

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)	ORDINANCE NO. 01-923A
FISCAL YEAR 2001-2002 BUDGET AND)	
APPROPRIATIONS SCHEDULE OF THE)	
REHABILITATION AND ENHANCEMENT)	
FUND FOR THE PURPOSE OF FUNDING)	Introduced by Mike Burton,
A GRANT TO THE PENINSULA)	Executive Officer
CHILDREN'S CENTER)	

WHEREAS, The policy of the North Portland Enhancement committee is to preserve the Rehabilitation and Enhancement Fund principal and to generally use only the interest from its principal fund balance to fund enhancement projects, and

WHEREAS, If on a rare occasion a grant request comes before the committee that will significantly benefit the community, the committee may in a separate process request that the Council approve a loan or remove monies from the principal account, and

WHEREAS, on three previous occasions projects have been presented to the committee which they have felt warranted the expenditure of a portion of the fund's principal, two of which were reimbursed, and

WHEREAS, the Portland Children's Center requested a \$100,000 grant from the North Portland Enhancement Committee's principal fund account to add to the required match of \$250,000 challenge grant from the Bill & Melinda Gates Foundation toward raising the \$500,000 necessary to finish purchasing their building. This would free \$50,000 annually from their loan and interest payments to go towards stabilizing existing programs and services, and

WHEREAS, The North Portland Enhancement committee unanimously agreed to make an advance on the fund's principal account to fund this worthy project by entering into a grant contract with Peninsula Children's Center, and

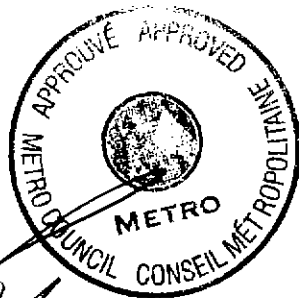
WHEREAS, The Ordinance was submitted to the Executive Officer for consideration and was forwarded to the Metro Council for approval of transferring appropriations within the FY 2001-2002; and

WHEREAS, The Metro Council has reviewed the need and justification to transfer appropriations within the FY 2001-2002 Budget, and; now therefore,

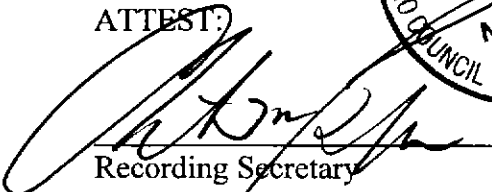
THE METRO COUNCIL ORDAINS AS FOLLOWS:

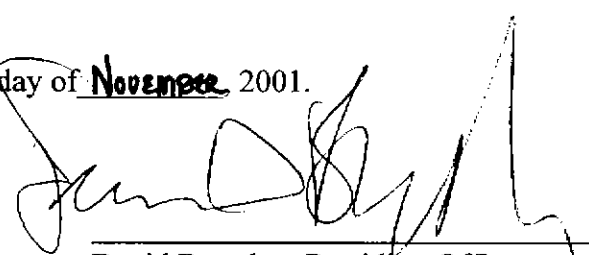
1. That the FY 2001-2002 Budget and Appropriations Schedule is hereby amended as shown in Exhibits "A" and "B" to this Ordinance for the purpose of transferring \$100,000 from the Rehabilitation & Enhancement Fund Contingency to Materials and Services to fund a \$100,000 Metro grant contract No. 923247 with the Portland Children's Center as part of their match for the Bill and Melinda Gates Foundation challenge grant.
2. ~~The North Portland Enhancement Committee granted \$100,000 to Peninsula Children's Center, which is a \$100,000 draw on the principal account. The North Portland Enhancement Committee has committed to forgo granting \$5,000 plus interest for the 14 years necessary to recoup the \$100,000 to their principal account starting July 1, 2002 until June 30, 2016.~~ That the 2001-2002 Budget Notes set forth in Appendices, Volume 1 at page A-21 of the Budget are amended to add the Budget Note as shown in Exhibit C of this Ordinance.

ADOPTED by the Metro Council this 15th day of November 2001.



ATTEST:


Recording Secretary


David Bragdon, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

**Exhibit A
Ordinance No. 01-923A**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<i>Materials & Services</i>							
NORTH PORTLAND ENHANCEMENT ACCOUNT							
GOODS	<i>Goods</i>						
5201	Office Supplies		450		0		450
SVCS	<i>Services</i>						
5240	Contracted Professional Svcs		96,000		100,000		196,000
5280	Other Purchased Services		1,000		0		1,000
OTHEXP	<i>Other Expenditures</i>						
5455	Staff Development		500		0		500
METRO CENTRAL ENHANCEMENT ACCOUNT							
GOODS	<i>Goods</i>						0
5201	Office Supplies		450		0		450
SVCS	<i>Services</i>						
5240	Contracted Professional Svcs		280,599		0		280,599
5280	Other Purchased Services		1,000		0		1,000
OTHEXP	<i>Other Expenditures</i>						
5455	Staff Development		500		0		500
FOREST GROVE ACCOUNT							
IGEXP	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		60,013		0		60,013
OREGON CITY ACCOUNT							
IGEXP	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		172,222		0		172,222
Total Materials & Services			\$612,734		\$100,000		\$712,734
Total Interfund Transfers			\$43,050		\$0		\$43,050
<i>Contingency and Ending Balance</i>							
CONT	<i>Contingency</i>						
5999	Contingency						
	* North Portland		200,000		(100,000)		100,000
	* Metro South		25,000		0		25,000
	* Metro Central		50,000		0		50,000
	* Forest Grove		25,000		0		25,000
UNAPP	<i>Unappropriated Fund Balance</i>						0
5990	Unappropriated Fund Balance						0
	* North Portland		1,667,206		0		1,667,206
	* Metro Central		131,074		0		131,074
Total Contingency and Ending Balance			\$2,098,280	\$0	(\$100,000)	\$0	\$1,998,280
TOTAL REQUIREMENTS			\$2,754,064	\$0	\$0	\$0	\$2,754,064

Exhibit B
Ordinance No. 01-923A
FY 2001-02 SCHEDULE OF APPROPRIATIONS

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Amended Appropriation</u>
REHABILITATION & ENHANCEMENT FUND			
Materials & Services	\$612,734	100,000	\$712,734
Interfund Transfers	43,050		43,050
Contingency	300,000	(100,000)	200,000
Unappropriated Balance	1,798,280		1,798,280
Total Fund Requirements	\$2,754,064	\$0	\$2,754,064

ALL OTHER APPROPRIATIONS REMAIN AS PREVIOUSLY ADOPTED

EXHIBIT C

Budget Note

The Metro Council acknowledges that during FY 2001-02, the North Portland Enhancement Committee recommended granting \$100,000.00 to the peninsula Children's Center by means of advancing funds from the principal of the North Portland Enhancement Account. The North Portland Enhancement Committee has committed to restore the \$100,000.00 amount advanced from principal by means of deducting from the amounts that otherwise would be available annually for grants and awards the sum of \$5,000 per year, together with compounding interest thereon, in each of the 14 fiscal years beginning on July 2, 2002, and continuing to the fiscal year ending June 30, 2016.

SOLID WASTE AND RECYCLING COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO. 01-923A, FOR THE PURPOSE OF AMENDING THE FISCAL YEAR 2001-02 BUDGET AND APPROPRIATIONS SCHEDULE OF THE REHABILITATION AND ENHANCEMENT FUND FOR THE PURPOSE OF FUNDING A GRANT TO THE PENINSULA CHILDRENS CENTER

Date: November 9, 2001

Presented by: Councilor Burkholder

Committee Recommendation: At its November 7 meeting, the Committee considered Ordinance No. 01-923 and voted unanimously to send the ordinance, as amended, to the Council for adoption. Voting in favor: Councilors McLain, Monroe and Chair Atherton.

Background: The Metro solid waste tip fee has historically included a \$.50/ton enhancement fee. Proceeds from this fee have been used to fund worthy projects near various disposal and transfer facilities. Enhancement fees collected at the St. Johns Landfill prior to its closure were allowed to accumulate resulting in creation of a fund with a principal balance of \$1.9 million.

The North Portland Enhancement Committee is a citizen committee authorized by the Metro Code to oversee the use of the funds accumulated from the landfill enhancement fee. In recent years, the committee has distributed the interest from the funds collected at St. Johns as grants to worthy programs and projects located in a designated geographic area near the old landfill.

Committee Discussion: Katie Dowdall, Enhancement Program Manager and Councilor Burkholder, chair of the North Portland Enhancement Committee, presented the staff report. Councilor Burkholder noted that the ordinance would amend the current year's budget to allow the committee to make a grant directly from the fund balance. A budget amendment is needed because such a grant was not envisioned when the budget was adopted. He noted that usually the committee only allocates the fund interest (about \$100,000 annually). It has used its fund principal only three times in the past and that two of these were loans that have been repaid.

The proposed grant would be for \$100,000 to the Peninsula Children's Center. The funds would serve as matching funds for a \$250,000 challenge grant from the Bill and Melinda Gates Foundation. The local funds and the foundation grant would be used to pay off the mortgage on the Children's Center's building. This action would save the center about \$50,000. These savings will be used to finance a variety of other needs at the Center.

At the request of the Executive Officer, the original ordinance included language in the ordaining clauses that provided a process under which the enhancement committee would forego granting \$5,000 annually (14 years) until the reduction in principal is recouped. Following the drafting of the original ordinance, the Office of General Counsel advised that it would be more appropriate to address the issue of recouping the amount of the grant through a budget note. Councilor Burkholder presented the amendment language recommended by the Office of General Counsel, which was approved by the committee.

Councilors Monroe and McLain praised the prior and current work of the committee. They noted that, while it is important to preserve and committee's capital, this grant would have only a minor effect of the future ability to make grants for useful projects.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 01-923 FOR THE PURPOSE OF AMENDING THE FISCAL YEAR 2001-2002 BUDGET AND APPROPRIATIONS SCHEDULE OF THE REHABILITATION AND ENHANCEMENT FUND FOR THE PURPOSE OF FUNDING A GRANT TO THE PENINSULA CHILDREN'S CENTER

DATE: October 2, 2001

Presented by: Terry Petersen

Drafted by: Katie Dowdall

DESCRIPTION

The action requested adjusts the Rehabilitation and Enhancement Fund, North Portland Enhancement Account, for the following purpose:

- Transfer of \$100,000 within the contingency category of the North Portland Enhancement Account to the materials and services category of the North Portland Enhancement Account to provide a grant contract to Peninsula Children's Center in the amount of \$100,000.
- North Portland Enhancement Committee granted \$100,000 to Peninsula Children's Center, which is a \$100,000 draw on the principal account. The North Portland Enhancement Committee has committed to forgoing granting \$5,000 plus interest for the 14 years necessary to recoup the \$100,000 to their principal account starting July 1, 2002 through June 30, 2016.

BACKGROUND

Rehabilitation and Enhancement Funds were established by Metro for the purpose of funding projects that will improve and enhance the designated enhancement area. Regularly, the North Portland Enhancement Committee funds grant projects annually from the interest earned on the principal account; however on a few rare occasions, the committee may go into the principal if there is a noteworthy request for a special grant program. The committee has awarded to-date three grants from the principal account, two of which were loans and repaid by the grantee. This is the fourth principal grant request.

Metro's North Portland Enhancement Committee has made a strong commitment to helping low-income families acquire high-quality, affordable day care in North Portland. The Peninsula Children's Center was founded in 1970 and remains the only child care center in North Portland offering sliding-scale tuition, based on family income; thus ensuring families in the community continue access to qualified, affordable child care. In 1990 the North Portland Enhancement Committee made a significant investment in the future of Peninsula Children's Center's with a principal grant of \$100,000. This grant was the seed money to purchase and renovate the building that now serves as the heart of the Peninsula Children's Center services for children and families in North Portland. Since 1990, the building and grounds have been completely renovated. Today the center is operating at full capacity, serving 350 plus children a year with quality, affordable childcare.

Eleven years later, Peninsula Children's Center is now requesting from the North Portland Enhancement Committee, a second principal grant, in an effort to match a \$250,000 challenge grant from the Bill & Melinda Gates Foundation, toward raising the \$500,000 necessary to finish purchasing their building. Owning their building outright will free up \$50,000 that they annually pay in loan and interest payments. The \$50,000 annual payment will now go towards stabilizing existing programs and services, contributing toward organizational growth and stability, and contributing toward future capacity building efforts while implementing new programs and services.

The North Portland Enhancement grant is contingent upon raising the remaining funds necessary to meet the Bill & Melinda Gates Foundations \$250,000 challenge grant. Currently, Peninsula Children's Center has received a \$24,000 grant from the nuns of Sisters of St. Francis and a \$79,000 permanent loan deferral from Portland Development Corporation. With this grant from Metro's North Portland Enhancement Committee for \$100,000, Peninsula Children's Center is very close to meeting the challenge.

In order to minimize the impact on future committees' funding availability, the committee decided to reimburse to the principal account the \$100,000 advanced to Peninsula Children's Center by reducing the annual amount available for distribution. That reduction will be the amount equal to \$5,000 plus interest for 14 years. The dollar figure of \$5,000 was chosen because it represents the approximate interest earned on the \$100,000 if left in the principal fund.

BUDGET IMPACT

Metro will enter into a contract with Peninsula Children's Center (see Attachment 1), in the amount of \$100,000 to be awarded upon Metro Council approval of this Ordinance No. 01-923. Ordinance No. 01-923 will amend the FY 2001-2002 budget and appropriations schedule of the Rehabilitation and Enhancement fund by transferring \$100,000 from Contingency to Materials and Services in the North Portland Enhancement account.

The \$100,000 advanced from the principal account will be repaid at \$5,000 plus 5.5% compounding interest by deducting each year from the grant award cycle starting July 1, 2002 until June 30, 2016.

OUTSTANDING QUESTIONS

None

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 01-923.

CONTRACT NO. 923247

ENHANCEMENT FUND GRANT CONTRACT
NORTH PORTLAND ENHANCEMENT FUND

THIS Contract is entered into between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, located at 600 Northeast Grand Avenue, Portland, Oregon 97232-2736, and PENNINSULA CHILDREN'S CENTER, whose address is 4720 N. Maryland, Portland, Oregon 97217, hereinafter referred to as the "Contractor."

Metro has established this enhancement grant with the sole purpose of funding the proposed community projects or activities. Notwithstanding any statements or inferences to the contrary, Metro neither intends nor accepts any direct involvement in these projects; any sponsorship benefits or supervisory responsibilities with respect to the events or services funded; or any ownership or responsibilities for care and custody of the tangible products which result.

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I
SCOPE OF WORK

Contractor shall undertake the program and perform all activities described in the Scope of Work attached hereto as Attachment "A."

ARTICLE II
TERM OF CONTRACT

The term of this Contract shall be for a period commencing July 1, 2001 through and including June 30, 2002.

ARTICLE III
CONTRACT SUM AND TERMS OF PAYMENT

Metro shall compensate the Contractor for performance as described in Attachment "A." Metro shall not be responsible for payment of any materials, expenses or costs other than those which are specifically included in Attachment "A."

ARTICLE IV
LIABILITY AND INDEMNITY

Contractor is an independent contractor and assumes full responsibility for the performance of the program and the content of its work and performance of Contractor's labor, and assumes full responsibility for all liability for bodily injury or physical damage to person or property arising out of or related to this Contract, and

shall indemnify and hold harmless Metro, its agents and employees, from any and all claims, demands, damages, actions, losses, and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Contract. Contractor is solely responsible for paying Contractor's subcontractors. Nothing in this Contract shall create any contractual relationship between any subcontractor and Metro.

ARTICLE V TERMINATION

Metro may terminate this Contract upon giving Contractor seven (7) days written notice. In the event of termination, Contractor shall be entitled to payment for work performed to the date of termination. Metro shall not be liable for indirect or consequential damages. Termination by Metro will not waive any claim or remedies it may have against the Contractor.

ARTICLE VI INSURANCE

If Contractor is a unit of federal, state or local government, or if such a government unit will be providing insurance coverage to Contractor, then Contractor shall comply with the provisions of section VI.A. In all other cases Contractor shall comply with the provisions of section VI.B.

A. Contractor shall maintain such insurance as will protect Contractor from claims under Workers' Compensation Acts and other employee benefits acts covering all of Contractor's employees engaged in performing the work under this Contract; and from claims for damages because of bodily injury, including death and damages to property, all with coverage limits satisfactory to Metro. Liability insurance shall have minimum coverage limits of at least the dollar amounts listed in ORS 30.270. Additional coverage may be required in the Scope of Work attached hereto. This insurance must cover Contractor's operations under this Contract, whether such operations be by Contractor or by any subcontractor or anyone directly or indirectly employed by either of them. Contractor shall immediately increase the amounts of liability insurance required to reflect any changes in Oregon Law so that the insurance provided shall cover, at a minimum, the maximum liability limits under the Oregon Tort Claims Act.

If required in the Scope of Work Attached hereto, Contractor shall provide Metro with a certificate of insurance complying with this section and naming Metro as an insured within fifteen (15) days of execution of this Contract or twenty-four (24) hours before services under this Contract commence, whichever date is earlier.

Contractor shall not be required to provide the liability insurance described in this section if an express exclusion relieving Contractor of this requirement is contained in the Scope of Work.

B. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:

- (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability. The policy must be endorsed with contractual liability coverage; and
- (2) Automobile bodily injury and property damage liability insurance.

Insurance coverage shall be a minimum of \$500,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

ARTICLE VII PUBLIC CONTRACTS

Contractor shall comply with all applicable provisions of ORS Chapters 187 and 279 and all other conditions and terms necessary to be inserted into public contracts in the state of Oregon, as if such provisions were a part of ORS 187.010-.020 and 279.31-.430.

ARTICLE VIII ATTORNEY'S FEES

In the event of any litigation concerning this Contract, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to any appellate courts.

ARTICLE IX SUBCONTRACTORS

Contractor shall contact Metro prior to negotiating any subcontracts and Contractor shall obtain approval from Metro before entering into any subcontracts for

the performance of any of the services and/or supply of any of the goods covered by this Contract. Metro reserves the right to reasonably reject any subcontractor or supplier and to no increase in the Contractor's compensation shall result thereby. All subcontracts related to this Contract shall include the terms and conditions of this agreement. Contractor shall be fully responsible for all of its subcontractors as provided in Article IV.

ARTICLE X RIGHT TO WITHHOLD PAYMENTS

Metro shall have the right to withhold from payments due Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage or claim which may result from Contractor's performance or failure to perform under this agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors. If a liquidated damages provision is contained in the Scope of Work and if Contractor has, in Metro's opinion, violated that provision, Metro shall have the right to withhold from payments due Contractor such sums as shall satisfy that provision. All sums withheld by Metro under this Article shall become the property of Metro and Contractor shall have no right to such sums to the extent that Contractor has breached this Contract.

ARTICLE XI SAFETY

If services of any nature are to be performed pursuant to this agreement, Contractor shall take all necessary precautions for the safety of employees and others in the vicinity of the services being performed and shall comply with all applicable provision of federal, state and local safety laws and building codes, including the acquisition of any required permits.

ARTICLE XII INTEGRATION OF CONTRACT DOCUMENTS

All of the provisions of any proposal documents including, but not limited to, Requests for Proposals, Proposals and Scopes of Work that were utilized in conjunction with the award of this Contract are hereby expressly incorporated by reference. Otherwise, this Contract represents the entire and integrated agreement between Metro and Contractor and superseded all prior negotiations, representations or agreements, either written or oral. This Contract may be amended only by written instrument signed by both Metro and Contractor. The law of the state of Oregon shall govern the construction and interpretation of this Contract.

ARTICLE XIII
ASSIGNMENT

Contractor shall not assign any rights or obligations under or arising from this Contract without prior written consent from Metro.

PENINSULA CHILDREN'S CENTER

METRO

Signature

Signature

Print Name and Title

Print Name and Title

Date

Date

"ATTACHMENT A"

METRO NORTH PORTLAND ENHANCEMENT GRANT

PROJECT TITLE: Peninsula Children's Center
Purchase of Building

CONTRACTOR: Peninsula Children's Center
4720 N Maryland
Portland, OR 97217

PROJECT COORDINATOR: Marcia A. Mulvey, Executive Director

CONTRACT TERM: July 1, 2001 through June 30, 2002

AMOUNT: \$100,000

SCOPE OF WORK

This contract is between Peninsula Children's Center and Metro for a \$100,000 grant from the Metro North Portland Enhancement Committee. Metro North Portland Enhancement committee has made a strong commitment to helping low-income families in North Portland maintain affordable quality daycare. This grant together with the other local matches will allow Peninsula Children's Center to receive \$250,000 from the Bill and Melinda Gates Foundation. The total of \$500,000 will be applied towards the purchase of their building. The purchase of the building will free up \$50,000 annually paid in loan and interest payments. These monies will now contribute to their capacity building efforts through stabilizing existing programs and services, contributing toward organizational growth and stability, contributing toward further capacity building efforts, and implementing new programs and services.

Metro is prepared to award monies to the Peninsula Children's Center to match a \$250,000 challenge grant from the Bill & Melinda Gates Foundation. This award is contingent upon Peninsula Children's Center raising the additional \$150,000 together with Metro's \$100,000 to match the Foundation grant of \$250,000.

PAYMENT

Metro will pay Contractor within 15 days of receipt of proof that Peninsula Children's Center has received all required match monies to release the \$250,000 Bill & Melinda Gates Foundation grant. Payment shall be for a total not to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000).

The conditions for funding are as follows:

1. The monies will only be awarded after Peninsula Children's Center has raised all additional monies needed for the match.
2. The monies will go only towards the purchase of their building located at 4720 North Maryland, Portland, OR 97217.
3. The \$100,000 North Portland Enhancement Committee grant will be returned to Metro if Peninsula Children's Center is no longer in the childcare business in North Portland.

PROGRAM EVALUATION

The Contractor's project coordinator will submit a project evaluation report to Metro on or before June 30, 2002, which will include the following:

Copy of ownership of building by the Peninsula Children's Center

Board of Director's three-year plan for capacity building strategy.
The plan should address the following questions:

1. Does Peninsula Children's Center still provide quality, affordable child care through sliding-scale tuition that is affordable for low-and limited-income families? What are your enrollment statistics?
2. What programs have Peninsula Children's Center added over the previous three years?
3. What services have you increased for the whole family?
4. Have you brought the pay and benefits of your staff closer to a real living wage? What is the average pay?
5. Are your fundraising programs sustaining the growing organization?

In the fall of 2003 the board of directors will review the above criteria and submit an additional report to Metro.

KD:clk

S:\share\dowd\rpec\2002contracts\contract923247.sow

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
 TEL 503 797 1700 | FAX 503 797 1797



METRO

September 11, 2001.

The Honorable Rex Burkholder
 Metro Council, District 5
 Chair, North Portland Enhancement Committee
 600 NE Grand Avenue
 Portland, OR 97232

Dear Councilor *Rex* Burkholder:

I have been reviewing the Ordinance amending the FY 2001-2002 budget of the Rehabilitation and Enhancement Fund for the purpose of funding a \$100,000 grant to the Peninsula Children's Center. I have reviewed the minutes of your special meeting July 2, 2001, and realize that you spent a great deal of effort and deliberation in your decision to fund this grant from the North Portland Enhancement principal fund.

The Peninsula Children's Center is a great asset to the community. During the years it has filled the need for quality, affordable childcare in North Portland. And I realize that, in this case, it's particularly exciting because the \$100,000 proposed grant will be used to obtain a \$250,000 challenge grant for the Peninsula Children's Center from the Bill & Melinda Gates Foundation.

However, after careful review, I do not believe that it's sound financial practice to continue to take money out of the principal account. I realize that in 1990 the committee awarded the Peninsula Children's Center a \$100,000 grant from the principal fund and did not require that it be repaid. Since then, there have been only two other instances where the committee took monies from the principal fund, and on those occasions the committee asked that the monies be returned to replenish the principal account.

I am asking that you reconvene the committee and see if there is another way to fund this project without permanently removing the monies from the principal account. Since there is most likely a timing issue with the matching grant, I will forward the request to the Council recommending approval only if the NPEC submits a budget note demonstrating that they will reduce future grant awards over a period of time in order to replenish the principal. I will wait to submit the recommendation until I have heard from you.

As the author of Senate Bill 662 that created the enhancement fund in 1985, I am continually pleased how the fund keeps benefiting the people who live in North Portland. Thank you again for all your hard work and your role in making that happen.

Sincerely,

Mike Burton
 Executive Officer

cc: North Portland Enhancement Committee members:
 Judy Chambers, Selena Mason, Susan Landauer, Jason Graf,
 Jean Estey-Hoops, Trevor Nelson and Lynn Taylor



METRO

October 2, 2001

Mike Burton, Executive Officer
Metro
600 NE Grand Ave
Portland, OR 97232

Dear Mike:

Thank you for taking the time to address the North Portland Enhancement Committee and presenting them with the background and your thoughts on the formation of the Committee.

After careful review, the Committee still chooses to fund the Peninsula Children's Center grant request for \$100,000 to add to the required match for the Bill & Melinda Gates Foundation Grant of \$250,000 to purchase their building. After the purchase of their building, the Peninsula Children's Center will have \$50,000 freed up each year from mortgage payments to continue to fill the need for quality, affordable child care in North Portland.

The Committee also chose to honor your request to pay back the principal fund. In order to minimize the impact on future committees' funding cycles, the Committee has decided to repay the principal at \$5,000 a year for approximately 14 years, depending on the amount of compounding interest rates, until the full \$100,000 is repaid. The dollar figure of \$5,000 was chosen because it represents the approximate interest earned on the \$100,000 if left in the principal fund.

As a policy, the Committee renewed their commitment to preserve the Rehabilitation and Enhancement Fund principal. However, if in the future a grant request comes before the Committee that will significantly benefit the community, the Committee may at that time request the Council for approval to loan or remove monies from the principal account. This request would be a separate process, in which the request goes through the Committee to the Council.

Both the North Portland Enhancement Committee and the Metro Central Enhancement Committee reviewed their grant funding criteria and process and have agreed not to change or modify the criteria.

Sincerely,

Rex Burkholder
Metro Councilor District #5

RB:KD:gbc
cc: North Portland Enhancement Committee
Metro Central Enhancement Committee
Katie Dowdall, Metro Community Enhancement Coordinator

r:\share\dowd\apcc\2002\contract\burton1002.ltr.doc

Interest Rate: 5.5%
Assuming compounding occurs monthly

114 years

Month	Payment	Interest	Principal
First Payment:			5,000.00
1		22.92	5,022.92
2		23.02	5,045.94
3		23.13	5,069.07
4		23.23	5,092.30
5		23.34	5,115.64
6		23.45	5,139.09
7		23.55	5,162.64
8		23.66	5,186.30
9		23.77	5,210.07
10		23.88	5,233.95
11		23.99	5,257.94
12	5,000.00	24.10	10,282.04
13		47.13	10,329.17
14		47.34	10,376.51
15		47.56	10,424.07
16		47.78	10,471.84
17		48.00	10,519.84
18		48.22	10,568.06
19		48.44	10,616.49
20		48.66	10,665.15
21		48.88	10,714.03
22		49.11	10,763.14
23		49.33	10,812.47
24	5,000.00	49.56	15,862.03
25		72.70	15,934.73
26		73.03	16,007.76
27		73.37	16,081.13
28		73.71	16,154.84
29		74.04	16,228.88
30		74.38	16,303.26
31		74.72	16,377.99
32		75.07	16,453.05
33		75.41	16,528.46
34		75.76	16,604.22
35		76.10	16,680.32
36	5,000.00	76.45	21,756.77
37		99.72	21,856.49
38		100.18	21,956.66
39		100.63	22,057.30
40		101.10	22,158.39
41		101.56	22,259.95
42		102.02	22,361.98
43		102.49	22,464.47
44		102.96	22,567.43
45		103.43	22,670.87
46		103.91	22,774.78
47		104.38	22,879.16
48	5,000.00	104.86	27,984.02
49		128.26	28,112.28
50		128.85	28,241.13
51		129.44	28,370.57
52		130.03	28,500.60

Interest Rate: 5.5%
 Assuming compounding occurs monthly

Month	Payment	Interest	Principal
53		130.63	28,631.23
54		131.23	28,762.46
55		131.83	28,894.28
56		132.43	29,026.72
57		133.04	29,159.75
58		133.65	29,293.40
59		134.26	29,427.67
60	5,000.00	134.88	34,562.54
61		158.41	34,720.95
62		159.14	34,880.09
63		159.87	35,039.96
64		160.60	35,200.56
65		161.34	35,361.89
66		162.08	35,523.97
67		162.82	35,686.79
68		163.56	35,850.35
69		164.31	36,014.67
70		165.07	36,179.73
71		165.82	36,345.56
72	5,000.00	166.58	41,512.14
73		190.26	41,702.40
74		191.14	41,893.54
75		192.01	42,085.55
76		192.89	42,278.45
77		193.78	42,472.22
78		194.66	42,666.89
79		195.56	42,862.44
80		196.45	43,058.90
81		197.35	43,256.25
82		198.26	43,454.51
83		199.17	43,653.67
84	5,000.00	200.08	48,853.75
85		223.91	49,077.66
86		224.94	49,302.60
87		225.97	49,528.57
88		227.01	49,755.58
89		228.05	49,983.63
90		229.09	50,212.72
91		230.14	50,442.86
92		231.20	50,674.06
93		232.26	50,906.31
94		233.32	51,139.63
95		234.39	51,374.02
96	5,000.00	235.46	56,609.49
97		259.46	56,868.95
98		260.65	57,129.60
99		261.84	57,391.44
100		263.04	57,654.49
101		264.25	57,918.73
102		265.46	58,184.20
103		266.68	58,450.87
104		267.90	58,718.77
105		269.13	58,987.90

Interest Rate: 5.5%
Assuming compounding occurs monthly

Month	Payment	Interest	Principal
106		270.36	59,258.26
107		271.60	59,529.86
108	5,000.00	272.85	64,802.71
109		297.01	65,099.72
110		298.37	65,398.09
111		299.74	65,697.84
112		301.12	65,998.95
113		302.50	66,301.45
114		303.88	66,605.33
115		305.27	66,910.60
116		306.67	67,217.27
117		308.08	67,525.35
118		309.49	67,834.85
119		310.91	68,145.76
120	5,000.00	312.33	73,458.09
121		336.68	73,794.77
122		338.23	74,133.00
123		339.78	74,472.77
124		341.33	74,814.11
125		342.90	75,157.01
126		344.47	75,501.48
127		346.05	75,847.52
128		347.63	76,195.16
129		349.23	76,544.39
130		350.83	76,895.22
131		352.44	77,247.65
132	5,000.00	354.05	82,601.70
133		378.59	82,980.29
134		380.33	83,360.62
135		382.07	83,742.69
136		383.82	84,126.51
137		385.58	84,512.09
138		387.35	84,899.44
139		389.12	85,288.56
140		390.91	85,679.47
141		392.70	86,072.16
142		394.50	86,466.66
143		396.31	86,862.97
144	5,000.00	398.12	92,261.09
145		422.86	92,683.95
146		424.80	93,108.75
147		426.75	93,535.50
148		428.70	93,964.21
149		430.67	94,394.88
150		432.64	94,827.52
151		434.63	95,262.14
152		436.62	95,698.76
153		438.62	96,137.38
154		440.63	96,578.01
155		442.65	97,020.66
156	5,000.00	444.68	102,465.34

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)	ORDINANCE NO. 01-923
FISCAL YEAR 2001-2002 BUDGET AND)	
APPROPRIATIONS SCHEDULE OF THE)	
REHABILITATION AND ENHANCEMENT)	
FUND FOR THE PURPOSE OF FUNDING)	Introduced by Mike Burton,
A GRANT TO THE PENINSULA)	Executive Officer
CHILDREN'S CENTER)	

WHEREAS, The policy of the North Portland Enhancement committee is to preserve the Rehabilitation and Enhancement Fund principal and to generally use only the interest from its principal fund balance to fund enhancement projects, and

WHEREAS, If on a rare occasion a grant request comes before the committee that will significantly benefit the community, the committee may in a separate process request that the Council approve a loan or remove monies from the principal account, and

WHEREAS, on three previous occasions projects have been presented to the committee which they have felt warranted the expenditure of a portion of the fund's principal, two of which were reimbursed, and

WHEREAS, the Portland Children's Center requested a \$100,000 grant from the North Portland Enhancement Committee's principal fund account to add to the required match of \$250,000 challenge grant from the Bill & Melinda Gates Foundation toward raising the \$500,000 necessary to finish purchasing their building. This would free \$50,000 annually from their loan and interest payments to go towards stabilizing existing programs and services, and

WHEREAS, The North Portland Enhancement committee unanimously agreed to make an advance on the fund's principal account to fund this worthy project by entering into a grant contract with Peninsula Children's Center, and

WHEREAS, The Ordinance was submitted to the Executive Officer for consideration and was forwarded to the Metro Council for approval of transferring appropriations within the FY 2001-2002; and

WHEREAS, The Metro Council has reviewed the need and justification to transfer appropriations within the FY 2001-2002 Budget, and; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2001-2002 Budget and Appropriations Schedule is hereby amended as shown in Exhibits "A" and "B" to this Ordinance for the purpose of transferring \$100,000 from the Rehabilitation & Enhancement Fund Contingency to Materials and Services to fund a \$100,000 Metro grant contract No. 923247 with the Portland Children's Center as part of their match for the Bill and Melinda Gates Foundation challenge grant.
2. The North Portland Enhancement Committee granted \$100,000 to Peninsula Children's Center, which is a \$100,000 draw on the principal account. The North Portland Enhancement Committee has committed to forgo granting \$5,000 plus interest for the 14 years necessary to recoup the \$100,000 to their principal account starting July 1, 2002 until June 30, 2016.

ADOPTED by the Metro Council this ____ day of _____, 2001.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel