

## INTEGRITY RESOLUTION

**WHEREAS**, integrity is the foundation for any valid project and the Columbia River Crossing Light Rail Tolling Project must be managed with integrity in order to be valid (Ref 1); and

**WHEREAS**, a certified forensic accountant, whose work has been independently verified by a second independent forensic accountant, after publishing findings in six reports (Ref 2), issued the following notice:

“As a Certified Public Accountant and Certified Fraud Examiner, it is my professional opinion that these questions warrant further investigation by an agency of appropriate jurisdiction” (Ref 3) and further stated the following:

“In summary, we have found:

- \* Potential Violations of Washington State Open Public Meetings Act
- \* Potential Violations of State and Federal Contracting Practices
- \* Questionable contracting practices
- \* Cost overruns in excess of \$50 million on the environmental study stage of the project
- \* Potential duplicate work performed by contractors
- \* Project costs outside of the bridge area
- \* Significant funding plan discrepancies, including:
  - \* Nonexistent federal programs
  - \* Tolls requirements in excess of promises made to public and legislators
- \* Potential violations of IRS code as related to independent contractor status
- \* Discrepancies in excess of hundreds of millions of dollars in costs of interchanges reported to legislators
- \* Discrepancies in excess of hundreds of millions of dollars in cost of bridge tear down and rebuild reported to legislators” (Ref 4); and

**WHEREAS**, C-TRAN Board Resolution No. BR-08-019, RTC resolution No. 07-08-10, and the CRC Locally Preferred Alternative documents all require that any means of funding CRC light rail operation be authorized by a vote of the people, stating in relevant part as follows:

“Any means chosen to finance operations of the HCT component of the CRC project shall be submitted to impacted C-TRAN voters for approval” (Ref 5); and

**WHEREAS**, C-TRAN Board Resolution No. BR-08-019 further states:

“Initiation of HCT service in Clark County should provide a net service benefit to existing C-TRAN patrons, without diverting existing revenues from C-TRAN’s current operating and capital costs;” (Ref 5); and

**WHEREAS**, C-TRAN Board Policy # PBD-015, as currently effective, prohibits the use of any of C-Tran’s voter-approved 0.7% sales tax revenue from being used for any aspect of the CRC/Light Rail project, stating in part as follows:

“[T]he C-TRAN Board of Directors has established the following policies regarding C-TRAN’s participation in the CRC Project:”

“A. C-TRAN funding, including the current voter approved 0.5% sales tax revenue, and the proposed 0.2% sales tax revenue, should it be approved on the November 8, 2011 general election ballot, or capital reserves, will not be used to fund any aspect of the CRC Project;” (Ref 6); and

**WHEREAS**, the C-TRAN High Capacity Transit Expert Review Panel states as follows: “Light rail and bus rapid transit are the HCT components of C-TRAN’s 2030 Plan. C-TRAN is planning to utilize the state’s HCT Act, RCW 81.104, to fund the operations and maintenance cost for the extension of light rail from the Expo Center in Portland to Clark College, and the local share of operations and maintenance costs for the Fourth Plain bus rapid transit. In accordance with state law, the Governor’s Office, Secretary of Transportation, and chairpersons of the House and Senate Transportation Committees appointed the members of the Panel. The Panel’s technical review is necessary to guarantee that the C-TRAN Board of Directors can make appropriate decisions for investments in high capacity transit for our region.” (Ref 7); and

**WHEREAS**, the C-TRAN High Capacity Transit Expert Review Panel Findings and Recommendations stated as follows:

“In order to qualify for this discretionary capital funding source, local project sponsors must adhere to a strict series of requirements spelled out by federal regulations administered by the FTA. All projects nationwide that seek FTA New Starts funding must follow this process, which is tracked by FTA staff at regional and headquarters levels.” (Ref 8); and

“The FTA specifically prohibits transit agencies from degrading local bus service by transferring funds from existing service to finance high capacity transit operations.” (Ref. 9); and

**WHEREAS**, the C-TRAN High Capacity Transit Expert Review Panel Findings, in compliance with the above FTA prohibition, did not consider any existing C-Tran revenues as valid funding sources for HCT O&M and therefore only considered new revenue.

“The panel has further advised C-TRAN of its concern that too many C-TRAN tax revenue accounts in place today are dedicated to support specific services.” (Ref. 10); and

**WHEREAS**, C-TRAN records show that all of the existing revenue is needed and is dedicated to providing bus and C-Van service (Ref 11); and

**WHEREAS**, the C-TRAN Board placed Proposition One on the November 2012 ballot as a means to fund High Capacity Transit, including Light Rail and Bus Rapid Transit (Ref 12),

and a majority of voters in that election rejected Proposition One (Ref 13); and

**WHEREAS**, C-Tran assured voters that the 2011 Proposition One sales tax increase would not be used to fund Light Rail operation and maintenance (Ref 14) as the voter pamphlet stated “All revenue from Prop 1 will fund bus service only, not light rail.” (Ref 15); and

**WHEREAS**, the FTA requires a stable and reliable funding source to be committed to Light Rail O&M and the primary assumption is that the sales tax revenue on transportation projects is proposed to be eliminated by the Washington legislature (Ref 16); and

**WHEREAS**, even though the voters have not authorized any means to fund CRC Light Rail operation and maintenance, the C-TRAN Board voted on September 26, 2013 (Ref 17), to authorize C-TRAN to enter into a contract with TriMet (Ref 18) to fund Light Rail operations and maintenance without a vote of the people; and

**WHEREAS**, the C-Tran bylaws 4.8.2 states that “Every action of the Board of a general or permanent nature and every action otherwise required by state statute shall be by Resolution or Ordinance.” (Ref 19); and

**WHEREAS**, the TriMet / C-Tran contract is not compatible with numerous adopted board policies as references above and establishes new policies not adopted by the C-Tran Board such as a \$5 million liquidated damages liability (Ref 20); now, therefore,

**BE IT ORDERED, RESOLVED AND DECREED BY THE BOARD OF COMMISSIONERS OF CLARK COUNTY AS FOLLOWS:**

**Section 1.** In support of this Resolution, the Board of Commissioners of Clark County adopts as its findings the recitals set forth above as supported by the references below.

**Section 2.** The Board of Commissioners of Clark County hereby states its condemnation of the of the CRC Light Rail Tolling project for the lack of integrity demonstrated by the project sponsors and the C-TRAN Board for acting contrary to the commitments made to the people, for failing to follow adopted policies, for failing to comply with the requirements and conditions agreed upon in the governing documents, for failing to respect the 2012 Proposition One vote of the people who rejected funding for Light Rail, and for authorizing the contract with TriMet without fulfilling the agreed upon vote of the people that trusted the project sponsors to fulfill their commitments.

**Section 3.** The Board of Commissioners of Clark County calls upon Oregon to give full disclosure of these findings to the public and to any financial institution that might consider financing bonds to fund the CRC Light Rail Tolling project.

**Section 4.** The Board of Commissioners of Clark County authorizes the County Administrator to provide copies of this resolution to the Federal Transportation Administration, the Federal Highway Administration, the legislatures of Washington and

Oregon, WSDOT, ODOT, TriMet, C-TRAN, the Regional Transportation Council, and stating that the CRC Light Rail Tolling project should not be funded.

**Section 5.** The Board of Commissioners of Clark County asks that the CRC publish this Resolution online with the documents and comments of the public on the CRC/Light Rail project, so that it is easily available to the public.

**Section 6.** The Board of Commissioners of Clark County calls upon the appropriate authorities for a full investigation of the CRC Light Rail Tolling project as called for by the certified forensic accountants and that diligent scrutiny be applied to uncover potential mismanagement, waste, fraud and abuse.

**Section 7.** The Board of Commissioners of Clark County believes that the C-Tran / TriMet contract be should be recognized as invalid and be rescinded, repealed, and repudiated.

**Section 8.** The Board of Commissioners of Clark County asks that this resolution along with the supporting references be made easily available to the public and published online wherever the official documents the CRC Light Rail project are stored.

References:

Ref 1:

Integrity definition: honesty, soundness, trustworthiness to the fulfill commitments

Ref 2:

<http://www.acuityforensics.com/subs/press.html>

• Report #1 - Open Public Meetings White Paper

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_1.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_1.pdf)

• Report #2 - Contract and Task Order Analysis

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_2.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_2.pdf)

• Report #3 - Ruby Junction and Steel Bridge Costs

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_3.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_3.pdf)

• Report #4 - Funding Plan White Paper

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_4.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_4.pdf)

• Report #5 - Contractor Analysis

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_5.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_5.pdf)

• Report #6 - Cost Allocation Discrepancies

[http://www.acuityforensics.com/downloads/press/CRCA\\_Report\\_6.pdf](http://www.acuityforensics.com/downloads/press/CRCA_Report_6.pdf)

Ref 3:

<http://couv.com/community/crc-investigation>

Ref 4:

email: CRC Findings Summary, from Tiffany Couch, Acuity Group to David Madore, Oct 31, 2013, 9:13pm. A copy will also be found at <http://www.clark.wa.gov/thegrid/> for November 5, 2013.

Ref 5:

C-TRAN Board Resolution BR-08-019 (Page 44, E 2 & 3 of the following reference) and Regional Transportation Council (RTC) Resolution # 07-08-10 (page 56 of the following reference)

[http://www.columbiarivercrossing.org/FileLibrary/IRP/IRP\\_TabG.pdf](http://www.columbiarivercrossing.org/FileLibrary/IRP/IRP_TabG.pdf)

and

<http://www.rtc.wa.gov/meetings/board/brdminutes.080722.htm>

and

Page 63, second to last bullet of the Locally Preferred Alternative at:

[http://www.columbiarivercrossing.org/FileLibrary/GeneralProjectDocs/LPA\\_Resolutions.pdf](http://www.columbiarivercrossing.org/FileLibrary/GeneralProjectDocs/LPA_Resolutions.pdf)

and

C-TRAN staff report #13-023, Page 35, marked page 32

<http://www.c-tran.com/assets/20 Year Plan/C-TRAN 20 Year Plan-Adopted June 8 2010.pdf>

and

RTC Resolution 07-08-10 adopted on Jul 22, 2008, page 16

<http://www.rtc.wa.gov/reports/mtp/Mtp2008.pdf>

Ref 6:

C-TRAN Board Resolution PBD-015

<http://c-tran.com/assets/Board/Board Policies/PBD-015 CRC Project Policy REVISED Sept 10 2013.pdf>

and

(Page 238 of the following reference) and C-TRAN staff report #13-023, Page 174

<http://www.c-tran.com/board meeting files/May 21 2013 agenda no Qanda .pdf>

Ref 7:

<http://highcapacityerp.com/about.html>

Ref 8:

Page 9 of C-TRAN High Capacity Transit Expert Review Panel Findings and Recommendations

<http://www.highcapacityerp.com/Presentations/FindingsandRecommendations6 28 12.pdf>

Ref 9:

Page 14 of

[http://www.highcapacityerp.com/Presentations/FindingsandRecommendations6\\_28\\_12.pdf](http://www.highcapacityerp.com/Presentations/FindingsandRecommendations6_28_12.pdf)

Ref 10: Page 13 of

[http://www.highcapacityerp.com/Presentations/FindingsandRecommendations6\\_28\\_12.pdf](http://www.highcapacityerp.com/Presentations/FindingsandRecommendations6_28_12.pdf)

and

<http://prop1facts.com/wp-content/uploads/HCTFinancePlan.pdf>

and

[http://prop1facts.com/wp-content/uploads/CRC\\_Finance\\_Plan.pdf](http://prop1facts.com/wp-content/uploads/CRC_Finance_Plan.pdf)

Ref 11:

<http://www.c-tran.com/news/detail/id/25>

and

C-Tran Resolution #BR-04-002 page 11 of the November, 2004 voters pamphlet 0.3% sales tax increase for local buses and C-Van service – rejected

<http://www.clark.wa.gov/elections/documents/2004/2004GeneralVotersPamphlet.pdf>

Ref 12: Page 100 of November 2012 Clark County Voters' Pamphlet

<http://www.clark.wa.gov/elections/documents/2012/NOVEMBER201206/Clark%20County%20general%20election%20pamphlet.pdf>

and

[http://www.c-tran.com/ballot\\_measure\\_2012.html](http://www.c-tran.com/ballot_measure_2012.html)

Ref 13: Page 12 of Election Results

<http://www.clark.wa.gov/elections/results/2012/2012Nov6ElectionResults.pdf>

Ref 14:

2<sup>nd</sup> question and answer on page 2 of:

[http://www.c-tran.com/assets/Fact\\_Piece/C-TRAN\\_Ballot\\_Measure\\_Fact\\_Piece\\_2011.pdf](http://www.c-tran.com/assets/Fact_Piece/C-TRAN_Ballot_Measure_Fact_Piece_2011.pdf)

and page 77 explanatory statement of the voters' pamphlet at:

<http://www.clark.wa.gov/elections/documents/2011/2011GeneralVotersPamphletpamphlet.pdf>

Ref 15:

Page 76 of

<http://www.clark.wa.gov/elections/documents/2011/2011GeneralVotersPamphletpamphlet.pdf>

and

C-Tran BR-05-021 page 9 of the September 20, 2005 voters pamphlet 0.2% sales tax increase for local buses and C-Van service

[http://www.clark.wa.gov/elections/documents/2005/primary2005\\_voter\\_pamphlet.pdf](http://www.clark.wa.gov/elections/documents/2005/primary2005_voter_pamphlet.pdf)

Ref 16:

4:15 marker of the following video

<http://www.youtube.com/watch?v=E9YGfRwygtU&feature=share>

Ref 17:

<http://old.cityofvancouver.us/cvtv/cvtvindex.asp?section=25437&folderID=3820>

Ref 18:

[http://couv.com/wp-content/uploads/2013/10/FINAL\\_IGA\\_TRIMET\\_AND\\_CTRAN\\_FOR\\_CRC\\_OM\\_092613.pdf](http://couv.com/wp-content/uploads/2013/10/FINAL_IGA_TRIMET_AND_CTRAN_FOR_CRC_OM_092613.pdf)

Ref 19:

[http://www.c-tran.com/assets/Board/Resource\\_Documents/C-TRAN--Bylaws\\_FINAL\\_2012.pdf](http://www.c-tran.com/assets/Board/Resource_Documents/C-TRAN--Bylaws_FINAL_2012.pdf)

Ref 20: Page 33, section 3.20 of the contract

[http://couv.com/wp-content/uploads/2013/10/FINAL\\_IGA\\_TRIMET\\_AND\\_CTRAN\\_FOR\\_CRC\\_OM\\_092613.pdf](http://couv.com/wp-content/uploads/2013/10/FINAL_IGA_TRIMET_AND_CTRAN_FOR_CRC_OM_092613.pdf)