



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

BOARD OF COMMISSIONERS

Diane Linn, Chair

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

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

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

Maria Rojo de Steffey, Commission Dist. 1

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

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

Email: district1@co.multnomah.or.us

Serena Cruz Walsh, Commission Dist. 2

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

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

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Lisa Naito, Commission Dist. 3

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

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

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Lonnie Roberts, Commission Dist. 4

501 SE Hawthorne Boulevard, Suite 600
Portland, Or 97214

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

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

On-line Streaming Media, View Board Meetings
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Americans with Disabilities Act Notice: If you need this agenda in an alternate format, or wish to participate in a Board Meeting, please call the Board Clerk (503) 988-3277, or the City/County Information Center TDD number (503) 823-6868, for information on available services and accessibility.

JANUARY 31 & FEBRUARY 2, 2006 BOARD MEETINGS REVISED FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. Tuesday Animal Services Briefing
Pg 2	9:30 a.m. Tuesday City of Portland Freight Master Plan Briefing
Pg 2	9:50 a.m. Tuesday Work Session on County Policing: Historical and Future Considerations
Pg 2	11:50 a.m. Tuesday Executive Session
Pg 3	9:30 a.m. Thursday Public Comment
Pg 3	9:30 a.m. Thursday Resolution Adopting a Revised Capacity Management Action Plan
Pg 4	9:40 a.m. Thursday Second Quarter General Fund Forecast Update
Pg 4	10:00 a.m. Thursday Work Session on the Proposed Reorganization of the Department of County Human Services

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(503) 667-8848, ext. 332 for further info
or: <http://www.mctv.org>

Tuesday, January 31, 2006 - 9:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BRIEFINGS/WORK SESSION

- B-1 Multnomah County Code Related to Animal Services and Facilities Licenses. Presented by Jenny Morf, Assistant County Attorney and Mike Oswald, Multnomah County Animal Services Division. 30 MINUTES REQUESTED.
- B-2 City of Portland Freight Master Plan. Presented by John Gillam, Portland Department of Transportation. 20 MINUTES REQUESTED.
- WS-1 Work Session on County Policing: Historical and Future Considerations. Presented by Commissioner Lisa Naito, Sheriff Bernie Giusto, Multnomah County Sheriff's Office Staff and Invited Others. 1.5 to 2 HOURS REQUESTED.
-

~~Tuesday, January 31, 2006 - 11:50 AM
(OR IMMEDIATELY FOLLOWING WORK SESSION)
Multnomah Building, First Floor Commissioners Conference Room 112
501 SE Hawthorne Boulevard, Portland~~

IF NEEDED EXECUTIVE SESSION

- ~~E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by Agnes Sewle. 15-30 MINUTES REQUESTED.~~

Thursday, February 2, 2006 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:30 AM

NON-DEPARTMENTAL

- C-1 Appointments of Teresa Walton and Robert Williams to the Multnomah County CITIZEN INVOLVEMENT COMMITTEE
- C-2 Appointment of Virginia Koontz to the MULTNOMAH COUNTY LIBRARY BOARD

REGULAR AGENDA - 9:30 AM

NON-DEPARTMENTAL - 9:30 AM

- UC-1 PROCLAMATION Proclaiming the Month of February, 2006 as American Heart Month and February 3, 2006 as "Wear Red for Women Day" in Multnomah County, Oregon

PUBLIC COMMENT - 9:30 AM

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

SHERIFF'S OFFICE - 9:30 AM

- R-1 RESOLUTION Adopting a Revised Capacity Management Action Plan and Repealing Resolution 05-186

PUBLIC CONTRACT REVIEW BOARD - 9:35 AM

(Recess as the Multnomah County Board of Commissioners and convene as the Public Contract Review Board)

- R-2 ORDER Approving an Amendment to Board Order 04-095 to Extend the Period of Performance of a Contract with Ciber, Inc. by 13 Months through December 31, 2006

(Adjourn as the Public Contract Review Board and reconvene as Multnomah County Board of Commissioners)

DEPARTMENT OF COUNTY MANAGEMENT - 9:40 AM

R-3 Second Quarter General Fund Forecast Update. Presented by Mark Campbell. 30 MINUTES REQUESTED.

Thursday, February 2, 2006 - 10:00 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

WORK SESSION

WS-2 Work Session on the Proposed Reorganization of the Department of County Human Services Programs and Services. Presented by Iris Bell, Rex Surface, Lillian Shirley, Joanne Fuller, Lorenzo Poe and Dave Boyer. 2 HOURS REQUESTED.



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MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 02/02/06
Agenda Item #: C-1
Est. Start Time: 9:30 AM
Date Submitted: 01/20/06

BUDGET MODIFICATION: -

Agenda Title: **Appointments of Teresa Walton and Robert Williams to the Multnomah County Citizen Involvement Committee**

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

Date Requested:	<u>February 2, 2006</u>	Time Requested:	<u>Consent Agenda</u>
Department:	<u>Non-Departmental</u>	Division:	<u>Chair's Office</u>
Contact(s):	<u>Chair Diane Linn, Andy Smith</u>		
Phone:	<u>503 988-3308</u>	Ext.: <u>83308</u>	I/O Address: <u>503/600</u>
Presenter(s):	<u>N/A</u>		

General Information

1. What action are you requesting from the Board?

Request the Board approve the appointments of Teresa Walton and Robert Williams to the Multnomah County Citizen Involvement Committee

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

The Citizen Involvement Committee (CIC) was created by Ordinance to inform County residents of their opportunities and rights in the decision making process of all branches of County government and to create meaningful citizen involvement opportunities and integrate citizens into the decision making process. There are 15 volunteer members, 12 from specific commission districts and 3 recommended from County Boards and/or civic groups (at large). Nominees are passed forward by the Citizen Involvement Committee and appointed to 3-year terms by the County Chair with approval of the Board of County Commissioners. Citizen Involvement Committee members have a 2-term limit. Kathleen Todd is the Director of the County's Office of Citizen Involvement.

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

No current year/ongoing fiscal impact.

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

No legal and/or policy issues involved.

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

N/A

Required Signatures

**Department/
Agency Director:**



Date: 1/20/2006

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 02/02/06
 Agenda Item #: C-2
 Est. Start Time: 9:30 AM
 Date Submitted: 01/20/06

BUDGET MODIFICATION:

Agenda Title: Appointment of Virginia Koontz to the Multnomah County Library Board

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

Date Requested:	<u>2/2/2006</u>	Time Requested:	<u>Consent Calendar</u>
Department:	<u>Non-Departmental</u>	Division:	<u>Chair's Office</u>
Contact(s):	<u>Chair Diane Linn, Andy Smith</u>		
Phone:	<u>503 988-3308</u>	Ext.:	<u>83308</u>
		I/O Address:	<u>503/600</u>
Presenter(s):	<u>N/A</u>		

General Information

1. What action are you requesting from the Board?

Request the Board approve the appointment of Virginia Koontz to the Multnomah County Library Board

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

The Library Board was created by County Ordinance to advise the Board of County Commissioners on matters relating to library services, policies and funding. The Library Board also serves as the Citizen Budget Advisory Committee for the County's Library Department. There are 17 members including two youth members between the ages of 13 and 17. Non-youth members are appointed to 4-year terms by the County Chair with approval of the Board of County Commissioners. Youth members are appointed to 2-year terms by the County Chair with approval of the Board of County Commissioners. Monique Coleman is the County's liaison to the Library Board.

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

No current year/ongoing fiscal impact.

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

No legal and/or policy issues involved.

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

N/A

Required Signatures

**Department/
Agency Director:**



Date: 1/20/2006

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

**UNANIMOUS CONSENT ITEM FOR FEBRUARY 2, 2006
MEETING OF THE
MULTNOMAH COUNTY BOARD OF COMMISSIONERS**

**MAY I HAVE A MOTION FOR CONSIDERATION
OF A UNANIMOUS CONSENT ITEM?**

**COMMISSIONER _____ MOVES
COMMISSIONER _____ SECONDS
CONSIDERATION OF A UNANIMOUS CONSENT
ITEM**

**ALL IN FAVOR, VOTE AYE, OPPOSED ____?
THE MOTION FAILS
OR
THE CONSIDERATION IS APPROVED**

NON-DEPARTMENTAL - 9:30 AM

UC-1 PROCLAMATION Proclaiming the Month of February, 2006 as American Heart Month and February 3, 2006 as "Wear Red for Women Day" in Multnomah County, Oregon

**COMMISSIONER _____ MOVES
COMMISSIONER _____ SECONDS
APPROVAL OF UC-1**

**COMMISSIONER ROJO EXPLANATION, READ
PROCLAMATION, RESPONSE TO QUESTIONS**

OPPORTUNITY FOR PUBLIC TESTIMONY

OPPORTUNITY FOR BOARD COMMENTS

ALL IN FAVOR, VOTE AYE, OPPOSED ____?

**THE MOTION FAILS
OR
THE PROCLAMATION IS ADOPTED**



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 02/02/06
 Agenda Item #: UC-1
 Est. Start Time: 9:30 AM
 Date Submitted: 02/01/06

BUDGET MODIFICATION: -

Agenda Title: **PROCLAMATION Proclaiming the Month of February, 2006 as American Heart Month and February 3, 2006 as "Wear Red for Women Day" in Multnomah County, Oregon**

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

Date Requested:	<u>February 2, 2006</u>	Time Requested:	<u>5 minutes</u>
Department:	<u>Non-Departmental</u>	Division:	<u>Commissioner Rojo de Steffey</u>
Contact(s):	<u>Matthew Lashua</u>		
Phone:	<u>503 988 6796</u>	Ext.:	<u>86796</u>
		I/O Address:	<u>503/6</u>
Presenter(s):	<u>Commissioner Rojo de Steffey</u>		

General Information

- 1. What action are you requesting from the Board?**
 Adoption of Proclamation Proclaiming the Month of February, 2006 as American Heart Month and February 3, 2006 as "Wear Red for Women Day" in Multnomah County.
- 2. Please provide sufficient background information for the Board and the public to understand this issue.**
- 3. Explain the fiscal impact (current year and ongoing).**
 N/A
- 4. Explain any legal and/or policy issues involved.**
 N/A

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

N/A

Required Signatures

**Department/
Agency Director:**

Maria Pijo de Steffey

Date: 02/01/06

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

PROCLAMATION NO. _____

Proclaiming the Month of February 2006 as American Heart Month and February 3, 2006, as "Wear Red for Women Day" in Multnomah County, Oregon

The Multnomah County Board of Commissioners Finds:

- a. Heart disease and stroke are the No. 1 and No. 3 killers of women over the age of 25.
- b. Heart attack, stroke and other cardiovascular diseases claim the lives of over 480,000 women each year – about a death a minute. That's more lives than the next five causes of death *combined* and nearly twice as many as all forms of cancer, including breast cancer.
- c. Of particular concern is the fact cardiovascular disease is the No.1 killer of women of all ethnic backgrounds but less than half of these women realize it. For instance, Hispanic women are at greater risk of cardiovascular disease due to higher rates of high blood pressure, obesity, diabetes and metabolic syndrome than white women. Yet, Hispanic women are less likely than white women to know that these things increase their heart disease risk.
- d. The cost of cardiovascular diseases and stroke in the United States is estimated at \$403.1 billion.
- e. One in three females in the United States has some form of cardiovascular disease.
- f. Sixty-four percent of women who died suddenly of coronary heart disease had no previous symptoms of this disease.
- g. Increasing awareness of the risk factors and taking actions to reduce them can save thousands of lives each year.
- h. February has been designated National American Heart Month.
- i. The American Heart Association has launched their successful "Go Red for Women" campaign to encourage women to love their hearts and take charge of their health, helping them live longer, stronger lives by reducing their risk for cardiovascular disease and stroke.
- j. The Go Red for Women Rally will be held February 3, from 11 am to 1 pm at Pioneer Place Shopping Center and is open to the public.

The Multnomah County Board of Commissioners Proclaims:

The month of February 2006 as American Heart Month and Friday, February 3, 2006 as "Wear Red for Women Day" in Multnomah County, Oregon. We urge everyone to wear red in recognition of family, friends and neighbors who have suffered from cardiovascular disease and as a show of support to fight Oregon's number one killer.

ADOPTED this 2nd day of February, 2006.

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

Diane M. Linn, County Chair

Maria Rojo de Steffey,
Commissioner District 1

Serena Cruz Walsh,
Commissioner District 2

Lisa Naito,
Commissioner District 3

Lonnie Roberts,
Commissioner District 4

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

PROCLAMATION NO. 06-016

Proclaiming the Month of February 2006 as American Heart Month and February 3, 2006, as "Wear Red for Women Day" in Multnomah County, Oregon

The Multnomah County Board of Commissioners Finds:

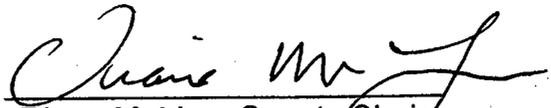
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- b. Heart attack, stroke and other cardiovascular diseases claim the lives of over 480,000 women each year – about a death a minute. That's more lives than the next five causes of death *combined* and nearly twice as many as all forms of cancer, including breast cancer.
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- h. February has been designated National American Heart Month.
- i. The American Heart Association has launched their successful "Go Red for Women" campaign to encourage women to love their hearts and take charge of their health, helping them live longer, stronger lives by reducing their risk for cardiovascular disease and stroke.
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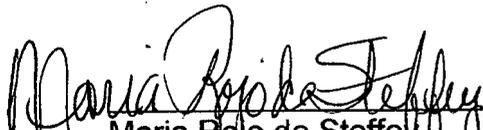
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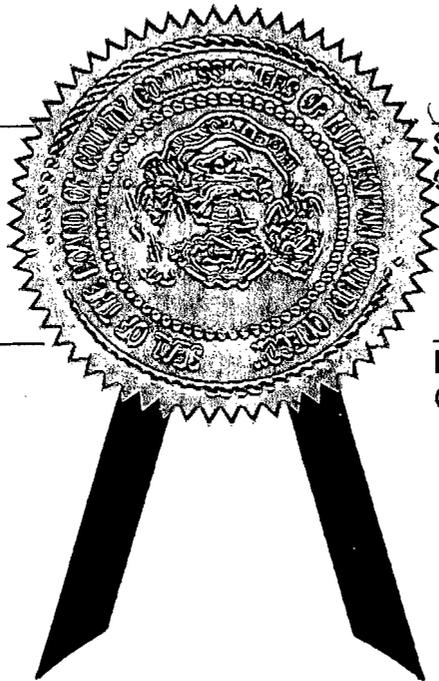
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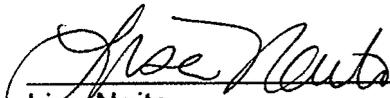
**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

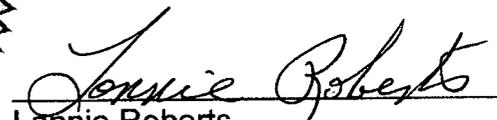

Diane M. Linn, County Chair


Maria Rojo de Steffey,
Commissioner District 1




Serena Cruz Walsh,
Commissioner District 2


Lisa Naito,
Commissioner District 3


Lonnie Roberts,
Commissioner District 4

#1

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 7 Feb 2006 9:30

SUBJECT: Reorganization of County
Human Services

AGENDA NUMBER OR TOPIC: 215-2

FOR: _____ AGAINST: THE ABOVE AGENDA ITEM

NAME: Landra Bejin "Bejin"

ADDRESS: 5621 NE 48th Ave

CITY/STATE/ZIP: Portland, OR 97218

PHONE: _____ DAYS: 503 249-8432 EVES: none

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: inappropriateness of current
proposal from perspective of clients of DCHS

WRITTEN TESTIMONY:

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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

#2

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
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MEETING DATE: 02.02.06

SUBJECT: Proposed DCHS REORG

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Juliet Parrott Chair, MC Disability Services Advisory Council

ADDRESS: 2410 SE 11th Av

CITY/STATE/ZIP: Portland, OR 97214

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: julietp@ilr.org FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

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Multnomah DSAC
Multnomah Disability Services Advisory Council
421 SW Oak, Suite 510 • Portland, OR • 97204

January 9, 2006
Ms. Diane Linn, Chair
Multnomah County Board of County Commissioners
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214

Dear Chair Linn,

The Multnomah County Disability Services Advisory Council (DSAC) is writing today to request that you reconsider the recent proposal you have drafted to eliminate the Department of County Human Services. Although there has been no formal document distributed that outlines the proposal, we (the DSAC) understand that the proposal calls for the dissolution of the Department of County Human Services. Furthermore, we understand that this dissolution would call for a shift in the housing and direction of existing DCHS departments. We understand that the Department of Aging and Disability Services (ADS) and Developmental Disabilities (DD) would be housed within the Department of Schools and Community Partnerships, Adult Protective Services (APS) and Public Guardian (PG) programs would be housed under the Department of Community Justice and Mental Health would be directed under the Health Department.

We feel the changes you are proposing, specifically for ADS, DD, APS, and the Public Guardian program would be extremely problematic for clients served by these departments. Our reasons are listed and explained below:

1. The Department of Community Justice lacks the important social service tools and support systems necessary for proper client success during difficult times. Although the Department of Community Justice could help provide the protection that may be necessary for APS clients, we the DSAC, feel that this department lacks the proper social service tools and support systems necessary to handle transitions of this nature, with the care and support they require in order to be successful. Here's why:

- About 60% of Adult Protective Services (APS) referrals are related to issues of neglect and abuse, not personal protection.
- APS provides case management services that are designed to help vulnerable people (such as seniors and people with disabilities) make transitions from unsafe situations.
- The services APS provides are intensive, on-going, and designed to help clients be successful in gaining and maintaining stability during and after difficult times of change and transition.

- Maintaining stability requires the myriad of on-going case management and transition services which ADS was designed to help provide.
- 2. The myriad of complex services clients need to be successful, have already been coordinated, put in place, and are already working well.**
- The Public Guardian program is successfully helping clients who are experiencing complex physical and cognitive disabilities, complicated by mental health concerns, remove themselves from difficult situations that are often abuse-related and require assistance with navigation through the court system. This could not be done without the existing strong partnerships between ADS, DD, mental health, and the county court system.
 - The close collaboration that is so vital in APS investigations related to abuse of seniors and people with disabilities in adult foster care homes, facilities and other living situations, is being done and working well. Adult Home Care licensors, care providers and ADS staff being brought together to find and coordinate resources and create new care plans, that will remove clients from unsafe and abusive circumstances, and improve their living situations for the better.
 - The Multi-Disciplinary Team, which is crucial to the success of intervening in complex situations, would be in jeopardy. The MDT is comprised of mental health, community health and social workers. This team provides professional consultation to case managers in instances where clients are in situations of extreme risk. The MDT assists case managers in developing a plan to intervene in a complex situation. This is critical to client success.
- 3. Shifting ADS, DD, APS, and the Public Guardian Program would be a difficult transition for both clients and staff to make.**
- Crucial collaborations and partnerships that are already formed and working well together, would be interrupted, and could possibly break down and fall by the wayside. This will leave vulnerable clients hanging.
 - Social service support systems that are so necessary for client success would be left lacking. This would make it difficult for staff to provide them help, and would also leave vulnerable clients hanging.
 - Programs and services would become fragmented, difficult for clients and staff to navigate, and would leave vulnerable clients hanging.

For these reasons, we the Multnomah County Disability Services Advisory Council (DSAC) request that you reconsider the proposal to disband the Department of County Human Services.

Thank you,

A handwritten signature in cursive script, reading "Juliet Parrott".

Juliet Parrott, Chair
Multnomah County Disability Services Advisory Council

cc: Maria Rojo De Steffey
Serena Cruz
Lisa Naito
Lonnie Roberts

#3

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 02.02.06

SUBJECT: PROPOSED DCHS REORG

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: LADDIE READ

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 02/02/06
Agenda Item #: R-1
Est. Start Time: 9:30 AM
Date Submitted: 01/24/06

BUDGET MODIFICATION: -

Agenda Title: **RESOLUTION Adopting a Revised Capacity Management Action Plan and Repealing Resolution 05-186**

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

Date Requested:	<u>February 2, 2006</u>	Time Requested:	<u>5 mins</u>
Department:	<u>Sheriff's Office</u>	Division:	<u></u>
Contact(s):	<u>Christine Kirk, Chief of Staff</u>		
Phone:	<u>503.988.4301</u>	Ext.	<u>84301</u>
		I/O Address:	<u>503/350</u>
Presenter(s):	<u>Chief Deputy Carol Hasler and Christine Kirk</u>		

General Information

1. What action are you requesting from the Board?

Approve new language in the Capacity Management Plan and Resolution setting the Capacity at MCDC at 676. The Detention Electronics Project has been completed to a point where all of the detention floors are done. This allowed for the reopening of the vacant floor earlier than expected. Completion of the total project is expected in April.

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

The Capacity Management Plan includes the current capacity at MCDC. Any time capacity at MCDC changes the Plan must also be changed.

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

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

ORS 169.042, 169.044 and 169.046 set forth the legal parameters for setting a capacity limit and creating an capacity management plan in correctional facilities.

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

Required Signatures

**Department/
Agency Director:**

A handwritten signature in cursive script, appearing to read "Bernie Lefebvre", is written over a rectangular area with a light gray dot grid background.

Date: 01/24/06

Budget Analyst:

Date: _____

Department HR:

Date: _____

Countywide HR:

Date: _____

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Adopting a Revised Capacity Management Action Plan and Repealing Resolution 05-186

The Multnomah County Board of Commissioners Finds:

- a. The Board of County Commissioners and the Sheriff are committed to operating the county's jails in a manner that is consistent with prevailing constitutional standards and statutory provisions regarding conditions of confinement.
- b. The maximum population capacity of the Multnomah County Detention Center (MCDC) has changed over time as a result of design changes, temporary construction and capital improvement projects.
- c. Resolutions 97-159, 98-1, 04-135, 05-023, 05-186 established and amended the maximum jail population and capacity management plan, in response to jail overcrowding.
- d. On October 20, 2005 the Multnomah County Commissioners agreed to rent 57 jail beds to the City of Portland through Government Revenue Contract 0405136 and an Intergovernmental Agreement that reserved the beds and established the protocols for use of these jail beds for pre-arraignment lodging of arrestees designated by Portland as Project 57 (or P57) arrestees.
- e. Section 2.B.3 of the Intergovernmental Agreement Government within Revenue Contract 0405136 states specific language as to how P57 arrestees will be managed within the Population Release Plan. This Resolution integrates the agreed upon language into Section VI of the Capacity Management Action Plan.
- f. The Fire Safety and Detention Electronics Project was completed in all of the housing areas of MCDC. This allowed for the floor at MCDC to be reopened in January of 2006 bringing MCDC from a total capacity of 520 beds to 676 beds.

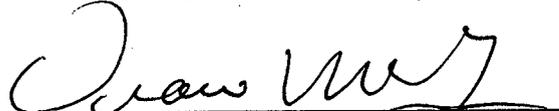
The Multnomah County Board of Commissioners Resolves:

1. Pursuant to ORS 169.042 and 169.044 the population limit at MCDC is at its full capacity of 676.
2. If the number of inmates housed at MCDC reaches the capacity limit, a county jail population emergency will exist.

3. The attached Capacity Management Action Plan (Plan) is adopted and will be implemented in accordance with ORS 169.044 in the event of a county jail population emergency.
4. The Sheriff or designee, in the event the Sheriff is unable to act, will implement the Plan in the event of a county jail population emergency.
5. The Board, the Local Public Safety Coordinating Council, or the Sheriff may request a review of the Population Capacity at MCDC and/or the Capacity Management Plan.
6. The Board may issue additional orders or resolutions to carry out the functions and authority granted to Multnomah County under ORS 169.042, 169.044 and 169.046.
7. This Resolution takes effect immediately and Resolution 05-186 is repealed.

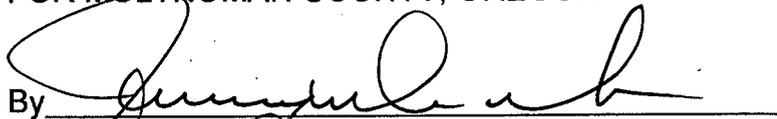
ADOPTED this 2nd day of February, 2006.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Jacqueline A. Weber, Assistant County Attorney

CAPACITY MANAGEMENT ACTION PLAN

- I. This Capacity Management Action Plan ("Plan") is adopted pursuant to ORS 169.044 to resolve a county jail population emergency. A jail population emergency exists when the MCDC population exceeds 95 percent of its population limit. In the event of a county jail population emergency, the Sheriff or his designee will implement this Plan.

- II. The intent of this Plan is to resolve a jail population emergency by holding in jail those that have been evaluated and found to represent the greatest threat to the safety of the community and releasing those that pose the least risk. Such evaluations will be based on objective criteria reasonably calculated to:
 - A. Resolve the jail population emergency;
 - B. Ensure community safety; and
 - C. Comply with prevailing constitutional and Oregon jail standards relating to conditions of incarceration.

- III. The Sheriff or his designee will develop and implement policies and procedures in which every person in custody of the Sheriff, and eligible under the Sheriff's authority to release, is evaluated using the following criteria:
 - A. Risk to self or other persons;
 - B. Propensity for violence;
 - C. Criminal Charges (person vs. non person);
 - D. Prior failures to follow court orders;
 - E. Parole, probation, or post-prison revocations; and
 - F. Institutional behavior or classification.

- IV. Persons whose current charge relates to or who have a criminal history involving the following shall receive special consideration:
 - A. Domestic violence;
 - B. Sex abuse;
 - C. Child abuse or crimes relating to children;
 - D. Risk to a known victim;

- E. Gang violence;
 - F. Crimes involving a weapon;
 - G. A history of an inability to comply with release conditions or sentencing orders (including Failure to Appear);
 - H. A history of Driving Under the Influence of an Intoxicants; or
 - I. A history of property crimes.
- V. A numerical score will be assigned to each person in custody and will rank the inmate population from highest to lowest score as indicated in Attachment A. The lowest score will represent the least threat to community safety.
- VI. The categories in this Plan apply equally to sentenced offenders, unsentenced offenders, and offenders held pursuant to warrants. In the event of multiple charges pending against a single inmate, the most serious charge will determine the inmate's primary charge category. However, unsentenced offenders may be released for population reasons before sentenced offenders with a lower score until an unsentenced inmate reaches a predetermined score set by the Sheriff. Also, the Sheriff may release one gender with higher scores, if releasing the other gender with lower scores would only make available beds that would not be filled because there are no gender appropriate inmates waiting to be housed or no gender appropriate inmates classified for housing at the available bed.
- a. Each person in custody and designated as a Project 57 arrestee in accordance with Government Revenue Contract 0405136 with the City of Portland for the Rental of 57 Jail Beds will be exempted from Emergency Population Release until arraignment unless Project 57 capacity is exceeded and population releases are necessary.
 - b. In the event that an Emergency Population Release is required the number of Project 57 detainees in excess of 57 may be considered for release consistent with the Matrix scoring range under consideration at the time consistent with their charges.
- VII. The Plan shall ensure compliance with ORS 169.046 regarding notice of a county jail population emergency.
- VIII. The Sheriff may adopt, amend, and rescind MCSO policies and procedures as necessary to ensure compliance with the intent of section II of this Plan.

Attachment A - Capacity Management Plan

CHARGE LEVEL	PERSON ^{1,2}	NON PERSON ²
Measure 11	150	150
Class A Felony	135	100
Exemption	100 points: Burglary 1	35 points: MCS I and all DCS I related charges, with the exception of DCS to a Minor or Using a Minor in a Drug Offense
Class B Felony	80	35
Exemption	Escape I is 135 points.	50 points: MCS II, Possession of Precursor 20 points: PCS I
Class C Felony	50	20
Exemption	80 points: - Attempted Escape I - Negligent Homicide - Stalking - Violation of a Court Protective Order - Unlawful use of a Weapon - Felony DUII	35 points: - Identity Theft - Forgery - UUMV 50 points: - Tampering with a Witness - Riot - Attempted Theft by Extortion
Class A Misd.	25	14
Exemption	50 points: - DUII 80 points: - Stalking - Violation of a Court Protective Order	35 points: - Mail Theft 50 points: - Strangulation
Class B Misd.	14	7
Class C Misd	NA	7
Unclassified Misd/Ordinances	7	7
		170 points: - Restraining Order Violation
Violation	NA	7

Attachment A - Capacity Management Plan

1. Person crimes are those defined by the Oregon Criminal Justice Commission, all child abuse and crimes relating to children, including delivering controlled substances to a child, using a child in a drug offense, all sex abuse, firearms related crimes, escape and any conspiring to commit those crimes defined here as person crimes.
2. The charge of Conspiring to Commit a Crime is treated the same the charge for the crime (example Conspiring to Commit a Burglary I is the same score as Burglary I).

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 06-014

Adopting a Revised Capacity Management Action Plan and Repealing Resolution 05-186

The Multnomah County Board of Commissioners Finds:

- a. The Board of County Commissioners and the Sheriff are committed to operating the county's jails in a manner that is consistent with prevailing constitutional standards and statutory provisions regarding conditions of confinement.
- b. The maximum population capacity of the Multnomah County Detention Center (MCDC) has changed over time as a result of design changes, temporary construction and capital improvement projects.
- c. Resolutions 97-159, 98-1, 04-135, 05-023, 05-186 established and amended the maximum jail population and capacity management plan, in response to jail overcrowding.
- d. On October 20, 2005 the Multnomah County Commissioners agreed to rent 57 jail beds to the City of Portland through Government Revenue Contract 0405136 and an Intergovernmental Agreement that reserved the beds and established the protocols for use of these jail beds for pre-arraignment lodging of arrestees designated by Portland as Project 57 (or P57) arrestees.
- e. Section 2.B.3 of the Intergovernmental Agreement Government within Revenue Contract 0405136 states specific language as to how P57 arrestees will be managed within the Population Release Plan. This Resolution integrates the agreed upon language into Section VI of the Capacity Management Action Plan.
- f. The Fire Safety and Detention Electronics Project was completed in all of the housing areas of MCDC. This allowed for the floor at MCDC to be reopened in January of 2006 bringing MCDC from a total capacity of 520 beds to 676 beds.

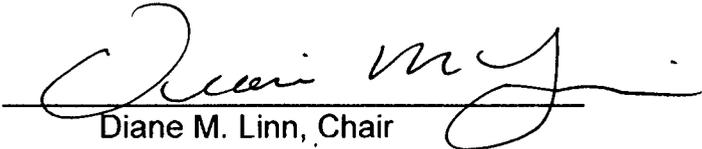
The Multnomah County Board of Commissioners Resolves:

1. Pursuant to ORS 169.042 and 169.044 the population limit at MCDC is at its full capacity of 676.
2. If the number of inmates housed at MCDC reaches the capacity limit, a county jail population emergency will exist.

3. The attached Capacity Management Action Plan (Plan) is adopted and will be implemented in accordance with ORS 169.044 in the event of a county jail population emergency.
4. The Sheriff or designee, in the event the Sheriff is unable to act, will implement the Plan in the event of a county jail population emergency.
5. The Board, the Local Public Safety Coordinating Council, or the Sheriff may request a review of the Population Capacity at MCDC and/or the Capacity Management Plan.
6. The Board may issue additional orders or resolutions to carry out the functions and authority granted to Multnomah County under ORS 169.042, 169.044 and 169.046.
7. This Resolution takes effect immediately and Resolution 05-186 is repealed.

ADOPTED this 2nd day of February, 2006.

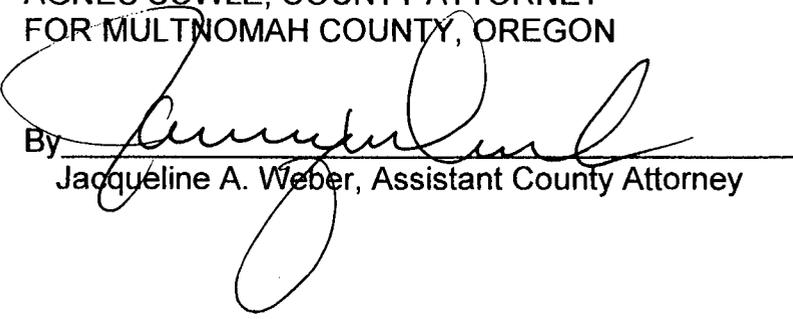
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair



REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Jacqueline A. Weber, Assistant County Attorney

CAPACITY MANAGEMENT ACTION PLAN

- I. This Capacity Management Action Plan ("Plan") is adopted pursuant to ORS 169.044 to resolve a county jail population emergency. A jail population emergency exists when the MCDC population exceeds 95 percent of its population limit. In the event of a county jail population emergency, the Sheriff or his designee will implement this Plan.

- II. The intent of this Plan is to resolve a jail population emergency by holding in jail those that have been evaluated and found to represent the greatest threat to the safety of the community and releasing those that pose the least risk. Such evaluations will be based on objective criteria reasonably calculated to:
 - A. Resolve the jail population emergency;
 - B. Ensure community safety; and
 - C. Comply with prevailing constitutional and Oregon jail standards relating to conditions of incarceration.

- III. The Sheriff or his designee will develop and implement policies and procedures in which every person in custody of the Sheriff, and eligible under the Sheriff's authority to release, is evaluated using the following criteria:
 - A. Risk to self or other persons;
 - B. Propensity for violence;
 - C. Criminal Charges (person vs. non person);
 - D. Prior failures to follow court orders;
 - E. Parole, probation, or post-prison revocations; and
 - F. Institutional behavior or classification.

- IV. Persons whose current charge relates to or who have a criminal history involving the following shall receive special consideration:
 - A. Domestic violence;
 - B. Sex abuse;
 - C. Child abuse or crimes relating to children;
 - D. Risk to a known victim;

- E. Gang violence;
 - F. Crimes involving a weapon;
 - G. A history of an inability to comply with release conditions or sentencing orders (including Failure to Appear);
 - H. A history of Driving Under the Influence of an Intoxicants; or
 - I. A history of property crimes.
- V. A numerical score will be assigned to each person in custody and will rank the inmate population from highest to lowest score as indicated in Attachment A. The lowest score will represent the least threat to community safety.
- VI. The categories in this Plan apply equally to sentenced offenders, unsentenced offenders, and offenders held pursuant to warrants. In the event of multiple charges pending against a single inmate, the most serious charge will determine the inmate's primary charge category. However, unsentenced offenders may be released for population reasons before sentenced offenders with a lower score until an unsentenced inmate reaches a predetermined score set by the Sheriff. Also, the Sheriff may release one gender with higher scores, if releasing the other gender with lower scores would only make available beds that would not be filled because there are no gender appropriate inmates waiting to be housed or no gender appropriate inmates classified for housing at the available bed.
- a. Each person in custody and designated as a Project 57 arrestee in accordance with Government Revenue Contract 0405136 with the City of Portland for the Rental of 57 Jail Beds will be exempted from Emergency Population Release until arraignment unless Project 57 capacity is exceeded and population releases are necessary.
 - b. In the event that an Emergency Population Release is required the number of Project 57 detainees in excess of 57 may be considered for release consistent with the Matrix scoring range under consideration at the time consistent with their charges.
- VII. The Plan shall ensure compliance with ORS 169.046 regarding notice of a county jail population emergency.
- VIII. The Sheriff may adopt, amend, and rescind MCSO policies and procedures as necessary to ensure compliance with the intent of section II of this Plan.

Attachment A - Capacity Management Plan

CHARGE LEVEL	PERSON ^{1,2}	NON PERSON ²
Measure 11	150	150
Class A Felony	135	100
Exemption	100 points: Burglary 1	35 points: MCS I and all DCS I related charges, with the exception of DCS to a Minor or Using a Minor in a Drug Offense
Class B Felony	80	35
Exemption	Escape I is 135 points.	50 points: MCS II, Possession of Precursor 20 points: PCS I
Class C Felony	50	20
Exemption	80 points: - Attempted Escape I - Negligent Homicide - Stalking - Violation of a Court Protective Order - Unlawful use of a Weapon - Felony DUI	35 points: - Identity Theft - Forgery - UUMV 50 points: - Tampering with a Witness - Riot - Attempted Theft by Extortion
Class A Misd.	25	14
Exemption	50 points: - DUI 80 points: - Stalking - Violation of a Court Protective Order	35 points: - Mail Theft 50 points: - Strangulation
Class B Misd.	14	7
Class C Misd	NA	7
Unclassified Misd/Ordinances	7	7
		170 points: - Restraining Order Violation
Violation	NA	7

Attachment A - Capacity Management Plan

1. Person crimes are those defined by the Oregon Criminal Justice Commission, all child abuse and crimes relating to children, including delivering controlled substances to a child, using a child in a drug offense, all sex abuse, firearms related crimes, escape and any conspiring to commit those crimes defined here as person crimes.
2. The charge of Conspiring to Commit a Crime is treated the same the charge for the crime (example Conspiring to Commit a Burglary I is the same score as Burglary I).



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date:	<u>02/02/06</u>
Agenda Item #:	<u>R-2</u>
Est. Start Time:	<u>9:35 AM</u>
Date Submitted:	<u>01/09/06</u>

BUDGET MODIFICATION:

Agenda Title:	ORDER Approving an Amendment to Board Order 04-095 to Extend the Period of Performance of a Contract with Ciber, Inc. by 13 Months through December 31, 2006
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Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Date Requested:	<u>February 2, 2006</u>	Time Requested:	<u>5 mins</u>
Department:	<u>DCM</u>	Division:	<u>CPCA</u>
Contact(s):	<u>Gail H. Rubin, CPCA Manager</u>		
Phone:	<u>503 988-5111</u>	Ext.:	<u>22651</u>
		I/O Address:	<u>503/4</u>
Presenter(s):	<u>Scott Marcy, DA's Office</u>		

General Information

1. What action are you requesting from the Board?

The District Attorney's Office is requesting an amendment to Board Order 04-095 to allow the DA Office to extend the period of performance by 13 months of a contract with Ciber, Inc. The DA Office recommends extending the contract through December 31, 2006.

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

Board Order 02-045 was granted in April, 2002 authorizing the DA Office to contract with Ciber Inc. in the amount of \$875,000 to replace the antiquated Adult case tracking system (CTS) and to move the system off the County's mainframe. In July, 2004 Board Order 04-095 was granted to extend the contract for 18 months until October 3, 2005 at no additional cost.

At this time, the period of performance must be extended 13 months through December 31, 2006 in order to complete all work on the new system.

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

There is no fiscal impact. This amendment does not increase the original approved contract amount of \$875,000.

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

N/A

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

N/A

Required Signatures

**Department/
Agency Director:**

David A. Boyer

Date: 01/09/06

/MH

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:



Michael D. Schrunk, District Attorney

1021 SW Fourth Avenue, Room 600
Portland, OR 97204-1193
Phone: 503-988-3162 Fax: 503-988-3643
www.mcda.us

PURCHASING SECTION
2006 JAN -3 PM 4:42
MULTNOMAH COUNTY

MEMORANDUM

To: Diane Linn County Chair
From: Michael D. Schrunk
cc: Gail Ruben
Date: December 27, 2005
Subject: Board Exemption Amendment

The District Attorney's Office is requesting an amendment to Board order 02—045 which is a Board Exemption allowing the District Attorney's Office to enter into a contract or series of contracts with Ciber Inc. the purposes of which are to replace the antiquated adult case tracking system and to move the system off the County's mainframe. Board Order 02-045, adopted on April 4th 2002, covered a 2 year period expiring on April 3, 2004 which was extended until October 3, 2005. The amount of the Board Order was \$875,000 in total.

During the initial two year exemption period the District Attorney's Office worked closely with Ciber Inc. to develop the adult case system and successfully migrated off the County's mainframe system on schedule. During the next 18 month period the District Attorney's Office continued to work with Ciber Inc. on two planned system modifications and a number of change orders necessary to complete the redesign and implementation process.

Work on Phase II, the final phase, is progressing with acceptance and completion of 28 remaining change orders expected to take place in the next six months and two additional change orders scheduled for completion after June 2006.

While future change orders may necessitate amending the main contract with Ciber Inc. for this project, they will not increase the amount of the existing or amended exemption.

The District Attorney's Office respectfully makes a formal request to extend the existing Board Order 02-045 for an additional period of 13 months beginning October 3, 2005 and ending on December 31, 2006. This request does not affect the original \$875,000 amount approved.

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

ORDER NO. 04-095

Approving an Exemption Request to Extend Board Order 02-045 for an Additional Period of 18 Months

The Multnomah County Board of Commissioners Finds:

- a. The Board, acting as the Multnomah County Public Contract Review Board to review, pursuant to PCRFB Rule 300-0050, a request from the District Attorney's Office to extend Board Order 02-045 for an additional period of 18 months without changing the original exemption amount of \$875,000.
- b. In April, 2002, The DA Office was granted Board Exemption 02-045 to contract with Ciber Inc. to replace the antiquated adult case tracking system (CTS) and to move the system off the County's mainframe. This exemption covers a two-year period ending April 3, 2004.

During the initial two year exemption period the DA Office has worked with Ciber Inc to develop the adult CTS system and successfully migrated off the County's mainframe system on schedule. During the next 18 month period the DA Office will continue to work with Ciber Inc. on two planned system modifications as listed below:

DSS-J Data Warehouse: Ciber will assist the DA Office IT staff and County IT staff in creating a data model to prepare CRIMES(the proprietary software used in the CTS system) data to transfer to the County Data Warehouse.

PPDS Data Exchange: Ciber will design a data interface exchange that sends CRIMES Subpoena information to the Portland Police Data System. In addition the interface exchange receives Police Officer work schedules that are imported into CRIMES from the Portland Police Data System.

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

The Multnomah County Board of Commissioners Orders:

Board Order 02-045 is extended for an additional period of 18 months, from April 4, 2004 to October 3, 2005.

ADOPTED this 8th day of July, 2004.



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

Diane M. Linn

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By John Thomas, Assistant County Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:
Meeting Date:
Agenda Item #:
Est. Start Time:
Date Submitted:

7/8

Requested Date: July 15, 2004

Time Requested: NA

Department: DBCS

Division: Business Services/CPCA

Contact/s: Franna Hathaway

Phone (503)988-5111

Ext.: 22651

I/O Address: 503/4

Presenters: Consent Calendar

Agenda Title:

PCRB EXEMPTION REQUEST TO EXTEND BOARD ORDER 02-045 FOR AN ADDITIONAL PERIOD OF 18 MONTHS

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

The District Attorney's Office is requesting an amendment to Board Order 02-045 which allows the DA Office to contract with Ciber Inc. to replace the antiquated adult case tracking system (CTS) and to move the system off the County's mainframe. The original exemption covers a two-year period ending April 3, 2004 for the amount of \$875,000. This request will extend the ending date to October 3, 2005.

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

During the initial two year exemption period the DA Office has worked with Ciber Inc to develop the adult case tracking system and successfully migrated off the County's mainframe system on schedule. During the next 18 month period the DA Office will continue to work with Ciber Inc. on two planned system modifications as listed below:

DSS-J Data Warehouse: Ciber will assist the DA office IT staff and County IT staff in creating a data model to prepare CRIMES(the proprietary software used in the CTS system) data to transfer to the County Data Warehouse.

PPDS Data Exchange: Ciber will design a data interface exchange that sends CRIMES Subpoena information to the Portland Police Data System. In addition the interface exchange receives Police Officer work schedules that are imported into CRIMES from the Portland Police Data System.

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

This amendment does not change the original exemption amount of \$875,000.

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

If a budget modification, explain: NA

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

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain: NA

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

If grant application/notice of intent, explain: NA

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

4. Explain any legal and/or policy issues.

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

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

NA

Required Signatures:

Department/Agency Director: Tony Mounts *Tony Mounts* *by Dan Kay* Date: 6/16/04

Budget Analyst

By:

Date:

Dept/Countywide HR

By:

Date:



Michael D. Schrunk, District Attorney

1021 SW Fourth Avenue, Room 600
Portland, OR 97204-1193
Phone: 503-988-3162 Fax: 503-988-3643
www.mcda.us

RECEIVED
PURCHASING SECTION
2004 JUN 19 PM 3:40
MULTNOMAH COUNTY

MEMORANDUM

To: Diane Linn County Chair
From: Michael D. Schrunk
cc: Franna Hathaway
Date: June 8, 2004
Subject: Board Exemption Amendment

The District Attorney's Office is requesting an amendment to Board order 02—045 which is a Board Exemption allowing the District Attorney's Office to enter into a contract or series of contracts with Ciber Inc. the purposes of which are to replace the antiquated adult case tracking system and to move the system off the County's mainframe. Board Order 02-045, adopted on April 4th 2002, covered a 2 year period expiring on April 3, 2004. The amount of the Board Order was \$875,000 in total.

During the initial two year exemption period the District Attorney's Office worked closely with Ciber Inc. to develop the adult case system and successfully migrated off the Counties mainframe system on schedule. During the next 18 month period the District Attorney's Office will continue to work with Ciber Inc. on two planned system modifications and a number change orders necessary to complete the redesign and implementation process.

Two planned system modifications that are scheduled as part of the work over the next 18 months are listed below. While not specifically mentioned in the original scope of the project for Board Order 02-045, the cost of these modifications was anticipated and included in the original \$875,000 exemption amount.

DSS-J Data warehouse: Consultation by Ciber with MCDA IT staff and County IT staff to assist in creating a data model to prepare CRIMES data to transfer to the County Data Warehouse.

PPDS Data Exchange: Requested Ciber to design a data interface exchange that sends Crimes Subpoena information to the Portland Police Data System. In addition the interface exchange receives Police Officer work schedules that are imported into CRIMES from the Portland Police Data System.

While future change orders may necessitate amending the main contract with Ciber Inc. for this project, they will not increase the amount of the existing or amended exemption.

The District Attorney's Office respectfully makes a formal request to extend the existing Board Order 02-045 for an additional period of 18 months beginning April 4, 2004 and ending on October 3, 2005. This request does not affect the original \$875,000 amount approved.

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

ORDER NO. 02-045

Exempting from the Formal Competitive Bid Process a Contract with Ciber, Inc. for Two Years for the Implementation of an Adult Criminal Tracking System (CTS)

The Multnomah County Board of Commissioners Finds:

- a. The Board, acting in its capacity as the Multnomah County Public Contract Review Board to review, pursuant to PCRB Rules AR10.140 , a request from the District Attorney's Office for an exemption from the formal competitive bid process a contract with Ciber, Inc. for the implementation of an Adult Criminal Case Tracking System (CTS).
- b. As it appears in the memorandum from Michael Schrunk, the request for exemption is based upon the fact that their current Adult CTS is 10 years old and resides on the County mainframe that is scheduled for decommissioning 10/1/03.

Ciber, Inc. has acquired the company (Metamor Industry Solutions, Inc.) that supplied the CTS for the Juvenile department. Metamor was selected in a County Request for Proposals process, and they offered a selection of proprietary software modules called CRIMES. Current Oregon law requires that the juvenile offender data be segregated from the adult offender data. Thus they cannot just "expand" the application of the current Juvenile CRIMES implementation. However, the DA's Office seeks to implement the adult software modules in CRIMES, and also share officer, civilian witness and victim information across both systems.

The primary reasons why Ciber is the best vendor for the Adult CTS:

- The Adult CTS must be compatible with the Juvenile CTS without requiring changes or increased costs to the Juvenile CTS. While offender information will be segregated between the systems, other modules will be identical.
- There would be significant cost savings to train attorneys and staff on one CTS program since there are frequent interoffice personnel transfers.
- Support-cost efficiencies will be realized to have the Juvenile CTS and Adult CTS share similar hardware and operating systems.
- One common database software and table design structure will allow for support-cost efficiencies for both the Juvenile CTS and the Adult CTS. This will allow for only one technology to be supported (Oracle). Only by having the same vendor for both systems can we insure that the database table design structure is the same.
- There will be future cost savings in software upgrades and maintenance because one vendor can support both systems and we will have economies of scale. Ultimately, both systems will be covered by the same maintenance agreement.

- Both the Juvenile CTS and Adult CTS need to link to the Oregon Courts (OJIN) so they can automatically populate the databases with current court data. At present, the Juvenile CTS does not link to OJIN. For the Adult CTS they plan to invest in an OJIN link. If the Adult CTS were CRIMES, the investment there for an OJIN module would be applicable to the current Juvenile CTS.
 - An agreement is in place for the propriety CRIMES software code to be placed in escrow. It is anticipated that Ciber will likewise agree that the CRIMES' adult-specific modules will be placed in escrow. Then, if the vendor fails to perform or abandons the product we will have access to the source code to enable us to maintain the programming.
 - By utilizing Ciber as the vendor for the Adult CTS, the quantifiable items listed above would have one-time savings of approximately \$61,000 and annual savings of \$49,600
 - The total of all the contracts with Ciber addressed by this exemption request will approximately be \$875,000 and to cover two years.
- c. This exemption request is in accord with the requirements of Multnomah County Public Contract Review Board Administrative Rules AR10.140.

The Multnomah County Board of Commissioners, Acting as the Public Contract Review Board Orders:

The Contract with Ciber, Inc. for the implementation of an Adult Criminal Case Tracking system (CTS) for two years is exempted from the formal competitive bidding.

ADOPTED this 4th day of April, 2002.



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

Diane M. Linn

Diane M. Linn, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By *[Signature]*

John Thomas, Assistant County Attorney

MEETING DATE: _____
AGENDA NO: _____
ESTIMATED START TIME: _____
LOCATION: _____

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: : PCRB EXEMPTION REQUEST TO CONTRACT WITH CIBER, INC. FOR THE IMPLEMENTATION OF AN ADULT CRIMINAL CASE TRACKING SYSTEM (CTS)

BOARD BRIEFING: DATE REQUESTED: _____
REQUESTED BY: _____
AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: April 4, 2002
AMOUNT OF TIME NEEDED: N/A

DEPARTMENT: DBCS DIVISION: Finance/CPCA

CONTACT: Franna Hathaway TELEPHONE #: 988-5111 X22651
BLDG/ROOM #: 503/4th floor

PERSON(S) MAKING PRESENTATION: _____ Consent Calendar

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

PCRB EXEMPTION REQUEST TO CONTRACT WITH CIBER, INC. FOR THE IMPLEMENTATION OF AN ADULT CRIMINAL CASE TRACKING SYSTEM (CTS)

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____
(OR)
DEPARTMENT MANAGER:  _____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ (503) 988-3277 or email deborah.l.bogstad@co.multnomah.or.us



Michael D. Schrunk, District Attorney

1021 SW Fourth Avenue, Room 600
Portland, OR 97204-1193
Phone: 503-988-3162 Fax: 503-988-3643
www.co.multnomah.or.us/da/

MEMORANDUM

To: Diane Linn County Chair
From: Michael D. Schrunk *M. D. Schrunk*
cc: Franna Hathaway
Date: March 14, 2002
Subject: Request for formal exemption

RECEIVED
PURCHASING SECTION
2002 MAR 18 PM 2:58
MULTNOMAH COUNTY

The Multnomah County District Attorney seeks exemption from the formal request-for-proposal process so that we can enter into contract negotiations with Ciber, Inc., for the purpose of implementing an Adult criminal case tracking system (CTS). DACTS, our current Adult CTS, is 10 years old and resides on the county mainframe that is scheduled for decommissioning 10/01/03.

In the fall of 2000, Ciber acquired the company (Metamor Industry Solutions, Inc.) that supplied our CTS for the Juvenile department that was implemented 11/98. Metamor offered a selection of proprietary software modules designed to work together that collectively were called CRIMES. For the Juvenile CTS, the county published a RFP where two companies replied. The total budget for the Juvenile project was \$807,000, of which \$395,700 was paid to Metamor.

Current Oregon law requires that the juvenile offender data be segregated from the adult offender data. Thus, we cannot just "expand" the application of the current Juvenile CRIMES implementation. But our successful experience with Metamor (now Ciber) for the Juvenile project is illustrative of what we expect for the adult implementation. We seek to implement the adult software modules in CRIMES, and also share officer, civilian witness and victim information across both systems.

The county has already budgeted \$1,546,700 for this project. For comparison, ISD estimates their cost to migrate our current CTS (without modifications) to another hardware platform at \$1,236,000. This approach, however, does not allow the implementation of significant changes in our workflow that have developed over the last ten years. It would essentially entail duplicating screen-by-screen our current ten-year-old system with no functionality changes. Additionally, we would be forced to maintain our current database design, which has considerable constraints for timely and accurate reports. It would also require our office to support and train staff on two

distinct systems, and forgo the benefit of future enhancements in the adult system as the juvenile CTS vendor releases new versions. Furthermore, this estimate from ISD does not include yearly database and application maintenance, for which we presently spend approximately \$90,000 annually. Finally, it does not include development of the critical link to the data we need that is maintained by the Oregon Courts (OJIN).

The contracts with Ciber will be comprised of both initial development and on-going maintenance. I estimate the initial software and related costs to be \$800,000 and the yearly maintenance \$75,000. It will take approximately 16 months to fully implement a new Adult CTS. Of the remaining project budget, \$90,000 is budgeted for hardware, \$60,000 for training, and \$521,700 for design and project management, which includes four full-time employees for two years. (For comparison, during the Juvenile CTS implementation \$216,000 was spent for design and project management directly to a third-party consultant and additionally the office invested approximately 4,000 hours of attorney and staff time for design and project management.)

The primary reasons why Ciber is the best vendor for the Adult CTS:

- The Adult CTS must be compatible with the Juvenile CTS without requiring changes or increased costs to the Juvenile CTS. While offender information will be segregated between the systems, other modules will be identical. For example, reports, audits, witness and victim information, and document generation tools would be easily shared between systems.
- There would be significant cost savings to train attorneys and staff on one CTS program since there are frequent interoffice personnel transfers. I estimate these savings to be \$21,600 annually if we have the same program office-wide. (15 personnel changes a year @ 16 hours of training each @) \$90/hour combined rate for both the trainer and trainee.)
- We will realize support-cost efficiencies to have the Juvenile CTS and Adult CTS share similar hardware and operating systems (both would be on Sun hardware and operating system software). These savings would be for both internal MIS staff and for outside maintenance agreements with software and hardware vendors. While we could insist that any ADULT CTS vendor make their application operate on Sun hardware, that is the hardware of choice of Ciber and completely supported by them. More importantly, implementing a security program and database maintenance schedule is simpler if the databases are similar in design across both the adult and juvenile systems. While difficult to quantify in dollars, this concept mirrors the County's plans to implement Sun and Unix across a myriad of agency applications.
- One common database software and table design structure will allow for support-cost efficiencies for both the Juvenile CTS and the Adult CTS. This will allow for only one technology to be supported (Oracle). Only by having the same vendor for both systems can we insure that the database table design

structure is the same because each vendor has a unique database design philosophy particular to their application. We currently pay Ciber \$14,000 year for Oracle support on the Juvenile CTS. I estimate that Oracle support from a single vendor for both the Juvenile and Adult CTS to be \$20,000. Separately, it would cost approximately \$30,000. Thus, our cost savings would be \$10,000 a year.

- Future cost savings in software upgrades and maintenance because one vendor can support both systems and we will have economies of scale. Ultimately, both systems will be covered by the same maintenance agreement. The more users covered by a maintenance agreement, the lower the cost is per user. Similarly, when changes need to be made to a shared module, the lower the cost is per user. For example, both CTS need to have current criminal statutes. We invested \$8,000 to have the statutes inputted into a module for CRIMES for juvenile. We will be able to utilize this module for the adult system at no additional cost. Our on-going annual maintenance for this module is approximately \$4,000. That would be doubled if we had to support a separate module for two different vendors. There are other modules that could be shared. I estimate one-time savings of \$16,000 and annual savings of \$8,000 if we share several modules from the same system.
- Both the Juvenile CTS and Adult CTS need to link to the Oregon Courts (OJIN) so we can automatically populate the databases with current court data. Because every vendor would need to customize a link to OJIN, we would pay for this important feature twice if we use two vendors. Presently, the Juvenile CTS does not link to OJIN and we are spending approximately \$71,400 annually to hand-input the data. (The Juvenile link was not budgeted at time of implementation in 1998. If we lose the OJIN link functionality in the Adult CTS, it will cost us approximately \$160,650 annually to hand input the data.) For the Adult CTS we plan to invest in an OJIN link. If the Adult CTS were CRIMES, the investment there for an OJIN module would be applicable to the current Juvenile CTS. It would cost approximately \$45,000 more to custom build a Juvenile OJIN link than to utilize the Adult OJIN link, along with \$10,000 annually in additional support costs.
- We have already negotiated an agreement for the propriety CRIMES software code to be placed in escrow. I anticipate that Ciber will likewise agree that the CRIMES' adult-specific modules will be placed in escrow. Then, if the vendor fails to perform or abandons the product we will have access to the source code to enable us to maintain the programming.
- Ciber is the only vendor in the CTS marketplace that is publicly traded and has over \$600,000,000 in sales and 5,000 employees. There are many advantages to using a large vendor. Ciber has breadth and depth of experience in a multitude of technology areas. For example, Ciber has the ability in-house to address the OJIN connectivity issue (as compared to ISD who would have to contract-out for

March 14, 2002

that functionality). Ciber is better prepared to weather economic and political changes since they have financial stability and many divisions with varied practice-focuses in the government sector.

By utilizing Ciber as the vendor for the Adult CTS, the quantifiable items listed above would have one-time savings of approximately \$61,000 and annual savings of \$49,600. However, much of the savings and efficiencies are not easily quantifiable, but are just as significant. Therefore, we are requesting an exemption from the formal request-for-proposal process and authority to immediately contract with Ciber. We expect the total of all the contracts with Ciber addressed by this exemption requested to be for approximately \$875,000 and to cover two years.

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

ORDER NO. _____

Approving an Amendment to Board Order 04-095 to Extend the Period of Performance of a Contract with Ciber, Inc. by 13 Months through December 31, 2006

The Multnomah County Board of Commissioners Finds:

- a. The Board, acting as the Multnomah County Public Contract Review Board, has reviewed a request from the District Attorney's Office to extend Board Order 04-095 to contract with Ciber, Inc. for an additional period of 13 months until December 31, 2006. The amendment will not increase the original contract amount of \$875,000.
- b. In April, 2002, The DA Office was granted Board Order 02-045 to contract with Ciber Inc. to replace the antiquated adult case tracking system (CTS) and to move the system off the County's mainframe. This exemption covers a two-year period ending April 3, 2004. In July, 2004 Board Order 04-095 was granted to extend the contract for 18 months until October 3, 2005 without an increase in the contract amount.
- c. An additional time period of 13 months is required to complete all work on the new system. There is no cost impact as a result of this amendment.

The Multnomah County Board of Commissioners Orders:

Board Order 04-095 be extended to contract with Ciber, Inc. for an additional period of 13 months until December 31, 2006.

ADOPTED this 2nd day of February, 2006.

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

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John Thomas, Assistant County Attorney

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

ORDER NO. 06-015

Approving an Amendment to Board Order 04-095 to Extend the Period of Performance of a Contract with Ciber, Inc. by 13 Months through December 31, 2006

The Multnomah County Board of Commissioners Finds:

- a. The Board, acting as the Multnomah County Public Contract Review Board, has reviewed a request from the District Attorney's Office to extend Board Order 04-095 to contract with Ciber, Inc. for an additional period of 13 months until December 31, 2006. The amendment will not increase the original contract amount of \$875,000.
- b. In April, 2002, The DA Office was granted Board Order 02-045 to contract with Ciber Inc. to replace the antiquated adult case tracking system (CTS) and to move the system off the County's mainframe. This exemption covers a two-year period ending April 3, 2004. In July, 2004 Board Order 04-095 was granted to extend the contract for 18 months until October 3, 2005 without an increase in the contract amount.
- c. An additional time period of 13 months is required to complete all work on the new system. There is no cost impact as a result of this amendment.

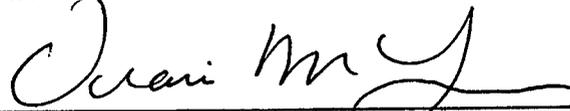
The Multnomah County Board of Commissioners Orders:

Board Order 04-095 is extended to contract with Ciber, Inc. for an additional period of 13 months until December 31, 2006.

ADOPTED this 2nd day of February, 2006.



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


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John Thomas, Assistant County Attorney



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 02/02/06
 Agenda Item #: R-3
 Est. Start Time: 9:40 AM
 Date Submitted: 01/23/06

BUDGET MODIFICATION:

Agenda Title: Second Quarter General Fund Forecast Update

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

Date Requested:	<u>February 2, 2006</u>	Time Requested:	<u>30 Minutes</u>
Department:	<u>County Management</u>	Division:	<u>Budget & Evaluation</u>
Contact(s):	<u>Mark Campbell, Deputy Budget Manager</u>		
Phone:	<u>503-988-3312</u>	Ext.	<u>24213</u>
Presenter(s):	<u>Mark Campbell</u>		
I/O Address:	<u>503/531</u>		

General Information

1. What action are you requesting from the Board?

This is a briefing on the status of the General Fund through the first half of FY 05-06. This briefing will provide an overview of current year revenue and expenditure trends. The Budget Office will address the impact those trends may have on the level of both ongoing and one-time-only revenue estimated to be available in FY 06-07. This is an informational briefing and no action is required of the Board at this time.

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

The Budget Office provides the Board of County Commissioners with regular updates on the financial status of the General Fund. These briefings are designed to inform the Board of conditions which may impact the County's "bottom line". They are scheduled quarterly to provide sufficient time to make budgetary adjustments if/when they are necessary.

This briefing will focus on expenditure and revenue trends through December, 2005. We will also provide a status report on the General Fund contingency, the impact of the mid-year budget

adjustments on current projections, and how the recently adopted Supplemental Budget impacts the FY 06-07 budget process.

ECONorthwest has completed their semi-annual assessment of current state and local economic conditions. This briefing will offer an analysis of those trends and how they influence the General Fund revenue forecast. In November the Budget Office outlined the fiscal parameters for the ITAX sunset. At that time, we said we would return to re-confirm the target for FY 06-07 if the second quarter forecast warranted a revision to the level of ongoing General Fund revenue agreed to by the Board.

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

N/A

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

N/A

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

N/A

Required Signatures

**Department/
Agency Director:**

David G. Boyer

Date: 01/23/06

Budget Analyst:

J. Mark Campbell

Date: 01/23/06

Department HR:

Date:

Countywide HR:

Date:

Multnomah County

2nd Quarter General Fund Forecast



Forecast Overview

- Review Previous Forecast Results
- Local Economic Conditions and Outlook
- Revenue and Expenditure Analysis
- Impact on FY 2007 Revenue Projections
- Timeline/Schedule – Next Forecast Update in May

Multnomah County

2nd Quarter General Fund Forecast



1st Quarter Forecast Review

- FY 2005 Revenue Growth @ 4.25%
- Fund Balance Estimated @ \$26.5M; Actual @ \$42M
- BIT Growth @ 20%; Gross Receipts Growth @ 40%
- Real Market Value Growth @ 11%; Highest Since Measure 47/50
- Rapid Expansion of Local Economy Led by Construction, Tourism, and Real Estate Development

Multnomah County

2nd Quarter General Fund Forecast



Economic Outlook

- ECONorthwest Analysis
- Job Growth – Employment Levels @ Pre-Recession Peak
- Personal Income – Estimate 2005 @ 6.5% Higher Than 2004
- Construction – 6 of 10 Fastest Growing Employment Sectors
- Tourism – PDX Passenger Traffic Return to Pre-9/11 Levels

Multnomah County

2nd Quarter General Fund Forecast



Economic Outlook (Cont.)

- Real Estate – Commercial Vacancy Rate @ 9%
- Real Estate – Record Sale Prices for Office Buildings and Hotels
- Real Estate – Development in Pearl District and South Waterfront
- Other Areas Showing Growth; Could Offset Potential Downturn in Construction Employment
- Few Real Risks/Qualifications to This Forecast

Multnomah County

2nd Quarter General Fund Forecast



Current Year Forecast

Total FY 06 GF Revenue	\$ 453,000,000	<i>Including ITAX</i>
Total FY 06 Dep't Spending	\$ 397,500,000	<i>Assume Overall Savings = One Percent of Appropriations</i>
Mid-Year Restorations	4,900,000	
Other Contingency Items	2,000,000	<i>Bridges to Housing; Local 88 Class/Comp</i>
114 MCIJ Beds	1,000,000	
Total General Fund	\$ 405,400,000	
Forecast Balance	\$ 47,600,000	
Less GF Reserve	(13,000,000)	
OTO Available	\$ 34,600,000	
Less Supplemental Budget	(21,400,000)	<i>Assume Uses Approved in Supplemental Budget</i>
Less ITAX Sunset	(10,000,000)	
Unallocated Carryover	\$ 3,200,000	

Multnomah County

2nd Quarter General Fund Forecast



Update FY 2007 Revenue Forecast

	November-05	February-06	Difference Nov 05 to Feb 06
Property Tax	\$ 197,218,000	\$ 197,218,000	\$ -
Business Income Tax	35,750,000	37,000,000	1,250,000
Motor Vehicle Rental Tax	11,170,000	11,750,000	580,000
Assessment & Taxation	9,285,000	9,700,000	415,000
State Shared Revenue	7,750,000	7,750,000	0
US Marshal per Diem	5,288,000	5,288,000	0
Forest Service	1,270,000	1,350,000	80,000
Subtotal - Major Revenues	\$ 267,731,000	\$ 270,056,000	\$ 2,325,000
All Other General Fund	19,769,000	20,944,000	1,175,000
<i>Total Ongoing Resources</i>	<i>\$ 287,500,000</i>	<i>\$ 291,000,000</i>	<i>\$ 3,500,000</i>

Multnomah County

2nd Quarter General Fund Forecast



Summary/Conclusion

- Economic Growth Expected to Continue
- GF Revenue Growth - 1.25% Higher Than 1st Qtr Forecast
- Adjust Revenue Available to Purchase Results in FY 2007?
- Schedule Next Review for Mid-May
 - Most BIT Received in April
 - More Accurate Spending Projections

MULTNOMAH COUNTY
ECONOMIC AND REVENUE FORECAST

January 2006

Reporting Period: 2005 - 2009

ECONorthwest

ECONOMICS • FINANCE • PLANNING

888 S.W. Fifth Avenue, Suite 1460

Portland, Oregon 97204

(503) 222 - 6060

FOREWORD

In this report, ECONorthwest presents its third semi-annual forecast of selected economic and revenue indicators for Multnomah County, Oregon. Projections are provided through the fourth quarter of 2009. The forecast presents the following indicators on a quarterly basis:

- Multnomah County Business Income Tax Revenue
- Multnomah County Transient Lodging Tax Revenue
- Multnomah County Real Estate Taxable Assessed Value
- Multnomah County Motor Vehicle Rental Tax Revenue
- Portland MSA Personal Income
- Multnomah County Employment (by preserved industry groups)
- Local macroeconomic indicators including: Consumer Price Index, Commercial-Industrial Vacancy Rate, and Housing Permits.

The forecast relies on an econometric model of the county economy developed by ECONorthwest. The model is a Vector Autoregressive Model, which has demonstrated significantly improved forecasting performance over older, structural models. ECONorthwest relies on the FAIR model for national data forecasts and state level forecasts from the Oregon State Office of Economic Analysis.

Readers should note that the forecast uses the new, NAICS industry classification system. The adoption of the NAICS classification scheme for reporting industrial activity has created many problems for economic forecasters because it represents a departure from the previous SIC code data series. A long time series of NAICS data are not available, limiting the ability of forecasters to assemble detailed economic forecasting models. ECONorthwest has addressed this issue by consolidating the NAICS industrial classifications into a few, aggregate classifications that can be better married to the longer SIC data series. It will be many years before there is sufficient actual history of NAICS-based data to permit modeling of industrial performance at a disaggregate level.

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I. DATA

ECONorthwest uses national economic data, both historical and forecast, from the FAIR model¹. The FAIR model is a US macroeconomy model developed by Dr. Ray Fair of Yale University, which contains numerous systems of equations and variables. The advantage of the FAIR model over commercial models is that it has been extensively tested and analyzed in the academic and commercial fields. Over the long haul, the FAIR model has been the best national forecast model available.

The state economic and tax revenues forecast data are from *Oregon Economic and Revenue Forecast: December 2005*. The Oregon Economic and Revenue Forecast reports are published regularly by the Office of Economic Analysis (OEA), the main forecasting unit for the state of Oregon. Additional historical state economic and tax revenue data are from the Oregon Department of Revenue.

The data on state employment are taken from the Oregon Labor Market Information System (OLMIS). OLMIS, an online information system operated by the Oregon Employment Department, provides Oregon county-level employment data, based on the Standard Industrial Classification (SIC) system, for years prior to 2001, and the North American Industry Classification System (NAICS), for years 2001 forward. Due to significant differences between the two systems, we group industries into the following categories: Construction, Manufacturing, FIRE (Finance, Insurance, and Real Estate), Federal Government, State Government, Local Government, and Else (all other industries). This broad grouping allows for the two data classification schemes to be joined smoothly.

The local economic and tax revenue data are taken from variety of sources. Multnomah County business income tax, motor vehicle rental tax, and transient lodging tax revenues data are from the Bureau of Licenses, City of Portland. Portland transient lodging tax revenues and motor vehicle rental tax revenues are obtained from Multnomah County and the Portland Oregon Visitors Association. Multnomah County building permit data are obtained from US Census Bureau. We use real estate real market value and assessed value data provided by Multnomah County. Portland commercial-industrial vacancy rate data were obtained from Rosen Consulting Group, Norris, Beggs & Simpson, and REIS, which are all real estate data firms. Portland-Vancouver MSA Consumer Price Index (CPI) data are taken from the Bureau of Labor Statistics and OEA. Lastly, Portland and Multnomah County personal income data are obtained from the Bureau of Economic Analysis.

¹ Fair, Ray C. The US Model <<http://fairmodel.econ.yale.edu/main2.htm>>. January 10, 2006.

II. METHOD

This forecast analysis uses the abovementioned national, state, and local data to model the Multnomah County economy. The model employs a vector autoregressive modeling structure. This is a widely used method for forecasting time-series economic data. In vector autoregressions (VARs), individual economic indicators are assumed to depend not only on other economic factors, but on the prior path of the indicator itself. Due to this so-called autoregressive feature, VAR allows the data to better capture the cyclical behavior of the key economic variables. Individual equations for the various County revenue sources are developed from historical data and incorporate indicator variables, where relevant, to accommodate changes in the institutional setting of the revenue source.

III. ECONOMIC OUTLOOK

A. The Nation

The economy, measured by GDP, has grown at inflation-adjusted annual rates of about 4.1 percent over the last 2 and a half years. This growth rate is above the natural growth rates in population and persons of working age and is indicative of a healthy mid-cycle recovery. It is a time of steadily improving employment, real income growth, and rising demand. However, it has also been a time of rising prices.

The primary trend in the recovery is the re-emergence of business investment in equipment. Throughout the recession businesses experienced overcapacity and were reluctant to upgrade and expand their operations. It will be important to see if business investment and consumer spending can be maintained through the potential risks and macroeconomic factors affecting the economy outlined below. The economy is currently weathering a tightening credit environment and its effect on the housing market. In addition, inflationary threats are becoming more credible despite recent drops in gas prices. Lastly, the impacts of the twin hurricane disasters have proven to be less damaging economically than previously thought. They still present, however, some challenges to the national economy.

Tightening Credit and Housing

The national economy is dealing with the effects of tightening credit, in particular on the housing market. The Federal Reserve has been raising short-term interest rates, in response to rising prices, so that the rates' influence on the economy would move from being stimulative to neutral—an action necessary to avoid causing undue inflation and speculation. This strategy began nineteen months ago with the first of thirteen consecutive quarter point increases in the federal funds rate.²

In June 2004, the federal funds rate was at an historic low level of 1.00 percent. By December of 2005, its latest quarter point increase brought it to 4.25 percent. However, with inflation running at 3.60 percent, the federal funds rate is only costing banks 0.65 percent in real terms. Since that makes the cost for increased lending too low to be considered neutral to growth, the Fed is going to have to continue increasing rates to quell inflationary pressures. It appears the Fed is prepared to do so—despite recent perceptions of weaknesses in the economy, the Fed has continued its increase of the federal funds rate.

² The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions over night.

Initially, the Fed's tactic of moving from a stimulative to a neutral stance was to discontinue trying to jump-start economic growth, as it was no longer deemed necessary. More recently, concerns about inflation arose, and have contributed to the continued rate increases.

Now the Fed is expressing a more serious concern—that of fundamental risks to the banking system due to imprudent mortgage lending practices. As Fed Chairman Alan Greenspan warned on September 27th, "History cautions that extended periods of low concern about credit risk have invariably been followed by reversal, with an attendant fall in the prices of risky assets." While for many months he has been insisting that the real estate market is showing "signs of froth" only in certain parts of the country, Greenspan is now voicing concern that certain consumers have been able to "purchase homes that would otherwise be unaffordable" and may be leaving themselves "vulnerable to adverse events."³

The Fed has begun reviewing the lending standards of mortgage lenders. Their worry is that a hard landing in the housing market would have impacts extending well beyond the housing market itself and into other financial markets because many financial instruments are linked to mortgage securities.

This is not a trivial concern. Lending practices have clearly become loose. Interest-only loans used to be the preserve of the most affluent and credit worthy or for those in special circumstances, such as near-retirees bridging the gap between selling their old residence and moving into their new home. Now, these new niche mortgage products are becoming routine. Conventional mortgages in the last two years went from being 62 percent of the market to only 36 percent.

The increase in unconventional loans is particularly alarming because the Fed has been in the midst of a credit tightening policy designed to raise interest rates. Much of the housing demand is being fueled by unconventional mortgages that will require refinancing or substantially higher monthly payments in three to five years. If prevailing interest rates are higher or credit standards tougher then, which is what Greenspan has been quoted as saying is very possible; one has to consider what this is going to do for people with less than stellar FICO scores and limited capacity to handle the higher payments? The Fed knows what could happen—loan defaults on a significant scale.

To prevent the potential snowballing of personal bankruptcies over the next few years, the Fed has begun pressuring lenders on standards and reducing reserves. These actions likely mean an end to the flipping of properties seen in many markets. Some speculate it could directly lead to a recession, but this is debatable. There is evidence that consumers in aggregate have enough of an equity cushion to absorb a decline in home prices. Americans still have over \$10 trillion in equity in their homes, which is about equal to the country's annual GDP and more than half the value of their homes (about \$18 trillion).

³ Cara Schwarzkopf. *Newsday* (New York). "Unconventional approaches; Adjustable-rate mortgages make up 49.1 percent of all loans, but some experts fear many borrowers don't understand the ramifications." October 7, 2008. Page C-9.

In addition to the actions of the Fed to raise interest rates is the potential for foreign borrowers of US debt to retract their purchases. A recent study from the University of Virginia published by the Fed reported that the unusually low level of long-term interest rates could be largely explained by historically heavy foreign purchases of Treasury debt.⁴ Without the Bank of Japan and other foreign central banks' purchase of the 10-year Treasury bond, which is the benchmark for mortgages, the competitive rate would be 150 basis points higher. That would imply a 30-year fixed mortgage rate of 7.66 percent today. Although the authors conceded that a complete pullback would be unlikely, they still noted that evidence suggests low U.S. rates are due to global investors shifting holdings from foreign bonds to U.S. bonds and not a glut of global savings, as some have thought.

Inflation and Energy Prices

Inflation spiked up to 4.6 percent in September with the Katrina disasters affecting prices nationwide. Since that spike, the rate decreased by over one point to 3.4 percent. Nonetheless, a recent survey of purchasing managers, released by the Institute of Supply Management, revealed significant price increases in both manufacturing and service sectors. The Fed sees mounting evidence that companies are choosing to pass price increases on to their customers, rather than absorbing them as they had in the past. This is particularly worrisome because the Fed places a higher priority on quelling inflation than on promoting economic growth and therefore will be compelled to continue increases in the federal funds rate.

Recent inflation data show a remarkably different pattern than observed during the peak inflation years of the 1970s. Instead of general price increases across all goods and services, inflation today is irregular.

We see this in the latest consumer price index ("CPI") data for the Portland metropolitan area. The price index was up 2.5 percent (first half of 2005 versus the first half of 2004). Healthcare costs were up 5.1 percent and utilities were up 5.7 percent. Gasoline prices climbed 11.7 percent, according to the BLS.

However, other consumer items showed little or no price increases. For instance, groceries were up only 0.6 percent and apparel prices actually fell by three percent. This pattern is indicative of an economy subject to several supply side shocks that affect a few sectors, but not all. Indeed, because consumers must dedicate more of their incomes to goods in rising price sectors, their demand for all other goods and services may decline. As a result, prices for them are weak or may even fall.

The sector showing strong signs of a supply side shock is, of course, energy. Rising world demand, a paucity of investment in new capacity in recent years, and a lack of progress in fuel efficiency by households in the U.S. have led to the current circumstance for oil. It has been exacerbated by two hurricanes that temporarily took eight refineries offline. Conditions for natural gas prices are even worse, in part because

⁴ Francis E. Warnock; Veronica C. Warnock. "International Capital Flows and U.S. Interest Rates." September 2005. Available through the Fed website at <http://www.federalreserve.gov/pubs/ifdp/2005/840/default.htm>

of the large increase in gas demand since the repeal of the Power Plant and Industrial Fuel Use Act in 1987, which had prohibited new natural gas electric plants from being built.

After many months of rising demand and rising prices, gasoline demand has finally started to decline, both domestically and internationally. Gas prices have dropped dramatically nationally since September when the price of unleaded gasoline was \$3.04 down to its level of \$2.30 in January. Still, this is 27 percent higher than prices were last year in January.

There is strong evidence that natural gas demand in the U.S. has also begun to decline. Brought on by the rising prices prior to the hurricane-induced spike in prices, the drop in demand is likely to continue as further price increases are expected. In Portland, Northwest Natural raised its price of natural gas by 16 percent due to higher wholesale prices that existed before the hurricanes. Given current wellhead prices for natural gas, an additional 30-35 percent increase would be in order. Although there is typically a lag before utilities can initiate rate increases, these will certainly hit during the heating season. Economically, higher utility prices will adversely affect consumer spending on all other goods and services.

Although there are reports in the *Oregonian* about the end of the oil economy, such claims are not supported by mineral economists who have observed the current scenario play out in previous cycles before. Current proven petroleum reserves in the world are 1.3 trillion barrels, which is double what they were in 1980. Shell Oil recently successfully tested an *in-situ* oil shale extraction technology that would yield one million barrels of light crude per acre, which is nearly of diesel fuel quality out of the ground, at a cost of \$30 to \$40 a barrel. The U.S. has 72 percent (one trillion barrels) of the world's oil shale resources. The strong upswing in investment in oil and gas reserves foreshadows large increases in supply one to three years out.

More generally, the outlook for inflation shows a general increase, albeit not rapid. Those increases are likely to be uneven as some sectors rise while others may fall.

Impact of Disasters

Hurricanes Katrina and, to a much lesser degree, Rita, had the immediate effects on the economy of lessening economic activity and of damaging productive infrastructure. They have also diverted billions of dollars of money and labor to victims and away from consumers. Economic output however has not taken much of a hit and employment has only been reduced in the areas directly hit but the disasters.

The reason domestic output can continue despite the disturbances is because it releases savings held by insurance companies, consumers, and governments. This money is spent on everything from home construction to replacement cars. Higher economic activity results from this.

The National Economic Outlook

Overall, the national economic growth rate reached 4.1 percent in the 3rd quarter of 2005, which included the hurricanes. The greater risk on the national economy comes

from interest rates—in particular on home loans. Consumers and mortgage lenders have been lulled into assuming real estate prices will rise steadily and interest rates remain low. The Fed is doing its best to warn about risk, but the perceptions of market participants have not changed. Rates have been going up; home prices, where low interest rates are reflected in the pricing, are beginning to show signs of weakness. The housing market has peaked.

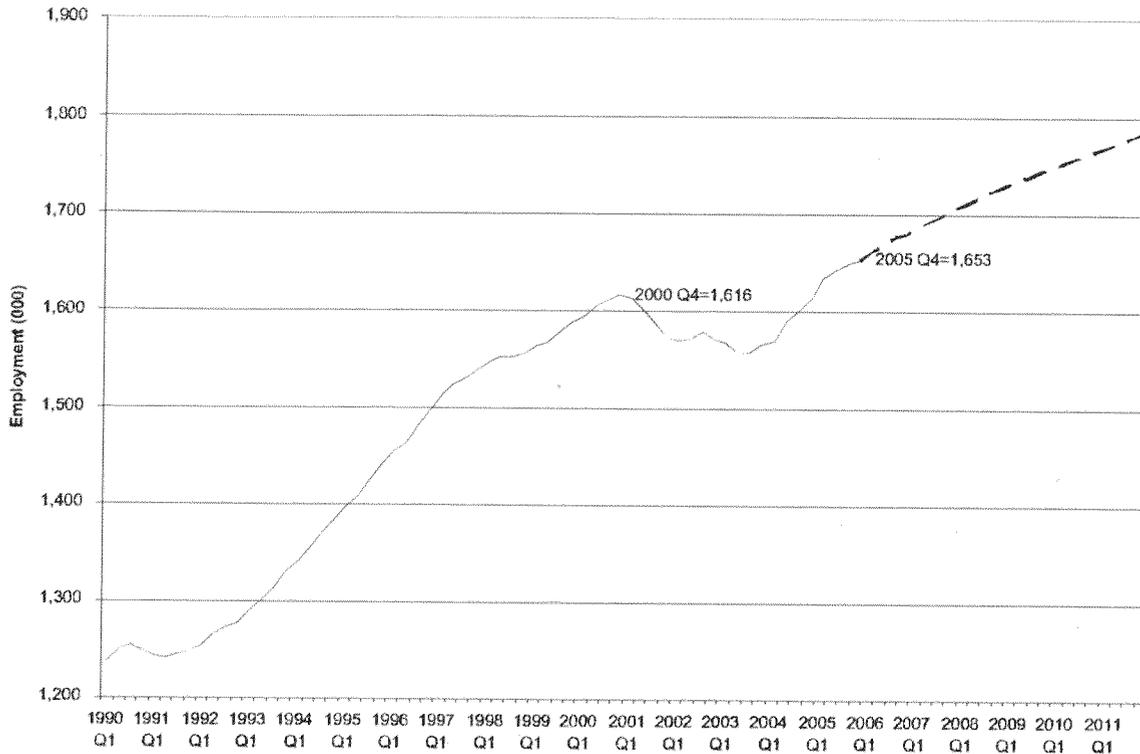
The Fed is hoping for a soft landing, but much depends on long-term interest rates that the Fed cannot directly control. Should foreign lenders simply reduce their inflows to the long-term average (2.0 percent of GDP); the recently published Fed study suggests rates would be 95 basis points higher. That would push the 30-year mortgage up to 7-1/8 percent, which, if fully reflected in home prices, would result in declining real estate values. This would further exacerbate any other weakness experienced in the economy.

B. Oregon

Oregon continues to be among the top states in growth as the economic recovery continues in the region. According to Bureau of Labor Statistics employment figures, Oregon is 6th in the nation in employment growth, showing an increase of 3.4 percent over its August, 2004 employment totals. Wages and salaries are also increasing for Oregonians. The Oregon Office of Economic Analysis shows increases of 6.6 percent for the third quarter over one year ago. Since total wages and salaries are a function of both the number of people employed and their wage rate, the actual wage rate can be estimated by the difference, or 3.2 percent. However, with inflation hovering around 3.4 percent, many Oregonians may not yet be feeling much wealthier.

The recovery is back to the expansion period for Oregon. Shown in Figure 1 are the state employment levels from 1990 to 2011 (the end of the Oregon Office of Economic Analysis forecast). The employment level for the fourth quarter of 2005 at 1.653 million jobs is above the previous high of 1.616 million jobs in the fourth quarter of 2000. Not only are we growing, but we have absorbed the jobs we lost during the recession.

Figure 1: Oregon Employment History and OEA Forecast. 1990-2011



Source: Oregon Office of Economic Analysis. December, 2004 Economic Forecast.

It may be the case however, that some industries are feeling a disproportionate share of the recovery. The construction industry accounts for 6 of the top 10 growing sub-industries in the state by employment—led by specialty trade contractors, residential building construction, and building foundation and exterior contractors, all with 16 percent or greater increases in jobs. Interestingly, just as the residential building sector seems to be cooling off the non-residential construction industry is picking up. In December this industry grew at a staggering 23.8 percent rate over last year.

The truck transportation industry has seen a steady decrease in employment over 2005. It began the year at an 11.5 percent growth rate but declined to 1.9 percent in December.

Industries showing bright spots statewide include software publishers (up over 10 percent since June), online retailers (up 10 percent since September), plastic and rubber manufacturers (up over 11 percent since September), and business support services (up 10.8 percent since June). In contrast, industries that had negative growth included warehousing and storage (down 7.8 percent over the year), air transportation (down 7.1 percent over the year), and the arts and entertainment industry (began the year growing at 10 percent but saw its growth rate drop to negative 1 percent over the last quarter).

The Oregon Employment Department discussed the effect of the hurricanes on the state recently. Their analysis revealed that the Southeast and Louisiana in particular are not very large trading partners with Oregon. So, although some businesses have had direct impacts from buyers or sellers of goods, overall, the impact is not thought to be substantial. In addition, the OED reports that some agricultural prices have increased which bodes well for Oregon producers. Included in those price increases are wood product prices, which are being driven up by the demand for lumber in reconstruction efforts. Surprisingly, however, those increases have not led to employment gains in the wood products industry.

Oregon Economic Outlook

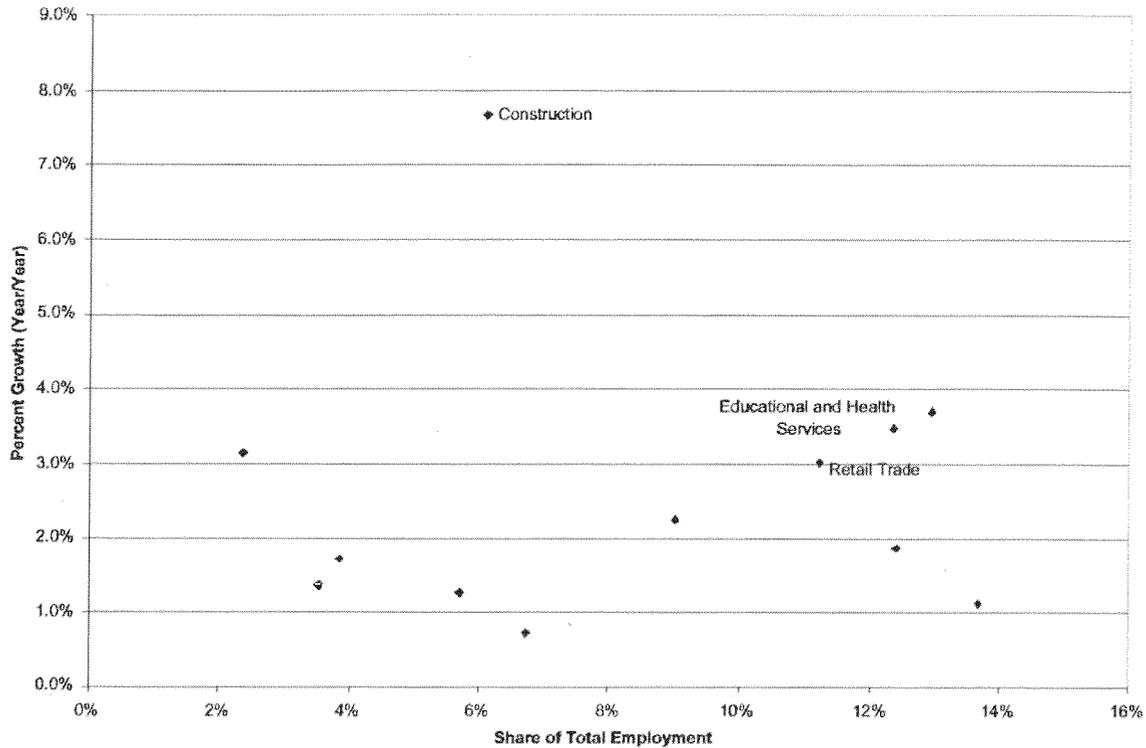
The outlook for Oregon is moderate. Credit tightening and housing concerns are largely limited to the Portland area, and potential growth areas in agricultural and wood products are spread around the state.

C. Multnomah County

The local area economy has been strong. The Multnomah County unemployment rate is almost two points lower than it was at this time last year. In addition, the labor force in the county has increased steadily since the beginning of summer, 2005. Hence, there has been real job growth of between 2 and 3 percent in the last half of 2005.

The Portland Metropolitan Area has shown slightly stronger employment growth than the County. Its recent growth can be found in many of the same sectors as the State. Notable differences include brisk growth in transportation equipment manufacturing (averaging 16 percent growth for the year). Since industry level detail is delayed at the county level, it is worthwhile to use the Portland statistics as a guide for the County. Shown in Figure 2 are the different industries according to their share of employment and their average percent growth from January to November of 2005.

Figure 2. Portland MSA Employment Growth and Share of Employment. 2005



All of the industries are experiencing positive growth on average throughout 2005. The largest source of employment is from Government which has the second lowest rate of growth (at 1.1 percent). The next largest source, Professional and Business Services, is showing solid growth of 3.7 percent over the year. Likewise, Educational and Health Services are making gains of 3.5 percent. Manufacturing shows gains of just under 2 percent and Retail Trade, which makes up over 10 percent of jobs, has a 3 percent growth rate.

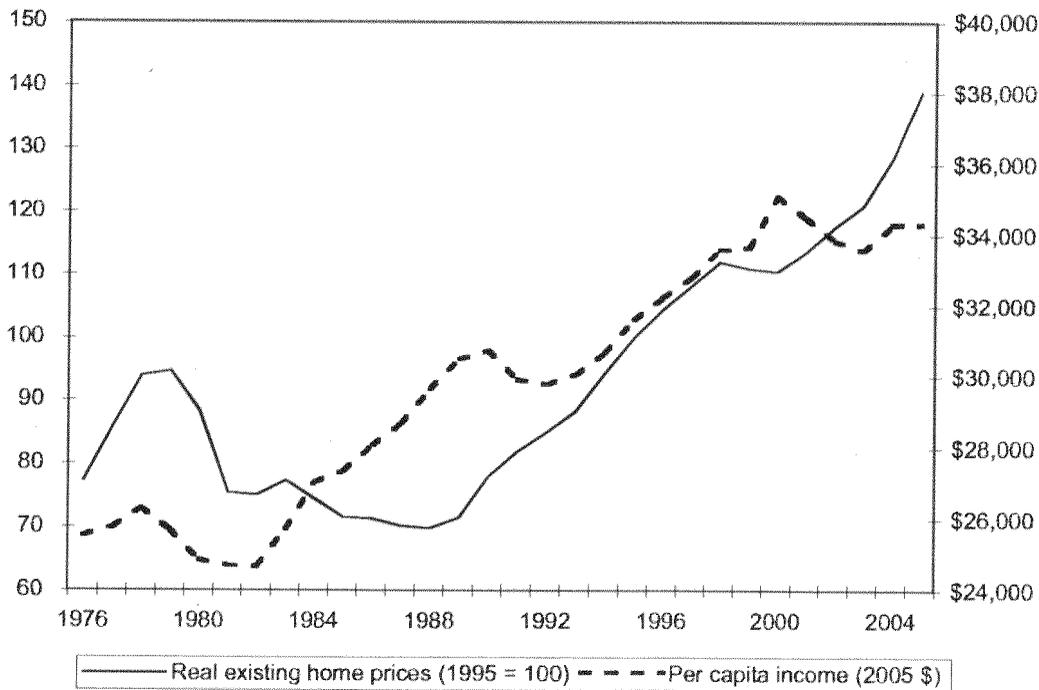
Combined, these industries make up almost two-thirds of all jobs and provide a strong buoy for activity in the other sectors. Construction is showing strong gains to counteract the lackluster performance of the other industries (Financial Activities, Wholesale Trade, Other Services, Warehousing, Transportation and Utilities, Leisure and Hospitality, and Information).

Much of the income growth we have seen in the Portland metropolitan area over the last two years has come about because of the strong employment markets for workers in the construction, real estate, architectural, building products supplier, finance, and engineering sectors. They are tied closely to the explosion in owner occupied housing throughout the region. There are indications that this is ending. If global investors shift substantial holdings out of U.S. treasury bonds, interest rates on mortgages could prove damaging to homeowners that currently have minimal equity.

How likely is it that housing prices could flatten or fall? The Office of Federal Housing Enterprise Oversight calculates an index of housing prices using resale data, which is a means of estimating the true appreciation of houses of comparable quality over time. Their data on existing single-family homes for the Portland Metropolitan Area show that after peaking in 1980, it took 13 years for real home prices to recover.

When we plot real (inflation adjusted) home prices and compare them to income, we find that after the 1980 peak, housing prices reacted sharply to falling regional incomes, but were slow to recover when personal incomes in Portland started a long 15-year ascent in 1985. It would appear from Figure 3 that much of the price appreciation, especially in the 1990's, has been a case of housing prices catching up to incomes. However, housing prices have since risen far faster than incomes. Statistically the ratio of home prices to incomes, which in 1995 was about equal to the 1977-2005 average, is now 23 percent higher than the average.

Figure 3: Real Single Family Home Prices and Personal Income, Portland Metropolitan Area, 1977 - 2005⁵



⁵ Sources: Housing price index from Office of Federal Housing Enterprise Oversight, converted to constant dollars using the Portland-Vancouver CPI from the U.S. Bureau of Labor Statistics (BLS), and indexed to 1995=100 by ECONorthwest. Personal income per capita from the BLS was converted to 2005 dollars.

The fact that home prices are 23 percent too high relative to their historical average relationship with incomes does not mean that housing prices will fall. The true cost of owning a home is not the price, but the payment—and interest rates are the key determinant of that. The average 30-year conventional mortgage rate between 1977 and 2004 was 9.38 percent. The current rate is about 6.16 percent. The lower rate would allow for smaller payments or, the homebuyer could buy a home that was more expensive with the same payment. Therefore, depending on how many homebuyers kept similar payments in exchange for more expensive homes, the 23 percent difference could be explained by the change in interest rates alone.

The Portland Metropolitan Area housing market, therefore, is vulnerable to the Fed's policy change of combining raising interest rates and pressuring lenders to tighten lending policies. This is particularly true for the central city, where investments in second homes and purely speculative plays in condominiums are driving construction.

Also, many in the Portland market, where there has been a heavy influx of young households that are too early in their lifecycles to afford large down payments, could suddenly find themselves in negative equity situations with an inability to afford mortgage payments should interest rates rise and housing prices flatten or fall.

Housing, after all, is a challenging investment at best. Since 1976, housing prices in Portland have only risen at a real rate of 2.1 percent, which was insufficient to cover the approximately three percent basic holding costs of insurance, property taxes, and routine maintenance. If payment costs on housing increase sharply, investors and second home owners may find keeping their properties an untenable proposition, which could lead to falling prices and difficult times for developers, especially in expensive projects.

If interest rates continue to rise, the effect on Portland's economy could be severe. There is about seven billion dollars worth of residential construction slated for the next two years, according to F.W. Dodge. Housing represents 70 percent of all the planned building construction. Building construction employment is up 8.9 percent from a year ago, making it one of the strongest sectors in the economy and, as it often is, one of the highest paying.

Multnomah County Economic Outlook

The outlook for Multnomah County is mixed. Although the economy has been performing well, the largest gains have been construction related, which are anticipated to slow over the next year. On the other hand, both Professional and Business services and Educational and Health services sectors have been growing steadily at 3.6 percent in the Portland MSA over the last year. These industries are not as dependent on interest rates and have the potential to bring in dollars from outside the area.

A soft landing in the real estate market, which would be characterized by a modest rise in rates and stagnant home prices, is the likely outcome for the current credit tightening. Strength in the manufacturing, tourism, retailing, and healthcare sectors, facilitated by current gasoline prices, would carry the economy forward. The private sector in the Portland metropolitan area would be able to sustain the local economy.

The formal model for Multnomah County is presented later in the report. Total employment is expected to see moderate growth. Some sectors, including Construction and Financial Activities are likely to see decreases in growth over the forecast period, causing slower growth rates toward the end of the forecast period.

IV. MULTNOMAH COUNTY ECONOMIC AND TAX REVENUE FORECAST

The economic forecast model for Multnomah County covers the period of 2005 fourth quarter to 2009 fourth quarter. Equations linking the forecast of economic and demographic variables are then linked to tax revenue or tax base models. In the case of the Multnomah County Business Income Tax, however, our forecast relies on the State's forecast of corporate income tax revenues; there is insufficient historical data to link the BIT reliably to purely local variables.

The forecast of economic and tax revenue variables is presented in detail in Table 3 through Table 10 in the Appendix to this report.

Economic Forecast Summary

Multnomah County employment is currently expanding at 2.1 percent. Although far from its peak, this pace represents solid growth for the county. Future employment growth levels are expected to remain solid for another year and then decline to a more historically typical rate of one percent. Table 1 compares how our May 2005 forecast numbers fared with actual revenue and employment numbers. Our short-term forecast results have been relatively accurate with errors ranging from 8 percent to 3 percent for revenues and near 1 percent for employment.

Table 1: Forecast Performance

Quarter	Business Income Tax			Transient Lodging Tax			Motor Vehicle Rental Tax			Multnomah County Total		
	May 2005 Forecast	Actual	Percent Difference	May 2005 Forecast	Actual	Percent Difference	May 2005 Forecast	Actual	Percent Difference	May 2005 Forecast	Actual	Percent Difference
2003.3	5,785	5,785	0.0%	7,566	7,566	0.0%	4,595	4,595	0.0%	418,184	418,184	0.0%
2003.4	2,593	2,593	0.0%	4,864	4,864	0.0%	2,912	2,912	0.0%	425,109	425,109	0.0%
2004.1	4,571	4,571	0.0%	6,130	6,130	0.0%	2,311	2,311	0.0%	411,006	411,144	0.0%
2004.2	17,010	17,010	0.0%	5,465	5,465	0.0%	3,067	3,067	0.0%	420,929	420,929	0.0%
2004.3	5,238	5,238	0.0%	8,364	8,364	0.0%	4,912	4,912	0.0%	420,995	421,007	0.0%
2004.4	6,081	6,081	0.0%	6,497	6,497	0.0%	2,809	2,809	0.0%	428,219	428,219	0.0%
2005.1	3,393	3,393	0.0%	6,242	6,456	3.4%	2,317	2,317	0.0%	423,878	421,169	-0.6%
2005.2	4,570	22,777	398.4%	5,966	5,938	-0.5%	3,495	3,284	-6.0%	433,898	429,180	-1.1%
2005.3	7,770	6,012	-22.6%	7,706	11,119	44.3%	5,096	5,228	2.6%	434,495	429,117	-1.2%
2005.4	5,018	9,019	79.7%	8,858	9,019	1.8%	3,192	3,006	-5.8%	448,101	437,447	-2.4%
Subtotal	17,358	37,808	117.8%	22,530	26,075	15.7%	11,783	11,517	-2.3%	1,316,495	1,295,744	-1.6%

Table 2 shows how our current forecast changed from the May 2005 forecast.

Table 2: Forecast Changes

Calendar Year	Business Income Tax			Transient Lodging Tax			Motor Vehicle Rental Tax			Multnomah Total Employment		
	May 2005 Forecast	Current Forecast	Percent Difference	May 2005 Forecast	Current Forecast	Percent Difference	May 2005 Forecast	Current Forecast	Percent Difference	May 2005 Forecast	Current Forecast	Percent Difference
2006	23,883	33,575	40.6%	31,339	33,343	6.4%	16,178	15,083	-6.8%	448,708	436,287	-2.8%
2007	27,307	36,301	32.9%	34,340	37,229	8.4%	18,286	15,771	-13.8%	463,111	438,110	-5.4%
2008	28,842	37,740	30.9%	37,212	41,282	10.9%	19,978	16,450	-17.7%	473,951	441,193	-6.9%
2009	28,897	40,793	41.2%	40,526	45,510	12.3%	21,783	17,164	-21.2%	484,688	444,537	-8.3%

This forecast represents a downgrade in the County's share of economic activity. Previous forecasts presumed Multnomah County would share in the growth for the Metropolitan area. Based on the last year of data from the expansion, it appears the County is gaining a smaller portion of the growth than in past periods of growth. This

has driven down the annual growth rates in employment to 2 percent from the 3 percent reported previously and anticipates a gradual slowing from that pace.

Personal incomes for the metropolitan area and the County are expected to grow briskly in the near term and remain solidly above inflation thereafter. Wage pressure is expected to provide increases to income as well as the addition of higher paying business services positions.

Residential housing construction is expected to slow in the County as interest rate increases tighten budgets. Housing permits are forecast to decrease sharply in the next year and then show a gradual decline as developable land in the County decreases and recent developments absorb the capacity for new housing.

The commercial and industrial real estate market is showing meager signs of improvement. The vacancy rate at 9.5 percent has begun to decline from its peak level of 12.1 percent in fourth quarter of 2003. This decrease is expected to continue through the forecast period to reach a level of 8.5 percent by 2009. It may be at that point that we hear the calls for "shovel ready" industrial land like we heard back in 2000 when the vacancy rate was less than 7 percent.

The amount of tourist and business travel to the area, measured by deplanements, is expected to see a decrease followed by small gains. Portland International Airport has had increases in passengers averaging over 5 percent since the last half of 2003. Now, well beyond the direct effects of 9/11, the travel industry is being influenced by major airline financial problems. With airlines in need of cash for retirement and health commitments, it is difficult to see the reductions in fares that would spur travel.

Despite the recent increase in inflation, the forecast for the Portland Metropolitan Area shows a return to the 2 and half point rise in prices. This bodes well for the financial markets which are anxious to see if inflation will cut into the profitability of their lending activity.

The residential real estate market is expected to cool off somewhat in Portland. Although the slowdown is not expected to affect the maximum level of growth on properties set by measure 50, it is likely that 20 percent increases will decrease to more sustainable levels. Much of the housing sales prices have been influenced by purchasers from high equity markets like California and Washington. If these markets cool off, and the ability of these homebuyers to extract their equity decreases, home prices are likely to return to rates more closely related to income growth in the region.

Revenue Forecast Summary

Business income taxes have grown impressively in 2005 with a 25 percent increase over 2004. Therefore, fiscal year annual totals for 2006 (which are partially made up of calendar year 2005 revenue) are expected to be 25 percent higher than in 2005. However, FY2007 is expected to see a decrease of 16 percent followed by a 10 percent increase in FY2008 and about a 7 percent increase in FY2009. Indeed, the volatility of the business income tax revenue prevails.

Transient lodging tax revenue is expected to show solid growth throughout the forecast period. Although the number of travelers to the area through PDX is not expected to increase, the shift to business travelers will drive the gains in the tax revenue from hotels. In addition, room rates will be increased by inflation.

Motor vehicle rental tax revenue remains closely tied to the number of deplanements at PDX. Both are expected to have quick gains in the near term followed by increases of around 4 percent per annum. This rate is below the historical average for motor vehicle tax rate. One reason for this is the increased use of the Airport MAX line to downtown. Also, many hotels have raised their prices for all day parking spaces in downtown to increase revenue and make it more comparable to the value of daytime parking used by their meeting spaces.

In conclusion, our forecast for business income tax revenue has been revised upward substantially. The transient lodging tax revenue forecast has been raised by about 9 percent annually. The motor vehicle rental tax has been revised downward by almost 15 percent annually.

V. FORECAST QUALIFICATIONS

In the earlier discussion in this report, we detailed three key issues or risks to our forecast:

- Industrial commodity price increases. We see this risk as significant in the short run, but less important in the long term.
- Collapse of a residential housing bubble spurred by housing speculation. We do not see this as a serious possibility or risk to the overall economy, but it may alter model projections of construction employment.
- Potential dollar sell-off in international markets causing increased interest rates. We do not see an abrupt dumping of US dollar investments as likely, but expect some tightening of the lending requirements of overseas investors.

In addition, some additional risks, new or mentioned in previous reports exist:

The pending ruling from the Oregon Supreme Court dealt with "half the loaf" of the fiscal overhang represented by OPERS under-funding. Although it accepted the use of new life tables and other important reform features, it upheld the guarantee and other expensive provisions of the Tier 1 OPERS plan. ECONorthwest estimates that \$4-\$5 billion in liability will need to be funded by employer rate increases.

The Federal Reserve's practice of trying to engineer "soft landings" is another risk to the economy. The Fed has never demonstrated any capability in this regard and, in fact, a good case can be made that their efforts have been destabilizing. The Fed also tends to confuse relative price changes (e.g. energy price shocks) with monetary inflation. There is some risk, therefore, that the pass-through of commodity price increases will be misinterpreted (and mistreated) as monetary inflation. Specifically, should the Fed over-tighten, then there will be insufficient monetary stimulus remaining to offset the consumer spending impact of higher energy prices. It would also retard the appropriate reaction to the higher energy prices; that is, it would be desirable for higher energy prices to stimulate substitution of energy-efficient vehicles, building practices, etc. for less energy efficient practices. Without adequate liquidity, however, there will be insufficient investment funds to finance such conversions. The result would then simply be a general reduction in overall economic activity with weak longer-term benefits from capital substitution.

APPENDIX

Table 3: Multnomah County BIT, Transient Lodging Tax, and Motor Vehicle Rental Tax Revenue Forecast (Quarterly and Annually)

Quarterly

Quarter	Business Income Tax				Transient Lodging Tax				Motor Vehicle Rental Tax			
	Base (000)	Rate	Revenue (000)	% Chg	Base (000)	Rate	Revenue (000)	% Chg	Base (000)	Rate	Revenue (000)	% Chg
2001:1	14,497	1.45%	210	-97.8%	54,163	11.50%	6,229	40.4%	23,890	12.50%	2,986	33.9%
2001:2	1,209,847	1.45%	17,543	-12.0%	46,306	11.50%	5,325	33.7%	28,951	12.50%	3,619	1.7%
2001:3	457,210	1.45%	6,630	-4.2%	54,367	11.50%	6,252	-7.2%	40,641	12.50%	5,080	-5.0%
2001:4	254,390	1.45%	3,689	-26.6%	58,475	11.50%	6,725	0.0%	21,467	12.50%	2,683	-27.5%
2002:1	225,025	1.45%	3,263	1452.2%	47,228	11.50%	5,431	-12.8%	20,807	12.50%	2,601	-12.9%
2002:2	1,044,222	1.45%	15,141	-13.7%	43,063	11.50%	4,952	-7.0%	26,763	12.50%	3,345	-7.6%
2002:3	301,497	1.45%	4,372	-34.1%	52,811	11.50%	6,073	-2.9%	40,596	12.50%	5,074	-0.1%
2002:4	299,953	1.45%	4,349	17.9%	64,258	11.50%	7,390	9.9%	23,514	12.50%	2,939	9.5%
2003:1	105,306	1.45%	1,527	-53.2%	49,355	11.50%	5,676	4.5%	19,532	12.50%	2,442	-6.1%
2003:2	1,111,105	1.45%	16,111	6.4%	42,106	11.50%	4,842	-2.2%	23,775	12.50%	2,972	-11.2%
2003:3	398,980	1.45%	5,785	32.3%	65,790	11.50%	7,566	24.6%	36,763	12.50%	4,595	-9.4%
2003:4	178,861	1.45%	2,593	-40.4%	42,292	11.50%	4,864	-34.2%	23,293	12.50%	2,912	-0.9%
2004:1	315,268	1.45%	4,571	199.4%	53,304	11.50%	6,130	8.0%	18,489	12.50%	2,311	-5.3%
2004:2	1,173,127	1.45%	17,010	5.6%	47,522	11.50%	5,465	12.9%	24,534	12.50%	3,067	3.2%
2004:3	361,269	1.45%	5,238	-9.5%	72,731	11.50%	8,364	10.5%	39,294	12.50%	4,912	6.9%
2004:4	419,353	1.45%	6,081	134.5%	56,498	11.50%	6,497	33.6%	22,472	12.50%	2,809	-3.5%
2005:1	233,979	1.45%	3,393	-25.8%	56,143	11.50%	6,456	5.3%	18,537	12.50%	2,317	0.3%
2005:2	1,570,824	1.45%	22,777	33.9%	51,831	11.50%	5,938	8.6%	26,271	12.50%	3,284	7.1%
2005:3	414,651	1.45%	6,012	14.8%	96,686	11.50%	11,119	32.9%	41,821	12.50%	5,228	6.4%
2005:4	621,977	1.45%	9,019	48.3%	78,423	11.50%	9,019	38.8%	24,048	12.50%	3,006	7.0%
2006:1	561,195	1.45%	8,137	139.8%	62,316	11.50%	7,166	11.0%	21,905	12.50%	2,738	18.2%
2006:2	575,507	1.45%	8,345	-63.4%	89,173	11.50%	6,805	14.6%	28,842	12.50%	3,605	9.8%
2006:3	595,965	1.45%	8,641	43.7%	80,096	11.50%	9,211	-17.2%	44,466	12.50%	5,558	6.3%
2006:4	582,878	1.45%	8,452	-6.3%	88,355	11.50%	10,161	12.7%	25,453	12.50%	3,182	5.8%
2007:1	593,348	1.45%	8,604	5.7%	69,985	11.50%	8,048	12.3%	23,038	12.50%	2,880	5.2%
2007:2	621,076	1.45%	9,006	7.9%	66,096	11.50%	7,601	11.7%	30,188	12.50%	3,773	4.7%
2007:3	651,708	1.45%	9,450	9.4%	89,325	11.50%	10,272	11.5%	46,421	12.50%	5,803	4.4%
2007:4	637,377	1.45%	9,242	9.3%	88,325	11.50%	11,307	11.3%	26,520	12.50%	3,315	4.2%
2008:1	616,868	1.45%	8,945	4.0%	77,797	11.50%	8,947	11.2%	24,005	12.50%	3,001	4.2%
2008:2	644,184	1.45%	9,341	3.7%	73,404	11.50%	8,441	11.1%	31,468	12.50%	3,933	4.2%
2008:3	676,717	1.45%	9,812	3.8%	99,012	11.50%	11,386	10.8%	48,417	12.50%	6,052	4.3%
2008:4	664,983	1.45%	9,642	4.3%	108,763	11.50%	12,508	10.6%	27,709	12.50%	3,464	4.5%
2009:1	661,854	1.45%	9,598	7.3%	85,873	11.50%	9,875	10.4%	25,038	12.50%	3,130	4.3%
2009:2	696,561	1.45%	10,100	8.1%	80,959	11.50%	9,310	10.3%	32,831	12.50%	4,104	4.3%
2009:3	734,127	1.45%	10,645	8.5%	109,116	11.50%	12,548	10.2%	50,525	12.50%	6,316	4.4%
2009:4	720,649	1.45%	10,449	8.4%	119,790	11.50%	13,776	10.1%	28,919	12.50%	3,615	4.4%

Note: Forecast in Bold Type

Annual

Fiscal Year Ending	Business Income Tax				Transient Lodging Tax				Motor Vehicle Rental Tax			
	Base (000)	Rate	Revenue (000)	% Chg	Base (000)	Rate	Revenue (000)	% Chg	Base (000)	Rate	Revenue (000)	% Chg
2001	2,047,934	1.45%	29,695	-	217,484	11.50%	25,012	-	125,230	12.50%	15,654	-
2002	1,980,847	1.45%	28,722	-3.3%	203,133	11.50%	23,360	-6.6%	109,678	12.50%	13,710	-12.4%
2003	1,817,861	1.45%	26,359	-8.2%	208,531	11.50%	23,981	2.7%	107,417	12.50%	13,427	-2.1%
2004	2,066,236	1.45%	29,960	13.7%	208,907	11.50%	24,024	0.2%	103,079	12.50%	12,885	-4.0%
2005	2,066,236	1.45%	29,960	0.0%	208,907	11.50%	24,024	0.0%	103,079	12.50%	12,885	0.0%
2006	2,585,424	1.45%	37,489	25.1%	237,002	11.50%	27,255	13.4%	105,573	12.50%	13,322	3.4%
2007	2,173,330	1.45%	31,513	-15.9%	296,598	11.50%	34,109	25.1%	116,615	12.50%	14,577	9.4%
2008	2,393,267	1.45%	34,702	10.1%	304,532	11.50%	35,021	2.7%	123,145	12.50%	15,393	5.6%
2009	2,550,137	1.45%	36,977	6.6%	338,851	11.50%	38,968	11.3%	128,413	12.50%	16,052	4.3%

Note: Forecast in Bold Type

Table 4: Multnomah County Real Estate Taxable Assessed Value

Quarter	Real Estate Taxable Value (Assessed Value)					
	Total		Residential		Other	
	millions	% Chg	millions	% Chg	millions	% Chg
2001:1	41,175	6.1%	22,744	4.3%	18,431	8.3%
2001:2	41,615	5.8%	22,988	4.3%	18,627	7.7%
2001:3	41,959	5.3%	23,238	4.3%	18,721	6.6%
2001:4	42,208	4.5%	23,494	4.3%	18,713	4.8%
2002:1	42,050	2.1%	23,796	4.6%	18,254	-1.0%
2002:2	42,231	1.5%	24,049	4.6%	18,182	-2.4%
2002:3	42,439	1.1%	24,292	4.5%	18,148	-3.1%
2002:4	42,676	1.1%	24,525	4.4%	18,152	-3.0%
2003:1	42,942	2.1%	24,674	3.7%	18,268	0.1%
2003:2	43,235	2.4%	24,917	3.6%	18,318	0.8%
2003:3	43,555	2.6%	25,179	3.7%	18,376	1.3%
2003:4	43,903	2.9%	25,461	3.8%	18,442	1.6%
2004:1	44,355	3.3%	25,825	4.7%	18,530	1.4%
2004:2	44,728	3.5%	26,122	4.8%	18,606	1.6%
2004:3	45,098	3.5%	26,413	4.9%	18,684	1.7%
2004:4	45,465	3.6%	26,700	4.9%	18,765	1.8%
2005:1	45,829	3.3%	26,981	4.5%	18,848	1.7%
2005:2	46,191	3.3%	27,258	4.3%	18,933	1.8%
2005:3	46,550	3.2%	27,529	4.2%	19,021	1.8%
2005:4	46,906	3.2%	27,795	4.1%	19,111	1.8%
2006:1	47,736	4.2%	28,210	4.6%	19,526	3.6%
2006:2	48,204	4.4%	28,508	4.6%	19,696	4.0%
2006:3	48,638	4.5%	28,800	4.6%	19,838	4.3%
2006:4	49,039	4.5%	29,087	4.6%	19,952	4.4%
2007:1	49,897	4.5%	29,528	4.7%	20,368	4.3%
2007:2	50,349	4.5%	29,847	4.7%	20,502	4.1%
2007:3	50,748	4.3%	30,160	4.7%	20,588	3.8%
2007:4	51,101	4.2%	30,466	4.7%	20,635	3.4%
2008:1	51,925	4.1%	30,934	4.8%	20,991	3.1%
2008:2	52,336	3.9%	31,272	4.8%	21,064	2.7%
2008:3	52,703	3.9%	31,603	4.8%	21,100	2.5%
2008:4	53,039	3.8%	31,925	4.8%	21,114	2.3%
2009:1	53,980	4.0%	32,414	4.8%	21,566	2.7%
2009:2	54,382	3.9%	32,768	4.8%	21,614	2.6%
2009:3	54,751	3.9%	33,115	4.8%	21,636	2.5%
2009:4	55,097	3.9%	33,452	4.8%	21,645	2.5%

Note: Forecast in Bold Type

Table 5: Multnomah County Select Economic Indicators

Quarter	Portland MSA						Multnomah County					
	Consumer Price Index		Commercial Vacancy Rate		Personal Income		PDX Passengers Deplaned		Housing Permits		Personal Income	
	1982-84=100	% Change	Change	(000)	% Change	(000)	% Change	% Change	(000)	% Change		
2000:1	176.1		7.0%	14,913		1,523		568		5,184		
2000:2	176.8		6.7%	15,079		1,760		572		5,238		
2000:3	178.6		6.7%	15,518		1,935		421		5,398		
2000:4	180.5		7.0%	15,616		1,687		742		5,441		
2001:1	180.9	2.8%	8.2%	18.0%	15,746	5.6%	1,488	-2.3%	660	16.2%	5,497	6.0%
2001:2	181.5	2.6%	8.7%	2.1%	15,844	5.1%	1,692	-3.9%	532	-7.0%	5,539	5.7%
2001:3	182.9	2.4%	9.3%	2.6%	16,127	3.9%	1,754	-9.3%	928	120.4%	5,635	4.4%
2001:4	184.3	2.1%	9.8%	2.8%	16,199	3.7%	1,429	-15.3%	772	4.0%	5,650	3.8%
2002:1	183.8	1.6%	10.4%	2.2%	16,295	3.5%	1,321	-11.2%	582	-11.8%	5,670	3.2%
2002:2	183.3	1.0%	10.9%	2.1%	16,367	3.3%	1,563	-7.6%	922	73.3%	5,686	2.6%
2002:3	183.8	0.5%	11.2%	2.0%	16,479	2.2%	1,742	-0.7%	937	1.0%	5,724	1.6%
2002:4	184.3	0.0%	11.5%	1.7%	16,474	1.7%	1,500	5.0%	842	9.1%	5,732	1.5%
2003:1	185.8	1.1%	11.8%	1.3%	16,467	1.1%	1,311	-0.8%	1,079	85.4%	5,743	1.3%
2003:2	186.2	1.6%	11.9%	1.1%	16,462	0.6%	1,563	0.0%	982	6.5%	5,751	1.1%
2003:3	186.4	1.4%	12.1%	0.8%	16,562	0.5%	1,769	1.5%	1,134	21.0%	5,786	1.1%
2003:4	186.6	1.2%	12.1%	0.6%	16,598	0.8%	1,552	3.5%	1,036	23.0%	5,825	1.6%
2004:1	188.7	1.6%	11.4%	-0.4%	16,683	1.3%	1,348	2.8%	662	-38.6%	5,878	2.3%
2004:2	190.9	2.5%	11.2%	-0.8%	16,798	2.0%	1,654	5.8%	1,296	32.0%	5,933	3.2%
2004:3	191.8	2.9%	10.6%	-1.4%	17,037	2.9%	1,876	6.0%	1,309	15.4%	6,020	4.0%
2004:4	193.2	3.5%	10.4%	-1.7%	17,205	3.7%	1,643	5.9%	594	-42.7%	6,115	5.0%
2005:1	194.0	2.8%	11.4%	-0.7%	17,437	4.5%	1,472	9.2%	911	37.6%	6,225	5.9%
2005:2	195.0	2.1%	10.4%	-1.4%	17,687	5.3%	1,758	6.3%	1,001	-22.8%	6,332	6.7%
2005:3	197.0	2.7%	9.8%	-0.8%	18,045	5.9%	1,976	5.3%	1,163	-11.2%	6,466	7.4%
2005:4	200.1	3.6%	9.5%	-2.0%	18,306	6.4%	1,578	-3.9%	1,462	146.2%	6,601	7.9%
2006:1	201.6	3.9%	10.1%	-1.4%	18,599	6.7%	1,449	-1.5%	537	-41.1%	6,739	8.3%
2006:2	202.3	3.8%	9.3%	-1.6%	18,883	6.8%	1,692	-3.7%	882	-11.8%	6,865	8.4%
2006:3	203.4	3.2%	9.4%	-1.7%	19,251	6.7%	1,857	-6.0%	1,152	-1.0%	7,004	8.3%
2006:4	204.5	2.2%	9.0%	-1.6%	19,497	6.5%	1,597	1.2%	1,346	-7.9%	7,132	8.0%
2007:1	205.5	1.9%	9.5%	-1.7%	19,758	6.2%	1,461	0.9%	516	-3.8%	7,245	7.5%
2007:2	206.6	2.1%	8.9%	-1.6%	19,997	5.9%	1,697	0.3%	879	-0.4%	7,332	6.8%
2007:3	207.7	2.1%	9.0%	-1.6%	20,320	5.5%	1,867	0.5%	1,151	-0.1%	7,424	6.0%
2007:4	208.8	2.1%	8.7%	-1.3%	20,515	5.2%	1,609	0.7%	1,351	0.3%	7,502	5.2%
2008:1	210.0	2.2%	9.4%	-1.2%	20,734	4.9%	1,477	1.1%	514	-0.5%	7,565	4.4%
2008:2	211.3	2.3%	8.8%	-1.1%	20,944	4.7%	1,722	1.5%	868	-1.3%	7,608	3.8%
2008:3	212.5	2.3%	8.9%	-1.0%	21,253	4.6%	1,896	1.5%	1,133	-1.5%	7,666	3.3%
2008:4	213.7	2.3%	8.7%	-0.9%	21,439	4.5%	1,633	1.5%	1,314	-2.7%	7,722	2.9%
2009:1	215.0	2.4%	9.3%	-0.9%	21,708	4.7%	1,498	1.4%	491	-4.4%	7,837	3.6%
2009:2	216.4	2.4%	8.7%	-0.8%	21,914	4.6%	1,747	1.5%	824	-5.0%	7,866	3.4%
2009:3	217.7	2.5%	8.8%	-0.7%	22,232	4.6%	1,924	1.5%	1,079	-4.8%	7,919	3.3%
2009:4	219.0	2.5%	8.5%	-0.7%	22,428	4.6%	1,657	1.5%	1,260	-4.1%	7,977	3.3%

Note: Forecast in Bold Type

Table 6: Multnomah County Employment

Quarter	Employment Detail, Select Industries															
	Total		Construction		Manufacturing		FIRE		Federal Government		State Government		Local Government		Other	
	% Change		% Change		% Change		% Change		% Change		% Change		% Change		% Change	
2001:1	445,548	-0.4%	20,615	-0.5%	45,180	-13.9%	32,177	-1.3%	11,608	-1.7%	7,173	0.6%	45,127	1.0%	283,668	2.0%
2001:2	446,698	-1.4%	20,361	-4.4%	44,422	-15.4%	32,408	-0.1%	11,579	-6.4%	7,267	0.8%	46,001	1.0%	284,660	1.1%
2001:3	444,171	-2.4%	20,715	-9.7%	43,526	-16.1%	33,314	2.8%	11,659	-3.6%	6,853	-1.9%	43,306	4.7%	284,798	-0.9%
2001:4	441,169	-3.6%	19,582	-12.8%	41,383	-17.3%	33,403	3.8%	11,498	-4.9%	7,105	-0.8%	46,878	3.6%	281,320	-2.5%
2002:1	425,781	-4.4%	18,831	-8.7%	38,770	-14.2%	32,509	1.0%	11,195	-3.6%	7,204	0.4%	47,137	4.5%	270,135	-4.8%
2002:2	428,920	-4.0%	18,770	-7.8%	38,093	-14.2%	32,422	0.0%	11,240	-2.9%	7,231	-0.5%	47,063	2.3%	274,101	-3.7%
2002:3	429,795	-3.2%	19,967	-3.6%	38,032	-12.6%	33,216	-0.3%	11,448	-1.8%	6,978	0.3%	42,280	-2.4%	277,978	-2.4%
2002:4	431,180	-2.3%	18,722	-4.4%	37,328	-9.8%	33,449	0.1%	11,480	-0.2%	7,163	0.8%	46,163	-1.5%	276,875	-1.6%
2003:1	418,294	-1.8%	16,688	-11.4%	36,178	-6.7%	32,911	1.2%	12,144	8.5%	7,201	0.0%	45,171	-4.2%	268,001	-0.8%
2003:2	418,598	-2.4%	16,557	-11.8%	35,517	-6.8%	33,177	2.3%	12,240	8.9%	7,234	0.0%	45,327	-3.7%	268,548	-2.0%
2003:3	418,184	-2.7%	17,638	-11.7%	35,408	-6.9%	33,427	0.8%	12,385	8.0%	6,872	-0.1%	40,252	-4.8%	272,224	-2.1%
2003:4	425,109	-1.4%	17,488	-6.6%	35,045	-6.1%	32,964	-1.4%	12,344	7.5%	7,008	-2.2%	45,899	-0.6%	274,361	-0.9%
2004:1	411,144	-1.7%	16,798	0.7%	34,343	-5.1%	31,082	-5.6%	12,781	5.2%	6,980	-3.1%	45,362	0.4%	263,798	-1.6%
2004:2	420,929	0.6%	17,932	6.3%	34,889	-1.8%	31,226	-5.9%	12,771	4.3%	7,205	-0.4%	46,074	1.6%	270,832	0.9%
2004:3	421,007	0.7%	19,250	9.2%	35,451	0.1%	31,350	-6.2%	12,807	3.8%	6,922	0.7%	40,755	1.2%	274,442	0.8%
2004:4	428,219	0.7%	18,726	7.1%	35,643	1.7%	31,338	-4.9%	12,958	5.0%	7,215	3.0%	45,695	-0.4%	276,644	0.8%
2005:1	421,169	2.4%	17,399	3.6%	35,844	4.4%	29,502	-5.1%	12,616	-1.3%	10,749	54.0%	45,071	-0.6%	269,988	2.3%
2005:2	429,180	2.0%	18,579	3.6%	35,526	1.8%	31,052	-0.6%	12,253	-4.1%	7,586	5.3%	46,795	1.6%	277,050	2.3%
2005:3	429,117	1.9%	20,199	4.9%	35,898	1.3%	31,324	-0.1%	12,253	-4.6%	7,355	8.3%	40,268	-1.2%	281,608	2.6%
2005:4	437,447	2.2%	19,564	4.5%	35,815	-1.8%	31,381	0.1%	12,928	-4.2%	7,559	4.8%	45,218	-1.4%	282,878	2.8%
2006:1	429,898	2.1%	18,871	3.6%	34,392	-4.1%	29,829	0.4%	12,818	1.8%	11,233	4.5%	44,448	-1.4%	274,452	1.7%
2006:2	437,422	1.8%	18,813	2.3%	33,888	-4.4%	31,839	0.9%	12,534	2.3%	7,989	4.3%	48,544	-8.5%	282,384	1.9%
2006:3	435,782	1.5%	20,541	1.7%	34,419	-4.1%	31,183	-6.7%	12,585	2.7%	7,783	4.7%	48,782	1.3%	285,825	1.2%
2006:4	441,978	1.8%	18,892	0.7%	33,888	-3.4%	31,885	-1.1%	13,292	2.8%	7,897	4.5%	45,452	0.5%	284,344	0.8%
2007:1	432,521	0.6%	18,878	0.8%	33,282	-3.2%	29,873	-1.9%	13,188	2.8%	11,772	4.8%	44,991	1.2%	278,797	0.8%
2007:2	438,139	0.4%	18,858	-8.8%	32,858	-3.7%	30,285	-2.4%	12,957	3.4%	8,278	4.6%	48,992	1.8%	284,838	0.8%
2007:3	437,155	0.3%	18,988	-3.1%	33,231	-3.5%	30,289	-2.6%	13,088	3.4%	8,638	4.4%	48,788	0.8%	288,264	1.1%
2007:4	443,827	0.4%	18,758	-4.7%	32,685	-3.4%	30,113	-2.8%	13,758	3.5%	8,243	4.4%	45,448	0.8%	288,138	1.3%
2008:1	434,854	0.5%	17,888	-5.5%	32,444	-3.1%	29,388	-2.7%	13,652	3.5%	12,291	4.4%	45,874	0.2%	288,897	1.4%
2008:2	441,818	0.8%	17,882	-5.1%	31,893	-2.8%	29,574	-2.3%	13,685	3.5%	8,638	4.3%	47,829	0.1%	288,578	1.4%
2008:3	448,528	0.8%	18,854	-3.7%	32,285	-3.1%	29,852	-2.1%	13,683	3.5%	8,388	4.5%	41,852	0.7%	292,412	1.4%
2008:4	447,689	0.8%	17,848	-4.0%	31,551	-3.4%	29,585	-1.8%	14,215	3.2%	8,625	4.6%	46,858	1.3%	292,434	1.5%
2009:1	437,788	0.7%	18,282	-5.2%	31,233	-3.1%	27,888	-2.3%	14,122	3.4%	12,848	4.5%	45,338	0.6%	284,889	1.4%
2009:2	445,254	0.8%	18,891	-5.1%	30,893	-3.1%	28,945	-2.1%	13,884	3.4%	8,818	4.5%	47,348	0.7%	292,713	1.4%
2009:3	443,888	0.8%	17,893	-5.1%	31,178	-3.2%	28,038	-2.1%	13,924	3.4%	8,777	4.5%	41,383	0.9%	288,648	1.4%
2009:4	451,189	0.8%	18,543	-5.1%	30,535	-3.2%	28,855	-2.1%	14,888	3.4%	9,915	4.5%	46,444	0.8%	296,678	1.5%

Note: Forecast in Bold Type

Table 7: U.S. Economic Indicators

Quarter	Real GDP		GDP Deflator		Price Deflator for Imports		Price Deflator for Exports		Employment	
	(Bil)	% Chg		% Chg		% Chg		% Chg	(Mil)	% Chg
2001:1	2,469	1.86%	1.01	2.18%	1.00	0.60%	1.00	0.87%	139.334	0.80%
2001:2	2,476	0.59%	1.02	2.55%	0.98	-1.11%	1.00	0.01%	138.704	0.13%
2001:3	2,468	0.35%	1.03	2.41%	0.97	-3.45%	0.99	-0.73%	138.365	0.04%
2001:4	2,478	0.22%	1.03	2.51%	0.95	-6.13%	0.99	-1.71%	137.863	-0.79%
2002:1	2,494	1.03%	1.04	2.06%	0.94	-5.79%	0.98	-1.96%	137.736	-1.15%
2002:2	2,508	1.27%	1.04	1.61%	0.96	-1.96%	0.99	-0.95%	138.023	-0.49%
2002:3	2,523	2.22%	1.04	1.61%	0.97	0.26%	1.00	0.29%	138.512	0.11%
2002:4	2,524	1.87%	1.05	1.66%	0.97	3.09%	1.00	1.32%	138.325	0.33%
2003:1	2,535	1.62%	1.06	2.06%	1.00	6.33%	1.01	2.60%	138.509	0.56%
2003:2	2,558	1.98%	1.06	1.99%	0.99	2.59%	1.01	2.14%	138.736	0.52%
2003:3	2,603	3.17%	1.06	2.08%	1.00	2.36%	1.01	1.62%	138.675	0.12%
2003:4	2,626	4.03%	1.07	1.98%	1.00	2.48%	1.02	2.21%	139.383	0.76%
2004:1	2,653	4.67%	1.08	2.13%	1.02	2.08%	1.04	2.65%	139.888	1.00%
2004:2	2,676	4.63%	1.09	2.81%	1.04	4.88%	1.05	3.59%	140.363	1.17%
2004:3	2,702	3.82%	1.09	2.67%	1.05	5.66%	1.05	3.78%	141.102	1.75%
2004:4	2,724	3.76%	1.10	2.89%	1.07	7.14%	1.06	4.15%	141.587	1.58%
2005:1	2,750	3.64%	1.11	2.73%	1.08	5.46%	1.08	3.83%	141.791	1.36%
2005:2	2,772	3.60%	1.12	2.44%	1.10	5.87%	1.09	3.56%	142.899	1.81%
2005:3	2,798	3.56%	1.12	2.86%	1.12	6.78%	1.09	4.04%	143.814	1.92%
2005:4	2,834	4.03%	1.14	3.33%	1.13	5.67%	1.11	4.07%	144.490	2.05%
2006:1	2,854	3.80%	1.15	3.68%	1.14	5.58%	1.12	4.03%	145.185	2.39%
2006:2	2,871	3.54%	1.16	4.11%	1.14	4.17%	1.13	4.21%	145.789	2.02%
2006:3	2,886	3.13%	1.17	4.44%	1.15	2.50%	1.14	4.38%	146.295	1.72%
2006:4	2,900	2.32%	1.19	4.34%	1.16	2.50%	1.15	4.30%	146.700	1.53%
2007:1	2,914	2.10%	1.20	4.24%	1.17	2.50%	1.17	4.17%	147.033	1.27%
2007:2	2,930	2.06%	1.21	4.10%	1.17	2.50%	1.18	4.02%	147.323	1.05%
2007:3	2,946	2.08%	1.22	3.95%	1.18	2.50%	1.19	3.86%	147.590	0.88%
2007:4	2,963	2.18%	1.23	3.79%	1.19	2.50%	1.20	3.69%	147.847	0.78%
2008:1	2,981	2.28%	1.24	3.65%	1.20	2.50%	1.21	3.54%	148.106	0.73%
2008:2	2,999	2.38%	1.25	3.51%	1.20	2.50%	1.22	3.40%	148.371	0.71%
2008:3	3,019	2.47%	1.26	3.40%	1.21	2.50%	1.23	3.27%	148.645	0.72%
2008:4	3,039	2.55%	1.27	3.30%	1.22	2.50%	1.23	3.16%	148.930	0.73%
2009:1	3,059	2.62%	1.28	3.22%	1.22	2.50%	1.24	3.08%	149.228	0.76%
2009:2	3,080	2.69%	1.29	3.15%	1.23	2.50%	1.25	3.00%	149.537	0.79%
2009:3	3,102	2.75%	1.30	3.09%	1.24	2.50%	1.26	2.94%	149.859	0.82%
2009:4	3,124	2.81%	1.31	3.05%	1.25	2.50%	1.27	2.90%	150.192	0.85%

Table 8: U.S. Economic Indicators (Contd.)

Quarter	Wage Rate		Money Supply		Unemployment		3-Month Treasury Bill Rate		AAA Corporate Bond Rate	
	\$/Hr	% Chg	(Bil)	% Chg		% Chg		% Chg		% Chg
2001:1	22.87	6.73%	1,398.0	1.72%	4.2%	4.39%	4.82	-12.74%	7.08	-8.25%
2001:2	23.04	6.43%	1,426.0	3.47%	4.4%	11.70%	3.66	-35.94%	7.22	-7.00%
2001:3	23.16	4.66%	1,472.0	7.19%	4.8%	19.56%	3.17	-47.31%	7.11	-6.57%
2001:4	23.37	4.25%	1,545.3	11.35%	5.5%	41.53%	1.91	-68.31%	6.92	-6.48%
2002:1	23.63	3.32%	1,521.2	8.81%	5.7%	34.66%	1.82	-62.21%	6.62	-6.41%
2002:2	23.74	3.05%	1,544.0	8.28%	5.8%	32.28%	1.72	-53.10%	6.71	-7.06%
2002:3	23.85	3.00%	1,575.3	7.02%	5.7%	18.98%	1.64	-48.16%	6.35	-10.65%
2002:4	23.88	2.21%	1,607.5	4.03%	5.9%	5.90%	1.33	-30.07%	6.28	-9.29%
2003:1	24.13	2.10%	1,645.6	8.18%	5.8%	2.71%	1.16	-36.45%	6.00	-9.36%
2003:2	24.70	4.04%	1,692.8	9.64%	6.1%	5.05%	1.04	-39.22%	5.31	-20.90%
2003:3	24.90	4.41%	1,695.4	7.62%	6.1%	6.66%	0.93	-43.41%	5.70	-10.29%
2003:4	25.01	4.73%	1,741.0	8.30%	5.9%	-0.37%	0.92	-31.25%	5.66	-9.93%
2004:1	25.29	4.82%	1,783.5	8.38%	5.6%	-3.51%	0.92	-20.75%	5.46	-9.11%
2004:2	25.63	3.77%	1,814.0	7.15%	5.6%	-9.25%	1.08	3.19%	5.93	11.61%
2004:3	25.83	3.72%	1,843.3	8.73%	5.5%	-10.67%	1.49	59.86%	5.64	-0.94%
2004:4	26.54	6.13%	1,893.4	8.76%	5.4%	-7.23%	2.01	118.91%	5.49	-3.01%
2005:1	26.83	6.08%	1,910.0	7.09%	5.3%	-6.72%	2.54	176.73%	5.32	-2.50%
2005:2	27.12	5.81%	1,929.1	6.35%	5.1%	-8.33%	2.86	165.94%	5.15	-13.16%
2005:3	27.31	5.73%	1,914.5	3.86%	5.0%	-8.19%	3.36	126.01%	5.09	-9.75%
2005:4	27.72	4.45%	1,927.4	1.79%	4.9%	-10.60%	3.64	81.53%	5.17	-5.81%
2006:1	28.14	4.89%	1,943.3	1.74%	4.7%	-10.76%	3.88	52.82%	5.29	-0.60%
2006:2	28.57	5.34%	1,961.6	1.68%	4.6%	-9.62%	4.11	43.63%	5.43	5.48%
2006:3	29.00	6.17%	1,981.7	3.51%	4.6%	-8.43%	4.29	27.75%	5.56	9.24%
2006:4	29.42	6.12%	2,003.6	3.95%	4.6%	-4.28%	4.38	20.24%	5.68	9.88%
2007:1	29.85	6.04%	2,027.2	4.32%	4.7%	1.06%	4.40	13.62%	5.77	9.19%
2007:2	30.27	5.94%	2,052.5	4.64%	4.9%	5.71%	4.40	7.03%	5.86	7.88%
2007:3	30.68	5.82%	2,079.4	4.93%	5.0%	9.08%	4.38	2.08%	5.93	6.53%
2007:4	31.10	5.71%	2,107.8	5.20%	5.1%	10.82%	4.34	-0.82%	5.98	5.38%
2008:1	31.51	5.59%	2,137.5	5.44%	5.3%	11.34%	4.29	-2.53%	6.03	4.38%
2008:2	31.93	5.49%	2,168.6	5.66%	5.4%	11.08%	4.23	-3.79%	6.06	3.46%
2008:3	32.34	5.41%	2,200.8	5.84%	5.5%	10.37%	4.17	-4.75%	6.08	2.61%
2008:4	32.76	5.33%	2,234.3	6.00%	5.6%	9.47%	4.11	-5.38%	6.10	1.87%
2009:1	33.18	5.27%	2,268.8	6.14%	5.7%	8.51%	4.05	-5.74%	6.10	1.23%
2009:2	33.60	5.23%	2,304.3	6.26%	5.8%	7.57%	3.98	-5.93%	6.10	0.68%
2009:3	34.02	5.19%	2,340.8	6.36%	5.9%	6.68%	3.92	-6.01%	6.09	0.20%
2009:4	34.45	5.16%	2,378.2	6.44%	6.0%	5.86%	3.86	-5.98%	6.08	-0.21%

Table 9: Oregon Employment Forecast

Quarter	Total Nonfarm		Construction		Manufacturing		Trade, Transportation and Utilities		Professional & Business Services		Education & Health Services		Leisure and Hospitality	
	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg
2001:1	1,613,445	1.2%	83,695	0.8%	222,785	-0.2%	324,968	0.4%	184,691	3.1%	177,220	4.5%	149,557	-2.3%
2001:2	1,601,483	-0.2%	81,283	-2.0%	218,455	-2.3%	322,302	-0.7%	178,935	-1.5%	178,008	3.8%	150,260	-2.2%
2001:3	1,587,864	-1.4%	79,294	-4.2%	214,089	-4.1%	320,261	-1.2%	174,687	-4.9%	178,490	2.1%	150,095	-2.8%
2001:4	1,572,719	-2.7%	77,883	-6.2%	207,682	-7.2%	316,048	-3.4%	170,543	-7.8%	181,191	3.9%	148,459	-4.7%
2002:1	1,568,762	-2.8%	77,841	-7.0%	202,744	-9.0%	314,814	-3.1%	171,339	-7.2%	182,820	3.2%	148,499	-0.7%
2002:2	1,571,959	-1.8%	78,476	-3.5%	202,469	-7.3%	315,553	-2.1%	172,436	-3.6%	185,013	3.9%	149,881	-0.3%
2002:3	1,578,343	-0.6%	78,930	-0.5%	201,552	-5.9%	316,097	-1.3%	173,855	-0.5%	185,545	4.0%	150,248	0.1%
2002:4	1,570,794	-0.1%	77,901	0.0%	199,475	-4.0%	314,805	-0.4%	172,315	1.0%	187,413	3.4%	150,037	1.1%
2003:1	1,568,077	0.0%	76,743	-1.4%	198,411	-2.1%	315,177	0.1%	170,541	-0.5%	188,272	3.0%	151,231	1.8%
2003:2	1,555,659	-1.0%	75,799	-3.4%	193,832	-4.3%	313,642	-0.8%	169,754	-1.6%	188,209	1.7%	150,362	0.3%
2003:3	1,558,533	-1.3%	76,758	-2.8%	192,662	-4.4%	314,481	-0.5%	170,878	-1.7%	188,608	1.7%	151,962	1.1%
2003:4	1,566,629	-0.3%	78,473	0.7%	194,802	-2.3%	315,904	0.3%	171,953	-0.2%	190,032	1.4%	152,859	1.9%
2004:1	1,570,138	0.1%	79,138	3.1%	195,660	-1.4%	316,819	0.5%	173,287	1.6%	190,138	1.0%	153,057	1.2%
2004:2	1,590,902	2.3%	82,713	9.1%	198,977	2.7%	319,598	1.9%	176,620	4.0%	192,009	2.0%	154,993	3.1%
2004:3	1,600,011	2.7%	82,888	8.0%	201,087	4.4%	321,843	2.3%	177,201	3.7%	194,015	2.9%	155,956	2.6%
2004:4	1,613,380	3.0%	84,317	7.4%	202,397	3.9%	322,876	2.2%	179,713	4.5%	196,020	3.2%	159,061	4.1%
2005:1	1,634,210	4.1%	87,317	10.3%	203,611	4.1%	329,337	4.0%	180,617	4.3%	197,512	3.9%	161,331	5.4%
2005:2	1,640,918	3.1%	88,605	7.4%	204,712	2.9%	330,612	3.4%	181,604	2.8%	198,962	3.6%	160,732	3.7%
2005:3	1,649,419	3.1%	90,607	9.3%	206,011	2.4%	332,002	3.2%	182,509	3.0%	202,300	4.3%	161,235	3.4%
2005:4	1,653,325	2.5%	90,495	7.3%	205,843	1.7%	332,929	3.1%	184,088	2.4%	202,772	3.4%	161,880	1.8%
2006:1	1,681,835	1.7%	90,931	4.1%	205,590	1.0%	334,808	1.7%	186,300	3.0%	204,568	3.6%	162,961	1.0%
2006:2	1,670,806	1.8%	91,428	3.0%	205,311	0.3%	336,627	1.8%	188,181	3.6%	206,422	3.7%	164,523	2.4%
2006:3	1,677,494	1.7%	91,656	1.2%	204,748	-0.6%	338,154	1.9%	189,584	3.9%	207,604	2.8%	165,994	3.0%
2006:4	1,683,046	1.8%	91,770	1.4%	204,414	-0.7%	339,280	1.9%	190,789	3.6%	208,695	2.9%	168,964	3.1%
2007:1	1,688,829	1.6%	91,997	1.2%	203,972	-0.8%	340,202	1.6%	192,231	3.2%	209,912	2.6%	167,849	2.9%
2007:2	1,694,179	1.4%	92,567	1.2%	203,481	-0.9%	341,252	1.4%	193,797	3.0%	211,018	2.2%	168,011	2.1%
2007:3	1,700,071	1.3%	93,253	1.7%	202,919	-0.9%	342,302	1.2%	195,754	3.3%	212,233	2.2%	168,341	1.4%
2007:4	1,708,451	1.4%	94,005	2.4%	202,308	-1.0%	343,558	1.3%	197,683	3.6%	213,489	2.3%	168,598	1.0%
2008:1	1,712,528	1.4%	94,521	2.7%	201,454	-1.2%	344,958	1.4%	199,390	3.7%	214,652	2.3%	169,086	0.9%
2008:2	1,718,255	1.4%	94,602	2.4%	200,811	-1.3%	346,197	1.4%	201,064	3.7%	215,634	2.2%	169,854	1.1%
2008:3	1,724,328	1.4%	95,160	2.0%	200,214	-1.3%	347,438	1.5%	202,604	3.5%	216,803	2.2%	170,856	1.5%
2008:4	1,729,683	1.4%	95,511	1.6%	199,641	-1.3%	348,572	1.5%	204,107	3.2%	217,533	1.9%	171,650	1.8%
2009:1	1,734,419	1.3%	95,854	1.4%	199,115	-1.2%	349,569	1.3%	205,628	3.1%	217,991	1.6%	171,985	1.7%
2009:2	1,738,950	1.2%	96,063	1.3%	198,808	-1.0%	350,493	1.2%	206,846	2.9%	218,557	1.4%	172,400	1.5%
2009:3	1,744,047	1.1%	96,202	1.1%	198,436	-0.9%	351,873	1.2%	207,887	2.6%	219,377	1.2%	173,020	1.3%
2009:4	1,748,630	1.1%	96,427	1.0%	197,939	-0.9%	352,696	1.2%	208,782	2.3%	220,059	1.2%	173,486	1.1%

Table 10: Oregon Employment Forecast (Contd.)

Quarter	Financial Activities		Other Services		Federal Government		State Government		Local Government		Local Education	
	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg	(000)	% Chg
2001:1	94,806	0.1%	57,246	5.1%	30,140	-2.6%	60,039	0.5%	177,668	1.7%	100,292	1.4%
2001:2	95,111	-0.1%	56,942	3.9%	29,748	-11.1%	60,580	2.1%	179,103	1.7%	101,402	1.6%
2001:3	95,180	0.7%	56,592	3.1%	30,099	-4.1%	60,884	1.8%	179,911	1.4%	99,567	1.1%
2001:4	95,572	1.3%	56,090	1.2%	29,844	-2.1%	61,047	1.7%	180,982	2.7%	102,508	3.8%
2002:1	95,091	0.3%	55,701	-2.7%	29,509	-2.1%	61,138	1.8%	182,077	2.5%	104,366	4.1%
2002:2	94,119	-1.0%	56,138	-1.4%	29,610	-0.5%	61,105	0.9%	181,845	1.5%	104,546	3.1%
2002:3	95,513	0.4%	56,257	-0.6%	29,984	-0.4%	63,196	3.8%	182,222	1.3%	105,176	5.6%
2002:4	96,415	0.9%	56,455	0.7%	30,104	0.9%	61,312	0.4%	179,683	-0.7%	102,726	0.2%
2003:1	96,928	1.9%	56,428	1.3%	30,713	4.1%	61,238	0.2%	178,252	-2.1%	94,803	-9.2%
2003:2	97,415	3.5%	56,349	0.4%	30,673	3.6%	60,789	-0.5%	175,649	-3.4%	93,197	-10.9%
2003:3	97,435	2.0%	56,931	1.2%	30,732	2.5%	60,276	-4.6%	175,530	-3.7%	92,851	-11.7%
2003:4	96,378	0.0%	56,950	0.9%	30,651	1.8%	61,208	-0.2%	175,151	-2.5%	92,166	-10.3%
2004:1	95,806	-1.2%	56,702	0.5%	30,347	-1.2%	61,913	1.1%	175,227	-1.7%	92,618	-2.3%
2004:2	96,629	-0.8%	57,266	1.6%	30,255	-1.4%	62,057	2.1%	176,764	0.6%	93,793	0.6%
2004:3	96,815	-0.6%	57,304	0.7%	30,117	-2.0%	62,099	3.0%	178,168	1.5%	95,155	2.5%
2004:4	97,214	0.9%	57,980	1.8%	30,263	-1.3%	62,376	1.9%	178,714	2.0%	94,165	2.2%
2005:1	98,347	2.7%	58,864	3.8%	30,235	-0.4%	63,480	2.5%	179,745	2.6%	95,939	3.6%
2005:2	98,326	1.8%	59,268	3.5%	30,080	-0.6%	63,683	2.6%	179,781	1.7%	96,005	2.4%
2005:3	98,366	1.6%	58,847	2.7%	29,976	-0.5%	63,438	2.2%	179,400	0.7%	96,135	1.0%
2005:4	98,242	1.1%	59,001	1.8%	30,009	-0.8%	63,643	2.0%	179,757	0.6%	96,470	2.4%
2006:1	98,528	0.2%	59,250	0.7%	29,979	-0.8%	63,801	0.5%	180,428	0.4%	96,782	0.9%
2006:2	98,651	0.3%	59,691	0.7%	29,931	-0.5%	63,976	0.5%	181,145	0.8%	97,163	1.2%
2006:3	98,848	0.5%	59,958	1.9%	29,895	-0.3%	64,151	1.1%	181,724	1.3%	97,525	1.4%
2006:4	99,209	1.0%	60,130	1.9%	29,860	-0.5%	64,311	1.0%	182,300	1.4%	97,868	1.4%
2007:1	99,710	1.2%	60,356	1.9%	29,829	-0.5%	64,439	1.0%	182,967	1.4%	98,194	1.5%
2007:2	100,077	1.4%	60,608	1.5%	29,807	-0.4%	64,584	0.9%	183,586	1.3%	98,507	1.4%
2007:3	100,360	1.5%	60,890	1.6%	29,787	-0.4%	64,718	0.9%	184,158	1.3%	98,808	1.3%
2007:4	100,755	1.6%	61,185	1.8%	29,769	-0.3%	64,859	0.9%	184,867	1.4%	99,097	1.3%
2008:1	101,184	1.5%	61,487	1.9%	29,753	-0.3%	65,003	0.9%	185,622	1.5%	99,375	1.2%
2008:2	101,588	1.5%	61,790	2.0%	29,738	-0.2%	65,154	0.9%	186,238	1.4%	99,646	1.2%
2008:3	101,972	1.6%	62,047	1.9%	29,726	-0.2%	65,308	0.9%	186,807	1.4%	99,910	1.1%
2008:4	102,293	1.5%	62,282	1.8%	29,714	-0.2%	65,466	0.9%	187,422	1.4%	100,167	1.1%
2009:1	102,619	1.4%	62,522	1.7%	29,704	-0.2%	65,629	1.0%	188,129	1.4%	100,420	1.1%
2009:2	103,022	1.4%	62,763	1.6%	29,696	-0.1%	65,792	1.0%	188,696	1.3%	100,667	1.0%
2009:3	103,480	1.5%	63,032	1.6%	29,808	0.3%	65,958	1.0%	189,215	1.3%	100,908	1.0%
2009:4	103,940	1.6%	63,273	1.6%	30,074	1.2%	66,126	1.0%	189,781	1.3%	101,146	1.0%



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 02/02/06
 Agenda Item #: WS-2
 Est. Start Time: 10:00 AM
 Date: 01/25/06

BUDGET MODIFICATION: -

Agenda Title: Work Session on the Proposed Reorganization of the Department of County Human Services Programs and Services

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

Date Requested: February 2, 2006 Time Requested: 2 hours
 Department: Non-Departmental Division: Chair Diane Linn
 Contact(s): Iris M. Bell
 Phone: 503 988-4034 Ext. 84034 I/O Address: 503/6/Iris Bell
 Presenter(s): Iris Bell, Rex Surface, Lillian Shirley, Joanne Fuller, Lorenzo Poe, Dave Boyer

General Information

1. What action are you requesting from the Board?

This is a BCC Work Session requesting further direction from the Board on the proposed reorganization of programs and services within the Department of County Human Services.

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

Based on current realities in Multnomah County, we have an opportunity to consider a reorganization of Departments to eliminate unnecessary duplication and create efficiencies in how people are served and dollars are utilized. There are several realities the County faces that challenge us to take on this task, including:

- The Budget process for FY 06-07, which includes a projected shortfall of more than \$30 million dollars.
- The potential impact of the State DHS \$172 million dollar shortfall.
- A vacancy in Department leadership in the Department of County Human Services.

- The County's current departmental structure divides services into silos that do not best, or most efficiently, address the interconnected issues that challenge our vulnerable citizens across their lifespan.

Reorganization Proposal

The current realignment proposal suggests the following:

The Department of county Human Services programs and services would function under new structures.

The Health, Mental Health, and Alcohol and Addictions Services Authorities would move to the Health Department.

All Mental Health services would move to the Health Department.

Aging and Disability Services, Developmental Disabilities Services, Domestic Violence Services and Commission on Children, Families and Community administration would move to the Department of School and Community Partnerships.

The CCFC Commissioners would continue to operate as an independent body making recommendations to the BCC. If directed to move forward a working agreement delineating roles and responsibilities would be developed.

There would be the creation of an Office of Alcohol and Addictions Treatment Services; with program implementation for all A&D services throughout the County occurring separately from the Department of Community Justice.

The names of the Departments of Community Justice and School and Community Partnerships would likely change to reflect the realignment of services.

The proposed changes would go into effect in FY '07.

The redesign will create systems of support that ensure all communities are healthy, thriving places for all our citizens to live. It will also reflect a deepened commitment to government accountability. The following bottom lines provide the foundation for this reorganization effort:

- The proposed change produces a higher level of collaboration and integration among departments, eliminating artificial and inefficient barriers and silos;
- This higher level of collaboration and integration creates greater efficiencies leading to improved services to the community and have a potential of cost savings;
- These improved services result in increased effectiveness and better outcomes for those accessing services;

- Taxpayers are able to see benefit to their investment in the County due to the proposed change.
- The initial Risk Analysis supports this reorganization. A more thorough Risk Analysis briefing will be scheduled with the Board.
- Please see attached Department documents.

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

There is a potential for administrative cost savings. The Budget Office is currently reviewing the potential administrative savings that would come from the Director's Office Administration.

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

If directed to move forward changes will need to be adopted according to the Charter.

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

See Attached

Required Signatures

Department/
Agency Director:

Date: 01/25/06

Budget Analyst:

Date: _____

Department HR:

Date: _____

Countywide HR:

Date: _____

MEMORANDUM

DATE: January 11, 2006

TO: All Multnomah County Employees

FROM: Iris Bell, Chief Operating Officer

SUBJECT: Proposed Realignment of DCHS Programs and Services

I want to take this opportunity to share with you information regarding the potential realignment of some of our programs and services here in Multnomah County. Many of the services presently delivered through the Department of County Human Services (DCHS) may potentially be under a new structure.

Various departments or divisions may not be directly impacted by this, but I wanted to keep all employees informed of these proposed changes.

Currently, on-going discussions on this potential realignment are taking place with employees, service providers, community members, and government leaders. The Board of County Commissioners will make the final decision to adjust programs and services, if it deems that the realignment is in the best interest of the clients and community members.

A work session with the Board of County Commissioners is scheduled for Thursday, February 2, 2006. The work session will discuss and review preliminary recommendations on the potential realignment.

The current realignment proposal:

The county is in a unique position to realign services provided by the Department of County Human Services with existing service delivery infrastructure in the Departments of Health, Community Justice and School and Community Partnerships. The goal would be to provide services in the most client-centered and fiscally responsible manner.

The current realignment proposal suggests the following:

- The Department of County Human Services programs and services would function under a new structure.
- The Health, Mental Health, and Alcohol and Drug Authorities would move to the Health Department.
- All Mental Health services would move to the Health Department.
- Aging and Disability Services, Developmental Disabilities Services, Domestic Violence services and the Commission on Children, Families, and Community administration would move to the Department of School and Community Partnerships.
- There would be the creation of an Office of Alcohol and Drug Treatment Services;
with program implementation occurring through the Department of Community Justice

- The names of the Departments of Community Justice and School and Community Partnerships would likely change to reflect the realignment of services.

Please remember that these options are being discussed in regard to the potential realignment and integration of programs and services and that no final decision has been made. The BCC will give further direction and guidance regarding this matter following the BCC Work Session. And nothing is final until it is approved by the Board of Commissioners.

It is important that those who are interested be informed, remain apprised of the process and have an opportunity to weigh in. Many questions are being asked and great ideas have emerged. I encourage you to use the Zoomerang survey, a web-based tool located at <http://www.zoomerang.com/recipient/survey-intro.zgi?p=WEB224NHAYBDMC> to anonymously comment or ask questions about the proposal.

I will continue to communicate to employees through future emails and other venues.

Thank you for your time and interest.

Iris M.D. Bell
Chief Operating Officer, Multnomah County



MULTNOMAH COUNTY OREGON

**501 SE Hawthorne Blvd., Ste. 600
Portland, Oregon 97214
503-988-6800**

January 11, 2006

To: Multnomah County DCHS Service Providers

From: Iris M.D. Bell, Multnomah County Chief Operating Officer

Re: Important meeting January 20, 2006 for Service Providers

CC Diane Linn, Chair
Maria Rojo de Steffey, Commissioner District 1
Serena Cruz Walsh, Commissioner District 2
Lisa Naito, Commissioner District 3
Lonnie Roberts, Commissioner District 4

Multnomah County is currently looking at an alternative alignment of programs and services to better serve clients. Many of the services presently delivered through the Department of County Human Services (DCHS) may potentially be under a new structure.

We are having discussions on this potential realignment with employees, service providers, community members, and government leaders. The Board of County Commissioners will make the final decision to adjust the alignment of programs and services, if it deems that the realignment is in the best interest of community members and clients.

Because the perspective of service providers is vital to the success of our efforts, we would like to invite you to a meeting where you can ask questions and share concerns.

Provider meetings will be Friday, January 20, 2006 in the Oak/Pine Room at the Lincoln Building, 421 SW Oak Street. The following schedule will help you determine which meeting(s) to attend:

Mental Health Providers	9:00 - 10:00 am
A & D Providers	10:30 - 11:30 am
Aging and Disability Services Providers	1:00 - 2:00 pm
DD Providers	2:30 - 3:30 pm
DV and CCFC Providers and Members	3:30 - 4:30 pm

Iris Bell, the county's chief operating officer, and department directors Joanne Fuller, Lorenzo Poe, Lillian Shirley and Rex Surface will be part of a panel to cover the following:

- Explain rationale behind potential realignment of services and programs
- Allow for feedback on the potential realignment
- Address rumors
- Discuss next steps in the process

We hope you will be able to attend one or more of these meetings. If you have additional comments, you may direct them in writing to pao.org@co.multnomah.or.us.

Memorandum

To: Iris Bell
From: Gina Mattioda, Stephanie Soden, Shawn Cunningham, Althea Milechman
Date: January 24, 2006
Re: Themes from Comments on Proposed Realignment

The Public Affairs Office was charged in late December 2005 with developing a communications plan for the proposed realignment of the Department of County Human Services (DCHS). This memo summarizes comments and questions as key themes from a series of meetings held throughout January and from more than 100 employee responses.

The following meetings were held:

January 3, 2006	DCHS Leadership Team
January 3, 2006	DCHS supervisors, managers and exempt staff
January 4, 2006	DCHS staff
January 5, 2006	DCHS Stewards
January 20, 2006	Meetings for providers representing Mental Health, Aging and Disability, Developmental Disabilities, Domestic Violence, and Commission on Children, Families and Community providers and members.
January 2006	Department Directors' individual meetings with state officials, providers, and staff.

PAO was committed to ensuring that as many viewpoints as possible are represented in this memo, we are primarily including themes that appear to be commonly held. Please contact the Public Affairs Office at 503-988-6800 or email pao.org@co.multnomah.or.us for a complete packet of meeting notes and comments.

Summary of Themes

Staff, including DCHS Stewards

- Combined health, mental health and A&D is an effective approach for clients.
- Where is cost/benefit analysis of this reorganization?
- Where is the written rationale for this proposal?
- Please show proof that the Board of County Commissioners requested this alignment proposal to be drafted.
- Look at restructure of management/supervisors as well.
- Support for keeping Adult Protective Services and ADS together.
- Under proposed plan, service access and delivery will become more fragmented.
- Merging mental health and health is a good idea.
- All of DCHS should be moved to Health: one-stop services.
- Place A&D treatment services with Health, along with A&D Authority.
- Please give a better explanation for why A&D treatment services would be placed in DCJ.
- Why not create one Health & Human Services Department, similar to the State of Oregon and federal government?
- Support services for contracts and procurement should be integrated into this alignment process.

Providers, State Agencies and Other Partner Organizations

- Confusion on A&D Authority vs. physical location of A&D services.
- It makes sense to integrate health and mental health.
- Proposed efficiencies would sacrifice care for dually-diagnosed clients.
- Concern about timing: July is when provider contracts are due.
- Why move A&D to DCJ vs. Health Dept.?
- Prevention services in Multnomah County have been decimated.
- Statutory requirements for A&D and mental health are problematic.
- Concern over possible separation of A&D from Mental Health
- Stigma of linkage of A&D to criminal justice.
- Concerned over possible separation of Adult Protective Services and Public Guardian from Aging and Disability Services.
- Will this proposal affect the recruitment process for MHASD Director?
- Elders in Action does not support the alignment proposal.
- Concern over loss of independence for the Commission on Children, Families & Community.
- It would help providers if computer/IT systems were linked, streamlined and not upgraded every few years.
- Opportunity to ensure early childhood services are not overlapping but reaching maximum number of children.
- The county should focus on vertical, as well as horizontal, integration.
- It is hard to believe that clients won't be negatively impacted by this proposal.
- Mental Health and A&D services' present alignment makes sense, particularly for clients with dual diagnoses.
- Opportunity to bring the consequences and solutions of access work to encompass health and mental health.
- Streamline and simplify the system and make sure outcomes are integrated for mental health and A&D clients.
- Are there national trends, studies, or best practices to validate the proposal?
- Back-end implications should be considered: IT, contracting.
- The proposal lacks detailed analysis, in terms of client service, organizational and fiscal.
- When countywide bumping occurs, it takes direct services away from clients because employees must be re-trained.
- Access, quality and continuity of services need to be maintained in any reorganization.



Health Department
MULTNOMAH COUNTY OREGON

Director's Office
426 SW Stark, 8th Floor
Portland, Oregon 97204
(503) 988-3674 phone
(503) 988-4117 fax

To: Iris Bell

From: Lillian Shirley, RN, MPH, MPA
Director

Date: January 20, 2006

Subject: Mental Health, & Health Alignment and Rational for Authorities

Combining the Health Department and Mental Health Services and authority would be an innovation that is consistent with recommendations for improvement and efficiencies in services. A review of current literature and State Policy Recommendations all point to integrating Behavioral Health and Primary Care Services particularly for those suffering from chronic and persistent mental illness.

The county is uniquely situated to implement these recommendations due to its role as mental health and addiction authority, its' operation of a Federally Qualified Health Center, its provision of health services to those in jails and its strong history of working with community providers.

The county is positioned to:

- Maximize service dollars,
- Increase quality and
- Provide service delivery efficiencies to maintain access to fullest extent possible.

We care about county residents who rely on us for services. Together we can better care for these residents as one population, as a whole community. I believe it is possible to maximize service dollars, increase quality and provide service delivery efficiencies as we work together. A business model that goes beyond linking and coordinating service to create actual integrated system delivery provides the highest leverage for the County to achieve the goals outlined above.

Together we can better care for these residents as one population, as a whole community.

* NASMHPD Technical Report
Oregon DHS recommendations
Bazelon Report (Center for Mental Health Law)
HHS – Bureau of Primary Health Care requirements

How The Department Will Be Organized To Achieve Its Work



BOGSTAD Deborah L

From: BELL Iris D
Sent: Friday, January 27, 2006 10:36 AM
To: ROJO DE STEFFEY Maria; CRUZ Serena M; NAITO Lisa H; ROBERTS Lonnie J
Cc: ROMERO Shellie D; LASHUA Matthew; CARROLL Mary P; LIEUALLEN Matt; WALKER Gary R; WEST Kristen; SHIRLEY Lillian M; BOGSTAD Deborah L
Subject: Health Department Org Chart
Importance: High

Hello Commissioners:

Attached you will find a new The Health Department Org. Chart to replace the one that is in your agenda packet for the February 2nd DCHS Programs and Services Reorganization Work Session. There was an error on the one in your packet. Deb Bogstad is aware of this and will be replacing the corrected version on Monday when she returns. In the meantime, I will personally deliver to you a hard copy of the corrected version as well. I apologize for any inconvenience that this may have caused.

If you have any questions please do not hesitate to contact me.

Thanks,
iris

Iris M.D. Bell
Chief Operating Officer
Office of Diane Linn, County Chair
501 SE Hawthorne, Suite 600
Portland, Oregon 97214
(503) 988-4034
(503) 988-3039 Fax
iris.d.bell@co.multnomah.or.us

1/30/2006

How The Department Will Be Organized To Achieve Its Work





Office of the Director

MULTNOMAH COUNTY OREGON HEALTH DEPARTMENT

426 SW Stark, 8th Floor
Portland, Oregon 97204
(503) 988-3674 phone
(503) 988-4117 fax

TO: Iris Bell

FROM: Lillian Shirley, RN, MPA, MPH
Director

SUBJECT: Input Re: Proposed County Integration Services

DATE: January 19, 2006

Met with: Mental Health & Substance Abuse Council

Date of meeting: 1/04/06

Approximate number of people: 20

General themes: Individuals expressed support both during the meeting and one on one after the meeting. One member very sensitive to the issue of A&D in DCJ – I thanked him and told him we need him to make sure that doesn't happen.

Met with: phone call: Oregonian Reporter

Date of meeting: 1/05/06

Approximate number of people: 1

General themes: One client and integrate infrastructure services

Met with: HD Business Services

Date of meeting: 1/06/06

Approximate number of people:

General themes: Will be doing what they do now – may have staff from DCHS working with them on key areas (billing, contracting etc)

Met with: Nancy Winters

Date of meeting: 1/09/06

Approximate number of people: 1

General themes: What are her concerns and priorities, how can I be of help

Met with: phone call Susan Irwin, Washington County

Date of meeting: 1/09/06

Approximate number of people: 1

General themes: wanted colleagues to know of planned changes and get her feedback (she is in charge of WA county human services). Very supportive. Feels we can begin dialogue on regional issues

Met with: SNE Executive Committee

Date of meeting: 1/10/06

Approximate number of people: 6

General themes: all feel it is a great opportunity to bring the consequences and solutions of our access work to encompass H and MH – especially in the hospital Emergency Rooms

Met with: Melinda Mowery, Clackamas County

Date of meeting: 1/10/06

Approximate number of people: 1

General themes: This is hard stuff, she is only one in state doing it now – Thinks it is a great opportunity for our two counties to work on these issues as a whole and pioneer integration.

Met with: Patrick Payton

Date of meeting: 1/11/06

Approximate number of people: 1

General themes: Believes much good work is being done – this is just what the department needs – leadership and an inclusive vision

Met with: Dr. Larry Marks, MESD, Medical Director Early Childhood MH Grant

Date of meeting: 1/11/06

Approximate number of people: 1

General themes: MESD has new large grant to work on MH issues with families and students in early childhood. Has wanted to work in better collaboration with county and this will be a great opportunity to make sure services are not overlapping but reaching maximum number of children.

Met with: Leslie Ford

Date of meeting: 1/13/06

Approximate number of people: 1

General themes: Worried about AAA&D but thinks this is the best direction in leadership county could do. Still not comfortable with A&D separation. Willing to let us show we can do it without bifurcating the services

Met with: MH Managers

Date of meeting: 1/13/06

Approximate number of people: 10

General themes: Can we go ahead with contracting and recruiting. Answer yes; keep on track with activities that are critical. We have done a lot are you going to dismantle everything? NO. What will it look like for us as Health Department employees?

Met with: David A Pollack, M.D.

Date of meeting: 1/13/06

Approximate number of people: 1

General themes: A&D a big problem for him but wants to help in any way possible for Mental Health is the author of the state's strategic direction and technical assistance rfp.

Met with: Mary Loftin, Red Cross

Date of meeting: 1/16/06

Approximate number of people: 1

General themes: Excited Emergency preparedness Mental Health will be integrated with our developed system for Health Preparedness Organization.

Met with: Spoke to Lifeworks

Date of meeting: 1/16/06

Approximate number of people: 1

General themes: Met with Joanne a few days before- feels the understanding of how policy, procedure and accountability will work together can work. (H, MH, AD authority in one place)

Met with: Spoke to Dr. Bruce Goldberg

Date of meeting: 1/16/06

Approximate number of people: 1

General themes: need to do what ever we can to increase efficiency and simplify service delivery -- supportive

Met with: HD Labor and Management

Date of meeting: 1/18/06

Approximate number of people:

General themes:

Met with: Care Oregon, Dave Ford

Date of meeting: 1/19/06

Approximate number of people: 1

General themes: Supportive – will help with evaluation of utilization management.

Met with: CODA, Tim Hartnett

Date of meeting: 1/20/06

Approximate number of people: 1

General themes: A&D a problem for him BUT wants to work closely and offered any assistance he can give to streamline and simplify the system as well as making sure outcomes are integrated for MH and A&D clients



MULTNOMAH COUNTY OREGON

DEPARTMENT OF COMMUNITY JUSTICE
501 SE Hawthorne Blvd, Suite 250
Portland, Oregon 97214
(503) 988-3701 Office
(503) 988-3990 Fax
(503) 248-3561 TDD

BOARD OF COUNTY COMMISSIONERS
Diane Linn • Chair of the Board
Maria Rojo de Steffey • District 1 Commissioner
Serena Cruz Walsh • District 2 Commissioner
Lisa Naito • District 3 Commissioner
Lonnie Roberts • District 4 Commissioner

MEMORANDUM

TO: Iris Bell
FROM: Joanne Fuller
DATE: January 20, 2006
SUBJECT: Office of Addictions Services Rational Memo

The current proposal calls for the establishment of an Office of Addictions Services, (OAS). The director of the Department of Community Justice (DCJ) would serve as both the director of DCJ and the director of the Office of Addiction Services. The Office of Addiction Services would combine alcohol and drug services that are currently contracted for from the Department of Community Justice and the Department of County Human Services. The Office of Addiction Services (OAS) would continue to work very closely with mental health, health, senior services and the criminal justice system to design and implement services for clients who often have multiple issues in addition to their substance abuse.

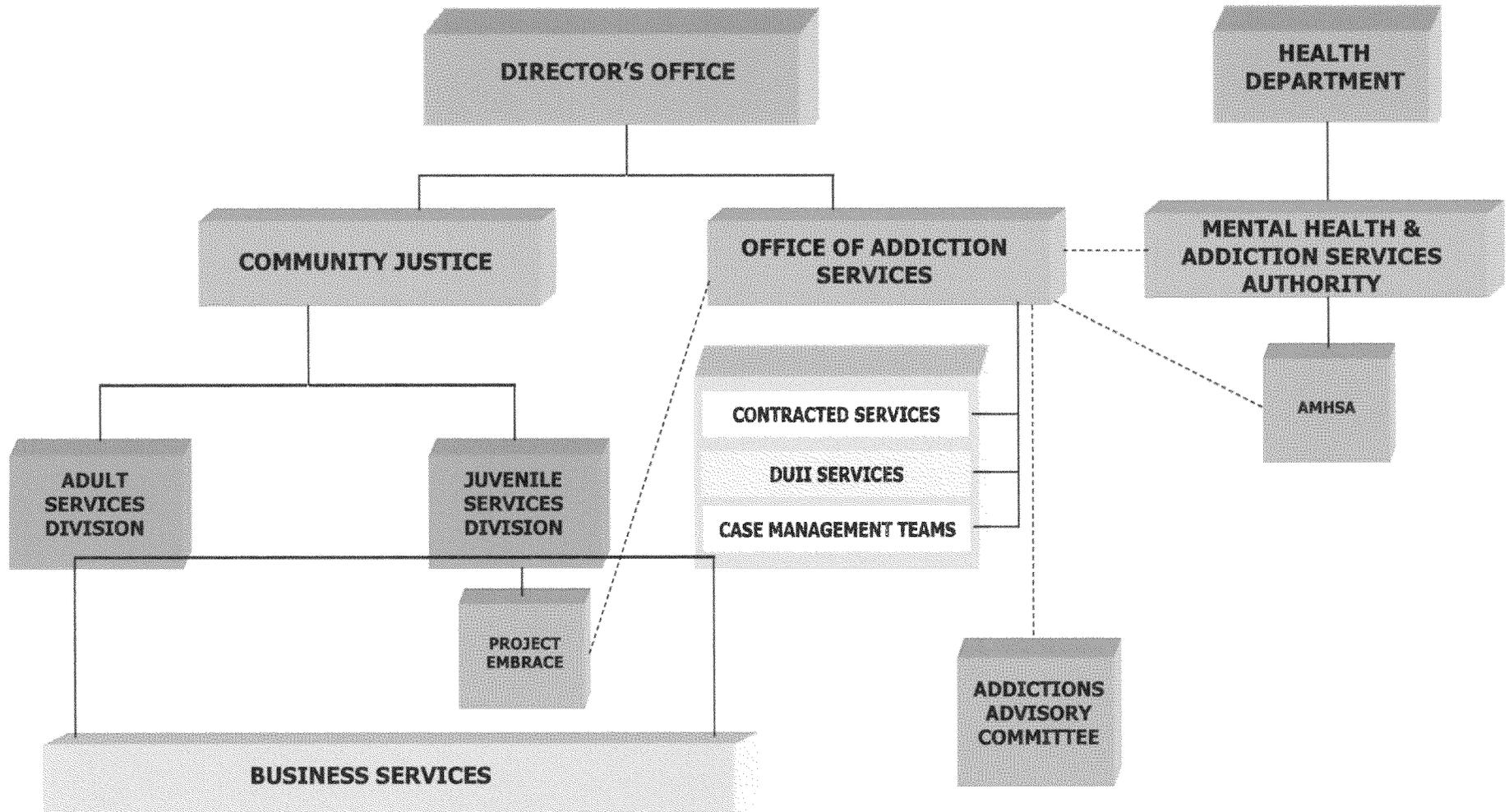
The Office would utilize the Department of Community Justice's budget, finance, research, program evaluation and human resources functions to support their work. DCJ has a strong track record of implementation of evidence-based practices and data collection that would be helpful in shaping the future of addiction services in Multnomah County.

Many of the services for alcohol and drug treatment are contracted to treatment providers in the community who would continue to provide the excellent care they do today. As OAS forms and begins to work, contractors who currently work with both DCJ and DCHS for addiction services should experience some streamlining of the contracting process, data collection and program evaluation expectations. Staff who work for DCJ and DCHS today, would work together to have a strong process for provider input into county decision making, including priorities for services to clients.

The Office would coordinate and align with the Health Department and share some contracting functions. Office of Addiction Services will maintain confidential client records, and OAS would work with other departments, and the DCJ's Juvenile Services Division, to create evidence-based services for youth with substance abuse problems. This change would not move staff from their current work locations, and all line supervisors would remain in their current positions.

Department of County Human Services' addictions staff and addictions staff from DCJ have been working together for the last year to create a more comprehensive system of addiction services in the County in the face of significant state and county reductions. This move would further that work.

Department of Community Justice





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Lonnie Roberts • District 4 Commissioner

MEMORANDUM

TO: Iris Bell
FROM: Joanne Fuller, Director
DATE: January 19, 2006
SUBJECT: Meetings regarding proposed realignment

Here is a list of meetings I participated in recently regarding the proposed realignment of DCHS:

Met with: DCHS Senior Management and DCHS Leadership Team
Date of Meeting: January 3, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: DCHS All Staff Meetings
Date of Meeting: January 4, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: Cascadia Mental Health
Date of Meeting: January 4, 2006
Approximate number of people: two
General Themes: Discussed separation and coordination of Alcohol and Drug services, as well as mental health services

Met with: DSCP All Staff Meeting
Date of Meeting: January 5, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: Madeline Olson and Bob Nikkel, State Office of Mental Health Services
Date of Meeting: January 6, 2006
Approximate number of people: four
General Themes: Favorable response to proposal. Concern expressed over the possible separation of Alcohol and Drug from Mental Health

Met with: James Toews, State Aging & Disabilities & Developmental Disabilities Office
Date of Meeting: January 6, 2006
Approximate number of people:
General Themes: Favorable response to proposal. Concern expressed over the possible separation of Protective Services and Public Guardian from Aging and Disabilities

Met with: Ray Hudson, Mental Health & A&D Manager and Kathleen Treb, Assistant Director, DCJ
Date of Meeting: January 9, 2006
Approximate number of people: two
General Themes: Discussed concerns regarding process. Further discussed program offers, timing, etc.

Met with: Mary Monet, representative of PADMA
Date of Meeting: January 13, 2006
Approximate number of people: one
General Themes: Described plan and answered questions. While she likes DCJ's leadership, several people have concerns becoming part of criminal justice system.

Met with: DCHS A&D Management Team
Date of Meeting: January 19, 2006
Approximate number of people: five
General Themes: Discussed proposed realignment. Group expressed interest in knowing more and cautious about change in work. I think they feel better knowing their day-to-day work will not change much.



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

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

MEMORANDUM

TO: Iris Bell
FROM: Lorenzo T. Poe, Jr.
DATE: January 23, 2006
RE: Rationale Memo

Department Overview

The realignment of County Departments creates an opportunity for Aging and Disability Services, Developmental Disabilities, Domestic Violence and the Commission on Children, Families and Community to join with the services provided by the current Department of School and Community Partnerships. This restructured department would focus on prevention and intervention, delivering community based and community action services.

This realigned Department brings together services that cross a spectrum of ages and critical needs. Community services would reach citizens from early childhood through the elder years, creating a continuum of care across the community. It addresses the reality that for our vulnerable children, elders, families and individuals crises are often not predictable and support can be needed at any point. Issues that challenge people throughout their lives (intergenerational poverty, readiness to learn, connection to school success, lack of support in the senior years and so forth) are not effectively addressed in isolation of each other.

In addition to direct services, the Department houses two countywide entities that are linked to the service work. The Commission on Children, Families and Community (CCFC) develops policy recommendations and planning frameworks and promotes community involvement in issues related to children and families. The Domestic Violence Coordinator's Office promotes a community commitment to provide appropriate prevention of and intervention in, domestic violence. Both these entities provide guidance across all County Departments.

Services & Offices Aligned in this Department

- o Early Childhood Services
- o Aging and Disabilities Services
- o Developmental Disabilities Services
- o Homeless Youth and Families
- o Emergency Services & Housing (energy, emergency shelter)
- o Gang Services
- o SUN Service System
 - o School-based services
 - o School-linked community services
- o Commission on Children, Families and Community
- o Domestic Violence Coordinator's Office and Services

Rationale

Many of the services and offices noted above already share commonalities in focus and approach. This alignment will break down service silos and strengthen existing collaboration efforts. For example:

- Currently services share many clients.
 - Seniors and people with disabilities rely on energy and weatherization service. In 2005, 32% of households receiving energy assistance had a least one senior. 38% had at least one person with a disability.
 - Many seniors are parenting their grandchildren and participate in school-based programs.
 - Members of intergenerational families access services in multiple Departments.
- All the services primarily provide support at a prevention and early intervention level, focusing on building self-sufficiency.
- Aging and Disability Services Division and the SUN Service System are organized and delivered on a geographic basis.
- Developmental Disabilities is currently moving toward a school-based case management delivery model; this type of model exists in the SUN Service System.
- All the Divisions and programs currently rely heavily on contracted services to deliver support.

By moving these services to a single Department, those in need will have more direct access to and support in a broad continuum of services. Finally, bringing together services across age groups and abilities both builds on the strengths of intergenerational families and allows a new opportunity to help address intergenerational poverty.

What Changes?

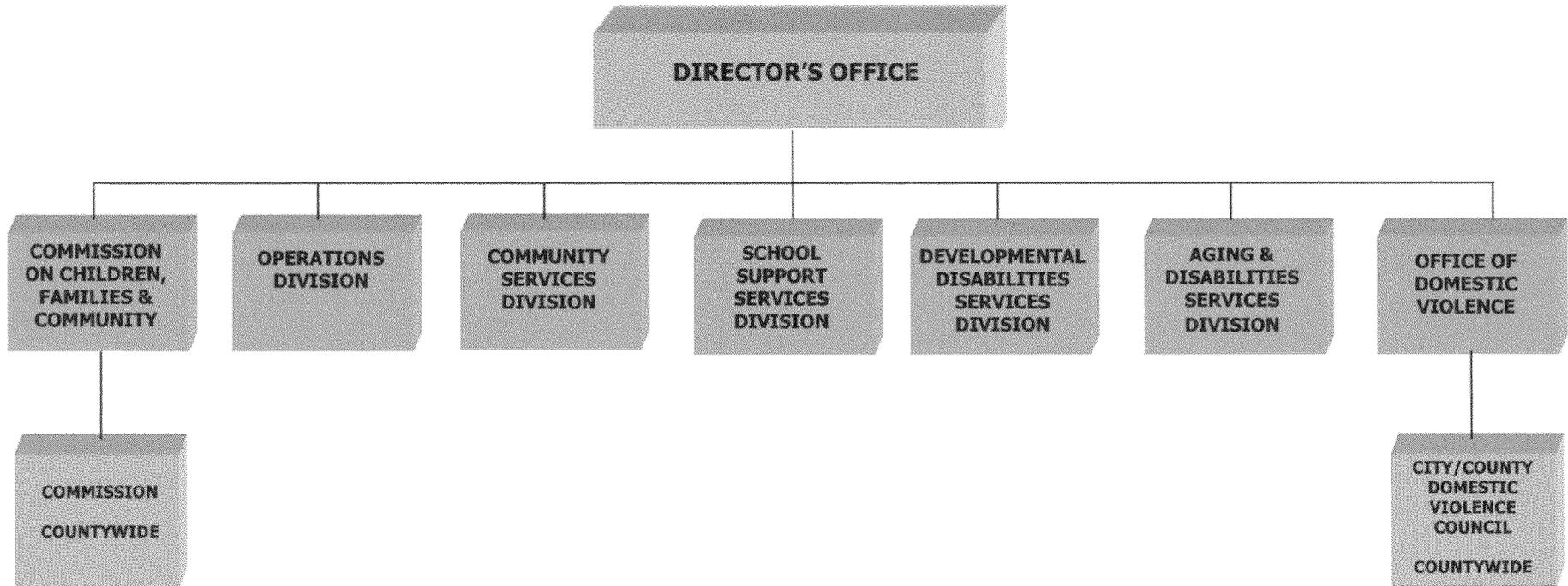
This alignment changes administrative structure and removes costs associated with the DCHS Director position and related administrative functions.

This alignment does not change the manner in which services are provided and will not impact clients. Services delivered by the component divisions and programs are both contracted and provided by County staff and will remain so.

Many of the services in Aging and Disability Services, Developmental Disabilities, Domestic Violence, the Commission on Children, Families and Community and the Department of School and Community Partnerships are contracted to providers in the community who will continue to provide the excellent service they do today. As the Department blends some functions, contractors who currently work with both DSCP and Aging will experience some streamlining of the contracting process.

Departments are moving toward a higher level of collaboration in this realignment. With each department housing or managing offices with cross county functions, the community is strengthened. As client needs span across levels of service, Departments will work hand in hand to ensure smooth transitions and the County will be supporting client populations in the context of strong, healthy communities.

Department of School & Community Partnerships





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MEMORANDUM

TO: Iris Bell

FROM: Lorenzo T. Poe, Jr.

DATE: January 20, 2006

SUBJECT: Meetings Regarding Proposed Realignment

Met with: DCHS Senior Management and DCHS Leadership Team
Date of Meeting: January 3, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: DCHS All Staff Meetings
Date of Meeting: January 4, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: DSCP All Staff Meeting
Date of Meeting: January 5, 2006
Approximate number of people:
General Themes: Discussed proposed realignment

Met with: Madeline Olson and Bob Nikkel, State Office of Mental Health Services
Date of Meeting: January 6, 2006
Approximate number of people: 4
General Themes: Favorable response to proposal. Concern expressed over the possible separation of Alcohol and Drug from Mental Health

Met with: James Toews, State Aging & Disabilities & Developmental Disabilities Office
Date of Meeting: January 6, 2006
Approximate number of people:
General Themes: Favorable response to proposal. Concern expressed over the possible separation of Protective Services and Public Guardian from Aging and Disabilities

Met with: Patrice Botsford and Mary Shortall
Date of Meeting: January 9, 2006
Approximate number of people: 3
General Themes: Discussion of Protective Services

Met with: DHS Division Directors Management Meeting
Date of Meeting: January 10, 2006
Approximate number of people: 3
General Themes: Discussion on proposed realignment

Met with: Spoke by phone with Carla Piluso
Date of Meeting: January 12, 2006
Approximate number of people: 1
General Themes: Discussion re: CCFC. Major concern was loss of independence for the Commission

Met with: Chiquita Rollins
Date of Meeting: January 12, 2006
Approximate number of people: 1
General Themes: Discussion re: Domestic Violence Services

Met with: Developmental Disabilities Executive Advisory Committee
Date of Meeting: January 13, 2006
Approximate number of people:
General Themes: Meeting went very well with all agreeing that the placement of Aging and Disabilities and Developmental Disabilities together was in line with how the state is structured and how most other states work

Met with: Aging and Disability Services Management Team
Date of Meeting: January 17, 2006
Approximate number of people: 10
General Themes: Expressed concern that there still needs to be strong connection and collaboration with the Mental Health system. Group said that they would like a decision made fairly quickly, one way or the other.

Met with: Developmental Disabilities Management Team
Date of Meeting: January 18, 2006
Approximate number of people: 6
General Themes: Expressed concern that there still needs to be strong connection and collaboration with the Mental Health system. Group said that they would like a decision made fairly quickly, one way or the other.

Met with: Elders in Action
Date of Meeting: January 18, 2006
Approximate number of people:
General Themes: Chair Linn was also in attendance and discussion was held on the proposed realignment

Met with: Mental Health Providers
Date of Meeting: January 20, 2006
Approximate number of people:
General Themes:

Met with: Alcohol and Drug Providers
Date of Meeting: January 20, 2006
Approximate number of people:
General Themes:

Met with: Aging and Disabilities Services Providers
Date of Meeting: January 20, 2006
Approximate number of people:
General Themes:

Met with: Developmental Disabilities Providers
Date of Meeting: January 20, 2006
Approximate number of people:
General Themes:

Met with: Domestic Violence and CCFC Providers
Date of Meeting: January 20, 2006
Approximate number of people:
General Themes:

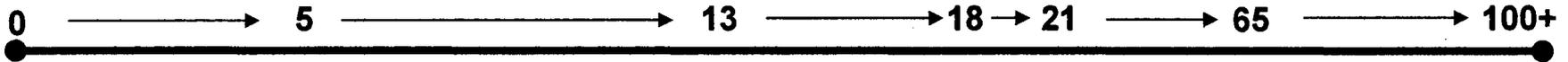
Meeting with: Domestic Violence Coordinating Council
Date of Meeting: February 10, 2006
Approximate number of people:
General Themes:

Meeting with: ADS Multi-Ethnic Action Committee
Date of Meeting: February 22, 2006
Approximate number of people:
General Themes:

Meeting with: Disability Services Advisory Council
Date of Meeting: February 27, 2006
Approximate number of people:
General Themes:

Restructured Department - Service Continuum

Age



Early Childhood Svcs (PCDS, Child Care)	School-Linked Services (SSSES, ATOD, Gender-Specific TA, Sexual Minority Youth Svc)	
School-Based Services (Touchstone, SUN Community Schools)		
Homeless Youth & Families		
Emergency Services & Housing (Energy, Emergency Shelter, Rent Assistance, Case Management, Transitional Housing)		
Developmental Disabilities Services		
	Gang Prevention Services	Aging & Disabilities Svcs
Commission on Children, Families & Community (Planning & Community Engagement 0-18; Poverty Advisory Committee; Early Childhood Council, School Age Council)		
Domestic Violence Coordinator's Office and Services		

Key:

- ATOD = Alcohol, Tobacco & Other Drug Services
- PCDS = Parent-Child Development Services
- SSSES = Social & Support Services for Educational Success
- TA = Technical Assistance



Department of County Management
MULTNOMAH COUNTY OREGON

David Boyer, Director/CFO
501 SE Hawthorne, Suite 531
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

TO: Iris Bell, COO

FROM: Dave Boyer, Director/CFO

DATE: February 2, 2006

SUBJECT: Department of County Human Services Realignment

Administration

In our review of the County Human Services Administrative charges, we believe that there is a potential to reduce these costs between \$700,000 to \$1,400,000. The areas that we believe are firm include the Directors Office of \$357,000 and Chief Operating Office of \$358,000. At \$700,000, this would free up approximately \$180,000 of General Fund dollars and allow the Board to reallocate the remainder into program service delivery.

If directed to move forward I would recommend that we look at other administrative areas such as the Chief of Staff program offer, DCHS CFO program offer and several other administrative program offers. Savings in these areas may allow the Board to reprogram another \$700,000 of administrative services into service delivery programs. We would need to work more closely with all of the areas impacted to verify these amounts. At \$1,400,000 the General Fund savings would be about \$400,000.

Risk Analysis

As directed by the Board, we have also been working on the risk analysis of the Mental Health System. We plan on making a detailed presentation to the Board in the near future but the following is our initial thoughts:

1. The preliminary risk analysis supports the need to realign the Department of County Human Services to provide a stronger leadership team.
2. The Mental Health Business model realignment should also be implemented as soon as Verity has the systems in place to do so and provide the necessary level of oversight and monitoring.
3. The Board of County Commissioners should evaluate the risk to the general fund from cost overruns in the MHO. If it is too large the Board could consider

transferring the responsibility to the State and the State would need to either pay for the care directly, or open up the RFP to HMO's like CareOregon. This would eliminate financial risk from the MHO, but limits the County's role in service delivery, design, and implementation. This is not a recommended course of action, but one the Board may need to at least look at as general fund resources decline.

4. Maybe the greatest risk, one not easily quantified, is the risk that the Mental Health division will not adequately manage Verity and the associated risk. While implementing a new financial/clinical model, employee turnover, contracting issues or other hurdles could arise. If the Mental Health division is slow to respond, what might have been a manageable risk becomes a significant financial issue. This is especially critical knowing the Mental Health division has experienced turnover in senior positions, a number of vacant positions and "interim" appointments. In our view the current Mental Health system is operating three very different and unique lines of business, an insurance company, a community safety net with monitoring and enforcement responsibilities, and they are a provider of clinical treatment services. These three lines of business often conflict, impact or overlap with each other. The Mental Health program needs to have directors and managers in place that can manage these very distinct operations, to protect against the financial risk inherent in implementing, monitoring and changing a large complex system.
5. Reports and monitoring tools need to be put in place to track and monitor case loads, services needed and estimated hours to provide these services. Our initial review of estimated dollars needed to provide adequate adult client services ranges between \$10.5 million and \$15 million. We need to verify these numbers to arrive at a more solid estimate, because we feel this is too large of a difference in estimates. We also need to analyze the children's data and emergency holds.
6. The hospitals have requested to renegotiate their rates and are pushing for increases for Verity and Emergency Holds from \$700 per day to \$750+ per day. At a rate of \$750 this would cost about \$250k more per year in Verity Adults and an unknown amount in E-holds (We don't have that data yet) at the current rate of utilization. If E holds are on the upswing this amount could be significant.

BOGSTAD Deborah L

From: BELL Iris D
Sent: Wednesday, January 11, 2006 5:43 PM
To: #MULTNOMAH COUNTY ALL EMPLOYEES
Subject: Message to All Employees: Proposed Realignment of DCHS Programs and Services
Importance: High

MEMORANDUM

DATE: January 11, 2006
TO: All Multnomah County Employees
FROM: Iris Bell, Chief Operating Officer
SUBJECT: Proposed Realignment of DCHS Programs and Services

I want to take this opportunity to share with you information regarding the potential realignment of some of our programs and services here in Multnomah County. Many of the services presently delivered through the Department of County Human Services (DCHS) may potentially be under a new structure.

Various departments or divisions may not be directly impacted by this, but I wanted to keep all employees informed of these proposed changes.

Currently, on-going discussions on this potential realignment are taking place with employees, service providers, community members, and government leaders. The Board of County Commissioners will make the final decision to adjust programs and services, if it deems that the realignment is in the best interest of the clients and community members.

A work session with the Board of County Commissioners is scheduled for Thursday, February 2, 2006. The work session will discuss and review preliminary recommendations on the potential realignment.

The current realignment proposal:

The county is in a unique position to realign services provided by the Department of County Human Services with existing service delivery infrastructure in the Departments of Health, Community Justice and School and Community Partnerships. The goal would be to provide services in the most client-centered and fiscally responsible manner.

The current realignment proposal suggests the following:

- The Department of County Human Services programs and services would function under a new structure.
- The Health, Mental Health, and Alcohol and Drug Authorities would move to the Health Department.
- All Mental Health services would move to the Health Department.
- Aging and Disability Services, Developmental Disabilities Services, Domestic Violence services and the Commission on Children, Families, and Community administration would move to the Department of School and Community Partnerships.
- There would be the creation of an Office of Alcohol and Drug Treatment Services;

1/12/2006

with program implementation occurring through the Department of Community Justice

- The names of the Departments of Community Justice and School and Community Partnerships would likely change to reflect the realignment of services.

Please remember that these options are being discussed in regard to the potential realignment and integration of programs and services and that no final decision has been made. The BCC will give further direction and guidance regarding this matter following the BCC Work Session. And nothing is final until it is approved by the Board of Commissioners.

It is important that those who are interested be informed, remain apprised of the process and have an opportunity to weigh in. Many questions are being asked and great ideas have emerged. I encourage you to use the Zoomerang survey, a web-based tool located at <http://www.zoomerang.com/recipient/survey-intro.zgi?p=WEB224NHAYBDMC> to anonymously comment or ask questions about the proposal.

I will continue to communicate to employees through future emails and other venues.

Thank you for your time and interest.

Iris M.D. Bell
Chief Operating Officer, Multnomah County

BOGSTAD Deborah L

From: Cat Zimmerman [czimmerman@alz.org]
Sent: Thursday, February 02, 2006 9:09 AM
To: CHAIR Mult; District1; SERENA CRUZ; District3; ROBERTS Lonnie J
Cc: BOGSTAD Deborah L
Subject: Proposed Change to Senior Services Reporting and Organization

Dear Most Dedicated and Honorable Commissioners,

I urge you on behalf of all the senior individuals doing their best to care for a partner or family member and cope with the rigors of Alzheimer's disease or any dementia to keep the extraordinarily well-operating Senior Services of Multnomah County in its present form and organization.

As a person who serves these clients from the seat of our small Multnomah county-based non-profit, I have been so happy to work with such a well-organized, service-oriented, and effective sector of county government -- Senior Services, Lifespan Respite and Family Caregiver Program, the county Helpline.

The small savings you might recoup in this utterly confusing, ill-advised reorganization would have a profoundly negative effect on the clients/citizens so well-served now. The cost to all generations of county residents would ripple out from the confused and alienated seniors who have no time or energy to learn how to traverse such a convoluted change that would make their services part of Community Justice, which sounds good, but is frightening to consider an elderly woman visiting the Criminal Justice Center.

Please respect our seniors' contribution to our county, and their venerable by continuing the excellent service so seamlessly delivered by the cooperative efforts of Senior Services as they are today.

Sincerely,
Cat Zimmerman
Support Group Coordinator
Oregon Chapter
Alzheimer's Association
1311 NW 21st Ave.
Portland, OR 97209
503-413-6465