



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **22ND DAY OF JUNE, 2005** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Saltzman and Sten, 4.

Commissioner Adams arrived at 9:43 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

On a Y-4 roll call, the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
653	Request of Paul Phillips to address Council regarding wheels of justice (Communication)	PLACED ON FILE
654	Request of Dale C. Chambers to address Council regarding traffic congestion (Communication)	PLACED ON FILE
655	Request of Absolom Tamar Stiletto to address Council regarding unconstitutional elements and a new set of rules (Communication)	PLACED ON FILE
656	Request of Freedom Child to address Council regarding issues with the Police (Communication)	PLACED ON FILE
657	Request of Don D. Land to address Council regarding a solution to the perceived view of homelessness, poverty, drugs and terrorism (Communication)	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION		
Mayor Tom Potter		

June 22, 2005 Bureau of Housing and Community Development	
*658 Amend subrecipient contract with Transition Projects, Inc. by an additional \$3,488 for a total of \$1,849,712 and provide payment to provide shelter, transitional housing and services for homeless men and women (Ordinance; amend Contract No. 35492) (Y-4)	179341
*659 Authorize a subrecipient contract with Portland YouthBuilders for \$685,000 for a comprehensive youth community service program and provide for payment (Ordinance) (Y-4)	179342
*660 Amend subrecipient contract with Salvation Army District Office by an additional \$5,235 for a total of \$276,454 for the provision of emergency shelter and provide for payment (Ordinance; amend Contract No. 35542) (Y-4)	179343
*661 Amend subrecipient contract with Northeast Workforce Center for an additional \$179,168 for a contract total of \$229,168 for the execution of subgrants for economic development and provide for payment (Ordinance; amend Contract No. 35334) (Y-4)	179344
*662 Authorize subrecipient contracts with non-profit organizations to provide minor home repair to low-income elderly and disabled households and provide for payment (Ordinance) (Y-4)	179345
*663 Authorize subrecipient contracts with 12 agencies operating over 28 projects chosen to further the goals of the 10-year Plan to End Homelessness and provide for payment (Ordinance) (Y-4)	179346
*664 Authorize subrecipient contracts with non-profit organizations to provide housing programs and provide for payment (Ordinance) (Y-4)	179347
Office of Management and Finance – Human Resources	
*665 Amend contract with IRCO to expand the scope of work and increase compensation for the City Summer Youth Employment Program 2005 (Ordinance; amend Contract No. 35763) (Y-4)	179348
*666 Change the salary range and title of the Nonrepresented classification of Parks Maintenance Superintendent (Ordinance) (Y-4)	179349
Office of Management and Finance – Risk Management Division	
*667 Pay claim of Christopher Brooks (Ordinance) (Y-4)	179350
Office of Neighborhood Involvement	
*668 Revise liquor license application regulations to reflect transfer of duties from Bureau of Licenses to Office of Neighborhood Involvement (Ordinance; amend Code Section 14B.100.030) (Y-4)	179351

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Police Bureau		
*669	Authorize the Police Bureau to appoint Wendi Lee Krause to the classification of Police Officer at the 4-year salary rate (Ordinance) (Y-4)	179352
*670	Apply for a \$250,000 Buffer Zone Protection Plan Program grant from the Oregon Office of Homeland Security, Criminal Justice Services Division for terrorism prevention and intervention equipment (Ordinance) (Y-4)	179353
SECOND READINGS		
671	Authorize negotiations for the acquisition of temporary interests in property necessary for repair to the Lents Interceptor sewer line with said acquisition efforts to be conducted under the Eminent Domain Authority of the City (Second Reading Agenda 621) (Y-4)	179354
672	Authorize a Memorandum of Understanding with Kupieco LLC and, subject to final approval of a necessary street vacation, sale of surplus City Property in the vicinity of SE 39th and SE Holgate to Kupieco LLC (Second Reading Agenda 628) (Y-4)	179355
673	Amend contract to authorize additional City work on the Streamline Program for TriMet (Second Reading Agenda 629; amend Contract No. 51340) (Y-4)	179356
674	Authorize an agreement with Union Pacific Railroad Company to permit a new bicycle and pedestrian bridge on the Springwater Corridor Trail over the Union Pacific railroad right of way (Second Reading Agenda 630) (Y-4)	179357
675	Authorize a temporary construction easement agreement with Margaret L. Hyde, Grantor, to permit construction access over property at 2121-2135 SE Ochoco Street as related to the Springwater Corridor Three Bridges Project (Second Reading Agenda 631) (Y-4)	179358
676	Authorize a temporary construction easement agreement with Irving Leopold, Rhoda Leopold and Heidi Leopold Grenley, Grantor, to permit construction access over property at 8989 SE McLoughlin Blvd. as related to the Springwater Corridor Three Bridges Project (Second Reading Agenda 632) (Y-4)	179359
677	Authorize an Intergovernmental Agreement with Metro for the operation and maintenance of the Springwater Corridor Sellwood Section (Second Reading Agenda 633) (Y-4)	179360
City Auditor Gary Blackmer		

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*678 Improve and refine Collections and Foreclosure Process (Ordinance; amend Code Sections 5.30.070 and 5.30.080) (Y-4)	179361
REGULAR AGENDA Mayor Tom Potter Bureau of Housing and Community Development	
*679 Authorize contracts with non-profit organizations to provide financial assistance to lower income homebuyers (Ordinance) (Y-4)	179363
Fire, Rescue and Emergency Services	
*680 Authorize grant application totaling approximately \$1.52 million over five years from the Department of Homeland Security for Portland Fire & Rescue (Ordinance) (Y-4)	179364
Office of Management and Finance – Bureau of Purchases	
*681 Authorize a contract with NetVersant-Washington, Inc. for equipment and software required to implement an automatic call distribution system for \$700,758 (Ordinance) (Y-4)	179365
682 Authorize contract with Gresham Transfer, Inc. for a price agreement for Biosolid Transportation Services (Ordinance)	PASSED TO SECOND READING JUNE 29, 2005 AT 9:30 AM
Office of Management and Finance – Financial Services	
*683 Amend contract with Wells Fargo Bank, N.A. for City banking and trust services (Ordinance; amend Contract No. 51187) (Y-4)	179362
Office of Transportation	
*684 Amend contract with Portland Aerial Transportation, Inc. for the Portland Aerial Tram project (Previous Agenda 646; amend Contract No. 35021) (Y-4)	179366
*685 Authorize an Intergovernmental Agreement with Oregon Health & Sciences University to provide capital funding to the City for the Portland Aerial Tram project (Ordinance) (Y-4)	179367
SECOND READINGS	
686 Authorize contract with Office Depot, Inc. for an annual price agreement for office supplies and new printer cartridges (Second Reading Agenda 624) (Y-4)	179368

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687	Increase taxicab rates (Second Reading Agenda 644; amend Code Section 16.40.310) (Y-4)	179369
688	Authorize contracts with H.D. Fowler Co., Inc., United States Pipe and Foundry Company, Inc., and Ferguson Waterworks for annual price agreements for miscellaneous waterworks supplies (Second Reading Agenda 645) (Y-4)	179370
689	[THIS ITEM INTENTIONALLY LEFT BLANK]	

At 10:49 a.m., Council recessed.

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<p><u>WEDNESDAY, 2:00 PM, JUNE 22, 2005</u></p> <p>DUE TO LACK OF AN AGENDA THERE WAS NO MEETING.</p>	
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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **23RD DAY OF JUNE, 2005** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Saltzman
and Sten, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn
Beaumont, Senior Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

*690	TIME CERTAIN: 2:00 PM – Adopt the Spring FY 2004-05 supplemental budget in the amount of \$33,332,577 and make budget amendments in various funds (Ordinance introduced by Mayor Potter) (Y-4)	179375
*691	Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2004-05 Spring Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter) (Y-4)	179376
692	TIME CERTAIN: 2:15 PM – Conduct a Proposed Use Hearing on State Shared Revenue (Hearing introduced by Mayor Potter)	PLACED ON FILE
693	Certify that certain services are provided by the City to establish eligibility for State Shared Revenues (Resolution introduced by Mayor Potter) (Y-4)	36323
*694	Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for the fiscal year beginning July 1, 2005 and ending June 30, 2006 (Ordinance introduced by Mayor Potter) Motion to accept: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-4)	179371
*695	Create three new funds, close four existing funds, and rename four existing funds (Ordinance introduced by Mayor Potter) (Y-4)	179372

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<p>*696 Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2005 and ending June 30, 2006 (Ordinance introduced by Mayor Potter)</p> <p>Motion to amend the adopted budget to reflect an increase in the supplemental line item for the Regional Arts and Cultural Council to increase that amount by \$61,208 coming from the one-time rainy day fund: Moved by Commissioner Adams and seconded by Commissioner Sten. (Y-4)</p> <p>Motion to amend the approved budget to include a contingent \$80,000 for the Graffiti Abatement Program and the Office of Neighborhood Associations contingent upon the Mayor and Commissioner Adams having conversations with the Building Owners and Managers Association and the money would come from the rainy day fund contingency: Moved by Commissioner Adams and seconded by Mayor Potter. (Y-4)</p> <p>Motion to add \$269,834 in one time funds to the Bureau of Housing and Community Development's appropriation, the funds will go to Central City Concern for the Hooper Center, deficit in fiscal year 2005-2006, \$71,000 going to subacute detox, \$38,000 to CHIERS and \$160,000 to the Sobering Station and BHCE will also contribute \$18,000 of its existing appropriation, the appropriation reduces the rainy day transfer to the general reserve fund: Moved by Mayor Potter and seconded by Commissioner Adams. (Y-4)</p> <p>(Y-4)</p>	<p style="text-align: center;">179373 AS AMENDED</p>
<p>*697 Levy taxes for the City for the fiscal year beginning July 1, 2005 and ending June 30, 2006 (Ordinance introduced by Mayor Potter)</p> <p>(Y-4)</p>	<p style="text-align: center;">179374</p>
<p>REGULAR AGENDA</p>	
<p>698 Tentatively deny the appeal of Marcia Leslie and uphold Hearing Officer's decision with supplement to approve the application of Douglas Pollock, Darryl Abe, Jeffrey Fish and Donald Pollock to divide a 5,855 square foot site into five lots for attached housing located at 11299 SW Capitol Highway (Findings; Previous Agenda 608; LU 04-068765 LDS)</p> <p>Motion to adopt findings, deny the appeal and uphold the Hearing Officer's decision with supplement to approve the application: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-4)</p> <p>(Y-4)</p>	<p style="text-align: center;">FINDINGS ADOPTED</p>
<p>EXECUTIVE ORDER</p>	
<p>699 Reassign City departments and bureaus to the Commissioners in Charge (Ordinance)</p>	<p style="text-align: center;">179377-A</p>

At 2:57 p.m., Council adjourned.

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GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

June 22, 2005
Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

JUNE 22, 2005 9:30 AM

Potter: Before we begin the official part of the council, one of the things that I do is raise an issue, a question. It's a question that is asked in some of our tribes in africa, between adults, is that when adults pass each other, instead of saying, "hello, how are you?" they say, "how are the children?" and they know that when the children in the village are healthy the village is healthy. And so we ask experts to come in and talk to us. And we have a very interesting expert today. And kaia oliveros. Please come forward. Kaia is in the second grade at gilbert park elementary. And maya goes to the lou wallace elementary school in albuquerque, new mexico. And maya is here today to sort of help her cousin, give her a little bit of support. So thank you very much for being here. And what we would like is, kyat, if you could just tell us, a few things about what you think is important for the city council of Portland to know that's important about children. So if you could just pull that little microphone down toward you. There you go. Speak into it very clearly. Thank you.

Kaia Oliveros: What was the question again?

Potter: Just want to know how -- what are the things you're concerned about? You know, you wrote us a note. Do you remember that? You talked a little bit about things that you like to do and things that are important.

Oliveros: Well, I like to play. I like to go to school.

Potter: Tell me about your school. What's the name of it?

Oliveros: Gilbert park.

Potter: And what is your teacher's name?

Oliveros: Mr. Krug.

Potter: And what do you study in school?

Oliveros: Usually a lot of types of things, like dinosaurs.

Potter: Dinosaurs. What's your favorite dinosaur?

Oliveros: The massospondylus dinosaur.

Potter: Oh. That the one of my favorite, too. [laughter] what are things at school that you think could be better?

Oliveros: Maybe if there wasn't like the curbs that we have, that cars park in front of. People at my school bounce on them, and a few people have cracked their heads open.

Potter: On the curbs? So what happened? Did the teachers come out and help them?

Oliveros: Some.

Potter: Good. Maya, tell us a little bit about yourself.

Maya Oliveros-Orozco: Let's see, I was born here in eugene, Oregon, and now I live in new mexico. I'm 10 years old, starting fifth grade, and I go to lou wallace elementary school in albuquerque.

Potter: And how is your school? Does it work pretty well?

Oliveros-Orozco: Yeah.

Potter: Maybe one of you could introduce your mom to the rest of the group?

Oliveros-Orozco: Umm, my mom --

Potter: Arissa is one of our security guards over at city hall. Thank you for bringing your daughter and her cousin here this morning. Is there anything else you'd like to tell us?

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Oliveros-Orozco: Yes.

Potter: Go ahead.

Oliveros-Orozco: My mom is an attorney -- an attorney in albuquerque, and my dad is in the army. And right now he's over in iraq.

Potter: And what does he do in iraq?

Oliveros-Orozco: He's a medic.

Potter: When does he get to come home?

Oliveros-Orozco: He's coming here in august.

Potter: Oh, in august. That's not too long from now at all, is it?

Oliveros-Orozco: Yeah.

Potter: Good. We hope he gets home soon.

Oliveros-Orozco: Ok. Thanks.

Potter: Thank you for being here. Thank you, arissa, for bringing them in. Thank you. [applause] We'll now call the city council of Portland to order. [gavel pounded] Karla, please call the roll. [roll call taken] We'll now hear communications. Karla, please read item 653.

Item 653.

Paul Phillips: Good morning. I'm paul phillips.

Potter: Mr. Philips, you have three minutes.

Phillips: Yes. In 180 seconds, 35 people, on average, are averaged, according to the c.d.c., with 17,000 a day there's 86,400 seconds in a day, and if you divide that by 17 it comes up to 5.08 seconds every day. And of course as you heard on the news, a construction worker this previous week or so had died from his injuries. I wanted to read this letter. You'd had a copy of it. It's short. I didn't get a chance to read it last week. "this letter is to certify that paul philips is legally blind as a result of ocular albinism. There is no chance that his vision will ever improve, sincerely yours," and written by bart Adams, m.d., just to clarify things. And as you may know or may not know, even helen keller wasn't deaf, dumb and blind. There's worst things than blindness. I also read a letter that I wrote, an open form letter to governor kulongoski last week, in which I stated that I have growth rings. Apparently laymen, like yourselves and myself don't know anything about growth rings, but doctors do, because as I stated dr. Walter hale had actually told me after I presented him with a copy of a picture of my x-rays and asked him what the lines were in the -- that a professional photographer had taken a digital picture of them, then we printed them on glossy paper, and this isn't the glossy paper. It actually shows up better. But I asked him what the white lines were, and he goes, "those are growth rings." I bet you didn't know that. Then he went on to explain that growth rings happen when you grow up. Did you know that? And I asked him after he'd commented about that one, turned the picture sideways, and told him that this must be a bad branch where the thumb is. It's also got growth rings. Now on to this week's picture and comments about the wheels of justice. Michael francke sure didn't last very long as the correction official first appointed the correction official on the job that was murdered for Oregon. This is the only letter that i've been able to get from an attorney that i've been trying to contact for legal representation about my on-the-job --

Potter: Your time is up, sir.

Phillips: Ok.

Potter: Thank you. Karla, please read the next item.

Item 654.

Potter: Mr. Chambers, are you here? Please read the next item.

Item 655.

*******:** Good morning, gentlemen.

Potter: Thank you for being here. You have three minutes, sir.

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Absolom Tamar Stiletto: My name is absolom tamar stiletto, and I have a message from the lord, jesus christ himself. I've been verified by our jewish god jehovah who sent jesus christ. Ladies and gentlemen, we all heard the holy spirit yesterday morning order me to order the entire united states and its kingdom of people to heaven. The rapture happens and my jet leaves Portland airport with a woman of my choice to australia. I especially offer it now to the president of america, george walker bush. George, time to be with the lord and end the suffering of the world. Tuck me under your wing, george, as the hand gathers now, my dear christian president, and pillar of democracy to the world. All who recall to the morning, the rapture happens when the plane lifts. To use it for the benefit of mankind is now officially in the hands of the american government and peoples. It's about to come to fruition by catalyzing the father's will and demand that I fly, I and my woman fly to australia. Everything all god-fearing peoples have been so fervently praying for and awaiting for centuries is now officially ours, in american hands. As soon as my jet lifts off christ returns, and christ returns to earth 8-9-13, my ultimate prophecy, that's the day, armageddon. Mr. President, over the bleached bones and jumbled residues of numerous civilizations are written the pathetic words, "too late." there's a book that records our neglect. And in the records of the governments of the world, such as israel's, our very own christians are in uniform. Men and women of the united states army, navy, marine corps, air force, coast guard, national guard, and all law enforcement in america, israel, iraq, afghanistan, entire world, are aware that it's time to end the suffering. It's not a power, mr. President. My jet lifts the return of christ, jesus christ. Everything you gave your life to god for, mr. President, is in our powers. The key to the kingdom is in my hands now. It's time to end the suffering now, mr. President. My jet lifts off from that airport, mr. President. Everything you gave your life for comes to fruition. America's true man of destiny.

Potter: Your time's up, sir. Thank you. Next item, please.

Item 656.

Moore: She will not be able to make it.

Potter: Next item.

Item 657.

*******:** Good morning, gentlemen.

Potter: Good morning. Please state your name when you testify and you have three minutes, sir.

Don D. Land: My name is don d. Land, and i'm your native born son to occupy this territory. Expression of contrary opinions are submissive to the face of authority whereas there is a real sense of fear of exclusion in the social order. Plato said all democracy must evolve into tyranny. This is all too true of a statement provided. There is no honor or respect given to adverse authority contrary to the status quo of the social order. Such an authority for the common god must be a respecter of its polar opposite. Endeavor to bring balance to the common foundation of the two divergent realities. Thomas jefferson, when signing the declaration of independence, stated, I hold every now and again that revolution to be a good thing. More powerful of a statement by a man in his time upon reflection of his action and in contrast to the legal authority of his day cannot be said. Considering the unwieldy authority of the two, note must be given to the long chain of abuses that brought those two men -- or those men to their place in history of which the statement of jefferson is a vivid and stark reminder of the degrees of separation that were denied preemptive absolution and justice. It is with the degrees of separation do we find the impetus of social strife, rebellion, to revolution. Civil war being the embodiment of a social order unable to resolve its issues. The mass neurotic triad is the indicator of a social order compressing in upon itself by a measurable rate of reductionism foreign to the body politic. The formula for verification can be found in the polar opposite of the indicator, and the degrees of separation, the fruit of the domestic enemy's efforts, therein remains the evidence to purify the body politic by means of alienation, exclusion of offenses, as to shock the conscience. The need for action is ignored out of a fear to justify their position. They submit to the public all is well. All is well is a lie. For if all was well

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there would not be a population in motion of such size and density as to receive recognition of united world assembly as warranting its own sovereignty or having a need of political asylum for absent of representation. This population, minus the 3.5 million of its body to flee the continental domain of the united states of america in the last two years, is disposed, disenfranchised, poverty stricken, drug and alcohol addicted, and oppressed by servitude and expectation, and to consider objection of conscience, worthy of recognition as a divergent culture. This population has in common is an unacquitted love for each other, for you, its country, and its heritage, and repatriation into the body politic. It is my opinion that this population represents the pioneering spirit that dares to explore the frontier of social change. Recognizing the excesses of opposite --

Potter: Please wrap it up, sir.

Land: Sure. -- as the inherent need for change and should receive the intermediate representation from all quarters of good government. It is my conclusion after 25 years of participation and deliberate separation from this body politic, far beyond the site of this council, that this body of people is the avant-garde of the true national treasure and depositor of the american spirit. As an ambassador of free will, on behalf of all affected persons who know me as don, I would present to you a gift that since time immemorial represents healing. May I approach the bench?

Potter: Give it to the council clerk. Thank you.

Land: Thank you.

Potter: Thank you. We'll now take a vote on the consent agenda. Commissioners, any items you wish to pull off the consent agenda?

Adams: I do. 683.

Potter: Is that? Any other items? Does anybody in the audience wish to all off any items from the consent agenda? Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] we don't have any time certain. Karla, please read item 683.

Item 683.

Adams: Is anybody here? I wanted to have the opportunity to ask a question on why an extension -- how long the contract is in place and why an extension of three years was necessary as opposed to a year, two years, why three. And obviously i'm interested in -- in having as much competition for business as possible, and an opportunity for local financial service firms or local or other banks as well to have an opportunity to bid on this as well. They've expressed an interest to me to bid on this kind of work.

Ken Rust: Good morning, mayor Potter, members of the council. Ken rust, director of the bureau of financial services. With me this morning is david thurman, the city treasurer. I'd be happy to talk about this particular ordinance and give a little bit of background. The city does, on a regular and periodic basis, submit requests for proposals for banking services for the city's banking activities. Basically it's checking account. And that contract has gone out several times. Wells fargo is the local that bank that currently provides those services under a contract that was entered into back in 1989, the result of a competitive process. We're asking for an extension of that contract until july. Of 2008 for one reason, and really only one reason only, and that is that we're at the very starting point of placing the city's financial system. This is the enterprise business system project, which is replacing ibis, and hopefully a better system to run our financial services. Under the advice of our quality assurance consultant, we talked with him about making a change in our banking services as we're trying to map that relationship and the new product we'll be installing over the next year or so. Their strong advice to us was to keep as many systems stable at this point in time in order to make sure we know what we're mapping to and from as we go through the software selection and implementation process. The current projected go live date for the enterprise project is july of 2007. Hopefully when we turn the switch on at that time everything runs smoothly. Our goal at that point, then, was to not go out for banking services and a change in that

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until the effective date of July 1, 2008, to make sure the system is going smoothly, going through a competitive process at that point, and be prepared for a change that may result in a different banking firm providing these services to us at that time. And discussing this with Wells Fargo, they've agreed, as part of the contract, to maintain the pricing they offered to us in 1999, and in fact reducing that by 3%. They're looking at a price that is lower than what they offered us in 1999. One amendment would simply accommodate changes made in federal law under the legislation known as check 21, which are some checking-related changes that were developed by the federal government. And the third is simply to amend the -- the date until July 1, 2008. So that's a little bit of background in terms of how we got to this point. We do absolutely agree it's important for us to rely on a competitive process for the selection of these services, and all services that the city uses in its financial operations. We believe it's prudent given the challenges that we're going to be facing with, implementing a new financial system, to ensure that all the pieces stay stable during this transition period and we have a successful launch of that product, and at that point then we would be in a very good position to look for, again, an R.F.P. process to select one of the local banks. We do expect that it will be only a local bank, qualified and willing to provide the services. And that really brings us to maybe three banks that have the capability to really run the city's checking services and account-related activities that are important for the financial operation of the city. And Dave Thurman, the director, can talk more specifically interest that if there are questions.

Adams: Which three banks, in your opinion?

David Thurman, City Treasurer: Essentially because of the volume of our account -- David Thurman, city treasury. Because of the volume of our account basically four banks in the city can bid on the business. Key Bank, Bank of America, Wells Fargo, and U.S. Bank. And of those four only one is located close locally in terms of headquarters. Wells Fargo is headquartered out of San Francisco, California. The others are East Coast banks. But those four are truly the only banks that have responded to our R.F.P., and are capable of servicing our account.

Adams: And is it possible to change our approach to the contract so we get the kind of reliability and -- reliability and cost -- low cost in the services we need, but also provide potentially other smaller financial institutions to have a piece of this business in the future?

Thurman: I think that would be difficult. We largely keep -- the reason we go with one single bank is because it's difficult to maintain a level of activity we maintain, it's incredibly difficult just to reconcile in and of itself. If we were to do that with multiple institutions, it becomes really problematic. We've always used a uniform single provider approach, and I think it's been done with a lot of -- a lot of thought, and I would really recommend against it quite frankly.

Adams: And how much testing of the marketplace did you put exhibit A to in terms of what we could -- knowing that you don't want to change, but if we did change, and we all hear, up, the grannies and the stagecoach, and from Washington Mutual, all other places, but how much market testing did you do to get -- to make sure that in reupping this we're getting the best possible price?

Thurman: What I did essentially was went back to the 1999 proposals that we received and took the new pricing proposal that Wells provided, and not only did Wells exceed their pricing in 1999, but these additional changes were lower than the 1999 pricing levels that the banks were willing to offer. If a bank was to approach the city, and the large reason that Wells Fargo was able to offer such discounted rates, we've been them for a while. Banks coming in, trying to win a new piece of business, would price their new business on 2005 levels. And so having discounted the prices at 1999 levels, we feel really extremely confident that these are aggressive pricing levels.

Adams: So did you actually -- I'm sorry. Did you summarize for me -- did you shop the prices with other banks?

Thurman: We did not. We did not formally shop them. Did not.

Rust: I think the context here, is the city clears 60,000 to 70,000 checks a month with Wells Fargo, and we're paying about \$10,000 a month for that service.

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Potter: Ok. And what is the effective date, if this were to be passed?

Rust: Effective date of the contract, with the amendments that are proposed, would make it a contract that would extend through and end on July 1, 2008.

Potter: But when does the extension begin?

Rust: July 1 of this year.

Potter: Of this year, ok. This is an emergency vote, which requires all commissioners to vote aye. Is there anyone --

Adams: What's the total value of the contract, estimated value? What did they get last year?

Thurman: Roughly the charges roughly were managed between \$10,000 and \$12 a month. You can annualize that, and that's the size of the contract. You but it's all based on transactional activity.

Adams: I mean, I will vote in favor of this, but on the condition that you rethink, retest your assumptions about how do we get more of our business to local financial service firms through this contract or some other contract. Sort of what's the baseline when I was elected, and I'd like to see it improve, if we can. All right?

Saltzman: So we don't get free checking? [laughter]

Rust: Not completely.

Adams: That's what I was wondering.

Potter: Any other questions from the commissioners? Thank you.

Adams: Thank you.

Potter: Karla, is there anyone signed up to testify?

Moore: I didn't have a sign-up sheet for this.

Potter: Ok. Is council ready to take a vote?

Adams: Yeah.

Moore: Karla, please call the roll.

Adams: Thank you for answering my questions. Again, I hope that we can, if not on this specific contract -- well, one, I need you to convince me three years from now why this is the best approach, again, and encourage you across the line, sort of where we're at in terms of getting our financial transactions with as much local institutions as possible. Aye.

Saltzman: Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] Karla, please read item 679. Please come forward, staff. Please state your name when you testify.

Item 679.

Trell Anderson: Good morning. Thank you. My name is Trell Anderson, the housing program manager at bhdc. Real briefly, I wanted to tell about the last five years in homeownership activity that bhdc has done. There's a real focus right now on providing financial assistance to low-income home buyers, particularly minority home buyers. Over the last five years, bhdc has -- I'll speak off the blue sheet that you're receiving now. From fiscal years 1999, 2000 through 2003, 2004, bhdc dedicated about \$3.8 million to home buying activities. With that investment, about 1300 households became new home buyers through various ways. That could either be through the financial assistance that we help provide or attending one of the home buyer fairs that we help fund. It could also be they went through the home buying classes at the Portland housing center. So that's a combination of ways that they became home buyers. Of those 1300 new home buyers, 53% were minority households, and 25% had incomes below 50%, the median family income. I was a little bit surprised by that data, because if you remember this was prior to where city council and bhdc specifically said we'd have a focus on minority home buyers. So I was glad to see that five years we spent working up to that, in large part. The nonprofit groups that we'd been working with already had that focus. Also, if you remember, bhdc adopted a new strategic plan two years ago that really has us focusing on households earning 50% or below median family income. I was glad

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to see again that the data previous to us adopting that strategic plan had -- was achieving some of that again at the 25% of the people -- the new home buyers were below% m.f.i. Over the -- over the -- those five years, I think a real critical piece is that we really enhanced the infrastructure in the community to be able to help low-income home buyers. We saw the emergence of three minority home buyer fairs. The latino home buyer fair, african american home buyer fair, the asian home buyer fair. Those have all come to being in the last five years, partly with our support, but largely because a lot of people organized to put those fairs on. What we want to try to achieve over the next year is to see if we get a fair going that focuses on the native american community, and we don't have that up and running yet, but we hope that over the next year we get a fair sponsored. Another piece of the infrastructure is we were able to invest in a revolving loan fund at the Portland housing center. Housing center was actually able to leverage some other federal funding because of the local investment to establish a \$1.5 million revolving loan fund. That means at anytime the banks want to invest in this revolving loan fund it's there for the duration, and we're able -- it gets us beyond a one-time help and one-time family. It will help families into the future. The third is we were involved in the emergence of the Portland community land trust. A different model, another choice for people, where the public investment stays in the property and is -- allows for permanent affordability. I feel good we've had those successes, able to boost the infrastructure as we move forward in a focused effort to close the minority homeownership gap.

Daniel Ledezma: I work on the housing team with terrell. I'm here to talk about the recent r.f.p. we released. Last summer the homeownership advisory committee presented to this body a report entitled "strategies to increase the minority homeownership rates," which examined the homeownership minority gap in Portland. In response to this data, bhdc had through an allocation of several years, we were able to release an r.f.p. to address this gap in the form of administering financial assistance to families. We assembled a diverse r.f.p. selection committee, which included staff from mayor tom Potter's office, and also commissioner Adams' office, only six of the nine who submitted were able to receive funding. These six community organizations will now have direct access to financial assistance for their community members. It's a very diverse group of organizations. In the next year, they'll be able to allocate funding to 75 to 80 households with an average subsidy of \$21,000 per household. They're able to reach households at anywhere between 30% of the median family income all the way to 80% of the median family income. Really excited about this next year and the work that the community organizations will do. We're here to answer any questions if you have any.

Potter: I wanted to ask a question about the 1300 households. You said that some of those were as a result of them attending fairs and seminars. How do you find out later on that they actually bought a house?

Anderson: It's one of the most difficult tracking pieces. The way we're able to track that one is if they attended a fair, and then also went through the Portland housing center. That's really about the only way. The fairs don't actually have capacity, much capacity at all, to track their results in terms of the eventual end of home buying. The only way we can really track that is if they end up either - working with one of our other community-based groups. We try to ask them on the front end when they come through that community-based group, whether or not one of the references was the fairs.

Ledezma: A nice development out of the r.f.p. Is that one organization, the asian pacific islander community improvement association, was originally involved in the asian fair, and they actually have access to -- they're going to fund 19 different households as a result of this. So we'll be able to better track how they go through the fairs and receive this assistance and move into homeownership. That's sort of a nice development that's come out in the last five years.

Potter: Are there questions from commissioners? Thank you very much. Karla, is anyone signed up to testify on this?

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Moore: No one's signed up.

Potter: Ok. Council, do you have any other, further questions? Ready to take a vote. Karla, please caught roll.

Adams: Aye.

Saltzman: This looks like really good work, and getting more people into homeownership. So that's great. Aye.

Sten: Well, I also wanted to thank terrell and daniella and the team. I think 13 new home buyers is a huge accomplishment. What it really leads us to do, I think, is what we think now the job is actually to sort of triple that over the next three years. And I think that's the task for the council as well, because the home buying issue isn't just a matter of producing housing, it's a matter of getting systems, banking systems, community outreach, and even to some extent it's not a system, but people's psychology changed to think they can buy a home. A lot of people who be owning a don't because they don't prepare for it or think about it. You have two challenges. One is to get to people, help them plan ahead to buy a home, who with their income, and the other to help those short of the income push over the top. Aye.

Potter: I want to thank bhdc for this. I think it's great. Had a question for you, commissioner Sten, as far as the council took \$1 million out of one-time money and put into affordable housing. Did some of that go into this home program or --

Sten: I think in this case we did not use -- a little bit of this gets to be a technical question, mayor, because the general fund is the only funds we get that's true flexible. And so what we tend to do is put the -- that money into the things that the federal funds are not available for.

Potter: Ok.

Sten: So I believe these are all federal funds for the simple reason they're all eligible. I think they're nodding yes. As a policy matter that did fund some of this, because we basically put that into other things that the federal funds would have went to. So a big chunk of that went to homeownership. Technically speaking these are the federal funds. We try to hold the general funds for things that run into trouble, because federal funds have a lot of regulations, as you can imagine.

Potter: I think it's a great program. And I -- you know, I know it's one of the very few ways that average folks can actually accumulate wealth, is through the -- through the buying of their own home. And i'm very, very interested to make sure that we have a diverse community, and I think this is a great way to fulfill part of that commitment. So thank you, folks, and I vote aye. [gavel pounded] Karla, please read item 680. Chief, staff, please come forward. Good morning.

Item 680.

*******:** Good morning.

Chief Dave Sprando: I'm the fire chief, Portland fire and rescue. With me is jack graham in charge of management services for Portland fire and rescue. For the past three fiscal years Portland fire and rescue has presented the issues surrounding the staffing of station 45 to council. The facility faces a shortfall in funding because the original general obligation bond staffing plan called for the resources of that station to be reallocate to station 27 in june of 2006 when construction of that station is completed. The plan on the back of the handout you're getting, the plan for staffing developed in 2002, explains the plan for staffing completed stations 12 and 16 that are now staffed and in service. Under construction, station 27, and now delayed station 21. We propose a possible solution that will delay the shortfall in funding. We're requesting authorization to apply for a safr grant. Safr stands for staffing for adequate fire response. If we receive this grant it will delay the financial impact staffing station 45 for two years. The situation with station 45 started when the facility was closed during the fiscal year of 1997-1998 as a result of measure 50. Pf&r closed the station based on the decision that the city was subsidizing gresham. A unique solution was to share the expense of station 45 by joint staffing with gresham. Through an intergovernmental agreement

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in effect from July 1, 1999, through June 30, 2009, we provide staffing seven months of the year. The city of Gresham provides staffing the remaining months of the year. That's been a very successful partnership. Beginning in fiscal year 2006-2007, pf&r will no longer have positions available to staff station 45, because those resources would be reallocated. Fiscal year 2005-2006 budget directs pf&r to conduct a study of our system for fire, medical, rescue services. The study is to be completed and reported to council by December of 2005. If the study determines that additional firefighters are not needed to provide adequate emergency response coverage, pf&r can simply withdraw our application for the grant. If the grant is awarded and accepted, pf&r must obtain emergency operation staffing -- must maintain emergency operation staffing for the duration of the grant. Council will have the opportunity to make that decision by future ordinance if the grant application is successful. However, it's important to at least apply for the grant so the funds could become available to address this budget challenge as needed. I'd be happy to answer any questions.

Saltzman: So if we were to get this grant, we would then continue to staff station 45?

Sprando: That would be correct.

Saltzman: Seven months of the year?

Sprando: That's correct.

Saltzman: Otherwise the plan was to take the 45 personnel and move them to station 27?

Sprando: Right.

Saltzman: And then close 45 again?

Sprando: Well, we had never had an intent to close 45. The ongoing presentation to council is that it's a shortfall. We still see station 45 as an integral part of the response system because we get essentially a whole station. Our intent would be to keep all the stations staffed.

Saltzman: Ok. So you mentioned the staffing study that you're going to be doing.

Sprando: Correct.

Saltzman: By the end of -- end of this year?

Sprando: It's supposed to be done by the end of the year.

Saltzman: So what is the timeline? I guess I'm concerned, I have no problem applying for grant, but I'm concerned about the restrictions it puts on us if they choose to award the grant to us, if we choose to accept the award, reading some of the notes from office of finance and management, it does increase the ongoing general fund deficit, and kind of limits our options to deal with that within the fire bureau. So what is the timeline -- how does the timeline work out in terms of we do the study, when do we know whether we're accepted for the award and when do we actually have to sign on the dotted line?

Sprando: At this point there's no specific timeline on when we will -- they often meter these out so we don't know when we will hear. Our estimation is, is that it would be at the end of the year. Our intent would be to have the answers to those questions before we would ask council for the ordinance to accept. We have similar questions. Our intent would be, if the timing were -- we would want the study in place and those questions answered so we couldn't come before council. Now, if we end up that the timeline is different, we certainly will discuss that with our commissioner in charge and the council, how they would like us to proceed, but we do always have the option of just denying the grant if it's awarded.

Saltzman: Hmm. Ok.

Adams: Just make sure I'm clear. This is a grant for nine firefighter positions?

Sprando: That's correct.

Adams: And if the -- does the grant lock us into any assumptions with deployment?

Sprando: No.

Adams: This is just your --

Sprando: The fortunate part is it's for -- they have to be new positions.

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Adams: Right.

Sprando: And station 27 allows us to apply for new positions.

Adams: Ok. So it would lock us in to your assumptions with the nine firefighters will be used for station 27, or is a certain amount of it just a deployment issue? I get the fact that this isn't just providing ourselves the opportunity, decision at a later date whether to accept it, I just want to know in making the application in the following way that you've described it, if it's an application for this particular deployment or does it just give us nine firefighters that later we can figure out how best to deploy them?

Jack Graham, Mayor Potter, commissioners, commissioner adam, it's my understanding that the grant allows us, if we have a need for increased staffing as a result of new operations, it allows us to increase our staffing for our overall operations. So what they're looking at is putting more firefighters on owe own the streets to provide services. So the opportunity presented itself to us when we had station 27. So the network of stations that we have would require an increase in the number of firefighters. That's my understanding of how the grant would work.

Adams: Thanks. I think the answer, then, just to make sure I hear, is it would -- the grant would -- the way you've written the grant, the grant requirements, I guess I should say, would lock us into the deployment of the nine firefighters at station 27?

Sprando: I'm going to say that we believe the grant locks us into an additional nine firefighters, staff, so that would be essentially three more. So we don't believe it locks us into a particular location.

Adams: Ok.

*******:** We can get the answer to that.

Katy Pruder: Chief, I think I can help answer that question. My understanding is that does not lock us into specific stations station 27 staffing, but overall staffing.

Adams: Thank you.

Saltzman: Yeah. That's actually my concern that I was trying to express, is it does -- it's like the federal grants where you have to show them five years from now when we take over the funding for these positions totally that, you know, if there's 400 firefighters right now, we have to guarantee them that five years from now there's 409. That really -- you know, that's a budget grant -- or that's a federal grant, really to my mind dictating how we meet our general fund needs. And the needs of the fire bureau. That's what i'm concerned about, is the lack of discretion that these types of grants do give us. I mean, I understand where they're coming from, the federal government, but I also understand how it does kind of lock our hands. So I guess that's -- you know, like I said, i'm willing to support the application, but i'm not sure i'm ready, if we were awarded this grant, that i'd sign off that we should accept this grant as the most prudent course of action.

*******:** Commissioner Saltzman, I understand your concerns. What we're looking at is just simply at this as a placeholder, not let this opportunity pass us by, and do more research on the issues you've brought up today. It will enable us to allow us to put that in place. There are some concerns regarding during the five-year period of the grant, what type of staffing levels we have to maintain. It is our understanding that the police bureau is currently going through some issues regarding their staffing levels, and they put in, I think, a request for some type of waiver. We're looking very closely at that situation right now, and that's going to give us some guidance on whether or not we - - if we get the grant accepted or not. So this is just a placeholder. And there is a little bit more work that needs to be done to answer some of those questions that you posed.

Saltzman: And then if we were to be awarded it, there would be have be an ordinance at council?

Sprando: That's correct.

*******:** Absolutely.

Saltzman: Ok, thanks. Other questions? Thank you, folks.

Adams: Thank you.

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Potter: Karla, is there anyone signed up to testify?

Moore: I didn't have a sign-up sheet.

Potter: Ok. Is council ready to take a vote? Karla, please call the roll. This is an emergency vote.

Adams: I like having options, and I think you've done a good job of putting together this application. I hope we get selected for an award so that we'll have the option of how to respond to it, and I vote aye.

Saltzman: Aye.

Sten: Well, we of course need to do this in correspondence with the -- in accordance with the council's financial strategy. I do think it's in accordance with delaying the stations as opposed to canceling them. That sort of argument that we'll have to find a way to staff them eventually if we stick with that policy, which is currently the adopted policy, this would basically, as I see it, in buying us some time that we don't have right now, but I completely agree with commissioner Saltzman's point, and we should do that in the context of hopefully a successful grant application. Aye.

Potter: Well, I think it's important that this is also being tied in to the review of fire services and response times, and I think by the time we get to a position, where -- I think it's december you're coming back to council with information on your recommendations -- that that will also give us a better idea of where we need -- if there are areas where we need to increase response times or take other actions, at least this gives us some room to maneuver down the road. So I vote aye. Very good job, folks. [gavel pounded] Karla, please read the next item.

Moore: 681.

Item 681.

Jeff Baer: Good morning. I'm jeff baer the acting director for the bureau of purchases. Before you we have a recommendation to award a contract to net versant out of seattle, Washington, and to give some framework as far as the selection process that occurred, we did issue a competitive request for proposal back in december of 2003, and so it's been some time since that. We've been working through the process and we did receive -- there were 121 different companies that had indicated interest in the proposal itself, and actually obtained copies of the r.f.p. We received eight different responses. We evaluated the different ones, and settled on net versant of Washington to award the contract to, or recommend awarding the contract to. And with that I think i'll stop there and turn it over to matt to talk about some of the technical aspects of the project itself.

*******:** Ok. This really goes back to the original plan, where a.c.d. As we refer to the automatic call distribution, equipment was included. The initial acquisition of our equipment for the network did include an a.c.d. It was installed. It was found it did not meet specifications, was returned, and credited back to the city. At that point we began the process that jeff referred to, where we met with the primary users had, to develop the new r.f.p., to -- excuse me -- to get the functional specifications for the r.f.p., and that involved work with particularly the water bureau, which at that point was running the utility customer service center, the major call center, but also included staff from the bureau of licensing who also has a significant call center. The r.f.p. was issued. There was a review panel that was city staff and an outside person from Multnomah county. They cut the eight proposals to four finalists. There was again extensive review. A lot of work to get -- make sure we really understood both apples to apples, and technology tradeoffs, because there were two very different kinds of platforms proposed. The equipment basically does three things. One is the call distribution, which basically for a call center means it allows you to take a large volume of calls through a single phone number, put them in cues, organize them, give people a menu selection, so people have a higher chance of getting to the right person than the first call. And it includes some extensive -- some fair that really allows you to analyze those flows, those patterns, identify places perhaps where your instructions aren't clear, identify places where your call center staff may not be

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clear and are transferring too many calls that -- where they need to have some training, etc. The second piece that's in here is a computer telephony integration piece, which essentially allows us to set up the system so that if a phone number is recognized, and that phone number is in the computer record, it will allow the record to be brought up to the call center staff person before they answer the phone. So they can see what they're talking to, what might be the problem, and have ready access to it rather than starting to figure out who it is, what's the account number, etc. So it's an efficiency process. The third piece in here is a call recording, that basically allows a couple key things that we can't do today. One is to use those call records really as a training process for people, to identify places where we're having problems, to see if actually it records both the call and the screens that somebody -- that the call center staff is on. So we can actually see if they understand where in the systems they should be going to try to respond to these things. It really is about trying to provide equipment and resources that allows the call centers to do their job much more effectively and efficiently. Today we do have automated distribution services that we buy from qwest we pay approximately \$84,000 a year for the service. It is a very -- what I call pretty outdated and well-functioning service. There are a lot of things in terms of understanding call flows, understanding details, being able to -- some flexibility in programming. Any of the computer integration things are not possible. Any of the -- call recording is not included. So this system essentially replaces all those things, but it's far from an even slot. It's a significantly improved service for the call centers. We have people from both licensing and the utility call center who are here if you have questions of them, to provide you more details in terms of the service impact, because this really is a contract trying to improve how our city staff interact with the customers through the call centers. Just one other comment. Of the \$700,000 of this contract, approximately \$600,000 is equipment and software licensing. About \$100,000 is the services amount for installation, setup, integration, training.

Potter: Ok. Does council have any questions of matt or jeff?

Saltzman: Could this be for our information and referral line people as well?

*****: Yes. There are a couple other places in the city where we do a.c.d. Services, and this is intended -- this is a platform that we can use beyond the two major call centers, and would be used to support those. Those are currently supported in the qwest service, and they would get the advantages of the group service here.

Saltzman: Ok.

Adams: I appreciate the briefing that you provided me yesterday, and I understand that this is a contract that falls on earlier council direction and i'll support it. One small tiny little question, since we last talked about this, is part of the technology will allow for the recording of calls. Is that correct?

*****: That's correct.

Adams: Are we going to be notifying people on the phone that their calls are being recorded?

*****: Yes.

Adams: Ok.

Potter: Any other questions? Thank you, staff. Is anyone signed up to testify, Karla?

Moore: No one signed up.

Potter: Is there anybody here who wishes to testify that hasn't signed up? Is council ready to take a vote? Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] Karla, please read item 682.

Item 682.

Jeff Baer: Good morning, mayor Potter, members of city council. I'm jeff baer, the acting director for the bureau of purchases. We have an offer to extend an existing contract with gresham transfer, and this was related to our strategic sourcing initiative we took on last year where we looked at and

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hired a firm, silver oaks solutions, to help us look at the city's spending patterns and look for opportunities for significant savings. Part of this, as we looked at that, one of the areas that came up was the biosolid transportation services through the bureau of environmental services where we're transporting biosolids from the wastewater treatment plant out to eastern Oregon, and providing those through a different farm location. And one of the things that we were looking at was a way to renegotiate with the incumbent supplier. So we ended up renegotiating the contract with gresham transfer and looked at it over a long-term strategy. Basically this would extend it for a nine-year term. We do have 30-day opt-out clause in the contract if we decided to take a different direction. One of the things we wanted to do was to pull out the fuel portion of the part of this contract, where the supplier themselves, gresham transfer, would -- not only provide the trucking service, but also provide the fuel as part of that. And so working through the city attorney's office, we found a way that we could hold that back, where the city would purchase the fuel for their trucks, and that way we'd be exempted out of the federal excise tax and reduce the cost to the city. We're looking at approximately \$18,000 each month in savings accumulated over -- you know, over the life of this contract. So that's \$18,000 in monthly savings. We were also looking at exploring options under our recent environmental preferable procurement practices. That's a difficult one to say. Is to require the supplier to also use a biosolid -- i'm sorry -- biodiesel blend of diesel in transporting those -- that product. So with that, i'll stop and address any questions that council might have related to that.

Adams: We're going to save \$18,000 a year?

Baer: A month.

Adams: That's real money.

Saltzman: Is gresham transfer the incumbent supplier.

Baer: They're the incumbent supplier.

Adams: They'll negotiate a better deal.

Saltzman: Yes.

Baer: Part of that was related to the length of the contract, a nine-year term, where they were willing to reduce their costs to ensure a longer-term contract, an also pull back the fuel component.

Saltzman: So for them to have -- to look at biodiesel, we, the city, would have to have biodiesel available to fuel their trucks.

Baer: That's correct. And we actually are -- have switched over to the use of biodiesel for all cityfleet operations running diesel engines. And so we're looking at -- one of the components of this was that we would actually buy the fuel, have it sent over to the supplier, gresham transfer, where they would actually fuel up their trucks. Right now we're looking at and exploring options where we would have the trucks from gresham transfer at the loading site out at the wastewater treatment plant, actually fuel up their trucks there, which already has the biofuel, biodiesel.

Saltzman: Great. Excellent.

Potter: Further questions? Karla, is anyone signed up to testify on this?

Moore: I didn't have a sign-up sheet.

Potter: Ok. Is there anyone here who wishes to testify who didn't sign up? Does council have any other questions? If not, this moves to a second reading. [gavel pounded] Karla, please read item 684. Staff, please come up.

Item 684.

Matt Brown: Good morning. Matt brown with Portland office of transportation. The next items we have in front of you are essentially formalizing some agreements that are required to implement the tram project. The first formalizes our funding agreement with ohsu, consistent with the development agreement that we have with them. The second essentially consolidates accountability in our current contract with Portland aerial transportation, inc., for construction design of the

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project. So on the first item that we just read on the pati contract amendment, current contract has the city paying about 18% of the cost. Ohsu then pays pati 82%. We're essentially saying we'll have -- have an agreement with ohsu where they're paying us directly for the costs, and then we will pay pati 100% of the cost of design. Right now three entities are tracking costs on this project, and we prefer just one responsible forking on the project. So the proposed amendment has us paying 100% of the costs directly to pati for the expert services for the project. And then ohsu's share that they previously provided directly to pati will come to us through our intergovernmental agreement. So then we'll turn around and bill ohsu for their share of the project. Then the second item is related to the ohsu intergovernmental agreement. That is a basic contingency in the development agreement. Once actually we approve this agreement, it's the last basic contingency that -- that is on the table right now, and from that point forward the development agreement will be in full force and effect. We're still kind of operating and trying to get these basic contingencies out of the way. So this is the last one. The i.g.a. With ohsu provides for their cash contributions as -- as defined in the development agreement, which is \$4 million cash contribution. It also provides for them to finance the \$2 million in the energy tax credits that will be pursued on the project. So they will be providing that capital so that we're able to complete the funding for the project. There's a couple other items in there. It also recognized the expenditures to date by pati and ohsu since we've been both been paying for the project to date and outlines our agreement to work together on. So those are the two items that we have in front of you. They both obviously kind of tie together. In order for us to pay 100% of the costs we also need the agreement from ohsu to provide their share of the funding as well.

Saltzman: Their share is \$4 million?

Brown: That's the cash contribution. Then if you recall, then the l.i.d. is the other portion of that that we amended a few weeks back.

Saltzman: So their sizable portion of the l.i.d.?

Brown: Yes, but that's essentially in place. We have the financing in place to tap that. So we needed a mechanism to bring their cash directly to the project.

Potter: Any questions?

Saltzman: We're still at \$40 million total cost?

Brown: Yes, including contingency. Yes.

Saltzman: Just wanted to check.

*******:** Hopefully less.

Potter: Thank you very much. Is anyone signed up to testify?

Moore: No one signed up.

Potter: Is there anyone here who wishes to testify who didn't sign up? We will first vote on the item. 684 and 685 are connected. We'll vote on item 684. It's an emergency vote. Karla, please caught roll.

Moore: 684.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] Karla, please read 685. Call the roll.

Moore: I haven't read the title.

Item 685.

Potter: Oh. Go ahead. Is there anyone signed up to testify?

Moore: No one signed up.

Potter: Is there anyone who wishes to testify who didn't sign up. Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] Karla, please read item 686.

Item 686.

Potter: It's a second reading and vote only. This is the second reading. Let's take the vote.

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Adams: I'm going to vote aye, but I wanted to make one additional comment. On these kinds of contracts, jeff, in the future, it would be great if the local person responsible for making sure that the contract works might come to city council, so that they can hear us underscore our values related to local purchasing and purchasing with minorities and women contractors, so I think you did a great job on this, but I think it would help underscore to them how serious we take those issues. Aye.

Saltzman: Good agreement. I did want to harken back to mike dee's testimony last week about we need to make sure that we're recycling printer cartridges, or that our vendors are recycling printer cartridges, because that makes a lot of sense. Aye.

Sten: Aye.

Potter: Aye. [gavel pounded] Karla, please read item 687.

Item 687.

*******:** That's a second reading as well.

Potter: This is a second reading. Let's take a vote.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] item 688 is also a second reading. Vote only. Karla, please read it.

Item 688.

Potter: This is a second reading. Let's take a vote. Karla?

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] item 689 was placed there by mistake. That's been pulled back to my office. There's no further items. We are now recessed until 2:00 p.m. Tomorrow afternoon. [gavel pounded]

At 10:49 a.m., Council recessed.

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JUNE 23, 2005 2:00 PM

Potter: The council will take a matter out of order and do the land use hearing first. Karla, could you please read that?

Moore: Item 678.

Item 678.

Potter: This is the land use findings and a vote only. Council has before them findings. I need a motion to adopt findings, deny the appeal, uphold the hearing officer's decision with supplement to approve the application.

Adams: So moved.

Saltzman: Second.

Potter: Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Items 690 through 697.

Potter: Aye. [gavel pounded] ok, i'm convening the council for purposes of adopting the fiscal year 2005-2006 budget. This hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of the state revenue-sharing regulations, o.r.s. 221.770. This allows citizens to comment on the proposed use of these funds in conjunction with the annual budget process as proposed for council adoption, the fiscal year 2005-2006 budget anticipates receipts totaling \$3,292,628 from state revenue sharing under o.r.s. 221.770. This has been the case in prior years, proposed that this be allocated in equal parts to support fire prevention and patrol services. Is there anyone here today who wishes to be heard on this issue? Ok. Shall we take a vote?

Jennifer Sims: Let me read this thing.

Potter: Ok.

Sims: I think we have the consideration of resolution to certify that the city meets the eligibility requirements is the next step.

Potter: Ok. So I read that section? Ok. State law requires this action, o.r.s. 221.160, requires municipality in counties of over 100,000 population to certify services to be eligible. Services certified by the staff of Portland are police protection, fire protection, sanitary sewer, storm sewers, planning, zoning, and subdivision control and water.

Sims: We need to act on the resolution to certify that the city meets eligibility requirements for the state-shared revenue.

Potter: Ok. Do I hear a motion?

Moore: I haven't read any of the items into the record, jennifer. Do you want me to read all of them?

Sims: They're two separate actions.

Moore: So start with 690, the 2:00 time certain.

*******:** No.

Sims: We're doing the two items for the 2004-2005 resolution on the -- let me look at what the number is on that.

Potter: Yeah. I think it is 690 and 691.

Saltzman: That's the supplemental.

Kathryn Beaumont, Office of the City Attorney: 690 and 691 are the supplements for this year's budget.

Sims: No, we're not on that.

Beaumont: The remaining items are for next year's budget.

Sims: We're on 693.

Moore: 693.

Item 693.

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Potter: Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] so which one do we go to now, then?

Item 694.

Sims: The next item is 694, consideration of an ordinance to accept the state-shared revenue, having now determined that we are eligible.

Potter: State law requires this action, o.r.s. 221.770, states that municipalities must adopt an ordinance electing to receive state-shared revenue for the upcoming fiscal year. Do I hear a motion to accept?

Adams: So moved.

Saltzman: Second.

Potter: Karla, call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded]

Item 695.

Sims: The next item is an ordinance to create, close, or rename funds. And those funds are -- new funds are campaign finance fund, utility billing clearing fund and the willamette industrial urban renewal area debt service fund.

Adams: Number what? Item number what?

Potter: 695.

Sims: That is item 695.

Adams: Ok.

Moore: 695.

Potter: Do I hear a motion, or do we do that?

Moore: These are ordinances. We don't need motions on them.

Potter: Ok.

Moore: Was there going to be testimony later or --

Beaumont: I think before we -- after the mayor read his opening statement, he asked if anybody wished to be heard.

Moore: On all of these at once. Ok.

*******:** Right.

Moore: Roll call on 695.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] so do we vote on 696 now? Ok.

Item 696.

Moore: 696.

Potter: Jennifer is going to read. This is where we make our amendments. Go ahead, jennifer.

Sims: We have previously -- jennifer simms, financial planning manager. We've previously distributed to council, and through filing with the adoption ordinances a document that details the programmatic and technical changes to the approved budget. There was a hearing last thursday, and the budget was certified for adoption. These additional changes are within the scope of Oregon budget laws allowed changed prior to adoption. The first item is to add \$175,000 of one-time discretionary to the fire bureau budget for a deliver system study. This was recommended for the 2005-2006 budget, but was determined to be needed quicker, and the fire bureau was asked to accelerate the study to begin now. They have not been able to move that forward as quickly as possible, so they have asked that this item be paid from the rainy day fund, and added to the bureau budget for next year. Next item is to add a management analyst in the campaign finance fund. This is a cost of managing that new program. And in the new fund that was just authorized to be created. Cost would be paid from the amount already approved by council. So there's no additional cost. It

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would simply be appropriating it to personal services. Those are the only programmatic group -- what we call significant changes to the proposed -- or adopted budget. The other changes listed in attachment c are technical adjustments. Would you like me to -- there are eight, nine of those. Would you like me to present those?

Adams: I don't need it.

Potter: Commissioners?

*******:** Ok.

Potter: No.

Sims: Then the attachment d is a list by object category of all of the changes incorporating both the programmatic and technical, so you can see how all of the numbers change from approved to adopted. Then the final thing, under attachment e, to call your attention to, is two changes to the budget notes. And these are really only changes due to time passing. The first is related to the -- council's direction to prepare a finance plan for imposing a \$1 golf fee surcharge. That plan has already been prepared and distributed to council. It was due on June 7, and was delivered then. And council, in this budget note, had indicated that they may like to reflect any changes necessary in the adopted budget, however the changes will require a supplemental budget because it will increase the fund more than 10%, so that will need to take place in the fall supplemental budget, and that's so noted in this revision. The other item is related to the revenue bureau, and it does indicate here that there will be a report submitted by June 22, and the mayor has been working with the bureaus affected by this, and there will be additional information coming to council in July on this matter. Oh, I'm sorry, there's one other item, one other change. I thought there were only two. It's related to the bureau innovation project, and just changing the wording on the intent for our joint meetings.

Adams: Where are you at?

Sims: Attachment e to the change memo, dated June 16.

Adams: And this is item number 96?

Sims: Yes. This is on the adoption of the budget.

Adams: And these are actual attachments? You're not referring to a section?

Sims: It's not in the ordinance. These are in a change document that's attached.

Adams: I didn't get that. Do you have another copy?

Saltzman: Mine says 692. I don't know if you have it in the front of your folder.

Adams: 692? Oh, I see. Got it.

Sims: That packet includes all of the different items related to the state-shared revenue, the creation of the new fund.

Adams: Got it.

Sims: There's several items in there. So I'm just finishing attachment e, which lists the changes to the budget notes. The last one is that we had indicated that the bureau innovation project would have me city council bureau city director meetings and we're changing the name of that to call it the implementation team. Just a clarification of the name. I believe that that covers all of the items that are changes, or the adopted budget.

Potter: Go ahead and ask questions, if you want.

Adams: He's never asked me to do that before. Usually I don't need prompting.

Sten: Sam, did you have any questions?

Adams: Yeah, really. So at what point in our discussion this afternoon -- I have two amendments. Is this the right point to get them on the floor or not?

Sims: The next step -- unless there were other questions about the materials submitted or the document -- you know, the budget itself, the next step would be for the council to have a motion and a second to adopt the budget. And I believe that the mayor had an amendment that he wanted to make.

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Adams: Right.

Sims: So at that point, then, each of you can -- after you have a motion on the floor, each of you can then make additional amendments, seconds, and votes for -- for the various changes that you might wish to make. And then after all of those amendments are considered and voted, up or down, then you would adopt -- vote to adopt the budget as amended.

Adams: So is it appropriate at this point to --

Potter: So do we get the motion first and then --

Sims: Yes.

Saltzman: I had a couple questions, I guess, on other parts, of what you just presented.

Adams: Of the adopt?

Saltzman: Of the attachments.

Adams: Go for it.

*******:** Yes?

Saltzman: The \$175,000 for the fire deliver system study --

*******:** Yes.

*******:** -- do we know where that number -- how they arrived at the \$175,000?

Nancy Hartline, Office of Management and Finance: The estimate was based on the previous study nine years ago.

*******:** Yeah. 1997, I think. So it's based on how much --

Hartline: On the previous study.

Saltzman: And then the management analyst and the campaign finance fund.

Hartline: Yes.

Saltzman: Was that something we knew about at the time we adopted the ordinance?

Sims: I understand that it was mentioned at the -- as part of the requested stage of the budget, but it has not actually been discussed since then. It hasn't -- to my knowledge, it hasn't been part of the deliberations regarding this particular measure.

Saltzman: And what's the cost for that position?

Sims: It is --

Adams: But it's included in the estimated additional estimate.

Sims: Not an additional amount to the amount of the program. \$54,312 for the position. And the total budgeted amount for campaign finance reform is \$1.24 million. \$1.296. Sorry. That's part of that total number.

Saltzman: Is 54 the total compensation or just the salary portion?

Sims: That's the total compensation.

Saltzman: Benefits and salary?

Sims: Yes, salary and benefits. It's a total personal services cost for the position.

Saltzman: Ok. So we discussed this, I guess i'm trying to recall, I thought I heard the auditor, when we were discussing the ordinance, say that he could do this with existing resources. If i'm wrong somebody should tell me, but I thought that was my recollection.

Hartline: Well, it's within the existing appropriation for the fund, but it's just that the specific position --

*******:** He understands.

Saltzman: I understand that, but it's the position. Yeah. I don't recall a discussion about needing additional staff to implement -- there was some money needed for software, for web reporting of campaign expenditures, things like that, but I don't recall an additional position, but I could be wrong.

Potter: Didn't we put a limit, a certain amount, like 5% of the --

Saltzman: 10%.

Potter: 10% was for overhead costs that could be used for associated overhead costs.

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Saltzman: Good point.

Sten: I'm quiet, because I can't quite remember, but I believe we capped the amount. Didn't specify what he could use it on. That's my recollection.

Saltzman: That's true. Ok. I'll withdraw my questions, or cease them I should say. And I did have one other question, but I -- so on the golf fee surcharge, the budget note does express it is the intent of the council to increase this -- to do this, parks shall prepare an ordinance to bring the increase per council's direction?

Sims: Yes, commissioner. The budget note is -- is directive to staff to prepare that ordinance.

Saltzman: Ok.

Sims: So that would be coming forward to you to act on.

Saltzman: Ok. Ok. Thanks.

Adams: I had a question, I guess, just to clarify, to make sure before I propose an amendment. The amount -- the amount of money for the inflator, what's the amount equal to? We think it's around \$43,000? Is that right. I just wanted to confirm that's the right amount amended as, keeping with --

Sims: I'm not sure what your question is when you refer to the inflator difference.

Adams: Well, r.a.c. Has a five-year contract. It figured using a base of \$2,074,533, increased annually by amount equal to the equal growth rate in the local consumer price index or the growth rate in transient lodging revenues, whichever is greater. This year the transient lodging revenue translated into an increase in the target amount.

Sims: That's correct.

Adams: And so they got a bigger whack in the budget than the amount that they should have. The target, in terms of funding reduction, the target may reduce by an amount not to exceed the average reduction in general fund discretionary budgets of similar size. The language in the policy reflect adjusting rac's budget in relationship relation to its funding target, not in relationship to other bureaus funding reduction. I want to know what the net amount we need to amend the budget by. Courtney thinks it's around \$43,000.

*******:** That's taking the 5% reduction and reducing it to -- [inaudible]

Hartline: So the net impact to the general fund would be \$61,208.

Sims: And for a -- to just provide the -- a little more context for this, basically what commissioner Adams is referring to is the contractual language with r.a.c. About how their budget is to be increased, or if necessary decreased. And they did receive the higher inflator, which was 7.6 --

Adams: 7.692. Reference to that the cuts should equal the same cuts as similar bureaus, I think is subject to interpretation of how -- you know, what's a similar bureau, if you consider the entire general fund, that's a little over 2% -- 2.1% to 2.3%. If you looked at just similar size, some of them increased, some of them decreased. Some were increased because they received programmatic adjustments up, like attorney --

Adams: What's the amount cut average over similar sized bureaus?

Sims: Well, the ones that were increased for programmatic reasons went up 2.3%. And the ones that were cut were cut 4%.

Adams: Uh-huh.

Sims: And then there's the average for the whole general fund, which is about 2.1%.

Adams: Ok. So is the 61 number for a 2.1 an assumed cut?

Hartline: \$61,000 would be the net impact to the general fund of reducing the cut percent from 5% to 2.1%.

Adams: Ok. Thank you.

Potter: So did sam then read all of the other amendments he wishes to make, too?

Sims: I don't know. Do we have a motion on the floor yet to adopt the budget?

Moore: No.

Potter: Do I hear a motion to adopt the motion?

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Adams: So moved.

Potter: Ok. Second.

Sims: My suggestion would be to you if you want to make amendments to the budget that you do them separately, so that you can vote on those and then at the end wrap them all up.

Potter: So then do we vote on sam's first?

Sims: If he makes a motion.

Potter: Ok. Is there a motion to adopt sam's amended budget?

Saltzman: I don't know what it is.

Adams: I move to amend the adopted budget to reflect an increase in the supplemental line item for the regional arts and cultural council to increase that amount by \$61,208.

Saltzman: Second.

Potter: Point of order.

Sims: Where would the commissioner like the source of funds to be from?

Adams: The money would come from what we referred to as the rainy day --

Potter: The one-time rainy day fund.

Sims: Thank you.

Adams: You're welcome.

Potter: You seconded, commissioner Sten? Question?

Saltzman: What's our rainy day fund balance now after we did the fire study and --

Hamilton: Just under \$6 million.

Saltzman: Just under \$6 million.

Potter: Questions? Karla, please call the vote.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded]

Adams: One more. I move to amend the budget, the approved budget, to include a contingent \$80,000 for the graffiti abatement program and the office of neighborhood associations contingent upon the mayor and myself having conversations with the building owners and managers associations -- association, but so this would serve as a placeholder and the money would come from the rainy day fund contingency.

Hamilton:: May I ask, this would normally be an --

Adams: All we have is one-time money, is what my understanding, so I was making my motion to reflect that. That still leaves a cut in the graffiti abatement program, I believe, at \$60,000. So they did receive a substantial cut, but my reason for this motion is that if we don't get this on the books there's a chance that there could be an interruption in our ability to go out and clean up graffiti on large buildings, and I think it's absolutely appropriate that the mayor and I ask the private sector to contribute, but in the meantime I don't want to see an interruption in cleaning up graffiti because once you lose it, once you lose keeping a site clean, it is very difficult then to keep it from becoming a frequent target of graffiti.

Potter: Do I hear a motion?

Adams: That was my motion.

Potter: Oh, ok. Second. I'll second it. Yes?

Sims: Would you like to have -- develop a budget note that would reflect your contingent intent to go with that?

Adams: Sure.

Sims: There isn't any other way to earmark that as a contingent-type thing.

Adams: That would be great.

Sims: So you're going to meet with boma.

Adams: Right, building owners and managers association.

*******:** Ok.

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Potter: Ok.

Sten: Discussion?

Potter: Discussion.

Sten: Mayor, I have a question for you as the now final o.n.i. commissioner. I guess my sense there's there's the limited amount we can go back to the funds for. Is this what you want as zoning commissioner, in terms of the various things you're thinking about? I certainly support the idea, but don't know how to rank it on other things you might spend \$80,000 on in citizen involvement. I think there's a limited amount of money we'll be able to come up with to go into this bureau, and if this is where you want it to go as commissioner, that's fine, but I want to know before I support it.

Potter: It's conditional on boma or another business group coming to make up the difference. The agreement between commissioner Adams and i, we would go out and talk to boma and see whether they were willing to pay part of the cost of this program, which is in effect. And I do support it for that reason.

Sten: Ok.

Saltzman: Is it contingent upon boma providing money, or some organization like boma, or are we appropriating the money anyway? And saying go have a discussion.

Adams: It was my intent to make contingent.

Saltzman: Contingent upon a private sector commitment of an equal amount?

Potter: Yes.

Adams: Right. Dollar for dollar, so we could go to them and say we're going to -- if you put up, we'll match it.

Saltzman: Dollar for dollar?

Adams: Dollar for dollar. If we raise \$20,000 and -- I would like to see the city release \$20,000. Yeah.

Saltzman: Ok. That way we have a good sales pitch. Otherwise they're going to think, well, why should we do anything, you're going to pay for it anyway. It's still a cut to graffiti. So getting that match is really important to keeping the city clean on big buildings.

Potter: Ok. So motion, second, and take the vote.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded]

Potter: Ok. I move to add \$269,834 in one time funds to BHCD's appropriation. The funds will go to central city concern for the hooper center, deficit in fiscal year 2005-2006, \$71,000 going to subacute detox, \$38,000 to chiers and \$160,000 to the sobering station and bhcd will also contribute \$18,000 of its existing appropriation. The appropriation reduces the rainy day transfer to the general reserve fund.

Adams: He said that much better than I did. [laughter]

Potter: It's easier when you read it.

Adams: Second. Oh, you seconded.

Potter: Questions?

Sten: Third. [laughter]

Adams: It's going to be an anti-climatic vote.

Potter: Karla, call the vote.

Adams: I want to thank the mayor for bringing this issue forward. It's absolutely essential for the quality of the life for the people who use the services, and a tool that is really needed by law enforcement and others. Aye.

Saltzman: Aye. **Sten:** Aye.

Potter: Well, having been a police officer before there was a detox center, I know how important it is, because our choices then were very limited. Back then we could arrest people for being publicly intoxicated, and we came to the conclusion that wasn't a very humane way to treat the issue. The

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other issue was to leave them on the street. As a result a number of -- particular in the wintertime, a number of intoxicated people died from hypothermia and other things. When I was approached by central city council I felt this was something important for our community, and certainly for the downtown area. So I strongly support this. Aye. We've made amendments. Do I need a motion to --

Sims: I believe it's already been moved. It just needs to be adopted as amended.

Potter: Ok. Is there any discussion? Karla, please call the roll.

Adams: Aye.

Saltzman: Well, once again, I want to thank mayor Potter for giving us commissioners real hands-on opportunities to get involved with the various bureaus, and I think it was a very healthy process. I'm pleased to be part of it. I particularly want to thank the office of management and finance, all the budget analysts, Jennifer and Nancy, and everybody else, for putting up with us in that process, because we know we put you through your paces. And it was a good, healthy process. So thanks to all. I think we have a very sound budget to carry the city forward in the next fiscal year. Aye.

Sten: Well, I feel very good about this budget. You know, actually much better than I ever feel about a cut budget before, and that's because I think it does protect the key services. We're not there yet, but begins to provide a road map and a blueprint for what we're going to have to do next year to stabilize things. I think it has a vision as well. It doesn't shy away from taking on some new achievements and initiatives, because I think that as hard as cuts are it doesn't make sense in a world that's changing as quickly as ours, to say we're not going to do anything new at the same time because money's going down. I think that's due to the staff, the budget team, that really gave the choices to the councils, to the bureaus that work very hard, to respond to me what was an invigorating, and from their side a challenging budget approach. The thought the mayor's decision to assign us to bureaus that we weren't as familiar with made a huge difference. I, for one, who done this many times now, saw big difference in the idea of working through a budget I was not as familiar with as opposed to championing one that I was. I thought it was a better approach. Frankly, you know, as we talk about whether we have a good form or not, that's a longer-term discussion. We may have disagreements on the council, but it's no excuse for not making the form work as we can. This got at the flaws in the way I see we do budget. Jennifer, you did a terrific job, very professional through lots of ups and downs and twists and turns. You also had, as we should recognize publicly, many people to serve, the bureau managers, the citizens and council. It's a pleasure to vote aye.

Potter: I want to thank the commissioners. Commissioner Leonard not here today, came up with the idea from his legislative experience by breaking the council up into two commissioners each that they could look at the entire city budget in teams. And that -- there was a lot of questions as to whether that could work or not. I think it worked very successful. I know it was more difficult on our bureau managers, and I know that Tim and Jennifer and the folks from O.M.F. had to put in extra time. I remember very late evening meetings with you folks. So you folks really did yeoman's service, and I really appreciate it, Tim, and staff. And also to the citizens. The hundreds of citizens who came out to our budget meetings. I really appreciate that. We had tremendous feedback. That feedback did help us further shape the budget, so their concerns were heard. And I'm very pleased with this budget. I look forward to working with the council in the same spirit of cooperation to make sure that -- that we do deliver the best services possible to our citizens. So thank you one and all. Aye. [gavel pounded]

*******:** So we have more.

Potter: Yes. You've got more.

Item 697.

Potter: The next item is consideration of the ordinance to levy taxes, fiscal year beginning July 2005. Got to pay for it somehow.

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Adams: I'm going to vote no. [laughter] we just spent the money. You said nothing about taxes.

*******:** That's item 697.

Sims: This action includes the levy amounts for property taxes accruing to the general fund, and the fire, police, disability retirement fund. It also includes special property tax levies for children and parks, property tax levies for general obligation bonded debt and 11 urban renewal areas. Anything else to explain, jeff? Any questions from the council? Do we vote on this?

*******:** Yes.

Potter: Karla, please call the roll.

Adams: Well, I too want to add my thank-yous to those already been given. I specially want to underscore thanks to tim grew who leads the collection of bureaus to jennifer simms who's led the team to do all the analysis, the good group of analysts that we have, and especially casey who was the team b person who answered a lot of questions for me and bob who did a great job doing the supplemental work with the utilities task force. I thought you added value to our very, I would say, demanding and fast-paced process. So I really appreciate it very much. And I also want to thank commissioner Leonard for the suggestion, the mayor for his leadership in following through. I thought we had some great discussions, not only within the teams, but also around the budget table, very robust and passionate, and I think that's good, and they were on camera, which I think is great, and I thought the public forums, budget forums, were the best that i'd been to since i've been here. So just great stuff. I enjoyed working with commissioner Sten on team b and rich rogers and tom miller. And my staff, I want to thank as well. Aye.

Saltzman: Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] now do we go back to 690 and 691? Karla, please read item number 690.

Item 690.

Potter: And this is for this year's budget that we're currently in.

Sims: Yes. I think i'll just briefly read the -- this is the item that was one of the considerations for the hearing. For the 2004-2005 budget, we are amending 12 funds. We've received certification following the hearing on june 16. This is necessary, because under the provisions of local budget law, any fund increasing its appropriation by 10% or more must go through this process. The 12 funds included in this action, the largest is the sewer system construction fund, which has a total increase of \$29.9 million. This is the result of bond sales, both new money and refunding. And it is included in the supplemental budget because bond issuance costs are an expense which no appropriation previously existed. The other fund, with a significant increase, is the parks construction fund, increasing \$2.26 million for various projects and funded from various sources. Another fund with a noteworthy action is the sewer system rate stabilization fund, loaning \$3.2 million to pdot for purchase of streetcars. And these funds will be repaid through tri-met in july. That's the supplemental budget.

Adams: Could I ask just a clarifying question? What's the difference between the supplemental budget and the bumps?

*******:** Well, i'll tell you about that when we get there. The major --

Adams: Oh, we have bumps to that.

*******:** Yeah. We also have the bump.

Adams: Go ahead.

*******:** A major supplemental is an increase that's over 10% to any one fund. So if you increase a fund over 10% --

Adams: This is state law. And the bump is our local procedures?

*******:** The bump is anything under that.

Adams: Got it.

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*******:** Then we also have minor supplemental, which is where you increase it up to 10%. So that's minor supplemental. This is major supplemental. Then bump is just if you keep all the appropriations the same or less in a fund.

Potter: I think that really clarified it.

Adams: Yeah. [laughter]

Saltzman: Don't forget for next time.

Adams: But what I liked about it is it made sense to you. [laughter] i'm going to go with your stallworth description.

Potter: First we'll approve the spring major supplemental. Any questions from the council? Karla, please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] Karla, please read item 691.

Item 691.

Sims: So many different pieces of paper here. Ok, this is the bump, the spring bump, and the minor supplemental. Commissioner Adams, what's that mean? No. [laughter]

Adams: You run for office, you can ask the questions.

Sims: Whoa. Never mind. [laughter] so this is for the bump, which is if there is a net zero or less change, or a reduction to a fund. There are over 26 funds, which have a decrease of -- totaling approximately \$12.4 million. The primary reason for reducing appropriations is a change in schedule for the tram project and postponement of drawdown for the city lights project. So those are the two big reasons. The other part of this is the minor supplemental, which is if it's between zero and 10% increase in a fund. And there the total increases are \$20.2 million, affecting 18 funds, which I will detail a little bit in a second. I did want to point out that in the memo that went to you, that described these actions, there were three things requested that the mayor did not include, and basically those had to do with recognized revenue in the golf fund, because it isn't actually occurring, so we decided not to do that. Then there were a couple of bureaus that were anticipating possibly moving their operation operations, and they wanted to get started on that, and we thought that we would wait until we had more information to do that. The significant changes are, first of all, recognizing new funding for several cityfleet items. Information technology. And a little bit for printing and distribution. Also have a lot of new revenues, which is great. We have \$1.8 million of additional grant revenue. We have our Portland harbor revenue to b.e.s. For \$1.66 million. Sunderland yard bond revenue to pdot for \$2.8 million. Private donation for climate trust to pdot, \$96,000. Gas tax bond redemption fund, 4. 3 million. Sale of land to parks for \$350,000, and additional program revenue and fire for \$266,000. So these are kind of all the big additional monies that we're recognizing. I don't know how much -- I want to make sure I tell you about the parks, but i'm just getting there. Looking for my detailed list. It's the one that has the writing on it, the pink marks. I should tell you that it was requested in the original materials that provide \$145,000 to the dog offleash program and arcs, and this is one where council had given them direction to go ahead with that, and it turns out they only need \$45,000, so the materials have been changed to reflect only \$45,000. The construction costs for 2005-2006 will be about \$60,000, and parks will bring that forward to council in july. And you will of this -- the money that you will be authorizing in the spring bump is part of the program evaluation recommendation report that was given to you in december. Ok. The other thing that is part of the spring bump is to report on progress on the budget notes. And all of this material was submitted to you previously. I don't know your preference to go through these. This is about 10 pages of budget notes and status. So if you're interested in knowing how we did, I would say that overall most of these are in fact completed, and they have been addressed and I assume and hope to your satisfaction. If council's interested, i'd be happy to go through these, since they're direction to staff about things you wanted to have done, 2004-2005.

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Saltzman: Are there any that stand out for lack of progress?

Sims: Actually not that I recall. There's some that have had, like, for example, the revenue bureau, that has moved to next fiscal year for consideration. Not really.

Saltzman: Ok.

Sims: The other thing that we've done, that we've moved away from, and we want to get back to for you, is giving you information that shows -- it looks like a lot of information, but I think as you have learned from your most recent budget experience sometimes this -- this is what really counts. We're giving you -- we've given you a packet of information that shows how an actual year to date revenue and expenditure report. And so much -- my experience is that so much of the time that we spend on the bump we're looking at just what increment of change we need to make to keep in order, all the appropriations, and we haven't reported much on how we're doing on our revenue and spending picture. This is a start in that direction. When we come to you in the fall, we'll have a -- we're planning that time period as a really full focus on our financial performance and to the extent that our performance measures can show us some information, that as well, so that we can then have a good starting point for doing the budget for the next round. You will find in your packet a package that -- a packet of information that shows you our status for all the revenue and all the expenses by major object category for all of the funds and the bureaus in the general fund so that you can just kind of get a sense of how we've done. And of course that's been the basis for how we've brought forward the spring bump.

Potter: So, jennifer, does that also then show all of the expenditures for peach bureau to demonstrate or to show whether some bureaus have spent -- spent more than they had originally been appropriated, or less?

Sims: Where they thinking they would be spending more than was appropriated, they would have through the spring bump brought you an amendment so that they wouldn't do that. That's our goal. Now, we aren't perfect on that. And we do get reports from our auditor, where we don't make it, but that's -- that's what budget monitoring process, bump, is supposed to be about. And we want to enhance that for you so you know how we're doing more.

Potter: Any questions from the commissioners? Let's see, we made a motion, did we? Or do we need a motion?

Moore: We don't need a motion.

Potter: Ok. Please call the roll.

Adams: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] is that the last item, jennifer?

Sims: I think so.

Potter: Is that the last item?

Adams: Yeah: [applause]

Potter: And that was the item on the calendar agenda. We're adjourned until next week.

Moore: Yes.

Potter: Thank you.

At 2:57 p.m., Council adjourned.