



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **20TH DAY OF MAY, 2009** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

At 12:05 p.m., Council recessed.  
 At 12:38 p.m., Council reconvened.

Commissioner Saltzman arrived at 12:43 p.m.  
 Commissioner Leonard arrived at 1:08 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Deputy City Attorney; and Ron Willis, Sergeant at Arms.

**Motion to hold a meeting at 6:00 pm on June 18, 2009:** Moved by Commissioner Fritz and seconded by Commissioner Leonard. (Y-5)

Item Nos. 639 and 648 were pulled for discussion and on a Y-5 roll call, the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<b>621</b> Request of Minda McCandless to address Council regarding whether plastic bags should be banned in Portland (Communication)	<b>PLACED ON FILE</b>
<b>622</b> Request of Arjun Mouli to address Council regarding whether plastic bags should be banned in Portland (Communication)	<b>PLACED ON FILE</b>
<b>623</b> Request of Maddie Wilson to address Council regarding whether plastic bags should be banned in Portland (Communication)	<b>PLACED ON FILE</b>
<b>624</b> Request of Harri Roberts to address Council regarding whether plastic bags should be banned in Portland (Communication)	<b>PLACED ON FILE</b>
<b>625</b> Request of Morgan Majors to address Council regarding whether plastic bags should be banned in Portland (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	

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<p><b>626</b> <b>TIME CERTAIN: 9:30 AM</b> – Transmit Mayor’s message for FY 2009-10 proposed budget (Mayor convenes Council as the Budget Committee)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p><b>627</b> <b>TIME CERTAIN: 9:45 AM</b> – Revise sewer and drainage rates and charges in accordance with the FY 2009-10 Sewer User Rate Study (Ordinance introduced by Commissioner Saltzman)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p><b>628</b> Revise residential solid waste and recycling collection rates and charges, effective July 1, 2009 (Ordinance introduced by Mayor Adams; amend Code Chapter 17.102)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p><b>629</b> Authorize the rates and charges for water and water-related services during the fiscal year beginning July 1, 2009 to June 30, 2010 and fix an effective date (Ordinance introduced by Commissioner Leonard)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p><b>630</b> <b>TIME CERTAIN: 10:30 AM</b> – Bureau of Human Resources Adopt a Class Program (Presentation introduced by Mayor Adams)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p align="center"><b>Mayor Sam Adams</b></p> <p><b>631</b> Reappoint John Mohlis and Charles Wilhoite as Commissioners to Portland Development Commission for a term to expire June 30, 2012 (Report) (Y-5)</p>	
<p align="center"><b>Bureau of Planning &amp; Sustainability</b></p> <p><b>*632</b> Apply for formula allocation of \$5,626,100 from the Energy Efficiency and Conservation Block Grant program administered by the U.S. Department of Energy as part of the American Recovery and Reinvestment Act to reduce and improve energy use (Ordinance) (Y-5)</p>	
<p><b>633</b> Authorize an agreement with ICLEI-Local Governments for Sustainability for \$25,000 to participate in developing the STAR Community Index sustainability indicators project (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p align="center"><b>Bureau of Transportation</b></p> <p><b>*634</b> Exchange easements with the Port of Portland for construction of the North Leadbetter Extension Overcrossing (Ordinance) (Y-5)</p>	

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<p><b>*635</b> Amend Intergovernmental Agreement and Jurisdictional Transfer Agreement with Oregon Department of Transportation to design and construct the Martin Luther King, Jr. Viaduct Replacement Project (Ordinance; amend Contract No. 52107)  (Y-5)</p>	<p align="center"><b>182791</b></p>
<p><b>636</b> Authorize an Intergovernmental Agreement with the Oregon Department of Transportation to alter four highway-railroad crossings located at SE 8th, NE 138th, NE 148th and NE 158th Aves (Second Reading Agenda 592)  (Y-5)</p>	<p align="center"><b>182792</b></p>
<p align="center"><b>Office of Management and Finance – Business Operations</b></p>	
<p><b>*637</b> Pay claim of Eric Feeney (Ordinance)  (Y-5)</p>	<p align="center"><b>182793</b></p>
<p><b>*638</b> Pay claim of Tracy Hart (Ordinance)  (Y-5)</p>	<p align="center"><b>182794</b></p>
<p align="center"><b>Commissioner Nick Fish Position No. 2</b></p>	
<p align="center"><b>Bureau of Housing and Community Development</b></p>	
<p><b>*639</b> Accept a Neighborhood Stabilization Program grant from the U.S. Department of Housing and Urban Development via the oversight agency, Oregon Housing and Community Services, in the amount of \$3,538,217 to acquire and re-develop abandoned and foreclosed properties and receive payment (Ordinance)  <b>Motion to amend directive “b” to replace reference to bureau budget with Mayor’s budget:</b> moved by Commissioner Fish and seconded by Commissioner Leonard. (Y-5)  (Y-5)</p>	<p align="center"><b>182807</b> AS AMENDED</p>
<p><b>*640</b> Amend subrecipient contract with Immigrant and Refugee Community Organization to revise the total contract amount not to exceed \$196,411 for support services and technical assistance and provide for payment (Ordinance; amend Contract No. 38179)  (Y-5)</p>	<p align="center"><b>182795</b></p>
<p align="center"><b>Portland Parks &amp; Recreation</b></p>	
<p><b>*641</b> Authorize Intergovernmental Agreement with Multnomah County for the collaborative operations of SUN Community Schools (Ordinance)  (Y-5)</p>	<p align="center"><b>182796</b></p>
<p><b>*642</b> Authorize an Intergovernmental Agreement with Multnomah Department of Human Services for support of the Area Agency on Aging for the period July 1, 2008 through June 30, 2009 (Ordinance)  (Y-5)</p>	<p align="center"><b>182797</b></p>

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<p><b>*643</b> Authorize an agreement for the transfer of the property to be developed as Elizabeth Caruthers Park from Portland Development Commission to Portland Parks and Recreation (Ordinance) (Y-5)</p>	<p align="center"><b>182798</b></p>	
<p><b>644</b> Amend contract with KPFF Consulting Engineers for additional design services for completion of Tanner Springs Park/Rainwater Pavilion for \$1,600 (Second Reading Agenda 603; amend Contract No. 37989) (Y-5)</p>	<p align="center"><b>182799</b></p>	
<p align="center"><b>Commissioner Dan Saltzman Position No. 3</b></p> <p align="center"><b>Bureau of Environmental Services</b></p> <p><b>645</b> Authorize contracts and provide for payments for biosolids management (Ordinance)</p>		<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p align="center"><b>Bureau of Police</b></p> <p><b>*646</b> Authorize an Intergovernmental Agreement with Multnomah County for the use of grant funds from the U.S. Department of Justice Project Safe Neighborhoods 2008 Anti-Gang Initiative for additional community outreach for youth gang violence prevention (Ordinance) (Y-5)</p>		<p align="center"><b>182800</b></p>
<p><b>*647</b> Authorize an Intergovernmental Agreement with Multnomah County for the use of grant funds from the U.S. Department of Justice, Office of Violence Against Women, Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Ordinance) (Y-5)</p>	<p align="center"><b>182801</b></p>	
<p><b>*648</b> Authorize an Intergovernmental Agreement with Multnomah County to pay the County an amount not to exceed \$456,250 to reserve 10 secure jail beds for pre-arraignment lodging of designated chronic arrestees to reduce neighborhood livability crime (Ordinance) <b>Motion to amend Addendum K to add “probable cause arrests” categories:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-5) (Y-5)</p>	<p align="center"><b>182808</b> AS AMENDED</p>	
<p><b>*649</b> Authorize an Intergovernmental Agreement with Multnomah County for the use of funds from the Edward Byrne Memorial Justice Assistance Grant Program FY 2008 Local Solicitation for law enforcement, prosecution, prevention, education and technology programs (Ordinance) (Y-5)</p>	<p align="center"><b>182802</b></p>	
<p><b>*650</b> Authorize an Intergovernmental Agreement with the City of Gresham for the use of funds from the Edward Byrne Memorial Justice Assistance Grant Program FY 2008 Local Solicitation for law enforcement, prosecution, prevention, education and technology programs (Ordinance) (Y-5)</p>	<p align="center"><b>182803</b></p>	

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<p><b>*651</b> Accept \$10,000 in grant funds from Multnomah County for additional community outreach for youth gang violence prevention (Ordinance) (Y-5)</p>	<p align="center"><b>182804</b></p>
<p align="center"><b>Commissioner Randy Leonard Position No. 4</b></p>	
<p><b>*652</b> Authorize a grant to the Independent Development Enterprise Alliance, a 501(c)3 affiliated with the African American Chamber of Commerce, to build a homeless services facility in North Portland (Ordinance) (Y-5)</p>	<p align="center"><b>182805</b></p>
<p align="center"><b>Bureau of Water</b></p>	
<p><b>*653</b> Amend contract with Univar USA, Inc. to extend the term and increase compensation for the annual supply of sodium hydroxide (Ordinance; amend Contract No. 41204) (Y-5)</p>	<p align="center"><b>182806</b></p>
<p align="center"><b>REGULAR AGENDA</b></p>	
<p><b>S-654</b> Create the City of Portland Local Business Enterprise Purchasing Rewards Program to promote the growth and economic vitality of businesses located within the City of Portland (Resolution introduced by Mayor Adams and Commissioners Fish and Leonard)  <b>Motion to accept Substitute Resolution:</b> Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-4; Leonard absent) (Y-4; Leonard absent)</p>	<p align="center">SUBSTITUTE <b>36704</b></p>
<p><b>*655</b> Authorize Emergency Declaration for the procurement of projects funded by the 2009 Local, State and Federal Economic Stimulus Program and delegate authority to the Purchasing Agent to execute contracts funded under the program (Ordinance introduced by Mayor Adams and Commissioner Leonard) (Y-4; Leonard absent)</p>	<p align="center"><b>182809</b></p>
<p><b>*656</b> Amend Title 33, Planning and Zoning, to extend for a limited period the expiration date for approved land use decisions and related land use actions (Previous Agenda 546; Ordinance introduced by Mayor Adams and Commissioner Leonard; amend Code Chapters 33.730.050, 33.730.130 and 33.663.110)  <b>Motion to amend Section 2 clause to change effective date:</b> Moved by Mayor Adams and seconded by Commissioner Fish. (Y-4; Leonard absent) (Y-4; Leonard absent)</p>	<p align="center"><b>182810</b> AS AMENDED</p>
<p align="center"><b>Mayor Sam Adams</b></p>	

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<p><b>*657</b> Amend contract with the Immigrant and Refugee Community Organization to facilitate the Portland Multnomah Youth Corps Internship Program (Ordinance; amend Contract No. 37275)  (Y-5)</p>	<p align="center"><b>182811</b></p>
<b>Bureau of Planning &amp; Sustainability</b>	
<p><b>658</b> Establish environmental sustainability goals for City government operations (Resolution)  (Y-5)</p>	<p align="center"><b>36705</b></p>
<p><b>659</b> Accept donation of solar powered compacting trash cans and recycling units from the Portland Business Alliance Charitable Institute (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<b>Bureau of Transportation</b>	
<p><b>660</b> Vacate a portion of NW Princess Dr northwesterly of NW Pleasant St subject to certain conditions and reservations (Hearing; Ordinance, VAC-10048)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<p><b>661</b> Vacate a portion of Alley, Block 2, Cook's Addition north of N Revere St subject to certain conditions and reservations (Hearing; Ordinance, VAC-10050)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
<b>Office of Management and Finance – Business Operations</b>	
<p><b>662</b> Adopt Idle Reduction Policy for all City vehicles and equipment to promote fuel conservation (Ordinance)</p>	<p align="center"><b>CONTINUED TO MAY 27, 2009 AT 9:30 AM</b></p>
<b>Office of Management and Finance – Purchases</b>	
<p><b>663</b> Accept bid of Mountain Cascade, Inc. for the Portsmouth Force Main – Segment 1 Project for \$28,149,491 (Purchasing Report - Bid No. 110050)  (Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>664</b> Accept bid of Westech Construction Inc. for the Foster Sewer Replacement Project \$1,098,945 (Purchasing Report - Bid No. 110243)  <b>Motion to accept report:</b> Moved by Commissioner Fritz and seconded by Commissioner Leonard. (Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<b>Office of Management and Finance – Revenue</b>	
<p><b>*665</b> Grant revocable permits to the Portland Rose Festival Foundation to perform activities relating to Portland Rose Festival annual celebration from May 22 through June 14, 2009 (Ordinance)  (Y-4; Saltzman absent)</p>	<p align="center"><b>182812</b></p>
<p><b>666</b> Update and revise the Private For-Hire Transportation Regulations to better reflect the industry and the regulatory role of the City (Second Reading Agenda 586; replace Code Chapter 16.40)  (Y-5)</p>	<p align="center"><b>182813 AS AMENDED</b></p>

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<b>Commissioner Nick Fish</b> <b>Position No. 2</b>		
<b>Portland Parks &amp; Recreation</b>		
<b>667</b>	Authorize grants to five Portland school districts for out-of-school-hours youth programs (Ordinance)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>
<b>Commissioner Dan Saltzman</b> <b>Position No. 3</b>		
<b>668</b>	Recognize the work of the Oregon Human Trafficking Task Force and support the Oregonians Against Trafficking Humans Campaign (Resolution)  (Y-5)	<b>36703</b>
<b>Bureau of Environmental Services</b>		
<b>*669</b>	Adopt findings, authorize an exemption to the competitive bidding process to City Code 5.34.150 and authorize a contract with Williams & Dame Development Inc. to construct a Green Street Facility (Previous Agenda 533)  (Y-4; Fish absent)	<b>182814</b>
<b>*670</b>	Accept a subrecipient grant award in the amount of \$14,030 from the Three Rivers Land Conservancy originating from the Oregon Department of Agriculture for control of invasive garlic mustard species (Ordinance)  (Y-5)	<b>182815</b>
<b>*671</b>	Authorize application to Oregon Watershed Enhancement Board for a grant in the amount of \$100,000 for construction of Tryon Creek Confluence Habitat Enhancement Project (Ordinance)  (Y-5)	<b>182816</b>
<b>*672</b>	Amend contract with West Yost for engineering services for additional work and compensation for the Outfall 27 / Sellwood Combined Sewer Overflow Control Project No. E08467 (Ordinance; amend Contract No. 37818)  (Y-5)	<b>182817</b>
<b>Commissioner Randy Leonard</b> <b>Position No. 4</b>		
<b>Portland Fire &amp; Rescue</b>		
<b>*673</b>	Authorize the assessment of \$65,600 for a fire watch at 418 SW Washington St, Portland, Oregon (Ordinance)  (Y-5)	<b>182818</b>

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**City Auditor LaVonne Griffin-Valade**

**674** Amend and clarify provisions of the Campaign Finance Fund (Ordinance; amend Code Chapter 2.10)

**Motion to amend 2.10.130 by adding a new subsection G:** Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5)

**Motion to amend 2.10.020C:** Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)

**PASSED TO  
SECOND READING  
AS AMENDED  
MAY 27, 2009  
AT 9:30 AM**

At 3:41 p.m., Council recessed.

**May 20, 2009**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **20TH DAY OF MAY, 2009** AT 6:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, and Saltzman, 4.

Commissioner Saltzman arrived at 6:04 p.m.  
Commissioner Fish was excused to leave at 6:58 p.m.

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

<b>675</b> <b>TIME CERTAIN: 6:00 PM</b> – Vision Into Action (Presentation introduced by Mayor Adams)	<b>Disposition:</b> <b>PLACED ON FILE</b>
<b>676</b> <b>TIME CERTAIN: 7:00 PM</b> – Adopt street priorities and form for wireless applications for siting private wireless facilities in City right-of-way (Ordinance introduced by Commissioner Fritz)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>
<b>677</b> Request the federal government to update studies on potential health effects of radio frequency wireless emissions in light of proliferation of wireless use (Resolution introduced by Commissioner Fritz)  (Y-3; Fish absent)	<b>36706</b>
<b>678</b> Amend and extend term of a right-of-way agreement granted to AT&T Wireless Services of Oregon, Inc. to build and operate wireless facilities within City streets (Ordinance introduced by Commissioner Fritz; amend Ordinance No. 178373)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>
<b>679</b> Amend and extend term of a temporary, revocable permit to Clearwire US LLC, to use the City streets to provide wireless broadband Internet access services and establish terms and conditions (Ordinance introduced by Commissioner Fritz; amend Ordinance No. 181246)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>
<b>680</b> Amend and extend term of a temporary, revocable permit granted to LCW Wireless Operations, LLC to build and operate wireless facilities within City streets (Ordinance introduced by Commissioner Fritz; amend Ordinance No. 180518)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>
<b>681</b> Amend and extend term of a right-of-way agreement granted to Sprint Spectrum, LP to build and operate wireless facilities within City streets (Ordinance introduced by Commissioner Fritz; amend Ordinance No. 178519)	<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>

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<p><b>682</b> Amend and extend term of a right-of-way agreement granted to VoiceStream PCS I, LLC now known as T-Mobile West Corporation to build and operate wireless facilities within City streets (Ordinance introduced by Commissioner Fritz; amend Ordinance No. 178374)</p>	<p><b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b></p>
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At 7:00 p.m., Council recessed.

**May 21, 2009**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **21ST DAY OF MAY, 2009** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

At 2:50 p.m., Council recessed.  
At 3:08 p.m., Council reconvened.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council, and Ron Willis, Sergeant at Arms.

At 3:00 p.m., Jim Van Dyke, Chief Deputy City Attorney.

**Motion to elect Mayor Adams as Portland Development Committee Presiding Officer:** Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-5)

<b>REGULAR AGENDA</b>		<b>Disposition:</b>
<b>683</b> <b>TIME CERTAIN: 2:00 PM</b> – Council to convene as Portland Development Commission Budget Committee to receive the proposed annual budget (Mayor convenes Portland Development Commission Budget Committee)		<b>PLACED ON FILE</b>
<b>684</b> <b>TIME CERTAIN: 3:00 PM</b> – Amend fee schedules for electrical, mechanical, facility permit, land use services, neighborhood inspections, noise control, plumbing, signs, site development, zoning and certain construction permits (Ordinance introduced by Commissioner Leonard)		<b>PASSED TO SECOND READING MAY 27, 2009 AT 9:30 AM</b>

At 3:23 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

**May 20, 2009**  
**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.

**MAY 20, 2009            9:30 AM**

**Adams:** We have some very special guests. And i'd like to make a few introductions because as I said this morning to the princesses, it's time to get our rosaria on and -- rosaria on. And i'd like to introduce the court and the court committee chair, leslie baldwin, the rose festival court comprises 15 outstanding women who are selected by their respective student bodies and I had a chance this morning to share some breakfast with them and these young women are outstanding. Let me tell you. They represent the best of what the Portland area has to offer and now i'm going to turn it over to leslie, who is going to tell us more.

**Leslie Baldwin:** Good morning, mayor Adams, and commissioners. I'm going to give you a brief information about the court today. As you know, we have 15 court members and this year we added juniors and we also opened it up to girls that go to 5a or 6a high schools in clackamas, Washington and east Multnomah county and we had 18 different high schools. Girls sent in applications, about 70 applicants and we chose one young lady from tigid high school. These young women, between them, they have an average g.p.a. Of 3.78 and speak about 10 different languages and they participate in probably 15 or 20 sports and sports clubs and another 15 or 20 different school clubs and honor society and those types of things. Between them, they have performed about 3500 hours of community service for the Portland metro area. It's a pretty fabulous thing. We did change the application process this year. Pretty much all online. And so they had to go through a judging process. And so now we have 15 new court members that are going to come up and introduce themselves. So lady.

\*\*\*\*\*: There you go. It's a parade: [laughter]

\*\*\*\*\*: You have to go in circles on this council.

\*\*\*\*\*: That's good.

**[Rose Festival Court - speaking together]:** Hello, we're the 2009 rose festival court presented by pacific power. We would like to introduce ourselves and tell you what is happening during this year's rose festival.

\*\*\*\*\*: Hello. I'm from jefferson high school. I'm a captain of the cheerleading school. I plan to study english at college and pursue a career in journalism. I have great memories dancing along the parade route as part of the humboldt chargers drill team. Join us on wednesday june 3rd for this year's parade. Thousands of kids will march, play instruments.

\*\*\*\*\*: Hello, i'm joy and i'm a senior at franklin high school. I enjoy volunteering with big brothers and big sisters and involved in serving children in the community through ministries at my church and also run track and cross country. I love a good race and some of the best racing will be at Portland international raceway through during the rose cup races. With drag races and vintage car cruises and there will be a lot to see on the track on june 12th-14th.

\*\*\*\*\*: Hi, i'm a senior at marshall campus. I'm known for being super-friendly and I plan to study education in college. My dream is to start an orphanage in central america. Education is part of the rose festival mission. Living history characters, hundreds of third graders watch history come to life and an entire curriculum filled with worksheets help these kids learn more about the city of Portland and the beginnings of the Portland rose festival.

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\*\*\*\*\*: I'm bree, and i'm a senior at tigar high school. I've been dancing since I was five years old. My other passion is helping others. I hope to pursue a career in the humanitarian career. I'm proud to be the first rose festival princess selected from the greater Portland metro area and also for the first time, the waterfront village will be open. Remembrance, revelry and roses. It begins opening day celebrations and fireworks on Friday, May 22nd. Followed by family friend.

\*\*\*\*\*: Good morning, I'm silvi, a senior at Lincoln High School. I love to travel. And I've lived on three continents and visited 10 countries and 30 states. I plan to pursue a career in environmental conservation or event management. Portlanders don't have to travel the world to experience great entertainment. It's coming to us from three weeks of fun at Waterfront Village. On the same weekend as the Starlight Parade. Come shoot hoops with us and keep your eyes open for NBA legends.

\*\*\*\*\*: Linda. I'm a senior at David Douglas High School. I've been involved with student government and president of my senior class and I also play the violin and enjoy teaching Vietnamese traditional dance. One of the things I love most about Rose Festival is the way it celebrates the unique people in Portland, whatever you love about Rose Festival, it's a time to celebrate it. Come join us at the waterfront. During the Grand Floral Parade. For finger-licking food and, of course, fun, fantastic rides.

\*\*\*\*\*: I'm a senior at Catholic Central High School. I enjoy running and playing soccer and I enjoy -- singing: -- in the choir. And acting in plays. I hope to pursue a career in performing arts. Don't miss [inaudible] in addition to outstanding marching band music, you'll see a one of a kind performance and a special 25th anniversary concert by Portland's favorite, the one more time around marching band. Presented by TV and Appliance.

\*\*\*\*\*: Charlotte.

\*\*\*\*\*: Hello, I'm Charlotte. I'm a senior at St. Mary's Academy. And I've danced for many years and learned hard work and dedication from my time spent in the ballet studio. I plan to attend the University of Oregon and become a professional educator. The Portland General Electric Solv Starlight Parade is my favorite. Each year we cheer on the marching bands. This year it will light up the streets of Portland on Saturday, May 30th.

\*\*\*\*\*: Rachel:

\*\*\*\*\*: Hello, I'm Rachel. A junior at Grant High School. I participate in student government, swimming and cross country for my school. I'm very proud of my family and cultural heritage and an active member of the Junior Japanese American Citizens League and of the Magnet Student Council. Portland has a heritage to be proud of too. You can catch the History and Roses Tour. Featuring a selection of vintage homes and important landmarks. Each celebrates a special connection to the Rose Festival. It includes several destinations of Oregon's cities in honor of Oregon's 150th birthday.

\*\*\*\*\*: I'm Miranda. A member of my track team and also involved in the International Studies Center and I plan to study engineering in college and look forward to a career in music production and I also love a good joke. Watch for the Amtrak [inaudible] now in its second year, this award winning program teaching local folks how to bring their inner clown to life and if you would like to learn more about other Rose Festival events log on to our website. [RoseFestival.org](http://RoseFestival.org).

\*\*\*\*\*: I learned Japanese at a young age and traveled to Japan several times. I love to tapdance. The Portland Rose Festival will be moving to our new place at Waterfront Park. As a non-profit, the Rose Festival relies on important partnerships like our strong relationships with the City of Portland. We count on community members like you. You can -- dinner and auction coming October 10th.

\*\*\*\*\*: I'm a senior at Vincent High School. In the fall, I plan to attend Oregon State University and manage in civil engineering. One of the things I've learned in high school is the importance of a positive attitude. The Portland Rose Festival [inaudible] by filling out a pledge card, you can join Portlanders who believe that our attitude will make a positive difference in our future.

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\*\*\*\*\*: Thank you, the 2009 rose festival court presented by pacific power. See you at the rose festival: [applause]

\*\*\*\*\*: Thank you so much for having us today. We had a wonderful time coming and having breakfast with you. Here's a picture of all of us with signatures. And a rose festival pin.

**Adams:** Thank you very much. But now it's official.

\*\*\*\*\*: And we would like to acknowledge our wonderful workers. The rose festival would not be possible without our great sponsors. And the dress -- the necklace is from the court sponsor and the shoes are from payless and thank you so much and we've had a great time.

\*\*\*\*\*: As you know, our theme this year is bridging communities, and in an effort to bridge communities we're on our way to the coast. So we'll be leaving and heading astoria.

**Adams:** We've going to have a quick picture with the city council in front. We'll just stand --

**Adams:** Thank you all.

\*\*\*\*\*: Thank you, thank you.

**Adams:** Very nice to meet you.

\*\*\*\*\*: Thank you so much.

\*\*\*\*\*: You're welcome.

\*\*\*\*\*: It's so great.

\*\*\*\*\*: I went to grant [inaudible]

\*\*\*\*\*: Congratulations.

\*\*\*\*\*: You're welcome. Thank you. Bye. Bye.

**Adams:** Ok.

**Fritz:** We hear so much about the challenges of our public schools and these young women have grown up in a different world than the one I grew up and it's wonderful to see how successful they are and we have such great ambassadors for the city of Portland.

**Adams:** Thank you very much. [gavel pounded] city council will come to order. Karla, please call the roll.

[roll call]

**Items 621, 622, 623, 634, and 625.**

**Adams:** We're very lucky as well in our communications portion of our agenda. We have gilkey international middle school who has been doing some thought-provoking research on plastic bags and whether or not we should ban plastic bags in the city of Portland. My understanding is that one team referenced the -- whether -- researched why we should ban plastic bags and another researched why we should not. And the city council is eagerly awaiting to hear the results of your research. If you would all come up, I think we need to pull up some additional chairs. Come on up to the microphones, those who are going to be speaking. Welcome to the city council. It's -- we've got kind of strange microphone here so we need -- microphones here. You might need to scrunch to get near them. What team would like to go first? Let's go with the why we should ban plastic bags first.

\*\*\*\*\*: We're all the same team. The other team is back there and they have other issues.

**Adams:** So you're all going to talk about why we should ban them?

\*\*\*\*\*: We propose Portland should ban plastic bags from the city. Each year an estimate 100 billion are consumed worldwide. Billions end up as litter each year. Did you know this is happening to our environment? They don't biodegrade, they photo-degrade, making their way into soil and waterways and even ingested by animals and ending up on your dining room table. Taking away plastic bags would be taking something important out of your lives.

\*\*\*\*\*: Did your parent warn you not to stick yourself in a plastic bag because it can kill you? It's true. An average reports of death are reported each year. And when you buy Fish or beef at your local supermarket, it could be a cow that accidently ingested a plastic bag filled with deadly toxins.

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\*\*\*\*\*: Plastic bags are money-wasting. Stores waste millions to buying them each year. New York is trying to tax 5-cents per bag used. U.s. Goes through a total of 100 billion plastic shopping bags annually. \$400 billion. Not only this, but costs money for people to clean up the plastic bags.

\*\*\*\*\*: When these bags are made, it takes over 500 years for them to decompose and that affects many things.

\*\*\*\*\*: They cannot be reused so you're wasting millions of dollars and vital resources like oil. What's more, the animals eat them and they can die. Think about it, would you want to watch our earth be covered by plastic bags or you can bring your own renewable bag.

**Adams:** Can you introduce yourselves?

\*\*\*\*\*: I'm thomas.

\*\*\*\*\*: My name is harry roberts.

\*\*\*\*\*: I'm morgan majors.

\*\*\*\*\*: And i'm [inaudible]

**Adams:** You did a fantastic job. The next team, why research to support not banning plastic bags in Portland. Why don't you go ahead and give your names before you speak.

\*\*\*\*\*: I'm max king.

\*\*\*\*\*: I'm david sung.

\*\*\*\*\*: And i'm [inaudible]

**Adams:** Who would like to go first?

\*\*\*\*\*: I will. Before we begin, we would first like to thank Portland city council for letting us be here to share our opinion about the most controversial topic of our time. People are convinced -- because they only hear one side of the story. That's why we're here, to tell you the other side, so you can get a different perspective of the problem. This isn't just about politics, the economy. It's about the world: The future: We're hoping you will join us in our quest to save the plastic bags.

\*\*\*\*\*: Why we should keep them? Because they're water tight and can be melted down to make -- burned to reduce sulfur emissions and increase fuel economy in all forms of transportation and clean up after dogs and used to carry directories and newspapers. A long time ago, Portland was nicknamed stumptown. Do you really want that nickname again?

\*\*\*\*\*: San francisco is the only legal jurisdiction in the united states that has banned all plastic bags from its stores the what are wrong with paper bags? They use up to 50 times more to make and made from trees. Plastic bags use up fossil fuel and oil and electricity to make. Paper bags would increase the number of power used to recycle by 300% and are less durable than plastic also. Landfills would increase by 150% and many people think that plastic bags can't be recycled but they can and some other things would happen. Such as newspapers and directories would have to find a replacement because they too rely on plastic bags. Do you want to see all of these bad things happening? With everyone using paper bags and power skyrocketing.

we want something better for the earth: Better for the future: Take a moment to think about it for the last time -- paper or plastic?

**Adams:** Nicely done. [applause]

**Adams:** Good morning. Glad you're here. While you're getting settled, introduce yourself and tell us who you are.

\*\*\*\*\*: I'm natalee berger.

\*\*\*\*\*: I'm tyler.

\*\*\*\*\*: And i'm matthew.

\*\*\*\*\*: Are you ready?

\*\*\*\*\*: We're here to tell that you plastic bags are not good for the environment. Our belief is that you should ban plastic bags.

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\*\*\*\*\*: Paper or plastic? This is the question that everybody gets asked every day. Whether you are at a supermarket or convenience store. But are you really answering them correctly? Imagine walking into a forest and instead of seeing trees and hearing squirrels you see plastic bags and lack of life. Plastic bags cannot be easily recycled. They end in the environment of our earth. Do you want this to happen?

\*\*\*\*\*: When you use only one plastic bag, that same plastic will be on our earth 1,000 years later. They photo-degrade. They're used every year, about a million per minute and endangers more and more animals every year. There's a wasteland of plastic bags and other waste in the middle of the pacific ocean which acts as a sponge of toxins for other animals. Many marine animals die every year. Do you want to ruin our ocean environment?

\*\*\*\*\*: Oil should be saved instead of being used on plastic bags, a waste product. Over 500,000 plastic bags were picked up in one day. And plastic bags make the economy worse than it already is. They're a horrible source that we all use today to only make our world polluted and dangerous for the environment. Portland is in a state of crisis because we're using and not reducing plastic bags. So make the right choice.

**Adams:** Good job: Thank you. [applause] these are smart kids.

**Fritz:** What kids are they representing?

**Adams:** Gilkey international.

\*\*\*\*\*: The majority of Portland wonders why we care so much about what we carry our groceries home in. Imagine entering our once beautiful forest park to find thousands and thousands of machinery. This is the result of your answer to the cashier: Paper, please. Suffocated animals such as salmon. People say they want to bring plastic bags to save the environment. Do they know the truth? Paper and plastic bags are equally harmful. The machinery used to log can put stress on forests and habitats. Paper bags take an enormous amount of water, coal and fossil fuels and most importantly, our trees. Paper and plastic bags are damaging our environment but many are not aware that they're damaging our economy. Every year, the u.s. Goes through 100 billion plastic bags and 500 billion to 1 trillion worldwide. Parents wouldn't serve their children deadly toxins, but this is the reality of plastic bags. Animals may ingest them and end up on your dining room table. They're photodegradable rather than biodegradable. This means they can be absorbed into the ground. And in general, reusable bags are environmental friendly materials such as canvas and cloth and other recyclable materials.

\*\*\*\*\*: So make sure next time you visit your local grocery store, your answer is neither paper or plastic, but I brought my own.

\*\*\*\*\*: We hope you will ban plastic and paper bags. Thank you for your time.

**Adams:** Good job.

**Fish:** Before you go, may I ask a question? Could one of you give us a quick snapshot of your school? Tell us about your school.

\*\*\*\*\*: Sure. So our school is an international school. And we have the opportunity to begin learning a language of either spanish, german or french or chinese. And we're here from our public speaking class and our teacher is ms. Mccandless.

**Fish:** Where is it located?

\*\*\*\*\*: By forest heights on cornell road.

\*\*\*\*\*: We forgot to introduce our names.

\*\*\*\*\*: I'm sophie. I'm emily.

**Fish:** You did a great job.

**Fritz:** Very helpful. [applause]

**Adams:** And are we going to hear from anybody else? The teachers here? Do you want to come up and say a few words about this project. Really outstanding.

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**Minda McCandless:** Thank you. I'm minda mccandless, the teacher of these outstanding students. The premise is to look at controversial issues and look at both sides and not just accept what we hear most often. So at first, the kids were assigned groups to research. For the presentation today they chose their groups based on their personal beliefs of the issues. Thank you for listening to us today.

**Fish:** Do you think it would be possible to have your students in one email, send us an electronic version of their power point.

**McCandless:** Sure and we have the references that they used also that we can send.

**Fish:** Along with their names.

**Adams:** One more round of applause. [applause] all right. That moves us to on the consent agenda. Does anyone wish to pull an item from the consent agenda? I understand 639 has been pulled for an amendment, is that correct, commissioner Fish.

**Fish:** Yes.

**Adams:** And 648 has been pulled from consent to the regular agenda. Any other motions regarding the consent agenda. Hearing none, Karla, please call the roll on today's consent agenda.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye. [gavel pounded] consent agenda's approved. Can you please read the title for time certain, council calendar item 626?

**Item 626 [Council convened as Budget Committee].**

**Adams:** I'm convening the budget committee out of the Portland city council for the purpose of receiving the budget message. Committee members received copies of the document earlier this week. This budget is a product of months of work by the city council, community advisors and citizens and bureaus and staffs and office of management and finance and in addition to our labor leader partners and stakeholders and experts on the budget advisory committees. It comes at a difficult time in our city's history as the economic recession impacts Portlanders in many ways. My priorities in this proposed budget are to invest in a return to full prosperity and shore up funding in the core city services essential to every Portland resident but especially those being hit hardest by this recession. As a result, my proposed budget focuses on those basic needs. In the streets, homes and neighborhoods but also economically secure. I want to thank again my colleagues on the council and everyone in our community for helping to shape this proposed budget. The meeting of the budget committee is continued to thursday, may 21st at 6:30 p.m. At mount tabor middle school where we'll hear public testimony. It's located at 5800 southeast ash street and I look forward to seeing all of you there. Pursuant to state law, i'm now reconvening this group as the city council. [gavel pounded] did I do that right? Ok. You can read the full text of my budget speech which goes into more detail online and the whole budget. Karla, please read the title for time certain council calendar item 627.

**Item 627 [Council reconvened as City Council].**

**Adams:** All right. Commissioner Saltzman.

**Saltzman:** Thank you, mayor, members of the council. It's a pleasure to bring the sewer rate ordinance to council for consideration. I know we have a [inaudible] and i've asked them to defer their formal presentation and provide a summary of the item before us. Before they do, I want to thank the bureau of environmental services budget advisory committee made up of community members and staff as well as to thank our Portland utility review board. While our final rate package may not satisfy all constituents. B.e.s. -- the big pipe, and this rate will provide the necessary funds to bring us closer to completion. It will provide needed local stimulus dollars to the bureau's capital programs and move up deferred projects that will provide hundreds of tangible jobs in our community and fully funds or greater green initiative founded by then-commissioner sam Adams and allows to fully integrate our capital program while producing jobs in Portland. It's a tough economic time in our community and we must be cognizant of 00 the council's actions

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impact the daily lives of our ratepayers. I believe the rate package is worthy of our support. I'll turn it over to bureau director dean marriott.

**Dean Marriott, Director, Bureau of Environmental Services:** Thank you very much, mayor Adams, members of the council. I'm dean marriott, with me is jim haggerman, our business services manager. And we've foregone the slide show. And we've passed out paper copies and we have extras at the council clerk's desk if people in the audience would like a copy of the packet. The commissioner did an excellent job of summarizing what we're trying to accomplish with our rate revenue this year. Mentioned we're in the final stretch of the 20-year c.s.o. Abatement program. We're excited about the fact that the end is near, and unlike most times, you'd hear this, this is the good news part of the story. And as the commissioner indicated, a substantial investment in green infrastructure which we're all proud of. Does include a continuing participation by the city in the ongoing efforts to address the Portland harbor superfund listing and hope in the months and years ahead we can bring that much closer to successful conclusion. Part of the investment of the \$222 million generated from these rates will go to 250 capital construction projects throughout the city creating 1900 jobs. The commissioner mentioned the local stimulus package which is part of this request. That is on top of the numbers I just gave you. It's additional \$30 million of investment, two-thirds of which will be on the street within the next 18 months creating an additional 400 jobs. So the proposed rate, we always use as a bellwether indicator what the typical realize customer will see in their sewer stormwater bill and that is the 6.5% increase. A typical realize customer will see the sewer and stormwater portion go up 6.5%. With that, i'll close my presentation and be available it answer questions you might have.

**Adams:** Questions from the council?

**Fritz:** My understanding is that the positions for the office of healthy working rivers is included in this budget?

**Marriott:** Yes, they are.

**Adams:** Unless there's further council discussion, we'll take testimony, this is a nonemergency ordinance. We'll be taking testimony today and at the budget committee meeting when it reconvenes may 21st as I mentioned at mount tabor middle school. How many people signed up?

**Moore-Love:** We have two people.

**Adams:** Mr. Johnson, mr. Marks, welcome to the city council. We're glad you're here. You just need to give us your first and last name and you have three minutes and the countdown clock will guide your efforts.

**Dave Johnson:** My name is dave johnson, a member of the Portland utility review board representing the west side.

**Tracy Marks:** I'm tracy marks, member of Portland utility review board representing commercial industrial users.

**Johnson:** So the comments -- you have the comments from the p.u.r. And I want to summarize three key points. One is we're worried about the debt service that they have. The big pipe has been a pensive process and the 50% of a typical bill is dedicated to debt service is a concern to us going forward. Secondly, we're worried about shifting projects from being funded by the general fund to being funded by ratepayers. That's going on here with b.e.s. As well as what you've called the local stimulus package, which is basically adding rate increases to the ratepayers to accelerate spending and accelerate more debt accumulation. Both of those we think is inappropriate. In general, for the overall rate increase, we would like to see it smaller, closer to inflation. Again, b.e.s. Has had high rates. Rate increases to fund big pipe. We understand that. This is a very hard time. We would like to see the rate more in line with inflation.

**Marks:** And I would just like to echo my compadre's comments.

**Adams:** You're name.

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**Marks:** Tracy marks. I would like to applaud solid waste and recycling. They did a terrific job working with the haulers to try and find ways to decrease rate increases and they have succeeded and proposing less than a 5% increase. I would also like to echo Dave Johnson's comments regarding b.e.s. Currently they're projecting almost a 18% increase. Now, inflation is only 3.5% to 4% today and with so many businesses and individual homes upside down on their revenue and income streams, I think it's inappropriate at this time to recommend a 18% increase for any service today. So we would encourage all of you to go back and see if there's some more efficiency that could be found or perhaps some capital work that could be postponed to keep the rate increases more in line with inflation at 4% or 5%.

**Johnson:** Again, we were a little confused whether you want our comments on all three utilities now or just one at a time.

**Adams:** For the -- if it's ok with my colleagues, I'll suspend the rules and let you comment on all three for the sake of the ease.

**Johnson:** Ok, and so just a comment. I only spoke to b.e.s. Again, we do want to thank both o.d.s. and the haulers holding things down on solid waste. Relative to water, I think as Tracy said, we really felt it was the -- the 13% increase in spending for the water bureau was excessive and inappropriate given the current economic times. And we would certainly like to see that spending increase held to below 5%. There's a second part with water, water has to estimate what the consumption is going to be because the rate is based on how much water is consumed. Even though the amount has nothing to do with the expenses, so it's something that's important relative to setting the rates and I sent you a personal email to all of you about recommendation, but we believe the assumption is too large. And would like to see that more at 27 million c.c.s. It's a critical thing to the financial health of the bureau. And the third thing is on the base rate, which is -- there are several rate components on all of these, but water, a base rate, which covers shared cost between b.e.s. And water relative to customer support services. And that is being proposed a very large rate increase there. 17% to 19%. While the cost for those services are remaining flat. We're recommending that the base rate remain flat. Any questions?

**Fritz:** I'd like to thank you for your service on the review board. Can you tell us briefly what -- who is on that board and what you do?

**Marks:** Well, we have representatives from different communities throughout Portland and actually on our -- ok, the letter you can see all of the participants on this board. We spent at least three to four hours once a month at a meeting. And o.m.s., I would like to thank Bob back here who does a terrific job of keeping us organized and all the different departments who come and serve and educate us each month. In addition to our monthly meeting we probably read 10 to 12 hours a month of technical information that only the board understands and we do the best we can to comprehend it all and our mission is really trying to take all of the rate holders, realize as well as commercial, and business users' best interests at heart and give the -- all of the commissioners a good sounding board of what we have been able to ascertain with all of our -- ascertain with our research.

**Fritz:** And you serve year-round not just at budget time?

**Marks:** It's year-round.

**Fritz:** Thank you for your service.

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

**Saltzman:** I wanted to follow up on the base rate. I thought it covers billing, customer service and meter reading.

**Johnson:** That's correct.

**Saltzman:** I'm not sure I'm following the concern you're expressing here.

**Johnson:** The concern is that the water bureau has requested that the rate -- the base rate is charged per bill not per volume of water and so currently it's \$18.70 per bill. They're proposing raising that

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to \$22.13 per bill. That's a net of 18% increase. They're going to be more bills, so it's 19% in revenue. But the cost of those services are remaining flat. Actually, there's a very small decrease expected in the service.

**Saltzman:** I didn't realize it was not charged according to volume.

**Johnson:** Base rate covers -- even people who are sewer only pay the base rate bill. That covers customer support, sending the bills out, covers reading the meters because water consumption helps to drive the rate that b.e.s. has charged. So these are services that are paid by both water and sewer customers and sewer-only customers. And so it's a way of being more efficient. A good concept.

**Marks:** Primarily administration charges.

**Saltzman:** Ok.

**Johnson:** And part of what the water -- what we've heard from water bureau staff, recommending putting some additional things into that base charge, including meter maintenance and meter installation and things like that. But that has not come up for any formal kind of review, any kind of citizen input. So these increases may be appropriate but they've come very much at the last minute. No discussion at all, and there's been a committee that's been looking at whether the base rate has been fair and is it fair to sewer-only customers and things like that.

**Saltzman:** Is that a committee of the purb?

**Johnson:** It has those members on it and members from the water bureau and customer support services have been on that and so we've been looking at -- is the base rate as currently structured fair? And through that process, nobody has ever said, oh, gee, there's some additional cost that is really should be part of this and from the purb's perspective, nobody ever brought up this was an issue and that should be vetted before it's just thrown in there and we recommend that we stick with the costs that have been there during the current year, in which case it's flat and so there shouldn't be in a rate increase to the base rate.

**Saltzman:** Appreciate you bringing this to our attention.

**Marks:** Thank you for your time and consideration.

**Adams:** Thank you very much. Mr. Marriott, there's a question from commissioner Fish.

**Fish:** Dean, on the part of the handout, page 5, other current and proposed rates, could you just very briefly explain the low-income discount and how it works?

**Marriott:** Yes, gladly. The -- the low income has been in place for some time. To increase the participation rate for low-income city council. If you qualify, and I believe that you sign up through the county, if you qualify for low-income assistance, then you get a decrease in your water, sewer and stormwater charges.

**Fish:** And the figure of \$23.69 is the monthly decrease to whatever your bill is?

**Marriott:** Yes.

**Fish:** And I would be interested, particularly as it relates to people living in affordable housing and city wide, to have a little more data on who is participating and how it works. At some future time, not related to our review, if you could provide that to me.

**Marriott:** Be glad to.

**Fish:** Thank you.

**Adams:** Other discussion from council? Did we need to hear nick's presentation on item 628? Please read the title.

**Item 628.**

**Adams:** So the bureau of planning and sustainability, solid waste and recycling program conducts an annual rate review process to determine appropriate charge for collection services. Staff reviewed a range of factors that impacted the cost, including labor, equipment and fuel costs. The average weight of garbage and disposable charges and yard debris. The result proposes the monthly rate for the most common service, the 32-gallon can, \$24.45 to \$25.30 which represents a 3.85 increase. It's due to decrease in recycling revenue in the current downturn. Proposed 85-cents per

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month. The increase is less than initially thought it would be because of moderation of fuel prices and I want to thank Bruce Walker, the team leader, who is going to give us a few more details.

**Bruce Walker, Bureau of Planning and Sustainability:** Thank you, Mayor Adams, and members of the council. I'm Bruce Walker, the solid waste and recycling manager in the Bureau of Planning and Sustainability. Mayor Adams has summarized well the comments in the handout I provided. One of the things that I would like to hit on a -- I'd like to hit on a couple other key points. Over the course of the last year, we distributed the roll carts. We, the haulers, as well as some community group assistance delivered the recycling roll carts and yard debris roll carts which have led to positive results in terms of increasing diversion of recyclables. But at the same time, we have had some difficulty, as Mayor Adams referred to, in terms of with the current economic downturn, it dropping virtually all of the value of the recyclables out of the recycling stream. And that has been provided as an offset to rates. We anticipate, we project how much is provided, or is an offset to the customer on a monthly bill. That's -- in last year's model, it was \$1.82. Now it's down to 5 cents worth of revenue. There's a huge drop. How do we make up for that? Well, the we is the haulers. There are efficiencies in terms of reducing their operating costs. Both collection costs and administrative costs. Have offset them as well as the reduced fuel expenditures and they're all using biodiesel, when I speak of fuel, that's projected in there. So we've seen hauler efficiencies and we work with Purb and present these rates to go forward and we think the system works in terms of capturing the hauler efficiencies as how we can establish rates for future years. And while recycling markets are currently down, it's a commodity market on an international basis, rest assured the material is all still able to get recycled and we achieve the environmental benefits associated with those recyclables. However, it's just a lower economic value and that's the primary reason for the rate increases. Lower recycling markets. We're also dealing with the metro tip fee increase and so all in all, as was summarized by the mayor, presenting a 3.48 rate increase and I'd be happy to answer questions.

**Adams:** Commissioner Fritz.

**Fritz:** Two questions. Is there going to be a report on the effectiveness of the mingling of the recyclables?

**Walker:** Commissioner Fritz, we've seen increases -- slight increases in the tons. We are going to prepare a report and we will present it to council. The -- the thumbnail description is we've seen increases, it wasn't as much as projected but we've also seen decreases on the amount being disposed and thrown away. People are buying less stuff which can be a good thing. So we've seen both decreases in the garbage and while there's a slight increase in recycling, we're trying to do some further analysis on that.

**Fritz:** Does that affect the rate?

**Walker:** Yes, it will in terms of more getting pulled out of the garbage is very much a positive thing. We encourage citizens to do that, most of the time for environmental reasons, but if we can dispose less, that reduces what has to go to the landfill in central Oregon and the lower costs associated with that. So that's a positive.

**Fritz:** Do you know when the report will be coming to us?

**Walker:** We're doing some analysis right now. It should be in the course of the next month or two.

**Fritz:** Thank you, and my second question, in the financial impact statement it said because hauler revenues increase an estimated 16%, city revenues should also increase by that amount. Can you explain that?

**Walker:** Thank you for catching that. We were contacted by o.m.f. Yesterday and that was an error in our report. It should be the estimated increase is 3.48%. And that would connect with the projected revenue increase. So that was an error in the impact statement and our apologies.

**Fritz:** We don't know where that percent came from?

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**Walker:** It was a carryover from last year that didn't get updated.

**Fritz:** Ah, thank you.

**\*\*\*\*\*:** That's my responsibility and a apologize.

**Fritz:** No problem. Thank you for clarifying.

**Adams:** Commissioner Fish.

**Fish:** I'm a big fan of the roll carts. They've simplified our lives and worked pretty well. Could you explain what exactly in the market has changed in terms of the resale value of recyclable materials? What aspect has changed and why?

**Walker:** Commissioner Fish, virtually every recyclable material has seen a significant drop in its value. The paper is what we collect most, and the -- both the international markets for finished paper products and the mills in the northwest are unable to sell their finished product at a higher price. So they're paying much lower -- lower amounts. Other materials, such as metals that get recycled, go into frequently making new metal products for construction industry. Those prices have dropped dramatically.

it's commodity based and fallen significantly.

**Fish:** Thank you.

**Saltzman:** I want to follow up. You said a year ago, recycling resulted in an offset to our bills of about \$1.80 per month? Is that correct?

**Walker:** That's correct.

**Saltzman:** Because of the market, it's a nickel?

**Walker:** It's down to a nickel. I'd like to be clear there's still -- all of the environmental benefits are still there, but we've stripped out to the market prices, they fell precipitously in september through november, and we're in a position where we've taken out \$1.82 of revenue and it's only an 85-cent increase. And I say that respectfully. But there's essentially a dollar's worth or close to a dollar's worth of efficiencies made up by haulers' actions as well as some of the moderate and lower fuel prices. This is --

**Saltzman:** When you talk about hauler efficiencies that's in part due to the roll carts and less frequent need to put out a roll cart for the curb to be collected?

**Walker:** That's correct, commissioner Saltzman.

**Saltzman:** I just want to echo, I think the roll carts have been great and good move.

**Adams:** Any other discussion from council? Anyone signed up to testify, Karla?

**Moore-Love:** Yes, we have one more person. David white.

**Adams:** Mr. White, welcome to the city council. While you're sitting down, we seemed to have been joined by some very smart looking people. Where are you from? [inaudible]

**Adams:** Mill park. Is it true that the kids from mill park are the smartest kids in Portland?

**\*\*\*\*\*:** [inaudible]

**\*\*\*\*\*:** No. [laughter]

**Leonard:** Wrong answer.

**Adams:** Well, then you all have something to work on.

**Leonard:** Is it true that the kids from mill park are the most honest kids in Portland?

**Adams:** We're glad you're here. This is your local city council. That's commissioner randy Leonard, commissioner nick Fish. And commissioner amanda Fritz, and commissioner Saltzman. And that's Karla. Today we're talking about garbage. And --

**\*\*\*\*\*:** And recycling.

**Adams:** And how much should it cost to have your trash picked up. Be sure to have your parents recycle.

**Dave White:** My name is dave white. Regional representative for the Oregon refuge and recycling association and one of my responsibilities is to chair the association that represents Portland's realize solid waste and recycling collectors. I'm here to ask you to support the ordinance in front of

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you, but really my comments are equally about the tough economic times we're in today. And I think you want to know, and I know the citizen, the ratepayers want to know, what the haulers are doing throughout the region to try to contain their costs. Associated with collection service. And I've been told by a number of our members they're working hard to do that. In a way that not only maintains excellent service but maintains customer service and operational safety. It's not necessarily easy. Haulers have told me they're postponing necessary equipment purchases. Those aren't purchases required for operational safety, but if they need to buy a truck, and they can postpone, they're doing so. They're waiting to hire replacement personnel and office staff. And there's some freezing of management wages and looking at our efficiencies in both routing and operational expenses. It's important to mention as you've heard, to reiterate that there are two main drivers here causing these rates to go up. One is the metro tip fee going up \$5. Passed on to customers. And the massive reduction in the value of materials. What used to be an offset is now an expense and I want to just kind of explain what I mean by expense. Bruce was mentioning that the rates have a plus 5% as an offset and that's on an average over the course of the year. Since October, we've been paying to get rid of materials and as much as \$20 to \$30 a ton. And we're currently paying actually to take our materials to a processor. The projection is that -- and we hope the projection is accurate, in the course of the upcoming year, the value will go up high enough to at least get us that nickel. We do appreciate that the Portland utility review board acknowledges our efforts to contain our costs and increase our efficiencies and if you have questions, I'll be glad to answer them. Thank you.

**Adams:** Discussion from council? All right.

**Saltzman:** I commended Bruce Walker for implementing the roll carts and great job and I want to commend the haulers.

**White:** Thank you, I'll pass that along. Thank you.

**Adams:** With the council's blessing, I'd like to pause our discussion on these ordinances so that we can keep the council item with Mill Park elementary on time. They have to leave by -- well, they have to leave in 20 minutes and we want you to get back to school. Karla, can I just suspend the rules. Without objection, I'll suspend the rules and Karla, read the council calendar item for item 630.

### **Item 630.**

**Adams:** This is an exciting program. Anna Kanwit and her team are going to give us the overview. It involves the fourth grade class from Mill Park elementary. Part of the David Douglas school system.

**Anna Kanwit, Bureau of Human Resources:** Good morning, assistant director of school resources. We're here to showcase a program called A.A.C. And introduce the young people that -- adopt a class, with me is Wayne Abbott and Janice Leonetti who run the nonprofit in Portland and here is Tonya, who is from the Ukraine. Want to say hello?

**\*\*\*\*\*:** Hello.

**Kanwit:** And the -- Rachel and the teachers speaking as well and there are students who will be coming up to introduce themselves and their adopters. And so that you can get to know them. Briefly, the way the program works, each employee adopts a buddy of the children in class. They write letters to us and we write back and it's really a fulfilling experience. And takes on average, maybe 10 to 12 hours of our work time outside of work to do this over the course of the year. So it's really, in terms of cost benefit analysis, we think the benefits far outweigh our time away from the office. We pilot this had program last year, and we're happy to be able to take another fourth grade class this year. With Laurel Butman and trying to expand this program to other bureaus and it's a great way to teach about city government and what city employees do and give them incentives of why they want to stay in school so they can work for the city and fun things like that. I'll introduce Janice and Wayne to talk about the program overall.

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**Wayne Abbott:** Good morning, my name is wayne abbott. This is janice leonetti, my wife. And we're codirectors for the adopt a class program in Portland, Oregon. It's a 501(c)(3) nonprofit organization and we're dedicated to providing positive role models and enriched educational expenses for students attending title 1 schools. The only other place that this program exists is in Cincinnati, Ohio. There are 13 schools in Cincinnati today engaged. About 3,500 students that have been adopted by a like number of adopters in this Cincinnati. Humboldt in north Portland, Capitol Hill on the southwest side and, of course, Mill Park, and the -- in the David Douglas school district. We have about 650 students that have been adopted, as we call them, by a like number of adopters, or Big Bud I whys, as our students like to call them. From 24 different businesses and organizations throughout the Portland area, and they are very, very dedicated to this program. Adopt a class generates tremendous benefits for our students and teachers and schools, but also creates and generates tremendous benefits for our volunteers. The greatest of which I believe is the emotional award that comes from helping an at-risk child succeed in their education at school. We've been in the program long enough that we've been able to establish that the program is not only effective, it is sustainable, and is also very cost efficient because there's no moneys that charged to businesses and organizations to join adopt a class. There's no fees, there's no expense. The only expense that goes into this program is the expense that the adopting companies and businesses and organizations decide that they want to put in the programs, to support the programs, the their students and classrooms and teachers. So Janice will tell you a little bit about how the program works and give you a brief description.

**Janice Leonetti:** I want to say thank you for volunteerism in any program. And thank you for your time today. We're excited to talk about adopt a class and the opportunity to connect adult positive role models from the community to the school. Our -- each company and organization personalizes or customizes to what's on their heart and what resources they have and how they can compliment complement the classroom. It's 10 hours over the entire school year and done as a group activity which is wonderful because it builds camaraderie and team building within the business as well. The first one is an introductory letter the kids write about themselves to their adopter which is a great writing activity and to connect with their big buddy. They receive a letter and write a letter back. So starting that personal relationship. The next activity is a winter activity that ties in with whatever is happening in that classroom. At Mill Park, they have Polar Express Day. They read that book and wear their p.j.s and at the end the day, go to the gym and sing songs and that starts their winter break. In January, the kids are asked to write a thank you letter. So they're learning social skills as well. And in the spring, there's an activity and it's whatever they would like to tie into. For instance, their activity is today, bringing the kids down to meet all of you. One thing I'd like to add that's great about the program. You can do other things, if you would like to mention one thing that the human resources group did, they found a Russian speaking translator for a child who has only been here for two months. It's wonderful how it connecting people in the community and enriches people's lives.

**Kanwit:** I'll introduce Rachel and Rachel Hendrie and Teresa Teem.

**Rachel Hendrie:** Thank you, Mayor and City Council for letting us share with you today. My name is Rachel Hendrie.

**Teresa Teem:** And I'm Teresa Teem.

**Hendrie:** It's exciting to be working with you again. Teresa and I have talked at Mill Park for about 15 years and now that we have children of our own, we work with a job -- as a job share team. And we have 24 fourth graders this year. To give you a picture of what life is like in our classroom, about 83% of our students receive free and reduced lunch. Only seven of our students speak English as their primary language at home. We have six different languages spoken by students in our classroom and our school, we have over 18 languages that are spoken. We have one Burmese student who joined us from a refugee class in Thailand and we have a student that's been

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here for two months from russia. So with this type of diversity we have many unique needs in our classroom, coupled with increased pressure to raise test scores and so we have to spend a lot of time on reading, writing and math. And unfortunately, that means we have little time for social studies, science, health, art and so we are always looking for really memorable ways to teach them and to give our students an understanding of the world around them. And we look at exciting ways to help students learn about jobs in the community. And we want them to aspire to continue their education and to have a career.

**Teem:** Our buddies have paid for us to be able to come here today and in preparation of this trip, we studied jobs in Portland, buildings, history and the local government. Our students learned about the mayor, the city council, we made they knew all of your names before they came and many of our students have never been downtown before they were in the fourth grade and this is an activity that would not have been able to happen without our buddies and we're thankful to our buddies to help us learn about some of the things we've studied and after this presentation, we're going to join our buddies for lunch and they're going to give us a tour of their workplaces and giving our students an opportunity to learn about what happens after school. It's important for us to have community members inside our classroom and involved with our students. These relationships they build provides our students with good role models as well as having additional adults who take interest in their lives. They've been able it write back and forth. Our students wrote educational goals for themselves in the fall and been writing back and forth to their buddies discussing 00 on how they're doing. In june, our buddies will visit with us and we'll present animal projects to them and having a further discussion on the goals they set for themselves throughout the year. This type of involvement has been invaluable to our classroom and we have students that would like to tell but things we've done this year.

**Adams:** Great. Come on up. We're really glad that you're here. Before you speak, just tell us your name and we look forward to hearing from you.

\*\*\*\*\*: Hello, my name is daja and my buddy is don. We write letters to our buddies and they write us back. It's fun to get to know them and helps us to be a better writer too.

**Adams:** Good job: Give a round of applause. [applause] hi.

**Alexia Baretta:** Hi, i'm alexa and my buddy is sebbi. We shared our goals with our buddies and they ask us how we're doing on our goals.

**Adams:** Thank you, good job: [applause]

\*\*\*\*\*: Hello, my name is david, and my buddy is jennifer. Our buddies came to meet us at the school. They brought us new books.

**Adams:** Good job: [applause]

\*\*\*\*\*: Hello, my name is taylor and my buddy is patrick. At championship, our buddies came and brought us a new game and taught us to play the games and we ate hot chocolate and donuts.

**Adams:** Good job: [applause]

\*\*\*\*\*: I'm cameron and my buddy is dean. Our buddies paid for us to come here today. We get to visit the Portland building and see where they work. We'll have lunch after talk about their jobs.

**Adams:** Good job, cameron: [applause]

\*\*\*\*\*: Hello, my name is natalee and my buddy is kathleen. Our buddies will visit us to see our animal projects and will donate money to our class rooms so we have books to read over the summer.

**Adams:** Good job: [applause]

**Teem:** Having these buddies have been a good experience for these kids and we're very thankful for the program.

**Adams:** Good job. Thank you.

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**Kanwit:** Mayor and commissioners, when we were here last year, you generously donated more of your council time to meet each of the kids just to shake their hands and if we were time to do that, it was really special last year.

**Adams:** You --

\*\*\*\*\*: If the kids can come here --

**Saltzman:** If you want to go through my office as part of your visit, i've got interesting pictures of sea creatures on the wall. So feel free to go through my office.

\*\*\*\*\*: Great: [applause]

**Adams:** You're wonderful. You did a great job. Taylor, you did a fantastic job. Everybody did a great job. Hi.

**Adams:** Very nice to meet you.

**Leonard:** I was going to but now I won't.

**Adams:** I know you were. All right.

**Kanwit:** Thank you so much.

**Adams:** Anna, thank you for helping to make this happen. That gets back to council calendar item -- we'd gotten through 628, I believe. Unless there's additional -- anyone that wishes to testify on 628? If not, can you please read the title for 629?

**Item 629.**

**David Shaff, Director, Portland Water Bureau:** Good morning, i'm david shaff.

**Adams:** Commissioner Leonard.

**Leonard:** Thank you, mayor Adams, members of council. We have representatives of the water bureau here to talk in more specificity. We do find ourselves in a position to having to ask for a higher rate of increase than we would otherwise like to do. Partly, the rate increase is due to a -- a good part of it, us in prior years taking smaller rate increases than what we should have. And so part of the -- part of this rate increase, a substantial part is making up for frankly what I now consider a mistake in the past, to abide by perb recommendations and hold water rates down below what it actually should have been to keep current with costs. If you recall, earlier this year, council adopted a -- a request that bureaus accelerate capital projects, that they have in their plans, to help stimulate the local economy. Part of this rate increase is consistent with that. At powell butte, as council is aware, constructing a second 50 million-gallon tank to store water in. That project will create 1500 family-wage jobs over the next five years. Sometimes, percentages are somewhat deceiving so I thought i'd put in real terms what this rate increase means. It's a \$2.76 per month increase in water rates, put in context, with b.e.s.' rate increase, while that's a little over 6%, still a per-month increase over 10% higher than the water rate increase. So this is a responsible budget. It is vitally important to the health, safety, and well-being of our citizenry to have a water system work and not just to drink. When we have the unfortunate circumstance of fires that happen consistently throughout the city, it is important to have a water delivery system that works the first time. You don't have options at that point to look for other sources of fire. When a fire hydrant is turned on, it must work -- a fire hydrant. I'll turn it over to mr. Shaff.

**Shaff:** I'm the director of the water bureau. I just wanted to remark that I hate following fourth graders. I heard one of them say, oh, my god, I touched mayor Adams' hand. I touched amanda Fritz's hand:

**Fritz:** I didn't have a nametag on either.

**Fish:** [inaudible] you followed commissioner Leonard.

\*\*\*\*\*: That's not hard.

**Leonard:** There's nothing inconsistent with what he said, though.

**Shaff:** As I said, I hate following fourth graders. [laughter] I think I may have made a mistake here.

**Leonard:** One of a long series, by the way.

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**Shaff:** Thank you very much. I want to remind you who we are. We serve 800,000 people water every day. Either directly or through our wholesale contracts. We deliver 35.5 billion-gallons of water a year. Average daily demand is 100 million-gallons. We hit that yesterday. We were a little more over of weekend. On a hot summer day, 180 million-gallons of water. We have two dams and store about 21 billion-gallons behind them. 33 groundwater wells which can produce the average daily demand if we need it. We have three conduit, 75-miles worth of conduits. And we have 40 pump stations, 15,000 hydrants and 44,000 valves and 183 services. We have 130 drinking fountains and 22 decorative fountains, including two grand new ones that will be coming on in this fiscal year. Takes \$148.5 million to run this organization. And of that, \$69.5 million is -- constitutes our operating budget and the rates that we're proposing today reflect a 6.2% decrease in my operating budget. That's the basic day-to-day work done by the Portland water bureau. Keeping the fountains running and making sure that the drinking fountains are clean. And making sure as commissioner Leonard said, that when the firefighters roll up, the hydrant works. In addition, I have a \$78.9 million capital budget. That reflects a 38.5% increase over the last fiscal year. That sounds like a lot. We have a lot of things on our plate. We are looking at the potential for \$800 million over the next several years in expenses as a result of lg2. Building both a treatment plant, if we're required to, as well as replacing our in-town drinking reservoirs. Notwithstanding all of that, we've pushed out \$54 million worth of capital projects over the next five years in order to be able to afford this capital budget this year. Our revenue constitutes \$114.6 million from rate and charges. Retail revenue, receive about \$87.7 million from our ratepayers. From the individual homeowner owners to our large commercial customers or the port of Portland. Our wholesale customers ranging from tualatin valley water district down to the smaller customers, I think it was the [inaudible] water district which has less than 100 people. We get \$7.7 million in capital contributions, so reimbursable work and our s.d.c.'s bring in about \$10 million. The difference between the 17.6 and the 148 is financing. Debt financing. We have 627 positions in the Portland water bureau. That's a 5.9% decrease. We've eliminated 39 positions in the water bureau. They were vacant, i'm not proposing to day anybody off this year, but we're down to the nubs. I believe we've talks a little bit about our primary rate drivers. Let me tell you again. They're the c.i.p. Lg2 and as I mentioned, we're partially offsetting our rate increase and our c.i.p. increase by pushing projects out into the out-years will you define c.i.p. and lt2.

\*\*\*\*\*: Long term enhanced to surface --

**Fritz:** What is it?

**Shaff:** A new federal drinking water requirement that deals with the parasite cryptosporidium and requires us to build a new treatment plant and remove our on reservoirs at mount tabor --

**Fritz:** C.i.p.

**Shaff:** Capital improvement plan.

**Leonard:** We're resisting those regulations including having filed a federal lawsuit and intensely lobbying or congressional delegation.

**Shaff:** Yes. Other rate drivers include inflation. We have a lower cola than anticipated. That's a good thing. We'll get a small rate benefit from that. We're hoping that will allow us to bring some of the money back that we had cut from our budget to higher a number of -- hire a number of summer youth over the course of the next several months this summer. Primarily our costs are driven by things like chemicals and power and steel. The basic nuts and bolts of the water system. As commissioner Leonard mentioned, there were a number of deferrals of prior rate increases. The resource we had available. We had use them. But we're at the point we can't defer them anymore. Commissioner Leonard mentioned we had a number of rate increases we deferred in '05-06 -- we had rate increases well below inflation and we are now at the point where we have to catch up to those deferrals. Our retail demand has dropped. As dave johnson from the purb mentioned and i'll cover a little bit more later on. And our reimbursable work is down. Our s.d.c.'s are down and

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lower overhead billable rates. From the standpoint of the c.i.p. And let's, we looked at eight treatment plants built across the country that produces over 100 million-gallons a day. And we remember, we have to build a facility that can produce at least 200 million-gallons a day. We've looked at the last 10 years and the average length of time to build them was 62 months. As of July, we have 56 months. So the sky's not falling but the countdown clock is ticking. It's sitting on my desk. I have 1,776 days to complete a treatment plant -- I have 1,776 days to complete a treatment plant.

**Leonard:** That's a patriotic number.

**Shaff:** I didn't think of that. We're primarily a fixed cost system. 35.5 billion I don't know dollars. If it's only 34 billion, it will still take approximately \$148 million to run the water bureau. We are lowering the forecast to align with actual usage in recent years. This next year, we're predicting or forecasting \$27.8 million c.c.f. Doctor, 27.8 million c.c.f. We're on track to use 22.2 c.c.f. This fiscal year and this was not a particularly -- from July 1 to June 30th, was not a particularly hot year.

We believe our forecast is accurate and we've missed it a number of times and that's why we've adjusted down to 27.8. Moving down to 27 million c.c.f. which is what the purb and Dave Johnson specifically asked us to do, has only occurred one time since 1970 and moving it all the way down to 26 million c.c.f. which is another proposal we received from the purb hasn't occurred since 1968. So --

**Leonard:** So wouldn't that have the effect of lowering or increasing the rate even more if you lowered --

**Shaff:** Yes, if we had to lower the forecast to 27 from 27.8 that we're using it would increase rates even more. Yes. From our perspective, the economic downturn has not really materially impacted demand this year that we have seen and we don't really expect to see that next year. But as I said, we have reduced our demand from 27.8 despite the fact that this year we think 28.2 at least. In our rate summary, I want to mention the average effective retail rate information is 17.9%. It reduces our operating cost by more. The required 5%. We've eliminated 24.5 f.d.e.'s and 14.5 in the water bureau. Those will do important things in maintaining our systems. We have changed our low income discount program. The increase from 40% to 50%, which will result in possibly 978 \$9.78 a month. Our is item development charges increases are less than 2% and I have a chart at the very lack that shows we are well under other. Developers have been. Pushing for as long as commissioner Leonard has been here. If you're going to -- you're going to wonder, we give them a bill that has a 30 or 40 or \$50,000 increase. We're going to get one number and tie with that number.

**Fritz:** How are we improving the certainty of our estimate.

**Shaff:** We will, on an annual basis, go through our rate charges and look at all the system we rebuilt and change our policies along with that.

**Fish:** Did you say gnat?

**Shaff:** I did. This is a judgment call that we made. The base charge is currently below the cost of service. It has been since commissioner Sten was in charge of the Portland water bureau and a policy decision was made to move forward on the rate charge. Currently, we exclude meter costs, meter testing. It's part of the cost that making sure that water is available at your house. So we have not made a policy decision. That is something that we will be talking with purb about. Talking about the base charge. We simply made the decision in this fiscal year that the rate increase should be across the board. I will tell you that the proposed increase does not capture the full cost of the water on the meter.

**Saltzman:** There is going to be a group put together to look at the whole basis of the charge?

**Shaff:** There is a group, and they have been meeting. We are due to see a report from them sometime in the next month or so.

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**Saltzman:** So the report is due. So this testimony from erb that says they didn't they didn't know about --

**Dave Hasson, Portland Water Bureau:** Commissioner, this base charge committee you're referring to, we have been talking about the base charges since at least January, maybe even.

**Saltzman:** I know you were talking about face charges and the concept, proposed 22% of base charge.

**Hasson:** There was discussion on at least two occasions where we talked about these items Dave individual just mentioned, meter cost, meter testing. I don't recall if that specific conversation occurred at person -- perb until the past perb meeting. The case committee work group is proposing to provide information to council in a more complete way so that, in future years, we can follow the rule that council instrublighting. The role leu metric charge we have to go up 12%, not 17.9. We made a judgment call. We made the rate increase across the board on base and volumetric, and the base charge still does not capture the full cost of service, and that's the cost to provide you with water whether you use any or not. So if you leave your house and go away for the next six months on vacation, there is still a cost to provide service in 2000 to that meter. The proposed rate increase will not entirely capture that cost.

**Fish:** Just to follow up, if you put the burden on the volume charge always the alternative, that dispriority priority affects the difference.

**Shaff:** Bids that are large customers are the 1 also ling had are the ones that taig the hit. If you turn the page to water bills, I just would not go through the typical monthly bill and make some comparisons. We use c.c.f., so I'll try and interpret for you. The typical monthly bill fill still 17.9 percent the%.

**Fish:** It's one of the reasons we had to cancel most of those services. Let's come back to your comparative. What explains why beaverton, for example, and gresham in your chart are significantly more expensive than the proposed rate here in Portland? Do you have a sense on that? You do have comparisons typically molly. Typically the gresham rate is close to twice.

**Shaff:** Commissioner, I don't know. It's hard to answer that, commissioner, with a lot of pes fissty, but there are a couple of factors. One is we have economy as a scale in our is item. Other factor is - - you know -- they -- relast related to that u I guess, is spread over a smaller number of units, so their rate is higher. Their rates are set, in part, on what we charge them, and what we charge them is based on a wholesale contract very specific in terms of what we charge them, how we charge them, including depreciation, oh on. Our depreciation, so on. It's a completely different structure for them.

**Shaff:** And frankly their system is a little more expensive to run although they get bull run water from is. They supplement with their own ground water system, and we pump. As I mentioned, low income, residential, 55 ccfs will actually go down to etch \$8.6 a month. Up 50,000-gallons a month is a lot of water, does up to 75 sun the \$61.. I don't know if Tracy introduced himself as part of the management of the Hilton. His share is 13,000 a gallop. We know there are increases to our very large commercial customers, but we're talking about 3.4 million gallons a month. Looking at our basic utility services, I've already mentioned that, in the past, water is a very cheap commodity. If you look at the comparison between water, natural gas, electricity, the telephone, sewer, recycle, water is a very good deal. Commissioner Fish, you mentioned something about the utilities in your household. I \$56 a month for water, sewer, and storm water. \$56 a month. I pay more for my cellphone. You've already looked at the chart on the compare sop of monthly residential utility bills. We are one of the cheapest rates in town. You're going to see Rockwood going up, building newwells. The startup of the Hagg Lake complex, we are all facing significant rate increases. The next page, recialt we shall I have nrd touched on. Page 11, if we reduced our operating costs by an additional reduction, I would lose \$440,000 in wholesale revenue, a half a million dollars in capitalized revenue benefits, and there would be a rate benefit of about 2.9%. I don't know where

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the 35 positions would come there. Bottom line is i'd have to reduce services, to stop maintaining decorative found thanhs, fop tans, i'd have to cut positions I can't arrest forward to cut, and you would see a reduction in service. Do you want me to stop talking now? I can stop right here.

**Adams:** Unless there's objections on council, i'd like to suspend the rules to hear the resolution which is contained in council calendar item 668.

**Item 668.**

**Saltzman:** To roy the work of Oregonians against human trafficking, the resolution in front of us is intended to bring attention to the problem of human trafficking. There's a misconception that human trafficking is an issue in asia or europe, but there reality it is occurring right here, people being bout, basically saves, either for prostitution or labor. Often beaten, starved or used for unpaid labor. I want to bring up the deputy sheriff who is really doing an outstanding job as the leader of the task force. Commissioner mckeel?

**Adams:** Welcome, comisher. We're glad you're here.

**Diane McKeel, Multnomah County Commissioner:** I would like to thank commissioner Saltzman for his work on this issue. Tomorrow I will be bringing forward a similar resolution before the board of county commissioners. I hope you will support commissioner salts man in recognizing the work being done by the Oregon human trafficking task for the and supporting the campaign. Last year I had the privilege of complete can the Multnomah county sheriff's office's citizens academy. There is met deputy keith bickford who opened my eyes to an epidemic going on right here in our back yard: Human trafficking. Today in the united states, it's estimated 300,000 minors are being used for exploitation. 90% of the rick tips are american citizens. In the most recent f.b.i. Cross country sting, Portland was number 2 are traffic victims found. We cannot be sitting idly. I encourage all of you to take the oath against ending human trafficking, also attend the uhlly exploited use conference this thursday at recent noaltds high school in the to learn more about human trafficking. Please feel free to contact deputy bickford or myself for more information. Thank you again for having me today. It's been a pleasure to work with commissioner Saltzman and shannon callahan on this issue and the res resolution put before you. I look in order to our ongoing relationship, and I will turn this over to deputy bickford for a few remarks or any questions you might have.

**Keith Bickford:** If you have any questions, i'm more than willing to answer. Commissioner mckeel pretty much said anything there is to be said about it. I just try to make sure the issue of any child sexually exploited under the age of 18 is considered human trafficking and also to find a place to he he cure these which were, these young people, to help them get back a regular life of a 15, 16-year-old.

**Fish:** Deputy, many of us were at a monta ridicule la public forum, I think, in the fall. There was some testimonials to the extent recruitment is going on in our public school system. One of the pimps I spoke to in prip told me he referred to a high school as a buffet of kids to recruit. It was very easy to do that type of recruitment in the schools. So that kind of kick started my about in getting involved with both the junior highs and high schools in the state of Oregon and to not just educate the administration but the teachers, councils, 'cause todayians, anyone -- custodians, anyone involved with the children.

**Adams:** Any dugs from council. Thank you very much.

**\*\*\*\*\*:** Thank you for your time.

**Adams:** Does anybody wish to testify on calendar item 668? If not -- we've lost our clerk -- is anyone signed up? Karla, could you please call the roll?

**Fish:** Thanks to county commissioner mckeel for her leadership on this issue and to my colleague, dan Saltzman, and always the proud father of a high school girl, that this targets kids who low 12 self he is team, i'm dismayed that this is something we have to protect our children against. Aye.

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**Saltzman:** I urge all of us to support the Oregon trafficking campaign to make the first step in solving a problem, acknowledging that there is a problem. This is a step in that direction. I also wanted to thank deputy- sheriff bickford. Aye.

**Leonard:** I appreciate the work on this. Aye.

**Fritz:** Aye.

**Adams:** Aye. Resolution is approved. We'll now get back to david shaff and the dugs of council calendar item 629.

**Shaff:** I think my presentation is pretty much at an end. The last three pages are simply examples of how we would achieve an additional cut to get down to that perb recommends issue of 5%.

**Adams:** We'll go to testimony. How many people have signed up in. We'll be taking a half hour break at noon because we may be going all day.

**Cathy Tortorici:** I'm a board member of the harrison cone consistencies. Condominiums. I hope it's appropriate to bring up sewer. Based on my calculation -- and I could be wrong -- of rate increases that you guys are proposing, it's going to be about \$7000 per year increase based on water and sewer for the persons that you all are proposing, and that's quite a bit. Our building is it's not a high end condo. We have homeowner association fee that's are probably higher than average for the average condo in Portland because it was an older building built in the mid to late '60s. So this is a lot. In addition, the business improvement district is proposing a change to the city code you will soon see is to bring consistencies in to help change, starting to charge us \$15,000 a year for inclusion in the dis improvement district. Between these two items, that's about \$22,000 in one fell swoop increase for us. I'm not here to say the increase is not appropriate. I know dean merriitt personally. There are issues at hand that need to be dealt with. I'm asking you all to be thoughtful about the increases but the other encary mental informses that could be imposed upon our condominiums all at once. We are taking items to diminish the usage. We've bought washers that use after the water that they have now. We're not trying to build on the sustainability that the city is known for. It's just that this is an expense, a high expense for us, and i'm really just asking you all to be thoughtful on your fine decision on what you end up with.

**Adams:** Thank you very much for your testimony. Unless anyone wishes to testify, mr. Shaff, commissioner Fritz has a question.

**Fritz:** Thank you very much for working with our office, the summary tables we were provided. It breaks out the 17.9% increase. And one of the factors is I know face at 4%. I'm not I know claition inflation is the lowest but --

**Shaff:** It's a blended inflation rate that we've worked with a.m.s., and o.m.s. is comfortable with that rate. We were predilgting a predicting a larger cola, which would give us a benefit, a very small, less than a half percent benefit -- and I cut a little over \$400,000 of my part-time budget the jet to see if I can bring some of that in. We usually paint and maintain our fire hydrants, but we're cutting that out this year. One of the things we're way beyond on is meter box monitoring. The mold, et cetera, that's fairly easy for a young group to be able to work on.

**Fritz:** My other question is about catching up. Do you have a plan for when we'll be caught up?

**Shaff:** We have, through our asset management group, plans for out years. I think what we're going to be doing for the next several years, for the next five or 6 years is primarily just trying to tread the water we're treading while we get through our capitol expenditures. Once we've done that, we will have what I would call rate capacity to turn our attention to other things. We will maintain, but we're probably not going to catch up, not for the next he have rail years.

**Fritz:** And the l.t.2 and the other capital improvements is about 4 by 1 portion in. Is that counting on the \$380 million treatment or the \$180 million?

**Shaff:** The 385.

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**Fritz:** When I raised this into the budget discussion, I was told that would be part of the rate discussion. Should we at some point, council, have a dugs on whether we want the \$385 million or 380 million?

**Shaff:** What I have in this year's upcoming budget is it's just under 10 million-dollars for dining a treat plant and whether I design a u.v. Plant or direct filtration plant. It will not have an effect on this year's rate. It will have an effect open hours.

**Leonard:** I've asked the water bureau to form an analysis chairing each of the open hundreds, the costs u the benefits, the attractions of each of the various treatment options we're allowed to do. We will all be getting that real soon.

**Fritz:** So it doesn't affect this year's rates?

**Shaff:** No.

**Fritz:** Could we have a public hearing on that?

**Leonard:** Absolutely. Our intention was to have a work session on that. They do need to start engineering something this year.

**Shaff:** Our chief engineer would like us to make a final decision by july so we can get moving. Fritz thank you.

**Saltzman:** I think I was concerned during the work session. Your inflation factor is 4%?

**Shaff:** 4%.

**Saltzman:** But the cola for employees is the same for all --

**Shaff:** Yes. I think it's 2.8.

**Saltzman:** I think I was confused about that previously.

**Shaff:** It's the same across the board. We're simply using a blended 4%. And that also include materials, power at 16 clrs, and steel prices nationally are going up at 20. You blend all of those things and the weighted average is a little less than four and the difference between that and the four is using that for the upper youth employment.

**Adams:** Any other dugs from council? Anyone signed up to testify? The next we meet is tomorrow night at haunt toy bore taylor middle school. Please read item 639.

**Item 639.**

**Fish:** This was in the concept a consent agenda. This is a noncontroversial matter. We are accepting a grant of \$3.5 millions with an r.f.p. to follow to allow community-based organizations to acquire derelict properties and foreclosure and then to add them to our inventory of stock and affordable housing. The reason this was pulled -- and, buyer the way, on june 3 june 3rd we'll be giving a full report to the council including some proposals on how this money would be spent. Today is to correct a scrivener's error. There's a technical issue but it needs to be confirmed.

**Adams:** Is there moved? Is there a second?

**Leonard:** Seconded.

**Adams:** And as by the Fisher and on paper. Is there anyone who wishes to testify on the amendment? Karla, will you please call the roll on the amendment?

**Fish:** Aye. **Saltzman:** Aye. **Fritz:** Aye. **Leonard:** Aye. **Adams:** Aye.

**Fish:** Just by way of contact, Oregon received 19.6 million under the program. The city share is 3.5 million. And as I indicated earlier, we'll be coming to the council to obtain those properties, aye.

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

**Fritz:** My understanding commissioner is when properties have been foreclosed.

**Fish:** [inaudible]

**Fritz:** Thank you. Aye.

**Adams:** Aye. 639 is approved. Can you please read 648.

**Item 648.**

**Adams:** Commissioner Saltzman.

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**Saltzman:** Dan handelman wanted to remove this from agenda. We have to amend k for project 57 jail beds. I'd like to move the amendment. We omitted two items off of the list of probable cause.

**Adams:** Moved and seconded to amend addendum k as noted on the handout. Is there council discussion about the amendment? Is there anyone that wishes to testify on the amendment? Karla, please call the roll on the amendment.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye.

**Saltzman:** This is an agreement with Multnomah county to pay an amount not to exceed \$465,000 to prearrangement lodging of designated chronic arrestees to reduce in order to increase neighborhood livability.

**Adams:** Is there anyone else who wishes to testify? Mr. Handelman, welcome.

**Dan Handelman:** Good morning mayor and commissioners. My name is dan handelman with Portland cop watch. I think it is a mistake to put something this controversial which has landed the city both into the court and in headlines. This has happened before, and it should be something controversial to put something like this on the agenda. The enrolled set of chronic arrestees are included in this program, it seems like these people are the people that were picked up on the hidden list. A judge ruled the city would not use up a list to epp to encourage this kind of think. I wanted to oppose putting more money into the program. Like the now drug-free don'ts, the bay is of this project is the arrest and not the convictions of the people involved. Who is monitoring whether the police are treating people differently and targeting some people for repeated arrests because of their personal feelings or perhaps grudges against them? How do you find out if you're on the list? How do you get off the list? I'd also like -- target 57 has targeted primarily african-americans in a city that's 6% black. Why not let them channel clients who want treatment who want programs to reduce recidivism instead of police decide who gets these programs. Apparently this list of who is overseeing this program does not include anybody in social service agencies or in mental health treatment services or any other kind of community services. It does the involves many but not the police. By vote will on this, the entire council member has to take responsibility for the program. It's another one of these drug-free don'ts, the task force, and we expect soon the sit lie, which I hope will good away. We are watching.

**Adams:** Thank you, mr. Handelman. Unless there is not additional conversation.

**Saltzman:** There are two people here if you have questions.

**Fish:** Aye.

**Saltzman:** Thanks Dan, I think your point about putting things on the consent agent is a fair one. Sometimes we try to figure out what's going to be controversial and what's not. Clearly we missed the boat on this and I apologize for that. But I do think this is a good program. Aye.

**Leonard:** I respect dan a lot, and I would, however, respectively disagrees with his position of the council voting on a number of programs like this there are questionable. I've never voted for -- in fact I led the effort to have the town will draw from the tack of task force. I've opposed the site andly and lie ordinance each time. I thought only support this program. I created this program back when tom potter was mayor. The reason I did was because of the desperation that human beings find themselves in. We've unfairly classified them as criminals when in fact they're drug and alcohol affected human beings who don't know how to survive other than victimize other people. I won't bore you with my life experiences about dealing with people like that except to say five years ago officer jeff meyers agreed to have me walk around with him in old town and observe what he deserved on a daily basis. What he observed and what I know commissioner Saltzman is also aware of as well in his role of police commissioner was ramp pant drug dealing, drug buys, ram hament ac liss end where, in my view, people who could be pro tuck tiff residents in our city, were dulled by their addictions. They live on the streets, rob, steal, anything they need to do to get the next bottle of wine, the next fix. I said, so what do you need? Do you need more police? And he he had, you can't repeat, but I have a number of times i'm going to tell you, we nope need new police. We have

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to have beds to put people in when we arrest them. That was the reason since creating the program that we're reauthorizing here today. People who are addicted to substances generally are at risk -- addicted to multiple amounts of substances, are aware of nothing but feeding that addiction. You approach someone and you say, do you like being in jail? The answer is usually, I do not like being in jail. We have founded programs for treatment of drug addiction and alcoholism that we make sure that people who end up in one of these beds have the option to go into. I mean really people say, I'd rather go to treatment than be in here no matter how bad they are addicted. Early on in this program, what we found happening is, sure. I'll go to treatment. They go in the front door and out the back door, and somebody will be waiting and say, oh. You thought this was a game. Well, you get to go back to jail. People in the community realized this was a carrot and stick approach -- approach. The results after five years are this. We have seen an 80% decrease in the re-arrest rate -- re-arrest rate. Close to 80%? The vast majority of crimes are committed by these top 400 offenders. What you need to understand is 80% of them have developed out of the criminal justice system after they've gotten treatment, and they've sobered up and gone on to lead productive lives. In old town, crime has dropped 35% since the institution of this program -- institution of this program. I understand and appreciate at least as well as anybody else in this room your constitutional concerns. This is not an example of that. This is saving people's lives, giving people another chance at life. This is saying to human beings we're going to give you choices to improve your life and give you a second chance and sometimes a third chance or fourth or fifth, and they're proving it pays off when they stick with it. I'm sorry to go on, but there have been a number of debates in the community and one that I fear, if it isn't explained and re-explained and re-explained, people will not understand that it's actually them becoming victims of crime but the people who are committing the crimes turning their-- crimes turning their lives around. We've been visited by delegations by other countries to look at this program, because this apparently is a cutting-edge approach to dealing with crime, and it's one that I will vigorously support and defend along with -- I know commissioner Saltzman feels at least as strongly as I feel about this, and I hope the community appreciates the thoughtfulness of this program. Multnomah county hasn't a wonderful partner, mayor Potter, mayor Adams, and this is a program that we're unique not in the city but also this world..

**Fritz:** Having a different background at OHSU, I have a somewhat different outlook at this. It's of concern that some many think, if you do a six-month program, you're done with the whole concept. Public defenders perhaps directing people to quicker treatment? The council has made a commitment to treatment. The mayor recognizes that these problems are all connected and that we need to fund services so that people can get their lives together. I support this ordinance because it funds from last year to this year, July 2008 to 2009. I didn't have a question it being on consent, because it's basically paying our bills.

**Adams:** I think protecting people's civil rights are shared by everyone on council. I, too, am impressed with the value of this program, and I want to make sure these are two values that are mutually inclusive. I want to thank commissioner Leonard, commissioner Saltzman, and the entire team that works on this to try to change people's eyes for the better. It's a co-responsibility we have with those individuals. Aye. [gavel pounded] Approved. We have seven minutes until our break. Is the trash can person here? Item 659. Let's hear first reading of 660 unless that's going to be long. That is the northwest prison he is driving north for vacation. They're here. Great. Please read the title for council calendar item 659.

**Item 659.**

**Adams:** This product emphasizes Portland's leadership. We are required to develop private/public partnerships and improve and reinvent those systems when those partnerships are rowdy and free philosophizing on a two-way bay is. What we're talking about today is going from less us neighbor us neighbor garbage cans to more sustainable garbage cans. These will need to be emptied less by

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by one 1/4th. This many result in container overflow, create partnerships, and this project reflects the business community's commitment and government's commitment to us that ability and presents exciting opportunities for future expansion. I would like to underscore our thinks, my thinks to greg good man and his company for helping to lead this, also mike sigh kendall, and kevin costas from the bureau of planning and us that ability.

**Greg Goodman:** Thank you very much. It was interesting, a couple years back, I was in boss tong and I saw what looked like a big belly trash can, around I didn't know much about it. I read about it and came back to port and thought this would be a great idea. I went to the mayor's office and, no surprise to me, the city of sugh that ability knew all about them. Not only did they know about call of them, but they set me up with jim foster from bill belly, and we ended up putting together a concept for the team, city, business alliance with the possibility of rolling these around downtown Portland. Obviously there's a significant cost associated with it. But is our intention to have the businesses pay for them. We'll have a small logo on the side of the can just saying the business' name saying they sponsored this environmentally friendly trash receptacle. In addition, they get to ladd a get to can to can had acknowledge the program. So, anyway, we're really excited about them. They'll beautiful, modernized, far sleeker, far better, and there's actually going to be some art of Portland landmarks on it. So it could be the train station, the convention center, Washington park, whatever it may be.

**Adams:** A head shot of one of is?

\*\*\*\*\*: I was thinking the liewfer the lieu redluove.

**Goodman:** Well, we were thinking of randy and his name on it.

\*\*\*\*\*: As your lawyer, I advise you to top right there.

**Leonard:** By the way, that protect you're working on is stalled up in permitting.

\*\*\*\*\*: [laughter]

**Goodman:** So, anyway, I would like to acknowledge some people, and we're really excited about this. There's a few people that this wouldn't have happened with, kevin here to my left and mike to my right. Bruce walker with the city, these guys put -- I kept calling and saying, where do we stand? These guys put a huge amount of effort into it. Despite the two big bellies that we have --

**Adams:** It looks great, by the way.

**Goodman:** Oh we're going to do two of those in the area. The crown plaza and bank of california the car k58 fompa forn that bank, we have 250 -- I mean, we've got --

\*\*\*\*\*: 175.

**Goodman:** So i'd like to be able to get that done and ideally expand it to the rest of the city. I've talked enough. Mike wants to roll a video.

\*\*\*\*\*: It about two minutes long just detailing the program and us that ability of the city.

**Adams:** Big belly.

\*\*\*\*\*: Big belly.

**Leonard:** Garbage cans --

**[video presentation - start]**

\*\*\*\*\*: Ways per week, ways that pill into our streets, parks, waterways, damaging our environment and creating a public health nightmare. Today's collection pro cease creating even more problems, more trucks, more pollution. There is a better way. This is big belly, the world's first and only solar-powered trash compaction system system. It blows the lid off ordinary garbage cans by offering a more cost effective way. It is all accomplished with the power of the sun. The solar panel provides 100% of energy which it uses to drive a powerful trash compactor. It's been engineered to be so efficient, it runs in without any direct sunlight, meaning it works anywhere, in any climate and in any weather. Compacting the trash before the collection, big belly solves some big problems. 80% less means 80% less of fuel. Fewer trucks on the street also means less traffic and roadways. Rather than spending their time behind the wheel, staffs can repair roadways and

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help investments in our community go farther. Big belly's solves this problem by keeps rats, raccoons, and birds out of the trash. This will create cleaner cities around the world. Big belly. Find out how it can be a beautiful thing in your community.

**[video presentation - end]**

**Leonard:** That was great.

**\*\*\*\*\*:** We were hoping for that reaction.

**Adams:** Thought his arm was caught in it.

**\*\*\*\*\*:** Anyway, thanks. Folks, this is just another opportunity for a public/private association. We're going to hit that that 175 number. That is our goal.

**Adams:** Thank you very much.

**Fish:** May I make one comment. I really want to get to lunch. But I also want to acknowledge the effort last week to raise 120,000 to save the water park summer festival. I want you thank you, greg, for the contribution you made and all the people at helped us raise 120,000. 20 of that will go to next year.

**Fritz:** I just wanted to thank the Portland business alliance. The almost five months in the office i've found how much the Portland business alliance does for the community. I really appreciate all your good work, and this is specially is innovative and Portlandish, and we appreciate it very much.

**Moore-Love:** I did not have a sign up sheet.

**Adams:** Anyone wanting to testify on the big belly matter?

**Leonard:** I want to change the name of it.

**Moore-Love:** This is a nonemergency.

**Adams:** We will vote next week. Thank you all, very much. I expect passage. So it is now 12:05 and we will be taking a 30-minute break. We encourage you to take a break at well till 12:35.

At 12:05 p.m., Council recessed.

At 12:38 p.m., Council reconvened.

[roll call]

**Adams:** Karla, please read the title for council calendar item 654.

**Item 654.**

**Adams:** Thank you. Appreciate the council consideration of this resolution. The Portland-based businesses pay Portland fees and taxes and they should be afforded every opportunity under the law to procure or be the place that we, city government, procure our goods and services so today we're considering a resolution that moves forward a reform to the procurement of goods and services by providing purchasing rewards to local firms as defined in the resolution. We will hear from skip and jim van dyke. The legal constraints in putting together a local procurement program, and the reason to try, as difficult it is, for every \$100 invested in a locally-owned business, \$68 are returned from taxes and payroll and sources other locally owned businesses. In contrast, \$100 on a nationally based business, \$43 stay in the local community. I want to be very clear, we support and love both businesses, but again, businesses headquarters here pay our taxes and fees and deserve every consideration. These are statistics based on a report done by the u.s. Department of lain labor. This program also, the establishment of a local business enterprise designation for potential contractors and existing contractors, policies in place, that's minority women and emerging small business designated contractors, and we have skip, who is going to provide us with more detail and answer questions. Skip new berry.

**Skip Newberry, Mayor Adams' Office:** Jim van dyke from the city attorney's office and jeff baer are a little bit you delayed but i'll do my best to answer questions regarding the legal and policy of this anticipated resolution. It's a great summary of what we're trying to do, to work within the

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constraints imposed by state and federal law to try and promote local businesses where possible with the city's purchasing policy. This proposed resolution complements the existing programs that we have to assist businesses locally in their attempts to engage in procurement with the city. With city contracts that includes, the minority women and emerging small business program, as well as the state program that relates to the sheltered market program as well.

**Adams:** Questions from council? How do we make sure that we're not gouged? The flip side, how do we make sure we're not gouged by local businesses?

**Newberry:** That's a great question. If you look at the second page of the resolution. Under the section that says now, therefore, be it resolved, both bullets contain language that address that concern specifically. It says that such as lack of available contractors or unreasonable price, is it's essentially a limitation that allows the bureau of purchases to look elsewhere. In other words, not at local firms, if they find that the firms locally that are available are charging unreasonably high prices.

**Adams:** And how do you define unreasonable prices?

**Newberry:** That, a question for jim van dyke. We posed that to him as part of the changes made as part of substitution which addressed the price gouging issue.

**Adams:** So he's not here. So is there anyone signed up to testify on this matter?

**Moore-Love:** No one signed up.

**Linly Rees, Deputy City Attorney:** I understand there's a substitute residence resolution, may I suggest that you move that please.

**Adams:** Thank you. I move to substitute.

**Fritz:** Second.

**Adams:** Moved and seconded to substitute. Any discussion on the substitute or anyone like to testify on the substitute. We're on item 654.

**Fish:** As I understand it, the substitute includes some language about qualifications in the resolve and goes to the question of price and available contractors based on some conversations you've had with colleagues and so that's been seconded so i'm a strong supporter of that.

**Adams:** All right. Karla, can you please call the roll on the substitution motion.

**Fish:** Aye.

**Saltzman:** Aye.

**Fritz:** I greatly appreciate the mayor and staff being willing to work with this and giving us a heads up on the language and making sure that emerging small businesses have a good shot at getting contracts. Aye.

**Adams:** Aye. [gavel pounded] substitute is approved. So jim, can you speak to -- or jeff, i'm not sure who, how do we make sure that this is not abused by a local business. In terms of price gouging. What's the definition of unreasonable prices?

**Jim Van Dyke, Sr. Deputy City Attorney:** Well, we -- that may depend on the individual circumstances, but jeff has considerable flexibility under his existing authority under code to set policies and regulations and so I think this is one of those instances where my recommendation would be to let the program proceed and to address the problems as they arise, rather than trying to guess every possible permutation of facts that may occur. So --

**Adams:** And jeff, how would you approach the conversation, discussion, or the issue within the procurement process around reasonable or unreasonable prices from a local vendor?

**Jeff Baer, Director, Bureau of Purchases:** Well, our plan is to work with the bureaus to did a competitive solicitation process but focus on inviting the local firms to participate and we'll use the competitive process to drive the pricing and selection to those who are the lowest responsible cost from who we choose to select and invite into bid on it.

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**Adams:** And for the background of those people watching, this is as much as we can do legally, and if you could -- one of you sort of give a legal constraints 101, a quick summary of that for our education.

**Van Dyke:** Sure. State law drives most of what we can do in this area. And state law says that for most construction projects and for goods and services contracts above \$150,000, we have to formally advertise those projects and it also puts restraints on the city's ability to qualify what bidders we can look at and what we can't look at. State law doesn't give us the option of only looking at local businesses. But state law does give us that option on goods and services contracts below \$150,000. They're not required to be competitively advertised. They're required to be competitive in the sense we have to call up and get at least three price quotation from various firms for these contracts but it doesn't dictate where we go to find those firms. So we have flexibility in that regard.

**Adams:** So construction contracts, this would not -- that doesn't qualify for this effort based on the legal and state constraints.

**Van Dyke:** To the extent there are some construction contracts where we can seek informal price quotations, we could do that, but generally speak, those are going to be under \$150,000, it would be very, very small, almost any construction you do is above \$150,000 these days. It wouldn't be effective, I wouldn't think. I would add this resolution does not cover construction projects because we have an exemption under city code, anything under \$200,000, we give first sourcing to our sheltered markets participants and that's where we do a sheltered market contract who are minority women and emerging small businesses.

**Adams:** And local?

**Van Dyke:** And local.

**Saltzman:** I'm looking for the reference to unreasonable prices.

**Fish:** It's not amend. The first -- you don't have the amend in here.

**Saltzman:** Yes, weigh don't have the amended. Oh, I see. Ok.

**Adams:** And what's the volume? What's a guestimate of the volume that is in this sort of purchase of goods and services contracts at less than \$150,000?

**Baer:** I think it's a large number of contracts, I don't know the dollar value in an aggregate sense but I can provide it.

**Adams:** Additional discussion from council?

**Fish:** Thank you, mayor. I'm pleased to be a cosponsor of the amended resolution and want to talk to a couple of points to mic sure that people are clear. There's a strong sense in our community -- a strong set of values around supporting local businesses and keeping local dollars here and supporting people that frankly pay our taxes and volunteer at our schools, are here. Now, historically, our tax structure has provided an unlevel playing field because of the business license tax and fee with other jurisdictions and we had a taste of that recently on the matter before us on purchasing some automobiles and what dealers we'd use and cost structure. So as I understand this resolution, what we're putting into place is a limited program, limited by -- as the mayor pointed out, by the constraints of state law, that will give us the flexibility to reward a contract with good corporate citizens who are local businesses. And the safety valve for the taxpayer is we have a screen here to make sure that the price -- that the prices are otherwise reasonable. Is there consideration, jeff, to report back to council within a year or six months or a year, as to how this program is operating and how mewsb participations are and comparative information about cost?

**Baer:** Yes, and we publish an annual report that highlights our contracting, previous fiscal year activity and we had the most recent on our website right now. We'll continue to do that. I think this is a perfect area we can highlight how this resolution was enacted and what was the result.

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**Fish:** And we're looking for the good news, that folks who otherwise have not been able to participate on a level playing field but any recommendation how we can continue to strengthen that. Thank you.

**Saltzman:** I apologize, I stepped in here a little late here as skip was giving the overview. This is fully consistent with state law, and then the unreasonable price that was added in there, that would give purchasing discretion.

**Baer:** We would build that into our procedures, if we're getting over-inflated pricing on a particular commodity, that gives us an escape valve.

**Adams:** We discussed in the policy formation and it came out of a good conversation with commissioner Fish to put a percentage and they convinced me over the course of the year, this gives them the administrative authority to do that but gives the flexibility to figure that out.

**Saltzman:** As to unreasonableness?

**Adams:** Correct. A percentage over. We have a great procurement shop and report back and I think is a good concept from commissioner Fish. Anything else from council? Anyone signed up to testify.

**Moore-Love:** No one signed up.

**Adams:** Anyone seek to testify on council calendar 664. Please call the roll.

**Fish:** I want to thank you for taking the lead on this, this is the next, I think, logical step in the city's program of supporting home-grown businesses that are good corporate citizens and have from time to time been disadvantaged but of an inequity between our structure and that of surrounding districts. It's limited to scale, and it has a screen to ensure that -- gives some assurance to taxpayers we're still getting a good deal and not over-paying for the promotion of what we consider to be an important value of supporting local businesses. And within a year, we'll have a sense of how it is working and whether it needs to be fine tuned but I think it's timely, particularly in this downturn and reasonable in scope and enough protections built in that it's a good deal for the taxpayer. Thank you, mayor for your leadership on this. Pleased to vote aye.

**Saltzman:** I appreciate the mayor's leadership on this. Aye.

**Fritz:** I'm very enthusiastic about supporting this. Directly addresses one of the issues I ran about in terms of spending city money within the city and part of spending taxpayers a money wisely. We did a poll and over 60% of the Portland voters said they support spending money in Portland even if it costs a little more. That's important, because it means that our community understands how important it is to spend our money on in Portland businesses and levelly owned. And the resolution goes as far as it can under state law. And individual bureaus which have direct purchasing authority up to \$5,000 are also directed to purchase goods and services from businesses within the city. And i'll make sure that my bureau know of this improved new process. And i'm very excited about this. I think it's a good step forward and thanks to mayor Adams for making it happen. Aye.

**Adams:** I want to thank my colleagues for their questions and contributions to this resolution. I want to thank commissioner Fish and his team for suggestions to make it even better. We're very lucky to have jeff and jim and skip and kimberly and clay focused on these issues and it's something i've wanted to do, as jim knows, for a very long time. So i'm glad to be in a position to help make it happen. Aye. [gavel pounded] can you please read the title for council calendar item 655.

**Item 655.**

**Adams:** A little bit of preamble and then we'll hear more details. As everybody knows we're in the midst of a national recession and it's come home to Portland. Since its peak in january 2008, the region has lost 44,000 jobs. Oregon's unemployment rate exceeded 12% in march. Above the national average. And the number of unemployed people has gone from 60,000 to 140,000 just over the past 12 months. Our city's local jobs stimulus package and the federal american recovery and reinvestment act -- these construction and renovation and deferred maintenance of buildings create badly needed jobs and retain existing jobs and inject money into the community. With the

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dire economic condition, they need to move more quickly than traditional process allows especially for the projects that allow on a season to clear their work. Such the summer season. With the increased demand on purchasing agents due to the America Recovery and Reinvestment Act provisions, we risk missing substantial opportunities if we do not make sure our purchasing agents have the ability to implement projects as quickly as possible. And responsibly and prudently as possible. So there are two sides to this coin. And the local stimulus taskforce will ensure that the bureau of purchasing will be able to move projects quickly and maximize the use of local minority women and emerging small businesses. Before I ask Jeff Baer to present the details, I'd like to take this opportunity to recognize the city team working hard to ensure we don't miss any opportunities the federal stimulus plan and that's it coordinated with our state partners and local people. Katherine, Van, Greg from the Bureau of Water, and Dave from the Bureau of Planning and Sustainability deserve special recognition for taking on citywide portfolios outside of their regular duties. As are a project managers. And Sheila, Jeff, and Judy and Laurel are lending their expertise to make sure we're following rules and working with our partners and I'd like to recognize Kimberly Snyder in my office, along with Kip and Clay for their work on this issue.

**Jeff Baer, Director, Bureau of Purchases:** For the record, I'm Jeff Baer, the director of purchases. This is intended to expedite the procurement and competitive solicitation as well as the contractor contracting process and we're experiencing a substantial increase in the number of projects coming from the various bureaus. You heard earlier from the Bureau of Environmental Services where Dean talked about the increased number of construction projects coming up over the next 18 months. We already have \$100 million in construction projects in various phases of bidding, contract award, notice to proceed and actually shovel in the dirt at this stage. So we've got a number of them that are coming up. We're nearing the peak of the construction season. Identified at least 67 construction projects that will be coming through the bureau over the next months. And I think this will provide us with a more efficient process to really expedite and get those projects and get the shovel in the dirt. We really intend to use the local stimulus taskforce as a way to help us make these decisions. Our decisions will be based obviously on transparency, accountability, fair, legal decision making process. So with that, I will stop and address any questions you might have.

**Adams:** To amplify on one point you're making, the taskforce will be coming back to council after consultation with each of the offices with actually the membership, the proposed membership that will have to be approved by council. The membership will have to be approved by council as well. Discussion?

**Fritz:** So -- I met with you several weeks ago and talked about the need for a full range of people on the taskforce. We're voting on this as an emergency ordinance today so I'll just --

**Adams:** It doesn't actually populate the taskforce yet.

**Fritz:** Right.

**Adams:** That will come back and in consultation with you, come back with names and approval on the taskforce.

**Fritz:** I'm comfortable with that. Thank you.

**Adams:** Anyone signed up to testify.

**Moore-Love:** I did not have a sign-up sheet.

**Adams:** Anyone in the room wish to testify on emergency ordinance 655? But we've worked so hard at it. Please call the roll for council calendar 655.

**Fish:** I congratulate everyone who has labored so hard to get to this point, including all of the people the mayor recognized in his opening remarks and I'm pleased to support this ordinance. Aye.

**Saltzman:** Pleased to support this. This looks like a good way to get the stimulus money flowing into projects sooner. Aye.

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**Fritz:** Currently purchasing has the signature authority for -- changing the amounts to less than \$5 million wouldn't make much difference on expediting the projects. It's important to do it as an emergency ordinance so we can get going right away. I'm concerned about the makeup the taskforce. It must be in place before the purchasing contracts are issued and I know we're committed to having diversity on the taskforce, including some folks not involved in actually doing the contracting work or those things. Mayor Adams has done a good job of setting up taskforces in other -- and other groups with a diverse interest, so i'm comfortable voting aye.

**Adams:** Again, thanks to everybody making this happen. You made it look easy. I think two, three meetings a week for -- geez, three or four months. On behalf of a grateful set of potential people who can get work from these contracts, thank you. Aye. [gavel pounded] 655 is approved. Can you please read the title for emergency ordinance 656.

**Item 656.**

**Adams:** This is coming back to council, and a quick recap for the few viewers we have and those in the chairman. Many approved but unfilled -- stalled thanks to the relatively frozen credit marks. Putting these projects through the land use process again a second time means additional cost and delay which can -- at factor that can hurt the economic recover recovery. The proposal of key projects in the pipeline longer and allows a faster start when the economy improves. I want to thank douglas in the bureau of development services and eric in the bureau of planning and sustainability and commissioner Leonard, he helped push this item forward and loaned us a lot of great bureau of development services staff. This is our second trip back. Does council have any questions for staff? Is there anyone that would like to testify on council calendar item 656? Karla, please call the roll.

**Moore-Love:** The amendment to change the date. Looks --

**Linly Rees:** It was heard as an emergency on may 6, staff recommended march 14th, they would like the he can I have date changed. That needs to be amended before you take the vote. Do you have that memo in front of you?

**Adams:** Yes, it says to change may 13th, 2009 to verbiage, seven days by its passage by city council. It's been moved by me. Is there a second.

**Fish:** Second.

**Adams:** Moved and seconded to make the changes I read into the record. Anyone wish to testify? Unless there's council discussion. Please call the roll on the amendment.

**Fish:** Aye. **Saltzman:** Aye. **Fritz:** Aye.

**Adams:** Aye. [gavel pounded] amendment is approved. Contained in memorandum may 14th. Can you please call the roll on the under lying emergency ordinance.

**Fish:** Thanks to commissioner Leonard and mayor Adams for their work on this proposal. We're, as everyone knows in the midst of the worst economic downturn in my lifetime. I turned 50 recently so I can at least speak to 50 years of economic slowdowns. This council has set an ambitious goal of putting people back to work and jump starting our local economy and we can do it through a number of tools and we've, over the past few months, we have through the budget process, through ordinances and resolutions and other means, demonstrated our commitment to creating good family-wage jobs for people who live and work here. And this is yet another demonstration of our commitment to helping improve the business climate and give people chances to work and by making these common sense changes we're allowing people that work in the pipeline more breathing room to get their financing and materials together. As the housing commissioner, it would not matter today whether you were -- you know, your name was warren buffet, you would still have trouble getting financing for your projects and you should not be penalized and have your hard work go up in smoke because you can't meet our time lines. This is a common sense approach which will help we hope over time get our economy moving again and i'm pleased to vote aye.

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**Saltzman:** Aye.

**Fritz:** Thank you, douglas hardy and other planning -- douglas hardy. And it appears there were about 25 land use decisions and planning staff estimates approximately 4% of all decisions will have an opportunity for extension. Most likely, fewer will take advantage. But it's a possibility. The purpose of the timelines was to ensure changes in the code are incorporated into new applications and I agree with the assessment of the risk and the fact that the economy will change when conditions are ripe and then development will continue. As long as there are no significant changes to the code, under which the decision was rendered, the extensions will have little or no impact on the public [inaudible]. Which was what it was to protect, rather. The number of applications will be small and because of public interest is not endangered as long as there's no significant code changes that affect these decision, I vote aye. Thank you.

**Adams:** Aye. [gavel pounded] 656 is approved. Can you read the title for emergency ordinance 657.

**Item 657.**

**Adams:** This is another first 1 hyundai items coming from my office. This amends -- this is an another 100-day item coming from my office. To the Portland, Multnomah youth corps program. And it is a pilot that hopefully with additional federal stimulus money next year we'll be able to expand. It provides tuition, paid credit recovery, summer school. Summer scholars program. Those involved get jobs training provided by erco and six weeks of paid employment as interns in the city bureaus and starts out with 25 rising ninth graders. Those that -- sorry, rising tenth graders. And it is a partnership with the Portland schools foundation, connected by 25 program, which is the basis of which is a four-year partnership between Portland schools foundation, local school districts and the gates foundation to develop programs locally that keep our youth in high school and make sure that they complete high school. Are there any questions on council calendar item 657? Anyone signed up to testify?

**Moore-Love:** No one signed up.

**Adams:** Karla, please call the roll.

**Fish:** This is one of a number of initiatives that the mayor has launched and that and is either leading through his office or in partnership with a number of colleagues designed to expand opportunities for youth this summer. Commissioner Saltzman, pleased that teen programming with recommended funding to a tune of half a million dollars. That will create opportunities during the summer at a time when we anticipate a significant spike in youth unemployment. There's a lot of things we're doing to free programs and concerts and other things. This is another piece of that fabric. Well conceive he had. Aye.

**Saltzman:** Good job. Aye.

**Leonard:** Nice work. Aye.

**Fritz:** I'm glad to support this as a pilot project. It is relatively expensive. \$103,000. But it's a pilot project, managed through erco, one of our valued community partners and pleased to support it. Aye.

**Adams:** Aye. [gavel pounded] thanks to jane ames and reece lord and the education team and the mayor's office. Can you please read the title for resolution 658?

**Item 658.**

**Adams:** I want to recognize all of the good work that's been done by the city bureaus over the years. To make Portland's government operations as sustainable as possible. But there's always room to improve and recently the bureau of planning and sustainability undertook an inventory and analysis, a diagnostic of how to make Portland government operations even more sustainable. And a way to better measure our progress. Hardworking staff across the bureaus have helped put the citywide goals together and bureau goals together. Particularly michelle crim of the bureau of planning and sustainability for pulling these goals together. We're going to hear from mike.

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**Michael Armstrong, Bureau of Planning and Sustainability:** Thank you, my name is michael armstrong, the senior sustainability manager for the bureau. I want to take a moment and -- excuse me. Note that about two and a half years ago, city council established the sustainable city government partnership. To move sustainability across the board. Each bureau has its own sustainability plan and each has been updated as the mayor noted. We recently conducted an assessment looking at energy use, water use, waste and recycling. And paper use all across the city and I think we have a number of generally positive trends and quite a bit of room for improvement. With the goals proposed here, we're suggesting that these be goals that guide those bureau plans as they're revised and implemented over time. A couple of already in place through resolutions adopted over the years. What we do here is bring them together and round them out a bit. We have resource goals for all of the areas. The goals, reduce greenhouse gas emissions 10% from 1990 levels by 2015. The second is stopping growth of solid waste and increasing recycling to 85% of all waste that's generated at city facilities. The third paper use at the goal to reduce the use of copy -- printer and copy paper. Standard office paper by 5% from 2008 levels and make sure we're using 100 post-consumer content by 2015. The fourth goal, to manage half of all stormwater that falls on city sites using sustainable stormwater meths and that's brought out of the grey to green initiative. We're still establishing a baseline and that's why we don't have a near term goal. And the fifth goal is water efficiency and essentially proposed that the city use no more water by 2015 than used in 2007. So we need to continue to back more efficient as we add city facilities and do so in a way that doesn't require more water. The proposal is that bureaus would use these goals as guideposts as they revise their plans over the years. Excuse me. And we recommend that on an annual basis bureau of planning and sustainability work with the office of management and finance to update the inventory of where we are in terms of all of these resources. So that we can have annual reports on our progress toward these goals. I know a couple weeks ago we had the revised city green building policy and the water bureau and parks bureau and o.m.f. Were here identifying projects they had worked only the we had hoped that dean marriott could be here, but I think he got called in for other things, but b.e.s. has been a real example of the many bureaus as well. And we're looking to put these goals out there so we have guideposts as we go forward.

**Adams:** This begins report to go council on an annual basis?

**Armstrong:** Correct.

**Adams:** Ok. Discussion from council?

**Fritz:** I have a question. Why is our goal for getting to 100% post-consumer recycled tout 2015? Why can't we do it faster?

**Armstrong:** Michelle crim knows a lot more than I do. Do you want to come up with your guide dog in training.

**Adams:** Is that your guide dog.

**Michele Crim, Bureau of Planning and Sustainability:** The reason for that primarily is that there are a lot of places we need to do a little more research to try and find alternatives for some applications of paper, but predominantly, it's that 5% reduction that is the 2015 mark. We can probably hit the 100% recycled content goal sooner. There are several bureaus close to that. It's more applying that as the standard across the city. But that 5% reduction is definitely will take us a little while to get there.

**Fritz:** Thank you.

**Adams:** Other discussion? Anyone wish to testify.

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

**Adams:** Call the roll.

**Fish:** Aye.

**Saltzman:** Good job, good goals aye.

**Leonard:** Aye.

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**Fritz:** Thank you, aye.

**Adams:** Fantastic work. A lot of work to do for us. Aye. [gavel pounded] approved. Can you read the title for council calendar item 660.

**Item 660.**

**Dee Walker, Bureau of Transportation:** Good afternoon, mayor and commissioners. For the record, i'm dee walker for the bureau of transportation and I have the next two items on the agenda.

**Adams:** Can you read the title for council calendar item 661.

**Item 661.**

**Adams:** Are either one of these -- is there controversy involved with either one?

**Walker:** No, there's one person that has signed up to speak on the second street vacation. The first one I want to talk about is the princess drive. The truck terminals incorporated own the property to the east of the proposed vacation area. The reason they propose it area to be vacated is for consolidation of property and I understand for a possible future parking lot. There were no objections. The park bureau required an access easement over the area because the park bureau owns the property to the southwest. And so they need to be able to get to their property for maintenance activities for city employees. Currently, the right-of-way's unapproved and planning commission had no objection and recommended approval.

**Adams:** The next item.

**Walker:** The next item is [inaudible] the portion of the alley in block two, cook's addition. And the owner petition is madrona park l.l.c. The -- madrona park. They do not have anything planned right now, there's been research and studies done but that's as far as it's gotten. They want it vacated now so that when the economy turns around and they put in for development, they won't have to wait for the vacation to be done. The conditions or objections, development review required a public access easement over the alley until the future development happens. For the property owner for access. There were no other objections. The -- currently, the alley is improved and the planning commission had no objections and recommended approval.

**Adams:** All right. Thank you. Any questions from the city council.

**Fritz:** Why is the access easement on the first -- on the princess drive, only for employees and contractors if it's adjacent to public lands and we want to let anyone access the pun lands?

**Walker:** From what I understand, they have access to it and this is for maintenance activities and that's a condition that came right from the parks bureau. So again, i'm actually standing in for teresa talbott, the project manager for both of these vacations so I don't know the exact reason. But that's what it was proposed.

**Fritz:** If you could ask that person to get back to me before the vote next week, i'd appreciate it.

**Fish:** I'm not sure I understood the question.

**Fritz:** The public access easement is specified only to be for city employees and contractors. So i'm wondering why we wouldn't want to have a public access.

**Fish:** Is that the first of the two?

**Fritz:** Yes.

**Fish:** It's my guess that they don't want to encourage people to trespass in order to gain access to the park and I think that raises -- people don't have an easement to come through private property to access. Might raise liability issues.

**Walker:** And they want to turn this into a possible parking lot and i'm sure the public has access off of -- off of regent drive.

**Fritz:** Thank you.

**Adams:** Additional council discussion? Anyone signed up to testify for either 660 or 661.

**Moore-Love:** 661, we have david l. Edwards.

**Adams:** Mr. Edwards. Good afternoon, welcome to the city council. Glad you're here.

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**David I. Edwards:** Good afternoon.

**Adams:** You need to give us your first and last name and you have three minutes.

**Edwards:** David Edwards, the owner of the property on the map P14600. And --

**Adams:** 661?

**\*\*\*\*\*:** 661.

**Adams:** Ok.

**Edwards:** P14600 is my property.

**Fish:** A great grassy area off Mississippi?

**Edwards:** Yes. For over 100 years, the only vehicular access, horse and buggy and otherwise has been up the alley. And I was not involved in the signature process. And there wasn't a public hearing on the -- at the planning meeting December. So this is my only opportunity to express my views. Since I'm the only property that's directly affected by this vacates and the only house on Revere Street, I think my input is appropriate. I have two exhibits. One is a stipulation of easement and the other is a drawing as to the design of improvement that will be made from Michigan on Revere Street. I had one conversation with Robert Haley in transportation indicating that the petitioner would build an improvement on Revere Street for vehicular access when the development was begun. And the alley vacated. And for reasons of optimizing green footprint, I request that the Revere Street improvement be an abbreviated one. In other words, just to my property line. And basically that's my --

**Adams:** Your house is the house in the center of the triangle?

**Edwards:** No. It's the east 32 feet of lot 12, I believe, is how the description of it.

**Walker:** If you look on the map, where the alley intersects with North Revere, his house would be the southwest corner.

**Edwards:** That's it. And my drawing has the location of the quiet facilities requesting easement and the city water line. And respectfully, I'd like to submit these for the record.

**Fritz:** Thank you.

**Saltzman:** Isn't the vacation you're showing us just to Revere Street?

**\*\*\*\*\*:** Yes, sir it is.

**Saltzman:** You're ok with it?

**Edwards:** I'm ok with the vacation of the alley, as long as the petitioner providing vehicular improvement on Revere Street from Michigan.

**Fritz:** Would you be comfortable that the vacation happens when the Revere Street improvements done?

**Edwards:** Yes and requesting that the Revere improvement be an abbreviated one, just to my property line.

**Fritz:** That one we might not be --

**Edwards:** That would be an issue with transportation. There's no design on the property yet.

**Walker:** And Bob Haley did put in his response, when future development comes in, that would be a condition of having to improve part of North Revere Street. We're leaving an access easement over the vacated alley portion and -- I'm sorry, what's your last name.

**Edwards:** Edward.

**Walker:** -- for Mr. Edwards and at the time of development, other things would have to take place. They'll have to improve North Revere Street. I believe Bob said it was three-quarters improvement to provide him permit access and also the -- permanent access. And there will be an alley from -- to Michigan. There will be conditions.

**Adams:** Are you ok with those conditions? Do they meet your needs?

**Edwards:** Yes, they do. Again, requesting the Revere improvement be an abbreviated one allowing us a bigger green for the print in our yard.

**Fritz:** That would be decided in the land use.

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**Edwards:** Yes.

**Adams:** These move to next week's regular council for consideration and vote.

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

**Adams:** Unless there's objections I would like to move 662 to be postponed until the regular council agenda on may 27th. No objection.

**Leonard:** 662?

**Adams:** 662.

**Leonard:** Oh, i'm sorry.

**Adams:** You're ok with it.

**Leonard:** Yeah. [gavel pounded]

**Adams:** Need to entertain a motion from a member of the city council for an evening hearing on for consideration of the hayden island community plan.

**Fritz:** Moved.

**Leonard:** Second.

**Adams:** Moved and seconded. Anyone wish to testify on this motion. Please call the roll on an evening hearing consider the hayden island plan on june 18th.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye. [gavel pounded] please read the title for council calendar item 663.

**Item 663.**

**Adams:** Mr. Baer.

**Baer:** I'm jeff baer with the bureau of purchases and before you is a purchasing agent report to council recommending aware to mountain cascade who is a contractor out of Livermore California for the b.e.s. portsmouth force main segment I project in the amount of \$28,149,491 and to give you background on some of the events that transpired on this particular solicitation, we received nine bids, they ranged anywhere from the low bid 28 million up to \$43 million. The difference between the low bid and the second low bidder is \$722,172. We have mountain cascade has indicated in their good faith effort, the sub-contractor participation. We have local minority business enterprise participation of \$8.9 million. Local women business enterprise participation at \$286,000 and emerging small business participation of \$414,000, which represents 75.3% of the total subcontracting dollars on this particular project. The mountain cascade does have a current city business license, their current e.e.o. certification and they are in full compliance with our equal benefit requirements. Just so that you know that we did receive a protest from both the second low bidder which is moore excavation and the third low bidder james w. Fowler contractor and the complaints were primarily focused on using a test of complete and absolute compliance over what city code requires which is a substantial compliance with our requirements and both protests were denied and subsequently james fowler company withdrew their protests and i'll stop and see if you have questions. We have a representative from b.e.s. is here. Paul gibbon and, of course, jim van dyke from the city attorney's office.

**Adams:** And how many people signed up to testify?

**Moore-Love:** 15.

**Baer:** And we have the contractor here as representative if there are any questions of them.

**Adams:** If it's ok with council if we can hear testimony and revisit with staff. And given, you've waited a long time, so you have available to you, three minutes, but we've found that what can be said in three minutes can be said in two. So we reward anyone that can come in at two, but you've waited a long time, so if you need all three, we'll take it -- or, you can take it. Karla, please call the testifiers.

**Adams:** Good afternoon.

**\*\*\*\*\*:** Good afternoon.

**Adams:** Welcome to city council. Glad you're here.

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**Joe Yazbeck:** I'm joe yazbeck, i'm counsel for moore excavation. The second low bidder. This is roy moore, the president of moore excavation, and allen kalkhoven, the vice president of moore excavation. The city r.f.p. mandated that bidders contact five mwesb sub-bidders in any category that they were not going to self-perform and that the bidder contact the mwesb's in the same category who were at the prebid conference. At the pre-bid conference, the city officials emphasized that not complying with this item, with this requirement, would render their bids non-responsive. Mountain cascade contacted a total of four mwesb sub-bidders in the drill and bore category. Two of which showed up at pre-bid conference. Mountain cascade contacted two sub-bidders in the hazmat removal category. The city says this is ok. The staff says that this is ok. Because there was only -- only five qualified mwesb bidders in drilling and boring and three in hazmat removal. This statement by the city is untrue. Our letter to you shows that there were 11 qualified mwesb bidders in drill and bore, and 10 in hazmat removal. And I have a handout that i'd like for each of you to look at that sets out the qualified mwesb, in each category. There are 11 in drilling and boring and 10 in hazmat removal. We -- moore and myself have consistently been told that purchasing first decision was to reject the bid of mountain cascade and this is consistent with everything that purchasing said at the pre-bid conference and consistent with what they have continued to say at subsequent pre-bid conferences. They -- due to some interplay between purchasing and the city attorney's office, they have changed their mind and decided to take a california contractor who was a low bidder who did not comply with the good faith efforts requirements and we're here to object. Thank you.

**Adams:** Thank you for that.

**\*\*\*\*\*:** I'm going to wait until the end. Until all my people talk.

**Adams:** Ok.

**Allen Kalkhoven:** At the mandatory prebid meeting for this project I personally asked a question for the benefit of all bidders that were in attendance and that question was if a prime contractor failed to contact five mwesb in each division of work, intended not to self perform, would they be nonresponsive? And the answer was: Yes. I do not understand why we're here.

**Adams:** Who gave you that answer.

**Kalkhoven:** Purchasing, Kathleen brenes. That seemed very clear to me and this was not a clarification, but a confirmation of the requirements of the good faith effort program. Since the intent to award, moore excavation has asked in writing to purchasing what is substantial compliance and would be it enough for future projects. Recently, on the powell butte project last week, they issued an addendum, saying substantial compliance with city code but two days prior to that, at the mandatory prebid for sellwood interceptor, purchasing indicated substantial compliance would not be enough. To say the least, we are really confused. How do we continue to bid projects? What's going on? That's what we would really like to know. Prior to this project, all bidders knew exactly what was required and what would happen if you failed to comply with the good faith effort program. You would be considered noncompliant and your bid would be rejected. This does not seem to be the case anymore. It's the responsibility of the bidding contractor to exhaust all resources in searching subcontracting opportunities for mwesb firms. To quote raleigh lewis with the state of Oregon, and this is his quote in an email to my office, to insure that entities searching firms have the largest possible list to select from, the directory was designed to search for firms using the following approaches: search by certification number, search by firm's name, search by code. And that includes naics, nignp or odot or search by key words that will be found in capability descriptions. Even if a firm is assigned the wrong code, you still get a comprehensive list by doing a key word search. Did I miss anything? I don't think he did. Clearly searching by an nignp code alone is leaving out the majority of nwesb firms for the bidding process and thus opportunities. A perfect example is gonzalez boring tunneling. The city has always accepted and recognized

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Gonzalez boring tunneling as an mbe firm by searching by code alone, his firm is now excluded. For the sake of the good faith program, and integrity, please require all bidders to comply.

**Fish:** Since you're the attorney for the client, can I make sure I understand your position? Your position is that the winning bidder had a nonresponsive bid because they haven't demonstrated they contacted five mwesb subcontractors?

**Yazbeck:** They didn't contact five mwesb in the hazmat removal category and the drilling and boring category and plus the mwesb's who showed up at the prebid conference, and for drilling and boring, two people showed up at the prebid conference, they contacted those two people, plus two more. But not five more.

**Fish:** This may be very clear to you, but so that it may be of help to us. What's your understanding of the contact requirement?

**Yazbeck:** My understanding of the contact requirement is they have to make a phone call. They have to send a fax.

**Fish:** Ok and --

**Yazbeck:** There's no contest if they didn't contact the right number.

**Fish:** Is your argument that there can't be substantial compliance if there was no contact with any?

**Yazbeck:** My argument is there can't be substantial compliance if there are a significant number of -- if there are a significant number of mwesb's, 10 for instance for hazmat removal and 11 for drilling and boring and you only contact two for hazmat removal and four for drilling and boring. When the -- when everybody -- when you're told it's five plus whoever shows up at the prebid conference.

**Fish:** My final question, the requirement there be five contacts you said was stated at a prebid conference --

**Yazbeck:** Well, it was written in the r.f.p.

**Fish:** It was written in the r.f.p.?

**Yazbeck:** It was written in the request for proposal and emphasized at the prebid conference.

**Leonard:** That was helpful but still hasn't got me to the place where I have my arms around the issue. Is your concern that mountain cascade did not contact five minority women, emerging small business subcontractors or does that extend to who they actually contracted with?

**Yazbeck:** No. Our concern is that everybody is told both in the r.f.p. and at the prebid conference that you had to contact five mwesb's in each category that you were not going to self-perform. And mountain cascade did not contact five plus whoever showed up at the prebid, plus any mwesb's who showed up at the prebid conference. Mountain cascade did not contact five in the drilling and boring category, and five in the hazmat removal category. Plus --

**Leonard:** Are you one of the subcontractors?

**Yazbeck:** I'm not one of the subcontractors. I am counsel for the second low bidder, moore.

**Leonard:** The second low bidder. I guess I'm trying to get to where --

**Yazbeck:** The subcontractors are here to testify that weren't contacted and didn't have a chance to bid.

**Leonard:** Is this an attempt for you to have another opportunity to bid? Is that the upshot of what your objection is?

**Yazbeck:** The upshot of our objection is my client did it right. We ought to be awarded the project, or the project ought to be rebid and the city ought to make clear what the standard is. Because they --

**Leonard:** So you're not disputing they hired minority women or emerging small business contractors. You're disputing the number of people they contacted?

**Yazbeck:** Right, but that's what the rules are there is -- there are no --

**Leonard:** Ok, got you.

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**Yazbeck:** There are no requirements to hire anyone that the requirement -- the requirements are to make the contacts. Everybody else made these contacts. Mountain cascade didn't. The city says its ok they didn't in these two categories because there are only a small number and -- in the two categories, but, in fact, there are 10 in the hazmat removal category and 11 in the drilling and boring category.

**Leonard:** But if they had contacted the right number of --

**Yazbeck:** Then we wouldn't be here complaining.

**Leonard:** -- it wouldn't necessarily have changed their bid.

**Yazbeck:** It wouldn't have, commissioner, but --

**Leonard:** But it's a technical violation against you?

**Yazbeck:** It is a violation of what everybody was told.

**Fish:** One last question. You said that the -- some of the folks who were -- could have been subcontractors who weren't contacted are going to testify. Is it your understanding they're going to testify simply that they were never contacted.

**Yazbeck:** They are going to testify that they were never contacted and that they're mwasb's.

**Fish:** Is that in dispute?

**Yazbeck:** I don't think it's in dispute.

**Fish:** Do we need everyone to say that or is it the city acknowledges that.

**Yazbeck:** If I may, I don't think the city acknowledges that. Because the city is making the claim that there's only five state certified drilling and boring contractors, therefore, they were not required to contact seven, which is totally false. And if you go into hazardous material removal, they are claiming there's only three state certified firms one of which does not perform this type of work and, therefore, they only needed to contact the two, which is again false. There is 10 state-certified firms and they did not list a firm --

**Adams:** I thank you for your testimony. And with council's permission, i'm going to bring staff back right now after this panel to get a little bit of the back and forth up front that might shape how we move forward. Did you have a --

**Fritz:** [inaudible]

**Adams:** So -- thank you for your testimony. Please stick around. So you heard some of the issues raised. I'd like to give you an opportunity to respond.

**Van Dyke:** Sure, jim van dyke. City attorney's office. I want it take a second and take us back to the good faith effort program. I've been involved in its inception for the past 15 years. I drafted the specifications for it --

**Saltzman:** Move the microphone.

**Van Dyke:** I've helped in the revision of the good faith effort specification and I've counseled the bureau of purchases for the last 15 years regarding whether people meet that standard or not. Here's the program. The program is we wanted to make sure that minorities, women, and emerging small businesses got opportunities to work on city projects. That's the purpose of the program. That's all there is to it. What the city does is we try to identify discrete subcontracting areas where those opportunities might exist.

**Leonard:** Can I interrupt you for just one second.

**Van Dyke:** Sure.

**Leonard:** Is there a mandate that we do that or is this a program that the city initiated.

**Van Dyke:** This is a city initiated program which really arose out of the disparity study back in the 1990's where we tried to figure out ways to assist minorities, women and emerging small businesses get contracts and subcontracts opportunities with the city. We developed this program to require prime contractors to contact --

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**Adams:** If I can interrupt. As policy manager for the project working with sue klobertanz and others, it was in lieu of the disparity study showing at the time we could not do set-asides. So all we could do is require effort. We could not require set asides.

**Van Dyke:** Because the law doesn't say you must hire 10% minorities and 5% women. So since we can't do that, in the absence of a valid disparity study and our sheltered market program was validated by that. But the good faith efforts program applies in those other areas where the disparity study didn't let us do that. So we said we want to give you folks the opportunity. So we try to identify in our contracts those areas where subcontracting opportunities might exist and I want to hand this exhibit out to council because I think it will show you. And this is just one page of a good faith efforts specification and you can see when you get your copy, at the bottom of the page that on this particular bid, because it's such a large contract, there must be 15 or more discrete divisions of work. That we say here are the subcontracting opportunities. Now, if you're going to perform that work yourself as a prime contractor, say, you're going to do any asphalt paving, you don't need to start going out contacting subcontractors when you're going to do the work yourself, with your own forces. We're not going to make you jump through those hoops. But where you are going to subcontract it out, we really want you to go out and talk to -- give opportunities to minorities, women and small businesses. We ask them to contact them ahead of the bid, both by fax and give them a follow-up phone call just to make sure they don't miss their opportunity. Ok. That's what we do. Now, we also say we'd really like you to contact -- we want you to contact five, five mwesb subcontractors and in each of the categories that you're going to subcontract out. Ok. We want to make sure there's just not a half-hearted effort. We really want to reach out. Ok. And so that's what we do. And we also say, you know some of these contractors are pretty savvy, they show up at our prebid conferences and we say contact them too. So sometimes you have might hve to contact more than five.

**Leonard:** Is there a list of qualified women, minorities and emerging small business?

**Van Dyke:** And that's the point I want to get to. If you'll see on this and I highlighted this, what we do is we send bidders to the state website, the office of minority and emerging small businesses. And we tell them these contractors are listed by a code that corresponds to the work they do. Ok. So here, asphalt paving is code 91395. So we tell prime contractors go to the website, plug in this number, 91395, and see who's listed there for asphalt paving. Ok? And that's what we direct them to do.

**Leonard:** Is there some sanctity to that particular list?

**Van Dyke:** It's the official state list because the state certifies -- there's certified minority businesses, certified women businesses, certified emerging small businesses and to be certified you can't make above a certain amount of money every year. You have to be, if you're a minority business, you have to be more than 50% owned by a minority owner.

**Leonard:** There's no competing list?

**Van Dyke:** No. This --

**Leonard:** There's not some confusion about where you go?

**Van Dyke:** No. This is where you go. This is the only place you go.

**Fish:** In some of these category, the state licenses and certifies. So you have to be licensed for some of these professions.

**Van Dyke:** Yes. Right. There's a different arm of the state, the construction contractors' board that licenses these people. But, we don't search by licenses, we search by the code. And as you can see our specifications specifically tell the contractors search by nigg code. Which is the code they're given. Ok. Now as you can see on a project this size the amount of paperwork you get in and the number of contacts they have to make can be quite substantial. And I think there's a disagreement on how many folks that the low bidder contacted. I had them contacting over 100 minority, women and emerging businesses. I think the folks from Moore thought they only contacted 84 but even so,

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that's a substantial amount of businesses that you contact. Ok. So let's go back. They are supposed to contact five in each of these categories.

**Saltzman:** So one second jim. So the 100 or over 100 or 84 --

**Van Dyke:** That was just a total of all the different categories.

**Saltzman:** There are 10 divisions of work?

**Van Dyke:** Bid 20. So I'm just giving you kind of an overview of all the stuff that they had to do. So what we say to them is make sure you contact at least five. The part of the specs you don't have says if you don't find five in that category, contact them all. All right, because sometimes there you know aren't five in a particular category. So what happened here is mountain cascade was not perfect, it missed a couple. We found it only contacted four minority emerging and women small businesses in -- for drilling and boring work. We found that they only contacted two subcontractors in hazardous waste removal. Those are the only two categories of all the ones on here that anybody objects to. Those are the only two that -- that moore is complaining about. And they say, well, four is not five. And two is not five.

**Leonard:** So why isn't that a good argument?

**Van Dyke:** Well, because state law and our city code says you have to be in substantial compliance with our requirements. And it says it straight out. In fact, that was their original argument in their original protest.

**Fish:** Your saying four out of five is substantial compliance as long as you've done five out of five or more in all of the others.

**Van Dyke:** When I analyze it, I look at the totality of everything the bidder had to do.

**Fish:** So jim let's take it a step further. The idea that you have to contact people is wonderful and it may be the extent of what we can mandate, but it is probably even more beneficial if there's a contact and a contract.

**Van Dyke:** And in this case, mountain cascade subcontracted 34% of the contract work.

**Leonard:** Any of them in the categories being objected to?

**Van Dyke:** Yes, in fact, in drilling and boring, they executed, they're proposing to award over \$8 million contract to a minority firm.

**Leonard:** How did hazmat removal?

**Van Dyke:** I -- do you recall jeff on hazmat removal? Whether their self performing the work or subbing it out?

**Baer:** No, they're subbing it out to a minority business.

**Van Dyke:** So they're subbing it out -- is that correct?

**Saltzman:** They're shaking their heads no.

**Van Dyke:** I'm looking at mountain cascade. They're self-forming part of it. If your self performing part of it you didn't --

**Leonard:** The hazmat.

**Van Dyke:** The hazmat.

**Leonard:** But the drilling and boring --

**Van Dyke:** That's correct.

**Leonard:** Is what? A minority or women or emerging small business?

**Van Dyke:** A minority. Gonzalez boring, I believe.

\*\*\*\*\*: Northwest.

**Van Dyke:** Northwest, boring. Ok.

**Leonard:** It's a minority firm.

**Van Dyke:** It's a minority firm. Ok. So when I looked at the totality of everything they did and I found it was only these two categories where they had stubbed their toe. And by the way when you look this up by nign code you find in hazmat, there's only three firms listed. I want to explain now

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why i'm coming up with different numbers than what you just heard from moore. Ok. What they did was they contacted the state site and the state folks said --

**Fish:** They being moore?

**Van Dyke:** Moore, and they kindly provided this to me today and the state says sometimes you search by code, in this case, the nign code, a firm you are looking for may not appear on the list. The reason for that may be the firm was assigned the wrong code. Ok? So we do not make bidders go through multiple searches of the website looking for people who have gotten the wrong code. We don't ask them to do multiple searches, they could, using anything other than this number code that we give for them. We -- you know, we have to cut off our -- our efforts at some point, and so we say just look by nign code and go and do that.

**Fish:** The winning bidder was the price differential between first and second place was what again?

**Van Dyke:** \$700,000 or something.

**Fish:** And the winning bidder has more proposed contracts with mwesb than the second?

**Van Dyke:** That's correct. They're both good I might add but the low bidder did more.

**Fish:** More actual participation.

**Van Dyke:** More actual participation.

**Fish:** In total dollars.

**Van Dyke:** In total dollars.

**Fish:** Which is ultimately what we're trying to strive for.

**Van Dyke:** We sure like to see that.

**Fish:** Just so I understand. The discrepancy is the challenge before us is in part, whether you have the authority to in effect not waive the five firm rule but determine whether something less than that is less than substantial compliance.

**Van Dyke:** That is one of the most challenging things that the bureau of purchases has to do.

**Fish:** And in this case you're telling us that in at least one of the categories the reason there may be a discrepancy in the available data online is that the state didn't properly code all of the qualified?

**Van Dyke:** In both of those categories. So that when they were referring to there being 10 in each category well, ok. But you couldn't find those 10 by doing it the way we asked them to do it.

**Fish:** If granted the relief sought, what would be the cost to the city and the time frame for doing a completely new process?

**Van Dyke:** Well, the cost is a little speculative, but this is a project that's tied to the big pipe project. There's an e.p.a. deadline and we have to get it done within the deadline. Paul Gribbon is here and he can talk to you about whether we rejected the bids and started all over again and lost this construction season. You know, in a down economy and we bid it next year, I think it's completely speculative to say whether we would get a project that we estimated to cost \$40 million at \$28 million, which is what they did.

**Leonard:** I think what's really important here is to focus on what you have characterized as a misclassification of some of these minority, women and emerging small business contractors in the state system. Did you confirm that in fact some of these subcontractors were improperly coded?

**Van Dyke:** I wasn't able to do that because I only saw their letter today, apparently there was a mix up in the mail. But I take their word for it. If you did multiple searches on the omwesb website that you would find some other folks missing.

**Leonard:** Who said that? The state said that or mountain cascade?

**Van Dyke:** Actually moore said they could find other people on the omwesb website by doing other and different kinds of searches.

**Saltzman:** That's the list they gave you?

**Van Dyke:** That's correct. That's the list they gave you.

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**Leonard:** This list, would have been one and are these numbers the codes like American coding is 2378 --

**Van Dyke:** I think they're unrelated codes myself.

**Leonard:** Ok. But their point is they went through and found all these subcontractors even if they were miscoded --

**Van Dyke:** Yeah.

**Leonard:** And that mountain cascade should have done the same?

**Van Dyke:** That's what their argument is, I think. My argument is that's not what we asked them to do and I don't want to change the rules in the middle of the game on them. I've heard them say today that we've changed the way we analyze these. And I just have to tell you, based on 15 years of advising the bureau of purchases, we never changed it. The standard has always been substantial compliance, not perfect compliance. It has always been substantial compliance, and again, that is the toughest decision to try to make to weigh, where people make mistakes. We certainly prefer people not to make mistakes so we don't have to engage in this kind of analysis.

**Leonard:** For us, non attorneys, is substantial compliance a term of ours?

**Van Dyke:** Yes, the Oregon court of appeals has actually construed the term substantial in the state contracting, in the context of the state public contracting code and they say you have to look at the objective you're trying to reach in order to determine whether or not you've substantially complied. So when I look at all the different people they've contacted and the results they get and the minor omissions, I think the objective that the city was trying to obtain, which was to give people an opportunity to give minorities and women and emerging small businesses an opportunity to bid -- I think they clearly substantially complied.

**Leonard:** I'm looking at the good faith effort division of worksheet, it doesn't say one needs to be in substantial compliance. It does say --

**Van Dyke:** No, it's true we don't repeat all of city code in our specifications.

**Leonard:** That was my next question. That term is found somewhere in the code?

**Van Dyke:** Absolutely. Absolutely. And has been for many years.

**Fish:** This is one of those interesting situations where you have form and substance and if we were to -- it sounds to me from what you said, if we look past the disagreement about how you interpret the requirement, and you look simply at performance, we still have a situation where the winning -- the proposed winning bidder is cheaper and they have put more dollars into contracting the outcome we're trying to promote is that correct?

**Van Dyke:** Both of those facts are true, yes commissioner.

**Adams:** Any other council discussion. All right. Stick around. Who is next to testify?

**Adams:** Good afternoon, welcome to city council. Glad you're here. You need to give us your first and last names.

**Jim Gonzalez:** I'm jim gonzalez, the owner of gonzalez boring and tunneling. I am a state certified mwsb firm -- local firm for over 25 years. My concern today is that we need to make sure that all the general contractors follow the rules that are outlined in the bidding process. The firms must adhere to all of the qualifications so as a minority contractor, subcontractor, I have the opportunity to bid or participate in the projects for the city of Portland. At no time on this project was I ever solicited by mountain cascade. On this project.

**Adams:** Did you have the right code?

**Gonzalez:** Yes, i'm a state certified drilling and boring contractor.

**Adams:** Ok.

**Gonzalez:** With the correct code. I was, however, solicited and helped to participate in putting together a sizeable portion of work by moore excavation. They did give me the opportunity to participate in this project. The key here is we need to have good faith effort from all of the general

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contractors with the minority firms. Whether or not -- if they needed to contact five firms, then we need to make sure we adhere to the rules placed before us.

**Adams:** Did you have more.

**Gonzalez:** No.

**Adams:** Thank you, sir, very much.

**John Kalkhoven:** I'm John Kalkhoven, president of the national utility contractors association of Oregon and southwest Washington. Or nuca for short. You're being handed a letter that was originally sent to the city and the council, and signed by our executive person. I'm giving you another copy of it. Signed by myself. As stated in nuca's letter, nuca feels very strongly that the city should not make exceptions in the bidding process, including good faith efforts on any job. If you're going to have the rules, then the rules should be followed, and if you're not going to follow them, then eliminate them. Now, switching hats here, now speaking as a local business owner. Not as nuca, I take exception to what the city attorney has said. I have personally been low bidder on previous jobs to the city and have been thrown -- thrown out for not following the good -- the good faith rules. So if you're going to throw me out and you've thrown out other companies, you should throw out mountain. Thank you.

**Adams:** Were you thrown out because in similar circumstances you didn't contact enough potential subcontractors?

**Kalkhoven:** That is correct.

**Adams:** Good afternoon.

**Jim Hall:** Good afternoon, my name is Jim Hall, vice president with Moore Excavation for operations. I know this you're going to hear a lot about this job as far as local union labor participation, local subcontractor participation. I want you guys to realize that as a local contractor, we're going to be keeping this money in Oregon, if we were to be awarded this contract. On top of that, we have over -- I want to say, roughly \$20 million in local participation from subcontractors, not including the self-performed work we'll be doing, of that I think we're in the 30% range in our minority subcontractor participation. The difference between Mountain Cascade proposal to the city and ours is very insignificant. So that being said, part of my job is to manage Moore Excavation's bid submissions to the city. My job is to know exactly what I need to do to conform to your bidding requirement as and in the last 10 years as John said, the standard for the city in the MWESB participation has been absolute. It hasn't been substantial, it hasn't been close. It's been you will do this work. We've had an instance where a contractor that was low, we were number two, they were thrown out for noncompliance, they threw out the entire bid for noncompliance. The -- noncompliance. The city is adamantly mandated in prebid meetings and in the documentation that you will do this. It doesn't say you can sort of do this. It says you shall do this. And Angela Pack can confirm and purchasing can confirm, this has been a requirement, not something you can sort of get by. We've talked with the city before, concerning if we list a MWESB contractor, do we need to go through all of the requirements? If I listed a MWESB contractor for \$10 million on this job, I still have to do the good faith effort as stipulated in the documents. The city has mandated that. It's not something they sort of do. That being said, as bidding contractors, we rely on those requirements to make our living, to keep our families working. The city is saying now, well, you don't need to follow those rules sometimes. As Allen Kalkhoven had said before, there's been bids later than the Portsmouth bid where they said, no, you absolutely have to do this. We need to maintain the integrity of the bidding process so that all of the contractors are playing under the fair rules and all reviewed in the same criteria.

**Adams:** Thank you for your testimony.

**Leonard:** Mr. Hall, I think you might be the right person to ask this of. Did I understand you to say it's your responsibility to put together all of the data for bids to the city?

**Hall:** That's my function.

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**Leonard:** So you would have been the one for moore construction to make sure that the minority women and emerging small business subcontractors were contacted by you to satisfy the requirements.

**Hall:** I manage that function, yes.

**Leonard:** Is it accurate that in order to contact the appropriate number of subcontractors as outlined in this good faith effort, you had to go outside of the codes that identified the subcontractors and look in other codes to identify who they would be in order to satisfy the five number of subcontractors to be contacted?

**Hall:** In looking through the state and -- that state list, you have to use more than just the nignp code I believe is what the actual code is. Naics the gp code the key word search. There's lots of contractors in there that are willing or are capable of performing other functions that don't necessarily come up with the one nignp code they're listed.

**Leonard:** But this does say, I'm assuming this is the same form that you used that mountain cascade used. It says prime contractors are required to contact at least five firms plus mwesb prebid attendees for each good faith effort dow identified below. And so it says --

**Hall:** Which is what --

**Leonard:** It drives you to one of those codes --

**Hall:** Right, but historically, the city has not used the nignp code to determine what minority contractors you have to contact.

**Leonard:** But to be fair, you're being technical. You're saying on the one hand, the city should follow its written rules and i'm trying to point out to you that in this form, it directs contractors to use these codes in order to identify who the appropriate certified minority women or emerging small business subcontractors are. And i'm hearing you say you have chosen to go outside of that to identify qualified subcontractors but that's not what the form says.

**Hall:** In order to adhere to mwesb solicitation requirements we have gone and used more than just the nignp codes and historically, the city has not used that code.

**Leonard:** Your basic argument is you do that and you think that mountain cascade should have done that as well?

**Hall:** My argument is more to the fact that the city has historically required that we contact five and two or five plus whoever comes to the prebid. And they've used that criteria to either find bidders responsive or nonresponsive, and now suddenly the city is deciding that they can somewhat bend the rules under this situation.

**Fish:** I understand that argument but to follow up on commissioner Leonard's point. What if you know there aren't five active businesses in any category. Would your understanding be you contact as many as you can up to five, assuming there's five operational businesses that would qualify?

**Hall:** I think I would agree with that.

**Fish:** In fact, it might be that you could only locate two in a category because in a down economy a bunch of people went out of business and there the only one's that are--

**Hall:** But the meter this city has always handled is, if there's three, you better contact three, in this respect, they're saying you found three but only contacted two. The meter is -- the city has always held us to the highest standard. Substantial compliance has never been a question with the city in the bidding process. They've never said you can sort of comply.

**Adams:** Thank you, gentlemen. Good testimony. Next three and we're going to move to two minutes now. Because we have to go into the evening and we have a long --

**\*\*\*\*\*:** I think i'm the last one.

**Adams:** We have a whole list --

**\*\*\*\*\*:** [inaudible] for moore.

**Adams:** Ok, who are the other two?

**Moore:** Was perry staten here? Ok, dave bell and michael grace.

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\*\*\*\*\*: These guys are not with me.

**Adams:** I understand. So noted. We'll keep them back there for now.

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

**Adams:** To prevent anything -- mr. Moore.

**Roy Moore:** Hi, there. I'm Roy Moore, with Moore Excavation, a third generation contractor in the city of Portland. We've worked on city of Portland, paying Multnomah county and city of Portland taxes for over 50 years now. Our location is 17090 Northeast San Rafael in Portland. We've sent you lots of information regarding this situation and you're probably tired of hearing about it. But as an employer, I have the responsibility to the people I work with and the families to try to right this wrong. We had 160 employees for the last 10 years. At this time, we have 75. And if things don't pick up, less than that soon. This job is a city of Portland stimulus project. It is not a Livermore, California stimulus project. The real rub with this situation is that you're purchasing department and Mr. Van Dyke want you to allow them to change the city policy and allow them to award this project to Mountain Cascade when they know it's not how they have administered the good faith effort program as long as it's been in existence. Please make the right decision for your citizens and my employees and require your staff to follow their, our good faith effort program that's been in effect since the inception, not the new twists of substantial compliance. Substantial compliance means that they didn't get the job done and your program leaves no wiggle room. This is not a term that the city of Portland has used ever. Until now. When it came to good faith efforts. If you can't reverse purchasing decision, throw all bids out and we can rebid under their new requirements.

**Adams:** Thank you, sir. Appreciate it.

**Adams:** Good afternoon, welcome to city council.

**Michael Grace:** Good afternoon, your honor. Thank you. Michael Grace, counsel for Mountain Cascade. We will definitely endeavor to keep this brief. It certainly appears that the council has a good handle on what the issue is. But let's make it clear. From a 30,000-foot level this is nothing more than economic self-interest. Moore's economic self-interest disguised as confusion over the rules, disguised as concern over the administration and implementation of the good faith efforts program. The law is substantial compliance. It was very ably explained by the city attorney and, in fact, that's the standard that is the law. As a result of that, the city attorney, the purchasing department have investigated the protests and determined that Mountain Cascade did, in fact, substantially comply. Now, let's keep in mind what is the goal here. The goal is to make good faith efforts and to not only give opportunities but to hope those opportunities are transformed into actual contracts. Actual business for minority and women, emerging -- emerging small business enterprise. That clearly happened here. 75% of the subcontracted dollars from Mountain Cascade will, in fact, go to those types of firms. Aaron Smud was the lead estimator on the project, he can speak to the efforts that Mountain Cascade went to and really more so, the level of effort Mountain Cascade went to and how they take this very seriously.

**Aaron Smud:** Good afternoon. I was a lead estimator for Mountain Cascade, as the general proposer for this project. And Mountain Cascade is very familiar with good faith effort. Both within goals and requirements. We take it very seriously. From the early stages of putting together a bid, we assign a specific individual that handles those requirements those efforts and deals with advertisements so we don't have the lead estimator have people that are not capable of putting forth the amount of time that it takes to solicit to that high number of people. We search for firms in the procedure that was given to us by division codes on the state website. It should be noted the city's website at bid time was actually down. It does specifically say in the specs that you're only able to go to the city website because the city's outreach site was not available at the time the advertisements had to be done. So we had one source and we had directions to follow division codes. We made those advertisements. In regard to the boring, we did actually contact five. One of which was a verbal contact. We were not able to send a written transmittal of an invitation to bid

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because on the phone they refused to give that. Larry evey, well drilling, when we contacted because the contact information listed was not accurate. We contacted them to follow-up, to get accurate contact information. He asked what the project entailed. He said, no, we're well drillers this isn't the scope of drilling that we would be interested in providing so he refused to give us the information. As you can see from the efforts that we put forth, the goal on the project was 35%. Our total effort was 75%. We more than doubled the goal that was put forth on this project. We felt we did everything within our means to achieve the lowest responsive bid as a contractor. And to cover the local hiring, I know there's been questions. Mountain cascade is an out of state contract would come up and try and take away local jobs. We're a union contractor. We've already worked negotiation was the local unions and they're actually here today to speak if you guys are interested in hearing from them. We worked with them and going to put as many local people to work as possible and given the city some percentages of projections we feel would come from out of state, as well as would stay in state. And less than half of our in house wages that would be self-performed work are going to stay in state. Ballpark, in percentages, or dollars, we intend to hire 80% of our total labor for the job locally. Operators, 50%. For truck drivers, carpenters, between 50% to 75%. A full time project secretary a full time project engineer, qc, all of these things are going to come from local labor forces. As far as utilization, mountain cascade will be bringing out of state this is going to be from a supervision end of things, foreman, a project manager, a project superintendent. No where near the number of employees --

**Leonard:** I actually have a question. You're well over a -- a minute and a half over. Did you hear the question I asked mr. Hall at moore construction? Is he your counterpart? Were you responsible for fulfilling the requirements --

**Smud:** I was not. Like I said I oversaw -- there was another individual --

**Leonard:** That's fine. My question is you then are familiar with the good faith effort document?

**Smud:** Yes, sir.

**Leonard:** And did you go to these -- these categories on the state website and contact those that were identified in that category?

**Smud:** Yes, sir, that's correct.

**Leonard:** Ok. And so you didn't have any idea that there might be similarly qualified people but miscategorized in other sections of the state's website?

**Smud:** All of these websites that we've searched in the past, they're all set up differently. Sometimes you can find by doing other searches. Cross searches.

**Leonard:** But you did what the form said?

**Smud:** We did what the form said and we had no reason to think there would be other turnup of firms.

**Leonard:** I would say that you suggested that mr. Moore did this for an economic reason. But, of course, he did. There's no reason for respond, I will tell you, of course, he did and that's understandable to us and I hope you appreciate --

**Smud:** I do.

**Leonard:** There's no need to respond. I would advise you not to. I'm saying that he's exercising his right here and we're -- we are predisposed to try and help local contractors and want the rules to be fair and applied equally.

**Adams:** Would you like to testify?

**Dave Ball:** I would, i'm dave ball. I'm a business agent with local 320 in portland. And as a taxpayer, it makes sense in these hard economic times to go with the low bidder. It's disheartening to think we would burden the taxpayers, \$700,000 or undisclosed price for rebidding a job on what seems to me like a technicality. That's all I have.

**Adams:** Thank you all very much for your testimony. Karla, the next three.

**Adams:** Good afternoon and welcome to city council.

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**\*\*\*\*\*:** Good afternoon.

**Adams:** Give us your first and last name and the clock will guide your available minutes.

**Dennis Molvik:** I'm dennis molvik. I'm vice president of northwest boring as well as the past president of the Washington chapter of the national utility contractors association. Northwest boring will be performing the microtunneling work on this project. About 30% of the total dollar value of this contract. Northwest boring has been a -- been licensed with the City of Portland for over 30 years, we're a certified m.b.e. We are a union contractor and we are a local regional contractor and when I say local regional contractor, our headquarters are in woodinville, yet our work is regional to the northwest. I can name over 50 projects that northwest has done in the state of Oregon and the city of Portland. We're local regional contractors just as Portland contractors such as james fowler and gonzalez boring, both of whom we also compete with are local regional contractors that perform work in the puget sound region as well. Northwest boring has been a pioneer of trenchless construction for the past 56 years. We just celebrated our 56th anniversary. Specializing in tunneling, pipe ramming, epb tunneling, micro tunneling and auger boring. In february of 2002, northwest boring received the microtunneling achievement award from the colorado school of mines. Having demonstrated the highest level of excellence in expanding the science of microtunneling. In April 2003, we received the 2002 project of the year award. And march of 2006, we were a recipient of the north american society of trenchless technology 15th anniversary industry award. This award recognizes our impact and innovation in the contribution of the trenchless technology industry and i'm here today to ask you to award this contract to mountain cascade.

**Fish:** Did you say you were a member nuca?

**Molvik:** We are a member of the Washington chapter of the national utility contractors association, yes.

**Fish:** We're heard from the Oregon and southwest Washington chapter. Is the Washington chapter a different chapter?

**Molvik:** It's a different chapter.

**Adams:** That's interesting.

**Michael Zeman:** My name is Michael zeman. I'm the president of Scheffler Northwest. We're a local drilling and shoring contractor. Given the downturn in the economy this is a very important project for us. The only thing that I ask is that you award it so that we're not forced into rebid. Forced into next year. Given the economy, it's very important to our employees that this project go forward. Thank you.

**Adams:** Thank you for your testimony.

**Mark Parrish:** Mark parrish vice president of parrish excavating. We are a wbe, mbe and esp contractor. We were contacted by Michael franschari of mountain cascade and a number of the other generals to give a price on excavation. They've been very generous to us and giving us work to bid on like I said, the economic times, we really need this project to keep us going.

**Adams:** Thank you, gentlemen. Appreciate your testimony. Karla, the next three.

**Moore:** These are the last three I show who signed up.

**Adams:** Ms. Parrish, do you want to testify or are you signing up to show support for your brothers or husband or whatever? Hi Nelda.

**\*\*\*\*\*:** Hi.

**Adams:** Welcome to city council.

**Nelda Wilson:** Thank you. My name is nelda wilson, assistant business manager of local 701 the operating engineers and here to testify on behalf of mountain cascade. They are signatory with us. I realize they're from livermore, California. So is our credit union, that's where its base is. We still have a Gladstone branch so I don't think there's any crime there. Couple of things I'd like to talk about. We've talked for quite some time with this company about manning. Local 701 has a

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substantial long work list right now. And there are hazmat requirements on this project. We have a sufficient number of hazmat trained people to do their self-performed portion of the excavation work and I wanted you to know that's something that we train regularly and normally so as part of what our training funds do. So these guys, they're paying into the local training fund. All apprentices will come from us. As far as the both boring contractors, their signatory they pay into the local funds. I really see no difference between the two in that respect.

**Fish:** I will note you do job fairs at memorial coliseum.

**Wilson:** Yes.

**Fish:** There was a few years ago you had a crane out front --

**Wilson:** Yes, we had one there this year.

**Fish:** I want to apologize for all the damage I did to the crane and surrounding structures.

**Wilson:** You've got to start somewhere.

**Leonard:** Indoor collective psyches.

**Adams:** Thank you Nelda. Jim and jeff I have some questions for you. So the concern has been raised about sort of deviation from practice. Versus what the words are on various sort of policy and ordinances and can you speak to that?

**Van Dyke:** I can. The state law on judging bids has always been substantial compliance and the city code, when we've adopted the city code, regarding compliance with good faith efforts expressly says substantial performance. It's been that way in city code for a long time. That's what the words say. What I know is that whenever i've been asked to consult with the bureau of purchases regarding bid protests i've always said the question is whether the bidder has substantially complied and that depends on an examination of the facts on any particular case and looking at all the facts considered. How many contacts they had to make, how far off they were and so forth. So from my perspective, the standard has never changed, has never deviated. It's always been the same. In fact, I think it's important that our standard remain consist and that we continue to give the same consistent message to bidders that -- that propose and bid to the city.

**Adams:** Have we moved contracts through the process with this level of short of absolute compliance?

**Baer:** We have rejected bids for not being in substantial compliance with the requirements. So I'm not sure if that answers your question.

**Adams:** Is this the only --

**Van Dyke:** The answer to your question is yes. We've let other bids go through when they have been in similar situations to this.

**Adams:** How do you possibly manage a system that allows for this case-by-case analysis of something called substantial compliance?

**Leonard:** If I can interject? I think it's important to frame this.

**Adams:** If I could get an answer to my question, then you can follow up.

**Van Dyke:** I think what we try to do is whether it was jeff's predecessor sue or jeff. I sit down with them. We sit down with staff and discuss each project up and down, especially when there's a protest. Or even if there's not a protest. When somebody is not 100% in compliance to try to determine that. And if you're looking for a rigid set of rules that we go by, I don't think those exist because the circumstances of each bid varies so much. But I think we -- I think as a general matter, we try to get people very, very close to the mark in order to have them be substantial compliance.

**Adams:** Commissioner Leonard.

**Leonard:** I would just say that the implication of your question, I appreciate the question, but the implication is they're applying some subjective standard to the bidders and I guess i'm not concluding that. What i'm concluding and I haven't heard anything to refute this, is that you gave them rules by which to identify who the subcontractors are that they were to contact. They followed those rules, which were to contact those subcontractors, identified by these codes on the

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state website. I don't think it's reasonable to expect people then if there are only three subcontractors listed at that code, to think beyond what the instructions are and say, maybe I can search a different way and find more subcontractors on this website. It seems to me that they not only substantially complied. They did, in fact, what the rules said they should do. Unless I'm missing something in the testimony, I'm not thinking that you applied any subjectivity in saying, well, there were five there in that code, you only contacted three, that's good enough. That's not what I understand from the testimony happened.

**Van Dyke:** Yes, I agree with that, commissioner. And if the city were to reject mountain cascade I have think I would have a hard time pointing out to a judge where in the specifications mountain cascade was required to go beyond the nignp code and start searching using other methods. I have nothing to go on. I would have no basis on which to -- no written basis on which to require that.

**Fish:** Can I go one step further. I think Randy hit the nail on the head. And by the way, you've been practicing law all day without a license.

**Leonard:** Some say my whole life.

**Fish:** I compliment you. The document we've been looking at is called a good faith effort. It's framed around a good faith effort. One of the issues I'd want to know is whether there's bad faith. Someone's tried to skirt the rules or game the system. It's one thing to say here's the floor, you didn't go above the floor. I've heard that argument here. We went above the floor, they didn't, and, therefore, we're harmed. I'm not sure that actually has legal significance in terms of our process. The document we're looking at says good faith effort and directs the contractor to go to a website to comply with the obligations but beyond that, our concerns are not superficial. We're not trying to encourage people to fax documents and say we've gone through this exercise and we're not going to contract. You've told us the winning bidder had a success rate in contracting with mwses subcontractors which goes beyond the sort of procedural justice we were seeking here to get to an outcome which is substantively what the city want to encourage. Am I correct?

**Van Dyke:** Yes, and, in fact, on other projects what we've seen, if we've seen bidders try to game the system, we've asked for additional information.

**Adams:** As the policy manager behind writing this code I will say that its, regardless of the issue of substantial or not, the goal is that when we say outreach, we want the outreach.

**Baer:** And that's expect, especially, there's no doubt our staff takes time at the prebid meetings to highlight this specifically because we want the contractors to pay attention to this because what we want as a result is to be able to say we're going to award this contract and here are the local minority women, emerging small business participation.

**Fish:** Were getting close to a line here. I would hope we don't have an argument down the road where someone says we didn't get the winning bid but we did contact five firms we didn't contract with any of them. And the person that did get the winning bid, only contacted two, yes they contracted with one of those two, but neglected to contact three more. I think there's a certain point where its form over substance if our intent is to get people to contract.

**Adams:** I passionately disagree with you.

**Leonard:** That's not the case here.

**Fish:** It's not the case here.

**Adams:** No. But I passionately disagree just so that it isn't on we can disagree over this. This is a good faith effort which means we are going to judge whether or not people made a good faith effort. And in this particular case, your argument is because the forum and not all of our forms say search by nignp over the years. I know we've had other specific direction. But your point is -- and commissioner Leonard's point is that because it says search by nignp code that was sort of the standard of success, the rules of the engagement. Other contracts have had different sort of rules of engagement. My understanding is that's our right to do that in setting up these requests for proposals. I get that. However, I don't want there to be any sort of well intention but under mining

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of the fact, that when we say contact five, and there are five options under roofing, we want them to contact five if they're available. And if they only contact three but they're the low bidder in the past, we have rejected those.

**Leonard:** Except -- but I think it's important to apply here --

**Adams:** Really? How?

**Fish:** My only point sam -- sorry.

**Leonard:** I really think it's important not to get esoteric about this debate at this point.

**Adams:** Well you have make it a little esotericness.

**Leonard:** If there were three subcontractors under asphalt paving when they went to the code and they contacted those three, I hope the argument isn't yeah but there were only three and you should have creatively figured out how to --

**Adams:** I hear what you're saying. And again you've said it a couple of times I think it's compelling to say it's a search by nign code.

**Leonard:** Right.

**Adams:** I just want to be clear, this is a big organization and lots of contracts go out. Not all contracts limit it to nign searches. Sometimes they say you have to contact five certified firms.

**Leonard:** But this one did.

**Adams:** I understand. I've got someone else over here who's made a different point. I just want to address --

**Fish:** I didn't mean to take us off track. What I think I was saying is probably a noncontroversial. I just didn't say it the right way. Jim, if the protester in this case disagrees with our determination, their next option is to go to court.

**Van Dyke:** Correct.

**Fish:** And raise an issue of what does substantial compliance mean?

**Van Dyke:** Correct.

**Fish:** And test that against whatever has been our historical practice?

**Van Dyke:** Yes, although historical practice doesn't really make any difference. The judge will look at it based on the contents of this particular specification.

**Adams:** Any additional council discussion? Karla please call the roll.

**Fish:** We're about to set a record here in terms of council -- duration of a council hearing. Almost our sixth hour with other very important topics to follow. But I want to first thank everybody for sticking around. I know that our calendar has inconvenienced a lot of people here. We appreciate people staying and testifying and illuminating this issue. This is even I think for seasoned members and new members, you're getting the sense we're struggling with this because it's complicated and we want to get all the facts, make sure we understood the law. But for me it came together toward the end, particularly under the questioning of the second attorney on this panel, commissioner Leonard -- [laughter] -- on some of the points and I -- what I -- what has to me been the deciding point is that the question for me is did the winning bidder comply with the good faith effort division of worksheet requirements on the face? The first question is can they meet the requirements shown and the evidence has been put before us and I don't know that there's been any contradiction, is that they did. They went on a website, they assembled the names of mwesb contractors and contacted them. That actually technically is what we require. I -- we may revisit this question at some point to talk about whether this requirement should be a procedural or substantive requirement and what the law provides in that area. But it appears to me, based on what we've heard, I don't think it's been contradicted they did what we were required to do. I agree with a number of the comments that have been made by my colleagues that we do not require people to go above the legal floor that we've established for them to follow. The fact that a local contractor went further in developing a list is laudable, but it was not required, at least on the face of the documents we've been presented with. So as I understand the question on the challenge is were the requirements of the good faith

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effort met? And I believe that the evidence is they were, so I don't -- I agree with commissioner Leonard, I don't believe we get to the question of whether there's been substantial compliance. I'm satisfied there's been compliance. And the question of whether it's a local contractor or, you know, which labor organizations are contracting with, people are free to put that on the record, but I don't believe that's relevant to what our decision is. We have rules about prevailing wages and kinds of compensation. I think it's a narrow question. I think it's been narrowed through the testimony and the discussion which has been helpful for me. We have a low bid that complied with the good faith efforts. And there's nothing before us that says they didn't comply and I don't believe we have to get to substantial compliance. I think they have complied. And I think lost in this discussion is that the winning bidder also has achieved a remarkable rate of contracting with mwsb firms. To the tune of 75% which is 40% above the target the city set. So I don't want that to be lost in this because I think that is what substantively also what we also need to acknowledging and celebrating.

That's what we want to promote. Now, this leads me inescapable to reject the appeal. But it's not based on anything that Moore has presented. They have presented a lot of information that confirms that their good corporate citizens and we hope they continue to bid on projects at the city. But on the question were asked to decide today I'm satisfied that the evidence is that there's been compliance and therefore that the appeal should be denied. So I vote aye.

**Saltzman:** Well I -- I like Roy Moore, I like many of the people who are representing Nuca who are here today. But I do have to agree in this case I think that Mountain Cascade complied or substantially complied given the narrow instructions to use the NIGP codes to contact the list available minority, women and esb contractor. So I think that this is, as commissioner said I does come down to a very narrow question. I think there was good faith effort and indeed if not compliance abundantly substantial compliance. So I vote aye.

**Leonard:** I've worked very hard since I've been on the council to have rules written. Specifically these kinds of bidding situations that prefer local providers of goods and services. Jeff has some bruises on his body that prove that point. Most recently the purchasing of automobiles in the past I've sat with him and we've developed a set of criteria in order to prefer Oregon grown canola to buy to convert into biodiesel. We were very creative in developing that RFP. Frankly in order to figure out a way to preference local providers. But this is the most difficult part of my job which is to having fought on the policy and to get things in place that are objective that give preference to local providers but once those policies are in place to apply them I have to do that fairly. And I have to at the end of the day I have to go home and look at myself in the mirror and know that I applied the rules fairly. I will tell you Mr. Moore if there was any way that could be determined to give you the bid I would have found it. I was looking for that. I'm afraid that it's not there and really for the reasons commissioner Fish articulated I think there was rules that were promulgated, that were clear, that Mountain Cascade followed being awarded the contract I don't want to diminish their good work in getting qualified minority, women and emerging small business contractors, using labor contractors I appreciate that. But I do prefer to have local provide local contractors of work where I can to the extent that we can learn something from this in the future contracts I'd like to do that are let. But given what the facts are of this particular bid, I find myself in no place other than to award the contract to Mountain Cascade. Aye.

**Fritz:** I greatly appreciate the discussion both of my colleagues and of everybody here. Thank you for staying so long and for giving good testimony. It shows the importance of process as well as product. And that we do pay attention to details. The outcome is that this 34% minority and women owned businesses. There is 0.1% women owned business' and I appreciate the fact that Mayor Adams pointed that out to me. It was good to see the representative from the operating engineers here and to recognize that in construction projection we have a challenge in finding and making sure that we find women as well as minority-owned businesses. And I do appreciate -- I believe it's in substantial compliance. I listened to all the testimony. I had some questions about

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the, the specific numbers, but with this number of hours, I appreciate mayor Adams pointing out the outreach is important as well as the product, and the contracting is -- the contracting people to make sure that we get the bids is important. This has been a good learning experience for me, and I will continue to be interested in the issue of contracts and how we do them when the council weighs in, and pleased that there are 80% local workers in the mountain cascade workforce, and I appreciate you need folks here today, and I vote aye.

**Adams:** Well, the other cities r.f.p.'s have required outreach to certified firms, so if that was what is defined in another, um, r.f.p., but, but a contractor only submitted based on an n.i.g.p. search, and therefore, tried to, tried to make the case that their efforts just with an nign search, when we asked for a contact of five certified firms that therefore their search was complete but they missed people, I would not be convinced. But, because this does say, "search by nign code, enter the nign code listed below, for subcontractors, I have, you know, no choice but to accept the fact that this particular rfp narrowed the definition of, of what it meant to make a contact and the list that, um, was going to be used for, determining whether or not a contact had been made. If there are three people in a category, three firms are contacted, then that, under the way I read this and based on the testimony, then I think that constitutes success under what's been written on this particular description of a good faith effort divisions of work. However, just to be clear, I've always been nit-picky on this because it's in the nit-pickyness that we ensure that all the possible contractors are contacted as part of our good faith effort. That's one of the few tools that we have. Out of that contact, hopefully comes more work for certified firms. Thank you for all the testimony. It was very compelling, aye. [gavel pounded] Will you please read 664.

**Item 664.**

**Adams:** Mr. Bear.

**Baer:** Recommending the award to the west tech construction, who is a local Portland-based business for the b.e.s. Foster replacement project in the amount of \$1 million --

\*\*\*\*\*: Aren't you lucky.

**Baer:** 1,098,945. We received nine bids. They have a 28.2% mwesb construction rate, and they are in full compliance with, with our business license, and equal benefits.

**Adams:** Questions from council. Is there anyone that wishes to testify on the council item 664? This is the purchasing item, and, and I need a motion to approve.

**Fritz:** So moved.

**Leonard:** Second.

**Adams:** Moved and seconded, to approve, and the purchase report contain in 664, carla, would you please call the roll.

**Fish:** Aye. **Fritz:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Adams:** Aye. 664 is approved, can you please read the title for emergency ordinance 665.

**Item 665.**

**Adams:** I just want to make it really clear that i'm going to oppose this, unless there is a neon rose that twinkles. [laughter]

**Leonard:** It is interesting you said that because I parked my car on the east side of the river, and walk over in the morning and back at night. Walking over this morning, I happened, by sheer coincidence to watch the rose be installed on the roof.

\*\*\*\*\*: Okay.

\*\*\*\*\*: So, it is there, and I know jeff didn't see it because he was here.

**Jeff Curtis:** That's right, I was here. I can tell you that all local stations were there watching it and filming it be built, being installed.

**Leonard:** Yes.

**Adam:** This is an annual formality but is there anything ears one of you would like to highlight for us? Any reason that we should vote no?

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**Thomas Lannon:** No, mayor, i'm thomas, and, and i'm the operations division manager for the revenue bureau and the only thing I would like to point out is I think that, that this is the least controversial item that I have ever had the opportunity to do, and it must be christmas.

\*\*\*\*\*: Hallelujah.

\*\*\*\*\*: To my right, I think you all know the executive director of the rose festival foundation, and in brief, this is a housekeeping ordinance and it would, basically, allow for, for the starlight parade, the grand floral, the junior rose parade, street closures, banners, etc., many bureaus have engaged and, and allison, our, our special events coordinator has worked very hard with those partners to get this done, so she should be thanked.

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

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

**Fish:** Do you ever any concern that, that you are having, that you have scheduled this program so that the grand finale precedes the debut of the rose festival.

**Curtis:** No. [laughter]

\*\*\*\*\*: The address by commissioner Leonard, the light switch. All that happens before we begin the rose festival, are you afraid that might take away from the other programming?

**Curtis:** No, i'm not. I don't know, I wanted to say briefly, my message to you is brief but important. I'm going to get lost in the discussion. This is our annual rite of patterson. I want to thank council for your support, but what gets lost in the messaging, and there is excitement about the rose and our new building, but is the, is the significance and power of special events in general. Never mind the rose festival. Any special event I want to thank commissioner Fish for your leadership. With the Washington park summer concert series. Special events are more important now in a tough economy than ever. It is a chance for our community and particularly the rose festival to come together and celebrate everything good about why were you live and our human spirit, and that's, that's, in a tough economy when making tough decisions and you deal with tough swayings and people at home are dealing with tough economic conditions we can take time out and we can come together as a community, and we can go to the parade and go down to the waterfront and watch our rose is lit and just take time out and really celebrate this special place that we call home. So, that is what's very significant about, about what we're about to do. It gets lost in some of the major details, and a great, the great events that take place, and you heard about those with our court presentation today, but it's really that simple message of bringing people together to the, that the rose festival has been doing for 102 years, and we're ready to light the rose. And we're ready to kick it off in 4 hours. Thank you.

**Fish:** Randy and I compared notes, and it has not been publicized he raised a lot of private money to make this whole thing happen, and, and we compared notes on the phone calls with people, and the business community, I think they were the same. You get a principal on the phone and they say, worst economy of my lifetime, we're tapped out and fully expensed, what do you need, and that, he raised tens of thousands to cover the portion that, that most of the costs, likewise, at the park, and that says something about our bes and individuals.

**Curtis:** No question about it.

**Leonard:** We need to probably, right here, stop and thank ramsey sciences for stepping up to the plate and, and, and donating the, the design, the engineering and the manufacturing and today, the installation of the, of this, what is really, really a very beautiful product that, that necessity produced. It's, it's -- it's, um, it's -- I think it's beyond what most of us thought. I hope that, that the council will remember and I think commissioner Fritz, as I recall, your anniversary is on friday.

**Fritz:** It has been long planned.

**Leonard:** So commissioner Fritz will miss friday.

**Fritz:** If 27 years ago I had known that.

\*\*\*\*\*: Right. [laughter]

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**Fish:** Disassociate yourself from this event.

**Leonard:** But I think mr. Fish, with one of the.

**Fish:** Counsel.

**\*\*\*\*\*:** And we'll flip the switch to light the rose and commissioner Adams will give the headline remarks before, but before the rose --

**\*\*\*\*\*:** Is it two or three minutes?

**Leonard:** Whatever you want.

**Adams:** I need good rose quotes.

**Leonard:** The evening will start off at 8:00 and issue that everybody listening will be shocked to, to hear that the, the evening will start off with music by curtis selgato and his world renowned band, and, at 10:00, we will light the rose, and at 10:15, we'll have fireworks.

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

**Curtis:** And special presentations at 10:00, the rose will light, and the fireworks will hit, go over the line right after when the rose lights will be. It will be very, a very special evening and historic for our community.

**Leonard:** The fountain has just been -- the historic fountain that's part of mccall has been covered up and people didn't know that it was there for decades, has been restored, and was, actually, filled with water yesterday when I went over it, and, and it's going to be a really magical evening.

Looking forward to it.

**Curtis:** Thank you.

**Adams:** Thank you, gentlemen. Anyone here wishes to testify on 665?

**Moore-Love:** No one signed up.

**Adams:** All right, please call the roll.

**Fish:** Look forward to tomorrow night. Excuse me, look forward to friday night.

**Leonard:** A long 24 hours. [laughter]

**Fish:** And we said this before, but, this, this action marks a turning point in the relationship between the city and the rose festival, and, and city has benefited over the years from, from the, the participation and involvement of what the rose festival does for our community, and now, going forward, we're partners. And we have said through the, the arrangement on the mccall's building, the kneeon sign, and many or things, that we want this to be a partnership, and that we are committed to your success going forward, and I appreciate the fact that you've been willing to take a look at the whole rose festival programming and, and being creative on how to update it and how to continue to, to broaden the appeal and the base of the appeal in our community to this wonderful festival. So, good job, we look forward to working with you, going forward, and I urge everyone within the, the, listening to this, including mayor katz to pencil in friday night for the, for the event because it will be great. Aye.

**Leonard:** In my job, people ask me, how do you like your job? And I said, it's one of the things I have to do, and I don't know that I will qualify them as likable, but they are things that one must do and things that I get to do. And because, because of mayor Adams graciousness, he has designated me as the liaison to the rose festival and that's something that I get to do, and there is nothing that I enjoy more, even with some of the controversial issues, jeff and I have tackled, along with commissioner Fritz before she was on council, I have always felt that it was really a privilege to, to try and make the rose festival be what I remember it being as growing up, this very special, magical event that was unique of all special events. I mean, I know jeff knows about it, and in characterizing the special events. The rose festival does not qualify as a special event. It is, it is part of the soul of the city. We are identifying the location of that soul as we speak that will reside within the john young building and be designated from here on after by all who see it as the keeper of, of, of the, of the one event that, that unites Portlanders, that being the Portland rose festival. I am looking forward to next year a lot because I think we can consolidate a lot of the big things that

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we have done in this following year, and the work that jeff and I are going to do together, and jeff has been a great guy do work with. I very much enjoyed getting to know jeff and, and working on the various things that he and I are working on, and they are one busy organization. It's, it's dizzying to be around them when, when they are engaged in preparing for the rose festival because it's -- I don't think that any of us appreciate how complicated and multi-faceted it is, and is part of the foundation -- what is the proper designation, sue?

\*\*\*\*\*: [inaudible]

**Leonard:** The royal rosarian.

**Adams:** And not just any. Give the full, what's going to happen next year?

\*\*\*\*\*: [inaudible]

**Leonard:** Oh, I didn't know that. That's fabulous. So that's really cool, so it will be is a fun year, and, and I have looked at the long range forecast as I know jeff does every morning, the weather will be great, and, and, um, so, um, I can't wait for the events to kick off on friday night. Aye.

**Fish:** I appreciate commissioner Leonard's comments about the things that we get to do. I got to hang out with the royal rosarians on february 14 and got to hangs out with the rose principle is cesses at the parade and also the stop signs parade and the rose festival is all about people. It's about the people of Portland and the people of Portland who stay with us, we'll be right back celebrating for around a sentry and the ordinances has come to the council for a century and I feel honored to be here to be part of this great event, this series of events that is part of Portland. The international festival honored the rose festival internationally. The best festival in the world in 2007, out of 3,000 entries. So, it is our environmental commit to arts, youth, and education, volunteerism, and a rich flow heritage. You don't get much more rich than the rode parade for heritage, so thank you very much for all you do, and I am very happy to participate as a city commissioner. Aye.

**Adams:** It's great to see all the changes that are going on, and the strength and partnership that's in the city and the Portland rose festival. I want to commend commissioner Leonard for, for, um, spearheading that on our behalf and, as I said, to, to the princesses this morning at our breakfast Portland. It's time to get your rosaria on. Aye. [gavel pounded] It's appropriate, given it's a starlight parade, too, so can you please read the, the item 666.

**Item 666.**

**Adams:** This is a second reading vote only, please call the roll.

**Fish:** Sue, sistr since you and I spoke the other day I want to memorialize a couple of points because I had alluded to this issue, one of my colleagues said that this is one of the biggest can of worms that we deal with, this is one of the complicated issues, and you, with some trepidation, search yourselves, so, I appreciate the work has been done to come up with this balanced package, but I also understand that, that there are a lot of people who are constituents who has, have some heartburn over previous pieces, and when I was visited by some, some hotel operators, one of my messages to them was, come earlier, upstream, and engage us on some of these things because there is some issues that are foreign to me, and I don't have any oversight over, this and you are a director so you and I had a chance to talk and I want to put on the record that, that, a request has been made that, that in selecting a representative from the tourism industry, which, which is going to be up for, for appointment shortly, that, that you consider, you know, from travel Portland, tricounty lodging, and any suggestion that the hotel industry would have because they have, they have a, a big dog in this fight, would like to be represented and heard. That seems to me to be, to be a fair request. There are some concerns about, about, um, under the new rules, whether we're making it so hard for some of the frequent flyers, some of the hotels to engage town cars as to whether it just -- essentially, becomes prohibited. And, and what I have asked is that, in the next six months or whenever it is convenient, you come back and just give us a sense of, is this working? And are there any unintended consequences? I think we owe that at least to the industry, to monitor it. To see

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whether it's meeting the goals that we have identified. With those two caveats, this has been a very thoughtful discussion, and I compliment the mayor for breaking it out over three hearings because I think it has given people a lot of opportunities to come and be heard, and not everyone is going to be happy with what we're doing today, but on balance it, seals like, like the right, the right direction, and you have left other things for later determination, and I think that the petty cab issue is something that I have a particular interest in because I may not have been alone in having, having been somewhat surprised to learn how lacks the system is, and in no way do I want to limit the growth of that industry because I think it can be a particularly icon I know, unique Portland thing. But, the notion that, you know, you don't have to have insurance or be licensed to operate while also being on city streets, I think, would come as a surprise to some of the, some of the people who actually contract for those, for those rides. Sue, thank you for all the courtesies you have extended to me and the time educating me about this issue and all those who testified to help us understand their point of view, I will vote aye.

**Saltzman:** Well, i'm pleased to support this as amended. I am pleased, I think, commissioner Fritz, last time, had the provision that, caps could be appealed to the city council.

**\*\*\*\*\*:** When they come back.

**Saltzman:** Ok. I think that's, that's a good version. I appreciate the counselor's support to establish an ad hoc committee to look at the petty cab issues and to come back to, with either revisions to code or perhaps a separate code chapter on that angle, and I do think that, that this is probably, you know, it's a well thought out process, and I think that, that the revenue bureau has done a good job of, of guiding the discussion. Coming up with, with, with a modernized code. For modern times. Aye.

**Leonard:** As I said before, this is a fascinating area. And it was one that, that I greatly enjoyed learning about when I was assigned the responsibility of overseeing this, this regulatory function of the city, and, um, I really came to appreciate the, the, the delicate balance that has to happen to make sure that our, our taxing industry, not only survives, but thrives. And, um, and I recognized, along with those that worked at the bureau of licenses, that, um, to do that, we have to make sure that we don't regular greatly the taxi cab industry but not then regulate competing interests who, who, um, who then, then take away business from that industry, and then are able to thrive unregulated. So, you have to find the balance in there, if we don't have that right, right now, I join with commissioner Fish in wanting to revisit that and make sure we fine that because it is a delicate balance, but I think that, that the, I think that sue and her team has done a good job in striking that balance here, and I greatly appreciate their, their, their focus on, on finding that balance. So, um, i'm very happy to support this approach. Aye.

**Fritz:** These regulations are intended to provide equity between taxis that have to provide is service 24-7, 365 and other private for hire transportation that doesn't have to follow the rules. Very pleased to support moving forward with this. The code is a good start that will be further refined and i'm comfortable with that, committees being set up to do that. So, I want to thank all the citizens who participated either sending us emails, calling, meeting with folks in our offices, and participating in the hearings that we had, and commending the staff and the committee that worked so hard on this, and you, and commissioner Leonard, for your previous work, knowledge, leadership on this, and mayor Adams for leading this current process. It's really, really good work, and it was long and hard coming, and it was, there was more background work, wasn't even obvious at the city council hearings so thank you very much. Aye.

**Adams:** Sue and frank, and, and the whole team, shane, thank you for your work on this. This is, this is tough work, not very glorious or sexy but incredibly important. We're pleased with the changes made by my colleagues at the last meeting in addition to, to subcommittee for pedty cabs reporting to the committee which will help us refine and nurture that industry we wanted to grow and succeed. Aye. [gavel pounded] Can you please read the titles for calendar item 667.

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**Item 667.**

**Fish:** Mayor, this is a, a relatively non controversial matter, but the, the two documents in your packet have two small glitches. The first is that, um, that this was originally intended to be on the consent agenda, and, and, um, was put on the regular agenda by mistake but that's, that's, you know, we're still going to take it up. The second, is if you look at the ordinance, apparently, the, is my senior colleagues at parks are so dissatisfied with my leadership that they listed the charge. This authorizes grants for out of school hours, youth programs, and, and, and it is, it is funded out of the, the levy. These are standard grants, these are longstanding grants, which we've been doing for, for over five years. And the grants are equitably awarded based on enrollment of students, and they are dedicated to the before and after-school enrichment programs, and, and, and in the case of Portland public schools, a portion of their money goes to, to certain sports programs including golf, tennis and swimming, and the ordinance speaks solidly. I would urge your approval.

**Adams:** Anyone here who wishes to testify? Unless there is additional discussion, Karla, please call the roll.

**Moore-Love:** There is a non emergency.

**Adams:** It moves to next week for council vote. Thank you. Can you please read the title for the previous, or for, for emergency ordinance 669.

**Item 669.**

**Saltzman:** It will allow for a green street at pettygrove and 16th street. We're providing a 40,000 grant to the developer not to exceed, for the construction of the facility. We are asking to, to exempt construction of this street from the competitive bidding process because the developer has agreed to have this work, games and moore, add there work to the current private project there under construction. That's why this is an emergency ordinance, and that's why I asked for your support. I guess it is a sole source.

**Adams:** Discussion from council? Any who wishes to testify? Let's see, can you please call the role on this item?

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

**Fritz:** I usually am concerned about sole source contracts, this one adds to a current construction project, that makes it a lower cost than putting it up to bid separately and the total cost of the project is not to exceed \$40,000. Aye.

**Adams:** Aye. [gavel pounded] Approved. Would you please read item 670.

**Item 670.**

**Saltzman:** This is a grant from the Oregon department of agriculture, through the three rivers land conservancy to support the mustard control efforts.

**Adams:** Anyone who wishes to testify on 670? Any council discussion on 670?

**Fritz:** Is a quick question. For we, is there going to be [inaudible] when this will be done? Or how will they know when it is being done?

**Saltzman:** I don't have the answer to that but we can get that to you.

**Fritz:** Ok.

**\*\*\*\*\*:** Ok. We'll make sure.

**Adams:** Please call the roll on 670.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye. [gavel pounded] 670 approved. Can you read 671.

**Item 671.**

**Adams:** Commissioner Saltzman.

**Saltzman:** This authorizes the city to apply for a grant from the Oregon [inaudible] for the tryon creek council habitat enhancement project.

**Adams:** Discussions from council? Anyone wishes to testify son emergency ordinance 671? Carla, call the roll.

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**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye. [gavel pounded] 671 is approved. Read the title for 672.

**Item 672.**

**Adams:** Commissioner Saltzman.

**Saltzman:** [inaudible] is working with b.e.s. On the sewer projects for control of c.s.o.'s and sellwood. We originally contracted with that and part of that contract is, we're modifying the contract. It is an amendment to, to an existing contract given the need to get this project underway, i'm supporting it. So this is an expansion of an existing contract.

**Adams:** Discussions from council? Anyone wishes to testify on emergency ordinance 672? Carla, call the roll.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Yes.

**Fritz:** With the increased cost, because the bureau was responsive to neighborhood concerns about the location of the push station, I am pleased to vote aye.

**Adams:** Aye. [gavel pounded] 672 is approved. Can you read the title for 673.

**Item 673.**

**Adams:** Commissioner Leonard.

**Leonard:** This is, this is a, a, another ordinance for, for precisely the same reasons that the prior one we heard. The fire marshall with the city of Portland is here.

**John Nohr, Portland Fire Bureau:** John [inaudible], fire marshall. I just was here to clarify any questions that you have. The fire watch is ongoing, the original one that you voted on in may, was, was, was for up through mid december and these are the costs for mid december up through the date, and I don't have that in front of me. Through march 26, and, and the fire watch is still ongoing as we have [inaudible] hearing and the administrative law judge set it over to june 19 so we're still in process. This is continued for the city to collect the money owed to it for the provision of the fire watch.

**Fish:** Chief, the last time that we had, we had a similar matter for us involving this, this establishment, we had an appeal, lots of witnesses and letters. There was proper notice of this proceeding today?

**Nohr:** Yes. Mr. Papas was sent a letter by our office stating, either a copy stating for, last week, and held over for one week to today.

**Fish:** Has he filed any challenge to this?

**Nohr:** Not that i'm aware of. A city codes hearing officer, or, or late last month, late april, heard the beginnings of an appeal of this process going through the hearing process, which is, which is done through the bureau of developmental services, and it's separate from our fire bureau process, and, and the hearings officer, basically, used up all of the time there, the hearings officer held it over until june 19 to hear the rest of the case.

**Fish:** And he can get complete relief to that proceeding on, on the, the fire watch and then, and then adjustment of the, of the fees if he's seeking that?

**Leonard:** Respectively.

**Nohr:** I believe that, that -- he believes that there is a process there, that it can be -- it's, it's -- i'm familiar with the fire code board of appeal that I deal with, not familiar with b.e.s.'s code hearings officer but as my understanding from, from a gentleman that, that, that this is an avenue, at which mr. Papas can seek to either get relief or be ordered to, to be responsible for it.

**Adams:** Papas, mr. Papas came in. Held a meeting with me at my request seeking assistance through Portland development commission, or other bureaus, that I have oversight over, seeking assistance to, sort of, of addressing the challenges of this building and we're looking at that, just, just for the record. Any other discussion regarding 673?

**Adams:** This is an emergency, is anyone in the room, wishes to testify on emergency ordinance 673? Karla, please call the roll.

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**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye.

**Adams:** Aye. [gavel pounded] Approved, can you read the title for non emergency ordinance 674. **Item 674.**

**Fish:** Congratulations on your resounding victory last night.

**LaVonne Griffin-Valade, City Auditor:** Thank you. You will have to pardon me on this. I was up all night waiting for the last vote to come in. [laughter]

**Fish:** We are initial waiting a formal inquiry into the 600 people that did not support you.

**Griffin-Valade:** I already did that. [laughter]

\*\*\*\*\*: In case there was confusion or something.

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

\*\*\*\*\*: We'll take swift action.

**Griffin-Valade:** Thank you, i'm lavonne, the auditor, and here with me today is andrew carlstrom, the city election's officer, and this is really my first official presentation to council, and, we're here to present draft changes to 2.10, which covers the campaign finance fund. The changes reflect the april 29 recommendations from the citizen campaign commission, and feedback from council in the, and the city attorney, as well as other subsequent discussions and, and research. I want to take a second to thank andrew for his diligence and care and hard work in pulling this draft together. I happen to know that this is a very complex program, and mind boggling and I am trying as quickly as I can to come up to speed on the history but there will be questions that you may ask that I will not be able to answer, and I am counting on andrew to help me out there. So, I also want to say that I view my offices role as making sure that objective, reasonable and practical recommendations are supplied to council in the draft ordinance, and I base that on our charge presented in the charter and code, as well as well as my professional standard. And but the final decision, of course, on this matter is up to you. I would like to give you just a brief overview of some of the changes included in the draft ordinance revisions. First, provisions for the exploratory period were made consistent throughout the code. And included a start date for the exploratory period for the may 2010 primary election, which is the day after this ordinance is approved by council. And we changed the date for the declaration of intent to january 15 for regular elections, and we changed the qualifying periods so for regular primary elections, the qualifying period is the first day to file for office through the last business day of january. And for special nominating elections it's the first date to file for office through the last day to file for office. And clarified or added definitions, particularly, for special elections events, we tightened administrative rules to get the auditors the authority to investigate alleged violations, and, and to implement the provisions. So, just to, to clarify, generally speaking, my preference is for the city's campaign finance system to mirror state election rolls we're possible so i'm not inclined to institute a different poll valuation provision. We did not include all of the citizens, citizen campaign committee recommendations but we believe two recommendations were further research and consideration by the auditor and city attorney before being added to the code. The first is recommendation number 30 for a speedy hearings process, and the city attorney wanted to spend more time reviewing the matter before, before it was entered into code. And the second is the non participating candidate reserve funds for run-off elections known as earmarking, recommendation number 37, and the concept has merit certainly but we question whether it has received the veting it really needs. And we would like to, to think through the impact on non participating candidates, and we have not yet received a lot of guidance from council, and the concept is, is not as clear as we would like it to be. And other matters, after we received feedback from council, we did not raise the qualifying contribution requirement and we continued to not allow credit and debit card transactions for qualifying contributions. So before, before I take questions and, and, and comments, I would like to put it in a plug for the campaign commission briefly. We are seeking income taxes. It has seven members, currently, there is one vacancy, and four terms expired in september, and we will be having an open, a recruit element for all five

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positions beginning in June, and we are asking you to encourage any potential members to, to apply. We're asking that they be interested in election processes, and, and they have the ability to, to be neutral and, and act in a thoughtful, advisory capacity, and are willing to meet once a month. So, without further ado.

**Adams:** If I could respectfully submit the notion that they also have experience in campaigns.

**Griffin-Valade:** That would be good.

**Adams:** That would be very helpful. There are a couple of potential amendments that, that, that, two of us are, I think, just two, is there three? Two amendments.

**Leonard:** I have a question.

**Adams:** Would you like your question or the amendments first?

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

\*\*\*\*\*: Commissioner, Fritz.

**Fritz:** I move the amendments to, to section 210, 130 circulated to your office, section g, on recording and reserving special run-off elections. What this does, essentially, is allow non participating candidates to raise money during the primary that would be set aside and be able to be used during a run-off. It was recommended by the commission, the auditor's office was just dated, not entirely comfortable with the language, and my office has worked with the city attorney's office and with commissioner Fish's office and we believe that the language has no constitutional free speech issues and will work as intended. The amendment addresses issues of fairness for non participating candidates, particularly in a shortened special election situation.

**Adams:** Second. Moved and seconded. Council discussion anyone wishes to testify on this proposed amendment? All right, please call the roll on the amendment.

**Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye. **Fritz:** Aye. **Adams:** Aye. [gavel pounded] Amendment is approved. I proposed to, to amend code section 2.10.020c, that strikes the, the first sentence and replaces with the following. If the council determines that the fund contains moneys in excess of the amount estimated by the council to be necessary to make payments to certified candidates in the next fiscal year, then council may return the excess amount to other city funds during the budget process and council may elect not to appropriate funds to the fund for the next fiscal year under section 2.10.040.

**Fritz:** Second.

**Adams:** Moved and seconded. Anyone seek to, to testify on this amendment? Please call the roll.

**Fish:** Aye.

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

**Fritz:** There is no supporting this amend, it is my understanding if it were a candidate, more candidates who qualified than money available that, at that time, that the council would be required to allocate the money because we have the program. So, it does seem reasonable, especially in these economic times to make sure that the money is, is being put to use rather than sitting in the bank. Aye.

**Adams:** Aye. [gavel pounded] Amendment is approved. Further discussion on the package in front of us?

**Saltzman:** The recommendation to the commission about raising, or higher threshold per serial candidates, that's not in here, is it?

**Fritz:** May I address that?

**Saltzman:** Well, is there a yes or no?

**Griffin-Valade:** It's not in there.

**Saltzman:** That's all I need.

**Fritz:** I asked for that not to be put in there because the -- their suggestion was to raise it to 1,100 rather than 1,000, and all of the candidates who qualified in the, last election got 1,100 except for me, and I had a month that I could have gotten another 150 donations, should I have been required

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so my suggestion is to leave it. We have shortened the period of the amount of time that candidates have to raise the money so that, that already makes it more difficult, and if we are going to increase it, I think is a 50% increase would be more reasonable than, than just a, an extra 100. So, in the future, I think that that should be something that we could consider, but for this time, we are, shortening the length of time that candidates have to qualify from the middle of July to the beginning of September. Towards the end of January.

**Fish:** I have a question, I think I know the answer but I think it's useful to have this exchange so you can put it on the record. Under the proposal that we're going to vote on today, could you just describe for me under what circumstances a participating candidate can switch races and at what point in the process?

**Griffin-Valade:** I am going to ask you to address that because you were involved in a, in the conversations around that.

**Andrew Carlstrom, Auditor's Office:** And that was the amendment I believe, 210, 2010?

**Fish:** I will defer to you. You are the expert. It's 3:30. I'm just trying to understand, and the scenario, I guess, I just would like you to clarify is, is a candidate decides to file for, for, for a contested race against an incumbent. And at some point in the process, a vacancy opens up. To what extent can that candidate switch races and, and what did the rules, what rules apply? We didn't address that in the ordinance but there was a suggestion that they be able to carry their qualifying contributions over.

**Fish:** You did not address that?

**Carlstrom:** Not in the ordinance, no.

**Fish:** So under current law what's the rule?

**Carlstrom:** We had the situation with one candidate and, and he had to, to dispose of all his, his contributions, withdraw his declaration of intent and then, and then switch to the other race.

**Fish:** And there is no proposed change?

**Carlstrom:** No.

**Adams:** The only thing I would add is that my legislative intent, anyway, as one person on council is that we'd like to state law and state definitions and, and my experience as a candidate before we're, we're we appear to have a different definition of certain campaign expenditures and, and eligibility interpretations, um, I found to be, to be not part of the original, my original intent, when I supported this, and ran on supporting this and does not remain part of my intent moving forward so I was pleased to hear you say that your administrative rules would, to the degree practical adhere to state standards, so thank you for that.

**Griffin-Valade:** Yes.

**Fritz:** I wanted to highlight some of the other changes in the commission's recommendation and also to thank the commission for, for my perspective for their very diligent work. We are proposing to prohibit the use of proceeds during the general election period from the sale of assets purchased from the primary election period. The candidates now have to, have the capacity to purchase something expensive in the primary and then have extra funds to use in the general and that, that isn't equitable. We're clarifying the language that allows candidates to withdraw the candidate from the general election immediately after, after the, the primary election without having to repay funds received from the election period if for some reason after running for four or nine months, they decide that they are, they are unable to continue, they shouldn't have to pay back the money. And that would save the city money. We're proposing to begin the qualifying period on the first date of file to office, rather than, than August 1, and we're, we're proposing to allow deficit spending by participating candidates only during the first 30 days after filing the declaration of intent rather than allowing deficit spending any time up to the time of certification. And, and we're allowing, proposing to allow candidates to keep campaign materials such as yard signs and banners without

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having to pay for them but require that if, that if the materials are used in a subsequent campaign that they are reported as an in kind contribution at 100% of the value if the candidate uses them.  
\*\*\*\*\*: Very good.

**Adams:** How many have signed up to testify?

**Moore-Love:** No one signed up.

**Adams:** Is there anyone in the room that wishes to testify? Bless you. [laughter]

**Adams:** Please call the roll.

**Moore-Love:** There is a non emergency.

**Adams:** Sorry.

**Leonard:** I would say before you leave, that, i'm the only one here that didn't vote for this, not everybody was on the council at the time, and the experience that I have had from the point at which I voted no until now has been a fairly uniquely unpleasant one.

**Griffin-Valade:** I'll see what I can do about that. [laughter]

**Leonard:** Well, I was going to speak to that a bit, about, about, about the institutional kinds of, of, of [inaudible] that has occurred because of that. About, some of that is just the nature of politics and, and some, when you don't agree with some folks, I mean, you just don't always necessarily have them like that. And I get that, and that's ok. The part that troubled me is, is frankly, the commission and, and the, the, what has felt like the, the sun due advocacy on their part, it's deeply troubling to me. And I get people need to do their jobs. And I get that, that they need to do it well. But, I also get, as I spoke to you here earlier on another issue, there is a difference between when you are creating policy and advocating and actually administrative. And I put on different hats. I, i'm clear in my mind what i'm doing each and when I should do one or inappropriate to do another, and I don't feel like that's always occurred in the administration of this program and, and your predecessor. It has been deeply troubling to me since this has passed. As to how it has been administered, and the auditor's office, and it feels more as though it has been an attempt to make it look as good as possible and to administer it fairly, and I will withhold specifics because I don't think that I should, I should have to at this point, share that but for me, you know, Fritz is the best example of the program. But, for that one good example, there are a number of really, really poor examples, and really, really shockingly poor decisions made in the administration of this program. I tried my level best to work to improve it, to make it fair. And as I have done that, i, i'm including this special election that occurred when commissioner sten left. I felt really undue, improper influence from the commission that at times even the auditor's office in that advocacy in how we handled the special elections. And I have a view about, about privately funded candidates, that's clearly at odds with some on the commission. And, and that's ok. But I don't think that it's ok to, to administer the program from that point of view. I really don't. And oftentimes I have bitten my tongue in the past and just been very careful about, you know, being a little critical but i'm really looking forward not only to you being our new auditor but having a fresh set of eyes on this program. And I actually have higher expectations of you in the administration of this given you were not the advocate than your predecessor, who I greatly admire, but this, this was one area that, I think that he had a blind spot, or two. And, and I hope you, you, you and I have not talked about this, and to the extent that we are having a discussion, this is done in public for the first time, and I just hope that you recognize some of those errors and, and ironically, following some of my suggestions, I think in that actually strengthened the public in the public's eye because I think that there is some skepticism in how this has been administered and the decisions made not only in its inception but in the mayoral election last time was shocking to me. And so, I appreciate the opportunity to say that, and if you care to, to respond, you can, if you don't want to, you don't have to.

**Griffin-Valade:** I really appreciate your comments and I want you to know that I hear you. I take my role as an independent and objective auditor very seriously. As I said, I feel [inaudible] as

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making objective and reasonable and practical but also neutral recommendations and, and I will work as diligently as possible to make sure that, that the commission is thoughtful and neutral and deliberative about the recommendations. And they are, they are a body into themselves so I will, I will, again, I will work as hard as I can to make sure that happens, and I know that amber is absolutely dedicated to, to being fair and neutral and, and his responses to, to folks that have questions, I trust him, I have spent some time with him over the last few weeks, and working through this, and so, I do hear you and appreciate that and I agree that there have been issues and, and without really making any sort of assessment about my predecessor, it is, it is -- I do, I do have, I do have sort of fresh eyes and a different approach.

**Leonard:** I appreciate that very much, thank you.

**Fritz:** I feel very honored to be here. I wouldn't be here without public campaign financing, and I am thankful to the league of women voters, for everybody who works on this, from mayor potter's leadership and mr. Blackmer's leadership. What I have learned on other side of the table is that we have many good people inside city hall and government and that we don't have a government that is corrupt from, from top to bottom and, and that, so that's not the problem that we're addressing. What we're doing is broadening the opportunities for people and giving choice that is we have a system which is hopefully getting redefined so that there are choices and it's fair to both candidates and non participating candidates, and greatly appreciate commissioner Fish's feedback on some of the amendments that are now before us that make it a better program for everybody because the whole point of the program is to make it more equitable. This addresses the issues of special elections, which will provide stability moving forward and avoid the on the fly decision making that commissioner Leonard referred to, which was necessary in the two special elections over the past two years and we don't want to do that again. I'm very pleased. We're setting the qualifying period. The filing petition period, amounts of funds to be dispersed for special elections, and as, as, in the run-off is 110,000 for commissioner and auditor races and 137.5 for mayor's race, and, and these are good amendments, and i'm committed to putting this system on the ballot in november of 2010, and, and, and we will give did so that the people, when we have, we have the final trial run, should we say, in 2010, and making some finals, put it on the ballot in november of 2010, so the people of Portland can say if they like the program or don't. But, I certainly am very grateful so all my colleagues here, both for supporting the program in the past and making it possible for me to be elected is, as a nurse, a mom, or a community organizer who is not very good at raising money and realizing that comes in very useful on some city issues and that i'm glad that there is an opportunity for choices within our system. So, thank you very much for all your work and thank you to andrew and all the folks in the auditor's office who worked so hard on this, through many long hours and, and --

**Adams:** I want to correct one part of the record, comments, and that is the important refinement that she's a psychiatric nurse. [laughter]

**Fish:** I wasn't planning on saying anything but I noticed that we still have two hours to go. [laughter]

**Fish:** I didn't want to miss an opportunity.

**Leonard:** You said it, I didn't.

**Fish:** But, I will reserve my comments for next week but on two personal notes I want to, to, I want to acknowledge amanda's both not only leadership on this but the way she engaged her colleagues. She's clearly an expert on this system, and she reached out to all of us, including me, sat down and asked what our concerns were, and expressed some of her issues, and, and then, did the necessary follow-through, I appreciate that on this and every other issue. I think that's how we should be relating, particularly, in an issue we're, we're you obviously bring, bring a knew unique perspective as an participating candidate, someone passionate about the system so, so I deeply appreciate your approach on this. And to our, our presumptive auditor, can I say that?

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**Griffin-Valade:** I think you can call me auditor elect. [ laughter ]

**Fish:** A nice ring to it. And I appreciated your outreach and the chance that we had to visit and I appreciated your clear statement of values about, about fairness, public meeting, and public meetings and the requirements of public meetings, public notice, and benefits and, and burdens of sunshine on all that we do, and, and your approach to your work, and it was very harrowing for me and, and gives me confident in in light of commissioner Leonard's comments that, that you will bring a fresh perspective to this and, and one based on the notion that we're looking for objectives, neutral information, and that we're the decision makers so I really appreciate that, and this exercise in strengthening the pool has been very positive, and I concur with my colleague, amanda Fritz, that I look forward to this being referred to the voters in november of 2010 for a judgment. Thank you.

**Adams:** Thank you very much. We are recessed until 6:00 p.m.

**Griffin-Valade:** Thank you.

At 3:41 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.

**MAY 20, 2009            6:00 PM**

**Item 675.**

**Adams:** Who's coming up to speak on this? Come on up. We are glad you're here.

\*\*\*\*\*: Thank you. Can I take a seat?

**Adams:** Please take a seat. Make yourself at home. All you need to give us is your first and last name.

\*\*\*\*\*: Good evening, ladies and -- can you hear me? Good evening, ladies and gentlemen. Mayor Adams, commissioner Fritz, commissioner Saltzman, and commissioner Fish. And the members and supporters of the vision into action coalition. Three years ago vision pdx implemented a survey asking Portlanders what they wanted their hometown to feel and look like. 17,000 Portlanders took their time to give their heartfelt responses. Believing the city of Portland would listen. Last year, city council created the vision into action coalition to ensure that the community was as involved as a city in making our shared vision a reality. Over the past year, vision into action has funded and supported 38 youth and community action grants. These cover all areas of the vision including environmental, learning and social. They embody our shared vision and have created empowered and engaged community members of this city. This evening, the members and supporters of the vision into action coalition are here to celebrate and share with you their success stories. Vision into action's participation in funding and aligning the community with the people's vision has allowed us to create networks, relationships, and collaborations which did not exist before. Our future will require one very important skill and that is the ability to listen. Behind me you see the chinese character for listen. Excuse me. It is comprised of simple components defining listening skills. The top character on the right means altogether. It is the character for 10. Below it are the eyes. And to the left are the ears. The character below the ears is the symbol for king, a leader, and to the right is a symbol for heart. Listen, a leader listens to the people with eyes to look at them, with ears to hear their voices, and finally with an open heart. And now, we ask you, our city council, to listen to the people with your eyes, with your ears, and with an open heart. We realize that recreating the wheel separately would prevent us from creating our future together. We are all leaders in our own right as we listen to each other. Thank you.

**Adams:** Thank you very much. [applause] oh, I have a gift for you. Can you accept gifts, not \$25?

**Adams:** Sure. Give it to Karla.

\*\*\*\*\*: A token.

**Adams:** Great. Thank you very much. Good evening.

\*\*\*\*\*: Good evening.

**Adams:** Welcome.

\*\*\*\*\*: A good reminder. My name is scott nine. I am a newly elected member to the vision into action coalition steering committee and I am honored to have this opportunity to speak directly with each of you. I want to begin by acknowledging kind of the awkwardness and realities of this moment. Vision into action celebrates and shares back the work it's done this year on the eve of budget hearings with the full awareness the program is proposed and likely to be completely eliminated. It's not a secret though I imagine rarely discussed that the launch were despite good

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intentions essentially viewed as an effort of former mayor potter, not a council-wide priority. At some point folks sitting in your seats four years ago voted to begin an effort to reach out to the Portland community to create a shared vision for our city. This work was conducted by hundreds of volunteers but it began without significant ownership and participation by any of you. Yet despite the political realities of its coming into existence, something significant took place during the process of vision pdx and its implementation through vision into action. The community leaders and much of the Portland community did begin to own the project. More than 17,000 Portlanders provided information to committed organizers who just this year won a national award from the American Planning Association for public outreach, recognition of their outstanding ability to get voices into the city. Many of these people hesitated at first to participate. Their key question: Will this information really get used? Is this just another survey? Vision pdx organizers said no. And with their understanding, hope or naive take, told person after person that this time it was going to be different. People believed them. And tons of people invested time, writing, speaking and collaborating to determine what really is most important to our diverse and vibrant city. That data, their voices, is available to each of you. But it's mostly an entirely unmined treasure trove. I want to ask you on behalf of the vision into action coalition committee this evening to release your past ideas and perceptions of vision pdx and any bad feelings that might have emerged into how it came to be formed. To use tonight as an opportunity to see with new eyes the work that has been and could be done. Because despite the problematic ways it came to be, this effort does not deserve a problematic and unfortunate end. I run a nonprofit school. And I know that no strategic plan or vision work is worth any time if it's not highly owned and deeply useful. If you felt the vision pdx data was highly owned and useful it would have been the landmark document you would have used to determine what budget cuts to make. We realize it's too late to be of much use to you at this point this year. But this data, these voices, and the network of organizations to consider themselves part of the vision into action coalition have the potential to be compelling and practical resources for the city. You will notice all the keys in the audience tonight. That was good. [laughter] each one represents an individual or an organization's resources, what they bring to the city. We do not wish to be completely locked out or severed from the city. At this time, we ask that you consider how the city and you as elected officials, our elected officials, can support vision into action to fulfilling its mandate to the community. What role can the city have in implementing this vision? Would you be willing to continue partnering with us in some fashion to make this happen? Vision into action has found a fiscal sponsor, space, and support from the regional research institute at Portland State University. And we are moving immediately towards forming a more independent status as of the 30th of June. Vision into action, with the city's continued partnership, can begin to engage with the philanthropic community and others to assist in actualizing and deepening the vision that we can create together. We've laid the foundation. A structure has been built. Let's open the door to our shared future together. Let everyone in our city have a key. Thank you. [applause] [cheers]

**Adams:** Good evening.

**Chris White, Port of Portland:** Good evening. My name is Chris White. And I am the community affairs manager at the port of Portland. Thanks for hearing us tonight. I was a member of the original vision pdx committee. One of the actual business members. And was impressed always with the caliber and the breadth of the outreach of the committee. And what was most impressive to me as a person who does outreach in their daily life and has done it for quite a while was the ability of the process to reach out to new communities of interest, particularly ones that are normally underrepresented in our government outreach processes. We have standard ways we do things and this process did some innovative things. The port has continued our involvement in the work as my colleague Brook Bergland continues to work on the vision into action coalition. And we believe it's important. I believe it's important as I am sure you do to have all the stakeholders at the

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table: Industry, environmental, neighborhood, and community. As the city works to frame the Portland plan, the comprehensive plan update and other policy decisions that are being implemented in the near future. A robust conversation with a variety of stakeholders is key to success in planning efforts. And the vision into action work and the data I believe could be used to shape that conversation well as our former speakers have said, you already have a great treasure trove of information. I encourage to you use it. I would encourage the council to continue to support this work in some way even in tight financial times. As part of this effort, I commend you for doing that and I believe that they are important to sustain. Thank you.

**Adams:** Thank you. [applause]

**Steve Dotterer, Bureau of Planning and Sustainability:** I'm steve dotter from the bureau of planning and sustainability. After the vision was adopted by council, council laid out two parallel tracks for its implementation, one throughout Portland plan and the other in the vision into action coalition. Over the past year the bureau has been the home of those, both of those activities. And i've served as the bureau representative on the vision into action steering committee. We have been honored to help the vision into action coalition get started and have benefited from working with the coalition and the staff and steering committee members over the years. Over the year. It's allowed us to integrate the vision pdx findings into the background reports for the Portland plan, and in particular, it's helped us developing the public outreach strategy for the Portland plan and for other bureau projects using some of the new techniques we have heard about earlier. We are excited that the coalition is going to, has found a new home in the -- with Portland state university of regional research institute and we expect to continue to work with them as on the Portland plan and on other planning bureau projects. Thank you.

**Adams:** Thank you. [applause] mr. Davis, how are you?

**Adam Davis:** I'm doing fine, mayor. Thank you. Members of the council, "name "my name is adam davis. I'm a partner in davis hibbetts and mitchell. We are an opinion research firm. We have been doing opinion research in this city for over 30 years. Most recently we completed the, your city, your choice project for you to help you with tough decision-making around the city budget. But i'm here this evening to share with you the fact that I also had the professional privilege, actually, to be involved with vision pdx and vision into action. I'm here to tell you this evening, as a researcher, and to tell all Portlanders what an incredible resource we have in the project's data base. Vision pdx was the largest city wide visioning project in the united states. Now, last year, in october, vision into action released a massive online report, a vision pdx findings called "voices from the community." it is an easy to use data base summarizing the 21,000 pages of comments received from 17,000 city residents -- 17,000 folks -- about their vision for this city. Now, the data is categorized into nine major issue areas: Economy, education, environment, government, health, public safety, social issues, transportation, and urban liveability. And 67 related subcategories. It is the mother lode of information. And i've seen data bases in over 30 years and i've never seen anything like this. Each category and subcategory contains a general summary as well as areas of agreement, areas of disagreement, and, importantly, a host of practical strategies and ideas. It also includes hundreds of quotes from the actual surveys. It's Portlanders talking to Portlanders. The data base also shows areas of tension, areas where ongoing conversation is needed on certain controversial issues, areas of disagreement are discussed in some depth and are intended to prompt additional exploration and community dialogue. Bottom line, it is a terrific tool to guide public policy, decision-making, planning, no other city has anything quite like this. It is a profile of our city. It's the depth and breadth is incredible. I would encourage all Portlanders to take a look at this. It is a very valuable resource. Our company has used it in focus groups we do for public agencies. We'll rely on pages of stimulus material in our focus groups to show participants and have them react to this. Do you agree with this? Do you disagree this and why? I often mention it in presentations I make to different groups across the united states as one of the

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best examples of quality take active research that i've seen conducted. And the reporting format that was developed by that group is one of the best i've seen and it's something that actually our company is going to adopt. So I wanted to share that with you. It's a terrific tool. These folks behind me are to be commended for putting together what I consider to be one of the best data bases i've ever seen. Thank you.

**Adams:** Thank you very much. [applause] good evening.

**Brenna Bell:** I'm going to take double time. Speaking for next generation. Hi. My name is Brenna Bell and it's great to be here tonight talking to you all. I was part of the original vision pdx council as well. And I am also one of the co-founders of Tryon Life Community Farm and we received a Vision into Action grant for our project so I am going to talk a bit about both those experiences and why it's an important thing for Portland. So I first want to touch on the politics of the vision. One of the speakers before me aptly said it was a political process. And that casts a shadow on it. Now, whatever people's beef, people had beef with Mayor Tom Potter I assure you that I had more by being part of the vision process. But yet myself and many, many other Portlanders contributed hundreds of hours because the vision is worth it. It's a good document. And it came out beautifully. Regardless of any political mishandling along the way. So I would really encourage you not to look at that as any shadow on it but look at the document, look at the information, look at participation and look at the vision for the value it has in and of itself. Now, that said, the vision is an aspiration. I mean, when you read what it says, it says this is where we want to be. This is how we envision Portland could be. And it's a beautiful vision. But there's a lot of distance between where we are now and where the vision in 20 years will get us. The Vision into Action Coalition is created to support the community in moving towards that vision. But they can't do it alone. There has to be buy-in from each of you, from each of your bureaus, to look at the vision and say, this is the people of Portland's aspirations. What are the practical steps that we need to take in order to get there? And also use your positions to support the community in taking those steps. Which leads me to the project that we received a grant for. Now, I read through a lot of those 17,000 responses. There were a lot of responses about sustainability. It rose to the top of the three key values the vision had. There was sustainability, equity and accessibility. But by far people talked about wanting a sustainability city. Portland has a reputation for being a sustainable city but I must tell you the city's regulations have not kept up with the innovation of the people of Portland. The codes, the building, the building codes, the zoning and other regulations have all stymied kind of the grass roots approaches to sustainability. And that Tryon Life Community Farm we are a proud member of the grass roots guerilla sustainability movement that recognizes the city needs to keep up with so we are pushing the envelope on what's ok. We are also working with your bureaus and trying to change the regulations to keep pace with the people. So our recode project was specifically created to identify regulatory barriers to sustainability and then organize communities to work with city, local, and state governments to remove those barriers. As far as we can tell it's the only project of its kind. Only in Portland would you find a lot of people doing grass roots organizing around changing building codes. You know? But people get really excited about it because this is Portland and we love stuff like that. So with the Vision into Action grant that we received, we are able to move forward the vision for sustainability by looking at those barriers, by organizing people, and by removing them. A few examples that we've been working on thus far is running a statewide campaign to legalize the reuse of gray water so you can eventually hopefully in the next year or two water your lawn with your bath or better yet water your garden with your bath. And that's passed the house of representatives. It's now in the senate. And that's been a great groundswelling of support. Mostly from Portlanders but also from around the state. We have also been working with the new bureau of planning and sustainability to remove zoning barriers to community households and for urban agriculture of which there are quite a few. And you all notice this. You're bureaucratic process moves slowly. One way you could support the vision into action

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becoming a reality is to make it a priority for the bureaus you all hold and tell them, work with the people. Make this happen. You know? Put a little grease on the bureaucratic wheels. We would love it for our project because our grant funding runs out in a month. And we want to have a lot more practical things to show for it. We've really appreciated the support from the vision into action grant because it allowed us to hire a community organizer for an all volunteer group to give us a lot more cohesiveness, presence and follow-through so that's been fantastic. We've been able to do a lot with that money. I know that that's probably not going to be replicated in the future. But what you can do is make the vision a priority in your own offices. Talk about it. Dust it off. If it's dusty, which I hope it's not. And use it as the beautiful document it is that really does embody the voice of the Portland people. Because all 17,000 of those folks couldn't sit here and speak to you. But that vision document is their voice in front of you. So thank you. We've really appreciated being a beneficiary of it and in turn, helping benefit all of Portland by moving the action, the vision into a practical reality. [applause]

**Adams:** Hi, jenny. Welcome.

**Jenny Nelson:** Thank you. My name is jenny nelson. I'm actually here for monica beamer, our executive director of sisters of the road. Sisters is a 30-year-old nonprofit cafe and community organization allocated in old town chinatown. In may of 2006, sisters applied for and received a grant in the amount of \$4,900 from the vision pdx vision committee. Through this small grant, city hall invited, supported and made possible the involvement of sisters customers: Men, women, youth, and children who are firsthand experts in the devastation of homelessness and poverty in our city. This grant was an invitation to our customers. This invitation said, and I quote, "we want to hear from you and we want to work with you, our citizens, who know too well that our great city is not great for all of our citizens." over the course of the next two months more than 600 sisters customers listened, reflected, discussed, and shared with us their hopes and ideas for a better city. They also wrote down what they really loved about Portland, the parks, the beauty, the sense of community. As a small thank you, each customer was given a pair of socks and two coupons, good for a meal and a drink at sisters of the road cafe along with a simple note, and I quote, "thank you from the mayor of Portland ." this gift was a small but important gesture of gratitude for sharing their vision and adding their ideas to one of the most important community-based projects in Portland's history. Vision pdx brought together the dreams and hopes of more than 16,000 citizens while it also tended the fire of diverse citizen involvement, opening doors, and inviting participation from new, powerful leadership in our city. This leadership has brought our city energy, creativity and the knowledge of a wide, wide spectrum of cultures and experiences. This is the city council of our future and we are lucky. But we must ensure this vital project continues to have the support needed to flourish. We have involved those who have never been asked before. It is not business as usual in Portland, Oregon. Vision into action has and can continue to open the doors of participation, learning from each other, and moving forward with a vision we all can be excited about and proud of. Thank you for involving sisters of the road in this break-through project for Portland.

**Adams:** Thank you. [applause] six people signed up? Good evening and welcome.

**Kevin Bacon:** Good evening. Thank you. My name is kevin bacon. I am the principal of hosford middle school, proud member of Portland public schools, and proud feeder of cleveland high school in southeast Portland. I have with me today two members of the hosford husky basketball team that was sponsored by the vision into action grant. We were one of the recipients in 2008. I have with me asha sheikh on my right and on my left habiba and they have prepared some words and I am going to allow them to speak and then wrap up after they are finished.

**Adams:** Hi.

**\*\*\*\*\*:** Hi. My name is habiba. I go to hosford middle school. I come from somalia. I was -- and I was born in kenya. Last summer we of hosford middle school started a basketball team for the

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african girls. At first we didn't know how to play basketball. This was the first time we had ever played basketball on a team. We practiced at school almost every day. At first we weren't really good listeners to our coach mr. Bacon. But he taught us a lot of things at practice. We learned the part of the basketball. Basketball court and how to shoot and do defense. On the day of the game against -- came, we were nervous because our friends, families and teachers were watching us play. We practiced more and more. Our game was our first game. We felt very excited. Overall we won four times and last six games. Even though we lost some of the games, our coach said that we have made a lot of difference from before and our teacher and families were proud of us. [applause]

**Adams:** Good job. Very well done.

**\*\*\*\*\*:** Hi. My name is asha sheikh and I am from hosford middle school. I was born in kenya. During the basketball season, we had a problem with the team. Our problem was that we didn't get up -- we couldn't get along with each other. We always argued. This happen all the time at our african club, which is held every morning before school. On tuesday morning we play basketball team in african club. When teacher said we needed to be in two teams, the kids said no. When the teacher picked on the -- picked one team, they said that they -- the team was better than us so we didn't want to play with them. Unfortunately, whenever you play one, only one team wins, the team that loses gets mad and starts saying bad things and sometimes there was a fight. Our problem got bigger and bigger and someone had to fix it. Our coach, mr. Bacon, calmed us into a room. We talked about our problem and told the class when you are angry, you say things you don't even mean, he said. Don't let your anger get in the way. Let go of it. And forgive each other. Now we forgive each other, even though we still argue at times. But we don't fight. We learned that when you are on a team, you have to get along with each other no matter what. [cheers and applause]

**Adams:** Very nicely done.

**Bacon:** We come before you today really to say thank you, thank you to those who have a vision for this city and the determination and political will to invest the resources that turn dreams into reality. For educators like myself in these hard economic times dreaming is a luxury. But thanks to the vision into action grant we were able to make this dream come true for a group of girls who otherwise would not have had the opportunity to learn this game. To the girls it was just hoops. For our school community, the team represented much more. They represented hope, access, equity, and culture sustainability. The following quote is located on the v.i.a. Website, pdx 2030. "it represents an open invitation to transform our many ideas for change into visible action that brings us closer to the future we imagine and desire." thanks to the v.i.a. Grant the hosford community led by these young ladies took another step toward pdx 2030. Thank you. [cheers and applause]

**Laurel Butman, Office of Management and Finance:** Good evening, everyone. I'm from the office of finance. I have been with the vision into action and vision for a long time. I was involved early on in the vision process. I was a dog. That is a person who worked on the data analysis working group. Read through some of those notebooks with a partner, read what Portlanders had to say over the course of the holiday months. And got bug-eyed and cross-eyed reading from people who I could tell maybe didn't speak english and had someone write it down for them or they hadn't finished school, but it was pretty amazing to listen to and I agree with adam davis, if you haven't looked at the data it's pretty incredible. I am here also have served on the vision into action steering committee since it started as a member of the Portland bureaucracy sort of making the connection to these folks and I have met some wonderful people and I can say that I have a new community. But what I wanted to tell you about tonight is something that we recently did that was wonderful with the vision into action folks and the coalition folks. And that was we had a community partnership budget event with them. The first that we had. And we collaborated with the vision into action coalition but also sisters of the road, ride connection, broad arts theater, Multnomah youth

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commission, the and the center for intercultural organizations. It was similar to the budget events that you went to earlier. Our traditional forms but it was a little bit different. It involved monopoly money, fun food, it was a blast. And we saw people there that you don't usually see when you go out into the community at those traditional forums. It was, I wish you could have been there. It was nice to see those faces, broad swath of folks from all ages, and all communities of Portland. And we heard some different things than we had heard before. It certainly affirmed what we heard before. But we heard more. And I think there were over 125 people there. I think it was a very spectacular event. And a symbol of what these folks who have been working together and can bring people together for these kind of discussions can do in partnership with us. I hope those partnerships continue into the future. Surprisingly, 96% of the people who came to that event, of which over 2/3 had never been to a community budget forum said they would to go one again. I think the connection was made. I would like to see us continue to make these connections. And I thank you for listening to this story.

**Adams:** Thanks. [applause]

**Moore-Love:** That's all. I have written testimony.

**Adams:** How many?

**Moore-Love:** Six. The first three are Jose Manuel, Gary Marshke and Israel Bay.

**Adams:** Good evening. We are glad you are here. Give us your first and last name and the clock on the big hunk of wood will help you count down three minutes.

**\*\*\*\*\*:** Do I push something?

**Adams:** She will push the button as soon as you start talking. [laughter] you doesn't have to put a quarter in it or anything.

**Jose Manuel Morales:** My name is Jose Manuel Morales. And I want to -- good afternoon, Mayor Adams and city council. I am here on behalf of group part of papers the movie. It's a documentary that's been filmed, being filmed here in Oregon. It's about undocumented youth and the challenge they face when they graduate from high school like not being able to go to college, drive, or work. It recently got a grant and with that grant, we want to, we wanted to make a book. We are actually making a book. And in that book we're going to tell the stories of the youth, undocumented youth that want their stories heard. They want to do something like not being able to do much with their lives. We want to thank you guys and I want to thank youth action grant and I don't know if it's appropriate with you guys if we could show a three minute clip of the movie. I don't know if it's all right with you guys.

**Adams:** I'm sure. Do you have it with you?

**Adams:** Why don't we go ahead and take other testimony while we get that set up.

**Israel Bayer:** My name is Israel Bayer and I wanted to communicate the importance of vision into action in that not necessarily the vision but the action happening around the program is helping people physically, mentally, emotionally in a way that really can't be measured. It's such a positive thing in the community that everyone is doing and I think the thing that is very unique about all these groups that are a part of this coalition are that they are all groups working on the front lines and on the fringes of communities that are affected in ways that average Portlanders don't think about. All the challenges that people face. And I think that all the groups are working with the very small budgets and are able to have high volume of production of the things that they do and without the support of the city for visions you are going to see that disappear and that's something that I think we should strongly, I would strongly urge you to continue to support vision.

**Adams:** Thank you. [applause] [buzzing sound]

**Adams:** While we are waiting for Karla, why don't you go ahead and give us your testimony.

**Gary Marschke:** Gary Marshke. I am involved in many things. My wife tells me far too many but never have I been engaged in anything that I found to be as much of a privilege and an honor to be involved in as vision into action and vision pdx. Now, since the inception of vision pdx as a

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concept in 2004 and with the tacit support of this body I eagerly went about asking my fellow Portlanders to take the time and energy to provide input that would guide if not set the direction of their community for the next 50 years. While I didn't talk to all 17,000 who responded although there were times where I felt like it I found myself consistently answering rampant skepticism and cynicism regarding the time being taken, and the money being spent with my heartfelt pledge that this was not just another exercise in futility, not just another study that would sit on the shelf and collect dust, not just another attempt to pacify communities that were asking if not demanding to be included. Oh, no, this was a real initiative that will actually make a difference, one that will deliver results that would truly shape and reshape their future and their community in ways that reflected the diversity of culture, ethnicity, opinion and economics that really is Portland. One that will deliver action that will have a visible impact on the quality of their lives and their neighborhoods. Now, since then and in spite of almost \$2 million spent, and the unanimous endorsement and adoption of the vision by this council, it's been disowned by city hall, discredited in the media, and discounted by many throughout the city. With the notable exception of those who suddenly had found their voice and their place in a system that routinely marginalized them. Through vision pdx and vision into action they have been given a taste of what can be accomplished when you combine their community energy with a little vision and a little access. With the recent election this body has changed faces and philosophies while revenues and budgets have taken a big hit. With the most recently proposed budget and with all the works that's been done and all the money that's been spent the taste has turned bitter and the program funding maybe gone. However, this is still my city. The city what led my community, friends and neighborhoods to believe it would deliver on the biggest promise it made in a long time to the broadest constituency in recent memory. On your behalf and with your constant assurances I made that promise, too. Now we have once again lowered the bar and betrayed their expectations. They deserve better. And it's up to this body to find ways not to make liars out of both of us. Thank you. [cheers and applause]

**Adams:** Who are the next -- you are busy. Thank you very much for your testimony. Not going to work? We're very close.

\*\*\*\*\*: Morning. Good morning. Good morning, everybody. ¶¶

\*\*\*\*\*: My name is juan carlos. I was brought here to live in the u.s. When I was one year old.

\*\*\*\*\*: My name is briana and I am an undocumented youth. I was nine months old when I came here to the united states.

\*\*\*\*\*: My name is eric and I was brought to the u.s. When I was 10 months old. Now I am 18 years old. I was raised in the usa. This is my home. Here I have a home and a school and dreams to accomplish but there's some things I get in my way. I do not have legal status. A lot of people that don't have documents have like a wall in this country. Is that what america wants? Do they want kids to go to school, get a high school diploma and to go college and be the future of this country?

\*\*\*\*\*: Have a good weekend, everybody.

**Adams:** Very nice. [applause] Welcome to the city council. We're glad you are here. Wherever you want to start.

**Romeo Sosa:** Sure. Good evening. My name is romeo sosa. And good evening, commissioners and mayor sam Adams. I work with voters education rights project which we focus on organizing day laborers. Day laborers are the people who look for work on a temporary basis on the street and the center. I'm the first time when I testified here when I was like the vision pdx, we were really proud to be part of the vision pdx for the first time in the life of the city of Portland, day laborers participate. How can they see the future of Portland? And for me it was like really be part of the community. Because as you know, day laborers, they are not seen as part of the community. They are like very controversial issue. They're like a lot of debate about day laborers but the only thing they forgot they are also human beings. They are part of the life of the city of Portland. And the

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vision into action make us those connection with the people. This connection like we really have a hard time to talk, even the dialogue. Our weapon is our words like to start dialogue with a community. And to show them we are not only workers. We are people with talents, people with art, they have tradition in their country and they bring it here. Not only give the fixing houses but we are -- the most important thing, we are human beings. And we believe in people live, work, and look for work in our neighborhood should be part of the vision into action. And we are really want to thank you on behalf of day laborers to participate on that. And really for the city of, for all of you open the door for us and hear our voices for the first time. Thank you.

**Adams:** Thank you. [applause]

**Vicki Hersen:** Good evening, mayor Adams and commissioners. My name is vicki herson and I am delighted to be here today to celebrate Portland's vision into action event. Elders in action has been connecting older adults 20 opportunities to improving the stiff Portland for more than 40 years. And our mission is to assure a vibrant community for older adults. We were really pleased to have worked with the vision pdx to gather the vision that Portland elders have for our city and the generations to come. Our volunteers have been involved with some of the subcommittees, and groups that have been gathering information for the Portland plan. And last year we were pleased that the vision pdx recommendations are being integrated into the work of the bureau of planning and sustainability. And I was pleased, too, to learn more tonight that there will be a continuation working with Portland state. I know just more recently, Portland benefits so much from the experience and expertise of the many departments that p.s.u. Offers including some recent projects that some of our volunteers have been involved in like the world health organization, age-friendly city study, creating a 20-minute neighborhood for the west Portland park neighborhood, and the foodability project, which is really working so that Portland has food access for everyone. Food choices that are healthy and appropriate and are economical in all neighborhoods. Also creating livability communities for an aging society which staff from the bureau of planning and sustainability are working with Portland state and some of our volunteers in the hollywood and overlook neighborhoods. So it's enlightening that all of these recent partnerships have staff involved from the bureau of planning and sustainability and -- but I know there's been so much data collected and I hope that it is used for the good of the city in the future. So it doesn't sit on a shelf. And I know i'm going to learn more for our agency how we can access some of that and our planning. I mean our vision is to allow people to age in place and remain safe in their neighborhood. And studies have shown that seniors who volunteer live longer and the population of Portland, residents 65 and older will more than double in 30 years. And so it's critical that the city has services that are available to ensure quality of life but also it's an asset for the city, this explosion of talent and wisdom that elders can provide for the community. We envision a Portland that utilizes the diverse skills of its residents, creates opportunities for positive involvement with the many city bureaus, has affordable and accessible housing, work and education opportunities, is pedestrian-friendly and has varied transportation options. We envision a Portland where an 8-year-old and his 80-year-old grandmother can walk safe three a store, buy orange juice and enjoy the green beauty of their neighborhood on their way home. Elders in action welcomes ways to harness the wisdom of elders for a vibrant Portland now and in the future. Thank you.

**Adams:** Thank you very much. [applause]

**Cynthia Killingsworth:** Good evening. Thank you for this opportunity. My name is cynthia killingsworth and I am a business instructor at Portland community college. And I coordinate a student philanthropy program there called students for giving. And the last two years we have worked with vision into action with the youth action grant. Our students have worked side by side with the youth planners evaluated the grant and proposal and making recommendations for funding. And from this experience, we've really recognized how powerful program vision into action is. And we have often said that it maybe should called voices into action because it represents those

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voices that are, don't have a voice in our community. And at p.c.c. We are very, very familiar with those members of our population who have economic situations, job losses, life situations that they feel like they are disenfranchised. And to this process our students were evaluating proposals by youth, amazing proposals. And they saw solutions to the very problems they were facing in their lives. And that was very empowering for them. One student commented he didn't think he would ever see \$10,000 in his entire life. And what he learned with this project was how that amount of money could empower youth through the youth action project, build community partnerships and provide an incredibly rich education and civic education. And so on behalf of my students I would like to thank vision into action and all the work that they have done. [applause]

**Adams:** Commissioner Fish has a prescheduled absence. When we scheduled tonight's evening work session, evening council we knew he had, commissioner Fish has a conflict so he has to leave now. Good evening.

\*\*\*\*\*: Good evening.

**Adams:** Welcome to city council.

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

**Evelyne Elowhart:** Good evening, mayor sam Adams and commissioners. I work with the african women's coalition. I am originally from cote d'ivoire. I came here because that was the only city I knew when I was in school in 1984. I am very pleased to live in Portland and love it. In december of 2005, I had a chance to come to city for the first time through the bridge town voices. And I talk about my work with my community members, specifically the african immigrant and refugees. I feel very empowered. I felt like I have access, that doors were opened for me to be able to speak and not be shy, to think that I have an accent. And I have been telling the women I work with, don't be afraid, don't be scared, come and speak. We will have a translator for you. And the mayor and the commissioner will listen to you. I feel very connected and very comfortable especially when I listen to your story, mayor sam Adams, when you told us that your grandmother was also an immigrant and she worked in a hotel room. Many of my sisters work in hotel rooms making beds. And I felt, wow, this is someone that is there that is close us to. The vision into action give us a chance to express our voices and to know that we really matter, we work here, we pay taxes and then we voted for you. When I hear that you were not going to continue supporting the vision into action, I felt very sad and I replied to the email saying I will come to the hearing, I will come share my story. My testimony, the stories of all my sisters and the youth that you just heard. And principal kevin bacon that I work with also. So I can share my story just to tell you, please, if there's a way for you, not to kill the vision, not to kill our voices, to work and we are ready, we have to come and put in the hours, how can we make this continue? How can we tell our community members, it wasn't something that was linked to a particular mayor? But is something that is really driven by the community members. It's something that we have in our heart. It's how we want Portland to look like. This is how serious. -- this is our city where we want to build a healthy community. Every time I travel, I go to different city: Chicago, d.c., south dakota. I come back to Portland and when I am in a plane, approaching Portland, i'm like, wow, i'm home. I'm home because I get a chance to work with people that I love from my community. I'm home because I get the chance to express my voice. I'm home because I know that elected officials take their time to listen to us, believing in us, and know that we chose them and we want to work with them. So thank you so much for giving us the chance to speak in city hall, not the place you close the door on us but as the place we can call home. Thank you. [cheers and applause]

**Adams:** Go ahead, sir.

**Bahr Butti:** Thank you. My name is bahr butti. I came to united states from iraq in 2007. And now I am a member of the steering committee of vision into action. To make it short, let's say united states spending millions of dollars on iraqi refugees to acclimatize them. This is the first time and this is the first city that is helping refugees with a few thousands that were granted by the

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v.i.a. to documentation themselves by themselves. And I think this is the first time really the first time that we are having right now in this hall a refugee who has just finishing his first 24 hours in the united states. This is the virtue of Portland, the virtue of v.i.a. And I hope to see this virtue going on. Thank you. [applause]

**Polo (Ronault) Catalani:** Mr. Mayor, commissioners, I just signed in with Karla. I really didn't -- I believe i'm the last one. I am humbled by the folks up front. My name is ronald. I am here tonight representing the advisory board of asian family center. Dr. Booth, as you may know in his family, his family has just arrived in Portland. His wife and daughter from jordan and his sons from syria. And it just fills me with such courage and hope to see evelyn and african women's association, to see bahar with his Oregon-iraqi society, and if that weren't enough, there was a process that was vision into action, which gave birth to bridge town voices, which gave birth to the immigrant and refugee task force, which gave birth to the job of I am grant and refugee affairs coordinator, for the city of Portland. Which gave me medical insurance, dental and eyeball insurance for the first time since 1979. So thank you. Thank you all very much. I am heartened, I am so optimized, if it's all possible, as an optimistic newcomer with these folks you have seen tonight. And I am so happy to be part of bringing their voice to city hall.

**Adams:** Thank you all very much. [applause] well, I want to thank each and every one of you for the, that testified for very thoughtful and heartfelt comments, very powerful, very moving. I want to thank the rest of you that have observed for being here as well. I want to reassure you that the vision into action is definitely entered a phase of action. And that when you move from the amazing effort and -- and outreach that was made, it is now time for us to figure out how to turn that into a strategy to achieve that very inspiring and very aggressive vision. So it is not necessarily the same as the first phase, but the requirements are different. For example, the youth planners which are part of the visioning process in my proposed budget, that funding is continued because I felt it was important to continue the continuity for the youth planners associated with this process and having that continue as we move into the Portland plan. Which is a plan to figure out how to achieve the vision that you and thousands of others helped put together. The Portland plan itself, this, my proposed budget and hopefully with the support of this council we will move forward on the Portland plan. It is very difficult times financially. We have cut, we had to cut \$9 million out of the city's budget. In the next fiscal year and around \$20 million in the fiscal year we are in right now. And we had to take significant cuts in planning. But nonetheless, proposed resources to move forward on the Portland plan. The other, in the spirit of inclusion and citizen involvement, I also proposed funding the right budget for the office of neighborhood involvement. It is not going to receive the cuts it was supposed to receive, in this budget because of my belief in hard times that investing as much as possible in citizen involvement is ever more important. And as part of that, the vision into action grants will end but as part of mayor's proposed budget, the neighborhood grants will continue. And the neighborhood business association grants will continue as well. And those are a granting program of similar amounts of money that many of your organizations have received that will be available to you depending on the project that you want to pursue. And couple of other things. For example, the day labor program, which we committed to funding for only a year. I proposed continuing the funding for that because of the importance that grew out of this effort and finally loud and clear, center to your presentations tonight, or to the vision, core to the vision into action grants, was a continued sustained and ever improving focus on increasing the diversity of outlooks, opinions, in the public discourse, and especially when it comes to city hall decision-making. So permanent funding for the human relations commission is something that I committed to, we committed to as a city council and my budget delivers. It goes from one-time funding that would disappear to permanent ongoing funding. That comes out of the aspirations and work of this project. So every project like this goes through different phases and different sort of emphasis of types of activity. We now need to work really hard collectively to turn your vision into

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reality and that needs to happen through a variety of efforts. But core to them is the Portland plan. And that work will start anew, and seriously starting in the fall. So I want to thank, thank you all for your work. We know there's a lot more to do. And I look forward to working with each and every one of you to do that. My colleagues want to -- might want to make some comments as well.

**Fritz:** Thank you all for coming and thank you for participating. Thank you for being part of Portland. Thank you for being part of Portland I love. I am an immigrant. I came here in 1986. I have an accent but I didn't have to learn english. I greatly respect those folks who came in and gave us beautiful presentations tonight. I want to echo mayor Adams's sentiments. The cuts that we have to make in no way reflect the value that we place on the services and the programs that may not be funded next year. And the ongoing funding for the office 6 human relations is a commitment, and it's a promise kept from the previous council. It's a in honor of mayor potter and what the previous council did in funding all four positions and money for the human rights commission. And keeping paulo's job so he can have insurance. That's a good thing. The office of neighborhood involvement we have the diverse community leadership program which is funded and which the whole of the neighborhood groups said, this is a core part of what we do. We are not going to cut those groups because they were the last in and because they had one-time funding, that we are going to reorganize our priorities, we are going to go out on a limb and ask for a 10% cut in the overall, including the one-time funding, instead of saying, well, the one-time funding is gone. And so mayor Adams has been stalwart on making sure that those parts of the budget were funded. We are continuing to fund the regional arts commission, and are adding some programs there to add in some of the cultural programs that vision into action has been become known for. We are funding the day labor center and community gardens and the youth core and commission. So throughout the budget, there are places where we are dedicating money and we are, in some case, it's very difficult to look at and see where else could be cut. We have been looking to find money for graffiti removal and a number ever other things citizens have been asking us to fund. And I challenge you to look at what is proposed in the mayor's budget and see if there's anything that you think, nah, that doesn't really need to be funded. I don't think there is. We need to work together and I have said all along since I started this job in january, already became very clear that there are going to be some very valuable programs and services that will not be funded come july 1st, whether there are cuts at the city, at the county, or the state or federal government. Government is not going to be able to provide all the things that we want to provide and that we have provided and that's where the community comes in. And I think that can be a good thing because government shouldn't provide everything. As we heard today, you have done an amazing job of organizing within the community. And I am very pleased to hear about the partnership with p.s.u. And the regional resource institutes. That's a wonderful new beginning for this program. And a way forward that I am glad to hear that you came up with that. I am interested to hear how that's going to work. But thank you so much for your participation here tonight, or your ongoing dedication and rest assured we do care about the vision. We care about the vision into action and I think that the mayor's proposed budget helps to do that even though the particular program is not currently in it.

**Saltzman:** Thank you all for being here. And I also want to associate myself with the remarks of my two colleagues. I think that we do obviously face some budgetary challenges but this is not anything to do with mayor potter. I think there's certainly some indications that we have abandoned this. I voted for this. Commissioner Adams, then commissioner Adams voted for this as well. And we see this really as a way for this process to evolve through your association with p.s.u., through the Portland plan, through our newly permanently funded human rights commission. These are all important steps. You know, we have to balance what we can do and what we can't do in tough budgetary times but this is in no way a reflection of us abandoning the initiatives of mayor tom

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potter. I think this was one of his outstanding legacies, and it many continue to imbue itself and grow in city hall and I hope, count on all of you to make sure that that happens, too. Thank you.

**Adams:** Thank you all very much. Appreciate it. [applause] Karla, can you please read the title for time certain 676. And 677, and 678, 79, 80, 81, 82. Just keep reading.

**Items 676, 677, 678, 679, 680, 681, and 682.**

**Adams:** If I could have those people that are not here to testify in any council action move your conversations to the outside hall we would be very grateful. Thank you very much. Appreciate it. Commissioner Fritz.

**Fritz:** Thank you, mayor Adams. I am very pleased to introduce these ordinances and the resolution, which we have been working on since january pretty much since day one when I got here with the office of cable communications and franchise management to review the material that the council heard in the hearing last fall, and at which there was not consensus that we were ready to move forward. So you directed the cable office and myself to work to come back with a revised proposal. We have been meeting with the community and with industry representatives for over these months. And thanks to everyone's diligence, commitment and participation, we believe we are close to a win-win. I thank mayor Adams and commissioner Fish for participate next work session and commissioner Leonard for his comments following that session. And especially the citizens and industry input which has been incorporated into this, these proposals. I do want to note just today, cathy from the cully neighborhood pointed out a typo we have been able to correct in the document which -- I know which I believe is we believe can be put down as a scribner's error and correct by the ordinance next week. And I do want to comment that these north emergency ordinances. We will be voting on the resolution today but we will be voting next week on these ordinances because, again, the cable office has worked with us to make sure we had the time line so we can adopt the revised contracts before the new expiration date of the end of june. In a moment, I will introduce my staff but also I wanted to mention, to recognize that one of the key issues in these regulations is that this is not land use. This is wireless facilities in the right of way. And eventually, it's putting antennae on existing utilize poles and replacing those utility poles with in order to put other antennae on them. We haven't included noise and vibration standards --

**Adams:** What is an antennae?

**Fritz:** The plural of antenna.

**Adams:** Sorry to interrupt.

**Fritz:** I will try not to let it interrupt my stride. There has been some very unfortunate instances of wireless facilities in the right of way humming and vibrating and causing a lot of distress to citizens which the cable office and bureau development services, the noise officer dig gently went back to look at. We met with paul and we believe the existing standards provide the tools to address both address noise and that whenever those vibration is going to be significant noise that we can address that way. So we did look at that. The highlights of the proposal, it creates a priority map of city streets by type so that it's not related to the zoning, it's related roughly to the transportation system plan. But we have our own map. So that we can prioritize and ask the companies to try to place the facilities in industrial areas first, and residential areas as a last priority. It confirms the city policy of colocation on existing structures. It provides notice and meeting requirements in residential areas which according to our street classifications 80% of the city streets. It increases the compensation from 3500 to \$5,000 and adds a one-time \$2,000 application charge to the cable office to cover staff costs for additional notice and meetings in residential areas. And it imposes limitations on height and equipment dimensions. So again I thank commissioner Saltzman and the entire council for their diligence in worrying through these issues about me and now I will send it over to david olson, the director of office cable communications which I would like to take it took me three weeks to learn how to say the name of one of my bureaus. And to dave solas and it took me five months to say dave's name and I appreciate your good work on this.

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**David Olson, Director, Office of Cable Communication and Franchise Management:** Thank you, commissioner, mayor, and council members and I thank -- think all three of you are deeply familiar with many of the issues here. You have been in the neighborhoods as has commissioner Fritz. You have talked with citizens about this yourselves. You have been to those meetings and all of you have been. I really want to commend the council not only currently but even before commissioner Fritz's arrival for making this process, which already, before commissioner Fritz's arrival, was a public, solid process under commissioner Saltzman and even better process with the comments, suggestions, that this council provided in december when we were with commissioner Saltzman. And that itself improved this process. Then commissioner Adams made a number of constructive suggestions at that point. We went back, really to rewrite at that point with the council. Commissioner Fritz arrived and her tenacity, attention for detail, and deep involvement in this process has, in turn, contributed enormously to what we think is a whole series of really both successful, outcomes on issues we had not necessarily discussed previously such as health issues which citizens are concerned about which we collectively have arrived at what we when I is a responsibility and constructive method of going forward. So I spoke with you at some length about these issues at your council informal session on april 14th which also engendered some very good comments including from commissioner Fish and commissioner Leonard also has commented on this. And we arrive before you tonight really with a culmination of a series of actions and proposals that really, in what is a proliferating wireless environment and commissioner Fritz has already alluded to this and will alluded to it again. But wireless is becoming dominant. It has happened. There are more wireless-only households in Portland now than there are wire line only households. We have reached past the tipping point. And these collective series of actions, ordinances, templates don't address the entire -- every range of action here as commissioner Fritz has stated but do in a responsible way allow demand to be served but in a way that's acutely sensitive to the impact of these facilities on residential neighborhoods and provides notice and gives people an opportunity to be heard. We are proud of that. You should be proud of it. And our entire process for the last year and a half has headed us in that direction. So we appreciate the work of commissioner Fritz and of all council members here. And I in turn want to recognize city attorney of office. Ben walters has worked very closely with us on these. And knew my office our own main man dave solace also has head of that program.

**Adams:** Questions from council? Is it ok with you if we take testimony on the whole package at once?

**Fritz:** Yes. I would just like to also introduce the resolution because --

**Adams:** Sure.

**Fritz:** We have heard a lot of comments from citizens concerned about, asking us to regulate based on health issues or concern about health issues and former mayor vera katz was very concerned about this. The f.c.c. Doesn't allow us to do that so our proposed resolution to this issue is to ask our congressional delegation to ask the federal communications commission to take another look at this. We are not, and I want to emphasize we are not saying we want local control and we are not saying we think there are health impacts. We are asking them to take another look at it. And this is in response to our citizens. We are not suggesting that we are going to be taking the lead on me jetting across the country to advocate about this. It is in response to our citizens in that they with the council's support of this resolution can continue to advocate with our congressional delegation to get a national attention on this issue. So people are welcome to testify on any and all of them.

**Adams:** How many people do we have sign upped?

**Moore-Love:** We have two people who signed up.

**Adams:** Thank you, gentlemen. Welcome back, mr. Morrison.

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

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**Adams:** Ms. Moldovan. Please come up. Welcome to the council chambers. You just have to give us your first and last name and three minutes. The clock in front of you will guide your time.

**David Morrison:** David morrison.

**Adams:** You have any testimony for us?

**Morrison:** Yeah. Sorry. I thought you were going to wait.

**Adams:** No.

**Morrison:** I'm wondering how many of you would let somebody come in to your home with a microwave weapon, point it at you, turn it on, leave it on 24/7? This is what this technology is, nothing less. We are looking at tobacco and asbestos all over again. In europe, in israel, south america, they are exposed to 1,000 times less radio frequency radiation than we are here. There have been thousands of studies, it's now irrefutable that radio frequency radiation harms all biological systems. Animals, plants, bees, bats, everything is affected by radio frequency. And there is no safe threshold. I can provide stacks and stacks of studies. You have heard the slick presentation and -- well, i'll read something here. In may 2008, usa today reported sprint and clearwire plan to blanket the usa with by max turning the nation into one big hot spot. While putting high powered by max antenna may be good for consumers in terms of internet speed and access theres serious and growing concern about the effects of this 24/7 exposure to microwave radiation. The bioinitiative report, a larger view of over 2,000 studies on a known biological effects of electromagnetic radiation shows impact on r.f., on the immune function, the neurological system, inflammation, stress, et cetera. At levels of exposure way low are than current f.c.c. Exposure guidelines for industry. Based on the existing body of science, on the effects of r.f. Radiation grave concern is thus now being raised by scientists about the planned chronic exposure in the u.s. To these frequencies. An estimated 10 million people or 3% of the population is already estimated to be electrically sensitive. Germany has warned its citizens not to use wi-fi. There's a statement here from the head of education, and I am not sure exactly what his status is. But says wire net education should be banned from schools. That's in england. There's a scientist up in canada who wrote an open letter to parents and teachers and school boards regarding wi-fi networks in schools. I myself am not going to send my daughter to -- to mount tabor middle school because they just installed wi-fi. Anyway. I'm not too organized. I late notice of this so I don't have anything prepared but that's the situation. You folks have a legal and moral obligation to look into this technology and to intervene on our behalf. The federal communications, the f.c.c. Law of 1996 prohibits health reasons for placement of cell towers. So why is that? What does the telecom industry know? And when did they know it? This is just like tobacco and asbestos. And scientists are saying there will be more, many more casualties from this technology. It was rushed into implication, rushed to market without any regulation, oversight --

**Adams:** So i'm let you have a minute and 20 seconds over the normal amount. Would you like to wrap it up really quick?

**Morrison:** Well, that's pretty much it. I would like to see something done to --

**Adams:** Well said.

**Morrison:** -- to curb this or look at it.

**Fritz:** You support the resolution?

**Morrison:** Yes.

**Fritz:** Thank you.

**Morrison:** Absolutely.

**Adams:** Thank you very much. Hi.

**Louanne Moldovan:** Hi. This makes me nervous. But my name is luanne moldovan and I heartily support the resolution. And i, with all due respect to commissioner Fritz, or council woman -- commissioner, if this is to be a nationally recognized resolution, then I think Portland should stand up proudly to be at the vanguard of this movement. I would like to call it. It's like david

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versus goliath. It's daunting but we shouldn't let how daunting megalopolis corporations and the telecommunications industry be when there's voluminous wealth of evidence about how dangerous and threatening wi-fi is to children in particular. It's scientifically based research. It's not like a coverage of conspiracist freaks. Why it's covered up, why it's not recognized is infuriating and frightening. I have a daughter with type I diabetes. Her immune system is already compromised. I have an immune system problem. I don't know why. It's in the in my family's back ground. But it's perhaps why i'm more conscious of this and a lot of people understandably being humans, in this day and age with computers and cell phones and all the rest, it's hard to, for that to seep in, this evidence. But I think we bear responsibility for disseminating this information, for having our passionate voices heard. They are voices based in fact. This is not hypothetical. It's empirically based. Evening from l.a. To new zealand, they are banning cell towers on school grounds. As mr. Morrison said, in all over europe, the europeans are so far ahead of us, why can't Portland catch up? We are so forward thinking in so many other ways. I think we should be proud to stand up for this resolution. And in canada, they have an electrohypersensitivity ruling or something. Let's see. Anyway, they're calling it something now. Specifically, you know, to deal with it. Libraries in france have banned it. So this is commonality there. It's not like something peculiar and bizarre. So I thank you for your support and hope you will do everything you can for something that is a life and death situation without sounding too dramatic.

**Adams:** Thank you very much. Appreciate your testimony.

**Fritz:** Thank you both for coming down. As a registered and nurse and more I share your concerns and I appreciate your staying and coming tonight to support the resolution.

**Moldovan:** Thank you.

**Adams:** We are going to vote on the resolution, which is council item 677. Karla, would you please call the roll.

**Saltzman:** This is on the resolution? Ok.

**Adams:** Potential health effects.

**Saltzman:** Ok. Well, as I think commissioner Fritz said, I know that our former mayor vera katz had very strong concerns about this. I think these concerns are ones that serve another look, hopefully by our congress and f.c.c. I think there is certainly as we had said in our testimony, a lot of countries are going a different direction than we seem to be going in these areas and often they lead. And so I think this is definitely worth asking our congressional delegation to see what they can do to get the f.c.c. to take another look at this issue or maybe even look at the revisit the local preemptions. And with the new administration, the new congress, hope springs anew. Aye.

**Fritz:** So this resolution is evidence that we have heard the community's concerns about the health effects. And we recognize that federal law preempts state and local governments from considering the health effects. The federal communications commission has jurisdiction over wireless facilities and relies on federal agencies with health and safety expertise such as the federal drug administration, the environmental protection earthquakes the national institute for occupational safety and health. A 2001 government accounting office report concluded that further research is needed and recommended that the f.d.a. Take the lead. The federal communications commission last updated the guidelines in 2003 based on data primarily from the 1990s. So it's time to take another look. And I greatly appreciate my colleagues' support on this, the citizens testimony and before I conclude with my vote I just want to recognize the great work that's gone into this entire project. You know, as someone who is very -- who understands the importance of citizen involvement, you would think that I would be really disappointed that there were no citizens here to testify on the previous, on the other issues, the wireless facilities and the right of way. But I also recognize we had a lot of participation all along the way and that must mean that everything is satisfied with what we have come up with. So I do thank david olson and mary beth henry in the cable office, dave solace. We had particular meeting, there are only nine people in the cable office,

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the staff, and they bring in \$67 million to the city's general fund. We had one meeting where more than half of the staff of the cable office was present helping citizens have their beliefs heard and suggestions taken. So I appreciate that. And Ben Walters in the city attorney's office has been extremely helpful as were staff in the bureau of development services. And March Greet in my office has been outstanding on this issue. I appreciate everybody who has worked so hard to come to consensus, and I vote aye on the resolution.

**Adams:** Well, I want to thank the commissioner Amanda Fritz for leadership in this effort. I want to thank the team that cable and franchise managed, and the team in commissioner Fritz's office for bringing this forward. A lot of issues it would be nice for us to simply say, you know, federal law be damned we are going to start passing our own resolutions, even if they are in opposition to federal law. A lot of issues we would probably like to do that and get public support for it here in Portland. Unfortunately, that's not the way our system works. Advocacy, resolutions going to delegations from this city government like this are rare so does it and will highlight the seriousness that we take this issue as an avenue of inquiry. So I'm really pleased with this resolution. I just also want to say that the innovations on the rest of the right of way wireless issue are really profound and this is an issue that has beguiled me immediately the entire time I've been in Portland as a public servant and I am really just very excited we are doing right by the neighborhoods in so many ways with this whole package. Thank you, commissioner Fritz. Aye. Resolution is approved. Council stands recessed until tomorrow, Thursday, May 21st, at 2:00 p.m.

At 7:00 p.m., Council recessed.

**May 21, 2009**  
**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.

**MAY 21, 2009            2:00 PM**

**Adams:** Any discussion? It all began in third grade. Can you please call the roll on election of the presiding officer?

**Fish:** I'm pleased to support sam --

**Leonard:** Wow. Wow. Wow.

**Fish:** I want to note all the lights are broken in this building because we had a 15-hour hearing yesterday. But i'm pleased to vote aye.

**Fritz:** Aye and i'd like the record to show there's literally no item that commissioner Fish will not comment on. Aye.

**Saltzman:** Aye.

**Adams:** Aye. [gavel pounded] presiding officer has been elected.

**Item 683.**

**Adams:** I'll begin with a few introductory points, but could I have bruce come forward for the formal presentation of the budget. My introductory comments are as follows. This afternoon as we review the Portland development commission's proposed budget for fiscal year 2009 and 2010, i'd like to remind all of us of all of the particular urgency of the p.d.c.'s mission, the need to support p.d.c.'s mission during these very difficult times. Now more than ever we need a fleet-footed p.d.c. to deliver on its mission to create a strong regional economy with quality jobs and affordable housing for all. As you know, the general fund allocation is proposed to increase 27%, approximately three-quarters of a million dollars to increase citywide support for our local businesses and economy. A couple of key points before bruce gives you more did I tail. Given the need to help local businesses grow and create jobs, p.d.c. has proposed to increase business finance programs, small redevelopment loans, and storefront grants by \$6.4 million across the city. That is a 50% increase over the last year. And is all that more impressive given the approximately 30% decrease in the overall annual budget. This proposed budget also reflects the priorities of the emerging five-year economic development strategy that will be before the city council consideration at the end of june. The economic development plan focuses on job growth through strategic investment and retaining and growing firms, training workers, finding innovation and developing industry initiatives. This includes investment in the targeted industry initiatives, which is of software design, and apparel, clean tech, and advanced manufacturing. Also provides investments to move forward are collective investigation for ecodistricts and the Oregon sustainability center and a study of north-northeast Portland, the potential for a study of a new urban renewal district, somewhere in the city, and green neighborhood main street program to revitalize our local commercial quarters. Finally this budget shows a continued commitment to make significant investments in affordable housing with 37% of the expenditures going to support our collective commitment to investing in housing options for all Portlanders. It also incorporates to phase creation working with commissioner nick Fish of a new powerhouse Portland housing bureau. As some of you might have noted in recent publication, p.d.c. Relies on our private partners and the market to develop and implement projects. We are operating under very difficult conditions in terms of our private sector partners' ability to get credit, but we are ready when the global economics and the local impact of those improve, including in this budget funding for 1257

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housing units, 8 -- 784 permanent jobs to be created, 10,000 construction jobs to be generated, leveraging 931 million in private resources. 29 thank Bruce and his staff for putting this together, including Keith and Julie, Tony Barnes, I'd also like to acknowledge Erin and especially underline our thanks to the members of the Portland Development Commission. We have Commissioner Mullis and Commissioner Andrews here. And I think we'll be joined by Commissioner Foran later. Thank you very much for your partnership and helping to make Portland's economy stronger. Mr. Warner.

**Bruce Warner, Portland Development Commission:** Good afternoon, Mayor and Preside can officer Adams and member of the city council. Just a process thing so you understand what we're doing. This is your first formal meeting as the Portland Development Commission's budget committee. Which as you know is as a result of changes that were made in the 2007 election to our -- to the city charter. And we envision three meetings of this group as the budget committee. The first is right now, where hopefully we can again go over any outstanding issues we may have with our budget. The second meeting actually is tonight. Where you'll have -- hear public testimony at the Mount Tabor Middle School, and then if everything goes right, it's our expectation that next Wednesday at 2:30 you will meet again where you'll actually approve our budget, which will then be forwarded on to the Portland Development Commission for its action later next month. As per Oregon state statute, my job is to actually give you the executive director's message, budget message, and I would point out that Mayor Adams did a very good job of summarizing what's in that document. It's on page 1 of the budget that we all transmitted to you. If you want me to go through that I would. I would just touch on a few high spots for you. I know you spent a lot of time on this budget, and I and my staff would like to thank you for the time that you've taken to delve into the budget. So very quickly, let me just again reiterate. We believe this budget does capture the efforts to pursue the projects and programs that implement city goals and advances the community priorities within our urban renewal areas. The Mayor did a good job of indicating where the priorities are. I would just point out that the one that I think is the third bullet on page 1, this is the first step towards implementation and transition of all the housing functions from a Portland Development Commission to the new Portland Housing Bureau. I wanted -- want you to note this budget has been changed from a one -- from the one you saw last, because we've now included all of the funds in P.D.C.'s budget as well as the staff, where we'll do colocation and create a Housing Bureau on July 1. But the intent is to have that Bureau operational with colocation of the staff's shortly after July 1st I'll point out there's 863,000 dollars in transition costs that are now part of this budget that represents the tax increment financing share of those fences to create the new Bureau. I would also point out just to recap the budget, that the total proposed budget expenditures are \$205 million. 27 million in investment in business and industry programs which are focused on job growth and retention. And if you want to look at our metrics, there's a section in the budget which talks about the metrics. You actually see that we now track the jobs very carefully. They're verified by the state so they're real jobs, and we also keep track of how -- how our businesses are doing. The Mayor also mentioned the largest portion of our budget is going for housing. There's \$82 million in investment in the housing program. Which does include P.D.C.'s housing set-aside programs for the urban renewals. But it also incorporates as I mentioned before, the federal community development block grant monies, the state home monies, I.E.D. Grant monies and the first mortgage housing programs that will flow through the Portland Development Commission until the housing transition is complete. I hope to get that done early on as part of the next year's work. There's also \$32 million in investment in infrastructure projects. And this is important because I think you read in the paper, our public-private partnerships are struggling because of the financial market. We are moving forward as quickly as we can on the public infrastructure project that includes projects like the East Side Streetcar, the Burnside-Couch Cuplet, the Fields Park in the Pearl and many, many more. I get into those if you would like. There's also \$37 million in investment in

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revitalization projects and programs including key development projects, there's still funding for the headquarters hotel, hopefully we can make decisions on that this next year. There's money in the program for blockade in old town, which wants to be the home of the Oregon college of oriental medicine. And then the mixed use build can, mixed use development in old town-chinatown. And centennial mills is also one. There's a number of others you're aware of since we went throughout urban renewal areas one by one. And then budget includes staffing to actually deliver all the programs and includes all the grants and other programs that were mentioned in terms of business assistance. In terms of the other policy initiatives, I would again mention that we are getting close to completing the comprehensive economic development strategy which the mayor would like to see before the city council in July. And p.d.c. is continuing to respond to the recession by reconfigure our tools and strategies to help small business. And I think they've been very successful and well received by the small business community. The two other things that are important to note are the north-northeast economic development study where we're looking at the interstate urban renewal area and what connections we can do to further aid the Martin Luther King corridor and deal with other needs and areas that are also looking at the convention center and the Rose Quarter areas as areas that may benefit from that. And then we're also going to be doing a study and coming back to the city council in the spring, hope for some recommendation for a new urban renewal area on the west side of the central city where we can deal with some of the needs that have been identified for a number of years. I won't go through the U.R.A. By U.R.A. Summary, but as you know, there's a number of projects in each urban renewal area which are noted in my budget message. If you want me to for the benefit of the camera and the television audience, I can walk through those. But I think you're very familiar with those projects, so I think unless there's questions, or comments where you'd like me to go through that, I will stop there and turn it over to you, which we really want to have the discussion from you today and make sure we've got your issues identified.

**Adams:** Commissioner Fritz.

**Fritz:** I would like you to clarify for you camera and as well as for me, to explain council's role in terms of the budget. Are we approving funds at the funds level or project level?

**Warner:** First, you're approving a budget that includes all of that. But the -- our fund levels are our urban renewal areas. So within each urban renewal area you're look at projects and programs within there. So you're look at allocations by each fund or each urban renewal area for a specific project and program. And I would view that when you adopt this, that's the directs and your a-- you're approving a budget that includes those directives. So if we want to change those, I would think we'd want to have a dialogue with the city council before we make any major changes in those areas. If I'm being responsive to your question.

**Fritz:** Indeed. So each -- in each of those urban renewal areas you have an open renewal advisory committee, citizen and staff who advise the projects?

**Warner:** In most. Not all. There's some where we don't have an established urban renewal advisory committee, single purpose like the airport way or Willamette industrial, we don't have a committee. But in most of the areas where there are people living in businesses, we do have urban renewal areas -- their input has been incorporated into this budget you see today.

**Fritz:** Thank you.

**Adams:** Just for a little more detail to add to that exchange, we do not, unless there are land use issues or dead issues, we don't sign off on deals. Proposed deals. That's the job of the commission.

**Warner:** That is correct.

**Adams:** That are authorized by the budget.

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**Warner:** Right. So once you've authorized this and when the budget is approved, we actually have the ability to move forward to those -- on those projects and put the deals together to move them forward. Without coming back to you or in many cases our board.

**Fritz:** Explain to me and the viewing audience what the role of the Portland development commission board has been and will be when you take it back to the Portland development commission, what is their role in this process?

**Warner:** You're talking about the budget?

**Fritz:** Yes.

**Warner:** So you are acting as the budget committee for the Portland development commission. Which is something that's required under state law, and it goes away after the budget's been adopted and the new budget is adopted. So you're going to approve the budget -- approved budget you endorse goes to our board for its deliberations and final action. They do have the ability to make changes based on input and other public input and changes that we might hear between now and when we adopt, and we're look at the last meeting in June as probably our time for formal adoption.

But I would also say if there's anything that comes up between now and then we would want to get back with the city council and have a dialogue.

**Fritz:** Thank you.

**Fish:** I have a couple questions. First I want to again single out you and your senior team for the extraordinary help they've given to me and my team on this creation of a new Portland house can bureau. It would be an understatement to say it's been challenging, and I really appreciate this compromise we've reached of colocation, which allows us to move forward with putting everyone under one roof, while also staging some of the very complicated technical and i.t. And intellectual property issues. You and I didn't have any gray hair when we started this process, but I want to thank you for your work. Whether we did the budget dsht last council work session, the -- you gave us a proposed u.r.a. Financial summary, and at page 1 you did some five-year forecasting. The numbers in each category are different from the numbers on page 32. You've alluded to some of the differences, but can I walk through a couple categories?

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

**Fish:** For example, on page 32 of the budget document we received for today, there's a pie chart and there's some expenditures by category. For example, if you go to the first heading of business and industry, it says proposed is 26,992. When we did our budget work session, at page 1 it had proposed 14,540,000. Is the difference non-u.r.a. Dollars? Like general fund and other pass-throughs that is the difference between those two numbers?

**Warner:** I believe, so but i'm going to ask the person who actually put together the budget to give you the difference. Tony Barnes?

**Tony Barnes, Portland Development Commission:** Good afternoon. Commissioner Fish, the change is primarily related to the general fund, inclusion of the general fund economic opportunity initiative funds that are being included in the proposed budget. And I believe there might have been a difference on how we treated what we caltrans fernandes, which is the category below the expenditures. In the prior documents. But we can come back and provide a very detailed explanation as for as -- far as what those differences are.

**Fish:** If we go down one line for housing, at the budget session we had a proposed housing of 61,669,000. Here it's 82 million, and I believe s. That explained in part by what Bruce referred to as the federal cdbg state home -- all those programs folded into the tiff?

**Barnes:** That is correct.

**Fish:** And i'm just curious, when you calculate 30%, do you use the total of all dollars, tiff and pass-throughs, or do you just look at the tiff dollars?

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**Warner:** The tiff set-aside is based on tiff, tax increment financing expenditures. And as you know, it's actually u.r.a. By u.r.a. Specific. And then the costs were actually -- we're actually delivering at is on top of that.

**Fish:** I may be asking a self-evident question, but 30% of what denominator? Because we have one figure for housing that's x dollars, and another which is x-plus federal and other pass-throughs. So when we figure out a 30% set-aside, which do we use in the denominator?

**Warner:** You do not use the -- any of the federal dollars or dollars on it to determine a percentage. Those are outside of that requirement, if that's what you're driving -- .

**Fish:** So when the pie chart talks about 32% of the proposed budget is for housing, that includes both -- whatever the tiff set-aside s. Plus other dollars.

**Warner:** It does.

**Fish:** Infrastructure when we got together initially, was \$31,700,000, and then 43 million. Is that some pass-through and other dollars?

**Barnes:** The chart on page 32, i'm look at 32 million -- .

**Fish:** That does match up. Revitalization is 36 versus 32. Administration is roughly -- so the difference between the 166,180,000 that we talked about and the 204 has to do largely with some of these pass-throughs.

**Warner:** Yes.

**Fish:** A second question I have for you falling off on what commissioner Fritz asked is, under what circumstance or put it differently, in plain english, what would trigger a substantial enough change in the budget for any particular u.r.a. That it would go back to either the p.d.c. Board or to this body for further review?

**Warner:** Good question. So first we need to look at the magnitude of the change. If it's something that a 5-10% change in a project funding requirement, we usually try to do that within the existing allocations and use savings, for example, to deal with those needs. However, fits a new project that comes in which really forces the review and reprioritization of projects that are currently funded in this budget, that's when we need to come back and reallocate and actually have a formal process, which would involve the city council and the -- and our board in terms of budget amendments to reflect those changes. There's some legal requirements, but for the most part after the budget is adopted, and unless there's more than a 10% difference in the funds, we don't need to actually come back to you as a budget committee or city council to go -- make those changes. But I would commit to you that if we're talking about changes where we're having to reprioritize projects, we need to have a dialogue with the city council about those.

**Fish:** Let me follow up on that. Let me take one obvious example. And that is the unresolved question of the legal dispute involving the river district. This budget assumes that the river district amendment is still in limbo, so you have budgeted based on current forecasts assuming the amendment is still tied up. Is that correct?

**Warner:** That is correct.

**Fish:** But at the same time, the -- your board and the urac have identified priorities and programs they want to fund with the additional increment that would be granted to us if the cloud is lifted and we're successful in this appeal. Correct?

**Warner:** Yes.

**Fish:** So on that case, would you have to come back to us, or would you consider that something that's already been programmed assuming you have the available dollars?

**Warner:** We do not -- since the budget committee will no longer be in place or germane after the first of the new fiscal year, there's no requirement to come back here. Our board could make those changes, but we would have to go back to the tax conservation supervising commission per the laws, because I assume we would be looking at changes that would trigger that requirement. But if we're talk about major new projects, of which I hope is what indeed happens, we want to have that

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dialogue with you before we take an action on an amendment to assure that we're consistent in terms of goals and priorities of the city council.

**Fish:** Ok. Thank you.

**Saltzman:** A storefront improvement grants are now available citywide, correct?

**Warner:** With the general fund, that's correct.

**Saltzman:** How much of the general fund is earmarked for storefront improvements?

**Barnes:** I think we have an allocation of approximately 500,000.

**Fish:** I have that number.

**Warner:** We have 500,000 in the budget, the general fund.

**Saltzman:** That's general fund for nonu.r.a. Improvement storefronts. How much is embed -- what's the total figure if you add -- our general fund of 500,000 plus what's going on throughout the urban renewal areas. Do you have that number?

**Barnes:** I don't have the number. We can get you -- I don't have it, but it is significant.

**Saltzman:** Higher than the 500,000?

**\*\*\*\*\*:** Yes. So I a couple million maybe?

**Warner:** Yes. That's probably the right -- i'd have to go through and actually add that up. We don't have it subtotaled up. We've increased the allocation of that to try to help small businesses that we know are in trouble right now.

**Saltzman:** If people are interested in storefront improvement grants and they're not in an urban renewal area, we can now say there is hope.

**Warner:** Yes. And we've been -- this is the second year that the city council was given us that, and if you want we can give a report on exactly what we've done so far this year, but it's a very popular program. The word is just starting to get out to folks that it is available outside the urban renewal areas.

**Adams:** 823-3200. Any questions or discussion? Then I think -- do we take testimony here? Do the commissioners want to speak? Do we take testimony? That's tonight right?

**\*\*\*\*\*:** That's correct.

**\*\*\*\*\*:** There is one person to signed up.

**Adams:** Who is it?

**\*\*\*\*\*:** Ed gilbert.

**Adams:** Oh, ok. Hi, mr. Gilbert. Welcome back to city council. Welcome to the p.d.c. Budget committee i'm sorry. Glad that you're here. You have 20 seconds. You have three minutes.

**Ted Gilbert:** If i'm not quite finished, maybe somebody could ask me a question so I can finish. I am here as a capacity as a private citizen. I'm not here in my official commas as being a member of the gateway pact. Which i've been pleased to serve on for the last -- be involved with in the last 11 years. But the p.d.c. Budget arrived to us the day after our most recent p.a.c. Meeting and we haven't had a chance to talk about it. So I made phone calls to linda robinson and other members to get a feel, and they could not attend either the sessions tonight. First of all, thank you for letting me testify, the only testimony in this deal today. I was asked, not in an official capacity, but to express concern and make a request for consideration at this opportunity. The single largest line item on next year's fiscal budget and the year after that for the gateway regional center is a line item for affordable rental housing. I think all of you know that as a private citizen one of my passions happens to be affordable housing. I spend a little more of my time volunteering for affordable housing nonprofits. This is not an area of not in my back yard, etc. The single most compelling need that the gateway regional center has to finally reach that tipping point where private sector capitol will come in and turn it into the regional center that it is designed, is economic development and job creation. The market itself right now, rental housingwise, is unsubsidized at or below the rents that a new project would create. It was heartening to hear the discussion on the lents project, and the siting of the new baseball stadium, that potentially some members of council believe that

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the 30% set-aside is a citywide potentially flexible guideline rather than a rigid line item that has to be spent each year for a project, whether that particular district needs it or not, in its life span. We're getting there halfway through the point much gateway's life, and it is a serious question whether if and whether it ever will reach that critical tipping point. We are in conversations with a couple of large employers that are considering potentially moving to gateway, and might help us do that not only job creation and tiff creation, but that critical rebranding that east Portland as well as gateway desperately needs to reach that point. Frankly, one -- if what finally does get built out there is subsidize housing, while it's a wonderful thing, it will only reinforce the image that it has that the area is not ready for private sector developers to risk their capitol. So why am I here? I'm here to make a request in an unofficial capacity again to put our foot in the door. To take a look at those line items and say, yes, there's a line item at 2.5 million dollars each for the next two fiscal years for an affordable housing rental project, but in the event opportunity driven that a project presents itself that really speaks to what the community and perhaps p.d.c. Themselves very much believes is in the long-term best interest of the district, those monies could be used -- looked at as flexible funding. That could be front end loaded to something more aindian getting us to that critical tipping point to be made up later, to be -- I know i'm past my time -- but if there's a place holder, if there's a note in the file, if there's some direction that you could provide --

**Saltzman:** Let me ask you a question.

**Gilbert:** Would you?

**Saltzman:** Isn't this very similar as you noted that you're opening, that this is very similar to the types of discussions occurring right now with lents u.r.a. And the possible location of a triple a ballpark there, and the trade-offs that may have to be made, or commitment of funds in lents that would perhaps most certainly cut into the 30% set-aside to make that --

**Gilbert:** Absolutely. And even more flexibly what we're suggesting, what i'm suggesting, i'm not in an official capacity, is make it opportunity driven. If as opportunity presents itself, if nothing else materializes other than an affordable rental housing project, fine. But if one of these opportunities, and in lents case, maybe one has surfaced, that we have an opportunity to look and the flexibility to discuss at least have a discussion rather than say, sorry, that set-aside, we can't touch that money.

**Adams:** Thank you very much. I think we got a good point. Other discussion?

**Gilbert:** Thank you.

**Adams:** Thank you. Anyone else wishes to testify?

**Fritz:** I have more discussion on the gateway issue. I think -- I was coming -- I had my page open at gateway for a different reason. I do think that emphasizing rental housing in gateway rather than home ownership development, I question that line item. I also wonder about the prioritizing of that early -- earlier in this urban renewal district instead of economic development, and looking at cluster development in gateway. As a registered nurse i'm particularly interested in the medical cluster that is currently there in gateway, and fascinated by the opportunity to look at some well-paying jobs and also the education that could come with emphasizing the medical cluster in gateway with some of the hospitals and the nearby colleges and schools and all that. So how -- what is the plan for emphasizing bringing good jobs to gateway?

**Warner:** Well, again, following on mr. Gilbert's comments, our role is to be opportunistic. So if we have the opportunity to land or bring a new business to Portland, we're going to find out what they need and where best they would be sited. As an example, I think you're well aware of the citizenship and immigration services dialogue that went on a year ago about where they should land. I can't remember how many jobs are created by that. One of the sites that's under serious conversation is the gateway urban renewal area, which we've already indicated with a couple developers that we would be willing to look at the utilization of some of our property. Part of the economic development strategy that you're going to have an opportunity to view and actually

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approve in July tells us what we're going to be focusing in terms of our jobs. And where we want those jobs. We already know we have a presence of medical jobs in that area. So that's always on our list. But we want to keep looking at other people are looking in those four target areas. We will first look in every urban renewal area to figure out where the best site is. If gateway is the best site, we'll do our best to help land them there. Fit means coming back to our board ultimately to you to make some changes in our budget to take advantage of that opportunity that have come our way, we will do that. I can't tell you of any ongoing recruitment we have in that field, but we do -- for example, the C.I.S. Building is clearly one that's in place that will help create jobs if that's successful and they land in that area. But we're always looking and we would be glad to tell what you we do to make context and work leads. We have a very good network with our regional partners and with the private sector to help get businesses in the right place in the city. And this is one of those areas we really do want to see jobs created. And it has been a struggle.

**Fritz:** Thank you. I'm not -- maybe I'm missing the line item for infrastructure developments in gateway. Because Mr. Gilbert's point that there's already affordable housing, perhaps we should be emphasizing more H.O.M.E -- homeownership opportunities is -- another is providing the streets and sidewalks that are so close to the main streets. And I'm wondering, has there been any consideration to looking at the boundaries of the gateway urban renewal district?

**Warner:** We have not done a major review of that. But there has been suggestions by this group, actually, that we ought to look at some things. I think one of the potential washing sites was identified as something we ought to look at. We are currently looking at moafs our urban renewal areas to determine where and if we ought to make changes. And I think this is an area where the size of the district is small, therefore the increment growth just in the background is small. And so without those major employers and new jobs, the amount of increment we can get to do any major projects is limited. The areas you point out are the focus that we're doing right now, and on the housing, I think you're going to have a new bureau set up that will be able to have a dialogue with you about the priorities in these particular areas. But I would point out in gateway there are some opportunities to acquire some land to get ready to deal with some affordable housing projects that are stalled right now that may be ready to go in the next few years.

**Fish:** Just on that point if I could, the council at one point set some broad parameters for housing by district. I don't think anyone viewed those as sacrosanct, but they were intended to be guides. The uracs have a role in helping to shape those decisions, and then we all understand that market conditions also have an enormous impact. If the bottom completely fell out of, let's say, financing for multifamily housing for middle income and below, and there was a signified need for homeownership, home repair, community land trust models, I would hope that our process going forward is going to be flexible enough to adapt market conditions. Just as the premise of Mr. Gilbert's question is that as we do five-year forecasts, if again the bottom falls out of one category and you can't -- you just can't move forward, I assume P.D.C. Can reprogram dollars to meet some other needs and seize opportunities. So there is some flexibility, and the new housing bureau is very interested in -- on a regular basis revisiting the question of what are the priorities within a district. And how might the money be spent effectively.

**Adams:** I'll just add that the bureau of planning and sustainability, one of the foundational pieces of analysis I've asked them to provide that will be coming back to council and is part of the Portland plan, and that is what are the key attributes of a healthy neighborhood. Whether that neighborhood has to be -- happens to be a central business district or downtown main street, or some other type of neighborhood within the city of Portland. How can we make decisions about investment of tax increment financing or other regulatory or financing options, decisions about how to implement those or where to implement those, or how much, based on a better sort of factual diagnostics of what's really going on. And every part of town. It doesn't mean we can't take risks, just the opposite. It don't mean we don't need to be creative and inspired, and use our own judgment. But

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the notion of having our advisory committees in the urban renewal areas ourselves, the Portland development commission making decisions with a diagnostic of what's going on in gateway, beyond that which we can really see, is going to be before the city council in the next -- and the Portland development commission within the next 90 days.

**Fritz:** Going back to lents and possible baseball, is this the time we should be discussing the impacts on the lents urban renewal area if directing money to one cause or another?

**Adams:** I think because we don't have any sort of proposed deal we're not ready to talk about it.

**Fritz:** So when will the whole council get to talk about that, and what context? The p.d.c. Budget committee, or council? Do we have to come back as the budget committee if we want to make a radical change in lents?

**Adams:** I think right now we're convening today and tonight as the budget committee for the entire proposed p.d.c. budget. As Bruce indicated and the lawyers can correct me if I'm wrong, but as I understand, as Bruce indicated, we can make changes recommend changes to the p.d.c. They ultimately make the decision on the budget, were the budget -- we're the budget committee for them in this particular regard. So this would be a proposed budget until we recommend something to them and we will be making decisions on that what day?

**Warner:** On the -- when you take your formal action? Next Wednesday, hopefully.

**Adams:** Fit happens between now and next Wednesday, it could be included in whatever we recommend. For a proposed deal comes together for a baseball park in lents, then we would be to bring that obviously to city council regardless of whether we're in the budget p.d.c. Budget committee stage or not for council consideration. And then on to p.d.c. So either way it's going to come to the city council, and it's going to go back to p.d.c. We're just in this weird sort of budget-making -- .

**Fritz:** So with the Portland development commission, then have the option to say no, that they disagree with the allocation if the council recommended we allocating money to the baseball committee, would the development commission be able to say no?

**Adams:** My understanding is that is correct. Is that correct?

**Warner:** The question is, if the --

**Adams:** Yes. I am correct.

**Warner:** You are correct. The board -- I would point out that obviously the city council appoints our board, and have the ability to remove folks if we -- if you don't like our decisions. My hope is we'll work together and agree on a package if that's what we want to move forward on, it makes sense for everybody.

**Adams:** Just to be clear, just so p.d.c. Commission is -- has sort of the potential deal history staff has been at the table. They're not authorized to make any decisions on behalf of the Portland development commission or the leadership because that direction has not been made from either the p.d.c. Or the city council, but they are there to provide us the technical sort of expertise. Any other discussion?

**Warner:** I have an answer for commissioner Saltzman. Keith was back there with the ating machine. If you look at our storefront programs, and every u.r.a. You add them up, it's about \$1.75 million. If you add the half a million from the general fund, it's about \$2.25 million. So we're right about right in terms of the amount.

**Saltzman:** Is that listed under your business industry category or revitalization category?

**Warner:** Under each one it should be under business and industry. Excuse me. Revitalization.

**Saltzman:** Thanks.

**Fritz:** One more thing I want to put on the record. I'm watching the detox funding, my understanding from talking with your staff is that's ok with the county.

**Warner:** That is my understanding, commissioner. That's when they really actually would need the money.

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**Adams:** Need the decision this year in order to line everything up, and that's when they need the cash. So the legislative intent, we'll note it as a budget note in p.d.c.'s budget, that we're making a precommitment -- i'm suggesting we make the precommitment now subject to p.d.c. Commission's approval.

**Fritz:** And I want to note how appreciative I all of that, thank you. For the hooper detox upgrade.

**Fish:** One trigger related to housing and the new Portland housing bureau, and I don't know the answer, but it seems to me one of the interesting legal issues we're going to work out going forward is the board, the commissioners are responsible for actually managing the tiff program. They make decisions about how much indebtedness -- they have a fiduciary duty to make wise decisions. And in turn with the new Portland housing bureau, we'll be receiving those monies and spending them hopefully aligned with what our shared vision is. But there are different roles we'll be playing. And it's going to be interesting to figure out the sweet spot on that, because we both are going to have legal duties as custodians of the money, you and your board, -to-raise it pursuant to some kind of due diligence and then us to spend it in conformity with both the legal restrictions that you're bound by as well as conformity with city policy. And that is -- I don't want to give everyone a headache and bore people, but it is a work in progress, figuring out how we do that. And our intent is to collaborate very closely with the p.d.c. Commissioners, since they are going to be closer to the issue of the debt servicing and the decisions on tiff and make sure that our actions and policies are aligned with the actions taken by the commission.

**Warner:** Thank you, commissioner. I agree.

**Fritz:** I've been look at the Oregon convention center, and noting that the \$4 million for planning the headquarters hotel in -- the intent is that will not be a p.d.c. If obligation in the actual development phase and thereafter, is that correct?

**Warner:** The 4.5 million dollars total you're look at would be the cash that we would bring to move that project forward. It's probably going to be a combination of design and planning as well as actual probably implementation of the project. The other line you don't see is we purchase land, which is probably worth about \$12 million, which would also be part of that deal. So there's probably 15-17 million dollars total resource. But after that there's no additional resources that would go from p.d.c. To that project. And that would only be expended assuming a decision is made for that project.

**Fritz:** Thanks. I'm glad I got that right. For rose quarter revitalization, we've got 35,000 this coming year. Nothing the year after, and \$3.5 million and 1.9 million in those two subsequent years. Those have been in the budget for a while, is that correct, or no? Is that new? Page scearks the rose quarter revitalization, 35,910 for presumably planning, and 3.5, and 1.9 in 1213. Those have been in the budget for a while?

**Warner:** I have to ask, this is --

**Keith Witcosky, Portland Development Commission:** They were not in last year's budget. They were put in the '09-'10 budget over the last four to five months, six months.

**Fritz:** So the 11, 12, and 12, 13, those are new projected expenditures?

**Warner:** Those were row allocation from other projects to this. And this was money we had set aside to help forward on any rose quarter redevelopment.

**Fritz:** Thank you.

**Warner:** Obviously again it's dependent on a decision and a partnership with the private sector to take advantage of those dollars.

**Fritz:** Is there other particular projects that are not being done because of that 3.5 and 1.9?

**Warner:** I think we looked at the priorities with some -- within that category. So there's monies that were reduced from other allocations, other projects as an example. And I can't answer that at this moment.

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**Adams:** My understanding is reallocation from other line items, but not from other projects. Projects that came in at a lower amount than initially conceptualized.

**Fritz:** It's not like we're cutting something else.

**Adams:** No.

**Fish:** North macadam, there is about \$3.3 million budgeted in 2010-2011 for the greenway design and construction. Does it total of '09-10 and 10-11 of almost \$4 million. But nothing in the out years. What's the current gap that's projected to meet the requirement of the proposed greenway?

**Warner:** I can't answer that. But I know we have cost estimates for both -- either ends of that. So I can get that for you.

**Adams:** In terms of what's our gap and the ideas we're considering to fill that gap.

**Adams:** I think it's a substantial gap.

**Warner:** It is.

**Fish:** And when we met as a budget work group, I had just asked whether there were any budgeted dollars in lents that we could use somewhere doubt road to acquire land around leech botanical. Is anything budgeted for that?

**Warner:** I think what we point out in the response is, in later years there are some dollars --

**Witcosky:** If you look to page 83 of our budget, and you looked in fiscal years tertian 11, through 13-14 on the bottom of the page, you'll see resources each year. We anticipate that's going to be a six to 800,000 dollar purchase we want to split with the parks bureau. At the appropriate time. So we have -- unless it gets reprioritized, we have those resource available.

**Fish:** Starting in 2010 out? That's under parks?

**Witcosky:** One three -- 13125, parks public improvements.

**Adams:** Any other discussion? We stand recessed until 6:00 p.m. This evening. [gavel pounded]

**Adams:** Oh, we stay in recess until 3:00.

At 2:50 p.m., Council recessed.

At 3:08 p.m., Council reconvened.

[ roll call ]

**Item 684.**

**Leonard:** We have the ordinance for the bureau of development service, the annual ordinance for permit fees. I have paul, denise, and i'm sure do you have anybody else you want to bring with you?

\*\*\*\*\*: [inaudible]

**Leonard:** Ok. I sier well armed with competent staff.

\*\*\*\*\*: [inaudible]

**Adams:** Are there more lights than this?

**Moore:** They're not working.

\*\*\*\*\*: [inaudible]

**Paul Scarlett, Director, Bureau of Development Services:** Paul scarlet, director for bureau of development services. I am here with to my left, denise kleim, senior operations business manager for the bureau, and I am pleased to share with you -- t our fee increase proposal, and i've been the bureau director for this is my fourth year, and i've come in front of you to ask for approval for fee increases because our bureau is operating fund bureau, which relies heavily on fees. Most of our fund or operation is supported by permit fees, about 94% is what our operation is made up of 5% is general fund another 1% is reimbursement through interagency agreements. The fee proposal in front of you is consistent with our goals each year of aiming to achieve 100% cost recovery, and also to ensure that a reserve funds are met, our reserve goals. The bureau of development services' mission continues and we strive earnestly and tirelessly in promoting building sairveghts livability

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for the city of Portland, and economic vitality. We do this through the various functions as performed by all the employees in the bureau, relative to permit issuance, plan review inspections, and enforcement activities, property maintenance, and of course administrative services. And in conjunction with those standard functions, we are excited to have embarked particularly since commissioner Leonard came on board on huge outreach efforts focus order customer service and ensuring our programs are effective, efficient, and reasonable and practical. I believe you have some handouts that shows pie charts. They're very colorful, and of course our expert staff put this information together. It should help shed some light on how the bureau's operation is broken out relative to its divisions. It's revenues and it's expense -- its expenses. And we have information that is further included in the memo that I sent to you that shows what our fee increases are proposed at, general they're in the 5% range. This is through careful analysis with our partners, our internal financial analysts, and I do appreciate the assistance we get from the finance office in o.m.f. and claudio campisano has been very helpful. And so we feel we have a package that reflects the level of service that all of our customers who have come to appreciate and hope to continue. It reflects our focus in showing that we have programs that are relevant, that we have technologies that keep pace with changing industry needs, and customers' needs. And that we are forever looking at educational opportunities to train our staff to stay competent, to ensure that our customer service goals and our performance goals are met. And we are also tied in to a five-year financial plan, and we use as good a projection and information that we have at our disposal from the state economist, from our industry partners, to put together a packet that meets the financial goals that shows the bureau's yearly budget and how it's support through the fees and different services that are in place to make this happen. I will turn to denise to speak more directly to some of the fees and I would be happy to answer any questions.

**Denise Kleim, Bureau of Development Services:** Thank you. Denise kleim, bureau of development services. One thing would I strongly mention is the one fee that we're not increasing. And that's our building permit fees. That's significant, because for a developer it's usually one of the larger fee we charge in the bureau, so it's pretty significant that that is not being increased this year. We did look at the mechanical fees this year, and so there is a difference between our financial plan and this proposal in that in look at our mechanical fees we found that the revenues coming in for that program were only funding about half the program costs. So that fee is being increased. That's why that's at 10%. And over the next year we'll be looking more carefully at that fee and proposing a five-year plan to bring that program up to cost recovery. The proposal also incorporates the proposal from the mayor's proposed budget to increase the land use services fee to 7%. And another thing that is not in this proposal is, we are still really concerned about funding the neighborhood inspections program. And we're still doing some research on a neighborhood livability fee to see if there's something feasible to enable us to more robustly fund that program. So that will bring back to you -- we'll bring back towrks it will be at least a month before we do that, and we're also taking a look at our appeal fees and will likely bring those back to you. It will be at least a month.

**Scarlett:** I would like to add a the bit of a context, certainly we're all aware and can appreciate the difficult economic situation that the bureau and the city is in. We have over the period of six to eight months really explored a number of cost-saving measures, and one of the concerns that has been shared with us is the fee increases, are they aimed at making up the gap between the shortfall and the revenues that we're experiencing. And in no way are they aimed at making up the gap, focused on recovering costs, cost increase and wages, is such that occurs on a yearly basis. And our gap really have taken on other measures such as working closely with the union, working closely with our employees, implemented e-time in our bureau. Reduction in overtime reduction in travel and supplies and materials. And we have been very successful in exploring those options, and working closely with our employees, and we are -- our budget did reflect partnership 18.5 positions

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being eliminate from our budget by july 1st through what did I just mention, along with severances as a tool. I am pleased to share with the council, because I shared well employees this morning that we will not have to cut any position. No action of layoff will be taken by the bureau of development services. So that's something we're very proud of, and we share that with the expiewn all the affected employees we talked to back in february. We're not out of the woods, but we're very happy about making such good progress. We thought you'd like to hear that olympic I just really want to underscore that point. This has been a really contentious issue, and a lot of concern as you can imagine on the people that work at the bureau of development services, beginning last christmas season. Through now on the possibility of losing their job. And it's a very dramatic thing for a person to contemplate and palm and his team and our office have worked diligently to develop this plan that paul referred to to avoid that possibility, and it's been tough, but employees have agreed to various nef. A number of things council has agreed to don amending the rules that have given us more tools to specifically address the issue of trying to avoid layoffs. So I really want to commend paul and his management team. They've worked very hard to meet that end. I think b.d.s. Has been changed more than any other bureau to that end. The reliance on permit fees on the bureau and obviously with the economy the way it is, people aren't getting permits, and there's been a precipitous drop in revenue. So I want to commend you and the team for everything you guys have done.

**Saltzman:** The building permits aren't going up? Can you point to where that is? Everything I see has a higher fee associated were it.

**Kleim:** It's not there because it's not going up. So we didn't put it in the rants because we only put the changes in the ordinance. But if you look at our financial plan, it shows zero percent increase on building permit fee.

**Saltzman:** That's for commercial, residential --

**Kleim:** Right, all of our building permit fees. Remodel, additions, new construction, any of those. So electrical plumbing, I think, that's going up, mechanical, that's going up, but the actual structural permit for the actual structural work is not changing.

**Saltzman:** Thanks.

**Fritz:** And I have a confirmation. Thank you so much for work can with our office and getting my questions answered. My understanding is that the neighborhood inspection assist currently funded with general fund as it has been funded in the past. Is that correct?

**Kleim:** It's funded with both general fund and with fine and penalties. So there is some general fund in that -- .

**Fritz:** That's in the mayor's budget?

**Kleim:** Right.

**Fritz:** Thank you.

**Adams:** Any other discussion with council? Has anyone signed up to testify?

**Moore-Love:** No one signed up.

**Adams:** Is anyone here that wishes to testify?

\*\*\*\*\*: [inaudible]

**Adams:** I had a feeling. Come on up. You have 90 minutes. No. [laughter]

**Simon Tomkinson:** My name is simon, and I run small architecture firm in towfnlt my day job is as a drak member. We've been working pretty heavily with paul on not only looking at the day-to-day, but also look at what's coming doubt pike. What's actually showing up in the next three to six months. We're equally concerned about is that. I have to commend commissioner Leonard paul, but also all the bureau directors that are involved in the development services. Because they've all been focused on this. I was here last october testifying previously, and we were under gathering clouds at that point. And the organization at the governmental body, everybody has actually come together and actually come up with some very good solutions. I'm happy here to testify athrownd

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budget, because we worked on it with paul and denise and everyone, and hardly supportive. Everything. Now, you don't usually hear that from industry. But we recognize that if we're asking for services --

**Adams:** Jim, did you gheat part?

**Tomkinson:** We're asking for services.

**Adams:** He's with the Oregonian.

**Tomkinson:** There's a reason. Time is money in the development world. If we don't actually hit our targets, we lose our projects. I'm tell you as small architectural firm, we have gone through a really difficult time in the last six months. And so one of the things that's critical for us, when we have a project moving, it has to move. We have no option on it. And the city has been a great partner in that process. Now, I want to highlight, the building permit fee has not gone up. A lot of the tertiary fees have, but those are usually special case and require more work. We appreciate that.

We understand that that's actually the case in the development services arena. The other aspect of this is that we have been working with denise well before this, actually in the last four years about really looking at what the reserve fund for the bureau is. And making sure our reserves cover any projected downturn, like we've had. I've been working with drak for over four years and i've been arcing with for fee increases or fee adjustments to make sure our reserve fund isn't place -- is in place for exactly what the kind of thing that happened in the last six months. We would be in desperate trouble if we hadn't done that. And this is again, I want to commend the whole staff and all the other bureaus also in actually to be really listening to us in terms of being responsible in the overall budgeting of how our fee and services are calculated relative -- how the service levels are adjusted. And we've seen that too. We've seen a shift in the hours, and we've seen a shift in terms of the resources allocated to the overall desk at the permit office. But we have not seen a change in the service. And that is is a critical distinction I want to make. Obviously I could complain about s.d.c.s, and all the other things, but that's not what i'm here for. But I want to thank you.

**Fritz:** Thank you very much for coming in and spending time with us this afternoon. Thank you for serving on the committee. I worked with commissioner Leonard a long time ago to establish the membership of that committee, so is this a consensus with the neighborhood folks and the environmental folks as well? Did everybody support --

**Tomkinson:** It's unanimous.

**Fritz:** Great. Thank you very much.

**Leonard:** That's a great advisory work, and you do an excellent job, there stewart, and we appreciate your professionalism and balanced approach. It's been a real asset.

**Adams:** Thank you very much. All right. Unless there's anyone else in the room that would like to testify, we stand in recess until 6:00 p.m. [gavel pounded]

At 3:23 p.m., Council adjourned.

Note: 6:00 pm meeting was a Budget Hearing at Mt. Tabor Middle School. Recorded by Office of Management and Finance.