

**ANNOTATED MINUTES**

*Thursday, August 25, 1994 - 9:30 AM  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland*

**REGULAR MEETING**

*Chair Beverly Stein convened the meeting at 9:32 a.m., with Vice-Chair Tanya Collier, Commissioners Sharron Kelley, Gary Hansen and Dan Saltzman present.*

**CONSENT CALENDAR**

**UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, THE CONSENT CALENDAR WAS UNANIMOUSLY APPROVED.**

**NON-DEPARTMENTAL**

*C-1 In the Matter of the Reappointment of Sharon Wylie as Multnomah County Private Sector Board Representative to THE PRIVATE INDUSTRY COUNCIL BOARD*

**REGULAR AGENDA**

**COMMUNITY AND FAMILY SERVICES DIVISION**

*R-1 Request for Approval of a Notice of Intent to Apply to the State of Oregon Housing and Community Services Department, for a \$100,000 Grant from the Housing Development Grant Program, and a \$75,000 Grant from the H.E.L.P. Program, to Provide Development Funding for the Willow Tree II Project*

**COMMISSIONER KELLEY MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-1. CECILE PITTS EXPLANATION. NOTICE OF INTENT UNANIMOUSLY APPROVED.**

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

*R-2 Ratification of Intergovernmental Agreement Contract 300955 Between the State of Oregon, Department of Transportation and Multnomah County, for a Transportation Growth Management Grant to Fund the East Multnomah County Pedestrian Plan*

**COMMISSIONER HANSEN MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-2. DAN LAYDEN EXPLANATION AND RESPONSE TO BOARD QUESTIONS. AGREEMENT UNANIMOUSLY APPROVED.**

**DEPARTMENT OF HEALTH**

**R-3**      *Budget Modification MCHD 1 Requesting Authorization to Adjust the Emergency Medical Services Program Appropriation to Allow for a Contract to Cover Consultant Services to Provide the Following Services: Prepare RFQ for Single Provider Ambulance Contract, Prepare the Contract, and Set Up the Evaluation Process*

**COMMISSIONER SALTZMAN MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-3. BILL COLLINS EXPLANATION AND RESPONSE TO BOARD QUESTIONS. BUDGET MODIFICATION UNANIMOUSLY APPROVED.**

**R-4**      *Request for Approval of a Notice of Intent to Apply for a One Year, \$45,000 Special Projects Funding Grant from the U.S. Department of Agriculture Western Region, for Co-Locating the Women, Infants and Children's Supplemental Nutrition Program (WIC) with Alternative Sites to Promote More Enriched and Coordinated Health Care*

**COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-4. ELLEN BARTHOLOMEW EXPLANATION AND RESPONSE TO BOARD QUESTIONS. NOTICE OF INTENT UNANIMOUSLY APPROVED.**

**NON-DEPARTMENTAL**

**R-5**      *RESOLUTION in the Matter of Adopting Financial and Budget Policies for Multnomah County, Oregon*

**COMMISSIONER SALTZMAN MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-5. DAVE BOYER EXPLANATION, DISCUSSION OF PROPOSED AMENDMENTS AND RESPONSE TO BOARD QUESTIONS. BOARD DISCUSSION. COMMISSIONER KELLEY TO SCHEDULE FACT FINDING MEETINGS WITH REPRESENTATIVES OF FINANCE, LABOR RELATIONS, LABOR ORGANIZATIONS, BOARD STAFF AND INTERESTED OTHERS TO DISCUSS THE SET ASIDE AMOUNT OF**

VACATION POLICY. MR. BOYER RESPONSE TO BOARD QUESTIONS AND DISCUSSION. FOLLOWING MR. BOYER'S EXPLANATION AND UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER SALTZMAN, IT WAS UNANIMOUSLY APPROVED, THAT PARAGRAPH 2 OF THE TAX REVENUES BACKGROUND BE AMENDED TO REFLECT THAT ". . .THE BOARD CONSIDERED, BUT DID NOT PASS, A THIRD INCREASE IN THE BUSINESS INCOME TAX . . . ". FOLLOWING MR. BOYER'S EXPLANATION AND UPON MOTION OF COMMISSIONER SALTZMAN, SECONDED BY COMMISSIONER KELLEY, IT WAS UNANIMOUSLY APPROVED THAT SECTION E OF THE SHORT-TERM AND LONG-TERM DEBT FINANCINGS BE AMENDED TO INCLUDE HOSPITAL, OR NON-PROFIT ORGANIZATION . . . IS ELIGIBLE TO USE THIS TYPE OF FINANCING. BOARD COMMENTS AND DISCUSSION OF ENTREPRENEURIAL ACTIVITIES. COMMISSIONER COLLIER MOVED AND COMMISSIONER SALTZMAN SECONDED, APPROVAL OF INCLUSION OF A POLICY ON ENTREPRENEURIAL ACTIVITIES AS PROPOSED BY COMMISSIONER KELLEY, SUBMITTED VIA MEMORANDUM DATED AUGUST 25, 1994. UPON MOTION OF COMMISSIONER COLLIER, SECONDED BY COMMISSIONER HANSEN, IT WAS UNANIMOUSLY APPROVED THAT PARAGRAPH 2 OF THE ENTREPRENEURIAL ACTIVITIES BACKGROUND BE AMENDED TO STATE THAT MULTNOMAH COUNTY WILL ACTIVELY SEEK OPPORTUNITIES TO SELL PRODUCTS AND SERVICES. UPON MOTION OF COMMISSIONER COLLIER, SECONDED BY COMMISSIONER HANSEN, IT WAS APPROVED THAT PARAGRAPH 2 OF THE ENTREPRENEURIAL ACTIVITIES BACKGROUND BE AMENDED TO REFLECT THAT ". . . WHETHER THE REVENUE WOULD BENEFIT TAXPAYERS WHO INDIRECTLY SUPPORTED. . .", WITH COMMISSIONERS HANSEN, COLLIER, SALTZMAN AND STEIN VOTING AYE AND COMMISSIONER KELLEY VOTING NO. UPON MOTION OF COMMISSIONER SALTZMAN, SECONDED BY COMMISSIONER COLLIER, IT WAS UNANIMOUSLY APPROVED THAT PARAGRAPH 2 OF THE ENTREPRENEURIAL ACTIVITIES BACKGROUND BE AMENDED TO DELETE THE WORDS IN FACT FROM ". . . WHETHER THE ACTIVITY WILL PRODUCE

**REVENUE". COMMISSIONER COLLIER'S MOTION TO DELETE ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 3 DIED FOR LACK OF A SECOND. BOARD DISCUSSION. UPON MOTION OF COMMISSIONER COLLIER, SECONDED BY COMMISSIONER HANSEN, IT WAS UNANIMOUSLY APPROVED THAT ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 3 BE AMENDED TO REFLECT THAT "WHETHER THE PRODUCT OR SERVICE IS SUPERIOR, UNIQUE OR BENEFITS THE TAXPAYERS IN THE MARKET, . .". COMMISSIONER COLLIER MOVED AND COMMISSIONER HANSEN SECONDED, TO DELETE ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 8. BOARD COMMENTS AND DISCUSSION. MOTION AND SECOND WITHDRAWN. UPON MOTION OF COMMISSIONER SALTZMAN, SECONDED BY COMMISSIONER COLLIER, IT WAS APPROVED THAT ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 8 BE AMENDED TO STATE "WHETHER THE COUNTY WILL SUBSIDIZE ITS COSTS OR OVERHEAD COSTS.", WITH COMMISSIONERS HANSEN, COLLIER, SALTZMAN AND STEIN VOTING AYE AND COMMISSIONER KELLEY NO. COMMISSIONER COLLIER'S MOTION TO AMEND ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 9 DIED FOR LACK OF A SECOND. BOARD COMMENTS AND DISCUSSION. COMMISSIONER SALTZMAN MOVED AND COMMISSIONER COLLIER SECONDED, TO AMEND ENTREPRENEURIAL ACTIVITIES POLICY STATEMENT 9 TO STATE "TO USE THE REVENUES TO FUND OTHER PRIORITY COUNTY SERVICES." BOARD COMMENTS AND DISCUSSION. AMENDMENT APPROVED, WITH COMMISSIONERS KELLEY, COLLIER, SALTZMAN AND STEIN VOTING AYE AND COMMISSIONER HANSEN VOTING NO. BOARD COMMENTS AND DISCUSSION. RESOLUTION 94-154 UNANIMOUSLY APPROVED, AS AMENDED.**

**R-6**      *RESOLUTION in the Matter of Adopting Multnomah County's Investment Policy*

**COMMISSIONER KELLEY MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-6. HARRY MORTON EXPLANATION. DAVE BOYER RESPONSE TO BOARD QUESTIONS. RESOLUTION 94-155 UNANIMOUSLY APPROVED.**

**PUBLIC COMMENT**

R-7      *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

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*Thursday, August 25, 1994 - 10:15 AM  
(Or Immediately Following Regular Meeting)  
Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland*

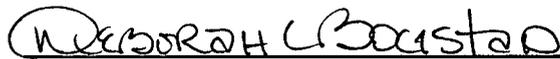
**EXECUTIVE SESSION**

E-1      *The Multnomah County Board of Commissioners will Meet in Executive Session Pursuant to ORS 192.660(1)(d) for Deliberations with Labor Relations Staff Regarding Labor Negotiations*

**EXECUTIVE SESSION HELD.**

*There being no further business, the meeting was adjourned at 12:10 p.m.*

**OFFICE OF THE BOARD CLERK  
for MULTNOMAH COUNTY, OREGON**

  
\_\_\_\_\_  
Deborah L. Bogstad



# MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK  
SUITE 1510, PORTLAND BUILDING  
1120 S.W. FIFTH AVENUE  
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS		
BEVERLY STEIN •	CHAIR	• 248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	• 248-5219
TANYA COLLIER •	DISTRICT 3	• 248-5217
SHARRON KELLEY •	DISTRICT 4	• 248-5213
CLERK'S OFFICE •	248-3277	• 248-5222

## AGENDA

### MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

#### FOR THE WEEK OF

AUGUST 22, 1994 - AUGUST 26, 1994

*Thursday, August 25, 1994 - 9:30 AM - Regular Meeting . . . . . Page 2*

*Thursday, August 25, 1994 - 10:15 AM - Executive Session . . . . . Page 3*  
*(Or Immediately Following Regular Meeting)*

*Thursday Meetings of the Multnomah County Board of Commissioners are taped and can be seen by Paragon Cable subscribers at the following times:*

- Thursday, 6:00 PM, Channel 30*
- Friday, 10:00 PM, Channel 30*
- Saturday, 12:30 PM, Channel 30*
- Sunday, 1:00 PM, Channel 30*

**INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222, OR MULTNOMAH COUNTY TDD PHONE 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.**

Thursday, August 25, 1994 - 9:30 AM

Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland

**REGULAR MEETING**

**CONSENT CALENDAR**

**NON-DEPARTMENTAL**

C-1 *In the Matter of the Reappointment of Sharon Wylie as Multnomah County Private Sector Board Representative to THE PRIVATE INDUSTRY COUNCIL BOARD*

**REGULAR AGENDA**

**COMMUNITY AND FAMILY SERVICES DIVISION**

R-1 *Request for Approval of a Notice of Intent to Apply to the State of Oregon Housing and Community Services Department, for a \$100,000 Grant from the Housing Development Grant Program, and a \$75,000 Grant from the H.E.L.P. Program, to Provide Development Funding for the Willow Tree II Project*

**DEPARTMENT OF ENVIRONMENTAL SERVICES**

R-2 *Ratification of Intergovernmental Agreement Contract 300955 Between the State of Oregon, Department of Transportation and Multnomah County, for a Transportation Growth Management Grant to Fund the East Multnomah County Pedestrian Plan*

**DEPARTMENT OF HEALTH**

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**NON-DEPARTMENTAL**

R-5      *RESOLUTION in the Matter of Adopting Financial and Budget Policies for Multnomah County, Oregon*

R-6      *RESOLUTION in the Matter of Adopting Multnomah County's Investment Policy*

**PUBLIC COMMENT**

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*Thursday, August 25, 1994 - 10:15 AM  
(Or Immediately Following Regular Meeting)*

*Multnomah County Courthouse, Room 602  
1021 SW Fourth, Portland*

**EXECUTIVE SESSION**

E-1      *The Multnomah County Board of Commissioners will Meet in Executive Session Pursuant to ORS 192.660(1)(d) for Deliberations with Labor Relations Staff Regarding Labor Negotiations. 1 HOUR REQUESTED.*

SHARRON KELLEY  
Multnomah County Commissioner  
District 4



Portland Building  
1120 S.W. Fifth Avenue, Suite 1500  
Portland, Oregon 97204  
(503) 248-5213

MEMORANDUM

TO: Chair Bev Stein  
Commissioner Dan Saltzman  
Commissioner Tanya Collier  
Commissioner Gary Hansen  
Clerk of the Board

FROM: Commissioner Sharron Kelley

SUBJECT: Late Arrival to Board Meeting

DATE: July 19, 1994

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I will arrive late to the Board Meeting on August 23, 1994. I have a previous engagement that I am unable to change. I will arrive at approximately 2:00 p.m. for the planning meeting.

1701L-42

BOARD OF  
COUNTY COMMISSIONERS  
1994 JUL 19 PM 3:55  
MULTNOMAH COUNTY  
OREGON

Meeting Date: AUG 25 1994

Agenda No.: C-1

(Above Space for Board Clerk's Use *ONLY*)

AGENDA PLACEMENT FORM

SUBJECT: Reappointment

BOARD BRIEFING:      Date Requested:  
                                 Amount of Time Needed:

REGULAR MEETING:      Date Requested: August 25, 1994  
                                 Amount of Time Needed: Consent Agenda

DEPARTMENT: Chair's Office

DIVISION: Chair's Office

CONTACT: Delma Farrell

TELEPHONE: X-3953

BLDG/ROOM: 106/1410

PERSON(S) MAKING PRESENTATION: \_\_\_\_\_

**ACTION REQUESTED:**

INFORMATIONAL ONLY       POLICY DIRECTION       APPROVAL       OTHER

**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if available):

Reappointment of Sharon Wylie to The Private Industry Council Board of Directors to a second three year term ending June 30, 1997

BOARD OF  
COUNTY ADMINISTRATORS  
MILTONA COUNTY  
OREGON  
1994 AUG 17 AM 8:56

**SIGNATURES REQUIRED:**

ELECTED OFFICIAL: Beverly Stein *D*

OR  
DEPARTMENT MANAGER: \_\_\_\_\_

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

*Any Questions? Call the Office of the Board Clerk at 248-3277 or 248-5222.*



RECEIVED

JUN 20 1994

BEVERLY STEIN  
MULTNOMAH COUNTY CHAIR

# The Private Industry Council

*Serving Multnomah and Washington Counties and the City of Portland*

## MEMORANDUM

DATE: June 15, 1994  
TO: Beverly Stein, Chair, Multnomah County  
FROM: Elizabeth J. Warman, Chair  
Dennis Cole, President  
SUBJECT: Board Members Reappointments

*Elizabeth J. Warman*  
*Dennis Cole*

On June 30, 1994, Multnomah County Private Sector Board Representative, Sharon Wylie's term on The Private Industry Council Board of Directors will expire. Sharon contributes significantly to the board, she is insightful and progressive and brings an East County community perspective to issues before the board. We recommend that Sharon Wylie be reappointed to serve a three-year term, ending June 30, 1997.

Two Public Sector representatives, Paul Kreider, Mt. Hood Community College, and John Young, Washington County Education Service District, terms on the board also expire June 30, 1994. Both Paul and John contribute significantly on issues regarding education and maintain a broad involvement in their communities as well. They are active participants on committees of the board where they provide assistance in the planning of program services and administrative oversight. We request the reappointment of Paul Kreider and John Young for three year terms ending June 30, 1997.

Public Sector appointments require concurrence of all of The Private Industry Council's governing entities. We are also requesting the City of Portland and Washington County approve the reappointment of Paul Kreider and John Young for three-year terms ending June 30, 1997.

Please forward a copy of your Commission's endorsement of the reappointments to us. Thank you for your assistance.

c: Sharron Kelley, Commissioner  
Lynn Martin, Staff Assistant

Enclosure: TPIC Board Membership by Industrial and Demographic Composition

Meeting Date: AUG 25 1994

Agenda No: R-1

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: Notice of Intent to Apply for State of Oregon Housing & Community Services Department funds.

BOARD BRIEFING: Date Requested: \_\_\_\_\_

Amount of Time Requested: \_\_\_\_\_

REGULAR MEETING: Date Requested: August 25, 1994

Amount of Time Requested: 10 minutes

DEPARTMENT: \_\_\_\_\_ DIVISION: Community & Family Svcs.

CONTACT: Lorenzo Poe/Cecile Pitts TELEPHONE #: 248-3691 or x3044  
BLDG/ROOM #: B 161/2nd

PERSON(S) MAKING PRESENTATION: Lorenzo Poe/Cecile Pitts

**ACTION REQUESTED:**

INFORMATIONAL ONLY  POLICY DIRECTION  APPROVAL  OTHER

**Summary** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

The Community & Family Services Division requests approval for a consolidated application to the State of Oregon's Housing Development Grant and H.E.L.P. programs administered by the Housing and Community Services Department. The grant request for the Housing Trust Fund is \$100,000; the grant request for H.E.L.P. funds is for \$75,000.

**SIGNATURE REQUIRED:**

ELECTED OFFICIAL: \_\_\_\_\_

OR

DEPARTMENT MANAGER: Lorenzo Poe

1994 AUG 18 11:03  
MULTIMEDIA SECURITY  
OREGON  
QUALITY COMMUNICATIONS  
SERVICES

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**  
Any questions: Call the Office of the Board Clerk 248-3277/248-5222



# MULTNOMAH COUNTY OREGON

COMMUNITY AND FAMILY SERVICES DIVISION (503) 248-3691  
COMMUNITY DEVELOPMENT PROGRAM OFFICE (503) 248-5000  
2115 S.E. MORRISON  
PORTLAND, OREGON 97214  
FAX: (503) 248-3048

BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN • CHAIR OF THE BOARD  
DAN SALTZMAN • DISTRICT 1 COMMISSIONER  
GARY HANSEN • DISTRICT 2 COMMISSIONER  
TANYA COLLIER • DISTRICT 3 COMMISSIONER  
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

## MEMORANDUM

TO: Board of County Commissioners

FROM: Lorenzo Poe, Director  
*Lorenzo Poe*  
Community & Family Services Division

Cecile Pitts, Director  
Community Development Program

DATE: August 8, 1994

SUBJECT: Notice of Intent to Apply for State of Oregon Housing and Community Services Department Funds

**I. Recommendation/Action Requested:** The Community and Family Services Division, Community Development Program, recommends Board of Commissioners approval of the Notice of Intent to apply for State of Oregon Housing and Community Services Department funds in the Consolidated Funding Cycle for affordable housing projects. Funding awards will be announced November 1, 1994. **Attached to this memorandum is a copy of the first eleven pages of the grant application package for Fall, 1994.**

**II. Background Analysis/Grant Requirements & Goals:** The goal of the application is to provide development funding for the Willow Tree II project. Multnomah County currently has ownership of a vacant site located adjacent to the Willow Tree Inn, a transitional housing program in Gresham. Willow Tree Inn, a former nursing home facility, was acquired and rehabilitated with funds from the Community Development Program.

This application for state housing funds will enable Multnomah County to enter into the next stage of affordable housing development by facilitating the construction of an apartment complex for very low-income families. These apartment units will provide affordable rental housing to families living on 50% of the metropolitan area's median income.

**II. Background Analysis/Grant Requirements & Goals, contd.:**

Once the State of Oregon funds are acquired, Multnomah County will package the local available development funds, ie. CDBG, HOME, etc., and begin the process for contracting with a non-profit housing development agency to begin construction on the facility.

**III. Financial Impact:** The Consolidated Funding Cycle application is for a \$175,000, in the form of a one-time grant. \$100,000 is to be requested from the Housing Development Grant Program; \$75,000 from the H.E.L.P. Program. There is no required match requirement; however, the Community Development Program is prepared to provide \$150,000 in property equity value to the project, as well as \$300,000 in federal HOME funds. There is no long-term commitment to funding.

**IV. Link to Current County Policies:** The application is consistent with the current Comprehensive Housing Affordability Strategy plan (Goal H). The proposal addresses the County's various benchmarks related to housing, eg. serving the homeless, providing housing to persons with disabilities, providing housing opportunities to low-income families, etc.

If this Consolidated Funding Cycle application is successful, Multnomah County will be required to execute an intergovernmental agreement with the State of Oregon's Housing and Community Services Department to receive the funds.

**V. Estimated Filing Timeline:** Grant proposals are due at the Housing and Community Services Department office in Salem on September 9, 1994 at 5:00 p.m.

attachments

j-127D

## **INTRODUCTION**

The State of Oregon Housing and Community Services Department (the Department) is seeking proposals for the development of housing for lower income Oregonians. The Consolidated Funding Cycle (CFC) was created to provide an efficient mechanism to allocate the State's limited housing development resources to qualified sponsors. Proposals presented to the Department must meet the terms, conditions, and requirements as stated in the following program materials for each program for which the sponsor is requesting funding, in addition to meeting the Department's general requirements for all projects.

## **MISSION STATEMENT**

The Mission of the Oregon Housing and Community Services Department, which guides the awards process, is as follows:

*To work in partnership with community-based organizations, to develop affordable housing, and to provide services that alleviate the causes of poverty and empower Oregonians.*

## **NEED FOR AFFORDABLE HOUSING**

There is a growing gap between the demand for affordable housing in the state of Oregon and the availability of housing units to meet that demand. This difference is caused primarily by the increasing population growth of the state and limited equity gap funding for projects.

The Department supports the construction of affordable housing which is safe, livable, and well designed; contributes positively to the quality of life in Oregon; adds to the aesthetics and living environment of the communities of which it is a part; and enhances the self-esteem and empowerment of the residents it serves.

## **APPLICATION OVERVIEW**

During the Fall 1994 round of the Department's Consolidated Funding Cycle, applications are being taken for five programs: HELP, HOME, Housing Development Grant (Trust Fund), Low Income Housing Tax Credit (LIHTC), and Oregon Lender's Tax Credits (OLTC). The application packet has been put together as follows: General information relating to all applications/programs in Sections I and II; individual program requirements can be found in Section III; application questions in Section IV; and all of the Pro Formas and other forms can be found in the last section of the packet (Section VI).

Please note that some of the programs have questions and/or forms that are specific to them; we have clearly marked them, e.g., "HOME ONLY". If a form or question does not have the disclaimer, all applicants must complete it. A checklist that will walk you through what to submit can be found at the end of Section II; it should be submitted with the application.

## **SCHEDULE**

- September 1, 1994 *First day applications will be accepted.*
- September 9, 1994 *Last day applications will be accepted.* (Applications must be received at the Department by 5:00 p.m. on September 9, 1994, or postmarked on or before September 9, 1994. Applicants who attempt to hand deliver applications after 5:00 p.m. will be directed to the nearest Post Office.) **FAXED APPLICATIONS WILL NOT BE ACCEPTED.**
- November 1, 1994 *Funding awards announced.* (May be announced earlier if evaluations are completed prior to November 1, 1994.)

## **AVAILABILITY OF FUNDS**

Funds available for the Fall 1994 Consolidated Funding Cycle are anticipated to be:

HELP Program	\$ 200,000
HOME Program	\$ 4,800,000
Housing Development Grant Program	\$ 1,000,000
Low Income Housing Tax Credit Program	<i>To Be Determined</i>
Oregon Lender's Tax Credit Program	\$ 2,000,000

Amounts are approximate and awards will be made subject to fund availability. In order to insure that funds are utilized in a timely manner, waiting lists will be established for the Low Income Housing Tax Credit, Housing Development Grant, and Oregon Lender's Tax Credit Programs. The lists will be valid through June 30, 1995. Projects placed on a waiting list will have to submit updated and acceptable financial information before receiving an award. If a project on the waiting list cannot meet program requirements within the timeframe set by the Department, the Department may, in its discretion, award funds to another project on the waiting list. Projects placed on a waiting list are not guaranteed funding; awards will be made subject to funds availability.

## **FUNDING PHILOSOPHY**

The housing needs being met by the HCS granting process are diverse. A variety of different types of projects are needed to fill the gap and meet the needs of affordable housing within each unique community. To this end, HCS does not recognize a preference for any specific type of project, but does emphasize and support projects which meet the needs of the communities and tenant groups they are designed to serve.

Many factors are considered in weighing projects for awards. Criteria used by the department are elaborated in the questions included in the application. Criteria include meeting the local need for affordable housing, including services and amenities for tenants; community support; project feasibility, including sponsor capacity and track record, project structure including contingencies, and financial feasibility. Siting location and control, readiness to proceed issues, and compliance with fair housing and diversity issues are also considered.

Funding consideration this year also includes a request from Governor Barbara Roberts to support growth near existing mass transit lines wherever possible.

Funds will be awarded to projects based on the overall merits of an application. Funds will be awarded in amounts appropriate to the scope of the proposed project, and the needs and resources of the applicants. The Department reserves the right to adjust the amount of funding and to negotiate modifications to the proposed plan and budget prior to disbursement. Incomplete applications will not be considered.

***THRESHOLDS*** Because of the limited amount of funds available to help finance and develop low income and affordable housing in the state, and because the Consolidated Funding Cycle continues to be oversubscribed, HCS has adopted certain thresholds in the evaluation process. These thresholds are adopted to insure that the limited funds available are given to the projects which are farthest along in their development process and best able to produce housing in a timely manner.

HCS is seeking to minimize returns of grants or tax credits from projects which were not able to put them to use serving low income Oregonians because readiness to proceed thresholds were not met before funding was granted.

To support this policy, proposed projects are required to meet minimum site location, site control, architectural standards, zoning, community support, and property management thresholds to be considered in the funding cycle. The complete threshold list can be found in Section II, Application and Review Process. In addition, some of the programs have minimum requirements for funding; those are spelled out in detail in each of the program descriptions in Section III.

**REGIONAL ALLOCATION POLICY** HCS will continue the policy of allocating available funds by region on the basis of need. This allocation is driven by the Comprehensive Housing Affordability Strategy (CHAS). If funds available in a particular program are too small to make regional allocations, funds will be allocated on a statewide basis.

**EVALUATION CATEGORIES** Once thresholds have been cleared, applications will be evaluated by HCS staff in three categories: **Statutory Criteria, Project Concept, and Viability Assessment.** Applications will be ranked based on how they meet the criteria defined for evaluation in each of the categories.

The **Statutory** category is worth 30 percent of the possible points awarded to the application. Criteria include: 1) Services inclusion and amenities, 2) Leverage of HCS's resources, and 3) Term of affordability.

**Project Concept** is worth 20 percent of possible points. Criteria include evaluation and understanding of local need, demonstration of community support, and proposed project objectives and results.

**Viability Assessment** comprises 50 percent of the total score. Criteria include financial viability, sponsor capacity, and project structure.

After all applications are evaluated and scored, they will be ranked in order of their score. Rankings will be presented to the Director and Department Senior Management for approval. Once approved, project rankings will be published to each applicant and funds awarded according to funding available.

**SCORING PROCESS** With the exception of term of affordability and leverage which are derived through straight calculation, each of the categories and criteria will be evaluated by a team of underwriters. Each category will be reviewed independently by three underwriters, and their scores averaged for a final score. There will be no discussion between underwriters during the evaluation period. If there is a wide variance within a category, the three evaluators and the process facilitator will meet to resolve the discrepancy. Because the process is competitive, grading will be on a curve; applications will be evaluated against the stated criteria and against each other. Separate underwriting teams will be formed to focus on each scoring category.

**GOVERNOR'S POLICY ON MASS TRANSIT AND URBAN GROWTH** In order to make use of the existing transportation infrastructure and minimize development beyond urban growth boundaries, affordable housing projects should be encouraged in urban areas of the state which are located within 1/4 mile of a public transportation line. Communities considered for this policy are within the boundary of an existing municipal transit district and have transit service.

HCS has incorporated the Governor's policy in the CFC award process by penalizing projects located within Tri-Met's service district which meet the above criteria but are sited beyond 1/4 of mile of a mass transit line. Projects in rural or other urban areas are not effected by this criteria. The penalty amounts to 5% of the total points possible. The Department will assess the applicability of this criteria for other public transit service districts for future Consolidated Funding Cycles.

**COST REASONABLENESS** While maintaining the aesthetics and livability standards defined above, it is HCS's objective to fund as many qualified, affordable income units as possible in each consolidated funding cycle. Because funds available are limited, cost per unit is an important factor in weighing applications. HCS recognizes the variability in construction and land acquisition costs throughout the state in its evaluation process. Land acquisition costs, "hard" construction costs, and "soft" construction costs will be identified separately and compared to area standards and other projects in scoring.

**DEVELOPER FEES** The size of the developer fee as well as other "soft" costs which go into putting a project together will be considered in the evaluation of a project's financial viability. In addition, HCS has established maximum developer fees on projects. The maximum is put into place in order to extend the use of limited funds and to keep the cost of the project and rents as affordable as possible.

HCS acknowledges the need of applicants to include fees adequate to support sound development practices and to develop capacity in nonprofit organizations. HCS has established a maximum developer fee of 15% on all projects, and encourages sponsors to take a minimum developer fee adequate to support the development process. Staff will evaluate applications using this criteria.

**BEST USE OF RESOURCES** The Department reserves the right to adjust the amount of funds awarded to a project, and to fund only those projects which reflect the highest and best use of its grant and tax credit resources. Since funding decisions will be made based on information presented in the application, the Department also reserves the right to rescind or revoke awards made to 1) a project for which information has been falsely represented, or 2) a project which has received an award and has changed in purpose or scope from what was presented in the application materials.

**PROJECT CONCEPT** Community support, local need and project results are considered together in the evaluation of applications, as these factors are closely linked in a project's success and purpose. While a lack of expressed support doesn't mean that the project is necessarily opposed, more weighting is given to projects which are able to demonstrate support from the communities they will ultimately serve. It is recognized that having community support can also help reduce the "NIMBY" issues that may accompany an affordable housing project.

Criteria used to evaluate the level of community support are spelled out in the Application Questions in Section IV. Community support can be expressed in a variety of ways, including financial support.

**MINORITY, WOMEN AND EMERGING SMALL BUSINESS** The Department encourages the affirmative outreach practices when developing affordable housing projects. Demonstration of efforts to employ minority or women owned businesses will be considered in evaluating applications.

**SERVICES INCLUSION:** In keeping with the Department mission statement, projects are valued which allow for the provision of tenant services. Services are important because only by providing for the spectrum of needs can lower income tenants be moved along the continuum of empowerment towards ultimate self-reliance. Design of amenities in the project which assist in the delivery of appropriate community services is also valued.

**SITE EVALUATION** Appropriate siting of affordable housing projects is a threshold criteria for determining if the application should be evaluated. Each proposed site will be reviewed by a CDO or representative of the Department before funding is considered. It is not necessary to visit the site with the CDO or HCS representative. HOME environmental review will continue to be reviewed on site with sponsors after they have researched and concluded the bulk of the environmental review.

HCS has a preference for sites that conform to the following:

- Provide tenants with ready access to transportation, commercial and social services.
- Are not located adjacent to freeways, railroads, industry or other noise generators.
- Avoid excess developmental costs due to slope terrain, drainage, wet lands, flood planes or other issues.
- Do not have excessive fill material unless documentation is provided on engineered soil compaction.
- Fit within the context of the neighborhood.

**SPONSOR CAPACITY** Because of the large demand for available funds, and to meet the immediacy of the affordable housing need, it is HCS's policy that the scope and scale of proposed projects correlate to the sponsor's experience to avoid the possibility of project delay and need for unanticipated funding necessary to avoid failure.

**MANAGEMENT CAPACITY** HCS is responsible to its funding agents for insuring that projects completed with grant or tax credit monies continue to provide the housing and services to the client /tenant group they were originated to serve, and that projects remain financially viable and operable.

Because experienced property management is an important factor in the on-going financial viability of a project, it is HCS' policy to require that projects considered for funding have demonstrated property management experience as part of their sponsorship team, in the form of either a professional management firm or an individual with demonstrated, relevant property management experience. Evaluation of a project's proposed Management Agent's Qualifications/Plan will include, but is not limited to, consideration of experience and track record in managing comparable projects, demonstration that staffing will be adequate to manage the applicant's portfolio, demonstration of non-discriminatory housing practices, references, and demonstration of a history of maintaining decent, safe and sanitary housing.

HCS supports the development of capacity to manage projects by nonprofit corporations through learning and partnering with experienced property managers. Inclusion of experienced property management is a threshold criteria.

**INCOME ELIGIBILITY REQUIREMENTS** Each of the grant and tax credit programs administered by the Department has income eligibility requirements associated with it. Each of these requirements represents a threshold for the respective program. While the Department has not set a uniform, more restrictive income eligibility requirement for all projects, the Department has a preference for projects which serve lower/lowest income populations.

## **FUNDING AWARDS**

Funding will usually be in the form of a conditional grant for a period of 90 days. During this time period, sponsors must make substantial progress towards meeting all terms and conditions of the award. Conditional commitments may be extended for an additional 90 days at the discretion of the Department. Fund disbursements will not be made until conditions have been met and the project is ready to proceed.

## **APPLICATION FEES**

The OLTC and LIHTC programs have application fees that must accompany the CFC application when submitted. The application fee is non-refundable. Checks should be made payable to Oregon Housing and Community Services Department.

OLTC Application Fee	\$100.00
LIHTC Application Fee	\$ 25.00 plus \$5.00 per unit

*Example:* You are applying for OLTC and LIHTC; the project has 40 units. The total application fee due with the CFC application is \$325.00.

OLTC Application	\$100.00
LIHTC Application	25.00
40 units x \$5 per unit	<u>200.00</u>
TOTAL DUE	\$325.00

**NOTE:** *If you are applying for LIHTC or OLTC, please attach your check to the transmittal form included in Section II.*

### **ALLOCATION OF FUNDS**

It is the intent of the Department to take into account statewide housing needs; therefore, if at all possible, the Department will allocate funds on a regional basis. Since the amount of funds available for the Fall 1994 round for the HELP, OLTC and LIHTC programs is limited, the funds will be available statewide with no regional allocations.

Funds from the CFC, HOME and Trust Fund programs will be allocated regionally throughout the state based on the Department of Housing and Urban Development's unmet housing needs data:

TRUST FUND		HOME	New Construction	Rehabilitation
North Coast	40,000	North Coast	202,980	348,600
Portland Metro	440,000	Portland Metro	N/A	N/A
Willamette Valley	290,000	Willamette Valley	398,965	685,175
Southwest	120,000	Southwest	328,970	564,970
Central	60,000	Central	244,975	420,725
Eastern	50,000	Eastern	223,980	384,660
		CHDO Setaside (Statewide)	747,225	249,075

## **TECHNICAL ASSISTANCE/SITE REVIEW**

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For technical assistance and/or a site review on a specific project, please contact a Community Development Officer (CDO):

**Dave McConnell - 986-2113**

Baker, Clatsop, Columbia, Grant, Multnomah, Tillamook, Union, Wallowa, and Washington counties

**Bob Gillespie - 986-2111**

Coos, Crook, Curry, Deschutes, Douglas, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, and Linn counties

**B.G. Cain - 986-2109**

Benton, Clackamas, Gilliam, Harney, Hood River, Lincoln, Malheur, Marion, Morrow, Polk, Sherman, Umatilla, Wasco, Wheeler, and Yamhill counties

MEETING DATE: AUG 25 1994  
AGENDA NO: R-2

(Above Space for Board Clerk's Use ONLY) \_\_\_\_\_

### AGENDA PLACEMENT FORM

SUBJECT: Intergovernmental Agreement with ODOT to fund the East County Pedestrian Plan

BOARD BRIEFING Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING: Date Requested: August 18, 1994

Amount of Time Needed: 5 Minutes

DEPARTMENT: Environmental Services DIVISION: Transportation

CONTACT: Dan Layden TELEPHONE #: 248-5050  
BLDG/ROOM #: 425

PERSON(S) MAKING PRESENTATION: Dan Layden

#### ACTION REQUESTED:

INFORMATIONAL ONLY     POLICY DIRECTION     APPROVAL     OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Approve Intergovernmental Agreement with ODOT for a Transportation Growth Management Grant to fund the East County Pedestrian Plan. The East County Pedestrian Plan is necessary to provide a framework for pedestrian planning and improvements in the Transportation Division service area.

*8/26/94 ORIGINALS TO DAN LAYDEN*

#### SIGNATURES REQUIRED:

ELECTED OFFICIAL: \_\_\_\_\_

OR  
DEPARTMENT MANAGER: *[Signature]* For BW

BOARD OF  
COUNTY COMMISSIONERS  
MULTNOMAH COUNTY  
OREGON  
1994 AUG 17 AM 8:52

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222



# MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES  
TRANSPORTATION DIVISION  
1620 S.E. 190TH AVE.  
PORTLAND, OREGON 97233  
(503) 248-5050

BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN • CHAIR OF THE BOARD  
DAN SALTZMAN • DISTRICT 1 COMMISSIONER  
GARY HANSEN • DISTRICT 2 COMMISSIONER  
TANYA COLLIER • DISTRICT 3 COMMISSIONER  
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

## MEMORANDUM

**TO:** BOARD OF COUNTY COMMISSIONERS

**FROM:** Dan Layden, Transportation

**TODAY'S DATE:** August 3, 1994

**REQUESTED PLACEMENT DATE:** August 18, 1994

**RE:** Approval of Intergovernmental Agreement with the Oregon Department of Transportation.

I. Recommendation/Action Requested:

Approve an Intergovernmental Agreement with ODOT to fund the East County Pedestrian Plan.

II. Background/Analysis:

The Transportation Growth Management Program is a jointly administered program by ODOT and the Department of Land Conservation and Development to provide planning grants to local jurisdictions. This grant will fund development of a Pedestrian Plan for the Transportation Division service area. The Pedestrian Plan will complete planning work for a multi-modal transportation system, which is required by the Transportation Planning Rule (ORS 660.112)

III. Financial Impact:

The County will provide a \$7,417 grant in kind staff time, to match the \$42,113 grant.

IV. Legal Issues:

There are no known legal issues.

V. CONTROVERSIAL ISSUES:

There are no known controversial issues.

VI. Link to Current County Policies:

The pedestrian plan implements Comprehensive Plan Policy 33C which recommends development of bicycle and pedestrian transportation network.

VII. Citizen Participation:

The plan will involve significant citizen participation including a citizen advisory committee and several public workshops.

VIII. Other Government Participation:

The plan will involve all affected jurisdictions.



**CONTRACT APPROVAL FORM**  
(See Administrative Procedure #2106)

MULTNOMAH COUNTY OREGON

Contract # 30095-5

Amendment # \_\_\_\_\_

<p><b>CLASS I</b></p> <p><input type="checkbox"/> Professional Services under \$25,000</p>	<p><b>CLASS II</b></p> <p><input type="checkbox"/> Professional Services over \$25,000 (RFP, Exemption)</p> <p><input type="checkbox"/> PCRB Contract</p> <p><input type="checkbox"/> Maintenance Agreement</p> <p><input type="checkbox"/> Licensing Agreement</p> <p><input type="checkbox"/> Construction</p> <p><input type="checkbox"/> Grant</p> <p><input type="checkbox"/> Revenue</p>	<p><b>CLASS III</b></p> <p><input checked="" type="checkbox"/> Intergovernmental Agreement</p> <p><b>APPROVED MULTNOMAH COUNTY BOARD OF COMMISSIONERS</b></p> <p>AGENDA # <u>R-2</u> DATE <u>8/25/94</u></p> <p><u>DEB BOGSTAD</u></p> <p><b>BOARD CLERK</b></p>
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Department Environmental Services Division Transportation Date 8/5/94

Contract Originator Dan Layden Phone 6998 Bldg/Room 425

Administrative Contact Same as above Phone \_\_\_\_\_ Bldg/Room \_\_\_\_\_

Description of Contract Intergovernmental Agreement with ODOT to reimburse Multnomah County for 85% of the costs of the East Multnomah County Pedestrian Plan. Total cost not to exceed \$49,530.00

RFP/BID # \_\_\_\_\_ Date of RFP/BID \_\_\_\_\_ Exemption Exp. Date \_\_\_\_\_

ORS/AR # \_\_\_\_\_ Contractor is  MBE  WBE  QRF

Contractor Name Oregon Dept. of Transportation  
 Mailing Address 9002 SE McLoughlin Blvd  
Milwaukie, OR 97222  
 Phone (503) 731-8229  
 Employer ID# or SS# \_\_\_\_\_  
 Effective Date Upon Signature  
 Termination Date June 30, 1995  
 Original Contract Amount \$ 42,113.00  
 Total Amount of Previous Amendments \$ \_\_\_\_\_  
 Amount of Amendment \$ \_\_\_\_\_  
 Total Amount of Agreement \$ 42,113.00

Remittance Address \_\_\_\_\_  
(If Different)

Payment Schedule \_\_\_\_\_ Terms \_\_\_\_\_

Lump Sum \$ \_\_\_\_\_  Due on receipt

Monthly \$ \_\_\_\_\_  Net 30

Other \$ \_\_\_\_\_  Other \_\_\_\_\_

Requirements contract - Requisition required.

Purchase Order No. \_\_\_\_\_

Requirements Not to Exceed \$ \_\_\_\_\_

**REQUIRED SIGNATURES:**

Department Manager [Signature]

Purchasing Director [Signature]  
(Class II Contracts Only)

County Counsel [Signature]

County Chair / Sheriff [Signature]

Contract Administration [Signature]  
(Class I, Class II Contracts Only)

Encumber: Yes  No

Date Aug 8, 1994

Date \_\_\_\_\_

Date 8/10/95

Date August 25, 1994

Date \_\_\_\_\_

VENDOR CODE			VENDOR NAME						TOTAL AMOUNT \$		
LINE NO.	FUND	AGENCY	ORGANIZATION	SUB ORG	ACTIVITY	OBJECT/REV SRC	SUB OBJ	REPT CATEG	LGFS DESCRIPTION	AMOUNT	INC/DEC IND
01.	154	030	6220			2353				42,113.00	
02.											
03.											

\* If additional space is needed, attach separate page. Write contract # on top of page.

**INTERGOVERNMENTAL AGREEMENT**  
Multnomah County, Multnomah County Pedestrian Plan

THIS AGREEMENT is made and entered into by and between THE STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "ODOT"; and Multnomah County, hereinafter referred to as "Grantee".

**RECITALS**

1. The 1993 session of the Oregon Legislative Assembly approved a joint ODOT and Oregon Department of Land Conservation and Development (DLCD) program called the "Urban Mobility/Urban Growth Management Program," now called the "ODOT/DLCD Transportation and Growth Management Program," hereinafter referred to as the "TGM Program."
2. The TGM Program includes a program of grants for local governments for planning projects. The objectives of these projects are to better integrate transportation and land use planning and develop new ways to manage growth to achieve compact pedestrian, bicycle, and transit friendly urban development.
3. The Transportation and Growth Management Program is financed by federal Intermodal Surface Transportation Efficiency Act (ISTEA), Oregon Lottery and local government funds.
4. By the authority granted in ORS 190.110 and 283.110, 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. Grantee is legally able to enter into this agreement.
5. Definitions:
  - a. The **contract amount** is the maximum amount that may be reimbursed to Grantee and is limited to \$26,030 for the TGM Program grant project described in Exhibit A, attached hereto and which by this reference is made a part hereof;
  - b. The **personal services amount** is limited to \$16,000 for work described in Exhibit A;
  - c. **Grantee matching cost** is 15% of the total cost of the project described in Exhibit A;
  - d. The **total cost of the project** is limited to the sum of qualified costs, including **matching costs**, incurred by the Grantee for this project plus qualified costs incurred by any consultant(s) engaged by ODOT for this project.

- e. **Qualified costs** are direct project costs incurred between the beginning and ending date of this contract. Councils of government that have federally approved indirect cost plans may charge indirect costs.
  - f. **Direct project costs** are items such as, but not limited to, salary and benefits of personnel assigned to the project and supplies, postage, travel and printing directly associated with the project. General administrative costs and overhead are not direct project costs.
6. The beginning date of this agreement is that date on which all parties have signed. The ending date is June 30, 1995.

The parties agree as follows:

### **GRANTEE OBLIGATIONS**

1. Grantee shall perform the work and provide the products described in Exhibit A.
2. Grantee shall present monthly cost reports and reimbursement requests for its **qualified costs** to ODOT's grant manager. Grantee shall not submit requests for reimbursement that exceed the **contract amount**. Generally accepted accounting principles and definitions of ORS 294.311 shall be applied, to clearly document verifiable costs that are incurred.
3. Grantee shall submit with each reimbursement claim for project costs a report of work completed.
4. To assist the Oregon Legislature with understanding the Transportation and Growth Management Program, Grantee shall submit to ODOT's Grant Manager by March 15, 1995, a brief summary of the project, its current status, any products completed by that time, and a description of expected products.
5. Grantee agrees to cooperate with ODOT grant manager. At the request of the grant manager, Grantee agrees to:
  - a. Meet with the Grant Manager; and,
  - b. Form a project steering committee, that includes the Grant Manager, to oversee the project.
6. Grantee agrees to keep cost records pertaining to the work covered by this agreement available for inspection by representatives of ODOT for a period of three (3) years following date of final reimbursement. Grantee shall give copies of such records to ODOT, when requested.

7. Grantee shall not enter into any subcontracts to accomplish work described in Exhibit A, except when written approval is first obtained from ODOT.
8. If ODOT engages a personal services contractor to accomplish work described in Exhibit A.
  - a. Grantee shall select personal services contractor(s) in accord with the procedures established by ODOT, and advise ODOT of Grantee's recommendation;
  - b. Grantee shall provide ODOT's Grant Manager with an opportunity to participate in the personal services contractor selection and to review and approve personal services contractor's work, billings and progress reports; and,
  - c. Grantee shall provide a project manager who shall:
    - i. Be the Grantee's principal contact person for the ODOT grant manager and the personal services contractor;
    - ii. Monitor and coordinate the work of the personal services contractor;
    - iii. Review billings and progress reports submitted by the contractor; and
    - iv. Advise ODOT's grant manager regarding payments to the personal services contractor.
9. Grantee shall not be compensated for work performed under this agreement from any other agency of the State of Oregon or the federal government.
10. Grantee shall be responsible for nonqualifying costs associated with the work described in Exhibit A.
11. Grantee may copyright materials developed under this contract. ODOT reserves a royalty-free, non exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, the work for governmental purposes.
12. Grantee shall ensure that products produced under this grant include the following statement:

This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a Joint Program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. TGM grants rely on federal Intermodal Surface Transportation Efficiency Act and Oregon Lottery funds.

The contents of this document do not necessarily reflect views or policies of the state of Oregon.

13. Grantee shall submit to the Grant Manager four copies of all final products produced in accord with this agreement, unless otherwise specified in Exhibit A.
14. Grantee shall submit all reimbursement claims within 60 days after the agreement ending date.
15. Within 60 days after the agreement ending date, Grantee shall provide, on forms provided by ODOT, a completion report, including:
  - a. Costs directly incurred for the project;
  - b. **Matching costs**, if any;
  - c. The intended location of records (which may be subject to audit); and,
  - d. Description of work completed.
16. Within 60 days after the agreement ending date, Grantee will pay to ODOT 15% of the **total cost of the project**, less reported qualifying **matching cost**.
17. Employers will be liable for all pension and employee welfare costs, applicable taxes and withholdings, plus all other amounts and will be subject to state laws (ORS 279.312, 279.314, 279.320 and 279.555).
18. All employees and employers, hereunder, are subject to civil rights laws, including Title II of the Americans with Disabilities Act (PL No. 101-366) and ORS 659.425.
19. Grantee, and all employers working 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 for all their subject workers.
20. Grantee agrees to comply with applicable federal, state, and local laws and ordinances.

#### **ODOT OBLIGATIONS**

1. ODOT shall reimburse Grantee for **qualified costs** described in Exhibit A., up to the **contract amount**.
2. ODOT shall limit reimbursement of travel claims in accordance with current State of Oregon Management/Executive Service rates and shall not approve requests above the maximum amount of \$57.00 in a 24-hour period in which lodging expense is incurred. ODOT will reimburse mileage at a maximum of \$0.22 per mile.
3. ODOT certifies that funds are authorized for expenditure to finance costs of ODOT's portion of this agreement within appropriation or limitation of current biennial budget.

4. ODOT will provide Grantee a list of personal services contractors that have submitted statements of qualification that meet the minimum requirements of the *Request for Qualifications: Transportation and Growth Management Services*, March 1994.
5. If ODOT engages a personal services contractor to perform work described in Exhibit A, it agrees to pay personal service contractor, up to the **personal services amount**.
6. ODOT will assign a grant manager for this agreement. The Grant Manager shall be ODOT's principal contact person regarding administration of this agreement.
7. If ODOT engages a personal service contractor to complete work shown in Exhibit A, the Grant Manager shall:
  - a. At his/her discretion, participate in selection of a personal services contractor, monitor personal services contractor's work and review and correct personal services contractor billings and progress reports;
  - b. Prepare a contract and supporting exhibits on forms provided by ODOT.

#### **GENERAL PROVISIONS**

1. Minor adjustments may be made to the work program specified in Exhibit A with the written consent of the Grant Manager. A minor adjustment is one that does not materially alter the objectives or products of the grant project. Budget modifications and major adjustments in the work program must be processed as an amendment to the agreement.
2. The parties hereto agree that if any term or provision of this agreement is declared by a court of competent jurisdiction to be invalid, unenforceable, illegal, or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain the particular term or provision held to be invalid.
3. This agreement may be terminated by mutual consent of both parties, or by either party upon 30 days' notice, in writing and delivered by certified mail or in person. ODOT may terminate this agreement effective upon delivery of written notice to Grantee, or at such later date as may be established by ODOT, under any of the following conditions, but not limited to these conditions.
  - a. If Grantee fails to provide services called for by this agreement within the time specified herein including extensions.
  - b. If Grantee 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.

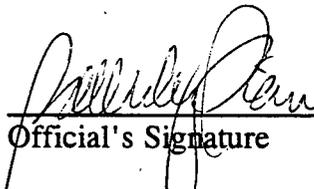
- 4. ODOT, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the Grantee which are directly pertinent to the specific grant for the purpose of making audit, examination, excerpts, and transcripts for a period of three (3) years after final reimbursement. Copies of applicable records shall be made available upon request. ODOT will reimburse the cost of copies.
- 5. As federal funds are involved in this grant, EXHIBITS B and C, attached hereto and by this reference made a part of this agreement, require additional certification and signature by Grantee.
- 6. All agreement provisions were approved as to legal sufficiency on June 21, 1994 by Dale K Hormann, Assistant Attorney General.

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 approved the Transportation and Growth Management Program (Urban Mobility/Urban Growth Management Program) and authorized the Manager of the Transportation Development Branch to sign this agreement on October 20, 1993.

**GRANTEE**  
Multnomah County

**ODOT**  
STATE OF OREGON, by and through its  
Oregon Department of Transportation,  
Transportation Development Branch

  
 \_\_\_\_\_  
 Official's Signature  
 Beverly Stein  
 \_\_\_\_\_  
 Official's Printed Name

By \_\_\_\_\_  
 Michal Wert, Manager  
 \_\_\_\_\_  
 Date

August 25, 1994  
 \_\_\_\_\_  
 Date

APPROVED MULTNOMAH COUNTY  
 BOARD OF COMMISSIONERS  
 AGENDA # R-2 DATE 8/25/94  
 \_\_\_\_\_  
 DEB BOGSTAD  
 BOARD CLERK

REVIEWED

By   
 \_\_\_\_\_  
 MULTNOMAH COUNTY COUNSEL

11 C  
12788  
TGM 00018

## Multnomah County Pedestrian Plan

### *Project Description*

East Multnomah County is an urbanized area that experienced dramatic growth throughout the 1970s and early 80s. During that time significant street and land uses developed with little or no pedestrian amenities. Sidewalk construction occurred with property development. Sidewalk construction now occurs with street improvements. However, past practice has caused great difficulty for pedestrians. Most sidewalks have missing pieces that significantly complicate pedestrian circulation. In addition there are very few pedestrian amenities such as landscaping, benches and major street crossings.

To remedy this problem the Multnomah County Transportation Division developed a sidewalk construction program. Some preliminary planning work has been done as part of the construction program. However, there is a need for thorough planning and integration with local pedestrian systems. This plan will provide a framework for a safe and comprehensive pedestrian system in Multnomah County within the urban growth boundary outside the City of Portland. Improved pedestrian circulation will improve the quality of life and facilitate transit use. Multnomah County operates most of the major arterials and collectors in this area; the plan will focus on those streets. However, the plan will also coordinate with the local street system and with the state highways with the cooperation of local jurisdictions. Where local streets or state highways provide significant connections, the plan will recommend improvements. This plan will focus investment of transportation resources in effective locations. Following adoption by the Board of County Commissioners, the plan will become an element of the policy framework for provision of transportation services in the Multnomah County service area.

***Proposed Project Objectives:***

- Complete a comprehensive analysis of existing conditions.
- Evaluate growth locations that encourage pedestrian trips.
- Develop criteria and a process for identification of pedestrian districts.
- Develop street and site design standards for pedestrian facilities and districts.
- Develop strategies for improving connections to transit, outside of the Light Rail Corridor. (Note: A study by the City of Gresham examining pedestrian access to light rail stations is currently underway)
- Develop pedestrian facilities plan to identify locations for:
  - sidewalks
  - pedestrian crossings
  - landscaping
  - street furniture and other pedestrian amenities.
- Include pedestrian improvements in the Multnomah County Capital Improvement Program.

***Project Manager:*** Dan Layden, Transportation Planner, Multnomah County

The project manager will conduct most of the planning analysis and coordinate with the project Technical Advisory Committee. Mr. Layden is a transportation planner with Multnomah County responsible for the bicycle and pedestrian program. Mr. Layden is currently Project Manager for the Willamette River Bridges Accessibility Project an effort to plan multi-modal improvements for the Portland Willamette River Bridges.

***Advisory Committees***

**Technical Advisory Committee**

- City of Gresham
- City of Troutdale
- City of Wood Village
- City of Fairview
- Oregon Department of Transportation
- Tri-Met
- Multnomah County Engineering

**Citizen Advisory Committee. (to be named later)**

## *Work Program*

### **Phase One: Assess Current Conditions**

- 1.1 Conduct a comprehensive inventory of existing pedestrian facilities and deficiencies on County owned roads, conduct inventory as necessary on roads owned by other jurisdictions.
  - Review previous work
  - Identify system discontinuities.
  - Identify locations where pedestrian crossings of major streets are more than 1/2 mile apart.
  - Identify possible generators of significant pedestrian traffic.
  - Identify major barriers to increased pedestrian travel.
- 1.2 Hold a public workshop to solicit public ideas and concerns. Provide inventory information and record ideas and comments.
- 1.3 Prepare a Final Report on Current Conditions including public comments and a comprehensive inventory.

#### **Product:**

Prepare report identifying major constraints and opportunities for pedestrian travel in East Multnomah County for review and revision by the project TAC.

Phase One Completed:                      September 30, 1994

### **Phase Two:              Policy Guidelines Development**

- 2.1 Develop a series of policy statements with cooperation from the Technical and Citizen Advisory Committee. Policy statements will discuss provision of facilities for pedestrians and investment priorities.
- 2.2 Public Workshops: A series of public workshops will be held to review the policy statements and previous work.

2.3 Incorporate public comments for final draft of policy statements.

Phase Two Completed: December 15, 1994

### **Phase Three: Pedestrian Capital Improvement Program**

- 3.1 Use information gained from field reviews to develop a report detailing pedestrian system deficiencies for review and approval by the project advisory committees
- 3.2 Develop criteria for prioritizing pedestrian projects. Criteria will be reviewed and approved by the project advisory committees.
- 3.3 Develop an improvement package to address identified deficiencies. Develop conceptual projects with preliminary cost estimates. Rank projects according to criteria including locations for possible pedestrian signals and strategies to remedy major problems identified in 3.1. Projects will be incorporated into the Multnomah County Capital Improvement Plan, a long term transportation improvement plan. High ranking projects will be included in the five year Multnomah County Transportation Improvement Program.
- 3.4 Develop strategies and identify funding sources for long term implementation of pedestrian projects.

#### **Product:**

A comprehensive list of projects to improve pedestrian conditions and a detailed funding strategy

Phase Three Completed: February 28, 1995.

## **Phase Four:     Develop Pedestrian Districts**

- 4.1   Develop draft criteria for pedestrian districts with review and approval by project advisory committees. Pedestrian districts will give priority to pedestrian issues and focus investment.
- 4.2   Develop draft Pedestrian District prototype. Prototype will include pedestrian design elements, illustrations and landscaping for enhanced pedestrian treatment. Design issues addressed will include major and minor street crossings, pedestrian connectivity, design of pedestrian amenities, design of transit facilities and treatments for street edges. A specific location in East County will be chosen for this task. The location may include a developed or developing area such as a small city downtown, the Winmar Property or Fairview Village. (Note: Task will be contracted out, possibly coordinated with the suburban street re-design charette.)
- 4.3   Survey candidate areas for pedestrian districts and discuss candidate locations with project advisory committees.
- 4.4   Conduct a public meeting to review possible pedestrian district designations.
- 4.5   Develop a series of possible street design elements for pedestrian districts. Develop design schemes for street furniture and other appurtenances, coordinate with the Suburban Street Design Charette. (Note: This task will be assigned to the consultant for task 4.2)
- 4.6   After public review, recommend locations for designation as pedestrian districts.

**Product:**     A report recommending a series of pedestrian districts and possible implementation strategies. A report detailing design work associated with Fairview Village including conceptual analysis and detailed illustrations.

Phase Four Completed: April 30, 1995

**Phase Five: Final Report**

Develop Final Report including Policies, Capital Improvement Plan, and graphic illustration of design concepts. (Graphic art for this phase will be included in consultant contract for Phase 4.2 and 4.5)

Final Report Completed: June 1, 1994

**EXHIBIT B**

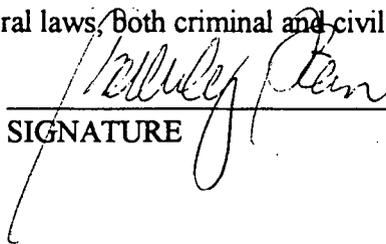
**CERTIFICATION OF CONSULTANT (GRANTEE)**

I hereby certify that I, Beverly Stein, Multnomah County Chair (name), am the duly authorized representative of the firm of Multnomah County whose address is 1620 SE 190th Ave, Portland, Oregon 97233, and that neither I nor the above firm (Grantee) has:

- (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.

I acknowledge 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.

August 25, 1994  
DATE

  
SIGNATURE

**CERTIFICATION OF AGENCY (ODOT) OFFICIAL**

I hereby certify that I am the Agency Official of the state of Oregon, and that the above consulting firm or his 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.

I acknowledge 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.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE, Manager TDB Branch

EXHIBIT C

Federal Provisions  
Oregon Department of Transportation

I. CERTIFICATION OF NONINVOLVEMENT IN ANY  
DEBARMENT AND SUSPENSION

As a supplement to this proposal, the Contractor on this project shall complete the following certification with regard to current involvement in any debarments, suspensions, indictments, convictions, and civil judgment indicating a lack of business integrity.

(Name and Title of Authorized Representative of Contractor)

Beverly Stein, Multnomah County Chair

(Signature)

being duly sworn and under penalty of perjury under the laws of the State of Oregon, certifies that, except as noted below,

Multnomah County

(Name of Firm)

certifies to the best of its knowledge and belief that it and its principals:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;</li> <li>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;</li> <li>3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or</li> </ol> | <ol style="list-style-type: none"> <li>local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and</li> <li>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.</li> </ol> |
|---|--|
- 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) 378-6563) 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 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 agreed 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 paragraph 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 23, or as may be amended (49 CFR 23), 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 Oregon Department of Transportation (Department) that Disadvantaged Business Enterprises as defined in 49 CFR 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds. Consequently, the DBE requirements of 49 CFR 23 apply to this contract.

**DBE Obligations.** Contractor agrees to ensure that Disadvantaged Business Enterprises as defined in 49 CFR 23 have the maximum 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 23 to ensure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform contracts. Contractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of federally-assisted contracts.

The DBE Policy Statement 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 certified by the Executive Department, State of Oregon 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.

**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.

**1. REQUEST FOR PLACEMENT ON THE AGENDA FOR August 25, 1994**

DEPARTMENT	<u>Health</u>	DIVISION	<u>Regulatory Health</u>
CONTACT	<u>Bill Collins</u>	TELEPHONE	<u>248-3674</u>

NAME OF PERSON MAKING PRESENTATION TO BOARD Bill Collins, Tom Fronk or Billi Odegaard

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

Budget Modification MCHD 1 adjusts the Emergency Medical Services Program appropriation to allow for a contract to cover consultant services to provide the following services: prepare RFQ for single provider ambulance contract, prepare the contract, and set up the evaluation process.

(Estimated time needed on the Agenda: minutes)

**2. DESCRIPTION OF MODIFICATION**

PERSONNEL CHANGES ON ATTACHED PAGE

This budget modification allows for the contracting of a consultant to prepare the request for proposal and contract for emergency ambulance service as outlines in the ambulance service plan.

Fees charged to the ambulance provider bidders and the successful contractor will cover the cost of the consultant.

BOARD OF  
 COUNTY COMMISSIONERS  
 1994 AUG 17 PM 2:07  
 MULTNOMAH COUNTY  
 OREGON

**3. REVENUE IMPACT**      Increase Ambulance Franchise Fees by \$60,000

**4. CONTINGENCY STATUS**

Originated By <i>Tom Fronk</i>	Date <i>8/10/94</i>	Department Director <i>Billi Odegaard</i>	Date <i>8/10/94</i>
Finance/Budget <i>Deborah C. Coaster</i>	Date <i>8/16/94</i>	Employee Relations	Date
Board Approval <i>Deborah C. Coaster</i>	Date <i>8/25/94</i>		

**EXPENDITURE DETAIL - MCHD 1**

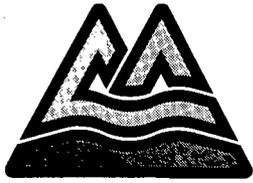
EXPENDITURE TRANSACTION EB [ ] GM [ ] TRANSACTION DATE \_\_\_\_\_ ACCOUNTING PERIOD \_\_\_\_\_ BUDGET FISCAL YEAR \_\_\_\_\_

DOCUMENT NUMBER	ACTION	FUND	AGENCY	ORG	OBJECT CODE	CURRENT AMOUNT	REVISED AMOUNT	INCREASE (DECREASE)	SUBTOTAL	DESCRIPTION
		100	015	0240	6110			60,000		Professional Services
<b>TOTAL EXPENDITURE CHANGE</b>								<b>60,000</b>		

**REVENUE DETAIL - MCHD 1**

REVENUE TRANSACTION RB [ ] GM [ ] TRANSACTION DATE \_\_\_\_\_ ACCOUNTING PERIOD \_\_\_\_\_ BUDGET FISCAL YEAR \_\_\_\_\_

DOCUMENT NUMBER	ACTION	FUND	AGENCY	ORG	REVENUE CODE	CURRENT AMOUNT	REVISED AMOUNT	INCREASE (DECREASE)	SUBTOTAL	DESCRIPTION
		100	015	0240	4025			60,000		Ambulance Franchise Fees
<b>TOTAL REVENUE CHANGE</b>								<b>60,000</b>		



# MULTNOMAH COUNTY OREGON



HEALTH DEPARTMENT  
426 S.W. STARK STREET, 8TH FLOOR  
PORTLAND, OREGON 97204-2394  
(503) 248-3674  
FAX (503) 248-3676  
TDD (503) 248-3816

BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN • CHAIR OF THE BOARD  
DAN SALTZMAN • DISTRICT 1 COMMISSIONER  
GARY HANSEN • DISTRICT 2 COMMISSIONER  
TANYA COLLIER • DISTRICT 3 COMMISSIONER  
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

## MEMORANDUM

TO: Beverly Stein, Multnomah County Chair

FROM: Billi Odegaard *Billi Tomf.*

REQUESTED PLACEMENT DATE: August 25, 1994

DATE: August 5, 1994

SUBJECT: Budget Modification - Emergency Medical Services (EMS)

- I. Recommendation/Action Requested: The Board is requested to approve a budget modification MCHD 1, to allow for the contracting of a Consultant to prepare the request for proposal and contract for emergency ambulance service.
- II. Background/Analysis: The Board approved an ambulance service plan (ASA) on June 9, 1994 that calls for a competitive bid for exclusive emergency ambulance services. At that time it was agreed that a consultant would be retained to prepare the RFP, other bid documents, and the contract.
- III. Financial Impact: The cost of the consultant contract will be recovered from ambulance provider participants in the bid process and from fees charged to the successful contractor.
- IV. Legal Issues: None.
- V. Controversial Issues: The Board is aware of the many issues presented during the ASA planning process. There was however, no particular opposition to a consultant developing the documents mentioned.

- VI. Link to Current County Policies: The County is mandated by State Statute to approve an ambulance service plan and insure emergency ambulance services.
- VII. Citizen Participation: The ASA planning process involved all interested parties through a two year process.
- VIII. Other Government Participation: The ASA plan was approved by the State Health Division.

MEETING DATE: AUG 25 1994

AGENDA NO.: R-4

(Above space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: NOI - WOMEN, INFANTS, AND CHILDREN SPECIAL PROJECTS

BOARD BRIEFING Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING: Date Requested: August 25, 1994

Amount of Time Needed: 5 to 10 minutes

DEPARTMENT: HEALTH DIVISION: PRIMARY CARE SERVICES

CONTACT: LINDA DOYLE TELEPHONE #: 248-3674

BLDG/ROOM #: 160/8

PERSON(S) MAKING PRESENTATION: LINDA DOYLE OR ELLEN BARTHOLOMEW

**ACTION REQUESTED:**

[ ] INFORMATIONAL ONLY [ ] POLICY DIRECTION [X] APPROVAL [ ] OTHER

**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

The Health Department is providing summary information regarding a request from USDA Western Region for supplemental special projects funding. This funding would provide support for exploring ways to extend WIC services into the community.

**SIGNATURES REQUIRED:**

ELECTED OFFICIAL: \_\_\_\_\_

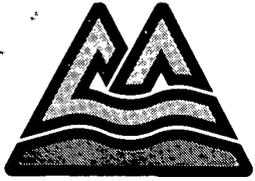
Or

DEPARTMENT MANAGER: Billi Odegaard

(ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES)

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

5:40 PM  
AUG 17 1994  
MULTI-COUNTY  
CLERK  
OREGON



# MULTNOMAH COUNTY OREGON



HEALTH DEPARTMENT  
426 S.W. STARK STREET, 8TH FLOOR  
PORTLAND, OREGON 97204-2394  
(503) 248-3674  
FAX (503) 248-3676  
TDD (503) 248-3816

BOARD OF COUNTY COMMISSIONERS  
BEVERLY STEIN • CHAIR OF THE BOARD  
DAN SALTZMAN • DISTRICT 1 COMMISSIONER  
GARY HANSEN • DISTRICT 2 COMMISSIONER  
TANYA COLLIER • DISTRICT 3 COMMISSIONER  
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

## MEMORANDUM

TO: Board of County Commissioners

VIA: *Bill*  
Bill Odegaard

FROM: Shari Black *SB*

SUBJECT: The Multnomah County Health Department is providing summary information regarding a request from USDA for supplemental Special Projects funding.

DATE: August 12, 1994

### FULL CULTURAL COMPETENCE IN SERVICE DELIVERY IS OUR DESTINATION

#### **Description of Proposed Project and Project Objectives**

The Women, Infants and Children's Supplemental Nutrition Program (WIC) currently serves approximately 17,000 Multnomah County residents each month, this is estimated to be 60% of the eligible population. Recent Federal legislation will increase funding for the WIC program, with "full" funding projected by 1996. Services in Multnomah County would be expanded to reach approximately 23,000 clients. This provides an excellent opportunity to reach additional participants with the nutrition education, supplemental foods and referral to health care that the WIC program provides. Health Department clinics are currently at capacity, with little space available for providing service to an additional 6,000 persons. This grant will provide support for exploring ways to extend WIC services into the community. Exploring new venues for WIC services will help further our goals of increasing access, decreasing pressure on clinic facilities, increasing numbers of WIC clients served, and decreasing duplication of services.

The two components of the grant proposal are: A) to co-locate WIC services at two clinics in the community, Oregon Health Sciences University Women's Health Clinic (OHSU) and the Native American Rehabilitation Association (NARA) Indian Health Clinic, and B) to increase outreach efforts to other managed care and community-based organizations, with the ultimate goal of providing on-site WIC services to their primary care clients.

#### **Funding Agency, Amount Requested, Funding Time Period**

The funding agency is USDA Western Region. The specific project is a request for Special Projects funding for co-locating WIC with alternative sites to promote more enriched and coordinated health care. Applications must be submitted by August 30, with the funding period being Federal Fiscal Year 94-95, October 1, 1994 through September 30, 1995. A total of \$45,000 is being requested. There is no requirement for matching funding. This grant would be received as a direct add-on to our existing WIC grant.

Meeting Date: AUG 25 1994  
Agenda No.: R-5

(Above space for Clerk's Office Use)

**AGENDA PLACEMENT FORM**

SUBJECT: Resolution Adopting Financial & Budget Policy

BOARD BRIEFING Date Requested: \_\_\_\_\_

Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING Date Requested: August 25, 1994

Amount of Time Needed: 10-15 minutes

DEPARTMENT: MSS DIVISION: Finance/Budget

CONTACT: David Boyer/Barry Crook TELEPHONE #: x3312/x3883  
3903 BLDG/ROOM #: 106/1430

PERSON(S) MAKING PRESENTATION: David Boyer/Barry Crook

ACTION REQUESTED:

INFORMATIONAL ONLY     POLICY DIRECTION     APPROVAL     OTHER

**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

See Attached Documents

8/29/94 copies to DAVE BOYER, BARRY CROOK, GARY BLACKMER, LARRY KRESSEL, CHAIR STEIN, COMMISSIONERS KELLEY, HANSEN, COLLIER & SALTZMAN & DAVE WARREN

SIGNATURES REQUIRED:

ELECTED OFFICIAL: \_\_\_\_\_

OR

DEPARTMENT MANAGER: 

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

RECEIVED  
AUG 27 1994  
OFFICE OF THE BOARD CLERK



# MULTNOMAH COUNTY OREGON

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## MEMORANDUM

To: Board of County Commissioners

From: Dave Boyer, Finance Director *DB*  
Barry Crook, Budget & Quality Manager

Date: August 25, 1994

Requested Placement Date: August 25, 1994

RE: Financial and Budget Policy

### I. Recommendation/Action Requested:

Approve resolution adopting Financial and Budget Policy.

### II. Background/Analysis:

In January 1993 the County Auditor issued a Financial Condition Report and one of the recommendations contained in the report was to prepare a comprehensive financial policy. In addition it is financially prudent to have such a policy.

Finance and Budget & Quality have prepared this policy to include each of the areas identified in the Financial Condition Report. Most of these policies have either been formally adopted by the Board or have been historically practiced by the County.

III. Financial Impact: Financial impact varies and has been or will be addressed during the various budget deliberation times during the year.

IV. Legal Issues: None

V. Controversial Issues: The following are information or issues that the Board needs to be aware of, begin to address, or decide whether to pursue or not:

1. The County is in compliance or is making an attempt to be in compliance with all of the policies contained in the document.
2. The County Auditor plans on performing an audit on the Motor Vehicle Rental Tax Program during fiscal 1994-95.
3. The "tax" limitation measure (Son of 5) will require voter approval of any new tax or tax increase. The meaning of tax includes most user fees and or charges. Any increases in fees or charges made by state or local government must be in effect prior to the general election on November 8. In light of this Finance and Budget and Quality have hired a consultant to review several user fees within DES to determine what percent of the cost of the service provided is recovered by user fees. The three fees being examined are: animal control, surveyors and land use planning. This study will be completed by October 1, 1994, and the report will be presented to the Board for possible action to increase these fees.
4. Does the Board wish to consider the possibility of raising the County Gas Tax over the current 3 cent per gallon rate?
5. The County, City of Portland, Troutdale, Wood Village and Fairview have uniformly agreed not to propose levies that will change their relative 1992-93 share of the \$10 constitutional property tax cap. The City of Gresham's passed a resolution for mutual agreement between the City and County but it is not compatible with the County's resolution. The Chair's Office is negotiating with the City to attempt to resolve this issue.
6. In the Business Income Tax Audit The County Auditor pointed out that the amount of Business Income Taxes collected in East Multnomah County is not in proportion to the amount being shared with the cities. A decision needs to be made to pursue or not to pursue this issue.
7. A plan of action and schedule needs to be developed for adding the two three year serial levies to the tax base. The Serial levies expire June 30, 1996 and the next opportunity to add these two serial levies to the tax base is the 1996 primary election held in May.

VI. Link to Current County Policies: Is consistent with County policy.

VII. Citizen participation: None

VIII. Other Government Participation: None



**EXHIBIT A**

**MULTNOMAH COUNTY, OREGON**

**FINANCIAL AND BUDGET POLICY**

**Prepared by: Finance Division and Budget & Quality Division**

**MULTNOMAH COUNTY, OREGON**

**FINANCIAL AND BUDGET POLICY**

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**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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**OBJECTIVES**

The objectives of this financial policy are:

1. To preserve capital through prudent budgeting and financial management.
2. To achieve the most productive use of County funds that meet the goals of the Board of County Commissioners.
3. To ensure that all financial related activities meet generally accepted accounting principles.
4. To achieve a stable balance between the County's ongoing financial commitments and the continuing revenues available to the County.
5. To provide an accountable form of Government to the citizens of Multnomah County.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**TAX REVENUES**

**BACKGROUND:**

During the past decade Multnomah County has face major decisions about the level and kind of taxation it should or could impose.

In 1986 and 1987 the Board twice increased the Business Income Tax rate to cover the cost of expanded social and correction programs. In 1991, following passage of the Measure 5 limits on property taxes, the Board passed, then rescinded, a third increase in the Business Income Tax rate to offset some of the lost property tax revenue.

In response to a proposal of the Library Board, which had been tasked with recommending a long term dedicated revenue source to replace property tax support of the Library system, the Board passed a utility excise tax in 1992, then rescinded the tax in 1993 before it took effect.

The Passage of Measure 5 presented all local governments with a different kind of taxation problem: an increase in property tax levies by any government has the potential of reducing the property tax receipts of all other local governments. To avoid this possibility, Multnomah County and the cities of Portland, Troutdale, Fairview and Wood Village have uniformly agreed not to propose levies that will change their relative 1992-93 shares of the \$10 constitutional cap.

All of these tax decisions were made in an atmosphere of intense public and internal debate. Those debates consistently referred to these common factors: the progressivity of the tax, its administrative costs, its impact on the economy of the region, its effect on other local governments, and the degree to which the tax might be acceptable to the public.

**POLICY STATEMENT:**

The Board recognizes that taxation is necessary to provide public services to the citizens of the county. When considering changes to the County's tax structure, the Board will consider the following:

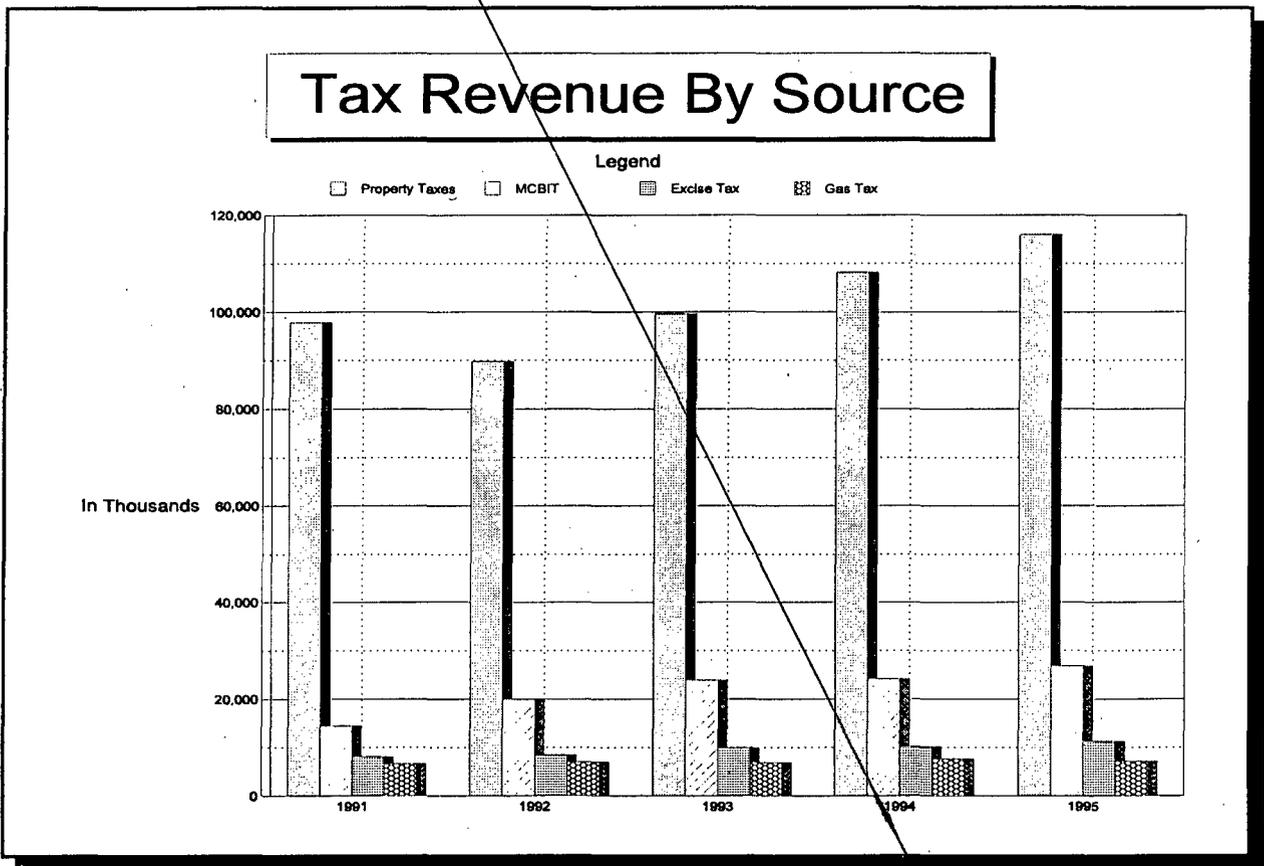
1. The ability of taxpayers to pay the tax.
2. The impact of the taxes imposed by the County on other local governments.
3. The effect of taxes on the economy in the county.
4. Administration and collection costs of the tax .
5. The ease of understanding the tax. by the taxpayers.

**STATUS:**

The County has several sources of taxes. These taxes include property taxes which are paid on the assessed value of real, personal and utility property. Except for the general obligation bond levy, County property taxes are currently generated by the County's tax base established in 1956 and two separate levies. The tax base has generally increased by the allowed 6% each year. The two serial levies that support jail and library operations is discussed under short term local revenues. The County is negotiating with the City of Gresham to come to an

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

agreement on an equitable share of property taxes with in the City of Gresham tax levy code. Business income taxes are paid by business entities doing business in Multnomah County based on their net income. The County has adopted two excise taxes, Motor Vehicle Rental Tax and Transient Lodging Tax. Motor vehicle rental taxes are assessed on the gross income generated from short-term vehicle rentals. Transient lodging taxes are basically imposed on room rental rates at hotels/motels. The majority of the transient lodging taxes collected are passed on to Metro for Convention Center operations and most recently the funding of the operations of the Performing Arts Center and Metropolitan Art Commission. The County also imposes a gasoline tax that is dedicated to roads. The County's tax revenues represent about 45% of the total Governmental Fund Type revenues (General and Special Revenue Funds). The following graph depicts the tax revenue by source since fiscal 1991 (1994 and 1995 are budget). The budget dollar amounts for 1995 are: (Property Tax; \$115,949,000) (MCBIT; \$26,812,000) (Excise Taxes; \$11,251,000) (County Gas Tax; \$7,140,000)



MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

**SHORT TERM LOCAL REVENUES**

**BACKGROUND:**

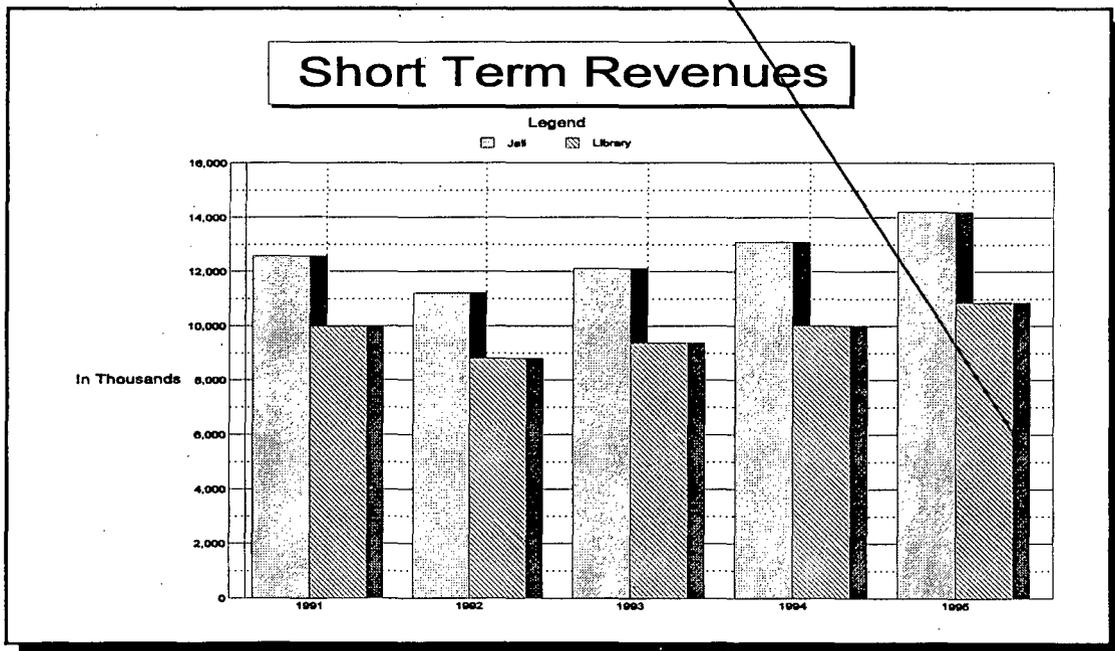
Short-term revenues are sources of limited duration. The main source of these revenues are the two three year serial levies for jail and library services. These levies have historically been used for Library and Jail services. Continued use of short-term revenues for on-going programs places these programs or other programs at risk if the voters fail to approve subsequent three year levies by June 30, 1996.

**POLICY STATEMENT:**

It is the goal of the Board to reduce the County's reliance on short term revenue sources to fund programs that have been established by the Board as priority services; ie, Library and Jail Three Year Serial Levies. The Board will recommend that the Library and Jail Three Year Levies approved by the voters in May 1993 be added to the tax base and ask for voter approval.

**STATUS:**

As a result of Measure #5 and compression, the County has passed resolutions with the City of Portland, Fairview, Troutdale and Wood Village agreeing that each jurisdiction will not take action to increase its share of the total local governmental tax receipts without mutual agreement with the other jurisdiction. In the past, consideration has been given to increase the County's tax base by the amount of the two levies. This action would not violate the agreements between the jurisdictions. Any tax base measure considered by the Board would need to be presented to the voters at a Primary or General election. The next general election is November 1994 and the next Primary election would be in May of 1996. The following graph reflects the use of short term revenues since 1991 (1994 and 1995 are budget). The budget dollar amounts for 1995 are: (Jail Levy; \$14,209,000) (Library Levy; \$10,852,000)



MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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FEDERAL/STATE GRANT AND FOUNDATION REVENUES

**BACKGROUND:**

Federal and State grant funds have increased significantly over the last ten years. Most of these revenues are restricted to a specific purpose such as mental health or community correction programs. Grants and Foundations funds are used for an array of County services and may offer an opportunity to assist the County in leveraging other funds. This policy statement is not intended to apply to Federal and State shared revenues, entitlement or fees for services.

**POLICY STATEMENT:**

The Board understands that grants from other governments and private sources represent both opportunities and risks. Grants allow the County to provide basic or enhanced levels of service and to cover gaps in the array of services the County otherwise offers. Grants may also commit the County to serve larger or different groups of clients and put pressure on County-generated revenues if the dedicated revenue source is withdrawn. When applying for a grant, the Board will consider:

1. The opportunities for leveraging other funds for continuing the grant/foundation related program.
2. How much locally generated revenue will be required to supplement the grant/foundation revenue source.
3. Whether the grant/foundation source will cover the full cost of the proposed program, or whether the County is expected to provide support and overhead functions to the program.
4. The degree of stability of the funding source.
5. Whether decline or withdrawal of the grant/foundation revenue source creates a budgetary problem for the County to continue the program.
6. If the grant/foundation funds used for pilot or model programs will result in a more efficient way of doing business.

**Status:**

The 1994-95 Budget has 106 active grant revenue sources. They are expected to provide \$116.2 million of support to programs operated by the County in the coming year. The Target Cities Grant (\$1.9 million) is a pilot project which will expire at the end of specified periods, leaving the County with the option of continuing the programs using local revenue or ending the operations. The County General Fund pays in excess of a million dollars of overhead for grant revenues.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

**INDIRECT COST ALLOCATION**

**BACKGROUND:**

The Federal and State Governments recognize that the cost of providing services include overhead or indirect charges of central support services. Generally, federal and state grantors allow programs to recover indirect charges based on an indirect cost allocation plan. The County has historically prepared an indirect cost allocation plan in accordance with federal guidelines. The central services included in the Cost Allocation Plan include, but are not limited to, the County Auditor, County Counsel, Employee Services, Equipment Use, Finance, Insurance, Labor Relations, Budget & Quality, Purchasing, Radio, and Records. Overhead rates will vary depending on the use of central support service functions and departmental administrative costs that are not charged directly to the program. The flow-through rate is the indirect rate charged for funds that are passed through the County.

**POLICY STATEMENT:**

Generally it is the policy of the Board to recover from dedicated revenue sources the full cost of programs supported by those sources. The full cost includes the appropriate proportionate share of the cost of County overhead functions that is attributable to programs funded with dedicated revenues.

The exception to the above policy is when the grantor agency does not allow the grantee to charge indirect costs or only allows a set indirect cost rate. The Board will have the final authority to accept a grant that does not allow the recovery of all or part of the indirect charge.

The Finance Division is responsible for preparing an Indirect Cost Allocation Plan that meets the requirements of the Office of Management and Budget (Federal Government Agency) Circular A-87. Central Service and Departmental Administrative functions provided to non General Fund programs, activities, and or functions that are not recovered by internal service charges or billed directly to dedicated revenues will be charged an indirect cost based on the approved Indirect Cost Allocation Plan. The plan will be updated annually.

**STATUS:**

The County is in compliance with this policy and has published the Fiscal Year 1994-95 Indirect Cost Allocation Plan. The overhead rates for fiscal year 1994-95 are as follows:

	<u>Departmental</u>	<u>Central Service</u>	<u>Total</u>
Community and Family, Aging & Juvenile*	4.30%	- .59%	3.71%
Health	6.96	5.77	12.73
Community Corrections	2.71	2.09	4.80
District Attorney	2.89	1.24	4.13
Sheriff	3.74	1.67	5.41
Environmental Services	3.45	.90	4.35
Management Support/Non Departmental		1.70	1.70
Library	1.10	6.49	7.59
Flow-through Rate			.70

\* Negative central service represents prior year budget estimates adjusted for actuals.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**RECURRING COSTS AND ONE-TIME ONLY REVENUE**

**BACKGROUND:**

Unrestricted one-time only revenues present organizations with temptations that are hard to resist. In the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict their spending to cover costs that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crisis.

It is also not prudent to sustain an ongoing program level by deferring necessary expenditures or by incurring future obligations.

**POLICY STATEMENT:**

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues.

Further, when the County receives unrestricted one-time-only revenue, these funds will be set aside for reserves or will support projects or programs that will not require future financial commitments. The Board will use the following criteria when allocating these one-time-only receipts:

1. The level of reserves set aside as established by this policy.
2. The County's capital needs set out in the five year Capital Improvement Plan or Information Systems Development Plan.
3. One-time only spending proposals for projects or pilot programs, particularly investments that may result in long-term efficiencies or savings that do not require additional ongoing costs.
4. One-time only dollars that encourage innovative ideas or technology.

**STATUS:**

During any budget deliberations the Budget and Quality Manager will be responsible for providing a list of sources and uses of one-time only funds and informing the Chair and the Board on the recommended use of the funds received.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**USER FEES**

**BACKGROUND:**

User fees are generally intended to cover all the costs or an agreed upon portion of the costs for providing services. Inflation or increased service delivery can erode the established user fees if the cost of service increases faster than rate increases.

**POLICY STATEMENT:**

It is the policy of the Board that user fee and service charges will be established at a level to recover the costs to provide services depending on the benefit to the user of the service, ability of the user to pay for the service, benefit to County citizens and the type of service provided.

As part of budget deliberations, Departments will be responsible for informing the Chair of a fully loaded cost analysis presenting the fee structure necessary to recover 100% of the cost of providing the service. Departments will also recommend whether fees in each area should be set to recover 100% of the costs or be set at a lower rate such as sliding scale fees. The recommendation to the Chair will consider the benefits to an individual or agency, benefits to the citizens of the County, and the financial capacity of the users to pay for the service. The Finance Manager is responsible for ensuring that departments are including all the costs associated with providing the service.

User fees and service charges collected by County agencies will be periodically reviewed. All fees and service charges will be reviewed each four years with approximately 25% of the fees and charges reviewed each fiscal year. Based on this review, the Chair will make recommendations to the Board regarding proposed changes, additions or deletions to current fee or service charge schedules.

**STATUS:**

Budget & Quality and Finance are currently developing an action plan to engage an outside consulting firm to perform an initial review of our major fees and service charges. The goal is to have this review done and presented to the Board by October 1994.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**RESERVES**

**BACKGROUND:**

General Fund continuing revenues (when adjusted for the effects of Measure 5 and for two increases in the rate of Business Income Tax) have grown at a 6.4% annual rate during the decade 1983-84 to 1993-94. However, from year to year the growth varied.

The property tax limitation imposed by Measure 5 will cause the variation in ongoing General Fund receipts to be greater as changes in property values affect property tax receipts.

Annually using all available ongoing revenue to pay for ongoing programs results in programs being added in one year and programs of equivalent cost being cut the next or two years later. This has a detrimental effect on service delivery over time. It reduces efficiency. It also sets up difficult budget problems that could be avoided if program decisions were made in the context of the County's long-term financial capacity rather than on the basis of revenue available from one year to the next.

Maintaining an appropriate reserve assists the County in maintaining its favorable bond rating, which is currently Aa1 from Moody's Investors Service. Moody's established benchmark for the General Fund Balance or reserve is a dollar amount equal to at least 5% of General Fund revenues.

**POLICY STATEMENT:**

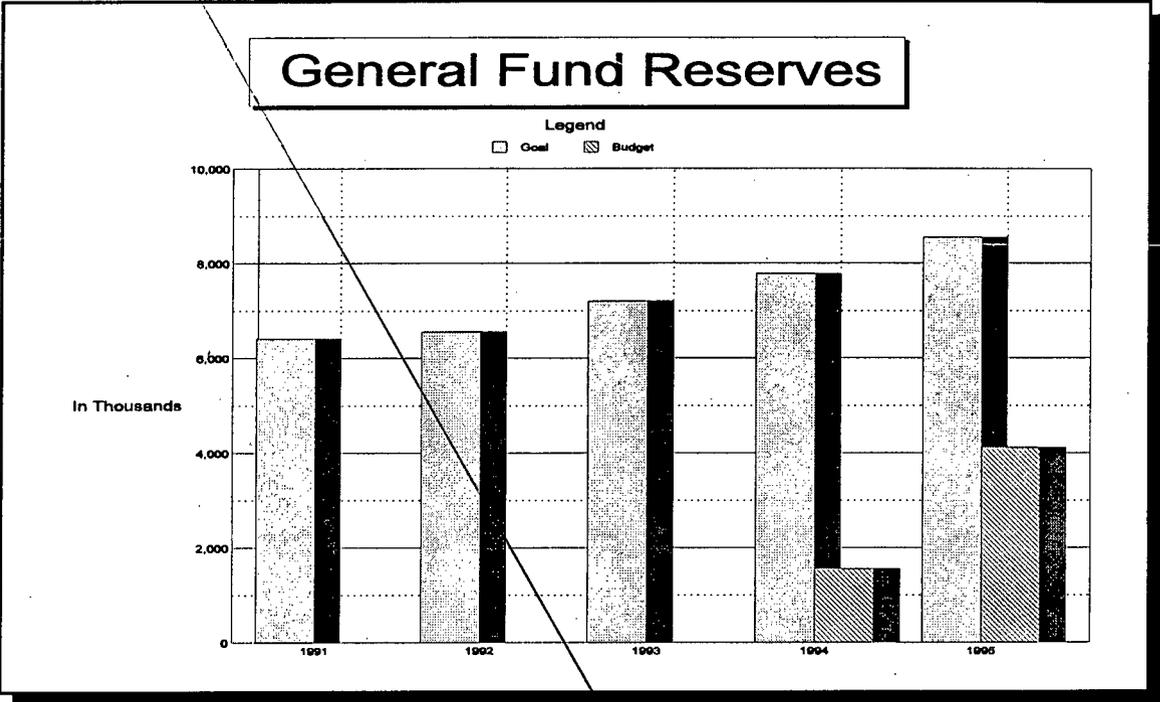
The Board understands that in order to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to maintain a reserve account in the General Fund, designated as unappropriated fund balance, that is to be funded at approximately 5% of the total General Fund budgeted expenditures. The reserve account is to be used when basic revenue growth falls below the rate of basic revenue change achieved during the prior ten years. "Basic revenue" is defined as the sum of General Fund property tax, business income tax, motor vehicle rental tax, cigarette tax, liquor tax and interest income. "Growth" is defined as total increase in fiscal year compared to the amount in the prior fiscal year, adjusted for changes in collection method, accrual method, or legislation defining the rate or terms under which the revenue is to be collected. In years when basic revenue growth falls below long term average growth, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is so used, to maintain fiscal integrity, the Board will not use more than 40% of the actual reserve in a fiscal year and the Board will restore the account within two years of its use.

**STATUS:**

The graph on the next page reflects the 5% reserve goal to the budgeted reserve level since fiscal 1991. The budgeted reserves do not include funds for contingency or emergency situations. The dollar amounts for 1995 are: (Goal; \$8,555,000) (Budget; \$4,120,000)

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY



MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**GENERAL FUND EMERGENCY CONTINGENCY**

**BACKGROUND:**

General Fund contingency transfers have a significant effect on the annual budget process by reducing the amount of ending working capital that is carried over to the subsequent fiscal year. Contingency transfers should be reviewed in the context of other budget decisions so that higher priority projects are not jeopardized.

**POLICY STATEMENT:**

The Board understands that in order to avoid financial instability, continuing requirements cannot increase faster than continuing revenues.

It is the policy of the Board to establish an emergency contingency account in the General Fund, as authorized by ORS 294.352, each fiscal year during the budget process. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years.

To achieve financial stability, the following are guidelines to be used by the Board in considering requests for transfers from the General Fund Contingency Account:

1. Approve no contingency requests for purposes other than "one-time only" allocations.
2. Limit contingency funding to the following:
  - A. Emergency situations which, if left unattended, will jeopardize the health and safety of the community.
  - B. Unanticipated expenditures that are necessary to keep previous public commitment or fulfill a legislative or contractual mandate or can be demonstrated to result in significant administrative or programmatic efficiencies that cannot be covered by existing appropriations.

**STATUS:**

The Budget and Quality Manager is responsible for periodically requesting contingency meetings that are necessary to address emergency situations or meet unappropriated expenditure mandates. The Budget & Quality Manager will inform the Board if contingency requests submitted for Board approval meets the criteria of this policy. In addition at the first contingency request meeting in FY 1994-95 the Board will receive a report on the prior year contingency actions. This report will include the total dollar amount of contingency requests, dollar amount approved and dollar amount that did not meet the criteria of this policy.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**COMPENSATION**

**BACKGROUND:**

Wage and benefit increases are negotiated between collective bargaining units and the County. In addition the Board authorizes wage and benefit increases to exempt employees by ordinance.

**POLICY STATEMENT:**

When any wage or benefit increase is authorized in an amount exceeding the budgeted contingency for such wage and benefit increases, the alternatives considered for funding such increases shall include:

1. An additional draw on contingency; or,
2. A budget reduction in the affected department or elsewhere in the County; or
3. A combination of the above.

All tentative approved labor agreements or proposed exempt compensation packages presented to the Board for final approval shall contain, in writing, the following specific costing:

1. Estimates in percentage increases of the wage benefit and package as a whole for all years of the agreement or ordinance, as well as the absolute dollar amount of such increases; and
2. A specific narrative remark, if possible, of any future fiscal impacts of the contract or ordinance and financial impact on any language changes in the contract or ordinance. Such remarks shall address any estimated effects on the unfunded liability of the pension fund, any other fund or any other funded or unfunded liability.

**STATUS:**

This policy has been complied with throughout the prior fiscal year.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**ALLOCATIONS FOR FACILITIES MAINTENANCE AND REPAIR**

**BACKGROUND:**

Multnomah County owns in excess of two million square feet in 49 buildings at a 1993 historical cost of about \$150 million. In 1993-94 we will spend approximately \$1.25 million on major maintenance and improvements to those buildings out of the General Fund. Excluding the Library and the Juvenile Detention Home, this level of capital support represents about 65 cents per square foot per year.

Five years ago we were spending 77 cents per square foot on construction/maintenance in County owned buildings. In 1982-83 we spent about 98 cents per square foot.

The structural maintenance of the County's capital plant is largely a non-discretionary activity. That is, the question is not whether such expenditures are necessary but in what year to schedule the expenditure on particular projects. Deferral of spending on capital projects builds an unfunded liability that there is no way to avoid sooner or later.

**POLICY STATEMENT:**

The Board recognizes that an adequate ongoing level of funding for capital improvements is essential to avoid costly reconstruction or replacement of capital assets. These capital assets include County buildings, bridges and roads.

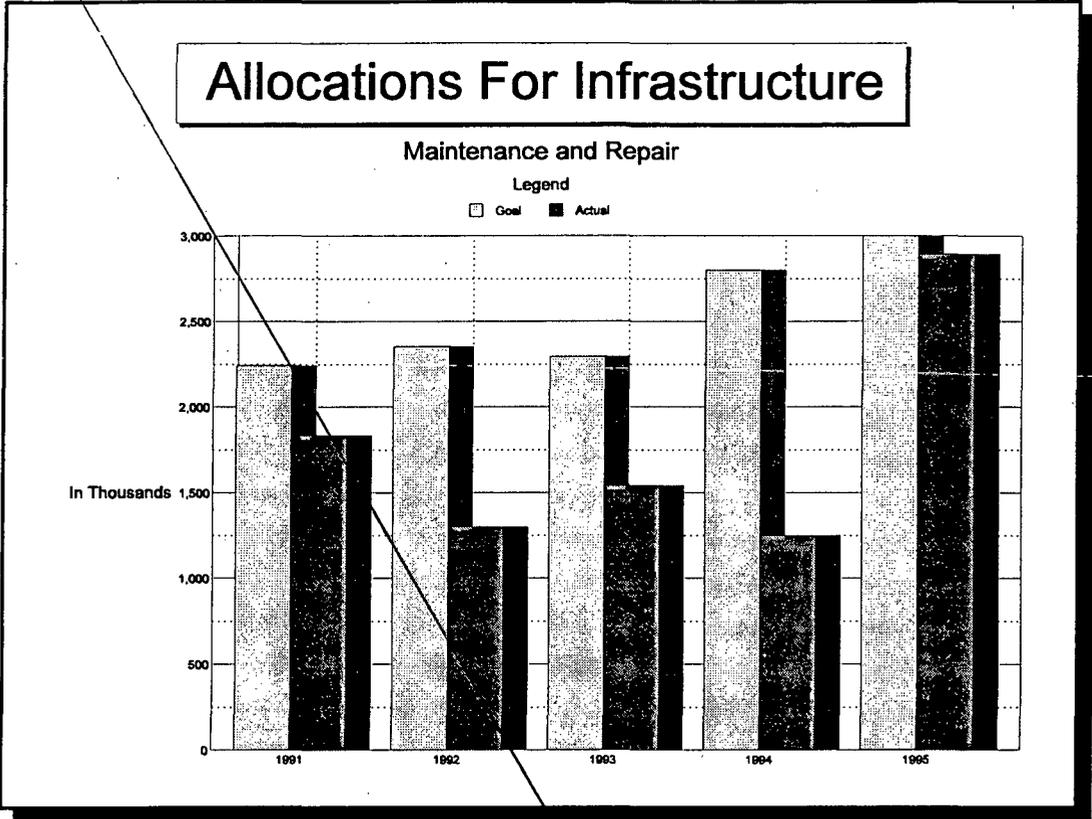
It is the policy of the Board to have a Capital Improvement Program (CIP) Plan developed covering a period of five years. The Plan is to provide for anticipated future major improvements and maintenance to County owned and leased capital assets and provide for additional and replacement capital assets. The Plan will include major construction to be undertaken by the County, no matter what the funding source. The Plan will be reviewed and updated annually.

It is the goal of the Board to fund, out of the General Fund, the County's capital maintenance need at approximately 2% of the historical cost of County buildings. (2% represents a depreciation factor of depreciating the facilities over a 50 year period)

**Status:**

The graph on the following page depicts the goal and actuals for fiscal 1991 to 1995 (1994 and 1995 are budget estimates). The County would be spending about \$1.50 per square foot if it met the targeted goal. The budgeted amount reflects about \$1.44 per square foot or about 96% of the goal. The dollar amounts for 1995 are: (Goal; \$3,000,000) (Actual; \$2,895,000)

MULTNOMAH COUNTY, OREGON  
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MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**LONG TERM LIABILITIES**

**BACKGROUND:**

The Financial Accounting Standards Board has issued various Statements which require private sector organizations to record long-term liabilities in their financial records. The Governmental Accounting Standards Board has been moving towards private sector accounting standards and are now requiring governmental organizations to either record long-term liabilities in the financial records of the organization or disclose the liabilities in the notes to the financial statements. To avoid having the current Board of County Commissioners or future Boards face huge unfunded liabilities, beginning in the mid 1980's, the County began funding many of its unfunded liabilities. By funding these liabilities over time the County will not be faced with funding liabilities without the resources to fund them. At June 30, 1991, the County had long term liabilities, excluding PERS funds, of \$12,468,689. About forty-seven percent (47.44%) of this amount was funded. At June 30, 1993, the County had \$28,759,166 in long term liabilities. About ninety-two percent (92.11%) of this amount was funded. The practice of funding long-term liabilities has a favorable impact on our bond rating. The following is quoted from our most recent credit report: "The County's historically strong financial management is underscored by its response to revenue limitations imposed by Measure 5 beginning in fiscal 1992. In addition to making dramatic program cuts and organizational changes, the County nevertheless continued its policy on funding long-term liabilities. The County's high credit rating is supported by the strong economy, sound financial management, high level of cooperation with underlying jurisdictions and moderate debt position." The following table shows the current status of the County's long-term liabilities.

**POLICY STATEMENT:**

It is the goal of the Board to fund 100% of all long term liabilities that are required by the Governmental Accounting Standards Board (GASB) to be disclosed or accounted for in the County's comprehensive annual financial report. These liabilities included, but are not limited to; vacation liabilities, medical & dental incurred but not reported (IBNR) claims, workers compensation IBNR claims, liability insurance IBNR claims, post retirement benefits, and Multnomah County Library Retirement Plan benefits. The Finance Director is responsible for ensuring that these liabilities are funded according to the actual liability or the actuarially determined liability.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

**STATUS:**

The following is the June 30, 1993, funding level of each liability:

	<u>Total Liability</u>	<u>Amount Funded</u>	<u>Percent Funded</u>
Vacation (1)	\$ 6,711,000	\$ 6,711,000	100.00%
Workers' Comp (2)	3,412,879	3,412,879	100.00
Liability (2)	2,248,792	2,248,792	100.00
Medical/Dental (2)	984,495	984,495	100.00
Post Retirement (3)	5,922,000	3,493,000	58.98
Library Retirement (4)	9,480,000	9,640,000	101.69
Total	<u>\$28,759,166</u>	<u>\$26,490,166</u>	<u>92.11%</u>

(1) GASB requires a portion of the vacation liability be recorded and the remaining amount be disclosed in the financial statements. General Fund portion is \$2,950,000.

(2) GASB requires self-insurance claims be recorded as a liability in the financial statements.

(3) GASB requires employer paid benefits extended to retirees (post retirement benefits) be disclosed in the financial statements. Based on actuarial projections, this liability is being funded over a 15 year period..

(4) The Library Retirement Funds are dedicated to former employees of the Library Association of Portland and can only be used for their retirement purposes only. The plan is over funded due to greater than expected interest earnings. The County is required under the transfer agreement to supplement the plan in an amount of \$79,000 per year through the year 2005. The Plan is frozen and no other employee or employer contributions are allowed to be made to the plan.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**ACCOUNTING AND AUDITS**

**BACKGROUND:**

Under ORS 294 the County is required to have the County's financial records audited by an independent accounting firm annually.

**POLICY STATEMENT:**

The Board understands that the County's accounting system and financial records are required by State law to be maintained according to Generally Accepted Accounting Principles (GAAP), standards of the Government Finance Officers Association (GFOA) and the principles established by the Governmental Accounting Standards Board (GASB), including all effective pronouncements.

Multnomah County's Ordinance No. 660 as amended, which established an Audit Committee, audit procedures and audit rules, will apply to all financial audits. The basic duties of the Audit Committee are:

1. Review the scope and general extent of the external auditor's planned examination.
2. Review with management and the external auditor the financial results of the audit.
3. Review with the external auditor the performance of the County's financial and accounting personnel.
4. Review written responses of management letter comments and single audit comments.
5. Present Audit, Single Audit and Report to Management to the Board of County Commissioners.
6. Select the external auditor.

The Comprehensive Annual Financial Report (CAFR) shall be sent to grantor agencies and rating agencies on a regular basis and at such other times as may be deemed appropriate in order to maintain effective relations.

It is the goal of the Board to maintain a fully integrated automated financial system that meets the needs of the County. This financial system is to include; general ledger, accounts payable, accounts receivable, purchasing, payroll and cost accounting for all applicable operations. The financial system will be maintained on a monthly basis to monitor expenditures and revenues, budget and actual.

**STATUS:**

In compliance. The CAFR, Single Audit and Report to Management was presented to the Board on February 15, 1994. The Audit request for proposal is due to be bid again in fiscal year 1995-96.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**FUND ACCOUNTING STRUCTURE**

**BACKGROUND:**

According to local budget law and generally accepted accounting principles the County is required to establish and maintain various funds. To ensure that the Board is informed of the various funds Finance has historically presented to the Board the County's fund structure each year when the budget is adopted.

**POLICY STATEMENT:**

The Finance Manager is responsible for preparing and presenting a resolution defining the various County funds to the Board each fiscal year.

The County will follow generally accepted accounting principles number three and number four when creating a fund and determining if the fund is to be a dedicated fund. Principle number three and number four are as follows:

PRINCIPLE 3 TYPES OF FUNDS

The following types of funds should be used by state and local governments:

**GOVERNMENTAL FUNDS**

General Fund - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**PROPRIETARY FUNDS**

Enterprise Funds - to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or accountability.

Internal Service Funds - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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FIDUCIARY FUNDS

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds, and (d) Agency Funds.

PRINCIPLE 4 NUMBER OF FUNDS

Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

**STATUS:**

In compliance. Resolution adopting fund structure approved by the Board on June 16, 1994.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

LIQUIDITY AND ACCOUNTS PAYABLE

**BACKGROUND:**

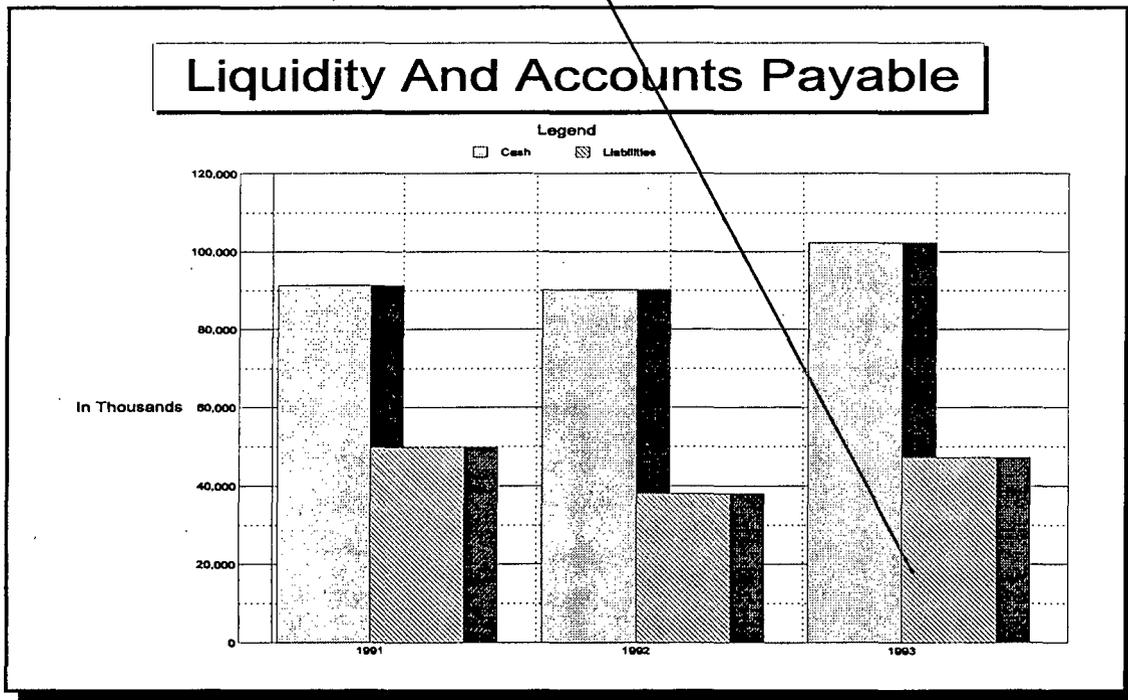
Liquidity is the ratio of cash and short-term investments to current liabilities including amounts held in trust and reflects the County's ability to pay its short-term debts and accounts payable. Cash and Investments in the capital projects funds and debt retirement funds are long-term cash and investments. The credit rating industry considers a liquidity ratio of \$1 of cash to \$1 of debt as an acceptable liquidity ratio. Generally the County has maintained about \$2 of available cash to every \$1 of current liabilities.

**POLICY STATEMENT:**

The County will strive to maintain a liquidity ratio of at least \$1 dollar of cash and short-term investments to each \$1 dollar of current liabilities. The County will also strive to maintain year end accounts payable equal or less than 5% of operating revenues.

**STATUS:**

The County is in compliance. The graph depicts the cash and investments to current liabilities for fiscal years 1991 to 1993. The actual amounts for 1993 are: Cash & Investments; (\$102,300,000) (Liabilities; \$47,195,000)



MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**BANKING, CASH MANAGEMENT AND INVESTMENTS**

**BACKGROUND:**

Multnomah County maintains an active investment program. An investment policy was first formalized in 1982 and has been revised several times since. These policies incorporate various Oregon Revised Statute Codes which specify the types and maturity restrictions that local governments may purchase. The County's Investment Policy also contains self-imposed constraints in order to effectively safeguard the public funds involved.

**POLICY STATEMENT:**

Banking services shall be solicited at least every five years on a competitive basis. The Finance Manager is authorized to act as "Custodial Officer" of Multnomah County and is responsible for performing the treasury functions of the County under ORS 208, 287, 294 and 295 and the County's Home Rule Charter. In carrying out these duties and functions, the Finance Manager is authorized to establish internal Finance Division policy that meets generally accepted auditing standards relating to cash management.

In accordance with ORS 294.135, Multnomah County's investment transactions shall be governed by a written investment policy, which will be reviewed and adopted annually by the Board of County Commissioners. The investment policy will include the investment objectives, diversification, limitations and reporting requirements. In accordance with MCC 2.60.305 through 2.60.315 the County will utilize an independent Investment Advisory Board to review the County's investment plan and investment performance.

**STATUS:**

The County is in conformance with this policy. The investment policy for 1994-95 has been approved by the Oregon Short Term Fund Board and Multnomah County Investment Advisory Board. Policy to be adopted by Board of Commissioners on August 25, 1994. The banking request for proposal is scheduled to be bid again in fiscal year 1995-96.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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**SHORT-TERM AND LONG-TERM DEBT FINANCINGS**

**BACKGROUND:**

Prior to 1988, the County had maintained a pay-as-you-go philosophy for financing capital projects. The philosophy of pay-as-you-go may be costly in some ways due to cost acceleration in inflationary periods. Over-utilized facilities generate higher operation and maintenance costs and the citizens are not served well by over-utilized or nonexistent facilities. An alternative is to issue debt which is sometimes referred to as pay-as-you-use. The philosophy of issuing debt for public projects is to have the citizens benefitting from the project pay for the debt retirement costs.

For example, the County leased (without option to purchase) the McCoy building for about 12 years. In 1988 Certificates of Participation were issued to acquire the facility and the lease/purchase payments were approximately the same as the rental payment and no additional significant appropriations were required.

Debt financing is not a solution for financial problems but a tool to enhance resources. As such, a policy is needed to govern the use of debt financing and ensure its prudent use.

**POLICY STATEMENT:**

All financings are to be issued in accordance with the County's Home Rule Charter and applicable State and Federal Laws.

1. Short-Term Debt. If it is determined by the Finance Division that the General Fund cash flow requirements will be in a deficit position prior to receiving property tax revenues in November, the County will issue short-term debt to meet the anticipated cash flow requirements. When financing a project, Bond Anticipation Notes may be issued if such notes will result in a financial benefit to the County. Before issuing short-term debt the Board must authorize the financing by resolution.
2. Bonds and other Long-Term Obligations. It is the policy of the Board that the County will attempt to meet its capital maintenance, replacement or acquisition requirements on a pay as you go basis. If the dollar amount of the capital requirement can not be met on a pay as you go basis and the project has been determined to benefit future citizens the County will evaluate the feasibility of issuing a long-term debt financing instrument.
3. All long-term financings must provide the County with an economic gain or be as a result of a mandate by the Federal or State Government or court. Under no circumstances will current operations be funded from the proceeds of long-term borrowing.
4. It is also the policy of the Board to purchase or lease/purchase facilities, instead of renting, when the programs or agencies being housed in the facility are performing essential governmental functions.
5. The following are the different types of financings the County may use to fund its major capital acquisitions or improvements.
  - A. Revenue Bonds may be used whenever possible to finance public improvements

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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which can be shown to be self-supported by dedicated revenue sources, and needed for infrastructure or economic development.

1. Revenue supported bonds are to be used to limit the dependency on property taxes for those projects with available revenue sources, whether self-generated or dedicated from other sources.
  2. Adequate financial feasibility studies are to be performed for each project to determine the adequacy of the dedicated revenue source.
- B. General Obligation Bonds (G.O. bonding) will be used to finance capital projects which have been determined to be essential to the maintenance or development of the County.
1. Capital improvement projects will be analyzed, prioritized and designated as to essential characteristics through the CIP committee process.
  2. Use of G.O. bonding will only be considered after exploring alternative funding sources such as Federal and State grants and project revenues.
- C. Lease-Purchases or Certificate of Participation will be considered as a financing method if Revenue bonding or G.O. bonding is not feasible. All leases as reported in the County's comprehensive annual financial report under the Long-Term Obligation Account Group will be limited as follows:
1. Annual lease-purchase payments recorded in the respective Funds or Capital Lease Retirement Fund will be limited to 5% of the total revenues of the fund supporting the lease payment.
  2. All lease-purchases will be limited to the economic life of the capital acquisition or improvement and in no cases shall exceed 20 years.
  3. All lease-purchases must fit within the County's mission, goals & objectives or governmental role.
  4. All annual lease-purchase payments must be included in the originating Departments' approved budget.
- D. It is the policy of the Board not to form Local Improvement Districts (LIDs) or issue debt to finance LID improvements. The reasoning for not forming LIDs is because of the added costs of administering the LIDs, the small number of citizens served and the potential risk that in the event of default by the property owners, the County's General Fund will have to provide funds to retire any outstanding obligations.
- E. It is the policy of the Board to act as an "Issuer" of conduit financing for any private college or university that is located in Multnomah County. The County will charge a fee of \$1.00 per \$1,000 of bonds issued or \$10,000, whichever

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

is greater, to act as an issuer for a private college or university. This fee is to offset any administrative costs that may be incurred by the County when acting as an issuer. The County will retain bond counsel to represent the County on any legal issues including any risks associated with the conduit financing. The university or college will be assessed an additional fee to cover any bond counsel expenses incurred by the County. In addition to the fees established above, the private college or university must have a Moody's rating of Baa or better or BBB rating from Standard and Poor's and must not condone any discriminatory practices or policies. The Board of County Commissioners must approve each conduit financing issue.

- F. External financial advisors, underwriters and bond counsel will be selected in accordance with the County's Administrative Procedures.

**STATUS:**

The County is in compliance. The following is the County's outstanding obligations as of July 1, 1994:(in thousands)

	<u>Dated</u>	<u>Maturity Date</u>	<u>Amount issued</u>	<u>Principal outstanding</u>
Short-term debt	07/01/94	06/30/95	\$11,000	\$11,000
General Obligation Bonds	03/01/94	10/01/13	\$22,000	\$22,000
Revenue Bonds		None		
Certificates of Participation:				
1992 Juvenile Justice Complex	08/01/92	08/01/12	\$36,000	\$34,930
1993A Health Facilities	05/01/93	07/01/13	17,845	15,750
1993B Health Facilities	05/01/93	07/01/13	2,045	1,955
1990 Probation Building	07/01/90	07/01/01	455	305
Leases and contracts:				
Portland Building	01/22/81	01/22/08	3,475	2,647
Computer leases	various	various		<u>1,070</u>
Total lease-purchase and contract agreements				<u>\$56,657</u>
General Obligation Bonded Debt per capita				<u>\$36</u>
Gross Debt Per Capita (includes Certificates of Participation & Leases)				<u>\$128</u>
Multnomah County Population = 615,000				

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## TAX REVENUES

### BACKGROUND:

During the past decade Multnomah County has face major decisions about the level and kind of taxation it should or could impose.

In 1986 and 1987 the Board twice increased the Business Income Tax rate to cover the cost of expanded social and correction programs. In 1991, following passage of the Measure 5 limits on property taxes the Board considered, but did not pass, a third increase in the Business Income Tax rate to offset some of the lost property tax revenue.

In response to a proposal of the Library Board, which had been tasked with recommending a long term dedicated revenue source to replace property tax support of the Library system, the Board passed a utility excise tax in 1992, then rescinded the tax in 1993 before it took effect.

The Passage of Measure 5 presented all local governments with a different kind of taxation problem: an increase in property tax levies by any government has the potential of reducing the property tax receipts of all other local governments. To avoid this possibility, Multnomah County and the cities of Portland, Troutdale, Fairview and Wood Village have uniformly agreed not to propose levies that will change their relative 1992-93 shares of the \$10 constitutional cap.

All of these tax decisions were made in an atmosphere of intense public and internal debate. Those debates consistently referred to these common factors: the progressivity of the tax, its administrative costs, its impact on the economy of the region, its effect on other local governments, and the degree to which the tax might be acceptable to the public.

### POLICY STATEMENT:

The Board recognizes that taxation is necessary to provide public services to the citizens of the county. When considering changes to the County's tax structure, the Board will consider the following:

1. The ability of taxpayers to pay the tax.
2. The impact of the taxes imposed by the County on other local governments.
3. The effect of taxes on the economy in the county.
4. Administration and collection costs of the tax .
5. The ease of understanding the tax by the taxpayers.

### STATUS:

The County has several sources of taxes. These taxes include property taxes which are paid on the assessed value of real, personal and utility property. Except for the general obligation bond levy, County property taxes are currently generated by the County's tax base established in 1956 and two separate levies. The tax base has generally increased by the allowed 6% each year. The two serial levies that support jail and library operations is discussed under short term local revenues. The County is negotiating with the City of Gresham to come to an

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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which can be shown to be self-supported by dedicated revenue sources, and needed for infrastructure or economic development.

1. Revenue supported bonds are to be used to limit the dependency on property taxes for those projects with available revenue sources, whether self-generated or dedicated from other sources.
  2. Adequate financial feasibility studies are to be performed for each project to determine the adequacy of the dedicated revenue source.
- B. General Obligation Bonds (G.O. bonding) will be used to finance capital projects which have been determined to be essential to the maintenance or development of the County.
1. Capital improvement projects will be analyzed, prioritized and designated as to essential characteristics through the CIP committee process.
  2. Use of G.O. bonding will only be considered after exploring alternative funding sources such as Federal and State grants and project revenues.
- C. Lease-Purchases or Certificate of Participation will be considered as a financing method if Revenue bonding or G.O. bonding is not feasible. All leases as reported in the County's comprehensive annual financial report under the Long-Term Obligation Account Group will be limited as follows:
1. Annual lease-purchase payments recorded in the respective Funds or Capital Lease Retirement Fund will be limited to 5% of the total revenues of the fund supporting the lease payment.
  2. All lease-purchases will be limited to the economic life of the capital acquisition or improvement and in no cases shall exceed 20 years.
  3. All lease-purchases must fit within the County's mission, goals & objectives or governmental role.
  4. All annual lease-purchase payments must be included in the originating Departments' approved budget.
- D. It is the policy of the Board not to form Local Improvement Districts (LIDs) for purposes of issuing debt to finance LID improvements. The reasoning for not forming LIDs is because of the added costs of administering the LIDs, the small number of citizens served and the potential risk that in the event of default by the property owners, the County's General Fund will have to provide funds to retire any outstanding obligations.
- E. It is the policy of the Board to act as an "Issuer" of conduit financing for any private college, university, hospital, or non-profit organization that is located in Multnomah County and is eligible to use this type of financing. The County will

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

ORGANIZATION

charge a fee of \$1.00 per \$1,000 of bonds issued or \$10,000, whichever is greater, to act as an issuer for the organization. This fee is to offset any administrative costs that may be incurred by the County when acting as an issuer. The County will retain bond counsel to represent the County on any legal issues including any risks associated with the conduit financing. The ~~university or college~~ organization will be assessed an additional fee to cover any bond counsel expenses incurred by the County. In addition to the fees established above, the organization must have a Moody's rating of Baa or better or BBB rating from Standard and Poor's and must not condone any discriminatory practices or policies. The Board of County Commissioners must approve each conduit financing issue.

- F. External financial advisors, underwriters and bond counsel will be selected in accordance with the County's Administrative Procedures.

**STATUS:**

The County is in compliance. The following is the County's outstanding obligations as of July 1, 1994:(in thousands)

	<u>Dated</u>	<u>Maturity Date</u>	<u>Amount issued</u>	<u>Principal outstanding</u>
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Gross Debt Per Capita (includes Certificates of Participation & Leases)				<u>\$128</u>
Multnomah County Population = 615,000				

**ENTREPRENEURIAL ACTIVITIES**

**BACKGROUND:**

As a consequence of carrying out duties or mandated functions, County programs and employees develop or acquire specialized skills, assemble information, and create educational and/or operational systems. Business, or clients, who are not the primary focus of the County operation, may find these products or services economically valuable and are willing to pay for the specialized skills or products that relate to their business.

The opportunity to sell a product or a service does not occur very often. When they do occur they present County managers and policy makers with difficult alternative choices.

The County may be competing with a private provider who is in a similar business. The County's product may have been developed at the taxpayers expense and may give the County an advantage in the marketplace. Alternatively, the return on selling these products or services decreases the net cost of providing services. The profits realized allows the County to either expand a service at no additional cost to taxpayers or to direct its tax resources towards programs that cannot be supported by fees for services provided.

**POLICY STATEMENT:**

The Board wishes to reduce the cost of services to taxpayers as much as possible consistent with fairness and common sense. As a result the Board intends to market services and other products of County programs when such marketing makes economic sense. In marketing County services and/or products the Board will consider the following:

1. Any legal restrictions that would prevent the action.
2. The ability of a County program to provide the service or product without allowing the marketing to interfere with its primary purpose.
3. The impact of marketing the particular service on private sector providers of the same or related services.
4. The potential return compared to development or marketing cost associated the with the proposed action.
5. How much of the profit will be dedicated to the program generating the service and how much should be considered general revenue available to other County purposes.

**STATUS:**

The County is currently marketing its program for training employees in avoiding the risks associated with blood borne pathogens. The Library is implementing a number of entrepreneurial initiatives and is considering others with the revenue produced being accounted for in a separate fund. The Health Department is negotiating with Anchorage, Alaska to provide the city with a health tracking system developed for the Health Department.

CO Kelley 8/25/94  
submittal

SHARRON KELLEY  
Multnomah County Commissioner  
District 4



Portland Building  
1120 S.W. Fifth Avenue, Suite 1500  
Portland, Oregon 97204  
(503) 248-5213

M E M O R A N D U M

TO: Board of Commissioners  
FROM: Commissioner Sharron Kelley  
RE: Entrepreneurial Activities - Financial and Budget Policy  
DATE: August 25, 1994

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Below please find my recommendation for the language for this policy.

Multnomah County, Oregon  
Financial and Budget Policy  
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ENTREPRENEURIAL ACTIVITIES

BACKGROUND:

As a consequence of carrying out duties or mandated functions, County programs and employees develop or acquire specialized skills, assemble information, and create educational and/or operational systems. Business, other governments or clients, who are not the primary focus of the County operations, may find these products or services economically valuable and are willing to pay for the specialized skills or products that relate to their business. In addition, county-owned land or buildings may be strategically located or suitable for certain entrepreneurial activities,

The opportunity to sell a product or a service does not occur very often. When an opportunity does occur, County managers and policy makers face a complex decision about whether to proceed. Determinations need to be made about whether in fact the activity will produce revenue; whether the revenue would come at the expense of taxpayers who indirectly supported the development of the product or service; how the county should conduct itself in the marketplace consistent with the purposes for which the product or service was developed; and the use of the net revenue.

POLICY STATEMENT:

The Board wishes to reduce the cost of services to taxpayers as much as possible consistent with fairness, common sense, and ethical considerations. The Board recognizes that the decision to engage in entrepreneurial activity requires consideration of economic and public policy factors. In deciding whether to market County services and/or products the Board will consider the following:

1. Any legal restrictions that would prevent the action.
2. The ability of a County program to provide the service or product without allowing the marketing to interfere with its primary purpose.
3. Whether the product or service is superior or unique in the market, which may include locational considerations.
4. The appropriateness of the product as it relates to a public agency.
5. The impact of marketing the particular service on the private-sector providers of the same or related services. In general, the County should not compete with its taxpayers, except where clearly justified under Criterion Three above.
6. The potential return compared to development or marketing cost associated with the proposed action.
7. The primary purpose of the County for engaging in any entrepreneurial activity will be that the dissemination of the product itself serves a public interest (broadly defined) independent of the net revenue obtained and the County will conduct itself in the marketplace accordingly.
8. The County will not subsidize its costs of providing the product or service or manipulate overhead costs to gain competitive advantages for any entrepreneurial products marketed.
9. In general, net revenues from entrepreneurial activity shall be used to support the enhancement of the services linked to or used in the development of the product. The Board may make exceptions from time to time and use the revenues to fund other county services if there is a substantial fiscal need to do so.

STATUS:

The County is currently marketing its program for training employees in avoiding the risks associated with blood borne pathogens. The Library is implementing a number of entrepreneurial initiatives and is considering others with the revenue produced being accounted for in a separate fund. The Health Department is negotiating with Anchorage, Alaska to provide the city with a health tracking system developed for the Health Department.

C. Kelley 8/25/94  
SUBMITTAL

SHARRON KELLEY  
Multnomah County Commissioner  
District 4



Portland Building  
1120 S.W. Fifth Avenue, Suite 1500  
Portland, Oregon 97204  
(503) 248-5213

M E M O R A N D U M

TO: Dave Boyer  
FROM: Commissioner Sharron Kelley  
RE: Entrepreneurial Activities - Financial and Budget Policy  
DATE: As revised August 25, 1994

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Below please find my recommended revisions. New language is underlined. Deletions are in [brackets].

Multnomah County, Oregon  
Financial and Budget Policy  
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ENTREPRENEURIAL ACTIVITIES

BACKGROUND:

As a consequence of carrying out duties or mandated functions, County programs and employees develop or acquire specialized skills, assemble information, and create educational and/or operational systems. Business, other governments or clients, who are not the primary focus of the County operations, may find these products or services economically valuable and are willing to pay for the specialized skills or products that relate to their business. In addition, county-owned land or buildings may be strategically located or suitable for certain entrepreneurial activities.

The opportunity to sell a product or a service does not occur very often. When [they do] an opportunity does occur, [they present] County managers and policy makers [with difficult alternative choices] face a complex decision about whether to proceed. Determinations need to be made about whether in fact the activity will produce revenue; whether the revenue would come at the expense of taxpayers who indirectly supported the development of the product or service; how the county should conduct itself in the marketplace consistent with the purposes for which the product or services was developed; and the use of the net revenue.

[The County may be competing with a private provider who is in a similar business. The County's product may have been developed at the taxpayers expense and may give the County an advantage in the marketplace. Alternatively, the return on selling these products or services decreases the net cost of providing services. The profits realized allows the County to either expand a service at no additional cost to taxpayers or to direct its tax resources towards programs that cannot be supported by fees for services provided.]

POLICY STATEMENT:

The Board wishes to reduce the cost of services to taxpayers as much as possible consistent with fairness, common sense, and ethical considerations. [As a result the Board intends to market services and other products of County programs when such marketing makes economic sense.] The Board recognizes that the decision to engage in entrepreneurial activities requires consideration of economic and public policy factors. In deciding whether to market [marketing] County services and/or products the Board will consider the following:

1. Any legal restrictions that would prevent the action.
2. The ability of a County program to provide the service or product without allowing the marketing to interfere with its primary purpose.
3. Whether the product or service is superior or unique in the market, which may include locational considerations.
4. The appropriateness of the product as it relates to a public agency.
5. The impact of marketing the particular service on the private-sector providers of the same or related services. In general, the County should not compete with its taxpayers except where clearly justified under Criterion Three above.
6. [4.]The potential return compared to development or marketing cost associated with the proposed action.
- [5. How much of the profit will be dedicated to the program generating the service and how much should be considered general revenue available to other County purposes.]
7. The primary purpose of the County for engaging in any entrepreneurial activity will be that the dissemination of the

product itself serves a public interest (broadly defined) independent of the net revenue obtained and the county will conduct itself in the marketplace accordingly.

8. The County will not subsidize its costs of providing the product or service or manipulate overhead costs to gain competitive advantages for any entrepreneurial products marketed.

9. In general, net revenues from entrepreneurial activity shall be used to support the enhancement of the services linked to or used in the development of the product. The Board may make exceptions from time to time and use the revenues to fund other county services if there is a substantial fiscal need to do so.

STATUS:

The County is currently marketing its program for training employees in avoiding the risks associated with blood borne pathogens. The Library is implementing a number of entrepreneurial initiatives and is considering others with the revenue produced being accounted for in a separate fund. The Health Department is negotiating with Anchorage, Alaska to provide the city with a health tracking system developed for the Health Department.

cc: Board of Commissioners

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
MULTNOMAH COUNTY, OREGON

In the matter of adopting a )  
financial and budget policies for ) RESOLUTION NO. 94-154  
MULTNOMAH County, Oregon )

WHEREAS, the Board of County Commissioners is the fiscal authority for MULTNOMAH County government;

WHEREAS, the Chair, Board of County Commissioners is responsible under MCC 2.30.450 for the fiscal operations of the County;

WHEREAS, the Chair has delegated the preparation and management of the Budget to the Budget & Quality Manager and has delegated the management of the financial operations to the Finance Manager;

WHEREAS, the Multnomah County Auditor has recommended that a comprehensive financial policy be prepared;

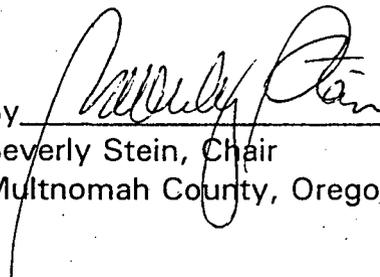
WHEREAS, a financial and budget policy will provide for prudent financial practices.

THEREFORE, BE IT RESOLVED:

1. Multnomah County, Oregon adopts the Financial and Budget Policies set forth in Exhibit A.
2. The Budget & Quality Manager and Finance Manager are directed to administer the Financial and Budget Policy.
3. The Budget & Quality Manager and Finance Manager are directed to review and update these policies as needed but not less than annually.
4. The Budget & Quality Manager and Finance Manager are directed to inform the Board on the status of these policies annually.

Adopted this 25th day of August, 1994.

  
Reviewed by   
for Laurence Kressel, County Counsel  
of Multnomah County, Oregon

By   
Beverly Stein, Chair  
Multnomah County, Oregon

**EXHIBIT A**

**MULTNOMAH COUNTY, OREGON**

**FINANCIAL AND BUDGET POLICY**

**Prepared by: Finance Division and Budget & Quality Division**

**MULTNOMAH COUNTY, OREGON**

**FINANCIAL AND BUDGET POLICY**

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MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**OBJECTIVES**

The objectives of this financial policy are:

1. To preserve capital through prudent budgeting and financial management.
2. To achieve the most productive use of County funds that meet the goals of the Board of County Commissioners.
3. To ensure that all financial related activities meet generally accepted accounting principles.
4. To achieve a stable balance between the County's ongoing financial commitments and the continuing revenues available to the County.
5. To provide an accountable form of Government to the citizens of Multnomah County.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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**TAX REVENUES**

**BACKGROUND:**

During the past decade Multnomah County has face major decisions about the level and kind of taxation it should or could impose.

In 1986 and 1987 the Board twice increased the Business Income Tax rate to cover the cost of expanded social and correction programs. In 1991, following passage of the Measure 5 limits on property taxes the Board considered, but did not pass, a third increase in the Business Income Tax rate to offset some of the lost property tax revenue.

In response to a proposal of the Library Board, which had been tasked with recommending a long term dedicated revenue source to replace property tax support of the Library system, the Board passed a utility excise tax in 1992, then rescinded the tax in 1993 before it took effect.

The Passage of Measure 5 presented all local governments with a different kind of taxation problem: an increase in property tax levies by any government has the potential of reducing the property tax receipts of all other local governments. To avoid this possibility, Multnomah County and the cities of Portland, Troutdale, Fairview and Wood Village have uniformly agreed not to propose levies that will change their relative 1992-93 shares of the \$10 constitutional cap.

All of these tax decisions were made in an atmosphere of intense public and internal debate. Those debates consistently referred to these common factors: the progressivity of the tax, its administrative costs, its impact on the economy of the region, its effect on other local governments, and the degree to which the tax might be acceptable to the public.

**POLICY STATEMENT:**

The Board recognizes that taxation is necessary to provide public services to the citizens of the county. When considering changes to the County's tax structure, the Board will consider the following:

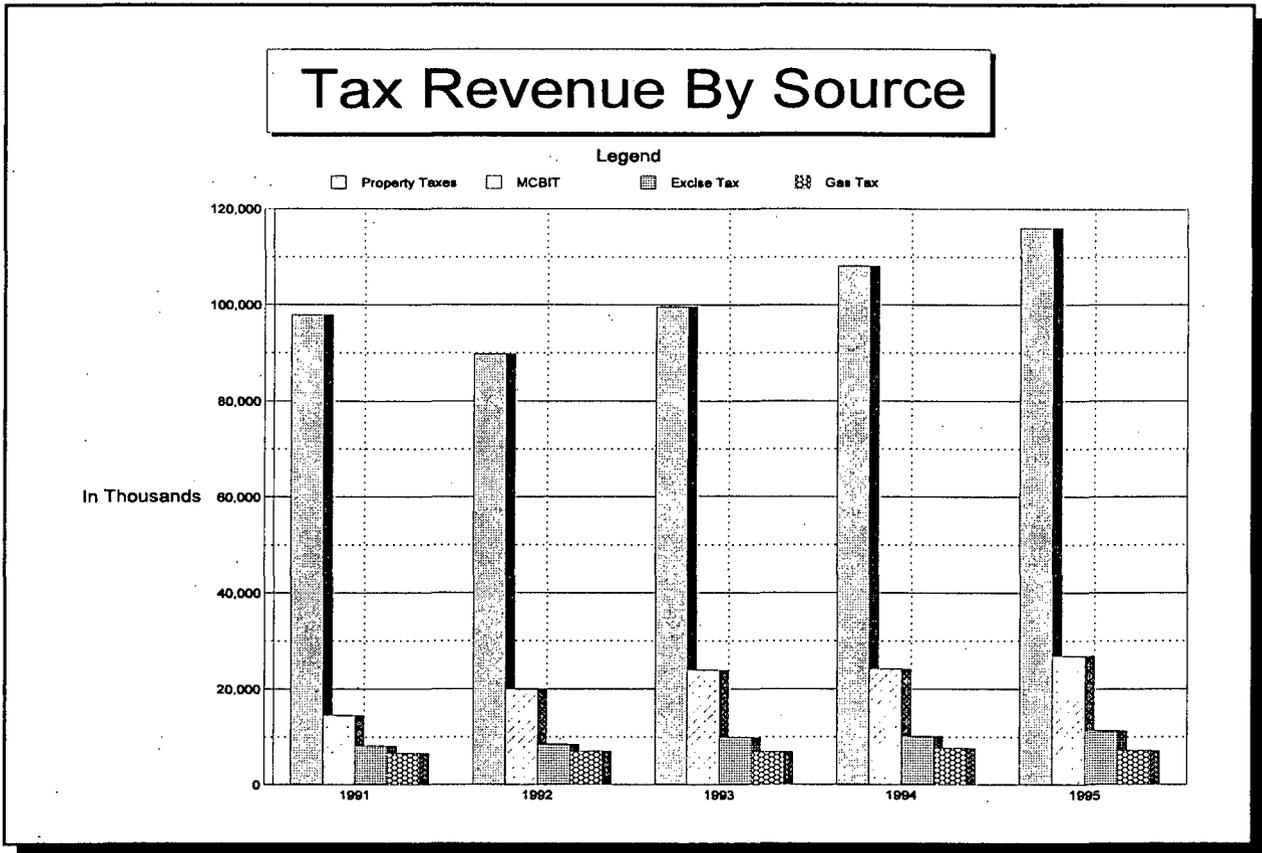
1. The ability of taxpayers to pay the tax.
2. The impact of the taxes imposed by the County on other local governments.
3. The effect of taxes on the economy in the county.
4. Administration and collection costs of the tax .
5. The ease of understanding the tax by the taxpayers.

**STATUS:**

The County has several sources of taxes. These taxes include property taxes which are paid on the assessed value of real, personal and utility property. Except for the general obligation bond levy, County property taxes are currently generated by the County's tax base established in 1956 and two separate levies. The tax base has generally increased by the allowed 6% each year. The two serial levies that support jail and library operations is discussed under short term local revenues. The County is negotiating with the City of Gresham to come to an

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

agreement on an equitable share of property taxes with in the City of Gresham tax levy code. Business income taxes are paid by business entities doing business in Multnomah County based on their net income. The County has adopted two excise taxes, Motor Vehicle Rental Tax and Transient Lodging Tax. Motor vehicle rental taxes are assessed on the gross income generated from short-term vehicle rentals. Transient lodging taxes are basically imposed on room rental rates at hotels/motels. The majority of the transient lodging taxes collected are passed on to Metro for Convention Center operations and most recently the funding of the operations of the Performing Arts Center and Metropolitan Art Commission. The County also imposes a gasoline tax that is dedicated to roads. The County's tax revenues represent about 45% of the total Governmental Fund Type revenues (General and Special Revenue Funds). The following graph depicts the tax revenue by source since fiscal 1991 (1994 and 1995 are budget). The budget dollar amounts for 1995 are: (Property Tax; \$115,949,000) (MCBIT; \$26,812,000) (Excise Taxes; \$11,251,000) (County Gas Tax; \$7,140,000)



MULTNOMAH COUNTY, OREGON  
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SHORT TERM LOCAL REVENUES

**BACKGROUND:**

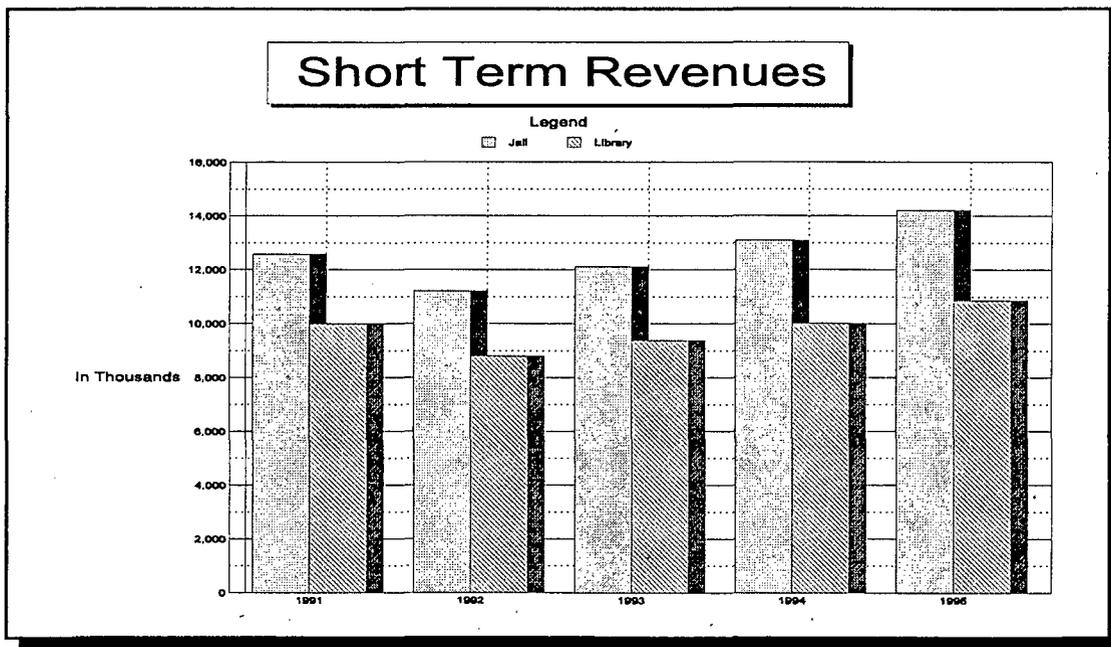
Short-term revenues are sources of limited duration. The main source of these revenues are the two three year serial levies for jail and library services. These levies have historically been used for Library and Jail services. Continued use of short-term revenues for on-going programs places these programs or other programs at risk if the voters fail to approve subsequent three year levies by June 30, 1996.

**POLICY STATEMENT:**

It is the goal of the Board to reduce the County's reliance on short term revenue sources to fund programs that have been established by the Board as priority services; ie, Library and Jail Three Year Serial Levies. The Board will recommend that the Library and Jail Three Year Levies approved by the voters in May 1993 be added to the tax base and ask for voter approval.

**STATUS:**

As a result of Measure #5 and compression, the County has passed resolutions with the City of Portland, Fairview, Troutdale and Wood Village agreeing that each jurisdiction will not take action to increase its share of the total local governmental tax receipts without mutual agreement with the other jurisdiction. In the past, consideration has been given to increase the County's tax base by the amount of the two levies. This action would not violate the agreements between the jurisdictions. Any tax base measure considered by the Board would need to be presented to the voters at a Primary or General election. The next general election is November 1994 and the next Primary election would be in May of 1996. The following graph reflects the use of short term revenues since 1991 (1994 and 1995 are budget). The budget dollar amounts for 1995 are: (Jail Levy; \$14,209,000) (Library Levy; \$10,852,000)



## FEDERAL/STATE GRANT AND FOUNDATION REVENUES

### BACKGROUND:

Federal and State grant funds have increased significantly over the last ten years. Most of these revenues are restricted to a specific purpose such as mental health or community correction programs. Grants and Foundations funds are used for an array of County services and may offer an opportunity to assist the County in leveraging other funds. This policy statement is not intended to apply to Federal and State shared revenues, entitlement or fees for services.

### POLICY STATEMENT:

The Board understands that grants from other governments and private sources represent both opportunities and risks. Grants allow the County to provide basic or enhanced levels of service and to cover gaps in the array of services the County otherwise offers. Grants may also commit the County to serve larger or different groups of clients and put pressure on County-generated revenues if the dedicated revenue source is withdrawn. When applying for a grant, the Board will consider:

1. The opportunities for leveraging other funds for continuing the grant/foundation related program.
2. How much locally generated revenue will be required to supplement the grant/foundation revenue source.
3. Whether the grant/foundation source will cover the full cost of the proposed program, or whether the County is expected to provide support and overhead functions to the program.
4. The degree of stability of the funding source.
5. Whether decline or withdrawal of the grant/foundation revenue source creates a budgetary problem for the County to continue the program.
6. If the grant/foundation funds used for pilot or model programs will result in a more efficient way of doing business.

### Status:

The 1994-95 Budget has 106 active grant revenue sources. They are expected to provide \$116.2 million of support to programs operated by the County in the coming year. The Target Cities Grant (\$1.9 million) is a pilot project which will expire at the end of specified periods, leaving the County with the option of continuing the programs using local revenue or ending the operations. The County General Fund pays in excess of a million dollars of overhead for grant revenues.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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INDIRECT COST ALLOCATION

**BACKGROUND:**

The Federal and State Governments recognize that the cost of providing services include overhead or indirect charges of central support services. Generally, federal and state grantors allow programs to recover indirect charges based on an indirect cost allocation plan. The County has historically prepared an indirect cost allocation plan in accordance with federal guidelines. The central services included in the Cost Allocation Plan include, but are not limited to, the County Auditor, County Counsel, Employee Services, Equipment Use, Finance, Insurance, Labor Relations, Budget & Quality, Purchasing, Radio, and Records. Overhead rates will vary depending on the use of central support service functions and departmental administrative costs that are not charged directly to the program. The flow-through rate is the indirect rate charged for funds that are passed through the County.

**POLICY STATEMENT:**

Generally it is the policy of the Board to recover from dedicated revenue sources the full cost of programs supported by those sources. The full cost includes the appropriate proportionate share of the cost of County overhead functions that is attributable to programs funded with dedicated revenues.

The exception to the above policy is when the grantor agency does not allow the grantee to charge indirect costs or only allows a set indirect cost rate. The Board will have the final authority to accept a grant that does not allow the recovery of all or part of the indirect charge.

The Finance Division is responsible for preparing an Indirect Cost Allocation Plan that meets the requirements of the Office of Management and Budget (Federal Government Agency) Circular A-87. Central Service and Departmental Administrative functions provided to non General Fund programs, activities, and or functions that are not recovered by internal service charges or billed directly to dedicated revenues will be charged an indirect cost based on the approved Indirect Cost Allocation Plan. The plan will be updated annually.

**STATUS:**

The County is in compliance with this policy and has published the Fiscal Year 1994-95 Indirect Cost Allocation Plan. The overhead rates for fiscal year 1994-95 are as follows:

	<u>Departmental</u>	<u>Central Service</u>	<u>Total</u>
Community and Family, Aging & Juvenile*	4.30%	-.59%	3.71%
Health	6.96	5.77	12.73
Community Corrections	2.71	2.09	4.80
District Attorney	2.89	1.24	4.13
Sheriff	3.74	1.67	5.41
Environmental Services	3.45	.90	4.35
Management Support/Non Departmental		1.70	1.70
Library	1.10	6.49	7.59
Flow-through Rate			.70

\* Negative central service represents prior year budget estimates adjusted for actuals.

## RECURRING COSTS AND ONE-TIME ONLY REVENUE

### BACKGROUND:

Unrestricted one-time only revenues present organizations with temptations that are hard to resist. In the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict their spending to cover costs that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crisis.

It is also not prudent to sustain an ongoing program level by deferring necessary expenditures or by incurring future obligations.

### POLICY STATEMENT:

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues.

Further, when the County receives unrestricted one-time-only revenue, these funds will be set aside for reserves or will support projects or programs that will not require future financial commitments. The Board will use the following criteria when allocating these one-time-only receipts:

1. The level of reserves set aside as established by this policy.
2. The County's capital needs set out in the five year Capital Improvement Plan or Information Systems Development Plan.
3. One-time only spending proposals for projects or pilot programs, particularly investments that may result in long-term efficiencies or savings that do not require additional ongoing costs.
4. One-time only dollars that encourage innovative ideas or technology.

### STATUS:

During any budget deliberations the Budget and Quality Manager will be responsible for providing a list of sources and uses of one-time only funds and informing the Chair and the Board on the recommended use of the funds received.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**USER FEES**

**BACKGROUND:**

User fees are generally intended to cover all the costs or an agreed upon portion of the costs for providing services. Inflation or increased service delivery can erode the established user fees if the cost of service increases faster than rate increases.

**POLICY STATEMENT:**

It is the policy of the Board that user fee and service charges will be established at a level to recover the costs to provide services depending on the benefit to the user of the service, ability of the user to pay for the service, benefit to County citizens and the type of service provided.

As part of budget deliberations, Departments will be responsible for informing the Chair of a fully loaded cost analysis presenting the fee structure necessary to recover 100% of the cost of providing the service. Departments will also recommend whether fees in each area should be set to recover 100% of the costs or be set at a lower rate such as sliding scale fees. The recommendation to the Chair will consider the benefits to an individual or agency, benefits to the citizens of the County, and the financial capacity of the users to pay for the service. The Finance Manager is responsible for ensuring that departments are including all the costs associated with providing the service.

User fees and service charges collected by County agencies will be periodically reviewed. All fees and service charges will be reviewed each four years with approximately 25% of the fees and charges reviewed each fiscal year. Based on this review, the Chair will make recommendations to the Board regarding proposed changes, additions or deletions to current fee or service charge schedules.

**STATUS:**

Budget & Quality and Finance has engaged an outside consulting firm to perform an initial review of our major fees and service charges. The goal is to have a review of survey, animal control and land use planning fees completed and recommendations presented to the Board by October 1994.

## ENTREPRENEURIAL ACTIVITIES

### BACKGROUND:

As a consequence of carrying out duties or mandated functions, County programs and employees develop or acquire specialized skills, assemble information, and create educational and/or operational systems. Business, other governments or clients, who are not the primary focus of the County operation, may find these products or services economically valuable and are willing to pay for the specialized skills or products that relate to their business. In addition, County owned land or buildings may be strategically located or suitable for certain entrepreneurial activities.

Multnomah County will actively seek opportunities to sell products and services. When an opportunity does occur, County managers and policy makers face a complex decision about whether the activity will produce revenue; whether the revenue would benefit taxpayers who indirectly supported the development of the product or service; how the County should conduct itself in the marketplace consistent with the purposes for which the product or services was developed; and the use of the net revenue.

### POLICY STATEMENT:

The Board wishes to reduce the cost of services to taxpayers as much as possible consistent with fairness, common sense and ethical consideration. The Board recognizes that the decision to engage in entrepreneurial activities requires consideration of economic and public policy factors. In deciding whether to market County services and/or products the Board will consider the following:

1. Any legal restrictions that would prevent the action.
2. The ability of a County program to provide the service or product without allowing the marketing to interfere with its primary purpose.
3. Whether the product or service is superior, unique or benefits the taxpayers in the market, which may include location considerations.
4. The appropriateness of the product as it relates to a public agency. Example: The County would rent surplus space to a restaurant but not to a tavern.
5. The impact of marketing the particular service on the private sector providers of the same or related services. In general the County should not compete with its taxpayers except where clearly justified under Criterion Three above.
6. The potential return compared to development or marketing cost associated with the proposed action.
7. The primary purpose of the County for engaging in any entrepreneurial activity will be that the dissemination of the product itself serves a public interest (broadly defined) independent of the net revenue obtained and the County will conduct itself in the marketplace accordingly.
8. Whether the County will subsidize its costs or overhead costs.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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9. In general, net revenues from entrepreneurial activity shall be used to support the enhancement of the services linked to or used in the development of the product. The Board may make exceptions from time to time and use the revenues to fund other County priority services.

**STATUS:**

The County is currently marketing its program for training employees in avoiding the risks associated with blood borne pathogens. The Library is implementing a number of entrepreneurial initiatives and is considering others with the revenue produced being accounted for in a separate fund. The Health Department is negotiating with Anchorage, Alaska to provide the city with a health tracking system developed for the Health Department.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**RESERVES**

**BACKGROUND:**

General Fund continuing revenues (when adjusted for the effects of Measure 5 and for two increases in the rate of Business Income Tax) have grown at a 6.4% annual rate during the decade 1983-84 to 1993-94. However, from year to year the growth varied.

The property tax limitation imposed by Measure 5 will cause the variation in ongoing General Fund receipts to be greater as changes in property values affect property tax receipts.

Annually using all available ongoing revenue to pay for ongoing programs results in programs being added in one year and programs of equivalent cost being cut the next or two years later. This has a detrimental effect on service delivery over time. It reduces efficiency. It also sets up difficult budget problems that could be avoided if program decisions were made in the context of the County's long-term financial capacity rather than on the basis of revenue available from one year to the next.

Maintaining an appropriate reserve assists the County in maintaining its favorable bond rating, which is currently Aa1 from Moody's Investors Service. Moody's established benchmark for the General Fund Balance or reserve is a dollar amount equal to at least 5% of General Fund revenues.

**POLICY STATEMENT:**

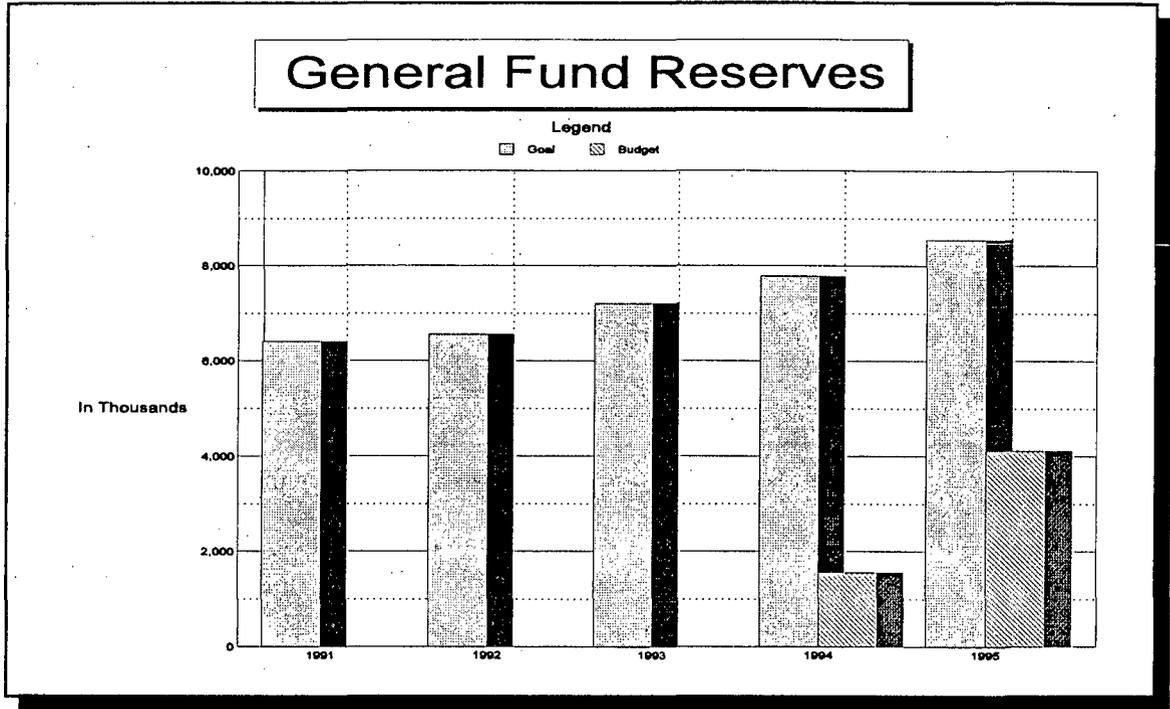
The Board understands that in order to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to maintain a reserve account in the General Fund, designated as unappropriated fund balance, that is to be funded at approximately 5% of the total General Fund budgeted expenditures. The reserve account is to be used when basic revenue growth falls below the rate of basic revenue change achieved during the prior ten years. "Basic revenue" is defined as the sum of General Fund property tax, business income tax, motor vehicle rental tax, cigarette tax, liquor tax and interest income. "Growth is defined as total increase in fiscal year compared to the amount in the prior fiscal year, adjusted for changes in collection method, accrual method, or legislation defining the rate or terms under which the revenue is to be collected. In years when basic revenue growth falls below long term average growth, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is so used, to maintain fiscal integrity, the Board will not use more than 40% of the actual reserve in a fiscal year and the Board will restore the account within two years of its use.

**STATUS:**

The graph on the next page reflects the 5% reserve goal to the budgeted reserve level since fiscal 1991. The budgeted reserves do not include funds for contingency or emergency situations. The dollar amounts for 1995 are: (Goal; \$8,555,000) (Budget; \$4,120,000)

MULTNOMAH COUNTY, OREGON  
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**GENERAL FUND EMERGENCY CONTINGENCY**

**BACKGROUND:**

General Fund contingency transfers have a significant effect on the annual budget process by reducing the amount of ending working capital that is carried over to the subsequent fiscal year. Contingency transfers should be reviewed in the context of other budget decisions so that higher priority projects are not jeopardized.

**POLICY STATEMENT:**

The Board understands that in order to avoid financial instability, continuing requirements cannot increase faster than continuing revenues.

It is the policy of the Board to establish an emergency contingency account in the General Fund, as authorized by ORS 294.352, each fiscal year during the budget process. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years.

To achieve financial stability, the following are guidelines to be used by the Board in considering requests for transfers from the General Fund Contingency Account:

1. Approve no contingency requests for purposes other than "one-time only" allocations.
2. Limit contingency funding to the following:
  - A. Emergency situations which, if left unattended, will jeopardize the health and safety of the community.
  - B. Unanticipated expenditures that are necessary to keep previous public commitment or fulfill a legislative or contractual mandate or can be demonstrated to result in significant administrative or programmatic efficiencies that cannot be covered by existing appropriations.

**STATUS:**

The Budget and Quality Manager is responsible for periodically requesting contingency meetings that are necessary to address emergency situations or meet unappropriated expenditure mandates. The Budget & Quality Manager will inform the Board if contingency requests submitted for Board approval meets the criteria of this policy. In addition at the first contingency request meeting in FY 1994-95 the Board will receive a report on the prior year contingency actions. This report will include the total dollar amount of contingency requests, dollar amount approved and dollar amount that did not meet the criteria of this policy.

## COMPENSATION

### **BACKGROUND:**

Wage and benefit increases are negotiated between collective bargaining units and the County. In addition the Board authorizes wage and benefit increases to exempt employees by ordinance.

### **POLICY STATEMENT:**

When any wage or benefit increase is authorized in an amount exceeding the budgeted contingency for such wage and benefit increases, the alternatives considered for funding such increases shall include:

1. An additional draw on contingency; or,
2. A budget reduction in the affected department or elsewhere in the County; or
3. A combination of the above.

All tentative approved labor agreements or proposed exempt compensation packages presented to the Board for final approval shall contain, in writing, the following specific costing:

1. Estimates in percentage increases of the wage benefit and package as a whole for all years of the agreement or ordinance, as well as the absolute dollar amount of such increases; and
2. A specific narrative remark, if possible, of any future fiscal impacts of the contract or ordinance and financial impact on any language changes in the contract or ordinance. Such remarks shall address any estimated effects on the unfunded liability of the pension fund, any other fund or any other funded or unfunded liability.

### **STATUS:**

This policy has been complied with throughout the prior fiscal year.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**ALLOCATIONS FOR FACILITIES MAINTENANCE AND REPAIR**

**BACKGROUND:**

Multnomah County owns in excess of two million square feet in 49 buildings at a 1993 historical cost of about \$150 million. In 1993-94 we will spend approximately \$1.25 million on major maintenance and improvements to those buildings out of the General Fund. Excluding the Library and the Juvenile Detention Home, this level of capital support represents about 65 cents per square foot per year.

Five years ago we were spending 77 cents per square foot on construction/maintenance in County owned buildings. In 1982-83 we spent about 98 cents per square foot.

The structural maintenance of the County's capital plant is largely a non-discretionary activity. That is, the question is not whether such expenditures are necessary but in what year to schedule the expenditure on particular projects. Deferral of spending on capital projects builds an unfunded liability that there is no way to avoid sooner or later.

**POLICY STATEMENT:**

The Board recognizes that an adequate ongoing level of funding for capital improvements is essential to avoid costly reconstruction or replacement of capital assets. These capital assets include County buildings, bridges and roads.

It is the policy of the Board to have a Capital Improvement Program (CIP) Plan developed covering a period of five years. The Plan is to provide for anticipated future major improvements and maintenance to County owned and leased capital assets and provide for additional and replacement capital assets. The Plan will include major construction to be undertaken by the County, no matter what the funding source. The Plan will be reviewed and updated annually.

It is the goal of the Board to fund, out of the General Fund, the County's capital maintenance need at approximately 2% of the historical cost of County buildings. (2% represents a depreciation factor of depreciating the facilities over a 50 year period)

**Status:**

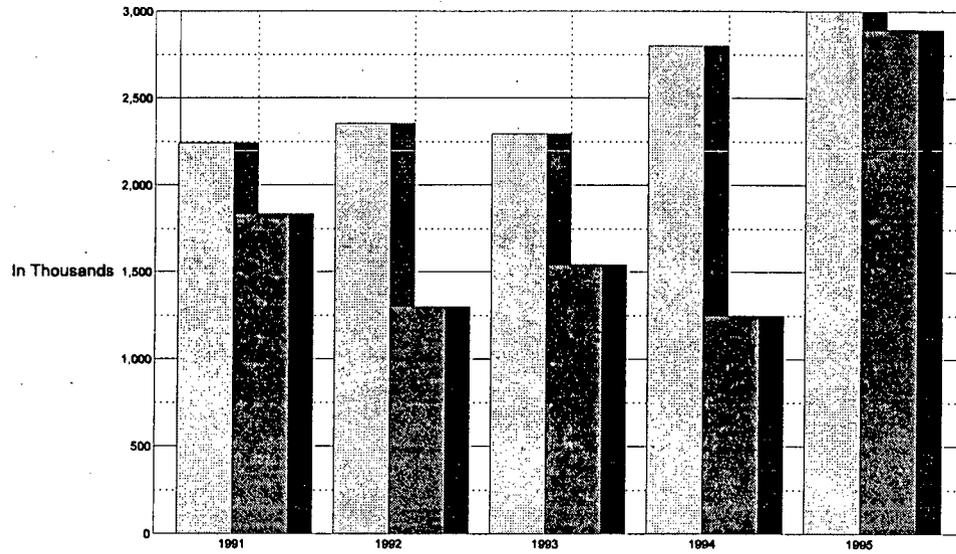
The graph on the following page depicts the goal and actuals for fiscal 1991 to 1995 (1994 and 1995 are budget estimates). The County would be spending about \$1.50 per square foot if it met the targeted goal. The budgeted amount reflects about \$1.44 per square foot or about 96% of the goal. The dollar amounts for 1995 are: (Goal; \$3,000,000) (Actual; \$2,895,000)

## Allocations For Infrastructure

### Maintenance and Repair

Legend

□ Goal    ■ Actual



## LONG TERM LIABILITIES

### BACKGROUND:

The Financial Accounting Standards Board has issued various Statements which require private sector organizations to record long-term liabilities in their financial records. The Governmental Accounting Standards Board has been moving towards private sector accounting standards and are now requiring governmental organizations to either record long-term liabilities in the financial records of the organization or disclose the liabilities in the notes to the financial statements. To avoid having the current Board of County Commissioners or future Boards face huge unfunded liabilities, beginning in the mid 1980's, the County began funding many of its unfunded liabilities. By funding these liabilities over time the County will not be faced with funding liabilities without the resources to fund them. At June 30, 1991, the County had long term liabilities, excluding PERS funds, of \$12,468,689. About forty-seven percent (47.44%) of this amount was funded. At June 30, 1993, the County had \$28,759,166 in long term liabilities. About ninety-two percent (92.11%) of this amount was funded. The practice of funding long-term liabilities has a favorable impact on our bond rating. The following is quoted from our most recent credit report: "The County's historically strong financial management is underscored by its response to revenue limitations imposed by Measure 5 beginning in fiscal 1992. In addition to making dramatic program cuts and organizational changes, the County nevertheless continued its policy on funding long-term liabilities. The County's high credit rating is supported by the strong economy, sound financial management, high level of cooperation with underlying jurisdictions and moderate debt position." The following table shows the current status of the County's long-term liabilities.

### POLICY STATEMENT:

It is the goal of the Board to fund 100% of all long term liabilities that are required by the Governmental Accounting Standards Board (GASB) to be disclosed or accounted for in the County's comprehensive annual financial report. These liabilities included, but are not limited to; vacation liabilities, medical & dental incurred but not reported (IBNR) claims, workers compensation IBNR claims, liability insurance IBNR claims, post retirement benefits, and Multnomah County Library Retirement Plan benefits. The Finance Director is responsible for ensuring that these liabilities are funded according to the actual liability or the actuarially determined liability.

**MULTNOMAH COUNTY, OREGON  
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**STATUS:**

The following is the June 30, 1993, funding level of each liability:

	<u>Total Liability</u>	<u>Amount Funded</u>	<u>Percent Funded</u>
Vacation (1)	\$ 6,711,000	\$ 6,711,000	100.00%
Workers' Comp (2)	3,412,879	3,412,879	100.00
Liability (2)	2,248,792	2,248,792	100.00
Medical/Dental (2)	984,495	984,495	100.00
Post Retirement (3)	5,922,000	3,493,000	58.98
Library Retirement (4)	<u>9,480,000</u>	<u>9,640,000</u>	<u>101.69</u>
Total	<u>\$28,759,166</u>	<u>\$26,490,166</u>	<u>92.11%</u>

(1) GASB requires a portion of the vacation liability be recorded and the remaining amount be disclosed in the financial statements. General Fund portion is \$2,950,000.

(2) GASB requires self-insurance claims by recorded as a liability in the financial statements.

(3) GASB requires employer paid benefits extended to retirees (post retirement benefits) be disclosed in the financial statements. Based on actuarial projections, this liability is being funded over a 15 year period..

(4) The Library Retirement Funds are dedicated to former employees of the Library Association of Portland and can only be used for their retirement purposes only. The plan is over funded due to greater than expected interest earnings. The County is required under the transfer agreement to supplement the plan in an amount of \$79,000 per year through the year 2005. The Plan is frozen and no other employee or employer contributions are allowed to be made to the plan.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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**ACCOUNTING AND AUDITS**

**BACKGROUND:**

Under ORS 294 the County is required to have the County's financial records audited by an independent accounting firm annually.

**POLICY STATEMENT:**

The Board understands that the County's accounting system and financial records are required by State law to be maintained according to Generally Accepted Accounting Principles (GAAP), standards of the Government Finance Officers Association (GFOA) and the principles established by the Governmental Accounting Standards Board (GASB), including all effective pronouncements.

Multnomah County's Ordinance No. 660 as amended, which established an Audit Committee, audit procedures and audit rules, will apply to all financial audits. The basic duties of the Audit Committee are:

1. Review the scope and general extent of the external auditor's planned examination.
2. Review with management and the external auditor the financial results of the audit.
3. Review with the external auditor the performance of the County's financial and accounting personnel.
4. Review written responses of management letter comments and single audit comments.
5. Present Audit, Single Audit and Report to Management to the Board of County Commissioners.
6. Select the external auditor.

The Comprehensive Annual Financial Report (CAFR) shall be sent to grantor agencies and rating agencies on a regular basis and at such other times as may be deemed appropriate in order to maintain effective relations.

It is the goal of the Board to maintain a fully integrated automated financial system that meets the needs of the County. This financial system is to include; general ledger, accounts payable, accounts receivable, purchasing, payroll and cost accounting for all applicable operations. The financial system will be maintained on a monthly basis to monitor expenditures and revenues, budget and actual.

**STATUS:**

In compliance. The CAFR, Single Audit and Report to Management was presented to the Board on February 15, 1994. The Audit request for proposal is due to be bid again in fiscal year 1995-96.

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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**FUND ACCOUNTING STRUCTURE**

**BACKGROUND:**

According to local budget law and generally accepted accounting principles the County is required to establish and maintain various funds. To ensure that the Board is informed of the various funds Finance has historically presented to the Board the County's fund structure each year when the budget is adopted.

**POLICY STATEMENT:**

The Finance Manager is responsible for preparing and presenting a resolution defining the various County funds to the Board each fiscal year.

The County will follow generally accepted accounting principles number three and number four when creating a fund and determining if the fund is to be a dedicated fund. Principle number three and number four are as follows:

**PRINCIPLE 3 TYPES OF FUNDS**

The following types of funds should be used by state and local governments:

**GOVERNMENTAL FUNDS**

General Fund - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**PROPRIETARY FUNDS**

Enterprise Funds - to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or accountability.

Internal Service Funds - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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FIDUCIARY FUNDS

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds, and (d) Agency Funds.

PRINCIPLE 4 NUMBER OF FUNDS

Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

**STATUS:**

In compliance. Resolution adopting fund structure approved by the Board on June 16, 1994.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

LIQUIDITY AND ACCOUNTS PAYABLE

**BACKGROUND:**

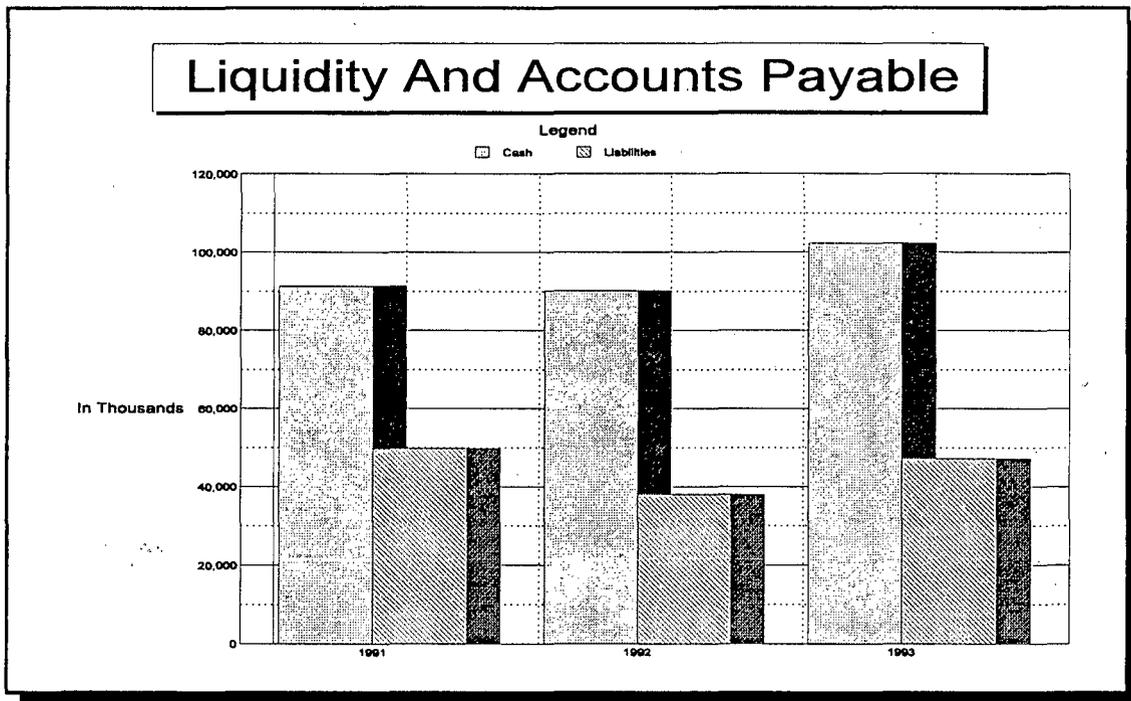
Liquidity is the ratio of cash and short-term investments to current liabilities including amounts held in trust and reflects the County's ability to pay its short-term debts and accounts payable. Cash and Investments in the capital projects funds and debt retirement funds are long-term cash and investments. The credit rating industry considers a liquidity ratio of \$1 of cash to \$1 of debt as an acceptable liquidity ratio. Generally the County has maintained about \$2 of available cash to every \$1 of current liabilities.

**POLICY STATEMENT:**

The County will strive to maintain a liquidity ratio of at least \$1 dollar of cash and short-term investments to each \$1 dollar of current liabilities. The County will also strive to maintain year end accounts payable equal or less than 5% of operating revenues.

**STATUS:**

The County is in compliance. The graph depicts the cash and investments to current liabilities for fiscal years 1991 to 1993. The actual amounts for 1993 are: Cash & Investments; (\$102,300,000) (Liabilities; \$47,195,000)



**BANKING, CASH MANAGEMENT AND INVESTMENTS**

**BACKGROUND:**

Multnomah County maintains an active investment program. An investment policy was first formalized in 1982 and has been revised several times since. These policies incorporate various Oregon Revised Statute Codes which specify the types and maturity restrictions that local governments may purchase. The County's Investment Policy also contains self-imposed constraints in order to effectively safeguard the public funds involved.

**POLICY STATEMENT:**

Banking services shall be solicited at least every five years on a competitive basis. The Finance Manager is authorized to act as "Custodial Officer" of Multnomah County and is responsible for performing the treasury functions of the County under ORS 208, 287, 294 and 295 and the County's Home Rule Charter. In carrying out these duties and functions, the Finance Manager is authorized to establish internal Finance Division policy that meets generally accepted auditing standards relating to cash management.

In accordance with ORS 294.135, Multnomah County's investment transactions shall be governed by a written investment policy, which will be reviewed and adopted annually by the Board of County Commissioners. The investment policy will include the investment objectives, diversification, limitations and reporting requirements. In accordance with MCC 2.60.305 through 2.60.315 the County will utilize an independent Investment Advisory Board to review the County's investment plan and investment performance.

**STATUS:**

The County is in conformance with this policy. The investment policy for 1994-95 has been approved by the Oregon Short Term Fund Board and Multnomah County Investment Advisory Board. Policy to be adopted by Board of Commissioners on August 25, 1994. The banking request for proposal is scheduled to be bid again in fiscal year 1995-96.

MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY

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**SHORT-TERM AND LONG-TERM DEBT FINANCINGS**

**BACKGROUND:**

Prior to 1988, the County had maintained a pay-as-you-go philosophy for financing capital projects. The philosophy of pay-as-you-go may be costly in some ways due to cost acceleration in inflationary periods. Over-utilized facilities generate higher operation and maintenance costs and the citizens are not served well by over-utilized or nonexistent facilities. An alternative is to issue debt which is sometimes referred to as pay-as-you-use. The philosophy of issuing debt for public projects is to have the citizens benefitting from the project pay for the debt retirement costs.

For example, the County leased (without option to purchase) the McCoy building for about 12 years. In 1988 Certificates of Participation were issued to acquire the facility and the lease/purchase payments were approximately the same as the rental payment and no additional significant appropriations were required.

Debt financing is not a solution for financial problems but a tool to enhance resources. As such, a policy is needed to govern the use of debt financing and ensure its prudent use.

**POLICY STATEMENT:**

All financings are to be issued in accordance with the County's Home Rule Charter and applicable State and Federal Laws.

1. Short-Term Debt. If it is determined by the Finance Division that the General Fund cash flow requirements will be in a deficit position prior to receiving property tax revenues in November, the County will issue short-term debt to meet the anticipated cash flow requirements. When financing a project, Bond Anticipation Notes may be issued if such notes will result in a financial benefit to the County. Before issuing short-term debt the Board must authorize the financing by resolution.
2. Bonds and other Long-Term Obligations. It is the policy of the Board that the County will attempt to meet its capital maintenance, replacement or acquisition requirements on a pay as you go basis. If the dollar amount of the capital requirement can not be met on a pay as you go basis and the project has been determined to benefit future citizens the County will evaluate the feasibility of issuing a long-term debt financing instrument.
3. All long-term financings must provide the County with an economic gain or be as a result of a mandate by the Federal or State Government or court. Under no circumstances will current operations be funded from the proceeds of long-term borrowing.
4. It is also the policy of the Board to purchase or lease/purchase facilities, instead of renting, when the programs or agencies being housed in the facility are performing essential governmental functions.
5. The following are the different types of financings the County may use to fund its major capital acquisitions or improvements.
  - A. Revenue Bonds may be used whenever possible to finance public improvements

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

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which can be shown to be self-supported by dedicated revenue sources, and needed for infrastructure or economic development.

1. Revenue supported bonds are to be used to limit the dependency on property taxes for those projects with available revenue sources, whether self-generated or dedicated from other sources.
  2. Adequate financial feasibility studies are to be performed for each project to determine the adequacy of the dedicated revenue source.
- B. General Obligation Bonds (G.O. bonding) will be used to finance capital projects which have been determined to be essential to the maintenance or development of the County.
1. Capital improvement projects will be analyzed, prioritized and designated as to essential characteristics through the CIP committee process.
  2. Use of G.O. bonding will only be considered after exploring alternative funding sources such as Federal and State grants and project revenues.
- C. Lease-Purchases or Certificate of Participation will be considered as a financing method if Revenue bonding or G.O. bonding is not feasible. All leases as reported in the County's comprehensive annual financial report under the Long-Term Obligation Account Group will be limited as follows:
1. Annual lease-purchase payments recorded in the respective Funds or Capital Lease Retirement Fund will be limited to 5% of the total revenues of the fund supporting the lease payment.
  2. All lease-purchases will be limited to the economic life of the capital acquisition or improvement and in no cases shall exceed 20 years.
  3. All lease-purchases must fit within the County's mission, goals & objectives or governmental role.
  4. All annual lease-purchase payments must be included in the originating Departments' approved budget.
- D. It is the policy of the Board not to form Local Improvement Districts (LIDs) for purposes of issuing debt to finance LID improvements. The reasoning for not forming LIDs is because of the added costs of administering the LIDs, the small number of citizens served and the potential risk that in the event of default by the property owners, the County's General Fund will have to provide funds to retire any outstanding obligations.
- E. It is the policy of the Board to act as an "Issuer" of conduit financing for any private college, university, hospital, or non-profit organization that is located in Multnomah County and is eligible to use this type of financing. The County will

**MULTNOMAH COUNTY, OREGON  
FINANCIAL AND BUDGET POLICY**

charge a fee of \$1.00 per \$1,000 of bonds issued or \$10,000, whichever is greater, to act as an issuer for the organization. This fee is to offset any administrative costs that may be incurred by the County when acting as an issuer. The County will retain bond counsel to represent the County on any legal issues including any risks associated with the conduit financing. The organization will be assessed an additional fee to cover any bond counsel expenses incurred by the County. In addition to the fees established above, the organization must have a Moody's rating of Baa or better or BBB rating from Standard and Poor's and must not condone any discriminatory practices or policies. The Board of County Commissioners must approve each conduit financing issue.

- F. External financial advisors, underwriters and bond counsel will be selected in accordance with the County's Administrative Procedures.

**STATUS:**

The County is in compliance. The following is the County's outstanding obligations as of July 1, 1994;(in thousands)

	<u>Dated</u>	<u>Maturity Date</u>	<u>Amount issued</u>	<u>Principal outstanding</u>
Short-term debt	07/01/94	06/30/95	\$11,000	\$11,000
General Obligation Bonds	03/01/94	10/01/13	\$22,000	\$22,000
Revenue Bonds		None		
Certificates of Participation:				
1992 Juvenile Justice Complex	08/01/92	08/01/12	\$36,000	\$34,930
1993A Health Facilities	05/01/93	07/01/13	17,845	15,750
1993B Health Facilities	05/01/93	07/01/13	2,045	1,955
1990 Probation Building	07/01/90	07/01/01	455	305
Leases and contracts:				
Portland Building	01/22/81	01/22/08	3,475	2,647
Computer leases	various	various		<u>1,070</u>
Total lease-purchase and contract agreements				<u>\$56,657</u>
General Obligation Bonded Debt per capita				<u>\$36</u>
Gross Debt Per Capita (includes Certificates of Participation & Leases)				<u>\$128</u>
Multnomah County Population = 615,000				

AUG 25 1994

Meeting Date: \_\_\_\_\_  
Agenda No.: R-6

(Above space for Clerk's Office Use)

**AGENDA PLACEMENT FORM**

SUBJECT: Resolution Adopting Multnomah County Investment Policy Approval

BOARD BRIEFING Date Requested: \_\_\_\_\_  
Amount of Time Needed: \_\_\_\_\_

REGULAR MEETING Date Requested: August 25, 1994  
Amount of Time Needed: 5-10 minutes

DEPARTMENT: MSS DIVISION: Finance

CONTACT: Harry Morton TELEPHONE #: x3290  
BLDG/ROOM #: 106/1430

PERSON(S) MAKING PRESENTATION: Harry Morton

ACTION REQUESTED:

INFORMATIONAL ONLY     POLICY DIRECTION     APPROVAL     OTHER

**SUMMARY** (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Resolution Adopting the Multnomah County Investment Policy  
(See attached memorandum)

*8/26/94 copies to Harry Morton, Dave Warren, Dave Boyer & Jean Delac*

SIGNATURES REQUIRED:

ELECTED OFFICIAL: \_\_\_\_\_  
OR  
DEPARTMENT MANAGER: *Dave Boyer*

**ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES**

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

1994 AUG 17 11 08 53  
MULTNOMAH COUNTY  
OREGON  
CLERK OF BOARD OF COMMISSIONERS



# MULTNOMAH COUNTY OREGON

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COUNTY CHAIR

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LABOR RELATIONS  
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## MEMORANDUM

To: Board of County Commissioners

From: Harry Morton, Treasury Manager

Date: August 10, 1994

Requested Placement Date: August 25, 1994

Subject: Resolution Adopting Multnomah County Investment Policy Approval

### I. Recommendation/Action Requested:

Approve Resolution adopting the Multnomah County Investment Policy

### II. Background/Analysis:

Pursuant to the recommendations included in the audit report prepared by the County Auditor and dated December 21, 1993, the Finance Division has modified the County Investment Policy.

### III. Financial Impact:

The new policy will have no financial impact on the General Fund.

### IV. Legal Issues:

The new investment policy meets all legal requirements.

V. Controversial Issues:

None.

VI. Link to Current County Policies:

The modified Investment Policy is consistent with County Policy.

VII. Citizen Participation:

The Investment Advisory Board has reviewed the policy.

VIII. Other Government Participation:

The Oregon Short Term Fund Board reviewed the policy.

BEFORE THE BOARD OF COUNTY COMMISSIONERS

MULTNOMAH COUNTY, OREGON

In the matter of adopting )  
Multnomah County's )  
Investment Policy. )

RESOLUTION NO. 94-155

WHEREAS, ORS 294.135 requires municipalities adopt a written Investment Policy;

WHEREAS, Multnomah County's Investment Policy has been reviewed by the Oregon Short Term Fund Board and the Investment Advisory Board.

THEREFORE, BE IT RESOLVED:

1. Multnomah County, Oregon adopts the Investment Policy set forth in Exhibit A.
2. The Finance Director or Treasury Manager is authorized to administer the Investment Policy.

This Resolution replaces Resolution No. 92-152.

Adopted this 25th day of August, 1994.



By *Beverly Stein*  
Beverly Stein, Chair  
Multnomah County, Oregon

*John DuBay*  
John DuBay, County Counsel  
of Multnomah County, Oregon

**EXHIBIT A**  
**MULTNOMAH COUNTY, OREGON**  
**INVESTMENT POLICY**

**1. Scope:**

(a) This investment policy applies to investing the financial assets of all funds included in Multnomah County's Investment Pool as defined in Section 12 of this policy. The County's approximate daily average balance of funds invested is \$75,000,000, with a high of about \$400,000,000 in November and a low of about \$60,000,000 in June.

(b) Funds will be invested in compliance with ORS 294, other applicable statutes, this policy and written procedures.

**2. Investment Objectives:**

(a) The primary objective of Multnomah County's investment activities is the preservation of capital and the protection of investment principal.

(b) The County's investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that are reasonably anticipated. This need for investment liquidity will be tempered to the extent that the County is able to issue short-term notes.

(c) The County will diversify its investments to avoid unreasonable risks regarding specific security types or individual financial institutions.

(d) The County will conform with Federal and State law and other legal requirements.

(e) The County will attain a market rate of return throughout budgeting and economic cycles.

**3. Delegation of Authority:**

(a) The Treasury Manager is designated as the Investment Officer of the County and is responsible for the daily cash management and investment decisions and activities.

**4. Prudence:**

(a) The standard of prudence used by the Investment Officer and Treasury staff in the context of managing the overall portfolio shall be the prudent investor rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

(b) The Treasury Manager and Treasury staff, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported to the Finance Director immediately and that appropriate action is taken to control any adverse developments.

#### 5. Investment Diversification:

(a) The County will diversify its investments across security type and institution. No more than 20 percent of the County's total investment portfolio will be invested in a single security type or with a single financial institution or as limited by ORS 294.035, whichever is less. Exceptions to this 20 percent limit are:

(1) The County may invest 100 percent of its portfolio in U.S. Treasury securities.

(2) The County may invest 50 percent of its portfolio in U.S. Agency and Instrumentalities securities.

(3) The funds invested in the Local Government Investment Pool may exceed 20 percent, to the extent allowed under ORS 294.810.

(4) The County may invest more than 20 percent of its funds in short-term government backed investments during property tax collection periods. Under this section short-term government backed investments mean investments with maturities of 5 days or less, to the extent allowed under ORS 294.810.

(b) If due to unanticipated cash needs or investment maturities, the investment in any security type or financial institution exceeds the limitations in this policy, the Investment Officer is responsible for bringing the investment portfolio back into compliance as soon as practicable.

#### 6. Investment Maturity:

(a) The County will maintain the following investment portfolio types and maturity dates:

(1) Short-term Investment Portfolio (Maturities up to 3 years):

(a) Using the projected cash flow schedule the County will attempt to match its investments with anticipated cash flow requirements. The County will not invest in securities with maturity dates longer than 3 years from date of purchase.

(b) The County may collateralize its repurchase agreements using longer-maturing investments, as long as collateral with a maturity longer than 18 months be priced in conformance with OTRS 294.135

(b) (2).

(2) Long-term Investments (Maturities over 3 years up to a maximum of 5 years):

(a) Bond Sinking Fund or Certificate of Participation reserve monies may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds and the legal documents authorizing the financing allows for long-term investments.

(b) Self-Insurance Fund monies in the amount not to exceed \$8,000,000 (par value) may be invested in securities that exceed three years up to the maximum of five years. Securities purchased under this section are to be U.S. Government Treasury securities or U.S. Agency and Instrumentalities securities.

(b) The diversification of security maturity dates for the short-term investment portfolio will be as follows:

- (1) Less than 30 days: 10% minimum
- (2) Less than 90 days: 25% minimum
- (3) Less than 270 days: 50% minimum
- (4) Less than 1 year: 90% minimum
- (5) Less than 3 years: 100% minimum

7. Investment Limitations:

(a) The following investment securities are allowed to be purchased. Additional investments are allowed by State law ORS 294.035 but are not allowed to be purchased by the County investment policy.

(b) The following are allowed to be purchased under this policy.

(1) U. S. Treasury Issues:

- (a) U.S. Treasury Bills
- (b) U.S. Treasury Notes
- (c) U.S. Treasury Bonds
- (d) U.S. Treasury Strips/Cubes

(2) U.S. Government Agency and Instrumentality Securities:

(a) U.S. Government and Agency Securities for Local Government Securities under ORS 294.035 and 294.040 Provided Pursuant to ORS 294.046 (Current revision).

(3) Municipal Bonds:

(a) Legally issued general obligations of the states of Oregon, Washington, Idaho, and California. Lawfully issued general obligation and revenue bonds of Oregon counties, cities, ports and school districts

(4) Time Certificates of Deposits (CD or TCD):

(a) In purchasing time certificates of deposit, the County will not invest an amount which is more than 1 percent of the total deposits of any single institution. As required by ORS Chapter 295, the Treasury Manager will be responsible to ensure that a Certificate of Collateral of Participation has been issued by the institution to cover outstanding deposits.

(5) Repurchase Agreements (REPO's):

(a) All repurchase agreements will be collateralized at 102% by U.S. Government and U.S. Agency obligations marked to market daily. Additionally, if the maturity of the security purchased exceeds 18 months, the price paid by the County may not exceed 98%. A signed master repurchase agreement will be obtained from financial institutions. The collateral securing the repurchase agreements will be delivered to the County's appropriate custodial safekeeping agent. The County will not enter into repurchase agreements with maturities over 90 days.

(6) Reverse Repurchase Agreements:

(a) Before entering into a reverse repurchase agreement, the County will obtain a signed repurchase agreement from the brokerage firm. The firm's current net worth must be over \$50 million. Reverse repurchases cannot exceed 2 percent of the firm's liabilities. The County will not enter in reverse repurchase agreements with maturities over 60 days. Reverse repurchase agreements must be approved by the Finance Director.

(7) Banker's Acceptance (BA's):

(a) All bankers' acceptances will be purchased from Oregon qualified financial institutions.

(8) Local Government Investment Pool (LGIP):

(a) With the exception of pass-through funds, the maximum amount to be placed with the LGIP is \$20 million.

(9) Commercial Paper (CP):

(a) All commercial paper will be purchased in accordance with ORS 294.035 (12) and (13). Other corporate debt is not allowable at the present time.

(10) Money Market Accounts/Savings Accounts:

(a) FDIC insured to \$100,000.

**8. Delivery of Securities:**

(a) Investment securities eligible for delivery purchased pursuant to this investment policy will be delivered by either book entry or physical delivery to a third party safekeeping agency.

**9. Authorized Financial Institutions and Securities Dealers:**

(a) Addendum A is the list of financial institutions and securities dealers authorized to provide investment services. The County will limit all investment and banking activities to the institutions on these lists.

(b) The Treasury Manager is authorized to sign a Trading Authorization agreement or master repurchase agreement with any institution included on this list.

(c) Additions to the list of authorized financial institutions may be made at the discretion of the Finance Director with written notification to the County Chair, the Board of County Commissioners and the Investment Advisory Board.

(d) Before the County purchases securities over \$100,000 from banks or savings and loans, the County must have on file the most recent audited financial report.

**10. Cash Flow Planning:**

(a) The Treasury Manager is responsible for preparing an annual projected cash flow schedule of all funds that are included in the County's Investment Pool. The projected cash flow schedule will be based on the previous two years actual cash flows. The Finance Director will review the schedule on October 15 and each quarter thereafter. The Treasury Manager is responsible for comparing the cash flow projections to actual cash flows each month and will revise the schedule, if necessary, based on the actual cash flows.

**11. Accounting Method:**

(a) At the time of purchase investments will be booked at cost. Any gains or losses from investments sold will be credited or charged to investment income at the time of sale. Premiums or discounts on securities will be accreted or amortized over the life of the securities and be credited or charged to interest income.

**12. County Investment Pool and Interest Earnings Allocation:**

(a) The County will pool most of its funds in the County's Investment Pool for investment purposes. The funds not pooled will be restricted to: contract retainage and lien deposits, deferred compensation deposits and investments, Library Retirement Plan investments, funds held for Certificates of Participation reserves or construction payments, petty cash funds, and imprest funds. These funds will earn interest income, if any, from the financial institution or organization holding the funds in a trust or fiduciary capacity.

(b) Method and Process of Investment Interest Allocation.

(1) According to State law and County Policy, interest earnings will be allocated to the following funds:

- (a) Road Fund and Willamette River Bridge Fund
- (b) Bicycle Path Fund
- (c) County School Fund
- (d) Tax Title Land Sales Fund
- (e) Emergency Communication Fund
- (f) Assessment District Operating Fund
- (g) Property Tax Trust Funds and Accounts
- (h) Funds accounting for serial levy and bond funds
- (i) Inmate Welfare Fund
- (j) County Fair Fund

(2) All Proprietary Type Funds will receive interest earnings allocation.

(3) Funds held in Trust Accounts or Trust Funds, that are to be used for a specific purpose will receive interest earnings allocation. These include:

- (a) Regional Organized Crime and Narcotics (ROCN)
- (b) Public Guardian
- (c) Drug Forfeiture

(4) Interest will be allocated to Funds created by the Board that specifically state the funds will earn interest. These include:

- (a) Natural Areas Acquisition Fund
- (b) Capital Improvement Fund

(5) Interest will not be allocated to the Federal/State Program Fund because the majority of the expenditures are on a reimbursement basis from the Grantor Agency and the General Fund provides the cash flow.

(6) The General Fund will receive the balance of interest earnings. All other Funds that are supported in whole or part by the General Fund will not be allocated interest earnings.

(7) In the event a new fund or account is created, the Finance Director is authorized to make the determination if the fund or account should receive interest. This determination is to be based on the criteria used for the funds in existence at the time this policy is adopted.

(c) The amount of interest allocation will be based on:

(1) The average daily cash balance of the fund. The property tax trust funds average daily cash balance will be reduced by the average daily uncollected funds.

(2) The average monthly yield of the County's investment portfolio.

(3) The yield is based on a 30 day month and 360 day year.

(4) An administrative fee of 1% of the earnings will be deducted from the interest earnings allocation prior to distribution.

(5) If the average daily cash balance in a fund is negative, the fund will be debited interest income for the period or periods that the cash balance is negative.

(6) Each month, General Ledger is responsible for computing and recording the amount of interest income that is to be allocated to various Funds.

### 13. The Investment Advisory Board:

(a) The County Chair will appoint the Investment Advisory Board members. The Investment Advisory Board will be composed of five citizen members. These individuals shall be nominated on the basis of their understanding and knowledge of financial markets. The Investment Advisory Board will meet quarterly to review the County's investment performance and existing investment plan. All such meetings of the Investment Advisory Board will be open and publicized as required by the open meetings law.

(b) After each meeting of the Investment Advisory Board the Treasury Manager will prepare a written report capturing the results of the meeting and investment plan to the Chair of the the Board, Board of County Commissioners, Investment Advisory Board and Finance Director.

### 14. Reporting Requirements:

(a) The Treasury Manager will provide the Chair of the Board, the Investment Advisory Board, the Executive Assistant to the Chair, and the Finance Director copies of the monthly Investment Portfolio. The Treasury Manager will provide the Finance Director a monthly detailed listing of all sales and trades with an explanation for the decision to sell or trade. The Investment Portfolio will be marked to market monthly for financial reporting purposes.

### 15. Indemnity Clause:

(a) The County shall indemnify County Officials and Advisory Board personnel from personal liability for losses that might occur pursuant to administering this investment policy.

### 16. Internal Controls:

(a) The Treasury Manager and Treasury staff shall follow the internal controls outlined in Executive Order #204, Finance Division policies and procedures, and any policies adopted after this policy is adopted.

### 17. Performance Evaluation and Goals:

(a) The performance of the County's portfolio shall be measured against the performance of the Local Government Investment Pool yield and the 90 day Treasury Bill yields. It is the goal of the County to maintain a yield that is not lower than 1/2 percent (.5%) of the Local Government Investment Pool and that is 1/4 percent (.25%) higher than the 90 day Treasury Bill yield. The County will attempt to compare its yield to Washington County and Clackamas County portfolios.

18. Investment Policy Adoption:

(a) The County's investment policy will be reviewed by the Finance Director and Investment Advisory Board for appropriate modifications on an annual basis and submitted to the Oregon Short Term Fund Board.

(1) Any comments made by the Oregon Short Term Fund Board will be formally responded to and any suggestions not implemented will be explained to the Board of County Commissioners.

(b) This policy and any amendments to this policy is to be approved by the Board of County Commissioners.

ADOPTED THIS 25th DAY OF August, 1994.

**ADDENDUM A  
INVESTMENT POLICY  
FINANCIAL INSTITUTIONS**

**Brokerage Firms:**

1. Bank America Securities, Inc
2. Chemical Securities, Inc.
3. Dain Bosworth, Inc.
4. Dean Witter Reynolds Inc.
5. Donaldson, Lufkin, and Jenrette
6. Kidder Peabody & Co.
7. Lehman Brothers, Inc.
8. Merrill Lynch Capital Markets, Inc
9. Paine Webber Incorporated
10. Prudential Securities, Inc.
11. Seattle Northwest Securities Corp.
12. Smith Barney

**Banks:**

1. Bank of America
2. US Bank
3. First Interstate Bank
4. Bank of California
5. Bank of Tokyo
6. Key Bank
7. West One Bank
8. American State Bank (\$100,000 maximum)

**Savings and Loans:**

1. None at this time.

**Other:**

1. Oregon Local Government Investment Pool

**ADDENDUM B  
INVESTMENT POLICY  
INVESTMENT ADVISORY BOARD**

Judy Homer  
Budget Analyst II  
City of Gresham  
501 NE Hood Avenue, Suite 100  
Gresham, OR 97030  
(503) 669-2371

Appointed: June 17, 1993  
First Term

George Scherzer  
Executive Vice President  
Smith Barney  
200 SW Market, Suite 1200  
Portland, OR 97201  
(503) 221-7640  
(503) 221-7627

Appointed: June 17, 1993  
Third Term

Richard Harris  
CPA  
Harris & Kalberg  
825 NE Multnomah, Suite 1285  
Portland, OR 97232  
(503) 233-5417

Appointed: June 17, 1993  
Second Term

Thomas Landye  
Senior Partner  
Copeland, Landye, Bennett and Wolf  
300 First Interstate Tower  
Portland, OR 97201  
(503) 224-4100

Appointed: February 24, 1994  
First Term

Howard Shapiro  
American Bank Building  
621 SW Morrison #600  
Portland, OR 97205  
(503) 222-6613

Appointed: February 24, 1994  
First Term

Staff: Harry Morton, Treasury Manager (503) 248-3290  
David Boyer, Finance Director (503) 248-3903