



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 3<sup>rd</sup> of MAY, 2000 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Harry Auerbach, Senior Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

**580** **TIME CERTAIN: 9:30 AM** – Presentation of Guadalajara, Mexico delegation (Presentation)

**Disposition:** Placed on File.

Item Nos. 598, 599 and 614 were pulled and, on a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

**CONSENT AGENDA - NO DISCUSSION**

**582** Accept bid of M&M Excavation & Construction, Inc. to furnish improvements to Springwater Corridor from SE Palmlad Road to SE Rugg Road for \$152,450 (Purchasing Report - Bid No. 99534-SMP)

**Disposition:** Accepted Prepare Contract.

**583** Accept bids of Skaggs Public Safety Uniforms & Equipment and Harris Uniforms to furnish police uniforms for \$300,000 annually for three years (Purchasing Report - Bid No. 99763)

**Disposition:** Accepted Prepare Contract.

**584** Accept bids of Lakeside Industries, Porter W. Yett Co., Inc., Pacific Rock Products LLC, K.F. Jacobsen Co., Inc. and Oregon Asphaltic Paving Co. to furnish asphalt concrete for \$3,023,942 annually for two years (Purchasing Report - Bid No. 99766)

**Disposition:** Accepted Prepare Contract.

**585** Accept bid of North Creek Analytical, Inc. to furnish annual water laboratory services for \$74,450 annually for three years (Purchasing Report - Bid No. 99918)

**Disposition:** Accepted Prepare Contract.

**MAY 3, 2000**

**Mayor Vera Katz**

- \*586** Pay claim of Joyce Allen (Ordinance)  
**Disposition:** Ordinance No. 174383. (Y-5)
- \*587** Pay claim of Michael Allen (Ordinance)  
**Disposition:** Ordinance No. 174384. (Y-5)
- \*588** Pay claim of Linda Burge (Ordinance)  
**Disposition:** Ordinance No. 174385. (Y-5)
- \*589** Pay claim of Marilyn Mollet (Ordinance)  
**Disposition:** Ordinance No. 174386. (Y-5)
- \*590** Amend contract with David M. Corey, Ph.D., PC to increase compensation and length of contract (Ordinance; amend Contract No. 32283)  
**Disposition:** Ordinance No. 174387. (Y-5)
- \*591** Extend contract with Portland Cable Access for Police Bureau (Ordinance; amend Contract No. 32443)  
**Disposition:** Ordinance No. 174388. (Y-5)
- \*592** Amend agreement between Multnomah County Information Services Division and the City for use of Local Law Enforcement Block Grant funds (Ordinance; amend Agreement No. 50930)  
**Disposition:** Ordinance No. 174389. (Y-5)
- \*593** Authorize a Historic Preservation Fund grant application for \$24,150 to develop specialized historic district design guidelines and augment funding to amend historic resource code regulations in the City (Ordinance)  
**Disposition:** Ordinance No. 174390. (Y-5)
- \*594** Authorize intergovernmental agreement with Portland Community College for educational services (Ordinance)  
**Disposition:** Ordinance No. 174391. (Y-5)

MAY 3, 2000

**Commissioner Jim Francesconi**

595 Accept completion of Fulton Community Center window replacement, make final payment and release retainage (Report; Contract No. 32359)

**Disposition:** Accepted.

596 Accept contract with Pro Landscape, Inc. as substantially complete, authorize final payment, with retainage to be released in full upon authorization of the Project Manager (Report; Contract No. 32613)

**Disposition:** Accepted.

597 Accept partial completion of contract with Nielsen Dillingham Builders, Inc. for Southwest Community Center and make partial release of retainage (Report; Contract No. 31431)

**Disposition:** Accepted.

\*600 Authorize a contract with Danka for purchase of a copier/printer and maintenance contract for \$562,800 (Ordinance)

**Disposition:** Ordinance No. 174392. (Y-5)

\*601 Authorize the purchase of office furniture systems by the Bureau of General Services for the Bureau of Water Works for approximately \$450,000 and provide for payment (Ordinance)

**Disposition:** Ordinance No. 174393. (Y-5)

\*602 Contract with the lowest responsible bidder to replace the roof at Kerby Garage and provide for payment (Ordinance)

**Disposition:** Ordinance No. 174394. (Y-5)

\*603 Approve First Amendment to condominium Declaration for the Justice Center (Ordinance)

**Disposition:** Ordinance No. 174395. (Y-5)

**Commissioner Charlie Hales**

\*604 Contract and provide for payment for installation of street lighting conduit along the southern portion of SW Macadam Avenue (Ordinance)

**Disposition:** Ordinance No. 174396. (Y-5)

\*605 Contract and provide for payment for traffic signal remodel at two locations and replacement of signal poles at a number of locations in the Auditorium District (Ordinance)

**Disposition:** Ordinance No. 174397. (Y-5)

**MAY 3, 2000**

- \*606** Contract and provide for payment for installation of single Portland traditional street lights on SW Park and SW 9th from Morrison to Salmon (Ordinance)

**Disposition:** Ordinance No. 174398. (Y-5)

- \*607** Intergovernmental agreement with Tri-County Metropolitan Transportation District for design and construction of improvements at SE 46th Avenue and Woodstock Boulevard (Ordinance)

**Disposition:** Ordinance No. 174399. (Y-5)

- \*608** Agreement with the Union Pacific Railroad Company to provide for upgrading rail crossings in SE Portland Central Eastside Industrial area (Ordinance)

**Disposition:** Ordinance No. 174400. (Y-5)

**Commissioner Dan Saltzman**

- \*609** Authorize an intergovernmental agreement with and provide payment for the Oregon Department of Fish and Wildlife to perform an evaluation of anadromous and resident fish use of bank treatments and near shore developments in the lower Willamette River (Ordinance)

**Disposition:** Ordinance No. 17401. (Y-5)

- \*610** Authorize a contract with FEMA in the amount of \$20,000 for Johnson Creek Summit 2000 event (Ordinance)

**Disposition:** Ordinance No. 174402. (Y-5)

- \*611** Authorize a Purchase Order with Dell Computing for a storage area network to maintain tabular and Geographic Information Systems data (Ordinance)

**Disposition:** Ordinance No. 174403. (Y-5)

- \*612** Authorize an agreement between the City of Portland and the City of Gresham to provide laboratory analytical services (Ordinance)

**Disposition:** Ordinance No. 174404. (Y-5)

- \*613** Authorize a contract and provide for payment for the construction of the St. Johns diversion manhole replacement project, Project No. 6338 (Ordinance)

**Disposition:** Ordinance No. 174405. (Y-5)

- 615** Authorize application to the US Environmental Protection Agency for a grant in the amount of \$399,503 for the Environmental Monitoring for Public Access and Community Tracking program (Second Reading Agenda 569)

**Disposition:** Ordinance No. 174406. (Y-5)

**Commissioner Erik Sten**

- \*616** Amend contract with Montgomery Watson, Phases IIE and III, for \$234,718 for a new intake at the Bull Run Headworks site and provide for payment (Ordinance; amend Contract No. 29844)

**Disposition:** Ordinance No. 174407. (Y-5)

**REGULAR AGENDA**

- 598** Direct the Bureau of General Services Communications and Networking Division to implement the Integrated Regional Network Enterprise in FY 2001-2 (Resolution)

**Discussion:** Commissioner Francesconi said there was more work to do on this.

**Disposition:** Referred to Commissioner of Finance and Administration.

- \*599** Contract with Herrick Douglass for consulting services for telecommunications and networking services (Ordinance)

**Discussion:** Commissioner Francesconi proposed an amendment from a three-year to a one-year contract.

Mayor Katz, hearing no objections, passed the amendment.

**Disposition:** Ordinance No. 174408 as amended. (Y-5)

- \*614** Authorize a contract between the Bureau of Environmental Services and EarthBound Systems, Inc. for a two-patented process of ground crumbled scrap recycled tires and compost for a Lents Park soccer field for \$149,890 (Ordinance)

**Discussion:** Commissioner Saltzman said this was an exciting project from both an environmental and parks point of view. In the Bureau of Environmental Services (BES), Solid Waste, they try to deal with hard to recycle items, such as food waste. Recycling the tires is an experiment to help solve the used tires problem and also shows the type of cooperation between two bureaus.

Sue Keil, BES Solid Waste Manager, said tires are a troublesome waste. Once this gets going, the private sector will begin to use the material and create a market. Tires were used as fuel, but because of emission problems, are no longer.

Wayne Potter, BES, said the project funding is primarily coming from BES. They will also be doing some monitoring on this, taking test samples on a big grid, especially to check for leachate. The Park Bureau will put the field in and maintain it. The tire material will increase the field playability, reduce the soil compaction, allow better drainage and reduce water consumption for the field. There also should be reduced maintenance costs.

**Disposition:** Ordinance No. 174409. (Y-5)

**TIME CERTAIN: 9:45 AM** – Declare City Council support for the Labor-Management Partnership Cornerstones agreements (Resolution introduced by Mayor Katz, Commissioners Francesconi, Hales, Saltzman and Sten)

**Discussion:** Mayor Katz said in 1994 the Council adopted a goal to improve the effectiveness, efficiency, credibility and the trust in how City services are delivered. In 1999 there was a resolution declaring Council commitment to a joint labor/management approach for these improvements.

Tim Grewe, Director, Office of Finance and Administration (OFA), said this represents a milestone. This was the first year in the budget process that he heard the bureau managers talking about service improvement initiatives. This resolution will serve as a catalyst in two fundamental ways. First is to ensure that employees participating in service improvement efforts will not lose City employment or loss of compensation, as it cannot be expected that employees engineer their way out of their jobs. Second is the issue of competitiveness. Bureaus should demonstrate competitiveness with other service alternatives. The Cornerstone Agreement provides that prior to engaging in any market testing, the employees will have the opportunity to improve the efficiency of their operations. Two groups, managers from every bureau and all the unions in the City, worked out this agreement.

Robert Wall, Chief, Fire Bureau, said just meeting together in a management advisory group has brought up what has worked and has not worked in particular bureaus which is an advantage of managers collaborating. It is also good that managers sit at a table with all the City union representatives, not just those which affect their bureau. While hard to measure, it has made labor/management collaboration easier because there is a City-wide effort.

Arlyn Stepper, President, Association of Federal, State, County and Municipal Employees (AFSCME) Local 189, said labor/management meetings began six years ago at the Water Bureau and since then there has been a multitude of savings and new working relationships. This resolution codifies those relationships, which are about value, honor and respect and from which trust is built.

Mike Rosenberger, Director, Water Bureau, said there has been a lot of payoff from this effort. The Water Bureau has done a fair amount of market testing and found that City employees can be extremely competitive. They also found some work could be done better, faster and cheaper when contracted out, such as to the Park Bureau.

Grant Zadow, President, District Council of Trade Unions and representative for the International Brotherhood of Electrical Workers, said it helps to have milestones to point at during discussions. They need guidelines for workforce planning to assess what the job really is from the traditional perception of it. This resolution will give room to talk about it without employees fearing for their jobs and is good not only for the short term but the overall workforce planning.

Tom Chamberlain, President, Fire Fighters Association, said the stronger the process, with the atmosphere of cooperation, success is more likely with overall labor negotiations.

Commissioner Francesconi said if employees are asked to perform more efficiently, they cannot lose their jobs because of that -- that is a fundamental fairness. Could incentives be built in, in addition to not losing their jobs, for employees who are competitive.

Commissioner Saltzman said, while supportive of excellent labor/management cooperation, he did not want this to thwart the City from becoming innovative on the labor front. There may be serious external forces requiring government to change the way to do business.

Commissioner Sten said this is the tool to do innovative things. The next step is to use this Cornerstone for concrete projects and to share information with constituents and employees.

Mayor Katz said this is a beneficial collaborative approach. She noted they always try to have any phase-out of jobs done by attrition.

**Disposition:** Resolution No. 35883. (Y-5)

\*617

Amend City Code to reorganize administrative service functions to provide for efficiencies and accountability (Ordinance introduced by Mayor Katz, Commissioners Francesconi, Hales, Saltzman and Sten; amend Code Title 3)

**Discussion:** Mayor Katz said the reorganization will improve efficiency, deliver budget savings and improve the quality of service and accountability. Each bureau has different rules and regulations and at some point the development of City-wide policies may be necessary. This is an opportunity to respond to the challenges facing the City now and those coming, such as "ecommerce," different ways of contracting in and out.

Tim Grewe, Chief Financial Officer, said Council has stated objectives to improve oversight of administrative services and improve their efficiency, achieved by three fundamental actions: 1) establish a target to reduce administrative services budgets by 10 percent over a two-year period -- this will require fundamental changes in how the City does business; 2) closely review professional services and reduce those budgets by as much as 20 percent, if warranted; and 3) reorganize management and administrative services. Regarding the latter, the Office of Finance and Administration, the Bureau of General Services and the Bureau of Purchasing will be consolidated into a new organization called the Office of Management and Finance. A City-wide approach will be taken to improve business services. These services will eventually be centralized, unless otherwise justified to the Council. There will be an appointment of a Chief Administrative Officer, who will present an annual work plan to improve services to Council and regular reports will be issued on the status of that work plan. A work plan, created through a collaborative process involving the City managers, labor leaders and employees, will come to Council in about 60 days. The reduction of costs and improvement of services will be done in a manner consistent with the Cornerstone agreement.

Commissioner Hales said there have been other instances where an office was created and bureaus were consolidated or reorganized. In one case, bureau manager positions were maintained as bureau directors below the level of Director. In another case, the bureau director status positions were not maintained. He wants this to be addressed with this consolidation. Those positions may not be necessary in this new structure.

Mr. Grewe said, while they tried to initially do it as simply as possible, the working assumption is that he will bring recommendations on organizational structure to Council in the future.

Commissioner Sten asked if they were going to save some money.

**MAY 3, 2000**

Mr. Grewe answered that they should and the challenge will be to document the savings. It is likely that they will have to invest money to make money. For example, the City financial system is becoming very old and problematic in terms of going to ecommerce. It will be more efficient to move into the internet age, which requires technological investments. Mr. Grewe will give Council a plan showing long-term efficiencies to pay back the investments.

Commissioner Francesconi asked about impact on customer service and employee concern about job loss with these changes.

Mr. Grewe said these organizations all serve customers, internal or external, and he will bring an organizational structure to Council. The Cornerstone agreement says in exchange for employees helping to improve services to become more efficient, ways will be found for them to be productive within the City, which may mean they move to a different job.

Commissioner Saltzman said the issue of bureaus as opposed to centralization is begging for resolution. He emphasized that the memo to Mr. Grewe from Council targeted a 10 percent administrative savings in the first two years and 20 percent reduction in professional services.

Commissioner Francesconi said the ballot measures have made us tighten our belts. A professional manager, rather than the Council, may deliver quality services more efficiently.

Commissioner Hales said reorganizations do not necessarily save money, as the reform goals may be to improve performance and efficiency. This new organization can produce savings -- it needs to be managed toward that result, with Council support.

Commissioner Saltzman said this change is long overdue and will be a better way to provide administrative services.

Commissioner Sten said circumstances and administrative models change over time. At this point, this reorganization is good. There are some duplicate services in purchasing and human resources. The cap on property taxes is driving this; it is a tight budget.

Mayor Katz said this had nothing to do with employee current work quality, it is to manage services. Flexibility is the word for Council and collaboration and cooperation for all others.

**Disposition:** Ordinance No. 174410. (Y-5)

Commissioner Francesconi left at 10:50 a.m.

### **Mayor Vera Katz**

**\*618**

Establish the nonelective contribution Employee Benefit Allowance for the Cafeteria Benefit Plan known as "Beneflex" for the plan year beginning July 1, 2000 (Ordinance)

**Discussion:** Linda Jefferson, Benefits and Workmen's Compensation Manager, said this sets this year's rates.



Tim Grewe, Chief Administrative Officer, said it has been an exhaustive process trying to find ways to change the benefits package to contain costs. This is an area where labor and management have worked together for many years. There will be hard decisions to make in terms of spending more money on benefits or curtailing benefits to contain costs.

**Disposition:** Ordinance No. 174411. (Y-4)

**Commissioner Dan Saltzman**

- 619 Resolution to ask voters to exempt from classified civil service all bureau directors appointed after December 31, 2000 (Resolution)

**Discussion:** Commissioner Saltzman said this more squarely aligns both the public expectation and perception of Council roles as Commissioners-in-Charge. In this form of government, each Commissioner is held accountable for their bureaus. They must have the ability to put quality leadership in place, especially if a bureau director is unable to effectively manage the bureau. There is protection against a Commissioner abusing that authority, as the Mayor has the power to assign or reassign a bureau at any time. In case law, there are ample protections for an employee.

Gary Blackmer, City Auditor, said the language of the Charter being considered for change is based on the best principles of governance in public administration as they existed in 1913. This will increase accountability in government.

**Disposition:** Resolution No. 35884. (Y-4)

**City Auditor Gary Blackmer**

- 620 Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through March 17, 2000 (Second Reading Agenda 578; Y1038)

**Disposition:** Ordinance No. 174412. (Y-4)

At 10:59, Council recessed.

**MAY 3, 2000**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 3<sup>rd</sup> DAY OF MAY, 2000 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Hales, Saltzman and Sten, 4.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Ruth Spetter, Senior Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

- 621** **TIME CERTAIN: 2:00 PM** – Appeal of Sunnyside Centenary United Methodist Church against Hearings Officer's decision to revoke the conditional use permit that allowed Wednesday/Friday evening meals and also established limits on the night shelter, day care center, Sunday/Wednesday worship services and the Indochinese Socialization Center, located at 3520 SE Yamhill and 1030-1035 SE 35<sup>th</sup> Avenue (Previous Agenda 305; 99-00768 CU) **Rescheduled to June 7, 2000 at 2:00 p.m.**

**Discussion:** Harry Auerbach, Senior Deputy City Attorney, said he was having productive conversations with the church, the neighbors, the police and others. They have a little more to do and therefore ask for the continuance.

**Disposition:** Continued to June 7, 2000 at 2:00 p.m.

- \*622** **TIME CERTAIN: 2:15 PM** – Authorize interim agreement with Portland Family Entertainment LTD (Ordinance introduced by Mayor Katz)

**Discussion:** Commissioner Hales moved the amendment and, hearing no objections, the Mayor so ordered.

Tim Grewe, Chief Administration Officer, said he was a member of the Civic Stadium negotiating team. There are two actions today: The first is the formation of the Civic Stadium executive management committee and the second is approval of an interim agreement between the City and Portland Family Entertainment (PFE). Both codify the current business relationships and a committee already operating. They are in accord with prior Council actions such as the Memorandum of Understanding (MOU). The management committee makes the day-to-day decisions necessary for any major construction project, such as allocating the construction fund, managing the construction budget, resolving construction claims, approving progress payments and monitoring PFE compliance with agreement conditions. Any type of decision, such as cost overrun, which should be brought to Council, will be. The second thing the action does is authorize additional expenditures up to \$500,000 and project planning expenditures for architectural review, construction review and the operations of the committee, most of which will be retrievable through the issuance of the debt.

Mayor Katz asked how they would let the public know of all the decisions under the development agreement.

Mr. Grewe said prior to the committee making any decision, the Council will have approved the Good Neighbor Agreement (GNA), the Comprehensive Traffic Management Plan (CTMP), the redevelopment agreement and the operating agreement. The drafts of the GNA

MAY 3, 2000

and the CTMP are in the City Attorney's office and available for review. They are still negotiating the redevelopment and operating agreements, which will also be available.

Steve Janik, member of the negotiating team, said most of the decisions the committee will make will come from looking at a big roll of drawings to make sure what is shown is acceptable within the budget.

Mr. Grewe said the second action is the interim agreement which stipulates how expenditures, such as architectural, engineering and pre-construction costs, will be shared between the City and PFE until there is a redevelopment agreement next month. The original MOU provided that the City would pay for all seismic and environmental surveys, PFE and the City would share architectural costs 50-50 and, if an agreement was reached between the City and PFE, the City would pay 33/37<sup>ths</sup> of construction costs and PFE would pay 4/37<sup>ths</sup> of project costs. At the time the City granted the extension to PFE to obtain a Triple A baseball team, PFE agreed to cover 100 percent of pre-construction costs. Now that PFE has a Triple A team, they need a mechanism to go back to the original MOU and to stipulate how they will share costs in the redevelopment agreement.

Mr. Janik said the City granted the extension on December 10, 1999, and Council extended the date for PFE to obtain a Triple A team to March 31, 2000. One of the conditions of the extension was that PFE would pay 100 percent of the costs incurred between the period of October 31, 1999, when they originally were to have the team under contract, and March 31, 2000. As part of that agreement, the City also agreed to reimburse PFE 40 percent of their 100 percent costs, once they had the team. When there is a final deal and construction starts, the City would pay 33/37<sup>ths</sup> and PFE pay 4/37<sup>ths</sup> of everything. The function of the interim agreement is to go from March 8, 2000, when they acquired the team, to the point where there is a definitive redevelopment agreement which would then control the situation. It is truly an interim agreement. They anticipate the interim agreement will be in effect until May 31, 2000. If the redevelopment agreement is done and approved by Council prior to that, this agreement would end sooner.

Mr. Janik summarized what the agreement authorizes. First, it authorizes the City to pay 40 percent of the 100 percent costs that PFE incurred prior to when they acquired a team on March 8, 2000. For costs incurred after March 8<sup>th</sup>, it authorizes the City to pay its proportionate share, which has gone down because PFE, instead of contributing \$4 million out of the \$37 million, they will now contribute \$5.5 million which will increase the total project budget to \$38.5 million. The City share is now \$33 million, the same amount as it always has been, divided by 38.5, and PFE's share is \$5.5 million, divided by 38.5. In effect, that cost sharing has the City paying 85.7 percent and PFE paying 14.3 percent. The interim agreement also puts a maximum lid on the total amount of money the City might spend during the term of the agreement. The Shared Project Costs amendment is \$1,571,014, plus a 10 percent contingency factor. The interim agreement allows the architect to proceed forward to the next round of drawings. In order to start construction on June 21, necessary to complete construction by the 2001 baseball season, the steel has to be specially fabricated. Therefore, the steel had to be ordered in February. When steel is ordered in advance of a project like this, there is a cancellation charge. This document sets forth the total cancellation charges and the negotiated share of those charges if the deal does not succeed. If the deal does not come together, the City has the option to take over the steel order and proceed with the purchase and the implementation of the plans and drawings which would also be owned by the City, and go forward with the renovation. Finally, the

**MAY 3, 2000**

work product of all of this effort, architecture, engineering, and all the other contractual arrangements, can be taken over by the City -- it is the property of the City -- if the deal fails. PFE would lose all their money. This interim agreement applies only until the start of construction, June 21.

Mayor Katz said the City share will be recovered through the lodging tax increase.

Mr. Grewe said most of the project costs being incurred right now, borrowed from the Arena Fund, will be recovered once the debt is sold. Some will remain the City costs, such as Mr. Janik's time.

Mayor Katz said the boards of the Northwest District Association and the Goose Hollow Foothills League have approved the Good Neighbor Agreement and the Comprehensive Transportation Plan.

**Disposition:** Ordinance No. 174413 as amended. (Y-4)

**\*623**

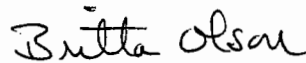
Establish a Civic Stadium Executive Management Committee, authorize the City's Chief Administrative Officer to act as the City's representative for construction and property management for the redevelopment and operations of the Civic Stadium Redevelopment Project and authorize expenditures (Ordinance introduced by Mayor Katz)

**Disposition:** Ordinance No. 174414. (Y-4)

At 2:24 p.m., Council adjourned.

**GARY BLACKMER**

Auditor of the City of Portland



By Britta Olson  
Clerk of the Council