

**MEETING NOTIFICATION  
December 21, 2020  
6:30 p.m.**

**Due to the State of Emergency declared in Oregon and Multnomah County in response to the COVID-19 virus, the meeting will be conducted via participation by phone or computer. Participants can access the meeting as follows:**

Join the Webinar:

<https://us02web.zoom.us/j/85370508249?pwd=NlV5QTEzYmZlVlQvaUFES3dTZ1Q3QT09>

Passcode: 007624

Or iPhone one-tap:

+16699006833,,85370508249#,,,,,0#,,007624#

+12532158782,,85370508249#,,,,,0#,,007624#

**AGENDA**

- Roll Call  
Commission Participation: One or more members of the Commission may attend and participate by electronic means. The public will be afforded an opportunity to listen to the participation.
- Agenda Review
- Disclosures
- Public Comment (non-agenda items)
- PEG Provider Activity Report 10 min
  - Open Signal
  - MetroEast Community Media

**\*CONSENT AGENDA – NO DISCUSSION**

All items listed below may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.

C1. October 19, 2020 Meeting Minutes

**REGULAR AGENDA**

- R1. TechSmart Impact Report: Grantee Transition to Distance Learning due to COVID-19 Pandemic 15 min
  - Presentation by Kristi Manseth, PRE
- \*R2. MHCRC FY 2019-20 Fund Audit 45 min
  - Moss Adams Presentation

- Commission Discussion

\*R3. MHCRC Community Technology Grants Program Impact Evaluation Scope of Work 15 min

\*R4. Franchise Renewal Consultant Draft Contract 15 min

\*R5. MHCRC Fund Financial Review Consultant Contract – Moss Adams LLC 10 min

Staff Reports

- Newsletter
- Packet Informational Items
- New Business; Commissioner Open Comment
  - Meeting Schedule:
    - January 25 – Remotely
    - February - tentative retreat*
    - March 15 – Remotely
    - April 19 – Recess*
    - May 17 – Remotely
    - June 21 – Remotely
  - Franchisee Activity Report
  - Zply
  - Comcast
  - CenturyLink/Lumen
- Public Comment
- Adjourn

\*Denotes possible action item

*Please notify the MHCRC no less than five (5) business days prior to our event for ADA accommodations at 503-823-5385, by the City of Portland's TTY at 503-823-6868, or by the Oregon Relay Service at 1-800-735-2900.*

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MT. HOOD CABLE REGULATORY COMMISSION  
Remote Meeting via phone or computer – Portland OR  
October 19, 2020 Meeting Minutes -- DRAFT

## **SUMMARY MINUTES**

Call to Order: 6:30 pm

- Roll Call

Commissioners present: Commissioner Murphy, Commissioner Roche, Commissioner Dennerline, Commissioner Thomas, Commissioner McIntire, Vice Chair Harden and Chair Studenmund.

Commissioners absent: none.

Staff: Elisabeth Perez, Interim Director; Julie Omelchuck, Program Manager; Cinthia Diaz Calvo, Admin Specialist.

- Agenda Review

- Disclosures: none.

- Public Comment: none.

- PEG Provider Activity Report

- Open Signal

Justen Harn, Executive Director for Open Signal, shared their proposed succession and leadership transition outline that was requested by Elisabeth Perez on October 14, 2020.

Harn said that Open Signal has assembled a succession planning team tasked with proposing a transitional plan that will advance their commitment to shared leadership and equitable decision-making. This team includes staff from across all departments and levels of OS hierarchy, including the board. Weekly meetings are facilitated by the Board Chair. Members of this team have been conducting research and outreach to other nonprofits to identify different models of shared leadership, responding to the overall staff feedback that the organization would be best served by some kind of co-directorship with clear differentiation of responsibilities pertaining to internal operations, external relationships, and process facilitation.

Harn said they have created a living Organizational Map that illustrates how their current structure will begin to shift decision-making processes in their desired direction as the Succession Planning team finalizes a proposal for transitional leadership.

Karim Hassanein, Open Signal Board Chair, said their succession planning team will propose an individual to take on a liaison role in an interim capacity, for a duration of time to be determined by the team and Board (likely 6-12 months). The board will review this proposal and determine the final appointment of this interim liaison.

Hassanein noted that in the organizational structure response, their succession planning team is crafting a proposal for transitional (interim) executive leadership as they move towards a more distributed decision-making process around departmental operations. The current proposal being considered by the team and board looks at both the immediate and longer-term needs of Open Signal. Hassanein explained that on a practical level a traditional executive director or CEO role is an overwhelming amount of responsibility for one single individual to carry and it can create a bottle neck of decision-making and power, which as an organization that is dedicated to inclusion and equity, they cannot perpetuate. Hassanein notes that an entirely flat organization with no clear accountability, protocols for policy making or lines of communication is not their desired outcome.

Hassanein said the current team of directors will continue to work together to guide strategic decisions for the organization, utilizing a democratic process to address concerns and objections. All directors will receive training in group decision-making facilitation methodologies. As noted, there will be one clear external liaison to serve as the primary point of contact.

Hassanein said the Succession Planning team will continue its work, assessing the transitional structure at 3-month intervals to determine efficacy and identify areas for improvement.

Chair Studenmund shared her concern that when disagreements come up, who will be making the decision and who will be accountable if something fails.

Hassanein explained that hierarchy is an essential component to the plan that they are proposing to avoid confusion, lack of clarity. The hierarchy is not about authority but it's a hierarchy of decision-making responsibility and believes that the consent-driven process that they are exploring will get them there. He will share more of what they have researched with the commission.

Chair Studenmund emphasized the importance of clarity on the external liaison and the difference between an executive director.

Tomi Douglas, Executive Director for MetroEast, added that she runs MetroEast similarly to the way Open Signal is proposing to run. Douglas said that at MetroEast they have an incredibly engaged team and leadership team and they are part of every major decision-making together. They are a collaborative team and they make decisions. Douglas pointed out that her biggest concern when dealing with City of Portland parties and funders is mostly about DEI issues. Douglas also noted that as a white woman running an organization in East Portland that serves people she doesn't physically

represent, is even more important to have a broader management community with whom to make a collaborate decisions because it is far more powerful and funders like it.

Commissioner Murphy encouraged embracing the future by thinking about how organizations can get to the same goal but in a different way. He agrees with Chair Studenmund's point that the structure needs to be communicated effectively.

Commissioner Thomas said this structure is somewhat new for him and is interested in seeing where Open Signal is going and how they will get there. He agrees with Chair Studenmund about it being a dynamic change from what everyone is used to. He said that for the most part people go looking for who is in charge of the organization and who they can go after and Open Signal may still need a figurehead that does that. Commissioner Thomas is looking forward to seeing how things progress and states that Open Signal is independent and that they commission is here to support them.

Commissioner McIntire asked how long the interim position will last and what their plans were for that position. Harn explained that based on the structure that they have in place that ideally that position becomes permanent. Their intent is to have as many constants as possible. Commissioner McIntire encourages the changes they are making.

Vice Chair Harden asks if Open Signal is ready to have to spend a lot of time educating others about the new way that they want to do business. Hassanein mentioned that their intention is to continue learning and educating not only themselves but everyone around them. Hassanein adds that he has worked with multiple companies before and he has never been in meetings that flowed as smoothly and held space for concern and objection more than the succession planning meetings that he has been a part of with Open Signal. He said this type of meetings also invited participation from everyone and that resulted in decision-making that everyone felt that they could all consent to. From his experience, Hassanein said the work is not easier, but the process is more gratifying, and the results are more apparent, and he never leaves meeting feeling confused on what was discussed or what they are supposed to do next. He hopes that Open Signal and the commission can have more dialogue about this new structure because they do welcome the commission's input, guidance and expertise. He considers the MHCRC as important and as part of the Open Signal community as they would every stakeholder that they respond to in their mission.

Commissioner Dennerline mentions that someone will ultimately be in charge of money and when it is dealt as a community, that can get challenging. Who will be accountable when something isn't right? There has to be someone to make those last decisions. Commissioner Dennerline wishes Open Signal good luck.

Chair Studenmund asked when Open Signal will have someone. Hassanein said that by Oct 31<sup>st</sup> they will have a person assigned to the liaison role.

Harn's closing remarks reiterated support for the structure and his whole-hearted believe in Open Signal. He said that looking at is happening in the world, and seeing what his team has been capable of when given the opportunity to work in a different way has move him to the extent that he felt that it was time to move on and provide space for other folks to come in to that collaborative environment to guide in ways that he never could have as a single person.

Chair Studenmund expresses appreciation for Harn and that she enjoyed working with him. She adds that their dreams came true with all the work that Harn has done. Her concern comes from the love she has for the group and wanting it to be safe and on good ground.

Harn will share his presentation with staff for distribution.

- MetroEast Community Media

Tomi Douglas, Executive Director for MetroEast, said she is completing her first year leading a community media organization and had a really hard time with the organizational structure at MetroEast, but she found that with a collaborative structure there was no need to have the one person getting things done in the room.. In regard to Open Signal's evaluation, she thinks 2 months is too soon to evaluate the progress of an organization structure shift.

Douglas shared their recent exposure to COVID-19 at MetroEast that resulted in closing the building, conducting multiple testing, cleaning and sanitizing as well as reviewing of operational processes they had at hand. She shared that COVID-19 cases are higher than they have ever been and even higher in East County. They are taking precautions as they had been and even more so now with higher record of cases in Gresham.

Douglas shared that John Lugton presented to the Association for Communications Democracy about ways to make community media awesome and relevant, and help other organizations raise revenue.

Douglas reports a number of new community members over the last couple months since they released their MetroEast report. She notes that the community is seeking out to learn new skills and ways to engage. MetroEast is working with the Oregon Department of Education to find a way to be a part of their solution to tele-learning.

Douglas expressed appreciation for Harn and how much she has enjoyed having him in the same cohort. Douglas also thanks the commission for their support and guidance.

- CONSENT AGENDA

\*C1. September 21, 2020 Meeting Minutes

Diaz Calvo shared there was a date change on the consent agenda section to June 15, 2020.

**MOTION:** Harden moved to approve the Consent Agenda with the changes made. Dennerline seconded.

**VOTE:** 7-0

## **REGULAR AGENDA**

### **R1. Your Vo!ce: Digital Equity Video Presentation**

Perez said staff is happy with the product. As a reminder this video comes as a result of the community needs ascertainment that was conducted by CBG Communications. She introduced Devin Febroriello, Director of Open Signal Originals for any opening remarks before the video is played.

Febroriello shared that when this project was created, they decided to focus on three specific community members and their relationship and work with communications technology. It was important for Open Signal to create a portrait that showed their lives in ways that would portray the importance of communications technology is woven through everything that they do.

The Digital Equity Video is located here: <https://youtu.be/cOZYSkAIUnA>

Vice Chair Harden appreciated seeing the east side community in this video.

Chair Studenmund really appreciated the very quiet setting and Commissioner Thomas added that it captured the human side of things.

Commissioner McIntire noted the cost is higher for those that use the videos throughout the day to communicate. Their usage of data goes up and costs get even higher and it is important to do what we can to make quality connectivity accessible for everyone.

Perez appreciated Febroriello for her hard work, Febroriello said the film was co-directed with Sicca Stumptown and edited by Dee Juliana Scott, both very talented people that made this outcome happen.

Commissioner Murphy appreciated Febroriello for representing black Portland in an authentic way.

### **\*R2. MHCRC Fund Review Consultant - Scope of Work**

Omelchuck reviewed the staff report contained in the meeting packet and noted that staff consulted with Chair Studenmund and Commissioner Thomas on the recommended scope of work for a consultant to conduct a review of the MHCRC Fund obligations and related practices,

policies and processes. The goal is to have a final report for the Commission to inform strategic planning and budgeting.

Omelchuck said the Commission included \$20,000 for this financial review in the current fiscal year budget.

If approved, the scope of work will be included in a Request for Proposal competitive bid process to select a consultant. Staff anticipates bringing a contract for approval at the December MHCRC meeting with the final consultant report completed in time for the Commission's FY21-22 budget deliberations.

In response to a question from Commissioner Dennerline, Perez confirmed the project amount should not exceed the allocated \$20,000. Chair Studenmund and Commissioner Thomas commented that this report will provide a solid understanding of the MHCRC Fund and an overview of the current policies.

**MOTION:** Thomas moved to approve the MHCRC Fund Financial Review Consultant - Scope of Work. McIntire seconded.

**VOTE:** 7-0

### R3. MHCRC FY2019-20 Year-End Financial Report (unaudited)

Omelchuck highlighted the annual MHCRC FY2019-20 Year-End Financial Report contained in the meeting packet, which provides a picture of the MHCRC financial activities over the past fiscal year. The report outlines financial information from a programmatic perspective organized by functional buckets of funds. She reiterated that the report is informational and not a technical accounting report of the MHCRC Fund.

Some highlights included: Franchise fees collected for cable tv and cable subscribers have continued to decline; operational dollars for MetroEast Community Media from East County franchise fees declined 3.7% from the previous fiscal year; and capital funds provided to both MetroEast and Open Signal increased over the previous fiscal year.

Omelchuck said the administrative regulatory program budget revenues and expenditures were really close to the approved MHCRC budgeted. The only anomaly was in the annual overhead amount due to a City oversight of not having charged overhead in a couple previous fiscal years and the true-up amount was reflected in FY19-20. The capital funds compliance program budget was underspend due to staff vacancies. The accumulative interest balance on the MHCRC Fund amounts to a little over \$1 million at fiscal year-end. Omelchuck said that the PEG I-Net fund has an ending available balance of about \$4.7 million, of which a little over \$1.1 million is allocated to the capital funds compliance program budget.

Commissioner Thomas appreciated the information and the reports. In response to a question from Commissioner Dennerline, Omelchuck said the franchise fee revenue trends align with staff projections.

Chair Studenmund pointed out that comparing FY10-11 vs FY 19-20, Portland franchise fee revenues have gone down about 5%. Omelchuck agreed and added that for several years the franchise fees revenues were slowly increasing; in FY17-18, staff started to see the decreases in revenue year over year.

Commissioner McIntire mentioned that because there are alternatives to cable TV, such as streaming, she has experienced less need for cable and more need for faster internet.

Commissioner Murphy asked about the gaps and opportunities as we look at the cable franchise fees revenue decline and Community Technology Needs Ascertainment study. Omelchuck said she believes a clear value proposition for the Commission is around rethinking how communities are compensated for use of their right-of-way by communications providers. She said each Jurisdiction and the Commission have been active in advocating at the FCC and in the courts for local authority and fair compensation for right-of-way use. She said a lot will depend on the court's decision on the FCC In-Kind case, which will guide what PEG/I-Net fees can fund. She also mentioned considering a county-wide commission or citizen body to address digital equity and the bigger picture of communications providers use of the public right-of-way.

- Staff Updates

Perez mentioned the commission received the October newsletter last week and is happy to answer any questions. Peres reminded the equity committee members on behalf of Rana DeBey to complete the doodle poll for the next meeting. Perez mentioned that negotiations are finalizing with Comcast. She said there may need to be an MHCRC meeting in November to approve the contract to work with a consultant for the negotiations. Perez will notify the commission.

- New Business; Commissioner Open Comment: Commissioner McIntire thanked staff for the newsletter. She appreciates the timeline and information staff provides.

- Committee Reports

- Equity Committee: Commissioner Roche said the Community Technology grant application opened on October 15<sup>th</sup> and it went out to more than 200 recipients. He said DeBey will be sending out an email next week reminding people that the cycle is open. Commissioner Roche encouraged commissioners to share the application information to their groups or provide their contact to DeBey so they can be contacted directly. The next equity committee meeting takes place in November.
- Finance Committee: Commissioner Thomas had no updates besides what was shared about the financial report.
- Policy Committee: Vice Chair Harden said the committee had their first meeting in October in which they discussed their goals and objective. The committee discussed how each jurisdiction was going to be empower through information and get involved in the advocacy work, particularly in protecting their rights-of-way or contributing to closing the digital divide. He said they also spend time determining their partner to do this work.

Vice Chair Harden said they also assigned responsibilities to the members of the committee, which include testifying at community hearings or submitting written testimony, taking action on behalf of their jurisdictions and taking pressure off staff. Vice Chair Harden said that right now people don't necessarily have an advocate and that might be one of the roles of the commissioners going forward. Commissioner Norm said that for the last 8 months the value of internet has really shown but he doesn't think people have realized it in the past. Commissioner Dennerline said that internet is not a commodity but a utility and that is going to take the FCC to change that. Commissioner Murphy said that now more than ever we have the opportunity to influence our elected officials both at county and city level.

- PCM Board Appointee: Commissioner Murphy had no updates besides what was shared in the Open Signal presentation.
- MetroEast Board Appointee: Commissioner Dennerline had no updates besides what was shared in the MetroEast presentation.
  
- Franchisee Activity Report
  - Zply: Zply representative was not present.
  - Comcast: Tim Goodman from Government Affairs at Comcast said that Comcast is the sponsor for the Portland Film Festival which is still going on. They have been supportive by offering comcast customers to be able to watch live events and movies that are being featured at the festival. He also said there will be internet connectivity at community-based organizations, but he isn't sure how many – these are internet Wi-Fi access centers for students that need it. He said they held their first diversity equity and inclusion day for their employees.
  - Century Link: Century Link representative was not present.
  
- Public Comment: None.
  
- Adjourn: 8:35 pm

Respectfully submitted by:  
Cinthia Diaz Calvo, Administrative Specialist

**COVER SHEET - AGENDA ITEM #R1**

For Commission Meeting: December 21, 2020

“TechSmart Impact Report: Grantee Transition to Distance Learning due to COVID-19  
Pandemic”

**Background**

The TechSmart Initiative for Student Success began in 2014 and will wrap up in FY21-22, with final student data for each project available by Fall 2022. Currently, the Initiative is overseeing investments in five school districts: Centennial School District, David Douglas School District, Gresham Barlow School District, Portland Public School District, and Reynolds School District. A previous grant with Parkrose School District has since wrapped up. Each of the five grants has different project goals but all are aligned with the collective effort of the broader community engaged in the All Hands Raised Partnership, to make progress on the following academic outcomes key to student success: Kindergarten Readiness, English Language Learners’ Annual Progress, Third Grade Reading, Eighth Grade Math, Ninth Grade Credit Attainment, and High School Graduation.

Alongside grant dollars, school districts receive evaluation data and resources to guide continuous improvement and refinement of their individual project plans. Pacific Research and Evaluation (PRE) has conducted the evaluation since the Initiative’s beginning and has developed trusted relationships with district leads, which contributes to transparent and candid information and data.

Pacific Research and Evaluation, LLC (PRE) was established in 1998 and is located in Portland, OR. Since its inception, PRE has pursued its mission by assisting numerous organizations to improve their services and programs by guiding them through systematic processes for making data-driven decisions. Dr. Kristi Manseth, Research Director, is the project manager for the TechSmart evaluation at PRE and is responsible for the day to day management of project tasks. She is the primary point of contact with MHCRC.

Staff asked PRE to compile the data the MHCRC was receiving via school district surveys and submitted status reports related to the transition to distance learning in response to the realization of the positive effect the initiative had had on the teachers, schools, and students that had previously been involved in the TechSmart Initiative.

Attachment: TechSmart Impact Report: Grantee Transition to Distance Learning due to COVID-19 Pandemic

Prepared by: Rana DeBey  
December 15, 2020



# TechSmart Impact Report

Grantee Transition to Distance Learning  
due to COVID-19 Pandemic



Prepared by Pacific Research and Evaluation, LLC

## EQUIPPED TEACHERS

### TechSmart Teachers were Prepared



- Teachers had established Google classroom environments
- Teachers knew how to embed videos and links in classroom content
- Teachers were able to use more sophisticated tools due to comfort level learning new technology

“ I felt very prepared to do Google classroom. We were already using it. I'm so grateful for the grant. The grades who were not in the grant couldn't get their students logged on, compared to 3-5 graders who already knew how.

**-David Douglas SD ”**

“ The first cohort were the most technology savvy. They were seamless in their transition to distance learning. They were able to apply things that they had acquired through the trainings in TechSmart. They were working with the coach.

**-Centennial SD ”**

### TechSmart Teachers were Innovative



**Teachers were able to not only move content online but facilitate group work and collaborative class discussions**



**Many interviewees described the switch to distance learning the "push" they needed to try new technology**



**District leadership observed TechSmart teachers were quick to provide support to non-TechSmart teachers**

# Grantee Transition to Distance Learning

## EQUIPPED STUDENTS

Teachers & District Leadership Reported:

- 1 Students knew how to log on
- 2 Students were familiar with Google classroom and SeeSaw
- 3 Students knew how to use Chromebooks

“My students were already practiced at online instruction. Distance learning was not much different, except that my communication was through email or Microsoft Teams”  
**-Reynolds SD**

“The biggest impact has been that TechSmart teachers have been a lot more ready to pivot to online learning because of their experience with tools... so students already knew how to use a lot of the things. They had already established reading support and communication with families.”  
**-Portland Public Schools**

“It's been a somewhat easy technical-wise transition. I made sure that I was using things that the students already knew how to do... they were used to knowing how to do because they did it in class, and I didn't have to provide tutorials... That prior integration helped me make it a little smoother.”  
**-Gresham Barlow SD**

## Barriers to Distance Learning



Not all students have equal access to reliable internet in their homes, contributing to the equity gap in some cases



Schools were focused on providing basic necessities and support to families, such as groceries, and had to balance many priorities



Parents and guardians were at differing skill levels with technology use and students had varied technology support at home

## SELECTED QUOTES

### *From Teacher and District Leadership Interviews*

**Centennial  
SD**

"I have been forced to create and manage many more digital tools since distance learning has begun. With what I have learned during this time I see the potential of so many more uses in my classroom. I look forward to increasing my use of technology in the coming years."

**David  
Douglas SD**

"We all sort of stay stuck in our comfort zones, and you tippy-toe into something new. In a way distance learning forced us to do a lot of those changes, those pedagogical changes like you're talking about in our instruction rather than just tiptoeing through it and complaining, 'I can't make this happen. It's too hard. It's too much.'"

**Gresham  
Barlow SD**

"Thank goodness students had worked on their Chromebooks and they knew how to use navigate some of the tools like how to record and do slide shows. I feel really fortunate, I can't even imagine what other schools that didn't have this technology are experiencing right now."

**Portland  
Public**

"After we transitioned to distance learning, several parents brought up how amazed they were... Within a week I had already set up two 45-minute periods, a meeting on Google Meet, where I instructed, and the kids had the possibility to have a group discussion. I created a classroom in Google Classroom where I posted notes of the discussion."

**Reynolds  
SD**

"The use of technology for all children has rapidly shifted from inadequate to ubiquitous in RSD. The forced directive to shift to distance learning would not have been possible less than a year ago. The abrupt uptick in access comes with both abundant opportunity for students as well as significant shifts in instructional practices for most teachers."

**STAFF REPORT -- AGENDA ITEM #R2**

For Commission Meeting: December 21, 2020

“MHCRC FY19-20 Fund Audit”

**Recommendation**

Staff recommends that the Commission acknowledge receipt of the MHCRC FY19-20 Fund Audit prepared by Moss Adams and direct MHCRC staff to submit the Audit to the Secretary of State by December 31, 2020.

**Background**

Under MHCRC Resolution 2013-03, the MHCRC delegated to the MHCRC Finance Committee the authority to review and approve the annual MHCRC Financial Statements, in order to proceed with a timely MHCRC Fund audit as required under Oregon law.

At the December 1, 2020 meeting, the Finance Committee approved the FY19-20 MHCRC Fund Financial Statements, prepared by the Accounting Division of the City of Portland through an interagency with the MHCRC.

Moss Adams, the MHCRC independent audit firm, completed its audit of the MHCRC Fund Financial Statements and will make a detailed presentation of the results at the December MHCRC meeting.

Once the MHCRC reviews and acknowledges the audit, the MHCRC staff submit it to the Oregon Secretary of State along with the annual filing fee.

Attachments: MHCRC Financial Statements and Report of Independent Auditors, Moss Adams  
Oregon Minimum Audit Standards (OMS) Report  
Communications with those Charged with Governance under SAS 114

Prepared by: Elisabeth H. Perez  
December 14, 2020



Serving Multnomah County and the Cities of  
Fairview, Gresham, Portland, Troutdale and Wood Village

Financial Statements

And

Auditor's Report

Fiscal Year Ended June 30, 2020

Mt. Hood Cable Regulatory Commission  
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**AUDIT COMMENTS AND DISCLOSURES**

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# INTRODUCTORY SECTION

Mt. Hood Cable Regulatory Commission

June 30, 2020

## Administration Offices

1120 SW 5<sup>th</sup> Ave, Suite 405  
Portland, Oregon 97204

*Commission Members as of June 30, 2020*

Carol Studenmund	Chair - Multnomah County Representative
Scott Harden	Vice Chair - Wood Village Representative
Jeff Dennerline	Fairview Representative
Jacquenette McIntire	Gresham Representative
Kory Murphy	Portland Representative
Rich Roche	Portland Representative
Norm Thomas	Troutdale Representative

Interim Director  
Elisabeth Perez

Program Manager  
Julie S. Omelchuck

Accounting Staff  
Aaron Rivera  
(City of Portland Bureau of Revenue & Financial Services)

Kevin Sanders  
(City of Portland Bureau of Revenue & Financial Services)

December 11, 2020

Moss Adams LLP

805 SW Broadway, Suite 1200

Portland, OR 97205

We are providing this letter in connection with your audit of the financial statements of Mt Hood Cable Regulatory Commission ("MHCRC"), as of June 30, 2020 and for the year then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the discretely presented component unit in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$38,750 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter.

#### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit contract dated May 16, 2017 (and subsequent amendment #2, effective May 15, 2020) for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

#### Information Provided

8. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Minutes of the meetings of Commission, and committees of the Commission, or summaries of actions of recent meetings for which minutes have not yet been prepared;
  - c. Additional information that you have requested from us for the purpose of the audit;



26. We have evaluated Portland Community Media dba Open Signal (Open Signal) as a potential component unit of MHCRC and have concluded that Open signal does not meet the requirements under current GASB standards for being deemed a component unit of MHCRC.
27. We have assessed the requirements of GASB 84, Fiduciary Activities, and have identified all potential fiduciary activities of the MHCRC and evaluated them against the criteria set forth in GASB 84. Any fiduciary activities meeting the criteria have been appropriately reflected as fiduciary funds in the MHCRC's financial statements for the year ended June 30, 2020.
28. During the year ended June 30, 2020, the World Health Organization declared the novel coronavirus outbreak a public health emergency. Given the dynamic nature of these circumstances and business disruption, we anticipate some short-term impact. We will continue to monitor the situation closely, but given the uncertainty about the situation, cannot estimate the impact to our future financial statements. We believe we have met the related disclosure requirements and discussions of the pandemic in our letter of transmittal, management discussion and analysis, and where applicable, in our footnotes to the financial statements

*Elisabeth H Perez*

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Elisabeth Perez, Interim Director

*Kevin Sanders*

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Kevin Sanders, Accountant

## **FINANCIAL SECTION**

# **Report of Independent Auditors**

The Board of Commissioners  
Mt. Hood Cable Regulatory Commission  
Portland, Oregon

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the discretely presented component unit of the Mt. Hood Cable Regulatory Commission (“the Commission”), a component unit of the City of Portland, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of MetroEast Community Media, which in the aggregate, represents 100% of the assets, net position and revenues of the discretely presented component unit of the Commission. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for MetroEast Community Media, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the discretely presented component unit of the Mt. Hood Cable Regulatory Commission, as of June 30, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and changes in fund balance – budget and actual on pages 4 through 7, and 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary schedule described above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section on pages i through iv is presented for purposes of additional analysis and is not a required part of the basic financial statements, and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Reports on Other Legal and Regulatory Requirements**

### ***Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 11, 2020, on our consideration of the Commission's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in blue ink that reads "James C. Lavarotto". The signature is written in a cursive style with a large initial 'J' and 'L'.

For Moss Adams LLP  
Portland, Oregon  
December 11, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Mt. Hood Cable Regulatory Commission ("MHCRC"), we offer readers of MHCRC's Annual Financial Report this narrative overview and analysis of the financial activities of MHCRC for the fiscal year ended June 30, 2020.

### FINANCIAL HIGHLIGHTS

The following are MHCRC's financial highlights for fiscal year ending June 30, 2020:

- The assets of MHCRC exceeded its liabilities at the close of FY 2019-20 by \$10,402,742 (*net position*).
- MHCRC's total net position decreased by \$3,844,421 from FY 2019-20. The key factor for this decrease was an increase in the amount of program expenditures during the year. Given the nature of the MHCRC grant agreements, sizable year-to-year expense fluctuations are customary.
- The MHCRC's governmental fund reported an ending fund balance of \$10,402,742 a decrease of \$3,842,021.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MHCRC's basic financial statements. MHCRC's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplemental information.

#### A. Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of MHCRC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of MHCRC's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MHCRC is improving or deteriorating.

The *statement of activities* presents information showing how MHCRC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In addition to MHCRC (primary government), the government-wide financial statements include MetroEast Community Media (MetroEast) for which the MHCRC is financially accountable. Financial information for MetroEast are reported separately from the financial information presented for the primary government.

#### B. Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. MHCRC, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. MHCRC only has one governmental fund.

- **Governmental fund.** *The governmental fund is used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on spendable resources, near-term inflows, outflows and balances available at fiscal year end. Such information may be useful in evaluating a government's near-term financing requirements.*

Because the focus of a governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. The statements "*Governmental Fund Balance Sheet / Statement of Net Position*" and "*Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities*" show the governmental fund perspective and the governmental activities perspective.

**C. Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**D. Required supplemental information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning MHCRC's budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position serves as a useful indicator of a government's financial position. For the MHCRC, assets exceeded liabilities by \$10,402,742 at the close of FY 2019-20.

**A. Analysis of net position**

The largest portions of MHCRC's net position consist of \$12,421,281 in cash and investments, \$936,542 of grant advances, and \$1,568,000 in accounts receivable.

All of MHCRC's assets are restricted by intergovernmental agreements.

**Mt. Hood Cable Regulatory Commission  
Summary of Net Position  
Balances as of**

	June 30, 2020	June 30, 2019	Change
Assets	\$ 14,871,670	\$ 15,588,022	\$ (716,352)
Liabilities	4,468,928	1,340,859	3,128,069
Net Position			
Net Investment in capital			
assets	-	2,400	(2,400)
Restricted Net Position	10,402,742	14,244,763	(3,842,021)
Total Net Position	\$ 10,402,742	\$ 14,247,163	\$ (3,844,421)

**B. Analysis of changes in net position**

**Mt. Hood Cable Regulatory Commission  
Summary of Changes in Net Position  
For the years ended**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>Revenues</b>			
Program revenues:			
Intergovernmental	\$ 7,131,015	\$ 7,451,244	\$ (320,229)
General revenues:			
Investment earnings	<u>265,053</u>	<u>291,295</u>	<u>(26,242)</u>
Total revenues	7,396,068	7,742,539	(346,471)
<b>Expenses</b>			
Community development	<u>11,240,489</u>	<u>7,733,135</u>	<u>3,507,354</u>
Changes in net position	(3,844,421)	9,404	(3,853,825)
Net position - beginning	<u>14,247,163</u>	<u>14,237,759</u>	<u>9,404</u>
Net position - ending	<u><u>\$ 10,402,742</u></u>	<u><u>\$ 14,247,163</u></u>	<u><u>\$ (3,844,421)</u></u>

Net position decreased by \$3,844,421 during the year due to a planned increase in program expenditures. Given the nature of the MHCRC grant agreements, sizable year-to-year expense fluctuations are customary.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the MHCRC uses fund accounting to ensure compliance with finance-related legal requirements.

**A. Governmental fund**

The focus of MHCRC's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing MHCRC's financing requirements.

As of the end of the current fiscal year, MHCRC's governmental fund reported an ending fund balance of \$10,402,742 a decrease of \$3,842,021. The General Fund is the only fund of MHCRC.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual revenues were \$965,560 above the final budget which is an increase over the final budget of 15%. Actual expenditures were \$1 million less than the final budget due to under expenditures for program expenditures. These under expenditures are largely attributable to the assurance of sufficient funding for projects performed by contracted public agencies and non-profit organizations.

Although MHCRC is exempt from state budget law per ORS 294.316 (14), a budget was adopted for MHCRC for FY 2019-20. During FY 2019-20, General Fund expenditures did not exceed budgetary estimates.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

The MHCRC has no debt. Capital Assets consists of internally generated grants management software and are fully depreciated.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Cable fee revenues to the Jurisdictions peaked in FY 2016-17. Since that time however, fee revenues declined steadily at a pace of approximately 7% overall each year. Portland's fees decreased 7.8% in FY 2019-20 with East County Jurisdictions franchise fees decreasing by 3.4% in FY 2019-20. The MHCRC anticipates this decline in revenues to continue as people move from subscribing to traditional cable TV services to video delivered over the Internet. This will impact the MHCRC resources from franchise fees and PEG/I-Net fees collected from cable companies and also MHCRC expenditures made to support the community media providers, community technology grantees, and I-Net stakeholders.

The sustained declining revenues are not expected to materially change at this time, and will continue to be monitored to determine if the steady decline will continue and what action this prompts. Reductions to the operational budget are still an option, but have not been taken at this time. Cable activity and associated franchise fees and other revenues will continue to be monitored and discussions with stakeholders will continue regarding long term plans to administer MHCRC within forecasted resources.

The impact of COVID is indeterminate at this time given the minimal impact on revenue collections at the end of FY 2019-20. Franchise fee revenue will be monitored in the upcoming fiscal year to determine actual impacts of COVID once first and second quarter revenues are received. At the time of this audit, first quarter revenues have not been received and processed. Additional budget information can be obtained at <http://www.mhcr.org/about-the-mhcr/>.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of MHCRC's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Office for Community Technology / MHCRC, PO Box 745, Portland, OR 97207-0745.

**Mt. Hood Cable Regulatory Commission**  
**Governmental Fund Balance Sheet / Statement of Net Position**  
**June 30, 2020**

	Primary Government			Component Unit
	General Fund	Reconciliation Governmental Fund Balance	Statement of Net Position	MetroEast Community Media
<b>ASSETS</b>				
Cash and investments	\$ 12,421,281	\$ -	\$ 12,421,281	\$ 1,352,567
Receivables:				
Accounts, net	1,568,888	-	1,568,888	-
Accrued interest	51,510	-	51,510	1,148
Due from Mt. Hood Cable Regulatory Commission	-	-	-	238,275
Advances - MetroEast Community Media	427,223	-	427,223	-
Advances - others	402,768	-	402,768	-
Prepaid expense	-	-	-	12,511
Capital assets, not being depreciated				
Land	-	-	-	210,330
Intangible assets:				
FCC license	-	-	-	78,000
Capital assets, being depreciated				
Buildings	-	-	-	3,147,209
Equipment	-	12,000	12,000	1,525,677
Vehicles	-	-	-	29,825
Accumulated depreciation	-	(12,000)	(12,000)	(2,019,920)
Total assets	<u>14,871,670</u>	<u>-</u>	<u>14,871,670</u>	<u>4,575,622</u>
<b>LIABILITIES</b>				
Accounts payable	4,230,653	-	4,230,653	16,922
Due to MetroEast Community Media	238,275	-	238,275	-
Refundable advances - MHCRC	-	-	-	427,223
Accrued payroll and related expenses	-	-	-	118,772
Current portion of long-term debt	-	-	-	47,615
Long-term debt	-	-	-	924,809
Capital lease obligation - current	-	-	-	18,468
Capital lease obligation - long-term	-	-	-	10,466
Total liabilities	<u>4,468,928</u>	<u>-</u>	<u>4,468,928</u>	<u>1,564,275</u>
<b>FUND BALANCE / NET POSITION</b>				
Fund balance:				
Restricted	<u>10,402,742</u>			
Total liabilities and fund balance	<u>\$ 14,871,670</u>			
Net position:				
Net investment in capital assets		-	-	-
Restricted		-	10,402,742	-
Unrestricted		-	-	3,011,347
Total net position		<u>\$ -</u>	<u>\$ 10,402,742</u>	<u>\$ 3,011,347</u>

The accompanying notes are an integral part of the basic financial statements.

**Mt. Hood Cable Regulatory Commission**  
**Statement of Governmental Fund Revenues, Expenditures, and**  
**Changes in Fund Balance/Statement of Activities**  
**For the Year Ended June 30, 2020**

	Primary Government			Component Unit
	General Fund	Reconciliation Governmental Fund Balance	Statement of Activities	MetroEast Community Media
Expenditures / Expenses:				
Community development	\$ 11,238,089	\$ 2,400	\$ 11,240,489	\$ 2,057,491
Interest expense	-	-	-	-
Total expenditures / expenses	<u>11,238,089</u>	<u>2,400</u>	<u>11,240,489</u>	<u>2,057,491</u>
Program revenues:				
Intergovernmental	7,131,015	-	7,131,015	-
Grants	-	-	-	1,451,148
Membership income	-	-	-	6,913
Service charges	-	-	-	89,094
In-kind contributions	-	-	-	36,387
Total program revenues	<u>7,131,015</u>	<u>-</u>	<u>7,131,015</u>	<u>1,583,542</u>
Net program (expense) revenue		<u>(2,400)</u>	<u>(4,109,474)</u>	<u>(473,949)</u>
General revenues:				
Investment earnings (losses)	<u>265,053</u>	<u>-</u>	<u>265,053</u>	<u>76,200</u>
Excess of revenues over expenditures	(3,842,021)	(2,400)		
Change in net position	-	(2,400)	(3,844,421)	(397,749)
Fund balances / net position				
Beginning of the year	<u>14,244,763</u>	<u>2,400</u>	<u>14,247,163</u>	<u>3,409,096</u>
End of the year	<u>\$ 10,402,742</u>	<u>\$ -</u>	<u>\$ 10,402,742</u>	<u>\$ 3,011,347</u>

The accompanying notes are an integral part of the basic financial statements.

**I. Summary of significant accounting policies:**

**A. Reporting entity:**

In 1992 Multnomah County, Oregon, and the Cities of Fairview, Wood Village, Troutdale, Gresham, and Portland entered into an intergovernmental agreement under ORS 190 to form a unified regulatory commission called the Mt. Hood Cable Regulatory Commission (MHCRC) to serve the public interest by jointly regulating and administering franchise agreements within their boundaries. The MHCRC negotiates and enforces cable service franchise agreements; manages the public benefit resources and assets derived from the franchises; and advocates on behalf of the public interest on communications policy issues at the local, state and federal levels. The public benefits include:

- Community Grants Program which provides funds for technology projects to community organizations, libraries, educational institutions and local government agencies throughout Multnomah County. This program assists local entities in using cable system technology for enhanced communications, including video, data and voice applications;
- Institutional Network (I-Net) which is an advanced, fiber based communications network connecting government, educational and community institutions that is capable of carrying video, data and voice applications; and
- PEG access resources, which include both operating and capital funds for two community media centers (Open Signal and MetroEast Community Media) and other assets, such as channels on the cable system, digital capacity, and sites throughout the community used to originate programming.

Appointments to the MHCRC are made by the elected bodies of the participating jurisdictions.

MHCRC is reported as a Custodial Fund within the City of Portland's Comprehensive Annual Financial Report but they are not recognized as a component unit of the City of Portland.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Criteria indicating financial accountability include, but are not limited to, the following:

- Fiscal dependency by the organizations on MHCRC.

The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize that they are legally separate from MHCRC, their governing boards are not the same as the MHCRC's, and they do not provide services entirely or exclusively to MHCRC.

**Discretely presented component unit – MetroEast Community Media (MetroEast)**

MetroEast is a non-profit organization that uses media to invigorate civic engagement, inspire diverse voices, and strengthen community life. MetroEast's services are generally targeted to the areas within the Cities of Gresham, Troutdale, Fairview and Wood Village and unincorporated Multnomah County. The MHCRC contracts with MetroEast for community media services. Through government and education programs broadcast on public access cable TV channels, under represented neighborhoods and groups are able to participate in and be aware of community and government activities and services. MetroEast gavel-to-gavel coverage of City Council and County Commission meetings on the citywide Government Access Channel (30). Substantially all of MetroEast's funding is received from MHCRC. Audited financial statements are prepared for MetroEast and can be obtained by contacting them at: 829 NE 8th Street, Gresham, OR 97030.

**I. Summary of significant accounting policies, continued:**

**B. Government-wide and fund financial statements:**

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all of the activities of the primary government and its component unit. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues. *Direct expenses* are those that are clearly identifiable.

Program revenues include franchise fees and public, education and government (PEG) fees due to the jurisdictional partners of MHCRC from the cable providers. Investment earnings are properly included among general revenues.

**C. Measurement focus, basis of accounting, and financial statement presentation:**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, MHCRC considers revenues to be available if they are collected within *sixty days* of the end of the current fiscal period.

Significant measurable and available revenues for the fiscal year ended June 30, 2020, under the modified accrual basis of accounting, were as follows:

- Franchise fees
- Charges for services

Expenditures generally are recorded when a liability is incurred.

MHCRC reports the following major governmental fund:

- The General Fund is MHCRC's only fund. It accounts for all financial transactions of the general government.

**D. Assets, liabilities, and net position or equity:**

**1. Cash and investments**

MHCRC's cash is held in the City of Portland's cash and investment pool. Cash and investments are presented on the balance sheet in the basic financial statements at fair value in accordance with GASB Statement No. 31 and GASB Statement No. 72.

All investment pool cash purchases and sales are part of the City of Portland's cash management activity and considered cash and cash equivalents. In general, interest earned from pooled investments is allocated to MHCRC based on the average earnings rate and daily cash balance.

**I. Summary of significant accounting policies, continued:**

**D. Assets, liabilities, and net position or equity, continued:**

Oregon Revised Statutes (ORS) 294, authorizes the City of Portland to invest primarily in general obligations of the United States (U.S.) Government and its agencies and instrumentalities, of the U.S. or enterprises sponsored by the U.S. Government and obligations whose payment is guaranteed by the U.S., agencies and instrumentalities of the U.S. or enterprises sponsored by the U.S. Government, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP).

For MetroEast, investments in marketable securities with readily determinable fair values are valued at their fair values. Certificates of deposits are valued at cost. Unrealized gains and losses are included in the increase (decrease) in net position.

**2. Receivables**

MHCRC records monies due from other governmental agencies as receivables.

**3. Advances**

MHCRC contracts with other entities to provide a variety of services. Since those entities are small non-profit organizations, MHCRC advances monies for grants and contracted services to enable the organizations to implement capital projects and/or provide services in accordance with their grant contracts with MHCRC. Advances represent amounts that have been paid by MHCRC, but for which no services have yet been provided.

**4. Restricted amounts**

All of MHCRC's assets are restricted because their use is limited by the external governments that created MHCRC. If both restricted and unrestricted resources were available for use, it is MHCRC's policy to use restricted resources first and then unrestricted resources, as they are needed.

**5. Capital assets**

**Primary Government**

MHCRC capital assets consist of internally generated software and are reported in the applicable columns of the government-wide financial statements. Internally generated software are capitalized with total costs of \$10,000 or more. Other computer software (not internally generated) with a cost of \$5,000 or greater are capitalized.

Capital assets are recorded at historical cost or estimated historical cost when actual cost is not available. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Management evaluates capital assets for impairment and retirement biannually, or as circumstances warrant.

Upon disposal of capital assets, historical cost or estimated historical cost is removed. Proceeds from sales are generally recorded as revenue.

Depreciation and amortization of capital assets are computed on the straight-line method over their estimated useful lives. Depreciation and amortization are not taken during the year of acquisition and no salvage values are used.

I. **Summary of significant accounting policies**, continued:

D. **Assets, liabilities, and net position or equity**, continued:

The estimated useful lives of capital assets are:

- Computer software – internally generated – 7 to 17 years
- Computer software – other – 1 to 10 years

Component Unit

MetroEast follows the practice of capitalizing, at cost, all expenditures for property, equipment, and leasehold improvements in excess of \$1,000. Property and equipment received through donation or transfer are recorded at estimated fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 30 years.

6. Accounts payable

Accounts payable to vendors and contractors include general accounts payable and other accrued contingent liabilities not included in short-term or long-term liabilities.

7. Use of estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. Net position and fund balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement.

On the *Statement of Net Position* for government-wide reporting, net position is segregated into three categories:

**Net investment in capital assets** represents total capital assets less accumulated depreciation.

**Restricted net position** represents net position that is *not* subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, from laws or regulations of other governments, from enabling legislation, from endowments agreements, or by the nature of the asset.

**Unrestricted net position** represents amounts not restricted.

On the *Balance Sheet – Governmental Fund*, assets in excess of liabilities are reported as fund balance and are reported in the classification indicating the extent to which MHCRC is bound to honor constraints on the specific purposes for which those funds can be spent.

Fund balance is reported as **Restricted** when the constraints placed on the use of resources are either: (a) externally imposed by grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, MHCRC's policy is to use restricted resources first and then unrestricted resources, as they are needed.

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**I. Summary of significant accounting policies, continued:**

**E. Adoption of new GASB pronouncements:**

The following pronouncement was implemented during the year:

GASB Statement No. 84, Fiduciary Activities. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 was effective for the MHCRC, fiscal year ending June 30, 2020. There was no impact to the commission from this implementation.

GASB Statement No. 95, Postponement of Effective Dates. This Statement was issued May 2020 to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

**F. Future adoption of GASB pronouncements:**

The following GASB pronouncements have been issued, but are not yet effective as of June 30, 2020:

GASB Statement No. 87, Leases. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the MHCRC, fiscal year ending June 30, 2022.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the MHCRC for fiscal year ending June 30, 2022.

GASB Statement No. 91, Conduit Debt Obligations. This statement was issued May 2019. This statement establishes accounting requirements for conduit debt obligations by issuers. The objectives of this statement are to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the MHCRC for fiscal year ending June 30, 2023.

GASB Statement No. 92, Omnibus 2020. This statement was issued January 2020, this Statement enhances comparability and financial reporting to improve the consistency of authoritative literature to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases implementation, derivative instruments, postemployment benefits (pensions and other postemployment benefits [OPEB]), asset retirement obligations, risk pool and fair value measurements. GASB Statement No. 92 will be effective for the MHCRC for fiscal year ending June 30, 2022.

GASB Statement No. 93 Replacement of Interbank Offered Rates (IBOR). This Statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an IBOR. GASB Statement No. 93 will be effective for the MHCRC in phases during fiscal years 2021 and 2022.

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements. This Statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). GASB Statement No. 94 will be effective for the MHCRC for the fiscal year ending June 30, 2023.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement was issued May 2020 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlay other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB Statement No. 96 will be effective for the MHCRC for the fiscal year ending June 30, 2023.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement was issued June 2020. The primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component unit in fiduciary fund financial statement; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meets the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 will be effective for the MHCRC for the fiscal year ending June 30, 2022.

**II. Stewardship, compliance, and accountability:**

**A. Budgetary information:**

Although state law does not require MHCRC to adopt a budget, it has done so. The budget is approved by the governmental entities that founded MHCRC. Total resources in MHCRC equal total expenditures and requirements. Appropriations lapse at fiscal year end.

MHCRC's budget was adopted prior to July 1<sup>st</sup>, after being approved by every member jurisdiction. This budget authorizes and establishes appropriations for the fiscal year for the MHCRC's major categories of expenditures. The level of appropriation is established for program expenses and contingencies. MHCRC program expenses include the following major object categories: materials and services, and capital outlay.

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**II. Stewardship, compliance, and accountability, continued:**

**A. Budgetary information, continued:**

MHCRC budgets on the modified accrual basis of accounting. Budgets may be modified during the fiscal year through different means. MHCRC managers may transfer appropriations between line items within major object categories. In addition, MHCRC may transfer appropriations between major object categories with the permission of the MHCRC, provided the adjustments do not affect total appropriations.

**III. Detailed notes:**

**A. Cash and investments:**

MHCRC's cash and investments are maintained in a cash and investment pool run by the City of Portland. MHCRC's cash and cash equivalents are represented by participation in this pool rather than specific, identifiable securities. Interest earned on pooled investments is allocated monthly based on the average participation of the funds in relation to total investments in the pool. It is not practical to determine the investment risk, collateral or insurance coverage for the MHCRC's share of these pooled investments. Information about the pooled investments is included in the City's Comprehensive Annual Financial Report (CAFR). The City's CAFR can be found at: <http://www.portlandonline.com/omf/index.cfm?c=26053>.

The City accounts for cash and investments in accordance with the provisions of GASB Statement No. 31: *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and to recognize the corresponding change in the fair value of investments in the year in which the change occurred. Disclosures regarding risks associated with cash and investments required by GASB Statement No. 3: *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40: *Deposit and Investment Risk Disclosures* are included in the City's financial statements.

	Primary Government	<u>Component Unit</u> MetroEast	Total
City of Portland external investment pool	\$ 12,421,281	\$ -	\$ 12,421,281
Cash and cash equivalents	-	614,049	614,049
Equity securities	-	504,377	504,377
Government and fixed income securities	-	204,251	204,251
Certificates of deposit	-	29,890	29,890
Total	<u>\$ 12,421,281</u>	<u>\$ 1,352,567</u>	<u>\$ 13,773,848</u>

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**III. Detailed notes, continued:**

**A. Cash and investments, continued:**

Component Unit disclosures

Investments of the component unit are exposed to various risks such as interest rate, market, and credit risk. The value, liquidity, and related income of these investments are sensitive to changes in economic conditions and may be adversely affected by shifts in the market's perception of the issuers and interest rates. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, which could materially affect account balances and amounts reported in the financial statements.

Accounting principles generally accepted in the United States of America for governmental entities establish a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair-value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies.
- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

<u>MetroEast</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 334,145	\$ -	\$ -	\$ 334,145
Mutual funds	170,232	-	-	170,232
Government and fixed income securities	-	204,251	-	204,251
Total	<u>\$ 504,377</u>	<u>\$ 204,251</u>	<u>\$ -</u>	<u>\$ 708,628</u>

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**III. Detailed notes, continued:**

**B. Receivables:**

Receivables as of June 30, 2020, are as follows:

	Primary Government	Component Unit	
		MetroEast	Total
Franchise fees receivable	\$ 1,568,888	\$ -	\$ 1,568,888
Due from MHCRC	-	238,275	238,275
Accrued interest receivable	51,510	1,148	52,658
<b>Total</b>	<b>\$ 1,620,398</b>	<b>\$ 239,423</b>	<b>\$ 1,859,821</b>

All of MHCRC's receivables are short term in nature.

**C. Prepaid items and advances:**

MHCRC works with a variety of entities that require advances in order to accomplish the work they contract with MHCRC to do. At June 30, 2020 advance balances were:

	Primary Government
MetroEast	\$ 427,223
Other entities	402,768
<b>Total</b>	<b>\$ 829,991</b>

MetroEast had \$12,511 of prepaid expenses at June 30, 2020

**D. Payables:**

Payables and other accrued liabilities at June 30, 2020 are as follows:

	Primary Government	Component Unit	
		MetroEast	Total
Payable to vendors and contractors	\$ 4,230,653	\$ 16,922	\$ 4,247,575
Due to component units	238,275	-	238,275
<b>Total</b>	<b>\$ 4,468,928</b>	<b>\$ 16,922</b>	<b>\$ 4,485,850</b>

**E. Fund balances, governmental funds:**

The fund balance is reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The entire fund balance is restricted due to intergovernmental agreements which specify the uses of the funds.

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

III. **Detailed notes**, continued:

F. **Capital assets:**

Capital assets activities for the component units, for the year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>MHCRC</u></b>				
Capital Assets, being depreciated				
Computer software	\$ 12,000	\$ -	\$ -	\$ 12,000
Accumulated amortization	(9,600)	(2,400)	-	(12,000)
	\$ 2,400	\$ (2,400)	\$ -	\$ -
<b><u>MetroEast</u></b>				
Capital assets, not being depreciated				
Land	\$ 210,330			\$ 210,330
Intangible assets:				
FCC license	78,000			78,000
Capital assets, being depreciated				
Buildings	3,154,676		(7,467)	3,147,209
Equipment	3,478,103	217,009	(2,169,435)	1,525,677
Vehicles	-	29,825		29,825
Accumulated depreciation	(3,833,594)	(355,761)	2,169,435	(2,019,920)
	\$ 3,087,515	\$ (108,927)	\$ (7,467)	\$ 2,971,121

Some of the equipment listed for MetroEast would revert to MHCRC if the contracts between the entities were terminated.

G. **Leases:**

MetroEast has entered into a capital lease obligation on April 14, 2019 for certain production and maintenance equipment costing \$47,047. Future minimum lease payments under the capital lease total \$28,934 less amounts representing interest of \$3,385.

Capital Lease Obligation Fiscal Year Ending June 30,	Amount
2021	\$ 18,468
2022	13,851
	32,319
Less amounts representing interest	(3,385)
	\$ 28,934

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**III. Detailed notes, continued:**

**H. Debt:**

MetroEast has a debt agreement with Bank of America. The note is due in monthly installments of \$6,954, including interest at 4.75% through the July 2023 maturity date of the note. The note is secured by land and building with a net book value of \$1,637,611.

Payments as disclosed in the notes to the MetroEast's financial statements are:

MetroEast's Long-Term Debt Payments:	Long-Term Debt Fiscal Year Ending June 30,	Amount
	2021	\$ 47,615
	2022	49,927
	2023	52,350
	2024	629,609
	Total	\$ 779,501

Debt and long-term liability activity of the two entities for the year ended June 30, 2020, was:

<u>MetroEast:</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 827,667	\$ -	\$ 48,166	\$ 779,501	\$ 47,615
Compensated absences	205,981	118,772	205,981	118,772	118,772
Capital Lease Obligation	42,882		13,948	28,934	18,468
Total MetroEast	\$ 1,076,530	\$ 118,772	\$ 268,095	\$ 927,207	\$ 184,855

**IV. Other information:**

**A. Risk management:**

MHCRC is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), acts of terrorism, and natural disasters. MHCRC participates in the City of Portland's risk pool for general liability claims through a monthly overhead charge paid to the City. The City is responsible for all costs of claims. There have been no claims in excess of coverage or a significant reduction in coverage during the last three years.

**B. Employee retirement system and pension plan:**

MetroEast sponsors a 401(k) profit sharing plan (the plan). Eligible participants have the opportunity to defer a portion of their salary into the plan, as well as receive an employer contribution that will be discretionarily determined annually by the Board of Directors. Requirements for eligibility are a minimum of employment during the last six months of the plan year and participants must be at least 18 years of age. Pension expense under this plan for the years ended June 30, 2020 and 2019 was \$60,141 and \$79,773 respectively.

Mt. Hood Cable Regulatory Commission  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**IV. Other information, continued:**

**C. Commitments:**

MHCRC has entered into multiple contractual agreements to provide future grants to various community based agencies. These obligations are not expected to be fully paid from current financial resources and are not recognized as a liability until performance under the contract has occurred. These agreements are represented by open purchase orders with balances at June 30, 2020 as follows:

Organization	Project Description	<u>Commitments</u>
Portland Public School District	TechSmart 3rd Grade Literacy Project	\$ 1,333,005
Centennial School District	CSD Techsmart Grant	611,787
Multnomah County	GBSD Techsmart Grant 2: MS Math	437,518
David Douglas School District	DDSD Techsmart Grant	300,111
Reynolds School District	Techsmart Grant 2: Expand Class	172,675
Multnomah County	Mobile Computing Device Checklist	122,360
Multnomah School District U2	GBSD K-3 Tech Integration	99,191
Multnomah County	Welcome to Computers	19,196
Junior Achievement	JA Biztown & B2TV Tech	11,708
Multnomah County	Digital Inclusion Resources	5,716
Mt. Hood Community College	MHCC Community Access	976
Boys & Girls Club	My Future Rockwood Expansion	701
Total		<u>\$ 3,114,944</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**Mt. Hood Cable Regulatory Commission**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Intergovernmental revenue	\$ 6,165,455	\$ 6,165,455	\$ 7,131,015	\$ 965,560
Other:				
Investment earnings	<u>238,842</u>	<u>238,842</u>	<u>265,053</u>	<u>26,211</u>
Total revenues	<u>6,404,297</u>	<u>6,404,297</u>	<u>7,396,068</u>	<u>991,771</u>
<b>EXPENDITURES</b>				
Current:				
Program expenditures	<u>12,691,390</u>	<u>12,691,390</u>	<u>11,661,510</u>	<u>1,029,880</u>
Total expenditures	<u>12,691,390</u>	<u>12,691,390</u>	<u>11,661,510</u>	<u>1,029,880</u>
Revenues over (under) expenditures	<u>(6,287,093)</u>	<u>(6,287,093)</u>	<u>(4,265,442)</u>	<u>2,021,651</u>
Fund balance - beginning	<u>8,272,523</u>	<u>8,272,523</u>	<u>15,943,754</u>	<u>7,671,231</u>
Fund balance - ending	<u>\$ 1,985,430</u>	<u>\$ 1,985,430</u>	11,678,312	<u>\$ 9,692,882</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Non-budgetary advance recovery			<u>(1,275,570)</u>	
Net position - GAAP basis			<u>\$ 10,402,742</u>	

## **Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Auditing Standards***

The Board of Commissioners  
Mt. Hood Cable Regulatory Commission  
Portland, Oregon

We have audited the basic financial statements of the governmental activities and the major fund of the Mt. Hood Cable Regulatory Commission (the Commission), as of and for the year ended June 30, 2020, and have issued our report thereon dated December 11, 2020. We did not audit the financial statements of MetroEast Community Media, which in the aggregate, represent 100% of the assets, net position and revenues of the discretely presented component unit of MHCRC. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for MetroEast Community Media, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

### **Compliance**

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of various depositories to secure the deposit of public funds.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2020 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.
- Certain other fiscal affairs.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Oregon Administrative Rules 162-10-000 to 162-10-0330.

## **Internal Control Over Financial Reporting**

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James C. Lanzarotta, Partner  
for Moss Adams LLP  
Portland, Oregon  
December 11, 2020



COMMUNICATIONS WITH THOSE  
CHARGED WITH GOVERNANCE

**MT. HOOD CABLE REGULATORY COMMISSION**

June 30, 2020



MOSSADAMS

## **Communications with Those Charged with Governance**

To the Board of Commissioners  
Mt. Hood Cable Regulatory Commission

We have audited the financial statements of the governmental activities and the major fund of the Mt. Hood Cable Regulatory commission (“MHCRC”) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 11, 2020. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America**

As stated in the City of Portland Agreement for Professional, Technical, or Expert Services Contract Number 30005847 dated May 16, 2017 (the Contract), as amended, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MHCRC’s internal control over financial reporting. Accordingly, we considered MHCRC’s internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in the financial statements does not extend beyond the financial information identified in our report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents. However, we have read the information and nothing came to our attention that caused us to believe that such information or its manner of presentation is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in the Contract dated May 16, 2017.

## **Significant Audit Findings and Issues**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MHCRC are described in Note I to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during fiscal year 2020. We noted no transactions entered into by the MHCRC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### ***Significant Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the MHCRC's financial statements were:

- Allowance for doubtful accounts
- Estimated liabilities for cable franchise fee revenue due to other parties

### ***Financial Statement Disclosures***

The disclosures in the financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the reporting entity and significant accounting policies in Note I to the financial statements. This disclosure reports the operations under the governance of the Commissioners, as well as the more significant policies used by MHCRC in the preparation of the financial statements. Note I discloses MetroEast Community Media as a discretely presented component unit.
- The disclosure of MHCRC's risk management programs in Note IV.A. to the financial statements. This disclosure provides a summary of the various risks of loss MHCRC is exposed to, and its method of financing those risks.

### ***Significant Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected misstatements are those entries found during the course of the audit that management decided to post to the financial statements. We identified the following corrected misstatements during the course of our audit procedures:

1. Entry to accrue for invoices relating to FY 2019-20 – \$48,000 (increase in receivables)
2. Entry to correct advances to MetroEast at June 30, 2020 – \$114,000 (decrease in advances)

No uncorrected misstatements were identified during the course of the audit.

***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 11, 2020.

***Management Consultation with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the MHCRC’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Significant Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the MHCRC’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Commissioners and management of the Mt. Hood Cable Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams, LLP*

Portland, Oregon  
December 11, 2020



## **COVER SHEET -- AGENDA ITEM #R3**

**For Commission Meeting: December 21, 2020**

“MHCRC Community Technology Grants Program Impact Evaluation - Scope of Work”

### **STAFF RECOMMENDATIONS**

1. MHCRC staff, in consultation with the Equity Committee, recommends that the Commission approve the following scope of work for a Request for Proposal (RFP) to engage an evaluation consultant
  2. MHCRC staff also recommend that the MHCRC delegates authority to the OCT Bureau Director, Elisabeth Perez, the ability to act as signatory on the final contract, as well as any other documents necessary to move the RFP through the procurement process within the City of Portland.
  3. MHCRC staff recommend that the MHCRC delegates authority to the OCT Bureau Director to identify a source for funding the proposed scope of work at a cost of up to \$60,000.
- 1. MHCRC staff, in consultation with the Equity Committee, recommends that the Commission approve the following scope of work for a Request for Proposal (RFP) to engage an evaluation consultant to provide:**
- an evaluation of the impact that the MHCRC’s Community Technology Grants Program has had in the community, the responsiveness of the funding program to address the needs of the community organizations that sought and were awarded grant funds, and the effectiveness of the projects funded to meet the needs of individuals or communities served; and,
  - an examination of the MHCRC funding patterns and grant-making processes in order to document accomplishments, identify areas of improvement and specify recommendations to assist the MHCRC in defining its funding strategy for future grants, refining specific program goals and objectives, and developing indicators to measure future progress.

#### Project Scope of Work:

1. Meetings with OCT/MHCRC staff and Equity Committee members to better understand project scope, materials and current practices.
2. A draft of the written report for review and feedback by the MHCRC staff and Equity Committee. The evaluation design will address, at a minimum, the following purposes and questions:
  - a. An evaluation of the impact the Community Technology Grants Program investments (2014 – 2018) have had within the community, specifically on the organizations

- implementing grant-funded projects, other participating partner organizations, and on the individuals and/or communities served by the grant-funded projects.
- i. Were projects successful at attaining their stated project goals and why or why not?
  - ii. Who did organizations reach through the funded projects?
  - iii. Are projects creating any demonstrable community impact in the public benefit area(s) targeted by the grant program? What is different today as the result of the grant program?
  - iv. Did grant funds leverage other funds in the community to support the project and/or work of the organizations overall? How did project implementation support stated project partners?
  - v. Did the technology acquired through the grant funds enhance or detract from the organization's ability to be effective?
  - vi. Did the grant funded technology (investments) add any specific value to the project that wasn't initially anticipated?
  - vii. Has the organization sustained the project beyond the grant-funded term (e.g. scope, level of activity, funding, etc.)? If not, why?
  - viii. Are there collective "lessons learned" or themes among all or most projects? Are there any particularly useful examples of things that went well, or where grantees struggled?
- b. An analysis of the MHCRC funding patterns and grant-making processes to assist the MHCRC to identify areas of improvement, inform its funding strategy for future grants, refine specific program goals and objectives, and develop indicators to measure future progress.
- i. How were grant funds spent? Potential categories include: type of organization, grant public benefit designation, targeted beneficiaries and technology used.
  - ii. How and how well has the program incorporated equity into the grant making processes, and how might we better advance equity through our process?
  - iii. Which application requirements, if any, pose a barrier to potential applicants or project success?
  - iv. How realistic were "match" resources (budgets vs. actual)?
  - v. What are the real-world issues and challenges faced by the grant program's constituency to use technology as a tool to fulfill their missions?
    1. How has COVID 19 pandemic impacted the programs funded?
  - vi. What are the key barriers for the community benefits of the grant program to be realized?
  - vii. Are there significant differences between the findings presented here and the previous impact evaluation report (completed in 2003)?
3. A finalized written report included data and process documentation and key findings, for publication by the MHCRC. All reports should be ADA accessible.
  4. A presentation to the MHCRC of the final report and recommendations. The presentation will be recorded.

- 2. MHCRC staff also recommend that the MHCRC delegates authority to the OCT Director, Elisabeth Perez, the ability to act as signatory on the final contract, as well as any other documents necessary to move the RFP through the procurement process within the City of Portland.** The speed of the City's procurement processes has been affected by the COVID-19 pandemic and resulting telework requirement as well as additional contractual obligations. As a result of anticipated delays, and in order to continue to move forward with the RFP as quickly as possible, staff recommends delegating authority to the OCT Director to provide any necessary signatures in order to finalize the contract with a selected evaluation consultant, detailing the above scope of work, within the established City of Portland procedures.

Equity Committee Chair Richard Roche will sit on the selection committee for the evaluation consultant along with MHCRC staff and additional external stakeholders.

- 3. MHCRC staff recommend that the MHCRC delegates authority to the OCT Bureau Director to identify a source for funding the proposed scope of work at a cost of up to \$60,000.** Although the project was included in the workplan for the MHCRC in FY20-21, the cost for this impact evaluation was inadvertently left out of the FY20-21 MHCRC budget. MHCRC staff have identified several options for the funding including shifting money from the approved contingency fund (\$51,000), shifting possible savings from vacant positions within the personnel budget, or approving the additional funds from the carry-over amount in the compliance fund budget. OCT Bureau Director will work alongside MHCRC staff to identify the source of the funds for the RFP and will report back to the MHCRC at a future date.

## **BACKGROUND**

MHCRC staff had previously identified the benefits of completing an impact evaluation for the Community Technology Grants Program but due to capacity issues, the project has been on hold. A similar impact evaluation project was completed in 2003.

With increased staff capacity to lead the project, the MHCRC Equity Committee recommended moving forward with the program impact evaluation at its November 2020 meeting. This proposed evaluation will assist the MHCRC in creating strategies for future grantmaking programs, refining goals/objectives and developing indicators to measure success. The project will also seek to provide an understanding the impact the grants have had in the communities we serve, the barriers and challenges for the grantees in the application process, and how and how well our grantees have incorporated equity into their projects.

## **PROJECT TIMELINE (projected)**

MHCRC project Scope of Work approval: December 21, 2020

Issue RFP: January 15, 2021

Deadline for responses: February 1, 2021

OCT Bureau Director contract approval: February 15, 2021

Draft report complete: April 15, 2021

Final report complete: May 30, 2021

Report presentation - MHCRC meeting: June 2021

Prepared By: Rana DeBey  
December 8, 2020

## **COVER SHEET – AGENDA ITEM #R4**

For Commission Meeting: December 21, 2020

“Franchise Renewal Consultant Draft Contract”

### **Staff Recommendation**

1. Staff recommend that the MHCRC approve the contract with CBG Communications, Inc. to provide consulting and negotiation services to the MHCRC Commission and staff for the cable franchise renewal with Comcast.
2. Staff also recommend that the MHCRC delegates authority to the OCT Bureau Director, Elisabeth Perez, to act as signatory on the final contract, as well as any other documents necessary to move the RFP through the procurement process within the City of Portland.

### **Background**

As reported at the October MHCRC meeting, staff have finalized a draft contract to engage CBG Communications, Inc. to consult with staff and the Commission, and to provide negotiation expertise in the cable franchise renewal process with Comcast.

The MHCRC’s Adopted Budget for fiscal year 2021 identifies \$40,000 for legal services and \$65,000 for negotiations and technical assistance in support of the Comcast cable franchise renewal. Of the negotiations and technical support funds, \$25,000 was designated for completion of the Community Technology Needs Ascertainment work started in the prior fiscal year, and the remaining \$40,000 is intended to support the cable franchise renewal process and negotiations.

Following completion of the Community Technology Needs Ascertainment Study, staff developed an RFP and spoke with potential providers of franchise renewal support services. Based on these conversations it was determined that Best Best and Krieger can provide the MHCRC with franchise renewal legal support through the existing contract for special legal counsel services, and CBG Communications, Inc. is the appropriate candidate to support the renewal process and participate with staff in negotiations with representatives from Comcast. David Olson, previous Director of the Office for Community Technology and Ben Walters, previous City of Portland and MHCRC attorney both graciously offered to advise as needed in this process.

CBG Communications, Inc. is well positioned to provide excellent support due to the extensive experience and knowledge of their staff as well as their recent experience conducting the community needs ascertainment study, which established a solid familiarity with the existing cable franchise agreements with Comcast, and a deep understanding of MHCRC jurisdiction needs.

City of Portland Procurement Services staff have posted a notice of intent to engage a sole source provider. MHCRC staff recently concluded discussions with CBG Communications, Inc. and the draft contract identifies the terms and scope of work agreed upon pending Commission approval.



**MT. HOOD CABLE  
REGULATORY COMMISSION**

Serving Multnomah County and the Cities of  
Fairview, Gresham, Portland, Troutdale and Wood Village

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Attachments:

Submitted by: Bea Coulter

November 5, 2020

Updated: December 16, 2020

**MT. HOOD CABLE REGULATORY COMMISSION  
CONTRACT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES**

**CONTRACT NUMBER:**

**TITLE OF PROJECT  
Comcast Cable Franchise Renewal**

This Contract is between the Mt. Hood Cable Regulatory Commission ("MHCRC") and CBG Communications Inc., hereafter called Consultant. The MHCRC's Project Manager for this Contract is Elisabeth Perez, Interim Director and Project Manager, Office for Community Technology, City of Portland.

**Effective Date and Duration**

This Contract shall become effective on November 17, 2020. This Contract shall expire, unless otherwise terminated or extended, on November 30, 2021.

**Consideration**

- (a) MHCRC agrees to pay Consultant a sum not to exceed \$55,020 for accomplishment of the work.
- (b) Interim payments shall be made to Consultant according to the schedule identified in the STATEMENT OF THE WORK AND PAYMENT SCHEDULE.

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**CONSULTANT DATA AND CERTIFICATION**

Name (print full legal name): CBG Communications, Inc.

Address: \_\_\_\_\_

City of Portland Business Tax Registration Number: \_\_\_\_\_

- Citizenship: Nonresident alien     Yes                       No
- Business Designation (check one):     Individual             Sole Proprietorship     Partnership     Corporation
- Limited Liability Co (LLC)     Estate/Trust     Public Service Corp.     Government/Nonprofit

Payment information will be reported to the IRS under the name and taxpayer I.D. number provided above. Information must be provided prior to Contract approval.

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**TERMS AND CONDITIONS**

**1. Standard of Care**

Consultant shall perform all services under this Contract using that care, skill, and diligence that would ordinarily be used by similar professionals in this community in similar circumstances.

**2. Effect of Expiration**

Passage of the Contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this Contract with respect to any default or defect in performance that has not been corrected.

**3. Order of Precedence**

This Contract consists of these Terms and Conditions, the Statement of Work and Payment Schedule, and any exhibits that are attached. Any apparent or alleged conflict between these items will be resolved by using the following order of precedence:

- a) these Terms and Conditions; b) Statement of Work and Payment Schedule; and c) any exhibits attached to the Contract.

**4. Early Termination of Contract**

- (a) The MHCRC may terminate this Contract for convenience at any time for any reason deemed appropriate in its sole discretion. Termination is effective immediately upon notice of termination given by the MHCRC.
- (b) Either party may terminate this Contract in the event of a material breach by the other party that is not cured. Before termination is permitted, the party seeking termination shall give the other party written notice of the breach, its intent to terminate, and fifteen (15) calendar days to cure the breach. If the breach is not cured within 15 calendar days, the party seeking termination may terminate immediately by giving written notice that the Contract is terminated.

**5. Remedies and Payment on Early Termination**

- (a) If the MHCRC terminates pursuant to 4(a) above, the MHCRC shall pay the Consultant for work performed in accordance with the Contract prior to the termination date. No other costs or loss of anticipated profits shall be paid.
- (b) If the MHCRC terminates pursuant to 4(b) above, the MHCRC is entitled all remedies available at law or equity. In addition, Consultant shall pay the MHCRC all damages, costs, and sums incurred by the MHCRC as a result of the breach.
- (c) If the Consultant justifiably terminates the Contract pursuant to subsection 4(b), the Consultant's only remedy is payment for work prior to the termination. No other costs or loss of anticipated profits shall be paid.
- (d) If the MHCRC's termination under Section 4(b) was wrongful, the termination shall be automatically converted to one for convenience and the Consultant shall be paid as if the Contract was terminated under Section 4(a).
- (e) In the event of early termination, the Consultant's work product before the date of termination becomes property of the MHCRC.

#### **6. Assignment**

Consultant shall not subcontract, assign, or transfer any of the work scheduled under this agreement, without the prior written consent of the MHCRC Project Manager. Notwithstanding approval of a subconsultant, the Consultant shall remain obligated for full performance hereunder, and the MHCRC shall incur no obligation other than its obligations to the Consultant hereunder. The Consultant agrees that if subconsultants are employed in the performance of this Agreement, the Consultant and its subconsultants are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

#### **7. Compliance with Applicable Law**

Consultant shall comply with all applicable federal, state, and local laws and regulations, including without limitation the provisions of ORS 279, 279A, and 279C incorporated herein by reference. Consultant agrees it currently is in compliance with all tax laws. Consultant shall comply with Title VI of the Civil Rights Act of 1964 and its corresponding regulations. Consultant agrees to comply with Section V of the Rehabilitation Act of 1973. Consultant agrees to comply with the Americans with Disabilities Act of 1990, ORS 659.425 and all amendments of and regulations and administrative rules established pursuant to those laws. In connection with its activities under this Contract, the Consultant shall comply with all applicable Grant Terms and conditions. This includes all terms and conditions contained in this Contract and, for a Contract involving a grant, the Grant Terms and Conditions.

#### **8. Indemnification for Property Damage and Personal Injury**

Consultant shall indemnify, defend, and hold harmless the MHCRC and the City of Portland, their officers, agents, and employees, from all claims, losses, damages, and costs (including reasonable attorney fees) for personal injury and property damage arising out of the intentional or negligent acts or omissions of the Consultant, its Subconsultants, suppliers, employees or agents in the performance of its services. Nothing in this paragraph requires the Consultant or its insurer to indemnify the MHCRC or the City of Portland for claims of personal injury or property damage caused by the negligence of the MHCRC or the City of Portland. This duty shall survive the expiration or termination of this Contract.

#### **9. Insurance**

Consultant shall obtain and maintain in full force at Consultant expense, throughout the duration of the Contract and any warranty or extension periods, the required insurance identified below. The MHCRC reserves the right to require additional insurance coverage as required by statutory or legal changes to the maximum liability that may be imposed on Oregon cities during the term of the Contract.

- (a) Workers' compensation insurance as required by ORS Chapter 656 and as it may be amended. Unless exempt under ORS Chapter 656, the Consultant and all subconsultants shall maintain coverage for all subject workers.
- (b) General commercial liability (CGL) insurance covering bodily injury, personal injury, property damage, including coverage for independent consultant's protection (required if any work will be subcontracted), premises/operations, Contractual liability, products and completed operations, in per occurrence limit of not less than \$1,000,000, and aggregate limit of not less than \$2,000,000.
- (c) Automobile liability insurance with coverage of not less than \$1,000,000 each accident, and an umbrella or excess liability coverage of \$2,000,000. The insurance shall include coverage for any auto or all owned, scheduled, hired and non-owned auto. This coverage may be combined with the commercial general liability insurance policy.
- (d) Professional Liability and/or Errors & Omissions insurance to cover damages caused by negligent acts, errors or omissions related to the professional services, and performance of duties and responsibilities of the Consultant under this Contract in an amount with a combined single limit of not less than \$1,000,000 per occurrence and aggregate of \$1,000,000 for all claims per occurrence. In lieu of an occurrence-based policy, Consultant may have claims-made policy in an amount not less than \$1,000,000 per claim and \$1,000,000 annual aggregate, if the Consultant obtains an extended reporting period or tail coverage for not less than three (3) years following the termination or expiration of the Contract.

Reduce by Bureau Director or designee

Continuous Coverage; Notice of Cancellation: The Consultant agrees to maintain continuous, uninterrupted coverage for the duration of the Contract. There shall be no termination, cancellation, material change, potential exhaustion of aggregate limits or non-renewal of coverage without thirty (30) calendar days written notice from Consultant to the MHCRC. If the insurance is canceled or terminated prior to completion of the Contract, Consultant shall immediately notify the MHCRC and provide a new policy with the same terms. Any failure to comply with this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract.

Additional Insured: The liability insurance coverages, except Professional Liability, Errors and Omissions, or Workers' Compensation, shall be without prejudice to coverage otherwise existing, and shall name the MHCRC and the City of Portland and their bureaus/divisions, officers, agents and employees as Additional Insureds, with respect to the Consultant's activities to be performed, or products or services to be provided. Coverage shall be primary and non-contributory with any other insurance and self-insurance. Notwithstanding the naming of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

Certificate(s) of Insurance: Consultant shall provide proof of insurance through acceptable certificate(s) of insurance, including additional insured endorsement form(s) and all other relevant endorsements, to the MHCRC prior to the award of the Contract if required by the procurement documents (e.g., request for proposal), or at execution of Contract and prior to any commencement of work or delivery of goods or services under the Contract. The Certificate(s) will specify all of the parties who are endorsed on the policy as Additional Insureds (or Loss Payees). Insurance coverages required under this Contract shall be obtained from insurance companies acceptable to the MHCRC. The Consultant shall pay for all deductibles and premium. The MHCRC reserves the right to require, at any time, complete, certified copies of required insurance policies, including endorsements evidencing the coverage the required.

Subconsultant(s): Consultant shall provide evidence that any subconsultant, if any, performing work or providing goods or service under the Contract has the same types and amounts of coverages as required herein or that the subconsultant is included under Consultant's policy.

#### **10. Ownership of Work Product**

All work product produced by the Consultant under this Contract is the exclusive property of the MHCRC. "Work Product" includes, but is not limited to: research, reports, computer programs, manuals, drawings, recordings, photographs, artwork and any data or information in any form. The Consultant and the MHCRC intend that such Work Product shall be deemed "work made for hire" of which the MHCRC shall be deemed the author. If for any reason a Work Product is deemed not to be a "work made for hire," the Consultant hereby irrevocably assigns and transfers to the MHCRC all right, title and interest in such work product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrines. Consultant shall obtain such interests and execute all documents necessary to fully vest such rights in the MHCRC. Consultant waives all rights relating to work product, including any rights arising under 17 USC 106A, or any other rights of authorship, identification or approval, restriction or limitation on use or subsequent modifications. If the Consultant is an architect, the Work Product is the property of the Consultant-Architect, and by execution of this Contract, the Consultant-Architect grants the MHCRC an exclusive and irrevocable license to use that Work Product.

Notwithstanding the above, all pre-existing trademarks, services marks, patents, copyrights, trade secrets, and other proprietary rights of Consultant are and will remain the exclusive property of Consultant.

#### **11. EEO Certification**

The Consultant must be certified prior to Contract execution, as Equal Employment Opportunity Affirmative Action Employers as prescribed by Chapter 5.33.076 of the Code of the City of Portland.

#### **12. Equal Benefits**

Consultant must certify prior to Contract execution, that they do not discriminate by policy or practice in the provision of employee benefits between employees with domestic partners and employees with spouses as prescribed by Chapter 5.33.077 of the Code of the City of Portland.

#### **13. Successors in Interest**

The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.

#### **14. Severability**

The parties agree that if any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

#### **15. Waiver**

The failure of the MHCRC to enforce any provision of this Contract shall not constitute a waiver by the MHCRC of that or any other provision.

#### **16. Errors**

The Consultant shall promptly perform such additional services as may be necessary to correct errors in the services required by this Contract without undue delays and without additional cost.

#### **17. Governing Law/Venue**

The provisions of this Contract shall be interpreted, construed and enforced in accordance with, and governed by, the laws of the State of Oregon without reference to its conflict of laws provisions that might otherwise require the application of the law of any

other jurisdiction. Any action or suits involving any question arising under this Contract must be brought in the appropriate court in Multnomah County Oregon.

**18. Amendments**

The MHCRC Project Manager is authorized to amend the terms and conditions of this Contract, provided such amendments do not increase the Contract amount or the MHCRC's financial risks. If approved, such amendments shall only be effective if in writing, and signed by duly authorized representatives of both parties. Any change in the amount or financial risks of the Contract must be approved by the MHCRC to be valid.

**19. Business Tax Registration**

The Consultant shall obtain a City of Portland business tax registration number as required by PCC 7.02 prior to beginning work under this Contract.

**20. Prohibited Conduct**

The Consultant shall not hire any City of Portland employee who evaluated the proposals or authorized the award of this Contract for two years after the date the Contract was authorized without the express written permission of the City of Portland and provided the hiring is permitted by state law.

**21. Payment to Vendors and Subconsultants**

The Consultant shall timely pay all subconsultants and suppliers providing services or goods for this Contract. If Consultant fails, neglects or refuses to pay promptly as due, any claim for labor or services furnished to Consultant or any subconsultant by any person in connection with the Goods or Services provided under this Contract, the MHCRC may pay such claim and charge the amount of the payment against funds due or to become due Consultant under this Contract. The payment of a claim by the MHCRC pursuant to this paragraph shall not relieve Consultant or its surety, if any, from obligation with respect to any unpaid claims.

**22. Access to Records**

The Consultant shall maintain all records relating to this Contract for three (3) years after final payment. The MHCRC may examine, audit and copy the Consultant's books, documents, papers, and records relating to this Contract at any time during this period upon reasonable notice. Copies of these records shall be made available upon request. Payment for the reasonable cost of requested copies shall be made by the MHCRC.

**23. Audits**

- (a) The MHCRC may conduct financial and performance audits of the billings and services specified in this Contract at any time in the course of the Contract and during the three (3) year period established by paragraph 22. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
- (b) If an audit discloses that payments to the Consultant exceed the amount to which the Consultant was entitled, the Consultant shall repay the amount of the excess to the MHCRC.

**24. Electronic Signatures**

The MHCRC and Consultant may conduct this transaction, including any Contract amendments, by electronic means, including the use of electronic signatures.

**25. Merger Clause**

This Contract encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether verbal or written.

**26. Dispute Resolution/Work Regardless of Disputes**

The parties shall participate in mediation to resolve disputes before conducting litigation. The mediation shall occur at a reasonable time after the conclusion of the Contract with a mediator jointly selected by the parties. Notwithstanding any dispute under this Contract, the Consultant shall continue to perform its work pending resolution of a dispute, and the MHCRC shall make payments as required by the Contract for undisputed portions of the work. In the event of litigation, no attorney fees are recoverable. No different dispute resolution paragraph(s) in this Contract or any attachment hereto shall supersede or take precedence over this provision.

**27. Progress Reports:  Applicable /  Not Applicable**

If applicable, the Consultant shall provide progress reports to the Project Manager as described in the Statement of the Work and Payment Schedule.

**28. Consultant's Personnel:  Applicable /  Not Applicable**

If applicable, the Consultant shall assign the personnel listed in the Statement of the Work and Payment Schedule for the work required by the Contract and shall not change personnel without the prior written consent of the MHCRC Project Manager, which shall not be unreasonably withheld.

**29. Subconsultants**

The Consultant shall use the subconsultants identified in its proposals. The Consultant shall not change subconsultant's assignments without the prior written consent of the MHCRC Project Manager.

Subconsultants are responsible for meeting all requirements applicable to the Consultant under this contract, including compliance with all applicable federal, state, and local laws and regulations.

### 30. Third Party Beneficiaries

There are no third party beneficiaries to this Contract. Enforcement of this Contract is reserved to the parties.

### 31. Conflict of Interest

Consultant hereby certifies that, if applicable, its Contract proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer of the same request for proposals or other MHCRC or City of Portland procurement solicitation(s), that the Consultant as a proposer has competed solely on its own behalf without connection or obligation to, any undisclosed person or firm. Consultant certifies that it is not a City of Portland official/employee or a business with which a City official/employee is associated, and that to the best of its knowledge, Consultant, its employee(s), its officer(s) or its director(s) is not a City official/employee or a relative of any City official/employee who: i) has responsibility in making decisions or ability to influence decision-making on the Contract or project to which this Contract pertains; ii) has or will participate in evaluation or management of the Contract; or iii) has or will have financial benefits in the Contract. Consultant understands that should it elect to employ any former City of Portland official/employee during the term of the Contract then that the former City official/Consultant employee must comply with applicable government ethics and conflicts of interest provisions in ORS Chapter 244, including but not limited to ORS 244.040(5) and ORS 244.047, and the City of Portland's Charter, Codes and administrative rules, including lobbying prohibitions under Portland City Code Section 2.12.080.

### 32. Respectful Workplace Behavior

The City of Portland is committed to a respectful work environment, free of harassment, discrimination and retaliation and other inappropriate conduct. Every individual has a right to work in a professional atmosphere where all individuals are treated with respect and dignity. The City of Portland's HR Rule 2.02 covers all employees with the City of Portland as well as consultants, vendors or consultants who provide services to the City of Portland. By signing this Contract/Agreement, the Consultant indicates compliance with all terms and conditions contained in this Contract including HR 2.02.

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## STATEMENT OF THE WORK AND PAYMENT SCHEDULE

### SCOPE OF WORK

On October 29, 2020, the Consultant submitted a proposal for cable franchise renewal consulting services in response to a Request for Proposals issued by the City of Portland on behalf of the MHCRC. A copy of the Consultant's proposal is attached to this Contract as Attachment 1. The deliverables and schedule for this project shall be as described in pages 1 through 4 of Attachment 1.

### CONSULTANT PERSONNEL

The Consultant shall assign the following personnel to do the work in the capacities designated:

NAME	ROLE ON PROJECT
Thomas Robinson	Project Manager
Richard Nielsen	Senior Engineer
Krystene Rivers	Research Associate

### SUBCONSULTANTS

The Consultant shall assign the following subconsultants to perform work in the capacities designated:

NAME	DMWESB CERTIFICATION TYPE	ROLE ON PROJECT
Dr. Constance Book	WBE	Research & Data Analysis
Carson Hamlin		Media Specialist

### COMPENSATION

The maximum that the Consultant can be paid on this Contract is \$55,020 (hereafter the "not to exceed" amount.). The "not to exceed" amount includes all payments to be made pursuant to this Contract, including reimbursable expenses, if any. Nothing in this Contract requires the MHCRC to pay for work that does not meet the Standard of Care or other requirements of the Contract. The actual amount to be paid Consultant may be less than that amount.

The Consultant is entitled to receive progress payments for its work pursuant to the Contract as provided in more detail below. The MHCRC will pay Consultant based on these invoices for acceptable work performed and approved until the “not to exceed” amount is reached. Thereafter, Consultant must complete work based on the Contract without additional compensation unless there is a change to the scope of work.

Any estimate of the hours necessary to perform the work is not binding on the MHCRC. The Consultant remains responsible if the estimate proves to be incorrect. Exceeding the number of estimated hours of work does not impose any liability on the MHCRC for additional payment.

If work is completed before the “not to exceed” amount is reached, the Consultant’s compensation will be based on the Consultant’s bills previously submitted for acceptable work performed and approved.

**PAYMENT TERMS: Net 30 Days**

**Subconsultant Costs**

Compensation for subconsultants shall be limited to the same restrictions imposed on the Consultant.

**Progress Payments**

On or before the 15<sup>th</sup> of each month, the Consultant shall submit to the MHCRC Project Manager an invoice for work performed by the Consultant during the preceding month. The invoice shall be on Contractor’s letterhead, signed and dated by an authorized representative of Consultant, addressed to “MHCRC c/o City of Portland”.

The invoice shall contain the Contract Number and set out all items for payment including, but not limited to: the name of the individual, labor category, direct labor rate, hours worked during the period, and tasks performed. The Consultant shall also attach photocopies of claimed reimbursable expenses, if applicable. The Consultant shall approve all subconsultant invoices and note on the subconsultant invoice what they are approving as “billable” under the Contract. The billing from the prime should clearly roll up labor and reimbursable costs for the prime and subconsultants – matching the subconsultant invoices. Prior to initial billing, the Consultant shall develop a billing format for approval by the MHCRC Project Manager.

The MHCRC shall pay all amounts to which no dispute exists within 30 calendar days of receipt of the invoice. Payment of any bill, however, does not preclude the MHCRC from later determining that an error in payment was made and from withholding the disputed sum from the next progress payment until the dispute is resolved.

The Consultant shall make full payment to its subconsultants within 10 business days following receipt of any payment made by the MHCRC to Consultant.

**ACH Payments**

It is the MHCRC’s policy to pay its Consultant invoices via the City of Portland electronic funds transfers through the automated clearing house (ACH) network. To initiate payment of invoices, Consultant shall execute the City of Portland’s standard ACH Vendor Payment Authorization Agreement.

Upon verification of the data provided, the Payment Authorization Agreement will authorize the City of Portland to deposit payment for services rendered directly into Consultant accounts with financial institutions. All payments shall be in United States currency.

**WORKERS' COMPENSATION INSURANCE STATEMENT**

**IF CONSULTANT HAS CURRENT WORKERS' COMPENSATION INSURANCE, CONSULTANT MUST SIGN HERE:**

I, undersigned, am authorized to act on behalf of entity designated below, and I hereby certify that this entity has current Workers' Compensation Insurance.

Consultant Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Entity: \_\_\_\_\_

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**CONSULTANT SIGNATURE:**

This Contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same Agreement.

The parties agree the MHCRC and Consultant may conduct this transaction, including any Contract amendments, by electronic means, including the use of electronic signatures.

I, the undersigned, agree to perform work outlined in this Contract in accordance to the STANDARD CONTRACT PROVISIONS, the terms and conditions, made part of this Contract by reference, and the STATEMENT OF THE WORK made part of this Contract by reference; hereby certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; hereby certify that my business is certified as an Equal Employment Opportunity Affirmative Action Employer and is in compliance with the Equal Benefits Program as prescribed by Chapters 5.33.076 and 5.33.077 of Code of the City of Portland; and hereby certify I am an independent consultant as defined in ORS 670.600.

**CBG Communications, Inc.**

BY: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Mt. Hood Cable Regulatory Commission**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Carol Studenmund, MHCRC Chair

Approved as to Form:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Legal Counsel



*St. Paul Office:* 1597 Race Street, St. Paul, MN 55102  
*Philadelphia Office:* 73 Chestnut Road, Suite 203, Paoli, PA 19301  
*New York Office:* 522 North Maple Ave., Suite A13, Ridgewood, NJ 07450

**Revised Proposal to Provide  
Cable Franchise Renewal  
Consulting Services  
to the  
Mt. Hood Cable Regulatory Commission**

Submitted by:

**CBG Communications, Inc.**

Thomas G. Robinson

President and CEO

73 Chestnut Road, Suite 203

Paoli, PA 19301

[www.cbgcommunications.com](http://www.cbgcommunications.com)

October 29, 2020

## **Introduction**

CBG Communications, Inc. (CBG) is pleased to provide this proposal to guide and assist the Mt. Hood Cable Regulatory Commission (MHCRC) in its cable franchise renewal process. Specifically, we propose to provide Strategy Development, Negotiations Lead, Document Review and Development, Presentation and Other-related Support Services to the MHCRC concerning multiple facets of Franchise Agreement negotiations, development, support and finalization related to Franchise Renewal with Comcast (and Zply, as needed). We also propose to provide Technical Review Services as described further herein.

CBG has substantial, successful expertise and experience in leading franchise negotiations for multiple local governments and intergovernmental Commissions and Consortia like the MHCRC, including, for example, for the City of Philadelphia, multiple counties in Maryland, and intergovernmental commissions in Minnesota, in their franchise renewals with Comcast and Frontier (now Zply).

CBG also has an excellent understanding of the current legislative and policy environment, including both threats and opportunities. Our experience with I-Nets, including the specific I-Net serving MHCRC member public institutions, is unparalleled. We have demonstrated exceptional organization and communication skills, including the use of project management tools and methods, as recently evidenced during the highly successful Community Technology Needs Ascertainment.

We understand that the renewal process will be conducted through virtual meetings and we can begin the project immediately.

CBG appreciates the great team work that we've experienced with the MHCRC and the Office of Community Technology (and its predecessor agency) during the various projects performed over the past two decades, and would continue that close working relationship to achieve the most positive outcomes for the MHCRC in its cable franchise renewal process.

## **Proposed Scope of Services**

CBG proposes to provide the following consulting services consistent with the MHCRC's requirements:

### **1. GENERAL FRANCHISE RENEWAL TASKS:**

#### **Process Plan, Timeline and Strategy**

CBG will work closely with MHCRC staff and legal support (we understand that the legal support will be B B & K who we're currently working with on several other franchise renewal projects) in development of a detailed process plan and timeline, and a clear strategy for the negotiations. This will include review of information pertinent to the franchise renewal including but not limited to: current cable franchise agreements, city codes applicable to the franchise process, past compliance issues, customer complaint reports and applicable federal regulations. As part of the foregoing this will also include:

- Analysis and report of compliance and complaint record (2012-present)
- Comparison of the provisions in the current MHCRC agreement to other notable cable franchises for the purpose of a SWOT analysis and in light of the FCC 621 Order

#### **Negotiations**

CBG will meet regularly with MHCRC staff and will confer with MHCRC legal support as needed. CBG in collaboration with MHCRC staff, will engage with the cable operator's representatives in informal negotiations until all parties to whom the resulting agreement applies agree on final terms and mutually acceptable draft language is documented.

### Presentation

CBG will work closely with MHCRC staff in development of narrative and supporting documents and visuals (as needed) for presentation to the Commission, and for inclusion in the jurisdictions' city council or county commission meeting packets. CBG will participate in delivery of presentations to the Commission and jurisdictions if time allows.

### **2. SPECIFIC FRANCHISE RENEWAL TASKS:**

CBG will perform the specific tasks listed below for this project, and will work closely with designated MHCRC/City personnel to accomplish these goals:

- Prepare and maintain a clear and well-organized process plan and timeline to share with all parties
- Utilize project management tools and methods to ensure the project meets time commitments and MHCRC staff are well informed of all steps in the process
- Review information pertinent to the cable franchise renewal
- Meet with MHCRC staff on a routine basis, and confer with MHCRC legal support as needed
- Attend MHCRC monthly meetings as requested
- Attend a meeting of jurisdiction representatives if requested
- Collaborate with MHCRC staff to establish strategies for negotiations on key issues
- Establish a strategy for virtual negotiation sessions
- Lead virtual negotiation sessions
- Negotiate agreements on terms and language for inclusion in the draft franchise agreement document
- After MHCRC and jurisdiction review of draft language, revisit any agreements identified for additional discussion
- Collaborate with MHCRC staff to draft the staff report to the MHCRC including a narrative account of the process, key points in the negotiation, concerns stemming from the interaction that the Commission and jurisdictions should be aware of, and other points of interest pertinent to staff's final recommendation
- Participate with MHCRC Staff and Commissioners in the presentations to the MHCRC and jurisdictions if time allows

### **3. TECHNICAL REVIEW**

Based on the critical nature of the infrastructure providing cable and other services to the MHCRC's member jurisdictions, CBG proposes to further provide a technical review of residential and Institutional Network infrastructure in the MHCRC Franchise areas.

Specifically, the following Tasks will be performed by CBG:

**1) Request for and Review of Baseline System Technical Information** - CBG will begin by reviewing and evaluating the system to determine its current capabilities and its potential for deployment of future infrastructure and services, by developing a Request for Information (RFI) seeking a written response from Comcast. We will then engage in discussions with their engineering and technical staffs, in order to gain an understanding of, for example, the system's current design and any future plans, age, condition, system capacity, capacity for expansion, functionality, cascade length, homes per node, headend/hub(s), and system reach. As part of the RFI effort, CBG will request and review as-built and other system maps of the cable system to determine whether the system has been built within and is operating specifications.

CBG will review the documents provided by Comcast and create a summary of these findings in a Technical Review Report.

**2) System Development Possibilities Over the Next 10 Years** – CBG will review Comcast's upgrade of its networks nationwide, compare them with any plans for the system serving Portland and Multnomah County, as well

as the surrounding region, and determine what possibilities exist (as well as compare these possibilities to any upgrade or expansion plans indicated by Comcast during the RFI response). These could include for example:

- an upgrade using fiber deep technology (essentially fiber to the neighborhood to eliminate amplifiers and provide only passive coaxial connections to the house);
- capacity upgrades including to 1 Gigahertz (GHz), 1.2 GHz and the newly developed 1.8 GHz, and its potential for implementation in the MHCRC area system;
- implementation of Fiber to the Home (FTTH);
- continued expansion of DOCSIS capabilities beyond 3.1 all the way to 4.0; and
- other upgrade possibilities on the horizon

Some of these, such as DOCSIS 4.0, realistically require other types of upgrades to happen. The above require substantial capital investments, and CBG would provide some ballpark figures based on the current status of the system to upgrade it on a per home or per mile basis.

CBG would also look at the continuing wireline/wireless integration of cable/broadband systems, including Comcast's continued development of Xfinity WiFi and Xfinity mobile services, how these interface with the wireline system, and how they may be used to deploy cable services.

**3) Future Improvements in Customer Service Platforms**– Comcast has indicated that it continues to work to improve its customer service and improve the overall customer experience with its suite of services. CBG would review for the MHCRC both planned enhancements as well as potential enhancements based on the evolving state of customer service platforms within the industry. This would include everything from the continued introduction of A.I. into the interactive interface with customers, as well as use of apps and other types of phone, voice, online, chat, email-based and text message-based systems. CBG will also look at the continued evolution of different billing platforms and how customers may both monitor their charges as well as seek answers to billing questions real-time.

**4) Written Technical Review Report** - CBG will develop a detailed report that indicates all findings from the above evaluation processes and that assesses both the current capabilities of the system and its future potential. We would then make appropriate recommendations regarding future system requirements to meet the needs that have been assessed for services, customer service and technical capacity and capabilities. CBG will then work with the MHCRC to take the technical review findings and turn them into realistic requirements, objectives and strategies with respect to the franchise renewal process with Comcast.

### **Project Timeline**

CBG understands and agrees to the following timeline for working with the MHCRC to complete the franchise renewal process.

Nov – Dec 2020: Research and develop strategy  
Jan 2021 – April 2021: Technical Review  
Jan – May 2021: Negotiate and develop language\*  
July 2021: Final draft agreement  
August 2021: MHCRC public hearing  
Sept – Oct 2021: MHCRC resolution/recommendation  
Oct – Dec 2021: Jurisdictions approval process

\*Note that this part of the timeline will require the active participation of the cable operator in order to achieve a final draft agreement by July 2021.

## **Project Cost**

CBG estimates a total of 240 task hours will be needed for the franchise renewal consulting services task work required during the projected 14-month timeframe (an average of approximately 17 task hours per month). At a blended hourly rate of \$160.00, this equates to \$38,400 +5% expenses (\$1,920) = \$40,320.

The Technical Review, primarily performed by Dick Nielsen, Senior Engineer, is estimated at 80 task hours times \$175.00 per hour, and equates to \$14,000 +5% expenses (\$700) = \$14,700.

Since much of the intensive work on all tasks for the project would occur in the first part of calendar year 2021, we estimate that \$40,000 (of the total \$55,020) would be needed between Nov. 2020 and June 2021 (during FY21), with the remaining \$15,020 needed between July 2021 and December 2021 (during FY22).

We would be reimbursed for expenses such as outside clerical charges, postage, copy expenses, and Fed Ex or courier expenses. Five percent (5%) above Professional Services fees has been used for estimation purposes concerning expense reimbursement cost.

The specific hourly rates charged are that same as those employed during the Community Technology Needs Ascertainment, and vary from \$50 per hour (Research Associate) to \$175 per hour (Principal Consultant), depending upon the personnel utilized.

The hourly rates for the personnel involved are the following:

- Tom Robinson (TR), Project Manager - \$175.00
- Dick Nielsen (DN), Senior Engineer - \$175.00
- Krystene Rivers (KR), Research Associate - \$50.00
- Dr. Constance Book (CB), Survey/Statistical Work - \$150.00
- Carson Hamlin (CH), Video Engineer/Media Integration Specialist - \$125.00

We will work closely with the MHCRC to develop a final work plan, which will meet its financial objectives.

## **Conclusion**

CBG appreciates the opportunity to provide you with this Proposal. We have the unique and requisite experience and expertise to competently, efficiently and expeditiously assist the MHCRC in its Franchise Renewal Processes. We look forward to being of service!

## **COVER SHEET -- AGENDA ITEM #R5**

**For Commission Meeting: December 21, 2020**

“MHCRC Fund Financial Review Consultant Contract – Moss Adams LLC”

### **STAFF RECOMMENDATION**

MHCRC staff, in consultation with Finance Committee Chair Thomas, recommends that the Commission approve a consultant contract with Moss Adams LLC, in an amount not to exceed \$20,000, to provide a review and recommendations related to the MHCRC Fund obligations, policies, and practices (See attached: MHCRC-Moss Adams Contract for Services – MHCRC Fund Financial Review - DRAFT).

### **BACKGROUND**

The current fiscal year MHCRC Operating Budget includes \$20,000 in the Professional Services line item to engage a consultant to provide a financial review of the MHCRC Fund to analyze and make recommendations to leadership regarding Fund policies, obligations, tracking, reporting requirements and comprehensive management. The MHCRC approved the following project scope of work at its October meeting:

1. Meetings with OCT/MHCRC staff and City financial staff to better understand project scope, materials and current practices.
2. Documents and records review and analysis may include:
  - Relevant MHCRC or City financial policies applicable to Fund balance, interest earnings, obligations, revenue or Fund balance
  - The MHCRC Fund FY2019-20 Financial Statements and Audit and audit records
  - The MHCRC year-end reports (unaudited) and related documents
3. A draft written report containing the consultant’s financial review and analysis of the MHCRC Fund records and policies. The report shall include, but is not limited to:
  - Activities that MHCRC or City financial policies require tracked and reported in Fund balance, activities that are currently tracked and/or reported in Fund balance, and recommendations for activity that MHCRC may consider tracked and reported in annual budget and monitoring processes.
  - Recommended updates and changes to Fund policies or areas where a new financial policy may be needed or can simplify processes.
  - Recommended updates and changes to systems and processes moving forward, in regard to Fund tracking, budgeting and reporting, including Fund balance obligations.
  - Notations for the source policy, decision or agreement requiring the change distinguished from changes not explicitly required but would conform to past practice.

- Amounts contained within the audited FY2019-20 Ending Fund Balance attributable to unspent interest revenues, unspent or unobligated PEG/I-Net fees (delineated by compliance program operations and grant funds), unspent or unobligated Jurisdictions' budget appropriations, and any other sources as identified.
4. Meeting with the MHCRC Finance Committee to present the draft report and receive input and answer questions from Committee members.
  5. A final report, revised with information responsive to the Finance Committee review and input. All reports should be ADA accessible.
  6. A presentation to the MHCRC of the final report and recommendations.

Staff issued a Request for Proposals (RFP) and conducted a competitive bid process in accordance with the City of Portland procurement rules and processes. Based on the outcome of the RFP process, staff has engaged in contract negotiations with the successful proposer, Moss Adams LLC. The most recent draft contract is attached; however, staff is still waiting for comments from Moss Adams legal counsel and hopes to finalize the staff recommended contract for MHCRC approval at the December meeting.

The MHCRC Fund financial review project is timely with the recent hire of a full-time financial manager for the Office for Community Technology and the pending departure of a long-time program manager. For a successful transition of duties and management, clear documentation and guiding documents are critical to ensure that incoming staff has explicit direction on the necessary tasks, reporting requirements, and obligations of the Fund. The review report and recommendations will also inform MHCRC and staff leadership in its budgeting and strategic planning going forward.

### **PROJECT TIMELINE (projected)**

MHCRC contract approval: Dec. 21  
Initial draft report complete: Feb 24  
MHCRC Finance Committee review meeting: March 1-4  
Final report complete: March 9  
Report presentation - MHCRC meeting: March 16

### ATTACHMENTS:

MHCRC-Moss Adams Contract for Services – MHCRC Fund Financial Review – DRAFT  
Moss Adams proposal

Prepared By: Michael Wong  
Julie S. Omelchuck  
December 15, 2020

**MT. HOOD CABLE REGULATORY COMMISSION**

**CONTRACT FOR SERVICES  
for  
MHCRC FUND FINANCIAL REVIEW**

**Contract Number:**

This Contract is made effective on December 22, 2020 (“Effective Date”) by and between the Mt. Hood Cable Regulatory Commission (“MHCRC”), through the City of Portland Office for Community Technology (“City”), and Moss Adams LLP (“Contractor”), a limited liability partnership, by and through their duly authorized representatives. This Contract may refer to the “City” which shall mean both the City and MHCRC, unless specifically stated otherwise. This contract may also refer to the MHCRC/City and Contractor individually as a “Party” or jointly as the “Parties.”

The initial Term of this Contract shall be from December 22, 2020 through April 30, 2021. The total not-to-exceed amount under this Contract for the initial Term shall be \$20,000.

Contractor’s contact and MHCRC/City’s Project Manager for this Contract are:

For MHCRC/City:	For Contractor:
Name: Michael Wong	Name:
Title: Financial Manager	Title:
Address: 1120 SW Fifth Ave, Suite 405	Address:
City, State: Portland, OR 97204	City, State:
e-mail: Michael.I.Wong@portlandoregon.gov	e-mail:
Phone: 503.823.5304	Phone:

**Scope and Consideration**

- (a) Contractor shall perform the Services and provide the Deliverables set forth in the Statement of Work by the due dates specified in the Contract.
- (b) City agrees to pay Contractor a sum not to exceed \$20,0000 for accomplishment of the Project.
- (c) Payments shall be made to Contractor according to the schedule identified in Exhibit A, the Contractor’s Price.

Recitals:

WHEREAS, to further its financial operations, the MHCRC desires to conduct a review of financial policies, practices, and obligations related to the MHCRC Fund (the “Project”); and

WHEREAS, the MHCRC contracts with the City, through the Office for Community Technology, for staff and administrative and financial services, including procurement and management of the MHCRC Fund; and

WHEREAS, the City issued an Intermediate Request for Proposal (RFP) #00001556 to solicit proposals from contractors to perform the Project statement of work identified in the RFP; and

WHEREAS, Contractor, in its Proposal dated November 23, 2020, and submitted in response to the City’s RFP, represented that it has the knowledge, experience, and expertise to perform and complete the Project statement of work; and

WHEREAS, the MHCRC selected Contractor based on its Proposal and the evaluation of all proposals submitted in accordance with the City’s RFP process and procedures.

THE PARTIES HEREBY AGREE AS FOLLOWS:

**SECTION 1 DEFINITIONS (10/19)**

General Definitions. (11/18) These definitions apply to the entire Contract, subsequent Amendments, and any Change Orders, unless modified in an Amendment. If any definition contains a substantive provision conferring rights and/or obligations upon a Party, then effect shall be given to the substantive provision.

“Acceptance” (10/19) means the Deliverable demonstrates to the City’s satisfaction that the Deliverable conforms to and operates according to the Acceptance Criteria, and if required, has successfully completed Acceptance review, and for Deliverables not requiring Acceptance Testing that the Deliverable conforms to the Acceptance Criteria or the City’s Specifications.

“Acceptance Certificate” (11/18) means a written instrument by which the City notifies Contractor that a Deliverable has been Accepted or Accepted with exceptions, and Acceptance Criteria have been met or waived, in whole or in part.

“Acceptance Criteria” (11/18) means functionality and performance requirements determined by the City, based upon the Specifications, which must be satisfied prior to City’s Acceptance of a Deliverable. City and Contractor shall agree upon written Acceptance Criteria.

“Acceptance Date” (11/18) means the date on which the City issues an Acceptance Certificate for the Deliverable(s).

“Affiliates” (11/18) means, for Contractor, any individual, association, partnership, corporation or other entity controlling, controlled by, or under common control. The term “control” means the power to direct or cause the direction of the management and policies of an individual or entity, whether through the ownership of voting securities, by contract, agreement or otherwise.

“Amendment” (12/18) means a written document required to be signed by both Parties when in any way altering the Master Terms and Conditions of the Contract, Contract amount, or substantially altering a Statement of Work.

“Business Day” (11/18) means a twenty-four hour day, excluding weekends and City holidays, beginning at midnight and ending at midnight twenty-four hours later.

“Calendar Day” (11/18) means a twenty-four hour day, including weekdays, weekends and holidays, beginning at midnight and ending at midnight twenty-four hours later.

“Change Order” (12/18) means a document, agreed and signed by both Parties, that changes an existing Statement of Work. Change Orders cannot change Contract amount or Master Terms and Conditions.

“Confidential Information” (08/19) means any information that is disclosed in written, graphic or machine-recognizable form and is marked or labeled at the time of disclosure as being Confidential or its equivalent, or, if the information is in verbal or visual form, it is identified as Confidential or proprietary at the time of disclosure, or a reasonable time thereafter. Information shall always be considered Confidential Information, whether or not it is marked or identified as such, if it is described by one or more of the following categories: (1) non-public financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Identity Theft Protection Act; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by ORS 192.345(2) and the Uniform Trade Secrets Act ORS 646.461 to 646.475; (5) information which is exempt from disclosure per Oregon Public Records Law; (6) attorney/client privileged communications; (7) information which is exempt per federal laws (including but not limited to copyright, HIPPA); and (8) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems including without limitation, data and information systems, any software code and related materials and processes, Customizations, Configurations, Updates, Upgrades; and any Documentation. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving Party; is already lawfully known to the receiving Party without restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Contract or any other agreement between the Parties or of any applicable protective or similar order, in the receiving Party’s possession without any obligation restricting disclosure; is independently developed by the receiving Party, as shown by reasonable written

documentation, without breach of this Contract; or is explicitly approved for release by written authorization of the disclosing Party.

“Contract” (11/18) means the Master Terms and Conditions including all exhibits, attachments and schedules and their constituent parts listed in the Order of Precedence or incorporated by reference.

“Contract Price” (10/19) means the not-to-exceed price agreed upon by the Parties for all Services.

“Deliverable(s)” (11/18) means the Services, Documentation or documents or tangible work products described in the Statement of Work to be provided to the City by Contractor under this Contract.

“Documentation” ( 10/19) means user manuals and other written materials in any form that describe the features or functions of the Deliverables and Services, including but not limited to published specifications, online instructions and help, marketing materials, technical manuals, and operating instructions provided by Contractor to the City, or readily available to the public, or as required to be produced by Contractor subject to the terms of this Contract.

“Defect” (10/19) means any error, problem, condition, bug, or other partial or complete inability of a Service, Deliverable or component thereof, to operate in accordance with the applicable Specifications.

“Final Acceptance” (11/18) means the City has determined that all Deliverables have successfully completed Acceptance Testing, which demonstrates to the City’s satisfaction that all Deliverables conform to and operate according to the Acceptance Criteria, applicable Documentation, and Contractor’s representations; and that for Deliverables not requiring Acceptance Testing, that the Deliverables conform to the Acceptance Criteria or the City’s specified requirements.

“Force Majeure Event” (04/2020) means an exceptional, unforeseeable and unavoidable occurrence beyond the reasonable control of the affected Party, such as, riots, epidemics, war, government regulations, labor disputes, fire, natural phenomena, or other causes beyond such Party’s reasonable control.

“Intellectual Property Rights (IPR)” (11/18) means any patent rights, copyrights, trade secrets, trade names, service marks, trademarks, trade dress, moral rights, know-how and any other similar rights or intangible assets to which rights of ownership accrue, and all registrations, applications, disclosures, renewals, extensions, continuations, or reissues of the foregoing now or hereafter in force.

“Master Terms and Conditions” (11/18) means the body of text from the preamble through the signature page of this Contract.

“Material Breach” (11/18) means any breach of this Contract that causes, caused, or may cause substantial harm to the non-breaching Party or substantially deprives the non-breaching Party of the benefit it reasonably expected under this Contract.

“Personally Identifiable Information (PII)” (11/18) means information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context, as described in the Oregon Consumer Identity Theft Protection Act.

“Project” (10/19) means the overall delivery of the Services including, without limitation, design, development, integration, implementation, testing, support, and any Deliverables any of which Contractor may be providing in whole or in part.

“Proposal” (10/19) means Contractor’s response to the City’s RFP referenced on page one of this Contract.

“Services” (10/19) means ordinary or professional services performed by Contractor under this Contract.

“Specifications” (10/19) means the most current cumulative statement of capabilities, functionality, and performance requirements for the System and its components as set out in the Acceptance Criteria, Change Orders, the Statement of Work, Documentation, Contractor’s representations, Contractor’s Proposal and Proposal Clarifications, and the City’s RFP.

“Statement of Work” (SOW) (10/19) means the written detailed specifications of the Services(s) to be delivered to the City by Contractor, including any Change Orders subject to the terms and conditions of this Contract.

“Subcontractor” (11/18) means any person or entity under the control of Contractor, other than an employee of Contractor, utilized by Contractor to perform all or part of this Contract.

“Term” (11/18) means the period of time that this Contract is in effect as stated on page one.

## **SECTION 2 ORDER OF PRECEDENCE**

2.1 Order of Precedence. (09/17) In the event there is a conflict or ambiguity between the terms and conditions of one portion of this Contract with another portion of this Contract, the conflict or ambiguity will be resolved in accordance with the order of precedence below. This order of precedence designates which portion of the Contract takes precedence over the other for purposes of interpretation. Contractor’s hyperlinks contained herein will not supersede or alter the Master Terms and Conditions. For the avoidance of doubt, no other terms and conditions will override the Parties’ obligations in the Confidentiality, Indemnification, or Choice of Law provisions in these Master Terms and Conditions. In this Contract the order of precedence shall be:

1. Amendments
2. Master Terms and Conditions
3. Exhibit A, Contractor’s Price
4. Change Orders

5. Exhibit B, Statement of Work
6. Exhibit C, City RFP No.00001556
7. Exhibit D, Contractor's Proposal

### **SECTION 3 GENERAL AND ADMINISTRATIVE PROVISIONS**

- 3.1 Term. (09/17) This Contract shall begin on the December 22, 2020 and end upon the expiration date set forth on page one of this Contract unless terminated or extended under the applicable Contract provisions.
- 3.2 Point of Contact. (09/17) Contractor shall be the sole point of contact for the City with regard to this Contract.
- 3.2.1 Written Notifications. (10/18) All notices to, and other written communication between the Parties shall be deemed received five (5) Business Days after being sent by first class mail, or upon receipt when sent by courier services, or by e-mail. All notices and written communications shall be sent to the Parties set forth on page one of the Contract, or to such other places as they may designate by like notice from time to time. Each Party shall provide written notice of any changes to the Party's contacts within thirty (30) Calendar Days.
- 3.3 Changes to Contract.
- 3.3.1 Amendment of the Contract. (06/19) Any changes to the provisions of this Contract shall be in the form of an Amendment. No provision of this Contract may be amended unless such Amendment is approved as to form by the MHCRC legal counsel and executed in writing by authorized representatives of the Parties. The City Project Manager is authorized to amend the terms and conditions of this Contract, provided such amendments do not increase the Contract amount or the MHCRC's financial risks. Any change in the amount or financial risks of the Contract must be approved by the MHCRC to be valid. If the requirements for Amendment of this Contract as described in this section are not satisfied in full, then such Amendments automatically will be deemed null, void, invalid, non-binding, and of no legal force or effect. The City reserves the right to make administrative changes to the Contract unilaterally. An administrative change means a written Contract change that does not affect the substantive rights of the Parties.
- 3.3.2 Change Orders to a Statement of Work. (12/18) The City Project Manager and Contractor can agree to make changes, at any time to a SOW in the form of a Change Order. Contractor agrees to timely alter the delivery of Products or Services accordingly. If such changes materially increase or decrease Contractor's obligations, the authorized representatives of the Parties shall execute an Amendment to the Contract, and if the amount of such adjustment is

not calculable as a function of hours or tasks, the Parties shall negotiate in good faith a modified amount.

3.4 Time is of the Essence. (06/19) The Parties agree that time is of the essence as to the delivery of Deliverables and performance of Services under this Contract. By executing this Contract and accepting the SOW, Contractor agrees that the time limits specified in the SOW are reasonable. By accepting late or otherwise inadequate performance of Contractor's obligations, the City will not waive its rights to require timely performance of Contractor's obligations thereafter.

3.4.1 Late Delivery. (10/19) In the event that any specified delivery date is not met, Contractor shall be liable for any loss, expense, or damage resulting from delay in delivery or failure to deliver Deliverables or provide Services which is due to any cause except as set forth in Force Majeure. In the event of delay due to any such cause, the City may obtain substitute Services from another source and bill all additional costs directly to Contractor who shall remain financially liable for all additional acquisition costs.

3.4.2 Best Efforts. (10/19) Contractor shall use best efforts to minimize any delay in the provision of Deliverables or performance of Services. If Contractor anticipates any delay that may prevent timely performance of Contractor's obligations under this Contract, Contractor shall promptly notify the City, including the anticipated length of the delay, the cause of the delay, measures proposed or taken to prevent or minimize the delay, and the timetable for implementation of such measures.

3.5 City Reporting Requirements. (12/18) The City is required to track certain types of contract data for reporting purposes. Items which the City must report on may include, but are not limited to, Subcontractor utilization, Minority, Women, Emerging Small Business, Service-Disabled Veteran Business Enterprise (D/M/W/ESB/SDVBE) participation and Subcontractor/Supplier Payment. The City will enforce all diversity in workforce and D/M/W/ESB/SDVBE subcontracting commitments made by Contractor in its Proposal.

3.6 Payment. (09/17) Payment(s) shall be in accordance with the payment schedule set forth in Exhibit A: Contractor's Price.

3.6.1 Payment shall be issued by the City net thirty (30) Calendar Days from receipt of a complete and acceptable invoice from Contractor. Contractor invoices shall be addressed to "MHCRC c/o City of Portland" and must contain Contractor's name and address; invoice number; date of invoice; Contract number; description of Products and/or Services; quantity, unit price, (where appropriate), and total amount; City-required reporting, if any, and the title and phone number of the person to whom payment is to be sent. The City may stipulate how line items are entered on an invoice to ensure compatibility with the City's accounting and financial systems and to facilitate payment to Contractor.

- 3.6.2 The City makes payments via electronic fund transfers through the Automated Clearing House (ACH) network. To initiate payment of invoices, Contractor shall execute the City's standard ACH Vendor Payment Authorization Agreement. Upon verification of the data provided, the ACH Vendor Payment Authorization Agreement will authorize the City to deposit payment directly into specified Contractor accounts with specified financial institutions. All payments shall be made in United States currency.
- 3.7 Payment of Taxes/Contractor Shall Withhold. (09/17) Contractor shall, at its own expense, timely (a) pay all salaries, wages, and other compensation to its employees; (b) withhold, collect, and pay all applicable federal, state, and local income taxes (domestic or foreign), FICA, Medicare, unemployment insurance and any other taxes or charges in connection with its employees; and (c) provide and pay for workers compensation insurance and any statutory or fringe benefits to employees. Contractor shall be solely responsible for all such obligations for its employees. Contractor shall also ensure that any Subcontractor shall comply with the foregoing obligations for its employees. The City shall have no duty to pay or withhold such obligations.
- 3.8 Records and Audits (06/19)
- 3.8.1 Records Retention. (06/19) Contractor shall maintain current financial records in accordance with Generally Accepted Accounting Principles (GAAP). Contractor agrees to maintain and retain and retain all financial records, supporting documents, statistical records and all other records pertinent to this Contract during the term of this Contract and for a minimum of six (6) years after the expiration or termination date of this Contract or until the resolution of all audit questions or claims, whichever is longer.
- 3.8.2 MHCRC/City Audits. (06/19) The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and Products or Services at any time in the course of the Contract and during the records retention period listed above. Audits shall be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
- 3.8.3 Access to Records. (06/19) The City may examine, audit and copy Contractor's books, documents, papers, and records relating to this Contract at any time during the records retention period listed above upon reasonable notice. Copies of applicable records shall be made available upon request.
- 3.9 Overpayment. (09/17) If an audit discloses that payments to Contractor were in excess of the amount to which Contractor was entitled, then Contractor shall repay the amount of the excess to the City. Under no circumstances will the payment of previous invoices constitute an acceptance of the charges associated with those invoices.

- 3.10 Independent Contractor. (09/17) Contractor is independent of the City and, accordingly, this Contract is not entered into as a joint venture, partnership, or agency between the Parties. No employment or agency relationship is or is intended to be created between the City and any individual representing Contractor. Employees of Contractor and any authorized Subcontractors shall perform their work under this Contract under Contractor's sole control.
- 3.11 Security Requirements for Personnel. (09/17) If required by the City, Contractor shall conduct a criminal history/records check of all personnel that will have access to City information, systems, or payments and ensure ongoing security requirements for personnel are maintained.
- 3.12 Termination. (06/19) The following conditions apply to termination of this Contract. The MHCRC, on thirty (30) Calendar Days' written notice to Contractor, may terminate this Contract for any reason in the MHCRC's sole discretion. In the event of such termination, the City shall pay to Contractor the portion of the not-to-exceed price attributable to all Deliverables Accepted or Services performed and Accepted through the effective date of the termination. In the event of termination all of Contractor's Work Product to date shall be delivered to the MHCRC, and it will become and remain property of the MHCRC.
- 3.13 Mutual Agreement. (09/17) The MHCRC and Contractor, by mutual written agreement, may terminate this Contract at any time.
- 3.14 Material Breach. (09/17) Either Party may terminate this Contract in the event of a Material Breach of this Contract by the other. Prior to such termination, however, the Party seeking the termination shall give to the other Party written notice to cure the Material Breach and of the Party's intent to terminate. If the Party has not entirely cured the Material Breach within thirty (30) Calendar Days of the notice, then the Party giving the notice shall have the option to: (a) terminate this Contract by giving a written notice of termination, (b) seek any remedies in this Contract, in law, or at equity, to the extent not otherwise limited by the terms of this Contract, or (c) any combination thereof.
- 3.15 Force Majeure. (09/17) Either Party may terminate this Contract due to a Force Majeure event as set forth in Section 5.12, Force Majeure.
- 3.16 Bankruptcy. (09/17) The City may terminate this Contract if Contractor: (a) becomes insolvent, makes a general assignment for the benefit of creditors; (b) suffers or permits the appointment of a receiver for its business or assets; (c) becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, and such proceeding has not been dismissed within a sixty (60) Calendar Day period; or (d) has wound up or liquidated, voluntarily or otherwise.
- 3.17 Void Assignment. (09/17) In the event that Contractor assigns its obligations under this Contract to a third party in a manner other than as set forth in Section 5.7, Assignment, the City shall have

the option to terminate this Contract without any notice or cure period or further obligation to Contractor or the assignee, and promptly receive a refund for fees paid for Products delivered and/or Services performed by the third party.

- 3.18 Waiver. (09/17) No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach of this Contract. The failure of either Party to insist upon any of its rights under this Contract upon one or more occasions, or to exercise any of its rights, shall not be deemed a waiver of such rights on any subsequent occasions.
- 3.19 Severability. (09/17) Any section of this Contract which is held or declared void, invalid, illegal or otherwise not fully enforceable shall not affect any other provision of this Contract and the remainder of this Contract shall continue to be binding and of full force and effect. This Contract shall be binding upon and inure to the benefit of the City and its successors and assigns.
- 3.20 Business Tax Registration. (09/17) Contractor shall register for a City of Portland business license as required by Chapter 7.02 of the Code of the City of Portland prior to execution of this Contract. Additionally, Contractor shall pay all fees or taxes due under the Business License Law and the Multnomah County Business Income Tax (MCC Chapter 12) during the full term of this Contract. Failure to be in compliance may result in payments due under this Contract to be withheld to satisfy amount due under the Business License Law and the Multnomah County Business Income Tax Law.
- 3.21 EEO Certification. (09/17) Contractor shall be certified as an Equal Employment Opportunity Affirmative Action Employer as prescribed by Chapter 5.33.076 of the Code of the City of Portland and maintain its certification throughout the term of this Contract.
- 3.22 Non-Discrimination in Benefits. (09/17) Throughout the term of this Contract, Contractor shall provide and maintain benefits to its employees with domestic partners equivalent to those provided to employees with spouses as prescribed by Chapter 5.33.077 of the Code of the City of Portland.
- 3.23 Sustainability. (12 /18) Pursuant to the City's Sustainable City Principles, which direct City Bureaus to pursue long-term social equity, environmental quality, and economic vitality through innovative and traditional mechanisms, Contractor is encouraged to incorporate these Principles into its scope of work with the City wherever possible. Therefore, in accordance with the Principles and the City's Sustainable Procurement Policy, it is the policy of the City of Portland to encourage the use of Products or Services that help to minimize the human health and environmental impacts of City operations. Contractor is encouraged to incorporate environmentally preferable Products or Services into its work performance wherever possible. "Environmentally preferable" means Products or Services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production,

manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the Product or Service.

- 3.24 Packaging. (09/17) All packaging should be minimized to the maximum extent possible without compromising product quality. The City encourages packaging that is reusable, readily recyclable in local recycling programs, is made from recycled materials, and/or is collected by Contractor for reuse/recycling.
- 3.25 News Releases and Public Announcements. (09/17) Contractor shall not use representations of the MHCRC or City in its external advertising, marketing, website, or other promotional efforts, nor shall Contractor issue any news release or public announcements pertaining to this Contract or the Project without the express written approval of the City Project Manager. Contractor shall not use the City seal without specific written permission from the City Auditor. Such approval may be withheld in the City's sole discretion.
- 3.26 Rule of Construction/Contract Elements/Headings. (09/17) This Contract has been drafted by the City in the general format by the City as a convenience to the Parties only and shall not, by reason of such action, be construed against the City. Section headings are for ease of reference and convenience only and shall not affect or enter into the interpretation of any portion of this Contract.
- 3.27 Survival. (09/17) All obligations relating to Confidential Information; indemnification; publicity; representations and warranties; remedies; proprietary rights; limitation of liability; and obligations to make payments of amounts that become due under this Contract prior to termination or expiration shall survive the termination or expiration of this Contract and shall, to the extent applicable, remain binding and in full force and effect for the purposes of the ongoing business relationship by and between Contractor and the City.

#### **SECTION 4 STATUTORY REQUIREMENTS, PUBLIC RECORDS AND CONFIDENTIALITY**

- 4.1 Governing Law and Jurisdiction. (09/17) This Contract shall be construed according to the laws of the State of Oregon without reference to the conflict of laws' provisions. Any litigation between the City and Contractor arising under this Contract or out of work performed under this Contract shall occur, if in the state courts, in the Multnomah County Circuit Court, and if in the federal courts, in the United States District Court for the District of Oregon.
- 4.2 Public Records Request. (09/17) Contractor acknowledges that the MHCRC and the City of Portland are subject to the Oregon Public Records Act and Federal law. Third persons may claim that the Confidential Information Contractor submitted to the City hereunder may be, by virtue of its possession by the City, a public record and subject to disclosure pursuant to the Oregon Public

Records Act. The City's commitments to maintain certain information confidential under this Contract are all subject to the constraints of Oregon and federal laws. All information submitted by Contractor is public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions for which Contractor requests and meets an exemption from disclosure consistent with federal or Oregon law. Within the limits and discretion allowed by those laws, the City will maintain the confidentiality of information.

4.3 Public Records. (09/17) The City will retain one (1) copy of any public records for the express purposes of complying with State of Oregon and Portland City Code public records and archiving laws.

4.4 Confidentiality.

4.4.1 Contractor's Confidential Information. (08/19) During the term of this Contract, Contractor may disclose to the City, certain Contractor Confidential Information pertaining to Contractor's business. Contractor shall be required to mark Confidential Information CONFIDENTIAL with a restrictive legend or similar marking. If CONFIDENTIAL is not clearly marked, or the Contractor's Confidential Information cannot be marked with a restrictive legend or similar marking or is disclosed either orally or by visual presentation, Contractor shall identify the Confidential Information as confidential at the time of disclosure or within a reasonable time thereafter. This Contract itself shall not be considered Confidential Information. Subject to Section 4.2, the City shall: (1) limit disclosure of Contractor Confidential Information to those directors, employees, contractors and agents of the City who need to know the Contractor Confidential Information in connection with the City Project and who have been informed of confidentiality obligations at least as strict as those contained in this Contract, and (2) exercise reasonable care to protect the confidentiality of the Contractor Confidential Information, at least to the same degree of care as the City employs with respect to protecting its own proprietary and confidential information.

4.4.2 City's Confidential Information. (08/19) Contractor shall treat as confidential any City Confidential Information that has been made known or available to Contractor or that Contractor has received, learned, heard or observed; or to which Contractor has had access. Contractor shall use City Confidential Information exclusively for the City's benefit in the performance of this Contract. Except as may be expressly authorized in writing by the City, in no event shall Contractor publish, use, discuss or cause or permit to be disclosed to any other person such City Confidential Information. Contractor shall (1) limit disclosure of the City Confidential Information to those directors, officers, employees, subcontractors and agents of Contractor who need to know the City Confidential Information in connection with the City Project and who have agreed in writing to confidentiality obligations at least as strict as those contained in this Contract, (2) exercise reasonable care to protect the confidentiality of the City Confidential Information, at least to the same degree of care as Contractor employs with respect to protecting its own proprietary and confidential information, and (3)

return immediately to the City, upon its request, all materials containing City Confidential Information, in whatever form, that are in Contractor's possession or custody or under its control. Contractor is expressly restricted from and shall not use the Intellectual Property Rights of the City without the City's prior written consent.

- 4.4.3 Scope. (09/17) This Contract shall apply to all City Confidential Information previously received, learned, observed, known by or made available to Contractor. Contractor's confidentiality obligations under this Contract shall survive termination or expiration of this Contract.
- 4.4.4 Equitable Relief. (12/18) Contractor acknowledges that unauthorized disclosure of City Confidential Information will result in irreparable harm to the City. In the event of a breach or threatened breach of this Contract, the City may obtain injunctive relief prohibiting the breach, in addition to any other appropriate legal or equitable relief. The Parties agree that, notwithstanding any other section of this Contract, in the event of a breach or a threatened breach of Contract terms related to Confidential Information or Intellectual Property Rights, the non-breaching Party shall be entitled to seek equitable relief to protect its interests, including but not limited to injunctive relief. Nothing stated herein shall be construed to limit any other remedies available to the Parties.
- 4.4.5 Discovery of Documents. (06/19) In the event a court of competent jurisdiction orders the release of Confidential Information submitted by one Party, the other Party will notify the Party whose Confidential Information is being requested to be disclosed of the request. The Party receiving the request shall allow the other Party to participate in the response at its own expense. Each Party will comply with any effective court order.

## **SECTION 5 CONTRACTOR PERFORMANCE AND WARRANTIES**

- 5.1 General Warranties. (09/17) Contractor makes the following warranties:
  - 5.1.1 Capacity. (09/17) Contractor warrants it has the legal authority and capacity to enter into and perform this Contract.
  - 5.1.2 Authority to Conduct Business. (08/19) Contractor warrants it is lawfully organized and constituted and duly authorized to operate and do business in all places where it shall be required to do business under this Contract, and that it has obtained or will obtain all necessary licenses and permits required in connection with this Contract.
  - 5.1.3 Disclosure of Litigation. (09/17) Contractor warrants that as of the Effective Date there are no suits, actions, other proceedings, or reasonable anticipation thereof, in any judicial or quasi-judicial forum that will or may adversely affect Contractor's ability to fulfill its

obligations under this Contract. Contractor further warrants that it will immediately notify the City in writing if, during the Term of this Contract, Contractor becomes aware of, or has reasonable anticipation of, any lawsuits, actions, or proceedings in any judicial or quasi-judicial forum that involves Contractor or any Subcontractor and that will or may adversely affect Contractor's ability to fulfill its obligations under this Contract.

- 5.1.4 Conflict of Interest. (09/17) Contractor warrants it has no present interest and shall not acquire any interest that would conflict in any manner with its duties and obligations under this Contract.
- 5.1.5 Compliance with Applicable Law. (09/17) Contractor warrants it has complied and shall comply with all applicable federal, state, and local laws and regulations of its domicile and wherever performance occurs during the term of this Contract. Contractor warrants it is currently in compliance with all tax laws.
- 5.1.6 Public Contracts. (09/17) Contractor shall observe all applicable state and local laws pertaining to public contracts. ORS Chapters 279A and 279B require every public contract to contain certain provisions. To the extent applicable, ORS 279B.220, 279B.230 and 279B.235 are incorporated into this Agreement by reference.
- 5.1.7 Compliance with Civil Rights Act. (09/17) Contractor warrants it is in compliance with Title VI of the Civil Rights Act of 1964 and its corresponding regulations as further described at: <http://www.portlandoregon.gov/bibs/article/446806>
- 5.1.8 Respectful Workplace Behavior. (09/17) The City is committed to a respectful work environment, free of harassment, discrimination and retaliation and other inappropriate conduct. Every individual has a right to work in a professional atmosphere where all individuals are treated with respect and dignity. The City's HR Rule 2.02 covers all employees of the City as well as contractors, vendors or consultants who provide services to the City of Portland. Contractor warrants its compliance with terms and conditions HR 2.02 as further described at: <https://www.portlandoregon.gov/citycode/27929>

## 5.2 Compliance with Non-Discrimination Laws and Regulations.

- 5.2.1 Nondiscrimination. (06/19) Pursuant to all City, State, and federal non-discrimination and civil rights laws, Contractor, with regard to the work performed by it during this Contract, shall not discriminate on the grounds of race, color, national origin, including limited English proficiency, sex, sexual orientation, gender identity, age, religion or non-religion, disability, marital status, family status, or source of income, including in employment practices, the selection and retention of subcontractors, including procurements of materials and leases of equipment.

- 5.2.2 Solicitations for Subcontractors, Including Procurements of Materials and Equipment. (06/19) In all solicitations either by competitive bidding or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this Contract relative to nondiscrimination on the grounds of race, color, national origin, sex, sexual orientation, age, religion, disability, marital status, or family relationships.
- 5.2.3 Sanctions for Noncompliance. (09/17) In the event of Contractor's noncompliance with the nondiscrimination provisions of this Contract, the City shall impose such contract sanctions as it or any state or federal agency may determine to be appropriate, including, but not limited to withholding of payments to Contractor under this Contract until Contractor complies, and/or cancellation, termination, or suspension of this Contract, in whole or in part.
- 5.2.4 ADA Compliance. (07/18) Contractor shall comply with the Americans With Disabilities Act (ADA), including any duty the ADA may impose on City or Contractor as a result of the Products, Services or activities requested to be provided for /City under this Agreement.

At minimum, Contractor shall provide all reports in ADA accessible formats.

Contractor shall document each ADA request for modification to the Products or Services and Contractor's fulfillment of the request. If Contractor determines that it is unable to promptly fulfill the request for modification under the ADA, Contractor will contact the City Project Manager within the same business day, proving reasons why Contractor is unable to fulfill the request for modification and to identify alternate accessibility options that Contractor can perform.

Within twenty (20) Business Days after receipt, City and Contractor shall advise the other Party in writing, and provide the other Party with copies (as applicable) of any notices alleging violation of or noncompliance with the ADA relating to the Agreement, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to the Agreement or the programs, Products, Services or activities that Contractor is undertaking for City under this Agreement.

- 5.2.5 Required Reporting. (05/19) If any person or class of persons files a complaint with Contractor alleging discrimination under Title VI of the Civil Rights Act of 1964 (race, color, or national origin, including limited English proficiency), Contractor will notify the City of the complaint and cooperate with any investigation related to the complaint. Notifications shall be sent to Title VI Program Manager, 421 SW 6th Ave, Suite 500, Portland, Oregon 97204, or [title6complaints@portlandoregon.gov](mailto:title6complaints@portlandoregon.gov).

- 5.3 Service(s) and Deliverables Warranties. (10/19) Contractor makes the following warranties:

- 5.3.1 No Third-Party Conflict or Infringement. (01/19) As of the Effective Date, Contractor warrants the execution and performance of this Contract, shall not contravene the terms of any contracts with third parties or any third-party Intellectual Property Right; and, as of the Effective Date of this Contract, there are no actual or threatened legal actions with respect to the matters in this provision. Contractor agrees to promptly notify the City, in writing, if during the Term of the Contract, a potential third-party conflict or infringement of third-party Intellectual Property Rights arises.
- 5.3.2 No Encumbrances. (08/19) All Deliverables provided by Contractor under this Contract shall be transferred to the City free and clear of any and all restrictions of transfer or distribution and free and clear of any and all liens, claims, security interests, liabilities and encumbrances of any kind.
- 5.3.3 Conformance with Specifications. (01/19) Contractor warrants that the Deliverables and Services shall operate in conformance with the Specifications.
- 5.3.4 Compliance with Law. (10/19) Contractor warrants that the Deliverables conform to all requirements of applicable law, including all applicable health, safety, privacy, data security and environmental laws and regulations.
- 5.3.5 Industry Standards. (10/19) Contractor warrants that the Services performed under this Contract will meet the standards of skill and diligence normally employed by persons performing the same or similar services.
- 5.3.6 Substitution or Modification of Products at No Charge. (03/19) In the event that Contractor substitutes or modifies the Deliverables, Contractor shall ensure that the new or modified Deliverables shall conform in all aspects to the Specifications. Such substitutions or modifications shall in no way degrade the performance or functionality of the Deliverables and shall not result in additional cost to the City.
- 5.4 No Waiver of Warranties or Representation. (10/19) Performance of Services shall not be construed to represent Acceptance nor relieve Contractor from its responsibility under any representation or warranty. If the City makes a payment prior to Final Acceptance, the payment does not grant a waiver of any representation or warranty by Contractor.
- 5.5 No Third Party to Benefit. (09/17) This Contract is entered into for the benefit of the City and Contractor. Except as set forth herein, nothing in this Contract shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the general public or any member thereof, or to authorize anyone not a Party to this Contract to maintain a suit for breach of contract, personal injuries, property damage, or any other relief in law or equity in connection with this Contract.

- 5.6 Assignment. (08/19) Neither Party shall assign, transfer, or delegate all or any part of this Contract, or any interest therein, without the other Party's prior written consent, which shall not be unreasonably withheld. For purposes of this Section, the acquisition, merger, consolidation or change in control of Contractor or any assignment by operation of law shall be considered an assignment of this Contract that requires the City's prior written consent. Notwithstanding the foregoing: (a) in the event that the MHCRC's business needs change or the MHCRC enters into an agreement with a provider for outsourcing services, Contractor agrees that the MHCRC shall have the right to assign this Contract to a successor of all, substantially all, or specified area(s) of the MHCRC's business, including an outsourcing provider, upon written notice to the other Party, and (b) Contractor may, without the City's consent, but upon prior written notice to the City, assign its right to payment under this Contract or grant a security interest in such payment to any third party without requiring that the third party be liable for the obligations of Contractor under this Contract. Any attempted assignment or delegation in violation of this Section shall be void.
- 5.7 Notice of Change in Financial Condition. (09/17) Contractor must maintain a financial condition commensurate with the requirements of this Contract. If, during the term of this Contract, Contractor experiences a change in its financial condition which may adversely affect its ability to perform the obligations of this Contract, Contractor shall immediately notify the City in writing. Failure to notify the City of such a change in financial condition is sufficient grounds for terminating this Contract.
- 5.8 Notice of Change in Ownership. (09/17) If, during the term of this Contract, Contractor experiences a change in ownership or control, Contractor shall immediately notify the City in writing. Failure to notify the City of such a change in ownership or control is sufficient grounds for terminating this Contract.
- 5.9 Subcontractors. (10/19) Contractor shall not subcontract any work under this Contract without the City Project Manager's prior written consent. Contractor shall be fully responsible for the acts and omissions of its Subcontractors, including any Affiliates, at all levels, and of their agents and employees. Contractor shall ensure that all applicable provisions of this Contract (including those relating to Insurance, Indemnification, and Confidentiality) are included in all of its subcontracts. The City Project Manager reserves the right to review any agreements between Contractor and its Subcontractors for Services authorized under this Contract.
- 5.10 Flow-down Clauses. (01/19) Contractor shall include the following clauses, or substantially similar language, in its subcontracts under this Contract:

Section 4.4, Confidentiality

Section 5.3, Compliance with Non-Discrimination Laws and Regulations

Section 6.1, Hold Harmless and Indemnification

Section 6.2, Insurance

5.11 Force Majeure. (01/19)

- 5.11.1 In the event that either Party is unable to perform any of its obligations under this Contract due to a Force Majeure Event not the fault of the affected Party, the Party who has been so affected immediately shall give notice to the other Party and shall do everything possible to resume performance. Upon receipt of such notice, the performance obligations affected by the Force Majeure event shall immediately be suspended.
- 5.11.2 If the period of nonperformance exceeds fifteen (15) Calendar Days from the receipt of notice of the Force Majeure Event, the Party whose ability to perform has not been so affected may, by giving written notice, terminate this Contract or any Statement of Work.
- 5.11.3 If the period of nonperformance due to a Force Majeure Event does not exceed fifteen (15) Calendar Days, such nonperformance shall automatically extend the Project schedule for a period equal to the duration of such events. Any Warranty Period affected by a Force Majeure Event shall likewise be extended for a period equal to the duration of such event.
- 5.11.4 If the period of nonperformance due to Force Majeure Event is longer than fifteen (15) Calendar Days, the Parties shall negotiate options for mitigation of the Force Majeure Event.

5.12 Ownership of Property. (06/19) All work product produced by the Contractor under this Contract is the exclusive property of the MHCRC. "Work Product" includes, but is not limited to: research, reports, computer programs, manuals, drawings, recordings, photographs, artwork and any data or information in any form. The Contractor and the MHCRC intend that such Work Product shall be deemed "work made for hire" of which the MHCRC shall be deemed the author. If for any reason a Work Product is deemed not to be a "work made for hire," the Contractor hereby irrevocably assigns and transfers to the MHCRC all right, title and interest in such Work Product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrines. Contractor shall obtain such interests and execute all documents necessary to fully vest such rights in the MHCRC. Contractor waives all rights relating to work product, including any rights arising under 17 USC 106A, or any other rights of authorship, identification or approval, restriction or limitation on use or subsequent modifications. If the Contractor is an architect, the Work Product is the property of the Consultant-Architect, and by execution of this Contract, the Contractor-Architect grants the MHCRC an exclusive and irrevocable license to use that Work Product.

Notwithstanding the above, all pre-existing trademarks, services marks, patents, copyrights, trade secrets, and other proprietary rights of Contractor are and will remain the exclusive property of Contractor. Contractor hereby grants to the MHCRC a non-exclusive, perpetual, irrevocable license, with the right to sublicense, to disclose, copy, distribute, display, perform, prepare

derivative works of and otherwise exploit any pre-existing Intellectual Property Rights incorporated into the Work Product(s).

## **SECTION 6 INDEMNIFICATION, INSURANCE, BONDING, LIQUIDATED DAMAGES**

### **6.1 Hold Harmless and Indemnification. (08/19)**

- 6.1.1 Contractor shall indemnify, defend and hold harmless the MHCRC and the City, its officers, agents, and employees, from all claims, demands, suits, and actions for all losses, damages, liabilities, costs and expenses (including all attorneys' fees and costs), resulting from or arising out of the actions, errors, or omissions of Contractor or its officers, employees, Subcontractors, or agents under this Contract.
- 6.1.2 Infringement Indemnity. (08/19) Contractor shall indemnify, defend, and hold harmless the MHCRC and the City, its directors, officers, employees, and agents from and against any and all claims, demands, suits, and actions for any damages, liabilities, losses, costs, and expenses (including reasonable attorney fees, whether or not at trial and/or on appeal), arising out of or in connection with any actual or alleged misappropriation, violation, or infringement of any proprietary right or Intellectual Property Right of any person whatsoever. The City agrees to notify Contractor of the claim and gives Contractor sole control of the defense of the claim and negotiations for its settlement or compromise.
- 6.1.3 Contractor shall indemnify, defend, and hold harmless the MHCRC and the City against any taxes, premiums, assessments, and other liabilities (including penalties and interest) that the MHCRC and the City may be required to pay arising from Deliverables and Services provided by Contractor under this Contract. The City of Portland, as a municipal corporation of the State of Oregon, is a tax-exempt unit of local government under the laws of the State of Oregon and is not liable for any taxes.

### **6.2 Insurance. (08/19) Contractor shall not commence work until Contractor has met the insurance requirements in this section and provided such insurance certificates. Contractor shall acquire insurance issued by insurance companies or financial institutions with an AM Best rating of A- or better and duly licensed, admitted and authorized to do business in the State of Oregon.**

- 6.2.1 Insurance Certificate. (08/19) As evidence of the required insurance coverage, Contractor shall provide compliant insurance certificates, including required endorsements, to the City Project Manager prior to execution of the Contract. The certificates shall list the MHCRC and the City as certificate holder. Contractor shall maintain continuous, uninterrupted coverage for the Term of this Contract and to provide insurance certificates demonstrating the required coverage for the Term of this Contract. Contractor's failure to maintain insurance as required by this Contract constitutes a Material Breach of this Contract.

Contractor must notify the City in writing thirty (30) Calendar Days prior to a cancellation, non-renewal, or changes to the insurance policy.

6.2.2 Additional Insureds. (08/19) For commercial general liability coverage, Contractor shall provide MHCRC and the City with a blanket additional insured endorsement form that names the MHCRC and the City of Portland, Oregon, and its officers, agents and employees, as an additional insured. The additional insured endorsement must be attached to the general liability certificate of insurance.

6.2.3 Insurance Costs. (08/19) Contractor shall be financially responsible for all premiums, deductibles, self-insured retentions, and self-insurance.

6.2.4 Coverage Requirements. (08/19) Contractor shall comply with the following insurance requirements:

6.2.4.1 Commercial General Liability. (08/19) Contractor shall acquire commercial general liability (“CGL”) and property damage insurance coverage in an amount not less than \$2 million per occurrence for damage to property or personal injury arising from Contractor’s work under this Contract.

Required and attached  Reduced by Authorized Bureau Director  Waived by Authorized Bureau Director

6.2.4.2 Automobile Liability. (08/19) Contractor shall acquire automobile liability insurance to cover bodily injury and property damage in an amount not less than \$2 million for each accident. Contractor’s insurance must cover damages or injuries arising out Contractor’s use of any vehicle.

Required and attached  Reduced by Authorized Bureau Director  Waived by Authorized Bureau Director

6.2.4.3 Workers’ Compensation. (08/19) Contractor shall comply with Oregon workers’ compensation law, ORS Chapter 656, as it may be amended. If Contractor is required by ORS Chapter 656 to carry workers’ compensation insurance, Contractor shall acquire workers’ compensation coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers’ compensation insurance on file with the City for the entire period during which work is performed under this Contract. Contractor shall acquire workers compensation coverage in an amount not less than \$1 million each accident, \$1 million disease each employee, and \$1 million disease policy limit.

Required and attached  Proof of exemption (Complete Independent Contractor Certification Statement)

6.2.4.4 Professional Liability. (08/19) Contractor shall acquire insurance to cover damages caused by negligent acts, errors or omissions related to the professional Services, and performance of duties and responsibilities of the Contractor under this Contract in an amount not less than \$1 million per occurrence and aggregate of \$3 million for all

claims per occurrence. In lieu of an occurrence-based policy, Contractor may have claims-made policy in an amount not less than \$1,000,000 per claim and \$3,000,000 annual aggregate, if the Contractor acquires an extended reporting period or tail coverage for not less than three (3) years following the termination or expiration of the Contract.

Required and attached  Reduced by Authorized Bureau Director  Waived by Authorized Bureau Director

6.2.5 Insurance Requirements for Subcontractors. (08/19) Contractor shall contractually require its Subcontractors to acquire and maintain for the duration of this Contract insurance equal to the minimum coverage limits required above.

6.3 Rolling Estoppel. (09/17) Unless otherwise notified by Contractor, it shall be understood that the MHCRC and the City shall have met all its obligations under this Contract. The MHCRC and the City will be conclusively deemed to have fulfilled its obligations, unless the City receives written notification of a failure to meet such obligations in the next status report, or within ten (10) Business Days following such failure, whichever is sooner, and Contractor identifies the specific failure in that notification. The MHCRC's and/or the City's failure to meet obligations must be described in terms of how it has affected the Project schedule or a specific performance requirement of Contractor.

6.3.1 Contractor is estopped from claiming that a situation has arisen that might otherwise justify changes in Project timetable, the standards of performance under this Contract, or the Contract price, if Contractor knew of that problem and failed to provide notification to the City as set forth above or to include it in the applicable status report to the City Project Manager.

6.3.2 In the event Contractor identifies a situation that is impairing Contractor's ability to perform for any reason, Contractor's notification should contain Contractor's suggested solutions to the situation. These suggestions should be in sufficient detail so that the City Project Manager can make a prompt decision as to the best method of dealing with the problem and continuing the Project in an unimpeded fashion.

6.4 Dispute Resolution. (09/17) Contractor shall cooperate with the City to ensure that all claims and controversies which arise during this Contract will be resolved as expeditiously as possible in accordance with the following resolution procedure:

6.4.1 Any dispute between the City and Contractor shall be resolved, if possible, by the City Project Manager or their designee and the Contractor.

6.4.2 If the City Project Manager or their designee and Contractor are unable to resolve any dispute within three (3) Business Days after notice of such dispute is given by either Party to

the other, the matter shall be submitted to the City Office for Community Technology Bureau Director on behalf of the MHCRC and Contractor for resolution if possible.

6.4.3 Should any dispute arise between the Parties concerning this Contract that is not resolved by mutual agreement above, it is agreed that such dispute will be submitted to mandatory mediated negotiation prior to any Party's commencing arbitration or litigation. In such an event, the Parties to this Contract agree to participate in good faith in a non-binding mediation process. The mediator shall be selected by mutual agreement of the Parties, but in the absence of such agreement each Party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. All costs of mediation shall be borne equally by the Parties.

6.4.4 Should an equitable solution not result from the foregoing, the City and Contractor shall be free to pursue other remedies allowed under this Contract.

6.4.5 Unless ordered by the City to suspend performance of all or any portion of Contractor's Services, Contractor shall proceed with the performance of such Services without any interruption or delay during the pendency of any of the foregoing dispute resolution procedures. During the pendency of any of the foregoing dispute resolution procedures, the City shall continue to make all payments that are not in dispute while having the right to withhold payments that are in dispute.

6.5 Remedies. (09/17) The remedies provided in this Contract are cumulative and may be exercised concurrently or separately. In the event of any Material Breach by Contractor, which Material Breach shall not have been cured as agreed to between the Parties, the /City shall have the ability to pursue the City's rights at law or equity. The exercise of any one remedy shall not constitute an election of one remedy to the exclusion of any other.

6.6 Cost of Cover. (09/17) In the event of termination of this Contract by the MHCRC due to a Material Breach by Contractor, then the City may complete the Project itself, by agreement with another contractor, or by a combination thereof. After termination, in the event the cost of completing the Project exceeds the amount the City would have paid Contractor to complete the Project under this Contract, then Contractor shall pay to the City the amount of the reasonable excess.

**SIGNATURE PAGE**

(08/19)

Contractor represents that Contractor has had the opportunity to consult with its own independently selected attorney in the review of this Contract. Neither Party has relied upon any representations or statements made by the other Party that are not specifically set forth in this Contract.



## **Exhibit A Contractor's Price**

### **SECTION 1 COMPENSATION**

The maximum that the Consultant can be paid under this Contract is \$20,000 (hereafter the “not to exceed” amount.). The “not to exceed” amount includes all payments to be made pursuant to this Contract, including reimbursable expenses, if any. Nothing in this Contract requires the City to pay for work that does not meet the Standard of Care or other requirements of the Contract. The actual amount to be paid Consultant may be less than that amount.

The Consultant is entitled to receive progress payments for its work pursuant to the Contract as provided in more detail below. The City will pay Consultant based on these invoices for acceptable work performed and approved until the “not to exceed” amount is reached. Thereafter, Consultant must complete work based on the Contract without additional compensation unless there is a Change Order to the SOW.

Any estimate of the hours necessary to perform the work is not binding on the City. The Consultant remains responsible if the estimate proves to be incorrect. Exceeding the number of estimated hours of work does not impose any liability on the City for additional payment.

If work is completed before the “not to exceed” amount is reached, the Consultant’s compensation will be based on the Consultant’s bills previously submitted for acceptable work performed and approved.

Hourly rates for Contractor staff levels for the Term of this Contract, and estimated hours for each staff level, are as follows:

- Partner: Hourly Rate \$475; Estimated Hours 5
- Senior Manager: Hourly Rate \$410; Estimated Hours 10
- Manager: Hourly Rate \$300; Estimated Hours 15
- Senior: Hourly Rate \$210; Estimated Hours 50

### **SECTION 2 PROGRESS PAYMENTS**

On or before the 15<sup>th</sup> of each month, the Consultant shall submit to the /City Project Manager an invoice for work performed by the Consultant during the preceding month.

The invoice shall set out all items for payment including, but not limited to, the name of the individual, labor category, direct labor rate, hours worked during the period, and tasks performed. The Consultant shall also attach photocopies of claimed reimbursable expenses, if applicable. Prior to initial billing, the Consultant shall develop a billing format for approval by the City Project Manager.

The City shall pay all amounts to which no dispute exists within 30 calendar days of receipt of the invoice. Payment of any bill, however, does not preclude the City from later determining that an error in payment

was made and from withholding the disputed sum from the next progress payment until the dispute is resolved.

## **Exhibit B Statement of Work**

### **SECTION 1 SUMMARY**

The Mt. Hood Cable Regulatory Commission (MHCRC), through the City of Portland, Office for Community Technology (City), has engaged Contractor for the following services:

- To conduct a review and analysis of financial policies and practices related to the MHCRC Fund; and
- To make recommendations to MHCRC leadership and City staff regarding Fund policies, obligations, tracking, reporting requirements, and comprehensive management.

### **SECTION 2 SCOPE OF WORK**

Contractor shall provide the following Services, and shall be expected to work closely with designated City staff and the MHCRC to accomplish project deliverables:

- 2.1. Meet with City staff as needed to better understand project scope, materials, and current practices.
- 2.2. Compile and analyze relevant documents and records, including, but not limited to:
  - MHCRC or City financial policies or requirements applicable to Fund balance, interest earnings, obligations, revenue, or disbursements
  - The MHCRC Fund FY2019-20 Financial Statements and Audit and audit records
  - The MHCRC year-end financial reports (unaudited) and related documents
- 2.3. Identify activities that MHCRC or City financial policies require tracked and reported in Fund balance and activities that are currently tracked and/or reported in Fund balance
- 2.4. Develop recommendations for changes to Fund policies or areas where a new financial policy may be needed or can simplify processes.
- 2.5. Develop recommendations for updates to systems, processes, or practices moving forward, for Fund tracking, budgeting, and reporting.
- 2.6. Notate for the source policy, decision or agreement requiring the change distinguished from changes not explicitly required but would conform to past practice.
- 2.7. Analyze and report existing Fund balance amount contained in the audited FY2019-20 MHCRC Fund balance, including amounts attributable to unspent interest revenues, unspent or unobligated PEG/I-Net fees (delineated by compliance program operations and grant funds), unspent or unobligated Jurisdictions' budget appropriations, and any other sources as identified.
- 2.8. Draft a written report containing the analysis, documentation and recommendations; vet the report with designated City staff; revise as necessary for accuracy and clarity.
- 2.9. Present the draft report to the MHCRC Finance Committee to receive input and answer questions from Committee members; revise as necessary for accuracy and clarity.
- 2.10. Present the final report to the MHCRC during its regular monthly meeting.

- 2.11. Submit all reports in ADA accessible formats.

### **SECTION 3 DELIVERABLES AND PROJECT SCHEDULE**

Deliverables are considered those tangible resulting work products that are to be delivered to the MHCRC or the City such as reports, draft documents, data, interim findings, drawings, schematics, training, meeting presentations, final drawings, and reports. Unless otherwise specified by the City Project Manager, Contractor shall prioritize submitting applicable Deliverables electronically in ADA accessible formats, and any paper-based Deliverables shall be printed double-sided and in bindings or report covers that are fully recyclable, preferably using materials containing post-consumer waste (PCW) recycled content.

- 3.1 Deliverables and schedule for this project shall include:
  - a. By February 15, 2021: Initial draft report containing the analysis, documentation and recommendations for review and input from designated City staff.
  - b. By February 22, 2021: Draft report for review and input from the MHCRC Finance Committee.
  - c. By March 8, 2021: The final report for distribution to the MHCRC.
  - d. March 15, 2021: Presentation to the MHCRC (MHCRC regular monthly meeting)

All Deliverables and resulting work products from this contract are the property of the MHCRC. As such, the Consultant grants the MHCRC the right to copy and distribute (in any and all media and formats) project Deliverables for regulatory, project certification/recognition, program development, public education, and/or for any purposes at the sole discretion of the MHCRC.

The individual Deliverables and schedule for this project are described in more detail below:

#### 3.2 Period of Performance

The MHCRC anticipates that Contractor shall begin work immediately upon contract execution with submittal of final Deliverables to the MHCRC occurring by March 16, 2021.

### **SECTION 4 PROJECT MANAGEMENT**

#### 4.1 Status Reports

On a day-to-day basis, the progress of the work will be managed by the City Project Manager. Contractor shall regularly communicate with the City Project Manager on status of project tasks and Deliverables, including completed tasks and Deliverables, any delayed items and a description of the cause of the delay, schedule impact, a proposed method of resolution and final resolution.

Consultant shall ensure the following project reviews are provided for:

- Review and provide comment on the draft report by designated City staff prior to distribution to the MHCRC Finance Committee.
- Review and provide comment on the draft report by the MHCRC Finance Committee
- Review and provide comment on the final draft report by designated City staff prior to distribution to the MHCRC.

#### 4.2 Place of Performance

The majority of Contractor's work will be performed at Contractor facilities as agreed with the City Project Manager. As appropriate, work will be performed via teleconferencing among City staff, MHCRC members, and the Consultant.

#### 4.3 Work Performed by the City/Others

The MHCRC and the City have assigned a project manager to oversee Contractor's work and will make sufficient hours available to support the project as needed. Specific duties the City will perform include:

- Provide electronic copies of records, documents, spreadsheets, and other materials related to the project by January 6, 2021.
- Promptly respond to information requests and questions and provide additional documents and records as needed.
- Schedule and participate in meetings with consultant as needed.
- Schedule and provide logistical support for the Consultant to present the draft report to the MHCRC Finance Committee.
- Provide logistical support for the Consultant to present the final report to the MHCRC at its regular monthly meeting.
- Promptly review and provide comment on draft reports and respond to Consultant's questions and requests for information.

**Exhibit C - City RFP #00001556**

Please contact staff if you'd like to receive a copy of the RFP.

## **Exhibit D, Contractor's Proposal**

See Moss Adams proposal, which follow this contract document.

**Exhibit E  
Sample Forms**

**Exhibit E-1: FINAL ACCEPTANCE CERTIFICATE  
(08/19)**

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, the City certifies Final Acceptance of (name Deliverable(s)), in accordance with Contract No. \_\_\_\_\_. This Certificate of Acceptance is issued subject to and in accordance with the Contract, all defined terms having the meanings as set forth in the Contract, and without prejudice to any claims which subsequently may arise in connection with Defects in the Deliverables (or combination of Products) described herein.

-- OR --

**FINAL ACCEPTANCE CERTIFICATE WITH EXCEPTIONS**

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, the City certifies Final Acceptance of (name of Deliverable(s)), in accordance with Contract No. \_\_\_\_\_. This Certificate of Final Acceptance is issued subject to the following exceptions:

- 1.
- 2.
- 3.

Exceptions must be completed by \_\_\_\_\_. If Exceptions are not completed by \_\_\_\_\_, the City may revoke Final Acceptance of the Deliverables.

This Certificate of Final Acceptance is issued subject to and in accordance with the Contract, all defined terms having the meanings as set forth in the Contract, and without prejudice to any claims which subsequently may arise in connection with Defects in the Deliverable(s) described herein.

**MHCRC/CITY OF PORTLAND**

\_\_\_\_\_  
Authorized Signature                      Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**Exhibit E-2: CHANGE ORDER**

	<b>BUREAU NAME</b>	<b>LOGO</b>

**CHANGE ORDER**

<b>Contractor</b>		<b>Project Title</b>	
<b>Contract No.</b>		<b>Change Order No.</b>	*SAMPLE*
<b>Contract Date</b>		<b>Change Order Date</b>	

Select	Type	Description and Reason for Change	Modification to:
<input type="checkbox"/>	Time		Project Schedule and/or Contract
<input type="checkbox"/>	Scope or Specifications		Statement of Work Acceptance Test Plan
<input type="checkbox"/>	Deliverables		Statement of Work Acceptance Test Plan
<input type="checkbox"/>	Price		Statement of Work and/or Contract
<input type="checkbox"/>	Terms and Conditions		Request Amendment to Contract
<input type="checkbox"/>	Other		

1. Additional time is necessary and the Project Schedule for the Statement of Work or a specific Deliverable is hereby extended through [DATE] or modified as shown on the attached Project Schedule.
2. Additional work or a change in work or Specifications is necessary.
3. A price adjustment is necessary for the following Deliverables. These changes will NOT affect the total not-to-exceed value of the Contract.
4. An Amendment to the Contract is requested for the following reasons.

The Change Order is subject to the terms and conditions of the above-referenced Contract.

The rest of the Statement of Work shall remain unchanged and in full force and effect.

**MHCRC**

**CONTRACTOR**

\_\_\_\_\_  
Authorized Signature                      Date

\_\_\_\_\_  
Authorized Signature                      Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
MHCRC/City Project Manager  
Title

\_\_\_\_\_  
Title



# OPPORTUNITY RISING

*FINANCIAL POLICY REVIEW PROPOSAL FOR*

**CITY OF PORTLAND, OREGON**

---

**Keith Simovic, Senior Manager**

Moss Adams LLP  
805 SW Broadway, Suite 1200  
Portland, OR 97205  
(503) 242-1447



MOSSADAMS

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## Cover Letter

Dear Ms. Omelchuck:

Thank you for the opportunity to present our proposal to provide financial policy review services for the Mt. Hood Cable Regulatory Commission (MHCRC) through the City of Portland, Oregon (the City). We understand you're seeking a service provider with a depth of functional skills necessary to conduct a review and analysis of financial policies and practices related to the MHCRC and to make recommendations to MHCRC leadership and City staff regarding Fund policies, obligations, tracking, reporting requirements, and comprehensive management.

Our team will consistently provide the MHCRC and the City with the highest quality services. We bring experienced professionals with deep government industry knowledge. This is critical to adding value to our relationships, providing effective project management and administration, as well as achieving successful results to help drive our clients' business. Our approach is collaborative, and we'll include your team in every step of the financial review process to successfully deliver value-added results.

You'll find that Moss Adams offers an exceptional combination of experience and resources to not only meet your needs, but also add value to the MHCRC and the City at a competitive price. We bring a rare blend of inspiration and technical excellence to help our clients discover and claim the future. Our focus on helping you recognize and take advantage of rising opportunities is what sets us apart from other firms.

This proposal is contingent upon negotiation of a mutually acceptable contract. Moss Adams suggests clarifying certain insurance requirements and making modifications to the sample contract consistent with the May 16, 2017 Agreement for Professional, Technical, or Expert Services (Contract No. 30005847) between Moss Adams LLP and the City of Portland, Oregon. We have negotiated professional services agreements with the City of Portland, Oregon many times in the past, and we commit to working in good faith to execute a mutually agreeable contract on a timely basis should we be awarded this work.

November 23, 2020

**Julie Omelchuck**  
*Program Manager*

**City of Portland, Oregon**  
Office for Community  
Technology, City of Portland  
111 SW Columbia  
Suite 600  
Portland, OR 97201

The cover letter requirements stated in the Intermediate Request for Proposal (IRFP) are provided in the table below.

November 23, 2020

**Julie Omelchuck**  
Program Manager

**City of Portland, Oregon**  
Office for Community  
Technology, City of Portland  
111 SW Columbia  
Suite 600  
Portland, OR 97201

Requirement	Response
RFP number and project title	IRFP No. 00001556 for MHCRC Fund Financial Review
Firm's full legal name	Moss Adams LLP
Firm's business structure	Limited liability partnership
Person authorized to represent the firm in negotiations	Keith Simovic, Senior Manager
Person authorized to sign contract	Keith Simovic, Senior Manager
Proposal contact name, address, phone/fax numbers, and email address	Keith Simovic, Senior Manager 805 SW Broadway, Suite 1200 Portland, OR 97205 P: (503) 478-2284, F: (503) 274-2789 <a href="mailto:keith.simovic@mossadams.com">keith.simovic@mossadams.com</a>
Statement on redactions	We're not requesting any redactions in our proposal.
City of Portland, Oregon Business Tax registration and Equal Employment Opportunity (EEO) and Equal Benefits (EB) certifications	EEO and EB certifications are complete.
DBE, MBE, WBE, or ESB certification	We're not certified in the state of Oregon as a DBE, MBE, WBE, or ESB.

We're highly qualified to provide these services, and we firmly believe we offer the kind of special dedication, continuity, and commitment that inspires mutual trust and confidence in projects of this nature. Please contact us with any questions. We look forward to the possibility of working with you on this important undertaking. Thanks very much for your consideration.

Sincerely,



**Keith Simovic, CPA**  
Senior Manager  
(503) 478-2284  
[keith.simovic@mossadams.com](mailto:keith.simovic@mossadams.com)

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# Qualifications and Experience

## **FIRM BACKGROUND**

Moss Adams is a fully integrated professional services firm dedicated to growing, managing, and protecting prosperity. With over 3,400 professionals across more than 25 locations in the market capitals of the West and beyond, we work with the world's most innovative, dynamic, and promising clients and markets. Through a full spectrum of accounting, consulting, and wealth management services, we bring the deep industry specialization and inspired thinking our mid-market clients seek.

Since we put down roots in the Pacific Northwest more than 107 years ago, we've steadily expanded to serve clients not only in the West, but also across the nation and globally. Our full range of services includes accounting (assurance and tax), consulting (IT, strategy & operations, transactions, and specialty), as well as individual and institutional wealth management.

### **Firm Ownership and Organization Structure**

Moss Adams is organized as a limited liability partnership with more than 350 active partners. Firm business is conducted under the leadership of our chief executive officer, Chris Schmidt; our chief operating officer, Dave Follett; an elected executive committee; regional managing partners; partners in charge of our offices; and many industry chairpersons.

Several additional committees handle specific issues and needs of the firm's business, such as accounting and auditing standards, tax practice, firm training, industry business development, and information services.

Our national office, located in Seattle, Washington, provides certain centralized support services for the firm. Our practice offices have local leadership to help improve opportunities in their local business environment, but offices also work collaboratively to best serve our clients.

## **GOVERNMENT AND NOT-FOR-PROFIT EXPERIENCE**

You'll receive more effective services from our specialized professionals who have a deep understanding of the pressures you face, like the need for greater efficiency under tight budget constraints. Our significant experience working with tax-exempt organizations means our professionals are more likely to help you spot potential problems, create effective solutions, and understand the industry-specific impacts of today's major disruptors like cybersecurity, as well as the constant drive to innovate.

Moss Adams has a group of specialized practices with nearly 300 professionals who specialize in serving tax-exempt entities including governments, higher education institutions, not-for-profits, tribal and gaming entities, energy and utility entities, and federal contractors. This firmwide team currently serves over 1,500 clients throughout the United States and provided more than 299,000 hours of service to those clients in 2019.

## **Our Government Services**

We recognize government organizations are accountable to many different constituencies—oversight agencies, audit committees, elected officials, taxpayers—all with different expectations and demands. That’s why we commit significant personnel and resources to our Government Services Practice, building technical expertise in all areas of government. We have several experienced partners and senior managers who lead engagements for over 270 government entities including state agencies; cities and counties; public colleges and universities; special purpose governments including ports, utility districts, and transit agencies; public retirement funds; and others.

## **Financial Policies and Procedures Expertise**

Moss Adams operates a full-service consulting practice that serves our clients in federal, tribal, state, county, city, and special purpose district governments. We specialize in evaluating and strengthening policies and procedures for our clients, both as stand-alone projects and in our role as the designated internal/performance auditor for government clients.

Moss Adams’ experience in policy and procedure evaluation and development is vast, with work conducted in every facet of government. Frequent components of the government services we provide include policy and procedure development; operational economy, efficiency, and effectiveness performance audits; regulation, policy, and procedure compliance audits; management reviews; and internal controls assessments. As a result, our team is very knowledgeable of the unique requirements of each component of an organization, and we have earned recognition and an outstanding reputation for our services based upon a solid track record.

Our professionals come from government, private industry, and public accounting. Our leadership team is comprised of professionals with an average of more than 25 years of professional experience. Our firm’s training requirements ensure that our knowledge remains current.

Moss Adams considers a very important part of our engagements to be the knowledge and guidance we provide to our clients to help them to continue to improve their organizations. Moss Adams team members will continuously deliver value, transfer knowledge, and respond to MHCRC’s needs in a timely manner.

## **Experience with SAP**

As the City of Portland’s and MHCRC’s current financial statement auditor, we’re very familiar with the City’s ERP system, SAP. As part of our annual audit process each year, we test certain IT general controls and other application controls within SAP to help us in completing our risk assessment of the City and set our final audit plan. Taylor Schimbke, manager, has been involved in that process in the past for the City’s audit and has assisted our teams in carrying out both the testing and evaluation of IT general controls and various application controls in SAP. In addition, our audit teams must be familiar with SAP to be able to navigate the system and locate documents, journal entries, and other information to assist us in our testing process. As a result, both Keith Simovic, senior manager; and Taylor Schimbke, manager, have been

involved in the audit in this capacity and have overseen our staff and seniors as they've helped navigate SAP. We have a level of understanding of this system and how the City, and MHCRC, currently utilize it to help us start out the project ahead of the curve and provide valuable insights into your processes and procedures.

## PROJECT REFERENCES

We're pleased to provide the City and MHCRC with the following information that reflects our experience with three similar projects for other local government clients over the past five years.

<b>CITY OF STOCKTON</b>	Matt Paulin, CFO	(209) 937-8205 <a href="mailto:matt.paulin2@stocktonca.gov">matt.paulin2@stocktonca.gov</a>
Project Description: Administered the City's ethics hotline, tracked and validated all findings; and supported development of policies, procedures, and performance metrics.		
<b>CITY OF CULVER CITY</b>	Onyx Jones, CFO	(310) 253-6016 <a href="mailto:onyx.jones@culvercity.org">onyx.jones@culvercity.org</a>
Project Description: We've performed risk assessments, internal controls and compliance audits, and performance audits. A primary area of focus has been helping the City strengthen policies and procedures.		
<b>CITY OF REDONDO BEACH</b>	Joe Hoefgen, City Manager	(310) 318-0691 <a href="mailto:joe.hoefgen@redondo.org">joe.hoefgen@redondo.org</a>
Project Description: We've performed risk assessments and internal controls review, conducted internal control audits, and supported policy development.		

## YOUR ENGAGEMENT TEAM

The following key personnel will be performing or assisting with the work on this project.

Team Member	Project Role	Percentage of Time on the Project	Current Relevant Experience on Similar Projects
Keith Simovic, CPA, Senior Manager	Engagement Reviewer	25%	Serves as audit lead for MHCRC and the City
Amanda McCleary-Moore, CPA, Partner	Partner	10%	Serves as audit partner for MHCRC and the City
Mark Steranka, Partner	Technical Resource	5%	Leads the firm's government internal audits practice
Halie Garcia, CPA, CIA, Senior Manager	Technical Resource	5%	Leads policy development engagements ranging from 100 to 1,000 hours each
Taylor Schimbke, CPA, Manager	Engagement Manager	30%	Serves as the engagement manager for the City

We'll also utilize senior staff to assist with our procedures and expect that 60% of their time will be dedicated to the project.

Professional resumes for each of our team members are provided below.

### **Keith Simovic, CPA, Senior Manager**



#### **Professional Experience**

Keith has practiced public accounting since 2007. He provides assurance and consulting services to clients in the energy, utility, and government industries. Keith primarily works with local governments and has significant experience leading both the City of Portland and MHCRC annual audit engagements. He's a regular presenter for the Oregon Government Finance Officers' Association, American Public Power Association, Northwest Public Power Association, and the Western Energy Institute on subjects covering advanced accounting topics including pensions, leases, fiduciary activities, internal controls, and budgeting.

#### **Professional Affiliations**

- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants
- Board treasurer, Oregon Repertory Singers

#### **Education**

- BS, accounting, Oregon State University

### **Amanda McCleary-Moore, CPA, Partner**



#### **Professional Experience**

Amanda has practiced public accounting since 2000 and focuses on serving clients in the government and not-for-profit industries. She provides a range of services to her tax-exempt clients, Amanda leads the not-for-profit and government group in the firm's Medford office. She's a member of the firm's GASB No. 68 and No. 75 implementation teams responsible for developing tools for auditors and clients. Additionally, Amanda is currently on the special review committee for the GFOA certificate program.

#### **Professional Affiliations**

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants

#### **Education**

- BS, accounting, Southern Oregon University

**Taylor Schimbke, CPA, Manager**



**Professional Experience**

Taylor started her career with Moss Adams in 2014. She serves a variety of clients, with a focus on government, construction, real estate, and manufacturing and distribution industries. Taylor completed a rotation with our firm’s IT assurance group in 2018 and has experience performing IT general controls testing for SOX compliant, governmental, and private clients. She’s at the forefront of the firm’s initiative to develop assurance professionals’ IT acumen. The resulting understanding has helped Taylor deepen her skill set in risk assessments and internal controls design evaluations, which enable her to plan and execute efficient audits. Taylor has served as the manager on the annual financial statement audit for the City of Portland and has been highly involved in the testing and evaluation of the City’s SAP and other significant financial systems.

**Professional Affiliations**

- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants

**Education**

- BS, accounting and finance, University of Idaho

**Mark Steranka, Partner, National Performance Audit Practice Leader**



**Professional Experience**

Mark is a partner for Moss Adams Consulting Services and serves as the firm’s national Performance Audit Consulting Services leader. He offers over 30 years of experience. He has worked extensively with local and state governments throughout the western United States to evaluate the economy, efficiency, and effectiveness of operations, internal controls, and compliance with rules and regulations. Assignments he has managed have ranged in size from \$25,000 to \$1 million and have addressed finance, governance, management, operations, organization, policies, procedures, and processes. He leads ongoing internal/performance audit services for Carson City, City of Modesto, City of Santa Monica, and City of Stockton.

Mark is experienced reporting to boards, committees, councils, commissions, audit committees, and executive management and working with citizen committees and stakeholder groups. He’s also well versed in designing and facilitating meetings, focus groups, and customer surveys.

**Professional Affiliations**

- Member, Institute of Internal Auditors

**Mark Steranka, Partner, National Performance Audit Practice Leader**

- Member, American Society of Public Administration

**Education**

- Executive Management Program, University of Washington
- BS, mechanical engineering, University of Notre Dame

**Halie Garcia, CPA, CIA, Senior Manager**



**Professional Experience**

Halie offers over 12 years of internal audit and consulting experience. She has worked extensively with local and state governments, not-for-profits, and tribes throughout the western United States to reduce risks, strengthen controls, and improve performance. Some highlights of her experience include the following:

- Performed and supervised numerous audits in accordance with GAGAS, Government Auditing Standards, and the new Uniform Guidance
- Led policy and procedure development engagements ranging from 100 to 1,000 hours each, including the preparation of templates and tools covering accounts payable (A/P), accounts receivable (A/R), payroll, inventory and asset management, and several other key accounting functions
- Developed thorough knowledge of operational accounting, financial systems, and generally accepted accounting principles (GAAP), including accounting under FASB and GASB

Halie is experienced reporting to boards, commissions, committees, councils, and executive management.

**Professional Affiliations**

- Member, American Institute of Certified Public Accountants
- Member, New Mexico Society of Certified Public Accountants

**Education**

- BBA, accounting, University of New Mexico

**Senior- and Staff-Level Service Team Members**

With careful consideration of your time and deadlines, we'll select and assign professionals to your engagement based on their government industry experience and ability to complete each assignment effectively. Because Moss Adams is an industry-focused firm, our staff and seniors begin developing their specializations early in their careers. There are a number of staff and seniors with considerable government industry experience in our Portland office. We'd be happy to make these individuals available for interviews at your request.

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# Project Approach and Understanding

Moss Adams conducts policy and procedure work with great care, independence, and objectivity. In addition, we bring a solid understanding of the application of best practices. Moss Adams takes adherence to independence standards seriously. Key internal controls are in place to ensure high-quality, objective products for all policy engagements. Internal controls include:

- **Independence.** Moss Adams accepts clients carefully and assigns staff with equal care to make sure that no external, personal, or organizational impairments exist to our work. As we serve as the City's and MHCRC's independent financial statement auditor, we'll document and share our internal evaluation of independence in light of the professional government auditing standards with appropriate City and MHCRC staff.
- **Professional judgment.** Moss Adams uses careful planning to determine the type of assignment to be performed and the standards that apply to the work. This includes defining the scope of work, selecting a specific methodology, determining the type and amount of information to be gathered, and choosing the appropriate deliverable format. Professional judgment is also demonstrated by an attitude of professional skepticism, which includes a questioning mind and a critical assessment of information. Our standards of professional judgment demonstrate experience and integrity in the performance of policy work.
- **Competence.** The proposed professionals for policy projects are well qualified. Moss Adams has a rigorous continuing professional education program (CPE) to make sure all staff members who conduct similar policy and procedures work meet firm-specified requirements for education. In addition, our government and not-for-profit industry group sponsors an annual education forum, which includes training in relevant areas such as Generally Accepted Government Audit Standards (GAGAS), Government Audit Standards (GAS), American Institute for Certified Public Accountants (AICPA) Consultancy Standards, and firm practices. In addition to rigorous CPE, our proposed staff members work in a supervised environment, which fosters the development of experience and professionalism.
- **Quality control and assurance.** Moss Adams has a rigorous process of internal quality control and supervision. All policy and procedure engagements are assigned to a qualified engagement manager. All deliverables, including workpapers, findings, recommendations, and final reports are processed through a critical concurring review process, in which a qualified senior manager or partner reviews the work for quality and professional standards. In addition to these regular quality control and assurance controls, Moss Adams participates in a regular external peer review process.

## FINANCIAL POLICY REVIEW SERVICES

We propose to provide financial policy review services that encompass the variety of functions outlined in the MHCRC's and the City's RFP. Similar to our approach with other local governments, we propose to work on three levels for communications. They include the following:

- Regular project activities and communication with the City's project manager and any other appropriate points of contact at the City and the MHCRC

- Review draft deliverables with the MHCRC Finance Committee
- Review final deliverables with the Commission

By operating at these three levels, we’ll achieve awareness of ongoing activities, transparency of project findings and recommendations, and communication of overall program results and impacts to City and MHCRC management and staff as well as MHCRC Finance Committee and Commission members.

A cornerstone of our role as financial consultants is a collaborative mindset. That means we’ll work closely with City and MHCRC management and staff to gain their insights, verify facts, test the practicality of recommendations, and deliver services that will benefit the City and MHCRC. In addition, we believe in avoiding surprises. A commitment to ongoing collaboration will make sure that the City and MHCRC is aware of our findings and recommendations well before they’re formally presented in final report format.

Expectations of City and MHCRC personnel are to designate a project manager for the project to serve as a primary point of contact, work collaboratively with our team, participate in project planning meetings, participate in relevant interviews as appropriate, provide requested documents, and review deliverables.

**FINANCIAL POLICY REVIEW PROJECTS**

Our approach to the project will encompass planning, virtual fieldwork, interviews, documentation of evidence to support findings, analysis of options, recommendations, and reporting. Activities unique to each primary type of project are delineated in the approach provided below. As such, our typical project approach is conducted in the following four major phases:

- 1 **Start-Up and Management.** This phase concentrates on comprehensive planning and project management, including determining who’ll be interviewed, what documents will be reviewed, what virtual observations and walk-throughs will be performed, when results will be shared, and how we’ll report on project status.
- 2 **Fact Finding.** This phase includes documentation review, walk-throughs, observations, and interviews. We obtain the most current information available and insights from City and MHCRC personnel.
- 3 **Analysis.** Based on firsthand input gained during virtual fieldwork, we evaluate the importance, impact, and scope of our assessment findings in order to develop recommendations.
- 4 **Reporting.** This phase concludes the project by communicating findings and recommendations in both draft and final reports.

Moss Adams conducts policy projects that are tailored to our clients’ needs. Our four-phase approach to develop/update the MHCRC’s Financial Policies and practices to reflect best practices and meet the requirements of all applicable GASB pronouncements and Oregon Local Budget Law.

<b>Phase 1–Start-Up and Ongoing Management</b>	
1.1	Conduct kickoff meeting to confirm expectations, participants, and work plan.
1.2	Perform project management to make sure the project is completed on time, within budget, and to the satisfaction of the MHCRC.
1.3	Perform quality assurance to deliverables submitted to the MHCRC reflect best practices and meet the requirements of applicable GASB pronouncements and Oregon local budget law.
<b>Key Team Members Involved:</b> Keith Simovic, Taylor Schimbke, Amanda McCleary-Moore, Seniors/Staff assigned	
<b>Time Frame to Complete:</b> First half of January 2021	
<b>Phase 2–Fact Finding</b>	
2.1	Obtain the MHCRC’s current financial policies and procedures.
2.2	Work with the City’s and MHCRC’s financial teams to understand utilization and adequacy of existing policies and procedures and identify gaps in current policies and procedures. We’ll assess the strengths and weaknesses of your current policies by gaining an understanding of their efficacy. We’ll focus on identifying missing policy elements, out-of-date policies, and policies that do not reflect current practices.
2.3	Identify potential improvement opportunities and review with the MHCRC’s financial team.
2.4	Revise list of potential improvement opportunities based on feedback.
<b>Deliverables:</b> Preliminary list of potential recommended policy improvements	
<b>Key Team Members Involved:</b> Keith Simovic, Taylor Schimbke, Seniors/Staff assigned	
<b>Time Frame to Complete:</b> Last half of January 2021	
<b>Phase 3–Analysis</b>	
3.1	Review policies and procedures against best practices and the requirements of GASB and Oregon Local Budget Law and identify deficiencies/gaps
3.2	Update list of potential improvements and, if necessary, new policies to be developed.
3.3	Work with the MHCRC’s financial team to finalize the gaps to be filled.
<b>Deliverables:</b> Final list of recommended policy improvements	
<b>Key Team Members Involved:</b> Keith Simovic, Taylor Schimbke, Amanda McCleary-Moore, Seniors/Staff assigned, Halie Garcia, Mark Steranka	
<b>Time Frame to Complete:</b> First half of February 2021	
<b>Phase 4–Deliverables</b>	
4.1	Develop final policies and procedures recommendations.
4.2	Review policies and procedures recommendations with the MHCRC’s financial team and make revisions based on feedback.
4.3	Finalize policies and procedures recommendations and deliver to the City.
<b>Deliverables:</b> Final report and recommendations	
<b>Key Team Members Involved:</b> Keith Simovic, Taylor Schimbke, Amanda McCleary-Moore, Halie Garcia, Mark Steranka	
<b>Time Frame to Complete:</b> Initial report delivered by February 15, 2021, draft report to the MHCRC Finance Committee by February 22, 2021, final report to be distributed to the MHCRC March 15, 2021.	

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# Corporate Responsibility

## STATE OF OREGON CERTIFICATION

Moss Adams doesn't qualify as a Disadvantaged Business Enterprise (DBE), Minority Business Enterprise (MBE), Women Business Enterprise (WBE), or an Emerging Small Business (ESB) in the state of Oregon.

## DISADVANTAGED, MINORITY, WOMEN, AND EMERGING SMALL BUSINESS SUBCONTRACTING

Our PTE Participation Disclosure Statement Form 1 is provided in the Appendix: PTE Participation Disclosure Statement (Form 1) section of this proposal.

## WORKFORCE DIVERSITY AND COMMUNITY INVOLVEMENT

### Our Commitment to Diversity, Equity, and Inclusion

At Moss Adams, we know that not simply honoring, but also integrating our differences is essential to growing a sustainable firm that better reflects the communities we represent and the clients we serve. By focusing on inclusion and equity and embracing diversity, we drive growth with innovation and new ideas that can only be associated with distinct perspectives and experiences. Now more than ever, we're focused on a growing and maintaining a diverse, equitable, and inclusive culture. This requires dedicated commitment to improving our workforce diversity year over year, and a deliberate and thoughtful approach to making all our professionals feel heard and valued.

To help the firm stay accountable for our goals and drive strategy forward, we've formed the Inclusion & Diversity Advisory Board. This board is made up of senior-level Moss Adams professionals dedicated to supporting the impact our business resource groups (BRGs) are making. At a firmwide level, our mission is to foster an inclusive and diverse culture where everyone feels like they belong. To accomplish this mission, we focus on the following objectives:

- **Attract.** Recruit individuals with diverse backgrounds and experiences.
- **Develop.** Provide learning and growth opportunities to develop and promote inclusive and diverse leadership across the firm.
- **Retain.** Support a culture where everyone feels valued, respected, and connected.
- **Advance.** Help build a career for everyone by promoting equity, access, and opportunity.

### ATTRACT

Our internship and recruitment programs offer education, opportunity, and experience to students from racially diverse backgrounds, women, members of the LGBTQ+ community, military veterans, and people with disabilities. Some of our initiatives to attract a diverse workforce are outlined below.

### *Ignite Scholarship*

We award this scholarship to college freshmen and sophomores from diverse backgrounds who are pursuing a bachelor's degree in accounting or a related field. So far, we've granted 75 scholarships to date, and have hired seven scholarship recipients as full-time staff. While we're pleased when recipients choose to join the Moss Adams family after graduation, it's important for us to note that Ignite is not a way for us to build our ranks. Rather, it's just one way for us to give back to minorities and underrepresented youth in our communities.

### *Liftoff Recruitment Webinar*

Our recruitment team shares an annual webinar for underrepresented college freshman and sophomores highlighting the benefits and opportunities available with a career in public accounting. The goal of this webinar is to not only provide information on the profession, but also educate the students on how to navigate the recruitment and hiring process.

### *PhD Project*

The PhD Project exists to increase workplace diversity by increasing the diversity of business school faculty who encourage, mentor, support, and enhance the preparation of tomorrow's leaders. The vision of PhD Project is to produce a significantly larger talent pipeline of Black/African-Americans, Hispanic/Latinx, and Native Americans for business leadership positions. Moss Adams has pledged a \$75,000 donation over three years to PhD Project, and has representation on its board of directors.

## **DEVELOP**

Our BRGs are networks of Moss Adams professionals founded and led at the local and regional level to foster advocacy and create community, camaraderie, and connection while contributing to the firm's business objectives. Members of our BRGs participate in sponsoring and attending corporate and community events, driving recruitment efforts, and designing continuing education to empower and develop our people. Currently, our BRGs include Latinx, Asian, PRiDE (LGBTQ+ and allies), Black, Racial Equity, Forum W (women), and Veterans groups.

## **RETAIN**

One important factor in retaining talent across the board is providing a positive experience in professional and personal lives. We offer our employees benefits that support a diverse workforce including transgender surgery benefits, gender-neutral parental leave, and a Maven Maternity program to support new parents and return-to-work challenges. But it's not just enough to say we foster a great environment where our people have a sense of belonging.

## **ADVANCE**

Diversifying our workforce means not only hiring professionals from underrepresented communities, but also accelerating their advancement as minority leaders. We've successfully implemented growth initiatives for women, and we're looking forward to adapting these resources to help advance other minority groups.

### Succession Planning Playbook

This playbook provides insight and strategies on increasing the diverse representation in leadership roles and at the partner level. This playbook was originally developed to support women at the highest levels, but we're now in the position to leverage our other BRGs to apply its principles across other underrepresented groups. We're excited to see how it positively impacts our culture in years to come.

### Path to Success Series

To help women and other underrepresented groups at Moss Adams build and maintain successful mentoring relationships and build external connections, we created a series of mentoring guides:

- A Guide for Mentors and Protégés
- A Guide to Building and Leveraging Your Network
- Investing in Your Career by Helping Others

### GroWth Series

In the past year, we welcomed 14 women to our fourth cohort of the GroWth series, a year-long leadership program targeting high-potential, women senior managers. Three of our new 2019 partners are GroWth graduates. To date, five graduates of the GroWth Series have become partners.

## REPRESENTATION IN 2019

Our commitment to fostering a more diverse workforce has produced positive results. Below are some of the statistics we're proud to report for 2019.

### RACE & ETHNICITY

**4**  
racially/ethnically diverse  
population groups increased  
representation

**11%**  
of new hires were more  
diverse than in 2018

**14%**  
of new hires were more  
diverse than the overall  
population

**3%**  
more diverse partner group  
than the national average\*

\*Source: *AICPA Trends Report*

### GENDER

**53%**  
of all Moss Adams employees  
identify as female

**3%**  
more female executive committee  
members than S&P 500 average

**25%**  
of our partners are women, higher  
than the national average\*

\*Source: *US Board Diversity Trends 2019*

Click [here](#) to access our 2019 Inclusion & Diversity Annual Report to learn more.

## **Employee Total Rewards Structure**

Total rewards are much more than just a paycheck. The firm's investment in our people includes competitive pay, comprehensive benefits, time away to recharge, and a work environment conducive to nurturing performance and personal fulfillment. We take a holistic approach to employee well-being, recognizing that for people to be healthy, their minds, bodies, careers, and lives all need to thrive.

Our pay structure is designed to provide all employees with fair compensation appropriate to the experience, training, and responsibility required. Employees are equitably compensated without regard to race, color, gender, religion, age, marital status, veteran status, national origin, sexual orientation, disability, or other protected status. Compensation reviews occur annually, and we strive to keep compensation competitive through participation in market surveys.

We believe our employees should share in the firm's success, so we provide a profit-sharing plan for all employees. Additionally, we match up to 50% of the first 6% of salary that employees contribute to their 401(k). We also offer a student loan refinancing program to assist employees in reducing debt.

Employees can choose from three medical plans: dental, vision, and long-term disability. In aggregate, we cover 80% of employees' premiums and 70% for their dependents. Additionally, the firm fully pays for short-term disability, an Employee Assistance Program, and \$50,000 of basic life and AD&D insurance for all employees. Pet insurance is also available for employees. At an office level, these rewards continue in the form of gym membership discounts, parking discounts, transportation passes, and more.

Our client service employees receive 25 days of Paid Time Off per year upon their start date, and 10 paid holidays per year. Employees have the flexibility to balance their professional and personal lives—whether informally or formally through our flexible work arrangements.

Family is important to us, which is why we offer an array of family-friendly benefits—including firm-subsidized backup care for children and elders. Employees can access up to 10 days of in-home (\$25 per day) or center-based care (\$15 per day) through Bright Horizons per year. Employees can also donate up to five additional days to coworkers.

We provide fully paid parental leave, which is gender-neutral. Primary caregivers receive four weeks of paid leave, and non-primary caregivers receive two weeks of paid leave. This time is in addition to five weeks of fully paid, short-term disability for new mothers with non-medically complicated births. Employees who adopt are eligible for parental leave and up to \$6,000 of reimbursement for qualified adoption expenses. New parents can enroll in a fully subsidized program that provides 24/7 on-demand maternity, postpartum, and return-to-work support for employees and their partners throughout pregnancy and for six months postpartum.

## **Investing in Our Communities**

Our communities help us succeed by providing us with clients, new recruits, and welcoming places to put down roots. Our values of integrity and ethical behavior go beyond how we conduct ourselves in business—they extend to our cities and towns, neighborhoods, schools,

and environment. And our commitment takes the form of volunteering, serving on boards, and making charitable donations—many of which are matched dollar for dollar by the Moss Adams Foundation. As a partnership-based organization, we actively recruit from where we do business and keep the vast majority of our profits in our communities. This creates strong ties to the areas that support our success.

### *Charitable Giving*

The Moss Adams Foundation (Foundation), founded in 2000, supports a broad range of charitable activities that address emerging and changing needs in not-for-profit environments throughout the country and beyond. Corporate giving at Moss Adams focuses on projects that provide relief to the victims of natural disasters (like the California wildfires in 2020); or promote higher learning, through donations and endowments to colleges and universities; or serve as a vehicle for social change by funding activities of minority-focused organizations like the National Association of Black Accountants. Between 2000 and 2019, our Foundation donated \$11.4 million for the purpose of promoting humanitarian causes and higher education.

## **SUSTAINABLE BUSINESS PRACTICES**

We're committed to minimizing our environmental impact. We're taking steps to cut back our office supply consumption, purchase recyclable materials when applicable, strive for LEED standards in our office spaces, and reduce our square footage by designing more efficient work spaces. To do this, we've developed specific goals and policies related to the percentage of recycled materials and the total amount of supplies we use in our offices, the amount of water we withdraw, and the direct and indirect energy we consume.

Our current environmental efforts are focused on four elements:

- **Office supplies:** Focus on moving away from paper records and implementing electronic documentation where possible. Focus on investing in electronic subscriptions to newspapers and journals and reducing the amount of paper brochures and promotional items we produce. Our firm goal is to reduce purchased office materials by 1%.
- **Recycled materials:** Purchase more products that contain recycled content. Target paper specifically because it's a high percentage of our total expenditures and there's a wide range of recycled options. Our firm goal is to increase the percentage of purchased materials that include recycled content.
- **LEED:** Give priority in real estate decisions to buildings that demonstrate a commitment to sustainability through LEED certification. Assess on a case-by-case basis the feasibility of building out our space to LEED standards. We'll always attempt to pick a building with environmental benefits. Our most recent goal is for 70% of our total space to be in LEED-certified buildings in order to reduce our energy use.
- **Square footage per person:** Focus on shrinking our footprint by designing and building more efficient office spaces. Work with one commercial real estate partner and one architectural firm to implement consistent processes and standards across the firm. Reduce our carbon footprint by using fewer resources and consuming less energy, while creating more flexible work environments for our employees. Our goal is to reduce our footprint per person by 10%.

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## Proposed Cost

We're committed to fees that are fair and commensurate with the experience and level of service described in this proposal. Our cost estimate is based on our understanding of your current service needs. Our proposed total fees for this project are \$20,000.

Service Description	Fee
Task 1 – Start-Up and Management	\$3,000
Task 2 – Fact Finding	\$6,000
Task 3 – Analysis	\$6,000
Task 4 – Reporting	\$5,000
<b>Total</b>	<b>\$20,000</b>

Hourly rates and estimated hours for each staff level are provided below.

Team Member	Hourly Rate	Estimated Hours
Partner	\$475	5
Senior Manager	\$410	10
Manager	\$300	15
Senior	\$210	50

# Appendix: PTE Participation Disclosure Form 1

Our completed PTE Participation Disclosure form is provided on the following pages.

## Exhibit A - CITY OF PORTLAND PTE PARTICIPATION DISCLOSURE FORM 1

This Request for Proposals (RFP) requires the Proposer to submit this PTE Participation Disclosure Form 1. Failure to submit this form with the proposal may result in the proposal being found non-responsive and rejected. Proposers must disclose the following information:

Please print all information clearly.

Project Name: MHCRC Fund Financial Review RFP Number: 00001556

Proposer Name: Moss Adams LLP

Contact Name: Keith Simovic Phone: (503) 478-2284 Email: keith.simovic@mossadams.com

Proposer's Total Cost: \$ \$20,000 Self-Performing Amount: \$                     

Combined percentage of total subcontract amounts allocated to State of Oregon certified D/M/W/ESB participation ( <i>Subconsultants only</i> ):	%
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SUBCONSULTANT INFORMATION (please print) <sup>1</sup>	D/M/W/ESB Cert. <sup>2</sup>	Subconsultant Scope/Type of Work	Subcontract % / \$ <sup>3</sup>
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			

**NOTE:**

1. If the Proposer will not be using any Subconsultants, the Proposer is required to indicate "NONE" in the Subconsultant Information section of this form and submit this form with their proposal.
2. The Proposer and ALL Subconsultants must be listed on this form. Leave D/M/W/ESB column blank if firm is not currently certified through the State of Oregon Office of Minority, Women, and Emerging Small Business: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
3. Report all amounts in US Dollars (USD). Using 'TBD', 'N/A', or similar acronyms is **not acceptable**.
4. Do not enter Social Security Numbers (SSN) or Employer Identification Number (EIN) on this form.

SUBCONSULTANT INFORMATION (please print)	D/M/W/ESB Cert.	Subconsultant Scope/Type of Work	Subcontract % / \$
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			
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Firm Legal Name: Email: Phone #:			
Firm Legal Name: Email: Phone #:			

**COVER SHEET – AGENDA ITEM #I-1**

For Commission Meeting: December 21, 2020

“CenturyLink Discontinuing Prism Cable Service”

**Information**

On October 8, 2020 CenturyLink Public Policy Director, Rick Gutierrez, provided notice to the MHCRC that CenturyLink will not seek renewal of its cable franchise agreement with the City of Portland, and will discontinue its cable television product in the Portland market by December 31, 2020. CenturyLink will continue to provide high-speed digital services to residents and businesses in the Portland market. The notice also provided information on the process CenturyLink will undertake to support Prism customers during the transition.

In mid-October CenturyLink began notifying its remaining Prism subscribers via email, letter, set-top box messaging and telephone, and is providing each remaining Prism customer in the Portland market with assistance during the transition away from Prism. Equipment return kits are available to customers, but returning the equipment will not be required and no fees will be assessed if Prism subscribers choose to dispose of the equipment on their own.

City of Portland Bureau of Transportation confirmed that all of CenturyLink’s right-of-way permits were applicable to Qwest Corporation which means no cable-related equipment was installed, or will require removal from the right-of-way.

Submitted by: Bea Coulter  
November 5, 2020



1025 Eldorado Blvd Interlocken 2000  
Ste 23-316  
Broomfield, CO 80021  
Phone: (303) 992-5828  
Rick.Gutierrez@CenturyLink.com

**Via email and certified letter**

**Rick Gutierrez**  
Public Policy

October 8, 2020

Mt. Hood Cable Regulatory Commission  
111 SW Columbia St. Suite 600  
Portland, OR 97201

*RE: Termination of Prism Franchise Agreement and discontinuance of Prism product*

Good day,

As indicated in our letter of January 29<sup>th</sup>, due to emerging technology solutions, changing industry trends and increased content costs, CenturyLink has made the decision to focus on its broadband offering to customers and to discontinue the Prism TV product. As more and more customers are choosing to utilize broadband connections and high-speed wireless devices to obtain video content over the internet when and where it is needed, CenturyLink will not be seeking to renew its cable franchise agreement with the City of Portland. CenturyLink anticipates turning down Prism service across the Portland market by December 31, 2020. This letter is meant to serve as official notice of intent to decommission this product.

Over the coming months, CenturyLink will be reaching out to the remaining 1132 Prism subscribers in your community. This will be done beginning in mid-October via email, letter, set top box message and telephone; each communication will provide information to the customer related to the discontinuance of the Prism product and assistance during the transition. CenturyLink will provide customers with return kits for each set top box, however, returning the equipment will not be required, and no equipment fees will be assessed if Prism subscribers chose to dispose of the equipment on their own.

Although Prism TV will no longer be a product offering, CenturyLink will continue to provide reliable high-speed digital services to residential and small business customers in your community, and we look forward to an ongoing productive and positive relationship with the City of Portland. The facilities and network components in the right of way will continue to be maintained and upgraded by Qwest Corporation d/b/a CenturyLink for the continued deployment of digital services.

If you have any questions or would like to set up a meeting to discuss the transition, please reach out to your local affairs director, Samantha Ridderbusch (503) 242-7989.

Sincerely,

A handwritten signature in black ink that reads "Rick Gutierrez".

Rick Gutierrez  
Public Policy

Cc/  
Samantha Ridderbusch  
Elisabeth Perez  
Bea Coulter