

ANNOTATED MINUTES

Tuesday, August 18, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BOARD BRIEFING

Chair Beverly Stein convened the meeting at 9:36 a.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Diane Linn and Lisa Naito present.

- B-1 Strategic Space Plan for Multnomah County Facilities. Current Issues Regarding Space Use, Building Condition, and Costs. Request Board Consensus on Strategic Policy Direction. Presentation of a Suggested First Year "Next Steps". Presented by Larry Nicholas, Jim Emerson, Betsy Williams, Linda Barnes, Ed Starkie and Rick Gustafson.

LARRY NICHOLAS INTRODUCED TEAM MEMBERS WAYNE GEORGE, JIM EMERSON, STEVE SHATTER, LEN SOBO, JON SCHROTZBERGER, BETSY WILLIAMS, LINDA BARNES, RICK GUSTAFSON AND ED STARKIE. BETSY WILLIAMS, LINDA BARNES, ED STARKIE, RICK GUSTAFSON AND JIM EMERSON PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. BOARD SUGGESTIONS ON ADDITIONAL AREAS FOR STAFF TO LOOK INTO RELATING TO FINANCING, POSSIBLE JOINT VENTURE PARTNERSHIPS, HOUSING, MIXED USE, AND ACCESSIBILITY. CHAIR STEIN DIRECTED STAFF TO PROVIDE A REPORT ON THE RESPONSE TO THE WAYFINDING AUDIT; AND TO LOOK AT POSSIBLE USE OF SCHOOL BUILDINGS WHEN DOING SERVICE DELIVERY PLANS. BOARD COMMENTS IN APPRECIATION OF WORK OF TEAM.

There being no further business, the briefing was adjourned at 11:09 a.m.

Tuesday, August 18, 1998 - 11:00 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

EXECUTIVE SESSION

Chair Beverly Stein convened the meeting at 11:11 a.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Diane Linn and Lisa Naito present.

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(d) for Labor Negotiator Consultation Concerning Labor Negotiations. Presented by Darrell Murray.

EXECUTIVE SESSION HELD.

There being no further business, the session was adjourned at 12:05 p.m.

Thursday, August 20, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:35 a.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Diane Linn and Lisa Naito present. (Commissioner Hansen was excused at 10:47 a.m.)

CONSENT CALENDAR

***UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER HANSEN, THE
CONSENT CALENDAR (ITEMS C-1 THROUGH C-
7) WAS UNANIMOUSLY APPROVED.***

SHERIFF'S OFFICE

- C-1 Package Store Liquor License Change of Ownership for CORBETT COUNTRY MARKET, 36801 E. HISTORIC COLUMBIA RIVER HIGHWAY, CORBETT

C-2 Intergovernmental Revenue Agreement 800868 Between the Multnomah County Sheriff's Office and the Portland Police Bureau to Assist in Paying Costs Associated with the Housing of Prisoners Arrested Due to Enhanced Police Activities

C-3 Budget Modification MCSO 9901 Appropriating \$90,000 City of Portland Local Law Enforcement Block Grant Funds to Pay for Costs Associated with the Housing of Prisoners Arrested Due to Enhanced Police Activities

DEPARTMENT OF SUPPORT SERVICES

C-4 Budget Modification DSS 9905 Reclassifying Two Positions in Employee Benefits

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-5 ORDER Authorizing Execution of Deed D991558 for Repurchase of Tax Foreclosed Property to the Heirs of the Estate of Andrew Charles as they shall become known

ORDER 98-113.

C-6 ORDER Authorizing Execution of Deed D991562 for Repurchase of Tax Foreclosed Property to Former Owner Brian D. Parham

ORDER 98-114.

C-7 ORDER Authorizing Execution of Deed D991564 for Repurchase of Tax Foreclosed Property to Former Owner Carol E. Moore

ORDER 98-115.

REGULAR AGENDA

PUBLIC COMMENT

R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

NO ONE WISHED TO COMMENT.

DEPARTMENT OF SUPPORT SERVICES

R-2 Results from RESULTS: Subrogation Process Improvement Team Presentation.

INTRODUCTION OF TEAM MEMBERS HELEN SMITH, CHRIS PAYNE, TOM MAYER, MARLOW VASS, MICHELE GARDNER, CHAD BERGERSON, WENDY HAUSOTTER, DAVID BENNETT AND TOM HANSELL. HELEN SMITH, MICHELE GARDNER AND MARLOW VASS PRESENTATION ON HOW TEAM SHORTENED THE COUNTY'S LEGAL PROCESS FOR SUBSTITUTING ONE CREDITOR FOR ANOTHER AND RESPONSE TO BOARD COMMENTS IN SUPPORT OF TEAM EFFORTS. TEAM TO SHARE SURVEY RESULTS WITH BOARD.

NON-DEPARTMENTAL

R-3 Census 2000 Partnership Opportunities Presentation by Mike Steenhout, U.S. Department of Commerce, Bureau of Census.

MIKE STEENHOUT PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION CONCERNING LOCAL TEMPORARY EMPLOYMENT OPPORTUNITIES AND PROPOSED PROMOTIONAL OUTREACH TO ENCOURAGE BROADER PARTICIPATION IN CENSUS 2000 SURVEY. BOARD CONSENSUS TO TAKE UNDER ADVISEMENT MR. STEENHOUT'S REQUEST THAT THE BOARD APPOINT A LIAISON AND ADOPT PROCLAMATIONS.

R-4 RESOLUTION: Submit to the Voters Charter Amendments Proposed by the County Charter Review Committee

COMMISSIONER KELLEY MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF SUBSTITUTE RESOLUTION, WHICH ADDS THE WORDS: "AS APPROVED BY THE COMMITTEE." TO ITEM 2; ADDS A NEW ITEM 4 STATING: "THE DIRECTOR SHALL PUBLISH THESE MEASURES SUBMITTED BY

THE CHARTER COMMITTEE AS IF THEY WERE MEASURES REFERRED BY THE BOARD, AND SHALL INCLUDE THEM IN THE COUNTY VOTERS' PAMPHLET." AND RENUMBERING FORMER ITEM 4 AS ITEM 5. TOM SPONSLER, RHYS SCHOLES AND JOANN BOWMAN EXPLANATION REGARDING HISTORY OF REFERRAL OF THE PREVIOUS HOME RULE CHARTER REVIEW COMMITTEE RECOMMENDATIONS; THE NOVEMBER 1977 BALLOT INITIATIVE CREATING THE CHARTER REVIEW COMMITTEE; A SUPREME COURT CASE WHEREIN THE COUNTY CHARTER PREVAILED OVER STATE ELECTION LAWS; AND THE POSITION OF THE 1997 CHARTER REVIEW COMMITTEE THAT THE BOARD NOT CHANGE ANY LANGUAGE APPROVED BY THE COMMITTEE. MR. SPONSLER RESPONSE TO BOARD QUESTIONS AND DISCUSSION OF THE BALLOT MEASURES' COMPLIANCE WITH STATE ELECTION LAWS PERTAINS TO IMPARTIALITY OF BALLOT TITLES AND EXPLANATORY STATEMENTS. COMMISSIONER HANSEN EXPLAINED HE SUPPORTS THE WORK OF THE COMMITTEE AND HIS POSITION IS THE BOARD HAS AN OBLIGATION TO PASS THE RECOMMENDATIONS ALONG TO THE VOTERS AS WRITTEN, AND THAT AN ELECTOR COULD CHALLENGE THEM, BUT THE BOARD SHOULD NOT DO SO. REFERRING TO THE AUGUST 19, 1998 COUNTY COUNSEL LEGAL OPINION IN RESPONSE TO WRITEN CONCERNS RAISED BY THE DIRECTOR OF ELECTIONS AND SECRETARY OF STATE, COMMISSIONER NAITO ADVISED SHE FEELS IT IS A CLOSE CALL AND THAT WHILE SHE SUPPORTS THE WORK OF THE COMMITTEE AND COUNSEL, IT IS HER OPINION THAT MULTNOMAH COUNTY HOME RULE CHARTER SECTION 12.60 REQUIRES THE CHARTER REVIEW COMMITTEE TO REPORT TO THE PEOPLE AND THE BOARD ITS RECOMMENDATIONS, AND AS PART OF ITS

RECOMMENDATIONS, THE COMMITTEE PROPOSE AMENDMENTS TO THE CHARTER; AND THAT SECTION 12.70 OBLIGATES THE COUNTY TO SEND THOSE AMENDMENTS TO THE VOTERS DIRECTLY BUT SINCE THE CHARTER IS SILENT ON THE MECHANISM TO DO SO, THAT STATE LAW PREVAILS REGARDING BALLOT TITLES AND EXPLANATORY STATEMENTS DESPITE STATE LAW WHICH GIVES THE COUNTY POWER OVER MATTERS OF COUNTY CONCERN. COMMISSIONER KELLEY ADVISED SHE CONCURS WITH COMMISSIONER HANSEN'S POSITION AND FEELS THE SPIRIT AND INTENT OF THE CHARTER IS TO SEND THE COMMITTEE RECOMMENDATIONS TO THE VOTERS AS IS AND THAT SHOULD BE THE OBLIGATION FOR FUTURE BOARDS AS WELL. AT CHAIR STEIN'S REQUEST, MR. SPONSLER RESPONDED TO COMMISSIONER NAITO'S LEGAL OPINION, ADVISING SHE MADE A DISTINCTION BETWEEN THE COMMITTEE REPORT AND SUBMISSION OF THE AMENDMENTS, AND AS THE CHARTER DOES NOT ADDRESS BALLOT TITLE OR EXPLANATORY STATEMENT, SHE MADE A REASONABLE INTERPRETATION OF THE LAW. MR. SPONSLER ADVISED HE DOES NOT AGREE WITH COMMISSIONER NAITO'S CONCLUSION, AND THAT HIS JOB IS TO ADVOCATE THE COUNTY'S LEGAL POSITION THAT THE HOME RULE CHARTER PREVAILS AND DOES NOT VIOLATE STATE LAW. IN RESPONSE TO A QUESTION OF COMMISSIONER LINN, MR. SPONSLER DISCUSSED BALLOT MEASURE J; THE COMMITTEE'S DISCUSSION CONCERNING WHAT IS CONVEYED BY THE USE OF THE TERM "INSTANT RUN OFF"; CLARIFICATION THAT APPROVAL OF THE MEASURE WOULD GIVE THE COUNTY THE AUTHORITY TO ADOPT AN ORDINANCE ESTABLISHING THE PROCESS FOR AN INSTANT RUN OFF ELECTION; AND THE

COMMITTEE'S RECOMMENDATION THAT THE BOARD APPOINT A COMMITTEE TO STUDY THE FEASIBILITY OF HAVING AN INSTANT RUN OFF ELECTION. IN RESPONSE TO A QUESTION OF CHAIR STEIN, MR. SPONSLER REPORTED THE REMEDY AND PROCESS FOR ANYONE TO CHALLENGE THE LANGUAGE OF A BALLOT MEASURE WOULD BE FOR THEM TO FILE AN APPEAL WITH THE CIRCUIT COURT WITHIN SEVEN BUSINESS DAYS FROM THE DATE THE MEASURES ARE CERTIFIED TO THE ELECTIONS DIRECTOR. MR. SCHOLES ADVISED THE COMPLETE MEASURES AND INFORMATION ON HOW TO CHALLENGE THE LANGUAGE IS PUBLISHED IN THE NEWSPAPER. IN RESPONSE TO QUESTIONS OF COMMISSIONERS NAITO AND LINN, MR. SPONSLER EXPLAINED MEASURE J WOULD ALLOW THE BOARD TO DECIDE ON AN ELECTION RUNOFF PROCESS BY ORDINANCE RATHER THAN CHARTER PROVISION. COMMISSIONER KELLEY DISCUSSED THE NEED TO CONSIDER HISTORIC PERSPECTIVES AND SUGGESTED THAT COUNSEL PREPARE AN OUTLINE OF THE LEGAL ASPECTS AND BOARD CONVERSATION SO THIS DISCUSSION WILL NOT OCCUR WITH FUTURE BOARDS UNLESS THE LAW CHANGES. MR. SPONSLER REPORTED IF MEASURE C PASSES HE WOULD BRING AN ORDINANCE BEFORE THE BOARD FOR FUTURE COMMITTEE RECOMMENDATIONS. CHAIR STEIN COMMENTED THERE MAY NEED TO BE A STATE CHANGE AND THAT IT WAS UNFORTUNATE THE COMMITTEE DID NOT SEE THIS AS A PROBLEM AND RECOMMEND CHANGES TO THE CHARTER. CHAIR STEIN ADVISED SHE APPRECIATES THE ARGUMENTS ON BOTH SIDES, BUT FEELS THAT ORS 203.035, STATING THE "COUNTY MAY BY ORDINANCE EXERCISE AUTHORITY WITHIN THE COUNTY OVER MATTERS OF COUNTY CONCERN", "SHALL BE LIBERALLY CONSTRUED, TO THE

END THAT COUNTIES HAVE ALL POWERS OVER MATTERS OF COUNTY CONCERN THAT IT IS POSSIBLE FOR THEM TO HAVE UNDER THE CONSTITUTIONS AND LAWS OF THE UNITED STATES AND OF THIS STATE”, GIVES THE COUNTY A SCOPE OF AUTHORITY THAT IS CONSIDERED BY THE STATE LEGISLATURE TO BE VERY WIDE, AND THAT ONCE A COMMUNITY DECIDES TO ADOPT A HOME RULE CHARTER THEY ARE DECIDING THEY WILL BE RULED BY THEIR OWN RULES WITHIN STATE LAW. CHAIR STEIN CITED PORTIONS OF ORS 203.720, STATING THAT ELECTORS “MAY ADOPT, AMEND, REVISE OR REPEAL” THE COUNTY CHARTER, AND THAT “THE CHARTER OR LEGISLATION SHALL PROVIDE A METHOD WHEREBY THE ELECTORS OF THE COUNTY, BY MAJORITY VOTE OF THE ELECTORS VOTING AT ANY LEGAL ELECTION, MAY AMEND, REVISE OR REPEAL THE CHARTER”. CHAIR STEIN STATED THAT WE HAVE IN FACT CREATED A METHOD CHOSEN BY THE PEOPLE OF THE COUNTY, WHICH SAYS THAT THE COUNTY CHARTER AND LEGISLATIVE PROVISIONS RELATING TO THE AMENDMENT, REVISION OR REPEAL OF THE CHARTER ARE DEEMED TO BE MATTERS OF COUNTY CONCERN AND SHALL PREVAIL OVER ANY CONFLICTING PROVISIONS “OF THIS HOME RULE SECTION AND OTHER STATE STATUTES UNLESS OTHERWISE SPECIFICALLY PROVIDED BY CONFLICTING STATE STATUTES.” CHAIR STEIN STATED SHE FEELS THAT WHAT WAS CONTEMPLATED WAS A METHOD OF HAVING A CHARTER REVIEW COMMITTEE NOT APPOINTED BY THE BOARD BUT BY LEGISLATORS, WHO CAME UP WITH THE IDEA THAT THE PEOPLE SHOULD HEAR THE RECOMMENDATIONS OF THE CHARTER REVIEW COMMITTEE, AND THAT THE CHARTER SAYS THE COMMITTEE SHALL REPORT TO THE PEOPLE AND THE BOARD OF COUNTY COMMISSIONERS ITS FINDINGS AND

THEN LATER IT SAYS THE AMENDMENTS SHALL BE PROPOSED. CHAIR STEIN ADDED THAT THE COMMITTEE HAS THE RIGHT TO REPORT TO THE PEOPLE, HOWEVER IT HAS NO CONVENIENT MECHANISM TO DO THAT OTHER THAN TO USE THE KIND OF GENERAL VEHICLE THAT THE STATE USES TO EXPLAIN THE MEASURES AND HAVE A METHOD FOR PEOPLE TO CHALLENGE IT, AND THAT IF IT IS CHALLENGED, WHATEVER THE JUDGE SAYS IS FINE WITH HER. CHAIR STEIN NOTED THAT THE FUTURE CHARTER REVIEW COMMITTEE SHOULD DEAL WITH THIS BECAUSE SHE WOULD CERTAINLY NOT WANT ANOTHER BOARD TO GO THROUGH THIS AGAIN. SUBSTITUTE RESOLUTION 98-116 APPROVED, WITH COMMISSIONERS KELLEY, HANSEN, LINN AND STEIN VOTING AYE, AND COMMISSIONER NAITO VOTING NO.

Commissioner Hansen was excused at 10:47 a.m.

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

R-5 First Reading of an ORDINANCE Amending MCC 17.101, Imposing a Fee for Filing a Motion for Modification of Divorce Decree, and Declaring an Emergency

ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER KELLEY MOVED AND COMMISSIONER LINN SECONDED, APPROVAL OF FIRST READING AND ADOPTION. SHARON JAMES EXPLANATION OF R-5 AND R-6 AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. MS. JAMES TO PROVIDE BOARD WITH ADDITIONAL INFORMATION REGARDING WAIVER OR DEFERRAL OF COURT FEES AND THE FAMILY COURT SERVICES PARENT EDUCATION AND CUSTODY/PARENTING TIME EVALUATION FEES. NO ONE WISHED TO TESTIFY. ORDINANCE 920 UNANIMOUSLY APPROVED.

R-6 RESOLUTION Rescinding Resolution 98-87 and Establishing Fees and Charges for Chapter 17, Juvenile and Adult Community Justice, of the Multnomah County Code

**UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER NAITO,
RESOLUTION 98-117 UNANIMOUSLY APPROVED.**

COMMISSIONER COMMENT

R-7 Opportunity (as Time Allows) for Commissioners to Provide Informational Comments to Board and Public on Non-Agenda Items of Interest. Comments Limited to Three Minutes Per Person.

NO ONE WISHED TO COMMENT.

There being no further business, the meeting was adjourned at 11:00 a.m. and the work session convened at 11:06 a.m.

Thursday, August 18, 1998 - 10:15 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

WORK SESSION

WS-1 Discussion of Process and Issues for 1999 Legislative Session. Presented by Gina Mattioda.

**GINA MATTIODA INTRODUCED SUSAN LEE.
MS. MATTIODA PRESENTATION AND RESPONSE
TO BOARD QUESTIONS, DISCUSSION AND
CONSENSUS REGARDING PROPOSED PROCESS
FOR 1999 LEGISLATIVE SESSION AND
POTENTIAL ITEMS AND CONCEPTS FOR THE
MULTNOMAH COUNTY LEGISLATIVE AGENDA.**

There being no further business, the meeting was adjourned at 11:44 a.m.

OFFICE OF THE BOARD CLERK
FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad



MULTNOMAH COUNTY, OREGON

BOARD OF COMMISSIONERS

Beverly Stein, Chair

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Sharron Kelley, Commission Dist. 4

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**ANY QUESTIONS? CALL BOARD
CLERK DEB BOGSTAD @ 248-3277**

Email: deborah.l.bogstad@co.multnomah.or.us

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

AUGUST 18 & 20, 1998 BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 am Tuesday, Strategic Space Plan for Multnomah County Facilities
Pg 2	11:00 am Tuesday, Executive Session with Labor Negotiator
Pg 3	9:30 am Thursday, DSS RESULTS
Pg 4	9:40 am Thursday, Census 2000 Partnership Opportunities Briefing
Pg 4	9:55 am Thursday, Resolution Certifying 10 Charter Review Committee Measures for November 3
Pg 4	10:15 am Thursday, Work Session to Discuss Process and Issues for 1999 Legislative Session
★	Check the County Web Site: http://www.multnomah.lib.or.us

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 10:00 PM, Channel 30

Sunday, 1:00 PM, Channel 30

Produced through Multnomah Community
Television

Tuesday, August 18, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BOARD BRIEFING

- B-1 Strategic Space Plan for Multnomah County Facilities. Current Issues Regarding Space Use, Building Condition, and Costs. Request Board Consensus on Strategic Policy Direction. Presentation of a Suggested First Year "Next Steps". Presented by Larry Nicholas, Jim Emerson, Betsy Williams, Linda Barnes, Ed Starkie and Rick Gustafson. 1.5 HOURS REQUESTED.
-

Tuesday, August 18, 1998 - 11:00 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

EXECUTIVE SESSION

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session Pursuant to ORS 192.660(1)(d) for Labor Negotiator Consultation Concerning Labor Negotiations. Presented by Darrell Murray. 1 HOUR REQUESTED.
-

Thursday, August 20, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

REGULAR MEETING

CONSENT CALENDAR

SHERIFF'S OFFICE

- C-1 Package Store Liquor License Change of Ownership for CORBETT COUNTRY MARKET, 36801 E. HISTORIC COLUMBIA RIVER HIGHWAY, CORBETT

C-2 Intergovernmental Revenue Agreement 800868 Between the Multnomah County Sheriff's Office and the Portland Police Bureau to Assist in Paying Costs Associated with the Housing of Prisoners Arrested Due to Enhanced Police Activities

C-3 Budget Modification MCSO 9901 Appropriating \$90,000 City of Portland Local Law Enforcement Block Grant Funds to Pay for Costs Associated with the Housing of Prisoners Arrested Due to Enhanced Police Activities

DEPARTMENT OF SUPPORT SERVICES

C-4 Budget Modification DSS 9905 Reclassifying Two Positions in Employee Benefits

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-5 ORDER Authorizing Execution of Deed D991558 for Repurchase of Tax Foreclosed Property to the Heirs of the Estate of Andrew Charles as they shall become known

C-6 ORDER Authorizing Execution of Deed D991562 for Repurchase of Tax Foreclosed Property to Former Owner Brian D. Parham

C-7 ORDER Authorizing Execution of Deed D991564 for Repurchase of Tax Foreclosed Property to Former Owner Carol E. Moore

REGULAR AGENDA

PUBLIC COMMENT

R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

DEPARTMENT OF SUPPORT SERVICES

R-2 Results from RESULTS: Subrogation Process Improvement Team Presentation. 10 MINUTES REQUESTED.

NON-DEPARTMENTAL

- R-3 Census 2000 Partnership Opportunities Presentation by Mike Steenhout, U.S. Department of Commerce, Bureau of Census. 15 MINUTES REQUESTED.
- R-4 RESOLUTION: Submit to the Voters Charter Amendments Proposed by the County Charter Review Committee

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

- R-5 First Reading of an ORDINANCE Amending MCC 17.101, Imposing a Fee for Filing a Motion for Modification of Divorce Decree, and Declaring an Emergency
- R-6 RESOLUTION Rescinding Resolution 98-87 and Establishing Fees and Charges for Chapter 17, Juvenile and Adult Community Justice, of the Multnomah County Code

COMMISSIONER COMMENT

- R-7 Opportunity (as Time Allows) for Commissioners to Provide Informational Comments to Board and Public on Non-Agenda Items of Interest. Comments Limited to Three Minutes Per Person.

Thursday, August 18, 1998 - 10:15 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

WORK SESSION

- WS-1 Discussion of Process and Issues for 1999 Legislative Session. Presented by Gina Mattioda. 45 MINUTES REQUESTED.

MEETING DATE: AUG 18 1998
AGENDA #: E-1
ESTIMATED START TIME: 11:00

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Executive Session On Labor Negotiations

BOARD BRIEFING: DATE REQUESTED: August 18, 1998
REQUESTED BY: Darrell Murray
AMOUNT OF TIME NEEDED: 1 hour

REGULAR MEETING: DATE REQUESTED: _____
AMOUNT OF TIME NEEDED: _____

DEPARTMENT: Support Services DIVISION: Labor Relations

CONTACT: Darrell Murray TELEPHONE #: 248-5135, ext. 22595
BLDG/ROOM #: 106/1400

PERSON(S) MAKING PRESENTATION: Darrell Murray

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Executive session to confer with the County's designated representative concerning labor negotiations, pursuant to ORS 192.660(1)(d).

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____
(OR)
DEPARTMENT
MANAGER: Vickie Gates

98 AUG 13 PM 12:18
MULTIPLA COUNTY
OREGON
COUNTY COMMISSIONERS

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES
Any Questions? Call the Board Clerk @ 248-3277

Executive Session 8/18/98

AGENDA

1. Health benefits bargaining strategy
 - A. Stabilization reserve and wage restoration proposals
 - B. Uniformity v. practical realities
 - C. Wage offset v. classic cap
 - D. Designation of health fund
 - E. Other details
 - F. Exempt employee ordinance
2. 2nd & 3rd year wages: CPI clause v. fixed 3% increases
3. Crafts bargaining update
4. MCCOA & MCDSA: vacation schedule
5. MCDSA: retiree insurance
6. Briefing process debriefing
7. Other business
8. Adjourn

Health insurance costs will skyrocket in 1999

Employers will barely have a chance to catch their breath before they open their checkbooks and realize their health insurance costs have taken a dramatic swing upward. HMO executives predict some employers will see double-digit increases in the months ahead.

"Life has been reasonably calm for the last three to four years at least," said Jim Russel, vice president of Sedgwick Noble Lowndes, a benefits consulting firm. "I think there's some sense of surprise" by employers at the prospect of steep increases.

"I wonder how it's justified," said Rand Sherwood, director of total compensation for Portland General Electric. By comparison, the health care price index has only been going up about 2-4% annually.

The founding president of the fledgling Oregon Health Care Purchasers' Coalition, Sherwood chairs a committee looking into joint purchasing by employers. It's too early in the coalition's history to do that, he said, but, with the insurance rate hikes, "it could happen quicker."

"Since 1994, the total cost of health care per capita has remained relatively flat, so I assume the increases we're seeing are to make up for past losses," said Medford's Mike Bond, CEO of PrimeCare, the largest IPA in southern Oregon. "Health plans entering a new market frequently underestimate the required premiums, get caught in price competition and then have to play catch-up. We've seen double-digit increases in this market for several years, but medical budgets have not kept up."

That's where the rub is, say physicians. "We're looking for a reasonable increase in physician compensation. It's been declining or flat in the last three years," said Mark Charpentier, vice president of managed care contracting for Physician Partners, Inc. "If you look at the three major players, there are two losers," he said. "Health plans and medical groups are barely above break-even. Hospitals systems are making a lot of money."

Oregon Health Forum attempted to get a response from hospital officials; however, Oregon's Assn. of Hospitals and Health Systems, which represents the state's 62 hospitals, did not return calls. "'98 and '99 are going to be catch-up years for health plans who can't absorb costs below their rate structure," said Deborah Origer, president and CEO of PacifiCare of Oregon. She estimates PacifiCare's increases will average "below double digits."

Up until now, health plans have concentrated their efforts on gaining market share. They kept premium increases flat or low because of the desire to grow more membership. "That kind of came back and bit them," said Charpentier, formerly PacifiCare's finance director. "Everybody tried to undercut everybody else." The major health plans ended up losing money on operations over the last three years.

Nationally, "rates have been suppressed since 1993," when the Clinton health care effort raised price awareness and "the concept of comparative reporting" to new heights, said Origer, who was recently based in Atlanta with Prudential HealthCare Group. "What happened with the health care initiatives was a very broad-based concept of competing health plans. One of the impacts was a more price-competitive HMO business. But prices were too competitive; they were less than health care spending."

"The days of 1 to 2% increases probably are behind us," said Ruth Rogers Bauman, vice president of actuarial and underwriting for Regence BlueCross BlueShield. She sees the rate increases as more of a reversion to normal, noting some groups have not gotten increases for awhile. Regence HMO Oregon's medical, and especially drug, costs went up last year, she said. Medical utilization also is up, owing to patient demand and new technology, and insurers have had to cover the cost of insurance-reform laws.

Kaiser Permanente will increase rates by an average of 11%. In the past five years, rate hikes have averaged 3.6% annually, said Denise Honzel, vice president of marketing, sales and insurance services for Kaiser/Group Health. In 1999, employers will pay between 4-20% more for health care costs, depending on the group's experience. What's driving the new rates — higher pharmacy costs and a flattening of the sharp declines in inpatient days, which had been averaging 10% annually, then dropped to 1% in 1997, but may rise again during 1998. Also, Kaiser has invested in marketing and in adding doctors, new facilities and an intricate new medical-records information system.

QualMed Oregon expects to raise its rates this fall in the high single digits, with cost increases throughout 1999, said Chris Palmedo, marketing and communications manager.

Providence Health Plan has witnessed the same phenomenon — increased pharmaceutical costs and higher utilization. But Jack Friedman, executive director, pointed to a relatively new development that's adding to the toll. Physicians have aggregated. "There are a few groups negotiating for higher (compensation), and they have gotten better at it," said Friedman, who wouldn't disclose his plan's rate hikes.

Consumers also are demanding more choice, such as access to specialists. And, administrative costs go up when health plans have to jump through the National Committee on Quality Assurance hoop, which Providence just did in gaining a three-year accreditation.

"We haven't seen this (rate jumps of this magnitude) since the early '90s, in Portland," Friedman said. "From '93 to '97, premiums were flat or in the very low single digits. ... Still, health care is an exceptionally good value compared to other parts of the country. The provider community has done an exceptional job in squeezing out utilization."

Sedgwick's Russel agreed "the continuing consolidation of providers reduces health plans' leverage. Some of the power has swung back to the providers." Other factors he cites: Standard cost-saving techniques such as reducing inpatient days per 1,000 are at the point of bottoming out, and new health-care benefits legislation such as patients' right laws may "weaken managed care's ability to control utilization costs."

Moreover, "I have noticed the willingness of health plans to seek market share at the expense of profitability — that has changed. Now it's coming back to seeking profitability instead of market share."

Most insurers blame higher costs on pharmaceuticals, said Russel. Drug companies aggressively advertise, hoping patients will pressure physicians to write a prescription, despite the advent of formularies.

Pharmacy expenses have increased by 15-20% nationally, added Kaiser's Honzel. She said the cost isn't just in new drugs: Generic drugs, historically lower priced, also are going up. But Honzel said some of Kaiser's drug spending is deliberate and preventive and offsets higher costs. Examples include cholesterol medication and anti-depressants, which may help prevent later, higher-cost hospitalizations.

Bill Sutherland, state chairman for PhRMA, the Pharmaceutical Research Manufacturers of America, and regional government affairs manager for Glaxo Wellcome, defended the costs associated with drugs. "The cost of research is not going down anytime soon," he said. "The strides the industry is making (in managing and fighting diseases) are extremely expensive."

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Also, he added, "managed care companies have basically rung out all the cost savings they can. They've gotten as many healthy people as they can, and the actuarials are seeing sicker people."

Charpentier doesn't foresee windfall profits for health plans, despite the rate increases. He pointed out that insurers with Medicare risk contracts in other states tend to "cross-subsidize" their commercial plans, but "our Medicare premiums are among the lowest" nationally, less than the increase in the cost of living. "They're trying to get back to a reasonably profitable state of operations," he said of health plans. "There's no fat in there for health plans or medical groups."

Rising health care costs will continue to be a contentious issue until all parties come together rather than point fingers, said PrimeCare IPA's Bond. "Everybody needs to be in the loop about addressing this problem. The industry has failed to resolve the fundamental question, which is: What is the appropriate cost of health care? The insurers want lower premiums, employers don't want to see huge premium increases, the physicians want enough to cover the cost of caring for patients.

"We have to enfranchise the employers to give them decision-making" about how benefit packages are designed, and what should be covered, using data about what care is being rendered and what is effective, and then "fund the product accordingly."

Cliff Collins

Oregon Health Forum is a non-advocacy group and does not represent a particular viewpoint. Its mission is to make health care policy issues visible and understandable to all constituency groups; providers, insurers, hospitals, government, business, labor and consumers. We welcome your comments.

Health Benefits Strategic Investment Proposals

1. Establish a \$1,000,000 excess stabilization reserve a moment before 12:00 a.m. 7/1/01
2. For Local 88 members, restore 50% of the reduction in wage rates that occur in FY 99-00 and 00-01 due to premium increases in excess of amounts contributed by the County. Restore 40% for other units. Prospective rate increases only; not retroactive.

EXAMPLE

<u>FY</u>	<u>Wage Offset</u>	<u>(x restoration %)</u>	<u>% restored</u>
99-00	0.50%	0.50%	0.25%
		0.40%	0.20%
00-01	0.70%	0.50%	0.35%
		0.40%	0.28%

3. Both benefits would take effect only upon reaching a mutually agreeable long-term agreement institutionalizing the total compensation/joint governance system.
4. Both benefits would be couched in terms of a "one-time-only" transitional process.

Goals And Objectives

1. Long term objectives:

- A. Institutionalize total compensation approach
- B. Institutionalize efficient group and individual health care purchasing behavior.
- C. Institutionalize labor-management cooperation; reduce conflict potential
- D. Simplify plan change process
- E. Simplify bargaining process

2. Short term goals:

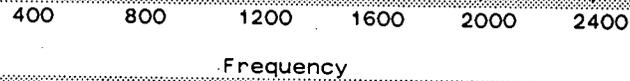
- A. Replace 80% rule with consensus rule
- B. Reduce "rate shock" in near and intermediate term to ease transition
- C. Flexibility to adjust plans to arrive at mutually acceptable starting point
- D. Induce settlement/enhance non-settlement posture (esp. in arbitration)
- E. Uniformity of participation (desire v. practical realities) and possibility of divergent directions

PERMANENT EMPLOYEES BY BARGAINING UNIT
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CONFIDENTIAL

GROUP		Freq	Cum. Freq	Percent	Cum. Percent
CONFIDENTIAL		22	22	0.52	0.52
CORRECTIONS	*****	476	498	11.35	11.88
DEP SHERIFFS	**	94	592	2.24	14.12
DIST ATTYS	**	82	674	1.96	16.08
ELECTRICIANS		22	696	0.52	16.60
ENGINEERS		13	709	0.31	16.91
GENERAL EMPS	*****	2539	3248	60.57	77.48
JUV GRPWRKRS	**	88	3336	2.10	79.58
MANAGEMENT	*****	541	3877	12.91	92.49
NURSES	*****	251	4128	5.99	98.47
OFFICIALS	*	61	4189	1.46	99.93
PAINTERS		3	4192	0.07	100.00



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**PROJECTED
PREMIUM DISTRIBUTION**

<u>FY</u>	<u>Total Premium</u>	<u>County Share \$ (%)</u>	<u>Employee Share \$ (%)</u>
98-99	\$14,287,456	\$14,287,456 (100%)	0 (0%)*
99-00	\$15,416,165	\$14,773,229 (95.8%)	\$642,936 (4.2%)
00-01	\$16,634,042	\$15,275,518 (91.8%)	\$1,358,524 (8.2%)
01-02	\$17,948,131	\$15,794,885 (88.3%)	\$2,108,246 (11.7%)

ASSUMPTIONS:

- Insurance premiums will increase 7.9% per year, the current blended regional trend projection for employers offering both a PPO based indemnity plan and HMO, in each case with prescription drug benefits.
- The consumer price index will increase 3.4% each year.
- All employee groups participate in the total compensation approach.

STABILIZATION RESERVE: At \$1,000,000 the stabilization reserve fund will equal 5.6% of projected 01-02 premium or 2.9 weeks of premium.

*Full-time nurses and part-time employees pay a small portion of total premium under current contracts.

**PROJECTED
PREMIUM DISTRIBUTION**

<u>FY</u>	<u>Total Premium</u>	<u>County Share \$ (%)</u>	<u>Employee Share \$ (%)</u>
98-99	\$14,287,456	\$14,287,456 (100%)	0 (0%)*
99-00	\$15,587,614	\$14,773,229 (94.8%)	\$814,385 (5.2%)
00-01	\$17,006,086	\$15,275,518 (89.8%)	\$1,730,568 (10.2%)
01-02	\$18,553,639	\$15,794,885 (85.1%)	\$2,758,754 (14.9%)

ASSUMPTIONS:

- Insurance premiums will increase 9.1% per year, the current trend projection for the County's ODS group.
- The consumer price index will increase 3.4% each year.
- All employee groups participate in the total compensation approach.

STABILIZATION RESERVE: At \$1,000,000 the stabilization reserve fund will equal 5.4% of projected 01-02 premium or 2.8 weeks of premium.

*Full-time nurses and part-time employees pay a small portion of total premium under current contracts.

**Average Projected Wage Offsets In
Dollars And As A Percentage of Wages**

<u>FY</u>	<u>Assuming 7.9% rate of premium increases</u>	<u>Assuming 9.1% rate of premium increases</u>
98-99	0	0
99-00	\$642,936 (0.36%)	\$814,385 (0.45%)
00-01	\$715,588 (0.37%)	\$916,183 (0.48%)

Offsets will vary in size with the largest percentage offsets occurring in low-wage units and smaller ones in high wage units.

ASSUMPTIONS:

- 1% of wages = \$1,800,000 for FY 99-00
- 1% of wages = \$1,900,000 for FY 00-01
- consumer price index increases 3.4% per year

**ESTIMATED
PROSPECTIVE COST OF WAGE
RESTORATIONS**

	<u>Assuming 7.9% rate of premium increases</u>	<u>Assuming 9.1% rate of premium increases</u>
Employee Contribution	\$1,358,524	\$1,730,568
X average restoration factor	<u>x 0.47%</u>	<u>x 0.47%</u>
Restored Amount	\$638,506	\$813,367
Restored Average %	0.34%	0.43%

ASSUMPTIONS:

- Consumer price index increases 3.4% per year
- 1% of wage as of 7/1/01 = \$1,900,000 before further negotiated increases
- That 47% is the actual average effect of giving a 50% restoration to local 88 and 40% to other employees.