



Elizabeth Comfort
Finance Director

Department of Finance

Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

Feb. 25, 2021

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution in the Matter of Approving
Use of Bond Premium and Interest Dollars for C800's Project Contingencies

Purpose/Outcome	Clackamas County Finance Department (on behalf of Clackamas 800 Radio Group) is requesting approval of a Resolution to expend the 2016 General Obligation Bond Premiums and related interest on the C800 Public Safety Radio Replacement Project.
Dollar Amount and Fiscal Impact	\$4.5M from 2016 GO Bond Premiums & Related Interest. Funds are restricted and must be spent on uses consistent with the ballot title.
Funding Source	GO Bond Premiums & related interest
Duration	In effect until repealed or superseded by the BCC or premiums are fully expended, whichever occurs first.
Previous Board Action	Nov. 12, 2020 & Dec. 19, 2016 H.1
Strategic Plan Alignment	Ensures safe, healthy and secure communities by continuing to support C800 in obtaining bonds to expand and maintain the County's Public Safety Radio System.
County Counsel Review	Approved by Jeff Munns on Feb. 2-9-21
Procurement Review	Was the item processed through Procurement? No, this is a Resolution and is not required to go through Procurement.
Contact Person	Christa Bosserman Wolfe, 503-742-5407
Contract No.	NA

Background:

In December 2016, the County sold \$59 million in bonds and generated bond sale premiums, after the voters approved Measure 3-476, to replace the County's obsolete emerge radio communication systems. The County entered into an Intergovernmental Agreement (IGA) with Clackamas 800 Radio Group (C800) to execute and manage the public safety radio replacement project. The IGA allows the Board of County Commissioners to make the premiums and related interest available to C800 for cost increases beyond the control of C800 and uses consistent with the scope of the ballot measure. The attached Resolution, if approved, documents the Board's approval.

C800 has experienced some additional costs in site construction. This includes: 1) unforeseen site conditions related to soils and foundation issues \$200,000; 2) replacement of five existing towers to meet seismic and loading requirements \$1.1M; 3) structural upgrades to four existing towers \$475,000, currently estimated at \$1.775M. In addition, C800 has entered into a site use agreement with PGE in the amount of \$2.675M for use of six sites by PGE for their new communications system. In total, C800 is requesting the Board approves up to \$4.5 million in premium and interest dollars for their use on the project.

The C800 met with the Citizen Accountability Committee on February 10, 2021, and the Committee has recommended approval.

In November of 2020, the IGA was amended to provide reimbursement for the County for the administrative costs associated with both bond issuance and bond compliance.

RECOMMENDATION:

Staff respectfully recommends the Board approve the attached Resolution. Thank you.

Sincerely,

Christa Bosserman Wolfe, CPA
Deputy Finance Director

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving Use of
Bond Premium and Interest Dollars
for C800's Project Contingencies



Order No. _____

Whereas, in 2016 Clackamas County Board of Commissioners authorized Measure 3-476 to be placed on the May 17, 2016 ballot to sell \$59M in general obligation bonds to replace the County's obsolete emergency radio communications system. The measure was approved by a 71% margin; and

Whereas, the Bond sale also generated bond premium dollars in the amount of \$7,165,794. The bond funds were invested upon sale and have earned in excess of \$1,000,000 in interest earnings due to schedule delay. These additional funds are earmarked as project contingency; and

Whereas, the County entered into an Intergovernmental Agreement (IGA) with Clackamas 800 Radio Group on December 19, 2016 to execute and manage the project; and

Whereas, Clackamas 800 Radio Group is requesting the Clackamas County Board of Commissioners allow the premium dollars and interest dollars be utilized for project contingency requirements as outlined below not to exceed \$4.5M; and

Whereas, the following outlines the use of the contingency in the IGA.

"Additionally, premiums yielded by the bond sale exceed the \$59 million estimated Project cost as published in the ballot measure and will be held as contingency in reserve by the County until such a time as the Board of County Commissioners (BCC) determines their future use. If not needed as contingency for the Project. This contingency funding will only be made available for uses of the proceeds consistent with the scope of the May 2016 ballot measure, including unforeseen project cost increases beyond the control of C800 and will only be released at the sole discretion of the BCC. The County will solicit advisory input on these matters from C800 and its Citizen Accountability Committee for the Project."

Whereas, as was outlined to the Board at their September 15, 2020 policy session the initial project completion was anticipated to be in June of 2019. Due to issues with site acquisition, land use, permitting, and site construction, C800 projected

the new system to be operational by February of 2021 and project completion by June 2021. A combination of COVID-19 issues and the September 2020 wildfires have added additional delays. C800's current projection is the system will be operational by June 2021 and overall completion by November 2021.

Whereas, financially C800 has experienced some additional costs in site construction. This has included: 1) unforeseen site conditions related to soils and foundation issues \$200,000; 2) replacement of five existing towers to meet seismic and loading requirements \$1.1M; 3) structural upgrades to four existing towers \$475,000; These are currently estimated at \$1.775M.

Whereas, C800 has entered into a site use agreement with PGE in the amount of \$2.675M for use of six sites by PGE for their new communications system. The plan for these funds is to offset the cost of the extensive utility costs for the four east county sites. These four projects require road construction of 4 miles of road to access these sites and 19 miles of power extension. To access these funds from PGE we need to complete the Oak Grove and Memaloose sites. The other four sites in the agreement have already been completed. It was anticipated the Oak Grove and Memaloose would have completed in November of 2020 but have been delayed due to the September wildfires. This has created a cash flow issue.

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby resolve:

The Clackamas County Board of Commissioners approves the use of bond premium dollars and interest dollars to be utilized for project contingency requirements in an amount not to exceed \$4.5 million dollars.

DATED this _____ day of _____, 2021.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

C800 Radio System Upgrade

Project Financial Status

Project:	C800 Radio System Upgrade		
Date Original:	10/1/2015	Date Updated:	December 31, 2020
Project Manager:	Bjorn Morfin		

Item	Budget	Original Encumbrance	Additional Encumbrance / Change Order	Estimate to Complete	Percent Complete	Estimated Total	(Over) Under Budget	Expended
Soft Cost								
Site Acquisition Consulting - Quest	60,000	25,000	45,000	(2,930)	100.00%	67,070	(7,070)	67,069.81
Site Acquisition Consulting / Permits - Securasite	320,000	321,250	258,800	25,000	91.78%	605,050	(285,050)	555,326.29
Site Planning A&E - Cushing/Capital/Cundiff/Forensic/KPFF/SD C/ToddHess	725,000	692,391	468,930	(230,000)	98.46%	931,321	(206,321)	917,006.70
Geotechnical / Environmental Consulting - Black Mtn	250,000	443,670	60,000		98.58%	503,670	(253,670)	496,515.22
Survey - McKay	75,000	129,835		0	90.99%	129,835	(54,835)	118,135.00
USFS Land Use Fees	15,000	10,000	40,000	5,000	89.94%	55,000	(40,000)	49,465.23
Land Use Fees	25,000	9,400	0	0	99.35%	9,400	15,600	9,339.00
Plan Check / Permit Cost	60,000	10,000	0	0	95.25%	10,000	50,000	9,525.20
Printing	2,500			500	0.00%	500	2,000	0.00
Bid Advertising	3,500	1,300	0	300	89.34%	1,600	1,900	1,429.43
Testing & Inspection (In Site Const)	40,000	2,700	0	0	97.18%	2,700	37,300	2,623.75
Project Management	300,000	296,000	355,000	25,000	96.63%	676,000	(376,000)	653,203.41
Legal Fees	30,000	21,000	0	5,000	80.92%	26,000	4,000	21,038.74
Licensing	20,000	69,000		5,000	93.10%	74,000	(54,000)	68,890.50
Miscellaneous	30,000	88,000	10,000	15,000	98.64%	113,000	(83,000)	111,465.38
Sub-Total Soft Cost	1,956,000	2,119,546	1,237,730	(152,130)	95.53%	3,205,146	(1,249,146)	3,081,034
Construction Cost								
Site Construction	8,895,000	12,596,753	4,400,000	1,000,000	94.34%	17,996,753	(9,101,753)	16,978,546.43
Buildings	1,350,000	2,018,663	16,000	0	99.98%	2,034,663	(684,663)	2,034,314.32
Towers	660,000	1,383,357	245,000		99.99%	1,628,357	(968,357)	1,628,191.31
Generator	500,000	513,196	150,000		99.57%	663,196	(163,196)	660,374.31
48VDC	1,065,000	1,443,767	0		88.96%	1,443,767	(378,767)	1,284,342.80
Lake Oswego Antenna	18,000	17,500	0	0	100.07%	17,500	500	17,511.75
Sub-Total Construction Cost	12,488,000	17,973,236	4,811,000	1,000,000	95.03%	23,784,236	(11,296,236)	22,603,280.92

Project Financial Status

Project:	C800 Radio System Upgrade		
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Project Manager:	Bjorn Morfin		

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Equipment Costs								
Simulcast Equipment	20,726,000	19,993,440	672,036	2,000,000	86.83%	22,665,476	(1,939,476)	19,680,854.14
Paging	373,000	269,228	50,000	75,000	93.77%	394,228	(21,228)	369,651.31
Subscriber Radios	5,000,000	9,409,958	295,032	(5,000,000)	78.29%	4,704,990	295,010	3,683,748.20
Asset Management	119,000	203,197		25,000	0.00%	228,197	(109,197)	0.00
Post Warranty / System Refresh	5,800,000	5,812,058		0	100.00%	5,812,058	(12,058)	5,812,058.44
Test Equipment	100,000			100,000	0.00%	100,000	0	0.00
Microwave	3,368,000	2,671,467	600,000	75,000	89.88%	3,346,467	21,533	3,007,779.64
Security System	1,364,000			500,000	0.25%	500,000	864,000	1,244.64
Fire Station Alerting	0	1,697,407	(7,261)	0	97.16%	1,690,146	(1,690,146)	1,642,218.22
Subtotal Equipment Costs	36,850,000	40,056,755	1,609,807	(2,225,000)	86.70%	39,441,562	(2,591,562)	34,197,555
Bond Cost	300,000	290,372	33,200	0	104.08%	323,572	(23,572)	336,781
Subtotal Project Cost	51,594,000	60,439,908	7,691,737	(1,377,130)	91.92%	66,754,515	(15,160,515)	60,218,650
Additional Proceeds	9,223,326					(9,223,326)	9,223,326	
Adjusted Project Costs	60,817,326	60,439,908	7,691,737	(1,377,130)	91.92%	57,531,189	(5,937,189)	
Contingency	7,406,000			500,000	0.00%	500,000	6,906,000	
Total Project Cost	68,223,326	60,439,908	7,691,737	(877,130)	102.20%	58,031,189	968,811	60,218,649.76

Bond Proceeds	5,845,000	Taxable
	53,155,000	Non Taxable
	59,000,000	
Additional Proceeds	6,548,326	Subscriber Radio Payments
	2,675,000	PGE Payment
	9,223,326	
Total Proceeds	68,223,326	

Premium Bond Proceeds	7,165,794
Interest Income	1,000,000
Additional Funds	8,165,794
County oversight fees	(100,000)
Total Available	8,065,794



11300 SE Fuller Rd
Milwaukie, Oregon 97222
(503) 780-4806

PROJECT MEMORANDUM

DATE: January 25, 2021

TO: Christa Wolfe

CC:

FROM: John Hartsock

RE: Use of Premium Dollars from Public Safety Radio System Replacement Project Bond Funding

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