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DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

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January 14, 2016

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Declaration of Intent to Reimburse the County and its Partner
Emergency Responder Agencies for Expenditures Related to the
Replacement and Upgrade of the C800 Emergency Radio System and Necessary Components

Purpose/Outcomes	Declares the intent for Clackamas County to reimburse itself and its partners for the purchase of an emergency radio system to replace aging and outdated systems.
Dollar Amount and Fiscal Impact	The maximum value of the bonds is up to \$58.7 million. Estimated cost per \$1,000 of Assessed Value will be \$0.10 annually. No funding from the County is required other than that regularly budgeted in the Sheriff's Office budget.
Funding Source	Tax-exempt General Obligation bonds/debt obligations.
Duration	15 years.
Previous Board Action	The latest policy session on this issue was held October 6, 2015 with the Board of Commissioners at which time the Board instructed staff to begin work toward placing a measure on the May 2016 ballot on C800's behalf per their request.
Strategic Plan Alignment	This action aligns with the following Board strategic priorities: <ul style="list-style-type: none"> • Build Public Trust through Good Government: supports and assists a cooperative effort among multiple agencies and two counties to best serve the public in emergencies • Build a Strong Infrastructure: replacement and upgrade of the emergency responder radio system will provide better resiliency and more effective infrastructure • Ensure Safe, Healthy and Secure Communities: anticipated new infrastructure resulting from the bond proceeds and reimbursements will better allow emergency responders to provide safe and secure communities for all residents of Clackamas County
Contact Person	Laurel Butman, Deputy County Administrator, 503-655-8893 Marc Gonzales, Finance Director, 503- 742-5405

Background:

Clackamas County has been asked by the Board of Directors of the C800, an ORS 190 agency which provides emergency communications in Clackamas County, to place a measure on the May 2016 ballot, to submit a question asking voters to approve a countywide General Obligation Bond levy to finance the replacement of the emergency radio system and necessary components thereof. The proposed debt issuance would total approximately \$58.7 million.

The current radio system which serves Clackamas County first responders including the County Sheriff, City Police Departments, Fire Districts, Central Dispatch Agencies, and Emergency Medical Responders, was built in 2000 utilizing technology that had been developed during the 1990's. The system, which is on the verge of obsolescence and prone to unpredictable failures, is under vendor support only until 2017. Many system components are no longer manufactured.

In order to replace the current system with modernized radios and needed supporting infrastructure, C800 has been working with WCCCA, the agency in Washington County which jointly owns and runs this aging technology for emergency dispatch and communications, to create a reliable update to the systems which benefit both Counties.

At the request of C800, Clackamas County plans to place the question before the voters in anticipation of approval to issue General Obligation debt to finance the County's portion of this replacement project. Washington County is also pursuing a General Obligation bond on the same timeline for its portion of the project.

This project, if voter-approved for financing, will provide the County and its residents with a reliable and up to date system of emergency radio communications that will interact cooperatively with Washington County's compatible technology to continue the joint system. The solution will be viable well into the future.

The County will be the issuer of this debt and the debt service will be provided through a voter approved levy estimated to cost about \$25.30 per year for the average household.

The Board is asked to authorize the Chair of the Clackamas County Board of Commissioners and the County's Finance Director to make a declaration of the County's intent to reimburse itself and its partners in the project for eligible expenditures it makes for the project with the proceeds of the bonds, pursuant to Section 1.150-2 of the Federal Income Tax regulations.

Recommendation:

Staff respectfully recommends that the Board approve the attached Declaration of Intent to Reimburse.

Respectfully submitted,

Marc Gonzales
Finance Director

A Declaration of the Board of
County Commissioners Regarding
Its Intent to Reimburse Expenditures
Related to Emergency Responder
Communications Equipment
and Infrastructure

Order No.
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WHEREAS, the Board of County Commissioners (“BCC”) is desirous of proposing a general obligation bond to the voters of Clackamas County on behalf of the Clackamas 800 Radio Group (“C800”) to support capital needs of emergency responders, as requested by the collective offices of fire, ambulance and law enforcement agency members of C800 (the “Partners”); and

WHEREAS, Section 1.150-2 of the Federal Income Tax Regulations generally provide that governmental units may not use the proceeds of tax-exempt obligations to reimburse certain kinds of expenditures, unless the expenditures were paid no more than sixty days before the date the governmental unit officially declared its intent to reimburse the expenditures from the proceeds of future debt obligations; and

WHEREAS, the County intends to collaborate with the Partners to most efficiently and effectively utilize the proceeds of a debt sale to best meet the goals of the Project (as defined below); and

NOW THEREFORE, IT IS HEREBY DECLARED THAT the County intends to use up to \$58.7 million of tax-exempt general obligation bonds or other tax-exempt debt obligations (the “Bonds”) to reimburse expenditures for costs of a new radio system and related facilities or equipment that will be used by public safety agencies and responders operating in Clackamas County (the “Project”);

AND FURTHER THAT the County reasonably expects to spend funds, either by County or Partner entities, on the Project before the Bonds are issued, to issue the Bonds, and to reimburse County expenditures from Bond proceeds when the Bonds are issues.

The County acknowledges that: (1) Bond proceeds must be used to reimburse an expenditure no later than the later of (a) 18 months after the date of the expenditure or (b) 18 months after completion of the projects to which such expenditures relates but in no event later than three years after the date of such expenditure; and (2) Expenditures made more than sixty (60) days prior to the date of this declaration may not be reimbursed with Bond proceeds.

These limitations do not apply to reimbursement of “preliminary expenditures” in an amount not exceeding 20% of the Bond proceeds. “Preliminary expenditures” include: architectural, engineering, surveying, soil testing and similar costs incurred prior to commencement of acquisition, construction or rehabilitation of the projects, other than land acquisition, site preparation and similar costs incident to commencement of construction. In addition, de minimus expenditures (the smaller of \$100,000 or five percent to the Bonds) are not subject to these limitations.

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This Declaration shall serve as the official declaration of the County's intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations to reimburse itself and its Partners for expenditures made for the Project with the proceeds of the Bonds. This Declaration shall be maintained in the public records of the County.

DATED the 14th day of January, 2016.

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary