



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **21ST DAY OF DECEMBER, 2005** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief City Attorney; and Larry Sparks, Sergeant at Arms.

On a Y-4 roll call, the Consent Agenda was adopted. Commissioner Sten was absent during roll call.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<b>1576</b> Request of Charles E. Long to address Council regarding the Holiday Season with love, joy and peace (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<b>1577 TIME CERTAIN: 9:30 AM</b> - Multnomah County Information Technology Service Decision Support System—Justice overview (Presentation introduced by Commissioner Adams)	<b>PLACED ON FILE</b>
<b>1578 TIME CERTAIN: 10:00 AM</b> – Adopt Home Again: A 10-year Plan to End Homelessness in Portland and Multnomah County and direct implementation of the recommendations therein (Resolution introduced by Commissioner Sten)  (Y-5)	<b>36367</b>
<b>1579 TIME CERTAIN: 10:45 AM</b> – Appoint Vision Committee to facilitate community development of a 30-year vision to guide Portland’s future (Resolution introduced by Mayor Potter)	<b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>1580</b> Statement of cash and investments October 20, 2005 through November 16, 2005 (Report; Treasurer)  (Y-4)	<b>PLACED ON FILE</b>

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**Mayor Tom Potter**

**Office of Management and Finance – Risk**

**\*1581** Pay claim of Diana Foster (Ordinance)  
(Y-4)

**179826**

**\*1582** Pay claim of Megan Riordan (Ordinance)  
(Y-4)

**179827**

**\*1583** Pay claim of Ella Stilwell (Ordinance)  
(Y-4)

**179828**

**Office of Management and Finance – Purchasing**

**1584** Approve purchase of fifty-two 2006 Crown Victoria Police Patrol Sedans from McRobert Motor Company dba Gresham Ford for \$1,096,960 (Purchasing Report)  
(Y-4)

**ACCEPTED  
PREPARE  
CONTRACT**

**Office of Management and Finance – Technology Services**

**\*1585** Authorize an Intergovernmental Agreement with the US Army Corps of Engineers for participation in the Integrated Regional Network Enterprise (Ordinance)  
(Y-4)

**179829**

**Office of Neighborhood Involvement**

**1586** Increase subrecipient contract with the Youth Employment Institute for additional graffiti abatement services using General Fund dollars (Ordinance; amend Contract No. 36229)

**PASSED TO  
SECOND READING  
JANUARY 4, 2006  
AT 9:30 AM**

**Police Bureau**

**\*1587** Approve an Intergovernmental Agreement with Washington County Sheriff's Office to allow Washington County Deputies to attend Police Bureau police vehicle operations training (Ordinance)  
(Y-4)

**179830**

**\*1588** Amend contract with J.E.I. Metallurgical to perform independent analysis of Glock 21 handguns (Ordinance; amend Contract No. 35751)  
(Y-4)

**179831**

**Commissioner Sam Adams**

**Bureau of Environmental Services**

**\*1589** Authorize agreement for conveyance of the Joanne A. Helean Trust Property located in the Johnson Creek Floodplain to the Bureau of Environmental Services (Ordinance)  
(Y-4)

**179832**

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<p><b>*1590</b> Accept a grant award from Oregon Department of Environmental Quality 319 grant program in the amount of \$30,000 to supplement stormwater management work at the Washington Park / Oregon Zoo Parking Lot (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>179833</b></p>
<p align="center"><b>Office of Transportation</b></p> <p><b>*1591</b> Authorize settlement of an eminent domain action to acquire property necessary for construction of the East Columbia to Lombard Connector Project including property located at 8501-8509 NE Killingsworth St (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>179834</b></p>
<p><b>*1592</b> Authorize settlement of an eminent domain action to acquire property necessary for construction of the East Columbia to Lombard Connector Project including property at 8711 NE Killingsworth St (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>179835</b></p>
<p><b>1593</b> Amend Intergovernmental Agreement with Oregon Department of Transportation for the I-405/Kerby exit ramp project to receive an additional \$164,485 of Hazard Elimination System Program funds (Second Reading Agenda 1556; amend Contract No. 52468)</p> <p>(Y-4)</p>	<p align="center"><b>179836</b></p>
<p><b>1594</b> Amend Intergovernmental Agreement with Port of Portland to provide development and project management of the East Columbia-US 30 Bypass Connector Project East End Connector (Second Reading Agenda 1557; amend Contract No. 51093)</p> <p>(Y-4)</p>	<p align="center"><b>179837</b></p>
<p><b>1595</b> Authorize an Intergovernmental Agreement with Oregon Department of Transportation to establish construction and maintenance agreement for a water quality swale on State owned land (Second Reading Agenda 1558)</p> <p>(Y-4)</p>	<p align="center"><b>179838</b></p>
<p><b>1596</b> Call for bids for the construction of street improvements on Martin Luther King Jr. Blvd from NE Alberta St to NE Killingsworth St (Second Reading Agenda 1559)</p> <p>(Y-4)</p>	<p align="center"><b>179839</b></p>
<p align="center"><b>Commissioner Randy Leonard</b></p> <p align="center"><b>Water Bureau</b></p> <p><b>1597</b> Authorize application to the Federal Emergency Management Agency for a \$3,000,000 Pre-Disaster Mitigation Grant to replace the Sandy River Crossing with an underground tunnel (Second Reading Agenda 1560)</p> <p>(Y-4)</p>	<p align="center"><b>179840</b></p>
<p align="center"><b>Commissioner Erik Sten</b></p> <p align="center"><b>Bureau of Housing and Community Development</b></p>	

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**\*1598** Amend subrecipient contract with Open Meadow Alternative School by an additional \$6,853 for a total of \$100,865 to reflect changes in performance measures of the Corporate Connections program (Ordinance)

(Y-4)

**179841**

## **REGULAR AGENDA**

**1599** Establish Portland's intent to become the first major U.S. city to be awarded Platinum bike-friendly status by the League of American Bicyclists (Resolution introduced by Mayor Potter, Commissioners Adams, Leonard, Saltzman and Sten)

(Y-5)

**36368**

**\*1600** Require owners or operators of residential properties who provide heat to tenants to maintain an indoor temperature of not less than 68 degrees Fahrenheit at all times (Ordinance introduced by Mayor Potter and Commissioner Leonard; amend Code Chapter 29.30)

(Y-5)

**179842**

**1601** Support the development and implementation of an inter-bureau City strategy that includes the Office of Neighborhood Involvement, the Portland Development Commission, the bureaus of Police, Fire, Housing and Community Development and Development Services to facilitate the identification, clean up and rehabilitation of houses used to manufacture methamphetamine (Resolution introduced by Mayor Potter and Commissioner Sten)

**Motion to accept amendment to add the clause "WHEREAS, there is a growing body of evidence that there may be no safe level of cleanup for contaminated methamphetamine lab properties, especially for children" and add the words "or demolition", "or demolished" and "or demolish" consistently in various places in the Resolution:**  
Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-4, Adams absent)

(Y-5)

**36369**  
AS AMENDED

**1602** Establish registration and reporting requirements for Lobbying Entities and City Officials (Second Reading Agenda 1564 introduced by Commissioners Adams, Saltzman and Sten; add Code Chapter 2.12)

(Y-3; N-2, Leonard and Potter)

**179843**  
AS AMENDED

**Mayor Tom Potter**

**Bureau of Planning**

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<p><b>*1603</b> Amend Property Tax Exemption for New Transit Supportive Residential and Mixed Use Development and Property Tax Exemption for New Multiple-Unit Housing to change the sunset date to be consistent with the date in the State enabling statutes (Second Reading Agenda 1566; amend Code Chapters 3.103 and 3.104)</p> <p><b>Motion to accept amendment to add two Findings and add an emergency clause:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-4, Adams absent)</p>	<p align="center"><b>179844</b> AS AMENDED</p>
<p><b>1604</b> Adopt the Infill Design Code Amendments (Second Reading Agenda 1574; amend Titles 17 and 33)</p> <p>(Y-4, Adams absent)</p>	<p align="center"><b>179845</b></p>
<p><b>1605</b> Adopt and implement the Division Green Street/Main Street Plan (Second Reading Agenda 1575; amend Comprehensive Plan and Title 33)</p>	<p align="center"><b>CONTINUED TO FEBRUARY 2, 2006 AT 2:00 PM TIME CERTAIN</b></p>
<p align="center"><b>Office of Management and Finance – Bureau of General Services</b></p> <p><b>1606</b> Authorize contract and provide for payment for The Portland Building Ecoroof project (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING JANUARY 4, 2006 AT 9:30 AM</b></p>
<p align="center"><b>Office of Management and Finance – Human Resources</b></p> <p><b>*1607</b> Authorize a contract with HANAMURA Consulting, Inc. to develop and deliver Cultural Competence in the Workplace Training Program for all City employees (Ordinance)</p> <p>(Y-5)</p>	<p align="center"><b>179846</b></p>
<p align="center"><b>Commissioner Sam Adams</b></p>	
<p align="center"><b>Bureau of Environmental Services</b></p> <p><b>1608</b> Authorize Intergovernmental Agreement with the Department of Environmental Quality for the City to assist in restoring native vegetation, community outreach and event planning through the Bureau of Environmental Service Revegetation Program at the McCormick and Baxter Superfund Site (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING JANUARY 4, 2006 AT 9:30 AM</b></p>
<p align="center"><b>Office of Transportation</b></p> <p><b>1609</b> Create a local improvement district to construct street and traffic calming improvements from Barbara Welch Road to north of Bybee Drive in the SE 152nd Avenue Local Improvement District (Hearing; Previous Agenda 1537; C-10017)</p> <p><b>Motion to reduce the assessments in the south assessment zone by 3.5% with all of this increase borne by the pending development assessment zone:</b> Moved by Commissioner Sten and seconded by Commissioner Leonard. (Y-5)</p> <p><b>Motion to accept amendment to overrule remonstrances and objections:</b> Moved by Commissioner Sten and seconded by Commissioner Leonard. (Y-5)</p>	<p align="center"><b>PASSED TO SECOND READING AS AMENDED JANUARY 4, 2006 AT 9:30 AM</b></p>

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<b>*1610</b> Amend contract with Stacy and Witbeck, Inc. for the construction of the trackslab, track drains and other minor civil elements on a segment of SW Moody and SW Bond Avenues between SW Gibbs and SW Lane Streets (Previous Agenda 1571; amend Contract No. 35163)	<b>CONTINUED TO JANUARY 4, 2006 AT 9:30 AM</b>
<b>Commissioner Dan Saltzman</b>  <b>Parks and Recreation</b>  <b>*1611</b> Authorize acceptance of donation of a parcel of land from Michael and Joan Madden for property contiguous to Forest Park (Ordinance) (Y-5)	<b>179847</b>
<b>*1612</b> Amend Lease Agreement with Summit Properties for the Bureau of Parks and Recreation South Maintenance District to modify conditions, expand leased area, change lease period and provide for payment (Ordinance; amend Contract No. 52378) (Y-5)	<b>179848</b>
<b>*1613</b> Extend term of contract with Portland Business Alliance for Special Downtown Services (Ordinance; amend Contract No. 51670) (Y-5)	<b>179849</b>
<b>*1614</b> Extend term of contract with Genuine Parts Company for Stores and Warehouse Business and Operations Services for Portland Parks and Recreation (Second Reading Agenda 1572; amend Contract No. 35183)  <b>Motion to Suspend the Rules to allow testimony to be taken:</b> Gaveled down by Mayor Potter after a roll call was taken. (Y-5)  <b>Motion to authorize an extension of the contract through January 31, 2006, direct the Bureau of Maintenance, Portland Office of Transportation to develop an option to take over this function for Council to consider and add an emergency clause:</b> Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-5)	<b>179850</b> AS AMENDED

At 1:42 p.m., Council adjourned.

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.

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<p><b><u>WEDNESDAY, 2:00 PM, DECEMBER 21, 2005</u></b></p> <p><b>DUE TO THE LACK OF AN AGENDA THERE WAS NO MEETING</b></p>	
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**December 21, 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.

**DECEMBER 21, 2005      9:30 AM**

**Potter:** Good morning, everybody. Before we begin the official proceedings of city council, we have a tradition here, is that we ask each other and our community a question. The question is -- how are the children? We know that in different areas of the world, when people pass each other and they give each other a greeting, it's not how are you, but they ask, how are the children, because they know very simply that if the children in the community are well, the community itself is well. So what we do is that we invite experts in to talk with us a few minutes each wednesday morning. Our two experts today both go to gregory heights middle school. Could you come forward, please? Three of you. That's great.

\*\*\*\*\*: I'm joanne from asian family center, and i'm the chaperone. Here they are. Go ahead.

**Potter:** Thank you for being here. If you'd state your name when you speak, i'd pressure it.

**Chew Chai Saephan:** Good morning. My name is chew chang, i'm 14 years old. I will live in Portland all my life.

**Dianna Chourarath:** I'm also 14, and live in Portland.

**Saephan:** We live at madison parks apartments around northeast broadway, 66th avenue and halsey. Our apartments are very old. They're at least older than us, because we've lived there since we were born. The buildings are in bad condition. There is old molds everywhere, such as kitchen, bathrooms, hallways, even outside the building. Sorry. The manager has maintenance workers paint over the molds. The rent over there is too high. The managers are downgrading the building and office. There have been gang-related activities, carjacking, property damage and graffiti. Also in our neighborhood, there are homeless and mentally ill people walking around.

**Chourarath:** About four years ago my dad had a jeep, which he bought three months before. One day he went outside, and the car was gone. All that was left was a lot of broken glass on the ground. My dad called the police, and a couple of days later they found the car around the parkrose area. It was left there abandoned, the windows were broken and the stereo was gone. Last year a housing inspector visited my family. He recommended my family visit -- he recommended us for finding a different place to live because our apartment building is in bad condition, and it would probably get worse over time. He gave us a packet of information from the housing authorities to my mom and said we could find a better place to live that would cost less rent.

**Saephan:** We go to gregory heights middle school. About 500 kids go to our school. We wish there were I few things different about our school. We wish the lunch food is cooked fresh in the cafeteria instead of being reheated in the microwave. We have to have a few more language classes offered at our school such as japanese and french. It would be nice if there were enough lockers for everyone so we don't have to share. We also need better furniture because the ones we have are old. There should be more lights outside the school and also on the street along our way home so we don't have to walk in the dark. Thank you to letting you talk to us about our school and neighborhood.

**Chourarath:** Asian family center has been a big help to us. About three years ago they used to be an asian family office in our neighborhood. They were very supportive. Our family received help through field trips, money to pay our electricity and food boxes given to us about once a month, but now that the a.f.c. cannot afford to have an office in our neighborhood. We still get help from the



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homework club in our school every thursday after school. If we didn't have homework club provided to us, then we would have trouble getting good grades.

\*\*\*\*\*: That's about it.

\*\*\*\*\*: For your time.

**Potter:** Thank you very much. What was the name of the apartment complex again?

**Saephah:** Madison park apartments.

**Potter:** Is that the one it's gone through several different iterations of names, but just north of halsey?

**Joanne:** Yeah. It used to be called rose city village.

**Potter:** That's it.

**Chourarath:** They changed the name about a year ago.

**Potter:** Ok. But the condition of the apartments is still pretty bad, huh?

**Chourarath:** Bad.

**Potter:** Well, thank you very much for coming in. At least the Portland public school part, you talked about the meals and microwaving the food. It's my understanding that they're going to be moving away from that, to where they will be actually providing fresh-cooked food instead of reheated. So at least there's something to look forward to. So thank you very much for coming in. Really appreciate it.

\*\*\*\*\*: Thank you for your time. [gavel pounded]

**Potter:** City council will come to order. Karla, please call the roll.

**Adams:** Before I say here, I just wanted to thank the good folks at the Portland office of transportation, who planned well and responded to the ice and snow event we had this year -- last week. Thank you all very much. You did an excellent job. Here.

**Leonard:** Here. **Saltzman:** Here. **Sten:** Here.

**Potter:** And I second commissioner Adams. The bureau of maintenance and all those folks did a great job. And when asked by the media how we could improve things, I said i'm not too sure, because I think things went really well. So congratulations to you folks. Here. [gavel pounded] please read the communications.

**Item 1576.**

**Potter:** Thank you for being here, mr. Long. Please state your name when you speak and you have three minutes.

**Charles E. Long:** My name is charles long. What makes the holiday season so special? I think it is anticipation. The lavish thanksgiving dinners, even for the homeless, and the coming of santa, the spirit of giving, the search for the right gift, of reunions around the fireplace, of concerts and parties, of bell-ringing for the poor and for the hope of a better new year, where love replaces hate, where joy replaces sorrow, and where peace replaces strife. Quoting from the prophet isaiah, "therefore the lord himself shall give you a sign, behold a virgin shall conceive and bear a son and shall call his name emanuel, for unto us a child is born, you know to us a son is given," and the government shall be gone his shoulder and his name shall be called wonderful counselor, the almighty god, the everlasting father, the prince of peace. The increase of government in peace, there shall be no end upon the throne of david and upon his kingdom to order it and to establish it with judgment and with justice from henceforth, even forever. The zeal of the lord of hosts will perform this." quoting from the gospel of luke, "and lo, the angel of the lord came upon them and the glory of the lord shown around about them, and they were afraid. And the angel said you know to them, fear not, for behold, I bring you good tidings of great joy which shall be to all people, for under you is born this day in the city of david a savior, which is christ the lord, and this will be a sign you know to you, you shall find the babe wrapped in swaddling clothes lying in a manger. And suddenly there was with the angel a multitude of the heavenly host praising god and saying, glory to god in the highest, and on earth, peace, goodwill toward men." thank you.

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**Potter:** Thank you, mr. Long. Consent agenda. Please call the roll.

**Moore:** Were there any items to be pulled?

**Potter:** Yeah. Any items to be pulled? Ok.

**Adams:** Aye. **Leonard:** Aye. **Saltzman:** Aye.

**Potter:** Aye. [gavel pounded] please read item 1577, 9:30 time certain.

**Item 1577.**

**Potter:** Commissioner Adams.

**Adams:** I'm happy to introduce gail mckeel, the information systems coordinator for Multnomah county, information services division. We invited gail to make a presentation today, short presentation. The decision support system for the justice system. D.s.s. Justice compiles data that originates in more than one system, the Portland police bureau, sheriff's office, state courts, department of community justice. This information system is linked and stored in a database that allows of results throughout the criminal justice system. Gail is here to inform us about the system, the various uses, the potential in all of our bureaus, and the savings that occur because the system is available. Thank you, gail.

**Gail McKeel, Multnomah County Information Systems Coordinator:** Thank you. Good morning. As commissioner Adams said, my name is gail mckeel. I work for Multnomah county, and our support computer system called d.s.s. Justice. This is the county's criminal justice data warehouse, in production for five or six years, and I asked to be on your agenda this morning for two main reasons. One, I know the city is spearheading a joint public safety budget process with the county, and this system contains safety information from the city and the county. And second, I know in the last couple of years, I think there's new faces in city government, so the mayor may not know what d.s.s. Justice is and how it works, and I wanted to give a brief, high-level overview, so you can take advantage of it at some point in time. I will say -- I think there's been a handout given to you of some screen prints that are coming up that contain criminal justice -- or excuse me -- offender criminal history information. I was unaware that this was being televised, and so instead of showing those screens to the audience you have hard copies because it contains some confidential information. Just as a background, this system was funded originally through a technology bond that was passed in 1997. Originally the local public safety coordinating council oversaw the project during development, but there's currently a policy committee that governs the project now, and it is comprised of representatives from several law enforcement and public safety agencies, and there's a representative from every one of the data providers on the -- on that committee. Currently for Portland police, debbie hogan, the records manager, represents chief foxworth. We have five main data sources. We get arrests and incident information from Portland police data system. We get booking information from the swis sheriff, the sheriff's jail management system. We get prosecution information from crimes, which is the d.a.'s case tracking system. And we get sentence information from ojin. We also get some supervision data from the department of corrections. This is Multnomah county data only. We don't have leds data. Also there are several agencies that use ppds as their arrest tracking system, but currently only have agreements with the Portland police, the sheriff's office, and fairview. So typically from ppds is limited just to those agencies. Unfortunately gresham doesn't use ppds, so we don't have gresham arrest data, but eventually we're hoping they'll be a data provider as well. There are four main types of data available. There's offender level data, which includes detailed information about an offender's history of arrests, bookings, prosecution, and sentencing in Multnomah county. We have aggregate data, simply number crunching. So, for example, you could ask the system to show you the number of arrests in january of 2000 that involved d.u.i. Sentencing support is a tool that's used by judges and attorneys. It shows what types of sentences are statistically successful in reducing recidivism. It determines results by comparing cohorts with similar criminal histories and demographics. As far as custom extracts, we've actually a lot of requests for custom extracts, because we are able to

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cross-reference data from these different systems. So, for example, we had a request at the auditor's office. They wanted to know how many people who were released from jail under cognisance failed to show up at arraignment. Well, that required getting the release information in the jail system and the and court information from ojin. Without this, somebody would have had to try to manually extract this information andling it together, but we were able to do this in a matter of days. I'm currently working with a research company that has a grant to study the effectiveness of the county's drug court, the stop program, and they gave us 12,000 court case numbers, and wanted to know of the defendants on those cases some of whom were eligible for stop and went through the program, others were eligible and chose not to participate, and we were asked to get 10 years worth of arrests and booking and prosecution information for these 12,000 information. Again, we were able to do it in a couple of weeks. If this had to have been done manually, it wouldn't have been feasible. It would have been thousands and thousands of man-hours. The goal each night is to take offenders from each of the systems and try to link them together so that we can see that the person who was arrested here is the same person who's booked here and the same person who's prosecuted here. We don't use soft identifiers like names and social security numbers, because those are so misused with aliases and identity theft. We try to use i.d. Numbers, like sid number, f.b.i. Number, and also err on the side of caution. For example, if we get somebody from Portland police and get somebody else from the swis system, and they both have the same f.b.i. Number, but two different state i.d. Numbers, we don't just assume, oh, it's probably the same person, we keep them as separate people in our system until we determine which source had the problem in their state i.d. Number and it gets corrected in that source system. When it's corrected there, the correction comes over to us, and then we can merge the -- merge the data in our system. The next screen is the first of the offender reports that i'm going to show you, so i'm going to scroll through them quickly, so the audience, i'm sorry, won't see them, but you should be able to follow along. I believe it's marked page six. The first screen that says criminal history chronology, under the offender tab, there are several offender reports. The criminal history chronology report is a report of events that's arrest -- arrest, bookings, prosecution, and court cases, sorted by event date. So there would be the arrest date, the booking date, the case received at the d.a.'s office, and a case file date in ojin. On the next page you'll see, page seven, the first page of the criminal history report, shows identification of the offender, names any aliases they're known to have, multiple dates of birth if they're known to use those. There's a disclaimer at the top reminding people, this is not realtime data. So if you're looking for absolute up-to-date information on somebody, you certainly still have to go to the source system. On page eight, it continues with identification, state i.d. Numbers, if this person had used multiple social security numbers that would appear there. The addresses that he's known to have used. And the last known dates that he was known to have resided at those addresses. On page nine begins the criminal history information. And in this particular person, the first -- the first event that you see is an arrest for assault four on november 14 by Portland police. The next event below that is a booking entry on the same day for assault four. Below that is the prosecution data. And you can see under the prosecution data, it says arresting agency case number. That refers to the event on the 14th of the assault four. The prosecution received the case on november 15, assigned it to the domestic violence unit, and on page 10 you can see that the original charge was assault four, but the case was rejected because the victim did not wish to prosecute. That's one of the things that I think is really helpful to law enforcement, especially with things like domestic violence, because if somebody doesn't have any history of convictions, you can come in to this system and see there may not have been any convictions, but there were 10 cases, and it makes a difference if you see victim failed to sign the complaint, victim didn't wish to prosecute, victim failed to show up for a grand jury, versus lab results were negative, victim wasn't credible. So I think it's really helpful to see why cases were disposed the way they were. And that's

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something that's available easily in this system. The event data below that is the court data that recognizes that this case was dismissed. It was no complainant.

**Adams:** Gail, I'm sorry to interrupt you, but we have to speed you up a little bit.

**McKeel:** Ok. That's my idea of what the criminal history records look like. There's also aggregate information, displayed on the screen right now. The example I have right here, I'm asking it on -- in August of 2004, I want to see the number of aggravated assaults, arrests made by Portland police. And it just comes back with a series of numbers broken down by the types of aggravated assault. And I can drill down even further to find out the detail. For example, at the bottom, there's aggravated assault three, seven cases, and here the seven cases. So I have the case numbers if I wanted to go into ppds and look that information up. Just as a summary, this is Multnomah county data only. It certainly isn't a replacement for the operational systems. It's not realtime, but it's a good place to start, because it has -- I call it one-stop shopping. You can go here and find that there's information out there, maybe have a case number that you can go back to the source agency and get further information, and an easy way to cross-reference data between the systems. Is there any questions?

**Potter:** I had one, Gail. First of all, I think this is great. I wish that when I'd been with the police bureau, we had this kind of system in place. One of the things, though, that I think we need to do is to look toward simplifying a system by assigning a single case number, that follows a person from the time of arrest through all the different parts of the system. I think it would be much easier to track, much easier to access. And so I'm going to be raising that question with our committee that's looking at -- at these issues. But this is a great step. I really appreciate it.

**McKeel:** Thank you. That would be hugely helpful if you could get that to work. Thank you for your time. I appreciate it.

**Potter:** Thank you.

**Adams:** Thanks, Gail.

**Potter:** Please read the 10:00 a.m. Time certain.

**Item 1578.**

**Potter:** Mr. Sten.

**Sten:** Thanks, Mayor Potter. They're probably 10 seconds away, and I'll talk longer than that as they get here. I had mistakenly told them I thought it would go on past 10:00, because we usually do. This is actually a very hopeful and optimistic item I'm bringing to you today, and it's really something that I'm bringing, that the only council has been working on. We're actually adopting a plan, a year under way, we've been presented it a couple of times to the council, and decided to formally adopt it after we saw how it was going. I'm pleased to report that this is among the most successful pieces of work that I've ever seen in an arena very difficult to get anything done, which is homelessness. It's an intractable problem. It's a shame that it's almost a cliché to say it's a national disgrace at this point because it's been said so many times. But we have in Portland, sometime around a year ago, 2,000 people who had been on the street for more than a year. This is out of a population of perhaps as many as 14,000 people on a given year homeless for some point in time. That's something we need to change. And we have a long and I think proud history in Portland of working very hard on homeless issues. The first major plan when we first had the explosion of homeless people in this country was in the late 1980's under Mayor Clark, the 12-point plan to end homelessness. This plan, and I always wanted to underscore, is not a new set of thinking, saying all the things we've been doing are wrong, it's essentially a recommitment to the issues and some new partnerships. Working with transition projects, thinking we have a ton of small agencies, government partners and others, who have been working very, very hard for many years to try and take on homelessness and the problem is bigger than us. At the same time, the sum has been less than the parts, in the sense that we've had a lot of great pieces, but haven't come together as well as they should. A lot of what this 10-year plan has been in the first year is getting the different

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systems to work together. While doing that, we've added a new philosophy, a little bit risky, but turned out to be the right one, we need to move people into housing faster, called housing first. We want to push people farther and fast and stay with them in the housing. Part of what has made that possible is the council put general fund dollars into this last year, giving is flexible money, allowing us to work with private and public and nonprofit landlords. The results I think for even an optimist like me are remarkable, and I think they underscore not that we've done something that seemed impossible, but that I think the community had become a little resigned to homelessness, and once we changed that we started seeing things change. And end of the three quarters of the year, and we have more updated numbers for you today, we had over 500 people who had been on the street for more than a year housed. And so far the success rate of keeping them housed is very, very high. So obviously we'll be well over 500 by the end of the year. We had set as a goal 170 people for the first year, which I knew was achievable, thought would take a lot of work, and it did, but what's happened it's almost like there's a tipping point that's happened, and that as the systems began to work together and better, and that includes mental health, hospitals, public safety, the sheriff's been very involved in this, the hospitals very involved, and really it is -- there's not actually a ton of new resources in this. There are some. The council put up some money. We just announced yesterday that we got a \$5 million worth of McKinney grants from the federal government. I think that's largely because this program is working. But it's been more about just trying to take what we have and make it work and focus it and fix the system. Next steps we'll be talking about today, and in the next couple of weeks and months as we present the full results from the first year in January, but I think it is to keep pushing in the direction that we're going, the actual work with the hospitals and public safety system, actually ties in very well with our last piece of information. One of the things that has been a big change, as we've invested a lot of time and energy in an actual system to keep track of people. You'll hear a little bit about that today, but we have simply a management -- an information management system that allows us to keep track of people. It's confidential. It's not a big brother kind of thing, but we know now when people have gone from one agency to another and where they are. And it gives us immense help in trying to actually help those folks. So the next steps would be really bringing -- bringing the system to the next level, continuing to push on the housing projects. Obviously a housing first strategy only works if there's housing. And so -- and every time we put somebody into an apartment, that's one more apartment that we need for the next person. So that will continue to be a big push. We'll be continuing to talk both about building permanently affordable housing, rehab, and short-term rent assistance, and that short-term rent assistance has been a major change that we've done. It was something risky. I was very nervous myself about doing short-term rent assistance, because what do you do when the short-term runs out? We found if we can help somebody stabilize for 18 months, have them find a place in the community, then ultimately by the end of that 18 months they should have a strategy for themselves. And it leaves me with two thoughts I want to share in framing this. One is if you think about this very, very simply, if you're a homeless person, you either are disabled and cannot work because you have conditions, or you should be back to work at some point. That really is our goal. If somebody is truly disabled, and many people on the street are, which is very tragic, they're eligible for federal disability. It's not a lot of money, but close to \$700 a month, and it's our job as a community to find them a place they can afford. It's very simple. Part two, if you're not disabled, we ought to aspire with you to be back to work and paying taxes. At the end of the day, this is about making our city not just more compassionate and humane, but more productive and efficient because we're wasting a lot of valuable resources with people who could be working, paying taxes, and taking care of themselves, who need a little bit help to get back into that more mainstream approach. So my final thought is this -- and people have heard me say this many times -- I really was unable to call this a 10-year plan to end homelessness. The joke is we did, a bad joke, we did because we are required by the federal government. They require a 10-year plan to end

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homelessness. We wanted to have what we need, but then I realized this is a city and county plan. Multnomah county has adopted this plan. They've been terrific in trying to get the county working more closely with us on these issues. I really don't believe the city and county government can end homelessness in 10 years. And what I want to say is that -- when I say end homelessness, I mean chronic homelessness, in a chronic state of homelessness for an endless period of time. But I have to believe, we could have a community in which nobody is homeless for very long. When economic circumstances hit, when addiction is out of control, where there's a mental health issue, you'll find people who have nowhere to call home for a given night, but they ought to have a place to go and have a chance to get back on their feet. It would save us more money. We spend half of the money that goes into homelessness in this community on the 2,000 people who are chronically homeless opposed to the others that are temporarily homeless. I think the community can do it. That's not a punch line. That's where we're going to try to head in the first 12 months of work. In the first 12 months, and i'm so proud of the people who worked with all these partners to get this done, we have shown that we can make progress well over 500 people off the street. Systems working better. Some new innovative approaches. Still won't get there without the greater community's involvement. And frankly I believe the greater community has somewhat understandably become resigned to this. A few years ago, with sisters of the road, and recently won of the nation's most prestigious honors, as a caring person, but congratulations to jenny. We did interviews, sisters of the road I should say did interviews with I think 400 to 800 homeless people, I forget the exact number, who had been homeless for a long time. They all had an individual story, all very unique as you'd expect from a human being. But they all had in common a few things, and one of the one that jumps out is a sense of isolation, a sense of abandonment. Almost by definition, if you've been on the street for a year, and that's what we're talking about with this population, in all likelihood you don't have a lot of family networks left and don't have that many true friends. And a huge part of fixing this problem is also psychological and human, and it's about bringing these folks back into the community and giving them a sense of friendship and a place they can talk with people. That's the next step on this thing. And what hasn't been available in historically is great ways for people of goodwill to get involved in helping solve the homeless people. That's what we're working on now. I've had time after time, somewhat frustrating conversations, where somebody reads about this plan i'm working on, they stop me on the street and say literally how can we get involved? I think that's the next step, along with the city and county actions. With that in mind we're going to be putting on an event, the mayor and I have been heading up this at the city, taking place on january 17 at memorial coliseum, inviting all homeless people to come to the coliseum, as well as hundreds of community members. It's called connect. It's not about getting charitable help to the homeless for one day. It would be great to have a meal, but that's just one meal. There will be other great things happening there. We're working with the state to have identification cards issued, and other things people need, but it's about connecting mainstream community to the homeless, that's what that project is about, putting a face on it, and hopefully over time creating community relationships and webs to help people get support over time. Because the real issue is getting folks back into the community. With that, I just can't tell you -- it's a great week to be optimistic with the holidays upon us, and people taking the time to think about what's really important in life, and I can't imagine that there's too many things as important as having a community in which people are not starving and living on rags on our street. We'll try and fix that and have made some serious progress in it. So i'm very proud to -- are you going to come up, heather? Dan, where you going to join us? And will white? Well, you are now. Dan was and is the chair of our citizens commission, who's overseeing this. And i've already spoken for a long time. And there's so much to this great piece of work, but this is dan's citizens commission on homelessness has really been keeping us on track. Will, are you first?

\*\*\*\*\*: Yeah.

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**Will White, Director, Bureau of Housing and Community Development:** Good morning, mayor Potter and commissioners. Very glad to be with you this morning for this adoption of the 10-year plan. As Erik reminded you, this plan was actually announced a year ago this week, and we began working on it immediately, but have not until today brought it to you for formal adoption. The plan has already garnered national attention as Portland was honored this summer as one of four outstanding communities in terms of its work on homelessness. And that national recognition also helps to continue to bring federal and foundational resources into our city to work on this important problem. It's important, not just because it isn't right in the richest country in the world for us here in Portland to have people living on the street and not having a home for themselves, it's also financially the right thing to do, because it is a better use of our money and will reduce the total amount that we need to spend. It's the right thing from a business point of view, because getting people into their homes and off the streets will improve our business climate, especially here in the central city. And it will also improve our climate for tourism coming to our community. So from so many different points of view, this is the right thing to do. I'm not going to take more time. I think Erik has given a good survey of where we've gone. We begun by using the existing resources and using them in a smarter fashion. We appreciate city council approving one-time-only money from the, you know, fund last year to boost those results. We've been extremely pleased with our results in the first year. I think the citizens commission that Dan Steffi chairs continues to meet periodically to oversee the results of our efforts, and today Heather Lyons, the program in charge of our homeless initiative, is going to give you an overview very quickly of the 10-year plan and also the results from our first nine months. Thank you very much.

\*\*\*\*\*: As I said, I wasn't planning on saying anything. Just coming to listen to the good news you're going to hear from Heather. This is a place to make a difference because of the caliber we have in this community. We have folks running our nonprofit organizations and working in a bureaucracy that are absolutely phenomenal, and makes the job of a group like the citizens commission a more enjoyable one as a result. These guys have been doing a great job, and I think it's to our credit that we have this caliber of people here.

**Heather Lyons, Bureau of Housing and Community Development:** Good morning. I'm Heather Lyons with the bureau of housing and community development. I want to spend a few minutes going over some of the background of the 10-year plan and talk about some of the results we've seen in the first year. Some background on Portland's process of doing the 10-year plan. Nationally, through efforts from policy groups, technical assistance providers, and actually the federal government, homeless regained attention as a priority issue. What was different this time compared to previous national efforts is that there's a focus on ending homelessness and not just managing the problem. Additionally, there's new research that broke down homelessness into three discrete categories which Commissioner Sten mentioned and I'll talk about in more detail in a minute. And finally, Portland received what Robert Landauer called the trifecta of awards. In 2003 we got \$9.3 million in federal resources and private resources to end chronic homelessness. I don't want to spend a lot of time on this slide, I just think it's important that we understand the scope of the problem. These are the most recent numbers of the people who experience homelessness on an annualized basis. So the new research categories, I think most of us are familiar with this by now, but I think because it's the basis of the plan it's worth revisiting and revisiting again. Chronically homeless people tend to be the folks that come to mind when we think of homelessness. They tend to be the people that stand out in public settings, and are often the most difficult to approach in terms of engaging in services and placing into permanent housing. Episodically homeless tend to be individuals and families with many problems, and finally transitional homeless people are folks in that situation primarily due to an economic crisis and with very little assistance are back on their feet in housing, and the system never sees them again. So this chart in itself lays out the reason why it's critical to delineate between the different homeless populations and why the 10-year plan is

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focused on ending chronic homelessness. This is just a snapshot from a four-year long project conducted in Philadelphia and New York. The darker orange shows the average percentage of homeless people that are chronic and episodic. The vast majority are transitional in nature, around 78%. The next are about 12% of the population. Finally, chronically homeless are only 10% of the population. The second column shows resource use. And what this tells is that a small minority of chronically homeless people are using approximately 50% of the resources, just as Commissioner Sten highlighted earlier. The other thing that we know is that chronically homeless people consume a wide variety of emergency -- expensive emergency programs. National data suggests that a chronic homeless person with mental illness costs over \$40,000 a year to support in hospital visits, shelter stays and incarceration. The same report documents that affordable supported housing for the same person would cost only \$28,000 a year. And we also have some local data on avoidance of emergency systems. I'm going to get to that in just a minute. So these are the basic tenets that the Citizens Commission on Homelessness started with in the year-long planning effort. And as you can see, we had a fairly intensive public process with a wide group of people who were interested in the issue and a lot of the agencies and organizations that also had a stake in what was happening around homelessness. These are the three principles that the Citizens Commission agreed upon, and what I think is significant about this is the push for investments into programs that offer strong outcomes. Clearly the systems are being held accountable for ending people's homelessness as opposed to just serving homeless people. And that is a significant system shift that's happened over the past year. The next two slides just list the house -- the action steps that were adopted through the Citizens Commission. Essentially they're all focused on permanent solutions, housing first, permanent supportive housing, here's some more. The final action step is the new data collection technology that Commissioner Sten referenced earlier as well. And I think the other thing that's important to note about these action steps is that we have very clear, concrete outcomes associated with each one. And we've been very successful with those outcomes. We know that programs can work effectively to end chronic homelessness and reduce the use of expensive emergency systems. Since March 2004, Central City Concerns, Community Engagement Program, which is funded by the federal resources that I mentioned earlier, has permanently housed 179 chronically homeless people. 85% who remain housed. The average length of homelessness for each participant was 8.1 years, which is very significant. And additionally, on one of the community engagement program teams, they found on average that participants experienced a 73% reduction in the number of jail stays and arrests, and a 42% reduction in hospitalization, and this is based on pre and post-enrollment data. So we know that permanent supportive housing works and it works to help people avoid expensive emergency systems and also make significant changes in their lives. These are the larger system outcomes. And as you can see, we are greatly exceeding our goals of housing chronically homeless people, homeless families, and also homeless youth. And as of yesterday we have some updated numbers that by the end of November we've actually housed 596 chronically homeless people, and we're still about 50% have moved directly off the streets, which is again a huge shift in the way the system operates. We have also had a total of 325 homeless families moved into housing at the end of November, and of which 170 were high resource users. Again, really greatly exceeding our goals. We've also moved 33 hard to reach homeless youth into permanent housing, which is a system shift for that system. And we've opened 244 units of permanent supportive housing and added 223 into the development pipeline. On the p.s.h. Development, we've just done phenomenal work by any standard. When we received resources a couple of years ago, we agreed that we would have 400 units in the pipeline at the end of the two-year grant. At the end of the grant, we had a total of 256 in the pipeline. There were definitely additional resources that went into that system, particularly the bond money, but it signifies a real shift on the way we spend money on affordable housing, a critical part of the plan. Then one final highlight that I want to share is the -- what Commissioner Sten referenced, is the \$5 million in



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mckinney money that was just awarded yesterday. One of the projects coming out of that is 33 new units of permanent supportive housing, for chronically homeless individuals. We're very excited by that project. Finally, I just want to offer some recognition to several key people who are responsible for implementing the plan and making it such a success. Sally erickson, molly rogers, and I also want to recognize Multnomah county, a whole slew of people too long to list, but the sheriff's office, the health department, and also community justice. We've had really strong partnerships with p.d.c. And h.a.p., which are absolutely critical to implementing this plan. And finally -- well, not finally, but the leadership from commissioner Sten and the mayor has been absolutely critical in making this a success, and the same with the Multnomah county commission. And finally, I really want to thank the agencies involved in implementing the plan to end homelessness, because their hard work is what's making this a reality. Thank you.

**Sten:** Questions for staff or mr. Steffi? Great work. I think we'll take testimony.

**Potter:** Thank you. Karla?

**Moore:** Two people signed up.

**Potter:** Thank you for being here. When you speak, please state your name and you each have three minutes.

**Teresa Teater:** Good morning. My name is teresa teeter. Last year I worked on the 10-year plan to end homelessness. And I really appreciate commissioner Sten stepping up and being there for everybody all the time, all over, from all the different agencies. I'm a recipient of the mckinney grant from three years ago are sheltered plus care, of which I have two years left on my contract. And i'm kind of concerned that 18 months is not enough time to move people up and out, because I was dealing with witnessing somebody get shot and killed, they died five days later, back in 1999, and I got my grant like within two years after that. I was dealing with issues and barriers to housing, etc. Got into the housing, because of the shelter plus care, immediate allotment, and -- but while on it there's not very good oversight of the program, at least not in clackamas county where i'm using it at, so i'm just kind of winging it on my own, etc. So the thing that you discussed coming up in january, that's what I was going to say, you really need a networking of organizations to come together to mentor for us and be there to help us work our way through, because -- like i'll give you an example. I went to office max to reapply for work this weekend, who i'd worked for three times in nebraska. They now only allow you to apply online. Their manager at their store couldn't even get me through the online application to put in the \$7.50 I offered to work for, and it wouldn't accept it, things like that. So I had to leave in frustration. They couldn't even take my application. They refused to give me a paper application. Now, there's a barrier to getting on your feet right there. That's not an accommodation or anything. And I said, even all your employees in the store couldn't get me on to this application to get hired within three or four days with a perfect work record with you folks from 10 years ago in nebraska. Shouldn't your current employees quit their job? You know, so there's barriers like that. We need to have somebody like wage and hour step in on that issue. If somebody wants to go back to work, like I really do, with previous experience, it was great, I couldn't get a job now. I wanted to be back to work this morning. Didn't work. And I usually can get a job within three days, but not with new technology. Coming up in january, i'd like to see corporations properly step you have. I've had the churches that i've gone to in five years, tell me, well, we're going to back down, because we know there's government things out there that will step up and help you, because if you we help you you're not using all your allotted resources out there. Well, those resources are depleted. We can't keep depending on the government. Look what fema did to katrina. Those people that came here this year have gotten faster help with their situation because the government money was there, and for us other chronically homeless people they have to battle to get these funds? And you guys have to battle to help get these funds. It's a big depletion of time and energy and resources. So, you know, thank you very much.

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**Potter:** Thank you.

**Charles Long:** Yes. My name is Charles Long. I'm very interested in this conference next month on homelessness. And I hope that the city council focuses more on trying to get more promotion in the newspapers and television, because it's a very important issue. And it has been with us, and it will be with us for many years. At my church, which is in downtown Portland, there are people sleeping on the porches, and we have a feeding program, we serve about 800 meals every week, and however our city is almost overwhelmed with the needs. I think to solve the problem we need a multifaceted program. It's not just housing, not just physical or mental health. It's a complex program that's needed in order to meet this great need. I've worked at writing on a paper, and I've been very interested in this issue for many years. And so I hope that this program next month is publicized so that more people can learn about it. Thank you.

**Teater:** If people would step up and be a part of the program, that would be great.

**Potter:** Thank you.

**Moore:** We have one more person.

**Potter:** Thank you for being here. When you speak, please state your name.

**Dorreen Binder:** Dorreen Binder from Transition Projects. Is that kind of loud? I thought I would take the opportunity, my grandson is here, I wanted to show him how the city council works. I thought it would be interesting, since he's on vacation and with me for two weeks anyway. But I also wanted to, listening to Erik, and listening to Heather both, and the mayor, you've done a wonderful job, and I have to look back at all the years being with Transition Projects, and when we first talked about this, Jenny brought this up, and Rob Justice some years back, at a meeting at Rob's house, how we were going to end homelessness, I don't know how many years back, and I pooh-poohed the idea to Erik and said what a ridiculous statement to make. I have to say, I look back now, and what it's done, as Erik said, can we really do this, I'm not sure, but what it has done, and I've looked at my own agency and others, is that it has created a focus for us. I know that after eight years of working at my agency, the last two has given me a new focus, has allowed me to look at the way in which we've worked, and not -- we've never looked at shelter being the end result. We've always looked at shelter being part of the process to get people to -- into housing, but I don't think we focus as much on housing first and getting people off the street directly into housing. And if we couldn't, then to put them in the shelter. We put them in the shelter, and then tried to get them into housing. We have redone the way in which we're looking at it working. And a lot of -- I would say most of that has to do with having this focus on the 10-year plan and the housing first. So I want to applaud the fact that you ignored me, which I know is not easy, but -- but I want to thank you for ignoring me actually on this one, and moving ahead with this, and for getting me somehow to join into this and really appreciating it. And so much so, while I have the five of you in front of me, and I don't have a piece of paper to sign you up, but my part in the homeless connect here is to get people to sign up to do intake. I've met with Dan Saltzman. I know the mayor has signed up. Commissioner Adams, I've made a call into your office. I haven't made one to you, Randy, yet, but what we're trying to do is to get people to do the intake, which is the first 10 minutes of Portland -- of Homeless Connect, is to get people to sign up the participants, so that we can get you to understand why you're giving us money, why you're funding our programs, and we're hoping to get -- I have a call into the C.E.O.'s of Northwest Natural and the Port and everybody else, because we want people in that capacity to know why they're giving us money and to sign up. So I will be calling your offices today or tomorrow and getting a time slot for all of you to be there. I'm only ask for an hour or two, but I thought I'd put that in now. But thank you so much for all your work.

**Potter:** Thank you.

**Moore:** That's all who signed up.

**Sten:** Mayor, if everybody's testified, one other piece, which is quite fun, and I'll do it quickly.

We're going to present the Cecil M. Shumway Fund awards today. This is an interesting story. I got

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this call from the city attorney's office and asked to figure something out, and mr. Shumway who had passed away, very quietly, no one knew he was going to do this, bequeathed his home to the city of Portland, and his request was we use the funds to help homeless people, and do it in the tradition of michael stoops, whom he greatly admired for his work in the 1980's. He wanted to provide direct food, shelter, and we basically ended up selling the house, made a substantial amount of money, put into an endowed fund, and every year in mr. Shumway's honor we present the shumway awards, which along with them include a \$2500 grant to the agency with which the winners are affiliated to keep this legacy alive. So it's a pretty remarkable piece, and it speaks to the community stepping up and figuring out how to take this on. Obviously mr. Shumway lives on with this wonderful decision. Past recipients include people who worked on dignity village, folks throughout the community, and this year we have enough earnings in the fund to three awards. I feel very good about that. Thanks to the investment advisors at o.c.f. For making that happen. So the first actually goes to three people who actually are well known around this chambers, and i'm going to ask all three sets of award winners to come up together. Heather, we'll get you a plaque, and do a photo afterward. Keith, dan, and karl, and this recognition is for their work on the 10-year plan to end homelessness. Keith, dan, and karl, please come on up. The \$2500 in these gentleman's name will be donated to crossroads, the organization at sisters of the road that did all of the work I mentioned before to interview homeless people and is continuing to do outreach and community building. So congratulations, you guys. Let's give them a hand. [applause] I think we're going to do a group photo. Next up is allen levine, making a runner appearance after winning a reward last week, garry cobb, from the recovery association project. It's rumored that gary's goalie going to get a golden globe next week. \$2500 in this case, it will be no surprise, goes to recovery association project, which is just an astounding group of people who have mastered and taken on addiction issues in their own life, now helping with this community with addiction issues. It's really a terrific peer-based model that has had remarkable results in getting people back on their feet. So congratulations, you guys. There's many awards. We'll just have to keep on going.

\*\*\*\*\*: Do I mind if I make an announcement. It's very ironic that today the national healthcare for the homeless council has declared that december 21 as national homeless persons memorial day. So I would like to -- I mean, there's a declaration that goes along with this. I'm hoping that the city in addition to all the great work and working with all the leaders in the community to end homelessness, so we can from this moment on declare this -- Portland recognize this as national homelessness memorial day.

\*\*\*\*\*: Can I make a few remarks?

**Sten:** Why don't I do the last award, and then we'll open it up to anybody who wants to make a quick comment. I should have properly recognized you guys who have some things to say. That's my mistake. Not yours. The final award goes to israel behr, who's not here, but he was one of the real forces in getting street roots up to the level it's at today. His award, he's up in seattle actually working on a street youth paper in that city, which is very terrific. Joanne is here to accept the award on behalf of israel, \$2500 to street roots as well. These are our 2005 shumway award recipients. And the floor is yours for a couple of quick minutes. If any of you would like to say anything, please sit down in front of the mike so it gets into the record.

\*\*\*\*\*: Yeah. With the mention of the national homeless person's memorial --

**Potter:** State your name for the record.

**Keith Vann:** Keith van, currently affiliated with a new project called pathway, which is designed to identify what works to end homelessness. And we're cosponsoring in conjunction with southeast uplift the national homeless persons memorial day vigil tonight from 5:30 to 6:30 at shumway fountain between -- excuse me -- shemanski fountain. I'm getting my names fixed up. That's between salmon and main in the south park blocks. Mayor Potter has graciously consented to

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attend. So I invite here everybody to join us from 5:30 to 6:30 to conduct a vigil to commemorate all those that have passed while homeless in the past 12 months.

**Alan Levine:** Council, my name is allen levine. While I certainly appreciate this award, I want to make it clear that the award goes to the recovery association project. I came to the recovery association project with a history of over 30 years of homelessness. I'm a disabled person. I'm a double amputee. And I stand before you today -- or sitting before you today actually -- because of the recovery association project and the training that I got from those folks and the encouragement that I got from those folks, and the welcoming got in this town when I first got here a little over 12 years ago, the recovery association project is linked with the metropolitan life's common good, and there's things going on today with that. But I just want to make it clear that as a homeless person, I felt that isolation that you mentioned, also an alcoholic and an addict, in recovery now, a little over nine years. But without the support of the recovery association project, i'd still be out there under a bridge, in spite of all the work that's being done for homeless. It's kind of hard to come in from the cold when one doesn't feel they belong. And I do feel that I belong to this town now. I belong in this community. And I feel very comfortable accepting this award for the recovery association. Thank you.

**Potter:** Thank you.

**Gary Cobb:** Thanks, allen. Good morning, council. My name is garry cobb. I'm very -- it's been a couple weeks of a very overwhelming circumstances for me. I didn't think when I got clean that i'd be able to -- be able to do some of the work that others were doing. For me, when I was out there using, and i'm starting to learn a little bit what it's all about. And I have a great debt of gratitude to the recovery association project, central city concern, this particular city council. You guys have worked with us over -- since i've been here, the five years i've been here, and it's been just an amazing journey. And I really appreciate that. And, you know, like I said, today is national homeless persons memorial day, recognized throughout the nation. There's some other events that I want to plug coming up. On june 4, 5 and 6 of this year the national healthcare for the homeless conference will be held in Portland. And there will be several events going on throughout the city. And it will be a very awesome three days to showcase what we do to folks across the nation. And again, I appreciate all the support that the city council has given, central city concern, and myself.

**Sten:** Thanks, gentlemen. I think we'll take a quick picture here and we can go ahead and call the roll. [applause]

**Potter:** Please call the roll.

**Adams:** This is one of the most important responsibilities I think we have as a city, and we are very, very blessed to have the leadership of commissioner Sten, who worked on this as a staff person, as a chief of staff, and now as a city commissioner. And he's been recently joined by mayor Potter, who's also a tremendous advocate for affordable housing and ending homelessness. I also want to acknowledge my former boss, mayor vera katz, who also had a passion and worked on the production of this 10-year plan to end homelessness. I commit myself to helping in any way possible to the resources and the connections and the advocacy and the visibility on this issue. So congratulations to all of you. Congratulations to those that worked directly on it. Excellent staff. Aye.

**Leonard:** It is inspiring to me to hear personal stories of recovery and how you've become active participants in our community. I enjoy -- I heard some of these stories more than once, but I enjoy it every time and find it as inspiring every time. Aye.

**Saltzman:** Well, I want to thank mayor Potter and commissioner Sten for their leadership, and dan steffi and other citizens who have tackled this. I think it just goes to show -- doreen binder -- when you set your sights high and think long-term you can solve big problems. I think that's what this is all about, thinking long, thinking high, setting your sights high, and doing it. Great work. I'm a big supporter. Aye.

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**Sten:** I think i've said it all that I have to say. Great work, everyone. Aye.

**Potter:** You know, it's very interesting when I -- I make a point of stopping and talking with folks on the street that I meet, homeless people. And after a few minutes I forget that they're homeless, because I get -- I listen to their stories. And they're very human stories. I think they're very representative of all of our people in general, that they've had some very difficult times. And I think that it's incumbent upon those of us who have been more fortunate to help those who have been less fortunate in our society. I think it's one of the things that we're going to be judged by in our society, is how we treat those, the very young, our elderly, and those in between that have seen some very difficult times. I think that it's important to each of us, that we do what we can to help those folks. I've told some folks in the faith community that at each church, synagogue and mosque in this city, were to adopt just one person, that would take care a good portion of the homeless people in our state, but there's many paths to that, and I think that we have wonderful social service systems here and nonprofits that work each day in the field, and that on january 17 everybody gets a chance to come down and get to meet people from the homeless community and get to know them as humans rather than just as a number. We've got several c.e.o.'s of large corporations coming down. I'm very pleased they would do that, because I think it's good for them to understand when we're talking about homelessness, it's not just a problem off the street. Those are human beings with needs. So I applaud commissioner Sten. He's been the champion. He took over from gretchen kafoury, which is another person I think that's done a lot for homelessness in our community. And I applaud commissioner Sten, but I really applaud the people in the community, particularly those in recovery, such as gary and others that have great stories to tell. We forget sometimes the importance of telling stories in our community and how we destroy myths by doing that and change people's minds. So I can't say enough about this. The only thing I disagree with is I think we can end homelessness. So I vote aye. [gavel pounded] please read the next item.

**Item 1579.**

**Potter:** I'd like to pull this resolution back to the mayor's office. We have some more work to do on it. So we won't hear it at this time. We will now move to the regular agenda. Please read item 1599.

**Item 1599.**

**Potter:** Commissioner Adams, although this resolution has been endorsed by all five members of the council, we'd like to have commissioner Adams take it.

**Adams:** Well, davis, the city of davis, california, got the very first platinum award in the entire world this year, but the mark of distinction is still up for grabs for the first large city in the united states to receive the platinum award, and this resolution before us today sets out a timeline and a course for us to come back to council in the spring with a detailed strategy on how we intend to get there. It also formalizes a committee that i've had working on the issue over the past 10 or 11 months, a very good committee that's helping to put together advice -- who's giving us advice on how to put together a platinum strategy. The platinum strategy is important, because it is an organizing principle. It requires us to look at what we're doing well, what we're not doing well, and take it to the next level. Having recently taken a delegation to amsterdam, which is sort of one of the bike capitals of the world, we've seen, those of us lucky enough to go, not on taxpayer money, lucky enough to go, just inspiring, just what is possible, and we are doing a lot of great things. But we can do even more. Why is this important? It's important even if you don't ride a bike. Even if you never ride a bike. The impacts of bicyclists on street maintenance are negligible. Our city, as you might have read in the newspaper a couple weeks ago, is going to see an increase, a doubling potentially of congestion in the region, unless we get more single occupancy vehicle riders out of their car and into some other mode of transportation. That's why investments in transit is important. That's why our work on pedestrian access and safety is important. It's why freight, the freight master plan that will be coming forward, is so important. And it's also why reupping and pushing

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further on bicycle infrastructure, safety, and utilization is so key. So the resolution today sets in motion, formalizes efforts that have been set in motion early on by mayor Potter and myself, and i'm just happy to bring it forward for council consideration.

**Potter:** Do we have people signed up to testify?

**Moore:** Only one person signed up. Chris smith.

**Potter:** Good morning, chris.

**Chris Smith:** Good morning. Chris smith, 2343 northwest pettygrove street.

**Adams:** Chris is actually invited, so you get a little more than three.

**Smith:** I don't think i'll use it.

**Adams:** But not much.

**Smith:** First i'd like to thank everybody who worked on getting wi-fi in city hall. Keeps me productive while waiting for my agenda items coming up. I had the privilege to join commissioner Adams in both prague and amsterdam earlier this fall, and it's interesting that both cities have great transit networks, but in prague we saw virtually no bicycles. While prague has absolute beautiful architecture, the vibrancy of the street life was very, very different in amsterdam. You know, i'm very much a multimodal advocate and think that bicycles are a key part of allowing people to have mobility choices that can help get some of them out of their automobiles. It's also one of the healthiest modes. That's a big part of my personal mix of mobility. And I think that having Portland become the first large american city to become platinum would be a great thing. Thank you.

**Adams:** Thanks, chris. Thanks for all your advocacy. You're like the uber transportation citizen advocate, both on the streetcar board, on the streetcar c.i.c., the b.t.a. It goes on and on. Thank you very much. That's it.

**Moore:** That's all who signed up.

**Potter:** Ok. Please call the roll.

**Adams:** I just want to thank the great folks at pdot who -- and the Portland bicycle alliance and the pedestrian advisory committee and the bicycle advisory committee, and all the other groups that are part of our -- our advocacy for bicycles. Aye.

**Leonard:** I'd like to remind the folks at pdot that our bikers sometimes bike a little further east than southeast 75th. It will be nice to have a bike route go safely through neighborhoods east of 75th, so one didn't have to go up powell boulevard, for example. But I am beginning to notice our great bicycle-friendly city. I actually have some ideas to make it a little friendlier in the future. So aye.

**Adams:** I forgot to mention there was a recent amendment that city hall is a no spandex zone.

[laughter]

**Leonard:** I take personal offense at that, because I know commissioner Sten does just before he eats, when he sees me over there.

**Saltzman:** Well, as the office that is the champion of the 2005 city hall bike challenge --

**Leonard:** Oh, it was rigged.

**Saltzman:** -- i'm very pleased to endorse this. Aye.

**Sten:** I appreciate you bringing this forward, and I would like to think we should dig in and get this honor. Aye.

**Potter:** I want to thank commissioner Adams for his leadership, and also just the many bike routes out there. You know, I think that they have been the advocates, and when I cross the hawthorne bridge in the mornings i'm reminded of how many people ride bikes, and although I do it in my car I occasionally have done it on bike, and I think that it's important for us to get out of our cars and see what it feels like at the street level, and certainly having Portland become a platinum city will provide more people that opportunity. So I vote aye. [gavel pounded] please read the next item.

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**Leonard:** I'd like to invite sara from my office forward. Sara is on my staff and has the privilege of being the first person people speak to when they have an issue or a problem in the city, and she brought this issue to my attention, and I brought it to the mayor's attention. We both agreed with sara that this was something we needed to address. I'll allow sara to explain the ordinance. Sara?

**Sara Petrocine:** Hi, mayor, members of council. Again, my name is sara petrocine. Our office received a call last week, as did the mayor's office, from a tenant in a building where the landlord had agreed to provide heat as part of the rental agreement. And the tenant reported that the landlord had been turning off the heat each evening beginning at 10:30 p.m., and when asked about it he pointed to Portland city code, chapter 29, which has a provision allowing landlords who provide heat to provide it at a temperature of 68 degrees, but only for the period between 7:00 a.m. And 10:30 p.m. Particularly lately it has been very cold from the period between 10:30 p.m. And 8:00 a.m., typically the coldest part of the day, and this ordinance will remove the loophole by requiring landlords who agree to provide heat to provide it at all times. The title 29 stakeholders committee has been reviewing all of title 29, and will be coming with a comprehensive code package next year, but the mayor and commissioner Leonard's offices did not think this particular change could wait.

**Leonard:** Thanks, sara.

**Sten:** One question. Obviously support this fully. I just had one technical question in terms of just kind of energy efficiency kind of stuff. Does this -- it could appear that you just apply to empty units the way it's written, so do we need to add occupied, or is that taken part in another part of the code?

**Petrocine:** The code does say, when the owner or operator of a residential rental property, who has agreed to furnish heat, so implicit is that it's an agreement in the lease, and so if no one is in the unit, then there's no agreement to heat the units.

**Sten:** I mean, it's common sense, but sometimes you get into --

**Petrocine:** Right. I believe it's covered in the language of the code. Any other questions?

**Potter:** Thank you. Is there a sign-up sheet for this?

**Moore:** Didn't have one, but there is someone who wants to testify.

**Potter:** Please come forward. Thank you for being here. When you speak, please state your name and you have three minutes.

**Aaron Baum:** Thank you for listening to me this morning. I'm the resident that contacted commissioner Leonard's office and mayor Potter's office. I noticed a couple weeks ago that it was getting pretty cold, and in fact about two weeks ago I could see my breath in the morning when I woke up. In contacting my landlord, he pointed me to the code, and immediately I turned around and sent an email off to general information and got responses very rapidly. I'm here today just to ask you to consider to please remove this portion of the code. I know there are other people also at the apartment complex that are suffering from the cold, but for fear of reprisal they're not able to come forward. I'm sorry, i'm a little -- it's a little bit exciting.

**Adams:** I feel the same.

**Baum:** Thanks.

**Saltzman:** This is lightning speed to change the code, by the way.

**Baum:** That's what I understand. And I wanted to give special thanks to sara, and also with commissioner Leonard's office, also jeremy with mayor Potter's office, and colleen with neighborhood inspections. I wanted to thank you very much very much for listening to me, not pushing me aside, and not make me feel it would be until after winter to get warm again.

**Leonard:** We did talk about appointing a task force, analyzing it for 18 months or so, but the mayor thought, well, maybe not in this case.

**Baum:** Well, I appreciate it. Thank you very much.

**Potter:** Thank you for coming in. Is that the only person?

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**Moore:** Unless there's anybody else in the audience who wants to speak.

**Potter:** Anybody else in the audience wish to speak to this issue? Ok. This is an emergency ordinance. Please call the roll.

**Adams:** I think this is great. I love it. Love the speed. Love what it does. Thank you, commissioner Leonard, mayor Potter, and the good citizen who brought it forward. Aye.

**Leonard:** Well, and I appreciate having staff that recognizes that we don't just explain to people why they have a problem, if we recognize that there is a problem we identify it and come up with a solution. So I really appreciate sara's work on this. Aye.

**Saltzman:** Good work. Aye.

**Sten:** Yeah, thank you. Aye.

**Potter:** I want to thank commissioner Leonard's office, and all the good folks that worked on this, because I think it's important. If anybody's been outside in the last couple days, you'll note it's kind of cool out there. I think what this does is rectify an oversight on the city's part. And I compliment everybody involved in this, including the young man that came into testify. Aye. [gavel pounded] please read the next item, Karla.

**Item 1601.**

**Potter:** Commissioner Sten?

**Sten:** Great. Thanks, mayor Potter. This is something i've been working on with mayor Potter and commissioner Leonard, and probably should have been a cosponsor on this. I'm not sure why he's not. This is not really a first step, but a next step to get moving on a much more aggressive process to try to get meth houses cleaned up in our community. And the citizens at the metropolitan association for common good, as well as the recovery association project, which we talked about, have been very much active on this issue in trying to spur the city to move forward. This is another one where it has some similarity to the homeless issue in the sense that we have different pieces that are working on the puzzle, but we're not getting the job done. So specifically what this resolution does is instructs the Portland development commission, the office of neighborhood involvement, police, fire, housing and community development, and development services, to put a task force together to work on immediate strategies to clean up these homes. There's 14, I think, listed right now, but there's many, many more that haven't made it all the way to the official list. The basic strategy is relatively simple, but in terms of what we're trying to do, but there's a lot of legal issues and things that are going to take some work, but I think this is a -- a clear signal to try and really fast-forward that work. Essentially the idea is to put proper pressure on the owners of these properties to get them cleaned up and rehabilitated or sold to somebody who can. Obviously a meth house is in violation of all sorts of building codes, and we need to enforce those. We're also putting in play, and I think this was an idea that very clearly came to me from macg, some money and loan funds, not a giveaway, but essential ally loan fund that would give landlords who want to get their homes cleaned up, but don't have the ability to do it, some help. The idea would be that this money would be made available relatively quickly and repaid once the home is fixed back up and either rented or sold. And so you really kind of have two different types of owners. One is the type that's not trying to do anything, and in that case clear enforcement is necessary, and then a type who just really are overwhelmed by the situation and we're trying to find a compassionate way to help on that. It's really using city resources already there to put these efforts in place. We have housing programs, not just targeting this. We have enforcement programs that have been focusing on meth houses, but haven't had also the kind of next step follow-up. The office of neighborhood involvement will be in the lead on this strategy. May not be intuitive, but that's because they have actually have the housing inspectors there, they're there at the frontline on these issues. Fire and others are involved for obvious reasons, and police, that they have key authority over some of these areas. And also ultimate powers to get into buildings and do other things when necessary. This is not a completely developed and finished plan. It's a signal that we're going to move there very



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quickly. I had the great honor, which I think most politicians in town have done to appear before the mag assembly a month ago, and the idea was to have a full strategy by may. I said i'd like to get the action in front of the council by the end of the year. This is my last chance to do it. It's here. A couple unresolved issues still out there, still need to be worked out. I think the intent is about the same between the activists and the city of Portland, but there's an issue of what types of contractors do we allow to get this work. The city does have aggressive policies on wages and benefits that we require of contractors. There's an ongoing work force -- work product going on down at salem with the labor commissioner about what's prevailing wage, which is a very technical decision, that there actually is not a residential prevailing wage in Oregon right now, but there's a push to require that, but we have to figure out what that is. That's one of the issues we'll hear in testimony today that I agree with. Obviously the idea is not to hire contractors not paying good fair wages and benefits, responsible wages and benefits. So that needs to be worked out in terms of what is the actual requirement on this. A little bit of that will depend what source of funds the council ultimately taps for the -- for the loan fund, because that hasn't been decided. Federal funds have different requirements as well. That's something I want to knowledge that needs to be done. We moved very fast to get this in front of the council before christmas, mainly because I thought it would send the right signal. In doing so, not everybody who needs to has had a chance to deeply review it. If that's been an irritant to people, I apologize for that, but I also wanted to put a discussion into the record that I see this -- this is the organizing resolution that gets all our people in place, and I didn't expect that we would get all the answers done. But I thought it was actually better to do it this way and have clear people who are accountable to the council assigned to get this done as opposed to keep getting all the specifics right and bring it back in a few months as a done deal. That's the premise for this. I wanted to turn it back to commissioner Leonard or mayor Potter for opening remarks. I would like to say the group -- however, I ended up working on this, commissioner Leonard has actually been, you know, the -- he's been quietly working on this with the housing inspectors for quite some time. So randy?

**Leonard:** This actually is, as you pointed out, really fits hand in glove with an ordinance the mayor and I brought forward a couple weeks ago, creating a task force, drawing together many of the same bureaus in and outside of the city to target places of residents, whether they're multifamily residents or single family residents, that are known drug houses, or where drug sales or purchases are occurring. And the idea is to clamp down on them with these various resources and cause the owner of the property to either fix up the property and remove all the illicit activity that occurs or to sell it. This is like the second part of that. If for whatever reason they walk away from the property, and we have a vacant property, there's really an opportunity for us, then, as a city to do something we haven't done yet, with some of these drug houses, and that's find some means within which to use them again, and rehabilitate them to be places for people to live. And so this is a -- I appreciate commissioner Sten and the mayor bringing this forward. As this is an excellent part of a bigger strategy to come up with a targeted program to focus on illicit drug activity in and around residences and really follow all the way through to what we do with the residences after we get rid of the activity.

**Potter:** Commissioner Saltzman?

**Saltzman:** Yeah. This has happened rather quickly, and I guess I want to suggest some changes i'd like to see to the resolution, and i'll just plan them out, because I know we'll hear testimony. One of the things I do every november is attend a statewide conference on child abuse in eugene. And what I learned this november, last november, was very startling, and I think it's clearly the newest wrinkle to how do we deal with methamphetamine labs. And basically there's a growing body of scientific evidence that suggests there is no safe level of cleanup for meth houses. And that all the standards that we use now to clean up are really not sufficient in terms of exposure levels that remain, especially for children, but for anybody who reoccupies properties that were meth labs. So

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I want to raise the prospective that we not only -- and I would like to suggest language in this resolution that creates that possibility -- that we no longer simply suffice to say that rehabilitating meth labs is sufficient, that we need to look at demolishing them as well, and i'd like to add that there is no safe level of cleanup of meth-contaminated properties, especially for children, and amend the resolution to add the words or demolition everywhere in the resolution where it says rehabilitation, so it would read rehabilitation or demolition of properties that are contaminated. I think the evidence is very compelling. It's been researched by the jewish hospital in denver, which is doing cutting-edge research on this, and I fully predict that in the next legislative session we will be no longer talking probably about cleaning up contaminated meth lab properties, we will be talking about their demolition. So I want to suggest that we amend this resolution to really get on top of this increasing public safety menace of contaminated meth lab properties.

**Leonard:** Well, just speaking for myself, and I haven't heard this before, I know that some of the byproducts of particularly meth labs can permeate sheetrock, for example. So in that example, you're absolutely right. You'd want to remove the sheetrock. I would need to be persuaded that that would have permeated into the studs, the exterior siding, into the -- the insulation. So as long as your resolution gives us the flexibility, I wouldn't want to go in and just tear down a perfectly good house that could have the interior basically removed, replaced.

**Saltzman:** Yeah, i'm not suggesting that we, you know, get rid of the word rehabilitation, but i'm adding that we create the process perspective of demolition and this be one of the areas that we look as we confront these properties. The evidence is it permeates everything, not just the sheetrock.

**Leonard:** I'd want to see that. I know you're right, that it does permeate the surfaces around it, but underneath that I would like to make sure of that before we move that dramatically.

**Saltzman:** Since this is a resolution, and I think it's just a signal of intent, I view this as a signal of our increasing awareness of the gravity of the problem and the exposure levels that we think are now safe in terms of rehabilitative properties are in fact proving not to be safe, particularly with respect to kids. That worries be greatly. I mean, the fact that we can clean up property and then have families with children move into these properties, and still be exposed to hazardous levels of contestants. So i'd like to get us on record as saying we're acknowledging that this is a growing issue and there may be no safe level. Let's hear the testimony. I haven't formally offered this yet, but I would like to amend the resolution in that regard.

**Potter:** Did you want to ask for a second at this time to amend or --

**Saltzman:** Ok. Well, you know, I was -- i'd like to hear what the testimony is.

**Leonard:** I'd just as soon as get it out there and have people testimony on it, because it makes sense, as long as it's an option, and we're not going to go in with a bulldozer every time we find that drug house.

**Saltzman:** I'll offer that whereas. I would add the whereas probably after the first, second, third -- fourth whereas, add a new whereas, whereas there is a growing body of scientific evidence that there is no safe level of cleanup for contaminated meth lab properties, especially for children --

**Leonard:** Change that to may, there may be evidence?

**Saltzman:** Ok, sure. And then in the first resolve, in the second resolve, and the last two resolves after the word rehabilitation, we would add the words rehabilitate -- we would add the words, or demolition. Rehabilitation or demolition of properties consistently throughout the resolution under the resolves.

**Leonard:** So did you catch that, Karla?

**Saltzman:** I've got it here.

**Potter:** Do I hear a second?

**Leonard:** Second.

**Potter:** Karla, call the vote.

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

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**Potter:** Aye. [gavel pounded] ok. Go ahead and proceed. Is this -- do we have people signed up?

**Moore:** We do. We have nine people signed up.

**Potter:** Ok.

**Adams:** Good morning. Welcome to the council chambers. You each have three minutes. As always, you have to give your name first thing out of the box.

**Cherry Harris:** Good morning. My name is cherry harris. I'm a leader with the operating engineers, local 701, and a cochair in the metropolitan alliance for common good. That is commonly known as macg. It's a broad-based organization made up of over 30 churches, labor organizations, and community-based nonprofits in the Portland metropolitan area. We want to create a strong, nonpartisan, civil sector voice that addresses the economic, social and environmental issues affecting our community and the concerns of our members, the concerns of our people. Over the past year, we have focused our energies on a healthy community campaign, and this campaign includes affordable -- access to affordable healthcare for all people, family-wage jobs that include healthcare benefits and healthy homes where children can play and grow without fear of environmental contamination from the meth labs so prevalent in this city today. For just a second, i'd like to ask all the macg leaders in the audience to stand and stay standing for just a moment. The resolution before you today was primarily developed by these macg leaders and other leaders in order to address the concerns of our people. We listened to their stories, and we took action. And we come before you today to say thank you to mayor Potter for walking with us through lents in april, and thank you commissioner Sten for bringing this proposal forward today and working diligently with us for the common good. We hope that Portland will be a healthy community and our children may thrive because of our work together on this issue. Thank you.

**Adams:** Thank you. Who would like to go next?

**Rick Johnson:** My name is rick johnson. I'm the with the recovery association project. And five years -- five years, eight months, and six days ago I was very much a part of the problem in the city today with the methamphetamine epidemic. What happened was, was I ended up getting treatment, and I moved into a transitional housing, into an oxford house, and so when I got clean one of the things that I had to do was I had to do everything differently than I used to do when I was out there using. And so i'm doing everything in my power today to -- to help be part of the solution, as opposed to part of the problem. One of the things that i've learned being a r.a.p. Member is that anything is possible if we're able to come out and tell our stories about what it was really like out there. Being part of the problem, methamphetamine, has caused many people in this community, as a direct result of my actions, a lot of harm. And so these -- these homes that are all boarded up, that are knees in neighborhoods, are not only dangerous, but an eyesore to these neighborhoods. When I got into transitional housing, in oxford house, clean and sober housing, all democratically ran, and it was a good positive environment for me, because there was different positions in these houses. There's the president's position, the treasurer, secretary, a chore coordinator, and all these homes that are -- all these oxford homes are positive, productive parts of the community. They're all around the city of Portland. And, you know, at some point, you know, maybe some of these meth houses could be turned over from being a meth house into clean and sober housing. And that's -- you know, there's many, many people out there that are like me. You know, even my own mother had written me off as hopelessly addicted and institutionalized. It took four prison terms before I was able to get in treatment. My mom thought I was hopelessly addicted, spend the rest of my life in prison. I'm almost six years clean today. I'm a positive, productive member of this society, and it's due to treatment and transitional housing. So that's about all I got. [applause]

**Carol Graven:** Good morning. My name carol gravein, a Multnomah county cochair for the recovery association project. I've heard so much this morning, i'm having a tough time sticking to what i'm supposed to say, but what I need to tell you is that in 2003 I ended up probably a seven-year run of my own addiction. I had terrorized my family and neighborhoods. And I went through

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hooper in july, in 2003, and was chosen for the mentoring program these are sponsored by, or through central city concern. And my initial involvement with r.a.p. Was more like I wanted to impress people. You know, it's like, look what I could do, and what I found out I could in fact do it, and that brings me this morning, and all the things I thought about me were gone and dead because of what i'd done to myself are back. And I represent families that are going through this. My daughter is the meth addict and is currently in treatment, and my grandchildren are in foster care. And one of my concerns as a mother, you know, regardless of whether or not i'm an addict, is what's going to happen when the families is reunited, and my hope is that these homes can be used for family unification, that they be held accountable still for their disease and their behaviors. And what it does to even think that this might be possible is give me a lot of hope, you know, because in the -- in the past i've seen families get reunified in just irregular settings, which are not bad, but a whole lot of support is needed in this recovery process. It's a family disease. I hope not, but maybe some day one of your family members will need this, and I hope it is available. Thank you.  
[applause]

**Lois jordahl:** Good morning. My name is lois jordahl. I'm a leader at redeemer lutheran church, and a leader in the metropolitan alliance for common good. I was born and raised in Portland. I grew up in northeast Portland, and have been a member at the church at 20th and killingsworth since I was a toddler. I'm a graduate of jefferson high school and cornell university, and I now work for the administrative offices of the jesuits of the pacific northwest. About three years ago I was able to move into my first home as a single woman buying a house, I would have liked to have lived in northeast Portland where I grew up, but where I could afford a house was in southeast. Over one year ago I woke up to a radio broadcast that was talking about a police action at 56th and holgate. I'm close enough to that intersection that I immediately went to my front window to see if I could see what was going on. I later found out that the house at 5628 southeast holgate was raided, 17 people were arrested. The house was boarded up and there it sits. Last winter, the metropolitan alliance began to hear more and more stories from our members about how meth houses, methamphetamine in general, but meth houses in particular were affecting our members. The leaders were asked to look at a list of houses that were identified by the state as unfit for use, because they had been meth labs and the house on holgate was on that list. Because it was so close to me, leaders of redeemer and I began researching the history of the house. We talked with neighbors. We held community meetings. We began to speak with city officials. We began to work with other institutions, including recovery association project, labor, other religious institutions, rose c.d.c., etc. We wanted to find out why such a house such as this could remain boarded up, contaminated, and a blight to my neighborhood. We were told by many that there was nothing we could do or nothing the city could do. We began formulating recommendations for the city in order to address houses such as the one on holgate. We met with members of the commissioners' staff, and met with several of you in person as well. And commissioner Sten, as he mentioned earlier, attended our november 17 assembly and agreed to make sure this resolution came before the council. Thank you for that, commissioner. But the house at 5628 southeast holgate still stands, boarded up, contaminated, an eyesore in my neighborhood. We hope that this resolution of, a good first step, is passed today that at the macg assembly in may we can celebrate the cleanup, the rehabilitation, and responsible ownership of the house that's around the corner from me. Thank you.

**Terry Moe:** Good morning, mayor Potter and commissioners. I'm terry moe, the pastor at redeemer lutheran church on 20th and killingsworth. I've been the pastor there for 25 years. I'm also a leader with the metropolitan alliance for common good. Early last spring, religious leaders from metropolitan alliance gathered together for reflection about the impact of methamphetamines in our communities. I know the scripture pretty well, but it took rabbi joey wolf to point us to a passage which described diseased houses. It described them as greenish and reddish on the walls,

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and there was a process for scraping the plaster from the walls and removing it to an unclean place.

And in deference to commissioner Saltzman's amendment, there was also a process, if the disease was persistent, that the house be taken down, stones, timber and plaster, and taken to a place unclean. We are heartened today that the city is acting to strengthen and coordinate efforts to clean up and restore boarded-up meth houses. You have an opportunity today to act with zeal for the restoration of our community. As macg actively engaged in issues of methamphetamines over two years ago, we are grateful to mayor Potter for walking with us in the neighborhoods, to commissioner Sten for his strong presence at our november assembly, to commissioner Leonard and commissioner Saltzman to commissioner Adams, as we met with you or your staff. We are hopeful that the timeline for cleaning up the notorious 14 houses still boarded up -- and we agreed there's probably more -- in the next six months will be honored, and we are glad to see that the seed money of \$200,000 that will go forward toward restoration is in the resolution. It's a very good beginning.

We wonder about the use of receivership or eminent domain or condemnation as one of the tools that you might consider if it's necessary. And we're hopeful that the prevailing wage that my colleague will talk about in a minute will also move forward. I look forward to announcing to the 200 gathered at my church for christmas eve services that the process for restoring what we've come to call lois's meth house will be restored, that the process is in place, and I look forward to celebrating with the 1,000 delegates in may that the 14 others are also restored. In short, Portland will be a healthier, safer, more livable city for all. Thank you.

**Ben Nelson:** Good morning, mr. Mayor, commissioners. My name is ben nelson. Thank you for the time today. I'm a representative with the laborers union, affiliated with the columbia pacific building trades, and a member organization with the metropolitan alliance for common good. We're very proud, the laborers are, to be working in a large coalition such as macg that is committed to advancing important issues such as this, important for the health and well-being of the entire community. Problem drug houses in our community were not an issue raised by the labor partners in this coalition. When the issue was presented to us, however, we quickly recognized the need for stronger rehabilitation measures and are proud to have participated in the process that's brought us here today. A safe neighborhoods are certainly a concern for all of our members, as they are the rest of the community. Here today to thank the city council and their staffs, your staffs, for their time and energy that have been invested in bringing this resolution forward. It's a good step in the process. I appreciate commissioner Sten, you mentioning this as a step in the process, and I want to definitely offer our assistance, as we move forward in terms of locating and defining what is a responsible contractor when it comes to cleanup of these houses. These houses offer very unique safety concerns for not only the neighborhoods where they're located, such as lois's, but also for those workers who are charged with cleaning up and rehabilitating those. And very important that we address those safety concerns. We have the proper training personnel, and that those people are looked out for. So i'm looking forward to the next steps in offering our assistance as we develop that part of the process. Thank you.

**Moore:** That's all who signed up.

**Scott Brazieal:** Thank you, mayor Potter and council members for the time today. My name is scott brazieal. I'm the coordinator of inner being, which is an inner faith spiritual cooperative and community gathering space on alberta street northeast. I'm leader in the macg. And a member of the redeemer lutheran core team, along with lois and pastor moe who just spoke. I am also a former drug addict with several years of recovery now under my belt. I've always appreciated the margaret meade quote which goes, "never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it's the only thing that ever has." this morning i'm going to take the liberty to amend her quote to include that committed citizens change our community and change our neighborhoods. Indeed, that's the only thing that ever has. I believe this quote is the essence of the metropolitan alliance of common good, and it's the essence, as well, of what we continue to

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focus on today and talk about today. It's also the essence of the macg's healthy neighborhood campaigns that began a year and a half ago and continues today, into the future. We believe the policy addressed today here is a good first step, and we look forward to continue and interactively working with you, such as comments made by commissioner Saltzman, continuing to work with commissioner Sten and commissioner Leonard. And as -- as my colleague ben nelson spoke to. Finally, I was struck as well by a passage from isaiah, chapter 58, which says those among you shall build up the old waste place. You shall rise up the foundations of many generations, and you will be called the repairer of the breach and the restorer of the streets and dwellings. And to me this summarizes what we've been discussing today, what we're working for in the future, to make our neighborhoods and communities livable, our families healthy, economically secure, and safe, and we hope to celebrate our success of working with you to change our world, our community, and our neighborhoods. Thank you. [applause]

**Potter:** If you wish to express your appreciation, put your hands up in the air and indicate it that way. Go ahead, teresa. You have three minutes.

**Teresa Teater:** I've got to do that a lot today. You guys were right on today. I like today's agenda.

My name is teresa teeter, downtown homeless advocate, and also a member of stand for children. I was very pleased that commissioner Saltzman stepped up with the demolition of properties, because that's been a concern of mine. I used to build habitat for humanity homes in nebraska and used to tear down homes, having been a truck driver, and having put streets in and stuff, so i've seen the residue in fiberglass and what's in plaster in the walls, and dead mice in the walls that have probably absorbed whatever's been going on in the family, and, you know, dead mice with meth in their system is still meth in the house that some cat could eat, and the cat could come out and play with the kids, and then, ooh, you know, think about all these issues. Real a deep-seated disease. And so I do agree with your amending that in. It's very serious. I've always had concerns about what i've seen in the walls. And I don't believe just stripping -- you know, we've got to go to the core of the outside of the house, rebuild fiberglass, the wiring, and everything, the wooden beams, etc. It's a lot of work. I agree with the eminent domain, that the other gentleman said, because I was going to say that if nobody did, but somebody did. And i'm aware it costs you about \$34,000 just to decontaminate one home, and your grant issues only about up to \$200,000, so I don't know who will absorb the costs of the decontamination, etc. That's a lot. I'm going to hit on a topic I brought to you earlier this year, is the drug tax stamp. I've got groups interested in listening to that, to come to you folks, to back me up on this, because there's money for these houses that the people that have created this problem, and they didn't have the property -- if you had the drug tax stamp like I talked to you before on these drugs, then they got only a civil fine, and if they couldn't pay the civil fine, then you assess 100% penalty on them, allowing you to seize their homes if they couldn't pay it on their property, and sell it on an auction house site, and you have all the information, i've given it to you, and you have it, just go back and dig it out, and you've got money to rehab these houses, then you can turn these houses over. But remember when I originally told you the precinct that does the busting gets 75% of that tax revenue, so it goes back into police programs, rehabilitation, and voc rehab for the drug users, and you've got to pay for these children you take away from them and put in foster care. I saw the governor's care with about 21 children alone that the state is funding, you know, their homes now in different foster care, etc., and they couldn't take their belongings with them or anything. Everything had to be burned and destroyed. So this is a great start, and I want to you look back at that drug tax stamp as possible funding as well. It's a very cheap program to start. All you got to do is pay for printing these stamps and have people come in and buy them, and then when you bust them, you they don't have them, there's your money. I told you north carolina made \$66 million off this program. Thank you.

**Potter:** Thank you. Are there others who wish to testify?

**Moore:** Unless allen levine has come back, that's the last person.

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**Potter:** Is there anybody here who wished to testify that did not sign up? Ok. Call the roll, please.

**Adams:** As a resident of north Portland and someone who, according to the maps, lives in the neighborhood with a lot of these homes and I think it's apropos, given our earlier consideration and approval of the 10-year plan to end homelessness, good work to all involved. Aye.

**Leonard:** In the last few years i've cringed as some in this country have taken passages from the bible and perverted their meaning to fit some narrow social agenda, as I think most americans have, but it was really refreshing to hear the pass sangs here today that I think really not only speak to specifically the issue, and were absolutely in context, but are keeping with the current season. I want to make a couple observations about -- never had a chance to do this -- about macg. It's commonly misunderstood, I think, in circles outside of ours, ours being maybe activists circles, political circles, that there's this perception that those on the -- let's just say democratic leanings or progressive leanings, or of one mind on issues, so that labor organizations, spiritual organizations, activist groups, are of like minds. Those of us that work within those groups know nothing could be further from the truth, and that it's been a major failing, in my view, something i've spoken to long before macg -- I became aware of macg, and particularly when I was in the legislature, that there was really a lack of a common sense of purpose amongst groups that had so much in common. I have been so impressed with macg first recognizing that, and bringing together the leaders of labor, bringing together activist groups, pick your activist group that you're fond of, and the spiritual community. It is the union of a group of people who have a goal to promote what I -- how I will characterize it, working class issues, that have -- others have allowed us to divide amongst ourselves and fight amongst ourselves. This group has recognized that's a mistaken, various components of working class Portlanders in the metro area to -- I don't know of any other group, if there is one, that does what macg does. If there are out there, i'm not aware of them. If they're in some other community, i'm not aware of them, but I really so much appreciate you recognizing the synergy of these three groups, the sum of which working together is much greater than the individual parts. Labor by itself and spiritual groups by themselves, and activist groups by themselves do not add up to the influence that those three groups working together do. So I just wanted to make that observation and reinforce that what you're doing is really, I think, phenomenal for the community, more than most people recognize, and I hope you keep it up. It's a very powerful organization, in my view, and one that crosses a number of boundaries in a very good way. Aye.

**Saltzman:** Well, I want to thank the metropolitan alliance for common good, commissioner Sten, mayor Potter, for bringing this issue to our attention. Since we're speaking in biblical terms today, I think we know that methamphetamine is a plague among us, not only in terms of the havoc it wreaks on families, the individuals involved, but also as we were talking about, as i'm telling you, increasing evidence that there really is no safe level of exposure to properties that have had manufacture of methamphetamine occur. So i'm glad that we're going to move ahead with the notion that we should put some money where our mouth is and look at rehabilitating properties that have been declared contaminated, but I also do think we need to look at demolishing these properties, and that's the discussion we need to broaden. And I think I would urge us all to look at the information and engage in that. And I think we can probably -- it sounds like somewhat of a radical notion to demolish a property, but I think, you know, Portland enjoys being on cutting edge of things, and we may in fact be doing the best for all involved to do exactly that. So I hope to report back in 90 days, that we'll have more time to explore this issue, to look at the evidence as well, but in the meantime I do support moving ahead with the funding and the notion of rehabilitating these properties, but I do think it's a much larger issue we have to wrap our arms around. But i'm pleased to support this. Aye.

**Sten:** Well, i've said my piece, so let me just thank again scott and ben, rick, all the leaders at macg, cheri, for bringing this forward to us. You know, you're encouraging us to do our job, and it's an honor to be able to do it with you. I also hope we can have a similar meeting a few months down

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the road and talk about say 56th and halsey being fixed up. This will be the real celebration, not this resolution, even though i'm proud to bring it forward with your support today. Aye.

**Potter:** In addition to macg, I want to thank the good folks out in the neighborhoods that have taken us on our tours of their area, and shown us some of these meth labs that are boarded up. And lents was the last, but I remember almost 20 years, when I was a captain at north precinct, seeing my meth -- first meth house manufacturing site in north Portland. And they were taking a young man out of the house that had done the manufacturing, and he was bleeding from his mouth, his eyes, his ears, and was in pretty serious shape when he left that house. I asked people what's going to happen to the house? And they said it's going to have to be demolished and all the pieces of the house put in contained barrels and stored in a hazardous site, hazardous materials site, and I was really pleased to hear over the last few years that we have been doing some work to try to rehab some of these homes. And now it sounds like with commissioner Saltzman's issue that perhaps we need to take another look at this again. But, you know, our goal is to -- to not just rehab these houses or abolish them, but to actually eliminate the need for meth houses in Portland, because I think in the long run that's where the real economy is going to occur, is when people no longer need meth to get by in their daily lives. And certainly there's a -- we've seen and heard the stories of these meth addicts who have gone through recovery and are now once again good citizens of our community, and I applaud them, and I think that that's ultimately the real direction we're going to have to head. So this is a great -- a great program, and I look forward to working with macg to see how we can expand it. Aye.

**Sten:** Mayor, I forgot to thank margaret bax who moved this resolution through at record speed. So thanks, margaret.

**Adams:** Yeah, margaret.

**Potter:** Karla, please read the next item.

**Item 1602.**

**Potter:** We'll wait till these folks clear out, then we'll begin.

**Potter:** Commissioner Adams.

**Moore:** I read the item.

**Adams:** Oh, you did? Ok. This is a second reading, so it's just comments and a vote. Up front I would like to thank my excellent team, especially mary jo markle for all her hard work and perseverance over this past year. She's in the back, and she's about ready to get picked up to go on a plane for a week of vacation to see her family, and well deserved. Thank you.

**Leonard:** You give vacation?

**Adams:** Absolutely. She even gets paid during her vacation. If council approves this ordinance today, we reach a critical starting line in our efforts to bring improved transparency and more direct public accountability to city government decision making. How did we reach this milestone today? We proposed an idea. We vetted it with the public, staff and council. We made improvements. We checked back with the public staff and council many times, which brings us here today. That's the inclusive Portland way. We've had one year of public outreach and input. Six public meetings attended by representatives of council staff. Nine draft emails, out for public comment to more than 5,000 email recipients each time. This effort has been the subject of 11 newspaper stories over the past year. It has been the topic of three rounds of face-to-face meetings with my colleagues on the city council. This draft ordinance has largely been improved with the input, and it has the endorsement of some tough-minded citizen advocates that include money in politics research action project, league of women voters, ospirg, sam chase of the community development network, robert king of the Portland police association, laborers 483, chris smith, neighborhood activist, and others.

So if council approves this today, we begin this important and necessary process to add a bigger observation window to public decision making process. We will fine-tune it in the year ahead. The disinfecting light of this ordinance will shine on our decision making that -- that will shine on our



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decision making will make the city government a sunnier place, not just for the political class, but for all Portlanders, even on the rainiest day. It has been -- it is somewhat ironic that the potential for improvement in city government transparency and accountability for this ordinance can be measured in part by the resistance this proposed lobbying registration and recording has encountered. But that's ok, because change can be hard, yet we have persevered because this is the right thing to do for Portland, and as I said before our work will continue, and to quote pastor moe, whose comments on the last council item, we will continue with zeal. This will improve the way we operate as a government. This will make city government more accountable to its people. Today isn't the end. It's the beginning. I vote aye.

**Leonard:** Here we go with religious quotes taken out of context. I do -- I do appreciate that commissioner Adams has met with a number of people, including myself. He did. But I don't know if all those groups he named had the same experience I did, which was at my last meeting when I raised concerns, being told, well, I have the votes. So to me that doesn't make very good process. And meeting with me and saying you have the votes is not a conducive way to good public policy. I think there are fundamental flaws in this ordinance. I think there are ways to fix them. I think there are ways to make it easier for people to comply. I'm concerned that in the -- and I have absolutely no question over commissioner Adams' goals here, that they're for the right reasons, and I appreciate that. I never questioned for a moment his motives, but I do think it's ironically, as I said last time, become victim to precisely what it is it's supposed to correct. And for that reason I think it's flawed. And we do this kind of a thing you have to have it apply to everybody and everyone if you want to have a transparent process. It is a skewed view one would get through the lens of this ordinance. And I wished I could have been successful in persuading my good friend and he is a good friend and somebody -- 98.98% of the time agree with, I wish I could have got to the place where I could support this. One of my theories of public service is to give people I work with the benefit of the doubt. And I always do. I'm consistent. Unfortunately I do not have a doubt about this ordinance. And I cannot support it. No.

**Saltzman:** Aye.

**Sten:** Well, I think this is a good step in the right direction. I do think it will need to be, in terms of some of the concerns commissioner Leonard raised, I think the better approach is to get the registration in place and work with it over time. I think the idea of lobbyist registration, which comes from sam pushing, it's very common, and the bottom line is really simple. It gets lost I think in a lot of the details, is that there's a common practice of paying somebody else to come and lobby the city council. And it's very oftentimes -- I think in the time i've worked in city government, and perhaps this spring you'll see more of this with some of the ballot initiatives and other things, that there's a growing practice to have one pay for it and another one claim it's their work. This won't solve all the pieces, but there are astroturf groups out there, and if is a simple way of saying, if you're testifying in front of the council, meeting with the commissioners, you're being paid by somebody, you ought to say who that is, and ought to be registered. It would be helpful to me. I don't know oftentimes who's paying people to lobby me. I have to put the pieces of the puzzle together. I think this is a great first step. I think the problem isn't that he has not come up with a good solid system, it's that whichever way you cut it, there's just different things -- I mean, if you make the rules too loose, you don't catch enough, make them too tight you don't pull enough people in. Whenever you have a system that we'll vote on, it will have different strengths and weaknesses. There's no perfect system. The general tactic that I find, certainly true with voter-owned election discussion, a related topic about how large interests try to influence government in ways that can be somewhat disguised, in some cases quite obvious, what happens is that the argument against a strong forward-moving reform is that it's not perfect. I think it's time to not let the perfect be the enemy of the good and move this good measure forward. It's time to get this registration in place, get more sunshine into it, and, you know, if -- if you're in here lobbying the government, just put the

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cards on the table, and I think that's good for everyone. So it's a pleasure for me, and I look at it fairly straightforward in that fashion, and for that reason to vote aye.

**Potter:** Well, being the last one to vote at every council meeting, I already know sometimes how this is going to go. And obviously there's three votes today. I say obvious because I'm going to vote no, but I want to explain why. First of all, I want to compliment commissioner Adams. This is one of his campaign promises. And he's worked very hard to try to create an ordinance that really gets to the heart of transparency and thus accountability. My own take is that every person on this council wants more transparency in how we make our decisions and who are the people that influence those decisions. I think it's the right of the citizens to know that. Unfortunately I don't think this particular ordinance will do that. I had my secretary this morning look at my schedule for the last three months, and just for the meetings I had in my office, this does not include meetings where I went out of my office, evening meetings or weekend meetings, which there are many. But in my office we counted somewhere between 25 and 40 meetings of people and groups that would not be required to register or provide information under this. That's just in three months. And I think that this is not going to be the solution. I'm voting no, because I want citizens to realize that this will not be all -- and I don't think anybody up here has said that -- that it will be the answer, but I can tell you that because it's going to be passed that I will do everything in my power to try to make this work. As I have from the very first day, I have published my calendar on the internet so that people can see what I do each and every day. We have opened up the budget process to include citizens and also more transparency in how we make the budget decisions. So I think this council is moving towards a more transparent process and that my concern is that citizens may feel complacent or feel this is solving the problem, and it's not. It will shed a part of a light on it, but not illuminate. As we move down this path and review it in six months, I'm sure we'll have many experiences to share on how to perhaps reshape this to make it more effective and to reach those folks that aren't necessarily part of this process now. So it's with a little bit sadness that I vote no, but it's something that I think is necessary for me to do. [gavel pounded] please read the next item.

**Item 1603.**

**Saltzman:** Mr. Mayor --

**Potter:** Yes, commissioner Saltzman.

**Saltzman:** I had a couple of amendments I wanted to add to this. In light of the discussion last week about extending the date of the multiple family -- multifamily tax exemption in light of our six-month moratorium on that program, I guess I had some questions as to why we would extend the deadline to the year 2012. So I've met with Barbara Saks over the weekend, and would like to offer two additional findings that really clarify, in fact that we're extending this deadline really to accommodate one particular project that is still in the pipeline and hasn't completed construction, and the other finding really clarifies that this in no way signals our intent necessarily to renew this tax exemption whatsoever pending the outcome of our six-month moratorium and the further deliberations we will have about this particular tax abatement, particularly in ways to make it more family friendly. I think you have that language in front of you. The other thing we would need to do is in order for this to take effect by the end of the year, I would also propose that we make -- attach an emergency clause to this ordinance so that it can pass today and not have to go through a 30 -- a second reading, which would not occur until January, and have a 30-day period. Barbara, do you want to correct me on anything?

**Barbara Sack, Bureau of Planning:** No. Actually it would be helpful if this was an emergency ordinance.

**Saltzman:** That's what I said, to make it an emergency ordinance. I'm proposing to add two findings and also make this an emergency ordinance. I think you have the language in front of you.

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**Potter:** Do I hear a second on that?

**Leonard:** Second.

**Potter:** Please call the roll on the amendment.

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

**Potter:** Aye. Does that -- well, never mind. Ok. So this then is an emergency ordinance, and -- do we have to come back for a second reading?

**Moore:** No. We can vote for it.

**Potter:** Ok, ok. Let's call the vote.

**Leonard:** I think we need commissioner Adams.

**Potter:** Takes four.

**Leonard:** Oh, it is four?

**Potter:** Yes.

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

**Potter:** Aye. [gavel pounded] please read the next item.

**Item 1604.**

**Potter:** This is a vote only. Please call the roll.

**Leonard:** Aye.

**Saltzman:** Once again, these are great code amendments. They're really going to make our city develop a lot better. Pleased to support it. Aye.

**Sten:** Aye.

**Potter:** Aye. [gavel pounded] please read the next item.

**Item 1605.**

**Potter:** This item has been moved to be heard on february 2. Council has asked to have to meet with stakeholders to work on agreement on two outstanding issues and it will be heard on that date. Please read the next item.

**Item 1606.**

**Potter:** It's a nonemergency. Moves to a second reading. Do we have staff?

**Saltzman:** I'll certainly want to applaud the mayor for his leadership in getting an eco roof on the Portland building.

**Potter:** No further discussion, we'll move this to a second reading. Ok. Please read the next item.

**Item 1607.**

**Joseph Quinones, Affirmative Action and Diversity Program Manager:** What we're looking for today is to have you authorize a contract with Hanamura Consulting to provide diversity training for all of the employees of the city of Portland. This is consistent with the efforts of the bureau innovation project 5 and the council's own mandates in this area. The subcommittee of the bureau -- number five, interviewed three finalists for this program and selected hanamura consulting. They have a national team of diversity training. They will provide for the city the development of the curriculum. They will provide assistance in training employees of the city. What we will wind up with is a curriculum of training materials. A cad andre of city employees to carry this program forward in the future as well as having directly for some 300 employees by the end of this fiscal year.

**Potter:** Questions from the council.

**Saltzman:** How is this different than the contract we signed with Portland state?

**Quinones:** That was aimed at managers and focuses on managerial responsibilities. This is a more general program for all employees. The curriculums are, we are working with both the, we will be working with both of the contractors to make sure that they are consistent in what they present and so that the programs we provide to all of the employees are mutually supporting.

**Saltzman:** Thanks.

**Adams:** How will we know if we are succeeding?

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**Quinones:** We actually have a process in each of the modules, for instance, of the program. There will be a pretest and a post testing so we will know they actually gained the information. And we will also have it, we have already done environmental surveys of within all of the bureaus around some of the issues we are addressing and we will go back and resurvey the bureaus as a matter of course. That's going to be done routinely but we hope to see the effects of that program in those resurveys where we look at work environment, people interactions and hope to see a reduction in complaints or, and better communication within the bureaus themselves among employees.

**Adams:** We have a baseline you have already done?

**Quinones:** We have done baseline studies in all the bureaus, yes. Surveys.

**Adams:** Can you pull out results for mine and email them to me? That would be great.

**Quinones:** Certainly.

**Adams:** Glad to hear that. Good answer.

**Potter:** Other questions? Thank you, Joseph. And b.h.r. As well as the bureau renovation project committee for number five, you folks have moved very quickly on this and I like to see that. Thank you.

**Quinones:** You are welcome. Thank you.

**Adams:** Good work.

**Quinones:** Thank you.

**Potter:** We don't have a sheet.

**Moore:** I didn't have a sheet.

**Potter:** There is anybody here who wishes to testify on this matter? Ok. That's a nonemergency. That moves to a second reading.

**Moore:** It is an emergency.

**Potter:** Excuse me. Please call the roll.

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

**Potter:** Aye. [gavel pounded] please read the next item.

**Item 1608.**

**Adams:** We have staff available if council has any questions regarding whether or not we should accept this money? There is an easy answer here. 30 seconds of who you are and why this is a great thing.

**Andy Gresh, Bureau of Environmental Services:** My name is Andy Gresh and I am the program manager for the watershed revegetation program and serving as the project manager for the revegetation program at the McCormick and Baxter site. It's a great opportunity to work with the D.E.Q. To provide them the assistance to install native plantings and to manage invasive species on this project. There will also be a large event planned for February. I believe the tentative date is February 11, where the city council, mayor, and the governor of Oregon will all be invited. So look forward to that.

**Adams:** And the city council.

**Gresh:** I mentioned that. Very important.

**Adams:** We invited them twice.

**Adams:** Great work.

**Leonard:** What is the site being proposed to be used for when the cleanup is done?

**Gresh:** Well, currently, the site has, is being, it was recently capped and cleaned up, and so the planting portion is really focused on the river bank right now. There are some plantings that will take place in the interior portion of the site. As far as the long term plans for that, for the site, there is some discussion that I am peripherally involved in right now where the University of Portland is looking at possibly taking over the site. But that's to be determined in the future.

**Adams:** We have had some initial discussions with U.P. That's going to buy this Zidell property right next to it about taking over both sites. Part of their initial concept is potentially to move their

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athletic fields on to that site and that would give them more opportunities to expand up on the plateau without having to go into the neighborhood further. But that's still, those are still just initial discussions.

**Gresh:** Yes.

**Potter:** Questions? Thank you. Is there anyone signed up?

**Moore:** Didn't have a signup sheet.

**Potter:** Is there anybody here who wishes to testify on this matter? Ok. Is a nonemergency. Moves to a second reading. Great work. Yes.

**Potter:** Please read the next item.

**Item 1609.**

**Andrew Aebi, Local Improvement District Administrator:** Good afternoon, Andrew Aebi local improvement district. It was introduced by commissioner Adams on December 7. As you may recall this agenda item was continued to today for the purposes of me providing council with an option to lessen the amount of benefit and therefore assessment that would be allocated to the five current benefitting properties in the south assessment zone. Before I explain the amendment, I just wanted to note for council's benefit that during last week's weekends, ice and snow event, Anderson Way was closed off and there was a medical emergency in the neighborhood and the fire bureau was not able to respond to the medical emergency. There are two basic options available to council in terms of the findings that it can make. The first finding is the most radical for lack of a better term. The first option would be to make a different finding involving basic principles of benefit within this l.i.d. Council has the full prerogative to do this, I would point out to council this would be a change to the basic principles of benefit contained in the resolution of intent passed by council on November 9. What would provide the least allocation of benefit and therefore expense to the properties in the south zone would be to make a finding of no benefit despite the fact that they abut the proposed street improvement. Council has a full discretion to make this finding such a finding would be problematic, not only in terms of the internal logic within this l.i.d. But would set a precedent by which I believe future councils would not want to be bound on future l.i.d.'s. The second option for council which is addressed by this amendment would be to provide council with the discretion of exercising, excuse me, it would allow council to exercise its discretion in terms of finding a benefit but not to the degree that basic principles of benefit within this l.i.d. are compromised. I have prepared an amendment to the l.i.d. formation ordinance for your consideration which would shrink the \$165 per tax lot gap between the south assessment zone and the pending development assessment zone, so as to result in a \$1 difference between the two on a per tax lot basis with no change to the basic principles of benefit for this l.i.d. The effect of in change if approved by council, would reduce the assessments in the south assessment zone by 3.5% with all of this increase borne by the pending development assessment zone. The water leaf developer has given his approval to this change. Council's task today is to make a finding of benefit for the properties for all properties in the l.i.d. but specifically here with this amendment for the properties in the south assessment zone that the value of street paving, storm water drainage, sidewalks, and new lighting exceeds the \$4,313 that the south assessment zone properties would be charged without the amendment being enacted or \$4,165, with the amendment being enacted. In closing I am requesting two actions by council today after the testimony. First the decision whether to adopt this amendment. And, second, after consideration of this amendment, a motion to overrule all remonstrances and objections. Thank you.

**Potter:** Question for Andy? Thank you. Is there a signup sheet?

**Moore:** We have four people. Come up three at a time. We have Shawn Beasley, Chris Baldwin and John Drake.

**Potter:** Thank you for being here. When you speak please state your name and you each have three minutes.

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**Sean Beasley:** Good afternoon. I'm Shawn Beasley. I live on southeast 172 in the south zone. The amendment as written I think does little to address the inequities we are all concerned about. The second page of the map that I am handing out indicates an approximate per lot assessment cost of the various zones, project administrator has created for this I.I.D. It's clear the central zone is paying one sixth of the cost of surrounding properties and especially, well, specifically the south zone properties. And I have asked several times for any factual justification of why their assessments are one/sixth of ours and he did list some street lighting and that sort of thing. But I guess I was trying to figure out who's going to use the road and when you determine the benefit that's to be derived from this road, you must keep in mind, I would think, that the population to be served by the improving and opening of this road is enlarge part the properties on Hawthorne Ridge and Water Leaf. And as such, I just don't understand why there was such a great disparity? So the proposal reducing \$149, our assessments reduces the percentage gap from 625% to 603% between the central property assessments and our assessments. So it's a nice gesture but I don't think that it addresses the inequities that I am concerned about.

**John Drake:** My name is John Drake. I also live in the lower 152nd Avenue area. Mayor Potter, commissioners, thanks for hearing us today. Residents, we the lower residents have never opposed the road as such and do see a need for the fire bureau to have a second access road. We appreciate Mr. Abbey said about the snow and the rain we had this past Monday. And, of course, this second road possibly that will alleviate that. What we are asking here, we have homes that have been established in this area for 20 to 30 years. And now we have development in the last 10 years that it has been opportunities to have this road developed and hasn't taken advantage of. And now we are asking residents that have been in this area for up to 30 years to pay for a new development's road. As my neighbor Shawn spoke of 3.5% or \$149 when Commissioner Sten asked Mr. Aebi to relook at this appears to be sort of, what I think would be a slap in the face as the adjustment came back with. There was a two-week period when we got two different letters from Mr. Aebi and the assessment went up in that period of time \$150,000 from what he said the initial project was going to be until the reassessed it. And to say that we are only talking five properties, \$750 is all that we can -- just doesn't seem to be realistic. I appreciate your listening us to all these times. And thank you for consideration.

**Chris (Jay) Baldwin:** My name is Jay Baldwin. I live on 152nd also. I would like to comment on this. I understand that there is a second access needed to Water Leaf will that's critical. They have to have it. And we don't oppose that. My concern is with the reduction that Andrew Abbey brought up, it takes the south zone houses to the per lot basis about the same as the new development houses of \$4150. And they are supposed to be equal benefit. The benefit we get, I get anyway, is traffic count going from zero to 2500 about a first down from my door. Ok. I am going to have traffic, wheels, cars, right at eye level. It's going to be a tremendous impact on my family and my me. The thing is that the benefit that the development folks are getting is, they get to build the houses, ok. And if they don't, this if -- if this I.I.D. does not go through they have to spend that much money on sprinklers. Their benefit is they are getting their sprinklers paid for basically or their road, they are getting the development in and we are getting virtually nothing. I bought this house just a little over a year ago. And if I had wanted paved streets and sidewalks I would have bought a different house. That wasn't critical to me so the benefit to me is minimal. The exposure to me is great with the \$25 -- 2500 cars. Another thing to keep in mind is that there is another solution to this. And there is a development the Mount Olive properties a gentleman wants to develop to the south of us, and that road will go in before this one starts. You won't have to go to the residents of the Hawthorne Ridge neighborhood and say pay 6902 which they don't want to. They feel it should be handled. And you won't have to us and say, we need \$4,000 so you can have 2500 cars. So the benefit is not equal between the properties, and the expense is what we are being asked to share.

**Potter:** Thank you, folks.

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**Moore:** We have matt seidel.

**Potter:** Thank you for being here. You have three minutes and please state your name.

**Matt Seidel:** My name is matt seidel and I am a representative of ever riverside homes and I wanted to say briefly that we support mr. aebe and the additional assessment on us that we have worked out previously but we would oppose any additional assessment on our lots that would exceed the other lots in this area. That's about it.

**Potter:** Thank you.

**\*\*\*\*\*:** Thank you.

**Potter:** So the next step is to consider whether we want to amend the original.

**Sten:** I would move the amendment that andrew proposed.

**Potter:** Do I hear a second?

**Leonard:** Second.

**Sten:** In terms of discussion, mayor, I had raised this question about the south properties which I think are only four or five, and that are most of the testimony that's come on. The nutshell, my staff has spent a lot of time on this. I am personally not completely satisfied on the apportionment in terms of the results. Incompletely satisfied that andrew as he always done has done a professional, rational job at it and has clearly communicated to all of the parties all along what was happening. Some of these properties have waivers so they can't remonstrate. And there's been a variety of agreements, most notably with the large undeveloped space, that sets their amounts so you get into almost this equation you have to solve and it has to equal the sum. And just it's my sense that andrew worked diligently to come up with what I asked which put less pressure on the small south properties. I am not frankly happy about the results but I am not dissatisfied with the work he did so I am inclined to move this along but these ones, if I could solve the equation differently I would. I want to be clear about that. I thought they had a fair case and tried to do something about it. The amendment itself is, you know, it takes \$150 off an assessment. At least it's a \$150. I was looking for something more. I think andrew has done good and competent work so that's why I am moving this particular amendment and how it relates to what I asked for.

**Potter:** And you seconded?

**Leonard:** Di.

**Potter:** Call the roll on the amendment.

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

**Potter:** Aye. [gavel pounded]

**Harry Auerbach:** You need a motion to overrule the remonstrance and then move to second reading.

**Potter:** I need a motion to remove the remonstrances.

**Sten:** Move.

**Leonard:** Second.

**Potter:** Call the vote.

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

**Potter:** Aye. [gavel pounded] please read the next item.

#### **Item 1610.**

**Adams:** This proposed ordinance is moving more than the streetcar itself. So I would like to continue it to the second wednesday in january. Who are you looking for?

**Moore:** I thought she said she had an amendment coming.

**Adams:** No. I would like to continue it to the second meeting in january.

**Potter:** Hearing no objection. Please read the next item.

#### **Item 1611.**

**Potter:** Anybody to speak on this issue?

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**Moore:** I didn't have a signup sheet.

**Potter:** Is anybody here who wishes to speak on this issue? Yes.

**Riley Whitcomb:** Good afternoon, mayor and commissioners. Just to kind of briefly explain what this is, we were approached by the maddens about the possibility of us accepting the property. We performed due diligence, it's acceptable. It's adjacent to forest park and it would be no cost to us in this except for some minor closing costs. So we would recommend approval.

**Saltzman:** How big is the property?

**Whitcomb:** 9,800 square feet, I believe. It's not very -- 8,000? Excuse me. Sorry. 9,000 square foot. It's a lot.

**Saltzman:** Not 9,000 acres.

**Potter:** Thank you. Any other questions? Emergency vote. Please call the roll.

**Adams:** Aye. **Leonard:** Aye.

**Saltzman:** Good work. Always pleased to be adding to forks park. Thank you to the summit properties for their donation. Aye.

**Sten:** Aye.

**Potter:** Aye. [gavel pounded] is 1612 related to that? Pardon? No. Ok. Please read item 1612. It's an emergency vote as well.

**Item 1612.**

**Potter:** Is there staff here to talk on this issue?

**Riley Whitcomb:** I am now with Portland parks. This was a property that adjacent, immediately adjacent to the parcel, or not a parcel but part of a building we already had been leasing in, and needed to expand facilities for our maintenance staff. And we checked with other city bureaus to see if there was an alternative available that would serve our needs. And nothing came available. So we are recommending approval of this amendment. Any questions? I would be glad to address them.

**Potter:** Any questions? Thank you. Emergency vote. Please call the roll.

**Adams:** Aye. **Leonard:** Aye.

**Saltzman:** I wanted to thank michael and joan madden for their donation of land to forest park. I mentioned the wrong name. Aye.

**Sten:** Aye.

**Potter:** Aye. [gavel pounded] please read the next item.

**Item 1613.**

**Potter:** Commissioner Saltzman.

**Saltzman:** This is an extension of a contract with Portland business alliance for four months for services they performed with respect to cleaning restrooms and other maintenance activities. I believe that we are in the process city wide of doing an umbrella contract for all services and this is not dissimilar to the discussion we will be having soon about napa running our stores but extending this contract until a broader r.f.p. can be put in place which all comers will be welcome to compete for. So it's a four-month extension.

**Potter:** Four months extension?

**Saltzman:** For special downtown services.

**Potter:** Any questions from the commissioners? It's an emergency vote. Please call the roll.

**Moore:** You want to take testimony?

**Potter:** Oh. Sorry about that. Any testimony? Anybody wish to testify about this matter?

**Saltzman:** This is a six-month extension. I spoke incorrectly.

**Potter:** Please state your name when you testify. You have three minutes.

**Andy Seaton:** I am andy. I don't think this will put me over the limit to qualify me as a lobbying entity. I am here today as a person not a representative of kboo. I am, although one little thing that



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I would like to point out, your website is down and has been down for a week for the online video. And, oh, I have your copy here.

**Leonard:** I have a special copy?

**Seaton:** Yes, you do.

**Leonard:** There is something I should know about?

**Seaton:** And so I would just request that -- I reported with the weather and my knees and not reacting to it I have been covering council from home via the website and I couldn't do that. The problems, I reported it to the clerk's office and they said there's some network problem and it was supposed to be fixed and it still hasn't as of last night and it's affecting the archives for you folks for the section so I couldn't even go back and try to recover one from last week. And I am one of those people that don't have a tv at home so there was no way for me to get to channel 30 otherwise. But this came to mind the people history of the united states, it's an excellent book by howard sen. If you have a copy regift to it somebody else that you, that needs it. Let me put it that way and it came to find particularly when randy Leonard last year quoted it turns out oliver wendell holmes. You can't yell fire in a crowded movie theater. This actually doesn't --

**Leonard:** Free speech doesn't jeff give you the right to yell fire.

**Seaton:** The problem is that this is just one. Negative gets in here. The history of the united states fold from the point of view from the losers like columbus from the point of view of the indians.

**Leonard:** You will be happy to know I have it and I have read it.

**Seaton:** Oh, good. The idea that the first, holmes was quoting this in terms to uphold the arrest and conviction of a fellow whose only crime was to put out a pamphlet against the draft during world war i. And as the description here, further with the example was act not like someone shouting falsely but truly about to buy tickets to enter the theater there was a fire raging inside. Would be a much better analogy and this is just a wonderful book all the way around and I have work mark yard copy here.

**Leonard:** Good. Thank you.

**\*\*\*\*\*:** Thank you very much.

**Potter:** Thank you.

**Leonard:** The parts I should read? Excellent.

**\*\*\*\*\*:** Read them again.

**Leonard:** I sold it back to powell's.

**Potter:** This --

**Leonard:** I believe in recycling.

**Potter:** An emergency vote. Please call the roll.

**Adams:** I want to thank the Portland business alliance for host meek for a couple of hours this weekend when I was one of those, the green jacketed people, green greeters. And although this doesn't affect that, the number one question I was asked as a green greeter was where's the public restroom? So in case any of you need to know and they are closed here I might be able to direct you. Aye.

**Leonard:** I am trying to get sam to sign up in my office to work. For a while but I have been unsuccessful so far. We are working on it. Aye.

**Saltzman:** A few weeks ago, parks budget meeting I did make a pledge we wouldn't have citizens cleaning restrooms but commissioners, might be eligible to do that. Sam, you are next. Your next work opportunity. Aye.

**Sten:** Well, too, somewhat related thoughts. First we are working on the question of public restrooms in old town as far as fire station one and that project has a lot of twists and turns I think before we are going to be able to authorize building it but I want to bring that back to folks many secondarily on less positive note, I do try and scrutinize these contract and I asked a question because it's an extension of what the administrative overhead was on this contract. Worked with

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commissioner Saltzman's office. I am going to support it because I think parks has to move forward. I got a close to intelligible answer and that led me to take a look at the budget that's supposed to be submitted by the Portland business alliance and there hasn't been one submitted for two years until recently. I would like to have a little more work done on making sure -- this isn't everything. I will talk about this with the napa piece that we are paying as little overhead to unrelated functions as we can. The alliance does a lot of things unrelated and I am not sure I will support this at the end of six months if that's not addressed. Aye.

**Potter:** Aye. [gavel pounded] please read item 1614.

**Item 1614.**

**Potter:** This is the second reading. Testimony is not taken on second reading. There has been a request to allow additional testimony on this issue. We will need to ask council to suspend the rules. Does council allow a suspension of rules?

**Adams:** No.

**Saltzman:** No.

**Potter:** Call the vote.

**Potter:** Oh. Yes.

**Leonard:** Apparently you object, mayor.

**Potter:** No, no, no. Ok. Let's --

**Sten:** I think we need to vote to suspend rules.

**Potter:** Do we? Ok.

**Potter:** Call the vote on suspending the rules.

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

**Potter:** Aye. [gavel pounded]

**Saltzman:** Mr. Mayor, members of council, where we left off on the discussion last week, as a reminder this is a request to extend the parks bureau contract with napa, with genuine parts company for the operation of our the parks stores and warehouse business. They have been doing that under an 18-month pilot. The audit, independent audit that was done has shown there, in fact, there are savings in money to us. I realize that's a point of discussion. We were directed last week to discuss the possibility of the bureau of main tans operating our stores and warehouse in this interim period while we prepare -- I should say the goal is to prepare an r.f.p. That would allow all comers to compete for the operation of our stores and warehouse including the public sector. We had some discussions with bureau of main tans, I believe those were not productive from a, on an operating on an interim basis from a financial point of view. It would cost us I believe additional funds to have bureau of main tans step in on an interim basis. We are meeting all week with citizens. We have had three meetings all week long. They are maybe still meeting on the lunch hour how to cut \$2.5 million out of the parks budget. Our current year budget is based upon the savings we have obtained through this contract. So I can't in good conscious say we should spend an additional \$100,000 that is my understanding what the cost is to have the bureau of maintenance come in on an interim basis when, in fact, we are moving towards an r.f.p. What I also learned last week was that perhaps we should consider looking at putting all of our maintenance and stores operations city wide to an r.f.p. Jeff bayer may want to comment on that. But also bureau of innovation project no. 12 which is looking at this maintenance and operations could also be taking us towards the same course of action. A city wide r.f.p. For maintenance and operations. I think there's, you know, I will listen to testimony and let's have the testimony but I would like to see us extend this contract and then either the parks will go out with this own r.f.p. Or we will have a chance to dove tale perhaps with city r.f.p. Or bureau innovation no. 12.

**Potter:** Jeff, did you wish to add anything?

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**Leonard:** While he is coming up my request last week for p-dot and water to look at. And so I talked to water, and they don't need any ramp up \$100,000 cost to administer this program. They can do it.

**Jeff Baer:** Good afternoon Mayor Potter and members of the city council. I am Jeff Baer the acting director for the bureau of purchases. I think what commissioner Saltzman was referring to was back in late in year 2000 we conducted an administrative service review to look at the various different store functions that were being done throughout the city. And as a result of that, there was a recommendation to consolidate or actually look at and hire somebody to come in and review the current landscape of what we have and come back with a recommendation on perhaps consolidating or even going to an outsourcing program like we have done with the parks program. And so with that we just never got that off the ground. There was some resistance from bureaus at that time so pretty much just got shelved at that point.

**Leonard:** What year was that?

**Baer:** That was late 2000 we reviewed it and a recommendation in 2001 administrative service review came forward with that recommendation. Last week after the result of the council meeting we had the budget office come back and look at the current, what we have currently being performed throughout the city, and it's changed slightly with the reduction of some f.t.e.'s and an increase in the valuation of the inventory but not a lot different than what was still being operated back in January or back in 2000.

**Leonard:** Do we have the auditor that was here last week? Is he here?

**Baer:** I believe so.

**Leonard:** Our meeting last time, he pointed out some things that we hadn't heard at the council in terms of I think if I recall correctly 60% of the stuff we purchase is still purchased through employees. 47%. So I mean even with this program some of the testimony we heard was confirmed by the auditor and that is that a number of our employees are still going out purchasing items and purchasing them through Napa and Napa receives a percentage. So I don't quite get where the savings are here exactly. It appears to me that it's costing us money.

**Saltzman:** We have representatives from Napa who would like to speak to us and maybe this is the right time to do that.

**Potter:** Call forward the Napa folks. They did write a letter requesting to provide additional information. Please come forward. Please state your name.

**Jim McGinnis:** My name is Jim McGinnis. I am the integrate the business solutions manager for Napa auto parts. Basically for the western United States. And I guess more on a local note, I am here on behalf of all of the Napa Portland employees. To talk about this program and what it's done in our minds for the city of Portland. With that said, we understand that the commissioners and mayor need to do what's best for the city and what's best for the taxpayers. With this program, we have got about 200 of these set up across the country and about 50% of those are set up within municipalities. And by far the majority of those are experiencing tremendous cost savings through this program. Not only due to the reduction in the price of parts they are paying but also transaction cost expense reduction as well as one benefit that the city has not been able to take advantage of in this particular pilot program where we actually relieve them of their inventory burden. So what that means is we take possession of the inventory, and the city is able to do whatever it is that they want to do with that, with those funds.

**Leonard:** Can I ask you about the cost savings part? Did you happen to have the opportunity to review the testimony that we heard last week?

**\*\*\*\*\*:** No. Because the video was not up and functioning.

**Leonard:** What we heard was, and what appeared to be undisputed was that the purported savings were savings generated by prices you generated yourself, not necessarily prices compared to what we could buy specific products for, and have been buying them for. So that the information we

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were looking at is really just information generated by what your retail price would be, as napa, and then what you bought it by and then the savings is the difference between those two as opposed to what I think most people were, you know, under the is understanding, myself included, was that I thought the savings meant that you actually saved us that much over what we were buying products for. What we heard was a dramatically different prices and that overstated, in fact, that I think the testimony was that actually costing us money.

**McGinnis:** When we talk about this program in general, it is not a program where we talk about just the price of the part. That is a small segment of this program. Versus when you look at the entire program as a whole. And the benefit of the entire program. When it comes to specifically of the price of the part, what we were required to do as part of the pilot program is actually document every single item, line item that we actually provided to the city parks. So we put together a spreadsheet and this was the recommendation from actually the city where we documented every single item that we provided. The contract states very clearly that if it is not possible to show what the city paid prior to that, before napa came in and started running the stores operation, that the list price was supposed to be used. That was something that the city came to us with.

**Leonard:** Could I ask you about the other element that the auditor pointed out? Was it 47% of the parts were being purchased by employees, not through napa but through employees, by employees, and then you charge a price above that when our employees do that back to us? How much is that charge?

**McGinnis:** Well, if we, if your employees, for instance go to home depot, need a part, need an item, they buy that item. If it's run through the store's department through napa, and we take whatever that cost is and we add 10% gross profit to it.

**Leonard:** Why is that in our interest to do that? I am unclear why that's in our interest to pay you 10% per part we went out and bought.

**McGinnis:** What happens ultimately when you look at the transaction cost reduction, associated with this entire program, that's where a big portion of the benefit comes from. When you look at the number of vendors that these people are handling on an, on a daily basis, processing the paperwork, justifying the working on the statements for the procurement cards, we take care of all of that and you don't have to worry about that anymore. So that is a big savings associated with this whole program.

**Potter:** You said you could guarantee a \$200,000 saving and you said you actually delivered \$240,000 savings overall in the administration of that program. Is that correct?

**McGinnis:** Strictly on the price of parts.

**Potter:** Did that include us purchasing that 47% of those parts?

**McGinnis:** Well, if it was run through stores, that is included into that mix as well. That's correct.

**Potter:** Including the price of the article itself?

**McGinnis:** The way we work the spreadsheet, we identified every single item that we provided to you, what our cost was, what the list price was, or what you paid previously and then it was calculated. It was a cumulative total so if you paid more for an item versus the last time you had bought it, that was taken into consideration as well.

**Leonard:** But the concern I have, the \$240,000, correct me if I am wrong, is money that you calculated as saved between what would be paid for on the open market by you versus what you, whatever it is you pay for it. What I have been hearing a lot of is, in fact, what we could buy the part for or what we weren't buying the part for was substantially less than your even discounted price. So one, as the mayor put it, might be misled to think you provided us a \$240,000 saving busy I don't think that's accurate.

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**McGinnis:** Well, again, if we were not able to show or find or the city was not able to provide a part or a price that was previously purchased for that particular item, then, contractually we were asked to use a list price.

**Adams:** What list price?

**McGinnis:** Whoever the provider was of the part.

**Adams:** The previous provider?

**McGinnis:** Whoever we bought the part from.

**Adams:** I see.

**McGinnis:** If it was a napa product and it hadn't been bought before we used your discounted price from when we used to supply you on a day in and day out basis as a regular customer.

**Adams:** This doesn't compare the lowest price that the city could have received in the local marketplace versus what you charge the us. This was a list price that you got from --

**McGinnis:** The supplier. Whoever that was. Non-napa supplier.

**Adams:** And is the \$240,000, delivered savings in excess of \$240,000 is that net of your 10% markup on the car purchases?

**McGinnis:** That's right --

**Adams:** In other words, you are saying you save \$240,000 but then there was employees that used the card and you added 10% to those employee charges that does the \$240,000 have you backed out that 10% charge?

**McGinnis:** No. If it bent through the store's operation and through napa, then, it was part of that calculation.

**Adams:** It was part of the calculation or not?

**McGinnis:** It was.

**Adams:** Ok. So in charging us the 10% on the card purchases, you have included that to get to a net total savings of \$240,000?

**McGinnis:** That is correct.

**Saltzman:** Did you have a statement you wanted to finish?

**Adams:** I'm sorry.

**McGinnis:** That's ok. These are good questions and this is the way I anticipated going.

**Saltzman:** Ok.

**McGinnis:** But I guess what I did want to make sure that everybody understood was that, you know, with this particular program, when I read the audit and heard some of the information that was discussed last week in the city council meeting, when it came to the scope of the work of the r.f.p. and ultimately what was put in the contract I feel like we have lived up to that expectation and we have done a very good job of doing that both as service, pricing, and basically just living up to the scope of work. And doing what we said we would do. When it comes to certain things such as inflating the inventory just so napa can benefit the purchases, and for the sales and the prophet from that -- profit that is not valid. I understand that inventory started out at \$130,000 when we went in february of 2004. And now it's \$455,000 is basically where it's at. There's a lot of different reasons for that inflation -- inflation but as you look at the items that were used on the outside for procurement purposes and now has run through stores, what that's done is it's allowed us to build up that inventory base to make sure that we do have it in stock so we can provide better service and people don't have to go out and actually procure and pick up the part on their own.

**Leonard:** That may be but I think the point of the audit isn't really in dispute. I think the point. Audit is the so-called savings were magnified by increasing the inventory. So you, because you had 10 light bulbs versus five, that doubled the amount of what you showed as savings. And --

**McGinnis:** Ok.

**Leonard:** Right?

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**McGinnis:** In some cases that's true. The lawn mower blades which was part of the audit is a clear example. We bought a huge lawn mower blade item, inventory, basically. Enough to last one year. We did not do that without authorization from parts.

**Leonard:** I don't think there was an attempt to suggest there was something improper. I didn't read it that way. I read it as just explaining the magnitude of what you showed as saving. But you have to compare apples to apples. And I felt like it was doing was saying don't compare these apples to oranges. If you had a smaller inventory before, you have a larger inventory now, that partially explains the total amount of the savings that you represented to be savings.

**McGinnis:** That's one of the reasons why we went out and made the larger purchases is to get a significant savings. I think what I am hargrove is you think that we put on this spreadsheet a list price for everything that we supplied and that's not necessarily the case. It's, we were able to come up with a price that we knew you paid prior to that. That's what we used with the spreadsheet. So when it came to the lawn mower blades there was substantial savings associated with that.

**Potter:** What --

**Adams:** What percentage of the items purchased before -- what percentage of the baseline items, the items that were purchased before you got this contract for the 18-month pilot, what percentage of those items could you not find documentation for?

**McGinnis:** I don't have an answer to that. I couldn't tell you. I do not know. Maybe somebody else here does but I do not know.

**Leonard:** Did the auditor look at that?

**\*\*\*\*\*:** Going back into the records I couldn't --

**Leonard:** Ok.

**\*\*\*\*\*:** It was less than the majority of the items.

**Leonard:** Less than the majority that didn't have documentation? Most of the --

**\*\*\*\*\*:** Because they picked up the prices of the inventory that city had on hand, that 330,000. When they started. They had all the history on the items and the prices. That's what they started forward with.

**Leonard:** Ok.

**\*\*\*\*\*:** So they had history. Some items when they bought new item --

**Adams:** What percentage of the items where there's a list price?

**Leonard:** He should probably come up and testify.

**Adams:** The items that had a list price. That this company inherited from parks. Did they show savings on those items?

**Keith Crawford:** Keith crawford. This is part of the detail which unless you actually and it look at it can become very confusing. But the method that they used to calculate a savings on the inventory that they could control over influence a savings on was based upon, did they have a price history? And their system did show that they a last price paid for an item, or if they had multiple purchases, the average price paid. So when they --

**Adams:** They is parks?

**Crawford \*:** They as napa. Napa.

**McGinnis:** We took the information from parks and put that --

**\*\*\*\*\*:** They inherited from a computer system.

**Adams:** That's parks basically. You said napa. They being napa took this information and established a baseline in their own system?

**Crawford:** That's correct. That's correct. So when they made a purchase they look up the item, look up the vendor, see if they had history. If they had history they called the vendor and say how much are you going to charge for this part? If it was higher they would try to negotiate a low are price. If they couldn't negotiate a low are price they went to another vendor. If the new vendor that they went to was able to give them a better price, they calculated the difference between the old

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price and the new price to calculate the savings. In the event where they went to a brand-new vendor that had never sold parks a product before, they had no history on a part, they would have to use list price to have something to go off. But again that represents a fairly low percentage. I don't have all my details so I can't tell you exactly what that percentage is. Far less than the majority of the items that they calculated as savings on were based on a list price.

**Adams:** You don't, we don't know today where the baseline documentation exists? We do or do not know whether or not the savings were achieved?

**Crawford:** The baseline documentation exists, just not here on this desk at this present moment. The savings were, I reviewed the savings in excruciating detail and the savings are real from what they did calculate based on their purposes and the methods they.

**Leonard:** But you raised a concern about the amount of purchases.

**Crawford:** Right. As mr. McGuinness indicates the current on hand inventory you say is \$455,000. Inventory ranged from \$300,000 to \$400,000. So if that's presently \$55,000 above what inventory normally would have been on the shelves, then, that would be a contributing to that part of that \$1 million but obviously they have been using the inventory at a rate that at least justifies some of the majority of the purchases. They just have \$55,000 more on the shelf than they historically not carried.

**Potter:** I want to ask a question. I am not sure I heard the answer to. Overall, for consideration all the costs, all the people involved, all the, you know, personnel, is this, did they save \$240,000 overall that we can say, last year they spent this much, we saved \$240,000 off that amount? How does that work? I haven't heard a very direct --

**Crawford:** Ok. One of the things we talk about is the amount of purchases that were done by the city employees.

**Potter:** Yes.

**Crawford:** There's a 10% gross profit added on to those purchases. If you take that 10% and you total it up, you offset that -- and this is before parts of the savings occurs because the -- there was an assessment for each credit card transaction that the city employees were doing of roughly \$25 per transaction. That was being assessed to parks. By routing the purchase through the napa purr program, that limb -- that was eliminated so there was actually the net savings even if you subtracted out the 10%, there was a net savings of a little over \$30,000 just on avoided credit card costs. So that there was a real savings there.

**Leonard:** I am trying -- help me understand what the cost would have been had napa not been there. What are we saving \$30,000 from?

**Crawford:** On the assessments from the individual procurement cards that were being used by the city employees.

**Leonard:** They are still using them under napa.

**Crawford:** No. It's not become run through and -- assessed.

**Adams:** Who charge the \$25? Who was charging the \$25?

**Crawford:** The city.

**Adams:** The city?

**Adams:** So we went from \$55 average assessment service charge to a 10% service charge from napa?

**Crawford:** A 10% on the purchase price of the item.

**\*\*\*\*\*:** Basically, yes. Basically.

**Adams:** But the city still charges for using the procurement cards?

**Crawford:** No, not if it goes through napa. If they do the purchase on their own and handle the purchase on their own, use the procurement card, then, that fee is assessed

**Leonard:** Why does the city charge \$25 to an employee for the use of a procurement card?

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**Jim Carr:** Jim carr, former Portland parks maintenance superintendent and was the park stores manager up until october of this year. Three years ago when the a.s.r. Process was initiated by mayor katz, or four or five years ago, actually, parks was asked to look at our store's operation and identify opportunities for savings. At that time we had determined that, through purchasing, through the accounting or accounts payable office, Portland parks was issuing over 9,000 purchase orders each year. Those purchase odds were identified costing Portland parks almost \$65 per transaction. Didn't matter if it was a \$10 purchase order or \$5,000 purchase order. That obviously went down during the procurement card process and through that procurement card process, we become more efficient. But those transactions were still being assessed by the city of Portland's accounting office at about \$25 per transaction. Didn't matter in it was a \$5 purchase or a \$5,000 purchase. It still cost Portland parks \$25 to process that transaction. Now, we were looking at this as being a savings, and in order to demonstrate to the taxpayers, the park users, our supporters, levee supporters and that, we felt that we needed to show them where we were finding efficiencies in our operation. One of those was by reducing the number of transactions that we were processing, and finding more opportune ways. City of chicago, other major municipalities across the country are using the napa program that would allow us to process all of the transactions through napa so we are not using our city of Portland procurement cards. We have reduced the procurement card transactions through the city of Portland park bureau employees by 246% during this 18-month pilot program. That 246% did not, was not calculated as part of the actual \$240,000 saving. But what it has done was given us the ability to demonstrate to our end use e. Our supporters that we were trying to find opportunities to be more efficient in our operation.

**Leonard:** So you are not at parks anymore?

**Carr:** No, I am not.

**Leonard:** Where are you at?

**Carr:** My position was eliminated as part of the reorganize son. At that time I elected to go ahead and go out on my own. I am working as an independent consultant working with other municipal agencies to identify opportunities to find savings in their operation but also to allow them to find opportunities to be transparent to the taxpayers, and look at exploring avenues that would allow them to find additional funding for their operations. We have \$455,000 of inventory in park stores at this time. When I was the parks stores manager, we reduced that inventory dramatically and intentionally with the anticipation of a contractor coming in and taking over the operation of that stores. When I was the project manager on that while napa was managing the store, I gave them the authorization to go ahead and take opportunities to find procurement opportunities. So if they could go out and buy a mower glade at \$3 a blade, pardon me, as opposed to \$6 a blade they could do that.

**Leonard:** You are a consultant?

**Carr:** I am.

**Leonard:** Do you recommend napa to any of your clients?

**Carr:** I am not recommending anybody to any of my clients but what I do recommend is that they look at independent contractors out there who do outsourcing of this type.

**Leonard:** You do any consulting with napa?

**Carr:** Not at in time, no. Another point -- I need to be clarified here, is with that \$455,000 inventory right now, in a typical napa program, when we were looking at chicago and the state of virginia, napa owns the inventory. There's \$455,000 sitting in Portland parks shelf right now that a contractor like napa would buy from the city of Portland and say, all right, from now on, we own the inventory. And now parks doesn't have that inventory investment that they have to maintain. And to me that looks like a one-time opportunity for parks.

**Leonard:** But if the inventory that we are basing the savings on is even part -- we haven't heard a percentage -- but is partly based on really what napa, what you would call your retail or, you know,



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list price, versus what they negotiate with them self whatever that is and how do we know what the true picture is of the savings, if at all?

**Carr:** Well, the true picture for the savings is really by the -- if the audit and I felt that the audit was very transparent to everybody. But also to the interpretation of where the savings were coming from, I think it was fairly or obvious to not only myself but to the auditor and those using this stores that the savings were there. And to say that, you know, that \$455,000 right now, is there a savings to parks in addition to that? I am not sure if I understand your question.

**Leonard:** I mean, I guess I am trying to, have you explain to me why you think it's a good deal. Bun of the things we heard was a -- I can't remember the specifics but say like a light bulb. An employee could buy it at home depot for \$2. Napa was showing that they were saving, you know, \$1.50 every time they bought it but they were really charging us \$3 and they were using a list price of \$4.50. That's an example. How does that help sunny.

**Carr:** That's not a good example, I suppose, because the lost opportunity for -- the way this program was working in other municipal egoses like the city of chicago, if one of city employees goes out to home depot and buys a part and they are running it through the napa stores and that's a reduced cost for us there but if we have five people, five park bureau employees scatter audit cross the city and they are all buying the same item but going out individually buying that. The lost opportunity for the contractor then to say, well, gee, you know, you are all buying the same item at five different places. Why don't you run that through the parks stores and allow us to put it in the inventory. Then we can negotiate a better price for you. Instead of paying \$1 for that widget, if the park bureau is buying 10 of those widgets we can get a less are price. That's where the lost opportunity is.

**Adams:** Which makes a lot of sense to me. What we are trying to figure out, one of the things we are trying to figure out is, how much of the savings is from an inflated list price standard and the definition of inflated list price standard is something that we could buy in bulk from a home bedepot, hopefully a local store, that was the discussion when this was before council last time. We are just trying to get a baseline on how much the total cost is versus how much the total savings is in reality against an inflated list price.

**Carr:** I think that's part of our problem that we have tree, four years ago was that, parks didn't really have a good inventory system in place. So we could look at it and say, here's what we were paying and now here's what we are paying.

**Saltzman:** Isn't napa documenting our inventory and --

**McGinnis:** Absolutely. We are documenting everything that's in the inventory.

**Crawford:** But to address your question to give you some basis to make your decisions on, I would go out on the limb and say, 20% of the total purchases that are being done, savings is based on a list price, 20% out of the 100.

**Adams:** And the rest of the 80% is based on actual purchase price.

**Crawford:** Right. Where they can compare to a last price paid or an average price paid or change a vendor to get a lower price. You know, there's again when you start out with a full history, you are basically just adding to that history and --

**Adams:** What are the -- forgive me if it's in here and I missed it. The total expenditures on parks stores, you know, looking at a baseline, the last 18 months? I know that variables could happen in terms of management issues. But what's been the trends on total expenditures?

**Crawford:** The separating inventory from operations, operations being employee cost and the overhead that goes along with that, the inventory cost, the actual purchases was during the period I looked at, slightly over \$1 million. If they have \$455,000 say theeing on the shelf, then, roughly they spent probably about \$55,000 net more than they had historically in the previous year.

**Adams:** Again, you're --

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**Crawford:** They, yes. I am sorry. Napa, napa is spent roughly \$55,000 more, \$55,000 more for inventory sitting on the shelf than has historically been shown by the parks employees history.

**Adams:** Summarize for us today the administrative overhead costs.

**Crawford:** The administrative overhead --

**Adams:** Compared between the two.

**Crawford:** Compared between the two were pretty much a wash. You look at the -- they had three employees, before that they had two. They were running the cost of a truck. Overhead cost. When you compare them out, there's a difference. But it's not enough to really cause any concern.

**Potter:** It sounds, we have been talking about the parts but it's the entire operating system.

**Crawford:** It's the entire system.

**Potter:** Of the whole system to include what napa said is that in the overall cost of that system we are going to save you money. What you say --

**Crawford:** Think guaranteed they would save you --

**Potter:** What you said they did save that money in the overall operations cost of the store's function for parks bureau. Is that correct?

**Crawford:** Say the last part again?

**Potter:** The over all operations cost.

**Crawford:** It's about a wash, right. But including the inventory, including the inventory if you add on the \$55,000 difference as being something of significance, they still saved net.

**Adams:** Is it fair to summarize that for administrative costs, unrelated to the purchase of items, it was about the same?

**Crawford:** About the same. Right. The only difference was they had --

**Adams:** You are disagreeing with the auditor.

**McGinnis:** I think it states in here you were looking at the transaction cost of \$32,000, I believe it is, in here.

**Adams:** Ok.

**Adams:** Is it best to break this down staff, transition costs, and material costs? Whatever you call it? Inventory? Inventory costs? And on those three categories, can you summarize for us what you found in terms of, was the baseline cheaper? Was napa cheaper? Just if you could. Please.

**Crawford:** In the inventory cost, if you take account for \$55,000 above the historic level of \$400,000, there's still a net savings, if you factor that in, of \$200,000.

**Lydia Kowalski:** Could I interject something in lydia kowalski, park services. The \$55,000 increased inventory, at this point we are in the middle of our year. So that if we had purchased in bulk for the rest of the year, for instance on mower blades, we are going into the part of the year the spring when we will be needing them. So that inventory will be used up.

**Adams:** The two variables are 20% of the inventory did not have a base list price in which we had to compare, and there's some question about whether the list price you used was inflated again to find as we could find it cheaper locally in bulk. The other variable, we are in the middle of a fiscal year. So that's the inventory issue. What about the transactional cost issue? Which is cheaper?

**Crawford:** Again, please define --

**Adams:** You said sort of the -- transaction cost, not a separate from the administration.

**Crawford:** The transaction costs, when we are talking about the use of individual procurement cards, on page 15 of my report, what I indicated in there is that when the parks employees were running the store, during february 2003 oh 2004, there was an average of \$4 hundred -- 465 transactions per month. Individual procurement card transactions. After napa took over, that dropped to 189 transactions per month. If you factor in what it cost per transaction that the city was charging the parks bureau, that's 83,000 in change. You subtract out the 10% margin that napa was charging for those purchases made by the parks employees, you still came out with a net of \$32,000 and change. To the good.

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**Adams:** And then the administrative cost meaning staffer?

**Crawford:** The administrative cost, that's the cost of running the office. That's the people that are working there. The computer, the computer charges, the cost of the truck, you know, that overhead for running the office itself was essential lie a wash. There was a difference but it wasn't much. The big it is difference was that they had three people on their staff full time. And prior to 245 there was two people so they were able to have a level of delivery service that went along with that. Which is something that's been identified by the parks employees as being something that would be very important to them for whoever does it in the future.

**Leonard:** Did you look at the wage or benefit level of the napa employees?

**Crawford:** It's yes, it's certainly less than what the city employees were being paid.

**Leonard:** So how about, for instance, health insurance?

**Crawford:** Far less, yes.

**Leonard:** Meaning far less coverage? They pay more?

**Crawford:** They just have, the city, it's hard to compare, I mean the city's got a great benefit package. It's hard to compare against that. There's very few that could even touch that.

**Kowalski:** I would like, if I may, to add that if we were to duplicate our current system with a new provider now, it would increase what parks would have to pay because we would have to reenter all the inventory into a new database, we have to do an annual inventory, which right now is part of napa's contract. But we would have to hire outside to do another one. And that they are providing services now for what we paid for two people. We would have to pay three people. That's where, about \$100,000 increase would come in having to hire a third person to do what they are currently doing, plus duplicate the inventory and the audit procedures.

**Leonard:** Why would we need three people to do what it takes them two?

**Crawford:** Delivery service.

**Kowalski:** They are providing three people where we could only afford two.

**Leonard:** I see.

**Adams:** Napa provides cheaper administrative costs but they do so offering less salary and less benefits. They are buy the city net \$32,000 and the administrative costs are about a wash.

**Crawford:** That's a fair summary.

**Adams:** And there would be a recreation cost is what you just talked about.

**Crawford:** We met with lydia kowalski and I met with the p-dot folks last week to just to review what would be necessary for a transition. They appear to be comfortable. I don't want to speak for them.

**\*\*\*\*\*:** We are here.

**Crawford:** Yes. I don't want to speak for them. They need to tell you whether or not they would be comfortable in 10 days taking over the thing. But we just gave them the list of items that would be important for them to do. And you know, it is fair to speculate that there would be new startup costs that would go along with that. Because if napa unplugs on december 31, you have to plug in a whole new system. There's costs that go along with that, undetermined at this point. Again, they will be able to speak to their comfort level with that.

**Potter:** Thank you.

**Saltzman:** If I could make a request I know the mayor has to leave. I think it's, we have heard, I think we have enough information to make a decision about extending this contract for four months or to the end of april of 2006 or not. I believe there have been verifiable saving. My commitment is to work to produce a fair and honest request for proposal process. I will also meet with the laborers and hear out all of their concerns fully as well as continue to talk about promoting the notion that we do on an r.f.p. City wide but in lighted of the fact we are about to lose one of the five people up here that's going to vote on this I think we should call the question.

**Moore:** I didn't have a signup sheet.

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**Leonard:** We did have people here to testify.

**Moore:** We do. We have other people who wanted to testify.

**Saltzman:** I have called the question. I have made a motion to call the question.

**Leonard:** You can't allow one side to testify and not the other.

**Saltzman:** We did hear from the other side last week.

**\*\*\*\*\*:** We couldn't be here last week.

**Potter:** I think that we agreed to hear additional testimony. If these folks are here they should be allowed to testify so please come forward. Thank you.

**Kowalski:** I have a copy of the proposal that b.o.m. submitted. Probably should distribute this. And I have made an addendum to what they provided with me on where our additional costs would be because we just got this last night. We have not had a chance to cost out what that actual final number would be.

**Crawford:** Just for the record, I don't represent one side or another.

**Saltzman:** My motion to call the question is out of order?

**Potter:** Yes.

**Saltzman:** Ok.

**Sue Keil:** Sue keil, director of transportation. We heard about this just a few days ago. As well. I am not sure where that \$100,000 figure came from but parks buys from us now through our store room operation. We would like to make sure that the inventory control systems mesh and that the systems are in place. That's not a 10-day process to make that, make sure all of that happens. But they could begin buying anything that we have in our stores now from us immediately. And as was commented on, it would be important to have an inventory to ensure that we do know exactly what's in that inventory. Before we hand it over to water or to transportation or a separate contractor. So the numbers in terms of outside purchases seem high. There would be some system review would be appropriate, I think. And ultimately, the right thing to do may be to contract out but at least we ought to take a serious look at this, allow purchase through the transportation stores operation, and make a decision on the meshing of these systems and how everything would work together. And that four months might provide that opportunity as well. I think the additional cost would be that inventory, outside inventory, but that's something that any contractor, private or public, ought to have before they moved in and took the thing over.

**Saltzman:** You are supportive of additional time in order to assess all this?

**Keil:** I am. I understand that there was some difference of opinion on that -- we thought that we could accomplish that review and take a good hard look at the meshing of our maximum that we use for inventory control with whatever parks bureau is using and the staffing and so on. By the, in the next 30 days we should be able to accomplish that.

**Potter:** Ok.

**Rob Wheaton:** I will just make this pretty quick here for you, mayor. You asked a straight forward simple question a while ago that said how much was spent between one year and the next. And cording to the auditor's report if you look at exhibit a, I don't know where this \$55,000 came from or the \$450,000, \$455,000 inventory or \$100,000 inventory. Because I have looked through this auditor's report numerous times and it's not contained in there. What is contained is that we need to do an inventory. That's a given. But if you examine exhibit a of the auditor's report, p-p&r inventory purchases for 2003, 2004, was \$511,000. The following year after nab pa took overkings spences sky rocketed to \$1 million. They doubled. So when we are looking here at trying to establish whether how much list price was used which by the way couldn't be done. Can't ballpark it. You have to examine line item by line team everything that they bought. And compare it to make phone calls, compare it to the prices. You understand what I mean? What we have seen is a doubling of expenses. Period. This averages out to \$41,000 a month. So when they try to claim \$32,000 in p-card savings, ok, that is, first of all that's a ghost figure because I mean that's a savings

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from office management and finance. That's not a savings to me as a taxpayer. Unless you had incredible cuts at o.m.p.f. What we are looking at here is the bottom line double purchases. And I don't know how, maybe I am a simple guy. I am not an accountant. I don't understand all this. But when I look at the one by one year to the next that's what we have. If inventory purchase, if the inventory on the shelf only went up \$100,000, then we have either one of two scenarios. Either my members out there are doing a lot harder work, working twice as hard putting twice as many parts on your, the parks facilities's fixing twice as many toilets, fixing twice as many, doing twice as mulch recreational activities, or we are looking at increased prices. And that's what I am saying that that's what my research has shown. When I flip open these savings spreadsheets I can easily go through and say, ok, what's this part? Do a comparison and that's what I demonstrated here last week.

**Potter:** Well, the question from the auditor that audited is this is that -- is that a correct statement? We will get to napa.

**Kowalski:** I just make a comment before keith addresses this, that the increased inventory at the time that you are mentioning this is now been are you do you said because we have been using the inventory over the year. So the \$55,000 now is the correction of that inventory based on what we currently have on current reports.

**Potter:** But I think what he said also is that we spent double the amount. Is that correct?

**Crawford:** Here's connect all the dots.

**Potter:** Yes.

**Crawford:** To connect all the dots, they started out with \$330,000 and change on the shelf. During the period that I looked at they purchased \$1 million, a little over \$1 million worth of inventory, which --

**Adams:** They? They?

**Crawford:** Napa purchased --

**Adams:** Thank you.

**Crawford:** You are welcome. \$1 million in change in inventory. So went up to that level. They issued or sold, if you will, roughly \$885,000 of that total purchase, leaving, according to the number that jim provided today, jim mcginnis, \$455,000 on the shelf. Lot purchases did increase, the amount of purchase going out the door had a corresponding increase. So, you know, it's only a problem if there was \$600,000 still sitting on the shelf today. That would wipe out the entire amount of savings.

**Leonard:** That's irrelevant.

**Crawford:** No. The question that I am addressing for rob wheaton is the fact that, yes, they did increase the level of purchases.

**Leonard:** Right.

**CrawfordS:** But there also is a corresponding increase in the amount of inventory being used on --

**Leonard:** If you are showing a savings of \$255,000 and that's based on buying twice as much whether you use it all or not it mag any tied by two times what you would have saved the year before had you just purchased the prior year's level.

**Crawford:** If you had purchased the prior level of a half million then they wouldn't have had enough inventory to do their projects.

**Kowalski:** We would have had to repurchase. So --

**Leonard:** That's not my point. I understand that. But one would think if you are look at \$255,000, you are saying, if we would have done this last year we would have saved \$255,000. But that's not accurate because they didn't use as much inventory in the prior year so they didn't need much. This year you may have used twice as mulch but, ok, that's fine. Nobody's I never said that was a

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misleading thing that occurred but you have to understand that those, the purchase is doubled, therefore the savings would be twice what they would have been had you done it the year before.

**Kowalski:** I would like to make one comment on that. It's because the inventory was less when we started out, it would mean we would have to purchase the same parts twice in order to equal what we are using so what napa did was go out and purchase for the whole year in one fell swoop rather than buying for four months at a time or six months at a time. Which would have shown less inventory at each particular time, but we have to keep purchasing at a higher price. So if we went out and bought 100 of something for four months and then we would have to buy another hundred and another hundred our inventory would be at a lower amount, but we would have to pay more each time we repurchased something. So by napa going out and buying 400 at a time, our inventory shows higher but by the end of the year it's gone.

**Crfawford:** If there was presently \$600,000 of inventory sitting on the shelf there would be essentially no savings to discuss.

**Sten:** Mayor, as a point of order I was -- I was in opposition to commissioner Saltzman's motion to call the question based on the fact that I wanted the other side to have a chance to testify. I at least am personally satisfied that I have heard the arguments which I think are well made on all sides. And will be prepared to support a motion to call the question if the laborers feel like they have everything on the table.

**Wheaton:** That's basically it. I would like to highlight the fact the \$455,000 in inventory is not a figure that came from the independent auditor. That's one that's coming from napa. So when we are still looking at twice the amount of purchases with an unbiased -- we don't have an unbiased inventory calculation.

**Saltzman:** I would be prepared again, I commit, I think everybody has i-is approaching this issue with integrity. I wish to hear everybody out but have four more months to extend the contract to get our inventory done and to prepare an r.f.p. That will truly be open to all comers and I would call the question.

**Potter:** I hear a second?

**Sten:** I am still willing to hear from the other side. That's my point. I will be happy to give people a time limit so that -- what we are doing is going over and on over the same ground. No offense.

**Leonard:** We are.

**Potter:** Folks, I know you -- please keep your remarks as brief as possible.

**Sten:** I would like to have a little discussion after the motions are made.

**Dan Forner:** I am dan forner. The maintenance foreman and on the executive board of 483. I am here to represent the park employees. You thrown numbers around. You talked about parks. But you haven't taken to issue before your family, mr. Mayor. You know what it's like on these people on the front lines. This is what's happening to the park employees. When napa came in, we was told not to use any p-cards. All transactions would go through napa. We did that. After about eight or nine period of months, it was brought to my attention, because I am the spokesperson for parks, that we were being overcharged and that they were buying parts that we couldn't use and putting into inventory. Also the parts that they were buying is low quality. When we went this and had all the information, my friend here and co-worker, mike, we went to the department head. We brought forth all this information. Of all the, what we had of the overcharging, the buying of stuff, putting it in stock, the low quality. Us telling them where to go to get the cheapest parts. We told napa. We look the auto our things. We can get it cheaper here's where you go. We helped them. And every way that we could. Later on zari, we had a meeting with jim carr. It was very -- of course, jim is for napa. We didn't get anywheres. After that meeting I learned from that that other peopled that approached the department heads with the same thing, with the same information. Look, we are being overcharged, we are getting, they are getting the wrong stuff. They are not returning it. They are putting it in our inventory.

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**Potter:** Excuse me. We have another conversation going on in the room. Would you please remain quiet so we can hear the witness. Proceed.

**Forner:** Again, nothing happened. Waited for the auditor. We follow would the rules, your honor. We did everything right. We waited for the auditor. Auditor came in and told them. This is napa. This is the employees on the front line telling us. What he put in his audit what was the union? It's not union. These are city employees. After that, he did an inventory or an audit of the park employees. We was supposed to have input on that. We never did. They bypassed us against. So with did our own. If you have the time I have one copy. I am give it to you. This telling you what your park employees thinks about napa. The people that work in the stores were wonderful. But napa them self they buy cheap stuff. They buy bulbs at a hundred of them and they don't last a day. They buy rakes that break. I can go on and on, batteries no good. It's here and here. If you care to see it I will give it to you. Thank you.

**Murphy:** My name is murphy. I come today as a concerned packs taker and is a concerned parks employee. One of the things I want to change or make amendments to in keith of thing is, it says, union opposition to the napa contract. It is not union opposition. It is never been union open possession. It's been park employee. Concerns. This is your represented and nonrepresented employees concerned about the overcharging the of napa. They keep saying 10 percent on their charges. It is 11.1. That is 1.1% more than they should get. They charge us 10 -- I am almost made a mistake. Think charge us 11.1% on all stock items. That's their napa parts. That's our parts. Various venders. We -- they are note getting any better deals from these vendors than we had in place before napa took over other than wore paying 11.1% on top of what we are already had in place with our store keepers. It's just amazes me that we are even sitting here rebutting this thing. We had it last week. We told you all about it last week. We have told you about it for a year now. We have come in, stalked to commissioner Saltzman's office, commissioner Leonard's office. We have came to your office twice, mr. Mayor. I don't know what more we can do other than tell that you this is the exactly what's going on. We are getting charged 11.1% on top of all items. A savings to me is if I walk into a store for a saving, I am going to pay less for it when I get there and when I walk out, not pay half a million dollars more. Where is the savings there? There is no saving. No matter how you cut it there's no saving. It if it costs half come million and know it companies us a, 5in 2005, there's the savings? That's all I have.

**Potter:** Ok. Have you already testified?

\*\*\*\*\*: Can I have five seconds?

**Potter:** Five seconds.

**Richard Beetle:** My name is richard beetle. Business manager for labor local 483 and I was on the panel of that supposed to be a review panel for this process. I don't know what was empowered to do but we had two meetings. None of the information that has come forward from that napa was available to that panel. We had two meetings. We reviewed the audit. We reviewed napa's response. There was never even another meeting. We didn't propose to come forward with the extension as a committee. We weren't even reviewed. Some of the information like there was no audit of the parts. There was no inventory done when we were discussing this with napa. They didn't know how many parts were on the shelf. If we could assistive-listening device that information that would have been available for us to make a recommendation to this council. We haven't had a chance to make a recommendation. Now, what was the purpose of the council? I mean of the review committee? That's all I ask. Thanks.

**Adams:** Can I make a motion?

**Potter:** I think commissioner Sten wanted to have some discussion.

**Sten:** At this point, I just wanted to hear from my colleagues and get their thinking. I am happy to share mine. So I will put this in context. If I recall correctly there was a city council sponsored test, demonstration project that I think proceeds both this council and commissioner Saltzman and I

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think commissioner Saltzman is trying to find the right a pay way for parks. You talked about this yesterday. And I always try and work with the commissioner in charge and our staff is working to find the right way and I am probably going to differ with them but it's not for any lack of appreciation for what he is dying to do with the four-month piece. As somebody that was involved and around when we set up this pilot project I don't think it's gotten over the bar. I think napa's done anything wrong. I heard you loud and clear. You have accounted for the parts and the list price and the way that the contract says. I think nap pap acting honorably. I don't think nap pap done anything wrong. I think the savings are somewhere between small and indispute. And when savings small and in dispute. I err towards having our public employees doing the work. I always have and I always go. I supported contracting out in days where we can't deliver but I don't see any evidence here at this point that this project is delivering enough to go over that. That's my own personal philosophy. I think some will differ with that and that's why you have different points of view up here. I am somewhat frustrated this was a demonstration project when I voted for it would be sea evaluated and over by august 31 and it's been extended once. This is not an engines tension.

It's a second engines tension. And then I hear it has to be extending again because we can't afford not to extend it. That doesn't work for me. It's going to be hard on people but there's been an extension and I am also personally not ready to support an r.f.p. At all because I don't think our employee, unless I see some process in the interim to give city implies a chance to collaboratively like they are supposed to under b.i.p. 12 which I don't know the point of if this is not part of b.i.p. 12 and to work on a better strategy for themselves. At point at which our employees have had a shot at it have actually been able to do some collaborative work, I would support an r.f.p. So at this point I am not going to support this extension for the reasons that I have stated and I am open to some amount of time to bring it back in house. Understanding that you can't do it in a day at parks.

But that's where I am at. I would prefer to muddle through let the contract expire.

**Adams:** On the heels of commissioner Sten and having conferred with my bureau staff and I think everyone seeks at a minimum an orderly transition or at least an opportunity to dig into this perhaps a 30-day engines tension of the existing contract allowing p-dot for us to get back to the council with the option of whether or not we can do better than the napa or at least give you that option and you can decide whether you in deed think it's better or not.

**Leonard:** I would support that.

**Potter:** If we do make an amendment, it has to move to a second reading which is january 4 after the expiration.

**Kowalski:** We will start working on it now.

**Saltzman:** Can we attach an emergency to this?

**Leonard:** Can we attach an emergency?

**Harry Auerbach:** If you have the votes.

**Adams:** Good answer, harry.

**Leonard:** Political science 101.

**Adams:** I move a 30-day --

**Leonard:** On the condition p-dot develop a transition plan.

**Adams:** I think the benefit of p-dot developing the transition plan is even if the council, lieutenants say, in the future decided to go out with the r.f.p. at the end of 30 days I think the r.f.p. would be informed by the work that will be done in the next 30 days on a potential transition. I think that so I think either way it would be helpful.

**Saltzman:** Could we make it end of january?

**Adams:** That's fine about me. End of january. What's the last wednesday? Is the last -- january 25 is the last wednesday?



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**Potter:** How do we get to the issue of really getting some accurate information? Some cost? Because if we come back at the end of January and we are in the same boat, I have not heard any definitive discussions.

**Leonard:** My understanding, commissioner Adams's motion is that there's enough doubt as characterized more than adequately by commissioner Sten on my behalf as well, that I am, I just feel that these savings are in my sense is that it is a for any savings at all they come at expense of team people's wages and conditions. I am uncomfortable with that.

**Sten:** I guess I wanted to clarify with commissioner Adams, what I am not making a motion at this point but my position is that I would like to move in function back to the city and I am open to the right way to do it. Whether that's parks, maintenance, combination of both, short-term city effort while we run it through the b.p.i., et cetera. So I am not sure if that's what you are proposing or 30 days of this discussion to then have this discussion again. Because I would not support that motion.

**Adams:** I think that let's think through this together out loud. As my short answer. The longer answer is, what we would, what I talked about with sue, is that we would prepare the p-dot option. The p-dot option that you could actually turn the key and p-dot would provide this to you. Hopefully in advance of the 30 days we can give you a sense of how much that would cost as opposed to napa. I can't, I can't guarantee we are going to be able to complete the analysis but together, you will be able to compare what p-dot can offer versus what the information we do have on hand and we are I guess happy to work with parks and with the auditor's office to at least try to accomplish some sort of comparison and get to your point. But the comparison is only going to be as good as the information that they have from their experience with napa.

**Sten:** We are saying different things. My position is I would like to bring this back into the city. That is pilot project that has not gotten over my bar and put the vote of confidence in our employees to get back and figure out how to do this cheaper. I believe they can do it and give them some period of time to do that. I would support 30 days to transition it back to the city but not 20 --

**Leonard:** Which is what I thought you were proposing.

**Adams:** I guess I left open that if there's some -- I left open the possibility, because I am not to p-dot, that there might be some fatal flaw with this. So I left open that possibility.

**Sten:** That's just one model. The parks bureau people could hire the two people.

**Adams:** I am speaking for p-dot. I am just speaking for p-dot. So that's the tiny crack in the door. That's what I left open.

**Leonard:** I heard sue say you could be ready to take over the operation in 30 days.

**Sten:** She will come up on that one.

**Keil:** They can buy from us now. They can start today buy go anything that we do have there. We need to do this analysis to ensure that we can get the systems to mesh and security is --

**Leonard:** But you could do that in 30 days?

**Keil:** Yes, we think and an inventory.

**Potter:** By analysis, you mean a financial analysis? Show whether this is going to be equal or better?

**Keil:** I guess if I were looking at this from your side I would want to know what it's going to cost us to do it and how that compares with the cost that's currently being incurred to do that.

**Potter:** Yes.

**Keil:** Jeff obviously is in a better position to talk about the individual item prices. We know on those that we already stock and purchase within transportation what the costs are and those sort of things. When you could compare those but there are probably items that we don't, that we don't buy that are needed by parks. And so there would be that kind of inventory cost sort of analysis that that would need to be done. But certainly in terms of the provision of the service we will be able to analyze it quite readily.

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**Potter:** Sounds like napa purchased \$455,000 worth of inventory they still have in stock. Do we then purchase that from them?

**Kowalski:** Well -- who owns this now?

**Saltzman:** We own it. They have offered to purchase it from us which would be money in the park's budget.

**Keil:** Let's look at that. I want to make sure it's stuff we do use, too.

**Saltzman:** I am not willing to, you know, put blind faith and say, let's go ahead and terminate the contract and hear back from transportation until I know what the cost is. As I said we have people that have been working for days to cut \$2.5 million out of the budget and at least where I am at I am willing to give 30 days to see an option from transportation or p-dot but, you know, until I know how the cost compare and how it affects taxpayers and employees and everybody, I am not prepared to buy into it. I am not prepared to terminate napa today. I believe that was the original intent of your motion was to buy 30 days to give maintenance an opportunity to put together an option for us to consider and see how it compares.

**Potter:** I can support that.

**Saltzman:** What's that what your motion said?

**\*\*\*\*\*:** I think that's the right answer, too.

**Adams:** I will, we will -- how about this. P-dot will proceed as if it's going to do this. It will communicate to council at any point as soon as possible if we see any fatal flaws.

**Kowalski:** Right.

**Adams:** If at the end of this period of time, there are not the votes on council to proceed with p-dot option so be it. But we will gear up to do this.

**Kowalski:** And you are right. The information that we put together will be helpful in whatever decision you make.

**Leonard:** Well if you're a yes vote this - -

**Potter:** This is an emergency.

**Auerbach:** As I understood commissioner adam's motion it is to authorize an extension of the contract due january 31 and to add an emergency clause?

**Adams:** Right. There's the motion and then there's the legislative intent. And the legislative intent would be that we are going to give council a real option, this isn't a feasibility study. This is how we would do it. But we obviously need to meet your concerns about price. So we understand we need to be competitive.

**Leonard:** And quality.

**Adams:** And quality and turn around and everything else. I think it's very healthy for us to have that as a part of our discipline in the next 30 days. And I think that based on my conversations that bell be able to do that. But 30 days, give us 30 days, and we will come back to you with the very best competitive option we can. But we know we still have to have three votes to do that. That's the legislative intent. The legal thing is I assume we just have to -- I don't want to be -- I don't want to both come up with a good option and be dealing with a crisis even though we have some of the parts at the same time. That would not be my preference. The crisis of just being dumped on our lap. That's my motion.

**Leonard:** Second.

**Potter:** That's also to make it an emergency vote. Correct?

**Adams:** Correct.

**Potter:** I would like to hear the motion one more time.

**Auerbach:** As I understood it it was to authorize an extension of the correct contract until, through january 31, 2006; and to add an emergency clause.

**Adams:** And to direct the bureau of maintenance, Portland office of transportation to develop an option to take over this function for council to consider.

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**Potter:** I heard a second?

**Adams:** Yes.

**Potter:** Call the vote.

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

**Potter:** Aye. [gavel pounded] that's the last item on the agenda. We are adjourned until january 4.

**Adams:** Happy new year, everybody.

At 1:42 p.m., Council adjourned.