

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-007**

Authorizing the County to Make an Internal Loan from the Risk Management Fund to the Building Project Fund in the Amount of \$388,000 to Purchase Election Equipment

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

- a. The Elections Division of Department of Business and Community Services has an opportunity to replace all of their ballot readers.
- b. There are number of reasons to take advantage of this opportunity:
  - i. New readers have fewer problems with folded ballots so scanning goes smoother. Processing is more efficient and faster.
  - ii. Current ballot size is limited to 14 inches. New system reads ballots up to 19 inches. In November, 2000, having a larger ballot would have eliminated the need for two ballots.
  - iii. With the current system, voters must mark their ballots using pencil only. Sometimes voters use pens which result in extra time taken by inspection teams to enhance the ballot so the voters' intent can be determined by the readers. The new system will allow voters to use pen or pencil.
  - iv. With the new system, the ballot counting vendor (ES&S) will provide an interface with our Election Management System vendor (DFM) so that programming an election will not require entering data twice. The potential for errors is reduced and proofreading is cut in half.
  - v. New Federal Election Reform legislation will cause a mad rush of upgrades and vendors will be swamped. Their ability to keep up with orders and meet demand will be hampered. Since most counties are waiting for the legislation, orders for new hardware have fallen off and the vendors are willing to make good deals. The sooner we can place an order for these new machines, the sooner they will be installed and the better price we can get.
- c. The total cost of the replacement will be \$588,000. This includes the hardware, software, installation and training and delivery. The company, ES&S, will provide us a trade in allowance of \$100,000, bringing the cost down to \$488,000. An additional \$100,000 can be provided out of current revenues to bring the total loan down to \$388,000.

- d. During the 1999 legislative session, Local Budget Law was changed to allow for internal loans between funds as long as the proceeds of the loan were being used for capital acquisitions, the loan was repaid within a 5 year time frame and the Governing body approves the loan.
- e. The Risk Management Fund has approximately \$12 million in cash available that is required to cover medical, workers compensation and liability insurance liabilities but the actual cash will not be needed within this 5 year time frame.
- f. The Budget Office and Finance have reviewed this approval and recommend that the Board authorize the loan of \$388,000 for a five year period at an annual interest rate of 3.5%. The annual loan repayment amount from the Elections Division budget will be \$86,000 per year for five years. The first payment will be due in fiscal year 2003/2004. This action will allow the Election Division to reduce its budget by \$34,000 in fiscal year 2003/2004 without reducing services. After the loan is repaid in five years the Election Division will be able to return an additional \$86,000 per year thereafter.

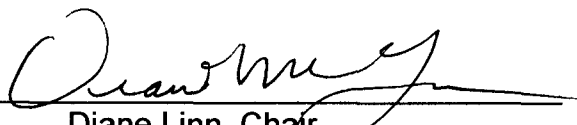
**The Multnomah County Board of Commissioners Resolves:**

- 1. The County authorizes the Finance Director to make the necessary accounting transactions to loan \$388,000 from the Risk Management Fund to the Building Projects Fund to acquire the election equipment.
- 2. The Elections Division will reimburse the Risk Management Fund including interest at 3.5% per annum in the amount of \$86,000 each year for five years beginning in fiscal year 2003-2004.
- 3. The Finance Director will include appropriate service reimbursements in future budgets to ensure the Risk Management Fund is repaid.

ADOPTED this 9th day of January, 2003.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane Linn, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Assistant County Attorney