

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Thursday, December 12, 2013**

**REGULAR MEETING**

Acting Chair Marissa Madrigal convened the meeting at 9:36 a.m. with Commissioners Liesl Wendt, Loretta Smith and Diane McKeel present. Vice-Chair Judy Shiprack was excused.

Also attending were Jenny M. Madkour, County Attorney, and Marina Baker, Assistant Board Clerk.

**CONSENT AGENDA**

- C.1 BUDGET MODIFICATION NonD-07 Reclassifying a Management Auditor to Management Auditor Sr. as Determined by Central Human Resources Classification Compensation Unit
- C.2 Authorizing Expenditures for Approved FY 2014 Program Offers
- C.3 BUDGET MODIFICATION # DCJ-11 Reclasses a Vacant Clinical Coordinator to a Community Justice Manager in the Adult Services Division

Upon motion made by Commissioner Smith and seconded by Commissioner McKeel, the consent calendar was unanimously approved.

**PUBLIC COMMENT**

Opportunity for Public Comment on non-agenda matters. Testimony limited to three minutes per person unless otherwise designated by the presiding officer.

Testimony was given and received for the record.

**REGULAR AGENDA**

- R.1 Public Hearing and 1st Reading ORDINANCE Section 11 County Code Reflect Changes Related to the Visitors Development Initiative. Presenter: Mark Campbell, CFO.**

Commissioner McKeel moved and Commissioner Smith seconded approval of R.1.

Mr. Campbell explained that this Ordinance amends Multnomah County Code, Chapter 11 and removes unnecessary language and makes minor housekeeping changes to bring the County code into closer conformity with the City of Portland ("City") code. The original agreement was entered into in FY 2001, since then, a number of changes have occurred, or are proposed to occur, to business operations and debt obligations. Significant changes from the original agreement include:

- The County and City will receive an allocation from the Visitor Facilities Trust Account (VFTA)
- An allocation formerly paid to Tri-Met for the extension of “Fareless Square” will be redirected to a “Convention Visitor Public Transit Pass” program.
- New language in the agreement clarifies the City’s ability to refinance bonds issued for renovations at Jeld-Wen Field and directs how savings from a refinancing are allocated.
- Metro intends to issue, upon execution of a development agreement, up to \$60 million of revenue bonds in support of the Oregon Convention Center hotel project. These bonds are the major source of public funding for the project. Debt service payments will be supported by Transient Lodging Tax revenues generated by the hotel.
- Financial stability of the VFTA through the creation of two dedicated reserves and the creation of a Financial Review Team.

Mr. Campbell explained that the County will receive \$250k in FY 2014 to fund operations and capital improvements. In FY 2015, funding increases to \$500k, and further increases occur until the allocation equals \$1M per year. He responded to Board questions and comments.

Public testimony was given and received for the record.

The first reading was unanimously approved, and the second reading is scheduled for December 19, 2013.

**R.2 Board Briefing on the County’s Audited Financial Statements and External Audit Reports Along with the Auditor Recommendations to Management. Presenters: Steve March, County Auditor; Mark Campbell, CFO; Jim Lanzarotta, Samantha McClanahan, Micah Clinger, and Steve Sharpe from Moss Adams.**

Dr. March provided the opening remarks. Mr. Lanzarotta introduced the Moss Adams staff.

Ms. McClanahan discussed the services Moss Adams provided to the County, including: audit of financial statements; testing the County’s internal controls, Oregon Legal Compliance and Federal Grant requirements; a technical review of the County’s Comprehensive Annual Financial Report; and assessing the County’s technology environment.

Mr. Clinger reviewed their audit opinion and reports, which include: unmodified opinion; report on State Legal Compliance; report on compliance and internal controls required by Government Audit Standards and the Major Federal Grant Programs.

Mr. Sharpe explained that Moss Adams didn’t encounter corrected/uncorrected misstatements, significant difficulties in the audit, or any disagreements with management. He discussed prior year observations addressed and resolved by management and the current year observations and recommendations, including: the use of FY 2012 labor rates on bridge projects; timely publication of budget committee meeting notice; budgetary over expenditure; notification to State Treasurer of bank account changes; authorized signers on County bank accounts; and deployment of County Asset Tags. He commended County management on their overall proactive response.

Mr. Lanzarotta spoke about new accounting and auditing standards and their impact on these kinds of reports.

Mr. Campbell thanked Moss Adams and County staff for their hard work.

The presenters responded to Board questions and comments. The Board thanked them for the report.

**R.3 RESOLUTION Acknowledging Receipt of the Multnomah County Comprehensive Annual Report (CAFR) for the Fiscal Year Ended June 30, 2013 and Describing Corrective Action as Prescribed in State Statute. Presenter: Steve March, County Auditor.**

Dr. March explained that approval of this item is not necessary, since it is correctly addressed in item R.4. He requested for this item to be postponed indefinitely.

Commissioner McKeel moved and Commissioner Smith seconded approval to postpone R.3 indefinitely. The postponement was unanimously approved.

**R.4 RESOLUTION Acknowledging a Budget Violation Incurred in Fiscal Year 2013 and describing the Sheriff's Office Corrective Action Plan as prescribed in ORS 297.466. Presenters: Sheriff Daniel Staton and Chief Deputy Drew Brosh.**

Commissioner Smith moved and Commissioner Wendt seconded approval of R.4.

Sheriff Staton explained that the budget violation in the General Fund was primarily due to an unprecedented increase in personnel overtime costs due to suicide watch hour requirements for the Corrections Division which was not adequately identified in FY forecasts. For FY13, the suicide watch totaled 13,000 hours above the budgeted hours which cost roughly \$1 million dollars in unbudgeted overtime expenditures.

In order to prevent future occurrences of noncompliance, the MCSO management has implemented both financial and operational reporting, is conducting formal monthly reviews of expenditures and revenues to ensure potential over-spending is identified early allowing time to develop a corrective action plan or take other necessary measures.

Sheriff Staton and Chief Deputy Brosh responded to Board questions and comments.

Testimony was given and received for the record.

Resolution No. 2013-165 was unanimously adopted.

**R.5 Budget Reallocation – Mid County Health HVAC Improvement Project (CP10.13.26) - FPM14-02. Presenters: John Lindenthal & Greg Hockert.**

Commissioner McKeel moved and Commissioner Smith seconded approval of R.5.

Mr. Lindenthal made the opening remarks. Mr. Hockert explained that this project will modify existing HVAC systems and allowing variation air flow and temperature to be directed to specific areas in the building based on the needs of the clients and health department staff. This budget reallocation will move \$150k from the Asset Preservation Projects Future Asset Preservation Projects line to the Mid-County Health HVAC Improvement Project. These funds were a part of the FY 2014 funds for future projects in the Capital program plan.

Messrs. Lindenthal and Hockert responded to Board questions and comments.

The Budget Reallocation was unanimously approved.

**R.6 BUDGET MODIFICATION DCHS14-23 Increasing Department of County Human Services Aging and Disability Services Division Federal/State Fund appropriation by \$2,286,409. Presenters: Peggy Brey, ADS Division Director.**

Commissioner Smith moved and Commissioner Wendt seconded approval of R.6.

Ms. Brey explained that Oregon's Legislatively Approved Budget provided significant strategic investments in Aging and Persons with Disability programs for the 2013-2015 biennium and resulted in increased funding for Medicaid staffing in ADSD. This additional revenue funds Area Agencies on Aging at 95% equity, adds positions to accommodate for increased workloads and caseload growth, and increases program capacity to reduce nursing facility census through transition and diversion of clients from nursing facilities to community based settings. ADS is requesting to increase the Medicaid appropriation by \$2,286,409 to the FY2014 fiscal year budget and add a total of 27.07 FTE (46.40 FTE annualized). The budget increase will provide additional funds for Medicaid staffing, including direct service, support and supervisory positions, along with associated services and supply needs.

Ms. Brey responded to Board questions and comments.

BudMod DCHS14-23 was unanimously approved.

**R.7 BUDGET MODIFICATION: DCHS14-25 Increasing the Department of County Human Services Aging and Disability Services Division Federal/State fund appropriation by \$360,973. Presenters: Lee Girard, Manager Senior & Peggy Brey, ADS Division Director.**

Commissioner Wendt moved and Commissioner Smith seconded approval of R.7.

Ms. Girard explained that the County was awarded additional funding by the Oregon Legislature for Oregon Project Independence (OPI), in the amount of an additional \$1,477,918 for the 2013-15 biennium and \$738, 959 for FY 2014.

She said these funds will be used to cover increases in provider rates for OPI Home Care Workers, add services for clients who are currently underserved and open the program for new individuals who are currently on a prioritized wait list. The additional funding will increase contracted services and add two FTE limited duration positions to assist with implementing services to new clients. These funds are currently one-time-only.

Ms. Girard responded to Board questions and comments.

BudMod DCHS14-25 was unanimously approved.

**R.8 Board Briefing on the Alternative Payment Methodology (APM) Pilot Project. Presenters: Joanne Fuller, Interim Director, Health Department; Wendy Lear, Director Business Operations; Vanetta Abdellatif, Director Integrated Clinical Services.**

Mses. Fuller, Abdellatif and Lear explained that the Alternative Payment Methodology (APM) pilot project will move the Health Department's (MCHD), Federally Qualified Health Care (FQHC) reimbursement method away from the current payment for per patient visit. APM provides per member per month payment, based on patient assignment and engagement. MCHD clinics are expected to adopt this system in April 2014. APM allows operational flexibility to achieve the triple aim (care, health and cost) and will improve cash flow as providers will be paid up front for their assigned patients. APM does not increase overall funding for MCHD.

Ms. Fuller said it also increases risk for providers as clients must be assigned and engaged in order for payment to be made. With Medicaid expansion underway, the County should expect competition for insured patients from other health systems and needs to maintain high quality care and increase patient engagement efforts.

The presenters responded to Board questions and comments. The Board thanked them for their presentation.

**R.9 Informational Briefing on Portland Brownfield Redevelopment Assessment. Presenter: Tom Armstrong & Tyler Bump, Senior Planners, City of Portland.**

Messrs. Armstrong and Bump explained that Brownfields are real property, where the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of hazardous substances. They reviewed the benefits and barriers to redeveloping brownfields; their regional employment and revenue potential; the brownfields inventory and typologies; and, the payback period for public investment. They discussed policy tools, their summary of findings and recommended next steps to follow.

The presenters responded to Board questions and comments. The Board thanked them for their presentation.

## **BOARD COMMENT**

BC.1 Opportunity as time allows, for the Commissioners to provide comment on non-agenda items.

Comments pertaining to non-agenda items were made by the Board and noted in the record.

## **ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:13 p.m.

**The minutes reflect the actions of the Board. For more detail, you are welcome to view the presentation material and/or**

**video at: [http://multnomah.granicus.com/ViewPublisher.php?view\\_id=3](http://multnomah.granicus.com/ViewPublisher.php?view_id=3)**

Submitted by:

Lynda J. Grow, Board Clerk and  
Marina Baker, Assistant Board Clerk  
Board of County Commissioners  
Multnomah County