

**MINUTES OF THE MEETING OF THE BOARD OF COMMISSIONERS  
MULTNOMAH BUILDING, BOARD ROOM 100  
501 SE HAWTHORNE BLVD., PORTLAND, OREGON  
THURSDAY, FEB. 11, 2016 @ 9:30 AM**

**REGULAR MEETING**

CHAIR DEBORAH KAFOURY CALLED THE MEETING TO ORDER AT 9:37 A.M. WITH VICE-CHAIR JULES BAILEY AND COMMISSIONERS LORETTA SMITH, JUDY SHIPRACK AND DIANE MCKEEL PRESENT.

ALSO ATTENDING WERE JENNY MADKOUR, COUNTY ATTORNEY, AND LYNDA GROW, BOARD CLERK.

*[ALL CAPS TEXT IS THE BYPRODUCT OF CAPTIONING THIS PROGRAM.]*

**CONSENT AGENDA**

- C.1 BUDGET MODIFICATION HD-25-16 AUTHORIZING ONE OFFICE ASSISTANT II RECLASSIFICATION WITHIN THE HEALTH DEPARTMENT
- C.2 BUDGET MODIFICATION HD-26-16 AUTHORIZING ONE PROGRAM SUPERVISOR RECLASSIFICATION WITHIN THE HEALTH DEPARTMENT
- C.3 NOTICE OF INTENT TO APPLY FOR \$100,000 IN GRANT FUNDING FOR 12 MONTHS FROM INNOVATIVE TEEN PREGNANCY PREVENTION PROGRAM
- C.4 BUDGET MODIFICATION DCHS-15-16 RECLASSIFICATION OF TWO FULL TIME POSITIONS IN THE DEPARTMENT OF COUNTY HUMAN SERVICES
- C.5 NOTICE OF INTENT FOR THE HEALTH DEPARTMENT TO SUBMIT AN APPLICATION OF UP TO \$100,000 TO THE OREGON HEALTH AUTHORITY FOR JAIL DIVERSION SERVICES
- C.6 NOTICE OF INTENT FOR THE HEALTH DEPARTMENT TO SUBMIT AN APPLICATION FOR \$100,000 TO THE OREGON HEALTH AUTHORITY FOR MOBILE CRISIS SERVICES
- C.7 RESOLUTION FOR DISPOSAL OF ABANDONED VESSELS LEFT ON MULTNOMAH COUNTY WATERWAYS
- C.8 LETTER TO OREGON CONGRESSIONAL DELEGATION IN SUPPORT OF CRIMINAL JUSTICE REFORM LEGISLATION

CHAIR KAFOURY: MAY I HAVE A MOTION ON THE CONSENT CALENDAR?

CHAIR KAFOURY: COMMISSIONER SMITH MOVES, COMMISSIONER BAILEY SECONDS, ALL IN FAVOR, SAY AYE. (UNANIMOUS AYES). THE CONSENT CALENDAR IS APPROVED.

**PUBLIC COMMENT**

OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA MATTERS. TESTIMONY LIMITED TO THREE MINUTES PER PERSON. THIS IS A TIME FOR THE BOARD TO HEAR PUBLIC TESTIMONY, NOT FOR BOARD DELIBERATION. FILL OUT A SPEAKER FORM AVAILABLE AT THE BACK OF THE BOARD ROOM AND GIVE IT TO THE BOARD CLERK. UNLESS OTHERWISE RECOGNIZED BY THE PRESIDING OFFICER, TESTIMONY IS TAKEN IN THE ORDER THE FORMS ARE SUBMITTED.

CHAIR KAFOURY: YOU CAN BEGIN, MR. PHILLIPS.

YES, I AM PAUL PHILLIPS, AND I SPOKE HERE JANUARY 28, AND THIS IS THE SAME SUBJECT, WHICH IS HOME FORWARD AND BEING, OR HOMELESSNESS, AND BEING GLIB ABOUT IT. I HAVE ASKED CITY EMPLOYEES THE SAME QUESTION, AND THE COUNTY EMPLOYEES, AS WELL AS STATE AND FEDERAL EMPLOYEES, IF THEIR DRUG TESTED. WITH THIS MARIJUANA LAW, THAT THEY GO, WELL YEAH, THEY ARE ALWAYS DRUG TESTED, AND EVERYBODY HAS ANSWERED THE SAME OPINION, AND I ASKED, WELL, ARE THE POLITICIANS AND THE LAWYERS AND THE JUDGES, ARE THEY DRUG TESTED? AND THEY SAID NO.

I AM WONDERING WHY THAT IS. THEN, OF COURSE, WITH TALKING ABOUT HOMELESSNESS, THE COMEDIANS SAYING THAT HE HAD A SOLUTION FOR HOMELESSNESS, AND ALL THEY HAD TO DO WAS BUY A HOUSE. AND I WAS SAYING, THAT THAT WAS GLIB, AND THE CITY AND THE COUNTY, HAS DECLARED A HOUSING EMERGENCY FOR THE 1900 PEOPLE, SUPPOSEDLY, AND THEY HAVE NOT REALLY DONE ANYTHING IN THE LAST TWO WEEKS THAT I KNOW OF ABOUT IT. I AM SAYING THAT, THAT IT WOULD BE A DIFFERENT OUTCOME IF THE ELECTED OFFICIALS WOULD BE SLEEPING OUTSIDE WHERE THE HOMELESS ARE. I BET YOU THAT WOULD SOON END THE HOMELESSNESS, IF THEY HAD TO SPEND A FEW NIGHTS OUTDOORS. WITH LIKE 15 INCHES OF RAIN THAT WE HAD IN DECEMBER, AND I DON'T KNOW WHAT THE AVERAGE DAILY TEMPERATURE IS, BUT IT'S NOT [INAUDIBLE] OUT THERE, ASSESS I SAID. IN THE PREVIOUS MEETINGS, AND THIS IDEA OF BUYING STORAGE CONTAINERS OR EVEN PODS FOR THE HOMELESS, TO SLEEP IN, OR STORAGE, THAT IF THEY HAD A REAL EMERGENCY, SUCH AS AN EARTHQUAKE OR A DISASTER OR SOME TYPE HERE, I THINK THAT THE PEOPLE WOULD BE OUT HOMELESS, LIKE THE HOMELESS PEOPLE HAVE BEEN FOR THE LAST TEN YEARS.

AS I SAID, IT WOULD BE A DIFFERENT OUTCOME IF THE POLITICIANS HAD TO SLEEP OUTSIDE. I AM SURE THAT YOU WOULD HAVE A DIFFERENT OPINION

OF THAT, IN A FEW DAYS, THAT IS. I GUESS MY THREE MINUTES ARE UP. THANK YOU.

CHAIR KAFOURY: THANK YOU. WHO WOULD LIKE TO GO NEXT? GOOD MORNING.

MY NAME IS JOE WALSH, AND I REPRESENT INDIVIDUALS FOR JUSTICE. AND WE ARE HERE TODAY AS AN ORGANIZATION REQUESTING THE IMMEDIATE RESIGNATION OF THE SHERIFF. I DON'T EXPECT THE SHERIFF TO BE HERE, SO I HAVE A PICTURE OF HIM. SO, I CAN TALK TO HIM. AS WE TALKED TO JEFF, NOT LONG AGO. DAN, YOU ARE MY FRIEND. YOU STOP BY AND YOU ASK US HOW WE ARE DOING ALL THE TIME.

WE KIND OF LIKE YOU. BUT THEN, WE FOUND OUT THAT YOU GOT YOURSELF INVOLVED IN SOME REALLY STUPID STUFF, AND YOU JUST SETTLED, SETTLED A SEXUAL HARASSMENT CHARGE FOR 188,000, PLUS THE LAWYERS' FEES, WHICH IS GOING TO BE ANOTHER 100,000, AT LEAST. AND HE CAME OUT, YOUR POCKET, OR DID IT COME OUT OF -- CAN'T COME OUT OF THIS GROUP. THE COMMISSION IS HAVING IT COME OUT OF YOUR BUDGET SO WHERE ARE YOU GOING TO TAKE THE MONEY FROM? WE ALSO UNDERSTAND THAT YOU HAVE THREATENED PEOPLE, AND NOW, WHEN YOU COME UP TO US, AND YOU JOIN US, AFTER THIS MEETING, FROM TIME TO TIME, AND YOU SAY, HOW IS YOUR HEALTH? I ALWAYS TOOK THAT AS A CONCERN, BUT NOW, I HEAR THAT YOU WANT TO TAP PEOPLE. SO NOW I AM BEGINNING TO WONDER, WAS THAT A NICE THING THAT YOU WERE SAYING, OR A SARCASTIC?

I DON'T KNOW. A LONG TIME AGO, WE ASKED JEFF, IT TOOK TWO WEEKS FOR HIM TO DO IT AFTER WE REQUESTED IT. WE WANT YOU TO RIDE OFF INTO THE SUNSET. DAN, YOU CAN GO WITH DIGNITY. IF YOU STAY HERE, DAN, IT'S GOING TO BE BAD. THERE IS TOO MUCH SMOKE. YOU CANNOT THREATEN PEOPLE.

YOU TREAT PEOPLE IN YOUR JAIL, BETTER THAN YOU TREAT YOUR STAFF. CAN'T DO THAT. CAN'T DO IT. YOU ARE MY BUDDY, AND I LOVE YOU, BABES BUT YOU CAN'T DO IT. NOT EVEN YOU. YOU MUST RESIGN WITH DIGNITY. TO GET ON THE WHITE HORSE AND SIT STRAIGHT AND RIDE OFF.

YOU STAY HERE, AND YOU WILL BE SHAMED. YOUR REPUTATION WILL BE RUINED. AND YOU WILL BE BROKEN. DIGNITY. DIGNITY, SIR. THANK YOU VERY MUCH. WE EXPECT TO HEAR FROM YOU. WE'RE VERY EASY TO GET IN TOUCH WITH. THANK YOU.

CHAIR KAFOURY: THANK YOU. GOOD MORNING.

YES. MY NAME IS LIGHTNING. I REPRESENT LIGHTNING WATCHDOG PDX.

BASICALLY, MY OPINION ON THIS SITUATION IS THAT WHEN ALLEGATIONS ARE MADE, THEY NEED TO BE PROVEN TO BE FACT, AND EVERYBODY HAS A RIGHT TO HAVE AN INVESTIGATION PROCEED FORWARD. AND SEE WHERE THESE ALLEGATIONS WILL LEAD. UNTIL THEN, I WILL NOT MAKE A COMMENT ON SHERIFF DAN. NOW, PERTAINING TO WAPATO, THAT MR. STATON IS PROPOSING TO DO SOME ANALYSIS ON TO USE IT FOR ANOTHER PURPOSE, DUE TO THIS INVESTIGATION, AGAIN, I AM PROPOSING THAT THE CITY OF PORTLAND PURCHASE WAPATO, BEGIN WITH THEIR PLAN. THEY HAVE SHOWN THAT THEY HAVE BEEN ABLE TO CREATE A SURPLUS BUDGET. THEY HAVE DECLARED A STATE OF EMERGENCY IN HOUSING AND HOMELESSNESS.

THEY HAVE TRANSITIONED PROJECTS, TPI. WAITING ON WHOLE TO DO AN ANALYSIS ON WAPATO TO BEGIN OPERATING WAPATO, AND THEY HAD THE SUPPORT OF PORTLAND BUSINESS ALLIANCE, THE NEIGHBORHOOD ASSOCIATIONS, ALSO, I'VE BEEN IN DISCUSSIONS WITH PORTLAND STATE UNIVERSITY, WHICH WILL ALSO BE OFFERING THE SUPPORT TO PORTLAND BUSINESS ALLIANCE ON THIS ISSUE. AGAIN, LET'S LOOK AT THE LOSSES THAT WE HAVE HAD ON THIS PROPERTY IN THE LAST TEN YEARS, AND AGAIN, SHERIFF, YOU HAVE HAD TEN YEARS TO TRY TO GET SOMETHING GOING ON THIS. YOU ARE GOING TO HAVE A LOT OF OTHER THINGS COMING AT YOU DURING THIS INVESTIGATION THAT YOU ARE GOING TO HAVE TO FOCUS ON. AND AGAIN, WHEN MR. COGEN WAS HERE, AND I ASKED HIM TO STEP DOWN, BASED UPON THE ALLEGATIONS AGAINST HIM, IT WAS REALLY TO MAKE SURE THAT MULTNOMAH COUNTY DOESN'T GET THROWN INTO TURMOIL, AND THEY CAN OPERATE EFFICIENTLY AND EFFECTIVELY, AND NOT BEGIN TO CREATE TREMENDOUS LOSSES BECAUSE OF CERTAIN INVESTIGATIONS. AGAIN, THAT WAS THE DECISION BY MR. COGEN, TO STEP DOWN. AGAIN, THE SHERIFF WILL HAVE THE SAME RIGHT TO EITHER STAY HERE, GO THROUGH THE INVESTIGATION, THAT CAN DRAG OUT FOR A LONG, LONG TIME, AND COST A TREMENDOUS AMOUNT OF MONEY, OR HE CAN, HE CAN MAKE A CHOICE, SUCH AS 34 -- MR. COGEN DID. I DON'T SPEAK ON HIS BEHALF AND WE'LL WAIT AND SEE WHAT HAPPENS. DUE TO THE FACT OF THIS INVESTIGATION PENDING AT THIS TIME, I AM ASKING MAYOR HALES AND THE COMMISSIONERS, OF THE CITY OF PORTLAND, TO PURCHASE WAPATO, TRANSFER THE PROPERTY INTO THE CONTROL OF THE CITY OF PORTLAND, DO AN IGA WITH MULTNOMAH COUNTY, METRO, AND THE CITY OF PORTLAND, AND TO OPEN THIS UP AS THE LARGEST TRANSITIONAL SHELTER IN THE HISTORY OF PORTLAND OR MULTNOMAH COUNTY TO BE OPENED, AND LET TPI MANAGE THE PROPERTY AND SHOW THAT WE HAVE THE ABILITY TO DO THINGS PERTAINING TO THE HOMELESS, SUCH AS THE STATE OF UTAH DOES, ALSO, AND THEY HAVE PROVEN THAT THEY ARE ABLE TO DO IT AND BE SUCCESSFUL. THANK YOU.

CHAIR KAFOURY: THANK YOU. WHO IS NEXT?

GOOD MORNING, COMMISSIONERS. FOR THE RECORD, I AM CHARLES JOHNSON, AND OBVIOUSLY, THERE ARE MANY CONTENTIOUS ISSUES FLOATING IN THE MEDIA AND IN THIS ROOM TODAY. IT'S RATHER UNFORTUNATE SITUATION THAT WE HAVE CREATED WITH THE HELP OF THE FEDERAL GOVERNMENT. WE'RE NOW PROVIDING NEVADA RESIDENTS, POSSIBLY NEVADA FELONS WITH BETTER ACCESS TO FOOD AND SHOWERS, THAN WE GIVE OUR LONG-TERM CHRONICALLY HOMELESS NEIGHBORS, SO CLIVEEN BUNDY AND HIS SON, THEY ARE EATING AT -- WELL, THE FEDERAL EXPENSE BECAUSE THE FEDERAL GOVERNMENT IS GIVING US OUR REIMBURSEMENT OF 70 A YEAR OR WHATEVER IT IS NOW. BUT STILL, OUR NEIGHBORS, THAT WERE HERE A YEAR AND TWO YEARS AGO, ARE STANDING IN LINE, AT THE SHOWERS, TPI, AND THEY ARE GOING THROUGH THE CYCLE OF THE DISTRESS WHERE THE PORTLAND POLICE DESTROY THEIR PROPERTY, BUT, WE HAVE A DEAL TO GET A BIT OF MONEY FROM THE FEDERAL GOVERNMENT TO KEEP THE BUNDY'S SECURE UNTIL WE FIGURE OUT WHAT TO DO WITH SUCH INCIDENT. IT'S UNFORTUNATE THE SHERIFF COULDN'T JOIN US TO SIMPLIFY THINGS AND ANNOUNCE HIS RESIGNATION AND LET HIM KNOW THAT HE'S GOT AN UNDERSHERIFF READY TO PLAY HOST FOR THE BUNDY'S AND THE OTHER THOUSANDS OF PEOPLE WE LOCKED UP.

I DON'T KNOW OFF THE TOP OF MY HEAD, AND WE HAVE NOT TALKED ABOUT IT VERY OFTEN. I KNOW IN THE L.A. COUNTY JAIL, THEY KEEP 17,000 AMERICANS. I DON'T KNOW THAT THERE IS VERY MANY WHITE PEOPLE AMONG THEM, MORE SO HERE. BUT, I THINK THAT THAT'S SOMETHING THAT WE NEED TO TALK ABOUT MORE IS EVEN THOUGH THE STATE OF OREGON HAS MADE SOME STRIDES WITH REDUCING THE PRISON PIPELINE, NOT JUST FOR BUDGETARY REASONS, BUT FOR HUMANITARIAN REASONS, WE NEED TO FREQUENTLY REVIEW WHAT STEPS WE'RE MAKING TO FLAT LINE THE POPULATION AT THE JAIL, OR REDUCE IT, EVEN THOUGH THE POPULATION HERE, IS BOOMING, WHICH IS CAUSING A BOOM IN THE NUMBER OF HOMELESS PEOPLE. SO, I HAVE A BIT 6 SYMPATHY FOR YOU ALL THAT YOU STILL HAVE -- I WANT TO SAY THANK YOU FOR THE, I BELIEVE THE ORGANIZATION YOU ARE WORKING WITH IS HUMAN SOLUTIONS, TO GET MORE SPACE AVAILABLE FOR FAMILIES. AND I HOPE THAT THE SUCCESSES YOU HAVE HAD IN BEING ABLE TO ARRANGE THAT PROGRAM, CAN BE REPLICATED. YESTERDAY, AT CITY COUNCIL, WE FOUND OUT THAT \$6 MILLION ADDED TO A GENERAL BUDGET OF ABOUT \$20 MILLION, CAN BUILD MFI HOUSING FOR 100 UNITS.

THAT'S AT THE ST. FRANCIS PARK, AND I HOPE THAT ALL OF YOU INDIVIDUALLY AND TOGETHER WILL HAVE A WORK SESSION WHERE YOU STUDY WHERE A SIMILAR PROJECT, MANY SIMILAR PROJECTS, UNTIL WE

GET THE 1,000 PEOPLE OF OFF THE STREET CAN BE IMPLEMENTED. THANK YOU VERY MUCH.

CHAIR KAFOURY: THANK YOU. YOU ARE UP. GOOD MORNING.

GOOD MORNING, YOUR HONOR. AND MULTNOMAH COUNTY BOARD OF COMMISSIONERS. IF I COULD FIRST --

CHAIR KAFOURY: WOULD YOU STATE YOUR NAME?

I AM BARRY JOE STULL. WHAT I AM GOING TO TELL YOU IS GOING TO BE VERY, VERY SAD. I HAVE A NEUROPATHIC PAIN CONDITION, WORSENER BY EMOTIONAL STRESS, AND I AM TRYING TO STAY OUT OF THE EMERGENCY ROOM BECAUSE WHAT I'M GOING TO TELL YOU IS GOING TO BE HORRIFIC. SO FIRST, BECAUSE OREGON'S BIRTHDAY IS VALENTINE'S DAY, AND SINCE I HAVE A COLLEGE DEGREE IN MUSIC, AND SINCE I KNOW THE WORDS TO THE OREGON STATE SONG, AND SINCE I KNOW IT WOULD BE VERY HEALING FOR ME TO SHOW YOU ALL THAT SIDE OF BARRY JO STULL, I WOULD LIKE TO, ACTUALLY, SOMEWHERE US HONOR OUR STATE AND SING TO YOU THE OREGON STATE SONG, WHICH IS OREGON, MY OREGON.

WHEN YOU ARE OUTSIDE OF OREGON, IT GETS CALLED OREGON. AND WHEN YOU ARE INSIDE, IT'S CALLED OREGON. SO, HERE'S THE WORDS TO THE SONG, SO I AM GOING TO HAVE TO REALLY PRESENT WHAT SIGNED UP TO DO BUT WE'LL ALL FEEL BETTER, I AM SURE. LET ME TAKE OFF MY HAT, AND I HAVE A PAINEN CAN, THE RESULT OF A SPINAL CORD INJURY, AND LAST NIGHT, YESTERDAY AFTERNOON, I HAD A UNITED STATES DEPUTY MARSHALL KELLY CALLED ON HIS PHONE TO MY PROPERTY MANAGER AT THE STARK [INAUDIBLE] MOBILE HOME, SO THAT MY PROPERTY MANAGER COULD GET ME A KEY SO I COULD GET INTO MY TRAILER WHERE I LAST LEFT ON NOVEMBER 25. EXCUSE ME. I DID 11 WEEKS IN JAIL WITHOUT ANY MEDICAL TREATMENT FOR MY CENTRAL NEUROPATHIC PAIN CONDITION. YESTERDAY I STOPPED AT MY NEUROLOGIST'S OFFICE, AND I SAID, I JUST HAD A REALLY HORRIFIC EXPERIENCE AND MY NEUROLOGIST NEEDS TO KNOW THAT. AND HERE'S OUR STATE SONG, FOLKS. (MR. STULL SINGS)

CHAIR KAFOURY: YOUR TIME WAS UP.

THAT WAS NOT WHAT I CAME TO PRESENTED WITH MY TIME, YOUR HONOR.

CHAIR KAFOURY: I AM SORRY, SIR, YOU HAVE A LOVELY VOICE. I LOVED HEARING THAT SONG.

OUR STATE SONG -- I DID THAT AS A REASONABLE ACCOMMODATION FOR MY DISABILITY BECAUSE HERE'S WHAT I AM GOING TO TELL YOU. YESTERDAY, I WENT TO THE PORTLAND POLICE PROPERTY WAREHOUSE

AND LEARNED MY PERSONAL PROPERTY WAS DESTROYED. I AM A PERSON WITH A DISABILITY.

AND THAT INCLUDED THE KEYS TO MY HUD FINANCED HOUSING, WHICH I'VE BEEN BEREST OF SPENDING 11 WEEKS IN JAIL. AS WE KNOW, MR. WALSH AFFECTED A CASE WHERE THERE IS A PERMANENT INJUNCTION AGAINST THE TRESPASS EXCLUSIONS THE WAY THE CITY WAS DOING THAT, AND I WAS ARRESTED FOR ONE OF THOSE, THE DAY BEFORE THANKSGIVING, AND .....

CHAIR KAFOURY: BARRY, I AM SORRY.

MR. STULL: I GOT THIS NOTICE SAYING WARNING, THIS PROPERTY MAY BE DISPOSED OF WITHIN 60 DAYS, IF NOT RETRIEVED. SEE THE REVERSE SIDE, AND I GOT THIS EXITING THE JAIL, AND MY PROPERTY WAS DESTROYED ON FEBRUARY 4. THAT IS --

CHAIR KAFOURY: BARRY, THERE IS --

THIS INCLUDES THE KEYS TO MY TRAILER HOME, WHICH IS A HUD GRANT. I AM THE SUCCESS STORY FOR ALL THE HOMELESS, AND I AM A SUCCESS STORY, AND I JUST DID 11 WEEKS IN JAIL WITHOUT TREATMENT FOR MY NEUROPATHIC PAIN CONDITION, AND BECAUSE I GOT THIS NOTICE, ON THE WAY OUT, MY PROPERTY HAD ALREADY BEEN DESTROYED, THAT INCLUDES EVERYTHING THAT THIS WHOLE SOCIETY HAS AFFECTED THROUGH THE FEDERAL GRANT THAT I AM UNDER. I ALREADY HAD MY I.D THAT WAS DESTROYED.

I ALREADY HAD MY FOOD STAMP CARD, THAT WAS DESTROYED. THE PORTLAND POLICE DESTROYED IT BECAUSE THE MULTNOMAH COUNTY BOARD OF MULTNOMAH COUNTY -- THE MULTNOMAH SHERIFF, WHICH DETAINED ME FOR 77 DAYS DIDN'T GIVE ME THIS NOTICE THAT IT WOULD BE DESTROYED, NOR COULD I EFFECT AN INMATE TREATMENT FOR MY NEUROPATHIC PAIN CONDITION WITH THE COMPENSATION OF GETTING GATORADE ON THANKSGIVING DAY BECAUSE THEY CONTACTED THE EMERGENCY DEPARTMENT AND FOUND OUT THAT I COULD DIE FOR POTASSIUM DEPLETION. SO, WE KNOW THAT THEY CONTACTED EMERGENCY -- THE DEPARTMENT AT EMANUEL HOSPITAL ON THE 25TH OR 26TH OF NOVEMBER, KNOWING THAT I HAVE A CONDITION THAT I COULD DIE FROM, IF I DON'T GET MEDICAL TREATMENT. MY PULSE WAS 175 BEATS A MINUTE.

CHAIR KAFOURY: BARRY, THIS IS NOT HELPFUL TO --

I COULD HAVE DIED IN OCTOBER OF 2011.

CHAIR KAFOURY: I UNDERSTAND, IF YOU WANT SOMEONE TO HELP YOU, YOU CAN TALK TO SOMEBODY --

I WAS CHARGED WITH A FELONY. ON TUESDAY THE COURT REDUCED THAT TO A MISDEMEANOR, AND THEY LET ME OUT. I DID A FELONY CHARGE THAT WAS NOT A FELONY..... (THE SOUND WAS DISCONNECTED WHILE HE WAS ASSISTED BACK TO HIS SEAT.)

## **REGULAR AGENDA**

### **R.1 PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING MULTNOMAH COUNTY CODE CHAPTER 7, COUNTY MANAGEMENT TAX FORECLOSED PROPERTY. PRESENTERS: MIKE SUBLETT, RANDY WALRUFF, COUNTY ASSESSOR AND COURTNEY LORDS, ASSISTANT COUNTY ATTORNEY**

CHAIR KAFOURY: COMMISSIONER SHIPRACK MOVES, COMMISSIONER BAILEY SECONDS, R.1.

MR. SUBLETT: GOOD MORNING, CHAIR AND COMMISSIONER COMMISSIONERS, MIKE SUBLET, WITH RECORDING AND TAXATION, AND WE'RE JOINED ON R1, AN AMENDMENT TO THE CHAPTER 7, MULTNOMAH COUNTY CODE BY COURTNEY LORDS OF THE COUNTY ATTORNEY'S OFFICE, CHAPTER 7, THE MULTNOMAH COUNTY CODE, ADDRESSES THE WAY THAT WE ADDRESS AND MANAGE AND DISPOSE OF TAX FORECLOSED PROPERTIES. THERE IS A LONGER PROCESS ON HOW THE COUNTY COMES INTO OWNERSHIP OF THESE PROPERTIES, AND CHAPTER 7 ADDRESSES JUST THE MANAGEMENT OF THE PORTFOLIO ONCE THEY ARE TITLED TO THE COUNTY. IN 2015, THE OREGON STATE LEGISLATURE, AS PART OF THE LEGISLATIVE INITIATIVE OF MULTNOMAH COUNTY, PASSED HOUSE BILL 2165, WHICH AMENDS THE OREGON REVISED STATUTES 275.275, WHICH AGAIN, ADDRESSES HOW COUNTIES DEAL WITH TAX PROPOSED PROPERTIES, ONES IN EXCESS OF 650,000 IN POPULATION ARE ABLE TO DISPOSE OF AND TO DEVOTE THE PROCEEDS FROM THE SALE OF TAX FORECLOSED PROPERTIES, AND THE AMENDMENTS IN THE ORDINANCE BEFORE YOU BEFORE CHAPTER 7, LARGELY, ADAPT OUR CODE TO THE NEW LAW. KEY TO THE NEW LAW IS THAT PREVIOUSLY IN THE PAST, THE PROCEEDS WOULD BE DISTRIBUTED TO THE TAXING DISTRICTS AFTER ALL OF OUR ADMINISTRATIVE COSTS AND OPERATION AND MAINTENANCE AND RELATED. UNDER THE NEW LAW, 100% OF THE PROCEEDS FROM THE SALE OF TAX FORECLOSED PROPERTIES IS DEVOTED TO A SPECIAL FUND. IT'S A SUBFUND OF THE GENERAL FUND ALREADY BEEN ESTABLISHED.

AND THOSE ARE FOR DEDICATED PURPOSES OF TARGETING AFFORDABLE HOUSING FOR FAMILIES AND FAMILIES WITH CHILDREN, EXCUSE ME, AND

YOUTH, IN THREE SPECIFIC AREAS HAVING TO DO WITH RETENTION AND CURRENT HOUSING TO PREVENT HOMELESSNESS, RENTAL ASSISTANCE, AND DEVELOPMENT OF NEW AFFORDABLE HOUSING, SPECIFICALLY AT 0 TO 30% OF THE MEDIAN FAMILY INCOME. THERE ARE ADDITIONAL CHANGES IN THE ORDINANCE FOR THE CHAPTER 7 CODE REVISIONS THAT CLEAN UP SOME COLD LANGUAGE, DO AWAY WITH OLD PROCESSES, AND STREAMLINES, AND THERE ARE SOME REDUNDANCIES HAVING TO DO WITH PERSONAL PROPERTY THAT ARE ADDRESSED ELSEWHERE IN THE CODE. WE'RE DELIGHTED TO ANSWER ANY QUESTIONS, THIS IS A FIRST READING, AND WE'LL BE BACK NEXT READING, AND IF, SO APPROVED, IT WOULD TAKE EFFECT 30 DAYS AFTER THE CHAIR'S SIGNATURE. THANK YOU.

CHAIR KAFOURY: THANK YOU. DO WE HAVE QUESTIONS? COMMENTS FROM THE BOARD?

ALL RIGHT. ALL IN FAVOR, VOTE AYE. THE FIRST READING IS APPROVED AND THE SECOND READING WILL BE NEXT THURSDAY, FEBRUARY 18. THANK YOU.

**R.2 ORDER AUTHORIZING THE SHERIFF'S SALE OF TAX FORECLOSED PROPERTY AND EXECUTION OF SALE DOCUMENTS. PRESENTER: RANDY WALRUFF, COUNTY ASSESSOR AND MIKE SUBLETT**

COMMISSIONER SHIPRACK MOVES, COMMISSIONER SMITH SECONDS APPROVAL OF R-2.

AGAIN, GOOD MORNING, RANDY WALRUFF, DIRECTOR. CHAIR AND COMMISSIONERS, MIKE SUBLETT WILL DO THIS PRESENTATION.

GOOD MORNING. MIKE SUBLETT. R2 THIS MORNING BEFORE YOU IS A BOARD ORDER THAT FOLLOWS VERY CLOSELY ON THE AMENDMENTS TO THE CHAPTER 7 CODE REVISION THAT WAS JUST APPROVED IN THE FIRST READING. THE SALE OF TAX FORECLOSED PROPERTIES IS MANAGED OR DICTATED BY THE OREGON REVISED STATUTES, AND WE NEED -- WIRE REQUESTING A BOARD ORDER SO THAT WE HAVE A BEFORE YOU, A PACKAGE, A PORTFOLIO OF 29 PROPERTIES THAT STAFF ARE RECOMMENDING FOR A PUBLIC SALE, A PUBLIC SHERIFF'S SALE, THAT IF APPROVED, WOULD TAKE PLACE IN THIS ROOM, ON MARCH 23, REGISTRATION BEGINS AT 9:00 A.M., AND A SALE THAT STARTS, A PUBLIC SALE AT 10:00 A.M., TO THE HIGHEST BIDDER. AND ON THE LIST BEFORE YOU, IS A LIST OF THE PROPERTIES, THEIR TAX ACCOUNT CODES, AND THE MINIMUM BID THAT'S ESTABLISHED, AND THEN ALSO, THE ERNEST MONEY THAT WOULD BE NECESSARY FOR DOING SO., I HAVE A GREAT APPRECIATION FOR THE DIFFICULTY OF THIS PORTFOLIO OF PROPERTIES, AND THEY ARE VERY RESOURCE INTENSIVE, AND SO, THAT LIMITS THE LIABLE. TWO, THE ABILITY TO SELL THE PROPERTIES, AND LEVERAGE THOSE FUNDS INTO AFFORDABLE HOUSING, RATHER THAN DEALING WITH THE

DONATION OF PROPERTIES, IS MUCH MORE EFFICIENT, AND NUMBER THREE, IT REDUCES THE LENGTH OF TIME, THAT'S THE THIRD L, AND ON THAT, AND THE LEVERAGE, AS WELL. IT'S ALSO IMPORTANT TO KNOW THAT IN THE MANAGEMENT OF THE PORTFOLIO, BEFORE WE COME TO THE SALE, WE WORK VERY, VERY, IN CLOSE CONCERT WITH THE DEPARTMENT OF COUNTY, THE DEPARTMENT OF COUNTY HUMAN SERVICES. WE ALWAYS, WHETHER THE PROPERTIES ARE IN REDEMPTION OR COMES TO THE ACTUAL TAKING OF THE POSSESSION OF THIS, WE WORK VERY CLOSELY WITH AGING DISABILITY AND VETERANS SERVICES TO MAKE SURE THAT THE SOCIAL SERVICE SUPPORT AVAILABLE, WHEN IT COMES TO THAT POINT. AND I HAD MENTIONED TO THE FACILITIES, THE PORTFOLIO, THE DIVISION WORKS VERY CLOSELY IN THE INTERNAL LIST FACILITIES TO PROVIDE THE OPERATION AND THE MAINTENANCE ON THIS VERY DIFFICULT PORTFOLIO. AND IN TURN, THEY USE WORK CREWS FROM THE MULTNOMAH COUNTY SHERIFF'S OFFICE FOR SOME OF THE VERY DIFFICULT CLEANUP SOMETIMES, THAT'S INVOLVED WITH THESE PROPERTIES, AND ALSO, WITH DCJ, AND ALTERNATIVE COMMUNITY SERVICE TO PROVIDE MAINTENANCE ON THIS, SO THERE IS MANY, MANY DEPARTMENTS THAT ARE INVOLVED IN THIS.

MR. SUBLETT: ON THE TAX TITLE TEAM, I WOULD BE REMISS IF I DID NOT MENTION AS A PART OF THE SALE IT'S MANAGED BY THE CHIEF APPRAISER, SALLY BROWN, AND MY COLLEAGUES ON THE TAX TITLE TEAM, BECKY GRACE, ADMINISTERED IT, AND BEEN KIND OF A STALWART OF IT FOR YEARS, AND OUR APPRAISAL RESOURCES WITH TRACEY MCCLEMEN, SO IF YOU SO ORDER, WE WILL PROCEED WITH ADVERTISING OF THE SALE THAT WOULD, AGAIN, BE IN THIS ROOM ON MARCH 23. THE ASSESSOR HAS THE ABILITY AT ANY TIME TO WITHDRAW A PROPERTY, FROM THAT, BUT THIS WOULD BE THE UNIVERSE THAT WE WOULD GO FORWARD WITH, AND THERE ARE PROPERTIES, CANDIDLY THAT SOME CIVIC AGENCIES HAVE EXPRESSED INTEREST IN, AND YOU KNOW, IT'S BEEN AN EDUCATION PROCESS THAT, UNDER THE NEW LAW, RATHER THAN DONATING THE PROPERTY, IF THERE ARE RESOURCES AVAILABLE, FOR THE TRANSFER OF THEM, THOSE ARE RESOURCES THAT WOULD GO TO AFFORDABLE HOUSING FOR FAMILIES WITH CHILDREN, AND YOUTH. IF THERE ARE ANY QUESTIONS, WE'RE DELIGHTED TO ANSWER THEM.

COMMISSIONER SMITH: I HAVE A QUESTION, DO ANY OF THE PROPERTIES HAVE PEOPLE IN THEM?

MR. SUBLETT: NO, COMMISSIONER SMITH. AS I SAID, WHEN IN FACT, THERE ARE OCCUPANTS AFTER THE PROPERTY HAS BEEN TITLED AND DEEDED TO THE COUNTY, WE WORK VERY, VERY CLOSELY WITH AGING, DISABILITY, AND VETERAN SERVICES TO HAVE THAT OUTREACH TO WORK WITH THEM, AND IN FACT, ONCE THEY ARE NO LONGER IN THE, IN THE PROPERTY, WE CONTINUE TO MAKE THOSE CONNECTIONS FOR THE FORMER OCCUPANTS.

CHAIR KAFOURY: I WANT TO SAY THANK YOU, MIKE, FOR PUTTING THIS TOGETHER. IT IS A VERY DIFFICULT AND RANDY, AND YOUR WHOLE TEAM, TO TRY TO SERVE, THE UNDERSERVED IN TERMS OF HOUSING, AND I THINK THAT THIS IS JUST ONE MORE TOOL IN THE TOOLBOX THAT WE HAVE THAT CAN MAKE THIS, YOU KNOW, THIS ISSUE AROUND HOMELESSNESS, AND AFFORDABILITY, IN THE PORTLAND AREA, REAL FOR SO MANY, SO THIS IS, I THINK, THIS IS A GREAT TOOL.

THANK YOU.

COMMISSIONER SHIPRACK: MADAM CHAIR, JUST A REQUEST. AT SOME POINT, FOLLOWING, OBVIOUSLY, MARCH 23, THIS BOARD RECEIVES A REPORT ON THE PROCEEDS, AND THAT AT SOME POINT, THEN DOWN THE ROAD, SUBSEQUENT TO THAT, THAT WE, ALSO, RECEIVE A REPORT SPECIFIC TO THE CONTRIBUTIONS THAT HAVE BEEN MADE FROM THIS FUND, TO HOUSE FAMILIES, AT 0 TO 30% OF THE MEDIAN FAMILY INCOME.

MR. WALRUFF: COMMISSIONER SHIPRACK, THAT IS OUR INTENTION, AND WITH MR. SUBLET ONBOARD, WE'VE BEEN REALLY REACHING OUT AT THE CHAIR'S DIRECTION ON HOW SOCIAL SERVICES CAN WORK, AND HOW THIS PORTFOLIO CAN BE LEVERAGED, AND SO, WE HAVE FULL INTENTIONS OF DOING THAT, AND THANK YOU.

CHAIR KAFOURY: IT'S MY UNDERSTANDING THAT THE REPORT WOULD NOT BE ABLE TO BE MADE UNTIL AFTER THE NEW FISCAL YEAR BECAUSE THAT'S WHEN THE FUNDS ARE --

MR. SUBLETT: THAT'S CORRECT, WHAT WILL HAPPEN IS, WE'LL HAVE THE SALE. AND AFTER THE SALE OCCURS, IN MARCH, THEN WE'LL CLOSE OUT OUR FISCAL YEAR, JUNE 30, AND WE'LL CALCULATE THE EXPENSES, THAT THE COUNTY HAS, THAT NEEDS TO COME FROM THE NET PROCEEDS, AND WE HAVE SOME TAX TITLE EXPENSES LIKE THINGS THAT WE SPEND ON THE PROPERTIES AND THINGS LIKE THAT, AND FROM THERE, THE NET PROCEEDS, INSTEAD OF BEING AS WE NOTED, DISTRIBUTED TO THE TAXING DISTRICT, PUT INTO THE SPECIAL FUND, THAT'S BEEN SET UP IN OUR CFO'S OFFICE, AND THEN I WOULD EXPECT IN JULY TO BE ABLE TO HAVE THAT REPORT FOR YOU.

CHAIR KAFOURY: I DIDN'T WANT YOU TO THINK IT WAS NOT COMING IF YOU DID NOT SEE IT.

MR. SUBLETT: YES. I JUST HAVE ONE MORE THING, HOPEFULLY OTHER COUNTIES WILL SEE THE ADVANTAGE OF LEVERAGING THE PORTFOLIO. AND THIS IS MORE OF AN EFFICIENT WAY TO GET RESOURCES TO THOSE IN NEED, AND AT THE SAME TIME, RETURNING PROPERTIES QUICKER TO THE

PROPERTY TAX ROLLS. AND THROUGH THE CHAIR'S OFFERS AND THE REST OF THE COMMISSION, AND OUR LEGISLATIVE TEAM HERE, CHRIS AND CLAUDIA, WORKING IN THE LEGISLATURE, OUR TAXING DISTRICTS ALL JOINED IN AND AGREED TO FOREGO THOSE REVENUES BECAUSE OF THE GREATER GOOD HERE.

COMMISSIONER MCKEEL: THANK YOU. I JUST HAVE SORT OF A HOUSEKEEPING QUESTION. I THINK, JUST FOR MY OWN UNDERSTANDING. SO, APPROVAL OF THIS -- SO, IF I UNDERSTOOD YOU RIGHT, APPROVAL OF THIS WITH, WILL ALLOW US TO START ADVERTISING THIS --

MR. SUBLETT: YES, EXACTLY RIGHT, THE BOARD ORDER WOULD SET IN MOTION ALL OF OUR PROCEDURES, TO HAVE A BROADLY ADVERTISED CONDUCT OF THE SALE HERE.

COMMISSIONER MCKEEL: AND TO GO AHEAD AND DO THAT, IS NOT DEPENDENT ON THE SECOND READING OF THE PREVIOUS AGENDA ITEM THAT WE JUST HAD?

MR. SUBLETT: SO, IN A TECHNICAL -- JUST IN THE CHRONOLOGY OF IT, IS SHOULD THE BOARD APPROVE THE SECOND READING NEXT WEEK, OF THE CHAPTER 7 CODE REVISIONS, THAT WOULD TAKE PLACE, THAT WOULD TAKE EFFECT 30 DAYS LATER, WHICH WOULD BE PRIOR TO THE MARCH 23 SALE DATE. THERE IS -- THE ACTUAL CONDUCT OF THE SALE IS NOT AFFECTED BY THE CHAPTER 7 CODE REVISIONS. BUT, IT IS TIDY IF -- IN SOME WAYS, AND WE TIMED IT SO THAT IT WOULD BE JUST TIDIER IF THE CHAPTER 7 CODE REVISIONS WERE EFFECTIVE AT THE TIME OF THE SALE BECAUSE WE COULD THEN SPEAK AUTHORITATIVELY AT THE SALE AS TO HOW THAT WOULD BE ADMINISTERED.

COMMISSIONER MCKEEL: SO I AM TALKING A LITTLE APPLES AND ORANGES.

MR. SUBLETT: NO. IT'S A GOOD QUESTION AND A QUESTION THAT WE, IN FACT, YOU KNOW, ADDRESSED INTERNALLY AS WE SET UP THE TIMING OF THIS FIRST READING, AND OF THE ORDINANCE, AND THEN THE BOARD ORDER, SO THANK YOU FOR THAT.

COMMISSIONER MCKEEL: THANK YOU.

BOARD CLERK: WE HAVE ONE PUBLIC COMMENT.

CHAIR KAFOURY: DO WE HAVE ANY OTHER BOARD COMMENTS OR QUESTIONS? ALL RIGHT, GO AHEAD.

MR. LIGHTNING, PLEASE COME FORWARD.

I AM LIGHTNING, I REPRESENT LIGHTNING WATCHDOG, PDX. PERTAINING TO THE COUNTY CODE CHAPTER 7, NOW, ONE OF THE ISSUES THAT I ALWAYS HAVE ON THESE TYPE OF SALES IS THAT FROM MY POSITION, I ALWAYS WANT TO HAVE AN INDEPENDENT PROFESSIONAL APPRAISER PUT A VALUE ON THESE PROPERTIES. AND ALSO, I WANT TO HAVE AN INDEPENDENT LICENSE BROKER SELL THESE PROPERTIES. NOW, A LOT OF PEOPLE, MIGHT WONDER WHY I WANT THAT, NUMBER ONE, WHEN YOU BRING IN A LICENSED BROKER, THEY ARE COMMITTED TO GETTING THE HIGHEST POSSIBLE VALUE POSSIBLE, AND THE REALITY IS, IF THERE IS ANY MISTAKES MADE ON THIS TRANSACTION, ON THIS SALE, IT COMES BACK ON THEIR INSURANCE. THEY HAVE INSURANCE THAT COVERS THOSE TYPE OF MISTAKES. I WANT TO MAKE SURE THAT THESE PROPERTIES WILL GET THE HIGHEST POSSIBLE VALUE. I WANT TO MAKE SURE THAT THERE IS ACTUAL PROFESSIONAL APPRAISALS PUT ON EACH PROPERTY, AND I WANT TO HAVE AN UNDERSTANDING AGAIN, ON HOW MUCH TAX REVENUE WILL, WE'LL HAVE BACK ON THE TAX ROLLS, WHEN THESE SALES DO TAKE PLACE, AND AGAIN, THAT'S WHY I AM TRYING TO GET THE HIGHEST POSSIBLE VALUE, AND AGAIN, ON THIS, NOT GOING INTO THE GENERAL FUND AND BEING SET UP IN A SPECIAL FUND, TO THE GENERAL FUND, I THINK THAT IS A GREAT SITUATION.

MR. LIGHTNING: THE ONLY PROBLEM THAT I HAVE ON THAT, I WOULD LIKE A SPECIAL COMMITTEE SET UP THAT WILL OVERSEE THE SPECIAL FUND, AND WHERE THE FUNDS WILL BE ALLOCATED. I WANT TO HAVE PROFESSIONAL REALTORS BROUGHT IN, AND PROFESSIONAL APPRAISERS BROUGHT IN, AND I WANT TO HAVE PEOPLE IN THE COMMUNITY BROUGHT IN TO WATCH OVER THIS SITUATION, AND MAKE SURE THAT THE FUNDS ARE GOING TO BE DISPERSED IN A MANNER THAT THE PUBLIC WILL THINK IS ACCEPTABLE, AND THAT THESE SALES WILL TAKE PLACE IN A MANNER THAT THE PUBLIC WILL FEEL THAT THEY GOT THE HIGHEST PRICE FOR THEIR PROPERTY THAT WILL GO BACK INTO SERVICES THAT WILL PROVIDE MORE AFFORDABLE HOUSING THROUGHOUT MULTNOMAH COUNTY AND THE CITY OF PORTLAND. AGAIN, I DO NOT LIKE NONPROFITS STEPPING IN BEFORE THE SALE TAKE PLACE. TRYING TO STEP IN ON SOME OF THESE PROPERTIES. I DO NOT WANT THAT TO HAPPEN. THEY CAN GET GRANTS FROM OTHER LOCATIONS, AND WE NEED TO PROVIDE THIS TO BUILD MORE AFFORDABLE HOUSING, AND THE SALE SHOULD TAKE PLACE FIRST, GO INTO THE FUND, AND WE DECIDE WHAT WE WANT TO DO WITH THAT MONEY. SO AGAIN, I DO NOT WANT THE NONPROFITS STEPPING UP BEFORE THE SALE TAKE PLACE, IT COULD JEOPARDIZE GETTING THE FULLEST VALUE FOR THIS PROPERTY. SET UP IN THIS SPECIAL FUND, AND WHICH I ABSOLUTELY AGREE 100% SHOULD HAVE BEEN DONE MANY YEARS AGO. THANK YOU.

CHAIR KAFOURY: THANK YOU. ALL RIGHT. ALL THOSE IN FAVOR, VOTE AYE. THE ORDER IS ADOPTED. THANK YOU.

**R.3 BOARD BRIEFING AND RESOLUTION ACKNOWLEDGING RECEIPT OF THE COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARD FOR THE YEAR ENDED JUNE 30, 2015. PRESENTERS WILL BE MARK CAMPBELL, CFO, STEVE MARCH, COUNTY AUDITOR, COURTNEY WILTON, AUDIT COMMITTEE, JIM LANZAROTTA, MOSS ADAMS PARTNER, AND STEPHEN SHARPE, MOSS ADAMS SENIOR AUDIT MANAGER**

CHAIR KAFOURY: COMMISSIONER SMITH MOVES, COMMISSIONER BAILEY SECONDS APPROVAL OF R3.

DR. MARCH: GOOD MORNING, CHAIR KAFOURY AND COMMISSIONERS. THE -- FOR THE RECORD I AM STEVE MARCH, MULTNOMAH COUNTY AUDITOR, AND THE COUNTY AUDITOR'S OFFICE MANAGES THE EXTERNAL AUDIT CONTRACT ON BEHALF OF THE COUNTY, AND THE AUDIT COMMITTEE. I AM HERE -- I WANTED TO FIRST THANK THE STAFF AND THE COMMISSION FOR THE DEDICATION TO MAKING SURE THAT WE ALWAYS HAVE A GOOD, STRONG AUDIT, AND THE STAFF REALLY WORKED HARD THIS YEAR AND OVERCAME A NUMBER OF UPHILL CLIMBS BUT I ALSO WANT TO THANK THE PUBLIC MEMBERS OF THE AUDIT COMMITTEE, JACK, DAVID, SUZANE, MICHAEL, AND CHAIR WILTON, WHO IS HERE WITH ME TODAY, WHO IS GOING TO INTRODUCE THE AUDIT TEAM HERE.

THANKS, STEVE, GOOD MORNING.

MS. WILTON: AS I THOUGHT ABOUT THIS, THE AUDITS ARE FUNNY THINGS, WHEN THEY GO WELL, PEOPLE HAVE A TENDENCY NOT TO PAY ATTENTION, AND WHEN THEY DON'T GO WELL, PEOPLE PAY A LOT OF ATTENTION, AND HAPPY TO SAY THAT, YOU ARE GOING TO HEAR FROM THE EXPERTS IN A SECOND FROM US, SO I AM NOT GOING TO STEAL THEIR THUNDER BUT FROM THE COMMITTEE'S PERSPECTIVE, THIS AUDIT WENT WELL, AND I GUESS, EVEN GIVEN THAT, I HOPE THAT YOU ARE PAYING ATTENTION.

PART OF IT IS, STAFF PUT A LOT OF WORK INTO THIS, AND IT'S A BIG JOB, AND IT'S COMPLICATED, AND IT'S TREMENDOUSLY IMPORTANT THAT THE COUNTY DO A GOOD JOB OF TRACKING THEIR MONEY. I THINK THAT YOU ARE GOING TO GET SOME ASSURANCE FROM THIS AUDIT THAT, ESSENTIALLY, IS HAPPENING, AND HOPEFULLY, STAFF RECOGNIZE YOU AND GIVE YOU FRIES THAT BECAUSE THAT'S IMPORTANT. AND SECONDLY, WE ALL MAKE JOKES ABOUT THE AUDIT REPORT AND HOW IT IS NOT EXACTLY A PAGE TURNER, AND THAT'S, THAT'S TRUE. BUT, WHAT'S ALSO TRUE, IS THAT IT IS AN ABSOLUTE WEALTH OF INFORMATION, AND I HOPE THAT YOU TAKE SOME TIME TO GO THROUGH IT AND READ IT. THERE IS TONS OF INFORMATION IN THERE REGARDING THE FUN YOU MANAGE, THE BALANCES, AND THE TRENDS, AND A TON OF INTERESTING DEMOGRAPHIC INFORMATION THAT SAYS A LOT ABOUT THE COUNTY THAT YOU MANAGE, SO

I THINK THAT IT'S TO YOUR BENEFIT TO TAKE A LOOK AT IT. SO, WITH THAT, LET ME INTRODUCE OUR INDEPENDENT AUDITORS. THOSE ARE, OR THE PEOPLE THAT ARE GOING TO SPEAK TO YOU TODAY ARE JIM LANZAROTTA AND STEPHEN SHARPE.

MR. LANZAROTTA: GOOD MORNING, COMMISSIONERS, PLEASSED TO COME BEFORE YOU AND FINALIZE OR FINISH THE AUDIT PROCESS FOR THE LAST YEAR. IT SEEMS LIKE THERE IS KIND OF STAGES OF COMPLETION, BUT IT'S NOT REALLY COMPLETE UNTIL WE GET THIS OPPORTUNITY TO AREA WITH YOU THE RESULTS OF THE AUDIT. SO THAT'S WHAT WE ARE HERE TO DO TODAY. GO AHEAD AND WHAT WE WOULD LIKE TO DO IS JUST VERY BRIEFLY SHARE WITH YOU THE TEAM THAT HELPED US TO GET THIS AUDIT PERFORMED. A BIT ABOUT THE NATURE OF THE SERVICES THAT YOU ENGAGED US TO PERFORM, AND OF COURSE, THE MAIN THING YOU WANT TO KNOW IS WHAT WERE THE RESULTS. SO, WE'LL TALK ABOUT THAT. THERE ARE SOME REQUIRED COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE, AND WE HANDLED THAT WITH YOUR AUDIT COMMITTEE, AND YOU HAVE A COUPLE OF MEMBERS OF YOUR COMMISSION HERE, COMMISSIONERS, THAT PARTICIPATE ON THAT AUDIT COMMITTEE, AND I WANT TO TELL THE REST OF YOU THAT THEY ARE VERY ENGAGED, YOUR COMMITTEE IS, I DON'T KNOW, A VERY ENGAGING GROUP OF INDIVIDUALS, AND THEY TAKE THEIR ROLES SERIOUSLY, AND IT REALLY MAKES THAT PROCESS FUN FOR US BECAUSE THOSE ARE MEETINGS THAT WE LOOK FORWARD TO, SO ANYWAY, I WANT TO THANK YOU FOR YOUR QUESTIONS AND YOUR PARTICIPATION, AND TELL YOU THAT IT'S A VERY, A VERY GREAT FUNCTIONING GROUP, SO ANYWAY, WE WON'T COVER ALL OF THAT.

IT'S BEEN DONE, BUT THERE MIGHT BE A COUPLE OF HIGHLIGHTS THAT WE COULD HIT ON. WE'LL CHAT ABOUT SOME OBSERVATIONS, FROM THE AUDIT, AND THERE IS SOME NEW ACCOUNTING AND AUDITING STANDARDS COMING YOUR WAY. THIS WON'T BE A TECHNICAL SESSION, BUT JUST TO APPRISE YOU OF A COUPLE OF THINGS, INCLUDING A PRETTY SIGNIFICANT ACCOUNTING STANDARD THAT YOUR CREW HAD TO IMPLEMENT THIS PARTICULAR YEAR. AND THEN ANYWHERE ON HERE, PLEASE STOP US WITH ANY QUESTIONS THAT YOU MAY HAVE. SO, HERE'S OUR TEAM. WE'RE FORTUNATE THAT MOST OF THESE ARE RETURNING MEMBERS, AND THAT'S VERY IMPORTANT TO US AND TO YOUR CREW BECAUSE WE CAN LEVERAGE OFF OF WHAT WE LEARN AND WHAT WE KNOW OF THE COUNTY. IF YOU ARE ALWAYS DEALING WITH NEW AUDITORS, THAT CAN BE A CHALLENGE FOR YOUR CREW.

THEY FEEL LIKE THEY KEEP EDUCATING US ON WHAT THE COUNTY IS ALL ABOUT. SO WE'RE PLEASSED, STEVE SHARPE HERE ON MY RIGHT IS OUR ENCHARGE PERSON IN THE FIELD AND RESPONSIBLE FOR WORKING WITH YOUR STAFF AND HANDLING THE COMMUNICATION AND SUPERVISING OUR CREW. NOT ALL THE TEAM IS HERE. WE DID BRING HARVEY WANG IN THE

BACK WAS A FIRST-TIME STAFFER, AND HE'S ONE OF THE UP AND COMERS AND REALLY EXCITED ABOUT DOING GOVERNMENTAL AUDIT WORK SO WE WANTED TO BRING HIM ALONG, AND HAVE HIM EXPERIENCE THIS PROCESS AND HE'LL BE TAKING PART IN DEBRIEF MEETINGS THAT WE HAVE WITH YOUR STAFF AFTER THIS SESSION WITH YOU, IS OVER. SO, THERE WAS OUR TEAM. ALL RIGHT, SO, THE NATURE OF SERVICES, I THINK THAT YOU HAVE A GOOD UNDERSTANDING OF THE AUDIT PROCESS, YOU KNOW. THIS FINANCIAL STATEMENT IS PREPARED BY YOUR TEAM, AND OUR JOB IS TO AUDIT THIS DOCUMENT.

MR. LANZAROTTA: IS THIS AN ACCURATE PORTRAYAL OF THE TRANSACTIONS THAT YOU, THAT YOU ENGAGED IN DURING THE YEAR? IS IT AN ACCURATE SET OF BALANCES AT THE END OF THE YEAR? AND DOES IT HAVE ALL OF THE BELLS AND WHISTLES THAT ARE REQUIRED BY THE PROFESSIONAL ACCOUNTING STANDARDS? AND WE DO THAT IN A NUMBER OF WAYS. WE'RE TALKING TO THIRD PARTIES, AND DIRECTLY WITH YOUR BANKS. FOLKS THAT HOLD YOUR MONEY, AND WITH YOUR LEGAL COUNSEL, AND LOOKING AT SOURCE DOCUMENTS, YOU PROBABLY UNDERSTAND THAT PRETTY WELL. A SECOND PIECE OF IT, THOUGH, IS THAT WE'RE REQUIRED TO LOOK AT THOSE INTERNAL CONTROLS THAT MANAGEMENT USES, TO MAKE SURE THAT THIS DOCUMENT CAN BE PUT TOGETHER ACCURATELY, SO THOSE ARE THE CHECKS AND BALANCES TO MAKE SURE THAT THE ACTIVITY THAT'S PROPERLY APPROVED IS REFLECTED IN HERE, AND SO FORTH.

AND WE NEED TO TELL YOU, IF THERE ARE WEAKNESSES IN THOSE INTERNAL CONTROLS, AND WE'LL DO THAT HERE TODAY. SINCE YOU ARE IN OREGON, A MUNICIPAL CORPORATION, THE STATE REQUIRES THAT WE DO SOME TESTING OF CERTAIN STATE LAWS. YOUR COMPLIANCE WITH STATE LAWS, THE MOST SIGNIFICANT AREAS ARE THINGS LIKE YOUR BUDGET PROCESS, SO THAT'S A BIG, SIGNIFICANT PROCESS YOU GO THROUGH, AND SO, WE LOOK AT HOW YOU ADOPT THAT BUDGET, AND ALL THE PUBLIC NOTIFICATIONS, THE MEETINGS YOU HOLD, AND THEN YOUR EXECUTION OF THAT BUDGET, AND THAT'S A BIG PART. PUBLIC PURCHASING IS A BIG PART OF THAT. DO YOU FOLLOW THE APPROPRIATE STATE LAWS AND YOUR OWN POLICIES ABOUT HOW YOU GO THROUGH ACQUISITION OF ASSETS AND ENTER INTO CONTRACTS? YOU RECEIVE A FAIR AMOUNT OF FEDERAL GRANTS. I'VE BEEN VERY PROLIFIC, I THINK, IN OBTAINING FEDERAL SUPPORT FOR THE PROGRAMS THAT YOU HAVE.

AND THAT COMES WITH SOME ADDITIONAL AUDIT REQUIREMENTS OF YOUR EXTERNAL AUDITOR, SO WE HAVE TO DO SOME COMPLIANCE TESTING, HOW WELL ARE YOU ADMINISTERING THOSE GRANTS AND MEETING THE REQUIREMENTS OF THE FEDERAL GOVERNMENT AND THE VARIOUS AGENCIES THAT PROVIDE THOSE. SO THAT'S AN IMPORTANT ELEMENT. NOW, YOUR STAFF, YOU ARE FORTUNATE, YOU HAVE A STAFF THAT CAN PUT THIS

DOCUMENT TOGETHER. I THINK THAT THERE IS APPROXIMATELY 1700 ENTITIES IN OREGON THAT HAVE TO SUBMIT FINANCIAL INFORMATION TO THE STATE. AND A MAJORITY OF THOSE ARE UNABLE TO PREPARE THE STATEMENT WITH THE CREW THAT THEY HAVE ONBOARD SO THEY HAVE TO ENGAGE EITHER THE AUDITOR OR AN EXTERNAL PARTY TO DO THAT. YOU HAVE GOT A CREW THAT IS ABLE TO DO THIS. OUR ROLE IS, OBVIOUSLY, TO MAKE SURE THAT IT HAS ALL THE REQUIREMENTS, AND YOU ALSO SUBMIT IT FOR A SPECIAL AWARD PROGRAM WHICH I AM SURE THAT MARK WILL TALK ABOUT, AND SO PART OF OUR JOB IS TO DETERMINE IF YOU ARE MEETING THOSE ADDITIONAL REQUIREMENTS OF THAT AWARD PROGRAM, AND I WON'T STEAL MARK'S THUNDER, SO I AM SURE HE WILL CHAT ABOUT THAT.

MR. LANZAROTTA: A BIG COUNTY LIKE THIS, VERY COMPLEX, LARGE ORGANIZATION, A LOT OF TRANSACTIONS, YOU CAN'T DO THIS WITHOUT A CERTAIN AMOUNT OF SOFTWARE. I.T. SO THE I.T., HARDWARE AND SOFTWARE, AND SO WE HAVE TO LOOK AT THAT TO DETERMINE IF THE TRANSACTIONS THAT YOU FLOW THROUGH THERE, IS THAT SOFTWARE IN THE I.T. SPHRAWRK APPROPRIATE AND DOES IT CAPTURE THIS INFORMATION CORRECTLY? SO THAT'S ANOTHER BIG PART OF THE AUDIT THAT WE DID. ALL RIGHT, I AM GOING TO TURN THIS OVER TO STEVE AND LET HIM SHARE WITH YOU, THEN, THE RESULTS OF ALL THE WORK THAT WE DID.

THANK YOU, JIM.

CHAIR KAFOURY: GOOD MORNING.

MR. SHARPE: GOOD MORNING, CHAIR AND BOARD. I AM STEVE SHARPE WITH MOSS ADAMS. FOR THE COUNTY, ITSELF, THE FINANCIAL REPORT, JIM WAS DESCRIBING THERE, WE'RE PLEASED TO INFORM YOU THAT WE WERE ABLE TO ISSUE AN UNMODIFIED, AND ALSO REFERRED TO AS A CLEAN OPINION ON THE FINANCIAL STATEMENTS AS PRESENTED. WE ALSO ISSUE A REPORT ON THE COUNTY'S STATE LEGAL COMPLIANCE. DURING OUR PROCEDURES WE DID IDENTIFY ONE INSTANCE OF NONCOMPLIANCE, AND IT HAD TO DO WITH THE BUDGETARY OVEREXPENDITURE. THAT IS DETAILED IN THE FINANCIAL STATEMENTS THEMSELVES AS FAR AS THE STEWARDSHIP, THEY IDENTIFY WHAT THAT IS, AND YOU WILL ALSO HAVE TO REPORT THAT TO THE STATE, BUT OVERALL, VERY GOOD RESULTS.

COMMISSIONER SMITH: MADAM CHAIR, CAN YOU JUST GIVE US A SNAPSHOT OF WHAT THAT WAS SPECIFICALLY?

MR. SHARPE: IT WAS IN THE STATE EXCISE FUND. YOU HAD MORE EXPENDITURES AND MORE, THAN WERE ORIGINALLY BUDGETED FOR. AND IF I MISS THIS, REALLY, YOU DIDN'T TRULY OVERSPEND, IT WAS REALLY THE WAY THAT IT WAS PRESENTED IN THE BUDGET. THERE WAS A TRANSFER

THAT OCCURRED, BUT THAT WAS INCLUDED AS EXPENDITURE WHEN IT REALLY SHOULD HAVE BEEN HANDLED SEPARATELY. TRULY A MINOR ITEM. BUT, WHEN YOU READ THAT, IT'S DEFINITELY -- THERE WERE MORE EXPENDITURES THAN ORIGINALLY BUDGETED FOR.

MR. SHARPE: IT'S THE MONEY THAT WE RECEIVED FROM THE PDF IS OUR BUCK, AND WE HAD -- THERE WAS A TRUST FUND, SET UP TO RECEIVE THOSE REVENUES, AND WHEN WE BUDGETED THE REVENUE COMING BACK INTO THE COUNTY FUNDS, WE BUDGETED IT AS A PASS-THROUGH RATHER THAN AS A, AS A CASH TRANSFER, AND THAT WAS THE BUDGET VIOLATION.

COMMISSIONER SMITH: WOULD IT BE THE 400,000?

I THINK 500,000.

COMMISSIONER SMITH: 500,000?

SOMETHING IN THAT VICINITY.

OK.

COMMISSIONER SMITH: THANK YOU.

MR. SHARPE: VERY TECHNICAL IN NATURE. AND MY UNDERSTANDING IS THAT ISSUE HAS BEEN CORRECTED FOR FY-2016 BUDGET, SO THAT SHOULD NOT BE AN ONGOING ISSUE.

COMMISSIONER SMITH: THANK YOU.

DR. MARCH: ANY OTHER QUESTIONS ON THAT? WE ALSO ISSUED AUDIT OPINIONS AND REPORTS ON YOUR COMPONENT UNITS. THERE ARE THREE ADDITIONAL COMPONENT UNITS THAT ROLL UP INTO THE FINANCIAL STATEMENTS, AND WE ARE ABLE TO ISSUE AN UNMODIFIED, AGAIN, A CLEAN OPINION ON DUNTHORPE, RIVERDALE SERVICE AND MID COUNTY SERVICE DISTRICT. AND WE HAD NO ISSUES THAT WE HAD TO REPORT, AS FAR AS INSTANCES OF NONCOMPLIANCE WITH THOSE ENTITIES.

THIS IS IN THE AUDIT PERFORMED, THERE IS ADDITIONAL SET OF REPORTS THAT WE HAVE TO ISSUE ON YOUR INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ALSO COMPLIANCE. AND FOR THE COUNTY, ITSELF, DUNTHORPE AND MID COUNTY, WE WERE ABLE TO IDENTIFY NO SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES, BASICALLY, NO REPORTABLE FINDINGS. HOWEVER, WE DID IDENTIFY MATERIAL, A MATERIAL WEAKNESS IN YOUR INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE MULTNOMAH COUNTY LIBRARY DISTRICT, AND WE'LL GO INTO MORE DETAIL ON WHAT THAT WAS. OVERALL, GOOD RESULTS AGAIN. AND THEN

BECAUSE YOU HAVE THIS GRANT REVENUE, THERE IS ADDITIONAL PROCEDURES WITH RESPECT TO THE SINGLE AUDIT, AND WE HAVE TO ISSUE AN OPINION ON THAT. AGAIN, WE HAVE A CLEAN OPINION, WITH RESPECT TO THE SINGLE AUDIT, NO IDENTIFIABLE FINDINGS, NO MATTERS TO REPORT, AND JUST AS A MATTER OF PERSPECTIVE, YOUR CEFA, THE SCHEDULE EXPENDITURES OF FEDERAL AWARDS REPORTED 56.5 MILLION OF FEDERAL MONEY THE COUNTY RECEIVED DURING FY-2015, THAT COMPARES TO 73 MILLION THAT YOU HAD IN FISCAL YEAR 2014. PRIMARILY, THE DIFFERENCE IS DUE TO A REDUCTION IN FUNDING FOR HIGHWAY TYPE OF GRANTS FOR THE SELLWOOD BRIDGE. AS THAT WORK IS MOSTLY TRANSITIONING MORE TO THE STATE FUNDING RATHER THAN THE FEDERAL FUNDING, AND WE HAD 5 MAJOR PROGRAMS, IN FISCAL YEAR 15, AS WELL AS FISCAL YEAR 14 THAT WE TESTED.

DR. MARCH: OVERALL, VERY GOOD RESULTS ON THAT, AS WELL. AGAIN, JIM MENTIONED THAT THERE ARE CERTAIN REQUIREMENTS THAT WE HAVE TO COMMUNICATE TO THOSE CHARGED WITH GOVERNANCE, AND WE CONDUCTED THAT IN NOVEMBER WITH THE AUDIT COMMITTEE, ITSELF. AND JUST A FEW HIGHLIGHTS THAT WE THINK IS APPROPRIATE TO SHARE IN THIS ENVIRONMENT, AS WELL. ONE OF THEM IS, DID WE ENCOUNTER ANY SIGNIFICANT DIFFICULTIES DURING THE PERFORMANCE OF THE AUDIT? WE'RE PLEASED TO SAY THAT THERE WERE NO PERFORMANCE PROBLEMS WITH THE COUNTY, AND EVERYTHING WENT VERY SMOOTHLY, AND I HOPE THAT THE STAFF WOULD BE ABLE TO SAY THE SAME THING ABOUT US. RECIPROCATING THERE. CORRECT AND HAD UNCORRECTED MISSTATEMENTS, AND WE HAD ONE MISSTATEMENT THAT WAS CORRECTED.

AGAIN, THIS HAPPENED TO DO WITH THE LIBRARY DISTRICT, AND DURING FISCAL YEAR 2015, THE COUNTY TRANSFERRED CAPITAL ASSETS TO THE LIBRARY DISTRICT. THAT RESOLUTION CAME BEFORE THE BOARD, AND THAT WAS ALL CONDUCTED, AND BUT, WHEN WE RECEIVED THE DRAFT FINANCIAL STATEMENTS FOR THE LIBRARY DISTRICT, THOSE CAPITAL ASSETS WERE NOT INCLUDED IN THE LIBRARY DISTRICT'S FINANCIAL STATEMENTS. THAT WAS A NET OF ABOUT 61 MILLION. AND THERE IS NO WAY THAT WE CAN LOOK AT THAT AND SAY, THAT'S NOT MATERIAL. THE MATH JUST WILL NOT WORK. SO, WE IDENTIFIED THIS AS A MATERIAL WEAKNESS AND FINANCIAL REPORTING STRICTLY ASSOCIATED WITH THE LIBRARY DISTRICT, ITSELF. AGAIN, ONCE THAT WAS BROUGHT TO THE ATTENTION OF YOUR ACCOUNTING STAFF THERE, THAT WAS ALL CORRECTED AND THE FINAL REPORTS LOOKED JUST FINE.

I GUESS ONE THING THAT WE MIGHT SAY ABOUT THAT IS THE YOU KNOW, THOSE CAPITAL ASSETS, AND THERE IS A SET OF FINANCIAL STATEMENTS THAT HAVE TO BE PUT TOGETHER FOR THAT, THEY ARE DONE ONCE A YEAR, AND THAT'S THE FINANCIAL STATEMENT OR THE PIECE THAT DID NOT HAVE THIS TRANSACTION REFLECTED. THIS DOES NOT AFFECT THE CASH OR THE

BUDGETARY BASIS OF THE ACCOUNTING, SO AS THE LIBRARY DISTRICT WAS PERFORMING OR GOING THROUGH THE YEAR, YOUR ABILITY, STAFF'S ABILITY TO MANAGE THE BUDGET, THE BUDGETARY RESOURCES, WAS ALL FINE, FOR THAT. SO, IT'S A VERY TECHNICAL ISSUE, IN TERMS OF THE FINANCIAL STATEMENTS, AND IT SEEMS WITH OUR LARGER CLIENTS, A COMMON COMMUNICATION ISSUE, WHEN THE BOARD MAKES CERTAIN DECISIONS BY RESOLUTION, COMMUNICATING THAT TO THE RIGHT PEOPLE WITHIN YOUR ACCOUNTING DEPARTMENT, SO THAT'S ON THE RADAR, SO WHEN IT COMES TO PUTTING TOGETHER THE YEAR END FINANCIAL STATEMENTS, THEY CAN PROPERLY ACCOUNT FOR SOME OF THE DECISIONS THAT YOU MADE. OFTENTIMES, THAT'S WHERE THE CONTROL WEAKNESS LIES. CLEARLY, YOUR STAFF HAS THE KNOWLEDGE AND THE EDUCATION TO DO THIS, AND IT WAS JUST SOMETHING THAT WAS MISSED IN THAT COMMUNICATION PIECE, IN TERMS OF HOW THE ANNUAL FINANCIAL STATEMENT GOES TOGETHER. DOES THAT HELP A BIT? OK.

AND THE OTHER POINT, DURING THE PERFORMANCE OF THE AUDIT, WE DID NOT IDENTIFY OR HAVE ANY DISAGREEMENTS WITH THE MANAGEMENT, AND THE TREATMENT OF THE ACCOUNTING OR ANY OF THE ISSUES THAT CAME UP. IT WENT SMOOTHLY. ANY QUESTIONS ON THIS SLIDE HERE?

DR. MARCH: AS FAR AS THE BEST PRACTICES, AND RECOMMENDATIONS, LAST YEAR WHEN WE WERE BEFORE THE BOARD, WE WERE ABLE TO TELL YOU THAT WE DID IDENTIFY A FEW LITTLE MINOR ITEMS, BUT THEY WERE SO MINOR THAT WE DID NOT EVEN ISSUE A MANAGEMENT LETTER. AND AGAIN, YOUR STAFF IS PROACTIVE TO ADDRESS ANYTHING THAT WE LOOK AT, OR WE IDENTIFY, AND USUALLY, BY THE TIME THAT WE GET HERE, IT'S BEEN CORRECTED AND TAKEN CARE OF. WE CAN SAY THE SAME THING THIS YEAR, AND WE DID IDENTIFY A FEW LITTLE MINOR ITEMS, WE REPORTED THAT TO THE INTERNAL AUDITOR'S OFFICE, AS WELL AS THE AUDIT COMMITTEE, AND IT WAS NOTHING OF ANY GREAT SIGNIFICANCE THAT WARNED FOR US TO ISSUE A MANAGEMENT LETTER FOR THIS YEAR, SO AGAIN, I THINK A GREAT REFLECTION OF THE JOB THAT THE COUNTY'S PERSONNEL DO THROUGHOUT THE YEAR.

ANY QUESTIONS WITH RESPECT TO THIS?

CHAIR KAFOURY: QUESTIONS? GREAT.

DR. MARCH: I WILL TRANSITION BACK TO JIM, AS HE'S OUR ACCOUNTING STANDARDS EXPERT AND SITS ON ALL THESE PANELS.

MR. LANZARATTA: ALL RIGHT, WE'LL BRING THIS TO A CLOSE, I GUESS BEFORE I TALK ABOUT SOME OF THESE NEW ACCOUNTING STANDARDS YOU KNOW, IT HAS BEEN MENTIONED ABOUT ADDITIONAL CHALLENGES THAT YOUR CREW HAD, BASICALLY, YOU HAD A COUPLE OF INDIVIDUALS WHO

LEFT THE COUNTY FOR OTHER OPPORTUNITIES THAT HAD A PRETTY HIGH LEVEL OF EXPERIENCE ON HOW YOU PUT THESE FINANCIAL STATEMENTS TOGETHER, BUT YOU ARE FORTUNATE, YOU HAVE GOT A TEAM BACK THERE THAT PULLED TOGETHER, AND GOT THE JOB DONE, AND WE'RE VERY PROUD OF THE EFFORT THAT THEY PUT IN, MARK PROVIDED A FAIR AMOUNT OF WHRP TO THAT PROCESS, AND ANYWAY, THE FINANCIALS GOT DONE, MAYBE NOT AS QUICKLY AS PRIOR YEARS, BUT YOUR GROUP REALLY RALLIED TO GET THIS DONE AND WE ACKNOWLEDGE THE EFFORTS THAT THEY MADE TO DO THAT. NOW, YOU HAVE GOT A NEW PERSON ONBOARD, WHO WE HAVE HAD THE FORTUNE OF WORKING WITH HER FROM HER TIME AT THE CITY OF PORTLAND, SO WE FEEL YOU ARE IN GOOD HANDS THERE. SO, VERY EXCITED TO CONTINUE TO WORK WITH SAMIE HERE AS SHE TAKES ON THIS POSITION HERE WITH THE COUNTY.

MR. LANZAROTTA: ALL RIGHT, SO THIS YEAR YOU HAVE REALLY, ONE, THERE IS TWO STANDARDS THERE, BUT THEY ARE RELATED. A BIG ISSUE FOR YOUR STAFF TO IMPLEMENT SOME NEW ACCOUNTING FOR PENSIONS. AS YOU KNOW, YOU ARE INVOLVED IN OREGON PERS, AND IT IS A CAUTIONARY PLAN. AND THIS STANDARD, BASICALLY, SAYS THAT HEY, IF, IF OREGON PERS IS UNDERFUNDED FOR ANY PARTICULAR REASON, YOU GET TO REPORT YOUR SHARE THAT UNDERFUNDED AS A LIABILITY IN YOUR FINANCIAL STATEMENTS, AND SO THERE WAS A RESTATEMENT OF THE NET POSITION, OR THE EQUITY OF THE COUNTY, COMING INTO THIS YEAR, TO REFLECT THAT LIABILITY THAT EXISTED AT THE BEGINNING, SO JUNE 30, 2014, IF YOU WILL. FOR AN ODD SET OF CIRCUMSTANCES, THAT BECAME AN ASSET ON AN ACCOUNTING BASIS OVERFUNDED FOR A BRIEF PERIOD OF TIME, SO AT THE END OF THIS FISCAL YEAR, YOU ARE, ACTUALLY, RECOGNIZING AN OVERFUNDED POSITION AND THAT EVAPORATED AS A RESULT OF A COURT CASE THAT HAPPENED IN APRIL, AND THEN IT'S GOING TO EVAPORATE MORE AS YOU ARE HEARING BECAUSE OF THE POOR INVESTMENT RESULTS OVER THE LAST COUPLE OF YEARS, SO, YOU WILL BE RIGHT BACK IN A LIABILITY POSITION, THAT WILL DRAG DOWN, THE EQUITY POSITION REPORTED IN YOUR FINANCIAL STATEMENTS. SO, THAT WAS A BIG TO DO TO GET THAT IMPLEMENTED, AND YOUR STAFF DID A GREAT JOB, I THINK, EVEN SOMEONE FROM THE AUDITOR'S OFFICE, HELPED ANNA MARIE, MIGHT HAVE HELPED IN THAT PROCESS, AND WITH YOUR ACCOUNTING STAFF, AND TO HELP THE COUNTY GET THAT IMPLEMENTED, AND ANYWAY, DID A VERY GOOD JOB WITH THAT. THERE ARE A NUMBER OF STANDARDS COMING UP, AND I BRING THESE UP NOT REALLY SO MUCH FOR YEARS, I AM HAPPY TO ANSWER QUESTIONS, WE TALK ABOUT THESE IN THE AUDIT COMMITTEE, AND THE MAIN REASON IS JUST TO CONTINUE TO ASK FOR YOUR SUPPORT FOR YOUR ACCOUNTING STAFF TO GET THE EDUCATION REQUIRED TO STAY ON TOP OF THESE.

YOU'VE BEEN VERY SUPPORTIVE IN THE PAST, AND WE VERY MUCH APPRECIATE THAT, YOUR CREW HAS DONE AN EXCELLENT JOB OF STAYING

ON TOP OF THESE NEW ACCOUNTING STANDARDS, AND SO, YOU WILL HAVE ONE, A COUPLE TO IMPLEMENT, AND ONLY ONE OF ANY SIGNIFICANCE, 72 ON SOME DISCLOSURES ABOUT THE VARIOUS INVESTMENTS THAT THE COUNTY HAS, AND IN A FEW YEARS MORE WORK TO DO ON THE HEALTH CARE BENEFIT SAYS YOU PROVIDE COUNTY EMPLOYEES BEYOND RETIREMENT, SO THAT WILL BE VERY MUCH LIKE THE PENSION STANDARD -- GO AHEAD, SO THEY WILL BE, THERE WILL BE A BIT OF WORK COMING UP FOR YOUR STAFF TO IMPLEMENT THAT ONE. ALSO, THERE IS A NEW STANDARD EFFECTIVE HERE IN A COUPLE OF YEARS ON TAX ABATEMENT DISCLOSURES. SO, THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD HAS DECIDED IT'S IMPORTANT FOR YOU TO TELL THE READERS OF YOUR STATEMENTS, IF YOU ARE FOREGOING THE RIGHT TO SOME TAXES, TO THE BENEFIT OF SOME ECONOMIC DEVELOPMENT OR SOME ECONOMIC GOAL OR OBJECTIVE THAT YOU HAVE. SO, YOUR STAFF WILL HAVE TO EVALUATE IF YOU ARE TAKING ON A PROJECT, AND FOREGOING TAXES, TO HELP SOME ECONOMIC GOAL OR OBJECTIVE THAT YOU HAVE. SO THAT WILL BE COMING UP. SO THERE IS A BUNCH OF STANDARDS IN THE WORKS, AND WE LOOK AS OUR CHARGE, TO MONITOR THESE, AND TO MAKE SURE THAT WE'RE APPRISING YOUR CREW OF THESE COMING DOWN THE PIKE, SO THAT WE'RE ALL PREPARED WHEN THE TIME COMES, AND YOUR CREW HAS BEEN VERY GOOD ABOUT THEIR LEVEL OF INTEREST IN THESE, AND WORKING WITH US, TO HAVE AN UNDERSTANDING, SO THAT YOU ARE VERY WELL PREPARED WHEN THE TIME COMES. AND YEAH, NO -- AND THEN I THINK THAT THERE WAS ONE ON THE NEW AUDITS, NO NEW STANDARDS EXCEPT FOR THE FEDERAL GRANTS.

MR. LANZAROTTA: YEAH. SO THERE WILL BE ONE NEW AREA THAT YOUR STAFF WILL NEED TO BE AWARE OF, IN THE FEDERAL GRANT PROGRAMS, ANY GRANT AWARDS THAT YOU GOT AFTER A CERTAIN DATE IN 2014, AND I FORGET IF IT'S -- WE CALL AT NO TIME CHRISTMAS STANDARD, BUT SOMEWHERE AROUND CHRISTMAS, OF 2014, ANY AWARD THAT YOU GET AFTER THAT DATE, WILL BE SUBJECT TO SOME NEW COMPLIANCE REQUIREMENTS. AND SO, THAT WILL CREATE SOME COMPLEXITY AS WE TRY TO DETERMINE IF THE HE WOULD STANDARDS APPLY OR THE NEW STANDARDS APPLY TO HOW YOU ADMINISTER THOSE GRANTS, AND TESTING WE'LL NEED TO DO FOR THAT, BUT FORTUNATELY, WE HAVE DONE SOME EDUCATION OF YOUR CREW, AND THEY HAVE GONE AND GOTTEN SOME EDUCATION, ON THIS, AND SO HOPEFULLY, YOU ARE IN A REALLY GOOD POSITION TO STAY ON TOP OF THAT AM AND THAT'S, I GUESS, WE'LL OPEN IT UP TO ANY QUESTIONS THAT YOU HAVE NOT HAD AN OPPORTUNITY YET TO ASK.

COMMISSIONER SMITH: MADAM CHAIR, I HAVE A QUESTION. YOU BRIEFLY SAID SOMETHING ABOUT OUR FOLKS NEED TO HAVE SOME TRAINING AND EDUCATION ON THE NEW RULES, WHERE DO THEY GET THAT FROM AND WHO DOES IT? WHERE DOES IT COME FROM?

MR. LANZAROTTA: GOOD QUESTION, SO FORTUNATELY, HERE IN OREGON, WE HAVE A NUMBER OF OPPORTUNITIES, THERE IS THE OREGON GOVERNMENT FINANCE OFFICER'S ASSOCIATION, AND YOU ARE MEMBERS OR YOU HAVE -- YOU PROVIDE THAT. THERE IS A SPRING CONFERENCE, AND A FALL CONFERENCE, THE SPRING ONE IS COMING UP, SO YOU PROVIDE SUPPORT FOR YOUR STAFF TO ATTEND THOSE, AND THOSE ARE GOOD TRAININGS. ON A NATIONAL LEVEL, THE GOVERNMENT FINANCE OFFICERS ASSOCIATION HAS -- THEY HAVE AN ANNUAL CONFERENCE, AND THEY HAVE WEBCASTS. AND I BELIEVE THAT YOU HAVE TAKEN ADVANTAGE OF BOTH OF THOSE. THE ANNUAL CONFERENCE IS FANTASTIC. YOU CANNOT GET BETTER TRAINING, IN MY OPINION, AND SO THERE IS THAT.

COMMISSIONER SMITH: ARE OUR FOLKS GOING TO THAT? IT SOUNDED LIKE WE NEEDED TO CONTINUE TO DO MORE OF THIS.

I AM JUST SAYING THAT YOU'VE BEEN SUPPORTIVE IN THE PAST, AND JUST ASKING FOR YOUR CONTINUED SUPPORT.

COMMISSIONER SMITH: TO CONTINUE TO SUPPORT.

YOU'VE BEEN VERY GOOD.

I THINK YOU'VE BEEN EXCELLENT FOR YOUR CREW IN PROVIDING OPPORTUNITIES FOR THEM TO ATTEND THESE SESSIONS, AND SO IT'S JUST MORE -- KEEP IT UP.

COMMISSIONER SMITH: THE OTHER PIECE ABOUT, IDENTIFYING THE ABATEMENTS THAT TAXPAYERS ARE ON THEIR SHEET, SHOULD WE ALSO BE SENDING THEM A NOTE TO LET THEM KNOW THAT ONCE THIS ABATEMENT PERIOD IS UP, THAT THEY ARE GOING TO BE TAXED AT, WITH THE 11-YEAR RATE INSTEAD OF THE TEN-YEAR RATE? BECAUSE I THINK THAT SOME PEOPLE GET BIG SURPRISES WHEN THEY GET THAT, AND YOU KNOW, THEY HAVE HAD THEIR TAXES ABATED FOR TEN YEARS, AND ALL OF A SUDDEN THEY HAVE A 10,000 TAX BILL, AND THEY ARE SHOCKED, YOU KNOW, GOING FROM ZERO TO 10,000, IS HUGE. SHOULD WE BE LETTING FOLKS KNOW ABOUT THAT?

MR. LANZAROTTA: SOME GOOD QUESTIONS, I GUESS, I WOULD PROBABLY REFER THAT BACK TO YOUR COUNTY ASSESSOR TO ADDRESS, BUT I SUSPECT THAT I WOULD BE SURPRISED IF THERE WAS NOT SOME COMMUNICATION THERE, BUT I AM -- I CAN'T SAY THAT I KNOW EXACTLY WHAT THEY ARE, THEIR FORMAL PROCESS IS, BUT I THINK THAT THAT WOULD BE A GOOD QUESTION.

THE REASON I ASKED THAT IS BECAUSE I HAD A CONSTITUENT ASK ME

ABOUT THIS LAST WEEK, AND THEY GOT A BILL THAT, AND THEY WERE VERY SURPRISED ABOUT.

GOTCHA.

THANK YOU.

QUESTIONS, COMMENTS, COMMISSIONER MCKEEL?

COMMISSIONER MCKEEL: THANK YOU. THANK YOU FOR THIS PRESENTATION. AND I LOVE BEING ON THIS COMMITTEE. AS I SAID EARLIER, THERE IS A WEALTH OF INFORMATION HERE, AND PEOPLE MAY NOT CONSIDER IT A PAGE TURNER BUT THERE IS A LOT OF INFORMATION, AND I THINK THAT IT SPEAKS SO WELL TO OUR STAFF HERE THAT WE HAVE AT THE COUNTY, AND AS I ALWAYS SAY, THE BEST THING ABOUT OUR COUNTY IS THE PEOPLE THAT WORK HERE.

AND THERE WERE SOME SIGNIFICANT CHALLENGES AND STAFF CHANGES THIS YEAR, BUT THE STAFF PICKED IT UP AND JUST -- IT WAS GREAT. SO, REALLY APPRECIATE THAT, SO THANKS TO IS THE, TO MARK AND YOUR TEAM, AND THANKS TO STEVE AND YOUR TEAM, AND TO EVERYBODY THAT PARTICIPATED IN THIS. THIS IS SUCH A -- A VERY PROFESSIONAL EXERCISE THAT WE GO THROUGH HERE, AND THANKS TO YOU, AND SO, JUST APPRECIATE EVERYBODY'S WORK ON THE COMMITTEE.

COMMISSIONER SHIPRACK: YEAH, I APPRECIATE THIS. IT'S -- I THINK THAT IT KIND OF GROWS ON YOU A BIT. NOT AS BAD AS A ROOT CANAL, BUT, BUT I AM CURIOUS ABOUT A COUPLE THINGS, AND THEY MAY BE OUTSIDE OF YOUR BOOK OF BUSINESS, BUT YOUR PRESENTATION RAISED A COUPLE OF INTERESTING AREAS THAT I THINK THAT WE MIGHT WANT TO LOOK AT, AS WE MOVE FORWARD.

ONE IS, MAYBE FOR YOU, MARK, AND THAT IS, WHAT IMPACT DOES THE PENSION LIABILITY AND ITS IMPACT ON OUR AUDIT REPORT, LIKELY TO HAVE ON MULTNOMAH COUNTY'S CREDIT RATING, IF ANY?

MR. SHARPE: THAT'S A GOOD QUESTION. CREDIT RATING AGENCIES WERE RELUCTANT TO SAY THAT IT'S SOMETHING THAT THEY WOULD LOOK AT, AND INDIVIDUALLY, BUT, ONE OF THE THINGS THAT I THINK IS THAT IT WILL MAKE - - IT WILL MAKE THEM KIND OF SHARPEN THEIR PENCILS, IF YOU WILL, WHEN THEY ARE DOING RATINGS FOR US, BUT I DON'T THINK THAT BY ITSELF, IT WILL HAVE AN IMPACT ON, ON A DOWNGRADE OR ANYTHING LIKE THAT, ONE OF THE THINGS, BECAUSE ALL GOVERNMENTS HAVE TO REPORT THIS NOW, I THINK THAT ONE OF THE THINGS THAT WE WANT TO LOOK AT IS RELATIVITY. COMPARED TO WHERE OUR, OUR LIABILITY MIGHT BE, AND COMPARED TO SOME OTHER JURISDICTIONS.

SO, AND IF I COULD FOLLOW UP, AND THIS IS -- I, ACTUALLY, HAD THREE QUESTIONS, I THINK THAT RELATES TO SOME OF THE BENEFITS THAT WE'RE GOING TO GAIN EVEN THOUGH I ACKNOWLEDGED THAT IT'S MORE WORK. BUT, ARE TAX ABATEMENT REPORTING OR TAX EXPENDITURES, REPORTING, I THINK, WILL BE VERY HELPFUL, AND FOR US, IN JUST GETTING A VIEW OF WHERE IT IS WE'RE SPENDING AND HOW MUCH IT IS THAT WE'RE SPENDING IN THE REVENUE THAT WE FOREGO. AND WHERE IT IS TARGETED.

MR. SHARPE: SO THAT WE HAVE AN OPPORTUNITY TO, PERHAPS, REPRIORITIZE, OR AT LEAST TO BE AWARE OF THE PROPORTIONS OF CONTRIBUTIONS THAT WE'RE MAKING IN A QUIET WAY, AND I AM TRYING TO THINK OF WAYS TO CHARACTERIZE THAT, THAT WOULD NOT SOUND REALLY FINANCIALLY INAPPROPRIATE, BUT IT HAS BEEN A LONG TIME KIND OF PRACTICE OF GOVERNMENT TO HAVE THESE QUIET TAX EXPENDITURES, SO I THINK THAT THAT'S A GOOD THING.

ONE ADDITIONAL ELEMENT THAT IS UNIQUE TO THE COUNTIES IS THAT OBVIOUSLY, THE COUNTIES PROVIDE THE TAX ASSESSMENT AND COLLECTION PROCESS, AND SO YOU ARE IN A UNIQUE POSITION WHERE YOU CAN BE OF HELP TO YOUR MEMBER ORGANIZATIONS WITHIN THE COUNTY BOUNDARIES AND MEETING THEIR DISCLOSURE REQUIREMENTS, SO THERE COULD BE A LOT OF QUESTIONS THAT COME TO YOUR COUNTY ASSESSOR ABOUT HOW DO WE MEET OUR DISCLOSURE REQUIREMENTS UNDER THIS BECAUSE YOU ARE KIND OF HANDLING ALL THAT RECORD-KEEPING FOR US, SO, AND I HAVE TO TELL YOU, I'VE BEEN PLEASED, I SPOKE WITH YOUR COUNTY ASSESSOR TO ASK SOME QUESTIONS ABOUT THIS, AND YOUR ASSESSMENT DEPARTMENT SEEMS TO BE ON TOP OF IT, SO I APPRECIATE THAT, BUT ANYWAY, YOU ARE IN A UNIQUE POSITION BECAUSE YOU MAY NEED HELP WITH OTHER GOVERNMENTS IN MEETING THEIR DISCLOSURE REQUIREMENTS.

MR. SHARPE: AND THAT'S A BENEFIT TO THE TAXPAYERS BECAUSE, AND ALSO, I THINK, TO US AS A BOARD. I WANT TO KNOW WHAT THEIR TAX EXPENDITURES ARE, AS WELL. AND HOW THAT IMPACTS ALL OF US. AND THE ONLY OTHER ISSUE THAT, AND WE LOOKED AT THIS AS A BOARD, AND I AM SURE THAT WE WILL CONTINUE LOOKING AT IT, IT HAS TO DO WITH POST-RETIREMENT BENEFITS, AND ODDLY ENOUGH, AS THE DEMOGRAPHICS SHIFTS TO A LOT OF OLDER PEOPLE, THERE IS A COROLLARY ISSUE, WHICH A COUPLE OF US HAVE SOME EXPERIENCE WITH, AND THAT IS THE FACT THAT THERE ARE PEOPLE WHO ARE STAYING IN COUNTY SERVICE, PAST THEIR MEDICARE ELIGIBILITY AGE. AND THAT'S AN INTERESTING TRANSFER, A BURDEN TO THE COUNTY.

SO, JUST A COMMENT ON SOMETHING ELSE THAT WE MIGHT WANT TO HAVE A FINANCIAL EYE ON.

MR. CAMPBELL: I HAD JUST A FEW COMMENTS, AND I WOULD LIKE TO THANK A FEW PEOPLE GOOD MORNING CHAIR AND COMMISSIONERS, MARK CAMPBELL, CHIEF FINANCIAL OFFICER, AND THANKS TO JIM AND HIS TEAM, WE ARE EXTREMELY PLEASED AND PROUD OF THE FACT THAT WE ONCE AGAIN, HAVE RECEIVED A CLEAN AUDIT OPINION. WE FEEL AND HOPE YOU AGREE THAT THE CAFR HIGHLIGHT, THE EXCELLENT FINANCIAL CONDITION, WHICH REFLECTS POSITIVELY ON YOUR LEADERSHIP OF PUBLIC RESOURCES, THE CAFR AND THE PROCESS TO PRODUCE THIS REPORT IS ONE OF THE SIGNATURE ACCOMPLISHMENTS IN MY DIVISION EACH YEAR. I LIKE TO THINK OF IT AS CONTINUOUS IMPROVEMENT PROCESS IN THE SENSE THAT WE REVENUE THE COMMENTS THAT THE AUDITORS LEAVE WITH US, AND WE USE THOSE TO BASE OUR WORK PLAN EACH YEAR. I WANT TO THANK THE FINANCIAL MANAGEMENT STAFF, AND EACH COUNTY DEPARTMENT, EACH OF THEM PLAYS A ROLE, BE IT LARGE OR SMALL, AND IN MEETING OUR MANY FUNDING REQUIREMENTS AND RECORDING THOUSANDS OF FINANCIAL TRANSACTIONS THROUGHOUT THE YEAR. THESE FOLKS ASSIST IN THE PRODUCTION OF THE REPORT, AND WORK WITH US TO ENSURE FISCAL ACCOUNTABILITY THROUGHOUT THE YEAR. IN ADDITION, I WOULD LIKE TO RECOGNIZE CENTRAL PAYROLL, CENTRAL ACCOUNTS PAYABLE AND TREASURY, INTEGRAL PARTNERS AND CONTRIBUTORS TO THE AUDIT, AND THE COUNTY INTERNAL CONTROLS AND THE FINANCIAL REPORT.

THIS HAS BEEN MENTIONED ALREADY, BUT THIS YEAR MORE SO THAN ANY OTHER YEAR THAT I CAN THINK OF, WE WERE MET WITH SIGNIFICANT CHALLENGES. JIM MENTIONED THE FACT THAT TWO OF THE STAFF MEMBERS WHO WERE INTEGRAL TO THE PRODUCTION OF THIS REPORT LEFT THE COUNTY RIGHT BEFORE THE END OF THE FISCAL YEAR. AND IN ADDITION TO THAT, WE IMPLEMENTED A NEW CAFR SOFTWARE, AND WE ALSO, AS JIM ALSO ALLUDED TO, IMPLEMENTED THE NEW GASB STANDARDS ON PENSION REPORTING. AND ANY OF THOSE THINGS COULD HAVE DERAILED THIS PROCESS. THE FACT THAT THEY DIDN'T, AND WE WERE ABLE TO COMPLETE THE CAFR WITHIN THE STATUTORY DEADLINES IS A TESTAMENT TO THE DEDICATION OF THE TEAM. I WOULD LIKE TO RECOGNIZE THOSE FOLKS BECAUSE THIS WAS A TEAM EFFORT. I WOULD LIKE TO THANK HOLLY FOR SERVING AS THE INTERIM ACCOUNTING MANAGER FOR THE PAST SEVEN MONTHS.

COLLEEN IS NOT HERE TODAY. HER LEADERSHIP AND PROFESSIONALISM THROUGHOUT THE PROCESS ENSURED THAT WE MET OUR TIMELINES. AND I WOULD ALSO LIKE TO RECOGNIZE OTHER MEMBERS OF MY STAFF WHO CONTRIBUTED TO THIS PROJECT, WHO ARE ALL IN THE AUDIENCE TODAY, AND ERIK --

CHAIR KAFOURY: STAND UP SO WE CAN GIVE YOU SOME APPLAUSE.  
[APPLAUSE]

ERIC, MICHELLE, CORA BELL, HEATHER, RHODA, AND SHANE. THESE FOLKS ARE FANTASTIC.

YEAH. [APPLAUSE] I WANT TO THANK ANNA MARIE FOR THE WORK THAT SHE DID TO HELP US IMPLEMENT GASB 68. THAT WAS TRULY BENEFICIAL TO US.

MR. CAMPBELL: AND AS I SAID, THIS WAS TRULY A TEAM EFFORT. I AM EXTREMELY PROUD OF THESE FOLKS AND FEEL LIKE THEY PROVIDE EXCELLENT SERVICE TO MULTNOMAH COUNTY. JIM ALSO, INTRODUCED YOU TO SAMIE, THE ACCOUNTING MANAGER, RECENTLY HIRED, AND SHE HAS BEEN WITH US FOR A WEEK AND A HALF NOW, AND SAMIE IS NEW TO THE ROLE BUT NOT TO THE COUNTY, AND I WORK WITH SAMIE FOR, WORKED WITH SAMIE FOR MANY YEARS IN THE LATE 1980S AND 1990S, AND WE'RE FORTUNATE TO HAVE HER BACK, AND SHE IS REGARDED VERY HIGHLY AMONG THE FINANCE PROFESSIONALS IN THE STATE. OUR FOCUS HAS BEEN ON THE RESULTS OF THE AUDIT FOR THE FISCAL YEAR INTO, ENDING JUNE 30, 2015 BUT THERE IS, THAT -- BUT THAT OUR CAFR FOR 2014 RECEIVED AN AWARD FOR EXCELLENCE FROM THE GOVERNMENT FINANCE OFFICE ASSOCIATION. THIS AWARD RECOGNIZES STATE AND LOCAL GOVERNMENTS THAT GO BEYOND THE MINIMUM REQUIREMENTS OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO REPAIR REPORTS, EVIDENCE THE SPIRIT OF TRANSPARENCY AND FULL DISCLOSURE. THIS IS PRESENTED TO 3% OF ELIGIBLE GOVERNMENTS EACH YEAR. THE FACT THAT WE RECEIVED THIS AWARD FOR 30 YEARS IS SOMETHING THAT WE SHOULD BE PROUD OF.

MR. LANZARATTA: I WOULD LIKE TO CLOSE BY THANKING THE BOARD, THE AUDIT COMMITTEE, AND DR. MARCH'S OFFICE, FOR YOUR SUPPORT AND LEADERSHIP THROUGHOUT THE YEAR. AND I WOULD BE HAPPY TO TAKE ANY OTHER QUESTIONS THAT YOU HAVE.

CHAIR KAFOURY: THANK YOU. ANY QUESTIONS, OR COMMENTS FROM THE BOARD?

COMMISSIONER SMITH: I DON'T HAVE A QUESTION BUT A COMMENT. I JUST WANT TO SAY THAT THE FINANCE TEAM, YOU ROCK. YOU MAKE US LOOK REALLY, REALLY GOOD. AND IT'S SO IMPORTANT THAT WE HAVE FOLKS WHO UNDERSTAND ALL THE RULES AND REGULATIONS, AND I JUST WANT TO SAY A BIG THUMBS UP TO YOU, TOO, OUR CFO, YOU DO A GREAT JOB AND THANK YOU FOR GETTING TO THE MEAT OF THIS. THANK YOU VERY MUCH.

I WOULD CHIME IN AND SAY, INCREDIBLE TEAM EFFORT. WELL DONE, AND

THANK YOU TO ALL OF YOU WHO SPENT A LOT OF, A LOT OF TIME ON DOING THIS.

THANK YOU.

SAME, SAME, JUST THE SAME, AND I THINK THAT IT IS IMPORTANT THAT WE ALL HAVE SO MUCH WORK, AND WE'RE ALWAYS THINKING ABOUT WHERE ARE WE GOING NEXT AND WHAT DO WE DO NEXT, IT IS IMPORTANT THAT WE TAKE THESE MOMENTS AND JUST CELEBRATE, AND THEN WE'LL MOVE ON. THANK YOU.

CHAIR KAFOURY: COMMISSIONER SHIPRACK.

COMMISSIONER SHIPRACK: IT WOULD BE SOMETHING NOW NOT TO SAY THANK YOU. I REALLY DO APPRECIATE IT, AND IT MAY BE THAT I AM ONE OF THE GROUPS THAT WAITS FOR THE MOVIE, BUT THANK YOU, THANK YOU, THANK YOU FOR THE READ.

CHAIR KAFOURY: WASN'T THAT THE MOVIE?

COMMISSIONER SHIPRACK: THIS IS THE MOVIE.

COMMISSIONER MCKEEL: I WILL JUST JUMP ON AND ADD MY THANKS, AS WELL, AND THANKS TO THE STAFF WHO I APPRECIATE MARK, YOU OUTLINING THE HURDLES YOU HAD TO OVERCOME, SO IT MAKES THIS MOMENT MORE, MAKES IT, MAKES US FEEL MORE APPRECIATIVE, AND THANK THE STAFF FROM MOSS ADAMS, AND I WOULD LIKE TO THANK COURTNEY AND COMMISSIONER MCKEEL AND ALL THE FOLKS IN THE AUDIT COMMITTEE WHO DO TAKE THIS VERY SERIOUSLY. AND SPEND A LOT OF TIME, AUDITOR MARCH, A LOT OF TIME LOOKING THROUGH THE INFORMATION, AND READING THE VERY INTERESTING DOCUMENT, SO THANK YOU TO ALL.

BOARD CLERK: WE HAVE PUBLIC COMMENT.

CHAIR KAFOURY: THANK YOU.

BOARD CLERK: MR. LIGHTNING, PLEASE COME FORWARD.

MR. LIGHTNING: COUNTY PROCEDURES SHOWING TREMENDOUS LOSSES. WHAT I FIND INTERESTING TO KEEP THAT GOOD CREDIT RATING AND TO KEEP THE INVESTORS WANTING TO INVEST IN BONDS, THIS IS GOING TO BE AN INTERESTING SITUATION HERE. MY UNDERSTANDING, YOUR CURRENT PENSIONS ARE NOT ABLE TO GET THE RETURN THAT YOU HAVE STATED THAT YOU NEEDED TO DO. AND IT IS MY UNDERSTANDING, AND MAYBE THE ACCOUNTANTS CAN COME BACK UP HERE AND CORRECT ME, IS THAT YOUR

RETURN IS ABOUT A 1.9%, IF I'M CORRECT. AND YOU'RE NEEDING ABOUT A 7%, IF I'M CORRECT. AND WHEN YOU DON'T GET THAT PROJECTED RETURN, WE'RE ACCRUING TREMENDOUS LOSSES AT THIS TIME THAT WILL GO BACK ON THE BOOKS WHICH INVESTORS ARE GOING TO BE WATCHING VERY CLOSELY.

SO, IF I'M INCORRECT, I DO APOLOGIZE ON THAT. ANOTHER ISSUE I HAVE IS THAT ON THE CAPITAL ASSETS, I'VE STATED NUMEROUS TIMES I WANT TO HAVE REPORTS DONE TO UNDERSTAND EXACTLY WHAT THOSE CAPITAL ASSETS ARE. WHAT THE CURRENT, TODAY'S MARKET VALUATION OF THOSE ASSETS ARE, AND WHEN THEY WERE PURCHASED, AND HOW LONG WE'VE HELD ON TO THESE PROPERTIES AND, AGAIN, WHAT IS OUR INTENT ON DOING WITH THAT PROPERTY? IF WE DON'T HAVE A GOOD INTENT TO USE THAT PROPERTY, LET'S SELL IT. LET'S GET THE HIGHEST VALUE AGAIN AS I HAVE STATED. BRING IN THE PROPER APPRAISERS, REAL ESTATE BROKERS, OBTAIN THAT HIGHEST VALUE, THROW IT BACK INTO THE GENERAL FUND. THREE IT BACK ON THE TAX ROLLS, AND, AGAIN, AS WE ALL KNOW, OUR TAXES, PROPERTY TAXES ARE PAYING A LOT OF THESE PENSIONS.

SO THE MORE THAT WE HAVE ON THE TAX ROLLS, THE BETTER OFF WE'RE GOING TO BE ON THESE PENSIONS THAT I HAVE STATED TO THE CITY OF PORTLAND THAT ARE GOING TO VIRTUALLY SINK US AT THIS TIME. A LOT OF PEOPLE HAVE DISAGREED WITH ME ON THAT. WE ARE STARTING TO SEE THE TRUE ACCOUNTING METHODS PUT FORWARD AND THOSE NUMBERS ARE ASTOUNDING WHEN YOU LOOK AT IT FROM THE SOMEBODY WHO WANTS TO INVEST AND ARE YOU ABLE TO KEEP THE AAA CREDIT RATING THAT YOU CURRENTLY HAVE. MY UNDERSTANDING AT THIS TIME. AND MY BIG POSITION IS ON THESE PENSIONS. MY BIG POSITION IS TO MAKE SURE THAT WE HAVE A PLAN IN PLACE THAT WHEN WE START SEEING THESE LOSSES, WHAT ARE WE GOING TO DO ABOUT IT? AND DON'T TAKE IT OFF OF OTHER SERVICES TO COVER THESE PENSIONS IS MY POSITION.

DO NOT TAKE IT OFF OF OTHER CURRENT SERVICES WE'RE FUNDING TO COVER THESE PENSIONS. THANK YOU.

CHAIR KAFOURY: THANK YOU. ALL OF THOSE IN FAVOR VOTE AYE? [CHORUS OF AYES]

CHAIR KAFOURY: THE RESOLUTION IS ADOPTED.

**R.4 BUDGET MODIFICATION DCHS-14-16 ADDING A NEW FULL-TIME PROGRAM SPECIALIST SENIOR POSITION IN THE DEPARTMENT OF COUNTY HUMAN SERVICES. PRESENTER: LEE GIRARD, MANAGER SENIOR – ADVSD COMMUNITY SERVICES**

SO MOVED.

SECOND.

CHAIR KAFOURY: COMMISSIONER SHIPRACK MOVES, COMMISSIONER BAILEY SECONDS APPROVAL OF R-4. GOOD MORNING.

MS. GIRARD: GOOD MORNING. GOOD MORNING CHAIR KAFOURY AND BOARD MEMBERS. LEE GIRARD. AND I'M HERE THIS MORNING SEEKING YOUR AFROFL TO MEND OUR FISCAL YEAR '16 BUDGET ADDING THIS NEW PERMANENT PROGRAM SPECIAL SENIOR POSITION AND ELIMINATING A -- WHAT WE CURRENTLY HAVE IN OUR BUDGET, A LIMITED DURATION PROGRAM SPECIALIST, SENIOR POSITION. THE WORKING TITLE FOR THE POSITION IS LONG-TERM CARE INNOVATOR AGENT.

AND THE LAST BIENNIUM, OREGON DEPARTMENT OF HUMAN SERVICES PROVIDED PILOT FUNDING TO OUR DIVISION FOR THIS POSITION. AND WE WERE -- WE AND OTHERS ACROSS THE STATE WERE FORTUNATE THAT IN THIS YEAR, THE DEPARTMENT OF HUMAN SERVICES CONTINUED THAT FUNDING ONGOING AS PART OF THEIR ONGOING ALLOCATION TO US. THE POSITION IS RESPONSIBLE FOR A STRATEGIC PLANNING AND SERVES AS A CONNECTER ROLE BETWEEN THE MEDICAID LONG-TERM CARE SYSTEM AND THE COORDINATED CARE ORGANIZATIONS AND THE HEALTH SYSTEMS STAKEHOLDERS WHO ARE INVOLVED AND RESPONSIBLE FOR HEALTH CARE TRANSFORMATION IN OUR PORTLAND METRO REGION. THE POSITION FACILITATES THE IMPLEMENTATION OF A STATE-MANDATED MEMORANDUM OF UNDERSTANDING BETWEEN THE COORDINATED CARE ORGANIZATIONS AND THE MEDICAID LONG-TERM CARE PROGRAMS ENSURING ACCOUNTABILITY FOR OUTCOMES AND FOR TIMELINES BUDGET MODIFICATION, BUDGET NEUTRAL AS THE FUNDING IS ALREADY IN OUR ADOPTED BUDGET. SO, IF YOU HAVE ANY QUESTIONS FOR ME.

CHAIR KAFOURY: ANY QUESTIONS? ALL RIGHT.

GOOD NEWS, THANK YOU. ALL OF THOSE IN FAVOR VOTE AYE. [CHORUS OF AYES]

CHAIR KAFOURY: THE BUDGET MODIFICATION IS APPROVED.

THANK YOU.

**BOARD COMMENT**

BC.1 OPPORTUNITY AS TIME ALLOWS, FOR THE COMMISSIONERS TO PROVIDE COMMENT ON NON-AGENDA ITEMS.

CHAIR KAFOURY: THANK YOU. AND NOW WE HAVE COME TO THE TIME ON OUR BOARD CALENDAR AGENDA WHERE WE CAN TALK ABOUT NON-AGENDA ITEMS. DOES ANYBODY HAVE ANY COMMENTS?

COMMISSIONER MCKEEL.

COMMISSIONER MCKEEL: I SHOULD HAVE. HAPPY VALENTINE'S DAY. AND THANK YOU TO LINDA FOR OUR GOODIES HERE.

CHAIR KAFOURY: ANYONE ELSE?

COMMISSIONER SHIPRACK: WELL, I AM GOING TO COMMENT THAT I HAVEN'T HEARD THE OREGON STATE SONG FOR A LONG TIME, AND I ACTUALLY KIND OF ENJOYED HEARING IT. AND I DO -- AND I DO WANT TO SAY THAT I HAVE ASKED DOWN THE LINE TO UNDERSTAND BETTER WHAT THE COST TO THE COUNTY OF 77 DAYS OF INCARCERATION MIGHT BE AND I THINK IT IS JUST -- I WANT TO SEE IF WE CAN GET A LITTLE BIT OF LEMONADE HERE PERHAPS FROM A DIFFICULT, MAYBE CHALLENGING EXPERIENCE THIS MORNING. BUT I GUESS THERE IS A CHOICE THAT WE MIGHT BE ABLE TO MAKE BETWEEN WHAT ACTUALLY HAPPENED TO THE GENTLEMAN WHO WE HEARD FROM THIS MORNING AND WHAT MIGHT BE A MORE DIRECT AND POSSIBLY EVEN LESS EXPENSIVE WAY OF ADDRESSING WHAT THE PROBLEMS THAT PRESENT THEMSELVES ACTUALLY ARE. SO, I WANT TO SAY THAT THERE IS -- I WAS PLEASSED WITH YOUR GRACIOUSNESS, MADAM CHAIR. I THINK THAT EVERYBODY'S PATIENCE WAS A LITTLE BIT TESTED. BUT, AGAIN, NOT IN A COMPLETELY UNWORTHWHILE WAY, HOPEFULLY.

CHAIR KAFOURY: THANK YOU. ALL RIGHT.

THANK YOU. AND SEEING NO FURTHER BUSINESS, WE ARE ADJOURNED. OH, SORRY. OKAY. APPARENTLY WE ARE NOT ADJOURNED RIGHT YET. DO WE NEED TO --

COMMISSIONER SMITH: MADAM CHAIR, I WANTED TO GET THE INFORMATION -- I WANTED TO BRING MOSS ADAMS BACK BECAUSE -- WE GOT SOME PUBLIC TESTIMONY THAT I WANTED TO MAKE SURE -- CAN YOU COME UP, PLEASE?

CHAIR KAFOURY: DO WE NEED TO REOPEN -- WE ALREADY VOTED ON IT. JUST A SECOND.

MS. MADKOUR: WE DID ALREADY VOTE ON THIS ITEM. THIS IS THE TIME FOR THE COMMISSIONERS TO MAKE COMMENTS.

COMMISSIONER SMITH: RIGHT, BUT, I DON'T WANT TO REVOTE ON IT. I'M CLEAR ON THAT. I JUST WANT TO GET INFORMATION THAT WOULD CLARIFY WHAT HE SAID.

CHAIR KAFOURY: I'M SORRY, I WANT TO MAKE SURE. I'M NOT HOW WE CAN DO THIS PROCEDURALLY. PROCEDURALLY WE HAVE CONCLUDED THAT MATTER AND VOTED ON IT. THIS IS THE TIME NOW THAT WAS SCHEDULED JUST FOR THE COMMISSIONERS TO MAKE COMMENTS. SO, IT IS NOT WITHIN THE ORDER OF BUSINESS THAT WE WOULD ACCEPT ADDITIONAL PUBLIC TESTIMONY WITHOUT REOPENING THE MEETING AND HAVING A MOTION AND GOING THROUGH THAT WHOLE PROCESS AGAIN.

COMMISSIONER SMITH: THANK YOU. THE ONLY REASON WHY I SAY THAT I DIDN'T WANT HIM TO HAVE TO COME BACK AND IT WAS VERY IMPORTANT THAT I ASK THE QUESTION AROUND THE 1.9% AND IF IT IS TRUE THAT PERS IS BASICALLY -- THAT THEY'RE BASING THEIR RETURNS ON A 7%, AND I WANTED TO MAKE SURE THAT I HAVE THE ABILITY TO TALK ABOUT THIS.

MS. MADKOUR: COMMISSIONER YOU ABSOLUTELY HAVE THE ABILITY TO ASK THAT QUESTION JUST AS OTHER COMMISSIONERS SOMETIMES ASK QUESTIONS DURING THIS PORTION. ASK THE QUESTION AND WE CAN FOLLOW UP AFTER THE MEETING WOULD BE THE NORMAL ORDER OF BUSINESS.

WE CAN'T HAVE THEM ANSWER THE QUESTION HERE.

COMMISSIONER SMITH: THEY CAN'T ANSWER THE QUESTION. BUT I CAN SAY I WOULD LOVE FOR YOU TO COME BACK TO BE ABLE TO ANSWER THAT QUESTION JUST SO THAT FOLKS KNOW THAT THIS IS AN ISSUE. THANK YOU.

AT YOUR SERVICE.

CHAIR KAFOURY: THANK YOU.

COMMISSIONER SMITH: MADAM CHAIR, I WOULD LIKE TO SAY THAT MY SON'S BIRTHDAY WAS YESTERDAY AND I WANT TO SAY HAPPY BIRTHDAY JORDAN, I LOVE YOU.

CHAIR KAFOURY: HAPPY BIRTHDAY TO JORDAN.

AND NOW THAT WE HAVE NO FURTHER BUSINESS, WE ARE ADJOURNED.  
[GAVEL POUNDED]

**ADJOURNMENT – 11:01 AM**

ALL RIGHT. HAVING NO FURTHER BUSINESS, WE ARE ADJOURNED.

[THESE MINUTES UTILIZE THE REAL-TIME TRANSCRIPT PRODUCED BY LNS CAPTIONING AND MAY INCLUDE ERRORS DUE TO MISHEARING, TECHNICAL DIFFICULTIES AND/OR THE STENOTYPE DICTIONARY SOFTWARE.]

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