
<b>Total Over expenditures</b>		<b>\$64,000</b>



**Questions:**

**Revenue Forecasts**

1. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?

**Income Tax**

2. Regarding the new Income Tax ballot measure that passed in May:
  - Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?
  - In estimating collections for the new income tax what non-filer factor was used?
  - How will non filers be identified?
  - What steps will be taken to ensure the correct amount of tax has been paid?
3. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?
4. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?

### **City of Portland Children's Levy**

5. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?

### **Business Income Tax**

6. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?

### **Facilities & Property Management**

7. Has the operation of the Gateway Children's Center been as successful as expected?
  - What is Phase 2 renovation?
  - Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?
8. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?
9. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?

### **Wapato Jail**

10. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.

- What is the anticipated date for occupancy?
  
  
  
  
  
  
  
  
  
  
- What are the plans for funding the new facility operations?
  
  
  
  
  
  
  
  
  
  
- Will the new income tax provide any temporary monies for operations?

### **Bridges**

11. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?

12. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?

# **TSCC Budget Review Multnomah County Hearing Questions and Responses FY 2003 and FY 2004**

Hearing Date: June 5<sup>th</sup>, 9:30 a.m.  
Multnomah County Boardroom

## **FY 2003 SUPPLEMENTAL BUDGET**

- 1. How much more do you anticipate will be needed for the appeals process in the PERS case?**

*The County does not expect to spend more than the \$200,000 budgeted.*

- 2. Do you anticipate that the PERS case will continue through the court system or will the focus now switch to the new Legislation and the Supreme Court challenge?**

*The PERS case will continue through the court system on the issues identified in the ruling. It is anticipated that the new legislation will be challenged and that court case will be on a different timeline. Some of the issues will be the same and at this time we are unsure of how they will be brought together.*

- 3. The Sheriff's Office is recording an additional \$150,000 in appropriations as a result of a settlement offer check being returned to the county from a former employee. Has this case been finalized or will the amount or more be needed in the future?**

*The settlement offer was made on a one-time-only basis. Since it was rejected by the plaintiff the offer has been rescinded and will not be re-offered. While the case has not yet been resolved, the Sheriff's Office believes they have a very good chance of prevailing in a law suit. In the event that there is an award against the County, it is likely the settlement amount would come from within the Sheriff's Office authorized appropriation.*

## **FY 2004 BUDGET REVENUE FORECASTS**

- 4. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?**

*Government budgeting continues to be a challenge for state and local government officials across the nation as they continue to experience deficits and major service reductions. The Budget Office develops General Fund revenue forecasts that serve to establish targets for the annual budget process. The forecast primarily focuses on a handful of revenue sources – Property Tax, BIT, Motor Vehicle Rental Tax, Video Lottery, Cigarette Tax, and Liquor Tax – that constitute a majority of the revenue in the General Fund. These "corporate" revenue sources account for nearly 80% of General Fund revenue.*

*As a result of the economic downturn that has plagued the region it has been necessary to reduce General Fund appropriations in each of the past two years. In response to the most recent mid-year rebalance the Budget Office solicited bids from local economic consulting firms to assist in development of the General Fund forecast. In December the County entered into a contract with ECONorthwest to*

provide economic consulting services. Specifically, ECONorthwest will assist the Budget Office in the development of forecasting techniques and models to more reliably predict revenue from the BIT. They will also serve as a consultant and data resource on issues related to state and regional economic conditions.

In preparation for the current budget process ECONorthwest undertook a review of Multnomah County's current forecasting process and determined that "... your forecasting methods and the qualitative direction of your recent forecasts represent good, agency forecasting practice." That review also suggested three areas where the forecast process could be improved:

- Formalization of a model(s) to identify core revenue trends;
- Make use of additional information sources to chart business trends;
- Development of a peer review process

Multnomah County currently follows most of the "best practices" recommended by the National Advisory Council on State and Local Budgeting (NACSLB) with regard to revenue forecasting. We concur that the forecast process can be improved and will be working on incorporating the three areas recommended by ECONorthwest over the next year.

## **INCOME TAX**

### **5. Regarding the new Income Tax ballot measure that passed in May:**

- **Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?**

The County will enter into an Intergovernmental Agreement with each school. The agreement will include the following provisions:

- Payments to the schools will be made as the revenues are collected
- Payments to the schools will be made based on their pro rata share of the expenditure breakdown based on the revenue estimates

Schools will be responsible for ensuring they have the necessary cash flow in place. Schools are authorized to issue short-term notes to provide the needed cash flow. The County has increased its short-term notes by \$20 million to meet its needs.

- **In estimating collections for the new income tax what non-filer factor was used?**

The County received the data to develop the revenue estimates from the State Legislative Fiscal Office and Oregon Department of Revenue. The County used conservative estimates as we have no track record of the data. We have allowed about an 18% discount factor in the revenue assumptions for FY 04. Based on the 1.25% rate the County expects to collect about \$128 million. Receipts will come in late so we will not know how the estimates compare to actual until the end of May 2004. The resource will be used as follows:

- \$89 million to all County Schools
- \$16 million to Public Safety Programs
- \$16 million to Health and Human Service Programs
- \$7 million Collection, administration and auditing

- **How will non filers be identified?**

The County will be adopting ORS and Oregon Department of Revenue Administrative Rules that apply to Oregon Personal Income Tax. This will allow the County to use similar enforcement methods to ensure

that the tax is paid. Furthermore, the County has requested an amendment to SB228 to allow the County to have access to tax collection data that the Department of Revenue maintains. This bill is still going through the legislative process. Access to this data will allow Multnomah County to identify non-filers.

- **What steps will be taken to ensure the correct amount of tax has been paid?**

The County is currently developing a comprehensive education and marketing campaign. Part of this communication strategy will be to help people determine how much they must pay. A website will be developed to provide additional instruction and a referral number where people can call to get direct help. Multnomah County will also be providing assistance to other local governments and corporations to assist in setting up automatic payroll deductions. The taxes paid will be reconciled with the Tax collection data maintained by the State Department of Revenue.

**6. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?**

Elders in Action (EIA) will not receive any additional funds from the Personal Income Tax. The following outlines the government funding EIA receives, but they also have received several grants and do fundraising for their services. Before they became a not for profit, five years ago, they were the Portland-Multnomah Commission on Aging, the official advisory group to the county and the city.

Funds are provided to EIA from the County's Non-Departmental/Non-County Agencies budget, as they serve as the formal advisory group to the County. For FY 04, the budget is \$132,509 as compared to \$144,345 for FY 03. The City of Portland also provides funding because EIA is the formal advisory group to the City. The Aging and Disability Services (ADS) division of the Department of County Human Services also provides funding to EIA. This funding was cut by \$48,984 on an annualized basis as part of the FY 03 mid-year budget rebalance. In particular, ADS had been subsidizing rent when EIA was located in the same building as ADS. ADS was able to justify using county matched funds and Medicaid dollars because ADS was using an EIA conference room. When ADS relocated, the rent subsidy could not be justified.

The EIA Ombudsman program was funded through a grant EIA received a few years back. It was not renewed by the original funder. ADS has never paid for the service nor have they purchased those services as they are done by volunteers. EIA Ombudsman is a worthy program that provides a short term service through elderly volunteers to do short term peer support for seniors who need a friend. It was purposely designed not to duplicate what the government programs do.

**7. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?**

The loss of 392 FTE, includes the \$32 million of additional funding provided by the temporary income tax measure (ITAX). The ITAX supports approximately 225 FTE. If the ITAX measure had failed, the County would have had to cut 616 FTE.

**CITY OF PORTLAND CHILDREN'S LEVY**

**8. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?**

*The County expects that there will likely be two ways in which distributions will be made prior to November 2003. First, the Allocation Committee may try to "fast track" some funds through the process in order to get programs started quickly. Second, it is anticipated that the contracting process itself will require the expenditure of some funds.*

## **BUSINESS INCOME TAX**

- 9. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?**

*The BIT forecast for FY 04 was developed based on the assumption that the current tax structure would remain in place. A **Community Partnership Agreement** was entered into in November, 2001 to study the impacts of business taxes in Portland and Multnomah County. That committee was charged with developing recommendations to reform the existing tax structure if the members believed it was necessary. It was also a goal of the committee that any recommended changes be "revenue neutral" to both the city and county. The FY 04 BIT estimate is conservative and it reflects the concept of revenue neutrality. Collections are forecast to be about even with the FY 03 revised estimate.*

*On March 13, 2003, the Board of County Commissioners adopted Resolution 03-036 accepting the recommendations of the committee formed by the Community Partnership Agreement. A steering committee consisting of all parties to the agreement and representatives of other private sector industries and non-profit organizations was appointed to guide the process. That review process has been completed and the following specific recommendations have been made:*

*Portland's Business License Fee (BLF) and Multnomah County's BIT should be replaced with a two-source business revenue mix.*

*Approximately **60%** of current revenue would be generated from a city BLF measured by payroll and a county payroll tax.*

*Approximately **40%** of current revenue would be generated from a city BLF and the county's BIT based on net income.*

*The committee further recommended that the individual liability for any business be limited for each of the two component pieces. Under this proposal no business would pay more than \$50,000 to the city and \$50,000 to the county from the payroll based tax. Likewise, no business would pay more than \$15,000 to the city and \$15,000 to the county for the net income based tax.*

*These recommendations will be tested during the summer to determine the potential impact to businesses within the city and county. The Chair will report those results to the Board of County Commissioners by September 1, 2003. The Board will consider that report, in addition to other relevant information, and take action as it deems appropriate.*

## **FACILITIES & PROPERTY MANAGEMENT**

- 10. Has the operation of the Gateway Children's Center been as successful as expected?**

*Yes. The Gateway Children's Center is a campus of three buildings. The residential portion of the campus, the Children's Receiving Center, began operating in January 27, 2003. It is operated by Christie*

*School. Abused and neglected children are brought here by law enforcement and Children's Protective Services to be assessed and await appropriate foster care placements. The facility has been especially valuable for accommodating sibling groups, which are the most difficult to place on an emergency basis.*

*The Services Building currently houses the Children's Assessment Services, jointly provided by the County Health Department and Morrison Center. Children entering foster care from all over the county receive health and mental health assessments and services.*

*The MDT, Multi-Disciplinary Building is currently being renovated to accommodate the law enforcement component of the campus. The Child Abuse Team, which includes the Portland and Gresham Police, the Multnomah County Sheriff's Office, the District Attorney and State Services to Children and Families will be located here to investigate child abuse. In addition the Child Abuse Hotline will be located here. The building will be ready to be occupied in the fall of 2003. (See attached snapshot of program evaluation report and daily population report).*

- **What is Phase 2 renovation?**

*Phase 2 is the Multi-Disciplinary Team (MDT) Building (Corner building on the site) and the Mt Hood Head Start (MHHS) renovation (previously warehouse portion of Services Building) which is in construction right now. MHHS will move-in August 2003 and MDT Programs will be in and operating on October 1, 2003.*

- **Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?**

*PDC purchased a portion of the Gateway Children's Center site for about \$953,000. Gateway Urban Renewal funds were used to purchase it. This money is a part of the total funding for the renovation of the MDT building Phase 2. The rest is funded through the Capital Program.*

**11. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?**

*This Committee was convened by Chair Linn nearly a year ago and began regular meetings last October. It has carefully considered all options for the potential renovation of the existing Courthouse, potential strategies and locations for a new courthouse, opportunities for the reuse of the existing courthouse if not renovated for court purposes, the needs and opportunities for court facilities outside of the downtown area, and various financing alternatives.*

*In discussions to date, the Committee has concluded that:*

- *A new downtown courthouse is required and has tentatively identified three potential sites for that facility. Specific phasing, design, and financing strategies for each site are in discussion.*
- *A new East County court facility is required in Gresham. Specific design/location criteria are in discussion as well as a financing strategy.*
- *The current historic Courthouse is a significant community asset and requires a strategy for reuse and preservation. Strategies for achieving that objective are in discussion.*

*Recommendations are scheduled to be finalized at the June 2003 meeting of the Committee. A detailed report will be drafted over the course of the summer and the Committee will reconvene in September to finalize the report and recommendations. They will then be presented for consideration and action by the County Board of Commissioners in September/October. The Board will determine at that time whether it*



agrees with the recommendations of the Committee and whether it feels it is appropriate to propose a General Obligation Bond (or other appropriate strategies) to provide the required funding.

**12. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?**

Five properties were identified as surplus at the time of last year's TSCC hearing. As outlined below, sales have closed on one, sales are approved but not yet closed on three and the last of the five will be offered for sale next week:

**Ford Building:**

Sale closed at full appraised value.

**Old Hollywood Library:**

Sale negotiated (at full appraised value) and approved by Board. All documentation is nearly complete and the sale should close within a week.

**Old Sellwood Library:**

Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining a conditional use permit. Expected to close in June or July.

**Gresham Neighborhood Center:**

Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining financing within 90 days.

**Morrison Building:**

A Request For Offers is drafted and undergoing legal review. It should be released within 10 days. (NOTE: The sale of this property was delayed due to several title and easement issues which surfaced during the due diligence work to prepare the property for sale. These issues have now been addressed.)

**WAPATO JAIL**

**13. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.**

- **What is the anticipated date for occupancy?**

The Wapato Facility is anticipated to be open for occupancy June, 2004.

- **What are the plans for funding the new facility operations?**

The initial plans for operation were to continue the public safety operating levy. The public safety levy has not yet gone on the ballot and it is unknown when or if it will go out for a vote. Also, if it did go out for a vote, it appears there may not be enough room under the M5 cap to fund the facility.

The immediate need is for when the building is done - the warranty period will start. The cost to the County of not utilizing the building during this period could be rather high. If no other option is available, MCSO will need to empty portions of existing facilities, up to 150 inmates, and cycle them through the new jail. While this is not the ideal way to run a system, financially it is the best option as the cost of paying for manufacturer error, after the warranty is up, could be very high. Over the next six months, the public safety system players will develop a plan to redesign the system, reallocating existing resources and finding potential new resources in order to fund the operation of the new jail facility.

- **Will the new income tax provide any temporary monies for operations?**

*No, the new income tax will not provide any money for the new facility. However, having the current system closer to capacity will provide less harsh options for the future. This means that if we are more fully utilizing the three buildings that we currently have, the ability to thinly spread what we have across four buildings is greater. This would however mean that we have four partially running buildings in order to thin out resources.*

## **BRIDGES**

- 14. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?**

*Assuming the County receives only federal funds, we will need \$6 million as local match. Transportation is looking to secure partial or total funds for the Sauvie Island Bridge replacement through the currently proposed State transportation bill. Funds secured through the State would be used as match for federal funds. If funding for the bridge replacement is solely federal funds, the County will either need to identify a new source of revenue, reprogram funds from the Road Fund capital program, or borrow money to provide the local match. The Sauvie Island project will be ready to construct, assuming funds are available, the latter part of 2005.*

- 15. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?**

*The proposed State legislation provides two sources for additional funds for bridge needs. New revenues would provide bonding for \$300 million of county and city bridges throughout the State. The bill states that ODOT will work with local jurisdictions to address local priorities. The County, through AOC, has been involved in these conversations. The County has identified the Sauvie Island Bridge as its highest priority for funding needs.*

*Additional new revenues will be distributed to counties and cities for discretionary transportation funding. The proposed bill includes language that states Multnomah County will spend a majority of these revenues on bridges in the County. The amount of revenue is unknown at this time.*

#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: 4/5/03

SUBJECT: Budget Cuts affecting social services

AGENDA NUMBER OR TOPIC: P43

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: Sarah Mantowitz

ADDRESS: 616 E Buenside

CITY/STATE/ZIP: PDY OR 97214

PHONE: \_\_\_\_\_ DAYS: \_\_\_\_\_

EVES: \_\_\_\_\_

EMAIL: \_\_\_\_\_

FAX: \_\_\_\_\_

SPECIFIC ISSUE: Budget Cuts affecting social  
service

WRITTEN TESTIMONY:

**IF YOU WISH TO ADDRESS THE BOARD:**

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

**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

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

#3

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

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Please complete this form and return to the Board Clerk

\*\*\*This form is a public record\*\*\*

MEETING DATE: 6/5/03

SUBJECT: Budget cuts affecting social services

AGENDA NUMBER OR TOPIC: PH3

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: Charles Johnson

ADDRESS: 316 NE Bryant St.

CITY/STATE/ZIP: Portland, OR 97211

PHONE: \_\_\_\_\_ DAYS: \_\_\_\_\_

EVES: \_\_\_\_\_

EMAIL: \_\_\_\_\_

FAX: \_\_\_\_\_

SPECIFIC ISSUE: Budget cuts in social services

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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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.

# TSCC Budget Review 2003-04

## Multnomah County

### Location:

Multnomah County is located in the northwestern section of the state. The north border is the Columbia River that separates Oregon from Washington.

### District Background:

A five member salaried board governs the County. All are elected to four-year terms on non-partisan ballots: the Board Chair is elected at large and four board members are elected from districts. The Territorial Legislature established Multnomah County in 1854 five years before Oregon was granted statehood because citizens found it inconvenient to travel to Hillsboro to conduct business. Portland was designated as the county seat.

Of the 36 counties in Oregon Multnomah County is Oregon's smallest in area, covering 457 square miles, but has the largest population, 646,850.

Approximately 96.5% of the population of the County resides within the boundaries of one of six cities, 79.5% within the largest city in the state, Portland. Multnomah County is also home to the Oregon's largest: Community College, School District, ESD, Port, Mass Transit District, Regional Government, and Urban Renewal Agency.

The County operates under a 1967 home rule charter that assigns legislative authority to the Board of County Commissioners and administrative responsibility to the Chair of the Board.

In November 2002, the voters passed a five-year Library Local Option Levy to replace the expiring levy. The last year of this local option levy will be 2007-08. In May 2003 voters passed a three year 1.25% personal income tax. This is the first tax of its type in Oregon and about 75% of the proceeds will go to Multnomah County Schools.

### General Information:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Assessed Value in Billions	\$39.6	\$41.7	\$42.3	
Real Market Value in Billions	\$56.3	\$61.2	\$63.4	
Property Tax Rate Extended:				
Operations	\$4.3433	\$4.3434	\$4.3434	
Library Local Option	\$0.5947	\$0.5947	\$0.5947	
Debt Service	<u>\$0.3670</u>	<u>\$0.2729</u>	<u>\$0.2361</u>	
Total Property Tax Rate	\$5.3050	\$5.2110	\$5.1742	
Measure 5 Loss / Urban Renewal Gain	\$-6,951,230	\$-7,319,197	\$-10,189,782	
Number of Employees (FTE's)	5,036	4,983	4,934	4,542

**Overview:**

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Total Budget All Funds	1,124,070,000	1,104,665,000	1,032,291,884	1,095,538,596
Percent of Change from Prior Year		-1.73%	-6.55%	+6.13%
Total Beginning Fund Balance All Funds	205,194,967	176,378,000	146,837,002	120,405,250
Percent of Change from Prior Year		-14.04%	-16.75%	-18.00%

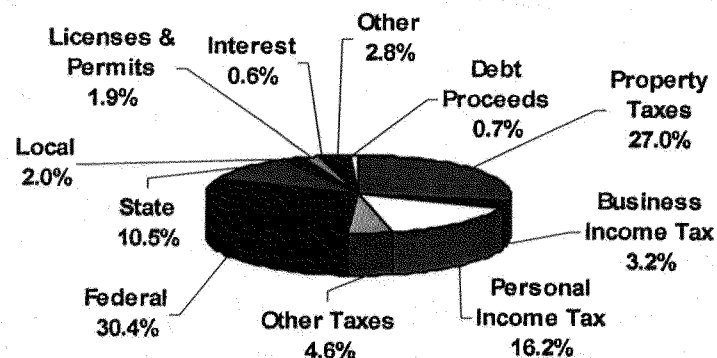
The County is seeing a steady decrease in overall beginning fund balances. Without the new personal income tax of \$128.2 million and the City of Portland Children's Levy of \$9.21 million the overall budget would be down 7.2%.

**Revenues:**

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Property Taxes - Operations	165,718,201	176,420,000	183,709,595	181,769,178
Property Taxes - Library Local Option	19,077,000	20,253,000	20,727,770	24,140,847
Property Taxes - Debt	14,100,000	11,216,000	9,511,576	7,180,069
Gasoline Tax	7,262,000	7,832,000	7,375,000	7,700,000
Motor Vehicle Rental Tax	14,592,608	13,718,000	15,687,190	15,454,041
Business Income Tax	30,377,000	26,935,000	29,635,200	25,075,000
Personal Income Tax	0	0	0	128,200,000
Other Taxes	15,228,111	11,131,000	13,027,750	13,425,000
Service Charges	21,605,622	23,102,000	20,131,450	12,800,448
Licenses, Permits & Fines	6,173,540	8,321,000	14,711,524	15,200,577
Federal	281,378,059	269,013,000	248,705,325	240,178,487
State	39,899,400	40,620,000	88,568,910	83,054,194
Local	16,255,801	15,428,000	11,588,541	16,168,450
Other	27,363,343	22,174,000	21,271,622	19,101,718

This budget includes \$128.2 million in personal income taxes approved by voters in May 2003. Business Income Tax continues to decline - this year by 15%. Federal and state revenues show decreases of 3% and 6% respectively. Local sources are up 40% due to \$9.2 million from the Portland Children's Levy that Multnomah County will administer.

**2003-04 Revenue Sources**

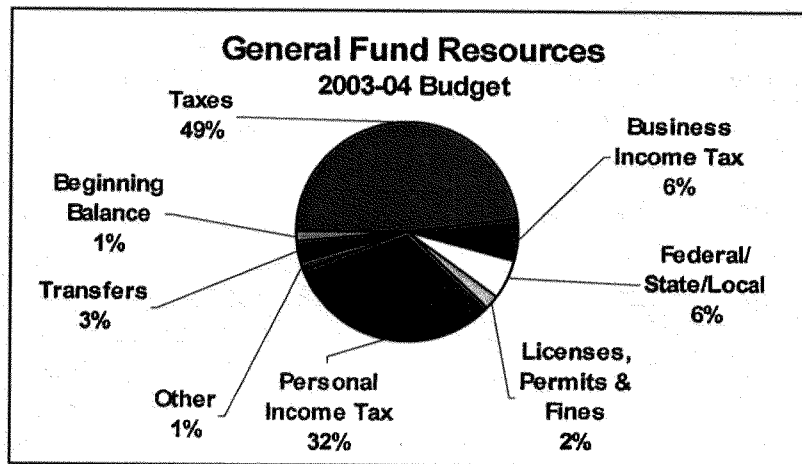
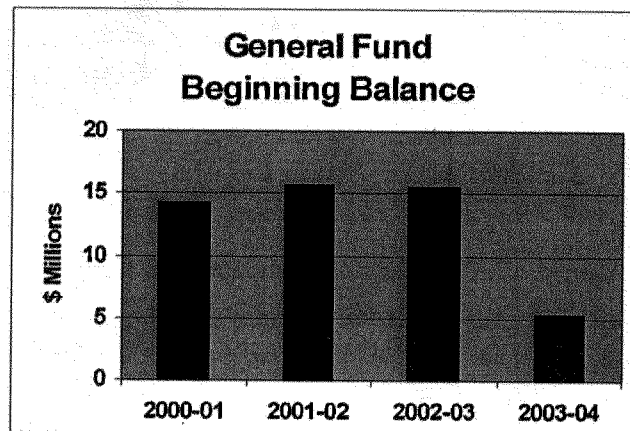


### General Fund:

The General Fund shows an overall increase of 32%. Without the new Personal Income Taxes of \$128.2 million that are being budgeted in the General Fund the fund would have decreased by 10%.

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
General Fund Beginning Balance	14,262,000	15,759,000	15,480,679	5,345,718
General Reserve Fund		9,137,000	9,470,000	10,587,000

The General Fund Beginning Fund Balance is down 65% this year from \$15,480,679 to \$5,345,718. However the General Fund Reserve continues to build with an increase of 12% this year. The County's goal is to have the total reserves funded at a 10% of total revenues level. Within the Service Charges category Health is down from \$6.7 million to \$543,804.



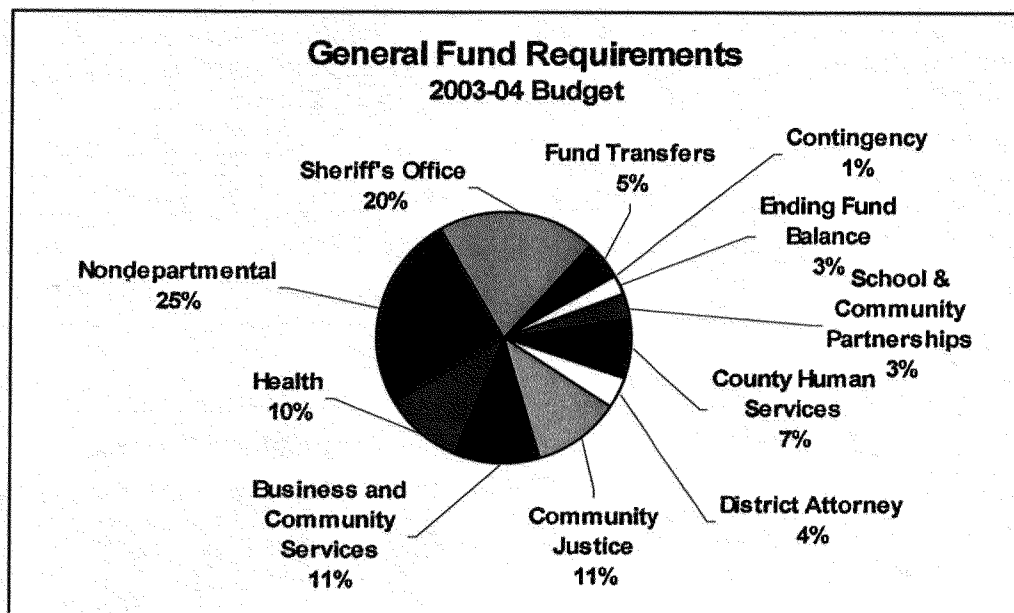
### Expenditures:

Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Personal Services	295,407,033	320,548,467	343,223,140	282,122,829
Materials & Services	448,137,951	489,557,850	468,810,380	621,060,303

The above figures for 2001-02 will be updated with the adopted document.

### Personal Services:

Overall, the staffing for 2003-04 is down 392 full time employees. Health Insurance costs for the County as well as the employee contribution portion are stable for 2003-04.



#### **Contingencies, Transfers, Unappropriated:**

It is the policy of the Board to establish an emergency contingency account in the General Fund each fiscal year. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years. This year the contingency is budgeted at \$2.2 million.

The Unappropriated Ending Fund Balance is up 22% for 2003-04 from \$26.6 million to \$32.4 million. All transfers balance.

#### **Department Programs and Services:**

- The Office of School and Community Partnerships was created in January of 2002, and shows an approved budget for 2003-04 of \$29,593,932 down 10%. This department contracts with over 72 community-based organizations to provide services such as anti-poverty programs, juvenile justice diversion, temporary housing, the SUN Schools initiative and many other programs.
- Approximately \$171.4 million, which is down 9%, is budgeted for 2003-04 in the County Human Services Department which provides direct services to the elderly of Multnomah County and to those who have serious physical, emotional, or developmental disabilities.
- In 2003-04 the Health Department, which deals with regulatory health issues, totals \$110.4 million, up 3%.
- Approximately \$214 million is budgeted for 2003-04 for three departments that deal with the justice system: the Multnomah County Sheriff's office which provides support for the rest of the justice system within the County, law enforcement and corrections at \$117.7 million; the Community Justice Department which provides supervision of offenders and court services for juveniles at \$75 million; and the District Attorney's office at \$21 million.

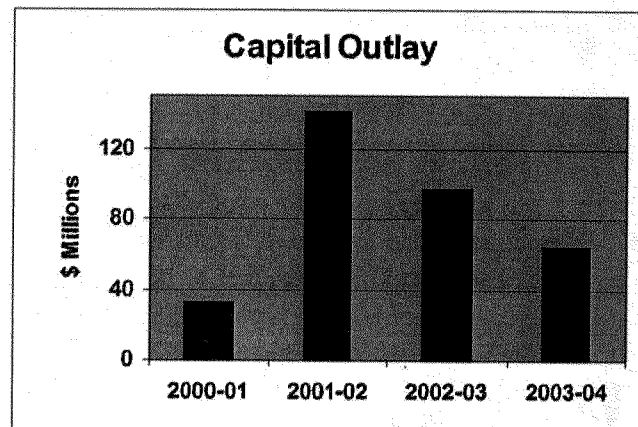


- The approved budget of the Department of Business and Community Services is \$260,266,885, down 1%. It includes the information technology, finance and direct community services, such as elections, emergency management and animal control, for Multnomah County.
- The Library decreases from \$50,296,140 in 2002-03 to \$48,442,294 in 2003-04. The new Local Option Levy of \$.755 per thousand as compared to the old rate of \$.5947. The Chairs executive budget shows a \$1.365 million reduction in General Fund allocation to the Library.
- The Non-departmental area consists of Elected Officials, non-County agencies and independent organizations. The portion of new Personal Income Tax that goes to schools and the City of Portland Children's Levy are budgeted in this area which results in a significant increase over past years.

### Capital Outlay:

Wapato Jail is the largest capital outlay project and is expected to be complete in May 2004.

The County has identified a deferred maintenance and seismic liability of approximately \$100 million, and over the next fifteen years this is expected to grow to an estimated \$220 million for County buildings now in operation.



Multnomah County	2000-01 Actual	2001-02 Actual	2002-03 Budget	2003-04 Budget
Capital Outlay	33,100,606	140,626,149	96,669,427	64,325,790

The above figure for 2001-02 will be updated with the adopted document.

Some of the major capital outlay projects planned for 2003-04 by the County include:

Wapato Jail	\$ 18,876,000
Justice Center Detention/Fire	3,608,007
Library – Library Technology	2,100,000
IBM Mainframe Migration	3,890,000
Children's Receiving Center Phase 2	2,800,000
SAP Information System Upgrade	1,300,000

**Debt History:**

Multnomah County	6-30-2000	6-30-2001	6-30-2002	6-30-2003 est.
General Obligation	115,555,000	106,260,000	96,535,000	91,610,000
Revenue Bonds	3,155,000	8,500,000	8,335,000	7,890,000
PERS Pension Revenue Bonds	184,548,160	184,548,160	184,018,160	182,893,160
COPs	54,780,000	49,805,000	45,105,000	40,195,000
Full Faith & Credit	97,340,000	93,165,000	88,815,000	93,870,000
Lease Purchase	2,924,951	2,145,805	1,507,783	1,305,220
Long Term Loans	596,767	869,212	795,746	717,169
<b>Total Debt Outstanding</b>	<b>458,899,878</b>	<b>445,293,177</b>	<b>425,111,689</b>	<b>418,480,549</b>

The County was able to maintain its GO bond rating of Aa1 and received an Aa2 rating on recent full faith and credit bond refinance despite hard economic times.

**Highlights of the 2003-04 Budget to be published in TSCC Annual Report:**

- The total budget increased \$63.2 million or 6%.
- The General Fund increased by 32% from \$304,414,319 to \$401,336,954 due to the passage of a Personal Income Tax ballot measure.
- Capital projects of \$64.3 million include completion of the Wapato Jail in May 2004.
- A three year personal income tax of 1.25% for Multnomah County residents was passed in May 2003.
- County will administer the City of Portland Children's Levy local option tax.
- This budget includes a decrease of 392 FTE positions.
- Employee health insurance rates remained stable. Employees contribute a small portion of the monthly cost.
- The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie island Bridge.

**Local Budget Law Compliance:**

The county is in substantial compliance.

The June 30, 2002 audit noted the following funds had over expenditures.

<u>Fund</u>	<u>Agency</u>	<u>Amount</u>
General Fund	Sheriff's Office	\$53,000
Emergency Communications Fund	Sheriff's Office	10,000
Animal Control Fund	Environmental Services	<u>1,000</u>
<b>Total Over expenditures</b>		<b>\$64,000</b>

**Questions:**

**Revenue Forecasts**

1. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?

**Income Tax**

2. Regarding the new Income Tax ballot measure that passed in May:
  - Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?
  - In estimating collections for the new income tax what non-filer factor was used?
  - How will non filers be identified?
  - What steps will be taken to ensure the correct amount of tax has been paid?
3. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?
4. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?

### **City of Portland Children's Levy**

5. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?

### **Business Income Tax**

6. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?

### **Facilities & Property Management**

7. Has the operation of the Gateway Children's Center been as successful as expected?
  - What is Phase 2 renovation?
  - Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?
8. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?
9. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?

### **Wapato Jail**

10. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.

- What is the anticipated date for occupancy?
  
  
  
  
  
- What are the plans for funding the new facility operations?
  
  
  
  
  
- Will the new income tax provide any temporary monies for operations?

### **Bridges**

11. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?

12. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?

# **TSCC Budget Review Multnomah County Hearing Questions and Responses FY 2003 and FY 2004**

Hearing Date: June 5<sup>th</sup>, 9:30 a.m.  
Multnomah County Board Room

## **FY 2003 SUPPLEMENTAL BUDGET**

- 1. How much more do you anticipate will be needed for the appeals process in the PERS case?**

*The County does not expect to spend more than the \$200,000 budgeted.*

- 2. Do you anticipate that the PERS case will continue through the court system or will the focus now switch to the new Legislation and the Supreme Court challenge?**

*The PERS case will continue through the court system on the issues identified in the ruling. It is anticipated that the new legislation will be challenged and that court case will be on a different timeline. Some of the issues will be the same and at this time we are unsure of how they will be brought together.*

- 3. The Sheriff's Office is recording an additional \$150,000 in appropriations as a result of a settlement offer check being returned to the county from a former employee. Has this case been finalized or will the amount or more be needed in the future?**

*The settlement offer was made on a one-time-only basis. Since it was rejected by the plaintiff the offer has been rescinded and will not be re-offered. While the case has not yet been resolved, the Sheriff's Office believes they have a very good chance of prevailing in a law suit. In the event that there is an award against the County, it is likely the settlement amount would come from within the Sheriff's Office authorized appropriation.*

## **FY 2004 BUDGET REVENUE FORECASTS**

- 4. A recent Multnomah County Auditors report regarding the Financial Condition of the County noted that one of the shortfalls of the County is in the area of estimating revenues. What is being done to improve the County's capacity to better forecast revenues?**

*Government budgeting continues to be a challenge for state and local government officials across the nation as they continue to experience deficits and major service reductions. The Budget Office develops General Fund revenue forecasts that serve to establish targets for the annual budget process. The forecast primarily focuses on a handful of revenue sources – Property Tax, BIT, Motor Vehicle Rental Tax, Video Lottery, Cigarette Tax, and Liquor Tax – that constitute a majority of the revenue in the General Fund. These "corporate" revenue sources account for nearly 80% of General Fund revenue.*

*As a result of the economic downturn that has plagued the region it has been necessary to reduce General Fund appropriations in each of the past two years. In response to the most recent mid-year rebalance the Budget Office solicited bids from local economic consulting firms to assist in development of the General Fund forecast. In December the County entered into a contract with ECONorthwest to*

provide economic consulting services. Specifically, ECONorthwest will assist the Budget Office in the development of forecasting techniques and models to more reliably predict revenue from the BIT. They will also serve as a consultant and data resource on issues related to state and regional economic conditions.

In preparation for the current budget process ECONorthwest undertook a review of Multnomah County's current forecasting process and determined that "... your forecasting methods and the qualitative direction of your recent forecasts represent good, agency forecasting practice." That review also suggested three areas where the forecast process could be improved:

- Formalization of a model(s) to identify core revenue trends;
- Make use of additional information sources to chart business trends;
- Development of a peer review process

Multnomah County currently follows most of the "best practices" recommended by the National Advisory Council on State and Local Budgeting (NACSLB) with regard to revenue forecasting. We concur that the forecast process can be improved and will be working on incorporating the three areas recommended by ECONorthwest over the next year.

## **INCOME TAX**

### **5. Regarding the new Income Tax ballot measure that passed in May:**

- **Will school dollars be proportionately apportioned to schools or will Portland Public Schools be given priority in the distribution?**

The County will enter into an Intergovernmental Agreement with each school. The agreement will include the following provisions:

- Payments to the schools will be made as the revenues are collected
- Payments to the schools will be made based on their pro rata share of the expenditure breakdown based on the revenue estimates

Schools will be responsible for ensuring they have the necessary cash flow in place. Schools are authorized to issue short-term notes to provide the needed cash flow. The County has increased its short-term notes by \$20 million to meet its needs.

- **In estimating collections for the new income tax what non-filer factor was used?**

The County received the data to develop the revenue estimates from the State Legislative Fiscal Office and Oregon Department of Revenue. The County used conservative estimates as we have no track record of the data. We have allowed about an 18% discount factor in the revenue assumptions for FY 04. Based on the 1.25% rate the County expects to collect about \$128 million. Receipts will come in late so we will not know how the estimates compare to actual until the end of May 2004. The resource will be used as follows:

- \$89 million to all County Schools
- \$16 million to Public Safety Programs
- \$16 million to Health and Human Service Programs
- \$7 million Collection, administration and auditing

- **How will non filers be identified?**

The County will be adopting ORS and Oregon Department of Revenue Administrative Rules that apply to Oregon Personal Income Tax. This will allow the County to use similar enforcement methods to ensure

that the tax is paid. Furthermore, the County has requested an amendment to SB228 to allow the County to have access to tax collection data that the Department of Revenue maintains. This bill is still going through the legislative process. Access to this data will allow Multnomah County to identify non-filers.

- **What steps will be taken to ensure the correct amount of tax has been paid?**

The County is currently developing a comprehensive education and marketing campaign. Part of this communication strategy will be to help people determine how much they must pay. A website will be developed to provide additional instruction and a referral number where people can call to get direct help. Multnomah County will also be providing assistance to other local governments and corporations to assist in setting up automatic payroll deductions. The taxes paid will be reconciled with the Tax collection data maintained by the State Department of Revenue.

- 6. The Elders in Action program has been cut significantly for the coming year. Will any of the Personal Income Tax monies relieve this situation?**

Elders in Action (EIA) will not receive any additional funds from the Personal Income Tax. The following outlines the government funding EIA receives, but they also have received several grants and do fundraising for their services. Before they became a not for profit, five years ago, they were the Portland-Multnomah Commission on Aging, the official advisory group to the county and the city.

Funds are provided to EIA from the County's Non-Departmental/Non-County Agencies budget, as they serve as the formal advisory group to the County. For FY 04, the budget is \$132,509 as compared to \$144,345 for FY 03. The City of Portland also provides funding because EIA is the formal advisory group to the City. The Aging and Disability Services (ADS) division of the Department of County Human Services also provides funding to EIA. This funding was cut by \$48,984 on an annualized basis as part of the FY 03 mid-year budget rebalance. In particular, ADS had been subsidizing rent when EIA was located in the same building as ADS. ADS was able to justify using county matched funds and Medicaid dollars because ADS was using an EIA conference room. When ADS relocated, the rent subsidy could not be justified.

The EIA Ombudsman program was funded through a grant EIA received a few years back. It was not renewed by the original funder. ADS has never paid for the service nor have they purchased those services as they are done by volunteers. EIA Ombudsman is a worthy program that provides a short term service through elderly volunteers to do short term peer support for seniors who need a friend. It was purposely designed not to duplicate what the government programs do.

- 7. Even though this budget included the assumption that the income tax levy would pass it still shows a decrease in FTE of 392 positions. Is there a possibility that any of these positions will be added back?**

The loss of 392 FTE, includes the \$32 million of additional funding provided by the temporary income tax measure (ITAX). The ITAX supports approximately 225 FTE. If the ITAX measure had failed, the County would have had to cut 616 FTE.

#### **CITY OF PORTLAND CHILDREN'S LEVY**

- 8. The Portland Children's Levy which passed in November 2002 is being administered by the County. Will any distributions for the qualifying programs be made prior to the actual receipt of tax dollars in November 2003?**



The County expects that there will likely be two ways in which distributions will be made prior to November 2003. First, the Allocation Committee may try to "fast track" some funds through the process in order to get programs started quickly. Second, it is anticipated that the contracting process itself will require the expenditure of some funds.

## **BUSINESS INCOME TAX**

9. The budget message notes that the Business Income Tax (BIT) is the second largest source of revenue for the General Fund. BIT revenues have, on average declined by about 10% annually since 1998-99. A committee was appointed in November 2001 to study the impacts of business taxes in Portland and Multnomah County and the County has adopted a resolution accepting the recommendations of that committee. What will the dollar impact on BIT be with the implementation of the new proposal?

The BIT forecast for FY 04 was developed based on the assumption that the current tax structure would remain in place. A **Community Partnership Agreement** was entered into in November, 2001 to study the impacts of business taxes in Portland and Multnomah County. That committee was charged with developing recommendations to reform the existing tax structure if the members believed it was necessary. It was also a goal of the committee that any recommended changes be "revenue neutral" to both the city and county. The FY 04 BIT estimate is conservative and it reflects the concept of revenue neutrality. Collections are forecast to be about even with the FY 03 revised estimate.

On March 13, 2003, the Board of County Commissioners adopted Resolution 03-036 accepting the recommendations of the committee formed by the Community Partnership Agreement. A steering committee consisting of all parties to the agreement and representatives of other private sector industries and non-profit organizations was appointed to guide the process. That review process has been completed and the following specific recommendations have been made:

Portland's Business License Fee (BLF) and Multnomah County's BIT should be replaced with a two-source business revenue mix.

Approximately 60% of current revenue would be generated from a city BLF measured by payroll and a county payroll tax.

Approximately 40% of current revenue would be generated from a city BLF and the county's BIT based on net income.

The committee further recommended that the individual liability for any business be limited for each of the two component pieces. Under this proposal no business would pay more than \$50,000 to the city and \$50,000 to the county from the payroll based tax. Likewise, no business would pay more than \$15,000 to the city and \$15,000 to the county for the net income based tax.

These recommendations will be tested during the summer to determine the potential impact to businesses within the city and county. The Chair will report those results to the Board of County Commissioners by September 1, 2003. The Board will consider that report, in addition to other relevant information, and take action as it deems appropriate.

## **FACILITIES & PROPERTY MANAGEMENT**

10. Has the operation of the Gateway Children's Center been as successful as expected?

Yes. The Gateway Children's Center is a campus of three buildings. The residential portion of the campus, the Children's Receiving Center, began operating in January 27, 2003. It is operated by Christie

School. Abused and neglected children are brought here by law enforcement and Children's Protective Services to be assessed and await appropriate foster care placements. The facility has been especially valuable for accommodating sibling groups, which are the most difficult to place on an emergency basis.

The Services Building currently houses the Children's Assessment Services, jointly provided by the County Health Department and Morrison Center. Children entering foster care from all over the county receive health and mental health assessments and services.

The MDT, Multi-Disciplinary Building is currently being renovated to accommodate the law enforcement component of the campus. The Child Abuse Team, which includes the Portland and Gresham Police, the Multnomah County Sheriff's Office, the District Attorney and State Services to Children and Families will be located here to investigate child abuse. In addition the Child Abuse Hotline will be located here. The building will be ready to be occupied in the fall of 2003. (See attached snapshot of program evaluation report and daily population report).

- **What is Phase 2 renovation?**

Phase 2 is the Multi-Disciplinary Team (MDT) Building (Corner building on the site) and the Mt Hood Head Start (MHHS) renovation (previously warehouse portion of Services Building) which is in construction right now. MHHS will move-in August 2003 and MDT Programs will be in and operating on October 1, 2003.

- **Prior to Phase 1 it was hoped that urban renewal funds would be available for Phase 2. Is that happening?**

PDC purchased a portion of the Gateway Children's Center site for about \$953,000. Gateway Urban Renewal funds were used to purchase it. This money is a part of the total funding for the renovation of the MDT building Phase 2. The rest is funded through the Capital Program.

**11. A listing in the Facilities & Property Management department shows a plan to complete Blue Ribbon Steering Committee work and obtain Board approval for a strategy to address the need for a new/renovated Courthouse. When will a decision be made on the Courthouse?**

This Committee was convened by Chair Linn nearly a year ago and began regular meetings last October. It has carefully considered all options for the potential renovation of the existing Courthouse, potential strategies and locations for a new courthouse, opportunities for the reuse of the existing courthouse if not renovated for court purposes, the needs and opportunities for court facilities outside of the downtown area, and various financing alternatives.

In discussions to date, the Committee has concluded that:

- A new downtown courthouse is required and has tentatively identified three potential sites for that facility. Specific phasing, design, and financing strategies for each site are in discussion.
- A new East County court facility is required in Gresham. Specific design/location criteria are in discussion as well as a financing strategy.
- The current historic Courthouse is a significant community asset and requires a strategy for reuse and preservation. Strategies for achieving that objective are in discussion.

Recommendations are scheduled to be finalized at the June 2003 meeting of the Committee. A detailed report will be drafted over the course of the summer and the Committee will reconvene in September to finalize the report and recommendations. They will then be presented for consideration and action by the County Board of Commissioners in September/October. The Board will determine at that time whether it

agrees with the recommendations of the Committee and whether it feels it is appropriate to propose a General Obligation Bond (or other appropriate strategies) to provide the required funding.

**12. Last year in the TSCC Hearing it was noted that the County was placing several pieces of property on the market. Have any of those properties sold and what is status of any unsold properties?**

Five properties were identified as surplus at the time of last year's TSCC hearing. As outlined below, sales have closed on one, sales are approved but not yet closed on three and the last of the five will be offered for sale next week:

**Ford Building:**

Sale closed at full appraised value.

**Old Hollywood Library:**

Sale negotiated (at full appraised value) and approved by Board. All documentation is nearly complete and the sale should close within a week.

**Old Sellwood Library:**

Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining a conditional use permit. Expected to close in June or July.

**Gresham Neighborhood Center:**

Sale negotiated (at full appraised value) and approved by Board. Subject to buyer obtaining financing within 90 days.

**Morrison Building:**

A Request For Offers is drafted and undergoing legal review. It should be released within 10 days. (NOTE: The sale of this property was delayed due to several title and easement issues which surfaced during the due diligence work to prepare the property for sale. These issues have now been addressed.)

**WAPATO JAIL**

**13. The Wapato Jail Facility is expected to be complete in May 2004. The budget notes that the operating costs of the new jail are not currently funded.**

- **What is the anticipated date for occupancy?**

The Wapato Facility is anticipated to be open for occupancy June, 2004.

- **What are the plans for funding the new facility operations?**

The initial plans for operation were to continue the public safety operating levy. The public safety levy has not yet gone on the ballot and it is unknown when or if it will go out for a vote. Also, if it did go out for a vote, it appears there may not be enough room under the M5 cap to fund the facility.

The immediate need is for when the building is done - the warranty period will start. The cost to the County of not utilizing the building during this period could be rather high. If no other option is available, MCSO will need to empty portions of existing facilities, up to 150 inmates, and cycle them through the new jail. While this is not the ideal way to run a system, financially it is the best option as the cost of paying for manufacturer error, after the warranty is up, could be very high. Over the next six months, the public safety system players will develop a plan to redesign the system, reallocating existing resources and finding potential new resources in order to fund the operation of the new jail facility.

- **Will the new income tax provide any temporary monies for operations?**

*No, the new income tax will not provide any money for the new facility. However, having the current system closer to capacity will provide less harsh options for the future. This means that if we are more fully utilizing the three buildings that we currently have, the ability to thinly spread what we have across four buildings is greater. This would however mean that we have four partially running buildings in order to thin out resources.*

## **BRIDGES**

- 14. The County estimates a shortfall of \$6 million in matching funds for replacement of the Sauvie Island Bridge. If federal transportation funding can be secured how will the county match that funding and when is the Sauvie Island project expected to commence?**

*Assuming the County receives only federal funds, we will need \$6 million as local match. Transportation is looking to secure partial or total funds for the Sauvie Island Bridge replacement through the currently proposed State transportation bill. Funds secured through the State would be used as match for federal funds. If funding for the bridge replacement is solely federal funds, the County will either need to identify a new source of revenue, reprogram funds from the Road Fund capital program, or borrow money to provide the local match. The Sauvie Island project will be ready to construct, assuming funds are available, the latter part of 2005.*

- 15. A number of places in the budget note that the funding levels are inadequate to address currently necessary preventive maintenance and repairs as well as future bridge rehabilitations and replacements. Has the Legislature provided any funding mechanisms this session?**

*The proposed State legislation provides two sources for additional funds for bridge needs. New revenues would provide bonding for \$300 million of county and city bridges throughout the State. The bill states that ODOT will work with local jurisdictions to address local priorities. The County, through AOC, has been involved in these conversations. The County has identified the Sauvie Island Bridge as its highest priority for funding needs.*

*Additional new revenues will be distributed to counties and cities for discretionary transportation funding. The proposed bill includes language that states Multnomah County will spend a majority of these revenues on bridges in the County. The amount of revenue is unknown at this time.*



# ATTACHMENT

## Children's Receiving Center

### Program Evaluation Report - Basic

Includes data on all clients discharged as of: 5/8/2003 8:59 am

Number of children discharged in period : 57

#### Basic Demographics

	Number	Percentage
Boys:	33	57.89
Girls:	24	42.11
Children < 4years old:	12	21.05
Children 4-11 years old:	38	66.67
Children > 11 years old:	7	12.28

#### Sibling Placement Detail

	Number	Percentage
Sibling groups admitted together:	15	NA
Sibling groups discharged together:	15	100.00% of groups admitted
Distinct children served with siblings:	40	70.18% of Kids served

#### Reasons for Removal

	Number	Percentage
Abuse to Child:	10	17.54
Abuse to Sibling:	2	3.51
Domestic Violence:	1	1.75
Illegal Activity in Home:	12	21.05
Neglect:	11	19.30
Homelessness:	5	8.77
Threat of Abuse:	3	5.26
Other Safety Concern:	6	10.53
Disrupted Community Plcmt.:	6	10.53
Other:	1	1.75

#### Living Arrangements (admission)

	Number	Percentage
Foster (Family Based Treatment)	1	1.75%
Foster (Regular)	2	3.51%
Foster (Specialized)	1	1.75%
Home (adoptive)	2	3.51%
Home (Natural Parents)	42	73.68%
Home (of family friend)	1	1.75%
Home (of Relative)	3	5.26%
Shelter (Group/Emergency)	5	8.77%

#### Placement Agency

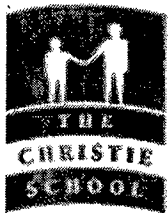
	Number	Percentage
Dept. Of Human Services	39	68.42
Law Enforcement:	18	31.58

#### School Involvement

	Number	Percentage
# of school aged children:		
Attended Cmty. School:	In Development	
Did Not Cmty. attend School:		
Not Applicable:		

#### Living Arrangements (discharge)

	Number	Percentage
Assmt. & Eval/Assmt. & Stabilization	1	1.75%
Foster (Family Based Treatment)	3	5.26%
Foster (Regular)	27	47.37%
Foster (Specialized)	8	14.04%
Home (Natural Parents)	8	14.04%
Home (of Relative)	7	12.28%
Shelter (Group/Emergency)	3	5.26%



## Children's Receiving Center

Program Evaluation Report - Community Contacts while in care

Summary

*Includes all documented community contact made while in care for all clients discharged as of: 5/8/2003 9:00 am*

### **Summary data**

*Number of children discharged in period :* 56

*\*Children with documented Family and or Cmty. contact while in care:* 29

*Percent contacted while in care:* 51.79

\*Run "detail" report to list number and type of contacts by child



**Children's Receiving Center**  
Average Daily Population Report

Print Date/time: 5/8/2003 9:11 am

Includes all clients served between: 04/24/2003 and: 05/08/2003

**Please note:** Length of stay and utilization calculations include the first day of service and exclude the final day of service

**Active Clients**

<u>Christie ID#</u>	<u>DHS case #</u>	<u>Age</u>	<u>Date/Time admitted</u>	<u>LOS In Range</u>	<u>LOS Total</u>
104	BW51594E	8	5/2/03 10:00 am	6	6
105	BW51594G	7	5/2/03 10:00 am	6	6
106	BW51594H	5	5/2/03 10:00 am	6	6
109	CA62591F	9	5/5/03 3:45 pm	3	3
110	CA62591G	7	5/5/03 3:45 pm	3	3
111	CA62591B	11	5/5/03 3:45 pm	3	3
112	br51127	9	5/5/03 10:30 pm	3	3
117	BR5112	12	5/6/03 7:30 pm	2	2

Number of Active Clients listed: 8

Average LOS (Days) for Active Clients: 4.00

**Discharged Clients**

<u>Christie ID#</u>	<u>DHS case #</u>	<u>Age</u>	<u>Date/Time admitted</u>	<u>Date/Time DC'd</u>	<u>LOS In Range</u>	<u>LOS Total</u>
90	CX08021B	8	4/29/03 9:00 am	5/3/03 3:00 pm	4	4
94	GA35742B	11	4/27/03 7:45 am	4/28/03 5:30 pm	1	1
95	BM46615K	11	4/27/03 8:45 pm	4/28/03 3:30 pm	1	1
96	AM85218F	17	4/28/03 9:00 pm	4/29/03 5:30 pm	1	1
97	AM85218K	2	4/28/03 8:30 pm	4/29/03 5:30 pm	1	1
98	GA45659B	3	4/30/03 7:45 pm	5/1/03 5:00 pm	1	1
99	GA45659C	1	4/30/03 7:45 pm	5/1/03 5:00 pm	1	1
113	EO43077G	3	5/6/03 12:00 pm	5/8/03 10:30 am	2	2
114	EO43077C	11	5/6/03 12:00 pm	5/8/03 3:30 pm	2	2
115	EO43077	9	5/6/03 12:00 pm	5/8/03 3:30 pm	2	2
116	EO43077E	6	5/6/03 12:00 pm	5/8/03 10:30 am	2	2

Includes all clients served between: 04/24/2003 and: 05/08/2003

**Please note:** Length of stay and utilization calculations include the first day of service and exclude the final day of service

Number of Discharged Clients listed: 11

Average LOS (Days) for Discharged Clients: 1.64

<b>Utilization Summary in Date Range</b>
------------------------------------------

<i>Service days provided</i>	<i>Days in Report</i>	<i>Service days available</i>	<i>ADP</i>	<i>Utilization Rate</i>
50	14	112	3.57	44.64



# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** C-1

**Est. Start Time:** 10:15 AM

**Date Submitted:** 05/12/03

---

**Requested Date:** June 5, 2003

**Time Requested:** N/A

**Department:** Office of School and Community Partnerships

**Division:** N/A

**Contact/s:** Mary Li / Debra Ayo

**Phone:** 503 988.6295

**Ext.:** 26787 / 2861

**I/O Address:** 166/7

**Presenters:** Consent Calendar

---

**Agenda Title:** State of Oregon Housing and Community Services Master Grant Agreement (Revenue) #0310559

**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 Office of School and Community Partnerships (OSCP) recommends that the Board of County Commissioners approve the Master Grant Agreement (Agreement) with the State of Oregon Housing and Community Services, effective July 1, 2003 through June 30, 2005.

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

This agreement will provide grant funding from federal, state and private grants for reimbursement of allowable costs to be incurred by subgrantees for the following programs: Weatherization; Energy Assistance; Homeless Assistance; Emergency Food; and Housing Stabilization.

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

Funds specified in the Agreement may include funds that have not yet been appropriated, but OHCS anticipates receiving for use in funding. Funds are contingent upon the full amount of anticipated grant funds being lawfully appropriated, allocated, and available.

OHCS will issue Notices of Allocation (NOA), which details the funding amount available to Multnomah County – OSCP. Upon acceptance, the NOA becomes binding upon Multnomah County OSCP as an amendment to the Agreement.

**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.**

N/A

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

Members of the community will benefit from the services that this Grant will provide funding for.

**Required Signatures:**

**Department/Agency Director:**



**Date:** 05/08/03

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

# MULTNOMAH COUNTY CONTRACT APPROVAL FORM

(See Administrative Procedure CON-1)

Contract #: 0310559

Pre-approved Contract Boilerplate (with County Counsel signature) ☐ Attached ☒ Not Attached

Amendment #: 0

Class I	Class II	Class III
<input type="checkbox"/> Professional Services not to exceed \$50,000 (and not awarded by RFP or Exemption) <input type="checkbox"/> Revenue not to exceed \$50,000 (and not awarded by RFP or Exemption) <input type="checkbox"/> Intergovernmental Agreement (IGA) not to exceed \$50,000 <input type="checkbox"/> Expenditure <input type="checkbox"/> Revenue <input type="checkbox"/> Architectural & Engineering not to exceed \$10,000 (for tracking purposes only)	<input type="checkbox"/> Professional Services that exceed \$50,000 or awarded by RFP or Exemption (regardless of amount) <input type="checkbox"/> PCRB Contract <input type="checkbox"/> Maintenance Agreement <input type="checkbox"/> Licensing Agreement <input type="checkbox"/> Construction <input type="checkbox"/> Grant <input type="checkbox"/> Revenue that exceeds \$50,000 or awarded by RFP or Exemption (regardless of amount)	<input checked="" type="checkbox"/> Intergovernmental Agreement (IGA) that exceeds \$50,000 <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Revenue

Department: County Human Services	Division: Program Support	Date: May 5, 2003
Originator: Mary Li / Debra Ayo	Phone: 26787 / 28614	Bldg/Rm: 166/2
Contact: Sydney Bizzell Roberts	Phone: 22701	Bldg/Rm: 166/7

Description of Contract **This is the Master Grant Agreement that provides the legal foundation for the disbursement of grant funds by the State of Oregon Housing and Community Services to the Office of School and Community Partnerships.**

RENEWAL <input type="checkbox"/>	PREVIOUS CONTRACT #(S):
RFP/BID	RFP/BID DATE
EXEMPTION	EXEMPTION EXPIRATION
#/DATE	DATE
CONTRACTOR IS: <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> ESB <input type="checkbox"/> QRF <input checked="" type="checkbox"/> N/A <input type="checkbox"/> NONE (Check all boxes that apply)	

Contractor <b>State of Oregon Housing and Community Services</b>	
Address <b>1600 State Street, PO Box 14508 Salem, OR 97309-0409</b>	Remittance Address (If different)
Phone <b>503.986.2000</b>	Payment Schedule / Terms
Employer ID# or SS# <b>93-6002309</b>	<input type="checkbox"/> Lump Sum \$ <input type="checkbox"/> Due on Receipt
Effective Date <b>July 1, 2003</b>	<input type="checkbox"/> Monthly \$ <u>Invoice</u> <input type="checkbox"/> Net 30
Termination Date <b>June 30, 2005</b>	<input type="checkbox"/> Other \$ <input checked="" type="checkbox"/> Other
Original Contract Amount \$ <b>Pending Appropriation</b>	
Total Amt of Previous Amendments \$	<input type="checkbox"/> Requirements \$
Amount of Amendment \$	
Total Amount of Agreement \$	Encumber <input type="checkbox"/> Yes <input type="checkbox"/> No

## REQUIRED SIGNATURES

Department Manager <u>Lalenz T. Pae Jr.</u>	DATE <u>5/6/03</u>
Purchasing Manager <u>Katie Smith</u>	DATE
County Counsel <u>Chris Chung</u>	DATE <u>5/13/03</u>
County Chair	DATE <u>6.5.03</u>
Sheriff	DATE
Contract Administration	DATE

SAP VENDOR CODE 201254	DEPT REFERENCE
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APPROVED MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-1 DATE 06-06-03  
DEB BOGSTAD, BOARD CLERK

## MASTER GRANT AGREEMENT

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# **MASTER GRANT AGREEMENT**

This Agreement is between the State of Oregon acting by and through its Housing and Community Services Department, hereinafter referred to as "OHCS" and,

**Multnomah County – Office of School & Community Partnerships  
421 SW 6<sup>th</sup> Ave Suite 200  
Portland, OR 97204**

Hereinafter referred to as "Subgrantee".

## **1. Agreement Purpose**

To provide the legal contractual vehicle for the disbursement of grant funds by OHCS to Subgrantees. Funds are from federal, state, and private grants for reimbursement of allowable costs to be incurred by Subgrantees within the terms and conditions of this agreement and any specific grant program requirements.

## **2. Grant Programs**

Grant programs include any identified within Exhibit D, Grant Programs and their Compliance Requirements, of this Agreement.

## **3. Addition of Grant Programs**

Programs may be added to this agreement by OHCS after this Agreement is executed, OHCS will insert an addendum to the Grant programs and their Compliance Requirements sheet. An Addendum for Grant programs and their Compliance Requirements must be signed by OHCS and the Subgrantee prior to commencement of work under that Grant program.

## **4. Term of Agreement**

Unless terminated or extended, this Agreement covers the period **July 1, 2003 through June 30, 2005**. This Agreement shall become effective on the date this Agreement has been signed by every party hereto and, when required, approved by the Oregon State Department of Justice.

## **5. Scope of Work**

The scope of work, is contained in Exhibit A, attached and incorporated by reference into this Agreement. Subgrantee agrees to perform the work in accordance with the terms and conditions of this Agreement and any specific grant program requirements.

## **6. Consideration**

The amount of grant funds available through this agreement and payable to Subgrantee shall not exceed amounts specified in the approved Notice of Allocation (NOA).

# MASTER GRANT AGREEMENT

## **7. Funding Appropriation**

Funds specified in the Consideration section of this Agreement may include funds that have not yet been appropriated but that OHCS anticipates receiving for use in funding this Agreement. Funds are contingent upon the full amount of anticipated grant funds being lawfully appropriated, allocated, and available.

## **8. Notices of Allocations (NOA)**

OHCS will issue Notices of Allocation (NOA), detailing the funding amount available to Subgrantee under this Agreement.

At the option of OHCS, OHCS will issue the NOA to Subgrantee in electronic format, by fax, or by first class mail at the address or number listed in page 1 of this Agreement.

The grant funds specified in the Notice of Allocation (NOA) may be used to pay costs incurred during the specific expenditure periods and in the specific expenditure categories noted in the NOA, provided the activities to which such costs are related are carried out in compliance with all applicable requirements.

## **9. Acceptance of Notices of Allocations (NOA)**

The Notice of Allocation, upon acceptance, becomes binding upon the Subgrantee as an amendment to this Agreement.

(Acceptance occurs upon performance of requirements of program.)

The following statement is contained in each Notice of Allocation (NOA):

**"With the acceptance of this Notice of Allocation (NOA), Subgrantee agrees to administer these grants in compliance with conditions set forth in applicable grant program instructions, terms and conditions, departmental regulations, and OMB Circulars."**

Failure to adhere to these requirements may cause reduction, suspension or termination of any grant funds awarded, at the sole and absolute discretion of OHCS. Notwithstanding any other remedy allowed by agreement or law.

## **10. Requests for Funds**

Subgrantee shall request funds in the form and manner as required by OHCS. Further, in accordance with Department of Treasury Regulations 31 CFR Part 205, implementing the Cash Management Improvement Act, Subgrantee agrees to limit request of funds to the minimum amount needed and to time the request in accordance with the actual, immediate requirements in carrying out grant programs funded through this Request for Funds.



# **MASTER GRANT AGREEMENT**

## **11. Remedies Related to Requests for funds**

### **a. Withholding of funds from request**

OHCS may withhold any or all request for funds from Subgrantee under this Agreement if Subgrantee violates any provision of this Agreement including, but not limited to incomplete, inaccurate and untimely reports or non-compliance with federal requirements. OHCS may withhold any or all funds from the Request For Funds of Subgrantee if the rate of request for any expenditure category is substantially different than in approved budget submissions. OHCS Program Coordinators shall at their sole and absolute discretion decide when a rate is to be considered substantially different for the purposes of this section.

### **b. Redistribution of funds**

#### **1) Due to non-timely use**

If funds are not utilized in a timely manner, OHCS may, at their sole and absolute discretion, reduce Subgrantee funding and redistribute, at their sole and absolute discretion, to other Subgrantees. Adjustments pursuant to this subsection are implemented by means of a Notice of Allocation (NOA). This remedy is in addition to any other allowed under this agreement.

#### **2) Due to "substantial difference" in expenditure category from Approved Budget Submissions.**

If the rate of request for any expenditure category is substantially different than in approved budget submissions OHCS may reduce and redistribute any or all funds under this grant agreement. OHCS Program Coordinators shall at their sole and absolute discretion decide when a rate is to be considered "substantially different". This remedy is in addition to any other allowed under this agreement.

## **12. Termination**

a. OHCS may, upon 30 days written notice, terminate this Agreement in whole or in part, upon the occurrence of any of the following:

- 1) Subgrantee fails to fulfill any of its obligations under this Agreement,
- 2) Subgrantee fails to comply with directives received from the agency that is the source of the grant funds. (not just federal)
- 3) Funds provided under this Agreement are used improperly or illegally by Subgrantee or any of its subrecipients.
- 4) Funding for grant programs are denied, suspended, reduced or eliminated.

## **MASTER GRANT AGREEMENT**

- 5) Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either a grant program included in the Subgrantee's Application is prohibited or OHCS is prohibited from paying for such grant program from the planned funding source(s).
- 6) Funding, appropriations, limitations or expenditure authorization to expend funds is denied, suspended, reduced or eliminated.
- 7) Any certification, license or certificate required by law to be held by Subgrantee to provide the services required by this Agreement is for any reason denied, revoked or not renewed.
- 8) Subgrantee (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or its property, (b) admits in writing its inability, or is generally unable, to pay its debts as they become due, (c) makes a general assignment for the benefit of its creditors, (d) commences a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (e) is adjudicated as bankrupt or insolvent, or (f) fails to controvert in a timely or appropriate manner, or agrees in writing to, an involuntary petition for bankruptcy.
- 9) Subgrantee is suspended, debarred, proposed for debarment, declared ineligible or voluntarily excluded from participating in agreements or contracts with any federal department or agency.

Upon issuance of the notice to terminate this Agreement and prior to the effective date of the termination, OHCS may, in its sole and absolute discretion, require that Subgrantee obtain prior OHCS approval from the Administrator of the Community Resources Division of OHCS for any additional expenditures.

- b. Notwithstanding the above, Subgrantee shall not be relieved of its liability to OHCS for damages sustained by OHCS by virtue of any breach of this Agreement by Subgrantee. OHCS may withhold any reimbursement to Subgrantee in the amount of compensation for damages due to OHCS from Subgrantee (as estimated by OHCS) until such time as the exact amount of damages has been agreed upon or otherwise determined.
- c. In the event of termination of this Agreement by either party, all unexpended money, property, finished or unfinished documents, data, financial reports, audit reports, program reports, studies and reports purchased or prepared by Subgrantee under this Agreement shall be delivered to OHCS within sixty (60) days of the date of termination or upon such date as requested by OHCS.
- d. Upon termination of this Agreement, OHCS shall have any remedy available to it in law or equity.

# **MASTER GRANT AGREEMENT**

## **13. Compliance**

Subgrantee shall, and shall cause its subrecipients to, comply with federal, state, and local laws, rules, regulations, or guidelines applicable to the grant program from which the funds are being utilized whether the requirement is listed on the Exhibit D, Grant programs and their Compliance Requirements, or existing at the time the Agreement is executed, or amended, enacted or adopted subsequent thereto. Services must be delivered efficiently, effectively and within various program time lines.

Subgrantee shall comply with, and OHCS' performance hereunder is conditioned upon Subgrantee's compliance with, the provisions of ORS 279.312, 279.314, 279.316, and 279.555.

## **14. Prior Approvals**

All requests for prior approval must be signed by an individual who is authorized to act for the recipient organization. Prior approval requests should be addressed to and approved by the OHCS named Program Coordinator at the time of Subgrantees request, unless specifically noted otherwise. Changes to approved work plans or budgets require prior approval. These requests should be in the format of the approved submission, unless specifically providing additionally requested detail and they must be supported by a narrative justification. Other prior approval requests may be made by letter. All prior approval originals shall be filed in the main OHCS grant agreement files.

## **15. Agreement Documents in Order of Precedence**

This Agreement consists of the following documents which are listed in descending order of precedence:

- This Agreement less all exhibits;
- Exhibit A – Scope of Work;
- Exhibit B – Required Reports;
- Exhibit C – Assurances; and
- Exhibit D – Grant Programs and their compliance requirements (Laws, Statutes, Regulations, Rules, or guidelines containing the compliance requirements for the various programs.)

All attached Exhibits are hereby incorporated by reference.

## **16. Governing Law; Venue; Consent to Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between OHCS and Subgrantee that arises from or related to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the Sate of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted

## MASTER GRANT AGREEMENT

solely and exclusively within the UNITED States District Court for the District of Oregon. Subgrantee by execution of this Agreement, hereby consents to the in personam jurisdiction of said courts.

### **17. Procurement**

*If allowable and approved under the specific grant program from which funds will be utilized the following may apply:*

#### **a. Contracts for Personal Professional Services**

- 1) Subgrantee may contract for consultant services purchased in whole or in part with funds provided under this agreement only when the specialized skills, knowledge and resources to be provided by a consultant are not available within Subgrantee's organization or if the work required by this Agreement cannot be performed in a reasonable time with Subgrantee's staff. This consultant must be of recognized professional expertise or stature in a field.
- 2) Prior to such contracting, Subgrantee shall develop policies and procedures to insure that all personal service contracts are developed in a manner consistent with the Office of Budget and Management Circular A-110, and any applicable federal agency codifications of The Grants Management Common Rule and the following guidelines for selection of contractors:
  - a) For contracts **\$5,000 or less**:
    - 1) Encourage competition to the extent possible;
    - 2) Document the process as described in subsection (b)(3) below; and
    - 3) Use best efforts to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible.
  - b) For contracts **more than \$5,000**:
    - 1) Solicit a minimum of 3 responses;
    - 2) Every prospective bidder must be notified in the same way and receive the same information;
    - 3) Document the process – name of firm and person contacted, when, how, responses or bids, and name of person making contact. This documentation must be kept with the resulting contract; and
    - 4) Use best efforts to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible.
- 3) Subgrantee shall obtain prior written approval from OHCS as outlined in section 14 prior to entering into any sole source contract or contract where only one bid or proposal is received when the contract is expected to be more than \$5,000 in the aggregate.

# **MASTER GRANT AGREEMENT**

## **b. Contracts for Goods and Trade Services**

- 1) Subgrantee shall develop and maintain policies and procedures for procuring, by purchase, rental or otherwise, any equipment or supplies in a manner consistent with:
  - a) The Office of Budget and Management Circular A-110; and/or
  - b) Any applicable federal agency codification of OMB Circular A-102.
- 2) In addition, to guidelines set out in subsection (b)(1) above, when Subgrantee purchases any vehicle, regardless of cost, or any equipment or other property costing more than \$5,000 per unit with funds provided in whole or in part under this Agreement, Subgrantee shall:
  - a) Obtain prior written approval from OHCS as outlined in section 14. ; and any other required approval specific to the source of funds that will be utilized.
  - b) Solicit (and retain documentation of) a minimum of three (3) bids.

## **18. Confidentiality**

Subgrantee shall, and shall cause its subrecipients to, protect the confidentiality of all information concerning applicants for and recipients of services funded by this Agreement. It shall not release or disclose any such information except as necessary for the administration of the program(s), as authorized in writing by the applicant or recipient or as required by law. All records and files shall be appropriately secured to prevent access by unauthorized persons.

Subgrantee shall, and shall cause its subrecipients to, ensure that all its officers, employees and agents are aware of and comply with this confidentiality requirement.

## **19. Monitoring Required**

### **a. OHCS shall monitor each subgrantee**

OHCS shall monitor each Subgrantee at least once a year. OHCS may make as many assessment visits as necessary and for which resources are available. By the close of the program year, OHCS is expected to have completed a comprehensive review of each subgrantee including its last financial audit. Failure to comply with this requirement is sufficient cause to require special conditions.

### **b. Subgrantee shall fully cooperate**

Subgrantee shall fully cooperate with OHCS in the performance of any or all monitoring activities including, but not limited to the following: Review of single audits, arrange for limited scope audits, on-site visits, reviewing subgrantee reports, requiring prior approval, requiring third party evaluations, providing training and technical assistance, making telephone calls and using such other means of

# **MASTER GRANT AGREEMENT**

communication such as e-mail in order to ask or answer questions, and following any related news coverage.

## **c. Subgrantee shall monitor its subrecipients**

Subgrantee shall monitor the activities of its subrecipients as necessary to ensure that awards are used for authorized purposes in compliance with laws, regulations and the provisions of grant agreements and that performance goals are achieved.

### **20. Monitoring: On-Site Visits**

The subgrantee should be briefed on the observations and findings generated by the visit, usually through an exit interview. Within 30 days after each visit, OHCS will prepare a written report on its findings and send it to the subgrantee for corrective action, if applicable. Noncompliance findings, unresolved within sixty days, should be reported. Major noncompliance findings should be reported immediately.

### **21. Monitoring: Major Findings Tracking**

Major findings from subgrantee assessment visits and financial audits should be tracked by OHCS to final resolution. Tracking record developed by OHCS includes, but is not limited to: findings including success stories, recommended corrective actions, deliverables, due dates, responsible parties, actions taken, and final resolution.

### **22. Monitoring: Annual Planning**

Annually, OHCS will summarize and review each subgrantee's audit, program assessment reports and findings for internal assessment of OHCS and subgrantee needs, strengths, and weaknesses. The results of this annual assessment are considerations of annual planning.

### **23. Monitoring: Remedies**

If OHCS determines that Subgrantee has failed to comply with any part of this Agreement including but not limited to any applicable requirements or directives or violates the terms of its corrective action plan, OHCS may, upon notice to Subgrantee, impose any sanctions (including, but not limited to, withholding of funds, disallowance of costs, suspension of payments, recoupment of payment, or termination of this Agreement) permitted by the terms of this Agreement.

The rights and remedies of OHCS provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided under this Agreement, or by law, or otherwise.

### **24. Return of Unexpended Funds at Program Final Period End**

All unexpended cash or income from such funds remaining at the end of any program

## **MASTER GRANT AGREEMENT**

final period for any program(s) covered by this Agreement must be returned by Subgrantee to OHCS no later than sixty (60) days following the expiration of the program's final program period or the termination of this Agreement, whichever is earlier. This section is not to be construed as permitting an extension of the time allowed for using funds requested under a grant program that is not consistent with Department of Treasury Regulations 31 CFR Part 205, implementing the Cash Management Improvement Act.

### **25. Expenditures Properly Supported**

Expenditures shall be supported by properly executed payroll and time records, invoices, contracts, vouchers, orders, canceled checks and/or any other accounting documents pertaining in whole or in part to the Agreement (or in the case of subrecipients, under their respective contracts with Subgrantee) in accordance with generally accepted accounting principles, Oregon Administrative Rules and applicable federal requirements as specified herein.

### **26. Records Maintenance**

Subgrantee shall, and shall cause its subrecipients to, prepare and maintain such records as necessary for performance of and compliance with the terms of this Agreement.

The subgrantee and its subrecipients shall retain all records pertinent to expenditure incurred under this agreement for a period consistent with those listed in OHCS' s Record Retention Schedule, as may be modified from time to time; Unless required to be longer under the specific grant program requirement. Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited, then such records must be retained until completion of the actions and resolutions of all issues.

### **27. Records Access**

OHCS, the Oregon Secretary of State's Office, the federal government and the duly authorized representatives of such entities shall have free access to the books, documents, papers, audits and records of Subgrantee and its subrecipients which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts. These records are the property of OHCS who may take possession of them at any time after three (3) business days' notice to Subgrantee or subrecipient, as the case may be. Subgrantee or subrecipient, as the case may be, may retain copies of all records taken by OHCS under this Section.

In its agreements with subrecipients, Subgrantee shall require its subrecipients to comply with the requirements of this Section and to grant right to access to and ownership by OHCS of the subrecipient's books and records related to this Agreement.

# **MASTER GRANT AGREEMENT**

## **28. Audits**

Subgrantee shall and shall cause its subrecipients to submit to OHCS financial and compliance audits for the period covered by the grants in accordance with the provisions of OMB Circular No. A-133 "Audits of States, Local Governments, and Non-Profit Organizations".

OHCS may withhold any or all request for funds from Subgrantee if Subgrantee violates this provision.

## **29. Subrecipient Agreements**

Subgrantee shall not enter into any agreement with subrecipients without prior written approval of OHCS as outlined in section 14. OHCS' approval of any subrecipient shall not relieve Subgrantee of any of its duties or obligations under this Agreement. Subrecipient shall comply with all applicable provisions of this Agreement between OHCS and Subgrantee, each of which must be specifically incorporated into the Agreement in a manner satisfactory to OHCS. OHCS reserves the right to request any Subrecipient Agreements be submitted for review by OHCS within 10 business days from date of written notification.

Subgrantee shall have a written agreement with each subrecipient that identifies:

- (1) The services or benefits that the subrecipient must provide when delivering the program.
- (2) The laws and regulations with which the subrecipient must comply under the terms of the agreement (including but not limited to program specific requirements such as eligibility criteria and matching obligations, public policy for protecting civil rights and the environment, written procedures for appeal by clients of subrecipient determinations, government wide administrative mandates affecting the subrecipient's accounting and record keeping systems, and local laws imposed by Subgrantee).
- (3) The Subgrantee's monitoring rights and responsibilities and the methods used by Subgrantee for monitoring.
- (4) A provision to certify that Subrecipient is an independent contractor and not an agent of OHCS or Subgrantee.

## **30. Subrecipient or Vendor Determination**

A subrecipient for the purposes of this section is a state or local government, or nonprofit organization that expends awards received from OHCS under this grant agreement to carry out a program.

The guidance in paragraphs (a) and (b) of this section should be considered in determining whether payments constitute an award under a subgrant received by a subrecipient or a payment for goods and services under a procurement contract received by a vendor.



# **MASTER GRANT AGREEMENT**

## **a. Award (Subrecipient)**

Characteristics indicative of an award received by a subrecipient are when the organization

- (1) Determines who is eligible to receive what financial assistance;
- (2) Has its performance measured against whether the objectives of the program are met;
- (3) Has responsibility for programmatic decision making;
- (4) Has responsibility for adherence to applicable program compliance requirements; and
- (5) Uses the funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

## **b. Payment for goods and services (Vendor)**

Characteristics indicative of a payment for goods and services received by a vendor are when the organization

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the grant program; and
- (5) Is not subject to compliance requirements of the grant program.

## **c. Use of Judgment in making determination.**

There may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present, judgment should be used in determining whether an entity is a subrecipient or vendor.

## **d. Applicability to For-profit Subrecipients**

Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The contract with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for federal awards

## **MASTER GRANT AGREEMENT**

made to for-profit subrecipients may include pre-award audits, monitoring during the contract and post-award audits.

### **e. Compliance responsibility for vendors**

In most cases, the auditee's compliance responsibility for vendors is only to ensure that the procurement, receipt and payment for goods and services comply with laws, regulations and the provisions of contracts or grant agreements. Program compliance requirements normally do not pass through to vendors. However, the auditee is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine program compliance. Also, when these vendor transactions relate to a major program, the scope of the audit shall include determining whether these transactions are in compliance with laws, regulations and the provisions of contracts or grant agreements.

### **31. Fixed Assets**

Subgrantee shall, and shall cause its subrecipients to, maintain policies and procedures for property management that comply with all requirements of the applicable OMB Circulars and specific requirements of the source of funds. The following practices are in addition to those otherwise required.

#### **(a) High Risk Items**

Fixed assets with a high risk of loss include all computer equipment, electronic equipment, photography equipment, hand tools and any other items management may identify as at risk. Fixed assets costing \$5,000 or less that are deemed to have a high risk of loss must be labeled, recorded on an inventory tracking system, and inventoried at least once a year.

#### **(b) Automobiles**

All automobiles, regardless of value, purchased in whole or in part with funds provided under this Agreement shall be the property of Subgrantee; provided however that OHCS is hereby granted a security interest in all such automobiles and the proceeds thereof and shall be noted as the security interest holder on the certificates of title. The original certificates of title to all such automobiles shall be delivered to and remain on file at OHCS. In its agreements with its subrecipients, Subgrantee shall prohibit its subrecipients from using funds provided thereunder to purchase any automobiles.

#### **(c) Insurance**

Subgrantee shall, at a minimum, provide the equivalent insurance coverage for equipment acquired in whole or in part with funds provided under this agreement (what about state or other funds) as provided for other equipment owned by Subgrantee. In its agreements with its subrecipients, Subgrantee shall require its

## **MASTER GRANT AGREEMENT**

subrecipients to comply with the requirements of this Section.

### **(d) Loaned Equipment / Property Disposition**

All fixed assets owned by OHCS and loaned to Subgrantee under a standard agreement will remain the property of OHCS, regardless of their value. The disposition of all loaned equipment shall be readily available.

### **(e) Disposal Requiring Prior Approval**

When Subgrantee wishes to dispose of a fixed asset in which OHCS has a security interest or when Subgrantee or a subrecipient wishes to dispose of a fixed asset having an original cost of more than \$5,000, Subgrantee shall submit a letter requesting OHCS' consent to do so to the appropriate Program Coordinator, with a copy to the Compliance Auditor at OHCS. If OHCS consents, OHCS Program Coordinator will provide instructions regarding the method of disposition. OHCS reserves the right to refuse to consent to such disposal and the right to object to the timing of such disposition. Such disposition, if permitted, shall be done in a manner consistent with the property management standards for equipment of the agency from which the original funding was received. In the case of mixed funding sources, the most restrictive standards shall apply.

## **32. Workers Compensation**

Subgrantee, its subrecipients, if any, and all employers providing work, labor, or materials under this Agreement are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide Oregon worker's compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year.

## **33. Dual Payment**

Subgrantee shall not be compensated for work performed under this Agreement from any other department of the State of Oregon, nor from any other source, including the federal government, unless such funds are used solely to increase the total services to provide under this Agreement. Any additional funds received through or for activities arising under this Agreement shall immediately be reported to OHCS.

## **34. Third Party Beneficiaries**

OHCS and Subgrantee are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

# **MASTER GRANT AGREEMENT**

## **35. Notices**

Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid, to Subgrantee or OHCS at the address or number set forth in this Agreement, or to such other addresses or numbers as either party may hereafter indicate pursuant to this Section ; provided however that any notice of termination hereunder shall be given by certified or registered mail, return receipt requested. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any communication or notice delivered by facsimile or email shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against OHCS, such facsimile transmission must be confirmed by telephone notice to OHCS' primary contact. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

## **36. Subgrantee Status**

- a. Subgrantee shall perform all work under this Agreement as an independent contractor. Subgrantee is not an officer, employee or agent of the State, as those terms are used in ORS 30.265, with respect to work performed under this Agreement.
- b. Subgrantee agrees that insurance coverage, whether purchased or by self-insurance, for Subgrantee's agents, employees, officers and/or subcontractors is the sole responsibility of Subgrantee.
- c. Subgrantee certifies that it is not employed by or contracting with the federal government for the work covered by this Agreement.
- d. Subgrantee certifies to the best of its knowledge and belief that neither the Subgrantee nor any of its principals, officers, directors or employees:
  - 1) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency;
  - 2) Has within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State or local) transaction or contract related to a public transaction; violation of federal or State antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
  - 3) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of

## **MASTER GRANT AGREEMENT**

any of the offenses enumerated in subsection (d)(2); and

- 4) Has within a three-year period preceding this Agreement had one or more public transactions (federal, State or local) terminated for cause or default.

### **37. Subgrantee Representations**

Subgrantee represents and warrants to OHCS that (1) Subgrantee has the power and authority to enter into and perform this Agreement, and (2) this Agreement, when executed and delivered, shall be a valid and binding obligation of Subgrantee enforceable in accordance with its terms.

### **38. OPUS System**

The OPUS system is a web-based application developed by OHCS. OPUS runs on an Oracle application server and database maintained by OHCS and accessed by OHCS and its Subgrantees through the internet (the "Site").

OHCS REQUIRES Subgrantees to enter data on Federal, State, and Private Grant programs awarded by OHCS through this Master Grant Agreement. OHCS enters the allocations to Subgrantees on a program by program expenditure category basis. The Subgrantees then enter data mainly consisting of client characteristics and expenditure of Grant Program awards.

### **39. OPUS Use**

As a condition of use of the site, User agrees to all OHCS terms and conditions, contained in this agreement or placed as notices on the Site. User must agree to not use the site for any unlawful purpose. OHCS reserves the right, at its discretion, to update or revise these Terms of Use. Use of the Site constitutes acceptance of the Terms and conditions.

Use of the OPUS system for additional reported "local" program data is at the entity's own risk. OHCS shall not modify or otherwise create any screen, report or tool in the OPUS system primarily or solely to meet needs related to this local data.

### **40. OPUS Data Rights**

Subgrantee hereby grants, and shall cause any subrecipient to grant, OHCS the right to reproduce, use, display, adapt, modify, distribute, and promote the content in any form and disclose, as allowed by law, any or all of the information or data furnished to, or received by OHCS directly or indirectly resulting from this agreement.

# **MASTER GRANT AGREEMENT**

## **41. OPUS Disclaimer of Warranties**

**ALL MAERIALS, INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES INCLUDED IN OR AVAILABLE THROUGH THIS SITE (THE "CONTENT") ARE PROVIDED "AS IS" AND "AS AVAILABLE" FOR YOUR USE. THE CONTENT IS PROVIDED WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERECHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. OHCS DO NOT WARRANT THAT THE CONTENT IS ACCURATE, RELIABLE OR CORRECT; THAT THIS SITE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; OR THAT THE CONTENT IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. YOUR USE OF THIS SITE IS SOLELY AT YOUR RISK.**

## **42. OPUS LIMITATION OF LIABILITY**

**UNDER NO CIRCUMSTANCES SHALL OHCS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES THAT RESULT FROM THE USE OF, OR INABILITY TO USE, THIS SITE. THIS LIMITATION APPLIES WHETHER THE ALLEGED LIABILITY IS BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER BASIS, EVEN IF OHCS HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGE.**

## **43. OPUS Indemnification**

Subgrantee agrees to defend, indemnify (consistent with ORS Chapter 180), and hold harmless OHCS and its employees, contractors, officers and directors from all liabilities, claims, and expenses, including attorney fees that arise from use or misuse of this site.

OHCS reserves the right, at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by Subgrantee, in which event Subgrantee will cooperate with OHCS in asserting any available defenses.

## **44. Unallowable Costs and Lobbying Activities**

Subgrantees are cautioned to carefully review the allowable cost and other provisions applicable to expenditures under their particular grant programs. If funds are spent for purposes or in amount inconsistent with the allowable cost or any other provisions governing expenditures in a grant program, OHCS may pursue a number of remedies against the subgrantee, including, recovery of such funds, termination of the award, suspension or debarment of the subgrantee from future awards, and criminal prosecution for false statements.

Particular care should be taken by the subgrantee to comply with the provisions prohibiting the expenditure of funds for lobbying and related activities. OMB Circular A-122 gives a lengthy guidance around particular items of cost including, but not limited to, Lobbying.

## **MASTER GRANT AGREEMENT**

### **45. Disallowance of Costs**

Any costs disallowed either upon request for reimbursement or as a result of any audits, reviews or site visits shall not be paid, (withheld), by OHCS. If a cost is disallowed after reimbursement has occurred, Subgrantee shall, within thirty (30) days of formal notice of disallowance, either demonstrate to the satisfaction of OHCS that such proposed disallowance is in error or make repayment of such cost.

If Subgrantee is a county, such disallowed costs may be recovered by OHCS only through repayment or withholding to the extent permitted by the Oregon Constitution, Article XI, Section 10. If Subgrantee is other than a county, OHCS may recover such disallowed costs through repayment, withholding, offset or other means permitted by law.

In cases of suspected fraud by applicants, employees, subrecipients or vendors, Subgrantee shall cooperate and shall cause its subrecipients to cooperate, with all appropriate investigative agencies and shall assist in recovering invalid payments.

### **46. Rollover Funds From the Prior Grant Agreement.**

Subgrantee may request that grant funds allocated but not expended under a prior Grant Agreement, be allocated under this Master Grant Agreement as rollover.

If OHCS determines, in its sole and absolute discretion, that the period of performance may be extended into the new Grant Agreement Period. Any rollover of funds shall be subject to such terms and conditions including but not limited to, the approved Work Plans and Program Budgets, and the then current Master Grant Agreement.

Any request for rollover shall be made in the form and format required by OHCS.

### **47. Attorney Fees**

In the event a lawsuit of any kind is instituted on behalf of OHCS or the Subgrantee to collect any payment due under this Agreement or to obtain performance of any kind under this Agreement, the prevailing party is, to the extent permitted by law, entitled to such additional sums as the court may adjudge for reasonable attorney fees and to pay all costs and disbursements incurred therein.

### **48. Captions**

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

### **49. Severability**

If any term or provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

# **MASTER GRANT AGREEMENT**

## **50. Execution and Counterparts**

This Agreement may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

## **51. Grant Funds**

Grant funds are used in conjunction with this Agreement, Subgrantee will assume sole liability for breach of the conditions of the grant by Subgrantee or any of its subrecipients, and shall, upon breach of grant conditions that requires the State to return funds to the grantor, whether such breach is by Subgrantee or by its subrecipient, hold harmless and indemnify the State for an amount equal to the grant funds received under this Agreement; or if there are legal limitations on the indemnification ability of the Subgrantee, the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount of grant funds received under this Agreement.

## **52. Indemnity**

Subgrantee shall defend, save, hold harmless, and indemnify (consistent with ORS Chapter 180) the State of Oregon and OHCS and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from, arising out of, or relating to the activities of Subgrantee or its officers, employees, subrecipients, subcontractors, or agents under this Agreement.

## **53. Merger Clause**

This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and all necessary OHCS approvals have been obtained. Such waiver, consent, modification or change if made shall be effective only in the specific instance and for the specific purpose given.

## **54. Waiver**

The failure of OHCS to enforce any provision of this Agreement shall not constitute a waiver by OHCS of that or any other provisions.



# MASTER GRANT AGREEMENT

## Subgrantee Data and Certification

Name (as on tax filing): Multnomah County, Oregon

Address: 421 SW 6<sup>th</sup> Avenue  
Portland, OR 97204

Telephone #: 503.988.6295 Fax#: 503.988.3332

Email: mary.t.li@co.multnomah.or.us Federal Tax ID #: 93-6002309

Primary Contact Name: Mary Li

Title of Primary Contact: CFS Manager, Senior

Phone # (if different than above): 503.988.6295 x26787

Fiscal Contact Name: Debra Ayo

Title of Fiscal Contact: Finance Specialist 2

Phone # : 503.988.6295 x28614

**Certification:** The individual signing on behalf of Subgrantee hereby certifies and swears under penalty of perjury as provided in ORS 305.385(6), that to the best of Subgrantee's knowledge, Subgrantee is not in violation of any Oregon tax laws including, without limitation, the state inheritance tax, gift tax, personal income tax, withholding tax, corporation income and excise taxes, amusement device tax, timber taxes, cigarette tax, other tobacco tax, 9-1-1 emergency communications tax, the elderly rental assistance program and local taxes administered by the Department of Revenue (Lane Transit District Tax, Tri-Metropolitan Transit District Employer Payroll Tax, and Tri-Metropolitan Transit District Self-Employment Tax).

**Subgrantee: YOU WILL NOT BE PAID FOR SERVICES RENDERED PRIOR TO NECESSARY OHCS APPROVALS.**

**Subgrantee,** BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT Subgrantee HAS READ THIS AGREEMENT, UNDERSTANDS IT, HAS THE LEGAL AUTHORITY TO BIND, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS

## Subgrantee

By: Lorenzo T. Poe, Jr. LORENZO T. POE, JR 5/6/03  
Executive Director Print or Type Name Date

By: Diane M. Linn DIANE M. LINN 6.5.03  
Board of Commissioners Print or Type Name Date  
Chair

By: Katie Gaertjens Katie Gaertjens 5/14/03  
Assistant County Attorney Print or Type Name Date

**MASTER GRANT AGREEMENT**  
**OREGON HOUSING AND COMMUNITY SERVICES (OHCS)**

Address: 1600 State Street PO BOX 14508 Salem, Oregon 97309-0409

Telephone Number: (503) 986-2072 Ufemia Castaneda Grant and Contracts Unit

Fax #: (503) 986-2020 Federal Tax ID #: 93-0952117

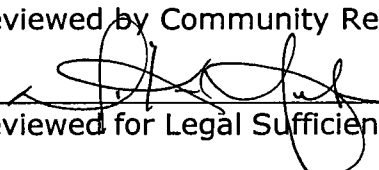
Primary Contact: OHCS assigned Program Coordinator for the Grant Program.

\_\_\_\_\_  
Approved by Jack Kenny, Deputy Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewed by Community Resources Division Administrator

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Reviewed for Legal Sufficiency by Assistant Attorney General

4/29/03  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewed by OHCS Grants and Contracts Unit

\_\_\_\_\_  
Date

### **Non-assignment of Ultimate Responsibility for Work**

Subgrantee shall retain ultimate responsible for completing all services, tasks, or activities and providing all deliverables required by this Scope of Work regardless of any approvals received under this agreement relating to Subrecipients or subcontractors.

### **Scope of Work**

Each Scope of Work under a grant program is unique to the Subgrantee. It must reflect the purpose of the grant Programs and the methods proposed by the subrecipient to administer or deliver the grant program. The Subgrantee individual Work Plans and their associated Program Budgets are hereby incorporated by reference. OHCS Program Coordinators shall approve and document each individual Work Plan and the documentation will become part of the records retained. Subgrantees must request prior approval for deviations from their approved Work Plans and their associated Program Budgets.

Subgrantee shall perform all activities, tasks, and deliverables hereunder in accordance with the terms and conditions of this Agreement, the specific program requirements, and in a manner satisfactory to OHCS.

#### **1. Maintenance of Programmatic Capacity**

Subgrantee shall provide for and maintain the capacity for administration of activities under programmatic requirements which must result in timely usage of funds.

Remedies for non-compliance with above tasks or for untimely usage of funds may include withholding of request for Funds or reduction and redistribution of current or future funding allocation.

If the rate of request for any expenditure category is substantially different than in approved budget submissions OHCS may reduce and redistribute any or all funds under this grant agreement. OHCS Program Coordinators shall at their sole and absolute discretion decide when a rate is to be considered "substantially different". This remedy is in addition to any other allowed under this agreement.

#### **2. Financial Integrity**

Subgrantee shall be responsible for financial integrity of accounting records and compliance with the following requirements in addition to those required by regulation.:

## EXHIBIT A – SCOPE OF WORK

- a. Subgrantee shall, and shall cause its subrecipients to, prepare and maintain accurate financial records documenting all expenditures made from funds provided under this Agreement. These records shall include financial and audit reports for the applicable accounting period for the program, including adjustments to reconcile the accounting records.
- b. Subgrantee shall reimburse expenditures of subrecipients under this agreement only if they are:
  - 1) In payment of eligible activities or services performed under this Agreement.
  - 2) In payment of services performed or supplies delivered during the applicable program period;
  - 3) In the aggregate not in excess of 100% of the funds provided to that grant program under this Agreement; and
  - 4) Not for duplicate payment for the same activities or services under both this Agreement and any other contract or agreement with subrecipients.
- c. Subgrantee shall pay their subrecipient within thirty (30) days of the date of request for payment.
- d. Subgrantee shall maintain documentation of its monitoring of subrecipients. The documentation shall include, but not be limited to:
  - 1) An agreement that complies with the requirements of this Agreement.
  - 2) Documentation of the non-profit status of the subrecipient; and
  - 3) Copies of all of the subrecipient's OMB Circular A-133 audits if the subrecipient is required to have such an audit.
  - 4) Documentation of other methods used by Subgrantee for monitoring subrecipient activities.
- e. Subgrantee shall maintained an Accounting System which conforms with the following requirements:
  - 1. Expenditures shall be segregated by line item category within the accounting system of Subgrantee or subrecipient, as the case may be, and reported on the required fiscal reports.
  - 2. Funds received together with any income that is attributable to funds provided thereby shall be identified and segregated for

#### EXHIBIT A – SCOPE OF WORK

expenditures relating to the program(s) for which the original funds were provided. Any allocation methodology shall comply with any requirements applicable to that entity or program.

**OHCS may, at their sole and absolute discretion, reduce Subgrantee funding and redistribute, at their sole and absolute discretion, to other Subgrantees. Adjustments pursuant to this subsection are implemented by means of the Notice of Allocation (NOA). This remedy is in addition to any other allowed under this agreement.**

### **3. Programmatic Integrity**

Subgrantee shall be responsible for programmatic integrity and compliance with the programmatic intent including but not limited to the following requirements:

1. Subgrantee shall provide and maintain adequate resources necessary to ensure that all staff, subgrantee and subrecipient, are adequately trained to perform under this agreement including, but not limited to the training in processing of eligibility determinations and authorizations or other programmatic requirements.
2. Subgrantee shall comply with programmatic regulations and guidelines as listed on Exhibit D, Grant Programs and their Compliance's.
3. Subgrantee shall have a written procedure for the handling of client appeal of determinations.

### **4. Deliverables – Exhibit B, Required Reports**

- a. SUBGRANTEE shall, and shall cause its subrecipients to submit the required reports so that they are **received by OHCS on or before the due dates specified** in Exhibit B, Required Reports Table of this agreement, as outlined in the individual grant program work plans, or as newly required by any provider of funding under this agreement. SUBGRANTEE shall require its subrecipients to submit the required reports to SUBGRANTEE in sufficient time to allow SUBGRANTEE to fulfill its obligations under this Section.
- b. The reports shall be **complete and accurate and in the format required** by OHCS.
- c. The reports must **agree with the accounting records** maintained by SUBGRANTEE and/or its subrecipients **and be certified by the chief**

EXHIBIT A – SCOPE OF WORK

**executive officer** of SUBGRANTEE or its subrecipients, as the case may be.

- d. All **final reports** shall be submitted by SUBGRANTEE so as to be received by OHCS on or before the 60th day following the last day of the grant program period for that program, or the date that all activities funded by this Agreement for that grant program are completed, whichever is earlier.

**If SUBGRANTEE fails to produce or produces and submits incomplete, inaccurate, or untimely reports, OHCS may withhold any or all requests for funds of SUBGRANTEE under this Agreement or any other contract or agreement in effect between OHCS and SUBGRANTEE to the extent allowed by Law. OHCS may also use any of the above as basis for reduction and redistribution, suspension, or termination of funding of any or all funds under this agreement.**

Exhibit B  
Required Reports

<b>FISCAL REPORTS</b>		
<b>REPORT</b>	<b>DESCRIPTION</b>	<b>DUE</b>
Financial Status Report	Each Program requires a separate report for each program year.	<u>Quarterly:</u> due by the 20th of the month following the reporting period.  <u>Final:</u> 60 days after expiration of the Biennium or contract program period.
Request For Funds	Each Program requires a separate report for each program year.	At least Monthly and preferred not more often than Weekly.
TEFAP	Expenditure Report	Quarterly
CSFP	"Fiscal Year Actual Expenditure Report" by (FFY)	Annually: due by the 20 <sup>th</sup> of the month following the reporting period.

<b>PROGRAM REPORTS</b>		
<b>PROGRAM</b>	<b>REPORTS</b>	<b>DUE DATES</b>
DOE, LIEAP, PVE WX	"Weatherization Quarterly Program Report" by FFY	Quarterly: by the 15 <sup>th</sup> of the month following the reporting period
C of C, EHA, ESGP, HSP, SHAP	Homeless and Rental Assistance Scales	Semiannually: Due August 22, and February 22.
C of C, EHA, ESGP, HSP, SHAP	Annual Statistics Report	Annually: 60 Days following the end of the fiscal Year.

Exhibit B  
Required Reports

C of C	Annual Performance Report	Annually: 45 days following the reporting period
HSP	Quarterly Client Allocation Report	Quarterly: by the 30 <sup>th</sup> of the month following the reporting period
ESGP	Emergency Shelter Grant Provider Reports	Semiannual: Report due August 1 and February 1.
CSBG	CSBG REPORT SECTION D	Annually: February 22.
CSBG	CSBG REPORT SECTIONS E, F, & G	Semiannually: Due August 22, and February 22.
CSBG	CSBG CLIENT OUTCOMES	Semiannually: Due August 22, and February 22.
LIEAP LEVERAGE	LIEAP Leverage	Annually: by October 15 <sup>th</sup>
CSFP	"Food Order" by FFY (FNS155-A) Inventory Reports (153B)	Monthly: by the 20 <sup>th</sup> of the month following the reporting period
FDPIR	"Food Order" by FFY (FNS155-A) Inventory Reports (153B) Racial Ethnic Data Report to USDA (FNS 101)	Monthly: by the 20 <sup>th</sup> of the month following the reporting period
EFAP (OFB)	EFAP Summary of Food Orders	Quarterly: by 11/20, 2/20, 5/20, and 8/20
EFAP (OFB)	EFAP OFB Network food received and annual service statistics	Annually: by October 1 <sup>st</sup>
GFFG	GFFG (Match) Summary of Food Acquisition Report	Quarterly: by 11/20, 2/20, 5/20, and 8/20

**All Reports must be in the form and format as requested by OHCS including authorized signatures if requested.**

**These Reports are Deliverables under this Master Grant Agreement and as such have applicable remedies for incomplete, inaccurate, or untimely submissions.**

**Please See Exhibit A, Scope of Work Required Reports Section.**



## EXHIBIT C ASSURANCES

SUBGRANTEE hereby assures and certifies that with respect to any funds delegated under this Agreement:

It will comply with Federal regulations, policies, guidelines, and requirements as they relate to the application, acceptance, and use of all funds under this master Grant Agreement, including OMB Circulars Nos.:

- A-87 – Cost Principles for State, Local, and Indian Tribal Governments
- A-102 – Grants and Cooperative Agreements with State and Local Governments
- A-110 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Learning, Hospitals, and other Non-profit Organizations
- A-122 – Cost Principles for Non-profit Organizations
- A-133 – Audits of States, Local Governments, and Non-profit Organizations

NOTE: Certain of these assurances may not be applicable to every Grant Program in this agreement. If you have questions, please contact the OHCS Program Coordinator for the Grant Program in Question.

***As the duly authorized representative of the applicant,  
I certify that the applicant:***

### **ASSURANCES : NON-CONSTRUCTION PROGRAMS**

1. Has the legal authority to apply for Grant Program funds and the institutional, managerial and financial capability (including funds sufficient to pay the non-granted share of project cost) to ensure proper planning, management and completion of the programmatic requirements.
2. Will give the awarding agency, the Comptroller General of the United States and, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

## EXHIBIT C ASSURANCES

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all statutes relating to nondiscrimination. These include but are not limited to:
  - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; 42 USC 2000d
  - (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; 20USC1681
  - (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
  - (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
  - (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
  - (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
  - (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
  - (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
  - (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,

EXHIBIT C  
ASSURANCES

- (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases. 42USC4601-4655
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking

## EXHIBIT C ASSURANCES

Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing these programs.

### **ASSURANCES: CONSTRUCTION PROGRAMS**

1. Has the legal authority to apply for Grant Program funds and the institutional, managerial and financial capability (including funds sufficient to pay the non-granted share of project cost) to ensure proper planning, management and completion of the programmatic requirements.

## EXHIBIT C ASSURANCES

2. Will give the awarding agency, the Comptroller General of the United States and, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after notice of award.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

EXHIBIT C  
ASSURANCES

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:
  - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
  - (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
  - (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
  - (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
  - (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
  - (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
  - (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
  - (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
  - (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
  - (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-

## EXHIBIT C ASSURANCES

assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

## EXHIBIT C ASSURANCES

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing these programs.

### **ADDITIONAL ASSURANCES (Pertaining to certain grant programs under this master Grant Agreement)**

1. Will comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).
2. Will comply with the Americans with Disabilities Act of 1990 (P.L. 101-336) and ORS 447.210 to 447.280.
3. Will comply with Section 16 of the Federal Energy Administration Act of 1974 (Pub. L. 93-275), Section 401 of the Energy Reorganization Act of 1974 (Pub. L. 93-438), Title IX of the Education Amendments of 1972, as amended, (Pub. L. 92-318, Pub. L. 93-568, and Pub. L. 94-482), the Department of Energy Organization Act of 1977 (Pub. L. 95-91), and the Energy Conservation and Production Act of 1976, as amended, (Pub. L. 94-385).
4. Will comply with Executive Order 11063 as amended by Executive Order 11259 (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107.
5. Will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 170/u) and Executive Order 11246 (3 CFR 1964-1965 Comp., p 339), Executive Orders 11625, 12432 and



## EXHIBIT C ASSURANCES

12138 and all implementing regulations issued pursuant to these statutes and authorities.

6. Will comply with the Fire Administration Authorization Act of 1992.
7. Will Comply with 37 CFR part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
8. Will comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352 et. Seq.) Contractors who apply or bid for an award of \$100,000 or more shall file the required certification.
9. No contract shall be awarded to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension".
10. Will comply with Public Law 103-227, Part C – Environmental Tobacco Smoke, also know as the Pro-Children Act 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State of local governments.
11. Will comply with Section 407 of Public Law 103-333 it is the sense of Congress that, to the extend practicable, all equipment and products purchased with funds made available in this Act should be American made.
12. Will comply with Section 508 of Public Law 103-333, statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be

EXHIBIT C  
ASSURANCES

financed by non-governmental sources.

13. Will require any individual, organization or other entity with whom it subcontracts, subgrants or subleases for the purpose of providing any service, financial aid, equipment, property or structure to comply with laws cited above. To this end, the subcontractor shall be required to sign a written assurance form.
14. Will compile and maintain information pertaining to programs or activities as required by the specific program requirements.
15. Will recognize and agrees that grant funds will be extended in reliance upon the representations and agreements made in this assurance and that the United States and the state of Oregon together or separately shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the SUBGRANTEE, its successors, transferees and assignees, as well as the person whose signature appears below and who is authorized to sign this assurance on behalf of the SUBGRANTEE.

*Lolenz T. Poe, Jr. mas*  
Subgrantee Authorized Signature

5/6/03  
Date

## Grant Program and their Compliance Requirements

Grant	Acronym	State, federal, or private	Federal Agency (if applicable)	CFDA (if reported as federal) <a href="http://www.fda.gov">http://www.fda.gov</a>	Federal laws or state statutes	Federal regulations or State rules	State plan	Guidelines  [ In addition to applicable guidelines and directives, issued from time to time by OHCS Including but not limited to, Approved Work Plans and Program Budgets]
OHCS – Special Purpose Grant Funds	OHCS	S		NONE	<u>ORS 458.505; 456.625</u>		N	Work Plan and Program Budget
Bonneville Power Administration - WX	BPA	F	Use DOE – Department of Energy	"Use 81.X02"	<u>42 U.S.C. 6851-6872</u> <u>42 U.S.C. 7101</u>  <u>ORS 458.505-485.515</u>	<u>"WAPTAC Rules and regulations"</u>	Y	<u>"Weatherization Assistance State Plan"</u> (Reported as Federal and Follows Federal DOE Guidelines Use 81.X02 CFDA) Any BPA Rules
Community Food & Nutrition Program	CFNP	F	HHS	<u>93.571</u>	<u>42 U.S.C. 9922</u> <u>ORS 458.525 – 458.545</u>	<u>45 CFR 16; 45 CFR 74; 45 CFR 96</u>  <u>OAR 813-210-0000 et seq.</u>	Y	
SHP – Continuum of Care	SHP-COC	F	HUD	<u>14.235</u>	<u>42 U.S.C. 11381-11389</u>	<u>24 CFR 583</u>		
Community Development Block Grant – Continuum of Care	CDBG-COC	F	HUD	<u>14.228</u>	<u>42 U.S.C. 5301 -5321</u>	<u>24 CFR Part 570</u>		"Grant Application Submission"
Community Services Block Grant	CSBG	F	HHS	<u>93.569</u>	<u>42 U.S.C. 9901-9926</u>	<u>45 CFR 16; 45 CFR 74; 45 CFR 96</u>		
Community Services Block Grant- Discretionary	CSBG-DISC	F	HHS	<u>93.570</u>	<u>42 U.S.C. 9901-9926</u>	As Published in the Federal Register		
Commodity Supplemental Food Program	CSFP	F	Department of Agriculture	<u>10.565</u>	<u>7 U.S.C. 612c</u>	<u>7 CFR 247</u>	Y	"CSFP State Plan Guidance"

## Grant Program and their Compliance Requirements

Department Of Energy (WX)	DOE	F	DOE – Department of Energy	<u>81.042</u>	<u>42 U.S.C. 6851-6872</u> <u>42 U.S.C. 7101</u>	<u>“WAPTAC Rules and regulations”</u>	Y	<u>“Weatherization Assistance State Plan”</u>
Emergency Housing Assistance	EHA	S	NONE	NONE	<u>ORS 458.505</u>	<u>OAR 813-046-0000 et seq.</u>	N	
Emergency Shelter Grant Program	ESGP	F	HUD	<u>14.231</u>	<u>42 U.S.C. 11371-11378</u>	<u>24 CFR Part 576</u> <u>OAR 813-145-0000 et seq.</u>	Y	<u>“Consolidated State Plan”</u> <u>“Emergency Shelter Grants (ESG)Program Desk Guide”</u>
Food Distribution Program Indian Reservations	FDPIR	F	Department of Agriculture	<u>10.567</u>	<u>Public Law 104-193</u>	<u>7 CFR 253; 7 CFR 250</u>	N	
General Fund Food Grant	GFFG	S	NONE	NONE	<u>ORS 458.525 – 458.545</u>			
LIEAP Low-Income Home Energy Assistance Program	LIEAP	F	HHS	<u>93.568</u>	<u>42 U.S.C. 8621</u> <u>ORS 458.505</u>	<u>CFR 45 Part 96 OAR 813-200-000 et seq.</u> <u>(Wx only 813-205-0000 et seq.)</u>	Y	<u>“Low-Income Energy Assistance Plan”</u>
Oregon Energy Assistance	OEA	S	NONE	NONE	<u>ORS 757.612</u>	NONE	N	<u>OEA Energy Assistance Operations Manual</u>
Petroleum Violation Escrow	PVE	F	Use DOE – Department of Energy	NONE	<u>42 U.S.C. 6851-6872</u> <u>42 U.S.C. 7101</u>	<u>“WAPTAC Rules and regulations”</u>	Y	<u>Weatherization Assistance State Plan</u>  (Reported as Federal and Follows Federal Guidelines Use 81.X18 CFDA)
State Homeless Assistance Program	SHAP	S	NONE	NONE	<u>ORS 458.600</u>	<u>OAR 813-240-0000 et seq.</u>		
Temporary Emergency Food Assistance Program (Administration)	TEFAP	F	Department of Agriculture	<u>10.568</u>	<u>42 U.S.C. 7501-7516</u>	<u>7 CFR 251; refer to 7CFR 250 for applicable provisions on commodity handling.</u> <u>OAR 813-220-0000 et seq.</u>	Y	

## Grant Program and their Compliance Requirements

Page 3 of 3

Temporary Emergency Food Assistance Program (Program)	TEFAP	F	Department of Agriculture	<u>10.569</u>	<u>42 U.S.C. 7501-7516</u>	<u>7 CFR 251</u> ; refer to <u>7CFR 250</u> for applicable provisions on commodity handling. <u>OAR 813-220-0000 et seq.</u>	Y	
Home Investments Partnerships Program (HOME)	HOME TBA	F	HUD	<u>14.239</u>		<u>24 CRF Part 92</u>	Y	<u>"Consolidated State Plan"</u>
Low Income Rental Housing Fund	LIHRF	S	NONE	NONE	<u>ORS 458.350-458.460</u>	<u>OAR 813-049-0000 et seq.</u>		
Housing Stabilization Program (TANF-HSP)	HSP	F	HHS	<u>93.558</u>	<u>42 U.S.C. 7</u>	<u>OAR 813-051-0000 et.seq.</u>		

Subgrantee's under this agreement must comply with the OMB Circulars which apply to their type of Entity.  
OMB Circulars (click on your type of entity)

# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** C-2

**Est. Start Time:** 10:15 AM

**Date Submitted:** 05/12/03

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**Requested Date:** June 5, 2003

**Time Requested:** N/A

**Department:** DBCS

**Division:** Finance/CPCA

**Contact/s:** Franna Hathaway

**Phone:** (503)988-5111

**Ext.:** 22651

**I/O Address:** 503/4

**Presenters:** Consent Calendar

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**Agenda Title:**

**PCRB EXEMPTION REQUEST FOR VENDORS OF INSULATION AND  
WEATHERIZATION RELATED SERVICES FOR MULTI-UNIT DWELLINGS**

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

The Office of School and Community Partnerships requests a temporary exemption from the formal competitive solicitation process for multi-unit insulation and weatherization measures for the period July 1, 2003 through June 30, 2004.

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

The Office receives weatherization funding through the Oregon State Energy Conservation for Homes of Oregon (ECHO) Program. Postponing a bid process for 12 months will allow the Office time to gain technical knowledge, expertise, and experience in the field of multi-unit dwelling weatherization measures. This knowledge will be applied when developing a formal bid for this work. The State expects the County to expend these funds sooner than later. If the County does not begin to draw down on the funds soon, the State may reallocate them to other counties. The Office proposes to contract, for a 12-month period beginning July 1, 2003, with those contractors qualified

to perform weatherization services under the Insulation and Energy Weatherization Measures Bid Number B03-7749, which closes on May 15, 2003. An energy audit will be performed on each job describing the necessary weatherization work. The results of the audit will be distributed to each contractor to allow them to bid the job, if they choose. The work will be awarded to the lowest bidder.

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

The amount of this exemption is estimated to be \$1,000,000.

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

**If a budget modification, explain:**

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

**NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)**

**If a contingency request, explain:**

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

**If grant application/notice of intent, explain:**

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

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

This exemption request is in accord with the requirements of Multnomah County Public Contract Review Board Administrative Rule 300-0050.

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

**Required Signatures:**

A handwritten signature in black ink that reads "M. Cecilia Johnson". The signature is written in a cursive style with a large, looping initial "M".

**Department/Agency Director:**

**Date:** 05/08/03

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**



**MULTNOMAH COUNTY OREGON****BOARD OF COUNTY COMMISSIONERS**

Office of School & Community Partnerships  
421 SW Sixth Avenue, Suite 200  
Portland, Oregon 97204-1623  
(503) 988-6295 phone  
(503) 988-3332 fax  
(503) 988-3598 TDD

Diane M. Linn	Chair of the Board
Maria Rojo de Steffey	District 1 Commissioner
Serena Cruz	District 2 Commissioner
Lisa Naito	District 3 Commissioner
Lonnie Roberts	District 4 Commissioner

**MEMORANDUM**

TO: Franna Hathaway, Manager  
Central Procurement and Contract Administration

FROM: Lorenzo T. Poe, Jr, Director  
Office of School and Community Partnerships

DATE: April 14, 2003

SUBJECT: Request for Exemption From the Public Contract Review Board Administrative Rules for Vendors of Insulation and Weatherization Related Services (Multi-Unit Dwellings)

RECEIVED  
PURCHASING SECTION  
2003 APR 28 PM 4:33  
MULTNOMAH COUNTY  
OKCM  
5/2/03

**Request for Exemption:** The Director of the Office of School and Community Partnerships (OSCP) requests a temporary exemption from the Competitive Solicitation process for Multi-Unit Insulation and Weatherization Measures.

**Nature of the Contract:** Contracts resulting from this exemption will purchase insulation and weatherization services to be performed on multi-unit residential structures.

**Estimated Amount to be Paid on the Contracts:** The value of the resulting contracts is estimated to be \$1,000,000.

**Findings Supporting Cost Savings:** Postponing a bid process for 12 months will allow the Office time to gain technical knowledge, expertise, and experience in the field of multi-unit dwelling weatherization measures. This knowledge will be applied when developing a formal bid for this work, increasing the accuracy of the specifications set forth in the bid and the likelihood of contracting with qualified contractors.

The State expects the County to expend these funds sooner than later. If the County does not begin to draw down on the funds soon, the State may reallocate them to other counties. The proposed contractors have experience in weatherizing single unit and small multi-unit dwellings (duplexes and triplexes). They are able to begin work immediately provided this request is granted.

**Findings Supporting Why It Is Unlikely That An Exemption From Competitive Bidding Would Encourage Favoritism Or Diminish Competition For The Public Contract:** An energy audit will be performed on each job describing the necessary weatherization work. The results of the audit will be distributed to each contractor to allow them to bid the job, if they choose. The work will be awarded to the lowest bidder.

**Additional Applicable Information:**

- (A) **Operational, budget and financial data** – Funds for this program are in the OSCP budget.
- (B) **Public benefit:** Four to six multi-unit completes will be weatherized whereby reducing the low-income occupants' energy expenses. The greater community will benefit through the conservation of energy resources and preservation of existing affordable housing stock.
- (C) **Value engineering:** N/A
- (D) **Specialized expertise required:** Contractors must have experience in specialized weatherization testing techniques and have proven such expertise by qualifying through the BID #B03-7749 process.

back ground

- (E) **Public safety:** N/A
- (F) **Market conditions:** The Office will bid this service within the next 12 months to identify additional qualified contractors. The lull in the economy has slowed construction projects. The Office expects contractors who typically do not have County weatherization contracts will have a greater interest in bidding this work.
- (G) **Technical complexity:** Contractor must have experience in blower door testing, knowledge of weatherization materials and proven experience in the installation of weatherization measures.
- (H) **Funding source:** State of Oregon, Energy Conservation for Homes of Oregon (ECHO).

**Proposed Alternative Contracting and Purchasing Practice to be Employed:** The Energy Program has up to now focused its resources on the weatherization of single units and small complexes. Our knowledge and background on multi-unit complexes is limited and we need some experience carrying out multi-unit work to more clearly establish the terms and conditions that would eventually be reflected in a multi-unit weatherization competitive procurement. The Office proposes to contract, for a 12-month period beginning July 1, 2003, with those contractors qualified to perform weatherization services under the Insulation and Energy Weatherization Measures Bid Number B03-7749. We expect to gain experience in this type of weatherization service during that time that will enable us to gain the required knowledge to create a bid package that reflects accurately the specifications for multi-unit weatherization services.

**Estimated Date By Which It Would Be Necessary To Let The Contract:** July 1, 2003

**The Contract Expiration Date:** June 30, 2004.

If you require additional information please contact Patty Doyle at extension 24418.

**KWONG Catherine Y**

---

**From:** THOMAS John S  
**Sent:** Wednesday, May 07, 2003 4:40 PM  
**To:** KWONG Catherine Y  
**Subject:** RE: PCRB EXEMPTION REQUEST FOR WEATHERIZATION RELATED SERVICES

This is fine with me. I will sign the order when it is prepared in final form with an order number.

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

**From:** KWONG Catherine Y  
**Sent:** Wednesday, May 07, 2003 4:05 PM  
**To:** THOMAS John S  
**Subject:** PCRB EXEMPTION REQUEST FOR WEATHERIZATION RELATED SERVICES

John: Please review documents. Hard copies will be sent to you for your signature.

Catherine Kwong, Buyer  
Central Procurement and Contract Administration  
Multnomah County, Oregon  
(503)988-5111, Ext 24151  
catherine.y.kwong@co.multnomah.or.us

5/12/2003

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON  
ACTING AS THE PUBLIC CONTRACT REVIEW BOARD

ORDER NO. \_\_\_\_\_

Approving an Exemption from the Formal Competitive Bid Process for Vendors of Insulation and Weatherization Related Services for Multi-Unit Dwellings

**The Multnomah County Board of Commissioners Finds:**

- a. The Board, acting as the Multnomah County Public Contract Review Board to review, pursuant to PCRB Rule 300-0050, a request from the Office of School and Community Partnerships for an exemption from the formal competitive bid process for multi-unit insulation and weatherization measures for the period July 1, 2003 through June 30, 2004.
- b. The Office of School and Community Partnerships receives weatherization funding through the Oregon State Energy Conservation for Homes of Oregon (ECHO) program. Postponing a bid process for 12 months will allow the Office time to gain technical knowledge, expertise, and experience in the field of multi-unit dwelling weatherization measures. This knowledge will be applied when developing a formal bid for this work. The State expects the County to expend these funds sooner than later. If the County does not begin to draw down on the funds soon, the State may reallocate them to other counties. The Office proposes to contract, for a 12-month period beginning July 1, 2003, with those contractors qualified to perform weatherization services under the Insulation and Energy Weatherization Measures Bid Number B03-7749, which closes on May 15, 2003.
- c. This exemption request is in accord with the requirements of Multnomah County Public Contract Review Board Administrative Rule 300-0050.

**The Multnomah County Board of Commissioners Orders:**

The exemption from the formal competitive bid process for multi-unit insulation and weatherization measures for the period July 1, 2003 through June 30, 2004 be approved.

ADOPTED this 5th day of June, 2003.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON, ACTING  
AS THE PUBLIC CONTRACT REVIEW BOARD

\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
John Thomas, Assistant County Attorney

# AGENDA PLACEMENT REQUEST

BUD MOD #:

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** C-3

**Est. Start Time:** 10:15 AM

**Date Submitted:** 05/12/03

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**Requested Date:** June 5, 2003

**Time Requested:** N/A (Consent Calendar)

**Department:** DBCS

**Division:** Community Services / Sustainability

**Contact/s:** Amy Joslin

**Phone:** 503-988-4092

**Ext.:** x84092

**I/O Address:** 503/4

**Presenters:** Consent Calendar

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**Agenda Title:** Intergovernmental Revenue Agreement with the City of Portland for the Multnomah Building Green Roof

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

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

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Provide consent to enter into intergovernmental revenue agreement with the City of Portland to accept \$50,000 in funds for the Multnomah building green roof. This action is recommended by the Department of Business and Community Services (BCS).
2. **Please provide sufficient background information for the Board and the public to understand this issue.** A briefing to the Board of County Commissioners in June of 2002 resulted in the direction to proceed with construction of a green roof on the 5<sup>th</sup> floor of the Multnomah building. This approval was granted based on the economic life cycle cost analysis that demonstrated the long-term savings to the County provided by the green roof. Educational components are included in the project to describe economic, environmental and community benefits of green roof technology to the public as well as County employees accessing the roof patio area. Monitoring by PSU students is also included to measure actual roof performance. Construction began on April 22<sup>nd</sup>, 2003 with target completion date for end of June 2003.

3. **Explain the fiscal impact (current year and ongoing).** Total project cost is \$310,000. In addition to the \$50,000 from the City of Portland, \$75,600 in grant revenue has been received from Oregon Department of Environmental Quality, as well as material donations by private businesses. Ongoing fiscal impacts will include minor maintenance costs – but this will be more than offset by long-term savings in extended roof life, energy and stormwater savings.

No budget modification will be required because the project expenditure is already shown in the FY-03 budget, and the revenue is not needed in the fund this year. Revenue will be incorporated into the beginning working capital for FY-04.

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.** As an intergovernmental revenue agreement with the City of Portland, their active participation has been invaluable in creating this agreement and in support of this project. A final report detailing project status, accomplishments, total expenditures and total match expenditures will be required.

**Required Signatures:**



**Department/Agency Director:**

**Date:** 05/08/03

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

# FACILITIES AND PROPERTY MANAGEMENT

## CONTRACT ROUTING SLIP

**Document Type:**

☒ New Contract ☐ Amendment ☐ Exemption ☒ Other Revenue

**Contractor:** City of Portland/BES

**Contract No:** 0310557

**Project Name:** TMB Green Roof Revenue

**Amendment/Change Order No:**

**Dollar Amount of Change:** \$(50,000)

**RX No:** NA

ROUTING	INITIALS	DATE	I/O ADDRESS
Section Manager	<u>WY</u>	<u>4-23-03</u>	274
Contracts Manager	<u>[Signature]</u>	_____	274/1
Facilities Director	<u>AB</u>	<u>4-23-03</u>	274/1
DBCS Director	<u>[Signature]</u>	_____	503/4-DBCS Admin.
Contracts Compliance	_____	_____	503/4
CPCA Senior Buyer	_____	_____	503/4
CPCA Manager	_____	_____	503/4
County Attorney	<u>[Signature]</u>	<u>5/12/03</u>	503/5
County Chair	_____	_____	503/4 (CPCA Manager Signs)
Contractor	_____	_____	

# MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Pre-approved Contract Boilerplate (with County Attorney signature) ☐ Attached ☒ Not Attached Contract #: 0310557  
Amendment #: \_\_\_\_\_

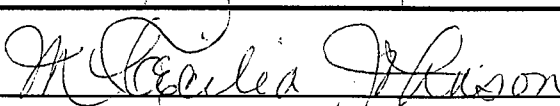
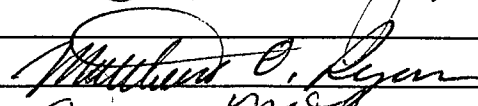
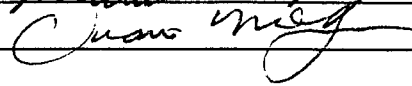
CLASS I	CLASS II	CLASS III A
Contracts \$75,000 and less per 12 month period	Contracts over \$75,000 per 12 month period	<input type="checkbox"/> Government Contracts (190 Agreement)
<input type="checkbox"/> Professional Services Contracts <input type="checkbox"/> PCRB Contracts <input type="checkbox"/>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

Department: DBCS Division: Facilities & Property Mgmt Date: 4/22/03  
 Originator: Amy Joslin Phone: ext. 84092 Bldg/Rm: 503/4  
 Contact: Alan Proffit/Jan Thompson Phone: ext. 84218/ext. Bldg/Rm: 274/FM  
 Description of Contract: Revenue agreement with Willamette Stormwater Control Program/City of Portland for Multnomah Building Green Roof.

RENEWAL: ☒ PREVIOUS CONTRACT #(S): \_\_\_\_\_  
 RFP/BID: \_\_\_\_\_ RFP/BID DATE: \_\_\_\_\_  
 EXEMPTION #: \_\_\_\_\_ ORS/AR #: AR300-00101bA  
 EFFECTIVE DATE: \_\_\_\_\_ EXPIRATION DATE: \_\_\_\_\_  
 CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# \_\_\_\_\_ or ☐ Self Cert ☐ Non-Profit ☐ N/A (Check all boxes that apply)

Contractor	City of Portland		Remittance address	_____
Address	Willamette Stormwater Control Program		(If different)	_____
City/State	1120 SW Fifth Ave, Room 1000		Payment Schedule / Terms	_____
ZIP Code	Portland, OR 97204-1912		<input type="checkbox"/> Lump Sum \$ _____	<input type="checkbox"/> Due on Receipt
Phone	503.823.7867		<input type="checkbox"/> Monthly \$ _____	<input type="checkbox"/> Net 30
Employer ID# or SS#	N/A		<input type="checkbox"/> Other \$ _____	<input type="checkbox"/> Other
Contract Effective Date	04/29/03 (upon signature)	*07/30/03	<input type="checkbox"/> Requirements Funding Info:	
Amendment Effect Date	New Term Date		Original Requirements Amount	\$ _____
Original Contract Amount	\$(50,000)		Total Amt of Previous Amendments	\$ _____
Total Amt of Previous Amendments	\$ _____		Requirements Amount Amendment	\$ _____
Amount of Amendment	\$ _____		Total Amount of Requirements	\$ _____
Total Amount of Agreement \$	\$(50,000)			

REQUIRED SIGNATURES:

Department Manager		DATE	5/7/03
Purchasing Manager	_____	DATE	_____
County Attorney		DATE	5/12/03
County Chair		DATE	6.5.03
Sheriff	_____	DATE	_____
Contract Administration	_____	DATE	_____

COMMENTS: \*Termination date

APPROVED MULTNOMAH COUNTY  
 BOARD OF COMMISSIONERS  
 AGENDA # C-3 DATE 06.05.03  
 DEB BOGSTAD, BOARD CLERK



**Pilot Project Agreement  
Willamette Stormwater Control Program  
between  
City of Portland Bureau of Environmental Services  
and Multnomah County**

Project Name: Multnomah Building 5<sup>th</sup> Floor Green Roof Project

Project Address: 501 SE Hawthorne Blvd.

Property Owner: Multnomah County

Mailing Address: Department of Business and Community Services  
Multnomah County Building  
501 SE Hawthorne Blvd  
Portland OR 97214

## **PURPOSE**

The purpose of this agreement is to define the responsibilities of the Bureau of Environmental Services (BES) and Multnomah County in the implementation of the Green Roof Project on the lower roof at the Multnomah Building. The goal of the Willamette Stormwater Control Program is to promote stormwater controls that reduce combined sewer overflows and increase sewer system capacity. The Program is partnering with a limited number of property owners to implement pilot projects that demonstrate stormwater management techniques.

## **PROJECT DESCRIPTION**

Summary:

The Multnomah Building is located in an area served by the combined sewer system. The project is to retrofit the 5<sup>th</sup> floor roof (the lower of two roofs on the building) with an ecoroof. Based on a pilot project application submitted by the County, BES is agreeing to contribute funds in order to provide information about the cost and performance of these types of retrofits.

State Taxlot ID: 1S1E02BC 7200FI

Area managed by the project:

The eco-roof will manage runoff from 15,000 square feet of existing roof area.

## **RESPONSIBILITIES**

### **BES shall:**

Fund the agreed upon project for a total of \$ 50,000 under the conditions described below. Twenty five percent (25%) of this amount will be paid when the approved project has received all necessary development and building permits. The remaining amount will be paid after the project is complete and has passed final inspections.

### **The Property Owners shall:**

1. Design, obtain permits for, and construct the project as described in the application submitted to BES.
2. Complete the project, including final permitting, by July 30<sup>st</sup>, 2003.
3. Notify BES in writing within 5 business days of any changes to the design or function of the facility that results from circumstances that arise during construction, and will not implement any changes that decrease the utility of the project for stormwater management purposes without first obtaining the City's written agreement.
4. Implement an Operations and Maintenance (O&M) Plan consistent with the O & M requirements specified in the BES Stormwater Management Manual.
5. Annually submit a copy of a site Stormwater Operations and Maintenance Activities List, updated to provide information about activities that occurred over the previous year. In addition, submit a short written report summarizing any problems related to the stormwater management facilities, and changes made to address those problems. This updated O&M Activities list and report shall be submitted by August 30<sup>th</sup> of the year following execution of this agreement, and every year thereafter for 5 years (including August 30<sup>th</sup>, 2006). The report shall be submitted to the contact address listed at the bottom of this agreement.
5. Supply the following documentation upon completion of the project and final permitting: 1. A revised final budget including all activities, materials, and labor; 2. Final project drawings ("As-Builts"). Submit these materials to BES at the contact address listed below.
6. Allow BES workers, or their representatives, scheduled access to the site to make observations and conduct monitoring of the performance of the facility. This right of access will continue for a period of 5 years.
7. Allow BES employees to publicize the nature and location of the facility. Allow BES staff to post an interpretive sign at the facility describing the project and contributors. This opportunity will be provided for a period of 5 years.

8. By request, allow scheduled visits by citizens to learn more about the stormwater system and provide educational opportunities. This opportunity will be provided for a period of 5 years.

#### **OTHER ISSUES**

The City is not liable or responsible for any injury or harm resulting from the construction, maintenance, or existence of the facility.

If any future alterations of the site come under the authority of the BES Stormwater Management Manual, applicable requirements in the Manual will apply to the site. The Manual requires stormwater management measures at new and redeveloping properties.

#### **CONTACT ADDRESS**

All correspondence and submittals should be addressed to: Willamette Stormwater Control Program, Bureau of Environmental Services, 1120 SW 5<sup>th</sup> Avenue, Room 1000, Portland, OR 97204-1912.

Executed in triplicate by the duly authorized individuals of the parties.

\_\_\_\_\_  
Dean Marriott, Bureau Director

\_\_\_\_\_  
For Multnomah County

\_\_\_\_\_  
City Attorney's Office

\_\_\_\_\_  
City Auditor

REVIEWED:  
AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY  
BY: Matthew D. Ryan  
ASSISTANT COUNTY ATTORNEY  
DATE 5/12/03

APPROVED MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-3 DATE 06.05.03  
DEB BOGSTAD, BOARD CLERK

# AGENDA PLACEMENT REQUEST

BUD MOD: CHS #14

APPROVED MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-4 DATE 06.05.03  
DEB BOGSTAD, BOARD CLERK

## Board Clerk Use Only:

Meeting Date: June 5, 2003  
Agenda Item #: C-4  
Est. Start Time: 10:15 AM  
Date Submitted: 05/12/03

**Requested Date:** Thursday, June 5, 2003

**Time Requested:** N/A

**Department:** County Human Services

**Division:** Domestic Violence

**Contact/s:** Chris Yager

**Phone:** 503 988-3691

**Ext.:** 26777

**I/O Address:** 166/7

**Presenters:** Consent Calendar

**Agenda Title:** Budget Modification CHS #14 increasing the Department's domestic violence appropriation by \$158,502 to reflect the U.S. Department of Justice Safe Havens and HUD Family Wages grants.

**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 County Human Services recommends approval of budget modification CHS #14.
- 2. Please provide sufficient background information for the Board and the public to understand this issue.** Budget Modification CHS #14 increases the budget for Domestic Violence by \$108,502 to reflect the FY 2003 portion of a two-year Safe Havens grant award from the U.S. Department of Justice. The budget is also increased by \$50,000 to recognize Domestic Violence's portion of funding from the HUD Family Wages grant.
- 3. Explain the fiscal impact (current year and ongoing).** Budget modification CHS #14 increases labor costs by \$16,077 for a grant funded .25 FTE Program Development Technician, who will provide support for the Safe Havens grant. Pass through

expenditures increase by \$105,135, professional services expense increases by \$15,550, materials & services costs increase by \$16,141, and grant paid indirect costs increase by \$5,599. This budget modification also increases service reimbursements from the Fed/State fund to the following funds: General Fund - \$5,599 (grant paid indirect); Insurance Fund - \$3,078; Telephone Fund - \$1,241; and Building Management Fund - \$3,000.

**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?** Safe Haven (U.S. DOJ) increases by \$108,502 and HUD Family Wages increases by \$50,000.
- ❖ **What budgets are increased/decreased?** Domestic Violence
- ❖ **What do the changes accomplish?** Brings the budget in line with current grant & revenue agreements.
- ❖ **Do any personnel actions result from this budget modification? Explain.** A grant funded .25 FTE Program Development Technician is added, who will provide support for the Safe Havens grant.
- ❖ **Is the revenue one-time-only in nature?** No
- ❖ **If a grant, what period does the grant cover?** Safe Havens: October 1, 2002 to September 30, 2004 HUD Family Wages: January 1, 2003 to June 30, 2003, with option to renew through December 2003, depending on match funding availability.
- ❖ **When the grant expires, what are funding plans?** Unknown at this time.

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

**Required Signatures:**

Department/Agency Director: *Patricia K. Pate* Date: 05/06/03

Budget Analyst

By: *Michael D. Jaspin* Date: 05/12/03

Dept/Countywide HR

By: *Arnold R. Quigley* Date: 05/06/03

**BUDGET MODIFICATION DCHS #14**  
**EXPENDITURES & REVENUES**

Budget Fiscal Year: 02/03

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

Ln No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
1	20-30	21044			DV03.CRD.SAFE	50170	0	(105,167)	(105,167)		IG-OP-Direct Fed
2	20-30	21044			DV03.CRD.SAFE	60000	0	16,077	16,077		Permanent (Assessed Labor)
3	20-30	21044			DV03.CRD.SAFE	60160	0	55,135	55,135		Pass Through Payments
4	20-30	21044			DV03.CRD.SAFE	60170	0	8,750	8,750		Professional Services
5	20-30	21044			DV03.CRD.SAFE	60180	0	400	400		Printing
6	20-30	21044			DV03.CRD.SAFE	60240	0	10,650	10,650		Supplies
7	20-30	21044			DV03.CRD.SAFE	60260	0	7,500	7,500		Education & Training
8	20-30	21044			DV03.CRD.SAFE	60270	0	150	150		Local Travel
9	20-30	21044			DV03.CRD.SAFE	60350	0	2,264	2,264		Indirect Costs (Grant Paid)
10	20-30	21044			DV03.CRD.SAFE	60370	0	1,241	1,241		Telephone
11	20-30	21044			DV03.CRD.SAFE	60430	0	3,000	3,000		Building Management
12											
13											
14	20-30	21044			DV03 CRD.SAFE DCHSIDC	50170	0	(3,335)	(3,335)		IG-OP-Direct Fed
15	20-30	21044			DV03 CRD.SAFE DCHSIDC	60350	0	3,335	3,335		Indirect Costs (Grant Paid)
16											
17	20-30	1000			DV03 CRD.CGF	60170	1,500	8,300	6,800		Professional Services
18	20-30	1000			DV03 CRD.CGF	60270	8,463	1,663	(6,800)		Local Travel
19											
20	20-30	21971			DV03 SVC.FAMILY03	50170	0	(50,000)	(50,000)		IG-OP-Direct Fed
21	20-30	21971			DV03 SVC.FAMILY03	60160	0	50,000	50,000		Pass Through Payments
22											
23	20-30	1000			DV03 SVC.FAMILYMATCH03	60160	0	13,360	13,360		Pass Through Payments
24											
25	20-30	1000			DV03 SVC.CGF	60160	1,021,602	1,008,242	(13,360)		Pass Through Payments
26											
									0	0	Total - Page 1

**BUDGET MODIFICATION DCHS #14**  
**EXPENDITURES & REVENUES**

Budget Fiscal Year: 02/03

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

Ln No.	Fund Center	Fund Code	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center	WBS Element						
30	70-01	3500		705210		50316		(3,078)	(3,078)		Service Reimbursement Insurance
31	70-01	3500		705210		60330		3,078	3,078		Insurance Claims Paid
32											
33	19	1000		9500001000		50310		(5,599)	(5,599)		Svc Reim F/S to General Fund
34	19	1000		9500001000		60470		5,599	5,599		CGF Contingency
35											
36	70-03	3502		709520		50310		(1,241)	(1,241)		Svc Reim F/S to Telecom Fund
37	70-03	3502		709520		60200		1,241	1,241		Telephone
38											
39	90-20	3505		902575		50310		(3,000)	(3,000)		Svc Reim F/S to Bldg Mgmt Fund
40	90-20	3505		902575		60240		3,000	3,000		Building Management
41											
42											
43											
44											
45											
46											
47											
48											
49											
50											
51											
52											
53											
54											
55											
									0	0	Total - Page 2



## BUDGET MODIFICATION DCHS # 14

## 5. ANNUALIZED PERSONNEL CHANGE

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

							ANNUALIZED			
Fund Ctr	Cost Center	JCN	Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
20-30	203600	6020	61398	Program Dev Tech	710288	0.25	10,748	2,251	3,078	16,077
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
				TOTAL ANNUALIZED CHANGES		0.25	10,748	2,251	3,078	16,077

## 6. CURRENT YEAR PERSONNEL DOLLAR CHANGE

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

							CURRENT YEAR			
Fund Ctr	Cost Center	JCN	Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
20-30	203600	6020	61398	Program Dev Tech	710288	0.25	10,748	2,251	3,078	16,077
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
				TOTAL CURRENT FY CHANGES		0.25	10,748	2,251	3,078	16,077

## 1. REQUEST FOR PLACEMENT ON THE AGENDA FOR: \_\_\_\_\_

(Date)

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

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

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

**Recognition of four Weed & Seed grants totaling \$65,117 that have been awarded to the District Attorney's Office in fiscal year 2003 for the support of Community Court operations in fiscal year 2003.**

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

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

This budget modification adds Weed & Seed 50195 revenue of \$41,250 to da CCBD.LA and DA CCA.LA for a legal Assistant position to support the community courts which is added to cost center 156060.

This budget mod also adds 8,625 in Weed & Seed 50195 revenue to DA CCBD.I for a temp legal intern to support community court and neighborhood da programs.

This budget modification adds \$15,242 from Weed & Seed to DA CCBD.S for the purpose of purchasing new office electronic, furniture and misc. supplies for the SE Community Court program.

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

Increase in 50195 Fed thru Local \$65,117

Increase in gf contingency \$1432

TOTAL \$66,549

## 4. CONTINGENCY STATUS [To Be Completed by Budget]

\_\_\_\_\_  
(Specify Fund) Fund Contingency BEFORE THIS MODIFICATION AS OF \_\_\_\_\_

AFTER THIS MODIFICATION: \_\_\_\_\_

Originated By:

Date:

Department Director: District Attorney

Date:

Plan / Budget Analyst:

Date:

Employee Services:

Date:

Board Approval:

Date:

Budget Modification:

DA 03-05

**EXPENDITURES & REVENUES**

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

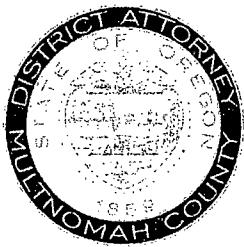
Line No.	Fund Center	Fund Code	Accounting Unit		WBS Element	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
			Internal Order	Cost Center							
1	15-20	1505			DA ccdb.la	50195	-	(20,625)	(20,625)		
2	15-20	1505			DA cca.la	50195		(20,625)	(20,625)		
3	15-20	1505			DA ccdb.l	50195		(8,625)	(8,625)		
4	15-20	1505			DA ccdb.l	60100	0	8,625	8,625		
5	15-20	1505			DA ccdb.S	50195	0	(15,242)	(15,242)		
6	15-20	1505			DA ccdb.S	60240	0	13,810	13,810		
7	15-20	1505			156060	60000	0	27,219	27,219		
8	15-20	1505			156060	60130	0	5,897	5,897		
9	15-20	1505			156060	60140		8,134	8,134		
10	15-20	1505			DA ccdb.S	60350	0	1,432	1,432		
11	19	1000			9500001000	50310		(1,432)	(1,432)		Reimbursement
12	19	1000			9500001000	60470		1,432	1,432		contingency
13								0			
14								0			
15								0			
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

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

						ANNUALIZED			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6246	63379	Legal Assistant		1.00	36,292	7,863	10,845	55,000
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
			TOTAL ANNUALIZED CHANGES		1.00	36,292	7,863	10,845	55,000

**6. CURRENT YEAR PERSONNEL DOLLAR CHANGE**Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

						CURRENT YEAR			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6246	63379	Legal Assistant		0.75	27,219	5,897	8,134	41,250
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
			TOTAL CURRENT FY CHANGES		0.75	27,219	5,897	8,134	41,250



# Michael D. Schrunk, District Attorney

1021 SW Fourth Avenue, Room 600  
Portland, OR 97204-1193  
Phone: 503-988-3162 Fax: 503-988-3643  
[www.co.multnomah.or.us/da/](http://www.co.multnomah.or.us/da/)

## M E M O R A N D U M

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**To:** BOARD OF COUNTY COMMISSIONERS  
**From:** MICHAEL D. SCHRUNK, DISTRICT ATTORNEY  
**Date:** May 20, 2003  
**Subject:** Budget Modification to recognize four Weed & Seed grants in FY 2003

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I. **Action Requested:** Approve a budget modification which recognizes three revenue grants awarded from Brentwood Darlington Weed & Seed totaling \$44,492, and one revenue grant from Albina Weed & Seed totaling \$ 20,625 for the support of Community Court operations in county fiscal year 2003.

II. **Background Analysis:** The District Attorney's Office has been awarded four Weed & Seed grants for the purpose of supporting the operations of the Community Courts. The Lents/ Brentwood Darlington Weed & Seed site has awarded a grant in the amount of \$15,242 for the purpose of purchased office equipment, furniture and other misc. supplies for the operation of the SE Community Court. In addition it has awarded the DA Office with \$11,500 for the purpose of hiring a temporary Legal Intern, whose job is to support the operation of Community Court and the Neighborhood DA program. Finally, Lents/Brentwood Darlington has awarded a total of \$22,500 to pay for a .5 Legal Assistant that works in support of the Community Court program.

In addition, the DA Office has been awarded \$22,500 from Albina Weed & Seed site for to pay for a .5 Legal Assistant the works in support of the Community Court program.

The funding for the Legal Intern and Legal Assistant are based on the current Federal fiscal year and as such only 75% of the total funding awarded is proposed to be budgeted in fiscal year 2003. The remainder of the funding will be budgeted in fiscal year 2004.

III. **Financial Impact:** The proposed budget modification will add \$65,117 in Fed thru Local funding for fiscal year 2003 to the budget of the District Attorney's Office in support of the Community Court operations. In addition, the grant dollars will pay a total of \$1432 in County central indirect into the Counties contingency fund.

IV. **Legal Issues:** There are no pertinent legal issues.

V. **Controversial Issues:** There are no controversial issues.

VI. **Link to other County Policies:** N/A

VII. **Other Government Agency Participation:** N/A

## AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** C-6

**Est. Start Time:** 10:15 AM

**Date Submitted:** 05/28/03

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**Requested Date:** May 28, 2003

**Time Requested:** N/A

**Department:** Sheriff's Office

**Division:** Enforcement

**Contact/s:** Dave Braaksma

**Phone:** 503 988-4415

**Ext.:** 84415

**I/O Address:** 503/350/Braaksma

**Presenters:** Dave Braaksma

---

**Agenda Title:** Government Contract with the Oregon Department of Transportation, (ODOT) Reimbursing the Sheriff's Office for Performing Commercial Motor Carrier Inspections.

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

- 
- 1. What action are you requesting from the Board? What is the department/agency recommendation?** Approval of Government Contract.
  - 2. Please provide sufficient background information for the Board and the public to understand this issue.** With funding provided by the Federal Motor Carrier Safety Administration, (FMCSA), ODOT reimburses the Sheriffs Office for performing inspections on commercial motor vehicles. The reimbursement rate is \$44 or \$55 for each inspection depending on the level performed. Additional reimbursements are given for inspections that yield "failure to comply with an out-of-service order" (\$200) and "driving under the influence" (\$400) violations.

The ODOT contract period for reimbursement runs from October 1, 2002 through September 30, 2003 and is based on the State's fiscal year. We have maintained a yearly contract in this manner with the State since at least 1982.

3. **Explain the fiscal impact (current year and ongoing).**  
The amount detailed as coming from FMCSA / ODOT is \$108,000 and has been included in the FY04 MCSO budget
4. **Explain any legal and/or policy issues.** The County Attorney has reviewed the agreement.
5. **Explain any citizen and/or other government participation that has or will take place.** Only those listed above.

**Required Signatures:**

**Department/Agency Director:**



**Date: May 28, 2003**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

# MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Pre-approved Contract Boilerplate (with County Attorney signature) ☐ Attached ☐ Not Attached

Contract #: 0310502  
Amendment #:

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

Department: Sheriff Division: Enforcement Date: 05/13/03  
 Originator: Sgt. Jason Gates Phone: 503-251-2415 Bldg/Rm: 313/Jason Gates  
 Contact: Dave Braaksma Phone: 503-988-4415 Bldg/Rm: 503/350  
 Description of Contract: Reimbursement for Commercial Vehicle Inspections

RENEWAL: ☐ PREVIOUS CONTRACT #(S): 0111022  
 RFP/BID: RFP/BID DATE: ORS/AR #:  
 EXEMPTION #: Effective DATE: EXPIRATION DATE:  
 CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (Check all boxes that apply)

Contractor	Oregon Dept. of Transportation			Remittance address	
Address	550 Capitol Street NE			(If different)	
City/State	Salem, OR ATTN Ron Jones			Payment Schedule / Terms	
ZIP Code	97301-2530			<input type="checkbox"/> Lump Sum \$	<input type="checkbox"/> Due on Receipt
Phone	503-373-1979			<input type="checkbox"/> Monthly \$	<input type="checkbox"/> Net 30
Employer ID# or SS#				<input type="checkbox"/> Other \$	<input type="checkbox"/> Other
Contract Effective Date	10/01/02	Term Date	09/30/03	<input type="checkbox"/> Requirements Funding Info:	
Amendment Effect Date		New Term Date		Original Requirements Amount	\$
Original Contract Amount	\$108,000			Total Amt of Previous Amendments	\$
Total Amt of Previous Amendments	\$			Requirements Amount Amendment:	\$
Amount of Amendment	\$			Total Amount of Requirements	\$
Total Amount of Agreement \$	\$108,000				

## REQUIRED SIGNATURES:

Department Manager	_____	DATE	_____
Purchasing Manager	_____	DATE	_____
County Attorney	<i>[Signature]</i>	DATE	5-28-03
County Chair	<i>[Signature]</i>	DATE	6.5.03
Sheriff	<i>[Signature]</i>	DATE	5-14-03
Contract Administration	_____	DATE	_____

COMMENTS:

APPROVED MULTNOMAH COUNTY  
 BOARD OF COMMISSIONERS  
 AGENDA # C-6 DATE 06-05-03  
 DEB BOGSTAD, BOARD CLERK



## **INTERGOVERNMENTAL AGREEMENT**

### **Motor Carrier**

Project Name: Motor Carrier Safety Assistance Program FFY 03

THIS AGREEMENT is made and entered into by and between THE STATE OF OREGON, acting by and through its Department of Transportation, Motor Carrier Transportation Division, hereinafter referred to as "ODOT", and Multnomah County acting through its Sheriff's Office, hereinafter referred to as "MCSO".

### **RECITALS**

1. By the authority granted in ORS 190.110, 283.110, and 825.250, state agencies may enter into agreements with units of local government or other state agencies for the performance of any or all functions and activities that a party to the agreement, its officers or agents have the authority to perform.
2. ODOT wishes to enter into agreements with participating agencies in order to maximize the utilization of commercial vehicle, driver, and cargo inspection resources; to avoid duplication of effort; to expand the number of inspections performed; to advance uniformity of inspection; and to minimize delays in schedules incurred by industry inherent to this type of enforcement activity.
3. Pursuant to the provisions contained in the Transportation Equity Act for the 21<sup>st</sup> Century (the Act), ODOT, acting as Oregon's lead agency in motor carrier safety matters, submitted to the Federal Motor Carrier Safety Administration (FMCSA), Oregon's State Commercial Vehicle Safety Plan (CVSP) on August 29, 2002.
4. For federal fiscal year 2003 (October 1, 2002, through September 30, 2003), Oregon has been awarded \$2,413,909 for its commercial vehicle safety program.

**NOW, THEREFORE**, the premises being in general as stated in the foregoing recitals, it is agreed by and between the parties hereto as follows:

### **TERMS OF AGREEMENT**

1. Under such authority, ODOT wishes to retain the services of MCSO to perform the work described in this Agreement. Based on fiscal and program data submitted to ODOT by participating agencies, the prorated share of Oregon's FFY03 agreement with MCSO is: \$108,000.
2. Total Project cost is \$318,326. ODOT's payments to MCSO under this Agreement shall not exceed \$99,000 in federal funds for inspection activity and \$9,000 in federal funds for a minimum of two (2) computers, printers, and related hardware purchases. Computers, printers, and related hardware purchased by MCSO must support the use of ASPEN <sup>TM</sup> and ISS software, and be comparable to the computer specifications noted on the Federal Motor Carrier Safety Administration website <http://fmcsa-fsg.dot.gov/Guidelines.htm>. MCSO is responsible for all nonparticipating costs including but not limited to the 20 percent matching fund requirement.
3. This Agreement covers services to be performed, and purchases made, during the period from October 1, 2002, through September 30, 2003. The payment for work completed may be made

through December 31, 2003, on which date this Agreement automatically terminates unless extended by a fully executed amendment.

#### **REIMBURSEMENT COMPENSATION**

1. Reimbursement amounts for roadside commercial vehicle/driver inspections are \$44 for each Level I, and \$55 for each Level II or Level III inspection initiated after a probable cause traffic stop.
2. Reimbursement amount for computer, printer, and related hardware, hereinafter referred to as "computer workstation" shall not exceed \$9,000 in federal funds.
3. Any inspection resulting in a commercial driver drug or Driving Under the Influence of Intoxicants (DUII) arrest will be reimbursed at a rate of \$400. This award will not increase the total agreement grant allocation; but rather, supplant inspection commitment and reimbursement revenue.
4. Any inspection resulting in a commercial driver arrest for failure to comply with an out-of-service order will be reimbursed at a rate of \$200. This award will not increase the total agreement grant allocation; but rather, supplant inspection commitment and reimbursement revenue.
5. Notification of drug/alcohol or out of service violation arrests shall be forwarded to the Motor Carrier Safety Assistance Program (MCSAP) officer of the State of Oregon for compensation.

#### **MCSO OBLIGATIONS:**

1. MCSO shall perform the work described in this Agreement.
2. MCSO agrees to:
  - a. Ensure that all personnel who engage in the inspection of commercial motor vehicles and their drivers are trained and certified by ODOT pursuant to ORS 810.560.
  - b. Enforce Oregon's Commercial Vehicle Safety and Hazardous Material Rules and Regulations in a manner consistent with the approved state MCSAP/CVSP (Commercial Vehicle Safety Plan) and MCSAP/ Commercial Vehicle Safety Alliance (CVSA) approved inspection procedures.
  - c. Utilize computer workstations purchased under this agreement exclusively for commercial vehicle safety and related activities.
  - d. Conduct Level I commercial vehicle/driver inspections. Reimbursement for this activity will not exceed \$44,000. The remainder of the \$99,000 allocation for inspection activity will be available for reimbursement for Level II and III inspections under "Reimbursement Compensation" paragraph 1 above, reimbursement for arrests will be available under "Reimbursement Compensation" paragraphs 3 and 4 above and reimbursement for capital expenditure made under "MCSO Obligations" paragraph 2.j. below.
  - e. Conduct all inspections on public highways and conduct at least 25 percent of the inspections during off peak hours.

- f. Verify ODOT registration status for each commercial vehicle inspected power unit resulting from a probable cause traffic stop.
- g. When possible, record all inspections on ASPEN™ software and electronically upload computer-driven inspections daily to ODOT, Motor Carrier Transportation Division (MCTD).
- h. In the event that MCSO is unable to record all inspections on ASPEN™ software and electronically upload computer-driven inspections daily to ODOT, MCSO shall provide written records of all manual inspections to ODOT on ODOT Driver/Equipment Compliance Check Form No. 735-9242, and forward completed inspections to ODOT within five (5) working days of the inspection.
- i. Report to ODOT, within 15 days after the end of each month on ODOT Form 457a, all direct and indirect expenditures in performance of this Agreement. The total of expenditures shown on all ODOT Form 457a's submitted for FFY03 will be at least \$318,326 (\$183,326 maintenance of effort expenditures; plus \$108,000 federal MCSAP funds awarded; plus \$27,000 matching share contribution (20 percent) to the federal assistance awarded). Under no conditions shall ODOT's obligations exceed \$108,000 including all expenses.
- j. Purchase and receive computer workstations before the end of the federal fiscal year 2003 and request reimbursement in writing to the MCSAP Officer within 30 days receipt of the workstations. Request shall include a copy of the original bill of sale from the supplier(s).
- k. Maintain an updated "maintenance of effort" level of expenditure (\$183,326) for the motor carrier safety activities, exclusive of federal assistance awarded. The updated maintenance of effort was calculated based on the average actual expenditures for the federal fiscal years 1997, 1998, and 1999 as required by the act;
- l. Request in writing to the MCSAP Officer, all proposed capital expenditures. Such request shall contain an exact identification of the proposed purchase, cost, use, and justification.
- m. Comply with all provisions contained in Exhibit A, attached hereto and incorporated herein.
- n. Comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279.312, 279.314, 279.316, 279.320, and 279.555, which hereby are incorporated by reference. Without limiting the generality of the foregoing, MCSO expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) The Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.
- o. Notify the MCSAP officer of any joint or special operations involving commercial motor vehicles.
- p. Comply with the requirements of OMB Circular A-87, "Cost Principles of State, Local and Indian Tribal Governments."

3. MCSO shall not enter into any subcontracts for any of the work scheduled under this Agreement without obtaining prior written approval from ODOT.
4. All employers, including MCSO, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. MCSO shall ensure that each of its subcontractors complies with these requirements.
5. MCSO shall perform the service under this Agreement as an independent contractor and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform the work under this Agreement including, but not limited to, retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.

#### **ODOT OBLIGATIONS**

1. In consideration for the services performed, ODOT agrees to reimburse MCSO, pursuant to its obligations set forth above, an amount not to exceed \$99,000 in federal funds for inspection activity, and \$9,000 in federal funds for computer workstations. No state funds are obligated under this Agreement.
2. ODOT shall reimburse MCSO on a quarterly basis for the number of inspections completed during the billing period. The aggregate total of all quarterly payments will not exceed the total contractual grant allocation.
3. In furtherance of ODOT's contractual obligations to FMCSA, and in recognition of ODOT's sponsorship and responsibility to coordinate the motor carrier safety activities of MCSO, ODOT agrees to:
  - a. Function as Oregon's lead motor carrier safety agency and coordinate and assist MCSO to the extent motor carrier safety activities contained in CVSP are met;
  - b. Coordinate and assist MCSO in the preparation and timely submission to ODOT of required safety program documentation;
  - c. Process written requests for capital expenditures for carrying out the provisions of the CVSP and this Agreement. MCSO acknowledges that ODOT must first have written authority from the FMCSA to make such expenditures, and that ODOT shall not reimburse MCSO for such expenditures prior to and unless such written authority is obtained;
  - d. Consolidate MCSO's safety activities and fiscal reports;
  - e. Make payment to MCSO on a quarterly basis, and based on inspections received from MCSO, for services performed in accordance with this Agreement; and
  - f. Train, retrain (as necessary or desirable and ODOT ability to make training available), test, and certify the inspectors of MCSO, in accordance with ORS 810.560, this Agreement, The Oregon Board of Public Safety Standards and Training, and as applicable CVSA.

- g. In no event shall ODOT's obligations hereunder be construed to require ODOT to provide any coordination or assistance in the form of either personnel or funds, related to MCSO's efforts to ensure it will be able to continue providing mission critical services.

## GENERAL PROVISIONS

1. ODOT certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within ODOT's current appropriation or limitation of current biennial budget.

2. ODOT's project manager and MCSAP officer is:

Ron Jones  
Manager, Field Motor Carrier Safety Enforcement  
550 Capitol NE  
Salem, Oregon 97301-2530

3. This Agreement may be terminated by mutual written consent of both parties.
4. ODOT may terminate this Agreement effective upon delivery of written notice to MCSO, or at such later date as may be established by ODOT, under any of the following conditions:
  - a. If MCSO fails to provide services called for by this Agreement within the time specified herein or any extension thereof;
  - b. If MCSO fails to perform any of the other provisions of this Agreement or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from ODOT fails to correct such failures within 10 days or such longer period as ODOT may authorize;
  - c. If ODOT fails to receive funding, appropriations, limitations, or other expenditure authority at levels sufficient to pay for the work provided in the agreement, including cancellation or discontinuation of any federal grants whose funds are used to pay for MCSO's work under this Agreement;
  - d. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if ODOT is prohibited from paying for such work from the planned funding source.

Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.

5. MCSO acknowledges and agrees that ODOT, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of which are directly pertinent to the specific agreement for the purpose of making audits, examinations, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request. Payment for costs of copies is reimbursable by ODOT.

6. As federal funds are involved in this Agreement, EXHIBITS A, B and C are attached hereto and by this reference made a part of this Agreement, and are hereby certified to by MCSO representative.
7. MCSO, as a recipient of grant funds, pursuant to this Agreement with ODOT, shall assume sole liability for MCSO's breach of the conditions of the grant, and shall, upon MCSO's breach of grant conditions that requires ODOT to return funds to FMCSA, the grantor, hold harmless and indemnify ODOT for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of MCSO, the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this Agreement.
8. This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of ODOT to enforce any provision of this Agreement shall not constitute a waiver by ODOT of that or any other provision.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their seals as of the day and year hereinafter written.

The Oregon Transportation Commission on February 13, 2002, approved Delegation Order No. 2, which authorizes the Director to approve and execute agreements for day-to-day operations when the work is related to a project included in the Statewide Transportation Improvement Program or a line item in the biennial budget approved by the Commission.

On September 6, 2002, the Director of the Oregon Department of Transportation approved Subdelegation Order No. 2, in which the Director delegates authority to the Executive Deputy Director for Highways, Executive Deputy Director for Central Services, Deputy Director for OTIA, and the Chief of Staff to approve and execute agreements over \$75,000 when the work is related to a project included in the Statewide Transportation Improvement Program, other system plans approved by the Commission such as the Traffic Safety Performance Plan, or in a line item in the approved biennial budget. The Director may also delegate to other deputy directors the authority to execute personal service contracts and agreements over \$75,000 for specific programs such as transportation safety, growth management and public transit.

Pursuant to a Letter of Authority dated September 15, 2000, the Deputy Director of the Motor Carrier Transportation Division authorized the Field Motor Carrier Safety Enforcement Manager to approve and execute agreements for the FHWA MCSAP Program

Multnomah County, by and through  
its Police Department

STATE OF OREGON,  
Department of Transportation

By Bernie Giusto by LAG 5-14-03  
—Authorized signature —

By \_\_\_\_\_  
Ron Jones  
Manager,  
Field Motor Carrier Safety Enforcement

APPROVED MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-6 DATE 06-05-03  
DEB BOGSTAD, BOARD CLERK

Date \_\_\_\_\_

By: Diane M. Linn  
Diane M. Linn, County Chair

Phil Pilgrim  
Fiscal Officer,  
Field Motor Carrier Safety Enforcement

Date: 6-5-03

Reviewed:  
County Counsel for  
Multnomah County

By: [Signature] 5/28/03  
Assistant County Counsel Date

Date \_\_\_\_\_

## EXHIBIT A

The term referred to in this exhibit as "State" shall mean "ODOT" and the terms referred to as "recipient" and "contractor" shall mean as defined in the agreement.

## GENERAL PROVISIONS FOR MCSAP AGREEMENT

1. General Provisions: The State will comply with all Federal laws and requirements which are applicable to grant agreements, and imposed by the Federal Motor Carrier Safety Administration (FMCSA) concerning special requirements of law, program requirements, and other administrative requirements.
2. Regulation Requirements: The State hereby assures and certifies that it will comply with the regulations, policies, guidelines, and requirements of the Commercial Motor Vehicle Safety Act of 1986, and the new Federal Common Rule 49 CFR, Part 18, and 49 CFR, Part 90 (Audits of State and Local Governments), and OMB Circular No. A-87 as they relate to the application, acceptance and use of Federal funds for this federally-assisted project.
3. Modifications: This agreement may be amended at any time by a written modification properly executed by both the FMCSA and the State.
4. Retention and Custodial for Records:
  - (a) Financial records, supporting documents, statistical records, and all other records pertinent to this instrument shall be retained for a period of three years, with the following exception:
    - (1) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation claims or audit findings involving the records have been resolved.
    - (2) Records for nonexpendable property, if any, required with Federal funds shall be retained for three years after its final disposition.
    - (3) When records are transferred to or maintained by FMCSA, the 3-year retention requirement is not applicable to the recipient.
  - (b) The retention period starts from the date of the submission of the final expenditure report.
  - (c) The Secretary of Transportation and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of the recipient, and its contractors and subcontractors, to make audits, examinations, excerpts, and transcripts.
5. Equal Employment Opportunity:
  - (a) The application/recipient agrees to incorporate in all contracts having a value of over \$10,000, the provisions requiring compliance with Executive Order 11246, as amended, and implementing regulations of the United States Department of Labor at 41 CFR 60, the provisions of which, other than the standard EEO clause and applicable goals for employment of minorities and women, may be incorporated by reference.
  - (b) The applicant/recipient agrees to ensure that its contractors and subcontractors, regardless of tier, awarding contracts and/or issuing purchase orders for material, supplies or equipment over \$10,000 in value will incorporate the required EEO provisions in such contracts and purchase orders.
  - (c) The applicant/recipient further agrees that its own employment policies and practices will be without discrimination based on race, color, religion, sex, national origin, handicap or age; and that it has or will develop and submit to FMCSA by August 1, an affirmative action plan consistent with the Uniform Guidelines on Employee Selection Procedures, 29 CFR 1607, and the Affirmative Action Guidelines, 29 CFR 1608.
6. Copeland Act: All contracts in excess of \$2,000 for construction or repair awarded by recipient and its contractors or subcontractors shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). This Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, or give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to FMCSA.
7. Davis-Bacon Act: When required by the Federal program legislation, all construction contracts awarded by the recipient and its contractors or subcontractors of more than \$2,000 shall include a provision for compliance with the



Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR, Part 5). Under this act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wage specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the G/CAO.

8. Contract Work Hours and Safety Standards Act: Where applicable, all contracts awarded by recipient in excess of \$2,500 that involve the employment of mechanics or laborers, shall include a provision of compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at the rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act, if applicable to construction work, provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
9. Access to Records: All negotiated contracts (except those of \$10,000 or less) awarded by recipients shall include a provision to the effect that the recipient, FMCSA, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcripts.
10. Civil Rights Act: The recipient shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and in accordance with Title VI of that Act, no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination under any program or activity for which the recipient received Federal financial assistance and shall immediately take any measures necessary to effectuate this Agreement. It shall comply with Title VI of the Civil Rights Acts of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where:
  - (a) The primary purpose of an instrument is to provide employment, or
  - (b) Discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
11. Nondiscrimination: The applicant/recipient hereby agrees that, as a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. 2000d), related nondiscrimination statutes, and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, handicap or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the applicant/recipient receives Federal financial assistance. The specific requirements of the United States Department of Transportation standard Civil Rights assurances with regard to the States' highway safety programs (required by 49 CFR 21.7 and on file with the U.S. DOT) are incorporated in this grant agreement.
12. Rehabilitation Act: The recipient shall comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C 794, P.L. 93-112), and all requirements imposed by or pursuant to the regulations of the Department of Health, Education, and Welfare (45 CFR, Parts 80, 81 and 84), promulgated under the foregoing statute. It agrees that, in accordance with the foregoing requirements, no otherwise qualified handicapped person, by reason of handicap, shall be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, and that it shall take any measures necessary to effectuate this Agreement.

13. Government Rights (Unlimited): FMCSA shall have unlimited rights for the benefit of the Government in all other work developed in the performance of this Agreement, including the right to use same on any other Government work without additional cost to FMCSA.

**EXHIBIT B (Multnomah County)**

**CONTRACTOR CERTIFICATION**

Contractor certifies by signing this contract that Contractor has not:

- (a) Employed or retained for a commission, percentage, brokerage, contingency fee or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this contract,
- (b) agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract, or
- (c) paid or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above consultant), any fee, contribution, donation or consideration of any kind for or in connection with, procuring or carrying out the contract, except as here expressly stated (if any):

Contractor further acknowledges that this certificate is to be furnished to the Federal Highway Administration, and is subject to applicable State and Federal laws, both criminal and civil.

**AGENCY OFFICIAL CERTIFICATION (ODOT)**

Department official likewise certifies by signing this contract that Contractor or his/her representative has not been required directly or indirectly as an expression of implied condition in connection with obtaining or carrying out this contract to:

- (a) Employ, retain or agree to employ or retain, any firm or person or
- (b) pay or agree to pay, to any firm, person or organization, any fee, contribution, donation or consideration of any kind except as here expressly stated (if any):

Department official further acknowledges this certificate is to be furnished to the Federal Highway Administration, and is subject to applicable State and Federal laws, both criminal and civil.

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**EXHIBIT C**

**Federal Provisions  
Oregon Department of Transportation**

**I. CERTIFICATION OF NONINVOLVEMENT IN ANY DEBARMENT AND SUSPENSION**

Contractor certifies by signing this contract that to the best of its knowledge and belief, it and its principals:

- 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery falsification or destruction of records, making false statements or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Where the Contractor is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

List exceptions. For each exception noted, indicate to whom the exception applies, initiating agency, and dates of action. If additional space is required, attach another page with the following heading: Certification Exceptions continued, Contract Insert.

#### **EXCEPTIONS:**

Exceptions will not necessarily result in denial of award, but will be considered in determining Contractor responsibility. Providing false information may result in criminal prosecution or administrative sanctions.

The Contractor is advised that by signing this contract, the Contractor is deemed to have signed this certification.

#### **II. INSTRUCTIONS FOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS-PRIMARY COVERED TRANSACTIONS**

1. By signing this contract, the Contractor is providing the certification set out below.
2. The inability to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Contractor shall explain why he or she cannot provide the certification set out below. This explanation will be considered in connection with the Oregon Department of Transportation determination to enter into this transaction. Failure to furnish an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the Department determined to enter into this transaction. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government or the Department may terminate this transaction for cause of default.
4. The Contractor shall provide immediate written notice to the Department to whom this proposal is submitted if at any time the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Department's Program Section (Tel. (503) 986-3400) to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The Contractor agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is debarred, suspended,

declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the Department or agency entering into this transaction.

7. The Contractor further agrees by submitting this proposal that it will include the Addendum to Form FHWA-1273 titled, "Appendix B--Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions", provided by the Department entering into this covered transaction without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List published by the U. S. General Services Administration.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government or the Department, the Department may terminate this transaction for cause or default.

### III. ADDENDUM TO FORM FHWA-1273, REQUIRED CONTRACT PROVISIONS

This certification applies to subcontractors, material suppliers, vendors, and other lower tier participants.

- Appendix B of 49 CFR Part 29 -

#### **Appendix B--Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions**

##### Instructions for Certification

1. By signing and submitting this contract, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this contract is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this contract that it will include this clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the nonprocurement list.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions**

- a. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**IV. EMPLOYMENT**

1. Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this contract and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Contractors, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this contract. For breach or violation of this warranting, Department shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.
2. Contractor shall not engage, on a full or part-time basis or other basis, during the period of the contract, any professional or technical personnel who are or have been at any time during the period of this contract, in the employ of Department, except regularly retired employees, without written consent of the public employer of such person.
3. Contractor agrees to perform consulting services with that standard of care, skill and diligence normally provided by a professional in the performance of such consulting services on work similar to that hereunder. Department shall be entitled to rely on the accuracy, competence, and completeness of Contractor's services.

## V. NONDISCRIMINATION

During the performance of this contract, Contractor, for himself, his assignees and successors in interest, hereinafter referred to as Contractor, agrees as follows:

1. **Compliance with Regulations.** Contractor agrees to comply with Title VI of the Civil Rights Act of 1964, and Section 162(a) of the Federal-Aid Highway Act of 1973 and the Civil Rights Restoration Act of 1987. Contractor shall comply with the regulations of the Department of Transportation relative to nondiscrimination in Federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are incorporated by reference and made a part of this contract. Contractor, with regard to the work performed after award and prior to completion of the contract work, shall not discriminate on grounds of race, creed, color, sex or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contract covers a program set forth in Appendix B of the Regulations.
2. **Solicitation for Subcontractors, including Procurement of Materials and Equipment.** In all solicitations, either by competitive bidding or negotiations made by Contractor for work to be performed under a subcontract, including procurement of materials and equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this contract and regulations relative to nondiscrimination on the grounds of race, creed, color, sex or national origin.
3. **Nondiscrimination in Employment (Title VII of the 1964 Civil Rights Act).** During the performance of this contract, Contractor agrees as follows:
  - a. Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this nondiscrimination clause.
  - b. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex or national origin.
4. **Information and Reports.** Contractor will provide all information and reports required by the Regulations or orders and instructions issued pursuant thereto, and will permit access to his books, records, accounts, other sources of information, and his facilities as may be determined by Department or FHWA as appropriate, and shall set forth what efforts he has made to obtain the information.
5. **Sanctions for Noncompliance.** In the event of Contractor's noncompliance with the nondiscrimination provisions of the contract, Department shall impose such agreement sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
  - a. Withholding of payments to Contractor under the agreement until Contractor complies; and/or
  - b. Cancellation, termination or suspension of the agreement in whole or in part.
6. **Incorporation of Provisions.** Contractor will include the provisions of paragraphs 1 through 6 of this section in every subcontract, including procurement of materials and leases of equipment, unless exempt from Regulations, orders or instructions issued pursuant thereto. Contractor shall take such action with respect to any subcontractor or procurement as Department or FHWA may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event Contractor becomes involved in or is

threatened with litigation with a subcontractor or supplier as a result of such direction, Department may, at its option, enter into such litigation to protect the interests of Department, and, in addition, Contractor may request Department to enter into such litigation to protect the interests of the State of Oregon.

#### VI. DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY

In accordance with Title 49, Code of Federal Regulations, Part 26, Contractor shall agree to abide by and take all necessary and reasonable steps to comply with the following statement:

##### **DBE POLICY STATEMENT**

**DBE Policy.** It is the policy of the United States Department of Transportation (USDOT) to practice nondiscrimination on the basis of race, color, sex and/or national origin in the award and administration of USDOT assist contracts. Consequently, the DBE requirements of 49 CFR 26 apply to this contract.

**Required Statement For USDOT Financial Assistance Agreement.** If as a condition of assistance the Agency has submitted and the US Department of Transportation has approved a Disadvantaged Business Enterprise Affirmative Action Program which the Agency agrees to carry out, this affirmative action program is incorporated into the financial assistance agreement by reference.

**DBE Obligations.** The Oregon Department of Transportation (ODOT) and its contractor agree to ensure that Disadvantaged Business Enterprises as defined in 49 CFR 26 have the opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds. In this regard, Contractor shall take all necessary and reasonable steps in accordance with 49 CFR 26 to ensure that Disadvantaged Business Enterprises have the opportunity to compete for and perform contracts. Neither ODOT nor its contractors shall discriminate on the basis of race, color, national origin or sex in the award and performance of federally-assisted contracts. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of such contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as ODOT deems appropriate.

The DBE Policy Statement and Obligations shall be included in all subcontracts entered into under this contract.

**Records and Reports.** Contractor shall provide monthly documentation to Department that it is subcontracting with or purchasing materials from the DBEs identified to meet contract goals. Contractor shall notify Department and obtain its written approval before replacing a DBE or making any change in the DBE participation listed. If a DBE is unable to fulfill the original obligation to the contract, Contractor must demonstrate to Department the Affirmative Action steps taken to replace the DBE with another DBE. Failure to do so will result in withholding payment on those items. The monthly documentation will not be required after the DBE goal commitment is satisfactory to Department.

Any DBE participation attained after the DBE goal has been satisfied should be reported to the Departments.

**DBE Definition.** Only firms DBE certified by the State of Oregon, Department of Consumer & Business Services, Office of Minority, Women & Emerging Small Business, may be utilized to satisfy this obligation.

##### **CONTRACTOR'S DBE CONTRACT GOAL**

**DBE GOAL**   0   %

By signing this contract, Contractor assures that good faith efforts have been made to meet the goal for the DBE participation specified in the Request for Proposal/Qualification for this project as required by ORS 200.045, and 49 CFR 26.53 and 49 CFR, Part 26, Appendix A.

#### VII. LOBBYING

The Contractor certifies, by signing this agreement to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor also agrees by signing this agreement that he or she shall require that the language of this certification be included in all lower tier subagreements, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

FOR INQUIRY CONCERNING ODOT'S DBE PROGRAM REQUIREMENT CONTACT  
OFFICE OF CIVIL RIGHTS AT (503)986-4354.



# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** R-1

**Est. Start Time:** 10:15 AM

**Date Submitted:** 05/20/03

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**Requested Date:** June 5, 2003

**Time Requested:** 5 Minutes

**Department:** Business and Community Services **Division:** Land Use & Transportation

**Contact/s:** Susan Muir

**Phone:** 503-988-3043

**Ext.:** 83182

**I/O Address:** 455/116

**Presenters:** Susan Muir

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**Agenda Title:** An Ordinance Amending County Land Use Code, Plans And Maps To Adopt Portland's Recent Land Use Code, Plan And Map Revisions In Compliance With Metro's Functional Plan And Declaring An Emergency

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

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- 1. What action are you requesting from the Board? What is the department/agency recommendation?** Adopt the ordinance as recommended by the Portland Planning Commission and Portland City Council.
- 2. Please provide sufficient background information for the Board and the public to understand this issue.** On October 11, 2001 the Board adopted Ordinance 967 (effective date January 1, 2002) adopting, in summary, the Portland Comprehensive Plan and zoning ordinance. The County and the City of Portland have been engaged in agreements enabling the City of Portland to provide planning services to achieve compliance with the Metro Functional Plan for those areas outside the City limits, but within the urban growth boundary and urban service boundary of Portland. Since the adoption of Ordinance 967 and subsequently Ordinance 997, the attached ordinances have been passed by the City Council and therefore the County must adopt them pursuant to our intergovernmental agreement

to keep the code up to date. Multnomah County and the City of Portland entered into an Intergovernmental Agreement (IGA) to transfer land use planning responsibilities on January 1, 2002. The IGA lays out a process requiring the County to ensure that any City Council adopted amendments to the City comprehensive plan, zoning code and other regulations adopted by the County Board of Commissioners will be considered by the County Board of Commissioners at the earliest possible meeting. It also states "The County Board of Commissioners shall enact all comprehensive plan and code amendments so that they take effect on the same date specified by the City's enacting ordinance" (unless adopted by emergency). The City will have taken action on all of the above items by the hearing date of this ordinance. If the County does not adopt these amendments, the IGA will be void and the County will be required to resume responsibility for planning and zoning administration within the affected areas.

3. **Explain the fiscal impact (current year and ongoing).** NA
4. **Explain any legal and/or policy issues.** State law requires a notice be placed in a newspaper of general circulation 10 days prior (5/26/03) to the BCC hearing. We request adoption of this ordinance by emergency to coincide with the City of Portland adoption date (6/07/03) as stated in the IGA. The County Attorney's office was involved in the drafting of the original IGA and has been involved in coordinating our compliance effort through adoption of these code amendments.
5. **Explain any citizen and/or other government participation that has or will take place.** The City included the County affected property owners in their noticing for these code revisions when required pursuant to the IGA and directed them to the City legislative process.

**Required Signatures:**



**Department/Agency Director:**

**Date:** 05/21/03

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**ORDINANCE NO. 1011**

Amending County Land Use Code, Plans and Maps to Adopt Portland's Recent Land Use Code, Plan and Map Revisions in Compliance with Metro's Functional Plan and Declaring an Emergency

**The Multnomah County Board of Commissioners Finds:**

- a. The Board of County Commissioners (Board) adopted Resolution A in 1983 which directed the County services towards rural services rather than urban.
- b. In 1996, Metro adopted the Functional Plan for the region, mandating that jurisdictions comply with the goals and policies adopted by the Metro Council.
- c. In 1998, the County and the City of Portland (City) amended the Urban Planning Area Agreement to include an agreement that the City would provide planning services to achieve compliance with the Functional Plan for those areas outside the City limits, but within the Urban Growth Boundary and Portland's Urban Services Boundary.
- d. It is impracticable to have the County Planning Commission conduct hearings and make recommendations on land use legislative actions pursuant to MCC 37.0710, within unincorporated areas inside the Urban Growth Boundary for which the City provides urban planning and permitting services. The Board intends to exempt these areas from the requirements of MCC 37.0710, and will instead consider the recommendations of the Portland Planning Commission and City Council when legislative matters for these areas are brought before the Board for action as required by intergovernmental agreement (County Contract #4600002792) (IGA).
- e. On May 15, 2003, the Board amended County land use codes, plans and maps to adopt the City's land use codes, plans and map amendments in compliance with Metro's Functional Plan by Ordinance 1010.
- f. Since the adoption of Ordinance 1010, the City's Planning Commission recommended land use code, plan and map amendments to the City Council through duly noticed public hearings.
- g. The City notified affected County property owners as required by the IGA.

- h. The City Council adopted the land use code, plan and map amendments, set out in Section 1 below and attached as Exhibits 1 through 3. The IGA requires that the County adopt these amendments for the City planning and zoning administration within the affected areas.

**Multnomah County Ordains as follows:**

**Section 1.** The County Comprehensive Framework Plan, community plans, rural area plans, sectional zoning maps and land use code chapters are amended to include the City land use code, plan and map amendments, attached as Exhibits 1 through 3 and effective on the same date as the respective Portland ordinance:

<b>Exhibit No.</b>	<b>Ordinance</b>	<b>Effective Date</b>
1	Ordinance to clarify and improve readability without changing policy or intent of the original hazardous substance regulations. (177404 as amended)	7/1/2003
2	Ordinance to clarify and improve readability without changing policy or intent of the original land use regulations and to allow the Planning Director to make clear and objective corrections to maps. (177422 as amended)	6/7/2003
3	Portland Planning Commission Report and Recommendation: Amendments to Title 33 Planning and Zoning – Exhibit A	4/30/2003

**Section 2.** In accordance with ORS 215.427(3), the changes resulting from Sections 1 of this ordinance shall not apply to any decision on an application that is submitted before the applicable effective date of this ordinance and that is made complete prior to the applicable effective date of this ordinance or within 180 days of the initial submission of the application.

**Section 3.** In accordance with ORS 92.040(2), for any subdivisions for which the initial application is submitted before the applicable effective date of this ordinance, the subdivision application and any subsequent application for construction shall be governed by the County's land use regulations in effect as of the date the subdivision application is first submitted.

**Section 4.** Any future amendments to the legislative matters listed in Section 1 above, are exempt from the requirements of MCC 37.0710. The Board acknowledges, authorizes and agrees that the Portland Planning Commission will act instead of the Multnomah Planning Commission in the subject unincorporated areas using the City's own procedures, to include notice to and participation by County citizens. The Board will consider the recommendations of the Portland Planning Commission when legislative matters for County unincorporated areas are before the Board for action.

**Section 5.** An emergency is declared in that it is necessary for the health, safety and general welfare of the people of Multnomah County for this ordinance to take effect concurrent with the City code, plan and map amendments. Under section 5.50 of the Charter of Multnomah County, this ordinance will take effect in accordance with Section 1.

FIRST READING AND ADOPTION:

June 5, 2003



BOARD OF COUNTY COMMISSIONERS,  
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By

Sandra N. Duffy, Assistant County Attorney

## **EXHIBIT LIST FOR ORDINANCE**

- (1) Ordinance to clarify and improve readability without changing policy or intent of the original hazardous substance regulations. (177404 as amended)
- (2) Ordinance to clarify and improve readability without changing policy or intent of the original land use regulations and to allow the Planning Director to make clear and objective corrections to maps. (177422 as amended)
- (3) Portland Planning Commission Report and Recommendation: Amendments to Title 33 Planning and Zoning – Exhibit A

Prior to adoption, this information is available electronically or for viewing at the Multnomah County Board of Commissioners and Agenda website ([www.co.multnomah.or.us/cc/WeeklyAgendaPacket/](http://www.co.multnomah.or.us/cc/WeeklyAgendaPacket/)). To obtain the adopted ordinance and exhibits electronically, please contact the Board Clerk at 503-988-3277. These documents may also be purchased on CD-Rom from the Land Use and Transportation Program. Contact the Planning Program at 503-988-3043 for further information.

# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

## Board Clerk Use Only:

**Meeting Date:** June 5, 2003

**Agenda Item #:** R-2

**Est. Start Time:** 10:20 AM

**Date Submitted:** 05/28/03

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**Requested Date:** June 5, 2003

**Time Requested:** 30 minutes

**Department:** Non Departmental

**Division:** Auditor

**Contact/s:** Judy Rosenberger

**Phone:** 503/988-3320

**Ext.:** 83320

**I/O Address:** 503/601

**Presenters:** Suzanne Flynn, LaVonne Griffin-Valade, Mark Ulanowicz

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**Agenda Title:** Mental Health System Audit

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

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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?

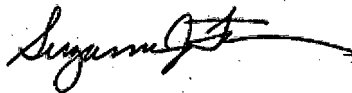
**If grant application/notice of intent, explain:**

- ❖ 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: May 28, 2003**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**



## Mental Health Services

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Improve Business Operations to Measure Success

June 2003



LaVonne Griffin-Valade, Senior Management Auditor

Mark Ulanowicz, Senior Management Auditor



**SUZANNE FLYNN, Auditor  
Multnomah County**

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**MEMORANDUM**

Date: June 2, 2003

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: Mental Health System Audit

The attached report covers our audit of the business processes in the County's Mental Health System. This audit was included in our FY02-03 Audit Schedule.

In response to major concerns with the County's delivery of mental health services, the system has been completely redesigned. Our objective in this audit was to provide analysis and recommendations that would strengthen and sustain the redesign.

The task that the County undertook was monumental. To attempt to completely change the approach of service delivery and build an insurance company is not easy in the best of times. And as we know, these have not been the best of times.

This was also not an easy audit for my Office as the effect of budget reductions quickly affected the systems that we were auditing. We found that the County has improved their ability to manage the business side of the mental health operation, but more improvements are needed.

We have discussed our findings and recommendations with the Chair's Office and management in the Department of County Human Services. A formal follow-up to this audit will be scheduled within 1-2 years.

We appreciate the cooperation and assistance extended to us by the management and staff in the Division of Mental Health and Addiction Services and the Department of County Human Services.

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## **Executive Summary**

Over the past 20 years, the management of mental health services has become an integral part of the County's mission. As a result of the transfer of responsibility and funding from the state and federal governments, the County is the primary provider of mental health services for residents unable to afford these services.

From 1984 until recently, services were provided through contracts with community based agencies and the County's role was one of contract administrator. Because the eligible clients were not identified, agencies were not obligated to serve particular individuals. The County often could not determine how and to whom services were provided. With the advent of managed care and the Oregon Health Plan, the County began a new phase of managing the mental health system.

After problems surfaced with a first attempt to create a mental health managed care organization, the County formed Verity Integrated Behavioral Healthcare Systems (Verity). Located in the Mental Health and Addiction Services Division (MHAS), Verity became responsible for serving approximately 75,000 Oregon Health Plan members residing in Multnomah County.

The purpose of this audit was to determine if MHAS had the necessary business systems to effectively operate a managed care organization. We assessed whether the Division had the ability to collect, review, and analyze financial and client information that would allow it to control spending and provide for quality services. Overall, we found support for the managed care model enacted under Verity. We also saw a number of improvements in business processes.

While our audit concluded that the County has made progress towards creating effective business systems, there are gaps that should be addressed. The County has accurate up-to-date information about eligible clients and can ensure that providers know who should be served and prevent payments for those who are ineligible. However, the capability to manage the organization's finances and to effectively evaluate the managed care model could be improved.

Operating in a managed care environment requires up-to-date information about expenses and financial administrative personnel who are able to assist Verity in responding effectively. We found that a combination of inexperienced staff, incomplete data, and a fragmented organization has made this difficult.

Finally, the County is currently in a time of fiscal constraint. Successful operation of Verity requires increased control of expenditure such as inpatient treatment. This is an acceptable business practice, but it needs to be balanced with measures that ensure that clients receive services.

We recommend that the Department clarify the priorities and responsibilities of staff that are depended on for business services by Verity and shared with other functions in the Division or Department. We also recommend that the Department increase its ability to understand and interpret financial information by establishing a financial manager position with the authority to control the business operations and hire staff with experience in analyzing managed care operations.

## Background

Mental health services expanded over the past two decades

Providing mental health programs has long been an important County function. Over the past two decades, management of these services has become integral to the County's role. During the 1980s and 1990s, program dollars and administrative responsibilities increased significantly as control of mental health programs shifted from the state and federal governments to counties.

In 1980, the County's primary mental health focus was treatment of those with substance abuse problems, care of clients with mental and emotional problems, and services for developmentally disabled residents. As mental health practices changed and funding for implementation of different programs became available, the range of County mental health services expanded. Major programs that were added or services that were increased included:

- Community mental health centers funded by Federal Block Grant dollars
- Residential care for the chronically mentally ill
- 24-hour mental health crisis services
- Mental health services, crisis intervention, and outreach to the homeless and indigent
- Intervention, screening, diagnosis, and treatment for children and youth
- School-based mental health services
- Specialized treatment for severely disturbed children
- Culturally-specific mental health and treatment programs
- Substance abuse intervention services
- Care for those transitioned from state mental institutions

Beginning in 1984, most direct services were contracted out to community-based mental health providers. The County designed and managed the system, purchased services, administered and monitored contracts, and evaluated the quality of care. The array of programs and their varied funding requirements increased the complexity of administering the system and the need to manage more effectively. By the mid-1990s, the County began looking for ways to gain flexibility, save money, and serve more people. They saw managed care as a means of achieving those outcomes.

The County had already experimented with managed care for medical and dental services offered through the Health Department. These physical health services were funded by the Oregon Health Plan which was created in 1989 to better manage federal Medicaid monies flowing to the state. By 1997, the Oregon Health Plan expanded its coverage to include mental health care for its members,

and the County received funding for a managed care organization (MCO) for mental health services. This initial MCO, called CAAPCare, brought significant changes to the County's approach to mental health care.

County  
organization  
affected by  
introduction of  
managed care

The County's traditional role had primarily been to oversee the grants and programs that together made up the system of mental health services. In that capacity, the County contracted with agencies to provide particular programs. Because the eligible client pool was not identified, agencies were not obligated to serve particular individuals, and the County often could not determine how and to whom services were delivered. When managed care was introduced, the County began acting as an insurance company whose primary purpose was management of a business function. Although the larger goal of the MCO was the delivery of effective mental health care, the operational goal was the efficient use of limited resources.

The County also entered into two separate contracts with the state. Under the first contract, the County received state funds for those traditional services administered by the County. The second contract for operation of the County's MCO was primarily funded by federal Medicaid dollars administered through the Oregon Health Plan. Both contracts had separate, although related purposes and were carried out by the same department. The various administrative and program functions specified in each state contract were dispersed throughout the department.

In 1998, the County's MCO implemented risk-sharing agreements with community-based outpatient provider networks. In exchange for a guaranteed amount of money each month, agencies agreed to make mental health services available to nearly 50,000 of the county Oregon Health Plan members. Providers contracting with the MCO became responsible for the mental health care needs of all clients who were assigned to or who chose their agency for services. In return, the agencies received a fixed payment. This required agencies to accept some of the financial risk of providing services, something they had not experienced in previous contracting relationships with the County.

Program  
reorganized  
after concerns  
about system

The adjustment to managed mental health care was difficult for the County, providers, and hospitals. Services were more costly than expected and important MCO business functions were unsuccessful. Some agencies reduced service because of financial management concerns. At the same time, a number of incidents occurred that pointed to weaknesses in the system that left clients vulnerable. Ultimately, County leaders, mental health care advocates, and community members became very concerned about the stability and quality of the mental health system.

Within two years of the implementation of the MCO contracts, a task force was appointed by the Board of County Commissioners to review the County's mental health care services. The task force declared the County's mental health system a "mess" and listed several areas of concern, including inaccurate, incomplete management information. Their recommendations for improvement were adopted, and a design team was appointed to work with consultants from the Technical Assistance Collaborative on identified problems. Based on the design team's findings, CAAPCare was dismantled, and the County's mental health care system was redesigned.

As part of the redesign, Verity Integrated Behavioral Healthcare Systems became the County's new MCO for mental health services. Under Verity, risk-sharing agreements with providers distributed more of the financial responsibility to the pool of contracting agencies. The model of service delivery was also restructured.

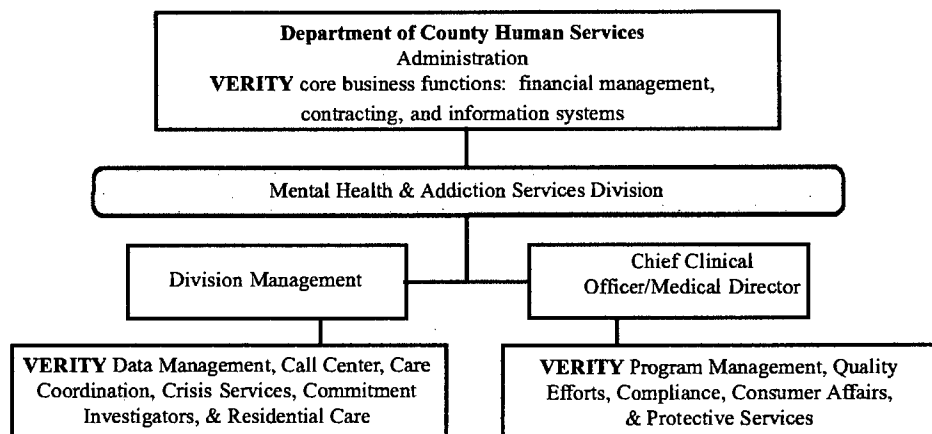
During the period of MCO redesign, the only other organization offering mental health care to Oregon Health Plan recipients in the county cancelled their contract with the state. As a result, Verity became responsible for serving 75,000 members residing in Multnomah County.

## Overview of the Verity Managed Care Organization

Verity functions were dispersed throughout the Department of County Human Services (CHS). Administration, including quality assurance and compliance, was primarily under the direction of the Chief Clinical Officer and Medical Director in the Mental Health and Addiction Services Division (MHAS). Other units in the Division handled care coordination, crisis services, and data management. Some core business functions such as finance and information system management were carried out by the Department's central business unit outside of the Division. The chart below shows the dispersal of Verity operations.

Exhibit 1

Structure of Verity operations



## Community-based agencies provided most Verity outpatient services

Most Verity outpatient services were provided by contracting agencies participating in the Verity network. The focus of these services was on intensive outpatient care and case management. Contracted crisis intervention activities, such as walk-in clinics, mobile crisis units, and active follow-up after hospitalization also connected individuals with outpatient services. In addition to these activities, the County operated a 24-hour crisis line and call center within MHAS. The primary purpose of the Verity service system was to provide proactive mental health care and to reduce the need for costly hospitalizations.

Verity members seeking mental health care could enter outpatient services in a variety of ways:

- Direct contact with contracting outpatient provider agencies
- Referral from the Call Center or the Crisis Hotline located at MHAS

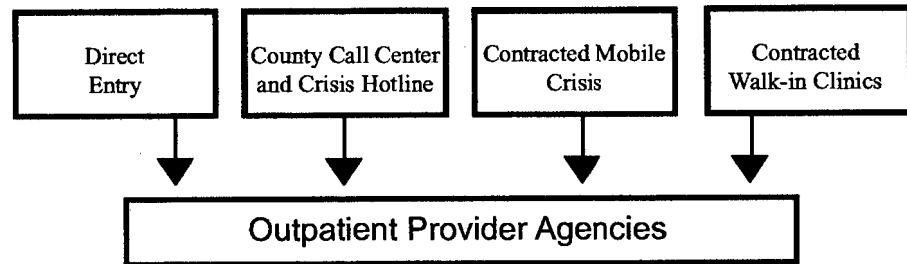


- Referral from Mobile Crisis teams dispatched from agency offices
- Referral from Walk-in Clinics out in the community

The following chart depicts the Verity outpatient system.

Exhibit 2

Verity outpatient service  
system



About 70% of the Verity members signed up with an outpatient provider were served by Cascadia Behavioral Healthcare. This organization also operated the Mobile Crisis Teams and most of the Walk-in Clinics. Morrison Center served the majority of children enrolled with Verity, and other contracting agencies worked with a limited number of Verity clients or provided specialized services. In some instances, Verity members received mental health care on a fee-for-service basis from providers who were not among the agencies in the Verity network.

Although 75,000 county residents had a claim on Verity mental health services, most never used those services. This was typical of managed mental health care insurance plans. An average of 7,663 adults and 3,333 children were signed up with Verity outpatient providers each month during the first half of FY03, approximately 15% of the total members.

Hospitalization was the most costly service, usually \$700 a day for every day authorized by the County. Under Verity, the financial responsibility for inpatient care was shared with outpatient providers. The more dollars spent on inpatient care, the less was available for outpatient care. The County implemented this risk-sharing model to create more incentive for agencies to reduce the need for hospitalizations through focused, supportive, and shorter-term outpatient services.

In cases where hospitalized Verity members were not signed up with any outpatient provider agency, County acute care coordinators and staff from outpatient agencies followed-up with these individuals to coordinate their outpatient care and reduce the need for a return to the hospital.

Verity impacted by  
budget cuts

The FY02-03 budget for the Division of Mental Health and Addiction Services was initially set at \$81.5 million, with the largest portion of funding coming from federal and state program dollars. Cuts in state programs combined with lower than expected County revenues forced the Division to lay off staff and eliminate some services. Analysis provided by Division staff indicated that expected FY02-03 revenues were reduced to \$69 million, but it was unclear

whether that figure captured the full impact of state budget cuts. The anticipated budget for next fiscal year will likely be closer to \$60 million unless the Legislature eliminates mental health care coverage from the Oregon Health Plan. If that occurs, the Division's budget for FY03-04 will be reduced by another \$29 million.

## Scope and methodology

The purpose of the audit was to determine whether the Mental Health and Addiction Services Division (MHAS) had the necessary information systems and analysis for effective management of Verity, the County's managed mental health care organization. In particular, our goal was to evaluate the County's use of enrollment, utilization, and financial information. We did not assess the appropriateness of the clinical service model the Division was in the process of implementing or evaluate the impact of recent cuts in state funding. However, there were aspects of the model, particularly as they related to anticipated savings resulting from decreased hospitalization costs, that we did explore.

During the audit, activities we conducted included the following:

- Interviewed County budget staff and analyzed budget data for both MHAS as a whole and for the Verity enterprise fund
- Discussed Division-wide data analysis and performance measurement capabilities with Division program evaluation staff
- Reviewed agreements between the County and state regarding financial assistance (state mental health grants) and Oregon Health Plan participation
- Reviewed program materials prepared for the state mental health authority audit
- Reviewed the Verity provider manual and clinical accountability handbook
- Interviewed staff from the civil commitment, residential treatment, contract management, crisis call center, member services, children's services, and the compliance and quality management units of MHAS
- Interviewed information technology and finance staff from the central business office of the Department of County Human Services
- Interviewed administrators from CareOregon, the managed health organization that serves most of Oregon Health Plan recipients of medical care in Multnomah County
- Interviewed the Portland Police Department's crisis team lead
- Interviewed administrators from the State of Oregon Mental Health and Addiction Services Division.

In addition, we studied best practice literature and research articles to identify the possible financial risks of operating a managed mental health care organization and to determine the most effective way to avoid those risks. We examined financial data, membership data, and claims information, tested some of those systems, and analyzed trends.

This audit was conducted in accordance with generally accepted government auditing standards.

## Audit Results

Operating a managed care organization (MCO) is different from the typical County human service model. Traditionally, the County and its contractors provided a particular level of services, but the number of clients to be served was not specified and the amount of services was limited by the budget. Verity, the County's MCO, received a fixed amount of money, but had to provide the covered services to all eligible individuals seeking care, regardless of the eventual cost. In this environment, it was critical that resources were managed closely. Like any managed care health insurance company, Verity faced financial risk. In order to manage that risk effectively, the County needed a strong system of care as well as strong business controls.

Overall, we found support for the managed care model enacted under Verity, particularly those changes aimed at strengthening the adult system of mental health care. We also saw a number of improvements in business processes, such as the development of a client database and the implementation of utilization review practices. Over the course of the audit, Verity staff worked to build timely, accurate, and reliable encounter and financial information systems. Verity began with the remnants of a system that had been characterized in the 2000 Mental Health Task Force Report as a "mess." Despite this and the upheaval that accompanied the transition to a different organization, some positive improvements occurred.

### How managed care systems are design

Managed care models are essentially made up of a series of tradeoffs and balancing acts. For example, one of the County's goals was to give clients flexibility in choosing providers and obtaining services, while still retaining a firm grip on the utilization of these services. Decisions, such as how much financial responsibility to pass on to providers, the amount of control to exercise over payments (utilization review), and the number of providers affected the range of options available to members. But these decisions also helped to control costs and focused resources on areas with the highest likelihood of success.

Paying an MCO or provider a fixed (capitated) rate in advance of providing clients a set of services creates an incentive to improve efficiency by eliminating unnecessary services. However, it also carries financial risks and some negative incentives. The MCO or provider always runs the risk of running out of money before meeting its contractual obligations to clients. MCOs may face financial pressure from actual or potential losses from serving clients with extreme needs. This creates the incentive to either avoid these clients or to minimally serve less needy clients in order to concentrate resources on the extreme cases. When MCOs pass some or all of this financial risk on to providers, they also pass along these negative incentives.

## Components of traditional managed care organizations

MCOs use membership, utilization, and financial data and analysis systems as well as the managed care model itself to manage the financial risk and to minimize the effect of the negative incentives inherent in managed care. These systems are also necessary to be accountable to its customers and clients. For an Oregon Health Plan-based MCO like Verity, the State of Oregon is the customer and health plan members are its clients.

**Enrollment/Membership** systems keep track of clients and help to ensure that members receive the services to which they are entitled. In Medicaid-based programs (like the Oregon Health Plan), eligibility can change frequently, and these changes need to be reflected in the eligibility records. Enrollment data direct payments to the primary providers and can be used to gauge the satisfaction with individual providers and groups by showing how many clients are leaving particular providers.

**Utilization information** systems are essential if MCOs are to capture information on the provision of services to eligible enrollees and to be accountable to their customers and clients. Utilization information systems commonly include automated encounter data; these data include diagnoses, type and duration of treatments, and prescriptions. Through analysis of these data and other utilization information, an MCO can identify the services individual members are receiving, review patterns of treatment by different providers, support quality assurance efforts, and fulfill reporting responsibilities.

**Financial** systems keep track of revenue and expenses as well as take in both enrollment and utilization data to ensure that proper payments are made, proper rates are set, and appropriate utilization controls are in place to protect resources. It is important that these financial systems be able to report the financial condition of the organization in real time. Without real time information, the MCO cannot make adjustments to account for unexpected costs or changes in the managed care model. And, without a good connection between utilization and financial data, it is very difficult to estimate how much it will cost to pay for all the required services – the premium the MCO must charge its customers. This ability to establish an appropriate premium not only makes it possible to stay afloat financially, it also protects clients from MCOs that would otherwise have to cut corners in treatment in order to stay in business.

Verity made progress, but gaps will need to be bridged

The County made significant progress toward implementing effective control of the financial risk and treatment quality required in a successful managed mental health care organization. Under Verity, the County developed a new managed care model and built many of the necessary data systems from scratch. The data systems appeared to be capable of providing the information needed to manage the operation, and the managed care model was evolving and improving. In order to take the next step in improving the operational capacity of the organization, gaps that impacted management's ability to ensure both accountability and service quality will need to be bridged.

County information about eligible clients appeared accurate

Verity developed a membership system and seemed to be able to accurately account for the fluctuating enrollment in the Oregon Health Plan. As a result, Verity had the capability to reconcile the premium payment it received from the state with the list of enrolled clients it was expected to serve. Verity was also able to identify the primary provider assigned to each client to ensure proper payments. And, providers could get up-to-date information on client

eligibility status, reducing the likelihood that an individual would be inappropriately denied service.

Verity downloaded Oregon Health Plan eligibility data from the state every week. In this download, the County got information on all health plan members that were assigned to Verity. We compared the Verity membership to state data for the same time period and found them to be consistent.

Verity faced  
challenges in  
accounting for  
services and  
measuring  
managed care  
model success

The redesign of the mental health system in Multnomah County and the creation of Verity brought with it a fundamental change in the approach to serving residents needing mental health services. With this change in serving its clients, Verity was challenged to find a new way to provide accountability for the money it spent on services and to measure the effectiveness of its managed care model. Verity had struggled with obtaining traditional automated utilization data from providers. Partly because of this difficulty in obtaining these data and partly due to their view of the limited usefulness of these data in providing a complete picture of Verity client service utilization, Verity management instead relied on a less formal system of aggregating and analyzing utilization information. However, the informal nature of Verity's utilization information system may have made it difficult to obtain a comprehensive evaluation of client utilization.

Verity developed an automated encounter system internally after CAAPCare failed to successfully contract out for this service. Encounter data collection was required in the County's contract with the state, and these data could have been a valuable resource for Verity management in obtaining a complete picture of service utilization by Verity clients. The automated system was in place to collect and organize the data, but until recently technological difficulties and miscommunication prevented Verity from collecting these data from providers.

Verity providers were slow in submitting utilization data for a variety of reasons. First, in order to be able to submit automated utilization data, provider data systems often needed to be upgraded, and community providers frequently needed assistance in adopting the technology necessary for appropriate reporting. Verity information technology staff said that some providers (including the largest provider) had a great deal of difficulty making their systems separate good utilization records from records with errors; consequently, their data were rejected.

Second, Verity contracts required primary providers to submit utilization data, but, providers were not penalized for failing to comply. Without the threat of a penalty, the providers had little incentive to make the investment necessary to upgrade their systems. Recently, Verity informed providers that they would be penalized for failure to submit utilization data.

Finally, Verity did not communicate effectively either internally or with its providers to facilitate the collection of the data. The way personnel who perform Verity functions were dispersed throughout the Department and Division contributed to problems with communications. Verity management were working to clear up some of the organizational barriers that impeded progress on data collection.

It was not clear that sufficient staff resources existed at Verity or within the Division to conduct a comprehensive utilization analysis once the encounter data were collected. Over the past two fiscal years, the number of full-time equivalent positions within the Mental Health and Addiction Services Division

## Service accountability

had fallen from about 190 to what is expected to be about 120 at the end of the current fiscal year. Few, if any of the remaining staff were experienced in the rigorous analysis of managed care data, although they were gaining familiarity with the data.

Encounter data is the traditional way of determining that members are being served appropriately. A managed care model like Verity's, where providers bear substantial financial risk, can create an incentive for these providers to concentrate their resources on the neediest clients, with the intent of reducing the need for hospitalization – the most expensive treatment option. Such a concentration of resources is appropriate so long as it is not done to the detriment of clients with real, but less severe needs. The greater the financial pressure facing the provider, the greater the incentive to minimally serve these clients.

Verity management agreed that encounter data could be a valuable piece of the utilization picture, but had some concerns about focusing only on these traditional utilization data. They stated that part of the strength of their model was in the wrap-around support services necessary to keep clients out of high cost treatment, but that these services did not necessarily show up in traditional utilization data. They told us that these types of services, which ranged from structured services such as housing assistance to less formalized services like support from friends and family members, could be hard to capture. We would like management to institutionalize what has been an informal process to account for and analyze these services.

Verity managers believed their informal utilization information system combined with strict contract compliance monitoring had prevented providers from avoiding needy clients. However, identifying instances where less needy clients are being underserved is more difficult, and Verity's ability to monitor underservice would be improved with the addition of automated encounter data to the utilization information system.

## Evaluation of the clinical model

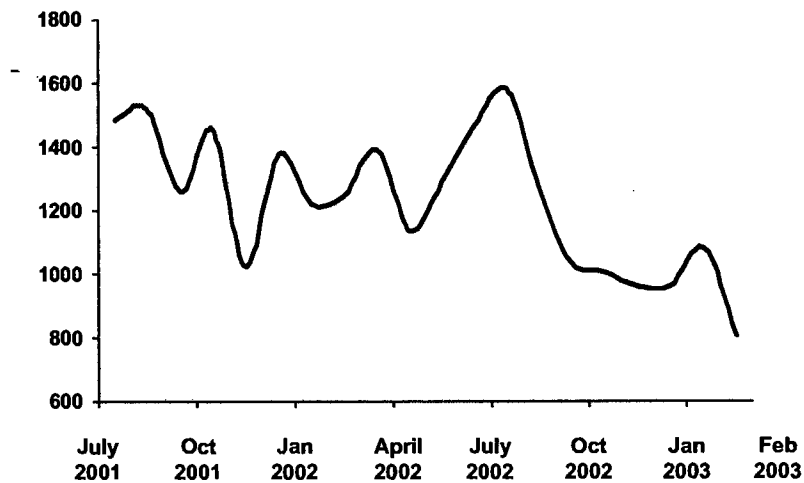
Verity collected data on outcome measures, such as the number of inpatient days, to gauge the success of its clinical model, which was based on outpatient treatment reducing the need for hospital admissions. Authorized hospitalizations per month fluctuated since July 2001, but experienced a significant decline between July 2002 and February 2003, going from 1,581 in July to 804 in February (see chart below). We believe that without outpatient utilization data, it is difficult to understand the relative strengths and weaknesses of the treatment model design or to evaluate alternative hypotheses for the improved outcomes.

For example, Verity staff suggested that the authorization process, which was part of Verity's utilization review, may also have been contributing to the reduction in the inpatient days paid by Verity. It was possible that a variety of factors in the design of the Verity model contributed to the decrease in authorized hospitalizations. It would be good to be able to determine which system components are having the greatest impact.

The following chart shows the total authorized bed days per month from July 2001 through February 2003.

Total Verity authorized  
hospital days

Exhibit 3



Financial management  
capacity was limited

Verity had few of the necessary building blocks for sound managed care financial management. Finance personnel had little or no experience with managed care, important data were either unavailable or slow to become available, and critical components of the financial management system were dispersed throughout the Department and the Division. As a result, it was difficult for Verity management to obtain accurate and timely financial information and for them to establish appropriate premiums and reimbursement rates.

While finance staff may have understood County financial operations, they were not adequately prepared to conduct the unique financial analysis required, nor were sound financial data available when Verity began operation. We were also told that some of the staff responsible for financial management information lacked knowledge of programs, limiting their ability to understand the significance of some financial data. Although some finance staff had started gaining a reasonable understanding of Verity financial information and had established some good processes, the lack of insurance company and managed care expertise or leadership with this sort of experience was a significant weakness.

Financial reporting

Like any insurance company, Verity needs to have finance personnel and systems that could accurately report the organization's financial condition in real-time. Without knowing how much money was being spent and how much was available, it was nearly impossible to make appropriate adjustments to account for unexpected costs or savings. A combination of inexperienced personnel, incomplete data, and fragmented organization made this task very difficult. Although this situation improved over the course of the audit, further improvement will be needed.

Managed care organizations typically use historical claims to estimate the cost of inpatient services that have been delivered, but have not been billed. Correctly estimating the Incurred But Not Reported (IBNR) charges is critical for understanding how much money will actually be available for services once these bills come due. When Verity began operations, there were no historical claims data available. So, Verity and Department staffs were forced to develop

an ad hoc method for estimating inpatient IBNR by using the number of authorized hospital days as a proxy for actual claims (bills). This method was not consistent with similar types of estimates made within the Division. And, even though IT and Finance staff expressed reservations about the accuracy of this ad-hoc method, nobody tested it. As more historical claims information became available, the IBNR methodology improved to the point that it was reviewed and approved during the County-wide financial audit.

Verity also struggled with obtaining important financial data from providers, as was required by the Oregon Health Plan contract. The provider contracts did not initially contain penalty provisions for Verity to enforce in the event the providers did not comply, and providers had only recently begun to consistently submit financial data. Without these data, Verity was essentially in the dark regarding the financial health of its provider network, leaving it vulnerable either to providers folding or cutting corners in service delivery in order to keep operating.

The Oregon Health Plan contract also required the County to submit an annual financial report on Verity operations to the state. It required that this report be audited by a qualified actuary or certified public accountant. As it was a test of the accuracy of the organization's financial data and the systems and processes used to aggregate the data into financial statements, such an audit was an integral part of the organization's financial controls. Verity managers and County-wide finance personnel we interviewed were either unaware of the requirement or did not know of any plans to comply. While the department submitted the County-wide financial audit results to the state, we do not believe this met the specific requirements of the contract. Moreover, we believe Verity would have benefitted from an individual financial audit.

#### Premiums and rates

Managed care organizations rely on historical claims, utilization and financial data, and analysis to establish the amount of money they need to receive in premiums in order to cover the cost of the claims they expect to receive. These data also allow the MCO to set reimbursement rates for providers that are sufficient to provide necessary services. The analysis required to establish premiums and set reimbursement rates is sophisticated. Nobody at Verity, the Division, or Department level had any experience performing this sort of analysis.

While the County could have contracted out for the expertise necessary to perform this analysis, the sort of data that is traditionally used for this purpose was simply not available. That made the task of estimating the amount of money that would be needed to provide the services required under the Oregon Health Plan contract very difficult. The County needed to know if the state revenues were adequate to provide the services required by the contract.

#### Balance between the treatment system and business needed to be monitored

Over the last two years, mental health system funding has shrunk. Consequently, Verity needed to strengthen its utilization review processes and make some adjustments to make more efficient use of resources. These changes reduced the ability of clients to protect themselves from poor quality or minimal service. While they may have been appropriate, the changes meant that Verity needed to be more aggressive in protecting its clients and making sure they were getting the services they needed by properly monitoring service utilization.



Verity closed its list of participating providers to reduce the administrative costs associated with credentialing new providers and to help control its exposure to outpatient fee-for-service costs. Prior to the change, clients had the freedom to choose essentially any provider outside the Verity network that would submit an acceptable treatment plan and accept payment according to the state fee schedule. This sort of option is very attractive to clients, but can be very expensive for managed care plans like Verity, as Verity needed to ensure that providers were qualified and treatment plans were appropriate. Individual private treatment can also be less effective and more costly.

Verity stopped accepting new non-participating providers in March 2003 and limited access to these providers unless the service being provided fit a particular need, such as culturally-specific services. This change restricted clients' ability to opt out of the primary provider system. The ability to opt out of a system is often seen as being a safety valve for people that believe they are being underserved. Without the safety valve, it was more important that Verity was able to detect underservice, via utilization data analysis.

## Recommendations

1. To improve the effectiveness of the dispersed nature of Verity's vital business functions, Department management should:
  - a. Clarify the priorities and responsibilities of Department-wide staff resources, relative to the individual Divisions in which they work.
  - b. Ensure that there are sufficient resources within the Department to satisfy the differing demands placed on Department-wide staff by the various Divisions.
  - c. Work to improve the lines of communication between Department and Division staffs.
2. To improve Verity's financial reporting and management capacity, Department management should establish and fill a financial manager position. A successful financial manager should have:
  - a. Experience in financial reporting and rate setting analysis for a managed care organization.
  - b. A position within the management structure that allows sufficient control over financial and utilization data so that accurate and timely financial reports can be produced and appropriate rates can be set.
  - c. Authority to hire staff as needed to adequately manage Verity finances.
3. To improve Verity's utilization data analysis capacity, Division management should:
  - a. Hire staff with experience in analyzing managed care utilization data or
  - b. Reallocate existing Department staff and facilitate their training in managed care utilization analysis.
4. To maintain the balance between the treatment system and the business system, the Division should continue to monitor the quality of care.

# **Responses to the Audit**

R-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: 06.05.03

SUBJECT: Departmental Response to  
Mental Health Audit

AGENDA NUMBER OR TOPIC: \_\_\_\_\_

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: "Helpful" John Francis & Outreach Ministries

ADDRESS: 203-7 NW 3<sup>rd</sup>

CITY/STATE/ZIP: Portland Oregon 97209

PHONE: <sup>503</sup> DAYS: 225-0590 <sup>503</sup> EVES: 228-3617 & The Home

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

SPECIFIC ISSUE: Bus Pass Medical Transportation:  
Patient Compliance, Contractor Audit

WRITTEN TESTIMONY: Dr. Peter Davidson & Cascadia  
Danita Diamata, new staff, for balance  
in delivery and transportation under  
medical transportation A.A. church day care  
especially medical day care via TRI-MET

**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.

Submission Only

**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: 06/05/2007

SUBJECT: MENTAL HEALTH SYSTEM AUDIT /

DEPARTMENT RESPONSE TO THE MENTAL HEALTH SYSTEM AUDIT

AGENDA NUMBER OR TOPIC: R-2 / R-3

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM -?

NAME: MIKE DEE

ADDRESS: 133 NW 6TH AVE

CITY/STATE/ZIP: PORTLAND, OREGON, 97209

PHONE: 503 DAYS: 228-5657

EVES: 503-228-8607

EMAIL: STREETROOTS@MAIL.COM

FAX: 503-227-3117

SPECIFIC ISSUE: WHO ARE THE PEOPLE AND ORGANIZATIONS

INVOLVED IN THE MENTAL HEALTH SYSTEM TABLE?

WRITTEN TESTIMONY: WHERE CAN I GET INFORMATION ON

THOSE BUSINESSES AND PEOPLE INVOLVED IN THE

SOLUTION PROCESS FOR THE MENTAL HEALTH SYSTEM.

WHERE WERE WE AND WHERE ARE WE NOW.

**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.

# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

## Board Clerk Use Only:

**Meeting Date:** June 5, 2003

**Agenda Item #:** R-3

**Est. Start Time:** 10:50 AM

**Date Submitted:** 05/28/03

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**Requested Date:** June 5, 2003

**Time Requested:** 30 minutes

**Department:** Non Departmental

**Division:** Chair's Office

**Contact/s:** Patricia K. Pate

**Phone:** 503 988-3691

**Ext.:** 28256

**I/O Address:** 166/7

**Presenters:** Patricia K. Pate and Invited Others

---

**Agenda Title:** Departmental Response to Mental Health System Audit

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

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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?

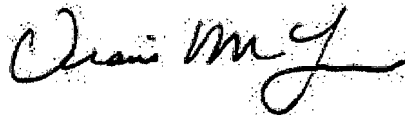
**If grant application/notice of intent, explain:**

- ❖ 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: May 29, 2003**

**Budget Analyst**

**By:**

**Date:**

**Dept/Countywide HR**

**By:**

**Date:**

# AGENDA PLACEMENT REQUEST

**BUD MOD #:**

**Board Clerk Use Only:**

**Meeting Date:** June 5, 2003

**Agenda Item #:** R-4

**Est. Start Time:** 11:20 AM

**Date Submitted:** 05/28/03

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**Requested Date:** June 5, 2003

**Time Requested:** 40 mins

**Department:** Non-Departmental

**Division:** Commissioner Maria Rojo

**Contact/s:** Shelli Romero, Matthew Larsen

**Phone:** 988-4435, x84435, 988-5050 x29640    **I/O Address:** 503/600

**Presenters:** Hank Ashforth, Rick Gustafson, Matthew Larsen

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**Agenda Title:** Resolution Supporting the Eastside Streetcar Alignment Study

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

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

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

A resolution supporting the local preferred option alignment of the Eastside Streetcar

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

Portland City Commissioner Jim Francesconi formed the Eastside Streetcar Steering Committee and asked it to prepare recommendations to the Portland City Council. This initial public process is intended to determine the potential for implementation. The Steering Committee had the following tasks:

1. Recommend a preferred alignment for a streetcar extension to the eastside, connecting with existing or proposed streetcar alignments on both the north and south ends of the Central City



2. Assess the level of public support for providing a streetcar extension to the eastside.
3. Recommend a public process for implementation of the recommendations including committees, citizen involvement, and development schedules.
4. Recommend a process that would assure eligibility for federal funds for any proposed streetcar extension.
5. Oversee three public workshops on the proposed streetcar available to the general public for information and input on the potential for streetcar.

On May 21<sup>st</sup>, 2003, the Eastside Streetcar Steering Committee voted unanimously to approve the local preferred option for Eastside Streetcar. The local preferred option includes alignment and phasing recommendations (See attached Eastside Streetcar Alignment Study).

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

At this time, the County is not financially involved or committed to future expenditures. The proposed alignment would cross the Broadway Bridge in phase 1. An alternate alignment would cross the Hawthorne Bridge in Phase 3. Rough estimates of the costs to improve both the Broadway and Hawthorne Bridges to accommodate streetcar have been made (\$16 million and \$14 million, respectively) and planned preliminary engineering will refine the cost estimates. However, the County's role, if any, in paying for these improvements has not been determined.

**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.**

Once construction on the bridges is complete, there should be minimal impact to the traveling public from the operation of the streetcar; they will operate much like buses operate on the bridges now, intermixed with traffic and without priority over other vehicles. During construction, the bridges may need to be closed for extended periods, which could negatively affect bridge users and adjacent business owners.

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

The Steering Committee is made up of elected officials and staff from affected jurisdictions, business and property owners along the proposed alignment, and citizens from affected neighborhood and business organizations. Two public workshops have been held to gauge the public's interest in the proposed project. The Steering Committee will continue to help guide the development of the project as it goes forward.

**Required Signatures:**

Department/Agency Director: Maria Rojo de Steffey Date: 05/28/03

**Budget Analyst**

By: \_\_\_\_\_

Date:

**Dept/Countywide HR**

By: \_\_\_\_\_

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. \_\_\_\_\_

Supporting the Eastside Streetcar Alignment Study

**The Multnomah County Board of Commissioners Finds:**

- a. In July 2001, the Lloyd District Development Strategy identified an interest in exploring the possibility of extending the Portland Streetcar into the Lloyd District to serve new high-density, mixed-used development in the core of the Lloyd District.
- b. On January 21, 2003 Portland City Commissioner Jim Francesconi appointed the Eastside Streetcar Steering Committee (Committee) with members representing Lloyd District and Central Eastside Industrial District interests and Metro, the City of Portland and Multnomah County, and asked it to prepare recommendations to the Portland City Council concerning expansion of the streetcar system to the eastside.
- c. From February through May 2003, the Committee held public meetings to gauge support for expansion; considered alignment and phasing options; and developed recommendations for a public process for implementation.
- d. The results of the Committee's process were finalized when it adopted the Eastside Streetcar Alignment Study on May 21<sup>st</sup>, 2003, attached as Exhibit A. The study includes a recommended alignment and phasing strategy for Eastside Streetcar.

**The Multnomah County Board of Commissioners Resolves:**

1. The Board supports the City of Portland's adoption of the recommendations of the Eastside Streetcar Alignment Study attached as Exhibit A.

ADOPTED this 5th day June of 2003.


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

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Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Matthew O. Ryan, Assistant County Attorney

# 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\*\*\*

R-4 MEETING DATE: 06/05/2003  
SUBJECT: EASTSIDE STREETCAR ALIGNMENT STUDY

AGENDA NUMBER OR TOPIC: R-4 EASTSIDE STREET CAR

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM -?

NAME: MIKE DEE

ADDRESS: 133 NW 6TH AVE

CITY/STATE/ZIP: PORTLAND, OREGON, 97209

PHONE: (503) DAYS: 228-5657 EVES: (503)-228-5657

EMAIL: STREETROOTS@MAIL.COM FAX: (503)-227-3117

SPECIFIC ISSUE: WHERE DO I GET A COPY OF THE  
EASTSIDE STREETCAR ALIGNMENT STUDY?

WRITTEN TESTIMONY: SOME SAY "STREETCARS ARE FOR THE  
RICH". THE SOME OF THE COMMISSIONERS ARE VERY  
CONCERNED ABOUT THIS LOOP ROUTE. IT IS BEING  
CALLED A "DEVELOPMENT TOOL" BUT WILL IT BE A  
GENUINIZATION TOOL.

**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: 5-8-03

SUBJECT: Streetcar

AGENDA NUMBER OR TOPIC: PM

FOR: \_\_\_\_\_ AGAINST: \_\_\_\_\_ THE ABOVE AGENDA ITEM

NAME: Sarah Mahonitz

ADDRESS: 282

CITY/STATE/ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_ DAYS: \_\_\_\_\_ EVES: \_\_\_\_\_

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

SPECIFIC ISSUE: \_\_\_\_\_

WRITTEN TESTIMONY: \_\_\_\_\_

**IF YOU WISH TO ADDRESS THE BOARD:**

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**IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:**

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BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-076**

Supporting the Eastside Streetcar Alignment Study

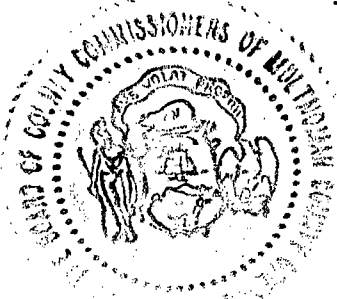
**The Multnomah County Board of Commissioners Finds:**

- a. In July 2001, the Lloyd District Development Strategy identified an interest in exploring the possibility of extending the Portland Streetcar into the Lloyd District to serve new high-density, mixed-used development in the core of the Lloyd District.
- b. On January 21, 2003 Portland City Commissioner Jim Francesconi appointed the Eastside Streetcar Steering Committee (Committee) with members representing Lloyd District and Central Eastside Industrial District interests and Metro, the City of Portland and Multnomah County, and asked it to prepare recommendations to the Portland City Council concerning expansion of the streetcar system to the eastside.
- c. From February through May 2003, the Committee held public meetings to gauge support for expansion; considered alignment and phasing options; and developed recommendations for a public process for implementation.
- d. The results of the Committee's process were finalized when it adopted the Eastside Streetcar Alignment Study on May 21<sup>st</sup>, 2003, attached as Exhibit A. The study includes a recommended alignment and phasing strategy for Eastside Streetcar.

**The Multnomah County Board of Commissioners Resolves:**

1. The Board supports the City of Portland's adoption of the recommendations of the Eastside Streetcar Alignment Study attached as Exhibit A.

ADOPTED this 5th day June of 2003.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

Matthew O. Ryan, Assistant County Attorney

**EXHIBIT A**

# **EASTSIDE STREETCAR ALIGNMENT STUDY**

**Recommendation for  
Eastside Streetcar Alignment  
Steering Committee**

**Adopted May 21, 2003**

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**Eastside Streetcar Steering Committee**  
***(Appointments by Commissioner Jim Francesconi)***

Hank Ashforth, Ashforth Pacific Development, *Chair*  
Rick Parker, United Finance, *Vice Chair*  
Jeff Blosser, Oregon Convention Center  
Mike Bolliger, Central Eastside Industrial Council  
Rex Burkholder, Metro Council  
Dick Cooley, Northeast business leader  
Donna Forsberg, Hosford-Abernethy Neighborhood Development  
J.E. Isaac, Arena Corp.  
Susan Lindsay, Buckman Neighborhood Association  
Tom Markgraf, Congressman Blumenauer's Office  
Rod McDowell, OMSI  
Bill Medak, Kaiser Permanente  
Brad Perkins, Perkins Development Realty  
Michael Powell, Portland Streetcar, Inc.  
Maria Rojo de Steffey, Multnomah County Commissioner  
Dee Walsh, Central Eastside Industrial Council  
Brant Williams, City of Portland, Office of Transportation

**Eastside Streetcar Technical Committee Members**

Richard Brandman, Metro  
Kay Dannen, Shiels Oblatz Johnsen  
Vicky Diede, City of Portland, Office of Transportation  
Peter Finley Fry, Columbia Pacific Planning  
Rick Gustafson, Shiels Oblatz Johnsen  
Michael Harrison, Office of Commissioner Francesconi  
Steve Iwata, City of Portland, Office of Transportation  
Matt Larsen, Multnomah County  
Alan Lehto, TriMet  
Denyse McGriff, Portland Development Commission  
Michael McElwee, Portland Development Commission  
Neil McFarlane, TriMet  
Owen Ronchelli, Transportation Management Association  
Sloan Schang, Portland Development Commission  
Roger Shiels, Shiels Oblatz Johnsen  
Dave Unsworth, Metro  
Rick Williams, Transportation Management Association

**Eastside Streetcar Alignment Study Prepared by**

City of Portland, Office of Transportation  
Portland Streetcar, Inc.

**Consultants**

Shiels Oblatz Johnsen, Inc.  
Peter Finley Fry

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## INTRODUCTION

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### **Background**

The Region's 2040 Growth Concept, adopted by Metro in 1995, is a plan for the future. It includes land-use and transportation policies that will allow the Portland metropolitan area cities and counties to manage growth, protect natural resources and make improvements to facilities and infrastructure while maintaining the region's quality of life. It is designed to accommodate approximately 720,000 additional residents and 350,000 additional jobs in the region. The Growth Concept calls for the central city to have the region's highest density housing and to be the employment and cultural hub.

The Portland Streetcar is a part of the City's growth management strategy. We believe that providing high density housing in close proximity to jobs and all the other amenities available in the central city is both a good idea and a good deal. City goals call for 15,000 new housing units and 75,000 new jobs in the central city alone.

The Westside Streetcar has been in operation for almost two years. Ridership has grown to 4,668 daily riders during the week, 4,545 on Saturdays and 2,562 on Sundays. As important as the ridership is and the level of support it shows, it is the development along the line that is most notable. A recent survey of new development within 2-3 blocks of the Streetcar shows a significant number projects were (or will be) completed since 1997, which is when the City committed to building the Streetcar project.

Total Investment:	\$1,046,300,000
Residential Units*:	3,628
Sq. Ft. of Commercial Space**	2,242,500

\* Includes 800 units of affordable housing

\*\* Includes office, commercial, ground floor retail, hotel and institutional space

### **Eastside Streetcar Alignment Study**

The desire to investigate and evaluate an extension of Streetcar service comes out of the Lloyd District Development Strategy completed in July 2001. Its purpose is to refresh the vision and guide new public and private development in the Lloyd District for the next 10 to 20 years. One of the subareas in the District is the Central Core, the area between N.E. Halsey and Holladay Street and N.E. 6<sup>th</sup> and 9<sup>th</sup> Avenues. As the heart of the District, it has the potential for high-density, high-rise development, as well as opportunities to create a green attractor and a signature development project. The strategy envisions a mix of residential, retail and employment uses. It is here that the Streetcar could play a role as part of a transit hub with light rail and buses and as an important new means of connecting to other parts of the District and to the Westside Streetcar alignment and all it serves.

At the same time, there was a recognition that Streetcar also could play a role in bridging the gap between the Lloyd and Central Eastside Districts. The I-84 freeway separates the two, both physically and symbolically, and both of the Districts wanted to explore the Streetcar as a means of tying the two together. The Streetcar also could play a role in reinforcing the redevelopment potential along the Martin Luther King Jr. Boulevard and Grand Avenue spine. Consequently, the Eastside Streetcar Alignment Study encompasses both Lloyd District and the Central Eastside, as well as river crossings at both the north and south ends.

On January 21, 2003, Commissioner Jim Francesconi appointed the Eastside Streetcar Alignment Study Steering Committee with members representing Lloyd District and Central Eastside Industrial District interests and Metro, the City of Portland and Multnomah County.

## **Policy**

The following summarizes the key transportation policy elements that support an Eastside Streetcar line.

### Central City Plan (Adopted 1988)

#### **Policy 4 – Transportation**

- H. Develop new systems and better utilize the existing transportation system to promote tourism connecting the City's hotel, retailing, recreational, cultural and entertainment attractions.
- Action Chart T4: Plan and construct an inner city transit loop (Possibly on Grand Avenue).

### Transportation System Plan (Adopted 2002)

#### **Policy 6.24 – Public Transportation**

- Objective H. Develop streetcar lines in Portland to connect new or redeveloping neighborhoods to employment opportunities and other destinations, including shopping, education and recreation.

#### **CCTMP Policy 5.4 – Central City Transit Circulation**

- Improve transit service to provide better circulation and distribution within and between districts of the Central City.
- Objective 5.4.5. Identify a strategy for developing the Central City streetcar system and integrating it with other transit services.

## **Chapter 4 – Refinement Plan and Studies**

- This study currently is identified in the TSP as the "Eastside Streetcar Feasibility Study".

## Street Classification Maps

- The Maps for the Central City District can be found after the Illustrations at the back of this report.

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## CHARGE TO THE STEERING COMMITTEE

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The Eastside Steering Committee is asked to prepare recommendations on the Eastside Streetcar alignment for consideration by the Portland City Council through a preliminary assessment including the following:

1. **Preferred Alignment:** Recommend preferred alignment for streetcar extension to the eastside connecting with existing or proposed streetcar alignments on both the north and south ends of the Central City.
2. **Public Support:** Assess the level of public support for providing streetcar extensions to the eastside.
3. **Public Process:** Recommend a public process for implementation of the recommendations including committees, citizen involvement and a development schedule.
4. **Federal Funding:** Recommend a process that would assure eligibility for federal funds for any proposed streetcar extension.
5. **Oversee Workshops:** Hold two workshops open to the general public to present information and seek input on the potential for a streetcar extension. Dates of workshops: February 26<sup>th</sup> and April 3<sup>rd</sup>.

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## RECOMMENDATIONS

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The Eastside Streetcar Steering Committee has reviewed the development, zoning and transit needs of the area. The following are recommendations to be submitted to the appropriate public bodies:

### **General Findings**

1. **Loop System:** The Steering Committee endorses the loop transit system as called for in the Central City Plan. Connecting the Lloyd District and Central Eastside to the Downtown and other Central City Districts strengthens the Central City Plan.
2. **Preferred Alignment:** The preferred alignment on the eastside is MLK and Grand with a diversion of the southbound streetcar to NE 7<sup>th</sup> in the Lloyd District to support the development strategy. The southern alignment is recommended to be held pending the commitment to the new river crossing.
3. **Future Changes:** The Steering Committee recognizes that the preferred alignment could change as more specific information is developed on the proposed alignment. Changes should be accommodated.

### **Alignment**

Recommend alignment as shown in Figure 1 (attached) with service from NW 10<sup>th</sup> and Lovejoy, crossing the Broadway Bridge, Broadway/Weidler, southbound on NE 7<sup>th</sup> Avenue to Oregon Street, westbound on Oregon to MLK, southbound on MLK to Clay, northbound on Grand Avenue from SE Clay to NE Broadway, westbound on Clay with bridge crossing to be determined based upon South Corridor Light Rail Study, connecting to streetcar at either Riverplace or SW 1<sup>st</sup> and Harrison.

### **Phasing**

Recommend establishment of three phases for the project: Phase 1 from NW Lovejoy to NE 7<sup>th</sup> Avenue to Oregon Street; Phase 2 from Oregon Street to Water Avenue; and Phase 3 crossing either the new Caruthers Bridge or the Hawthorne Bridge connecting to existing streetcar and completing the loop system.

### **Public Support**

The Steering Committee has conducted public meetings regarding the options for streetcar extensions. Two public workshops were hosted to acquaint property owners, businesses and residents with the proposed streetcar extension options. There was considerable public discussion and strong expressions of support for the idea of extending streetcar to eastside. There are a variety of views regarding the specific alignment. Some comments were received concerning the compatibility of the streetcar with industrial zoning.

## **Implementation**

The Steering Committee recommends that the alignment study continue to the next step by implementing the following actions:

1. **Steering Committee:** Retain Eastside Streetcar Steering Committee with broad-based membership representing business, institutional and residential interests in the area of the Lloyd District, Central Eastside and adjoining areas. This group would develop recommendations for consideration for the appropriate decision-making body.
2. **Citizen Process:** Support Streetcar Citizen Advisory Committee process already established by adding new members to participate in the recommendations for the streetcar.
3. **Environmental Assessment:** Commence the environmental assessment process in consultation with the Federal Transit Administration (FTA) for Phase 1 of the streetcar from NW Lovejoy to the Lloyd District. The environmental assessment process is a required step in the federal funding process.
4. **Alternatives Analysis:** The Eastside Streetcar is an extension of an existing system in Portland. It is recommended that the FTA be petitioned to concur with assessment and make a determination that an Alternatives Analysis will not be required.
5. **Conceptual Engineering:** Commence conceptual engineering of Phase 1 of eastside streetcar preparing street alignment, proposed stop locations and assessment of the Broadway Bridge requirements for rail installation.
6. **Finance Plan:** Phase 1 of streetcar is estimated to cost \$39.6 million (in 2003 dollars). It is recommended that federal funding in the amount of \$19.8 million be sought to support the construction of Phase 1. Local funding is needed in the amount of \$19.8 million which is proposed to be secured through a combination of local improvement district (LID) and other local funds. The Broadway Bridge costs may substantially change the estimate.
7. **Engineering Funds:** The continued work on the streetcar is anticipated to require \$1.25 million over the next 18 months. It is recommended that a \$1,000,000 appropriation from federal HUD funds be sought through the congressional delegation. Local funding in the amount of \$250,000 is being pursued from PDC and the Lloyd Business Improvement District. A proposed work scope is being developed.
8. **Amend Regional Transportation Plan:** It is recommended that the City's Transportation System Plan (TSP) and Metro's Regional Transportation Plan (RTP) be amended to include the proposed streetcar extension project. The City should forward a request to Metro and amend the RTP for the Eastside Streetcar Project during the next update.
9. **Development Proposal:** It is recommended that the phases of streetcar extension be accompanied with development commitments for property adjacent to the streetcar.

Insert Figure 1



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## TECHNICAL REPORT

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The Eastside Streetcar Alignment Study is being conducted under the guidance of the Eastside Steering Committee. A Technical Committee was formed to conduct the analysis of the options and prepare recommendations to the Steering Committee. This document presents general conclusions based on discussion below. Additional detail and adjustments will be made with further engineering and public discussion.

### **Alignment**

#### **Recommendation**

The recommended alignment is shown in Figure 1 with: NW Lovejoy and 10<sup>th</sup>, crossing the Broadway Bridge, NE Broadway/Weidler to NE Grand and 7<sup>th</sup> Avenues, southbound on 7<sup>th</sup> Avenue to Oregon, westbound on Oregon to MLK, southbound on MLK to SE Clay, Northbound on Grand from SE Clay to NE Broadway, westbound on SE Clay to Water, crossing either new Caruthers Bridge or Hawthorne, connecting to existing streetcar at Riverplace or SW 1<sup>st</sup> and Harrison depending upon crossing. Alignment options considered are included in Figure 2 (Figures 2-11 can be found in the Illustration section of the Report).

#### **Lloyd District Options**

Consideration was given to options in the Lloyd District including MLK, Grand, 7<sup>th</sup> and 9<sup>th</sup> Avenues. It is recommended that the streetcar operate on 7<sup>th</sup> Avenue traveling south from Weidler to Oregon Street, turn west on Oregon to Grand Avenue and turn north on Grand returning to Broadway. The development plan for Lloyd District includes the Lloyd Crossing and proposed 7<sup>th</sup> Avenue Bridge as key elements in creating the central node of the district at Lloyd Crossing. Considerable development opportunities exist. This location is a trade-off with effective access to the Oregon Convention Center located on MLK. Better service to the Convention Center would be provided with an MLK alignment. The development opportunities in the Lloyd Crossing area were judged as more beneficial calling for the routing on 7<sup>th</sup> Avenue. The proposed 7<sup>th</sup> Avenue Bridge is recommended to be implemented with or without streetcar crossing. The 7<sup>th</sup> Avenue Bridge would increase capacity and access for all modes between these two Central City districts. 9<sup>th</sup> Avenue was not recommended because it added length to the loop and did not intersect the transit hub.

Numerous streets in the Lloyd District were considered for location of the streetcar line ranging from MLK to as far east as 15<sup>th</sup> and 16<sup>th</sup>. The development strategy for the Lloyd District was primarily used by the Steering Committee in reviewing the options along with consideration of the loop system connecting the Central City. Proposals were made to consider 15<sup>th</sup> and 16<sup>th</sup> extending further east and service to the residential areas. One suggestion was to use the 12<sup>th</sup> Avenue Bridge connecting Benson High School and returning to SE 7<sup>th</sup> via Sandy Boulevard. These easterly options were judged to miss the heart of the Lloyd District and extend the loop to far east to serve as an effective Central City loop.

## **Central Eastside**

Consideration was given to options for operation on MLK, Grand, 6<sup>th</sup> and 7<sup>th</sup> Avenues. The recommended option is MLK and Grand due primarily to the zoning and development potential in the corridor and the East Portland Grand Avenue Historic District. The MLK/Grand corridor offers both a rich existing fabric of historic multiple use buildings and a substantial number of redevelopment sites to strengthen the urban intensity of the corridor. Strong consideration was given to the option of operating on Grand and 6<sup>th</sup> Avenue as a couplet. This option would provide for superior transfer service from the SE bus service connecting to the Lloyd District. The zoning east of 6<sup>th</sup> Avenue is industrial sanctuary which limits the redevelopment potential of the area. The greater redevelopment opportunities, zoning, and existing fabric were influential in recommending the MLK/Grand corridor. The 7<sup>th</sup> Avenue operation was not supported because the zoning is primarily industrial sanctuary.

The Steering Committee had considerable discussion with regard to the option of operating southbound on 7<sup>th</sup> or 6<sup>th</sup> and not operating on MLK. The zoning and redevelopment potential on MLK is more suited to the streetcar. The physical area for MLK has proven to be a significant challenge with a difficult pedestrian environment requiring many improvements to create the dynamic pedestrian and transit environment desired. After weighing the options, a preference was expressed for MLK. It is recognized that 6<sup>th</sup> Avenue does border the EX zone and would not require a zone change to meet the streetcar interests on half of the street. It is recommended that the community be encouraged to closely evaluate the options for the streetcar in the next phase of study. The community has strongly supported finding a way to improve MLK/Grand so they can serve pedestrians and transit better than the current configuration.

## **Southeast Waterfront**

The area south of the Hawthorne Bridge in the Central Eastside was recognized as a special development area with existing attractions, emerging employment and development plans. The area is physically difficult to serve with transit and would be greatly enhanced by the construction of the proposed Caruthers Bridge. Access could be provided from streetcar along Water Avenue connecting PCC and OMSI. It is recognized that a grade crossing of the Union Pacific Railroad would be necessary to provide access to streetcar. Sound Transit has successfully negotiated access across a railroad line for a streetcar in Tacoma, Washington. Obtaining approval for this crossing is a major issue that took 2+ years for Sound Transit to complete. A grade separated crossing feasibility needs to be assessed as an alternative to the at-grade railroad crossing. Other options for accessing the south are encouraged, including a connection as far south as Division and Lincoln with a bridge over the railroad lines.

## **River Crossing**

Two options have been identified for completing the transit loop: a new bridge at Caruthers and crossing the Hawthorne Bridge. The Caruthers Bridge crossing is recommended to be the preferred option. The Hawthorne Bridge crossing is retained as a backup option pending the outcome of the South Corridor Study for light rail. There also remains an issue of the feasibility of assuring mixed operation of streetcar and light rail. Light rail and streetcar can share stations,

but light rail cannot operate where a streetcar stop exists since the streetcar is slightly narrower. Light rail and streetcar trains can share tracks with some safety accommodations.

## **Phasing**

### **Phase 1**

Phase 1 is recommended to extend the streetcar from NW Lovejoy and 10<sup>th</sup> to NE 7<sup>th</sup> Avenue connecting Northwest to Lloyd District. The streetcar would cross the Broadway Bridge and proceed eastbound on Weidler to 7<sup>th</sup> Avenue turning south to NE Oregon crossing light rail at Holladay, turning west on Oregon to Grand, proceeding north to Broadway and west to Broadway Bridge.

### **Phase 2**

Phase 2 is recommended to extend streetcar from NE Oregon and Grand southbound on MLK to SE Clay Street and west on Water Avenue to OMSI. This section would provide excellent transfer service for buses connecting the two districts. The extension to OMSI would provide needed service to that area.

### **Phase 3**

Phase 3 is recommended to connect Central Eastside with Southwest Portland completing the loop. The route is to be determined from the pending the status of the proposed Caruthers Bridge crossing anticipated as part of the South Corridor Project. The preferred alignment would be on Caruthers Bridge to Riverplace.

## **Capital Cost**

Preliminary cost estimates are based upon an assumption of \$12.5 million per one-way track mile for the extensions which is based on previous construction cost for Streetcar. Figure 3 estimates distance in feet for each of the three phases of the proposed alignment.

- **Phase 1:** \$39.6 million for 3.17 miles of track including three new vehicles (8,371 feet double track).
- **Phase 2:** \$44.0 million for 3.60 miles of track including three new vehicles (7,838 feet of double track to Clay and an additional 1,500 feet to OMSI).
- **Phase 3:** No cost estimate is provided for this alignment since one option relies on a bridge in another project with considerably shorter distance. Two new vehicles would be included for this phase.

## **Operation**

Figure 4 depicts the proposed alignment with the transit system. The operation of the streetcar to the eastside is proposed to combine with the Northwest to SW Gibbs line providing high frequency on 10<sup>th</sup> and 11<sup>th</sup> Avenues. The Lloyd streetcar is proposed to terminate at PSU. The following lines are recommended:

**Rose:** The rose line is proposed to operate from NW 23<sup>rd</sup> and Marshall to SE Gibbs connecting to the tram to OHSU. The extensions from PSU are in two phases with Riverplace in 2004 and Gibbs in 2006.

**Aqua:** The aqua line is proposed to operate from PSU Urban Center to NE 7<sup>th</sup> in Phase 1 (aqua1), SE Clay to OMSI in Phase 2 (aqua2), and in a loop around the Central City in phase 3 (aqua3).

With 15-minute frequency on the rose and aqua lines, the service level for the shared alignment on 10<sup>th</sup> and 11<sup>th</sup> Avenues would be 7.5-minute frequency. With the two lines and the improved frequency on 10<sup>th</sup>/11<sup>th</sup>, it is recommended that 15-minute frequency be established as the baseline service.

	Round Trip Times	Number of Trains	Frequency	Operating Costs
Rose (NW / Gibbs)	90	6	15	\$4.2
Aqua1 (PSU / Lloyd)	60	4	15	\$2.8
Aqua2 (PSU / OMSI)	90	6	15	\$4.2
Aqua3 (Loop)	118	8	15	\$5.6

## **Development Potential**

The Technical Committee and Steering Committee reviewed extensively the development potential of various options. Figure 5 provides the historic districts and the urban renewal districts that are served by the proposed lines. The Oregon Convention Center and Central Eastside urban renewal districts include the eastside line within the district.

Figure 6 depicts properties that have buildings that are on the property tax rolls for less value than the land. These are estimated to be properties with significant redevelopment potential.

Figure 7 is the zoning and comprehensive plan map for the districts. The IG1 zoning in the Central Eastside is industrial sanctuary and would limit redevelopment. There is a considerable commitment to this zoning as part of the Central City Plan. The MLK/Grand corridor has EX zoning to encourage higher intensity development in that corridor.

Figure 8 contains Lloyd District landmarks with the recommended alignment. Figure 9 depicts the development strategy which includes the central core designated as Lloyd Crossing. This area is well served by the proposed Grand and 7<sup>th</sup> alignment.

Figure 10 provides the floor area ratio (FAR) which is the ratio of building floor area to land area on a site. The larger the FAR the larger the building. For example, on a 40,000 s.f. parcel, a site with FAR 4:1 may build a 160,000 s.f. building. A site with FAR 12:1 may build a 480,000 s.f. building. The MLK/Grand corridor contains the highest FAR's in the Central Eastside, meaning it has the highest potential for redevelopment without zoning changes.

## **Revenue**

### **Capital Costs**

It is recommended that federal funds be sought for construction of the eastside streetcar. Federal legislation is being considered for a special category of streetcar for federal funds with 50% match requirement. Local improvement districts (previous districts have covered 17% of cost) and tax increment funds are have also been used to support the construction of streetcar. The streetcar is contained in two urban renewal districts and would be eligible for tax increment funding. The following are preliminary sources:

#### **Phase 1 – Total Cost**

Federal Transit Administration	\$19,800,000
Local Funding	13,200,000
Local Improvement District	<u>6,600,000</u>
	<b>\$39,600,000</b>

#### **Phase 2 – Total Cost**

Federal Transit Administration	\$22,000,000
Local Funding	14,520,000
Local Improvement District	<u>7,480,000</u>
	<b>\$44,000,000</b>

### **Operating Costs**

Operating costs for streetcar are the responsibility of the City of Portland through a service agreement with TriMet. Currently TriMet provides \$1.6 million for a period of five years ending June 30, 2006. Until 2006, TriMet operating funding is being provided on a basis of 2/3 of the operating cost with the remainder derived from other fund commitments, farebox and sponsorships. Parking revenues from meters along with parking fine revenues have been used to support the streetcar operation. The projected full operation of streetcar lines: Rose from Northwest Gibbs, and the Aqua Central City Loop is \$9.8 million. A 14-train operation is projected requiring a minimum of 17 trains in the fleet. A long-term plan for operating funding for streetcar is needed to assure the continued operation and expansion of service.

## **Ridership**

Ridership estimates have not been prepared for the Eastside Streetcar. It is anticipated that estimates will be developed in the conceptual engineering phase of the project development. FTA has traditionally relied on ridership estimates for project funding eligibility. The new streetcar legislation will place a stronger emphasis on urban development as opposed to existing ridership which should strengthen the ability of this project to secure federal funding.

Portland Streetcar ridership is approaching 5,000 riders per day and over 1.5 million annual riders. The Eastside Streetcar is expected to experience strong ridership connecting across the Willamette River between the Lloyd District and the River District and will serve major destination such as the Memorial Coliseum, Rose Garden, Lloyd Center, Oregon Convention Center and OMSI. Existing transit service for that connection does operate with buses today. The Phase 2 line to the Central Eastside (Figure 11) will provide important transfer service and connection to the Lloyd District. An estimated 32% of employees in the Lloyd District live in Southeast Portland creating considerable potential for commuter ridership and transfer on the eastside.

Ridership for the current TriMet Bus Line 6 was conducted. Total boardings per day northbound in 2003 are 1,290. Total boardings southbound were 1,400 per day. There is already strong transit demand in the corridor.

## **Bicycle Compatibility**

Phase I of the Eastside Streetcar project proposes to extend the current streetcar line from the Pearl District to the Lloyd District. The recommended alignment includes the NE Broadway/Weidler one-way couplet and NE 7th Avenue, both of which are major eastside bicycle corridors with striped bicycle lanes. Experience with the current streetcar operations has resulted in significant safety issues between bicyclists and the streetcar. Accommodating bicycles safely will be an important project goal and issue to address. The conceptual engineering analysis will include examination of design and alignment treatments that would address safety concerns between streetcar and bicyclists. The bicycle community, including the Portland Bicycle Advisory Committee and the BTA, will be involved during this engineering design phase.

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## PUBLIC OUTREACH

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The following meetings/workshops were held during the preparation of this document. Each was open to the public and over 100 different people attended the various meetings.

- **Portland Streetcar Eastside Steering Committee Meeting**, Wednesday, February 5, 2003, 2:00PM – 3:30PM, Liberty Centre, 650 Holladay Street, lower level.

Thirteen members of the Steering Committee attended this meeting in addition to eight staff members. Several people from the eastside community also attended. This meeting was open to the public and announced via newspaper and press release.

- **Portland Streetcar Citizen Advisory Committee Meeting**, Wednesday, February 12, 2003, 3:00PM – 4:30PM, Lloyd Center Tower, 825 NW Multnomah, 2<sup>nd</sup> floor.

Invitations were sent to all neighborhood and business associations on or near the proposed streetcar eastside alignment to discuss the eastside alignment study and the public process. Attendees: 10 from the current CAC and 20 people from various Eastside neighborhoods. This meeting was open to the public.

- **Portland Streetcar Eastside Steering Committee Meeting**, Wednesday, February 19, 2003, 2:00PM – 3:30PM, Oregon Convention Center King Boardroom.

Twelve members of the Steering Committee attended as well as 6-7 staff. We had about 10 neighborhood representatives at this meeting. This meeting was open to the public.

- **Portland Streetcar Eastside Workshop**, Wednesday, February 26, 2003, 5:00PM – 7:00PM, Lloyd Center Tower, 825 NE Multnomah, 2<sup>nd</sup> Floor.

Invitations were sent to 1400+ property owners, and neighborhood and business associations along the proposed eastside alignment. About 60 people attended. This meeting was open to the public.

- **Portland Streetcar Eastside Steering Committee Meeting**, Wednesday, March 5, 2003, Oregon Convention Center, King Boardroom, 777 NE MLK, Portland.

This meeting was open to the public.

- **Portland Streetcar Citizens Advisory Committee Meeting**, Wednesday, March 12, 2003, 3:00PM – 4:30PM, Lloyd Center, 825 NE Multnomah, 2<sup>nd</sup> Floor.

This meeting was open to the public.

- **Streetcar Presentation at Hosford Abernethy (HAND) Neighborhood Meeting,** Thursday, March 20, 2003, 7:00PM, St. Philip Neri Parish Hall, 2408 SE 16<sup>th</sup> Avenue, Portland.

Vicky Diede gave a presentation on the current Streetcar operations as well as information on the proposed Eastside alignment. About 15 HAND neighborhood representatives attended.

- **Portland Streetcar Eastside Workshop,** Thursday, April 3, 2003, 5:00PM – 7:00PM, OMSI Auditorium, 1945 SE Water Avenue, Portland.

Invitations sent to 1400+ property owners and neighborhood and business associations along the proposed eastside alignment. About 50 people attended. This meeting was open to the public.

Minutes of meetings are available upon request.



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## ALIGNMENT ISSUES

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The Eastside Streetcar Alignment Steering Committee and Technical Committee prepared a list of alignment issues for the streetcar. The issue or question is followed by the Technical Committee's answers in italics.

### **General Alignment**

1. **Alignment Decision:** What is the impact of the recommendations of the Steering Committee for the preliminary alignment? *The recommendation from the Steering Committee will be forwarded to City Council for adoption. The alignment may very well change with subsequent analysis. The initial recommendation is important as part of starting the process. Equally important is the assessment of the support and feasibility.*
2. **Bicycle Compatibility:** Bicycle and streetcar compatibility is an issue. *It is agreed that bicycle compatibility requires special attention which is recommended to be included in the detailed corridor analysis in subsequent phases. Bicycles trying to operate in a lane with streetcar tracks encounter a hazard. This conflict is recommended to be minimized.*
3. **Grade:** What grade can streetcar safely operate within? *Streetcar can operate on up to a 9% grade.*
4. **MAX and Streetcar:** Can MAX and Streetcar operate on the same tracks including the proposed Caruthers Bridge? *MAX and streetcar can operate on either track with the same overhead wire system. The streetcar vehicle is narrower than light rail by about 3 inches. Light rail could not operate on segments with streetcar platforms without modifications. Operation issues of using the same tracks would have to be resolved with regard to communications, tracking and operator training. Streetcar should consider a design that would allow light rail trains to operate on the same trackage between the Caruthers Bridge through the eastside to the Lloyd District and Holladay to provide flexibility for future operations and an option in case of severe damage to the Steel Bridge. Analysis to date indicates that streetcar and light rail should avoid sharing stations.*
5. **Financing:** The streetcar was funded through parking garage bonds not available for the eastside. What sources of funding are available for streetcar? *Potential funds for streetcar include a local improvement district along the line, tax increment financing, and federal funds. A special new category of federal funding for demonstration streetcar projects is being sought through the TEA 21 reauthorization anticipated to be approved in 2003. This would enable streetcar to seek federal funds to support the project.*

### **Central Eastside**

1. **Grand:** An MTIP grant is being sought for \$1.6 million to improve Grand from I-84 to Hawthorne. What are the plans and how might it impact the streetcar proposal? *These plans call for eliminating ramps at bridgeheads, extending existing curbs and improving the pedestrian environments. All would support the streetcar.*

2. **UP Railroad Crossing:** Can streetcar obtain permission to cross the Union Pacific mainline at Water Avenue? *A mainline rail crossing agreement would be very difficult. Sound Transit in Tacoma has obtained an agreement for a spur rail line crossing after 2+ years of process. Their wire must be above 20 feet to assure clearance at the rail line crossing which required modification to the vehicle.*
3. **Hawthorne Bridge:** Metro and Multnomah County have been evaluating the Hawthorne Bridge for potential inclusion of light rail. What information has already been developed on this issue? *A technical document on the potential use of the light rail on the Hawthorne Bridge includes a description of alignment issues, cost and technical issues. The South Corridor project has recommended building a new crossing by constructing the Caruthers Bridge. The South Corridor project concluded that rail could be placed on the outside lanes of the Hawthorne Bridge, though this carries a considerable cost.*

*Similarly, the Hawthorne Bridge can be retrofitted to accommodate the streetcar. Some work towards such a retrofit was completed as part the County's Hawthorne Bridge rehabilitation project in 1997. Further improvements would be required to accommodate the streetcar on the Bridge and its approach ramps. Preliminary engineering will be required to determine the full scope of improvements. However, as with the South Corridor project, the preferred south crossing for the streetcar is a new bridge as Caruthers.*
4. **Ross Island Bridge:** Has there been consideration of using the Ross Island Bridge for the streetcar? *It is not recommended that the Ross Island Bridge be evaluated because the distance and construction costs would necessitate considerable investment for a less attractive option. The Caruthers Bridge is recommended as the preferred option with the Hawthorne Bridge as a viable option in the event that the Caruthers Bridge cannot be constructed. The shorter distance is recommended to enable the loop system to work effectively.*
5. **Development South of Hawthorne:** How can service be assured south of Hawthorne? *Current plans call for streetcar and MAX to operate in the same corridor with Caruthers and Hawthorne as options. Phase 2 is currently recommended to extend as far as OMSI which would provide some service south of Hawthorne regardless of ultimate river crossing.*
6. **Grand/MLK Bridge:** The bridges on MLK/Grand between Lloyd and Central Eastside are State bridges. Can they handle streetcar? *ODOT will be contacted and the issue of bridge strength will be addressed in the technical work to be conducted. Traffic issues related to the entrance ramp at NE Grand and I-84 eastbound entrance ramp will be further investigated. PDC has been working with ODOT and PDOT on the reconstruction project. Federal bridge money is only available for reconstruction and limited to accommodate bikes, cars, and pedestrians.*

7. **TriMet Transfer:** A key transfer point for the streetcar is MLK and Hawthorne which intersects most southeast bus lines traveling to downtown. 32% of the employees in the Lloyd District live in Southeast. Easy transfer would provide significantly improved service. *The intersection at Hawthorne and MLK is difficult with options, including Clay or Main for access.*
8. **Grand/MLK:** Discussion has occurred with regard to a long-term proposal to revise Grand/MLK to two-way streets. *Streetcar operation should be set to accommodate such potential. If streetcar is located on MLK and Grand, then action should be considered to make these streets more compatible for pedestrians and streetcar operations.*

### **Lloyd District**

1. **Broadway Bridge:** Is the Broadway Bridge capable of handling the streetcar? *The Broadway Bridge can be retrofitted to accommodate streetcars. The scope of the required improvements will not be known until preliminary engineering has been completed for the Bridge. Needed improvements may include upgrades to the main span, the lift deck, and the approach ramps, as well as seismic retrofits.*
2. **Broadway Bridge Rails:** Can existing rails under the pavement on the bridge be used for the Streetcar? *No. The gauge of the existing rails is too narrow to accommodate modern streetcars.*
3. **NE Broadway/Weidler:** Can streetcar operate on streets with 35 mph and faster traffic? *Streetcar is capable of speeds up to 45 mph and could operate in a similar fashion to TriMet buses with regard to movement in traffic. Traffic issues at NE Broadway and Weidler near the entrance and exit ramps to I-5 were noted as potential concerns and will be investigated.*
4. **7<sup>th</sup> and 9<sup>th</sup> Options:** Should streetcar operate on 7<sup>th</sup> or 9<sup>th</sup> Avenue? *Both options are feasible. The various Lloyd District interests need to consider proximity to service, development potential and other issues in recommending a preferred alignment. 7<sup>th</sup> Avenue provides direct service into the heart of the district and connects with the light rail station serving the Ashforth and Kaiser properties. 7<sup>th</sup> Avenue is a difficult streetcar turn at Broadway and is a congested intersection currently. 9<sup>th</sup> Avenue serves more closely Lloyd Center along with Ashforth properties and intersects light rail a block away from the station. 9<sup>th</sup> Avenue is a wider street with fewer auto conflicts at the turn at Broadway/Weidler.*
5. **Service in Neighborhoods:** Can streetcar extend service to the neighborhoods by extending to 16<sup>th</sup> or beyond? *This issue may be considered by the Steering Committee. Extensions are possible as streetcar has already committed to extending the existing line south to Riverplace. A similar approach can be used on the eastside. The current project is envisioned as a loop, and service that far east would compromise the effectiveness of the loop.*

6. **7<sup>th</sup> Avenue Bridge:** Should the 7<sup>th</sup> Avenue Bridge be constructed as part of the project? *The Lloyd District development strategy identifies the bridge as crucial with or without the streetcar.*

### **Westside Issues**

1. **Lovejoy and 11<sup>th</sup>:** The turn at NE Lovejoy and 11<sup>th</sup> could be congested from the traffic on Lovejoy. *Current traffic counts show that intersection with reasonable operation. Future engineering will be required at this intersection to identify issues.*
2. **SW 1<sup>st</sup> Avenue:** A two-way street operation would be required if streetcar were to use First Avenue to connect to the Hawthorne Bridge because 1<sup>st</sup> Avenue is only one-way, requiring a second street for northbound traffic. *This operation is anticipated in the Central City Plan.*
3. **Riverplace Stop:** With light rail and streetcar sharing track to the Caruthers Bridge, special provisions will be needed for the Riverplace stop to accommodate the different widths of the cars. *Streetcar stops would have separate tracks from light rail.*
4. **Northwest Hoyt and Broadway:** *The Lovejoy Ramp could be avoided by remaining on Broadway to Hoyt providing service to Union Station and reducing duplicated service.*
5. **Federal Funding Issues:** *Congress is expected to include a demonstration program for streetcar in the next 6-year funding package that will include significantly streamlined regulations.*

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## ILLUSTRATIONS

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Attached are the following Figures in support of the Report:

Figure 1 – Eastside Streetcar Draft Recommendation – Phasing Strategy

Figure 2 – Eastside Streetcar Design Options

Figure 3 – Eastside Streetcar Designs – Distances

Figure 4 – Eastside Streetcar Transportation System

Figure 5 – PDC Eastside Development Area, Historic Districts and Urban Renewal Areas

Figure 6 – Eastside Streetcar Redevelopment Areas

Figure 7 – Central City Zoning

Figure 8 – Eastside Streetcar Lloyd District Landmarks

Figure 9 – Eastside Streetcar Lloyd District Development Strategy

Figure 10 – Central City Floor Area Ratio (FAR)

Figure 11 – Lower Central Eastside

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## CENTRAL CITY STREET CLASSIFICATION MAPS

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Attached are the following Maps in support of the Report:

Traffic Classifications

Transit Classifications

Bicycle Classifications

Pedestrian Classifications

Freight Classifications

Emergency Response Classifications

Street Design Classifications