



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

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

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

Mayor Potter was excused to arrive at 9:52 a.m.
 Commissioner Adams was excused to arrive at 9:54 a.m.
 Commissioner Saltzman left at 12:10 p.m.

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

On a Y-5 roll call, the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
188 Request of Bruce Broussard to address Council regarding homeless and benefits of mentor program (Communication)	PLACED ON FILE
189 Request of Eileen Stocker to address Council regarding limiting adult entertainment venues (Communication)	PLACED ON FILE
190 Request of Freedom Child to address Council regarding issues with the Police (Communication)	PLACED ON FILE
191 Request of Charles McGee to address Council regarding Black History Month (Communication)	PLACED ON FILE
192 Request of Angela Oswalt to address Council regarding the Kenton Community contact office (Communication)	PLACED ON FILE
TIME CERTAINS	
*193 TIME CERTAIN: 9:30 AM – Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2005-06 Winter Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Potter) (Y-5)	179931

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<p>194 TIME CERTAIN: 10:00 AM – Accept the Manufacturing 21 Coalition Center for Manufacturing and Infrastructure Engineering report (Report introduced by Commissioner Adams)</p> <p>Motion to accept the Report: Moved by Commissioner Adams and seconded by Commissioner Sten.</p> <p>(Y-5)</p>	<p align="center">ACCEPTED</p>
<p>195 TIME CERTAIN: 10:30 AM – Transmit results of the Bureau of Housing and Community Development Economic Opportunity Initiative (Report introduced by Commissioner Sten)</p> <p>Motion to accept the Report: Moved by Commissioner Sten and seconded by Commissioner Leonard.</p> <p>(Y-5)</p>	<p align="center">ACCEPTED</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Tom Potter</p>	
<p>196 Appoint Robert Bole, Javier Mena and Robin Boyce to the Housing and Community Development Commission for term to expire June 30, 2006, June 30, 2008 and June 30, 2007 respectively (Report)</p> <p>(Y-5)</p>	<p align="center">CONFIRMED</p>
<p>197 Reappoint Ernest Grigsby, Julie Morales, Wayne Glasnapp, Linda Barnes and Mark Beckius to the Building Code Board of Appeal for a term to expire February 22, 2009 (Report)</p> <p>(Y-5)</p>	<p align="center">CONFIRMED</p>
<p>198 Appoint Charles Grist and Melvin Oden-Orr to the Development Review Advisory Committee for a term to expire February 22, 2009 (Report)</p> <p>(Y-5)</p>	<p align="center">CONFIRMED</p>
<p align="center">Office of Management and Finance – Bureau of General Services</p>	
<p>*199 Authorize acquisition of vehicles for use by City bureaus (Ordinance)</p> <p>(Y-5)</p>	<p align="center">179932</p>
<p align="center">Office of Management and Finance – Human Resources</p>	
<p>200 Change the salary range of the nonrepresented classification of Vehicle Maintenance Supervisor II (Ordinance)</p>	<p align="center">PASSED TO SECOND READING MARCH 1, 2006 AT 9:30 AM</p>
<p>201 Create a new nonrepresented classification of Assistant Hydroelectric Power Project Manager and establish a compensation rate for this classification (Ordinance)</p>	<p align="center">PASSED TO SECOND READING MARCH 1, 2006 AT 9:30 AM</p>
<p align="center">Office of Management and Finance – Purchasing</p>	
<p>202 Amend the Purchasing Agent Report dated December 7, 2005 and authorize a three-year contract with The Wackenhut Corporation for uniformed security officer services at an estimated cost of \$1,082,806 (Purchasing Report – RFP No. 104620)</p> <p>(Y-5)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>

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Commissioner Sam Adams

Bureau of Environmental Services

***203** Authorize the Bureau of Environmental Services to acquire certain permanent and temporary easements necessary for construction of the East Side Combined Sewer Overflow Tunnel Project through the City Eminent Domain Authority (Ordinance)

(Y-5)

179933

***204** Authorize an agreement with Oregon Department of Transportation and Rivers East LLC to build and maintain a shared stormwater facility on private property at SE Water and SE Clay (Ordinance)

(Y-5)

179934

205 Authorize a contract with the lowest responsible bidder for the Columbia Slough wastewater pump station construction Project No. 7048 (Ordinance)

**PASSED TO
SECOND READING
MARCH 1, 2006
AT 9:30 AM**

206 Amend contract with David Evans and Associates, Inc. to extend agreement to June 30, 2007 for completion of the California wastewater pump station upgrade Project No. 7151 (Ordinance; amend Contract No. 33351)

**PASSED TO
SECOND READING
MARCH 1, 2006
AT 9:30 AM**

207 Authorize grant application for fish barrier removal and habitat restoration in the Johnson Creek Watershed to the Lower Columbia River Estuary Partnership Foundation in the amount of \$120,000 (Ordinance)

**PASSED TO
SECOND READING
MARCH 1, 2006
AT 9:30 AM**

208 Authorize grant application for fish barrier removal and habitat restoration in the Johnson Creek Watershed to the FishAmerica Foundation in the amount of \$50,000 (Ordinance)

**PASSED TO
SECOND READING
MARCH 1, 2006
AT 9:30 AM**

Office of Transportation

209 Grant revocable permit to Red Dress PDX to close NE 9th Avenue between NE Flanders Street and NE Glisan Street March 31, 2006 through April 2, 2006 (Ordinance)

**PASSED TO
SECOND READING
MARCH 1, 2006
AT 9:30 AM**

Commissioner Randy Leonard

Bureau of Emergency Communications

***210** Authorize contract with Thayer Consulting to develop and define the Urban Area Interoperability Communication Plan (Ordinance)

(Y-5)

179935

Water Bureau

***211** Authorize grant to Regional Arts and Culture Council for renovations to Pioneer Square Fountain (Ordinance)

(Y-5)

179936

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<p>212 Authorize grant to Regional Arts and Culture Council for renovations to Dreamer Fountain (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 1, 2006 AT 9:30 AM</p>
<p>Commissioner Dan Saltzman</p>	
<p>Office of Cable Communications and Franchise Management</p>	
<p>*213 Extend term of Paramount of Oregon, Inc. temporary revocable permit (Ordinance; amend Ordinance No. 179078) (Y-5)</p>	<p>179937</p>
<p>Commissioner Erik Sten</p>	
<p>Bureau of Housing and Community Development</p>	
<p>*214 Authorize contracts with non-profit housing organizations for the administration of and access to the Bureau of Housing and Community Development Risk Mitigation Pool (Ordinance) (Y-5)</p>	<p>179938</p>
<p>*215 Authorize the Bureau of Housing and Community Development director to execute revenue generating Intergovernmental Agreements with various jurisdictions for implementation of Homeless Management Information Systems and receive funds (Ordinance) (Y-5)</p>	<p>179939</p>
<p>*216 Authorize an Intergovernmental Agreement with Multnomah County Sheriff's Office in the amount of \$75,000 to improve discharge planning and provide for payment (Ordinance) (Y-5)</p>	<p>179940</p>
<p>*217 Amend subrecipient contract with Multnomah County in the amount of \$100,000 to provide housing aid to evacuees of Hurricanes Katrina and Rita and provide for payment (Ordinance; amend Contract No. 36339) (Y-5)</p>	<p>179941</p>
<p>REGULAR AGENDA</p>	
<p>218 Appoint a Review Committee to monitor, review and advise City Council and the Bureau of Environmental Services on attainment of the overall goals of the East Side Combined Sewer Overflow Tunnel Project (Resolution introduced by Mayor Potter and Commissioner Adams) Motion to accept amendment to delete the names of Preston Van Meter and John Webb: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-5) (Y-5)</p>	<p>36378 AS AMENDED</p>

Mayor Tom Potter		
Office of Management and Finance		
219	Implement corrective measures to address deficiencies disclosed in the City FY 2004-05 Comprehensive Annual Financial Report as directed by state statute (Resolution) (Y-5)	36379
Office of Management and Finance – Bureau of General Services		
220	Amend contract with Glumac International to provide additional mechanical engineering consultant services for the Justice Center remodel project (Ordinance; amend Contract No. 34575)	PASSED TO SECOND READING MARCH 1, 2006 AT 9:30 AM
221	Authorize acquisition of vehicles for use by City bureaus (Ordinance)	PASSED TO SECOND READING MARCH 1, 2006 AT 9:30 AM
222	Amend contract with Hennebery Eddy Architects to provide architectural and engineering services for the renovation of Fire Station 23 and the Logistics Center (Second Reading Agenda 180; amend Contract No. 32659) (Y-5)	179942
223	Authorize replacement of Oregon Department of Transportation agreement no. 20942 with agreement no. 22935 for Union Station Facility Improvements (Second Reading Agenda 181) (Y-5)	179943
Office of Management and Finance – Purchasing		
224	Exempt East Side Combined Sewer Overflow Tunnel contract from full performance and payment bond (Resolution) (Y-5)	36380
225	Authorize a contract with Kiewit/Bilfinger Berger Joint Venture for the construction services related to the East Side Willamette River Combined Sewer Overflow Program (Purchasing Report - RFP No. 103021B) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)	ACCEPTED PREPARE CONTRACT
Commissioner Sam Adams		
226	Accept recommendations to address noise impacts generated by low flying cargo feeder aircraft that use the Portland International Airport (Resolution) (Y-4)	36381
*227	Authorize Amended Consortium Agreement with Multnomah and Washington Counties to implement reforms to workforce development system in regards to the Workforce Investment Board (Ordinance) (Y-4)	179944

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Bureau of Environmental Services	
*228 Authorize a change order to the contract with James W. Fowler, Co. to increase the not-to-exceed total for the Woods Street Trunk Sewer Emergency Repair Project No. 8084 (Ordinance; amend Contract No. 36193) (Y-4)	179945
Commissioner Dan Saltzman	
Parks and Recreation	
*229 Approve payment of claim to ABco Marketing for team jerseys at a value of \$48,850 (Ordinance) (Y-4)	179946
*230 Authorize an interfund loan from the Portland Parks Trust Fund to the Golf Operating Fund to be repaid during fiscal year 2005-06 (Ordinance) (Y-4)	179947

At 12:56 p.m., Council recessed.

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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.

FEBRUARY 22, 2006 9:30AM

[Roll call]

Sten: Commissioner Adams and mayor Potter are away on city business and are expected about 10:00. So i'll have the honor of running this until they get here. We'll start with communications. Please read 188.

Item 188.

Bruce Broussard: Good morning, commissioners. I'm bruce broussard, 1863 north jantzen avenue. I was going to talk about the adopt a homeless mentor program. This is black history month, and I think i'd like to spend my time addressing that issue, maybe talking about some of the african-american history with regards to contributions. As far as the homeless, i'd like to thank commissioner Sten for giving me the opportunity to meet one of his staff members to talk about this mentor homeless person program. Some of the points I would make, I gave you handouts as to who are the buffalo soldiers. First paragraph, the african-americans have fought in military conflicts since colonial days, the buffalo soldiers comprised of former slaves, free men and black civil war soldiers were the 1st to serve during peace time. Another paragraph which I had distinction, one, the african-americans have fought in all of this country's military engagements. However, some of their most notable contribution and sacrifices came during the civil war. During the conflicts more than 180,000 african-americans wore the union army blue. Another 30,000 served in the navy. And 200,000 served as workers on labor, engineering, hospital, and other military support projects. More than 33,000 of these soldiers gave their lives for the sake of freedom and their country. Shortly after the civil war congress authorized the formation of the ninth and the 10th cavalry and the 38th, 39th, 40th, and 41st regiment. Later the fourth were merged to the 24th and 25th. I've attached my business card, the buffalo soldiers. I happen to be the president of the moses williams chapter in the state of Oregon. And if you -- I might also mention as part of the american history, if you look -- tune in to the Oregon voters digest, I had the opportunity to interview a person from Washington, d.c. That talked about the lincoln era, remember the radical republican president named abe lincoln, who basically gave the opportunities to african-americans to gain their citizenship through the emancipation proclamation. Thereafter, these individuals joined, volunteered to fight in the union blue as opposed to being drafted. So I just thought i'd make mention of that. This is african-american day, and I would suggest that if you're interested you can tune in to the Oregon voters digest on friday at 8:00 p.m., and also on saturday at 5:00 p.m. Thank you very much.

Sten: Thank you, mr. Broussard. Could you please read 189, please.

Item 189.

Sten: You you have three minutes. I don't think you've done this before. There's a little clock that will give you a sense.

Eileen Stocker: Ok. It's a shame the mayor and sam Adams aren't able to be here. But I will continue with the rest of the commissioners. I'm here to tell you of the persistent problem that is affecting those that live along the sandy boulevard corridor. Drugs, prostitutes and the sex trade. Sex shops, lingerie modeling, sex videos, strip clubs and peep shows. It is affecting the quality of life for so many who live along the corridor, especially the children. They are being recruited to continue the business, a vicious cycle that is hard to escape for those that fall prey. It is impossible

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to just eliminate these types of businesses we know, but we would like to be able to control how many of these types of businesses may be in any one neighborhood. We feel helpless when all of a sudden one opens up overnight without warning. It is overwhelming and devastating to an area that is saturated with them as we are. It might be asking yourselves, what can we do to help? Some have told me you will not help. In fact, I met dan Saltzman at a p.b.a. Meeting last thursday, and you seemed to think that there was nothing that the council could do about it. Something about free speech. I think you will help, because the responsibility lies with us all. One day we will all have to answer for this. We invite the mayor and the council members by resolution to help to protect those children that live among the sandy boulevard corridor, and the next generations of children to come. Help to stop the cycle by resolution limit the number of these types of businesses that can be in any one neighborhood and where they can set up shop. Limit only to industrial areas. Nowhere near homes, schools, churches. The resolution will not only protect the sandy boulevard corridor, it will protect every neighborhood in Portland, saving those neighborhoods from having to go through the same things that we have endured for years. Expand and enforce the prostitution and drug-free zones. It is all that we have to fight this and to help protect us and keep this under control. In the past we have failed the children along sandy boulevard. Let us not let another opportunity slip by to at least put controls in place to protect children everywhere. They are our children, the future of Portland, you might say. In the past, the council has not moved to make changes. You have the power to change for the people in our area, and for all other neighborhoods in Portland. We do owe it to the children. If we turn our heads again, we will in fact only get more of the same. Everyone knows these types of social problems tend to escalate. When is enough enough?

Saltzman: You're right, we did speak last week at the parkrose business association, and since you told me you were coming, we do have one of our city attorneys sitting behind you, who actually works on a lot of these issues about what we're allowed to do as a city constitutionally with respect to adult stores and things like that and what we can't do. So i've asked her to provide you with a response to your questions. And so you are welcome to talk to her when you go back to your chair, but we've also asked her to provide you a written response.

Stocker: Ok. Great. Thank you.

Sten: Thank you very much for coming down. Would you please read 190, Karla?

Item 190.

Moore: She's not able to make it.

Sten: 191, please.

Item 191.

Sten: Mr. Mcgee.

Charles McGee: Good morning, council. I'm going to divert all my comments to my distinguished colleague here.

Jared Spencer: Good morning, jared spencer. Thank you for having me here. I have prepared a statement. As we near the end of the month of february, black history month, I find it important to recognize the significant contributions of the african-american residents of this city, past and present. The impacts of the african-american community members and leaders have influenced all aspects of Portland, and the city is a better one for it. I ask that the residents of the city of Portland join us in celebrating these contributions on first thursday at city hall on thursday, march 2. This first thursday will consist of visual art and performance in a family oriented community-based night of celebration and embrace can of the Portland african-american community. I invite and encourage the presence of the mayor, commissioner and their staff in joining us in this important celebration. I would also like to thank the mayor for his recognition of contributions of Portland's african-american community. And for his proclamation of february as Portland's black history month. Thank you.

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Sten: Thank you very much. If you guys could stay seated, mayor Potter -- there usually is not -- he often does not like to do them at city council, but he asked me to read this one on his behalf. I'm going to just go ahead and do that. Whereas much of the city of Portland's honor, strength, and stature can be attributed to the diversity of cultures and traditions celebrated by the residents of this region, and whereas african-americans have played significant roles in the history of Portland's economic, cultural, spiritual, and political development while working tirelessly to maintain and promote their culture and history, and whereas a result of their determination hard work, intelligence, and perseverance, african-americans have made valuable and lasting contributions to the city of Portland and the state of Oregon, achieving exceptional success in all aspects of society, including business, education, politics, science, and the arts. And whereas in 1976, black history month was formally adopted to honor and affirm the importance of black history throughout our american experience which goes back thousands of years and includes some of the greatest most advanced and innovative societies in history we can all draw inspiration from. And whereas black history month is a time for all americans to remember the stories and teachings of those who helped build our nation, took a stance against prejudice to build lives of dignity and opportunity, advanced the causes of civil rights and strengthen families and communities, and whereas during black history month all americans are encouraged to reflect on past successes and challenges of african-americans and look to the future. To continue to improve society so that we live up to the ideals of freedom, equality, and justice. Now therefore i, tom Potter, mayor of the city of Portland, the city of roses, hereby proclaim february, 2006, to be black history month in Portland. And encourage all residents to honor the many contributions made by african-americans throughout the region.

Signed, mayor Potter. [applause]

*****: Thank you.

Sten: We don't allow clapping, but we're going to make an exception on this one. The mayor is gone, I can do that. Please read 192, Karla.

Item 192.

Moore: She's not able to make it.

Sten: That gets us through the communications. I have noticed there's a large contingency from I believe stanford children here, and the p.t.a -- hope is here.

*****: We're all here.

Sten: And given I can with the council's permission suspend the rules, I would be willing to do so and allow somebody to speak for three minutes if you'd like. And you could be under 18 and speak as well, if you'd like.

Chris Anderson: I'm chris anderson, and I have two children at irvington elementary school. We are here, a little prematurely, but we wanted to show support for the work the city is doing to help save our schools. We do all really realize that the schools are not the city's responsibility. We understand that, and yet we are looking to you as one of our last hopes, because in a nut shelly miano, we don't think Portland can afford bad schools. And our perspective is that if we don't get schools right, every other problem with the city -- that the city faces is going to be that much harder to solve. Having good schools will make the other problems that we face easier to find solutions for. And so the contingent that is here today came just to show support for the city, and really to urge you to how do I say this? We're trying to increase the urgency here, because the -- we have two weeks. Two weeks until we know what we need for next year, or what we will have, and that's really all the time we have. So two weeks, and we need to know. So we're here to help you in any way that we can, make schools our first priority.

Leonard: You have the attention of the majority of the people before you, because the majority of the people before you went to irvington grade school.

Anderson: Great. Wonderful. It's a wonderful school. And we'd really, we'll lie want to keep it that way.

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Sten: And dan's a good guy too.

Leonard: He's ok. He's not part of the club.

Anderson: Thank you so much for making an exception, letting us speak.

Sten: We appreciate you coming down, and very much appreciate your advocacy. I share your hope. So, do we -- we'll take the consent -- I guess we can't. We will hold the consent agenda until the other two commissioners get here and we'll move to time certain, which is item 193.

Leonard: Can we do that, given it's an emergency?

Sten: We cannot. I would suggest we hear the report and hold the vote until the folks get here. The next time certain is 10:00. Go ahead.

Item 193.

Jennifer Sims: Good morning. Jennifer simms, financial planning. Here to present the winter bump. I'll be speaking primarily from the memo that was in your packet dated february 14 from me to the council. Does anyone need a copy of that?

*******:** I have extra copies here.

Saltzman: I need one. I don't see it here.

Sims: The winter budget monitoring process is one of three major budget amendment procedures that we do throughout the fiscal year. Today we have three requested actions. We have budget adjustments, which are internal transfers or reallocations within funds, for 13 funds. We also have a minor supplemental, which involves 20 funds where we have an increase that's less than 10% for the total fund or a transfer from contingency for less than 15% of the fund. We're also request can that you you authorize certain vehicle acquisitions. This particular bump does not include a major supplemental action which usually involves larger transaction changes, and the actions that we're requesting today are based on analysis performed on expenditures through accounting period six. You should have also received a full packet of analyses from the financial planning division analysts for each of the requests. So briefly I will just go through what are the primary areas of change. We also have department staff available if you have questions on particular issues, although i'll try to answer the questions if you have any. The first item I would call to your attention is an increase to city fleet expenditures of \$700,000. \$300,000 of that is for increased fuel costs, although fortunately I think we're seeing them start to trend back down. We also have \$400,000 for custom and accident repair work for pdot. And they will pay for that from reduced external materials and services. In the general fund, we have total increases of \$3 million, \$2.8 million of that is for federal grants for fire. Other smaller but notable changes include \$10,000 for the auditor to implement the lobbyist ordinance, \$14,000 for a space study, \$38,000 for limited term position for lower east Broadway planning, \$400,000 for bureau of housing and community development for the key not a card program, and \$218,000 to implement the fire labor contract. We also have a couple of additions, funds that would go into contingency. The auditor has determined that he will not need the funds that were budgeted for a p.d.c. Audit as p.d.c. Has agreed to pay for that for \$20,000, and we also are recognizing revenues from technology services for earning franchise fees, which is \$12,000. After we act on all of the requests, if they are all accepted for the general -- from the general fund contingency, we'll have a remaining available balance of \$2.5 million. However, \$1.8 million of that is for police -- was set aside for police funding. And they have already advised us that they likely will need it. Federal grants is recognizing \$7.2 million in grants, and we also are budgeting that we will receive, because we expect when we bill that we will be reimbursed for \$1.8 million for support that we provided to new orleans for the katrina relief. And that money would go as reimbursement back to the water bureau. And the one area that we recommended that we not act on right now is in the health fund. We are seeing some upward trend in personal services cost, but we thought we ought to wait until the spring bump to actually act so that we have more accurate information on what the need is. Turning to the next part that I was going to walk you through, the position changes, which start on page 3 of the memo. Would you

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like me to proceed with those? Ok. The first -- there are several different changes. The first one is to add a position to the mayor's office, which would be supported by an interagency agreement with police to work on police bureau issues. Second is bureau of emergency communications using contract savings and external material and service savings to convert an office support specialist to an ongoing position. The fire bureau is needing to add 10 positions, which would be funded by -- as I mentioned before, the \$218,000, this is to pay for labor contract requirements and to add for kelly days. This does not include all of the labor contract implementation costs which we will draw from the general fund comp set-aside in the spring bump estimated to be around \$1.35 million. For the office of management and finance, we have three positions, two of them are in the revenue bureau, one is to convert a part-time to a full-time position, and another is to add part-time legal assistance to collect delinquent business license revenues, both would be increase -- would be covered by increased business revenues they would be generating, and one limited term program manager for the unwire Portland project paid for technology fund con-- contingency. In the parks bureau they're still in the process of implementing their reorganization. They have several changes, all of which result in no net change in their total costs, although there is a total net increase of \$2.5 - 2.5 f.t.e. In the auditor's office, they've requested to convert a full-time principle management auditor to two different part-time positions with no financial impact. The police bureau has had approval to have two limited term positions for their evidence control program, however, in trying to recruit people for those positions, they've been unable to find qualified people, and so they believe if they could convert those to full-time positions that they would do better at getting good people. And so they are planning to absorb the cost of paying for these on an ongoing basis. And the way they're able to do that is that these positions actually generate revenue through the evidence program. The water bureau has nine full-time positions that they are adding, and converting two part-time positions to full-time, and one limited term position to full-time. This is part of a three-year strategic change in staffing for the water bureau that will add in total 107 f.t.e. by 2007-08. A part of this would be paid from reducing contract work. An example of that is the first item on the list, maintenance workers, three f.t.e. There is a contract that would be eliminated that would pay for these positions. The water security specialists would provide additional security both for staff and vendors and contractors, but also would address security -- some of the security requirements for the system. The rest of these positions are related to outreach, environmental requirements, and for training. So total I believe of 12 positions. So those are all the position changes. The last part of the report is to highlight -- I will not go through every one of the budget note items. The key budget note items that I call to your attention are the fire bureau is in progress on their study of their delivery system. They are planning to bring a report to council next month. The second item is on their retirement payouts. They have identified savings through lower wages that are being paid to new recruits, and the way they're staffing their traveller pool to maintain their -- reduce their premium pay costs so that they can contain their personal services expenses, and they believe they will be able to cover these retirement pay-outs in their current year budget. The budget note on leave of service vacancies for the police bureau is not required to report back until spring, so i'll skip that one. I did want to mention the work that's being done on the regional public safety coordination. The note encourage the police bureau to work with the cities of Multnomah county to work on savings for public safety by coordinating budgets. The current effort does not include the cities, it only works with Multnomah county. However, a consultant was hired on stakeholders have been involved in that, and the result is that some key opportunities have been identified and some follow-on work is now being organized to collaborate further on savings opportunities. They may or may not be able to finish in time to include those in the '06-07 budget, but that's their aim. On the problem oriented policing strategies, they are reporting that they've completed their design phase and they will soon be bringing you their first status reports. I think i'll jump ahead. On the additional parks maintenance funds, this has been reported to council recently and was part of the --

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as part of the parks bureau work. They have hired an outside consultant to review their fund, and in march they will bring a report on how they will be proceeding with the golf surcharge. Skipping also ahead to the interstate firehouse cultural center is a budget note requiring the center to obtain \$80,000 in matching donations in order to receive one-time general funds. As of late january, they have reported that they've raised \$36,000. On the -- limited term funding for parks facilities this is the council's move to ask certain facilities to become more self-sufficient in their funding. The parks bureau reported in their budget deliberations that they have been able to succeed at that, and the one-time funding they have received will be substituted with alternative sources in '06-'07.

*****: On the bureau of environmental services, the green streets program, do we know anything more about that?

*****: No, we don't.

Sims: They were to prepare a development opportunity strategy and it says they're going to report by february of '06, and I don't know if they have managed to get back to you. Sorry. I guess they still have a few days, don't they? That's a long -- i've got to skip over to page -- i'm moving on to page 15. The stakeholder involvement and strategic technology plans, bureau of technology services is to develop a plan to increase bureau involvement. They have convened a chief technology officer advisory council to -- and they are intending to report to council next month on their work. Office of management and finance is to complete a focused review of their business practices. They have completed that, and they will be presenting the results of that in their '06-07 budget, and they have incorporated recommendations into their work plans. Maintenance consolidation, that work is in progress as part of a bureau innovation project. This is looking at schools, Multnomah county, city bureaus, to see how we can work better together on maintenance activities, and that's scheduled to be reported to council the first part of april. The last item I would note is on the formation of the revenue bureau. The key positions in that bureau have been hired, and the work that was focused on planning for the '05-06 consolidation is proceeding well, and efficiencies that were planned will be implemented with the '06-07 budget. That's our report on the bump.

Potter: Any questions from commissioners? Thank you very much. Very good job. Thank you.

Potter: This is an emergency vote.

Leonard: I think we just vote. Testimony?

Potter: Any testimony?

Moore: No, no one signed up.

Potter: Is there anyone here who wishes to testify on this matter? Ok. Now we'll have the vote.

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

Potter: Aye. [gavel pounded] we'll now hear the 10:00 a.m. Time certain. Please read item 194.

Item 194.

Potter: Commissioner Adams?

Adams: Thank you, mayor Potter and council. We have a problem as a community, the work force, and research and development services are under very difficult global competition, and we also will need to [inaudible] the folks that are currently working in our manufacturing sector. It's estimated that the manufacturing industry will need 14,000 new workers by 2012, and the great thing about focusing on this particular sector of the economy is for the most part these are good family wage jobs. So the manufacturing 21 coalition was created as a public-private partnership to support and advocate for Oregon and southwest Washington manufacturing and infrastructure, engineering economic clusters. These clusters provide high-paying jobs, and they are an important part of keeping our region's economy diverse and growing. The coalition consists of 27 companies and 12 agencies and institutions, including the Portland development commission and the city of Portland, and the coalition's goals are to meet the industry's need for skilled workers at all levels and applied research to sustain and increase the global competitiveness of local firms. The coalition is also

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focused on educating the public and elected officials about the role of manufacturing and infrastructure clusters plays in the region's innovation economy. And folks, our manufacturing industry locally is the envy of many cities and regions across the nation. And it is something not to give up on, but something to continue to support. And I know everyone on council supports that. The coalition's key objective is to create the center for manufacturing and infrastructure engineering, to be located somewhere in the Portland metropolitan area, and will also serve as a statewide audience as a signature research center. And what exactly a signature research center is, you'll hear about in a minute. Today you'll get an update on the project, and it's my pleasure to introduce some of the leaders of that effort, Susan Rees and Norm Eder from manufacturing 21 coalition. Welcome.

Norm Eder: Thank you, commissioner Saltzman. Mr. Mayor, members of the council, my name is Norm Eder, and I'm a partner and it's been my pleasure for nearly two years now to work with the region's manufacturers in building the manufacturing 21 coalition and working with it to achieve its aims. Let me provide just a moment of context. The manufacturing 21 coalition and its goals and its activities over the last year and a half or so are the happy coincidence of three things that happened in unbeknownst to most of us in late 2004. In late 2004, the Portland development commission, members of the staff were working on an internal paper regarding investments in key strategic industries, and one of those industries was identified as being the metals and transportation industry. And this was a working paper which was just a working paper. It had never seen the light of day. At the same time, Governor Kulongoski posed a question to his staff, what are the -- what are things we can do in this state to invest in existing industries and existing industrial clusters that are already providing thousands of jobs to Oregonians? To make them stronger, to make them more competitive. The context for that is, the state has made investments for over 30 years in economic development projects, ranging a wide variety of activities and technologies, and has with the exception of agriculture and natural resources, not really paid much attention to existing manufacturing industries in this state and in this region, and the third piece of the happy coincidence was at the end of 2004, the metals industry, metal transportation industry in the Portland metropolitan area had awakened to the fact it had some common needs, and had -- and also awakened to the fact that it was not well organized. And so in late 2004 the industry itself was beginning to organize. And we're here today to give you a briefing on what's happened over the last two years since that happy coincidence, which has led to the creation of the manufacturing 21 coalition, and we think a very clear target for this region in terms of how you to help its manufacturers on that note, I'll turn it over to Sue Rees, who is the vice-president at Lufholtz Stevens company, and chair of the manufacturing 21 coalition.

Susan Reece: We also have some other folks sitting behind us I'd like to recognize. Matt Carter from Boeing, Dick from I.D.C., Drew Part from Columbia Iron, and -- from Columbia Wire and Iron, and Andrew from Work Systems. And they'll be chiming in later. It's a pleasure to be able to meet with you this morning. I know we've talked to different folks about our activities over the last couple years, so this is really an update. We've come a long way. We continue to build momentum and excitement, but the Portland development commission has been all great catalyst. As Norm said, they helped put together this white paper that I think was instrumental in getting manufacturing to think about what was possible. Metals manufacturing in particular and manufacturing in general are especially in Oregon made up of individualists who sort of feel like we've got to go it alone, and what we started to do is understand that we have shared issues, we have shared needs, and we can use scarce resources better if we find our commonality and band together. And P.D.C. Especially Trisha Ryan was instrumental in helping us do that. And we feel like that the work we are doing in the metals industry cluster is a model for what might be done in other clusters as well. And at the Okur business plan, and Michael Porter was talking to us about getting focus within your cluster, and we've really tried to do that. We know that manufacturing is

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important to Oregon. It accounts for about almost 15% of Oregon private sector jobs, and an awful lot of those manufacturing jobs are in small businesses, small-to-medium businesses, and we as metals manufactures and manufactures in general are committed to staying in Oregon. My company has been around almost 100 years, and we want to stay here. We want a vibrant manufacturing sector in Oregon. And we feel like the more vibrant it is, the more small businesses can flourish, because there's networks of suppliers and a lot of of times they end up being the smaller businesses that can grow. And manufacturing 21 coalition, as commissioner Adams said, has 37 private members, and we are all sizes, from the boeings and the p.c.c. Structural to companies my size, we have about 600 employees, to much smaller organizations. But what we found is regardless of size, there are certain things we need. We need skilled workers. I know in our company there's certain kinds of technical skills that are difficult to recruit for and difficult to find. Some of it is because the people who are experienced in those technical trades are retiring. In the metals industry we're forecasting over the next eight to 10 years needing 16,000 replacement and additional jobs. So there are a lot of jobs that exist and those people are retiring. So how do we keep that fresh blood coming in to manufacturing? How do we make sure that kids who don't see themselves going to college or who have different interests, understand that there is a viable career for them in good-paying, family wage jobs. The innovation is really important, too. The reason my company has been around for almost 100 years, and the reason these other companies exist is, we are constantly innovating in our products and processes. We can't manufacture like we did 20 years ago. And the way we manufacture today will look very different in 20 years from now. But that innovation in taking the waste out of the system, making sure we are efficient, and one of the ways we're going to continue to complete in a global market. Innovation on the product side, again, funds new jobs. And every time as a manufacturer you're selling your product to somebody, and you want to stimulate them to buy. You want to have an innovative exciting product that makes them take their wallet out and buy again. And that creates more and more jobs. And it makes for a very healthy manufacturing sector. We feel like the manufacturing economy will continue to strengthen the middle class in the Portland area and in Oregon in general. When we look at our member organizations, the manufacturing 21 coalition, sort of the average wages that we get in terms of information from p.d.c. is around \$45,000. But many of our people make a lot more than that. We've heard from some of our members that welders, for example, very technical welders might make six figures. So these are good jobs, good-paying jobs, and of course they have the ripple effect through the economy. People buy houses and they buy goods and services and that kind of thing. Because manufacturing has been the backbone of Oregon, we know that there are services out there for us, and we need to continue to improve those services, because the service delivery and the status quo isn't going to work, isn't going to sustain us for the future. Many of our companies have in the leaner years had to do more with the space we have, for example. So in some of our companies there isn't the space or the time available to do research and development like we might want, or work force training. So we need a facility to be able to do that. We also find that while there are services out there, many of us do not know how to access them, especially if you're a small to a medium-size company. So how do you know where a good training class is? How do you know how to recruit? How do you get the services that will make your company viable? It's too hard to find. In working with manufacturing 21 coalition over the last two years, I have gotten quite an education. I never knew about the Oregon metals initiative. I never knew that certain things were available to me. I didn't know who to call, I didn't know who to ask. We're more of a mid size company, think about the smaller companies. They're struggling too. So we want to make it easy. We want to make it easy for manufactures to succeed in Oregon. And we want to be known across the country as a good place for manufacturing organizations. So it's time to do some things differently. We want to have and maintain that healthy and sustainable manufacturing economy for the future. So those rugged individualists got together and said, you

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know, there's power in finding commonality and working with people who are here to provide us services. We understand that when industry doesn't have unity or voice, it's very difficult for public sector organizations to understand how to spend their money and how to satisfy us. It's kind of a tough customer to serve when you're don't really know what's being asked. So 27 companies and 12 public partner organizations have gotten together and our focus and our mission is to make a good future for manufacturing in Oregon. One of the solutions we feel is to create a center for manufacturing and infrastructure engineering. This will be in an applied learning environment that will marry the r&d with learning. That way people can be trained on state of the art equipment and as soon as we've done some research on one side, if we want to see how it might result in production, you've got a facility that will house all of it. We also see this as being a showcase and a magna for a variety of types of vendors, for example, may want to put in state of the art equipment and use it as a showplace. We're looking world class innovation, world class work force development. We want state of the art equipment, and ewan it to be a showplace, where professionals would say, let's go there and have an r&d conference, for example, or you could bring together different professional groups. The manufacturers in the state of Oregon were at the business plan presentation a couple of years ago, and there was no talk about manufacturing and how important it is for the state's economy. And we were committed to raising our visibility. As drew parks said, if you read the publicity and the newspaper articles, manufacturing is dead in the united states. Well, we don't believe it. Manufacturing is alive, and it's alive in Oregon, and it's alive in the Portland area. So we were really gratified in the recently rolled out Oregon business plan that that was front and center. And it's very clear that lifelong learning is important. And having a sustainable work force relies on people constantly being retrained and their skills upgraded. We've also done a lot of work with the regional business plans to get support there as well. And the exciting and gratifying thing I think for all of us is that we are hearing from a variety of people that manufacturing matters. And we believe it, we're committed to staying here, so we like hearing that information back. The way -- one of the ways manufacturing 21 coalition is different than things that have happened in the past is it is industry-led. It's not that the public sector has just sorted invited industry to comment. Industry is leading this. We have a lot of passion, and we want to make a great future for ourselves. We've also gathered data, so the decisions that we're making are data givive driven, it's not just sort of ad hoc based on these 27 companies. But on the work force side we didn'td an extensive statewide survey on the r&d side we did extensive one-on-one interviews with the r&d managers and a variety of companies. We've also continued to try to be inclusive, and we have partnered up with a variety of other organizations, including the high performance enterprise consortium, the pacific northwest defense coalition, and so we're -- our span is hundreds of companies across the state. We have members from medford, up through the pacific northwest national labs, and Washington state. And the reason for that is our focus has been sort of metals industry, but we see the center as having a wide variety of resources and training and that kind of thing that will be exciting for manufacturing companies across the different clusters. We really see this center as a showcase, and we have no intentions of duplicating what exists. But what we know is that there are gaps in what exist, and we know that in a state that struggles with scarce resources, we want those resources to be used the best way. So if there's a training that's going on in one community college, and it's better than what's going on in another community college, we really want to take the best and spread it across the state. So we see the center as being housed, the bricks and mortar being housed in the Portland metro area, but it's definitely going to have a regional reach, because we want every manufacturing company to be successful. So we're not looking to duplicate services, we just want to improve the quality. Any gaps will be filled, and then we do want to create new resources where they don't exist. When we look at the training and education that we see here as a wide variety of different types of training, but it will be everything from incumbent worker to train the trainer for high school counselors, for

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example, to get kids turned on to manufacturing jobs. On the r&d side, again, you can see the list, but organizations are starting to understand all the things that would be possible. Improving manufacturing processes and products, and doing large-scale test can. It will be a portal, a one-stop center for any kind of question that a manufacturing company might want to have answered. They won't have to flounder around in the dark anymore. What we see it looking like is 1 hundred to 125,000-square-foot, state of the art equipment. What makes it unique compared to other programs is we're marrying up the r&d and the work force side because we don't see them as mutually exclusive, we see them working together. The facilities planning process in more depth, april 16 there will be a more full-blown plan. I.d.c. Is working on that with us. So the way that you can help is continue to support us. Make this a key component of the state economic strategy, help us with the identification and facilitation of actually building the facility. We need to put this center on par with the nanotechnology center. It's equally as important to Oregon's future, and we need your help to do that. And we'll continue to work with our state and federal delegations to secure funding. Are there questions I can answer for you? Or that any of our group can answer?

Saltzman: Is there a formal meeting to Oregon's next signature research center? Is that a designation of some sort?

Eder: Yeah. Let me -- i'll take a stab at that. The last legislature created something called Oregon inc., Oregon innovation council. And provided I think about \$8.5 million for Oregon inc. To set itself up. It had two -- the money is used for two things. One is the establishment of Oregon inc., who is now set up as a vetting entity for looking at technology and venture capital kinds of investments and strategies for the state. The other element, frankly, most of the money, \$7 million, was set aside to add to the nanotechnology -- the nanocenter in corvallis that is a cooperative venture ameteorology -- across institutions, but it's higher education institution, but located in valleys. -- corvallis. That designation was something established in that legislation. And so it presents an established legislative route for investment by the state in the sort of centers. And this one would be very different from the nanoand, have we've had a preliminary conversation with Oregon inc. They're just getting organized and we've told them we'll be ready to be in front of them the nanosecond after they're organized.

Saltzman: Thanks.

Potter: Other questions?

Adams: Thank you very much.

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

Adams: Appreciate all your leadership and your efforts.

Potter: Is there a sign-up?

Moore: There is. Five people signed up. Come up three at a time.

Adams: You don't have to if you don't want to.

Drew Park: Drew park, president of columbia wire and iron here in town. I think we have a responsibility to our society in general to provide jobs and -- that work with the population, higher education is a fabulous thing, but there's a large percentage of our population that's not -- doesn't have the aptitude for it. We want to provide an opportunity in education for folks that are not going to go to college to have a place to get work force training to give them a good job and to make them feel like they're welcome members of our society, and not failures. And we think the center is a great gateway to help make that happen. And I think it would help my company and lots of companies like mine. Thank you.

Potter: Thank you very much.

Adams: Thank you.

Potter: Is there anybody else who wishes to make a statement? Ok. Do I have a motion to accept the report?

Adams: So moved.

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Sten: Second.

Potter: Please call the vote.

Adams: I just want to thank everyone involved. We're off to a great start. Aye.

Leonard: Thank you. Aye.

Saltzman: Great report. I'm very pleased at the collaboration and focus that seems to be unfolding itself with respect to the manufacturing sector, the good jobs, and the many opportunities that have it presents for local economy and our statewide economy. And i'm hopeful we'll get that signature research center. I'd be happy to support it. Aye.

Sten: Great job. Aye.

Potter: It is a great job. I'm very proud of you folks with what you've done, and I think this will help our manufacturing industry here in the state of Oregon. I think it's incumbent upon city councils across Oregon to support this kind of effort, in addition to the state legislature. Thank you very much. I vote aye. [gavel pounded] please read the 10:30 time certain.

Item 195.

Potter: Commissioner Sten?

Sten: Terrific. I don't see Lynn yet. Ok. We're in the unusual situation of being on time. I'm not sure we're prepared for that. I'm just joking. Mayor, this is -- this is a really exciting day for me to present this result. What we have today is the bureau of housing community development economic opportunity program, and I think all of you recall about two years ago the bureau of housing and community development decided to embark on a any way of addressing poverty issues in Portland. Historically most of our programs have focused on place, not because that was the only thing could you do, but because generally the block grant dollars we get from the federal government, which is most of what we're using for these programs, tend to be designed to fix up a street or a park or a neighborhood. One of the things that's happened over the last six, seven years is that as Portland has become more successful, more economically strong, it's become more and more clear that the gap between those who are doing well and poorly is growing. And so we made a fairly major change, and will white is here and the director, and i'm going to ask Lynn Knox to come up here shortly and walk us through what we've done, but we essentially said, we need to focus on people, not on place. We need to find people who are being pushed out of some of our low-end neighborhoods, wherever they are, and we need to make sure people are benefitting, not just the city itself and the higher end incomes. And so this really became our new focus on poverty reduction and community-based economic development. And we have three campaigns at the bureau right now. One is on homelessness, we've seen some really amazing results last year, with 660 chronically homeless people off the street, the housing program you're familiar with. As proud as I am, and i'm off the charts with the results in those two areas, this one to me is in a way the most exciting because it was the most daunting. There's pretty good strategy on how to take on housing. We have 10, 15 years ago we didn't necessarily have the developers and the nonprofits, the for-profits. Today it's more a matter of the community effort we have in housing, getting the funds there. Homelessness is more complicated than that, but it was coordinating and putting some energy into systems that were there. To my emergency, nobody has really -- knowledge, nobody has had a terrific local program to help individuals and small businesses. You'll hear the term microenterprise raise more money on a person-to-person basis. And so we didn't have great models to copy. And so Lynn did something really risky and said, if you fund this, it will work. I'm going to have her come up and show you these results. But we studied local and best practices, we went out and got some partners at United Way and specifically the Northwest Area Foundation are partnering with us on this, and we went out you to the community and -- community and put out two requests for proposals and said we want small-scale programs that can turn into large change. We've actually got over 900 people involved in this, we're going to show you if -- a few charts and graph that's show the actual income is on the rise, and I think it's a great follow to

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commissioner Adams' focus on manufacturing jobs and the need to shore up that base for the middle class, because this is really trying to get to people who are making substantially less than that and get them on the path to being middle class and stable, their kids successful in school because they can stay in one place and buy a house. So I think you always hear from people, housing is great, but you need an income, and I think we couldn't agree more. So I want to invite Lynn to come up and walk us through that. I did just want to share with you a letter from the northwest area foundation. Mayor Potter hosted their board in town last week, last month, and we're trying to make sure they invest again. But they essentially sent us a letter. The northwest -- they couldn't be here today, but wanted to say they believe the initiatives have a greater chance of success if they're owned by the community. Your economic opportunity initiative is a case in point. Portland tapped the energy, skills, expertise, and resources across the public and private sector to address the systemic problem instead of considering poverty a place-based challenge, you decided to focus on solving fundamental problems. I will not read the whole letter because we've got a lot more exciting real life presentations. But they went on to say long-term poverty reduction is not easy, and they just stopped short of saying they're going to reup. I feel that is implied in this letter. Perhaps we'll get another round of funding from the foundation, who has been a terrific partner. Lynn, you've done an amazing job. Tell us more about it.

Lynn Knox: Thank you. Good morning, mayor, commissioners. My name is Lynn Knox, and I'm economic opportunity program manager. The goal of the Portland economic opportunity initiative is to increase the incomes and business revenues of very low-income residents by at least 25% within three years. It's pretty simple. And I'm happy to report to you today that we are accomplishing this important goal ahead of schedule. I want to thank you for your support for this innovative initiative. What's unique about Portland is that most cities have one or two best practice model programs that really succeed in making a difference in the lives of poor people. But what you've allowed us to do is create a system of 30 best practice projects that serve about 1,000 very poor people who have many, many life challenges. In microenterprise, which is businesses of five or less employees, the 256 small businesses that are new or struggling which we serve have increased their revenues by 50% for those who have participated in the program a year or more on average 50%. This is way above the national average for similar businesses managed by people who have low-income backgrounds. In addition, working with our nine microenterprise programs, we've gotten Lewis and Clark law school to set up a microenterprise law clinic that's going to benefit small businesses all over Portland, and serve our participants for free. We've established a consulting group of technology experts that assist our microbusinesses for free. Our businesses are currently working together to pool resources for business services, equipment purchases, marketing activities. The child care providers we work with by choice -- buy toys, food, and diapers in bulk to reduce their cost. Small contractors share bookkeeping services. All our participants are eligible to participate in an individual development account program which is a matched savings program 3-1. This gives them the long-term potential to increase their business out of their own resource and maybe purchase a home someday. In the work force development arena, our projects serve over 700 youth and adults in collaboration with employers that no other program in town can serve in the best practices model. Because there are regulations on other monies don't allow the kind of flexibility and long-term support that these workers need to survive and thrive. These workers, some of who haven't even worked in eight years, are now making an average of about \$11.50 an hour in career track jobs after six months on the job. We've tripled the number that have employer-paid health care insurance, and gotten Kaiser Permanente to cover our participants who have moved from homelessness to housing as well as the rest of those folks who are involved in that struggle through the 10-year plan. We're negotiating currently with other health care providers to cover all participants in the economic opportunity initiative. The state of Oregon has agreed for the first time ever to extend tanf payments for our common clients in initiative job training programs. They

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believe and are now seeing evidence that the intensive comprehensive initiative model will work to keep people off welfare long term. This has been a long-time frustration for job training programs in the area, because tanf has not agreed to pay the supports during training. But now they see a reason to do so. As you can see in the report that you've received, at enrollment, our participants averaged less than \$20,000 a year for a family of four. This is not cherry picking. And they reflect the diversity of Portland's low-income population. The key elements of best practice programs that are working to make a difference are that these projects develop a deep and long-term relationship with small groups of participants that have something in common. So they can support each other. It may be where they live, the language they speak, a disability, or the type of business that they run. Where we fund existing programs that have been around in Portland for a while, we have asked them to serve their clients differently based upon the best practice model. An example is that when the hispanic chamber gave us a proposal, we said, this looks like a similar model with which you serve higher income businesses, and more stable enterprises. Now, when you work with very poor people who are crisis driven, what do you think is going to come up? They said, well, their lack of english skills is going to create problems, and their unfamiliarity with things like how schools work for their kids, or the driving rules in Oregon are going to create big issues all along the way. So we said, what are you doing in your proposal to address these issues? They said, well, that's not work we know how to do. And so we said, go out and find a partner, please, and they did. They found the Oregon council for hispanic advancement, who has a lot of expertise in this arena, and they are having a partnership that is proving to really make a difference in the lives of very low-income hispanic families. Everyone should have an opportunity to learn a good living there. Are 40,000 Portland residents in our target income group. You, mayor and council members, took a chance in allowing bhcd to start this new program and it's working. When bhcd talked to citizens in our comprehensive planning process, and in the new strategy plan that we developed, citizens said, focus. Go deep. You're not going to be able to help everybody, but maybe you can really make a life-changing difference and use our tax dollars effectively for some of the most needy. And that's what we're doing. Changing lives is hard work, but incredibly rewarding. So i'd appreciate it for a minute if everyone in the room who is working with the initiative would stand up and be recognized for the hard work that they're doing, and give us an opportunity to really say thank you. I know they join necessity in saying thank you for giving us the opportunity to make a difference in the lives of men, women, and children in the city of Portland. Now i'd like to introduce armando, the director of the small contractor support program for the housing development center. And also he's brought with him james, who is one of the contractors in his program, and they're going to share some experiences with you about being part of the initiative.

Armando Caiigal: Good morning. As lynn said, my name is armando, I work with the contractor support program. I run the program. Funded through the bhcd economic initiative. I'm fairly new to Portland. I haven't been here for more than a year and a half, but one of the things that was really impressed me in our decision to move here is the spirit of entrepreneur systems that exist in our community. The small business owners, how they are thriving and well supported by our neighborhoods, and in the work that we do, it's more behind the scenes. We're working with contractors. So they're not as visible as the retail owners that you see in different neighborhoods that are well supported. But our community is of contractors is doing very, very well. This particular initiative has been very instrumental in helping us to help the most needy of our clients, those that are at 50% or below of median income. And it's just phenomenal to me that any one at that income level can compete and thrive. I'm honored to be doing this work with them. Every moment of my time that I spent with them I have these very heart connected experiences that remind me of why I do this work. We provide hands-on business development support to small contractors, as I said. We help them grow their business and gain access to bidding opportunities, and we do this a number of different ways. We have direct contracts with housing authority of

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Portland, or Portland development -- p.d.c. Commission. They hire us to actually do some outreach and technical assistance with clients with everyone who's bidding on their projects. And a fair amount of those are bhcd funded clients. Clients that are funded with this initiative. As I said, it's -- the determination that it takes to run a business when your personal earnings are half or less of what the average person in Portland makes is just amazing to me. And every one of my clients is committed. They work really hard. We have high expectations. We set goals. We work on them. They don't slack. They're very committed, and we are very which ited -- committed to them, and the funds you're helping us to provide are really essential for this. In the last two years alone, our clients have secured a combined \$1.8 million in construction contracts throughout the city. That's a huge number for these small contractors. For every one dollar that we have received a bhcd funds, \$15 of business revenues have been generated through these projects. That's a 15-1 ratio. It even impressed me when I looked at that thumb. -- number. I thought, this has to be wrong. And I looked at it over and over again, and it's just amazing to me. I can be proud of that success and I hope that everyone else that's involved in this program is. But while these numbers are very impressive, and demonstrate a level of success that is directly attributable to the bhcd economic opportunity initiative, they don't really speak about the people. The human successes. About the personal struggles, the barriers that are often present for women owned and minority owned businesses that -- as they attempt to make inroads in our community and network and make the necessary -- develop the necessary relationships for -- that will lead their businesses to success. As Lynn mentioned before, some of these are language barriers. I'm hispanic, and I work with our hispanic clients, encouraging them to learn the language as much as they can, because that's what it's going to take for them to compete in the marketplace. Recently I met with our program's first client, who joined us about 10 years ago. He's a west african male, man who is a very sweet person, newcomer to our country 10 years ago. And today i'm happy to say that he has become very successful general contractor, and I had lunch with him, and I was very touched by his offer. He -- he has said he's willing to mentor some of our smaller clients. And this is exactly what i'm hoping that our program and the funds that you're providing, what it does. That it provides us kind of payback mechanism. When we help a client to achieve that level of success, that they are willing to give back to us, to the community, and to the little small clients that we're working with now. And that's what i'm working on right now, to foster those kinds of relationships with those who have been successful. The stories are endless of personal successes. And I don't want to take up any more of our time. But I would like to introduce James Phasen of Phasen Construction. His company has been very successful lately in securing contracts at the new project being developed by the housing authority of Portland, as well as projects through Tri-Met. When I asked him to speak today he readily said yes, and I would like you to please welcome him as he tells his personal story of this program and what it's been like to work with us.

Sten: Thank you.

James Faison: Good morning. I'll tell you a little bit about myself. I'm originally from Brooklyn, New York. I came here in 1966 and I came here in the job corps program. And from then I got my experience in contracting through the port of Portland. I worked for the port of Portland for 30 years and decided I was going to open my own business. And my first year in business it was kind of trying to do it on my own, and I stayed in the red. I lost a little money the first year. And then I found different agencies that would give me a helping hand, like the housing development center, Portland center, and I think these programs are very big and very good for the community. It helped me develop my business to -- from being in the red to \$250,000 in gross income last year. And hopefully I double that this year. I'm not a speaker of any sorts, but I think this program gives a lot to the community because it mentors. Armando has taken me along with others have taken me and taught me things, like blueprint reading, how to approach different contractors, follow up on information on two different contractors. It's taken me to places I probably would have got there

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eventually, but it would have taken me years to get there. The program has been very big, and -- in my company's growth, and hopefully I can pass that on to someone else down the road, that I can mentor someone else or give someone else jobs. This year i've got probably 10 bids out just for this upcoming year, and I think i'll get most of those bids because I was taught through the programs to come up with competitive numbers. I think the program is very big of helping minority contractors of all races, whether it's hispanic, negro, of all races, women, it helps everyone compete in the market.

Sten: Thank you.

Knox: I'd appreciate it if victoria from erko's pace program and sue from gunderson would please come up now. Thanks very much armando and james.

Potter: Thank you, folks.

Victoria Libov: Good morning. Thanks for giving us the opportunity to talk about something exciting and very close to our hearts about our pace project. Pace stand for Portland area career and employment, and it's located in the -- and ran by community-based organization. And many youh of you are familiar with our organization. The reason i'm excited to talk about this program is because it's living proof of how the effective partnership between community-based organization, business -- local business community, education institutions, and bureau of housing development dock wonders, miracles, and I believe this program is a miracle, that we created all together. Why I think so is because it gave a unique opportunity to a unique group of low-income for people here in Portland to feel as an eequal and contributing members of the society. I'm talking about immigrants and refugees. I am actually one of them. I came to this country 15 years ago and my first wage was \$4.75. And we want to see people succeed. And get out of poverty, and be happy leaving in our -- living in our city. What we do through this wonderful partnership is we assist low-income nonnative speakers, residents of Portland to get a career, not just a job, a career in local metal industries, and we all know this is one of the industries that is in high demand of skilled work force. A lot, as you probably know, a lot of our population especially from eastern europe and africa have the skills, but they've never believed that they can get into this industry and develop a career. These people came to this country, and they felt that because they don't speak enough english the jobs are not for them. They felt they don't have enough money to go through the training, get accredited, for example, in welders, and enter this work force. Through the projects, through the pre-employment training, we help them to understand, yes, they can do that. We build their skills, we help them to gain self-support, we create their resumes, we get them enrolled in the trainings through Portland community college, mt. Hood, this training is set up, you know, pretty expensive. They're fully paid through this partnership, and through the economic opportunity initiative. Not only the training paid, they get a stipend to be able to leave -- live normally and study, not to be in a training six hours a day and work graveyard and sleep two hours. That's what this economic opportunity initiative does. And they get certified and they get good jobs in the industry. When we started the project, we were initially -- got letters of commitment from employers saying we will work with you. There were six of them through the metal industry consortium. It's 22 today who value the quality of the work force we provide for them. So I think it's a win-win situation, because we're all members of the community. And that was possible through the economic opportunity 96tive. -- initiative. Right now, after 15 months of the project, a little bit moore, probably, we have 70 people, 45 of them are happily working in the industry, and their wages are going up. And i'm very pleased to be a part of this opportunity, and it's great to work with bhcd. It's true. Because working through our organization we have a lot of different organizations, but they are extremely supportive. They are with you, we all want to succeed together. And it's my pleasure to give the work to sula, she's from gunderson, she's our employer representative, and gunderson is a company, and one of the 22, that actually from the very beginning were with us, saying, we will do it together. And I want to give the work to her and she'll say how we do it together.

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Sula Rosenfeld: Good morning, all of you. I work with gunderson, six years as a language specialist with human resource. I myself came here to this great country as a refugee 13 years ago. And this organization was number one agency whom I got acquainted the next day after my arrival. So I knew the company, this agency from day number two. When I heard about -- when we heard, gunderson, about this program, that they have, and they can help us to prepare to bring to our company qualified, trained, welders, or welder trainee, we're very happy, we gathered together, had the meeting, created curriculum, training curriculum, same time gunderson english, we had gunderson english as well, for those guys with nonnative speakers, russian in particular, and they would have several employees at that time applicants who are doing absolutely great. And we feel very strongly because we also provided tours to those potential employees before hiring them, and our communication on the regular basis, how they're doing, what they're doing, it's really very helpful. And we do know, when we get those welders from the program, we know that we are having high-drained, high-qualified welders. And I just want to put face to one guy. He was number one. He joined the company in november. So the project started in september 1, he joined the company in november, the beginning, so two months later. And he joined the company as welder trainee, and the trainee program. His salary was \$10.23. 15 months later, february, his salary is \$14.95. So within 15 months, the growing is -- he was a trainee, now he's a welder on step four. And others joined the company, their expectations are the same, because the company appreciates their very good, high-qualified workers, welders. They're doing great job and they are appreciated the best.

Knox: Thank you, sula. There are 28 other programs throughout the city that are intensively and comprehensively working with very low-income people, supporting their development and achieving real results. An income increase of an average of \$13,000 a year for wage earners in this program. Often from zero, people who were stuck, who were not moving forward in their lives, and now have increased their wages considerably. Almost \$19,000 in an average business revenue increase for the microenterprise program that's we work with. That's more than the national average for other programs serving people over three years, not just one. These are tax contributions, more money circulating in the economy and fewer of the incredible problems that poverty gives us as a community. Currently we are serving only 5% of the low-income population in Portland. It's our dream to be able to serve a much larger, maybe up to 10%, of the people in Portland in poverty. I thank you for your time. We're proud of this program, and proud of you for working with us on it. Thank you. Wednesday like to answer any questions that you might have at this time.

Sten: Questions from the council?

*******:** Great.

Potter: Thank you very much.

Sten: Does anybody else want to testify from the public?

Moore: No one has signed up.

Potter: Anything else? Do I hear a motion to accept the report?

Sten: So moved.

Leonard: Second.

Adams: Thank you all for your excellent work in this area. Thank you commissioner Sten for your leadership. Aye.

Leonard: I'm very impressed with the results of the economic opportunity initiative. It's excellent work. Thank you very much. Aye.

Saltzman: I'm very impressed and very enthusiastic about the success rates associated with this project. I can think of many small business people I meet who I need to find out how to get ahold of you. Lynn? I'll be in touch. Aye.

Sten: That would be great. Part of this is communicating and networking, and connecting people. And I think part of -- this is I think a key cog in a bigger economic development strategy, but

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without this cog, this isn't charity work, the city's economy can't improve. We're in a situation in which we have a lot of people who need work that need to be connected to skills, and the job market is not doing that. So for me this is really about stabilizing Portland as well as it is about all the individual success stories. I wanted to thank Lynn again and Karen and Howard and the whole time, and all of our 28 community partners. You're doing a wonderful job. It's a great pleasure working with you Aye.

Potter: I want to thank you, Commissioner Sten. I think this demonstrates your leadership and we'll and Lynn and all these good folks who helped make this program happen and make it be so successful, thank you. This is a tremendous thing for our community, and I think Lynn you're right, we want to see more people involved in this and more businesses. We want to see more success, and accumulating wealth at the other end of the scale even more. So thank you all so much. Aye. [gavel pounded] move to the regular agenda.

Moore: We still have the consent agenda we had to hold, if you want to take that next.

Potter: Ok. Any commissioners wish to pull anything from the consent agenda? Any citizen here-to-wish to pull any item from the consent agenda? Please call the vote.

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

Potter: Aye. [gavel pounded]

Item 218.

Adams: This is a jointly sponsored resolution from the mayors, mayor and myself. It's -- it appoints as review committee as mentioned to monitor, advise what is the largest, which we will consider later in the agenda, the largest single construction project in the history of the city. It appoints a group of folks to east side big pipe review committee. We've already put them to work, and they have been reviewing the contract that will come before us later today. They'll meet regularly, no less than quarterly, they'll monitor b.s. Efforts on the project, and they'll provide a forum for discussion and outside oversight and they'll communicate their findings and their opinions directly to the city council. At least every six months through the duration of the project. The project is slated to be completed in 2011. So we will grow old together with this review committee.

Potter: I think some of us are already there. This committee is an excellent effort, and I really appreciate Commissioner Adams' leadership. And also the fact that it grew out of the bureau innovation project goal 15, which was to oversee the management and performance of the east side c.s.o. Project. And so I want to thank all the members who are serving. I think it's a very important role that you are performing to ensure that the taxpayer funds are spent the most efficient way possible while ensuring that as much as possible goes back to the local economy. So thank you all.

And do we have anybody to -- from staff?

Moore: There's an amendment to this.

Potter: Oh, yes, Commissioner Adams was going to introduce an amendment.

Adams: Oh. Has it been scripted? Yes. I'd like to amend the resolution to delete their names from the resolution. My motion is to delete their specific names so that the mayor can continue to appoint people to the committee as necessary.

Potter: Do I hear a motion to accept the amendment?

Saltzman: To delete the entire membership names?

Adams: Yes. That's what I've been told.

Saltzman: We're not deleting --

Saltzman: I'm sorry, delete two names. I apologize. Preston van Meter and John Webb.

Saltzman: Second.

Adams: I moved.

Potter: Please call the roll on the amendment.

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

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Potter: Aye. [gavel pounded] then I need a vote on the resolution. Please call the roll. Do we have a sign-up sheet?

Moore: I didn't.

Potter: Is there anybody here who wishes to testify on this matter? Please call the roll.

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

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

Item 219.

Potter: Is anyone here from o.m.f.?

Adams: That sounds reasonably frightening.

Potter: Do the councillors have any questions?

Adams: No. This one doesn't.

Potter: Please call the vote.

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

Potter: There is none?

Moore: I didn't set one out.

Potter: Is there anyone who wishes to testify on this matter? Call the vote, please.

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

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

Item 220.

Potter: Anyone from staff here? This is a nonemergency and it moves to a second reading. When will the reading be.

Moore: Next week, march 1.

Potter: Ok. Please read item 221.

Item 221.

Potter: Anybody from fleet services here? Any questions from the commissioners? This is a nonemergency, it moves to a second reading. Will that be heard next week?

Moore: Yes.

Potter: Please read item 222.

Item 222.

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

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

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

Potter: Did we read number 222?

Moore: Yes.

Potter: Ok. 223. Please.

Item 223.

Potter: Second reading, vote only. Call the roll.

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

Potter: Aye. [gavel pounded] please read item 224.

Item 224.

Potter: Good morning.

Jeff Baer: Good morning, mayor Potter, members of city council. I'm jeff baer, the director of the bureau of purchases. Before you this morning is a resolution to reduce the amount of the payment and performance bond for the east side c.s.o. tunnel to approximately 84% of the project amount, and just by way of a brief background, this is in line with what we did with the west side combined sewage overflow project and previous council action, so we're asking that we can reduce the total amount so it's not cost prohibitive for the contractor to obtain the full amount of the project value. So with that, we also have representatives from bureau of environmental services here in case there are any questions pertaining to this one.

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Potter: B.e.s.?

Paul Gribbon: Paul Gribbon, Chief engineer for the willamette river c.s.o. Tunnel program. This basically resulted from the change in the bonding market since early 2000, basically since september 11th, post-september 11th bonding market. This is the exact same thing we did on the west side. Since this is a cost reimbursable contract with a fixed fee, it is not a fixed cost contract. The bonding requirements are not as three strict as they would be on a fixed cost contract. So basically it's covering the fixed fee portion and it's covering the cost that we already would have incurred but costs of labor are paid as a reimbursable cost rather than a fixed cost of the life of the contract. So the bonding requirements as it exists now still covers us for the contract.

Potter: Does this add any additional liability to the city?

Gribbon: No. No, sir.

Saltzman: The bonding covers the fixed fee portion of the contract? Is that -- did I hear you correctly?

Gribbon: Yes, sir.

Potter: Other questions? Thank you, folks.

*****: Thank you.

Potter: Has anyone signed up to testify?

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

Potter: Is there anyone here who wishes to testify? Did you wish to say anything, dean?

*****: I'm here for the next item.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded] please read item 225.

Item 225.

Jeff Baer: Good morning again, mayor Potter, members of city council. I'm jeff baer with the bureau of purchases. Here before you is a purchasing agent report recommending the award of the contract for the east side c.s.o. Project to the kiewit/bilfinger joint venture. I'm going to do a real quick overview and turn it over to bureau of environmental services for a formal presentation. As you recall, we did a competitive request for proposal process last year, and through the selection process awarded the contract to kiewit, and at this point we're back after doing some negotiation over the past number of months, coming up with the final contract amount. With that i'll pause and turn it over to the bureau of environmental services --

Adams: Actually the commissioner in charge has opening remarks. Thanks. This is the final portion of Portland's 20-year program to combine -- to control combined sewer overflows which began the program began in 1991 and will be completed in 2011. The west side c.s.o. construction, the three 3.5-mile west side big pipe and the swan island pump station will go into service this summer. Design is finished on the east side big pipe and construction will start this spring. To date the projects have been -- have reduced the total c.s.o. volume into the columbia river and -- into the columbia slough and the willamette river by 53%. In the first 10 years of the programs, we have reduced volume to the river by 42%. When the west side c.s.o. is completed, and we go online in 2006 this year, it will reduce another 23%. And when we finish the east side c.s.o. project in 2011, we hope -- we'll have reduced c.s.o.'s to the river by 94%. The west side c.s.o. project is on budget because of very careful cost controls and we have been just as vigilant in the east side project. Again, as i've said before, the credit for the west side c.s.o. project coming in on time and on budget rests largely on the shoulders of city commissioner dan Saltzman who until eight months ago was in charge of the projects. We have been very careful as you will hear in greater detail, about learning from the past effort, which worked very well in terms of coming in on time and on budget on estimated budget. And we have built upon that for the east side. Two outside audits gave the west side project overall excellent marks for management and cost. The east side c.s.o. project

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underwent three cost estimate verifications that were within 1% difference between the three, which means three different entities looked at the same plans and came within \$3 million of each other on their cost estimates, and that speaks well of the plans they were presented with in terms of their detail, clarity, and scope. We also used alternative contracting process for the project, and as we did for the west side big pipe, so that we were able to hire a contractor with experience in this kind of very specialized construction. This approach forms a partnership between the city and the contractor to share the risks and the work cooperatively to resolve problems as they arrive. And I want to underscore that there is lots of incentive for the contractor to deliver this project ahead of schedule, and ahead of the time line. And that has been built into the contract. Safety on the job is the number one priority, and our goal is to have no accidents, and you'll hear there is much concerns about safety, learning from the work thus far, which has been safe, but even learning from that on the east side project. As you will hear, the east side c.s.o. project cost controls include a detailed estimated reimbursable costs, monthly cash flow status reports, a daily sign-off of labor and materials and regular audits. In addition to cost controls, there will be a citizen oversight of the project by the east side c.s.o. review committee, and I meet and get a status report on the project on a weekly basis. The committee's job is to make sure the project is well managed, and it will report to council on a quarterly basis. This oversight is important because this will be a completely transparent process and the public has a right to and will be fully informed. We want ratepayers to know exactly what they're getting for their investment. The project will give us a cleaner willamette river, a public opinion survey, the city conducted last year showed strong support for our work for clean rivers and streams. 72% of the respondents said they strongly support projects to keep Portland's rivers and streams clean. A majority of the of respondents would be willing to pay an additional \$10 a month on their sewer bills to support clean rivers and streams. We're working hard to make sure they don't have to do that. We'll go from an average of 50 outflows of sewage into the rivers to just four or five. And this project will be a shot in the arm for the local economy, subcontracting opportunities for local firms total nearly \$53 million, and we hope to even improve upon that. And nearly half of the subcontracting opportunities of the 53 million will go to minority and women-owned firms and emerging small businesses. Unlike the west side, the east side will be much more visible, and has the potential to be more disruptive. We have -- it's a bigger project and we have to poke ourselves above the ground more frequently, and we'll be working and have been working with all the business districts, especially in the central east side, to make this disruption as short in duration as possible. So with that, I would like to thank all the advisory committees, including the businesses for clean rivers, the central east side, i'd like to thank the contractor, the team at b.e.s., and the citizen advicery review committee that have gotten us to this point where the city council is now considering the largest single construction contract in the history of the city.

Dean.

Dean Marriott: Thank you very much. Mayor, commissioner Adams, members of the council, i've had the good fortune of working with four of the five of you who have been commission in charge of environmental services over the years. Commissioner Leonard perhaps who knows what --

Leonard: We worked on --

Marriott: There's still plenty of time. In your role as state legislator you had a chance to get very involved in this. We have a brief presentation, and I want to fly through it since commissioner Adams did such a fine job summarizing where we stand today. I think if paul can just click through, we're going to go real quick here. We've made a lot of progress since 1991 as the commissioner alluded to. We're now on that 2006 moment in time. We're just about to finish the west side project. The program basically has contained three legs of a stool. The cornerstone projects to get storm water out of the system the columbia slough clean-up effort which is complete, and the willamette river leg of the stool. And we're about to finish the west side part, and we're

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asking for permission to move forward with the east side construction. With the winter olympics we have to have a ski slope here, so here's our version of the ski slope. Enormous progress since the 1970's when an estimated 10 billion gallons of sewage flowed into the willamette and the columbia slew. We're about to step off there in the 2006 step-down to where we're going to have more than 65% of the pollution control, and then the east side tunnel work as you can see the dotted line, will take us to the finish line. The countdown to controls, the columbia slough outfalls are now controlled, so people can recreate and use the slew without fear of having bacteria pollution make them ill or otherwise impact their experience. We've already controlled seven willamette outfalls, we're about to control another 16 this summer, and then the final leg of this marathon will be the control of the other willamette outfalls. Let me, before I turn it over to paul, we have come a long way since 1991 as a community. We made a lot of progress, the river is cleaner, the columbia slough is cleaner, I think we continue to enjoy a lot of public support for this. We have selected a joint venture firm, k.b.b., which includes kiewit, which is the american part of the joint venture experts and underground construction and bilfinger/berger, experts in tunnel construction of underground work. The bureau I believe has established a good track record for success. I feel very confident that this bureau working with this joint venture will deliver on the -- on this project a program that will be excellent for this city and excellent for our resources. We look forward to bringing the east side big pipe project in on time and on budget just as we're doing with the west side big pipe. Now i'd like to have paul gribbon, who is in charge of both projects talk to you about some of the specifics. I'm just going to slide over there next to him here.

Gribbon: Very briefly, we're talking about a six-mile-long tunnel, almost twice the length of the west side tunnel. 22-foot finished diameter. Depending on topography will be 65 feet deep, we're starting in southeast mccloughlin and 17th, and running up the greenway trail through the central east side industrial district under third avenue, across i-84 between the steel bridge and rose garden and up the railway corridor up to swan island. We'll have several shafts along the way. Current status is design is 100% complete. The preconstruction services work is now just about complete. We're ready forexecution of the contract, and you've already approved the review committee. What we've been doing over the last eight months is, the main thing is the development of the estimated reimbursable cost. We've had separate estimates on that and a third party review of the estimates, at 60% and 90% stage. Woe have a full construction schedule that's been developed. We went through a risk analysis to determine all the risks we could be possibly seeing on the project. We also have a projection of inflation. All part of the estimated cost. Put together a subcontracting procurement plan, both for local subcontractors and minority, women, and emerging small businesses, of site -- a site-specific safety plan and k.b.b. Has done a document review and come up with cost-saving recommendations. The construction contract is a cost reimbursable with a fixed fee. So the cost reimbursable portion covers labor, equipment, materials, and subcontracts are competitively bid. The fixed fee portion contains the on-site off-side overhead, bonds, insurance, and profit that. Is fixed over the life of the contract. Why do we do it this way? Six years ago before we started the west side project, we did research of other tunnelling contracts and there was always been a problem in the tunnelling industry with regard to contracting. And control of costs. And we saw quite a problem across the board with how contracts had been done. We also had our own experience with the tunnelling contract on the columbia slough consolidation conduit. The job was done on time, but it was a very difficult contract to get through. We want to look at a way to get through these two particularly complex projects to align the owner and the contract's objectives and create a shared risk approach. So we tried this on the west side and so far it's been proven to be very successful. Here's how the contract breaks down. The estimated reim51stible cost is a little over \$316 million. The fixed fee on top of that brings a total contract to \$381 million. That's in -- as of december 2005, based on construction dollars in december of 2005. This contract goal is almost six years, so we have to taken flags into account. If the contract itself were to stay at 381,

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six years from now, that would add \$45 million of inflation. That's our best estimate of inflation over that period of time. So in 2011 dollars, this would be \$426 million. One more thing on top of that is we're carrying a contingency off to the side. That contingency is based on the risk analysis that was done. So we go through a process of evaluating all the risks in the project, looking at how we can mitigate them, how we can control them better and set aside a contingency amount that will cover us in case some things happen that we don't anticipate. That's part of the contract budget. It's not a part of the construction contract itself. Originally when we first started design, we were carrying a contingency of 25% because there was a lot we didn't know. We know a lot more now and so now this is down to 10% of the contract. The local benefits, local subcontracting, we're estimating about \$53 million in local contracting opportunities. That includes about 26 million dollars from women owned and minority businesses. Local craft labor will be hired locally, we're looking at \$90 million worth of labor. Salaried labor, another \$25 million. Materials and supplies opportunities, \$50 million, and equipment opportunities, another \$15 million. So we hope to have a significant impact on the local economy.

Saltzman: Can you back up to that slide? Local subcontracting of \$53 million, that includes the mw/esb opportunities?

Gribbon: Subcontractors, yes.

Saltzman: Total subcontracts is 53.

Gribbon: Local subcontracts, \$53 million, that's correct.

Saltzman: Thanks.

Gribbon: That's about twice what we had on the west side.

Saltzman: Is it?

Gribbon: Yeah.

Adams: Not to gloat or anything.

Gribbon: Cost control, we have a full-time scheduling cost control staff. We do a continual comparison of expenditures against the estimated reimbursable cost. With every invoice we plot where we are in expenditures against the curve that we've established for the six years of the contract. As I said, we did a jointly developed risk assessment of the project. We have a cost loading schedule that shows what the cash flow should be and we'll project on a regular basis where we hope to be at the end. Some contracts will be competitively procured and we anticipate doing outside auditors come in and see where we are. There's been a fair amount of agency coordination.

Not only within the city but outside the city, Multnomah county with odot, we have -- there are some other projects going on, m.l.k. viaduct improvements. We'll be going into several -- under several of the county's bridges, so agency coordination has been going on and will continue. Safety.

Safety is number one. There's a site specific safety and health plan that's already been developed. We'll have an oversight committee. We have full-time bureau and contractor safety managers, regular work site safety meetings, and an incentive plan in a contract for safety, very similar to what we had on the west side. Lessons learned from the west side. Preconstruction planning phase needed to be longer than what we had on the west side, and we did, we added about four months to it. We brought the contractor on in this particular case earlier than we did on the west side. West side we were beyond 60% design, in this case we were about 30%. We've got experience now with the boring machine, how it reacts in local geology. So we hopefully have a much better handle on the production rates. We'll get to the different soils astronauta. We found creating -- strata. We found creating business opportunities, a lot of opportunities come up we didn't anticipate at the start and we hope the same thing will continue with this contract. Challenges, as commissioner Adams mentioned, a big changee challenge is minimizing impacts to the central east side industrial district.

We're working with the business owners, working with local contractors to try to decide the best way to get through whether it's a balance of night work versus day work, moving, staging areas to have less impact on the businesses where we're trying to work our way through there to minimize

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our impact. The same time, permits, right of way acquisitions also tied with that. We've got a lot of easements to get yet, right of way acquisition, we're in the process of doing that, we're hoping we're staying ahead of where the contractors' work is going tonight but there are a lot of property owners and easements we'll be working on. And geology, geology is always a challenge. We've done a fairly intensive investigation. It's not quite done yet. We'll continue to make sure that we know exactly what we're going to be heading into.

Marriott: I'm going to give Paul's voice a break for a moment. That thing about geology that's so challenging, it's all below ground. One of the interesting things we've learned, when you get to where I-84 was built, the geology changes. That's an old historic stream bed valley there, so that's why that area presents an interesting challenge to us. I want to summarize our overall approach. This is going to be just as we have with the west side big pipe project. A very transparent effort. We will be in front of you on a regular basis, at least twice a year or more frequently if necessary. You may hear from the citizens review committee as often as you would like, but at least at the same integral you hear from us. We will continue to work with the businesses for clean rivers. This is the organization that we started with the west side big pipe, and Commissioner Saltzman I know met with many of the members of the -- that committee. We're reforming the committee and have an existing committee already formed up for the east side businesses. And this is to work out details of what the schedules are for deliveries, and customer access and so forth. We will continue to work with all of the affected parties on the east side. It will be again just as we did with the west side, there will be audits to make sure that we have the right cost controls in place, and that the contractor is abiding by all the terms and conditions of the contract. Safety as has been mentioned, is critical to us. We want to make sure this project gets done without really hurting anybody involved. And as you've heard already, our commitment to maximizing local opportunities. We want to make sure as much of this work that can be done by local firms is done by local firms, and as much of this money can recirculate back through our local economy. On public involvement, I mentioned already some of these highlights. The businesses for clean rivers, continued personal contact with affected businesses, we've already had some open houses, we're going to have more. We have a project website for people to get continuous updates on where we are with schedules and so forth. Staff makes periodic presentations out in the community. This project, like the west side project, will have interpretive signs at different construction sites so people will always know what's going on. And occasionally we'll even take out an ad to make sure the word gets out there as to when we're going to be in a neighborhood and what's going to be involved. And now if you will indulge us we have a couple minutes to give you an update on where we are on the west side project, because as we've said, the east side big pipe project we have learned from our experience on the west side, and I thought you might like a quick update on where we are there.

Gribbon: Very briefly, as I reported last time, the tunnelling was done last summer, and it was done a couple months ahead of schedule. The pump station is the effort right now. The picture you're seeing is the top. That was -- it's been a real challenge. There's 160 feet below that slab you're looking at is where all the pump station actually is. Major work right now is the mechanical and electrical underneath that slab. We hope to have testing start in April. The pump is already here, they have been installed, and the first systems by the latter part of April we hope to start testing. We're on schedule. This is the cost projection, and we're projecting to be at the end of the project in late summer, the end of August, within 3% of the original estimate. Pieces of the project itself, some went over their estimate, others have come in under their estimate, but if you compared this with 2002 dollars, we project to be under the original contract amount. The 3% actually represents inflation over the four years of the contract. So as far as our budget is concerned, we're well within our budget for the west side. And as far as what's been done, the contractor has issued over 150 minority women and eamericanning small business, and that represents over \$20 million in contracts which exceed our project goal of \$13 million. And they've utilized well over

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300 local businesses and created well over 450 construction-related jobs. That's where we are in the west side.

Marriott: Mayor, that concludes our presentation, and we'd be glad to answer any questions you have about the matter that's pending in front of you right now.

Potter: I have a question. The contingency in inflation for this project is \$83 million. The west side percentage wise came in at between 5% and 10%, and this is 22%. It seems like a significant increase in inflation contingency for a project that's just one year longer. What is the cause for that?

Gribbon: The project is two years longer. But the contingency that was done on the west side was done exactly the same way. Done -- we didn't consider inflation as a separate item. Inflation continues to be two totally different things. We hope to never use contingency. We carried a \$17 million contingency on the west side. At one point in the project we're projecting to use most of it, but we resolved the problems we had at the pump station at the time, and right now we're only projecting to use part of the contingency as a result of inflation. But since this job was so much bigger, and it was two years longer, we thought it best to carry inflation as a separate item itself, because if we don't use a dollar of contingency, the money is going to inflate over six years, there's nothing we can do about it. It's going to hardware store buying it now, and doing it six years from now. It's not the same price. So since the value of inflation would exceed the amount of contingency, we felt we should make sure everybody is aware of the fact that inflation is going to occur, there's nothing we can do about it and carry it as a separate number.

Potter: You're saying it's increasing at a faster rate, the difference between 10% and 22% is significant.

Marriott: Let me shall sure I understand the question. There's two items as we just described. There's the inflation number. Should we just focus on that for the moment? That's the \$45 million that we've estimated or projected to be inflation over the 60-month contract. Just under six years. So in order to estimate what to expect for inflation, the team went through an analysis of how much steel, how much concrete, how much of all the major commodities would be involved. And then looked at the best estimates in the construction industry for what these -- the rate of inflation and the construction industry is. What we did not want to do, mayor, was to bring forward a contract for \$381 million in 2005 dollars, and then have to have everybody explain in 2011 why it wasn't \$381 million, because it's difficult to explain the concept of 2005 dollars when you're in 2011. So we've given you the 2005 cost, and then we have done our best job we can do to estimate what we expect the total cost to be in 2011, taking into account inflation. Now, if inflation slows down and it's only \$35 million and not \$45 million, all we will pay is \$35 million. The ratepayers will get the benefit of that \$10 million in savings. You can bank on that. And I don't know whether that helps -

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Potter: Tell me what happened on the west side before the contingency and the inflation factor.

Gribbon: The west side, the process was the same, except we didn't taken flags into account as a separate number. So inflation was accounted for within the contingency on the west side. If I had to do it over again I would have carried inflation as a separate number on the west side, but we didn't at the time. This time, since we're two more years, and so much bigger, we had to take that into account as a separate number. But we didn't on the west side. We felt inflation would probably be well within the contingency that we had, so that contingency would cover any costs due to inflation. But here we decided to carry it separately.

Marriott: As I said, we try to learn from our experience, and what -- where we started the west side project in 2002 we had a cost estimate for the contract. In 2002 dollars. And here we are in 2006, and as paul said, we're right on target, except it's going to cost that little bit of extra money because of the inflation from 2002 to 2006. Yes going to be able to cover that in the contingency, but what we now recommend given the length and the size of this contract is that we specifically

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estimate for you and for the public what we expect the difference between 2005 and 2011 will be solely because of increased costs due to inflation in the construction industry. Part of our ability, interest in revealing everything we can possibly project and understand about this contract.

*****: So --

Potter: So there's no way we can lock in today's prices, difference, for steel and concrete to get a lock on that rather than just allowing to -- us to pay whatever the current rate is as the years progress.

Marriott: Mayor, remember, this came up the other day in the budget discussion. Paul and I had a conversation about this, and we can talk to you about it some more here this morning. The different practices in the construction industry, if you're a steel manufacturer, it's up to you whether you want to sell -- whether you want to fix the price for the total amount of steel over the length of the several years ahead. What we have found is that they do not want to do that. We have also found if we tried to buy in advance all of the steel we were going to use in this project, then we have to have a place to safely store it, and keep the quality of that product usable for its intended purposes. So what we've tried to do, and Paul can talk about this on the west side, the contractor was able to negotiate some prices for concrete, and we will try to do that again on this -- to the extent we can, we will try to lock in some longer-term prices. Is there anything you want to add?

Gribbon: We'll do that where we can. On the west side, the contractor got a good price for concrete because he was getting such a large amount, so established a rate over the course of the contract. If we can do that here, we certainly would. Kbb is going to do everything it can to keep the costs down. In regard to steel, it's a -- a lot of the steel suppliers stopped honoring previous commitments they had when the steel market went crazy, so to get -- some situations you can't get a firm price over a long period of time. They're just not going to give it to you. They'll give you a price over a certain period of time, relatively short before your money is going to be paid. Where we can establish a long-term price, we certainly will. But you can't do that in all cases.

Potter: Is this a bit unusual in terms of contracting that you break out contingency and inflation?

Gribbon: Usually it would all be included in there. If we asked for the contractor to give us a total bid, they would, but they would flow in inflation, they would estimate the cost of the midpoint of the contract and they would throw in their own risk. So you are paying for it one way or another.

Potter: Yet this is over twice what the percentage was for the previous contract. Not the dollar amount, but the percentage.

Gribbon: The percentage of contingency.

Potter: If the contingency last time included inflation, which it did, that's what I heard you say. Is that correct?

Gribbon: The -- we paid for inflation out of contingency last time, but I would not say we put a separate number for inflation in contingency. We didn't do that. That's why we're doing it this time. If I had to do it over again I would.

Potter: That 10% was combined inflation and contingency, they stayed within that.

Gribbon: Yes. We are within that.

Potter: So I'm just trying to figure out what's different this time.

Gribbon: Because this is a different project. When you go through -- to determine how much you're going to set aside for contingency, you have to take the specific project into account. There are -- this is in a lot of areas more risky than what we had on the west side, because the west side there are really no property issues to deal with, it was out of the way, we weren't affecting any businesses, we were going under Naito Park way, under -- through the industrial area to Swan Island. There was in a lot of cases it wasn't nearly as risky. And so you look at each project as an individual project. And you list them all, you try to quantify them all, and you come up with the probability analysis to determine what amount of contingency you should be carrying. One was \$39 million, the other was \$33.5, so we settled on \$38. It depends on the project.

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Potter: Other questions from the commissioners?

Saltzman: You tantalize me with the idea we could order all the steel now if we had a place to store it.

Gribbon: It's a little more complicated.

Saltzman: Can you give me an idea, you know, would memorial coliseum work or something like that? [laughter] how much space do you really need?

Marriott: The real point is, our experience, and we will work with the contractor in this, but our experience is the manufacturers of steel and the suppliers of steel don't want to do that. If you can - - I guess you could conceivably figure out how much steel you needed and buy it all now. But --

Gribbon: I would say --

Saltzman: Would they --

Gribbon: It's not advisable to buy materials for something you're not going to built for four years. Too much can happen. We went through a lot of changes on the west side, where shafts were made smaller, things were done differently that caused a lot of changes in the design. And ended up saving us money. But if you buy your materials ahead of time, you may end up buying something you never use.

Potter: Other questions? Thank you.

Gribbon: I would make one correction, the contract is 69 months. I think I said 60.

Adams: Are we going to hear from the contractor now? Are they here to answer questions?

Gribbon: Only if you have them.

Adams: I think that maybe someone from the contractor should come up and talk about sort of how your approach -- we've heard from you before, but sort of your general approach and the -- your response to the mayor's questions around contingency and inflation.

*******:** Sure.

Bill Mariucci: Bill mariucci, the project director for k.b.b. Joint venture. I'll get to the inflation and the risk in a minute, just to add to a couple of things paul had said. But it goes without saying, we welcome the opportunity to be associated with this really world class project. We're going to give it all. And I think you've heard from dean from everybody, we've identified just like everybody has, three key elements of success on this job. For us cost and schedule. Finishing, not just on time, and on budget, but ahead of schedule and below budget. We're going to react immediately to any areas of concern. We're going to monitor costs on a daily basis with our crews and our people in the field. Second item is of course could be first too, is worker safety. We are just as dean mentioned, we're going to focus on zero accidents. We're going to make sure everybody goes home in the same condition they showed up that day at work. And the third item is community involvement. You've seen the numbers. We're proud of the numbers. We hope and we are counting on those being floors, and not ceilings, and that with \$53 million in pure local subcontracting opportunities, that does not include all the services and all the goods and supplies that will be procured as well. So we plan on doing more than what we showed there, but we've put an analysis together and those are what the numbers showed us. Third thing is, we understand the accountability on this project. We understand every nickel counts, that the rate payers are paying for this project. And quite frankly, we welcome the oversight, and we hope that it becomes a little more than oversight and it becomes assistance. And that we garner some of the intellectual properties that the oversight committee is going to be bringing to our project. And that we understand just as everybody has said that the money that flows into this project flows right back out to the local community. That's because they're the ones paying for the project. A couple of project specific issues. Construction wise this, is very similar to the means and methods that were used on the west side. And as far as the lessons learned and the technical knowledge and the craft knowledge that's going to be brought to this project, the local subcontractors that worked on the west side that we plan on use can on the east side, we don't plan are or missing a beat. This isn't

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starting over. This is building upon what's already been done. And to the extent on issues of inflation, and risk, we hope -- certainly on the risk side, not to spend a penny of that. One thing I would add to what Paul said, I think it's a very valid question, why is the risk number at a percentage basis higher than the west side, which I don't know the west side numbers, but the fact is this tunnel is twice as long, it's significantly larger diameter, and I think we all know that underground construction is a risky business. And there are unknowns. And if you have a tunnel that's longer and a tunnel that's bigger, there will be increased risk dollars associated with that. I also would emphasize, we're going through underneath a lot of sensitive structures. We'll have detailed instrumentation monitoring, protection of existing facilities in place going through the I-5/I-84 interchange is going to be a challenge. But part of what we did during preconstruction is to solve that challenge and find the right alignment through there. But that doesn't necessarily eliminate the risk, it certainly has mitigated it. In the inflation, the fact it's a six-year project, if one spreads the dollars equally over six years and applies anywhere from a three to four to five percentage point inflation per year, compounded, you can get to those numbers. We will do everything we possibly can to hedge costs. Fuel is a big one. And if we, look ahead and if it's prudent without paying a premium from a contingency of a supplier to lock in those prices, we're going to do it. But we don't want to be paying unnecessarily to burden that risk that they could be putting in there. So we'll be ahead of the curve on evaluating the markets in the way that we see them moving. And on an -- on inflation, we did look at volatile commodities in there, steel and cement, and fuel, and we tried to put not just let's say the last 20-year historical averages on those, but a little bit higher numbers to account for what might happen. And like I said, hopefully it doesn't, it's something that we can control to the best of our ability by looking ahead and uniting what the market is going to be doing, and we're going to be really on top of that. So I can certainly answer any questions relative to the project or any other element.

Saltzman: I'd like to ask you a question, when you were one of the finalists for this job, we had a meeting out at the Oregon association of minority entrepreneurs, a chance for the local contracting community to interview the three finalists, and I very distinctly recall part of your presentation was a commitment to 35% minority, women, and emerging small business participation. So I'm sitting here look at the numbers and trying to figure out if in fact you're there. I guess if you look at 26 million for minority women and emerging small businesses out of 53 million available for subcontracting you're there, but certainly if you look at 26 million in the context of construction of 317 million, you're not there.

Mariucci: Right. I'll clarify that. Excellent memory.

Saltzman: What did you intend when you said it at that meeting? It wasn't you, I don't believe, but part of your team.

Mariucci: Our proposal said \$20 million-\$25 million is what we saw available to the sheltered market programs and m/wesb firms. So we're at 26. So we -- like I said, plan on that being a floor. That was in our proposal. I believe the 35% had to do with the percentage of nonspecialized subcontracts, ok, that could go to local smpm/wesb firms. I would equate that to the fact we're talking 53 million in local, i.e., nonspecialty subcontracts, we're now at 26, so I would say we're basically closer to 50% in comparison to the 35% we may have been discussing prior to the proposals being submitted.

Saltzman: Ok. That level of detail may have been lost in the excitement of making your presentation to the audience, because it seemed like an extremely large number to me, and I was very impressed were it. But I understand your explanation too.

Mariucci: We actually did a follow-up I believe about three weeks ago, commissioner Adams was there, I thought it went very well. We were very detailed in putting out the exact opportunities and the dollars and the years and quite frankly creating a lot of accountability for ourselves.

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Adams: I have committed then and will commit to personally be involved in that outreach to minority and women-owned contractors. There's a lot that -- work on the past project we want to pick up, but there are a lot that didn't get work that we want to make sure 'doe do get work this time.

*******:** Agreed.

Potter: Other questions? Thank you. Is there a sign-up sheet?

Moore: I didn't have one.

Moore: Are --

Potter: Are people in the audience who wish to testify on this matter? Please come forward.

Bryce Holt: Bryce holt.

Potter: Just a second, sir. Did you want to come up and testify as well? Ok.

Holt: Bryce holt. I just have a quick question of this fella.

Potter: Could you speak up here, sir? We can't hear you.

Holt: Sorry. My question goes to, when you spoke about the underground tunnelling project, you spoke as though it was some kind of unexplored realm. What statistical information have you drawn upon in your researching pathway that you've chosen? I mean, there's a lot of information about what the composition of the strata and so forth are.

Mariucci: A couple of things. First of all, during preconstruction, there was -- as paul mentioned a. Fairly extensive geotechnical investigation which included a number of borings that went indian to tunnel depth to identify the formations. How many borings? I'm looking for paul. There were dozens if not 100 borings along the alignment. Those soils were tested in laboratories to get to the details of permeability, grain size analysis, all the minutia that's important to us for the tunnelling. So we base our cost on the information that was available, part of that geotechnical. We have several volumes of geotechnical data that we've evaluated, ok.

Holt: And compared I guess against state hydrologist and state --

Mariucci: Exactly, in terms of water quality, soils, all those types of things. So I guess getting to your second part of your question, which was where does the uncertainty lie. The fact is if we could do one horizontal boring that was 30,000 foot long, that would be really nice. But unfortunately we have to do them vertically and so what happens between the borings even though they may show exactly the same formations, you make that assumption, but quite frankly you just don't know. So there still is that element of uncertainty between the borings. And that's what we've been trying to account for in things like the risk assessment and -- but generally speaking for this job, there was a very good amount of gee technical information -- geo technical investigation done.

Holt: I hoped as much. Super.

Potter: Thank you. Could the -- if there's more than one person, could you both come up? Are there other people who wish to testify on this matter?

Melinda Dailey: My name is melinda dailey, i'm the executive director of -- the contractors association. I've been invited to speak on behalf of k.b.b. regarding their efforts to involve the local construction community in the upcoming c.s.o. project. We represent over 100 local contractors and associated businesses. We're looking forward to partnering with k.b.b. over the past few months k.b.b. has done a commendable job reaching out to local businesses, meeting with members of our association, and listening to our concerns and expectations. K.b.b. requested and received input from nuka regarding potential subcontracting opportunities and packaging suggestions. We also informed k.b.b. of -- capabilities and qualifications as well as their eager to perform the work. Now is -- we're looking forward to the full fitment of promised subcontracting opportunities for local contractors who bring diversity, knowledge and experience to the project. Members expect to see as much work as possible set aside for businesses and local community as well as minority,

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women and emerging small businesses. After much discussion, with k.b.b. regarding this packaging, we look forward to our commitment to our membership. Thank you.

Potter: Thank you very much. Anybody else who wishes to testify on this matter? I need a motion to accept the report.

Leonard: So moved.

Saltzman: Second.

Adams: I want to thank the teams involved with this council for their consideration. I want to thank dean marriott and paul and all of their good work. Harvey and others, jim and the city attorney's office, this is another beginning to clean up the willamette river aye.

Leonard: I think it's important to put this in some context. In my view effort of the city to deal with sewage overflows and the contamination that results began 20 years ago with the adoption of the program known now as the mid county sewer project. The -- i've kind of viewed this process in four stages from where I sit. That was the first stage. The second stage was the columbia slough portion of this project, the third, the west side, and finally now the east side. One of the frustrating things for me as an elected official is sometimes trying to explain to the citizenry the reason that we make decisions such as this. They often focus our citizens on the high cost of our sewers in Portland, and they are high. There is no doubt about it. But i've characterized this for 20 years to the folks i've talked to as this generation of Portlanders unfortunately being on the hook for prior generations' misbehaviors. When I say prior generations, i'm talking beginning 160 years ago, when western civilization found this area and decided to populate it and immediately saw the willamette river not as the cherished tribal hunting grounds that it was for the chinook indians, and the celebration of the chinook salmon, but rather as a sewer. And we immediately began using it as such. It's unfortunate that that has been part of our culture, but we are paying for that right now. And this decision that we make today is the fourth in a series of decisions that causes us to have to fix what our parents and our grandparents, and our great grandparents and up to our third great grand parents did to our environment. Commissioner Sten and I joked about my role in the legislature on this project. My role down there was actually to try to increase the amount that the city spent to make the pipes even bigger than what they are. So we had no overflow at all. Because I believe strongly that we need to cherish our community as much as the people we inherit it from, the chinook indians. And we haven't. And we have treated it like a sewer, and it was been a very unfortunate past that we've had for the last 160 years. So I am -- some will look at this action today and be critical once again of us committing to what will contribute to amongst the highest sewer rates in the nation. And I understand that. But as a person, apart from whether I was on this council or not, i'm proud to pay to fix a problem that should have never first of all happened. We should as a culture have never disrespected this land and this river to the extent that our ancestors have, but I am proud to be alive at a time when we are doing something about it. And it is a significant project that we undertake on the east side. My only criticism of b.e.s.'s role in this has not been how they managed the project, or how they have brought the west side under budget and under time, it's not been how they managed the mid county sewer project or the columbia slough project, it's that we seemed to have a pretty successful contractor on the west side, and I just wanted to keep them. That was my only criticism. So you guys have a lot to live up to, and that's not often we get to say that. Again, I think we need to say that when it happens. I think one of our failures as government is not to talk about when we do things well. B.e.s. has handled this well. And I appreciate it. And believe me, if you hadn't, I would say something about it. But you have, and as i've said, I am very impressed with the work we've done, and this moment is not lost on me. I am in this place at this time, and I get to actually take a proactive step to fix what I consider to be one of the major embarrassments of our culture. Aye.

Saltzman: I think -- I know b.e.s., we used to use a photo a lot of people standing in front of city hall. I think it was back in the 1930's wearing bowler hats and holding up signs saying, "clean up

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the willamette, stop it from being a sewer." so like commissioner Leonard, I do note this -- the import of this time of this place and this council, where we are approving the contract to finish the project to clean up the willamette river. And so i'm very proud to do that, and I do want to commend b.e.s., and the west side subcontractor for doing such a fantastic job. It's hard to imagine a project the most expensive, the biggest public works project in the city's history has occurred with so little adverse incidents. And that's great. And we need to keep it up. But I think most people really would think this has gone very well, and there would be well impressed with how you brought this project in on time and on budget, and I feel very confident with the contractor that we'll have the same sort of excellence and the same commitment to doing this budget on time or hopefully under budget and even under time. So I feel we're in good hands and good capable management, and look forward to the day when we will have no more than four sewer overflows per year in the willamette river. Aye.

Sten: I appreciate this as well. It is a nice step to take, and be able to move forward in the last part. You do have four former sewer commissioners up here, and I had this job back when we were getting some of the west side contracts going. And I think that commissioner Leonard is right, that the tragedy of city development has really been that they didn't take environment into account, and we really have treated streams as the place to wash things very quickly, including direct discharges and nonpoint source pollution. The great thing is the cities are alive and they rebuild themselves almost every couple decades. If you go to any parcel in town it will be different 100 years from now. So I think our challenge is -- in this version of the city we're all building every day, we get it right. And so this is the most obvious, but it ties into a whole comprehensive set of work that the bureau of environmental services has been leading with the help of planning and the development commission that I think is underlooked. We have storm water regulations in place that are designed to try and give incentives as well as change what you can and can't do so that this time when we rebuild the city we can actually rebuild it in a way that works. What makes that more exciting, and I think you just touched on it this morning with some of your comments about how these dollars will ripple out. It is going to be an expensive build. I always mention whenever we have a water and sewer discussion that the city does offer a 40% discount to people who are truly low-income and people don't take advantage of it enough. So I hope in all of our outreach we'll keep reminding people about that. For those who truly cannot afford this, there is help. And we need to remind them. But it is expensive for everyone, whether you can afford it or not. One of the opportunities is, it is an investment unlike a lot of bills you pay back in our community. And Portland will really I believe get to the next level of success as a place to be and prosper once we tie our environmental practices to economic development. And we really learn how to use the environmental clean-up work both to hire our own people to get it done, and to sell it in other places once we figure out how to do it. And I really see if you look closely at this contract, it is the next step in trying to spend this money well in a way that builds the economic base and strategy for our community. And that's critical. It's not money going away, it's money that can stay here. So I also want to come pellet dean and paul and the team, this is a tough piece of work and it's a well-managed public project and those aren't always the ones that get the attention, not that the poorly managed ones shouldn't get attention, but this deserves people knowing about it, and you've done a terrific job. It's a pleasure to vote aye.

Potter: This is the largest contract the city has ever let, and I think stewards of the public money that we have to make sure that it's done in a responsible manner. I'm very pleased with what commissioner Adams and b.e.s. and this oversight committee will do in terms of ensuring and working with the contractor to make sure the cost is contained. I'll be look forward to getting the reports back over the next several years about the construction and how the cost is being contained. I think there's a role here for citizens. In addition to the folks who are providing oversight, we have a number of programs out in the community that do help reduce storm water run-off, whether it's a

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disconnect program from your drains at home, to new businesses coming in and containing storm water on site. I think that those things are the kind of things we need to encourage so that perhaps ultimately we can get down to where commissioner Leonard wanted to be originally, and that is no overflows at all into the willamette river. And certainly that should be our goal. As the construction company is building this and b.e.s. is overseeing it, I think we should continue that very strong work with our community to ensure that our portion of contributing to the problems with the willamette will be cleaned up and will be part of our sorry history. So with that, I say aye. [gavel pounded] I'd like to, per commissioner adams, skip over 226 briefly, to get to 227 it's an emergency vote. Could you please read the item.

Item 227.

Potter: Commissioner Adams.

Adams: Thank you mayor. If commissioner leeper, Andrew and don would please take a seat up here. Over this past summer and fall I worked at 100 hours of portland's lowest paying jobs. And what kind of jobs did I work? I worked as a receptionist, an office clerk, courtesy clerk, a waiter, a prep cook, a grounds keeper, a street paver, retail salesperson, a teacher's assistant, truck driver, sidewalk hotel, room cleaner, customer service representatives, cashier, janitor and others. And through working at these lowest-paying jobs i've seen a little bit of what it's like to work as part of Portland's working corps. I was also unemployed for a day, and it gave me an opportunity to go and try to find work at the various agencies. I'm glad I have this job. What I learned is that we have a lot of talented people working a lot of different agencies across the region, but we also have a lot of duplication. We have systems that don't talk to each other. And we have good people that don't necessarily work as a team. I was appointed, and I appreciate the mayor appointing me to the board of directors of work systems incorporated, w.s.i., which gives me an opportunity to try to positively impact the lives of the unemployed and of the working poor here in the region. And w.s.i. has gone through a lot of changes, and it is on the road to being what we hope will be the best work force training system for the unemployed and working poor in the entire nation. Today you're going to hear some of those changes that sort of create a new platform to go after even more improvements and delivery. And i'm going to keep my remarks short, because you all have been very patient to wait through this. W.s.i. is created by a consortium agreement between the city of Portland, Washington county, and Multnomah county. And so I have the pleasure of -- they call us the leos, the local elected officials, the core of this governing agreement legally, although the real core is all the partners that we have at the table. And one of my fellow leos is john leeper, Washington county commissioner, and it is an absolute pleasure to work with him. Commissioner leeper is a decorated, retired army colonel and veteran and brings that discipline and focus to the table every time we meet on these topics. He's been a member of the community participation organization since 1993, served as the organization's chair from 1997 through 2000. He was awarded the harold haines award for outstanding citizen leadership in 1999. So I would like to please introduce Washington county commissioner john leeper.

John Leeper: Good morning, mayor and commissioners. John leeper, Washington county commissioner. Sam, I could have done without all that. I'm here to strongly encourage you to approve a revised consortium agreement that sam and I have got our fingerprints all over. Sam was primarily concerned about a subject that is near and dear to his heart, a valid one, namely conflict of interest of members on the board. I was interested in the revision of it, taking into account sam's desires, from laying out a new structure for w.s.i., and then in a consortium agreement attempting to weigh out really what the responsibilities of these different organizations are from the staff at w.s.i. to the w.s.i. board of directors to w.s.i. board. Weighing, out the different responsibilities I nitpicked and wordsmithed this document at almost every opportunity, because I long have been of the opinion, if you give me something to read i'll read it.

Adams: We call it polishing. You're polishing.

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Leeper: And I certainly never seem to lack an opinion on damn near anything.

Adams: That's true.

Leeper: I don't necessarily want people to always agree with me, but at least I want them to know how I feel I strongly encourage the city council to approve this document. It's a document, mayor Potter, that you would have to sign, that the chair of Multnomah county would sign. The Washington county board has enough, I guess, faith in me, that they have delegated signature authority to me to sign it so it doesn't have to go back to our board. I have been ready to sign it myself for about 10 days or more, and I am hot to trot. It is the first in several documents, gentleman, we wanted to get updated, but we wanted to get this consortium agreement as the first and most important stepping stone. With those remarks, I'll turn it over to my colleagues on my right.

Adams: Is don going next, or are you?

*******:** Well, I was going to go next, sort of me the technical guy.

Adams: Ok, go ahead. Andrew is our new executive director.

*******:** Relatively new.

Adams: How long you been at the job?

*******:** August 12.

Adams: Still pretty new.

*******:** Still relatively new.

Adams: I would say, on behalf of the whole board, and leos, is doing an excellent job at not only being responsive to our desire to make improvements but also initiating his own. It's been a pleasure to work with you.

Andrew McGough: Well, thank you so much, commissioner Adams. I think sam did explain, commissioner Adams explained, that this is sort of foundational work. And to me, when we first started the process of thinking about reconsidering how we think about work force development, it was sort of a technical exercise. It was reaffirming a regional approach and knowing and understanding that we probably are going to our best chance for success in focusing and continuing to work together on a regional level. But when we started going through this exercise, we started to look at some macro tremendous in the economy. I'm sort of feeling like today is work force development day, it seems here, in the council. We've had some great presentations by bhcd on their economic opportunities work. Metals industry consortium and their work. And focus on work force. And the point is that work force is becoming a key driver of economic development. We know that. And we need to have a smart system in place, because it's all over the map. And there are some really alarming statistics out there that I think we need a different kind of approach to address. As lynn knox sort of mentioned today, you know, 27% of Oregonians work full time. And they're still in poverty. We've created about 65,000 new jobs across the state in the last couple of years. Over half of those pay less than \$30,000 a year. And that's a poverty wage for a family of four. We predict that there will be about 270,000 new jobs developed over the next 10 years. 180,000 of those will be replacement jobs. And the list goes on. The level of achievement and expectation of companies in order to compete in global environment is -- is exponentially rising. So I think what this does in my mind is sort of position us in a different way to deal with some of these very significant issues. I think someone has handed you a diagram that shows really what we've done, is we've created two separate boards of directors, in effect. Frankly, it might look more complicated to you there, but the reality is, is that we will have a small board of directors, nine members. Our three local elected officials. Five private secretary or business people, and a labor representative. I'd like to recognize glen shuck who sits on our board from labors community service, who's in the audience today. And those -- that small group will manage the resources and the organization that is work systems, inc. Now we have another group, which is 37 people. And they represent a very unique composition. You have local elected officials on that group. You have

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18 private sector business people that employ 40,000 people in this region, and about 300,000 worldwide. You have representatives from organized labor. You have representatives from education, both community college presidents sit on that board. I'm proud to announce that Vicki Phillips has agreed to join the board. So we have a collection of people in this 37 folks that give us a chance to address some of these macro trends. So really I would just like to thank Commissioner Adams and Commissioner Leeper, as well as Commissioner Roberts, for their leadership in really doing a foundational work that we need to be more proactive about some of these big issues. And with that I'll turn it over to Don Jensen, our vice-chair, and owner of Bridge Town Coffee.

Adams: The best coffee in Portland.

Don Jensen: Thank you very much. I'm Don Jensen. Thank you very much. I appreciate that. We try to do the tea for Commissioner Adams, though, too.

Potter: You're his supplier.

Jensen: Uh-huh, yes. It's been a great pleasure, Mayor Potter, and Commissioner Adams specifically, and the rest of you commissioners, working as a small business owner in helping and understanding what W.S.I. is all about. The last year and a half that I've been involved with this board I have learned more macroisms and what initials on what things are going on and who leos are, all of this, and it's been very exciting. I think the changes that this new format's going to do will allow the work force investment board to focus on the effort that this region will get a supply of workers. It will also give a chance for accountability. Commissioner Adams has always heard me say this, that accountability is where it's at. It's got to be there. We've got beautiful programs. I don't like seeing duplications. I must say that with W.S.I., with the coordinations being done, it's going to be phenomenal. As again, a small business, employing only 30, but dealing with the microtrends to Kaiser, it's extremely exciting to see a program curriculum that we put together that's being copied nationally, that Portland is getting the recognition for it. I'm excited about the partnership that I see between the public sector, the private sector, and labor, special Glenn and Judy and all that we have here. I want to really thank Sam Adams, John Leeper and Ronnie Roberts for being actively part of this. If they can take their time, and all of the commitments that they have, and I as a businessperson, and other people that are related, to try and get what we need here, and that's better-trained employees and more people skilled to keep everything we've got going, it's been great. And I really do want to thank Andrew as a new leader and trying to make it so that I can understand it, and the rest of the board. Thank you very much.

Adams: Thank you.

Potter: Commissioner Leeper, thank you for your work, for representing your citizens in Washington County, and being such a collaborative worker on this board.

Leeper: Well, thank you, Mayor Potter. I long ago came to the conclusion, I don't think any one person has got all the answers. And I don't always get all I want. And one thing in a whole array of different meetings I attend, including one last night, was I stressed the need for everybody to compromise. And on this rewrite of this consortium agreement, Sam and I had our disagreements to start with, but, hell, that's all right. We reached some middle ground. So that is a strongly-felt sentiment on my part.

Leonard: Let me give you advice on how to do that. [laughter]

Leeper: Well, I think that would depend on the subject, and as you get into the nitty-gritty, Commissioner, I won't address that in more specificity.

Leonard: Ok.

Adams: Look at the time, look at the time. Thank you. One more. Please come up. Thank you.

Glenn Shuck: I'd like to thank you, Mayor Potter, and the commissioners, for having us here today. I'm no stranger to the employment and training. I started working in employment training. I sat on -- used to be the pic board, active on the board since 1992. I've seen some major changes happen. I think this is probably one of the best that's happening, that's evolving now.

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Commissioner Adams had talked about duplication. I've had a problem for duplication for years. We've had a system providing services and measuring numbers, and I think what sam is talking about, it's not how many come through, but what would we do for them when they're there, what are the results and outcomes of serving these people. I think we've got a leader now with w.s.i., really trying to change that. It's not easy for him to do that, because we have some mind-sets within the system itself that have to change. I think this direct integration -- I work with different elected officials over the years, but never until this last year did we have the integration of our elected officials into the board who actually played a role and came with some comments and some thoughts, what needed to be done economically within our communities from these three different entities. And we have that. And as commissioner leeper said, people have had a lot of disagreements and talks, but I don't think anything's ever gone over the -- over the brim as long as you're still talking, and as long as you can talk about that and have some consideration for the other people. So I really think this is a big step. I really encourage you to sign this agreement. I think the people are going to look back, and this will be a milestone, our work systems, inc., Portland metropolitan/Washington county area. So I can't applaud you enough, starting with the mayor when he first took office. He injected himself into the system and appointed sam. From that point forward we seem to see a real positive mood in what's going on, because we have a board, but I don't think up to this point that even our elected officials realized what their obligations were and what the commitments had to be for this board to make it work. I think we have that now. As we change people over the years, i'm not encouraging anybody to leave, by the way, but as long as we have that in place, I think we can do nothing more but grow and have a better successful system for our unemployed, our incumbent workers, our businesses and so forth. So I really want to encourage you to sign that and applaud you for that.

Potter: Thank you, glenn. And thank you for sticking around so long.

Shuck: Oh, I got here late. I couldn't find a parking space. I spent half hour driving around town.

Potter: I was actually referring to the board, but thanks for being here today.

Adams: Thanks, glenn.

Leonard: I thought you were referring to something even longer than that even.

Potter: Is there a sign-up sheet? Does anybody here wish to testify on this matter? Ok. This is emergency vote. Please call the roll.

Adams: In conclusion, I want to thank warren jimenez from my staff who has done a fantastic job in helping to shepherd this reform and being part of both the idea-making and implementation. Thank you, warren. A pleasure to work with you. Aye.

Leonard: I really appreciate this work. And commissioner Adams for diving into it. Aye.

Sten: Well, i've not been satisfied with the performance in years past, as I think many of you have not as well, so i'm pleased to see this. Part of it is updating as well as making changes. I think it's getting late, I won't go on and on, but if you take the manufacturing thing we've heard about today, the very, very low-income people, broader work force, we have the makings of a comprehensive development work force strategy. So it's terrific. Great work. I'll also get some of that wisdom from Washington county at some point on how to deal with sam. Aye.

Potter: Good job, folks. I really look forward to seeing the results of this new structure. I think it's really needed. And I really applaud commissioner Adams and commissioner leeper and commissioner roberts from Multnomah county. I vote aye. [gavel pounded] let's go back to item 226, please.

Item 226.

Potter: Commissioner sam Adams, giving you time to find your --

Adams: Go slow. Go ahead and come on up to the table, if you want. I have some housekeeping amendments to put forward, but I -- first I want to say a few introductory remarks. Chief amongst

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those is to celebrate and to recognize the collaboration between the federal aviation administration, the city of vancouver, Portland, and the port of Portland, and numerous citizens who have personally spent lots of time with us over the past 10 months to address the cargo feeder aircraft noise issues, and by name I want to thank chris, peter, chris white, all from the port for their hard work. Also like to thank robin, fred, and irvin for first bringing this issue to my attention within hours of being elected to office. This effort could not have been done also without the cooperation of laura schneider from the federal aviation administration, paul van orton from Portland's noise control office, gordon johnston and maria teemy from my staff and the ad hoc committee we put together. Thank you all very much. We live in an urban environment where we're affected by all kinds of noise from trains' whistles to racecars, semitrucks and airplanes. Noise is an issue for Portlanders and something we must constantly be looking to improve upon dealing with. It's such an important issue for the city that we have our own noise control office. With airport -- excuse me. With airplane noise, we've got limited airspace and a dense urban environment to contend with. The issue of noise from feeder -- cargo feeder planes requires special attention, and I was glad to be part of the solution. One of my favorite days was sitting out in that big hangar out at airport with the cargo feeder planes up close and personal. And the pilots and the weird noise control devices that were about to be deployed out into the city into semisecret locations. No, not really. To measure for the first time, that i'm aware of, where we actually had citizens involved with measuring the alternative flight paths. We actually had some of the pilots involved that fly these planes in determining whether a particular alternative approach was safe enough and would safe enough in all kinds of weather conditions. Fundamentally the port and f.a.a. And the citizens and everyone have been working hard to try to get the cargo feeder aircraft to go over nonresidential areas as much as possible, to go over freeways, industrial areas, rivers, anything that we could do to get it away from residential areas. So we have these alternative flight paths. They are the culmination of a science-based process -- science and citizen-based process that included the tests I just referenced in june. In april the port will host public meetings on these alternatives. By the summer we hope the f.a.a. Will implement their 180-day test. So we still have more testing to do. But with that, i'd like to acknowledge and thank you very much for your good work and it is your opportunity to say a few words.

Mary Maxwell: Mayor Potter, council members, my name is mary maxwell. I'm a director of aviation for the port of Portland. Bill wyatt wishes that he could be here today, but he's traveling on business and was unable to be here and asked me to represent him. The port is very pleased to have worked in this collaborative either with commissioner Adams' office in convening a 21-member ad hoc regional cargo committee to explore ways to manage the regional cargo aircraft noise over Portland residential areas. When we talk about cargo feeders, these are the aircraft that are single-engine aircraft that really depart from Portland and span out across the state delivering products, mail, all kinds of goods to other parts of our state. They come back into Portland and there they transfer the products on to the -- the large cargo jets that then transmit the packages back to the regional hubs of companies such as u.p.s. And fedex. They're really an integral part of the economy of our state, connecting the rural areas of the state to Portland and the rest of the world. Working with maria from commissioner Adams' office, with citizens, the federal aviation administration, and very importantly, as commissioner Adams mentioned, the cargo operators themselves. The ad hoc committee worked for over nine months looking for ways to reduce the impact of the cargo feeder operations. The committee also recognized the importance of the cargo feeder operation and not creating restrictions that would have unintended consequences to the cargo business and the people of the rest of the state who rely on these critical shipments and products. The principles and recommendations you have been asked to endorse today are the product of this collaboration. The ad hoc committee has sunset and the task of continuing their work has been passed to the port's standing citizens noise advisory committee, which includes numerous

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appointees from the city of Portland. A number of those folks are here today, including the chair of cnac committee, as well as representatives from the ad hoc committee and the sins noise advisory committee. The next steps in the process will include two public meetings to more broadly share the work of the committee, and a period of test flights by the f.a.a. We continue to maintain our relationship with commissioner Adams' office, and I know other members of the commission are also concerned about this as well. Having just completed an update of our noise program, which took over four years, we know there are no easy solutions to aircraft noise. Even those that are impacted by noise acknowledge the value of the airport to the city and to the region it serves, not only from the perspective of the air transportation, but the local job base that it supports. There will be important for us to work cooperatively going forward. In that vein, our next update will be the update of the p.d.x. Master plan and creation of a permanent land use designation for the airport. The port wants the airport to be a good neighbor in Portland and want to maintain the high standards of quality and service. The updated master plan and permanent land use designation will help make that possible. Thank you again for the cooperative working relationship on the ad hoc committee and we look forward to the future of working together on the master plan.

Adams: Mary, I just want to underscore my thanks to you for leading the team effort. I'm very pleased that you and I share the philosophy that this is continuous improvement and there's no landing strip on this one.

Maxwell: That's true. Thank you.

Adams: Is that the right metaphor?

Potter: Sounds like a good solution to me.

Adams: Thank you.

Potter: Thank you, mary. Other people you wish to call?

Adams: Could we have some of the citizens please come up.

Mary Helen Kincaid: My name is mary helen kincaid. I just want to reiterate what's said. And I know you all want to eat lunch so, so i'll be quick, but it was a phenomenal effort to bring the f.a.a., the city of Portland, and most importantly the operators of fedex and empire airlines to the table so that we could reach agreement on possible solutions. Obviously the difficult part here is that noise is going to exist and it's defined in agreeable solution to this problem, and we're not going to make all the people happy. So that's the difficult part that we're tasked with, and the citizen noise advisory council. We've come up with good recommendations. We have to test those, and we look forward to working farther with sam's office on implementing those in the future.

Adams: I want to underscore my thanks to you as well, because we get paid to do these jobs, and you do it for free around your other life commitments, and you do it very well. Thank you so much.

Kincaid: Well, thank you for the two hours I got out of my job today to be able to sit here.

Adams: Democracy at work.

Eric Meyer: Hi. Good morning. My name is eric meyer. I was part of the ad hoc committee, on the 150 committee. I'm the roseway representative to the airport issues at roundtable. I'll try not to repeat these things, but the ad hoc committee was a genuinely positive interaction of neighbors, air carriers, the f.a.a. and the port, but only time will tell the results. It remains to be seen what relief might be experienced by our neighborhoods. In assuring results the importance of continued monitoring by the city cannot be overemphasized. This has been a longstanding issue. So efforts to address were praiseworthy and long overdue. Commissioner Sten remembers years ago, and I appreciate your comment, that people shouldn't have to listen to these flights at 5:45. Well, you can see how long it took to even start talking about it and what it took to bring this together. In the spirit of building on successes, the encourage the city and the airport community to continue the dialogue. If this dialogue is a one-time event, if it is not recognized as a necessary ingredient in good management, and if the ability to have these discussions does not outlast the cast of present

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participants, Portland will pay the price and lose a valuable and necessary tool. Please recognize this as an ongoing relationship. If it survives Portland would reap the benefits and take full advantage of a valuable and necessary collaboration hats been established. This will become even more critical as airport issues grow with Portland's population and prominence. I couldn't help but recognize that the -- the connection between this and the -- commissioner Leonard's talking about proactive involvement in what's going to happen in the future. If you just take it back. What could be more of an overflow than these planes flying over the neighborhoods, and what could be more leakage than these flights that have been added as Portland gets bigger in terms of places where planes didn't fly before and people waking up at odd hours of the night and odd hours of the morning where they had never been woken before when they bought their houses. So air is air. Airport issue roundtable has consistently issued city government to set up and support an independent entity to review the ramifications of p.d.x. Expansion. It's wonderful that this issue finally received attention commensurate with the negative impacts on the neighborhoods. This time the wheel got the grease, but how much grief and expense would we spare ourselves if we pay attention to the wheel before the squeak becomes a squeal. I think a lot of squeals were heard at the port competition meeting from the neighborhoods, and that was a major impetus for this happening. The coming together as members of the ad hoc committee with their competing agendas is extraordinary. This extraordinary event should not be extraordinary at all.

Erwin Bergman: Mayor Potter, commissioners, my name is Erwin bergman. I work within the city on dealing with the airport noise issues. And i've been on the committee for 12 years. I work as an advocate for cully neighborhood and central northeast neighbors, the immediate neighbors to the airport. It indeed has been productive to attack the issue with p.d.x. And the f.a.a. With commissioner Adams as the catalyst. The committee had for three to four years tried to resolve this issue without much progress and not because cnac did not try. City's involvement made it happen. To your attention, I would briefly call three points, each one will require vigorous and continued involvement by the city. Number one, recommendations still only on paper. We have to convert them with other folks into actual practice or we're going to butt heads with the f.a.a. For every 10 to 15 minutes of additional quiet time at night and in the early morning hours. Likewise, to get a few additional hundred feet increase of aircraft over our residences to reduce noise, to just enumerate a few of the issues still to be resolved. The second point is cargo feeder noise is only a part of the overall noise at p.d.x. From aircraft operation, which I expect it to increase as p.d.x. Plans for expansion, a terminal expansion first, a new terminal next, and lastly a new runway. You may call it right in our own backyards. Properties being bought by p.d.x. Now to advance these plans. Forecasted impacts from such goals will be progressively intolerant, p.d.x. Neighbors crying for the city's support. And my last point, the master plan tarts this year. The city of Portland has the land control authority. The city should define the legislative process. The city must run the public involvement process for the residents of the city. The city must correct an inadequate city code and acquire the expertise that will assess the impacts of p.d.x. Operation on the human environment. The city must not remain any longer ignorant of aviation language, so disappointing in the last process. Please do remember that things can and do happen when the city gets involved. City government, los angeles, spoke up and said enough is enough to a multi-billion airport expansion already on the launching pad and defied the f.a.a. And expansion stopped. No more additional noise in los angeles. We are confident in the city council's continued support. Do not let our quality of life deteriorate. Thank you very much.

Potter: Thank you, sir.

Adams: Thank you.

John Weigant: My name is john weigant. My address is on the handout. I'll depart from comments for the sake of being brief. So mayor Potter, commissioners, we really appreciate this resolution, recognizing the success of cooperation. I'd like to emphasize that more cooperation is

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due in that we have -- i'm so reminded of the presentation we just had about the combined sewer outflow, how we're spending \$600 million to correct a long existing problem that was not adequately dealt with previously. The port's plans for expansion, including its third runway, are \$3.7 billion, with almost nothing in that budget for noise mitigation or noise correction. That's all just sort of part of the overhead. A democracy is about -- less about the will of the majority and clearly the majority in the Portland region benefits substantially from the Portland airport. Democracy is more about protecting the rights of minorities. And there's a substantial minority surrounding the airport that is about to increase hugely if a third runway occurs. So in the same sense that we had the cooperation to deal with this problem, we are hoping for more cooperation from the city -- for the city to become more proactive in its legislative land use process that has been scheduled. We worked out the i.g.a. a year and a half ago. And it's behind schedule. So please offer your attention to the next opportunity for cooperation between the city and the port so that the issues dealing with the city and this noise problem have the kind of quality of planning that the city has given us in the past with intense public involvement. The quality of planning done by port consultants in the past documented somewhat in my handout to you leaves something to be desired, because citizen involvement was -- it was sort of there, but it wasn't much paid attention to.

So thank you very much. Our particular thanks to commissioner Adams and commissioner Saltzman. Commissioner Adams for bird dogging this particular conclusion, and commissioner Saltzman for supporting air in these issues for several years now. Thank you.

Potter: Thank you, mr. Weigant. Any sign-up sheet?

Moore: We have one person left.

Potter: Ok. Please call the roll.

Adams: Thank you to everyone involved. The work continues. Aye.

Leonard: Aye.

Sten: Well, I have to have a -- I know everyone is hungry, but I want to thank both sides. This is not a full solution to this problem, because it's a very complex one, but a huge step in the right direction. Most importantly it's that the two sides, I think, with some help from the city, have got both a process and some clear agreements in place. And, you know, I think that the issues surrounding the airport are not going to get easier. And that's stating the obvious. The more we can build community predictability and process working together the best chance we have at achieving.

This is a classic situation. Eric said it very well, where you actually have competing public interests. It's not just a matter of one side doesn't understand the other side. There's an interest in the planes and there's an interest in not having them right above you. We have to figure that out. I'm still not completely 100% convinced we couldn't took them off the columbia a little bit more than this plan shows, but I think it is in the right direction. I want to keep digging in and trying to help support this really, really good work. So I do appreciate it. And it's a pleasure to vote aye.

Potter: And I really compliment all the parties for getting together to talk about. Certainly the port, the community, and especially commissioner Adams' office in spearheading this particular project. So thank you all. I think it is a good step in the right direction. I would certainly like to give reports back to the city council on how it's going and whether it's having the effect the community would like. Aye please read the next item.

Item 228.

Potter: Commissioner Adams.

Adams: I urge council approval.

Potter: Ok. Staff report?

Adams: No, but having become quite familiar with this project in excruciating detail, this is like it says, emergency repair under a freeway on a sewer line that was built before there were cars. So you get a sense of the complexity.

Potter: Ok. It's emergency vote. Please call the roll.

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

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

Item 229.

Potter: This is for the park bureau's drug program.

Lisa Turpel: Hi. I'm manager work force and community alliances with Portland parks and recreation. And I couldn't help -- well, i'll say, first off, I brought several things to the council table before, and this is the first one i'm not particularly proud of. And in the spirit of our -- president george Washington, I cannot tell a lie, this occurred due to a staff error. And we've got a vendor who is waiting for payment, has been waiting for several weeks. And we need to make -- we need to pay them. This is an expense that staff originally had written down as \$4850. It's \$48,850. That's where the error occurred. Therefore staff did not follow normal purchasing procedure and getting the proper approvals prior to letting the contract. We hope that we will be able to reimburse all or a part of this through donations. We had a very lovely article by anna griffin in today's "the Oregonian," and we have been successful in getting these jerseys donated in the past. We've raised about 25% of it, but not all of it.

Potter: This is coming out of your budget?

Turpel: The parks budget.

Potter: Any questions? Thank you, lisa. Is there anybody signed up to testify on this?

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

Potter: Ok. Please call the roll.

Adams: Thank you for your candor. Aye.

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

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

Item 230.

Potter: This is also an emergency vote. Pretty self-explanatory. Please call the roll.

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

Potter: Aye. [gavel pounded] we're recessed until 6:00 p.m. tonight. Tonight's meeting will be held at mount scott community center located at 5350 southeast 72nd avenue. [gavel pounded]

At 12:56 p.m., Council recessed.